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PROCEEDINGS AND DEBATES OF THE 95th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Friday, August 5, 1977*

The House met at 9 o'clock a.m.

Rev. Napp N. Granade, pastor, Shirley Hills Baptist Church, Warner Robins, Ga., offered the following prayer:

Our Eternal Heavenly Father, we lift up our hearts to You in praise and adoration for being our Father and our God. We praise You for the manifold blessings that you have showered upon us.

We praise You for sending Jesus Christ that we might know your likeness. We praise You for holding mankind in such esteem that all men are created in Your image with inherent dignity.

We thank You for this honorable Congress. May each of them be led by an insight from You as they study and work.

Bless our Nation and lead us in the paths of righteousness for Thy name's sake. And may Thine be the power and glory forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate has passed without amendment a bill and a concurrent resolution of the House of the following titles:

H.R. 1952. An act to amend the corporate name of AMVETS (American Veterans of World War II), and for other purposes; and

H. Con. Res. 327. Concurrent resolution to correct the enrollment of the bill H.R. 6161.

The message also announced that the Senate vitiated its action on the concurrent resolution (H. Con. Res. 317) providing for an adjournment of the House from August 5 until September 7, 1977, and an adjournment of the Senate from August 6 until September 7, 1977, thus clearing the concurrent resolution for approval.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6161) entitled "An act to amend the Clean Air Act, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1377) entitled "An act to extend the time for commencing actions on behalf of an Indian tribe, band, or group."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7555) entitled "An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1978, and for other purposes," and it further announced that the Senate disagreed to the amendment of the House to the amendment of the Senate numbered 82, to the foregoing bill and requested a further conference with the House.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 926. An act to amend the Federal Election Campaign Act of 1971, and for other purposes;

S. 948. An act for the relief of Chin Ah Park and Chin Suk Park;

S. 1003. An act for the relief of Me Young Lee;

S. 1306. An act to provide temporary authority to the Administrator of the Small Business Administration to facilitate water conservation practices and emergency actions to mitigate the impacts of the 1976–1977 drought; and

S. 1617. An act to establish a program of ocean pollution research and monitoring and for other purposes.

The measure also announced that the Vice President, pursuant to Public Law 84–689, appointed Mr. SPARKMAN (chairman), Mr. BAYH, Mr. ABOUREZK, Mr. BIDEN, Mr. CASE, Mr. JAVITS, Mr. PEARSON, and Mr. HEINZ to attend, on the part of the Senate, the North Atlantic Assembly, to be held in Paris, France, September 18–24, 1977.

REV. NAPP N. GRANADE

(Mr. BRINKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRINKLEY. Mr. Speaker, it is a joy for me to welcome Brother Napp Granade, the pastor of the Shirley Hills Baptist Church, Warner Robins, Ga., to our midst today. Warner Robins is within my congressional district and Napp Granade was formerly pastor of my church in Columbus, Ga., Wesley Heights Baptist Church.

It is a double joy, because today is an unusual session beginning at 9 o'clock. It is also a privilege to have here as guests the dear wife of Napp Granade, Sarah, and their son, Nelson, together with Tom and Betty Garrett of Columbus, Ga., and their sons Ward and Tim.

I want to say that Napp Granade serves in the spirit of a town in our district of Georgia called Andersonville.

A man incarcerated there in the war between the States, on his release, boarded a train at Millen, got on a ship at Savannah Harbor and returned to New York. Later in the dedication of the New York Monument at Andersonville, and his return, he said he thought the earlier occasion was the finest hour of his life. But he said on that day in 1916 when the New York Monument was being dedicated, that that was the finest hour of his life, for he said we are all friends and comrades in the service of our fellow man, with a free country, a free education, a free press, and freedom of religion. He said this is the finest country upon which the sun has ever shone.

It is in that spirit that Napp Granade has come to us, and we welcome him today.

FUNDING INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY HOUSE PERMANENT COMMITTEE ON INTELLIGENCE

Mr. THOMPSON. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 729 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 729

Resolved, That, effective August 1, 1977, expenses of investigations and studies to be conducted by the House Permanent Select Committee on Intelligence, acting as a whole or by subcommittee, not to exceed $302,499 including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House

Administration. Not to exceed $12,500 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the House Permanent Select Committee on Intelligence shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

The SPEAKER. The Chair recognizes the gentleman from New Jersey (Mr. THOMPSON) for 1 hour.

Mr. THOMPSON. Mr. Speaker, House Resolution 729 provides funding in the amount of $302,499 to support the studies and investigations to be conducted by the Select Committee on Intelligence, chaired by our distinguished friend and colleague, the gentleman from Massachusetts (Mr. BOLAND). This is for the remainder of the first session. The Committee on House Administration heard testimony of the gentleman from Massachusetts (Mr. BOLAND) and the gentleman from California (Mr. BOB WILSON), the ranking member. Each expressed strongly his support of this resolution. The select committee met and considered thoroughly its organizational structure which is contained in the report. That organizational structure requires a projected staff of 31.

The staffing of the select committee is somewhat unusual, but the mandate of the committee is broad in its operation because its studies and investigations are quite sensitive. For example, the select committee must employ a small stenographic corps with high security clearances to record its proceedings, and a security director to oversee the integrity of the documents provided the committee by the intelligence agencies. Parenthetically, the select committee will look into the activities of intelligence agencies throughout the Government.

I am most appreciative to the chairman of the select committee and its ranking minority member for the thoroughness of the presentation they made to the Committee on House Administration.

I understand the gentleman from Ohio (Mr. ASHBROOK), a member of that committee, would like to have me yield to him for debate only on this subject.

Mr. ASHBROOK. I thank my colleague, the gentleman from New Jersey, for yielding. I merely want to indicate that our ranking minority member, the gentleman from California (Mr. BOB WILSON), is not present but we are completely in accord with this resolution, and I appreciate the expeditious nature of the actions of the House Administration Committee.

As a matter of fact, I am not known as one who spends a lot of money. I am inclined to think this is a modest start.

Mr. THOMPSON. I quite agree, having traveled extensively with the gentleman, he is exactly correct.

Mr. ASHBROOK. I thank the gentleman for yielding. I hope the Members will support this resolution.

Mr. THOMPSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 342, nays 10, not voting 81, as follows:

[Roll No. 507]

YEAS—342

Abdnor	Clawson, Del	Forsythe
Addabbo	Clay	Fraser
Akaka	Cleveland	Frenzel
Alexander	Cochran	Frey
Allen	Cohen	Fuqua
Ambro	Coleman	Gaydos
Ammerman	Collins, Ill.	Gephardt
Anderson, Calif.	Collins, Tex.	Gibbons
	Conable	Gilman
Andrews, N. Dak.	Conte	Ginn
	Conyers	Glickman
Annunzio	Corcoran	Gore
Applegate	Corman	Gradison
Archer	Cornell	Grassley
Ashbrook	Cornwell	Guyer
Ashley	Cotter	Hamilton
Aspin	Crane	Hammer-schmidt
Badham	Cunningham	
Badillo	D'Amours	Hanley
Bafalis	Daniel, Dan	Hannaford
Baldus	Daniel, R. W.	Harkin
Barnard	Danielson	Harrington
Baucus	Davis	Harris
Bauman	de la Garza	Harsha
Beard, Tenn.	Delaney	Hefner
Bedell	Dellums	Heftel
Benjamin	Derrick	Hightower
Bennett	Derwinski	Hillis
Bevill	Devine	Hollenbeck
Biaggi	Dickinson	Holtzman
Blanchard	Dicks	Horton
Blouin	Downey	Howard
Boggs	Drinan	Hubbard
Boland	Duncan, Oreg.	Huckaby
Bolling	Duncan, Tenn.	Hughes
Bonker	Early	Hyde
Bowen	Eckhardt	Ichord
Breaux	Edgar	Ireland
Breckinridge	Edwards, Ala.	Jacobs
Brinkley	Edwards, Calif.	Jeffords
Brodhead	Edwards, Okla.	Jenkins
Brooks	Eilberg	Jenrette
Broomfield	Emery	Johnson, Calif.
Brown, Mich.	English	Johnson, Colo.
Brown, Ohio	Erlenborn	Jones, N.C.
Broyhill	Ertel	Jones, Okla.
Buchanan	Evans, Colo.	Jones, Tenn.
Burgener	Evans, Del.	Jordan
Burke, Calif.	Evans, Ind.	Kasten
Burke, Fla.	Fary	Kastenmeier
Burleson, Tex.	Fascell	Kazen
Burlison, Mo.	Fenwick	Kelly
Burton, Phillip	Findley	Kemp
Butler	Fish	Ketchum
Byron	Fisher	Keys
Caputo	Fithian	Kildee
Carney	Flood	Kindness
Carr	Florio	Kostmayer
Carter	Flowers	Krebs
Cavanaugh	Flynt	LaFalce
Cederberg	Foley	Lagomarsino
Chisholm	Ford, Tenn.	Latta
Leach	Nowak	Spellman
Lederer	Oakar	Spence
Leggett	Oberstar	Staggers
Lehman	Obey	Stanton
Lent	Ottinger	Stark
Levitas	Panetta	Steed
Lloyd, Calif.	Patten	Steers
Lloyd, Tenn.	Patterson	Steiger
Long, La.	Pattison	Stockman
Lujan	Pease	Stokes
Luken	Pettis	Stratton
McClory	Pickle	Studds
McCormack	Pike	Stump
McEwen	Poage	Symms
McHugh	Preyer	Taylor
McKay	Price	Thompson
Maguire	Quayle	Thone
Mahon	Quillen	Thornton
Mann	Rahall	Traxler
Markey	Rangel	Treen
Marks	Regula	Trible
Marriott	Reuss	Tsongas
Martin	Richmond	Tucker
Mathis	Roberts	Udall
Mattox	Robinson	Ullman
Mazzoli	Rodino	Van Deerlin
Metcalfe	Roe	Vanik
Meyner	Rogers	Volkmer
Mikulski	Rooney	Walgren
Mikva	Rose	Walker
Milford	Rostenkowski	Walsh
Miller, Ohio	Rousselot	Wampler
Mineta	Roybal	Watkins
Minish	Rudd	Weaver
Mitchell, Md.	Russo	Whalen
Mitchell, N.Y.	Santini	White
Moakley	Satterfield	Whitehurst
Moffett	Sawyer	Whitley
Mollohan	Scheuer	Whitten
Montgomery	Schulze	Wiggins
Moorhead, Calif.	Sebelius	Wilson, Bob
	Sharp	Wilson, C. H.
Moorhead, Pa.	Shipley	Winn
Murphy, Ill.	Shuster	Wolff
Murphy, N.Y.	Sikes	Wright
Murphy, Pa.	Simon	Wylie
Murtha	Sisk	Yates
Myers, Michael	Skelton	Yatron
Natcher	Skubitz	Young, Fla.
Neal	Slack	Young, Mo.
Nedzi	Smith, Iowa	Zablocki
Nichols	Smith, Nebr.	Zeferetti
Nix	Snyder	
Nolan	Solarz	

NAYS—10

Gonzalez	Myers, Gary	Stangeland
Goodling	Myers, John	Wydler
Moore	Ryan	
Mottl	Schroeder	

NOT VOTING—81

Anderson, Ill.	Goldwater	Perkins
Andrews, N.C.	Gudger	Pressler
Armstrong	Hagedorn	Pritchard
AuCoin	Hall	Pursell
Beard, R.I.	Hansen	Quie
Beilenson	Hawkins	Railsback
Bingham	Heckler	Rhodes
Bonior	Holland	Rinaldo
Brademas	Holt	Risenhoover
Brown, Calif.	Koch	Roncalio
Burke, Mass.	Krueger	Rosenthal
Burton, John	Le Fante	Runnels
Chappell	Long, Md.	Ruppe
Clausen, Don H.	Lott	Sarasin
	Lundine	Seiberling
Coughlin	McCloskey	St Germain
Dent	McDade	Teague
Diggs	McDonald	Vander Jagt
Dingell	McFall	Vento
Dodd	McKinney	Waggonner
Dornan	Madigan	Waxman
Evans, Ga.	Marlenee	Weiss
Flippo	Meeds	Wilson, Tex.
Ford, Mich.	Michel	Wirth
Fountain	Miller, Calif.	Young, Alaska
Fowler	Moss	Young, Tex.
Gammage	O'Brien	
Giaimo	Pepper	

Mr. HARKIN changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMITTING HOUSE EMPLOYEES TO CONTRIBUTE, THROUGH PAYROLL WITHHOLDINGS, TO CHARITABLE ORGANIZATIONS

Mr. THOMPSON. Mr. Speaker, by direction of the Committee on House Administration, I call up the resolution (H. Res. 12) to permit all employees of the House of Representatives to contribute, through payroll withholdings, to charitable organizations in coordination with the Combined Federal Campaign and other fundraising in the executive branch of the Federal Government, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 12

Resolved, That (a) until otherwise provided by law and except as provided in subsection (c), the Clerk of the House of Representatives shall—

(1) notify employees of the opportunity to have amounts withheld from their compensation for contribution to charitable organizations; and

(2) if an employee files with such officer a voluntary request specifying the amount to be withheld and one Combined Federal Campaign Center in the Washington metropolitan area to receive such amount—

(A) withhold such amount from the compensation of such employee, and

(B) transit (not less than once each calendar quarter) the amount so withheld to the Combined Federal Campaign Center as specified in such request.

(b) The Clerk shall, to the extent practicable, carry out subsection (a) at or about the time of the Combined Federal Campaign and other fundraising in the executive branch of the Federal Government conducted pursuant to Executive Order 10927, dated March 18, 1961, and at such other times as such officer deems appropriate.

(c)(1) No amount shall be withheld under subsection (a) from the compensation of any employee for any pay period if the amount of such compensation for such period is less than the sum of—

(A) the amount specified to be withheld from such compensation under subsection (a) for such period, plus

(B) the amount of all other withholdings from such compensation for such period.

(2) No amount may be specified by an employee to be withheld for any pay period under subsection (a) which is less than—

(A) 50 cents, if the pay period of such individual is biweekly or semimonthly; or

(B) $1, if the pay period of such individual is monthly.

(d) This resolution imposes no duty, burden, or requirement upon the United States, the House of Representatives, or any officer or employee of the United States, except as specifically provided in this resolution. Nothing in this resolution shall be deemed to consent to the application of any provision of law which has the effect of subjecting the United States, the House of Representatives, or any officer or employee of the United States to any penalty or liability by reason of the provisions of this resolution. Any paper, form, document, or any other item filed with, or submitted to, the Clerk under this resolution is considered to be a paper of the House of Representatives within the provisions of the Rules of the House of Representatives.

SEC. 2. For purposes of this resolution—

(1) the term "charitable organization" means national voluntary health and welfare agencies designated by the Chairman of the Civil Service Commission pursuant to Executive Order 10927, dated March 19, 1961;

(2) the term "Clerk" means the Clerk of the House of Representatives;

(3) the term "employee" means any employee of the House of Representatives whose compensation is disbursed by the Clerk.

Mr. THOMPSON (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. THOMPSON) is recognized for 1 hour.

Mr. THOMPSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of this resolution, which is authorized by the gentleman from Illinois (Mr. ANDERSON) and the gentleman from Virginia (Mr. FISHER), is to authorize the Clerk of the House to provide for voluntary payroll withholding for charitable contributions to the Combined Federal Campaign. This resolution represents a bipartisan effort supported by some 58 Members.

The minimum deduction provided under House Resolution 12 is, first, 50 cents, if the pay period of such an individual is biweekly or semimonthly, or $1 if the pay period of such individual is monthly.

The Subcommittee on Accounts chaired by our distinguished colleague, the gentleman from Pennsylvania (Mr. DENT), considered the subject of voluntary payroll withholding for charitable organizations to the Combined Federal Campaign during its meeting of June 16, 1977. The subcommittee received testimony from the gentleman from Virginia (Mr. FISHER), the gentleman from Illinois (Mr. ANDERSON), Mr. William A. Schaffner, director of the Combined Federal Campaign, Mr. Boyd Alexander, the acting Director of the House Information System, and from the Hon. Edmund L. Henshaw, the Clerk of the House. The subcommittee, by voice vote, adopted the motion to refer House Resolution 12 favorably to the full committee; and by voice vote, the full committee on June 23, adopted a motion to report House Resolution 12.

Mr. Speaker, I am before the House now because the Combined Federal Campaign gets under way in August; and if the House adopts this resolution, the Clerk can begin preparing the necessary forms and procedures for implementation.

The CFC of the National Capital Area is a once-a-year solicitation on behalf of the 120 voluntary health and welfare agencies of the United Way, 11 national health agencies, and 6 international service agencies. The CFC brings the solicitation of all of these charitable organizations together for the benefit of both the charitable agencies and the Federal employee. It is the most practical way for Federal employees to contribute to these charitable agencies, and the contribution is usually in the form of an annual pledge. The provision for payroll deductions is critically important.

Mr. Speaker, when the Federal campaigns were authorized by Executive Order No. 10927 of March 18, 1961, to deal in a meaningful way with the growing multiplicity of separate fund drives, it was recognized that a single gift to replace many would have to be relatively large, and that a pledged gift paid over time through a payroll deduction would be the only way most contributors could give a reasonably large amount. This is done in the executive agencies and by private businesses and is an almost universal practice. It is somewhat analogous to the checkoff allowed for those who have State and local income taxes deducted from their Federal salary.

Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. DEVINE) for debate only.

Mr. DEVINE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this resolution has been offered and sponsored by my colleague, the gentleman from Illinois (Mr. ANDERSON), who, unfortunately, is not able to be here this morning.

I find myself in a very difficult position because I think I am the only member of the Committee on House Administration who spoke against and voted against this resolution, not because I am against the United Way; but it is just a question of whether, in fact, the checkoff system for Federal employees is actually a voluntary participation in giving funds.

If somebody else in the office decides that he or she wants to have a 100-percent quota, the voluntariness of this program goes down the drain. It seems to me that this is merely to ease the collection problems of those who are promoting these worthy causes.

Therefore, Mr. Speaker, I just do not think that it is something that we, the Federal Government, should involve ourselves in because the collection of such charitable funds is for the benefit of a private agency and not a public agency. If Federal employees want to contribute voluntarily, all they have to do is write a check.

Mr. THOMPSON. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. FISHER) for debate only.

Mr. FISHER. Mr. Speaker, I thank the gentleman for yielding.

I would like to assure my colleague across the aisle, the gentleman from Ohio (Mr. DEVINE), that this would, indeed, be voluntary. There would be no pressure. The individual employee could or could not sign up for the automatic deduction of contributions to the campaign.

I accepted the appointment from the Speaker last year to work on this matter for both sides of the House. The gentleman from Illinois (Mr. ANDERSON) did the job the year before. It is not what one would call one of the major appointments that are made in this House.

But the gentleman and I went through this experience and determined that we would try to set this up in a way that would make some sense so that employ-

ees of the legislative branch could contribute to the United Way charities in the Combined Federal Campaign in the same way that employees of the executive branch do and in the same way that employees of over 90 percent of the medium and large private firms, at least in this area, do.

So the resolution is no great thing. It would simply allow the numerous employees on the legislative side to take part conveniently and easily in this program.

I realize that Members would contribute back in their home districts but there are many, many employees in the different units in the legislative branch who live here, plus a few in Chicago, Denver, San Francisco, or New York, who would like to have this convenient way of participating in the private charitable and philanthropic work in their communities.

Mr. JOHN T. MYERS. Mr. Speaker, will the gentleman yield?

Mr. FISHER. The gentleman from New Jersey (Mr. THOMPSON) has control of the time.

Mr. THOMPSON. Mr. Speaker, I yield to the gentleman from Indiana for the purpose of debate only.

Mr. JOHN T. MYERS. Mr. Speaker, I thank the gentleman for yielding. I have a question about the application and purpose of this program. As an example, we have three jurisdictions here, Maryland, Virginia, and the District of Columbia. If the individual contributing lives in one of the outside areas, either Maryland or Virginia, do the benefits also go to these jurisdictions, or are they kept in the District of Columbia, or how are they applied?

Mr. FISHER. As I understand it, that has been worked out over the years and it is a combined campaign for the region. The distribution of the funds to charitable organizations serving all three jurisdictions, and those serving only one or two of them, has long since been agreed to. But the individual contributor, as I understand it, if he does not wish to have his money dispensed according to the agreed-upon formula of distribution, may specify in his contribution pledge the particular charity to which he would like his money to go.

Mr. JOHN T. MYERS. Mr. Speaker, if the gentleman will yield still further, could I interpret that to mean if someone lives in Colorado that they could contribute to the District of Columbia charities and the benefits would go back to their Colorado charities, or some other area?

Mr. FISHER. I doubt if it has been worked out to that degree of sophistication. In that case I believe the individual, if he wished to give in both metropolitan regions, would have to make two contributions. But that is a good idea and I will pass it on to the United Way that serves the whole country.

Mr. JOHN T. MYERS. I thank the gentleman.

Mr. ANDERSON of Illinois. Mr. Speaker, as one of the principal sponsors of House Resolution 12 along with the gentleman from Virginia (Mr. FISHER), I rise in strong support of the resolution and urge its adoption. This resolution would permit House employees to have their contributions to the Combined Federal Campaign deducted from their payrolls on a voluntary basis—a time-tested procedure in the executive branch since 1961. As past chairmen of the House CFC drive, Mr. FISHER and I are embarrassingly aware of the abysmal CFC participation and giving levels of the House and Senate as compared to other agencies of Government. We think the procedure provided for in this resolution will encourage more giving and greater giving to this very worthy umbrella charity organization which encompasses some 120 voluntary health and welfare agencies of the United Way, 11 national health agencies, and 6 international service agencies. I am pleased to report that over 50 of our colleagues are cosponsors of this resolution, and I think it is deserving of the support of all our colleagues today when we vote on it.

Mr. THOMPSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. THOMPSON. Mr. Chairman, I ask unanimous consent that all Members may have general leave to extend their remarks on the two resolutions just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

TO ABOLISH JOINT COMMITTEE ON ATOMIC ENERGY AND REASSIGN CERTAIN FUNCTIONS AND AUTHORITIES THEREOF

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Committee on Rules be discharged from further consideration of the Senate bill (S. 1153) to abolish the Joint Committee on Atomic Energy and to reassign certain functions and authorities thereof, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. LATTA. Mr. Speaker, reserving the right to object, I would assume that this matter has been cleared with the chairman of the Committee on Rules and also with the ranking member?

Mr. PRICE. Mr. Speaker, if the gentleman will yield, I have discussed this matter with almost everybody involved in the Atomic Energy Committee. I might add that the Senate has already acted upon this. It has been pending since the beginning of this Congress. The Senate has already abolished their section of the committee so that, in fact, there is no committee.

This is just a final step to take it out of existence legally and formally.

Mr. LATTA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1153

An act to abolish the Joint Committee on Atomic Energy and to reassign certain functions and authorities thereof, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled,

PURPOSES

SEC. 101. The purposes of this Act are—

(1) to abolish the Joint Committee on Atomic Energy and to provide for the transfer of its statutory functions and authority to other committees of the Congress which under the rules of the House and Senate, are assigned jurisdiction over the development, utilization, or application of atomic energy;

(2) to preserve the security of information relating to the national security considerations of nuclear technology;

(3) to make necessary conforming amendments to the Atomic Energy Act of 1954, as amended, and certain other laws which pertain to the Joint Committee on Atomic Energy; and

(4) to provide for the disposition of staff personnel of the Joint Committee on Atomic Energy.

TITLE II—JOINT COMMITTEE ON ATOMIC ENERGY

SEC. 201. The Joint Committee on Atomic Energy is abolished.

TITLE III—TRANSFERS OF CERTAIN FUNCTIONS OF THE JOINT COMMITTEE ON ATOMIC ENERGY AND CONFORMING AMENDMENTS TO CERTAIN OTHER LAWS

SEC. 301. (a) Sections 201, 202, 203, 204, 205, 206, and 207 of the Atomic Energy Act of 1954, as amended, are repealed.

(b) Section 103 of the Atomic Energy Community Act of 1955, as amended, is repealed.

SEC. 302. Section 3 of the Congressional Budget Act of 1974 is amended by—

(1) striking the subsection designation "(a)"; and

(2) repealing subsection (b).

SEC. 303. Section 252(a)(3) of the Legislative Reorganization Act of 1970 is repealed.

SEC. 304. Section 502 of the Mutual Security Act of 1954, as amended, is amended by striking the words "the Joint Committee on Atomic Energy and".

SEC. 305. Section 3 of the International Atomic Energy Agency Participation Act of 1957 is amended by striking the words "the Joint Committee on Atomic Energy,".

SEC. 306. (a) Section 11 of the Atomic Energy Act of 1954, as amended, is amended by repealing subsection o.

(b) Section 11c of the Atomic Energy Act of 1954, as amended, is amended by deleting the words "The term 'atomic energy' means" and inserting the words "The terms 'atomic energy' or 'nuclear energy' mean".

(c) Section 11d of the Atomic Energy Act of 1954, as amended, is amended by deleting the words "The term 'atomic weapon' means" and inserting the words "The terms 'atomic weapon' or 'nuclear weapon' mean".

SEC. 307. Section 120 of the Atomic Energy Community Act of 1955, as amended, is amended by striking the second proviso and all that follows, and substituting the following: "*Provided further*, That before the Commission makes any disposition of property under the authority of this section, the basis for the proposed disposition (with necessary background and explanatory data) shall be

submitted to the congressional committees which, under the rules of the House and Senate are assigned jurisdiction over the subject matter of this section, and a period of forty-five days shall elapse while Congress is in session (in computing such forty-five days, there shall be excluded the days on which either House is not in session because of adjournment of more than three days): *Provided, however,* That after having received the basis for the proposed disposition, such congressional committees may by resolution in writing agreed to by such committees waive the conditions of all or any portion of such forty-five-day period.".

SEC. 308. Section 91 d. of the Atomic Energy Community Act of 1955, as amended, is amended by striking the words "Joint Committee on Atomic Energy" and substituting "congressional committees which, under the rules of the House and Senate are assigned jurisdiction over the subject matter of this section,".

SEC. 309. Section 51 of the Atomic Energy Act of 1954, as amended, is amended by—

(1) striking the words "Joint Committee" the first time they appear and substituting "congressional committees which, under the rules of the House and Senate are assigned jurisdiction over the subject matter of this section,"; and

(2) striking the proviso and substituting *"Provided, however,* That the congressional committees which, under the rules of the House and Senate are assigned jurisdiction over the subject matter of this section, after having received such determination, may by resolution in writing agreed to by such committees waive the conditions of all or any portion of such thirty-day period.".

SEC. 310. Section 54 a. of the Atomic Energy Act of 1954, as amended, is amended by deleting the words *"Provided, however"* the second time they appear and all that follows up to the next sentence and substituting the following: *"Provided, however,* That before they are established by the Commission pursuant to this subdivision (ii), such proposed amounts and periods shall be submitted to the Congress and referred to the congressional committees which, under the rules of the House and Senate are assigned jurisdiction over the subject matter of this section, and a period of sixty days shall elapse while Congress is in session (in computing such sixty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days): *And provided further,* That any such proposed amounts and periods shall not become effective if during such sixty-day period the Congress passes a concurrent resolution stating in substance that it does not favor the proposed action: *And provided further,* That prior to the elapse of the first thirty days of any such sixty-day period the congressional committees to which have been referred such proposed amounts and periods shall report to their respective Houses concerning their views and recommendations respecting the proposed amounts and periods and shall report to their respective Houses an accompanying proposed concurrent resolution stating in substance that the Congress favors, or does not favor, as the case may be, the proposed amounts or periods.".

SEC. 311. Section 61 of the Atomic Energy Act of 1954, as amended, is amended by—

(1) striking the words "Joint Committee" the first time they appear and substituting "congressional committees which, under the rules of the House and Senate are assigned jurisdiction over the subject matter of this section,"; and

(2) striking all after the words *"Provided, however,"* and substituting "That the congressional committees which, under the rules of the House and Senate are assigned jurisdiction over the subject matter of this section, after having received such determination, may by resolution in writing agreed to by such committees waive the conditions of all or any portion of such thirty-day period.".

SEC. 312. (a) Section 123 c. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"c. the proposed agreement for cooperation, together with the approval and the determination of the President, has been submitted to the congressional committees which, under the rules of the House and Senate are assigned jurisdiction over such proposed agreements, and a period of thirty days has elapsed while Congress is in session (in computing such thirty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days): *Provided, however,* That the congressional committees which, under the rules of the House and Senate are assigned jurisdiction over such proposed agreements, after having received such agreement for cooperation, may by resolution in writing agreed to by such committees waive the conditions of all or any portion of such thirty-day period; and".

(b) Section 123 d. of such Act is amended by—

(1) striking the words "Joint Committee" the first time they appear and substituting congressional committees which, under the rules of the House and Senate are assigned jurisdiction over such proposed agreements,"; and

(2) striking the remainder of the sentence following the word *"Provided"* and substituting the following: "That prior to the elapse of the first thirty days of any such sixty-day period the congressional committees to which have been referred the proposed agreement shall each submit a report to their respective Houses of the views and recommendations of the committee respecting the proposed agreement and an accompanying proposed concurrent resolution stating in substance that the Congress favors, or does not favor, as the case may be, the proposed agreement for cooperation.".

SEC. 313. Section 161 v. of the Atomic Energy Act of 1954, as amended, is amended by striking the third proviso and substituting the following: *"Provided further,* That before the Commission establishes such criteria, the proposed criteria shall be submitted to the congressional committees which, under the rules of the House and Senate are assigned jurisdiction over the subject matter of this subsection, and a period of forty-five days shall elapse while Congress is in session (in computing the forty-five days there shall be excluded the days in which either House is not in session because of adjournment for more than three days): *Provided, however,* That the congressional committees which, under the rules of the House and Senate are assigned jurisdiction over the subject matter of this subsection, after having received such proposed criteria, may by resolution in writing agreed to by such committees waive the conditions of all or any portion of such forty-five-day period.".

SEC. 314. Section 164 of the Atomic Energy Act of 1954, as amended, is amended by—

(1) striking the words "Joint Committee" the first time they appear and substituting "congressional committees which under the rules of the House and Senate are assigned jurisdiction over the subject matter of this section,"; and

(2) striking the proviso and substituting *"Provided, however,* That the thirty-day period may be waived by resolution in writing agreed to by the congressional committees which, under the rules of the House and Senate are assigned jurisdiction over the subject matter of this section.".

SEC. 315. Section 107(c) of Public Law 88-332 (42 U.S.C. 2204 a) is amended by—

(1) striking the words "Joint Committee" the first time they appear and substituting "congressional committees which, under the rules of the House and Senate are assigned jurisdiction over the subject matter of this section"; and

(2) striking the proviso and substituting *"Provided, however,* That the forty-five-day period may be waived by resolution in writing agreed to by the congressional committees which, under the rules of the House and Senate are assigned jurisdiction over the subject matter of this section.".

SEC. 316. Section 170 i. of the Atomic Energy Act of 1954, as amended, is amended by striking the words "Joint Committee" each time they appear and substituting "congressional committees which, under the rules of the House and Senate are assigned jurisdiction over the subject matter of this section.".

TITLE IV—INFORMATION AND ASSISTANCE TO CONGRESSIONAL COMMITTEES

SEC. 401. (a) The Energy Research and Development Administration and the Nuclear Regulatory Commission shall keep the committees of the Senate and the House of Representatives which, under the rules of the Senate and the House, have jurisdiction over the functions of the Administration or the Commission, fully and currently informed with respect to the activities of the Administration and the Commission.

(b) The Department of Defense shall keep the committees of the Senate and the House of Representatives which, under the rules of the Senate and the House, have jurisdiction over national security considerations of nuclear technology, fully and currently informed with respect to such matters within the Department of Defense relating to national security considerations of nuclear technology which are within the jurisdiction of such committees.

(c) Any Government agency shall furnish any information requested by the committees of the Senate and the House of Representatives which, under the rules of the Senate and the House, have jurisdiction over the development, utilization, or application of nuclear energy, with respect to the activities or responsibilities of such agency in the field of nuclear energy which are within the jurisdiction of such committees.

SEC. 402. The committees of the Senate and the House of Representatives which, under the rules of the Senate and the House, have jurisdiction over the development, utilization, or application of nuclear energy, are authorized to utilize the services, information, facilities, and personnel of any Government agency which has activities or responsibilities in the field of nuclear energy which are within the jurisdiction of such committees: *Provided, however,* That any utilization of personnel by such committees shall be on a reimbursable basis and shall require, with respect to committees of the Senate, the prior written consent of the Committee on Rules and Administration, and with respect to committees of the House of Representatives, the prior written consent of the Committee on House Administration.

SEC. 403. All records, data, charts, and files of the Joint Committee on Atomic Energy which are not transferred under section 501 of this Act are transferred to the committees of the Senate which, under the rules of the Senate, have jurisdiction over the subject matters to which such records, data, charts, and files primarily relate. Such committees of the Senate shall make available such records, data, charts, and files to other committees of the Senate and the House of Representatives which, under the rules of the Senate and the House, have jurisdiction over the subject matters to which such records, data, charts, and files relate.

TITLE V—PROTECTION OF NATIONAL SECURITY INFORMATION

SEC. 501. (a) All records, data, charts, and files of the Joint Committee on Atomic Energy relating to national security matters, including the military applications of nuclear technology, shall be transferred to the committees of the Senate which, under the rules of the Senate, have jurisdiction over the subject matters to which such records, data, charts, and files relate. In the event that any record, chart, or file shall be within the jurisdiction of more than one committee of the Senate, duplicate copies shall be provided upon request.

(b) The committees of the Senate which receive the records, data, charts, and files of the Joint Committee on Atomic Energy under subsection (a) shall make available such records, data, charts, and files to the committees of the House of Representatives which, under the rules of the House, have jurisdiction over the subject matters to which such records, data, charts, and files relate.

(c) The committees of the Senate which receive the records, data, charts, and files of the Joint Committee on Atomic Energy under subsection (a) may utilize the Office of Classified National Security Information established by section 502 of this Act or make other suitable arrangements for safeguarding such records, data, charts, or files.

SEC. 502. (a) There is established for the period beginning on the effective date of this Act and ending March 31, 1979, an office of the Senate to be known as the "Office of Classified National Security Information" (hereafter in this section referred to as the "Office"). The Office shall be under the policy direction of the majority leader, the minority leader and the chairman of the Committee on Rules and Administration of the Senate, and shall be under the administrative direction and supervision of the Secretary of the Senate. The Office shall have the responsibility for safeguarding such restricted data and such other classified information as any committee of the Senate may from time to time assign to it.

(b) The Office shall have the authority—

(1) upon application of any committee of the Senate, to perform the administrative functions necessary to classify and declassify information relating to the national security considerations of nuclear technology in accordance with guidelines developed for restricted data by the responsible executive agencies;

(2) to provide appropriate facilities for hearings of committees of the Senate at which restricted data or other classified information is to be presented or discussed; and

(3) to establish and operate a central repository in the United States Capitol for the safeguarding of restricted data and other classified information for which such Office is responsible.

(c) The Secretary of the Senate, with the approval of the majority leader, the minority leader, and the chaiman of the Committee on Rules and Administration of the Senate, is authorized to appoint and fix the compensation of not more than two professional staff members and three clerical staff members for the Office. One of such professional staff members may be paid compensation at a rate not to exceed the rate provided for the two employees of a standing committee of the Senate referred to in section 105(e)(3)(A) of the Legislative Branch Appropriation Act, 1968, as amended and modified (2 U.S.C. 61–1), and the other professional staff member may be paid compensation at a rate not to exceed the rate provided for professional staff members of a standing committee of the Senate by section 105(e)(1) of such Act. The clerical staff members may be paid compensation at a rate not to exceed the rate provided for the four clerical assistants of a standing committee of the Senate referred to in section 105(e)(2)(A) of such Act.

(d) The salaries and expenses of the Office shall be paid from the contingent fund of the Senate pursuant to appropriations made to the contingent fund for such purpose. Until funds are first so appropriated, such salaries and expenses shall be paid from the contingent fund out of funds appropriated ior "Miscellaneous Items". Such salaries and expenses shall be paid out of the contingent fund upon vouchers approved by the Secretary of the Senate, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

(e) Within thirty days of the date of enactment of this Act, the Office shall furnish the Committee on Armed Services, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, and the Committee on Foreign Relations of the Senate with a listing of all those records, data, charts, and files of the Joint Committee on Atomic Energy which are to be transferred to such committees under section 501(a) of this Act indicating which committee(s) may have jurisdiciton over each item. The chairman of the committees involved shall be responsible for resolving any case of doubt regarding jurisdiction over particular records, data, charts, or files.

TITLE VI—COMMITTEE STAFF

SEC. 601. For purposes of this title, the term—

(1) "effective date" means the effective date of title II of this Act;

(2) "eligible staff member" means an individual who is a member of the staff of the Joint Committee on Atomic Energy on the day prior to the effective date and has served continuously (except for any period of four days or less) as a member of the staff of the Joint Committee on Atomic Energy since October 1, 1976;

(3) "new committees" means the Committee on Armed Services, the Committee on Energy and Natural Resources, the Committee on Environmental and Public Works, and the Committee on Foreign Relations of the Senate; and

(4) "transition period" means the period beginning on the effective date and ending June 30, 1977, or, if later, on the ninetieth day after the effective date.

SEC. 602. (a) On the effective date, those eligible staff members who are required to carry out the provisions of section 502 of this Act, as designated by the majority and minority leader and the chairman of the Committee on Rules and Administration of the Senate in accordance with such section, shall be transferred to the Office of Classified National Security Information.

(b) On the effective date, each eligible staff member not transferred to the Office of Classified National Security Information under subsection (a) shall be transferred to the staff of a new committee. The determination of the eligible staff members transferred to the staff of each of the new committees shall be made by the Committee on Rules and Administration in consultation with the chairmen and ranking minority members of the new committees. The chairman of each new committee (and the ranking minority member with respect to minority employees) shall notify the Secretary of the Senate of the eligible staff members transferred to that new committee.

(c) During the transition period, each eligible staff member transferred to a new committee—

(1) shall, notwithstanding the limitations contained in section 105(e) of the Legislative Branch Appropriation Act, 1968, as amended and modified, receive compensation at a rate not less than the rate of compensation such staff member was receiving on March 1, 1977; and

(2) may not be removed, except for cause, as a member of the staff of the new committee.

(d) The provisions of subsection (c)(2) shall not apply in the case of an eligible staff member who would be entitled to an annuity under section 8336(d) of title 5, United States Code, upon his involuntary removal from service as an employee of the Senate if such staff member (but for the provisions of subsection (c)(2)) would be subject to involuntary removal from such service and such staff member elects to have the provisions of this subsection apply.

SEC. 603. Not later than the effective date, the Committee on Rules and Administration shall report a resolution which authorizes expenditures out of the contingent fund of the Senate during the transition period by the new committees sufficient to enable each new committee to pay the compensation and expenses of the eligible staff members transferred to its staff under section 602.

TITLE VII—MISCELLANEOUS PROVISIONS

SEC. 701. Titles II, III, IV, and V of this Act shall take effect on the tenth day after the date of enactment of this Act.

SEC. 702. Any reference in any rule, resolution, or order of the Senate or the House of Representatives or in any law, regulation, or Executive order to the Joint Committee on Atomic Energy shall, on and after the effective date of title II, be considered as referring to the committees of the Senate and the House of Representatives which, under the rules of the Senate and the House, have jurisdiction over the subject matter of such reference.

SEC. 703. The provisions of section 502 and title VI (except section 602(c)(1)) are enacted—

(1) as an exercise of the rulemaking power of the Senate, and as such they shall be considered as part of the rules of the Senate, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change such rules at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

MOTION OFFERED BY MR. PRICE

Mr. PRICE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PRICE moves to strike out all after the enacting clause of S. 1153 and insert in lieu thereof the text of H.R. 8542, as follows:

That the Atomic Energy Act of 1954 (Public Law 83–703), as amended, is amended to read as follows:

"CHAPTER 20. JOINT COMMITTEE ON ATOMIC ENERGY ABOLISHED; FUNCTIONS AND RESPONSIBILITIES REASSIGNED

"SEC. 301. JOINT COMMITTEE ON ATOMIC ENERGY ABOLISHED.—

"a. The Joint Committee on Atomic Energy is abolished.

"b. Any reference in any rule, resolution, or order of the Senate or the House of Representatives or in any law, regulation, or Executive order to the Joint Committee on Atomic Energy shall, on and after the effective date of this Act, be considered as referring to the committees of the Senate and the House of Representatives which, under the rules of the Senate and the House, have jurisdiction over the subject matter of such reference.

"c. All records, data, charts, and files of the Joint Committee on Atomic Energy are transferred to the committees of the Senate and House of Representatives which, under the rules of the Senate and the House, have ju-

risdiction over the subject matters to which such records, data, charts, and files relate. In the event that any record, data, chart, or file shall be within the jurisdiction of more than one committee, duplicate copies shall be provided upon request.

"SEC. 302. TRANSFERS OF CERTAIN FUNCTIONS OF THE JOINT COMMITTEE ON ATOMIC ENERGY AND CONFORMING AMENDMENTS TO CERTAIN OTHER LAWS.—

"a. Sections 201, 202, 203, 204, 205, 206, and 207 of the Atomic Energy Act of 1954, as amended, are repealed.

"b. Section 103 of the Atomic Energy Community Act of 1955, as amended, is repealed.

"c. Section 3 of the Congressional Budget Act of 1974 is amended by—

"(1) striking the subsection designation '(a)'; and

"(2) repealing subsection (b).

"d. Section 252(a)(3) of the Legislative Reorganization Act of 1970 is repealed.

"SEC. 303. INFORMATION AND ASSISTANCE TO CONGRESSIONAL COMMITTEE.—

"a. The Energy Research and Development Administration and the Nuclear Regulatory Commission shall keep the committees of the Senate and the House of Representatives which, under the rules of the Senate and the House, have jurisdiction over the functions of the Administration or the Commission, fully and currently informed with respect to the activities of the Administration and the Commission.

"b. The Department of Defense and Department of State shall keep the committee of the Senate and the House of Representatives which, under the rules of the Senate and the House, have jurisdiction over national security considerations of nuclear energy, fully and currently informed with respect to such matters within the Department of Defense and Department of State relating to national security considerations of nuclear technology which are within the jurisdiction of such committees.

"c. Any Government agency shall furnish any information requested by the committees of the Senate and the House of Representatives which, under the rules of the Senate and the House, have jurisdiction over the development, utilization, or application of nuclear energy, with respect to the activities or responsibilities of such agency in the field of nuclear energy which are within the jurisdiction of such committees.

"SEC. 304. The committees of the Senate and the House of Representatives which, under the rules of the Senate and the House, have jurisdiction over the development, utilization, or application of nuclear energy, are authorized to utilize the services, information, facilities, and personnel of any Government agency which has activities or responsibilities in the field of nuclear energy which are within the jurisdiction of such committees: *Provided, however,* That any utilization of personnel by such committees shall be on a reimbursable basis and shall require, with respect to committees of the Senate, the prior written consent of the Committee on Rules and Administration, and with respect to committees of the House of Representatives, the prior written consent of the Committee on House Administration.".

Mr. PRICE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL ENERGY ACT

Mr. BOLLING. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 8444) to establish a comprehensive national energy policy.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. BOLLING).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 8444, with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, August 4, 1977, part III of title II was under consideration.

AMENDMENT OFFERED BY MR. CONABLE

Mr. CONABLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONABLE: Page 488, strike out line 18 and all that follows down through line 23 on page 512 and insert:

SEC. 2033. TEMPORARY INCOME TAX RATE REDUCTION FOR 1978.

(a) GENERAL RULE.—Section 1 (relating to tax imposed on individuals) is amended by adding at the end thereof the following new subsection:

"(f) RATE REDUCTION FOR 1978.—

"(1) IN GENERAL.—The Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), and (d) for taxable years beginning after December 31, 1977, and before January 1, 1979.

"(2) METHOD OF PRESCRIBING TABLES.—The table prescribed by the Secretary under paragraph (1) with respect to subsection (a), (b), (c), or (d), as the case may be, shall be in the same form as the table contained in such subsection, except that—

"(A) in the case of—

"(i) subsection (a), (c), or (d), the 14, 15, 16, and 17 percent tax rates shall be reduced to 11, 13, 14, and 16 percent, respectively, and

"(ii) subsection (b), the 14, 16, 18, and 19 percent tax rates shall be reduced to 11, 14, 16, and 18 percent, respectively; and

"(B) the amounts set forth as the amounts of the tax shall be adjusted to reflect the reduction in tax rates."

(b) WITHHOLDING.—The tables prescribed under section 3402(a) of the Internal Revenue Code of 1954 which apply to wages paid during 1978 shall reflect the reduction in withholding amounts which the Secretary of the Treasury determines to be appropriate in light of the amendment made by subsection (a).

SEC. 2034. TEMPORARY INCREASE IN EARNED INCOME CREDIT.

(a) GENERAL RULE.—Subsection (a) of section 43 (relating to earned income credit) is amended by striking out "10 percent" and inserting in lieu thereof "15 percent".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1977, and before January 1, 1979.

Mr. CONABLE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CONABLE. Mr. Chairman, I have offered an amendment to replace the rebate and payment scheme recommended by the Ways and Means and ad hoc committees with a 1-year tax cut and an increase in the earned income credit which will provide lower-income taxpayers with an additional $150 of tax reduction and other taxpayers with up to $80 in tax reduction.

The details of this tax-cut proposal are in the August 1 RECORD at page 25922. I call it to the attention of my colleagues.

It is important, Mr. Chairman, to understand that the crude oil equalization tax is a consumption tax. It will increase gasoline taxes by approximately 7 cents a gallon and will be passed through by those who have to pay it in the first instance in higher prices of all goods that utilize oil. The American people will be paying a greater amount of their income for the everyday goods and services they require as a result of this and the other taxes in this energy bill.

The administration proposed and both the Ways and Means Committee and the ad hoc committee have adopted a rebate and payment scheme almost identical to that which the President earlier in the year jettisoned when it became clear that the support for the $50 rebate was marginal. The administrative difficulties associated with a $50 or a $22 rebate are horrendous. In testimony before the Committee on Ways and Means earlier this year, Treasury officials estimated that it would take several months to provide these payments in view of the fact that complex administrative procedures would have to be put in place to guard against double and triple dipping.

Let me describe what this rebate proposal is. It will amount to roughly $22 in the first year for every American, and 75 percent of it under the rebate proposal in the bill will go to taxpayers. The other 25 percent will be passed out to people on welfare, social security, SSI, and so forth, and there is a roundup provision for anybody who did not get a rebate to be able to put in for it and get it also.

This rebate of $22 will go back sometime after the collection of the money, after an administrative procedure to be sure it does not go repetitively to the same people in more than one category.

Quite frankly, it is an administrative nightmare. It amounts to such an insignificant amount of money that it represents very bad public policy, because to tax and then to return money is foolish if we can simply reduce the taxes of the American people by that amount in the first place.

My proposal would adjust the tax rates for the first four brackets, and that means that all taxpayers who are above those four brackets will participate, but it mean also that 70 percent of the value

of the tax reduction will go to people under $20,000.

It is a tax cut for all Americans who pay taxes however, and in order to insure that low-income Americans who suffer the most under this kind of tax energy policy will be reimbursed to a greater extent, we have adjusted the earned income credit by moving it from 100 to 150 percent on the first $8,000.

Mr. Chairman, I hope my colleagues will consider this seriously. It seems to me absolutely ridiculous to take money away in the wellhead tax and then return it in this kind of rebate procedure. It would make a lot more sense simply to adjust our taxes so that automatically within the withholding they will get some money back.

I have had some Members from the Northeast talk to me about my amendment. I am a Member from the Northeast who supported in the committee the home heating oil rebate which the first year amounts to 5 percent of the crude oil equalization tax revenues. It is important for them to understand this is wiped out by my proposal, but if they really believe they are going to benefit a lot from the home heating oil rebate, let me explain what that does.

The home heating oil rebate is an illegal rebate in addition to the $22. In theory those who use home heating oil are going to be paying a substantially larger part of the additional energy cost burden than others under this tax energy bill. This provision in the bill rebates 5 percent of the oil equalization tax revenues to retailers of home heating oil on condition that they flow it through to the consumers.

Now maybe that is possible, Mr. Chairman, but I would just like to see it. I think the administrative procedures for that home heating oil rebate are horrendous also. I hope people from the Northeast will understand their constituents will benefit a great deal more from a tax cut than they would from this kind of home heating oil rebate that goes to the retailers and has to be flowed through to the consumer.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. CONABLE was allowed to proceed for an additional 2 minutes.)

Mr. CONABLE. Mr. Chairman, it is my hope that the Members will follow the views that many of them have had in the past and reject what I think is a very ill-advised and administratively infeasible procedure for rebating a tiny portion of the added cost to the American people in this bill through a Rube Goldberg rebate scheme. It is a lot better, in my view, if we are going to have a crude oil equalization tax, and I frankly hope that will be stricken before we finish this bill, to return the proceeds to the economy in a simple way to the advantage of all taxpayers as I propose here.

Mr. Chairman, I yield to the gentleman from New York (Mr. KEMP), who has shown leadership in tax-cut proposals, who understands the economics of taxation and who has made many constructive proposals similar to this.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman yielding and I commend the gentleman for his leadership of this extremely important initiative on behalf of American taxpayers.

I also congratulate my friend, the gentleman from Ohio (Mr. GRADISON) who has played such an important role in bringing this measure to the floor of the House for a vote.

Mr. Chairman, I rise in support of the Conable amendment to cut tax rates instead of the rebates proposed by this energy bill in order to disperse revenues which will be generated by the crude oil equalization tax.

As Mr. CONABLE has so ably pointed out, this entire energy bill that we have before us is essentially a tax increase bill. It proposes to raise taxes by $93 billion by 1985. The goal is to encourage energy conservation. Insofar at it achieves this goal it will be by bringing on a severe slowdown in the American economy. Therefore, the tax revenues must be returned to the people in some way that encourages production while discouraging energy use. The administration proposes rebates to accomplish this purpose which will only redistribute income.

I would have thought by now that the rebate concept would be totally discredited. The President himself bowed to this fact in April when he announced the abandonment of his earlier rebate proposal. The arguments which caused him to make this decision then are still valid.

The main problem is that there is no incentive effect from a rebate. It is simply a stimulus to demand. So on the one hand we are trying to hold down demand for energy, while doing nothing to encourage new supplies, and at the same time stimulating general demand while doing nothing to stimulate production. This is the best formula I can imagine for inflation and recession, and that is exactly what we are going to have if H.R. 8444 passes in its present form.

A better program would be to offer price incentives for energy production by dismantling the system of controls which presently exist. This is obviously not going to happen, as shown by the earlier vote on the Brown amendment. Therefore, we should at least attempt to prevent the recession which will surely result from the imposition of these vast new taxes on the American economy, which will exacerbate the already too heavy tax burden that presently exists. This tax burden, which is going up daily as the result of inflation, is the main reason for persistently high levels of unemployment and low levels of production.

A tax rate reduction is the best way to lift the burden of taxation from the economy and stimulate employment and investment. I have been speaking out in favor of this approach to the economy for some time and believe it is also appropriate here. Therefore, I urge my colleagues to support the Conable amendment and reject the administration's rebate proposal particularly as it relates to the Northeast United States.

Mr. Chairman, I want to join my friend Mr. CONABLE in saying this energy bill's rebates are an administrative nightmare and, secondly, the taxes it raises is an attempt to redistribute the people's income. This Conable-Gradison amendment seeks to lower the tax burden on the American people, particularly those in the Northeast.

Mr. Chairman, I am wholeheartedly in favor of the gentleman's amendment.

Mr. CONABLE. Mr. Chairman, may I say, the gentleman from Ohio has had a great part in developing this specific proposal. I am grateful for his help.

I yield to the gentleman from Ohio (Mr. GRADISON).

Mr. GRADISON. Mr. Chairman, I thank the gentleman for yielding.

I want to associate myself with the remarks of the gentleman.

In my opinion, the rebate scheme before us is really a warmed-over version of the thoroughly discredited rebate scheme which the President proposed and later withdrew earlier this year. The difference is only in the numbers.

I think we would be far better off in this instance to accept the final judgment of the President who withdrew an almost identical rebate scheme.

Mr. CONABLE. Mr. Chairman, that we tried to rebate twice the amount of money. Yet the administrative problems are just as great for the lesser amount.

Mr. GRADISON. That is right, for the purpose inherent in that scheme.

Mr. ULLMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this matter came up in the Committee on Ways and Means. We discussed it very thoroughly. It was turned down by the committee. I think it would be a grave mistake, by making this kind of move in this bill, to preempt the basic tax reform proposals and the adjustments in rates that are going to be coming to Congress later this year in a Presidential recommendation.

Let me read very briefly from a letter from the Assistant Secretary of the Treasury regarding some of the problems of this approach. He says;

DEPARTMENT OF THE TREASURY,
Washington, D.C., August 4, 1977.

The Honorable AL ULLMAN,
Chairman, Committee on Ways and Means, House of Representatives, Washington, D.C.

DEAR MR. ULLMAN: The Administration strongly opposes the Conable amendment which would substitute an income tax rate reduction in the first four taxable brackets and an increase in the earned income credit for 1978 for the Ways and Means Committee plan of returning the crude oil equalization taxes to all Americans.

There are many difficulties with the Conable amendment, which suggests that it has not been adequately worked out. For example, about 59 percent of the relief under the Committee bill would go to those with incomes below $10,000, while the Conable amendment would only give this group 32 percent of the relief. On the other hand, the Conable amendment gives 25 percent of the relief above $20,000, while the Committee bill provides only about 14 percent of the relief above this income level.

The Committee amendment in effect returns the amount collected from the oil equalization tax on the basis of the number of adult individuals or taxpayers involved. The Conable amendment departs entirely from this concept and returns funds to consumers based upon income taxes they have paid in certain tax brackets.

The Conable amendment also eliminates the provision for a heating oil rebate for homes, which will remove relief provided

after careful study by the Committee as to the need for special attention in this area.

The Conable amendment also provides tax relief without any regard to the interrelationship of the rate reductions proposed and the tax reform proposals to be presented this fall. The earned income credit proposal, for example, presents high marginal rate problems through the area where the credit is recaptured for many taxpayers not presently affected.

We believe the amendment is undesirable and urge that it not be adopted.

Sincerely,

LAURENCE N. WOODWORTH,
Assistant Secretary.

Mr. Chairman, it is my hope that we can come to an expeditious vote on this matter. The rebate proposals in the bill are well worked out.

They are equitable. They spread the benefits to all American consumers in a meaningful way. In my judgment, at this time, to reject that formula which has been so well worked out would be a grave mistake. I urge the members of the committee to vote down the amendment.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I am happy to yield to my distinguished friend from New York.

Mr. CONABLE. Is it not true, however, that the rebate proposal gives $22 back to the taxpayers, regardless of income, which is a little less than 50 cents a week in withholding, and to that extent it is considerably less a part of a progressive system than the proposal which I have made?

Mr. ULLMAN. Well, let me say to the gentleman that the impact of the increased costs of heating oil and gasoline affect all the people of this country. In the committee proposal, the rebate provision spreads the revenue raised by the crude oil tax as broadly as we can to the people who are impacted by the higher prices. I think that is the proper procedure, rather than trying to do it in tax rates, which puts it back much more unevenly and not nearly as fairly toward the poor consumers who are most harshly impacted by the increased cost of energy.

Mr. CONABLE. If the gentleman will yield further, may I say that SSI and social security are on a cost-of-living basis, and to the extent that increased energy costs go into the cost of living they will be reflected in increases for those beneficiaries. It is virtually impossible, however, to administer this rebate without some sort of double dipping occurring.

I find it remarkable that the Secretary of the Treasury would think that any across-the-board tax cut is more difficult to administer than the kind of Rube Goldberg rebate procedure which involves $22, as opposed to the $50 rebate procedure that was jettisoned by the President, at least in part because it was unworkable.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

(By unanimous consent Mr. ULLMAN was allowed to proceed for 2 additional minutes.)

Mr. ULLMAN. Just to comment, first the cost-of-living increases in social security are there to meet the increases in the cost of food, the cost of housing, and all the costs across the board. This tax is a cost item on top of that, and so we think it is extremely reasonable and proper that we return this tax to those people who are on social security and to all the people across this country, as broadly as we possibly can. It is a procedure that can be used under computerized technology now. It has been all worked out so that it is a case of punching a lot of buttons, and out go the checks. We have a cross-check to eliminate double dipping. It has been well worked out, and I think it is a mechanism that will put these benefits back in the body politic in a proper way to meet this increased cost.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I am confused about the charts that are on page 60 and the following pages in volume I of the National Energy Act report of the ad hoc committee on energy. How have these been changed in any way by the action that has been taken by this body during our 3 days of consideration? Do I properly understand that, again referring to page 60, the only real change we have made is the total impact of title II, the transportation tax provisions, and that this figure is now not $69 billion net revenue impact, but rather $40 billion less than that; so that the net impact of the taxes in this program are $53 billion to the Federal Treasury? Is that correct?

Mr. ULLMAN. I would say to the gentleman that in the report of the Committee on Ways and Means, on page 28, there is a table that now reflects the revenue impact.

Under transportation, we have an amount of $29,488 million. And that, with the other revenues, is reflected in the total impact of $53,944 million. That is where we are.

Mr. BROWN of Ohio. So, in effect, right now what this bill has in it is a total net impact of taxes taken out of the body politic of $54 billion. This is after the rebate and everything else. So that is a total plus for the Federal Government of $54 billion taken from the American people in the next 8 years.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. ULLMAN) has expired.

(By unanimous consent, Mr. ULLMAN was allowed to proceed for 1 additional minute.)

Mr. BROWN of Ohio. If the gentleman will yield further, is that correct? I do not want to make the wrong assumption here if that is not right.

Mr. ULLMAN. Let me say that the latest computation varies just very slightly from the Ways and Means Committee. We have made a few additional changes which result in total figures, in place of $54, $52.9 billion, about $53 billion for the total revenue impact.

Mr. BROWN of Ohio. But that is after the rebate; is that correct?

Mr. ULLMAN. Yes. Remember, the rebates are only for 1 year. This $52 billion to $53 billion reflects the whole package for 8 years, and the rebate provisions in the bill only apply to the 1 fiscal year. Therefore, yes, this does exclude that amount of rebate for 1 year.

Mr. BROWN of Ohio. So the $53 billion is the net tax take after all of the rebates that we are enacting here; is that right?

Mr. ULLMAN. Yes. But let me say this: It is the full intention—and I think the Committee on Ways and Means so indicated—that we only wanted to move a rebate for 1 year so that we could better assess how best to return the tax most equitably after that 1 year. But it is the intent to go on in our actions in the tax reform bill this fall and next year and provide rebates or tax adjustments that are proper and get it all back into the economy.

Mr. BROWN of Ohio. If the gentleman will continue to yield, I understand that the gentleman met with the President on the welfare plan, and I read this little item in the paper this morning which fascinated me. It said:

> One of the two-penny mysteries around town surrounds President Carter's decision to announce his new welfare plan Saturday—dog days in August, when Congress will be out of town.
>
> That little mystery was unraveled yesterday.
>
> House Speaker Thomas P. (Tip) O'Neill (D-Mass.) was responsible. The welfare plan, he told the administration, is certain to upset a lot of Democrats in Congress. If it were announced before they got out of town tonight for a long recess, O'Neill warned there might be enough defections to defeat Carter's energy bill.
>
> Heeding that message, Carter decided to drop his plan on the country on Saturday, when Members of Congress will be scattering to the four winds.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. ULLMAN) has again expired.

(On request of Mr. BROWN of Ohio and by unanimous consent, Mr. ULLMAN was allowed to proceed for 2 additional minutes.)

Mr. BROWN of Ohio. If the gentleman will yield further, I would like to ask the gentleman if he has had an opportunity to be privy to the welfare plan, whether other rebates of this energy tax of $53 billion are anticipated, or whether it will just be recovered to the Treasury, and if any of those rebates relate to the welfare plan that the President is not going to announce until we are out of town because it could impact on this bill.

Mr. ULLMAN. Let us fully understand how that $53 billion comes about. $21 billion of it comes through the extension of gas tax.

Mr. BROWN of Ohio. I think the gentleman misunderstood me.

Mr. ULLMAN. That is properly disposed of in the trust fund through September 1979 and in the highway programs.

So we are not looking at any rebate of this $21 billion. That is an extension of the gas tax that would expire had we not extended it.

Mr. BROWN of Ohio. Mr. Chairman, let me ask the gentleman this: Does that go into the highway trust fund?

I was under the impression it did not.

Mr. ULLMAN. We have not extended the highway trust fund, but we have extended the tax. We just assume that

when Congress extends the trust fund, that is where it will go. So I think it is not proper that we take those gas tax funds and put them in a rebate proposal.

That leaves $26 billion as the amount of revenue raised by the equalization tax, and we expect that that $26 billion will be fully rebated in the economy. We have only done it for 1 year in this bill, but I think we have done it wisely, with the idea that we can assess how it works and extend it or change it in any way that we consider most proper. We fully intend to do that.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will continue to yield, there is a paragraph in a little story that appeared in the Post yesterday that says that, "Other HEW suggestions for saving money included gains through moves to reduce welfare fraud and abuse plus revenues from wellhead tax revenues in Carter's new energy program."

My question really is this: Was Mr. Schlesinger right a couple of months ago when he said that revenues generated from this tax will come back in the welfare program?

I thought the gentleman discussed this with the President, and I wondered if he could advise us as to what the plan is.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. ULLMAN) has expired.

(By unanimous consent, Mr. ULLMAN was allowed to proceed for 1 additional minute.)

Mr. ULLMAN. Mr. Chairman, I hope we can conclude this debate very quickly.

Let me say that there is certainly no intention on the part of the chairman of the Committee on Ways and Means to use these revenues for general welfare reform. We think the whole theory and composition of the program is built around an equalization tax that will result in an increase in the cost of energy, and that these costs will then be rebated to the body politic in the most equitable way possible. We think the formula we have devised will accomplish that purpose.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield further?

Mr. ULLMAN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, the gentleman has told me his purpose. Can the gentleman tell me what the President's position is?

Is the President's proposal going to be to rebate it through welfare?

Mr. ULLMAN. Mr. Chairman, I did not read the article in the paper to which the gentleman referred. I have not discussed this with the President, and I have no way that I can speak for him.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the chairman of the ad hoc committee.

Mr. ASHLEY. Mr. Chairman, I think it is very important to understand the tax implications to which the gentleman from Ohio (Mr. BROWN) has been alluding.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. ULLMAN) has again expired.

(On request of Mr. ASHLEY and by unanimous consent, Mr. ULLMAN was allowed to proceed for 1 additional minute.)

Mr. ASHLEY. Mr. Chairman, will the gentleman yield further?

Mr. ULLMAN. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, If I may continue, it is a fact that $52.9 billion will be generated in taxes by virtue of this legislation.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield, is that new taxes?

Mr. ASHLEY. That is correct. That will take place from 1978 through 1985.

$21.2 billion of this $52.9 billion results from the extension of the gasoline tax. This leaves $31.7 billion, of which the crude oil equalization tax rebates will make up $26.6 billion.

What this means is that the net additional cost of the program over 8 years is $5 billion.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, the gentleman said that was the figure for the crude oil equalization tax rebates. I do not think that is correct. I think that that is the net, after the rebates, of what the crude oil equalization tax takes in. Is that right?

The CHAIRMAN. The time of the gentleman from Oregon (Mr. ULLMAN) has again expired.

(By unanimous consent, Mr. ULLMAN was allowed to proceed for 2 additional minutes.)

Mr. ASHLEY. Mr. Chairman, will the gentleman yield so I may answer the gentleman from Ohio (Mr. BROWN).

Mr. ULLMAN. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, we have covered the point, and that is to say that the Committee on Ways and Means acted with respect to the first year rebates. The committee did not address itself to the later year rebates.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield, that is really what I am trying to find out.

Are there any plans for rebates? I gather that there are not, from what I have been told.

So the net tax impact of this is $53 billion, unless we decide to extend the Highway Trust Fund, in which case I understand, from what the committee chairman, the gentleman from Oregon (Mr. ULLMAN), said, that that action would have to be taken by the House of Representatives at a later date.

If we put all the revenues from transportation taxes into the Highway Trust Fund, we would still have some $32 billion that will go somewhere, although nobody really knows what is going to happen to that, unless the stories in the Post about putting it in welfare are correct.

I just do not know whether they are correct. That is what I am asking because the President has not consulted with me on this matter.

Mr. ULLMAN. Let me say to the gentleman that the Committee on Ways and Means will bring proposals to the Congress to properly handle the balance of the equalization tax.

We think that the initial 1-year proposal is going to be a good model, and it may very well be that the rebate will be the model which we will develop further.

Let me remind the gentleman that the Conable amendment we are discussing now provides for only a 1-year reduction of the tax rate. It leaves it open to the committee to bring back a tax change or the rebate proposal for the rest of the period of the crude oil equalization tax.

I would add that it is the intention of the chairman of the Committee on Ways and Means to have the committee develop a proper rebate system, apart from welfare and everything else, that would put back in the economy the amount of the equalization tax.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. ULLMAN) has expired.

(On request of Mr. BROWN of Ohio and by unanimous consent, Mr. ULLMAN was allowed to proceed for 1 additional minute.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield further?

Mr. ULLMAN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I appreciate the gentleman's taking this time to respond.

I just want to ask the gentleman from Oregon (Mr. ULLMAN) one more question.

In 1972, our foreign oil imports were about 27 or 29 percent of our total consumption. They cost us $3 billion.

Two years later, after the Arabs had raised the price, they cost us about $24 billion. That was a $21 billion impact on the economy over 2 years.

As I understand this proposal, there will be a $53 billion tax over a period of 5 years.

I am just curious to know, since many of us thought that the Arab boycott price increase helped create that recession that we had after the oil shortages and the high prices, whether the economic impact of this is thought to be in that same range.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. ULLMAN) has again expired.

(By unanimous consent, Mr. ULLMAN was allowed to proceed for 1 additional minute.)

Mr. ULLMAN. Mr. Chairman, to answer the gentleman's question, to get the figures in proper focus, we should not include the $21 billion gas tax, which is an extension of what is now in place. So, we have to forget about the $53 billion figure and consider $31 billion.

Of that, there is $5 billion which will be offset to pay for the strategic petroleum reserve storage program and some of the other increased costs that will result from the energy program.

Therefore, $26 billion is the amount that we fully intend to rebate and put back into the economy, either under formulas in this bill or under other formulas which we expect to bring to the Congress

next year. Therefore, we expect the equalization tax to have a neutral impact on the economy, and we expect, insofar as possible, that we will be able to return to the American people the increased costs that they are going to have.

Mr. BROWN of Ohio. Mr. Chairman, I thank the gentleman.

Mr. STEERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wonder whether the chairman of the Committee on Ways and Means would respond to a question or two.

The question I have relates to the gentleman's statement that adopting the Conable amendment would preempt action by the Committee on Ways and Means. I want to point out to the chairman of that committee that there are only two possibilities really. Either the Committee on Ways and Means will come in with a key administration plan before the end of this year or it will not. If it does not come in with a plan before the end of this year, this House will either adopt it or will not. If it does adopt it, of course, it would very readily preempt the action taken today on the Conable amendment.

I therefore would ask the chairman if he would not admit and acknowledge that, in fact, any action taken on the Conable amendment can only be effective, on the presumption I have been making, if the action by the Committee on Ways and Means on an administration proposal does not occur until after the first of the year. In that case the Conable amendment would be very much in order and would not require all this exhaustive examination that the chairman has thought necessary.

Mr. ULLMAN. Mr. Chairman, let me say in reply that there have been altogether too many changes in tax procdures. What we believe is the proper thing to do is to adopt the rebate system this fall then look at the rate structure in the tax reform bill and make our basic adjustment in rates. If now, for a 1-year period, we change the rate structure, then that is just going to compound our problem in looking toward the long range changes this fall and will result in changes each year. It is our hope we can make the changes in an orderly way. We can make the rebate, which is eminently sensible and has been worked out very well. This fall when we get the tax reform recommendations we can work on the whole rate structure and examine it properly and next year bring in the basic adjustment and rates that we think are due the American people.

Mr. STEERS. Mr. Chairman, I would ask the gentleman from Oregon did the gentleman say that he will be bringing in a tax proposal next year, after the end of this year, and therefore it will not be effective and cannot possibly be effective until after 1978?

Mr. ULLMAN. Let me say, if the gentleman will yield further, it is our hope that we can bring to the Congress next year, early, fairly early in the year, a basic tax reform package that will include the desired adjustment in rates that we think are needed in the tax reform.

Mr. STEERS. But will it be effective for 1978?

Mr. ULLMAN. It will, of course, not be. I cannot, of course, obviously, speak to that in all finality but it would most likely impact in calendar year 1979.

Mr. STEERS. I thank the gentleman. The gentleman has answered my question.

Mr. ULLMAN. But it would be a lot better than to adjust the rate for next year and for the following year again. I think we should do it in one action.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. STEERS. I yield to the gentleman from New York

Mr. CONABLE. Mr. Chairman, in reponse to what the chairman, the gentleman from Oregon (Mr. ULLMAN), said that my amendment would result in some tinkering with the tax law, I think that is an odd comment to make in an energy tax bill that adds five new taxes and nine additional tax preferences.

I would like to say that my proposal is a very simple one, a 1-year tax rate cut as opposed to a really complicated rebate proposal which will send $22 back across the board to the American people.

Mr. STEERS. I thank the gentleman from New York.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from New York (Mr. CONABLE).

Mr. Chairman, I do so because the effect of this amendment would be to strike the provision mandating a dollar-for-dollar rebate for the home heating oil consumer. This exemption from the full effect of the crude oil equalization tax, in the form of the rebate, was adopted by both the Ways and Means Committee and the Ad Hoc Energy Committee, both after lengthy debate.

Mr. Chairman, I would first like to correct a misconception surrounding this issue that the tax will only benefit the heating oil consumers of New England. While it is true that the New England consumers of this expensive heating fuel stand to benefit, it is also true that consumers in the remaining States, and especially in the Mid-Atlantic, North Central, and South Atlantic regions will also benefit. In total, 19 States will derive major relief from this provision of the ad hoc committee's bill.

Mr. Chairman, a recently released study compiled by the Bureau of Mines found the total amount of savings to these already overburdened heating oil customers would be $1.406 billion in 1980. Additionally, the Federal Energy Administration just released their study which shows that the rebate, in 1985, would have a greater impact on the consumers in the New York, New Jersey area and in the Midwest area than it would have on New England. I hope we can lay the misconception to rest, once and for all.

Mr. Chairman, I strongly support the proposal in the energy bill which grants the exemption from the tax for these home heating oil consumers. But it is not accurate to say that these consumers will receive a special benefit, direct from Washington, assuming this amendment is defeated, since these consumers have been and will be saddled with high energy costs for years to come. This amendment would, in essence, allow these "captive consumers" to retain a stable price level, while the other users of petroleum products would experience some cost increases. But, make no mistake about it, the cost to these other consumers will, in no way, be as high as those borne by the heating oil consumer. Without this dollar-for-dollar rebate, the home heating oil consumer will be paying an average of 20 cents more per gallon by 1980, than home heating consumers of natural gas, on a Btu equivalent.

Mr. Chairman, the President supports this proposal and opposes the amendment now before this body. In fact, the President stated in his energy message to Congress last April that—

> Home heating oil users would receive an additional share of the equalization tax as a dollar-for-dollar reduction in the price when they buy fuel oil.

The proposal contained within the energy bill accomplishes that stated goal.

Finally, Mr. Chairman, I was pleased to hear the President state that one of the cornerstones of his comprehensive national energy policy was the assurance to the public that the policies are equitable across the country, and that the special needs of special regions are met. The amendment now before us will get that cornerstone, and thus we will revert back to the previous policies of forcing some groups of individuals to pay exorbitant prices while others reap the benefits of this sacrifice. I trust this body does not want to go on record in support of such a policy. I therefore, urge my colleagues to oppose this amendment, in the interest of equity.

Thank you, Mr. Chairman.

Annual homeowner cost increases resulting from crude oil equalization tax (1980)

[In millions of dollars per year]

Mid-Atlantic States:	
New York	$335
New Jersey	155
Pennsylvania	114
Mid-Atlantic total	604
North Central States:	
Michigan	86
Wisconsin	65
Illinois	45
Minnesota	44
Indiana	42
Ohio	26
Missouri	12
North Central total	320
South Atlantic States:	
Maryland	34
Virginia	21
North Carolina	20
South Atlantic total	75

New England States:	
Massachusetts	$229
Connecticut	64
Maine	41
New Hampshire	29
Rhode Island	29
Vermont	15
New England total	407
Total 19 States	1,406

Source: Federal Energy Administration.

Rebate to region as a percent of total U.S. rebate (1985)

New England	19
New York/New Jersey	25
Mid-Atlantic	13
South Atlantic	8
Midwest	23
Southwest	4
Central	2
North Central	1
West	1
Northwest	3

Source: Bureau of Mines.

Mrs. HECKLER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. I thank the gentleman for yielding.

I would like to congratulate the gentleman in the well on the validity of his statement and his leadership in this area over the many years during which he has served the Congress. I wish to identify myself with the contents of his remarks.

Mr. CONTE. I thank the gentlewoman.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

I trust the gentleman understands that 5 percent of the proceeds of wellhead tax will be remitted to the retailers of home heating oil and not to the consumers. There is going to be a very serious administrative problem in assuring that the benefits flow through the gentleman's constituents, and then it can be only to the extent of one-twentieth of the added cost put on them by this crude oil tax.

Mr. CONTE. I feel fairly confident about this. We have met with the representatives of the retailers, and I think we have this thing worked out where it will be passed on to the user of home heating oil.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. I thank the gentleman for yielding.

I would like to concur in the statements made about the gentleman from Massachusetts describing his activities over the years and congratulate him on the position he has taken.

Mr. CONTE. I thank the gentleman.

Mrs. HECKLER. Mr. Chairman, I must support the rebate for those who use heating oil in their residences. Any amendment which would strike that rebate would work an inequity against those homeowners who must rely on oil, instead of natural gas, to heat their homes.

The overall costs of the crude oil equalization tax are staggering. Total collections of the wellhead tax on crude oil will come to $163 billion for the period between 1978 and 1985. Even if we take into consideration the rebate, there is still a $40.8 billion cost to the public.

The overall rebate of the crude oil equalization tax will spread across the country on an equal basis. The same formula would apply under the Conable amendment, except that there would be some preference given to low-income individuals.

The inequity of these two methods lies in the fact that those who use oil to heat their homes pay more for oil and therefore bear a greater share of the equalization tax than do those who use natural gas.

Natural gas is now about 10 cents cheaper per unit when compared with heating oil. Homeowners who use oil are not paying 10 cents more per gallon than those who use natural gas. Under the equalization tax, they will pay an additional 10 cents per gallon, for a total of 20 cents over the costs of those who use natural gas.

Yet, under the general rebate plan—and under this amendment—these homeowners receive no more than those who use natural gas.

The average heating oil bill per season for a typical residential customer is $600. The crude oil equalization tax would increase that bill by 23 percent, or about $140. Under the heating oil rebate this customer will be refunded, dollar for dollar, the costs of this tax. Under this amendment, the tax cut to the customer will only amount to $20 or $25 per family.

This will penalize the heating oil customer to the tune of $100 or more per year. And I do not believe these homeowners should be penalized merely because they use—and have used for years—heating oil instead of natural gas.

As my distinguished colleague knows so well, users of heating oil are concentrated in the Northeastern, North Central, and Mid-Atlantic States. That fact is true, not because these users prefer heating oil, but because it is the fuel which is most abundant.

Natural gas is not available in most of these areas, but must be sent thousands of miles through pipelines. Heating oil is more readily available and therefore, that is the fuel which has been used.

The costs of heating a typical family home during a hard winter is burdensome enough without imposing a system that would add $100 or more to each family's heating bill.

I feel I must oppose this amendment on the grounds that it would be excessively burdensome to one type of taxpayer—those who already pay more for heating each year. I urge the Members to oppose this amendment and avoid this inequity.

Mr. BOLAND. Mr. Chairman, I do want to go on record as opposing the Conable amendment. I want to emphasize that a home heating oil rebate is absolutely necessary if the energy conservation provisions of this bill are going to work.

Many Members have seen the data that has been prepared by both the Ways and Means Committee and by the Federal Energy Commission. For example, the annual homeowner cost increase resulting from the crude oil equalization tax in 1980 will be $335,000,000 per year for New York State alone. The total for the six New England States will be $407,000,000. The North Central States cost for 1980 will be $320,000,000. It does not seem to me that there is any concentration of this cost one area. Everybody is bearing part of the burden. Consequently, a home heating oil rebate does not unduly favor one region over another.

According to FEA figures for 1985, the rebate to New England will only be 19 percent of the total U.S. rebate. The Mid and South Atlantic States will receive 21 percent of the rebate, and the Midwest, 22 percent of the rebate. Of course, Mr. Chairman, the Southwest States will receive only a small percentage of the total U.S. rebate, but those same States will consume only a minute fraction of the home heating oil used in this country. The home heating oil rebate revision is not intended to be a Federal giveaway program.

It is intended, however, to rebate part of the equalization tax to those areas most severely affected by high home heating oil costs. The legislation as written fairly distributes the rebate. No one area is favored unjustly. Mr. Chairman, the argument that the rebate is intended for the benefit of any one area just does not hold water.

Again, I want to stress to the Members we are considering a comprehensive program here. The home heating oil rebate is an absolutely essential element of that package. If we are going to have a crude oil equalization tax—and I believe we must—then we must also make provisions for rebating part of the revenues raised from that tax to those who by reason of geography or climate are in a more disadvantageous energy position than others. I urge the defeat of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. CONABLE).

The question was taken; and the Chair announced that he was in doubt.

RECORDED VOTE

Mr. CONABLE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 175, noes 232, not voting 26, as follows:

[Roll No. 508]

AYES—175

Abdnor	Broomfield	Clawson, Del
Allen	Brown, Mich.	Cochran
Anderson, Ill.	Brown, Ohio	Coleman
Andrews, N. Dak.	Broyhill	Collins, Tex.
Archer	Buchanan	Conable
Armstrong	Burgener	Corcoran
Ashbrook	Burke, Fla.	Coughlin
Badham	Burleson, Tex.	Crane
Bafalis	Butler	Cunningham
Bauman	Byron	Daniel, Dan
Beard, Tenn.	Caputo	Daniel, R. W.
Benjamin	Carter	de la Garza
Bowen	Cederberg	Derwinski
Breaux	Chappell	Devine
Brinkley	Clausen, Don H.	Dickinson
		Duncan, Tenn.

Edwards, Ala.	Kindness	Rousselot
Edwards, Okla.	Krueger	Rudd
Emery	Lagomarsino	Runnels
English	Latta	Ruppe
Erlenborn	Leach	Santini
Evans, Del.	Lent	Satterfield
Evans, Ind.	Levitas	Sawyer
Fenwick	Lott	Schroeder
Findley	Lujan	Schulze
Fish	McClory	Sebelius
Flynt	McDade	Shuster
Forsythe	McDonald	Sikes
Fountain	McEwen	Skubitz
Frenzel	McHugh	Smith, Iowa
Frey	Madigan	Smith, Nebr.
Gammage	Mahon	Snyder
Ginn	Marks	Spence
Glickman	Marlenee	Stangeland
Goldwater	Marriott	Stanton
Gonzalez	Martin	Steers
Goodling	Mathis	Steiger
Gradison	Mattox	Stockman
Grassley	Milford	Stump
Guyer	Miller, Ohio	Symms
Hagedorn	Montgomery	Taylor
Hall	Moore	Thone
Hammer-schmidt	Moorhead, Calif.	Treen
Hansen	Myers, John	Trible
Harkin	Nowak	Vander Jagt
Harsha	Oakar	Waggonner
Hightower	Patten	Walker
Hillis	Pettis	Wampler
Hollenbeck	Pickle	White
Horton	Poage	Whitehurst
Huckaby	Pressler	Wiggins
Hyde	Pritchard	Wilson, Bob
Ichord	Pursell	Wilson, Tex.
Ireland	Quayle	Winn
Johnson, Colo.	Quillen	Wydler
Kasten	Railsback	Wylie
Kazen	Regula	Young, Fla.
Kelly	Rinaldo	
Kemp	Roberts	
Ketchum	Robinson	

NOES—232

Addabbo	Dicks	Keys
Akaka	Diggs	Kildee
Alexander	Dingell	Kostmayer
Ambro	Dodd	Krebs
Ammerman	Downey	LaFalce
Anderson, Calif.	Drinan	Le Fante
Annunzio	Early	Lederer
Applegate	Eckhardt	Leggett
Ashley	Edgar	Lehman
Aspin	Edwards, Calif.	Lloyd, Tenn.
AuCoin	Eilberg	Long, La.
Badillo	Ertel	Long, Md.
Baldus	Evans, Colo.	Luken
Barnard	Evans, Ga.	Lundine
Baucus	Fary	McCormack
Beard, R.I.	Fisher	McFall
Bedell	Fithian	McKay
Bennett	Flood	Maguire
Bevill	Florio	Mann
Biaggi	Flowers	Markey
Bingham	Foley	Mazzoli
Blanchard	Ford, Mich.	Meeds
Blouin	Ford, Tenn.	Metcalfe
Boggs	Fowler	Meyner
Boland	Fraser	Mikulski
Bolling	Fuqua	Mikva
Bonior	Gaydos	Miller, Calif.
Bonker	Gephardt	Mineta
Brademas	Giaimo	Minish
Breckinridge	Gibbons	Mitchell, N.Y.
Brodhead	Gilman	Moakley
Brooks	Gore	Moffett
Brown, Calif.	Gudger	Mollohan
Burke, Calif.	Hamilton	Moorhead, Pa.
Burlison, Mo.	Hanley	Moss
Burton, John	Hannaford	Mottl
Burton, Phillip	Harrington	Murphy, Ill.
Carney	Harris	Murphy, N.Y.
Carr	Heckler	Murphy, Pa.
Cavanaugh	Hefner	Murtha
Chisholm	Heftel	Myers, Gary
Clay	Holland	Myers, Michael
Cleveland	Holtzman	Natcher
Cohen	Howard	Neal
Conte	Hubbard	Nedzi
Corman	Hughes	Nichols
Cornell	Jacobs	Nix
Cornwell	Jeffords	Nolan
Cotter	Jenkins	Oberstar
D'Amours	Jenrette	Obey
Danielson	Johnson, Calif.	Ottinger
Davis	Jones, N.C.	Panetta
Delaney	Jones, Okla.	Patterson
Dellums	Jones, Tenn.	Pattison
Derrick	Jordan	Perkins
	Kastenmeier	Pike
Preyer	Simon	Vento
Price	Sisk	Volkmer
Rahall	Skelton	Walgren
Rangel	Slack	Walsh
Reuss	Solarz	Watkins
Richmond	Spellman	Waxman
Risenhoover	St Germain	Weaver
Rodino	Staggers	Weiss
Roe	Stark	Whalen
Rogers	Steed	Whitley
Roncalio	Stokes	Whitten
Rooney	Stratton	Wilson, C. H.
Rose	Studds	Wirth
Rosenthal	Thompson	Wolff
Rostenkowski	Thornton	Wright
Roybal	Traxler	Yates
Russo	Tsongas	Yatron
Ryan	Tucker	Young, Mo.
Sarasin	Udall	Young, Tex.
Scheuer	Ullman	Zablocki
Sharp	Van Deerlin	Zeferetti
Shipley	Vanik	

NOT VOTING—26

Andrews, N.C.	Flippo	O'Brien
Bellenson	Hawkins	Pease
Burke, Mass.	Holt	Pepper
Collins, Ill.	Koch	Quie
Conyers	Lloyd, Calif.	Rhodes
Dent	McCloskey	Seiberling
Dornan	McKinney	Teague
Duncan, Oreg.	Michel	Young, Alaska
Fascell	Mitchell, Md.	

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Burke of Massachusetts against.

Mr. Rhodes for, with Mr. Hawkins against.

Mr. O'Brien for, with Mr. Mitchell of Maryland against.

Mr. Michel for, with Mr. Pepper against.

Ms. Holt for, with Mr. Seiberling against.

Mr. SMITH of Iowa changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will designate the heading of the part now pending.

The Clerk read as follows:

Page 513, line 1, part IV—excise tax on business use of oil and natural gas.

(Part IV of title II reads as follows:)

PART IV—EXCISE TAX ON BUSINESS USE OF OIL AND NATURAL GAS

SEC. 2041. EXCISE TAX ON BUSINESS USE OF OIL AND GAS.

(a) IN GENERAL.—Chapter 45 (as added by section 2031(a)) is amended by adding at the end thereof the following new subchapter:

"Subchapter B—Tax on Business of Oil and Gas; Rebates

"Part I. Tax on business use of oil and gas.

"Part II. Credits against section 4991 tax.

PART I—TAX ON BUSINESS USE OF OIL AND GAS

"Sec. 4991. Imposition of tax.

"Sec. 4992. Taxable use defined.

"Sec. 4993. Tiers; downward reclassification.

"Sec. 4994. Amount of natural gas tax.

"Sec. 4995. Definitions and special rules.

"SEC. 4991. IMPOSITION OF TAX.

"(a) IN GENERAL.—There is hereby imposed a tax on each taxable use of oil or natural gas.

"(b) AMOUNT OF TAX ON OIL.—The amount of the tax imposed by subsection (a) with respect to oil shall be determined in accordance with the following table (adjusted in the case of calendar year 1981 and thereafter for the inflation adjustment provided in subsection (d)):

"If the taxable use occurs during calendar year—	The tax per barrel is— Tier 1	Tier 2	Tier 3
1979	$.30	$.30	None
1980	.60	.60	None
1981	1.00	1.00	None
1982	1.00	1.45	None
1983	1.00	2.00	$1.50
1984	1.00	2.50	1.50
1985 or thereafter	1.00	3.00	1.50

"(c) AMOUNT OF TAX ON NATURAL GAS.—

"(1) TIER 1 AND TIER 2.—The amount of the tax imposed by subsection (a) with respect to each million Btu of taxable use of natural gas which is classified in Tier 1 or Tier 2 is the excess (if any) of—

"(A) the natural gas target price per million Btu for the calendar year (determined under section 4994(a)) which is applicable with respect to such gas, over

"(B) the user acquisition cost per million Btu for such gas (determined under section 4994(d)).

"(2) TIER 3.—The amount of the tax imposed by subsection (a) with respect to a taxable use of natural gas which is classified in Tier 3 shall be determined in accordance with the following table (adjusted in the case of the calendar year 1981 and thereafter for the inflation adjustment provided in subsection (d)):

"If the Tier 3 taxable use ocurs during calendar year	The tax per million Btu of taxable use is—
1979	None
1980	None

"If the Tier 3 taxable use occurs during calendar year	The tax per million Btu of taxable use is—
1981	None
1982	None
1983	$.55
1984	.65
1985 or thereafter	.75

For cap on a Tier 3 taxable use of natural gas, see section 4994(f).

"(d) INFLATION ADJUSTMENT.—The inflation adjustment for any calendar year is the percentage by which—

"(1) the implicit price deflator for the gross national product for the preceding calendar year (as shown in the first revision thereof), exceeds or is less than

"(2) the similar deflator for 1979 (as shown in the final revision thereof).

"(e) ROUNDING.—If, but for this subsection—

(1) the amount of any per barrel tax under subsection (b), or

"(2) the amount of any tax per million Btu under subsection (c),

would include a fraction of a cent, such fraction shall be rounded to the nearest whole cent (or, in the case of ½ cent, rounded upwards to the nearest whole cent).

"(f) LIABILITY FOR TAX.—The tax imposed by this section shall be paid by the user.

"(g) TAX DUE ON JULY 1 OF FOLLOWING YEAR—The tax imposed by this section for any calendar year shall be paid on or before July 1 of the succeeding year.

"(h) AUTHORITY OF PRESIDENT TO SUSPEND IMPOSITION OF TAX.—

"(1) GRANT OF AUTHORITY.—If the Presi-

dent determines that the imposition of the tax imposed by subsection (a) would have an adverse economic effect, he may submit to the Congress a suspension plan providing for the suspension of part or all of such tax for the period (not exceeding 1 year) specified in the plan.

"(2) PLAN MUST STATE CIRCUMSTANCES.—Any plan submitted under paragraph (1) shall set forth the circumstances leading to the submission of the plan and the considerations which the President took into account in formulating the scope and duration of the plan.

"(3) TAKING EFFECT OF PLAN.—A suspension plan described in paragraph (1) shall take effect only if—

"(A) such plan is submitted to the Congress in accordance with section 2081(a) of the Energy Tax Act of 1977, and

"(B) before the close of the 15th day (as defined in section 2081(c)(5) of such Act) after the day on which such plan is delivered to the Congress, neither the House of Representatives nor the Senate disapproves such plan in accordance with the procedures set forth in section 2081(b) of such Act.

"SEC. 4992. TAXABLE USE DEFINED.

"(a) IN GENERAL.—For purposes of this part, the term 'taxable use' means any use (in the United States) as a fuel in a trade or business. Such term does not include—

"(1) any exempt use, and

"(2) so much of what would (but for this paragraph) be taxable use during the calendar year as does not exceed the exempt amount for the calendar year (determined under subsection (c)).

"(b) EXEMPT USE.—

"(1) IN GENERAL.—For the purposes of subsection (a), the term 'exempt use' means—

"(A) use in an apartment, hotel, motel, or other residential facility,

"(B) use in a vehicle, aircraft, or vessel, or in transportation by pipeline,

"(C) use on a farm for farming purposes (within the meaning of section 6420(c)),

"(D) use in—

"(i) a shopping center,

"(ii) an office building,

"(iii) a wholesale or retail establishment or

"(iv) any other facility which is not an integral part of manufacturing, processing, or mining,

"(E) use in the exploration for, or the development, extraction, transmission, or storage of, crude oil, natural gas, or natural gas liquids, and

"(F) any exempt process use (within the meaning of paragraph (2)).

"(2) EXEMPT PROCESS USE DEFINED.—For purposes of this subsection, the term 'exempt process use' means the use of oil or natural gas in any manufacturing process where there is no substitute fuel—

(A) which may be used without materially and adversely affecting the manufacturing process or the quality of the manufactured goods, and

"(B) the use of which is economically and environmentally feasible.

Such term does not include any use in a boiler or in a turbine or other internal combustion engine. For purposes of this paragraph, the 'substitute fuel' means any fuel other than oil and natural gas.

"(3) USE PRECLUDED BY FEDERAL OR STATE AIR POLLUTION REGULATIONS.—

"(A) IN GENERAL.—For purposes of subsection (a), the term 'exempt use' includes any use of oil or natural gas in a facility if—

"(i) the use of coal in such facility is precluded by Federal or State air pollution regulations, and

"(ii) such facility was in existence on April 20, 1977, on such date construction of such facility had begun, or on such date there was a binding contract for the construction of such facility.

This subparagraph shall not apply to any use of oil or natural gas in a facility which is substantially different from the use contemplated for such facility on April 20, 1977.

"(B) STATE REGULATIONS MUST HAVE BEEN IN EFFECT ON APRIL 20, 1977, ETC.—For purposes of subparagraph (A), a State regulation shall be taken into account with respect to any use only if—

"(i) such use would also have been precluded by a regulation of such State which was in effect on April 20, 1977, or

"(ii) the Secretary, after consultation with the appropriate Federal and State agencies, determines that the adoption of the State regulation meets a requirement of Federal law.

"(C) REGULATIONS PURSUANT TO STATE IMPLEMENTATION PLAN.—For purposes of this paragraph, a regulation of an agency having jurisdiction over the facility under an approved State Implementation Plan shall be treated as a State regulation. For purposes of the preceding sentence, the term "approved State Implementation Plan" means a plan of a State for the control of air pollution which has been approved by the appropriate Federal agency as implementing Federal laws relating to air pollution.

"(c) EXEMPT AMOUNT.—

"(1) IN GENERAL.—For purposes of this part, the exempt amount for the taxpayer for any calendar year is the Btu content of 50,000 barrels of oil.

"(2) ALLOCATION.—Under regulations prescribed by the Secretary, the taxpayer may allocate the exempt amount for any calendar year—

"(A) between oil and natural gas, and

"(B) among the various tiers of taxable use, in such manner as the taxpayer may elect.

"(3) ENTITIES UNDER COMMON CONTROL.—

"(A) TREATMENT AS TAXPAYER.—For purposes of this subsection—

"(i) persons who are members of the same controlled group of corporations, and

"(ii) trades or businesses (whether or not incorporated) which are under common control,

shall be treated as 1 taxpayer.

"(B) ALLOCATION OF EXEMPT AMOUNT.—The exempt amount for the calender year shall be divided among the entities treated as 1 taxpayer under subparagraph (A)—

"(i) in proportion to their respective taxable use (determined without regard to subsection (a)(2)) during the calendar year, or

"(ii) if all such entities agree, in such proportions as may be agreed upon in such agreement.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) CONTROLLED GROUP OF CORPORATIONS.—The term 'controlled group of corporations' has the meaning given to such term by section 1563(a), except that 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a).

"(ii) COMMON CONTROL.—The determination of whether trades or businesses are under common control shall be made under regulations prescribed by the Secretary which shall be based on principles similar to the principles which apply in the case of clause (i).

"(4) PER PLANT ADJUSTMENT IN CASES OF COMPETITIVE DISADVANTAGE.—If—

"(A) the taxpayer engages in a trade or business at any plant,

"(B) facilities located in the same region as the plant referred to in subparagraph (A) which are competitive with such plant do not incur any liability for the tax imposed by section 4991 by reason of the exempt amount, and

"(C) the liability for the tax imposed by section 4991 which the taxpayer would, but for this paragraph, incur with respect to uses in such plant would result in a substantial competitive disadvantage to the taxpayer.

the Secretary shall provide an additional exempt amount for the calendar year which may be usable only in such plant but only to the extent that such additional exempt amount is necessary to alleviate the competitive disadvantage. The Secretary shall, as soon as practicable after any exempt amount is provided under the preceding sentence, publish in the Federal Register the name of the plant and the additional exempt amount for the calendar year.

"SEC. 4993. TIERS; DOWNWARD RECLASSIFICATION.

"(a) TIERS.—For purposes of this part, a taxable use shall be classified in one of the following 3 tiers:

"(1) Tier 1, which includes any use which is not classified in Tier 2 or 3.

"(2) Tier 2, which includes any use in a boiler or in a turbine or other internal combustion engine (other than a use classified in Tier 3).

"(3) Tier 3, which includes any use by entity—

"(A) in the production of electricity—

"(i) for sale to another entity which is not under common control (within the meaning of section 4992(c)(3)(C)(ii)), or

"(ii) in a plant with a rated capacity of 100 megawatts or more of electricity, or

"(B) in the production of steam by a regulated public utility the principal activity of which is the production of electricity for sale.

"(b) RECLASSIFICATION DOWNWARD.—

"(1) IN GENERAL.—The Secretary shall prescribe by regulations a procedure under which he may reclassify, for a temporary period or permanently, a use to a Tier which is subject to a lower tax or in an exempt use category.

"(2) STANDARDS FOR RECLASSIFICATION.—The Secretary shall reclassify a use under paragraph (1) only after consulting the appropriate Federal agency, and only if he determines that such action is not inconsistent with the goal of encouraging the conversion from, or significant conservation in, the use of oil and natural gas as a fuel.

"(c) SPECIAL TEMPORARY CLASSIFICATIONS.—If an exemption or exception with respect to any facility is granted under—

"(1) section 611 (relating to new electric power plants),

"(2) section 612 (relating to new major fuel burning installations), or

"(3) section 616 (relating to qualifying cogeneration facilities)

of the National Energy Act, the Secretary shall, for the duration of such exception or exemption, classify the use of oil or natural gas in the facility in the exempt use category.

"SEC. 4994. AMOUNT OF NATURAL GAS TAX.

"(a) NATURAL GAS TARGET PRICE.—For purposes of section 4991(c)(1)(A)—

"(1) IN GENERAL.—The natural gas target price per million Btu for the calendar year applicable to gas used in any region is—

"(A) the Btu equivalency price for the calendar year for such region (determined under subsection (c)), reduced by

"(B) the amount of the taxable use adjustment (if any) provided by subsection (b).

"(2) INFLATION ADJUSTMENT.—In the case of a calendar year beginning after 1980, the amount taken into account under paragraph (1)(B) shall be adjusted for the inflation adjustment provided in section 4991(d)).

"(b) TAXABLE USE ADJUSTMENT.—For pur-

poses of subsection (a), the taxable use adjustment for 1 million Btu is the amount of the subtraction determined in accordance with the following table:

"If the taxable use occurs during calendar year—	The amount subtracted for tier 1 is—	The amount subtracted for tier 2 is—
1979	$1.35	$1.05
1980	.70	.40
1981	.65	.35
1982	.55	.25
1983	.50	.20
1984	.45	.15
1985 or thereafter	.30	Zero

"(c) DETERMINATION OF EQUIVALENCY PRICE.—For purposes of subsection (a)(1)(A)—

"(1) IN GENERAL.—The Btu equivalency price for the calendar year for any region shall be based on the average regional price per barrel of all No. 2 grade distillate oil sold during the preceding calendar year for taxable use in such region. For purposes of the preceding sentence, the Btu content of a barrel of No. 2 grade distillate oil is 5,800,000 Btu.

"(2) SECTION 4991 TAX NOT TAKEN INTO ACCOUNT.—The determination of Btu equivalency price shall be made without taking into account any tax imposed by section 4991.

"(3) DETERMINATION OF BTU EQUIVALENCY PRICE.—The Btu equivalency price for the calendar year shall be determined by the Secretary of Energy and certified to the Secretary on or before March 31 of the calendar year.

"(d) USER ACQUISITION COST.—For purposes of section 4991(c)(1)(B)—

"(1) IN GENERAL.—The user acquisition cost of any person per million Btu for any acquisition of natural gas is—

"(A) the aggregate amount paid by such person for such gas, divided by

"(B) the number of million Btu so acquired.

"(2) IMPUTED COST.—In the case of natural gas—

"(A) used—

"(i) by the producer thereof,

"(ii) by any person who is a member of the same controlled group of corporations as the producer thereof, or

"(iii) in any trade or business (whether or not incorporated) which is under common control with the producer, or

"(B) acquired in a transaction which is not an arm's length transaction.

the user acquisition cost shall not exceed the maximum lawful price (or special price) applicable with respect to a sale by the producer of such natural gas under law of the United States.

"(3) COST TO INCLUDE TRANSPORTATION COSTS.—For purposes of this subsection—

"(A) transportation costs include imputed transportation costs, and

"(B) transportation costs shall not exceed the reasonable transportation costs which would be incurred in an arm's length transaction.

"(4) NEW OR INCREASED STATE USER TAXES NOT TAKEN INTO ACCOUNT.—

"(A) IN GENERAL.—For purposes of this subsection—

"(i) any State natural gas user tax imposed on or after April 20, 1977, and

"(ii) any increase on or after such date in the rate of a State natural gas user tax,

shall not be taken into account.

"(B) DEFINITIONS.—For purposes of subparagraph (A)—

"(i) the term 'State' includes a political subdivision of a State, and

"(ii) any tax, fee, or other amount having the effect of a user tax shall be treated as a user tax.

"(e) REDUCTION IN TIER 1 AND TIER 2 TAX FOR INTERRUPTIBLE CONTRACTS.—

"(1) IN GENERAL.—If any portion of the natural gas is acquired pursuant to an interruptible contract, the amount of the tax determined under section 4991(c)(1) with respect to such portion shall be reduced by an amount equal to 10 percent of the amount determined without regard to this paragraph.

"(2) INTERRUPTIBLE CONTRACT DEFINED.—For purposes of paragraph (1), the term 'interruptible contract' means a contract or schedule which anticipates and permits interruptions by the supplies on short notice in nonemergency situations.

"(f) CAP ON TAX ON UTILITY USE.—

"(1) IN GENERAL.—The tax on any taxable use of natural gas classified in Tier 3 shall not cause the cost of such use to exceed the Btu equivalency price for residual fuel oil.

"(2) BTU EQUIVALENCY PRICE.—For purposes of paragraph (1), the Btu equivalency price for residual fuel oil shall be determined—

"(A) on the basis of the average regional price per barrel of all residual fuel oil sold during the preceding calendar year for taxable use in the region in which the natural gas is used, as determined by March 31 of the calendar year by the Secretary of Energy, and

"(B) by including in the cost of the natural gas, and in the regional price for residual fuel oil, the taxes imposed by this chapter.

"(3) BTU CONTENT OF RESIDUAL FUEL OIL.—For purposes of this subsection, the Btu content of a barrel of residual fuel oil is 6,200,000 Btu.

"(g) DETERMINATION OF REGIONS.—For purposes of this section, the Secretary, after consultation with the Secretary of Energy, shall divide the United States into such regions as may be appropriate to carry out the purposes of the tax imposed by section 4991 on the taxable use of natural gas.

"SEC. 4995. DEFINITIONS AND SPECIAL RULES.

"(a) OIL.—

"(1) IN GENERAL.—For purposes of this part, except as provided in paragraph (2), the term 'oil' means—

"(A) crude oil,

"(B) refined petroleum products, and

"(C) natural gas liquids.

"(2) EXCEPTIONS.—The term 'oil' does not include—

"(A) natural gas,

"(B) gasoline (within the meaning of section 4082(b)), and

"(C) any substance of a kind which is not generally marketable for use as a fuel.

"(b) NATURAL GAS.—

"(1) IN GENERAL.—For purposes of this part, except as provided in paragraph (2), the term 'natural gas' means—

"(A) natural gas, petroleum, or a product of natural gas or petroleum, which

"(B) has an API gravity of 110 or more.

"(2) EXCEPTION.—The term 'natural gas' does not include any substance of a kind which is not generally marketable for use as a fuel.

"(c) BARREL.—For purposes of this part, the term 'barrel' means 42 gallons.

"(d) AMOUNT OF TAX ON FRACTIONAL UNITS.—In the case of a fraction of a barrel of oil or (in the case of a fraction of a barrel of oil or (in the case of natural gas) a fraction of 1 million Btu, the amount of the tax shall be the same fraction of the amount determined under subsection (b) or (c) of section 4991 (whichever applies).

"(e) BTU CONTENT.—For purposes of this part—

"(1) OIL.—Except as otherwise provided in this part, the Btu content of a barrel of oil is 6,000,000 Btu.

"(2) NATURAL GAS.—The Secretary shall by regulations establish Btu content for the various types and grades of natural gas.

"(f) UNITED STATES.—For purposes of this part, the term 'United States' means the 50 States and the District of Columbia."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to uses after December 31, 1978.

AD HOC COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will designate the page and line number of the first ad hoc committee amendment to part IV of title II.

The Clerk read as follows:

Ad hoc committee amendment: Page 523, line 19, delete the stricken word and insert the matter printed in italics on line 22 through line 2 of page 524.

(The ad hoc committee amendment to part IV, title II, reads as follows:)

Page 523, line 19, strike: "or".

Page 523, line 22, through line 2 on page 524, insert: or

"(C) in the production of electricity or other useful energy in a qualifying cogeneration facility (within the meaning of section 546(b)(2) of the National Energy Act).

Mr. ASHLEY. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, a number of Members have expressed an interest as to when consideration of the bill before us might be concluded and a vote reached. In concert with the gentleman from Wisconsin, I simply want briefly to bring the Members up to date on where we stand. We have yet to consider three committee amendments. With the conclusion of consideration, the disposition of these amendments, we will then be ready to consider the Republican substitute. Upon the conclusion of that consideration, we will proceed to a motion to recommit and final passage.

What I am suggesting, Mr. Chairman, is that, even without trying to get an agreement on time, at least at this juncture, it seems to me that, if we move the debate along, we should be able to plan on getting out of here about 1 o'clock or 1:30.

Mr. STEIGER. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Wisconsin.

Mr. STEIGER. I thank the gentleman for yielding.

Mr. Chairman, the distinguished chairman of the ad hoc committee has accurately summed up where we are. I hope on our side, and I trust on the gentleman's side, we can move expeditiously. There is no interest on anyone's part to prolong the debate. I think everybody knows what the issues are. On at least two of the remaining three amendments there is very little debate, I sus-

pect, which will take place. One amendment might be somewhat more debatable. But even that one I do not think will take long, and I hope we can wrap it up at about that time.

Mr. ASHLEY. I appreciate the comments of the gentleman.

Mr. Chairman, addressing myself to the committee amendment before us, under the Ways and Means Committee bill, cogeneration facilities of a utility are placed in tier 3, in which no tax is imposed until 1983 and then is imposed at a lower rate. The ad hoc committee amendment provides similar tier 3 treatment for the use of oil or natural gas in the production of electricity or other useful energy in a "qualifying" industrial cogeneration facility. This treats cogeneration facilities the same for purposes of the tax regardless of whether it is an industrial or utility cogeneration facility, which is consistent with the provisions in title I of the bill.

Mr. Chairman, I urge adoption of the ad hoc committee amendment.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I will be happy to yield to the chairman of the Committee on Ways and Means.

Mr. ULLMAN. Mr. Chairman, the Committee on Ways and Means looked at this problem, and we did exempt the larger category of private cogenerators and put them over into the same category as utilities.

We at that time had some question as to whether in fact we could properly manage to grant a reduction in taxes to all private users who had cogeneration. Subsequently, I think that I would personally have to agree that it would be equitable to do so. I think it would be proper.

Mr. Chairman, I have no objection to the ad hoc committee amendment, and I hope we can agree to it quickly and get on with the consideration of the bill.

Mr. STEIGER. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Wisconsin.

Mr. STEIGER. Mr. Chairman, the chairman of the Committee on Ways and Means reflects the thinking on my part and on this side.

Yes; the amendment does make sense, and I urge its adoption.

The CHAIRMAN. The question is on the ad hoc committee amendment to part IV, title II.

The ad hoc committee amendment was agreed to.

The CHAIRMAN. The Clerk will designate the page and line numbers of the next ad hoc committee amendment to part IV, title II.

The Clerk read as follows:

Ad hoc committee amendment: Strike the language beginning on line 16, page 524, through line 3, page 525.

(The ad hoc committee amendment to part IV, title II, reads as follows:)

Strike line 16, page 524, through line 3, page 525, as follows:

"(c) SPECIAL TEMPORARY CLASSFICATIONS.—If an exemption or exception with respect to any facility is granted under—

"(1) section 611 (relating to new electric power plants),

"(2) section 612 (relating to new major fuel burning installations), or

"(3) section 616 (relating to qualifying cogeneration facilities)

of the National Energy Act, the Secretary shall, for the duration of such exception or exemption, classify the use of oil or natural gas in the facility in the exempt use category.

Mr. ASHLEY. Mr. Chairman, I rise in support of the ad hoc committee amendment.

Mr. Chairman, I will be very brief.

Mr. Chairman, the Ways and Means Committee bill provides an exemption from the users tax for the duration of certain exemptions prescribed under the regulatory conversion program as set forth under title I of the bill. The ad hoc committee amendment deletes this exemption from the users tax, in recognition of the fact that it may not be consistent with the tax program. Appropriate safeguards for hardships are provided in the Ways and Means Committee bill for administrative reclassifications from the users tax where conversion or conservation of oil or natural gas is not possible.

With that, Mr. Chairman, I yield back the balance of my time.

Mr. STEIGER. Mr. Chairman, I rise in opposition to the ad hoc committee amendment.

Mr. Chairman, as with yesterday, I am under no illusions as to what will happen here. It depresses me—perhaps that is the best way to say it—to think that we even have to come to the consideration of this amendment at all.

All of us who have followed this bill know that a strenuous effort was made by the President of the United States to undo parts of the version of the bill proposed by the Committee on Ways and Means under title II, particularly the so-called process fuel amendment, the Martin amendment. When the President was unable to break the solid wall of opposition of our chairman, the distinguished gentleman from Oregon (Mr. ULLMAN), and others on the ad hoc committee, he looked around for the next best candidate to gut. That happened to be this simple amendment that I had offered and that had been accepted by the administration and unanimously adopted by the committee.

I would hope that all the Members will look at this, because, frankly, if and when the Corman amendment passes—as I am sure the amendment offered by the gentleman from California (Mr. CORMAN) will—it is not the end of the issue and it is not the end of the problem that is posed by the Corman amendment.

Let me, if I may, take just a few moments to simply explain to the Members where we are.

Under the bill, both titles I and II, there is a consistency between what is exempt from conversion to coal and what is taxed for existing facilities, that is, those already in place. A facility will not be taxed if it is exempt under title I.

For new facilities, that is, those that come into being after the 20th of April, 1977, under the version of the Committee on Ways and Means, if one got an exemption under very tight regulations, very tightly drawn regulations, under title I so that one did not have to convert from oil or gas to coal, he then could receive an exemption from the tax under title II for new facilities.

Mr. Chairman, the result of the Corman amendment is that even though one is exempt under title I from a mandatory conversion for environmental reasons, for siting reasons, for all of those that are contained under the definition of the Committee on Interstate and Foreign Commerce, it will be taxed for the oil and gas that issued under title II.

Now, it is true that under title II, as the chairman of the ad hoc committee, the gentleman from Ohio (Mr. ASHLEY), has said, there is an exemption privilege.

Mr. Chairman, this fact is what bothers me. I got into this matter not because it affects my district, at least so far as I know. I got into this because of a concern expressed by my colleague, the gentleman from New York (Mr. RANGEL) and myself as to what the impact would be on different portions of the country if we kept the inconsistency.

It is that which I will leave with the Members because the adoption of the Corman amendment will, in my judgment, create a situation in which 3 or 5 or whatever years down the road, those who live in New England or in California or in Texas or in New Jersey or in Pennsylvania and who might seek additional plant expansion, who might seek the opening of new industrial facilities and new jobs for workers in their areas, will find that there will not be a willingness on the part of a plant to open because even though they cannot burn coal because of environmental reasons, they will go and get an exemption so that they can continue to burn oil and gas. However, if they are located in that area, they are going to pay a tax. Admittedly, it is a conservation tax. It is not much of a tax, but the incentive is then to go away from those areas and go some place else where one does not have to have any exemptions at all under either title I or title II and where one can simply go about his business.

Mr. Chairman, that is the end result of the adoption of the Corman amendment. It is a discrepancy among areas of the country and between States. It is a discrepancy between title I, under which one is exempt, and title II, under which one is not exempt.

It is that fact only that I will ask the Members to look at as they consider today how they think a national energy policy ought to be structured.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Wisconsin (Mr. STEIGER) has explained the impact of the Corman amendment.

I would like to comment, perhaps somewhat less technically, but a little bit more practically, on exactly what this means in my district and probably in a number of other districts as well.

The fundamental principle of this bill, as I understand it, is for us to try to conserve energy, but to do it, insofar as pos-

sible, with a minimum impact on our Nation's economy and with minimum damage to jobs and economic development.

In recent years, we are all aware of the fact that with the increasing emphasis on the environment and with the increasing emphasis on technology, in a number of electric-generating facilities and other production facilities we have moved away from coal to oil as a cleaner and more efficient source of energy.

In some cases we have even developed other more sophisticated forms of power generation which are not only cleaner but less wasteful. One of those forms has been the gas turbine, or more generally referred to as the combustion turbine.

So as a result there has grown up in my district, in Schenectady, to be precise and I think in other parts of the country as well, this new gas turbine industry which is providing a new source of energy and of electrical power that is more efficient, less wasteful and more clean than what we have had before. As a result this new gas turbine industry has generated new jobs and new production and all of the other things that go along with them.

Now today we are seeking to conserve oil and to try to eliminate or reduce the consumption of oil. And in this bill we have provided certain devices which are designed to force or entice businesses back into coal from oil. This, of course, can be done fairly easily in an electrical generating plant that has a boiler. It does not really matter whether you heat it with oil or with coal. But, if instead you have moved to something that is a little bit more technically modern and more efficient like a gas turbine, you cannot put coal in a gas turbine.

That is the kind of case that the gentleman from Wisconsin (Mr. STEIGER) was referring to with those who, for one reason or another, find it technically impossible to switch back to coal. If the Corman amendment is passed, those plants which want to modernize or expand with gas turbines are going to be estopped because, with the Corman amendment, a continuing tax will be placed on their operations. So, as a practical matter, we are going to shut down the gas turbine industry and this will result in the layoff of thousands of people.

I just do not think we want to do that. I think that would be a very damaging kind of thing. The real impact of the amendment of the gentleman from California (Mr. CORMAN), will be a tax penalty on anyone who wants to use modern gas turbine technology. So either they will refuse to use gas turbines, or else they will undertake their plant expansions in other sections of the country than the northeast.

That is the thing that I am most concerned about.

The Steiger amendment, which is already in the Ways and Means bill, provides an exemption for those facilities which cannot, for technical reasons, switch to coal. It exempts them for paying a special tax penalty. I believe that exemption ought to remain in the bill because, in the long run, it is going to be to our benefit to encourage the use of gas and combustion turbines because they are more efficient, they use less oil, and they are technologically better. If we approve the Corman amendment, we will damage a valuable new industry, we will put people out of work, and we will impair industrial progress in the Northeast.

I do not think that is what we ought to do and I urge defeat of the Corman amendment.

Mr. MIKVA. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, there seems to be a tendency to try to separate out this bill on parochial grounds. It is true that as to any one piece of it, if one looks at it strictly from a "what does it do to me" point of view, there are gains and there are pains. But, overall, I think there has been a balance. I think that there will be some problems created for various sections of the country, and they are offset by gains for these sections of the country.

I would point out to those people who come from the New England section, or the Midwest or California, and the other industrial sections of the country, that, in many respects, the overall thrust of this users tax is in their benefit because what we have done is remove the largest single advantage that the Southwest and the South and the other areas have had in terms of attracting new plants, and that is cheap energy. No longer is there any cheap energy.

Under this bill, with or without the Corman amendment, the use of gas and oil in a new plant must be as expensive as coal. And that, indeed, was the whole purpose in the user tax.

Now, you cannot have your cake and eat it too.

Obviously a part of this problem also turns on what happens when a plant is going to be required to use coal, where should it settle? And the answer is it certainly ought to consider the impact on the environment in that part of the country.

As the gentleman from Wisconsin points out, there are two pieces to this scheme. One is a regulatory scheme which says you cannot use gas and oil in such-and-such circumstances; you must use coal. Another seeks to be more permissive, and that is the section we are dealing with now; this section says you can use gas and oil, but if you do, you should pay a tax.

In the Committee on Ways and Means we properly exempted certain portions of the industrial sector from even that tax. We exempted the textile industry, for instance, because it physically cannot use coal. The use of coal in the heat-treating process will apparently discolor the fabrics. There are other kinds of uses like that where we specifically exempted them from the tax. We exempted existing plants which are under environmental disability because obviously if a plant is in a part of the country where it cannot use coal, we cannot ask them to pick up their plant and move it elsewhere. But the Corman amendment deals only with new plants, and the question is whether they should or should not pay the tax if they insist on using gas and oil. The answer is that under the Corman amendment they will be required to pay the tax. If the Corman amendment is not adopted, they will not be required to pay the tax.

I would point out that there is a substantial piece of conservation action here. We are talking about 300,000 or 400,000 barrels of oil-saving a day. Perhaps one-sixth of the total saving that the President's package proposes is involved in this amendment.

I come from the Midwest—not from Chicago as our chairman says, but from Illinois—from an industrial part of Illinois. It would be great if we could take away all of the incentives that people have for settling in the Southwest and settling in the less-urban areas and give all the advantages to ourselves, but we cannot do that and still save energy. If the main purpose of this bill is not to penalize the Southwest or to benefit the Midwest but to save energy, then the equation that has to be kept in mind here is that there are 300,000 or 400,000 barrels of oil a day that turn on whether this amendment will be adopted or not.

It is for those reasons that I would hope that the Corman amendment is adopted. I think that a new plant settling for the first time has all kinds of flexibility in terms of where it settles, why it settles, and what price it is prepared to pay for its energy. If there are other reasons why it should settle in the industrial North that make it worthwhile, then maybe it should settle there and pay the tax. But in any event we ought not give it a pass and give up this very important piece of energy-saving.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from South Carolina.

Mr. MANN. I thank the gentleman for yielding.

The gentleman mentioned new plants. Let us take a situation in an urban community where a powerplant obviously from time to time has to expand its capacity. It is on oil and it would like to convert to coal. It cannot convert to coal because of space with reference to the plant itself. It ought not, nevertheless, to be punished by this so-called conservation tax, when it has no choice.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. CORMAN, and by unanimous consent, Mr. MIKVA was allowed to proceed for 2 additional minutes.)

Mr. MIKVA. Let me say to my colleague that that is true because that is true of every other piece of the industrial sector. I think we ought to bear in mind that, first of all, this applies only to the large users. We are not talking about the small users. It is those very people through whom savings can be effected.

Mr. MANN. That is true, but equity and fairness apply equally to the large and the small.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from California.

Mr. CORMAN. I thank the gentleman for yielding.

It does not affect existing plants. The Steiger amendment and the Corman effort to repeal it consider only new plants. We will try to get into more detail on that in a moment. But the existing plants are not affected by this amendment.

Mr. MANN. If the gentleman will yield further, I am advised that it does apply to existing plants if they seek to expand their capacity.

Mr. MIKVA. I will say to my colleague the passage or nonpassage of the Corman amendment will not affect that because the enhancement of an existing plant is treated differently than a new plant.

Mr. MANN. We would like to see it converted to coal, but it cannot because there is not room. Under those circumstances it cannot carry out the conservation intention, and it is taxed anyhow.

Mr. MIKVA. Let me say that an existing plant that cannot convert for environmental reasons is exempt from the tax. That is one of the two exemptions we can put on. New plants that can make the decision where to settle are not exempt, and they ought not be exempt, because, if necessary, that means they either ought to settle someplace else or they ought to pay the tax.

Mr. STEIGER. Mr. Chairman, will my colleague, the gentleman from Illinois, yield?

Mr. MIKVA. I yield to the gentleman from Wisconsin.

Mr. STEIGER. Mr. Chairman, to go to the question asked by the gentleman from South Carolina, under title I, plant expansion is considered a new facility, so in effect it does have an effect on existing facilities

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. MIKVA was allowed to proceed for 1 additional minute.)

Mr. MIKVA. Mr. Chairman, let me just respond, that because it is treated as a new plant it only comes under this prohibition if the total use exceeds 50,000 barrels a year, and if it does not exceed that it does not become impacted in the first place.

Let me remind everybody listening to this debate, we are talking about the 1,400 largest users in the country. That is all. Every other small plant and every other small manufacturer that uses less than 50,000 barrels a year is not covered by this tax. Only the largest users in the country are covered. That is where the savings are.

If someone can figure out how to conserve oil without biting someone, I wish he would have come to our committee a long time ago and made our job a little easier.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, is it not true by banning gas turbines in some industries we are going to wipe out an industry which is more efficient than one that uses a boiler system; so in effect we are wiping out more efficient industries?

Mr. MARTIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I oppose this ad hoc committee amendment to strike the provision authored by the gentleman from Wisconsin (Mr. STEIGER). It is another feature of this user tax that I wish to address. During general debate on this bill, I took the floor to discuss a provision in title II, part IV of this bill, which I introduced in the Ways and Means Committee, to exempt from the proposed excise tax on industrial users of gas and oil any process fuel use which could not be converted to a substitue fuel like coal. So I have already explained in general how this exemption will apply, and that is reported on page H 8215 of the CONGRESSIONAL RECORD.

In summary, if gas or oil must be utilized because of technical characteristics of the flame, and these requirements could not be met with coal, then it would be recognized that the proposed excise tax would not lead to conversion to coal and the industry in question would not have to pay the tax for that part of its fuel. Furthermore, if conversion to another fuel, such as synthetic gas derived from coal, or to any fuel other than oil or natural gas, was not economically feasible for a given process use then it would be acknowledged that the excise tax would not lead to that substitution and, therefore, that process use would be exempt. In short, a process use of oil or natural gas would be subject to the excise tax only if there is an alternative fuel which is technically acceptable without adverse effect on the product or process, and which does not raise the unit cost of the process.

Let me now engage the gentleman from Oregon, the distinguished chairman of the Committee on Ways and Means, in a discussion of some particulars on this issue.

The Committee on Ways and Means spent considerable time hearing and considering testimony regarding the need for this process fuel exemption.

I would like to ask the distinguished gentleman from Oregon, the chairman of the Committee on Ways and Means, several questions with regard to language in the committee's report. The section of the report which explains the excise tax on business and industrial use of oil and natural gas contains several examples of process uses of oil and gas which would be exempt from the tax, regardless of the amendment under consideration.

One such example is the reference to "reheating, annealing and heat treating in the fabricated metals industry." My first question is whether this exemption would be restricted to the fabricated metals industry, or alternatively, could the use of fuels in these processes in other metals industries, such as primary metals, also be exempt, if they qualify otherwise?

Another example is the reference to "melting high-quality glass in the glass industry." My second question is whether this exemption would apply only to optical glass, or could it include use in melting any high-quality glass, where the desired quality could not be achieved with coal?

Another example of an exempt process use cited in the committee report is dyesetting in the textile industry. My third question is whether this exemption would apply only to dyesetting or, alternatively, whether other types of heatsetting might qualify for the exemption?

Mr. ULLMAN. Mr. Chairman, I want to commend the gentleman for his expertise in this area and for his contribution in working out in the bill a set of exemptions and procedures for exemptions that I think will make this a very excellent part of the bill.

In response to your question, it would be appropriate for me to describe the standards under which particular process users will be placed in the exempt category. The bill exempts from the tax use in any manufacturing process, other than use in a boiler or turbine or other internal combustion engine, in which there is no fuel other than oil and gas which may be used without materially and adversely affecting the manufacturing process or the quality of the manufactured goods, and the use of which would be economically and environmentally feasible.

In the short time available to write the committee report, the staff was able to gather very little information on specific processes which would be covered by the exemption from the tax. Thus the report contains only a few examples of such processes. However, I wish to assure the gentleman that the list of examples cited in the report is not intended to be an exhaustive list of the processes which would be exempt or the industries which contain such processes.

Thus, the language in the committee report is not intended to restrict the exemption for the specific processes the gentleman cites to the fabricated metals industry; this exemption would be allowed in the metals industry generally if the standards specified in the bill are met. Similarly, the exempt processes in the glass industry would not necessarily be restricted to use in melting optical glass. Rather, use in any process which is used in making any high-quality glass and which meets the standards of the bill would be exempt. Likewise, the exempt process in the textile industry would not necessarily be confined to dyesetting. Any heat-setting process for which the criteria specified in the bill are met would be exempt from the tax.

Mr. MARTIN. I thank the chairman for his clarification. It is important to have clear examples to guide those who will administer this exemption in these and other industrial processes which have not been mentioned, such as in the chemical and paper industries and others. The examples, however, should not, and are not intended to, exclude other processes which are not specified.

For example, it was pointed out that many kilns can and do use coal as a fuel. It would then be our intention that those

which can switch to coal, but which continue to use gas or oil, should pay the excise tax. We do not, however, intend that a kiln which cannot use coal because it damages the product or adversely affects its quality and which has no other economically and environmentally feasible fuel alternative to oil and gas would have to pay the tax just because it is a kiln. Rather, the language of the bill might be met by a kiln making lime for a pulp and paper operation or by kilns for a particular quality of face brick. If these or other processes meet the test of the language in the bill, then they could qualify for the exemption.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

(At the request of Mr. HOLLAND, and by unanimous consent, Mr. MARTIN was allowed to proceed for 1 additional minute.)

Mr. HOLLAND. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from South Carolina.

Mr. HOLLAND. Mr. Chairman, I thank the gentleman from North Carolina for yielding.

Mr. Chairman, I share the gentleman's concern about the report language. I believe we made it clear, however, in the Committee on Ways and Means by a motion actually to include certain language and that that language was anything but restrictive, particularly in the field I know best, the textile industry, where such processes as singeing, preparation, dyeing, finishing, printing, heat setting and curing would be included.

I would ask the chairman to respond to this: I believe the same answer would apply in the printing industry, magazine printing, printing for literary purposes. They have a color setting process where they have to have a precise temperature control. The product is adversely affected if they do not have that and they cannot obtain it with any fuel other than natural gas.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

(At the request of Mr. HOLLAND, and by unanimous consent, Mr. MARTIN was allowed to proceed for 1 additional minute.)

Mr. HOLLAND. Mr. Chairman, I believe it is clear that the committee report language was illustrative of that.

I would ask the chairman if the response he made previously would not apply to almost any example we might bring up in the area particularly where precision and/or open flame are required.

Mr. ULLMAN. Mr. Chairman, if the gentleman will yield, as I understand the situation in that case, there does not now exist an alternative technology which would allow the use of fuels other than natural gas in the drying of ink used with these specific types of presses. Thus, if this is the case, the use of gas in this process would be exempt from the tax under the bill.

I should point out, however, that if, in the future, manufacturers develop a technology which would make the use in drying ink with a fuel other than oil or gas economically, environmentally, and technically feasible, then the use of gas in this process would no longer be exempt.

Mr. HOLLAND. Mr. Chairman, I thank the gentleman.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. HARRINGTON. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Massachusetts, for purposes of colloquy only.

Mr. HARRINGTON. Mr. Chairman, I thank the gentleman for yielding. Mr DINGELL, I have a few questions concerning the committee's intent and your knowledge of the administration's wishes regarding the use of combined-cycle generating equipment. As you know, this is the most efficient form of generation available today, and uses exhaust heat to produce steam and generate additional electric energy.

Mr. DINGELL. While our committee did not take specific action with reference to the combined cycle, it was the subject of colloquy between Congressman MARKEY and the staff during mark-up of the coal conversion part of this legislation. I did discuss the matter with the administration, and I am familiar with their views.

Mr. HARRINGTON. It is my understanding that this colloquy disclosed many advantages to the combined-cycle, and indicated that the administration's intent was to permit the continued development of this technology.

Mr. DINGELL Yes, that is so. There is nothing in the part VI to preclude the use of this technology.

Mr. HARRINGTON. I support the intent of the administration in advancing this technology so we can be assured of achieving the even higher efficiencies possible with this concept. However, I am concerned that the language of part VI might be interpreted in a manner that will prohibit the use of this form of generation.

Mr. DINGELL. Part VI does not define acceptable or unacceptable technologies. Instead, it specifies criteria that must be met to get an exemption from the general prohibition against the use of natural gas and petroleum as primary energy sources. Accordingly, so long as the criteria set forth in part VI are met, any technology—including, of course, combined cycle—may be employed.

Mr. HARRINGTON. I thank the gentleman for responding to my questions.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I will be delighted to yield.

Mr. BROWN of Ohio. In connection with the colloquy, I want to ask about the language on page 321 of the bill, which says:

(10) The terms "major fuel-burning installation" and "installation" mean a unit, other than an electric powerplant, consisting of a boiler, gas turbine unit, combined cycle unit, or internal combustion engine which—

(A) has a design capability of consuming any fuel (or mixture or combination thereof) at a fuel heat input rate of 100 million Btu's per hour or greater; or

(B) is a combination, of two or more such units (excluding, if determined appropriate by the Administrator, any such unit having a design capability to consume any fuel (or mixture or combination thereof) at a fuel heat input rate of less than 100 million Btu's per hour) which are located at the same site and which in the aggregate have a design capability of consuming such fuel at a fuel heat input rate of 250 million Btu's per hour or greater.

Nothing in the colloquy between the gentleman from Massachusetts and the gentleman from Michigan changes those definitions as a major fuel-burning installation, does it?

Mr. DINGELL. The gentleman is correct. Both the gentleman and I are well aware of the fact that colloquies cannot amend the legislative provisions of the bill.

Mr. BROWN of Ohio. So these would be covered as major fuel-burning installations, and the administrator would have the authority to deal with them under the provisions requiring conversion of the 100 million Btu per hour and over major fuel-burning installations?

Mr. DINGELL. The gentleman is correct, he would deal with them in accordance with the provisions of the bill.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, there is a principle involved with regard to this amendment that the Members should give some consideration to.

The ad hoc committee proposes to nullify an amendment adopted by the Committee on Ways and Means offered by the gentleman from Wisconsin (Mr. STEIGER). The Committee on Interstate and Foreign Commerce adopted the attitude that because it was totally impossible, for any number of reasons, for some segments of industry to convert from their present fuel supply source—whether it be natural gas or fuel oil—to coal, they should not be mandated to do something they could not do.

The Committee on Ways and Means reacted to the amendment offered by the gentleman from Wisconsin (Mr. STEIGER) in a rather rational way, in my personal opinion, because the Committee on Ways and Means said if they cannot, for reasons totally beyond their control, convert to coal from whatever their present source of fuel is, why should they have to pay the tax? And there is not anything wrong with that. If they cannot convert, they should not have to pay the tax. But if the House adopts this amendment, we are going to say to people who have been exempted from the conversion mandate, "Look, we know you cannot convert, but we are going to tax you anyhow."

If they cannot convert, they ought not to have to pay the tax. That is common sense.

So I suggest that we ought to reject the pending amendment.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from South Carolina.

Mr. MANN. I think the gentleman from Louisiana (Mr. WAGGONNER) has stated the principle involved here very well. What is intended to be a conservation tax in the Corman Amendment or in the bill itself turns out under the ad hoc committee amendment to be a punitive tax, based on an equitable determination of what can and cannot be done, as the gentleman has described, by plants in certain situations.

Mr. Chairman, I associate myself with the gentleman's remarks, I associate myself with the remarks of the gentleman from New York (Mr. STRATTON), and I urge that the committee reject the ad hoc committee amendment.

Mr. WAGGONNER. Mr. Chairman, the gentleman from South Carolina is completely correct. It does become, under these circumstances, a punitive tax.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman.

Does not the gentleman agree that if this amendment were to pass, we would be damaging jobs, we would be destroying jobs and hurting industrial development? Is that not the case?

Mr. WAGGONNER. Mr. Chairman, the gentleman is completely correct.

Mr. STRATTON. Is not this situation entirely on all fours with the move we took last night, where we eased the clean-air standards so that there would not be massive unemployment in the automobile industry? And the gentleman from Michigan (Mr. DINGELL) was one of the leaders in that fight.

Should we not do the same thing with regard to other industries—such as the gas turbine industry—that are seeking to protect jobs and improve technology?

Mr. WAGGONNER. Mr. Chairman, with reference to the Clean Air Act, I fear the end result of what we did last evening will be to insure that nobody can really convert. Our mandate is going to be a rather hopeless and futile effort.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I would like to associate myself also with the remarks of the gentleman from Louisiana (Mr. WAGGONNER).

It does not make any sense to me to force people who have no alternative to buy their oil at prices above the world price. That is what we would do if we adopt this amendment.

Mr. WAGGONNER. Not only that, but when we force them to buy their fuel at something above the world price, this increases the price of everything we produce for consumption in world markets, and it makes American industry less competitive.

Mr. CONABLE. And that means jobs; right?

Mr. WAGGONNER. That means jobs, j-o-b-s.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Louisiana.

Mr. HUCKABY. Mr. Chairman, I thank the gentleman for yielding.

I would also like to associate myself with the excellent remarks of the gentleman from Louisiana (Mr. WAGGONNER).

Is it not true that this additional tax will also be applied upon utilities that find it impossible to convert, that this would be reflected in prices to the consumers who happen to live in one particular part of the country, and that hence the tax is not fair, just because of the geographical fact as to where one lives?

Mr. WAGGONNER. Mr. Chairman, this is going to be applied on American industry, whoever they are and wherever they are. If they cannot convert, if conversion is beyond their accomplishment, every added cost of doing business as a result of this action is going to be passed on to consumers in the form of higher power prices or higher prices for whatever commodity we are dealing with.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the ad hoc committee amendment.

Mr. STEIGER. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Wisconsin.

Mr. STEIGER. Mr. Chairman, I thank my colleague for yielding.

I hope we can close this debate fairly soon, may I say to my friend, the gentleman from Ohio (Mr. ASHLEY), but I would simply offer this first, because I want to make sure the RECORD is absolutely clear.

If we read the report of the Committee on Ways and Means, I think we will find that sums up the situation. My friend, the gentleman from Louisiana (Mr. WAGGONNER), did an excellent job, as did my colleague, the gentleman from New York (Mr. STRATTON). If we look at that committee report we will find that this is what it says:

> Sections 104 and 106 of the Energy Supply and Environmental Coordination Act (ESECA), as amended by proposed section 601 of H.R. 6831 would allow the Federal Energy Administration to exempt certain new facilities, either temporarily or permanently, from the prohibition orders which would otherwise be issued under ESECA. The committee does not feel it would be appropriate to impose a tax on any such exempt facilities, so use of oil and gas in these facilities would be automatically exempt from the tax for the duration of the exemption under ESECA.

The report then goes on to say this:

> Because there would appear to be little potential for conversion from oil and gas under these circumstances, the committee does not believe that a tax should be imposed on the use of these fuels at such facilities.

Mr. Chairman, that, I think, is the whole issue, and I do not think this amendment is fair. I urge rejection of the amendment.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his contribution.

Mr. Chairman, I would like to endorse the statements of the gentleman from Louisiana (Mr. WAGGONNER), the gentleman from New York (Mr. STRATTON), and the gentleman from Wisconsin (Mr. STEIGER). They are exactly right on this particular item.

If an area where there are environmental laws prohibiting the use of coal has a chance to get a new plant or a plant expansion, there is no way the area can get it without paying a punitive price, thus raising the costs in that plant above the costs incurred in any other plant elsewhere in the world.

We can pay this tax in terms of not getting jobs for our people in this country. Therefore this amendment might be called a "jobs tax." On the other hand one might call it a "surtax on clean air." We can pay it with higher consumer prices or we can pay it with fewer jobs. In my judgment, both those alternatives are absolutely intolerable.

There is no reason why we should place a punitive tax on people when they cannot make the change to coal.

To be sure, it applies only to new and expanded installations. But are there any of us here who do not want expanded factories and more jobs for our districts?

If the Members want to build a wall around their districts, and if they do not want new jobs, then they will vote for the Corman amendment. But if they do not want to pay a surtax on clean air, or a jobs tax; and they want to generate some new jobs in their districts, then I urge the Members to vote down the Corman amendment.

Mr. TUCKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would first like to engage in a brief colloquy with the chairman of the Committee on Ways and Means.

Section 2041 of the bill imposes an excise tax on business use of oil and gas, but it also provides an exemption from the tax for process use of oil and gas where there is no substitute fuel which may be used without materially and adversely affecting the manufacturing process or the quality of the manufactured goods, or where the use of such substitute fuel would not be economically or environmentally feasible.

The committee report, on pages 101 and 102, discusses the exemption at some length and lists several examples of exempt process uses. The question has been raised as to whether baking would qualify for this exemption.

Would the chairman of the committee comment on that?

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. I yield to the chairman of the committee.

Mr. ULLMAN. Mr. Chairman, as I indicated in my colloquy with the gentleman from North Carolina (Mr. MARTIN), the language in the committee report is not intended to restrict the exemption to the specific processes cited in the report. To the extent that clean, even heat provided by natural gas is required for baking, and to the extent that conversion to electricity or any other source of fuel would not be feasible economically or environmentally under the standards specified in the bill, baking would qualify for the exemption proposed in the bill.

Mr. TUCKER. I thank the chairman.

I would now like to inquire of my

friend, the gentleman from Wisconsin (Mr. STEIGER), as to a couple of aspects of the Corman amendment that concern me.

As my friend knows, my State and, indeed, other States in the South and Southwest that have natural gas available to them are going to be penalized rather heavily under the bill as a result of the variable gas tax, which will pretty much equalize prices for gas throughout the country and take away the regional advantage that we, at least in the past, have enjoyed.

The bill as drafted, with the language we put into it in the Committee on Ways and Means, provides that if one expands a plant or builds a new plant in the northern or eastern section of the country where there are severe environmental problems, then one would have available to him an exemption from the use tax; is that correct?

Mr. STEIGER. Mr. Chairman, if the gentleman will yield, that is correct.

Mr. TUCKER. If we try to build a new plant in my section of the country where we will have already experienced greatly increased prices as a result of the variable tax gas, but where we have clean air, there will be no exemption available to us; is that correct?

Mr. STEIGER. Under title I of the bill, you would be prohibited from building a facility that used oil or gas.

Mr. TUCKER. Some prohibitions would apply. But I could build and just pay the tax if I wanted to under some circumstances. However, there would be no escape hatch, no exemption, for people in my area of the country.

There may be a catch. That is, whether the clean air standards that we have recently adopted have so narrowed the scope of definition of dirty air and so narrowed our ability to burn coal that we might at some point want to use the exemption that is now in the bill.

But it seems to me, the way things stand right now, that as a parochial matter, I am probably going to want to vote for the Corman amendment unless somebody can convince me that the clean air standards are going to provide a necessity for my State to have this exemption provision in the future.

Mr. MIKVA. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. I yield to my friend, the gentleman from Illinois.

Mr. MIKVA. Mr. Chairman. I think the gentleman from Arkansas (Mr. TUCKER) has precisely stated the point I was trying to make before.

Let us take a new plant—because that is all this amendment deals with—which decided to settle in Illinois or in Arkansas. If it comes into Illinois and if the Corman amendment is not adopted but the Steiger amendment remains in effect, it can get an exemption from paying the tax on oil and gas because of environmental reasons.

If it decides it wants to go into Arkansas, it is going to have to pay that same tax because in Arkansas it could use coal, presumably.

It is that kind of invidious parochial distinction we have been trying to avoid.

It seems to me that that is the best reason for passing the Corman amendment.

Mr. TUCKER. Mr. Chairman, I thank the gentleman.

I wonder whether my friend, the gentleman from Wisconsin (Mr. STEIGER), would care to comment on that.

Mr. STEIGER. Surely.

My friend, the gentleman from Illinois (Mr. MIKVA), is wrong because one does not get an exemption, period, in Arkansas. Under title I it is prohibited.

Mr. TUCKER. That is precisely the point.

Mr. STEIGER. If the gentleman will yield further, in all of this, it does cut both ways. I am not going to kid anybody, of course. It cuts both ways.

The CHAIRMAN pro tempore. The time of the gentleman from Arkansas (Mr. TUCKER) has expired.

(On request of Mr. STEIGER and by unanimous consent, Mr. TUCKER was allowed to proceed for 2 additional minutes.)

Mr. STEIGER. Will the gentleman yield?

Mr. TUCKER. I yield to the gentleman from Wisconsin.

Mr. STEIGER. Mr. Chairman, I have looked for my colleague, the gentleman from Arkansas (Mr. TUCKER), to respond to the gentleman from Illinois' statement that we should rise above parochial interests and look at national interests. If we look at national interests, we will vote against the Corman amendment.

Mr. TUCKER. Mr. Chairman, I appreciate the gentleman's comments.

They have clarified the matter pretty well for me because, if I may reclaim my time, I say to my friends in the South that I fought very hard against one provision of the tax in the Committee on Ways and Means, the variable tax on natural gas. I have grave reservations about the regional implications of it, but our committee passed it.

In all candor, I recognized the necessity for it in the national interest; but I am worried about what it does to my section of the country.

I think, after listening to the debate, that I have to agree with the gentleman from California (Mr. CORMAN) that without this particular amendment, my region of the country will be damaged and the national interest will be damaged as well.

The objective of this bill is to reduce the use of oil and natural gas through a use tax—a penalty tax. However, without the Corman amendment, a huge loophole will exist. Without the amendment, those wanting to build a new plant, and who want to use oil or gas as a fuel for the plant, could totally escape any use tax and could totally escape the expense of pollution control equipment by simply building the new plant in an area with existing dirty air. Without the amendment, in fact, we would not only have a loophole but an actual incentive for some companies to use oil or gas.

I urge the adoption of the Corman amendment.

Mr. STOCKMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a moment ago the gentleman from Minnesota (Mr. FRENZEL) described this amendment as a surtax on clean air, but if you look at it carefully, at the economic impact, you will find that is a mild description. What it really is, is a forced industrial relocation policy because you are dividing the country into two areas, those that are attainment areas for SO_2 and those that are in nonattainment status—SO_2 being the major pollution output from coal. Now, take a look at it and just see how it would impact these areas.

First of all the gas and oil user tax is applied after the crude oil equalization tax is put into the economy. Let us talk about the early 1980's when all of the taxes have been fully phased in. At that time, the refineries, no matter where they are located, are going to be buying $14 oil, all of it, because the crude oil equalization will take them up to that level. Then you have got refinery and distribution costs and that raises it to about $18 a barrel, when you get the distillate out, and if you put it on a Btu basis, that means you are buying distillate or residual for about $3 roughly speaking per 1 million Btu's. Then you will pay a $3 per barrel user tax on top of that—or about 60 cents per million Btu's.

That means when this program is fully operative, if you are located in a nonattainment area where you cannot burn coal, you will be paying $3.60, at minimum, per 1 million Btu for fuel oil or distillate. And if the OPEC nations raise their prices then all of this goes up with it because all of the taxes are tuned to the OPEC prices. It is reasonable and logical to assume that between now and the 1980's that the OPEC nations will raise their prices and it can therefore be estimated that we are talking about a $4 cost to the user in the nonattainment area where he has to use oil or gas fuel because he cannot burn coal.

The same thing is true for natural gas because the excise tax on natural gas is tied to the distillate price, so the price of natural gas will be somewhere in the range of $3.50.

I would ask all of the Members to consider the price of coal today on a million Btu basis, just so that we can put them all together and not be comparing apples and oranges. It is $1.10 a million Btu's, and in the years ahead the prices will rise somewhat, but basically it will remain at roughly that range. We are talking, then, about a 2-to-1 or 3-to-1 differential in the price or cost that a user in a nonattainment area, being tied to oil and gas, will face relative to the cost for coal that a user in an attainment area that can burn coal will face.

The question before the House is what is the final result? And the result is when you have such a wide spread the big industrial corporations that are affected by this tax are going to make plans and location decisions, based on those cost differentials; and with that kind of a spread and with that kind of a cost differential, they will put those new plants in attainment areas, that means not

Pennsylvania, Michigan, New York, or New England or the other areas of the country that have the SO_2 nonattainment problem that prevents burning coal, but in other parts of the country which are in attainment status.

So the implication is clear. If you are in such a nonattainment area then you will not have any new plants or new jobs because the force of this amendment will be so great. All new plants will be built in those areas that can burn coal, because they will have a tremendous cost advantage from this artificial distortion. These are the basic economics of the amendment.

For that reason it ought to be rejected unless we want to have this kind of forced industrial relocation in this country and I do not see that any good arguments have been made for that.

Mr. JENKINS. Mr. Chairman, I move to strike the last requisite number of words.

Mr. Chairman, if I could, I would like to engage for just a moment in colloquy with the chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. ULLMAN).

Mr. Chairman, a few moments ago in colloquy with the gentleman from North Carolina (Mr. MARTIN), the gentleman from Oregon indicated that various textile process uses would be exempt, and he indicated that it would not be restricted to such an extent that other similar processers would likewise not be exempt. I am assuming that this exemption would also apply to the carpet industry as well as the textile industry.

Mr. ULLMAN. If the gentleman will yield, in my remarks I have always made it very, very clear that only if the standards in the bill are met will they be exempted. I did say very clearly that the particular exemption in the report by no means indicated the extent of those exemptions, but I further say that as long as they meet the standards that we have set forth in the bill for an exemption, they certainly are eligible for that exemption. That is correct.

Mr. JENKINS. I thank the Chairman.

Some time ago a question was asked by the gentleman from South Carolina, (Mr. MANN) I believe, as to whether or not the Corman amendment would only apply to new plants or whether or not it would also apply to existing plants that desired to expand. Could the gentleman from Wisconsin enlighten me on whether or not this would also apply to expansions?

Mr. STEIGER. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Wisconsin.

Mr. STEIGER. I thank the gentleman for yielding.

The answer is that it does apply to expansion.

Mr. JENKINS. It does apply.

Mr. STEIGER. It does apply, because you have got title I in which the definition of new facilities includes a brand new facility or an expansion of an existing facility.

Mr. JENKINS. So that if an existing plant is now exempt because it cannot convert and desires to expand and double the size of its existing plant, then it would be liable for the tax as far as the expansion portion?

Mr. STEIGER. It would, if it were a large enough facility.

Mr. JENKINS. I thank the gentleman.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California. I understand fully the desire of my good friend, the gentleman from Illinois (Mr. MIKVA), who wants to bring all of this industry down to the South to give us all of these jobs by this particular amendment, but, frankly, I doubt that this will be the result of this proposed amendment. It is purely and simply a punitive tax, imposed on new and expanded plants that cannot convert from gas or oil to coal. I want all of us to be treated alike. If the people in other parts of the country are going to have to pay this tax, everyone should be liable. I hope my colleagues will defeat this amendment.

Mr. CORMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I sometimes think that the quantity of misinformation concerning the technical aspects of a proposal is incredible, and I have never seen more than in connection with this amendment. I would oversimplify but I suggest to the Members that there is some evidence that the adoption of the Steiger amendment will not solve this Nation's employment problem, cure the common cold, or remove houseflies from the land, and passage of the Corman amendment will not cause the sky to fall in Schenectady.

Let us look at who it is who will pay the tax. The only corporations that will pay this tax are corporations who are heavy energy users, 50,000 barrels a year or more, and they will only pay this tax if they have plants which may be converted from oil or gas to coal.

The purpose of this amendment is to provide a tax incentive to cause that conversion as early as possible.

The tax will not be collected but rather will be rebated dollar for dollar if the plants convert. So far as the conversion tax is concerned, we are talking about the 1,400 largest plants in the Nation and we are talking about those who have within their corporate structure some facility that can be converted.

How much is this tax? On natural gas it is a variable amount under the conversion portion. It is only enough to bring the cost of gas up to the Btu equivalent of oil.

I would point out to the Members, we had quite a battle not long ago when there was an effort to do just that by deregulating gas. Somehow at that time those who cried jobs could not see anything wrong at that time so long as all the money went to gas producers. But because these dollars are going to convert from oil and gas to coal, somehow that makes it all bad.

Mr. STRATTON. Mr. Chairman, if the gentleman will yield, the gentleman is talking about a conversion. The problem is where they cannot convert.

Mr. CORMAN. The gentleman must be patient with me. Let me have the 5 minutes to try to explain this amendment. It is terribly difficult. I am trying to explain that if a firm cannot convert, the tax is not going to be imposed. If the firm has some piece of its big chain operation that can be converted, that must be converted.

We have talked about almost everything else except this tax. Let us try to bring it into perspective.

Who is the taxpayer? The taxpayer is a corporation that has facilities that may be converted. Otherwise they do not fall within the requirement of paying the conversion tax.

On what must they pay? They have to pay an amount to bring the natural gas up to the oil equivalency or, if they use oil, a maximum of $3 above the world market price.

But on what? That is where the Steiger amendment comes in. On what facilities may they have to pay that tax? We said under Ketchum if they have an existing plant that is exempt under the clean air requirements, that facility is exempt and they do not pay under the fuel tax to use it. We said under Martin that if the process requires, they must burn oil or gas, they do not have to pay on existing or new facilities.

The bill before the Steiger amendment said that if they build a new plant, whether they use oil or gas or coal does not matter under this part of the bill. But if they have to use gas or oil and they have another plant someplace that can be converted, they have to pay the tax on the fuel that they use in that new plant. That affects corporate decisions, I assume, as to where they will locate. It does not prohibit them. This is an effort to encourage through tax incentives the conversion.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. CORMAN was allowed to proceed for 2 additional minutes.)

Mr. CORMAN. Mr. Chairman, when this was considered it was as if we were trying to paint a lady's face. And Ketchum came along and said, "Why don't we paint her lips red?" We tried it and made the picture look better.

Then Martin came along and said, "Why don't we paint her cheeks red?"

We did that and it made her look better.

Then Steiger came along and said, "Why don't we paint her face red?" We did that, and all our faces were red when we realized that when we did that we had cut the heart out of this whole tax portion of the bill.

Mr. MANN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I direct this question to the gentleman from Wisconsin (Mr. STEIGER) to give him an opportunity to respond to the assertion that companies which cannot convert are exempt from the tax.

Mr. STEIGER. Mr. Chairman, will my colleague yield?

Mr. MANN. I yield to the gentleman from Wisconsin.

Mr. STEIGER. By the time I got through looking at that lady's face that

had been painted, I had lost track of exactly what it was we were painting.

It is absurd, may I say to my colleagues in this Committee, to say that this simple amendment somehow guts the whole tax title. It does not.

The whole problem began with the crude oil equalization tax. We will get to that later.

But this deals with one issue. If a new facility is exempt under title I from a mandatory conversion to coal from oil and gas, should they be taxed under title II?

That is the inconsistency. That is the issue that the committee has to deal with.

Mr. MANN. I thought I understood that issue. If I may restate my understanding, and the gentleman from Wisconsin may correct me if I am wrong, and so may the gentleman from California.

Under the Steiger amendment, if an industry could not convert, it would not pay the tax.

Under the Corman amendment, if it cannot convert, it still pays the tax.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. MANN. I yield to the gentleman from California.

Mr. CORMAN. That is incorrect. I think one of the points of confusion is that some Members think that a taxpayer is a specific plant, but that is not the way taxes are paid. We are talking about taxpayers who have a great number of plants, usually in a great number of States, but certainly a great number of plants. If, in truth, there is a taxpayer who uses more than 50,000 barrels a year, and that taxpayer as a totality has no plant which he can convert, he will probably not be subjected to the tax. He will have opportunity for administrative relief.

Now, when he builds a new plant he is adding a unit to whatever his operation may be. If he has the option of building that plant where he can use coal, or oil and gas, then if he builds that plant and he does use oil and gas, he has to pay the tax to bring the cost of gas up to Btu equivalency of oil, or, if he uses oil, up to $3 higher than the world price.

Mr. MANN. Is that on the full operation?

Mr. CORMAN. He has to pay on the entire operation until he converts to coal, if he has a plant that may convert to coal. That is the reason that the Steiger amendment makes it so difficult to bring about conversion to coal in the areas where you can build a coal-fired plant, because it so substantially slows down the flow of the tax obligation which would be rebated for tax purposes.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. MANN. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, I would like to engage the gentleman from California (Mr. CORMAN) further in colloquy and let the gentleman explain what is involved in this opportunity which is there to be forgiven the tax, because that is the crux of the matter.

Mr. MANN. Mr. Chairman, is the gentleman from California talking about the discretionary power of the Secretary of the Treasury to forgive a tax?

Mr. CORMAN. Yes. It is on page 524 of the bill.

I would suggest that any time we write a tax law, we get some problems. Under the same statute you may be imposing a tax on somebody that you do not want to. As a matter of fact, the gentleman in the well has a subcommittee that is used to correct those problems every day. They are called the "Member's Day bills."

It is very difficult to classify every industry in this Nation as to which have an opportunity to convert some part of their operation to coal; so we need some administrative opportunity to determine that. I believe it would not be possible by statute to exempt each entity that ought to be exempted without somebody being able to take a look at it.

Mr. MANN. I would suggest that relying on the Secretary of the Treasury to forgive a tax is like trusting a rabbit with a leaf of lettuce and relying upon him not to eat it.

Mr. WAGGONNER. Mr. Chairman, if the gentleman will yield further, the gentleman has put his finger right on the problem. Why put the taxpayer through the ordeal of doing business with the bureaucracy and the Secretary of the Treasury, when we can do it here by rejecting the amendment.

The CHAIRMAN. The question is on the amendment of the ad hoc committee to part IV, title II.

The question was taken.

RECORDED VOTE

Mr. CORMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 221, noes 198, answered "present" 2, not voting 12, as follows:

[Roll No. 509]

AYES—221

Addabbo	Carney	Flowers
Akaka	Carr	Foley
Alexander	Carter	Ford, Mich.
Allen	Chisholm	Ford, Tenn.
Ambro	Clay	Fountain
Ammerman	Collins, Ill.	Fowler
Anderson, Calif.	Conyers	Fraser
Andrews, N.C.	Corman	Gaydos
Annunzio	Cornell	Gephardt
Applegate	Cornwell	Giaimo
Ashley	D'Amours	Gibbons
Aspin	Danielson	Gore
AuCoin	Davis	Gudger
Badillo	Delaney	Hamilton
Baldus	Dellums	Hanley
Baucus	Derrick	Hannaford
Beard, R.I.	Dicks	Harkin
Bedell	Diggs	Harrington
Beilenson	Dingell	Harris
Bennett	Dodd	Harsha
Bingham	Downey	Hawkins
Blanchard	Drinan	Hefner
Blouin	Duncan, Oreg.	Heftel
Boland	Early	Holland
Bolling	Eckhardt	Holtzman
Bonior	Edgar	Howard
Bonker	Edwards, Calif.	Hubbard
Brademas	Eilberg	Ichord
Breckinridge	Ertel	Jeffords
Brodhead	Evans, Colo.	Jenrette
Brown, Calif.	Evans, Ga.	Johnson, Calif.
Burke, Calif.	Evans, Ind.	Jones, N.C.
Burlison, Mo.	Fary	Jones, Tenn.
Burton, John	Fisher	Kastenmeier
Burton, Phillip	Fithian	Keys
Byron	Flood	Kildee
	Florio	Kostmayer
Krebs	Nedzi	Shipley
LaFalce	Nix	Simon
Le Fante	Nolan	Sisk
Lederer	Nowak	Slack
Lloyd, Calif.	Oakar	Smith, Iowa
Luken	Oberstar	Snyder
Lundine	Ottinger	Solarz
McFall	Panetta	Spellman
McHugh	Patten	Staggers
McKay	Patterson	Stark
Madigan	Pattison	Steed
Maguire	Pease	Steers
Markey	Pepper	Stokes
Mattox	Perkins	Studds
Mazzoli	Pike	Thompson
Meeds	Pressler	Thornton
Metcalfe	Preyer	Traxler
Meyner	Price	Tsongas
Mikulski	Rahall	Tucker
Mikva	Rangel	Udall
Miller, Calif.	Reuss	Ullman
Mineta	Richmond	Van Deerlin
Minish	Rodino	Vanik
Mitchell, Md.	Roe	Vento
Moakley	Rogers	Volkmer
Moffett	Roncalio	Waxman
Mollohan	Rooney	Weaver
Moorhead, Pa.	Rose	Weiss
Motti	Rosenthal	Whalen
Murphy, Ill.	Rostenkowski	Whitley
Murphy, N.Y.	Roybal	Whitten
Murphy, Pa.	Russo	Wirth
Murtha	Ryan	Wolff
Myers, John	Scheuer	Yates
Myers, Michael	Schroeder	Yatron
Natcher	Seiberling	Zablocki
Neal	Sharp	Zeferetti

NOES—198

Abdnor	Fish	Marriott
Anderson, Ill.	Flynt	Martin
Andrews, N. Dak.	Forsythe	Mathis
	Frenzel	Milford
Archer	Frey	Miller, Ohio
Armstrong	Fuqua	Mitchell, N.Y.
Ashbrook	Gammage	Montgomery
Badham	Gilman	Moore
Barnard	Ginn	Moorhead, Calif.
Bauman	Glickman	
Beard, Tenn.	Goldwater	Moss
Benjamin	Goodling	Myers, Gary
Bevill	Gradison	Nichols
Biaggi	Grassley	O'Brien
Boggs	Guyer	Obey
Bowen	Hagedorn	Pettis
Breaux	Hall	Pickle
Brinkley	Hammer-schmidt	Poage
Brooks		Pritchard
Broomfield	Hansen	Pursell
Brown, Mich.	Heckler	Quayle
Brown, Ohio	Hightower	Quie
Broyhill	Hillis	Quillen
Buchanan	Hollenbeck	Railsback
Burgener	Horton	Regula
Burke, Fla.	Huckaby	Rinaldo
Burleson, Tex.	Hughes	Risenhoover
Butler	Hyde	Roberts
Caputo	Ireland	Robinson
Cavanaugh	Jacobs	Rousselot
Cederberg	Jenkins	Rudd
Chappell	Johnson, Colo.	Runnels
Clausen, Don H.	Jones, Okla.	Ruppe
	Jordan	Sarasin
Clawson, Del	Kasten	Satterfield
Cleveland	Kazen	Sawyer
Cochran	Kelly	Schulze
Cohen	Kemp	Sebelius
Coleman	Ketchum	Shuster
Collins, Tex.	Kindness	Sikes
Conable	Krueger	Skelton
Conte	Lagomarsino	Skubitz
Corcoran	Latta	Smith, Nebr.
Cotter	Leach	Spence
Coughlin	Leggett	St Germain
Crane	Lehman	Stangeland
Cunningham	Lent	Stanton
Daniel, Dan	Levitas	Steiger
Daniel, R. W.	Lloyd, Tenn.	Stockman
de la Garza	Long, La.	Stratton
Derwinski	Long, Md.	Stump
Devine	Lott	Symms
Dickinson	Lujan	Taylor
Dornan	McClory	Thone
Duncan, Tenn.	McCloskey	Treen
Edwards, Ala.	McCormack	Trible
Edwards, Okla.	McDade	Vander Jagt
Emery	McDonald	Waggonner
English	McEwen	Walgren
Erlenborn	Mahon	Walker
Evans, Del.	Mann	Walsh
Fascell	Marks	Wampler
Fenwick	Marlenee	Watkins

White	Wilson, Tex.	Young, Fla.
Whitehurst	Winn	Young, Mo.
Wiggins	Wright	Young, Tex.
Wilson, Bob	Wydler	
Wilson, C. H.	Wylie	

ANSWERED "PRESENT"—2

Bafalis	Gonzalez

NOT VOTING—12

Burke, Mass.	Holt	Rhodes
Dent	Koch	Santini
Findley	McKinney	Teague
Flippo	Michel	Young, Alaska

The Clerk announced the following pairs:

On this vote:

Mr. Burke of Massachusetts for, with Mr. Teague against.

Mr. Koch for with Mrs. Holt against.

Messrs. DE LA GARZA, HOLLENBECK, DORNAN, BIAGGI, RINALDO, GLICKMAN, and CHARLES WILSON of Texas changed their vote from "aye" to "no."

Mr. ROGERS and Mr. FOUNTAIN changed their vote from "no" to "aye."

So the ad hoc committee amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will now designate the heading of the part now pending.

The Clerk read as follows:

Page 532, line 3, "part V—credit against tax on business use of oil and gas."

(Part V of title II, read as follows:)

PART V—CREDIT AGAINST TAX ON BUSINESS USE OF OIL AND GAS

SEC. 2051. CREDIT AGAINST TAX ON BUSINESS USE OF OIL AND GAS.

Subchapter B of chapter 45 (as added by section 2041) is amended by adding at the end thereof the following new part:

"PART II—CREDITS AGAINST SECTION 4991 TAX

"Sec. 4996. Allowance of credit.
"Sec. 4997. Amount of credit.
"Sec. 4998. Section 4996 property.
"Sec. 4999. Special rules.

"SEC. 4996. ALLOWANCE OF CREDIT.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by section 4991 for the calendar year the amount determined under this part.

"(b) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this part.

"(c) TERMINATION OF CREDIT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), no credit shall be allowed under this section for any calendar year beginning after December 31, 1990.

"(2) EXCEPTION WHERE CONSTRUCTION, ETC., BEGINS BEFORE 1991.—Paragraph (1) shall not apply to property—

"(A) the physical construction, reconstruction, or erection of which is begun before January 1, 1991, or

"(B) which is acquired by the taxpayer before such date.

"(d) CREDIT AVAILABLE ONLY WHERE ELECTION MADE.—No credit shall be allowed under this section for any calendar year unless an election under section 4999(a) is in effect for such year.

"(e) APPLICATION OF CREDIT IN THE CASE OF CONTROLLED GROUP, ETC.—

"For application of the credit in the case of 2 or more related entities, see section 4999(b).

"SEC. 4997. AMOUNT OF CREDIT.

"(a) GENERAL RULE.—The amount of the credit allowed under section 4996 for the calendar year shall be an amount equal to the lesser of—

"(1) 100 percent of the qualified energy investment for such year, or

"(2) the section 4991 tax for such year.

"(b) QUALIFIED ENERGY INVESTMENT FOR YEAR.—For purposes of this part—

"(1) IN GENERAL.—The qualified energy investment for any calendar year is the sum of—

"(A) the aggregate bases of section 4996 property (as defined in section 4998(a)) placed in service by the taxpayer during such year (reduced in a manner similar to that provided by section 46(c)(4)),

"(B) the qualified progress expenditures with respect to section 4996 property, and

"(C) the energy investment carryover to such year.

"(2) DETERMINATION OF QUALIFIED PROGRESS EXPENDITURES.—For purposes of paragraph (1)(B), qualified progress expenditures shall be determined in a manner similar to that provided by section 46(d) (including the requirement of an election), except that—

"(A) the term 'person' shall be substituted for 'taxpayer' each place it appears in section 46(d), and

"(B) paragraph (7) of section 46(d) shall not apply.

"(3) ENERGY INVESTMENT CARRYOVER TO SUCCEEDING YEAR.—If the sum described in paragraph (1) for any calendar year exceeds the tax imposed by section 4991 for such year, such excess shall be an energy investment carryover to the succeeding calendar year.

"(c) SECTION 4991 TAX FOR YEAR.—For purposes of this part—

"(1) IN GENERAL.—Except as provided in paragraph (2), the section 4991 tax for any calendar year is the amount of the tax imposed by section 4991 for such year.

"(2) TAX LIABILITY FOR 1979 AND 1980 MAY BE CARRIED TO 1981.—

"(A) 1979 LIABILITY.—Any excess of—

"(i) the liability for the tax imposed by section 4991 for 1979, over

"(ii) the qualified energy investment for 1979,

shall be treated as tax imposed by section 4991 for 1980.

"(B) 1980 LIABILITY.—Any excess of—

"(i) the liability for the tax imposed by section 4991 for 1980 (including any excess determined under subparagraph (A)), over

"(ii) the qualified energy investment for 1980,

shall be treated as tax imposed by section 4991 for 1981.

"(C) OVERPAYMENTS OF TAX.—Any portion of the excess described in subparagraph (A) or (B), which is offset by a credit for the year under section 4996 shall be treated as an overpayment of the tax imposed by section 4991 for such credit year.

"(d) LIMITATION IN CASE OF CERTAIN REGULATED COMPANIES.—No credit shall be allowed under section 4996 for any section 4996 property which is public utility property (within the meaning of section 46(f)(5)) unless requirements similar to those provided by section 46(f) are met.

"(e) SPECIAL RULE WHERE PROPERTY IS FINANCED BY INDUSTRIAL DEVELOPMENT BONDS.—In the case of any property which is financed in whole or in part by the proceeds of an industrial development bond (within the meaning of section 103(b)(2)) the interest on which is exempt from tax under section 103, the amount of the credit allowed under section 4996 shall be determined by substituting '50 percent' for '100 percent' in subsection (a)(1) of this section.

"SEC. 4998. SECTION 4996 PROPERTY.

"(a) SECTION 4996 PROPERTY DEFINED.—For purposes of this part, the term 'section 4996 property' means alternative energy property which is tangible property (not including a building and its structural components) and—

"(1) which is used by the taxpayer in the taxpayer's trade or business (other than the trade or business of leasing),

"(2) with respect to which depreciation (or amortization in lieu of depreciation) is allowable,

"(3) which has a useful life (determined as of the time such property is placed in service) of 3 years or more,

"(4) which is not used predominantly outside the United States (determined in a manner similar to that provided by subparagraphs (A) and (B) of section 48(a)(2)), and

"(5) which is new property.

"(b) ALTERNATIVE ENERGY PROPERTY DEFINED.—For purposes of this part—

"(1) IN GENERAL.—The term 'alternative energy property' means—

"(A) a boiler the primary fuel for which will be an alternate substance,

"(B) a burner (including necessary on-site equipment to bring the alternate substance to the burner) for a combustor other than a boiler if the primary fuel for such burner will be an alternate substance,

"(C) equipment used in the production of energy by nuclear, hydroelectric, or geothermal power, but not including the fuel and not including turbines or equipment beyond the turbine stage,

"(D) equipment for converting an alternate substance into synthetic gas,

"(E) pollution control equipment required (by Federal, State, or local regulations) to be installed on or in connection with equipment described in subparagraph (A), (B), or (D),

"(F) equipment used for the unloading, transfer, storage, reclaiming from storage, and preparation (including washing, crushing, drying, and weighing at the point of use) of an alternate substance for use—

"(i) in equipment described in subparagraph (A), (B), (C), (D), or (E), or

"(ii) in a facility which uses coal as a feedstock for the manufacture of chemicals or other products (except coke), and

"(G) the basis for plans and designs for equipment described in subparagraph (A), (B), (C), (D), (E), or (F).

"(2) ALTERNATE SUBSTANCE.—The term 'alternate substance' means any substance other than—

"(A) oil and natural gas, and

"(B) any product of oil and natural gas.

"(3) SPECIAL RULE FOR CERTAIN POLLUTION CONTROL EQUIPMENT.—The term 'pollution control equipment' does not include any equipment which—

"(A) is installed on or in connection with property which, as of April 20, 1977, was using coal, and

"(B) was required to be installed by Federal, State, or local regulations in effect on such date.

"(4) EQUIPMENT USING OIL AND ANOTHER SUBSTANCE.—

"(A) IN GENERAL.—A qualified oil-alternative substance boiler shall be treated as a boiler described in paragraph (1)(A).

"(B) QUALIFIED OIL-ALTERNATIVE SUBSTANCE BOILER DEFINED.—For purposes of subparagraph (A), the term 'qualified oil-alternative substance boiler' means an existing boiler for an existing electric generator facility—

"(i) before modification the fuel for which is oil or natural gas, and

"(ii) after modification the fuel for which will be oil mixed with an alternate substance, with such substance providing not less than 25 percent and not more than 50 percent of the total fuel.

For purposes of this subparagraph, the term 'existing' has the meaning given to such term by section 48(l)(9).

"(C) PARTIAL CREDIT.—The amount of the credit allowed under section 4996 with respect to any qualified oil-alternative substance boiler shall be determined by sub-

stituting 'the oil-saving percentage' for '100 percent' in section 4997(a)(1). For purposes of this subparagraph, the term 'qualified oil-alternative substance boiler' includes any equipment described in subparagraph (E) or (F) of paragraph (1) or plans or designs described in paragraph (1)(G) which are properly allocable to such boiler.

"(D) OIL-SAVING PERCENTAGE.—For purposes of subparagraph (C), the term 'oil-saving percentage' means whichever of the following percentages is the smaller:

"(i) the percentage derived from the fraction the numerator of which is the energy for the boiler which will be supplied by the alternative substance and the denominator of which is the energy which will be provided by all substances, or

"(ii) the percentage derived from the fraction the numerator of which is the decrease in oil and natural gas energy used as a fuel by the boiler as a result of the modification, and the denominator of which is the oil and natural gas energy which would have been used in the boiler as a fuel if there had been no modification.

For purposes of this subparagraph, energy shall be determined in terms of British thermal units on the basis of normal use over the useful life of the boiler.

"(c) NEW PROPERTY.—For purposes of this part, the term 'new property' means property—

"(1) the construction, reconstruction, or erection of which is completed by the taxpayer on or after April 20, 1977, or

"(2) acquired by the taxpayer on or after April 20, 1977, if the original use of such property commences with the taxpayer and commence on or after such date.

In applying this part in the case of property described in paragraph (1), there shall be taken into account only that portion of the basis which is properly attributable to construction, reconstruction, or erection on or after April 20, 1977.

"(d) OIL AND NATURAL GAS.—For purposes of this part—

"(1) the term 'oil' has the meaning given to such term by section 4995(a)(1), and

"(2) the term 'natural gas' has the meaning given to such term by section 4995(b)(1).

"(e) UNITED STATES.—For purposes of this part, the term 'United States' means the 50 States and the District of Columbia.

"SEC. 4999. SPECIAL RULES.

"(a) RULES RELATING TO ELECTION.—

"(1) TIME AND MANNER OF MAKING.—An election under this subsection may be made only on or before the last day prescribed by law (including extensions thereof) for filing the return of the tax imposed by chapter 1 for the first taxable year ending after December 31, 1978, for which the taxpayer has qualified energy investment. An election under this subsection shall be made in such manner as the Secretary may by regulations prescribe.

"(2) SPECIAL RULES FOR UTILITIES.—

"(A) IN GENERAL.—In the case of a regulated public utility the principal activity of which is the production of electricity, paragraph (1) shall be applied by substituting 'December 31, 1982' for 'December 31, 1978'.

"(B) RECAPTURE OF SECTION 38 CREDIT.—In the case of any taxpayer which (by reason of subparagraph (A)) makes an election under this subsection for its first taxable year ending after December 31, 1982, the tax under chapter 1 for such taxable year shall be increased by an amount equal to the decrease in the credits under section 38 for all prior years which would have resulted solely from not taking into account any qualified investment which would have not been taken into account if the election under this subsection had been made at the time required by paragraph (1). In any such case carrybacks and carryovers under section 46 (b) shall be properly adjusted.

"(3) ELECTION REVOCABLE ONLY WITH CONSENT.—An election made under this subsection, once made, may be revoked by the taxpayer only with the consent of the Secretary.

"(4) SCOPE OF ELECTION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an election made under this subsection shall apply to all section 4996 property of the taxpayer.

"(B) ELECTION TO TAKE REGULAR INVESTMENT CREDIT INSTEAD OF A CARRYOVER UNDER SECTION 4996.—If the sum of the amounts described in subparagraphs (A) and (B) of section 4997(b)(1) for any calendar year exceeds the tax imposed by section 4991 for such year—

"(i) then the taxpayer may elect to treat part or all of such excess as property with respect to which the election under section 4999(a) is not effective,

"(ii) the property with respect to which an election under clause (i) is made which is section 38 property shall be eligible for the regular percentage (but not the energy percentage) for purposes of the credit allowable under section 38, and

"(iii) the property referred to in clause (ii) shall not be taken into account in determining the energy investment carryover under section 4997(b)(3).

An election made under clause (i) with respect to any property, once made, may be revoked by the taxpayer only with the consent of the Secretary.

"(b) ENTITIES UNDER COMMON CONTROL.—

"(1) TREATMENT AS 1 TAXPAYER.—For purposes of applying this part—

"(A) persons who are members of the same controlled group of corporation, and

"(B) trades or businesses (whether or not incorporated) which are under common control,

shall be treated as 1 taxpayer.

"(2) DEFINITIONS.—For purposes of paragraph (1)—

"(A) the term 'controlled group of corporation' has the meaning given to such term by clause (i) of section 4992(c)(3)(C), and

"(B) the determination of whether trades or businesses are under common control shall be made as provided in clause (ii) of section 4992(c)(3)(C).

"(3) ENTITIES BECOMING RELATED AFTER ELECTION.—The Secretary shall prescribe regulations for the application of paragraph (1) where, after the making by any entity of an election under subsection (a), such entity becomes related (within the meaning of paragraph (1)) to a second entity with respect to which (but for paragraph (1)) an election would not be in effect.

"(c) CERTAIN DISPOSITIONS, ETC., OF SECTION 4996 PROPERTY.—

"(1) IN GENERAL.—If during any calendar year any property is disposed of, or otherwise ceases to be section 4996 property with respect to the taxpayer, within 7 years of the time such property was placed in service by the taxpayer, then the tax under section 4991 for the calendar year in which such disposition or cessation occurs shall be increased by an amount equal to the aggregate decrease in the credits allowed under this part for all prior calendar years which would have resulted solely from not taking such property into account.

"(2) PHASEDOWN OF RECAPTURE.—If the period described in paragraph (1) is—

"(A) 3 years or more but less than 5 years, the amount of the recapture shall be ⅔ of the amount which (but for this paragraph) would be subject to recapture, or

"(B) 5 years or more but less than 7 years, the amount of the recapture shall be ⅓ of the amount which (but for this paragraph) would be subject to recapture.

"(3) CERTAIN RULES MADE APPLICABLE.—For purposes of this subsection, under regulations prescribed by the Secretary, rules similar to paragraphs (3) (other than subparagraph (C) thereof) and (4) of subsection (a) of section 47 (relating to recapture of business investment credit) and to subsection (b) of section 47 shall apply.

"(d) UTILITY ALLOWED CREDIT FOR NEW BOILER ONLY TO EXTENT OIL OR GAS BOILER IS REPLACED OR PHASED DOWN.—

"(1) IN GENERAL.—In the case of a regulated public utility the principal activity of which is the production of electricity, a boiler (hereinafter in this subsection referred to as 'new boiler') shall be treated as section 4996 property—

"(A) only if the taxpayer establishes such facts as the Secretary may by regulations prescribe with respect to the replacement or phasing-down of a boiler (hereinafter in this subsection referred to as 'old boiler') which, as of April 20, 1977, used as its primary fuel oil or natural gas, and

"(B) only to the extent that there will be (not later than the calendar year following the credit year) a replacement or phasing-down of the old boiler.

"(2) PHASING DOWN.—For purposes of paragraph (1), the old boiler is phased down if (and only if)—

"(A) during 1976 it was used for more than 1,500 hours, and

"(B) during each calendar year after the credit year, the old boiler will be used for 1,500 hours or less.

"(3) TAX FOR USE BETWEEN 1,500 AND 2,000 HOURS.—If for any calendar year after the credit year the old boiler is used for more than 1,500 hours but not more than 2,000 hours, there is hereby imposed for such years a tax in an amount equal to the amount of the tax which would be imposed by section 4991 on the oil or natural gas used for such hours in excess of 1,500 if such use constituted a separate and additional taxable use. For purposes of the preceding sentence, taxable use shall be determined without regard to the second sentence of section 4992(a).

"(4) NO CREDIT ALLOWED AGAINST PARAGRAPH (3) AMOUNT.—No credit shall be allowed under section 4996 against any amount determined under paragraph (3).

"(5) RECAPTURE FOR USE IN EXCESS OF 2,000 HOURS.—If for any calendar year after the credit year the old boiler is used for more than 2,000 hours, for purposes of subsection (c) of this section the new boiler shall be treated as disposed of at the close of the year in which it is so used.

"(6) ADVANCE CERTIFICATION.—For purposes of this subsection, if the taxpayer—

"(A) certifies to the Secretary—

"(i) that the old boiler will be replaced or phased down beginning with the calendar year following the credit year, and

"(ii) that the new boiler will be placed in service not later than 3 years after the first calendar year for which the certification is effective; and

"(B) agrees to an extension of the period for assessing any deficiency of the tax imposed by section 4991, to the extent such deficiency is attributable to the fact that such certification proves to be erroneous,

then, for purposes of paragraph (1) (but not for purposes of paragraph (2), (3), (4), and (5)), the replacement or phasing down shall be treated as occurring on the date as of which the certification is effective.

"(7) CERTAIN BOILERS TREATED AS REPLACED.—If—

"(A) physical construction of a facility began before April 20, 1977,

"(B) as of April 20, 1977, such facility included (or it was contemplated that such facility would include) a boiler the primary fuel of which would be oil or natural gas, and

"(C) after April 20, 1977, the construction

of such boiler is modified so it will use an alternate substance.

for purposes of paragraph (1), such boiler shall be treated as a new boiler replacing an existing boiler at the time it is placed in service.

"(8) BOILER DEFINED.—For purposes of this subsection, the term 'boiler' includes equipment described in subparagraph (E) or (F) of paragraph (1) of subsection (b) (or plans or designs described in subparagraph (G) of such paragraph (1)) properly allocable to the boiler.

"(9) CREDIT YEAR.—For purposes of this subsection, the term 'credit year' means the later of—

"(A) the calendar year in which the new boiler is placed in service, or

"(B) 1983.

"(e) COORDINATION WITH CHAPTER 1.—

"(1) ONLY NET TAX DEDUCTIBLE UNDER CHAPTER 1.—The amount allowable as a deduction under chapter 1 with respect to the tax imposed by section 4991 for any calendar year shall not exceed the amount of such tax reduced by the credit allowed under section 4996 for such year.

"(2) ADJUSTMENT IN THE CASE OF CARRYOVER OF TAX LIABILITY.—If a credit is allowed under section 4996 for 1980 or 1981 by reason of the carryover under section 4997(c)(2) of tax liability for 1979 or 1980, proper adjustments shall be made in the tax imposed by chapter 1 to reflect the amount allowed as a deduction under chapter 1 for such tax liability in a prior taxable year."

AD HOC COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will designate the page and line number of the ad hoc committee amendment to part V of title II.

The Clerk read as follows:

Ad hoc committee amendment: Delete the stricken matter on page 536 on lines 7 through 12.

(The ad hoc committee amendment to part V of title II reads as follows:)

Page 536, strike lines 7 through 12, as follows:

"(d) LIMITATION IN CASE OF CERTAIN REGULATED COMPANIES.—No credit shall be allowed under section 4996 for any section 4996 property which is public utility property (within the meaning of section 46(f)(5)) unless requirements similar to those provided by section 46(f) are met.

"(e)

Mr. ASHLEY. Mr. Chairman, I move to strike the last word.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the distinguished gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Chairman, I would like to say, about our energy situation—or our energy crisis, if you prefer, that because it is so easy to turn on the tap, or turn on the lights in one's home, or easily buy gasoline, we do not think about the absence of these conveniences—until we are left without. No one can dispute the fact that prices for these things have been going up, but we are still a Nation of "haves," rather than "have nots." Things have historically come so easy to us, it is hard to believe there is going to be an end to the abundance we are blessed with, or a need to begin conserving for our futures.

Yet some of our natural energy sources are very much in a depleting state. And we must redefine our use of energy for the sake of our future and for the sake of the strength of the Nation.

We have been gobbling up our energy sources in this country at an ever faster rate since the turn of the century—I should say, we have been depleting some of our energy sources, namely oil and natural gas; they were easier to extract into a direct form of energy, and they appeared to be plentiful. In reality, we are running out of these two forms of energy. All major U.S. energy policy studies have indicated we have about a 50-year supply of oil and gas if we continue to use them as we have been doing.

Seventy-five percent of the entire U.S. economy is at present dependent upon diminishing domestic supplies of petroleum and natural gas. In fact, since the last "energy crisis"—the Arab embargo of 1973, we have become more, not less, dependent on foreign imports.

What we have done is neglect the most plentiful form of energy here in our country—our supplies of coal.

Our industrial revolution was built upon coal. For more than a century, American industry depended on it almost exclusively as a source of energy. Coal-fired steel mills forged the tracks that coal-driven locomotives traveled on in opening up the western frontier—and ironically, our dependence on coal generated settlements in the Southwest—and the discovery of oil. At the turn of the century, coal supplied 90 percent of the country's energy consumption, and for 50 years, it supplied the raw material for the Nation's fledgling organic chemical industry.

But ever since the discovery of the major oil fields in the Southwest at the beginning of this century, coal's role has been declining. In 1920, it provided some 80 percent of the Nation's energy. By the end of World War II, its share had dropped to 50 percent. By 1970, it had dropped to less than 20 percent and in 1974 supplied only 18 percent of the U.S. total energy needs. We are not utilizing coal now because some feel it is not convenient; oil and natural gas are easier to store—once again we are taking the shortcut more convenient "yellow brick road"—but at what cost?

This Nation presently possesses one-fifth of the world's remaining coal resources—some 4 trillion tons. I am reminded of the verse from Samuel Taylor Coleridge's poem—

Water, water, everywhere,
Nor any drop to drink.

We have all these resources—trillions of tons of coal at our disposal, and we have to find a way to implement our greatest energy resource. To do anything else is to leave ourselves vulnerable to foreign countries for our lifeblood.

This is not the first time these sentiments have been stated. Several years before I first came to serve in Congress, during World War II, we learned that the Germans were synthetically manufacturing their airplane fuel and gasoline—from coal. We realized the potential, and the first congressional initiative to develop nonnuclear energy technologies of this sort was in the mid-1940's when Senator Joseph O'Mahoney of Wyoming and Senator JENNINGS RANDOLPH introduced the Synthetic Liquid Fuels Act, which was signed into law on April 5, 1944. That law authorized the first Federal programs for gasification of coal, liquification of coal and lignite, and production of synthetic crude oil from oil shale. This act also extended authority for continued preliminary investigations begun in 1916 on oil shale and begun in 1926 on synthetic oil from coal. Demonstration and research was undertaken of coal gasification and oil shale extraction.

We used much of the expertise the Germans had refined in these projects. The story of how the Germans, between wars, developed two distinct and remarkable techniques for turning coal into oil and gasoline was much better known about 30 years ago. The first German process, coal hydrogenation—concocted by Freidrich Bergius and I. G. Farben—was brought to this country in 1927 at a time when geologists were estimating that the U.S. "proved" reserve of crude oil would last for a very limited time.

By the mid-30's Germany had its second synthetic-fuel process, the Fischer-Tropsch, in commercial operation. This process worked with coal as well as natural gas. And our oil companies began to become interested in these processes.

As the United States went into World War II, we really thought we were well stocked with all the oil we would need for our war machinery. We were dead wrong. That is when the Synthetic Fuels Act was enacted, to "aid the prosecution of the war" as its chief purpose.

After the war, we used the German technical data on both hydrogenation and Fischer-Tropsch to lay out demonstration plants for each process. The Bureau of Mines laid out two highly mechanized shale mines in Rifle, Colo.; by May 1947, a 50-barrel-a-day demonstration plant was in operation. A coal research laboratory was opened up at Brauceton, Pa., a coal-hydrogenation plant as well as an oil-from-coal section was operated at Louisiana, Mo., and a gas-from-coal plant was opened up at Morgantown, W. Va. In addition, an underground gasification project was started at Gorgas, Ala.

Much new discovery and research was learned from these programs, and many experts were foreseeing the time when commercial synthetic fuels would become a reality. But with the discoveries of vast new domestic sources of oil to tap, these programs came under increasing fire.

In the meantime, our coal industry was suffering. It had lost the old markets such as ships, railroads, and homes—the industry was in a very depressed state. The synthetic liquid fuels programs seemed like the answer to insure our Nation a sound fuel base for many years to come, as well as buttressing an important industry. But in early April, 1953, the Interior Department proposed to start terminating these research and demonstration programs. Naturally, I fought these moves, as did some of my colleagues here today. Senator BYRD, then a Representative, said:

It would seem to be a sound conservation policy and in the national interest to go for-

ward with the development of this program which would shift as much demand as possible from our limited petroleum supplies to our very large coal reserves.

On April 15, 1953, a day when a great many of us think about costs in terms of taxes, I was talking about costs too—the costs to our country if we shut down these plants.

. . . These plants have been operating with encouraging results as to efficiency, cost, and the quality of diversified products from selected samples of coal.

But now, just when it appears that the processes are on the very threshold of success, and in view of increasing apprehension as to the adequacy of our future supplies of liquid fuels, a proposal is made to shut down these plants. . . . The ultimate cost of such abortive action, in terms of the Nation's future security, would exceed the nominal budget saving which is sought. . . . By 1975, our daily needs for liquid fuels may be several times greater than our domestic production from petroleum. If we were to be confronted with another all-out war, available supplies of liquid fuels would immediately present an acute problem. A growing dependence upon foreign sources of oil would increase our vulnerability and impair our security.

Unfortunately, the projects were terminated. They ran from 1944 to 1955, and the program cost about $82 million. The stoppage of this crucial knowledge and discovery has resulted, in many instances, in irreparable loss of valuable research. If only we had continued these efforts, we might now have our energy problem licked. And the sentiments I expressed over 24 years ago still have an eery ring of truth. The war I talked about then would not necessarily have to be military effort; the oil exporting countries' cartel brings these fears very close to home. They have their own interests at heart; we have to have ours straight, too. We need to secure our own technologies into feasible projects that will enhance our fuel resources.

You may wonder what happened to these nonnuclear technologies that did not become realities in the United States. Other oil deficient but coal abundant countries have pursued these same goals. South Africa has one such facility—the construction designed and supervised by an American company—which liquefies coal into oil.

And where are we? We are still without any definitive answer as to where our guaranteed energy sources are going to come from 15 years hence. And Americans have a hard time getting aroused about such issues, especially when they hear, as they did recently, of the new sources of oil that are going to be flowing via the Alaskan pipeline. Indeed, some areas may have a glut for a short time. It does not change our basic problems, however. In the face of no real inconvenience, my fellow Americans seem not to be able to move easily or have much practice in arriving at decisions.

Yet we have to think of our alternatives. Synthetic fuels, left to themselves in a peaceful world of free market economies, would not go anywhere. Most people probably believe there is still too much oil in the ground or sea, known and yet to be discovered, for synthetics to pour in on any large scale. But a peaceful world is exactly what the United States and those charged with its defense and security cannot count on, and in such a situation the creation, expansion, and refinement of these strategies would appear to be the better part of wisdom, and of long-range strategic importance.

We really have to stick to what we have, and one thing we do have is coal. It is the one fossil fuel that is likely to remain in abundant supply at relatively low cost for the remainder of this century and into the next. It is the one major fuel alternative that can bridge the gap from our current dependence on oil and gas to a future era of renewable energy resources.

Last year the U.S. coal production reached 665 million tons, up only 3 percent over 1975. Coal can be mined in much greater amounts, because as the Energy Research Development Administration had said, "Coal must play an important part in our future," and its conversion potential is still very much a part of the picture. It can be converted into gaseous and liquid fuels and chemicals—it can be made into low-Btu fuels for electrical facilities and generators. It can be made into high-Btu fuels for electrical facilities and generators. It can be made into high-Btu fuel, and freely mixed with current supplies of natural gas. It can be made into a clean burning fuel oil, to take the place of petroleum and natural gas now being fired in power boilers. It can be upgraded into gasoline, or even chemicals and other specialty products.

I would like to briefly outline some of the recent initiatives in this area. The significant role of coal and the need for research and development in coal technologies was acknowledged by Congress when it established the Office of Coal Research in 1961. But when the oil embargo occurred—I would rather say hit us—in early 1974, some emergency measures were needed. The Emergency Petroleum Allocation Act was enacted, which had the effect of raising oil prices.

Also in 1974, the passage of the Energy Supply and Environmental Coordination Act—Public Law 93-319—provided authority to order oil- and natural-gas-burning electric generators—which had originally been burning coal—to convert back to the use of coal.

The three independent energy agencies established by the 93d Congress were the Federal Energy Administration, the Energy Research and Development Administration, and the Nuclear Regulatory Commission. The passage of the Federal Non-nuclear Energy Research and Development Act of 1974 clarified a great deal of responsibility for solutions to energy shortages.

In President Ford's 1975 state of the Union message, he called for accelerated development of the Nation's energy technology and resources and proposed a set of energy supply and conservation measures to reduce the U.S. dependence on foreign oil by 1985. As part of these measures, he proposed that the Government provide financial and other incentives to stimulate investment in a number of commercial-scale, synthetic-fuel plants. In addition, he set a goal to produce the equivalent in synthetic fuels of 1 million barrels of oil a day by 1985.

In response to this goal, a synfuels interagency task force was established in February 1975, under the aegis of the Energy Resources Council, to study and make recommendation on Federal policy and programs for synthetic fuels.

ERDA also published a report in June 1975, called "National Plan for Energy Research, Development, and Demonstration" which projected that first generation—meaning, processes that were or are now in commercial use—liquefaction technology could be producing at least 2½ million barrels of oil a day by 1985, while first generation gasification technology could be producing the equivalent of between ½ and 1½ million barrels of oil a day by 1985.

At the end of the first session of the 94th Congress, the Energy Policy and Conservation Act was enacted; it extended ESECA—the Energy Supply and Environment Coordination Act.

In August of 1976, the Energy Conservation and Production Act was passed—Public Law 94-385. As a result, it is now part of our national energy policy that more coal must be used.

It all sounds so good; it sounds like we are really on the right track. Unfortunately, things are not working out that way. The General Accounting Office recently found that, "It is highly unlikely that any commercial-size coal liquefaction plant will be operating in the United States in 1985."

These programs are so important to us. Energy is power, and the lack of it immobilizes us. What is causing the delays?

For one thing, building these research and demonstration projects costs money. For another thing, there have been some problems with existing environmental regulations. ERDA has been funding several research projects but progress with commercial projects has been stymied. There are also other economic constraints. I would like to give a capsule status report on some of these holdups.

Underlying all discussions of what investments should be made is the basic question of economics. If capital is invested there must be the expectation of a reasonable return. Both project sponsors and lenders have had to assess: First, capital requirements; second, the impact of possible cost escalation and delays; third, product competitiveness; and fourth, technical risk. The major commercial projects thus far started have been in the high-Btu gasification area.

Unfortunately, over the past few years, since these projects were started, costs have escalated greatly, and both liquification and gasification plants require large capital investments.

Recent FPC ruling have further threatened coal gasification projects. The Natural Gas Act of 1938 requires FPC authorization before a company can sell or transport natural gas in interstate commerce. FPC recently interpreted the

act to mean that synthetic gas is not natural gas and is not subject to its jurisdiction unless the synthetic gas is commingled with natural gas in an interstate pipeline. In almost all cases, synthetic high-Btu gas will be commingled with natural gas.

FPC's jurisdiction covered transportation and sale of commingled synthetic gas but not the synthetic gasification plant itself. Yet FPC authorization is required to: First, build a connection assembly at the existing natural gas pipeline; second, transport and sell the synthetic gas; and third, set the rate which companies will be permitted to charge for the gas. Moreover, in order to protect ratepayers, FPC devised a stronger provision which reduced rate of return as plant output decreased below a certain annual capacity factor.

The effect of these FPC decisions on risk to an investor is considerable. In essence, it means that in cases where gas from a synthetic fuel plant is never linked to a pipeline or in cases where gas production ceases and the plant fails, the project investors have to absorb the losses. Lending institutions may well be reluctant to loan funds under these conditions.

Unfortunately, coal liquefaction projects are progressing very slowly also. In the longer term, coal liquefaction will be important in the production of many essential productions, like chemicals and liquid fuels for transportation. But the private sector does not seem too interested, because of the prohibitive costs. Direct funding by the Federal Government, with some industry participation, would seem necessary for the development of this technology before the 1990's. The direct loan guarantee provisions which I have introduced, guaranteeing 75 percent of investment, would seem essential for forward progress.

As you know, the maximum amount that can be authorized for these loans is only $50 million, which should, coupled with investor commitment, allow a commercial scale operation to be built in prototype size. If we can prove the technology is doable, we can go on from there with larger planning.

Environmental questions are important to us all. They fully realize coal's potential mandates finding satisfactory solutions to the problems associated with its mining and burning.

As you may know, coal is not a uniform substance, but a mix of fossilized materials from plants that themselves varied in both physical and chemical composition So coal is different as well. Of course, coal has impurities that will have to be dealt with to achieve processing compatible with the environment. All coal contains varying amounts of sulfur—so does oil, I might add. One of the biggest problems that the coal industry faces is that the bulk of recoverable reserves, as well as much of present capacity, does not meet today's sulfur standards. Forty-one percent of 176 million tons of the coal burned by the electric utilities in 1975 did not meet sulfur standards. In the East, 48 percent of the coal burned could not comply. Therefore, we must find a way to clean coal before we burn it, to make electricity and to make other forms of fuel. Energy production and environmental improvement need not be conflicting goals.

The Clean Air Amendments of 1977 should remove much of the doubt surrounding environmental uncertainties and will therefore provide a stable regulatory environment for those coal utilization strategies.

The impetus for the new coal technology has been growing for 4 years, and are culminating in recent authorizations. The increases in 1978 funding reflects the Carter administration's policy for increased coal utilization and emphasis on research and development technologies.

The basic problems we have with our energy resources will only intensify unless we make firm demonstrative steps now to further utilize our vast resources of coal, and cut oil imports. The OPEC oil cartel has the ability to undercut synthetic oil or gas prices, or cut back supplies. I suppose they could even cut back their own prices. But we cannot count on this. Right now, there is the feeling that synthetic fuels would be more expensive. But regardless of what actions are taken by the cartel, we must insure that our synthetic fuels will be able to compete with conventional supplies, particularly the price of imported oil. An analysis presented in the Synfuels Interagency Task Force report implied that under normal investment and risk circumstances, market forces are likely to cause the introduction of synthetic fuels between 1958 and 1990. This timetable could be appreciably moved up with the Government assistance I believe we need.

Decisions must be made now if the Nation is to rely on increased coal use for liquification and gasification before natural market forces bring this issue to a head. And coal is the only resource we have in such great quantity. It is not like this Nation to be dependent on other countries for our energy sources—which is really our life blood—it leaves us far too vulnerable. If Coleridge were a scientist in our time, he might have said,

> "Coal, coal everywhere,
> And not a way to use it."

We do have a way to use our greatest resource—and must forge the tools to make this a reality for our Nation. Our strength and our security depends on it. I have been stating these sentiments for nearly 30 years. For once, let us take our heads out of the sand and try to convince our citizens of the seriousness of this crisis. At least we can present them with an alternative—our coal resources—that will do the job, and right from the ground of our own land. Our future power will hinge upon our future energy resources. Let us "keep it in the family".

Mr. ALLEN. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Tennessee (Mr. ALLEN).

Mr. ALLEN. Mr. Chairman, I thank the gentleman from Ohio (Mr. ASHLEY), for yielding to me.

Mr. Chairman, if this bill is enacted and signed into law, the American public, the consumers, if you please, will be paying through the nose, and the giant oil companies will be laughing all the way to the bank—with the Arabs and other OPEC nations cheering on the sides.

Have you ever wondered why the committee postponed outright deregulation under this bill until after the elections? How stupid do we think the American people are, that they will not see through this maneuver?

This whole fight over deregulation was a charade, pure and simple. Whether we voted for the Brown-Krueger amendment or against it, the bill, under the deal struck by the ad hoc committee with big oil, already provided for deregulation—full and complete deregulation—just as soon as the next Presidential election and the 1980 congressional elections are safely past.

To put in half the tax the coming year, and another half the year after that, every year that goes by the prices will go up until they are sky high. Yet, we are trying to convince the people that we are trying to control inflation. We have not yet seen any inflation at all, compared to what is going to happen if we pass this bill. It will affect and skyrocket the prices of gasoline, fuel oil, coal, electricity, natural gas, automobiles, almost everything we use.

It is not just that this may cause us to use our cars less—and that is doubtful. We are putting this country on the road to insolvency for the sake of bigger profits for the oil companies, the large utility corporations, and the multinational petroleum giants and their international cartels.

And our pledge to reduce, "ease the utility rate burden on residential users and farmers" has been completely forgotten, ignored, and omitted in this bill. Indeed, the committee chairman, Mr. ASHLEY, admitted yesterday that electric bills will be going up, not down, under the provisions of this bill. A complete betrayal. And make no mistake about it, when prices begin to pinch even the well-to-do, and credit financing is our only way of life, you will hear our leaders try to blame everything on the exorbitant prices charged by the OPEC nations. But here we are today, proposing to mortgage our future to these OPEC nations, and tying the future prices of U.S. oil to OPEC prices, however high they may go.

The American people should know—and they should know today, as we consider this unmitigated betrayal, that there is not a dime's worth of difference between the "OPEC nations," whom we would all like to cast in the role of villians, and our own native huge American oil and gas and utility empires. These giant U.S. oil companies pull the strings in the OPEC countries, and if the American people do not know it by now, they should know it. It is the greed of these companies that is forcing the lid off the prices the American people will have to pay.

And blaming it on foreign nations is just a coverup—a convenient way to get the American people mad at someone else besides our own giant electric and gas utility corporations and our major

oil companies and their international cartels.

The President's original proposal has been twisted and distorted into a bill, of the special interests, by the special interests and for the special interests—but little at all for the people and consumers except higher taxes and higher prices.

I do not mean to say there are not a few redeeming features of this bill. But they are so heavily outweighed by the injury, damage, and unbearable hardships these other provisions would visit upon the consumers of this nation and its economic well-being—and because we are denied under the rule to ask for a division of the question, that would enable us to vote for what is good and reject what is bad, we have no choice but to accept or reject the whole package.

For these and other reasons I have stated during the past 4 days, I have decided, as a matter of conscience, that I must most reluctantly vote against the bill, and I urge all others to do the same.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words.

During the deliberations of the ad hoc committee, I expressed on more than one occasion my deep concern about the operation of the oil and gas user tax/rebate mechanism contained in the bill reported by the Ways and Means Committee. Specifically, I was concerned that a utility doing all it could to convert to coal and other fuels might not receive back in rebates the full amount paid in taxes.

The act requires that all electric powerplants, with some limited exceptions such as peakload generation, be converted to coal by 1990. The tax on use of gas for generating electricity, called the coal conversion tax, was designed to assure that such conversion would proceed expeditiously during the 12-year period. Thus, a utility, under the ordinary processes of the provision, could offset its current conversion costs against the current tax and, beyond that, would have a 1-year carryover of qualifying conversion costs for 1979 and 1980 to the next tax year. Thus, it was envisaged that a utility diligently applying its financial resources to conversion would not suffer an additional tax burden, if conversion costs exceeded the amount of the tax over the 12-year period.

The root of the problem is this: Plans for conversion over a 12-year period will not always result in approximately equal increments of capital outlay. Therefore, in some periods the conversion costs will be vastly in excess of the tax and in some periods they will be less than the tax. If this latter period is long enough and the difference is great enough, the carryover provisions and the advance certification procedure are not sufficient to permit an offset of all conversion costs against all taxes.

This problem can be taken care of, however, by the exemption procedure of section 4993, which I think was designed in part to take care of this situation. However, I thought it necessary to make it absolutely certain that section 4993 was so designed.

Accordingly, I introduced an amendment specifically providing that the Secretary shall exempt a utility from the tax if the net effect of the tax would increase consumer rates without facilitating conversion from the use of oil and natural gas and would impair the utility's ability to accomplish such conversion.

The distinguished chairman of the Ways and Means Committee affirmed that the bill contained a general exemption procedure, section 4993, that in his judgment was set up in part to accomplish the purposes of my amendment. Based upon the strong assurance that this downward reclassification section was designed to cover the specific situation about which I was concerned and that report language would be inserted to clarify this intent, I withdrew my amendment.

I have carefully reviewed the ad hoc committee report language concerning reclassification of uses and wish to pose some further questions to the distinguished chairman of the Ways and Means Committee.

Is it your understanding that the purpose of the user tax on oil and gas is to encourage conservation of oil and gas and conversion to alternate fuels, not to raise revenues?

Mr. ULLMAN. Yes, it is the intent of the Ways and Means Committee that the purpose of this tax is to stimulate conversion and conservation, not to raise revenue.

Mr. ECKHARDT. Is it correct to say that if conversion costs exceed the amount of the tax, it is contemplated that the full amount of taxes paid ultimately would be rebated?

Mr. ULLMAN. This would be true only if, in every year in which the company had tax liability, its qualified investment, including that carried over from previous years, exceeded the liability. It is true, however, that investments in 1980 and 1981 may be credited against 1979 and 1980 taxes. Thus, there may be excess taxes in a particular year, but for companies which concentrated their investments in the next few years, it is likely that total taxes will be fully rebated if they are less than the total conversion costs.

Mr. ECKHARDT. Mr. Chairman, the report language concerning the downward reclassification process indicates that the Secretary shall exempt a utility from the tax if it is shown that the tax would have the net effect of increasing consumer rates without facilitating conversion and would impair the utility's ability to accomplish such conversion. Is it your understanding that the criterion "net effect of increasing consumer rates without facilitating conversion" would be satisfied if a utility is unable, because of the technical operation of the user tax/rebate mechanism, to recover over a period of years the total amount of taxes paid even though the utility's conversion costs over this same period of years exceeded the amount of the taxes paid?

Mr. ULLMAN. One of the purposes of the tax and rebate provision, as it applies to utilities, is to give them an incentive to speed up their replacement of oil- and gas-fired facilities. Suppose, however, that the utility was making investments in coal-fired facilities as rapidly as it could without encountering severe financial problems and that the utility still found that its tax liability was greater than its credits. If this were true, then the tax liability could be said to have the net effect of increasing consumer rates without facilitating conversion.

Mr. ECKHARDT. What factors does the committee intend the Secretary to consider in evaluating whether the imposition of the tax "would impair the utility's ability to accomplish conversion"?

Mr. ULLMAN. We would expect the Secretary to place great weight on any adverse impacts on the utility's ability to accumulate the capital necessary to accomplish conversion, especially if faced with a significant difference between the amount of taxes paid and the amount of rebates.

Mr. ECKHARDT. I am particularly interested in this issue because subsequent to the ad hoc committee markup, one southwestern company supplied me with the computation of its taxes and rebates under H.R. 8444 which would accrue unless the exemption procedure of section 4993 were applied.

The studies of this company, which have been reviewed by the administration, show that, unless the exemption procedure of section 4993 is applied, the company would pay between 1983 and 1990 oil and gas use taxes of $1.12 billion and of that amount would be unable to recover $426 million. It is my understanding that this result is due to the fact that the heaviest burden of taxes would fall in the early years—1983 through 1986—and it would not be feasible for the company to exactly match its qualified investment expenditures with its yearly tax obligations. It is true that there is a carryover provision and an advance certification provision but under the company's projected program—to be completed by 1990—it is estimated that they would still lose $426 million unless exempted.

After all, the objective of the plan is to encourage prompt conversion to coal which conversion must be substantially completed by 1990. Such is within the company's plan, but considering the nature of current expenditures for capital improvements and tax accruals, the $426 million unrecovered tax burden would still accrue.

Mr. ULLMAN. Our discussion here would indicate that, if that were the case, the exemption procedure of section 4993 should probably apply to that utility, at least on a temporary basis, until the utility's expenditures could match its tax liability. I am assuming that the company is making reasonable efforts to convert as rapidly as it can, in light of all the circumstances.

The attached table illustrates how $425,999,000 in unrecoverable use taxes due to the operation of the tax/rebate provisions of the act approved by the Ways and Means Committee could accrue against Houston Lighting & Power Company and thus be passed on in electric service costs to customers unless these provisions are applied in accordance with this colloquy.

OIL AND GAS CONSUMPTION TAXES AND REBATES

[Dollar amounts in thousands]

Year	Gas taxes			Oil taxes			Total taxes	Rebates [4] [5]	Unrecovered taxes [6]
	Tax rate (cents per 10^6 Btu) [1]	Consumption (10^9 Btu) [2]	Taxes	Tax rate (cents per 10^6 Btu) [3]	Consumption (10^9 Btu) [2]	Taxes			
1983	56	333,468	$186,742	28	92,644	$25,940	$212,682	$181,650	$31,032
1984	54	324,537	175,250	29	105,910	30,714	205,964	103,250	102,714
1985	91	111,690	101,638	31	284,524	87,833	189,471	39,200	150,271
1986	62	111,690	69,248	32	242,691	78,665	147,913	33,488	114,425
1987	29	111,690	32,390	34	230,032	78,289	110,679	83,122	27,557
1988	13	111,996	14,559	36	196,993	70,397	84,956	84,956	0
1989	15	111,690	16,754	38	173,586	65,134	81,888	81,888	0
1990	15	51,145	7,672	39	206,029	81,173	88,845	88,845	0
Total			604,253			518,145	1,122,398	696,399	425,999

[1] Gas tax rate calculated as difference between anticipated regional residual oil price including consumption tax and the anticipated gas price or $0.55/$10^6$ Btu in 1983, $0.65/$10^6$ Btu in 1984, $0.75/$10^6$ Btu in 1985 and thereafter, whichever is smaller. See schedule 1 for anticipated oil and gas prices.

[2] Consumption based on present electrical system with capacity expansion as shown in schedule 3.

[3] Oil tax rate assumed to be $1.50 per barrel in 1981 and inflating at 5 percent per year.

[4] Rebates calculated on estimates of costs of replacement coal fired generation considering only the costs of boiler and associated equipment, certain pollution equipment, fuel handling equipment, and engineering costs. These costs were assumed to represent approximately 55 percent of total plant investments. See schedule 2 for calculation of rebate amounts and a listing of those units either replaced or phased down to peak load operations.

[5] Rebates limited by amount of taxes paid in calendar year, rebate in 1990 based on construction of replacement capacity in early 1990's.

[6] The legislation provides for no carry forward of consumption taxes against future credits.

Note: All dollar values are expressed on a nominal basis.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(At the request of Mr. PEPPER, and by unanimous consent, Mr. ECKHARDT was allowed to proceed for an additional 3 minutes.)

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Chairman, may I ask the distinguished chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. ULLMAN) a question, if the gentleman from Texas will yield?

Mr. ECKHARDT. I yield.

Mr. PEPPER. Mr. Chairman, I asked a question of the distinguished chairman of the Committee on Ways and Means when they were having a hearing before the Committee on Rules about this type of case. One of the utilities in Florida which covers half or more than half the State, and others similarly situated, uses only nuclear fuel or petroleum products. They tell me that they are not capable or able to convert to the use of coal without tearing down and rebuilding the whole plant structure they have at the present time that is using petroleum.

Now, I just want to know, are there criteria here, are they exempt from the user tax for not converting to the use of coal if it is not feasible to do that, it is uneconomical to do that, or unreasonable for that utility to convert to the use of coal?

Mr. ULLMAN. Mr. Chairman, as a matter of fact, the committee was aware, in response to the gentleman's question, that it could not foresee every situation in which special circumstances might dictate that reductions in or exemptions from the tax should be granted.

Thus, the committee bill provides a procedure to allow individual firms to ask the Secretary of the Treasury to reclassify all or part of their use of oil and natural gas into a Tier taxed at a lower rate or to exempt any such use from the tax entirely, regardless of the Tier into which such use is classified in the bill.

In considering such requests, the Secretary is to take into account the potential for conversion or conservation in the use of oil and natural gas and would also consider environmental, economic, as well as technological factors relevant to the individual case.

For example, if the Secretary determined that for an individual firm or plant or type of use within a plant, that there was no significant potential for reducing oil or gas use, through conservation or conversion, then this use could be exempted from the tax, or moved into a lower Tier.

Mr. PEPPER. Mr. Chairman, will the gentleman yield further?

Mr. ECKHARDT. I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Chairman, in other words, it is not intended to impose a tax if nonconversion is reasonable or justified upon economic or other purposes?

Mr. ULLMAN. Well, I would stand on the specific comments that I have made, because in order to be exempted they have to make the request and pass the criteria tests that will be imposed upon them.

Mr. ARCHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to further engage the chairman of the Ways and Means Committee in colloquy. As I understood his comments to my colleague from Texas, the rebate would occur to the extent of new investment in any one particular year, provided that that rebate is not in excess of the tax liability for that year. Is that correct?

Mr. ULLMAN. If the gentleman would yield, yes; that is essentially correct.

Mr. ARCHER. Is it not really true, though, that the new investment does not of itself determine the rebate; that it is tied to retirement of old facilities? The mere new investment in coal utilizing generating plants is not adequate to get a rebate. It is tied to the retirement of existing facilities. That is the determinating factor, is it not?

Mr. ULLMAN. If the gentleman will yield further, in the case of utilities it is tied to the phasing down.

Mr. ARCHER. So they get the rebate only to the extent that they retire existing facilities that burn oil and gas, not just to the extent that they build new facilities utilizing coal?

Mr. ULLMAN. In the utilities that would be the case.

Mr. ARCHER. That is very important to understand, because this bill is designed, as I see it, only to meet the requirements of areas that are nongrowth areas. If we put a new coal-burning facility in, we are retiring old facilities if we are not in a growth area, but if we are in a growth area such as we are in Houston, Tex., where the capital requirements of our power and light company are already strained to the limit just to put in new coal facilities to take care of the growth, they are not going to get any rebate. Yet, they have to keep the older system on line to meet the requirements and demands of the public, because they cannot turn anybody down who wants to purchase electricity from their system.

Mr. ULLMAN. It is not possible for me to accede to the full arguments of the gentleman. The whole position here is tied to conversion, and not related to growth. It is tied to conversion from oil and gas to coal, and is not related to the other factors.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. ARCHER. I yield to the gentleman from New York.

Mr. CONABLE. I think the gentleman is absolutely correct. If they are adding additional capacity, they do not qualify for the rebate. It is only when they phase out the use of oil in electrical generation that they qualify. So, any company that is simply adding new coal-burning facilities does not qualify unless, at the same time, they are taking oil-burning facilities out of their total capacity.

Mr. ARCHER. And it is my understanding—and I would like the chairman's comment on this—it is further my understanding that if the older facilities are not torn down but are kept available just for peaking purposes, they will not have been considered taken out of service, and there will be no rebate provided. Yet, by retention for peaking purposes, they could safeguard the re-

serves to prevent the type of power failure that happened in New York City.

Mr. ULLMAN. Well, it is my understanding that if it is less than 1,500 hours, there will be a rebate—less than 1,500 hours there will be a rebate.

Mr. ARCHER. But that is a very nominal level, Mr. Chairman.

Mr. ULLMAN. Yes; it is an industry standard.

Mr. CONABLE. If the gentleman will yield further, I think it is pretty obvious from the exchange between the gentleman from Texas and the Chairman, and this gentleman from Texas and the chairman, that we are getting into a real bureaucratic nightmare on this thing. But the whole bill is that way, and I hope the people who are inclined to support such a bill understand that they are winding up a time bomb and sitting on it.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ARCHER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I would like to make another point, and that is with reference to natural gas, although I know we have passed that point in the bill. We had testimony in the Commerce Committee that the people who use electricity in the State of Mississippi are going to have to pay 300 percent for that electricity when the utility is forced to move from burning natural gas to coal, even at natural gas prices that would be deregulated, the intrastate price that the gentleman enjoys in Texas.

The point of it is that when we get all of these changes made, it will be the consumer who pays and pays and pays, not just for the bureaucracy, but for the additional fuel cost.

Mr. ARCHER. Mr. Chairman, if the gentleman would yield, I would also like to point out to the Members of the Committee that in the process that this bill has set up, that utility that does convert by investing in new facilities loses the investment tax credit. To me, we are placing the utilities, particularly in those areas where they have taken surplus gas and have built a usage for it over the years, in great difficulty. The people of Houston are going to be faced with paying up to 300 percent more for their utility rates in the 1980's. This bill will place an enormous burden upon them in addition to that, and it is regionally impacting in a very unfair way.

Mr. ULLMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to say that there is no way in a colloquy on the floor that we can make determinations on matters that have to be decided upon the facts of the case and according to the standards that we have set up in this bill.

I want to say that most of the colloquies have related to utilities. We did not impose a utilities user tax until 1983, and we will have time to look at their problems again before the tax is effective. And, if we see some problems develop that need taking care of, I assure the Members that we will do it. But we think the standards, the formula and the procedures we have laid out here are workable. If they need some changes, we will come back for those changes.

Mr. ASHLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the last ad hoc committee amendment.

Mr. Chairman, the Ways and Means Committee bill limits the extent to which the benefit of utility credits against the tax on business use of oil and natural gas may be passed through to consumers. The ad hoc committee amendment deletes this provision, thereby leaving this matter to the discretion of State regulatory bodies.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Connecticut.

Mr. MOFFETT. I thank the gentleman for yielding.

As the chairman has noted, under the bill the utility may elect a credit, as we know, against the use tax of $1 for every dollar of qualified investment for the 100 percent of the utility's oil and natural gas use tax. The utilities would be allowed to carry forward qualified investment expenditures to offset the use liability, this liability not beginning until 1983. Utilities would be allowed a credit only to the extent that old oil and gas boilers are replaced.

We will leave the decision to the States as to whether or not we use the normalization method or the flowthrough method. So it could possibly be a combination. The debate on this matter is really on two points. On the one level, we have a discussion of relative value of using normalization versus flowthrough. When we talk about normalization, of course, we mean a particular benefit—in this case, the rebate—which goes to the utility will be normalized, it will be passed through the life of the asset, maybe 30 years. When we talk about flowthrough, we mean it will get to the consumer more quickly. It is anticipated that the tax we are discussing, when it is imposed upon a utility, will not be imposed, first of all, until 1983, but the State regulatory commission would pass through this tax to consumers so that the consumers essentially will have to pay this tax. The record shows that that is what happens in every case. The tax is paid by consumers. The question comes as to what happens to that utility, which is really at the heart, the core of this section, when they receive the rebate.

Does it go back to the consumer through normalization or through flowthrough?

My amendment leaves it up to the States. The majority of the members of the ad hoc committee felt it was too stringent to have the Committee on Ways and Means and this House and this Congress decide that across the board we were going to mandate that this rebate would absolutely under no circumstances be passed through, through the flowthrough method to the consumers.

The important part of this debate is the second part, and that is this: Should we be determining this, or should we leave it to the States?

It has been said by some opponents of this amendment that the capital needs of the utilities are so great that we should mandate normalization. I would say in answer to that that in California, for example, with San Diego Power and Light, perhaps they do have greater needs, but in the bay area of California their needs are not so great, according to the California commission. One of the reasons many States around the country support this amendment is that they feel they are in the best position to determine whether or not that particular rebate should be put into the capital fund essentially or normalized or whether it should in effect be flowed through to consumers.

It has also been said that if this rebate can be normalized, there would be no incentive to convert. I would point out that this is untrue. In fact, if this amendment is not adopted, we will be taking away some important leverage on the part of the State commissions to push the utilities in the direction of converting.

We should also be aware of the fact—and I think in many service areas we have been—that customers are already paying, through their rates, interest on bonds for the financing of construction, some of which has been underway for several years. Without this amendment, we will be telling those ratepayers there is absolutely no chance that after they have paid the user tax, they will get the benefit of the rebate.

I am not attacking normalization, and the ad hoc committee is certainly not attacking normalization. We can often conceive of instances in which normalization practices are very important, and there are times when they must raise capital in this way. What we are saying is that the States are absolutely in the best position to determine that.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFET) has expired.

(On request of Mr. MOFFETT and by unanimous consent, Mr. ASHLEY was allowed to proceed for 1 additional minute.)

Mr. MOFFETT. Mr. Chairman, will the gentleman yield further?

Mr. ASHLEY. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, a State commission could say to a utility, for example, "We will let you normalize, but in exchange for that, we are not going to let you put that rebate in your capital or we are not going to let you treat it as a contribution to the capital account. We are going to ask you to treat it as a different kind of expense, and we are not going to let you take your tax out of your operating expenses."

I say to my colleagues that this provides a rate opportunity to us to support a good amendment and at the same time support consumers and States' rights. I know that my colleague, the gentleman from Wisconsin (Mr. STEIGER), appreciates that statement.

Mr. Chairman, I urge my colleagues to consider this, and I hope they see their way clear to support this amendment.

Mr. ULLMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not going to oppose this amendment, but I think I would be less than honest if I did not say that I see some problems with it. I feel that the amendment is just not that important to fight over.

I think this is a case of misguided populism. The purpose of this tax is that it be an incentive to conversion, a conversion from oil and gas to coal.

We have laid down a tax that is rebated dollar for dollar upon a coal-conversion investment. This is a powerful incentive for conversion. It seems to me that utilities, like everyone else, should get the rebate applied dollar for dollar to offset the cost of investment in coal conversion. It seems to me that is an extremely logical conclusion.

I think that the amendment, in allowing the State regulatory commissions to let that happen or to flow it on through immediately to their customers, in some way subverts the intent of the bill, which is to lead to conversion.

It could, in some circumstances, even be a disincentive.

Mr. STEIGER. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I am happy to yield to the gentleman from Wisconsin.

Mr. STEIGER. I thank my chairman for yielding.

The explanation of the gentleman from Oregon (Mr. ULLMAN) I happen to think is absolutely right. It does run the risk of inhibiting conversion under these circumstances, in spite of the siren song of our friend, the gentleman from Connecticut (Mr. MOFFETT) of this being proconsumer, procheese, promilk, pro-apple pie, and pro-States' rights.

Mr. Chairman, I do not think the amendment is worth fighting hard over. I think it is wrong. I hope the other body can correct it, and I would urge that we deal with it right now.

Mr. MIKVA. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Illinois.

Mr. MIKVA. I thank the chairman for yielding. I think an argument could be made that an additional incentive for conversion could be created by this amendment, because giving the discretion to the State regulatory commissions to decide how and when this should occur, could be a nice kind of stick that the Commission could use on the utility to encourage conversion.

Therefore, while I understand the desire for symmetry with the investment tax credit, it seems to me that this makes a great deal of sense.

Mr. Chairman, I urge that the amendment be adopted.

Mr. MARTIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, on its face, this ad hoc amendment, authored by the gentleman from Connecticut (Mr. MOFFETT), has a certain patent appeal. It allows a State utilities commission to immediately pass any and all of the excise tax conversion credit. That is the credit to which the utility would be entitled of that excise tax which it would have earlier paid on gas or oil, if and when it converts to coal-fired boilers.

If all you do is take into account the popularity of a sudden relief in your electricity bill, you might be tempted to vote for this amendment. Consumer advocate groups are, in fact, boosting this short-term blossom so that they can take credit for this apparent advantage of the amendment. Just do not try to smell it too closely. It has a stinger.

Let me join my chairman in telling you about its more profound disadvantages. Supporters of this amendment do not, of course, acknowledge their full responsibility for the adverse impact of this amendment.

Here is the problem. If a gas-fired electric utility starts paying the excise tax, beginning in 1982, that will, in effect, build up an escrow account available as a credit to pay the cost of conversion when at a later date the utility decides to switch to coal. That will indeed require an enormous investment for conversion. The entire boiler will have to be replaced, at a cost in excess of the original installation. Very expensive redundant emission control systems must be paid for. Real estate and rail sidings and special coal hopper cars must be acquired at great cost.

Where will the money come from? A critical part of it will come from the excise tax which the utility will be eligible to recapture as a credit.

But if this Moffett amendment is adopted, and if a State utilities commission then puts on the blinders and takes this tax credit and orders the utility to pass it through immediately to the customers, where then will the money come from for the conversion? Aha! What advantage would there be for an oil burner to convert to a coal burner?

This amendment provides an opportunity for ardent consumerists to remove one of the strongest oil and gas saving incentives in the bill. If they succeed, the utility might well end up continuing to burn oil or gas instead of coal—and thus continue to pay the excise tax on oil and gas—and thus continue to have to bill the cost of that tax to the consumers. Aha! So the consumers will be the ones who stand to lose if this amendment carries, because the only way it can work is to decrease conversion to coal in areas where State commissions refuse to allow the power company to use the credit for financing the conversion.

Advocates of this amendment will, of course, decline the responsibility for what it will really do.

Mr. Chairman, the electric utilities in North and South Carolina burn coal, not oil or gas. So my district is not involved with this. But if our purpose is seriously to reduce the unnecessary consumption of oil and gas, this amendment must be defeated.

For all its apparent appeal and transparent transport of consumer concerns the real world way to protect the consumer from extending their burden of the excise tax is to vote against this amendment.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong support of the amendment.

Mr. Chairman, we should understand very clearly what this amendment does. We should understand very strongly what it does to the State regulatory agencies and, more importantly, why the utilities are in such violent opposition to the amendment.

The language of the bill that this amendment would strike lets the utilities have it both ways, and I repeat, lets the utilities have it both ways. The rebates that they get for converting they get to capitalize and to make profits on. And if they operate a facility which they have agreed that they would not then operate over 1,500 hours, in defiance of law, they have to pay a penalty. But, who is it that gets socked with the penalty? It is the ratepayer, not the utilities. So they get the tax benefits of conversion and then, in turn, they get to sock their ratepayers with the cost of the penalty which they must pay for operating in defiance in excess of the time fixed by law and by the agreement under which they have drawn the earlier benefit.

What does the real effect of the amendment do? It does not say they cannot do this, which I think everyone will agree is clearly outrageous, but it simply says that the State public utility commission gets to take a look at it and determine whether they have, in fact, to extort this amount from the ratepayers or whether, in fact, they should not do so. And it gives the State utility commission, under the language of the amendment, the continuing right to superintend the affairs of those utilities they are charged with the responsibility to supervise, and conform with the practices that are traditional.

The language in the bill which would be stricken by this amendment simply says that the State utility commission has got to allow this rascality whether they find it in the benefit of the health of the economy of that State or whether or not they have some other better policy or some other better use for the money. And who gets it in the neck? Very clearly that person is the electric utility's ratepayer. Because the language which the amendment would strike, does two things; one, it says the benefits that the utilities get under the bill they get to normalize but, two, if anybody is going to get it in the neck, under the language of the bill, then it is the ratepayer and not the utility.

So the consequences of the amendment is to say, "Look, States rights are going to be maintained, State utility regulatory commissions are going to be able to look to the welfare both of the utilities and the ratepayers," and, second, that the utilities "ain't" going to get it both ways.

I find that a desirable amendment. I find the language of the bill to be inconsistent with any kind of good conscience. As a result, I urge my colleagues strongly

to support the amendment offered by the gentleman from Connecticut (Mr. MOFFETT).

Mr. STARK. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from California.

Mr. STARK. Mr. Chairman, I thank my friend the gentleman from Michigan (Mr. DINGELL) for yielding.

I would like to see if I understand the gentleman correctly, that the Moffett amendment would make in order the following two assumed things: That all taxes paid will be paid by utility customers, and the question is then who proposes to get this rebate, if it is paid, and the Moffett amendment then states that they have the right to give the rebate to the stockholders or the ratepayers who paid the tax in the first place, as they decide is in the best interests of the public?

Mr. DINGELL. The gentleman from California is fully correct but there is a little more than that and that is that they can leave it in the capital account and whack the ratepayer right in the neck.

Mr. STARK. So if we do not support the Moffett amendment, we are mandating all the rebates paid by the customers, the users, go to the utilities and not to the customers who are bearing the burden, is that correct?

Mr. DINGELL. The gentleman has stated it precisely.

Mr. STARK. Mr. Chairman, I thank the gentleman again for yielding and for his response, and I intend to fully support the Moffett amendment.

Mr. TUCKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I spent 4 years in electric utility litigation while Attorney General in Arkansas. As a result, I am somewhat familiar with the treatment given to the use of the investment credit for utilities under language similar to the language here at issue. I support the Moffett amendment. I think it is a desirable amendment. I think it is desirable for the U.S. Congress, and all of us here in Washington, to recognize that we cannot make all the judgments and decisions as to the best course of action to take on utility policies in the individual States.

This amendment will allow the individual State public service commissions to make the judgment as to the impact and proper treatment of both taxes and credits in the bill.

There has been some concern expressed that the utilities might be forced by State public service commissions to begin rebating this credit immediately as it accrues on the books of the company. That will not be possible for one very simple reason. Although it is very easy to establish the escrow account and begin building up a credit, it is impossible to know the exact amount of the credit until such time as the utility begins to pay the user tax in 1983. Until that event occurs, it is impossible to know the amount of the credit for which the utility would be eligible. Thus, there is no danger of a premature passthrough of this credit because the credit will be in an indeterminable amount until 1983.

I think it is a desirable amendment. There is nothing very radical about it, and it simply will provide for the public service commissions more flexibility to deal with their own individual problems.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. I thank the gentleman for yielding.

I rise to identify myself with the gentleman's comments and to urge support of the Moffett amendment.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. I yield to the gentleman from North Carolina.

Mr. MARTIN. I thank the gentleman for yielding.

I would like to ask of the gentleman from Michigan (Mr. DINGELL) who has objected very strenuously to the fact that this tax credit would be capitalized unless this amendment is passed, whether he believes or does not believe that the conversion to coal-fired boilers, which is the intention of this section, will require capital investment.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

I have some problem with normalization, but I do not think really the thrust of this amendment is whether or not normalization is good or bad. It simply is that we mandate it and not only do we mandate it, but we say then that the expenses which come from failing to comply with the provisions of the bill may be again paid by the ratepayer. Under the amendment we mandate an override of the State utility commissions, but, worse, we give it to the utilities both ways, and we stick it in the neck of the ratepayers twice.

Mr. MARTIN. But I would have to say to the extent that the utility commission ultimately takes advantage of the options that would be allowed under the Moffett amendment, they would then deny the capitalization of the excise tax credit, and, therefore, the utility would not have that as an additional incentive to convert to coal. The result of that would be they would continue burning oil and gas, and the customers would continue to have to pay through the neck, as the gentleman from Michigan indicates, for the cost of that excise tax on oil and gas. So it is against the consumers' interest.

Mr. DINGELL. I think the gentleman in the well is fully capable of answering it. If he would yield to me afterward, I would be glad to comment.

Mr. TUCKER. I think it is important to recognize that the individual problems in each locality and franchise area of a utility are unique, and we should not mandate from Washington what should or should not be done on this. It is my own guess that there is very little chance any of these credits will be passed through, because I think they will be needed for conversion. But in individual circumstances where the utility has not proceeded with conversion, where they incur the tax, it would be a disservice to the ratepayer; it would be a disservice to the purposes of this entire act, which is to encourage conversion; and it would be a disservice to other utilities who are moving forward to conversion in good faith not to give State commissions flexibility.

The CHAIRMAN. The question is on the ad hoc committee amendment to part V, title II.

The ad hoc committee amendment was agreed to.

The CHAIRMAN. The Clerk will designate the heading of the part now pending.

The Clerk read as follows:

Page 551, line 14, part VI, title II.

(Part VI, title II, reads as follows:)

PART VI—CHANGES IN BUSINESS INVESTMENT CREDIT TO ENCOURAGE CONSERVATION OF, OR CONVERSION FROM, OIL AND GAS OR TO ENCOURAGE NEW ENERGY TECHNOLOGY

SEC. 2061. CHANGES IN BUSINESS INVESTMENT CREDIT.

(a) AMOUNT OF CREDIT; ALLOWANCE OF ENERGY PERCENTAGE.—

(1) IN GENERAL.—Paragraph (2) of section 46(a) (relating to amount of credit for current taxable year) is amended to read as follows:

"(2) AMOUNT OF CREDIT.—

"(A) IN GENERAL.—The amount of the credit determined under this paragraph for the taxable year shall be an amount equal to the sum of the following percentages of the qualified investment (as determined under subsections (c) and (d)):

"(i) the regular percentage,

"(ii) in the case of energy property, the energy percentage, and

"(iii) the ESOP percentage.

"(B) REGULAR PERCENTAGE.—For purposes of this paragraph, the regular percentage is—

"(i) 10 percent with respect to the period beginning on January 21, 1975, and ending on December 31, 1980, or

"(ii) 7 percent with respect to the period beginning on January 1, 1981.

"(C) ENERGY PERCENTAGE.—For purposes of this paragraph, the energy percentage is—

"(i) 10 percent with respect to the period beginning on April 20, 1977, and ending on December 31, 1982, or

"(ii) zero with respect to any other period.

"(D) SPECIAL RULE FOR CERTAIN ENERGY PROPERTY.—For purposes of this paragraph, the regular percentage shall not apply to any energy property which, but for section 48(1)(1), would not be section 38 property.

"(E) ESOP PERCENTAGE.—For purposes of this paragraph, the ESOP percentage is—

"(i) with respect to the period beginning on January 21, 1975, and ending on December 31, 1980, 1 percent, and

"(ii) with respect to the period beginning on January 1, 1977, and ending on December 31, 1980, an additional percentage (not in excess of ½ of 1 percent) which results in an amount equal to the amount determined under section 301(e) of the Tax Reduction Act of 1975.

This subparagraph shall apply to a corporation only if it meets the requirements of section 301(d) of the Tax Reduction Act of 1975 and only if it elects (at such time,

in such form, and in such manner as the Secretary prescribes) to have this paragraph apply."

(2) CONFORMING AMENDMENT.—Subparagraph (A) of section 46(c)(3) (relating to public utility property) is amended to read as follows:

"(A) For the period beginning on January 1, 1981, in the case of any property which is public utility property, the amount of the qualified investment shall be 4/7 of the amount determined under paragraph (1). The preceding sentence shall not apply for purposes of applying the energy percentage."

(b) DEFINITIONS AND TRANSITIONAL RULES.—Section 48 (relating to definitions and special rules) is amended by redesignating subsection (l) as subsection (n) and by inserting after subsection (k) the following new subsections:

"(l) ENERGY PROPERTY.—For purposes of this subpart—

"(1) TREATMENT AS SECTION 38 PROPERTY.—For the period beginning on April 20, 1977, and ending on December 31, 1982—

"(A) any energy property shall be treated as meeting the requirements of paragraph (1) of subsection (a), and

"(B) paragraph (3) of subsection (a) shall not apply to any energy property.

"(2) ENERGY PROPERTY DEFINED.—The term 'energy property' means property—

"(A) which is—

"(i) alternative energy property (within the meaning of section 4998(b)),

"(ii) cogeneration property installed in connection with an existing facility, but only to the extent that the cogeneration energy capacity of such facility is expanded,

"(iii) advanced technology property,

"(iv) specially defined energy property, or

"(v) recycling equipment,

"(B) which is an integral part of, or used in connection with, a building or other structure located in the United States,

"(C)(i) the construction, reconstruction, or erection of which is completed by the taxpayer after April 19, 1977, or

"(ii) which is acquired after April 19, 1977, if the original use of such property commences with the taxpayer and commences after such date, and

"(D) with respect to which depreciation (or amortization in lieu of depreciation) is allowable, and which has a useful life (determined as of the time such property is placed in service) of 3 years or more.

If any property is alternative energy property (within the meaning of section 4998(b)), it shall not be treated as described in clause (ii), (iii), (iv), or (v) of subparagraph (A).

"(3) COGENERATION PROPERTY.—The term 'cogeneration property' means property which—

"(A) produces steam, heat, or other forms of useful energy (other than electric energy) to be used for industrial, commercial, or space heating purposes, and

"(B) also produces electric energy.

"(4) ADVANCED TECHNOLOGY PROPERTY.—The term 'advanced technology property' means equipment which uses solar, geothermal, or wind energy to provide heat, cooling, or electricity in connection with an existing building and (where applicable) an existing industrial or commercial process.

"(5) SPECIALLY DEFINED ENERGY PROPERTY.—The term 'specially defined energy property' means—

"(A) a recuperator,

"(B) a heat wheel,

"(C) a regenerator,

"(D) a heat exchanger,

"(E) a waste heat boiler,

"(F) a heat pipe,

"(G) an automatic energy control system,

"(H) a turbulator,

"(I) a preheater,

"(J) a combustible gas recovery system,

"(K) an economizer, or

"(L) any other property of a kind specified by the Secretary by regulations,

the principal purpose of which is reducing the amount of energy consumed in any existing industrial or commercial process and which is installed in connection with an existing industrial or commercial facility.

"(6) CERTAIN ADDITIONAL EQUIPMENT TREATED AS SPECIALLY DEFINED ENERGY PROPERTY.—The term 'specially defined energy property' also means—

"(A) equipment designed to modify existing facilities which use oil or natural gas as a fuel or as feedstock so such facilities will use—

"(i) a substance other than oil and natural gas, or

"(ii) oil mixed with a substance other than oil and natural gas, where such other substance will provide not less than 25 percent of the fuel or feedstock, as the case may be,

"(B) pollution control equipment installed on or in connection with equipment described in subparagraph (A), but only if such equipment meets the requirements of paragraph (3) of section 4998(b), and

"(C) fuel handling equipment necessary for the modification described in subparagraph (A), but only if such equipment is of the kind described in subparagraph (F) of section 4998(b)(1).

"(7) RECYCLING EQUIPMENT.—The term 'recycling equipment' means any equipment which is used exclusively in the recycling of solid waste or to sort and prepare solid waste for recycling.

"(8) EQUIPMENT MUST MEET CERTAIN STANDARDS TO QUALIFY UNDER PARAGRAPH (3), (4), (5), (6), OR (7).—Equipment qualifies under paragraph (3), (4), (5), (6), or (7) only if it meets the performance and quality standards which—

"(A) have been prescribed by the Secretary by regulations (after consultation with the Secretary of Energy), and

"(B) are in effect at the time of the acquisition of the property.

"(9) EXISTING.—For purposes of this subsection, the term 'existing' means—

"(A) when used in connection with a building or facility—

"(i) except as provided in clause (ii), 50 percent or more of the basis of such building or facility is attributable to construction, reconstruction, or erection before April 20, 1977, or

"(ii) which is a nuclear powerplant, a construction permit was issued and construction began before April 20, 1977, or

"(B) when used in connection with an industrial or commercial process, such process was carried on in the building or facility as of April 20, 1977.

"(10) UTILITY ALLOWED ENERGY PERCENTAGE FOR NEW BOILER ONLY TO EXTENT OIL OR GAS BOILER IS REPLACED OR PHASED OWN.—

"(A) IN GENERAL.—In the case of a regulated public utility the principal activity of which is the production of electricity, the energy percentage shall be allowed with respect to a new boiler only to the extent that there will be a replacement or phasing down of an old boiler which, as of April 20, 1977, used as its primary fuel oil or natural gas. The energy percentage shall be allowed with respect to a new boiler only if the taxpayer establishes such facts with respect to the replacement or phasing-down as the Secretary may by regulations prescribe.

"(B) RULES OF SECTION 4999(d) MADE APPLICABLE.—For purposes of applying subparagraph (A), the rules of paragraphs (2) through (8) of section 4999(d) shall apply, except that the term 'credit year' means only the calendar year the new boiler is placed in service.

"(11) SPECIAL RULE FOR PROPERTY FINANCED BY INDUSTRIAL DEVELOPMENT BONDS.—In the case of property which is financed in whole or in part by the proceeds of an industrial development bond (within the meaning of section 103(b)(2)) the interest on which is exempt from tax under section 103, the energy percentage shall be 5 percent.

"(12) INDUSTRIAL INCLUDES AGRICULTURAL.—The term 'industrial' includes 'agricultural'.

"(m) APPLICATION OF CERTAIN TRANSITIONAL RULES.—Where the application of any provision of subsection (a)(10) or (l) of this subsection (a)(2) or (c)(3) of section 46 is expressed in terms of a period, such provision shall apply only to—

"(1) property to which section 46(d) does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer on or after the first day of such period, but only to the extent of the basis thereof attributable to the construction, reconstruction, or erection during such period.

"(2) property to which section 46(d) does not apply, acquired by the taxpayer during such period and placed in service by the taxpayer during such period, and

"(3) property to which section 46(d) applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46) with respect to qualified progress expenditures made during such period."

(c) ALLOWANCE OF REGULAR PERCENTAGE FOR BUSINESS INSULATION PROPERTY.—Subsection (a) of section 48 (defining section 38 property) is amended by adding at the end thereof the following new paragraph:

"(10) BUSINESS INSULATION PROPERTY.—For the period beginning on April 20, 1977, and ending on December 31, 1982, insulation shall be treated as meeting the requirements of paragraph (1) and paragraph (3) shall not apply to insulation. For purposes of the preceding sentence, the term 'insulation' means any item—

"(A) which is specifically and primarily designed to reduce when installed in or on an existing industrial or commercial building or existing industrial or commercial facility the heat loss or gain of such building or facility,

"(B) the original use of which begins with the taxpayer,

"(C) which can reasonably be expected to remain in operation for at least 3 years,

"(D) which meets the performance and quality standards which—

"(i) have been prescribed by the Secretary by regulations (after consultation with the Secretary of Energy), and

"(ii) are in effect at the time of the acquisition of the item, and

"(E) would not, but for this paragraph, be section 38 property.

For purposes of this paragraph, a building or facility will be treated as existing if it was placed in service before April 20, 1977."

(d) CREDIT FOR ALTERNATIVE ENERGY PROPERTY MAY OFFSET 100 PERCENT OF TAX LIABILITY.—Subsection (a) of section 46 is amended by adding at the end thereof the following new paragraph:

"(10) CREDIT IN CASE OF ALTERNATIVE ENERGY PROPERTY MAY OFFSET 100 PERCENT OF TAX LIABILITY.—In the case of alternative energy property—

"(A) paragraph (3)(C) shall be applied by substituting '100 percent' for '50 percent', and

"(B) the applicable percentage for purposes of paragraphs (7), (8), and (9) shall be 100 percent."

(e) DENIAL OF INVESTMENT CREDIT FOR CERTAIN ALTERNATIVE ENERGY PROPERTY.—Subsection (a) of section 48 is amended by adding at the end thereof the following new paragraph:

"(11) CERTAIN ALTERNATIVE ENERGY PROPERTY.—The term 'section 38 property' does not include any property with respect to

which an election under section 4999(a) is in effect."

(f) DENIAL OF INVESTMENT TAX CREDIT FOR CERTAIN PROPERTY.—

(1) AIR CONDITIONED, SPACE HEATERS, ETC.—Subparagraph (A) of section 48(a)(1) (defining section 38 property) is amended to read as follows:

"(A) tangible personal property (other than an air conditioning or heating unit), or".

(2) BOILERS, ETC., FUELED BY OIL OR GAS.—Paragraph (1) of section 48(a) (defining section 38 property) is amended by adding at the end thereof the folowing new sentence: "Such term does not include any boiler or other combustor fueled by petroleum or petroleum products (including natural gas) unless the use of coal is precluded by Federal air pollution regulations or existing State air pollution regulations or unless the use of such combustor will be an exempt use within the meaning of section 4992(b)."

(3) DENIAL OF RAPID DEPRECIATION FOR BOILERS, ETC., FUELED BY OIL OR GAS.—Section 167 (relating to depreciation) is amended by redesignating subsection (p) as subsection (r) and by inserting after subsection (o) the following new subsection:

"(p) STRAIGHT LINE METHOD FOR BOILERS, ETC., FUELED BY OIL OR GAS.—In the case of any boiler or other combustor fueled by petroleum or petroleum products (including natural gas)—

"(1) subsections (b), (j), and (l) shall not apply, and

"(2) the term 'reasonable allowance' as used in subsection (a) shall mean only an allowance computed under the straight line method using a useful life equal to the class life prescribed by the Secretary under subsection (m) which is applicable to such property (determined without regard to the last sentence of subsection (m)(1)).

This paragraph shall not apply if the use of coal is precluded by Federal air pollution regulations or existing State air pollution regulations or if the use of the combustor is an exempt use within the meaning of section 4992(b)."

(4) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendments made by this subsection shall apply to property which is placed in service after June 20, 1977.

(B) BINDING CONTRACTS.—The amendments made by this subsection shall not apply to property which is constructed, reconstructed, erected, or acquired pursuant to a contract which, on June 20, 1977, and at all times thereafter, was binding on the taxpayer.

(g) DEPRECIATION ALLOWANCE IN CASE OF RETIREMENT OR REPLACEMENT OF CERTAIN OIL AND GAS BOILERS, ETC.—

(1) IN GENERAL.—Section 167 is amended by inserting after subsection (p) the following new subsection:

"(q) RETIREMENT OR REPLACEMENT OF CERTAIN BOILERS, ETC., FUELED BY OIL OR GAS.—

"(1) IN GENERAL.—If—

"(A) a boiler or other combustor was in use on April 20, 1977, and as of such date the principal fuel for such combustor was petroleum or petroleum products (including natural gas), and

"(B) the taxpayer establishes to the satisfaction of the Secretary that such combustor will be retired or replaced on or before the date specified by the taxpayer,

then for the period beginning with the taxable year in which subparagraph (B) is satisfied, the term 'reasonable allowance' as used in subsection (a) includes an allowance under the straight line method using a useful life equal to the period ending with the date established under subparagraph (B).

"(2) INTEREST.—If the retirement or replacement of any combustor does not occur on or before the date referred to in paragraph (1)(B)—

"(A) this subsection shall cease to apply with respect to such combustor as of such date, and

"(B) interest at the rate determined under section 6621 on the amount of the tax benefit arising from the application of this subsection with respect to such combustor shall be due and payable for the period during which such tax benefit was available to the taxpayer and ending on the date referred to in paragraph (1)(B)."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years ending after the date of the enactment of this Act.

The CHAIRMAN. The Clerk will designate the heading of the part now pending.

The Clerk read as follows:

Page 567, line 1, part VII, title II.

(Part VII, title II, reads as follows:)

PART VII—MISCELLANEOUS PROVISIONS

SEC. 2071. TREATMENT OF INTANGIBLE DRILLING COSTS FOR PURPOSES OF THE MINIMUM TAX.

Subsection (b) of section 308 of the Tax Reduction and Simplification Act of 1977 is amended by striking out ", and before January 1, 1978".

SEC. 2072. OPTION TO DEDUCT INTANGIBLE DRILLING COSTS IN THE CASE OF GEOTHERMAL DEPOSITS.

(a) IN GENERAL.—Subsection (c) of section 263 (relating to intangible drilling and development costs in the case of oil and gas wells) is amended—

(1) by adding at the end thereof the following new sentence: "Such regulations shall also grant the option to deduct as expenses intangible drilling and development costs in the case of wells drilled for any geothermal deposit (as defined in section 613(e)(2)) to the same extent and in the same manner as such expenses are deductible in the case of oil and gas wells.", and

(2) by amending the subsection heading to read as follows:

"(c) INTANGIBLE DRILLING AND DEVELOPMENT COSTS IN THE CASE OF OIL AND GAS WELLS AND GEOTHERMAL WELLS.—

(b) MINIMUM TAX ON INTANGIBLE DRILLING COSTS IN THE CASE OF GEOTHERMAL WELLS.—

(1) Paragraph (11) of section 57(a) (relating to intangible drilling costs) is amended by striking out "oil and gas properties" each place it appears (including in the heading of subparagraph (C)) and inserting in lieu thereof "oil, gas and geothermal properties".

(2) Clause (i) of section 57(a)(11)(B) is amended by striking out "oil and gas wells" and inserting in lieu thereof "oil, gas, and geothermal wells".

(3) Paragraph (11) of section 57(a) is amended by adding at the end thereof the following new subparagraph:

"(D) PARAGRAPH APPLIED SEPARATELY WITH RESPECT TO GEOTHERMAL PROPERTIES AND OIL AND GAS PROPERTIES.—This paragraph shall be applied separately with respect to—

"(i) all oil and gas properties which are not described in clause (ii), and

"(ii) all properties which are geothermal deposits (as defined in section 613(e)(2))."

(4) Paragraph (2) of section 57(d) (defining straight line recovery of intangibles) is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to wells drilled for geothermal deposits (as defined in section 613(e)(2))."

(c) GAIN FROM DISPOSITION OF INTERESTS IN GEOTHERMAL WELLS.—

(1) Paragraphs (1) and (2) of section 1254(a) (relating to gain from disposition of interest in oil or gas property) are each amended by striking out "oil or gas property" each place it appears and inserting in lieu thereof "oil, gas, or geothermal property".

(2) Paragraph (3) of section 1254(a) (defining oil or gas property) is amended to read as follows:

"(3) OIL, GAS, OR GEOTHERMAL PROPERTY.—The term 'oil, gas, or geothermal property' means any property (within the meaning of section 614) with respect to which any expenditures described in paragraph (1)(A) are properly chargeable."

(3) The section heading of section 1254 is amended by striking out "OIL OR GAS" and inserting in lieu thereof "OIL, GAS, OR GEOTHERMAL".

(4) The table of sections for part IV of subchapter P of chapter 1 is amended by striking out "oil or gas" in the item relating to section 1254 and inserting in lieu thereof "oil, gas, or thermal".

(5) Subsection (c) of section 751 (relating to unrealized receivables) is amended by striking out "oil and gas property" and inserting in lieu thereof "oil, gas, or geothermal property".

(d) APPLICATION OF AT RISK RULES TO GEOTHERMAL DEPOSITS.—

(1) Paragraph (1) of section 465(c) (defining activities to which at risk rules apply) is amended by striking out "or" at the end of subparagraph (C), by adding ", or" at the end of subparagraph (D), and by inserting after subparagraph (D) the following new subparagraph:

"(E) exploring for, or exploiting, geothermal deposits (as defined in section 613(e)(2))."

(2) Paragraph (2) of section 465(e) is amended by striking out "or" at the end of subparagraph (C), by adding "or" at the end of subparagraph (D), and by inserting after subparagraph (D) the following new subparagraph:

"(E) geothermal property (as determined under section 614),".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to wells commenced on or after April 20, 1977, in taxable years ending on or after such date.

(2) ELECTION.—The taxpayer may elect to capitalize or deduct any costs to which section 263(c) of the Internal Revenue Code of 1954 applies by reason of the amendments made by this section. Any such election shall be made before the expiration of the time for filing claim for credit or refund of any overpayment of tax imposed by chapter 1 of such Code with respect to the taxpayer's first year to which the amendments made by this section apply and for which he pays or incurs costs to which such section 263(c) applies by reason of the amendments made by this section. Any election under this paragraph may be changed or revoked at any time before the expiration of the time referred to in the preceding sentence, but after the expiration of such time such election may not be changed or revoked.

SEC. 2073. 10-PERCENT DEPLETION IN THE CASE OF GEOTHERMAL DEPOSITS.

(a) GENERAL RULE.—Paragraph (4) of section 613(b) (relating to 10-percent depletion rate) is amended by striking out "and wollastonite" and inserting in lieu thereof "wollastonite, and geothermal deposits".

(b) LIMITATIONS.—Section 613 (relating to percentage depletion) is amended by adding at the end thereof the following new subsection:

"(e) SPECIAL RULES FOR GEOTHERMAL DEPOSITS.—

"(1) PERCENTAGE DEPLETION MAY NOT EXCEED ADJUSTED BASIS OF PROPERTY.—In the case of each property which is a geothermal deposit, the allowance for depletion determined

under this section for any taxable year shall not exceed the adjusted basis (for purposes of determining gain) of such property as of the end of such taxable year (determined without regard to any deduction for depletion for the taxable year).

"(2) GEOTHERMAL DEPOSIT DEFINED.—For purposes of this section, the term 'geothermal deposit' means a geothermal reservoir consisting of natural heat which is stored in rocks or in an aqueous liquid or vapor (whether or not under pressure)."

(c) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 613(c) (defining gross income from the property) is amended by inserting "and other than a geothermal deposit" after "oil or gas well".

(2) Subsection (d) of section 613 is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to any geothermal deposit."

(3) Paragraph (1) of section 613A(b) is amended—

(A) by inserting "and" at the end of subparagraph (A),

(B) by striking out "and" at the end of subparagraph (B), and

(C) by striking out subparagraph (C).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1977.

SEC. 2074. REREFINED LUBRICATING OIL.

(a) IN GENERAL.—Section 4093 (relating to exemption of sales to producers) is amended to read as follows:

"SEC. 4093. EXEMPTIONS.

"(a) SALES TO MANUFACTURERS OR PRODUCERS FOR RESALE.—Under regulations prescribed by the Secretary, no tax shall be imposed by section 4091 on lubricating oils sold to a manufacturer or producer of lubricating oils for resale by him.

"(b) USE IN PRODUCING REREFINED OIL.—

"(1) SALES TO REREFINERS.—Under regulations prescribed by the Secretary, no tax shall be imposed by section 4091 on lubricating oil sold for use in mixing with used or waste lubricating oil which has been cleaned, renovated, or rerefined. Any person to whom lubricating oil is sold tax-free under this paragraph shall be treated as the producer of such lubricating oil.

"(2) USE IN PRODUCING REREFINED OIL.—Under regulations prescribed by the Secretary, no tax shall be imposed by section 4091 on lubricating oil used in producing rerefined oil to the extent that the amount of such lubricating oil does not exceed 55 percent of such rerefined oil.

"(3) REREFINED OIL DEFINED.—For purposes of this subsection, the term 'rerefined oil' means oil 25 percent or more of which is used or waste lubricating oil which has been cleaned, renovated, or rerefined."

(b) CONFORMING AMENDMENT.—Section 4092(a) is amended by striking out "4093" and inserting in lieu thereof "4093(a)".

(c) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 32 is amended by striking out the item relating to section 4093 and inserting in lieu thereof the following:

"Sec. 4093. Exemptions."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to sales on or after the first day of the first calendar month beginning more than 10 days after the date of the enactment of this Act.

SEC. 2075. ANNUAL REPORT ON ENERGY AND REVENUE EFFECTS OF THIS TITLE.

During August of each calendar year beginning after 1977, the President shall submit a report to the Congress which shall contain the following information:

(1) The amount of the increases or decreases in the revenues received in the Treasury during periods before the submission of such report resulting from each of the provisions of this title.

(2) An evaluation of the extent to which each of the provisions of this title resulted in increased energy conservation and production.

(3) Such other information as the President may determine to be relevant for an evaluation of the provisions of this title.

The CHAIRMAN. The Clerk will designate the part of the bill now pending.

The Clerk read as follows:

Page 575, line 18, part VIII, title II.

(Part VIII, title II, reads as follows:)

PART VIII—CONGRESSIONAL PROCEDURES FOR EITHER HOUSE VETO

SEC. 2081. CONGRESSIONAL PROCEDURES FOR EITHER HOUSE VETO OF CERTAIN SUSPENSIONS WITH RESPECT TO ENERGY EXCISE TAXES.

(a) SUBMISSION TO CONGRESS.—Whenever the President submits a suspension plan under section 4987(d)(1) or 4991(b) of the Internal Revenue Code of 1954 to the Congress, a copy of such plan shall—

(1) be delivered to each House of Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House is not in session and to the Secretary of the Senate if the Senate is not in session, and

(2) bear an identification number.

(b) PROCEDURES FOR DISAPPROVAL.—

(1) IN GENERAL.—The House of Representatives or the Senate may disapprove any suspension plan referred to in subsection (a) if it adopts a resolution of disapproval—

(A) by an affirmative vote of the majority of those present and voting in that House, and

(B) before the close of the 15th day after the date on which such plan was delivered to the Congress under subsection (a).

(2) RESOLUTION OF DISAPPROVAL.—For purposes of this section, the term "resolution of disapproval" means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the does not favor the taking effect of the proposed suspension plan numbered , transmitted to the Congress by the President on ", the first blank space therein being filled with the name of the resolving House and the other blank spaces being appropriately filled.

(c) PROCEDURE IN EACH HOUSE.—

(1) A resolution of disapproval in the House of Representatives shall be referred to the Committee on Ways and Means. A resolution of disapproval in the Senate shall be referred to the Committee on Finance.

(2)(A) If the committee to which a resolution of disapproval with respect to any suspension plan has been referred has not reported it before the close of 7 days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution of disapproval with respect to such plan which has been referred to the committee.

(B) A motion to discharage may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution of disapproval), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution of disapproval with respect to the same suspension plan.

(3)(A) When the committee has reported, or has been discharged from further consideration of, a resolution of disapproval, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(B) Debate on the resolution of disapproval shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(4)(A) Motions to postpone, made with respect to the discharge from committee or the consideration of a resolution of disapproval, and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives or the Senate, as the case may be, to the procedure relating to any resolution of disapproval shall be decided without debate.

(5)(A) As used in subsections (b)(1)(B) and (c)(2)(A), the term "day" means any calendar day other than a day on which either House is not in session because of a sine die adjournment or an adjournment of more than 3 days to a day certain.

(B) For purposes of this section, if any suspension plan is delivered to the Congress on any day on which either House is not in session, such plan shall be treated as delivered on the first day thereafter on which both Houses are in session.

(6) This subsection is enacted by the Congress—

(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions of disapproval: and they supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

The CHAIRMAN. The Clerk will designate the table of contents.

The Clerk read as follows:

Page 1, line 6, table of contents. (The table of contents reads as follows:)

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Findings and statement of purposes.
Sec. 3. National energy goals.
Sec. 4. References to Federal Power Commission and Federal Energy Administration.

TITLE I—PRICING, REGULATORY, AND OTHER NONTAX PROVISIONS

PART I—ENERGY CONSERVATION PROGRAMS FOR EXISTING RESIDENTIAL BUILDINGS

SUBPART A—UTILITY PROGRAM

Sec. 101. Definitions.
Sec. 102. Coverage.
Sec. 103. Residential energy conservation plans.
Sec. 104. Utility programs.
Sec. 105 Temporary programs.
Sec. 106. Federal standby authority.
Sec. 107. Relationship to other laws.

Sec. 108. Contract provisions.
Sec. 109. Rules.
Sec. 110. Product standards.
Sec. 111. Authorization of appropriations.
Sec. 112. Study respecting energy efficiency standards.
Sec. 101B. Supplemental State energy conservation plans.
Sec. 102B. Utility programs.

SUBPART B—WEATHERIZATION GRANTS FOR THE BENEFIT OF LOW-INCOME FAMILIES

Sec. 121. Federal Energy Administration weatherization grant program.
Sec. 122. Farmers Home Administration weatherization grant program.
Sec. 123. Availability of labor.

SUBPART C—SECONDARY FINANCING AND LOAN INSURANCE FOR ENERGY CONSERVING IMPROVEMENTS

Sec. 141. Purchase by Government National Mortgage Association of loans to low- and moderate-income families for energy conserving improvements.
Sec. 142. Loan insurance for energy conserving improvements under title I of the National Housing Act.
Sec. 143. Loan insurance for energy conserving improvements in multifamily projects under section 241 of National Housing Act.
Sec. 144. Standby authority of Government National Mortgage Association to purchase loans for energy conserving improvements.

SUBPART D—MISCELLANEOUS

Sec. 161. Energy conserving improvements for public housing.
Sec. 162. Energy conserving standards for newly constructed residential housing insured by Federal Housing Administration or assisted by Farmers Home Administration.
Sec. 163. Solar energy systems.
Sec. 164. Studies.
Sec. 165. Authorization for appropriations for new building preformance standards grants.
Sec. 166. Secondary financing by Federal Home Loan Mortgage Corporation of solar energy and energy conserving improvement loans.
Sec. 167. Secondary financing by Federal National Mortgage Association of solar energy and energy conserving improvement loans.
Sec. 168. Weatherization study.

PART II—ENERGY EFFICIENCY OF CERTAIN PRODUCTS; USE OF RECOVERED MATERIALS

SUBPART A—ENERGY EFFICIENCY STANDARDS FOR CONSUMER PRODUCTS OTHER THAN AUTOMOBILES

Sec. 201. Test procedures.
Sec. 202. Energy efficiency standards.
Sec. 203. Effect of standards on other law.
Sec. 204. Technical and conforming amendments.
Sec. 205. Appropriations authorization.
Sec. 206. Effects of other laws on procedures.

SUBPART B—DISCLOSURE OF AUTOMOBILE FUEL EFFICIENCY TAX

Sec. 221. Disclosure in labeling.
Sec. 222. Disclosure in advertising.

SUBPART C—USE OF RECOVERED MATERIALS

Sec. 241. Use of recovered materials.

PART III—ENERGY CONSERVATION PROGRAM FOR SCHOOLS AND HEALTH CARE FACILITIES

Sec. 301. Statement of findings and purposes.
Sec. 302. Amendment to the Energy Policy and Conservation Act.
Sec. 303. Technical amendments.

PART IV—NATURAL GAS

Sec. 401. Findings and purposes.
Sec. 402. Definitions.
Sec. 403. Calculation of the current Btu related price.
Sec. 404. Sales of new natural gas.
Sec. 405. Sales of old natural gas under existing contracts.
Sec. 406. Sales of old natural gas under new contracts.
Sec. 407. Sales of old natural gas under rollover contracts.
Sec. 408. Effective dates of rules with respect to maximum lawful prices.
Sec. 409. Special pricing provisions.
Sec. 410. Incremental pricing of natural gas.
Sec. 411. Essential agricultural uses.
Sec. 412. Natural gas storage facilities.
Sec. 413. Administrative procedure, enforcement, and judicial review.
Sec. 415. Relationship to the Emergency Natural Gas Act of 1977.
Sec. 416. Jurisdiction of the Commission under the Natural Gas Act.
Sec. 417. Conforming amendments to the Natural Gas Act.
Sec. 418. Amendments to the Emergency Natural Gas Act of 1977.

PART V—PUBLIC UTILITY REGULATORY POLICIES

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Sec. 502. Definitions.
Sec. 503. Application to Federal Power Act.
Sec. 504. Advisory Committee.

Chapter 2—IMPROVING EFFICIENCY OF ELECTRICITY

Subchapter A—General Provisions

Sec. 505. Coverage.

Subchapter B—National Minimum Standards for State Regulated Electric Utility Rate Regulation

Sec. 511. Minimum standards for rates of service.
Sec. 512. Minimum standards respecting advertising.
Sec. 513. Minimum standards respecting pollution control costs.
Sec. 514. Automatic adjustment clauses.
Sec. 515. Prohibition against special nonaggregate inclusions.
Sec. 516. Relationship to other applicable law.
Sec. 517. Solar, wind, and small electric generating systems.

Subchapter C—Other Requirements for State Regulated Electric Utilities

Sec. 521. Loal management techniques.
Sec. 522. Standards for information to consumers.
Sec. 523. Minimum procedures for termination of electric service.

Subchapter D—Nonregulated Utilities

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Subchapter E—Requirements Applicable to State Regulatory Authorities

Sec. 531. Compliance determination authority for State regulated electric utilities.
Sec. 532. Determination of costs of service.
Sec. 533. Alternative loan management techniques.
Sec. 534. Master metering.
Sec. 535. Participation in regulatory proceedings by States and by electric consumers.

Subchapter F—Enforcement and Review

Sec. 536. Prohibitions.
Sec. 537. Enforcement.
Sec. 538. Judicial review.

Chapter 3—IMPROVING EFFICIENCY OF, AND PRESERVING COMPETITION IN, GENERATION AND TRANSMISSION OF ELECTRICITY

Sec. 541. Interconnection, pooling, wheeling, and central dispatch.
Sec. 542. Continuance of service.
Sec. 543. Consideration of proposed rate increases.
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Sec. 545. Electric utility reliability.
Sec. 546. Cogeneration.
Sec. 547. Interlocking directorates.
Sec. 548. Preservation of competition.
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Chapter 4—CONSUMER REPRESENTATION AND ASSISTANCE TO STATE AGENCIES

Sec. 551. Financial assistance for State agencies and for consumer representation.
Sec. 552. Representation of consumer interests before Federal Power Commission.
Sec. 553. Responsibilities of Administrator.

Chapter 5—NATURAL GAS UTILITIES

Subchapter A—General Provisions

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Sec. 562. Definitions.

Subchapter B—Requirements for Gas Utilities

Sec. 566. Coverage.
Sec. 567. Gas utility rate design proposals.
Sec. 568. Minimum standards respecting advertising.
Sec. 569. Minimum procedures for termination of gas service.
Sec. 570. Nonregulated utilities.

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Sec. 581. Prohibitions.
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Chapter 6—SMALL HYDROELECTRIC POWER PROJECTS

Sec. 586. Incentive program.
Sec. 587. License charges.
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PART VI—CONVERSION FROM NATURAL GAS AND PETROLEUM TO COAL AND OTHER FUEL RESOURCES

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Sec. 602. Definitions.
Sec. 603. Territorial application.
Sec. 604. Effect of environmental requirements.

SUBPART B—PROHIBITIONS; EXEMPTIONS

Sec. 611. New electric powerplants.
Sec. 612. New major fuel-burning installations.
Sec. 613. Existing electric powerplants and existing major fuel-burning installations.
Sec. 614. Supplemental natural gas boiler fuel conservation authority.
Sec. 615. Prohibition on use of natural gas for decorative outdoor lighting.
Sec. 616. Exemption for qualifying cogeneration facilities.
Sec. 617. Exemption for high Btu synthetic gas derived from coal.
Sec. 618. Terms and conditions of exemptions.

SUBPART C—ENFORCEMENT; ADMINISTRATION

Sec. 621. Administrative procedures.
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Sec. 761. Findings.
Sec. 762. Policy.
Sec. 763. Purpose.
Sec. 764. Definitions.
Sec. 765. Establishment and use of life cycle cost methods.
Sec. 766. Energy performance targets for existing buildings.
Sec. 767. Energy audits and retrofitting of existing Federal buildings.
Sec. 768. Energy preference for leased buildings.
Sec. 769. Budget treatment of energy items by Federal agencies.
Sec. 770. Reports.
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PART II—TRANSPORTATION
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Sec. 2022. Trust Fund for purpose of reducing public debt.
SUBPART B—MOTOR FUELS
Sec. 2023. Repeal of deduction for State and local taxes on gasoline and other moto rfuels.
Sec. 2024. Extension to 1985 of existing rate of tax on gasoline and other motor fuels.
Sec. 2025. Amendment of motorboat fuel provisions.
SUBPART C—PROVISIONS RELATED TO BUSES
Sec. 2026. Removal of excise tax on buses.
Sec. 2027. Removal of excise tax on bus parts.
Sec. 2028. Removal of excise tax on certain items used in connection with intercity, local, and school buses.
SUBPART D—CREDIT FOR ELECTRIC MOTOR VEHICLES
Sec. 2029. Credit for qualified electric motor vehicles.
PART III—CRUDE OIL EQUALIZATION TAXES
SUBPART A—IMPOSITION OF TAXES
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Sec. 2032. Miscellaneous provisions.
SUBPART B—RETURN OF CRUDE OIL EQUALIZATION TAXES
Sec. 2033. Establishment of Trust Fund for the return of crude oil equalization taxes.
Sec. 2034. Per taxpayer credit of crude oil equalization tax receipts.
Sec. 2035. Special payment to recipients of benefits under social security, railroad retirement, and supplemental security income programs.
Sec. 2036. Special payment to recipients of aid to families with dependent children under approved State plans.
Sec. 2037. Other special payments.
Sec. 2038. Provisions applicable to special payments generally.
Sec. 2039. Refunds of crude oil equalization taxes for residential, etc., use.
Sec. 2040. Payments to Puerto Rico and the possessions of the United States.
PART IV—EXCISE TAX ON BUSINESS USE OF OIL AND NATURAL GAS
Sec. 2041. Excise tax on business use of oil and gas.
PART V—CREDIT AGAINST TAX ON BUSINESS USE OF OIL AND GAS
Sec. 2051. Credit against tax on business use of oil and gas.
PART VI—CHANGES IN BUSINESS INVESTMENT CREDIT TO ENCOURAGE CONSERVATION OF, OR CONVERSION FROM, OIL AND GAS OR TO ENCOURAGE NEW ENERGY TECHNOLOGY
Sec. 2061. Changes in business investment credit.
PART VII—MISCELLANEOUS PROVISIONS
Sec. 2071. Treatment of intangible drilling cost for purposes of the minimum tax.
Sec. 2072. Option to deduct intangible drilling costs in the case of geothermal deposits.
Sec. 2073. 10-percent depletion in the case of geothermal deposits.
Sec. 2074. Rerefined lubricating oil.
Sec. 2075. Annual report on energy and revenue effects of this title.
PART VIII—CONGRESSIONAL PROCEDURES FOR EITHER HOUSE VETO
Sec. 2081. Congressional procedures for either House veto of certain suspensions with respect to energy excise taxes.

The CHAIRMAN. Without objection, the ad hoc committee amendments to the table of contents except on page 8 are agreed to.

There was no objection.

The CHAIRMAN. Without objection, the ad hoc committee amendments to the table of contents on page 8 are rejected.

There was no objection.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ANDERSON OF ILLINOIS

Mr. ANDERSON of Illinois. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk proceeded to read the amendment in the nature of a substitute.

Mr. ANDERSON of Illinois (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the substitute be dispensed with and, Mr. Chairman, further due to the size and the fact that H.R. 8555 is printed and has been available in bill form. I ask unanimous consent that printing of the bill in the RECORD at this point be dispensed with because of the cost that would be involved.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. DINGELL. Mr. Chairman, reserving the right to object, and I do not think I will object, Mr. Chairman, I would like to direct a question to the gentleman from Illinois.

Mr. Chairman, I believe the gentleman from Illinois has stated to us that the amendment here is H.R. 8555 as printed on July 27, 1977.

Mr. ANDERSON of Illinois. That is correct. That is the bill to which I refer.

Mr. DINGELL. I direct a further question to my friend: There are no changes in the text of H.R. 8555 as printed on July 27 in the amendment which is offered by my friend?

Mr. ANDERSON of Illinois. No changes.

Mr. DINGELL. Mr. Chairman, I do not object, but I still reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Michigan reserves a point of order against the amendment.

Without objection, the unanimous-consent request of the gentleman from Illinois is agreed to.

There was no objection.

Mr. ANDERSON of Illinois. Mr. Chairman; we are now at the most crucial point in consideration of this bill. The House has tried to perfect the bill H.R. 8444 and has failed. The bill is still defective. The close votes on all substantive amendments is ample evidence.

The substitute energy plan which I am offering to the House today is the only energy policy which is truly an energy policy and not a tax or welfare reform measure in disguise. The substitute is a far superior plan for several reasons. It is the only program that sets goals which can be reached. It is the only program which provides modest but effective means for stimulating the production of oil, gas, and coal. It is the only program which gives consumers a break on our cleanest fuel, natural gas. It is the only program that does not penalize industry for complying with clean air laws. It is the only plan which does not try to force our dirtiest fuel into areas where it is not economically advantageous to do so.

Mr. Chairman, our energy problem is an economic and national security problem of extraordinary proportions. It is a disgrace for this body to be caught in the very serious position it is now. We are getting a bad energy policy shoved down our throats, on purely partisan political grounds, with no technical or economic justification of the plan, and with widespread dissatisfaction with individual elements of the plan. It will not reduce our imports problem. Our national security will be further degraded as imports climb by 1985 to 10 million barrels per day, and a dollar outflow to $90 billion per year. We are caught in the middle of a political hurricane and the leadership and the administration are refusing to treat the problem seriously.

Mr. Chairman, our substitute is an energy policy which Members on both sides of the aisle can support. We support the effort of the administration to put coal high on the list of domestic energy resources that must be used and rein-

force the use of coal by providing strong financial support for developing technologies to use clean fuels from coal. We adopt a very strong environmental point of view by emphasizing that production of our cleanest fuel, natural gas, must be expanded in order to keep industries in our cities running on clean fuel rather than dirty fuel, coal. We are not interested in moving back to the age of soot. We are surprised the President and the environmental movement are so inclined.

Our plan is a sensible balance between production and conservation. The administration plan is only half a loaf—conservation. And in my view, our security as a Nation demands more than half a loaf. We need the whole loaf.

Mr. Chairman, the substitute which I am presenting here today, H.R. 8555 is the only plan which specifically provides for increasing production of energy and for a systematic reduction in imports. Our plan will not result in a steady decline in crude oil and natural gas production. It will result in 2 million barrels of new production of crude oil per day by 1985 and 1.5 trillion cubic feet of natural gas. We accomplish this by removing price controls on new onshore natural gas, by removing price controls on upper-tier oil over a 5-year period, by removing all price controls on enhanced recovery and all new oil, and by providing a 50-percent plowback credit against taxes paid in our crude oil tax program which tacks lower-tier crude to the world price.

Ours is a consumer bill because it will result in lower prices for natural gas consumers, it will result in lower prices for gas at the pump, it will result in lower prices for products coming out of the industrial sector and it will result in a much cleaner environment for those areas in which conversion to coal would be forced to take place.

We emphasize that oil and natural gas can be obtained at costs which are below the alternatives and which can continue to be burned in compliance with all clean air laws.

Our bill takes a realistic position on coal conversion. We choose to avoid a situation where the regulators at FEA will be required to provide exemptions for 80 percent of the boilers in this country when only 9 percent of the total energy consumed by all boilers is consumed in three small boilers.

We do not want the massive numbers of industries using these boilers trooping to Washington to plead their case against an arbitrary and insane law. We want to give them a long overdue bit of good news from Washington. If the Government wants them to convert, then it is up to the Government to prove that they can.

We support the President on essentially all of his insulation and conservation programs. Our bill will not compromise the conservation goal at all. In fact, our insulation program will probably result in lower insulation costs to consumers because our plan—without Government generated lists—is much more conducive to small businessmen and aggressive competition, both of which will result in lower costs.

Finally, Mr. Chairman, we provide rebates of home heating oil to consumers, not the distributors. In our plan, each customer will receive the credit and not have to hope that your friendly distributor will play square with his customers and rebate the tax totally.

In conclusion, Mr. Chairman, I plead for a reconsideration by Members on the other side of the aisle. It is not too late to cast a sensible vote for a rational energy policy. The substitute plan will work in the best interests of the entire Nation and it deserves the support of every Member of this body. Support the substitute.

With that, Mr. Chairman, for a further explanation and justification of the substitute I yield now to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Chairman, I rise as one of the sponsors of the Anderson Republican substitute, H.R. 8555, and urge my colleagues to support this program as a rational energy policy.

The choices before the House which are offered by this substitute should be clear to all Members. They are certainly going to be clear to all of our constituents. First, the choice is between higher and higher taxes and greater and greater Government regulation as proposed by the administration or less taxes and less Government regulation as proposed by the Republican substitute.

Second, the choice is between paying for energy produced at home or paying for energy produced abroad; between a contribution to our domestic U.S. economy or a contribution to the coffers of the Arab oil sheiks.

The Republican alternative is the only one of the two energy programs that provides for increased production of our domestic energy resources. Unlike the Carter program, which tries to address only the demand side of the energy problem, our bill combines several of the better conservation programs in the President's bill with important incentives to increase domestic production of natural gas and oil. The Republicans on the ad hoc committee were disturbed by the lack of sufficient incentives in the President's plan to stimulate domestic production of all forms of energy and so introduced this bill to provide the House with an opportunity to vote on a more effective energy policy.

The inadequacies of the current crude oil pricing scheme are ignored by the Carter bill, in spite of the rise in imports from 29 to 42 percent of our total oil consumption with the cost of those imports increasing by 650 percent, from $4.6 billion to over $40 billion since 1972, the year before the OPEC embargo.

In the natural gas area, the administration and the House have agreed to tie the price of natural gas (on a Btu basis) to the cost of crude oil produced in the United States. This administration philosophy clearly fails to recognize several flaws:

First. The price of new natural gas is tied to the price of old oil.

Second. The premium qualities of gas (for environmental cleanness and technical process and feedstock uses) are not recognized in tying prices directly to the Btu equivalency price of domestically produced oil, and

Third. That pricing mechanism for crude oil has failed miserably to achieve what Congress intended in the production of domestic crude oil.

Why, then, do we couple the viability of a truly domestic energy resource, natural gas, to a policy which has discouraged production of domestic oil and nearly doubled our oil import problem in 4 short years?

Finally, with respect to coal, the administration has vague and general ambitions for using coal. The goal of using 400 million tons of new coal in 1985 cannot be met under the Clean Air Act until coal can be converted cleanly into low- and medium-Btu gas that can be burned in an environmentally acceptable manner. The problems associated with developing these synthetic fuels technologies are not at all addressed in the administration's energy plan.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. BROWN) has expired

Mr. ANDERSON of Illinois. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio (Mr. BROWN) may proceed for an additional 5 minutes.

The CHAIRMAN. Before the extension is granted, the Chair would like to direct a question to the gentleman from Michigan (Mr. DINGELL).

Does the gentleman from Michigan press his reservation of a point of order?

Mr. DINGELL. Mr. Chairman, I observe that the bill, or rather the amendment here, appears to be subject to attack on germaneness grounds. I note that the rule does not waive points of order against the substitute based on nongermaneness.

Further reserving a point of order, Mr. Chairman, I believe the gentleman from Ohio (Mr. BROWN) will concede that this substitute contains oil pricing amendments. These provisions are certainly not germane to the bill before us, which does not deal with oil pricing.

Mr. Chairman, these crude oil decontrol proposals are combined with natural gas deregulation proposals previously rejected by the House but included in this substitute. The combination of these proposals will spell economic disaster for the Nation; for this reason alone, I think the substitute must be rejected.

Mr. Chairman, while I believe that a valid point of order may be raised against this substitute for violation of the germaneness rule, I believe it is most important that this substitute be recognized for what it is and rejected for that reason and that the vote be upon the substance of the matter, rather upon the procedural question upon which I believe the proposal is defective.

Therefore, Mr. Chairman, I withdraw my reservation and I urge my colleagues to reject this dangerous, ill-conceived and poorly executed substitute, which would undercut the objective of establishing a comprehensive national energy policy.

The CHAIRMAN. The gentleman from Michigan (Mr. DINGELL) withdraws the point of order.

The time of the gentleman from Ohio (Mr. BROWN) has expired.

Mr. ANDERSON of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio (Mr. BROWN) be permitted to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BROWN of Ohio. Mr. Chairman, the Anderson-Republican substitute on the other hand would do the following:

First. Contains no gasoline tax.

Second. Retains all insulation programs but with no Governors' "slush funds" lists.

Third. Provides a 1-year tax cut instead of a general tax rebate. (Our tax cut to lighten the load on low and middle income customers of cost increases in their energy supplies.)

Fourth. Rebates heating oil payments to consumers, not distributors.

Fifth. Retains all insulation tax credits and the grant program for public buildings.

Sixth. Retains the gas guzzler tax.

Seventh. Replace Ways and Means tax on industrial use of oil and gas with a tax on boiler use of oil and gas.

Eighth. Adopts new crude oil pricing policy which would do the following—Mr. STEIGER and Mr. MOORE will explain:

Retain price controls on lower tier oil.

Provides for the taxing of lower tier oil to the world price and permits up to 50 percent plowback of this tax for exploration and development of new domestic oil.

Returns upper tier oil prices to the competitive market over a 5-year phaseout period.

Brings on 2 million barrels per day of new oil supply.

Has the same effect on crude oil price as the Carter plan.

Ninth. Gradually removes price controls on natural gas through the provisions of the Brown-Krueger-Wirth amendment.

Tenth. Puts the burden of proof on FEA rather than the private sector for conversion from gas and oil to coal-fired boilers and raises the threshhold for boiler conversion to 300 Btu's per hour rather than the 100 Btu per hour level. (Mr. STOCKMAN will explain.)

Eleventh. Establishes trust funds from the crude oil equalization tax on old oil to States harmless on highway maintenance, to build mass transit systems, and to encourage the development of synthetic gas and oil from coal.

Twelfth. Finally, it leaves the language of the Ways and Means—ad hoc committee unamended by the Corman amendment just adopted so that utility or industrial plants which cannot convert from oil and gas to coal are not penalized by taxes on the oil and gas those plants must burn.

Mr. BURGENER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from California.

Mr. BURGENER. Mr. Chairman, I rise in opposition to H.R. 8444, the Carter administration's so-called national energy plan. No matter how well motivated, this is not a national energy plan. It is a massive tax bill. In the next 4 years alone it will ask American taxpayers to pay an additional $40 billion in new or increased taxes, over and above what they are now paying. This does not even count the hidden and indirect taxes and cost increases that will also be incurred as a result of passage of this bill.

My figures are not drawn from thin air, nor are they imaginary or overblown. They are not merely political rhetoric. They are taken from the committee bill of the House Committee on the Budget, a committee on which I serve, and are part and parcel of the final resolution for the fiscal year 1978 budget. This resolution will be acted upon in this House when we return in September. The Federal revenues for fiscal year 1978 and the projected revenues for years to come are contained in this budget resolution.

This "energy" package is replete with the "tax the people more syndrome." Why I ask, when our Nation faces a serious problem such as in the case of energy supplies, not war, do we respond by another massive attack on the earnings of the American worker?

I maintain this measure is a monumental program to redistribute the wealth of this country. We already have many laws, rules and regulations which redistribute wealth. This is good—up to a point. It is good when it properly provides for the ill, the elderly, the handicapped and the disadvantaged. This is a social and moral responsibility every Member of this House wants to meet. But, when we go beyond that and penalize producers and production, the effects on our society are damaging. And that, my colleagues, is the danger in this bill. We may well lose our ability to help those who desperately need help. Not our willingness to help, but our ability.

The bill really produces no more energy. It hopes for conservation by imposing high taxes for use of energy and it displays a nearly complete lack of faith in the free market system—a system I submit which has made this Nation great.

When gasoline reaches more than $1 a gallon, as surely it will if this measure becomes law, I hope that automobile commuting Americans who have no choice but to drive many miles to and from work, remember well who made it happen.

Mr. Chairman, I urge rejection of this unwise and ill-conceived measure.

Mr. ANDERSON of Illinois. Mr. Chairman, I thank the gentleman from Ohio for his very lucid explanation of the various parts of the amendment in the nature of a substitute. I would certainly urge support of all Members of the House.

Mr. Chairman, if Mr. DINGELL were to press a point of order as he earlier announced he would do, I would argue the amendment in the nature of a substitute, H.R. 8555, is clearly germane to the text of H.R. 8444 when viewed as a whole. And I would submit that this is the test of germaneness on an amendment in the nature of a substitute, and not whether a particular portion of that substitute might be considered nongermane if offered separately.

To support this contention, Mr. Chairman, I cite section 795 of the House Rules and Manual of the 95th Congress, and I quote:

> When an amendment in the nature of a substitute is offered at the end of the first section of a bill, the test of germaneness is the relationship between the amendment and the entire bill, and the germaneness of an amendment in the nature of a substitute for a bill is not necessarily determined by an incidental portion of the amendment which if offered separately might not be germane to the portion of the bill to which offered. (July 8, 1975)

Mr. Chairman, that ruling of the Chair occurred on an amendment in the nature of a substitute offered by the gentleman from Montana (Mr. MELCHER) to the so-called Elk Hills naval petroleum reserve bill (H.R. 49) in the 94th Congress. The gentleman from Michigan (Mr. DINGELL) raised a point of order against the substitute on the grounds that it called for a study of matters not mentioned in the original bill. In overruling that point of order the Chair stated, and I quote:

> Had this proviso been presented separately, the germaneness would have been measured against the portion of the Interior Committee amendment to which offered. However, having been presented as a part of an overall substitute, the Chair would rule that the provision objected to is merely incidental to the fundamental purpose of the amendment, and that under the precedent cited by the gentleman from Montana (Mr. Melcher), in section 798(b) of the Manual the amendment is germane to the text when viewed as a whole.

Quoting now from section 798(b) of the manual on which Mr. MELCHER relied in opposing that point of order:

> The fundamental purpose of an amendment must be germane to the fundamental purpose of the bill (VIII, 2911). Thus for a bill proposing to accomplish a result by methods comprehensive in scope, a committee amendment in the nature of a substitute seeking to achieve the same result was held germane where it was shown that additional provisions not contained in the original bill were merely incidental conditions or exceptions which were related to the fundamental purpose of the bill (Aug. 2, 1973).

The precedent cited under that section of the manual involved an Interior Committee amendment in the nature of a substitute to the Trans-Alaska Pipeline Authorization (H.R. 9130) on August 2, 1973. Again, it was the gentleman from Michigan (Mr. DINGELL) who raised a point of order against the substitute on the grounds that it contained certain matters not found in the original bill and which fell under the jurisdiction of another committee. In overruling the point of order, the Chair stated, and I quote:

> . . . the Chair is of the opinion that the provision in the committee amendment relating to the expediting of litigation involving the pipeline permits is merely incidental to the purpose of the original bill and is indeed directly related to the concept of judicial review contained in the bill. With respect to the other provisions of the committee amendment to which the gentleman from Michigan

has made reference, the Chair is of the opinion that they, too, are incidental to the overall purpose of the bill. The Chair holds that the committee amendment is germane and overrules the point of order.

I would also call the attention of the Chair to section 795 of the manual, and I quote:

In passing on the germaneness of an amendment, the Chair considers the relationship between the amendment and the bill as modified by the Committee of the Whole (April 23, 1975).

In the precedent cited under that section, an amendment was offered to the Vietnam Humanitarian Assistance and Evacuation Act (H.R. 6096) on April 23, 1975, by the gentleman from California (Mr. JOHN L. BURTON).

A point of order was raised against the amendment on the grounds that it was not germane. The Chair overruled the point of order on the grounds that the second part of the pending amendment was very similar to two other amendments which had been adopted earlier, and the adoption of those amendments, in the words of the Chair, "did adequately broaden the scope of this bill so that the amendment of the gentleman from California (Mr. JOHN L. BURTON) would be in order."

Mr. Chairman, I cite this latter precedent because earlier this week we did adopt an amendment to the statement of purposes of H.R. 8444—an amendment which added the following new purpose, and I quote:

to provide incentives to increase the amount of domestically produced energy in the United States for the benefit of present and future generations.

The disputed section of our substitute, section 801 which deals with "crude oil pricing," is aimed directly at that purpose of providing incentives for increasing the amount of domestically produced petroleum.

But beyond this one purpose of the bill, I think it can be amply demonstrated that the fundamental purpose of the substitute is germane to the fundamental purpose of the bill, and that is, in the words of H.R. 8444, "to establish a comprehensive national energy policy." While section 801 of our substitute may have been considered nongermane to the bill if offered separately, the precedents of the House indicate that when such an otherwise nongermane provision is incorporated into a substitute, the germaneness test comes on the relationship of the entire substitute to the bill viewed as a whole. According to the numerous precedents which I have already cited, when a bill is under consideration which proposes to accomplish a result by methods comprehensive in scope, as this National Energy Act certainly does, an amendment in the nature of a substitute is held germane if it seeks to achieve the same result even though it contains additional provisions not contained in the original bill, provided that those additional provisions are merely incidental to the fundamental purpose of the amendment. This certainly is the case with respect to my amendment in the nature of a substitute, H.R. 8555, the preponderance of which is identical to the bill which it seeks to amend, H.R. 8444. There can be no question that the disputed section, section 801, is an incidental portion of the overall amendment, comprising as it does only 4 of the 420 pages of the amendment. Thus, the amendment is germane to the text of the bill when viewed as a whole, and a point of order does not lie against the substitute when viewed in that context. I therefore urge the Chair to overrule this point of order.

Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, when the President announced that he was going to submit a national energy plan to Congress, I was pleased and optimistic. However, while I applaud him for his boldness, and for outlining for the American people the scope and degree of the emergency, I am disappointed in his program.

The legislation before us today, H.R. 8444, while lacking some of the objectionable provisions of the original program, still contains many provisions that I feel not only fall short of solving the problem we face, as has been stated in a GAO report, but contains the ingredients for record levels of inflation, and for unemployment.

Opposition to this legislation is broad, resulting largely from the punitive nature of the program's approach to solving our energy problem. With few minor exceptions, there is little recognition of the value of the Federal Government joining forces with the private sector of the economy in an effort to solve our energy problem. Penalties and taxes, instead of incentives and tax reductions, appear to be the philosophy by which the proponents of H.R. 8444 hope to reach their goals.

Our economy has been staggering under these policies for many years. The approach to solving our energy problem, as contained in this legislation, is yet another step in the wrong direction. For these reasons, I support the Republican substitute.

While H.R. 8444 and the substitute have identical goals, the difference lies in the lack of incentives in H.R. 8444. There is an apparent lack of understanding that if we are to take the first step toward solving our energy problem, increased production of all forms of domestic energy sources must go forward with conservation. Without stimulating the private sector of the economy by offering incentives, increased production is not going to be realized.

H.R. 8444 appears to be written under the assumption that additional energy sources cannot be found and that Government must therefore manage a coming energy shortage. The Republican substitute was drafted under the assumption that there may well be large energy reserves, which it is commonly agreed can only be tapped and utilized at costs above current levels. While H.R. 8444 seeks to increase these prices artificially, the substitute would allow new oil and gas to be decontrolled reaching world markets in a way that would provide an incentive to the private sector to explore for new resources.

The substitute retains all of the insulation programs contained in H.R. 8444, but without limiting the eligible technologies. It provides for a 1-year tax cut instead of rebates, since administration of the rebates would, in effect, take approximately 40 percent of the collected funds and return only 60 cents on the dollar. It provides for heating oil rebates to the affected consumers, not to the distributors. It retains all solar tax credits. It retains the gas guzzler tax. It provides a more reasonable provision for pricing schemes that returns upper tier oil to the competitive market, bringing on 2 million barrels per day of new supply. It puts the burden of proof of conversion from oil and gas to coal on the FEA rather than industry. It establishes trust funds from the crude oil tax to hold States harmless on maintenance, builds mass transit, and encourages synthetic fuel development. Finally the substitute does not contain a gasoline tax.

While no legislative program is going to solve all of our energy problems, I feel the substitute we have the opportunity to vote on today is clearly superior not only in its philosophical approach to our problem, but in the specific programs it contains.

I urge its adoption.

Mr. MOORE. Mr. Chairman, I rise in support of the substitute amendment.

Mr. Chairman, there is one very noticeable ingredient missing in this bill that makes this substitute necessary. That is the fact that nothing is said about oil pricing.

There is a very real problem and just as big a problem as with deregulation of natural gas. Nothing is done in the bill to encourage production of either.

The substitute amendment addresses both of these issues. But it is especially important to understand why it is necessary to address the oil pricing issue. There is a good reason why the bill did not talk about oil pricing. That is the fact that under the two laws we are operating under regarding the price of oil, we have not had a very good record. As a matter of fact, it is a very embarrassing record.

When we passed the Emergency Petroleum Allocation Act in 1973 and the Energy Policy and Conservation Act of 1975, the intent of those acts, which legislated Government regulation of prices of crude oil for the first time, was to allow for a steady increase in the oil price. If we look at what happened, just the opposite transpired.

Under EPAA, in 1975 the price of new domestic oil was $12.60. In February, 1976 it fell to $11.28. In March 1977, it fell to $10.90.

It is going just the other way. It is doing that because the Government formula for regulating the price of oil has been incorrect, and it had to order rollbacks. Those rollbacks are discouraging production in this country, and we have

never achieved the price levels for domestic oil that we were supposed to achieve when this Congress passed those two laws. They are failures.

In 1970, we reached an all-time high for domestic production of oil in this country, 9.6 million barrels per day. Shortly thereafter it begun to taper off very slowly. Then we put on Federal price controls, in August 1973, and from that point to today, the decrease in the amount of oil we are producing in this country has accelerated. It is accelerating to the point that the decline in production since the passage of these laws is at least 35 percent faster than before the passage of these laws.

It is also interesting to note that just as we would expect, our dependence on Arab oil from the OPEC countries has increased during that period.

In 1972, before we put on Federal price controls, we were bringing in 29 percent of our oil from outside the country. From January through March, 1977, it is now 47 percent, a tremendous increase.

We have also created a new Federal agency to administer the price controls of oil. First it was the Federal Energy Office, and then the Federal Energy Administration. They started out with a budget of $130 million in 1975. It has grown to the fiscal year 1978 figure of $344 million. The number of employees in 1975 was 2,462. Today there are 3,776.

It is interesting to note that things must not be working well down at the lower levels where this law is being administered, because the number of appeals and stay requests coming to FEA in Washington from the local level in 1975 was only 30, but in the first 7 months of this year it has increased to 170.

Therefore, if we look at what we have received in return for imposing Federal price controls on oil, this is what we see:

First, we have had a reduction in the price of domestic crude oil instead of an intended increase. We are willing to pay the Arabs the world price, but not the independent American producer.

Second, we have seen an acceleration in the decline of production in this country.

Third, we have seen a much greater dependence on OPEC oil.

Fourth, we have seen a big bureaucracy grow out of it.

It is interesting to note that the Department of Energy which absorbs FEA, that we just created has a budget of $10.6 billion, while the total amount of money which is going to be spent in the United States this year for domestic exploration for oil and gas will be $10.2 billion.

Therefore, the substitute amendment offered by the gentleman from Illinois (Mr. ANDERSON) is most important because it does rectify this problem which we have glossed over and overlooked in this bill, the problems we are having with Government regulated domestic oil prices. Therefore, I urge passage of the Anderson substitute.

Mr. ARCHER. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Chairman, the Houston and Southwest area will be among the hardest hit in the Nation by the National Energy Act.

Unless it is changed radically by the Senate, the totally unrealistic timetable for conversion from natural gas fired powerplants to those fired by coal will place a burden on our utilities and manufacturing industry that will have serious economic repercussions. It simply is not possible for this conversion to take place by 1990 without accompanying massive, expensive capital investment—and that cost will have its toll on the pocketbooks of consumers and on economic expansion which is the cornerstone of a solid job market for our people.

When you combine that with the increased cost of gasoline brought about by the oil equalization tax provisions, and the elimination of the State gasoline tax as a Federal income tax deduction, it becomes obvious that the Southwest and Houston are major victims of the regional bias which pervaded consideration of the bill. Why else would we be paying so much more, while the Northeast would have immediate access to electricity generated in Houston on demand, and while residents of areas which consume home heating oil actually receive rebates to help pay their fuel bills?

This measure, which is basically the President's plan with a few alterations, is an abomination. It calls on Houstonians and Southwesterners to bear a totally inordinate amount of the financial suffering, and it most certainly does not provide any workable solution to our national energy dilemma.

Nowhere in the bill are there sufficient incentives to expand domestic exploration and development of oil and natural gas that we must have to help bridge the gap before other fuel sources can truly take over much of the energy burden. The provisions placing all natural gas under Federal regulation are just the opposite of what we need to stimulate development of that still precious fuel.

Those who support this plan I believe do this Nation a grave injustice. We have a chance to take meaningful action to solve our energy shortage but advocates of this bill choose instead to try to sell the people of this country on a program which glitters of gold but is totally lacking in substance.

Mr. COLLINS of Texas. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment in the nature of a substitute.

Mr. Chairman, the Republican substitute for the energy bill provides the logical answer that America needs to meet the energy crisis.

President Carter's plan is a tax plan that taxes, taxes and taxes. The only conservation suggestion that was fought on the floor provides a million dollars to make a study of bicycles. Bicycles are not the answer.

We improved the bill by eliminating the added 5-percent direct gasoline tax but the House continued to leave in the bill a tax on crude oil that will cost 7 cents a gallon. This 7-cent tax is going to be felt by every person burning their fuel oil, by every industry, and it will be felt the quickest by the trucks. When the truckers' costs go up today, the housewife picks up this passed-on additional expense tomorrow.

President Carter has placed taxes and more taxes in this bill. H.R. 8444 has $53 billion in taxes in this bill. Industry starts out paying more taxes in 1979 on its oil and gas that it uses in business. In 1981 industry will be taxed $1 a barrel on oil and by 1983 it will be $2 more taxes on a barrel of oil. In 1983 the utilities start having the taxes levied heavy on them, which will mean higher electric rates. All of the industrial taxes will be a tremendous burden on business which is already under a heavy pressure load from inflation.

The taxpayer gets hurt another way as this Democrat bill eliminates the tax deduction he has had for his gasoline taxes. With the provision that national interconnections will control all electricity, it means that it discourages any local area in future construction of electric plants. Who would want to build an electric plant for their hometown if the Federal Government was going to take all of the electrical power and siphon it off to be used all over the country.

The present bill does nothing to alleviate the huge oil imports which have caused such an overbearing negative balance of payments on America. In 1972 America was importing $5 billion of oil. This year we are paying out $45 billion for imported oil. Taking the 8 years of Carter's plan this totals $360 billion that we will send abroad. We know that a permanent job can be created in industry with a capital investment of $51,000. What this export of capital means is that we are going to eliminate 7 million American jobs.

Now we hear rumblings that President Carter plans to use his energy plan taxes to pay out more for welfare. Yesterday morning on television I watched a good lady say she could not afford to work because she lived better on welfare. Although she will be delighted to learn, that President Carter is supplementing welfare payments, Congress is going to push the poor taxpayer to the brink.

The average American knows that inflation is caused by excessive Government spending and he knows that this present liberal Government is a tax, tax Government. He knows that oil and gas are the only commodities in the United States under price control, and price control has never worked in peacetime history.

Think of your people back home. Vote for this Republican alternative. This plan takes the commonsense approach toward restoring domestic production of energy within America. It makes our country more self-sufficient. It builds more jobs for America. It means less taxes. Instead of what is good for President Carter, let us vote for what is good for America.

Mr. EVANS of Delaware. Mr. Chairman, I move to strike the requisite num-

ber of words, and I rise in support of the amendment in the nature of a substitute.

Mr. Chairman, the time is late, and I will be as brief as possible.

I certainly share the goals and objectives of the bill before us, H.R. 8444, such as:

Reducing our dependence on foreign energy supplies; encouraging conservation and the use of our limited resources in the most efficient and effective manner possible; and developing alternative sources of energy. All of these goals are very noble ones.

However, the means which we are employing to achieve those goals are somewhat inconsistent with the purposes and with the objectives themselves. Plans must be consistent with goals.

The plans set forth in this bill may cause significant problems for our economy here at home and affect adversely the quality of life of every single citizen of the United States.

This bill would add to inflation and to consumer costs. In addition, there are a number of hidden taxes that will add another burden to an already overburdened American taxpayer, who, I think already has about as much as he can chew and certainly as much as he can possibly digest.

If we add cargo preference to what is already in this bill, we will really have done a number on the American consumer.

As far as unemployment is concerned, it will add substantially. Just in the petrochemical industry alone, 11 million jobs are directly or indirectly affected, because this industry is totally dependent on oil and gas as a feedstock.

Mr. Chairman, petrochemical products are used throughout society in a great variety of ways. The tires on virtually all U.S. passenger cars are made with synthetic rubber, as are almost 80 percent of total rubber products. Over 50 percent of our Nation's fibers are synthetic, as is 92 percent of our carpeting and 85 percent of our blankets. There are no substitutes for the high performance plastics used to insulate wiring for telephones, radios and electronic systems. Plastic films and packaging protects the freshness and nutrition of food supplies from the farm to the table with a 50 percent reduction in food spoilage, while plastic films and rubber permit economic agricultural irrigation systems. Petrochemicals provide almost all nitrogen fertilizers, plus many pesticides and herbicides for control of insects, weeds and fungi, plus thousands of other products; paints and coatings for home and industry, aspirin for pain and fever, detergents, resins and glues for insulation and plywood—an almost endless list.

To further illustrate the wide use of products derived from petrochemicals, a typical auto contains about 400 pounds of petrochemical products: The rubber in tires, hoses and gaskets, the hydraulic fluid and antifreeze, the foams and films in seats and panels, the paint, headliner, dash, trim, stoplights, grills, windshield safety interlayer, and the steering wheel. The need to produce lighter autos so as to achieve better gasoline mileage will call for an increased use of plastics to reduce body weight.

In the kitchen, petrochemicals may provide the flooring, countertops, water and drain pipes, pot handles, appliances, dishware, refrigerant fluids and insulation. In the bedroom, petrochemicals may have provided the carpeting and drapes, the paint on the walls, the cushion in mattresses and pillows, the furniture itself, the phone, much of the clothing and shoes in the closets, and a portion of the supplies in the medicine cabinet. The need to conserve energy will call for more and better insulations—bonded with and produced from petrochemicals.

Petrochemicals are made in 1,000 plants located in almost every State in the Union. The gross annual sales of the industry in 1976 is estimated at $47 billion. The directly-dependent downstream consumers in the manufacturing, construction and crop-producing industries, plus those in wholesale, retail, and service operations, employ almost 11 million persons with a payroll of nearly $77 billion per year.

Downstream dependence on petrochemicals can be illustrated by the following example. A basic petrochemical produced in Texas might be converted to fibers in Florida and textiles in South Carolina and then used for the upholstery in an automobile produced in Michigan. Thus, industries in Michigan and other States depend on primary petrochemicals produced in Texas, while Texas depends on these downstream States to be its customers. Although 70 percent of primary petrochemical production is located in Texas and Louisiana, the bulk of the downstream processing is in the other States.

Petrochemicals and manmade materials have regularly contributed to a positive U.S. balance of trade. In 1976, exports were slightly over $6 billion with imports of $1.9 billion, for a positive balance of $4.1 billion. Over each of the past 10 years this positive balance has always exceeded $1 billion.

Still another measure of the significance of the petrochemical industry is to note the value added to the economy by the production of petrochemicals—that is, the sales of petrochemicals less the cost of raw materials and supplies. In 1976, this is estimated at slightly over $20 billion. To illustrate in simple fashion, consider one $10 barrel of oil. It becomes worth $16 when refined to gasoline, jet and other fuels. But if upgraded to petrochemicals, that barrel of oil takes on $50 of value as basic petrochemicals, which if further upgraded to consumer products, such as synthetic fibers, has a value even much greater.

The importance of the petrochemical industry to the overall economy should not be discounted. Literally hundreds of thousands of jobs and a myriad of consumer products are dependent upon petrochemicals. No one will escape the consequences of significantly higher petrochemical prices that this bill would acquire.

Mr. Chairman, the Republican alternative may not be perfect, but it is substantially better than the bill and recognizes more fully some of the complexities involved in developing a comprehensive and a fair energy program. Let us take, for instance, coal conversion.

Mr. Chairman, replacement of oil- and gas-fired boilers with coal-fired boilers is not a simple matter of removing existing apparatus and substituting, in its place, coal-burning equipment. In fact, there are some instances where it would be physically impossible to replace existing oil or gas boilers with coal-burning facilities. The overlay on my left illustrates why.

The exhibit shows the silhouette of a coal-fired boiler recently installed at a plant in New Camden, S.C. Depicted is the outline of the coal bunker, boiler, baghouses installed to meet particulate emission controls, and the interconnecing ductwork. The overlay illustrates the outline of an oil-fired boiler. Both units have exactly the same capacity—approximately 190 million Btu's per hour. Obviously, the oil-fired package unit is not "convertible" to coal. Substitution of coal for oil would require complete replacement of this unit, a capital intensive and time consuming procedure. In this size range, depending upon site limitations, coal-fired units will average anywhere from 1½ to 3 times the cost of an equivalent gas- or oil-fired boiler.

For instance, the oil-fired boiler pictured in our diagram which has a capacity of approximately 190 million Btu's per hour costs about $3 million. However, a coal-fired boiler unit with the same capacity would cost about $9 million. In fact, the capital costs are so high for conversion that the proposed use tax included in the committee bill will have absolutely no effect on forcing industrial firms to convert from oil and gas-fired boilers to coal boilers.

I might also add that it would take approximately 3 years to convert from oil-fired boilers to coal boilers.

Further, most industrial firms place their boilers in the middle of their operations so that transmission and insulation costs are minimized. In many cases, there is simply not enough room to build the massive structures required for coal boilers.

The coal conversion portions of this bill simply will not work and I urge my colleagues to accept the Republican substitute as the only way to achieve a workable answer to our Nation's energy problems.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I move to strike the requisite number of words.

I think it would be inappropriate not to make a comment publicly that I have made privately to the chairman of the ad hoc committee, the gentleman from Ohio (Mr. ASHLEY).

Mr. Chairman, as a member of the ad hoc committee I have been tremendously impressed by the fairness and consideration of the gentleman from Ohio (Mr. ASHLEY). I was very impressed by the

chairman and I wanted to say so publicly.

Mr. Chairman, we are coming to the end of a long trial, and I fear it may be the beginning of a trial for the people we represent because of the nature of the bill we are producing.

A comment occurred to me, being familiar with some of the campaign rhetoric we have been exposed to over the years. We need to produce energy: we live in a society of automobiles and airplanes and controlled environments and so forth, and it just occurred to me that the shoe is on the other foot and it is those on the Republican side of the aisle who are trying to drag the people on the Democratic side of the aisle kicking and screaming into the 20th century. We hope to eventually get them there.

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, I have taken this time so that I might commend the minority members of the committee for the strong efforts that they have put forth. It may not be totally what I would want, but I do not think anyone will get totally what they want in this bill, but it is certainly a darned sight better than the present bill before us. It does something for energy and it does something for mass transit.

Mr. FREY. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Florida.

Mr. FREY. Mr. Chairman, I also rise in support of the substitute and the motion to recommit. Without these passing I oppose the bill. I might say that this legislation truly concerns me more than any bill we have discussed in the 9 years that I have been in the House. I am concerned over the direction it is taking us, cutting off U.S. supply and technology and know-how. I happen to believe that this country can produce more of our energy than it is producing. This bill will insure we do not develop our own gas and oil reserves; instead we will import more oil and gas. It will increase taxes an average of $600 on each American family per year. It will not put any money into energy research. The need for solar energy, for OTEC, for liquefaction and gasification of coal is basically ignored—conservation cannot do it all. More taxes are not the solution.

I might say that in the State of Florida we face a tremendous problem in the conversion to coal. It would cost us $10 to $14 billion to convert immediately to coal from oil and natural gas. Transportation is another problem. There are not enough trucks and cars to bring the coal in and to take the sludge out. The increased environmental problem would, I might point out, damage our air and water. Coal is only a partial answer to our problem. Total forced conversion to coal just does not make sense.

I would like to add, Mr. Chairman, that the chairman of this ad hoc committee, the gentleman from Ohio (Mr. ASHLEY), and all the people on the committee, have really worked long and hard on the bill. I fully appreciate the courtesies that have been extended.

Mr. Chairman, this substitute and the motion to recommit which elevates the $39 billion crude oil equalization tax are steps in the right direction. The only winner as the bill presently stands are the Arabs. Our imports of oil, now up to 51 percent, costing over $40 billion will go up. Our taxes will go up. Gasoline will cost 7 cents more; diesel fuel 7 cents more per gallon; residential fuel oil 7 cents more per gallon; home heating oil up 7 cents per gallon; and jet fuel will also go up 7 cents per gallon. Conservation will not be achieved by these taxes. Over 52 percent of the $39 billion in new taxes will not be returned to the people.

As I said when I began, this bill has more negative implications on our economy and future than any other measure in the last 9 years. You and I, along with all other Americans will be paying for this mistake for years to come. Unless we realize that there is a relationship between cost and supply; that we can develop gas and oil in this country; that we must develop alternate sources of energy—we will not solve our energy crisis. Indeed this bill will make our serious problem even worse.

Mr. HORTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the substitute.

Mr. Chairman, I have had a fair amount of experience in dealing with energy policy subject matter in the past 4 years. I was a prime sponsor, minority floor manager, and conferee on bills creating the Energy Research and Development Administration and the Federal Energy Administration. Only this week, I finished a week-long process of hammering out House and Senate differences in the bill creating a new Department of Energy. The DOE is expected to carry out the lion's share of the energy policies contained in the energy bill.

What disturbs me greatly, and surprises me most about the President's energy policy proposals is the tremendous increases he calls for in the level of Federal Government intervention in the lives of the American people. After all, less than a year ago, Presidential candidate Carter was running for office as the "outsider," as the opponent of big government, not as the advocate of bigger and bigger bureaucracy and of fewer and fewer choices for individual citizens.

The energy problem is one of mind-boggling complexity. As President Carter has said, "We cannot solve it with half measures." The economic, engineering, environmental, financial, and social details of the solution are formidably complex. However, stated in its most basic terms, the solution to the energy crisis is simply to use less energy and find new sources of energy.

The Carter energy plan, in effect, offers only one solution to our national energy crisis. And it offers that solution over and over again: Government intervention. Mandate this, prohibit that, and tax this, that and the other thing. The plan contains so many new tax provisions, penalties and exemptions that counting them, let alone evaluating their cumulative impact on the American people, is nearly an impossible task.

The Carter plan, as reported by the ad hoc committee, fails to strike the proper balance between an emphasis on new sources of energy conservation and the development of new sources of energy. Conservation will not reduce our energy needs; it will only reduce their rate of increase.

It will take massive investment to meet our ever-increasing energy needs, yet the committee bill would continue price controls and deprive the producers of the revenues needed to finance the replacement of diminishing energy supplies.

To stimulate, as the committee bill does, replacement cost pricing to the consumer by means of a tax while denying the producer any of the increased revenue to reinvest in the replacement of the energy resources, does not solve the problem. Taxes are not any solution unless the resultant revenues are used as an incentive to develop new sources of energy. If we have a tax, it should be put to a logical use.

It would be far better to achieve replacement cost pricing by removing wellhead controls and letting the market operate. The free market mechanism has always been more efficient than any government action in allocating scarce commodities. Price and cost best distribute what we have and also encourage the development of new supplies.

Taxes should be used only to raise revenues to provide needed government services and government's most productive role in the energy crisis could well be the funding of research and development—a matter which has been largely neglected in the committee bill.

Instead, the committee bill proposes the most onerous and blatant intervention possible. A few examples will suffice.

The Government is to provide approved lists of insulation contractors; the Government is to approve energy-efficiency labels for every appliance from hair dryers to generators; the Government is to receive the proceeds of a huge tax on domestic crude oil; the Government is to decide how, when, and to whom the proceeds of this tax are to be returned. The list is endless and the impact of all of this on energy conservation, energy production, economic growth, inflation and on the freedoms of the American people are virtually unknown. As Chairman of the Commission on Federal Paperwork, I shudder to think of the blizzard of paperwork that will be required by the bill.

The Carter administration has sent to us in Congress a questionnaire asking which Federal programs are causing the most dissatisfaction, frustration, and confusion among our constituents and, among other things, which programs result in complaints about excessive paperwork.

I shall respond in due course to this well-intentioned and useful exercise, but, in the meantime, I would make a few observations not limited to retrospection, that is, to commenting on programs already in place. Prospective programs need to be evaluated before they become established and resistant to change.

I say this out of solicitude for my constituents because I see looming on the horizon like a gathering storm certain emerging elements of the administration's energy program which portend further restrictions on the individual's freedom of choice.

If the voters are content with their involvement with SEC, FTC, ICC, CAB, EPA, FEA, and the three score or more other Federal agencies having a regulatory impact on the economy and which have filled tens of thousands of pages of the Code of Federal Regulations with fine print, they would not mind more of the same. If they liked OSHA with its obsession with trivia and nitpicking regulations they will love the administration energy program with its emphasis on increased regulation and control.

But, if the American people are concerned about the strangulating effect of Government regulations, they will be alarmed about the legislation we are now considering.

The burden of Government regulations and paperwork oppressing businessmen, State and local governments, and the man in the street will substantially increase as a result of the administration's energy policy with its undue reliance on Federal mandates, regulations, and taxes to remedy the energy shortage.

The full extent to which citizens will be subject to harassment by the regulators as a result of this legislation is only dimly discernible now and may not even be clearly revealed when the law is enacted.

As with all legislation that Congress passes that calls for the promulgation of rules and regulations, some of the lawmaking power passes to the regulatory agencies.

Thus, the language in the legislation drafted by Congress does not provide the last word in Government harassment. The full extent of Government intrusion into the lives of its citizens will not be revealed until the bureaucrats who draft the regulations implementing the provisions of the law have finished their work—the same bureaucrats, incidentally, whose concept of the plan is described in a booklet entitled "The National Energy Plan" and issued by the Energy Policy and Planning Staff in the Executive Office of the President. From perusal of this document it is clear that harsher mandates are in prospect if goals are not met by voluntary conservation. These include a tax on commuter parking, minimum automobile mileage standards, auto inspection and maintenance programs, "new development patterns" based on public transportation, a requirement that homes be insulated before they are sold, and a tax or other measures directed at industry and utilities not making productive use of waste heat.

The action of the legislative committees to date has not altered the administration position with respect to these matters. Just last Saturday the President said that he expected to build in years to come on the energy legislation enacted by Congress this year and hinted at the possibility of even stronger measures. Thus, whatever is deleted from the administration energy program by this Congress can be restored and even strengthened bit by bit in the future. Once underway, the program will have a momentum of its own.

Be that as it may, the bill in its present form as reported from the Ad Hoc Committee on Energy offers some interesting, if disconcerting, possibilities.

For example, the provisions of the bill intended to induce industry and utilities to convert to coal conflict with current and pending air quality requirements. It does not take much imagination to visualize the frustration of the company trying to conform to both national energy policy and the national environmental policy, or that of the utility required to install expensive stack-gas scrubbers even if they are not needed to meet clean air standards.

Or consider the case of the small independent businessman who, inadvertently or otherwise, is left off the list of suppliers and installers of residential energy conservation measures. The damage to his business could be irremediable.

Or think about the utility wrongfully assessed $25,000 a day for alleged noncompliance with an FEA order, who, to prove its innocence, must take its case to the appropriate U.S. court of appeals.

Or contemplate the resentment of the consumer exposed to the devastating effects of winter natural gas shortages again when price controls are extended to producers currently selling in the intrastate market.

How about those who have taken the steps necessary to weatherize their homes, increase the efficiency of their factories and otherwise reduce their energy consumption levels while their neighbors and competitors will be entitled to tax credits to encourage them to do what they should have done anyway.

The Federal energy program will require an expensive and expansive bureaucracy to administer the complicated systems of new taxes, tax credits, rebates, price controls, and penalties of which it is comprised.

The American citizen sinking in a quagmire of Federal regulations while being smothered by an avalanche of paperwork is not apt to view with equanimity the decrease in the gross national product, the increase in unemployment, the rising oil and gas prices resulting from this program if it does not significantly increase domestic energy supplies. But, while the program properly emphasizes conservation, it ignores the need for new oil and natural gas supplies and alternative fuels and continues the price controls that have inhibited the development of new resources.

H.R. 8500, the Republican substitute which I have cosponsored, embodies what I believe is a perspective on our energy problems which is better for this Nation.

Let me enunciate some of the principles which I find in this substitute proposal, but not in the Energy Committee's package.

The Republican substitute is an improved version of H.R. 8444, the majority's bill.

A plowback provision has been added to the sections relating to crude oil equalization taxes. This mechanism would grant oil producers and royalty owners tax credits for qualified energy-related investments. Price control on new oil would be phased out entirely in 5 years.

In this connection, H.R. 8500 contains a proposal for a trust fund which would dedicate the proceeds of the wellhead tax to mass transit, synthetic fuel development, and highway maintenance.

With respect to weatherization provisions of the committee bill, we would prefer the Banking Committee version to that of the Commerce Committee embodied in the ad hoc committee bill. This provision of the energy bill was referred to two standing House committees—House Banking and House Commerce. These two committees reported out different versions of the bill. Under the Commerce Committee version, utilities would distribute lists of insulation material suppliers and financing institutions to homeowners. This objectionable feature could limit the opportunity for small and minority businesses to get work insulating homes. This feature is eliminated in the Banking Committee version which has the program administered by the States under the Governors while the Commerce Committee version is the same as the administration proposal leaving administration in the hands of the utilities.

Finally, and most importantly, we would phase out regulation of new natural gas. Gas regulation has been proven a failure for almost a quarter of a century. Taxes and other restrictions cannot induce additional production. We believe that much natural gas, and oil too, for that matter, remains to be discovered and produced. Given positive encouragements for more exploration and drilling, industry can do the job.

While neither the Republican substitute nor the majority's bill addresses the significant potential of nuclear energy, I think this is one source of energy which demands greater research and development.

The President's decision to delete funds for the breeder reactor and recent House and Senate action in accordance with the President's decision is greatly disturbing.

The breeder reactor program should be a high priority energy development effort in this country. An advanced type of nuclear reactor, the breeder has the characteristics of generating electric en-

ergy and at the same time producing enough nuclear fuel to keep itself going, and enough extra fuel for additional powerplants which will be required to meet future energy needs. Delaying research and development at this time will severely hamper our efforts to meet energy demands and the objectives of energy independence.

The committee's failure to consider nuclear energy as a real source of future energy supply also means that the energy plan has failed to address the very serious problems posed by nuclear waste disposal. While there is existing technology to cope with existing waste storage, the absence of a definitive plan for utilizing this technology has undermined not only the public's acceptance of nuclear power, but also the Congress.

The eventual and inevitable use of nuclear energy should be tied in with a unified national energy plan. Our failure to do this thus far will only result in our inability to meet the goals spelled out in H.R. 8444 or alternatives to it.

Considering the time that was given to members of the ad hoc committee to think about and to weigh the meaning of the provisions of the Carter bill, essentially no time at all, I feel that the minority side of the ad hoc committee has arrived at a responsible alternative to the Carter plan.

Mr. STEIGER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, perhaps this is as good a time as any to talk a little bit about exactly where we go. I suspect the debate is just about concluded on the substitute and we can come to a vote on this matter. But I would, if I could, Mr. Chairman, like to take just a moment to discuss the motion to recommit, and what my own judgment is, having spent all of this time both on the Committee on Ways and Means and on the Ad Hoc Energy Committee, as to the end result of our work product.

First let me say that I concur with my friend, the gentleman from Oklahoma (Mr. EDWARDS), that "LUD" ASHLEY has done a brilliant job. I commend him for that and for the effort he has made. I thank him for his graciousness and for his humor. I regret only that he was capable of assuming, along with the chief engineer, the Speaker of the House, such incredible power in fashioning the program that we are about to pass.

All of the Members of the House, I hope, have had the opportunity to read the GAO's study of the national energy plan as presented to this Congress. There are some things that strike me as being particularly appropriate to discuss at this point. The GAO agrees with the basic concepts of the administration's plan, an effort long overdue, and that the Nation's energy problems are long term in nature, and that finding solutions acceptable to all areas of society is difficult and will require political consensus and compromise among competing areas of national concern.

This bill falls on that first point of the GAO. This bill does not find a political consensus or compromise among competing areas of national concern. The GAO report then goes on to state that they believe that it is incongruous to ask the Congress to establish a set of national energy goals and then propose a plan that is not expected to achieve them. It was the original administration plan that had those laudable goals outlined by the President of the United States in his speech on the 20th of April, modified a little bit on the Wednesday of that week, modified a little bit more on Friday of that week. As we get this bill now, I think it is clear that those goals remain untouched except for one minor amendment by the gentleman from Oklahoma. And the bill will not achieve that which is sought.

The GAO goes on to say that they believe that the plan will fall short of meeting some of the goals to even a greater extent than the administration estimates, including that of reducing oil imports to 6 million barrels a day by 1985. I do not think there is any objective observer who I have heard yet who disagrees, any objective observer, be it GAO, the Congressional Budget Office, the Office of Technology Assessment, Stanford, Harvard, anybody else—except the administration which has its own obvious beliefs—who believes that we will meet the oil import goals of this plan by 1985. We will not. We will embark upon a program today that not only increases the bureaucracy, not only increases regulation, not only increases taxes, but will in the end result in higher imports, not lower imports.

With respect to coal, the GAO concludes that there are serious problems in and obstacles to achieving a production level of 1 billion tons by 1985, and while the administration has stated that it will use nuclear energy as a last resort, it, nevertheless, expects that in 1985 nuclear energy will produce four times its current level of supply. GAO believes that achieving such an increase in 8 years is very doubtful. I do not think there is any question it is doubtful.

When we get to oil and gas, the fundamental part of this whole program, the GAO report says:

> While the oil pricing initiatives would provide greater production incentives than are now available, GAO found they are no greater than would exist in 1985 with a continuation of current policy. Moreover, the plan will reduce revenues to producers and thereby may reduce capital availability for further exploration and production. By not increasing the financial incentives for additional exploration, the plan fails to come to grips with the problem of increasing domestic crude oil production.

Thus, we not only have all I have stated, it seems to me, in terms of where this plan goes, but in the end we also will not only rely more upon our OPEC neighbors, but we will penalize our own domestic producers. That is the fundamental flaw of the bill. That is where it falls. That is why this bill ought not to pass.

The substitute, yes; is a good-faith effort on our part to present to the Congress a balanced program, balanced between conservation, production and alternate sources. It does touch, as the gentleman from Michigan pointed out in his reservation, crude oil pricing. It does say that we cannot have a national energy policy unless and until we deal with crude oil prices, and that is what is done under this program. What is done in this bill, in spite of all of the work of the chairman of the ad hoc committee, in spite of all of the creativity of all of our colleagues who serve, is to deal with a crude oil equalization tax, a tax designed to bring up the price of lower-tier oil and upper-tier oil to the world price, and then combine it with an additional industrial use tax that shoves that oil price above the world price for American producers.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. STEIGER was allowed to proceed for 2 additional minutes.)

Mr. STEIGER. The motion to recommit that will be offered this afternoon will be one that will be simply a modest little motion. It does very little damage in what it excises from the bill.

It simply guts the crude oil equalization tax. It takes it out. Every one of the problems that we have discussed flows from the crude oil equalization tax. The crude oil equalization tax clearly is something far more than has been represented. It raises the cost of gasoline by 7 cents a gallon. It raises the price of diesel fuel by 7 cents a gallon. It raises the price of residual fuel oil by 7 cents a gallon. It raises the price of home heating oil by 7 cents a gallon. It raises the price of jet fuel by 7 cents a gallon.

It does not reduce a single barrel of imported petroleum. For each barrel saved under crude oil equalization, it costs $39.28.

Thus the crude oil equalization tax is nothing more and nothing less than a cleverly disguised scheme to raise taxes for the American people, to not reduce our reliance upon imported petroleum, to not produce more petroleum domestically, and to create more efforts to solve the problems by intervention of Government.

The substitute will give this body one chance to take on, head on, the administration program, and I hope this feature will be killed so we can face up to our responsibility as legislators.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the Republican substitute.

Mr. Chairman, my good friend, the gentleman from Wisconsin (Mr. STEIGER), just told the Members what the Republican motion to recommit was. Many of us who have been around here for a few years remember an old fellow from Florida by the name of Billy Matthews. Billy used to get up here in the well and talk about an amendment and say: "Now this is not a bad amendment. This is like the fellow that caught the catfish, and he had the knife in one hand and the catfish in the other, and he said: 'Now hold still, little catfish; I am not going to hurt you; I am just going to gut you.' "

That is what the motion to recommit is going to do to the bill. The gentleman from Wisconsin (Mr. STEIGER) said it, and I agree. They are going to gut it.

But let us not talk about the motion to recommit because we will have an op-

portunity to discuss it in just a little while.

Let us talk about what the substitute (H.R. 8555) does.

First of all it decontrols crude; it deregulates natural gas. It contains a plowback of the crude oil equalization tax.

There is only one person that is going to get stung by this substitute—that is the American consumer. It will divert billions—not millions, but billions—of dollars to oil and gas producers and it will drain billions—not millions, but billions—from the American consumers.

This substitute will reduce consumer purchasing power. It will increase inflation. It will reduce consumer spending. It will increase recessionary pressures enormously. It will reduce real gross national product. It will reduce real growth. And it will increase unemployment.

Mr. Chairman, there are other aspects of this substitute which are highly unsatisfactory to me. However, my objections to those other provisions are secondary to my primary concern about the economic consequences of the substitute now pending before the House.

This bill combines the evil effects of crude oil decontrol and natural gas deregulation.

Adoption of the substitute would spell economic disaster to the Nation. We had studies made a few years ago about the economic consequences of deregulation of crude oil. Those economic consequences were awful. And that is one of the reasons that President Ford signed legislation implementing a program of slowly increasing oil prices under continuing controls.

H.R. 8555, which is the substitute now pending before us, does away with those delicately balanced programs for fairness to producers and fairness to the consuming public.

On the other hand, H.R. 8444, the bill on which we have labored long and hard, represents a careful balancing of energy and economic policy. The Republican substitute, H.R. 8555, lacks that balance.

The bill that is before us, the administration proposal, is a balance of carrot and stick approaches to energy production and energy conservation. The substitute proposal is long on the carrot, and certainly the oil industry will love it for that, because under this substitute they get carrots in abundance; but I challenge anybody to find a stick in it either to encourage conservation or to restrain excesses by the oil industry, known for its propensity for monopolistic practices, consumer gouging, and all manner of outrageous economic behavior.

The program of my Republican colleagues emphasizes production incentives, but ignores conservation as an alternative.

I urge my colleagues to reject the substitute as dangerous to the economic health and well-being of the Nation and extremely dangerous to the establishment of a coordinated national energy policy which will move us forward in the dangerous times which lie before us.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(At the request of Mr. HUGHES, and by unanimous consent, Mr. DINGELL was allowed to proceed for 1 additional minute.)

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I have tried to understand the Anderson substitute. I understood from the literature that was put out by some of my Republican colleagues that there would be an excess profits tax in their substitute.

I have examined the substitute and I cannot find a section creating an excess profits. Can the gentleman from Michigan comment whether there is such a section?

Mr. DINGELL. Mr. Chairman, I told one of my colleagues earlier that there was no plowback in the substitute. There is a plowback, and it is a plowback designed to benefit only one person; that is the producer.

Mr. HUGHES. Mr. Chairman, if the gentleman will yield further. I am talking about an excess profits tax—not plowback.

Mr. DINGELL. There is a delay before the natural gas deregulation goes into place in the dismal hope that the Congress would enact an excess profits tax. That section would much benefit the airline industry, because lobbyists would hop on the plane in the morning, come to Washington and say, "Don't pass windfall profits tax legislation," rush back home and say that Congress is not doing what they should. Otherwise there is no specific excess profits tax contained in the substitute despite the fact that if it were adopted it would almost certainly create massive windfall profits for oil and natural gas producers.

Mr. MOFFETT. Mr. Chairman, I rise in opposition to the amendment.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. Mr. Chairman, I would like to insert into the record at this point legislative history relative to chapter 6 of the National Energy Act, H.R. 8444.

I have discussed this legislative history with Mr. OTTINGER, author of the section, Mr. DINGELL, chairman of the Energy and Power Subcommittee, and Mr. ASHLEY, chairman of the ad hoc Energy Committee. They have concurred in the remarks that follow.

Chapter 6 refers to small hydroelectric power projects.

Eligible under section 586 for grants and loans are, among others, "nonprofit organizations" and "any person other than a utility."

A private museum which falls within the definition of a nonprofit organization stated in this chapter could be considered for assistance under this chapter.

A private manufacturing company capable of generating electricity would qualify as "any person other than a utility," so long as it also met the criteria of section 30(C)(1)(a), (b), (c), (d), and (e).

Further, a partnership of a "nonprofit organization" and "a person other than a utility" may apply for a grant or loan under the provisions of the chapter.

Mr. MOFFETT. Mr. Chairman, I will not take the 5 minutes, but I want to say that the debate on the Republican substitute reminds me of when I was a very young boy. My father was not overly partisan. We were not involved in politics at all. But he used to tell me that the Democrats were for the people and the Republicans were for big business.

Then when I got older and got involved myself a little bit, I realized that things were not always as simple as they seem, that you could not just categorize people and parties that simply.

In fact, I have been among those that have wondered in our own party whether our party in the big tent under which we sit and in which so many take pride is adequate to really represent what a party should stand for. Can a party satisfy everyone from George Wallace to Jerry Ruben, for example, and still stand for something? This is something many Democrats have asked; so we have wondered whether we have got away from the principle that parties really stand for something.

Ronald Reagan, the great Republican leader, said that parties should have an ideological base and they really should stand for something and that neither party stands so clearly for what each party used to.

But, this debate today reminds me again and takes me back again to what my father used to say: "The Democrats are for the people and the Republicans are for big business." Things are becoming much more clear in my mind in that respect with regard to energy. We have been through a very tough 2 or 3 months of debate, and every time there has been an amendment for the major oil companies or the big utility companies or the powerful economic interests in this country, it has been the democratic leadership and the democratic Members—the vast majority of them—who have opposed those, and it has been the core of the Republican Party that has offered them and attempted to guide them through. It is as simple as that.

This is not a perfect bill that we have here, but it is very interesting to me, after hearing Republicans for the last 7 or 8 years criticize the leadership of this House and say that we have had ineffective Speakers and we have not had leadership, now to be criticizing the Speaker who has finally provided some leadership to this issue; who has coordinated the effort; who has brought some sense to the debate and some direction to the entire formula of an energy policy. It is very interesting now to see criticism of that Speaker; to see criticism, for example, of the ad hoc committee for being too well organized under Democratic leadership; criticism of the chairman for having too many Democratic caucuses to have us organized.

It seems to me that we cannot have it both ways. We cannot criticize the Speaker for coordinating and the chairman for leading and the President for

having lofty goals—that is a terrible thing, is it not, having lofty goals—and then turn around and say that we want something totally different that is merely a big business alternative, with all due respect to my friends.

I would urge my colleagues on the Democratic side to reject the substitute and to support this bill, imperfect as it is, because it is much more oriented toward the average person in this country and toward long range goals of conservation and fairness than the Republican substitute comes even close to being.

Mr. MARTIN. Mr. Chairman, I move to strike the necessary number of words, and to observe to my nonpartisan friend from Connecticut, who has just given us a marvelous nonpartisan statement, that I see from his statement that he is proposing to support a bill which is essentially a tax on American consumers, and to oppose our measure, which tries to reduce those taxes. He told us what his daddy had to say about the party of the people versus the party of business. I must observe that his position on adopting these $39 billion worth of taxes is just going to stick the business to the people.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of the Anderson substitute.

Mr. Chairman, the Congress and each Member has devoted a great deal of time and effort toward the development of a national energy plan. The debate over the past week has helped to focus national attention on the strengths and weaknesses we have in meeting a coming "energy crisis." I believe if there is one theme that has run through this discussion it is that the severity of our domestic fuel shortages demands the commitment of each American to reach the national goals of energy conservation and self-sufficiency.

It is more important today than ever before that we take a farsighted approach to meeting the needs of the United States for a sensible energy supply and pricing policy. I think all of us here are trying to arrive at such a comprehensive energy policy. Under the best circumstances, philosophical differences on the best and most appropriate way to achieve mutually agreed upon goals will differ among different people. The constructive debate of the past week has pointed this up.

But, I am convinced that in comparing the two alternatives before us, the minority substitute will go further in insuring that future energy supplies are on line when we need them, that the cost to the American taxpayer will be less and that our factories and schools would not have to shut down every winter because of energy curtailments. For these reasons I urge my colleagues to support this version and I would like to take a moment to discuss a few important provisions.

NATURAL GAS

It has been said over the past few days that an effective energy plan will have three cornerstones: conservation, conversion, and production incentives. For the immediate future, conservation must be given top priority in the minds of every American. However, for our long range goals the last cornerstone is the most important since it will allow us to tap our vast potential for providing future generations with secure domestic energy supplies. Every conceivable energy alternative must be considered, encouraged, and developed.

Today future supplies exist only as a potential because, without realistic incentives, there will be a continued decline in the rate of development for new domestic fossil fuel reserves. I am particularly concerned with our natural gas policy since my State and, more directly, my district is heavily dependent on this energy source.

On the north coast of California natural gas is a major feedstock for the manufacture of ammonia, which is a key ingredient in fertilizers; it is used in drying crops; in preventing freezing of our fruits in the cooler months; it leads to the containers in which our dairy products, our canned fruits, and our wines are packaged; and it produces the bonding agents used in plywood production.

If natural gas is not a secure energy source for my district and for all California it will be disastrous for our regional economies and it will also affect all American consumers who are dependent on our food to eat and our lumber to build their homes.

With this in mind, I supported the so-called Brown-Krueger amendment—which, regrettably, was not approved—and I support the minority substitute. Both call for gradual or phased deregulation of the price of new natural gas.

Reports last winter of people freezing to death, massive factory layoffs and severe economic hardships demand a reasonable and responsible approach today. Gradual deregulation will provide our constituents with a stable and secure energy supply so that they may be assured of a productive economy in the years ahead—an economy which is not vulnerable to international embargoes and one which will not experience massive job layoffs every winter.

Continued regulation will maintain artificially low prices of natural gas; it will encourage demand for this cheap energy; and it will discourage the discovery of new sources and supplies. Continued regulation is an antijobs approach, which will further depress our economy and may cause us to deplete the existing supply of fossil fuel resources needlessly.

It goes without saying that the consumer's interest must be of paramount importance in this gradual deregulation. In that interest we must insure adequate supplies of natural gas and we must insure that it is reasonably and realistically priced. An artifically low price is meaningless if it results in a complete interruption of service.

Actually no one really knows what the impact of deregulation will really be in the marketplace. However, we do know that a phased deregulation is uniquely spared from wild inflationary spirals by the simple fact that contracts for supply are usually long term so that prices which would be paid for new gas under phased deregulation will only amount to approximately 10 percent of the total gas supply each year through 1985. The cost increases of the new gas will be rolled in with the lower cost of the old gas and will result in an acceptably gradual cost incerase.

With regard to adequate supplies for future use, gradual deregulation will provide incentives for the discovery and development of new gas reserves—since it is only new gas prices which will be deregulated. Furthermore, with these new supplies it will be more efficient and less expensive to transport the gas. Eighty or more percent of the cost of natural gas to the consumer is the price of transportation and distribution. Right now the consumer is paying more for less service since pipelines are only half full and the cost per unit of gas delivered must be raised to cover the inefficient transportation costs. Furthermore, without an adequate supply of natural gas, distribution companies are being forced to substitute much more expensive alternate fuels such as foreign oil and synthetic gas. Who pays the bill? Our constituents.

And finally, without a continuing source of gas in the future we will continue to see curtailments to nonpriority users—those who are able to use alternate sources of energy to meet their needs. Our industrial consumers already know the consequences of gas curtailments. The past few years have taught them that these curtailments can be translated into job lay-offs, higher costs for consumer goods, and market shortages of agricultural products.

Worse still, we will also see curtailments to priority users—residential consumers. Homes now heated by gas will experience brownouts and possible rationing and new homes will not even be able to obtain gas hookups. In short, the costs will be monumental.

In summary, I firmly believe that we must enact a policy which will promote conservation of our diminishing natural gas supply through a more realistic price structure and at the same time will encourage the exploration, development, and production of untapped gas reserves. The only realistic policy is that of phased decontrol, as outlined in the substitute bill.

SOLAR ENERGY

The use of solar energy for space heating and cooling is now a recognized—and in the future will be an increasingly important—alternative to our dwindling supplies of fossil fuels. Our substitute and my voting pattern in our Public Works Committee encourages the use of this viable energy source in two ways.

First of all it authorizes the installation of solar heating and cooling units in Federal buildings—where feasible—and accelerates the procurement and installation of photovoltaic solar electric

systems—devices which convert sunlight directly into electricity.

Our Committee on Public Works and Transportation considered and strongly supported this project and I personally believe that this program will provide a large enough market for solar cells to encourage mass production and, hence, reduce their price. This translates into cheaper prices for individual home owners who want to equip their own homes with this alternative energy source.

As an important corollary, we have provided tax credits in this bill for individual homeowners who install either solar heating and cooling equipment or conventional insulation materials. This provision parallels legislation I introduced earlier in the year, and I believe that this tax incentive will go a long in bringing us closer to our stated goals of conversion and conservation for energy self-sufficiency. Solar energy is a secure available energy which is pollution-free, not subject to international embargo and is unlimited in supply. Our challenge is to develop a broad-based program to effectively harness this energy and these provisions can be an integral part of this program.

SUMMARY

I am hopeful that through the discussions we have had this week we will make consumers, and ourselves, think about tomorrow. If past generations found this impossible our present generation must make it imperative. Tomorrow can bring energy shortages or it can bring a stable economy. It is our choice.

But, when all is said and done, after we finish our debate and send this measure on to the other body, the challenge of meeting our energy needs both now and in the future will begin and end with the American people. "Power to the People" is no longer a hip phrase of the sixties—it is what the future holds for us, because the future energy needs of our Nation are literally in the hands of our citizens—hands that rest on ignition keys, electric switches, purses and wallets.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, during this week before the August recess, we are debating a 580-page legislative measure, voting only on such amendments as the Democratic-dominated Rules Committee has allowed, and in the end, must vote for or against a bill that will, to quote the Wall Street Journal, "inflict a half trillion dollars in unnecessary costs and taxes on Americans over the next 8 years. It is not an energy bill, it is a gigantic tax increase bill.

The final version of this legislation did not reach our offices until last Friday afternoon, accompanied by the 924-page Ad Hoc Committee on Energy report on H.R. 8444. This provided almost no time for the thorough painstaking study such a complex bill requires.

After studying these proposals and listening to the debate, I have concluded that the administration's proposals are a one-way ticket to economic disaster.

This bill fails to address the vital question of energy production, while the Federal tax code as the primary element of a national energy strategy.

We were being asked to vote on another tax revenue bill—a bill that will cost taxpayers $200 billion more in new taxes between 1978 and 1985, amounting to $2,000 for every American family.

We are being asked to pass a bill which assumes that domestic energy reserves cannot be found, mandates Federal regulation and perpetuates permanent energy shortages.

We are being asked to support a bill containing major flaws which have been identified by the Congressional Budget Office, the Joint Economic Committee, the Office of Technology Assessment, the General Accounting Office, and the Brookings Institute.

We are being asked to support a bill that creates at least two new taxes, removing billions from the economy at a time when there is a critical need for more capital formation.

I urge my colleagues to avoid passing this bill and thus placing this added burden upon the American people.

The authors of this bill do not understand that the free enterprise system has provided Americans with the highest standard of living in the world. It can still do the job if we let it.

We cannot conserve ourselves out of our dilemma—our problems are not exclusively those of demand, but also of supply. We must encourage production by providing realistic incentives for exploration of domestic resources. Federal tax policy should help, not hinder this effort.

We must proceed to research and develop the so-called exotic energy sources, geothermal, solar, synthetic fuel, et cetera, but meanwhile, understand that coal and nuclear energy present the best short-term answers to our problems. This requires accommodation between our energy needs and our environmental goals.

Now that we have failed to deregulate natural gas, we have reinforced the cause of natural gas shortages, and I sincerely hope that we have a mild winter. If not, the prospect of more shortages and millions of unemployed due to plant closings looms as a dire probability. The closing of hundreds of schools is a loss that cannot be measured in dollars. That all of this could be avoided if we would exercise the wisdom and courage to deregulate is an opportunity missed that those who oppose deregulation will live to regret.

All of this has an impact on our international trade deficit. Since petroleum imports are the major culprit, we ought to see that this imbalance cannot be corrected by conservation alone. Our dependence on overseas suplies cannot significantly diminish under the administration's program.

The sensible course for us to follow—as set forth in the now-rejected Brown-Krueger amendment—would be an orderly deregulation of domestic oil and natural gas prices, with a plowback provision to stimulate production.

I had thought until now that only the Republican party had a death wish but the program put forth by the Democrats in this crucial area of energy convinces me that this is indeed a bipartisan malady.

Lastly, we still need an economy of growth with a strong emphasis on national security. The Democratic proposals only strengthen the OPEC cartel, and thus increase our economic and political vulnerability.

The Republican alternative, H.R. 8555, is a comprehensive energy bill designed to promote energy conservation, using balanced incentives to encourage a public commitment to increase domestic production of energy and decrease our dependence on foreign sources.

The Republican alternative will remove price controls on newly found oil and natural gas, and provides for the use of trust funds for coal conversion, synthetic fuel development, mass transit and highway maintenance. It provides tax incentives to increase domestic production through a tax plowback concept and emphasizes energy conservation by a tax on some industrial uses of oil and gas.

I urge my colleagues to think carefully before voting for H.R. 8444.

What we do today will have a far-reaching impact on all facets of our country's social and economic structure.

The Republican proposal, H.R. 8555, is a viable alternative that will spur domestic production, dampen the rising U.S. consumption curve, and cut back on increasing oil imports. I urge its adoption.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, the long-awaited national energy bill is now before us. I do not think there is any question that this is the most important legislation that has come before this body in several years. What we do here will substantially affect the lives of Americans for many years to come. If we are successful it will improve our way of life, provide the essential energy base for sustained economic growth and strengthen our national security and independence. But, if we are careless and hasty, this legislation could very well be disastrous. We must, therefore, move with caution, carefully analyzing every provision. We must thoroughly consider the impacts of this legislation on our economy, on our way of life, and on our national security.

Mr. Chairman, any effective national energy policy must seek to accomplish three goals: First, through conservation, it should promote efficient utilization of our existing fossil fuel reserves; second, it should encourage the development of alternate energy sources, in order to end our reliance on imported fuels; and third, it should encourage continued exploration and increased production of existing fossil fuel sources in order to avoid serious economic disruptions and bridge

the gap between our present reliance on fossil fuels and our future changeover to alternative energy sources.

In order to be effective, these objectives must be achieved in a balanced and coordinated way. The Nation's energy problems cannot be solved by conservation alone, nor can our future energy needs be met solely through increased production and continued squandering of finite resources. And while synthetic and renewable fuel sources may offer long-term solutions, they promise little immediate relief. It is only through a coordinated and broad based attack that the problem can be effectively met and eventually solved.

Yet the bill before us today, does not, in my opinion, provide for a balanced three pronged attack. Instead it overemphasizes coerced conservation through taxation, while at the same time discouraging increased production and exploration by the energy industry; that is because the increased energy costs to the consumer will not be passed along to the producer to be reinvested in the business of producing energy, but instead will go into the bureaucracy to be endlessly rerouted, rebated, and eaten away by administrative costs. The real question is not whether we are going to let energy prices rise, because this step is essential for conservation, but rather whether we are going to do it artificially through counterproductive taxation policies, or productively by largely deregulating the prices of new energy and passing the increased revenues along to be reinvested to produce more oil and natural gas.

It seems to me that this is really the crux of the matter now before us. Obviously, the stated goals of the legislation are to increase domestic production to meet short-term supply problems, lessen our dependence on foreign oil to ease our balance of payments deficits and insure continued uninterrupted energy supplies, and to develop alternative energy sources to change over from a fossil fuel based economy to a synthetic and renewable based fuel economy. Yet it is very difficult indeed for me to see how the bill before us is to accomplish these very ambitious goals with the current energy pricing policies.

The minority substitute offers a responsible and workable compromise to the administration bill in these critical areas of pricing policies for oil and natural gas. The minority substitute allows the price of new oil to rise to a world level over a phased in 5-year period. Lower tier—(old)—oil, however, would be taxed to the world price with 50 percent of these revenues being plowed back into the energy industry to stimulate increased exploration and development. The remaining 50 percent of the tax revenues would go into an energy trust fund to be used primarily for energy research and development of synthetic and renewable fuel sources. Therefore, the minority substitute would achieve that measure of conservation that increased prices would achieve but the higher cost of energy to the consumer would not then be wasted, but would instead be put to work to secure more energy.

The substitute natural gas pricing provisions are patterned with the same objectives in mind, namely encouraging conservation through increased prices and at the same time encouraging increased production through raising prices.

Certainly these matters must be carefully considered and decision based on what is best for the Nation over the long term and not what will be politically expedient in the short term. I urge my colleagues to give the minority substitute careful and sober consideration. I urge its adoption.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I rise in support of the Republican substitute; in support of the motion to recommit, if necessary; and in opposition to the bill if we come to that.

Mr. Chairman, using the tax system, this bill requires the American people to pay more for American oil than we are willing to let Americans get to discover, develop, and produce American oil. Is that the way to get more American oil?

Using price controls, this bill does not let the price of American natural gas command its real value in the marketplace, although careful studies show that a higher price will greatly increase our exploitable reserves and protect those dependent upon American natural gas from a repetition of last winter's disastrous shortages. Is that sensible?

Using taxes, this bill insures that industrial use of oil in America will cost American companies more than the world price. Is this the way to improve competitiveness and create American jobs?

Instead of the laws of economics and the self-regulation of the marketplace, this bill foists massive bureaucratic decisions on an American people already restless and saddened by too much government.

Mr. Chairman, this is a bad bill. I hope my colleagues will vote accordingly.

Mr. MARTIN. Mr. Chairman, it is important to clarify the record regarding another aspect of the excise tax. In presenting to the Ways and Means Committee my amendment to exempt process uses that could not be converted because the process involved could not be performed harmlessly and economically with the use of some other fuel, I carefully spelled out what I meant by economical feasibility. My test involved solely a computation of all the costs of converting to and operating with a substitute fuel, including capital costs, downtime costs, and so forth—less rebates and tax credits for conversion, of course—and then comparing that with costs of continued operation under an assumed industrial use tax.

Basically it was a "before and after" cost comparison. If the projected net cost after conversion were to exceed the cost using oil or gas, the process use would be exempt from this tax. I think the committee report may be confusing, in that it seemingly does not reflect the concept I just described but presents what is in essence a "profitability test," a test that to my knowledge was not discussed in the committee. For example, on page 101 of the committee report there is reference to a "severe adverse impact on profitability." This seems to me to say that the conversion test is somehow related to profitability of the whole enterprise, as opposed to the appropriate narrower question of the costs of converting a particular process.

Essentially the same concept is introduced by referring to "an adequate rate of return in this activity." This concept also was not discussed in the committee. The problem is that in many, if not almost all, instances of the given process uses, the concept described would be next to impossible to apply. I think that if we did it that way we would be giving more discretion to the Secretary of the Treasury than the committee had in mind. The Secretary would in essence be granted authority to "compute" the rate of return on an "activity" and also then to judge whether it was "adequate." That was not part of the concept I presented to the Committee on Ways and Means. It was just a "before and after" comparison of cost.

Mr. ASHLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I fully understand that the membership wants to vote, and I will be sensitive to that wish. I simply want to make one or two points, if I might.

First of all, with respect to the Republican substitute that is before us, I will say that the proposals contained in the substitute, H.R. 8555, are no more compelling when considered together, than they were when we considered them separately yesterday and earlier this week.

Mr. Chairman, we are now concluding—we in the House of Representatives—the first real effort on the part of the Congress to formulate an evolving national energy policy. The legislation that we will adopt today contains the basic structure on which, in the years to come, this strategy will evolve.

The legislation contains a set of residential and commercial conservation programs.

The homeowner and the apartment dweller will receive tax credits for the energy conservation expenditures they make, including on insulation, weatherstripping, caulking and storm windows, among others.

Lower-income families will be eligible for subsidized loan programs for energy conservation.

Poverty level families will be eligible for a modest grant program.

Schools, hospitals and municipal buildings will be eligible for partial grants.

Industries and commercial establishments will receive special investment tax credits.

The bill provides for conservation in the transportation sector through a tax on gas-guzzling automobiles which will

help us save 175,000 barrels a day of oil imports by 1985.

The bill provides for a crude oil equalization tax that over a 2-year period will bring the price of oil produced in this country up to the world price. This will create substantial incentives for conservation. At the same time, however, the revenues of this tax will all be rebated to the public so as not to deflate the economy. Further, special refunds of the tax will be given to those who use heating oil in homes, schools, hospitals and churches.

The bill provides for an incentive price for new natural gas supplies, while protecting the public from the runaway prices that would occur under deregulation. The bill contains a program to increase the use of coal and conserve the oil and gas used in the industrial sector.

It provides for a method to move the Nation's electric utilities toward pricing policies which price electricity at the true cost of providing service to each class of electric consumers.

Finally, Mr Chairman, the bill provides for a set of tax incentive programs for geothermal and oil and gas drilling ventures.

Mr. Chairman, the bill which we will complete action on today will help the United States to reduce oil imports by somewhere between 2.5 million and 2.8 million barrels per day from what would have been our usage in 1985 without this measure. Clearly, the bill provides a solid start toward meeting our energy goals.

In conclusion, Mr. Chairman, I would like to say that I have great pride in the way that the House of Representatives, the majority and minority alike, have addressed this difficult subject area. I particularly would like to comment on the cooperation of the minority. Yes, they take different views than we in the majority. That is to be expected. But it seems to me that it might be well, Mr. Chairman, for those of us on the majority to understand the kind of frustration that must beset the minority, who are outnumbered by some 2 to 1 in this body. I think it is well for all of us to understand that there has not been any effort at dilatory tactics. There has not been any effort to delay proceedings. It can well be said, Mr. Chairman, that if the minority had wanted it, we would not be completing action on this massive bill before us today.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. I thank the gentleman for yielding.

Mr. Chairman, I am not sure that the gracious remarks of the gentleman will make the pill go down any easier, but I have not heretofore commented on the performance of the chairman, as others have done, and I would not want the record of this debate to close without adding for myself, as ranking minority member, that, despite all of the fundamental and frequent disagreement on substantial issues, I have appreciated at all times the demeanor and the conduct and the fairness and the dignity with which the chairman has presided over the ad hoc committee. I want to thank the gentleman.

Mr. ASHLEY. I thank the gentleman for his remarks.

So, Mr. Chairman, I would simply say in conclusion that we in this body, on this committee, and in this House, to which we will soon be returning, can, I think, take a considerable measure of pride in the fact that we have addressed, as best we can, a matter of vital national importance, and that we have acted collectively in the best interests of the people of the United States as we see them.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Illinois (Mr. ANDERSON).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ANDERSON of Illinois. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 147, noes 273, not voting 13, as follows:

[Roll No. 510]

AYES—147

Abdnor	Frey	Poage
Anderson, Ill.	Gammage	Pressler
Andrews, N. Dak.	Goldwater	Pritchard
Archer	Goodling	Pursell
Armstrong	Gradison	Quayle
Bafalis	Grassley	Quie
Beard, Tenn.	Guyer	Quillen
Breaux	Hagedorn	Railsback
Broomfield	Hall	Regula
Brown, Mich.	Hightower	Risenhoover
Brown, Ohio	Hillis	Roberts
Buchanan	Hollenbeck	Robinson
Burgener	Horton	Rousselot
Burke, Fla.	Huckaby	Rudd
Burleson, Tex.	Hyde	Ruppe
Butler	Johnson, Colo.	Sarasin
Caputo	Jones, Okla.	Satterfield
Carter	Kasten	Sawyer
Cederberg	Kazen	Schulze
Clausen, Don H.	Kelly	Sebelius
Clawson, Del	Kemp	Shuster
Cleveland	Kindness	Skubitz
Cochran	Krueger	Smith, Nebr.
Co'eman	Lagomarsino	Snyder
Collins, Tex.	Leach	Spence
Conable	Lent	Stangeland
Corcoran	Long, La.	Stanton
Coughlin	Lott	Steed
Crane	Lujan	Steers
Cunningham	McClory	Steiger
Daniel, Dan	McCloskey	Stockman
Daniel, R. W.	McDonald	Stump
de la Garza	McEwen	Symms
Derwinski	Madigan	Thone
Dickinson	Mahon	Treen
Duncan, Tenn.	Mann	Trible
Edwards, Ala.	Marlenee	Vander Jagt
Edwards, Okla.	Marriott	Waggonner
Emery	Martin	Walker
English	Milford	Walsh
Erlenborn	Miller, Ohio	Wampler
Evans, Del.	Mitchell, N.Y.	Watkins
Evans, Ind.	Moore	White
Fenwick	Moorhead, Calif.	Whitehurst
Findley	Myers, Gary	Wiggins
Fish	Myers, John	Wilson, Bob
Forsythe	O'Brien	Winn
Frenzel	Pettis	Wydler
	Pickle	Young, Fla.
		Young, Tex.

NOES—273

Addabbo	Applegate	Bauman
Akaka	Ashbrook	Beard, R.I.
Alexander	Ashley	Bedell
Allen	Aspin	Beilenson
Ambro	AuCoin	Benjamin
Ammerman	Badham	Bennett
Anderson, Calif.	Badillo	Bevill
Andrews, N.C.	Baldus	Biaggi
Annunzio	Barnard	Bingham
	Baucus	Blanchard
Blouin	Hammer-schmidt	Nolan
Boggs	Hanley	Nowak
Boland	Hannaford	Oakar
Bolling	Hansen	Oberstar
Bonior	Harkin	Obey
Bonker	Harrington	Ottinger
Bowen	Harris	Panetta
Brademas	Harsha	Patten
Breckinridge	Hawkins	Patterson
Brinkley	Heckler	Pattison
Brodhead	Hefner	Pease
Brooks	Heftel	Pepper
Brown, Calif.	Holland	Perkins
Broyhill	Howard	Pike
Burke, Calif.	Hubbard	Preyer
Burlison, Mo.	Hughes	Rahall
Burton, John	Ichord	Rangel
Burton, Phillip	Ireland	Reuss
Byron	Jacobs	Richmond
Carney	Jeffords	Rinaldo
Carr	Jenkins	Rodino
Cavanaugh	Jenrette	Roe
Chappell	Johnson, Calif.	Rogers
Chisholm	Jones, N.C.	Roncalio
Clay	Jones, Tenn.	Rooney
Cohen	Jordan	Rose
Collins, Ill.	Kastenmeier	Rosenthal
Conte	Ketchum	Rostenkowski
Conyers	Keys	Roybal
Corman	Kildee	Runnels
Cornell	Kostmayer	Russo
Cornwell	Krebs	Ryan
Cotter	LaFalce	Scheuer
D'Amours	Latta	Schroeder
Danielson	Le Fante	Seiberling
Davis	Lederer	Sharp
Delaney	Leggett	Shipley
Dellums	Lehman	Sikes
Derrick	Levitas	Simon
Devine	Lloyd, Calif.	Sisk
Dicks	Lloyd, Tenn.	Skelton
Diggs	Long, Md.	Slack
Dingell	Luken	Smith, Iowa
Dodd	Lundine	Solarz
Dornan	McCormack	Spellman
Downey	McDade	St Germain
Drinan	McFall	Staggers
Duncan, Oreg.	McHugh	Stark
Early	McKay	Stokes
Eckhardt	Maguire	Stratton
Edgar	Markey	Studds
Edwards, Calif.	Marks	Taylor
Eilberg	Mathis	Thompson
Ertel	Mattox	Thornton
Evans, Colo.	Mazzoli	Traxler
Evans, Ga.	Meeds	Tsongas
Fary	Metcalfe	Tucker
Fascell	Meyner	Udall
Fisher	Mikulski	Ullman
Fithian	Mikva	Van Deerlin
Flood	Miller, Calif.	Vanik
Florio	Mineta	Vento
Flowers	Minish	Volkmer
Flynt	Mitchell, Md.	Walgren
Foley	Moakley	Waxman
Ford, Mich.	Moffett	Weaver
Ford, Tenn.	Mollohan	Weiss
Fountain	Montgomery	Whalen
Fowler	Moorhead, Pa.	Whitley
Fraser	Moss	Whitten
Fuqua	Mottl	Wilson, C. H.
Gaydos	Murphy, Ill.	Wilson, Tex.
Gephardt	Murphy, N.Y.	Wirth
Giaimo	Murphy, Pa.	Wolff
Gibbons	Murtha	Wright
Gilman	Myers, Michael	Wylie
Ginn	Natcher	Yates
Glickman	Neal	Yatron
Gonzalez	Nedzi	Young, Mo.
Gore	Nichols	Zablocki
Gudger	Nix	Zeferetti
Hamilton		

NOT VOTING—13

Burke, Mass.	Koch	Santini
Dent	McKinney	Teague
Flippo	Michel	Young, Alaska
Holt	Price	
Holtzman	Rhodes	

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Burke of Massachusetts against.

Mr. Rhodes for, with Mr. Price against.

Mr. Michel for, with Ms. Holtzman against.

Mrs. Holt for, with Mr. Koch against.

Messrs. FLYNT, DICKS, AND TAYLOR changed their vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Mr. PREYER. Mr. Chairman, there is general agreement that the country needs a new natural gas pricing policy. The old policy of overregulation has created most of the problems we face today with natural gas. An unnaturally low price, set by regulation, distorted the normal market situation and caused both overutilization of natural gas—because it was so cheap—and decreased production—because of lack of economic incentives to drill for it.

Most economists—and I agree with them—feel that the answer to a new natural gas pricing policy should be to move toward deregulation as rapidly as possible. But we have not only economic responsibilities in Congress, we also have political responsibilities toward people generally. This is a way of saying that there are strong political pressures in favor of a regulated lower price for natural gas, especially from the large number of residential users in the Northeast. There have been deep divisions between those in favor of deregulation and those against it. The result has been a stalemate, allowing the situation to deteriorate.

The Energy Committee has broken this stalemate through the time-honored political custom of compromise, in which neither side gets all it hoped for or wanted but which breaks the stalemate and allows the country to move forward with a national energy policy.

There is general agreement on the objectives of that policy: To move toward restoring free market pricing for all gas, to protect consumers against too sudden and unwarranted price increases, to stimulate development of more gas, to promote conservation in the use of gas, and to promote the substitution of coal and other materials. Some of these goals are mutually contradictory. We cannot maximize each of them at once. So we must compromise.

I think the Energy Committee's compromise is a good one. It does a number of things, though none 100 percent.

It gives some definite movement toward freer pricing. It increases the price substantially, and grants considerable latitude to the regulatory body under the Department of Energy to set higher prices where necessary to extract types of natural gas which is more expensive to produce.

It avoids the danger of inflation from total deregulation. The entire energy package will be inflationary to a small extent, of course, but deregulation, according to Dr. Schlesinger, will be seven times more inflationary than all of the other elements of the energy package.

There will be a 26-percent shortage of natural gas this year. To completely deregulate in this imbalance of supply and demand would be like lighting a torch—the torch of inflation.

If the choice were between regulation and deregulation I would take deregulation. But there is an alternative. The Energy Committee's proposal offers us a good "resting place," as the majority leader put it, as we enter the transition period from regulated to deregulated prices. The proposal advances toward freer prices, toward stimulating new supplies, and gives the country a resting place from which we can later move on toward further deregulation when the danger of a sudden and inflationary explosion of natural gas prices is reduced.

For North Carolina, it has been of critical importance that the two-tiered pricing system be eliminated—that is, the system of regulated prices for interstate gas and unregulated prices for intrastate gas. North Carolina would be better off if there were regulation of both interstate and intrastate gas, or deregulation of both. The important point is that both markets be treated the same. This bill does that by applying the same degree of regulation to both markets. It will not solve all our problems next year. There is little that can be done in the energy field that brings about quick results. But there will be a fairer share of existing natural gas available to us right away—and especially as the use of natural gas for boiler fuel is restricted by the energy program—and we can look forward to a larger supply of natural gas after a few years.

As supply and demand are more nearly balanced, we will be in a position to deregulate without the fear of dramatic inflationary increases as a result of relinquishing Government controls all at once.

Mr. PICKLE. Mr. Chairman, I would like to address a few questions to the distinguished chairman of the Ways and Means Committee. My questions are directed to the section of the bill relating to user tax credits for public utilities.

Beginning on page 227 of volume II of the committee report under other rules, there is a section entitled "Special Rules for Utilities."

In the first paragraph of this section it is explained that a utility will get credit on the user tax if it retires or phases down an oil or gas boiler. Then this paragraph defines "phase down" as using an oil or gas boiler less than 1,500 hours when the boiler was used more than 1,500 hours in 1976.

Toward the bottom of page 227, the section goes on to explain what happens when a utility has taken a credit for using a boiler less than 1,500 hours, but then uses it for more than 1,500 hours. The report says that in measuring whether the boiler use has exceeded 1,500 hours, the measurement should be based on 1,500 hours of full capacity use.

My question is this: Since we measure 1,500 hours at full capacity on the bottom of the page, should not full capacity apply to the 1,500 hour measurement on the top of the page?

Let me state several reasons why full capacity, or full power, measurement is important. One, oil and gas boilers, sometimes have to burn idle, that is, of very low capacity. Idle time should not be counted. Second, a utility could get credit for retiring a peaking unit that has been used at less than full capacity for 1,500 hours. This would not be the intent of the committee's legislation.

So in sum, does the full capacity definition apply to the 1,500-hour measurement on top of page 227 as well as at the bottom?

Mr. ULLMAN. The gentleman is correct; the reference to 1,500 hours in the first paragraph under special rules for utilities relates to hours on the basis of use at full capacity. Thus, a boiler shall be treated as phased down only if in 1976 it was used more than 1,500 hours, measured on the basis of use at full capacity, and will not be used more than 1,500 hours, measured on the same basis, in any year following the year in which the new boiler is placed in service—or after 1983 where the new boiler was placed in service before 1983.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, a word of appraisal is in order about the work of the House on the national energy plan.

It is evident from the debates that have taken place since the day of the presentation of the plan by President Carter last April—debates that intensified as the House took up the bill this past week—that there is not a Member of this House who is fully satisfied with the product we have wrought. I am not fully satisfied. In particular, I share the widespread concern that the plan, from its outset, has placed less emphasis on expansion of domestic energy supplies than would have been feasible and desirable.

Further, on the critical side, there is no dispute that this bill will not "solve" the energy problem, if the problem is defined as excessive dependence on imported oil. While I applaud most of the changes wrought in the legislation as it worked its way through the various House committees, some of them tend to reduce the potential savings in oil and gas, and hence, to maintain the need for imports. Even if everything works as planned—which is doubtful—we will still be importing huge amounts of oil by the target date of 1985. All of the assessments from such institutions as the General Accounting Office and the Congressional Budget Office reached that conclusion even before the House began to amend the plan; that is, they concluded that the President's goals and estimates were too optimistic.

But there is a better and fairer way to appraise the accomplishment to date. In brief, the Nation will be in significantly better shape on the energy front with this bill than before. And I do not believe the simplistic argument that the entire problem would go away if we just abolished price controls on domestic oil and gas. We might be better off now if there had never been controls in the first place, but given history and our current condition, a simple "dash for freedom" would cause very significant economic pain with only a slow and uncertain payoff in new supplies.

Let us look at where we stand in light of the energy plan as amended by the House.

BUILDINGS

We have launched the first serious effort to insulate and weatherize our homes, our commercial establishments, our schools, our hospitals and our public buildings. There are carrots in the form

of tax credits, grants and low-interest loans to add to the most important carrot of all—the savings on high and rising heating and cooling bills from an investment in insulation. In the closet there remains a stick—a mandatory insulation program that can be enacted later if the response to what we have done is insufficient.

AUTOMOBILES

By far the most important change here is not in this bill but was enacted several years ago—the mandatory standards for gasoline efficiency. The industry has already begun a massive change in the size and weight of the American automobile.

In this bill we are pushing the process along. There is the new "gas-guzzler" tax. There is a built-in further increase in gasoline prices as a result of the new oil wellhead tax and the crude oil price increases permitted under the previous, and unchanged, system of price controls. We are keeping the gasoline price increase gradual, but cumulatively it will be very large, as compared with pre-1974 prices.

All in all, there is every likelihood that our gasoline consumption will stop rising and, at least, will begin to decline.

APPLIANCES

The new system of mandatory standards of energy efficiency will squeeze significant savings from this source, though possibly at somewhat higher initial costs for some appliances.

COAL CONVERSION

This, of course, is not a conservation measure but a fuel-switching measure aimed at reducing dependence on imported oil. I believe that the exemptions from the new industrial and utility oil and gas users tax adopted by the Ways and Means Committee were entirely sensible, because the original administration program seems to demand coal conversion where it was impossible or made no sense. We still have unsolved environmental problems with coal, and possible labor and transportation problems. The net result—again according to various reputable studies—is that we almost certainly will not reach the original Presidential goal of a rise of almost 600 million tons a year in coal consumption to 1.2 billion tons.

But once again, the carrots and sticks in this bill—including carefully drawn provisions for mandatory use of coal or other fuel instead of oil or gas, chiefly in boiler use in new installations, along with various tax credits and rebates—will greatly hasten the coal conversion process. It is not of major importance to me whether in 1985 we achieve the last 50,000 tons of coal use that is projected in the plan; what is important is that the process has begun.

NATURAL GAS

One crucial point was largely overlooked in the intense and emotional debate over natural gas and deregulation. This is that the plan proposed by the President and largely adopted in the House bill is a huge improvement over the system of price controls we have had up to now. This is no place to go into detail, but I think there can be no dispute that if we are to continue some form of price regulation to avoid major disruption, this bill provides a far better form of regulation than we have had. It also permits a substantial increase in price, and hence, in incentives for gas discovery, though obviously not quite as much incentive as complete deregulation.

OIL

Our present system of price control is complicated and is certainly not perfect, and the bill would not significantly change it. But the system, including its provision for annual increases in the controlled price and the much higher permitted price for new oil, provides very real incentives for oil drilling and discovery. The amount of drilling being done in this conutry has reversed a long decline and is sharply higher than 3 or 4 years ago. That is the clearest and most convincing evidence that it still pays to find oil. The administration has argued persuasively that, even with controls, there is a bigger profit payoff in finding oil in the United States now than anywhere else in the world because of the huge payments to governments that are required almost everywhere else.

The new wellhead tax will have the proper function of raising oil prices further to induce conservation and efficiency in use. I do not believe it was necessary or desirable to have this price increase go entirely to the oil producers. I would have preferred to see the proceeds of the tax used to bolster the social security system, but the system of rebates to taxpayers generally will afford some cushion for the loss of real income caused by the higher prices for oil and its products. The conservation effect will be achieved without significant economic shock.

For the future, I would like to see much more emphasis placed on the newer sources of energy, such as coal gasification. There may be a good future in solar energy, which is given some boost in this bill through a tax credit. Other promising avenues must be explored, and later legislation almost certainly will be necessary.

But for now, I think the House, and the people, can take considerable satisfaction in what has been accomplished. We have not treated the energy problem as "the moral equivalent of war" and the sacrifices we have demanded are not huge. But this Nation will have a significantly better energy future as a result of the plan and the bill we have passed.

Mr. LUNDINE. Mr. Chairman, as the House of Representatives concludes its consideration of the National Energy Act and moves toward the final vote on this legislation, I want to express my strong support for H.R. 8444.

Since April 20 when the President sent his energy proposals to the Congress, we have labored long and hard to insure that the necessary legislative steps are taken so that we are not caught one more winter without a comprehensive national energy policy.

The legislation before us today addresses some of our most important energy problems in an effective and fair way. It will stimulate a massive conservation effort in the United States by establishing a homeowner insulation program, in which our utilities will pay a major role, and by providing expanded financial aid, and low interest loans and grant programs to provide funds for insulating. In addition, a maximum tax credit of $400, 20 percent of the first $2,000 spent after April 20, will be available to those who insulate. These measures will enable us to conserve a great deal of our wasted residential energy, while at the same time, trimming our fuel bills.

Moreover, H.R. 8444 will make available grants of up to $900 million over 3 years to schools and hospitals, and other health-care facilities for energy conservation measures. This provision is extremely important to local school districts and health-care facilities which are already having difficulty coping with a heavy financial burden.

State and local governments are also in dire need of ways to cut their administrative costs. The provision in H.R. 8444 of technical assistance to State and local governments to determine the conservation measures needed to cut energy consumption in town halls, local libraries, and other government buildings will both save energy and cut the administrative cost of our State and local governments.

The coal conversion program in H.R. 8444 will include both new and existing power and industrial plants to switch from oil and gas to coal and other fuels. H.R. 8444 provides positive incentives for industrial conservation and for the installation of cogeneration equipment. Fundamentally, it rewards those who support our national energy goals, and punishes only those who do not.

The era of cheap energy prices is gone. H.R. 8444 will, however, provide for a fair and stable pricing system for oil and natural gas without causing huge economic disruptions in our economy. In addition, this pricing system will provide adequate incentive for the development of much of the remaining domestic oil and natural gas supply. By abolishing the distinction between interstate and intrastate natural gas pricing and tieing the price of newly discovered natural gas to the Btu heat equivalency of oil, we will begin to equate our domestic natural gas supply with our demand. Giving special consideration to the production costs of enhanced recovery methods of oil and gas should provide further incentive for development of marginal gas and oil wells.

To help cushion the consumer from the impact of increased energy prices, the bill provides a tax rebate of the revenues collected from the oil equalization tax. In addition, there are included in the bill electric utility rate reform measures that will reflect a more reasonable cost-usage ratio for the consumer, and offer the availability of off-peak and lifeline rates for those on limited incomes.

H.R. 8444 is designed to help us make the transition from the end of the oil and gas era to the beginning of an era filled with exciting renewable energy sources. It is absolutely essential that while we conserve energy, we also devote a great deal of time and attention to the needed research and development of alternative energy sources like solar, nuclear, wind, and geothermal. This bill will advance

the cause of alternative energy sources by providing residential tax credits for the installation of solar and wind technologies, and by providing a solar heating and cooling demonstration program in Federal facilities.

Finally, this legislation will insure that the American people will have leadership in the energy area. H.R. 8444, together with the creation this week of a single Department of Energy in the executive branch, will enhance the ability for responsible decisionmaking in the energy area. To nations around the world, H.R. 8444 is a signal that the United States is taking steps to avoid serious economic dislocation from a disruption in our foreign oil supplies and manipulation by OPEC nations.

I urge you to support the final passage of H.R. 8444.

Mr. LEGGETT. Mr. Chairman, in recent years it has become increasingly apparent that low cost, abundant, and secure supplies of energy—which have historically fueled our factories and lifestyles—are no longer so readily available. The urgency of this problem was first brought to the forefront of our collective psyche with the advent of the Arab oil embargo in 1973, and subsequent dramatic increases in overall energy prices. More recently, natural gas shortages, exacerbated by one of the coldest winters in memory, have received much attention.

After struggling with energy-related matters for the past three Congresses, we still find ourselves between "a rock and a hard place." A quick look at our past action suggests that we are in favor of the following broad energy goals or objectives:

Continued availability of low-cost energy to consumers;

Protection of the natural environment;

Protection from foreign supply interruption;

Desire to preserve selected domestic energy resources for future generations and to promote efficient economic use of dwindling nonrenewable fuels;

More rapid development of inexhaustible energy sources and technologies;

Minimization of the budgetary impacts of our energy proposals;

Assurance of adequate energy growth so as to maintain or improve upon existing lifestyles; and

Equitable burden sharing of our energy problems by all users.

Yet the conflicts among many of these goals are readily apparent. For example, low-cost energy encourages greater use which in turn can generate greater pollution. On the other hand, strong environmental regulations on air quality, strip mining, and disposal of nuclear wastes can raise the overall cost of energy to the Nation. Similarly, protecting the United States from foreign supply interruptions means more rapid development of domestic nonrenewable energy supplies. Not only does this lead to eventual price increases, but it also leads to inefficient economic uses as a result of lost opportunity costs. Additionally, such a policy flies in the face of our desire to preserve some domestic energy resources for future generations—especially in areas where alternative fuel sources appear unlikely for the foreseeable future. Countless other conflicts are inherent in these goals and objectives.

As I see it, our task here in the Congress is to be the final arbiter—the court of last resort so to speak—for diminishing these inherent contradictions between interdependent and oftentimes conflicting energy policy goals. Only the Congress can make these ultimate tradeoffs and decisions.

Before we can design an optimal energy strategy—one which hopefully will minimize the contradictions between as many of these goals as possible—we must first agree on a set of preferences which most closely match those of the great majority of our fellow Americans. It is my contention that this collective preference function is most concerned about holding the line on energy prices, and insuring that any burdens involved in solving our energy-related problems are shared as equitably as possible. This would require sacrifices from both individuals and industry alike.

Regarding maintenance of low energy prices to consumers as an explicit policy goal, a Harris poll taken the day after President Carter unveiled his energy message revealed that Americans were opposed 54 to 39 to a standby 5-cent-per-gallon gasoline tax. Moreover, in response to a question proposing the use of gasoline taxes to develop rapid transit systems, a recent California poll revealed that 16.3 percent favored a 1-cent-per-gallon increase, 8.9 percent favored a 2-cent-per-gallon increase, while fully 74.9 percent favored no increase at all, but believed that present gasoline taxes should be utilized for rapid transit, streets, roads and highways.

Based upon such results, I am convinced more than ever that we must listen to our constituents on this important matter and not be swayed by pressure from large, multinational corporate interests. It is my firm conviction that in our deliberations to formulate a national energy plan, we should generally choose policy instruments which:

Encourage conservation without relying upon price increases as a major incentive—except for taxes on extremely inefficient energy users;

Devise innovative nonpricing approaches to induce greater exploration and development of energy supplies;

Experiment with novel institutional arrangements to combat the common front of the OPEC cartel;

And expand Federal energy R. & D. programs especially in the area of inexhaustible energy sources.

Before us this week we have the appearance of a national energy strategy. This act had its roots in an energy plan proposed by President Carter promising to reduce oil imports by 4.5 million barrels a day by 1985 and increase domestic coal production to more than 1 billion tons annually. To achieve such optimistic goals, the administration's proposal relied heavily on energy conservation through the use of taxes on energy consumption. In addition, this plan sought to increase the conversion from oil and natural gas to other fuels especially for power plants and large industrial users, and to rely on more rapid development of unconventional and renewable energy sources. In turn, this omnibus energy package was referred to the five key standing committes in the House which traditionally deal with energy-related matters for their careful consideration. Finally, the ad hoc Select Committee on Energy reviewed the proposals of these five committees and reported out the overall bill we have before us this week.

The question is then: Do we in fact have a rational energy plan before us, or is this just the only one in town which, due to political expediency, we have no alternative but to accept? I would like to take a few minutes to explore this question with you today. The reason I feel this is a most important question is because, as the final arbiter, only we will be held accountable for the national energy strategy that finally emerges from our deliberations.

To begin with, this proposed act does, in fact, contain many provisions which support the framework for a rational energy plan which I have previously outlined. For instance, the numerous weatherization proposals, conservation tax credit and loan programs, mandatory efficiency standards, and fuel conversion requirements all encourage energy conservation without relying on major price increases to consumers. These are long overdue measures, and I strongly endorse them. Moreover, I am heartened by efforts contained in this bill which would dramatically expand projects which demonstrate solar heating and cooling technology and accelerate procurement and installation of photovoltaic systems in Federal buildings. Similarly, I support those provisions which permit certain tax advantages for geothermal steam wells and tax credits for the purchase of solar heating, cooling, and space heating equipment for existing homes.

And although I am not entirely convinced that the current version of the gas-guzzler tax in title II, part IIA, is the most optimal tax we could have designed, I also strongly support the intent of this provision. However, a gnawing concern is that without the administration-backed measure to return the revenues collected in the form of rebates to purchasers of fuel efficient cars, we have missed a golden opportunity to encourage even greater conservation efforts. In addition, this proposed tax will in all likelihood prove to be more inflationary than a similar tax coupled with a rebate.

On the other hand, this act possesses many glaring deficiencies. Totally lacking are new prescriptions which provide nonpricing remedies on the supply side. In particular, I am thinking about Federal involvement in exploration and development of new gas and oil supplies. Moreover, I am concerned about the lack of experimentation with new institutional arrangements to combat OPEC-like cartels. If the Federal Government were to act as common purchasing agent for all energy imports, supplier nations would meet a solid front acting in the best interests of all American citizens

rather than the diffused, and therefore competitively weaker, corporate points of contact we currently operate through. Last, I do not feel that we are pursuing Federal energy R. & D. programs in emerging energy technology areas as rigorously as we might. Absorptive capacities in R. & D. communities are far from being saturated. Long-established nuclear programs still receive the lion's share of the Federal energy R. & D. budget, oftentimes at the expense of such inexhaustible energy source programs as solar, geothermal, and fusion.

Of more important cause for concern however, are a number of provisions and proposed amendments to this act which, if found acceptable, would have the effect of dramatically raising the cost of energy to consumers to socially unconscionable levels and quite possibly jeopardizing sustained economic growth and recovery. In particular, I am referring to the crude oil equalization tax provision, the gasoline tax amendments, and the amendment to deregulate the price of new onshore natural gas.

The proponents of these measures seem to have forgotten one fact of which I am painfully reminded every time I return to California: The price of gasoline has already doubled in the last 4 years. In addition, home utility bills are making paupers of once self-sufficient senior citizens. In short, the country is already paying what its citizens deem to be an excessive amount for energy. And now we are asked to favorably endorse these measures—the cumulative effect of which will be to take additional billions annually out of the pockets of wage earners and return to them no more energy than they now use. Mr. Chairman, I submit that this is totally irresponsible, especially given that numerous alternative conservation-oriented measures are available. Be that as it may, let me address each one of these onerous proposals separately.

First of all, the crude oil equalization tax, which will be imposed in three stages to bring the price of domestic oil up to the world price, theoretically has the potential for acting like a two-edged sword. It is supposed to stimulate greater domestic exploration and production while at the same time discourage overall demand for liquid fuels as costs are ultimately passed through to consumers in the form of higher gasoline prices and utility rates. However, the increase in oil and gas prices since 1973 has been several times larger than the increase proposed by the provision in the act, yet increases in production have been modest. In its recent assessment of the President's energy plan, our own Congressional Budget Office predicts that the amount of oil produced in response to the price increases currently envisioned will be very limited. Moreover, CBO feels that it is questionable whether price increases above those originally proposed in the President's plan would stimulate substantial additional investments in exploration and development. Regarding probable demand behavior to this proposal, the CBO implies that industrial consumption of oil will continue to grow at least through 1985; and that since most of the oil price increases in the residential sector will be rebated in the form of a tax credit of a flat amount for each taxpayer, the measure will not substantially affect residential consumption of oil. I ask, then, why is this measure still a crucial part of our act? Why should we support this 20-cent tax on a gallon of gasoline?

Turning to the other proposed gas tax amendments, such measures clearly were designed to reduce the demand for gasoline by discouraging wasteful driving. However, the anticipated decline in toal mileage driven as a result of the relatively modest tax increases contained in either the Ad Hoc Energy Committee amendment or the Howard substitute amendment may prove illusory. This small a price increase is highly unlikely to encourage anyone to conserve on their use of gasoline. Most motorists will simply factor in these minor, incremental price increases and continue driving as much as before. Furthermore, since neither amendment contains a rebate mechanism, the proposed tax would be highly regressive in its distributional impact. Low-income groups would bear the brunt of this tax. In addition, such a tax measure would impact most unfairly on rural families with autos who already spend a larger portion of their income on gasoline than do similar urban families. This is particularly true in the West. Thus, I can only conclude that such measures are sheer idiocy due to their incremental natural and inherent unfairness.

With respect to the amendment to remove new onshore natural gas from Federal price controls, such a proposal, if passed, would add literally billions of dollars to already swollen consumer energy bills without appreciably increasing output. The Commerce Committee report states emphatically that deregulation of natural gas would only add approximately 1.7 trillion cubic feet of conventional natural gas supplies over and above that which will be produced under the committee's recommended program between 1978 and 1985. The estimated cumulative cost to the consumer of the Brown amendment ranges from $53 to $79 billion, which conservatively translates into an annual $150 increase in the natural gas bill for the average residential user. In addition, just as in the case of the proposed gasoline tax amendments, this measure will proportionally place the heaviest financial burden on those income groups who can least afford to absorb such anticipated price increases. Furthermore, the sheer magnitude of the estimated cumulative cost will most certainly add to current inflationary pressures and almost surely rekindle inflationary expectations. And to what end? After all, there is no reason to expect that such anticipated price increases will result in substantial increased production of natural gas. This is inescapably true, since reserves are dwindling and since the price of alternative fuels is set by the OPEC cartel. Also, the sensitivity of supply to changing prices is quite low due to the structure of the industry itself, the fixed nature of its assets and delivery systems, and the length of time it takes for gas producers to respond to price incentives with expended drilling activity. Moreover, deregulation will result in a lack of control over a highly monopolistic industry. Last I feel an obligation to the American consuming public which we long ago urged to switch from competing fuels to natural gas because of the alleged reliability of supply, clean nature of that fuel, and inexpensive cost. Therefore, I cannot find it in my heart to endorse such an outrageous measure.

It would be easy for us to sit back here in Washington and say, "Well, there is nothing we can do but to raise the price of energy, and let the marketplace solve the problem." That is exactly what the OPEC cartel did to us, and there is not a Member in this Chamber who failed to condemn that act. Besides, free markets do not exist in the world around us, and we would only be kidding ourselves if we thought we could resurrect a bygone era ruled by the "invisible hand" of Adam Smith. No, rapidly rising prices to the consumer is not the cure-all answer to our energy-related problems.

Let us return now to my earlier question concerning whether or not we have a rational energy plan before us for consideration. Admittedly, this plan has many necessary and important provisions. However, in the final analysis, it is an imperfect compromise, an unfinished portrait. I am fearful that we may not have labored long enough to insure the continued availability of relatively low-cost energy to consumers, and that the burden of a solution to our energy-related difficulties has not been shared as equitably as it might have been and I therefore must in good conscience oppose the legislation.

Thank you.

Mr. HORTON. Mr. Chairman, the Commission on Federal Paperwork which I have the honor to chair, issued a report the other day entitled "The Role of Congress in Limiting and Creating Paperwork." In the report we took note of the fact that—

> Lawmaking is a paperwork process in and of itself, and the laws that are written generate vast amounts of paperwork in the Federal agencies and are translated into burdens on the American public.

Thus, the paperwork indulged in by the House of Representatives in processing the National Energy Act gives rise to apprehensions of an avalanche soon to come from the expanding energy bureaucracy of the executive branch.

The act itself appeared in six different versions ranging in size from H.R. 6831 as introduced consisting of 240 pages to H.R. 8444 as reported consisting of 580 pages. Seven volumes of reports on the bill and its component parts totalling over 5,000 pages have been issued by the committees involved. The bills and committee reports accompanying them make a stack 7 inches thick. Another inch will be added to this pile when another print of H.R. 8444 emerges as passed by the House. Assuming the normal printing order, the total number of copies of the seven ver-

sions of the bill and accompanying reports would make a stack over three times as high as the Washington Monument. And if the total number of sheets, that is, half the number of pages, were laid end to end they would reach from here to Galveston, Tex., and beyond.

However, this is, so to speak, only the tip of the iceberg. This paperwork is in addition to voluminous records of hearings yet to be printed and other materials reproduced in who knows how many copies, which were made available to committee members and staff. These include:

Daily summaries of Committee actions provided by the FEA.

Thirteen pamphlets analyzing tax aspects of the bill as prepared by the Joint Committee on Taxation staff for the Ways and Means Committee.

Twelve committee prints of individual briefings held for Members and staff of the Ad Hoc Committee.

Daily news releases (15) by the Ways and Means Committee covering action taken on various sections of the bill.

Summaries and digests of several studies of the energy problem. Members have also received full copies of the report from the Office of Technology Assessment (OTA).

A summary of editorial opinion prepared by the Library of Congress for the Ways and Means Committee.

Numerous miscellaneous documents and pamphlets relating to energy.

Moreover, before the bill becomes law additional vast amounts of paperwork will be produced in the passage of the bill through the Senate.

While all of this is a commendable effort to give Congress the information it needs to legislate, it may also indicate a need for Congress to put its own house in order. To that end I commend to the attention of the Members the report of the Paperwork Commission.

Mr. BAUCUS. Mr. Chairman, the National Energy Act we passed this afternoon is a step forward toward meeting the crisis in energy that this Nation faces. I believe that much more can and should be done, particularly for the development of plentiful and renewable sources of energy such as solar, wind, and agricultural products.

However, the bill as passed today provides the first comprehensive approach to energy policy. It was a disappointment to me that amendments to the bill presented to the whole House for its consideration were so limited. Many parts of this bill were passed without specific discussion and the opportunity for improvement. But I do understand the need to limit the time spent on the bill in order to get a policy in place. A piece of legislation this complicated could have easily produced months of debate and shackled the President's ability to deal with immediate problems.

I was particularly pleased to see the defeat of the attempt to impose an additional 4 cents Federal tax on general aviation fuel. General aviation is vital to all aspects of Montana life from carrying blood from the Billings blood bank to air taxi and commuter airline services. This proposed tax would have increased the total Federal tax on general aviation fuel to 11 cents. Even the ad hoc committee which proposed it admitted that the energy savings resulting from the tax would be negligible.

We were also successful in defeating any increased Federal tax on gasoline. While I found merit in the Howard Amendment which would have returned the money to the States for bridge and highway repair and for rural mass transit projects such as a bus system for Missoula, I decided that these projects should be funded in other ways. A 4- or 5-cent tax on gasoline on top of the existing taxes and the expected increase in the price due to the change in the wellhead price of oil, would have been a hardship without necessarily providing a disincentive for gasoline consumption.

I feel that the natural gas pricing policy in the bill goes a long way toward improving the incentive of natural gas producers to attempt new production and to bring low-producing wells on line. The estimates for the price of natural gas in the first quarter of 1978 is $1.75 per million Btu's. Since the price thereafter is tied to the price of oil, it is expected to rise at least 10 percent per year. This should provide a gradual increase that can be absorbed by increased conservation methods or avoided by conversion to other fuel sources.

Although I voted against an amendment to deregulate the price of natural gas, I agreed with the House decision to widen the definition of new gas to include that which comes from reservoirs determined to be new by the appropriate State agency even though the distance and depth requirements set for new reservoirs were not met. This means that small neighboring reservoirs, such as are frequently found in Montana, would be correctly considered as new when separate wells were drilled. I felt that this fair definition—and the price increases already in the bill—would provide a sufficient incentive at this time. The lifting of all controls on new natural gas envisioned by the deregulation amendment would have subjected both producers and consumers to the vagaries of a frequently volatile market.

The bill also provides for required conversion by powerplants using oil or gas to coal with some exemptions for environmental or cost reasons. An oil and gas business user tax would be levied against other industrial users of oil and gas to encourage conversion or, at least, conservation.

The home weatherization program portion of the bill would require utilities to inform residential customers of suggested energy saving measures for homes and the savings likely to be realized by such measures. States are also required to provide the lists of suppliers of weatherization materials, contractors for weatherization work and lenders. These lists would be given to the utility companies to pass along to their customers.

A 20-percent income tax credit would be available until December of 1984 for weatherization costs up to $2,000. The maximum amount of credit would be $400. The maximum amount available for solar or wind energy equipment would be $2,150. Tax incentives similar to those allowed to oil and gas production would be extended to geothermal steam wells.

The gas guzzler tax will dissuade automobile manufacturers from producing energy inefficient automobiles starting with 1979 models. Many people have misunderstood this tax to mean that cars currently owned would be subject to it. This is not true. It will only affect newly manufactured automobiles. This tax might never have to be collected if manufacturers do their best to improve the fuel efficiency of their cars quickly.

The bill provides for a tax to bring domestic oil prices up to the world price in three stages. I felt that a small amount of this tax money should go to the producers of oil to provide an incentive to find and produce more oil. This would help to reduce America's reliance of foreign oil and to improve to balance of payments. I voted for an amendment that would have returned up to 6 percent of the tax to those producers—independents who are the major "finders" of oil—when they can show that more than a quarter of their gross production income was used for exploration costs. This return would have lasted only 1 year and would not have affected the price of oil since it would have come from the tax already levied. This amendment was defeated by 25 votes.

The passage of this bill is only the beginning of our national attempt to cope with our growing energy needs in the face of a limited amount of oil, gas and even coal. Our most imaginative and creative minds must be put to work developing ways to convert our energy usage to renewable sources without disrupting our economy. Stronger measures may have to be taken to encourage conservation of energy. Interim incentives must be provided for the orderly development of the remaining oil, gas and coal. There is still much work ahead.

Mr. EMORY. Mr. Chairman, today final consideration of the National Energy Act and the GOP substitute bill are before the House. A comprehensive energy bill should address the following two general areas; first, conservation and more efficient use of available resources, and second, incentives for increased production through further exploration for fossil fuels and development of alternatives.

Neither the Democrat nor Republican version has comprehensively addressed both those areas. Therefore, I am not fully satisfied with either version, and this has made my votes on amendments and final passage extremely difficult. At this time, I would like to comment on positive and negative aspects of both bills.

The Republican alternative, H.R. 8555, bases itself on a free market philosophy, which I believe provides the fairest and most rational incentives for accomplishing a specific goal. Market pricing of both oil and gas would encourage maximum conservation, development, and use of alternative fuel sources where they are economically desirable, and a reduction in our demand for higher-priced, unstable foreign energy sources.

I strongly supported the provisions for deregulation of natural gas contained in

the Republican substitute. In the bill, coal conversion is encouraged through the establishment of an energy trust fund from crude oil pricing and tax policies to encourage coal conversion. Deregulation of fossil fuels would probably result in substantial voluntary coal conversion.

I am opposed to the crude oil equalization tax, especially the form it takes in H.R. 8444. Raising the price of the lowest tier oil to consumers through a tax and then rebating the entire tax to all consumers is an exercise in increasing Federal bureaucracy at its best. There is no doubt that the taxpayers would all like a $22 tax rebate at the end of the year, but such a rebate will do absolutely nothing to encourage increased production or the development of the alternatives we must have to replace our present consumption of nonrenewable fuel sources. If the crude oil equalization tax—$1.5 billion in 1978—must be imposed, a substantial portion of that money should be devoted to developing alternatives. The Republican substitute, H.R. 8555, proposed that 65 percent of the net revenues be earmarked for synthetic fuels. To offset the detrimental effect this tax will have on real personal income, the GOP substitute will implement an across-the-board income tax reduction for 1978 and a rebate restricted to home heating oil users.

The two glaring weaknesses of the Republican substitute are, first, the total lack of tax incentives for weatherization, conservation equipment, and installation of solar equipment and second, the 50-percent plowback provision. Conservation incentives are very important to both business and the residential consumer. The Maine people have invested substantial money and interest in wood, solar, small-site hydro, and conservation measures, and I would like to encourage its continuation through tax incentives. I also strongly object to the 50-percent plowback that is allowed as an incentive for oil producers to increase exploration and production. A 50-percent tax credit is excessive, expensive, and unnecessary.

H.R. 8444 provides tangible tax incentives for residential and business conservation measures. Federal grants and loans will help schools, health care facilities, State and local governments to begin energy audit and technical assistance programs. Tax credits for solar and wind energy, with the continuation of a strong demonstration program by ERDA, will help us meet the goal of solar energy use in 1.3 million homes by 1985. Overall, the conservation measures contained in this bill are very important. The coal conversion provisions granting an additional 10-percent tax credit to those who convert to coal or any other nonfossil fuel alternative including wood and garbage should be a strong incentive.

In summary, an energy bill must address both conservation and production sides of the energy issue. Unfortunately, each bill addressed itself to only one issue. H.R. 8444 concerned itself totally with conservation incentives and neglected the production side of the picture. Such a narrow view will only help save a dwindling resource, but it provides no hope for the future. H.R. 8555 addressed the production side of the energy picture with deregulation of natural gas and an energy trust fund for synthetic fuels, but contained no specific conservation measures.

To provide a balanced energy program, many aspects of both bills should be combined. I voted for H.R. 8555 because of its strong production incentives, and I also voted for final passage of H.R. 8444 because of is strong conservation measures. I would hope that passage of this bill will be the beginning of our concern with energy legislation, and that future efforts will be specifically devoted to increasing production incentives. This will be our only hope in the long run.

Mr. DODD. Mr. Chairman, today we continue consideration of perhaps the most far-reaching and complex piece of legislation that has come before the House in most of our lifetimes, the National Energy Act of 1977.

In reality this is not one bill, but instead more than 100 different legislative proposals almost all of which represent a substantial departure from existing policy. When the combined effect of these measures is considered, the changes that will result in our economy and almost every aspect of our way of life are truly enormous.

These changes are, however, long overdue. In recent years it has become more and more evident that the era of low-cost energy resources has come to an end. No longer can our Nation pursue economic policies which are based on the availability of an unlimited supply of cheap oil and natural gas. Instead, we must confront the realities of our energy situation—domestic supplies of oil and gas are not sufficient to meet our needs if we continue to consume energy at current rates, and our dependence on expensive sources of foreign oil and gas has increased steadily over the past few years. In the first 4 months of 1976, we imported 12 percent more fossil fuels than in the comparable period of 1975, and in the first 4 months of 1977 we imported 31 percent more than in the same period in 1976.

Unless we can reduce the annual growth rate in our consumption from its current level of 4 to 2 percent in of 1985, we are going to find ourselves facing either a critical shortage of domestic supplies, or a crippling deficit in our balance of trade coupled by the uncertainty of dealing with the OPEC cartel.

Therefore, in this legislation we are pursuing the goal of energy conservation but also the equally important goal of alternative energy development. Without the development of alternative forms of energy resources which can be substituted for our rapidly dwindling supplies of oil and gas, the ability of our Nation's economy to grow is severely restricted, and the quality of life that our people will have to enjoy in the future is further threatened.

It is a difficult goal that we have set for ourselves, but one which we dare not fail to achieve. The effect of this past winter's record cold weather on our Nation's balance of payments has demonstrated how greatly the economy has been restrained by our failure to solve the problem of our dependence on foreign energy supplies. Largely due to our purchase of foreign energy resources, our Nation has experienced 13 consecutive months of trade deficits, with the possibility that the overall trade deficit may reach $25 billion in 1977, the previous high for any single year being $6.4 billion in 1972. Were it not for oil, the United States would run a substantial trade surplus, but our oil purchases are expected to climb to $40 billion this year.

Mr. Chairman, we in New England and my State of Connecticut have felt the effects of high-cost energy probably more than any other area. At the moment, our region pays between 20 and 30 percent higher fuel prices than the national average due to the fact that we use relatively little inexpensive natural gas and a great deal of high-priced foreign oil. The higher cost of energy in New England represents a significant burden for business and industry that has found it increasingly difficult in recent years to compete with business located in other areas where the cost of energy is lower.

While experience will undoubtedly reveal those areas in which the bill before us fails to solve these problems, I do believe that it contains those elements which are needed to reduce our consumption of oil and gas and to encourage alternative energy development.

Chief among these are the provisions of the bill which are designed to encourage conservation by raising the price of domestically produced crude oil and new natural gas. The Crude Oil Equalization Tax would be phased in over a 3-year period and would eventually increase the price of domestically produced crude oil to the world price level.

To avoid the inequities which would otherwise arise from such a rapid price rise, the provision contains an exemption for individuals, churches, schools, and hospitals that must use oil for heating purposes. The revenues received from the tax would be returned in the form of a tax rebate to all heads of household.

Mr. Chairman, I believe that the Crude Oil Equalization Tax represents a fair way of forcing consumers to make a choice between the essential and nonessential uses of oil, while at the same time preventing the oil companies from realizing huge profit increases at the taxpayers' expense.

In addition, this provision will mean that the rest of the country will now have to pay the same high price for oil that we in New England have had to pay for a long time. The Northeastern economy will finally be relieved of the competitive disadvantage that has plagued it for so many years as a result of its disproportionately high energy costs.

In order to encourage conservation of natural gas, the bill provides for a similar increase in the price of new natural gas. Gas in the intrastate market, which is not controlled, is presently selling for about $2 per mcf, and it was necessary during last winter's natural gas shortage in parts of the East and the Midwest to pass special legislation

allowing distressed interstate suppliers of natural gas to purchase the gas they needed from intrastate suppliers at the uncontrolled price.

Few would argue that the federally controlled price of interstate gas is artificially low and in the past actually has encouraged people to use natural gas in a wasteful way. In more recent years, price controls have caused gas suppliers to divert their supplies from the interstate market to the intrastate market where they sell their product at a higher price.

This practice has resulted in the irrational use of natural gas given its limited supply. Last winter while high priority users—as well as most large industries in Ohio, Illinois, and Indiana—were closed due to the unavailability of natural gas, natural gas was being used in the State of Texas, where most of our supply of this resource is produced, for the low priority use of generating electricity.

Under the provisions of this bill, the interstate and intrastate price of gas would be equalized, low priority usage of natural gas will be prohibited, and therefore such inconsistencies in our natural gas policy will no longer be allowed to occur.

Mr. Chairman, while I believe the bill's provisions for increases in the price of crude oil and natural gas are equitable and necessary in order to discourage consumption I would like to express my strong opposition to the Ad Hoc Energy Committee amendment which seeks to impose an additional 4 cents-a-gallon tax on gasoline. Such a tax is designed to reduce this country's overall consumption of gasoline, but it is already a foregone conclusion that it is both ineffective and unfair. It has been well established that the consumption of gasoline is highly inelastic—in other words, even a large increase in the cost per gallon will not result in a significant decrease in the quantity consumed. Treasury Secretary Blumenthal actually admitted that the gas tax would not contribute to the reduction of gasoline consumption in his testimony before the House Ways and Means Committee.

Thus, while the imposition of such tax will do very little to further the goal of reduced consumption, it will indeed go a long way to penalize in a most unjust fashion a large number of Americans. It is undeniable that the vastness of the distances in this country has a great deal to do with our dependence on the automobile—and many individuals must travel these distances not for purposes of pleasure, but simply in order to reach their place of work each day. To tax those who must use their cars out of necessity rather than choice, either because they live in rural areas where no public transportation is available, or because their livelihood depends on it, is an unconscionable act. Not only would this additional 4 cent tax strike blindly against all motorists, but it would also strike hardest against those who can afford it the least—the lower and middle income families of this country.

In my congressional district which includes all of eastern Connecticut, studies have shown that 2,000 people travel 100 or more miles a day going to and from their jobs. There are 60 small cities and towns in my district with literally no means of transportation other than the private automobile. Therefore, for my constituents, a tax on gasoline would not represent an incentive to develop a mass transit system, but instead would only be a burden which I sincerely believe they should not be asked to bear.

I urge all of my colleagues to reject this amendment offered by the Ad Hoc Committee on Energy: the Energy Act is a progressive piece of legislation; let us not mar it by imposing a tax which cannot be targeted to achieve the desired results but can only punish millions of Americans regardless of why, or where, they are driving their automobiles.

Mr. Chairman, I would also like to state my opposition to the home weatherization income tax credit presently included in H.R. 8444, as well as to the Ad Hoc Energy Committee's proposed amendment extending even further the time period during which the taxpayer will be able to claim this generous credit. If I may so, Mr. Chairman, this credit which would allow individuals to claim a 20 percent income tax credit for energy conserving modifications to their principal residence, makes, in my opinion, precious little sense.

Federal encouragement of all possible conservation measures is indeed crucial to the success of our overall energy program, but giving people credit for taking steps to reduce their utility bills seems to take the Federal role one step too far in the wrong direction.

The income tax credit provision is tantamount to giving a double benefit to those individuals and families who can afford to insulate their homes in the first place, and who will be doing so to their own advantage anyway since weatherization equipment will result in substantial long-term savings.

The credit will result in a decrease in Federal revenues received from those taxpayers who need no compensation for doing what is clearly in their best interest, and for this reason, Mr. Chairman, I must oppose it.

I supported an amendment by my colleagues, Representatives STARK, JACOBS, and KEYS, to delete this tax credit, and I regret that the Rules Committee, during its consideration of the rule on H.R. 8444, did not support my motion to allow this amendment to be debated on the floor, and voted on by all Members of this House.

I do want to make clear, Mr. Chairman, that while I oppose what I see as an unnecessary break for the affluent of this country, I strongly endorse the provisions allowing for the extension of Federal grants and loans to low-income families who wish to install weatherization equipment in their homes. Any expenditure of capital represents for many of these families a sacrifice of other essential goods and services, and I believe that we should provide them with the assistance that they need in order to take part in our nationwide conservation effort. Our country as a whole, not just a small number of upper-income families, stands to gain from such a grant and loan program, and therefore its inclusion in H.R. 8444 is both a justified and welcome provision.

Mr. Chairman, at this time I would like to express my strong support for two sections of the bill which have not received a great deal of public attention, yet which I believe will significantly help restore fairness to the prices which utilities charge their customers. Part 5 of title I of the bill pertaining to public utility regulatory policies strictly limits the ability of utilities to charge their customers rates that have not been approved by the Federal Power Commission and establishes a new program for the construction of small hydroelectric projects on existing dams.

Mr. Chairman, at the beginning of my statement I said that the era of low-cost energy was over. Well, largely due to cumbersome and time-consuming Federal regulations, there never has really been a period of low-cost, or even fairly-priced, electricity available from FPC regulated utilities. It is one thing when scarce resources and the high cost of production push the cost of energy higher. However, when higher prices result from bureaucratic delays in deciding important rate questions, such as presently occurs at the FPC, the public's confidence in the Government's ability to act fairly and effectively in solving our energy problems is seriously threatened. Additionally, from an economic standpoint, we should seek to reduce such cost pressures, especially if they are not justified, because of their potentially inflationary impact.

Last year, in testimony before the Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce, I recommended reform of the FPC's electric utility rate regulations which I believe would effectively deal with these bureaucratic problems.

The problems in electric ratemaking first came to my attention a little over a year ago when I became involved—ultimately as an intervenor—in an electric rate increase case which is pending before the Federal Power Commission. I was appalled by the delays and inequities fostered by current FPC regulations.

Mr. Chairman, at present there are 118 electric rate increase cases representing $640 million annually pending before the FPC. These are electric rates which are in effect, which customers are already paying, but for which a final decision on lawfulness has not been rendered.

Current provisions of the Federal Power Act allow up to a 5-month suspension of new rates, if the Commission so orders, and give the Commission authority to order rebates if and when the decision comes after the rate has gone into effect and the rate is determined to be excessive. I understand that congressional intent underlying this portion of the Federal Power Act, some 41 years ago, was that the 5-month suspension period would allow the Commission to conduct and to complete proceedings on a new rate filing and determine its lawfulness before permitting it to be charged to customers.

At present, however, an average rate

proceeding before the Commission consumes well over a year from the date of filing to the date of final decision by the presiding administrative law judge. Many rate schedule filings require 2, 3, or more years to complete, and during most of that time, even if the full 5-month suspension has been ordered—which is atypical—the rate is in effect and customers are required to pay the questionable charge.

The process through which rebates may be ordered is a problem as well. Although a public utility may find it quite easy to keep records on their wholesale buyers and issue refunds on an excessive rate if the Commission so orders, it is often very difficult for the electric company to pass these refunds along to their retail customers—the ultimate consumers—since, because of the lengthy proceedings on the case, many may be deceased, unable to be located, or otherwise unable to be recompensated.

The present ratemaking procedure, by allowing any rate filed to go into effect 5 months or less after filing, also acts as an incentive for the petitioning utility to intentionally file one or more inflated rate proposals, knowing they can collect these excessive rates for years even if it is unlawful. This procedure also provides incentives for the petitioning utility to attempt to delay Commission proceedings on their rate filing if there is any question as to what the final holding will be, in order to keep the high rate in effect for as long as possible. Clearly, it is in the public utility's interest to delay a possible negative decision on one of their rate proposals—they are already collecting the rate—but it is very contrary to the interests of the purchasers.

I am an intervenor in an electric rate increase proposal which was filed by Connecticut Light & Power Co. on December 2, 1975, and which is in its preliminary stages of hearing. This is the most recent of three rate increase proposals by Connecticut Light & Power, all of which are still pending final decision. The first of these was filed on June 16, 1972, and has been charged to customers since January 16, 1973. Despite the more than 4 years of elapsed time—an unconscionable delay for the customers to bear, to my way of thinking—there has been no final decision on the lawfulness of the rate. In addition, commission regulations have permitted Connecticut Light & Power Co. to file and begin collecting on the two more recent rate increase proposals. The result has been an average price increase of 40 percent over the last year.

The bill before us would resolve this problem by eliminating incentive for public utilities to file inflated rate proposals by requiring suspension of new rate proposals until such time as a final decision is rendered, and this decision holds the proposed schedule as being lawful.

Since these revisions might serve to encourage intervenors to employ delaying tactics in order to prevent a proposed rate from going into effect, the bill also authorizes the Commission to order interim rate increases or decreases after 5 months have elapsed since the filing date, if records on file with the Commission demonstrate the need for such a change in the rate schedule.

Mr. Chairman, the reform of electric rate regulation is long overdue. The provisions of this bill will be very effective, I think, in assuring conservation of energy, reasonable and appropriate regulation of rates, and the provision of electric power to all customers at the lowest possible cost.

And finally, Mr. Chairman, I would like to offer some comments in support of section 586 of H.R. 8444. This section would establish a Federal grant program to allow municipalities, electric cooperatives, industrial development agencies, and nonprofit organizations to undertake the development of small hydroelectric projects throughout the Nation.

Hydroelectric power as an alternative source of energy can help provide both rural and urban areas with a clean and inexpensive source of electric power. It is a renewable source of energy, more easily converted for conventional use on a large scale than solar energy, and less controversial than nuclear power. The U.S. commitment to developing a viable alternative to our increasing reliance on fuel oil compels us to develop such sources as hydropower whenever feasible.

There are an estimated 40,000 existing dams of moderate size throughout the United States which could be utilized in the production of hydropower. Because of the existence of these structures, and the fact that in many cases preliminary studies on the feasibility of development of hydropower at these sites have already been done, cost and environmental impact would be minimal. Turbine technology has made hydropower a much more efficient source of energy than it was years ago, and smaller dams can be utilized to derive power from our waterways and rivers. We cannot afford to allow this resource to remain undeveloped. Hydropower is one of the few remaining indigenous sources of renewable, inexpensive fuels which the United States can easily tap.

While virtually every region of the country stands to benefit from the development of hydropower, this fuel source will prove especially valuable to those areas of the country where energy costs are especially high. The Northeast, for example, has the highest energy costs in the Nation, and at the same time has one of the country's greatest potential for the development of small hydroplants. We in New England must import all of our energy with the exception of 7 percent generated by hydropower plants already in existence and a minimal amount derived from nuclear power sources. While 21 percent of the area's petroleum is imported from other parts of the Nation, 79 percent must come from foreign sources. This of course puts New England—and the rest of the Nation—in the uncomfortable position of being dependent upon outside sources for its prosperity and well-being. New England's sagging economy is sad testimony of the effect of the lack of inexpensive, readily available fuel on every aspect of our country's economic and social existence. The development of hydropower in the area would serve as a boon to the regional economy and would reduce our reliance on imported fuels.

Because of the region's disproportionately high energy costs, alternative sources of energy have been sought in recent years, and many hydroelectric feasibility studies have already been initiated or completed. Hydropower was found to be more than cost-effective in many instances, but not within the range of affordability for small municipalities. With the Federal funding provided for under section 586, development of this long-dormant resource would be relatively easy. Such development would enable New England to be at least partially self-sustaining in energy. The conversion of many small dams along the Connecticut and Thames Rivers, for example, and the utilization of canal systems in a number of older industrial cities should have a revitalizing effect on many municipalities. It is generally accepted that the unavailability of cheap fuel has been responsible for the departure of many businesses and industry from the area over the last several years, and the development of an indigenous source of renewable fuel in the area could go a long way towards reversing this trend.

Mr. Chairman, hydroelectric power is a valuable source of fuel which until now has been largely overlooked as an alternative io petroleum or natural gas. This supplement to our other sources of energy must be developed as quickly as possible if we are to meet our commitment as a nation to utilize every form of efficient and safe energy available to us in order to reduce our dependence on imported fuel and to stretch the world's supply of finite resources such as fossil fuels. The concept of locally produced power, the generation of which is clean and inexpensive, should set the tone for our energy production in years to come. Hydropower will help to alleviate many regional energy problems, will supplement existing supplies, and will reduce our dependence on the OPEC countries.

Mr. Chairman, I appreciate having the opportunity to express my views on these important matters before us. It is a monumental task which we in the Congress have before us—the job of developing a comprehensive and cohesive energy policy which will ensure adequate supplies of inexpensive and efficient fuel for our Nation, and which will guarantee our independence from the whims of foreign energy cartels, will prove to be a difficult one. The legislation which the Congress is presently considering goes a long way towards achieving these goals, and I feel that those provisions on which I have spoken today are essential to meeting the ends which we as legislators have put forth. I thank you again for your time, and that of the committee.

Mr. McDADE. Mr. Chairman, I rise in strong support of the motion to recommit H.R. 8444, the National Energy Act, and object most strenuously to the roughly $40 billion in new taxes being imposed on the American people.

The National Energy Act that currently stands before us is a tax measure designed to raise revenues rather than to solve our energy problem and perpetrates a fraud on the American public.

Just today in the Washington Post an article carrying the byline of Myra McPherson quotes the Carter administration as looking at this new $40 billion tax package as a way of reallocating money toward the President's yet to be announced welfare program. The Members of this body just a few short hours ago rejected a 4-cent tax on gasoline at the pump as well as a 5-cent tax on gasoline not designed to encourage conservation but alternately for the purposes of generating revenues that would be more appropriately addressed as the Congress normally does—in bills involved in highway trust funds, mass transit and other items. As deceiving as they are, these proposals do not really represent the magnitude of the new tax burden the administration proposes to put on the American public.

A great deal of the petroleum sold in this country is sold at $5.25 per barrel. Out of that barrel of petroleum and through the refining process is derived: gasoline, diesel oil, jet fuel, home heating oil, feedstocks for fertilizers, synthetics for clothes, feedstocks for petrochemicals, and a variety of other products. All of them affect deeply the cost of basic necessities: food, shelter, heating, electricity, transportation, in short, a web of costs that runs through the fabric of American life.

Through the tax proposals, this administration is going to increase by approximately 300 percent the cost of that $5.25 barrel of oil. Through these taxes the Carter administration is going to raise the price of all petroleum produced in the country at the price set by the OPEC nations in a cartel which, if attempted in this Nation, would be subject to criminal action. If this motion to recommit fails I should be forced to vote against the entire administration's proposal much as I favor items like the tax credit for home insulation as a legitimate effort at conservation which I have supported many times in the past. This part of the program is sound, has my support, the administration my commendation for it. The Congressional Budget Office estimates that each barrel saved under this residential insulation tax credit program costs but $2.40 and as we all know, every barrel saved is equivalent to a barrel produced.

Mr. Chairman, my constituency has suffered the ravages of inflation as has the rest of our Nation. The trebling of the price of these products by the OPEC nations is the major contributor to inflation. The artificially imposed price of petroleum and petroleum derivatives has produced a ripple effect throughout our economy. Now the administration proposes to follow that same course by tripling the price of petroleum and petroleum by-products through taxes.

The major inflationary forces that have racked our Nation have occurred because of increases in the past in the price of energy, food, health care, housing, utility bills, and the cost of transportation. We should recognize, of course, that the cost of energy dramatically affects all of the above which are not luxuries but necessities of life. They will fall most heavily upon the elderly, upon the poor, and upon the middle income. To quote a distinguished enocomist:

> The narrowness of the average household's ability to adjust to higher energy prices combines with the very high frequencies of energy purchases to make the impact of energy inflation even greater than the numbers suggest.

Until the Carter administration recognizes that programs must be directed at controlling rampant inflation among necessities this Nation will have continuing economic problems. So far in the energy field the Carter administration has given us a tax on coal, proposed a 50-cent tax per gallon on gasoline, proposed $40 billion in taxes on most of the petroleum produced in the United States.

And, I repeat, increased taxes on these necessities exert dreadful inflationary pressures on the fabric of the American economy whether it be on the farm, at the market, at the gasoline pump, the cost of heating a home, cost of electricity, cost of food, cost of transportation, and so many other items that the average American must attempt to cope with.

All of these taxes produce nothing new in the form of energy but higher costs and I cannot support them.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this 5 minutes first to repeat what was said before the last vote, remarks which many of the Members missed, and that was on behalf of the gentleman from Illinois (Mr. ANDERSON), who is the ranking Republican on the ad hoc committee and who has laryngitis and can barely speak, and myself, and the gentleman from Wisconsin (Mr. STEIGER) and the gentleman from New York (Mr. CONABLE), and others on our side who handled the legislation in the absence of the gentleman from Illinois, to express our appreciation to the gentleman from Ohio (Mr. ASHLEY) for the way he has conducted not only the consideration we have had on the floor but also the consideration that was given the minority in the ad hoc committee.

Mr. Chairman, I take this time also to advise what the motion to recommit will be that will be offered shortly by the gentleman from Wisconsin (Mr. STEIGER), a member of the Ways and Means Committee. It will be a very simple motion to recommit. It strikes the crude oil equalization tax from the bill. That is a tax of $39 billion, a new tax drawn to raise the price of old oil from $5.15 per barrel to $14.50 per barrel for the consumer, and the price of new oil from $11.03 per barrel to $14.50 per barrel in the next 3 years, by taxes. All of it will go to the Federal Government in taxes.

Lest the Members pass this off lightly, let me observe to the Members that it is a $600 a year tax for the average American family. For the average taxpayer who pays $1,800 a year in Federal taxes, that is a 30-plus-percent increase in his taxes in this crude oil equalization tax. It is 7 cents a mile on gasoline, extra costs on the suit that is made out of synthetics, extra costs on the products that one buys at the grocery store that are wrapped in plastics made out of synthetics.

When we mix economics and politics we frequently get into the business of who is hurt, who is to blame, and who is the beneficiary.

Let me speak on a little recent history. Between 1972 and 1974 the price of imported oil in the United States, that which we needed, the 29 percent of our oil, jumped from $3 billion to $24 billion. That was an increase of $21 billion because the OPEC nations raised the price on us during that period of time.

This increase is an increase of $39 billion over a 3-year period. The impact of that is essentially the same. The money does not go to produce new domestic production. It goes to taxes. It is taken out of our economy, from the taxpayer, from the individual and the family, and it will hurt him and it will have an impact on our economy.

The last $21 billion increase in a 2-year period brought on the worst recession we have had since 1933. This $39 billion increase over the next 3 years will also have an impact on our economy.

Where is the money to go? This morning the Washington Post said that the reason the Chairman advised Mr. Carter not to talk about his new welfare plan until after we left town was because it might have some impact on the energy bill. There is a copy of that little clipping floating around the floor I think, but the point of it is that the $39 billion at this point is not spoken for.

What will it be used for? I do not know. But I can tell the Members I do not want my constituents saying to me:

> We understand why the Arabs took the money and raised the prices. Please explain to us why the Congress took the money and raised the prices and had an impact on our economy over the next couple of years.

Mr. Chairman, I do not want to have to explain that. I am going to vote for the motion to recommit.

Mr. MILFORD. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the bill.

Mr. Chairman, we are about to vote on the so-called energy bill, that every American has heard so much about during the past several months. The President is for it; the Speaker is for it; and, the House leadership is for it. According to what I read in the papers, the Democrats are for it.

And here stands DALE MILFORD, a Democrat, from Bug Tussle, Tex., who is going to vote against it.

Since most of my constituents believe in our President, most of them love our House leadership—I am proud to share and serve Tarrant County with Majority Leader Jim Wright—and most of my constituents are Democrats. They may therefore wonder why I am "bucking the traces" and voting against my friends.

I would respond that I am not going to

vote "against" my friends; I will simply disagree with them. I am fortunate to be a resident of the great Southwest where most of us know and understand the problems involved in producing oil and gas. Our Democratic friends, in other parts of the Nation, have not been blessed with knowledge that we take for granted in our part of the country.

The energy bill is a failure, not because the President or the Democrats were "for it," but because it ignores the facts of life about the production of gas and oil.

Both the President and my Democratic colleagues in the House of Representatives are good solid citizens of this Nation. They voted as they believed best. Unfortunately, they literally "know not what they did." They were motivated by wanting to protect the poor and to help the working man. Certainly I share that goal. I simply do not feel that the present energy bill is going to accomplish it.

Mr. Chairman, I would like my constituents to know why I voted against this bill.

The most controversial section dealt with deregulation of natural gas. Like many of my colleagues, I am concerned with the fact that some parts of the country suffered severe gas shortages last winter and probably face the same fate this winter. Consequently, every effort should be made to insure that there is an adequate supply of natural gas to meet this demand. I feel strongly that the Brown-Krueger-Wirth gas deregulation amendment would have achieved that goal. However, this amendment, which I supported, was defeated. The bill therefore provides no incentive for gas producers to invest the necessary capital to go after new natural gas sources.

An amendment that would have permitted oil and gas producers to recover a portion of the "crude equalization tax" for qualified investments in exploration was also defeated. Again the message was sent to the oil industry to, "do and spend what it takes to increase domestic production, but not to expect anything in return."

It can be said that this bill is basically a tax bill. Prices on oil and gas will be taxed upward allegedly to induce conservation. This does not produce additional energy supplies to assure that industry will be able to operate without interruption during the cold months. This does not help the poor and workingman who suddenly finds his energy needs cannot be fulfilled. However, this does levy an additional 7-cent-per-gallon tax on each person that must use his automobile.

In general, I do not feel this bill will accomplish the goals it set out to achieve. Conservation of energy is necessary, but that alone will not remedy our need for additional energy. Furthermore, the bill does not really foster conservation. By not properly addressing the issue of domestic production, we will continue to rely heavily on imported oil and will have to live with the consequences that that entails.

We are not only increasing our use of very expensive Arab oil, this bill also makes the cost of domestic crude equal to the cost of the Arab oil.

Texans should also be aware of a very unfair feature that was a part of this bill. In our part of the Nation, we are dependent upon the automobile to make a living. We have no mass transit facilities that will get us to and from work. In the Northeast and the Midwest, those folks must use oil to heat their homes during winter. Our usage of oil to drive our automobiles is about equal to the usage of heating oil in the Northeast and Midwest. Therefore if a crude oil tax was necessary, the same tax should be applied to all citizens of this Nation.

The energy bill did not levy the tax fairly. All automobile drivers had to pay the full cost of the crude equalization tax at the rate of 7 cents per gallon. People using heating oil were exempt from paying the tax. Therefore, people living across the South, who do not use heating oil in winter, had to bear the brunt of the crude equalization tax.

Mr. Chairman, in summary, the so-called energy bill was, in fact, a tax bill. It was a vicious tax bill. Over the next 3 years, it will tax Americans—mostly in the South—over $39 billion. That amounts to a 7 cent tax on each gallon of gasoline that my constituents will purchase. Or putting it another way, it will cost every American man, woman, and child $600. Or, putting it in another form, this amounts to an increase of 30 percent in the average American's income taxes.

I shall vote against this bill.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, during the long procession of speakers yesterday on the issue of the gasoline tax, a broad spectrum of opinion in this House, ranging from the gentleman from California (Mr. DELLUMS) to the gentleman from Maryland now speaking, spoke out against the gasoline tax as regressive and cruel to the American people.

Now, if any of us meant what we said in our opposition to taxes yesterday and if we were truly concerned about the hardships we detailed in our individual districts and collectively in the Nation, there is no way in which we can justify a vote in favor of the crude oil equalization tax now before us.

The gentleman from Ohio (Mr. BROWN) has just pointed out the considerable impact on each and every one of our constituents.

We were told a few moments ago by the gentleman from Michigan (Mr. DINGELL) that the gentleman's concern was for the suffering imposed upon the American consumer. The gentleman talked about billions of dollars, not millions, being laid on the backs of these same taxpayers.

This motion to recommit is a motion that addresses itself to whether we have some concern for those consumers.

The gentleman also referred to the fact that there was no stick in the Republican substitute to whip people into line for energy conservation. This motion to recommit will remove the most nervous stick from the hands of Government bureaucrats that otherwise will be laid on the back of every one of our constituents, raising the price of a gallon of gasoline by 7 cents, diesel fuel by 7 cents; home heating oil by 7 cents, all to be raised for no purpose.

I would hope that everyone who stood so firmly for no unnecessary taxation yesterday will vote against taxation today. The principle is exactly the same. If you do not, you must accept the blame for one of the greatest single tax increases in American history—the Carter tax increase.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I would like to ask my colleague, the gentleman from Ohio (Mr. BROWN) a question.

My understanding is that this bill before us (H.R. 8444) does absolutely nothing to stop the heavy importation of oil from foreign countries. On the other hand the motion to recommit does far more to lessen our dependence on foreign crude oil and improve the climate in our own country for the production on new supplies. Could the gentleman explain to the House why that is?

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield, the crude oil equalization tax at $39 billion merely raises the price to the world price of oil and the price of domestic oil and natural gas liquids, whether that is old or new oil just to get the price up so that consumers will be discouraged from using the product. It does nothing to encourage producing additional energy.

Mr. ROUSSELOT. So those who have been concerned about the heavy importation of oil from foreign countries should clearly vote for the motion to recommit.

Mr. BROWN of Ohio. To the Arab prices, it tracks Arab prices; it just gets domestic prices up to the OPEC price.

Mr. ROUSSELOT. So the better alternative is the motion to recommit, because H.R. 8444, the ad hoc committee bill, does nothing to stop the heavy importation of high priced foreign oil, is that correct?

Mr. BROWN of Ohio. There is nothing in the bill that I see that will stop this, as a matter of fact, because that money goes to the Government. It does not encourage any exploration or production. The result will be that production and exploration will continue to go down, as it has.

Mr. ROUSSELOT. So all the arguments that have been made that this is going to help domestic production by placing great restraints on consumer demand and slowing our reliance on foreign supplies are not true?

Mr. BROWN of Ohio. I do not know that those arguments have been made.

Mr. ROUSSELOT. We have heard those ideas advanced during the debate on H.R. 8444, the President's energy program, by the advocates who suppose that the so-called conservation programs contained in the bill will slow down our dependence on foreign oil supplies. The

crude oil equalization tax in H.R. 8444 will not decrease foreign imports by a single barrel. Therefore, the supposed restraints on our reliance on high-priced foreign oil will not occur.

Additionally as has already been pointed out the crude oil equalization tax is far more than a gasoline tax in diguise; it will raise the price of gasoline by 7 cents a gallon—it will raise the price of diesel fuel by 7 cents a gallon—it will raise the price of residential fuel oil by 7 cents a gallon—it will raise the price of home heating oil by 7 cents a gallon—it will raise the price of jet and aviation fuel by 7 cents a gallon, and who will these prices hit the hardest? The wage-earners of our country, the small farmers, the small businesses, and the individual homeowners who utilize home heating oil. In other words, the affected people will be the middle- and low-income groups in our country. So this is not a conservation measure, it is a tax-raising measure that will encourage the foreign oil importers to flood this country with their products because they can more easily compete with the price of local producers. The people who will catch it in the neck are the consumers.

Mr. BROWN of Ohio. The argument was that we should conserve, should do without.

The CHAIRMAN. There being no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair (Mr. BOLAND) Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8444) to establish a comprehensive national energy policy, pursuant to House Resolution 727, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. EDGAR. Mr. Speaker, I demand a vote on the so-called Horton amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Strike line 5 on page 377 and all that follows, up to and including line 25 on page 386; reletter succeeding subparts accordingly.

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. HORTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 239, nays 180, not voting 14, as follows:

[Roll No. 511]

YEAS—239

Abdnor	Frey	Moss
Addabbo	Fuqua	Murtha
Alexander	Gammage	Myers, Gary
Anderson, Ill.	Gephardt	Myers, John
Andrews, N.C.	Giaimo	Natcher
Andrews, N. Dak.	Gilman	Neal
	Glickman	Nichols
Archer	Goldwater	O'Brien
Armstrong	Goodling	Panetta
Ashbrook	Gradison	Pepper
Badham	Grassley	Pettis
Bafalis	Gudger	Pickle
Barnard	Guyer	Pike
Bauman	Hagedorn	Poage
Beard, Tenn.	Hall	Pritchard
Bevill	Hammer-schmidt	Pursell
Biaggi		Quayle
Bonker	Hanley	Quie
Bowen	Hansen	Quillen
Breaux	Harsha	Railsback
Breckinridge	Heckler	Regula
Brinkley	Hefner	Rinaldo
Brodhead	Hightower	Risenhoover
Broomfield	Hillis	Roberts
Brown, Mich.	Holland	Robinson
Brown, Ohio	Hollenbeck	Rousselot
Broyhill	Horton	Rudd
Buchanan	Hubbard	Runnels
Burgener	Huckaby	Ruppe
Burke, Fla.	Hughes	Russo
Burleson, Tex.	Hyde	Sarasin
Butler	Ichord	Satterfield
Caputo	Ireland	Sawyer
Carney	Jacobs	Schulze
Carter	Jenkins	Sebelius
Cederberg	Johnson, Colo.	Sikes
Chappell	Jones, Okla.	Sisk
Clausen, Don H.	Jordan	Skelton
	Kasten	Skubitz
Clawson, Del	Kazen	Smith, Iowa
Cochran	Kelly	Smith, Nebr.
Cohen	Kemp	Snyder
Coleman	Ketchum	Spence
Collins, Tex.	Kindness	Stangeland
Conable	Krueger	Stanton
Conte	LaFalce	Steed
Conyers	Lagomarsino	Steiger
Corcoran	Latta	Stockman
Coughlin	Leach	Stump
Crane	Leggett	Symms
Cunningham	Lehman	Taylor
D'Amours	Lent	Thone
Daniel, Dan	Long, Md.	Traxler
Daniel, R. W.	Lott	Treen
Danielson	Lujan	Trible
Davis	Luken	Vander Jagt
de la Garza	McClory	Waggonner
Delaney	McCloskey	Walgren
Derwinski	McCormack	Walker
Devine	McDade	Walsh
Dickinson	McDonald	Wampler
Dicks	McEwen	Watkins
Dingell	McHugh	White
Dornan	McKay	Whitehurst
Drinan	Madigan	Whitley
Early	Mahon	Whitten
Edwards, Ala.	Mann	Wiggins
Edwards, Okla.	Marks	Wilson, Bob
Emery	Marlenee	Wilson, C. H.
English	Marriott	Winn
Erlenborn	Martin	Wolff
Ertel	Mathis	Wydler
Evans, Del.	Mattox	Wylie
Evans, Ga.	Milford	Yates
Fenwick	Miller, Ohio	Yatron
Findley	Mitchell, N.Y.	Young, Fla.
Fish	Moakley	Young, Mo.
Flowers	Mollohan	Young, Tex.
Flynt	Montgomery	Zeferetti
Forsythe	Moore	
Fountain	Moorhead, Calif.	
Frenzel		

NAYS—180

Akaka	AuCoin	Blanchard
Allen	Badillo	Blouin
Ambro	Baldus	Boggs
Ammerman	Baucus	Boland
Anderson, Calif.	Beard, R.I.	Bolling
	Bedell	Bonior
Annunzio	Beilenson	Brademas
Applegate	Benjamin	Brooks
Ashley	Bennett	Brown, Calif.
Aspin	Bingham	Burke, Calif.
Burlison, Mo.	Jenrette	Price
Burton, John	Johnson, Calif.	Rahall
Burton, Phillip	Jones, N.C.	Rangel
Byron	Jones, Tenn.	Reuss
Carr	Kastenmeier	Richmond
Cavanaugh	Keys	Rodino
Chisholm	Kildee	Roe
Clay	Kostmayer	Rogers
Cleveland	Krebs	Roncalio
Collins, Ill.	Le Fante	Rooney
Corman	Lederer	Rose
Cornell	Levitas	Rosenthal
Cornwell	Lloyd, Calif.	Rostenkowski
Cotter	Lloyd, Tenn.	Roybal
Dellums	Long, La.	Ryan
Derrick	Lundine	Scheuer
Diggs	McFall	Schroeder
Dodd	Maguire	Seiberling
Downey	Markey	Sharp
Duncan, Oreg.	Mazzoli	Shipley
Duncan, Tenn.	Meeds	Shuster
Eckhardt	Metcalfe	Simon
Edgar	Meyner	Slack
Edwards, Calif.	Mikulski	Solarz
Eilberg	Mikva	Spellman
Evans, Colo.	Miller, Calif.	St Germain
Evans, Ind.	Mineta	Staggers
Fary	Minish	Stark
Fascell	Mitchell, Md.	Steers
Fisher	Moffett	Stokes
Fithian	Moorhead, Pa.	Stratton
Flood	Mottl	Studds
Florio	Murphy, Ill.	Thompson
Foley	Murphy, N.Y.	Thornton
Ford, Mich.	Murphy, Pa.	Tsongas
Ford, Tenn.	Myers, Michael	Tucker
Fowler	Nedzi	Ullman
Fraser	Nix	Van Deerlin
Gaydos	Nolan	Vanik
Ginn	Nowak	Vento
Gore	Oakar	Volkmer
Hamilton	Oberstar	Waxman
Hannaford	Obey	Weaver
Harkin	Ottinger	Weiss
Harrington	Patten	Whalen
Harris	Patterson	Wilson, Tex.
Hawkins	Pattison	Wirth
Heftel	Pease	Wright
Holtzman	Perkins	Zablocki
Howard	Pressler	
Jeffords	Preyer	

NOT VOTING—14

Burke, Mass.	Holt	Santini
Dent	Koch	Teague
Flippo	McKinney	Udall
Gibbons	Michel	Young, Alaska
Gonzalez	Rhodes	

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Burke of Massachusetts against.

Until further notice:

Mrs. Holt with Mr. Dent.
Mr. Rhodes with Mr. Flippo.
Mr. Michel with Mr. Gibbons.
Mr. McKinney with Mr. Gonzalez.
Mr. Udall with Mr. Koch.
Mr. Santini with Mr. Young of Alaska.

Messrs. ANDREWS of North Carolina, GUDGER, and ALEXANDER changed their vote from "nay" to "yea."

Mr. BURLISON of Missouri changed his vote from "yea" to "nay."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. STEIGER

Mr. STEIGER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. STEIGER. After thorough consideration, Mr. Speaker, I am opposed to the bill.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. STEIGER moves to recommit the bill H.R. 8444 to the Ad Hoc Committee on Energy with instructions to report back the same to the House forthwith with the following amendment. Strike out line 12 on page 469 and all that follows through page 512, and renumber subsequent parts accordingly.

The SPEAKER. The gentleman from Wisconsin (Mr. STEIGER) is recognized for 5 minutes.

Mr. STEIGER. Mr. Speaker, it is somewhat easier to explain this since there have been others who have given the speech for me. Therefore, Mr. Speaker, I can be relatively brief although I must say to the distinguished chairman of the ad hoc committee that I have been cautioned by my senior colleagues that the use of a word during the debate, which gives me the name "CATFISH" STEIGER, might be indicative of an unwillingness on the part of the minority to be for a rational energy policy. I trust that is not the case, because the key issue is how, not whether there ought to be one.

Mr. Speaker, the motion to recommit that is before us now offers this body the only real opportunity for a sensible beginning to an energy policy in Congress. We are asking the House to recommit the bill to the ad hoc committee with instructions to strike the crude oil equalization tax and report the bill back forthwith.

The motion is offered, Mr. Speaker, for two reasons. First, because, frankly, there is a great fear as to how the revenues from the tax are to be used. Will they, for example, be used to finance welfare reform? The administration in an article in this morning's Washington Post indicated an intention to move in that direction.

Second, the crude oil equalization tax is an ill conceived proposal which lacks the logical and economic underpinnings which would ordinarily be necessary to justify a tax of this importance.

We feel that the provision is not the heart of the program but rather an unnecessary appendage which, if not removed, could kill the patient, because the crude oil equalization tax is more than a gasoline tax in disguise. The crude oil equalization tax will result in the raising of the price of gasoline by 7 cents per gallon. What nobody has yet dared to say, but which I think desperately needs to be put on the public record, is that the crude oil equalization tax costs for diesel fuel 7 cents, for home heating oil 7 cents, for each gallon of residual fuel oil 7 cents will increase by 7 cents, and every gallon of jet fuel will increase by 7 cents.

These are taxes on fuels which reach deeply into our society, and those who oppose the motion to recommit had better be prepared to justify them.

The crude oil equalization tax, Mr. Speaker, is not conservation effective. We have supported an extension, for example, of tax credits on insulation, because each barrel of oil requires only $2.43 tax credits, but for each barrel of oil conserved as a result of the crude oil equalization tax, the cost is $39.28. There is absolutely no way to justify the crude oil equalization tax as a cost effective conservation measure.

The crude oil equalization tax does not reduce imports by a single barrel of oil. Imports will increase under this plan, and the crude oil equalization tax does nothing to stimulate our Nation's efforts to reduce those imports.

Finally, the crude oil equalization tax is not an energy measure but principally a revenue-raising measure. The rebates are more an illusion than the reality promised in the President's address to this Chamber.

Only 6.5 percent of the crude oil equalization taxes is rebated directly; only 6.3 percent is rebated through home heating oil.

Thus, in 1985, according to the committee report, $20.33 billion will remain in the Federal Treasury, and what it will be used for, we must at this point not be told. We apparently will only follow someone who tells us, "Trust me."

Mr. Speaker, I must say to all of the Members that the debate on the bill has been a fascinating experience for all of us, but I trust the motion to recommit can, in fact, be adopted so that this House not only has a chance to deal more equitably and fairly with energy policy, but then can get to the way we handle it. The President has the opportunity to do that without this tax, for which we get no reduction in imports, for which we get no additional production. If he can do it through the mechanism that exists on the statutes, that can be done with the Congress, and that can get us to a more rational energy policy.

For those who voted yesterday against the gasoline tax, they will have a chance today to vote on another gasoline tax. I urge the Members to vote for the motion to recommit.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. STEIGER. I yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding.

What the gentleman has just said is if one votes against this motion to recommit, he is voting for a 7 cent additional tax on gasoline; is that correct?

Mr. STEIGER. That is correct.

Mr. LATTA. Secondly, the way this provision now stands, there is no exception for agricultural purposes; is that correct?

Mr. STEIGER. That is also correct.

Mr. ULLMAN. Mr. Speaker, I rise in opposition to the motion to recommit.

Mr. Speaker, I am not going to take my full time, but let me start by expressing my appreciation—and I think for all of us—to the Speaker for putting together this package, and to the gentleman from Ohio (Mr. ASHLEY), the chairman of the ad hoc committee, who did a magnificent job, to the gentleman from Missouri (Mr. BOLLING), and all of the others who participated, as well as to the responsible minority.

I think what we have demonstrated here is that we can work out procedures that do solve complex problems that involve several committee jurisdictions. I think we can be proud of the package that we have put together. We have an energy program. We have a new energy direction in this country.

Let me say now, do not spoil it all by voting for this recommittal motion. This motion effectively guts the bill. This is the centerpiece of the program. The equalization tax is the centerpiece of our energy policy. If we do not have the pricing mechanism, we destroy all of the incentives to move toward energy conservation and conversion, and without energy conservation and conversion, we have totally failed in creating an energy policy.

Do not be deceived by this 7-cent business. The best experts that we have available have said that over a 3-year period we may increase the price of gasoline by up to 4 cents per gallon, but that comes to 1½ cents or less per year. Do not be deceived that this will have a devastating impact on the economy. The revenues from the crude oil tax are rebated back into the economy.

We devised the best possible ways that we could think of in order to keep the crude oil tax from having an adverse economic impact. The tax raises the price of energy, which has to be done. It rebates it effectively back into the economy. Let me say this is the centerpiece of the energy program. Vote against the recommittal motion. The Members can be proud, very proud, if they hold it together, of an energy package that will lead this Nation in a new energy direction.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I thank the gentleman for yielding.

I have a report which admittedly was distributed by the Republicans, but it indicates a 7-cent raise in the price of the gasoline tax by 7 cents per gallon on diesel fuel and residential fuel. Is there anything inaccurate about this?

Mr. ULLMAN. I do not know where the information comes from on that handout, but it is false and it is wrong. The best experts that we have, who have done the whole basic research on the energy projection, indicate that 3 cents to 4½ cents per gallon will be the impact on oil prices up to 1980. So this is wrong.

Mr. CHARLES H. WILSON of California. This is a false statement then?

Mr. ULLMAN. That statement is absolutely without foundation.

Let me urge the Members of this body to complete what we have started now, to hold this package together, to vote against the recommittal motion, and then be proud to join in voting for a fine new energy policy for this country.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. STEIGER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken by electronic device, and there were—yeas 203, nays 219, not voting 11, as follows:

[Roll No. 512]

YEAS—203

Abdnor	Flynt	Moss
Allen	Forsythe	Mottl
Anderson, Ill.	Fountain	Myers, Gary
Andrews, N. Dak.	Frenzel	Myers, John
Applegate	Frey	Nichols
Archer	Fuqua	O'Brien
Armstrong	Gammage	Pettis
Ashbrook	Gilman	Pickle
Badham	Goldwater	Poage
Bafalis	Goodling	Pressler
Bauman	Gradison	Pritchard
Beard, Tenn.	Grassley	Pursell
Benjamin	Gudger	Quayle
Bevill	Guyer	Quie
Boggs	Hagedorn	Quillen
Bowen	Hall	Railsback
Breaux	Hammer-schmidt	Regula
Breckinridge	Hansen	Rinaldo
Brinkley	Harsha	Risenhoover
Brooks	Heckler	Roberts
Broomfield	Hefner	Robinson
Brown, Mich.	Hightower	Rousselot
Brown, Ohio	Hillis	Rudd
Broyhill	Hollenbeck	Runnels
Buchanan	Horton	Ruppe
Burgener	Hubbard	Sarasin
Burke, Fla.	Huckaby	Satterfield
Burleson, Tex.	Hughes	Sawyer
Butler	Hyde	Schroeder
Caputo	Ichord	Schulze
Carter	Jacobs	Sebelius
Cederberg	Johnson, Colo.	Shipley
Chappell	Jones, Okla.	Shuster
Clausen, Don H.	Kasten	Skubitz
Clawson, Del	Kazen	Slack
Cleveland	Kelly	Smith, Nebr.
Cochran	Kemp	Snyder
Cohen	Ketchum	Spence
Coleman	Kindness	Stangeland
Collins, Tex.	Krueger	Stanton
Conable	Lagomarsino	Steed
Conte	Latta	Steers
Corcoran	Leach	Steiger
Coughlin	Lent	Stockman
Crane	Levitas	Stump
Cunningham	Lloyd, Tenn.	Symms
Daniel, Dan	Long, La.	Taylor
Daniel, R. W.	Lott	Thone
Davis	Lujan	Thornton
de la Garza	McClory	Treen
Derwinski	McDade	Trible
Devine	McDonald	Vander Jagt
Dickinson	McEwen	Waggonner
Dornan	Madigan	Walker
Drinan	Mahon	Walsh
Duncan, Tenn.	Marks	Wampler
Edwards, Ala.	Marlenee	Watkins
Edwards, Okla.	Marriott	White
Emery	Martin	Whitehurst
English	Mathis	Whitten
Erlenborn	Mattox	Wiggins
Evans, Del.	Milford	Wilson, Bob
Evans, Ga.	Miller, Ohio	Wilson, C. H.
Evans, Ind.	Mitchell, N.Y.	Winn
Fenwick	Montgomery	Wydler
Findley	Moore	Wylie
Fish	Moorhead, Calif.	Yates
		Young, Fla.
		Young, Tex.

NAYS—219

Addabbo	Ashley	Bellenson
Akaka	Aspin	Bennett
Alexander	AuCoin	Biaggi
Ambro	Badillo	Bingham
Ammerman	Baldus	Blanchard
Anderson, Calif.	Barnard	Blouin
Andrews, N.C.	Baucus	Boland
Annunzio	Beard, R.I.	Bolling
	Bedell	Bonior
Bonker	Heftel	Patterson
Brademas	Holland	Pattison
Brodhead	Holtzman	Pease
Brown, Calif.	Howard	Pepper
Burke, Calif.	Ireland	Perkins
Burlison, Mo.	Jeffords	Pike
Burton, John	Jenkins	Preyer
Burton, Phillip	Jenrette	Price
Byron	Johnson, Calif.	Rahall
Carney	Jones, N.C.	Rangel
Carr	Jones, Tenn.	Reuss
Cavanaugh	Jordan	Richmond
Chisholm	Kastenmeier	Rodino
Clay	Keys	Roe
Collins, Ill.	Kildee	Rogers
Conyers	Kostmayer	Roncalio
Corman	Krebs	Rooney
Cornell	LaFalce	Rose
Cornwell	Le Fante	Rosenthal
Cotter	Lederer	Rostenkowski
D'Amours	Leggett	Roybal
Danielson	Lehman	Russo
Delaney	Lloyd, Calif.	Ryan
Dellums	Long, Md.	Scheuer
Derrick	Luken	Seiberling
Dicks	Lundine	Sharp
Diggs	McCloskey	Sikes
Dingell	McCormack	Simon
Dodd	McFall	Sisk
Downey	McHugh	Skelton
Duncan, Oreg.	McKay	Smith, Iowa
Early	Maguire	Solarz
Eckhardt	Mann	Spellman
Edgar	Markey	St Germain
Edwards, Calif.	Mazzoli	Staggers
Eilberg	Meeds	Stark
Ertel	Metcalfe	Stokes
Evans, Colo.	Meyner	Stratton
Fary	Mikulski	Studds
Fascell	Mikva	Thompson
Fisher	Miller, Calif.	Traxler
Fithian	Mineta	Tsongas
Flood	Minish	Tucker
Florio	Mitchell, Md.	Udall
Flowers	Moakley	Ullman
Foley	Moffett	Van Deerlin
Ford, Mich.	Mollohan	Vanik
Ford, Tenn.	Moorhead, Pa.	Vento
Fowler	Murphy, Ill.	Volkmer
Fraser	Murphy, N.Y.	Walgren
Gaydos	Murphy, Pa.	Waxman
Gephardt	Murtha	Weaver
Giaimo	Myers, Michael	Weiss
Gibbons	Natcher	Whalen
Ginn	Neal	Whitley
Glickman	Nedzi	Wilson, Tex.
Gonzalez	Nix	Wirth
Gore	Nolan	Wolff
Hamilton	Nowak	Wright
Hanley	Oakar	Yatron
Hannaford	Oberstar	Young, Mo.
Harkin	Obey	Zablocki
Harrington	Ottinger	Zeferetti
Harris	Panetta	
Hawkins	Patten	

NOT VOTING—11

Burke, Mass.	Koch	Santini
Dent	McKinney	Teague
Flippo	Michel	Young, Alaska
Holt	Rhodes	

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Burke of Massachusetts against.

Mr. Rhodes for, with Mr. Santini against.

Mr. Michel for, with Mr. Koch against.

Until further notice:

Mr. Dent with Mrs. Holt.

Mr. Flippo with Mr. McKinney.

Mr. STEERS changed his vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. STEIGER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 244, nays 177, not voting 12, as follows:

[Roll No. 513]

YEAS—244

Addabbo	Fowler	Natcher
Akaka	Fraser	Neal
Alexander	Fuqua	Nedzi
Ambro	Gaydos	Nichols
Ammerman	Gephardt	Nix
Anderson, Calif.	Giaimo	Nolan
Andrews, N.C.	Gibbons	Nowak
Annunzio	Gilman	Oakar
Ashley	Ginn	Oberstar
Aspin	Glickman	Obey
AuCoin	Gore	Ottinger
Badillo	Gudger	Panetta
Baldus	Hamilton	Patten
Barnard	Hanley	Patterson
Baucus	Hannaford	Pattison
Beard, R.I.	Harkin	Pease
Bedell	Harrington	Pepper
Bellenson	Harris	Perkins
Bennett	Hawkins	Pickle
Bevill	Heckler	Pike
Biaggi	Hefner	Preyer
Bingham	Heftel	Price
Blanchard	Holland	Rahall
Blouin	Holtzman	Rangel
Boggs	Howard	Reuss
Boland	Hubbard	Richmond
Bolling	Huckaby	Rinaldo
Bonior	Hughes	Rodino
Bonker	Ireland	Roe
Bowen	Jeffords	Rogers
Brademas	Jenkins	Roncalio
Breckinridge	Jenrette	Rooney
Brinkley	Johnson, Calif.	Rose
Brodhead	Jones, N.C.	Rosenthal
Brown, Calif.	Jones, Tenn.	Rostenkowski
Burke, Calif.	Jordan	Roybal
Burlison, Mo.	Kastenmeier	Russo
Burton, Phillip	Keys	Ryan
Byron	Kildee	Scheuer
Carney	Kostmayer	Seiberling
Carr	Krebs	Sharp
Cavanaugh	LaFalce	Sikes
Chisholm	Le Fante	Simon
Clay	Lederer	Skelton
Cohen	Lehman	Smith, Iowa
Collins, Ill.	Levitas	Solarz
Conte	Lloyd, Calif.	Spellman
Corman	Lloyd, Tenn.	St Germain
Cornell	Long, La.	Staggers
Cornwell	Long, Md.	Stark
Cotter	Lundine	Steers
D'Amours	McCloskey	Stokes
Danielson	McCormack	Stratton
Davis	McFall	Studds
Delaney	McHugh	Thompson
Derrick	McKay	Thornton
Dicks	Madigan	Traxler
Diggs	Maguire	Tsongas
Dingell	Mann	Tucker
Dodd	Markey	Udall
Downey	Marks	Ullman
Duncan, Oreg.	Mathis	Van Deerlin
Eckhardt	Mazzoli	Vanik
Edgar	Meeds	Vento
Edwards, Calif.	Metcalfe	Volkmer
Eilberg	Meyner	Waggonner
Emery	Mikulski	Walgren
Ertel	Mikva	Waxman
Evans, Colo.	Miller, Calif.	Weaver
Evans, Ind.	Mineta	Weiss
Fary	Minish	Whalen
Fascell	Mitchell, Md.	Whitley
Fisher	Mitchell, N.Y.	Whitten
Fithian	Moakley	Wilson, Tex.
Flood	Moffett	Wirth
Florio	Mollohan	Wolff
Flowers	Moorhead, Pa.	Wright
Foley	Murphy, Ill.	Yatron
Ford, Mich.	Murphy, N.Y.	Young, Mo.
Ford, Tenn.	Murphy, Pa.	Zablocki
Fountain	Murtha	Zeferetti
	Myers, Michael	

NAYS—177

Abdnor	Broomfield	Clawson, Del
Allen	Brown, Mich.	Cleveland
Anderson, Ill.	Brown, Ohio	Cochran
Andrews, N. Dak.	Broyhill	Coleman
Applegate	Buchanan	Collins, Tex.
Archer	Burgener	Conable
Armstrong	Burke, Fla.	Conyers
Ashbrook	Burleson, Tex.	Corcoran
Badham	Burton, John	Coughlin
Bafalis	Butler	Crane
Bauman	Caputo	Cunningham
Beard, Tenn.	Carter	Daniel, Dan
Benjamin	Cederberg	Daniel, R. W.
Breaux	Chappell	de la Garza
Brooks	Clausen, Don H.	Dellums
		Derwinski

Devine	Kindness	Runnels
Dickinson	Krueger	Ruppe
Dornan	Lagomarsino	Sarasin
Drinan	Latta	Satterfield
Duncan, Tenn.	Leach	Sawyer
Early	Leggett	Schroeder
Edwards, Ala.	Lent	Schulze
Edwards, Okla.	Lott	Sebelius
English	Lujan	Shipley
Erlenborn	Luken	Shuster
Evans, Del.	McClory	Sisk
Fenwick	McDade	Skubitz
Findley	McDonald	Slack
Fish	McEwen	Smith, Nebr.
Flynt	Mahon	Snyder
Forsythe	Marlenee	Spence
Frenzel	Marriott	Stangeland
Frey	Martin	Stanton
Gammage	Mattox	Steed
Goldwater	Milford	Steiger
Gonzalez	Miller, Ohio	Stockman
Goodling	Montgomery	Stump
Gradison	Moore	Symms
Grassley	Moorhead, Calif.	Taylor
Guyer		Thone
Hagedorn	Moss	Treen
Hall	Mottl	Trible
Hammer-schmidt	Myers, Gary	Vander Jagt
	Myers, John	Walker
Hansen	O'Brien	Walsh
Harsha	Pettis	Wampler
Hightower	Poage	Watkins
Hillis	Pressler	White
Hollenbeck	Pritchard	Whitehurst
Horton	Pursell	Wiggins
Hyde	Quayle	Wilson, Bob
Ichord	Quie	Wilson, C. H.
Jacobs	Quillen	Winn
Johnson, Colo.	Railsback	Wydler
Jones, Okla.	Regula	Wylie
Kasten	Risenhoover	Yates
Kazen	Roberts	Young, Fla.
Kelly	Robinson	Young, Tex.
Kemp	Rousselot	
Ketchum	Rudd	

NOT VOTING—12

Burke, Mass.	Holt	Rhodes
Dent	Koch	Santini
Evans, Ga.	McKinney	Teague
Flippo	Michel	Young, Alaska

The Clerk announced the following pairs:

On this vote:

Mr. Burke of Massachusetts for, with Mr. Teague against.

Mr. Koch for, with Mr. Santini against.

Until further notice:

Mr. Flippo with Mr. Rhodes.

Mr. Dent with Mr. Michel.

Mr. McKinney with Mrs. Holt.

Mr. Evans of Georgia with Mr. Young of Alaska.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R 8444

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill H.R. 8444 the Clerk be authorized to correct punctuation, spelling, cross references—including cross references to deleted provisions—and designation of titles, sections and other provisions.

Further, Mr. Speaker, I ask unanimous consent that the table of contents be corrected to reflect the text of the bill as passed by the House.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

GENERAL LEAVE

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill H.R. 8444 just passed by the House.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4991) entitled "An act to authorize appropriations for activities of the National Science Foundation, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6370) entitled "An act to authorize appropriations to the International Trade Commission for fiscal year 1978, to provide for the Presidential appointment of the chairman and vice chairman of the Commission, to provide for greater efficiency in the administration of the Commission, and for other purposes."

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3 TO STRENGTHEN THE CAPABILITY OF THE GOVERNMENT TO DETECT, PROSECUTE, AND PUNISH FRAUDULENT ACTIVITIES UNDER THE MEDICARE AND MEDICAID PROGRAMS

Mr. BOLLING, from the Committee on Rules, submitted a privilege report (Rept. No. 95–577), on the resolution (H. Res. 743) providing for the consideration of the bill (H.R. 3) to strengthen the capability of the Government to detect, prosecute, and punish fraudulent activities under the medicare and medicaid programs, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR COMMITTEE ON VETERANS' AFFAIRS TO FILE REPORTS ON H.R. 4341, H.R. 8175, H.R. 8698, AND H.R. 8701

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs may have until midnight tonight to file reports on H.R. 4341, H.R. 8175, H.R. 8698, and H.R. 8701.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO FILE A REPORT ON H.R. 3813, REDWOODS NATIONAL PARK

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight tonight to file a report on the bill H.R. 3813, the Redwoods National Park.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

PERMISSION FOR AD HOC SELECT COMMITTEE ON OUTER CONTINENTAL SHELF TO HAVE UNTIL SEPTEMBER 1, 1977, TO FILE ITS REPORT

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that the Ad Hoc Select Committee on Outer Continental Shelf be allowed to file its report no later than September 1, 1977.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL 6 P.M. TUESDAY, AUGUST 30, 1977, TO FILE A REPORT ON H.R. 1037, ENERGY TRANSPORTATION AND SECURITY ACT OF 1977

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until 6 p.m. Tuesday, August 30, 1977, to file its report on H.R. 1037, the Energy Transportation and Security Act of 1977.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL 6 P.M. ON TUESDAY, AUGUST 9, 1977, TO FILE ITS REPORT ON H.R. 3350, THE DEEP SEABED MINING BILL

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until 6 p.m. on Tuesday, August 9, 1977, to file its report on H.R. 3350, the deep seabed mining bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CONFERENCE REPORT ON H.R. 7589, MILITARY CONSTRUCTION APPROPRIATION ACT, 1978

Mr. McKAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the conference report on the bill (H.R. 7589) making appropriations for military construction for the Department

of Defense for the fiscal year ending September 30, 1978, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. McKAY. Mr. Speaker, I ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 3, 1977.)

Mr. McKAY (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

The SPEAKER. The gentleman from Utah (Mr. McKAY) is recognized for 30 minutes, and the gentleman from New York is recognized for 30 minutes.

The Chair recognizes the gentleman from Utah (Mr. McKAY).

Mr. McKAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the military construction appropriations bill for fiscal year 1978 as agreed to by the conferees is $2,977,720,000. This is $37,880,000 below the budget request for fiscal year 1978 and $483,677,000 below the total amount approved for military construction in fiscal year 1977.

The fiscal year 1978 request was in any case a deviation below recent budget levels and budget levels I would anticipate in the future. This was the result of a budget decision to defer many projects pending a review of Department of Defense installation in the United States.

At the initiative of my subcommittee, $117,126,000 was included in a fiscal year 1977 supplemental bill to finance job intensive projects which could be accomplished quickly. This include $57,126,000 for military construction projects for energy conservation and pollution control.

The final conference bill when combined with the supplemental bill would make nearly $200 million available for energy conservation and pollution abatement projects. This is more than four times the program provided for by the budget in these areas.

Nevertheless, by carefully examining the timeliness and need for all projects, we were able to end up with a final bill nearly $40 million below the budget request and to take care of the most urgent requirements for military facilities.

I would like to take this opportunity to expand on the committee's purpose in requiring further testing of one-station unit training for infantry.

The committee's concern and intent are clear from the hearings which we have held on this subject, the committee reports in the past few years, and the GAO report on this subject. A test was conducted by the Army but, in the words of the GAO report:

> We believe the adequacy of the test design and implementation has a direct bearing on the ability of the Army to attribute test results to the OSUT concept. Lacking data on whether OSUT is the most effective and economical method for training recruits, neither the Army nor the Congress can determine whether OSUT is a better method than other alternatives.

The trainee barracks complex which we have agreed to fund would be needed in any case if the Army's training workload projections are valid. Furthermore, if OSUT is implemented at Fort Benning, the Army has projected the requirement for several more trainee barracks complexes at Fort Benning, possibly as many as five, and each of these will likely cost in the range of $15 million to $20 million. So, there could be substantial amounts spent at Fort Benning in the future for this purpose.

When the Army has completed its test and its evaluation of that test, the committee must reserve the right to determine whether the test is, indeed, adequate. We must look at the economic consequences at that time. And, of course, we must analyze each military construction project as it is submitted. But if the Army test is shown to be valid and OSUT is shown to be an economic proposition, it is not my intention nor is it, I believe, the committee's intention to interpose obstacles to its implementation.

The committee's insistence on an adequate test of OSUT has nothing to do with the assignment of recruits to the Southeast or the Northeast for training. The committee's sole concern is that the Army proceed with the most economical and combat-effective method of initial entry training. The training barracks are not being held hostage, and the reception station will follow in due course if the results of the test are favorable.

Mr. Speaker, upon conclusion of our consideration of the conference action, I will ask permission to include a comparative tabulation of the conference action at this point in the RECORD.

The tabulation referred to follows:

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY

	New budget authority					Conference compared with—			
	Enacted fiscal year 1977	Estimates fiscal year 1978	House fiscal year 1978	Senate fiscal year 1978	Conference fiscal year 1978	Fiscal year 1977 enacted	Fiscal year 1978 estimate	House bill	Senate bill
Military construction:									
Army	597,664,000	601,800,000	483,659,000	583,059,000	527,769,000	−69,895,000	−74,031,000	+44,110,000	−55,290,000
Navy	570,265,000	465,600,000	425,686,000	523,279,000	463,056,000	−107,209,000	−2,544,000	+37,370,000	−60,223,000
Air Force	808,079,000	398,900,000	379,044,000	451,233,000	406,986,000	−401,093,000	+8,086,000	+27,942,000	−44,247,000
Defense agencies	41,396,000	34,400,000	32,314,000	59,659,000	58,009,000	+16,613,000	+23,609,000	+25,695,000	−1,650,000
Transfer, not to exceed	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)				
Army National Guard	61,128,000	49,400,000	49,400,000	49,400,000	49,400,000	−11,728,000			
Air National Guard	37,200,000	43,300,000	43,300,000	43,300,000	43,300,000	+6,100,000			
Army Reserve	53,804,000	50,500,000	50,500,000	50,500,000	50,500,000	−3,304,000			
Naval Reserve	23,600,000	21,700,000	21,700,000	21,700,000	21,700,000	−1,900,000			
Air Force Reserve	10,773,000	11,200,000	11,200,000	11,200,000	11,200,000	+427,000			
Total, military construction	2,203,909,000	1,676,800,000	1,496,803,000	1,793,330,000	1,631,920,000	−571,989,000	−44,880,000	+135,117,000	−161,410,000
Family housing, Defense	1,370,035,000	1,451,640,000	1,435,538,000	1,451,640,000	1,460,140,000	+90,105,000	+8,500,000	+24,602,000	+8,500,000
Portion applied to debt reduction	−112,547,000	−115,840,000	−115,840,000	−115,840,000	−115,840,000	−3,293,000			
Subtotal, family housing	1,257,488,000	1,335,800,000	1,319,698,000	1,335,800,000	1,344,300,000	+86,812,000	+8,500,000	+24,602,000	+8,500,000
Homeowners assistance fund, Defense		3,000,000	3,000,000	1,500,000	1,500,000	+1,500,000	−1,500,000	−1,500,000	
Grand total, new budget (obligational) authority	3,461,397,000	3,015,600,000	2,819,501,000	3,130,630,000	2,977,720,000	−483,677,000	−37,880,000	+158,219,000	−152,910,000

Mr. McEWEN. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, the minority concurs in the conference report.

Mr. McKAY. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

AMENDMENT IN DISAGREEMENT

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 5, line 11, strike out: $1,435,538,000 and insert: $1,451,640,000,

MOTION OFFERED BY MR. MCKAY

Mr. McKAY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McKAY moves that the House recede from its disagreement to the amendment of the Senate numbered 5 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment, insert the following: "$1,460,140,000".

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the motion was laid on the table.

GENERAL LEAVE

Mr. McKAY. Mr. Speaker, I ask unanimous consent that all Members may have

5 legislative days in which to revise and extend their remarks on the conference report on H.R. 7589, the Military Construction Appropriation Act of 1978, and I may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

APPOINTMENT AS MEMBER OF NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

The SPEAKER. Pursuant to the provisions of 44 United States Code 2501, as amended, the Chair appoints as a member of the National Historical Publications and Records Commission the gentleman from North Carolina, Mr. PREYER.

APPOINTMENT AS MEMBER OF COMMISSION ON ADMINISTRATIVE REVIEW

The SPEAKER. Pursuant to the provisions of Public Law 94–440, the Chair appoints as a member from private life to the Commission on Administrative Review Ms. Victoria Schuck, from South Hadley Mass., to fulfill the existing vacancy thereon.

APPOINTMENT AS MEMBERS OF U.S. GROUP OF NORTH ATLANTIC ASSEMBLY, PARIS, SEPTEMBER 18–24, 1977.

The SPEAKER. Pursuant to the provisions of 22 United States code 1928a, as amended, the Chair appoints as members of the U.S. group of the North Atlantic assembly to be held in Paris, France, September 18 to September 24, 1977, the following members on the part of the House:

Mr. PHILLIP BURTON, California, chairman, Mr. HAMILTON, Indiana, vice chairman, Mr. RODINO, New Jersey, Mr. BROOKS, Texas, Mr. ANNUNZIO, Illinois, Mr. ROSE, North Carolina, Mr. IRELAND, Florida, Miss OAKAR, Ohio, Mr. BOB WILSON, California, Mr. BROOMFIELD, Michgan, Mr. FINDLEY, Illinois, and Mr. EDWARDS, Alabama.

TRIBUTE TO KENT MARKUS, PAGE

The SPEAKER. The Chair would like to make an announcement. I think it is out of order and somewhat unusual, but in the 7 months I have been Speaker I have had a young fellow working as my page. His name is Kent Markus.

I have never met a kinder, more lovable, and more diligent individual.

This is his last day here, as he leaves to go to Northwestern University in the fall.

If he is a criterion of the youth in America, we have a great country and something to look forward to.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. To all, I wish a happy month, and enjoy it whatever you may be doing.

LEGISLATIVE PROGRAM

(Mr. BAUMAN asked and was given permission to address the House for 1-minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, I ask for this opportunity to proceed for 1 minute for the purpose of inquiring of the distinguished acting majority leader, what the program will be following the August district work period, for the week beginning September 7, 1977.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman from Maryland yield?

Mr. BAUMAN. I yield to the distinguished acting majority leader.

Mr. ROSTENKOWSKI. Mr. Speaker, it is my pleasure to announce the program for the House of Representatives for the week of September 5, 1977, as follows:

Monday and Tuesday will be a continuation of the August adjournment period.

On Wednesday, the House meets at noon on the House concurrent resolution, second budget resolution for fiscal year 1978, general debate only.

On Thursday, the House will meet at 10 a.m. on the second budget resolution for fiscal year 1978, to complete consideration.

We will then take up H.R. 6683, the Earthquake Hazards Reduction Act of 1977, under an open rule, with 1½ hours debate.

We will then consider House Resolution 70, to establish a Select Committee on Population.

On Friday, the House meets at 10 a.m. to consider the following bills:

H.R. 7073, Federal Insecticide, Fungicide, and Rodenticide Act Extension, under an open rule, with 1 hour of debate.

H.R. 4740, Marine Mammal Protection Act, fiscal year 1978 authorizations, under an open rule, with 1 hour of debate.

H.R. 5798, Office of Rail Public Counsel authorization, under an open rule, with 1 hour of debate.

The House will adjourn by 3 p.m. on Fridays and by 5:30 p.m. on all other days, except Wednesdays.

Conference reports may be brought up at any time and any further program will be announced later.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman.

ADJOURNMENT OF SENATE PURSUANT TO PROVISIONS OF HOUSE CONCURRENT RESOLUTION 317

Mr. ROSTENKOWSKI. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 330) and ask for its immediate consideration.

The SPEAKER pro tempore (Mr. MINETA). The Clerk will report the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 330

Resolved by the House of Representatives (the Senate concurring), That when the Senate adjourns on Friday, August 5, 1977, or on Saturday, August 6, 1977, it stand adjourned pursuant to the provisions of House Concurrent Resolution 317.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING MEMBERS OF THE HOUSE TO REVISE AND EXTEND THEIR REMARKS IN THE CONGRESSIONAL RECORD

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Wednesday, September 7, 1977, all Members of the House shall have the privilege to extend and revise their own remarks in the CONGRESSIONAL RECORD on more than one subject, if they so desire, and may also include therein such short quotations as may be necessary to explain or complete such extensions of remarks; but this order shall not apply to any subject matter which may have occurred or to any speech delivered subsequent to the said adjournment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS AND TO APPOINT COMMISSIONS, BOARDS, AND COMMITTEES AUTHORIZED BY LAW OR BY THE HOUSE, NOTWITHSTANDING ADJOURNMENT

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Wednesday, September 7, 1977, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS, NOTWITHSTANDING ADJOURNMENT

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Wednesday, September 7, 1977, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, SEPTEMBER 7, 1977

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday, September 7, 1977, may be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Public Works and Transportation, which was read and, without objection, referred to the Committee on Appropriations:

COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION,
Washington, D.C. August 3, 1977.

Hon. THOMAS P. O'NEILL,
Speaker of the House, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the Public Buildings Act of 1959, as amended, the House Committee on Public Works and Transportation approved for construction, lease, alteration or repair the following projects on July 30, 1977:

ALTERATIONS

Ketchikan, Alaska—Federal Building.
Phoenix, Arizona—Federal Building and Courthouse.
Menlo Park, California—U.S. Geological Survey Center.
Providence, Rhode Island—Federal Building and Courthouse.
Wheeling, West Virginia—Federal Building and Courthouse.
Washington, D.C.—Old Post Office.
Independence, Missouri—Harry S. Truman Library.
Sacramento, California—Federal Building and Courthouse.
San Bruno, California—Federal Archives Records Center.
San Francisco, California—U.S. Court of Appeals and Post Office.
San Francisco, California—Customhouse.
New York, New York—Federal Building, 201 Varick Street.
Kansas City, Missouri—Federal Office Building, 911 Walnut Street.
Kansas City, Missouri—Federal Office Building, 2306 E. Bannister Road.
Trenton, New Jersey—Post Office and Courthouse.
New York, New York—Courthouse in Foley Square.
Portland, Oregon—Courthouse.
Philadelphia, Pennsylvania—Federal Building.
Franconia, Virginia—G.S.A. Depot.
St. Louis, Missouri—Federal Building No. 103.

NEW CONSTRUCTION

West Los Angeles, California—F.B.I. Parking Maintenance Facility.
Fort Kent, Maine—Border Station.
Haines, Alaska—Border Station.
Detroit, Michigan— Border Station, Ambassador Bridge.

LEASES

Atlanta, Georgia—730 Peachtree Street.
Atlanta, Georgia—HEW Regional Office.
Washington, D.C.—Imperial Building, 1441 L Street, N.W.
Anchorage, Alaska—Hill Building.

An original and copy of the authorizing resolution are enclosed.

Sincerely,
HAROLD T. (BIZZ) JOHNSON,
Chairman.

FEMALE, POOR, AND PREGNANT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I cannot believe that an administration which prizes global human rights and touts them to be a prime objective of its foreign policy, would administer a discriminatory Federal health program at home.

I wonder if President Carter and Secretary Califano go to bed at night thankful that they are not female, poor, and pregnant.

If not, they should.

RUDENKO, TYKHY, MOROZ, SHUKHEVYCH: UKRAINIAN PRISONERS OF CONSCIENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 30 minutes.

Mr. KOCH. Mr. Speaker, today I submitted three resolutions which express congressional concern for the plight of four Ukrainians who are currently imprisoned by the Soviet Government in violation of their fundamental human rights and which request the President to communicate to the Soviet Union the support of the United States for these individuals.

The prisoners of conscience cited in the three House Concurrent Resolutions are Mykola Rudenko, and Oleksa Tykhy, two of the founders of the Ukrainian group to monitor Soviet compliance with the Helsinki accords, who were recently sentenced to lengthy prison terms for their activities; Valentyn Moroz, the famous Ukrainian historian who continues to languish in prison camp; and Yurij Shukhevych, who has spent 25 years in prison since the age of 15 simply because his father was commander-in-chief of the Ukrainian resistance forces in World War II. The Rudenko-Tykhy resolution is cosponsored by 44 Members, the Moroz resolution is also cosponsored by 44 Members, and the Shukhevych resolution, though circulated for only a short time before the August recess, is cosponsored by 31 Members. The Moroz resolution is a reintroduction of a Koch-Fenwick-Dodd resolution which had strong support in the last Congress.

Last week I met with a delegation representing the United Ukrainian American Organizations which presented to me two petitions each signed by over 1,500 of my constituents requesting the Congress to speak out on behalf of Rudenko, Tykhy, Moroz, and Shukhevych. Today I delivered those petitions to the Secretary of State, Cyrus Vance, asking him to respond to this plea for United States support of these martyrs. I am appending copies of the two petitions as well as the texts of the three resolutions I introduced today.

Mykola Rudenko and Oleksa Tykhy were sentenced to 7 and 10 years in prison, respectively, plus 5 subsequent years internal exile each for monitoring Soviet compliance with the Helsinki accord in the Ukraine; Valentyn Moroz is currently imprisoned because of his valiant attempts to preserve the culture of the Ukrainian people and to defend their basic human rights; and Yurij Shukhevych has been incarcerated for over 25 years, not because he ever committed illegal actions against the Soviet state, but simply because he has again and again refused to sign a statement denouncing his father, who headed the Ukrainian resistance forces in World War II, and the ideals for which these fought.

None of these men has done anything except exercise rights guaranteed them by the paper constitution of the Soviet Union and by the Helsinki agreement, which the Soviet Union signed. The purpose of the three resolutions is to request the President to urge the Soviet Government to release Rudenko, Tykhy, Moroz, and Shukhevych and to respect the human-rights principles it agreed to when it signed the Helsinki Final Act. We must not rest until the Kremlin genuinely and fully carries out the provisions of that act.

The petitions and the resolutions follow:

APRIL 13, 1977.

The Honorable EDWARD I. KOCH,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: I am sure that you, particularly, can appreciate the significance of President Carter's intransigence with regard to the human rights issue. This position has been more than adequately displayed through his statements and writings, whether be it at the United Nations in New York or in a letter addressed to the Soviet dissident Dr. Andrei Sakharov.

However, with regard to the Soviet Union, the President has limited his efforts to championing the causes of Jewish and Russian dissidents, more specifically, the cases of Aleksandr Ginzburg and Yuri Orlov. These arrests in Moscow were hardly isolated events. They were merely a small portion of a whole network of atrocities perpetrated by the Soviet Russian regime which included as well the recent arrests of Mykola Rudenko, the Head of the Kiev Public Group to Monitor the Implementation of the Helsinki Accords, and Oleksa Tykhy, a member of said group.

Dr. Andrei Sakharov, replying to President Carter's letter of February 5th, specifically requested that the President and his Administration intercede on behalf of these two Ukrainian dissidents. Furthermore, in his open letter, published in The New York Times on March 29, 1977, he repeated his appeal.

Consequently, Congressmen, I am appealing to you to initiate and sponsor a resolution in the United States House of Representatives on behalf of the two aforementioned Ukrainian dissidents. Said resolution should call on the President to express the request of the United States Government that the Government of the USSR release the two aforementioned individuals and permit them to leave the territory of the USSR in accordance with the spirit of detente and the principles eunciated in the Helsinki Accords.

Thus, Congressman, you will not only carry out the wishes of your constituents, but in addition, you will reaffirm President Carter's statement that human rights is a central concern of his Administration and that the American people and our government will continue to promote respect for human rights not only in our country but also abroad.

MAY 15, 1977.

The Honorable EDWARD I. KOCH,
U.S. House of Revresentatives,
Washington, D.C.

DEAR CONGRESSMAN: The United States House of Representatives' Committees on

the Judiciary and International Relations will soon deliberate upon H.J. Resolution 202 introduced by Representative Robert A. Roe. Said resolution calls on the President of the United States to declare Valentyn Moroz an honorary citizen of the United States. In addition, Rep. Roe's resolution urges all signatory nations to observe the Final Act of the Conference on Security and Cooperation in Europe and exhorts the Soviet government to enable Valentyn Moroz to accept the invitation extended to him by Harvard University in accordance with the spirit of the Final Act.

Valentyn Moroz, an internationally recognized Ukrainian historian, writer and defender of human rights continues to languish in Soviet prisons. He has undergone insufferable tortures and grossly inhuman persecutions for refusing to cease his efforts on behalf of internationally recognized human rights and fundamental freedoms. It is eminently important, Congressman, that you express your complete support for Rep. Roe's resolution and urge your colleagues to do likewise.

Furthermore, the case of Valentyn Moroz is hardly an anomaly within the Soviet Union. Persecutions, tortures and violations of human rights are inherent to the Soviet system. I am sure, Congressman, that you are familiar with the case of Yurij Shukhevych who was first arrested at the innocent age of 15 simply for being the son of his father, General Roman Shukhevych, commander-in-chief of Ukrainian partisan forces battling Nazi Germany and Soviet Russia during and after World War II. Yurij's father was killed by Soviet MVD forces and his mother was deported to Siberia. Yurij, himself, now 44 years old, has already spent 25 years in Soviet prisons and concentration camps. Presently incarcerated in Vladimir Prison near Moscow, Yurij suffers from an intestinal ulcer, but is denied all medical care. Congressman, I urge you to sponsor a resolution, calling upon President Carter to apprise the Soviet government of our government's concern for the fate of Yurij Shukhevych.

By supporting H.J. Resolution 202 and by sponsoring a resolution in defense of Yurij Shukhevych, Congressman, you will express the wishes of many of your constituents, and, more importantly, you will demonstrate the resolute dedication of our government in championing the cause of human rights and fundamental freedom throughout the world.

HOUSE CONCURRENT RESOLUTION (RUDENKO AND TYKHY)

Whereas Mykola Rudenko and Oleksa Tykhy of the Kiev Public Group to Monitor the Implementation of the Helsinki Accords have been convicted by the Soviet Government of "Anti-Soviet Agitation and Propaganda" for their participation in an informal group established in November 1976 to monitor Soviet compliance with the human-rights provisions of the Helsinki Accord; and

Whereas both men were given the maximum sentence provided for this charge, Mr. Rudenko being sentenced to 7 years in a corrective labor camp plus 5 subsequent years internal exile and Mr. Tykhy, because of an earlier conviction and imprisonment from 1957 to 1964 for counterrevolutionary activities and national sentiments, being sentenced to 10 years in a corrective labor camp and a subsequent 5 years internal exile; and

Whereas Messrs. Rudenko and Tykhy did nothing more than exercise rights guaranteed to them by the Soviet Constitution and by the Helsinki Agreement, which the Soviet Union has signed; and

Whereas Mykola Natusevych, Myroslav Marynovich, and seven other members of the Helsinki monitoring groups have been arrested for the same activities; and

Whereas the arrests of Rudenko, Tykhy, and the others of the monitoring groups occurred after President Carter expressed his intention to make support for human rights an integral part of American foreign policy, and they appear to be part of a toughened Soviet stand on internal dissent designed to communicate Soviet displeasure with the President's position: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should (1) urge the Government of the Union of Soviet Socialist Republics to reverse the convictions of Rudenko and Tykhy, to release them from prison, and to allow them to leave the Soviet Union, and to release and drop all charges against the other members of the groups monitoring Soviet compliance with the Helsinki Agreement; and (2) make it known that the United States expects the Soviet Union and all the other signatories of the Helsinki Accord to fulfill all the provisions of the agreement, including those involving human rights.

HOUSE CONCURRENT RESOLUTION (MOROZ)

Whereas Valentyn Moroz, historian, writer, and defender of human rights in the Ukrainian Soviet Socialist Republic, is currently imprisoned in the Soviet Union on charges of anti-Soviet agitation and propaganda; and

Whereas in his valiant attempts to preserve and defend the rights of the Ukrainian people and the culture of the Ukraine and to defend the principle of basic human rights in the Soviet Union, Valentyn Moroz has done no more than exercise rights granted to him by the Constitution of the Union of Soviet Socialist Republics; and

Whereas Harvard University has extended to Valentyn Moroz an invitation to join the Harvard Ukrainian Research Institute for the 1977–78 academic year; and

Whereas the Governments of the Union of Soviet Socialist Republics, the United States of America, and thirty-three other nations signed the Final Act of the Conference on Security and Cooperation in Europe at Helsinki, Finland, in August 1975; and

Whereas the Final Act pledges the signatories to facilitate "wider travel by their citizens for personal or professional reasons": Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the President express the request of the United States Government that the Government of the Union of Soviet Socialist Republics provide Valentyn Moroz with the opportunity to accept the invitation of Harvard University for the 1977–78 academic year, in accordance with the spirit of détente.

CONCURRENT RESOLUTION (SHUKHEVYCH)

Whereas Yudij Shukhevych was first arrested at the innocent age of 15 simply for being the son of his father, General Roman Shukhevych, commander-in-chief of Ukrainian partisan forces fighting for Ukrainian independence, during and after World War II.

Whereas Yurij Shukhevych was imprisoned for 10 years for refusing to sign a statement denouncing his father and the Ukrainian liberation struggle; and

Whereas he was sentenced to an additional 10 years on the day of his scheduled release for again refusing to denounce his father and the Ukrainian liberation struggle;

Whereas after 3 years out of prison Mr. Shukhevych was arrested and sentenced to a third 10-year prison term, which he is now serving, for signing several petitions in support of Soviet political prisoners; and

Whereas he is currently incarcerated in Vladimir prison on a so-called "strict regime," he is suffering from a severe intestinal ulcer, and he is denied all medical care; and

Whereas Mr. Shukhevych has spent 25 years of his life in jail for doing nothing except refusing to cooperate with the Soviet Secret Police and signing several petitions on behalf of political prisoners: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should express to the Government of the Soviet Union the concern of the United States Government for the serious physical condition of Yurij Shukhevych, and should urge the Soviet Government to provide him with the medical attention he needs and to release him from prison on humanitarian grounds.

THE ADMINISTRATION'S TAX PROGRAM: NEW HIGHER TAXES ON ENERGY, ON WORKERS, CONSUMERS, HOMEOWNERS, THE UNEMPLOYED, SHAREHOLDERS, INVESTORS, INSURANCE POLICY HOLDERS, CAR OWNERS, SMALL BUSINESS, THE ELDERLY, ET CETERA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 20 minutes.

Mr. KEMP. Mr. Speaker, I have figured out the Carter tax plan. It is to tax everything that moves—and everything that sits still.

It is new taxes on energy, consumers, on homeowners, on the unemployed, on shareholders, on other types of investors, on insurance policyholders, on workers, on car owners, on small businessmen. It is new taxes on the elderly, the sick, and, when a taxpayer cannot take the weight of the tax burden anymore, the deceased.

This administration is committed to balancing the budget by shifting every penny it can from the people to the treasury coffers in Washington. In so doing, they are going to so drain the private resources of this country as to virtually insure a headlong march into a recession the likes of which we may have not seen since the Great Depression.

In my study of the American tax system, I have found no period in our history in which the Government was more intent on taking from the people what they have rightly earned. Such a tax plan can make a Great Britain out of America—Great Britain, a country bankrupted in its quest to satisfy the hunger of the tax collector for the financing of programs which the bureaucrats and special interests want far more than the people as a whole.

This is not partisan speculation or hyperbole. There is no exaggeration in them. The package the President intends to send Congress after Labor Day may constitute the greatest assault on personal income, savings, investment—what we need to get through today, tomorrow, and pass to our children—in the Nation's history. And I make the similar protests against previous administrations' tax increases.

WHY THE ECONOMY IS NOT RECOVERING

It is bad enough that this should happen at all, but it is particularly bad when it comes from an administration elected on the basis it was going to hold the line against the growth of Government and Government spending.

Instead of representing the people's interest, this administration has opted to represent Government's interest. And,

it is really the people versus Government in a case like this, because in a stagnant economy it is whether Government has x dollars or the people have them.

And there can be little doubt but that this economy remains stagnate and inflationary. I know this morning's newspapers carried stories about one of the many economic indicators looking better last month. But those monthly indicators—wholesale and retail sales, unemployment, earnings—go up and down each month. The most accurate test is the stock market, because that is the one which reflects the existence, or lack of, confidence about the future. And the Dow Jones average on the stock market is down a staggering 78 points since President Carter was elected last November, that is a 7.4-percent decline, and it is also the lowest point in 19 months.

It is not hard to figure out why the stock market is behaving this way. The American people, from the consumer—which is all of us—to big business, needs signals that the economic picture will get better. They need signals with respect to the economy in general, but more importantly, signals with respect to themselves.

THE WRONG SIGNALS

What kind of signals are they getting?

They are being told Government intends to bring us out of the economic doldrums by more of the same policies which got us into the recession.

They are being told Government spending will continue unabated, and tax revenues and deficits will be increased to meet that spending. This drains billions out of the private sector, billions needed for the capital investment and spending essential to revitalizing the economy.

They are being told that taxes will be higher on the productive sector, taking more of what people earn by working hard in order to subsidize the nonproductive sector—those on welfare and other forms of Government largess.

They are being told that the oppressive burdens of Government regulation and redtape—all the rhetoric of the last campaign notwithstanding—will be increased. All a person has to do to believe it is look at the new Department of Energy—which starts out with 20,000 employees and control over every facet of energy—and all the deregulation and reorganization proposals, on the other hand, that are not seeing and will never see, the light of day.

How are we ever going to have a recovery with those kinds of signals?

Does this administration not know why it was elected?

Does not it recall what it said in order to be elected?

Cannot it see the connection between its policies and public statements and the reaction of the American consumer and producer, from the "mom-and-pop" grocery store to Wall Street, from the stockboy in that store to the assembly lines of General Motors?

And in no place could this be more true or obvious than the administration plan taxes now being readied.

Let me give my colleagues the details of that plan.

The plan consists of at least the following measures:

TAXING FRINGE BENEFITS

First. Taxing fringe benefits.

The administration's plan to tax fringe benefits is the real sleeper in this package. It has consequences which could raise some taxable income by 25 percent or more—all without any additional dollar income with which to pay the added tax.

I fear jobs may be lost as a result of it, because it will totally disrupt all existing contracts between management and labor. It will increase employer costs while at the same time reducing employee benefits. The results could be disastrous for labor relations and the economy in general.

It is a long-standing practice that such things as parking spaces, store discounts for retail employees, discounts for transportation, travel in company owned vehicles, and subsidized meals in company owned facilities are exempt from taxation and anything else they can get their hands on.

The reason for this is really quite simple. If you are receiving in-kind compensation, how can you be expected to pay on it except in-kind? Would the IRS expect that the U.S. Government should receive use of your parking space 1 day a week as an adequate tax payment? Of course not. The IRS will expect you to pay cash based on its judgment of the fringe benefit's value. This is totally unfair.

Together with Senator ORRIN HATCH of Utah, I held a press conference on this question yesterday. We announced the introduction of House Resolution 740, expressing a clear congressional policy that the administration and the Internal Revenue Service adopt no changes in rules to tax fringe benefits without first coming to Congress.

AN END TO PRESENT CAPITAL GAINS TREATMENT

Second. An end to present capital gains treatment, repealing provisions which allow capital gains to be taxed at half the rate of ordinary income.

Capital-starved business, mostly the small and medium sized ones, will be seriously threatened by this. The "prudent man" rule of ERISA has already dried up much of the capital market for these job-producing businesses. The Carter tax plan would make it worse.

Then what happens? One or both of two things.

First, these businesses have to raise their prices as the only means of obtaining the capital they must have.

Second, they get out altogether by selling to the larger companies with available capital, thus economic concentration at the top is the result.

Can these effects—higher prices for the consumers and economic concentration in the marketplace—be what this administration really wants?

JEOPARDIZING CAPITAL GAINS FOR HOMEOWNERS

Third. A partial elimination of capital gains treatment for homeowners.

For almost every American family, their largest capital asset is their home—from a mobile trailer to a mansion house. Under present law, the homeowner gets capital gains treatment. This too is now in question.

When the administration's spokesmen first hinted at eliminating capital gains, they said it would be altogether. That drew a tremendous and understandable reaction from the real estate firms and home contractors who serve as the individual homeowner's best lobbying voice in Washington.

So, this week the administration inferred the elimination of capital gains would probably not include homeowners' principal residences. That is an obvious move to reduce voter opposition to the Carter tax plan. But it is not all of the story.

What is really being considered is allowing capital gains treatment for principal residences only up to a dollar amount. That dollar amount is thought to be set at the level of the typical middle middle-class home. Every Member of Congress and every taxpayer knows what is wrong with that.

One, it places class stresses on our social fabric.

Two, in an era where the value of homes has increased dramatically—solely because of inflation—every year that passes more and more homeowners will cross the dividing line and have all or great portions of their home values subject to ordinary tax rates—higher than capital gains rates.

Three, if government knows it will be able to collect more tax revenue through the sales of homes—because more homeowners have crossed that line—then it creates an incentive for government to foster more inflation.

Is this what the administration intends—greater stress among our people, more homeowners subject to higher taxes—especially as they are entering their retirement years, and more inflation?

LIMITING HOME MORTGAGE INTEREST DEDUCTIONS

Fourth. A dollar limit on the amount of homeowner mortgage interest that can be deducted.

I think every American family calculates the true cost of buying a home and making monthly payments on it by knowing it can deduct interest on the mortgage—which is usually much greater than payment of the principal—and real estate taxes paid. Now the Carter administration is going to set a dollar limit on mortgage interest deductions, probably at that middle middle-class level again, which raises problems I mentioned in my second point.

Some people very close to the Treasury Department tax staff believe elimination or restrictions on the real estate tax deduction have been or are being considered too.

NEW RESTRICTIONS ON MEDICAL DEDUCTIONS

Fifth. New restrictions on deductions for health care.

Under present law, medical deductions are allowable in excess of 3 percent of income. The Carter administration wants to almost double the percentage, moving it to 5 percent.

This means to have the deduction, you would have to have either an almost

catastrophic illness or much higher health insurance premiums.

The real effect of this change might be to take the pressure off of holding down hospital costs—at a time when another arm of the Carter administration is seeking means of holding them down—and simultaneously driving up health insurance rates.

Is this what the administration intends?

OTHER PLANNED ADMINISTRATION CHANGES

Sixth. Repeal of the deduction for State or local sales taxes. This might also be the repeal of the deduction for State and—not just or—local sales taxes.

Seventh. Repeal of the rule that allows holders of life insurance policies to avoid tax on interest earned by their premium payments while held by the insurance companies.

Presently, the payment of tax is deferred until the cash surrender value of the policy is withdrawn or the named party dies and payment is made to the beenficiary.

The Carter administration wants the Federal Government's "cut" now.

Eighth. Taking any capital gains treatment which does remain after the rest of the changes are made—on stocks, real estate, and other assets—when they are passed at death.

This, of course, means all that the average family builds up in hopes of passing it along to their children—so they and their children can have a better life—will be subject to the bigger bite of the taxman.

Ninth. Requiring banks and corporations to withhold tax on interest and dividends they pay.

This means that instead of the taxpayer having the use of his own interest and dividend earnings for the year, so those earnings can accrue, the Government will get them immediately through withholding. That means less interest and dividends over a year's period.

That means less attraction to putting one's money into banks, corporations, presumably savings and loans, building and loans, and other thrift institutions.

That, in turn, will mean less money from which those institutions can make home mortgage loans, business loans, et cetera.

This, in turn, will slow the economy even more.

Is this what the President wants?

TAXES ON SOCIAL SECURITY AND UNEMPLOYMENT BENEFITS

Tenth. Requiring individuals to pay tax on social security benefits.

Believe it or not, this has been under consideration.

Can you imagine taxing the elderly this way?

Eleventh. So too has requiring individuals to pay tax on unemployment benefits, which means to receive the same level of benefits, the gross amount paid would have to be increased and taxes raised to cover those increased benefits.

Is this what the administration intends?

Mr. Speaker, this list is not meant to be all inclusive. These are just those items which have come to my attention. Heaven only knows what else may be under consideration.

ADMINISTRATION'S EXPLANATION IS MISLEADING

The administration will respond to my remarks by saying these new and higher taxes will be offset by an across-the-board cut in individual income tax rates. That is very misleading.

The draft tax rate tables now being prepared by the President's interagency tax-writing team, while including rate changes, shifts a greater tax burden onto the backs of the middle class. More people are going to pay less at the bottom of the scale and those people at the top whose income is unearned income are going to pay less. The middle incomes pay more.

I challenge this administration to reduce the tax rates on the American people—the real rates, the nominal rates, the marginal rates, the effective rates, any kind of rate and any way of looking at tax burdens and tax incidences.

A BETTER ALTERNATIVE IS ALREADY AVAILABLE

If this administration wants to revitalize this economy—if it wants to increase revenue for the Government—there is a way to do it without increasing taxes. The way to do it is to reduce taxes, not increase them.

Reducing taxes will return confidence to our economic climate overnight. It is the clearest signal imagineable to the consumer and producer. It will result in increases in the gross national product, employment, and tax revenues.

There is no tricky economics or fancy politics behind such a proposal, behind such a tax plan. It is logic, pure and simple.

There are two ways to increase tax revenues—the objective of the administration.

Commonsense tells us that the more tax one pays on each dollar one earns the less incentive one has to produce additional income. Thus, one may decide that a particular investment looks good at a 49-percent marginal tax rate but not at a 51-percent one. Likewise, a worker may decide to pass up overtime pay because it will push him into a higher tax bracket, or he may decide not to work at all. A reduction in tax rates, therefore, will stimulate work, production, and investment.

A corollary to this theory states that across-the-board tax rate reductions do not cause higher deficits, because expansion of the tax base itself will cause more revenues to be collected. By contrast, when tax rates are too high they reduce tax revenues—that is the case we have right now. In the case of a 100-percent tax rate, for example, no revenue would be collected voluntarily. Alternatively, a zero percent tax rate would produce no revenue. Thus there is a tax rate between zero and 100 percent which raises maximum revenue. Beyond this rate, taxes significantly reduce the incentive to work and produce, and revenues fall.

At present, we are faced with a situation in which tax rates are rising steadily and secretly through inflation. This pushes up individual and business incomes into higher tax brackets even though real incomes may be unchanged or even reduced. This has built a tremendous disincentive effect into our economic system which is the greatest barrier to full employment that exists today.

In summary, you have the kind of high tax rates which stagnate the economy and level off or reduce revenues. Or you can have the kind of tax rates which by stimulating the economy produce a larger tax base, the same or greater revenue, but assure economic growth. I opt for the second.

THE TAX REDUCTION ACT OF 1977

My suggestions are not offered in a vacuum. I have introduced legislation to set this alternative policy into motion through tax rate reductions on individuals and the businesses for which those individuals work and in which others invest.

Just as President Kennedy's tax reduction was enormously successful in the early 1960's, we believe that a tax rate reduction of similar magnitude will have similar results today. This is why I am introducing a bill today, together with my colleague, Senator WILLIAM ROTH of Delaware, to make the following tax rate reductions:

Reduce all individual income tax rates by an average of 30 percent over 3 years. This will reduce the highest individual tax rate from 70 percent to 50 percent, the lowest rate from 14 to 8 percent, and all other rates in between by a comparable amount;

Reduce the corporate tax rate from 48 to 45 percent over 3 years; and

Immediately reduce the corporate surtax exemption for small business from $50,000 to $100,000.

Almost two-thirds of the tax reduction will go to families with adjusted gross incomes below $30,000, 40 percent will go to families with incomes below $20,000. As inflation has pushed more and more families into higher tax brackets in recent years, more incomes have been affected by the progressive nature of our marginal tax structure. For instance, in the early 1960's about 5 percent of all tax returns were subject to the marginal tax rate of over 30 percent. Today, nearly one-third of all tax returns are in 30 percent tax brackets or above and it is increasing daily.

This increase in after-tax income can be expected to have a highly expansive effect on the economy, as the incentive to work, produce, and invest is encouraged. The estimated effect on employment and gross national product is the following:

	GNP (Billions)	*Employment*
1978	+$43.4	+1,218,000
1979	+95.5	+2,547,000
1980	+157.4	+4,000,000

Source: Norman B. True, Inc.

Because of this increase in employment and GNP, Government tax revenues will increase also. Indeed, within a short time the Government will be collecting more tax revenues than it would have in the absence of a tax cut, because

the tax base itself will be expanded. This is exactly what happened following the Kennedy tax rate reduction, as this table demonstrates:

Treasury estimated revenue losses:	
1963	−2.4
1964	−5.2
1965	−13.3
1966	−20.0
1967	−23.7
1968	−24.4
Total	−89.0
Actual revenue gains:	
1963	+7.0
1964	+6.0
1965	+4.0
1966	+14.0
1967	+19.0
1968	+4.0
Total	+54.0

Lower tax rates will not only provide incentives that encourage work effort and production, but to the extent that these tax reductions reduce the cost of labor to employers they will encourage additional job creation and employment opportunities. Lower tax rates will increase the supply of jobs, generate more taxable income, more tax revenues and lower Government deficits. Further, the reduction of tax rates will diminish the incentive of people to escape taxation and thus have the effect of raising additional taxes from the wealthy.

Our proposed legislation maintains the tax rates in proportion to ability to pay. But experience shows that excessively high rates do not produce large revenues. Experience is all in the other direction because when the tax rates on large incomes become too high, revenues disappear, and capital is diverted into unproductive channels, production and investment are discouraged and the small taxpayers and workers are left to bear the entire tax burden of Government spending and borrowing. The only way to relieve the small taxpayer is by getting the largest possible taxes from people with large incomes.

But we do not need a tax rate reduction just for wealthy people, nor do we need it just for low and middle income people—we need to reduce tax rates for all the people to encourage employment, production and economic growth.

REMARKS OF AMBASSADOR ROBERT C. HILL IN OBSERVANCE OF BOLIVAR DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 5 minutes.

Mr. CLEVELAND. Mr. Speaker, on July 25 the Pan American Society met in New York City in observance of the birthday of Simon Bolivar, the great South American liberator. The society was most fortunate to have as its speaker our former Ambassador to Argentina, Robert C. Hill of Littleton, N.H., a constituent and good friend of mine.

Ambassador Hill's distinguished career as a diplomat in Latin America and elsewhere makes him a foremost authority in this field. and his excellent remarks before the Pan American Society certainly merit the attention of my colleagues.

Mr. Hill has served as ambassador to Costa Rica, 1953–54; to El Salvador, 1954–55; to Mexico, 1957–61; to Spain, 1969–72; and from 1974 until this year he represented the United States in Argentina, during a time of great internal turmoil and danger. Ambassador Hill also has been Assistant Secretary of State for Congressional Relations, and Assistant Secretary of Defense for International Security Affairs. He is the recipient of numerous awards and honors from Latin American countries.

His speech follows:

SPEECH BY AMBASSADOR ROBERT C. HILL

As one with some experience in Latin American affairs, I am honored to offer some brief comments in commemoration of Bolivar Day. It is indeed a pleasant duty, and I welcome the opportunity.

Even the briefest recitation of Simon Bolivar's legendary life and accomplishments makes clear why we gather to honor him today. His efforts on behalf of South American independence dramatically and decisively touched the lives of an entire continent. Born to wealth and comfort, he might have escaped the dangers and sacrifices of the Independence Wars. He might have emerged a wealthy and influential figure as the result of battles fought by others. This, of course, was not his choice. From the moment on Aventine Hill in Rome when he vowed to free South America of Spain's domination, Bolivar dedicated himself to the career of service and self-sacrifice.

His independence exploits that began in Caracas in 1810 and culminated in Peru at the Battle of Aya Cu Cho in December 1824 were truly heroic. In those fourteen years he was often tested by reverses and defeats, only to emerge each time more resolute and strengthened. By any reasonable standard, Bolivar's accomplishments in those years justify history's judgment of him as one of the age's "Great Men"; one whose life and works became the standard against which his successors have been and will be judged.

One of the most fitting memorials to the Independence Period stands in the Port of Guayaquill, a statue with side-by-side figures of Bolivar and his Argentine counterpart, General San Martin. Constructed to commemorate their epic and somewhat controversial meeting on July 25, 1822, it symbolizes the spirit of sacrifice and cooperation that ennobled both Bolivar and San Martin and enabled them to lead a continent to freedom.

Several facets of Bolivar's life might be discussed as having contemporary relevance, but I would like to cite just one—his role as a man of thought as well as a man of action. If he had been simply a superlative soldier, he would have been remembered but not revered as he is today. Much of his enduring greatness lies in the fact that he was truly a soldier-statesman. He was exposed to Enlightenment thought at an early age and familiar with the latest European intellectual currents. Thus, his actions on the battlefield were infused with a vision of the future he sought for a liberated South America. His valiant struggle to construct his beloved Gran Colombia; his unfortunately premature efforts to stimulate inter-American cooperation; and his many attempts to articulate and implement a republican and representative political philosophy for the new Spanish-American nations all demonstrated an active and gifted intelligence. Clearly, in our much more complicated and dynamic world, Bolivar's example of leadership based upon thought as well as action is something worth emulating.

Bolivar, of course, died a bitter and disillusioned man in 1830. After his many sacrifices on behalf of independence, including the loss of his personal fortune, he saw his Gran Colombia dissolving into separate states and Latin American sliding into "a chaos of passions, difficulties, and disorders." These developments prompted him to write disparagingly in 1829 that "Those who have worked for the cause of Latin American freedom have ploughed the sea."

It is tragic that an heroic figure should have died so embittered. However, had he been able to witness the subsequent development of the South American nations that were in many ways his legacy, Bolivar might have been encouraged. They have come far since the chaotic days immediately after independence. Guided in part by the ideals and inspiration of Bolivar, they are in the process of assuming an ever more important role on the world stage. It has been a slow and uneven process, but it is ongoing.

Bolivar's disillusionment was born partially of the high hopes he entertained for his liberated fatherland and his impatience to see those hopes fulfilled. By 1829, he had apparently forgotten a statement he made ten years earlier at the Congress of Angostura: "Social perfection and perfect systems of government are noble ideals, but legislators deal with men, not angels."

The men who have followed Bolivar have not been angels, but they have benefited greatly from the fact that "The Liberator" went before them.

As with all historic figures who come to us lionized in poetry and song and memorialized in marble statuary, we sometimes fail to reflect sufficiently on Bolivar's contemporary relevance. We look to history for a deeper understanding of the present. We search for comprehension of the complex men and events that have shaped our own time. In this sense, what has Bolivar to say to us today? His advice might be—

"Be patient with your Latin American neighbors. The United States, at times, has shown enlightened interest in Latin America in the 20th Century—begun under President Hoover, strengthened by the good neighbor policy of Franklin Roosevelt, and additional efforts of understanding by the Alliance for Progress by President Kennedy."

A new Administration is in power today. As Americans we want to see the Carter Administration a success. Yet in their desire to change the world, old relationships should not be trampled on. Human rights is a worthy objective, but its orchestration and application have to be accomplished quietly to be effective.

You cannot in the United States legislate reform in Latin America or any other country—yes you can apply economic sanctions—deny military aid—influence normal banking channels. Will this produce results? No!! It will produce enmity that the United States will spend years recovering from.

In the meantime American business interests in Latin America will suffer. Our markets will dry up—business will move to Japan, to Europe and in some instances the Soviet Union.

Yet Latin America, I hope, will be patient and wait until experience takes over in the Administration. Then hopefully traditional friendships will return. The ingenuity of the United States technicians will return hopefully to help fulfill my dream of a strong and powerful Latin America surging forward as equal partners in the common cause of a better world for all mankind.

CONGRESSIONAL DEMOCRATS NEED TO HAVE A SAY IN NATIONAL PARTY DECISIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

Mr. DERWINSKI. Mr. Speaker, before the August recess begins, I want to advise my good friends on the other side of the aisle they can count on my carte blanche support in seeing they receive the proper adulation and respect at national Democratic Party conclaves. I cannot envision a national Democratic Party gathering operating effectively and efficiently if it ignores the brilliance and incisiveness of the Democratic congressional delegation.

With the new administration concentrating almost exclusively on enhancing its own image, I can understand why congressional Democrats want to make sure they are not reduced to bit players or handed walk-on parts when important national party decisions are being made.

In a "Dear Democratic Colleague" letter which I recently received, I was advised the executive committee of the Democratic National Committee now is in the midst of planning the party's midterm convention. The letter emphasized the importance of granting congressional Democrats access to the floor and voting privileges. They had those rights at the party's 1974 midterm convention, and after petitioning the arrangements committee, they were given the same privileges for the 1976 Democratic National Convention.

By the time the next midterm convention is called to order, the Democratic national party is going to need all the help it can get in trying to defend and explain the administration's policies and programs to a bewildered constituency.

So I say to my good friends, yes, you may use my name when you make your plea to the Democratic National Committee for floor and voting privileges at your midterm convention.

LEGISLATION TO AMEND FARM LABOR CONTRACTOR REGISTRATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN) is recognized for 5 minutes.

Mr. SARASIN. Mr. Speaker, today I am introducing a bill to amend the Farm Labor Contractor Registration Act, as amended in 1974. The bill I am introducing is similar to, but not identical with, a bill I introduced in the 2d session of the 94th Congress. During the 93d and 94th Congresses, the Subcommittee on Agricultural Labor held hearings and engaged in extensive oversight of the Farm Labor Contractor Registration Act resulting in the 1974 amendments, and then oversight of the 1974 amendments. We found that there were ambiguous interpretations and inadequate intepretations of the law and the 1974 amendments, as well as enforcement that drew criticism from contractors, producers, processors, growers, foremen, and employees of operators engaged in agricultural pursuits. The bill I am introducing today again attempts to provide some clarification for those who operate within the terms of its coverage as well as for those who must attempt to enforce the act in the manner Congress intended. I hope these amendments will be addressed at the scheduled hearings on the Farm Labor Contractor Registration Act to be held in Raleigh, N.C., on August 24, 1977.

Let me repeat for this Congress some of the history of the problems with this act as I saw it in 1976 and as it continues today:

The Farm Labor Contractor Registration Act was signed into law on September 7, 1964, and became effective January 1, 1965. From the beginning of January 1965 until late in 1974, the Farm Labor Contractor Registration Act—FLCRA—received little, if any, attention from growers, or contractors, or even from Government. When violations of the FLCRA were discovered, they were usually uncovered when the Department of Labor was investigating compliance with other laws, such as minimum wage or age discrimination. Although the FLCRA was designed to eliminate the exploitation of producers, migrant agricultural laborers, and the public, generally by irresponsible labor contractors, the Subcommittee on Agricultural Labor discovered in 1974 that abuses were still prevalent and that labor contractors failed to even know the existence of the law which required them to register.

As a result of oversight and hearings during the 93rd Congress, the FLCRA was amended in a number of ways to make it more effective—the Department of Labor was directed to monitor, investigate, and enforce the law; penalties were increased; coverage was extended; civil relief became available; a nondiscrimination clause was added; and persons doing business with labor contractors were obliged to deal only with a registered crew leader. After the 1974 amendments, the FLCRA began to receive some attention. Indeed, the Department of Labor began to enforce the law in a manner that has drawn some criticism from contractors, producers, processors, growers, foremen, and employees of operators engaged in agricultural pursuits. Most of the complaints arise from those portions of the 1974 amendments which extended coverage to intrastate operations and to the removal of the requirement that only crew leaders who hired or transported "ten or more migrant workers" were required to register.

The complaints raised relative to the enforcement of FLCRA since the 1974 amendments are the reason for the introduction of my bill. Whether the criticisms are valid or not, they deserve some attention. I do not know if this bill provides the answers to the complaints, but it does provide a beginning for an investigation into whether the act is being properly administered and enforced.

I want to emphasize that the proposed amendments are not intended to exempt from coverage the crew leader or "body broker" that the original Congressional Findings and Declarations of Policy so well illustrate.

Section 2 of my bill will exempt from the requirements of the FLCRA the nonprofit agricultural cooperatives of farmers and farmers' cooperatives engaging in recruitment solely for its membership on a cooperative basis. In the last Congress, I did not include such a provision since I felt we should investigate such cooperatives. The staff of the subcommittee visited nonprofit agricultural cooperatives of both types in California and Arizona, and found no reason to think that they would or ever did engage in the abuses the FLCRA was enacted to eliminate. Since the legislative history of the FLCRA gives no indication that it was directed at long-established farmer cooperatives which render services to their members on a nonprofit basis, which are subject to a limited geographical location and are easily found for purposes of complaint, and which, as a result of our investigations, have not been demonstrated to have abused workers' rights, I believe they should be exempted from the law which attempts to regulate historically know "crew leaders."

Section 3 of my bill removes the word "personally" in section 3(b)(2) of the act. A farmer or processor is exempt if he personally engages in recruitment of workers for his own operation. It has come to my attention that "personally" is being construed by the Department of Labor to mean "in person." Since this could be a narrow and restrictive interpretation which would exclude any corporate farmer, processor, canner, ginner, packing shed operator, or nurseryman from the exemption, I have removed the word "personally" so that corporate operators can benefit in this exemption as long as they meet the other relevant requirements. Furthermore, I believe the word "personally" is an inadvertent carryover from the House bill prior to the 1974 amendments.

In addition, the Department of Labor is attaching a very narrow construction to the language, "solely for his own operation." Many processors, canners, and packinghouse operators engage in harvesting for the purpose of bringing agricultural products into their establishments for processing, canning, or packing. In actual practice the harvesting is an integral part of the operation of the processor, canner, or packer. In some instances a part of the produce may be diverted either before or after entering the packinghouse, as in the case of a packer who has harvested more of the produce than he can pack, can, or process. The Department's narrow interpretation of "solely for his own operation" in fact nullifies the exclusion which Congress intended, and my additional language in section 3 is intended to restore Congress original intention.

Section 4 of my bill attempts to clear up the fact that full-time and regular employees of an entity referred to in (1) and (2) of section 3(b) of the act are not crew leaders. While in general conversation, the terms "full-time employee" and "regular employee" are easily understood, I feel that the addition of the words "bona fide" before those terms will establish the fact that such employees are not, and in fact cannot be crew leaders or body brokers.

Section 4, further, strikes the words "on no more than an incidental basis" from section 3(b)(3) of the act. Section 3(b)(3) exempts full-time foremen, or other employees, who engage in recruiting activities for his own employer on no more than an incidental basis. It is claimed that the striken language has been construed too narrowly, and that

the exemption for full-time foremen has been practically nullified. Both the House report and the Senate report contained similar language explaining the intent of Congress regarding this exemption. They read:

> While employment relationships vary, it is the Committee's intent that foremen and similar bona-fide employees will not have to register as Farm Labor Contractors if it can be shown, for example, that they are full-time and permanent employees of an employer, who utilizes a limited portion of their time for activities described in section 3(b) of the Act.

The potential loophole that Congress intended to close has been completely eliminated by the addition of the language "solely for his employer." A farm labor contractor who might otherwise have attempted to come within this exclusion by becoming an employee and causing each member of his crew to become an employee of each employer by whom he is engaged as he and his crew move from job to job will not have engaged in such activity solely for any single one of those employers. It is not my intention to exempt full-time employees who engage in recruitment activities regularly, but it would seem that the above-cited language leaves little doubt that Congress did not intend that the act be construed to require full-time foremen or others to register when only a portion of his duties includes going to town to pick up workers.

Section 5 exempts from coverage a fully qualified charter or contract carrier which meets insurance requirements. There are in this country, owners of school buses who, by contract, carry school children during the school year. They are not common carriers, but they are able, on a charter basis, to transport farm workers. The same may be said of other charter carriers.

Section 6 is an attempt to limit the interpretation that has been placed on the word "fee." For instance, the Department of Labor has been interpreting the word "fee" in the following manner: When farmer A suggests that farmer B use his workers for 1 or 2 days when farmer A has no work for them, A is judged to have earned a "fee" by so doing—farmer B has paid a "fee" by "holding" farmer A's workers until he needs them. There is obviously need for clarification.

Section 7 attempts to more clearly define "migrant worker." As the act is presently drafted, a "migrant worker" is an agricultural employee who works on a seasonal or other temporary basis. Before the 1974 amendments, the Act applied only to crew leaders engaged in interstate commerce, and migrant workers were those engaged in interstate agricultural employment. With the deletion of the interstate requirement, the definition of a migrant, as that term is generally understood, has become confused. I believe the definition needs some clarification.

The intent of Congress in enacting and amending the Farm Labor Contractor Registration Act was to provide protection for those agricultural workers who are induced to travel, by day haul or other distances, to places of employment and are dependent upon their crew leaders. A worker who lives permanently in the general area of his employment and is able to travel on his own is most likely not a migrant. However, it should be clear that although a worker may not be a migrant in the traditional sense, where the worker is dependent on employment to a crew leader whose contracts with agricultural employers preclude the worker from securing employment without the crew leaders intercession, there is no attempt and no intention of exempting that crew leader from coverage. The words "on a seasonal or other temporary basis" added to the first part of 3(g) are to make it explicit that the term does not apply to persons employed full time, the year around in agriculture by the same permanently located employer.

Section 8 adds three new definitions to the Farm Labor Contractor Registration Act. The first is to define the word "transport." The enforcement policies of the Department of Labor and conflicting interpretations of the law within the Department would seem to point up the necessity for a precise definition of "transport." Before a person is held to be engaged in transporting migrant workers, he should either be the owner of the vehicle or conveyance, or he should control the operation of that vehicle, directly or indirectly, through employees or agents in such a manner as to incur any legal liability for the operation of the vehicle or conveyance in which the migrant worker is transported, and hence he could not obtain any insurance which would protect him against that liability.

The other definitions relate to "bona fide" full-time and "bona fide" regular employees of an agricultural employer. As already stated, it should be clear that such employees are not crew leaders within the meaning of the word.

In summary, the Farm Labor Contractor Registration Act was designed to control crew leaders—persons who do not have local situs, who are almost constantly on the move, and who take with them workers who are dependent upon their crew leader for their transportation, livelihood, and safety. The above proposed amendments would continue such coverage, but would make it clear that the act is not intended to cover farmers and other agricultural employers who have a local situs, perform work in agricultural pursuits at the same place 12 months out of the year, and whose books and other records are readily available for inspection at any time.

In offering these amendments, I want to assure my colleagues that I do not wish in any way to weaken enforcement of the Farm Labor Contractor Registration Act. However, as I have previously stated, I believe that agricultural labor practices of the past are rapidly changing and that certain present agricultural practices should be more fully examined so that the enforcement activities are in conformity with the intent of Congress to eliminate the abuses which workers suffer at the hand of unscrupulous crew leaders who meet the definition of "farm labor contractor" in the law.

SECRET DOCUMENTS PROLIFERATE: CLASSIFICATION SYSTEM DEMANDS SERIOUS ATTENTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, last year in a New York Times editorial concerning the "Daniel Schorr Incident," I urged that our national security classification procedures be reviewed and that a more realistic system be devised. Although very little has been accomplished in this field, there are some ongoing studies being conducted. In particular, an interagency task force in the executive branch is now reevaluating the system and building a data base to construct a new Executive order on the subject.

No doubt by the time we return from our August recess, the National Security Classification System again will be in the limelight. The information presented by the Interagency Classification Review Committee (ICRC) in its 1976 report, released last month, is bound to capture public attention.

The committee, established in 1972 to help the National Security Council oversee the entire classification system, notes that as of December 1976, there were 13,976 classifiers in the United States. This is a decrease of less than 7,000 since 1972. By far the greatest portion of these reductions came from among those working at the lowest levels, handling "confidential" material. Since these individuals only can classify at their authorized level or below, the actual decrease in authority is not as pronounced as the committee's statistics imply.

Moreover, the actual number of rubberstampers is inconsequential. The real problem is the quantity of documents bearing their stamps.

The committee points out that during 1976 there was a 19-percent drop in the "top secret" category. While this figure seemingly shows great success in reducing the number of high-level secrets, the fact remains that the number of "top secret" documents in proportion to all classified materials is the same now as it was in 1972. The decline in 1976 seems to be the result of an extraordinary 37-percent increase of "top secret" documents in 1975.

Although the "top secret" category experienced a decline, the "secret" and "confidential" categories advanced. The number of "secret" documents, 1,298,440, rose by 85,244 actions, or 7 percent, in 1976. The number of "confidential" status documents jumped 25 percent—a dramatic 645,815 actions—in the same period. As a result, the entire number of classified documents increased by 723,459 actions, or 19 percent. Last year's total was 4,517,914. This is the largest full-year aggregate since the present classification system originated.

With regard to declassification procedures, the Interagency Classification Review Committee cheerily observes that 75 percent of all relevant documents are being placed under automatic provisions of the General Declassification Schedule. However, the report fails to mention that the percentage of those documents under the automatic schedule has declined every year since 1973, from its high of 81 percent.

I am pleased to note that the quantity of documents requested by the public for declassification review increased 90 percent over 1975, with 86 percent of those requests granted in full or in part. But, the total number of requests is still very small in comparison to the number of classified documents.

The report also points out that there was a 65 percent decrease in the number of unauthorized disclosures. However, after weeding through pages of extraneous information, one finds that the number of unauthorized disclosures since 1975 decreased only from 17 to 6. Most of these disclosures appeared in the press and only one of six sources was located.

Increases in total documents classified and decreases in the percentage of automatically declassified documents have caused a sharp increase in the amount of information being kept from the public. Using the ICRC's percentage and total number figures, I have calculated that in 1974 approximately 683,900 documents were excluded from the General Declassification Schedule. In 1976, the number increased to approximately 1,080,300.

Does all this material pertain to national security? Would normal declassification of this information jeopardize our safety? These are some of the questions that must be dealt with in the fall.

The ICRC's report briefly discusses several problems inherent in the present system. Many of these were addresed 4 years ago in a subcommittee report issued by the House Committee on Government Operations.

Three of the major issues were delineated by both reports. First, most documents can be excluded from the automatic declassification schedule with little difficulty. Second, there are inadequate procedures to accelerate declassification in the event a document no longer needs to be withheld from the public. Third, the complexity of the system is expanding due to the lack of limitations on the use of miscellaneous classifications categories.

These are only a few of the most serious problems that burden the classification system. I cite them for my colleagues to show that the system needs our serious attention. I am hopeful that the promised new Executive order and the scheduled hearings in the House Committee on Government Operations later in the fall will provide the improvements this system needs.

HEARINGS ON CREDIT CARD-EFTS LEGISLATION SCHEDULED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. (ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, beginning on Tuesday, September 20 hearings will be held by the Subcommittee on Consumer Affairs of the Committee on Banking, Finance and Urban Affairs on H.R. 8753 at 10 a.m. in room 2222 Rayburn House Office Building.

This is the legislation that deals with credit cards and the Electronic Funds Transfer System. The hearings will be held on September 20, 22, 23, 26, 27, 29, and possibly September 30 if an additional day is needed.

Persons wishing to testify should contact Mr. Curtis Prins, staff director of the Consumer Affairs Subcommittee at 225–9181.

INCENTIVES FOR THE BLIND

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, blind persons are eligible to receive disability benefit payments through the social security system, and that is a good, reasonable and fair thing. But if a blind person is able to work, he loses those disability payments, and that is not reasonable or fair. This kind of penalty frustrates hopes, and keeps many people from working, who could otherwise do so.

The penalty is especially unfair when you consider that blind persons who receive benefits under the veterans program can work without losing their benefits.

I have introduced a bill that would enable the blind to receive social security disability payments, if they become employed—exactly in the same manner that blind veterans may work and have benefits. I had the privilege of discussing this bill with the Subcommittee on Social Security, and include in the RECORD my prepared remarks:

STATEMENT BY CONGRESSMAN HENRY B. GONZALEZ

I want to thank the Subcommittee for its consideration of my bill to liberalize the conditions under which blind persons can receive disability benefits under the Social Security Act.

My bill is simple: it would allow a blind person to qualify for disability insurance payments under Social Security after working for six quarters in covered employment, and further, allows the blind to receive payments regardless of any additional earnings they may have. Present law does not allow a blind person to continue receiving disability payments, if that person returns to work.

The concept of disability insurance is that such insurance should be available only to a person who is wholly unable to work. However, such a narrow concept is in many ways unfair, and not in the best interest of either the government or the disabled person.

All of us are trained in the belief that work is good, and all of us admire the courage and determination that a handicapped person shows, when that person is able to overcome all adversity and remain a productive citizen. Our social programs stress rehabilitation. Our benefit payment systems ought to reward rehabilitation, and that is what my bill intends to do.

As matters now stand, a blind person who finds work may actually suffer financial penalties if he does work. The income from that person's job may well turn out to be less than the disability payments he is entitled to. In such circumstances, handicapped individuals may find that unemployment, if unhappy, is at least financially more rewarding than most available jobs. We should not continue a system that penalizes those who want to work, as the existing one does.

It can be argued that a person who can work is not disabled, and should not receive disability payments. Our law, however, has for many years recognized that a person can be disabled and productive at the same time, and that such persons can receive disability payments, whether they are working or not. Our veterans statutes have for decades provided a system of payments based on degree of disability, and it is a wise, compassionate system. These payments are made regardless of any earnings the veteran may have.

A blind veteran is classed as having a one hundred percent disability, and receives a benefit payment of close to a thousand dollars a month, in addition to other benefits. Note this: a veteran receives that benefit payment whether or not he is working, and regardless of any additional income he might have.

A blind person under the Social Security system is, on the other hand, penalized if he is able to work. There is no difference in degree of blindness or degree of handicap—only in treatment. The veteran has every incentive to rehabilitate himself, and is rewarded if he is able to work. The Social Security recipient is penalized for working, and suffers every possible disincentive. There is no reason for having this kind of differential between citizens who are identical in every respect except for the program that they happen to fall under.

In addition to the fact that we should not let this double standard, this inequity, continue to stand, we should understand that a blind person who is working will be less of a burden to the government than one who is not. That person will be capable of paying taxes, capable of supporting any dependents he may have, and capable of contributing to society in a positive way. Anything that encourages this kind of full and productive life ought to be provided; anything that discourages it ought to be rejected.

Blind people do not want to be on welfare, any more than anyone else who is capable of living in any other way. Enactment of my bill will remove a great injustice to blind people under the Social Security program, will encourage rehabilitation, and will, most importantly of all, enable a great many people to live in the kind of dignity and security that we all want for ourselves.

I urge enactment of this bill.

THIS YEAR'S CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, this year's Captive Nations Week was an outstanding success in a variety of ways. In all sections of the country the 19th observance was conducted in diverse ways of Governors and mayors proclamations, radio interviews, newspaper reports, church services, assemblies and marches

The most important event was the reversal of the President's decision not to issue a proclamation. The forces that assembled to overcome this temporary inaction were truly remarkable. For the cause of human rights has far greater meaning and application to the imperio-totalitarian Communist world of the captive nations than any parts in total aggregation beyond the area of captive nations.

As another selected report on the week, Mr. Speaker, I submit the following items: First, the proclamation of Mayor Moon Landrum of New Orleans; second, the proclamation of Governor Jerry Apodaca of New Mexico; third, an article by Lee Edwards, executive director of the National Captive Nations Committee, on "A Carter Retreat on Human Rights"; and fourth, the report on "President Yen Warns Free World to Boost Defenses," an editorial on the "Significance of Captive Nations Week Rally," the addresses of President Yen and Dr. Ku, and the declaration at the Captive Nations Week rally of the Republic of China as given in the July 23 issue of the China Post:

STATE OF NEW MEXICO,
Santa Fe, N. Mex.

PROCLAMATION

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Estonia, Latvia, Byelorussia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Croatia, Slovenia Cossackia, North Vietnam, Cuba, Cambodia, South Vietnam, Laos, and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom-loving peoples in the captive natives look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies, and activities; expressing their sympathy with and support for the just aspirations of captive peoples;

Now, therefore, I, Jerry Apodaca, Governor of the State of New Mexico, do hereby proclaim the week of July 17 through 23 1977, as: "Captive Nations Week" in New Mexico.

NEW ORLEANS.

PROCLAMATION

By virtue of the authority vested in me as Mayor of the City of New Orleans, I hereby proclaim July 17-23, 1977 to be "Captive Nations Week" in New Orleans.

A CARTER RETREAT ON HUMAN RIGHTS

(By Lee Edwards)

Dwight D. Eisenhower started it way back in 1959. John F. Kennedy continued it. So did Lyndon B. Johnson. And Richard M. Nixon. And Gerald R. Ford.

But Jimmy Carter wasn't going to do it, until he came under so much political and public pressure that he *had* to do it.

I'm talking about Captive Nations Week and the annual proclamation which the President of the United States, under Public Law 86-90, is "authorized and requested" by the Congress to issue.

Captive Nations Week, of course, marks the annual observance by the United States of the tragic lot of those hundreds of millions of men, women and children who live, not by their choice, under communism. It is our way of saying to them that we will never be content until they too enjoy the freedom, liberty and national independence we do.

In May of this year, Dr. Lev E. Dobriansky, chairman of the National Captive Nations Committee, wrote to the White House as he does every year reminding the President of Captive Nations Week in July and stressing its fundamental compatibility with human rights—Mr. Carter's favorite foreign policy theme.

For the next two months, Dr. Dobriansky was in contact with various representatives of the Carter administration and at no time received any inkling that there would not be a presidential proclamation.

On Friday afternoon, July 15, two days before Captive Nations Week was to begin, Dr. Dobriansky had to leave Washington, D.C. to fly to Cleveland to participate in a panel on—of all things—detente. He asked his Committee's executive director to follow through on what Dr. Dobriansky still believed to be a pro forma assignment. The White House was invariably late with the proclamation and he saw no reason for alarm.

At approximately 4:30 p.m. Friday, the Committee's executive director got through to Greg Treverton, a staff member of the National Security Council, who calmly revealed that there would be no presidential proclamation in 1977 because Mr. Carter's stand on human rights and national independence was so "public" and well-known. Therefore, there was "no requirement" for a proclamation.

The Captive Nations Committee director protested. He predicted there would be widespread disappointment over the President's inaction. Treverton responded that the non-proclamation should not be interpreted as a retreat by the President on human rights or national self-determination. The Captive Nations representative assured Treverton that failure to issue a proclamation would be seen as just that.

He might have added that after 19 years and five presidents, Mr. Carter not issuing a Captive Nations Week Proclamation would be like the Pope not calling for peace on Easter Sunday.

The next four days were filled with telegrams, telephone calls, Congressional speeches, entreaties, threats, and profound disbelief on the part of almost everyone—particularly liberal Democrats in the Congress and most of our major cities who have made Captive Nations Week a special symbol of their concerns about the captive peoples behind the Iron and Bamboo Curtains—and the votes of their relatives in this country.

Finally, at 11:30 a.m., Wednesday, July 20, about one hour before the U.S. House of Representatives was scheduled to begin a special discussion of Captive Nations Week, and four days into the Week itself, President Carter issued a Proclamation, designating July 17-23 as Captive Nations Week.

It was innocuous, bland, political boilerplate. The President recognized America's belief in "national self-determination" and called on the people of the United States to demonstrate their support "for those who seek national independence, liberty and human rights."

He made no metion of communism or the Soviet Union or Communist China or Communist Cuba or any of the 27 nations now under communism. He did not even use the word "totalitarian" which we all know means the Soviet Union.

At a time when 1.5 billion people are starving for freedom under the yoke of communism, President Carter offered them a crumb of consolation.

It is ironic but true that if the President had issued this bit of rhetorical fluff Friday evening or Saturday morning no one would have protested and he would have avoided the ensuing flap.

The Proclamation satisfied really no one. Not those in the State Department and the White House who counseled him against issuing it in the first place. Not the Soviet Union which correctly preceives the captive nations as a most serious threat to their continued imperialist domination. Not the hard-line Democratic and Republican Congressmen, Senators, mayors, governors and other elected officials. Not the various ethnic blocs in America whose attitude was summed up by Dr. Dobriansky, who asked Mr. Carter:

"Which is more important to this administration—human rights or relations with Soviet Union?"

The President's near disastrous inaction on Captive Nations Week shows that his commitment to human rights is not what it was only five short months ago when he wrote an historic letter of support to Soviet dissident Andrei Sakharov and met with Vladimir Bukovsky in the White House.

I can't help thinking: If Mr. Carter is so nervous about offending the Soviets that he almost cancels a ritualistic proclamation, how firm will he be on such vital national security issues as SALT?

PRESIDENT YEN WARNS FREE WORLD TO BOOST DEFENSES

Over 3,000 people, including distinguished guests and high-ranking government officials, attended the 1977 Captive Nations Week rally presided over by Dr. Ku Cheng-kang, World Anti-Communist League Honorary Chairman, at the Sun Yat-sen Memorial Hall yesterday morning in Taipei.

President Yen Chia-kan said in his address to the rally that "We must call on the free world to recognize the true nature of the Chinese Communists, strengthen our defenses against them, insist on morality and safeguard human rights by ensuring unity, persevering in our struggle, repudiating abject and phony peace, and demanding just and true peace."

President Yen also pointed out that "to struggle for freedom is in the nature of man and a part of the mainstream of history, whereas those who enslave the people are the common enemy of the people."

Dr. Ku said in his address that "if the United States were to continue treating relations with the Chinese Communists as a central part of her foreign policy, America would be negating her own traditional national stand for justice and freedom."

Dr. Ku pointed out that normalization with the Communists will seriously threaten world peace and global equilibrium will be irreparably destroyed.

Also speaking at the rally were William L. Dickinson, member of the U.S. House of Representatives, Orlando Montenegro, Senator from Nicaragua, Tran Van Do, leader of Free Vietnam, Jeno Platthy, president of the Third World Congress of Poets, and Felipe Sin Garciga, secretary of foreign relations, Cubanos Unidos en la Batalla Anticomunista (C.U.B.A.).

A declaration and a cable to President Carter urged the President of the United States to realize that the "tyrannical Communist regimes have not changed their goal of world Communization and human enslavement."

The cable to Jimmy Carter also stated that "all lovers of freedom should jointly oppose Communist enslavement and win and promote freedom and human rights."

The declaration noted that: "We have resolved to further unite the world's freedom forces, step up assistance to the enslaved 800 million Chinese mainland people's struggle to win freedom and human rights.

SIGNIFICANCE OF CAPTIVE NATIONS WEEK RALLY

Thousands of people of the Republic of China attended a mass rally at the Sun Yat-sen Memorial Hall yesterday to give their staunch support to the Captive Nations Week movement which was initiated by the 86th Congress of the United States in 1959.

But the significance of this gathering goes beyond the borders of the Republic of China and penetrates deeply into the Chinese mainland and other iron curtain countries where the suffering people are yearning for freedom and early deliverance from inhuman oppression.

It is fitting to note that the theme of this Captive Nations Week's observance is "Resist Communist for Freedom and Resist Communism for Human Rights". As President Yen Chia-kan has pointed out in his address at the Rally that "this theme is intended to give new impetus to our national policy of resisting Communism by pitting humanity against inhumanity, human rights against enslavement and morality against immorality".

While we are sure that "benevolent government will prosper and tyrannical rule will perish", many democratic nations have unfortunately been intoxicated by phony promises of the Communist nations in their united front tactics to confuse and bewilder the free nations.

The Chinese Communists are especially vicious in spreading phony professions of peaceful intentions and cooperation in the future. But when they were urged by the United States to settle the so-called "Taiwan question" peacefully, they immediately retorted by a threat of force against the Republic of China. As Dr. Ku Cheng-kang pointed out that actually there is only "the China issue" but "not a Taiwan question." For the Republic of China is China which is the rightful ruler of the Chinese mainland while the Chinese Communists are imposters and usurpers. "The United States", Dr. Ku noted in his opening speech at the Rally, "must understand that the only solution to the China issue lies in the return of the 800 million Chinese mainland people to freedom and human rights, and in the rebuilding of the mainland under freedom and democracy so that China as a whole can contribute importantly to the security, peace and equilibrium of Asia and the world".

There is general agreement that U.S. Secretary Cyrus Vance's trip to the Chinese mainland is a dangerous undertaking because "if Washington were really to have a full relationship with Peiping, the action would be tantamount to condoning that regime's infringement upon the freedom and human rights of the 800 million Chinese mainland people". It is hoped that Mr. Vance will refrain from taking any step that will harm America's glory and prestige.

U.S. Congressman Willam Dickinson of Alabama, pointed out the fact that despite nearly 19 years of observance of the Captive Nations Week movement, "well over a billion human beings live under dreadful conditions". His description of the life behind the bamboo curtain on the Chinese mainland which he visited last year is worthy of noting. He was saddened by what he saw on the mainland. "They are a colorless, drab society, mirthless—without joy—regimented from birth". He paid tribute in his speech to the brave and tenacious people of the Republic of China by saying that "You are a bright, happy, creative people—ever improveing the quality of life".

The rally paid tribute to anti-Communist defector Fan Yuan-yet who escaped to freedom with the Chinese Communist MIG19 fighter. His successful escape proves the impending doom of the Chinese Communist regime because Chinese Communist cadres and officers are deserting the sinking boat and no amount of appeasement by the short-sighted politicians in the free world can avert its collapse. However, there is still time for the United States to wake up from its mistaken conception of treating the Chinese Communists as a friend thereby disappointing and alarming its real friends and allies. It must remember the constant and unchangeable slogan of the Chinese Communists of burying American imperialism as well as their unalterable objective of communizing the world.

PRESIDENT YEN: OVERTHROW OF COMMUNISM STARTS IN CHINA

The freedom movement on behalf of the people of captive nations was initiated by the U.S. Congress. The Republic of China was the first to respond. Other member states of the World Anti-Communist League followed the Republic of China to give their enthusiastic support one after another. This movement has fortified the faith of people shut behind the Iron Curtain in their struggle against slavery and Communism and for freedom and human rights. It also has enabled the peace-loving people of the world to respond to one another in fulfilling their aspirations and engendered a powerful summons to overcome international Communist influence and suppress dictatorial rule.

STRUGGLE FOR FREEDOM

To struggle for freedom is in the nature of man and a part of the mainstream of history, wheras those who enslave the people are the common enemy of the people. The history of human civilization may be summed up as a record of advancing human nature, assuring freedom, opposing brute force and throwing off the yoke of slavery. Without exceptioin, the enslaved have paid a heavy price. They have shed their blood and given their lives to resist the bloodthirsty oppression and tyranny of the forces of brutality in order to carry out their high ideals of freedom and equality.

The success of freedom and the failure of slavery is an iron-clad rule of history. Although man will encounter countless difficulties in his struggle for freedom, he is sure to overcome them all and reach his goal of final victory. This is to say that all enslaving and despotic regimes have been overthrown by those they enslaved and that every totalitarian regime depriving the people of freedom has been destroyed by the people. Although evil forces are prevailing today, the force of freedom will eventually triumph by maintaining sincere unity and struggling forward with perserverance. History is our witness and the human conscience is our guarantor.

We must never forget that countless people behind the Iron Curtain are suffering under the persecution of totalitarian rulers and the enslavement of brutal forces. These people are on the brink of starvation and groaning as they walk the road to death. Yet how strong is their aspiration for freedom! And how moving is their pressing call for the means of survival! The task of our times is to expedite the deliverance of the enslaved and protect those who still enjoy freedom from enslavement.

CURRENT TRAGEDY

We know that the current tragedy of humankind is caused by Communist aggression and that the Chinese Communist regime is the root of the threat to Asia and of world turmoil. To overthrow Communist tyranny the world over, we must begin by destroying the Communist regime on the Chinese mainland. To free all people from slavery, we must regard the 800 million people of the Chinese mainland as the first priority for liberation. This is not only our supreme task in supporting Captive Nations Week but also the sacred assignment of all who love freedom and stand by justice.

HELL OF SLAVERY

The Chinese Communist regime is based on brute force and seeks to obliterate human nature and suppress human rights. Under the dominations of Communist rule, the Chinese mainland has been turned into a hell of slavery lacking even a breath of freedom. The Chinese Communists tyrannize the masses of the people to give benefits and private gain to a handful of Communist chieftains. The Chinese Communist Party of today faces ever more complex divergence, ever more critical chaos and ever more violent struggle. As the criticism and struggle mount in intensity, the suppression and persecution of the people become steadily harsher. Such a bloodthirsty society has no human dignity and no human rights; security does not exist and suffering is endemic. Everyone on the mainland is in danger. No one is compatible with the Communists. Each person regards the resisting of Communism and violence as his duty.

FAN YUAN-YEN

On July 7, the day marking the 40th anniversary of the outbreak of the War of Resistance Against Japan, a Chinese Communist air force pilot, Fan Yuan-yen, brought his MIG19 to freedom. His heroic deed has greatly encouraged our people and electrified the world. His courageous defection was not intended wholly as a pursuit of personal freedom. He wanted to indict the iniquitous Communists on the basis of his personal ordeal and make known the suffering of the groaning people on the mainland. This occurrence testified to the fact that Communist brainwashing and the stern and rigid control and supervision of the people has not been able to wipe out the conscience of humankind or destroy the people's determination to seek benevolence and justice. This also bespeaks the common wish of the 800 million people on the Chinese mainland. The strongest resistance to Communist slavery and totalitarianism is being mounted by Communist cadres and soldiers who can no longer endure Communist persecution and suppression.

The Chinese Communists consistently pretend friendship for the world community. They are good at peddling false propaganda and setting traps of detente. They have used tactics of deception, division and persecution to further their conspiracies of overseas Chinese "identification" and "return to the motherland." The arrival of freedom-seeker Fan Yuan-yen has clearly shown the world which way the overseas Chinese should turn and whether they should identify with free China or the Communist regime. Which is bad? Which is progressive? Which is backward? Which safeguards human rights? Which cares nothing for them? His courageous choice and action has provided cogent answers to these questions.

ASPIRATIONS

The arrival of freedom-seeker Fan also reveals the righteous aspirations of the 800 million people on the mainland, including Communist cadres and soldiers, and points out the direction of their action. Mainland anti-Communist flames are burning high. All Chinese sons and daughters in the crucible of Communist tyranny are waiting for their

opportunity to rise up or to escape to freedom. So the Chinese Communist regime cannot desist from internal struggle, nor have a moment of peace. This is the critical moment in which the people can save themselves and their country. This is the moment of Communist collapse.

DEMOCRATIC

The Republic of China has always remained in the democratic camp and is determined to resist Communism. Under no circumstances will the Republic of China ever compromise with the Chinese Communists. Between the Chinese Communists and the Republic of China, there is no possibility of detente and no means of coexistence. The various groups in the Republic of China which are sponsoring this rally to support Captive Nations Week and oppose the Chinese Communist crimes of suppressing human rights and enslaving the people have enunciated the theme of "Anti-Communism for Freedom and Human Rights." This theme is intended to give new impetus to our national policy of resisting Communism by pitting humanity against inhumanity, human rights against enslavement and morality against immorality. We are convinced that benevolent government will prosper, that tyrannical rule will perish, that justice will prevail and that evil will be vanquished. We also believe Asia will have freedom and peace and that the world will find the road to true peace only when China is reunified under Dr. Sun Yat-sen's Three Principles of the People.

The enemy we are confronting is the wicked Chinese Communist regime which seeks to conquer the free world by cheating it. This regime will never abandon its hostility toward the democratic nations. History proves that there can be no genuine cooperation and no coexistence between two entities with basic concepts, political systems and ways of life which are diametrically opposed. The democratic camp. Instead, this unity should be reinforced. The democracies should hurry to free the enslaved people from their agony and not exacerbate their sufferings. Should the democratic nations harbor the illusion that the Chinese Communists might some day become moderate, enlightened and rational, and should they then go on to normalize relations with the Chinese Communists for the sake of monetary peace, they would be (as the Chinese saying has it) foolishly drinking poison to quench their thirst. The ensuing tragedy could last for a hundred generations.

TRUE NATURE

We must call on the free world to recognize the true nature of the Chinese Communists, strengthen our defenses against them, insist on morality and safeguard human rights by ensuring unity, persevering in our struggle, repudiating abject and phony peace, and demanding just and true peace. We have no slightest doubt that the thoroughgoing implementation of the anti-Communist policy of the Republic of China and the strengthening of free world forces opposing Communism and slavery will lead to lasting peace in the world and bring boundless blessing to humankind.

RALLY RAISES HIGH TORCH OF ANTI-COMMUNISM

(Declaration at the Captive Nations Week Rally of the Republic of China, Taipei, Friday, July 22, 1977)

As the world is now boiling with a human rights campaign and flames against enslavement and for freedom are being spread by people everywhere behind the Iron Curtain, representatives of various circles of the Republic of China have gathered in Taipei today for a Captive Nations Week Rally to issue calls for the winning and promotion of freedom and human rights.

Together with freedom-fighter guests from throughout the world, including those representing subjugated peoples, we the rally participants have hoisted high the torch of "Anti-Communism for Freedom and Human Rights" and raised our voices to condemn all the Communist regimes for their totalitarian tyranny and enslavement of people in total disregard of human rights. We have resolved to further unite the world's freedom forces, step up assistance to the enslaved 800 million Chinese mainland people's struggle to win freedom and human rights, and strive on for the elimination of the ignoble phenomenon of the world being half slave and only half free.

WORLD SITUATION

The world situation remains changeable and threats of Communist expansion are serious, but we are absolutely confident that our anti-Communist national recovery mission will succeed. We are certain that the sustained endeavor of all the people of this nation, united under the Three Principles of the People, will ultimately bring attainment of the goal of national survival and independence with freedom for all.

We are very much concerned about our 800 million compatriots who are chained and suffering under Communist tyranny on the Chinese mainland. We will punish the Chinese Communists for their oppression and enslavement of the mainland working masses, for the harm they have done to the bodies and minds of mainland intellectuals and youths through rustication and reform through labor, and for their crimes of massacre, terrorism and armed suppression as part of their power seizure struggle. We swear that we will thoroughly settle this blood debt with the group of fanatic rebels that are occupying the mainland.

HUMAN SENTIMENTS

We also are deeply concerned about all the other enslaved masses of people behind the Iron Curtain. Human sentiments are just as closely interrelated as flesh and blood. When a group of people in an area are subjected to Communist persecution, all the free world people similarly feel the pain and burn with anger.

We respect President Carter for his human rights campaign, but we also are disappointed by the regrettable fact that the United States is not promoting thorough human rights diplomacy and has been using different yardsticks in interpreting human rights.

OPPOSITION

We are confident that the ceaseless Communist oppression and slavery rule will ignite wide-spread opposition and fight to overthrow Red tyranny.

We are confident that even though the world still is confused, clarity and calmness will return, and that although Communist forces are now rampant, they will ultimately fall apart. We therefore must pool all the freedom forces and make the rule that "tyranny cannot last" ascertain itself before long.

The Rally therefore solemnly declares the following points to all the free nations and the subjugated peoples behind the Iron Curtain:

—The Rally urges President Carter to see clearly that the Communist goal of world communization and human enslavement will never change, that the Chinese Communist regime is the source of most troubles in Asia, that America must abandon attempts to use Peiping as a checkmate against Moscow, that Washington should halt all moves toward so-called normalization of relations with Peiping, and that the U.S. ought to firmly abide by her treaty obligations and defense commitments for her allies and positively act at the head of free nations to assure free world security.

TRUTH

—The Rally urges all the free nations to grasp the truth that peace is not possible in the absence of security, freedom and justice, and understand unequivocally that attempts to have "peaceful coexistence" with the Communists will only lead to the deplorable result of infiltration and subversion by the Communists. Free nations, therefore must cast aside any hope to have peace through declaration of neutrality because such peace can only be prevarious. Instead, unity must be enhanced for self-help through mutual assistance and for the safeguard of freedom and human rights through application of strength.

—The Rally urges all the captive masses of people behind the Iron Curtain to perceive the fact that all the Communist regimes are receiving blows from human rights promoters and that Communist rule is now shaky from its very foundation as a result of opposition by the people. Our hopes are earnest that the enslaved Iron Curtain people will pool their strength and will power for the overthrow of evil Communist rule so as to end slavery and win freedom.

HEARTY WELCOME

All the rally participants extend their hearty welcome and sincere respect to Mr. Fan Yuan-yen who recently defected to freedom by flying a jet plane in response to Chairman Chiang Chiang-kuo's call for "spiritual alliance and active return" (to the Republic of China's fighting units). The gallant step taken by Freedom-Fighter Fan demonstrates that the mainland people view this island as a beacon of hope. The step furthermore has generated great encouragement for the free world and sharp impacts against the Chinese Communists. We the rally participants earnestly hope that all the disgruntled cadres and military personnel on the Chinese mainland will stop serving as tools of Peiping's power struggle, that the working masses will cast off the yokes, that the intellectuals will reject ideological persecution, and that the rusticated youths will take no more humiliation by the Communists. Through all-out emulation of Mr. Fan Yuan-yen's heroic move, our compatriots can launch a mainland-wide anti-Communist revolution to destroy the tyrannical Peiping regime.

Anti-Communism for freedom and human rights is now a mighty driving force for the march of man's history. The "Captive Nations Week" Movement is now a powerful call for the winning and promotion of freedom and human rights. All the freedom-loving people of the world must now unite ever more strongly and, taking advantage of opportune moments, move ahead decisively for the restoration of the captive masses to freedom and for the hewing of a bright future for man's society.

CORPORATE PATTERNS REPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Moss) is recognized for 5 minutes.

Mr. MOSS. Mr. Speaker, I would like to call the attention of the House to a recent significant decision of the U.S. District Court enforcing orders which the Federal Trade Commission sent to many of the largest manufacturing companies in this country, directing them to file line of business and/or corporate patterns reports.

The line of business report requires some 450 large corporations to provide detailed financial information, including information on assets, advertising, research, and other expenses, sales and profits for the reporting companies' major product lines. The corporate patterns report requires approximately 1,000 corporations to supply information on sales or intracompany transfers by product line and information on company ownership. The commission will eventually publish reports based on this data.

These two surveys will provide the Commission with information on the extent of concentration, diversification and competition among American industries. Much of this data on specific product lines had become unavailable as a result of the increasing number of mergers in this country.

As conglomerates acquired more specialized companies, the product line information the smaller companies used to provide in their financial statements was lost because the acquiring companies published financial data only for the conglomerate as a whole.

The line of business and corporate patterns reports are designed to cure this lack of specific information on industries that are dominated by conglomerates. This information will be extremely valuable to the Commission, the Congress, and the public in determining what industries merit antitrust investigation in setting economic policy, and in making investment decisions.

Not surprisingly, many companies fought the Commission's efforts to obtain this information. When the Commission proposed its line of business survey in 1970, they used the Office of Management and Budget's review process to delay the Commission's survey. After Congress took that review authority away from OMB, they used the courts, twice suing the Commission to prevent it from seeking judicial enforcement of its orders.

I might add that at one time the House considered a proposal to deny appropriations for the Commission's line of business survey. Those of us who successfully opposed that proposal feel vindicated by the court's opinion enforcing the Commission's orders. The court held that the companies' claims that complying with the forms would be too costly were unsupported or greatly exaggerated. I fully endorse the court's affirmation of the Commission's authority under the powers Congress granted it in the Federal Trade Commission Act to obtain information relevant to its important purposes, unhampered by the technical claims the companies raised as defenses. Although the companies may appeal the court's decision, it is my hope that the Commission will be able to finally obtain these reports as quickly as possible so that the public may soon benefit from this information.

OUTSTANDING COMMUNITY SERVANT, TSUNEYOSHI KOBAYASHI, HONORED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CHARLES H. WILSON), is recognized for 5 minutes.

Mr. CHARLES H. WILSON of California. Mr. Speaker, it is my pleasure today to honor an outstanding resident of Gardena, Calif.—Mr. Tsuneyoshi Kobayashi. As the congressional Representative for Gardena, I am well acquainted with the service Mr. Kobayashi has rendered to his community and to the entire southern California area.

Born in Fukuoka Ken, Japan, he came to this country in 1917 and moved to California where he operated several grocery stores in southern California. Due to the unfortunate situation in the United States during World War II, he was interned at the Amachi, Colorado camp, but after the war, returned to our area to open up a nursery in Redondo Beach.

Tsuneyoshi, however, was not content just to operate a business, but rather got involved in a variety of community organizations including serving as President of the Southern California Gardener's Friendship Society, as president of the Gardena Valley Gardener's Association, and as a cabinet member of the Southern California Gardner's Association. He also served, in 1968, on the City of Gardena Beautification Committee. The evidence of his concern for the beautification, and consequently the improvement of his city can be seen throughout Gardena.

He has certainly demonstrated himself to be a man of many interests and talents. He has served in the Gardena City government, the Los Angeles County government, and in the early 1970's in the California State Assembly and Senate.

As a Japanese American, he has been very active in Japanese cultural affairs in southern California. He has been a member of the Southern California Japanese Chamber of Commerce, an adviser for the City of Gardena Japanese Cultural Class, general manager for the city's Japanese cultural show, and also a president of the Gardena Valley Japanese Culture Institute.

This institute, which has done so much to increase community awareness of the many achievements and contributions of Japanese Americans, has chosen to honor Mr. Kobayashi on August 10 at a testimonial dinner. Through his work, his concern for the welfare of his community, and more importantly, his outstanding contributions to international amity and goodwill, the Japanese Government awarded him the highest honor given to those people living outside Japan. In April of this year, he received the Sixth Class of the Order of the Rising Sun for his efforts in fostering better relations between the United States and Japan through community service and Japanese-American cultural exchange.

It is my sincere pleasure to bring the many achievements and outstanding man to the attention of my colleagues in the Congress. He has done a great deal for my congressional district and I think it only fitting to recognize his many achievements and outstanding contributions.

"CHURCHILL AND US"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 5 minutes.

Mr. ASPIN. Mr. Speaker, one interesting perspective on the current defense debate has been provided in an article appearing in the June 1977 issue of Commentary. Written by Johns Hopkins foreign policy specialist Edward Luttwak, "Churchill and Us" analyzes in some detail Churchill's role in the debate over German rearmament before World War II and suggests some parallels to today. The extent to which the analogy applies is of course open to question but this article is without a doubt an important and valuable contribution to the current debate.

(Unfortunately, due to certain limitations on the length of articles submitted to the RECORD, the article has been edited slightly to reduce its length.)

CHURCHILL AND US

(By Edward N. Luttwak)

On December 5, 1938, in the fifth year of his preachings for an accelerated British rearmament, Winston Churchill rose yet again in the House of Commons to berate the government, this time for laxity in preparing London's anti-aircraft defenses. Harold Nicolson was present as Churchill argued with Neville Chamberlain's talented Secretary of State for War, Leslie Hore-Belisha:

Winston starts brilliantly and we are all expecting a great speech. He accuses Hore-Belisha of being too complacent. The latter gets up and says, "When and where?" Winston replies, "I have not come unprepared," and begins to fumble among his notes where there are some press-cuttings. He takes time. He finds them. But they are not the best cuttings, and the ones he reads out excuse rather than implicate Hore-Belisha. Winston becomes confused. He tries to rally his speech, but the wind has gone out of his sails, which flop wretchedly. "He is becoming an old man," says Bill Mabane beside me.[1]

A sad case, that of Winston Churchill at sixty-four, already edging toward senility with grand, empty phrases and the fumblings of old age. Once universally regarded as the most promising young politician in British public life, Churchill declined relentlessly after World War I. Now he was trying to redeem a broken career by appealing to the most primitive of instincts, ethnic hatred. He was forever speaking of "German bloodlust" and of the "German threat" at a time when others were working to build a new Anglo-German understanding based on mutual respect and reciprocity. While successive Prime Ministers, first Baldwin and then Chamberlain, were skillfully nursing the delicate recovery of the economy from the slump, Churchill wanted to sacrifice all they had achieved by launching a ruinous rearmament program, to match his own inflated estimate of German strength. Again and again he challenged the sober official estimates by producing back-of-the-envelope calculations of the balance of military power, which became more and more alarmist. In a flood of private memoranda to senior officials

[1] The quotation, like most others in this article, comes from Martin Gilbert's excellent Winston S. Churchill: The Prophet of Truth 1922–1939 (Houghton Mifflin, 1167 pp., $30.00), to which I am heavily indebted throughout. I also wish to thank Peter Velis for his helpful suggestions in connection with this article.

and members of the government, and, more guardedly, in public speeches, he played a "numbers game" with information that was leaked to him by self-interested sources in the aircraft industry, by hawkish bureaucrats, and by disloyal members of the armed forces, who shared his paranoid fears of Germany.

For example, on September 19, 1935, the Air Ministry circulated a confidential estimate which clearly proved that "air parity" was being maintained: the Germans had 850 fighter aircraft in squadron service while the British had 800. The difference was of course insignificant. There was an "essential parity." In reply, Churchill first tried to confuse the issue by introducing a misleading comparison of the expenditures of the two sides: "The Germans are spending four times as much this year upon air as we are. . . How then can it be pretended that we are overtaking? . . . On the contrary, we are falling ever more behind and this will continue. . . ." Churchill then proceeded to criticize the official estimate of German air strength carefully calculated by the Air Ministry. The Ministry had pointed out that Germany only possessed a "first-line air strength of 594" machines, but with the niggling pedantry that was typical of his obsession with the nuts and bolts of military power, Churchill declared:

"The figure 594 may correspond to some conventional classification of first-line air strength in vogue at the Air Ministry. . . . It has no relation to the true military air power of Germany at the present time. It would be misleading to use the figure 594 without at the same time stating that in the formations which have not yet been included in that total there are admittedly 1,275 trained pilots and 1,556 military machines in a different phase of organization."

The air staff answered the memorandum in convincing detail, tactfully reminding Churchill that they had the evidence; in gentle irony, they wrote that their own assumptions "may not find ready acceptance by those to whom the mass of intelligence data is not accessible." Rising above the narrow military argument, the air staff also pointed out that if it were made clear to Germany that France had no intention of building as many as 2,000 first-line aircraft, "there is no reason why Germany, on her declared policy and intentions, should herself go higher than 1,500. . . ."

One marvels at the patience of the officials and of the Crown's Ministers who continued to reply, year after year, in public and in private, to Churchill's relentlessly detailed objections. Churchill would not accept their judgment that air parity was being effectively maintained; Churchill would not cease complaining that the fleet's readiness was inadequate again citing facts and figures leaked by hard-line antiGerman elements); Churchill nagged that the pace of tank deliveries to the army was too slow; and indeed he found fault with everything. Again and again it was explained to him that his figures on German strength were inflated, and that in any case all the evidence showed that the Germans were only intent on achieving "parity."

The whole thing, of course, brings to mind Senator Jackson's wrong-headed insistence today that missile "throw-weight" should be counted in evaluating the strategic balance, Paul Nitze's obsession with the vulnerability of the Minuteman ICBM's to Soviet counterforce attacks, and General Keegan's claim that Soviet reload missiles should be counted over and above the customary SALT count of missiles in silos. There is the same narrow concentration on numbers, and the same refusal to accept the opinion of the best people in the fields of foreign and military policy.

Churchill's endless harping on the minutiae of the Anglo-German military balance ultimately derived from his inability to understand that the new Germany, while no doubt determined to attain a full measure of equality as a European power, was essentially as interested in keeping the peace as Britain itself. Hitler, like Brezhnev in our own day, had himself fought in the front lines, had seen countless men die in useless combat, and knew as well as anyone that a war could only be futile and catastrophic. But Churchill would never allow Hitler the benefit of the doubt; his closed mind ignored all the evidence of an essential moderation that convinced the *Times* and all the best academic authorities. Instead, Churchill always tried to evoke atavistic images of conflict, calculated to impede the accommodation that the imperative of peace made inevitable. In March 1933, with the Germans having done absolutely nothing to warrant such accusations, Churchill said in the House of Commons:

"When we read about Germany, when we watch with surprise and distress the tumultuous insurgence of ferocity and war spirit, the pitiless ill-treatment of minorities, one cannot help feeling glad that the fierce passions that are raging in Germany have not found, as yet, any other outlet but upon Germans."

Even those most friendly to him found it difficult to tolerate Churchill's persistent misrepresentations of the new Germany. More in sorrow than in anger, on May 2, 1935, Colonel Thomas Moore, MP, was moved to remark in the House, after yet another of Churchill's anti-German outbursts: "Although one hates to criticize anyone in the evening of his days, nothing can excuse the Right Honorable Member for Epping [Mr. Churchill] for having permeated his entire speech with the atmosphere that Germany is arming for war."

In commenting on a draft speech that Churchill had sent him, in which he again used the Jewish question and the issue of human rights in an attempt to whip up anti-German hysteria, R. M. Barrington-Ward of the *Times* wrote to Churchill on September 23, 1936:

"However alien to our way of thinking may be the governing philosophies of other countries, we feel that the only safe and impartial test to apply to them is whether or not they are ready for practical collaboration, political and economic. We should, for example, certainly be against premature abandonment of the hope, supported by many authoritative pronouncements on the German side, that Germany is prepared to reach a general understanding and settlement."

It seems that some fundamental lessons of statecraft must be learned over and over again. For nowadays also the spokesmen of the Council on Foreign Relations and other voices of the foreign-policy elite find themselves forced to repeat this simple truth in regard to our own dealings with the Soviet Union. Surely it should be obvious that we cannot impose our own notion of human rights on the Soviet Union; what counts is "practical collaboration, political and economic." As for Churchill, ignoring Barrington-Ward's appeal for moderation, he gave his speech as originally drafted. In it, he did not hesitate to criticize most intrusively the internal policy of Germany, at a time when such controversy could only harm the quiet but effective diplomacy of the government.

On November 6, 1938, Hitler himself was moved to respond to Churchill's fantasy that the Nazi regime did not enjoy the universal support of the German people: "If Mr. Churchill had less to do with traitors and more with Germans, he would see how mad his talk is, for I can assure this man, who seems to live on the moon, that there are no forces in Germany opposed to the regime." Nowadays Brezhnev is forced to say much the same thing in response to much the same provocation:

"Our opponents would like to find the forces to oppose socialism from within our countries. Since there are no such forces, however, as there are no oppressed, exploited classes within socialist society, and no repressed nationalities, false publicity is being used to create the appearance of "internal opposition." It is exactly for this reason that a clamour is being raised about the so-called "dissidents" and about "the violation of human rights" in socialist countries."

Barrington-Ward's letter had also delicately alluded to another of Churchill's tactics, the selective quotation of Hitler's statements. Churchill would cite the ritual, nationalistic rhetoric that understandably occurred in Hitler's speeches as if it accurately reflected his intentions. When Barrington-Ward spoke of "many authoritative pronouncements on the German side," he was of course referring to the sort of thing that Putzi Hanfstaengl would say at London dinner parties, and not to the purely formal language of a Hitler speech at a massive Nuremberg rally. Surely the true articulation of national intentions was more likely to be heard behind closed doors from visiting English-speaking German spokesmen like Hanfstaengl—who was known to be close to Hitler—than in extracts selected from public speeches given before vast crowds.

This too is a lesson that has been forgotten. For surely what Mr. Arbatov of the U.S.A. Institute of Moscow tells his Harvard friends at Cambridge dinner parties is a better guide to Soviet intentions than the pronouncements of Brezhnev addressing 260 million Russians. After all, one can hardly expect national leaders to admit publicly that they have abandoned their ideology and their declared national goals. The obvious fact that Churchill tried to obscure was that war had simply become obsolete as an instrument of state policy. And with war having become impossible, it followed that the bellicose German declarations had to be purely ritualistic. Nevertheless, Churchill would quote German statements on the feasibility of war, just as Leon Gouré and his colleagues at Miami University do today with Russian pronouncements. Thus the April 15, 1977 issue of their *Soviet World Outlook* (whose lurid red print is itself no doubt meant to evoke sinister images) is filled with such distortions. An article by Soviet Minister of Defense Ustinov—a man whose appointment was greeted by all right-thinking experts as proof positive of a new moderation in Moscow—is excerpted as follows:

"Aggressive forces, opponents of détente and disarmament who do not want to renounce the policy of military adventures . . . are still active in a number of capitalist countries. . . . The danger of a new world war has not been eliminated either. For this reason it . . . continues to be an objective necessity constantly to strengthen our country's defenses and to raise the combat readiness of Soviet armed forces."

Ustinov is quoted again from *Pravda* (February 23, 1977): "Our party and the entire Soviet people, following the behest of our great leader, regard the strengthening of the country's defense and of its armed forces as a sacred duty. . . ." More of the same follows, with quotations from Deputy Defense Minister V. F. Tolubko ("We need constantly to strengthen the country's defense capability and the combat might of the Soviet armed forces"), and Chief of Staff Marshall Ogarkov ("The Communist party and Soviet government are adopting all necessary measures to strengthen the country's defense capability and to increase the Soviet armed forces' combat might"), and yet more.

Fortunately, as in Churchill's day, we too have trained professional experts in the better universities and research institutes who teach us to ignore such empty declarations; thanks to their reassurance, we may rest as easy as Churchill's opponents, knowing that the intent is peaceful even if the language is bellicose. Unlike Gouré et al., these enlightened observers recognize that accommodation is the only possible policy in an age when war has become unthinkable. The important thing, as Mr. Arbatov points out, is to make sure that Moscow's modernization is met by a similar moderation in Washington. But here the chief obstacle is the meddling of ambitious politicians into the internal affairs of the Soviet Union. Just as Churchill pandered to the support of the Jews by making much of the sufferings of their coreligionists in Germany, preferring the sound and fury of his own voice to the quiet diplomacy that was bound to be more effective in dealing with the problem, so do cynical politicians of our own day, like Senators Jackson and Moynihan, pander to the Jews, and with the same counterproductive and dangerous results.

There is an even more direct parallel with our own day in the fate of Czechoslovakia. In 1938, the editorial voices of the best papers, with the *Times* in the lead, agreed with all sober opinion on the one essential fact: Czechoslovakia would inevitably belong to the German sphere of influence; it was a fact imposed by geography and the realities of power. No sane man could possibly want war, and it was only war that could challenge the natural course of events. In the same constructive spirit in which the United States government refused to allow the 1968 invasion of Czechoslovakia to interfere with the opening of arms-limitation talks with the Soviet Union the year after, Chamberlain stated the matter in his own calm and clear-sighted way:

The path which leads to [an accommodation with Germany] . . . is long and bristles with obstacles. The question of Czechoslovakia is the latest and perhaps the most dangerous. Now that we have got past it, I feel that it may be possible to make further progress along the road to sanity.

And indeed, it was only a matter of sanity and essential realism. But realism need not be void of vision and hope. Chamberlain continued:

"I am a realist—nevertheless . . . I do see fresh opportunities of approaching this subject of disarmament opening up before us, and I believe that they are at least as hopeful today as they have been at any previous time. It is to such tasks—the winning back of confidence, the gradual removal of hostility between nations until they feel that they can safely discard their weapons, one by one, that I would wish to devote what energy and time may be left to me."

In the debate in the House, speaker after speaker rose to congratulate the Prime Minister on his achievement at Munich. Churchill was one of the few who carped at the achievement:

Churchill: I will, therefore, begin by saying what everybody would like to ignore or forget but which must nevertheless be stated, namely, that we have sustained a total and unmitigated defeat. . . .

Viscountess Astor: Nonsense!

And nonsense it was. Churchill, as usual, spoke at great length, and in stark contrast to the simple realism of Chamberlain, his declamations were brutal:

"There can never be friendship between British democracy and the Nazi power, that power . . . which cheers its onward course by a barbarous paganism, which vaunts the spirit of aggression and conquest, which derives strength and perverted pleasure from persecution, and uses as we have seen with pitiless brutality the threat of murderous force."

In the wake of Churchill's outburst in the Munich debate even the normally patient Chamberlain was exasperated. On October 15, 1938, he wrote to his sister: ". . . unhappily there are a great many people who have no faith that we can ever [settle down to make the world a better place . . .] and do all they can to make their own gloomy prophecies come true."

An inflamed rhetoric reminiscent of Churchill's was but recently to be heard in Daniel P. Moynihan's speeches at the UN, which were inviting us to renew the ideological struggle of the worst days of the cold war. Just as informed opinion here was prompt to condemn Moynihan's excesses, Churchill too got what he deserved. The Times wrote: "Churchill treated a crowded House to prophecies which made Jeremiah appear to be an optimist. . . ." The *Daily Express* described his speech as "an alarmist oration." Naturally the vast majority of the House was with Chamberlain, who won a resounding vote of confidence, while only a small band of thirty hawkish Conservative MP's followed Churchill in abstention.

Given his compulsive militarism, Churchill could scarcely understand the ineluctable necessity of arms limitation. Throughout the years in which disarmament was a chief aim of successive British governments, Churchill was forever pressing for more arms. Addressing the Conservative Association at Oxford University on February 23, 1934, Churchill spoke of Britain's need for rearmament "in order for us to be safe in our Island Home." Oxford, like our own Harvard, was an elite institution. Perhaps Churchill's war cry might have gone down well with the uneducated, but not with the sophisticated student body of Oxford. When he reached the words "Island Home," they laughed and laughed.

Churchill's wholly negative view of arms limitation was exemplified by a speech he gave in the House of Commons on November 23, 1932, at a time when German rearmament was scarcely visible: "Do not delude yourselves . . . that all that Germany is asking for is equal status. I believe the refined term now is equal qualitative status. . . . That is not what Germany is seeking. . . . [They] are not looking for status. They are looking for weapons." Here again we have a direct parallel, for the common denominator of our own hawks is their refusal to acknowledge that the Soviet Union aims at nothing more than "essential equivalence," which is the more refined term for parity. "Before each disarmament conference," Churchill intoned:

". . . the poor good people of the League of Nations had clapped for joy; yet as each conference progressed they had been deceived. The process is apparently endless . . . and so is the pathetic belief with which it is inevitably greeted. . . . I cannot recall any time . . . when the gap between the kind of words which statesmen used and what was actually happening in many countries was so great as it is now. The habit of saying smooth things and uttering pious platitudes and sentiments to gain applause, without relation to the underlying facts, is more pronounced now than it has ever been in my experience.

Note the similarity between Churchill's argument and that of the spokesmen of the military-industrial complex in our own day. First, he argues that the adversary is not seeking what we call parity but rather superiority, as if military superiority were still a meaningful concept. Next, he argues against all reason that this military power is meant to serve goals of aggrandizement. And finally, he mocks the noble sentiments of hope that provide the most powerful impulse toward disarmament.

We can be thankful that in our own time, as in Churchill's day, such hysteria is drowned out by the common sense of organizations like SANE, the Coalition Against the B-1, the Federation of American Scientists, the Center for Defense Information, and countless other groups working for peace, not to speak of the many sound research programs supported by bodies such as the United Nations Association. All these groups, animated by some of the finest minds of the nation, agree that the main obstacle to arms limitation and eventually disarmament is the entrenched power of our own defense contractors, as well as the narrow bureaucratic interests of the Pentagon and the paranoid fears of unreconstructed cold warriors.

Churchill then—like our own hawks today in connection with the Soviet Union—was driven into his misconception of the armaments question, and of the true intentions of the new Germany, by one fundamental error which pervaded all his thinking. He utterly failed to comprehend the irreversible change that had drastically altered the nature of international politics since those times. In a period when the stark simplicities of armed conflict had become simply irrelevant, Churchill's thought was still colored by his youthful experiences in colonial warfare and by his memory of World War I.

Lord Linlithgow was one of many who tried out of disinterested friendship to persuade Churchill of the error of his ways. On May 19, 1933, he wrote to Churchill: 'You envisage . . . an approaching period of red tooth and claw, a struggle for the means to live. I doubt it, Winston!" Linlithgow pointed out that the world was governed by an increased "interdependence of trade and distribution," with economic negotiations, replacing military adventures, and economic integration replacing racial and imperial conflict. Such integration would result in "enhanced good will between nations and races." Linlithgow disagreed profoundly with Churchill but was obviously writing in good will. "I hope my dear Winston, that I am never impertinent to anyone. Forgive me, then, If I say that . . . you are hanging, hairy, from a branch, while you sputter the atavistic shibboleths of an age destined very soon to retreat into the forgotten past. . . ."

But all to no avail. Churchill simply could not understand that "interdependence" had become the critical fact of international life. He continued to see specters of war, and he continued to oppose the patient diplomacy of his own party leaders that was wholly dedicated to the cause of peace. His reward was a deepening political isolation and a total alienation from the centers of enlightened opinion in his own society. By 1938, his articles were no longer printed by the best newspapers. After all, those in charge had a sense of responsibility. The *Times* then, like *Foreign Affairs* nowadays, would not print articles calculated to incite the worst nationalistic passions, and which might sabotage the policy of accommodation pursued by the government. For it is important to realize that such policies require more than leadership from the top. They also require the tacit cooperation of the enlightened, guided by their firm sense of international realities, in pursuit of the goal of peace.

And aside from the establishment, the left wing too played a most useful and constructive role, helping the government to resist the dangerous pressures for rearmament. In fact, the Left could be counted upon to oppose all defense expenditures. To be sure, they could not refrain from snipping at the new Germany over the issue of political rights and over the trade-union question (on which the British unions of the 30's were no

better than the cold warriors of the AFL–CIO are today), and on the Jewish question. But since the left wing firmly maintained its principled opposition to rearmament, everyone understood that it too was in favor of an accommodation.

Thus, at sixty-four, Churchill was a backbench MP without office—a failure, as his equally ambitious father had been. However, he still made a good living by writing low-brow articles in the popular press, by mass-producing popular histories, and by broadcasting light feature pieces for the American commercial radio networks, then as now less discriminating than the BBC which did its bit for peace by keeping his warmongering off the air. On August 8, 1939, Churchill spoke to his American listeners: Holiday time, ladies and gentlemen! Holiday time, my friends across the Atlantic! . . . Let me look back—let me see. How did we spend our summer holidays twenty-five years ago? Why, those were the very days when the German advance guards were breaking into Belgium and trampling down its people on their march toward Paris!

Churchill continued. He spoke of a "hush all over Europe." What sort of hush was it? he asked:

"Alas! it is the hush of suspense, and in many lands it is the hush of fear. Listen! No, listen carefully; I think I hear something—yes, there it was quite clear. Don't you hear it? It is the tramp of armies crunching the gravel of the parade-grounds, splashing through rain-soaked fields, the tramp of two million German soldiers and more than a million Italians—"going on maneuvers"—yes, only on maneuvers! Of course it's only maneuvers—just like last year. After all, the Dictators must train their soldiers. They could scarcely do less in common prudence, when the Danes, the Dutch, the Swiss, the Albanians—and of course the Jews—may leap out upon them at any moment. . . . Besides these German and Italian armies may have another work of liberation to perform. It was only last year they liberated Austria from the horrors of self-government. It was only in March they freed the Czechoslovak republic from the misery of independent existence. It was only two years ago that Signor Mussolini gave the ancient kingdom of Abyssinia its Magna Carta. It is only two months ago that little Albania got its writ of Habeas Corpus. . . . No wonder that armies are tramping when there is so much liberation to be done. . . ."

FED REFORM BILL WILL IMPROVE ACCOUNTABILITY TO THE PUBLIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 20 minutes.

Mr. REUSS. Mr. Speaker, the Federal Reserve Reform Act of 1977, approved by the House Banking Committee July 29 by a vote of 40 to 0 and ready for House action in September, represents an important advance in making the Federal Reserve more accountable to Congress and the public.

The bill, H.R. 8094, sets forth clear guidelines for monetary policy and establishes regular oversight hearings. In these hearings the Board of Governors of the Federal Reserve will be asked not only to disclose their targets for growth of the money supply for the upcoming 12 months, as they have been doing for the past 2½ years with highly beneficial results, but to provide some assessment as to the impact of these targets on the economy.

The bill also provides that the Chairman and Vice Chairman of the Federal Reserve shall be appointed 1 year after the President takes office and shall be confirmed by the Senate; broadens public representation on the boards of directors of the 12 Reserve Banks; and applies to officers, directors and employees of the Fed the same conflict-of-interest restrictions that govern most other Federal agencies.

These provisions taken together will improve the conduct of monetary policy, increase coordination with fiscal policy, and improve public understanding of Federal Reserve System and its management of the money supply.

Here specifically is what the bill would do:

First. Establish clear guidelines for the conduct of monetary policy and make permanent and expand the congressional-Federal Reserve quarterly dialogs on monetary policy.

Under the terms of House Concurrent Resolution 133 in the 94th Congress, which expired December 31, 1976, Fed Chairman Arthur Burns has come before the Senate and House Banking Committees every 3 months to discuss "objectives and plans with respect to ranges of growth or diminution of the monetary and credit aggregates in the upcoming 12 months." Most recently, for example, on July 29 he testified that the Fed intends to let the basic money supply (M1) grow at a rate of 4 to 6½ percent.

Dr. Burns himself has spoken of the value of these hearings. On July 29 he told the committee:

We in the Federal Reserve, because of that resolution, are perhaps a little more systematic in our monetary discussion than we previously were, or might otherwise have been. And I learned from members of the Committee, and I would like to think that now and then, one or another member of the Committee may learn something from me or from my colleagues. So, I think it has been useful, yes.

Building on this base, the new bill expands on what the Fed will be asked to discuss in these hearings. In giving its targets for growth of the money supply, the Fed will be asked to "take into account past and prospective developments in production, employment and prices."

The expanded dialogue will give Congress and the public the benefit of the Fed's thinking as to what results it believes its monetary policies will produce in terms of economic impact. This is what the President does each year for fiscal policy, in submitting his economic message to Congress.

The bill does not require the Fed to make explicit, precise forcasts of all the results it expects its monetary policies to achieve. But it is implicit that taking account of the ultimate goals of economic policy—jobs and prices—requires some discussion of such matters as fiscal policy, monetary velocity—which is a key component of growth—and interest rates.

In the hearings, Dr. Burns said that while he would object to being required to "quantify" velocity in specific numbers, he has no objection to testifying on expectations for velocity "in general terms," as he has in past hearings. And when "moderate long-term interest rates" are stated as an objective of monetary policy, as they were in the resolution of the 94th Congress and are in this bill, consideration of interest rates is certainly an essential part of the discussion.

The airing of these issues will assure a better understanding of what monetary policies are needed to achieve agreed-upon national economic goals.

Second, broaden representation on the boards of directors of reserve banks.

A Banking Committee staff study in August 1976 showed that the boards of directors unduly represent banker interests at the expense of other groups. Of the nine members of each board, three are bankers chosen by member banks. This will not change in this bill. Three are representatives of "commerce, agriculture, or some other industrial pursuit" elected by bankers, and another three are "public" representatives chosen by the Board of Governors in Washington. The bill provides that members other than the bankers shall be chosen with "due but not exclusive" consideration to the interests of consumers, labor, and services as well as the existing categories of commerce, industry, and agriculture. These broader groups have just as much at stake in monetary policy as business and banking, and are entitled to seats on the boards.

The boards have also shown a remarkable absence of women or minority persons over the years. The bill provides that all directors shall be chosen without discrimination as to race, creed, color, sex or national origin.

Third, require Senate confirmation of the Chairman of the Board of Governors, and provide for coordinating the chairmanship with the term of the President.

Under existing law, members of the Board of Governors undergo Senate confirmation when they are appointed to the Board. But there is no provision for Senate confirmation of a person as Chairman, which requires much more public scrutiny than an appointment as simply one of seven members of the Board. A Board member with a 14-year term could be confirmed by the Senate and then years later, with no further ado, be named Chairman—a job sometimes described as the second most powerful position in the United States.

The bill also coordinates the terms of the Fed Chairman and Vice Chairman with that of the President. As it is, a chairman is named to a 4-year term whenever the office becomes vacant. The appointment could take place even in the midst of a Presidential campaign. The question of whether a President has an opportunity to serve with a Fed Chairman with whom he is compatible should not be left entirely to chance. This bill provides for appointment of the Fed Chairman and Vice Chairman 1 year after the President assumes office.

That provision, as well as Senate confirmation, takes effect in 1982 so that the incumbent is not affected.

The Board of Governors has no objection to Senate confirmation, and many Fed officials past and present have argued for coordinating the chairman's term with that of the President.

Fourth. Prohibit Federal Reserve officers, employees, and directors from acting where they have a conflict of interest.

Under existing law, employees and officers of the U.S. Government may not participate in any matter before the Government in which they or a member of their family or business have an interest, unless there is first a full disclosure of this interest and an official written determination by an official that this interest is not substantial. The Federal Reserve is not covered under existing law. H.R. 8094 extends this prohibition to Federal Reserve bank officers, employees, and directors.

Such reforms have been under discussion for many fears, going back to the Hoover Commission of 1949. This bill should have the full support of the House of Representatives.

LIBRARY OF CONGRESS STUDY ON IMPORTS AND CONSUMER PRICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, earlier this year, I wrote to the Library of Congress requesting information on whether—

First, the markup on imported products differs from that on competing domestic products; and

Second, the presumed lower cost of imported products results in an overall lower cost to the American consumer?

I asked the Library to concentrate its study on three commodities which have been of particular concern in recent years: women's apparel, shoes, and mushrooms.

The Library report to the Trade Subcommittee concluded:

With clear understanding that fast facts on the question of markups on imports are lacking and that whatever pertinent information there may exist is often one-sided and selective, the following generalization suggest themselves at least insofar as the three commodities named in your inquiry are concerned:

(1) Markup ratios on imports (assuming that these are lower priced than equivalent domestic products) appear to be higher than those on domestic products since the aim of the retailer is usually to sell identical or equivalent products at the same or approximately the same price. The higher markup may, in part, be justified by sound commercial reasons (higher risk, less reliable delivery, more red tape, and et sim.).

(2) Higher markup ratios do not preclude, in certain instances, some benefit from the lower-cost import from being passed on to the consumer in the form of a lower original retail price of either the imported commodity itself (if sold separately from the domestic product) or the domestic-imported product mix (if the two types of products are identical and sold by the same retailer), or of a higher markdown from the originally set retail price. On the other hand, the available facts also suggest that in other instances the lower cost of imports does not result in any price benefit to the consumer and merely allows the seller a higher profit.

Without any deeper study of this question, it appears that the markup and pricing practices as applied to domestic vs. imported products may vary among the various products on the basis of the type of product, its market structure, and similar factors.

The importance of the issue of markup differentials between domestic and imported products for the U.S. foreign trade policy as well as cost of living and the obvious absence of satisfactory data to provide a reliable and comprehensive answer may suggest the need for an inquiry into this subject either by a Committee of Congress or, at the request of the latter, by the U.S. International Trade Commission under the provisions of sec. 332 of the Tariff Act of 1930.

Therefore, the Subcommittee on Trade is inviting public comment on the library study and is seeking information on the issue of markup differential between domestic and imported products and the effect of imports on consumer prices. It is my hope that the Library study will result in a number of informed and scholarly comments on the role of imports on our economy.

THE PLIGHT OF SOVIET DISSIDENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

Mr. DRINAN. Mr. Speaker, I am speaking today in conjunction with a resolution introduced by the Honorable EDWARD I. KOCH, to express congressional concern for the plight of two Soviet dissidents who are leaders in the Kiev group to monitor the implementation of the Helsinki accords.

Messrs. Mikola Rudenko and Oleksa Tykhy are victims of the Soviet Union's blatant violations of the human rights provisions of the Helsinki Final Act. These men, along with their compatriots Mykola Nansevych and Myroslav Masynovich who have yet to be tried, were accused of anti-Soviet agitation and propaganda and have been given the maximum sentence of 7 to 10 years in a corrective labor camp plus 5 subsequent years in internal exile.

These men are not alone in their struggles or their suffering. Many Soviet Jews now suffer from the denial of human liberties and the right to emigrate caused by the Soviet violation of the Helsinki Final Act. Thousands of Soviet Jewish families have been separated and hundreds of Soviet men and women have been thrown into prison for no reason other than the fact that they have asked for exit visas to emigrate to Israel.

One of the saddest of these cases is that of Anatoly Scharansky, a leader of the Moscow refusenik communitv, a liaison to the Western press for Soviet Jews who wish to emigrate, and a founding member of the Soviet group to monitor the Helsinki agreement. On March 15, 1977, he was arrested and accused of treason and espionage, the first Soviet Jew since the Stalin era to be charged with this capital offense.

While these dissidents have done nothing more than exercise rights guaranteed to them by the Soviet Constitution and the Helsinki agreement, they have been constantly harassed and been given unjustified punishments. These outrages must stop. If we do not voice our vigorous opposition to this repression then we are guilty of shamefully neglecting the human rights of Soviet Jews. Contrary to Soviet assertions, the issue of human rights is not simply an internal affair. It is the duty of every country to demand that the basic human liberties described by the Helsinki agreement be strictly followed by its signatories.

I am therefore cosponsoring Representative KOCH's resolution to urge the President to put pressure on the Soviet Government to reverse the convictions of Rudenko, Tykhy, and Scharansky, to release them from prison, and to allow them to leave the Soviet Union.

For the sake of these three men, and for all others like them who have been denied the rights granted them by the Helsinki agreement, I urge that the President make it known that the United States expects the Soviet Union to fulfill all provisions of the agreement, and to stand by its pledge of faith to human rights and human freedoms.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. LE FANTE) is recognized for 5 minutes.

Mr. LE FANTE. Mr. Speaker, this morning I had the privilege of attending the signing of the youth employment bill at the White House. I was therefore unable to vote on House Resolution 729 providing funding for the Select Committee on Intelligence. Had I been present, I would have voted in favor of the resolution.

NORTH CAROLINA INSURANCE COMMISSIONER LAUDS THE PRODUCT LIABILITY INSURANCE TAX EQUITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PREYER) is recognized for 5 minutes.

Mr. PREYER. Mr. Speaker, product liability insurance is a growing problem throughout the Nation. With increasing frequency we are hearing from companies that either cannot find an insurance carrier willing to sell them insurance or cannot afford the few policies that are available to them. Personally, I am aware of several such cases in my home State of North Carolina.

Consequently, I was pleased to join with CHARLES WHALEN and others to cosponsor the Product Liability Insurance Tax Equity Act (H.R. 7711). That legislation revises the Federal tax code to

make it easier for manufacturers to establish self-insurance reserve funds to cover all or part of their product liability risk. Similarly, the bill would allow doctors, lawyers, engineers, and others to establish self-insurance trusts for professional liability, such as medical malpractice. In essence, the bill simply removes the Federal tax code discrimination against those who choose to self-insure for product or professional liability.

In order to get an objective assessment of how well the Product Liability Insurance Tax Equity Act would work, if enacted, copies were sent to a variety of informed persons around the country. Their opinions were solicited and responses compiled. Already the CONGRESSIONAL RECORD has carried reprints of endorsements of the bill by half a dozen national trade and professional associations as well as many individual companies.

One response that came in just yesterday is of particular interest to me and my constituents. It is from the commissioner of insurance for the State of North Carolina.

Here is the text of the letter:

DEPARTMENT OF INSURANCE,
STATE OF NORTH CAROLINA,
Raleigh, N.C., August 2, 1977.

Hon. CHARLES W. WHALEN, Jr.,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN WHALEN: thank you for bringing to my attention H.R. 7711 entitled the Product Liability Insurance Tax Equity Act.

A number of companies in North Carolina not out of choice, but of necessity, may be "going bare" on their product liability insurance. I am sure these firms would consider setting aside a fund to cover potential losses if it was to their tax advantage to do so. The North Carolina Hospital Association has formed a self insurance trust and a number of other professional groups are considering the formation of professional liability self insurance trusts. Your bill certainly would be a benefit to individuals and businesses participating in these self insurance pools. I would, of course, be concerned that these funds be set aside in a trust and that to be eligible for the tax deduction that they not be used for any other purposes. . . .

Very truly yours,

JOHN INGRAM,
Commissioner of Insurance.

Mr. Speaker, to set your mind at ease, let me assure you that H.R. 7711 does require that self-insurance reserve funds must be established as trusts. They would have to be administered subject to appropriate State and Federal fiduciary rules, so that the funds thus set aside would indeed be available when needed.

REFUSAL TO BARGAIN: THE NEED FOR LABOR LAW REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MICHAEL O. MYERS) is recognized for 5 minutes.

Mr. MICHAEL O. MYERS. Mr. Speaker, the National Labor Relations Board—NLRB—has criticized the inequities in the National Labor Relations Act—NLRA—which allow determined employers to violate the law with impunity. That employers can get away with breaking the law is particularly evident in refusal to bargain cases. Collective bargaining is the heart and soul of the NLRA. Yet when an employer refuses to bargain the only remedy available to the Board or a court is an order to bargain—often several years after the initial obligation.

The following is but one example of how an employer unwilling to bargain can break the law for over 6 years and get away with it:

In October 1964, the United Auto Workers—UAW—won a representation election among the employees of the Ex-Cell-O Corp. in Elwood, Ind. The company objected to the election results on grounds that the union had engaged in irregular election activities. When the Regional Director of the NLRB overruled the objections, Ex-Cell-O appealed to the NLRB. The Board reviewed the case, upheld the Regional Director's decision and certified the UAW as the employees bargaining agent. This process took 1 year. Next, the company refused to bargain, announcing it was defying the Board by seeking a judicial test of the Board's certification decision.

Thus, in November 1965, 13 months after winning the election the UAW was forced to file a complaint with the NLRB against Ex-Cell-O for refusing to bargain. As is routine, the Board scheduled a hearing, which at the request of the company was twice postponed until June 1966. The UAW, fed up with company inspired delay, asked the Board for monetary compensation from Ex-Cell-O, in addition to an order to bargain. In March 1967, the NLRB Trial Examiners ruled in favor of the union, ordering Ex-Cell-O to bargain in good faith and "to compensate its employees for monetary losses incurred as a result of its unlawful conduct."

The company then appealed to the full Board, which after nearly 2 additional years of deliberations, upheld the bargaining order but denied the monetary compensation on grounds that it did not have authority under the law to make that award. The Board lamented its inability to do more:

Much as we appreciate the need for more adequate remedies in (refusal to bargain) cases we believe that as the law stands *the proposed remedy is a matter for the Congress* not the Board (emphasis added).

Underscoring its frustration, the Board added:

A mere affirmative order that an employer bargain upon request does not eradicate the effects of an unlawful delay of 2 or more years in the fulfillment of a statutory bargaining obligation. It does not put the employees in the position of bargaining strength they would have enjoyed if their employer had immediately recognized and bargained with their chosen representative. It does not dissolve the inevitable employee frustration or protect the union from a loss of employee support attributable to such delay.

Nevertheless, the penalty for Ex-Cello-O, which had defied the legal obligation to bargain for 6 years was simply an order to bargain (185 NLRB 20). The UAW appealed the Board's decision against the monetary award to the U.S. Court of Appeals. The court denied the appeal in June 1971, basically because it determined that the Board had in limiting its decision to an order to bargain operated within its mandate. On the other hand, the Court admonished "the Board to review its procedures for those cases in which the union wins the election and the company does not acquiesce, toward the objective of moving with expedition to identify those cases that raise no substantial problem and to enter a bargaining order even in advance of its decision on other matters that may require further consideration." (76 LRRM 2753).

The Thompson-Williams Labor Reform bill would resolve the issues raised by the Board and the Court of Appeals in the Ex-Cello-O case. The Board asked the Congress for more authority in refusal to bargain cases. Section 8 of H.R. 8410 would give the Board authority to order a party who illegally refuses to bargain to compensate its employees. The remedy proposed applies to the initial bargaining situation. Employees would receive the benefit of the average wage settlement negotiated by workers at plants where collective bargaining proceeded lawfully. This provision would take the profit out of violating the law and speed the process of collective bargaining in good faith.

LEGISLATION TO AMEND INTERNAL REVENUE CODE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, at the request of the Treasury Department, I am introducing a bill which would amend section 896 of the Internal Revenue Code to permit the President to take retaliatory action in the case of foreign countries with integrated tax systems which discriminate against investment in those countries by U.S. shareholders.

Certain foreign countries such as Germany and France have in recent years adopted integrated tax systems under which a refund is paid to resident shareholders of part or all of the corporate tax paid with respect to distributed profits. In certain of these countries the refund is paid to resident shareholders but not to U.S. shareholders. Consequently, the corporate tax burden increases in direct proportion to the foreign corporation's degree of U.S. ownership.

This bill would give the President authority, if he determines that a foreign country does not accord investment by U.S. residents treatment comparable to investments by residents of that foreign country, to tax at comparably discriminatory rates investment in the United

States by nationals or residents of that country.

At the time the task force on foreign source income of the Committee on Ways and Means released its report earlier this year, the members of the task force expressed their concern about the problem of foreign integrated tax systems which discriminate against U.S. shareholders and recommended that the committee consider legislation along these lines. I am introducing this bill at this time to provide an opportunity for public comment before any committee consideration.

LEGISLATION TO REDUCE COLUMN 2 DUTY RATES ON IMPORTED SILK FABRICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 5 minutes.

Mr. AuCOIN. Mr. Speaker, today I am introducing a bill that in and of itself may be of little significance. However, as a symbol, the bill has the potential to be tremendously significant.

The legislation would reduce the column 2 duty rates on imported silk fabric. The prime beneficiary of this duty reduction would be the People's Republic of China.

For the People's Republic of China, the weaving of silk fabrics is a cottage industry, engaged in by the people of almost every village and town. It is not the largest industry in China, but Chinese officials tell American businessmen it may be one of the most important because of its long, historic significance to their ancient country. Chinese silk is the best in the world and when it is exported from their country, their pride goes with it.

Chinese silk exports have been a staple in Sino-United States trade for many years. Even though other fabrics have come to dominate U.S. markets, silk still retains an important niche in the marketplace.

When Sino-United States relations underwent a thaw in 1972, U.S. imports of Chinese silk fabrics increased from $3,000 in 1971, $209,000 in 1972, and $455,000 in 1973.

Not surprisingly, Chinese silk imports to the United States tapered sharply in 1974, the year the Trade Reform Act was passed. But even the duties imposed as a result of that act have not completely dried up the U.S. thirst for silk fabrics, as Chinese exports to America totaled $195,000 in 1975.

In contrast to up and down Sino-United States trade is Japan which is the major importer of Chinese silk fabrics and raw silk. Japan's gradual rapprochement with the People's Republic of China beginning in the 1960's and culminating with formal diplomatic recognition in 1972 are attributed as major factors in improved Sino-Japanese silk trade, which grew from $7.9 million in 1970 to $56.8 million in 1975.

Currently, there is no U.S. duty on silk yarn, largely because there is no raw silk production in the United States.

My bill does not propose eliminating, or suspending duty rates in silk fabric in recognition of a small domestic industry involvement and capacity. There has been some slight difference of opinion on how much domestic capacity exists in the production of silk fabric. I am advised by the International Trade Commission that insufficient information is at hand to make a firm conclusion. Consequently, I have requested Mr. Daniel Minchew, Chairman of the International Trade Commission, to instruct that a study be made to determine whether reduction in duty rates on imported silk fabric would cause any harm to domestic textile manufacturers.

My own belief at this point is that at most there would be a minute impact. For example, in 1960, the Tariff Commission held hearings to determine what textile fabrics should be included in a quota system and found silk fabric imports not harmful to domestic industry. At that time, silk fabric imports were 17 times larger than they were in 1976. This is largely so because silk is a luxury item, costing today something around $11 per pound while synthetic fabrics sell at 90 cents a pound.

While the physical impact of the bill is important in that it will make imported silk fabrics, especially those from the People's Republic of China, slightly less expensive, the main objective I have for this legislation is what it will symbolize.

Earlier this year, I introduced companion bills that would extend U.S. export credits through the Export-Import Bank to the People's Republic of China. The purpose of those bills is to serve as tools for a gradual, incremental economic rapprochement with the People's Republic of China.

If the initiative launched with the 1972 Shanghai communique is to be kept alive, we must continually seek ways to move toward normalization of our relations with the People's Republic of China. Still faced with the "Two China" question which at this moment is unresolvable without a major upheaval, I believe small, symbolic steps are extremely important, and necessary.

Distinguished columnist Joseph Kraft holds a similar view as expressed in a recent article published in the July 28 Washington Post in advance of Secretary of State Cyrus Vance's trip to the Far East. It said:

> Against this background, the visit to the People's Republic of China by Secretary of State Vance holds a fair prospect. The Chinese are unlikely to demand that Washington abandon all connection with Peking. On the contrary, there is hope that Vance can set the stage for forward motion in Sino-American relations on a wide range of secondary issues such as trade, credits and cultural exchange. Progress on these items can move steadily forward over several years until the day when American opinion is finally prepared for the break with Taiwan that must eventually come as the price for full normalization of relations with Peking.

I believe the bills I introduced earlier dealing with U.S. export credits to the People's Republic of China, and the bill I introduce today to reduce import duties on silk fabric, are the kind of small, but symbolic tools Secretary Vance needs to carry to leaders in Peking.

In a recent letter to Secretary Vance, I made this suggestion, noting,

> There is great advantage in the timing of your trip to the People's Republic of China. All indications are that China is prepared to negotiate for large imports, including entire processing plants, oil drilling and production equipment and sophisticated technology such as telecommunications equipment. The Chinese appear to have whittled down their debt and are in a position to look at large new purchases.

The stakes in normalizing commercial relations with the People's Republic of China are large. In my letter to Secretary Vance, I also said,

> In years to come, I foresee a vital trading partnership among Pacific Rim countries, laced together by strong commercial ties between the United States, Japan and the People's Republic of China. This will be good for our nation and for my state in particular, as it will stimulate U.S. productivity, generating jobs and new opportunities.

The bill I introduce today will not bring all this about, but it is a beginning step down a road we must, and inevitably will, travel.

FOOD STAMPS—AN OVERDUE OVERHAUL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. Levitas) is recognized for 5 minutes.

Mr. LEVITAS. Mr. Speaker, as we consider the food stamp program and its future, several hard questions must be asked. Why should we have a food stamp program at all? Why should we taxpayers pay to feed others? If there should be a food stamp program of any sort, what changes or reforms are needed in order to make it work and eliminate fraud?

Our Nation has always been humane and our people humanitarian. Unlike some other nations and people on this Earth, we are unwilling to see human beings, who are unable to provide for themselves, starve in the streets. This concern stems, I believe, from our religious heritage in the Judaeo-Christian tradition. Samuel Johnson said:

> A decent provision for the poor is the true test of a civilization.

Therefore, I think it is clear that we will have in the future, as we have had in the past, some form of program which will provide basic nutrition to stave off starvation of our neediest people.

In the past, we have had a variety of programs to meet this need. The surplus commodity programs and other forms of food programs have been used to serve this purpose. The food stamp program is merely the most recent method of dealing with this problem. Before food stamps, we had the surplus commodity program which gave away surplus food at distribution centers to eligible poor recipients. However, the

administrative costs and the problems inherent in giving away the commodities led Congress to believe that it would be better to utilize the free enterprise market system to distribute the food by employing food stamps and letting the recipient exchange the coupons for food at the grocery store. Thus, Congress set up the food stamp program in 1964.

As is frequently the case, what may have been a good and workable idea at first, when run by the Federal Government soon turns into an administrative nightmare rife with fraud and abuse, failing to fulfill the purposes for which it was intended. Thus it came to pass with the food stamp program. The results: soaring administrative costs; fraud in the use of the stamps; theft of the purchase money funds; exclusion of the neediest; inclusion in the program of persons who were not in need. Even some perfectly able-bodied people were receiving benefits they either were not or should not have been eligible to receive.

Evidently a major overhaul and reform of the system is needed, if the program is to be continued at all. The steps taken by the House this year in passing H.R. 7171 are a first effort in achieving reform. As the Senate-House conference progresses and final action is taken, we will see how that comes out.

Some of the major actions taken by the House in its food stamp reform bill this year to overhaul the system, should be noted:

First, the bill tightens the standards of eligibility for food stamp recipients. Only those people whose annual income is at or below the poverty level will be eligible to receive food stamps. The bill trims the food stamp rolls of college students, persons whose resources are above the poverty level, or other persons who should have never been eligible.

The new bill also mandates work registration requirements so that recipients who can work must register for work, search for work, accept available work, and continue to work or lose food stamp eligibility. Also, any household whose head has voluntarily quit a job without good cause will not be eligible to participate in the program for 60 days.

The reform also provides for pilot "workfare" projects to be established in the States. In these projects, if those who register for work are not able to find jobs in the private sector within 30 days, they will have to accept public service jobs at the minimum wage rate, paid in food stamps, in order to earn their food stamp allotment each month. The change in approach from "welfare" to "workfare" is a major breakthrough.

It must be obvious that work registration and workfare are going to trim the food stamp rolls of people who are able to work but prefer not to. When resources are finite—and as a result of an amendment by Georgia Congressman DAWSON MATHIS we also are establishing a ceiling limit on the amount which can be appropriated for the food stamp program, for the first time in the program's history—only those who are truly in need should participate and this is what these reforms are trying to accomplish.

Another aspect of the present system which was due for reform is that which required that a portion of the food stamps be purchased by the recipients. This misleading provision allowed people to believe that food stamps are not "free" but are paid for by food stamp recipients. It is time that we recognize the food stamp program for what it is, a way of providing food to the poor who cannot provide for themselves. The purchase price of food stamps never covered the full value of the stamps much less the administrative costs of the program. The truth is that the food stamp program cost American taxpayers over $5 billion last year alone. Obviously these costs were not covered by any food stamp purchase moneys. Even the portion of food stamps which were purchased were really giveaways because most people who purchase food stamps do so with money provided by the Federal Government through other programs like welfare and SSI. Food stamp recipients have merely been conduits for transferring money from the Department of Health, Education, and Welfare to the Department of Agriculture, with the loss of administrative costs and other slippage in between.

By not requiring that a portion of the food stamps be purchased, we have labeled the food stamp program for what it is, and proceeded to make those changes that will try to enable it to fulfill its purpose, while at the same time cutting down on the fraud and abuse and waste.

The biggest bonus to the American taxpayer of eliminating the purchase provision is that we are at the same time reducing the total amount of food stamps a person will receive by about 30 percent which will result in taking $3 billion worth of food stamps out of circulation. That is $3 billion worth of food stamps less for fraud, black marketing, and abuse. That means $3 billion less food will be purchased by food stamps than heretofore.

We will also eliminate the 17,000 sellers of stamps who were handling the purchase money—which passed through, slipped between their fingers, and, in too many instances, was pocketed. The accounting, handling, and transfer of these funds was expensive and resulted in millions of dollars of loss.

It is estimated that this measure will reduce the administrative costs of the program and save taxpayers $35 million, as well as reduce the number of Government employees it took to administer the program and account for that money.

Finally, it has become glaringly apparent that the food stamp program is not even attaining its basic goal—the feeding of the poorest people in the country. The truly indigent, living a hand-to-mouth existence, are so dependent on an immediate cash flow, that they are unable to accumulate for 2 weeks the money required to purchase the stamps—these people are simply too poor to take part in the program that was basically intended to help them and not people who drive up to the store in large cars.

Americans will take care of the unavoidably poor, the handicapped, the hungry—but we are not to be expected to take care of those who refuse to make the attempt to care for themselves. I believe that the steps Congress is taking to overhaul the food stamp program are evidence of America's traditional will to make "a decent provision for the poor," while reasserting our traditional beliefs that those who are able, must work for their keep.

ANNOUNCEMENT AS TO VOTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, I was compelled to be absent from one vote on Thursday, August 4, 1977, in order to attend a meeting at the White House. I missed rollcall vote No. 502, and would like to announce how I would have voted had I been present. Rollcall No. 502, House agreed to a motion to resolve itself into the Committee of the Whole; 378 yeas to 3 nays. I would have voted "yea."

UTAH'S WORKFARE PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. MCKAY) is recognized for 5 minutes.

Mr. MCKAY. Mr. Speaker, the welfare reform issue has been a subject of great interest recently. Americans are looking to the announcement of the President's new welfare proposals for solutions to skyrocketing welfare roles and welfare abuses.

I would like to draw your attention to Utah's innovative and successful approach to public assistance programs. In the 18 July 1977 edition of U.S. News & World Report, Utah's "workfare" program, with its emphasis on putting welfare recipients to work, is described. The program's record has been so successful that several other States are now patterning their plans after the Utah approach.

The workfare program is meeting the challenges of providing vocational training and jobs to those that are able to work and removing from the welfare rolls those that are able but refuse. In addition, many participants are experiencing new dignity as they make it on their own.

I invite consideration of Utah's successful model as a possible guide in combating the Nation's welfare ills. I am also submitting the following U.S. News & World Report article for your information:

WHEN STATES TELL PEOPLE THEY MUST WORK FOR WELFARE

The idea that able-bodied people should be required to work for their welfare money is spreading rapidly across the U.S.

One such "workfare" program attracting nationwide attention is operating smoothly in Utah.

So successful is the Utah plan in moving people off relief rolls that half a dozen other States are taking a look at it as a possible model for programs of their own. Some believe it might even be useful to the Carter Administration in its search for national welfare reforms.

Besides Utah, at least 16 States have stiffened their work requirements or added new work incentives in the last two years. A number of other States and many cities have some kind of program aimed at putting relief recipients to work. And the Federal Government's Work Incentive Program—known as WIN—is steadily stepping up its pace in finding jobs for welfare recipients.

On the job, on the dole. The Utah plan is unique in several respects. It is sterner and goes further than most other programs. It is mandatory. And it doesn't just train people for future jobs. It actually puts them to work while they are still drawing welfare payments.

In most places, such work requirements apply only to people on programs financed by State or local funds, such as "general assistance" or "direct relief."

Utah's plan applies to those who receive Aid to Families with Dependent Children (AFDC), a huge, nationwide program that draws heavily upon federal funds. Utah officials say theirs was the first work requirement approved by the Department of Health, Education and Welfare for application to AFDC.

"Utah is the first State where people earn their welfare grants," claims the program's co-ordinator, Usher T. West.

Officially, Utah's method is called a work-experience and training program. But its training is not the usual type done in classrooms. Trainees learn to work by actually working. If private employment cannot be found for them, they are put to work for public agencies, doing jobs that are needed by State or local governments. They serve as teachers' aides in their neighborhood schools or plant trees in public parks, for example. They work three days a week but remain on the welfare rolls until they find regular jobs.

Only ill, aged or disabled persons or mothers with children under 6 years of age are exempted. All others are told to take one of the jobs offered to them or lose all or at least a part of their welfare payments.

Those who participate in the program are helped by the State to find jobs in private industry. Many are doing so.

In one six-month period, from July through December of last year, 782 people were assigned to the work program. Of that total, 311 were removed because they did not perform as required. But 11 people were hired by the sponsors who gave them their training jobs, and 218 found other kinds of employment. In addition, 109 mothers found enough work to reduce the amount of welfare funds needed to support their families.

"Feeling great." A 32-year-old mother of two children was hired recently as a full-time office worker in Salt Lake City's assistance-payments administration, the same office that handed her welfare checks for 13 years before she took job training for two years. During the instruction period, she says, "even though I was getting welfare I felt I was working for it." And now, she adds, "With my new job I am barely making ends meet. But I feel great because I am making it on my own."

Utah officials point out that communities as well as individuals benefit from the program. Some agencies, such as private nonprofit organizations that are constantly short of funds, report that the services of welfare recruits have been invaluable.

One self-help agency in Salt Lake City, for instance, had the funds to buy insulation for the homes of elderly poor people, but lacked money to hire workers to install it. Welfare trainees have been assigned to the job. Another self-help group put trainees to work repairing the homes of elderly Salt Lake City residents.

A question of legality. Some critics charge that, Utah's job-training effort is nothing more than a thinly disguised public-works program that uses underpaid welfare recipients in place of regular employees.

Legal-service lawyer Lucy Billings says she is considering filing a court suit against the program on the ground that it violates federal regulations that people cannot be required to work for their welfare payments.

It took Utah three years to get its program approved by the U.S. Department of Health, Education and Welfare. For 18 months, HEW withheld federal contributions to Utah's program for Aid to Families with Dependent Children. It cost the State almost a million dollars to make the AFDC payments entirely from State funds. But many Utah people feel that it was well worth the cost.

Utah officials concede that their program might not work so well in other parts of the country, especially in big cities where population is denser and welfare rolls are much larger. Of Utah's nearly 1.2 million residents, only 39,000 are getting money grants of aid. Also, it is suggested, labor unions in more-industrialized States might oppose welfare people being given jobs that might be sought by union members.

But in the view of Robert W. Hatch, a field director for the Utah assistance-payments administration, public acceptance of the idea that welfare recipients should work for their money is spreading throughout the nation. Says Hatch: "I think that in time, putting welfare clients to work will become a common practice."

In fact, a trend in that direction is already apparent.

Oklahoma has a 2-year-old work-experience program that was passed by the legislature at the urging of Governor David Boren. It requires that anyone 18 or older in a family receiving Aid to Families with Dependent Children must visit the local employment office and sign up for a job that's available.

In 1975, there were 2,300 persons participating in the Oklahoma program. Many worked in State institutions, hospitals or in county offices for $5 a day to offset expenses, plus their regular AFDC checks.

"They are usually placed in jobs where they can easily be trained and hopefully be picked up by the business community," says a State spokesman. Last year, more than 700 persons were placed in permanent positions outside the government.

The risk of rejecting work. The Texas legislature recently passed legislation to supplement the Federal Government's Work Incentive Program. Welfare recipients must register for work, and if they reject a job without a good reason, their benefits may be cut off after an administrative review.

North Carolina's legislature this year passed a law requiring welfare recipients to register for work.

As the law's sponsor, State Senator E. Lawrence Davis of Winston-Salem, explains it: A family head who fails to register is taken off the rolls. But aid to his or her children will continue as "protective payments" made through some other person or perhaps an agency, such as a church. Since the law did not take effect until July 1, it's too soon to tell how effective it will be.

A part-time work force. In the State of New York, all employable persons receiving general welfare-assistance payments have, since May 1, been required to work three days a week in a local-government agency if jobs are available.

There are about 60,000 such persons, and State Social Services Commissioner Philip Toia says: "We're hoping to develop jobs within local-government agencies for at least 30,000 of those employables within the next three months. We're hoping that, when faced with working three days a week, many will go and get a full-time job."

One problem is that four fifths of the employables covered by the program are in New York City, where in the last two years thousands of public employes have been laid off in the city's effort to cope with a financial crisis. "I anticipate some complaints from the municipal workers' unions," say Assistant Welfare Commissioner Irwin Brooks. However, according to a *New York Daily News* poll published May 23, about 87 per cent of residents in the New York metropolitan area approve of the new workfare program.

Work-for-welfare bills similar to New York's are pending in several States, including Connecticut and New Jersey.

Massachusetts is one of the States studying the Utah plan of mandatory work for heads of AFDC families. Since 1975, Massachusetts has barred all employable persons from direct relief or general-assistance rolls. The State of Rhode Island followed suit last September, cutting its relief case load by more than 20 per cent.

Million-dollar savings. Bridgeport, Conn., started last year a plan requiring employable people receiving welfare to work one or two days a week, depending on the amount of their aid. About 300 persons out of a case load of 1,330 are now working. If they fail to work for a period of two weeks, their benefits are automatically terminated.

Result. Bridgeport's case load has been cut 45 per cent in a year's time, with a million-dollar reduction in the city's welfare budget.

Milwaukee County, Wis., has a locally run pay-for-work program requiring all able-bodied welfare applicants to take specially created jobs in municipal or county departments. They are paid $2 an hour for a 32-hour workweek.

One experiment being watched closely is a "supported work" program run by the Manpower Demonstration Research Corporation, a nonprofit, tax-exempt organization set up with the support of the Ford Foundation and five Federal Government agencies—principally the Department of Labor.

It has 15 projects in 13 States that provide jobs, mostly with public or nonprofit agencies, for more than 2,000 marginally employable people, including AFDC mothers. Instead of welfare checks, they get paychecks at minimum-wage rates.

A mixture of welfare funds and grants is used to finance the program. The workers will be helped to find permanent jobs in private industry once they have developed the necessary skills.

Many towns and some States have found that the administration of work-for-aid programs is too costly to justify the small numbers put to work. But the search for practicable systems goes on—and widens.

In the words of Fritz Kramer, a manpower specialist with the Labor Department: "A number of States are exploring ways to provide jobs in either the public or the private sector to get people off the welfare rolls."

A Federal Agency That Finds Jobs

After years of costly failure, the Federal Government's Work Incentive Program (WIN) is improving its performance in finding jobs for people on welfare rolls.

Last year, WIN placed more than 210,000 persons in jobs. That was almost twice the number it placed in the entire first four years of its life, from 1968 through 1971.

The upturn began in 1972, after the program's emphasis was shifted from job training to job finding.

WIN's targets are the people in the huge Aid to Families with Dependent Children (AFDC) program. About half of those for whom jobs are found are enabled to get off the AFDC rolls entirely, officials say, with the other half able to get by on reduced benefits.

Despite WIN's efforts, the number receiving AFDC payments has hit a new high of more than 3.6 million families, which contain a total of nearly 11.3 million individuals.

CONGRESSIONAL BLACK CAUCUS POSITION ON ENERGY POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. MITCHELL) is recognized for 5 minutes.

Mr. MITCHELL of Maryland. Mr. Speaker, energy policy will be the subject of major debate and decisions for a long time to come. The House is considering legislation which is the first step in responding to what has been described as an energy "crisis." The Congressional Black Caucus has put forth a position statement on energy policy which I am inserting in the RECORD for the benefit of our colleagues in Congress and for the public. Our primary concern is that the price mechanism not be used as the primary means of controlling energy use. We are concerned that with energy, as with other policies involving large shifts of money, the poor will be hurt the most by the decisions on those policies. For that reason, we urge careful consideration of this statement and reflection upon the impact of energy policy decisions on the poor.

THE CONGRESSIONAL BLACK CAUCUS STATEMENT ON NATIONAL ENERGY POLICY, AUGUST 1977

OIL AND NATURAL GAS PRICING

The Administration proposes to reduce oil and gas consumption by using prices and taxes as a rationing device. As a national policy, this would institutionalize OPEC's artificially high fuel prices, which do not reflect the cost of production. The demand for fuel will become a function of people's ability to pay higher prices. Those who are well off can continue to consume large amounts of fuel. This option is not available to poor and low income people who already find it difficult to meet skyrocketing energy costs.

The oil equalization tax would place a tax on the difference between the domestic price of oil and the world price of oil. This tax would significantly raise the consumer cost of home heating oil, gasoline, and high energy-intensive products. The equalization tax rebates do not cover the indirect cost of increases in the production of goods. These increases include the increased processing and transport costs of food and clothing, costs which will be absorbed by the consumer.

The Caucus also feels that OPEC equivalency pricing on natural gas is an inadequate way to curb natural gas consumption. The price of natural gas must also reflect the cost of production. The industry cannot be allowed to arrive at an artificially high price that would strain consumer budgets. However, special provisions must be made to avoid penalizing low income households who already pay a disproportionate amount of their income for fuel. As a means of reducing fuel consumption, the Caucus recommends increased use of acceptable alternative technologies, and stringent conservation measures rather than price increases.

HORIZONTAL DIVESTITURE

Unless the oil and gas companies are forced to divest themselves of alternative energy sources, they will continue to keep supplies low in order to maximize their profits. For example, today 24 oil and gas companies control approximately 44 percent of leased coal reserves, yet only 8 of the 24 currently produce coal on their leased land. As long as the oil companies are allowed to control alternative energy sources, the domestic price of fuel will continue to be controlled by OPEC and the major oil companies, and the market cannot operate in a free and unfettered manner. We support horizontal divestitute by oil and gas companies.

CONSERVATION

The National Energy Plan is insufficient as a conservation measure. The goal is to increase efficiency so that the same amount of fuel can do more work. It is not enough simply to provide tax credits for home insulation. Low income households do not earn enough to take advantage of tax credits. Grants and low interest loans must be provided. Mandatory lighting, heating, and machinery efficiency standards for industry as well as standards for all home appliances should be imposed. The Caucus endorses a ban on energy inefficient cars. Simply taxing them is a discriminatory policy which perpetuates conspicuous fuel consumption by the affluent.

UTILITIES

The present utility rate structure subsidizes industry at the expense of the residential and small commercial consumer. The Caucus supports the elimination of the declining block rate and endorses the concept of peak hour pricing. The oil utility user tax should be eliminated in areas where the Environmental Protection Agency has granted exemptions from coal conversion for environmental reasons.

JOBS AND MINORITY PARTICIPATION

Between 1950 and 1971, a total national employment increased 41% while jobs in the energy-producing industries increased only 5.5%. In the past, U.S. energy production has been capital intensive. The National Energy Plan must include a commitment to alternative technologies which are high labor intensive in order that we may tackle the problems of energy and unemployment together.

The new Department of Energy should adopt as a priority the support and enhancement of minority business participation in the energy field, particularly in newly developing and expanding areas such as solar energy and refining technologies. In addition, the Small Business Administration should establish, by industry type, dollars and contracts goals for minority business participation in the SBA 8(a) contract program. Standard operating procedures and other regulatory safeguards and incentives should be established to ensure that there be at least a 10 percent set-aside for minority businesses, as has been done with the Public Works legislation.

HOUSING

Energy policy will have a profound impact on the housing industry. The weatherization program should be expanded to provide grants for households with incomes less than $8,000 and low interest rate loans for households with incomes between $8,000 and $14,000. A refundable tax credit should be provided for the installation of home solar and wind energy devices.

TRANSPOPTATION

Regional differences are of crucial importance in the national energy picture. In the West and in rural areas, "captive drivers" who must buy large amounts of gas may have to pay more in fuel costs and taxes than the President plans to give them in rebates. The national energy policy should account for these discrepancies.

Non-drivers are likewise affected. If mass transit fares go up, rebates may not be adequate compensation. Surface mass transit should be subsidized by government in order that the increased operating costs not be passed on to the passenger.

ALTERNATIVE TECHNOLOGIES

The Caucus supports the move away from dependence on oil and natural gas as primary fuel sources, and encourages conversion to coal where environmentally practical. Additionally, a crash program should be undertaken to develop alternative renewable energy sources. These include solar, wind, geothermal, and other technologies with ready sophistication for immediate implementation, and which are environmentally acceptable.

THE ROLE OF GOVERNMENT IN ENERGY PLANNING

The Congressional Black Caucus believes that the government must take an active role in guaranteeing adequate supplies of energy at the most competitive prices. We believe that the Federal government should assume responsibility for the importation of petroleum products, and that the leasing procedures applied to federal lands and waters be revised.

The multinational oil companies have been willing participants in the recent price increases promulgated by OPEC. These firms see higher OPEC price levels as serving their own interests by reinforcing the monopoly-distorted price of oil. A government importer could not only obtain a more competitive price from producing nations, but could designate where the oil would go in the U.S., strengthening the independent refining and distributing network within the U.S.

As evidenced by last winter's natural gas emergency, the federal leasing procedure has failed to produce compliance from non-producing lessees. The procedure should be amended to allow the government to purchase the services of private firms to extract resources from government properties, and to allow the government to auction those products in the domestic market.

LEGISLATION TO STOP THE BOOTLEGGING OF CIGARETTES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 30 minutes.

Ms. HOLTZMAN. Mr. Speaker, today Mr. FISH and I are introducing a bill to stop the bootlegging of cigarettes, which deprives New York and other States of millions of tax dollars every year. Federal criminal penalties and assistance are sorely needed to prevent the interstate smuggling of cigarettes in avoidance of local tax laws.

Contrary to popular belief, cigarette smuggling is a pervasive, serious crime with a major impact on many States. Cigarette tax evasion activities cost 14 States, New York, Massachusetts, Maine, Connecticut, New Jersey. Pennsylvania, Ohio, Florida, Arkansas, Minnesota, Wisconsin, Texas, and Washington, an estimated $391 million in revenue losses each year. Overall, the Nation's net revenue loss from cigarette bootlegging was estimated at $337 million in fiscal year 1975.

The basic cause of cigarette bootlegging is the great disparity in State taxes. Tax rates range from 2 cents a pack in the State with the lowest taxes, to 23 cents in New York City. A substantial impetus exists for criminal activity, since there is a $2.10 profit to be made on a carton of bootleg cigarettes in New York City. Over 480 million packs of cigarettes are smuggled into New York State every year; 384 million of these are bootlegged into New York City. In other words, out of every two packs of cigarettes sold in New York City, one is bootlegged. Cigarette trafficking costs New York City taxpayers $85 million annually in lost tax revenues from legitimate sales.

Although New York provides the most glaring example of the effects of smuggling operations, other States also suffer severe financial loss from the trafficking in contraband cigarettes. New Jersey has lost about $119 million in taxes. Pennsylvania has lost $176 million. Connecticut's estimated revenue loss is $86 million. The problem is not confined to the Eastern seaboard States. Illinois has lost an estimated $75 million in tax revenues, and Ohio has incurred an approximate $30 million loss.

Cigarette smuggling is a major source of income for organized crime groups. In fiscal year 1975–76, illegal profits in eight Eastern States were estimated at $97.9 million. These profits, in turn, finance other illegal operations, such as narcotics and loan-sharking.

State efforts to curtail cigarette smuggling have been simply ineffective. The authority of State tax enforcement personnel does not extend beyond the borders of their respective States. Furthermore, State law enforcement efforts are not coordinated. Individual States only keep records on suspected smugglers and trafficking operations within their respective borders. Interstate cooperation in the fight against trafficking is rare, and so one jurisdiction does not have easy access to potentially helpful information compiled by another jurisdiction. Therefore, since cigarettes can easily be transported across State lines, it is practically impossible to apprehend bootleggers once they leave a particular State.

Given the interstate nature of smuggling operations, Federal regulation is the best way to combat the problem. Our bill would complement State efforts to enact and enforce cigarette tax laws. My legislation would make it unlawful knowingly to ship, transport, receive, or possess contraband cigarettes. Persons who distribute more than 20,000 cigarettes in a single transaction would be required to maintain records of their shipment, receipt, sale, or other disposition, according to rules prescribed by the Secretary of the Treasury. Any violation of these Federal regulations of trafficking would result in a maximum fine of $10,000, or 2 years' imprisonment, or both.

Contraband cigarette trafficking is a problem which adversely affects millions of Americans. Stiff Federal regulations are necessary to crack down on this criminal activity. We, therefore, urge speedy enactment of this bill.

The text follows:

H.R. 8854

A bill to amend title 18 of the United States Code to eliminate racketeering in the sale and distribution of cigarettes, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

STATEMENT OF FINDINGS AND PURPOSE

SECTION 1. (a) The Congress finds that—

(1) there is a widespread traffic in cigarettes moving in or otherwise affecting interstate or foreign commerce, and that the States are not adequately able to stop the movement into and sale of such cigarettes in violation of their tax laws through the exercise of their police power;

(2) there is a causal relationship between the flow of cigarettes into interstate commerce to be sold in violation of State laws and the rise of racketeering in the United States;

(3) hundreds of millions of dollars have been realized annually in profits from the sale of such cigarettes in violation of State laws, and such profits have been channelled into other illicit activities;

(4) a sharply expanded Federal role in the fight against cigarette smuggling is essential if there is to be an effective law enforcement effort against cigarette smuggling, since the interstate nature of the crime places individual States at too great a disadvantage to handle these problems effectively;

(5) certain records maintained by dealers in cigarettes will have a high degree of usefulness in criminal, tax, and regulatory investigations.

(b) It is the purpose of this Act to provide a timely solution to a serious crime problem and to help provide relief to many cities and States.

SEC. 2. Title 18, United States Code, is amended by inserting immediately after chapter 113 thereof the following new chapter:

"Chapter 114.—TRAFFICKING IN CONTRABAND CIGARETTES

"Sec.
"2341. Definitions.
"2342. Unlawful acts.
"2343. Recordkeeping and reporting.
"2344. Penalities.
"2345. Effect on State law.
"2346. Enforcement and regulations.

"§ 2341. Definitions

"As used in this chapter—

"(1) the term 'cigarette' means—

"(A) any roll of tobacco wrapped in paper or in any substance not containing tobacco, and

"(B) any roll or tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in subparagraph (A);

"(2) the term 'contraband cigarettes' means a quantity in excess of twenty thousand cigarettes, bearing no evidence of the payment of applicable State cigarette taxes in the State where they are found, if such State requires a stamp, impression or other indication to be placed on packages or other containers of cigarettes to evidence payment of cigarette taxes, and which are in the possession of any person other than—

"(A) a person holding a permit issued pursuant to chapter 52 of the Internal Revenue Code of 1954 as a manufacturer of tobacco products or as an export warehouse proprietor, or a person operating a customs bonded warehouse pursuant to section 311 or 555 of the Tariff Act of 1930 (19 U.S.C. §§ 1311 or 1555) or an agent of such person;

"(B) a common or contract carrier, if the cigarettes are designated as such on the bill of lading or freight bill;

"(C) a person licensed or otherwise authorized by the State where the cigarettes are found to deal in cigarettes and to account for and pay applicable cigarette taxes imposed by such State; or

"(D) an officer, employee, or other agent of the United States or a State, or any agency or instrumentalities of the United States on a State (including any political subdivision of a State) having possession of such cigarettes in connection with the performance of his official duties;

"(3) the term 'common or contract carrier' means a carrier holding a certificate of convenience or necessity or equivalent operating authority from a regulatory agency of the United States or of any State;

"(4) the term 'State' means any State, or the District of Columbia;

"(5) the term 'dealer' means any person who sells or distributes in any manner any quantity of cigarettes in excess of 20,000 in a single transaction; and

"(6) the term 'Secretary' means the Secretary of the Treasury or the delegate of the Secretary of the Treasury."

"§ 1286. Unlawful acts

"(a) It shall be unlawful knowingly to ship, transport, receive, or possess contraband cigarettes.

"(b) It shall be unlawful to knowingly make any false statement or representation with respect to the information required by this chapter to be kept in the records of a dealer.

"§ 1287. Recordkeeping and reporting

"Each dealer shall maintain such records of shipment, receipt, sale, or other disposition of cigarettes at such place, for such period, and in such form as the Secretary may by regulations prescribe.

"§ 1288. Penalties

"(a) Whoever violates any provision of this chapter or regulations promulgated thereunder shall be sentenced to pay a fine of not more than $10,000, or to be imprisoned for not more than two years, or both.

"(b) Any contraband cigarettes involved in any violation of the provisions of this chapter shall be subject to seizure and forfeiture, and all provisions of the Internal Revenue Code of 1954 relating to the seizure, forfeiture, and disposition of firearms, as defined in section 5845(a) of that Code, shall, so far as applicable, extend to seizures and forfeitures under the provisions of this chapter.

"§ 1289. Effect on State law

"Nothing in this chapter shall be construed to affect the concurrent jurisdiction of a State to enact and enforce State cigarette tax laws, to provide for the confiscation of cigarettes and other property seized in violation of such laws, and to provide penalties for the violation of such laws.

"§ 1290. Enforcement and regulations

"The Secretary shall enforce the provisions of this chapter and may prescribe such rules and regulations as he deems reasonably necessary to carry out the provisions of this chapter.".

SEC. 3. (a) Except as provided in subsection (b), the provisions of chapter 114 of title 18, United States Code, shall take effect on the first day of the first month which begins more than one hundred and twenty days after enactment.

(b) The following sections of chapter 114 of title 18, United States Code, shall take effect on the date of enactment of this Act: Sections 2341, 2342(a), 2344, 2345, and 2346.

SEC. 4. The title analysis of title 18, United States Code, is amended by inserting immediately below the item relating to chapter 114 the following:

"114. Trafficking in contraband cigarettes ..... 2341.".

SEC. 5. (a) Section 1(b) of the Act of August 9, 1939, c. 618, 53 Stat. 1291, as amended (49 U.S.C. 781(b)), is amended by (1) striking out "or" at the end of paragraph 2, (2) striking out the period at the end of paragraph 3 and inserting in lieu thereof "; or", and (3) adding after paragraph 3 the following new paragraph 4 to read as follows:

"(4) Any cigarettes, with respect to which there has been committed any violation of any provision of chapter 114 of title 18 or any regulation issued pursuant thereto.".

(b) Section 7 of the Act of August 9, 1939, c. 618, 53 Stat. 1291, as amended (49 U.S.C. 787), is amended by (1) striking out "and" at the end of subsection (e), (2) striking out the period at the end of subsection (f) and inserting in lieu thereof "; and", and (3) adding after subsection (f) the following new subsection (g) to read as follows:

"(g) The term 'cigarettes' means 'contraband cigarettes' as now or hereafter defined in section 2341(b) of title 18.".

A TRIBUTE TO DR. THOMAS J. BUSEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. FLYNT) is recognized for 5 minutes.

Mr. FLYNT. Mr. Speaker, I would like to congratulate Dr. Thomas J. Busey, of Fayetteville, Ga., who celebrated his 83d birthday on June 26, 1977. While many individuals can lay claim to achieving this age, few have contributed more to the welfare of the community in which they live.

Dr. Busey, a 1916 graduate of Emory Medical College, completed his internship and residence requirements in hospitals in Augusta, Ga., and Jacksonville, Fla. After meeting these requirements, he volunteered and served his country during World War I. Following World War I, Dr. Busey began private practice in Fayette County, Ga., settling first in Tyrone in 1919 and then moving to Fayetteville in 1925.

Dr. Busey, who was accepted to practice at all major hospitals in Atlanta, created and operated a local hospital in Fayetteville during World War II. During that period he saw as many as 100 patients a day and regularly made house calls throughout Fayette and Clayton Counties. His schedule extended from early morning to late at night, 7 days a week. For over 10 years, he was the only physician in Fayette County including the period of World War II. Also during that time, Jonesboro was without a physician and he was frequently called to administer to patients in that town.

While actively practicing medicine in Fayette County, Dr. Busey performed medical services for the Selective Service Board and for the Veterans Administration. Dr. Busey retired from the active practice of medicine in 1971 after 55 years of service.

During his entire life in Fayetteville, Dr. Busey has been a dedicated member and supporter of the Fayetteville Methodist Church. He was active on the building committee of the original building and served for many years in a number of official capacities.

Dr. Busey is widely known for his participation in civic affairs. He has been a Mason for over 50 years serving as master of the lodge five times. He served as commander of the American Legion and was a significant influence in obtaining the American Legion clubhouse in Fayetteville in the 1930's. He contributed the land for the Margaret Mitchell Library and participated extensively in the efforts to build and furnish the library. He was a charter member of the Fayette County Kiwanis Club and the Fayette County Lion's Club.

Dr. Busey is the father of three daughters and one son. His daughters are: Helen, Mrs. John F. Wood of Gaithersburg, Md.; Ethel, Mrs. William C. Thompson of Huntsville, Ala.; and Edith, Mrs. William M. Hamilton of Westlake, Ohio. His son, Dr. T. J. Busey, Jr. is a physician residing in Fayette County but practicing in East Point, Ga. He is also the proud grandfather of eight grandchildren and two great grandchildren.

Mr. Speaker, over the years it has been Dr. Busey's character to go about his daily routine without attracting attention. However, today I feel it only fitting that Dr. Busey be commended for his numerous contributions to his fellow man.

RECODIFICATION OF FEDERAL CRIMINAL LAWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. MANN) is recognized for 5 minutes.

Mr. MANN. Mr. Speaker, the Subcommittee on Criminal Justice is presently studying proposals to recodify Federal criminal laws. We have two bills pending before us: H.R. 2311, introduced by the gentleman from Maine (Mr COHEN), and H.R. 6869, introduced by the chairman of the Committee on the Judiciary (Mr. RODINO). Mr. RODINO's bill is identical to a bill introduced in the other body by Senators JOHN L. MCCLELLAN and EDWARD M. KENNEDY (S. 1437).

The scope of Federal criminal laws is quite broad. It is important, therefore, that the subcommittee hear from as many interested persons and organizations as possible. We hope to begin our hearings after the Congress returns from the August recess. Anyone who is interested in testifying at our hearings, or in submitting a written statement, should contact the subcommittee in room 2137, Rayburn House Office Building (telephone 202/225-0406). It would be most helpful in planning the subcommittee's schedule if interested persons and organizations would contact us by September 15.

In connection with this project, I should like to direct my colleagues to a speech recently given by the Solicitor General of the United States to the Prosecuting Attorneys Association of Michigan. In the course of his speech, the Solicitor General discussed briefly the role of the Federal Government in criminal law enforcement. He called for reducing the Federal role, noting—

Whenever federal prosecutors preempt the prosecution in areas of overlapping jurisdiction the state criminal justice machinery appears less attractive to well-qualified personnel, and the state system loses an opportunity to improve its own quality, capacity and responsibility by handling an important and sometimes complex matter. Furthermore, particularly when the primary impact of a crime is local, community loses the opportunity to have prosecutorial discretion properly exercised by its officers who may be more responsive to local values and sentiments. Accordingly, we should encourage state and local prosecutors to take a larger role in law enforcement in several substantive areas, and the federal authorities should defer to this responsible exercise of state sovereignty.

The Solicitor General's speech covered a number of topics related to criminal law. While we might not agree with all of his conclusions, I think we would all agree that his remarks are thought-provoking—and entertaining. I am, therefore, including his speech at this point in the RECORD.

ADDRESS BY THE HONORABLE WADE H. MCCREE

Many people have asked how to address me, now that I am no longer a judge. Well, I find "general" a very uncomfortable locution. During the recent American Law Institute meeting in Washington, I was standing under the marquee of the Mayflower Hotel when someone came up and said, "Hello, general." And I looked around for someone in uniform, but the only person I saw in uniform looked like an admiral, and he turned out to be the doorman. I will answer to judge, or, my name, and not be at all offended to be addressed without a title. It can provide amusement, of course. I received a letter the other day that referred to me as the Soliciting General, and another that referred to me as the Solicitor for the General. I'm still waiting for Simon Sobeloff's acme, I guess, when somebody addressed him as Celestial General. That hasn't come yet.

One year ago I had never considered the possibility of leaving the bench, and I knew very little about what the Solicitor General did. As a matter of fact, I wasn't certain that I cared for him because I only remembered two occasions when I had even had reason to inquire who he was. Once was when he confessed error in a case involving a dissenting opinion of mine which he followed. I thought he was a wonderful person then. The other occasion was when he confessed error when I wrote a unanimous opinion for the Sixth Circuit. Then, of course, I didn't think very much of him.

I had never seriously considered the possibility of leaving the judiciary, but I was a little restless. My reasons were varied. I had been a judge for more than 20 years, and I secretly yearned to get out in front of the bench. Of course, I was also distressed by the disgraceful judicial salary situation which I had endured through three college tuitions which have now dwindled down to two and these two are seniors. At least we think so. We haven't all of the results from the university.

During this period of vulnerability to overtures, I was taken to the top of the mountain by a diversified conglomerate corporation and was offered a vice-presidency and was shown a promised land flowing with the

milk and honey of instant affluence, including the use of a corporate jet. But when I found out how specialized my activities as general counsel would be, I knew that I would not be very happy. I also took the matter up with my dear friend, Judge Walter Ely, who told me that I wouldn't want to do that anyway once I had been in Government service, and it turned out he was right.

You know, judges are the ultimate generalists, and I had enjoyed the broad scope of judicial concern too long to adjust to specialization. You really can't make any money in the law, I suspect, unless you are something of a specialist.

In any event, I thought I'd just remain on the bench and play out the rest of the string, which really wasn't too bad at that. Then Judge Bell called me up one day and asked me whether I would serve as the Solicitor General. For the first time I inquired into the duties of the Office of Solicitor General and I learned that he, too, is a generalist, as much as is any federal judge and that he also has the excitement of appearing as an advocate and for the best client in the world, the United States of America.

I had become reconciled to a life of genteel poverty, so I took the plunge and the $5,000 pay reduction. And although I'm in the same ball game now, I'm a player instead of an umpire. Instead of being certain the lawyers will laugh at my jokes, I am stoking up my risibilities to enable me to laugh at judges' jokes.

There are other similarities and differences. I don't always argue appeals the way news people think that I should and they sometimes let me know. But, then, I didn't always decide cases the way they thought I should either, and they often are no more familiar with the appellate record now than they were with the record I had to consider when I was a judge. So we endure.

I can report to you that the Carter Administration has made few changes so far in the third branch style, even if cardigan sweaters have replaced suit jackets at some White House functions. There are no bib overalls in the Supreme Court.

The Chief Justice still insists upon a cutaway coat and stripped trousers and a vest, and the vest must match the coat.

A special assistant to former Attorney General Levi rented a cutaway and striped trousers, but was given a pearl gray vest at a somewhat avant garde haberdashery. He appeared to argue a case and in mid-argument, I am told, the marshal handed him a note from the bench. He read it and blanched. The press gallery buzzed with speculation. What sacred communication was this, and unilateral too. After the argument he shared it with his colleagues. It was an aspiration: We hope you will enjoy the wedding reception you plan to attend following the argument.

The representatives of the government still wear traditional attire when they appear in the Supreme Court. Since a cutaway coat had never been part of my regular wardrobe, I duly rented a suit and like Secondhand Rose in secondhand clothes I appeared in my borrowed finery when I was presented to the Court for my first argument.

The five deputies and thirteen assistants who comprise my professional staff also argue appeals in the Court and most of them have their own outfits, often purchased from a predecessor and adjusted to fit the wearer. These suits hang in the office closets of my assistants and me, too, and it frequently can be determined who will be an oralist on a given day because he shows up in the morning wearing a white shirt.

Then these intellectually appearing lawyer assistants of mine, like Clark Kent, the mild-mannered reporter of the Daily Planet, slip into their simulated telephone booths, change apparel and emerge as superadvocates, able to leap a lapse of legal logic in a single circumlocution.

Seriously, the professional staff of five deputies and thirteen assistants is the most scintillating aggregation of lawyers I've ever known.

The average age of the assistants, who are the equivalents of associates in a law firm, is 30, and of the deputies who are like partners, is about 45. Only the first deputy is as old and he's older by a few years than I. He represents the institutional continuity of the office. As a matter of fact, next fall he should surpass John W. Davis' record for having argued the most cases in the Supreme Court.

The magnet that holds these people in government is the opportunity to argue in the Supreme Court, something each one has a chance to do each term of Court. And they stay here despite the price of real estate. Since I've been in Washington only several months, my views are of necessity impressionistic, but of one thing I'm absolutely certain: There are no real estate prices anywhere in the world like those in Washington, D.C. The rate of real estate inflation for the past four years has been estimated at about two percent a month, twenty-five percent a year or a hundred percent over the past four years. Imagine being told that a modest three-bedroom about 30 years old costs a hundred and fifty thousand dollars. Obviously I haven't yet purchased a home because I have to sell mine and then win the state lottery.

I have an efficiency apartment that gives me a better understanding of the tiger cages employed in Vietnam. It is furnished and has a fold-down bed that Procrustes would have approved. It is the most reasonable one I could find and my one room only costs something more than $300 a month. There is a compensation, however, I'm only 1.6 miles from the Justice Department. That's slightly more than Seattle Slew had to run, and I can walk to the office in a half hour across the mall and past the Smithsonian Institution. The route is indeed an inspirational way to begin a busy day, as I view on the left the Washington Monument and on the right the Capitol of the United States. I enjoy every minute of my walk and I don't for a single minute regret my decision to give up a life estate for a tenancy at will.

I'd like to talk briefly about the functions of the Solicitor General's Office and about another subject that merits the careful consideration of us all.

The Solicitor General has two principal functions, as you probably know. I didn't, so I'm taking the liberty to believe that maybe someone else doesn't know either. The first is to conduct the federal government's Supreme Court litigation, and the second is to determine whether the federal government should seek appellate review of cases decided adversely to it. Another, but more limited, task is to decide whether the federal government will intervene or decide to file amicus curiae in pending appellate proceedings. Let's talk about the second, which is the the least familiar.

Whenever a district court decides adversely to the Government and the order is appealable, and appeal my may not be taken to the court of appeals without the authority of the Solitor General. Much of our time is spent considering requests for approval to take appeals to the United States Court of Appeals. Also, although the original authorization, to appeal, if given, includes the privilege of requesting reconsideration, a suggestion for reconsideration en banc may not be made without the approval of the Office of the Solicitor General.

The staff studies the comments and recommendations prepared by the appellate sections of the several divisions of the Department of Justice and of the General Counsel's offices of the various executive departments. It then makes recommendations to the Solicitor General, who has the final say whether an appeal will be authorized. Rarely, if ever, does the Attorney General concern himself with these matters, and I can tell you to date he has not concerned himself with any of them, except upon my initiative when I've had occasion to ask for his views.

We have a heavy workload. In the Supreme Court term ending July 6, 1976, the Solicitor General participated in 2,219 cases or about 47 percent of the Supreme Court's total case load in all categories.

This included over 1,500 responses to petitions for certiorari filed by private parties, 50 petitions for certiorari filed by the government which we prepared, 49 amicus curiae briefs on the questions of certiorari, 13 jurisdictional statements—of course, that's the direct appeal—and 16 amicus curiae briefs on the merits.

Of 179 argued cases the last full term of the court, the government was a party or amicus in 121. We considered 622 cases in which the writ might have been filed and 17 direct appeals that might have been requested. Out of the 622 cases, we authorized the filing in fifty-two cases. In only 50 instances was a petition for certiorari filed, but 38 of the 50 were granted, which gives you some idea of how seriously the Supreme Court takes an application by the Solicitor General's office. Less than six percent of all the other petitions for certiorari were granted.

We considered 1,384 recommendations for appeal and authorized 503, or about a third. Thus in a sense we protect the courts of appeals by eliminating two-thirds of the cases that United States attorneys might want to file. When we turn them down it sometimes concerns the merits, sometimes it concerns the justice of it.

My final comment is about another subject, but prefaced by a disclaimer because I have not submitted this to anybody at Washington. I want to speak a few words about court reform. Court reform, like sunspots and locust visitations, seems to reappear in cycles, and this year it seems to be very much on everybody's mind in Washington.

I suggest that each proposed reform should be subjected to careful scrutiny and that three fundamental questions might be asked before embracing any proposal. First, how desirable and important is the objective that the proposal is expected to achieve. Second, to what extent can the objectives be attained by the adoption of the suggested reform, and third, what disadvantages may result and are the costs that must be sustained within tolerable limits.

We must keep ever in mind the cyclical incidence of the public mood for reform. Although we might hope to keep the public eye focused on the needs of the courts, the public agenda is likely to change after the adoption of a few court reforms and one of the costs of adopting any particular proposal is a loss of the net long-term advantages of other reforms that may be foregone. Accordingly, careful attention should be devoted to establishing program priorities. All too often proponents of court reform place too much emphasis on the first question, the desirability of the objective, and neglect to examine with sufficient care the actual costs and possible undesirable side effects.

For example, some persons are asserting

that the best way to relieve the severe pressure on the federal judiciary is to reduce access to the courts. Certainly there can be little doubt that the population increase, the congressional enactment of new causes of action and an increased judicial willingness to accept jurisdiction of issues that were once considered non-justiciable have created an overload that not only delays relief for litigants, but also threatens the quality of dispositions. And it is equally clear that we cannot continue to increase the number of judges indefinitely without depreciating the attractiveness of judicial office and thereby threatening the quality of the bench, and collegiality is made more difficult to achieve with the creation of every additional judgeship.

If some classes of cases must be excluded from federal jurisdiction, great care must be exercised in determining which ones are to be selected. All too often proposals call for the exclusion of actions in which poor or powerless people seek to invoke the remedies that federal statutes afford them against powerful institutions, private and public, and of suits brought by private citizens to challenge the legitimacy of governmental action.

In both categories of cases, the social, political and economic resources available to the contending parties are likely to be grossly unequal.

Accordingly, if these controversies are to be excluded from federal adjudication, we may expect popular dissatisfaction with the government's failure to afford the means of obtaining justice to segments of the community most vulnerable to exploitation.

Furthermore, barring or postponing access for the actions most frequently mentioned as candidates for such treatment would not necessarily save significant amounts of judge time. Lawsuits have a tendency to preempt available judge time and whenever significant numbers of cases are removed from the jurisdiction of a court, other actions seem to flood in to fill the newly created void.

Truth in lending cases, a popular contender for exclusion, in fiscal year 1976 were less than two percent, and civil rights actions comprised less than ten percent of all cases filed in the federal courts. The bulk of cases commenced directly in both state and federal courts involve the criminal justice system.

In the federal courts, tort and contract actions comprised about twenty percent each, about six percent were labor cases and about seven percent involved real property.

If the primary purpose of barring access is to ease the judicial caseload, then some of its proponents contemplate eliminating the wrong group of cases. The fact that the bulk of criminal cases implicate the criminal justice system suggests that the best way to ease the crisis in our courts is to reduce the number of criminal trials.

We should also reduce the role of the federal government in enforcing the criminal laws. Of course, under recent interpretations of the commerce clause, there is usually always a justification for asserting federal jurisdiction and imposing federal criminal regulation. But the constitutional feasibility of asserting federal law ought not obscure the fact that in many cases the investigation and prosecution might be better left to state authorities.

Whenever federal prosecutors preempt the prosecution in areas of overlapping jurisdiction, the state criminal justice machinery appears less attractive to well-qualified personnel, and the state system loses an opportunity to improve its own quality, capacity and responsibility by handling an important and sometimes complex matter.

Furtherance, particularly when the primary impact of a crime is local, a community loses the opportunity to have prosecutorial discretion properly exercised by its officers who may be more responsive to local values and sentiments. Accordingly, we should encourage state and local prosecutors to take a larger role in law enforcement in several substantive areas, and the federal authorities should defer to this responsible exercise of state sovereignty.

Over the past decade plea bargaining has become formally accepted, and indeed officially encouraged, as the principal method of processing charges against offenders. Nevertheless, if the caseload is to be reduced, measures must be adopted to decrease the number of crimes that are committed. According to the popular myth, the high incidence of crime is largely a function of the shortcomings of the criminal justice system. If judges and prosecutors would only work harder; if they were more severe in sentencing convicts; if we could abolish the procedural reforms of the Warren court; if we could restore the death penalty; if only our legal system would stop mollycoddling criminals; then, so goes the myth, we could eliminate or at least control crime.

Superficially this is an attractive program, as many candidates for public office have demonstrated, and I cannot gainsay the great need constantly to improve our criminal justice system and to increase the effectiveness of law enforcement.

Certainly increasing the certainty and severity of punishment would raise the perceived costs of criminal conduct and would thereby discourage unlawful activity on the part of persons whose crimes are premeditated and are based, however crudely, on long-run cost-benefit analyses. Clearly, this applies to white-collar crime and to major drug traffickers. Its applicability to street crime is less certain. The difficulty is that the causes of crime are complex and may not be eliminated simply by blaming the courts and by manipulating the criminal justice system.

Students of human behavior tell us that there are some persons who will always engage in antisocial behavior, despite the fact that society has given them every opportunity to advance their interests by lawful means. Certainly and severity of punishment may well be the appropriate societal response to this element. Yet, perversely, amidst all the clamor for tough treatment of criminals, many offenders who would be most likely deterred by punishment were handled with kid gloves. Only rarely are convicted price fixers sent to prison, and, whenever they are, only for brief sentences.

There is, however, another national phenomenon that we should not overlook as we seek explanations for the causes of crime. Every racial and economic group that is found at the bottom of the social ladder in any region of the country is also found disproportionately represented in the prison population of that region.

Just a few statistics:

In New York the Puerto Rican population is five percent of the general population. It is 17 percent of the prison population.

The black population in New York is 12 percent, but 52 percent of the prison population.

In California the black population is 7 percent, but 25 percent of the prison population; in Florida 15 percent, but 45 percent of the criminal population; in my own state of Michigan 11 percent of the total population, but 46 percent of the prison population; in New Jersey 11 percent of the total population, 64 percent of the prison population.

Whether black, Hispanic, Indian or poor white, most prison inmates are from the segments of the community that are systematically excluded from equal access to whatever advantages are afforded to the more favored residents. A comparison of Law Enforcement Assistance Administration surveys of the population of state prisons in American with the 1970 census affirms that black and Hispanic prisoners are represented disproportionately to their numbers in the general society in our prisons.

Prisoners were also disproportionately unemployed before arrest and those who were employed before arrest had been working for a significantly shorter time than had the rest of the population. Thirty-one percent of all prisoners incarcerated in state prisons in 1974 were unemployed for a full month before the crime for which they were arrested. Also, they had lower status and lower paying jobs than most people. Prisoners, too, have less formal education and fare less well on achievement tests than do the general population.

Or course, people do not commit crimes simply because they are poor. But poverty and our treatment of it often exacerbate other problems that foster crime. For example, family stability decreases the incidence of crime among the outcast segments of society. In Dade County, Florida, black persons constitute only 15 percent of the population, but commit 75 percent of the violent crime. Cuban-Americans, who brought a remarkably strong family structure when they emigrated from Cuba constitute a third of the population but commit only 12 percent of the violent crime.

Poverty often destabilizes the family, and our welfare system accelerates that process. For example, the "man-in-the-house" regulations discourage husbands from living openly with their wives and children. Accordingly, the Cuban-American family structure is gradually weakening, and the incidence of crime in the Cuban-American community is increasing.

Furthermore, many persons are driven to crime because they perceive no other escape from the desperate condition of poverty. Their general education and preparation for the job market is frequently so inadequate that they seldom succeed in obtaining long-term employment. Their health is often so bad that they cannot get work on a regular basis, and when they find jobs, they are the first to be fired when business takes a turndown. Indeed, the correlation between unemployment and the size of the prison population has been found to be so close that many prison administrators, including the Director of the United States Bureau of Prisons, predict the need for prison space partly on the basis of unemployment projections.

We cannot regard as just a society that erects barriers to achievement by selected segments of its population and then warehouses them in prison when they predictably fail to overcome the obstacles that it has created.

No tinkering with the criminal justice system will significantly reduce the incidence of crime committed by this segment of the society because its cause is not found in the way the criminal justice system operates.

Unfortunately, society expects the criminal justice system to handle more than it effectively can. But crime will inevitably outstrip whatever resources we may devote to deterrence, investigation, adjudication and rehabilitation unless we attempt to eliminate some of the root causes of crime.

Because the Nation has assigned to its judges and prosecuting attorneys, state and Federal, the task of processing the social rejects who are punished for their subcaste status, judges must take a leading role in making the Nation aware of the root causes of crime. Only with such awareness will the Nation cease to rely solely on repression and begin to develop solutions that will treat the

underlying social causes. Only then will it cease to blame the judicial system for a problem it neither created nor can solve on its own.

I believe Chief Justice Burger has suggested that education might provide a constructive way to help prisoners develop a stake in a crime-free life upon their release. Certainly the possibility of allowing prisoners to shorten their time through educational achievement, to both learn and earn their way to freedom, is not one to be set aside lightly. It will require many adjustments, not the least of which are adjustments in social attitudes, but perhaps these adjustments are long overdue. There is a tendency today to move away from rehabilitation, as an effort which has been tried and failed to prove useful. While I would certainly agree that our efforts in that direction have certainly not been very successful, that is more likely attributable to the quality of the effort rather than the character of the goal.

In closing, I'll try to preach no more, but merely suggest that the quality of law enforcement, and the amount of respect it receives, is lower today among minorities than it should be. In part this may reflect second-rate education and in part it may reflect second-rate law enforcement. Prosecutors have an obligation, particularly where much of our crime occurs in the minority community, not only to prosecute crimes by minorities but also to prosecute crimes agains minorities.

The Federal Government is active in this area, of course, through the Civil Rights Division, but there is always more to be done. The answer to the crime problem is not simply to strengthen civil rights enforcement, but the more Federal, state, and local prosecutors make an aggressive effort to defend the rights of minorities and the poor, whenever and however they are victimized, the less likely it becomes that these people will nourish an atmosphere of alienation and detachment from society that itself is a major factor in contributing to crime and violence.

The first step towards achieving a law abiding society is to remove the causes of social alienation that prevent us from closing ranks against the criminal element. Our task will be difficult enough even without divisiveness. If we work to eliminate division, we may come closer to the goal to which we are all dedicated.

INTRODUCTION OF A BILL TO GUARANTEE THE PENN CENTRAL TAX DEBTS TO LOCAL AND STATE TAXING DISTRICTS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. OAKAR) is recognized for 5 minutes.

Ms. OAKAR. Mr. Speaker, today I have introduced a bill that will aid thousands of local and State taxing districts in the recovery of long overdue Penn Central Railroad tax dollars.

The Penn Central Transportation Co. went into bankruptcy on June 21, 1970. As a result of the railroad's reorganization and financial difficulties, there is nearly $500 million in Penn Central taxes that have never been paid. These are tax dollars that fund our schools and municipal governments.

At present, the Penn Central trustees are attempting to have these localities settle for 50 percent of post-bankruptcy taxes, or 44 percent of all taxes owed. There is much dissatisfaction among the local officials over this settlement proposal. Another proposal would provide for an immediate 20 percent cash payment and the remaining 80 percent in notes issued by the Consolidated Rail Corporation—ConRail. The bill that I introduce today would provide Federal guarantees for these series C and series D ConRail notes.

Some have asked, "Why should the Federal Government guarantee the delinquent tax debts of a private corporation?" This is a legitimate question, but it neglects to take into account the history and facts of this bankruptcy proceeding.

It was the Federal Government which provided the initiative to reorganize the railroads, and it is a federally-related corporation—ConRail—which supplants the old rail lines. I would ask, "Why should the local government and local school systems be asked to subsidize the reorganization of the railroad?" Another point to remember is that the Federal Government's administrative expenses have the first lien against the bankrupt railroad. This puts State and local taxes behind those moneys that were extended to the Penn Central to keep it running after its declaration of bankruptcy. This situation is unprecedented, and would contend that it is unfair.

I wrote to the Secretary of Transportation to reverse the order of liens against the railroad. Secretary Adams chooses to leave the situation as it is. With this display of administrative inaction, I have chosen to initiate legislative action. For over 6 years, the Federal Government has stood by idly as the State and local levels of government have anxiously awaited the outcome of the Penn Central bankruptcy proceedings. It is likely this long legal battle is far from over. Mr. Speaker, it is time for the Congress to give assurances to the States and the localities.

The bill that I introduce today will insure that the series C and series D notes that ConRail offers are, indeed, good investments for our counties, cities, and school systems. By assuring the investment community that these ConRail issues are good, solid investments, we assure the local and State governments that they can continue delivery of vital services, and assure our school systems that they, too, will have the funding needed to deliver good educational services.

Mr. Speaker, I ask my colleagues to take a long and serious look at this problem and the legislative remedy that I offer. I solicit their support of my efforts, and I ask for their cosponsorship of this necessary legislation.

UTILITY TAX REFORM ACT OF 1977 INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, today, in conjunction with Senator METCALF, I am introducing the Electric Utility Tax Reform Act of 1977. This legislation is presented because current Federal tax laws that apply to utilities are harmful to both utilities and to consumers, and act to undermine the credibility and integrity of the entire regulatory process.

This legislation which exempts electric utilities from the payment of Federal corporate income taxes and establishes a usage tax on electrical consumption, will restore the States complete authority to regulate their utilities. In addition, this bill will lead to a considerable simplification of company financing and will neither increase rates to consumers, nor decrease revenues to the Treasury.

In 1975, the Nation's privately owned electric utilities computed a tax liability of over $3 billion, which was considered a legitimate expense by State regulatory authorities and passed on to the consumers in the form of higher rates. Through the use of liberal tax writeoffs, such as accelerated depreciation and investment tax credit, these companies actually paid taxes of only $833 million, which is less than 2 percent of their total revenues of $45.6 billion. The customers of these utilities, while paying for the estimated taxes in higher rates, rarely benefit from these tax credits. Federal law prohibits the State regulatory bodies, in a majority of the States, from mandating that the companies pass the credits on to the customers.

The timing of this legislation is ideal in the sense that we are in the midst of developing a coherent energy policy. Many provisions of the energy bill underscore the fact that the reliance on electricity in this country will continue to grow, and it is just this growth that has contributed to the egregious situation that the legislation seeks to address. As long as utilities continue their growth, the taxes that have been deferred through the tax credits will never be paid to the Government. In essence, we are giving electric companies an interest-free loan, that probably never will be paid to the Government, while individuals are forced to borrow money at interest rates that range up to 18 percent. This is a prime example of an injustice that is built into the tax code, and it is no wonder that people have lost faith in the regulatory process, and in the fairness of our laws.

Under present law, companies are given an incentive to create a productive capacity far in excess of their actual needs to meet peak demand. As long as a company keeps expanding, it will be able to avail itself to the investment tax credit and accelerated depreciation. In short, the customers, and the taxpayers, are subsidizing unwise business decisions to build larger facilities and wasteful ing expenses.
management policies that inflate operat-

The tax-induced bias toward overconstruction, and the fact that ratepayers must pay the companies a return on the capital that is invested is not the least expensive way to finance utility growth. If the credits, which reduce the companies' need to borrow, resulted in lower costs for customers there might be

a rationale for retaining the present system. But this is not the case.

A recent Library of Congress analysis concluded that if tax benefits were flowed-through to the customer, rather than amortized by the companies over the life of an asset, customers would be paying lower rates in the long run, even when higher financing costs are taken into account. Even when companies become profitable, and slow their expansion, thereby exhausting their tax deferrals, rates remain artificially high. These companies must ask for 50 percent more than they actually need in rate increases. The additional 50 percent is necessary to pay the Federal taxes, and the State commissions must allow the increase.

The present system provides no mechanism to promote the conservation of electrical energy. According to the Edison Electric Institute, growth in electricity consumption has once again reached the pre-oil embargo level of 7 percent annually, and our energy program will, if anything, increase this rate of growth. While my legislation imposes a usage charge to equal the tax revenues paid by the utilities, it will provide us with a means to induce conservation by scaling the tax according to consumption.

With the elimination of the complex Federal tax regulations covering the investment tax credit and accelerated depreciation, State regulatory authorities will be freed from the conflict between their responsibilities to ratepayers and the dictates of Federal law. They will be able to conduct rate-setting proceedings in a simple, straightforward manner, and they will be able to readily ascertain the effects of their decisions on both the companies and the consumers. The regulatory law, the delay between the time a rate change petition is filed and when it is finally acted upon will be diminished, and, most importantly, the process will be more understandable which should dispel the prevalent belief that the companies are scalping the public.

This legislation will also greatly simplify the accounting procedures of the companies. They will no longer have to worry about an impending tax liability in the event that they become profitable and exhaust their credits. Instead, the company will be relieved of all future tax liabilities, which should lead them to base decisions to expand on true needs rather than tax preferences. To be sure, there may be an increased cost to companies trying to raise construction capital. This increase, however, will be offset by the elimination of tax liabilities and by the higher rates of return that will be allowed by the state commissions to compensate for the decreased cash flow. Savings will also be achieved because company's operating expenses will no longer be subsidized by the Government through the tax code. This should lead to a reduction in overall operating expenses. Further, the companies will no longer require the armies of accountants and attorneys that they have needed in the past.

For ratepayers, this legislation will not, on the average, produce any immediate change in the cost of electricity. The usage tax is constructed so that rates will remain at present levels, and to insure that the Treasury receives an equivalent amount of revenues that will be lost through the exemption to the utilities. Ratepayers are already paying the Federal income tax of the companies, as it is included in the rate. Their bill will simply show the customer what portion of the bill has been going for Federal income taxes, and it will be collected by the companies in much the same way that the telephone company collects the U.S. tax from its customers. The major benefit to consumers in this bill is that they will be assured that they are paying the actual taxes owed to the Government, instead of the present method where companies collect taxes that are never paid.

The usage tax, while in its present form will lead to no significant change in either consumption or rates, will provide an effective method for future conservation efforts. Passage of this bill will allow us to base the tax on consumption, should that become necessary in future years to discourage the use of electricity. As a mechanism for promoting conservation, the usage tax is not a new idea. In 1975, S. David Freeman, who is now one of Mr. Schlesinger's assistants, proposed just such a system as a way to promote conservation.

I have discussed this proposal with many people, both in the industry and on the State regulatory boards. In general, the reaction has been very positive. Robert Batinovich, president of the California Public Utilities Commission, recently published an article outlining legislation similar to this in a journal called, "Public Utilities Fortnightly," which is an independent publication monitoring developments in the field of public utilities. The journal called Mr. Batinovich's proposal, "A more uniform taxation of utility services to replace the current confused impact of federal income taxation on utilities with a more equitable and certain result."

In sum, this legislation will be beneficial to the companies, consumers, and to the state regulatory commissions. The proposal is founded upon simplicity in the ratemaking process, and fairness in our tax system. I urge you all to support the Electric Utility Tax Reform Act of 1977.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. FOUNTAIN) is recognized for 5 minutes.

Mr. FOUNTAIN. Mr. Speaker, I was absent on rollcall No. 507 due to official business. I would have voted "yes" on the adoption of House Resolution 729 which provided funding for the Select Committee on Intelligence.

BEVERAGE CONTAINER BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. ICHORD) is recognized for 5 minutes.

Mr. ICHORD. Mr. Speaker, I am introducing today legislation which would do away with nonreturnable bottles and cans. This legislation would place a minimum 5-cent deposit on each bottle and can and eliminate "flip tops," the detachable tabs on cans. I am introducing this legislation after long thought and careful study of the problems of waste disposal and have come to the conclusion that America has become such a "throwaway" society that nondeteriorating trash has become a national problem which warrants national legislation.

I deplore the contamination of the centralization of governmental power in Washington which has resulted in the solution or attempted solution of individual problems which should be solved by the individual himself or by city, county, or State governments. However, I believe that throwaway cans and bottles have truly become national problems. For example, I am continually removing from the Jacks Fork and Current Rivers in Missouri Coors Beer cans when Coors Beer is not even sold in the State of Missouri. We are literally smothering ourselves in our own waste and debris. This legislation would help alleviate this disgraceful condition in the United States. Oregon has had a beverage container law since 1972, and roadside litter has been reduced by 83 percent during the first 2 years of the program. I believe the whole Nation can do so likewise.

A significant amount of energy and resources could be saved with the enactment of a nationwide deposit law. The Environmental Protection Agency projects an annual savings of approximately 125,000 barrels per year. Also, 530,000 tons of aluminum, 1.5 million tons of steel, and 5.2 million tons of glass could be conserved annually by 1980.

Opposition to this legislation has sometimes been based on the reduction of jobs; however, the Federal Energy Administration estimates that a beverage container law would increase employment by 118,000. This may be one of the reasons why the public favors a beverage container law. In a public opinion survey conducted for the Federal Energy Administration by the Opinion Research Corp. in February of 1975, only 15 percent of the individuals questioned were against a law requiring all soft drinks and beer to be sold in returnable bottles and cans. Furthermore, the questionnaires that I have been receiving from the Eighth Congressional District of Missouri have shown strong support for such legislation.

I believe it is time that we put a halt to the littering of our rural areas and cities. As one of my colleagues said a few years ago it is time to make some change in our "flip-top, snap-tab" throwaway society. Personally I am ready to go back to the old times when all of us returned our bottles to be washed and reused. Many children made their spending money by collecting and selling the returnable bottles to merchants and bottling plants.

I would certainly hope my colleagues will join me in this endeavor and urge and welcome their support of this legislation.

THE NEED TO CONTROL THE QUICKIE SALES AND PURCHASES OF BANKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, in recent years, there has been growing concern about the buying and selling of financial institutions on easy credit terms. It is time for a major effort to monitor and regulate the use of credit for these purposes.

The Subcommittee on Financial Institutions Supervision, Regulation, and Insurance has investigated banking problems in Texas and other States and we have serious questions about the free-wheeling use of bank loans—and other credit—to gain control of commercial banks. These easy low down payment—and in some cases, no down payment—extensions of credit have attracted fast buck speculators into the banking industry to the detriment of local communities and the public.

To correct these problems, I have taken two steps:

First. Legislation was introduced yesterday to provide for prior approval by the Federal Deposit Insurance Corporation of all sales of bank stock which results in a change of control and would subject all financial stock to existing margin requirements. The legislation would also sharply upgrade the reporting requirements to FDIC on bank stock sales.

Second. Letters have been sent to the FDIC and the Federal Reserve Board asking them to conduct an in-depth nationwide survey of the ownership of banks, the use of loans to purchase bank stock, and the market for bank stock.

Mr. Speaker, while few cases may reach the absurdity of the Texas Rent-A-Bank situation, it is important to require that even solid legitimate bank purchasers have substantial equity in the institution they are acquiring. Grabbing control of a banking institution without putting up so much as a dime is simply not responsible in an industry that prides itself on responsibility.

Regulators in the past have done little more than wave at the practice and file away the standard change of ownership forms.

The quickie sale of the Citizens State Bank of Carrizo Springs, Tex.—which the subcommittee investigated in San Antonio last December—to various control groups, financed by easy bank credit, was a major factor in the ultimate collapse of that institution.

Through the years, a number of bank failures have followed the takeover of institutions by speculators whose entry was financed through low downpayment and no downpayment loans.

It is clearly time for the Congress to take action and to prevent this easy moving in and out of speculators more intent on milking banks for their own self-dealing purposes rather than providing for community needs.

Mr. Speaker, the problem of bank ownership and the use of easy credit to gain control of banks is not new.

In August of 1964, the Committee on Banking and Currency held hearings on this very subject.

Mr. Joseph W. Barr, then-Chairman of the Federal Deposit Insurance Corporation testified that:

> Between May, 1963 and July, 1964 seven insured banks have failed. In *each* instance, the *cause* of failure was a change of ownership of the particular bank followed by the assumption or making of bad loans which in some instances were fraudulent (emphasis added).

The legislation which followed this hearing established a reporting requirement for changes in control and loans to acquire bank stock. We now need to close the loophole which allows many bank purchasers to acquire a depository institution with no equity investment.

Mr. Speaker, I want to place in the RECORD my letters to Chairman Burns of the Federal Deposit Insurance Corporation. I would also like to insert the text of H.R. 8767.

The material follows:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., August 2, 1977.

Hon. ARTHUR F. BURNS,
Chairman, Board of Governors, Federal Reserve System, Washington, D.C.

DEAR MR. CHAIRMAN: As you will remember, we discussed at the monetary policy hearings last Friday a serious problem affecting banking in this country. Specifically, the so-called "Texas Rent-a-Bank" scheme through which individuals or groups buy and sell banks with little or no equity investment and often with a clear intent to use the bank's resources for personal gain which presents a clear and present danger to the health of our banking system. Since these banks are being bought by individuals or groups, approval of further acquisitions escapes the regulation provided by the bank holding company statutes. Federal bank regulatory agencies do not have explicit authority to approve sales of banks and all but three states do not provide their own regulators with such power.

At the present time, I am considering various legislative remedies for this problem based in part on the Subcommittee's investigation and hearings into the failure of Citizens State Bank in Carrizo Springs, Texas. In order for the Subcommittee to have a complete picture of this situation, however, I believe that more information on bank ownership, bank stock loans, and the market for bank stock is needed. The bank regulatory agencies have a wealth of material on this subject at their disposal and could undertake, as you stated, a study of this nature. Specifically, I request that the Board of Governors of the Federal Reserve System provide the Subcommittee with a report using all member banks as the data base which explores the ownership of member banks, loans on the stock of those banks and the market for their stock. In addition I am requesting that the FDIC conduct a similar study using state nonmember insured banks as its data base.

To help your staff, I am enclosing previous studies on this subject. The first set (*Chain Banking, The Structure of Ownership of Member Banks and the Pattern of Loans Made on Hypothecated Bank Stock*, and *The Market for Bank Stock*) was completed in the 60s and provides questionnaires and tables which might guide your staff as it develops its approach to this study. The second is the two-volume hearing record for our field hearings in San Antonio last year. Those hearings revealed that 100% loans for the acquisition of banks are not uncommon in the South and Southwest. It is my understanding that bank stock is often not subject to margin requirements thus allowing individuals, groups, and companies to obtain loans with high loan-value relationships.

You and your staff, of course, would readily know what information is currently available to you and can develop an appropriate vehicle for obtaining the needed material for this study. However, I would like to suggest that our respective staffs meet to coordinate and plan the methods and technical aspects to be used for the study.

The study I am requesting should provide the Subcommittee and the bank regulatory agencies a wealth of information on which to base future action needed to insure that banks are being operated in a safe and sound manner to serve the needs of the communities in which they are located.

Sincerely yours,

FERNAND J. ST GERMAIN,
Chairman.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., August 2, 1977.

Hon. GEORGE A. LEMAISTRE,
Chairman, Federal Deposit Insurance Corporation, Washington, D.C.

DEAR MR. CHAIRMAN: As you know, the Subcommittee has been very concerned with the so-called "Texas Rent-a-Bank" scheme through which individuals or groups buy and sell banks with little or no equity investment and often with a clear intent to use the bank's resources for personal gain. Evidence available to the Subcommittee to date suggests that this practice presents a clear danger to the health of our banking system. Regulatory authority is apparently not available at the federal level to preclude such purchases especially since individuals and groups do not come within the jurisdiction of the bank holding company statutes.

At the present time, I am considering various legislative remedies for this problem based in part on the Subcommittee's investigation and hearings into the failure of Citizens State Bank in Carrizo Springs, Texas. In order for the Subcommittee to have a complete picture of this situation, however, I believe that more information on bank ownership, bank stock loans, and the market for bank stock is needed. The bank regulatory agencies have a wealth of material on this subject at their disposal and could undertake a study of this nature. Specifically, I request that the Federal Deposit Insurance Corporation provide the Subcommittee with a statistical report using insured, nonmember banks as the universe which explores the ownership of such nonmember banks, loans on the stock of those banks, and the market for their stock. A similar request is being made to Chairman Burns with respect to member banks.

To help your staff, I am enclosing previous studies on this subject. The first set (*Chain Banking, The Structure of Ownership of Member Banks and the Pattern of Loans Made on Hypothecated Bank Stock*, and *The Market for Bank Stock*) was completed in the 60s and provides questionnaires and tables which might guide your staff as it develops its approach to this study.

In addition, I ask that you include in your study an analysis of portions of the change of ownership form currently used by

the FDIC. Specifically, the information contained in the sections entitled "Other Information Concerning the Effect of the Transaction Upon Control of the Bank Whose Stock is Involved" and "Action to be Taken." These sections suggest that a change in control may have an adverse effect on the bank involved and that regulatory authority is available to anticipate that effect.

You and your staff, of course, would know what information is currently available to you and can develop an appropriate vehicle for obtaining the needed material for this study. However, I would like to suggest that our respective staffs meet to coordinate and plan the methods and technical aspects of this study.

The study I am requesting should provide the Subcommittee and the bank regulatory agencies a wealth of information on which to base future action needed to insure that banks are being operated in a safe and sound manner to serve the needs of the communities in which they are located.

Sincerely,

FERNAND J. ST GERMAIN,
Chairman.

H.R. 8767

A bill to amend the Federal Deposit Insurance Act (12 U.S.C. 1811–31b), and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Change in Bank Control Act of 1977."

SEC. 2. Paragraph (j) of section 7 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1817(j)), is hereby amended to read as follows:

"(j)(1) Any sale, assignment, transfer, pledge or other disposition of voting stock issued by an insured bank which results in control or in a change in the control of such bank (other than a transaction approved by the Board of Governors of the Federal Reserve System pursuant to section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842)) must be approved in advance by the Corporation. If such approval is not obtained, the Corporation may, pending further administrative proceedings under section 8 of this Act (12 U.S.C. 1818), issue a temporary order summarily suspending deposit insurance on all funds received by such bank after the effective date of such order. As used in this subsection, the term "control" means the power, directly or indirectly, to direct or cause the direction of the management or policies of the bank.

Direct or indirect ownership by a stockholder or an affiliated group of stockholders of less than 10 percent of the outstanding voting stock shall not be considered control under this subsection.

If there is any doubt as to whether a change in outstanding voting stock would result in control or effect a change in control, such doubt shall be resolved in favor of requesting advance approval by the Corporation.

"(2) A temporary order issued under paragraph (1) of this subsection shall become effective not less than 10 days after service upon the bank and publication in a newspaper of general circulation in the locality where the bank has its head office and, unless set aside, limited or suspended by a court in proceedings authorized by this paragraph, shall remain effective and enforceable pending completion of administrative proceedings pursuant to section 8 of this Act or until such time as the Corporation shall rescind the order. Within 10 days after the bank has been served with such temporary order, it may apply to the United States District Court for the judicial district in which the home office of the bank is located, or the United States District Court for the District of Columbia, for an injunction setting aside, limiting or suspending the enforcement, operation, or effectiveness of such order pending completion of the administrative proceedings under section 8 of this Act, and such court shall have jurisdiction to issue such injunction.

"(3) Whenever an individual, company, partnership, firm, company or insured bank makes a loan or loans, secured, or to be secured, by 25 per centum or more of the outstanding voting stock of an insured bank, the individual or the president or other chief executive officer of the lendor shall promptly report such fact to the Corporation upon obtaining knowledge of such loan or loans, except that no report need be made in those cases where the stock is that of the newly organized bank prior to its opening.

"(4) The stock of all insured banks shall be subject to the prevailing margin requirements established pursuant to section 7(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78g(b)).

"(5) The applications for approval and reports required by paragraphs (1) and (3) of this subsection shall contain the following information to the extent that it is known by the person making such application or report: (a) the number of shares involved, (b) the names of the sellers (or transferors), (c) the names of the purchasers (or transferees), (d) the names of the beneficial owners if the shares are registered in another name, (e) the purchase price, (f) the total number of shares owned by the sellers (or transferors), the purchasers (or transferees) and the beneficial owners both immediately before and after the transaction, and in the case of a loan or loans, (g) the names of the borrowers, (h) the amounts of the loans, (i) the name of the bank issuing the stock securing the loans, (j) the names of each lendor whether it be an insured bank or not, and (k) the terms and conditions of the loans, as well as (l) such other information as the Corporation may require by regulation or by specific request in connection with any particular application or report.

"(6) Whenever such a change as described in paragraph (1) of this subsection occurs, each insured bank shall report promptly to the Corporation any changes or replacement of its chief executive officer or of any director occurring in the next 12-month period, including in its report a statement of the past and current business and professional affiliations of the new chief executive officer or directors.

"(7) A copy of any application or report required by this subsection shall be promptly furnished to the Comptroller of the Currency if it involves control of a national or a District bank or to the Board of Governors of the Federal Reserve System, if it involves control of a State member bank. No application for approval under paragraph (1) of this subsection shall be granted by the Corporation if the appropriate Federal banking agency (other than the Corporation) has, within 15 business days after receipt of a copy thereof, recommended against approving such application."

UNITED STATES-ASIA POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, The question of how this Nation deals with the Republic of China on Taiwan is an important one. It transcends the immediate limits of the China question. I would like to go into this for a moment, inasmuch as it directly relates to the position of the United States in the Asian region.

What must be established first is the fact that the Republic of China is an ally of the United States, bound to this country by a mutual security treaty. The mutual relations of the Republic of China and the United States have been beneficial, in both military and economic senses. The security provided the Republic of China by the American alliance serves as a vital underpinning for the economic growth on Taiwan, growth which continues as a guarantee of the freedom of Taiwan's 16 million people. Both our security agreement and our level of economic relations, as well as the fundamental interests shared by both countries, bind the United States and the Republic of China in a historic and mutually advantageous relationship.

Second, our relationship with the Republic of China must be looked at in the context of our overall Asian policy. It is unnecessary, I think, to recite the recent history of this Nation's involvement in Asia. Our withdrawal from Vietnam; the fall of Cambodia and Laos; the withdrawal of American Forces and bases from Thailand: all suggest to the world, and to other Asian nations, a significant reduction of American power and influence in Asia. By the same token, they seriously call into question the credibility of American commitments, as in recent years long-standing commitments have either shriveled or been withdrawn. The slated withdrawal of American ground forces from South Korea can hardly be a reassuring development to those Asian nations already concerned with the credibility and durability of the American role in their region.

Words, as we all know, are cheap. Verbal commitments and espousals of friendship can, and have, been made by this country. What matters most now, in our own estimation and that of astute observers, is not so much what we say as what we do. Our actions are what count most, and those actions will in the final analysis indicate to our friends in Asia and elsewhere whether the American relationship is something that can be confidently relied upon.

This is the aspect of our relationship with the Republic of China that I am concerned with here. If this Nation were to sever its ties with the ROC—abrogating our security agreement and leaving it to drift alone in international waters—what would this say to our friends elsewhere?

If the United States is so willing to terminate a mutually beneficial relationship and a long-standing security commitment, in return for virtually nothing, that says something that can hardly be ignored elsewhere. I have to wonder, what must South Korea think of the repeated assurances of President Carter and Secretary Brown, when only a short distance away that same government is squirming every which way to rid itself of another historic friend and ally? Similar doubts must surely occur elsewhere.

What makes such a move all the more puzzling is the fact that this Nation has relatively little to gain by such a move. Virtually all diplomatic business which needs to be transacted with the Government of the People's Republic of China

can and is being effectively handled by the U.S. Liaison Office in Peking. Authoritative observers are of the opinion that ease of contact will not be appreciably improved by the upgrading of our liaison office in Peking to embassy status.

Our economic interests in the Republic of China far outweigh those in the PRC.

And shared principles and values are one aspect of the R.O.C.-U.S. relationship which an exclusive relationship with the PRC can never enjoy.

Why, then, does the Carter administration appear so determined to press ahead with full normalization of relations with Peking? The evidence suggests Peking needs us more than we need them, and that they are not about to endanger their quasi-alliance with the United States over the Taiwan question. Chinese fears of Soviet intentions appear to far outweigh their ambitions to annex Taiwan. I would submit to you, gentlemen, that the pressure for this Government to exchange its relationship with the ROC for one with the PRC originates not in the facts of the situation, but within this administration itself, and with American academics and others of similar views having influence therein. Any American move in the near future toward a derecognition of the Republic of China would surely appear, therefore, as doubly questionable, given the lack of any persuasive rationale for doing so.

How we handle our future relations with the Republic of China and the PRC is thus a matter of great relevance to the whole of our Asian policy. A unilateral abandonment of Taiwan, leaving it to its fate, will in no way increase respect for this country, either in the PRC or elsewhere. Far more likely, it will be interpreted as one further sign of weakness on the part of a nation in full retreat from Asia and the non-European world. It will undermine our credibility with our allies as well as our adversaries, and will serve little but to ease the collective sensitivities of those in this country who feel some strange compulsion that this is an imperative for our international policy.

If this Nation is to maintain its strength, both in image and reality, then it must prove itself willing to stand by its allies, its friends, and its own national interests. If not, then it must be prepared to relinquish its position both in Asia and the world.

A RETIRED FEDERAL EMPLOYEE WARNS ABOUT WEAKENING THE HATCH ACT

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Ms. HOLTZMAN. Mr. Speaker, the House passed H.R. 10 which would remove most of the Hatch Act's restrictions on political activities by Federal employees. I would like to bring to the attention of my colleagues a letter I received from a constituent of mine, Ms. Ida F. Gold, who remembers what pressures Federal employees were under in pre-Hatch Act days.

DEAR MS. HOLTZMAN: Now that the House of Representatives has decisively voted to repeal the Hatch Act, I would like to share with you my worries concerning the potentially harmful effect upon Federal employees that may be caused by the removal of the restrictions upon political activity.

I am retired from the Federal Civil Service with the Department of Justice (United States Attorney's Office) in Manhattan, and my employment there preceded the enactment of the Hatch Act, and continued for many years thereafter.

I recall that early in my employment, when I was quite young, there were occasions when the clerical, civil service employees would be asked to "volunteer" some assistance in connection with the electoral process, whether it be in the nature of writing numerous personal letters of political content, or going to polling places to "demonstrate" the then new voting machines—naturally with instructions as to the specific levers to be "demonstrated." Moreover, although I personally never was asked for cash donations in addition to the above requests, I was told that the attorneys (who were political appointees) not only had to contribute money but also speaking time, etc. in order to retain their jobs.

Prior to the Hatch Act, one never felt it would be wise to refuse to "volunteer," since promotions in the office did not result from examinations, but were entirely in the hands of superiors who would make the appropriate recommendations to Washington. The mere knowledge of that fact served to prevent any possibility of refusal to do what was requested.

I want to emphasize that I believe every person has the right to support or oppose candidates and pending legislation, and to make such monetary contributions as are legal, but that such activity should be solely the voluntary act of the individual, and not in any way related to one's employment.

Following the enactment of the Hatch Act, in my own office, although the promotion procedure remained largely unchanged, not only were there no inappropriate requests made, but the personnel experienced the same freedom to express opinions concerning candidates as did the rest of the general population, without being inhibited by possible pressure and/or reprisal on the part of anyone in authority.

It is this implication of pressure that I am so concerned about in connection with the repeal of the Act—not the specific deeds, but the apprehension of certain consequences that may flow from them.

I hope that the Senate and the subsequent Conferees will see to it that specific safeguards are written into the bill to meet the above problems.

Respectfully yours,

IDA F. GOLD.

KOREAN SCANDAL

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Ms. HOLTZMAN. Mr. Speaker, I have been very concerned about assuring an adequate, thorough, and complete investigation by the Justice Department of the Korean influence-buying scandal. Serious questions about the competence and adequacy of the investigation have arisen, however, as a result of correspondence I have had with Mr. Benjamin Civiletti, head of the Criminal Division, and a meeting I had this morning with the Attorney General.

I would like to share with my colleagues a statement I made on this matter today and the correspondence which has led to my concern:

STATEMENT OF REPRESENTATIVE E. HOLTZMAN

After newspaper accounts this spring indicated that the investigation of the Korea scandal was being hampered because key witnesses were no longer in the United States, I became increasingly concerned about the prospects for a thorough investigation.

For that reason on May 10, I, together with a number of my colleagues, wrote the Attorney General asking for assurances that every effort was being made to obtain the testimony of the key witnesses who had left the United States. Now, after an exchange of correspondence spanning nearly three months, and meeting with the Attorney General this morning, it is my strong impression that the Justice Department has little if any understanding of two important procedures which could be used to obtain Tong Sun Park's testimony or his presence in the United States.

The most recent letter I have received from Assistant Attorney General Benjamin R. Civiletti (July 27, 1977) claims that the Justice Department cannot use the device called letters rogatory in order to interrogate Park in England because the questions had to be written. In fact, oral questioning is clearly permitted, and, as I pointed out to the Attorney General this morning, an American attorney could actually go to England to question Park under oath.

In addition, the Department seems to be unaware of the possibility that the English Government might be able to deport Park to the United States.

The fact that the Justice Department has not pursued and apparently does not understand every method available to obtain Park's testimony, raises the most profound questions about the adequacy of this investigation.

Because of my concern that this investigation be of the highest caliber, I asked for a meeting with the Attorney General this morning to raise these issues. I sincerely hope that, as a result of our discussion, serious steps will be taken to assure that this is a competent and thorough investigation.

CONGRESS OF THE UNITED STATES,
Washington, D.C., June 23, 1977.

The Honorable GRIFFIN B. BELL,
Attorney General of the United States, Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: We have received Assistant Attorney General Civiletti's letter dated June 16, 1977, in response to a joint Congressional letter to you of May 10, 1977 regarding the Korean investigation.

Unfortunately, Mr. Civiletti's letter misinterprets the intent of our inquiry and responds only in general terms to the specific questions we raised. We did not request, nor do we seek, any information which it would be improper for the Department to divulge. We did not contemplate that our discussions with you would encompass naming possible defendants, outlining potential criminal charges, or summarizing the evidence which has been developed to date in the investigation.

What we did specifically request were answers to the following questions:

(1) What attempts were made to question or detain for questioning in the United States any potential witnesses and/or defendants who subsequently left the country?

(2) What attempts have been made to question those witnesses and/or defendants who have left the country?

Responses to these questions relate to the procedures, if any, the Department has employed to further its investigation; the questions do not imply that the Department in any way need reveal the nature of the in-

formation any potential witnesses or defendants might provide.

While we are pleased to learn that the Justice Department has made "extensive efforts" to secure the return of all relevant witnesses not in the United States and to take their testimony abroad, the lack of further explanation makes it difficult for us to gauge how thoroughly the Department has explored all possible procedural alternatives.

For example, have the letter rogatory procedures of 28 U.S.C. § 1781 been employed to interview any witnesses abroad? The Library of Congress reports that both England, the current location of Tongsun Park, and Korea, presumably the location of the Korean diplomatic witnesses, honor letters rogatory. If this alternative has not been utilized, why not?

We would also welcome an explanation of exactly how the Department has attempted to secure the attendance of witnesses from foreign countries, either by formal procedures or under informal agreements with foreign governments. For example, could Tongsun Park be deported from England to the United States? Certainly, the broad provision in British law permitting deportation "if the Secretary of State deems his deportation to be conducive to the public good" (Halsbury's Statutes Vol. 41, Part I § 3(5)(b)), would seem to leave that possibility open. If so, what efforts has our government made to get the British to use this power? Alternatively, could Park qualify as a "resident" for purposes of 28 U.S.C. § 1783 and be subject to a subpoena to compel his attendance at a hearing in the United States? If so, was a subpoena issued and if not, why not?

We would add that our first question—relating to any attempts that may have been made to question or detain for questioning any witnesses who subsequently left the country—was not directly addressed in Mr. Civiletti's response. Although there is apparently some dispute as to whether the number of material witnesses abroad constitutes "many" or few, Mr. Civiletti concedes on the last page of his letter that there are at least three witnesses abroad in addition to Korean diplomats. Given that fact, we believe it is critical to know whether the Department of Justice explored the possibility of detaining these witnesses prior to their fleeing the United States.

We believe these questions require a response, and we believe further that the Department can answer them without compromising its desire for confidentiality in the conduct of its investigation. We respectfully reiterate our request to meet with you to discuss the Department's responses to the specific questions we have raised. Our sole purpose is to confirm that the Department has thoroughly explored all possible procedural alternatives; we repeat that the results of the investigation thus far are not intended to be a matter for discussion.

We await your prompt response.

Sincerely,

Elizabeth Holtzman, Theodore S. Weiss, Berkley Bedell, Bruce F. Vento, Richard Nolan, Pete Stark, John Burton, Robert J. Cornell.

Jerome A. Ambro, Bob Carr, Parren J. Mitchell, Tom Harkin, Dan Glickman, Stephen L. Neal, Mary Rose Oakar, Bob Edgar.

Toby Moffett, Ronald V. Dellums, Christopher J. Dodd, James J. Blanchard, Thomas J. Downey, Fred W. Richmond, Members of Congress.

DEPARTMENT OF JUSTICE,
Washington, D.C.

HON. ELIZABETH HOLTZMAN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSWOMAN HOLTZMAN: The Attorney General has asked me to respond to your further inquiry of June 23, 1977, just as he had me reply to the letter of May 10 from you and a number of your colleagues. Both letters, of course, related to the Department's investigation of alleged Korean payments to certain Congressmen and, specifically, to the problem of missing witnesses.

Regarding ". . . what attempts were made to question or detain for questioning . . ." persons who have departed the United States, perhaps some background information on the then status of the Department's investigation will help in understanding what happened. In the Fall of 1976, which was during the initial stages of the Korean investigation, the Government was proceeding on the basis of allegations which were vague and unsubstantiated. We were therefore required to talk to certain witnesses simply to find out whether they had relevant information and, if so, what they knew. Similarly, it was frequently unclear whether the person himself participated in any way in the passage of money. Thus, we were often unsure during the interview whether or not the witness was being truthful. Considerable time was later spent corroborating or disproving the information given by such witnesses. Wherever we subsequently found that the witness had not been truthful, the witness was reinterviewed or subpoenaed to appear before the grand jury.

During this early phase of the investigation, two persons who were potential witnesses, though only minor ones, left the United States. At the time they left, we had no specific allegations implicating them or indicating that either one of them had particularly valuable information. Indeed, it is still uncertain that they have personal knowledge which is relevant and material to our investigation of alleged payments to Congressmen, for neither is alleged to have made or been present when payments may have been made. Nevertheless, one of them had been interviewed on two occasions prior to his departure.

Nor did the Government have any reason to believe either that these individuals would go to Korea or that they would fail to return. Both had families and businesses here and other similarly situated persons had previously gone to Korea and returned.

The one individual you refer to specifically in your letter is Tong Sun Park. Park was interviewed at the Department of Justice early last Fall, and he agreed to and did turn over certain requested documents, including his bank records. In the interview, he did not provide any information which was helpful, but, as he has since to the press, denied that he made payments as alleged. At that meeting he also stated that he was leaving the country on business and would return in approximately two weeks. Park then left the country. Shortly thereafter, news stories appeared which contained detailed allegations, most of which were attributed to sources in the intelligence community, that Park was a KCIA agent and had paid bribes to Congressmen since 1970. Park was then allegedly expelled from Korea. He did not return to the United States.

We have been informed by Park's attorney that he refuses to return to this country voluntarily to respond to written interrogatories and to meet with our investigators in a third country. In view of this attitude, and of the fact that he could properly plead the Fifth Amendment, we have made a considered judgment that letters rogatory would not be useful. In any event, the inability immediately to ask follow up questions makes this procedure too stilted to be productive in the case of Park.

Moreover, from our prior experience interviewing Park, we believe that even if he were to give answers, they would be of little value unless the questions were highly specific and contained names of Congressmen, dates, amounts and so forth. To put such detailed information in writing for handling by various persons in the United States and Great Britain would be to assume a very high risk of defamatory news stories about many U.S. Congressmen who may not have been involved with Tong Sun Park at all.

You also have inquired whether the United States can compel Park's compliance with a subpoena issued pursuant to 28 U.S.C. § 1783. It is our view that even if Park, who is neither a national nor a permanent resident alien of the United States, qualified as a "resident" and were subpoenaed under 28 U.S.C. § 1783, we would not be able to compel his presence in this country. Park would simply refuse to appear in compliance with the subpoena. We could then cause him to be held in contempt. (28 U.S.C. 1784.) While contempt is punishable by sentence of imprisonment in cases where the contemnor is personally before the court, in 1783 cases the contemnor's absence precludes such punishment. The only remedy available to the Government would be a fine not to exceed $100,000. Since Park has not returned to the U.S. to contest a tax assessment of more than five million dollars, and IRS's confiscation of his expensive residences, it seems unlikely that a fine of this amount would have much effect.

Finally, we are unaware of any act Park has committed in England which would subject him to deportation. Even if he had committed such an act, and if the extended deportation proceedings were concluded unfavorably to Park, he could only be deported to the country of his citizenship, the Republic of Korea, or to the country of his choice. Clearly, Park would not choose the United States.

The above discussion focuses on suggested courses of action which we feel are not productive. However, as I advised in my prior letter, ever since Park's departure we have been very actively engaged in a series of attempts to obtain his testimony. These attempts have included negotiations with his attorney and other means which are still in progress and which are too sensitive and volatile for discussion in this letter. We believe that to publicly disclose those efforts now would undermine the chances for their success.

We hope that you and your fellow members of Congress will support us in our efforts to uncover the true facts of this complex matter.

Sincerely,

BENJAMIN R. CIVILETTI,
Assistant Attorney General,
Criminal Division.

COMMENTS ON JUSTICE DEPARTMENT STUDY GROUP'S RECOMMENDATIONS ON FEDERAL AID FOR LAW ENFORCEMENT

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Ms. HOLTZMAN. Mr. Speaker, on June 23, a Justice Department study group issued a series of recommendations for changes in the Federal program of aid for State and local law enforcement through the Law Enforcement Assistance Administration. My colleague on the House Judiciary Committee, ROBERT MCCLORY, and I have today sent the following letter to Attorney General Bell, offering some comments on the study group's proposal:

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 5, 1977.

Honorable GRIFFIN BELL,
Attorney General of the United States Department of Justice, Washington, D.C.

DEAR ATTORNEY GENERAL: We appreciate your request for reaction to the Department's Study Group Report with regard to Federal aid for State and local law enforcement. While the Study Group's recommendations are not sufficiently detailed to permit a

thorough response, we would like to offer some preliminary comments. At the same time, we reserve the right to provide more detailed, individual comments subsequently.

We are pleased that the Study Group has embraced the goals of improving the national research effort in law enforcement, encouraging and enabling State and local governments to implement successful anticrime programs, increasing the effectiveness of projects funded by LEAA, and reducing bureaucratic red tape. These were our objectives in writing the 1976 authorizing legislation, and we believe the Justice Department can go a long way toward attaining them under existing law.

Specifically, we would call to your attention sections 303(b), 303(a)(17), and 402(c) of the Omnibus Crime Control and Safe Streets Act. These sections, as amended in 1976, direct LEAA to assess the likely effectiveness of projects contained in State plans, assure that projects are evaluated, and collect and disseminate information about successful or promising projects to State and local governments. They, thus, require LEAA to carry out precisely the kind of strong research and development, testing, implementation, and evaluation effort called for by the Study Group.

If LEAA administers these sections and its other powers properly, with the emphasis on program success rather than bureaucratic interference, LEAA can assure that all States take advantage of the best available answers (whether developed at the Federal, State or local level) to the problems of crime. In this manner, red tape can be cut, wasteful expenditures avoided and effective programs implemented. Furthermore, LEAA can use the National Institute for Law Enforcement and Criminal Justice, together with its own authority to award discretionary grants under Parts C and E, to develop and encourage the implementation of the "national program models" called for by the Study Group.

While we believe that the foregoing actions, as required by the Congress and recommended by the Study Group, can and should be taken immediately, we are deeply concerned about certain other recommendations made by the Study Group. The Congress has found it advisable to require that States spend a certain portion of their LEAA funds on programs to improve correctional systems and speed criminal trials. The clear lesson of LEAA's history is that without such requirements, these critical components of the criminal justice system were neglected in favor of excessive concentration on hardware and the police function. To abandon the requirements, as the Study Group would do, invites a return to those problems for which LEAA was severely and justifiably criticized. Similarly, we question the Study Group's apparent desire to reverse Congressional decisions that funding should be provided for community anticrime programs and for efforts to combat crime related to drug and alcohol abuse.

We do not believe the Study Group's "direct assistance" proposal is sufficiently defined or developed to permit responsible comment. We would, however, like to point out several questions that it raises. They are:

1. How are funds to be apportioned among States? If factors other than population are to be used, what factors (given the conceded unreliability of the FBI's Uniform Crime Reports)?

2. How are funds to be distributed to localities? If by formula, what formula can adequately accommodate the needs of high crime areas? If formula funds can only go to jurisdictions of a certain size, how can smaller jurisdictions get funds? What formula can provide the flexibility to allow a small jurisdiction to implement a major project in a single year, with others implementing equivalent projects in subsequent years?

3. If local jurisdictions do not get formula grants, how will they receive funds? If they receive discretionary grants, at whose discretion will it be? LEAA? State legislatures? The agency which performs the State's "criminal justice coordination function?"

4. Will each local jurisdiction have to demonstrate a criminal justice coordination capacity before receiving funds even for a single project?

5. Will the proposal that Federal funds go through the normal appropriations process in each State and locality (even though such funds would presumably retain their distinctive character and be designated for specific projects) add further delay and red tape to the system?

Until these questions are answered, presumably in the form of a legislative proposal submitted to the Congress, we cannot accurately assess the impact of the Study Group's recommendations.

Two years remain under the current LEAA authorization. We believe this allows the Department of Justice sufficient time to implement those most important features of the Study Group's recommendations that are contained in existing law, and to demonstrate that it can run an effective program of law enforcement assistance.

To this end, we would urge the Department to fill the top positions at LEAA which have been left vacant too long. In addition, we question the wisdom of the Department's decision to close the LEAA regional offices. If the effectiveness of State plans and the projects they contemplate is to be increased, it will require close cooperation between State and local agencies on the one hand, and knowledgeable Federal professionals familiar with local conditions, on the other. Regional offices should be best equipped to act for LEAA in this context. Finally, we would hope the Department will seek to improve LEAA's capacity to administer the program and to assure the continued funding of useful projects by working against further reductions in LEAA funds.

We look forward to working with you and the Department to provide a genuinely effective program of aid for improving law enforcement and criminal justice throughout the nation.

Sincerely,

ELIZABETH HOLTZMAN,
Member of Congress.
ROBERT MCCLORY,
Member of Congress.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ST GERMAIN, for August 5, 1977, for 5 minutes.

(The following Members (at the request of Mr. EDWARDS of Oklahoma) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 20 minutes, today.
Mr. CLEVELAND, for 5 minutes, today.
Mr. DERWINSKI, for 5 minutes today.
Mr. SARASIN, for 5 minutes, today.
Mr. WHALEN, for 5 minutes, today.
Mr. QUIE, for 5 minutes, today.

(The following Members (at the request of Mr. WEISS) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. FLOOD, for 5 minutes, today.
Mr. MOSS, for 5 minutes, today.
Mr. CHARLES H. WILSON of California, for 5 minutes, today.
Mr. ASPIN, for 5 minutes, today.
Mr. REUSS, for 20 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. DRINAN, for 5 minutes, today.
Mr. LE FANTE, for 5 minutes, today.
Mr. PREYER, for 5 minutes, today.
Mr. MICHAEL O. MYERS, for 5 minutes, today.
Mr. ROSTENKOWSKI, for 5 minutes, today.
Mr. AUCOIN, for 5 minutes, today.
Mr. LEVITAS, for 5 minutes, today.
Mr. DANIELSON, for 5 minutes, today.
Mr. MCKAY, for 5 minutes, today.
Mr. MITCHELL of Maryland, for 5 minutes, today.
Ms. HOLTZMAN, for 30 minutes, today.
Mr. FLYNT, for 5 minutes, today.
Mr. MANN, for 5 minutes, today.
Ms. OAKAR, for 5 minutes, today.
Mr. STARK, for 5 minutes, today.
Mr. FOUNTAIN, for 5 minutes, today.
Mr. ICHORD, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. EDWARDS of Oklahoma) and to include extraneous material:)

Mr. GRADISON in four instances.
Mr. ASHBROOK in two instances.
Mr. DERWINSKI in two instances.
Mr. ANDERSON of Illinois.
Mr. TAYLOR.
Mr. LAGOMARSINO in two instances.
Mr. KASTEN in two instances.
Mr. COLEMAN.
Mr. COUGHLIN.
Mr. HOLLENBECK.
Mr. BURKE of Florida.
Mr. KEMP in two instances.
Mr. WHALEN.
Mr. GILMAN in three instances.
Mr. MCCLORY.
Mr. COLLINS of Texas in three instances.
Mr. ERLENBORN.
Mr. EVANS of Delaware in three instances.
Mr. LEACH in three instances.
Mr. YOUNG of Florida in two instances.
Mr. BOB WILSON in two instances.
Mr. PRESSLER.
Mr. MCCLOSKEY.
Mr. RUPPE.
Mr. CAPUTO.
Mr. GOODLING.
Mr. LENT.
Mr. CRANE.
Mr. DEL CLAWSON.
Mr. RUDD.

(The following Members (at the request of Mr. WEISS) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. CHARLES H. WILSON of California in two instances.
Ms. MIKULSKI.
Mr. RYAN in five instances.
Mr. VANIK in five instances.
Mrs. KEYS.
Mr. BENJAMIN in five instances.
Mrs. SPELLMAN.
Mr. MCDONALD in five instances.
Mr. MCHUGH.
Mr. TEAGUE in two instances.
Mr. OBERSTAR in four instances.
Mr. REUSS.

Mr. LEHMAN.
Mr. VOLKMER.
Mrs. LLOYD of Tennessee.
Mr. RODINO.
Mr. PICKLE in five instances.
Mr. ULLMAN.
Mr. NOLAN.
Mr. AMBRO in two instances.
Mr. MITCHELL of Maryland.
Mr. WON PAT.
Mr. CORNWELL.
Mr. GLICKMAN.
Mr. MURPHY of New York.
Mr. JONES of Tennessee in five instances.
Mr. FASCELL.
Mr. HARRINGTON.
Mr. LEVITAS in two instances.
Mr. OTTINGER.
Mr. KOCH in two instances.
Mr. LE FANTE.
Mr. HARRIS.
Mr. BADILLO in two instances.
Mr. NEDZI.
Mr. PHILLIP BURTON.
Mr. DANIELSON.
Mr. YOUNG of Missouri.
Mr. ROGERS.
Mr. MOFFETT.
Mr. DOWNEY.
Mr. ROYBAL.
Mr. STRATTON.
Mr. BLOUIN.
Mr. WEISS.
Mr. EILBERG.
Mr. PEPPER.
Mr. GAMMAGE.
Mr. BRECKINRIDGE.
Mr. WALGREN.
Mr. LONG of Maryland.
Mr. GEPHARDT.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 948. An act for the relief of Chin Ah Park and Chin Suk Park; to the Committee on the Judiciary;

S. 1003. An act for the relief of Me Young Lee; to the Committee on the Judiciary;

S. 1306. An act to provide temporary authority to the Administrator of the Small Business Administration to facilitate water conservation practices and emergency actions to mitigate the impacts of the 1976–1977 drought; to the Committee on Small Business; and

S. 1617. An act to establish a program of ocean pollution research and monitoring, and for other purposes; to the Committee on Science and Technology.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1377. An act to amend the statute of limitations provisions in section 2415 of title 28, United States Code, relating to claims by the United States on behalf of Indians.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1952. An act to amend the corporate name of AMVETS (American Veterans of World War II), and for other purposes;

H.R. 4991. An act to authorize appropriations for activities of the National Science Foundation, and for other purposes;

H.R. 6179. An act to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1978, and for other purposes;

H.R. 6370. An act to authorize appropriations to the United States International Trade Commission, to provide for greater efficiency in the administration of the Commission, and for other purposes; and

H.J. Res. 372. Joint resolution to authorize the President to issue a proclamation designating the week beginning on November 20, 1977, as "National Family Week."

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 6689. To authorize fiscal year 1978 appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting, and for other purposes.

ADJOURNMENT

Mr. WEISS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock p.m.) pursuant to the provisions of House Concurrent Resolution 317, 95th Congress, the House adjourned until Wednesday, September 7, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS,

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2099. A letter from the Director, Defense Mapping Agency, transmitting notice of the agency's intention to consolidate its Hydrographic and Topographic Centers, pursuant to section 612 of Public Law 94–431; to the Committee on Armed Services.

2100. A letter from the Secretary of Labor, transmitting the annual report on the administration of the Black Lung Benefits Act of 1972, covering calendar year 1976, pursuant to section 426(b) of the Federal Coal Mine Health and Safety Act of 1969, as amended (86 Stat. 155); to the Committee on Education and Labor.

2101. A letter from the Chairman, Commission on Security and Cooperation in Europe, pursuant to section 6 of the Public Law 94–304; to the Committee on International Relations.

2102. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended (79 Stat. 915); to the Committe on the Judiciary.

2103. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act (66 Stat. 182); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. Report on allocation of budget totals to subcommittees (Rept. No. 95–573). Referred to the Committee of the Whole House on the State of the Union.

Mr. PREYER. Select Committee on Ethics H.R. 7401. A bill to provide for complete financial disclosure by Members of the House of Representatives, Senators, officers of either House of Congress, and certain individuals employed by Members, Senators, or committees of either House of Congress. With amendment (Rept. No. 95–574). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on the Federal Trade Commission Regional Office Operations (Rept. No. 95–575). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on the effectiveness of the export promotion policies and programs of the Departments of Commerce and State (Rept. No. 95–576). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 743. Resolution providing for the consideration of H.R. 3. A bill to strengthen the capability of the Government to detect, prosecute, and punish fraudulent activities under the medicare and medicaid programs, and for other purposes (Rept. No. 95–577). Referred to the House Calendar.

Mr. ZABLOCKI: Committee on International Relations. House Resolution 724. Resolution to express the House of Representatives deep concern over the disregard of basic human rights in Cambodia; with amendment (Rept. No. 95–578). Referred to the House Calendar.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 4341. A bill to amend title 38, United States Code, to eliminate the requirement for inspections of the mobile home manufacturing process by the Administrator of Veterans' Affairs; with amendment (Rept. No. 95–579). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 8698. A bill to deny entitlement to veteran's benefits to certain persons who would otherwise become so entitled solely by virtue of the administrative upgrading under temporarily revised standards of less than honorable discharges for service during the Vietnam era, and for other purposes (Rept. No. 95–580). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 3813. A bill to amend the act of October 2, 1968, an act to establish a Redwood National Park in the State of California, and for other purposes; with amendment (Rept. No. 95–581). Referred to the Committee of the Whole House on the State of the Union.

Mr. GIAIMO: Committee on the Budget. House Concurrent Resolution 341. Concurrent resolution revising the congressional budget for the U.S. Government for the fiscal year 1978 (Rept. No. 95–582). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on major reforms needed in the Community Services Administration (Rept. No. 95–583). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. H.R. 8588. A bill to reorganize the executive branch of the Government and increase its economy and efficiency by establising Offices of Inspector General within the Departments of Agriculture, Commerce, Housing and Urban Development, the Interior, Labor, and Transportation, and within the Community Services Administration, the Energy Research and Development Administration, the Environmental Protection Agency, the Federal Energy Administration, the General Services Administration, the National Aeronautics and Space Administration, the Small Business Administration, and the Veterans' Administration, and for other purposes; with amendment (Rept. No. 95–584). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Veterans' Administration. H.R. 8175. A bill to amend the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975, approved October 22, 1975, as amended, in order to extend certain provisions thereof, and for other purposes; with amendment (Rept. No. 95–585). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 8701. A bill to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowance paid to eligible veterans and persons, to make improvements in the educational assistance programs, and for other purposes (Rept. No. 95–586). Referred to the Committee of the Whole House on the State of the Union.

Mr. BINGHAM: Committee on International Relations. H.R. 8638. A bill to provide for more efficient and effective control over the proliferation of nuclear explosive capability with amendment (Rept. No. 95–587). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ULLMAN (for himself and Mr. CONABLE):

H.R. 8811. A bill to amend section 7447 of the Internal Revenue Code of 1954 with respect to the revocation of an election to receive retired pay as a judge of the Tax Court; to the Committee on Ways and Means.

By Mr. ALEXANDER:

H.R. 8812. A bill to name a certain Federal building in Jonesboro, Ark., the E. C. "Took" Gathings Building; to the Committee on Public Works and Transportation.

By Mr. ANDERSON of California (for himself, Mr. JOHNSON of California, Mr. RONCALIO, Mr. ERTEL, Mr. FARY, and Mr. MINETA):

H.R. 8813. A bill to amend the Federal Aviation Act of 1958 to improve air service and provide flexibility in air fares; to the Committee on Public Works and Transportation.

By Mr. AuCOIN:

H.R. 8814. A bill to reduce until June 30, 1980, the column 2 rates of duty on woven fabrics of silk; to the Committee on Ways and Means.

By Mr. BADILLO:

H.R. 8815. A bill to provide that any bank or depository institution situated in a standard metropolitan statistical area must invest 25 percent of its mortgage portfolio in loans secured by real property situated in inner cities located within the standard metropolitan statistical area in which the depository institution is situated; to the Committee on Banking, Finance and Urban Affairs.

H.R. 8816. A bill to establish a special impact job creation program for areas of high youth unemployment; to the Committee on Education and Labor.

H.R. 8817. A bill to provide that any community-based organization which desires to receive any Federal financial assistance shall comply with membership and democratic selection requirements established in the Community Services Act of 1974; to the Committee on Education and Labor.

By Mr. BAFALIS:

H.R. 8818. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

By Mr. BOLAND (for himself, Mr. CONTE, Mr. BEARD of Rhode Island, Mr. BURKE of Massachusetts, Mr. CLEVELAND, Mr. COHEN, Mr. COTTER, Mr. D'AMOURS, Mr. DODD, Mr. DRINAN, Mr. EARLY, Mr. EMERY, Mr. HARRINGTON, Mrs. HECKLER, Mr. JEFFORDS, Mr. MCKINNEY, Mr. MARKEY, Mr. MOAKLEY, Mr. MOFFETT, Mr. ST GERMAIN, Mr. SARASIN, Mr. STUDDS, and Mr. TSONGAS):

H.R. 8819. A bill to provide a program for the rehabilitation of the Nation's railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. BONKER:

H.R. 8820. A bill to amend title II of the Social Security Act to increase to $5,000 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted to an individual each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. BRECKINRIDGE:

H.R. 8821. A bill to provide that increases in rates of pay for Members of the House of Representatives under section 225 of the Federal Salary Act of 1967 shall not take effect before the Congress following the Congress in which such increases are recommended, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROWN of California:

H.R. 8822. A bill to require the Secretary of Agriculture to periodically report to the Congress on the status, condition, and productive potential of privately owned forest land; to the Committee on Agriculture.

By Mr. BROWN of California (for himself, Mr. WYDLER, Mr. WALKER, Mr. WIRTH, Mr. AMBRO, Mr. SCHEUER, Mr. WALGREN, Mr. BEILENSON, Mr. WATKINS, Mr. LUJAN, Mr. WINN, and Mr. EDGAR):

H.R. 8823. A bill to establish a program of environmental research and development related to ocean pollution, and for other purposes; to the Committee on Science and Technology.

By Mr. BROWN of Ohio:

H.R. 8824. A bill to require the President to appoint a Special Prosecutor to investigate and prosecute acts by agents of foreign governments to influence elected and nonelected officials and employees of the United States; to the Committee on the Judiciary.

By Mr. CAPUTO:

H.R. 8825. A bill to amend the Export-Import Bank Act of 1945 to eliminate financings harmful to domestic U.S. employment; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CARR (for himself, Mr. WHITLEY, Mr. BURGENER, and Mr. WHITEHURST):

H.R. 8826. A bill to increase deposit insurance from $40,000 to $100,000 for accounts which qualify as individual retirement accounts and accounts established under qualified (Keogh) plans for the self-employed; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CARR:

H.R. 8827. A bill to amend the Federal Aviation Act of 1968 to provide for criteria for the provision of air navigation and traffic control facilities and services, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. CARR (for himself, Mr. BAUCUS, Mr. PATTEN, and Mr. MARKEY):

H.R. 8828. A bill to provide for equalizing the costs of unemployment compensation, revising the extended benefits program, and for other purposes; to the Committee on Ways and Means.

By Mr. CAVANAUGH (for himself, Mr. MITCHELL of Maryland, Mr. FAUNTROY, Mr. NEAL, Mr. TSONGAS, Mr. MATTOX, Mr. MCKINNEY, and Mr. STEERS):

H.R. 8829. A bill to protect the constitutional rights of citizens of the United States and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing the disclosure of certain financial information by depository institutions to governmental agencies and for other purposes; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. DEL CLAWSON (for himself, Mr. BADHAM, Mr. DUNCAN of Tennessee, Mr. EMERY, Mr. FISH, Mr. GOLDWATER, Mr. GUYER, Mr. HYDE, Mr. LENT, Mr. PRITCHARD, Mr. QUIE, and Mr. WINN):

H.R. 8830. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. COHEN (for himself, and Mr. EMERY):

H.R. 8831. A bill relating to the effect which Federal enrollment and licensing of vessels employed in the fisheries has with respect to certain State restrictions on engaging in commercial fishing within State boundaries; to the Committee on Merchant Marine and Fisheries.

By Mr. CORMAN (for himself, Mr. AKAKA, Mr. BROWN of California, Mr. COCHRAN of Mississippi, Mr. CONTE, Mr. DICKS, Mr. DOWNEY, Mr. FASCELL, Mr. GILMAN, Mr. GUYER, Mr. KOCH, Mr. KREBS, Mr. LAFALCE, Mr. MCCORMACK, Mr. MOTTL, Ms. OAKAR, and Mr. YATRON):

H.R. 8832. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CORMAN (for himself, Mr. BARNARD, Mr. CAPUTO, Mr. CONTE, Mr. KILDEE, and Mr. KRUEGER):

H.R. 8833. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CORMAN (for himself, Mr. BAUCUS, Mr. BONKER, Mr. MAZZOLI, Ms. MIKULSKI, Mr. SNYDER, Mr. WALGREN, and Mr. WINN):

H.R. 8834. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CORMAN (for himself, Mr. MURPHY of Pennsylvania, and Mr. NIX):

H.R. 8835. A bill to amend title XVIII of the Social Security Act for the purpose of including community mental health centers among the entities which may be qualified providers of service for medicare purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CORRADA (for himself, Mr. AKAKA, Mr. WON PAT, Mr. HEFTEL, and Mr. YOUNG of Alaska):

H.R. 8836. A bill to provide financial assistance for the transportation from ports in the United States to the noncontiguous States and territories of cargo which is required to be transported by a vessel built in and documented under the laws of the United States by the Merchant Marine Act of 1920; to require that the charge for transporting such cargo be reduced by the amount of such assistance; and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. COUGHLIN:

H.R. 8837. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKS:

H.R. 8838. A bill to amend title 38 of the United States Code to exempt from determinations with respect to annual income payments made to member employees of State soldier's homes; to the Committee on Veterans' Affairs.

By Mr. DORNAN (for himself, Mr. BAFALIS, Mr. MURPHY of Pennsylvania, Mr. STRATTON, Mr. GUYER, Mr. JEFFORDS, Mr. HYDE, Mr. SYMMS, Mr. ICHORD, Mr. JENRETTE, Mr. MCDONALD, Mr. TRIBLE, Mr. BAUCUS, Mr. RUDD, Mr. ROE, Mr. BURKE of Florida, Mr. RICHMOND, Mr. EDWARDS of Oklahoma, Mr. QUAYLE, and Mr. GILMAN):

H.R. 8839. A bill to amend the Export Administration Act of 1969 to provide for greater congressional oversight of exports of items which are subject to export controls imposed for purposes of national security; to the Committee on International Relations.

By Mr. DUNCAN of Tennessee:

H.R. 8840. A bill to amend title XVIII of the Social Security Act to remove the requirement that prior hospitalization is necessary before extended care facility benefits are available under the medicare program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. FAUNTROY (for himself, Mr. BARNARD, Mr. GEPHARDT, Mr. MATTOX, Ms. OAKAR, Mr. PATTISON of New York, Mr. SEIBERLING, and Mrs. SPELLMAN):

H.R. 8841. A bill to provide for additional assistance for the preservation of historic structures under title I of the National Housing Act, section 312 of the Housing Act of 1964, and the act of October 15, 1966 (80 Stat. 917); jointly, to the Committees on Banking, Finance and Urban Affairs, and Interior and Insular Affairs.

By Mrs. FENWICK:

H.R. 8842. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FLYNT (for himself, and Mr. JENKINS):

H.R. 8843. A bill to provide for the payment of losses incurred as a result of the ban on the use of the chemical Tris in apparel, fabric, yarn or fiber, and for other purposes; to the Committee on the Judiciary.

By Mr. FRASER:

H.R. 8844. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for the cost of removal of trees required by the United States or a State or local government to be removed to prevent the spread of diseases caused by pests; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Mr. BADILLO, Mr. BEDELL, Mr. BINGHAM, Mr. BRODHEAD, Mr. CAPUTO, Mr. CARNEY, Mr. CORNELL, Mr. DIGGS, Mr. FAUNTROY, Mr. FLOOD, Mr. GILMAN, Mr. HANNAFORD, Mr. HARRINGTON, Mr. LE FANTE, Mr. LEHMAN, Mr. MARKEY, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. MICHAEL O. MYERS, Mr. NEAL, Mr. PATTERSON of California, and Mr. PATTISON of New York):

H.R. 8845. A bill to establish a comprehensive program of long-term care services for aged individuals, and to provide for the creation of community long-term care centers and State long-term care agencies as part of a new administrative structure for the organization and delivery of such services; jointly to the Committees on Agriculture, Education and Labor, Interstate and Foreign Commerce, the Judiciary, and Ways and Means.

By Mr. FRASER (for himself, Mr. PEASE, Mr. REUSS, Mr. RODINO, Mr. ROSENTHAL, Mr. SEIBERLING, Mr. SIMON, Mr. STOKES, Mr. WEAVER, Mr. CHARLES WILSON of Texas, Mr. WINN, Mr. YATRON, and Mr. ZEFERETTI):

H.R. 8846. A bill to establish a comprehensive program of long-term care services for aged individuals, and to provide for the creation of community long-term care centers and State long-term care agencies as part of a new administrative structure for the organization and delivery of such services; jointly, to the Committees on Agriculture, Education and Labor, Interstate and Foreign Commerce, the Judiciary, and Ways and Means.

By Mr. GOLDWATER (for himself, Mr. BADHAM, Mr. DORNAN, Mr. EDWARDS of Oklahoma, Mr. GOODLING, Mr. GUYER, Mr. HARKIN, Mr. HARRINGTON, Mr. KOCH, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LEHMAN, Mrs. LLOYD of Tennessee, Mr. MINETA, Mr. MURPHY of Pennsylvania, Mr. PANETTA, Mr. QUIE, Mr. ROUSSELOT, Mrs. SPELLMAN, Mr. TREEN, and Mr. WHITEHURST):

H.R. 8847. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for the purchase and installation of certain teletypewriters for use by individuals whose sight, hearing, or speech is impaired; to the Committee on Ways and Means.

By Mr. HALL (for himself, Mr. JONES of Tennessee, Mr. BAFALIS, Mr. BURLESON of Texas, Mr. DERWINSKI, Mr. HYDE, Mr. MILFORD, Mr. STUMP, Mr. GUYER, Mr. FLOWERS, Mr. KEMP, Mr. ERTEL, Mr. WINN, Mr. ANDREWS of North Carolina, Mr. DICKS, Mr. SYMMS, Mr. HUGHES, Mr. SIMON, Mr. AUCOIN, Mr. WHITLEY, Mr. DORNAN, Mr. MAZZOLI, Mrs. SPELLMAN, and Mr. MINETA):

H.R. 8848. A bill to amend the Internal Revenue Code of 1954 to exclude from unrelated business taxable income amounts derived by any college or university from the broadcasting of any sporting event; to the Committee on Ways and Means.

By Mr. HALL (for himself, Mr. CUNNINGHAM, Mr. MURPHY of Pennsylvania, Mr. THONE, Mrs. LLOYD of Tennessee, Mr. KINDNESS, Mr. HYDE, Mr. WHITLEY, Mr. BADHAM, Mr. GUYER, Mr. CAPUTO, Mr. CHARLES WILSON of Texas, Mr. DAN DANIEL, Mr. YOUNG of Alaska, Mr. HANNAFORD, Mr. EDWARDS of Oklahoma, Mr. STOCKMAN, Mr. BEVILL, Mr. CHAPPELL, Mr. GRASSLEY, Mr. TREEN, Mr. MANN, and Mr. BURGENER):

H.R. 8849. A bill to amend title XVI of the Social Security Act to provide that an alien is not qualified for supplemental security income benefits unless he has a permanent resident status in the United States and has continuously resided in the United States for at least 6 years, and to provide for the establishment of procedures which will more effectively prevent the payment of such benefits to individuals who become ineligible because of their departure from the United States; to the Committee on Ways and Means.

By Mr. HANNAFORD:

H.R. 8850. A bill to discourage speculation in the buying and selling of certain residential structures by requiring disclosure of date of purchase and the purchase price paid by the seller with respect to such residential structure; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HARKIN (for himself, Mr. DERRICK, Mr. CONTE, Mr. ROSENTHAL, Mr. SEIBERLING, Mr. BADILLO, Mr. HARRINGTON, Mr. BALDUS, Mr. PATTERSON of California, Mr. PEPPER, Mr. OTTINGER, Mr. CHARLES WILSON of Texas, Mr. DRINAN, Mr. COHEN, Mr. MARLENEE, Mr. WINN, Mr. DAVIS, and Mr. VENTO):

H.R. 8851. A bill to amend title 38, United States Code, to improve the quality of hospital care and medical services in Veterans' Administration health care facilities, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HOLLAND:

H.R. 8852. A bill to amend Section 167(k) of the Internal Revenue Code to promote the rehabilitation of housing for families with low income; to the Committee on Ways and Means.

By Ms. HOLTZMAN (for herself and Mr. FISH):

H.R. 8853. A bill to amend title 18 of the United States Code to eliminate racketeering in the sale and distribution of cigarettes, and for other purposes; to the Committee on the Judiciary.

By Ms. HOLTZMAN (for herself and Mr. BRODHEAD):

H.R. 8854. A bill to amend the Immigration and Nationality Act to exclude from admission into and to deport from the United States all aliens who persecuted others on the basis of religion, race, or national origin under the direction of the Nazi government of Germany; to the Committee on the Judiciary.

By Mr. HOWARD (for himself, Mr. MINETA, Mr. YOUNG of Missouri, Mr. BLOUIN, Mr. ALEXANDER, Mr. JONES of Tennessee, Mr. MOORHEAD of Pennsylvania, Mr. BALDUS, Mr. WALGREN, and Mrs. SPELLMAN):

H.R. 8855. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ICHORD:

H.R. 8856. A bill to require a refund value for certain beverage containers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JACOBS:

H.R. 8857. A bill to amend section 337 of the Internal Revenue Code of 1954 with respect to the recognition of gain or loss on sales or exchanges in connection with certain liquidations; to the Committee on Ways and Means.

By Mr. KASTEN:

H.R. 8858. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture.

By Mr. KASTEN (for himself, Mr. AKAKA, Mr. ASPIN, Mr. BENJAMIN, Mr. BUCHANAN, Mr. BURGENER, Mrs. BURKE of California, Mr. GAYDOS, Mr. GRASSLEY, Mr. HARRINGTON, Mr. JENRETTE, Mr. KINDNESS, Ms. MIKULSKI, Mr. NEAL, Mr. PRESSLER, Mr. WALGREN, Mr. WINN, Mr. YOUNG of Alaska, and Mr. YOUNG of Missouri):

H.R. 8859. A bill to amend the National Housing Act to provide for the insurance of graduated payment mortgages, and for other purposes; to the Committee, on Banking, Finance and Urban Affairs.

By Mr. KEMP (for himself, Mr. BADHAM, Mr. BAFALIS, Mr. BURGENER, Mr. CLEVELAND, Mr. CORCORAN of Illinois, Mr. DERWINSKI, Mr. DORNAN, Mr. GOLDWATER, Mr. GUYER, Mr. HYDE, Mr. KINDNESS, Mr. LENT, Mr. LOTT, Mr. MCCLORY, Mr. MOORE, Mr. MURPHY of Pennsylvania, Mr. QUAYLE, Mr. QUIE, Mr. SPENCE, Mr. STOCKMAN, Mr. SYMMS, Mr. WALKER, Mr. CHARLES H. WILSON of California, Mr. LEVITAS, and Mr. WINN):

H.R. 8860. A bill to provide for permanent tax reductions for individuals and businesses; to the Committee on Ways and Means.

By Mr. KEMP (for himself, Mr. BROWN of Ohio, Mr. CEDERBERG, Mr. COCHRAN of Mississippi, Mr. EDWARDS of Oklahoma, Mr. GLICKMAN, Mr. GOODLING, Mr. HAGEDORN, Mrs. HOLT, Mr. RUDD, Mr. SARASIN, and Mr. TRIBLE):

H.R. 8861. A bill to provide for permanent tax rate reductions for individuals and businesses; to the Committee on Ways and Means.

By Mr. KOCH:

H.R. 8862. A bill to amend the Rehabilitation Act of 1973 to permit courts to allow a reasonable attorney's fee to prevailing parties, other than the United States, in certain actions under title V of such act; to the Committee on Education and Labor.

By Mr. KOCH (for himself, Mr. BONKER, Mr. BOWEN, Mr. EDWARDS of California, Mr. EILBERG, Mr. WIGGINS, Ms. HOLT, Mr. JENRETTE, Mr. KOSTMAYER, Mr. LEACH, Mr. LE FANTE, Mr. LONG of Maryland, Mr. WHITEHURST, and Mr. ZEFERETTI):

H.R. 8863. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. PEPPER, Mr. CONTE, Ms. HECKLER, Mr. ROE, and Mr. ROSE):

H.R. 8864. A bill to amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, and to eliminate the requirement that an individual need skilled nursing care in order to qualify for such services, to amend part A of such title to liberalize the coverage of post-hospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit payments of housing costs under such a program for elderly persons who would otherwise require nursing home care, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. KOSTMAYER (for himself, Mr. PEASE, Mr. STUDDS, Mr. WEAVER, Mr. MAGUIRE, Mr. NOLAN, Mr. WIRTH, Mr. MARKEY, Mr. MOFFETT, Mr. TSONGAS, and Mr. GLICKMAN):

H.R. 8865. A bill to amend the Wild and Scenic Rivers Act to designate a segment of the Delaware River as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KRUEGER:

H.R. 8866. A bill to amend the Payment in Lieu of Taxes Act (31 U.S.C. 1601–1607); to the Committee on Interior and Insular Affairs.

By Mr. LATTA (for himself, Mr. DEVINE, and Mr. BADHAM):

H.R. 8867. A bill to improve the safety of products manufactured and sold in interstate commerce, to reduce the number of deaths and injuries caused by such products, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEACH:

H.R. 8868. A bill to designate the maintenance of artificially undervalued currencies by foreign countries for certain purposes as unfair trade practices with respect to which the President may take remedial action under section 301 of the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. LE FANTE:

H.R. 8869. A bill to establish as an executive department in the executive branch a Department of Health; to the Committee on Government Operations.

By Mr. LE FANTE (for himself and Mr. MINISH):

H.R. 8870. A bill to provide that public works projects of the Army Corps of Engineers in areas of high unemployment shall utilize not less than 40 percent local workers; to the Committee on Public Works and Transportation.

By Mr. LEHMAN (for himself and Mrs. SCHROEDER):

H.R. 8871. A bill to amend title 13 of the United States Code to establish a decennial census procedure, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LUJAN:

H.R. 8872. A bill to amend the Internal Revenue Code of 1954 to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his life, any amount which would not have been capital gain if such item had been sold by the decedent at its fair market value; to the Committee on Ways and Means.

By Mr. LUJAN (for himself and Mr. RUNNELS):

H.R. 8873. A bill to provide for the return to the United States of title to certain lands conveyed to certain Indian pueblos of New Mexico and for such land to be held in trust by the United States for such tribes; to the Committee on Interior and Insular Affairs.

By Mr. LUKEN:

H.R. 8874. A bill to provide for the payment by the Government of certain attorney's fees for any Federal law enforcement officer that is accused of certain Federal crimes; to the Committee on the Judiciary.

By Mr. MARLENEE (for himself, Mr. YOUNG of Alaska, Mr. KINDNESS, Mr. BADHAM, Mr. MOTT, Mr. CORNWELL, Mr. QUIE, Mr. ABDNOR, Mr. APPLEGATE, Mr. CAVANAUGH, Mr. QUAYLE, Mr. THONE, Mr. HANSEN, Mr. ANDREWS of North Dakota, Mr. SYMMS, and Mr. STANGELAND):

H.R. 8875. A bill to expedite issuance of Federal permits and developments of a transportation system to move Alaskan crude oil to Northern Tier and other inland States, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

By Mr. MIKVA (for himself, Mr. ASHLEY, Mr. BADHAM, Mr. BAFALIS, Mr. BENAMIN, Mr. BRECKINRIDGE, Mr. BURGENER, Mr. CORCORAN of Illinois, Mr. CRANE, Mr. FISHER, Mr. FRENZEL, Mr. GEPHARDT, Mr. GILMAN, Mr. GLICKMAN, and Mr. KINDNESS):

H.R. 8876. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for certain amounts paid to a reserve for payment of product liability losses; to the Committee on Ways and Means.

By Mr. MIKVA (for himself, Mr. LAFALCE, Mr. LE FANTE, Mrs. LLOYD of Tennessee, Mr. LUNDINE, Mr. MCCLORY, Mr. MURPHY of Illinois, Mr. QUIE, Mr. REGULA, Mr. ROSTENKOWSKI, Mr. SCHULZE, Mr. STEIGER, Mr. VANDER JAGT, Mr. WHITEHURST, and Mr. WINN):

H.R. 8877. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for certain amounts paid to a reserve for payment of product liability losses; to the Committee on Ways and Means.

By Mr. MILLER of California (for himself and Mr. JOHN L. BURTON):

H.R. 8878. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act to clarify the act's coverage to employees engaged in the manufacture, repair, servicing or sale of recreational boats; to the Committee on Education and Labor.

By Mr. NEAL (for himself, Mr. HOWARD, Mr. CORNELL, Mr. LEHMAN, Mr. ROE, Mr. HARRINGTON, Mr. GILMAN, Mr. VENTO, and Mr. CAPUTO):

H.R. 8879. A bill to establish a Solar Energy Development Bank to provide long-term low-interest loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States; to the Committee on Banking, Finance and Urban Affairs.

By Mr. NOLAN (for himself, Mr. BAUCUS, Mr. BURGENER, Mr. DOWNEY, Mr. DRINAN, Mr. FRASER, Mr. GILMAN, Mr. GORE, Mr. GUYER, Mr. HARRINGTON, Mr. JENRETTE, Mr. LAFALCE, Mr. LEHMAN, Mr. LENT, Ms. LLOYD of Tennessee, Mr. MAZZOLI, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL of Maryland, Ms. OAKAR, Mr. OTTINGER, Mr. PATTISON of New York, and Mr. VENTO):

H.R. 8880. A bill to amend the Rehabilitation Act of 1973 to provide for a program of wage supplements for handicapped individuals; to the Committee on Education and Labor.

By Mr. NOLAN (for himself, Mr. BAUCUS, Mr. BEDELL, Mr. FOUNTAIN, Mr. GILMAN, and Ms. MEYNER):

H.R. 8881. A bill to provide that in compiling unemployment statistics, the Bureau of Labor Statistics shall include farmers reporting net income losses for the preceding taxable year and shall include certain of their dependents, and to provide that Federal assistance distributed on the basis of unemployment shall take into account such farmers and dependents; to the Committee on Education and Labor.

By Ms. OAKAR (for herself, Mr. MOAKLEY, Mr. ASHBROOK, Mr. VANIK, Mr. BURKE of Massachusetts, Mr. MOTTL, Mr. SEIBERLING, Mr. PEASE, Mr. STANTON, Mr. CONTE, Mr. APPLEGATE, Mr. WYLIE, and Mr. CAVANAUGH):

H.R. 8882. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize the Secretary of Transportation to guarantee notes issued to State and local taxing authorities to secure payment of real property tax obligations owed by a railroad in reorganization; to the Committee on Interstate and Foreign Commerce.

By Mr. OBERSTAR:

H.R. 8883. A bill to establish a task force

to study and evaluate the taxation of real property by State and local governments the feasibility of Federal taxation and other policies designed to reduce the dependence of such governments on taxation of real property, and the effects of such Federal taxation and other policies so designed on the financing of elementary and secondary public education by such governments; jointly, to the Committees on Ways and Means, and Government Operations.

By Mr. PATTEN:

H.R. 8884. A bill to correct inequities in certain franchise practices, to provide franchisors and franchisees with evenhanded protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open-market economy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER:

H.R. 8885. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, and that a deduction shall be allowed for contributions to such trusts; to the Committee on Ways and Means.

By Mr. PICKLE:

H.R. 8886. A bill to extend commissary and exchange privileges to World War I veterans; to the Committee on Armed Services.

H.R. 8887. A bill to amend the Social Security Act to include optometrists in the professional standards review organization; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PRESSLER (for himself, Mr. ABDNOR, Mr. BADILLO, Mr. BALDUS, Mr. BAUCUS, Mr. ENGLISH, Mr. EVANS of Georgia, Mr. GLICKMAN, Ms. KEYS, Mr. OBERSTAR, Mr. PATTISON of New York, Mr. RICHMOND, and Mr. SIMON):

H.R. 8888. A bill to encourage farmers to establish shelterbelts for the purposes of reducing soil erosion, protecting crops and livestock, and establishing wildlife habitat areas; to the Committee on Ways and Means.

By Mr. RODINO (for himself, Mrs. FENWICK, Mr. FLORIO, Mr. FORSYTHE, Mr. HOLLENBECK, Mr. HOWARD, Mr. LE FANTE, Mr. MAGUIRE, Mrs. MEYNER, Mr. MINISH, Mr. PATTEN, Mr. RINALDO, Mr. ROE, and Mr. THOMPSON):

H.R. 8889. A bill to provide for equalizing the costs of unemployment compensation, revising the extended benefits program, and for other purposes; to the Committee on Ways and Means.

By Mr. ROE (for himself, Mr. JOHNSON of California, Mr. HAMMERSCHMIDT, Mr. HOWARD, Mr. GOLDWATER, Mr. CORNWELL, Mr. RISENHOOVER, Mrs. LLOYD of Tennessee, Mr. MCCORMACK, Mr. ERTEL, Mr. CARR, Mr. MURPHY of Pennsylvania, Mr. BURGENER, Mr. LLOYD of California, Mr. HOLLENBECK, Mr. FLORIO, Mr. RODINO, and Mr. HUGHES):

H.R. 8890. A bill to establish a grant program for safety projects at certain general aviation airports, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ROGERS:

H.R. 8891. A bill to amend the Federal Food, Drug, and Cosmetic Act and related provisions of law to improve the protection of the public health and safety with respect to drugs; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSTENKOWSKI (by request):

H.R. 8892. A bill to make technical improvements in the tax laws; to the Committee on Ways and Means.

By Mr. ROYBAL (for himself, Mr. EDWARDS of California, Mr. HAWKINS, and Mrs. MEYNER):

H.R. 8893. A bill to provide for payment by the United States for certain medical services and treatment provided to U.S. citizens and permanent residents suffering from physical injuries attributable to the atomic bomb explosions on Hiroshima and Nagasaki, Japan, in August 1945; to the Committee on the Judiciary.

By Mr. SARASIN:

H.R. 8894. A bill to amend the Farm Labor Contractor Registration Act of 1963, as amended, and for other purposes; to the Committee on Education and Labor.

By Mr. SIMON (for himself, and Mr. CORRADA):

H.R. 8895. A bill to amend title 39, United States Code, to provide that, with respect to the appointment of postmasters in small communities, the U.S. Postal Service shall give preference to applicants for such appointment who reside in such communities; to the Committee on Post Office and Civil Service.

By Mr. STAGGERS (for himself and Mr. METCALFE):

H.R. 8896. A bill to amend the act of March 4, 1907, commonly referred to as the Hours of Service Act; to the Committee on Interstate and Foreign Commerce.

By Mr. STARK:

H.R. 8897. A bill to amend the Internal Revenue Code of 1954 to provide that income derived from the regulated sale of electrical energy will be exempt from income taxes, to impose an excise tax on the purchase of electrical energy from a public utility, and for other purposes; to the Committee on Ways and Means.

By Mr. STEIGER (for himself, Mr. ERLENBORN, Mr. KRUEGER, and Mr. SARASIN):

H.R. 8898. A bill to amend the Internal Revenue Code of 1954 to allow persons covered by certain other retirement plans to establish personal savings for retirement; to the Committee on Ways and Means.

By Mr. THOMPSON:

H.R. 8899. A bill to declare a national policy on investment in the private sector of the U.S. economy; to the Committee on Banking, Finance and Urban Affairs.

By Mr. TRAXLER (for himself, Mr. BONIOR, Mr. MURPHY of New York, Mr. MOAKLEY, Mr. GILMAN, Mr. BLOUIN, Mr. CAPUTO, Mr. MCCLOSKEY, Mr. JENRETTE, Mr. MARKS, Mr. MONTGOMERY, Mr. LUKEN, Mr. CHARLES WILSON of Texas, Mr. KRUEGER, Mr. CORNWELL, and Mr. YOUNG of Alaska):

H.R. 8900. A bill to amend title 38 United States Code, to provide that a member of a Reserve component of the Armed Forces shall not be denied certain employment because of a membership in such Reserve component; to the Committee on Veterans' Affairs.

By Mr. TRAXLER (for himself, Mr. AMMERMAN, Mr. TUCKER, and Mr. WIRTH):

H.R. 8901. A bill to provide for the monthly publication of a Consumer Price Index for the Aged and Other Social Security Beneficiaries, which shall be used in the provision of the cost-of-living benefit increases authorized by title II of the Social Security Act; to the Committee on Ways and Means.

H.R. 8902. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

By Mr. TREEN:

H.R. 8903. A bill to provide compensation to fishermen whose gear is damaged by materials or equipment used on the Outer Continental Shelf of unknown ownership; to establish leasing area revolving funds, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. TREEN (for himself, Mr. BAFALIS, Mr. BURGENER, Mr. DERWINSKI, Mrs. HOLT, Mr. HYDE, Mr. KETCHUM, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. MONTGOMERY, Mr. MOORHEAD of California, Mr. RHODES, Mr. ROUSSELOT, Mr. RUDD, Mr. THONE, Mr. WHITEHURST, Mr. WINN, Mr. FOUNTAIN, Mr. LENT, Mr. CAPUTO, and Mr. GUYER):

H.R. 8904. A bill to amend the Immigration and Nationality Act to prevent the illegal entry and employment of aliens in the United States, to facilitate the admission of aliens for temporary employment, to regulate the issuance and use of social security account cards, and for other purposes; jointly, to the Committees on the Judiciary, Education and Labor, and Ways and Means.

By Mr. TREEN (for himself, Mr. LAFALCE, Mr. MCCLORY, and Mr. EVANS of Delaware):

H.R. 8905. A bill to amend the provisions of the Federal Salary Act of 1967 and the Legislative Reorganization Act of 1946 which relate to the adjustment of the salary rate for Members of Congress, and for other purposes; jointly, to the Committees on Post Office and Civil Service, and Rules.

By Mr. TRIBLE (for himself, Mr. BAUCUS, Mr. CORCORAN of Illinois, Mr. ROBERT W. DANIEL, Jr., Mr. EVANS of Delaware, Mr. LUKEN, Mr. MAGUIRE, Mrs. MEYNER, Mr. MILLER of California, Mr. MOORHEAD of California, Mr. RINALDO, Mr. SEIBERLING, and Mr. BONKER):

H.R. 8906. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses and for other purposes; to the Committee on Ways and Means.

By Mr. TSONGAS (for himself, Mr. ADDABBO, Mr. BENJAMIN, Mr. COHEN, Mr. EMERY, Mr. HAMMERSCHMIDT, Mr. HUGHES, Mr. JENRETTE, Mr. KRUEGER, Mr. MANN, Ms. MIKULSKI, Mr. MURPHY of Pennsylvania, Mr. PATTERSON of California, and Mr. YOUNG of Alaska):

H.R. 8907. A bill to reorganize the executive branch of the Government by consolidation of functions and to increase efficiency and coordination in the area of disaster assistance, emergency preparedness, mobilization readiness, and for other purposes; to the Committee on Government Operations.

By Mr. VANIK (for himself, Mr. DUNCAN of Tennessee, Mr. CORMAN, Mr. FISHER, and Mr. ARCHER):

H.R. 8908. A bill to amend the Internal Revenue Code of 1954 to correct a technical problem affecting the tax treatment of employees under nondiscriminatory employee choice compensation plans; to the Committee on Ways and Means.

By Mr. VANIK (for himself, Mr. BEDELL, Mr. BONIOR, Mr. BROWN of California, Mrs. BURKE of California, Mr. DRINAN, Mr. EDGAR, Mr. JEFFORDS, Mr. LE FANTE, and Mr. STUDDS):

H.R. 8909. A bill to provide for the recycling of used oil, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Government Operations, and Science and Technology.

By Mr. WATKINS (for himself, Mr. STEED, and Mr. EDWARDS of Oklahoma):

H.R. 8910. A bill to provide for the use and distribution of funds appropriated in satisfaction of the judgment awarded to the

Seminole Indians in dockets 73 and 151 before the Indian Claims Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WEAVER:

H.R. 8911. A bill to amend the Export Administration Act of 1969 to prohibit exportation of the pelts of any fur-bearing animal and products made from such pelts, unless the Secretary of the Interior determines that such exportation will not result in a decline in the population of such animal, excluding animals raised in captivity; to the Committee on International Relations.

By Mr. WHELAN:

H.R. 8912. A bill to amend the Small Business Act to expand assistance under such Act to minority small business concerns, to provide statutory standards for contracting and subcontracting by the United States with respect to such concerns, and to create a Commission on Federal Assistance to Minority Enterprise, and for other purposes; jointly, to the Committees on Small Business, Government Operations, and Banking, Finance and Urban Affairs.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BINGHAM, Mr. JONES of Oklahoma, and Mr. PANETTA):

H.R. 8913. A bill to provide that certain cost-of-living and other increased benefits received under title II of the Social Security Act will not be considered as income for purposes of determining eligibility and the amount of benefits of participants in the food stamp program and for purposes of determining eligibility and the amount of benefits of participants in certain programs concerning surplus agricultural commodities; to the Committee on Agriculture.

H.R. 8914. A bill to provide that social security benefit increases occurring after May 1977 shall not be considered as income or resources for the purposes of determining the eligibility for or amount of assistance which any individual or family is provided under certain Federal housing laws; to the Committee on Banking, Finance and Urban Affairs.

H.R. 8915. A bill to amend title XIX of the Social Security Act to make certain that individuals otherwise eligible for medicaid benefits do not lose such eligibility, or have the amount of such benefits reduced, because of increases in monthly social security benefits; to the Committee on Interstate and Foreign Commerce.

By Mr. WHALEN (for himself, Mr. BLANCHARD, Mr. CORNWELL, Mr. EVANS of Indiana, Mr. GILMAN, and Mr. PATTERSON of California):

H.R. 8916. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BINGHAM, Mr. JONES of Oklahoma, and Mr. PANETTA):

H.R. 8917. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. WHALEN (for himself, Mr. WALGREN, Mr. MCCLOSKEY, Mr. LEACH, Mr. GRADISON, and Mr. FORSYTHE):

H.R. 8918. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, and that a deduction shall be allowed for contributions to such trusts; to the Committee on Ways and Means.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BINGHAM, Mr. JONES of Oklahoma, and Mr. PANETTA):

H.R. 8919. A bill to amend the Social Security Act to make certain that recipients of aid to families with dependent children and recipients of supplemental security income benefits will not have the amount of such aid or benefits reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. WHALEN (for himself, Mr. BEDELL, Mr. BENJAMIN, Mr. PATTISON of New York, Mr. SIMON, and Mrs. SPELLMAN):

H.R. 8920. A bill to amend title II of the Social Security Act to reduce the effect of wage and price fluctuation on old-age, survivors, and disability insurance benefits, with such benefits being computed on the basis of the worker's 10 or less years of highest earnings; to the Committee on Ways and Means.

By Mr. WHALEN (for himself, Mr. FARY, Mr. GUYER, Mr. MYERS of Indiana, Mr. PEPPER, Mr. SIMON, Mr. VAN DEERLIN, and Mr. CHARLES WILSON of Texas):

H.R. 8921. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of an individual the first $5,000 received from civil service and Foreign Service retirement annuities; to the Committee on Ways and Means.

By Mr. WINN (for himself and Ms. KEYS):

H.R. 8922. A bill to amend the Natural Gas Act to provide certain limitations on gas curtailment plans; to the Committee on Interstate and Foreign Commerce.

Mr. WOLFF (for himself and Mr. PRITCHARD):

H.R. 8923. A bill to restore to certain institutions of higher learning their rights to determine academic standards of progress with respect to veterans and to provide counseling to veterans whose educational assistance allowance is discontinued under certain circumstances, and for other purposes; to the Committee on Veterans' Affairs.

Mr. YATRON (for himself, Mr. GUDGER, Mr. BEDELL, and Mrs. SPELLMAN):

H.R. 8924. A bill to amend the Immigration and Nationality Act to change certain criteria for determining whether an alien is excludable from admission to, or deportable from, the United States as a public charge and to provide that an alien may not be admitted to the United States unless a citizen of the United States enters into an enforceable agreement to provide support to such alien for a period of 5 years after admission; to the Committee on the Judiciary.

By Mr. DERWINSKI (for himself, Mr. BURGENER, Mr. COLLINS of Texas, Mrs. HOLT, Mr. ROSTENKOWSKI, Mr. WAGGONNER, and Mr. CHARLES WILSON of Texas):

H.J. Res. 576. Joint resolution to authorize the construction and maintenance of a monument to General Draza Mihailovich in the District of Columbia, in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II; to the Committee on House Administration.

By Mr. JACOBS (for himself, Mrs. KEYS, Mr. BEVILL, Mr. ENGLISH, Mr. HALL, Mrs. HOLT, Mr. HUCKABY, Mr. KETCHUM, Mr. LOTT, Mr. MCCLORY, Mr. STUMP, and Mr. WHITLEY):

H.J. Res. 577. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. NOLAN (for himself, Mr. ADDABBO, Mr. ANDERSON of California, Mr. BADILLO, Mr. BALDUS, Mr. BAUCUS, Mr. BEVILL, Mr. BINGHAM, Mr. BLOUIN, Mr. BOLAND, Mr. BONIOR, Mr. BRADEMAS, Mr. BRECKINRIDGE, Mr. BRODHEAD, Mr. BROWN of California, Mr. BURGENER, Mrs. BURKE of California, Mr. PHILLIP BURTON, Mr. CARNEY, Mr. CAVANAUGH, Mrs. CHISHOLM, Mr. CLEVELAND, Mr. COHEN, Mr. CONTE, and Mr. CORMAN):

H.J. Res. 578. Joint resolution authorizing the President to proclaim the third week of May of 1978 and 1979, as "National Architectural Barrier Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. NOLAN (for himself, Mr. VENTO, Mr. CORNWELL, Mr. CORRADA, Mr. D'AMOURS, Mr. DODD, Mr. DOWNEY, Mr. DRINAN, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EDWARDS of Oklahoma, Mr. EILBERG, Mr. FAUNTROY, Mr. FINDLEY, Mr. FISHER, Mr. GIBBONS, Mr. GILMAN, Mr. GLICKMAN, Mr. GORE, Mr. GRASSLEY, Mr. GUYER, and Mr. HANNAFORD):

H.J. Res. 579. Joint resolution authorizing the President to proclaim the third week of May 1978 and 1979 as "National Architectural Barrier Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. NOLAN (for himself, Mr. HOWARD, Mr. JEFFORDS, Mr. JENRETTE, Mr. KETCHUM, Mrs. KEYS, Mr. KILDEE, Mr. KINDNESS, Mr. KOSTMAYER, Mr. KREBS, Mr. LAGOMARSINO, Mr. LENT, Mr. LLOYD of California, Mrs. LLOYD of Tennessee, Mr. MCHUGH, Mr. MAGUIRE, Mr. MARKEY, Mr. MARKS, Mr. MARLENEE, Mr. MAZZOLI, Mrs. MEYNER, Ms. MIKULSKI, Mr. MIKVA, Mr. MILLER of California, and Mr. MINETA):

H.J. Res. 580. Joint resolution authorizing the President to proclaim the third week of May of 1978 and 1979 as "National Architectural Barrier Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. NOLAN (for himself, Mr. MOFFETT, Mr. MURPHY of Pennsylvania, Mr. NEAL, Mr. NICHOLS, Ms. OAKAR, Mr. O'BRIEN, Mr. OTTINGER, Mr. PANETTA, Mr. PATTERSON of California, Mr. PRESSLER, Mr. QUIE, Mr. RAHALL, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. SANTINI, Mr. SIMON, Ms. SPELLMAN, Mr. SPENCE, Mr. STANGELAND, Mr. STARK, Mr. STEERS, and Mr. STOKES):

H.J. Res. 581. Joint resolution authorizing the President to proclaim the third week of May 1978 and 1979 as "National Architectural Barrier Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. NOLAN (for himself, Mr. VENTO, Mr. WATKINS, Mr. WEISS, Mr. WHITEHURST, Mr. BOB WILSON, Mr. CHARLES WILSON of Texas, Mr. WINN, Mr. YATRON, Mr. ZEFERETTI, Mr. WAXMAN, Mr. HORTON, Mr. MOAKLEY, and Mr. HAWKINS):

H.J. Res. 582. Joint resolution authorizing the President to proclaim the third week of May 1978 and 1979 as "National Architectural Barrier Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. OBERSTAR (for himself and Mr. MICHAEL O. MYERS):

H.J. Res. 583. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. GILMAN (for himself, Mr. BAUCUS, Mr. BONIOR, Mr. BRODHEAD, Mr. BROOMFIELD, Mr. CAPUTO, Mr.

COHEN, Mr. FRENZEL, Mr. FREY, Mr. GOODLING, Mr. GUYER, Mr. KEMP, Mr. KINDNESS, Mr. KRUEGER, Mr. MITCHELL of New York, Mr. MURPHY of Pennsylvania, Ms. OAKAR, Mr. O'BRIEN, Mr. ROE, Mr. VENTO, Mr. WALSH, Mr. WAXMAN, Mr. WHITEHURST, Mr. CHARLES WILSON OF Texas, and Mr. WINN) :

H. Con. Res. 331. Concurrent resolution to express the sense of Congress that a United National special investigatory commission should be established to secure a full accounting of Americans listed as missing in Southeast Asia; to the Committee on International Relations.

By Mr. HALL (for himself, Mr. DEVINE, Mr. STUMP, Mr. ASHBROOK, Mr. KEMP, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. DICKINSON, Mr. BADHAM, Mr. MCCLORY, Mr. EDWARDS of Oklahoma, Mr. HAGEDORN, Mr. MATHIS, Mr. LOTT, Mr. FITHIAN, Mr. DORNAN, Mr. FOUNTAIN, Mr. MOORHEAD of California, and Mr. NICHOLS) :

H. Con. Res. 332. Concurrent resolution relative to U.S. relations with the Republic of China; to the Committee on International Relations.

By Mr. JENRETTE (for himself, Mr. SISK, Mr. CORRADA, Mr. DERWINSKI, Mr. EILBERG, Mr. VENTO, Mr. MURPHY of Pennsylvania, Mr. DUNCAN of Tennessee, Mr. COHEN, Mr. MCCLORY, Mr. LEHMAN, Mr. GUYER, Mr. WINN, Mr. HUGHES, Mr. LENT, Mr. HEFTEL, Mr. LE FANTE, Mr. MAZZOLI, Mr. GILMAN, Mr. WALKER, Mr. CORNWELL, Mr. SANTINI, and Mr. KEMP) :

H. Con. Res. 333. Concurrent Resolution relating to the resolution of certain issues in United States-Cuban relations; to the Committee on International Relations.

By Mr. KOCH (for himself, Mrs. FENWICK, Mr. DODD, Mr. ARCHER, Mr. PHILLIP BURTON, Mr. BRODHEAD, Mr. KEMP, Mr. BONIOR, Mr. WOLFF, Mr. MOAKLEY, Mr. BLANCHARD, Mr. CRANE, Mr. DRINAN, Mr. RODINO, Mr. LONG of Maryland, Mr. RANGEL, Ms. HOLTZMAN, Mr. NEDZI, Mr. ROSENTHAL, Mr. OTTINGER, Mr. FRASER, Mr. BEVILL, Mr. HYDE, Mr. PEASE, and Mr. HORTON) :

H. Con. Res. 334. Concurrent Resolution expressing the request of the U.S. Government that the Government of the Union of Soviet Socialist Republics provide Valentyn Moroz with the opportunity to accept the invitation of Harvard University; to the Committee on International Relations.

By Mr. KOCH (for himself, Mrs. FENWICK, Mr. DODD, Mr. GUYER, Mr. SOLARZ, Mr. GILMAN, Mr. COTTER, Mrs. MEYNER, Mr. ADDABBO, Mr. KOSTMAYER, Mr. MARKS, Mr. MAZZOLI, Mr. WAXMAN, Ms. OAKAR, Mr. SIMON, Ms. MIKULSKI, Mr. HANSEN, Mr. BUCHANAN, Mr. EILBERG, Mr. FARY, Mr. WALGREN, Mr. ROE, and Mr. RICHMOND) :

H. Con. Res. 335. Concurrent Resolution expressing the request of the U.S. Government that the Government of the Union of Soviet Socialist Republics provide Valentyn Moroz with the opportunity to accept the invitation of Harvard University; to the Committee on International Relations.

By Mr. KOCH (for himself, Mrs. FENWICK, Mr. DODD, Mr. ARCHER, Mr. BRODHEAD, Mr. KEMP, Mr. BONIOR, Mr. WOLFF, Mr. MOAKLEY, Mr. BLANCHARD, Mr. DRINAN, Mr. OTTINGER, Mr. FRASER, Mr. HYDE, and Mr. HORTON) :

H. Con. Res. 336. Concurrent Resolution urging the Soviet Union to release Yurij Shukhevych from prison on humanitarian grounds; to the Committee on International Relations.

By Mr. KOCH (for himself, Mr. GUYER, Mr. SOLARZ, Mr. COTTER, Mrs. MEYNER, Mr. ADDABBO, Mr. KOSTMAYER, Mr. MARKS, Mr. MAZZOLI, Mr. WAXMAN, Ms. OAKAR, Ms. MIKULSKI, Mr. HANSEN, Mr. MITCHELL of Maryland, Mr. BUCHANAN, Mr. EILBERG, Mr. FARY, Mr. WALGREN) :

H. Con. Res. 337. Concurrent Resolution urging the Soviet Union to release Yurij Shukhevych from prison on humanitarian grounds; to the Committee on International Relations.

By Mr. KOCH (for himself, Mr. GUYER, Mr. SOLARZ, Mr. GILMAN, Mr. COTTER, Mrs. MEYNER, Mr. ADDABBO, Mr. KOSTMAYER, Mr. MARKS, Mr. MAZZOLI, Mr. WAXMAN, Ms. OAKAR, Mr. SIMON, Ms. MIKULSKI, Mr. HANSEN, Mr. BUCHANAN, Mr. EILBERG, Mr. FARY, Mr. WALGREN, Mr. ROE, and Mr. RICHMOND) :

H. Con. Res. 338. Concurrent resolution urging the Soviet Union to release Mykola Rudenko and Oleksa Tykhy; to the Committee on International Relations.

By Mr. KOCH (for himself, Mrs. FENWICK, Mr. DODD, Mr. ARCHER, Mr. PHILLIP BURTON, Mr. BRODHEAD, Mr. KEMP, Mr. BONIOR, Mr. WOLFF, Mr. MOAKLEY, Mr. BLANCHARD, Mr. CRANE, Mr. DRINAN, Mr. RODINO, Mr. LONG of Maryland, Mr. RANGEL, Ms. HOLTZMAN, Mr. NEDZI, Mr. ROSENTHAL, Mr. OTTINGER, Mr. FRASER, Mr. BEVILL, Mr. HYDE, Mr. PEASE, and Mr. HORTON) :

H. Con. Res. 339. Concurrent resolution urging the Soviet Union to release Mykola Rudenko and Oleksa Tykhy; to the Committee on International Relations.

By Mr. LENT (by request) :

H. Con. Res. 340. Concurrent resolution calling for the convening of a convention for proposing amendments to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. ANDERSON of Illinois (for himself, Mr. RHODES, Mr. COHEN, Mr. GOLDWATER, Mr. HAGEDORN, Mrs. HOLT, and Mr. PRESSLER) :

H. Res. 744. Resolution providing for the consideration of the bill (H.R. 8125) to provide for the appointment of a special prosecutor in appropriate cases, and to require the Attorney General to make a preliminary investigation of alleged improper influence in Congress to determine whether or not such a special prosecutor should be appointed for any cases arising therefrom; to the Committee on Rules.

By Mr. BONKER (for himself and Mr. DICKS) :

H. Res. 745. Resolution relating to the future telecommunications policy of the Nation; to the Committee on Interstate and Foreign Commerce.

By Mr. DORNAN (for himself, Mr. BEILENSON, Mr. ROUSSELOT, Mr. BURGENER, Mr. WIGGINS, Mr. KETCHUM, Mr. MOORHEAD of California, Mrs. PETTIS, Mr. DON H. CLAUSEN, Mr. ASHBROOK, and Mr. BEARD of Tennessee) :

H. Res. 746. Resolution commending Francis Gary Powers; to the Committee on Post Office and Civil Service.

By Mr. FINDLEY (for himself, Mr. BYRON, Mr. GOLDWATER, Mr. HAGEDORN, Mr. JENKINS, Mr. MANN, Mr. MIKVA, Mr. MONTGOMERY, and Mr. PEASE) :

H. Res. 747. Resolution to maximize local nighttime radio service; to the Committee on Interstate and Foreign Commerce.

By Mrs. LLOYD of Tennessee:

H. Res. 748. Resolution disapproving the proposed deferral (D77-58A) of budget authority for the Clinch River breeder reactor; to the Committee on Appropriations.

By Mr. McDONALD (for himself, Mr. ARCHER, Mr. CONABLE, Mr. FREY, Mr. STANTON, Mr. TEAGUE, Mr. CORCORAN of Illinois, Mr. RINALDO, Mr. GAMMAGE, and Mr. EVANS of Delaware) :

H. Res. 749. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. TREEN:

H. Res. 750. Resolution relative to establishing a national telecommunications policy; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BADILLO:

H.R. 8925. A bill for the relief of Fernando Gutierrez Lazo and Dolores Moya Machado; to the Committee on the Judiciary.

By Mr. COHEN:

H.R. 8926. A bill for the relief of Gregory Wayne Olsen; to the Committee on the Judiciary.

H.R. 8927. A bill for the relief of Monika Grantz; to the Committee on the Judiciary.

By Mr. DORNAN:

H.R. 8928. A bill for the relief of Nguyen Cong Hoan; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 8929. A bill for the relief of Dr. Cosme R. Cagas, Mrs. Linda San Diego Cagas, Elcee Cagas, Chess Cagas, Georgina Cagas, and Chester Cagas; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 8930. A bill to confer U.S. citizenship posthumously upon Leopoldine Marie Schmid; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 8931. A bill for the relief of Joseph W. Mottola, Brooklyn, N.Y.; to the Committee on the Judiciary.

By Mr. TREEN:

H.R. 8932. A bill for the relief of Hannah Cunningham; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.R. 8933. A bill for the relief of Dr. Virgilio Follosco Floresca and Thelma Pulido Floresca; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

173. By the SPEAKER: Petition of the Yankee Division Veterans Association, Inc., Boston, Mass., relative to proposed changes in the code of conduct for prisoners of war; to the Committee on Armed Services.

174. Also, petition of the council of the city of New York, N.Y., relative to creation of a Federal bank to loan money to cities; to the Committee on Banking, Finance and Urban Affairs.

175. Also, petition of the Yankee Division Veterans Association, Inc., Boston, Mass., relative to the Panama Canal and Canal Zone; to the Committee on International Relations.

176. Also, petition of the Yankee Division Veterans Association, Inc., Boston, Mass., relative to shipping imported oil in American-flag tankers; to the Committee on Merchant Marine and Fisheries.

177. Also, petition of the Yankee Division Veterans Association, Boston, Mass., relative to the American Battle Monuments Commission; to the Committee on Veterans' Affairs.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following registrations were submitted for the second calendar quarter 1977:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_____

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

A. The Ad Hoc Committee on Airline Regulatory Reform, P.O. Box 19029, Washington, D.C. 20036.

A. ADTEC, Inc., Post Office Box 354, Sarasota, Fla. 33577.
B. Piper Aircraft Corp., Lock Haven, Pa. 17745.

A. W. Eugene Ainsworth, 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Coastal States Gas Producing Co., 5 Greenway Plaza East, Houston, Tex. 77046.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15 Street NW., Washington, D.C. 20005.
B. Sanchez/O'Brien Petroleum Corp., P.O. Box 1337, Loredo, Tex. 78040.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Sun Co., 1608 Walnut Street, Philadelphia, Pa. 19103.

A. Barbara Ann Alderson, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.

A. American Institute of Homeopathy, 6231 Leesburg Pike, Falls Church, Va. 22044.

A. American League for International Security Assistance, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

A. American National Standards Institute, 1430 Broadway, New York, N.Y. 10018.

A. The American-Nicaraguan Council, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.

A. American Surveys, Embassy Square, Suite 901, 2000 N Street NW., Washington, D.C. 20036.
B. Committee for Energy Resources, 2000 N Street NW., Suite 901, Washington, D.C. 20036.

A. Jack R. Angell, United Gas Pipe Line Co., 1101 17th Street NW., Washington, D.C. 20036.
B. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex 77002.

A. Francine Ardito, 706 Seventh Street SE., Washington, D.C. 20003.
B. National Abortion Rights Action League, 706 Seventh Street SE., Washington, D.C. 20003.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Maritz, Inc., 1355 North Highway Drive, Fenton, Mo. 63026.

A. Aviation Consumer Action Project, Box 19029, Washington, D.C. 20036.

A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77002.

A. James Taylor Banks, 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, 917 15th Street NW., Washington, D.C. 20005.
A. Thomas J. Barlow, 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, 917 15th Street NW., Washington, D.C. 20005.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.
B. JOC Oil, Inc., Olympic Tower, 645 Fifth Avenue, New York, N.Y. 10022.

A. Batzell, Nunn & Bode, 1524 L Street NW., Washington, D.C. 20005.
B. Mt. Airy Refining Co., One Allen Center, Suite 1000, Houston, Tex. 77002.

A. Allison Beck, 113 Fourth Street SE., Washington, D.C. 20003.
B. Energy Action Educational Foundation, 1523 L Street NW., Room 302, Washington, D.C. 20005.

A. Robert J. Becker, M.D., Joint Council of Allergy and Immunology, 4902 Tollview Drive, Suite 107, Rolling Meadows, Ill. 60008.

A. Kathleen M. Bennett, Crown Zellerbach, 1660 L Street NW., Suite 915, Washington, D.C. 20036.
B. Crown Zellerbach, One Bush Street, San Francisco, Calif. 94119.

A. John C. Bennison, ASTA, 818 18th Street NW., No. 400, Washington, D.C. 20008.
B. American Society of Travel Agents (ASTA) 711 Fifth Avenue, New York, N.Y. 10022.

A. Kenneth Berlin, 44 East 67 Street, New York, N.Y.
B. Rare Animal Relief Effort, Inc., c/o National Audubon Society, 950 Third Avenue, New York, N.Y.

A. Berry, Epstein & Sandstrom, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Energy Consumers and Producers Association, Petroleum Plaza, Box 1726, Seminole, Okla. 74868.

A. Beveridge, Fairbanks & Diamond, One Farragut Square South, Washington, D.C. 20006.
B. Union Seas, 1 Rue de la Chancellerie, B–1000, Brussels, Belgium.

A. Judith Lynn Campbell Bird, 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, 917 15th Street NW., Washington, D.C. 20005.

A. C. Thomason Bishop, III, National Association of Manufacturers, 2 Militia Drive, Lexington, Mass. 02173.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Tom G. Black, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Richard H. Blades, Bell Petroleum Co., 16633 Ventura Boulevard, Suite 700, Los Angeles, Calif. 91436.
B. Bell Petroleum Co., 16633 Ventura Boulevard, Suite 700, Los Angeles, Calif. 91436.

A. Mark A. Bloomfield, 2475 Virginia Avenue NW., No. 108, Washington, D.C. 20037.
B. WEMA, 2600 El Camino Real, Palo Alto, Calif. 94306.

A. Wayne F. Boan, National Association of Manufacturers, 8320 Gulf Freeway, Suite 243, Houston, Tex. 77017.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
A. Carolyn Bode, 7008 Partridge Place, Hyattsville, Md. 20782.
B. Women's Lobby, Inc., 201 Massachusetts Avenue NE., Washington, D.C. 20002.

A. Theodore D. Bogue, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Public Citizen Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.

A. William H. Bonde, 1776 F Street NW., Suite 5, Washington, D.C. 20006.
B. National Wool Growers Association, 1776 F Street NW., Suite 5, Washington, D.C. 20006.

A. Sharon Lee Bonitt, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.

A. Bonneville Associate, 747 East South Temple, Suite 102, Salt Lake City, Utah, 84103.
B. Richard Bass, 1150 Merchantile Building, Dallas, Tex. 75201.

A. Bonneville Associate, 747 East South Temple, No. 102, Salt Lake City, Utah 84103.
B. Snowbird Corp., Snowbird, Utah.

A. Edward T. Borda, 1625 I Street NW., Washington, D.C. 20006.
B. Association of General Merchandise Chains, 1625 I Street NW., Washington, D.C. 20006.

A. Lorelei Borland, Food Research and Action Center, Inc., 2011 I Street NW., No. 700, Washington, D.C. 20006.
B. Food Research and Action Center, Inc., 2011 I Street NW., Suite 700, Washington. D.C. 20006.

A. Henry W. Brook, Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.
B. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

A. Donald G. Brotzman, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. David S. J. Brown, Suite 604, 1101 17th Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

A. Dennis E. Brown, National Association of Manufacturers, 2 Militia Drive, Lexington, Mass. 02173.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Karen H. Brown, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. C.A.U.S.I.I.T.A. (Committee for the Abolition of U.S. Individual Income Taxes Abroad), George E. Fischer Associates, 2152 DuPont Drive, Irvine, Calif. 92715.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Fluor Corp., Suite 1209, L'Enfant Plaza SW., Washington, D.C. 20024.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Southern California Gas Co., 810 South Flower Street, Los Angeles, Calif. 90017.

A. David G. Burden, 200 East Randolph Drive, Chicago, Ill. 60601.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. David G. Burney, United States Tuna Foundation, 1007 Fifth Avenue, Suite 1100, San Diego, Calif. 92101.
B. United States Tuna Foundation, 1007 Fifth Avenue, Suite 1100, San Diego, Calif. 92101.

A. Burson-Marsteller, Suite 750 South, 1800 M Street NW., Washington, D.C. 20036.
B. Tax Equity for Americans Abroad, Suite 750 South, 1800 M Street NW., Washington, D.C. 20036.

A. B. Kent Burton, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Burwell, Hansen & Manley, 1819 H Street NW., Suite 700, Washington, D.C. 20006.
B. Trans International Airlines, Inc., P.O. Box 2504, Airport Station, Oakland, Calif. 94614.

A. Peter E. Callanan, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Honeywell, Inc., Honeywell Plaza, Minneapolis, Minn. 55408.

A. Donald L. Capshaw, 8362 Burning Tree Lane, Germantown, Tenn. 38138.

A. Carl J. Carlson, Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.
B. Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.

A. James P. Carty, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.
B. Slurry Transport Association Legislative Committee, 490 L'Enfant Plaza East, Suite 3210, Washington, D.C. 20024.

A. Owen Chaffee, 203 Yoakum Parkway, No. 1012, Alexandria, Va. 22304.
B. Manufactured Housing Institute, P.O. Box 201, Chantilly, Va. 22021.

A. Jerry L. Chambers, National Association of Manufacturers, 801 Northland Towers West, Southfield, Mich. 48075.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Steven M. Champlin, 49 Hountington Street, New Haven, Conn. 06451.
B. National Association of Concerned Veterans, Room 314, 1900 L Street NW., Washington, D.C. 20036; and Association of Northeast Veterans Counceling Organizations, c/o Workers Defense League, 84 Fifth Avenue, Room 402, New York, N.Y. 10011.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002 (for Lone Star Steel Co., P.O. Box 35888, Dallas, Tex. 75235).

A. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
A. James M. Christian, Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.
B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

A. Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.

A. Citizen's Choice, Inc., 1615 H Street NW., Washington, D.C. 20062.

A. Citizens for the Truth About Nicaragua, 475 L'Enfant Plaza, Suite 4100, Washington, D.C.

A. Rosemary Claassen, 228 E Street NE., Washington, D.C. 20002.
B. Manufactured Housing Institute, P.O. Box 201, Chantilly, Va. 22021.

A. Bob Clark & Associates, Suite 1908, 400 Madison Street, Alexandria, Va. 22314.
B. Ryder System, Miami, Fla.

A. James W. Clark, Jr., American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Alvin Levin, O.D., 120 South Hanover Street, Carlisle, Pa. 17013.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Synthetic Organic Chemical Manufacturers Association, 1075 Central Park Avenue, Scarsdale, N.Y. 10533.

A. Clifford, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Warner-Lambert Co., 201 Tabor Road, Morris Plains, N.J. 07950.

A. Coalition of Automotive Associations, 1128 16th Street NW., Washington, D.C. 20036.

A. Coalition on American Rivers, P.O. Box 2667, Station A, Champaign, Ill. 61820.

A. Carl A. S. Coan, Jr., 1707 L Street NW., Suite 450, Washington, D.C. 20036.
B. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C. 20036.

A. Thomas B. Cochran, 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, Inc., 917 15th Street NW., Washington, D.C. 20005.

A. Lynn R. Coleman, 1701 Pennsylvania Avenue NW., Suite 1120, Washington, D.C. 20006.
B. Vinson & Elkins (for Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001), 1701 Pennsylvania Avenue, Suite 1120, Washington, D.C. 20006.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for Business Roundtable), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for Computer Science Corp.), 1200 17th Street NW., Washington, D.C. 20036.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow (for Marathon Oil), 1200 17th Street NW., Washington, D.C. 20036.

A. Harold R. Collier, Tenneco, Inc., 490 L'Enfant Plaza East SW., Suite 2202, Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Committee for Tax Incentives to Encourage Renewable Resource Use, Box 402, R.D. 1, Troy, Va. 22974.

A. Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.

A. Consolidated Office Building, Inc., 115 North Pennsylvania Street, Indianapolis, Ind. 46204.

A. Cook, Henderson & Saxbe, 1776 K Street NW., Tenth Floor, Washington, D.C. 20006.
B. El Paso Alaska Co., Pouch 7009, Anchorage, Alaska 99510.

A. Cook, Henderson & Saxbe, 1776 K Street NW., Tenth Floor, Washington, D.C. 20006.
B. Texas Gas Transmission Corp., 3800 Frederica Street, Owensboro, Ky. 42301.

A. Cook, Henderson & Saxbe, 1776 K Street NW., Tenth Floor, Washington, D.C. 20006.
B. Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.

A. Corcoran, Youngman & Rowe, 1511 K Street NW., Suite 1100, Washington, D.C. 20005.
B. Underwriters Laboratories, 207 East Ohio Avenue, Chicago, Ill. 60611.

A. R. H. Cory, 1510 American Bank, Towers, Austin, Tex. 78701.
B. CSR Services, Inc., 1510 American Bank Towers, Austin, Tex. 78701.

A. Harris L. Coulter, 5104 Wehawken Road, Washington, D.C. 20016.
B. American Institute of Homeopathy, 6231 Leesburg Pike, Falls Church, Va.

A. Kenneth A. Cox, 1150 17th Street NW., Washington, D.C. 20036.
B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.

A. Cox, Smith, Smith, Hale & Guenther, Inc., 500 National Bank of Commerce Building, San Antonio, Tex. 78205.
B. Sanchez-O'Brien Petroleum Corp., P.O. Box 1337, Laredo, Tex. 78040.

A. Cramer, Haber and Becker, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.
B. The American-Nicaraguan Council, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.

A. Cramer, Haber and Becker, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.
B. Government of Nicaragua, Comite Nacional de Emergencia, Managua, Nicaragua.

A. F. Bosley Crowther, 3d, Box 402, R.D. 1, Troy, Va. 22974.
B. Committee for Tax Incentives to Encourage Renewable Resource Use, Box 402, R.D. 1, Troy, Va. 22974.

A. Richard D. Cudahy, Suite 701, 1050 17th Street NW., Washington, D.C. 20036.
B. Central and South West Corp., P.O. Box 1631, Wilmington, Del. 19899.

A. Frank Cummings, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. New York State Beauty Schools' Association, Inc., 404 Fifth Avenue, New York, N.Y. 10018.

A. Thomas B. Curtis, Curtis, Crossen, Hensley & Allen, 7912 Bonhomme, Clayton, Mo. 63105.
B. Encyclopedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.
A. Mimi Cutler, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

B. Aviation Consumer Action Projects, Box 19029, Washington, D.C. 20036.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.
B. Computer Systems of America, Inc., 141 Milk Street, Boston, Mass. 02109.

A. Joseph Dauksys, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Thomas A. Davis, 1776 F Street NW., Washington, D.C. 20006.
B. National Corporation for Housing Partnerships, 1133 15th Street NW., Washington, D.C.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Legislature of the Virgin Islands, Charlotte Amalie, St. Thomas, V.I. 00801.

A. Sue Ellen Dean, Coastal States Gas Corp., 1015 18th Street NW., Suite 610, Washington, D.C. 20036.
B. Coastal States Gas Corp., 1015 18th Street NW., Suite 610, Washington, D.C. 20036.

A. John Russell Deane III, 1128 16th Street NW., Washington, D.C. 20036.
B. Coalition of Automotive Associations, 1128 16th Street NW., Washington, D.C. 20036.

A. Debevoise & Liberman, Suite 700, 806 15th Street NW., Washington, D.C. 20005.
B. Aetna Life & Casualty, 151 Farmington Avenue, Hartford, Conn. 06156.

A. Catharine B. Deely, 1730 M Street NW., Washington, D.C. 20036.
B. The League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

A. Delaware Pro-Life Congressional District Action Committee, 700 Euclid Avenue, Bellefonte, Wilmington, Del. 19809.

A. Gerald F. Devlin, 15518 Annapolis Road, Bowie, Md. 20715.
B. Howard Gould, 2013 Carew Tower, Cincinnati, Ohio 45202.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. AgTek International, Inc., 189 Elm Street, New Canaan, Conn. 06840.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. United States Tour Operators Association, 1671 Wilshire Boulevard, Los Angeles, Calif. 90017.

A. William P. Diener, 620 Pine Tree Road, Winter Park, Fla. 32789.
B. Florida Gas Transmission Co., P.O. Box 44, Winter Park, Fla. 32790.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Suite 205, Washington, D.C. 20036.
B. Westlands Water District, P.O. Box 5222, Fresno, Calif. 93755.

A. William D. D'Onofrio, 2022 Wildwood Drive, Wilmington, Del. 19805.
B. National Association for Neighborhood Schools, Inc., P.O. Box 683, New Castle, Del. 19720.

A. William D. D'Onofrio, 2022 Wildwood Drive, Wilmington, Del. 19805.
B. Positive Action Committee, Inc., P.O. Box 683, New Castle, Del. 19720.

A. R. Larry Drake, Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.
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A. W. H. Drushel, Jr., 2100 First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002 (for Quintana Petroleum Corp., 601 Jefferson Street, Houston, Tex. 77002).

A. W. H. Drushel, Jr., 2100 First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002 (for Quintana Refinery Co., 601 Jefferson Street, Houston, Tex. 77002).

A. William DuChessi, Amalgamated Clothing and Textile Workers Union, 815 16th Street NW., Washington, D.C. 20006.
B. Amalgamated Clothing and Textile Workers Union, 99 University Place, New York, N.Y. 10003.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C., 20006.
B. Alaska Federation of Natives, Inc., 550 West Eighth Street, Anchorage, Alaska 99503.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. The Aloha Association, Suite 572, Alex. Young Building, Honolulu, Hawaii 96813.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Foothills Pipe Lines (Yukon), Ltd., Suite 2121, Tower A, 320 Queen Street, Ottawa, Ontario, Canada KIRSA3.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Kenai Native Association, Inc., P.O. Box 1210, Wildwood, Kenai, Alaska 99611.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Koniag, Inc., P.O. Box 746, Kodiak, Alaska 99615.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Shee Atika, Inc., Box 578, Mt. Edgecumbe, Alaska 99835.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Western Railroad Association, 222 South Riverside Plaza, Room 1200, Chicago, Ill. 60606.

A. James A. Dupree, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Air Bus Industrie, Avenue Lucien Servanty, 31700 Blagnac (Toulouse), France.

A. Ed Edmondson, 444 Court Street, Muskogee, Okla. 74401.
B. Alaskan Arctic Gas Pipeline Co., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Ed Edmondson, 444 Court Street, Muskogee, Okla. 74401.
B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.

A. Ellen M. Egan, ASTA, 818 18th Street NW., No. 400, Washington, D.C. 20008.
B. American Society of Travel Agents (ASTA), 711 Fifth Avenue, New York, N.Y. 10022.

A. 18th Congressional District Action Committee, c/o Paul E. Kohl, 330 East 33d Street, No. 2N, New York, N.Y. 10016.

A. Richard Eisenmann, 607 G Street SW., Washington, D.C. 20024.
B. Panamanian Committee for Human Rights.

A. Robert Raymond Elliott, Dechert Price & Rhoads, 888 17th Street NW., Washington, D.C. 20006.
B. Creighton Omaha Regional Health Care Corp., 2305 South 10th Street, Omaha, Nebr. 68108.

A. Dorothy A. Ellsworth, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

A. Energy Action Educational Foundation, 1523 L Street NW., Room 302, Washington, D.C. 20005.

A. Energy Consumers and Producers Association, Petroleum Plaza, Box 1726, Seminole, Okla. 74868.

A. Ralph Engel, 1001 Connecticut Avenue NW., Suite 1120, Washington, D.C. 20036.
B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

A. Robert J. Englehart, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. James R. Enyart, 1101 17th Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

A. Thomas E. Esterly, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Robert B. Evans, National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.
B. National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.

A. Robbie G. Exley, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Dolores L. Farr, American Nurses' Association, 1030 15th Street NW., Suite 408, Washington, D.C. 20005.
B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.

A. Clinton B. Fawcett, Coastal States Gas Corp., 5 Greenway Plaza, East, Houston, Tex. 77046.
B. Coastal States Gas Corp., 5 Greenway Plaza, East, Houston, Tex. 77046.

A. Peter J. Fearey, 215 Market Street, Suite 930, San Francisco, Calif. 94105.
B. California Council for Environmental and Economic Balance, 215 Market Street, Suite 930, San Francisco, Calif. 94105.

A. A. Lee Fentress, Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.
B. Loteria Nacional para la Asistencia Publica of Mexico/Government Agency of Mexico, Plaza de la Reforma No. 1, Mexico 1 D.F.

A. Manual D. Fierro, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Fifth Prolife Congressional District Action Committee, 2306 Sheraton Lane, Florence, Ala. 35630.

A. Laurie Ann Fiori, National Retired Teachers Association/American Association of Retired Persons, 1901 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Assoication of Retired Persons, 1901 K Street NW., Washington, D.C. 20049.

A. First Investment Annuity Co. of America, P.O. Box 831, No. 7 Valley Forge Executive Mall, Valley Forge, Pa. 19482.

A. Mary Clare Fitzgerald, 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.

A. James F. Flug, 2904 Brandywine Street NW., Washington, D.C. 20008.
B. Energy Action Educational Foundation, 1523 L Street NW., Room 302, Washington, D.C. 20005.

A. Food Research and Action Center, Inc., 2011 I Street NW., Suite 700, Washington, D.C. 20006.

A. Paul H. Ford, 1008 Robroy Drive, Silver Spring, Md. 20903.
B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20005.

A. Harley M. Frankel, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Children's Defense Fund of the Washington Research Project, Inc.

A. Annette P. Fribourg, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. The Gadsden Times, Inc., 2600 Virginia Avenue NW., Washington, D.C. 20037.

A. Gadsden Times Publishing Corp., Post Office Box 188, Gadsden, Ala. 35901.

A. Robert Gants, 1101 15th Street NW., Suite 1000, Washington, D.C. 20005.
B. National Constructors Association, 1101 15th Street NW., Suite 1000, Washington, D.C. 20005.

A. Wendell P. Gardner, Jr., 1211 Connecticut Avenue NW., Suite 802, Washintgon, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.

A. Lillian B. Gaskin, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.

B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.

A. Genentech, 475 Sansome Street, 15th Floor, San Francisco, Calif. 94111.

A. Claire M. Geoghegan, 520 North Capitol Street, Suite 800, Washington, D.C. 20001.
B. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street, Suite 800, Washington, D.C. 20001.

A. Forrest Gerard and Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. Ak Chin Indian Community, Route 1, Box 12, Maricopi, Ariz. 85239.

A. Forrest Gerard and Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. All Indian Pueblo Council, Inc., 907 Indian School Road NW., Albuquerque, N. Mex. 87107.

A. Forrest Gerard and Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. Association on American Indian Affairs, 432 Park Avenue South, New York, N.Y. 10016.

A. Forrest Gerard and Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. Makah Tribal Council, P.O. Box 115, Neah Bay, Wash. 98357.

A. Forrest Gerard and Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. Quinault Indian Nation, P.O. Box 1118, Tahola, Wash. 98587.

A. Forrest Gerard and Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. Yakima Tribal Council, P.O. Box 632, Toppenish, Wash. 98948.

A. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.

A. Michael J. Giuffrida, 1469 Quail Hollow Road, Harrisburg, Pa. 17112.
B. National Frozen Food Association, Inc., 1 Chocolate Avenue, P.O. Box 398, Hershey, Pa. 17033.

A. Richard C. Gohla, Presidential Building, Suite 250, 6525 Belcrest Road, Hyattsville, Md. 20782.
B. Associated Retail Bakers of America, 6525 Belcrest Road, Suite 250, Hyattsville, Md. 20782.

A. Lloyd L. Golding, National Association of Truck Stop Operators, Inc., 501 Slaters Lane, Alexandria, Va. 22314.
B. National Association of Truck Stop Operators, Inc.

A. Gerald Goldman, 1660 L Street NW., Washington, D.C. 20036.
B. Battles Farm Co., Bay Village Co., Cummins Towers Co., and Southfield Gardens Co., c/o Max R. Kargman, 151 Tremont Street, Boston, Mass. 02111.

A. Brenda J. Gore, 1155 15th Street NW., Washington, D.C. 20005.
B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.

A. John K. Gram, Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.
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A. The Great Atlantic & Pacific Tea Co., Inc., 2 Paragon Drive, Montvale, N.J. 07645.

A. Mark Green, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

A. Peter Alan Greene, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.

A. Roger F. Griffin, 1620 I Street NW., Suite 703, Washington, D.C. 20006.
B. Bechtel Corp., 1620 I Street NW., Suite 703, Washington, D.C.

A. Frank N. Grossman, Santa Fe Industries, Inc., 1100 Connecticut Avenue NW., Suite 840, Washington, D.C. 20036.
B. Santa Fe Industries, Inc., 224 South Michigan Avenue, Chicago, Ill. 60604.

A. J. Randall Groves, Bryant, Groves & Essex, 1490 Southern National Center, Charlotte, N.C. 28202.
B. Mastrom Inc., Asheville, N.C.

A. Thomas M. Gunn, P.O. Box 516, St. Louis, Mo. 63166.
B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.

A. Paul R. Haerle, Thelen, Marrin, Johnson & Bridges, Two Embarcadero Center, Room 2200, San Francisco, Calif. 94111.
B. Energy Transportation Systems, Inc., P.O. Box 3965, San Francisco, Calif. 94119.

A. Charles T. Hagel, 1730 K Street NW., Suite 915, Washington, D.C. 20006.
B. Firestone Tire and Rubber Co., 1200 Firestone Parkway, Akron, Ohio 44317.

A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1701 Pennsylavnia Avenue NW., Washington, D.C. 20006.
B. The Williams Co., One Williams Center, Tulsa, Okla. 74103.

A. Floyd D. Hall, 277 Park Avenue, New York, N.Y. 10017.
B. International Air Transport Association, P.O. Box 550, 1000 Sherbrooke Street West, Montreal, Quebec H3A 2R4, Canada.

A. Norman S. Halliday, 600 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. Norman S. Halliday, 600 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. National Association of Greeting Card Publishers, 170 Mason Street, Greenwich, Conn. 06830.

A. J. Lincoln Hallowell, New England Petroleum Corp., 825 Third Avenue, New York, N.Y. 10022.
B. New England Petroleum Corp., 825 Third Avenue, New York, N.Y. 10022.

A. Erling Hansen, Gorup Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

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A. Thomas R. Hendershot, Obermayer, Rebmann, Maxwell & Hippel, 2011 I Street NW., Suite 500, Washington, D.C. 20006.

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B. Pennsylvania Food Processors Association, Mushroom Processors Committee, 25 North Duke Street, York, Pa. 17070.

A. Donald A. Henriksen, 515 South Flower Street, Los Angeles, Calif. 90071.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Hewes, Wolf & Jiran, 1720 I Street NW., Suite 400, Washington, D.C. 20006.

B. Pennsylvania Petroleum Association, Building 2, Suite D, 2101 North Front Street, Harrisburg, Pa. 17110.

A. Richard Hinds, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036 (for Synthetic Organic Chemical Manufacturers Association).

A. Bertram E. Hirsch, 76–17 250 Street, Bellerose, N.Y. 11426.

B. Fallon Paiute and Shoshone Tribes, Fallon, Nev.

A. Lawrence S. Hoffheimer, 6849 Old Dominion Drive, McLean, Va. 22101.

B. American Group Practice Association, 20 South Quaker Lane, Alexandria, Va. 22314.

A. Lawrence S. Hoffheimer, National Multiple Sclerosis Society, 6845 Elm Street, Suite 511, McLean, Va. 22101.

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A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Champlin Petroleum Co., P.O. Box 9365, Fort Worth, Tex. 76107.

A. Hogan & Hartson, 815 Connecticut Avenue, Washington, D.C. 20006.

B. Cravens Wanlass Corp., 1442 Irvine Boulevard, Suite 101, Tustin, Calif. 92680.

A. Horton & Co., Inc., 1010 16th Street NW., Suite 700, Washington, D.C. 20036.

B. Dependent Communities Committee, Post Office Box 12549, Salem, Oreg. 97309.

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B. Monsanta Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.

A. Robert A. Jablon, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. Ft. Pierce Utilities Authority, et al.

A. Mary Jo Jacobi, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

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A. E. A. Jaenke & Associates Inc., 1735 I Street NW., Washington, D.C. 20006.

B. Australian Wool Corp., Wool House, 369 Royal Parade, Parkville, Victoria 3052.

A. Richard W. Johnson, Jr., 110 Maryland Avenue NE., Suite 511, Washington, D.C. 20002.

B. Non-Commissioned Officers Association of the USA (NCOA), P.O. Box 2268, San Antonio, Tex. 78298.

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B. Thoroughbred Racing Associations, 522 Fifth Avenue, New York, N.Y. 10036.

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A. Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency, et al.

A. Squire, Sanders & Dempsey, 1800 Union Commerce Building, Cleveland, Ohio 44115; and Cox, Lanford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Public Securities Association, One World Trade Center, New York, N.Y. 10048.

A. David E. Stahl, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Street NW., Washington, D.C. 20005.

A. David P. Stang, Suite 601, 1629 K Street NW., Washington, D.C. 20006.
B. J. Ray McDermott and Co., Inc., 1010 Common Street, New Orleans, La. 70160.

A. David P. Stang, Suite 601, 1629 K Street NW., Washington, D.C. 20006.
B. National Ocean Industries Association, 1100 17th Street NW., Washington, D.C. 20036.

A. State and Federal Associates, Inc., 1101 15th Street NW., Suite 303, Washington, D.C. 20005.
B. Potato Chip/Snack Food Association, 915 Euclid Office Plaza, 26250 Euclid Avenue, Euclid, Ohio 44132.

A. Eugene L. Stewart, Room 910, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pulp and Paper Machinery Manufacturers' Association, Room 910, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

A. Sarah Jane Stewart, 706 Seventh Street SE., Washington, D.C. 20003.
B. National Abortion Rights Action League, 706 Seventh Street SE., Washington, D.C. 20003.

A. Richard B. Straus, 444 North Capitol Street NW., Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Washington, D.C. 20001.

A. Edward L. Strohbehn, Jr., 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, Inc., 917 15th Street NW., Washington, D.C. 20005.

A. Stroock & Stroock & Lavan, 61 Broadway, New York, N.Y. 10006.
B. Bank Hapoalim B.M., 50 Rothschild Boulevard, Tel Aviv, Israel.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. Independent Cutters and Sewers of Children's Sleepwear, care of Bates Nitewear, P.O. Drawer 12648, Greensboro, N.C.

A. John H. Studebaker, 3901 Connecticut Avenue NW., Washington, D.C. 20008.
B. National Caves Association, Signal Mountain, Tenn.

A. John H. Studebaker, 3901 Connecticut Avenue NW., Washington, D.C. 20008.
B. National Committee for Locks and Dams No. 26, 1129 20th Street NW., Washington, D.C.

A. Sullivan & Cromwell, 48 Wall Street, New York, N.Y. 10005.
B. General Electric Credit Corp., 260 Long Ridge Road, Stamford, Conn. 06902.

A. Harold R. Sullivan, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

A. Michael J. Sullivan, 2525 10th Street North, No. 216, Arlington, Va. 22201.
B. National Committee on Locks and Dams No. 26, 1129 20th Street NW., Room 512, Washington, D.C. 20036.

A. Thomas F. H. Sullivan, Nine Red Fox Lane (Echo Hill), Amherst, Mass. 01002.
B. Solargen Energy Systems, P.O. Box 999, Amherst, Mass. 01002.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Mutual of Omaha, 33d at Dodge Street, Omaha, Nebr. 68131.

A. Robert D. Swezey, Jr., 1150 17th Street NW., Washington, D.C. 20036.
B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.

A. John B. Tacke, 1744 R Street NW., Washington, D.C. 20009.
B. Dependent Communities Committee, P.O. Box 12549, Salem, Oreg. 97309.

A. Robert Taft, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, 600 Dixie Terminal Building, Cincinnati, Ohio 45202 (for Special Committee for Workplace Product Liability Reform, 1150 Connecticut Avenue, Washington, D.C.).

A. Burt L. Talcott, American Consulting Engineers Council, 1155 15th Street NW., No. 713 Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.

A. H. William Tanaka, Tanaka, Walders & Ritger, 1819 H Street NW., Washington, D.C. 20006.
B. Japan Automobile Manufacturers Association, Otemachi Building, 4, 1-chome, Otemachci, Chiyoda-ku, Tokyo, Japan.

A. Susan M. Tannenbaum, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

A. Warren, Tanner, 118 Prince Street, New York, N.Y. 10012.

A. William M. Tartikoff, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

A. 10th Pro-Life Congressional District Action Committee, 1835 Matthews Avenue, Bronx, N.Y. 10462.

A. Harvey M. Tettlebaum, 101 West High Street, Suite 202, Jefferson City, Mo. 65101.
B. Encyclopaedia Britannica, Inc., 625 North Michigan, Chicago, Ill. 60611.

A. 35th Congressional District Action Committee, Box 1, Chaffee, N.Y. 14030.

A. 36th Congressional District Action Committees, 151 South Lane, Grand Island, N.Y.

A. 37th Congressional District Action Committee, 419 Woodbridge Avenue, Buffalo, N.Y. 14214.

A. 38th Pro-Life Congressional District Action Committee, 83 Thistle Lea, Williamsville, N.Y. 14221.

A. Fred D. Thompson, Thompson & Crawford, First American Center, Nashville, Tenn. 37238.
B. Aircraft Engine Business Group, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

A. Melissa A. Thompson, Projects for Population Action, 110 Maryland Avenue NE., Washington, D.C. 20002.
B. Projects for Population Action, One Dag Hammarskjold Plaza, New York, N.Y. 10017.

A. Timmons and Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. The Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.

A. Charles R. Titus, Society of the Plastics Industry, 355 Lexington Avenue, New York, N.Y. 10017.
B. Society of the Plastics Industry, 355 Lexington Avenue, New York, N.Y. 10017.

A. Thomas J. Trabucco, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. The Tuscaloosa News, Inc., 2600 Virginia Avenue NW., Washington, D.C. 20037.

A. Tuscaloosa Newspapers, Inc., Post Office Drawer No. 1, Tuscaloosa, Ala. 35401.

A. 25th Pro-Life Congressional District Action Committee, 26 Helena Avenue, Mohegan Lake, N.Y. 10547.

A. 26th Pro-Life Congressional District Action Committee, 46 Jerrys Avenue, Nanuet, N.Y. 10954.

A. Joan E. Twiggs, 1730 M Street NW., Washington, D.C. 20036.
B. The League of Women Voters of the U.S., 1730 M Street NW., Washington, D.C. 20036.

A. Donald T. Ubben, 1-B, 2300 Freetown Court, Reston, Va. 22091.
B. The Conservative Caucus, Suite 305, 7777 Leesburg Pike, Falls Church, Va. 22043.

A. Stewart L. Udall, Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Alaska Federation of Natives, Inc., 500 West Eighth Street, Anchorage, Alaska 99503.

A. Stewart L. Udall, Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. The Aloha Association, Suite 572, Alexander Young Building, Honolulu, Hawaii 96813.

A. Stewart L. Udall, Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Foothills Pipe Lines (Yukon), Ltd., Suite 2121, Tower A, 320 Queen Street, Ottawa, Ontario, Canada KIRSA3.

A. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.

A. U.S. Congressional District No. 1, Pro-Life Congressional District Action Committee, R.D. 2, Chesapeake Isle, North East, Md. 21901.

A. U.S. Overseas Employees Tax Fairness Committee, 1101 15th Street NW., Suite 1000, Washington, D.C. 20005.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Allstate Insurance, Allstate Plaza, Northbrook, Ill. 60062.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. American Bakers Association, 2020 K Street NW., Washington, D.C. 20006.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Arctic Slope Regional Corp.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Committee for Consumers No-Fault, Suite 500, 1220 19th Street NW., Washington, D.C. 20036.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Montana Power Co., 400 East Broadway, Butte, Mont. 59710.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Western Crude Oil, Inc., P.O. Box 5568, Denver Center Building, Denver, Colo. 80217.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Wheelabrator-Frye, Inc., Liberty Lane, Hampton, N.H. 03842.

A. Joel K. Van Wynen, the Presbyterian Hospital in the City of New York, 622 West 168th Street, New York, N.Y. 10032.

B. The Presbyterian Hospital in the City of New York, 622 West 168th Street, New York, N.Y. 10032.

A. Richard F. Vander Veen, 666 Old Kent Building, Grand Rapids, Mich. 49503.

B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.

A. James A. Venema, 35 Melanie Drive, New Castle, Del. 19720.

B. National Association for Neighborhood Schools, Inc., P.O. Box 683, New Castle, Del. 19720.

A. James A. Venema, 35 Melanie Drive, New Castle, Del. 19720.

B. Positive Action Committee, Inc., P.O. Box 683, New Castle, Del. 19720.

A. Virgin Islands Manufacturers and Importers Association, P.O. Box Q, Kings Hill Post Office, Christiansted, V.I. 00850.

A. Christine M. Waisanen, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of United States, 1615 H Street NW., Washington, D.C. 20062.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. American League of Anglers, 75 Rockefeller Plaza, Suite 1705, New York, N.Y. 10019.

A. Leonard F. Walentynowicz, 4970 Sentinel Drive, Apartment 301, Sumner, Md. 20016.

B. Polish-American Congress, 1200 North Ashland Avenue, Chicago, Ill. 60622.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Encyclopaedia Britannica, Inc., and Affiliates, 425 North Michigan Avenue, Chicago, Ill. 60611.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Lone Star Steel Co., 2200 West Mockingbird Lane, Dallas, Tex. 75235.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. Michael H. Walsh, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

A. John F. Wannamaker, 1625 I Street NW., Washington, D.C. 20006.

B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.

A. William F. Ware, 410 First Street SE., Washington, D.C. 20003.

B. American Civil Liberties Union, 22 East 40th Street, New York, N.Y. 10016.

A. Nan Waterman, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

A. Arnold Wechsler, 463 West Street 703D, New York, N.Y. 10014.

A. Frances E. Welles, National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.

B. National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.

A. Harry Wells, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.

B. Horton & Co., Inc., 1010 16th Street NW., Suite 700, Washington, D.C. 20036.

A. L. H. Wells, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.

B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.

A. Wenchel, Schulman & Manning, 1625 K Street NW., Washington, D.C. 20006.

B. Tuscaloosa Newspapers, Inc., et al.

A. White & Case, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. New England Petroleum Corp., 825 Third Avenue, New York, N.Y. 10022.

A. White & Case, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Presbyterian Hospital in the City of New York, 622 West 168th Street, New York, N.Y. 10032.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Congaree Limited Partnership, 222 West Adam Street, Suite 1354, Chicago, Ill. 60606.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The Church of Jesus Christ of Latterday Saints, 50 East North Temple, Salt Lake City, Utah.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.

B. Federal National Mortgage Association (FNMA), 1133 15th Street NW., Washington, D.C. 20005.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. The Association of Family Farmers, 1130 17th Street NW., Washington, D.C. 20036.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Blyth Eastman Dillon and Co., Inc., One Chase Manhattan Plaza, New York, N.Y. 10005.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. C. Brewer and Co., Ltd., P.O. Box 1826, Honolulu, Hawaii 96801.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Domestic Petroleum Council, Suite 600, 1130 17th Street NW., Washington, D.C. 20036.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Institute For Due Process For Financial Institutions, 1130 17th Street NW., Washington, D.C. 20036.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. The Superior Oil Co., First City National Bank Building, Houston, Tex 77002.

A. Williams & King, 1620 I Street NW., Suite 800, Washington, D.C. 20006.

B. American Netting Manufacturers Organization, 927 First Street, Menominee, Mich. 49858.

A. Thomas C. Williams, 1776 K Street NW., Washington, D.C. 20006.

B. Association of American Railroads, 40 Ivy Street SE., Washington, D.C.

A. Winston & Strawn, 1730 Pennsylvania Avenue NW., Suite 1040, Washington, D.C. 20006.

B. New England Petroleum Corp., 825 Third Avenue, New York, N.Y. 10022.

A. Karen T. J. Winterbottom, Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

A. Frank R. Wolf, 1730 North Lynn Street, Suite 400, Arlington, Va. 22209.

B. Northwest Pipeline Corp., 315 East 200 South, Salt Lake City, Utah 84111.

A. Burton C. Wood, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

A. Diane Woodruff, Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.

B. Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.

A. Melanie Woolston, National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.

B. National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.

A. Dee Workman, 150 East 42d Street, New York, N.Y. 10017.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

A. Thomas K. Zaucha, The Great Atlantic & Pacific Tea Co., Inc., 1800 M Street NW., Suite 645 South, Washington, D.C. 20036.

B. The Great Atlantic & Pacific Tea Co., Inc., 2 Paragon Drive, Montvale, N.J. 07645.

A. Roger H. Zion, Resources Development, Inc., 1155 15th Street NW., Suite 418, Washington, D.C. 20005.

B. Indianapolis Power & Light Co., 25 Monument Circle, Indianapolis, Ind. 46206.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the second calendar quarter 1977:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_____

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $_____Dues and assessments
2. $_____Gifts of money or anything of value
3. $_____Printed or duplicated matter received as a gift
4. $_____Receipts from sale of printed or duplicated matter
5. $_____Received for services (e.g., salary, fee, etc.)

6. $_____TOTAL for this Quarter (Add items "1" through "5")
7. $_____Received during previous Quarters of calendar year

8. $_____TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $_____TOTAL now owed to others on account of loans
10. $_____Borrowed from others during this Quarter
11. $_____Repaid to others during this Quarter

12. $_____"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": _____

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor* ("*Period*" from Jan. 1 through _____, 19____)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $_____Public relations and advertising services
2. $_____Wages, salaries, fees, commissions (other than item "1")
3. $_____Gifts or contributions made during Quarter
4. $_____Printed or duplicated matter, including distribution cost
5. $_____Office overhead (rent, supplies, utilities, etc.)
6. $_____Telephone and telegraph
7. $_____Travel, food, lodging, and entertainment
8. $_____All other expenditures

9. $_____TOTAL for this Quarter (Add "1" through "8")
10. $_____Expended during previous Quarters of calendar year

11. $_____TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $_____TOTAL now owed to person filing
13. $_____Lent to others during this Quarter
14. $_____Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7–11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7–15, 8–15, 9–15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

A. Bruce Adams, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,499.97. E. (9) $11.40.

A. John J. Adams, Suite 1040, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ethyl Corp., 330 South Fourth Street, Richmond, Va.
D. (6) $175.

A. John J. Adams, Suite, 1060, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Vepco, Seventh and Franklin Streets, Richmond, Va.
D. (6) $450.

A. William P. Adams, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
D. (6) $11,069.34. E. (9) $11,069.34.

A. AFL–CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,100. E. (9) $4,860.45.

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Aerospaliale 37, Boulevard de Montmorency 75016 Paris, France).

A. Agricultural Trade Council, 1028 Connecticut Avenue NW., Washington, D.C. 20036.

A. W. Eugene Ainsworth, 1000 16th Street NW., No. 500, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $1,686.47.

A. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $11,108.90. E. (9) $11,108.80.

A. Aircraft Owners & Pilots Association, P.O. Box 5800, Washington, D.C. 20014.
E. (9) $4,636.83.

A. Randolf H. Aires, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $1,450. E. (9) $312.20.

A. G. Colburn Aker, 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.
D. (6) $1,250.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. American Collectors Association, Inc., 4040 West 70th Street, Minneapolis, Minn. 55435.
D. (6) $2,000.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Coastal States Gas Producing Co., 5 Greenway Plaza East, Houston, Tex. 77046.
D. (6) $2,300.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Gibbs Oil Co., 40 Lee Burbank Highway, Revere, Mass. 02151.
D. (6) $3,000.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Haskins & Sells, 1114 Avenue of the Americas, New York, N.Y., 10036.
D. (6) $2,500.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Sanchez/O'Brien Petroleum Corp., P.O. Box 1337, Laredo, Tex., 78040.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Society of Independent Gasoline Marketers of America (Sigma), 230 South Bemiston Street, St. Louis, Mo.
D. (6) $7,500. E. (9) $101.80.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Sun Co., 1608 Walnut Street, Philadelphia, Pa. 19103.
D. (6) $2,000.

A. Alcalde, Henderson, O'Bannon & Kline, 1911 North Fort Myer Drive, Suite 1207, Rosslyn, Va. 22209.
B. Association of Local Transport Airlines, 1801 K Street NW., Suite 803, Washington, D.C. 20006.
D. (6) $3,000.

A. Alcalde, Henderson, O'Bannon & Kline, 1911 North Fort Myer Drive, Suite 1207, Rosslyn, Va. 22209.
B. Tampa Electric Co., P.O. Box 111, Tampa, Fla. 33601.
D. (6) $1,500.

A. Alcalde, Henderson, O'Bannon & Kline, 1911 North Fort Myer Drive, Suite 1207, Rosslyn, Va. 22209.
B. Tampa Port Authority, P.O. Box 2192, Tampa, Fla. 33601.
D. (6) $3,600.

A. Alcalde, Henderson, O'Bannon & Kline, 1911 North Fort Myer Drive, No. 1207, Rosslyn, Va. 22209.
B. Jim Walter Corp., P.O. Box 22601, Tampa, Fla. 33622.
D. (6) $3,000.

A. Alderson, Catherwood, Ondov & Leonard, 105 East Oakland Avenue, Austin, Minn. 55912.
B. The Hormel Foundation, Austin, Minn. 55912.

A. G. Kenneth Aldrich, National Association of Manufacturers, 222 South Prospect Avenue, Park Ridge, Ill. 60068.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $225.

A. Willis W. Alexander, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,875. E. (9) $3,403.28.

A. Roger D. Allen, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Maxton Allcox, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.
D. (6) $5,625.

A. Webb M. Alspaugh, 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
D. (6) $150. E. (9) $1,528.

A. Ricardo R. Alvarado, 6108 Fort Hunt Road, Alexandria, Va. 22307.
B. Lockheed Aircraft Corp., P.O. Box 551, Burbank, Calif. 91520.
D. (6) $1,840. E. (9) $600.

A. Robert Alvarez, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C.
D. (6) $2,250.

A. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Amalgamated Transit Union, National Capital Local Division 689, 100 Indiana Avenue NW., No. 403, Washington, D.C. 20001.

A. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
D. (6) $1,447.30. E. (9) $1,447.30.

A. American Association of Meat Processors, 224 East High Street, Elizabethtown, Pa. 17022.
D. (6) $593.14. E. (9) $13.06.

A. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $32,769.57. E. (9) $32,769.57.

A. The American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $2,177.41. E. (9) $2,177.41.

A. American Committee on U.S.-Soviet Relations, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $9,825. E. (9) $17,450.10.

A. American Council for Capital Formation, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $83,394. E. (9) $2,153.

A. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $1,767.

A. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $7,678.48. E. (9) $7,678.48.

A. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068; 425 13th Street NW., Washington, D.C. 20004.
D. (6) $53,371. E. (9) $53,371.

A. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
E. (9) $94,674.99.

A. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $300. E. (9) $300.

A. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $153,855.63. E. (9) $550.

A. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $11,765.73. E. (9) $11,765.73.

A. American Hellenic Institute, Public Affairs Committee, Inc., 1730 K Street NW., Washington, D.C. 20006.
D. (6) $400. E. (9) $255.

A. American Honey Producers Association, P.O. Box 368, Minco, Okla. 73059.
D. (6) $3,600. E. (9) $4,550.05.

A. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,654.48. E. (9) $15,904.92.

A. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $8,185.44. E. (9) $5,025.65.

A. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201.
E. (9) $1,800.

A. American Insurance Association, 85 John Street, New York, N.Y. 10038.
D. (6) $47,475. E. (9) $47,475.

A. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
E. (9) $3,545.

A. American League for International Security Assistance, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $14,186.93. E. (9) $14,186.93.

A. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007 (1600 Wilson Boulevard, Arlington, Va.).
E. (9) $8,485.63.

A. American Medical Association, 535 North Dearborn, Chicago, Ill. 60610.
D. (6) $3,783.75. E. (9) $41,862.95.

A. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $10,420.

A. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.
E. (9) $4,087.50.

A. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $75,293.72. E. (9) $20,917.01.

A. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $3,813.90. E. (9) $3,813.90.

A. American Optometric Association, c/o Alvin Levin ,120 South Hanover Street, Carlisle, Pa. 17013.
D. (6) $1,518.72. E. (9) $1,518.72.

A. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. American Parents Committee, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,577.70. E. (9) $7,524.19.

A. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $43,155. E. (9) $72,816

A. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005.
D. (6) $6,916.33. E. (9) $6,916.33.

A. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
E. (9) $12,414.38.

A. American Postal Workers Union, AFL–CIO, 871 14th Street NW., Washington, D.C.
D. (6) $2,294,490.88. E. (9) $132,155.84.

A. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $4,435.34. E. (9) $4,624.85.

A. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.

A. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $993.91. E. (9) $993.91.

A. American Surveys, Embassy Square, Suite 901, 2000 N Street NW., Washington, D.C. 20036.
B. Committee for Energy Resources, 2000 N Street NW., Suite 901, Washington, D.C. 20036.
D. (6) $3,000. E. (9) $857.52.

A. American Surveys, Embassy Square, Suite 901, 2000 N Street NW., Washington, D.C. 20036.
B. National Customs Brokers & Forwarders Association of America, Inc., 1 World Trade Center, Suite 1109, New York, N.Y. 10048.
D. (6) $244.69. E. (9) $111.20.

A. American Textile Manufacturers Institute, Inc., Wachovia Center, 400 South Tryon Street, Charlotte, N.C. 28285.
D. (6) $40,147.61. E. (9) $40,147.61.

A. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $10,290.06. E. (9) $54,521.58.

A. American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C. 20005.
D. (6) $50. E. (9) $202.10.

A. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $2,195. E. (9) $3,003.33.

A. Anthony L. Anderson, Sun Co., Inc., Suite 820, 1800 K Street NW., Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $5,500. E. (9) $1,250.

A. C. Ann Anderson, NL Industries, Inc., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $1,000.

A. J. L. Anderson, 818 16th Street NW., Washington, D.C. 20006.
B. Time, Inc., Rockefeller Center, New York, N.Y. 10020.
D. (6) $2,503.86 E. (9) $873.38.

A. M. Kent Anderson, The Trane Co., 2020 14th Street, North, Arlington, Va. 22201.
B. The Trane Co., 3600 Pammel Creek Road, LaCrosse, Wis. 54601.
D. (6) $350. E. (9) $71.

A. Anderson, Pendleton & McMahon, 306 Sixth Street NW., Washington, D.C. 20001.
B. Embassy of Chile, 1732 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $3,750. E. (9) $41.32.

A. Robert L. Anderson, Deere & Co., John Deere Road, Moline, Ill. 61265.
B. Deere & Co., John Deere Road, Moline, Ill. 61265.

A. Scott G. Anderson, Burlington Northern, Inc., Suite 506, 2000 L Street NW., Washintgon, D.C. 20036.
B. Burlington Northern, Inc., 176 East Fifth Street, St. Paul, Minn. 55101.
D. (6) $1,750. E. (9) $951.30.

A. Wm. C. Anderson, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $19.

A. Scott P. Anger, 1025 Connecticut Avenue NW., Suite 1206, Washington, D.C. 20036.
B. Enserch Corp., 301 South Hardwood, Dallas, Tex. 75201.
D. (6) $200. E. (9) $93.56.

A. C. Stephen Angle, Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.
E. (9) $205.52.

A. J. Donald Annett, 1050 17th Street NW., No. 500, Washington, D.C. 20036.
B. Texaco, Inc., 135 East 42d Street, New York, N.Y. 10017.
D. (6) $330.

A. APA Co., 400 First Street NW., Washington, D.C. 20001.
B. University of Health Sciences/The Chicago Medical School, 2020 West Ogden Avenue, Chicago, Ill. 60612.
D. (6) $750.

A. Clarence A. Arata, Metropolitan Washington Board of Trade, 1129 20th Street NW., Washington, D.C. 20036.
B. Metropolitan Washington Board of Trade, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $3,750.

A. Fred Armstrong, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Howard Arnett, Pacific Power & Light Co., 918 16th Street NW., Washington, D.C. 20006.
B. Pacific Power & Light Co., Public Service Building, Portland, Oreg. 97204.
D. (6) $1,200. E. (9) $386.49.

A. Carl F. Arnold, 1100 Connecticut Avenue Avenue NW., Washington, D.C. 20036.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $8,750.01.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Petroleum Corp., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $625. E. (9) $16.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Refining Co., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $625. E. (9) $16.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Maritz, Inc., 1355 North Highway Drive, Fenton, Mo. 63026.
E. (9) $15.

A. Jean Arthurs, 4023 25th Road North, Arlington, Va. 22207.
B. Society of Military Widows, P.O. Box 254, Coronado, Calif. 92118.
D. (6) $900. E. (9) $89.

A. Joseph Ashooh, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $564.75. E. (9) $564.75.

A. Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston, Tex. 77074.
E. (9) $294.44.

A. Associated Employers, Inc., 6009 Rittiman Plaza, San Antonio, Tex. 78218.

A. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Associated Third Class Mail Users, Suite 607, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $300.

A. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.
E. (9) $902.

A. Association of American Publishers, 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $3,861.71. E. (9) $3,861.71.

A. Association of American Railroads, American Railroads Building (211), 1920 L Street NW., Washington, D.C. 20036.
D. (6) $13,048.32. E. (9) $13,048.32.

A. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.

A. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
D. (6) $4,000. E. (9) $5,680.

A. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $4,003. E. (9) $4,003.

A. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.
E. (9) $250.

A. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $885.90.

A. Automotive Parts Rebuilders Association, 6849 Old Dominion Drive, McLean, Va. 22101.
D. (6) $6,400. E. (9) $6,351.11.

A. Richard W. Averill, American Optometric Association, 7000 Chippewa Street, St. Louis, Mo. 63119.
B. American Optometric Association, c/o Alvin Levin, 120 South Hanover Street, Carlisle, Pa. 17013.
D. (6) $920. E. (9) $396.

A. Walter C. Ayers, Virginia Petroleum Industries, 1809 Staples Mill Road, Richmond, Va. 23230.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Craig H. Baab, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $600. E. (9) $100.

A. Baer Marks & Upham, 70 Pine Street, New York, N.Y. 10005.
B. Commodity Exchange, Inc. 4 World Trade Center, New York, N.Y. 10049.
D. (6) $250. E. (9) $29.50.

A. Charles W. Bailey, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

A. George F. Bailey, Jr., P.O. Box 21, Montgomery, Ala. 36101.
B. Alabama Railroad Asosciation, P.O. Box 21, Montgomery, Ala. 36101.
D. (6) $128.76. E. (9) $66.25.

A. William W. Bailey, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $3,000. E. (9) $91.45.

A. David L. Baird, Jr., 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. Exxon Corp. 1251 Avenue of the Americas, New York, N.Y.
E. (9) $224.21.

A. Michael L. Baker, National Association of Manufacturers, 801 Northland Towers West, Southfield, Mich. 48075.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $3,780.47.

A. Thomas F. Baker, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $18.03.

A. Donald Baldwin, Donald Baldwin Associates, Suite 906, 1625 I Street NW., Washington, D.C. 20006.
B. American Electric Power Co., 2 Broadway, New York, N.Y. 10004.

A. Donald Baldwin, Donald Baldwin Associates, Suite 906, 1625 I Street NW., Washington, D.C. 20006.
B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3,000.

A. Michael Baly, III, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $2,500. E. (9) $263.72.

A. Wayne B. Bardsley, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

A. Thomas H. Barksdale, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,950. E. (9) $425.

A. Sydney S. Baron & Co., 540 Madison Avenue, New York, N.Y. 10022.
E. (9) $5,000.

A. Robert W. Barrie, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $2,500. E. (9) $200.

A. David S. Barrows, 214 Century Building, Portland, Oreg. 97205.
B. Association of Oregon and California Land Grant Counties, Douglas County Court House, Roseburg, Oreg. 97470.
D. (6) $1,200.

A. T. Michael Barry, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $1,500. E. (9) 328.36.

A. James P. Bass, 1101 17th Street NW., Washington, D.C. 20036.
B. American Airlines, Inc., 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $375. E. (9) $135.

A. Robert E. Bates, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,125.

A. William M. Bates, William M. Bates/Public Relations, Inc., 814 Carnegie Building, Atlanta, Ga. 30303.
B. Georgia Farm Bureau Federation.
D. (6) $6,000. E. (9) $2,607.95.

A. Laurie C. Battle, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $2,325.

A. John F. Battles, Massachusetts Petroleum Council, 11 Beacon Street, Boston, Mass. 02108.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.
B. Independent Terminal Operators Association, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $500.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.
B. Joc Oil, Inc., Olympic Tower, 645 Fifth Avenue, New York, N.Y. 10022.
D. (6) $1,600.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.
B. Mt. Airy Refining Co., One Allen Center, Suite 1000, Houston, Tex. 77002.
D. (6) $500.

A. Gary Lee Bauer, Direct Mail/Marketing Association, Inc., 1730 K Street NW., Suite 905, Washington, D.C. 20006.
B. Direct Mail/Marketing Association, Inc., 1730 K Street NW., Suite 905, Washington, D.C. 20006.
D. (6) $2,625. E. (9) $250.

A. Richard H. Bauer, 1025 Connecticut Avenue NW., No. 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $448.16.

A. John N. Bauman, 312 Barr Building, 910 17th Street NW., Washington, D.C. 20006.
B. White Consolidated Industries, Inc., 11770 Berea Road, Cleveland, Ohio 44111.
D. (6) $5,000. E. (9) $579.60.

A. Bruce A. Beam, 40 Franklin Road SW., Roanoke, Va. 24011.
B. Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24011.
D. (6) $616.79. E. (9) $928.34.

A. John E. Bearer, 1001 Broad Street, Johnstown, Pa. 15907.

B. GPU Service Corp., 260 Cherry Hill Road, Parsippany, N.J. 07054.
D. (6) $2,136.60. E. (9) $1,662.39.

A. Donald S. Beattie, Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $2,279.84.

A. Christine T. Beatty, 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.
B. St. Joe Minerals, Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $1,970. E. (9) $11.75.

A. Allison Beck, 113 Fourth Street SE., Washington, D.C.
B. Energy Action Committee, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $403.70.

A. Robert J. Becker, Joint Council of Allergy and Immunology, 4902 Tollview Drive, Suite 107, Rolling Meadows, Ill. 60008.

A. Thomas Belford, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,612.59.

A. Alexander B. Bell, 9618 Cottrell Terrace, Silver Spring, Md. 20903.
B. United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, 901 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $3,750. E. (9) $236.71.

A. C. Thomas Bendorf, 1620 I Street NW., Washington, D.C. 20006.
B. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $3,000. E. (9) 100.

A. C. Robert Benedict, 1211 Connecticut Avenue NW., Suite 602, Washington, D.C. 20036.
B. American Osteopathic Hospital Association, 930 Busse Highway, Park Ridge, Ill. 60068.
D. (6) $300. E. (9) $20.

A. Bruce Benefield, TRW, Inc., 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $2,500.

A. Kenneth U. Benjamin, Jr., 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,887.50. E. (9) $1,239.

A. John C. Bennett, Pouch 7009, Anchorage, Alaska 99510.
B. El Paso LNG Co., P.O. Box 2185, Houston, Tex. 77001; and El Paso Alaska Co., Pouch 7009, Anchorage, Alaska 99510.
D. (6) $3,750.

A. Kathleen M. Bennett, Crown Zellerbach, 1660 L Street NW., Suite 915, Washington, D.C. 20036.
B. Crown Zellerbach, One Bush Street, San Francisco, Calif. 94119.
E. (9) $250.

A. William C. Bennett, Jr., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $35.90.

A. Benrus Corp., Benrus Center, Ridgefield, Conn. 06877.

A. Gene S. Bergoffen, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Berman & Associates, 1776 K Street NW., Suite 701, Washington, D.C. 20006.
B. Sydney S. Baron & Co., 540 Madison Avenue, New York.
D. (6) $5,000.

A. Berman & Associates, 1776 K Street NW., Suite 701, Washington, D.C. 20006.
B. Dutcher Industries, 7617 Convoy Court, San Diego, Calif. 92111.
D. (6) $3,500.

A. Berman & Associates, 1776 K Street NW., Washington, D.C. 20006.
B. Loews Corp., 666 Fifth Avenue, New York, N.Y. 10019.
D. (6) $3,000.

A. Berman & Associates, 1776 K Street NW., Suite 701, Washington, D.C. 20006.
B. Rentar Industries, 160 Central Park South, New York, N.Y. 10019.
D. (6) $2,000.

A. Berman & Associates, 1776 K Street NW., Suite 701, Washington, D.C. 20006.
B. Seagrave Corp., 350 Fifth Avenue, New York, N.Y. 10001.
D. (6) $2,000.

A. Berman & Associates, 1776 K Street NW., Suite 701, Washington, D.C. 20006.
B. Warner Communications, Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.
D. (6) $6,000.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Centre National Interprofessionnel De L'Economie Laitiere (French Dairy Association), 10 Avenue de Messine, 75008 Paris, France.
D. (6) $900.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,200.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Energy Consumers & Producers Association, Petroleum Plaza, Box 1726, Seminole, Okla. 74868.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Meat Products Group, American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. OEHEG, Sudtiroler Platz 8, A–6020 Innsbruck, Austria (Austrian Hand Cheese Association); OEMOLK, P.O. Box 176, A–1013 Vienna, Austria (Austrian Soft Cheese Association).

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Orkin Exterminating Co., Inc., 2170 Piedmont Road NE., Atlanta, Ga. 30324.
D. (6) $637.50 E. (9) $75.15.

A. Robert A. Best, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
B. American League for International Security Assistance, Inc. (ALISA), 475 L'Enfant Plaza SW., Suite 400, Washington, D.C. 20024.
D. (6) $5,000. E. (9) $1,165.27.

A. Robert L. Bevan, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $250. E. (9) $18.

A. Beveridge, Fairbanks & Diamond, 1 Farragut Square South, Washington, D.C. 20006.
B. BlueRay Systems, Inc., 375 North Broadway, Jericho, N.Y. 11753.

A. Beveridge, Fairbanks & Diamond, 1 Farragut Square South, Washington, D.C. 20006.
B. Geothermal Kinetics, Inc., 301 West Indian School Road, Phoenix, Ariz. 85013.

A. Beveridge, Fairbanks & Diamond, One Farragut Square South, Washington, D.C. 20006.
B. New England Power Co., 20 Turnpike Road, Westborough, Mass. 01581.
D. (6) $1,101.25. E. (9) $119.89.

A. Beveridge, Fairbanks & Diamond, One Farragut Square South, Washington, D.C. 20006.
B. The Society of Plastics Industry, Inc., 1150 17th Street NW., Suite 1000, Washington, D.C. 20036.

A. Beveridge, Fairbanks & Diamond, One Farragut Square South, Washington, D.C. 20006.
B. SoGen-Swiss International Corp., 20 Broad Street, New York, N.Y. 10005.

A. Andrew J. Biemiller, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $11,973. E. (9) $200.20.

A. Walter J. Bierwagen, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Thomas E. Biery, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $11.

A. Charles L. Binsted, National Congress For Petroleum Retailers, Inc., No. 201, 2021 K Street NW., Washington, D.C. 20006.
B. National Congress of Petroleum Retailers, Suite 201, 2021 K Street NW., Washington, D.C. 20006.
D. (6) $1,554. E. (9) $1,575.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street, Suite 300, Washington, D.C. 20015.
B. Calista Corp., 516 Denali Street, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.

B. Columbia Gas System Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. General Teamsters Local 959, State of Alaska, 1200 Airport Heights Road, Anchorage, Alaska 99504.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20008.

A. Tracy Bird, National Motorsports Committee of ACCUS, Suite 302, 1725 K Street NW., Washington, D.C. 20006.
B. National Motorsports Committee of ACCUS, Suite 302, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $275.

A. John L. Birkinbine, Jr., 222 South Prospect Avenue, Suite 130, Park Ridge, Ill. 60068.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $225.

A. C. Thomason Bishop, III, 2 Militia Drive, Lexington, Mass. 02173.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $225.

A. H. Radford Bishop, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $400.

A. Bison and Wenning, 1625 I Street NW., Washintgon, D.C.
B. National Food Brokers Assoication, 1916 M Street NW., Washintgon, D.C.
D. (6) $500. E. (9) $17.

A Robert B. Bizal, 1000 16th Street NW., No. 500, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago Ill. 60601.
D. (6) 364.13. E. (9) $5.57.

A. Neal R. Bjornson, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $2,000. E. (9) $33.28.

A. Tom G. Black, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
E. (9) $22.92.

A. Brent Blackwelder, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,799.99.

A. Donna C. Blair, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $175.

A. Richard W. Blake, 1776 K Street NW., No. 900, Washington, D.C. 20006.
B. American Sugarbeet Growers Association, 1776 K Street NW., No. 900, Washington, D. C. 20006.
D. (6) $330.

A. Kenneth T. Blaylock, American Federation of Government Employees, 1325 Massachusetts Avenue, NW., Washington, D.C. 20005.
B. American Federation of Government Employees 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $13,553.40. E. (9) $1,545.33.

A. Jerald Blizin, 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue New York, N.Y. 10017.
D. (6) $1,200.

A. Mark Bloomfield, American Council for Capital Formation, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
B. American Council For Capital Formation, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $300.

A. Jack A. Blum, 1015 18th Street NW., Washington, D.C. 20036.
B. Independent Gasoline Marketers Council, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
D. (6) $10,000. E. (9) $1,139.50.

A. Wayne F. Boan, National Association of Manufacturers, 8320 Gulf Freeway, Suite 243, Houston, Tex. 77017.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,300.

A. Becky Bogard, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $187.50.

A. J. Caleb Boggs, 300 Market Tower, P.O. Box 1271, Wilmington, Del. 19899.
B. Hercules Inc., Wilmington, Del.
D. (6) $3,000. E. (9) $5.25.

A. Theodore D. Bogue, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
D. (6) $450.

A. Patricia Boinski, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $25.

A. A. Dewey Bond, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 2007; 1600 Wilson Boulevard, Arlington, Va.
D. (6) $500.

A. L. H. Bonin, Jr., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., Pittsburgh, Pa. 15230.
D. (6) $2,400. E. (9) $350.

A. Sharon Lee Bonitt, Shell Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Bonneville Associates, 747 East South Temple, Suite 111, Salt Lake City, Utah 84103.
B. Richard Bass, 1150 Mercantile Building, Dallas, Tex. 75201.
E. (9) $4,951.96.

A. Bonneville Associates, Inc., 747 East 84103.
B. Salt Lake Area Chamber of Commerce, 19 East 200 South, Salt Lake City, Utah 84111.
D. (6) $3,663.59. E. (9) $12,079.34.

A. Bonneville Associates, Inc., 747 East South Temple, Suite III, Salt Lake City, Utah 84103.
B. Snowbird Corp., Snowbird, Utah 84070.
E. (9) $3,288.68.

A. Edward T. Borda, Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. G. Stewart Boswell, American Textile Manufacturers Institute, Inc., Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Suite 2124, South Tryon Street, Charlotte, N.C. 28285.
D. (6) $10,224.99. E. (9) $451.60.

A. Charles G. Botsford, 1730 M Street NW., Suite 609, Washington, D.C. 20036.

A. A. D. Bourland, 1660 L Street NW., Suite 804, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.
D. (6) $3,000. E. (9) $3,001.36.

A. Kenneth J. Bousquet, 2021 K Street NW., Suite 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $1,600. E. (9) $365.

A. Frank J. Bowden, Jr., Associated Petroleum Industries of Pennsylvania, P.O. Box 925, Harrisburg, Pa. 17108.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $312.75. E. (9) $123.15.

A. David W. Bowers, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. U.S. Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
D. (6) $1,000.

A. J. Wiley Bowers, 415 Pioneer Building, Chattanooga, Tenn. 37402.
B. Tennessee Valley Public Power Association, 415 Pioneer Building, Chattanooga, Tenn. 37402.

A. Robert R. Bowers, West Virginia Petroleum Council, Suite 714, Atlas Building, Charleston, W. Va. 25301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $560. E. (9) $170.

A. Edward L. Bowley, American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $12,481.26. E. (9) $2,337.58.

A. John G. Boyd, 1801 K Street NW., Washington, D.C. 20006.
B. International Business Machines, Old Orchard Road, Armonk, N.Y. 10504.
D. (6) $430. E. (9) $30.46.

A. Boyden, Kennedy, Romney & Howard, 1000 Kennecott Building, Salt Lake City, Utah 84133.
B. The Zuni Indian Tribe, Zuni, N. Mex.
D. (6) $5,097.39. E. (9) $5,097.39.

A. Melvin J. Boyle, International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.
B. International Brotherhood of Electrical Workers, AFL–CIO–CLC, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $8,500.

A. Robert E. Bradford, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $3,000.

A. Frank W. Bradley, Chevron U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A., Inc. (subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.
E. (9) $100.

A. Wayne W. Bradley, 535 North Dearborn Street, Chicago, Ill. 60610.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $1,000. E. (9) $400.

A. Joseph E. Brady, 5018 East Summer Moon Lane, Phoenix, Ariz. 85044.
B. National Coordinating Committee of the Beverage Industry, 5018 East Summer Moon Lane, Phoenix, Ariz. 85044.

A. Charles G. Bragg, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $2,699.23. E. (9) $279.67.

A. Jacques Bramhall, Jr., 1719 Route 10, Parsippany, N.J. 07054.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,250.

A. David C. Branand, American Mining Congress, 1100 Ring Building, Washington, D.C.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $29.45. E. (9) $2.55.

A. Jerome J. Breiter, 1800 K Street NW., Washington, D.C. 20006.
B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.
D. (6) $1,080. E. (9) $167.18.

A. Jeffrey Bricker, 460 Park Avenue, Seventh Floor, New York, N.Y. 10022.
B. Fallek Chemical Corp., 460 Park Avenue, New York, N.Y. 10022.
D. (6) $450. E. (9) $486.27.

A. Cyril F. Brickfield, Miller, Singer, Michaelson, Brickfield & Raives, 1909 K Street NW., Washington, D.C. 20006.
B. National Retired Teachers Association, American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20006.
D. (6) $3,200. E. (9) $99.

A. Claude S. Brinegar, 461 South Boylston Street, Los Angeles, Calif. 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
E. (9) $300.

A. Wally Briscoe, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $912.50.

A. Belva B. Brissett, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $1,406.25. E. (9) $333.05.

A. David A. Brody, Anti-Defamation League of B'nai B'rith, 1640 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Anti-Defamation League of B'nai B'rith, 315 Lexington Avenue, New York, N.Y. 10016.
D. (6) $950.

A. Michael D. Bromberg, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
B. Federation of American Hospitals, 1101 17th Street NW, Suite 310, Washington, D.C. 20036.
D. (6) $4,500.

A. Phillip W. Brooks, Volunteer State Oil Committee, 19th Floor, Third National Bank Building, Nashville, Tenn. 37219.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
4. (6) $220. E. (9) $462.

A. Donald G. Brotzman, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $8,000.

A. Charles B. Brown, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006
D. (6) $440. E. (9) $24.10.

A. Dennis E. Brown, 2 Militia Dr., Lexington, Mass. 02173.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006
D. (6) $225.

A. Donald K. Brown, 1127 11th Street, Suite 544, Sacramento, Calif. 95814.
B. Hughes Air Corp., 3125 Clearview Way, San Mateo, Calif. 94403.

A. Donald K. Brown, 1127 11th Street, Suite 544, Sacramento, Calif. 95814.
B. Summa Corp., P.O. Box 14000, Las Vegas, Nev. 89156.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. Centar Associates, 369 Passaic Avenue, Fairfield, N.J. 07006.
D. (6) $1,000. E. (9) $190.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. National Association of Life Sciences, 9200 Leesburg Turnpike, Vienna, Va. 22180.
D. (6) $200.

A. J. D. Brown, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $300.

A. Karen H. Brown, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Michael F. Brown, 919 18th Street NW., Washington, D.C. 20006.
B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $200.

A. Richard A. Brown, 2030 Allen Place NW., Washington, D.C. 20009.
B. Full Employment Action Council, 815 15th Street NW., Washington, D.C. 20005.
D. (6) $5,550. E. (9) $476.

A. Thomas C. Brown, 3100 Broadway, Kansas City, Mo. 64111.
B. Small Producers for Energy Independence, Suite 970, Fourth Financial Center, Wichita, Kansas 67202.
D. (6) $5,000. E. (9) $150.

A. Travis T. Brown, 2525 49th Street NW., Washington, D.C.

A. William E. Brown, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $4,140. E. (9) $1,240.90.

A. Stanley R. Browne, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.
E. (9) $450.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connectiut Avenue NW., Washington, D.C. 20036.
B. California Savings & Loan League, 9800 South Sepulveda Boulevard, Los Angeles, Calif.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Committee for the Abolition of U.S. Individual Income Taxes Abroad, George E. Fischer Associates, 2152 DuPont Drive, Irvine, Calif. 92715.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Council of Housing Producers, 9255 Sunset Boulevard, 8th Floor, Los Angeles, Calif. 90069.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Fluor Corp., Suite 1209, L'Enfant Plaza SW., Washington, D.C. 20024.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Foodservice Manufacturers Association, 1 East Wacker Drive, Chicago, Ill. 60601.

A. Brownsetein Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Franchise Association, 7315 Wisconsin Avenue, Bethesda, Md.

A. Brownstein Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Morgan Equipment Co., P.O. Box 7802, San Francisco, Calif 94120.

A. Brownstein Zeidman Schomer & Chase, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Mortgage Guaranty Insurance Corp., MGIC Plaza, Milwaukee, Wis. 53201.

A. Brownstein Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Restaurant Association, Suite 2600, 1 IBM Plaza, Chicago, Ill. 60611:

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. New York State Urban Development Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Suite 900, Washington. D.C. 20036.
B. PruLease, Inc., 1255 Boylston Street, Boston, Mass 02215.
E. (9) $64.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. ServiceMaster Industries, Inc., 2300 Warrenville Road, Downers Grove, Ill. 60515.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Southern California Gas Co., 810 South Flower Street, Los Angeles, Calif. 90017.

A. John R. Bruch, P.O. Box 5000, Cleveland, Ohio 44101.
B. The Cleveland Electric Illuminating Co., P.O. Box 5000, Cleveland, Ohio 44101.
D. (6) $700. (E. (9) $530.55.

A. Jacqueline Brunell, American Nurses' Association, 1030 15th Street NW., Washington, D.C. 20005.
B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $3,813.90. E. (9) $3,813.90.

A. Fred J. Bruner, 2101 Spy Run Avenue, Fort Wayne, Ind. 46801.
B. Indiana & Michigan Electric Co., 2101 Spy Run Avenue, Fort Wayne, Ind. 46801.
D. (6) $2,104.96. E. (9) $3,094.74.

A. Paul A. Brunkow, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,300.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Cos., Allstate Plaza, Northbrook, Ill. 60062.

A. Marguerite E. Bryan, 400 First Street NW., Suite 700, Washington, D.C. 20001.
B. District No. 1, Pacific Coast District, Marine Engineers' Beneficial Association, AFL–CIO, 17 Battery Place, New York, N.Y. 10004.
D. (6) $1,143.44. E. (9) $405.83.

A. Philip N. Buckminster, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.
D. (6) $2,000. E. (9) $373.93.

A. Norman D. Burch, 1775 K Street NW., Washington, D.C. 20006.
B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60076.
D. (6) $3,375. E. (9) $182.30.

A. David G. Burden, 200 East Randolph Drive, Chicago, Ill. 60601.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $1,150. E. (9) $821.62.

A. William J. Burhop, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,375. E. (9) $176.11.

A. J. J. Burke, Jr., 40 East Broadway, Butte, Mont 59701.
B. The Montana Power Co., Butte, Mont. 59701.
E. (9) $143.51.

A. Thomas G. Burke, Association of General Merchandise Chains Inc., 1625 I Street NW., Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Burley & Dark Leaf Tobacco Export Association, 1100 17th Street NW., Washington, D.C.
D. (6) $17,051.38 E. (9) $738.04.

A. Phillip C. Burnett, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn 38112.
D. (6) $937.50 E. (9) $88.19.

A. George Burnham IV, U.S. Steel Corp., 1625 K Street NW., Washington, D.C. 20006.
B. U.S. Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $91. E. (9) $74.

A. Charles S. Burns, Phelps Dodge Corp., 1620 I Street NW., Washington, D.C. 20006.
B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.
D. (6) $1,200. E. (9) $374.75.

A. David Burpee, Fordhook Farms, Doylestown, Pa. 18901.

A. James L. Burridge, 13601 Glenhurst Road, Travilah, Md. 20760.
B. FMC Corp., 1625 I Street NW., Suite 520, Washington, D.C. 20006.
D. (6) $1,000. E. (9) $1,527.

A. Burson-Marsteller, 1800 M Street NW., Suite 750 South, Washington, D.C. 20036.
B. Tax Equity for Americans Abroad, 1800 M Street NW., Suite 750 South, Washington, D.C. 20036.

A. B. Kent Burton, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Business Executives Move for New National Priorities, 901 North Howard Street, Baltimore, Md. 21201.
D. (6) $1,019.79. E. (9) $748.85.

A. James J. Butera, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $1,937.50. E. (9) $287.92.

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006 (for Cabot Corp.)

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006 (for Insurance Association of Connecticut).

A. Cadwalader, Wickersham & Taft, Eleven Dupont Circle, Suite 450, Washington, D.C. 20036.
B. New England Fish Co., Pier 89, Seattle, Wash. 98119.

A. C. Richard Calkins, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. John T. Calkins, Cramer, Haber and Becker, 475 L'Enfant Plaza, Suite 4100, Washington, D.C. 20024.

B. Norman, Lawrence, Patterson & Farrell, Inc., 545 Madison Avenue, New York, N.Y. 10022.
D. (6) $2,000. E. (9) $310.16.

A. F. Patricia Callahan, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $230. E. (9) $44.55.

A. Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
D. (6) $442,519.74. E. (9) $885,429.62.

A. Victoria R. Calvert, 919 18th Street NW., Washington, D.C. 20006.
B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $50.

A. Donald L. Calvin, New York Stock Exchange, Inc., 11 Wall Street, N.Y. 10005.
B. New York Stock Exchange, 11 Wall Street, New York, N.Y. 10005.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. LFE Corp., 1601 Trapelo Road, Waltham, Mass. 02154; Eagle Signal, 8004 Cameron Road, Austin, Tex. 78753.
D. (6) $2,000.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. Prismo Universal Corp., 4 Research Place, Rockville, Md. 20850.
D. (6) $5,499.

A. C. R. Campbell, Jr., Suite 900, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. General Telephone and Electronics Corp., One Stamford Forum, Stamford, Conn. 06904.
D. (6) $120.

A. Carl C. Campbell, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $593.84.

A. John E. Campbell, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $15.74. E. (9) $40.80.

A. Can Manufacturers Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $50.

A. David Caney, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $4,625.

A. W. Dean Cannon, Jr., 9800 South Sepulveda Boulevard, Suite 500, Los Angeles, California 90045.
B. California Savings and Loan League, 9800 South Sepulveda Boulevard, Suite 500, Los Angeles, Calif. 90045.
D. (6) $2,000. E. (9) $304.42.

A. David L. Cantor, 1140 Connecticut Avenue NW., Room 1010, Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Room 1010, Washington, D.C. 20036.
D. (6) $1,086. E. (9) $66.

A. Marvin H. Caplan, Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $4,770.80. E. (9) $167.10.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. Council on Foundations, Inc., 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $240.60. E. (9) $178.87.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. Salomon Brothers, One New York Plaza, New York, N.Y. 10004.
E. (9) $129.84.

A. Ronald A. Capone, Kirlin, Campbell & Keating, 1150 Connecticut Avenue NW., No. 800, Washington, D.C. 20036.
B. Council of European and Japanese National Shipowners' Association, 30/32 St. Mary Axe, London, EC3A 8ET, England.
D. (6) $7,000. E. (9) $2,532.45.

A. Norval E. Carey, 2021 K Street NW., Washington, D.C. 20006.
B. General Atomic Co., San Deigo, Calif.
D. (6) $1,000. E. (9) $375.

A. Charles R. Carlisle, 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $9,360. E. (9) $947.01.

A. Chapin Carpenter, Jr., Magazine Publishers Association, Inc., 1629 K Street NW., No. 603, Washington, D.C. 20006.
B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $9,360. E. (9) $947.01.

A. Jack Carpenter, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $76.92. E. (9) $39.

A. Henry A. Carrington, National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

A. Charles M. Carroll, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Aerospatiale, 37, Boulevard de Montmorency, 75016 Paris, France).

A. Charles T. Carroll, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. John R. Carson, 20 Chevy Chase Circle, Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
D. (6) $6,250.

A. Ann M. Case, Phelps Dodge Corp., 1620 I Street NW., Washington, D.C. 20006.
B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.
D. (6) $300. E. (9) $84.50.

A. John S. Casey, 207 Duke Drive, Heflin, Ala. 36264.
B. Alabama Railroad Association, Montgomery, Ala. 36101.
D. (6) $54.68.

A. James B. Cash, Jr., American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $78.20.

A. Allen R. Caskie, American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Charles S. Carter, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Electric Co., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $58. E. (9) $1.

A. Joseph L. Carter, Jr., Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $366.45. E. (9) $27.45.

A. James P. Carty, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $350.

A. Philip T. Cavanaugh, Chevron U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A., Inc. (a subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $180.

A. Frank R. Cawley, Box 2351, Falls Church, Va.
B. Agricultural Publishers Association, P.O. Box 2351, Falls Church, Va. 22042.

A. Frank R. Cawley, Room 511, 2425 Wilson Boulevard, Arlington, Va. 22201.
B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.

A. Dorothy D. Cecelski, 2930 M Street, Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,562.50. E. (9) $341.31.

A. Charles E. Chace, Nebraska Petroleum Council, 334 South 13th Street, P.O. Box 95063, Lincoln, Nebr. 68509.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. J. M. Chambers and Co., Inc., 1050 17th Street NW., Suite 680, Washington, D.C. 20036.
B. Cordage Institute, 1050 17th Street NW., Suite 680, Washington, D.C. 20036.
D. (6) $1,364.38.

A. J. M. Chambers & Co., Inc., 1059 17th Street NW., Suite 680, Washington, D.C. 20036.
B. Satra Corp., 475 Park Avenue South, New York, N.Y. 10016.
D. (6) $1,500.

A. J. M. Chambers & Co., Inc., 1050 17th Street NW., Suite 680, Washington, D.C. 20036.
B. Swaziland Sugar Association, P.O. Box 445, Mbabane, Swaziland.

A. Jerry L. Chambers, National Association of Manufacturers, 801 Northland Towers West, Southfield, Mich. 48075.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Steven M. Champlin, 49 Huntington Street, New Haven, Conn. 06511.
B. National Association of Concerned Veterans, Room 314, 1900 L Street NW., Washington, D.C. 20036; and Association of Northeastern Veterans Counseling Organizations, c/o Workers Defense League, 84 5th Avenue, Room 402, New York, N.Y. 10011.
D. (6) $720. E. (9) $581.

A. J. W. Chandler, York Division, Borg-Warner Corp., 1101 17th Street NW., Washington, D.C. 20036.
B. York Division, Borg-Warner Corp., South Richland Avenue, York, Pa. 17405.
E. (9) $52.50.

A. William C. Chapman, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $3,509.65.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002; for Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.
E. (9) $2,082.45.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002; for Lone Star Steel Co., P.O. Box 35888, Dallas, Tex. 75235.
E. (9) $1,418.07.

A. Leslie Cheek III, American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $1,500. E. (9) $250.

A. Howard P. Chester, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Stone, Glass, and Clay Coordinating Committee, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $6,870. E. (9) $581.12.

A. Chevron Employees of Contra Costa, P.O. Box M, Concord, Calif. 94524.
E. (9) $4.57.

A. Children's Rights, Inc., 3443 17th Street NW., Washington, D.C. 20010.
D. (6) $46.95. E. (9) $52.96.

A. James M. Childress, American Consulting Engineers Council, 1155 15th Street NW., No. 712, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 712, Washington, D.C. 20005.
D. (6) $1,000. E. (9) $100.

A. Phil Chisholm, National Oil Jobber Council, 1750 New York Avenue NW., Washington, D.C. 20006.
B. National Oil Jobbers Council, 1750 New York Avenue, Suite 230, Washington, D.C.
D. (6) $5,000. E. (9) $150.

A. Hal M. Christensen, 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. James Ciarrocki, 1025 Connecticut Avenue NW., No. 505, Washington, D.C. 20036.
B. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., No. 505, Washington, D.C. 20036.
D. (6) $750. E. (9) 224.73.

A. Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.
E. (9) $84.67.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Ashland Oil, Inc., 1401 Winchester Avenue, Ashland, Ky. 41101.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Toyota Motor Sales, U.S.A., 2055 West 190th Street, Torrance, Calif. 90504.

A. Anne Harrison Clark, 10564 Jason Lane, Columbia, Md. 21044.
B. National Consumers League, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $712.50.

A. Carlton S. Clark, Baltimore Gas & Electric Co., 1100 Gas and Electric Building, P.O. Box 1475, Baltimore, Md. 21203.
B. Baltimore Gas and Electric Co., Gas and Electric Building, P.O. Box 1475, Baltimore. Md. 21203.
D. (6) $65.18. E. (9) $1.10.

A. Earl W. Clark, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $1,900. E. (9) $13.39.

A. James W. Clark, Jr., American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Alvin Levin, O.D., 120 South Hanover Street, Carlisle, Pa. 17013.

A. Kimball Clark, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $312.24. E. (9) $261.85.

A. Richard W. Clark, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $2,750.01. E. (9) $96.82.

A. Thomas R. Clark, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $252.

A. Vernon A. Clark, 1660 L Street NW., Suite 215–216, Washington, D.C. 20036.
B. Outdoor Advertising Association of America, Inc., 1660 L Street NW., Suite 215–216, Washington, D.C. 20036.
D. (6) $550. E. (9) $229.

A. Wade P. Clarke, Jr., Deere and Co., John Deere Road, Moline, Ill. 61265.
B. Deere and Co., John Deere Road, Moline, Ill. 61265.
D. (6) $425. E. (9) $461.

A. Jacob Clayman, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Synthetic Organic Chemical Manufacturers Association, 1075 Central Park Avenue, Scarsdale, N.Y. 10533.
E. (9) $40.

A. Walter S. Clement, P.O. Box 23652, L'Enfant Plaza Station, Washington, D.C. 20024.
B. Norfolk and Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
D. (6) $170.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $40. E. (9) $40.

A. Ronald D. Clements, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $297. E. (9) $63.

A. Clifford, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. American Electric Power Co., Inc., 2 Broadway, New York, N.Y. 10004.
D. (6) $975. E. (9) $328.35.

A. Clifford, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Avco Corp., 750 Third Avenue, New York, N.Y. 10017.
D. (6) $3,450. E. (9) $1,040.50.

A. Clifford, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.
D. (6) $1,350. E. (9) $436.80.

A. Clifford, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. New York Cocoa Exchange, Inc., and New York Cocoa Clearing Association, Inc., 127 John Street, New York, N.Y., New York Coffee and Sugar Exchange, Inc., 79 Pine Street, New York, N.Y., Commodity Exchange, Inc., 81 Broad Street New York, N.Y.
E. (9) $38.32.

A. Clifford, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Warner-Lambert, Co., 201 Tabor Road, Morris Plains, N.J. 07950.

A. COALition Against Strip Mining, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
E. (9) $631.52.

A. Coalition of Automotive Associations, 1128 16th Street NW., Washington, D.C. 20036.
E. (9) $334.75.

A. Coalition of Concerned Charities, c/o Annette J. Gnospelius, 1776 F Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $11,850.

A. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
E. (9) $3,315.41.

A. John J. Coffey, Suite 638, 2101 L Street NW., Washington, D.C. 20037.
B. Western Oil and Gas Association, 609 South Grand Avenue, Suite 910, Los Angeles, Calif. 90017.
D. (6) $825.

A. David Cohen, 2030 M Street, Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $10,500. E. (9) $1,308.94.

A. Jerry S. Cohen, Suite 708, 1776 K Street NW., Washington, D.C. 20006.
B. National Congress of Petroleum Retailers, Suite 301, 2021 K Street NW., Washington, D.C.
D. (6) $3,000.

A. Marcus Cohn, Cohn and Marks, 1920 L Street NW., Washington, D.C. 20036.
B. Wometco Enterprises, Inc., P.O. Box 2440, Miami, Fla.
D. (6) $750.

A. Cole Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.
B. The Chase Manhattan Bank, N.A., One Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $21,104.88. E. (9) $1,001.67.

A. E. William Cole, 461 South Boylston Street, Los Angeles, Calif. 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
E. (9) $600.

A. Eleanor Cole, UBA, Inc., 460 South, 1800 M Street NW., Washington, D.C. 20036.
B. UBA, Inc., 460 South, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $1,000.

A. Ken W. Cole, Security Life Building, Denver, Colo. 80202.
B. Standard Oil Co., (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. R. Michael Cole, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $7,000.02. E. (9) $450.70.

A. Stacey W. Cole, New Hampshire Petroleum Council, 23 School Street, Concord, N.H. 03301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Coles & Goertner, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Committee of American Tanker Owners, Inc., One Chase Manhattan Plaza, New York, N.Y. 10005.

A. Coles & Goertner, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Crown Central Petroleum Corp., 1 North Charles Street, Baltimore, Md. 21203.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Cardio-Pulmonary Contractors Association, 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $6,000.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60076.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. National Pharmaceutical Alliance, P.O. Box 13547, St. Petersburg, Fla. 33733.
D. (6) $7,500.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs and Blow, 1200 17th Street NW., Washington, D.C. 20036 (for American Guild of Authors and Composers).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs and Blow, 1200 17th Street NW., Washington, D.C. 20036 (for American Imported Automobile Dealers Association).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for American Maritime Association).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs and Blow, 1200 17th Street NW., Washington, D.C. 20036 (for American Society of Association Executives).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for Association of Trial Lawyers of America).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for Boating Industry Association).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs and Blow, 1200 17th Street NW., Washington, D.C. 20036 (for Chicago Board Options Exchange).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs and Blow, 1200 17th Street NW., Washington, D.C. 20036 (for Council of State Chambers of Commerce).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs and Blow, 1200 17th Street NW., Washington, D.C. 20036 (for Energy Advances, Inc).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs and Blow, 1200 17th Street NW., Washington, D.C. 20036 (for Machinery Dealers National Association).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs and Blow, 1200 17th Street NW., Washington, D.C. 20036 (for National Association of Engine and Boat Manufacturers).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for National Medical Care, Inc.).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs and Blow, 1200 17th Street NW., Washington, D.C. 20036 (for Reading Co.).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for Uncle Ben's Foods).

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $100.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $500. E. (9) $475.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. Bicycle Manufacturers Association of America, Inc., 1101 15th Street NW., Washington, D.C. 20005.
D. (6) $500. E. (9) $100.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Can Manufacturers Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Department of Information, Private Bag X152, Pretoria 0001, Republic of South Africa.
D. (6) $2,031.51. E. (9) $3,410.08.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $450.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. Tool and Stainless Steel Industry Committee, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
D. (6) $1,250. E. (9) $525.

A. Paul G. Collins, One Jackson Walkway, Providence, R.I. 02903.
B. New England Commercial Banking Caucus, One Jackson Walkway, Providence, R.I. 02903.
E. (9) $32.35.

A. Robert B. Collyer, UBA, Inc., 460 South, 1800 M Street NW., Washington, D.C. 20036.
B. UBA, Inc., 460 South, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $1,000.

A. Sharon Comey, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $631.43.

A. Committee for Do-It-Yourself Household Moving, 1100 17th Street NW., Suite 1000, Washington, D.C. 20036.

A. Committee for Public Advocacy, Suite 931, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $87.09. E. (9) $4,447.02.

A. Committee for Tax Incentives to Encourage Renewable Resource Use, Box 402, R.D. 1, Troy, Va. 22974.
D. (6) $1,000. E. (9) $660.90.

A. Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
D. (6) $13,500. E. (9) $9,845.03.

A. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,279,942.30. E. (9) $362,572.93.

A. Raymond F. Conkling, 1050 17th Street, NW., Washington, D.C. 20036.
B. Texaco, Inc., 135 East 42d Street, New York, N.Y. 10017.
D. (6) $100.

A. Ross Conlin, Chessie System, 840 Washington Building, Washington, D.C. 20005.
B. Chessie System, Terminal Tower, Cleveland, Ohio 44101.
D. (6) $3,000. E. (9) $1,000.

A. Connecticut Bankers Association, 100 Constittuion Plaza, Suite 956, Hartford, Conn. 06103.

A. Robert J. Conner, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.
D. (6) $500. E. (9) $785.24.

A. Albert J. Conners, Air Force Sergeants Association, Inc., 1608 Pittsfield Lane, Bowie, Md. 20715.
B. Air Force Sergeants Association, 4235 28th Avenue, Marlow Heights, Md. 20031.

A. John J. Connolly, The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $2,000.

A. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.
E. (9) $100.

A. Consumer Action Now, Inc., 317 Pennsylvania Avenue, Washington, D.C. 20003.
D. (6) $5,368.49. E. (9) $3,782.54.

A. Container Corp. of America, 1101 15th Street NW., No. 205, Washington, D.C. 20005.
B. Container Corp. of America, 1 First National Plaza, Chicago, Ill. 60607.

A. Contract Carrier Conference of American Trucking Association, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,600.

A. Bernard J. Conway, 211 East Chicago Avenue, Chicago, Ill. 60611.
B. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $2,600.

A. Charles F. Cook, American Mining Congress, 1100 Ring Building, Washington, D.C.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $1,024.96. E. (9) $117.15.

A. Cook & Franke, 660 East Mason Street, Milwaukee, Wis. 53202.
B. M&I Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.

A. Frederick N. Cook, Vermont Petroleum Association, P.O. Box 566, Montpelier, Vt. 05602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $210.

A. Howard L. Cook, Jr., American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,575. E. (9) $350.

A. Eileen D. Cooke, 110 Maryland Avenue NE., Suite 101, Washington, D.C. 20002.
B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $827.

A. Benjamin Y. Cooper, Jr., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., Suite 501, 3251 Old Lee Highway, Fairfax, Va. 22030.
E. (9) $20.68.

A. Charles M. Cooper, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $43.37.

A. Edward Cooper, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington.

A. Janet R. Cooper, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
E. (9) $72.20.

A. Jesse D. Cooper, North Dakota Petroleum Council, P.O. Box 1395, Bismarck, N.D. 58501.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $224. E. (9) $204.38.

A. Joshua W. Cooper, 626 South Lee Street, Alexandria, Va. 22314.
B. Portsmouth-Kittery Armed Services Committee, Inc., Box 1123, Portsmouth, N.H. 03801.
D. (6) $1,250. E. (9) $511.25.

A. Mitchell J. Cooper, 1001 Connecticut Avenue, Washington, D.C. 20036.
B. Council of Forest Industries, 1055 West Hastings Street, Vancouver 1, Canada.
D. (6) $3,000. E. (9) $430.95.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Footwear Division, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $7,500. E. (9) $4.95.

A. Cooperative League of the U.S.A., 1828 L Street NW., Washington, D.C. 20036.
D. (6) $4,000. E. (9) $892.

A. Darrell Coover, 1625 I Street NW., Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,000. E. (9) $263.

A. Corcoran, Youngman & Rowe, 1511 K Street NW., Suite 1100, Washington, D.C. 20005.
B. Arthur Young & Co., 277 Park Avenue, 23d Floor, New York, N.Y. 10017.
D. (6) $5,175. E. (9) $1,129.94.

A. Richard L. Corrigan, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $806.25.

A. Allan D. Cors, 1800 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Corning Glass Works, Corning, N.Y. 14830.
D. (6) $300.

A. William R. Corson, 1707 H Street NW., Washington, D. C. 20006.
B. Penthouse International Ltd., 1707 H Street NW., Washington, D.C. 20006.
D. (6) $7,500. E. (9) $10,253.

A. R. H. Cory, 1510 American Bank Tower, Austin, Tex. 78701.
B. CSR Services, Inc., 1510 American Bank Tower, Austin, Tex. 78701.
D. (6) $3,459.67. E. (9) $2,738.45.

A. John E. Cosgrove, Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $8,828.58.

A. Michael E. Costello, 1660 L Street NW., Suite 901, Washington, D.C. 20036.
B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston, Tex. 77001.
E. (9) $158.36.

A. Cotton Warehouse Association of America, 1707 L Street NW., Suite 540, Washington, D.C. 20036.
D. (6) 2,489.69. E. (9) $2,489.69.

A. Council for the Preservation of Worldwide Meetings, 1101 16th Street NW., Third Floor, Washington, D.C. 20036.

A. Council of State Chambers of Commerce, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $895.75. E. (9) $454.93.

A. Council To Save the Post Card, Suite 700, 725 15th Street NW., Washington, D.C. 20005.

A. Douglas Couttee, Active Ballot Club Department, Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $8,476.13. E. (9) $1,678.64.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Society of Oral Surgeons, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $12,075. E. (9) $317.89.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Business Men's Assurance Co. of America, BMA Tower, 1 Penn Valley Park, Kansas City, Mo. 64141.
D. (6) $40,000.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Delmarva Poultry Industry, Inc., R.D. 2, Box 47, Georgetown, Del. 19947.

A. Covington & Burling, 888 16th Street N.W., Washington, D.C. 20006.
B. Financial Accounting Foundation & Financial Accounting Standards Board, High Ridge Park, Stamford, Conn. 06905.
E. (9) $5.50.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C.
E. (9) $9.25.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.
D. (6) $4,500. E. (9) $155.44.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Committee for Limited Profit Housing, c/o HRH Construction Corp., 515 Madison Avenue, New York, N.Y. 10022.
A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Federation of Independent Business, 921 Washington Building, Washington, D.C. 20005.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Football League, 410 Park Avenue, New York, N.Y. 10022.
D. (6) $8,300.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Perdue Inc., P.O. Box 1537, Salisbury, Md. 21801.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Pyramid Ventures Group, Inc., P.O. Box 1671, Morgan City, La. 70381.
D. (6) $11,350. E. (9) $1.36.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. The Superior Oil Co., P.O. Box 1521, Houston, Tex. 77001.
E. (9) $13.06.

A. Eugene S. Cowen, 9024 Willow Valley Drive, Potomac, Md. 20854.
B. American Broadcasting Co., 1150 17th Street, NW., Washington, D.C. 20036.
D. (6) $199. E. (9) $199.

A. Carol A. Cowgill, American Academy of Family Physicians, 470 L'Enfant Plaza East SW., Suite 3100, Washington, D.C. 20024.
B. American Academy of Family Physicians, 470 L'Enfant Plaza East SW, Suite 3100, Washington, D.C. 20024.
D. (6) $574.98. E. (9) $127.17.

A. Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. American Society of Anesthesiologists, 505 Busse Highway, Park Ridge, Ill. 60068.
D. (6) $975. E. (9) $1,800.

A. Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. The National Collegiate Athletic Association, U.S. Highway 50 and Nall Avenue, P.O. Box 1906, Shawnee Mission, Kans. 66222.
E. (9) $0.90.

A. Cox, Smith, Smith, Hale & Guenther, Inc., 500 National Bank of Commerce Building, San Antonio, Tex. 78205.
B. Sanchez-O'Brien Petroleum Corp., P.O. Box 1337, Laredo, Tex. 78040.
E. (9) $1,364.91.

A. William J. Cox, 1707 L Street NW., Washington, D.C. 20036.
B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., Washington, D.C. 20036.
D. (6) $7,399.56. E. (9) $4,246.33.

A. Cramer, Haber and Becker, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.
B. The American Nicaraguan Council, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.
D. (6) $9,667.74. E. (9) $5,667.64.

A. Cramer, Haber and Becker, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.
B. Government of Nicaragua, Comite Nacional de Emergencia, Managua Nicaragua.
D. (6) $4,929. E. (9) $4,929.

A. William D. Crawford, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood Railway Carmen of the United States and Canada, 4929 Main Street, Kansas City, Mo. 64112.
D. (6) $1,470.

A. Richard C. Creighton, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $3,000.

A. P. H. Croft, American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,102.50.

A. Donald A. Crosier, Nebraska Petroleum Council, 334 South 13th Street, P.O. Box 95063, Lincoln, Nebr. 68509.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. H. C. Crotty, Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.

A. F. Bosley Crowther, 3d, Box 402, R.D. 1, Troy, Va. 22974.
B. Committee for Tax Incentives to Encourage Renewable Resource Use, Box 402, RD. 1, Troy, Va. 22974.
D. (6) $150.

A. Jack A. Crowder, American Textile Manufacturers Institute, Inc., Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 400 Tryon Street, Suite 2124, Charlotte, N.C. 28285.
D. (6) $2,000. E. (9) $79.20.

A. James M. Cubie, New Directions, 2021 L Street NW., No. 405, Washington, D.C. 20036.
B. New Directions, 2021 L Street NW., No. 405, Washington, D.C. 20036.
D. (6) $5,400.

A. Barry M. Cullen, 1620 I Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $95. E. (9) $55.

A. Frank Cummings, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Institute of Electrical and Electronics Engineers, Inc., 345 East 47th Street, New York, N.Y. 10022.
D. (6) $1,950.

A. Cummins Engine Co., Inc., 1000 Fifth Street, Columbus, Ind. 47201.
E. (9) $17,294.

A. Tom B. Cunningham, Sr., Rural Route 5, Darlington, S.C. 29532.
B. National Association of Farmer Elected Committeemen, c/o Tom B. Cunningham, Sr., Rural Route 5, Darlington, S.C. 29532.
E. (9) $85.04.

A. John T. Curran, Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $11,975.31. E. (9) $2,785.30.

A. Curtis, Mallet Prevost, Colt & Mosle, 100 Wall Street, New York, 10005.
B. U.S. Trust Co., of New York, 45 Wall Street, New York, N.Y. 10005.
D. (6) $9,701. E. (9) $742.55.

A. Everett E. Cutter, 620 SW., Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.
B. Oregon Railroad Association, 620 SW. Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.
E. (9) $645.46.

A. Cystic Fibrosis Foundation, 3379 Peachtree Road NE., Atlanta, Ga. 30326.
E. (9) $15,964.88.

A. William K. Dabaghi, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $975. E. (9) $185.

A. William Kay Daines, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,100. E. (9) $117.

A. Dairymen, Inc., 604 Portland Building, 200 West Broadway, Louisville, Ky. 40202.
E. (9) $378.51.

A. Thomas A. Daly, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

A. Tracy Danese, P.O. Box 013100, Miami, Fla. 33101.
B. Florida Power and Light Co., P.O. Box 013100, Miami, Fla. 33101.
D. (6) $3,696. E. (9) $2,368.87.

A. Alice Daniel, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $697.34.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.
B. Computer Systems of America, Inc., 141 Milk Street, Boston, Mass. 02109.

A. David S. Danielson, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Alvin Levin, O.D., 120 South Hanover, Carlisle, Pa. 17013.
D. (6) $175.20. E. (9) $154.05.

A. Joan E. Dannenbaum, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
B. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
D. (6) $4,000. E. (9) $250.

A. Fred E. Darling, 110 Maryland Avenue NE., Suite 511, Washington, D.C. 20002.
B. Non-Commissioned Officers Association of the USA (NCOA), P.O. Box 2268, San Antonio, Tex. 78298.

A. John C. Datt, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $5,250. E. (9) $170.

A. Philip J. Daugherty, Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $4,686.30.

A. Joseph Dauksys, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,600. E. (9) $80.

A. John B. Davenport, Jr., 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $238.01.

A. Daniel Davidson, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency (cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara Ukiah, and associate members Plumas-Sierra Rural Electric Cooperative).

A. A. R. Davis and Co., P.O. Box 24424, San Jose, Calif. 95154.
E. (9) $185.96.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. The First National Bank of Chicago, Chicago, Ill. 60670.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Inland Steel Co., 30 West Monroe Street, Chicago, Ill. 60603.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,100. E. (9) $809.50.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.
D. (6) $1,000.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
E. (9) $22.03.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.
D. (6) $4,500. E. (9) $500.04.

A. David R. Davis, Indiana Petroleum Council, 714 Harrison Building, Indianapolis, Ind. 46204.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $476.94. E. (9) $279.07.

A. Edward M. Davis, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $1,625. E. (9) $21.73.

A. George R. Davis, Amalgamated Transit Union, Local Division 689, 100 Indiana Avenue NW., No. 403, Washington, D.C. 20001.
B. Amalgamated Transit Union, National Capital Local Division 689, 100 Indiana Avenue NW., No. 403, Washington, D.C. 20001.

A. Kenneth E. Davis, 1025 Connecticut Avenue NW., No. 202, Washington, D.C. 20036.
B. Rohm and Haas Co., Independence Mall West, Philadelphia, Pa. 19105.
D. (6) $500. E. (9) $100.

A. Ovid R. Davis, The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
B. The Coca-Coca Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
D. (6) $516. E. (9) $915.

A. R. Hilton Davis, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C. 20062.

A. Thomas A. Davis, 1776 F Street NW., Washington, D.C. 20006.
B. American Horse Council, Inc., 1700 K Street NW., Washington, D.C. 20006.
D. (6) $2,083.25. E. (9) $205.24.

A. Thomas A. Davis, 1776 F Street NW., Washington, D.C. 20006.
B. Chicago Board of Trade, LaSalle at Jackson, Chicago, Ill. 60604.
D. (6) $2,500. E. (9) $212.53.

A. Thomas A. Davis, 1776 F Street NW., Washington, D.C. 20006.
B. Forida Power and Light Co., P.O. Box 013100, Miami, Fla. 33101.
D. (6) $430. E. (9) $4.98.

A. Walter L. Davis, Retail Clerks International Association, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Association, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Charles W. Day, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $566.88. E. (9) $213.25.

A. J. Edward Day, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Associated Third Class Mail Users, 1725 K Street NW., Washington, D.C. 20006.

A. J. Edward Day, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Electronic Industries Association, Consumer Electronics Group, 2001 I Street NW., Washington, D.C. 20006.

A. John Russell Deane, III, 1128 16th Street NW., Washington, D.C. 20036.
B. Coalition of Automotive Associations, 1128 16th Street NW., Washington, D.C.

A. John Russell Deane, III, 1128 16th Street NW., Washington, D.C. 20036.
B. Specialty Equipment Manufacturers Association, 11001 East Valley Mall, Suite 204, El Monte, Calif. 91734.
D. (6) $1,250. E. (9) $20.

A. Tony T. Dechant, The Farmers' Educational & Co-Operative Union of America, Denver, Colo. 80251.
B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $5,000. E. (9) $93.91

A. Winston M. Decker, 1522 K Street NW., 828, Washington, D.C. 20005.
B. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.
D. (6) $200.

A. W. M. Decker, 1522 K Street NW., No. 828, Washington, D.C. 20005.
B. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.

A. Catharine B. Deely, 1730 M Street NW., Washington, D.C. 20036.
B. The League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

A. DeHart and Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Council on Foundations, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $440. E. (9) $13.60.

A. DeHart and Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Kansas City Southern Industries, Inc., 114 West 11th Street, Kansas City, Mo. 64105.
D. (6) $800. E. (9) $62.05.

A. John L. Delano, Box 1172, Helena, Mont. 59601.
B. Montana Railroad Association, Box 1172, Helena, Mont. 59601.
E. (9) $1,591.86.

A. Richard A. Dell, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW, Washington, D.C. 20009.
D. (6) $14.52.

A. Ray Denison, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $C,724.40. E. (9) $755.75.

A. John H. Denman, Missouri Oil Council, 208 Madison Street, Jefferson City, Mo. 65101.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $789. E. (9) $524.

A. Daniel B. Denning, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $600. E. (9) $200.

A. Wells Denyes, Eastman Chemical Products, Inc., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $150. E. (9) $12.25.

A. Desautels Associates, Inc., Suite 811, 1725 K Street NW., Washington, D.C. 20006.
B. Flavor and Extract Manufacturers Association of the United States, 900 17th Street NW., Washington, D.C. 20006.
D (6) $300.

A. Desautels Associates, Inc., Suite 811, 1725 K Street NW., Washington, D.C. 20006.
B. Merrill, Lynch, Pierce, Fenner & Smith, Inc., One Liberty Plaza, New York, N.Y. 10006.
D. (6) $500.

A. Desautels Associates, Inc., Suite 811, 1725 K Street NW., Washington, D.C. 20006.
B. Xerox Corp., Stamford, Conn. 06904.
D. (6) $500.

A. John P. Devers, 1625 I Street NW., Washington, D.C. 20006.
B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $793.

A. R. Daniel Devlin, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
D. (6) $250.

A. Ralph B. Dewey, 1050 17th Street NW., No. 1180, Washington, D.C. 20036.
B. Pacific Gas and Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $5,722.50. E. (9) $2,712.74.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Krauss-Maffei Ag, Krauss-Maffei-Strasse 2, 8000 Muenchen 50 (Allach), Federal Republic of Germany.
D. (6) $593.63. E. (9) $610.51.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Societe Nationale Industrielle Aerospatiale, 37, Boulevard de Montmorency, 75016 Paris, France.
D. (6) $25,907.50. E. (9) $25,744.

A. Charles J. DiBona, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. John M. Dickerman, John M. Dickerman and Associates, 1730 Rhode Island Avenue Washington, D.C. 20036.
B. National Lumber and Building Material Dealers Association, 1990 M Street NW., Suite 350, Washington, D.C. 20036.
D. (6) $7,283.88 E. (9) $217.78.

A. William P. Diener, 620 Pine Tree Road, Winter Park, Fla. 32789.
B. Florida Gas Transmission Co., P.O. Box 44, Winter Park, Fla. 32790.

A. John R. Dierker, 1150 17th Street NW., Washington, D.C 20036.
B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.
D. (6) $300. E. (9) $282.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Suite 205, Washington, D.C. 20036.
B. Department of Water Resources, State of California, P.O. Box 388, Sacramento, Calif. 95802.
D. (6) $2,247.63. E. (9) $147.63.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Suite 205, Washington, D.C. 20036.
B. Westlands Water District, P.O. Box 5222, Fresno, Calif. 93755.
D. (6) $3,470.87. E. (9) 360.98.

A. Michael F. Dineen, Lumbermens Mutual Casualty Co., Suite 206, 600 Pennsylvania Avenue SW., Washington, D.C. 20003.
B. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
D. (6) $1,800.

A. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $14,127. E. (9) $3,307.76.

A. Harley M. Dirks, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,887.50 E. (9) $1,954.

A. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $56,068.44. E. (9) $56,068.44.

A. Disabled Officers Association, 1612 K Street NW., Washington, D.C. 20006.
D. (6) $750. E. (9) $750.

A. Dennis C. Dix, 1725 K Street NW., Suite 903, Washington, D.C. 20006.
B. Outdoor Power Equipment Institute, 1725 K Street NW., Suite 903, Washington, D.C. 20006.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C.

B. Abberrant Behavior Center, 1250 Dallas Federal Savings Tower, Dallas, Tex. 74225.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Helena Vertac Chemical Co., 5100 Poplar Avenue, Memphis, Tenn. 38137.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Houston Atlas, Inc., 9441 Baythorne Drive, Houston, Tex. 77041.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Longfellow Corp., P.O. Box 4605, Midland, Tex. 79701.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. National Association of Property Owners, 5353 First International Building, Dallas, Tex. 75270.
D. (6) $9,750.49. E. (9) $9,750.49.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Norton Manufacturing Co., P.O. Box 9067, Memphis, Tenn. 38109.

A. Norman L. Dobyns, Cutler-Hammer, Inc., 1660 L Street NW., Suite 912, Washington, D.C. 20036.
B. Cutler-Hammer, Inc., 4201 North 27th Street, Milwaukee, Wis. 53216.
E. (9) $500.

A. Robert C. Dolan, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $375. (E) (9) $52.

A. Hollis M. Dole, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $150.

A. Dana Dolloff, 1620 I Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $1,000. E. (9) $450.

A. Leo J. Donahue, 230 Southern Building, Washington, D.C. 20005.
B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. Richard M. Donaldson, 1700 Guildhall Building, Cleveland, Ohio 44115.
B. The Standard Oil Co. of Ohio, Guildhall Building, Cleveland, Ohio 44115.

A. Gary W. Donnelly, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., Suite 501, 3251 Old Lee Highway, Fairfax, Va. 22030.
E. (9) $19.02.

A. Francis X. Dooley, 525 School Street SW., Washington, D.C.
B. American Road and Transportation Builders Association, 525 School Street SW., Washington, D.C. 20024.
D. (6) $2,000. E. (9) $34.

A. James A. Dorsch, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.
D. (6) $326.56. E. (9) $134.14.

A. H. Eugene Douglas, Memorex Corp., 1970 Chain Bridge Road, McLean, Va. 22101.
B. Memorex Corp., San Tomas at Central Expressway, Santa Clara, Calif. 95052.
D. (6) $6,975. E. (9) $115.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Univest Corp., 647 West Virginia Avenue, Milwaukee, Wis. 53201.
D. (6) $325. E. (9) $858.72.

A. Richard Morgan Downey, 2030 M Street, Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,562.53. E. (9) $856.53.

A. John C. Doyle, Jr., 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,500.

A. Robert H. Doyle, 1120 Connecticut Avenue NW., No. 310, Washington, D.C. 20036.
B. Water Quality Association, 477 East Butterfield Road, Lombard, Ill. 60148.
D. (6) $250.

A. James E. Drake, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,984.85. E. (9) $1,356.

A. Andrew Drance, Room 511, 2425 Wilson Boulevard, Arlington, Va. 22201.
B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.
D. (6) $58.33. E. (9) $3.50.

A. Thomas E. Drumm, Jr., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Macmillan, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $400. E. (9) $2,530.

A. Franklin B. Dryden, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.
D. (6) $200. E. (9) $300.

A. Lawrence M. Dubin, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.
D. (6) $1,000.

A. Evelyn Dubrow, International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
D. (6) $5,385.90. E. (9) $3,957.09.

A. Morgan D. Dubrow, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $125.

A. William DuChessi, 815 16th Street NW., Washington, D.C.
B. Amalgamated Clothing and Textile Workers Union, 99 University Place, New York, N.Y. 10003.
D. (6) $2,202.40. E. (9) $100.

A. Michael J. Duff, National Paint and Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.
B. National Paint and Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.
D. (6) $500.

A. William E. Duke, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $300.

A. Robert A. DuLong, 1421 Peachtree Street NE., Suite 201, Atlanta, Ga. 30309.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,562.50.

A. M. L. DuMars, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $60.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Alaska Federation of Natives, Inc., 550 West Eighth Street, Anchorage, Alaska 99503.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Aloha Association, Suite 572, Alexander Young Building, Honolulu, Hawaii 96813.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foothills Pipe Lines (Yukon) Ltd. Suite 2121, Tower A, 320 Queen Street, Ottawa, Ontario, Canada KIRSA3.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Kenai Native Association, Inc., P.O. Box 1210, Wildwood, Kenai, AK 99611.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Koniag, Inc., P.O. Box 746, Kodiak, AK 99615.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Shee Atika, Inc., Box 578, Mt. Edgecumbe, AK 99835.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Western Railroad Association, 222 South Riverside Plaza, Room 1200, Chicago, Ill.

A. Louise C. Dunlap, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,500. E. (9) $177.20.

A. Douglas G. Dunn, Northern Natural Gas Co., 1133 15th Street NW., Room 503, Washington, D.C.
B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Neb. 68102.
D. (6) $1,500.

A. Mari Lee Dunn, American Council for Capital Formation, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
B. American Council for Capital Formation, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $300.

A. David F. Dunning, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $1,600.

A. James A. Dupree, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $3,410. E. (9) $801.

A. Dutcher Industries, 7617 Convoy Court, San Diego, Calif. 92111.
E. (9) $3,500.

A. Richard O. Duvall, 1220 19th Street NW., Suite 400, Washington, D.C. 20036.
B. Dunnells, Duvall & Porter, 1220 19th Street NW., Suite 400, Washington, D.C. 20036 (for Zena Co., P.O. Box 338, South Plainfield, N.J. 07080).
D. (6) $300. E. (9) $160.97.

A. L. L. Duxbury, Burlington Northern, Inc., Suite 506, 2000 L Street NW., Washington, D.C. 20036.
B. Burlington Northern, Inc., 176 East Fifth Street, St. Paul, Minn. 55101.
D. (6) $1,477.77. E. (9) $831.25.

A. Henry I. Dworshak, American Mining Congress, 1100 Ring Building, Washington, D.C.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Jean F. Dye, 12700 Lake Avenue, Lake-Wood, Ohio 44107.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $1,606.24.

A. Jack D. Early, the Madison Building, Suite 514, 1155 15th Street NW., Washington, D.C. 20005.
B. National Agricultural Chemicals Association, the Madison Building, Suite 514, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $75. E. (9) $31.

A. Roy W. Easley, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
E.(9) $2,400.

A. Robert E. Ebel, Enserch Energy, Inc., 1025 Connecticut Avenue NW., Suite 1206, Washington, D.C. 20036.
B. Enserch Corp., 301 South Harwood, Dallas, Tex. 75201.
D. (6) $1,450. E. (9) $1,090.

A. N. Boyd Ecker, 1100 Conn. Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500. E. (9) $70.75.

A. Ed Edmondson, 444 Court Street, Muskogee, Okla. 74401.
B. Alaskan Arctic Gas Pipeline Co., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,525. E. (9) $897.10.

A. Ed Edmondson, 444 Court Street, Muskogee, Okla. 74401.
B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.
D. (6) $1,750. E. (9) $563.20.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Safety Belt Council, 271 North Avenue, New Rochelle, N.Y. 10801.
D. (6) $1,500. E. (9) $104.65.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. EMI Medical, Inc., 3605 Woodhead Drive, Northbrook, Ill. 60062.
D. (6) $500.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington, Va. 22202.
D. (6) $1,250. E. (9) $31.15.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Insulation Contractors Association, 1120 19th Street NW., Suite 405, Washington, D.C. 20036.
D. (6) $500. E. (9) $77.74.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.
D. (6) $500. E. (9) $17.50.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Optical Manufacturers Association, 1901 North Fort Myer Drive, Suite 1104, Arlington, Va. 22209.
D. (6) $750.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. Aerospatiale, c/o DGA International, 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $10,850. E. (9) $3,241.06.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. Republic of Turkey/Embassy of Turkey, 1606 23rd Street NW., Washington, D.C. 20008.
D. (6) $27,300. E. (9) $6,494.10.

A. William R. Edgar, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.
B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.
D. (6) $1,846.25.

A. Arthur B. Edgeworth, Jr., 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Driver, Chicago, Ill.
D. (6) $2,812.50.

A. J. Rodney Edwards, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. The Confederated Tribes of Warm Springs, Warm Springs, Oreg. 97761.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. The Navajo Nation, Window Rock, Ariz. 86515.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. Portland General Electric Co., 621 S.W. Alder Street, Portland, Oreg. 97205.

A. Macon T. Edwards, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $1,500. E. (9) $250.89.

A. Charles E. Ehrhart, 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $400. E. (9) $134.

A. J. C. B. Ehringhaus, Jr., 1600 South Eads Street, Arlington, Va.
B. The Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.
D. (6) $175.

A. Thomas Ehrlich, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $791.70.

A. El Paso Alaska Co., Pouch 7009, Anchorage, Alaska 99510.
E. (9) $30,000.

A. El Paso LNG Co., P.O. Box 2185, Houston, Tex. 77001.
E. (9) $114,667.60.

A. George K. Eliades, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
B. Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
D. (6) $320. E. (9) $695.

A. J. Burton Eller, Jr., 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.
D. (6) $1,000.

A. Charles W. Elliott, Wisconsin Petroleum Council, 25 West Main Street, Room 703, Madison, Wis. 53703.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $515.16. E. (9) $417.30.

A. John Doyle Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.

A. Ruth Bowdey Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.
D. (6) $704.85. E. (9) $431.50.

A. John Ellis, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C.

A. Dorothy A. Ellsworth, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,750. E. (9) $213.19.

A. Law Offices of Northcutt Ely, Watergate 600 Building, Washington, D.C. 20037.
B. Deepsea Ventures, Inc., Gloucester Point, Va. 23062.
D. (6) $6,000.

A. William Emerson, Suite 800, 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Employers Insurance of Wausau, 2000 Westwood Drive, Wausau, Wis. 54401.
E. (9) $625.

A. Lowell J. Endahl, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $235.

A. Energy Action Committee, Inc., 1523 L Street NW., Washington, D.C. 20005.
D. (6) $5,422.89. E. (9) $5,904.30.

A. Energy Consumers & Producers Association, Petroleum Plaza, Box 1726, Seminole, Okla. 74868.
E. (9) $212.15.

A. Gertrude Engel, 2450 Virginia Avenue NW., Washington, D.C. 20037.
B. Bob Hoffman, York Barbell Co., York, Pa. 17405.
D. (6) $1,800. E. (9) $478.22.

A. Robert J. Englehart, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
E. (9) $142.30.

A. M. Dale Ensign, Husky Oil Co., 1800 M Street NW., Suite 295, Washington, D.C. 20036.
B. Husky Oil Co., P.O. Box 380, Cody, Wyo. 82414.
E. (9) $149.42.

A. Grover W. Ensley, National Association of Mutual Savings Banks, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $461.54.

A. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $46,579.99. E. (9) $38,297.10.

A. Glenn R. Erickson, SMACNA, 8224 Old Courthouse Road, Vienna, Va. 22180.
B. Sheet Metal & Air Conditioning Contractors' National Association, Inc., 8224 Old Courthouse Road, Vienna, Va. 22180.
D. (6) $1,690. E. (9) $300.

A. George T. Esherick, United States Steel Corp., 1625 K Street NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $131. E. (9) $158.

A. Thomas E. Esterly, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Association, Inc., 1616 P Street, NW., Washington, D.C., 20036.
D. (6) $2,000.

A. Joseph O. Evans, 4401 Lee Highway, Apt. 21, Arlington, Va. 22207.

A. Robert D. Evans, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Vernon L. Evans, National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.
B. National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $200. E. (9) $20.

A. Fawn K. Evenson, 1611 North Kent Street, Arlington, Va. 22209.
B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $6,875. E. (9) $20.40.

A. Robbie G. Exley, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
E. (9) $9,170.

A. Robert R. Fahs, 1030 15th Street NW., Washington, D.C. 20005.
B. Cargill, Inc., P.O. Box 9300, Minneapolis, Minn. 55440.
D. (6) $2,500. E. (9) $17.

A. Robert J. Falasca, American Seed Trade Association, Suite 964, 1030 15th Street NW., Washington, D.C. 20005.
B. American Seed Trade Association, Suite 964, 1030 15th Street N.W., Washington, D.C. 20005.

A. Thomas B. Farley II, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $2,233. E. (9) $271.25.

A. The Farmers' Educational & Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $133,828.53. E. (9) $45,318.36.

A. R. Roy Fausset, 1050 17th Street NW., Washington, D.C. 20036.
B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10017.
D. (6) $450.

A. Peter J. Fearey, 215 Market Street, Suite 930, San Francisco, Calif. 94105.
B. California Council for Environmental & Economic Balance, 215 Market Street, Suite 930, San Francisco, Calif. 94105.
D. (6) $5,949.96. E. (9) $6,389.51.

A. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $1,222.80. E. (9) $1,222.80.

A. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $7,650. E. (9) $7,650.

A. Federation of American Scientists, 307 Massachusetts Avenue NE., Washington, D.C. 20002.
E. (9) $2,151.96.

A. Arthur Fefferman, American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Howard J. Feldman, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Rocky Mountain Park Co., 2817 East Third Avenue, Denver, Colo. 80206.

A. Stuart F. Feldman, Suit 931, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Committee For Public Advocacy, Suite 931, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,852.50.

A. Stuart F. Feldstein, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,930.

A. Kenneth E. Feltman, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400.

A. C. H. Field, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,587. E. (9) $60.

A. Manuel D. Fierro, Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Herbert A. Fierst, 607 Ring Building, 1200 18th Street NW., Washington, D.C. 20036.
B. Council of Forest Industries of British Columbia, 1500/1055 West Hastings Street, Vancouver V6E 2H1, British Columbia, Canada.
D. (6) $9,500. E. (9) $425.

A. Fifth Pro-Life Congressional District Action Committee, 2306 Sheraton Lane, Florence, Ala. 35630.
E. (9) $85.

A. Matthew P. Fink, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $91. E. (9) $11.50.

A. Frederick Finn, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,400. E. (9) $15.

A. Susan Kudla Finn, 1150 Connecticut Avenue NW., Suite 805, Washington, D.C. 20036.
B. RJR Industries, Inc., 401 North Main Street, Winston-Salem, N.C. 27102.
D. (6) $857.35. E. (9) $52.11.

A. Firearms Lobby of America, 329 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $22,591.85. E. (9) $21,406.66.

A. First-Class Mailers Association, Inc., 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.
D. (6) $400. E. (9) $39.

A. First Investment Annuity Co. of America, P.O. Box 831, Valley Forge, Pa. 19482.
E. (9) $8,350.22.

A. Mary Clare Fitzgerald, 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.
D. (6) $21.64. E. $26.50.

A. Margaret Fitzgerald-Bare, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,187.50. E. (9) $214.34.

A. Susan Garber Flack, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $75.

A. James J. Flanagan, 20 Turnpike Road, Westborough, Mass. 01581.
B. New England Power Service Co., 20 Turnpike Road, Westborough, Mass. 01581.
D. (6) $298.92. E. (9) $1,264.71.

A. Charles D. Fleishman, 20 North Wacker Drive, Chicago, Ill. 60606.
B. American Fishing Tackle Manufacturers Association, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $1,725. E. (9) $2,183.03.

A. James F. Fleming, United Egg Producers, 705 National Press Building, Washington, D.C. 20045.
B. United Egg Producers, 3951 Snapfinger Parkway, Suite 580, Decatur, Ga. 30035.
D. (6) $1,200.

A. James F. Flug, 2904 Brandywine Street NW., Washington, D.C. 20008.
B. Energy Action Committee, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $1,970.82.

A. John F. Fochtman, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,000. E. (9) $594.

A. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cabot Corp. & Subsidiaries, 125 High Street, Boston, Mass. 02110.
D. (6) $2,025.

A. Foley, Lardner, Hollobaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Insurance Association of Connecticut, 60 Washington Street, Hartford, Conn. 06106.
D. (6) $900.

A. Raymond J. Foley, 1430 K Street NW., Washington, D.C.
B. National Candy Wholesalers Association, Inc., 1430 K Street NW., Suite 1000, Washington, D.C.
D. (6) $189.12.

A. Food and Beverage Trades Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $5,865.52. E. (9) $5,865.52.

A. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $7,250. E. (9) $7,250.

A. Gordon Forbes, 203 Hanover Building, 480 Cedar Street, St. Paul, Minn. 55101.
B. Minnesota Railroads Association.
D. (6) $500. E. (9) $536.50.

A. Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.
D. (6) $411.50. E. (9) $211.50.

A. John S. Forsythe, American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $500. E. (9) $140.

A. David H. Foster, 1025 Connecticut Avenue NW., No. 505, Washington, D.C. 20036.
B. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., No. 505, Washing-D.C. 20036.
D. (6) $2,475. E. (9) $337.33.

A. Ebert E. Fournace, 301 Cleveland Avenue SW., Canton, Ohio 44702.
B. Ohio Power Co., 301 Cleveland Avenue SW., Canton, Ohio 44702 (a subsidiary of American Electric Power Co., Inc., 2 Broadway, New York, N.Y. 10004).
D. (6) $1,536. E. (9) $614.45.

A. Fourth Pro-Life Congressional District Action Committee, Nancy C. Spurgeon, Route 4, Box 55, Vinemont, Ala. 35179.
E. (9) $45.

A. John G. Fox, American Telephone & Telegraph Co., 2000 L Street NW., Washington, D.C. 20036.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y. 10007.

A. Joe H. Foy, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
D. (6) $125. E. (9) $258.65.

A. Frances E. Francis, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency.

A. Frances E. Francis, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Richmond Power & Light of the City of Richmond, Ind.

A. Ron Frank, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $11.25.

A. Walter L. Frankland, Jr., 1717 K Street NW., Washington, D.C. 20006.
B. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.
D. (6) $1,049.94. E. (9) $175.45.

A. Robert M. Frederick. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $7,000.

A. Pamela B. Freer, International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
D. (6) $3,750.11 E. (9) $387.12.

A. Harry L. Freeman, American Express Co., 1700 K Street NW., Washington, D.C. 20006.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. James O. Freeman, 1709 New York Avenue, NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $2,125. E. (9) $72.85.

A. David T. French, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

A. Verrick O. French, National Retail Merchants Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $300. E. (9) $25.

A. George L. Frick, Delaware Oil Men's Association, 437 North DuPont Highway, Dover, Del. 19901.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Susan Fridy, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $1,000.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Cheyenne River Sioux Tribe, Box 100, Eagle Butte, S. Dak. 57625.
D. (6) $1,282. E. (9) $38.50.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. The Hualapai Tribe of Arizona, Box 168, Peach Springs, Ariz.
D. (6) $62.60. E. (9) $12.63.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Metlakatla Indian Community, P.O. Box 8, Metlakatla, Alaska 99926.
E. (9) $49.96.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. The Nez Perce Tribe, Lapwai, Idaho.
D. (6) $600. E. (9) $19.10.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Oglala Sioux Tribe of the Pine Ridge Reservation, Pine Ridge, S. Dak. 57770.
D. (6) $672. E. (9) $45.70.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Pueblo of Laguna, Laguna. N. Mex.
D. (6) $645. E. (9) $37.55.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Rosebud Sioux Tribe, Rosebud, S. Dak.
D. (6) $449. E (9) $27.30.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Salt River Pima Maricopa Indian Community, Route 1, Box 120, Scotsdale, Ariz.
D. (6) $125. E. (9) $8.40.

A. Fried, Frank, Harris, Shriver & Kampelman, Suite 1000, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Schenley Industries, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. The Seneca Nation of Indians, Box 231, Salamanca, N.Y. 17779.
D. (6) $668. E. (9) $26.05.

A. Philip P. Friedlander, Jr., 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.
D. (6) $800.

A. Gay H. Friedmann, 1025 Connecticut Avenue NW., Suite 1206, Washington, D.C. 20036.
B. Enserch Corp., 301 South Harwood, Dallas, Tex. 75201.
D. (6) $1,000. E. (9) $324.33.

A. Charles H. Fritzel, 1625 Eye Street, Suite 1001, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $1,500. E. (9) $140.

A. Cornelius F. Froeb, Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.
D. (6) $230.

A. Vicki Love Frost, American Gas Association, 1515 Wilson Blvd., Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Blvd., Arlington, Va. 22209.
D. (6) $1,999. E. (9) $163.

A. Full Employment Action Council, 815 15th Street NW., Room 516, Washington, D.C. 20005.
D. (6) $20,000. E. (9) $12,035.54.

A. Ronald K. Fuller, 1150 Connecticut Avenue NW., Washington, D.C.
B. San Diego Gas & Electric Co., 101 Ash Street, San Diego, Calif. 92112.
D. (6) $1,350. E. (9) $191.

A. Terry Gabrielson, 480 L'Enfant Plaza, No. 11209, Washington, D.C. 20024.
B. Transcontinental Gas Pipe Line Corp., 2700 South Post Oak Road, Houston, Tex. 77001.
D. (6) $450. E. (9) $47.15.

A. The Gadsden Times, Inc., 2600 Virginia Avenue NW., Washington, D.C. 20037.
E. (9) $154.97.

A. Gadsden Times Publishing Corp., P.O. Box 188, Gadsden, Ala. 35901.

A. James E. Gaffigan, American Hotel and Motel Association, 777 14th Street NW., Washington, D.C. 20006.
B. American Hotel and Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $558.47. E. (9) $277.45.

A. Norman S. Gaines, 1150 Connecticut Avenue NW., Suite 805, Washington, D.C. 20036.
B. RJR Industries, Inc., 401 North Main Street, Winston-Salem, N.C. 27102.
D. (6) $2,882.90. E. (9) $205.53.

A. Mark J. Gallagher, 1707 L Street NW., Washington, D.C. 200036.
B. National Committee for a Human Life Educational Organization Amendment, Inc., 1707 L Street NW., Washington, D.C. 20036.
D. (6) $6,450.18. E. (9) $215.26.

A. Robert Gants, National Constructors Association, 1101 15th Street NW., Suite 1000, Washington, D.C. 20005.
B. National Constructors Association, 1101 15th Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $969. E. (9) $18.

A. Nicole Gara, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $5,000. E. (9) $1,749.34.

A. M. D. Garber, Jr., Phillips Petroleum Co., 1825 K Street NW., Washington, D.C. 20006.
B. Phillips Petroluem Co., Bartlesville, Okla, 74004.

A. Terry D. Garcia, New Directions, 2021 L Street NW., No. 405, Washington, D.C. 20036.
B. New Directions, 2021 L Street NW., No. 405, Washington, D.C. 20036.
D. (6) $4,500. E. (9) $4,500.

A. William B. Gardiner, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.
D. (6) $12,250. E. (9) $173.62.

A. John W. Gardner, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,000.02. E. (9) $839.15.

A. Paul Gardner, Jr., Kennedy, Webster & Gardner, 888 17th Street NW., Washington, D.C. 20006.

B. Banque Nationale de Paris, 75450 Paris, France, CEDEX 09.

A. Edward A. Garmatz, 2210 Lake Avenue, Baltimore, Md. 21213.
B. Baltimore Gas & Electric Co., Gas and Electric Building, P.O. Box 1475, Baltimore, Md. 21203.
D. (6) $375.

A. Gas Appliance Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.
E. (9) $325.71.

A. Lillian B. Gaskin, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Philip Gasteyer, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $1,437.50.

A. Thomas J. Gaye, 1612 K Street NW., Washington, D.C. 20006.
B. Ferroalloys Association, Suite 800, 1612 K Street NW., Washington, D.C.
D. (6) $450. E. (9) $750.

A. Margaret Gehres, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Leo J. Gehrig, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,444.89 E. (9) $402.50.

A. Robert C. Gelardi, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346, for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
D. (6) $1,600.

A. Genentech, 475 Sansome Street, 15th Floor, San Francisco, Calif. 94111.
E. (9) $3,570.

A. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.
E. (9) $1,846.25.

A. John Gentille, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Forrest Gerard & Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. Ak Chin Indian Community, Route 1, Box 12, Maricopa, Ariz. 85239.
D. (6) $1,000. E. (9) $105.60.

A. Forrest Gerard & Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. All Indian Pueblo Council, Inc., 907 Indian School Road NW., Albuquerque, N. Mex. 87107.
D. (6) $1,000. E. (9) $46.50.

A. Forrest Gerard & Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. Association on American Indian Affairs, 432 Park Avenue South, New York, N.Y. 10016.
D. (6) $500. E. (9) $23.04.

A. Forrest Gerard & Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. Makah Tribal Council, P.O. Box 115, Makah, Wash. 98357.
D. (6) $250. E. (9) $12.

A. Forrest Gerard & Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. Quinault Indian Nation, P.O. Box 1118, Tahola, Wash. 98587.
D. (6) $1,500. E. (9) $17.

A. Forrest Gerard & Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. Yakima Tribal Council, P.O. Box 632, Toppenish, Wash. 98948.
D. (6) $500. E. (9) $15.

A. Donald H. Gerrish, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

A. Llewellyn H. Gerson, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit and Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $451.86.

A. William T. Gibb, III, American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Wayne Gibbens, 1800 K Street NW., Mid-Continent Oil and Gas Association, Washington, D.C. 20006.
B. Mid-Continent Oil and Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $1,169.60. E. (9) $56.70.

A. Anne Marie Gibbons, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $400.

A. Joseph L. Gibson, Montgomery Ward and Co., Inc., 1101 15th Street NW., No. 205, Washington, D.C. 20005
B. Montgomery Ward and Co., Inc., 535 West Chicago Avenue, Chicago, Ill. 60607.
D. (6) $30. E. (9) $150.

A. William L. Gifford, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., Fairfield, Conn. 06431.
D. (6) $80.

A. Mark W. Gillaspie, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
D. (6) $95. E. (9) $333.75.

A. James T. Gillice, 1776 F Street NW., Washington, D.C. 20006.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $1,900.

A. Michael J. Giuffrida, 1469 Quail Hollow Road, Harrisburg, Pa. 17112.
B. National Frozen Food Association, Inc., 1 Chocolate Avenue, P.O. Box 398, Hershey, Pa. 17033.
D. (6) $25. E. (9) $31.

A. Dave Givens, Tennessee Railroad Association, 916 Nashville Trust Building, Nashville, Tenn. 37201.

B. Tennessee Railroad Association, 916 Nashville Trust Building, Nashville, Tenn. 37201.
E. (9) $545.78.

A. Vernie R. Glasson, III, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,563. E. (9) $100.

A. George L. Gleason, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $412.50. E. (9) $25.88.

A. Elmer G. Gleske, 1629 K Street NW., Suite 400, Washington, D.C. 20006.
B. Flight Safety International, Inc., Marine Air Terminal, LaGuardia Airport, Flushing, N.Y. 11371.
D. (6) $300. E. (9) $43.03.

A. George T. Glover, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Co., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $105. E. (9) $65.

A. Godfrey Associates, Inc., 918 16th Street NW., Suite 500, Washington, D.C. 20006.
E. (9) $304.49.

A. Horace D. Godfrey, 918 16th Street NW., Suite 500, Washington, D.C. 20006.
B. Godfrey Associates, Inc., 918 16th Street NW., Suite 500, Washington, D.C. 20006.
D. (6) $312.50. E. (9) $304.49.

A. Patrick L. Godfrey, National Association of Manufacturers, 601 North Vermont Avenue, Los Angeles, Calif. 90004.
B. National Association of Manufacturers, 1776 F Street NW., Washington, 20006.
D. (6) $1,400.

A. Harvey S. Gold, Velsicol Chemical Corp., 910 17th Street NW., Suite 1000, Washington, D.C. 20006.
B. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Aeropatiable 37, Boulevard de Montmorency, 75016 Paris, France.
D. (6) $50.28.

A. Lloyd L. Golding, National Association of Truck Stop Operators, Inc., 501 Slaters Lane, Alexandria, Va. 22314.
B. National Association of Truck Stop Operators, Inc.
D. (6) $1,170.

A. Gerald Goldman, 1660 L Streeet NW., Washington, D.C. 20036.
B. Battles Farm Co., Bay Village Co., Cummins Towers Co., and Southfield Gardens Co., c/o Max Kargman, 151 Tremont Street, Boston, Mass. 02111.
D. (6) $541.50. E. (9) $7.56.

A. Michael E. Goldman, Suite 1101, 1730 K Street NW., Washington, D.C. 20006.
B. National Treasury Employees Union, Suite 1101, 1730 K Street NW., Washington, D.C. 20006.
E. (9) $951.19.

A. Ruth Gonze, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $600.

A. Don A. Goodall, 1625 I Street NW., Suite 401, Washington, D.C. 20006.
B. American Cyanamid Co., Wayne, N.J. 07470.
D. (6) $38. E. (9) $5.

A. Charles E. Goodell, DGA International Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Aerospatiale, 37, Boulevard de Montmorency, 75016 Paris, France).

A. Charles E. Goodell, DGA International Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Krauss-Maffei AG, Krauss-Maffei-Strasse 2, 8000 Muenchen 50 (Allach), Federal Republic of Germany).

A. Vance V. Goodfellow, 307 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.
B. Crop Quality Council, 307 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.
D. (6) $7,890. E. (9) $261.14.

A. Frank D. Gorham, III, 1150 Connecticut Avenue NW., Suite 805, Washington, D.C. 20036.
B. RJR Industries, Inc., 401 North Main Street, Winston-Salem, N.C.
D. (6) $1,353.71. E. (9) $108.69.

A. Edward Gottlieb and Associates, 633 Third Avenue, New York, N.Y. 10017.
B. Florists' Transworld Delivery Association, P.O. Box 2227, Southfield, Mich. 48037.

A. Edward Gottlieb and Associates, 633 Third Avenue, New York, N.Y. 10017.
B. Hecon Corp., Flextime Division, 31 Park Road, Tinton Falls, N.J. 07724.

A. Gould Reichert & Strauss, 2613 Carew Tower, Cincinnati, Ohio 45202.
B. Francis J. Rorke, Box 1336, Cristobal, C.Z., et al.

A. David B. Graham, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $125.

A. Lawrence T. Graham, American Hotel and Motel Association, 777 14th Street NW., Washington, D.C. 20005.
B. American Hotel and Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $558.47. E. (9) $80.13.

A. John K. Gram, Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.
B. Public Timber Purchasers Group.
D. (6) $1,350. E. (9) $715.

A. Allan Grant, American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
D. (6) $1,325.

A. Wm. W. Grant, Utah International, Inc., 5150 Connecticut Avenue NW., Suite 710, Washington, D.C. 20036.
B. Utah International, Inc., 550 California Street, San Francisco, Calif. 94104.
E. (9) $145.48.

A. James A. Gray, 7901 Westpark Drive McLean, Va. 22101.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22101.
D. (6) $942. E. (9) $25.

A. Robert K. Gray, 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Samuel A. Grayson, Union Pacific Railroad, 611 Idaho Building, Boise, Idaho 83702.
B. Union Pacific Railroad, 1416 Dodge Street, Omaha, Nebr. 68179.
E. (9) $1,240.18.

A. The Great Atlantic and Pacific Tea Co., Inc., 2 Paragon Drice, Montvale, N.J. 07645.
E. (9) $2,300.

A. Donald R. Greeley, 1101 17th Street NW., Suite 603, Washington, D.C. 20036.
B. Celanese Corp., 1211 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $625. E. (9) $148.39.

A. Peter Alan Greene, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
D. (6) $50.

A. William I. Greener, Jr., Fraser/Ruder & Finn, 1800 K Street NW., Washington, D.C. 20006.
B. National Action Committee on Secondary Boycotts, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $3,400. E. (9) $320.

A. William I. Greener, Jr., Fraser/Ruder & Finn, 1800 K Street NW., Washington, D.C. 20006.
B. Touche Ross and Co., 1900 M Street NW., Washington, D.C. 20036.
D. (6) $7,800. E. (9) $1,940.83.

A. P. Michael Greenwald, American Hospital Association, 840 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,026.58. E. (9) $238.23.

A. William G. Greif, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $6,000.

A. Lori Gribbin, 1025 Connecticut Avenue NW., No. 202, Washington, D.C. 20036.
B. Rohm and Haas Co., Independence Mall West, Philadelphia, Pa. 19105.
D. (6) $500. E. (9) $100.

A. Harold H. Griffin, 1050 17th Street NW., No. 320, Washington, D.C. 20036.
B. Family Health Program, Inc., 2925 North Palo Verde Avenue, Long Beach, Calif. 90815.
D. (6) $2,437. E. (9) 167.79.

A. Roger F. Griffin, 1620 I Street NW., Suite 703, Washington, D.C. 20006.
B. Bechtel Corp., 1620 I Street NW., Suite 703, Washington, D.C. 20006.

A. Theodore R. Groom, 1775 Pennsylvania Avenue NW., No. 450, Washington, D.C. 20006.
B. The Ad Hoc Group on Life Insrance Company Taxation of Pension Funds, 1775 Pennsylvania Avenue NW., No. 450, Washington, D.C. 20006.

A. Theodore R. Groom, 1775 Pennsylvania Avenue NW., No. 450, Washington, D.C. 20006.
B. The Prudential Insurance Company of America, Prudential Plaza, Newark, N.J. 07101.

A. Wesley E. Gross, 604 Portland Building, 200 West Broadway, Louisville, Ky., 40202.
B. Dairymen, Inc., 604 Portland Building, 200 West Broadway, Louisville, Ky. 40202.
D. (6) $150.

A. J. Randall Groves, Bryant, Groves & Essex, P.A., 1490 Southern National Center, Charlotte, N.C. 28202.
B. Mastrom, Inc., Asheville, N.C.
D. (6) 575.

A. Charles S. Gubser, 8905 Bradley Boulevard, Bethesda, Md. 20034.
B. WEMA, 2600 El Camino Real, Palo Alto, Calif. 94306.
D. (6) $3,000. E. (9) $287.61.

A. Kenneth J. Guido, 2030 M Street, Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $800.01. E. (9) $58.43.

A. Thomas M. Gunn, P.O. Box 516, St. Louis, Mo. 63166.
B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.
D. (6) $25. E. (9) $30.

A. C. James Hackett, American Plywood Association, 1119 A Street, Tacoma, Wash. 98401.
B. American Plywood Association, 1119 A Street, Tacoma, Wash. 98401.

A. Loyd Hackler, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $90.

A. Haley, Bader & Potts, 1730 M Street NW., Suite 700, Washington, D.C. 20036.
B. Age 60 Injunction Fund, c/o Jacque M. Sexton, Six Sequoia Way, Redwood City, Calif. 94061.

A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1701 Pennsylvania Avenue NW., Suite 404, Washington, D.C. 20006.
B. The Williams Co., One Williams Center, Tulsa Okla. 74103.

A. Harry L. Hall, National Multiple Sclerosis Society, 6845 Elm Street, Suite 511, McLean, Va. 22101.
B. National Multiple Sclerosis Society, 205 East 42d Street, New York, N.Y. 10017.
D. (6) $7,500.

A. Paul Hallisay, Laborers' International Union of N.A., AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of N.A., AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $5,950.02. E. (9) $1,278.89.

A. Seymour Halpern, 540 Madison Avenue, New York, N.Y. 10022.
B. Sydney S. Baron and Co., Inc., 540 Madison Avenue, New York, N.Y. 10022 (for American Can Co., American Lane, Greenwich, Conn.).
D. (6) $1,000. E. (9) $225.

A. Seymour Halpern, 540 Madison Avenue, New York, N.Y. 10022.
B. Sydney S. Baron and Co., Inc., 540 Madison Avenue, New York, N.Y. 10022 (for National Medical Care, Inc. 200 Clarendon Avenue, Boston, Mass. 20116).
D. (6) $1,000. E. (9) $225.

A. Seymour Halpern, 540 Madison Avenue, New York, N.Y. 10022.
B. Sydney S. Baron and Co., Inc., 540 Madison Avenue, New York, N.Y. 10022 (for Republic of China, Embassy of the Republic of China, 2311 Massachusetts Avenue NW., Washington, D.C.).
D. (6) $1,000. E. (9) $225.

A. Seymour Halpern, 540 Madison Avenue, New York, N.Y. 10022.
B. Sydney S. Baron and Co., Inc., 540 Madison Avenue, New York, N.Y. 10022 (for Republic of South Africa, Department of Information, Private Bag X152 Pretoria 0001).
D. (6) $1,000. E. (9) $225.

A. Jerald V. Halvorsen, Allied-General Nuclear Services, 2120 L Street NW., Suite 245, Washington, D.C. 20037.
B. Allied-General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.
E. (9) $107.68.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Belize Sugar Industries, Ltd., Belize City, Belize (Central America).
E. (9) $247.36.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. The Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $100. E. (9) $5.00.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Central Bank for Cooperatives and associated District Banks, P.O. Box 17389, Denver, Colo. 80217.
D. (6) $750.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Government of Republic of Panama, Compania Azucarera La Estrella, S.A. and Azucarera Naciona, S.A., Panama City, Panama.
D. (6) $3,040.38. E. (9) $184.11.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.
E. (9) $57.57.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Sociedad Agricola e Industrial San Carlos, S.A., Compania Azucarera Valdez, S.A., Azucarera Tropical Americana, S.A., Tababuela, Industrial Azucarera, C.A., Ecuador.
E. (9) $6.98.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Sugar Association of the Caribbean, Port of Spain, Trinidad.
D. (6) $8,787.32. E. (9) $546.80.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. United Student Aid Funds, Inc., 200 East 42d Street, New York, N.Y. 10017.

A. Philip W. Hamilton, 2000 L Street NW., Washington, D.C. 20036.
B. Wilson E. Hamilton & Associates, Inc., 2000 L Street NW., Washington, D.C. 20036 (for National Labor-Management Foundation, Louisville, Ky.).
E. (9) $10.

A. Theodore J. Hamilton, 2000 L Street NW., Washington, D.C. 20036.
B. Wilson E. Hamilton & Associates, Inc., 2000 L Street NW., Washington, D.C. 20036 (for United States Industrial Council, Nashville, Tenn.).
D. (6) $750. E. (9) $57.76.

A. Thomas A. Hammer, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,125. E. (9) $73.

A. Patricia L. Hanahan, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $325.

A. Christopher G. Hankin, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $23.76.

A. Arthur Harding, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,100.

A. Chester L. Harding, Jr., 2 Militia Drive, Lexington, Mass. 02173.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $225.

A. Robert B. Harding, 1801 K Street NW., No. 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $50. E. (9) $25.

A. William E. Hardman, 9300 Livingston Road, Washington, D.C. 20022.
B. National Tool, Die, and Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Eugene J. Hardy, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $8.10.

A. Andrew E. Hare, 8316 Arlington Blvd., Suite 600, Fairfax, Va. 22038.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $734. E. (9) $234.

A. Bryce L. Harlow, 1425 K Street NW., Washington, D.C. 20005.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20005.
D. (6) $85.10.

A. Bryce N. Harlow, 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter and Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.
D. (6) $862.95. E. (9) $1,607.20.

A. Donald L. Harlow, Air Force Sergeants Association, Inc., 310 Riley Street, Falls Church, Va. 22046.
B. Air Force Sergeants Association, Inc., 4235 28th Avenue, Marlow Heights, Md. 20031.

A. William B. Harman, Jr., American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $60. E. (9) $7.

A. C. Wayne Harmon, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $500. E. (9) $250.

A. A. J. Harris, II, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Securities Industry Association, 490 L'Enfant Plaza East SW, Washington, D.C. 20024.
D. (6) $608.67. E. (9) $50.32.

A. Saul J. Harris, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Co., 1140 Connecticut Avenue NW, Suite 1010, Washington, D.C. 20036.
D. (6) $710. E. (9) $23.

A. Jim Harrison, Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
B. Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
D. (6) $5,000. E. (9) $990.55.

A. William C. Hart, 1625 I Street NW., Washington, D.C. 20006.
B. Columbia Gas System Service Corp., 20 Montchanian Road, Wilmington, Del. 19807.
D. (6) $300. E. (9) $455.

A. Fred L. Hartley, 461 South Boylston Street, Los Angeles, Calif. 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
D. (6) $300.

A. Rita M. Hartz, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
E. (9) $519.23.

A. Michael M. Hash, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $2,034.90. E. (9) $197.51.

A. Charles W. Havens, III, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
E. (9) $25.

A. Sidney G. Hawkes, The Mead Corp., 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Mead Corp., Mead World Headquarters, Courthouse Plaza NE., Dayton, Ohio.
D. (6) $1,100.

A. John H. Hawkins, Jr., Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.
B. Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.
D. (6) $2,625. E. (9) $3,718.80.

A. Paul M. Hawkins, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.
D. (6) $62. E. (9) $10.60.

A. Bruce R. Hawley, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,188. E. (9) $53.

A. Carl F. Hawver, National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.
B. National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.

A. Robert T. Hayden, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa., 15222.
D. (6) $6,170.88. E. (9) $1,557.36.

A. Patrick J. Head, Container Corp. of America, 1101 15th Street NW., No. 205, Washington, D.C. 20005.
B. Container Corp. of America, One First National Plaza, Chicago, Ill. 60607.

A. Patrick J. Head, Montgomery Ward & Co., Inc., 1101 15th Street NW., Washington, D.C. 20005.
B. Montgomery Ward & Co., Inc., 535 West Chicago Avenue, Chicago, Ill. 60671.
E. (6) $90. E. (9) $150.

A. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
D. (6) $837.65. E. (9) $837.65.

A. Patrick B. Healy, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $450.

A. Richard L. Healy, 1725 De Sales Street NW., Suite 403, Washington, D.C. 20036.
B. American Society for Medical Technology, 1725 De Sales Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $400. E. (9) $100.

A. Heavy Specialized Carriers Conference, 1155 16th Street NW., Washington, D.C. 20036.
E. (9) $250.

A. George J. Hecht, 52 Vanderbilt Avenue, New York, N.Y. 10017.
B. American Parents Committee, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036; Child Welfare League of America, 67 Irving Place, New York, N.Y.

A. William H. Hecht, 1776 K Street NW., No. 1200, Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW, No. 1200, Washington, D.C. 20006.
D. (6) $1,550. E. (9) $520.

A. John F. Heilman, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.
D. (6) $7,500.

A. Spencer H. Heine, Container Corp. of America, 1101 175th Street NW., No. 205, Washington, D.C. 20005.
B. Container Corp of America, One First National Plaza, Chicago, Ill. 60671.

A. Spencer H. Heine, Montgomery Ward & Co., Inc., 1101 15th Street NW., No. 205, Washington, D.C. 20005.
B. Montgomery Ward & Co., Inc., 535 West Chicago Avenue, Chicago, Ill. 60607.
D. (6) $200. E. (9) $150.

A. John P. Helm, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW, Washington, D.C. 20036.
E. (9) $68.33.

A. Phil D. Helmig, 410 East College Street, Roswell, N. Mex. 88201.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Richard Dean Henderson, Private Truck Council of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., 1101 17th Street NW., No. 1008, Washington, D.C. 20036.

A. Douglas F. Henderson, Rocky Mountain Oil and Gas Association, 950 Petroleum Club Building, Denver, Colo. 80202.
B. Rocky Mountain Oil and Gas Association, 950 Petroleum Club Building, Denver, Colo. 80202.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y. 10017.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500. E. (9) $202.36.

A. George F. Hennrikus, Jr., 1625 I Street, NW., Washington, D.C. 20006.
B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $3,241.

A. Donald A. Henriksen, 515 South Flower Street, Los Angeles, Calif. 90071.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $50.

A. Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.
E. (9) $5,235.68.

A. Jack E. Herington, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
D. (6) $500. E. (9) $295.32.

A. Esther Herst, 510 C Street NE., Washington, D.C. 20002.
B. National Committee Against Repressive Legislation, 1250 Wilshire Boulvard, Los Angeles, Calif. 90017.
D. (6) $2,730. E. (9) $1,891.27.

A. Elena Hess, 3705 Porter Street NW., Washington, D.C. 20016.
B. Self-Determination for D.C., Room 300, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $95.97.

A. Andrew I. Hickey, Jr., 1133 15th Street NW., Washington, D.C. 20005.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.
D. (6) $13,175. E. (9) $1,351.93.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. The First National Bank of Chicago, One First National Plaza, Chicago, Ill. 60670.

A. Frederic W. Hickman One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,100. E. (9) $809.50.

A. Frederick W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Frederick W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.
D. (6) $1,000.

A. Frederick W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.
D. (6) $4,500. E. (9) $500.04.

A. Paul T. Hicks, Rhode Island Petroleum Association, 154 Francis Street, Providence, R.I. 02903.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $75. E. (9) $125.

A. Janet Hieber, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3,000.

A. J. Thomas Higginbotham, Mellon Bank, NA, Pittsburgh, Pa. 15230.
B. Mellon Bank, N.A., and Mellon National Corp., Mellon Square, Pittsburgh, Pa. 15230.
D. (6) $2,000 E. (9) $800.62.

A. Gerald "Jerry" Hill, 6 Executive Park Drive, Atlanta, Ga. 30329.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. J. Eldred Hill, Jr., UBA, Inc., 460 South, 1800 M Street NW., Washington, D.C. 20036.
B. UBA, Inc., 460 South, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $2,000.

A. E. Joseph Hillings, National Airlines, Inc., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Airlines, P.O. Box 592055 AMF, Miami, Fla. 33159.
D. (6) $1,100. E. (9) $50.

A. Kathryn Hilton, 918, 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,375.

A. Arthur Hintze, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Robert Hitzhusen, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,000. E. (9) $95.

A. Lawrence S. Hobart, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $600.

A. Claude E. Hobbs, Westinghouse Electric Corp., 1801 K Street NW., Ninth Floor, Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $900. E. (9) $195.

A. Howard E. Hoelter, Illinois Petroleum Council, P.O. Box 5034, Springfield, Ill. 62705.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $184. E. (9) $566.74.

A. Lawrence S. Hoffheimer, 6845 Elm Street, Suite 511, McLean Va. 22101.
B. American Group Practice Association, 20 South Quaker Lane, Alexandria, Va. 22314.
D. (6) $5,000. E. (9) $650.

A. Lawrence S. Hoffheimer, National Multiple Sclerosis Society, 6845 Elm Street, Suite 511, McLean, Va. 22101.
B. National Multiple Sclerosis Society, 205 East 42d Street, New York, N.Y. 10017.
D. (6) $3,750. E. (9) $725.

A. Ellen S. Hoffman, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Children's Defense Fund of the Washington Research Project, 1520 New Hampshire Avenue, NW., Washington, D.C. 20036.
D. (6) $404.46. E. (9) $40.85.

A. Herbert E. Hoffman, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (6) $50.

A. Austin B. Hogan, Jr., American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $945.47. E. (9) $247.63.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Champlin Petroleum Co., P.O. Box 9365, Fort Worth, Tex. 76107.
E. (9) $307.76.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Council of European & Japanese National Shipowners' Associations, 3/32 St. Mary Axe, London EC3A 8ET, England.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cravens Wanless Corp., 1442 Irvine Boulevard, Suite 101, Tustin, Calif. 92680.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Energy Transportation Systems, Inc., 50 Beale Street, San Francisco, Calif. 94119.

A. Henry W. Holling, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.

A. Thomas D. Holman, 1776 F Street NW., Washington, D.C. 20006.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $2,045.

A. Eric Holmes, Jr., Petroleum Council of Georgia, 230 Peachtree Street NW., Suite 1500, Atlanta, Ga. 30303.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $260. E. (9) $352.12.

A. Lee B. Holmes, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $3,343.75.

A. R. C. Holmquist, American Mining Congress, 1100 Ring Building, Washington, D.C.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $86.56. E. (9) $18.90.

A. John W. Holton, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $24.80.

A. Wayne K. Horiuchi, Japanese American Citizens League, 1730 Rhode Island Avenue NW., Suite 204, Washington, D.C. 20036.
B. Japanese American Citizens League, 1765 Sutter Street, San Francisco, Calif. 94115.
D. (6) $687.

A. The Hormel Foundation, Austin, Minn. 55912.

A. Michael E. Horrell, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $1,562.50. E. (9) $131.65.

A. John F. Horty, 4614 Fifth Avenue, Pittsburgh, Pa.
B. National Council of Community Hospitals, 4614 Fifth Avenue, Pittsburgh, Pa.

A. Craig Hosmer, 1750 K Street, Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $1,500. E. (9) $60.04.

A. Houger, Garvey & Schubert, 1725 K Street NW., Suite 303, Washington, D.C. 20006.
B. Quileute Tribe of Indians, P.O. Box 1587 La Push, Wash. 98350.

A. Thomas B. House, 919 18th Street NW., Washington, D.C. 20006.
B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
E. (9) $9,362.40.

A. C. T. Hoversten, 209 West 53d Street, Western Spring, Ill. 60558.
B. National Advertising Co., 6850 South Harlem Avenue, Bedford Park, Argo, Ill. 60501.

A. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. Paul N. Howell, Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.
B. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Tony R. Huerta, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $3,985.87.

A. James C. Hughes, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $2,500.

A. Edward L. Huie, Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.
B. National Association of Air Traffic Specialists, Inc., Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.
D. (6) $4,623.48. E. (9) $199.15.

A. David C. Hull, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $1,962.50.

A. William J. Hull, 1025 Connecticut Avenue NW., No. 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., 1409 Winchester Avenue, Ashland, Ky.

A. William J. Hull, 401 Carew Tower, Cincinnati, Ohio 45202.
B. Ohio Valley Improvements Association. Inc.

A. Keith R. Hundley, 1625 I Street NW., Suite 902, Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98401.
D. (6) $100. E. (9) $26.

A. Burt H. Hunley, Chevron USA, Inc., 1700 K Street NW., Suite 1204; Washington, D.C. 20006.
B. Chevron U.S.A., Inc. (a subsidiary of the Standard Oil Co. of California), 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
D. (6) $150. E. (9) $75.

A. Acacia Graham Hunt, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $82.50. E. (9) $3.40.

A. Richard M. Hunt; NL Industries, Inc., Suite 1009, Connecticut Building, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $2,000.

A. Robert C. Hunt, 1425 K Street NW., Suite 900, Washington, D.C. 20005.
B. Grocery Manufactures of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C., 20005.
D. (6) $97.41.

A. Milton F. Huntington, Maine Petroleum Association, 283 Water Street, Augusta, Maine 04330.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. James L. Huntley, Active Ballot Club Department, Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $8,476.13. E. (9) $1,979.20.

A. Hunton & Williams, P.O. Box 1535, Richmond, Va. 23212.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $1,500. E. (9) $1,500.

A. Gerard F. Hurley, Suite 602, 1129 20th Street, Washington, D.C. 20036.
B. National Club Asociation, 1129 20th Street NW., Suite 602, Washington, D.C. 20036.
D. (6) $750. E (9) $200.

A. John Edward Hurley, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.
E. (9) $330.

A. Raymond D. Hurley, Suite 1010, 1000 Connecticut Avenue, NW., Washington, D.C. 20036.
B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

A. E. Hamilton Hurst, Nalco Chemical Co., 2901 Butterfield Road, Oak Brook, Ill. 60521.
B. Nalco Chemical Co., 2901 Butterfield Road, Oak Brook, Ill. 60521.

A. Dewey M. Hutchins, Jr., Eastman Kodak Co., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Kodak Co., 343 State Street, New York, N.Y. 14650.
D. (6) $230. E. (9) $109.

A. Hydeman, Mason & Goodell, 1220 19th Street NW., Suite 700, Washington, D.C. 20036.
B. Atlantic Container Line, GIE, Overlie House, Southampton, England.
D. (6) $1,000. E. (9) $49.75.

A. David C. Hyer, Ohio Petroleum Council, 88 East Broad Street, Columbus, OH 43215.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Frank N. Ikard, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $3,375. E. (9) $2,688.

A. Bernard J. Imming, 1019 19th Street, NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $1,175. E. (9) $5.

A. INA Corp., 1600 Arch Street, Philadelphia, Pa. 19101.
E. (9) $115.

A. Independent Data Communications Manufacturers Association, Inc., 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $503. E. (9) $503.

A. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $12,063.66.

A. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $12,283.55. E. (9) $12,283.55.

A. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $12,043.76.

A. International Brotherhood of Painters & Allied Trades, 1750 New York Avenue NW., Washington, D.C. 20006.

A. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
E. (9) $22,552.

A. International Union, United Automobile Aerospace & Agricultural Implement Workers of America, UAW, 8000 East Jefferson, Detroit, Mich. 48214.
D. (6) $170,758. E. (9) $170,758.

A. Investment Co. Institute, 1775 K Street, Washington, D.C. 20006.
E. (9) $885.50.

A. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, Saint Paul, Minn. 55101.
D. (6) $6,935.72. E. (9) $8,304.94.

A. William A. Irvine, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
B. Associated Third Class Mail Users, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
D. (6) $300.

A. Joseph S. Ives, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $125.

A. Robert A. Jablon, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Fort Pierce Utilities Authority of the City of Fort Pierce, Gainesville-Alachua County Regional Electric Water & Sewer Utilities, Sebring Utilities Commission, Cities of Homestead, Kissimmee, Lakeland, Starke, Tallahassee, Fla.

A. Mary Jo Jacobi, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $235.

A. E. A. Jaenke, 1735 I Street NW., Washington, D.C. 20006.
B. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Washington, D.C. 20006.
D. (6) $2,000.

A. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Washington, D.C. 20006.
B. Australian Wool Corp., Wool House, 369 Royal Parade, Parkville, Victoria 3052.
D. (6) $1,000.

A. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Washington, D.C. 20006.
B. The Cooperative League of the U.S., 1828 L Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Robert L. James, 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.
D. (6) $266.37. E. (9) $140.64.

A. Joseph A. Jeffrey, American Mining Congress, 1100 Ring Building, Washington, D.C.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $307.56.

A. Philip F. Jehle, 1150 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.
B. Smith Kline Corp., 1500 Spring Garden Street, Philadelphia, Pa. 19101.
D. (6) $1,000. E. (9) $1,140.

A. Joseph S. Jenckes, Abbott Laboratories, 1730 M Street NW., No. 808, Washington, D.C. 20036.
B. Abbott Laboratories, Abbott Park, North Chicago, Ill., 60064.
E. (9) $447.49.

A. Linda Jenckes, 1730 Pennsylvania Avenue NW., Suite 220, Washington, D.C. 20006.
B. Blue Shield Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
E. (9) $50.

A. James Courtney Jennings, 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. W. Pat. Jennings, Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
B. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
D. (6) $3,281.25. E. (9) $454.90.

A. Chris L. Jensen, Florida Petroleum Council, 111 North Gadsden Street, Tallahassee, Fla. 32301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $233.25. E. (9) $476.42.

A. A. W. Jessup, 1025 Connecticut Avenue, NW., No. 1014, Washington, DC. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $109.98.

A. Guy E. Jester, 2150 Kienlen Avenue, St. Louis, Mo. 63121.
B. Association for Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63121.

A. Charles E. Joeckel, Jr., Disabled American Veterans, 807 Main Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.
D. (6) $4,000.

A. Walter W. John, Organization of Professional Employees of the Department of Agriculture, Room 1247–S., Washington, D.C. 20250.
B. Organization of Professional Employees of USDA, Room 1247–S. Building, Washington, D.C.
D. (6) $300.

A. Ronald P. Johnsen, 1625 I Street, NW., Suite 302, Washington, D.C. 20006.
B. Columbia Gas System Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.
D. (6) $175. E. (9) $188.39.

A. Anita Johnson, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.

A. Bob Johnson, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $2,031. E. (9) $233.

A. Calvin P. Johnson, 1750 K Street N.W., Washington, D.C. 20006.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.
D. (6) $171. E. (9) $43.77.

A. H. Bradley Johnson, American Mining Congress, 1100 Ring Building, Washington, D.C.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Jess Johnson, Jr., Shell Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. John B. Johnson, Alabama Petroleum Council, 660 Adams Avenue, Suite 188, Montgomery, Ala. 36104.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $412.50. E. (9) $436.18.

A. John Paul Johnson, 1025 Connecticut Avenue, NW., No. 505, Washington, D.C. 20036.
B. Natural Gas Supply Committee, 1025 Connecticut Axenue NW., No. 505, Washington, D.C. 20036.
D. (6) $9,343.80. E. (9) $830.08.

A. Rady A. Johnson, 1000 16th Street NW., No. 500, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $2,384.60. E. (9) $18.93.

A. Reuben L. Johnson, Denver, Colo. 80251.
B. The Farmers' Educational & Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $6,892.37. E. (9) $398.42.

A. Spencer A. Johnson, National Home Furnishings Association, 1025 Vermont Avenue NW., Washington, D.C. 20005.
B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
D. (6) $800.

A. Stanley L. Johnson, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 135 East 42d Street, New York, N.Y. 10017.
D. (6) $116.

A. David Johnston, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. James D. Johnston, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,600. E. (9) $2,007.92.

A. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.
D. (6) $15,520. E. (9) $2,098.08.

A. Allan R. Jones, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $1,565.59.

A. Charlie W. Jones, Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.
B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $500. E. (9) $150.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.
D. (6) $2,060. E. (9) $100.

A. Ernest W. Jones, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. James E. Jones, Jr., 1776 F Street NW., Washington, D.C.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $1,850.

A. James V. Jordan III, P.O. Box 2563, Birmingham, Ala. 35202.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.
E. (9) $1,356.56.

A. L. Dan Jones, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $44.25.

A. Robert E. Juliano, Hotel & Restaurant Employees & Bartenders International Union, 1666 K Street NW., Suite 304, Washington, D.C. 20006.
B. Hotel & Resturant Employees & Bartenders International Union, 120 East Fourth Street, Suite 1300, Cincinnati, Ohio 45202.
D. (6) $7,708.41. E. (9) $7,021.57.

A. H. Richard Kahler, 1030 15th Street NW, Suite 720, Washington, D.C. 20005.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $2,500. E. (9) $2,058.85.

A. Ann P. Kahn, 9202 Ponce Place, Fairfax, Va. 22030.
B. National Congress of Parents & Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $26.63.

A. Paula Dawson Kal, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Sheet Metal Workers' International Association, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $4,500.

A. Charles W. Karcher, 1780 Guildhall, Cleveland, Ohio 44115.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115,

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A. Joseph E. Karth, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
B. American League for International Security Assistance, Inc., 475 L'Enfant Plaza, SW., Suite 4400, Washington, D.C. 20024.
D. (6) $8,143.94. E. (9) $877.72.

A. Joseph E. Karth, 3507 Leslie Avenue SE., Temple Hills, Md. 20031.
B. General Electric Corp., 777 14th Street NW., Washington, D. C. 20005.
D. (6) $800. E. (9) $390.50.

A. Joseph E. Karth, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
B. Special Committee for U.S. Exports, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
D. (6) $2,100. E. (9) $1,800.

A. Joseph Karth, 3507 Leslie Avenue SE., Temple Hills, Md. 20031.
B. Western Electronics Manufacture Association, P.O. Box 11036, Palo Alto, Calif. 94306.
D. (6) $1,200. E. (9) $214.50.

A. Linda Eileen Katz, 2745 29th Street NW., Washington, D.C. 20008.
B. Chicago, Rock Island & Pacific Railroad Co., Chicago, Ill. 60604.
D. (6) $4,500. E. (9) $582.70.

A. William J. Keating, 725 15th Street NW., Room 500, Washington, D.C. 20005.
B. National Grain & Feed Association, P.O. Box 28328, Washington, D.C. 20005.
D. (6) $57.80. E. (9) $57.80.

A. Howard B. Keck, 555 South Flower Street, Los Angeles, Calif. 90071.
B. The Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $300.

A. W. M. Keck, Jr., 1801 Avenue of the Stars Suite 1110, Los Angeles, Calif. 90067.
E. (9) $275.

A. Patricia Keefer, 2030 M Street NW., Washington, D.C.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $5,600.01. E. (9) $953.24.

A. Jefferson D. Keith, National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.

A. Robert H. Kellen, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
D. (6) $1,600.

A. John B. Kelley, 1025 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. AVCO Corp., 1275 King Street, Greenwich, Conn. 06830.
D. (6) $1,500. E. (9) $250.

A. Paul J. Kelley, 2727 North Central Avenue, Phoenix, Ariz. 85004.
B. U-Haul International, Inc., Phoenix, Ariz. 85004.
E. (9) $2,000.

A. Carol A. Kelly, American Textile Manufacturers Institute, Inc., Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Suite 2124, South Tryon Street, Charlotte, N.C. 28285.
D. (6) $2,440. E. (9) $68.50.

A. Harold V. Kelly, 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. John T. Kelly, Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Robert F. Kelly, 1701 Pennsylvania Avenue NW., Suite 210, Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.

A. Thomas J. Kenan, 1000 Fidelity Plaza, Oklahoma City, Okla. 73102.
B. Coquina Oil Corp., P.O. Box 2690, Midland, Tex. 79701.
E. (9) $49.45.

A. Jeremiah J. Kenney, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C.

A. Robert T. Kenney, 1050 17th Street NW., Washington, D.C. 20036
B. Texaco, Inc., 135 East 42d Street, New York, N.Y. 10017.

A. John V. Kenny, 1801 K Street NW., Suite 221, Washington, D.C. 20006.
B. Southern Pacific Co. and affiliated companies, 1801 K Street NW., Suite 221, Washington, D.C. 20006.
D. (6) $4,565.

A. Carl F. Kettler, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,875. E. (9) $394.76.

A. Daniel L. Kiley, 8 North Jefferson Street, Roanoke, Va. 24042.
B. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
D. (6) $613.40. E. (9) $883.17.

A. Richard H. Kimberly, Kimberly-Clark Corp., 3390 Peachtree Road NE., Executive Suite, Atlanta, Ga. 30326.
B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
E. (9) $113.38.

A. James L. Kimble, American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $1,500. E. (9) $250.

A. Charles L. King, American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $160.

A. John M. Kinnaird, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $2,789.41.

A. Jack Arthur Kirby, 1516 County Line Road, Rosemont, Pa. 19010.
B. American Society of Farm Managers & Rural Appraisers, Inc., 210 Clayton Street, P.O. Box 6857, Denver, Colo. 80206.
D. (6) $1,000. E. (9) $138.42.

A. Kirkland, Ellis & Rowe, 1776 K Street NW., Washington, D.C. 20006.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20005.

A. Sally Ann Kirkpatrick, American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $750. E. (9) $125.

A. Ralph W. Kittle, Room 700, 1620 I Street NW., Washington, D.C. 20006.
B. International Paper Co., Room 700, 1620 I Street NW., Washington, D.C. 20006.
D. (6) $632.50. E. (9) $372.50.

A. John J. Klocko III, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.
E. (9) $50.

A. Gary D. Knight, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
E. (9) $25.

A. Keith R. Knoblock, American Mining Congress, 1100 Ring Building, Washington, D.C.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $130.32. E. (9) $15.

A. Philip M. Knox, Jr., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $500. E. (9) $403.08.

A. Ruth E. Kobell, 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers' Educational & Co-operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $3,069.23. E. (9) $195.92.

A. Bradley R. Koch, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $132.40.

A. George W. Koch, 1425 K Street NW., Washington, D.C. 20005.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20005.
D. (6) $83.34.

A. Robert M. Koch, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $16.85.

A. Robert M. Koch, Jr., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $25.04.

A. Robert L. Koob, Koob Associates, 1155 15th Street NW., Suite 311, Washington, D.C. 20005.
B. Morton-Norwich Products, Inc., 110 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $3,750. E. (9) $890.66.

A. Horace R. Kornegay, Suite 1200, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $500. E. (9) $150.

A. Paul A. Korody, Jr., 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $2,500.

A. John T. Korsmo, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.
D. (6) $500. E. (9) $45.35.

A. Kenneth S. Kovack, United Steelworkers of America, 815 Sixteenth Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $6,170.88. E. (9) $2,340.81.

A. Michael J. Kowalsky, Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.
B. Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.
E. (9) $19.80.

A. Mylio S. Kraja, National Legislative Commission, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $6,795. E. (9) $1,010.93.

A. Amos Kramer, Kansas Petroleum Council, Eighth and Jackson Street, Topeka, Kans. 66612.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $239.25. E. (9) $308.

A. Stephen W. Kraus, American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Lawrence E. Kreider, Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

A. Anthony L. Kucera, The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $300.

A. Joseph A. Kuchler, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,455.34. E. (9) $123.47.

A. M. J. Kuehne, American Plywood Association, 1119 A Street, Tacoma, Wash. 98401.
B. American Plywood Association, 1119 A Street, Tacoma, Wash. 98401.

A. Coralee Stevens Kuhn, 800 18th Street NW., Washington, D.C. 20006.
B. Genetech, 475 Sansome Street, 15th Place, San Francisco, Calif. 94111.

A. Lloyd R. Kuhn, Aerospace Industries Association, 1725 DeSales Street NW., Washington, D.C. 20036.
B. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
D. (6) $9,720. E. (9) $1,359.13.

A. Thomas R. Kuhn, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $2,375. E. (9) $126.59.

A. Robert J. Kukla, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Daniel M. Kush, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C. 20062.
E. (9) $247.35.

A. Dan Kuykendall, 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.

A. Labor Bureau of Middle West, 1200 15th Street NW., Washington, D.C. 20005; 11 South LaSalle Street, Chicago, Ill. 60603.

A. Laborers' International Union of North America, 905 16th Street NW., Washington, D.C. 20006.
E. (9) $25,274.35.

A. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $13,022. E. (9) $5,761.

A. Edward J. Lachowicz, Garfield House, Apt. 600, 2844 Wisconsin Avenue NW., Washington, D.C. 20007.
B. International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 30005.

A. Nick L. Laird, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $500. E. (9) $42.30.

A. Sarah M. Laird, 1730 M Street NW., Washington, D.C. 20036.
B. The League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $804. E. (9) $5,221.

A. David R. Lambert, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $3,500.

A. Harry J. Lamberth, 725 15th Street NW., Suite 700, Washington, D.C. 20005.
B. Council to Save the Post Card, 725 15th Street NW., Suite 704, Washington, D.C. 20005.

A. A. M. Lampley, United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
E. (9) $150.

A. Phil M. Landrum, P.O. Box 100, Jasper, Ga. 30143.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $750. E. (9) $1,997.83.

A. Karl S. Landstrom, 510 North Edison Street, Arlington, Va. 22203.
B. Geothermal Resources International, Inc., 4676 Admiralty Way, Suite 503, Marina del Rey, Calif. 90291.
D. (6) $750.

A. James J. LaPenta, Jr., Laborers' International Union of North America, AFL–CIO 905 16th Street NW., Washington, D.C. 20006.
B. Laborers International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
E. (9) $1,409.83.

A. Lucille Larkin, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $75.

A. Richard G. Larsen, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Ernst & Ernst, 1225 Connecticut Avenue NW., Washington, D.C. 20036 (for Ling-Temco-Vought, Inc).
D. (6) $1,400.

A. Reed E. Larson, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $63. E. (9) $10.

A. Glenn T. Lashley, American Automobile Association, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.

A. Dennis Lavallee, American Footwear Industries Association, Suite 900, 1611 North Kent Street, Arlington, Va. 22209.
B. American Footwear Industries Association, Suite 900, 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $3,500. E. (9) $266.95.

A. Rick C. Lavis, 1775 K Street NW., Suite 310, Washington, D.C. 20006.
B. El Paso LNG Co., P.O. Box 2185, Houston, Tex. 77001; and El Paso Alaska Co., Pouch 7009, Anchorage, Alaska 99510.
D. (6) $8,841. E. (9) $321.32.

A. George H. Lawrence, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $200.

A. Susannah C. Lawrence, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Consumer Action Now, Inc., 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $927.36. E. (9) $574.70.

A. Kenneth L. Lay, 783 Granville Drive, Winter Park, Fla. 32789.
B. Florida Gas Transmission Co., P.O. Box 44, Winter Park, Fla. 32790.
E. (9) $50.

A. John I. Le Berre, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum and Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
E. (9) $500.

A. Robert F. Lederer, 230 Southern Building, Washington, D.C. 20005.
B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. Robert W. Lee, The John Birch Society, 1028 Connecticut Avenue NW., No. 1004, Washington, D.C. 20036.
B. The John Birch Society, Inc., 395 Concord Avenue, Belmont, Mass. 02178.

A. Michael L. Lehrman, 3012 Cortland Place NW., Washington, D.C. 20008.
B. The Plessey Co., Ltd., Ilford, Essex, England.
D. (6) $9,728.83. E. (9) $2,720.

A. Richard J. Leighton, Leighton and Conklin, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.

A. Joseph L. Leitzinger, 900 Fourth Avenue, Seattle, Wash. 98164.
B. Simpson Timber Co., 900 Fourth Avenue, Seattle, Wash. 98164.
D. (6) $4,696. E. (9) $5,524.

A. Gilbert LeKander, 1629 K Street NW., No. 700, Washington, D.C.
B. Montana Power Co., 40 East Broadway, Butte, Mont. 59701; Washington Water Power Co., Box 3727, Spokane, Wash. 99220.
D. (6) $450.

A. Nils A. Lennartson, Railway Progress Institute, 801 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 801 North Fairfax Street, Alexandria, Va. 22314.
D. (6) $699.56.

A. Earl T. Leonard, Jr., The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
D. (6) $900. E. (9) $984.41.

A. Lloyd Leonard, 1730 M Street NW., Washington, D.C. 20036.
B. The League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $323.

A. Herbert J. Lerner, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Ernst & Ernst, 1225 Connecticut Avenue NW., Washington, D.C. 20036 (for Ling-Temco-Vought, Inc.).
D. (6) $1,680.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Beer Wholesalers Association of America, 6310 North Cicero Avenue, Chicago, Ill. 60646.
D. (6) $4,500. E. (9) $568.14.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. National Council of Community Hospitals (NCCH), 4614 Fifth Avenue, Pittsburgh, Pa. 15213.
D. (6) $102.50.

A. Harry LeVine, Jr., General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $175.

A. David Lewis, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Alvin Levin, 120 South Hanover Street, Carlisle, Pa. 17013.
D. (6) $161.44. E. (9) $146.13.

A. Robert G. Lewis, The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251.
B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $1,960. E. (9) $80.87.

A. Susan Paris Lewis, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $56.20.

A. Ronald L. Leymeister, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $400. E. (9) $162.50.

A. Herbert Liebenson, National Small Business Association, 1225 19th Street NW., Washington, D.C. 20036.
B. National Small Business Association, 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $4,500. E. (9) $1,200.

A. Russell B. Light, 955 L'Enfant Plaza North SW., Wahington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $3,000. E. (9) $2,475.74.

A. Charles W. Linderman, Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
B. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
D. (6) $315.

A. Lester W. Lindow, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. Maureen C. Lindsey, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
E. (9) $4,636.90.

A. John E. Linster, 2000 Westwood Drive, Wausau, Wis. 54401.
B. Employers Insurance of Wausau, 2000 Westwood Drive, Wausau, Wis. 54401.
D. (6) $500.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. County of Baltimore, 111 West Chesapeake Avenue, Towson, Md. 21204.
D. (6) $1,200. E. (9) $50.39.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Lake Superior District Power Co., 101 West Second Street, Ashland, Wis. 54806.
D. (6) $363.84. E. (9) $31.08.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Madison Gas and Electric Co., 100 North Fairchild Street, Box 1231, Madison, Wis. 53701.
D. (6) $803.30. E. (9) $68.96.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. The Metropolitan Sanitary District of Greater Chicago, 100 East Erie Street, Chicago, Ill. 60611.
D. (6) $9,094.40. E. (9) $641.09.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Northern States Power Co., 100 North Barstow Street, Eau Claire, Wis. 54701.
D. (6) $1,091.25. E. (9) $93.22.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. State of Illinois, Department of Transportation, 2300 South Dirksen Parkway, Springfield, Ill. 62764.
D. (6) $15,230. E. (9) $2,096.99.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. State of Illinois, Department of Transportation—Division of Water Resources, 2300 South Dirksen Parkway, Springfield, Ill. 62764.
D. (6) $2,200. E. (9) $39.96.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Superior Water, Light, and Power Co., 1230 Tower Avenue, Superior, Wis. 54880.
D. (6) $218.70. E. (9) $18.68.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wayne County Board of Commissioners, 706 City County Building, Detroit, Mich. 48226.
D. (6) $7,500. E. (9) $448.61.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Electric Power Co., 231 West Michigan, Milwaukee, Wis. 53201.
D. (6) $3,316.35. E. (9) $226.92.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Michigan Power Co., 231 West Michigan, Milwaukee, Wis.
D. (6) $883.35. E. (9) $75.46.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C.
B. Wisconsin Power and Light Co., Madison, Wis. 53701.
D. (6) $1,514.94. E. (9) $129.42.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Public Service Corp., P.O. Box 700, Green Bay, Wis. 54305.
D. (6) $1,464.30. E. (9) $125.09.

A. Charles B. Lipsen, Cramer, Haber & Becker, 475 L'Enfant Plaza SW., Suite 3100, Washington, D.C. 20024.
B. Cramer, Haber & Becker, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. (for the American Nicaraguan Council, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024).
D. (6) $9,667.74. E. (9) $5,667.64.

A. Charles B. Lipsen, Cramer, Haber & Backer, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.
B. Government of Nicaragua, Comite Nacional de Emergencia, Managua, Nicaragua.
D. (6) $4,929. E. (9) $4,929.

A. Charles B. Lipsen, Cramer, Haber & Becker, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.
B. U.S. Overseas Employees Tax Fairness Committee, 1101 15th Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $9,149.04.

A. Robert G. Litschert, 1140 Connecticut Avenue NW., Room 1010, Washington, D.C. 20036.
B. National Association of Electric Co., 1140 Connecticut Avenue NW., Room 1010, Washington, D.C. 20036.
D. (6) $500. E. (9) $125.

A. E. F. Livaudais, Jr., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street. Los Angeles, Calif. 90071.
E. (9) $50.

A. H. Richard Lloyd, Jr., General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $65.

A. Harold D. Loden, American Seed Trade Association, 1030 15th Street NW., Washington, D.C. 20005.
B. American Seed Trade Association, Suite 964, 1030 15th Street NW., Washington, D.C. 20005.

A. Loews Corp., 666 Fifth Avenue, New York, N.Y. 10019.
E. (9) $3,000.

A. Nils Lofgren, Motor Vehicle Manufacturers Association of the U.S., Inc., 1909 K Street NW., Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the U.S., Inc., 320 New Center Building, Detroit, Mich. 48202.
D. (6) $400.

A. J. Patrick Logue, American Hospital Association, 444 North Capitol Street NW. No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
E. (9) $78.19.

A. Robert W. Long, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036
D. (6) $843.84. E. (9) $16.55.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. Association of Bituminous Contractors, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. Classroom Periodical Publishers Association, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. Industrial Diamond Association, 59 East Main Street, Moorestown, N.J. 08057.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.

B. Linen Supply Association of America, 975 Arthur Godfrey Road, Miami Beach, Fla. 33140.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. National Association of Casualty and Surety Agents, 5225 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. National Glass Dealers Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

A. Loomis, Owen, Fellman & Coleman, 2020 K Street NW., Washington, D.C. 20006.
B. Optical Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Christopher LoPiano, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $886.49. E. (9) $85.25.

A. Edward J. Lord, National Legislative Commission, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $4,242. E. (9) $242.25.

A. Philip J. Loree, 17 Battery Place North, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $200.

A. Herschel C. Loveless, 918 16th Street NW., No. 501, Washington, D.C. 20006.
B. Chromalloy American Corp., 120 South Central Avenue, St. Louis, Mo. 63105.
D. (6) $1,800. E. (9) $984.71.

A. James F. Lovett, 1801 K Street NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $1,000. E. (9) $200.

A. James P. Low, American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.
B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.

A. James Rowland Lowe, Jr., Alaskan Arctic Gas Pipeline Co., 1730 Pennsylvania Avenue NW., Suite 230, Washington, D.C. 20006.
B. Alaskan Arctic Gas Pipeline Co., P.O. Box 979, Anchorage, Alaska 99510.
D. (6) $4,000. E. (9) $150.

A. Gerald M. Lowrie, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $1,445.02.

A. Freddie H. Lucas, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $1,000. E. (9) $223.44.

A. John S. Lucas, Jr., National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $50.

A. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
E. (9) $2,750.

A. Milton F. Lunch, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $600. E. (9) $15.53.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. First Investment Annuity Co. of America, P.O. Box 831, No. 7 Valley Forge Executive Mall, Valley Forge, Pa., 19482.
D. (6) $5,162.50. E. (9) $43.72.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Pennsylvania Power and Light Co., Two North Ninth Street, Allentown, Pa. 18101.
D. (6) $750. E. (9) $230.61.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Shanghai Power Co., 100 West Tenth Street, Wilmington, Del. 19801.
D. (6) $120.

A. James H. Lynch, Jr., American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $7,072.80. E. (9) $9,157.12.

A. Richard Lyng, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.
D. (6) $500.

A. Timothy MacCarthy, Motor Vehicle Manufacturers Association of the United States, Inc., 1909 K Street NW., Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the United States, Inc., 320 New Center Building, Detroit, Michigan 48202.
D. (6) $400.

A. Kathleen Clifford MacDonough, Suite 750 South, 1800 M Street NW., Washington, D.C. 20036.
B. Burson-Marsteller (for: Tax Equity for Americans Abroad), Suite 750 South, 1800 M Street NW., Washington, D.C. 20036.
E. (9) $6.

A. James E. Mack, National Confectioners Association, 5101 Wisconsin Avenue, Suite 506, Washington, D.C. 20016.
B. National Confectioners Association, 36 South Wabash Avenue, Chicago, Ill. 60603.
D. (6) $13,750. E. (9) $3,391.36.

A. James E. Mack, Peanut Butter Manufacturers & Nut Salters Association, 5101 Wisconsin Avenue, Suite 504, Washington, D.C. 20016.
B. Peanut Butter Manufacturers & Nut Salters Association, 5101 Wisconsin Avenue, Suite 504, Washington, D.C. 20016.
D. (6) $8,749.98. E. (9) $685.22.

A. James H. Mack, 7901 Westpark Drive, McLean, Va. 22101.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22101.
D. (6) $685. E. (9) $500.

A. Duncan N. Mackenzie, 3019 Goat Hill Road, Bel Air, Md. 21014.
D. (6) $194. E. (9) $294.96.

A. John P. Mackey, Ad Hoc Committee in Defense of Life, Inc., 810 National Press Building, Washington, D.C. 20045.
B. Ad Hoc Committee in Defense of Life, Inc., 150 East 35th Street, New York, N.Y. 10016.
D. (6) $4,125. E. (9) $5,340.39.

A. Thomas J. Mader, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,200. E. (9) $36.

A. John F. Mahoney, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $3,343. E. (9) $1,101.

A. Robert L. Maier, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C.
D. (6) $300. E. (9) $30.

A. Andre Maisonpierre, 1776 F Street NW., Washington, D.C. 20006.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill.
E. (9) $1,310.

A. J. Wilson Malloy, Jr., Eastman Chemical Products, Inc., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $1,025. E. (9) $36.05.

A. Harald B. Malmgren, Malmgren, Inc., 1101 16th Street NW., Washington, D.C. 20036.
B. Hetrochemical Corp., 111 East Hawthorne Avenue, Valley Stream, Long Island, N.Y. 11580.

A. Ben J. Man, 400 First Street NW., Suite 700, Washington, D.C. 20001.
B. District No. 1, Pacific Coast District, Marine Engineers' Beneficial Association, AFL–CIO, 17 Battery Place, New York, N.Y. 10004.
D. (6) $2,081.08. E. (9) $423.30.

A. Carter Manasco, 5932 Chasterbrook Road, McLean, Va. 22101.
B. National Coal Association, 1130 17th Street NW., Washington, D.C. 20036.
D. (6) $8,195. E. (9) $99.35.

A. Mike Manatos, 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45203.
D. (6) $61.35. E. (9) $61.35.

A. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Suite 310, Washington, D.C. 20036.
E. (9) $650.

A. Forbes Mann, 1155 15th Street NW., No. 1004, Washington, D.C. 20005.
B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.
D. (6) $2,000. E. (9) $550.

A. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $5,000. E. (9) $3,000.

A. Dallace E. Marable, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20036.
D. (6) $1,050. E. (9) $22.31.

A. John V. Maraney, 324 East Capitol Street, Washington, D.C. 20003.
B. National Star Route Mail Carriers' Association, 324 East Capitol Street, Washington, D.C. 20003.

A. March for Life, Inc., P.O. Box 2950, Washington, D.C. 20013.
D. (6) $1,606.78. E. (9) $3,645.34.

A. Carl M. Marcy, 300 Maryland Avenue NE., Washington, D.C. 20002.
B. The United Nations University, 3932 Huntington Street NW., Washington, D.C. 20015.
D. (6) $1,000.

A. District No. 1, Pacific Coast District, Marine Engineers' Beneficial Association, AFL–CIO, 17 Battery Place, New York, N.Y. 10004.
E. (9) $8,767.59.

A. David J. Markey, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $800. E. (9) $332.79.

A. Matthew J. Marks, Wender, Murase & White, 1800 M Street NW., Washington, D.C. 20036.
B. Heterochemical Corp., 111 East Hawthorne Avenue, Valley Stream, Long Island N.Y. 11580.

A. Ralph J. Marlatt, Professional Insurance Agents, 1511 K Street NW., Washington, D.C. 20005.
B. Professional Insurance Agents, 1511 K Street NW., Washington, D.C. 20005.
E. (9) $1,525.

A. Dan V. Maroney, Jr., 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. New York State Beauty Schools' Association, Inc., 404 Fifth Avenue, New York, N.Y. 10018.
D. (6) $6,051.20.

A. M&I Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.

A. J. Paul Marshall, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $469.62. E. (9) $364.85.

A. David O. Martin, Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
E. (9) $435.

A. Katherine E. Martin, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $131.82. E. (9) $60.

A. Thomas A. Martin, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $500. E. (9) $200.

A. Tina Marts, General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

A. Joseph J. Martyak, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $2,500. E. (9) $401.98.

A. Mike M. Masaoka, Suite 520, Farragut Building, 900 17th Street NW., Washington, D.C. 20006.
B. American Japanese Trade Committee, Suite 520, 900 17th Street NW., Washington, D.C. 20006.

A. Mike M. Masaoka, Association on Japanese Textile Imports, Inc., Suite 520, Farragut Building, 900 17th Street NW., Washington, D.C. 20006.
B. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y., 10017.
D. (6) $250.

A. Mike M. Masaoka, Suite 520, Farragut Building, 900 17th Street NW., Washington, D.C. 20006.
B. Nisei Lobby, Suite 520, Farragut Building, 900 17th Street NW., Washington, D.C. 20006.

A. Mike M. Masaoka, Masaoka-Ishikawa & Associates, Inc., Suite 520, 900 17th Street NW., Washington, D.C. 20006.
B. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
D. (6) $500.

A. Paul J. Mason, American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Cliff Massa III, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. David Masselli, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,500.

A. Jon G. Massey, P.O. Box 8293, Washington, D.C. 20024.
B. Oil Investment Institute, P.O. Box 8293, Washington, D.C. 20024.

A. Charles D. Matthews, 1100 17th NW., Suite 410, Washington, D.C. 20036.
B. National Ocean Industries Association, 1100 17 Street NW., Suite 410, Washington, D.C. 20036.
D. (6) $2,750. E. (9) $396.

A. Robert A. Matthews, Railway Progress Institute, 801 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 801 North Fairfax Street, Alexandria, Va. 22314.
D. $349.78.

A. Robert R. Mattson, Standard Oil Co. (Indiana), 200 East Randolph Drive, Mail Code 6402, Chicago, Ill. 60601.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $280. E. (9) $323.02.

A. C. V. & R. V. Maudlin, 1111 E Street NW., Washington, D.C. 20004.
B. Georgia Power Co., 270 Peachtree Street, Atlanta, Ga.

A. C. V. & R. V. Maudlin, 1111 E Street NW., Washington, D.C. 20004.
B. Joint Government Liaison Committee, 1111 E Street NW., Washington, D.C. 20004.

A. Anthony F. Mauriello, New York State Petroleum Council, 551 Fifth Avenue, Room 718, New York, N.Y. 10017.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $528.72. E. (9) $254.93.

A. Thomas H. Maxedon, Kentucky Petroleum Council, 4010 Dupont Circle, Louisville, Ky. 40207.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
E. (9) $15.70.

A. Albert E. May, American Institute of Merchant Shipping, 1625 K Street NW., Washington, D.C. 20006.
B. American Institute of Merchant Shipping, 1625 K Street NW., Washington, D.C. 20006.
D. (6) $410. E. (9) $13.39.

A. Arnold Mayer, Amalgamated Meat Cutters & Butcher Workmen of North America (AFL–CIO), 100 Indiana Avenue NW., Room 502, Washington, D.C. 20001.
B. Amalgamated Meat Cutters & Butcher Workmen of North America (AFL–CIO), 2800 North Sheridan Road, Chicago, Ill. 60657.
D. (6) $8,925. E. (9) $390.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.
B. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.

A. Mayer, Brown & Platt, 888 17 Street NW., Washington, D.C. 20006.
B. The ERISA Industry Committee, Suite 1201, 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $42.50.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.
B. Gas Research Institute, 3424 South State Street, Chicago, Ill. 60616.

A. Mayer Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.
B. Nokota Co., P.O. Box 1633, Bismarck, N. Dak. 58501.

A. Mays, Valentine, Davenport & Moore, Barr Building, 910 17th Street NW., Washington, D.C. 20006.
B. SEDCO, Inc., 1901 North Akard Street, Dallas, Tex. 75201.
E. (9) $1908.

A. Mays, Valentine, Davenport & Moore, Barr Building, 910 17th Street NW., Washington, D.C. 20006.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.
D. (6) $1,950. E. (9) $71.77.

A. H. Wesley McAden, Cook Industries, Inc., 1707 L Street NW., Suite 650, Washington, D.C. 20036.
B. Cook Industries, Inc., 5100 Poplar Avenue, Memphis, Tenn. 38197.
D. (6) $1,500.

A. William J. McAuliffe, Jr., American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.

A. Ann McBride, 2030 M Street, Washington D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $5,250. E. (9) $268.

A. Michael J. McCabe, Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.
B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. McCandless & Barrett, 1707 H Street NW., Washington, D.C. 20006.
B. Transamerica Insurance Corp. of California (Occidental Life), Occidental Center, Hill and Olive at 12th Street, Los Angeles, Calif. 90015.
D. (6) $1691.25. E. (9) $134.60.

A. John A. McCart, Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $2,142.51.

A. McCarty & Noone, 490 L'Enfant Plaza, East, Suite 3306, Washington, D.C. 20024.
B. American Medical Technologists, 710 Higgins Road, Park Ridge, Ill. 60068.
D. (6) $780. E. (9) $339.73.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.
B. Cities Services Co., Box 300, Tulsa, Okla. 74102.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.
B. The Coca-Cola Co., P.O. Box 1734, Atlanta, Ga. 30301.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.
B. Gulf & Western Industries, Inc., 1 Gulf & Western Plaza, New York, N.Y.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.
B. Tidewater Marine Service, 3308 Tulane Avenue, New Orleans, La. 70110.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.
B. United Artists Corp., 729 Seventh Avenue, New York, N.Y. 10019.

A. McCollister, Belcher, McCleary, Fazio, Mixon, Holliday & Jones, 2506 Virginia Avenue NW., Washington, D.C. 20037.
B. Insurance Association of Connecticut, Suite 1304, 60 Washington Street, Hartford, Conn. 06106.

A. McCollister, Belcher, McCleary, Fazio, Mixon, Holliday & Jones, 2506 Virginia Avenue NW., Washington, D.C. 20037.
B. Kellogg Co., 235 Porter Street, Battle Creek, Mich. 49016.
D. (6) $825. E. (9) $11.

A. McCollister, Belcher, McCleary, Fazio, Mixon, Holliday & Jones, 2506 Virginia Avenue NW., Washington, D.C. 20037.
B. The Organization for the Management of Alaska's Resources, Inc., Box 516, Anchorage, Alaska 99510.
D. (6) $200. E.(9) $6.

A. E. L. McCulloch, Brotherhood of Locomotive Engineers, 400 1st Street NW., Suite 819, Washington, D.C. 20001.
B. Brotherhood of Locomotive Engineers, Engineers Building, Cleveland, Ohio 44114.
D. (6) $284.60. E.(9) $81.50.

A. D. McCurrach, 1500 Wilson Blvd. No. 609, Arlington, Va. 22209.
B. National School Supply & Eqpt. Assn. 1500 Wilson Blvd. No. 609, Arlington, Va. 22209.

A. Albert L. McDermott, American Hotel & Motel Association, 777 14th Street, NW., Washington, D.C. 20005.
B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $1,162.33. E. (9) $712.50.

A. McDermott, Will & Emery, 111 West Monroe Street, Chicago, Illinois 60603.
D. (6) $207.14.

A. Jack McDonald, 6845 Elm Street, No. 512, McLean, Virginia 22101.
B. Jack McDonald Assoc., 6845 Elm Street, No. 512, McLean, Virginia 22101 (for Lear Siegler, Inc., 3171 S. Bundy Drive, Santa Monica, Calif. 90406).
D. (6) $1,500.

A. Jack McDonald, 6845 Elm Street, No. 512, McLean, Virginia 22101.
B. Jack McDonald Assoc., 6845 Elm Street, No. 512, McLean, Virginia 22101 (for Union Oil Co., P.O. Box 7600, Los Angeles, Calif. 90051).
D. (6) $4,000.

A. Jack McDonald Associates, 6845 Elm St., No. 512, McLean, Virginia 22101.
B. Lear Siegler, Inc., 3171 S. Bundy Drive, Santa Monica, Calif. 90406.
D. (6) $6,000. E. (9) $3,225.

A. Jack McDonald Associates, 6845 Elm Street, No. 512, McLean, Virginia 22101.
B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.
D. (6) $4,500. E. (9) $2,450.

A. Jack McDonald Associates, 6845 Elm Street, No. 512, McLean, Va. 22101.
B. Union Oil Co., P.O. Box 7600, Los Angeles, Calif. 90051.
D. (6) $10,000. E. (9) $5,500.

A. James McDonald, 6845 Elm Street, No. 512, McLean, Va. 22101.
B. Jack McDonald Associates, 6845 Elm Street, No. 512, McLean, Va. 22101 (for: Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406).
D. (6) $1,500.

A. James McDonald, 6845 Elm Street, No. 512, McLean, Va. 22101.
B. Jack McDonald Associates, 6845 Elm Street, No. 512, McLean, Va. 22101 (for: Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067).
D. (6) $2,250.

A. James McDonald, 6845 Elm Street, No. 512, McLean, Va. 22101.
B. Jack McDonald Associates, 6845 Elm Street, No. 512, McLean, Va. 22101 (for: Union Oil Co., P.O. Box 7600, Los Angeles, Calif. 90051.
D. (6) $1,000.

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leum Association, 60 West Street, Annapolis,
A. Michael D. McDonald, Maryland Petro-Md. 21401.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $220.

A. Joseph A. McElwain, 40 East Broadway, Butte, Mont. 59701.
B. The Montana Power Co., Butte, Mont. 59701.
E. (9) $87.19.

A. Michael B. McFarland, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $590. E. (9) $33.80.

A. W. John McGinnis, National Association of Manufacturers, 222 South Prospect Avenue, Park Ridge, Ill. 60068.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $220.

A. J. Raymond McGlaughlin, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.
D. (6) $8,983.10.

A. Robert M. McGlotten, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $9,724.40. E. (9) $1,153.65.

A. John J. McGonagle, Jr., INA Corporation, 1600 Arch Street, Philadelphia, Pa. 19101.
B. INA Corp., 1600 Arch Street, Philadelphia, Pa. 19101.
D. (6) $115.

A. F. Howard McGuigan, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $9,724.40.

A. Peter E. McGuire, National Association of Retired & Veteran Railway Employees, Inc., 400 First Street NW., Washington, D.C. 20001.
B. National Association of Retired and Veteran Railway Employees, Inc., P.O. Box 6060, Kansas City, Kans. 66106—Hotel & Restaurant Employees & Bartenders Int'l Union, 1666 K Street NW., Washington, D.C.—Int'l Conf. of Police Assn., 1239 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $850. E. (9) $850.

A. Clarence M. McIntosh, Jr., Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $994.

A. Lyn McIntosh, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washintgon, D.C.
D. (6) $925. E. (9) $97.70.

A. C. A. "Mack" McKinney, 110 Maryland Avenue NE., Washington, D.C. 20002.
B. Marine Corps League, National Headquarters, 933 North Kenmore Street, Suite 321, Arlington, Va. 22201.
E. (9) $23.

A. C. A. "Mack" McKinney, 110 Maryland Avenue NE., Suite 511, Washington, D.C. 20002.
B. Non-Commissioned Officers Associa-

tion of the USA (NCOA), P.O. Box 2268, San Antonio, Tex. 78298.
D. (6) $3,879.45. E. (9) $5,425.58.

A. John S. McLees, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C. 20062.
E. (9) $250.

A. William F. McManus, 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $710. E. (9) $420.

A. C. W. McMillan, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.
D. (6) $1,500.

A. Ralph J. McNair, American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Robert B. McNeil, Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
B. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
D. (6) $196.89.

A. McNutt, Dudley, Easterwood & Losch, 910 17th Street NW., Washington, D.C. 20006.
B. American Dredging Co., 12 South 12th Street, Philadelphia, Pa. 19107, et al.
D. (6) $21,000. E. (9) $2,665.57.

A. McNutt, Dudley, Easterwood & Losch, 910 17th Street NW., Washington, D.C. 20006.
B. Republic of Turkey, 1606 23d Street NW., Washington, D.C. 20008.
D. (6) $6,300. E. (9) 38.10.

A. Harry McPherson, Suite 1000, 1660 L Street NW., Washington, D.C. 20036
B. Small Producers for Energy Independence, Suite 970, Fourth Financial Center, Wichita, Kans. 67202.
D. (6) $4,642.50. E. (9) $150.

A. George G. Mead, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $1,097.80.

A. William H. Megonnell, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $780. E. (9) $37.

A. Law Offices of Richard A. Mehler, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Automotive Parts Rebuilders Association, 6849 Old Dominion Drive, McLean, Va. 22101.
D. (6) $2,250. E. (9) $17.10.

A. F. Robert Meier, 2030 M Street, Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $250.

A. Kenneth A. Meiklejohn, 815 16th Street, NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $9,724.40.

A. R. Otto Meletzke, American Council of Life Insurance, 1730 Pennsylvania Ave NW., Washington, D.C. 20006.
B. American Council of Life Insurance, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $90. E. (9) $125.

A. Marilee Menard, National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $600.

A. Ellis E. Meredith, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

A. Ralph Merigliano, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,160.69.

A. Lawrence C. Merthan, Carpet & Rug Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. Carpet & Rug Institute, Dalton, Ga. 30720.
D. (6) $2,500. E. (9) $453.66.

A. Marc Messing, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $350.

A. Nancy S. Metler, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $47.50. E. (9) $1.74.

A. Metropolitan Washington Board of Trade, 1129 20th Street NW., Washington, D.C. 20036.

A. George F. Meyer, Jr., 1625 I Street NW., Washington, D.C. 20006.
B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $193.

A. M. Barry Meyer, Aluminum Association, 1900 M Street NW., Washington, D.C. 20036.
B. Aluminum Association, 1900 M Street NW., Washington, D.C. 20036; 750 Third Avenue, New York, N.Y. 10017.

A. James G. Michaux, 1801 K Street NW., Washington, D.C. 20006.
B. Federated Department Stores, Inc., 222 West Seventh Street, Cincinnati, Ohio 45202.
D. (6) $500.

A. Ronald A. Michieli, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.
D. (6) $1,000.

A. Mid-Continent Oil and Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $1,522.74. E. (9) $1,814.60.

A. A. Stanley Miller, 910 16th Street, Room 302, Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $100.

A. Miller, Cassidy, Larroca & Lewin, 2555 M Street NW., Suite 500, Washington, D.C. 20037.
B. American Motors Corp., 14250 Plymouth Road, Detroit, Mich. 48232.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Gulf Intracoastal Canal Association, Houston, Tex.
D. (6) $262.50. E. (9) $21.89.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Texasgulf, Inc., New York, N.Y.
D. (6) $450. E. (9) $430.15.

A. Joe D. Miller, 535 North Dearborn Street, Chicago, Ill. 60610.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $875.

A. Kirk Miller, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,125. E. (9) $64.

A. Luman G. Miller, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.
B. Oregon Railroad Association, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.

A. Milliman and Broder, 1730 M Street NW., Suite 908, Washington, D.C.
B. National Council of Senior Citizens, Inc., 1511 K Street NW., Washington, D.C. 20005.
D. (6) $4,500. E. (9) $1,310.05.

A. John F. Mills, 1776 K Street NW., Washintgon, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $900. E. (9) $125.

A. Linda F. Mills, 1629 K Street NW., Suite 403, Washington, D.C. 20006.
B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.

A. William E. Minshall, 1730 M Street NW., Suite 905, Washington, D.C. 20036.
B. Northrop Corp., Los Angeles, Calif.
D. (6) $3,300.

A. Clarence Mitchell, 733 15th Street NW., Suite 410, Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $4,000.

A. Thomas F. Mitchell, Georgia-Pacific Corp., 1735 I Street NW., Washington, D.C. 20006.
B. Georgia-Pacific Corp., 900 Southwest Fifth Avenue, Portland, Oreg. 97204.
E. (9) $408.

A. Richard Mizrack, 270 Madison Avenue, New York, N.Y. 10016.
B. Wolf Haldenstein Adler Freeman & Herz, 270 Madison Avenue, New York, N.Y. 10016 (for Fallek-Lankro Corp., Tuscaloosa, Ala.).
D. (6) $1,750. E. (9) $176.

A. Stacey J. Mobley, 1701 Pennsylvania Avenue NW., Suite 210, Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.

A. Graham T. T. Molitor, 1629 K Street NW., Suite 403, Washington, D.C. 20006.
B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.
D. (6) $365.50. E. (9) $560.50.

A. John S. Monagan, Suite 1010, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Benrus Corp., Benrus Center, Ridgefield, Conn. 06877.

A. John S. Monagan, Whitman & Ransom, 1730 Pennsylvania Avenue NW., Suite 1010, Washington, D.C. 20006.
B. Connecticut Bankers Association, 100 Constitution Plaza, Suite 956, Hartford, Conn. 06103.

A. Christopher Monek, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Montgomery Ward & Co., Inc., 1101 15th Street NW., Washington, D.C. 20005.
B. Montgomery Ward & Co., Inc., 535 West Chicago Avenue, Chicago, Ill. 60610.
D. (6) $520. E. (9) $590.

A. G. Merrill Moody, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $155.38. E. (9) $92.

A. O. William Moody, Jr., Maritime Trades Department, AFL–CIO, 815 16th Street NW., Room 510, Washington, D.C. 20006.
B. Maritime Trades Department, AFL–CIO, 815 16th Street NW., Room 510, Washington, D.C. 20006.
D. (6) $2,500. E. (9) $1,282.70.

A. Alan J. Moore, The Atchison, Topeka, and Santa Fe Railway Co., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Atchison, Topeka, and Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $1,000. E. (9) $150.

A. April D. Moore, 1867 California Street NW., Washington, D.C. 20009.
B. National Consumers League, 1028 Connecticut Avenue NW., Suite 522, Washington, D.C. 20036.
D. (6) $91.60.

A. Howard Moore, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. Mondakota Gas Co., P.O. Box 224, Billings, Mont. 59103.

A. Powell A. Moore, 1155 15th Street NW., Suite 424, Washington, D.C. 20005.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.
D. (6) $975.

A. E. Joyce Morgan, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Earl J. Morgan, 1150 17th Street NW., Washington, D.C. 20036.
B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.
D. (6) $400. E. (9) $265.

A. Jo V. Morgan, Jr., 1050 17th Street NW., Washington, D.C. 20036.
B. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201.
D. (6) $1,800.

A. Morison, Murphy, Abrams & Haddock, 1776 K Street NW., Suite 900, Washington, D.C. 20006.
B. The Sperry and Hutchinson Co., 330 Madison Avenue, New York, N.Y. 10017.

A. Alan B. Morrison, Public Citizen, Inc., Suite 700, 2000 P Street NW., Washington, D.C. 20036.
B. Public Citizen, Inc., Box 19404, Washington, D.C. 20036.
D. (6) $355. E. (9) $355.

A. James A. Morrissey, American Textile Manufacturers Institute, Inc., Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Suite 2124, South Tryon Street, Charlotte, N.C. 28285.
D. (6) $2,600. E. (9) $235.

A. Sol Mosher, Crown Zellerbach, 1660 L Street NW., Suite 915, Washington, D.C. 20036.
B. Crown Zellerbach, One Bush Street, San Francisco, Calif. 94119.
E. (9) $250.

A. Lynn E. Mote, Northern Natural Gas Co., 1133 15th Street NW., Suite 503, Washington, D.C. 20005.
B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,000.

A. Roger L. Mozingo, The Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.
D. (6) $110.

A. Robert M. Mulligan, 910 17th Street NW., Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers and Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

A. Mullin, Connor and Rhyne, 1000 Connecticut Avenue, Washington, D.C. 20036.
B. Alberto de la Vega-Ripol, 804 Garching, Konigsbergerstr. 2, West Germany.
D. (6) $597. E. (9) $177.56.

A. Tracy Mullin, National Retail Merchants Association, 1000 Connecticut Avenue, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $200. E. (9) $20.

A. Robert J. Mullins, Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251.
B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $2,953.85. E. (9) $38.68.

A. Daniel J. Mundy, Building and Construction Trades Department, 815 16th Street, Suite 603, Washington, D.C. 20006.
B. Building and Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
D. (6) $7,124.91. E. (9) $2,786.12.

A. Beverly J. Murphy, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $220.

A. Richard E. Murphy, 2020 K Street NW., Washington, D.C. 20006.
B. Service Employees International Union, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Richard W. Murphy, 1050 17th Street NW., Suite 1050, Washington, D.C. 20036.
B. Merck and Co., Inc., Rahway, N.J. 07065.
D. (6) $1,000.

A. D. Michael Murray, 1120 Connecticut Avenue, No. 1128, Washington, D.C. 20036.
B. Chicago, Milwaukee, St. Paul, and Pacific RR, 516 West Jackson Boulevard, Chicago, Ill. 60606.
D. (6) $225. E. (9) $81.

A. D. Michael Murray, 1120 Connecticut Avenue, No. 1128, Washington, D.C. 20036.
B. The Cleveland-Cliffs Iron Co., 1460 Union Commerce Building, Cleveland, Ohio 44115.
D. (6) $100. E. (9) $51.11.

A. D. Michael Murray, 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
B. Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.
D. (6) $100. E. (9) $55.

A. D. Michael Murray, 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
B. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, St. Paul, Minn. 55101.
D. (6) $150.

A. D. Michael Murray, 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
B. LTV Corp., LTV Tower, P.O. Box 5003, Dallas, Tex. 75222.
D. (6) $150. E. (9) $55.

A. D. Michael Murray, 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
B. National Association of Industrial and Office Parks, 1901 North Fort Myer Drive, No. 1100, Arlington, Va.
D. (6) $250. E. (9) $45.

A. D. Michael Murray, 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
B. National Council of Coal Lessors, 1130 17th Street NW., Washington, D.C.
D. (6) $100. E. (9) $51.

A. Margaret R. Murray, 1339 Wisconsin Avenue NW., Washington, D.C. 20007.
B. Committee for Tax Incentives to Encourage Renewable Resource Use, Box 402, R.D. 1, Troy, Va. 22974.
D. (6) $420.

A. William E. Murray, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $164.50.

A. Thomas H. Mutchler, 1620 I Street NW., No. 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $200. E. (9) $20.

A. Harold D. Muth, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. The American Waterways Operators, Inc. (AWO), 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $300. E. (9) $40.

A. Lawrence P. Mutter, 6849 Old Dominion Drive, McLean, Va. 22101.
B. Automotive Parts Rebuilders Association, 6849 Old Dominion Drive, McLean, Va. 22101.
D. (6) $380.

A. Fred J. Mutz, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120

Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $201.78.

A. Paul J. Myer, 2409 Red Maple Lane, Reston, Va. 22091.
B. American Broadcasting Co., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $100. E. (9) $100.

A. Gary D. Myers, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D C. 20036.
D. (6) $500. E. (9) $503.62.

A. J. Walter Myers, Jr., Forest Farmers Association, P.O. Box 94385, Atlanta, Ga. 30347.
B. Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.
D. (6) $200. E. (9) $211.50.

A. William T. Nachbaur, 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.
D. (6) $358.47. E. (9) $339.71.

A. NANA Regional Corp., Inc., P.O. Box 4–U, Anchorage, Alaska 99509.
E. (9) $646.35.

A. John J. Nangle, National Association of Independent Insurers, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $500. E. (9) $250.

A. Bernard Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Computer and Communications Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va. 22209.
D. (6) $550. E. (9) $43.06.

A. Bernard Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Northwest Pipeline Corp., P.O. Box 1526, Salt Lake City, Utah 84110.

A. National Agricultural Chemicals Association, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $106. E. (9) $106.

A. National Air Carrier Association, 1730 M Street NW., Suite 710, Washington, D.C. 20036.
D. (6) $1,330. E. (9) $1,330.

A. National Associated Businessmen, Inc., 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $492.01. E. (9) $326.98.

A. National Association for Free Enterprise, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.

A. National Association for Humane Legislation, Inc., 675 Pinellas Point Drive South, St. Petersburg, Fla. 33705.
D. (6) $45. E. (9) $5.

A. National Association of Air Traffic Specialists, Inc., Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.
D. (6) $81,191.17. E. (9) $4,822.63.

A. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $4,968. E. (9) $16,782.

A. National Association of Farmer Elected Committeemen, c/o Tom B. Cunningham, Sr., Rural Route 5, Darlington, S.C. 29532.
D. (6) $1,540.26. E. (9) $1,540.26.

A. National Association of Independent Lumbermen, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $38,580.75. E. (9) $31,136.63.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $1,516,455.15. E. (9) $84,997.06.

A. National Association of Manufacturers, 1776 F Street NW., Washington, D.C.
D. (6) $74,485.75. E. (9) $74,485.75.

A. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. National Association of Mutual Insurance Cos., 7931 Castleway Drive, Indianapolis, Ind. 46250.

A. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $8,306.57. E. (9) $8,306.57.

A. National Association of Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.
D. (6) $1,046.39. E. (9) $1,046.39.

A. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill., 925 15th Street NW., Washington, D.C.
E. (9) $23,927.

A. National Association of Truck Stop Operators, Inc., P.O. Box 1285, Alexandria, Va. 22313.
D. (6) $10,841.29. E. (9) $21,601.09.

A. National Association of Wheat Growers, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
D. (6) $9,927.12. E. (9) $5,701.77.

A. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22030.
D. (6) $281,152.23. E. (9) $6,097.06.

A. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $1,650. E. (9) $1,650.

A. National Business Aircraft Association, Inc., One Farragut Square South, Washington, D.C. 20006.
E. (9) $15.

A. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $11,026. E. (9) $11,830.

A. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017.
D. (6) $2,153.71. E. (9) $3,779.86.

A. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.
D. (6) $32,531.63. E. (9) $9,336.23.

A. National Committee for Research in Neurological and Communicative Disorders, 927 National Press Building, Washington, D.C. 20045.
D. (6) $11,308. E. (9) $16,736.34.

A. National Committee on Locks and Dam 26, 1129 20th Street NW., No. 512, Washington, D.C. 20036.
D. (6) $37,393.86. E. (9) $55,313.72.

A. National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $200. E. (9) $220.

A. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $25,288.42. E. (9) $25,288.42.

A. National Council for a Responsible Firearms Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $80.40. E. (9) $15.

A. National Council for a World Peace Tax Fund, 2111 Florida Avenue NW., Washington, D.C. 20008.
D. (6) $6,189.31. E. (9) $8,162.90.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Cenco Instruments, 2600 South Kostner Avenue, Chicago, Ill.
D. (6) $2,750.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. North American Telephone Association, 1030 15th Street NW., Washington, D.C. 20036.
D. (6) $19,142.90. E. (9) $378.60.

A. National Electrical Manufacturers Association, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,255.25. E. (9) $1,255.25.

A. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $8,002.56. E. (9) $8,002.56.

A. National Federation of Licensed Practical Nurses, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $1,778. E. (9) $1,778.

A. National Grain and Feed Association, 725 15th Street NW., Washington, D.C. 20005.
E. (9) $127.50.

A. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $130,472.82. E. (9) $16,750.

A. National Guard Association of the United States, 1 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $17,445. E. (9) $1,596.

A. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
E. (9) $2,467.40.

A. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $54,997.31. E. (9) $65,008.95.

A. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
D. (6) $8,607.60. E. (9) $8,607.60.

A. National Livestock Feeders Association, Inc., 309 Livestock Exchange Building, Omaha, Nebr. 68107.
D. (6) $11,308.58. E. (9) $11,308.58.

A. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $5,769.02. E. (9) $5,769.02.

A. National Motorsports Committee of ACCUS, Suite 302, 1725 K Street NW., Washington, D.C. 20006.
E. (9) $351.59.

A. National Oil Jobbers Council, 1750 New York Avenue NW., Suite 230, Washington, D.C. 20006.
D. (6) $192,957.88 E. (9) $30,529.53.

A. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
E. (9) $3,820.

A. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $251,107. E. (9) $108,557.64.

A. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $3,451. E. (9) $3,451.

A. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009
E. (9) $4,476,13.

A. National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
D. (6) $19,586. E. (9) $1,943.

A. National Security Trades Association, Inc., 55 Broad Street, New York, N.Y. 10004.
E. (9) $1,615.48.

A. National Small Business Association, 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $2,562.52.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $12,500. E. (9) $12,500.

A. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $839.03.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,017.58. E. (9) $3,402.05.

A. National Tire Dealers and Retreaders Association, 1343 L Street NW., Washington, D.C. 20036.
D. (6) $800. E. (9) $1,745.

A. National Turkey Federation, Suite 302, International Center, Reston, Va. 22091.
D. (6) $750. E. (9) $750.

A. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill. 60201.
D. (6) $1,272. E. (9) $2,089.61.

A. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., No. 505, Washington, D.C. 20036.
D. (6) $30,000. E. (9) $21,419.92.

A. Alexander W. Neale, Jr., Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $1,940. E. (9) $5,918.76.

A. Alan M. Nedry, 1801 K Street NW., No. 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $250. E. (9) $175.

A. Stanley Nehmer, Suite 800, 1101 17th Street NW., Washington, D.C. 20036.
B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $750. E. (9) $500.

A. Stanley Nehmer, Suite 800, 1101 17th Street NW., Washington, D.C. 20036.
B. International Leather Goods, Plastics, and Novelty Workers' Union, 265 West 14th Street, New York, N.Y. 10011.
D. (6) $250. E. (9) $225.

A. Stanley Nehmer, Suite 800, 1101 17th Street NW., Washington, D.C. 20036.
B. The National Handbag Association, 350 Fifth Avenue, New York, N.Y. 10016.
D. (6) $250. E. (9) $225.

A. Peter J. T. Nelsen, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
B. Agricultural Trade Council, 1028 Connecticut Avenue NW., Washington, D.C. 20036.

A. Peter J. T. Nelsen, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
B. Special Committee for Free Trade, 1028 Connecticut Avenue NW., Washington, D.C. 20036.

A. Connie M. Nelson, 1800 K Street NW., Washington, D.C.
B. Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.
D. (6) $31. E. (9) $41.95.

A. Deborah F. Nelson, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
B. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $30.

A. Louise James Nelson III, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $925.

A. Robert W. Nelson, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $160.

A. NETWORK, 224 D Street SE., Washington, D.C. 20003.
D. (6) $11,736.84. E. (9) $3,966.85.

A. Robert B. Neville, 1155 15th Street NW., Suite 505, Washington, D.C. 20005.
B. National Restaurant Association, 1155 15th Street NW., Washington, D.C.; One IBM Plaza, Suite 2600, Chicago, Ill.
D. (6) $2,464. E. (9) $9,168.38.

A. Louis H. Nevins, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $2,812.50. E. (9) $709.85.

A. New Directions, 2021 L Street NW., Washington, D.C. 20036.
D. (6) $189,550.03. E. (9) $32,128,45.

A. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $28,000. E. (9) $23,705.

A. E. J. Newbould, 910 16th Street NW., Washington, D.C.
B. National Clay Pipe Institute, P.O. Box 310, Crystal Lake, Ill. 60014.
D. (6) $1,187.50. E. (9) $100.

A. Newspaper Management-Production Co., Inc., P.O. Box 1657, Spartanburg, S.C. 29301.
E. (9) $354.

A. Charles E. Nichols, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $1,117.91. E. (9) $321.80.

A. F. Clayton Nicholson, Box 15, Route 1, Henryville, Pa. 19332.
B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,675. E. (9) $816.

A. Edwin J. Nielson, United Airlines, 1825 K Street NW., No. 607, Washington, D.C. 20006.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $1,500. E. (9) $112.90.

A. Donald R. Niemi, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $420. E. (9) $768.38.

A. Patrick J. Nilan, American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $10,023.65. E. (9) $4,812.92.

A. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $3,000.

A. Elaine S. Nogay, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Can Manufacturers Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $25. E. (9) $15.

A. Charles M. Noone, 490 L'Enfant Plaza East, No. 3306, Washington, D.C. 20024.
B. National Association of Small Business Investment Co., 512 Washington Building, Washington, D.C. 20005.
D. (6) $1,500. E. (9) $258.97.

A. Carl A. Nordberg, Jr., 1775 Pennsylvania Avenue NW., No. 450, Washington, D.C. 20006.
B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48288.

A. Carl A. Nordberg, Jr., 1775 Pennsylvania Avenue NW., No. 450, Washington, D.C. 20006.
B. Dana Corp., P.O. Box 1000, Toledo, Ohio 48697.

A. Carl A. Nordberg, Jr., 1775 Pennsylvania Avenue NW., No. 450, Washington, D.C. 20006.
B. Gulf Oil Corp., P.O Box 1166, Pittsburgh, Pa. 15230.
E. (9) $85.

A. Carl A. Nordberg, Jr., 1775 Pennsylvania Avenue, NW., No. 450, Washington, D.C. 20006.
B. Natomas Co., 601 California Street, San Francisco, Calif. 94108.
E. (9) $15.

A. Andrea K. Nordell, 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $875. E. (9) $34.86.

A. Norfolk and Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
E. (9) $3,053.57.

A. Richard B. Norment, IV, 2 Militia Drive, Lexington, Mass. 02173.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $475.

A. Robert H. North, 910 17th Street, NW., Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers and Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.
E. (9) $312.29.

A. Northeast Utilities Service Co., Selden Street, Berlin, Conn.
E. (9) $1,427.29.

A. John M. Nugent, Jr., American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. America Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $1,200. E. (9) $700.

A. Victor L. Nutt, 600 New Hampshire Avenue NW., Suite 920, Washington, D.C. 20037.
B. Gulf & Western Industries, Inc., 600 New Hampshire Avenue NW., Suite 920, Washington, D.C. 20037.

A. Seward P. Nyman, 20 Chevy Chase Circle, Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
D. (6) $650.

A. Mary E. Oakes, 1800 K Street NW., Washington, D.C. 20006.
B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.
D. (6) $613. E. (9) $134.55.

A. Dallin H. Oaks, Brigham Young University, Provo, Utah 84602.
B. Brigham Young University, Provo, Utah 84602.

A. Coleman C. O'Brien, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $2,700. E. (9) $40.60.

A. John F. O'Brien, Connecticut Petroleum Council, 410 Asylum Street, Hartford, Conn. 06103.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $300.

A. Raymond V. O'Brien, International Telephone & Telegraph Corp., 1707 L Street NW., Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $45. E. (9) $10.

A. W. Brice O'Brien, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $174.48. E. (9) $75.

A. G. H. Ochenrider, Grumman Aerospace Corp., 1600 Wilson Boulevard, Arlington, Va. 22209.
B. Grumman Aerospace Corp., Bethpage, N.Y. 11714.
D. (6) $2,500. E. (9) $1,100.

A. William B. O'Connell, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $1,450. E. (9) $162.50.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. American Clinical Laboratory Association, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
D. (6) $3,800. E. (9) $188.86.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.
D. (6) $10,000. E. (9) $200.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Institute of Certified Public Accountants, 1620 I Street NW., Washington, D.C. 20006.
D. (6) $2,250. E. (9) $250.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $3,750. E. (9) $231.23.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Automotive Parts and Accessories Association, Inc., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $300. E. (9) $12.50.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Commonwealth of Puerto Rico, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $150.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hennepin County, 2300 Government Center, Minneapolis, Minn. 55487.
D. (6) $9,582.50. E. (9) $353.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hospital Financing Study Group, New York, N.Y.
D. (6) $1,500. E. (9) $371.43.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Investors Diversified Services, Inc., Suite 2900, IDS Tower, Minneapolis, Minn. 55402.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lehigh Coal and Navigation Co., Minneapolis, Minn.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Minneapolis City Council, 307 City Hall, Minneapolis, Minn. 55415.
D. (6) $7,532.50. E. (9) $631.75.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Assoication of Church and Institutional Financing Organizations, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $375. E. (9) $51.68.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Committee on Locks and Dam 26, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $150.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
D. (6) $6,666.67. E. (9) $261.32.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washinton, D.C. 20006.
B. Westinghouse Electric Co., 1801 K Street NW., Washington, D.C. 20006.

A. L. L. O'Connor, 20 North Wacker Drive, Chicago, Ill., 60606.
B. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Robert C. Odle, Jr., International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $400. E. (9) $100.

A. Patrick E. O'Donnell, 777 14th Street, Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $375. E. (9) $275.

A. Neil H. Offen, 1730 M Street NW., Washington, D.C. 20036.
B. Direct Selling Association, 1730 M Street NW., Washngton, D.C. 20036.
D. (6) $2,816. E. (9) $491.76.

A. Jane O'Grady, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $8,225.20. E. (9) $94.05.

A. Bartley O'Hara, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $7,500.

A. James G. O'Hara, Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
D. (6) $750.

A. Oil Investment Institute, P.O. 8293, Washington, D.C. 20024.

A. Robert Spencer O'Leary, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $950.01.

A. Alvin E. Oliver, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain and Feed Association, P.O. Box 28328, Washington, D.C. 20005.

A. Roy E. Olson, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. George C. P. Olsson, 25 Clifford Road, Plymouth, Mass. 02360.
B Ocean Spray Cranberries, Inc., Hanson, Mass. 02341.
D. (6) $337.50.

A. Samuel Omasta, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $18.02.

A. Charles T. O'Neill, Jr., American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $130.15.

A. Organization of Professional Employees of the Department of Agriculture (OPEDA), Room 1247–S, Department of Agriculture Building, Washington, D.C. 20250.
D. (6) $648.27. E. (9) $563.46.

A. John L. Oshinski, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20036.
B. United Steelworkers of America, Five Gateway Centers, Pittsburgh, Pa. 15222.
D. (6) $6,245.13. E. (9) $945.59.

A. Roland A. Ouellette, 1660 L Street NW., Suite 501, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,600. E. (9) $2.983.55.

A. William H. Owens, Jr., 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Raymond S. Page, Jr., Mill Creek Terrace, Gladwyne, Pa. 19035.
B. Campbell Soup Co., Campbell Place, Camden, N.J. 08101.

A. Fred Panzer, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, 1776 K Street NW., No. 1200, Washington, D.C. 20006.
D. (6) $520. E. (9) $320.

A. G. Oliver Papps, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Lew M. Paramore, Mo-Ark Basins Flood Control and Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.
B. Mo-Ark Basins Flood Control and Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.

A. Herschell E. Parent, Arkansas Petroleum Council, 302 Commercial National Bank Building, Little Rock, Ark. 72201.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
E. (9) $252.70.

A. Kimberly C. Parker, 1730 K Street NW., Washington, D.C. 20006.
B. National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.
D. (6) $3,470.40. E. (9) $246.57.

A. Michael J. Parker, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $850.

A. Paul Parkhurst, Chevron U.S.A., Inc., 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
B. Chevron U.S.A., Inc, (a subsidiary of the Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $150. E. (9) $75.

A. Robert D. Partridge, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $776.14.

A. Nicholas D. Pasco, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.
B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.
D. (6) $400. E. (9) $250.

A. Howard G. Paster, United Automobile, Aerospace, and Agricultural Implement Workers of America (UAW), 1125 15th Street NW., Washington, D.C. 20005.
B. United Automobile, Aerospace, and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $9,986.92. E. (9) $609.13.

A. R. Y. Patterson, Jr., 1225 Contessa Court, Winter Park, Fla. 32789.
B. Florida Gas Transmission Co., P.O. Box 44, Winter Park, Fla. 32789.

A. Kenton Pattie, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22030.
B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22030.
D. (6) $2,326.15.

A. David J. Pattison, 1750 K Street NW., Washington, D.C. 20006.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.
D. (6) $66. E. (9) $26.26.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $3,500.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Ad Hoc Committee on § 602, 1101 16th Street NW., Suite 300, Washington, D.C. 20036.
D. (6) $1,400. E. (9) $312.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Alyeska Pipeline Service Corp., P.O. Box 576, Bellevue, Wash. 98004.
D. (6) $2,240. E. (9) $252.75.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Guild of Authors and Composers, 50 West 57th Street, New York, N.Y. 10019.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Imported Automobile Dealers Association, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $685. E. (9) $685.65.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Maritime Association, 17 Battery Place, New York, N.Y. 10004.
D. (6) $560. E. (9) $18.50.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20006.
D. (6) $840. E. (9) $31.75.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Armco Steel Corp., General Offices, Middletown, Ohio. 45042.
D. (6) $200.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Association of Oil Pipelines, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $7,502. E. (9) $108.50.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Association of Trial Lawyers of America, 20 Garden Street, Cambridge, Mass.
D. (6) $420.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Boating Industry Association, 401 North Michigan Avenue, Chicago, Ill. 60601; and National Association of Engine and Boat Manufacturers, P.O. Box 5555, Grand Central Station, New York, N.Y. 10017.
D. (6) $1,355.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. The Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $904.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Central American Sugar Council, 1200 17th Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Chicago Board Options Exchange, LaSalle at Jackson, Chicago, Ill. 60604.
D. (6) $975. E. (9) $700.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Council of State Chambers of Commerce, 1028 Connecticut Avenue NW., Suite 1018, Washington, D.C. 20036.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Donaldson, Lufkin & Jenrette, Inc., 140 Broadway, New York, N.Y. 10005.
D. (6) $850. E. (9) $500.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Frontier Spar Corp., P.O. Box 235, Salem, Ky. 42078.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Hobby Industry of America, 200 Fifth Avenue, New York, N.Y. 10010.
D. (6) $1,156.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Institute of Electrical and Electronics Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $975.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Institute of Scrap Iron and Steel, Inc., 1729 H Street NW., Washington, D.C. 20006.
D. (6) $1,025. E. (9) $49.50.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Landmark Services, Inc., 900 Ohio Drive SW., Washington, D.C. 20024.
E. (9) $7,200.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. LOOP, Inc., 1010 Common Street, 350 Bank of New Orleans Building, New Orleans, La. 70112.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Machinery Dealers National Association, 1400 20th Street NW., Washington, D.C. 20036.
D. (6) $700.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Mail Order Association of America, P.O. Box 7047, Alexandria, Va. 22307.
D. (6) $250.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Marathon Oil Co., 539 South Main Street, Findlay, Ohio 45840.
D. (6) $438.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Montgomery Ward and Co., Inc., P.O. Box 8339, Chicago, Ill. 60680.
D. (6) $280.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. National Limestone Institute, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. National Medical Care, Inc., 560 Sylvan Avenue, Englewood Cliffs, N.J. 07632.
D. (6) $30,962. E. (9) $3,464.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. New Process Co., 220 Hickory Street, Warren, Pa. 17365.
D. (6) $2,000.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Northwest Pipeline Corp., 315 East 200 South, Salt Lake City, Utah 84111.
D. (6) $1,555. E. (9) $19.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y.
D. (6) $280.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Pyrotechnic Signal Manufacturers Association, Inc., 1730 K Street NW., Suite 1300, Washington, D.C. 20006.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Ralston-Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Reader's Digest Association, Inc., Pleasantville, N.Y. 10570.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Reading Co., Reading Terminal, 12th and Market Streets, Philadelphia, Pa. 19107.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Redwood Industry Park Committee, 2750 Sand Hill Road, Menlo Park, Calif. 94025.
D. (6) $375.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. State of Louisiana, Department of Conservation, P.O. Box 44275, Baton Rouge, La. 70804.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Tax Corp. of America, 2441 Honolulu Avenue, Montrose, Calif. 91020.
D. (6) $482.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Uncle Ben's, Inc., 1300 Westheimer Boulevard, Houston, Tex. 77001.
D. (6) $482.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Wometco Enterprises, Inc., 306 North Miami Avenue, Miami, Fla. 33128.
D. (6) $2,600.

A. David B. Pavelchek, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $2,500. E. (9) $80.

A. Earl G. Peacock, Sr., 900 17th Street NW., Suite 1006, Washington, D.C. 20006.
B. Kaiser Engineers.

A. Barbara Jo Pease, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. James M. Peirce, Jr., 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
E. (9) $685.39.

A. Pennsylvania Power and Light Co., Two North Ninth Street, Allentown, Pa. 18101.
E. (9) $980.61.

A. Pennzoil Co., P.O. Box 297, Houston, Tex. 77001.
E. (9) $7,900.

A. Dominic V. Pensabene, Chevron U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A., Inc., (a subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $50. E. (9) $25.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Suite 200, Washington, D.C. 20006.
B. Coalition of Concerned Charities, c/o Annette J. Gnospelius, 1776 F Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $21,000. E. (9) $21,000.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Suite 200, Washington, D.C. 20006.
B. Consolidated Rail Corp., 1818 Market Street, Philadelphia, Pa. 19104.
D. (6) $300. E. (9) $300.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Suite 200, Washington, D.C. 20006.
B. Sun Co. Inc., 100 Matsonford Road, Radnor, Pa. 19087.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Suite 200, Washington, D.C. 20006.
B. Volkswagen Manufacturing Corp., of America, 2400 Ardmore Boulevard, Forest Hills, Pa. 15221.

A. J. Carter Perkins, Shell Oil Co., Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $1,000.

A. Susan Perry, American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $2,100. E. (9) $720.97.

A. Kenneth Peterson, AFL–CIO, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organization, 815 16th Street NW., Washington, D.C.
D. (6) $9,392.20. E. (9) $491.03.

A. Mary B. Peterson, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) 954.91.

A. Russell W. Peterson, New Directions, 2021 L Street NW., Washington, D.C. 20036.
B. New Directions, 2021 L Street NW., Washington, D.C. 20036.
D. (6) $2,600.

A. Paul F. Petrus, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,200.

A. John Pfieger, Time, Inc., 888 16th Street NW., Washington, D.C. 20006.
B. Time, Inc., Time and Life Building, Rockefeller Center, New York, N.Y.
D. (6) $1,750. E. (9) $600.

A. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. John P. Philbin, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobile Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500.

A. Barbara F. Phillips, 1620 I Street NW., Washington, D.C. 20006.
B. Energy Transportation Systems, Inc., P.O. Box 3965, San Francisco, Calif. 94119.
D. (6) $19.05. (9) $16.80.

A. Scott H. Phillips, Howell Corp., 800 Houston National Gas Building, Houston, Tex. 77002.
B. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Sam Pickard, 1101 17th Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. (9) $52.90.

A. Paul E. Pierce, National Association of Truck Stop Operators, Inc., 501 Slaters Lane, Alexandria, Va. 22314.
B. National Association of Truck Stop Operators, Inc.
D. (6) $3,125.01.

A. Pierson, Ball & Dowd, 1200 18th Street NW., Washington, D.C. 20036.
B. Satellite Business System.
D. (6) $2,500.

A. Grant C. Pinney, 730 North Balsam Street, Ridgecrest, Calif. 93555.
B. Sierra Sands Unified School District, 730 North Balsam Steet, Ridgecrest, Calif. 93555.

A. Plains Cotton Growers, Inc., P.O. Box 3640, Lubbock, Tex. 79452.
D. (6) $31,865.52. E. (9) $1,350.

A. E. Rogers Pleasants, 1701 Pennsylvania Avenue NW., Suite 210, Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.
D. (6) $150. E. (9) $20.

A. Michael M. Pocost, N.Y.S. Petroleum Council, 551 Fifth Avenue, Room 718, New York, N.Y. 10017.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Harlan Pomeroy, 818 Conecticut Avenue NW., Washington, D.C. 20006.
B. Baker, Hostetler, Frost & Towers, 818 Connecticut Avenue NW., Washington, D.C. 20006, (for The Hall Chemical Co., P.O. Box 197, Wickliffe, Ohio 44092).

A. Judith A. Pond, 1800 K Street NW., Suite 924, Washington, D.C. 20006.

B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $200. E. (9) $104.

A. Frederick T. Poole, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,212. E. (9) $102.

A. S. J. Poray-Tucholski, 15237 East Cedarsprings Drive, Whittier, Calif. 90003.
B. Bermejo River Project Development Association, P.O. Box 1681, Whittier, Calif. 90609.

A. Everett O. Post, National Association of Service Contractors, 1511 K Street NW., Washington, D.C. 20005.
B. National Association of Service Contractors, 1511 K Street NW., Washington, D.C. 20005.
D. (6) $250. E. (9) $14.05.

A. Alonzo M. Poteet, III, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $2,000.

A. Edmond A. Potter, NCR Corp., 2301 Research Boulevard, Rockville, Md. 20850.
B. NCR Corp., 1700 South Patterson Boulevard, Dayton, Ohio 45479.
D. (6) $8,150. E. (9) $1,650.

A. Potter International, Inc., 900 17th Street NW., Washington, D.C. 20006.
B. Rockwell International, 600 Grant Street, Pittsburgh, Pa. 15219.
D. (6) $5,000.

A. Potter International, Inc., 900 17th Street NW., Suite 300, Washington, D.C. 20006.
B. Rohr Industries, Inc., P.O. Box 23000, San Diego, Calif. 92123.
D. (6) $4,500.

A. Potter International, Inc., 900 17th Street NW., Washington, D.C. 20006.
B. Western Shipbuilding Association, P.O. Box 3976, San Francisco, Calif. 94119.
D. (6) $2,250.

A. Ramsay D. Potts, Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Carlton H. Power, 1918 North Parkway, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $850. E. (9) $134.17.

A. John J. Power, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $3,754.37. E. (9) $168.

A. William C. Prather, United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Saings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $678.

A. William B. Prendergast, Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.
B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

A. Dan Prescott, Mid-Continent Oil and Gas Association, 1800 K Street NW., Washington, D.C. 20006.
B. Mid-Continent Oil and Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $393.75. E. (9) $27.60.

A. Lloyd T. Preslar, DGA International, Inc., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 for Aerospatiale 37, Boulevard de Montmorency, 75016 Paris, France.

A. Michael W. Press, 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Company (Ohio), Midland Building, Cleveland, Ohio 44115.
D. (6) $25.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 1776 F Street NW., Suite 201, Washington, D.C. 20006.
B. TENNECO Alaska, Inc., P.O. Box 2511, Houston, Tex. 77001.
D. (6) $2,324.

A. Forrest J. Prettyman, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Cos. 730 15th Street NW., Washington, D.C. 20005.
D. (6) $562.50.

A Arnold J. Prima, Jr., The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW, Washington, D.C. 20006.
D. (6) $1,200.

A. Jerry C. Pritchett, Mechanical Contractors Association of America, 5530 Wisconsin Avenue NW., Suite 750, Washington, D.C. 20015.
B. Mechanical Contractors Association of America, 5530 Wisconsin Avenue NW., Suite 750, Washington, D.C. 20015.

A. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $3,000. E. (9) $91.45.

A. Jerry Z. Pruzan, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $100.

A. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $21,930.28. E. (9) $24,431.63.

A. Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.
D. (6) $7,425. E. (9) $7,337.

A. Public Welfare Foundation, Inc., 2600 Virginia Avenue NW., Washington, D.C. 20037.
E. (9) $9.12.

A. Philip N. Pulizzi, Jr., 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Donald E. Purcell, 1725 K Street NW., Suite 903, Washington, D.C. 20006.
B. Outdoor Power Equipment Institute, 1725 K Street NW., Suite 903, Washington, D.C. 20006.
D. (6) $100. E. (9) $100.

A. Earle W. Putnam, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Howard Pyle, III, 1150 Connecticut Avenue NW., Suite 805, Washington, D.C. 20036.
B. RJR Industries, Inc., 401 North Main Street, Winston-Salem, N.C. 27102.
D. (6) $1,303.57. E. (9) $102.27.

A. Robert N. Pyle, P.O. Box 3731, Washington, D.C. 20007.
B. American Bakers Association, 2020 K Street NW., Washington, D.C. 20036.
D. (6) $507.20.

A. Quality Management Committee, 1500 Southwest Taylor, Portland, Oreg.
D. (6) $10,000. E. (9) $10,687.06.

A. William A. Quinlan, 3045 Riva Road, Annapolis, Md. 21401.
B. Associated Retail Bakers of America, Presidential Building, Suite 250, 6525 Belcrest Road, Hyattsville, Md. 20782.
D. (6) $660. E. (9) $81.

A. Alex Radin, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $545.60.

A. Richard W. Rahn, American Council for Capital Formation, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
B. American Council for Capital Formation, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $300.

A. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $23,160. E. (9) $23,160.

A. Railway Progress Institute, 801 North Fairfax Street, Alexandria, Va. 22314.

A. Clarence B. Randall, Jr., 444 North Capitol Street NW., Washington, D.C. 20001.
B. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Washington, D.C. 20001.
E. (9) $500.

A. Arthur G. Randol, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $2,581.26. E. (9) $71.39.

A. Jerry F. Rapp, 1155 15th Street NW., Suite 606, Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $325.

A. D. Michael Rappoport, P.O. Box 1980, Phoenix, Ariz. 85001.
B. Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.
D. (6) $2,230.80. E. (9) $3,056.32.

A. Magda Ratajski, P.O. Box 23652, L'Enfant Plaza Station, Washington, D.C. 20024.
B. Norfolk and Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
D. (6) $1,187. E. (9) $200.

A. G. J. Rauschenbach, Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.

B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $1,500. E. (9) $880.

A. Rawles, Hinkle, Finnegan & Carter, 390 West Standley Street, P.O. Box 720, Ukiah, Calif. 95482.
B. Tennessee Gas Transmission Co., a Tenneco Co., P.O. Box 2511, Houston, Tex. 77001.
D. (6) $375.

A. J. Gene Raymond, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
E. (9) $233.80.

A. Susan E. Recce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $337. E. (9) $195.24.

A. Gladys Reckley, G. G. Reckley Associates, 2737 Devonshire Place NW., Washington, D.C. 20008.
B. Kootznoowoo, Inc., Angoon, Alaska.
D. (6) $7,672.50. E. (9) $3,419.47.

A. Timothy J. Redmon, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Alvin Levin, O.D., 120 South Hanover Street, Carlisle, Pa 17013.
D. (6) $544.04. E. (9) $435.44.

A. Campbell L. Reed, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Dwight C. Reed, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $114.19. E. (9) $12.

A. Jerry Rees, 1030 15th Street NW., Washington, D.C. 20005.
B. National Association of Wheat Growers, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
D. (6) $1,396.59.

A. J. Mitchell Reese, P.O. Box 1166, Pittsburgh, Pa. 15230.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $1,500. E. (9) $300.

A. Robert S. Reese, Jr., American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $1,401.78.

A. John T. Reggitts, Jr., R. D. 2, Boonton Avenue, Boonton, N.J. 07005.

A. Reid & Priest, 1701 K Street NW., Washington, D.C. 20006.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

A. W. W. Renfroe, 69 Fountain Place, Frankfort, Ky. 40601.
B. Kentucky Railroad Association, 69 Fountain Place, Frankfort, Ky. 40601.
E. (9) $480.14.

A. Jamie Replogle, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $16.85.

A. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $6,297.

A. John H. Reurs, 25 Broadway, New York, N.Y. 10004.
B. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $9,375. E. (9) $650.

A. John Arthur Reynolds, P.O. Box 512, Fresno, Calif. 93709.
B. Western Cotton Growers Association of California, P.O. Box 512, Fresno, Calif. 93709.
D. (6) $1,371. E. (9) $620.10.

A. Nancy C. Reynolds, 1625 I Street NW., Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 I Street NW., Washington, D.C. 20006.
D. (6) $3,500. E. (9) $171.

A. William L. Reynolds, National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
D. (6) $1,500. E. (9) $443.

A. Austin T. Rhoads, 910 17th Street NW., Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers and Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.
E. (9) $1,007.90.

A. C. Brewster Rhoads, Jr., Bell Telephone Co. of Pennsylvania, 15th floor, One Parkway, Philadelphia, Pa. 19102.
B. The Bell Telephone Co. of Pennsylvania, One Parkway, Philadelphia, Pa. 19102.
D. (6) $1,060. E. (9) $987.72.

A. Edmund B. Rice, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $101.08. E. (9) $23.09.

A. Rice Genocide Research, P.O. Box 7307, Washington, D.C. 20044.
E. (9) $134.40.

A. M. Lee Rice, Ogden Corp., 277 Park Avenue, New York, N.Y. 10017.
B. Ogden Corp., 277 Park Avenue, New York, N.Y. 10017.

A. M. Lee Rice, Ogden Corp., 277 Park Avenue, New York, N.Y. 10017.
B. U.S. Maritime Committee to Turn the Tide, P.O. Box 32236, Washington, D.C. 20007.
D. (6) $956,850.50. E. (9) $885,049.33.

A. Ronald C. Rice, 801 Northland Towers West, Southfield, Mich. 48075.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Theron J. Rice, Continental Oil Co., 1130 17th Street NW., No. 400, Washington, D.C. 20036.
B. Continental Oil Co., High Ridge Park, Stamford, Conn. 06904.

A. Alan H. Richardson, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington D.C. 20037.
D. (6) $300.

A. Warren S. Richardson, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $2,060.

A. Richard Ridgeway, 3620 South Rhodes, Apt. 2003, Chicago, Ill. 60653.
E. (9) $110.

A. Peter S. Ridley, Jr., 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $325. E. (9) $25.

A. Siert F. Riepma, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.
B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. E. Philip Riggin, National Legislative Commission, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $3,747. E. (9) $116.73.

A. Judith Assmus Riggs, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $1,881.48. E. (9) $111.05.

A. Morris A. Riley, 1766 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,025. E. (9) $614.

A. John S. Rippey, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $500. E. (9) $55.70.

A. James E. Ritchie, 1776 F Street NW., Suite 108, Washington, D.C. 20006.
B. Gaming Industry Association of Nevada, Suite 1007, 1 East First Street, Reno, Nev. 89501.
D. (6) $830. E. (9) $655.

A. James E. Ritchie, 1776 F Street NW., No. 108, Washington, D.C. 20006.
B. National Association of Off-Track Betting, P.O. Box 446, Batavia, N.Y. 24020.
E. (9) $3,885.

A. James E. Ritchie, 1776 F Street NW., No. 108, Washington, D.C. 20006.
B. Nevada Resort Association, 932 East Sahara Avenue, Las Vegas, Nev. 89104.
D. (6) $1,670. E. (9) $1,095.

A. Stark Ritchie, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Geo. W. Ritter, 3914 King Arthur Road, Annandale, Va. 22003.
B. Alton Box Board Co., Alton, Ill. 62002.
D. (6) $6,250. E. (9) $1,627.

A. John R. Rivers, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,078.49. E. (9) $225.80.

A. William Neale Roach, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $58.17.

A. Paul H. Robbins, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engi-

neers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Robert Robertson, 1050 17th Street NW., Washington, D.C. 20036.
B. National Association of Independent Lumbermen, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $11,538.42.

A. William S. Roberts, National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $70.

A. Charles A. Robinson, Jr., 2000 Florida Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $227.52.

A. Antoinette K. Roche, 2021 K Street NW., Suite 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $500. E. (9) $25.

A. James A. Rock, American Mining Congress, 1100 Ring Building, Washington, D.C.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $181.74. E. (9) $28.88.

A. Thomas G. Roderick, 1101 16th Street NW., Washington, D.C. 20036.
B. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.
E. (9) $100.

A. Donald L. Rogers, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $1,062.50.

A. Frank W. Rogers, 2101 L Street NW., Suite 635, Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $990.

A. Frank W. Rogers, 313 Cambridge Road, Alexandria, Va. 22314.
B. Vetco Offshore Industries, Inc., 5808 Telephone Road, Suite 201, Ventura, Calif. 93003.
D. (6) $200.

A. Terrence L. Rogers, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $3,935.40. E. (9) $179.07.

A. Walter E. Rogers, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $1,000.

A. Rogers & Wells, 1666 K Street NW., Washington, D.C. 20006.
B. S. Shamash & Sons, Inc., 42 West 39th Street, New York, N.Y. 10018.
D. (6) $405.

A. Richard Rohrbach, 1625 I Street NW., Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 I Street NW., Washington, D.C. 20006.
D. (6) $4,000.

A. John F. Rolph, III, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,500.

A. Kenneth S. Rolston, Jr., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Nicholas Roomy, Jr., P.O. Box 1986, Charleston, W.Va., 25327.
B. Appalachian Power Co., P.O. Box 1986, Charleston, W.Va., 25327. (a subsidiary of the American Electric Power Co., Inc., 2 Broadway, New York, N.Y. 10004).

A. Larry M. Rosenstein, American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. William F. Ross, South Carolina Petroleum Council, 716 Keenan Building, Columbia, S.C. 29201.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $385.20. E. (9) $483.28.

A. Donald D. Rounds, South Dakota Petroleum Council, P.O. Box 669, Pierre, S. Dak. 57501.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $104.16. E. (9) $57.43.

A. William C. Rountree, 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co., (Ohio), Midland Building, Cleveland, Ohio 44115.
D. (6) $25. E.(9) $25.50.

A. Rouss & O'Rourke, Lawyers Building, 231 East Vermijo, Colorado Springs, Colo. 80903.
B. Union Nacional de Productores de Azucar, S.A. de C. V. (known as UNPASA), Balderas 36, Mexico, D.F., Mexico.
D. (6) $3,849.99. E. (9) $2,297.92.

A. John W. Rowland, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Kathryn Coe Royce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $452.49. E. (9) $24.20.

A. Leonard H. Ruppert, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $10.

A. Perry A. Russ, Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314.
B. Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314.

A. Albert R. Russell, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $6,028.85. E. (9) $436.23.

A. Robert M. Russell, 2170 Piedmont Road NE., Atlanta, Ga. 30309.
B. Orkin Exterminating Co., 2170 Piedmont Road NE., Atlanta, Ga. 30309.
D. (6) $925.

A. Whitfield A. Russell, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency (Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, and Associate Member Plumas-Sierra Rural Electric Cooperative).

A. Wally Rustad, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $143.50.

A. J. T. Rutherford and Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. American Association of Bioanalysts/ International Society of Clinical Lab Technologists, 800 Ambassador Building, St. Louis, Mo.
D. (6) $200. E. (9) $1,065.54.

A. J. T. Rutherford and Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $500. E. (9) $1,600.38.

A. J. T. Rutherford and Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. American Optometric Association, 1730 M Street NW., Washington, D.C.
D. (6) $500. E. (9) $1,657.20.

A. Ella Marice Ryan, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $80. E. (9) $56.08.

A. John F. Ryan, International Telephone and Telegraph Corp., 1707 L Street NW., Washington, D.C. 20036.
B. International Telephone and Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $105.36. E. (9) $15.50.

A. William H. Ryan, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,125. E. (9) $61.09.

A. C. Hill Rylander, Independent Insurance Agents of America, Inc., 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $4,021.22.

A. Fred J. Sacco, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Frank P. Sanders, 815 Connecticut Avenue NW., Washington, D.C.
B. The Flying Tiger Line, Inc., Los Angeles International Airport, Los Angeles, California.
D. (6) $850.

A. Frank P. Sanders, 815 Connecticut Avenue NW., Washington, D.C.

B. The Signal Co., Inc., 9665 Wilshire Boulevard, Beverly Hills, Calif. 90212.
D. (6) $500.

A. Charles E. Sandler, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,500.

A. Peter G. Sandlund, Room 400, 919 18th Street NW., Washington, D.C. 20006.
B. Council of European and Japanese National Shipowners' Associations, 30–32 St. Mary Axe, London EC3A 8ET, England.
D. (6) $300.

A. Santarelli, Sandground & Good, 1025 Connecticut Avenue NW., Suite 911, Washington, D.C. 20036.
B. Colt Firearms Division, 150 Huyshope Avenue, Hartford, Conn. 06102.
D. (6) $100.

A. Santarelli, Sandground & Good, 1025 Connecticut Avenue NW., Suite 911, Washington, D.C. 20036.
B. Sturm, Ruger and Co., Southport, Conn. 06490.
D. (6) $100.

A. Thomas H. Saunders, 1800 M Street NW., Suite 700 South, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.

A. Harold B. Say, 916 Prince Street, Alexandria, Va. 22314.
B. Veterans of World War I of the U.S.A., Inc., 916 Prince Street, Alexandria, Va. 22314.
D. (6) $210.

A. Frank J. Scaduto, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Sheet Metal Workers International Association, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $5,800.

A. Thomas T. Scambos, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. (for Krauss-Maffei AG, Krauss-Maffei-Strasse 2, 8000 Muenhen 50, Federal Republic of Germany).
D. (6) $205.50. E. (9) $6.

A. Lois M. Schell, National Association of Manufacturers, 222 South Prospect Avenue, Park Ridge, Ill. 60068.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $170.

A. L. Charles Scherer, Jr., 2 Militia Drive, Lexington, Mass. 02173.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $225.

A. Richard M. Schmidt, Jr., 1920 L Street NW., Suite 700, Washington, D.C.
B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $500.

A. Robert L. Schmidt, 919 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $206. E. (9) $288.

A. Mahlon C. Schneider, Green Giant Co., Hazeltine Gates, Chaska, Minn. 55318.
B. Green Giant Co., Hazeltine Gates, Chaska, Minn. 55318.
D. (6) $250. E. (9) $382.08.

A. Frank Schneller, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Ronald F. Schrader, National Committee on Locks and Dam 26, 1129 20th Street NW., Washington, D.C. 20036.
B. National Committee on Locks and Dam 26, 1129 20th Street NW., No. 512, Washington, D.C. 20036.
D. (6) $12,498.

A. N. Donald Schroeder, Maryland Petroleum Association, 60 West Street, Annapolis, Md. 21401.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $160. E. (9) $80.

A. Stanley W. Schroeder, Gas Appliance Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.
B. Gas Appliance Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $200. E. (9) $125.71.

A. Kathy J. Schroeher, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,824.97.

A. Robert L. Schulz, Iowa Petroleum Council, 1012 Fleming Building, Des Moines, Iowa 50309.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Donald H. Schwab, Veterans of Foreign Wars of the United States, 200 Maryland Avenue N.E., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $3,125. E. (9) $92.85.

A. Evi Schwartz, P.O. Box H., Tuscaloosa, Ala. 35401.
B. Fallek-Lankro Corp., P.O. Box H, Tuscaloosa, Ala. 35401.

A. Sydnee M. Schwartz, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,063.02. E. (9) $33.34.

A. Carl F. Schwensen, 1030 15th Street NW., Washington, D.C. 20005.
B. National Association of Wheat Growers, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
D. (6) $1,187.31.

A. Harold B. Scoggins, Jr., 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $37.80.

A. David A. Scott, Mississippi Petroleum Council, P.O. Box 42, Jackson, Miss. 39205.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $306.25. E. (9) $484.14.

A. John W. Scott, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $6,250.

A. Scribner, Hall, Thornburg & Thompson, 1200 18 Street NW., Washington, D.C. 20036.
B. Roosevelt Raceway, Westbury, N.Y. 11590.
E. (9) $167.

A. Durward Seals, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $400. E. (9) $20.23.

A. Earl W. Sears, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $1,125. E.(9) $57.69.

A. Self-Determination for D.C. Room 300, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,473. E. (9) $3,496.

A. Roger D. Semerad, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Stanton P. Sender, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $650. E. (9) $24.

A. 17th Congressional District Action Committee, 192 Hope Avenue, Staten Island, N.Y. 10305.
D. (6) $14. E. (9) $5.40.

A. J. Richard Sewell, 1701 K Street NW., Suite 503, Washington, D.C. 20006.
B. Florida Power & Light Co., P.O. Box 013100, Miami, Fla. 33101.
D. (6) $2,400. E. (9) $337.34.

A. Leo Seybold, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,575. E. (9) $176.58.

A. Robert L. Shafer, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer Inc., 235 East 42d Street New York, N.Y. 10017.
D. (6) $450. E. (9) $510.

A. Barbara J. Shailor, 1851 Columbia Road NW., Washington, D.C. 20009.
B. Energy Action Committee, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $195.06.

A. James M. Shamberger, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
E. (9) $25.

A. John J. Sharkey, Room No. 204, 1629 K Street NW., Washington, D.C. 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $909.48. E. (9) $70.14.

A. Norman F. Sharp, 1725 K Street NW., Suite 903, Washington, D.C. 20006.
B. Outdoor Power Equipment Institute, 1725 K Street NW., Suite 903, Washington, D.C. 20006.
D. (6) $250. E. (9) $250.

A. Luther W. Shaw, 1625 Eye Street NW., Washington, D.C. 20006.
B. Paluszek & Leslie Associates, 1500 Broadway, New York, N.Y. 10036.
E. (9) $30.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Association for the Improvement of the

Mississippi River, 10 Broadway, St. Louis, Mo. 63102.
D. (6) $900. E. (9) $2.

A. Shaw, Pittmen, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Institute of Foreign Bankers, 489 5th Avenue, New York, N.Y.
E. (9) $88.34.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. National Committee on Locks and Dam 26, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $752. E. (9) $4.

A. John J. Sheehan, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $8,053.86. E. (9) $4,671.74.

A. Jowanda Shelton, 2101 L Street NW., Washington, D.C. 20037.
B. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y. 10023.
D. (6) $4,500.

A. Laurence P. Sherfy, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C.

A. Norman R. Sherlock, Air Transport Association of America, 1709 New York Avenue, NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,708.75. E. (9) $592.35.

A. Morris Shipley, Room No. 204, 1629 K Street NW., Washington, D.C 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $740. E. (9) $61.10.

A. Russell L. Shipley, Jr., 1430 K Street NW., Suite 1000, Washington, D.C. 20005.
B. National Candy Wholesalers Association, Inc., 1430 K Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $110.76.

A. Harvey A. Shipman, Suite 700, 2021 K Street NW., Washington, D.C. 20006.
B. Penn Central Transportation Co., 1700 Market Street, Philadelphia, Pa. 19103.
D. (6) $250. E. (9) $1,090.

A. Fred B. Shippee, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

A. James K. Shiver, 1629 K Street NW., Washington, D.C. 20006.
B. Diamond Shamrock Corp., Cleveland Ohio.

A. W. Ray Shockley, American Textile Manufacturers Institute, Inc., 1150 17th Street NW., Suite 1001, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 400 South Tryon Street No. 2124, Charlotte, N.C. 28285.
D. (6) $2,550. E. (9) $202.41.

A. L. J. Sichel, Abbott Laboratories, 1730 M Street NW., No. 808, Washington, D.C. 20036.
B. Abbott Laboratories, North Chicago, Ill. 60064.

A. Bernard H. Sieracki, Illinois Petroleum Council, 200 East Randolph Drive, Suite 5106, Chicago, Ill. 60601.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $408.33. E. (9) $707.53.

A. Harry G. Silleck, Jr., 20 Broad Street, New York, N.Y. 10005
B. Trustees of Erie Lackawanna Railway Co., Midland Building, Cleveland, Ohio 44115.
D. (6) $10,000.

A. David Silver, 1775 K Street NW., Washington, D.C. 20006
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

A. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.
E. (9) $1,809.75.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Association for Advanced Life Underwriting, 1922 F Street NW., Washington, D.C. 20006.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10002.

A Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. General American Transportation Co., 120 South Riverside Plaza, Chicago, Ill. 60606.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Government of the Netherlands Antilles, Fort Amsterdam, Willemstad, Curacao, Netherlands, Antilles.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Music Corporation of America, Inc., 100 Universal City Plaza, Universal City, Calif. 91608.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. National Association of Home Builders, 15th and M Street NW., Washington, D.C.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. National Savings & Loan League, 1200 17th Street NW., Washington, D.C. 20036.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Ogden Transportation Corp., 277 Park Avenue, New York, N.Y. 10017.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Venezuelan-American Chamber of Commerce and Industry, Apartado 5191, Caracas 101, Venezuela.
E. (9) $25.00.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. AFL–CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
E. (9) $610.61.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $1,900. E. (9) $14.

A. Lana H. Sims, South Carolina Railroad Association, 400 Barringer Building, Columbia, S.C. 29201.
B. South Carolina Railroad Association, 400 Barringer Building, Columbia, S.C. 29201.
D. (6) $68.10. E. (9) $61.42.

A. Thomas K. Singer, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $804.38.

A. Jean Head Sisco, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $250.

A. 6th Pro-Life Congressional District Action Committee, 2600 Foothills Drive, Birmingham, Ala. 35226.

A. Roma D. Skeen, Marathon Oil Co., 1800 M Street NW., Suite 975, Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.
E. (9) $233.66.

A. Barney J. Skladany, Jr., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,125.

A. Carstens Slack, Phillips Petroleum Co., 1825 K Street NW., Washington, D.C. 20006.
B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. F. Slatinshek, 218 North Lee Street, Alexandria, Va. 22314.
B. Grumman Aerospace Corp., Bethpage, N.Y. 11714; United Technologies Corp., 1125 15th Street NW., Washington, D.C. 20005; General Dynamics, Pierre LacLede Center, St. Louis, Mo. 63105.
D. (6) $550.

A. William L. Slayton, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,500.

A. G. Bernard Slebos, United Airlines, 1825 K Street NW., No. 607, Washington, D.C. 20006.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $2,000. E. (9) $184.03.

A. Jonathan W. Sloat, 1425 K Street NW., Suite 900, Washington, D.C. 20005.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.
D. (6) $7.50. E. (9) $3.50.

A. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
D. (6) $6,660. E. (9) $10,970.20.

A. Allan F. Small, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
E. (9) $28.80.

A. Small Producers for Energy Independence, Suite 970, 4th Financial Center, Wichita, Kans. 67202.
D. (6) $48,927.89. E. (9) $14,735.

A. Smathers, Symington & Herlong, 1700 K Street NW., No. 400, Washington, D.C. 20006.
B. American Horse Council, Inc., 1700 K Street NW., Washington, D.C. 20006.
D. (6) $5,500. E. (9) $5,734.36.

A. Smathers, Symington & Herlong, 1700 K Street NW., No. 400, Washington, D.C. 20006.
B. American Inland Waterways Committee, 7733 Forsyth Boulevard, No. 2201, St. Louis, Mo. 63105.
D. (6) $17,500. E. (9) $151.75.

A. Smathers, Symington & Herlong, 1700 K Street NW., Washington, D.C. 20006.
B. National Hockey League, Two Pennsylvania Plaza, New York, N.Y. 10001.
D. (6) $8,500. E. (9) $72.96.

A. Smathers, Symington and Herlong, 1700 K Street NW., Washington, D.C. 20006.
B. Pennzoil Co., Pennzoil Place, Houston, Tex. 77001.
D. (6) $6,000. E. (9) $44.33.

A. Donald E. Smiley, 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $331.66.

A. Arthur J. Smith, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.
E. (9) $2,660.

A. Gordon L. Smith, 1725 K Street NW., Suite 602, Washington, D.C. 20006.
B. Edward Gottlieb & Associates, 633 Third Avenue, New York, N.Y. 10017, (for Florists' Transworld Delivery Association).

A. Gordon L. Smith, 1725 K Street NW., Suite 602, Washington, D.C. 20006.
B. Edward Gottlieb & Associates, 633 Third Avenue, New York, N.Y. 10017 (for Hecon Corp., Flextime Division).

A. Hugh H. Smith, 1925 North Lynn Street, Rosslyn, Va. 22209.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.
D. (6) $250.

A. Hugh H. Smith, 1925 North Lynn Street, Rosslyn, Va.
B. Englehard Minerals & Chemical, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Hugh H. Smith, 1925 North Lynn, Rosslyn, Va. 22209.
B. Weyerhaeuser Co., Tacoma, Wash. 98401.

A. J. Kenneth Smith, Sun Co., Inc., 1800 K Street, NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $5,500. E. (9) $1,250.

A. James R. Smith, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $333.33. E. (9) $30.

A. Michael P. Smith, New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.
B. New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.
D. (6) $351. E. (9) $854.

A. Robert Bland Smith, Jr., American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue, NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $450. E. (9) $50.

A. Robert F. Smith, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $96.

A. Robert W. Smith, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $2,000. E. (9) $8.

A. William H. Smith, 1120 Connecticut Avenue, NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue, NW., Washington, D.C. 20036.

A. Wayne H. Smithey, Ford Motor Co., 815 Connecticut Avenue, NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $4,500. E. (9) $1,356.80.

A. Arthur V. Smyth, 1625 Eye Street NW., Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98401.
D. (6) $1,650. E. (9) $48.50.

A. Frank B. Snodgrass, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
B. Burley & Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
D. (6) $738.04.

A. J. R. Snyder, United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
E. (9) $225.

A. John M. Snyder, 600 Pennsylvania Avenue SE., Suite 205, Washington, D.C. 20003.
B. Citizens Committee for the Right to Keep and Bear Arms, Bellefield Office Park, 1601 114th SE., Suite 151, Bellevue, Wash. 98004.
D. (6) $4,050.

A. Society for Animal Protective Legislation, P.O. Box 3719, Georgetown Station, Washington, D.C. 20007.
D. (6) $15,016.66. E. (9) $20,448.77.

A. Carl A. Soderblom, Nevada Railroad Association, One East First Street, Suite 905, Reno, Nevada 89501.
B. Nevada Railroad Association, One East First Street, Suite 905, Reno, Nev. 89501.; Southern Pacific Transportation Co., Western Pacific Railroad Co.

A. Charles B. Sonneborn, 1730 Pennsylvania Avenue, Washington, D.C. 20006.
B. Blue Shield Association, 211 East Chicago, Avenue, Chicago, Ill. 60611.
E. (9) $100.

A. Shelby E. Southard, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Cooperative League of the U.S.A., 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $4,000. E. (9) $892.

A. Souther, Spaulding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.
B. Quality Management Committee, 1500 SW. Taylor, Portland, Oreg.
D. (6) $9,500. E. (9) $2,943.53.

A. Rodney K. Spackman, National Association of Manufacturers, 601 North Vermont Avenue, Los Angeles, Calif. 90004.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $700.

A. Charles E. Spahr, 1750 Midland Building, Cleveland, Ohio 44115.
B. The Standard Oil Co. Ohio, Midland Building, Cleveland, Ohio 44115.
D. (6) $63.54.

A. Girardeau A. Spann, Public Citizen, Inc., 2000 P Street NW., Suite 700, Washington, D.C. 20036.
B. Public Citizen, Inc., Box 19404, Washington, D.C. 20036.
D. (6) $300. E. (9) $10.

A. The Spartanburg Herald & Journal, Inc., 2600 Virginia Avenue NW., Washington, D.C. 20037.
E. (9) $257.39.

A. Frank J. Specht, Schenley Distillers, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
B. Schenley Distillers, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

A. Special Committee for Free Trade, 1028 Connecticut Avenue NW., Washington, D.C.

A. Specialty Equipment Manufacturers Association, 11001 East Valley Mall, Suite 204, El Monte, Calif. 91734.
E. (9) $1,835.80.

A. John F. Speer, Jr., 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.
E. (9) $18.

A. William C. Spence, P.O. Box 683, Houston, Tex. 77001.
B. Columbia Gulf Transmission Co., P.O. Box 683, Houston, Tex 77001.
D. (6) $200. E. (9) $528.47.

A. George Spiegel, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency (Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville Santa Clara, Ukiah, & Associates, member Plumas-Sierra Rural Electric Cooperative).

A. Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency, et al.
D. (6) $10,048.79. E. (9) $21,382.96.

A. Joseph L. Spilman, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $483. E. (9) $100.

A. Harold L. Springer, DGA International, 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for: Krauss-Maffei AG, Krauss-Maffei-Strasse 2, 8000 Muenchen 50, Federal Republic of Germany).
D. (6) $54.66. E. (9) $6.

A. James M. Sprouse, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Squibb Corp., 40 West 57th Street, New York, N.Y. 10019.
E. (9) $213.

A. Squire, Sanders & Dempsey, 1800 Union Commerce Building, Cleveland, Ohio 44115; and Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Public Security Association, One World Trade Center, New York, N.Y. 10048.

A. John W. Sroka, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Lynn E. Stalbaum, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $1,906.25. E. (9) $379.49.

A. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
E. (9) $2,089.

A. David P. Stang, Suite 601, 1629 K Street NW., Washington, D.C. 20006.
B. J. Ray McDermott & Co., Inc., 1010 Common Street, New Orleans, La. 70160.

A. David P. Stang, Suite 601, 1629 K Street NW., Washington, D.C. 20006.
B. National Ocean Industries Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $74.86.

A. Melvin L. Stark, American Insurance Association, 1025 Connecticut Avenue NW. (Suite 415, Blake Building), Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $3,000. E. (9) $350.

A. Walter M. Starke, P.O. Box 2563, Birmingham, Ala. 35202.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala., 35202.
D. (6) $450. E. (9) $3,719.81.

A. State & Federal Associates, Inc., 1101 15th Street NW., Suite 303, Washington, D.C. 20005.
B. National Association of Convenience Stores, 5205 Leesburg Pike, Suite 305, Falls Church, Va. 22041.
D. (6) $3,000. E. (9) $9.

A. State & Federal Associates, Inc., 1101 15th Street NW., Suite 303, Washington, D.C. 20005.
B. Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.
D. (6) $4,000. E. (9) $176.85.

A. Leon P. Stavrou, 1730 K Street NW., Washington, D.C. 20006.
B. American Hellenic Institute Public Affairs Committee, Inc., 1730 K Street NW., Suite 903, Washington, D.C. 20006.
D. (6) $30.

A. Eugene H. Stearns, American Petroleum Institute, 200 East Randolph Drive, Chicago, Ill. 60601.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Theodore P. Stein, 2030 M Street, Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $239.76.

A. David J. Steinberg National Council for a Responsible Firearms Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Council for a Responsible Firearms Policy, Inc., 1928 Connecticut Avenue NW., Washington, D.C. 20036.

A. Edward W. Stimpson, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.
B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.

A. Kenneth F. Stinger, American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $477.17.

A. Stephen A. Stitle, 1030 15th Street NW., Washington, D.C. 20005.
B. Eli Lilly & Co., 307 East McCarty Street, Indianapolis, Ind. 46206.
D. (6) $3,000. E. (9) $150.

A. B. R. Stokes, American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $812.50. E. (9) $991.38.

A. William M. Stover, Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $1,000. E. (9) $100.

A. Sandra J. Strebel, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. The cities of Anaheim and Riverside, Calif.

A. John D. Stringer, 1776 F Street NW., Washington, D.C. 20006.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $3,315.

A. Roger J. Stroh, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $284.37. E. (9) $49.47.

A. George W. Strong, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
D. (6) $2,400. E. (9) $3,290.

A. Stroock & Stroock & Lavan, 61 Broadway, New York, N.Y. 10006.
B. Bank Hapoalim B.M., 50 Rothschild Boulevard, Tel Aviv, Israel.
E. (9) $250.

A. Norman Strunk, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $5,062.50. E. (9) $444.59.

A. Richard L. Studely, 1110 Spring Street, Silver Spring, Md. 20910.
B. Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.

A. Walter B. Stults, 512 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Cos., 512 Washington Building, Washington, D.C. 20005.
D. (6) $2,400.

A. Eugene F. Sturgeon, 182 Crater Lane, Kensington, Conn.
B. Northeast Utilities Service Co., Selden Street, Berlin, Conn.
E. (9) $1,427.29.

A. Sullivan, Beauregard, Clarkson, Moss & Brown, 1800 M Street NW., Suite 925, Washington, D.C. 20036.
B. Newport News Shipbuilding & Dry Dock Co., 4100 Washington Avenue, Newport News, Va. 23607.
D. (6) $67.50.

A. Sullivan & Cromwell, 48 Wall Street, New York, N.Y. 10005.
B. Financial Accounting Foundation and Financial Accounting Standards Board, High Ridge Park, Stamford, Conn. 06905.
E. (9) $600.

A. Sullivan & Cromwell, 48 Wall Street, New York, N.Y. 10005.
B. General Electric Credit Corp., 260 Long Ridge Road, Stamford, Conn. 06902.
E. (9) $150.26.

A. Harold R. Sullivan, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $125.

A. Michael J. Sullivan, 2525 North 10th Street, Arlington, Va. 22201.
B. National Committee on Locks and Dam No. 26, 1129 20th Street NW., Washington, D.C.
D. (6) $2,469.23. E. (9) $65.83.

A. Roger H. Sullivan, Hawaiian Sugar Planters' Association, 723 Investment Building, Washington, D.C. 20005.
B. Hawaiian Sugar Planters' Association, Aiea, Hawaii.
E. (9) $59.60.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105; 1025 Connecticut Avenue NW, Suite 900. Washington, D.C. 20036.
B. Midland Enterprises, Inc., 1400 580 Building, Cincinnati, Ohio 45202.
D. (6) $2,500.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105; 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. The Valley Line Co., 120 S. Central, Clayton, Mo.
D. (6) $3,750.

A. S. Lynn Sutcliffe, 1220 19th Street NW, Suite 500, Washington, D.C. 20036.
B. Rocky Mountain Park Co., 2817 East 3d Avenue, Denver, Colo. 80206.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006, and 3100 First National Bank Tower, Atlanta, Ga. 30303.
B. Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga.

A. Irving W. Swanson, Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street, NW, Washington, D.C. 20005.

A. David A. Sweeney, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $9,375.00.

A. John R. Sweeney, Solar Building, 1000 16th Street NW., Washington, D.C. 20036.
B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.
D. (6) $200.00. E. (9) $130.75.

A. Russell A. Swindell, P.O. Box 2635, Raleigh, N.C. 27602.
B. North Carolina Railroad Association, P.O. Box 2635, Raleigh, N.C. 27602.
D. (6) $1,484.00. E. (9) $906.96.

A. Robert Taft, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202. (for Sisters of Charity of Cincinnati, Ohio).

A. Robert Taft, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, 600 Dixie Terminal Building, Cincinnati, Ohio 45202 for Special Committee for Workplace Product Liability Reform, 1150 Connecticut Avenue NW., No. 504, Washington, D.C. 20036.
D. (6) $10,000. E. (9) $362.16.

A. Robert Taft, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 for Taft Broadcasting Co., 1906 Highland Avenue, Cincinnati, Ohio 45219.
D. (6) $4,600.

A. Robert Taft, Jr., 1150 Connecticut Avenue NW., Washington, D.C.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 for Werner Von Clemm, New York, N.Y.

A. H. William Tanaka, Tanaka, Walders & Ritger, 1819 H Street NW., Washington, D.C. 20008.
B. Japan Automobile Manufacturers Association, Otemachi Building, 4, 1-chome, Otemachi Chiyoda-ku, Tokyo, Japan.
E. (9) $50.

A. Susan M. Tannenbaum, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C.
D. (6) $4,125.02. E. (9) $46.35.

A. Norman Wilson Tanner, Jr., 1660 L Street NW., Suite 215–216, Washington, D.C.
B. Outdoor Advertising Association of America, 1660 L Street NW., Suite 215–216, Washington, D.C.
D. (6) $112. E. (9) $25.

A. William M. Tartikoff, 1775 K Street NW., Washington, D.C.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C.
D. (6) $33.

A. Darold W Taylor, 1130 17th Street NW., Washington, D.C. 20036.
B. National Clay Pipe Institute, P.O. Box 310, 350 W. Terra Cotta Avenue, Crystal Lake, Ill. 60014.
D. (6) $150. E. (9) $24.64.

A. David K. Taylor, Jr., 1100 Connecticut Avenue NW., No. 1030, Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $375.

A. Frank A. Taylor, 1016 16th Street NW., Washington, D C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Sid Taylor, National Taxpayers Union (NTU), 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $900. E. (9) $343.

A. Robert M. Teates, 1016 16th Street NW., Washington, D.C.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
E. (9) $55.46.

A. William K. Tell, Jr., 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco Inc., 135 East 42d Street, New York N.Y. 10017.
D. (6) $250. E. (9) $556.49.

A. Paul Tendler, 2020 K Street NW., Washington, D.C. 20006.
B. Paul Tendler Associates (for National Federation of Licensed Practical Nurses), 2020 K Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $1,778.

A. Tenneco Alaska, Inc., P.O. Box 2511, Houston, Tex. 77001.
E. (9) $3,099.83.

A. L. D. Tharp, Jr., Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $300.

A. Earl Wayne Thevenot, Thevenot, Murray & Scheor, 1120 Connecticut Avenue, Suite 1128, Washington, D.C. 20036.
B. First Investment Annuity Co. of America, No. 7 Valley Forge Executive Mall, P.O. Box 831, Valley Forge, Pa. 19482.
D. (6) $5,000. E. (9) $100.22.

A. Earl Wayne Thevenot, Thevenot, Murray & Scheer, 1120 Connecticut Avenue, Suite 1128, Washington, D.C. 20036.
B. Kelso & Co., Inc., 111 Pine Street, San Francisco, Calif. 94111.
D. (6) $4,350.

A. John T. Thielke, Economics Laboratory, Inc., 4 Corporate Park Drive, White Plains, N.Y. 10604.
B. Economics Laboratory, Inc., Osborn Building, St. Paul, Minn. 55102.
D. (6) $2,500. E. (9) $1,443.32.

A. 13th Congressional District Action Committee, 22273 Bahl Street, Cupertino, Calif. 95014.
D. (6) $20. E. (9) $216.31.

A. Jerry P. Thompson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,750. E. (9) $144.48.

A. Kenneth W. Thompson, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $300.

A. Roger G. Thompson, 15th Street and Carter Avenue, Ashland, Ky. 41101.
B. Kentucky Power Co., 15th Street and Carter Avenue, Ashland, Ky. 41101.
D. (6) $400. E. (9) $611.99.

A. William D. Thompson, General Motors Corp., 1660 L Street NW., Suite 804, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $4,414.79.

A. Terence Hastings Thorn, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $525. E. (9) $270.73.

A. Robert T. Thornburg, Minnesota Petroleum Council, 1020 Northern Federal Building, St. Paul, Minn. 55102.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $296.65. E. (9) $539.39.

A. Gil Thurm, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,500. E. (9) $160.02.

A. Cyrus C. Tichenor III, 815 Connecticut Avenue NW., Suite 1007, Washington, D.C. 20006.
B. A. H. Robins Co., Inc., 1407 Cummings Drive, Richmond, Va. 23220.
D. (6) $6,000. E. (9) $6,355.61.

A. Drew V. Tidwell, 1725 K Street NW., Washington, D.C. 20006.
B. Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $6,964.90.

A. Paul J. Tierney, Transportation Association of America, 1100 17th Street NW., Suite 1107, Washington, D.C. 20036.
B. Transportation Association of America, 1100 17th Street NW., Suite 1107, Washington, D.C. 20036.

A. Wallace Tillman, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $200.

A. George Tilton, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
E. (9) $959.20.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Alaskan Arctic Gas Pipeline Co., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $208.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.
D. (6) $253.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $332.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Association of Trial Lawyers of America, 1620 I Street NW., Washington, D.C. 20006.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Baxter Travenol Laboratories, 1 Baxter Parkway, Deerfield, Ill. 60015.
D. (6) $83.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $166.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Genesco, Inc., 111 Seventh Avenue North, Nashville, Tenn. 37202.
D. (6) $83.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Middle South Services, Inc., Box 61000, New Orleans, La. 70161.
D. (6) $168.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $42.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. G. D. Searle & Co, P.O. Box 1045, Skokie, Ill. 60076.
D. (6) $83.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Standard Oil Co. of Indiana, 1000 16th Street NW., Washington, D.C. 20006.
D. (6) $83.

A. Michael L. Tiner, Active Ballot Club Department, Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $5,554.64. E. (9) $806.64.

A. E. Linwood Tipton, 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

A. Tobacco Associates, Inc., 1101 17th Street NW., Suite 912, Washington, D.C. 20036.
E. (9) $2,526.

A. Warren D. Toburen, Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.
D. (6) $449.50. E. (9) $100.

A. David R. Toll, 1140 Connecticut Avenue No. 1010, Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., No. 1010, Washington, D.C. 20036.
D. (6) $1,115. E. (9) $251.

A. William D. Toohey, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Discover America Travel Organizations, Inc., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,689. E. (9) $35.

A. Howard A. Topel, 1000 Connecticut Avenue, Washington, D.C. 20036.
B. Mullin, Connor & Rhyne, 1000 Connecticut Avenue, Washington, D.C. 20036 (for Alberto de la Vega-Ripol, 804 Garching, Konigsbergerstr. 2, West Germany).
D. (6) $130.20.

A. John M. Torbet, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Rockwell International Corp.
D. (6) $32.25. E. (9) $129.50.

A. Thomas J. Trabucco, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
E. (9) $73.86.

A. John P. Tracey, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. U.S. Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
D. (6) $1,000.

A. Transportation Association of America, 1100 17th Street NW., Suite 1107, Washington, D.C. 20036.
E. (9) $187.25.

A. Glenwood S. Troop, Jr., 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $7,875. E. (9) $104.

A. George G. Troutman, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $400.

A. Ronald R. Tullos, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $575. E. (9) $52.50.

A. Bruce H. Turnbull, National Retail Merchants Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $250. E. (9) $25.

A. Richard F. Turney, 1725 K Street NW., Washington, D.C. 20006.
B. Courtney & McCamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Shela C. Turpin, Americans Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $250.

A. Tuscaloosa Newspapers, Inc., P.O. Drawer No. 1, Tuscaloosa, Ala. 35401.

A. Margaret D. Tutwiler, National Association of Manufacturers, 1421 Peachtree Street NE., Suite 201, Atlanta, Ga.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. St. Clair J. Tweedie, Paperboard Packaging Council, 1800 K Street NW., Suite 600, Washington, D.C. 20006.
B. Paperboard Packaging Council, 1800 K Street NW., Suite 600, Washington, D.C. 20006.
D. (6) $700. E. (9) $20.

A. Joan E. Twiggs, 1730 M Street NW., Washington, D.C. 20036.
B. The League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $560.

A. Donald T. Ubben, 1–B, 2300 Freetown Court, Reston, Va. 22091.
B. The Conservative Caucus, Suite 305, 7777 Leesburg Pike, Falls Church, Va. 22043.
D. (6) $1,008.50. E. (9) $24.50.

A. Stewart L. Udall, Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Alaska Federation of Natives Inc., 550 West Eighth Street, Anchorage, Alaska 99503.

A. Stewart L. Udall, Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW,. Washington, D.C. 20006.
B. The Aloha Association, Suite 572, Alexander Young Building, Honolulu, Hawaii. 96813.

A. Stewart L. Udall, Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foothills Pipe Lines (Yukon) Ltd., Suite 2121, Tower A, 320 Queen Street, Ottawa, Ontario, Canada KIRSA3.

A. Wayne Underwood, American Seed Trade Association, 1030 15th Street NW., Washington, D.C. 20005.
B. American Seed Trade Association, 1030 15th Street NW., Washington, D.C. 20005.

A. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
E. (9) $6,694.26.

A. United Egg Producers, 3951 Snapfinger Parkway, Suite, 580 Decatur, Ga. 30035.
E. (9) $1,975.

A. United Fresh Fruit and Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $13,262.97. E. (9) $9,045.15.

A. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
E. (9) $2,853.30.

A. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.
E. (9) $504.44.

A. U.S. League of Savings Association, 111 East Wacker Drive, Chicago, Ill.
E. (9) $82,775.21.

A. U.S. Overseas Employees Tax Fairness Committee, 1101 15th Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $38,000. E. (9) $29,495.16.

A. Lloyd N. Unsell, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $45.50.

A. J. Joseph Vacca, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $2,723.18.

A. Jack J. Valenti, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. American Bakers Association, 2020 K Street NW., Washington, D.C. 20006.
E. (9) $11.65.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. American Institute for Certified Public Accountants, 1620 I Street NW., Washington, D.C. 20006.
D. (6) $2,550. E. (9) $69.37.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Washington, D.C. 20036.
B. Arctic Slope Regional Corp.
D. (6) $980. E. (9) $10.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Association of Local Transport Airlines, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $1,860. E. (9) $25.50.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Central & South West Corp., P.O. Box 1631, Wilmington, Del. 19899.
D. (6) $2,260. E. (9) $34.05.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Committee for Consumers No-Fault, Suite 500, 1220 19th Street NW., Washington, D.C. 20036.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Montana Power Co., 400 East Broadway, Butte, Mont. 59701.
E. (9) $12.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Northern Tier Pipeline Co., 1776 Lincoln Street, P.O. Box 5568, Denver, Colo. 80217.
D. (6) $690. E. (9) $25.25.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Western Crude Oil, Inc., P.O. Box 5568, Denver Center Building, Denver Colo. 80217.
D. (6) $120. E. (9) $8.

A. Van Ness, Curtis, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Wheelabrator-Frye, Inc., Liberty Lane, Hampton, N.H., 03842.
D. (6) $900. E. (9) $13.85.

A. H. Steward Van Scoyoc, 1701 Pennsylvania Avenue, NW., Suite 210, Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.
D. (6) $250. E. (9) $266.60.

A. Lois W. Van Valkenburgh, 3152 Halcyon Drive, Alexandria, Va. 22305.
B. Citizens Commission for UNICEF, 110 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $455. E. (9) $43.02.

A. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.

A. Jerry T. Verkler, 1660 L Street NW., Suite 901, Washington, D.C. 20036.
B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston Tex. 77001.

A. Richard E. Vernor, American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $150. E. (9) $35.

A. Linda Vickers, 1735 I Street NW., Washington, D.C. 20006.
B. E. A. Jaenke & Associates Inc., 1735 I Street NW., Suite 610, Washington, D.C. 20006.
D. (6) $1,000.

A. R. Eric Vige, Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.
D. (6) $160.

A. Walter D. Vinyard, Jr., American Insurance Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,500. E. (9) $250.

A. Andrew Vitali, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $4,000. E. (9) $500.

A. Abe J. Voron, 6204 White Oak Lane, Tamarac, Fla. 33319.
B. National Radio Broadcasters Association, Suite 500, 1705 De Sales Street NW., Washington, D.C. 20036.
D. (6) $1,900. E. (9) $925.

A. Forrest Neal Wade, Alabama Petroleum Council, 660 Adams Avenue, Suite 188, Montgomery, Ala. 36104.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $237.50. E. (9) $344.96.

A. Robert J. Wager, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $1,430. E. (9) $8.60.

A. Wald, Harkrader & Ross, 1320 19th Street NW., Washington, D.C. 20036.
B. Chemtex Fibers, Inc., 850 Third Avenue, New York, N.Y. 10022.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Alameda Naval Employees' Association, Alameda Naval Air Station, Alameda, Calif. 94501.
D. (6) $1,750. E. (9) $190.49.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. American Association of Independent News Distributors, 50 California Street, San Francisco, Calif. 94111.
D. (6) $700. E. (9) $158.99.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Contra Costa County Water Agency, Administration Building, Martinez, Calif. 94553.
D. (6) $3,000. E. (9) $209.79.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Friends of Earth, 124 Spear Street, San Francisco, Calif. 94105.
D. (6) $624. E. (9) $115.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $8,840.04. E. (9) $558.62.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Council of Bureau of Indian Affairs and Indian Health Service Locals, 540 N Street NW., Washington, D.C. 20024.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Franchise Association Coalition, P.O. Box 366, Fox Lake, Ill. 60020.
D. (6) $750. E. (9) $224.80.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Task Force One, Federal Employees' Organization, Port Mugu, Calif.
D. (6) $1,200. E. (9) $506.23.

A. Robert E. Waldron, Associated Petroleum Industries of Michigan, 930 Michigan National Tower, P.O. Box 10070, Lansing, Mich. 48901.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $421.25. E. (9) $502.75.

A. E. F. Waldrop, Jr., Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $592.91.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Allen Products Company, Inc., P.O. Box 2187, RD. No. 3, Allentown, Pa. 18001.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Aluminum Co. of America, Washington, D.C. 20006.
D. (6) $100.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. AMAX, Inc., AMAX Center, Greenwich, Conn. 06830.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bechtel Corp., 1620 I Street NW., Washington, D.C. 20006.
D. (6) $312.50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.
D. (6) $100.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dresser Industries, Inc., 1100 Connecticut Avenue NW., Room 310, Washington, D.C. 20036.
D. (6) $312.50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., Wilmington, Del. 19898.
D. (6) $100.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Encyclopaedia Britannica, Inc. & Affiliates, 425 North Michigan Avenue, Chicago, Ill. 60611.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Fluor Engineers & Constructors, Inc., 2500 South Atlantic Boulevard, Los Angeles, Calif. 90040.
D. (6) $312.50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.
D. (6) $100.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Electric Co., Washington, D.C. 20005.
D. (6) $100.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Goodyear Tire & Rubber Co., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $100.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $100.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lone Star Steel Co., 2200 W. Mockingbird Lane, Dallas, Tex. 75235.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Magma Power Co., 631 South Witmer Street, Los Angeles, Calif. 90017.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. McCulloch Oil Corp., 10880 Wilshire Boulevard, Los Angeles, Calif. 90024.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Bankers Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
D. (6) $250.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Owens-Illinois, Inc., Owens-Illinois Building, P.O. Box 1035, Toledo, Ohio, 43666.
D. (6) $100.

A. Charls E Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Procter and Gamble, Cincinnati, Ohio 45201.
D. (6) $100.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pullman-Kellogg, Division of Pullman, Inc., 1300 3 Greenway Plaza East, Houston, Tex. 77046.
D. (6) $312.50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trailer Train Co., 300 South Wacker Drive, Chicago, Ill. 60606.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
D. (6) $100.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Oil Co. of California, 461 South Boylston, Los Angeles, Calif. 90017.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. United Air Lines, Inc., P.O. Box 66100, Chicago, Ill. 60666.

A. R. Duffy Wall, 1050 17th Street NW., Washington, D.C. 20036.
B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10017.
D. (6) $150.

A. Carl S. Wallace, 1800 K Street NW., Washington, D.C. 20006.
B. Purolator, Inc., 255 Old New Brunswick Road, Piscataway, N.J. 08854.
D. (6) $186.80.

A. Donald L. Wallace, Jr., 1707 L Street NW., Suite 540, Washington, D.C. 20036.
B. Cotton Warehouse Association of America, 1707 L Street NW., Suite 540, Washington, D.C. 20036.
D. (6) $1,025. E. (9) $288.15.

A. Raymond C. Wallace, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Lionel L. Wallenrod, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. J. W. Walsh, Brotherhood of Railroad Signalmen, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Railroad Signalmen, 601 West Golf Road, Mount Prospect, Ill. 60056.
D. (6) $350.

A. Michael H. Walsh, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
E. (9) $462.30.

A. Bonnie B. Wan, Montgomery Ward & Co., Inc., 1101 15th Street NW., No. 205, Washington, D.C. 20005.
B. Montgomery Ward & Co., Inc., 535 West Chicago Avenue, Chicago, Ill. 60607.
D. (6) $200. E. (9) $150.

A. John F. Wannamaker, 1625 I Street, NW., Washington, D.C. 20006.
B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $2,070.

A. Jack Ware, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,620. E. (9) $210.

A. Peter F. Warker, TRW, Inc., 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue Cleveland, Ohio 44117.
D. (6) $450. E. (9) $59.

A. Warner Communications, Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.
E. (9) $6,000.

A. Leonard Warner, P.O. Box 100, Ashburn, Va., 22011.
B. Len Warner Inc., P.O. Box 100, Ashburn, Va. 22011.
D. (6) $1,000. E. (9) $1,630.

A. Washington State NARAL, P.O. Box 15549, Seattle, Wash. 98115.
D. (6) $2,404.80. E.(9) $1,836.31.

A. Nan Waterman, 2030 M Street, NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $2,333.32. E. (9) $725.76.

A. George A. Watson, 1612 K Street NW., Washington, D.C. 20006.
B. The Ferroalloys Association, 1612 K Street NW.
E. (9) $1,500.

A. Ralph J. Watson, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Rockwell International.
D. (6) $495. E. (9) $120.

A. George B. Watts, National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $600.

A. W. H. Weatherspoon, N. C. Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $125. E. (9) $150.

A. Douglas M. Webb, 1025 Connecticut Avenue NW., No. 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $809.17.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Society of Radiologic Technologists, 500 North Michigan Avenue, Suite 836, Chicago, Ill. 60611.
D. (6) $3,000.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston, Tex. 77036.
D. (6) $850.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sand Springs Home, E. J. Doerner, 1200 Atlas Life Building, Tulsa, Okla.
D. (6) $2,100.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Truck Body & Equipment Association, Inc., Suite 1220, 5530 Wisconsin Avenue NW., Washington, D.C. 20015.
D. (6) $200.

A. Webster & Sheffield, One Rockefeller Plaza, New York, N.Y. 10020.
B. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $2,500. E. (9) $1,050.

A. Joan Weinstock American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, Alvin Levin, 120 South Hanover Street, Carlisle, Pa. 17013.
D. (6) $430.64. E. (9) $387.10.

A. Weisman, Celler, Spett, Modlin, Wertheimer & Schlesinger, 1025 Connecticut Avenue NW., Suite 910, Washington, D.C. 20036.
B. Beneficial Management Corp., 200 South Street, Morristown, N.J.
D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin, Wertheimer & Schlesinger, 1025 Connecticut Avenue NW., Suite 910, Washington, D.C. 20036.
B. National Football League Players Association, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Morton N. Weiss, 55 Broad Street, New York, N.Y. 10004.
B. National Security Traders Association, Inc., 55 Broad Street, New York, N.Y. 10004.
D. (6) $1,500. E. (9) $115.48.

A. Dennis W. Weissman, American Society for Medical Technology, Suite 403, 1725 DeSales Street NW., Washington, D.C. 20036.
B. American Society for Medical Technology, 1725 DeSales Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $1,350. E. (9) $150.

A. William Weitzen, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Aerospatiale 37, Boulevard de Montmorency 75016 Paris, France).

A. William Weitzen, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Krauss-Maffei AG, Krauss-Maffei-Strausse 2, 8000 Muenchen 50, Fed. Repub. of Germany).

A. Linzee Weld, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,299.99.

A. Harry Wells, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. Horton & Co., Inc., 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $750. E. (9) $18.

A. L. H. Wells, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Wenchel, Schulman & Manning, 1625 K Street NW., Washington, D.C. 20006.
B. William H. Sullivan, Jr., 500 Neponset Avenue, Dorchester, Mass. 02112.
E. (9) $9.83.

A. Wenchel, Schulman & Manning, 1625 K Street NW., Washington, D.C. 20006.
B. Tuscaloosa Newspapers, Inc., P.O. Drawer No. 1, Tuscaloosa, Ala. 35401
E. (9) $143.91.

A. Fred Wertheimer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $9,250.52. E. (9) $245.

A. Harry H. Westbay III, 1625 I Street NW., Suite 805, Washington, D.C. 20006.
B. St. Regis Paper Co., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,000. E. (9) $500.

A. Western Cotton Growers Association, of California, P.O. Box 512, Fresno, Calif. 93709.
D. (6) $4,381.77. E. (9) $2,10410.

A. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
E. (9) $500.

A. Harvey J. Wexler, Continental Airlines, Inc., 1025 Connecticut Avenue NW., No. 317 Washington, D.C. 20036.
B. Continental Airlines, Inc., International Airport, Los Angeles, Calif. 90009.
D. (6) $2,000. E. (9) $1,000.

A. Brian B. Whalen, International Harvester, 401 North Michigan Avenue, Chicago, Ill. 60611.
B. International Harvester, 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,250. E.(9) $670.

A. Clyde A. Wheeler, Jr., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $12,000. E.(9) $2,275.

A. Edwin M. Wheeler, The Fertilizer Institute, 1015 18th Street N.W., Washington, D.C. 200036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
E. (9) $25.

A. Thomas E. Wheeler, 918 16th Street, NW., Washington, D.C. 2006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $940. E. (9) $268.

A. Wheeler, Van Sickle, Anderson, Norman & Harvey, 25 West Main Street, Madison, Wis. 53703.
B. Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.

A. Donald F. White, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H. Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $95.

A. John C. White, Private Truck Council of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., 1101 17th Street NW., No. 1008, Washington, D.C. 20036.

A. John S. White, Marathon Oil Co., 1800 M Street NW., Suite 975, Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.
E. (9) $1,227.39.

A. Alton W. Whitehouse, Jr., 1750 Midland Building, Cleveland, Ohio 44115.
B. The Standard Oil Co. (Ohio Co.), Midland Building, Cleveland, Ohio 44115.
D. (6) $203.85.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.

A. Leonard M. Wickliffe, 1801 K Street NW., Suite 221, Washington, D.C. 20006.
B. California Railroad Association, 1127 11th Street, Suite 242, Sacramento, Calif. 95814.
D. (6) $10,299.99. E. (9) $4,707.81.

A. Richard J. Wiechmann, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Thomas D. Wilcox, 919 18th Street NW., Washington, D.C. 20006.
B. National Association of Stevedores, 919 18th Street NW., Washington, D.C. 20006.

A. Patricia B. Wild, Economics Laboratory, Inc., 4 Corporate Park Drive, White Plains, N.Y. 10604.
B. Economics Laboratory, Inc., Osborn Building, St. Paul, Minn. 55102.

A. Sandra L. Willett, 3023 Dumbarton Avenue NW., Washington, D.C. 20007.
B. National Consumers League, 1028 Connecticut Avenue NW., Suite 522, Washington, D.C. 20007.
D. (6) $1,000.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Arthur Andersen & Co., 1666 K Street, NW., Washington, D.C.
E. (9) $5.25.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C.
B. Benenson Realty Co., 380 Madison Avenue, New York, N.Y. 10017.
E. (9) $1.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C.
B. El Paso LNG Co., P.O. Box 2185, Houston, Tex. 77001, El Paso Alaska Co., Pouch 7009, Anchorage, Alaska 99510.
E. (9) $6.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Federal National Mortgage Association (FNMA), 1133 15th Street NW., Washington, D.C. 20005.
D. (6) $1,318.75. E. (9) $1,441.90.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Pfizer Inc., 235 East 42d Street, New York, N.Y. 10017.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. State of Maine—Office of the Governor, Augusta, Maine 04333.
E. (9) $1.

A. Harding deC. Williams, National Savings and Loan League, 1101 15th Street NW., Washington, D.C. 20005.
B. National Savings & Loan League, 1101 15th Street NW., Washington, D.C. 20005.

A. Harry D. Williams, 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. 391, Ashland, Ky. 41101.
D. (6) $2,000.

A. Williams & King, 1620 I Street NW., Suite 800, Washington, D.C. 20006.
B. American Netting Manufacturers Organization, c/o Ralph J. Sigler, FNT Industries, 927 First Street, Menominee, Mich. 49858.
D. (6) $1,500.

A. Lucinda L. Williams, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
B. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $3,150.

A. Robert E. Williams, United Airlines, 1825 K Street NW., 607, Washington, D.C. 20006.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $1,250. E. (9) $435.11.

A. Samuel M. Williams, Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Manufacturing Chemists Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $330. E. (9) $200.

A. Bertram C. Willis, International Telephone & Telegraph Corp., 1707 L Street NW., Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $110. E. (9) $14.

A. Willking International Corp., 1620 I Street NW., Washington, D.C. 20006.
B. Grafton Coal Co., Box 1836, Clarksburg, W. Va. 26301.
D. (6) $17,500. E. (9) $21,794.76.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. American Society of Travel Agents, Inc., 711 Fifth Avenue, New York, N.Y. 10022.
E. (9) $3,307.52.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Arapahoe Tribe of Indians, Fort Washakie, Wyo.
E. (9) $158.51.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Association of Data Processing Service Organizations, Inc., 210 Summit Avenue, Montvale, N.J. 07645.
D. (6) $400. E. (9) $12.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Bonneville International Corp., 36 South State Street, Salt Lake City, Utah.
E. (9) $696.48.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Brigham Young University, Provo, Utah.
E. (9) $15.65.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Church of Jesus Christ of Latter-day Saints, 50 East North Temple, Salt Lake City, Utah.
E. (9) $70.19.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. College Placement Council, Inc., 65 Elizabeth Street, Bethlehem, Pa.
E. (9) $100.19.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont.
E. (9) $309.50.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Hoopa Valley Tribe, P.O. Box 817, Hoopa, Calif.
E. (9) $112.61.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Data Communications Manufacturers Association, Inc. (IDCMA), 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $485. E. (9) $18.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Insurance Agents of America, 85 John Street, New York, N.Y. 10038.
D. (6) $1,321. E. (9) $30.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Nana Regional Corp., Inc., Box 49, Kotzebue, Alaska 99752.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Three Affiliated Tribes of the Fort Berthold Reservation, New Town, N. Dak.
E. (9) $111.07.

A. R. J. Winchester, P.O. Box 2967, Houston, Tex. 77001.
B. Pennzoil Co., P.O. Box 2967, Houston, Tex. 77001.
D. (6) $5,000. E. (9) $2,900.

A. Winston & Strawn, 1730 Pennsylvania Avenue NW., No. 1040, Washington, D.C. 20006.
B. Atlanta LaSalle Corp., 150 South Wacker Street, Chicago, Ill. 60600.
D. (6) $375.

A. Winston & Strawn, 1730 Pennsylvania Avenue NW., No. 1040, Washington, D.C. 20006.
B. Gould Inc., 8550 Bryn Mawr Avenue, Chicago, Ill. 60631.

A. Winston & Strawn, 1730 Pennsylvania Avenue NW., No. 1040, Washington, D.C. 20006.
B. International Council of Shopping Centers, 445 Park Avenue, New York, N.Y. 10022.
D. (6) $1,080. E. (9) $537.92.

A. Winston & Strawn, 1730 Pennsylvania Avenue NW., No. 1040, Washington, D.C. 20006.
B. New England Petroleum Corp., 825 Third Avenue, New York, N.Y. 10022.
E. (9) $8.

A. Mark E. Winter, American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Karen T. J. Winterbottom, Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.
B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

A. Glenn P. Witte, 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers and Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

A. Christopher Wolf, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., Suite 501, 3251 Old Lee Highway, Fairfax, Va. 22030.
E. (9) $12.15.

A. Wolf, Haldenstein, Adler, Freeman & Herz, 270 Madison Avenue, New York, N.Y. 10016.
B. Fallek-Lankro Corp., P.O. Box H, Tuscaloosa, Ala.
D. (6) $1,600. E. (9) $175.

A. James E. Wolf, The Trane Co., 2020 14th Street North, Arlington, Va. 22201.
B. The Trane Co., 3600 Pammel Creek Road, LaCrosse, Wis. 54601.
D. (6) $1,200. E. (9) $211.90.

A. Sidney M. Wolf, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3,250.

A. Sidney M. Wolfe, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.

A. Irwin Wolkstein, American Hospital Association, 444 North Capitol Street NW., No. 600, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $679.12. E. (9) $77.26.

A. Don Womack, Suite 1013, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Texas Utilities Services Inc., 2001 Bryan Tower, Dallas, Tex. 75201.
D. (6) $562.50. E. (9) $111.25.

A. Joyce Wood, New Directions, 2021 L Street NW., No. 405, Washington, D.C. 20036.
B. New Directions, 2021 L. Street NW., No. 405, Washington, D.C. 20036.
D. (6) $5,625. E. (9) $5,625.

A. Merle E. Wood, Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
B. Ewing M. Kauffman, President, Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
D. (6) $405. E. (9) $486.80.

A. Merle E. Wood, Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
B. Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
D. (6) $495. E. (9) $689.36.

A. Diane Woodruff, Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
B. Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
D. (6) $1,600.

A. William E. Woods, 1750 K Street NW., Suite 1200, Washington, D.C. 20006.
B. National Association of Retail Druggists, 1750 K Street NW., Suite 1200, Washington, D.C. 20006.
D. (6) $750. E. (9) $150.

A. Perry W. Woofter, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $3,000. E. (9) $231.

A. Ronald L. Wooten, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $276.92. E. (9) $47.35.

A. George M. Worden, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 1425 K Street NW., Suite 1000, Washington, D.C. 20005.

A. World Federalist Political Education Committee, 600 Valley Road, Wayne, N.J. 07470.
D. (6) $10,134.80. E. (9) $6,053.07.

A. Franklin L. Wright, Jr., 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $1,875. E. (9) $105.70.

A. Wyman, Bautzer, Rothman & Kuchel, Suite 1140, The Watergate 600, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Bristol Bay Native Corp., P.O. Box 220, Anchorage, Alaska 99501.

A. John Yarmola, Seafarers International Union of North America, 815 16th Street NW., Suite 510, Washington, D.C. 20006.
B. Seafarers International Union of North America, 815 16th Street NW., Suite 510, Washington, D.C. 20006.
D. (6) $2,500.

A. Edward R. Yawn, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,250. E. (9) $90.
A. John H. Yingling, 1156 15th Street NW., Suite 701, Washington, D.C. 20005.
B. Citibank, N.A., 399 Park Avenue, New York, N.Y. 10022.
D. (6) $1,500. E. (9) $224.44.

A. Kenneth Young, AFL–CIO, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $11,167. E. (9) $587.82.

A. Reynolds Young, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,100. E. (9) $280.

A. Eugen A. Yourch, 17 Battery Place North, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $100.

A. Robert Zacharias, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Donald Zahn, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $498. E. (9) $113.

A. Lynn Zakupowsky, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $250. E. (9) $50.

A. John S. Zapp, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $3,870. E. (9) $1,409.

A. Thomas K. Zaucha, 1800 M Street NW., Suite 645 South, Washington, D.C 20036.
B. Great Atlantic & Pacific Tea Co., Inc., 2 Paragon Drive, Montvale, N.J. 07645.
D. (6) $2,000.

A. Donald P. Zeifang, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $389.

A. Roger H. Zion, President, Resources Development, Inc., 1155 15th Street NW., Suite 418, Washington, D.C. 20005.
B. Citizens Committee for the Right to Keep and Bear Arms, 1601 114th Street SE., Suite 151, Bellevue, Wash. 98004.
D. (6) $1,000. E. (9) $500.

A. Roger H. Zion, President, Resources Development, Inc., 1155 15th Street NW., Suite 418, Washington, D.C. 20005.
B. Indiana Farm Bureau Cooperative Association, Inc., 47 South Pennsylvania Street, Indianapolis, Ind. 46204.
D. (6) $500. E. (9) $250.

A. Roger H. Zion, President, Resources Development, Inc., 1155 15th Street NW., Suite 418, Washington, D.C. 20005.
B. Indianapolis Power & Light Co., 25 Monument Circle, Indianapolis, Ind. 46206.
D. (6) $200. E. (9) $100.

A. Roger H. Zion, President, Resources Development, Inc., 1155 15th Street NW., Suite 418, Washington, D.C. 20005.
B. Public Service Research Council, 8320 Old Court House Road, Suite 430, Vienna, Va. 22180.
D. (6) $500. E. (9) $180.

A. Barry Zorthian, Time Inc., 888 16th Street NW., Washington, D.C.
B. Time Inc., Time & Life Building, Rockefeller Center, New York, N.Y. 10020.
D. (6) $3,000. E. (9) $950.

A. Nicholas H. Zumas, 1140 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
B. AMMEX Champlain Co., 177 Ocean Lane Drive, Key Biscayne, Fla.
D. (6) $200.

A. Paul G. Zurkowski, 4720 Montgomery Lane, Bethesda, Md. 20014.
B. Information Industry Association, 4720 Montgomery Lane, Bethesda, Md. 20014.
D. (6) $500.

A. Charles O. Zuver, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,500. E. (9) $118.84.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the first calendar quarter of 1977 were received too late to be included in the published reports for that quarter:

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_____

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

A. Albert E. Abrahams, National Association of Realtors, 925 15th Street NW., Washington, D.C.
B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill.
D. (6) $3,500. E. (9) $199.86.

A. Ad Hoc Committee for Competitive Telecommunications, 520 North Capitol Street, No. 800, Washington, D.C.
D. (6) $258,715.13. E. (9) $164,372.84

A. Alaskan Arctic Gas Pipeline Co., P.O. Box 979, Alaska Mutual Bank Building, Anchorage, Alaska.
B. Alaskan Arctic Gas Study Co., P.O. Box 979, Alaska Mutual Bank Building, Anchorage, Alaska.
E. (9) $8,425.

A. Barbara Ann Alderson, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Robert Alvarez, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C.
D. (6) $1,749.99.

A. American Conservative Union, 422 First Street SE., Washington, D.C. 20003.
D. (6) $86,333.31. E. (9) $27,949.60.

A. American Council for Capital Formation, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
E. (9) $1,991.

A. American Federation of State, County, & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C.
E. (9) $38,742.77.

A. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $12,164.22. E. (9) $12,164.22.

A. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
D. (6) $36,188. E. (9) $27,762.17.

A. American Maritime Association, 17 Battery Place, North Building, New York, N.Y. 10004; 1612 K Street NW., Washington, D.C. 20006.

A. American Mid-East Trade Association, 315 Westgate Building, Austin, Tex. 78701.

A. American Parents Committee, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,964.18. E. (9) $2,132.46.

A. American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $6,674.75. E. (9) $2,499.11.

A. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.

A. Morris J. Amitay, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
D. (6) $6,249.99.

A. M. Kent Anderson, The Trane Co., 2020 North 14th Street, Arlington, Va. 22201.
B. The Trane Co., 3600 Pammel Creek Road, La Crosse, Wis. 54601.
D. (6) $350.

A. Scott G. Anderson, Burlington Northern, Inc., Suite 506, 2000 L Street NW., Washington, D.C. 20036.
B. Burlington Northern, Inc., 176 East Fifth Street, St. Paul, Minn. 55101.
D. (6) $1,750. E. (9) $1,250.

A. John Christian Archer, 1730 Rhode Island Avenue NW., No. 213, Washington, D.C. 20036.
B. Brown & Root, Inc., 1730 Rhode Island Avenue NW., No. 213, Washington, D.C. 20036.
D. (6) $1,800. E. (9) $225.

A. Roy A. Archibald, National Education Association, 1705 Murchison Drive, Burlingame, Calif. 94010.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,180.90. E. (9) $100.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Commissioner of Baseball, 15 West 51st Street, New York, N.Y. 10019.
E. (9) $100.

A. Arnold & Porter, 1229 19th Street NW., Wasnington, D.C. 20036.
B. Council on Atmospheric Science, Chemical Specialties Manufacturing Association, Inc., 1001 Connecticut Avenue, Washington, D.C. 20036.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C.
B. Price Waterhouse & Co., 1251 Avenue of the Americas, New York, N.Y. 10020.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C.
B. Record Industry Association of America, Inc., 1 East 57th Street, New York, N.Y. 10022.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. State Farm Mutual Automobile Insurance Co., 1 State Farm Plaza, Bloomington, Ill. 61701.
D. (6) $1,170. E. (9) $60.

A. Leonard Arrow, Environmental Action, Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Environmental Action, Inc., Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,883.45.

A. Jean Arthurs, 4023 25th Road North, Arlington, Va. 22207.
B. Society of Military Widows, Box 254, Coronado, Calif. 92118.
D. (6) $600. E. (9) $183.73.

A. Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston, Tex. 77074.
E. (9) $390.32.

A. Association for the Advancement of Invention & Innovation, Suite 301, 1911 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $4,099. E. $2,767.20.

A. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.
E. (9) $454.

A. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.
E. (9) $250.

A. Carl E. Bagge, Coal Building, Washington, D.C. 20036.
B. National Coal Association, Coal Building, Washington, D.C. 20036.
E. (9) $2,486.64.

A. Emil F. Baker, 1303 New Hampshire Avenue, NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue, NW., Washington, D.C. 20036.

A. Markham Ball, Kenneth I. Schaner, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cooperative for American Relief Everywhere, Inc., 600 First Avenue, New York, N.Y.
D. (6) $935.

A. James Taylor Banks, 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, 917 15th Street, NW., Washington, D.C. 20005.
D. (6) $29.15. E. (9) $2.50.

A. Joseph Baroody, 1100 17th Street, N.W., Washington, D.C. 20036.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $300. E. (9) $150.

A. James C. Barr, National Association of Federal Credit Unions, 1156 15th Street NW., Suite 315, Washington, D.C. 20005.
B. National Association of Federal Credit Unions, 1156 15th Street N.W., Suite 315, Washington, D.C. 20005.
D. (6) $300. E. (9) $162.25.

A. Richard L. Barr, Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.
B. Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.
E. (9) $599.74.

A. Joseph W. Barron, 1828 L Street NW., Suite 402, Washington, D.C. 20036.
B. The Singer Co., Aerospace & Marine Systems, 30 Rockefeller Plaza, New York, N.Y. 10020.

A. Roger V. Barth, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Association for Clinical Chemistry, Inc., 1725 K Street NW., Washington, D.C. 20006.

A. Dennis Bass, Environmental Action, Inc., Room 731, 1346 Connecticut Ave. NW., Washington, D.C. 20036.
B. Environmental Action, Inc., Room 731, 1346 Connecticut Ave. NW., Washington, D.C. 20036.
D. (6) $1,913.45.

A. Davis M. Batson, 1155 15th Street NW., No. 611, Washington, D.C. 20005.
B. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
D. (6) $1,400.

A. Donald S. Beattie, Railway Labor Executives' Association, 400 First Street NW., Washington, D.C.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $2,309.86.

A. Walter L. Benning, 5709 Barrymore Drive, Centreville, Va. 22020.
B. Manufactured Housing Institute, P.O. Box 201, Chantilly, Va. 22021.
D. (6) $2,500.

A. Benrus Corp., Benrus Center, Ridgefield, Conn. 06877.

A. Kenneth Berlin, 44 East 67 Street, New York, N.Y.
B. Rare Animal Relief Effort, Inc., c/o Na-

tional Audubon Society, 950 Third Avenue, New York, N.Y.
E. (9) $48.

A. Robert A. Best, Suite 4400, L'Enfant Plaza SW., Washington, D.C. 20024.
B. American League for International Security Assistance, Inc., Suite 4400, L'Enfant Plaza SW., Washington, D.C. 20024.
E. (9) $160.36.

A. Andrew J. Biemiller, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $13,136. E. (9) $243.30.

A. Judith, Lynn Campbell Bird, 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, 917 15th Street NW., Washington, D.C. 20005.
D. (6) $422.50. E. (9) $8.55.

A. Brent Blackwelder, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,799.99.

A. Mark Bloomfield, American Council for Capital Formation, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
B. American Council for Capital Formation, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $300.

A. Carolyn Bode, 7008 Partridge Place, Hyattsville, Md. 20782.
B. Women's Lobby, Inc., 201 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $1,200. E. (9) $39.11.

A. Bonneville Associates, Inc., 747 East South Temple, Suite 102, Salt Lake City, Utah 84103.
B. Salt Lake Area Chamber of Commerce, 19 East 200 South, Salt Lake City, Utah 84111.
D. (6) $9,900. E. (9) $5,814.80.

A. Thomas C. Borzilleri, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $258.46.

A. Melvin J. Boyle, International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.
B. International Brotherhood of Electrical Workers, AFL–CIO–CLC, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $8,500.

A. William W. Brackett, Alaskan Arctic Gas Study Co., 1730 Pennsylvania Avenue NW., Suite 230, Washington, D.C. 20006.
B. Alaskan Arctic Gas Study Co., P.O. Box 979, Alaska Mutual Bank Building, Anchorage, Alaska 99510.
D. (6) $4,500. E. (9) $100.

A. Gene M. Bradley, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $800. E. (9) $884.

A. S. Gail Bramblett, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,256.35. E. (9) $226.95.

A. Edward J. Brenner, Suite 301, 1911 Jefferson Davis Highway, Arlington, Va. 22202.
B. Association for the Advancement of Invention & Innovation, Suite 301, 1911 Jefferson Davis Highway, Arlington, Va. 22202.

A. Bill Brier, National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $1,657. E. (9) $117.

A. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $25,333.25. E. (9) $25,783.25.

A. Diane V. Brown, 1620 I Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $500. E. (9) $220.

A. Howard Brown, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,636.66.

A. Lawrence E. Bruce, Jr., Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $3,938. E. (9) $23,214.

A. A. T. Brust, Cromwell Street, Luke, Md. 21540.
B. Westvaco Corp., 299 Park Avenue, New York, N.Y. 10017.

A. George J. Burger, Jr., National Federation of Independent Business, 150 West 20th Street, San Mateo, Calif. 94403.
B. National Federation of Independent Business, 150 West 20th Avenue, San Mateo, Calif. 94403.
D. (6) $1,000. E. (9) $700.

A. Donald L. Calvin, New York Stock Exchange, 11 Wall Street, New York, N.Y. 10005.
B. New York Stock Exchange, 11 Wall Street, New York, N.Y. 10005.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. LFE Corp., 1601 Trapelo Road, Waltham, Mass. 02154; Eagle Signal, 8004 Cameron Road, Austin, Tex. 78753.
D. (6) $3,000.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. Prismo Universal Corp., et al. 4 Research Place, Rockville, Md. 20850.
D. (6) $4,749.

A. John E. Campbell, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20006.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

A. Sharyn Campbell, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $1,900. E. (9) $175.

A. Ronald A. Capone, Kirlin, Campbell & Keating, 1150 Connecticut Avenue NW., No. 800, Washington, D.C. 20036.
B. Council of European and Japanese National Shipowners' Association, 30–32 St. Mary Avenue, London, EC3A 8ET, England.
D. (6) $7,000. E. (9) $262.06.

A. Richard M. Carrigan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,953.30. E. (9) $302.94.

A. David C. Carter, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.
B. U.S. Beet Sugar Association, 1156 15th Street NW., Washington, D.C. 20005.

A. Matthew J. Cary, American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $1,000. E. (9) $100.

A. Robert J. Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Occidental Petroleum Corp., 10889 Wilshire Boulevard, Los Angeles, Calif. 90024.
D. (6) $225.

A. Robert J. Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Teleprompter Corp., 50 West 44th Street, New York, N.Y.

A. Robert J. Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $3,600. E. (9) $206.22.

A. Eugene I. Casraiss, Jr., United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1125 15th Street NW., Washington, D.C.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $336.15. E. (9) $336.15.

A. Donald E. Channell, 1819 H Street NW., Washington, D.C. 20006.
B. Southern Furniture Manufacturers Association, P.O. Box 2436, High Point, N.C. 27261.
D. (6) $6,000. E. (9) $270.

A. Chemtex Fibers, Inc., 850 Third Avenue, New York, N.Y. 10022.

A. Children's Rights, Inc., 3443 17th Street, NW., Washington, D.C. 20010.
D. (6) $88.03. E. (9) $58.33.

A. James M. Childress, American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $1,000. E. (9) $100.

A. Citizen's Watchdog Committee on International & Domestic Terrorism, 62–60 99th Street, Apartment 1618, Rego Park, N.Y. 11374.

A. Anne Harrison Clark, 10564 Jason Lane, Columbia, Md. 21044.
B. National Consumer's League, 1028 Connecticut Avenue NW., Suite 522, Washington, D.C. 20036.
D. (6) $465.

A. Clark Oil & Refining Corp., 8530 West National Avenue, Milwaukee, Wis. 53227.
E. (9) $500.

A. Charles M. Clusen, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 95108.
D. (6) $5,875. E. (9) $151.23.

A. Coalition Against Strip Mining, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $350. E. (9) $1,568.19.

A. Coalition On American Rivers, P.O. Box 2667, Station A, Champaign, Ill. 61820.
D. (6) $178. E. (9) $8,994.57.

A. Carl A. S. Coan, Jr., 15th and M Street NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Street NW., Washington, D.C. 20005.
D. (6) $9,421.88. E. (9) $1,013.70.

A. The Coca-Cola Bottlers Association, 166 16th Street NW., Atlanta, Ga. 30318.
E. (9) $823.

A. Jeffery Cobelan, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $2,916.

A. Jerry S. Cohen, Suite 708, 1776 K Street NW., Washington, D.C. 20006.
B. National Congress of Petroleum Retailers, Suite 301, 2021 K Street NW., Washington, D.C.
D. (6) $3,000.

A. Lynn R. Coleman, 1701 Pennsylvania Avenue NW., Suite 1120, Washington, D.C. 20006.
B. Vinson & Elkins, 1701 Pennsylvania Avenue, Suite 1120, Washington, D.C. (for Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001).
D. (6) $1,800.

A. John M. Collier, 4436 Perrier Street, New Orleans, La. 70118.
B. Southern Forest Products Association, P.O. Box 52468. New Orleans, La. 70152.
D. (6) $7,350. E (9) $6,749.39.

A. Collier, Shannon, Rill, Edwards, & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. Ad Hoc Committee for a Fair Natural Gas Policy, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
E. (9) $175.35.

A. Frank Collins, 1126 16th Street NW., Washington, D.C. 20036.
B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.
D. (6) $2,000. E. (9) $225.

A. Committee for Humane Legislation, Inc., 2101 L Street NW., Washington, D.C. 20037; 11 West 60th, New York, N.Y. 10023.
D. (6) $43,789.30. E. (9) $38,236.36.

A. Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
D. (6) $18,000. E. (9) $5,173.38.

A. Computer & Communications Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va. 22209.
D. (6) $13,675.25. E. (9) $13,844.75.

A. David Conrad, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $507.32.

A. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.
E. (9) $14,525.

A. Consumer Action Now, Inc., 49 East 53d Street, New York, N.Y. 10022.
D. (6) $2,870.86. E. (9) $2,556.12.

A. E. Keith Cooper, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $340. E. (9) $408.

A. Cooperative League of the U.S.A. 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $4,000. E. (9) $931.

A. Glen S. Corso, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $3,375. E. (9) $427.25.

A. William R. Corson, 1707 H Street NW., Washington, D.C. 20006.
B. Penthouse International, Ltd., 1707 H Street NW., Washington, D.C. 20006.
D. (6) $7,500. E. (9) $7,858.

A. Council To Save the Post Card, Suite 700, 725 15th Street NW., Washington, D.C. 20005.
D. (6) $3,000. E. (9) $349.35.

A. John A. Couture, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $825. E. (9) $303.89.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Can Co., Greenwich, Conn.
D. (6) $1,361.45. E. (9) $3,206.05.

A. Kenneth A. Cox, 1150 17th Street NW., Washington, D.C. 20036.
B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $5,586. E. (9) $239.91.

A. Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. American Society of Anesthesiologists, 505 Busse Highway, Park Ridge, Ill. 60068.
D. (6) $650. E. (9) $975.

A. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $10,696. E. (9) $1,325.

A. Cuba Claims Association, Executive Committee, P.O. Box 014004, Miami, Fla. 33131.
D. (6) $1,425. E. (9) $49.35.

A. William E. Cumberland, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $438. E. (9) $1,898.

A. Thomas B. Curtis, Curtis, Crossen, Hensley, Allen & Curtis, 7912 Bonhomme, Suite 304, Clayton, Mo. 63105.
B. Encyclopedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $600.

A. Robert J. Cushman, 15th and M Streets N.W., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $2,379.17. E. (9) $415.05.

A. Tracy Danese, P.O. Box 013100, Miami, Fla. 33101.
B. Florida Power & Light Co., P.O. Box 013100, Miami, Fla. 33101.
D. (6) $338. E. (9) $102.91.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.
B. American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.
D. (6) $3,000. E. (9) $206.27.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.
B. Committee for 806.30 and 807, 2001 I Street NW., Washington, D.C. 20006.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.
B. Committee in Support of Existing U.S. Tariff Policy With Respect to Honey, M–50 at Springville, Onsted, Mich. 49265.
D. (6) $8,000. E. (9) $684.63.

A. Donald S. Dawson, 723 Washington Building, Washington, D.C. 20005.
B. Opticians Association of America, 1250 Connecticut Avenue NW., Washington, D.C. 20005.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20005.
D. (6) $1,800.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Beneficial Finance Co., Beneficial Building, Morristown, N.J. 07960.
D. (6) $3,000.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. CIT Financial Corp., 650 Madison Avenue, New York, N.Y. 10022.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Consumer Credit Insurance Association, 307 North Michigan Avenue, Chicago, Ill. 60601.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. U.S. Brewers Association, Inc., 1750 K Street NW., Washington, D.C. 20006.
D. (6) $25,000.

A. Ray Denison, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $8,966.40. E. (9) $529.

A. Pamela Deuel, Environmental Action, Inc., Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Environmental Action, Inc., Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,913.45.

A. Ralph B. Dewey, 1050 17th Street NW., No. 1180, Washington, D.C. 20036.
B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $4,087.50. E. (9) $1,751.35.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Federated Investors, Inc., 421 Seventh Avenue, Pittsburgh, Pa. 15219.

A. Dickstein, Shapiro Morin, 2101 L Street, NW., Washington, D.C. 20037.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

A. Dickstein, Shapiro & Morin, 2101 L Street, NW., Washington, D.C. 20037.
B. Kennecott Copper Corp., 161 East 42d Street, New York, N.Y.

A. Dickstein, Shapiro & Morin, 2101 L Street, NW., Washington, D.C. 20037.
B. National Federation of Societies for Clinical Social Work, 698 West End Avenue, New York, N.Y. 10025.

A. Dickstein, Shapiro & Mortin, 2101 L Street, NW., Washington, D.C. 20037.
B. Tennessee Gas Transmission Co., P.O. Box 2511, Houston, Tex. 77001.

A. Disabled Officers Association, 1612 K Street, NW., Washington, D.C. 20006.
E. (9) $750.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Aberrant Behavior Center, 1250 Dallas Federal Savings Tower, Dallas, Tex. 74225.
D. (6) $3,793.02. E. (9) $3,793.02.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. American Committee for Shaare Zedek Hospital, 6 East 46th Street, New York, N.Y. 10017.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Helena Vertac Chemical Co., 5100 Poplar Avenue, Memphis, Tenn. 38137.
D. (6) $1,538.26. E. (9) $1,538.26.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Houston Atlas, Inc., 9441 Baythorne Drive, Houston, Tex. 77041.
D. (6) $5.32. E. (9) $5.32.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Longfellow Corp., P.O. Box 4605, Midland, Tex. 79701.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. National Association of Property Owners, 5353 First International Building, Dallas, Tex. 75270.
D. (6) $24,425.66. E. (9) $24,425.66.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Norton Manufacturing Co., P.O. Box 9067, Memphis, Tenn. 38109.
D. (6) $500. E. (9) $500.

A. James F. Doherty, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $8,437.50.

A. John C. Doyle, Jr., 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,500.

A. William DuChessi, 815 16th Street NW., Washington, D.C.
B. Amalgamated Clothing & Textile Workers Union, 99 University Place, New York, N.Y. 10003.
D. (6) $2,046.14. E. (9) $100.

A. Louise C. Dunlap, 317 Pennsylvania Avenue S.E., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,500.

A. Mari Lee Dunn, American Council for Capital Formation, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
B. American Council for Capital Formation, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $300.

A. David F. Dunning, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $574.64. E. (9) $557.05.

A. William E. Dutcher, Independent Gas Producers' Committee, 2601 Northwest Expressway, Suite 300, Oklahoma City, Okla. 73112.
B. Independent Gas Producers' Committee, Suite 300, 2601 Northwest Expressway, Oklahoma City, Okla. 73112.

A. Richard O. Duvall, 1220 19th Street NW., Suite 400, Washington, D.C. 20036.
B. Dunnells, Duvall & Porter, 1220 19th Street NW., Suite 400, Washington, D.C. 20036.

A. A. Blakeman Early, Environmental Action, Inc., Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Environmental Action, Inc., Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,913.45.

A. William R. Edgar, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.
B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.
D. (6) $1,846.25.

A. Clifford E. Edwards, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $509. E. (9) $13.

A. Jonathan W. Edwards, 507 Second Street NE., Washintgon, D.C. 20002.
B. The Confederated Tribes of Warm Springs, Warm Springs, Oreg. 97761.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. The Navajo Nation, Window Rock, Ariz. 86515.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. Portland General Electric Co., 621 Southwest Alder Street, Portland, Oreg. 97205.

A. Charles E. Ehrhart, 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $400. E. (9) $134.

A. Adelaide K. Eisenmann, 607 G Street SW., Washington, D.C. 20024.
B. Panamanian Committee for Human Rights, 607 G Street, SW., Washington, D.C. 20024.

A. D. A. Ellsworth, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $8,250. E. (9) $1,267.61.

A. Thomas Elwood, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washintgon, D.C. 20049.
D. (6) $214.14. E. (9) $37.15.

A. John W. Emeigh, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

A. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $873.81.

A. Steven L. Engelberg, Suite 404, 2033 M Street NW., Washington, D.C. 20036.
B. American Association of Marriage & Family Counselors, 225 Yale Avenue, Claremont, Calif. 91711.
D. (6) $3,600. E. (9) $21.64.

A. John R. Englehorn, Box 948, Stamford, Conn. 06904.
B. Texasgulf, Inc., High Ridge Park, Stamford, Conn. 06904.
D. (6) $2,031.26. E. (9) $753.71.

A. Environmental Action, Inc., Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $9,005.35. E. (9) $9,005.35.

A. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $43,808. E. (9) $39,450.70.

A. Glenn R. Erickson, SMACNA, 8224 Old Courthouse Road, Vienna, Va. 22180.
B. Sheet Metal and Air Conditioning Contractors' National Association, Inc., 8224 Old Courthouse Road, Vienna, Va. 22180.
D. (6) $1,690. E. (9) $400.

A. Donald H. Estey, Jr., 15 Computer Drive West, Albany, N.Y. 12205.
B. Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y.
D. (6) $1,069. E. (9) $650.

A. Ethyl Corp., 1155 15th Street NW., No. 611, Washington, D.C. 20005.
E. (9) $1,400.

A. Brock Evans, Sierra Club, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $8,600. E. (9) $259.55.

A. Robert J. Falasca, American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.

B. American Seed Trade Association, Suite 964, 1030 15th Street NW., Washington, D.C. 20005.

A. Federal Express Corp., AMF Box 30167, Memphis, Tenn. 38130.
E. (9) $74,057.24.

A. Federation of American Scientists, 307 Massachusetts Avenue NE., Washington, D.C. 20002.
E. (9) $2,151.96.

A. Leon Felix, Jr., National Education Association, 1419 Joan Drive, Palatine, Ill. 60067.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,180.90. E. (9) $75.

A. Bernard Fensterwald, Jr., 2101 L Street NW., Suite 203, Washington, D.C. 20037.
B. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y. 10023.
D. (6) $6,000. E. (9) $859.58.

A. Bernard Fensterwald, Jr., 2101 L Street NW., Suite 203, Washington, D.C. 20037.
B. National Nutritional Foods Association, 7727 South Painter Avenue, Whittier, Calif. 90602.
D. (6) $1,400. E. (9) $1,091.46.

A. Robert R. Fitzgerald, 13174 Putnam Circle, Woodbridge, Va. 22191.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $1,687.50.

A. James H. Fitzpatrick, 15 Computer Drive West, Albany, N.Y. 12205.
B. Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.
D. (6) $200. E. (9) $229.

A. Food & Beverage Trades Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $5,300.52. E. (9) $5,300.52.

A. Fourth Pro-Life Congressional District Action Committee, c/o Nancy C. Spurgeon, Route 4, Box 55, Vinemont, Ala. 35179.
E. (9) $45.

A. Harley M. Frankel, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Children's Defense Fund of the Washington Research Project, Inc., 1520 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $745. 66.

A. Donald A. Frederick, National Council of Farmer Cooperatives, 1129 20th Street NW., Washintgon, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $135. E. (9) $4.

A. Robert M. Frederick, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $6,500.

A. Greg Friberg, 918 16th Street NW., Suite 402, Washington, D C. 20006.
B. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Vought Corp., P.O. Box 5907, Dallas, Tex. 75222.
E. (9) $5,153.25.

A. Jeffrey A. Fritzlen, Clark Oil & Refining Corp., 1150 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
B. Clark Oil & Refining Corp., 8530 West National Avenue, Milwaukee, Wis. 53227.
D. (6) $500.

A. William R. Ganser, Jr., 40805 Folse Drive, Metairie, La. 70002.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $1,312 50.

A. Gas Appliance Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Leo J. Gehrig, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20006.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $884.62. E. (9) $317.

A. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.
E. (9) $1,846.25.

A. Claire Geoghegan, 520 North Capitol Street, Suite 800, Washington, D.C. 20001.
B. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street, No. 800, Washington, D.C. 20001.
D. (6) $1,903.86.

A. Forrest Gerard & Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. Ak Chin Indian Community, Route 1, Box 12, Maricopa, Ariz. 85239.
D. (6) $1,000. E. (9) $105.60.

A. Forrest Gerard & Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. All Indian Pueblo Council, Inc., 907 Indian School Road NW., Albuquerque, N. Mex. 87107.
D. (6) $1,000. E. (9) $46.50.

A. Forrest Gerard & Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. Association on American Indian Affairs, 432 Park Avenue South, New York, N.Y. 10016.
D. (6) $500. E. (9) $23.04.

A. Forrest Gerard & Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. Makah Tribal Council, P.O. Box 115, Neah Bay, Wash. 98357.
D. (6) $750. E. (9) $12.

A. Forrest Gerard and Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. Quinault Indian Nation, P.O. Box 1118—Tahola, Wash. 98587.
D. (6) $1,500. E. (9) $9.16.

A. Forrest Gerard & Associates, Inc., 101 Second Street NE., Washington, D.C. 20002.
B. Yakima Tribal Council, P.O. Box 632. Toppenish, Wash. 98948.
D. (6) $500. E. (9) $14.74.

A. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.
E. (9) $13,051.49.

A. James M. Gibson, National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $1,455.84.

A. Arthur P. Gildea, Holiday Park East, Room 428–432, 801–B West Eighth Street, Cincinnati, Ohio 45203.
B. National Conference of Brewery & Soft Drink Workers, 300 South Ashland Boulevard, Chicago, Ill. 60607.

A. Lloyd L. Golding, National Association of Truck Stop Operators, Inc., 501 Slaters Lane, Alexandria, Va. 22314.
B. National Association of Truck Stop Operators, Inc.
D. (6) $1,150.02.

A. Neil B. Goldstein, 50 West 40th Street, New York, N.Y. 10018.
B. Sierra Club, 50 West 40th Street, New York, N.Y. 10018.
D. (6) $5,541.69. E. (9) $3,750.75.

A. Alfonso J. Gonzalez, National Association of Social Workers (NASW), 1425 H Street NW., Suite 600, Washington, D.C. 20005.
B. NASW, 1425 H Street NW., Suite 600, Washington, D.C. 20005.
D. (6) $6,750. E. (9) $7,150.

A. Carl F. Graham, Amway Corp., 7575 East Fulton Road, Ada, Mich. 49355.
B. Amway Corp., 7575 East Fulton Road, Ada, Mich. 49355.
D. (6) $377. E. (9) $819.

A. Donald E. Graham, National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.

A. James W. Green, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $5,400. E. (9) $600.95.

A. William I. Greener, Jr., Fraser, Ruder & Finn., 1800 K Street NW., Washington, D.C. 20006.
B. National Action Committee on Secondary Boycotts, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $4,600. E. (9) $1,155.

A. William I. Greener, Jr., Fraser, Ruder & Finn, 1800 K Street NW., Washington, D.C. 20006.
B. Touche Ross & Co., 1900 M Street NW., Washington, D.C. 20036.
D. (6) $6,475. E. (9) $1,719.

A. P. Michael Greenwald, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $650.56. E. (9) $109.78.

A. Dale Greenwood, Washington Railroad Association, 302 Hoge Building, Seattle, Wash. 98104.
B. Washington Railroad Association, 302 Hoge Building, Seattle, Wash. 98104.
E. (9) $816.28.

A. Harold H. Griffin, 1050 17th Street NW., No. 320, Washington, D.C. 20036.
B. Family Health Program, Inc., 2925 North Palo Verde Avenue, Long Beach, Calif. 90815.
D. (6) $2,437. E. (9) $56.80.

A. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.

A. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $17,350.65. E. (9) $17,350.65.

A. Jerry Guth, 815 Connecticut Avenue NW., Suite 419, Washington, D.C. 20006.
B. Armco Steel Corp., 815 Connecticut Avenue NW., Suite 419, Washington, D.C. 20006.
D. (6) $1,500.

A. James M. Hacking, National Retired Teachers Association/American Association

of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $376.92. E. (9) $136.52.

A. Harold T. Halfpenny, 111 West Washington Street, Chicago, Ill. 60602.

A. Khristine L. Hall, 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, Inc., 917 15th Street NW., Washington, D.C. 20005.
D. (6) $838. E. (9) $20.

A. Robert N. Hampton, National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $1,558. E. (9) $5.

A. Donald K. Hanes, National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $1,338. E. (9) $79.

A. Robert E. Harman, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,800. E. (9) $75.

A. Walter D. Harris, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Jim Harrison, Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
B. Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
D. (6) $3,333. E. (9) $112.86.

A. Clifford J. Harvison, 1616 P Street NW., Washington, D.C. 20036.
B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Michael M. Hash, American Hospital Association, 444 North Capitol Street NW., Washington, D.C. 20006.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,341.33. E. (9) $254.51.

A. Walter A. Hasty, Jr., The Business Roundtable, 1801 K Street, Suite 811, Washington, D.C. 20006.
B. The Business Roundtable, 405 Lexington Avenue, New York, N.Y.
D. (6) $1,000. E. (9) $171.79.

A. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.

A. Robert A. Hefner III, Suite 300, 2601 Northwest Expressway, Oklahoma City, Okla. 73112.
B. Independent Gas Producers' Committee, Suite 300, 2601 Northwest Expressway, Oklahoma City, Okla., 73112.

A. Robert E. Heggestad, 2203 California Street NW., Washington, D.C. 20008.
B. Manufactured Housing Institute, P.O. Box 201, Chantilly, Va. 22021.
D. (6) $5,208.

A. Douglas F. Henderson, Rocky Mountain Oil & Gas Association, 950 Petroleum Club Building, Denver, Colo. 80202.
B. Rocky Mountain Oil & Gas Association, 950 Petroleum Club Building, Denver, Colo. 80202.

A. Richard A. Henneges, 1730 Rhode Island Avenue, N.W., Washington, D.C. 20036.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $1,600. E. (9) $175.

A. Thomas M. Hennessy, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.
D. (6) $4,012. E. (9) $594.

A. Janet Hieber, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3.000.

A. E. Joseph Hillings, National Airlines, Inc., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Airlines, Inc., P.O. Box 592055 AMF, Miami, Fla. 33159.
D. (6) $1,100. E. (9) $50.

A. Joseph Hinson, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $12.50.

A. James D. Hittle, 3137 South 14th Street, Arlington, Va. 22204.
B. Vought Corp., P.O. Box 5907, Dallas, Tex. 75222.
D. (6) $4,500. E. (9) $653.25.

A. Ralph D. Hodges, Jr., National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $231.50.

A. Glen D. Hofer, National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $1,708. E. (9) $42.

A. Austin B. Hogan, Jr., American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $762.04. E. (9) $724.16.

A. Hogan & Hartson, 815 Connecticut Avenue, Washington, D.C. 20006.
B. Motorcycle Industry Council, Inc., 4100 Birch Street, Suite 101, Newport Beach, Calif. 92660.
E. (9) $4,500.

A. Robert L. Holding, Association of Home Appliance Manufacturers, 2033 K Street NW., Washington, D.C. 20006.
B. Association of Home Appliance Manufacturers, 20 North Wacker Drive, Chicago, Ill.
D. (6) $2,000. E. (9) $413.86.

A. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.
E. (9) $2,115.

A. John F. Horty, 4614 Fifth Avenue, Pittsburgh, Pa.
B. Council of Community Hospitals, 4614 Fifth Avenue, Pittsburgh, Pa.

A. Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.
D. (6) $19,036.52. E. (9) $879.

A. Peter W. Hughes, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $716.15.

A. Stanley W. Hulett, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. William J. Hull, 1025 Connecticut Avenue NW., No. 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., 1409 Winchester Avenue, Ashland, Ky.

A. William J. Hull, 1025 Connecticut Avenue NW., No. 507, Washington, D.C. 20036.
B. Ohio Valley Improvement Association, Inc.

A. David J. Humphreys, Paulson & Humphreys, 5272 River Road, Washington, D.C. 20016.
B. Recreation Vehicle Industry Association, P.O. Box 204, 14650 Lee Road, Chantilly, Va. 22021.
D. (6) $30,000.

A. Gerard F. Hurley, Suite 602, 1129 20th Street NW., Washington, D.C. 20036.
B. National Club Association, 1129 20th Street NW., No. 602, Washington, D.C. 20036.
D. (6) $750. E. (9) $50.

A. Institute of Foreign Bankers, 489 Fifth Avenue, New York, N.Y.
D. (6) $545.43. E. (9) $4,808.46.

A. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. David L. Ivey, National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
B. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $2,687.50. E. (9) $17.40.

A. Glenn Jackson, 644 Massachusetts Avenue NE., Washington, D.C. 20002.
B. National Taxpayers Union, 235 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,500.

A. Deborah Jacobs, 706 Seventh Street SE., Washington, D.C. 20003.
B. National Abortion Rights Action League, 706 Seventh Street SE., Washington, D.C. 20003.
D. (6) $155.34.

A. Walter K. Jaenicke, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $925. E. (9) $368.77.

A. E. A. Jaenke, 1735 I Street NW., Washington, D.C. 20006.
B. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Washington, D.C. 20006.
D. (6) $2,000.

A. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Washington, D.C. 20006.
B. Australian Wool Corp., Wool House, 369 Royal Parade, Parkville, Victoria 3052.
D. (6) $1,000.

A. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Washington, D.C. 20006.
B. Cooperative League of the U.S.A., 1828 L Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Gary L. Jarmin, 422 First Street SE., Washington, D.C. 20003.
B. American Conservative Union, 422 First Street SE., Washington, D.C. 20003.
D. (6) $3,663.48.

A. Herbert N. Jasper, 520 North Capitol Street NW., No. 800, Washington, D.C. 20001.
B. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., No. 800, Washington, D.C. 20001.
D. (6) $10,384.62.

A. Guy E. Jester, 2150 Kienlen Avenue, St. Louis, Mo. 63121.
B. Association for Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63121.

A. Anita Johnson, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.

A. Bruce T. Johnson, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $3,308. E. (9) $5,535.

A. Wilson S. Johnson, National Federation of Independent Business, 150 West 20th Avenue, San Mateo, Calif. 94403.
B. National Federation of Independent Business, 150 West 20th Avenue, San Mateo, Calif. 94403.
D. (6) $2,000. E. (9) $1,400.

A. Joint Corporate Committee on Cuban Claims, care of Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.
D. (6) $26,325. E. (9) $21,038.98.

A. Jones, Day, Reavis and Pogue, 1100 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. Chemical/Metallurgical Division, SCM Corp., 8600 LaSalle Road, Towson, Md. 21204.
E. (9) $15.

A. Oliver H. Jones, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $4,500. E. (9) $13,651.

A. Brenda Joyce, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $750. E. (9) $200.

A. Ardon B. Judd, Jr., 1100 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.
B. Fresser Industries, Inc., 1100 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.

A. Joseph Karth, Suite 4400, 475 L'Enfant Plaza, Washington, D.C. 20024.
B. The American League for International Security Assistance, Inc.
D. (6) $250. E. (9) $604.86.

A. Joseph Karth, 3507 Leslie Avenue SE., Temple Hills, Md. 20031.
B. General Electric Corp., 227 14th Street NW., Washington, D.C.
D. (6) $420.

A. Joseph Karth, Suite 4400, 475 L'Enfant Plaza, Washington, D.C. 20024.
B. Special Committee for Export Trade, 475 L'Enfant Plaza, Suite 4400, Washington, D.C. 20024.

A. Joseph Karth, 3507 Leslie Avenue SE., Temple Hills, Md. 20031.
B. Western Electronics Manufacturers Association, P.O. Box 11036, Palo Alto, Calif. 94306.
D. (6) $840. E. (9) $300.

A. Everett E. Kavanaugh, The Cosmetic, Toiletry and Fragrance Association, 1133 15th Street NW., Washington, D.C. 20005.
B. The Cosmetic, Toiletry and Fragrance Association, 1133 15th Street NW., Washington, D.C. 20005.
D. (6) $1,000. E. (9) $50.

A. Robert H. Kellen, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $1,600.

A. James J. Kennedy, Jr., Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $7,000. E. (9) $1,411.20.

A. Kenyon & Kenyon Reilly Carr & Chapin, 59 Maiden Lane, New York, N.Y. 10038.
B. Estate of Bert N. Adams, 1416 West 16th Place, Yuma, Ariz. 85364, et al.
E. (9) $5.

A. P. Douglas Kerr, Southern Furniture Manufacturers Association, P.O. Box 2436, High Point, N.C. 27261.
B. Southern Furniture Manufacturers Association, P.O. Box 2436, High Point, N.C. 27261.
D. (6) $600. E. (9) $124.

A. Richard F. Kibben, 405 Lexington Ave., New York, N.Y. 10017.
B. The Business Roundtable, 405 Lexington Avenue, New York, N.Y. 10017.
D. (6) $1,150. E. (9) $798.86.

A. Gibson Kingren, Kaiser Foundation Health Plan, Inc., 900 17th Street NW., Suite 1014, Washington, D.C. 20006.
B. Kaiser Foundation Health Plan, Inc.
D. (6) $1,125. E. (9) $2,117.

A. Ralph W. Kittle, Room 700, 1620 I Street NW., Washington, D.C. 20006.
B. International Paper Co., Room 700, 1620 I Street NW., Washington, D.C. 20006.
D. (6) $550. E. (9) $150.

A. Andrew Kneier, 2020 M Street NW., Washington, D.C. 200036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,134.38.

A. Jeffrey W. Knight, 620 C Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
D. (6) $2,400.

A. John S. Knox, Jr., 166 16th Street NW., Atlanta, Ga. 30318.
B. The Coca-Cola Bottler's Association, 166 16th Street NW., Atlanta, Ga. 30318.
D. (6) $350.

A. Louis C. Kramp and Associates, 1819 H Street NW., Washington, D.C. 20006.
B. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.
D. (6) $2,115.

A. Louis C. Kramp and Associates, 1819 H Street NW., Washington, D.C. 20006.
B. National Association of Homes for Children, 200 South Tryon Street, Suite 1500, Charlotte, N.C. 28202.
D. (6) $150.

A. Nelson L. Krueger, 302 Providence Road, Lawrence, Kan. 66044.
B. Air Line Pilots Association, 200 Park Avenue, 56th Floor, New York, N.Y. 10017.
D. (6) $4,600. E. (9) $4,600.

A. James S. Krzyminiski, National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street, NW., Washington, D.C. 20036.
D. (6) $1,349. E. (9) $134.

A. Joseph A. Kuchler, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $389.74. E. (9) $78.75.

A. Philip Kugler, American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
B. American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $7,725. E. (9) $1,094.51.

A. Dan Kuykendall, 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. DK Consultants, Inc., 918 16th Street NW., Washington, D.C. 20006.

A. Ralph D. B. Laime, National Education Association, 3140 Valley Lane, Falls Church, Va. 22044.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,180.90. E. (9) $75.

A. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. David R. Lambert, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $3,500.

A. Harry J. Lambeth, 725 15th Street NW., Suite 700, Washington, D.C. 20005.
B. Council to Save the Post Card, 725 15th Street NW., Suite 700, Washington, D.C. 20005.
D. (6) $337.50.

A. Clifford C. LaPlante, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $1,200. E. (9) $152.76.

A. Robert B. Laurents, 7205 Reservoir Road, Springfield, Va. 22150.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $4,125. E. (9) $300.

A. Susannah Lawrence, 317 Pennsylvania Avenue, Washington, D.C. 20003.
B. Consumer Action Now, Inc., 49 E. 53d Street, New York, N.Y. 10022.
D. (6) $235. E. 5(9) $235.

A. Charles W. Lee, 148 Duddington Place SE., Washington, D.C. 20003.
B. Committee for Full Funding of Education Programs, 148 Duddington Place SE., Washington, D.C.
D. (6) $25.

A. Gilbert LeKander, 1629 K Street NW., No. 700, Washington, D.C.
B. Montana Power Co., 40 East Broadway, Butte, Mont. 59701; Washington Water Power Co., Box 3727, Spokane, Wash. 99220.
D. (6) $450.

A. Dale Lestina, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Associaation, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,216.60. E. (9) $195.18.

A. Joseph A. Letorney, National Education Association, 112 Union Street, South Weymouth, Mass. 02190.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,336.90. E. (9) $75.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cooperative for American Relief Everywhere, Inc., 660 First Avenue, New York, N.Y. 10016.
D. (6) $935.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Council of Community Hospitals (CCH), 4614 Fifth Avenue, Pittsburgh, Pa. 15213.
D. (6) $1,820.

A. Stuart A. Lewis, 1800 M Street NW., Suite 1010, Washington, D.C. 20036.
B. Association of Reserve City Bankers, 1800 M Street Suite 1010, Washington, D.C. 20036.
D. (6) $200.

A. Walter R. Lewis, Jr., 1719 Route 10, Parsippany, N.J. 07054.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $212.50.

A. Liberty Lobby, Inc., 130 Third Street SE., Washington, D.C. 20003.
D. (6) $42,404.83. E. (9) $39,091.31.

A. Jonathan Lindley, 1730 Rhode Island Avenue, NW., Washington, D.C. 20036.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $3,296. E. (9) $200.

A. Harold D. Loden, American Seed Trade Association, 1030 15th Street NW., Washington, D.C. 20005.
B. American Seed Trade Association, Suite 964, 1030 15th Street NW., Washington, D.C. 20005.

A. J. Patrick Logue, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $728.72. E. (9) $181.12.

A. James Rowland Lowe, Jr., Alaskan Arctic Gas Pipeline Co., 1730 Pennsylvania Avenue NW., Suite 230, Washington, D.C. 20006.
B. Alaskan Arctic Gas Pipeline Co., P.O. Box 979, Anchorage, Alaska 99510.
D. (6) $1,000. E. (9) $70.

A. C. Lance Lujan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,475.85. E. (9) $186.25.

A. Pamela MacEwan, 311 Maryland Avenue NE., No. 3, Washington, D.C. 20002.
B. Women's Lobby, Inc., 201 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $1,300.

A. Michael J. Manning, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Petroleum Resources Co., P.O. Box 631, Cushing, Okla.; Greenbriar Operating Co., P.O. Box 297, Dallas, Tex.; Farmlands International Energy Co., 1212 First City East Building, Houston, Tex.; Oil and Gas Futures. Inc., 2200 South Post Oak Road, Houston, Tex.; Rainbow Resources, Inc., Denver, Colo. and Casper, Wyo.
D. (6) $7,764.66. E. (9) $293.54.

A. Manufactured Housing Institute, P.O. Box 201, 146500 Lee Road, Chantilly, Va. 22021.
D. (6) $1,500. E. (9) $1,500.

A. Dallace E. Marable, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,050. E. (9) $37.80.

A. Ronald M. Marcus, American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $1,000. E. (9) $100.

A. John C. Marlin, Coalition On American Rivers, P.O. Box 2667, Station A., Champaign, Ill. 61820.
B. Coalition On American Rivers, P.O. Box 2667, Station A, Champaign, Ill. 61820.
D. (6) $2,505. E. (9) $303.54.

A. Edwin E. Marsh, 336 Southern Building, 805 15th Street NW., Washington, D.C. 20005.
B. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.
D. (6) $1,742.42. E. (9) $601.16.

A. John B. Martin, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $655.85. E. (9) $12.25.

A. Reynaldo L. Martinez, National Education Association, 1330 Gaylord Street, Apt. 707, Denver, Colo. 80206.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,180.90. E. (9) $100.

A. Charles H. Mauzy, National Education Association, 3951 Snapfinger Parkway, Decatur, Ga. 30032.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,180.90. E. (9) $75.

A. James C. May and Associates, The Great Western Building, 321 East Yakima Avenue, Yakima, Wash. 98901.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.
D. (6) $300. E. (9) $785.62.

A. H. Wesley McAden, Cook Industries, Inc., 1707 L Street NW., Suite 650, Washington, D.C. 20036.
B. Cook Industries, Inc., 5100 Poplar Avenue, Memphis, Tenn. 38197.
D. (6) $1,500.

A. J. R. McAlpin, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Armco Steel Corp., Suite 419, 815 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $360. E. (9) $153.

A. F. Stephen McArthur, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
D. (6) $3,925.02.

A. Robert C. McCandless, 1707 H Street NW., Washington, D.C. 20006.
B. Transamerica Insurance Corp. of California (Occidental Life), Occidental Center, Hill and Olive at 12th Street, Los Angeles, Calif. 90015.
D. (6) $1,747.50. E. (9) $251.89.

A. McCollister, Belcher, McCleary, Fazio, Mixon, Holliday & Jones, 2506 Virginia Avenue NW., Washington, D.C. 20037.
B. Insurance Association of Connecticut, Suite 1304, 60 Washington Street, Hartford, Conn. 06106.

A. McCollister, Belcher, McCleary, Fazio, Mixon, Holliday & Jones, 2506 Virginia Avenue NW., Washington, D.C. 20037.
B. Kellogg Co., 235 Porter Street, Battle Creek, Mich. 49016.
D. (6) $3,167.50. E. (9) $44.75.

A. McCollister, Belcher, McCleary, Fazio, Mixon, Holliday & Jones, 2506 Virginia Avenue NW., Washington, D.C. 20037.
B. The Organization for the Management of Alaska's Resources, Inc., Box 516, Anchorage, Alaska 99510.
D. (6) $1,576.25. E. (9) $22.

A. Richard M. M. McConnell, National Association of Federal Credit Unions, 1156 15th Street NW., Suite 315, Washington, D.C. 20005.
B. National Association of Federal Credit Unions, 1156 15th Street NW., Suite 315, Washington, D.C. 20005.
D. (6) $300. E. (9) $89.75.

A. Stanley J. McFarland, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $6,030. E. (9) $669.63.

A. Thomas H. McGannon, Chemtex Fibers, Inc., 850 Third Avenue, New York, N.Y. 10022.
B. Chemtex Fibers, Inc., 850 Third Avenue, New York, N.Y. 10022.

A. Robert M. McGlotten, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $8,966.40. E. (9) $539.07.

A. Ellen M. McGovern, 1411 K Street NW., Washington, D.C. 20005.
B. National Women's Political Caucus, 1411 K Street NW., Washington, D.C. 20005.
E. (9) $4,350.

A. Joseph B. McGrath, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $7,875. E. (9) $394.73.

A. F. Howard McGuigan, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $8,966.40. E. (9) $381.60.

A. John J. McHale, Jr., Conrail, 3746 Q Street, Washington, D.C. 20007.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $1,500.

A. Clarence M. McIntosh, Jr., Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $1,004.86.

A. Carl J. Megal, American Federation of Teachers, AFL–CIO, 11 DuPont Circle NW., Washington, D.C. 20036.
B. American Federation of Teachers, AFL–CIO, 11 DuPont Circle NW., Washington, D.C. 20036.
D. (6) $7,000. E. (9) $300.

A. Louis L. Meier, Jr., American Society of Civil Engineers, 1625 I Street NW., Washington, D.C. 20006.
B. American Society of Civil Engineers, United Engineering Center, 345 East 47th Street, New York, N.Y. 10017.
D. (6) $870. E. (9) $791.

A. Kenneth A. Meiklejohn, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 115 16th Street NW., Washington, D.C.
D. (6) $8,966.40.

A. Faye L. Mench, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $166.39. E. (9) $9.85.

A. Ted H. Meredith, 6030 Warwick Court, New Orleans, La. 70152.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $2,675.

A. M. Barry Meyer, Aluminum Association, 1900 M Street NW., Washington, D.C. 20036.
B. Aluminum Association, 750 Third Avenue, New York, N.Y. 10017.
D. (6) $150. E. (9) $8.

A. James G. Michaux, 1801 K Street NW., Washington, D.C. 20006.
B. Federated Department Stores, Inc., 222 West Seventh Street, Cincinnati, Ohio 45202.
D. (6) $500.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American General Capital Management, Inc., 717 Fifth Avenue, New York, N.Y. 10022.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Fidelity Management and Research Co., 35 Congress Street, Boston, Mass. 02109.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. State Street Research and Management Co., 225 Franklin Street, Boston, Mass. 02110.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Gulf Intracoastal Canal Association, Houston, Tex.
D. () $262.50. E. (9) $25.88.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Texasgulf, Inc., New York, N.Y.
D. (6) $450. E. (9) $447.24.

A. Deborah Imle Miller, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $1,312.50. E. (9) $110.04.

A. Harriet Miller, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $487.50. E. (9) $50.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.
B. MEBA Political Action Fund, 17 Battery Place, New York, N.Y. 10004.
D. (6) $3,500. E. (9) $1,135.50.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.
B. O. & C. Counties Association, Route 2, Roseburg, Oreg.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.
B. Port of Portland, Box 3529, Portland, Oreg. 97208.
D. (6) $1,200.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.
B. Western Forest Industries Association, 1500 Southwest Taylor Street, Portland, Oreg. 97205.
D. (6) $3,000. E. (9) $1,650.

A. Lester F. Miller, National Rural Letter Carrier's Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $509. E. (9) $32.

A. Maya Miller, 1739 N Street NW., Washington, D.C. 20036.
B. Women's Lobby, Inc., 201 Massachusetts Avenue NE., Washington, D.C. 20002.
E. (9) $21,022.

A. John S. Monagan, Suite 1010, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Benrus Corp., Benrus Center, Ridgefield, Conn. 06877.

A. Michael Monroney, 2030 M Street NW., Suite 800, Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Jack Moskowitz, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $7,686.25. E. (9) $134.25.

A. Karen Mulhauser, 706 Seventh Street SE., Washington, D.C. 20003.
B. National Abortion Rights Action League, 706 Seventh Street SE., Washington, D.C. 20003.
D. (6) $402.72.

A. Rosemary G. Murray, 1800 K Street NW., No. 900, Washington, D.C. 20006.
B. Pan American World Airways, 1800 K Street NW., No. 900, Washington, D.C. 20006.
E. (9) $771.39.

A. George E. Myers, Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $1,200. E. (9) $300.

A. Kenneth D. Naden, National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $2,563. E. (9) $93.

A. National Abortion Rights Action League, 706 Seventh Street SE., Washington, D.C. 20003.
D. (6) $53,957.03. E. (9) $9,405.81.

A. National Associated Businessmen, Inc., 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $480.48. E. (9) $693.67.

A. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.

A. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $66,840.28. E. (9) $18,172.56.

A. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $1,750. E. (9) $1,230.

A. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $48,932.96. E. (9) $53,601.30.

A. National Association of Homes for Children, 200 South Tryon Street, Suite 1500, Charlotte, N.C. 28202.
E. (9) $150.

A. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. National Association of Truck Stop Operators, Inc., P.O. Box 1285, Alexandria, Va. 22313.
D. (6) $20,997.08. E. (9) $10,237.28.

A. National Beer Wholesalers' Association of America, Inc., 6310 North Cicero Avenue, Chicago, Ill.
D. (6) $25,549.75. E. (9) $654.35.

A. National Clean Air Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $3,252. E. (9) $4,637.10.

A. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $957,179.96. E. (9) $4,806.57.

A. National Council for a World Peace Tax Fund, 2111 Florida Avenue NW., Washington, D.C. 20008.
D. (6) $12,609.58. E. (9) $9,434.65.

A. National Council of Agricultural Employers, 237 Southern Building, 1425 H Street NW., Washington, D.C. 20005.
D. (6) $55,328. E. (9) $2,395.

A. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $76,194. E. (9) $67,920.

A. National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $31,133.35. E. (9) $42,730.59.

A. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $62,492.95. E. $14,727.58.

A. National Federation of Independent

Business, 490 L'Enfant Plaza, SW., Washington, D.C. 20024.
B. National Federation of Independent Business, 150 West 20th Avenue, San Mateo, Calif. 94403.
D. (6) $45,180. E. (9) $45,180.

A. The National Federation of Licensed Practical Nurses, 250 West 57th Street, Suite 323, New York, N.Y. 10019.
D. (6) $1,955.02. E. (9) $1,955.02.

A. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $9,637.50. E. (9) $10,936.39.

A. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $137,094.86. E. (9) $16,250.

A. National Hairdressers and Cosmetologists Association, 3510 Olive Street, St. Louis, Mo. 63103.
D. (6) $1,220.

A. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $115,377.31. E. (9) $90,014.27.

A. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
E. (9) $4,282.96.

A. National Rehabilitation Association, 1522 K Street NW., Suite 1120, Washington, D.C. 20005.
D. (6) $9,200. E. (9) $887.50.

A. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $3,778. E. (9) $5,146.

A. National School Transportation Association, 9001 West Braddock Road, Springfield, Va. 22151.
D. (6) $1,927.21. E. (9) $1,927.21.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,147.52. E. (9) $3,473.93.

A. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $51,571.55. E. (9) $53,395.

A. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.
D. (6) $36,969. E. (9) $15,142.71.

A. A. S. Nemir Associates, Suite 1230, Pennsylvania Building, Washington, D.C. 20004.
B. Brazilian Sugar and Alcohol Institute, Rio de Janeiro, Brazil.
D. (6) $3,000. E. (9) $564.01.

A. John A. Nevius, Whiteford, Hart, Carmody & Wilson, 1050 17th Street NW., Washington, D.C. 20036.
B. District of Columbia Bankers Association, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,987.10. E. (9) $884.50.

A. Billy C. Newbold, American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street, NW., No. 713, Washington, D.C. 20005.
D. (6) $2,400. E. (9) $100.

A. Frank Newham, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

A. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $10,500. E. (9) $20,743.

A. Robert W. Nolan, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue, NW., Washington, D.C. 20036.
D. (6) $100.

A. Julia J. Norrell, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $4,312.49. E. (9) $618.83.

A. Hubert K. O'Bannon, Conrail, 1318 North George Mason Drive, Arlington, Va. 22205.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $1,200.

A. John A. O'Donnell, 1001 Connecticut Avenue NW., No. 716, Washington, D.C. 20036.
B. Philippine Sugar Institute.
D. (6) $3,000. E. (9) $250.

A. Richard C. O'Hare, 1120 Investment Building, Washington, D.C. 20005.
B. Harness Tracks of America, 333 North Michigan Avenue, Chicago, Ill. 60601.

A. Van R. Olsen, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.
B. U.S. Beet Sugar Association, 1156 15th Street NW., Washington, D.C. 20005.

A. Charles J. Orasin, National Council To Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
B. National Council To Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $2,896.46.

A. J. Denis O'Toole, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, 20005.
D. (9) $5,156.24. E. (9) $767.08.

A. J. Allen Overton, Jr., American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C.
D. (6) $734.58. E. (9) $77.50.

A. Elana H. Pecker, 50 West 40th Street, New York, N.Y. 10018.
B. Sierra Club, 50 West 40th Street, New York, N.Y. 10018.
D. (6) $2,250.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Suite 200, Washington, D.C. 20006.
B. Consolidated Rail Corp., 1818 Market Street, Philadelphia, Pa., 19104.
D. (6) $6,730. E. (9) $6,730.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Suite 200, Washington, D.C. 20006.
B. Sun Company, Inc., 100 Matsonford Road, Radnor, Pa. 19087.

A. John Joseph Pesch, 3422 Stoneybrae Drive, Falls Church, Va. 22044.
B. Northrop Corp., 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $4,166. E. (9) $1,982.67.

A. A. Harold Peterson, 715 Cargill Building, Minneapolis, Minn. 55402.
B. National R.E.A. Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.
D. (6) $3,333.33. E. (9) $2,191.06.

A. Kenneth Peterson, AFL–CIO, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $8,660.80. E. (9) $199.

A. Richard W. Peterson, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., Suite 203, Washington, D.C. 20036.
B. Independent Bankers Association of America, Sauk Centre, Minn. 56378.
E. (9) $3,000.

A. Don Pierce, Box 31, Columbia, Mo. 65201.
B. Coalition on American Rivers, P.O. Box 2667, Station A, Champaign, Ill. 61820.
D. (6) $1,050. E. (9) $573.92.

A. Paul E. Pierce, National Association of Truck Stop Operators, Inc., 501 Slaters Lane, Alexandria, Va. 22314.
B. National Association of Truck Stop Operators, Inc.
D. (6) $1,385.96.

A. Grant C. Pinney, 730 North Balsam Street, Ridgecrest, Calif. 93555.
B. Sierra Sands Unified School District, 730 North Balsam Street, Ridgecrest, Calif. 93555.

A. Rafe Pomerance, 620 C Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
D. (6) $2,400.

A. Judith A. Pond, 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $200. E. (9) $104.

A. John Post, The Business Roundtable, 1801 K Street, Suite 811, Washington, D.C. 20006.
B. The Business Roundtable, 405 Lexington Avenue, New York.
D. (6) $200. E. (9) $40.

A. Potter International, Inc., 1140 Connecticut Avenue NW., No. 405, Washington, D.C. 20036.
B. American Society of Composers, Authors & Publishers, 1 Lincoln Plaza, New York, N.Y. 10023.
D. (6) $3,000.

A. Potter International, Inc., 1140 Connecticut Avenue NW., No. 405, Washington, D.C. 20036.
B. Rockwell International, 600 Grant Street, Pittsburgh, Pa. 15219.
D. (6) $5,416.67.

A. Potter International, Inc., 1140 Connecticut Avenue NW., No. 405, Washington, D.C. 20036.
B. Rohr Industries, Inc, P.O. Box 23000, San Diego, Calif. 92123.
D. (6) $6,750.

A. Potter International, Inc., 1140 Connecticut Avenue NW., No. 405, Washington, D.C. 20036.
B. Western Shipbuilding Association, P.O. Box 3976, San Francisco, Calif. 94119.
D. (6) $2,250.

A. William I. Powell, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $782.04. E. (9) $51.

A. Prather, Seeger, Doolittle, Farmer & Ewing, 1101 16th Street NW., Washington, D.C. 20036.
B. Bankers' Association for Foreign Trade, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Prather, Seegar, Doolittle, Farmer & Ewing, 1101 16th Street NW., Washington, D.C. 20036.
B. First National Bank of Chicago, 1 First National Plaza, Chicago, Ill. 60670.
D. (6) $1,500.

A. Purcell & Nelson, 1776 F Street NW., Washington, D.C. 20006.
B. The Business Roundtable, 405 Lexington Avenue, New York, N.Y. 10017.

A. Ragan & Mason, 900 17th Street NW., Washington, D.C.
B. National Ski Areas Association, 61 South Main Street, West Hartford, Conn.
D. (6) $1,500.

A. Richard W. Rahn, American Council for Capital Formation, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
B. American Council for Capital Formation, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $300.

A. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $21,960. E. (9) $21,960.

A. Calvin L. Rampton, 800 Walker Bank Building, Salt Lake City, Utah.

A. Rare Animal Relief Effort, Inc., c/o National Audubon Society, 950 Third Avenue, New York, N.Y.
D. (6) $48. E. (9) $48.

A. Rawles, Hinkle, Finnegan, Carter & Petersen, 390 West Standley Street, P.O. Box 720, Ukiah, Calif. 95482.
B. Tennessee Gas Transmission Co., P.O. Box 2511, Houston, Tex. 77001.
D. (6) $866.

A. Patricia S. Record, Sierra Club, 444 West Main, Madison, Wis. 53703.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $3,845.46. E. (9) $1,097.85.

A. Recording Industry Association of America, Inc., 1 East 57th Street, New York, N.Y. 10022.
D. (6) $1,162,680. E. (9) $77,801.44.

A. Recreation Vehicle Industry Association, P.O. Box 204, 14650 Lee Road, Chantilly, Va. 22021.
E. (9) $30,000.

A. Thomas J. Reese, 1225 Otis Street NE., Washington, D.C. 20017.
B. Taxation With Representation, 2369 North Taylor Street, Arlington, Va. 22207.
D. (6) $266.84.

A. John T. Reggitts, Jr., R.D. No. 2, Boonton Avenue, Boonton, N.J. 07005.

A. Reserve Officers Association of United States, 1 Constitution Avenue NE., Washington, D.C. 20002.
D. (6) $1,599.46. E. (9) $2,232.69.

A. John H. Reurs, 25 Broadway, New York, N.Y. 10004.
B. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $9,375. E. (9) $500.

A. John Arthur Reynolds, P.O. Box 512, Fresno, Calif. 93709.
B. Western Cotton Growers Association of California, P.O. Box 512, Fresno, Calif. 93709.
D. (6) $801. E. (9) $831.62.

A. Edmund B. Rice, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $656.41. E. (9) $7.80.

A. Pamela Rich, 620 C Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
D. (6) $1,950.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.
B. The Kellogg Co., Battle Creek, Mich.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.
B. W. K. Kellogg Foundation, Battle Creek, Mich.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.
B. Volume Footwear Retailers of America, 51 East 42d Street, New York, N.Y. 10017.

A. Siert F. Riepma, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.
B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. John Riley, 15th and M Streets NW., Washington, D.C.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $768.75. E. (9) $32.33.

A. John R. Rivers, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,158.60. E. (9) $205.18.

A. James C. Roberts, 422 First Street SE., Washington, D.C. 20003.
B. American Conservative Union, 422 First Street SE., Washington, D.C.
D. (6) $2,692.32.

A. Perry A. Roberts, 8100 Florissant, St. Louis, Mo. 63136.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $161.71.

A. Jerome Robinson, Florida Restaurant Association, 500 Three Islands Boulevard, Hallandale, Fla. 33009.
B. Florida Restaurant Association, 1077 Northeast 125th Street, North Miami, Fla. 33161.

A. Ronn Robinson, National Education Association, P.O. Box 558, Mercer Island, Wash. 98040.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,180.90. E. (9) $100.

A. Howard W. Robison, 3903 Franklin Street, Kensington, Md. 20795.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $2,250.

A. Antoinette K. Roche, 2021 K Street NW., Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $500. E. (9) $25.

A. Ted V. Rodgers, Suite 304, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Nationwide Insurance Cos. & Affiliates, 246 North High Street, Columbus, Ohio 43216.
D. (6) $2,500.

A. James A. Rogers, 1101 15th Street NW., Suite 302, Washington, D.C. 20005.
B. United Parcel Service, Greenwich Office Park 5, Greenwich, Conn. 06830.
D. (6) $500. E. (9) $1,631.91.

A. June A. Rogul, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
D. (6) $2,750.01.

A. J. C. Rohrbaugh, 8100 Florissant, St. Louis, Mo. 63136.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $106.30.

A. Albert B. Rosenbaum III, 1616 P Street NW., Washington, D.C. 20036.
B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Rouss & O'Rourke, Lawyers Building, 231 East Vermijo, Colorado Springs, Colo. 80903.
B. Union Nacional de Productores de Azucar, S.A. de C.V. (UNPASA) Balderas 36, Mexico, D.F., Mexico.
D. (6) $3,712.50. E. (9) $2,265.78.

A. J. Patrick Rowland, Glass Packaging Institute, 1800 K Street NW., Washington, D.C. 20006.
B. Glass Packaging Institute, 1800 K Street NW., Washington, D.C. 20006.

A. C. Hill Rylander, 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $5,570.34.

A. Ross Sandler, 15 West 44th Street, New York, N.Y. 10036.
B. Natural Resources Defense Council, 15 West 44th Street, New York, N.Y. 10036.
D. (6) $250. E. (9) $200.

A. Allan D. Schimmel, 639 South Carolina Avenue SW., Washington, D.C. 20003.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $3,625.

A. Robert I. Schramm, 1725 K Street NW., Suite 909, Washington, D.C. 20006.
B. The Superior Oil Co. and Superior Farming Co., 1725 K Street NW., Washington, D.C. 20006.

A. William H. Schweitzer, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Baker, Hostetler, Frost & Towers (for The Soap and Detergent Association, 475 Park Avenue South at 32d Street, New York,

N.Y. 10021), 818 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $50.

A. John W. Scott, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $6,250.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Washington, D.C. 20036.
B. Beneficial Management Corp., 200 South Street, Morristown, N.J. 07960.
D. (6) $2,500.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Washington, D.C. 20036.
B. Colonial Penn Group, Inc., and Affiliated Corps., 5 Penn Center Plaza, Philadelphia, Pa. 19103.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Washington, D.C. 20036.
B. Occidental Life Insurance Co. of California, Occidental Center, Los Angeles, Calif. 90054.
D. (6) $5,250.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Washington, D.C. 20036.
B. Provident Life and Accident Insurance Co., Chattanooga, Tenn. 37402.
D. (6) $2,000.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Washington, D.C. 20036.
B. Roosevelt Raceway, Westbury, N.Y. 11590.
E. (9) $25.

A. Yvonne L. Shafer, National Education Association, c/o Classroom Teachers of Dallas, 3816 San Jacinto Street, Dallas, Tex. 75204.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $2,501.30. E. (9) $100.

A. Richard N. Sharood, 919 18th Street NW., Suite 820, Washington, D.C. 20006.
B. National Federation of Fishermen, 38 Green Street, Cambridge, Mass. 02139.
D. (6) $600.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Association for Improvement of Mississippi River, 10 Broadway, St. Louis, Mo. 63102.
D. (6) $450. E. (9) $4.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
D. (6) $598. E. (9) $7.80.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036
B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Jowanda Shelton, 2101 L Street NW., Washington, D.C. 20037.
B. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y. 10023.
D. (6) $4,500.

A. Nelson T. Shields, National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.

B. National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
E. (9) $1,495.

A. Richard H. Siemsen, 8100 Florissant, St. Louis, Mo. 63136.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Association for Advanced Life Underwriting, 1922 F Street NW., Washington, D.C. 20006.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Government of the Netherlands Antilles, Fort Amsterdam Willemstad, Curacao, Netherlands Antilles.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. National Venture Capital Association, 4300 Sigma Road, Dallas, Tex. 75240.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Venezuelan-American Chamber of Commerce and Industry, Apartado 5181, Caracas 101, Venezuela.

A. Thomas K. Singer, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum and Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $371. E. (9) $1,966.

A. Marcus W. Sisk, Jr., 1775 K Street NW., Washington, D.C. 20006.
B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.
D. (6) $1,500. E. (9) $64.20.

A. 6th Pro-Life Congressional District Action Committee No. 2, 2600 Foothills Drive, Birmingham, Ala. 35226.
D. (6) $28.

A. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.
E. (9) $5,380.

A. Hugh H. Smith, 1925 North Lynn Street, Rosslyn, Va. 22209.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. Hugh H. Smith, 1925 North Lynn Street, Rosslyn, Va. 22209.
B. Weyerhaeuser Co., Tacoma, Wash. 98401.

A. John M. Snow, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $500. E. (9) $30.

A. Leland R. Sorteberg, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue, NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue, NW., Washington, D.C.
D. (6) $509. E.(9) $4.

A. Shelby E. Southard, 1828 L Street, NW., Suite 1100, Washington, D.C. 20036.
B. Cooperative League of the U.S.A., 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $4,000. E. (9) $931.

A. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $20,673.47. E. (9) $20,673.47.

A. Robert A. Spelman, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $500. E. (9) $30.

A. Larry N. Spiller, American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $1,850. E. (9) $75.

A. Robert H. Starkey, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $509. E. (9) $3.

A. Gloria Starks, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,256.35. E. (9) $260.80.

A. Mrs. Frank R. Stewart, R.F.D. 5, Box 109, Piedmont, Ala. 36272.

A. Robert B. Stewart, Getty Oil Co., 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.
D. (6) $2,175.20. E. (9) $201.

A. Travis B. Stewart, Hoffmann-La Roche, Inc., 1775 K Street NW., Washington, D.C. 20006.
B. Hoffmann-La Roche, Inc., 340 Kingsland Street Nutley, N.J. 07110.
D. (6) $800. E. (9) $200.

A. Edward W. Stimpson, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.
B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.

A. Harold R. Sullivan, Suite No. 700, 1010 16th Street NW., Washington, D.C. 20036.
B. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45201.
D. (6) $400.

A. A. D. Sutherland, 104 South Main Street, Fond du Lac, Wis. 54935.
B. Alex Sullivan (court-appointed trustee for bondholders of the Joint Stock Land Bank of Milwaukee, Wis.), 434 South Marr Street, Fond du Lac, Wisc. 54935.
E. (9) $180.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. American Industrial Clay and Georgia Kaolin Division of Yara Engineering Corp., 511 Westminster Avenue, Elizabeth, N.J. 07207.
D. (6) $250. E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Anglo-American Clays Corp., P.O. Box 471, Sandersville, Ga. 31082.
D. (6) $250. E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Association of Art Museum Directors, P.O. Box 620, Philadelphia, Pa. 10021.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Connecticut Mutual Life Insurance Co., 140 Garden Street, Hartford, Conn. 06115.
D. (6) $250. E. (9) $5.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Engelhard Minerals and Chemicals Corp., 299 Park Avenue, New York, N.Y. 10017.
D. (6) $250. E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Equifax, Inc., P.O. Box 4081, Atlanta, Ga. 30302.
D. (6) $5,000. E. (9) $500.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $250. E. (9) $5.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Freeport Kaolin Division of Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.
D. (6) $250. E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. J. M. Huber Corp., Thornall Street, Edison, N.J. 08817.
D. (6) $250. E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Massachusetts Mutual Life Insurance Co., 1295 State Street, Springfield, Mass. 01101.
D. (6) $250. E. (9) $5.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Mutual Benefit Life Insurance Co., 520 Broad Street, Newark, N.J. 07101.
D. (6) $250. E. (9) $5.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Mutual Life Insurance Co. of New York, Broadway at 55th Street, New York, N.Y. 10019.
D. (6) $250. E. (9) $5.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. New England Mutual Life Insurance Co., 501 Boyston Street, Boston, Mass. 02117.
D. (6) $250. E. (9) $5.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Northwestern Mutual Life Insurance Co., 720 East Wisconsin Avenue, Milwaukee, Wis. 53202.
D. (6) $250. E. (9) $5.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Thiele Kaolin Co., Kaolin Road, Sandersville, Ga. 31082.
D. (6) $250. E. (9) $15.

A. John L. Sweeney, 13931 Esworthy Road, Germantown, Md. 20767.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $6,000.

A. Robert D. Swezey, Jr., 1150 17th Street NW., Washington, D.C. 20036.
B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $2,338. E. (9) $30.05.

A. Fred R. Tammen, 1522 K Street NW., Suite 1120, Washington, D.C. 20005.
B. National Rehabilitation Association, 1522 K Street NW., Suite 1120, Washington, D.C. 20005.
D. (6) $5,500. E. (9) $100.

A. Taxation With Representation, 2369 North Taylor Street, Arlington, Va. 22207.
D. (6) $16,406.16. E. (9) $15,782.69.

A. Harvey M. Tettlebaum, 101 West High Street, Suite 202, Jefferson City, Mo. 65101.
B. Encyclopaedia Britannica, Inc., 625 North Michigan, Chicago, Ill. 60611.
D. (6) $100.

A. Third Pro-Life Congressional District Action Committee, 509 Hillyer High Road, Anniston, Ala. 36201.
D. (6) $2.

A. Gregory A. Thomas, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $4,850. E. (9) $75.

A. Fred D. Thompson, Thompson & Crawford, First American Center, Nashville, Tenn. 37238.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
D. (6) $690. E. (9) $456.01.

A. Drew V. Tidwell, 1725 K Street NW., Washington, D.C. 20006.
B. Consumer Bankers Association, 1725 K Street NW., Washington, D.C.
D. (6) $2,000. E. (9) $2,356.32.

A. H. Willis Tobler, 1735 I Street, Washington, D.C. 20006.
B. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Suite 610, Washington, D.C. 20006.
D. (6) $750.

A. Joseph P. Trainor, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes; 815 16th Street, NW., Washington, D.C. 20006.
B. Brotherhood of Railway Airline & Steamship Clerks, Freight Handlers, Express & Station Employes; 6300 River Road, Rosemont, Ill. 60018.
D. (6) $5,250. E. (9) $1,154.44.

A. W. M. Trevarrow, 976 National Press Building, Washington, D.C. 20045.
B. American Motors Corp., 27777 Franklin Road, Southfield, Mich. 48076.
D. (6) $5,625. E. (9) $328.25.

A. Paul B. Trimble, Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.
B. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. Jerry R. Tucker, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1125 15th Street NW., Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $6,769.90. E. (9) $825.23.

A. The Tuscaloosa News, Inc., 2600 Virginia Avenue NW., Washington, D.C. 20037.
E. (9) $157.32.

A. Wayne Underwood, American Seed Trade Association, 1030 15th Street NW., Washington, D.C. 20005.
B. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.

A. Vincent Usera, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $900. E. (9) $175.

A. Richard F. Vander Veen, 666 Old Kent Building, Grand Rapids, Mich. 49503.
B. Citibank, N.A., 399 Park Avenue, New York, N.Y. 10022.
D. (6) $2,014. E. (9) $1,566.76.

A. R. Dick Vander Woude, National Education Association, R.R. 1, 2030 East Abby Springs, Fontana, Wis. 53125.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,180.90. E. (9) $75.

A. H. Stewart VanScoyoc, 1701 Pennsylvania Avenue NW., Suite 210, Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.
D. (6) $120. E. (9) $24.

A. Linda Vickers, 1735 I Street NW., Washington, D.C. 20006.
B. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Suite 610, Washington, D.C. 20006.
D. (6) $1,000.

A. Walter D. Vinyard, Jr., American Insurance Association, 1025 Connecticut Avenue, NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $1,500. E. (9) $250.

A. Marcos von Goihman, 6700 Belcrest Road, Hyattsville, Md. 20782.
B. Guyana Airways Corp., 6700 Belcrest Road, Suite 625, Hyattsville, Md. 20782.

A. Abe J. Voron, 6204 White Oak Lane, Tamarac, Fla. 33319.
B. National Radio Broadcasters Association, Suite 500, 1705 De Sales Street NW., Washington, D.C. 20036.
D. (6) $1,900. E. (9) $1,025.

A. DeMeit E. Walker, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Asosciation, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $1,200. E. (9) $75.

A. Alan S. Ward, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Baker, Hostetler, Frost & Towers, 818 Connecticut Avenue NW., Washintgon, D.C. 20006 for the Soap & Detergent Association, 475 Park Avenue South at 32d Street, New York, N.Y. 10021.
D. (6) $50.

A. Warner Communications, Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.
E. (9) $6,000.

A. Leonard Warner, P.O. Box 100, Ashburn, Va. 22011.
B. Len Warner, Inc., P.O. Box 100, Ashburn, Va. 22011.
D. (6) $1,000. E. (9) $1,630.

A. Washington State NARAL, P.O. Box 15549, Seattle, Wash. 98115.
D. (6) $2,253.40. E. (9) $2,552.47.

A. Ray Wax, c/o Tom B. Cunningham, Sr. R.R. 5, Darlington, S.C. 29532.
B. National Association of Farmer Elected Committeemen, c/o Tom B. Cunningham, Sr., R.R. 5, Darlington, S.C.
E. (9) $80.11.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston, Tex. 77036.
D. (6) $720.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sand Springs Home, c/o E. J. Doerner, 1200 Atlas Life Building, Tulsa, Okla.
D. (6) $850.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Truck Body & Equipment Association, Inc., Suite 1220, 5530 Wisconsin Avenue NW., Washington, D.C. 20015.
D. (6) $625.

A. Webster & Sheffield, 1 Rockefeller Plaza, New York, N.Y. 10020.
B. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $4,700. E. (9) $485.

A. Linzee Weld, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,052.37.

A. Paul S. Weller, Jr., National Council of Farmers Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $8,080. E. (9) $166.

A. Frances E. Welles, National Council To Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
B. National Council To Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $248.

A. Carol Werner, 706 Seventh Street SE., Washington, D.C. 20003.
B. National Abortion Rights Action League, 706 Seventh Street SE., Washington, D.C. 20003.
D. (6) $3,641.95.

A. Western Cotton Growers Association of California, P.O. Box 512, Fresno, Calif. 93709.
D. (6) $52,761.35. E. (9) $1,733.12.

A. Anne Wickham, 620 C Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
D. (6) $2,100.

A. Thomas D. Wilcox, 919 18th Street NW., Washington, D.C. 20006.
B. National Association of Stevedores, 919 18th Street NW., Washington, D.C. 20006.

A. Sandra L. Willett, 3023 Dumbarton Avenue, NW., Washington, D.C. 20007.
B. National Consumers League, 1028 Connecticut Avenue NW., Suite 522, Washington, D.C. 20036.
D. (6) $500.

A. Harry D. Williams, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $2,000.

A. Wade S. Williams, 1620 I Street NW., Washington, D.C. 20006.
B. American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, N.Y. 10036.

A. Winston P. Wilson, 523 North Forrest Street, Forrest City, Ark. 72335.
B. Northrop Corp. 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $8,700. E. (9) $3,300.

A. Frank R. Wolf, 1730 North Lynn Street, Suite 400, Arlington, Va. 22209.
B. Gerber Products Co., Fremont, Mich.
D. (6) $600.

A. Sidney M. Wolf, 317 Pennsylvania Ave. SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,000.

A. Sidney M. Wolfe, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.

A. Irwin Wolkstein, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago Ill. 60611.
D. (6) $281.60. E. (9) $75.15.

A. Kenneth Wollack, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
D. (6) $6,925.02.

A. Burton C. Wood, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $6,968.15. E. (9) $892.84.

A. Diane Woodruff, Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
B. Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
D. (6) $700.

A. William E. Woods, 1750 K Street NW., Suite 1200, Washington, D.C. 20006.
B. National Association of Retail Druggists, 1750 K Street NW., Suite 1200, Washington, D.C. 20006.
D. (6) $750. E. (9) $150.

A. World Federalist Political Education Committee, 600 Valley Road, Wayne, N. J. 07470.
D. (6) $9,790.83. E. (9) $7,461.60.

A. Wyatt and Saltzstein, 1300 Wyatt Building, Washington, D.C. 20005.
B. American Business Press, Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $2,687.50. E. (9) $125.

A. Wyman, Bautzer, Rothman & Kuchel, Suite 1140, The Watergate, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Bristol Bay Native Corp., P.O. Box 220, Anchorage, Alaska 99501.
D. (6) $300.

A. Jack Yelverton, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

A. Kenneth Young, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $9,269. E. (9) $257.11.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Confederated Tribes of the Colville Indian Reservation, P.O. Box 150, Nespelem, Wash. 99155.
E. (9) $2.11.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Lummi Tribe of Indians, 2616 Kwina Road, Bellingham, Wash. 98225.
E. (9) $2.10.

A. Ziontz, Pirtle, Morrisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Makah Indian Tribe, P.O. Box 115, Neah Bay, Wash. 98357.
E. (9) $2.11.

A. Ziontz, Pirtle, Morrisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Metlakatla Indian Community, P.O. Box 8, Metlakatla, Alaska 99926.

A. Ziontz, Pirtle, Morrisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Northern Cheyenne Indian Tribe, P.O. Box 128, Lame Deer, Mont. 59043.
D. (6) $100. E. (9) $18.80.

A. Ziontz, Pirtle, Morrisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Suquamish Indian Tribe, P.O. Box 556, Suquamish, Wash. 98392.

A. John L. Zorack, 1122 Connecticut Avenue NW., Washington, D.C. 20036.
B. Federal Express Corp., AMF Box 30167, Memphis, Tenn. 38130.
D. (6) $9,000. E. (9) $600.66.

A. John L. Zorack, 1122 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pan American World Airways, 1800 K Street NW., No. 900, Washington, D.C. 20006.
D. (6) $9,000. E. (9) $1,243.33.

A. Nicholas H. Zumas, 1140 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
B. Ammex Champlain Co., 177 Ocean Lane Drive, Key Biscayne, Fla.
D. (6) $175.

A. Paul G. Zurkowski, 4720 Montgomery Lane, Bethesda, Md. 20014.
B. Information Industry Association, 4720 Montgomery Lane, Bethesda, Md. 20014.
D. (6) $500.

SENATE—*Friday, August 5, 1977*

(Legislative day of Tuesday, July 19, 1977)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. JAMES R. SASSER, a Senator from the State of Tennessee.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

The Lord shall preserve thy going out and thy coming in from this time forth, and even forevermore.—Psalms 121: 8.

Let us pray:

O God of grace and glory, who has watched over our going out and our coming in, our early openings and late closings, we thank Thee for Thy presence guarding, guiding, correcting and judging our efforts. We thank Thee for adding Thy strength to our weakness, for leaders who lead, for Members exerting their energies for maximum achievement, for workers in obscure places supporting the public effort, and for all those beyond this place who help shape the national policy. In the coming days, take what we have done and are doing and perfect it all more nearly like unto Thy kingdom on Earth. Abide with us wherever we may be, granting unto us the peace of those who love the Lord and strive to do His will. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 5, 1977.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JAMES R. SASSER, a Senator from the State of Tennessee, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. SASSER thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from California is recognized.

THE JOURNAL

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Thursday, August 4, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

Mr. BAKER. Mr. President, reserving the right to object—and I shall not object—the nominations on the Executive Calendar, beginning with National Credit Union Administration and continuing on the second page through those nominations placed on the Secretary's desk, are cleared for consideration and confirmation. We have no objection to proceeding to executive session.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The clerk will state the first nomination.

NATIONAL CREDIT UNION ADMINISTRATION

The second assistant legislative clerk read the nomination of Lawrence Connell, Jr., of Connecticut, to be Administrator of the National Credit Union Administration.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

THE JUDICIARY

The second assistant legislative clerk read the nomination of T. F. Gilroy Daly, of Connecticut, to be U.S. district judge for the District of Connecticut.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of George V. Grant, of New York, to be U.S. marshal for the Southern District of New York.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF LABOR

The second assistant legislative clerk read the nomination of Roland Ray Mora, of California, to be Deputy Assistant Secretary of Labor for Veterans' Employment.

Mr. CRANSTON. Mr. President, in urging the Senate to confirm the nomination of Roland R. Mora to be the first Deputy Assistant Secretary of Labor for Veterans' Employment—DAS—I think it is important to clarify for the benefit of my colleagues a number of concerns which the Committee on Veterans' Affairs, which I am privileged to chair, has in regard to the implementation by the Department of Labor of the Deputy Assistant Secretary position.

Section 601 of Public Law 94–502, the Veterans' Education and Employment Assistance Act of 1976, enacted on October 15, 1976, establishes the DAS position within the Department of Labor "to be the principal adviser to the Secretary of Labor with respect to the formulation and implementation of all departmental policies and procedures to carry out . . . all Department of Labor employment, unemployment, and training programs to the extent that they affect veterans."

The nomination of Roland Mora for this new position was received by the Senate on June 6, 1977, and referred jointly to the Veterans' Affairs and Human Resources Committees. I chaired a joint confirmation hearing on June 9. Following the hearing, Mr. Mora submitted to the committees, on June 29, written responses to 28 issues which were raised at the hearing.

On June 17, Under Secretary of Labor Robert Brown appeared before the Subcommittee on Health and Readjustment which I chair on the Committee on Veterans' Affairs, and presented testimony regarding veterans' employment. At that time, he responded to a series of questions relating to the new DAS position.

Mr. President, it is our desire that Mr. Mora begin his new and important role as Deputy Assistant Secretary with the strongest possible support within the Department to assist him in carrying out effectively the demanding and unprecedented responsibilities which he will be undertaking.

After carefully reviewing the responses received from the Department and from the nominee during this process, the Committee on Veterans' Affairs continued to be deeply concerned about a number of issues that could potentially hinder the ability of the DAS to carry out the intent and mandate of the law.

In light of these concerns, Mr. President, all of the members of the Senate Veterans' Affairs Committee—Senator STAFFORD, the ranking minority member, and Senators TALMADGE, RANDOLPH, DURKIN, STONE, MATSUNAGA, THURMOND, and HANSEN—on July 21, 1977, joined in a letter to Secretary of Labor Ray Marshall in order to seek to clarify a number of issues which were of particular concern to the committee. These issues include staffing of the DAS office, travel funds and office expenses, pay grade of the DAS, clearance role in policy formulation, and the DAS' role as principal adviser to the Secretary for veterans matters.

Mr. President, I ask unanimous consent that a copy of our letter be printed in the RECORD at this point, together with a copy of the response from Secretary Marshall which was received by the Senate Veterans' Affairs Committee on August 2.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 21, 1977.

Hon. F. RAY MARSHALL,
Secretary of Labor,
Washington, D.C.

DEAR MR. SECRETARY: We are writing to express our concern in regard to the establishment of the statutory position of

Deputy Assistant Secretary of Labor for Veterans Employment (DAS), for which the President has nominated Roland Mora to be the first such office-holder.

Section 601 of Public Law 94–502, the Veterans' Education and Employment Assistance Act of 1976, established the DAS position within the Department of Labor "to be the principal advisor to the Secretary of Labor with respect to the formulation and implementation of all departmental policies and procedures" to carry out the purposes of chapters 41 (Job Counseling, Training, and Placement Service for Veterans), 42 (Employment and Training of Disabled and Vietnam Era Veterans), and 43 (Veterans' Reemployment Rights) of title 38, United States Code. In addition, the DAS is mandated to serve as the principal advisor to the Secretary with respect to the formulation and implementation of all departmental policies and procedures to carry out "all other Department of Labor employment, unemployment, and training programs to the extent they affect veterans."

We agree with your statement following your swearing-in that the unemployment problems among veterans, particularly disabled, minority and Vietnam-era veterans, must be among the "highest priorities"—these veterans "continue to bear a disproportionate share of the unemployment that exists today. . . . We cannot permit ourselves to become insensitive to the plight of thousands of Vietnam-era veterans who have borne the brunt of our involvement in a regrettable war and continue to bear a disproportionate share of the Nation's economic distress." (Statement, Secretary of Labor Ray Marshall, January 27, 1977.)

The Senate Veterans' Affairs Committee's report (No. 94–1243, 94th Cong., 2d Sess.) accompanying S. 969, ultimately enacted as Public Law 94–502, stressed the importance of consolidating responsibilities for veterans' employment matters at an appropriate level of accountability. The Committee on Veterans' Affairs had found that the Director of the Veterans Employment Service "was located at too low a level within the Department of Labor to carry out the congressional mandates in an effective and expeditious fashion." (Id. at page 139.) We believe that the implementation of the DAS position is a fundamental part of the Federal Government's efforts to provide veterans with meaningful job employment opportunities.

We are aware of your interest in assisting unemployed veterans and your concern that Roland Mora be enabled to do a first-rate job as the first DAS. However, we believe it important to bring to your attention concerns which, if unresolved, could seriously hinder the efforts of the DAS and, indeed, the Department of Labor, in alleviating veterans unemployment. We believe that it is imperative that these matters be resolved expeditiously so that we can move ahead to fill the DAS position. In this regard, we would appreciate your consideration of and comments on the following matters:

1. Staffing. The DAS designate, Roland Mora, in his written response to questions asked at the June 9 joint confirmation hearing before the Committees on Veterans' Affairs and Human Resources, and received by the Committees on June 29, reported that the Department of Labor has agreed to provide the DAS with a staff of three: a Special Assistant, GS–14; an Administrative Assistant, GS–12; and a Secretary, GS–8/9. (Mora responses, Question 2.) On June 17, Undersecretary of Labor Robert Brown testified before the Subcommittee on Health and Readjustment of the Committee on Veterans' Affairs that the DAS would be provided with four staff positions—the same as the staffing for the Undersecretary, himself. (Employment hearing transcript, June 17, at page 29.) We believe that the DAS, given the very demanding and unprecedented obligations of his new post, will need at least the four-person staff promised by the Undersecretary.

2. Travel Funds and Office Expenses. We believe that it is vitally important that the DAS be provided with sufficient new funds for necessary travel and office expenses. Mr. Mora's written response to a question in regard to travel money states that "the Department of Labor has already budgeted a total of $5,824,000 during Fiscal Year 1977 and $5,941,000 during Fiscal Year 1978 for which [he] will be responsible. Incorporated into this figure is $30,000 for travel of the DASVE and his immediate staff." (Mora responses, Question 5.)

It appears from this answer that the funds allocated to the DAS have been obtained by reducing the amount of money which the Veteran Employment Service (VES) would otherwise have been allocated. In addition, we are concerned that $30,000 may not be sufficient to support adequate travel and office expenditures. We would like to know how that figure was reached and whether it represents a reallocation of travel money already budgeted for the VES, and, if so, whether you believe that is an appropriate response.

3. Pay Grade. We are concerned that the grade of the DAS be established at a level which will enable him to meet his obligations effectively. Currently within the Department there are 10 Deputy Assistant Secretaries. Five are GS–17's; three are GS–18's; one is a GS–16; and one is a level V. During the hearing on June 17, 1977, the following exchange between Senator Thurmond and Undersecretary Brown took place:

Mr. THURMOND. Mr. Brown, do we understand correctly that the Deputy Assistant Secretary for Veterans Employment, an office created last year, will be on a co-equal basis as the current Deputy Assistant Secretary for Employment and Training [DAS–ET]? Mr. Brown, they are both Deputy Assistant Secretaries. Are they going to be on a co-equal basis?

Mr. BROWN. Senator, they are—as I indicated to the Chairman before, I believe, there are 10 Deputy Assistant Secretaries in [the] Department. We intend to make, in our judgment, as co-equal a relationship as possible.

In order to assure that relationships are "co-equal", it would seem that the DAS (VE) and the DAS(ET)—both of whom have important responsibilities and serve as deputies to the Assistant Secretary for Employment and Training—should be accorded similar stature in pay level. Although we recognize that the Manpower Administrator (DAS–ET) is mandated at level V (5 U.S.C. 5316(88)), we believe that consideration should be given to establishing the DAS at a level V also, pursuant to 5 U.S.C. 5317; or at least, at a GS–18. Such an elevation would seem appropriate in light of the GS levels of other employees within the Employment and Training Administration. It is the Committee's understanding, for example, that the Deputy Administrator of the United States Employment Service is a GS–17.

4. Clearance Process. Undersecretary Brown, on June 17, testified that the United States Employment Service (USES) will clear all departmental responses to inquiries in regard to chapter 41, title 38, United States Code (Job Counseling, Training and Placement Services for Veterans). This would seem an unnecessary and inevitably time-consuming clearance step for matters exclusively within the jurisdiction of the VES since the Department has assured the Committees that VES is being removed from the jurisdiction of USES and placed directly under the DAS. Similarly, it seems inappropriate for the Administrator of the U.S. Employment Service to be given clearance authority over responses bearing the signature of the DAS. This was apparently the case for Mr. Mora's responses to questions submitted on June 29, 1977. We do not believe such a clearance step should exist.

5. Role as Principal Advisor to the Secretary. The Committee is concerned that the Deputy Assistant Secretary actively carry out his statutorily mandated duties "in the formulation and implementation of . . . policies and procedures" in regard to the veterans' affirmative action and mandatory job listing programs (chapter 42, title 38, United States Code) administered by the Office of Federal Contract Compliance, and the Veterans Reemployment Rights program (chapter 43, title 38, United States Code). However, we are informed that this responsibility will be generally discharged by the DAS consulting with and providing "guidance to these organizations (OFCC and OVRR) on the formulation and implementation of their policies and programs as they affect veterans." (Mora response, Question 9.) This description of the DAS's responsibilities in regard to chapters 42 and 43 would appear to dilute considerably the DAS role envisioned in the statute.

We believe the DAS should have an explicit clearance role regarding the policies and procedures of the section 2012 and OVRR programs.

We are also concerned that the DAS will not be involved to the extent necessary in the implementation and formulation of policies and procedures in regard to Comprehensive Employment and Training Act (CETA). With respect to the relationship of the DAS to the promulgation of CETA regulations affecting veterans, we are informed that the DAS "will advise the Assistant Secretary for Employment and Training concerning issues raised by the regulations." That described role of the DAS in the promulgation of regulations does not, without more, conform with the formulation and implementation role required by law. The importance of the DAS in the formulation of CETA policy is underscored by the upcoming enactment of H.R. 6138, Youth Employment and Demonstration Projects.

Section 305 of that Act mandates the Secretary to take appropriate steps to increase participation of certain veterans in public service employment programs and job training opportunities. Although the Conference Committee deleted the Senate-passed provision that the Secretary of Labor consult with the DAS with respect to implementing this mandate, the conferees noted "that under the law, the Deputy Assistant Secretary is the principal advisor to the Secretary on all matters relating to veterans' employment and [the conferees] believe that such consultation would be a matter of normal procedure . . . ." (S. Rept. No. 95–456, at page 43).

We believe that the DAS should be intimately and actively involved in the formulation and implementation of policies and procedures for CETA to the extent veterans are affected and for the affirmative action, job listing, and reemployment rights programs. This involvement should include an express role of clearance and an assurance of direct access to you and the Undersecretary regarding all such policies and procedures when the clearance process does not, in the DAS's judgment, resolve his concerns.

The administrative implementation of the DAS position should spell out this role.

We are extremely anxious to have your

consideration of a response to the above matters at your earliest convenience.

ALAN CRANSTON,
Chairman.
ROBERT T. STAFFORD,
Ranking Minority Member.
HERMAN E. TALMADGE,
JENNINGS RANDOLPH,
RICHARD (DICK) STONE,
STROM THURMOND,
JOHN A. DURKIN,
SPARK M. MATSUNAGA,
CLIFFORD P. HANSEN,

U.S. DEPARTMENT OF LABOR,
Washington, D.C., August 2, 1977.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: Thank you for your joint letter of July 21, inquiring about certain administrative arrangements relating to the new office of Deputy Assistant Secretary for Veterans' Employment. I am in full agreement with the views expressed in the Committee's letter. It is imperative that we move ahead to fill the Deputy Assistant Secretary position. I think that Roland Mora is an excellent candidate for the position. I hope that his confirmation can be effected in the very near future.

You may be sure that one of the highest priorities of this Department is addressing the unemployment problems of veterans, and particularly disabled, minority and Vietnam-era veterans.

Your letter requested my consideration of several internal matters in the office of the Deputy Assistant Secretary. My responses are listed below:

1. Staffing. I have reviewed the staffing plans for the immediate office of the Deputy Assistant Secretary for Veterans' Employment and have concluded that a staff of four positions, as mentioned by Under Secretary Brown in the hearings on June 17, will be provided.

2. Travel Funds. The $5,941,000 of Fiscal Year 1978 funds cited as the amount for which the Deputy Assistant Secretary for Veterans' Employment will be responsible, is the Veterans Employment Service budget for that year. However, it does not include financing the immediate office of the Deputy Assistant Secretary. Funds for that office were determined after the preparation of the Fiscal Year 1978 estimates. The Veterans Employment Service budget includes $369,000 for travel. The estimate of $30,000 for the immediate office of the Deputy Assistant Secretary's travel is exceedingly generous by standards applied to all other components of the Department.

3. Pay Grade. We considered the grade level of the new Deputy Assistant Secretary very carefully. We also considered the duties and responsibilities of that position in relation to the program responsibilities of other Deputy Assistant Secretary positions in the Department. Our review resulted in allocation of the new position at the GS–17 level. Executive Level V positions in the Department of Labor all have very broad, line program management responsibilities. The Deputy Assistant Secretary for Employment and Training, for example, has line responsibility for employment and training programs amounting to $20.7 billion in Fiscal Year 1977, including the Department's part of the President's economic stimulus package. The new Deputy Assistant Secretary for Veterans' Employment position is primarily policy advisor to the Secretary, with line management responsibility only for the Veterans Employment Service. While this is an important role, it does not embrace the broad responsibilities of other Deputy Assistant Secretary positions. The GS–17 level is held by other officials who have significant responsibilities commensurate with those of the Deputy Assistant Secretary for Veterans Affairs. I, therefore, believe that allocation of this position at the GS–17 level is appropriate.

4. Clearance Process. Under terms of the Wagner-Peyser Act, the director of the United States Employment Service is responsible for programs of placement and job counseling. Therefore, issuance of policy guidance or interpretation pertaining thereto is of primary concern to that office. It is appropriate that the Employment Service exercise clearance over certain Veterans Employment Service matters. Such "clearance," of course, will not apply to matters exclusively within the jurisdiction of the Veterans Employment Service. Until the Deputy Assistant Secretary is confirmed and officially on the job, the Veterans Employment Service remains under the jurisdiction of the Administrator, United States Employment Service, and all official materials are cleared by his office.

5. Role as Principal Advisor to the Secretary. The Deputy Assistant Secretary for Veterans' Employment will be expected to actively carry out his responsibilities to me as principal advisor in the formulation and implementation of policies and procedures related to chapters 42 and 43 of the United States Code. He will also be responsible for chapter 41 (vis-a-vis jobs and training under the Comprehensive Employment and Training Act, et al.), and all other matters pertaining to veterans. Under Secretary Brown's letter to you of June 23, 1977, makes it explicit that the Deputy Assistant Secretary will have direct access to both our offices on any and all matters affecting veterans whenever our involvement is necessary. On other business, the Deputy Assistant Secretary will work closely with the line Assistant Secretaries and their staffs on policy and procedures for most effectively dealing with veterans' needs. I believe that it is unsound administration to establish two structures with line management responsibilities for the same program; or to separate the administration of an operating program along "clients-to-be-served" lines. I am convinced that the role of the Deputy Assistant Secretary for Veterans' Employment is workable and in complete compliance with the statute as we have designed it.

I hope that this letter responds fully to the matters raised in your letter of July 21. I reiterate my concern that we move forward expeditiously to fill the position of the Deputy Secretary for Veterans' Employment.

Sincerely,

RAY MARSHALL,
Secretary of Labor.

Mr. CRANSTON. Mr. President, to summarize briefly the results of this correspondence, Mr. Mora has been assured one additional staff position—for a total of four positions—but no additional funds for travel and office expenses have been allocated and no increase in grade level above GS–17 has been made. In addition, the Director of the U.S. Employment Service will continue to be able to exercise clearance over certain Veterans' Employment Service matters. The Secretary also indicated that while the DAS will have direct access to the Secretary and the Under Secretary, he will work within the line management of the assistant secretaries.

These responses are not as forthcoming as we had hoped, Mr. President. Mr. Mora's position and responsibilities within the Department have not been as clearly or firmly established as would be desirable and as may be necessary. However, we have done our very best to gain the commitments that we could, and now I strongly believe that the Senate should act to confirm Mr. Mora's nomination.

I also recognize the administration's concern for the employment needs of veterans. The commitment of the Department of Labor is evidenced by the implementation of such initiatives as Project HIRE and the Disabled Veterans' Outreach program—both programs, at last, showing signs of success.

Nevertheless, I remain deeply concerned about certain internal decisions and relationships in the Department that will undoubtedly impact on the position of the new DAS. I believe, however, that any difficulties that do arise will have to be dealt with at that time, and that no purpose would be served in delaying the confirmation further. We now have on the record an unusually large amount of congressional intent and certain commitments that have been made by the Department to implement the law fully. The committee will be watching developments in this area very closely, and I intend to do all I can to insure the success of the DAS office and of Mr. Mora.

Mr. Mora will, I feel sure, do his utmost to serve veterans, and will work hard to promote increased employment for this segment of the population.

He is, as Secretary Marshall said in his August 2 letter, "an excellent candidate for the position". I am certain he will bring to the Department an increased awareness of the problems of veterans—especially Vietnam-era, disabled, and minority veterans—and a renewed and strengthened commitment to serving the employment needs of those who have served this Nation in time of conflict.

I urge the Senate to take prompt and favorable action on the nomination at this time.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. ARMY

The second assistant legislative clerk read the nomination of Col. James Clifford Good, to be brigadier general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Maj. Gen. Harold Robert Aaron, to be lieutenant general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. NAVY

The second assistant legislative clerk read the nomination of Vice Adm. John G. Finneran, U.S. Navy, to be vice admiral on the retired list.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Real Adm. Charles H. Griffiths, U.S. Navy, to be vice admiral.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The second assistant legislative clerk proceeded to read sundry nominations placed on the Secretary's desk in the Air Force, Army, and Navy.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. CRANSTON. Mr. President, I ask unanimous consent that it be in order to reconsider en bloc the vote by which all the nominations were confirmed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CRANSTON. I move to reconsider the vote.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DEPARTMENT OF JUSTICE

Mr. ROBERT C. BYRD. Mr. President, I have a nomination, which has been reported from the Committee on the Judiciary, of Mr. William H. Shaheen, of New Hampshire, to be U.S. attorney for the district of New Hampshire. I ask unanimous consent that the 1-day rule be waived and that the Senate proceed immediately to its consideration.

The PRESIDING OFFICER (Mr. ANDERSON). Is there objection? Without objection, it is so ordered.

The clerk will state the nomination.

The second assistant legislative clerk read the nomination of William H. Shaheen, of New Hampshire, to be U.S. attorney for the district of New Hampshire.

Mr. DURKIN. Mr. President, I strongly support the nomination of Mr. William Shaheen of Dover, N.H., to the position of U.S. Attorney for the District of New Hampshire.

Mr. Shaheen is a graduate of the University of Mississippi Law School, where he graduated No. 2 in his class and served two terms as president of the law school student body. Mr. Shaheen has served as city attorney for the city of Somersworth, N.H., and is a partner in the law firm of Keefe, Dunnington and Shaheen.

I am proud to support this excellent nomination and am confident that Bill Shaheen will well serve the citizens of New Hampshire and the Nation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—S. 977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, at such time as S. 977, relating to the primary energy source of electric powerplants and major fuel-burning installations, is called up and made the pending business before the Senate, there be a time limitation on debate of 2 hours, to be equally divided between Mr. JACKSON and Mr. HANSEN; that there be a time limitation on any amendment thereto of 1 hour; that there be a time limitation on one amendment by Mr. KENNEDY of 4 hours, with the proviso that, if a tabling motion fails, there be no time limitation on that amendment; and that there be a time limitation of 30 minutes on any amendment to an amendment, debatable motion, appeal, or point of order, if such is submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object for just a moment, to make sure that I fully understand the last provisions of the majority leader's request, let me repeat them as they sounded to me.

The request is that there is an amendment by Mr. KENNEDY, on which there would be a time limitation of 4 hours; that if there is a tabling motion against the Kennedy amendment, which does not prevail—that is to say, the Kennedy amendment is not tabled—then there would be no time limitation on the bill and that other amendments would be in order on which there would be no time limit.

Mr. ROBERT C. BYRD. There would be no time limitation on that amendment; provided further that no other amendment dealing with divestiture, indirectly or directly, be in order——

Mr. BAKER. Present or prospective.

Mr. ROBERT C. BYRD. Present or prospective—be in order.

Mr. BAKER. With that understanding, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That when the Senate proceeds to the consideration of S. 977 (Order No. 336), a bill to require that new and, to the extent practicable, existing electric powerplants and major fuel-burning installations, in categories to be determined, utilize other than natural gas or petroleum as their primary energy source in compliance with applicable environmental requirements, and for other purposes, debate on any amendment in the first degree (except an amendment by the Senator from Massachusetts (Mr. Kennedy), on which there shall be 4 hours: *Provided,* That if a motion to table the Kennedy amendment fails, there shall be no time limitation on the Kennedy amendment: *Provided further,* That no other amendment dealing with divestiture shall be in order) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill; debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Washington (Mr. Jackson) and the Senator from Wyoming (Mr. Hansen): *Provided,* That the said Senators, or either of them, may from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

NATIONAL SCIENCE FOUNDATION—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. KENNEDY, I submit a report of the committee of conference on H.R. 4991 and ask for its immediate consideration.

Mr. BAKER. Mr. President, reserving the right to object, and there is no objection, the conference report is privileged and we are prepared to proceed with it.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4991) to authorize appropriations for activities of the National Science Foundation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 20, 1977.)

Mr. KENNEDY. Mr. President, the

conference report on the authorization for the National Science Foundation which is before the Senate today is the result of 2 months of negotiations between our conferees and the conferees representing the House. During that period the differences between the two bills were examined in detail and every effort was made to incorporate the major concerns of each body, and of especially interested individual members, into the final bill. In my view, the compromise we are bringing to a vote today merits the full support of the Senate. It was approved unanimously by the House yesterday.

As chairman of the Senate conferees I want to call to the attention of my colleagues the major funding provisions of the final bill.

First, the conference agreement authorizes $884,250,000 for the Foundation for fiscal year 1978. This is an 11-percent increase over the Foundation's 1977 operating budget. The funds are to be available as follows:

Mathematical and physical sciences and engineering, $246,500,000.

Astronomical, atmospheric, Earth, and ocean sciences, $210,500,000.

U.S. antarctic research program, $47,475,000.

Biological, behavorial, and social sciences, $142,500,000.

Basic research stability grants, $4,500,000 or 2 percent of basic research support, whichever is less.

Science education program, $83,300,000.

Research applied to national needs, $75,850,000.

Scientific, technological, and international affairs, $20,900,000.

Program development and management, $47,825,000.

Special foreign currency, $4,900,000.

Second. The conference agreement further designates funds for particularly important programs as follows:

Graduate fellowships, $11,900,000.

Continuing education for scientists and engineers, $1,200,000.

Resource center for science and engineering, $3,000,000.

Minorities, women, and the handicapped in science, $2,500,000.

Science for citizens, $1,800,000.

Public understanding of science, $2,600,000.

Ethics and values in science and technology, $1,400,000.

Comprehensive assessment of science education in 2-year colleges, $500,000.

Comprehensive assistance to undergraduate science education, $14,500,000.

Precollege teacher development, $6,000,000.

Policy Research and Analysis, $4,000,000.

Twelve and one-half percent of applied research support for small businesses.

Twenty-five percent of applied research support for applied social research and policy-related scientific research.

Major differences in policy between the House and Senate bills were resolved as follows:

Two-year authorization: The Senate bill provided a 2-year authorization for the Foundation. The House bill authorized funds for only 1 year. The conference agreement provides funding for 1 year.

The Senate conferees worked diligently for adoption of the Senate position on this issue—a position endorsed by the National Science Board. We repeatedly stressed our conviction that there would be significant advantages to a 2-year bill. The arguments we presented in support of our position were:

Greater stability in providing Foundation support for critical research/educational projects and programs which require long-term funding commitments and management would be possible.

Foundation staff time released as a result of two-year authorizations could be used to assess the effectiveness of current programs and research strategies as well as the adequacy of the Foundation's response to the needs of the Nation's scientific and engineering constituencies. At the same time, Congress would have increased time for oversight of the Foundation's programs and funding levels.

The Foundation's staff would be provided with greater opportunities to expand long-range planning activities and to prepare decision-making position papers for the Congress on major issues regarding the Nation's short-range, medium-range, and long-range outlooks for science and engineering.

Additional lead time would be available for the Foundation to consult with local and state Government officials across the country on their specific scientific and technological needs.

The House conferees agreed that there would be significant advantages to this approach.

However, because the House hearings and floor debate had not covered programs proposed for fiscal year 1979, the House Conferees advised that a 2-year bill would face serious difficulties on the House floor. For this reason, we agreed to a 1-year bill this year—and are working with the House committee members to urge them to hold hearings next year on a 2-year measure.

Industrial research: The Senate bill provided for equal competition between industrial and academic researchers, for increased support for cooperative research between industry and universities and for fellowship exchange programs between the two sectors. The House bill authorized none of these new efforts.

The conference agreement provides for increased cooperative research, urges the Foundation to initiate an industry-university fellowship exchange program, and calls for the Foundation to report to the Congress on the potential for increased industry participation in NSF-supported basic research.

The Senate and House committees will review the results of this report prior to reauthorization hearings next year and it is my expectation that it will provide us with the information we need to make definitive recommendations.

Science for citizens: The Senate bill authorized a $5 million program, including direct assistance for public interest groups, to assist citizen groups in developing information and in improving public understanding of policy issues with significant scientific and technical aspects. The House provided $100,000 and limited its use to an evaluation of past efforts.

The conference agreement provides for a $1.8 million program—a 50-percent increase over last year's program—and authorizes direct assistance for public interest groups.

I believe that we have made a significant breakthrough with this program, which now becomes permanent law. It will impose a minimum of redtape on citizen groups applying for funding. It will only be necessary for the groups to demonstrate that they meet the general principles applied by the IRS in determining eligibility for 501(c)(3) exemptions—the groups will not be required to have formal status under that section.

Resource center for science and engineering: The Senate bill provided for two of these centers to be established. The House bill authorized funds only for planning grants. The conference agreement provides for the establishment of one center.

In agreeing on one center, the conferees drafted the provision so that it becomes permanent law. It is the further intent of the conferees that additional centers should be established if experience warrants such action. This is particularly important, as the center program is designed to serve both poor and minority communities. To limit activities to just one center would make it extremely difficult to fulfill the intent of the program to increase the participation of minorities and the poor in research careers in science and to make scientific and technical resources available to those communities.

A $1.5 million minority graduate scholarships program is also authorized.

Policy research: The Senate bill provided that not more than $2 million was to be available for these activities in the STIA Directorate. The House bill provided $4.5 million. The conference agreement provides $4 million.

Because the overall funding for STIA provided in the conference agreement is $1.7 million below the budget request I strongly urge the Foundation to carry over unobligated policy research funds from fiscal year 1977 to meet the $4 million activity authorized in the conference agreement. Such a carryover will enable other STIA activities, particularly support for the upcoming UN Conference on Science and Technology, to go forward as planned in the budget request.

Amendments to the NSF Act: The conferees approved the following amendments to the NSF Act:

First. An increase in the maximum allowable compensation for members of the National Science Board to conform more closely with rates of compensation of similar bodies in other Federal agencies;

Second. Reinstatement of the National Science Board's annual report which had been eliminated by legislation establishing the Office of Science and Technology Policy;

Third. A change in working of the NSF

Act with regard to geographic distribution to assure that the Foundation continues to evaluate constructive ways to strengthen the participation of all regions of the country in the Foundation's programs.

Precollege curricula: The House bill extended Federal controls to the activities of local schoolboards with regard to the selection of teaching materials. Similar restrictions were defeated by the Committee on Human Resources and were not included in the Senate bill.

The conference agreement provides simply that curriculum activities supported by the Foundation, where they involve pre-college students, be conducted in conformance with local schoolboard procedures and with the prior consent of the local authority responsible for the schools.

Conflict of interest: The House bill included a provision establishing procedures to avoid conflicts of interest on the part of NSF employees and peer reviewers. The Senate bill did not include a similar provision, though inquiries carried out by the Subcommittee on Health and Scientific Research had pointed to the need for strengthened safeguards in this area. The conference agreement includes new procedures, but makes a distinction between the reporting requirements for NSF employees and those for peer reviewers, who volunteer their time and expertise.

Instrumentation set-aside: The Senate bill provided that 15 percent of the funds available for instrumentation be available for the purchase of equipment costing $25,000 or less. The House bill did not include a similar provision.

The statement of managers accompanying the conference agreement urges such a set-aside. This support is to be made available, whether or not the equipment required is included as part of a larger research grant and is expected to be of particular assistance to researchers in small colleges and universities.

International cooperation: The Senate bill emphasized the importance of bilateral agreements between the United States and Western Europe and between the United States and neighboring countries in the Western Hemisphere. The House bill did not include a similar provision. The conference agreement authorizes this new emphasis and assures that it will be carried out in a manner consistent with the Nation's foreign policy objectives.

Interdisciplinary studies: The Senate bill provided sustained support for interdisciplinary teams working on research problems of national importance. The House bill did not include a similar provision. The statement of managers accompanying the conference report urges the Foundation to make such sustained support available.

Nitrogen fixation: The Senate bill provided an additional $2 million for nitrogen fixation research in fiscal year 1978. The House bill provided no increase over the budget request. The conference agreement includes an additional $1 million for work in this area.

Applied social research: The House bill provided that $23 million in applied research funds would be available for applied social research and policy-related scientific research. The Senate bill did not set aside a specific amount, but included these activities under the RANN authorization. The conference agreement provides that 25 percent of RANN funds will be available for these programs, thereby assuring a balanced RANN effort in the event that the authorized RANN program is not fully funded.

Young scientists: The Senate bill authorized 3-year, nonrenewable grants for scientists and engineers whose Ph. D.'s were awarded within the last 5 years. The House bill did not include a similar provision. It is my hope, and that of the subcommittee chairman in the House, Mr. THORNTON, that the NSF will begin such a program in fiscal year 1978.

Precollege teacher training: The Senate bill provided $8 million for this program and set aside half of the funds to train teachers in providing instruction which emphasizes the interaction between science and society. The House bill did not include a similar provision. The conference agreement provides $6 million for this program and the statement of managers stipulates that 25 percent of the funds are to be available for the training called for in the Senate bill.

Mr. President, the conference agreement as described in my remarks includes every major program emphasis adopted by the Senate. Compromises were made with regard to levels of funding and detailed implementation. In my view this conference agreement, with the exception of the refusal of the House to agree to a 2-year bill at this time, fully reflects the Senate position and will be well received by the public and by the scientific community. I urge its adoption.

Mr. JAVITS. Mr. President, I urge my colleagues to support the conference report on H.R. 4991, the National Science Foundation Authorization Act for fiscal 1978.

The administration requested $879 million for NSF; this measure authorizes $879.35 million. It reflects a careful assessment by the Senate Human Resources Committee and the House Science and Technology Committee of the amounts requested by the administration for particular programs in scientific research and science education.

Both the Senate and House bills provided for increases in science education funds over the administration request of $75.7 million. Our final compromise of $83.3 million is a good one in my opinion. This can be considered a net increase of $12.1 million for science education for the following reason: the $4.5 million requested for research initiation and support under science education has been shifted to a new program, basic research stability grants, which is a separate line item in the bill, but which is expected to provide similar kinds of support in a more effective way.

The increased funds for science education include a tripling of the administration request of $1 million to $3 million for a Resource Center for Science and Engineering, to expand opportunities in science and engineering for minority students and students from low-income families. It also increases by 50 percent the authorization for minority traineeships.

Support for the program for minorities, women, and the handicapped in science is increased one-half million dollars over the budget request, as is support for graduate fellowships. We agreed to authorize $1.8 million for the science for citizens program—$3.2 million less than the Senate bill provided, but $1.7 million above the House recommendation. We have provided another one-half million dollars for a comprehensive assessment of science education in 2-year colleges—a matter of concern in both the House and Senate, for which there was not any request in the original budget submission. In addition, we have increased the authorization for precollege teacher training programs from a requested $4 million to $6 million and have urged NSF to use not less than 25 percent of these program funds to train teachers in methods that will encourage students to explore the interaction of science and society.

The lack of emphasis on the importance of science education has been of particular concern to me; and this agreement was reached through initiatives on both the Senate and House sides. It reflects two important and growing needs in our Nation today—the need for a broadly informed citizenry that understands the significance of science for society, and the need for training the very best scientists and engineers to meet the challenges that lie ahead—new energy sources, protecting our oceans and atmosphere, and increasing our production of food, among many other areas that will directly affect our lives and those of our children.

The measure reflects strong support for basic scientific research. Such research programs are the Nation's most effective means for insuring that U.S. science remains second to none.

Mr. President, I note that the Senate and House Appropriations Committees agreed to appropriate funds for NSF's three basic research directorates, its Antarctic research program, and its scientific, technological, and international affairs directorate at the full level provided in the authorization conference report—$667.9 million. Thus, we can say that the Foundation's basic research programs are being funded at the level authorized—a level only slightly below the administration request.

There is one feature missing in the authorization conference agreement that I had very much hoped to see—a 2-year authorization. The Senate bill contained such a provision; the House bill did not. The National Science Board and the scientific community have indicated that a 2-year authorization was not only acceptable but desirable. The conferees agreed that a 2-year authorization would be useful in establishing a longer range framework for policy planning and that it could enable the Appropriations Committees to give more consideration to these policies.

In my view, it is essential that the Congress move to a multiyear authorization. We should not be reformulating policies each year—policies that the other committees do not have time even to study before they appropriate the funds—and too little time looking at the Nation's long-range needs in science and providing stable, consistent programs to meet those needs. We are losing the forest for the trees, so to speak, by each year examining individual programs and forgetting—or not having time for—the broad policy questions with which the Congress should be concerned.

A recent editorial in Change, June 1977, noted:

Unfortunately, the price of highly sophisticated research is not only a wider public understanding of these issues but also continued high national investments. The trouble with science is that it is not enough to be very good. It must be very, very good. Two second-rate research efforts do not add up to one superb effort. It is not the kind of mathematics that is easy to support politically in egalitarian terms. But here, excellence is a national necessity.

It is important that we remain responsive to this national interest. Thus, authorized funding for NSF programs should be longer-ranged because basic science research itself is a long-range undertaking. The research projects of today might not have an impact for 5 or 10 years; the yearly reauthorization process, however, makes it difficult for the Congress to think in these terms and even implies an unwillingness to do so which, in my judgment, is unwise.

While I support the Senate position in favor of a 2-year authorization for these programs, I am mindful of the concerns expressed by the managers on the part of the House that their body had not fully considered this approach. I have discussed this issue with Congressman RAY THORNTON, Chairman, and Congressman HAROLD HOLLENBECK, ranking minority member of the Subcommittee on Science, Research, and Technology of the Science and Technology Committee. Representative THORNTON has indicated that his committee is also concerned with the issue of predictability in authorizing long-term research, and is pledged to a thorough examination of the efficacy of multi-year authorizations in order to improve the management and stability of our Nation's basic science research effort. I am grateful to him for this view.

Mr. President, while I am genuinely disappointed that we were unable to reach agreement for a 2-year authorization this year, we have every reason to believe that both bodies may be able to reach accord on this issue next year.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Routine morning business transacted and additional statements submitted are printed later in today's RECORD.)

AUTHORITY FOR THE SECRETARY OF THE SENATE TO RECEIVE AND REFER A MESSAGE FROM THE PRESIDENT ON AUGUST 6

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive a message from the President of the United States on welfare reform, on Saturday, August 6, and that the Secretary be authorized to refer that message jointly to the Committee on Finance, the Committee on Human Resources, and the Committee on Agriculture, Nutrition, and Forestry.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

FOREIGN ASSISTANCE APPROPRIATIONS, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the foreign assistance appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senate will now resume consideration of H.R. 7797, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 7797) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1978, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. Time for debate on this bill is limited to 5 hours, with 1 hour each under the control of the Senator from Hawaii (Mr. INOUYE) and the Senator from Pennsylvania (Mr. SCHWEIKER), and with 3 hours under the control of the Senator from Virginia (Mr. HARRY F. BYRD, JR.); with 1 hour on any amendment in the first degree, except three amendments by the Senator from Alabama (Mr. ALLEN), on which there shall be no time limitation and no tabling motions thereto in order; with 30 minutes on any amendment in the second degree; and with 20 minutes on any debatable motion, appeal, or point of order.

The question is on agreeing to the committee amendment on page 4.

Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, until the manager of the bill is able to get to the floor, I plan to suggest the absence of a quorum and request that the time be equally divided between the opponents, the 2 hours allotted on the bill and the 3 hours allotted to the Senator from Virginia, and charge the time equally.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, from the 3 hours allotted to the Senator from Virginia, I yield myself such time as I may need.

First, I commend the able Senator from Hawaii (Mr. INOUYE) for the conscientious and diligent work he has done on the pending measure, H.R. 7797, the foreign assistance appropriation bill. I regret to find myself in opposition to a measure which is being handled by the distinguished senior Senator from Hawaii.

While, in my judgment, the figures in this bill are much too large, I am confident that the bill would be even more unacceptable from the point of view of the Senator from Virginia were it not for the distinguished manager of the bill, Senator INOUYE, and were it not for the ranking minority member of that committee, the distinguished Senator from Pennsylvania (Mr. SCHWEIKER).

I regret to find myself in opposition.

But, frankly, I do not believe it to be wise, or logical, or warranted for the Congress of the United States to be considering the approval of a measure which would increase by 27 percent the amount of foreign assistance which is being given to 100 countries scattered throughout the world.

For fiscal 1977, the comparable legislation approved by Congress called for an appropriation of $5.6 billion for this part of the foreign aid program.

The bill before us today would appropriate $7.1 billion for fiscal 1978. That represents an increase of 27 percent in the overall cost.

To me, that is totally unjustified.

Mr. President, the foreign aid bill before the Senate, totaling $7.1 billion, is only a part of the total amount of tax dollars taken from the pockets of the working people and then disbursed to 100 nations throughout the world.

The total for foreign assistance for the fiscal year 1976 was $6,994,402,000.

For fiscal 1977, the current fiscal year, the total appropriated was $9,290,286,000.

Now we come to fiscal 1978, and the total appropriated approaches $10 billion, the exact figure being $9,964,264,000.

Mr. President, what is being done, if this measure is approved by the Senate, is that the amount of funds appropri-

ated for foreign aid for fiscal 1978 will be $10 billion, in round figures, compared to fiscal 1976, when the Congress appropriated $7 billion, in round figures. That represents an increase of almost 50 percent in that short period of 2 years.

But this is not all.

The figures I have just cited—and I will use round figures for clarity—of $7 billion for fiscal 1976, $9 billion for fiscal 1977, and $10 billion for fiscal 1978 do not include another very important item, and that is the amount of foreign assistance rendered through the Export-Import Bank.

For fiscal 1976, that figure was $4 billion, in round figures; for fiscal 1977, the current fiscal year, it is $4 billion; and for fiscal 1978, for which Congress is now appropriating, the figure will be $5.5 billion.

So the grand total of the transfer of U.S. resources to foreign nations for the 3 fiscal years is as follows: For fiscal 1976, the transfer of U.S. resources to foreign nations was $11 billion, again using round figures; for fiscal 1977, the transfer of U.S. resources to foreign nations was $13.5 billion; and for fiscal 1978, it is proposed that $15.5 billion of U.S. resources be transferred to foreign nations.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield, without losing his right to the floor and without any time being charged against his time?

Mr. HARRY F. BYRD, JR. I am glad to yield.

INTERNATIONAL TRADE COMMISSION AUTHORIZATION, 1978—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, the conference report has been cleared on the other side of the aisle. On behalf of Mr. LONG I submit a report of the committee of conference on H.R. 6370 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6370) to authorize appropriations to the International Trade Commission for fiscal year 1978, to provide for the Presidential appointment of the Chairman and Vice Chairman of the Commission, to provide for greater efficiency in the administration of the Commission, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 21, 1977.)

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. SCHWEIKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FOREIGN ASSISTANCE APPROPRIATIONS, 1978

The Senate continued with the consideration of H.R. 7797.

Mr. INOUYE. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HARRY F. BYRD, JR. I yield.

REQUEST FOR TIME-LIMITATION ON AMENDMENTS

Mr. INOUYE. Mr. President, I ask unanimous consent that time on any amendment which, under the previous order, was granted 1 hour be reduced to 30 minutes on each side.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, I object to that for the time being. We might work something out later.

The PRESIDING OFFICER. Objection is heard.

The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, the figures show that instead of our Government getting its foreign aid programs under control, the Government is going in just the opposite direction.

Foreign aid programs began in 1946, some 30 years ago, and during that period of time, including the current fiscal year, the United States will have provided more than $231 billion in a vast program of foreign assistance which has directly benefited most of the nations of the world.

Those figures are not figures the Senator from Virginia developed. Those figures—and indeed all the figures I have cited—come directly from the report of the Committee on Appropriations and are included in the committee report which accompanies the pending legislation.

Most of the figures I have cited this morning are on page 6 of that committee report. So while the United States during the past 30 years has contributed more than $231 billion in foreign assistance to other nations, with that in mind one would think our transfer of U.S. resources to other nations would be declining after that long period of time and that vast amount of money would be declining. But this bill provides for a substantial increase in the amount of U.S. dollars being provided to other nations.

Of course, the only place our Government can get funds to send to foreign countries is out of the pockets of the working people of our Nation.

I think it is very important, Mr. President, that the trend be reversed.

But what is happening is that the amounts of funds being taken from the pockets of the working people and transferred to other nations are being accelerated rather than decreased.

I might point out, too, in many cases these funds are being given to heads of government, and what I am going to say next I cannot document, and I do not pretend to. But I am convinced that in many cases the funds intended for good purposes, for helping better the lives of people in those countries, are being siphoned off by leaders of governments.

I feel our entire foreign aid program needs to be totally reexamined.

I think it can be and should be very substantially reduced. Yet, as I have mentioned earlier, instead of being reduced or even held at a steady level, it is being very substantially increased.

The legislation before us dramatizes that very clearly when it provides for a 27 percent increase as compared to last year's appropriation in these fields.

To indicate the increase, I quote from page 6 of table I of the Appropriations Committee report in which it lists the grand total for foreign assistance for fiscal year 1976 as $7 billion in round figures, and the proposed figure for 1978 is $10 billion in round figures.

Mr. President, I do not plan to do it at the moment, but at a later time I shall ask unanimous consent to insert in the RECORD a summary, by country, of the huge amounts which have been transferred from the United States to a multitude of countries, more than 100 different countries, throughout the world.

If I may, at this point, I would like to ask several questions of the distinguished floor manager of the bill. Could the Senator from Hawaii give the total amount of appropriations, assuming the legislation is passed, the total amount of appropriations, in this and other bills for fiscal 1978 that will be given to the United Nations?

Mr. INOUYE. To the United Nations?

Mr. HARRY F. BYRD, JR. To the United Nations.

Mr. INOUYE. If you are talking about all funds, assessed and voluntary——

Mr. HARRY F. BYRD, JR. Yes, all funds assessed and voluntary and all other ways that they are transferred from American taxpayers to the United Nations.

Mr. INOUYE. It is approximately $500 million.

Mr. HARRY F. BYRD, JR. Approximately $500 million. I thank the Senator.

I wonder if the Senator has information showing what countries, and in what amounts, have received funds from the World Bank, say, for fiscal 1976, fiscal 1975, fiscal 1977, whichever fiscal year the information might be available?

Mr. INOUYE. The World Bank, as the Senator is well aware, provides loans and they are not making grants. Are we talking about grants?

Mr. HARRY F. BYRD, JR. In the case of the international financial institutions they would be presumably loans. Where the soft loan windows are involved one could argue whether they were loans or grants.

But in any case, what loans or grants have been made by the various international financial banks to the various countries?

Mr. INOUYE. We do not have in the files the names of the countries and amounts these countries have received in loans during the current year from the various international and financial institutions.

Mr. HARRY F. BYRD, JR. Whether they be soft loans or hard loans, as to not only the World Bank but also the

various international banking institutions to which the Federal Government makes tremendous contributions in dollars, would it not be well for Congress to have available to it exactly how the funds are being handled and in which countries loans are being made and in which amounts?

Mr. INOUYE. I completely agree with the distinguished Senator. As the committee report indicates, we have been trying now for several years to bring about a better understanding between Congress and the various international financial institutions. For example, at the present time, I think it would be of great interest to the people of the United States to know the names of the depository banks in which approximately $10 billion of cash reserves of the various international development banks are now being deposited.

Mr. HARRY F. BYRD, JR. Do we not have that information?

Mr. INOUYE. By an arrangement we are not permitted to make these figures public.

Mr. HARRY F. BYRD, JR. Yet the American public, the American taxpayers, pay the larger share of all of these funds going into these financial institutions.

Mr. INOUYE. If the Senator will look on page 1262 of the committee hearing transcript, the Senator will have, by country and by institution, the amounts applied for and amounts granted, but this does not give all of the information that the Senator seeks. For example, the purpose of the loan.

Mr. HARRY F. BYRD, JR. If I may say so, I am not sure it gives any unless I misread it. What this says on page 1262 is cumulative subscriptions and contributions to the international development lending institutions by member countries.

But my question was what do these international banking institutions do with the money after we give it to them? To whom does the money go?

We know it goes to heads of governments. Which heads of government?

Which governments and in what amounts?

Mr. INOUYE. I am certain we can get it for the Senator for his information. It is the same thing with the information relating to deposits. We would like to reach that stage some day when we can make it public. I think it would be of great interest not only to the people of the United States but also Members of Congress to know exactly whese these deposits are being held.

On page 1266 there is at least most of the information being sought by the Senator. These are the commitments made by the banks to the various countries. But unfortunately this information does not tell the Senator for what purpose.

Mr. HARRY F. BYRD, JR. Then this information is cumulative and does not include what might have been done in the more recent years, I assume.

Mr. INOUYE. No. This is as of December 31, 1976.

Mr. HARRY F. BYRD, JR. Yes. it is cumulative.

Mr. INOUYE. From the time the banks began.

Mr. HARRY F. BYRD, JR. Yes. These are cumulative commitments.

Mr. INOUYE. Yes. So, it does not precisely respond to the Senator's question as to how much was granted last year.

Mr. HARRY F. BYRD, JR. In regard to the huge deposits, to which the able Senator from Hawaii refers, that information he says is not available to the Senate.

Mr. INOUYE. It is available on a classified basis. This is by prior agreement with the members of the bank, but we are not permitted to make the list public.

Mr. HARRY F. BYRD, JR. So it puts it in the category of a CIA, does it?

Mr. INOUYE. International CIA. If the Senator will look on page 124 of the committee report, as I indicated, as of 31 January 1977, well over $10 billion in liquid assets of the banks were held in various securities and in sundry commercial and governmental financial institutions throughout the world. Unfortunately, we cannot give the Senator the names of these banks. Someday we will get it for the Senator.

Mr. HARRY F. BYRD, JR. Some banks somewhere are making huge sums, huge profits, I would assume, off of these deposits.

Mr. INOUYE. Obviously.

Mr. HARRY F. BYRD, JR. And it occurs to me that that is information that should be available to Congress and to the public.

After all, the public is supplying the funds; the U.S. taxpayer is supplying most of the funds in almost every case.

Mr. INOUYE. As the Senator is aware, that is the position of the committee, but unfortunately it is opposed by the Department of the Treasury and by the banks themselves. But let me assure the Senator that we are doing all that is in our power to make the names available for public disclosure.

Mr. HARRY F. BYRD, JR. Why would the Department of Treasury object to having Congress know where these funds are being deposited?

Mr. INOUYE. I presume as a member of the bank they go along with the unanimous decision of the bank.

Mr. HARRY F. BYRD, JR. This helps explain, I think, why there is so much pressure for all of these foreign aid programs.

I have been convinced for a long time that big banks, both in this country and in other countries, are being greatly advantaged by the foreign assistance program.

I think this is one area where big banks are getting an advantage, and yet we are not even permitted to know where the money is being deposited.

I see no reason why we should not be informed as to which of these huge banks, both in this country and elsewhere, are getting the benefit of these tremendous deposits.

I think the Senator from Hawaii mentioned $10 billion.

Mr. INOUYE. In liquid assets.

Mr. HARRY F. BYRD, JR. In liquid assets.

Mr. INOUYE. But for the most part these are short-term deposits, because they are immediately taken out to serve as a basis for loans.

Mr. HARRY F. BYRD, JR. Well, we are not certain, I do not suppose, as to just how short term they are in all cases.

We do know, even on the short term, that banks generally scramble around right much to try to get deposits, because it is to their financial advantage to do so.

Did the Senator from Hawaii say that provision is being made to get this information?

Mr. INOUYE. Yes. We have been working on this for several months now, and we were hoping that we could have resolved it by today. In fact, it is in the process of being worked out at the present time.

Mr. HARRY F. BYRD, JR. Mr. President, I want to say again as I said in my opening remarks, and I do not believe the Senator from Hawaii had come in at that point, that I think that the Senator from Hawaii has done a tremendous job on handling this legislation and developing it. While it is not acceptable in size, the size is too great, and thus is not acceptable to the Senator from Virginia, I am sure it would have been more unacceptable had it not been for the dedicated work of the able Senator from Hawaii.

Mr. INOUYE. The Senator's generous remarks are very much appreciated.

Mr. HARRY F. BYRD, JR. I know, too, the concern that has been expressed in the committee report as to the salaries which prevail at the international banking institutions, and I know also that our Secretary of the Treasury, Mr. Blumenthal, has expressed concern to the international banks in this regard.

I think the unfortunate aspect is that the bank officials, the presidents of the various banks do not have to pay income taxes. Take the World Bank, for example. The president of the World Bank, and as a matter of fact all of its employees, but I am speaking now of the higher echelon, as a practical matter they pay no income tax.

To put it another way: The American taxpayer pays the income taxes for the officers and employees of the international banking institutions, the salaries being set to provide for this.

Now, when the top officials in an agency like the international banks pay no income tax, naturally they have somewhat less concern as to the amount of tax funds that would be appropriated to their institutions than they might have if they were subject to the income tax the same as any other American citizen. I am speaking now of American citizens.

Mr. Robert S. McNamara, who is the head of the World Bank, is an American citizen and has his income taxes paid by the American taxpayer. Or, to put it another way, his salary is set in such a way that he gets the net salary when one disregards the income taxes.

I think that this is an undesirable situation. Here are the World Bank sal-

aries, on page 129 of the report. If I am reading this correctly—and the Senator from Hawaii can correct me if I am not—the way I read it, the President of the World Bank gets a gross equivalent of $111,570. That is substantially higher than any public official, any Cabinet officer, any Supreme Court Justice, and of course, any Member of Congress. It is substantially higher than any U.S. official except the President of the United States himself.

The Senior Vice President is in the same category, with $106,950. The Executive Directors, $83,830. The Alternate Executive Directors, $61,730.

The professionals, class Q, the Vice Presidents, $97,320. Class P, $89,570. O, $86,470. N, $74,960. M, $64,560. And all of those officials are paid substantially higher salaries than are the highest officials of Government in our country.

Mr. INOUYE. Mr. President, will the Senator yield?

Mr HARRY F. BYRD, JR. Yes.

Mr. INOUYE. The Senator is well aware that the committee agrees with him completely, and has so stated in the committee report.

As the Senator is aware, in our committee bill we have provided language whereby our executive, the U.S. Executive Director of the Bank, will receive no more than his superior. At the present time, the Executive Director representing the U.S. interests at the World Bank receives more than the Secretary of the Treasury. So what we are trying to do is bring his pay level down to that of the assistant secretary, his superior. We are also trying to reduce the salary of the Executive Director.

Mr. HARRY F BYRD, JR. Actually, that is a part of the bill which is before the Senate now.

Mr. INOUYE. The Senator is correct, yes.

Mr. HARRY F. BYRD, JR. But, of course, that applies only to the Executive Director. and I guess to the alternate Executive Director, I am not sure.

Mr. INOUYE. Of the United States.

Mr. HARRY F. BYRD, JR. Of the United States. It does not apply to the President or the Senior Vice President, both of whom are U.S. citizens.

Mr. INOUYE. They are U.S. citizens, but they are employees of the international institution.

Mr. HARRY F. BYRD, JR. It does not apply to these other individuals either.

What I am pointing out, and what the committee report, indeed, points out, and what I am sure the Senator from Hawaii concurs in, is that in appropriating funds to these international banking institutions, we are turning over vast sums of American tax dollars. After doing that, we lose all power and all authority as to how those funds will be used, as to what salaries will be paid, and as to what countries loans will be made to, or what countries to which loans cannot be made.

So we are turning these vast sums of American tax dollars over to the international banking institutions without any strings attached.

In previous comments on the Senate floor, the argument has been made that these banks do quite well with the funds, and that money which is loaned to various countries sometimes, or frequently, comes back to this multitude of international banks.

What is never pointed out is that none of that money—none of it—ever comes back to the U.S. Treasury. Once that money is appropriated to the international banking institutions, that money is gone insofar as the American taxpayer is concerned. The banking institutions may get repaid from time to time on their loans, but that money does not come back to the American Government.

At a later date, at the conclusion of my remarks, I wish to put into the RECORD an article from the Washington Post of July 23, the caption of which is "Blumenthal Asks Cap on International Bank Salaries." I shall not do that right at the present time; I will get to it a little later, at a later time.

At this time, Mr. President, I do again commend the able Senator from Hawaii for an excellent speech which he made in the Senate on June 14, 1977, pointing out—and I think it is the first time this has been done so forthrightly—that commitments of U.S. tax funds can be made only by the Congress.

The Senator from Hawaii in that Senate address on June 14, 1977, in which he presented an amendment, I assume to the International Financial Institution authorization bill, stated:

> My amendment to the bill reported by the Senate Foreign Relations Committee makes a clear statement of fact: The commitment of U.S. resources to international financial institutions, or indeed to any purpose, is subject to the appropriation of those resources. This is an incontestable statement grounded in the bedrock of the Constitution.

I think the Senator from Hawaii is so right. As a result of the speech by the Senator from Hawaii it may be different in the future. In the past so many of our colleagues have argued that once the executive branch makes an agreement as to how much the United States will contribute to these various international financial institutions, that is regarded as being an obligation of our Government. I believe it is quite important that the Senator from Hawaii has made clear that it is indeed not a commitment until the Congress appropriates the funds.

The Senator from Hawaii made another statement which I think should be repeated.

> Mr. President, in a statement notable for both its sweeping grandure and for its departure from reality, the Foreign Relations Committee report declares: "The power of commitment rests with the authorizing committee." I would like to most humbly say this is preposterous.

There, again, those are the words of the able Senator from Hawaii. The Senator from Virginia would like to associate himself with those remarks.

Then the Senator from Hawaii goes on to say:

> The authorizing committee has the power to recommend the authorization of U.S. participation in international funding arrangements. The authorizing committee has the power to recommend the authorization to a level of participation. The authorizing committee does not have the power to commit U.S. resources.

Then another splendid statement in that speech by Senator INOUYE:

> The commitment of U.S. resources follows from and can only follow from the appropriation by law of those resources.

I believe that is a vitally important contribution which the able Senator from Hawaii has made to this whole area of appropriating tax funds to these international organizations.

Mr. President, how much time have I utilized?

The PRESIDING OFFICER. The Senator has used 45 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, at this time I ask unanimous consent to have printed in the RECORD the historical totals of U.S. economic and military assistance to foreign nations for the fiscal year 1946 through 1977. This table gives the countries and the amount which went to each country.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

HISTORICAL TOTALS OF U.S. ECONOMIC AND MILITARY ASSISTANCE

The following table presents summary and detail information relating to the totality of U.S. foreign assistance (economic and military) furnished to other nations during the period fiscal year 1946–76. It has been extracted from information assembled and presented by the Agency for International Development in the current edition of its publication, U.S. Overseas Loans and Grants.

HISTORICAL UNITED STATES FOREIGN ASSISTANCE [1]

Summary for all countries

Total, economic and military assistance, fiscal years 1946–76	$191,833,400,000
Total, other U.S. loans and grants, fiscal years 1946–76	30,596,700,000
Total, fiscal year 1977 (estimated)	9,290,286,000
Grand total, U.S. foreign assistance, fiscal years 1946–77	[2] 231,720,386,000

Detail by Region and Country (Fiscal Years 1946–1976)

A. Near East and South Asia	45,138,700,000
Afghanistan	498,200,000
Bahrain	1,200,000
Bangladesh	1,015,600,000
Cyprus	85,400,000
Egypt	2,269,800,000
Greece	4,894,400,000
India	9,494,800,000
Iran	2,172,500,000
Iraq	95,500,000
Israel	8,329,800,000
Jordan	1,599,200,000
Lebanon	153,600,000
Nepal	201,300,000
Oman	1,000,000
Pakistan	5,427,500,000
Saudi Arabia	327,700,000
Sri Lanka	289,000,000
Syria	279,800,000
Turkey	7,394,100,000
Yemen, People's Democratic Republic of	4,500,000
Yemen, Arab Republic	67,600,000
Central Treaty Organization (CENTO)	54,100,000
Near East and South Asia regional	481,900,000

Footnotes at end of table.

B. Latin America	$15,974,900,000
Argentina	463,700,000
Bahamas	300,000
Barbados	1,400,000
Belize	7,600,000
Bolivia	746,800,000
Brazil	3,078,300,000
Chile	1,333,900,000
Colombia	1,491,900,000
Costa Rica	213,200,000
Cuba	20,100,000
Dominican Republic	567,800,000
Ecuador	373,500,000
El Salvador	180,400,000
Guatemala	405,800,000
Guyana	81,100,000
Haiti	165,900,000
Honduras	237,800,000
Jamaica	108,100,000
Mexico	298,900,000
Nicaragua	296,600,000
Panama	372,500,000
Paraguay	191,400,000
Peru	681,400,000
Surinam	5,800,000
Trinidad and Tobago	40,500,000
Uruguay	248,000,000
Venezuela	354,000,000
Other West Indies	13,400,000
ROCAP	273,900,000
East Caribbean regional	60,400,000
Latin America regional	3,660,700,000
C. East Asia	61,189,700,000
Burma	193,100,000
Cambodia	2,186,900,000
China, Republic of	6,510,400,000
Hong Kong	43,800,000
Indochina, undistributed	1,557,100,000
Indonesia	2,296,300,000
Japan	3,959,700,000
Korea	12,592,700,000
Laos	2,506,100,000
Malaysia	159,500,000
Philippines	2,628,600,000
Ryukyu Islands	413,700,000
Singapore	23,600,000
Thailand	2,161,200,000
Vietnam	23,394,900,000
Western Samoa	5,900,000
East Asia regional	556,500,000
D. Africa	6,615,200,000
Algeria	193,200,000
Benin (formerly Dahomey)	18,200,000
Botswana	41,900,000
Burundi	12,700,000
Cameroon	41,000,000
Cape Verde	7,200,000
Central African Empire	9,600,000
Chad	29,400,000
Congo, People's Republic of the	7,000,000
Ethiopia	636,900,000
Gabon	11,100,000
Gambia, the	10,600,000
Ghana	311,300,000
Guinea	124,900,000
Guinea-Bissau	1,100,000
Ivory Coast	40,900,000
Kenya	177,000,000
Lesotho	30,200,000
Liberia	255,900,000
Libya	230,100,000
Madagascar	16,800,000
Malawi	31,600,000
Mali, Republic of	83,100,000
Mauritania	28,100,000
Mauritius	16,200,000
Morocco	1,061,900,000
Mozambique	12,300,000
Niger	73,000,000
Nigeria	409,400,000
Portuguese Territories	1,700,000
Rwanda	13,900,000
Senegal	72,000,000
Seychelles	800,000
Sierra Leone	54,700,000
Somali Republic	83,500,000
South Africa, Republic of	1,300,000
Southern Rhodesia	$7,000,000
Sudan	130,100,000
Swaziland	10,900,000
Tanzania	170,800,000
Togo	29,800,000
Tunisia	861,300,000
Uganda	43,300,000
Upper Volta	52,900,000
Zaire	578,400,000
Zambia	35,700,000
Central and West Africa regional	131,500,000
East Africa regional	35,800,000
Southern Africa regional	66,500,000
Africa regional	310,800,000
E. Europe	43,477,400,000
Albania	20,400,000
Austria	1,255,100,000
Belgium-Luxembourg	1,867,500,000
Czechoslovakia	193,000,000
Denmark	922,000,000
Finland	57,000,000
France	8,466,700,000
German Democratic Republic	800,000
Germany (Federal Republic)	4,980,500,000
Berlin	131,900,000
Hungary	32,700,000
Iceland	82,200,000
Ireland	146,500,000
Italy	5,851,100,000
Malta	67,000,000
Netherlands	2,312,300,000
Norway	1,245,700,000
Poland	539,300,000
Portugal	618,400,000
Romania	9,700,000
Spain	1,945,200,000
Sweden	109,000,000
United Kingdom	8,779,600,000
U.S.S.R.	186,400,000
Yugoslavia	2,821,800,000
Europe regional	835,800,000
F. Oceania	840,300,000
Australia	123,400,000
New Zealand	8,600,000
Papua New Guinea	300,000
Trust Territory of the Pacific Islands	693,400,000
Other Oceania	14,400,000
G. Canada	30,500,000
H. Interregional	18,566,600,000

Information as of September 30, 1976.

[1] Basic data (fiscal years 1946–1976) taken from "U.S. Overseas Loans and Grants and Assistance from International Organizations," a publication of the Agency for International Development. See this publication for explanation and detail. Summary totals may differ slightly due to use of full numbers.

[2] Through September 30, 1976, repayments of principal and interest of both economic and military loans total $21,461,600,000. In addition, it is estimated that $496,843,900,000 will be repayed on AID loans in fiscal year 1977.

Mr. HARRY F. BYRD, JR. Now, Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Washington Post of Saturday, July 23, 1977, captioned "Blumenthal Asks 'Cap' on International Bank Salaries."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 23, 1977]

BLUMENTHAL ASKS "CAP" ON INTERNATIONAL BANK SALARIES

(By Hobart Rowen)

Treasury Secretary W. Michael Blumenthal plans to ask the heads of the World Bank and International Monetary Fund to put a "cap" on further increases in the tax-exempt salaries those institutions pay.

Because of the exemption the salaries are 30 to 40 per cent higher than they look, and also about the same percentage above those paid for comparable U.S. government jobs.

Blumenthal in an interview scored the bank and IMF salary levels as "excessive" and warned that "if we hadn't put some limits" on the pay at international agencies, Congress is likely to place restrictions on U.S. contributions to them.

The discrepancy between pay levels at the international lending institutions and U.S. scales comes about because they pick up the tax bills for U.S. citizens and pay generous allowances for dependents.

As an example, Blumenthal pointed out that Edward Fried, U.S. executive director for the World Bank, is paid $47,500. Theoretically, that's a notch below an assistant secretary of the treasury at $50,000. But Blumenthal estimated that Fried's tax-exempt pay is the equivalent of a taxable $75,000 to $80,000, or better than anyone in the U.S. government except the President and the Vice President.

World Bank President Robert S. McNamara is paid the equivalent of $116,000, against Blumenthal's Cabinet level salary of $66,000.

According to a World Bank spokesman, the bank reimburses its U.S. employees, dollar for dollar, for federal and state taxes, at a cost of about $15 million a year. That provides a salary worth up to $90,000 for any American who happens to be a bank vice president, up to $70,000 for a department head, and around $60,000 for a senior specialist, such as an economist. IMF scales are similar.

"We're very much concerned about this problem," Blumenthal said. "We just don't think that excessive salaries considerably above virtually everybody in this government are essential . . . The fact is they create great difficulty for us to get the collaboration of the Congress."

He cited the recent action of the Senate Appropriations Committee that reported an aid bill to the floor reducing salaries of six top U.S. officials at the World Banks, the Inter-American Bank, and the Asian Development bank from the $80,000 level to a maximum of $50,000. Whether this provision survives a conference session with the House remains to be seen.

Blumenthal was also highly critical of "lavish" subsidies he said the lending agencies pay for "restraurants," "travel of wives, all sorts of things." In a recent floor speech, Rep. C. W. Young (R.-Fla.) charged that the World Bank makes personal loans to employees at 4 per cent interest using funds intended "for the poorest of the poor."

Officials at the agencies vigorously contest the charge that their salaries are too high. A World Bank spokesman said in an interview that Bank salaries are less than those paid by the United Nations, or by the European Common Market in Brussels. At all of the affected agencies the argument is made that high salaries are necessary to attract highly-qualified professionals.

The tax-exempt status provides a net benefit for a U.S. employee of the Bank, compared with U.S. salaries, the spokesman conceded, "but only because we are in the business of sustaining real wages, as do most governments, with the notable exception of the U.S. government."

The bank spokesman said that the average real wage in the bank has risen less than 1 per cent a year since 1970, and emphasized that "tax dollars" supporting national contributions to the bank "do not pay (our) salaries" The money, he said comes out of bank earnings on loans.

"We reserve the right to determine how to operate (the World Bank) effectively," he said, "and our salary structure is part of that." As for Young's report to low-interest loans, he said they had been made largely

to non-Americans settling here for the first time, and that none of the funds came from money earmarked for loans.

A key IMF official said the agency "has to pay a significant expatriation allowance to get people to come here. Washington is not regarded as that ideal."

But Blumenthal insists that "we would have to deal with this (salary problem) in some practical way probably in step-by-step negotiations with McNarmara and IMF Managing Director H. J. Witteveen.

Blumenthal recognizes that the salary issue is a difficult and sensitive one for McNamara and Witteveen to handle. No one objects to salary levels except the United States. An effort by former Treasury Secretary William E. Simon to block an IMF increase last year resulted in a one-day walkout.

"The question is: 'What is an adequate salary to attract competent people from different countries to come here to do this job?' Washington is not the Sahara desert and I really don't think you have to pay someone $100,000 and give them all these fringes to bring them here," Blumenthal said.

Mr. HARRY F. BYRD, JR. Because of its importance, unless there be objection on the part of the able Senator from Hawaii, I ask unanimous consent to have printed in the RECORD the speech which the able Senator made to the Senate on June 14, 1977, so that the RECORD will be complete on this particular point.

Mr. INOUYE. I have no objection.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

UP AMENDMENT NO. 420

Mr. INOUYE. Mr. President, I send to the desk my amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Hawaii (Mr. INOUYE) for himself and Mr. SCHWEIKER proposes unprinted amendment No. 420.

Mr. INOUYE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning with "needing" on page 11, line 15, strike out all that follows through the period on line 23, and insert in lieu thereof a period and the following new sentence: "It also notes that the availability of funds for the United States contribution to these international financial institutions is contingent upon future action by the Congress appropriating the necessary sums and thereby establishing the level of contributions for any given fiscal year.".

Beginning with page 12, line 13, strike out all that follows "That" through "Acts" on line 15, and insert in lieu thereof the following: "any subscription to additional shares shall be made only after the amount required for such subscription has been appropriated".

Beginning with page 13, line 10, strike out all that follows "That" through "Acts" on line 11, and insert in lieu thereof the following: "any commitment to make payment for such additional subscriptions shall be made subject to obtaining the necessary appropriations".

Beginning with page 14, line 2, strike out all that follows "That" through "Acts" on line 3, and insert in lieu thereof the following: "any commitment to make such contributions shall be made subject to obtaining the necessary appropriations".

Beginning with page 14, line 16, strike out all that follows "That" through "Acts" on line 19, and insert in lieu thereof the following: "any subscription to additional shares shall be made only after the amount required for such subscription has been appropriated".

Beginning with page 15, line 3, strike out all that follows "That" through "Acts" on line 5, and insert in lieu thereof the following: "any commitment to make such contribution shall be made subject to obtaining the necessary appropriations".

Beginning with page 15, line 18, strike out all that follows "That" through "Acts" on line 19, and insert in lieu thereof the following: "any commitment to make such contribution shall be made subject to obtaining the necessary appropriations".

Mr. INOUYE. Mr. President, the amendment I have sent to the desk appears, on the face of it, to involve no more than the restoration of language in the House bill bearing on provisions governing the commitment of resources to the international financial institutions.

In essence, that is what the amendment does. But, I suggest that we must carefully attend to the consequences of this amendment, for it is of great significance to U.S. participation in agreements to replenish the resources of international financial institutions, and it goes to the heart of the conduct and operation of the U.S. Senate—the committee system.

My amendment to the bill reported by the Senate Foreign Relations Committee makes a clear statement of fact: the commitment of U.S. resources to international financial institutions, or, indeed, to any purpose, is subject to the appropriation of those resources. This is an incontestible statement, grounded in the bedrock of the Constitution.

Mr. President, I believe that the adoption of this amendment is essential to the rational implementation of U.S. foreign policy and to the rigorous application of Senate procedure. In a moment I will suggest a number of the reasons which cause me to propose my amendment, but first there is one thing I would like to note in passing.

The Foreign Relations Committee report suggests that the committee went to great lengths to avoid having a point of order raised against sections of the bill which appear to be in violation of the requirements of the Congressional Budget and Impoundment Act. I am of the opinion that a point of order could be held against this bill, but I prefer to treat substantive issues which are directly linked to the commitment of U.S. resources to the international financial institutions. I leave it to the Budget Committee to decide whether or not to raise a point of order.

I would only note here that, according to the report:

"It was felt by a number of Members of the Committee that the Budget Act had been written without full consideration of its ramifications on the conduct of U.S. foreign affairs."

Once I have stated my objections to the reported bill, I believe that many here will agree that the reported bill, itself, was apparently "written without full consideration of its ramifications on the conduct of U.S. foreign affairs."

Mr. President, in a statement, notable both for its sweeping grandeur and for its departure from reality, the Foreign Relations report declares, and I quote:

"The power of commitment rests with the authorizing committee."

I would like to most humbly say this is preposterous.

The authorizing committee has the power to recommend the authorization of U.S. participation in international funding arrangements;

The authorizing committee has the power to recommend the authorization of a level of participation;

The authorizing committee does not have the power to commit U.S. resources. To assert that it does is to invade terrain reserved to the Appropriations Committee. The commitment of U.S. resources follows from, and can only follow from, the appropriation, by law, of those resources.

For the United States to make a cogent, authoritative, and valid pledge to contribute resources to an international financial institution, that pledge must be subject to the appropriation of amounts necessary to fulfill the pledge. When there is no recognition of the requirement for an appropriation, intention is confused with aspiration.

Representatives of the United States in international negotiations can say that the United States hopes to contribute a certain sum—that is an aspiration. But, if by subscription, in the absence of an appropriation, they indicate that the United States intends to contribute a certain sum, they are making a hollow pledge. The commitment can be fulfilled only after funds are appropriated. It is therefore, necessarily a conditional commitment.

What the administration sought to do—what my amendment seeks to do—what the House bill does—is to state, in the face of the law authorizing U.S. participation in international funding arrangements, this clear distinction between aspiration and intention, between hope and fulfillment, between the process of commitment as the Foreign Relations Committee would see it, and as it really is.

In the past the United States has, unfortunately, made pledges in advance of appropriations without fully expressing their contingent nature. Because of this, when the Congress has declined to appropriate the full amount pledged by administration officials in international meetings, confusion has been engendered at home, mistrust abroad.

In recent times, the highest authorities in the U.S. Government have declared publicly:

"We have up until now defaulted on the word of honor of our country . . . Other countries have kept their word. We have broken our word so far."

This ad hominum argument is repeatedly voiced in requests to the Congress for appropriations of ever increasing contributions to the international financial institutions. Allow me to quote the congressional presentation of the Agency for International Development:

"Failure of the United States to meet our commitments has been very damaging."

And again:

"Delay in fulfilling U.S. pledges has been taken . . . as a discouraging sign of the inability of the United States to honor its commitments. . . ."

Mr. President, I submit that these statements, which question the honor of our country, put intense pressure on the Appropriations Committee to blindly approve whatever amounts are requested by the administration. We are told that our national honor must be upheld, that the United States has made commitments in international negotiations, that a failure of the Appropriations Committee to abide by these pledges is inimical to the interests of the United States.

Our national honor is at stake. But, with all of the talk about U.S. commitments in

international agreements, I think that some may have forgotten that we have, indeed, made solemn commitments—to our own people.

Every appropriations bill which emerges from the Congress carries the phrase:

"That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated . . ."

There is much in that phrase. It says that the resources of the U.S. Treasury are limited—there is only so much money.

Others can go to London, to Paris, to Vienna, and Rome—to all of the grand capitals of the world, pledging U.S. support for a multitude of purposes, but it is the Appropriations Committee which must weigh, in its singular responsibility, the competing demands for money "not otherwise appropriated."

Some may regard U.S. participation in international financial institutions as a grand potluck ceremony, in which the wealth of the United States is to be given away, but the Appropriations Committee must husband the resources of our country—that there may be enough to meet our national goals. The needs of our own people must be placed in the balance when we weigh the needs of the international community; our goals at home must be balanced against our goals in the international arena. We cannot pledge what we do not have, and we do not have everything.

That is why U.S. contributions to international financial institutions are—and must be—subject to appropriations.

That there may be no doubt, let me state that it is the considered judgment of the Appropriations Committee that any pledge, commitment, or subscription to increase U.S. participation in any international financial institution, which does not specify that it is subject to appropriation, is not valid. This traditional position of the Appropriations Committee was amplified in a letter by its chairman, Senator JOHN MCCLELLAN, to the then Secretary of the Treasury, William E. Simon. The letter, sent on January 15, 1975, stated:

It has been the longstanding view of the committee that only the enactment of an appropriation bill can obligate the United States to any given payment to the international development banks . . . it should now be clearly understood that the Congress is not committed to any given funding level until that figure is actually appropriated.

On April 30, 1976, the then chairman of the House Appropriations Subcommittee on Foreign Operations, Mr. Passman, and I joined in a letter to Secretary Simon. Our letter stated our belief that "the possibility of any misunderstanding" could be avoided by making pledges to international financial institutions "clearly contingent upon appropriation of the amount involved."

Mr. President, I ask unanimous consent that the text of these two letters be printed in the RECORD at the close of my remarks.

The PRESIDING OFFICER. (Mr. METZENBAUM). Without objection, it is so ordered.

(See exhibit 1.)

Mr. INOUYE. Mr. President, perhaps I can make a further observation which will serve to cut away the thickets of ambiguity which have surrounded this issue.

The report of the Foreign Relations Committee notes that committee members were concerned that the President could be precluded from making "an unconditional, multiyear commitment under which the U.S. incurs financial obligations." Consequently, the reported bill provides for multiyear authorizations.

Now, were we to accept the proposition that authorization of U.S. participation in multiyear funding agreements is sufficient to enable the administration to unconditionally pledge, on behalf of the United States, payment of specific amounts in future years, future Congresses would be bound—de facto, if not de jure—to appropriate the necessary funds.

This proposition is antithetical to the traditional and established procedures of the Senate. It is, moreover, of doubtful validity on constitutional grounds. Neither the administration nor Congress can bind future Congresses to any given level of contributions. My amendment would avoid this legislative imbroglio by making U.S. contributions subject to the annual appropriations process.

Now let me turn to another reason that caused me to offer this amendment. It, too, is concerned with the nature of U.S. commitments to international financial institutions.

The reported bill does not require the appropriation of callable capital. The House bill does.

The administration and the Appropriations Committees of the House and the Senate have taken the position that all callable capital contributions should be appropriated by Congress. By restoring the language of the House bill, my amendment will insure that this is done.

The Appropriations Committees have long contended that to pledge callable capital in the absence of appropriations is to circumvent the established budgetary and appropriations processes and to contravene our concerted efforts to eliminate "backdoor funding" of Federal programs.

On April 30, 1976, Congressman Passman and I joined in a letter to the then Secretary of the Treasury in which we said:

"Although the callable capital of the banks may constitute a 'virtual risk free obligation' it is very much an obligation."

On October 8, 1976, I wrote to Secretary Simon protesting his proposal to pledge callable capital "after the Congress—had—considered and specifically declined to appropriate the full amount requested by the President." I might add that Secretary Simon had not even informed the House Appropriations Committee of his proposed action. And, on February 2, of this year, the chairman of the House Appropriations Subcommittee on Foreign Operations joined me in a letter to Secretary of the Treasury Blumenthal, informing him that it was our collective judgment that all pledges of callable capital "should follow only upon the provision of budget authority in an appropriation bill."

Mr. President, I ask unanimous consent that the text of these letters be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. INOUYE. Secretary Blumenthal agreed with the position of the two Appropriations Committees and the administration amended the fiscal year 1978 budget presentation to incorporate requests for the appropriation of callable capital.

Now the Foreign Relations Committee has reported a bill which, for the first time, attempts to provide a legislative justification for pledging callable capital without an appropriation. It has done so notwithstanding the definition of callable capital found in its report:

"Callable capital is a guarantee and an obligation backed by the full faith and credit of the United States."

Mr. President, I hope I have made it abundantly clear that guarantees and obligations—if they are to be backed by the full faith and credit of the United States—if they are to have credibility and meaning—must be based on the appropriation of funds. My amendment, which, as I have said, restores the House language on this matter, would give meaning to pledges of callable capital by making them subject to appropriation.

If I may summarize at this point, the reported bill raises jurisdictional and procedural matters of consequence. The issues at hand do not stem from some petty squabble between the two Senate committees, for they turn not only on how we are to conduct the business of the Senate, but also on how the United States is to give credibility and meaning to its position in international funding agreements. I believe that these issues can be resolved by the adoption of my amendment.

Before yielding the floor, Mr. President, I shall respond to several matters that have been brought up by our distinguished colleague from Minnesota.

As you recall, Mr. President, he was quite concerned that the Appropriations Committee would insist upon full funding of callable capital to international banks but just 10 percent for military sales.

There is a basic difference involved. In the case of military sales we are dealing with entities that are subject to the laws of the United States; in fact, for the most part they are agencies of the Government.

In the case of the international banks, we are dealing with international institutions over which we have no control and little ability to direct.

It may be of interest to colleagues to note, for example, that notwithstanding all of the demands we have made for austerity, for cutting down unnecessary expenses and bringing about greater efficiency, the international banks still insist upon paying the highest salaries of all international organizations.

For example, at the present time the Secretary of the Treasury, the man who is in charge of our involvement of international financial institutions, under the new pay raise receives a gross of $66,000. Our U.S. delegate, the man who is appointed by the Secretary of the Treasury to the World Bank, is now paid at an annual rate of $83,800. In this case the subordinate to the Secretary of the Treasury gets more than he. And the delegate's deputy gets paid $61,700. At this juncture, it might be well to note that the pay of a U.S. Senator is $57,000, which is incidentally equivalent to the eighth pay level in the World Bank. The U.S. delegate to the International American Development Bank is paid at an annual rate of $77,750 and his assistance get $56,000.

Furthermore, at the present time the World Bank has liquid assets in excess of $7.5 billion. I grant you that these are obligations against loans but they are amounts not yet expended. These funds have been placed on deposit throughout the world. I believe the location of these deposits should be public information. Can anyone answer why they are not? These are reasons why we insist upon 100 percent funding of callable funds.

Mr. President, please note that my amendment has nothing to do with the level of funding. In fact, as a member of the Appropriations Committee. I have been always sympathetic with goals of our development banks. At the same time I have my responsibility as a Senator and as a chairman of my committee to point out that to permit the present bill to pass without amendment would be a travesty. Therefore, I ask that Senators agree with the amendment and support it.

Mr. HARRY F. BYRD, JR. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. NUNN). The question is on agreeing to the committee amendment. Does each Senator yield back his time?

Mr. HARRY F. BYRD, JR. What is the amendment, Mr. President?

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 4, line 14, after the word "university," strike all through line 25.

Mr. ALLEN. Mr. President, is this the amendment we were on at the time of the recess last night, Mr. President?

The PRESIDING OFFICER. The Senator is correct.

Mr. CLARK. Will the Senator from Hawaii yield for a question?

Mr. INOUYE. Yes.

Mr. CLARK. Is this the amendment which would affect the ceilings on the Namibia Institute?

Mr. INOUYE. This is the amendment which would remove a ceiling for the United Nations Namibia Institute.

Mr. CLARK. And the amendment would have the effect only of removing that ceiling?

Mr. INOUYE. The committee amendment would have stricken out the House language that ran from line 14 to line 25. The effect would be to just take off the ceiling.

Mr. CLARK. I know there had been some discussion before I arrived last night about writing a prohibition into the bill prohibiting money in the bill to be spent for the Namibia Institute. That is not at issue in this amendment, as I interpret this?

Mr. INOUYE. The committee amendment does not prohibit the use of funds, but last night before adjournment the manager of the bill and the distinguished Senator from Alabama did discuss the possibility of amending this section to prohibit the use of funds in this bill for the Namibia Institute.

Mr. CLARK. But that amendment is not before us at this time?

Mr. INOUYE. Not at this time.

Mr. CLARK. I thank the Senator.

Mr. ALLEN. Will the Senator yield?

Mr. INOUYE. I will be glad to yield.

Mr. ALLEN. I wonder why that would not be before the Senate. The distinguished manager of the bill made a proposed modification of the committee amendment. The Senator from Alabama and the Senator from Virginia agreed to that modification. I am somewhat surprised that that modification is not to be offered at this time.

Mr. INOUYE. I was under the impression that at that time the staffs of the three Senators were trying to work out the language. In fact, the Senator was sitting here discussing it with the staff.

Mr. ALLEN. Have the staffs worked out the language?

Mr. INOUYE. I have a substitute.

Mr. ALLEN. The Senator has a substitute?

Mr. INOUYE. Yes.

Mr. ALLEN. That is going to be offered at the conclusion of the allotted time?

Mr. INOUYE. I will either offer the substitute or work from the committee amendment.

May I suggest that we call a quorum and consider together for a while?

Mr. ALLEN. That would suit me.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, Senator ALLEN, Senator CLARK, and I have been in conference on this matter and, in accordance with our agreement, I would like to make the following changes.

On page 4, line 3, the committee would like to modify the number $243,850,000 to $224,750,000, and restore the House language which was stricken from line 14 to and including line 25 on page 4.

The PRESIDING OFFICER. The Chair would observe that it would take unanimous consent to make such a change, and the Chair would further observe that this figure that has been quoted has already been modified by the committee.

Mr. INOUYE. Mr. President, I ask unanimous consent that the figure $243,850,000, appearing on line 3, page 4, be amended to read $224,750,000.

The PRESIDING OFFICER. That figure is no longer in the bill. The figure is now $234 million, as modified.

Mr. INOUYE. Mr. President, I ask unanimous consent that the figure $234,350,000 appearing on line 3, page 4, be amended to read $224,750,000, and that the House language that was stricken by the committee on page 4, from line 14 to line 25, be restored.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object, and I do not plan to object, the House passed the bill with the figure $257,000,000. Heretofore, it was modified by the committee down to $234 million. The distinguished Senator now is suggesting modifying it again and reducing it further by $9 million. Is that correct?

Mr. INOUYE. The Senator is correct.

Mr. ALLEN. As I understand it, the reason for this modification is that the House bill has this $9 million for the U.N. Cyprus peacekeeping force at another place in the bill.

Mr. INOUYE. The Senator is correct.

Mr. ALLEN. If this action were not taken, there would be two $9 million items, which could result in an appropriation of $18 million. But the Senator's requested modification would remove that possibility and limit the amount to $9 million, if the conferees agree on that figure. Is that correct?

Mr. INOUYE. The Senator is correct.

Mr. ALLEN. Since the Senate has no $9 million figure in it, it could end up with no appropriation for this purpose. Is that correct?

Mr. INOUYE. That is correct.

Mr. ALLEN. I thank the Senator.

Mr. CLARK. Mr. President, reserving the right to object, I had not realized that the amendment would include the change of the figure. If the unanimous-consent request is agreed to and the $9 million is removed here, does it affect any part of the United Nations funding or international organization funding other than Cyprus?

Mr. INOUYE. We would have to make one change, which would appear on page 9, and I was about to make the unanimous-consent request. That appears on lines 20 to 24. That is to restore the House language.

Mr. CLARK. But the unanimous-consent request would affect only Cyprus?

Mr. INOUYE. The Senator is correct.

Mr. CLARK. I thank the Senator.

The PRESIDING OFFICER. Is there objection?

Mr. SARBANES. Mr. President, reserving the right to object, do I correctly understand that later in the bill, on page 9, the House language, which provided for funding of the peacekeeping force—which, of course, is an enormously important element in maintaining peace in the area—would be restored?

Mr. INOUYE. I was just about to make the unanimous-consent request.

Mr. SARBANES. I understand the point that it should not be in two places, but it should be in one place and not eliminated altogether.

Mr. INOUYE. After this unanimous-consent request is granted, I shall make another unanimous-consent request to restore the House language.

Mr. ALLEN. Mr. President, reserving the right to object, I think the way to handle that would be to kill the Senate amendment to the item on page 9. That would leave the House language in the bill. It would not be in conference. We would be assured of the peacekeeping force, but we would not have the possibility of having paid twice.

Mr. SARBANES. That is correct. I understand it is agreeable to the Senator from Alabama.

I withdraw my reservation.

The PRESIDING OFFICER. Is there objection to changing the figure on page 4, line 3, disagreeing to the committee amendment on the same page from lines 14 to 25, and disagreeing to the committee amendment on page 9, striking lines 21 to 24?

Mr. ALLEN. Lines 21 to 24.

Mr. INOUYE. Lines 20 through 24.

The PRESIDING OFFICER. Lines 20 through 24. Is there objection? The Chair hears none, and it is so ordered.

Mr. ALLEN. Mr. President, as I understand it, by the modification, the ceilings provided for these agencies and functions of the U.N., provided by the House, will be accepted by the Senate, and this matter will not be in conference. I ask the distinguished Senator from Hawaii if that is correct.

Mr. INOUYE. The Senator is correct.

Mr. ALLEN. So whatever ceiling the House set could not be exceeded in conference on this item on page 4.

Mr. INOUYE. The Senator is correct.

Mr. ALLEN. I think that is a good resolution of the issue.

Mr. INOUYE. Mr. President, may we proceed? I yield back the remainder of my time.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. INOUYE. I yield.

Mr. HARRY F. BYRD, JR. Mr. President, unless the Senator from Alabama feels otherwise, so far as the Senator

from Virginia is concerned, the amendments beginning on page 5 through page 9 taking into consideration what has already been done at the end of page 9, could be handled en bloc, if it should be the desire of the manager of the bill to do so.

Mr. ALLEN. I would rather check it. If the Senator does not mind, perhaps we can have a short quorum call.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. There is no time remaining. The Senator from Alabama has time.

Mr. ALLEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Hawaii suggested the absence of a quorum. The Senator from Hawaii has time on the bill.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that John Napier, of the Judiciary Committee; Ed Kenney, of the Armed Services Committee; and Jim Bennett, of the Judiciary Committee, be allowed the privilege of the floor during the consideration of the foreign assistance appropriation bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SCHWEIKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendments appearing on page 5 through line 11 on page 9 be considered en bloc and accepted.

The PRESIDING OFFICER. Without objection, they are considered and agreed to en bloc.

The amendments agreed to en bloc are as follows:

On page 5, line 3, strike "$25,000,000" and insert "$19,800,000";

On page 5, beginning with line 4, strike through and including line 9;

On page 5, line 17, strike "$20,000,000" and insert "$30,000,000";

On page 5, line 20, following "expended" insert a colon and *"Provided*, That no part of such appropriation may be available to make any contribution of the United States to the Sahel development program in excess of 10 per centum of the total cash contributions to such program";

On page 6, line 1, strike "$39,000,000" and insert "$38,000,000: *Provided*, That not to exceed $3,000,000 shall be for the United Nations Fund for Drug Abuse Control: *Provided further*, That $12,475,000 shall be available only for programs in Mexico";

On page 6, line 18, strike "except as otherwise provided by law,";

On page 6, line 20, strike "purposes for which appropriated" and insert "appropriation account and under the same terms, conditions, and limitations as originally provided in appropriations Acts";

On page 7, line 1, following "amended," insert "are, if deobligated, hereby continued available";

On page 7, line 2, beginning with "purpose" strike through and including "programs" in line 14, and insert in lieu thereof: appropriation account and under the same terms, conditions, and limitations as originally provided in appropriations Acts: *Provided*, That the Appropriations Committees of both Houses of the Congress are notified fifteen days in advance of the obligation of such funds for activities, programs, projects, type of materiel assistance, countries or other operations not justified or in excess of the amount justified for fiscal year 1978.

On page 7, beginning with line 22, insert: The Mutual Security Appropriation Act, 1956, is amended by striking out section 108 thereof.

On page 8, line 18, strike "unless the Appropriations Committees of both Houses of the Congress are previously notified fifteen days in advance";

On page 9, line 2, before the period, insert a colon and the following: *"Provided further*, That none of the funds appropriated under this heading may be used to carry out those provisions of section 903 of the Foreign Assistance Act of 1961 which pertain to the Sinai support mission".

On page 9, line 5, strike out "531" and insert in lieu thereof "497, 531, and 533".

On page 9, line 6, immediately after the second comma insert the following: "and those provisions of section 903 of the Foreign Assistance Act of 1961 which pertain to the Sinai support mission,".

On page 9, line 6, strike out "$2,214,700,000" and insert in lieu thereof "$2,202,200,000".

The PRESIDING OFFICER. The clerk will report the next amendment.

The assistant legislative clerk read as follows:

On page 9, beginning with line 12, insert: Loan Allocation, Security Supporting Assistance: Of the new obligational authority appropriated under this Act for Security Supporting Assistance, not to exceed $856,800,000 shall be available for grants: *Provided*, That of the amounts available for loans, not to exceed $865,400,000 shall be available for loans with maturities in excess of thirty years following the date on which funds were originally made available under such loans.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. INOUYE. I will be very happy to yield, sir.

Mr. ALLEN. This is a similar matter to the matter we had up on the first amendment.

The PRESIDING OFFICER. Who yields time?

Mr. INOUYE. I yield——

Mr. ALLEN. Would the Senator yield 10 minutes?

Mr. INOUYE. Ten minutes.

Mr. ALLEN. May I ask unanimous consent that the time be equally divided inasmuch as I seek to engage in colloquy with the distinguished manager of the bill? I ask that unanimous consent.

Mr. SCHWEIKER. Is that on this amendment?

Mr. ALLEN. Yes; we are on this amendment.

Mr. President, I ask unanimous consent that the time consumed be charged equally to both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is ordered.

Mr. ALLEN. I would like to inquire as to how much money in all is available for a loan in this area inasmuch as this amendment would allow $856,800,000 to be loaned with maturities in excess of 30 years, and I assume that would mean up to 100 years, for that matter, because that would be in excess of 30 years. How much is the total fund of which this amount is carved out for loans in excess of 30 years?

Mr. INOUYE. The gross amount is $1,065,400,000.

Mr. ALLEN. In other words, approximately 80 percent of these loans can go up to 100 years; is that right? You said less than $1.1 billion, so apparently some 80 percent of these loans can go up as high as 50, 60, 100 years.

Mr. INOUYE. Forty years.

Mr. ALLEN. It just says in excess of 30 years.

Mr. INOUYE. In excess of 30 years. In other words, the others will have to be matured in 30 years——

Mr. ALLEN. Or less.

Mr. INOUYE. Or less.

Mr. ALLEN. Yes. But 80 percent of them——

Mr. INOUYE. I would like to point out to the Senator, if I may, this is the first time Congress has attempted to allocate the loans under this program, security supporting assistance, in different maturities. Up until now the officials of different administrations have insisted that all of the loans be made on a 40-year basis. We decided——

Mr. ALLEN. There is nothing here that even limits it to 40 years. It just says you can lend 80 percent of it approximately in loans with maturities in excess of 30 years, with no ceiling.

What disturbs me is that——

Mr. INOUYE. There is a ceiling which is set by the authorization bill, and the ceiling is 40 years.

Mr. ALLEN. Yes; but this does not refer to any ceiling. It says this could be a new authority with the go-ahead of whatever language there is now. This would be an act of Congress.

Mr. INOUYE. The authorization would control this section. All this says is it can mature any time between 30 and 40 years.

Mr. ALLEN. But the section does not say that, of course. I think it is fine that the distinguished Senator says the committee is saying that some of these loans can be made in excess of 30 years. But why did you pick 20 percent as the number or the percentage that had to be under 30 years? Would not a much higher percentage be more in order?

Mr. INOUYE. This is the first time it has been attempted. I should point out to the Senator this step was taken with the disagreement on the part of the administration.

Mr. ALLEN. Will these loans be made to sovereign nations?

Mr. INOUYE. These are loans being

made primarily to Egypt, Syria, Jordan, and Israel.

Mr. ALLEN. I wonder why we would lend for such a long term?

Mr. INOUYE. Because of their present economic condition.

Mr. ALLEN. You do not think they are going to improve in the next 30 years then?

Mr. INOUYE. Well, for example, in the case of Israel, as the Senator is well aware, the income of the average wage earner in the State of Israel is at the present time approximately $3,400. Of that amount, 70 percent is subject to taxes, involuntary purchases of bonds, and other assessments. In other words, average Israeli wage earners are the highest-taxed people in the world.

Furthermore, because of the present circumstances, 35 percent of the gross national product of the State of Israel is now being set aside for defensive purposes as compared to approximately 6 percent in the United States.

From any calculation this is a very high percentage to be set aside for purposes of warfare, whether defensive or offensive.

The per capita income in Egypt is at present $280. The Secretary of State, as the Senator is well aware, is presently visiting these countries. He is now, I believe, in Amman conferring with King Hussein. He is hoping that, together with the program in this bill and his persuasive power, he will be able to bring the parties together and finally resolve their differences. As long as their differences exist there is always the possibility that the United States, because of our friendly relations with Israel, may get involved.

The Middle East is very important to the United States, not just because of cultural reasons but for economic reasons as well. This is where the oil is.

Therefore, when we took this initiative, we realized it was a modest attempt, but we felt if we cut further beyond the 20 percent it would make the Secretary's job that much more difficult.

Mr. ALLEN. Well, now actually with the economic conditions of some of these nations they really are not economically capable of conducting a war unless the United States furnishes the money for both sides to be able to go to war.

I have noted these appropriations in recent years as between Egypt and Israel pretty well balance off. I believe in this bill $785 million goes to Israel, and $750 million goes to Egypt. So actually we are providing the capability for both nations to wage war against each other; is that not correct?

Mr. INOUYE. No. There is a technical difference. We are providing not only economic assistance to the State of Israel, we are also providing military assistance. In the case of Egypt that is not the case.

Mr. ALLEN. It is the practice of Congress after some of these loans have been on the books for a year or two or three to come in and forgive these loans, turn them into grants.

I wonder if the Senator could tell the Senate how much volume in dollars has been converted from a loan to a gift under this type of loan in the last 3 years, I will ask?

Mr. INOUYE. In the case of security supporting assistance loans to the Middle East countries, I am happy to advise the Senator that all of the loans have been paid on time.

Mr. ALLEN If they are able to do that it looks like they would not need this in excess of 30 years if they are able to do so well.

Mr. INOUYE. But, as the Senator knows, the payments come as they mature, and these are long-term loans with no interest during the first 10 years.

Mr. ALLEN. Yes.

Possibly their ability to repay has come in part from the fact that much of it has been forgiven; is that correct? I say possibly their ability to be current on some of these loans comes about by reason on the conversion of the loans into grants; is that correct?

Mr. INOUYE. No, the bill sets aside a certain amount of grants and certain amount of loans.

Mr ALLEN. I know. But even after the loans have been made is it not the Senator's understanding that loans on occasion have been forgiven or granted?

Mr. INOUYE. Not in the past 3 years.

Mr. ALLEN. To recipient countries.

Mr. INOUYE. It has not been done with the concurrence of the Appropriations Committee.

Mr. ALLEN. What?

Mr INOUYE. The Appropriations Committee has not approved any transfer of an account from the loan to the grant portfolio.

Mr. ALLEN. Is it not a fact, though, that some loans have been turned into grants by being forgiven?

Mr. INOUYE. The Senator is correct, but if we are speaking of this account, none of the loans have been forgiven or made into grants. If the Senator is speaking of loans that were made in the past to countries like India, Pakistan, Bangladesh; yes, some of these loans have been either modified, forgiven, or made into grants.

Mr. ALLEN. None to the Mideast countries?

Mr. INOUYE None to the Middle East.

Mr. ALLEN. I wish the Senator would check on that. I wish the Senator would check on this information while we are discussing the bill. Later on we might go back into that.

Mr. INOUYE. If the Senator has different information, I would like to receive it now.

Mr. ALLEN. What did the Senator say?

Mr INOUYE. If the Senator has information which would raise a question, I would be pleased to receive it.

Mr. ALLEN. I wanted the Senator to advise me inasmuch as he has the staff facilities on this and I will make query independently. I was asking for information.

Mr. INOUYE. As I have been trying to point out, there are many accounts in this bill, but, as far as this specific account is concerned, the loans have been properly made; and at maturity dates, payments have been made; and none of these loans have been converted or modified into grants.

However, in other programs, for example, Public Law 480, payments are made in local currencies. In the country of India payments were to be made in local currency, in Indian rupees, which are soft currency funds. We had accumulated over a $3 billion equivalent in rupees, as the Senator is aware, over a period of many years, and we forgave the Indian Government over $2 billion of that amount.

Mr. ALLEN. Who has the power to forgive these loans? Does the executive have that power?

Mr. INOUYE. With the concurrence of Congress.

Mr. ALLEN. They do not have authority on their own to forgive?

Mr. INOUYE. They can renegotiate.

Mr. ALLEN. Or declare amnesty on it? They do not have authority to do that.

Is the Senator wedded to the $865 million figure? Would the Senator be willing to reduce that down to a 50-percent level in excess of 30-year loans?

Mr. INOUYE. We have studied this matter at great depth because this is the first time this allocation is being made.

The administration, in submitting its proposal for loans, had done so under the assumption that the loans would be for 40 years, and what we are doing now is to change that. We feel that the 20 percent is a prudent amount as a beginning. I can assure the Senator from Alabama that the next fiscal year we will confer and advise the administration that arrangements should be made to increase the portfolio for loans of less than 30 years. But I would think that at this stage to reduce it further would be disruptive of the Secretary's peace mission at the present time.

Mr. ALLEN. I thank the Senator for this information.

Mr. INOUYE. I yield back the remainder of my time.

Mr. ALLEN. I yield.

Mr. HARRY F. BYRD, JR. Could I ask one question in that regard?

Mr. INOUYE. Yes.

Mr. HARRY F. BYRD, JR. Would it help to serve the concerns of Senator ALLEN and also take care of the Senator's concerns if we were to insert in excess of 30 years but not beyond 40 years? The Senator's feeling is that that is not necessary, I assume.

Mr. INOUYE. Because the controlling law in the authorizing bill sets the limit at 40 years.

Mr. ALLEN. It would not hurt anything to put in the 40, though, would it?

Mr. INOUYE. Not at all.

Mr. ALLEN. To accept that.

Mr. INOUYE. We felt it would be redundant, that is all.

Mr. ALLEN. It is not redundant in this bill. We have to run down another bill to find the redundancy.

Mr. INOUYE. In other words, on line 17 after the word 30 years but not to exceed 40 years.

Mr. HARRY F. BYRD, JR. Correct.

Mr. ALLEN. Will the Senator make that modification?

Mr. INOUYE. Mr. President, I ask

unanimous consent that on line 17 after the words "30 years," the following be inserted, "but not to exceed 40 years."

The PRESIDING OFFICER (Mr. MORGAN). Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I yield back the remainder of my time.

Mr. ALLEN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The assistant legislative clerk read as follows:

On page 10, line 6, strike "$215,200,000" and insert "$210,200,000";

The PRESIDING OFFICER. Who yields time?

UP AMENDMENT NO. 740

Mr. INOUYE. Mr. President, I believe my distinguished colleague, Senator HEINZ, wishes to submit an amendment which does not affect the committee amendment just announced, and I ask unanimous consent that we take Senator HEINZ' amendment at this time.

The PRESIDING OFFICER. Is there objection?

Mr. SCHWEIKER. Mr. President, I want to say that I support my colleague from Pennsylvania and feel it is a good amendment, and I am pleased to join with the chairman of the committee in accepting the amendment.

The PRESIDING OFFICER. Hearing no objection, the amendment will be stated.

Mr. HEINZ. Mr. President, I believe the amendment is at the desk.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) proposes unprinted amendment No. 740.

Mr. HEINZ. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 28, between lines 12 and 13, insert the following:

"SEC. 507. None of the funds appropriated or otherwise made available by this Act to the Export-Import Bank and funds appropriated by this Act for direct foreign assistance may be obligated for any government which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism, unless the President of the United States finds that the national security requires otherwise.".

Mr. HEINZ. Mr. President, the purpose of my amendment is to give the President a flexible policy tool to deal with the increasing threat—and reality—of international terrorism.

International terrorism in our society has grown at a frightening rate. Terrorist acts have occurred throughout the world; no nation is safe from the violence and horror of this phenomenon. Terrorists have struck children, travelers, and athletes. There is no pattern to their chaos and no jurisdiction for their disregard of laws and governments. A brief review of terrorist acts will illustrate the randomness and violence with which they act.

Our recent plague of international terrorism began escalating nearly a decade ago. On August 28, 1968, the U.S. Ambassador to Guatemala, John Gordon Mein, was assassinated by Armed Forces of the Revolution. He was the first U.S. Ambassador ever assassinated. Previously, in January 1968, two U.S. military attachés had been slain in Guatemala. Just 2 years later, the Popular Front for the Liberation of Palestine (PFLP) tried to hijack five airliners in 1 week: an attempt on El Al was foiled; a Pan Am plane was flown to Cairo and blown up; Swissair, TWA, and BOAC jets were hijacked to Dawson's Field, Jordan, and destroyed. This action precipitated a civil war in Jordan.

After 1970, assaults on diplomats increased. The Quebec Minister of Labour and Immigration, Pierre Laporte, was kidnaped by a Quebec separatist movement and later found murdered. In May 1971, guerrillas of the Turkish People's Liberation Army kidnaped and then killed the Israeli Consul General in Istanbul. In November 1971, Jordanian Prime Minister Wasfi Tal was also killed—this time by Black September terrorists in Cairo.

While the list of public figures murdered in terrorist plots grew, so did the literally hundreds of civilian casualties. Perhaps the most horrifying terrorist strike was the Black September attack on Israeli athletes at the Olympic games in Munich, Germany. With world attention focused on this traditional event, terrorists slaughtered 11 Israelis; mastermind Abu Daoud was ultimately apprehended, arrested, and then released by France on January 11, 1977. Other infamous massacres of innocent people include the Lod Airport killings on May 30, 1972, the bombing of the Tower of London on July 17, 1974, and the Palestinian bombing of a TWA flight from Tel Aviv to New York on September 8, 1974. 26 were killed and over 70 injured at Lod; 42 were killed or injured in London; all 88 passengers died in the TWA attack. Last summer, on June 27, 1976, another major hijacking occurred. Guerrillas commandeered an Air France jetliner departing from Athens to Uganda, threatening to kill all passengers and crew. Only a courageous July 4 rescue by Israel soldiers saved innocent lives and ended a week of terror.

Mr. President, this amendment is very simple. It prohibits any of the direct funds or Export-Import Bank funds in this bill from going to any government aiding or abetting international terrorism by granting sanctuary to individuals or groups which have committed acts of terrorism.

There are several things the amendment does not do. It does not affect those funds being channeled through international financial institutions or other multilateral organizations. It does not specify particular countries which will be denied funding. It does not specify particular acts of terrorism which would be covered by the amendment.

The objective of this amendment is to provide the President with a policy tool that can be used to show other nations we are serious about combating terrorism, without locking him into an inflexible structure that provides no maneuvering room. In providing this policy tool we should not simply try to punish those nations that have pursued courses of action we do not like, but rather we should give the President a lever he can use to encourage policy changes by other governments. Arbitrary aid cutoffs on our part provide no behavior modification incentives and turn our policy into one of retribution.

My amendment, on the other hand, gives maximum flexibility to the President by leaving to him the judgment of when a government is aiding or abetting terrorism, and by permitting him to waive this prohibition if our national security requires it.

Likewise, the operative words in the amendment—"aid or abets" and "act of international terrorism"—are deliberately broad in order to make clear that our particular concern is with a nation's commitment to the cause of terrorism as exemplified by a pattern of behavior. In particular, this amendment seeks to deal with those committed states whose support of international terrorists is a systematic element of their policies, as exemplified by the granting of sanctuary. Other actions which should concern us include active financial support of terrorist groups, permitting such groups to exist openly and train freely within a country's borders, and violating any of the three international conventions on aviation and aircraft that deal with terrorist activities—Tokyo 1963, The Hague 1970, and Montreal 1971.

An important exclusion in the amendment is its omission of international financial institutions. These institutions, such as the World Bank and the Inter-American Development Bank have proved to be responsible and effective facilitators of economic development. Their continued credibility and independence hinges on their ability to make judgments in economic rather than political terms. It has already been made clear that these institutions cannot accept funds with strings attached, and it serves no useful purpose to seek to attach such strings.

Moreover, the conference report on the authorization for international financial institution funding makes clear that our representatives to the institutions shall use their voice and vote to advance the cause of human rights, the latter term specifically defined to include denying assistance to governments which "provide refuge to individuals committing acts of international terrorism by hijacking aircraft." Thus a similar principle has already been incorporated into the international financial institutions legislation, and there is no need for further action at this point.

Given the way the amendment is drafted and the fact that decisions under it are left to the President, it is difficult to estimate at this point what immediate effect there might be. My concern, of course, is not with immediate effect but

with the usefulness of this policy tool throughout the coming year, but nonetheless a few words should be said about what impact it is likely to have. In doing so, I am somewhat hesitant to mention specific countries, since it is not my intention that Congress make that judgment. Two appropriate examples, however, of countries which by anybody's standards might be regarded as having aided or abetted international terrorism are Libya and Iraq.

Perhaps the nation most responsible for aid to terrorism is Libya. In recent years, Libya has been the resting and planning place for several international terrorists: Illich Ramirez Sanchez—better known as "Carlos"—mastermind of the 1975 raid on the OPEC ministers conference in Vienna; the Japanese Red Army, JRA, attackers of the American Consulate in Kuala Lumpur; Hans Joachim Klein, a member of the Carlos attack team at Vienna; Wilfred Base, another Carlos associate killed last June by Israeli soldiers during the rescue of hostages in Entebbe, Uganda. The Libyans, however, supply more than asylum to their "guests."

With huge oil revenues and stockpiles of Soviet weaponry, Libya is the traditional armorer and financier of terrorist groups. The Christian Science Monitor reports that terrorists from Eritrea, Syria, Somalia, South Yemen, Chad, Morocco, Tunisia, Thailand, the Philippines, Panama, Sardinia, and Corsica all have received Libyan assistance. In 1972, Libyan aid to the Black September killers of Israeli athtletes supposedly totaled many millions of dollars; some intelligence sources also claim that Carlos was rewarded with between $1 million and $2 million for kidnapping the OPEC oil ministers. Libya is considered to be the source of Soviet rocket launchers that the Irish Republican Army has used against police and military outposts in Northern Ireland. They are also responsible for the distribution of Strela missiles seized in an attempted Palestinian attack at Rome Airport in 1973. Three of the terrorists arrested were later flown to Tripoli, the capital of Libya.

The situation in Iraq is also grim. The Abu Ali Iyad training camp currently covers several miles in central Iraq. Equipped with its own arms factory, the camp is filled with Palestinians and others receiving guerrilla training from al-Fatah defector Abu Nidal. There is little doubt that terrorist sympathy is not a new development in Iraq. Black June terrorists operating from this country appear to be responsible for a string of incidents in 1976: the attack on Damascus' Semiramus Hotel in September, assaults on Syrian embassies in Rome and Islamabad in October, the attack on Amman's Intercontinental Hotel in November, and the attempted assassination of Syrian Foreign Minister Abdel Khaddam in December. The Iraqi Black June attacks on moderate Arab states stem from a vigorous "rejectionist" policy, that is, a refusal to accept a negotiated settlement to the Arab-Israeli dispute. It is noteworthy in this regard, that acts of terrorism growing out of the Middle East situation have been directed against both Arabs and Israelis, and that both sides in the controversy have an interest in controling these fanatics.

Iraq also now seems to be the main base for the Popular Front for the Liberation of Palestine, PFLP, and its terrorist planner Waddieh Haddad. The extent of their terrorist-aiding activity remains high. The Iraqi mission to the United Nations was recently discovered purchasing and distributing 200 fully automatic machine guns. These weapons, experts state, were "ideal for terrorists."

With respect to both these countries our formal relations are not extensive, and the short-term effect of this amendment, if the President were to make such a finding in either of these cases, would not be great. Neither country receives direct assistance, either economic or military, from the United States.

The major immediate impact would be with respect to the Export-Import Bank. In fiscal 1976 Libya received slightly more than $6.5 million in short term insurance, just under $1 million in medium term insurance, and one loan of $180,000 from the Bank. Prior year extensions were at somewhat lower levels.

Likewise, in fiscal 1976, Iraq received approximately $3.3 million in short term insurance. In both cases, assistance like this would be precluded were the President to determine that Libya and Iraq were aiding and abetting international terrorism by granting sanctuary.

There are, of course, other countries periodically mentioned as ones whose governments assist terrorists, notably the Democratic People's Republic of Yemen, but in any case, I think it is fair to say that the immediate impact of this amendment, if any, will be with respect to Export-Import Bank activity rather than our direct assistance programs. I would reiterate, however, that any cutoff of funds is not automatic and is not specified in this amendment. The President will have discretion to use this limitation in ways that will discourage other states from promoting terrorism.

It is my belief that this amendment represents a strong statement of our commitment to deal forcefully with countries that support international lawlessness and fanaticism, and at the same time provides a flexible tool for the President in actually dealing with other nations. It will not force us into precipitous or unwise action, but it will give the President a lever that he badly needs to influence the irresponsible behavior of other nations.

In sum, terrorism results in deplorable acts perpetrated on individual and innocent human beings. We are dealing with international outlaws who fear no government or established order, and who show no compassion or humanity toward their victims. Terrorism is the grossest violation of human rights. We must act first and foremost to stamp out terrorism if our commitment to human rights is to have meaning and credibility. I am sure we all feel that an effective law must be passed to curb the freedom of the terrorist, and I urge my colleagues to support this amendment.

Mr. President, I have discussed this amendment with the managers of the bill, the distinguished Senator from Hawaii (Mr. INOUYE) and the distinguished Senator from Pennsylvania (Mr. SCHWEIKER), and I understand that they feel they can accept the amendment, and if that is correct, I would be glad to yield back the remainder of my time.

Mr. CLARK. Will the Senator from Pennsylvania mind a few sentences of explanation?

Mr. HEINZ. Certainly.

Mr. INOUYE. I shall explain it.

This amendment provides that none of the funds appropriated or made available by this act to the Export-Import Bank and none of the funds appropriated by this act for foreign assistance may be obligated for any government which aids or abets, by granting sanctuary from prosecution, any individual or group which has committed an act of international terrorism, unless the President of the United States finds that the national security requires otherwise.

Mr. CLARK. I thank the Senator.

Mr. INOUYE. Mr. President, I yield back the remainder of my time and I am pleased to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HEINZ. I shall proceed for 30 seconds to thank the managers of the bill for their very great courtesy and I appreciate their understanding in taking this amendment.

Mr. INOUYE. I thank the Senator very much.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on behalf of Mr. INOUYE, I take such time as I may consume on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE UNANIMOUS CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the measures on the Unanimous Consent Calendar which have been cleared, all of which have been cleared at least 24 hours.

The PRESIDING OFFICER. Without objection, it is so ordered.

FAIR DEBT COLLECTION PRACTICES ACT

The Senate proceeded to consider the bill (H.R. 5294) to amend the Consumer Credit Protection Act to prohibit abusive practices by debt collectors, which had been reported from the Committee on Banking, Housing, and Urban Affairs

with an amendment to strike all after the enacting clause and insert the following:

That the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by adding at the end thereof the following new title:

"TITLE VIII—DEBT COLLECTION PRACTICES

"Sec.
"801. Short title.
"802. Findings and purpose.
"803. Definitions.
"804. Acquisition of location information.
"805. Communication in connection with debt collection.
"806. Harassment or abuse.
"807. False or misleading representations.
"808. Unfair practices.
"809. Validation of debts.
"810. Multiple debts.
"811. Legal actions by debt collectors.
"812. Furnishing certain deceptive forms.
"813. Civil liability.
"814. Administrative enforcement.
"815. Reports to Congress by the Commission.
"816. Relation to State laws.
"817. Exemption for State regulation.
"818. Effective date.

"§ 801. Short title

"This title may be cited as the 'Fair Debt Collection Practices Act'.

"§ 802. Findings and purpose

"(a) There is abundant evidence of the use of abusive, deceptive, and unfair debt collection practices by many debt collectors. Abusive debt collection practices contribute to the number of personal bankruptcies, to marital instability, to the loss of jobs, and to invasions of individual privacy.

"(b) Existing laws and procedures for redressing these injuries are inadequate to protect consumers.

"(c) Means other than misrepresentation or other abusive debt collection practices are available for the effective collection of debts.

"(d) Abusive debt collection practices are carried on to a substantial extent in interstate commerce and through means and instrumentalities of such commerce. Even where abusive debt collection practices are purely intrastate in character, they nevertheless directly affect interstate commerce.

"(e) It is the purpose of this title to eliminate abusive debt collection practices by debt collectors, to insure that those debt collectors who refrain from using abusive debt collection practices are not competitively disadvantaged, and to promote consistent State action to protect consumers against debt collection abuses.

"§ 803. Definitions

"As used in this title—

"(1) The term 'Commission' means the Federal Trade Commission.

"(2) The term 'communication' means the conveying of information regarding a debt directly or indirectly to any person through any medium.

"(3) The term 'consumer' means any natural person obligated or allegedly obligated to pay any debt.

"(4) The term 'creditor' means any person who offers or extends credit creating a debt or to whom a debt is owed, but such term does not include any person to the extent that he receives an assignment or transfer of a debt in default solely for the purpose of facilitating collection of such debt for another.

"(5) The term 'debt' means any obligation or alleged obligation of a consumer to pay money arising out of a transaction in which the money, property, insurance, or services which are the subject of the transaction are primarily for personal, family, or household purposes, whether or not such obligation has been reduced to judgment.

"(6) The term 'debt collector' means any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the collection of any debts, or who regularly collects or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due another. Notwithstanding the exclusion provided by clause (G) of the last sentence of this paragraph, the term includes any creditor who, in the process of collecting his own debts, uses any name other than his own which would indicate that a third person is collecting or attempting to collect such debts. For the purpose of section 808(6), such term also includes any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the enforcement of security interests. The term does not include—

"(A) any officer or employee of a creditor while, in the name of the creditor, collecting debts for such creditor;

"(B) any person while acting as a debt collector for another person, both of whom are related by common ownership or affiliated by corporate control, if the person acting as a debt collector does so only for persons to whom it is so related or affiliated and if the principal business of such person is not the collection of debts;

"(C) any officer or employee of the United States or any State to the extent that collecting or attempting to collect any debt is in the performance of his official duties;

"(D) any person while serving or attempting to serve legal process on any other person in connection with the judicial enforcement of any debt;

"(E) any nonprofit organization which, at the request of consumers, performs bona fide consumer credit counseling and assists consumers in the liquidation of their debts by receiving payments from such consumers and distributing such amounts to creditors;

"(F) any attorney-at-law collecting a debt as an atttorney on behalf of and in the name of a client; and

"(G) any person collecting or attempting to collect any debt owed or due or asserted to be owed or due another to the extent such activity (i) is incidental to a bona fide fiduciary obligation or a bona fide escrow arrangement; (ii) concerns a debt which was originated by such person; (iii) concerns a debt which was not in default at the time it was obtained by such person; or (iv) concerns a debt obtained by such person as a secured party in a commercial credit transaction involving the creditor.

"(7) The term 'location information' means a consumer's place of abode and his telephone number at such place, or his place of employment.

"(8) The term 'State' means any State, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any political subdivision of any of the foregoing.

"§ 804. Acquisition of location information

"Any debt collector communicating with any person other than the consumer for the purpose of acquiring location information about the consumer shall—

"(1) identify himself, state that he is confirming or correcting location information concerning the consumer, and, only if expressly requested, identify his employer;

"(2) not state that such consumer owes any debt;

"(3) not communicate with any such person more than once unless requested to do so by such person or unless the debt collector reasonably believes that the earlier response of such person is erroneous or incomplete and that such person now has correct or complete location information;

"(4) not communicate by post card;

"(5) not use any language or symbol on any envelope or in the contents of any communication effected by the mails or telegram that indicates that the debt collector is in the debt collection business or that the communication relates to the collection of a debt; and

"(6) after the debt collector knows the consumer is represented by an attorney with regard to the subject debt and has knowledge of, or can readily ascertain, such attorney's name and address, not communicate with any person other than that attorney, unless the attorney fails to respond within a reasonable period of time to communication from the debt collector.

"§ 805. Communication in connection with debt collection

"(a) COMMUNICATION WITH THE CONSUMER GENERALLY.—Without the prior consent of the consumer given directly to the debt collector or the express permission of a court of competent jurisdiction, a debt collector may not communicate with a consumer in connection with the collection of any debt—

"(1) at any unusual time or place or a time or place known or which should be known to be inconvenient to the consumer. In the absence of knowledge of circumstances to the contrary, a debt collector shall assume that the convenient time for communicating with a consumer is after 8 o'clock antimeridian and before 9 o'clock post-meridian, local time at the consumer's location;

"(2) if the debt collector knows the consumer is represented by an attorney with respect to such debt and has knowledge of, or can readily ascertain, such attorney's name and address, unless the attorney fails to respond within a reasonable period of time to a communication from the debt collector or unless the attorney consents to direct communication with the consumer; or

"(3) at the consumer's place of employment if the debt collector knows or has reason to know that the consumer's employer prohibits the consumer from receiving such communication.

"(b) COMMUNICATION WITH THIRD PARTIES.—Except as provided in section 804, without the prior consent of the consumer given directly to the debt collector, or the express permission of a court of competent jurisdiction, or as reasonably necessary to effectuate a postjudgment judicial remedy, a debt collector may not communicate, in connection with the collection of any debt, with any person other than the consumer, his attorney, a consumer reporting agency if otherwise permitted by law, the creditor, the attorney of the creditor, or the attorney of the debt collector.

"(c) CEASING COMMUNICATION.—If a consumer notifies a debt collector in writing that the consumer refuses to pay a debt or that the consumer wishes the debt collector to cease further communication with the consumer, the debt collector shall not communicate further with the consumer with respect to such debt, except—

"(1) to advise the consumer that the debt collector's further efforts are being terminated;

"(2) to notify the consumer that the debt collector or creditor may invoke specified remedies which are ordinarily invoked by such debt collector or creditor; or

"(3) where applicable, to notify the consumer that the debt collector or creditor intends to invoke a specified remedy.

If such notice from the consumer is made by mail, notification shall be complete upon receipt.

"(d) For the purpose of this section, the term 'consumer' includes the consumer's spouse, parent (if the consumer is a minor), guardian, executor, or administrator.

"§ 806. Harassment or abuse

"A debt collector may not engage in any conduct the natural consequence of which is to harass, oppress, or abuse any person in connection with the collection of a debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section:

"(1) The use or threat of use of violence or other criminal means to harm the physical person, reputation, or property of any person.

"(2) The use of obscene or profane language or language the natural consequence of which is to abuse the hearer or reader.

"(3) The publication of a list of consumers who allegedly refuse to pay debts, except to a consumer reporting agency or to persons meeting the requirements of section 603(f) or 604(3) of this Act.

"(4) The advertisement for sale of any debt to coerce payment of the debt.

"(5) Causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass any person at the called number.

"(6) Except as provided in section 804, the placement of telephone calls without meaningful disclosure of the caller's identity.

"§ 807. False or misleading representations

"A debt collector may not use any false, deceptive, or misleading representation or means in connection with the collection of any debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section:

"(1) The false representation or implication that the debt collector is vouched for, bonded by, or affiliated with the United States or any State, including the use of any badge, uniform, or facsimile thereof.

"(2) The false representation of—

"(A) the character, amount, or legal status of any debt; or

"(B) any services rendered or compensation which may be lawfully received by any debt collector for the collection of a debt.

"(3) The false representation or implication that any individual is an attorney or that any communication is from an attorney.

"(4) The representation or implication that nonpayment of any debt will result in the arrest or imprisonment of any person or the seizure, garnishment, attachment, or sale of any property or wages of any person unless such action is lawful and the debt collector or creditor intends to take such action.

"(5) The threat to take any action that cannot legally be taken or that is not intended to be taken.

"(6) The false representation or implication that a sale, referral, or other transfer of any interest in a debt shall cause the consumer to—

"(A) lose any claim or defense to payment of the debt; or

"(B) become subject to any practice prohibited by this title.

"(7) The false representation or implication that the consumer committed any crime or other conduct in order to disgrace the consumer.

"(8) Communicating or threatening to communicate to any person credit information which is known or which should be known to be false, including the failure to communicate that a disputed debt is disputed.

"(9) The use or distribution of any written communication which simulates or is falsely represented to be a document authorized, issued, or approved by any court, official, or agency of the United States or any State, or which creates a false impression as to its source, authorization, or approval.

"(10) The use of any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a consumer.

"(11) Except as otherwise provided for communications to acquire location information under section 804, the failure to disclose clearly in all communications made to collect a debt or to obtain information about a consumer, that the debt collector is attempting to collect a debt and that any information obtained will be used for that purpose.

"(12) The false representation or implication that accounts have been turned over to innocent purchasers for value.

"(13) The false representation or implication that documents are legal process.

"(14) The use of any business, company, or organization name other than the true name of the debt collector's business, company, or organization.

"(15) The false representation or implication that documents are not legal process forms or do not require action by the consumer.

"(16) The false representation or implication that a debt collector operates or is employed by a consumer reporting agency as defined by section 603(f) of this Act.

"§ 808. Unfair practices

"A debt collector may not use unfair or unconscionable means to collect or attempt to collect any debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section:

"(1) The collection of any amount (including any interest, fee, charge, or expense incidental to the principal obligation) unless such amount is expressly authorized by the agreement creating the debt or permitted by law.

"(2) The acceptance by a debt collector from any person of a check or other payment instrument postdated by more than five days unless such person is notified in writing of the debt collector's intent to deposit such check or instrument not more than ten nor less than three business days prior to such deposit.

"(3) The solicitation by a debt collector of any postdated check or other postdated check or other postdated payment instrument for the purpose of threatening or instituting criminal prosecution.

"(4) Depositing or threatening to deposit any postdated check or other postdated payment instrument prior to the date on such check or instrument.

"(5) Causing charges to be made to any person for communications by concealment of the true purpose of the communication. Such charges include, but are not limited to, collect telephone calls and telegram fees.

"(6) Taking or threatening to take any nonjudicial action to effect dispossession or disablement of property if—

"(A) there is no present right to possession of the property claimed as collateral through an enforceable security interest;

"(B) there is no present intention to take possession of the property; or

"(C) the property is exempt by law from such dispossession or disablement.

"(7) Communicating with a consumer regarding a debt by post card.

"(8) Using any language or symbol, other than the debt collector's address, on any envelope when communicating with a consumer by use of the mails or by telegram, except that a debt collector may use his business name if such name does not indicate that he is in the debt collection business.

"§ 809. Validation of debts

"(a) Within five days after the initial communication with a consumer in connection with the collection of any debt, a debt collector shall, unless the following information is contained in the initial communication or the consumer has paid the debt, send the consumer a written notice containing—

"(1) the amount of the debt;

"(2) the name of the creditor to whom the debt is owed;

"(3) a statement that unless the consumer, within thirty days after receipt of the notice, disputes the validity of the debt, or any portion thereof, the debt will be assumed to be valid by the debt collector;

"(4) a statement that if the consumer notifies the debt collector in writing within the thirty-day period that the debt, or any portion thereof, is disputed, the debt collector will obtain verification of the debt or a copy of a judgment against the consumer and a copy of such verification or judgment will be mailed to the consumer by the debt collector; and

"(5) a statement that, upon the consumer's written request within the thirty-day period, the debt collector will provide the consumer with the name and address of the original creditor, if different from the current creditor.

"(b) If the consumer notifies the debt collector in writing within the thirty-day period described in subsection (a) that the debt, or any portion thereof, is disputed, or that the consumer requests the name and address of the original creditor, the debt collector shall cease collection of the debt, or any disputed portion thereof, until the debt collector obtains verification of the debt or a copy of a judgment, or the name and address of the original creditor, and a copy of such verification or judgment, or name and address of the original creditor, is mailed to the consumer by the debt collector.

"(c) The failure of a consumer to dispute the validity of a debt under this section may not be construed by any court as an admission of liability by the consumer.

"§ 810. Multiple debts

"If any consumer owes multiple debts and makes any single payment to any debt collector with respect to such debts, such debt collector may not apply such payment to any debt which is disputed by the consumer and, where applicable, shall apply such payment in accordance with the consumer's directions.

"§ 811. Legal actions by debt collectors

"(a) Any debt collector who brings any legal action on a debt against any consumer shall—

"(1) in the case of an action to enforce an interest in real property securing the consumer's obligation, bring such action only in a judicial district or similar legal entity in which such real property is located; or

"(2) in the case of an action not described in paragraph (1), bring such action only in the judicial district or similar legal entity—

"(A) in which such consumer signed the contract sued upon; or

"(B) in which such consumer resides at the commencement of the action.

"(b) Nothing in this title shall be construed to authorize the bringing of legal actions by debt collectors.

"§ 812. Furnishing certain deceptive forms

"(a) It is unlawful to design, compile, and furnish any form knowing that such form would be used to create the false belief in a consumer that a person other than the creditor of such consumer is participating in the collection of or in an attempt to collect a debt such consumer allegedly owes such creditor, when in fact such person is not so participating.

"(b) Any person who violates this section shall be liable to the same extent and in the same manner as a debt collector is liable under section 813 for failure to comply with a provision of this title.

"§ 813. Civil liability

"(a) Except as otherwise provided by this section, any debt collector who fails to com-

ply with any provision of this title with respect to any person is liable to such person in an amount equal to the sum of—

"(1) any actual damage sustained by such person as a result of such failure;

"(2)(A) in the case of any action by an individual, such additional damages as the court may allow, but not exceeding $1,000; or

"(B) in the case of a class action, (i) such amount for each named plaintiff as could be recovered under subparagraph (A), and (ii) such amount as the court may allow for all other class members, without regard to a minimum individual recovery, not to exceed the lesser of $500,000 or 1 per centum of the net worth of the debt collector; and

"(3) in the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee as determined by the court. On a finding by the court that an action under this section was brought in bad faith and for the purpose of harassment, the court may award to the defendant attorney's fees reasonable in relation to the work expended and costs.

"(b) In determining the amount of liability in any action under subsection (a), the court shall consider, among other relevant factors—

"(1) in any individual action under subsection (a)(2)(A), the frequency and persistence of noncompliance by the debt collector, the nature of such noncompliance, and the extent to which such noncompliance was intentional; or

"(2) in any class action under subsection (a)(2)(B), the frequency and persistence of noncompliance by the debt collector, the nature of such noncompliance, the resources of the debt collector, the number of persons adversely affected, and the extent to which the debt collector's noncompliance was intentional.

"(c) A debt collector may not be held liable in any action brought under this title if the debt collector shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid any such error.

"(d) An action to enforce any liability created by this title may be brought in any appropriate United States district court without regard to the amount in controversy, or in any other court of competent jurisdiction, within one year from the date on which the violation occurs.

"(e) No provision of this section imposing any liability shall apply to any act done or omitted in good faith in conformity with any advisory opinion of the Commission, notwithstanding that after such act or omission has occurred, such opinion is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"§ 814. Administrative enforcement

"(a) Compliance with this title shall be enforced by the Commission, except to the extent that enforcement of the requirements imposed under this title is specifically committed to another agency under subsection (b). For purpose of the exercise by the Commission of its functions and powers under the Federal Trade Commission Act, a violation of this title shall be deemed an unfair or deceptive act or practice in violation of that Act. All of the functions and powers of the Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person with this title, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act, including the power to enforce the provisions of this title in the same manner as if the violation had been a violation of a Federal Trade Commission trade regulation rule.

"(b) Compliance with any requirements imposed under this title shall be enforced under—

"(1) section 8 of the Federal Deposit Insurance Act, in the case of—

"(A) national banks, by the Comptroller of the Currency;

"(B) member banks of the Federal Reserve System (other than national banks), by the Federal Reserve Board; and

"(C) banks the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), by the Board of Directors of the Federal Deposit Insurance Corporation;

"(2) section 5(d) of the Home Owners Loan Act of 1933, section 407 of the National Housing Act, and sections 6(i) and 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions;

"(3) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal credit union;

"(4) the Acts to regulate commerce, by the Interstate Commerce Commission with respect to any common carrier subject to those Acts;

"(5) the Federal Aviation Act of 1958, by the Civil Aeronautics Board with respect to any air carrier or any foreign air carrier subject to that Act; and

"(6) the Packers and Stockyards Act, 1921 (except as provided in section 406 of that Act), by the Secretary of Agriculture with respect to any activities subject to that Act.

"(c) For the purpose of the exercise by any agency referred to in subsection (b) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (b), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title any other authority conferred on it by law, except as provided in subsection (d).

"(d) Neither the Commission nor any other agency referred to in subsection (b) may promulgate trade regulation rules or other regulations with respect to the collection of debts by debt collectors as defined in this title.

"§ 815. Reports to Congress by the Commission

"(a) Not later than one year after the effective date of this title and at one-year intervals thereafter, the Commission shall make reports to the Congress concerning the administration of its functions under this title, including such recommendations as the Commission deems necessary or appropriate. In addition, each report of the Commission shall include its assessment of the extent to which compliance with this title is being achieved and a summary of the enforcement actions taken by the Commission under section 814 of this title.

"(b) In the exercise of its functions under this title, the Commission may obtain upon request the views of any other Federal agency which exercises enforcement functions under section 814 of this title.

"§ 816. Relation to State laws

"This title does not annul, alter, or affect, or exempt any person subject to the provisions of this title from complying with the laws of any State with respect to debt collection practices, except to the extent that those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. For purposes of this section, a State law is not inconsistent with this title if the protection such law affords any consumer is greater than the protection provided by this title.

"§ 817. Exemption for State regulation

"The Commission shall by regulation exempt from the requirement of this title any class of debt collection practices within any State if the Commission determines that under the law of that State that class of debt collection practices is subject to requirements substantially similar to those imposed by this title, and that there is adequate provision for enforcement.

"§ 818. Effective date

"This title takes effect upon the expiration of six months after the date of its enactment, but section 809 shall apply only with respect to debts for which the initial attempt to collect occurs after such effective date.".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. RIEGLE. This legislation would add a new title to the Consumer Credit Protection Act entitled the Fair Debt Collection Practices Act. Its purpose is to protect consumers from a host of unfair, harassing, and deceptive debt collection practices without imposing unnecessary restrictions on ethical debt collectors. This bill, which substantially modifies the House's legislation, was strongly supported by consumer groups, labor unions, State and Federal law enforcement officials, and by both national organizations which represent the debt collection profession, the American Collectors Association and Associated Credit Bureaus.

NEED FOR THIS LEGISLATION

Mr. President, debt collection abuse by third-party debt collectors is a widespread and serious national problem. Collection abuse takes many forms, including obscene or profane language, threats of violence, telephone calls at unreasonable hours, misrepresentation of a consumer's legal rights, disclosing a consumer's personal affairs to friends, neighbors, or an employer, obtaining information about a consumer through false pretense, impersonating public officials and attorneys, and simulating legal process.

Debt collection by third parties is a substantial business which touches the lives of many Americans. There are more than 5,000 collection agencies across the country, each averaging 8 employees. Last year, more than $5 billion in debts were turned over to collection agencies. One trade association which represents approximately half of the Nation's independent collectors states that in 1976 its members contacted 8 million consumers.

Hearings before the Consumer Affairs Subcommittee revealed that independent debt collectors are the prime source of egregious collection practices. While unscrupulous debt collectors comprise only

a small segment of the industry, the suffering and anguish which they regularly inflict is substantial. Unlike creditors, who generally are restrained by the desire to protect their good will when collecting past due accounts, independent collectors are likely to have no future contact with the consumer and often are unconcerned with the consumer's opinion of them. Collection agencies generally operate on a 50-percent commission, and this has too often created the incentive to collect by any means.

The primary reason why debt collection abuse is so widespread is the lack of meaningful legislation on the State level. While debt collection agencies have existed for decades, there are 13 States, with 40 million citizens, that have no debt collection laws. These States are Alabama, Delaware, Georgia, Kansas, Kentucky, Mississippi, Missouri, Montana, Ohio, Oklahoma, Rhode Island, South Carolina, and South Dakota. Another 11 States—Alaska, Arkansas, Indiana, Louisiana, Nebraska, New Jersey, Oregon, Pennsylvania, Utah, Virginia, and Wyoming—with another 40 million citizens, have laws which are so weak or incomplete that they provide little or no effective protection. Thus, 80 million Americans, nearly 40 percent of our population, have no meaningful protection from debt collection abuse.

While 37 States and the District of Columbia do have laws regulating debt collectors, only a small number are comprehensive statutes which provide a civil remedy. As an example of ineffective State laws, of the 16 States which regulate by debt collection boards, 12 require by law that a majority of the board be comprised of debt collectors.

The Banking Committee has found that collection abuse has grown from a State problem to a national problem. The use of WATS lines by debt collectors has led to a dramatic increase in interstate collections. State law enforcement officials have pointed to this development as a prime reason why Federal legislation is necessary, because State officials are unable to act against unscrupulous debt collectors who harass consumers from another State.

One of the most frequent fallacies concerning debt collection legislation is the contention that the primary beneficiaries are "deadbeats." In fact, however, there is universal agreement among scholars, law enforcement officials, and even debt collectors that the number of persons who willfully refuse to pay just debts is miniscule. Prof. David Caplovitz, the foremost authority on debtors in default, testified that after years of research he has found that only 4 percent of all defaulting debtors fit the description of "deadbeat." This conclusion is supported by the National Commission on Consumer Finance which found that creditors list the willful refusal to pay as an extremely infrequent reason for default.

The Commission's findings are echoed in all major studies: The vast majority of consumers who obtain credit fully intend to repay their debts. When default occurs, it is nearly always due to an unforeseen event such as unemployment, overextension, serious illness, or marital difficulties or divorce.

Mr. President, the serious and widespread abuses in this area and the inadequacy of existing State and Federal laws make this legislation appropriate and highly necessary.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–382), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

NATURE AND PURPOSE OF THE BILL

This legislation would add a new title to the Consumer Credit Protection Act entitled the Fair Debt Collection Practices Act. Its purpose is to protect consumers from a host of unfair, harassing, and deceptive debt collection practices without imposing unnecessary restrictions on ethical debt collectors. This bill was strongly supported by consumer groups, labor unions, State and Federal law enforcement officials, and by both national organizations which represent the debt collection profession, the American Collectors Association and Associated Credit Bureaus.

NEED FOR THIS LEGISLATION

The committee has found that debt collection abuse by third party debt collectors is a widespread and serious national problem. Collection abuse takes many forms, including obscene or profane language, threats of violence, telephone calls at unreasonable hours, misrepresentation of a consumer's legal rights, disclosing a consumer's personal affairs to friends, neighbors, or an employer, obtaining information about a consumer through false pretense, impersonating public officials and attorneys, and simulating legal process.

Debt collection by third parties is a substantial business which touches the lives of many Americans. There are more than 5,000 collection agencies across the country, each averaging 8 employees. Last year, more than $5 billion in debts were turned over to collection agencies. One trade association which represents approximately half of the Nation's independent collectors states that in 1976 its members contacted 8 million consumers.

Hearings before the Consumer Affairs Subcommittee revealed that independent debt collectors are the prime source of egregious collection practices. While unscrupulous debt collectors comprise only a small segment of the industry, the suffering and anguish which they regularly inflict is substantial. Unlike creditors, who generally are restrained by the desire to protect their good will when collecting past due accounts, independent collectors are likely to have no future contact with the consumer and often are unconcerned with the consumer's opinion of them. Collection agencies generally operate on a 50-percent commission, and this has too often created the incentive to collect by any means.

The primary reason why debt collection abuse is so widespread is the lack of meaningful legislation on the State level. While debt collection agencies have existed for decades, there are 13 States, with 40 million citizens, that have no debt collection laws. These States are Alabama, Delaware, Georgia, Kansas, Kentucky, Mississippi, Missouri, Montana, Ohio, Oklahoma, Rhode Island, South Carolina, and South Dakota. Another 11 States (Alaska, Arkansas, Indiana, Louisiana, Nebraska, New Jersey, Oregon, Pennsylvania, Utah, Virginia and Wyoming) with another 40 million citizens, have laws which in the committee's opinion provide little or no effective protection. Thus, 80 million Americans, nearly 40 percent of our population, have no meaningful protection from debt collection abuse.

While 37 States and the District of Columbia do have laws regulating debt collectors, only a small number are comprehensive statutes which provide a civil remedy. As an example of ineffective State laws, of the 16 states which regulate by debt collection boards, 12 require by law that a majority of the board be comprised of debt collectors.

The Committee has found that collection abuse has grown from a State problem to a national problem. The use of WATS lines by debt collectors has led to a dramatic increase in interstate collections. State law enforcement officials have pointed to this development as a prime reason why federal legislation is necessary, because State officials are unable to act against unscrupulous debt collectors who harass consumers from another State.

One of the most frequent fallacies concerning debt collection legislation is the contention that the primary beneficiaries are "deadbeats." In fact, however, there is universal agreement among scholars, law enforcement officials, and even debt collectors that the number of persons who willfully refuse to pay just debts is miniscule. Prof. David Caplovitz, the foremost authority on debtors in default, testified that after years of research he has found that only 4 percent of all defaulting debtors fit the description of "deadbeat." This conclusion is supported by the National Commission on Consumer Finance which found that creditors list the willful refusal to pay as an extremely infrequent reason for default.

The Commission's findings are echoed in all major studies: the vast majority of consumers who obtain credit fully intend to repay their debts. When default occurs, it is nearly always due to an unforeseen event such as unemployment, overextension, serious illness, or marital difficulties or divorce.

The committee believes that the serious and widespread abuses in this area and the inadequacy of existing State and Federal laws make this legislation necessary and appropriate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SILETZ INDIAN TRIBE RESTORATION ACT

Th Senate proceeded to consider the bill (S. 1560) to restore the Confederated Tribes of Siletz Indians of Oregon as a federally recognized soverign Indian tribe, to restore to the Confederated Tribes of Siletz Indians of Oregon and its members those Federal services and benefits furnished to federally recognized American Indian tribes and their members, and for other purposes, which had been reported from the Committee on Indian Affairs with amendments as follows:

On page 2, beginning with line 14, strike through and including line 20, and insert "the tribe, and the provisions of the Act of June 18, 1934 (48 Stat. 984), as amended,";

On page 3, line 10, strike "order" and insert "Order";

On page 3, line 13, strike "(25 U.S.C. 691 708)" and insert "(68 Stat. 724)";

On page 4, line 3, following "roll" insert a comma and "in accordance with the terms of this Act and the tribal constitution and bylaws adopted pursuant to this Act";

On page 4, beginning with line 14, insert:

(C) he is not an enrolled member of any other tribe; or

On page 4, line 16, strike "(C)" and insert "(D)";

On page 4, line 22, following "bylaws" insert "and of this Act";

On page 6, line 1, strike "fifteen" and insert "forty-five";

On page 6, line 5, strike "thirty" and insert "sixty";

On page 6, line 22, strike "thirty' 'and insert "sixty";

On page 8, line 23, strike "this";

On page 9, beginning with line 23, strike "in each House shall give such proposed legislation priority on their calendars" and insert "of the Senate and House of Representatives";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Siletz Indian Tribe Restoration Act".

SEC. 2. For the purposes of this Act—

(1) the term "tribe" means the Confederated Tribes of the Siletz Indians of Oregon;

(2) the term "Secretary" means the Secretary of the Interior or his authorized representative;

(3) the term "interim council" means the council elected pursuant to section 5;

(4) the term "member", when used with respect to the tribe, means a person enrolled on the membership roll of the tribe, as provided in section 4 of this Act;

(5) the term "final membership roll" means the final membership roll of the tribe published on July 20, 1956, on pages 5454—5462 of volume 21 of the Federal Register.

SEC. 3. (a) Federal recognition is hereby extended to the tribe, and the provisions of the Act of June 18, 1934 (48 Stat. 984), as amended, except as inconsistent with specific provisions of this Act, are made applicable to the tribe and the members of the tribe. The tribe and the members of the tribe shall be eligible for all Federal services and benefits furnished to federally recognized Indian tribes. Notwithstanding any provision to the contrary in any law establishing such services or benefits, eligibility of the tribe and its members for such Federal services and benefits shall become effective upon enactment of this Act without regard to the existence of a reservation for the tribe or the residence of members of the tribe on a reservation.

(b) All rights and privileges of the tribe and of members of the tribe (other than hunting, fishing, and trapping rights) under any Federal treaty, Executive Order, agreement, or statute, or under any other authority, which have been diminished or lost under the Act of August 13, 1954 (68 Stat. 724), are hereby restored and such Act shall be inapplicable to the tribe and its members after the date of enactment of this Act.

(c) This Act shall not grant or restore any hunting, fishing, or trapping right of any nature, including any direct or procedural right or advantage, to the tribe or any member of the tribe.

(d) Except as specifically provided in this Act, nothing in this Act shall alter any contractual right or obligation, or any obligation for taxes already levied.

SEC. 4. (a) The final membership roll is declared open. The Secretary, the Interim Council, and tribal officials under the tribal constitution and bylaws shall take such measures as will insure the continuing accuracy of the membership roll, in accordance with the terms of this Act and the tribal constitution and bylaws adopted pursuant to this Act.

(b) (1) Until after the initial election of tribal officers under the tribal constitution and bylaws, a person shall be a member of the tribe and his name shall be placed on the membership roll if he is living and if—

(A) his name is listed on the final membership roll;

(B) he was entitled on August 13, 1954, to be on the final membership roll but his name was not listed on that roll; or

(C) he is not an enrolled member of any other tribe; or

(D) he is a descendant of a person specified in subparagraph (A) or (B) and possesses at least one-fourth degree of blood of members of the tribe or their Siletz Indian ancestors.

(2) After the initial election of tribal officials under the tribal constitution and bylaws, the provisions of the tribal constitution and bylaws and of this Act shall govern membership in the tribe.

(c) (1) Before election of the Interim Council, verification of descendancy, age, and blood shall be made upon oath before the Secretary and his determination thereon shall be final.

(2) After election of the Interim Council and before the initial election of the tribal officials, verification of descendancy, age, and blood shall be made upon oath before the Interim Council, or its authorized representative. A member of the tribe, with respect to the inclusion of any name, and any person, with respect to the exclusion of his name, may appeal to the Secretary, who shall make a final determination of each such appeal within ninety days after an appeal has been filed with him. The determination of the Secretary with respect to an appeal under this paragraph shall be final.

(3) After the initial election of tribal officials, the provisions of the tribal constitution and bylaws shall govern the verification of any requirements for membership in the tribe, and the Secretary and the Interim Council shall deliver their records and files, and any other material relating to enrollment matters, to the tribal governing body.

(d) For purposes of sections 5 and 6, a member who is eighteen years of age or older is entitled and eligible to be given notice of, attend, participate in, and vote at, general council meetings and to nominate candidates for, to run for any office in, and to vote in, elections of members to the Interim Council and to other tribal councils.

SEC. 5. (a) Within forty-five days after the date of the enactment of this Act, the Secretary shall announce the date of a general council meeting of the tribe to nominate candidates for election to the Interim Council. Such general council meeting shall be held within sixty days after the date of the enactment of this Act. Within forty-five days after such general council meeting the Secretary shall hold an election by secret ballot, absentee balloting to be permitted, to elect nine members of the tribe to the Interim Council from among the nominees submitted to him from such general council meeting. The Secretary shall assure that notice of the time, place, and purpose of such meeting and election shall be provided to members described in section 4(d) at least fifteen days before such general meeting and election. The ballot shall provide for write-in votes. The Secretary shall approve the Interim Council elected pursuant to this section if he is satisfied that the requirements of this section relating to the nominating and election process have been met. If he is not so satisfied, he shall hold another election under this section, with the general council meeting to nominate candidates for election to the Interim Council to be held within sixty days after such election.

(b) The Interim Council shall represent the tribe and its members in the implementation of this Act and shall be the acting tribal governing body until tribal officials are elected pursuant to section 6(c) and shall have no powers other than those given to it in accordance with this Act. The Interim Council shall have full authority and capacity to receive grants from and to make contracts with the Secretary and the Secretary of Health, Education, and Welfare with respect to Federal services and benefits for the tribe and its members and to bind the tribal governing body as the successor in interest to the Interim Council for a period extending not more than six months after the date on which the tribunal governing body takes office. Except as provided in the preceding sentence, the Interim Council shall have no power or authority after the time when the duly elected tribal governing body takes office.

(c) Within thirty days after receiving notice of a vacancy on the Interim Council, the Interim Council shall hold a general council meeting for the purpose of electing a person to fill such vacancy. The Interim Council shall provide notice of the time, place, and purpose of such meeting and election to members described in section 4(d) at least ten days before such general meeting and election. The person nominated to fill such vacancy at the general council meeting who received the highest number of votes in the election shall fill such vacancy.

SEC. 6. (a) Upon the written request of the Interim Council, the Secretary shall conduct an election by secret ballot, pursuant to the provisions of section 16 of the Act of June 18, 1934 (48 Stat. 987), for the purpose of adopting a constitution and bylaws for the tribes. The election shall be held within sixty days after the Secretary has—

(1) reviewed and updated the final membership roll for accuracy, in accordance with sections 4(a), 4(b)(1), and 4(c)(1),

(2) made a final determination of all appeals filed under section 4(c)(2), and

(3) published in the Federal Register a certification copy of the membership all of the tribe.

(b) The Interim Council shall draft and distribute to each member described in section 4(d), no later than thirty days before the election under subsection (a), a copy of the proposed constitution and bylaws of the tribe, as drafted by the Interim Council, along with a brief, impartial description of the proposed constitution and bylaws. The members of the Interim Council may freely consult with members of the tribe concerning the text and description of the constitution and bylaws, except that such consultation may not be carried on within fifty feet of the polling places on the date of the election.

(c) In any election held pursuant to subsection (a), the vote of a majority of those actually voting shall be necessary and sufficient for the adoption of a tribal constitution and bylaws.

(d) Not later than one hundred and twenty days after the tribe adopts a constitution and bylaws, the Interim Council shall conduct an election by secret ballot for the purpose of electing the individuals who will serve as tribal officials as provided in the tribal constitution and bylaws. For the purpose of this election and notwithstanding any provision in the tribal constitution and bylaws to the contrary, absentee balloting shall be permitted.

SEC. 7. (a) This Act shall not be construed as establishing a reservation for the tribe, but any reservation for the tribe shall be established by an Act of Congress enacted after the enactment of this Act.

(b) The Secretary shall negotiate with the tribe, or with representatives of the tribe chosen by the tribe, concerning the establishment of a reservation for the tribe, and the Secretary shall, in accordance with subsections (c) and (d), develop a plan for the establishment of a reservation for the tribe and shall submit such plan, in the form of proposed legislation, to the Congress within two years after the date of enactment of this Act.

(c) To assure that legitimate State and local interests are not prejudiced by the creation of a reservation for the tribe, the Secretary, in developing a plan under subsection (b) for the establishment of a reservation, shall notify and consult with all appropriate officials of the State of Oregon, all appropriate local governmental officials in the State of Oregon and any other interested parties. Such consultation shall include the following subjects:

(1) the size and location of the reservation;

(2) the effect the establishment of the reservation would have on State and local tax revenues;

(3) the criminal and civil jurisdiction of the State of Oregon with respect to the reservation and persons on the reservation;

(4) hunting, fishing, and trapping rights of the tribe and members of the tribe, on the reservation;

(5) the provision of State and local services to the reservation and to the tribe and members of the tribe on the reservation; and

(6) the provision of Federal services to the reservation and to the tribe and members of the tribe and the provision of services by the tribe to members of the tribe.

(d) Any plan developed under this section for the establishment of a reservation for the tribe shall provide that—

(1) any real property transferred by the tribe or members of the tribe to the Secretary shall be taken in the name of the United States in trust for the benefit of the tribe and shall be the reservation for the tribe;

(2) the establishment of such a reservation will not grant or restore to the tribe or any member of the tribe any hunting, fishing, or trapping right of any nature, including any indirect or procedural right or advantage, on such reservation;

(3) the Secretary shall not accept any real property in trust for the benefit of the tribe or its members unless such real property is located within Lincoln County, State of Oregon;

(4) any real property taken in trust by the Secretary for the benefit of the tribe or its members shall be subject to all rights existing at the time such property is taken in trust, including liens, outstanding Federal, State, and local taxes, mortgages, outstanding indebtedness of any kind, easements, and all other obligations, and shall be subject to foreclosure and sale in accordance with the laws of the State of Oregon;

(5) the transfer of any real property to the Secretary in trust for the benefit of the tribe or its members shall be exempt from all Federal, State, and local taxation, and all such real property shall, as of the date of such transfer, be exempt from Federal, State, and local taxation; and

(6) the State of Oregon shall have civil and criminal jurisdiction with respect to the reservation and persons on the reservation in accordance with section 1360 of title 28, United States Code, and section 1162 of title 18, United States Code.

(e) The Secretary shall append to the plan a detailed statement describing the manner in which the notification and consultation prescribed by subsection (c) was carried out and shall include any written comments with respect to the establishment of a reservation for the tribe submitted to the Secretary by State and local officials and other interested parties in the course of such consultation.

SEC. 8. The Secretary may make such rules and regulations as are necessary to carry out the purposes of this Act.

THE SILETZ INDIAN RESTORATION ACT

Mr. HATFIELD. Mr. President, the Confederated Tribes of the Siletz Indians in Oregon were one of many tribes and bands of Northwest Indians to be terminated and abruptly cut off from Federal supervision by the Act of August 13, 1954. After 100 years of Federal supervision, following a forced march that uprooted the Siletz from their ancestral lands, the tribe was cut off from all Federal services and benefits, and summarily told by a capricious Government that they were to give up their cultural identity and be absorbed into the dominant white society.

At the time of termination, the once magnificent Siletz Reservation of some 1.4 million acres had dwindled to only 7,900 acres. In only a few years that, too, was gone, as the Siletz were unable to attain the measure of economic prosperity and stability required to keep their land. The tribe dispersed, officially shorn of its "Indianness."

The ostensible purpose of termination, that being to end what had come to be seen as a paternalistic relationship in which the self-determination and prosperity of Native Americans was stulified by an unresponsive bureaucracy, was meritorious, and indeed some tribes welcomed it. But others had it imposed upon them by a unilateral action of the Federal Government, destroying the historic trust relationship established by 200 years of treaties, statutes, and other agreements.

The impact of termination upon the Siletz Indians was severe, as it has been with other tribes. Instead of being assimilated into the dominant white society, the Siletz have suffered as outcasts, and have not been able to attain the economic position on which acceptance into the dominant culture depends. Statistics compiled in a 1975 survey of the social and econcmic status of the tribe bear grim witness to their plight: 44 percent unemplovment; an average family income of $3,333; a 44 percent dropout rate in high school; high incidences of disease, alcoholism, and early death.

Mr. President, I am convinced that this situation exists as a direct result of the misguided policy of termination. I believe it can be corrected if we restore Federal recognition to the Siletz, thereby making them eligible for health, education, and welfare benefits and services provided to American Indians by the Federal Government. In so doing, we should not attempt to restore the paternalistic relationship which termination sought to end. Rather, we need to maintain a philosophy of self-determination in the context of the trust relationship.

It is for these reasons that I urge adoption of S. 1560, the Siletz Indian Restoration Act.

Because of the concern expressed by many Oregon citizens about certain aspects of this legislation, I would like to briefly discuss two matters: hunting and fishing rights and the establishment of a reservation.

As was made clear repeatedly in last year's hearings on similar legislation, and again in hearings this year in both the Senate and the House of Representatives, this bill does not grant or restore any hunting or fishing rights, and says so explicitly in section 3(c): "This Act shall not grant or restore any hunting, fishing, or trapping right of any nature, including any indirect or procedural right or advantage, to the tribe or any member of the tribe."

As many of my colleagues are aware, Indian fishing rights are a matter of great controversy in the Pacific Northwest. Officials of the Oregon Department of Fish and Wildlife have been very concerned that this legislation might somehow result in the Siletz attaining superior hunting and fishing rights, free from State regulation, by virtue of their restoration to Federal recognition. But the language of this bill makes it clear that restoration of recognition will not restore any hunting or fishing rights. If those rights exist, by virtue of the unratified 1855 treaty with the Siletz, they do so despite termination and independent of this legislation. This bill does not create them, grant them, or restore them if they were lost in termination. Indeed, the tribe itself is so sure of this that it promised in testimony before the House Subcommittee on Public Lands and Indian Affairs that if any member went to court seeking superior hunting or fishing rights on the basis of this bill, it would file a brief against that effort.

On the second matter, that of the establishment of a reservation, I want to emphasize that this bill, unlike my similar legislation of last year, does not establish a reservation. Rather, it directs the Secretary of the Interior to enter negotiations with the tribe, State and local officials, and all interested parties, as to the establishment of a reservation. He is specifically directed to discuss the size and location of the reservation, its impact on tax revenues, civil and criminal jurisdiction on the reservation, the provision of State and local services, and the provision of Federal services.

Once the Secretary has completed his discussions, he is directed to submit a reservation plan, in the form of proposed legislation, to the appropriate committees of each House. This process, from initiation of discussion to submission of the plan, must be completed within 2 years of the enactment of the act.

The Committees which receive the plan are requested to give it priority on their calendars. Of course, no reservation of any sort will be created without a separate act of Congress, and there is certainly no requirement that the Committees abide by the Secretary's plan.

I want to emphasize, Mr. President, that if a reservation is established for the Siletz, that establishment will not grant or restore any hunting or fishing

rights, and again, the bill says so explicitly in section 7(d)(2): "the establishment of such a reservation shall not grant or restore to the tribe or any member of the tribe any hunting, fishing, or trapping right of any nature, including any indirect or procedural right or advantage, on such reservation."

Mr. President, I believe anyone with the ability to understand the English language should see that S. 1560 is absolutely neutral on hunting and fishing rights.

This bill has been before Congress now for a year and a half. It has been the subject of extensive debate and two Senate hearings. It is sorely needed, and I urge its adoption by the Senate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments were agreed to en bloc.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-386), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

PURPOSE

The purpose of this act is to restore Federal recognition, services and assistance to the Confederated Tribes of Siletz Indians of Oregon and to the tribal members. This legislation would also provide a means by which an interim tribal government can be elected as well as initiate discussions between the Secretary of the Interior and all interested local parties concerning whether a reservation should be created for the Confederated Tribes of the Siletz Indians by a separate act of Congress.

BACKGROUND

The Confederated Tribes of Siletz Indians were among the Western Oregon Tribes who were terminated pursuant to the act of August 13, 1954 (69 Stat. 724; 25 U.S.C. §§ 691-708). The BIA's termination roll published in the Federal Register in 1956 showed 929 tribal members, with another 500 roll applications in controversy. One-hundred and thirty people on the final roll are now deceased and more than 300 have moved out of Lincoln County, where the greatest number of tribal members resided at the time of termination. Most of those leaving Lincoln County now live in Willamette Valley cities (Portland, Salem, Eugene, Springfield, Albany, and the Corvallis) and castal towns. Thus, for those people for whom information is available, approximately 73 percent of the tribal members lived on or near the reservation at the time of termination. Now, approximately 27 percent of the estimated 1,750 Siletz Indians live on or near the former reservation.

Recent studies indicate that the effect of termination on the Siletz Tribe has been severe. The unemployment rate for Siletz Indians living in the former reservation area is 43.8 percent, and the median family income for a Siletz family in the area is $3,333. In 1974, 44 percent of the Siletz Indians between the ages of 17 and 25 had not finished high school, and there is a high incidence of alcoholism and other health problems, for which many members cannot afford medical care.

Restoration would make a large difference to both the individuals and the tribe as a whole in that they would be eligible for such benefits as: certain BIA programs such as Johnson-O'Malley Act funds for elementary and secondary school children in the Siletz schools; and BIA scholarship for post-secondary education for tribal youths. Tribal members could receive health benefits through HEW's Indian Health Service. The tribe would also be able to administer some BIA prgrams, which would provide jobs for tribal members, and the tribe would be eligible for certain BIA loan funds.

The Interior Department estimates the BIA program costs under the bill would be approximately $300,000 in the first year after enactment. Appropriations for these programs are authorized under existing law.

LEGISLATIVE HISTORY

Legislation to restore the Confederated Tribes of the Siletz Indians to the status of a federally recognized tribe was first introduced in the 94th Congress by Senator Hatfield with the consponsorship of Senators Bartlett, Abourezk, and Packwood. That bill, S. 2801, was the subject of 2 days of hearings before the Senate Subcommittee on Indian Affairs on March 30 and 31, 1976.

Aside from assessing the need to restore Federal recognition in order to make Federal services and benefits available to the tribe and its members, the hearing focused on the issue of hunting and fishing rights. The Oregon Assistant Attorney General argued that the bill would establish a basis for granting superior hunting and fishing rights, beyond the regulatory powers of the State, to members of the Siletz Tribe. The Assistant Attorney General recommended the addition to the bill of the so-called "McKean amendment," which would give the State clear authority to regulate hunting and fishing by the Tribe on the same basis as non-Indians.

At the hearing on S. 2801, the then Associate Solicitor for Indian Affairs, Reid Chambers, was asked what effect the State's proposed amendment would have on both the Siletz hunting and fishing rights and the obligations and liabilities of the U.S. Government. It was Mr. Chamber's opinion that the passage of a bill which abrogated any existing hunting, fishing, or trapping rights would cer'ainly expose the Federal Government to liability for taking property without due process. Mr. Chambers further pointed out that it had not yet been determined whether the Siletz had reserved to them by their unratified treaty of 1855 superior hunting and fishing rights which might be restored or denied.

Legislation similar to S. 2801 was introduced in the House of Representatives in the 94th Congress by Representative Les AuCoin, but no hearings were held on the House bill.

S. 1560 was introduced on May 18 by Senators Hatfield and Packwood and a hearing was held on July 13. Unlike last year's bill, S. 1560 does not create a reservation. Rather, it directs the Secretary of the Interior to negotiate with the tribe and local interests concerning the establishment of a reservation, and requires him to submit a plan for the establishment of a reservation to the Congress within 20 years after enactment of the bill.

Both S. 2801 and the present bill, S. 1560, are neutral on the issue of hunting and fishing rights, neither extinguishing any rights the tribal members may have nor conferring any new rights. However, at the hearing, the Fish and Wildlife Department for the State of Oregon proposed substitute legislation which would make the Siletz Indians eligible for all Federal Indian health, education, and welfare benefits but not restore them to Federal recognition. This proposal would give the State the authority to regulate Siletz Indian hunting and fishing as it does all other user groups (this is the same as the aforementioned "McKean amendment").

House hearings on identical legislation introduced by Representative Les AuCoin were held on July 14. The Subcommittee on Indian Affairs and Public Lands held a mark-up session on July 28.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SEVERANCE PAY FOR CERTAIN COMMITTEE STAFF MEMBERS

The resolution (S. Res. 239) to provide severance pay for certain committee staff members who are displaced as a result of the reorganization of Senate committee staffs caused by the committee system reorganization amendments of 1977, was considered and agreed to, as follows:

Resolved, That for purposes of this resolution—

(1) the terms "eligible staff member", new committee", and "transition period" have the meanings given to them by section 701 of S. Res. 4, Ninety-fifth Congress, agreed to February 4 (legislative day, February 1), 1977; and

(2) the term "displaced staff member" means an eligible staff member whose service as an employee of the Senate is terminated solely and directly as a result of the reorganization of the staff of a new committee caused by such S. Res. 4, and who is certified as a displaced staff member by the chairman (and, with respect to a minority employee, by the ranking minority member) of such new committee.

SEC. 2. The chairman (and, with respect to a minority employee, the ranking minority member) of each new committee shall certify to the Committee on Rules and Administration the name of each displaced staff member of such committee within ten days after the day on which this resolution is agreed to (or, in the case of a displaced staff member whose service terminates after such day, within ten days after the termination of his service).

SEC. 3. (a) Subject to the provisions of this section and sections 4 and 5, each displaced staff member shall be entitled, upon application to the Committee on Rules and Administration, to receive a gross amount of severance pay (based on a thirty-day month) equal to seven days' pay for each year of service as an employee of the Senate (and a ratable portion in the case of service for part of a year). Such application shall be made not later than the thirtieth day after the day on which this resolution is agreed to (or, in the case of a displaced staff member whose service terminates after such day, not later than the thirtieth day after the termination of his service).

(b) The maximum number of days' pay which may be taken into account in computing the gross amount of severance pay to which a displaced staff member is entitled under subsection (a) shall be ninety days' pay.

(c) For purposes of subsection (a)—

(1) in prorating severance pay for part of a year, any service insufficient to calculate severance pay for a full day shall be disregarded; and

(2) active military service shall be treated

as service as an employee of the Senate if such active military service was immediately preceded and followed (except for periods of thirty days or less) by service as an employee of the Senate.

(d) Severance pay of a displaced staff member (1) shall be computed on the basis of the per annum rate of compensation of such displaced staff member on the date of termination of his service, (2) shall commence on the day after the termination of the transition period, and (3) shall be paid on a monthly basis from the contingent fund of the Senate, upon vouchers approved by the chairman of the Committee on Rules and Administration, until such displaced staff member has been paid the gross amount to which he is entitled under this resolution.

SEC. 4. (a) A displaced staff member shall not be entitled to severance pay under section 3 unless he has served continuously (except for any period of four days or less) as an employee of the Senate for one year immediately preceding the termination of his service.

(b) A displaced staff member shall not be entitled to severance pay under section 3 if, at the time of the termination of his service, he—

(1) is receiving an annuity under subchapter III of chapter 83 of title 5, United States Code, or is entitled to receive an immediate annuity under such subchapter; or

(2) is receiving retirement or retired pay or an annuity under any other retirement law or retirement system for employees of the United States or the District of Columbia or members of the uniformed services (other than retired pay for nonregular service under chapter 67 of title 10, United States Code), or is entitled to receive such pay or an immediate annuity under such law or system.

(c) A displaced staff member shall not be paid severance pay under section 3 for any day during the period of his entitlement to severance pay on which he—

(1) is an employee of the United States or the government of the District of Columbia; or

(2) is entitled to receive a deferred annuity under subchapter III of chapter 83 of title 5, United States Code, or under any retirement law or system referred to in subsection (b)(2),

and each such day shall be subtracted from the number of days for which such displaced staff member is entitled to severance pay under section 3.

(d) A displaced staff member shall be entitled to severance pay under section 3 only if the Committee on Rules and Administration is satisfied that the displaced staff member has made reasonable efforts to obtain employment comparable to his employment as a member of a committee staff, but has been unable to do so.

SEC. 5. (a) To receive severance pay for any month (or portion thereof), a displaced staff member shall submit to the Secretary of the Senate, as soon as possible after the close of such month, a notarized statement setting forth—

(1) whether or not he was employed or self-employed during such month (or portion) or received unemployment compensation for such month (or portion); and

(2) the amount of compensation received or receivable for services performed as an employee during such month (or portion), the amount of net earnings received or receivable from self-employment during such month (or portion), and the amount of unemployment compensation received or receivable for such month (or portion).

(b) The amount of severance pay to which a displaced staff member is otherwise entitled for a month (or portion thereof) shall be reduced by the sum of the amounts set forth under subsection (a)(2) in the statement submitted by him for such month (or portion). If a statement for a month (or portion) is not submitted by a displaced staff member to the Secretary of the Senate within sixty days after the close of such month (or, if later, within sixty days after the date on which this resolution is agreed to) the gross amount of severance pay to which such displaced staff member is otherwise entitled under section 3 shall be reduced by the amount of severance pay which would otherwise have been paid to him for such month (or portion).

SEC. 6. In the event of the death of a displaced staff member, any unpaid severance pay to which the displaced staff member is entitled shall be paid to the widow or widower of the displaced staff member or, if no widow or widower, to the heirs at law or next of kin of such deceased displaced staff member.

SEC. 7. Severance pay paid under this resolution shall not be treated as compensation for purposes of any provision of title 5, United States Code. or of any other law relating to benefits accruing from employment by the United States, and the period of entitlement to such pay shall not be treated as a period of employment for purposes of any such provision or law.

SEC. 8. Upon the enactment of S. 1153, Ninety-fifth Congress, or similar legislation abolishing the Joint Committee on Atomic Energy and providing for disposition of the staff of such Joint Committee, the provisions of this resolution shall apply with respect to the displaced staff members of such Joint Committee. In applying this resolution for such purpose, the terms "eligible staff member", "new committee", and "transition period" have the meanings given to them by S. 1153 or such similar legislation.

SEC. 9. Upon the termination of the temporary Select Committee on Nutrition and Human Needs on December 31, 1977, pursuant to section 106(e) of S. Res. 4, Ninety-fifth Congress, each eligible staff member of such select committee who is serving as a member of its staff on such date shall be treated as a displaced staff member and the provisions of this resolution (other than section 2) shall apply with respect to such displaced staff member. In applying this resolution for such purpose, the transition period shall be treated as ending on December 31, 1977.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-387), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

Senate Resolution 4, the "Committee System Reorganization Amendments of 1977," in its original form as referred to the Committee on Rules and Administration on January 4, 1977, contained language to provide severance pay for committee staff members who would be displaced from their jobs as a direct result of Senate approval of reorganization of the committee system.

Provision of severance pay in such cases had been recommended by the Temporary Select Committee to Study the Senate Committee System, and during its hearings on Senate Resolution 4 in January the Rules Committee endorsed the proposal in principle, but deferred action on it until the end of the transition period provided by Senate Resolution 4.

The committee discussed this matter in detail in hearings held on July 13 and July 27, at which the recommendations of the Temporary Select Committee and testimony by the Senate Financial Clerk, Mr. William A. Ridgely, and the Senate Legislative Counsel, Mr. Harry B. Littell, were carefully considered.

According to the figures supplied by the Senate Financial Clerk, a possible total of 28 individuals could be involved; the exact number can not be determined until certifications have been made to the Committee on Rules and Administration.

For purposes of Senate Resolution 389, various terms are defined as follows:

(1) "Eligible staff member" means an individual who was a member of the staff of an old committee, or of a subcommittee thereof, on February 10, 1977, and had served continuously (except for a period of 4 days or less) thereon since October 1, 1976;

(2) "New committee" means a standing, select, or special committee of the Senate which was in existence on February 11, 1977;

(3) "Transition period" means the period from February 11 through June 30, 1977; and

(4) "Displaced staff member" means an eligible staff member whose service as an employee of the Senate was terminated solely and directly as a result of the reorganization of the staff of a new committee caused by Senate Resolution 4, and who is certified as a displaced staff member by the chairman (and, with respect to a minority employee, by the ranking minority member) of such new committee.

The resolution provides that the chairman (and, with respect to a minority employee, the ranking member) of each new committee would have to certify to the Committee on Rules and Administration the name of each displaced staff member of such committee within 10 days after the date on which this resolution is agreed to.

Upon application by such displaced staff members to the Committee on Rules and Administration, they would be entitled to a gross amount of severance pay (based on a 30-day month) equal to a 7-day pay for each year of Senate service. Partial years of service would be prorated but any service that does not equal 1 full day would be disregarded. Military service would be included under certain circumstances. The maximum of a 90-day pay at the rate received on the date of termination would be paid on a monthly basis from the contingent fund of the Senate. Severance pay would be reduced by any compensation received or receivable for services performed as an employee during the period of entitlement.

In the event of death, any unpaid severance pay due a displaced staff member would be paid to the widow or widower or heirs at law or next of kin.

Employees of the Joint Committee on Atomic Energy and the Select Committee on Nutrition and Human Needs would be treated as displaced staff members under provisions of sections 8 and 9 of this resolution.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF COMMUNICATIONS ACT OF 1934

The Senate proceeded to consider the bill (S. 1866) to amend section 222 of the Communications Act of 1934 in order to include Hawaii in the same category as other States for the purposes of such section, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment on page 1, beginning with line 6, insert the following:

SEC. 2. Section 222 of the Communications Act of 1934 (47 U S.C. 222), as amended, is further amended by adding at the end thereof the following new subsection:

"(g) (1) The authority of any carrier to provide any service or operate any facilities which it is authorized to provide or operate on the date of enactment of this subsection shall not be altered solely by the inclusion of Hawaii within the definition of 'Continental United States', nor shall such inclusion restrict or impair any carrier's eligibility after the date of enactment of this subsection for new or additional authority.

"(2) Whenever, upon a complaint or upon its own initiative, and after opportunity for a hearing, the Commission finds that any charge, classification, regulation, or practice relating to intercarrier arrangements of any carrier serving Hawaii is or will be unjust, unreasonable, discriminatory, or not in the public interest, the Commission shall determine and prescribe what charge, classification, regulation, or practice, or such other remedy as is or will be just, reasonable, nondiscriminatory and in the public interest to be thereafter followed.".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 222(a) (10) of the Communications Act of 1934 (47 U.S.C. 222(a) (10) is amended by striking out ", except Hawaii".

SEC. 2. Section 222 of the Communications Act of 1934 (47 U.S.C. 222), as amended, is further amended by adding at the end thereof the following new subsection:

"(g) (1) The authority of any carrier to provide any service or operate any facilities which it is authorized to provide or operate on the date of enactment of this subsection shall not be altered solely by the inclusion of Hawaii within the definition of 'Continental United States', nor shall such inclusion restrict or impair any carrier's eligibility after the date of enactment of this subsection for new or additional authority.

"(2) Whenever, upon a complaint or upon its own initiative, and after opportunity for a hearing, the Commission finds that any charge, classification, regulation, or practice relating to intercarrier arrangements of any carrier serving Hawaii is or will be unjust, unreasonable, discriminatory, or not in the public interest, the Commission shall determine and prescribe what charge, classification, regulation, or practice, or such other remedy as is or will be just, reasonable nondiscriminatory and in the public interest to be thereafter followed.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-389), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

Section 222 was enacted in 1943, in the light of special circumstances then prevailing and 16 years before Hawaii was admitted to the Union. It is now 18 years since Hawaii became a State. Experience in these years has shown that the designation of Hawaii as an international point for the purposes of section 222 has frustrated the efforts of the Federal Communications Commission and private industry to afford Hawaii similar treatment as her sister States. This disparity has resulted generally in higher rates for interstate communications to and from Hawaii, and in fewer services and facilities. Exclusion of Hawaii from the definition of "Continental United States" restricts the classes of carriers which are allowed to provide services to Hawaii. S. 1866 seeks to make available to Hawaii the same modern telecommunications facilities, services and rate-making principles which are now or will be enjoyed throughout the Continental United States. The amendment will accomplish this by including Hawaii within the definition of "Continental United States," thereby removing artificial constraints on the availability of telecommunications offerings, the entry of new carriers into the Hawaiian market and service integration into the mainland structure.

BRIEF DESCRIPTION

S. 1866 is intended to remove the anomalous designation of the State of Hawaii as an international point under section 222 of the Communications Act of 1934. The bill would amend section 222(a) (10) by including Hawaii within the definition of "Continental United States." The bill would remove the applicability of the international/domestic dichotomy to the Hawaiian market and would foster competition among all carriers serving that market. The bill would further amend section 222 by adding a new subsection, which would provide that carriers currently serving the Hawaiian market may continue to do so. Additionally, the bill would provide for the entry of additional carriers and the offering of new or additional services to the Hawaiian market, subject to the approval of the Federal Communications Commission.

BACKGROUND AND NEED

Enactment of section 222

Prior to World War II, the two major companies providing domestic telegraph services on the U.S. mainland were the Western Union Telegraph Company and the Postal Telegraph and Cable Corporation. By 1943, both domestic telegraph companies were in serious financial trouble. Telephone services were making significant inroads into the telegraph market, leaving both telegraph companies with excessive and duplicative facilities. To solve this problem, Congress enacted section 222 of the Communications Act which created a statutory antitrust exemption to allow Western Union and Postal to merge. Congress was concerned, however, that the merged entity might utilize its newfound monopoly position in domestic telegraph service to favor its own international operation at the expense of its international record service competitors. To remove this danger, the merger legislation incorporated four additional provisions.

1. Western Union was required to divest itself of its international operations.

2. Domestic and international areas of service were defined and international record carriers (IRCs) could receive messages destined for international delivery and hand over incoming messages destined for the hinterlands for delivery by Western Union.

3. Congress included a provision in section 222 requiring that Western Union distribute unrouted international telegraph among the overseas carriers according to "a just, reasonable and equitable formula".

4. In order to compensate Western Union for the use of its facilities for the delivery of international messages, section 222 provides that the parties negotiate a proper division of revenues. If an agreement cannot be negotiated, the Commission is authorized to prescribe the division of revenues.

Hawaii designated as an international point

Congress drew the international/domestic dichotomy of section 222 largely on historical and geographic bases. Hawaii was not included in the definition of the domestic service area in 1943, and thus became an international location with respect to communication services. That designation was continued by congressional enactment of section 36 of the Hawaii Omnibus Act (Public Law 86-624, approved July 12, 1960) which added the phrase "except Hawaii" to section 222(a) (10). The legislative history indicates that the designation of Hawaii as an international point indicated that further study of the status of Hawaii was necessary:

. . . to preserve, at least for the immediate future, Hawaii's exclusion from the definition (of the United States). As will appear below further consideration by the Federal Communications Commission may at a later date indicate that other or different amendments are desirable.

Hawaii has historically been regarded as outside the United States for the purposes of the transmission of telegraph messages. . . . This exclusion was apparently based on geographical considerations, rather than on political status. . . .

The amendment to section 222 is necessary now to maintain the status quo. . . . It may later develop, however, that different amendments may prove more suitable. The Federal Communications Commission has instituted an inquiry. . . . the purpose of which is to enable the Commission to receive from interested parties their views as to what changes in the Communications Act, if any, the Commission should recommend to Congress. Before making a determination as to what changes it recommends, other than the foregoing which would merely preserve current arrangements, the Federal Communications Commission will require more time to complete its inquiry.

The Commission did not recommend a change. In its 1960 decisions, *Telegraph Service With Hawaii,* 28 F.C.C. 599 and 29 F.C.C. 714, the Commission found that a change in status at that time promised no benefits for Hawaii.

Whatever validity the exclusion of Hawaii from domestic services may have had in the past, it would seem to have been lessened by the revolutionary changes which have taken place in communications technology and concurrent development of entirely new service concepts.

Domestic satellites are insensitive to distance or terrain crossed. They can be used to provide service between the contiguous States and Hawaii at far less additional cost than was the case when only submarine cable technology was available. There now are numerous services and potential rate advantages that are likely to accrue to Hawaii by a change in status.

Current industry structure

(a) *Domestic carrier.*—Today, Western Union retains its monopoly position in providing domestic telegraph service to the continental United States. In domestic record services, other than telegraph, Western Union faces competition from A.T. & T., specialized, resale, and satellite carriers who now offer a wide range of services capable of satisfying diverse customer requirements.

(b) *International record carriers.*—There are four major international record carriers: ITT, RCA, WUI and TRT. Three of these, RCA, ITT and WUI, serve Hawaii and, in combination, have direct circuits to virtually every major communications center throughout the world. TRT has recently been authorized to expand its service area. The Liberia, a subsidiary of Firestone Rubber, serve limited areas in Europe and Africa.

(c) *Other international carriers.*—The American Telephone and Telegraph Company (A.T. & T.) provides all message telephone service and all voice-only private line services from the United States mainland to international points. The Hawaiian Telephone Company (HTC) provides international and interstate, as well as intrastate, services for Hawaii. As A.T. & T's correspondent, it provides all those services A.T. & T. is authorized to provide between Hawaii and

the mainland. The Communications Satellite Corporation (Comsat), a carrier's carrier, leases satellite circuits to end service carriers

Technology and services

The sophistication of today's international record market results in large measure from the development of high quality transmission facilities. High capacity voice-grade submarine cables and satellite facilities have virtually replaced telegraph cables and HF radio for media used for overseas transmissions in 1943, and are today the backbone of the international record industry. The global satellite communications network, independently, makes possible new and innovative record and voice services as well as international television relay, and reaches global points which cables cannot serve

Voice-grade circuits in both cables and satellites are capable of transmitting alternate and simultaneous voice/data, facsimile and high-speed data and may be subdivided for telegraph and telex transmission. Although public message telegraph service was the first and for many years the predominant international record service, by 1974, telegraph revenues represented only about 13 percent of total international record service revenues with telex and leased lines accounting for 55 and 25 percent of the industry's revenues, respectively. Telex is a teletypewriter exchange system directly linking a customer's office with any other party on a carrier's telex network. A leased channel, on the other hand, is a circuit dedicated to a single customer or customer group. Leased channel services may include teleprinter, data, facsimile, alternate voice/data transmission.

Impact of section 222 upon Hawaiian communications

Disagreement as to the scope of section 222 has contributed greatly to the delay in securing new services, better rates, and new facilities for Hawaiian points. For example, because of section 222's designation as Hawaii as an international point, the Commission could not authorize provision of Western Union's MAILGRAM service. Additionally, integration of Hawaii into the domestic rate and service structure has been a long, difficult process due, at least in part, to section 222 complications.

The major class of service offerings not now available to Hawaii are those being offered on the mainland for the first time by new carriers in the competitive market. For example, Graphnet, Telenet, Tymnet, Southern Pacific and MCI are offering numerous specialized domestic services. These services consist of switching and private line services designed to meet the growing communications needs of mainland customers. AT&T has introduced Dataphone Digital Service—a private line service offering two-way transmission of digital signals at various synchronous speeds—also not available to Hawaii. Finally, as a result of the Federal Communications Commission decision prohibiting restrictions on the resale and shared use of most carrier offerings, additional services will soon be offered on the mainland. The resale and shared use decision does not apply to Hawaii, since Hawaii is classified as an international point. Many record services now offered by Western Union on the mainland are not currently offered to Hawaii through the IRCs. Included in this group of services are Braille Gram, Data Gram, Data Comm, Infomaster (stored and forward message switching), and miscellaneous new ticker services. While it is not possible to identify which of these services and carriers, and any future services or carriers, may be competitively viable in the Hawaiian market, artificial statutory constraints should not hamper their availability.

A hearing was held on S. 1162, a bill to repeal section 222, in Hawaii on April 15, 1977. Although S. 1162 is broader in scope than S. 1866, the field hearing was narrowly focused on the effect of section 222 on Hawaiian telecommunications. A subsequent hearing on S. 1866 was held in Washington, D.C., on July 21, 1977. In the two days of hearings, nearly all witnesses, including representatives from the State of Hawaii, the Federal Communications Commission, the IRCs, the Office of Telecommunications Policy, and Hawaiian business and consumer groups testified in favor of extending to Hawaii telecommunications services comparable to those available in the continental United States. On August 2, 1977 the Committee on Commerce, Science and Transportation, meeting in open executive session, ordered S. 1866 reported with an amendment.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FINANCIAL INSTITUTIONS SUPERVISORY ACT AMENDMENTS OF 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed at this time, without any time being charged on the bill for the time being, to the consideration of Calendar No. 302, with the understanding that the managers of the foreign assistance appropriation bill may at any time interrupt the consideration of Calendar Order 302 for a resumption of consideration of the foreign assistance appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 71) to strengthen the supervisory authority of Federal agencies which regulate depository institutions.

The Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment in the nature of a substitute.

The PRESIDING OFFICER. The time is under control.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, the minority leader and I have time.

Mr. BAKER. Mr. President, I ask the majority leader to state, if he would, or might we inquire of the Chair, the nature of the unanimous-consent limitations on the consideration of this bill?

The PRESIDING OFFICER. The clerk will state the unanimous-consent agreement.

The legislative clerk read as follows:

Ordered, That when the Senate proceeds to the consideration of S. 71 (Order No. 302), a bill to strengthen the supervisory authority of Federal agencies which regulate depository institutions, and for other purposes, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Wisconsin (Mr. Proxmire) and the Senator from Massachusetts (Mr. Brooke): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order: *Provided further*, That this agreement may be vitiated by the Senator from Massachusetts (Mr. Brooke).

Mr. BAKER. Mr. President, I thank the Chair.

I ask the majority leader, the nongermaneness provision in this consent order, is it the majority leader's view that would prevent the introduction and consideration of any amendment dealing with the confirmation of any appointment to the office of Chairman of the Federal Reserve Board?

Mr. ROBERT C. BYRD. Indubitably so.

Mr. BAKER. I thank the majority leader.

PRIVILEGE OF THE FLOOR—H.R. 7797

Mr. BAKER. Mr. President, I ask unanimous consent that Ernest Garcia and Claude Alexander of Mr. DOLE's staff be granted privilege of the floor during the remainder of the foreign assistance bill, as and when the Senate returns to its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 977, THE COAL CONVERSION BILL, AND H.R. 7797, THE FOREIGN ASSISTANCE APPROPRIATION BILL, ON SEPTEMBER 7, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the return of the Senate on September 7, if the action by the Senate on the foreign assistance appropriation bill has been completed, the Senate proceed on that date following the recognition of the two leaders or their designees under the standing order to the consideration of the coal conversion bill, S. 977, and that, in the alternative, if the Senate has not completed action on the foreign assistance appropriation bill, action on that measure be resumed immediately following the recognition of the two leaders or their designees under the standing order.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, does the majority leader have in mind to ask unanimous consent for any limitations on debate on consideration of the coal conversion measure?

Did I misunderstand? I thought that the request at this time was that we proceed to the consideration of the coal conversion after we finish consideration of the foreign aid appropriations.

Mr. ROBERT C. BYRD. That is what I asked.

Mr. BAKER. Is there already an order on the coal bill?

The PRESIDING OFFICER. The chair advises that there is an order.

Mr. BAKER. I am sorry, I misunderstood. I thank the majority leader.

Mr. ROBERT C. BYRD. Mr. President, has the request been agreed to?

The PRESIDING OFFICER. If there is no objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the chair.

FINANCIAL INSTITUTIONS SUPERVISORY ACT AMENDMENTS OF 1977

The Senate continued with the consideration of S. 71.

Mr. ROBERT C. BYRD. Mr. President, I believe that Mr. PROXMIRE and Mr. BROOKE are ready to proceed with the consideration of Calendar No. 302, which is the pending measure.

Mr. PROXMIRE obtained the floor.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. ROBERT C. BYRD. Mr. President, for the information of the distinguished manager of the bill, a unanimous consent order has been entered that at such time as the managers of the foreign assistance appropriation bill are ready to resume consideration of that measure today, they will have the privilege of interrupting the proceedings on the now pending measure and resume consideration of that measure.

Mr. PROXMIRE. I believe this measure can be disposed of in a few minutes; but if not, I will be happy to have it set aside.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Wisconsin.

FOREIGN ASSISTANCE

Mr. HELMS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HELMS. I ask the majority leader if he has any anticipation of what hour the foreign aid appropriation bill will be resumed?

Mr. ROBERT C. BYRD. There are consultations at the moment which may result in my having enough knowledge on the question to respond adequately. At the moment, I cannot.

Mr. BAKER. Mr. President, if the Senator will yield, I will respond to the Senator from North Carolina by saying that at this very instant, these negotiations are underway. The majority leader and I just left. The negotiations were both energetic and promising, and I expect that we will have more information on that before long.

Mr. HELMS. As the Prince of Denmark is supposed to have said, " 'Tis a consummation devoutly to be wished."

Mr. ROBERT C. BYRD. I thank the Senator. I now have something new to memorize, which I may use later.

[Laughter.]

Mr. PROXMIRE. Mr. President, on June 30 the Committee on Banking, Housing, and Urban Affairs reported to the Senate a bill (S. 71 committee report No. 95–323) to strengthen the supervisory authority of the Federal banking agencies over financial institutions.

Mr. President, S. 71 has four titles:

Title I gives the Federal financial institutions regulatory agencies strengthened supervisory authority over depositary institutions.

Title II prohibits with certain exemptions interlocking management and directors among competing financial institutions in specified geographic areas.

Title III authorizes the FDIC to regulate the establishment of foreign banking operations by institutions it regulates in addition to making general "housekeeping" changes. The foreign banking operations of national banks and state member banks are already under such supervisory authority as exercised by the Federal Reserve.

Title IV prohibits revolving door employment practices by the heads of the Federal financial regulatory agencies and raises the salary levels of the Chairman and members of the Federal Reserve, the Chairman of the FDIC and Federal Home Loan Bank Board, and the Administrator of the National Credit Union Administration.

The four titles were the subject of consolidated hearings by the Senate Banking Committee on May 24 and 25, 1977. All interested Government agencies and parties testified on the legislation. The testimony was favorable. The committee marked up the legislation on June 15, 1977, and made a number of changes in the legislation as introduced reflecting specific points made at the hearings.

Mr. President, the banking industry has recently come under tremendous strain. Banking institutions have experienced rapid growth during the past 25 years. During the past 5 years we have seen the largest failures in the history of the Nation with the collapse of the Bank of the Commonwealth, $1 billion; the Franklin National Bank, $5 billion; the Security National Bank, $1 billion; and the Hamilton National Corp., $1 billion. More recently the number of "problem banks" has shown an upward and worrisome trend. FDIC statistics, for example, reveal that the number of institutions in the problem categories increased from $25 billion in assets at the beginning of 1976 to $75 billion at the beginning of 1977. Classified loans—that is loans that present greater than normal risk of repayment—as a percentage of capital assets increased significantly during the past 5 years.

Unfortunately, the capitalization of our banking system has not kept pace with these events. Chairman Burns testified before the Senate Banking Committee that the banking system is undercapitalized. The largest financial institutions—those institutions whose assets exceed $5 billion—are particularly undercapitalized.

Last year the House and Senate Committees asked the GAO to audit the bank regulatory agencies in the light of the increasing number of problem banks to determine how well these Federal agencies were carrying out their regulatory responsibilities. The GAO found that in some cases the bank regulatory agencies did not use the powers they already had to stop unsafe or unsound practices. But the GAO specifically recommended that the regulatory agencies powers be augmented as provided in title I of S. 71 in order to enhance the abilities of the regulators to deal with problem situations.

Title I was recommended by Chairman Burns jointly on behalf of the three bank regulators as a means of preventing problem bank situations from arising and for arriving at more timely solutions once such situations did arise. The Federal Home Loan Bank Board made a strong case before the Banking Committee for the powers contained in title I citing specific cases where lack of authority had hampered their enforcement efforts.

Mr. President, the Banking Committee has done a lot of work in the past 2 years relating to the matter of regulation of the financial system and its condition. There are proposals which the committee is considering to streamline and simplify the existing structure in various ways by merging regulatory agencies or requiring closer coordination of their operations. S. 71 may not be the complete answer to correcting the deficiencies in the regulatory process but it is an extremely important step in the right direction.

By authorizing cease and desist orders to be instituted against individuals and civil money penalties for violations of such orders, enforcement action can be tailored to the needs of particular cases and the orders should be self-enforcing. S. 71 will also tighten the restrictions on insider lending which have been the principal cause of bank failures over the course of the past 15 years.

I would prefer an outright prohibition on insider loans but I recognize the difficulty of accomplishing this aim at this time. S. 71 authorizes the removal of bank officials whose conduct demonstrates a willful disregard for the safety of the institution. And S. 71 authorizes the divestiture of nonbank subsidiaries of bank holding companies in cases where they represent a threat to the safety of a subsidiary bank.

This will insure that bank holding companies are operated for the benefit of the subsidiary banks instead of being a drain on the bank. I am convinced that correctly used by the financial institutions regulatory agencies the powers contained in S. 71 will enable them to focus on and stop specific unsafe or unsound practices.

While title I of S. 71 gives the agencies the power they need to assure a safe and sound banking system, title II will provide a healthier banking climate by prohibiting interlocking management and director relationships among competing financial institutions.

Over 50 years ago Congress prohibited interlocking employment and director relationships among commercial banks and stock savings banks. These provisions have become outdated. Title II represents the recommendations for legislation by Chairman Burns of the Federal Reserve as amended by the Banking Committee after hearings.

Title II of S. 71 recognizes that all types of financial institutions compete for depositors funds: commercial banks, savings and loan associations, mutual savings banks, trust companies and so forth. Prohibiting interlocking management and director relationships among

these institutions in the areas where they compete will benefit consumers and their communities. Competition between institutions will be assured as to price and quality of depositary and lending services. Funds flow to the community will be free from artificial distortions based on conflicting relationships.

Interlocking relationships are prohibited among these institutions in standard metropolitan statistical areas (SMSAs) or in the same or adjacent city, town, or village. And, regardless of geographic area all such interlocks between an institution with $1 billion in assets are prohibited with institutions whose assets exceed $500 million. Since title II is intended to proscribe anticompetitive interlocking relationships there are exceptions—for credit unions, for example—and the Federal Reserve is authorized to grant exceptions and to prevent evasions of the law by rule.

Title III of the legislation was recommended by the FDIC as "housekeeping" legislation. There is one provision in this title which I should mention specifically because it is more than a housekeeping provision. The Federal Reserve must give its prior approval to the establishment of foreign banking operations by national banks and State member banks of the Federal Reserve. Title III would subject banks under the jurisdiction of the FDIC—that is, state nonmember banks—to such regulatory jurisdiction. This is needed because State nonmember banks have increased in size and because their overseas operations can affect the safety and soundness of their domestic operations.

Title IV of the legislation will prohibit revolving door employment practices by the heads of financial institutions regulatory agencies who take jobs with institutions they regulate before their terms of office are completed. This provision of the legislation seeks to encourage the heads of these regulatory bodies to complete their terms of office.

The salary levels of the Chairman of the Federal Reserve and the members of the Federal Reserve are elevated respectively to level I and level II. At the same time the salary levels of the Chairman of the other bank regulatory agencies—the FDIC, the FHLBB, the Comptroller and the Administrator of the NCUA are increased to level II to maintain parity with the members of the Federal Reserve. These salary increases should encourage these officials to complete their terms of office.

Title IV places no new restrictions on post-employment for individuals completing their terms of office. However, heads of the financial institutions regulatory agencies who leave their term uncompleted would be prohibited for 2 years from taking a job with a bank or bank holding company or affiliates of a bank which they regulate.

Existing law prohibits a member of the Federal Reserve, FDIC, and the Comptroller in such circumstances from taking a job with a bank regulated by the official. No such statutory restriction applies to members of the FHLBB. Title IV will cure two deficiencies in current law.

First, the existing prohibition on employment with a bank is expanded to include bank holding companies and affiliates of such banks. This merely recognizes the reality that bank holding companies are part and parcel of their subsidiary banks. Second, the statutory proscriptions applying to the Federal Reserve, the FDIC and the Comptroller are made applicable to the FHLBB. This will give the same treatment to the heads of all the financial regulatory agencies.

In increasing the salary level of the Chairman of the Federal Reserve from level II to level I the committee has recognized the important position of the Chairman of the Federal Reserve and the important functions he performs on behalf of the Congress in conducting the monetary policy of the Nation. Cabinet status for the Chairman of the Federal Reserve is a step which should be taken.

Mr. President, I commend the legislation to my colleagues for favorable consideration.

Mr. BROOKE. Mr. President, the measure we consider today is an important step toward strengthening the supervisory authority of the Federal bank regulatory agencies over financial institutions and their affiliates.

The bill was introduced at the request of the financial regulatory agencies and represents a response to the "problem bank" situations which arose over the past few years.

Our committee has added to S. 71 the provisions contained in S. 73 relating to interlocking management and directorates at financial institutions. We have also added the provisions of S. 895, a series of "housekeeping" amendments to the Federal Deposit Insurance Act, and certain provisions of S. 1433 designed to prevent conflicts of interest.

Since the chairman has explained the principal features of the bill, I shall not repeat them here. I believe that the bill as reported is a sound bill, and I urge my colleagues to support its enactment.

UP AMENDMENT NO. 741

Mr. PROXMIRE. Mr. President, the distinguished Senator from New Hampshire has an amendment which I will offer on his behalf. I send it to the desk.

The PRESIDING OFFICER. The amendment will be stated. The second assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE), on behalf of the Senator from New Hampshire (Mr. MCINTYRE) proposes an amendment numbered 741.

The amendment is as follows:

At the end of the bill add the following:

TITLE V—CREDIT UNION RESTRUCTURING

SEC. 501. Section 102 of the Federal Credit Union Act (12 U.S.C. 1752a) is amended to read as follows:

"CREATION OF ADMINISTRATION

"SEC. 102. (a) There is hereby established in the executive branch of the Government an independent agency to be known as the National Credit Union Administration. The Administration shall be under the management of a National Credit Union Administration Board.

"(b) The Board shall consist of three members, who are broadly representative of the public interest, appointed by the President, by and with the advice and consent of the Senate. In appointing the members of the Board, the President shall designate the Chairman. Not more than two members of the Board shall be members of the same political party.

"(c) The term of office of each member of the Board shall be six years, except that the terms of the two members, other than the Chairman, initially appointed shall expire one upon the expiration of two years after the date of appointment, and the other upon the expiration of four years after the date of appointment. Board members shall not be appointed to succeed themselves except the initial members appointed for less than a six-year term may be reappointed for a full six-year term and future members appointed to fill unexpired terms may be reappointed for a full six-year term. Any Board member may continue to serve as such after the expiration of said member's term until a successor has qualified.

"(d) The management of the Administration shall be vested in the Board. The Board shall adopt such rules as it sees fit for the transaction of its business and shall keep permanent and complete records and minutes of its acts and proceedings. A majority of the Board shall constitute a quorum. Not later April 1 of each calendar year, and at such other times as the Congress shall determine, the Board shall make a report to the President and to the Congress. Such a report shall summarize the operations of the Administration and set forth such information as is necessary for the Congress to review the financial program approved by the Board.

"(c) The Chairman of the Board shall be the spokesman for the Board and shall represent the Board and the National Credit Union Administration in its official relations with other branches of the Government. The Chairman shall determine each Board member's area of responsibility and shall review such assignments biennially. It shall be the Chairman's responsibility to direct the implementation of the adopted policies and regulations of the Board.

"(f) The members of the Board shall be ineligible during the time they are in office or for two years thereafter to hold any office position, or employment in any credit union or in any financial institution in which a credit union owns stock, except that this restriction shall not apply to any member who has served the full term for which he was appointed.

"(g) The financial transactions of the Administration shall be subject to audit on a calendar year basis by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where the accounts of the Administration are kept.".

SEC. 502. (a) Section 101 of the Federal Credit Union Act is amended—

(1) by striking out clause (2) and inserting in lieu thereof the following:

"(2) the term 'Chairman' means the Chairman of the National Credit Union Administration Board;";

(2) by inserting "Administration" after "Union" in clause (4).

(b) The Federal Credit Union Act is amended by striking out "Administrator" each place it appears and inserting in lieu thereof "Board", and by striking out the personal pronouns "he", "him", and "his" when referring to the Administrator and inserting in lieu thereof "it", "them", and "its" as appropriate wherever such words appear therein.

(c) Section 209 of the Federal Credit Union Act (12 U.S.C. 1789) is amended—

(1) by inserting in subsection (b)(1) the language "on a calendar year basis" immediately following "prepare annually";

(2) by inserting in subsection (b)(2) the language "on a calendar year basis" immediately following "set of accounts".

(d) Section 5108 of title 5, United States Code, is amended by adding the following new paragraph:

"(h) In addition to the number of positions authorized by subsection (a), the National Credit Union Administration is authorized without regard to any other provision to this section, to place two positions in the Administration at GS–18 and a total of fourteen positions in the Administration at GS–16 or GS–17.".

(c) Section 5313 of title 5, United States Code, is amended by adding the following new paragraph:

"(28) Chairman, National Credit Union Administration Board.".

(f) Section 5314 (92) of title 5, United States Code, is amended by striking out "Administrator of the National Credit Union Administration" and inserting in lieu thereof "Members, National Credit Union Administration Board (2)".

SEC. 503. (a) The Federal Credit Union Act (12 U.S.C. 1751–1790) is further amended by striking out "Administrator" and inserting in lieu thereof "Board" in the following sections:

(1) section 103 (12 U.S.C. 1753);
(2) section 104 (12 U.S.C. 1754);
(3) section 105 (12 U.S.C. 1755);
(4) section 106 (12 U.S.C. 1756);
(5) paragraphs (5), (8), (9), (10), (13), and (14) of section 107 (12 U.S.C. 1757);
(6) section 108 (12 U.S.C. 1758);
(7) section 109 (12 U.S.C. 1759);
(8) section 111 (12 U.S.C. 1761);
(9) section 112 (12 U.S.C. 1761a);
(10) section 13 (12 U.S.C. 1761b);
(11) section 115 (12 U.S.C. 1761d);
(12) paragraph (b)(2) of section 116 (12 U.S.C. 1762);
(13) the title of section 120 (12 U.S.C. 1766);
(14) section 120(a) (12 U.S.C. 1766);
(15) section 120(b)(1) (12 U.S.C. 1766);
(16) section 120(b)(2) (12 U.S.C. 1766);
(17) section 120(b)(3) (12 U.S.C. 1766);
(18) section 120(b)(4) (12 U.S.C. 1766);
(19) section 120(b)(5) (12 U.S.C. 1766);
(20) section 120(c) (12 U.S.C. 1766);
(21) section 120(d) (12 U.S.C. 1766);
(22) section 120(e) (12 U.S.C. 1766);
(23) section 120(f)(1) (12 U.S.C. 1766);
(24) section 120(f)(2)(A) (12 U.S.C. 1766);
(25) section 120(f)(2)(B) (12 U.S.C. 1766);
(26) section 120(g) (12 U.S.C. 1766);
(27) section 120(h) (12 U.S.C. 1766);
(28) section 120(i) (12 U.S.C. 1766);
(29) section 120(i)(3) (12 U.S.C. 1766);
(30) section 121 (12 U.S.C. 1767);
(31) section 125(b)(1) (12 U.S.C. 1771);
(32) section 125(b)(2) (12 U.S.C. 1771);
(33) section 127 (12 U.S.C. 1772a); and
(34) sections 201 to 210 (12 U.S.C. 1773–1775).

(b) Such Act is further amended by striking out the personal pronouns "he", "him", and "his" when referring to the Administrator and inserting in lieu thereof "it", "they", and "its" as appropriate wherever such words appear therein.

SEC. 504. (a) Paragraph (4) of section 101 of the Federal Credit Union Act (12 U.S.C. 1752) which begins with "The terms 'member account'" is redesignated paragraph "(5)" and the succeeding paragraphs numbered (5) through (8) are redesignated as paragraphs (6) through (9), respectively.

(b) Paragraph (5) of section 101 of the Federal Credit Union Act (12 U.S.C. 1752), as redesignated by subsection (a) of this section, is amended—

(1) by striking "(when referring to the account of a member of a credit union)";

(2) by striking "share, share certificate, or share deposit" each time it appears therein and inserting "share or share certificate" in lieu thereof;

(3) by striking "those" and inserting "share or share certificate" in lieu thereof; and

(4) by striking all language after "political subdivisions thereof" and inserting "enumerated in section 207 of this Act: *Provided*, That for purposes of insured State credit unions, reference in this paragraph to 'share' or 'share certificate' accounts includes, as determined by the Board, the equivalent of such accounts under State law;" in lieu thereof.

(c) Paragraph (9) of section 101 of the Federal Credit Union Act (12 U.S.C. 1752), as redesignated by (a) of this section, is amended by—

(1) inserting ", including the trust territories," after "several territories"; and

(2) adding the following new sentence: "The term 'branch' also includes a suboffice, operated by a Federal credit union or by a credit union authorized by the Department of Defense, located on an American military installation in a foreign country or in the trust territories of the United States.".

SEC. 505. (a) Subsection (a) of section 201 of the Federal Credit Union Act (12 U.S.C. 1781) is amended by inserting ", including the trust territories," after "several territories".

(b) Paragraph (b)(7) of such section is amended by inserting "except for accounts authorized by State law for State credit unions" before the semicolon.

(c) Such section is further amended by striking all of subsection (d) and redesignating subsection (e) as (d).

SEC. 506. (a) Section 202 of the Federal Credit Union Act (12 U.S.C. 1782) is amended by striking out "his" in the fifth sentence of paragraph (a)(1) and inserting "such officer's" in lieu thereof.

(b) Subsection (h)(3) of such section is amended to read as follows:

"(3) The term 'member account' when applied to the premium charge for insurance of accounts shall not include amounts received from other federally insured credit unions in excess of the insured account limit set forth in section 207(c)(1).".

SEC. 507. Section 208 of the Federal Credit Union Act (12 U.S.C. 1788) is amended by striking out "Special Assistance to Avoid Liquidation" and inserting "Special Assistance for Federally Insured Credit Unions" in lieu thereof.

SEC. 508. Section 105 of the Federal Credit Union Act (12 U.S.C. 1755) is amended to read as follows:

"FEES

"SEC. 105. (a) In accordance with rules prescribed by the Board, each Federal credit union shall pay to the Administration an annual operating fee which may be composed of one or more charges identified as to the function or functions for which assessed.

"(b) The fee assessed under this section shall be determined according to a schedule, or schedules, or other method determined by the Board to be appropriate, which gives due consideration to the expenses of the Administration in carrying out its responsibilities under this Act and to the ability of Federal credit unions to pay the fee. The Board shall, among other things, determine the periods for which the fee shall be assessed and the date or dates for the payment of the fee or increments thereof.

"(c) If the annual operating fee is composed of separate charges, no supervision charge shall be payable by a Federal credit union, and the Board may waive payment of any or all other charges comprising the fee, with respect to the year in which its charter is issued, or in which final distribution is made in its liquidation or the charter is cancelled.

"(d) All operating fees shall be deposited with the Treasurer of the United States for the account of the Administration and may be expended by the Board to defray the expenses incurred in carrying out the provisions of this Act including the examination and supervision of Federal credit unions.".

SEC. 509. Section 106 of the Federal Credit Union Act (12 U.S.C. 1756) is amended to read as follows:

"REPORTS AND EXAMINATIONS

"SEC. 106. Federal credit unions shall be under the supervision of the Board, and shall make financial reports to it as and when it may require, but at least annually. Each Federal credit union shall be subject to examination by, and for this purpose shall make its books and records accessible to, any person designated by the Board.".

SEC. 510. The amendments made by this title take effect upon enactment, except that the functions of the Administration of the National Credit Union Administration under the provisions of the Federal Credit Union Act as in effect on the date preceding the date of enactment of this title, shall continue to be performed by him in accordance with such provisions until such time as all the members of the National Credit Union Administration Board, established under the amendments made by this title, take office. All rules, regulations, policies, and procedures of the Administrator in effect on the date of enactment of this title shall remain in effect until amended, superseded, or repealed.

On page 132, line 7, after the period insert close quotation marks and a period.

On page 132, strike out lines 8 and 9.

On page 132, strike out lines 12 through 15.

Mr. PROXMIRE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Senator MCINTYRE.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR MCINTYRE

The provisions of this amendment are contained in Title 2 of S. 1665, a bill which I introduced on June 9th and which, together with a number of other bills, was the subject of hearings within the Subcommittee on Financial Institutions June 20–23. As a result of these hearings I introduced, on July 15, S. 1873, a bill which incorporates a number of proposals endorsed in the hearings. S. 1873 will be considered by the Banking Committee August 2nd.

In fashioning S. 1873, the proposals contained in this amendment to restructure the National Credit Union Administration were omitted with a view to adding them to the bill now before the Senate, S. 71, where they appropriately belong.

The hearings I referred to demonstrated once again that this amendment is noncontroversial. Indeed, it is identical to S. 3312, a bill that was reported by the Banking Committee in the last Congress.

Essentially, the principal thrust of this amendment is to transfer management of the National Credit Union Administration from a single Administrator who serves at the pleasure of the President to a three-member board with fixed terms of office. The responsibilities of the National Credit Union Administration have increased substantially and become more complex since the agency was created in 1970. With the current emphasis on financial restructuring and the emergence of new developments relating to electronic funds transfer systems, the climate in which credit unions find themselves is a dynamic one. To keep pace, an upgraded and modernized National Credit Union Administration management structure is needed.

The establishment of a three-member board will provide greater stability and continuity in establishing and carrying out policy. The broad representation provided a three-member board will permit greater ex-

perience and expertise to be brought to bear on the day-to-day complexities of managing the NCUA.

The establishment of a board is also consistent with the past actions of Congress in establishing the management structure of other Federal financial regulatory agencies.

The amendment also upgrades the salary levels of senior management and staff within the NCUA which is needed to move the NCUA closer to a position of parity with the other financial regulatory agencies.

Mr. PROXMIRE. Mr. President, so far as I know, there is no opposition to the McIntyre amendment. Senator McINTYRE desired to be here to support it. It is supported by the credit union organizations and by the National Credit Union Administration.

Mr. BROOKE. Mr. President, I have studied the McIntyre NCUA amendment. This amendment was discussed before the committee. This is to provide for the three-man board, as I understand it. It was unanimously agreed to in the committee, and I have no objection.

The PRESIDING OFFICER. Is all time yielded back?

Mr. PROXMIRE. I yield back the remainder of my time.

Mr. BROOKE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 742

Mr. PROXMIRE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 742.

The amendment is as follows:

On page 100, line 22, after the period insert the following: "Any notice of suspension or order of removal issued under this paragraph shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (3) hereof unless terminated by the agency."

On page 102, strike out lines 23 through 25.

On page 103, line 1, strike out "(4)" and insert "(3)".

On page 103, line 5, strike out "(5)" and insert "(4)".

On page 103, line 9, strike out "(6)" and insert "(5)".

On page 105, line 8, after the period, insert the following: "Any notice of suspension or order of removal issued under this paragraph shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (3) hereof unless terminated by the Corporation."

On page 106, between lines 17 and 18, insert the following:

(3) Section 407(j)(2) of such Act (12 U.S.C. 1730(j)(2)) is amended by inserting "(1)" after "subsection (h)".

On page 108, line 7, after the period, insert the following "Any notice of suspension or order of removal issued under this subparagraph shall remain effective and outstanding until the completion of any hearing or appeal authorized under subparagraph (C) hereof unless terminated by the Board."

On page 110, strike out lines 8 though 10.

On page 110, line 11, strike out "(4)" and insert "(3)".

On page 112, line 6, after the period, insert the following: "Any notice of suspension or order of removal issued under this paragraph shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (3) hereof unless terminated by the Administrator."

On page 114, between lines 14 and 15, insert the following:

(3) Section 206(1)(2) of such Act (12 U.S.C. 1786(1)(2)) is amended by inserting "(1)" after "subsection (h)".

Mr. PROXMIRE. Mr. President, this amendment is proposed jointly by Senator TOWER and myself.

This amendment is a due process amendment. It would provide authorization for an appeal to the U.S. court of appeals to a bank officer or director who has been suspended or removed after a hearing upon an indictment or conviction of a crime involving dishonesty or breach of trust.

Since 1966 there has been in the law a summary suspension and removal procedure applied by the regulatory agencies against bank officers or directors. After indictment or conviction for a crime the regulatory agencies have had the power to suspend and remove such individuals without a hearing. No appeal mechanism is in the law.

In the legislation recommended by the regulatory agencies a hearing procedure was provided for but did not recommend that an appeal procedure to the courts be included.

I have considered this matter since the committee marked up the legislation. The agencies affected now have no objection to providing for an appeal of an adverse finding to a U.S. court of appeals.

This amendment would provide that and pending the completion of the proceedings a suspension would remain in effect. This will insure that the public is protected while the individual is given full recourse to the courts for review of a suspension or removal order.

Mr. BROOKE. Mr. President, I have knowledge of this amendment, and I have no objection. I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I have no further amendments. I understand that the Senator from Massachusetts may have an amendment. Before he offers his, I wish to say this: One amendment I did have to this bill, which I will not offer, would provide for Senate confirmation of the nomination of the Chairman of the Federal Reserve Board. As I understand it, there is no opposition to that kind of amendment, provided it is prospective and does not apply to the present Chairman. The House has an amendment which would give the Senate that confirmation authority.

It seems to me that the case is just overwhelming. If there is any figure in our Government who should be subject to confirmation by the Senate, it is the Chairman of the Federal Reserve Board—the Chairman, as Chairman.

I say that because this is a very powerful position. All the indications are that it is the most powerful economic position in our Government. The Federal Reserve Board is peculiarly a legislative agency, independent of the executive branch. So we certainly should pass on the qualifications of the man to be Chairman.

Furthermore, the record is replete in showing that people who come up for a simple confirmation to the Board itself are given very brief consideration by the committee.

I made a review of the past 10 confirmations. I find that in most cases the interrogation lasted only a very few minutes, no discussion or debate. They were approved usually by polling the committee.

The confirmation was taken to the floor and approved by unanimous consent with no debate. I might point out that any one of the six members of the Board or the seven members of the Board could be reappointed by President Carter, including some very fine people, but people whose record, whose attitude, whose qualifications should be passed on as Chairmen.

However, we are not going to do that today. I hope we can do that within the next month or two because I see the House has got that in a bill which has been unanimously approved by their committee, and we will have an opportunity to pass on that later. So I will not offer the amendment. But I only do not offer it because of the strenuous objections by certain Members of the Senate who, unless they wish it to be otherwise, will remain anonymous so far as I am concerned.

Mr. BROOKE. Mr. President, the distinguished chairman has made a most eloquent statement about an amendment, of course, which he is not going to offer, for which I am very grateful he is not going to offer at this particular time.

But I have discussed this amendment at great length with the distinguished Senator from Wisconsin, and I think we will be able to work out something relative to that amendment and have it come before the Senate for its consideration.

UP AMENDMENT NO. 743

Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. BROOKE) proposes unprinted amendment No. 743.

Mr. BROOKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add a new title as follows:

TITLE V—STANDBY LETTERS OF CREDIT

SEC. 501. The purpose of this title is to regulate standby letters of credit, guaranties, surety agreements and certain acceptances issued by commercial banks.

SEC. 502. (a) Section 5202 of the Revised Statutes, as amended (12 U.S.C. 82), is amended by inserting "(a)" after section 5202.

(b) The clause numbered "Fifth" in such redesignated section 5202(a) is amended to read:

"Fifth. Liabilities incurred under the provisions of the Federal Reserve Act, including liabilities arising from the acceptance of time drafts of the kinds described in section 13 of the Federal Reserve Act."

(c) Section 5202 is further amended by adding a new subsection (b) to read:

"Section 5202(b). No national banking association shall incur any liability arising from the acceptance of a time draft (other than liabilities arising from the acceptance of time drafts of the kinds described in section 13 of the Federal Reserve Act), or from any undertaking to make or arrange a payment in the event another person fails to do so, in an amount exceeding 50 percent of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, plus 50 percent of its unimpaired surplus fund, except that any liability which is secured by readily realizable collateral shall not be included as a liability subject to the limitation contained herein."

SEC. 503. Section 5200 of the Revised Statutes (12 U.S.C. 84) is amended by inserting immediately after the second sentence the following new sentence: "For purposes of this section, (a) where an association accepts a time draft (other than a time draft of a kind described in section 13 of the Federal Reserve Act), the amount of the acceptance shall be deemed an obligation to the association of the person who is obliged to place the bank in funds prior to the maturity of the acceptance, (b) where an association undertakes to make or arrange a payment in the event another person fails to do so, the amount involved shall be deemed an obligation of that person to the association, and (c) where the acceptance or undertaking is made in connection with the financing of the purchase of personal property for lease or sale to a user, the amount of such acceptance or undertaking shall be deemed an obligation of the user to the association; and all such transactions shall be incorporated and disclosed fully in the balance sheets and reports of condition of the issuing bank and be subject to full extension of credit analysis."

SEC. 504. Section 19(a) of the Federal Reserve Act, as amended (12 U.S.C. 461(a)), is amended by adding at the end thereof the following sentence: "For the purposes of subsection (b) of this section, any member bank acceptance (other than an acceptance of a kind described in section 13) or any undertaking by a member bank to make or arrange a payment in the event another person fails to do so shall be deemed a deposit."

SEC. 505. Paragraph 6 of section 9 of the Federal Reserve Act, as amended (12 U.S.C. 324), is amended by adding at the end thereof the following: "The provisions of sections 5200 and 5202(b) of the Revised Statutes shall apply to all State member banks and all insured nonmember State banks, so long as such banks are liable on acceptances not of a kind described in section 13 or on undertakings to make or arrange a payment in the event another person fails to do so."

SEC. 506. The provisions of this Act shall take effect upon the expiration of thirty days after the date of its enactment.

Mr. BROOKE. Mr. President, almost 3 years have passed since I introduced legislation to regulate standby letters of credit and other bank guaranties. During this time, as the amount of guaranty-type instruments has continued to grow, the potential for damaging effects on this Nation's banking system stemming from such practices has increased significantly.

When I first addressed problems attending the use of these instruments in August of 1974, the aggregate amount outstanding at the 20 largest banks alone approximately $6.9 billion. In the 3 years which have passed, the amount outstanding has risen to approximately $13 billion, while the amount outstanding nationwide is estimated at $20 billion. Indeed, there are estimates that the usage of such instruments will climb in magnitude to $50–$100 billion in the not too distant future. Clearly, the growth of such practices has gone unabated, and the attending problems have not been addressed by the banks themselves, the bank regulatory agencies or the Congress.

Chairman PROXMIRE and I introduced legislation similar to my original bill during the 2d session of the 94th Congress, and hearings were held on this legislation last year. The Committee on Banking, Housing, and Urban Affairs received wide-ranging testimony on this bill. Following the hearings on this subject, certain technical amendments were received, and considered; and they have been incorporated in the provisions before us today. It is fair to say, however, that the proposed legislation is in essence the bill which served as the basis for the Banking Committee's hearings last year.

In my judgment, we must heed the lessons of the past, and foreclose the recurrence of problems which arose in recent years involving this Nation's banking system. This amendment is designed to address problems similar to those which were involved with the failure of the United States National Bank of San Diego, and to insure that the future growth of standby letters of credit and other bank guaranties is coupled with reasonable restraints designed to insure the safety and soundness of those commercial banks engaging in such practices. In this regard, I am pleased that Chairman PROXMIRE has seen fit to join me in supporting this legislation. I believe that the addition of the amendment to S. 71 will strengthen the bill and will help to promote the safety and soundness of our banking system.

Mr. PROXMIRE. Mr. President, I am happy to support the Brooke amendment.

Standby letters of credit are guarantees issued by banks standing ready to pay the commercial paper obligations of firms that become insolvent. As such they arguably represent inherently unsafe or unsound banking practices. The three banking agencies discussed this problem. Two of them wanted to ban them outright but the third—the Comptroller of the Currency—did not.

As often happens when the banking agencies disagree, the minority prevailed. This legislation will not ban standby letters of credit, but it will control them to safe levels. So I am happy to join the distinguished Senator from Massachusetts in supporting his amendment.

Mr. President, I yield back the remainder of my time on the amendment.

Mr. BROOKE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. BROOKE. Mr. President, I have no further amendments.

Mr. PROXMIRE. I have no further amendments.

The PRESIDING OFFICER. If there are no further amendments, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, were agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BROOKE. I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is, shall the bill pass?

The bill, S. 71, was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Financial Institutions Supervisory Act Amendments of 1977".

TITLE I—SUPERVISORY AUTHORITY OVER DEPOSITARY INSTITUTIONS

SEC. 101. The Federal Reserve Act is amended by redesignating sections 29 and 30 as sections 30 and 31, respectively, and by inserting after section 28 a new section as follows:

"SEC. 29. (a) Any member bank which violates or any officer, director, employee, agent, or other person participating in the conduct of the affairs of such member bank who violates any provision of section 22 or 23A of this Act, or any regulation issued pursuant thereto, shall forfeit and pay a civil penalty of not more than $1,000 per day for each day during which such violation continues. The penalty shall be assessed and collected by the Comptroller of the Currency in the case of a national bank, or the Board in the case of a State member bank, by written notice. As used in this section, the term 'violates' includes without any limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(b) In determining the amount of the penalty the Comptroller of the Currency or the Board, as the case may be, shall take into account the appropriateness of the penalty with respect to the size of the financial resources and good faith of the member bank or person charged, the gravity of the violation, the history of previous violations, and such other matters as justice may require.

"(c) The member bank or person assessed shall be afforded an opportunity for agency hearing, upon request made within ten days

after issuance of the notice of assessment. In such hearing, all issues shall be determined on the record pursuant to section 554 of title 5, United States Code. The agency determination shall be made by final order which may be reviewed only as provided in subsection (d). If no hearing is requested as herein provided, the assessment shall constitute a final and unappealable order.

"(d) Any member bank or person against whom an order imposing a civil money penalty has been entered after agency hearing under this section may obtain review by the United States court of appeals for the circuit in which the home office of the member bank is located, or the United States Court of Appeals for the District of Columbia Circuit, by filing a notice of appeal in such court within ten days from the date of such order, and simultaneously sending a copy of such notice by registered or certified mail to the Comptroller of the Currency or the Board, as the case may be. The Comptroller of the Currency or the Board, as the case may be, shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code. The findings of the Comptroller of the Currency or the Board, as the case may be, shall be set aside if found to be unsupported by substantial evidence as provided by section 706(2)(E) of title 5, United States Code.

"(e) If any member bank or person fails to pay an assessment after it has become a final and unappealable order, or after the court of appeals has entered final judgment in favor of the agency, the Comptroller of the Currency or the Board, as the case may be, shall refer the matter to the Attorney General, who shall recover the amount assessed by action in the appropriate United States district court. In such action the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

"(f) The Comptroller of the Currency and the Board shall promulgate regulations establishing procedures necessary to implement this section.

"(g) All penalties collected under authority of this section shall be covered into the Treasury of the United States.".

SEC. 102. Section 19 of the Federal Reserve Act is amended by adding at the end thereof the following new subsection:

"(i)(1) Any member bank which violates or any officer, director, employee, agent, or other person participating in the conduct of the affairs of such member bank who violates any provision of this section, or any regulation or order issued by the Board pursuant thereto, shall forfeit and pay a civil money penalty of not more than $100 per day for each day during which such violation continues. The penalty shall be assessed and collected by the Board by written notice. As used in this section, the term 'violates' includes without any limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(2) In determining the amount of the penalty the Board shall take into account the appropriateness of the penalty with respect to the size of financial resources and good faith of the member bank or person charged, the gravity of the violation, the history of previous violations, and such other matters as justice may require.

"(3) The member bank or person assessed shall be afforded an opportunity for agency hearing, upon request made within ten days after issuance of the notice of assessment. In such hearing, all issues shall be determined on the record pursuant to section 554 of title 5, United States Code. The agency determination shall be made by final order which may be reviewed only as provided in paragraph (4). If no hearing is requested as herein provided, the assessment shall constitute a final and unappealable order.

"(4) Any member bank or person against whom an order imposing a civil money penalty has been entered after agency hearing under this section may obtain review by the United States court of appeals for the circuit in which the home office of the member bank is located, or the United States Court of Appeals for the District of Columbia Circuit, by filing a notice of appeal in such court within ten days from the date of such order, and simultaneously sending a copy of such notice by registered or certified mail to the Board. The Board shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code. The findings of the Board shall be set aside if found to be unsupported by substantial evidence as provided by section 706(2)(E) of title 5, United States Code.

"(5) If any member bank or person fails to pay an assessment after it has become a final and unappealable order or after the court of appeals has entered final judgment in favor of the agency, the Board shall refer the matter to the Attorney General, who shall recover the amount assessed by action in the appropriate United States district court. In such action the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

"(6) The Board shall promulgate regulations establishing procedures necessary to implement this subsection.

"(7) All penalties collected under authority of this subsection shall be covered into the Treasury of the United States.".

SEC. 103. Section 22 of the Federal Reserve Act is amended by adding at the end thereof the following new subsection:

"(h)(1) No member bank shall make any loan or extension of credit in any manner to any of its own officers, or to any person who directly or indirectly or acting through or in concert with one or more persons owns, controls, or has the power to vote more than 10 per centum of any class of voting securities of such member bank, or to any company controlled by such an officer or person, where the amount of such loan or extension of credit, when aggregated with the amount of all other loans or extensions of credit then outstanding by such bank to such officer or person and to all companies controlled by such officer or person, would exceed the limits on loans to a single borrower established by section 5200 of the Revised Statutes, as amended, in the case of a national banking association, or by the applicable State law in the case of a State member bank.

"(2) No member bank shall make any loan or extension of credit in any manner to any of its own officers or directors, or to any person who directly or indirectly or acting through or in concert with one or more persons owns, controls, or has the power to vote more than 10 per centum of any class of voting securities of such member bank, or to any company controlled by such an officer, director, or person, where the amount of such loan or extension of credit, when aggregated with the amount of all other loans or extensions of credit then outstanding by such bank to such officer, director, or person and to all companies controlled by such officer, director, or person, would exceed $25,000, unless such loan or extension of credit is approved in advance by two-thirds of the entire board of directors with the interested party abstaining from participating directly or indirectly in the voting.

"(3) No member bank shall make any loan or extension of credit in any manner to any of its own officers or directors, or to any person who directly or acting through or in concert with one or more persons, owns, controls, or has the power to vote more than 10 per centum of any class of voting securities of such member bank, or to any company controlled by such officer, director, or person, unless such loan or extension of credit is made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and does not involve more than the normal risk of repayment or present other unfavorable features.

"(4) For purposes of this subsection, an officer, director, or person shall be considered to have control of a company if said officer, director, or person, directly or indirectly or acting through or in concert with one or more other persons—

"(A) owns, controls, or has power to vote 25 per centum or more of any class of voting securities of the company;

"(B) controls in any manner the election of a majority of the directors of the company; or

"(C) has the power to exercise a controlling influence over the management or policies of such company.

"(5) For the purposes of this subsection—

"(A) the term 'person' means an individual or company;

"(B, the term 'company' means any corporation, partnership, business trust, association, joint venture, pool syndicate, sole proprietorship, unincorporated organization, any other form of business entity not specifically listed herein, or any other trust, but shall not include any insured bank or any corporation the majority of shares of which is owned by the United States or by any State;

"(C) the term 'extension of credit' has the same meaning assigned such term in the fourth paragraph of section 23A of this Act;

"(D) a person shall be deemed to be a 'director' of a member bank or a 'person who directly or indirectly or acting through or in concert with one or more persons owns, controls or has power to vote more than 10 per centum of any class of voting securities of a member bank' if such person has such relationship with any bank holding company of which such member is a subsidiary, as defined by the Bank Holding Company Act (12 U.S.C. 1841), or with any other subsidiary of such bank holding company; and

"(E) a person shall be deemed to be an 'officer' of a member bank if such person is an officer of any bank holding company of which such member bank is a subsidiary, as defined by the Bank Holding Company Act (12 U.S.C. 1841), or with any other subsidiary of such bank holding company.

"(6) The Board of Governors of the Federal Reserve System may prescribe such rules and regulations, including definitions of terms, as it deems necessary to effectuate the purposes and to prevent evasions of this subsection. The Board may further prescribe rules providing a reasonable period of time after the date of enactment of this subsection within which the amount of outstanding loans or extensions of credit made prior to such date of enactment shall be reduced so as to conform to the limitations of this subsection.".

SEC. 104. (a) Section 5 of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1844), is amended by adding at the end thereof the following new subsection:

"(e)(1) Notwithstanding any other provision of this Act, the Board may, whenever it has reasonable cause to believe that the continuation by a bank holding company of any activity or of ownership or control of any of its nonbank subsidiaries, other than a nonbank subsidiary of a bank, constitutes a serious risk to the financial safety, soundness, or stability of a bank holding company subsidiary bank and is inconsistent with sound banking principles or with the purposes of this Act or with the Financial Institutions Supervisory Act of 1966, order the bank holding company or any

such nonbank subsidiaries, after due notice and opportunity for hearing, and after considering the views of the bank's primary supervisor, which shall be the Comptroller of the Currency in the case of a national bank or the Federal Deposit Insurance Corporation and the appropriate State supervisory authority in the case of an insured nonmember bank, to terminate such activities or to terminate (within one hundred and twenty days or such longer period as the Board may direct in unusual circumstances) its ownership or control of any such subsidiary either by sale or by distribution of the shares of the subsidiary to the shareholders of the bank holding company. Such distribution shall be pro rata with respect to all of the shareholders of the distributing bank holding company, and the holding company shall not make any charge to its shareholders arising out of such a distribution.

"(2) The Board may in its discretion apply to the United States district court within the jurisdiction of which the principal office of the holding company is located, for the enforcement of any effective and outstanding order issued under this section, and such court shall have jurisdiction and power to order and require compliance therewith, but except as provided in section 9 of this Act, no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice or order under this section, or to review, modify, suspend, terminate, or set aside any such notice or order.".

(b)(1) Section 408(h) of the National Housing Act (12 U.S.C. 1730a(h)) is amended by adding immediately after "under subsection (a)(2)(D)" in paragraphs (3)(A) and (3)(B) of subsection (h) the phrase "or under subsection (h)(5)" and is amended by redesignating paragraph (h)(5) as (h)(6) and by adding a new paragraph (h)(5) to read as follows:

"(5)(A) Notwithstanding any other provision of this section, the Corporation may, whenever it has reasonable cause to believe that the continuation by a savings and loan holding company of any activity or of ownership or control of any of its noninsured subsidiaries constitutes a serious risk to the financial safety, soundness, or stability of a savings and loan holding company's subsidiary insured institution and is inconsistent with the sound operation of an insured savings and loan institution or with the purposes of this section or with the Financial Institutions Supervisory Act, order the savings and loan holding company or any of its subsidiaries, after due notice and opportunity for hearing, to terminate such activities or to terminate (within one hundred and twenty days or such longer period as the Corporation directs in unusual circumstances) its ownership or control of any such noninsured subsidiary either by sale or by distribution of the shares of the subsidiary to the shareholders of the savings and loan holding company. Such distribution shall be pro rata with respect to all of the shareholders of the distributing savings and loan holding company, and the holding company shall not make any charge to its shareholders arising out of such a distribution.".

"(B) The Corporation may in its discretion apply to the United States district court within the jurisdiction of which the principal office of the company is located, for the enforcement of any effective and outstanding order issued under this section, and such court shall have jurisdiction and power to order and require compliance therewith, but except as provided in subsection (k), no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice or order under this section, or to review, modify, suspend, terminate, or set aside any such notice or order.".

(2) Section 406(f) of the National Housing Act (12 U.S.C. 1729(f)) is amended to read as follows:

"(f)(1) In order to prevent a default in an insured institution or in order to restore an insured institution in default to normal operation, the Corporation is authorized, in its discretion and upon such terms and conditions as it may determine, to make loans to, to purchase the assets of, or to make a contribution to, an insured institution or an insured institution in default.

"(2) Whenever an insured institution is in default or, in the judgment of the Corporation, is in danger of default, the Corporation may, in order to facilitate a merger or consolidation of such insured institution with another insured institution or the sale of the assets of such insured institution and the assumption of its liabilities by another insured institution and upon such terms and conditions as the Corporation may determine, purchase any such assets or assume any such liabilities, or make loans to such other insured institution, or guarantee such other insured institution against loss by reason of its merging or consolidating with or assuming the liabilities and purchasing the assets of such insured institution in or in danger of default.

"(3) No contribution or guarantee shall be made pursuant to paragraphs (1) or (2) of this subsection (f) in an amount in excess of that which the Corporation finds to be reasonably necessary to save the cost of liquidating such insured institution in or in danger of default, but if the Corporation determines that the continued operation of such institution is essential to provide adequate savings or home financing services in its community, such limitation upon the amount of a contribution or guarantee shall not apply.".

SEC. 105. (a) Section 8 of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1847), is amended by redesignating "SEC. 8." as "SEC. 8. (a)" and by adding a new subsection (b) to read as follows:

"(b)(1) Any company which violates or any individual who participates in a violation of any provision of this Act, or any regulation or order issued pursuant thereto, shall forfeit and pay a civil penalty of not more than $1,000 per day for each day during which such violation continues. The penalty shall be assessed and collected by the Board by written notice. As used in the section, the term 'violates' includes without any limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(2) In determining the amount of the penalty the Board shall take into account the appropriateness of the penalty with respect to the size of financial resources and good faith of the company or person charged, the gravity of the violation, the history of previous violations, and such other matters as justice may require.

"(3) The company or person assessed shall be afforded an opportunity for agency hearing upon request made within ten days after issuance of the notice of assessment. In such hearing all issues shall be determined on the record pursuant to section 554 of title 5, United States Code. The agency determination shall be made by final order which may be reviewed only as provided in section 9. If no hearing is requested as herein provided, the assessment shall constitute a final and unappealable order.

"(4) If any company or person fails to pay an assessment after it has become a final and unappealable order, or after the court of appeals has entered final judgment in favor of the Board, the Board shall refer the matter to the Attorney General, who shall recover the amount assessed by action in the appropriate United States district court. In such action the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

"(6) The Board shall promulgate regulations establishing procedures necessary to implement this subsection.

"(7) All penalties collected under authority of this subsection shall be covered into the Treasury of the United States.".

(b) Section 5 of the Bank Holding Company Act is amended by adding the following new paragraph:

"(e) In the course of or in connection with an application, examination, investigation or other proceeding under this Act, the Board, or any member or designated representative thereof, including any person designated to conduct any hearing under this Act, shall have the power to administer oaths and affirmations, to take or cause to be taken depositions, and to issue, revoke, quash, or modify subpenas and subpenas duces tecum; and the Board is empowered to make rules and regulations to effectuate the purposes of this subsection. The attendance of witnesses and the production of documents provided for in this subsection may be required from any place in any State or in any territory or other place subject to the jurisdiction of the United States at any designated place where such proceeding is being conducted. Any party to proceedings under this Act may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district or the United States court in any territory in which such proceeding is being conducted or where the witness resides or carries on business, for the enforcement of any subpena or subpena duces tecum issued pursuant to this subsection, and such courts shall have jurisdiction and power to order and require compliance therewith. Witnesses subpenaed under this subsection shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States. Any service required under this subsection may be made by registered mail, or in such other manner reasonably calculated to give actual notice as the Board may by regulation or otherwise provide. Any court having jurisdiction of any proceeding instituted under this subsection may allow to any such party such reasonable expenses and attorney's fees as it deems just and proper. Any person who willfully shall fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, contracts, agreements, or other records, if in such person's power so to do, in obedience to the subpena of the Board, shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year or both.".

(c) Section 408(j) of the National Housing Act (12 U.S.C. 1730a(j)), is amended by adding thereto a new paragraph (j)(4) to read as follows:

"(4)(A) Any company which violates or any individual who participates in a violation of this section, or any regulation or order issued pursuant thereto, shall forfeit and pay a civil penalty of not more than $1,000 per day for each day during which such violation continues. The penalty shall be assessed and collected by the Corporation by written notice. As used in the section, the term 'violates' includes without any limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(B) In determining the amount of the penalty the Corporation shall take into account the appropriateness of the penalty with respect to the size of financial resources and good faith of the company or person charged, the gravity of the violation, the history of previous violations, and such other matters as justice may require.

"(C) The company or person assessed

shall be afforded an opportunity for agency hearing, upon request made within 10 days after issuance of the notice of assessment. In such hearing all issues shall be determined on the record pursuant to section 554 of title 5, United States Code. The agency determination shall be made by final order which may be reviewed only as provided in subparagraph (D). If no hearing is requested as herein provided, the assessment shall constitute a final and unappealable order.

"(D) Any company or person against whom an order imposing a civil money penalty has been entered after agency hearing under this section may obtain review by the United States court of appeals for the circuit in which the home office of the company is located, or in the United States Court of Appeals for the District of Columbia Circuit, by filing a notice of appeal in such court within thirty days from the date of such order, and simultaneously sending a copy of such notice by registered or certified mail to the Corporation. The Corporation shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code. The findings of the Corporation shall be set aside if found to be unsupported by substantial evidence as provided by section 706(2)(E) of title 5, United States Code.

"(E) If any company or person fails to pay an assessment after it has become a final and unappealable order, or after the court of appeals has entered final judgment in favor of the agency, the Corporation shall refer the matter to the Attorney General, who shall recover the amount assessed by action in the appropriate United States district court. In such action the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

"(F) The Corporation shall promulgate regulations establishing procedures necessary to implement this paragraph.

"(G) All penalties collected under authority of this paragraph shall be covered into the Treasury of the United States.".

SEC. 106. (a)(1) Section 8(b) of the Federal Deposit Insurance Act (12 U.S.C. 1818 (b)) is amended to read as follows:

"(b)(1) If, in the opinion of the appropriate Federal banking agency, any insured bank, bank which has insured deposits, or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such a bank is engaging or has engaged, or the agency has reasonable cause to believe that the bank or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such bank is about to engage, in an unsafe or unsound practice in conducting the business of such bank, or is violating or has violated, or the agency has reasonable cause to believe that the bank or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such bank is about to violate, a law, rule, or regulation, or any condition imposed in writing by the agency in connection with the granting of any application or other request by the bank or any written agreement entered into with the agency, the agency may issue and serve upon the bank or such director, officer, employee, agent, or other person a notice of charges in respect thereof. The notice shall contain a statement of the facts constituting the alleged violation or violations or the unsafe or unsound practice or practices, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the bank or the director, officer, employee, agent, or other person participating in the conduct of the affairs of such bank. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after service of such notice unless an earlier or a later date is set by the agency at the request of any party so served. Unless the party or parties so served shall appear at the hearing personally or by a duly authorized representative, they shall be deemed to have consented to the issuance of the cease-and-desist order. In the event of such consent, or if upon the record made at any such hearing, the agency shall find that any violation or unsafe or unsound practice specified in the notice of charges has been established, the agency may issue and serve upon the bank or the director, officer, employee, agent, or other person participating in the conduct of the affairs of such bank an order to cease and desist from any such violation or practice. Such order may, by provisions which may be mandatory or otherwise, require the bank or its directors, officers, employees, agents, and other persons participating in the conduct of the affairs of such bank to cease and desist from the same, and, further, to take affirmative action to correct the conditions resulting from any such violation or practice.

"(2) A cease-and-desist order shall become effective at the expiration of thirty days after the service of such order upon the bank or other person concerned (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable as provided therein, except to such extent as it is stayed, modified, terminated, or set aside by action of the agency or a reviewing court.".

(2) Section 407(e) of the National Housing Act (12 U.S.C. 1730(e)) is amended to read as follows:

"(e)(1) If, in the opinion of the Corporation, any insured institution, institution which has insured accounts or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution is engaging or has engaged, or the Corporation has reasonable cause to believe that the institution or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution is about to engage, in an unsafe or unsound practice in conducting the business of such institution, or is violating or has violated, or the Corporation has reasonable cause to believe that the institution or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution is about to violate, a law, rule, or regulation, or any condition imposed in writing by the Corporation in connection with the granting of any application or other request by the institution or any written agreement entered into with the Corporation, including any agreement entered into under section 403 of this title, the Corporation may issue and serve upon the institution or such director, officer, employee, agent, or other person a notice of charges in respect thereof. The notice shall contain a statement of the facts constituting the alleged violation of violations or the unsafe or unsound practice or practices, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the institution or the director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after service of such notice unless an earlier or a later date is set by the Corporation at the request of any party so served. Unless the party or parties so served shall appear at the hearing by a duly authorized representative, they shall be deemed to have consented to the issuance of the cease-and-desist order. In the event of such consent, or if upon the record made at any such hearing, the Corporation shall find that any violation or unsafe or unsound practice specified in the notice of charges has been established, the Corporation may issue and serve upon the institution or the director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution an order to cease and desist from any such violation or practice. Such order may, by provisions which may be mandatory or otherwise, require the institution or directors, officers, employees, agents, and other persons participating in the conduct of the affairs of such institution to cease and desist from the same, and, further to take affirmative action to correct the conditions resulting from any such violation or practice.

"(2) A cease-and-desist order shall become effective at the expiration of thirty days after service of such order upon the institution or the party or parties so served (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Corporation or a reviewing court.

"(3) This subsection and subsections (f), (g), (h), (j), (k), (m)(3), (n), (o), (p), and (q) of this section shall apply to any savings and loan holding company, and to any subsidiary (other than an insured institution) of a savings and loan holding company, as those terms are defined in section 408 of this title, and to any affiliate service corporation of an insured institution in the same manner as they apply to insured institutions.".

(3) Section 5(d)(2) of the Home Owners' Loan Act, as amended (12 U.S.C. 1464(d)(2)), is amended to read as follows:

"(2)(A) If, in the opinion of the Board, any association or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such association is engaging or has engaged, or the Board has reasonable cause to believe that the association or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such association is about to engage, in an unsafe or unsound practice in conducting the business of such association, or is violating or has violated or the Board has reasonable cause to believe that the association or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such association is about to violate, a law, rule, or regulation, or charter, or any condition imposed in writing by the Board in connection with the granting of any application or other request by the association or any written agreement entered into with the Board, the Board may issue and serve upon the association or such director, officer, employee, agent, or other person a notice of charges in respect thereof. The notice shall contain a statement of the facts constituting the alleged violation or violations or the unsafe or unsound practice or practices, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the association or the director, officer, employee, agent, or other person participating in the conduct of the affairs of such association. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after service of such notice unless an earlier or a later date is set by the Board at the request of any party so served. Unless the party or parties so served shall appear at the hearing by a duly authorized representative, they shall be deemed to have consented to the issuance of the cease-and-desist order. In the event of such consent, or if upon the record made at any such hearing, the Board

shall find that any violation or unsafe or unsound practice specified in the notice of charges has been established, the Board may issue and serve upon the association or the director, officer, employee, agent, or other person participating in the conduct of the affairs of such association an order to cease and desist from any such violation or practice. Such order may, by provisions which may be mandatory or otherwise, require the association or its directors, officers, employees, agents, and other persons participating in the conduct of the affairs of such association to cease and desist from the same, and, further, to take affirmative action to correct the conditions resulting from any such violation or practice.

"(B) A cease-and-desist order shall become effective at the expiration of thirty days after service of such order upon the association or the party or parties so served (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable, except to such extent as it is stayed, modified, terminated, or set aside by action of the Board or a reviewing court.

"(C) This paragraph and paragraphs (3), (4), (5), (7), (8), (9), (10), (12) (A) and (B), (13), and (14) of this subsection (d) shall apply to any savings and loan holding company or to any subsidiary (other than an association) of a savings and loan holding company, as those terms are defined in section 408 of the National Housing Act (12 U.S.C. 1730a), as amended, and to any affiliate service corporation of an association in the same manner as they apply to an association.".

(4) Section 206(e) of the Federal Credit Union Act (12 U.S.C. 1786 (e)(1)) is amended to read as follows:

"(e)(1) If, in the opinion of the Administrator, any insured credit union, credit union which has insured accounts, or any director, officer, committee member, employee, agent, or other person participating in the conduct of the affairs of such a credit union is engaging or has engaged, or the Administrator has reasonable cause to believe that the credit union or any director, officer, committee member, employee, agent, or other person participating in the conduct of the affairs of such credit union is about to engage, in an unsafe or unsound practice in conducting the business of such credit union, or is violating or has violated, or the Administrator has reasonable cause to believe that the credit union or any director, officer, committee member, employee, agent, or other person participating in the conduct of the affairs of such credit union is about to violate, a law, rule, or regulation, or any condition imposed in writing by the Administrator in connection with the granting of any application or other request by the credit union or any written agreement entered into with the Administrator, the Administrator may issue and serve upon the credit union or such director, officer, committte member, employee, agent, or other person a notice of charges in respect thereof. The notice shall contain a statement of the facts constituting the alleged violation or violations or the unsafe or unsound practice or practices, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the credit union or the the director, officer, committee member, employee, agent, or other person participating in the conduct of the affairs of such credit union. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after service of such notice unless an earlier or a later date is set by the Administrator at the request of any party so served. Unless the party or parties so served shall appear at the hearing by a duly authorized representative, they shall be deemed to have consented to the issuance of the cease-and-desist order. In the event of such consent, or if upon the record made at any such hearing, the Administrator shall find that any violation or unsafe or unsound practice specified in the notice of charges has been established, the Administrator may issue and serve upon the credit union or the director, officer, committee member, employee, agent, or other person participating in the conduct of the affairs of such credit union an order to cease and desist from any such violation or practice. Such order may, by provisions which may be mandatory or otherwise, require the credit union or its directors, officers, committee members, employees, agents, and other persons participating in the conduct of the affairs of such credit union to cease and desist from the same, and, further, to take affirmative action to correct the conditions resulting from any such violation or practice.

"(2) A cease-and-desist order shall become effective at the expiration of thirty days after the service of such order upon the credit union or other person concerned (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable as provided therein, except to such extent as it is stayed, modified, terminated, or set aside by action of the Administrator or a reviewing court.".

(b) Section 8(b)(3) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1818(b)(3)), is amended: (1) by inserting after "Bank Holding Company Act of 1956" a comma and the following: "and to any organization organized and operated under section 25A of the Federal Reserve Act or operating under section 25 of the Federal Reserve Act,"; and (2) by adding at the end thereof the following new sentence: "Nothing in this subsection or in subsection (c) of this section shall authorize any Federal banking agency, other than the Board of Governors of the Federal Reserve System, to issue a notice of charges or cease-and-desist order against a bank holding company or any subsidiary thereof (other than a bank or subsidiary of that bank).".

(c)(1) Sections 8(c)(1) and (2) of the Federal Deposit Insurance Act (12 U.S.C. 1818(c)(1) and (2)) are amended to read as follows:

"(c)(1) Whenever the appropriate Federal banking agency shall determine that the violation or threatened violation or the unsafe or unsound practice or practices, specified in the notice of charges served upon the bank or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such bank pursuant to paragraph (1) of subsection (b) of this section, or the continuation thereof, is likely to cause insolvency or substantial dissipation of assets or earnings of the bank, or is likely to seriously weaken the condition of the bank or otherwise seriously prejudice the interests of its depositors prior to the completion of the proceedings conducted pursuant to paragraph (1) of subsection (b) of this section, the agency may issue a temporary order requiring the bank or such director, officer, employee, agent, or other person to cease and desist from any such violation or practice and to take affirmative action to prevent such insolvency, dissipation, condition, or prejudice pending completion of such proceedings. Such order shall become effective upon service upon the bank or such director, officer, employee, agent, or other person participating in the conduct of the affairs of such bank and, unless set aside, limited, or suspended by a court in proceedings authorized by paragraph (2) of this subsection, shall remain effective and enforceable pending the completion of the administrative proceedings pursuant to such notice and until such time as the agency shall dismiss the charges specified in such notice, or if a cease-and-desist order is issued against the bank or such director, officer, employee, agent, or other person, until the effective date of such order.

"(2) Within ten days after the bank concerned or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such bank has been served with a temporary cease-and-desist order, the bank or such director, officer, employee, agent, or other person may apply to the United States district court for the judicial district in which the home office of the bank is located, or the United States District Court for the District of Columbia, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of such order pending the completion of administrative proceedings pursuant to the notice of charges served upon the bank or such director, officer, employee, agent, or other person under paragraph (1) of subsection (b) of this section, and such court shall have jurisdiction to issue such injunction.".

(2) Section 407(f) (1) and (2) of the National Housing Act (12 U.S.C. 1730(f) (1) and (2)) is amended to read as follows:

"(f)(1) Whenever the Corporation shall determine that the violation or threatened violation or the unsafe or unsound practice or practices, specified in the notice of charges served upon the institution or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution or any institution any of the accounts of which are insured pursuant to paragraph (1) of subsection (e) of this section, or the continuation thereof, is likely to cause insolvency or substantial dissipation of assets or earnings of the institution, or is likely to seriously weaken the condition of the institution or otherwise seriously prejudice the interests of its insured members prior to the completion of the proceedings conducted pursuant to paragraph (1) of subsection (c) of this section, the Corporation may issue a temporary order requiring the institution or such director, officer, employee, agent, or other person to cease and desist from any such violation or practice and to take affirmative action to prevent such insolvency, dissipation, condition or prejudice pending completion of such proceedings. Such order shall become effective upon service upon the institution and/or such director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution and, unless set aside, limited, or suspended by a court in proceedings authorized by paragraph (2) of this subsection, shall remain effective and enforceable pending the completion of the administrative proceedings pursuant to such notice and until such time as the Corporation shall dismiss the charges specified in such notice, or if a cease-and-desist order is issued against the institution or such director, officer, employee, agent, or other person, until the effective date of any such order.

"(2) Within ten days after the institution concerned or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution has been served with a temporary cease-and-desist order, the institution or such director, officer, employee, agent, or other person may apply to the United States district court for the judicial district in which the principal office of the institution is located, or the United States District Court for the District of Columbia, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of such order pending the completion of the administrative proceedings pursuant to the notice of

charges served upon the institution or such director, officer, employee, agent, or other person under paragraph (1) of subsection (e) of this section, and such court shall have jurisdiction to issue such injunction.".

(3) Section 5(d)(3) (A) and (B) of the Home Owners' Loan Act, as amended (12 U.S.C. 1464(d)(3) (A) and (B)), is amended to read as follows:

"(3)(A) Whenever the Board shall determine that the violation or threatened violation or the unsafe or unsound practice or practices, specified in the notice of charges served upon the association or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such association pursuant to paragraph (2)(A) of this subsection, or the continuation thereof, is likely to cause insolvency (as defined in paragraph (6)(A)(i) of this subsection) or substantial dissipation of assets or earnings of the association, or is likely to seriously weaken the condition of the association or otherwise seriously prejudice the interests of its savings account holders prior to the completion of the proceedings conducted pursuant to paragraph (2)(A) of this subsection the Board may issue a temporary order requiring the association or such director, officer, employee, agent, or other person to cease and desist from any such violation or practice and to take affirmative action to prevent such insolvency, dissipation, condition or prejudice pending completion of such proceedings. Such order shall become effective upon service upon the association or such director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution and, unless set aside, limited, or suspended by a court in proceedings authorized by subparagraph (B) of this paragraph, shall remain effective and enforceable pending the completion of the administrative proceedings pursuant to such notice and until such time as the Board shall dismiss the charges specified in such notice, or if a cease-and-desist order is issued against the association or such director, officer, employee, agent, or other person, until the effective date of such order.

"(B) Within ten days after the association concerned or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such association has been served with a temporary cease-and-desist order, the association or such director, officer, employee, agent, or other person may apply to the United States district court for the judicial district in which the home office of the association is located, or the United States District Court for the District of Columbia, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of such order pending the completion of the administrative proceedings pursuant to the notice of charges served upon the bank or such director, officer, employee, agent, or other person under paragraph (2)(A) of this subsection, and such court shall have jurisdiction to issue such injunction.".

(4) Sections 206(f) (1) and (2) of the Federal Credit Union Act (12 U.S.C. 1786(f) (1) and (2)) are amended to read as follows:

"(f)(1) Whenever the Administrator shall determine that the violation or threatened violation or the unsafe or unsound practice or practices, specified in the notice of charges served upon the credit union or any director, officer, committee member, employee, agent, or other person participating in the conduct of the affairs of such credit union pursuant to paragraph (1) of subsection (e) of this section, or the continuation thereof, is likely to cause insolvency or substantial dissipation of assets or earnings of the credit union, or is likely to seriously weaken the condition of the credit union or otherwise seriously prejudice the interests of its insured members prior to the completion of the proceedings conducted pursuant to paragraph (1) of subsection (e) of this section, the Administrator may issue a temporary order requiring the credit union or such director, officer, committee member, employee, agents, or other person to cease and desist from any such violation or practice and to take affirmative action to prevent such insolvency, dissipation, condition, or prejudice pending completion of such proceedings. Such order shall become effective upon service upon the credit union or such director, officer, committee member, employee, agent, or other person participating in the conduct of the affairs of such credit union and, unless set aside, limited, or suspended by a court in proceedings authorized by paragraph (2) of this subsection, shall remain effective and enforceable pending the completion of the administrative proceedings pursuant to such notice and until such time as the Administration shall dismiss the charges specified in such notice, or if a cease-and-desist order is issued against the credit union or such director, officer, committee member, employee, agent, or other person, until the effective date of such order.

"(2) Within ten days after the credit union concerned or any director, officer, committee member, employee, agent, or other person participating in the conduct of the affairs of such credit union has been served with a temporary cease-and-desist order, the credit union or such director, officer, committee member, employee, agent, or other person may apply to the United States district court for the judicial district in which the home office of the credit union is located or the United States District Court for the District of Columbia, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of such order pending the completion of the administrative proceedings pursuant to the notice of charges served upon the credit union or such director, officer, committee member, employee, agent, or other person under paragraph (1) of subsection (e) of this section, and such court shall have jurisdiction to issue such injunction.".

(d)(1) Section 8(e) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1818(e)), is amended to read as follows:

"(e)(1) Whenever, in the opinion of the appropriate Federal banking agency, any director or officer of an insured bank has committed any violation of law, rule, or regulation or of a cease-and-desist order which has become final, or has engaged or participated in any unsafe or unsound practice in connection with the bank, or has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as such director or officer, and the agency determines that the bank has suffered or will probably suffer substantial financial loss or other damage or that the interests of its depositors could be seriously prejudiced by reason of such violation or practice or breach of fiduciary duty, or that the director or officer has received financial gain by reason of such violation or practice or breach of fiduciary duty, and that such violation or practice or breach of fiduciary duty is either one involving personal dishonesty on the part of such director or officer, or one which demonstrates a willful disregard for the safety or soundness of the bank, the agency may serve upon such director or officer a written notice of its intention to remove him from office.

"(2) Whenever, in the opinion of the appropriate Federal banking agency, any director or officer of an insured bank, by conduct or practice with respect to another insured bank or other business institution which resulted in substantial financial loss or other damage, has evidenced either his personal dishonesty or a willful disregard for its safety and soundness, and, in addition, has evidenced his unfitness to continue as a director or officer and, whenever, in the opinion of the appropriate Federal banking agency, any other person participating in the conduct of the affairs of an insured bank, by conduct or practice with respect to such bank or other insured bank or other business institution which resulted in substantial financial loss or other damage, has evidenced either his personal dishonesty or a willful disregard for its safety and soundness, and, in addition, has evidenced his unfitness to participate in the conduct of the affairs of such insured bank, the agency may serve upon such director, officer, or other person a written notice of its intention to remove him from office or to prohibit his further participation in any manner in the conduct of the affairs of the bank.

"(3) In respect to any director or officer of an insured bank or any other person referred to in paragraph (1) or (2) of this subsection, the appropriate Federal banking agency may, if it deems it necessary for the protection of the bank or the interests of its depositors, by written notice to such effect served upon such director, officer, or other person, suspend him from office or prohibit him from further participation in any manner in the conduct of the affairs of the bank. Such suspension or prohibition shall become effective upon service of such notice and, unless stayed by a court in proceedings authorized by subsection (f) of this section, shall remain in effect pending the completion of the administrative proceedings pursuant to the notice served under paragraph (1) or (2) of this subsection and until such time as the agency shall dismiss the charges specified in such notice, or, if an order of removal or prohibition is issued against the director or officer or other person, until the effective date of any such order. Copies of any such notice shall also be served upon the bank of which he is a director or officer or in the conduct of whose affairs he has participated.

"(4) A notice of intention to remove a director, officer, or other person from office or to prohibit his participation in the conduct of the affairs of an insured bank, shall contain a statement of the facts constituting grounds therefor, and shall fix a time and place at which a hearing will be held thereon. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after the date of service of such notice, unless an earlier or a later date is set by the agency at the request of (A) such director or officer or other person, and for good cause shown, or (B) the Attorney General of the United States. Unless such director, officer, or other person shall appear at the hearing in person or by a duly authorized representative, he shall be deemed to have consented to the issuance of an order of such removal or prohibition. In the event of such consent, or if upon the record made at any such hearing the agency shall find that any of the grounds specified in such notice have been established, the agency may issue such orders of suspension or removal from office, or prohibition from participation in the conduct of the affairs of the bank, as it may deem appropriate. In any action brought under this section by the Comptroller of the Currency in respect to any director, officer or other person with respect to a national banking association or a District bank, the findings and conclusions of the Administrative Law Judge shall be certified to the Board of Governors of the Federal Reserve System for the determination of whether any order shall issue. Any such order shall become effective at the expiration of thirty days after service upon such bank and the director, officer, or other person concerned (except in the case of an order issued upon consent, which shall become effective at the time specified therein). Such order shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the agency or a reviewing court.".

(2) Section 407(g)(1) and (2) of the Na-

tional Housing Act (12 U.S.C. 1730(g)(1) and (2)) is amended to read as follows:

"(g)(1) Whenever, in the opinion of the Corporation, any director or officer of an insured institution has committed any violation of law, rule, or regulation or of a cease-and-desist order which has become final, or has engaged or participated in any unsafe or unsound practice in connection with the institution or has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as such director or officer, and the Corporation determines that the institution has suffered or will probably suffer substantial financial loss or other damage or that the interests of its insured members could be seriously prejudiced by reason of such violation or practice or breach of fiduciary duty or that the director or officer has received financial gain by reason of such violation or practice or breach of fiduciary duty, and that such violation or practice or breach of fiduciary duty is either one involving personal dishonesty on the part of such director or officer, or one which demonstrates a willful disregard for the safety or soundness of the institution, the Corporation may serve upon such director or officer a written notice of its intention to remove him from office or to prohibit his further participation in any manner in the conduct of the affairs of the institution.

"(2) Whenever, in the opinion of the Corporation, any director or officer of an insured institution, by conduct or practice with respect to another insured institution or other business institution which resulted in substantial financial loss or other damage, has evidenced either his personal dishonesty or a willful disregard for its safety and soundness, and, in addition, has evidenced his unfitness to continue as a director or officer and, whenever, in the opinion of the Corporation, any other person participating in the conduct of the affairs of an insured institution, by conduct or practice with respect to such institution or other insured institution or other business institution which resulted in substantial financial loss or other damage, has evidenced either his personal dishonesty or a willful disregard for its safety and soundness, and in addition, has evidenced his unfitness to participate in the conduct of affairs of such insured institution, the Corporation may serve upon such director, officer, or other person a written notice of its intention to remove him from office or to prohibit his further participation in any manner in the conduct of the affairs of the institution.".

(3) Section 5(d)(4) (A) and (B) of the Home Owners' Loan Act, as amended (12 U.S.C. 1464(d)(4) (A) and (B)) is amended to read as follows:

"(4)(A) Whenever, in the opinion of the Board, any director or officer of an association has committed any violation of law, rule, or regulation or of a cease-and-desist order which has become final, or has engaged or participated in any unsafe or unsound practice in connection with the association, or has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as such director or officer, and the Board determines that the association has suffered or will probably suffer substantial financial loss or other damage or that the interests of its savings account holders could be seriously prejudiced by reason of such violation or practice or breach of fiduciary duty, or that the director or officer has received financial gain by reason of such violation or practice or breach of fiduciary duty, and that such violation or practice or breach of fiduciary duty is either one involving personal dishonesty on the part of such director or officer, or one which demonstrates a willful disregard for the safety or soundness of the association, the Board may serve upon such director or officer a written notice of its intention to remove him from office or to prohibit his further participation in any manner in the conduct of the affairs of the association.

"(4)(B) Whenever, in the opinion of the Board, any director or officer of an association, by conduct or practice with respect to another savings and loan association or other business institution which resulted in substantial financial loss or other damage, has evidenced either his personal dishonesty or a willful disregard for its safety and soundness, and, in addition, has evidenced his unfitness to continue as a director or officer and, whenever, in the opinion of the Board, any other person participating in the conduct of the affairs of an association, by conduct or practice with respect to such association or other savings and loan association or other business institution which resulted in substantial financial loss or other damage, has evidenced either his personal dishonesty or a willful disregard for its safety and soundness, and, in addition, has evidenced his unfitness to participate in the conduct of the affairs of such association, the Board may serve upon such director, officer, or other person a written notice of its intention to remove him from office or to prohibit his further participation in any manner in the conduct of the affairs of the association.".

(4) Section 206(g) (1) through (4) of the Federal Credit Union Act, as amended (12 U.S.C. 1786(g) (1) through (4)), is amended to read as follows:

"(g)(1) Whenever, in the opinion of the Administrator, any director, committee member, or officer of an insured credit union has committed any violation of law, rule, or regulation or of a cease-and-desist order which has become final, or has engaged or participated in any unsafe or unsound practice in connection with the credit union, or has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as such director, committee member, or officer, and the Administrator determines that the credit union has suffered or will probably suffer substantial financial loss or other damage or that the interests of its depositors could be seriously prejudiced by reason of such violation or practice or breach of fiduciary duty, or that the director, committee member, or officer received financial gain by reason of such violation or practice or breach of fiduciary duty, and that such violation or practice or breach of fiduciary duty is either one involving personal dishonesty on the part of such director, committee member, or officer, or one which demonstrates a willful disregard for the safety or soundness of the credit union, the Administrator may serve upon such director, committee member, or officer a written notice of his intention to remove him from office.

"(2) Whenever, in the opinion of the Administrator, any director, committee member, or officer of an insured credit union, by conduct or practice with respect to another insured credit union or other business institution which resulted in substantial financial loss or other damage, has evidenced either his personal dishonesty or a willful disregard for its safety and soundness, and, in addition, has evidenced his unfitness to continue as a director or officer and, whenever, in the opinion of the Administrator, any other person participating in the conduct of the affairs of an insured credit union, by conduct or practice with respect to such credit union or other insured credit union or other business institution which resulted in substantial financial loss or other damage, has evidenced either his personal dishonesty or a willful disregard for its safety and soundness, and, in addition, has evidenced his unfitness to participate in the conduct of the affairs of such insured credit union, the Administrator may serve upon such director, officer, or other person a written notice of his intention to remove him from office or to prohibit his further participation in any manner in the conduct of the affairs of the credit union.

"(3) In respect to any director, committee member, or officer of an insured credit union or any other person referred to in paragraph (1) or (2) of this subsection, the Administrator may, if he deems it necessary for the protection of the credit union or the interests of its members, by written notice to such effect served upon such director, committee member, officer, or other person, suspend him from office or prohibit him from further participation in any manner in the conduct of the affairs of the credit union. Such suspension or prohibition shall become effective upon service of such notice and, unless stayed by a court in proceedings authorized by subsection (1) of this section, shall remain in effect pending the completion of the administrative proceedings pursuant to the notice served under paragraph (1) or (2) of this subsection and until such time as the Administrator shall dismiss the charges specified in such notice, or, if an order of removal and prohibition is issued against the director, committee member, or officer or other person, until the effective date of any such order. Copies of any such notice shall also be served upon the credit union of which he is a director, committee member, or officer or in the conduct of whose affairs he has participated.

"(4) A notice of intention to remove a director, committee member, officer, or other person from office or to prohibit his participation in the conduct of the affairs of an insured credit union, shall contain a statement of the facts constituting grounds therefor, and shall fix a time and place at which a hearing will be held thereon. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after the date of service of such notice, unless an earlier or a later date is set by this Administrator at the request of (A) such director, committee member, or officer or other person, and for good cause shown, or (B) the Attorney General of the United States. Unless such director, committee member, officer, or other person shall appear at the hearing in person or by a duly authorized representative, he shall be deemed to have consented to the issuance of an order of such removal or prohibition. In the event of such consent, or if upon the record made at any such hearing the Administrator shall find that any of the grounds specified in such notice have been established, the Administrator may issue such orders of suspension or removal from office, or prohibition from participation in the conduct of the affairs of the credit union, as it may deem appropriate. Any such order shall become effective at the expiration of thirty days after service upon such credit union and the director, committee member, officer, or other person concerned (except in the case of an order issued upon consent, which shall become effective at the time specified therein). Such order shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Administrator or a reviewing court.".

(e)(1) Section 8(i) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1818 (i)), is amended by redesignating section 8 (i) as 8(1)(1) and by adding at the end thereof a new paragraph as follows:

"(2)(i) Any insured bank which violates or any officer, director, employee, agent, or other person participating in the conduct of the affairs of such a bank who violates the terms of any order which has become final and was issued pursuant to subsection (b) or (c) of this section, shall forfeit and pay a civil penalty of not more than $1,000 per day for each day during which such violation continues. The penalty shall be assessed and collected by the appropriate Federal banking

agency by written notice. As used in this section, the term 'violates' includes without any limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(ii) In determining the amount of the penalty the appropriate Federal banking agency shall take into account the appropriateness of the penalty with respect to the size of financial resources and good faith of the insured bank or person charged, the gravity of the violation, the history of previous violations, and such other matters as justice may require.

"(iii) The insured bank or person assessed shall be afforded an opportunity for agency hearing, upon request made within ten days after issuance of the notice of assessment. In such hearing all issues shall be determined on the record pursuant to section 554 of title 5, United States Code. The agency determination shall be made by final order which may be reviewed only as provided in subparagraph (iv). If no hearing is requested as herein provided, the assessment shall constitute a final and unappealable order.

"(iv) Any insured bank or person against whom an order imposing a civil money penalty has been entered after agency hearing under this section may obtain review by the United States court of appeals for the circuit in which the home office of the insured bank is located, or the United States Court of Appeals for the District of Columbia Circuit, by filing a notice of appeal in such court within ten days from the date of such order, and simultaneously sending a copy of such notice by registered or certified mail to the appropriate Federal banking agency. The agency shall promptly certify and file in such Court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code. The findings of the agency shall be set aside if found to be unsupported by substantial evidence as provided by section 706(2)(E) of title 5, United States Code.

"(v) If any insured bank or person fails to pay an assessment after it has become a final and unappealable order, or after the court of appeals has entered final judgment in favor of the agency, the agency shall refer the matter to the Attorney General, who shall recover the amount assessed by action in the appropriate United States district court. In such action, the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

"(vi) Each Federal banking agency shall promulgate regulations establishing procedures necessary to implement this paragraph.

"(vii) All penalties collected under authority of this section shall be covered into the Treasury of the United States.".

(2) Section 407(k) of the National Housing Act (12 U.S.C. 1730(k)) is amended by adding a new paragraph (k)(3) to read as follows:

"(3)(A) Any insured institution or any institution any of the accounts of which are insured which violates or any officer, director, employee, agent, or other person participating in the conduct of the affairs of such an institution who violates the terms of any order which has become final and was issued pursuant to subsection (e) or (f) of this section shall forfeit and pay a civil penalty of not more than $1,000 per day for each day during which such violation continues. The penalty shall be assessed and collected by the Corporation by written notice. As used in this section. the term 'violates' includes without any limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(B) In determining the amount of the penalty the Corporation shall take into account the appropriateness of the penalty with respect to the size of financial resources and good faith of the insured institution or person charged, the gravity of the violation, the history of previous violations and such other matters as justice may require.

"(C) The insured institution or person assessed shall be afforded an opportunity for agency hearing, upon request made within ten days after issuance of the notice of assessment. In such hearing all issues shall be determined on the record pursuant to section 554 of title 5, United States Code. The agency determination shall be made by final order which may be reviewed only as provided in subparagraph (D). If no hearing is requested as herein provided, the assessment shall constitute a final and unappealable order.

"(D) Any insured institution or person against whom an order imposing a civil money penalty has been entered after agency hearing under this section may obtain review by the United States court of appeals for the circuit in which the home office of the insured institution is located, or the United States Court of Appeals for the District of Columbia Circuit, by filing a notice of appeal in such court within ten days from the date of such order, and simultaneously sending a copy of such notice by registered or certified mail to the Corporation. The Corporation shall promptly certify and file in such Court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code. The findings of the agency shall be set aside if found to be unsupported by substantial evidence as provided by section 706(2)(E) of title 5, United States Code.

"(E) If any insured institution or person fails to pay an assessment after it has become a final and unappealable order, or after the court of appeals has entered final judgment in favor of the agency, the Corporation shall refer the matter to the Attorney General, who shall recover the amount assessed by action in the appropriate United States district court. In such action, the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

"(F) The Corporation shall promulgate regulations establishing procedures necessary to implement this paragraph.

"(G) All penalties collected under authority of this paragraph shall be covered into the Treasury of the United States.".

(3) Section 5(d)(8) of the Home Owners' Loan Act, as amended (12 U.S.C. 1464(5)(d)(8)), is amended by redesignating "section 5(d)(8)" as "5(d)(8)(A)" and by adding the following new paragraph:

"(B)(i) Any association which violates or any officer, director, employee, agent, or other person participating in the conduct of the affairs of such an association who violates the terms of any order which has become final and was issued pursuant to paragraph (2) or (3) of this subsection, shall forfeit and pay a civil penalty of not more than $1,000 per day for each day during which such violation continues. The penalty shall be assessed and collected by the Board by written notice. As used in this section, the term 'violates' includes without any limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(ii) In determining the amount of the penalty the Board shall take into account the appropriateness of the penalty with respect to the size of financial resources and good faith of the association bank or person charged, the gravity of the violation, the history of previous violations, and such other matters as justice may require.

"(iii) The association or person charged shall be afforded an opportunity for agency hearing, upon request made within ten days after issuance of the notice of assessment. In such hearing all issues shall be determined on the record pursuant to section 554 of title 5, United States Code. The agency determination shall be made by final order which may be reviewed only as provided in subparagraph (iv). If no hearing is requested as herein provided, the assessment shall constitute a final and unappealable order.

"(iv) Any association or person against whom an order imposing a civil money penalty has been entered after agency hearing under this section may obtain review by the United States court of appeals for the circuit in which the home office of the association is located, or the United States Court of Appeals for the District of Columbia Circuit, by filing a notice of appeal in such court within ten days from the date of such order, and simultaneously sending a copy of such notice by registered or certified mail to the Board. The agency shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code. The findings of the agency shall be set aside if found to be unsupported by substantial evidence as provided by section 706(2)(E) of title 5, United States Code.

"(v) If any association or person fails to pay an assessment after it has become a final and unappealable order, or after the court of appeals has entered final judgment in favor of the agency, the Board shall refer the matter to the Attorney General, who shall recover the amount assessed by action in the appropriate United States district court. In such action, the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

"(vi) the Board shall promulgate regulations establishing procedures necessary to implement this paragraph.

"(vii) All penalties collected under authority of this paragraph shall be covered into the Treasury of the United States.".

(4) Section 206(j) of the Federal Credit Union Act, as amended (12 U.S.C. 1786(j)), is amended by redesignating section 206(j) as 206(j)(1) and by adding a new paragraph as follows:

"(2)(A) Any insured credit union which violates or any officer, director, committee member, employee, agent, or other person participating in the conduct of the affairs of such a credit union who violates the terms of any order which has become final and was issued pursuant to subsection (e) or (f) of this section, shall forfeit and pay a civil penalty of not more than $1,000 per day for each day during which such violation continues. The penalty shall be assessed and collected by the Administrator by written notice. As used in this section, the term 'violates' includes without any limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(B) In determining the amount of the penalty, the Administrator shall take into account the appropriateness of the penalty with respect to the size of financial resources and good faith of the insured credit union or person charged, the gravity of the violation, the history of previous violations, and other matters as justice may require.

"(C) The insured credit union or person charged shall be afforded an opportunity for agency hearing, upon request made within ten days after issuance of the notice of assessment. In such hearing all issues shall be determined on the record pursuant to section 554 of title 5, United States Code. The Administrator's determination shall be made by final order which may be reviewed only as provided in subparagraph (D). If no hearing is requested as herein provided, the assessment shall constitute a final and unappealable order.

"(D) Any insured credit union or person against whom an order imposing a civil money penalty has been entered after agency hearing under this section may ob-

tain review by the United States court of appeals for the circuit in which the home office of the insured credit union is located, or the United States Court of Appeals for the District of Columbia Circuit, by filing a notice of appeal in such court within ten days from the date of such order, and simultaneously sending a copy of such notice by registered or certified mail to the Administrator. The Administrator shall promptly certify and file in such Court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code. The findings of the Administrator shall be set aside if found to be unsupported by substantial evidence as provided by section 706(2)(E) of title 5, United States Code.

"(E) If any insured credit union or person fails to pay an assessment after it has become a final and unappealable order, or after the court of appeals has entered final judgment in favor of the Administrator, the Administrator shall refer the matter to the Attorney General, who shall recover the amount assessed by action in the appropriate United States district court. In such action, the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

"(F) The Administrator shall promulgate regulations establishing procedures necessary to implement this paragraph.

"(G) All penalties collected under authority of this paragraph shall be covered into the Treasury of the United States.".

SEC. 107. Section 18(j) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1828(j)), is amended by redesignating section 18(j) as "18(j)(1)" and by adding at the end thereof the following:

"(2) The provisions of section 22(h) of the Federal Reserve Act, as amended, relating to limits on loans and extensions of credit by a member bank to its officers or directors or to any individual who directly or indirectly owns, controls, or has the power to vote more than 10 per centum of any class of voting securities of such member bank or to companies controlled by such officer, director, or individual, and relating to board of director's approval of and terms of such loan, shall be applicable to every nonmember insured bank in the same manner and to the same extent as if such nonmember insured bank were a State member bank.

"(3)(i) Any nonmember insured bank which violates or any officer, director, employes, agent, or other person participating in the conduct of the affairs of such nonmember insured bank who violates any provision of section 23A or 22(h) of the Federal Reserve Act, as amended, or any lawful regulation issued pursuant thereto, shall forfeit and pay a civil penalty of not more than $1,000 per day for each day during which such violation continues. The penalty shall be assessed and collected by the Corporation by written notice. As used in this section, the term 'violates' includes without any limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(ii) In determining the amount of the penalty the Corporation shall take into account the appropriateness of the penalty with respect to the size of financial resources and good faith of the member bank or person charged, the gravity of the violation, the history of previous violations, and such other matters as justice may require.

"(iii) The nonmember insured bank or person charged shall be afforded an opportunity for agency hearing, upon request made within ten days after issuance of the notice of assessment. In such hearing all issues shall be determined on the record pursuant to section 554 of title 5, United States Code. The agency determination shall be made by final order which may be reviewed only as provided in subparagraph (iv). If no hearing is requested as herein provided the assessment shall constitute a final and unappealable order.

"(iv) Any nonmember insured bank or person against whom an order imposing a civil money penalty has been entered after agency hearing under this section may obtain review by the United States court of appeals for the circuit in which the home office of the member bank is located, or the United States Court of Appeals for the District of Columbia Circuit, by filing a notice of appeal in such court within ten days from the date of such order, and simultaneously sending a copy of such notice by registered or certified mail to the Corporation. The Corporation shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code. The findings of the Corporation shall be set aside if found to be unsupported by substantial evidence as provided by section 706(2)(E) of title 5, United States Code.

"(v) If any nonmember insured bank or person fails to pay an assessment after it has become a final and unappealable order, or after the court of appeals has entered final judgment in favor of the agency, the Corporation shall refer the matter to the Attorney General, who shall recover the amount assessed by action in the appropriate United States district court. In such action the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

"(vi) The Corporation shall promulgate regulations establishing procedures necessary to implement this paragraph.

"(vii) All penalties collected under the authority of this paragraph shall be covered into the Treasury of the United States.".

SEC. 108. Any amendment made by this title which provides for the imposition of civil penalties shall apply only to violations occurring or continuing after the date of its enactment.

SEC. 109. Section 22(g) of the Federal Reserve Act, as amended (12 U.S.C. 375a), is amended by inserting the figure "$60,000" in lieu of the figure "$30,000" in paragraph (2), and by inserting the figure "$20,000" in lieu of the figure "$10,000" in paragraph (3); and by inserting the figure "$10,000" in lieu of the figure "$5,000" in paragraph (4).

SEC. 110. (a)(1) Section 8(g) of the Federal Deposit Insurance Act (12 U.S.C. 1818(g)) is amended to read as follows:

"(g)(1) Whenever any director or officer of an insured bank, or other person participating in the conduct of the affairs of such bank, is charged in any information, indictment, or complaint authorized by a United States attorney, with the commission of or participation in a crime involving dishonesty or breach of trust which is punishable by imprisonment for a term exceeding one year under State or Federal law, the appropriate Federal banking agency may, if continued service or participation by the individual may pose a threat to the interests of the bank's depositors or may threaten to impair public confidence in the bank, by written notice served upon such director, officer, or other person, suspend him from office or prohibit him from further participation in any manner in the conduct of the affairs of the bank. A copy of such notice shall also be served upon the bank. Such suspension or prohibition shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the agency. In the event that a judgment of conviction with respect to such crime is entered against such director, officer, or other person, and at such time as such judgment is not subject to further appellate review, the agency may, if continued service or participation by the individual may pose a threat to the interests of the bank's depositors or may threaten to impair public confidence in the bank, issue and serve upon such director, officer, or other person an order removing him from office or prohibiting him from further participation in any manner in the conduct of the affairs of the bank except with the consent of the appropriate agency. A copy of such order shall also be served upon such bank, whereupon such director or officer shall cease to be a director or officer of such bank. A finding of not guilty or other disposition of the charge shall not preclude the agency from thereafter instituting proceedings to remove such director, officer, or other person from office or to prohibit further participation in bank affairs, pursuant to paragraph (1), (2), or (3) of subsection (e) of this section. Any notice of suspension or order of removal issued under this paragraph shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (3) hereof unless terminated by the agency.

"(2) If at any time, because of the suspension of one or more directors pursuant to this section, there shall be on the board of directors of a national bank less than a quorum of directors not so suspended, all powers and functions vested in or exercisable by such board shall vest in and be exercisable by the director or directors on the board not so suspended, until such time as there shall be a quorum of the board of directors. In the event all of the directors of a national bank are suspended pursuant to this section, the Comptroller of the Currency shall appoint persons to serve temporarily as directors in their place and stead pending the termination of such suspensions, or until such time as those who have been suspended, cease to be directors of the bank and their respective successors take office.

"(3) Within thirty days from service of any notice of suspension or order of removal issued pursuant to paragraph (1) of this subsection, the director, officer, or other person concerned may request in writing an opportunity to appear before the agency to show that the continued service to or participation in the conduct of the affairs of the bank by such individual does not, or is not likely to, pose a threat to the interests of the bank's depositors or threaten to impair public confidence in the bank. Upon receipt of any such request, the appropriate Federal banking agency shall fix a time (not more than thirty days after receipt of such request, unless extended at the request of the concerned director, officer, or other person) and place at which the director, officer, or other person may appear, personally or through counsel, before one or more members of the agency or designated employees of the agency to submit written materials (or, at the discretion of the agency, oral testimony) and oral argument. Within sixty days of such hearing, the agency shall notify the director, officer, or other person whether the suspension or prohibition from participation in any manner in the conduct of the affairs of the bank will be continued, terminated, or otherwise modified, or whether the order removing said director, officer, or other person from office or prohibiting such individual from further participation in any manner in the conduct of the affairs of the bank will be rescinded or otherwise modified. Such notification shall contain a statement of the basis for the agency's decision, if adverse to the director, officer or other person. The Federal banking agencies are authorized to prescribe such rules as may be necessary to effectuate the purposes of this subsection.".

(2) Section 8(h)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(h)(1)) is amended by inserting after "Any hearing provided for in this section" the following: "(other than the hearing provided for in subsection (g)(3) of this section)".

(3) Section 8(j) of the Federal Deposit Insurance Act (12 U.S.C. 1818(j)) is amended by striking out "(e)(5), (e)(7), (e)(8)" and inserting in lieu thereof "(e)(3), (e)(4)".

(4) Section 8(k) of the Federal Deposit Insurance Act (12 U.S.C. 1818(k)) is amended by striking out "paragraph (1) of subsection (g)" and inserting in lieu thereof "paragraph (1) or (3) of subsection (g)".

(5) Section 8(n) of the Federal Deposit Insurance Act (12 U.S.C. 1818(n)) is amended by adding at the end thereof the following new sentence: "Any person who willfully shall fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, contracts, agreements, or other records, if in such person's power so to do, in obedience to the subpoena of the appropriate Federal banking agency, shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year or both.".

(b)(1) Section 407(h) of the National Housing Act (12 U.S.C. 1730(h)) is amended to read as follows:

"(h)(1) Whenever any director or officer of an insured institution, or other persons participating in the conduct of the affairs of such institution, is charged in any information, indictment, or complaint authorized by a United States attorney, with the commission of or participation in a crime involving dishonesty or breach of trust which is punishable by imprisonment for a term exceeding one year under State or Federal law, the Corporation may, if continued service or participation by the individual may pose a threat to the interests of the institution's depositors or may threaten to impair public confidence in the institution, by written notice served upon such director, officer, or other person suspend him from office or prohibit him from further participation in any manner in the conduct of the affairs of the institution. A copy of such notice shall also be served upon the institution. Such suspension or prohibition shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the Corporation. In the event that a judgment of conviction with respect to such crime is entered against such director, officer, or other person, and at such time as such judgment is not subject to further appellate review, the Corporation may, if continued service or participation by the individual may pose a threat to the interests of the institution's depositors or may threaten to impair public confidence in the institution, issue and serve upon such director, officer, or other person an order removing him from office or prohibiting him from further participation in any manner in the conduct of the affairs of the institution except with the consent of the Corporation. A copy of such order shall also be served upon such institution, whereupon such director or officer shall cease to be a director or officer of such institution. A finding of not guilty or other disposition of the charge shall not preclude the Corporation from thereafter instituting proceedings to remove such director, officer, or other person from office or to prohibit further participation in institution affairs, pursuant to paragraph (1), (2), or (3) of subsection (g) of this section. Any notice of suspension or order of removal issued under this paragraph shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (3) hereof unless terminated by the Corporation.

"(2) Within thirty days from service of any notice of suspension or order of removal issued pursuant to paragraph (1) of this subsection, the director, officer, or other person concerned may request in writing an opportunity to appear before the Corporation to show that the continued service to or participation in the conduct of the affairs of the institution by such individual does not, or is not likely to, pose a threat to the interests of the institution's depositors or threaten to impair public confidence in the institution. Upon receipt of any such request, the Corporation shall fix a time (not more than thirty days after receipt of such requests, unless extended at the request of the concerned director, officer, or other person) and place at which the director, officer, or other person may appear, personally or through counsel, before one or more members of the Corporation or designated employees of the Corporation to submit written materials (or, at the discretion of the agency, oral testimony) and oral argument. Within sixty days of such hearing, the Corporation shall notify the director, officer, or other person whether the suspension or prohibition from participation in any manner in the conduct of the affairs of the institution will be continued, terminated or otherwise modified, or whether the order removing said director, officer, or other person from office or prohibiting such individual from further participation in any manner in the conduct of the affairs of the institution will be rescinded or otherwise modified. Such notification shall contain a statement of the basis for the Corporation's decision, if adverse to the director, officer, or other person. The Corporation is authorized to prescribe such rules as may be necessary to effectuate the purposes of this subsection.".

(2) Section 407(j)(1) of such Act (12 U.S.C. 1730(j)(1)) is amended by inserting after "any hearing provided for in this section" the following: "(other than the hearing provided for in subsection (h)(3) of this section)".

(3) Section 407(j)(2) of such Act (12 U.S.C. 1730(j)(2)) is amended by inserting "(1)" after "subsection (h)".

(c)(1)(a) Section 5(d)(5) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)(5)) is amended to read as follows:

"(5)(A) Whenever any director or officer of an association, or other person participating in the conduct of the affairs of such association, is charged in any information, indictment, or complaint authorized by a United States attorney, with the commission of or participation in a crime involving dishonesty or breach of trust which is punishable by imprisonment for a term exceeding one year under State or Federal law, the Board, may, if continued service or participation by the individual may pose a threat to the interests of the association's depositors or may threaten to impair public confidence in the association, by written notice served upon such director, officer, or other person suspend him from office or prohibit him from further participation in any manner in the conduct of the affairs of the association. A copy of such notice shall also be served upon the association. Such suspension or prohibition shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the Board. In the event that a judgment of conviction with respect to such crime is entered against such director, officer, or other person, and at such time as such judgment is not subject to further appellate review, the Board may, if continued service or participation by the individual may pose a threat to the interests of the association's depositors or may threaten to impair public confidence in the association, issue and serve upon such director, officer, or other person an order removing him from office or prohibiting him from further participation in any manner in the conduct of the affairs of the association except with the consent of the Board. A copy of such order shall also be served upon such association, whereupon such director or officer shall cease to be a director or officer of such association. A finding of not guilty or other disposition of the charge shall not preclude the Board from thereafter instituting proceedings to remove such director, officer, or other person from office or to prohibit further participation in association affairs, pursuant to subparagraph (A), (B), or (C) of paragraph (4). Any notice of suspension or order of removal issued under this subparagraph shall remain effective and outstanding until the completion of any hearing or appeal authorized under subparagraph (C) hereof unless terminated by the Board.

"(B) If at any time, because of the suspension of one or more directors pursuant to this section, there shall be on the board of directors of an association less than a quorum of directors not so suspended, all powers and functions vested in or exercisable by such board shall vest in and be exercisable by the director or directors on the board not so suspended, until such time as there shall be a quorum of the board of directors. In the event all of the directors of an association are suspended pursuant to this section, the Board shall appoint persons to serve temporarily as directors in their place and stead pending the termination of such suspensions, or until such time as those who have been suspended, cease to be directors of the association and their respective successors take office.

"(C) Within thirty days from service of any notice of suspension or order of removal issued pursuant to subparagraph (A), the director, officer, or other person concerned may request in writing an opportunity to appear before the Board to show that the continued service to or participation in the conduct of the affairs of the association by such individual does not, or is not likely to, pose a threat to the interests of the association's depositors or threaten to impair public confidence in the association. Upon receipt of any such request, the Board shall fix a time (not more than thirty days after receipt of such request, unless extended at the request of the concerned director, officer, or other person) and place at which the director, officer, or other person may appear, personally or through counsel, before one or more members of the agency or designated employees of the Board to submit written materials (or, at the discretion of the agency, oral testimony) and oral argument. Within sixty days of such hearing, the Board shall notify the director, officer or other person whether the suspension or prohibition from participation in any manner in the conduct of the affairs of the association will be continued, terminated or otherwise modified, or whether the order removing said director, officer, or other person from office or prohibiting such individual from further participation in any manner in the conduct of the affairs of the association will be rescinded or otherwise modified. Such notification shall contain a statement of the basis for the Board's decision, if adverse to the director, officer, or other person. The Board is authorized to prescribe such rules as may be necessary to effectuate the purposes of this subsection.".

(2) Section 5(d)(7)(A) of the Home Owner's Loan Act of 1933 (12 U.S.C. 1464(d)(7)(A)) is amended by inserting after "Any hearing provided for in this section" the following: "(other than the hearing provided for in paragraph (5)(C) of this section)".

(3) Section 5(d)(13)(A)(1) of such Act (12 U.S.C. 1464(d)(13)(A)(1)) is amended by inserting after "paragraph (5)(A)" the following: "or (C)".

(d)(1) Section 206(h) of the Federal Credit Union Act (12 U.S.C. 1786(h)) is amended to read as follows:

"(h)(1) Whenever any director, committee member, or officer of an insured credit union, or other person participating in the conduct of the affairs of such credit union, is charged in any information, indictment, or complaint authorized by a United States attorney, with the commission of or participation in a crime involving dishonesty or breach of trust

which is punishable by imprisonment for a term exceeding one year under State or Federal law, the Administrator may, if continued service or participation by the individual may pose a threat to the interests of the credit union's depositors or may threaten to impair public confidence in the credit union, by written notice served upon such director, committee member, officer, or other person suspended him from office or prohibit him from further participation in any manner in the conduct of the affairs of the credit union. A copy of such notice shall also be served upon the credit union. Such suspension or prohibition shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the Administrator. In the event that a judgment of conviction with respect to such crime is entered against such director, committee member, officer or other person, and at such time as such judgment is not subject to further appellate review, the Administrator may, if continued service or participation by the individual may pose a threat to the interests of the credit union's depositors or may threaten to impair public confidence in the credit union, issue and serve upon such director, committee member, officer, or other person an order removing him from office or prohibiting him from further participation in any manner in the conduct of the affairs of the credit union except with the consent of the Administrator. A copy of such order shall also be served upon such credit union, whereupon such director or officer shall cease to be a director, committee member, or officer of such credit union. A finding of not guilty or other disposition of the charge shall not preclude the Administrator from thereafter instituting proceedings to remove such director, committee member, officer, or other person from office or to prohibit further participation in the affairs of the credit union, pursuant to subsection (g) of this section. Any notice of suspension or order of removal issued under this paragraph shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (3) hereof unless terminated by the Administrator.

"(2) If at any time, because of the suspension of one or more directors pursuant to this section, there shall be on the board of directors of a Federal credit union less than a quorum of directors not so suspended, all powers and functions vested in or exercisable by such board shall vest in and be exercisable by the director or directors on the board not so suspended, until such time as there shall be a quorum of the board of directors. In the event all of the directors of a Federal credit union are suspended pursuant to this section, the Administrator shall appoint persons to serve temporarily as directors in their place and stead pending the termination of such suspensions, or until such time as those who have been suspended cease to be directors of the credit union and their respective successors have been elected by the members at an annual or special meeting and have taken office. Directors appointed temporarily by the Administrator shall, within thirty days following their appointment, call a special meeting for the election of new directors, unless during the thirty-day period (A) the regular annual meeting is scheduled, or (B) the suspensions giving rise to the appointment of temporary directors are terminated.

"(3) Within thirty days from service of any notice of suspension or order of removal issued pursuant to paragraph (1) of this subsection, the director, committee member, officer, or other person concerned may request in writing an opportunity to appear before the Administrator to show that the continued service to or participation in the conduct of the affairs of the credit union by such individual does not, or is not likely to, pose a threat to the interests of the credit union's depositors or threaten to impair public confidence in the credit union. Upon receipt of any such request, the Administrator shall fix a time (not more than thirty days after receipt of such request, unless extended at the request of the concerned director, committee member, officer, or other person) and place at which the director, committee-member, officer, or other person may appear, personally or through counsel, before the Administrator or his designee to submit written materials (or, at the discretion of the Administrator, oral testimony) and oral argument. Within sixty days of such hearing, the Administrator shall notify the director, committee member, officer, or other person whether the suspension or prohibition from participation in any manner in the conduct of the affairs of the credit union will be continued, terminated or otherwise modified, or whether the order removing said director, committee member, officer, or other person from office or prohibiting such individual from further participation in any manner in the conduct of the affairs of the credit union will be rescinded or otherwise modified. Such notification shall contain a statement of the basis for the Administrator's decision, if adverse to the director, committee member, officer, or other person. The Administrator is authorized to prescribe such rules as may be necessary to effectuate the purposes of this subsection."

(2) Section 206(i)(1) of the Federal Credit Union Act (12 U.S.C. 1786(i)(1)) is amended by inserting after "Any hearing provided for in this section" the following: "(other than the hearing provided for in subsection (h)(3) of this section)".

(3) Section 206(i)(2) of such Act (12 U.S.C. 1786(i)(2)) is amended by inserting "(1)" after "subsection (h)".

SEC. 111. (a) Section 3(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)) is amended by inserting after the second sentence the following new sentence: "The Board is authorized upon application by a bank to extend, from time to time for not more than one year at a time, the two-year period referred to above for disposing of any shares acquired by a bank in the regular course of security or collecting a debt previously contracted in good faith, if, in the Board's judgment, such an extension would not be detrimental to the public interest, but no such extensions shall in the aggregate exceed three years.".

(b) Section 2(a)(5)(D) of such Act (12 U.S.C. 1841(a)(5)(D)) is amended by adding at the end thereof the following new sentence: "The Board is authorized upon application by a company to extend, from time to time for not more than one year at a time, the two-year period referred to herein for disposing of any shares acquired by a company in the regular course of securing or collecting a debt previously contracted in good faith, if, in the Board's judgment, such an extension would not be detrimental to the public interest, but no such extension shall in the aggregate exceed three years.".

(c) Section 4(c)(2) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)(2)), is amended by striking out "shares acquired by a bank in satisfaction of a debt previously contracted in good faith, but such bank shall dispose of such shares within a period of two years" and inserting in lieu thereof the following: shares acquired by a bank holding company or any of its subsidiaries in satisfaction of a debt previously contracted in good faith, but such shares shall be disposed of within a period of two years".

TITLE II—INTERLOCKING DIRECTORS

SEC. 201. This title may be cited as the "Depositary Institution Management Interlocks Act".

SEC. 202. As used in this title—

(1) the term "depositary institution" means a commercial bank, a savings bank, a trust company, a savings and loan association, a building and loan association, a homestead association, a cooperative bank, an industrial bank, or a credit union;

(2) the term "depositary holding company" means a bank holding company as defined in section 2(a) of the Bank Holding Company Act of 1956, a company which would be a bank holding company as defined in section 2(a) of the Bank Holding Company Act of 1956 but for the exemption contained in section 2(a)(5)(F) thereof, or a savings and loan holding company as defined in section 408((a)(1)(D) of the National Housing Act;

(3) the characterization of any corporation (including depositary institutions and depositary holding companies), as an "affiliate of," or as "affiliated" with any other corporation means that—

(A) one of the corporations is a depositary holding company and the other is a subsidiary thereof, or both corporations are subsidiaries of the same depositary holding company, as the term "subsidiary" is defined in either section 2(d) of the Bank Holding Company Act of 1956 in the case of a bank holding company or section 408(a)(1)(H) of the National Housing Act in the case of a savings and loan holding company;

(B) more than 50 per centum of the voting stock of one corporation is beneficially owned in the aggregate by one or more persons who also beneficially own in the aggregate more than 50 per centum of the voting stock of the other corporation; or

(C) one of the corporations is a trust company all of the stock of which, except for directors qualifying shares, was owned by one or more mutual savings banks on the date of enactment of this Act, and the other corporation is a mutual savings bank;

(4) the term "management official" means an employee or officer with management functions, a director (including an advisory or honorary director), a trustee of a business organization under the control of trustees, or any person who has a representative or nominee serving in any such capacity; *Provided*, That if a corporator, trustee, director, or other officer of a State-chartered savings bank or cooperative bank is specifically authorized under the laws of the State in which said institution is located to serve as a trustee, director, or other officer of a State-chartered trust company which does not make real estate mortgage loans and does not accept savings deposits from natural persons, then, for the purposes of this title, such corporator, trustee, director, or other officer shall not be deemed to be a management official of such trust company: *And provided further*, That if a management official of a State-chartered trust company which does not make real estate mortgage loans and does not accept savings deposits from natural persons is specifically authorized under the laws of the State in which said institution is located to serve as a corporator, trustee, director, or other officer of a State-chartered savings bank or cooperative bank, then, for the purposes of this title, such management official shall not be deemed to be a management official of any such savings bank or cooperative bank; and

(5) the term "office" used with reference to a depositary institution means either a principal office or a branch.

SEC. 203. A management official of a depositary institution or a depositary holding company may not serve as a management official of any other depositary institution or depositary holding company not affiliated therewith if an office of one of the institutions or any depositary institution that is an affiliate of such institutions is located within either—

(1) the same standard metropolitan sta-

tistical area as defined by the Office of Management and Budget, or

(2) the same city, town, or village as that in which an office of the other institution or any depositary institution that is an affiliate of such other institution is located, or in any city, town, or village contiguous or adjacent thereto.

SEC. 204. If a depositary institution or a depositary holding company has total assets exceeding $1,000,000,000, a management official of such institution or any affiliate thereof may not serve as a management official of any other nonaffiliated depositary institution or depositary holding company having total assets exceeding $500,000,000 or as a management official of any affiliate of such other institution.

SEC. 205. The prohibitions contained in sections 202, 203, and 204 shall not apply in the case of any one or more of the following or any branch or subsidiary thereof:

(1) A depositary institution or depositary holding company which has been placed formally in liquidation, or which is in the hands or a receiver, conservator, or other official exercising a similar function.

(2) A corporation operating under section 25 or 25A of the Federal Reserve Act.

(3) A credit union being served by a management official of another credit union or a credit union being served by a management official of another depositary institution.

(4) A depositary institution or depositary holding company which does not do business within any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands except as an incident to its activities outside the United States.

SEC. 206. A person whose service in any given position as a management official was not prohibited by this title at the time of the beginning of such service is not prohibited by this title from continuing to serve in that position for a period of ten years after the date of enactment of this title. The Board of Governors of the Federal Reserve System may provide a reasonable period of time for compliance with this title, not exceeding fifteen months, after any change in circumstances, other than the coming into effect of this title which makes such service prohibited by this title.

SEC. 207. This title shall be administered and enforced by—

(1) the Comptroller of the Currency with respect to national banks and banks located in the District of Columbia,

(2) the Board of Governors of the Federal Reserve System with respect to State banks which are members of the Federal Reserve System, and bank holding companies,

(3) the Board of Directors of the Federal Deposit Insurance Corporations with respect to State banks which are not members of the Federal Reserve System but the deposits of which are insured by the Federal Deposit Insurance Corporation.

(4) the Federal Home Loan Bank Board with respect to Federal savings and loan associations and institutions the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, and savings and loan holding companies,

(5) the National Credit Union Administration with respect to Federal credit unions and institutions the accounts of which are insured by the National Credit Union Administration, and

(6) the Attorney General for all other institutions.

SEC. 208. The following provisions of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (Clayton Act, 38 Stat. 732, as amended), are repealed:

(a) The first three paragraphs of section 8 (15 U.S.C. 19).

(b) The words "bank or other" in the last paragraph of section 8 each time they appear.

SEC. 209. (a) Section 8(e) of the Federal Deposit Insurance Act (12 U.S.C. 1818(e)) is amended by adding at the end thereof the following new paragraph:

"(5) For the purposes of enforcing any law, rule, regulation or cease-and-desist order in connection with an interlocking relationship, the term 'officer' as used in this subsection means an employee or officer with management functions, and the term 'director' includes an advisory or honorary director, a trustee of a bank under the control of trustees, or any person who has a representative or nominee serving in any such capacity.".

(d) Section 5(d) of the Homeowners' Loan Act (12 U.S.C. 1464(d) is amended by adding at the end thereof the following new paragraph:

"(15) For the purpose of enforcing any law, rule, regulation, or cease-and-desist order in connection with an interlocking relationship, the term 'officer' as used in this subsection means an employee or officer with management functions, and the term 'director' includes an advisory or honorary director, a trustee of an association under the control of trustees, or any person who has a representative or nominee serving in any such capacity."

(c) Section 407(q) of the National Housing Act is amended by adding at the end thereof the following:

"(4) For the purpose of enforcing any law, rule, regulation, or cease-and-desist order in connection with an interlocking relationship, the term 'officer' as used in this subsection means an employee or officer with management functions, and the term 'director' includes an advisory or honorary director, a trustee of an association under the control of trustees, or any person who has a representative or nominee serving in any such capacity.".

SEC. 210. The Board of Governors of the Federal Reserve System may prescribe such rules and regulations, including authorization for a management official of a depository institution to serve as a management official of any other depository institution, as are consistent with the purposes of this title and necessary to effectuate such purposes or to prevent evasion of this title.

TITLE III—FOREIGN BRANCHING

SEC. 301. (a) Section 3(o) of the Federal Deposit Insurance Act (12 U.S.C. 1813(o)) is amended—

(1) by inserting "domestic" immediately before "branch" the first place it appears; and

(2) by inserting before the period at the end thereof a semicolon and the following: "and the term 'foreign branch' means any office, place of business, or similar establishment located outside the United States, its territories, Puerto Rico, Guam, American Samoa, and the Virgin Islands".

(b) Section 18(d) of the Federal Deposit Insurance Act (12 U.S.C. 1828(d)) is amended—

(1) by inserting "(1)" after "(d)";

(2) by inserting "domestic" between "new" and "branch";

(3) by inserting "such" between "any" and "branch"; and

(4) by adding at the end thereof the following new paragraph:

"(2) No State nonmember insured bank shall establish or operate any foreign branch, except with the prior written consent of the Corporation and upon such conditions and pursuant to such regulations as the Corporation may prescribe from time to time.".

(c) Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding at the end thereof the following new subsection:

"(1) When authorized by State law, a State nonmember insured bank may, but only with the prior written consent of the Corporation and upon such conditions and under such regulations as the Corporation may prescribe from time to time, acquire and hold, directly or indirectly, stock or other evidences of ownership in one or more banks or other entities organized under the law of a foreign country or a dependency or insular possession of the United States and not engaged, directly or indirectly, in any activity in the United States except as, in the judgment of the Board of Directors, shall be incidental to the international or foreign business of such foreign bank or entity; and, notwithstanding the provisions of subsection (j) of this section, such State nonmember insured bank may, as to such foreign bank or entity, engage in transactions that would otherwise be covered thereby, but only in the manner and within the limits prescribed by the Corporation by general or specific regulation or ruling.".

SEC. 302. The sixth sentence of section 7 (a)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(3)) is amended to read as follows: "The correctness of said report of conditions shall be attested by the signatures of at least two directors or trustees of the reporting bank other than the officer making such declaration, with a declaration that the report has been examined by them and to the best of their knowledge and belief is true and correct.".

SEC. 303. Section 8(n) of the Federal Deposit Insurance Act (12 U.S.C. 1818(n)) is amended—

(1) by inserting in the first sentence after "this section," the first place it appears therein the following: "or in connection with any claim for insured deposits or any examination or investigation under section 10(c),";

(2) by inserting "examination, or investigation or considering the claim for insured deposits," in the first sentence after "proceeding," the second place it appears therein;

(3) by striking out "proceedings" at the end of the first sentence thereof and inserting in lieu thereof "proceedings, claims, examinations, or investigations";

(4) by inserting "such agency or any" after "Any" at the beginning of the third sentence thereof; and

(5) by striking out "section" and inserting in lieu thereof "subsection" in the fourth sentence thereof.

SEC. 304. Section (8)(q) of the Federal Deposit Insurance Act (12 U.S.C. 1818(q)) is amended to read as follows:

"(q) Whenever the liabilities of an insured bank for deposits shall have been assumed by another insured bank or banks, whether by way of merger, consolidation, or other statutory assumption, or pursuant to contract (1) the insured status of the bank whose liabilities are so assumed shall terminate on the date of receipt by the Corporation of satisfactory evidence of such assumption; (2) the separate insurance of all deposits so assumed shall terminate at the end of six months from the date such assumption takes effect or, in the case of any time deposit, the earliest maturity date after the six-month period; and (3) the assuming or resulting bank shall give notice of such assumption to each of the depositors of the bank whose liabilities are so assumed within thirty days after such assumption takes effect. Where the deposits of an insured bank are assumed by a newly insured bank, the bank whose deposits are assumed shall not be required to pay any assessment upon the deposits which have been so assumed after the semiannual period in which the assumption takes effect.".

SEC. 305. (a) Section 10(b) of the Federal Deposit Insurance Act (12 U.S.C. 1820(b)) is

amended by inserting "or other institution" in the first sentence after the words "any State nonmember bank" and by striking out the last two sentences of that subsection.

(b) Section 10 (c) and (d) of the Federal Deposit Insurance Act (12 U.S.C. (c) and (d)) are amended to read as follows:

"(c) In connection with examinations of insured banks, State nonmember banks or other institutions making application to become insured banks, and affiliates thereof, or with other types of investigations to determine compliance with applicable law and regulations, the appropriate Federal banking agency, or its designated representatives, are authorized to administer oaths and affirmations, and to examine and to take and preserve testimony under oath as to any matter in respect to the affairs or ownership of any such bank or institution or affiliate thereof, and to exercise such other powers as are set forth in section 8(n) of this Act.

"(d) For purposes of this section, the term 'affiliate' shall have the same meaning as in section 23A of the Federal Reserve Act, except that the term 'member bank' in such section 23A and in section 2(b) of the Banking Act of 1933 shall be deemed to refer to an insured bank.".

SEC. 306. Section 18(c)(1)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1928(c)(1)(B)) is amended by inserting after the word "deposits" the following: "(including liabilities which would be 'deposits' except for the proviso in section 3(1)(5) of this Act)".

SEC. 307. Section 1114 of title 18, United States Code, is amended by inserting before "shall be punished" the following "or any attorney, liquidator, examiner, claim agent, or other employee of the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the Comptroller of the Currency, the Federal Home Loan Bank Board, the Board of Governors of the Federal Reserve System, any Federal Reserve bank, or the National Credit Union Administrator engaged in or on account of the performance of his official duties,".

SEC. 308. Section 5 of the Bank Service Corporation Act (12 U.S.C. 1865) is amended to read as follows:

"SEC. 5. Whenever any bank which is regularly examined by a Federal supervisory agency or any subsidiary or affiliate of such bank which is subject to examination by that agency, causes to be performed, by contract or otherwise, any bank sevices for itself, whether on or off its premises—

"(1) such performance shall be subject to regulation and examination by such agency to the same extent as if the services were being performed by the bank itself on its own premises and

"(2) the bank shall notify such agency of the existence of a service relationship within 30 days after the making of such service contract or the performance of the service, whichever occurs first.".

TITLE IV—CONFLICTS OF INTEREST

SEC. 401. This title may be cited as the "Depository Institutions Conflict of Interest Act".

SEC. 402. Section 2 of the Federal Deposit Insurance Act (12 U.S.C. 1812) is amended by striking out the sixth sentence and inserting in lieu thereof the following: "The members of the Board of Directors shall be ineligible, during the time they are in office and for a period of two years thereafter, to hold any office, position, or employment in an insured bank, in a holding company of an insured bank, or in an affiliate of a holding company of an insured bank, and may not, during such two-year period, voluntarily acquire any interest in such a bank, company, or affiliate, or exercise any voting rights attributable to the ownership of any security issued by such a bank company, or affiliate, except that this restriction shall not apply to any individual who has served the full term for which he was appointed.".

SEC. 403. The first sentence of the second paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 242) is amended by adding at the end thereof the following: "The members of the Board of Governors shall be ineligible, during the time they are in office and for a period of two years thereafter, to hold any office position, or employment in a member bank, in a bank holding company or in an affiliate of a bank holding company, and may not, during such two-year period, voluntarily acquire any interest in such a bank, company, or affiliate, or exercise any voting rights attributable to the ownership of any security issued by such a bank company, or affiliate, except that this restriction shall not apply to any individual who has served the full term for which he was appointed.".

SEC. 404. Section 17 of the Federal Home Loan Bank Act (12 U.S.C. 1437) is amended by adding at the end thereof the following:

"(c) The members of the board shall be ineligible during the time they are in office and for a period of two years thereafter to hold any office, position, or employment in an insured institution, in a holding company of an insured institution, or in an affiliate of a holding company of an insured institution, and may not, during such two-year period, voluntarily acquire any interest in such an institution, company, or affiliate, or exercise any voting rights attributable to the ownership of any security issued by such an institution, company, or affiliate, except that this restriction shall not apply to any individual who has served the full term for which he was appointed. As used in this subsection, the term 'insured institution' has the same meaning as in section 401 of the National Housing Act.".

SEC. 405. (a) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following:

"(14) Chairman, Board of Governors of the Federal Reserve System.".

(b) Section 5313(10) of such title is amended by striking out "Chairman" and inserting in lieu thereof "Members".

(c) Section 5313 of such title is amended by adding at the end thereof the following:

"(24) Chairman, Board of Directors, Federal Deposit Insurance Corporation.

"(25) Chairman of the Federal Home Loan Bank Board.

"(26) Comptroller of the Currency.".

(d) Section 5314 of title 5, United States Code, is amended by striking out items 19, 20, 30, and 43.

TITLE V—CREDIT UNION RESTRUCTURING

SEC. 501. Section 102 of the Federal Credit Union Act (12 U.S.C. 1752a) is amended to read as follows:

"CREATION OF ADMINISTRATION

"SEC. 102. (a) There is hereby established in the executive branch of the Government an independent agency to be known as the National Credit Union Administration. The Administration shall be under the management of a National Credit Union Administration Board.

"(b) The Board shall consist of three members, who are broadly representative of the public interest, appointed by the President, by and with the advice and consent of the Senate. In appointing the members of the Board, the President shall designate the Chairman. Not more than two members of the Board shall be members of the same political party.

"(c) The term of office of each member of the Board shall be six years, except that the terms of the two members, other than the Chairman, initially appointed shall expire one upon the expiration of two years after the date of appointment, and the other upon the expiration of four years after the date of appointment. Board members shall not be appointed to succeed themselves except the initial members appointed for less than a six-year term may be reappointed for a full six-year term and future members appointed to fill unexpired terms may be reappointed for a full six-year term. Any Board member may continue to serve as such after the expiration of said member's term until a successor has qualified.

"(d) The management of the Administration shall be vested in the Board. The Board shall adopt such rules as it sees fit for the transaction of its business and shall keep permanent and complete records and minutes of its acts and proceedings. A majority of the Board shall constitute a quorum. Not later than April 1 of each calendar year, and at such other times as the Congress shall determine, the Board shall make a report to the President and to the Congress. Such a report shall summarize the operations of the Administration and set forth such information as is necessary for the Congress to review the financial program approved by the Board.

"(e) The Chairman of the Board shall be the spokesman for the Board and shall represent the Board and the National Credit Union Administration in its official relations with other branches of the Government. The Chairman shall determine each Board member's area of responsibility and shall review such assignments biennially. It shall be the Chairman's responsibility to direct the implementation of the adopted policies and regulations of the Board.

"(f) The members of the Board shall be ineligible during the time they are in office or for two years thereafter to hold any office, position, or employment in any credit union or in any financial institution in which a credit union owns stock, except that this restriction shall not apply to any member who has served the full term for which he was appointed.

"(g) The financial transactions of the Administration shall be subject to audit on a calendar year basis by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where the accounts of the Administration are kept.".

SEC. 502. (a) Section 101 of the Federal Credit Union Act is amended—

(1) by striking out clause (2) and inserting in lieu thereof the following:

"(2) the term 'Chairman' means the Chairman of the National Credit Union Administration Board,";

(2) by inserting "Administration" after "Union" in clause (4).

(b) The Federal Credit Union Act is amended by striking out "Administrator" each place it appears and inserting in lieu thereof "Board", and by striking out the personal pronouns "he", "him", and "his" when referring to the Administrator and inserting in lieu thereof "it", "them", and "its" as appropriate wherever such words appear therein.

(c) Section 209 of the Federal Credit Union Act (12 U.S.C. 1789) is amended—

(1) by inserting in subsection (b)(1) the language "on a calendar year basis" immediately following "prepare annually";

(2) by inserting in subsection (b)(2) the language "on a calendar year basis" immediately following "set of accounts".

(d) Section 5108 of title 5, United States Code, is amended by adding the following new paragraph:

"(h) In addition to the number of positions authorized by subsection (a), the National Credit Union Administration is authorized without regard to any other provision to this section, to place two positions

in the Administration at GS–18 and a total of fourteen positions in the Administration at GS–16 or GS–17.".

(e) Section 5313 of title 5, United States Code, is amended by adding the following new paragraph:

"(28) Chairman, National Credit Union Administration Board.".

(f) Section 5314 (92) of title 5, United States Code, is amended by striking out "Administrator of the National Credit Union Administration" and inserting in lieu thereof "Members, National Credit Union Administration Board (2)".

SEC. 503. (a) The Federal Credit Union Act (12 U.S.C. 1751–1790) is further amended by striking out "Administrator" and inserting in lieu thereof "Board" in the following sections:

(1) section 103 (12 U.S.C. 1753);
(2) section 104 (12 U.S.C. 1754);
(3) section 105 (12 U.S.C. 1755);
(4) section 106 (12 U.S.C. 1756);
(5) paragraphs (5), (8), (9), (10), (13), and (14) of section 107 (12 U.S.C. 1757);
(6) section 108 (12 U.S.C. 1758);
(7) section 109 (12 U.S.C. 1759);
(8) section 111 (12 U.S.C. 1761);
(9) section 112 (12 U.S.C. 1761a);
(10) section 113 (12 U.S.C. 1761b);
(11) section 115 (12 U.S.C. 1761d);
(12) paragraph (b)(2) of section 116 (12 U.S.C. 1762);
(13) the title of section 120 (12 U.S.C. 1766);
(14) section 120(a) (12 U.S.C. 1766);
(15) section 120(b)(1) (12 U.S.C. 1766);
(16) section 120(b)(2) (12 U.S.C. 1766);
(17) section 120(b)(3) (12 U.S.C. 1766);
(18) section 120(b)(4) (12 U.S.C. 1766);
(19) section 120(b)(5) (12 U.S.C. 1766);
(20) section 120(c) (12 U.S.C. 1766);
(21) section 120(d) (12 U.S.C. 1766);
(22) section 120(c) (12 U.S.C. 1766);
(23) section 120(f)(1) (12 U.S.C. 1766);
(24) section 120(f)(2)(A) (12 U.S.C. 1766);
(25) section 120(f)(2)(B) (12 U.S.C. 1766);
(26) section 120(g) (12 U.S.C. 1766);
(27) section 120(h) (12 U.S.C. 1766);
(28) section 120(i) (12 U.S.C. 1766);
(29) section 120(i)(3) (12 U.S.C. 1766);
(30) section 121 (12 U.S.C. 1767);
(31) section 125(b)(1) (12 U.S.C. 1771);
(32) section 125(b)(2) (12 U.S.C. 1771);
(33) section 127 (12 U.S.C. 1772a); and
(34) sections 201 to 210 (12 U.S.C. 1773–1775).

(b) Such Act is further amended by striking out the personal pronouns "he", "him", and "his" when referring to the Administrator and inserting in lieu thereof "it", "they", and "its" as appropriate wherever such words appear therein.

SEC. 504. (a) Paragraph (4) of section 101 of the Federal Credit Union Act (12 U.S.C. 1752) which begins with "The terms 'member account'" is redesignated paragraph "(5)" and the succeeding paragraphs numbered (5) through (8) are redesignated as paragraphs (6) through (9), respectively.

(b) Paragraph (5) of section 101 of the Federal Credit Union Act (12 U.S.C. 1752), as redesignated by subsection (a) of this section, is amended—

(1) by striking "(when referring to the account of a member of a credit union)";

(2) by striking "share, share certificate, or share deposit" each time it appears therein and inserting "share or share certificate" in lieu thereof;

(3) by striking "those" and inserting "share or share certificate" in lieu thereof; and

(4) by striking all language after "political subdivisions thereof" and inserting "enumerated in section 207 of this Act: *Provided*, That for purposes of insured State credit unions, reference in this paragraph to 'share' or 'share certificate' accounts includes, as determined by the Board, the equivalent of such accounts under State law;" in lieu thereof.

(c) Paragraph (9) of section 101 of the Federal Credit Union Act (12 U.S.C. 1752), as redesignated by (a) of this section, is amended by—

(1) inserting ", including the trust territories," after "several territories"; and

(2) adding the following new sentence: "The term 'branch' also includes a suboffice, operated by a Federal credit union or by a credit union authorized by the Department of Defense, located on an American military installation in a foreign country or in the trust territories of the United States.".

SEC. 505. (a) Subsection (a) of section 201 of the Federal Credit Union Act (12 U.S.C. 1781) is amended by inserting ", including the trust territories," after "several territories".

(b) Paragraph (b)(7) of such section is amended by inserting "except for accounts authorized by State law for State credit unions" before the semicolon.

(c) Such section is further amended by striking all of subsection (d) and redesignating subsection (e) as (d).

SEC. 506. (a) Section 202 of the Federal Credit Union Act (12 U.S.C. 1782) is amended by striking out "his" in the fifth sentence of paragraph (a)(1) and inserting "such officer's" in lieu thereof.

(b) Subsection (h)(3) of such section is amended to read as follows:

"(3) The term 'member account' when applied to the premium charge for insurance of accounts shall not include amounts received from other federally insured credit unions in excess of the insured account limit set forth in section 207(c)(1).".

SEC. 507. Section 208 of the Federal Credit Union Act (12 U.S.C. 1788) is amended by striking out "SPECIAL ASSISTANCE TO AVOID LIQUIDATION" and inserting "SPECIAL ASSISTANCE FOR FEDERALLY INSURED CREDIT UNIONS" in lieu thereof.

SEC. 508. Section 105 of the Federal Credit Union Act (12 U.S.C. 1755) is amended to read as follows:

"FEES

"SEC. 105. (a) In accordance with rules prescribed by the Board, each Federal credit union shall pay to the Administration an annual operating fee which may be composed of one or more charges identified as to the function or functions for which assessed.

"(b) The fee assessed under this section shall be determined according to a schedule, or schedules, or other method determined by the Board to be appropriate, which gives due consideration to the expenses of the Administration in carrying out its responsibilities under this Act and to the ability of Federal credit unions to pay the fee. The Board shall, among other things, determine the periods for which the fee shall be assessed and the date or dates for the payment of the fee or increments thereof.

"(c) If the annual operating fee is composed of separate charges, no supervision charge shall be payable by a Federal credit union, and the Board may waive payment of any or all other charges comprising the fee, with respect to the year in which its charter is issued, or in which final distribution is made in its liquidation or the charter is cancelled.

"(d) All operating fees shall be deposited with the Treasurer of the United States for the account of the Administration and may be expended by the Board to defray the expenses incurred in carrying out the provisions of this Act including the examination and supervision of Federal credit unions.".

SEC. 509. Section 106 of the Federal Credit Union Act (12 U.S.C. 1756) is amended to read as follows:

"REPORTS AND EXAMINATIONS

"SEC. 106. Federal credit unions shall be under the supervision of the Board, and shall make financial reports to it as and when it may require, but at least annually. Each Federal credit union shall be subject to examination by, and for this purpose shall make its books and records accessible to, any person designated by the Board.".

SEC. 510. The amendments made by this title take effect upon enactment, except that the functions of the Administrator of the National Credit Union Administration under the provisions of the Federal Credit Union Act, as in effect on the date preceding the date of enactment of this title, shall continue to be performed by him in accordance with such provisions until such time as all the members of the National Credit Union Administration Board, established under the amendments made by this title, take office. All rules, regulations, policies, and procedures of the Administrator in effect on the date of enactment of this title shall remain in effect until amended, superseded, or repealed.

TITLE VI—STANDBY LETTERS OF CREDIT

SEC. 601. The purpose of this title is to regulate standby letters of credit, guaranties, surety agreements and certain acceptances issued by commercial banks.

SEC. 602. (a) Section 5202 of the Revised Statutes, as amended (12 U.S.C. 82), is amended by inserting "(a)" after section 5202.

(b) The clause numbered "Fifth" in such redesignated section 5202(a) is amended to read:

"Fifth. Liabilities incurred under the provisions of the Federal Reserve Act, including liabilities arising from the acceptance of time drafts of the kinds described in section 13 of the Federal Reserve Act.".

(c) Section 5202 is further amended by adding a new subsection (b) to read:

"(b) No national banking association shall incur any liability arising from the acceptance of a time draft (other than liabilities arising from the acceptance of time drafts of the kinds described in section 13 of the Federal Reserve Act), or from any undertaking to make or arrange a payment in the event another person fails to do so, in an amount exceeding 50 percent of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, plus 50 percent of its unimpaired surplus fund, except that any liability which is secured by readily realizable collateral shall not be included as a liability subject to the limitation contained herein.".

SEC. 603. Section 5200 of the Revised Statutes (12 U.S.C. 84) is amended by inserting immediately after the second sentence the following new sentence: "For purposes of this section, (a) where an association accepts a time draft (other than a time draft of a kind described in section 13 of the Federal Reserve Act), the amount of the acceptance shall be deemed an obligation to the association of the person who is obliged to place the bank in funds prior to the maturity of the acceptance, (b) where an association undertakes to make or arrange a payment in the event another person fails to do so, the amount involved shall be deemed an obligation of that person to the association, and (c) where the acceptance or undertaking is made in connection with the financing of the purchase of personal property for lease or sale to a user, the amount of such acceptance or undertaking shall be deemed an obligation of the user to the association; and all such transactions shall be incorporated and disclosed fully in the balance sheets and reports of condition of the issuing bank and be subject to full extension of credit analysis.".

SEC. 604. Section 19(a) of the Federal Reserve Act, as amended (12 U.S.C. 461(a)), is amended by adding at the end thereof the following sentence: "For the purposes of subsection (b) of this section, any member bank acceptance (other than an acceptance of a kind described in section 13) or any under-

taking by a member bank to make or arrange a payment in the event another person fails to do so shall be deemed a deposit.".

SEC. 605. Paragraph 6 of section 9 of the Federal Reserve Act, as amended (12 U.S.C. 324), is amended by adding at the end thereof the following: "The provisions of sections 5200 and 5202(b) of the Revised Statutes shall apply to all State member banks and all insured nonmember State banks, so long as such banks are liable on acceptances not of a kind described in section 13 or on undertakings to make or arrange a payment in the event another person fails to do so.".

SEC. 606. The provisions of this Act shall take effect upon the expiration of thirty days after the date of its enactment.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BROOKE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

A bill to strengthen the supervisory authority of Federal agencies which regulate depositary institutions, to prohibit interlocking management and director relationships between depositary institutions, to amend the Federal Deposit Insurance Act, and to encourage officials of Federal agencies responsible for the supervision of financial institutions to complete their terms of office, and for other purposes.

FOREIGN ASSISTANCE APPROPRIATIONS, 1978

The Senate continued with the consideration of H.R. 7797.

Mr. ROBERT C. BYRD. Mr. President, could we resume consideration of the foreign aid bill?

The PRESIDING OFFICER. The question recurs on the committee amendment on page 10, which the clerk will report.

The assistant legislative clerk read as follows:

On page 10, line 6, strike "$215,200,000" and insert "$210,200,000";

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. ZORINSKY assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, the Senate, at 1:14 p.m., took a recess, subject to the call of the Chair.

The Senate reassembled at 1:55 p.m., when called to order by the Presiding Officer (Mr. ZORINSKY).

VELZORA CARR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of a measure on the calendar which has been cleared for unanimous-consent passage, Calendar No. 362.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2563) for the relief of Velzora Carr.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was was agreed to.

AUTHORITY FOR COMMITTEES TO REPORT BILLS AND RESOLUTIONS DURING AUGUST RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the August recess, all committees be authorized to report bills and resolutions between the hours of 9 a.m. and 3 p.m. on Thursday, August 18, and Monday, August 29.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATUS OF NOMINATIONS DURING AUGUST RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all nominations currently being considered by the Senate or received by the Senate be considered as remaining in status quo during the adjournment of the Senate from August 5 or 6, 1977, until September 7, 1977.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT ON THE CONDUCT OF MONETARY POLICY (REPT. NO. 95-405)

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. PROXMIRE, I submit the fifth report on the conduct of monetary policy, which reviews the activities during oversight hearings held by the committee on May 3 and May 10, 1977, pursuant to House Concurrent Resolution 133, 94th Congress.

I ask unanimous consent that the report be printed, together with additional views, and that the committee deliver the copy for printing purposes on August 18.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN ASSISTANCE APPROPRIATIONS, 1978

The Senate continued with the consideration of H.R. 7797.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not be charged against either side on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2:30 p.m. today.

There being no objection, the Senate, at 1:58 p.m., recessed until 2:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HART).

The PRESIDING OFFICER. The pending question is the committee amendment on page 10, line 6.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. INOUYE. On my time.

The PRESIDING OFFICER. The Chair will remind the Senator from Hawaii that he only has 3 minutes on this amendment.

Mr. INOUYE. Then on the committee bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The Clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER LIMITING TIME ON SPECIFIED AMENDMENTS TO 30 MINUTES

Mr. INOUYE. Mr. President, I ask unanimous consent that time on any amendment, which, under the previous order, was granted 1 hour or unlimited time, be reduced to 30 minutes.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Mr. INOUYE. Mr. President, what is the pending amendment?

The PRESIDING OFFICER. The pending amendment is the committee amendment on page 10, line 6. The Senator from Hawaii has 3 minutes on this amendment. The Senator from Pennsylvania has 30 minutes.

Mr. INOUYE. Mr. President, I yield back the remainder of my time and move its adoption.

Mr. HELMS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. INOUYE. I yield.

Mr. HELMS. Mr. President, I ask unanimous consent that De Ciro Simms be accorded the privileges of the floor during the consideration of the pending measure and any votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair, and I thank the Senator from Hawaii.

Mr. INOUYE. Mr. President, I ask unanimous consent that amendments appearing on page 10, line 6 to and including line 22 be considered en bloc and agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, may we take up the next committee amendment?

The PRESIDING OFFICER. The clerk will state the next amendment.

The legislative clerk read as follows:

On page 12, line 7 after "$30 million;" strike all down through the end of line 10.

Mr. INOUYE. Mr. President, I yield back the remainder of my time. I believe Mr. SCHWEIKER would do the same. I ask for the acceptance of the committee amendment.

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield back the remainder of his time?

Mr. SCHWEIKER. I do.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The legislative clerk read as follows:

On page 12, line 20, strike down through "1962" on line 21 and insert new language.

Mr. INOUYE. Mr. President, I yield back the remainder of my time.

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The legislative clerk read as follows:

On page 12, line 25, after "and" strike down through "loans" on page 13, line 1.

Mr. INOUYE. Mr. President, I yield back the remainder of my time.

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The legislative clerk read as follows:

On page 13, line 4, strike "title" and insert "Act."

Mr. INOUYE. Mr. President, I yield back the remainder of my time.

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The legislative clerk read as follows:

On page 13, line 4, strike "and/"

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 1 minute on the time which I have reserved.

Mr. President, I will change that. I suggest the absence of a quorum, with the time to be charged against my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The legislative clerk read as follows:

On page 14, line 6, strike "or indirectly."

Mr. INOUYE. Mr. President, I ask unanimous consent that amendments relating to sections 107, 114, and 506 be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the next committee amendment.

The legislative clerk read as follows:

On page 14, line 17, strike "$20,000" and insert "$15,000".

Mr. INOUYE. Mr. President, I yield back the remainder of my time.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that Sue Corbett, Mike Chafty, and Henk Chesborough, of the office of Senator GRIFFIN, be granted the privileges of the floor during the consideration of H.R. 7797.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The legislative clerk read as follows:

On page 15, line 18, after "aiding;" strike all down through line 19 through the word "indirectly" and insert "directly".

Mr. INOUYE. Mr. President, I yield back the remainder of my time.

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The legislative clerk read as follows:

At the top of page 16, add the following:

SEC. 115. None of the funds made available under appropriation accounts other than Operating Expenses of the Agency for International Development shall be available for the salaries and related benefits of full-time AID employees in permanent positions.

SEC. 116. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated.

Mr. INOUYE. Mr. President, I yield back the remainder of my time.

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The legislative clerk read as follows:

On page 16, strike "$675,850,000" and insert "$677 million."

Mr. INOUYE. I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The legislative clerk read as follows:

On page 16, line 24, strike '$81,000,000' and insert '$84,800,000.'

Mr. INOUYE. I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The legislative clerk read as follows:

On page 18, line 3, strike "Investment in" and insert "Contribution to the."

Mr. INOUYE. Mr. President, in behalf of the Senator from Alabama, I ask unanimous consent that the amount appearing on line 11 on page 18—to wit, $263,571,563—be amended to read "$235 million."

Mr. SCHWEIKER. Mr. President, I have to register an objection in behalf of Senator BROOKE until this matter is cleared with him.

Mr. INOUYE. I also ask unanimous consent that the deletion appearing on line 3 be agreed to.

The PRESIDING OFFICER. Objection was heard to the first part of the amendment.

Mr. INOUYE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I repeat my unanimous-consent request that, on page 18, line 11, the number "263,571,-563," be amended to read "$235,000,000."

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. ALLEN. Reserving the right to object, I shall not object, because this has been agreed to. As I understand it, the Senate raised the amount set by the House $63,571,563. This reduces the raise to $35 million.

Mr. INOUYE. The Senator is correct.

Mr. ALLEN. I have no objection to the amendment. I commend the distinguished manager of the bill for agreeing to this reduction of some $20 million. I appreciate his conciliatory attitude on making some constructive changes in these amounts, reducing them substantially.

I reserve the remainder of my time because I believe the distinguished Senator from North Carolina wishes to address this amendment.

Mr. HELMS. Mr. President, with the understanding that the time is charged to neither side, may we have a brief quorum call? I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, in order to clarify the situation, I ask unanimous consent that the amendment appearing on page 18, line 3, of the committee amendment be agreed to.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. INOUYE. I am quite happy to yield.

Mr. HELMS. We have been moving so rapidly that we crossed over section 116 on page 16. I wonder if the distinguished Senator would be willing to go back to that and reconsider the action and let me offer an amendment at that point. I can put it elsewhere in the bill, but it would fit better in section 116.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendment appearing on page 18, from line 11, to page 19, lines 1 and 2, be agreed to.

The PRESIDING OFFICER. Is there objection? Without objection—is that as modified?

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendment appearing on page 19, line 3, be agreed to.

Mr. ALLEN. Will the Senator yield?

Mr. INOUYE. I am happy to yield.

Mr. ALLEN. I commend the manager for this amendment, because I believe that, by putting in this amendment, he is being frank and candid. I think it is well to face up to reality, because the House had the language "Investment" in the Inter-American Development Bank, and the committee, very wisely, changed "investment" to "contribution." I think that more nearly describes what is involved here. It is not an investment, it is a contribution.

I commend the distinguished manager of the bill and the committee for coming to us with a realistic amendment that calls these multimillion dollar contributions contributions, instead of investments, because that is what they are.

Mr. INOUYE. I thank the Senator, very much.

Mr. President, I repeat my unanimous consent request that the committee amendment appearing on page 19, line 3, be agreed to.

The PRESIDING OFFICER. The Chair points out to the distinguished manager of the bill that the amendment beginning on page 18, line 11, has not been agreed to. Does the Senator wish that?

Mr. INOUYE. I repeat my unanimous-consent request that the amount, "$263,-571,563," be amended to read "$235 million."

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendment appearing on page 19, line 3, be agreed to.

The PRESIDING OFFICER. Does the Senator wish to pass over the amendment on page 18, line 11, starting with the word "expended," that it be skipped over?

Mr. INOUYE. We have already made a unanimous consent to accept all of that, agree to that.

Mr. ALLEN. That is where the Senator changed it to $235 million instead of $263 million.

The PRESIDING OFFICER. It is a separate amendment.

Mr. INOUYE. Once again, I repeat, Mr. President, I ask unanimous consent that the committee amendments appearing on page 18 and 19, beginning on line 11 with the word "expended" and ending with the United States Code on line 2, page 19, be agreed to.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendment appearing on page 19, line 3, be agreed to.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendment appearing on page 19, beginning at line 10 and extending to page 20, line 2, be agreed to.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendments appearing on page 20, beginning with line 3, to and including line 19, be agreed to.

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendment appearing on page 20, line 20, be agreed to.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. INOUYE. Mr. President, I ask unanimous consent that the amount appearing on line 2, page 21, be amended to read $42 million.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. INOUYE. Mr. President, I ask unanimous consent that the amendment appearing on page 21, line 4, be agreed to.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, I have an amendment to the next section, which is an amendment prior to the next committee amendment.

I assume that before this next committee amendment would be the proper time to offer this amendment.

The PRESIDING OFFICER. When the time has expired on the committee amendment would be the appropriate time.

Mr. INOUYE. Mr. President, I ask unanimous consent that, notwithstanding the rule, the Senator from Virginia be permitted to submit an amendment to the figure of $950 million appearing on page 21, line 12.

The PRESIDING OFFICER. Is there objection?

Mr. SCHWEIKER. Mr. President, I have to object, not for myself, because I am in support of what is being done here, but I have to object for the Senator from Massachusetts (Mr. BROOKE) until he will come to the Senate floor.

Mr. HARRY F. BYRD, JR. Is the objection to submitting the amendment or is it to the amendment after it is submitted?

Mr. SCHWEIKER. The Senator has registered objection to any unanimous-consent request relating to this particular item.

Mr. INOUYE. I do not suppose he objects to having the amendment submitted.

Mr. SCHWEIKER. What was the unanimous-consent request?

Mr. INOUYE. To permit the Senator from Virginia to submit an amendment relating to the figure of $950 million appearing on page 21, line 12.

Mr. SCHWEIKER. As long as that is the extent, at this point, of the unanimous consent, I see no objection.

The PRESIDING OFFICER. Without objection, the Senator from Virginia may offer his amendment.

UP AMENDMENT NO. 744

Mr. HARRY F. BYRD, JR. Mr. President, I submit an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Virginia (Mr. HARRY F. BYRD, Jr.) proposes an unprinted amendment numbered 744:

On page 21, strike out lines 6 through 12 and insert in lieu thereof "For payment to the International Development Association by the Secretary of the Treasury for the first installment of the United States contribution to the fifth replenishment; $800,000,000 to remain".

Mr. HARRY F. BYRD, JR. Mr. President, so that we might clarify the situation, I suggest the absence of a quorum with the time to be charged against my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the amendment by the Senator from Virginia be set aside temporarily.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendment appearing on page 21, from line 13 to line 23, be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendments appearing on page 22, from lines 1 to 24, and on page 23, from lines 1 to 9, be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendment appearing on page 25, line 10, to page 26, line 5, be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the numerical changes appearing on page 26, lines 6 and 9, be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendments appearing on page 26, line 20, to and including page 27, line 9, be agreed to.

The PRESIDING OFFICER (Mr. SARBANES). Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendment appearing on page 27, lines 10 to 12, be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the numerical change appearing on page 27, line 13, be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendment appearing on page 27, lines 21 to 25, to and including page 28, lines 1 and 2, be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the numerical change appearing on page 28, line 31, be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendment appearing on page 28, line 7, to and including line 12, be agreed to.

Mr. ALLEN. Mr. President, reserving the right to object, that should be submitted——

The PRESIDING OFFICER. Reservation is heard.

Mr. INOUYE. I am sorry. This has to be done on a rollcall vote.

Mr. ALLEN. Suppose we consider the IDA matter before we get to this?

Mr. INOUYE. Mr. President, the committee amendment appearing on line 7, page 28, will be subject to a rollcall vote. This is to notify Members of the Senate. It is the section which was proposed by the House to provide for an across-the-board 5-percent cut in all obligations and expenditures appearing in this bill.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. INOUYE. I yield.

Mr. HARRY F. BYRD, JR. I assume that what the Senator proposes is not to take up this amendment at this time.

Mr. INOUYE. I suggest that we take up the IDA amendment before that.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that this committee amendment be set aside temporarily.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. INOUYE. Mr. President, I now request that the Senate resume consideration of the amendment submitted by the Senator from Virginia (Mr. HARRY F. BYRD, Jr.) amending page 21, lines 6 to 12.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. HARRY F. BYRD, Jr.) proposes an unprinted amendment numbered 744:

On page 21, strike out lines 6 through 12 and insert in lieu thereof "For Payment to the International Development Association by the Secretary of the Treasury for the first installment of the United States contribution to the fifth replenishment; $800,000,000 to remain".

The PRESIDING OFFICER. There is a limit of 30 minutes for debate on this amendment, equally divided between the proponents of the amendment and the manager of the bill.

Mr. HARRY F. BYRD, JR. Mr. President, the bill before the Senate provides for the appropriation of $950 million to the International Development Association for the fiscal year 1978. The International Development Association is the soft-loan window of the World Bank. The bill before the Senate provides that $800 million of this $950 million will be for the fifth replenishment for the International Development Association with the additional $150 million to be a contribution to the fourth replenishment.

The amendment offered by the Senator from Virginia would reduce the total from $950 million to $800 million, and would provide that the $800 million remaining would be for the fifth replenishment of the World Bank.

As the distinguished Senator from Hawaii pointed out in the Senate on June 14 of this year, there can be no commitments to these international financial organizations until the appropriation is made by Congress.

The fourth replenishment already has gone by the boards. A new replenishment—namely, the fifth replenishment—to the soft-loan window of the International Development Association has now come to the fore and is before Congress for appropriation.

The amendment offered by the Senator from Virginia would change the figure now in the bill. It would eliminate $150 million for the fourth replenishment.

I understand, from having been in conference with the manager of the bill and the ranking minority member of the committee, that the managers of the bill will look favorably on the amendment offered by the Senator from Virginia.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Hawaii.

Mr. INOUYE. Mr. President, I would like to advise my colleagues that this matter was given very serious consideration not only by the Subcommittee on Foreign Operations but also by the full committee.

Of the $950 million provided in the committee bill, it was intended to set aside $150 million for the fourth replenishment of IDA and $800 million for the fifth replenishment.

Many of us believe the $950 million is a much more reasonable amount to be appropriating at this juncture. However, the realistic circumstances of this day move me to suggest to my colleagues we should reduce this figure to $800 million. It will provide full funding of the first installment of U.S. contributions to the fifth replenishment of IDA, and if the Secretary of the Treasury, in the coming months, should feel sufficiently strong on insisting upon our contribut-

ing further to the fourth IDA replenishment, he has every right and authority to submit a supplemental request.

At this point, I have given my personal assurance to the Senator from Virginia that I will support his amendment to reduce this $950 million to $800 million. I hope my colleagues will agree to this arrangement.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. INOUYE. I would be very happy to yield, sir.

Mr. MATHIAS. I have great respect for the judgment of the Senator from Hawaii, and great confidence that his own commitment to a balanced and a reasonable program of assistance will give us in the long run the kind of program which is adequate for our needs.

I would have to say to him with candor I regret the necessity for agreeing to this amendment. It seems to me the world in which we live today makes it very difficult for us to balance the equities around the world on a bilateral basis. It is through these multinational organizations, such as the International Development Association, that we are able to meet needs, contain problems, and help to diminish passions in various parts of the world which could be extremely troublesome. The Senator from Hawaii certainly recognizes this by his very steadfast support for these programs.

If we reduce this particular appropriation, I am heartened by the Senator's assurance that it will be possible to come in for a supplemental to which the committee can give very prompt attention. I would point out that IDA is the principal vehicle for moving resources and for effecting constructive change in the poorest countries in the world in the areas where we can expect the most trouble, which will be destabilizing in the world.

It is a symbol of the concern of all the industrial nations and the developed nations for that part of the world which shares least in the prosperity and welfare which are generally associated with the Northern Hemisphere.

So I personally regret an amendment which diminishes the ability of IDA to meet what I think is one of the most serious challenges before us. I look to the Senator—I know I can look with complete confidence to him—to consider the necessity of supplemental if the administration comes to us for it.

Mr. INOUYE. The Senator is correct.

Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Virginia has 12 minutes remaining; the Senator from Hawaii has 10 minutes remaining on the amendment.

Mr. INOUYE. Mr. President, I believe the Senator from Massachusetts would like to be recognized.

Mr. BROOKE. Mr. President, I want to associate myself with what the distinguished Senator from Maryland said about this proposed cut in IDA.

I want to compliment the distinguished Senator from Pennsylvania for his percentage limitations which he successfully had included in the bill regarding international financial institutions. This is the proper way to proceed.

As I understand the proposed amendment, $150 million would be cut from the IDA recommendation. This action—and the Senator knows this as well or better than I—would seriously erode the credibility of the United States in the eyes of many. We would be unilaterally repudiating an agreement. I would hope we would resist this amendment.

Mr. President, have the yeas and nays been ordered on the floor for this amendment?

Mr. INOUYE. No.

Mr. BROOKE. If the Senator would not object, I would like to ask for the yeas and nays. I strongly think this is a matter the Senate ought to vote on. It is a very important one, and I would hope the Senate would reject the proposal.

Mr. INOUYE. Is the Senator asking for the yeas and nays?

Mr. BROOKE. Yes, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. INOUYE. I yield to the Senator from Alabama.

Mr. ALLEN. Mr. President, I would like to impress upon the Members of the Senate that this amendment is an integral part of an informal agreement among Members, not binding on anyone not a party to the agreement, that would bring this matter to a close, the whole bill, some time today.

The whole house of cards will collapse if this very important amendment is defeated, so we will just be back where we were.

I hope the amendment will be agreed to.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. ALLEN. Yes.

Mr. BROOKE. I am aware, as the distinguished Senator from Alabama has said, that there has been an informal agreement. I know of the desire of the committee to complete action on this very important appropriations bill before the recess of the Congress. But I, for one, feel so strongly not only about this particular item, which was the subject, as I understand it, of the informal agreement. but of other items which are the subject of the informal agreement which I cannot in good conscience support.

Had there been a request for a unanimous-consent agreement I would have objected to that unanimous-consent agreement.

It is my intention not only to ask for the yeas and nays on this particular item, and I want to be fair with the distinguished Senator from Alabama, who has always been fair with me. but also to ask for the yeas and nays on every item with which I disagree.

I do not feel obliged to support any informal agreement that was made because of my strong feeling about the need to adequately fund these particular programs.

I trust the Senator from Alabama understands and respects my position as much as I understand and respect his.

Mr. ALLEN. I certainly understand the Senator's position, and I commend him for it.

I would not only not resist his right to call for the yeas and the nays, but I would insist upon his right to call for a yea and a nay vote on any such amendment or make any arguments against it.

I am merely pointing out this amendment has been agreed to by the distinguished manager of the bill, the distinguished ranking minority member, and the custom here in the Senate, when people have an amendment, is to clear that amendment with the manager and the ranking minority member and have that recommendation go to the Senate. No one is precluded from speaking out against any such amendment. I merely am pointing out if this amendment is defeated, it would be the loss of an integral cog in the informal understanding that may well result in the passage of this bill before nightfall here in the Senate.

But we go back to a catch-as-catch-can basis if this amendment is defeated.

Mr. INOUYE. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Virginia, the proposer of the amendment, has 10 minutes remaining, and the Senator from Hawaii has 5 minutes remaining.

Mr. INOUYE. Mr. President, I yield to the Senator from Pennsylvania.

Mr SCHWEIKER. Mr. President, I rise in support of this amendment.

I was part of the informal meeting that we had, and I feel this is a reasonable amendment. I feel also it goes to the heart of the matter, that the administration before making new obligations has to consult with Congress on the basis of commitments already made. I think this is one way of giving a clear warning without wrecking anything because IDA 5 continues, IDA 5 we agreed to, and every dollar of IDA 5 is in here. So we are meeting the good faith of the administration.

We are also saying in the future we would like them to respect the limits of Congress financially.

I do want to say that the Senator from Massachusetts is right. He was part of no agreement. That is true. I respect his right to do what he is doing.

I do want him to understand that he was invited to attend this meeting, and in view of the fact he was tied up we did not invite his staff.

I do not want anyone to feel we made an agreement in which Senators were not given a chance to participate in the matter.

Mr. MATHIAS. Mr. President, will the Senator say where the meeting was? I received no notice of any meeting.

Mr. BROOKE. I was not invited to the meeting.

Mr. SCHWEIKER. It was in the minority leader's office, and we mainly invited the principals who had amendments pending before us. We could have invited the Senate, but we did not.

Mr. MATHIAS. But as to the members of the subcommittee who have an interest in this I think it would have been helpful if we had known such an agreement was pending.

Mr. SCHWEIKER. I think the Senator has made a good point, and we could have reconvened the whole committee. Perhaps we should have. We were trying to resolve some 39 amendments that are before us plus another 30-some committee amendments that Senators were going to talk at length on. So this was done in the interest of resolving the impasse.

The Senator is quite right, and his rights still are protected. As I said to the Senator from Massachusetts, he has a right to do what he is doing. I do not question that at all.

I do think that it is fair to ask for a vote on it, but I do want Senators who were in the meeting to understand that I am going to support the amendment of the Senator from Virginia, and I think everyone is free to express his rights right now.

Mr. HARRY F. BYRD, JR. Mr. President, I yield such time as he may desire to the Senator from Hawaii.

Mr. INOUYE. Mr. President, we often tend to miss the important aspects of a project because of minor irritants or minor issues that serve to cloud the picture.

I believe that we are now witnessing such a situation. I believe that the majority of the Members of the Senate would agree that the real purposes of the banks are good, rational, and reasonable. It serves to bring about a better life for the billions of people on this earth. It served to bring about better health, better education, and better nutrition.

However, all of these good things become clouded because of issues such as the following:

The executive director of the bank, who represents the United States, receives a gross salary of $83,830, which is more than the Secretary of the Treasury, his superior, and which is more than the Assistant Secretary of the Treasury, his immediate superior.

We have other items. These banks have presently liquid assets in excess of $10 billion deposited throughout the world. This committee has always felt that the location of these funds should be public information, that the public should know where these funds are presently being deposited. Yet, the public is being denied this information. I would hope a change would come about.

Third, we find that all of the working sessions of the boards of the banks are closed to outside observers and loan documents and supporting materials are classified. The Senator from Virginia asked this morning what are the purposes of these loans? As manager of this bill, I would like to stand here and provide the information. That is not possible, Mr. President, because many of these documents are classified.

But I ask you, Mr. President, what are the secrets involved? As far as I am concerned there are none. But our hands are tied.

We have also had occasion to ask for information relating to salaries, travel costs, and other benefits that individuals are receiving, and they are classified also. We have had to take circuitous routes to find out whatever information we have at the present time.

We have found that most of the employees of these banks, whenever they travel abroad, do so first class. Not only that, Mr. President, many use the most expensive travel, the SST. I do not know how many Senators have traveled on a Concorde, but it happens to cost considerably more than first class travel on conventional jets. We have been trying to bring a halt to this excess.

Some of the banks allow employees to take spouses along at the expense of the bank. We in the Senate have been accused of using public funds for traveling abroad, but our rules dictate that, if our spouses come along, we pay. Not so with the banks, Mr. President.

They all have subsidies which are provided for dining and recreational facilities. Some provide low-cost housing and personal loans and sometimes the use of limousines. Mr. President, I could go on and on and on but it should suffice to insert into the record relevant portions of the committee report and I ask unanimous consent that this be done.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Hiring of Retired United States Government Personnel by the International Financial Institutions.—Not only have the international banks adopted salary schedules and other benefits which are higher than United States government salaries but they have attracted at least 39 retired United States government employees who enjoy not only the high salaries and benefits of the banks but in addition draw full retirement benefits from the banks' largest contributor. From limited checks we have learned that at least one employee has passed the $100,000 mark in combined annual compensation from both systems. As an issue "double dipping" is one on which honest men can disagree but there can be little argument that the banks should not be allowed to recruit from those Federal employees who have held policy making positions relative to United States participation in these same institutions.

Disclosure and Public Accesss to Information Regarding IFI Operations.—Again, for more than five years the Committee has pressed the banks to open their doors and encourage both their supporters and the media to make informed judgments as to how well and how efficiently they are carrying out their international mandate. It is apparent that our exhortations have fallen on deaf ears for:

As of December 31, 1976 (January 31, 1977 for the IBRD) well over $10 billion in liquid assets of the banks were held in various securities and in sundry commercial and governmental financial institutions throughout the world. It is true that a large portion of these funds, which are surplus to current needs, earn interest, but we see no reason why the location of depositories and the rates of interest should not be made public. Indeed, most of our own state and local money managers have learned that when such funds have been openly and competitively placed there is a substantial increase in return. We believe the same result could be achieved by the International Financial Institutions.

All working sessions of the boards of the banks are closed to outside observers and loans documents and supporting materials are classified.

Information regarding salaries, travel costs, and other benefits of individual employees of the IFIs is closely held in institutional channels. When requested by the Committee, related information was only reluctantly provided and after numbers had been assigned to individual records. An extreme illustration of the aura of secrecy surrounding the operations of these institutions was the unwillingness of officials of one of these institutions, over a period of several months, to provide the Committee with a copy of its telephone directory.

IFI Development Assistant Through the Private Sector.—The Committee believes that there can be little development without fully exploiting the initiative, the efficiency and the competitive spirit of the private sector in each of the developing nations of the world. We are, therefore, greatly concerned that only 5.3 percent of the lending by the International Financial Institutions is made directly to the private sector. We note that an additional 16.8 percent is made to the private sector, but this is only indirectly through intermediate credit institutions. We believe there is much to be gained by encouraging development of the non-governmental capacity of developing nations and strongly urge that this be done by the IFIs as a matter of primary importance. The following table reflects present lending patterns:

TABLE I.—IFI LENDING TO THE PRIVATE SECTOR FOR 1976

[Dollar amounts in millions]

	IBRD	IDA	IFC	ADB	IDB	AFDF	Total	Percent of total
I. Loans direct to private sector	$171.2	$8.0	$170.9	$70.0	$54.9	.....	$475.0	5.8
II. Loans through official intermediate credit institutions	898.0	72.6	34.1	123.5	385.5	$0.2	1,513.9	16.3
Subtotal	1,069.2	80.6	205.0	193.5	440.4	.2	1,988.9	22.1
III. Total loans	5,288.6	1,206.7	205.0	776.0	1,443.9	79.0	8,999.2	100.0
IV. Private as a percent of total lending	20.2	6.7	100.0	24.9	30.5	.....	22.1	.....

Note: International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Asian Development Bank (ADB), Inter-American Development Bank (IDB) and African Development Fund (AFDF)

Source: OIDB/Department of Treasury.

Support of Mutual Credit Institutions.—The Committee believes that the International Development Banks have afforded meager support and encouragement to mutual credit institutions, particularly credit unions, savings and loan associations, and cooperatives which are independent of government control. We believe that there is extensive justification for extending support to such institutions and that much leverage can be gained for development dollars in doing so. We request a detailed report on this matter from the United States Department of the Treasury. When it comes before the Committee to justify fiscal year 1978 contributions to the International Financial Institutions it should be prepared to speak to this issue.

Control of Administrative Costs.—Over the years, we have documented many expenditures by the IFIs which lead us to the conclusion that there are substantial sums to be saved by a tightening of administrative practices and an encouragement of cost consciousness among bank officials and employees. It is our understanding that an extensive review of these costs is now underway. We welcome this initiative and hope that it will give priority to such items as:

The justification for first class and SST travel;

The propriety of spouse travel at bank expense;

Subsidies which are provided for dining and recreational facilities;

Retirement costs and benefits.

Use of limousines.

These are the irritants that cloud the picture. These are the concerns that make it almost impossible for Members of Congress to focus upon the true nature of these banks and the good they do. Because of the cloud of these excesses, we are now witnessing a reduction from $950 million to $800 million for the International Development Association.

If anything, I think this should serve a good purpose. I would hope that the banks will note the action that the Senate is taking today and reconsider the reluctance they have shown to us in the past. I would hope they will tell us where the $10 billion is now being deposited. I would hope they will resist traveling on the SST. I would hope they will cut down recreational and dining subsidies. I would hope that they will open up their meetings so at least a congressional observer, such as the Senator from Virginia, can attend and learn for himself the justification for these loans.

These are the irritants, Mr. President, and as long as these irritants remain, Congress year after year will be reluctant to provide contributions to the international development banks.

Mr. President, just to indicate what I am talking about, Bretton Woods, one of the fanciest country clubs in the world, is the recreation center for the International Monetary Fund.

I think the time has come. Reluctant as I am to support this amendment, I do so for one purpose: With the hope that the action taken by the chairman of the subcommittee and by the ranking minority member will be looked upon as a message that, if these banks insist upon continuing these excesses, we will continue to oppose appropriations.

Mr. JACKSON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. INOUYE. I yield.

EMERGENCY DROUGHT RELIEF

Mr. JACKSON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1935.

The PRESIDING OFFICER (Mr. ZORINSKY) laid before the Senate the amendment of the House of Representatives to the bill (S. 1935) to amend Public Law 95–18, providing for emergency drought relief measures, as follows:

Page 1, after line 10, insert:

Add to section 8 of Public Law 95–18:

"(d) The Secretary may condition grants, or may waive all or a portion of the repayment of loans made under this Act, upon the agreement of a recipient to undertake a program of water conservation and efficient management meeting standards established by the Secretary. The Secretary shall report to Congress on measures which he has undertaken to institute such conservation and management procedures."

Mr. JACKSON. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

I might say this has been cleared on the minority side. It involves certain amendments to the Emergency Drought Relief Act that we passed last spring. It does not add any more funds; it simply makes available funds that are now categorized and cannot be moved from one category to the other. We do have some very serious drought problems in our farming communities throughout the country.

I regret very much that the House of Representatives has seen fit to amend this measure. The program which is involved here is a 1-year program which has been underway for some time. Only a few months are left to implement the intent of the program and to make the rather small amounts of funds available for critical drought relief measures.

The intent of this measure is to waive some internal administrative requirements which have proven in practice to be impeding the program. As the bill passed the Senate, that was its only purpose. The House amendment on the other hand, establishes new criteria which were not included in the initial bill which are ill-defined and the purpose of which is not clear. It seems to me inappropriate to take this kind of action when only a few months remain. I am recommending that the Senate agree to these amendments only because we face an extended recess and because we cannot afford to lose a month out of the short remaining time for the implementation of the program.

It is my hope that the Secretary of the Interior and the administration will view the amendments constructively and will not permit these rather vague directions to result in any extensive changes in the established implementation of the program. I am concerned that changes in the guidelines and the approach being taken in this program at this time might nullify the effort which this bill intended to expedite. I will urge the Secretary of the Interior to make every administrative effort to avoid any delay from being occasioned by the House language. Therefore, Mr. President, I recommend that the Senate agree to the amendments of the House and clear the bill for the President's signature.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to.

Mr. JACKSON. I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Hawaii yield to me?

Mr. INOUYE. I yield.

SAFE DRINKING WATER AMENDMENTS OF 1977

Mr. ROBERT C. BYRD. Mr. President, this is a matter that has been cleared on both sides. It is imperative that the Senate act quickly; the other body is about to go out, and asks that the papers be returned.

Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1528.

The PRESIDING OFFICER (Mr. ZORINSKY) laid before the Senate the amendment of the House of Representatives to the bill (S. 1528) to amend section 2 of the Safe Drinking Water Act (Public Law 93–523) to extend and increase authorizations provided for public water systems, as follows:

Strike out all after the enacting clause, and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Safe Drinking Water Amendments of 1977".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) Section 1442(a) of the Public Health Service Act is amended by inserting "other than subsection (a)(2)(B) and provisions relating to research" after "section"; by striking out "and"; and by striking out the period at the end thereof and substituting "; and $17,000,000 for each of the fiscal years 1978 and 1979. There are authorized to be appropriated to carry out subsection (a)(2)(B) $8,000,000 for each of the fiscal years 1978 and 1979.".

(b) Section 1443(a)(5) of such Act is amended by striking out "and" and by inserting before the period at the end thereof: ", $35,000,000 for fiscal year 1978, and $45,000,000 for fiscal year 1979".

(c) Section 1443(b)(5) of such Act is amended by striking out "and", and by inserting before the period at the end thereof: ", and $10,000,000 for each of the fiscal years 1978 and 1979".

(d) Section 3(c) of the Safe Drinking Water Act is amended by striking out "and" and by inserting "; and $1,000,000 for each of fiscal years 1978 and 1979" after "1977".

(e) Nothing in this Act shall be construed to authorize the appropriation of any amount for research under title XIV of the Public Health Service Act (relating to safe drinking water).

STUDIES

SEC. 3. (a) Section 1442(a)(3) of the Public Health Service Act is amended by inserting "(A)" after "(3)" and by adding the following at the end thereof:

"(B) Not later than eighteen months after

the date of enactment of this subparagraph, the Administrator shall submit a report to Congress which identifies and analyzes—

"(i) the anticipated costs of compliance with interim and revised national primary drinking water regulations and the anticipated costs to States and units of local governments in implementing such regulations;

"(ii) alternative methods of (including alternative treatment techniques for) compliance with such regulations;

"(iii) methods of paying the costs of compliance by public water systems with national primary drinking water regulations, including user charges, State or local taxes or subsidies, Federal grants (including planning or construction grants, or both), loans, and loan guarantees, and other methods of assisting in paying the costs of such compliance;

"(iv) the advantages and disadvantages of each of the methods referred to in clauses (ii) and (iii);

"(v) the sources of revenue presently available (and projected to be available) to public water systems to meet current and future expenses; and

"(vi) the costs of drinking water paid by residential and industrial consumers in a sample of large, medium, and small public water systems and of individually owned wells, and the reasons for any differences in such costs.

The report required by this subparagraph shall identify and analyze the items required in clauses (i) through (v) separately with respect to public water systems serving small communities. The report required by this subparagraph shall include such recommendations as the Administrator deems appropriate.".

(b) Section 1442 of such Act is amended by redesignating subsection (c) as (e) and by inserting the following new subsection after subsection (b):

"(c) Not later than eighteen months after the date of enactment of this subsection, the Administrator shall submit a report to Congress on the present and projected future availability of an adequate and dependable supply of safe drinking water to meet present and projected future need. Such report shall include an analysis of the future demand for drinking water and other competing uses of water, the availability and use of methods to conserve water or reduce demand, the adequacy of present measures to assure adequate and dependable supplies of safe drinking water, and the problems (financial, legal, or other) which need to be resolved in order to assure the availability of such supplies for the future. Existing information and data compiled by the National Water Commission and others shall be utilized to the extent possible.".

(c) Section 1412(e)(2) of such Act is amended by inserting before the period at the end of the first sentence thereof the following: ", and revisions thereof reflecting new information which has become available since the most recent previous report shall be reported to the Congress each two years thereafter".

(d) Section 3(b) of the Safe Drinking Water Act is amended by striking out "for transmittal" and inserting "and" in lieu thereof.

(e)(1) Section 1442(a) of such Act is amended by adding the following new paragraphs at the end thereof:

"(10) The Administrator shall carry out a study of the reaction of chlorine and humic acids and the effects of the contaminants which result from such reaction on public health and on the safety of drinking water, including any carcinogenic effect.

"(11) The Administrator shall carry out a study of polychlorinated biphenyl contamination of actual or potential sources of drinking water, contamination of such sources by other substances known or suspected to be harmful to public health, the effects of such contamination, and means of removing, treating, or otherwise controlling such contamination. To assist in carrying out this paragraph, the Administrator is authorized to make grants to public agencies and private nonprofit institutions.".

(2) Nothing in this Act shall be construed to alter or affect the Administrator's authority or duty under title 14 of the Public Health Service Act to promulgate regulations or take other action with respect to any contaminant.

TRAINING

SEC. 4. Section 1442 of the Public Health Service Act, as amended by section 3(b) of this Act, is further amended by inserting the following new subsection after subsection (c):

"(d) The Administrator shall—

"(1) provide training for, and make grants for training (including postgraduate training) of (A) personnel of State agencies which have primary enforcement responsibility and of agencies of units of local government to which enforcement responsibilities have been delegated by the State, and (B) personnel who manage or operate public water systems, and

"(2) make grants for postgraduate training of individuals (including grants to educational institutions for traineeships) for purposes of qualifying such individuals to work as personnel referred to in paragraph (1).

Reasonable fees may be charged for training provided under paragraph (1)(B) to persons other than personnel of State or local agencies but such training shall be provided to personnel of State or local agencies without charge.".

GRANTS FOR STATE PROGRAMS

SEC. 5. (a) Section 1443(a) of the Public Health Service Act is amended by redesignating paragraph (5) as paragraph (7) and by inserting after paragraph (4) the following new paragraphs:

"(5) The prohibition contained in the last sentence of paragraph (2) may be waived by the Administrator with respect to a grant to a State through fiscal year 1979 but such prohibition may only be waived if, in the judgment of the Administrator—

"(A) the State is making a diligent effort to assume and maintain primary enforcement responsibility for public water systems within the State;

"(B) the State has made significant progress toward assuming and maintaining such primary enforcement responsibility; and

"(C) there is reason to believe the State will assume such primary enforcement responsibility by October 1, 1979.

The amount of any grant awarded for the fiscal years 1978 and 1979 pursuant to a waiver under this paragraph may not exceed 75 per centum of the allotment which the State would have received for such fiscal year if it had assumed and maintained such primary enforcement responsibility. The remaining 25 per centum of the amount allotted to such State for such fiscal year shall be retained by the Administrator, and the Administrator may award such amount to such State at such time as the State assumes such responsibility before the beginning of fiscal year 1980. At the beginning of each fiscal years 1979 and 1980 the amounts retained by the Administrator for any preceding fiscal year and not awarded by the beginning fiscal year 1979 or 1980 to the States to which such amounts were originally allotted may be removed from the original allotment and reallotted for fiscal year 1979 or 1980 (as the case may be) to States which have assumed primary enforcement responsibility by the beginning of such fiscal year.

"(6) The Administrator shall notify the State of the approval or disapproval of any application for a grant under this section—

"(A) within ninety days after receipt of such application, or

"(B) not later than the first day of the fiscal year for which the grant application is made,

whichever is later.".

EXTENSION OF DEADLINE FOR STATE UNDERGROUND INJECTION CONTROL PROGRAMS

SEC. 6. (a) Section 1422(b)(1)(A) of the Public Health Service Act is amended by inserting the following new sentence at the end thereof: "The Administrator may, for good cause, extend the date for submission of an application by any State under this subparagraph for a period not to exceed an additional 270 days.".

(b) Section 1421(b) of such Act is amended by inserting the following new paragraph at the end thereof:

"(3)(A) The regulations of the Administrator under this section shall permit or provide for consideration of varying geologic, hydrological, or historical conditions in different States and in different areas within a State.

"(B) Nothing in this section shall be construed to alter or affect the duty to assure that underground sources of drinking water will not be endangered by any underground injection.".

EXTENSION OF AUTHORITY TO ASSURE AVAILABILITY OF CHEMICALS NEEDED FOR WATER TREATMENT

SEC. 7. Section 1441(f) of the Public Health Service Act is amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1979".

FEDERAL AGENCIES

SEC. 8. (a) Section 1447(a) of the Public Health Service Act is amended to read as follows:

"FEDERAL AGENCIES

"SEC. 1447 (a) Each Federal agency (1) having jurisdiction over any federally owned or maintained public water system or (2) engaged in any activity resulting, or which may result in, underground injection which endangers drinking water (within the meaning of section 1421(d)(2)) shall be subject to, and comply with, all Federal, State, and local requirements, administrative authorities, and process and sanctions respecting the provision of safe drinking water and respecting any underground injection program in the same manner, and to the same extent, as any nongovermental entity. The preceding sentence shall apply (A) to any requirement whether substantive or procedural (including any recordkeeping or reporting requirement, any requirement respecting permits, and any other requirement whatsoever), (B) to the exercise of any Federal, State, or local administrative authority, and (C) to any process or sanction, whether enforced in Federal, State, or local courts or in any other manner. This subsection shall apply, notwithstanding any immunity of such agencies, under any law or rule of law. No officer, agent, or employee of the United States shall be personally liable for any civil penalty under this title with respect to any act or omission within the scope of his official duties.".

(b) Section 1401(12) of such Act is amended to read as follows:

"(12) The term 'person' means an individual, corporation, company, association, partnership, State, municipality, or Federal agency (and includes officers, employees, and agents of any corporation, company, association, State, municipality, or Federal agency).".

(c) Section 1449(e) of such Act is amended by adding the following at the end thereof: "Nothing in this section or in any other

law of the United States shall be construed to prohibit, exclude, or restrict any State or local government from—

"(1) bringing any action or obtaining any remedy or sanction in any State or local court, or

"(2) bringing any administrative action or obtaining any administrative remedy or sanction,

against any agency of the United States under State or local law to enforce any requirement respecting the provision of safe drinking water or respecting any underground injection control program. Nothing in this section shall be construed to authorize judicial review of regulations or orders of the Administrator under this title, except as provided in section 1448. For provisions providing for application of certain requirements to such agencies in the same manner as to nongovernmental entities, see section 1447.".

(d) Section 1447 of such Act is further amended by inserting at the end thereof a new subsection (c):

"(c)(1) Nothing in the Safe Drinking Water Amendments of 1977 shall be construed to alter or affect the status of American Indianlands or water rights nor to waive any sovereignty over Indian lands guaranteed by treaty or statute.

"(2) For the purposes of this Act, the term 'Federal agency' shall not be construed to refer to or include any American Indian tribe, nor to the Secretary of the Interior in his capacity as trustee of Indian lands.".

EMERGENCY ASSISTANCE

SEC. 9. Section 1442(a)(2) of the Public Health Service Act is amended by inserting "(A)" after "(2)" and by adding the following new subparagraph at the end thereof:

"(B) The Administrator is authorized to provide technical assistance and to make grants to States, or publicly owned water systems to assist in responding to and alleviating any emergency situation respecting drinking water which the Administrator determines (i) may reasonably be anticipated to endanger public health, and (ii) arises from unknown conditions or conditions which such entity is unable to remedy without such emergency assistance.".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 10. (a) Section 1416(b)(1) of the Public Health Service Act is amended by striking out "containment" wherever it appears therein and by inserting in lieu thereof "contaminant".

(b) Section 1442(b)(3)(C) of such Act is amended by striking out "1443(d)" and by inserting in lieu thereof "1443(c)".

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the amendment of the House of Representatives to S. 1528, with amendments which I sent to the desk. I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without obligation, it is so ordered. The clerk will state the amendments.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes, en bloc, unprinted amendments numbered 745, as follows:

On page 9, in section 6(b), insert a new subparagraph (B) as follows and redesignate the succeeding subparagraph accordingly:

"(B) In establishing regulations under this section, the Administrator shall consider existing State requirements governing underground injection control and avoid the promulgation of requirements which unnecessarily disrupt or duplicate existing State requirements."

On page 13, add at the end thereof the following new sections:

"OFFICERS AND EMPLOYEES OF THE ENVIRONMENTAL PROTECTION AGENCY

"SEC. 11. In the performance of his functions under the authorities administered by the Administrator of the Environmental Protection Agency, the Administrator is authorized to appoint and fix the compensation of such officers and employees as may be necessary to carry out such functions. Such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5, United States Code, except to the extent the Administrator deems such action necessary to the discharge of his functions, he may appoint not more than one hundred and fifty of the scientific, engineering, professional, legal, and administrative personnel of the Agency without regard to such laws, and may fix the compensation of such personnel not in excess of the rate for grade 18 of the General Schedule specified in section 5332 of title 5, United States Code. Not more than 100 of such personnel shall be appointed in fiscal year 1977 and the remaining personnel shall be appointed in fiscal year 1978.

SEC. 12. There are authorized to be appropriated to the Environmental Protection Agency for research and development activities under the Safe Drinking Water Act $16,000,000 for the fiscal year ending September 30, 1978.".

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATION BILL, 1978

The Senate continued with the consideration of H.R. 7797.

Mr. BROOKE. Mr. President, will the Senator from Hawaii yield?

Mr. INOUYE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Hawaii has 2 minutes remaining. The Senator from Virginia has 3 minutes.

Mr. INOUYE. I yield it to the Senator from Massachusetts (Mr. BROOKE).

Mr. BROOKE. I thank the distinguished Senator.

Mr. President, I take very seriously, as does the distinguished chairman of the subcommittee and the distinguished ranking minority member of the subcommittee, the actions taken by our subcommittee and the full Committee on Appropriations on this important bill. I was present at the subcommittee markup and participated in it, and I was present at the full committee markup and participated in that.

I think it is important that we stand firm on the action taken by the subcommittee and the full committee of the Appropriations Committee. I recognize that there was this "informal agreement" which I am just now beginning to understand, entered into, as was stated, informally by certain Senators who had interests in this bill. In the so-called informal agreement, it was agreed to accept a $150 million reduction in the Committee's recommended level of funding for the International Development Association. It was also agreed that a vote on the recommendation of a 5-percent overall cut in funding of all the amounts finally included in the final version of the bill would take place. This means, in other words, that the committee gave up $150 million, and the other side on this issue still has an opportunity to take a vote on a 5-percent cut, so there could be even a further cut in addition to the $150 million which we have already given up.

As I look at this so-called compromise, I just wonder what the consideration is, what the quid pro quo is for this compromise agreement. I just fail to see it. I cannot see where anything is actually gained, for those who would like to defend the committee position.

Moreover, on Jamaica, the opponents of the bill still intend to seek the deletion of assistance for that country. Where is the compromise? As I go down item after item, it is incredible to me that this is even called a compromise agreement. It is not a compromise agreement, and I want it to remain crystal clear that Senator MATHIAS, if I may presume to speak for him, a member of the committee, and I were never consulted about this. We did not agree with it. We do not agree with it now; and we would hope that the committee would stand firm and not live up to a so-called compromise agreement which in fact, in my opinion, is a capitulation.

Mr. CLARK. Mr. President, will the Senator yield me 3 minutes?

Mr. INOUYE. I yield the Senator from Iowa 3 minutes on the bill.

Mr. CLARK. Mr. President, I want to read this statement into the RECORD on behalf of the distinguished Senator from Minnesota (Mr. HUMPHREY), the chairman of the Foreign Assistance Subcommittee, and the administration, in opposition to the pending amendment:

The Administration strongly opposes the proposed amendment to reduce substantially the FY 78 appropriation for IDA. This amendment, if adopted, would seriously harm U.S. relations with the developing world and would force an embarrassing renegotiation of an already—completed international agreement.

IDA is the principal vehicle for transferring resources and effecting constructive change in the poorest countries of the world. It is also a symbol of the concern of the developed nations of the world for the poorest people on this planet. The United States has long been in the forefront of those seeking to help the underprivileged and downtrodden. We were instrumental in IDA's establishment in 1960. We have maintained the largest single country share, although in the interests of fiscal prudence our share has been declining.

The proposed amendment, if approved, would provide only about one half of the Administration's FY 78 request for IDA. It would represent a clear signal to the developing world that the United States has lost interest in the fate of million of starving and illiterate people in the world. The developing world would undoubtedly read our signal to mean we desire conflict, rather than cooperation and understanding.

In practical terms the proposed amendment would prohibit the U.S. from fulfilling its commitment under the recently completed Fifth Replenishment agreement. This would force a renegotiation of the agreement only recently negotiated among twenty-two donor countries. If the United States, as the

leading donor, were to reopen these negotiations on a reduced basis, other countries would, undoubtedly also seek to reduce their contributions. A downward cycle would begin, leading to a much smaller IDA and a significant reduction in the resources available for the world's poorest countries. The United States would receive the blame for this decline and would probably face increased pressures in North/South talks for more costly concessions in other areas. It would be argued by some countries that moderation in dealing with the United States does not produce results.

Mr. President, I yield the remainder of my time to the Senator from Hawaii.

Mr. HARRY F. BYRD, JR. Mr. President——

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. (Continuing). I do not know who got up that memorandum or letter which has just been read by the Senator from Iowa, but whoever it was does not understand the amendment. The amendment does not touch the fifth replenishment. The administration sought $800 million for fiscal year 1978 for the fifth replenishment. This is almost double what has been done in the past. The Senator from Virginia would like to cut the fifth replenishment, but the amendment does not do that. The amendment gives exactly what the administration sought in regard to the fifth replenishment. What the amendment does is to cut $150 million from the request for a fourth replenishment to make up, presumably, for what the Congress refused to do in the past.

This is a reasonable request, as the Senator from Hawaii pointed out in his excellent remarks.

The Senator from Hawaii also emphasized a very important point. The international financial institutions have $10 billion in liquid assets. They are on deposit in various large banks throughout the world. Yet the Committee on Appropriations of the Senate cannot find out from the World Bank where those deposits are, in which banks they are located, and in what amounts.

The PRESIDING OFFICER. The Chair will say that all time has expired.

Mr. HARRY F. BYRD, JR. The Senator from Virginia has a great deal of time left on the bill which he can yield himself, but at this time I will not.

Mr. JAVITS. Will the Senator yield me 5 minutes?

Mr. INOUYE. I yield 5 minutes from the bill.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I rise in opposition to the amendment. Mr. President, I had one other point I wished to make which is rather procedural and which deeply concerns me. I believe a good many Members have left and we may be lucky if we have a quorum. I intend to find out whether we do, in due course.

As I understand it, this bill does not have to be rushed right now, notwithstanding the paucity of attendance in the Senate.

From my own experience, Mr. President, in the last couple of months with the developing countries, I think it would represent a great error to rush this matter, which we must remember now is not strictly a domestic matter where we suit ourselves. We hear lots of speeches about the interdependence of the world, the fact that we have hundreds of millions of dissatisfied peoples to deal with, that the state of our armaments and the progress of the Communist ideology, and the state of trade of the United States, all very heavily depend on these relations. So we cannot assume that we are making a cut, if we do, in some measure relating to a domestic concern where we fight it out among ourselves.

We must remember that whatever we do represents a signal which goes out to the whole world as to where the United States stands. It may affect us not only in our security but even in money terms, in terms of billions of dollars. So we have to be provident.

I have spent a little time in Paris in the so-called north-south dialog, Mr. President. The degree of tension, resentment, heat and hostility which was there demonstrated indicates that it would be the height of imprudence for the United States to go back on an international commitment such as is contemplated in this particular amendment.

The very point which was just made I believe is very significant. We are not talking about the fifth replenishment. We are talking about the fourth replenishment. In other words, a replenishment in which we have agreed upon in given installments, Mr. President.

My own experience over 30 years in this field, capped by my experience in Paris in the recent CIEC conference, my experience at Nairobi where we had the UNCTAD meeting, indicates that we can count our costs, Mr. President, in terms of security and in terms of money in the billions if we do not have an eye very clear to the international implications of what we do and what we do not do in reference to our aid program.

Mr. President, I think this is highly improvident. I think it is highly unwise for the United States, and it is certainly unwise in order to get this bill passed today, which is really what this is all about.

A Member fully within his rights has presented an enormous kit of amendments. Any Member who has the skill, the will, and the conviction can keep the Senate in business here on a particular measure for some days. That is a right we all cherish. Each of us have it and each of us clings to it like life itself in terms of our political future and our political ideas.

But that does not mean that policy has to be made by that standard.

So, Mr. President, I really urge upon my colleagues those two points:

First, are we justified in order to get this bill adopted, or to try to get it adopted within a modest time compass today, to make these changes which have the most portentious influence on the future of our own security and the money we spend in the world?

Second, do we have any right to consider going back on a solemn international commitment upon which many other nations had a right to rely in terms of their own contribution and in terms of their opportunity to participate in the International Development Association, which is the principal resource of the really poor nations of the world under the circumstances which we face this afternoon?

My answer is decidedly in the negative, Mr. President, and I hope very much the Senate will, when the time comes, reject this amendment.

Mr. BROOKE. Mr. President, I move to table this amendment.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Is it in order to suggest the absence of a quorum before a vote?

The PRESIDING OFFICER. The Senator has a right to suggest the absence of a quorum.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum and I wish to advise the leadership it will be live.

Mr. INOUYE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. INOUYE. Whose time will be affected by the quorum call?

The PRESIDING OFFICER. Nobody's time.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. ALLEN. I object.

Mr. ROBERT C. BYRD. Mr. President, I hope the Senator will not object.

Mr. ALLEN. I understood the Senator to say it would be a live quorum.

Mr. ROBERT C. BYRD. No, it will not.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may be recognized for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, my reason for calling the quorum was to see how many Members are present. I have now checked to find that we have 80 or so Members here, which is certainly adequate for the purpose. That is why I withdrew the request for the quorum.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Virginia (Mr. HARRY F. BYRD, JR.).

Mr. BROOKE. Mr. President, I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered; the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ANDERSON (after having voted

in the negative). On this vote, I have a pair with the distinguished Senator from Maine (Mr. MUSKIE). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New York (Mr. MOYNIHAN), the Senator from Maine (Mr. MUSKIE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Alabama (Mr. SPARKMAN) would vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Michigan (Mr. GRIFFIN), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Idaho (Mr. MCCLURE), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), the Senator from South Carolina (Mr. THURMOND), and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. CHAFEE) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "nay."

The result was announced—yeas 33, nays 49, as follows:

[Rollcall Vote No. 340 Leg.]

YEAS—33

Baker	Gravel	Packwood
Bayh	Hart	Pell
Biden	Haskell	Ribicoff
Brooke	Hatfield	Riegle
Case	Humphrey	Sarbanes
Chiles	Javits	Stafford
Church	Kennedy	Stevens
Clark	Magnuson	Stevenson
Culver	Mathias	Stone
Danforth	McGovern	Weicker
Glenn	Metzenbaum	Williams

NAYS—49

Allen	Goldwater	Metcalf
Bartlett	Hansen	Morgan
Bentsen	Hatch	Nelson
Bumpers	Hathaway	Nunn
Burdick	Hayakawa	Proxmire
Byrd, Harry F., Jr.	Helms	Randolph
	Hollings	Roth
Byrd, Robert C.	Inouye	Sasser
Cannon	Jackson	Schmitt
Curtis	Johnston	Schweiker
DeConcini	Laxalt	Stennis
Dole	Leahy	Talmadge
Domenici	Long	Tower
Durkin	Lugar	Wallop
Eagleton	Matsunaga	Young
Ford	McIntyre	Zorinsky
Garn	Melcher	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Anderson, against.

NOT VOTING—17

Abourezk	Heinz	Pearson
Bellmon	Huddleston	Percy
Chafee	McClellan	Scott
Cranston	McClure	Sparkman
Eastland	Moynihan	Thurmond
Griffin	Muskie	

So the motion to lay Mr. HARRY F. BYRD, JR's amendment on the table was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. SCHWEIKER. I move to lay that motion on the table. The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. DECONCINI). The question recurs on agreeing to the amendment.

Mr. MATHIAS. Mr. President, on that, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. BAKER (after having voted in the negative). On this vote I have a pair with the distinguished Senator from South Carolina (Mr. THURMOND). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New York (Mr. MOYNIHAN), the Senator from Maine (Mr. MUSKIE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Alabama (Mr. SPARKMAN), the Senator from Maine (Mr. MUSKIE), would each vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Idaho (Mr. MCCLURE), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), the Senator from Virginia (Mr. SCOTT), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. CHAFEE), is absent due to a death in the family.

The result was announced—yeas 49, nays 32, as follows:

[Rollcall Vote No. 341 Leg.]

YEAS—49

Allen	Garn	Morgan
Anderson	Hansen	Nelson
Bartlett	Hatch	Nunn
Bentsen	Hathaway	Proxmire
Bumpers	Hayakawa	Randolph
Burdick	Helms	Roth
Byrd, Harry F., Jr.	Hollings	Sasser
	Inouye	Schmitt
Byrd, Robert C.	Jackson	Schweiker
Cannon	Johnston	Stennis
Curtis	Laxalt	Stevens
DeConcini	Long	Talmadge
Dole	Lugar	Tower
Domenici	Magnuson	Wallop
Durkin	Matsunaga	Young
Eagleton	McIntyre	Zorinsky
Ford	Melcher	

NAYS—32

Bayh	Hart	Packwood
Biden	Haskell	Pell
Brooke	Hatfield	Ribicoff
Case	Humphrey	Riegle
Chiles	Javits	Sarbanes
Church	Kennedy	Stafford
Clark	Leahy	Stevenson
Culver	Mathias	Stone
Danforth	McGovern	Weicker
Glenn	Metcalf	Williams
Gravel	Metzenbaum	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Baker, against.

NOT VOTING—18

Abourezk	Griffin	Muskie
Bellmon	Heinz	Pearson
Chafee	Huddleston	Percy
Cranston	McClellan	Scott
East.and	McClure	Sparkman
Goldwater	Moynihan	Thurmond

So the amendment of Mr. HARRY F. BYRD, Jr., was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. INOUYE. Mr. President, as the record will indicate, we set aside—

Mr. JAVITS. Mr. President, we cannot hear.

The PRESIDING OFFICER. The Senator will please suspend for a moment. The Senate is not in order. Senators will clear the well. If you care to carry on conversations please retire to the cloakroom.

Mr. INOUYE. Mr. President, I yield 1 minute to the Senator from New Hampshire.

The following Senators requested and, by unanimous consent were granted, the privilege of the floor on behalf of the following staff members: Mr. DURKIN: Harris Miller; Mr. JAVITS: Jacque Gorlin; Mr. CLARK: Constance Freeman, Frank Ballance, Dick McCall, and Rudolph Rousseau; Mr. MATHIAS: Cassimir Yost; Mr. BARTLETT: Ron Lehman; Mr. LEAHY: Doug Racine; Mr. GLENN: Len Bickwit; Mr. DANFORTH: Mark Edelman; Mr. DOMENICI: Kay Davies.

Mr. INOUYE. As the record will indicate, by prior unanimous consent we set aside temporarily consideration of amendments relating to sections 107, 114—these appear on pages 14 and 15 of the bill—and section 506 appearing on page 28.

I have discussed these amendments with the distinguished Senator from Virginia. On section 107 we will have a 30-minute debate divided equally, 15 minutes on each side. But on section 114 I ask unanimous consent that the debate on the amendment relating to section 114 and section 506 be reduced to 10 minutes, 5 minutes on each side.

Mr. JAVITS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will report the next committee amendment.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield briefly?

Mr. INOUYE. Yes.

Mr. HARRY F. BYRD, JR. I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. INOUYE. Mr. President, in order to clarify the situation may I once again repeat the unanimous-consent request?

Mr. President, I ask unanimous consent that as to all amendments relating to section 114 and section 506, the debates thereon be limited to 10 minutes, 5 minutes on each side.

The PRESIDING OFFICER. Each of the three amendments?

Mr. INOUYE. On all amendments.

The PRESIDING OFFICER. On all amendments.

Mr. JAVTIS. "All amendments" meaning what, Mr. President?

Mr. INOUYE. Relating to sections 114 and 506 but on section 107 the previous order will prevail, the 30 minutes.

Mr. JAVITS. Just to clarify that, "All the amendments" may mean any amendment that anyone wants to tack onto either section, Mr. President. As I understand it, the unanimous consent applies to the committee's amendment.

The PRESIDING OFFICER. The three committee amendments.

Mr. JAVITS. The three committee amendments.

The PRESIDING OFFICER. And amendments thereto.

Mr. JAVITS. Not that. "And amendments thereto" can be anything. I would not consent to that. It could be any part of the bill.

Mr. INOUYE. I say to the Senator from New York I am referring to amendments that Senator CLARK proposes to offer.

Mr. JAVITS. I have no objection to a 5- or 10-minute limitation to the committee amendments on those two sections and to Senator CLARK's amendment to one of the sections.

The PRESIDING OFFICER. Will the Senator from Hawaii repeat the unanimous-consent request?

Mr. INOUYE. Mr. President, I ask unanimous consent that the debate on section 114 and section 506 be limited to 10 minutes and that all other amendments thereto be also limited to 10 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. There is objection, Mr. President. Reserving the right to object, all I am trying to do is confine it to what we know.

A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Is it not a fact that under that unanimous consent any amendment one may have to either of those sections would have a 10-minute limitation?

Mr. INOUYE. I will repeat it again, Mr. President.

The PRESIDING OFFICER. No, that is not correct. For the information of the Senator from New York under this unanimous-consent agreement any amendment thereto would not be debatable at all.

Mr. JAVITS. That is even worse, Mr. President.

May I beg the Senator to make his request to the sections and to the Clark amendment, and then we will know what we are doing.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest we take up section 107 and get to these unanimous-consent agreements later, because I am not willing to exempt one individual from a time limitation and not exempt anyone else.

Mr. INOUYE. Mr. President, I ask unanimous consent that the Byrd amendment to section 114 be limited to a 10-minute debate.

Mr. HARRY F. BYRD, JR. Mr. President, may I interrupt the Senator there.

Mr. INOUYE. Yes.

Mr. HARRY F. BYRD, JR. There is no Byrd amendment at the moment to section 114.

Mr. INOUYE. But there will be.

Mr. HARRY F. BYRD, JR. It is a committee amendment.

Mr. INOUYE. But there will be a Byrd amendment to that.

Mr. HARRY F. BYRD, JR. I had not prepared one at the moment. But I might.

[Laughter.]

Mr. JAVITS. Make it germane to those, may I suggest, and solve it.

Mr. INOUYE. I suggest we just take up 107 at the present time under the previous order.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 14, line 6, strike "or indirectly";

Mr. DOLE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Senator from South Carolina (Mr. THURMOND).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. THURMOND

I oppose the Committee amendment striking the word "indirectly" from line 6 of page 14 of H.R. 7797. The effect of this Committee amendment is to open the door to pouring the dollars of American taxpayers into the Communist countries of Vietnam, Cambodia, and Laos. Mr. President, I find it hard to believe that any Senator would approve the funding of Communist governments in Southeast Asia. I am certain that the vast majority of Americans would not approve such a measure.

Everyone is familiar with the character of these governments. They are repressive and inhumanitarian; they are totalitarian and stand for the denial of basic human rights and freedoms.

Mr. President, we owe Vietnam nothing. Absolutely nothing. The tables provided in the Committee Report on this bill show that during the period of 1946–1976, the United States sent more American dollars to Vietnam than any other country in the world. In fact, the amount spent on Vietnam is nearly twice that of that of the country that is number two on the list. Why should we now send more money to what is an avowedly Communist country?

I urge my colleagues to search their consciences and consider the American people and the ideals and beliefs which the American people hold dear. How many of us could go home and ask our constituents if they would like their tax dollars going to Communist countries and come back with an affirmative response? I dare say, not a single Senator would find that kind of feeling among his people.

Mr. President, I strongly urge the defeat of the Committee amendment.

Mr. HARRY F. BYRD, JR. Mr. President, a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. Mr. President, have the yeas and nays been ordered on this committee amendment?

The PRESIDING OFFICER. They have been ordered.

Mr. BUMPERS. Mr. President, I ask unanimous consent request that Len Parkinson of my staff, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. INOUYE. Mr. President, I move the adoption of the committee amendment.

The PRESIDING OFFICER. Is all time yielded back?

The PRESIDING OFFICER (Mr. DE CONCINI). The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, the committee amendment would change the legislation approved by the House of Representatives, I will read section 107 as passed by the House of Representatives:

SEC. 107. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly or indirectly any assistance or reparations to Uganda, Cambodia, Laos, or the Socialist Republic of Vietnam.

The committee amendment would eliminate the words "or indirectly."

I oppose the committee amendment in favor of the House position, because if the committee amendment is adopted, the international banking institutions can then use U.S. tax funds for the benefit of Uganda, Cambodia, Laos, or the Socialist Republic of Vietnam.

As one Senator, I think it is a mistake to take funds out of the pockets of the working people of this country, turn those funds over to international banking institutions, and permit those institutions, those international banks, to use those funds and send that tax money to Uganda, Cambodia, Laos, or the Socialist Republic of Vietnam.

Of course, there is difference of views on that subject; I recognize the committee's position. I am merely stating the position of one Senator, and giving my reasons as best I can for opposing the committee amendment.

I reserve the remainder of my time.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the Senator from Alabama.

Mr. ALLEN. The net effect is that with the Senate amendment knocking out the words "or indirectly," funds of the United States appropriated by this bill could end up with the nations that the Senator mentioned, North Korea, Vietnam, and the other countries, whereas with the House language, those funds could not go to those enemy nations of the United States?

Mr. HARRY F. BYRD, JR. That is correct, I will say to the Senator, except that North Korea is not involved in this.

Mr. ALLEN. I see. What countries are involved?

Mr. HARRY F. BYRD, JR. Uganda;

that is a fine country, but I am not certain——

Mr. ALLEN. Is that Mr. Idi Amin's country?

Mr. HARRY F. BYRD, JR. Yes, the country of Idi Amin. If Senators approve the committee amendment, the World Bank can turn money over to Idi Amin. The money would not go to individual citizens, I might say; it goes to the government, to the leaders of the government, and in this case it would be Idi Amin, and all Senators know about his views about the United States and about human rights.

The other countries involved are Cambodia, Laos, and the Socialist Republic of Vietnam.

Mr. ALLEN. But if we vote against the committee amendment, we can be assured that the funds appropriated by this bill will not end up with the heads of the governments of the countries the Senator named?

Mr. HARRY F. BYRD, JR. The Senator from Alabama is correct. As I see it, the House of Representatives has a better grasp on the sentiments of the people of our country. At least in the judgment of the Senator from Virginia, the House of Representatives has a better grasp, than does this committee, which would knock out the House proposal and would permit U.S. funds to go to the heads of those nations.

Mr. ALLEN. It seems that the issue is pretty clearly defined, is it not?

Mr. HARRY F. BYRD, JR. It appears to the Senator from Virginia, as it does to the Senator from Alabama, that it is a very clear-cut issue.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield the Senator from Kansas such time as he may require.

Mr. DOLE. Mr. President, I appreciate the distinguished Senator from Virginia for yielding.

I do not think there is much doubt about the purpose of the committee amendment. The purpose of the committee amendment is to allow AID dollars to flow to Vietnam, Laos, Cambodia, and Uganda. We are talking about indirect aid, through some international bank. I think we have all received a letter, as of this morning, from Representative YOUNG of Florida. Attached to it was the following notation: International Bank for Reconstruction and Development, International Development Association, and, as a part of that summation, under loans now pending, are two loans to Vietnam. One is with reference to coal mining, and the other is with reference to irrigation and drainage.

They make it very clear that they are only in the preliminary stage, but there is no doubt about it; there is an effort to make a direct loan.

Mr. President, we are still having difficulty in the Midwest with respect to loans from the Government to build irrigation ditches and other things we think are necessary. We have had an economy move in this country to strike out certain water projects across this land because of the claim it was not economical. I cannot understand how any strategy of the administration would now say we should put money into the IDA, which in turn would be available for loans to Vietnam, Cambodia, Laos, and Uganda.

The Senator from Kansas feels very strongly about another point. I still do not understand the rush to normalize relations with Vietnam. I have not seen any rush on the part of Vietnam to identify the Americans still missing in action in Southeast Asia. There have been many amendments offered in Congress that would do this very same thing. However, it seems we adopt them in the Senate only to be lost in conference.

It seems to me it is time the Senate spoke, and spoke very clearly, to those who may go to conference, on how we feel about direct or indirect aid to Vietnam, Cambodia, Laos, and certain other countries. I do not know of any taxpayer who wants to send money to Vietnam. I know of no taxpayer who wants to send money to any bank or anywhere else if it ends up going to Uganda, Laos, or Cambodia. I understand all the arguments about healing wounds and getting back together with those countries. It means we get back together so we can channel more money into these countries.

The administration has had conferences and much negotiation; the State Department is very much concerned about this matter. In fact, I have had a memorandum come into my hands stating that if the committee amendment is not adopted, President Carter would veto the bill.

Well, that is too bad, if he vetoes the bill. President Carter has been talking about vetoing something all year. Maybe it is time he vetoes a bill. He was going to veto the farm bill; he was going to veto other bills; this would not be a bad bill to veto. I think we could probably sustain his veto.

This is a letter that was addressed to the distinguished chairman of the Budget Committee. It says:

> A Dole amendment to restore the House-passed language prohibiting use of U.S. contributions to the IFIs for aid to Indochina, Uganda, or Cuba (Amdt. No. 580) is given a fair chance of passage. The President has been advised to veto H.R. 7797 if the Dole amendment is accepted by the Senate. A letter on the consequences from World Bank President McNamara to Secretary Blumenthal is attached for your information.

I do not have that letter, but I understand they would favor the committee amendment. So we can talk about the humanitarian objectives. We should not talk about human rights, though, when we talk about Vietnam, Laos, or Cambodia, because they do not believe in human rights. They have several thousand prisoners locked up over there, political prisoners.

No one seems concerned. No one is on this floor moralizing and agonizing, as they did back in the Vietnam war days about all those prisoners the South Vietnamese had locked up. No one has said a word about what prisoners Vietnam has locked up, or about turning those prisoners loose. We do not say anything; we just want to give them our money.

Not with my vote; and I doubt with the votes of the majority of the Members of the Senate.

Mr. President, my opposition to this committee amendment takes into consideration the extremely repressive and inhumane character of the current governments of Vietnam, Laos, Cambodia, and Uganda. Defeat of this amendment would insure that the aid we would not give these countries directly does not reach them just the same through indirect channels such as the World Bank, Asian Development Bank, and the International Development Association. It would do this by keeping the words "or indirectly" to sections 107 and 506 of the bill, which were already approved by the House of Representatives.

HUMANITARIAN OBJECTIVES

Mr. President, my thinking is closely in accord with the pronounced objective of this administration and this Congress to promote the cause of human rights wherever we have a voice of influence in the world. The administration has already suggested that we curtail U.S. aid and commerce with traditional allies in Latin America and Southern Africa who violate certain human rights principles. The Congress has already complied with that recommendation in certain instances—most recently, with respect to the termination of remaining trade transactions with the Rhodesian Government.

In attempting to advance the cause of human rights abroad, it is important that Congress insure consistency in U.S. trade and aid policies, and avoid a hypocrisy that undermines that cause. This is important whether U.S. aid is extended directly or indirectly through an international loan organization like the World Bank or the Asian Development Bank.

APPLICATION TO VIETNAM, LAOS, CAMBODIA, AND UGANDA

Were I an American representative to one of these international monetary institutions, it would be clear to me that the Governments of Vietnam, Laos, Cambodia, Cuba, and Uganda, do not qualify for consideration of assistance because of their representative natures. Not only do they violate the rights to hundreds of thousands of their own citizens, but some have refused to comply with the most basic principle of full cooperation in accounting for missing American servicemen.

The defeat of this amendment would make it clear that—under present conditions—the Governments of Vietnam, Laos, Cambodia, Cuba, and Uganda are in violation of internationally recognized human rights, and no American dollars are to reach those corrupt regimes through indirect means.

It is my understanding that the Socialist Republic of Vietnam has active aid requests pending before two of these institutions at the present time, and it is likely that decisions will be made on those requests in the very near future. Therefore, it is vital that we take affirmative action in this direction immediately.

Under the previous language of the bill, the present U.S. agreement to contribute to these financial organizations is conditioned upon the understanding that none of our appropriated funds are to be used if aid agreements are reached for any of these five governments.

By this means, Congress can maintain better control over U.S. contributions to international lending institutions. As duly designated trustees of taxpayer's dollars, we should do no less. A full 69 percent of the $24.9 billion in foreign aid dispersed by American agencies and by the U.S.-supported international agencies in fiscal year 1976 was allocated without congressional review. This fact was revealed through a study conducted by the center for international policy here in Washington, and released last January. This erosion of congressional authority over the use of foreign aid funds is deplorable, as it enables use of those funds for purposes totally alien to the American people.

Defeat of this amendment will be more in the right direction towards restoring a portion of the authority, and will insure that American dollars are not being used to prop up the Communist regimes now ruling Vietnam, Cambodia, Laos, Cuba, or Uganda.

JUSTIFICATION FOR DENIAL

Mr. President, there is a clear-cut basis for leveling sanctions against Vietnam, Laos, and Cambodia at this time. First, there is ample evidence that all three Communist regimes are in extensive violation of the human rights of their own people. It is no secret that these regimes have total control of the press, elections, and education within their countries. There are credible reports that as many as 200,000 political prisoners are being held in "re-education camps" within Vietnam, and the Vietnamese Ambassador to France himself admitted that about 50,000 were being "detained" because of political crimes. Tens of thousands are reported to be in forced labor camps in both Laos and Cambodia, and some sources indicate that hundreds of thousands of Cambodians may have died during mass relocation movements in that country since 1975. This physical and psychological cruelty should be thoroughly condemned by all those who would promote the cause of freedom and justice.

The harsh regimes of Cambodia, Laos, and Vietnam have tried to stifle information coming out of their countries about atrocities against their own people. Even so, we have seen reports of how those dictatorships have executed a great many of their citizens simply for political reasons. We have heard reports of torture and repressive measures.

Untold numbers of Vietnamese, Cambodians, and Laotians have died at the hands of their countrymen trying to escape the inhuman dictatorships of their homelands. By comparison, the human rights violations in those nations far outweigh the acts of some nations the administration has already censured.

It would be inconceivable that we should allow Vietnam, Cambodia, and Laos to receive U.S. assistance through indirect means. If our foreign policy is to be fair and consistent and is to have any credibility, we urge rejection of this amendment.

Furthermore, it is no insignificant matter that these governments have refused to cooperate in providing a full accounting for missing American servicemen in Southeast Asia. Laotian and Cambodian assistance has been nonexistent. Although Vietnam has given lip service to "full cooperation."

In accounting efforts, they have provided next to nothing in tangible results. The President insisted throughout the campaign, and during the early days of this administration, that there would be no reconciliation with the Communist Vietnamese Government until as full an accounting as possible had been made for our MIA's. Yet, on May 2, "normalization" talks were opened in Paris, and the administration last week supported U.N. membership for Vietnam. At the same time, Vietnamese officials have hardened their position towards the United States, insisting that U.S. aid is still a precondition to cooperation in accounting for missing American servicemen. Their stubbornness has increased, while the Carter administration's resolve has diminished.

The fact is that there has been no visible progress in accounting for the 2,500 missing Americans in Southeast Asia, and the lack of full cooperation by these four governments is undoubtedly one of the grossest forms of human rights violations by any government. The cruel manner in which Vietnamese officials have held back MIA information and remains in the past, and the manner in which they continue to utilize the accounting issue as leverage in seeking U.S. financial aid, has extracted immeasurable amounts of suffering and anxiety on the part of relatives and friends. It has constituted a violation of common decency and respect for the MIA's themselves, as well.

IMPORTANCE OF ECONOMIC SANCTIONS

It seems clear to me that the Communist Governments of Vietnam, Laos, Uganda and Cambodia should be ineligible for economic assistance, direct or indirect, from any nation or international organization that cherishes humane principles. Economic sanctions seem to be the only language that Communist autocrats understand, and the only authority they respect. We have repeatedly told these governments that they would receive no American aid until they comply with an MIA accounting, and we must convince them that we intend to abide by this commitment, even with respect of U.S. aid through international organizations. Congressional approval of my amendment will give our representatives in Paris greater leverage in insisting upon further accounting for MIA's and it will also discourage other members of the World Bank and Asian Development Bank from approving loans to these Communist regimes.

Such loans would undermine our efforts to gain cooperation from Communist leaders. As the largest single contributor to these lending institutions, the United States should have the unchallenged authority to have a predominant voice in the aid policies of those organizations.

UGANDA

Similarly, Uganda's regime of terror, headed by Idi Amin, has caused the death and imprisonment of countless hundreds—perhaps thousands—of African citizens. Despite the absence of hard information regarding the total extent and nature of Ugandan repression, we know from numerous reports that it has been a bloody situation.

Idi Amin's regime has been condemned by a number of governments throughout the world, and certainly would never receive any aid directly from our Government.

I can see no excuse whatsoever for providing these governments indirectly what we would not provide directly, in the form of economic aid. In doing so, we defeat our purpose, and contradict our high moral standards in the conduct of foreign policy.

Congress, as the duly authorized representative of the American people, has a solemn responsibility to place reasonable restrictions on authorized funding, in accordance with public opinion. My contact with the citizens of my home State and in other parts of the country as well, convinces me that sentiment is strong among American taxpayers to reject any form of U.S. aid to the totalitarian governments. It would be a proper exercise of our legitimate responsibility to legislate against the use of American tax dollars for loans to these countries. It would be our duty to reestablish control over those funds which could be used to subsidize aid extended by these international organizations. It would tell the other members of these monetary institutions that we do not intend to allow our national policy to be subverted by institutional policy.

A POSITIVE INFLUENCE

Until the Congress of the United States, and the American people, are convinced—by action as well as word—that these totalitarian governments in Asia and Africa are living up to the same human rights standards which we expect of other nations, they should be positively excluded from any form of U.S. financial aid provided by the American taxpayer.

The House of Representatives reaffirmed this policy on June 22, when it overwhelmingly voted to prohibit use of any funds in the foreign assistance appropriations bill for any form of aid, direct or indirect, to these five nations.

At present, the United States has a 23-percent subscription share in the financing of the World Bank, and a 15-percent share in the Asian Development Bank. If ever there is an opportunity for this administration, and this Congress to provide a positive influence for the furthering of human rights observance, it is through these channels. Defeat of the committee amendment ensures that our message on human rights and MIA's gets through loud and clear to the Governments of Vietnam, Laos, Cambodia, and Uganda. I urge my colleagues to vote the will of their constituents, and

to vote against the committee amendment.

Mr. President, if we can figure out some other way to support Vietnam, Cambodia, and Laos, and take care of Idi Amin, maybe it ought to be done. Perhaps through private contributions; we will pass the hat in the Senate and see how much we pick up that way. But let us not do it to the American taxpayers. Let us have a little gesture on the part of the Vietnamese. It has been suggested before that perhaps they were being paid blackmail. They announced they have the remains of 20 more Americans, and we are supposed to be overjoyed, because after all this time, and all the agony, and all of the pain of the American families, they announced that the remains of 20 Americans are going to come home.

It does not make this Senator feel very happy, many of the families, many of the children, or many of the mothers. How many more do they have in the body bank? How many are they going to release next week if we put up $1 million, or give them other forms of aid or reparations? It seems to me, as one who has been consistently opposed to this, that there is no rush. The day may come, but I do not think this is the day in August to be talking about indirect aid to any of the countries mentioned.

I certainly support the efforts of the distinguished Senator from Virginia.

Mr. BUMPERS. Let me say that I believe many are prepared to support the administration's request on this amendment. Which countries does the Senator's amendment exclude?

Mr. HARRY F. BYRD, JR. The Senator from Virginia has no amendment. If the committee amendment is rejected, the following countries would be excluded from indirect aid: Uganda, Cambodia, Laos, and the Socialist Republic of Vietnam.

Mr. BUMPERS. My next question is this, and perhaps I should direct this to the manager of the bill sponsoring the committee amendment: Have any loans been made to Uganda by any of these financial institutions in the last year or in the last 2 years. Quite frankly, I will find it very difficult to vote for an amendment which would permit any American tax dollars, directly or indirectly—certainly not directly, but indirectly through the World Bank or any other institution—to go to Uganda.

Mr. INOUYE. If I may respond, as far as our records are concerned, during the last 12 months none of the banks have provided any loans to Uganda, Cambodia, Laos, or Vietnam.

Mr. BUMPERS. On page 1269 of the Senate hearings before the Committee on Appropriations, there is a chart shown of various commitments. It reads this way:

Cumulative commitments by the international development lending institutions to individual countries as of December 31, 1976.

If we go down the list we come to Uganda. Under World Bank Group, the International Bank for Reconstruction and Development apparently has committed $8.4 million as of that date, IDA—I do not know, but I understand that is the soft loan window of the World Bank—$42.5 million, and IFC, which I do not know about——

Mr. INOUYE. The International Finance Corporation.

Mr. BUMPERS [continuing]. They have committed $4.6 million. Then the African Development Fund is $15.2 million. That is a total of $70.7 million to Uganda.

Mr. INOUYE. These are cumulative figures from the birth of Uganda, actually. These represent loans that were made many, many years ago.

Mr. BUMPERS. So the Senator's previous answer that none of these other financial institutions have made commitments or loans to any of these countries, especially Uganda, in the last 2 years is that correct?

Mr. INOUYE. The Senator is correct, in the past 12 months no loans have been made.

Mr. CLARK. Will the Senator yield 2 or 3 minutes with regard to what Senator BUMPERS has said, or does he wish to proceed?

Mr. INOUYE. If I may, I would like to proceed at this time.

Mr. President, without debate it would appear that this is a "motherhood" amendment. How can anyone be in favor of Uganda; or after going through a horrible war, be in favor of loans to Vietnam, Cambodia, or Laos? However, I believe we should remind ourselves that there are 138 countries which are presently contributing to the World Bank. Granted, some are large contributors, like the United States, and others are very small; the smallest contribution is $100,000 a year. But there are 138 countries participating in the World Bank. None of these countries have attached strings to their contributions to the Bank. If one country is permitted to attach strings, all others will do the same, and the World Bank will go out of business.

Sensing this, the World Bank, obviously, will not accept any contribution as a matter of policy from any country which would attach strings.

I think we are missing the point here, Mr. President. When we say no assistance may be made directly or indirectly, it does not cover just the World Bank, but all of the U.N. programs: the refugee assistance programs, the health programs, the education programs. Is the United Nations to stand aside mute, immobile, if there is a huge disaster in Uganda, just because Idi Amin happens to be the boss man? Are we going to close our eyes and say, "Let those people suffer"? Once we do that, the U.N. is out of business.

Are we going to close our eyes now to the Cambodian refugees? This is reality today. They are leaving Cambodia. They are leaving Laos.

This amendment would make it impossible for the United Nations to come to their aid to help them leave.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. INOUYE. I am happy to yield.

Mr. HARRY F. BYRD, JR. If they are leaving Cambodia and Laos they would not benefit by funds which are given to the countries which they are leaving. Funds go to the leaders of the countries, not to the refugees.

Mr. INOUYE. They are Cambodians, sir.

Mr. HARRY F. BYRD, JR. They are Cambodians, but this speaks of the Government of Cambodia.

Mr. INOUYE. It does not.

Mr. HARRY F. BYRD, JR. That is clearly the intent of it.

Mr. INOUYE. It just says any assistance.

Mr. HARRY F. BYRD, JR. Any assistance or reparations to Cambodia as a country, Uganda as a country, Laos as a country, or the Soviet Socialist Republic of Vietnam. Obviously they are countries.

Mr. INOUYE. If there is a recurrence of plague, and it could happen in some of these Southeast Asian countries, are we to stand mute and ignore the pleas of these people?

Oftentimes our concern for the oppressor makes us forget the oppressed. We should be concerned with the oppressed. This is not aid to provide them with guns, grenades, and whips. The type of aid we are speaking of is food, shelter, clothing, health assistance; if the committee amendment is not accepted, the World Health Organization would be completely tied up, the UNDP program—

Mr. HUMPHREY. Will the Senator yield?

Mr. INOUYE. I am happy to yield.

Mr. HUMPHREY. Even UNICEF, the children's program, would be tied up, as well as the most humanitarian programs we have.

The chairman is to be congratulated for what he has done and I hope the Senate will support him.

Mr. McGOVERN. Will the Senator yield?

Mr. INOUYE. I am happy to yield.

Mr. McGOVERN. How much money are we talking about in these little countries? Can the Senator give us some idea what the total amount is?

Mr. INOUYE. There are no moneys in this bill to support these countries. The language the Senator from Virginia wishes to restore, the so-called House language, would make it impossible for any future assistance. Let us say there is an epidemic in Laos and the United Nations wanted to send the World Health Organization there. That organization would be unable to move.

Mr. McGOVERN. We are talking at best about a comparatively small amount of money in terms of what the U.S. Government does abroad, are we not?

Mr. INOUYE. That is correct.

Mr. McGOVERN. I mean, even the worst case situation is really a very modest expenditure.

It just occurred to me, listening to this discussion, that some of the same Senators who are waxing so eloquent about protecting the taxpayers' money against going to Vietnam were not heard on that concern a few years ago when we were sending $25 billion a year in American taxpayers' money to Vietnam, not to feed the hungry, not to provide housing for

the homeless, not to take care of the wreckage of the war, but to conduct a totally pointless effort in destruction in that part of the world that we are going to be paying for years to come. I do not like to get into a debate on this issue. I had hoped we had put it behind us years ago.

If Senators are going to come on this floor and beat their chest talking about how they are protecting the American taxpayer against sending needless funds to Vietnam, Cambodia and Laos, I wish they would jog their memories a little bit and think about the debates we held on this floor for 10 or 15 years trying to stop that hemorrhage of American tax dollars that were flowing out there to Southeast Asia in an effort that accomplished nothing, except the destruction of hundreds of thousands of people in that part of the world, and the killing of some 50,000 young Americans, and the imprisoning for long periods of time for others. And for what?

What did we accomplish in that whole effort?

Now we come here, after the whole tragedy has run its course, and we have legislation before us that opens the way for maybe a minimum amount of humanitarian aid to go to help repair some of this terrible damage. I do not understand this belated concern about taxpayers' dollars, when we should have been raising this concern 10 or 15 years ago.

I thank the Senator for yielding.

Mr. MELCHER assumed the chair.

Mr. INOUYE. Mr. President, it has not been mentioned in this debate, nor is it referred to in the report, but this document is an instrument of foreign policy. I believe all of us agree on that. Too often, we find ourselves forcing countries into the hands of an adversary. We force them to go there because we tell them to their faces, "We do not want you."

We do not agree with the policy of Mr. Amin. I doubt if there are any of us here who would. But what about the people of Uganda? Are we, by this measure, to tell the Ugandans, "We do not want you at all?"

This will just give Mr. Amin an abundance of ammunition for demagoguery and rhetoric, to say, "See those Americans? You cannot get any help from them. Stick with me."

Let us give them some hope. Let us, at least, say, "Sure, we don't like your government, we hate it, we despise its acts. But if the God Lord should say there will be devastation in your land, we stand ready to help you; not directly, but through the multinational banks, through the multinational organizations such as the World Health Organization of the United Nations."

I do not think we should close the door completely. I hope that members of the Senate will abide with the decision we have reached, after much soul-searching. Believe me, it was not an easy decision to reach, because we realized the political realities. I do not wish to go home and have the headlines read, "INOUYE supports Idi Amin; INOUYE supports Ho Chi Minh."

This is no political plus here, but if we are to conduct ourselves as responsible Senators, acting on an instrument of foreign policy, I say we have no choice but to support the committee amendment. I hope it will be done.

Mr. CLARK. Will the Senator yield?

Mr. INOUYE. I am very happy to yield.

Mr. CLARK. I think one other essential point needs to be made. The distinguished Senator from Hawaii, I think, has made most of the essential points, but I wish to add to them just briefly.

To me, the issue is not the amendment before us, not whether we are going to discontinue loans to Uganda, to Cambodia, to Laos, or to Vietnam. That is not the issue at all. The issue is whether we are going to participate in the World Bank. That is the issue.

Obviously, if this amendment is passed and we offer the money to World Bank, it is going to be affected. It is not going to affect Laos, Cambodia, Vietnam, or Uganda. It would have absolutely no effect, one way or the other, if this amendment is adopted, because we know from the letter from the President of the World Bank to the President of the United States, after the House took this action, that the World Bank would not accept money from us on that basis, just as they would not accept it from any other country in the world.

I quote a couple of sentences from the letter from Mr. McNamara to Secretary Blumenthal:

> If these provisions become law the United States would have to condition its commitment and its subscriptions on a requirement that these funds not be used to finance loans to certain countries or for certain agricultural commodities. The question arises, therefore whether IDA could accept a United States commitment to the Fifth Replenishment and the Bank and IFC could accept United States subscriptions to their capital stock if they were made subject to such conditions or others of similar effect.
>
> The answer is that IDA, the Bank and IFC could not accept the funds, so conditioned, * * *.

There is no doubt, then, that the amendment that is before us does not have as its goal to affect American loans in these countries. That is not at issue. Whether the amendment passes or not, it would have no effect there. What it would do is have the effect of driving us out of all those organizations.

I am not surprised that there are people in this body who want to do that. That is their view. A person is entitled to the view that we should not participate in international organizations, the World Bank, the IMF. Fine, but I hope that people will see this issue for what it is: whether or not we are going to continue to participate in the World Bank and in these world organizations. For those people who believe in these institutions, certainly, I do not see how they could support an amendment that would, in no case, have anything to do, whether we pass it or not, with the countries mentioned in this amendment.

Mr. CHURCH. Will the Senator yield to me?

Mr. CLARK. I do yield if the Senator from Hawaii agrees.

Mr. INOUYE. Certainly.

Mr. CHURCH. Mr. President, I want to underscore what the distinguished Senator from Iowa has said.

I oppose foreign aid from the United States to Vietnam. I have so voted. I would oppose it to Idi Amin's government. The issue is not whether we should extend aid to such governments. The issue is whether we want to continue to participate in the World Bank.

I believe that the role of the World Bank is an essential one; that our participation is in the best interests of the United States. World Bank financing does more toward helping poor countries throughout the world than any bilateral program. I think that the Senator is absolutely right in the position he takes. The issue ought not to be obscured by the false implication that those of us who favor the committee amendment somehow approve of the governments named.

Mr. CLARK. Exactly.

Mr. HUMPHREY. I just want to make this general observation: Once we start to lay down conditions such as some of our colleagues would like, we open up a Pandora's box. For example, the main effort of our Government is to get a larger contribution from the OPEC countries into the World Bank and into the international financial institutions, thereby cutting down our percentage of contribution and increasing the percentage of the OPEC countries that have surplus capital.

What if the OPEC countries said, what if Saudi Arabia says, no money, directly or indirectly, to Israel—which they easily could do. As a matter of fact, they have been at odds with Israel longer than we have been with Idi Amin.

Let me tell you, the day we start to open up that Pandora's box of trouble, we can forget the entire international financial institution picture. Once that happens, may I say, the hope for peace in this world is seriously damaged, because, as Pope John once said: "The new name for peace is development."

These world banks and these international financial institutions represent an effort at development.

Mr. RIBICOFF. Will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. RIBICOFF. One of the great problems confronting international organizations is trying to politicize them. The United States has been complaining, in the United Nations and every international organization, of the fact that the United States stands alone—whether it is ILO, UNESCO, or World Health Organization; that one-third of practically all international arrangements are international organizations. It ill behooves the United States to complain about politicizing of international organizations if we now try to do it. By trying to politicize the World Bank to conform

with only American thinking and not world thinking, we make it impossible for the United States, in its fight in the United Nations and all international organizations, to inveigh against this type of procedure.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. MAGNUSON. Will the Senator yield?

Mr. INOUYE. Do I have any time left on the amendment?

The PRESIDING OFFICER. The Senator's time has just expired.

Mr. INOUYE. I yield from my time on the bill to the Senator from Washington.

Mr. MAGNUSON. I thank the Senator. I want to ask another question.

I understand that the World Bank is a business organization. Is that correct?

Mr. INOUYE. Yes.

Mr. MAGNUSON. It makes loans on the idea that they are going to get the money back. Is that not correct?

Mr. INOUYE. There are two windows, the hard window and the soft window. The soft window is long-term, up to 40 years on concessionary terms. There may be times when the very poorest countries may not be able to meet the terms.

Mr. MAGNUSON. On the hard loans, they have a good fiscal record, do they not?

Mr. INOUYE. Absolutely, better than some of our banks.

Mr. MAGNUSON. They are not going to lend money to places on hard loans, whether it be any of these countries mentioned or other countries, unless they hope to get it back, like any other bank. Is that correct?

Mr. INOUYE. The Senator is absolutely correct.

Mr. MAGNUSON. It seems to me that that is a factor, too. That would police the loan itself to a country that is not going to pay it back.

Mr. HARRY F. BYRD, JR. Mr. President, I yield such time as the Senator may wish.

Mr. DOLE. I thank the Senator.

The Senator did not say whether they would go to the soft or hard window on Vietnam. Are they looking for hard loans or soft loans?

Mr. INOUYE. I am not privy to information from Vietnam, so I would assume, if they are seeking loans, they would try their best to go to the soft window.

Mr. DOLE. They surely will, and that is my understanding.

I will say to my distinguished colleague, whom I respect very much, it seems to me it would not be such a bad idea to serve notice on the World Bank. Is there something sacrosanct about it, or some other lending institution, or some other organization?

Let us just look at Uganda. They received assistance in 1976 from IDA and UNDP and will be receiving aid from UNDP over the next 5 years.

We know the ruler, and where they get support—the Soviet Union and Cuba.

Uganda police units receive advisers from Russia and the Palestinians.

They are gross violators of human rights.

On just 1 day—February 6, 1977—in just one entry in a long list of human rights violations, women were beaten to death by Ugandan police in one incident and businessmen were beaten in another.

We all know about Entebbe, and Amin's involvement with terrorists.

On April 29, 1977, we know what happened when they announced Americans could not leave.

And all this for the Ugandan people? And we free up funds for Amin. No matter how much of it is ours, it will be more for Mr. Amin.

Mr. CLARK. If the Senator will yield for 10 seconds, I would question that IDA loaned money to Uganda in 1976.

I may be wrong, but I would like to know the source of that information.

Mr. DOLE. My information is that they provided $48 million in 1976 to Uganda.

Mr. CLARK. That is a cumulative figure from the past year. Most of it, not all, prior to the time Amin came to power.

Mr. INOUYE. The Senator is correct.

Mr. DOLE. I certainly have the highest respect for Senator HUMPHREY, who can hardly wait to get up, and others who are leaning forward in their chairs I know their good work, but let us consider a few things.

As I remember, they were the enemy in Vietnam. It was not the U.S. Senate. I do not know anybody here that killed any Americans. I thought they did it.

What have they done? Are they going to set up loans for our country, for our poverty areas?

I just ask about Cambodia, Laos, or Uganda, do they have programs floating around in which we could participate? Will they cooperate on accounting for the missing in action? I think we should ask ourselves those questions.

I do not question anyone's motives. I understand the deep commitment the Senator from Hawaii has. I know his great outstanding record. I do not quarrel with that at all.

But I say, the rest of us have a right to another view without being looked down upon as against human rights.

What about the rights of the Vietnamese people and the thousands of political prisoners?

As far as I can find, they will be receiving aid from IDA, UNDP, at the soft window. If that is what we want to do, I think we ought to go into it knowingly.

Mr. HUMPHREY. The Senator and I are cosponsors of an amendment to extend the Commodity Credit Corporation credit to the very countries we are talking about right now so they can buy our wheat, on our money, direct loans, and the Senator and I want to sell them wheat.

Mr. DOLE. No.

Mr. HUMPHREY. Let us get the record clear.

Mr. DOLE. Right.

Mr. HUMPHREY. Right.

Mr. DOLE. No, wrong.

Mr. HUMPHREY. We can go the whole way, when it comes to getting rid of that Kansas wheat——

Mr. DOLE. No.

Mr. HUMPHREY. Not Minnesota wheat.

We have an amendment that says, "Boys, if you want to borrow money from us to buy our wheat, we'll sell it You don't have to go to the World Bank, just come to us, we'll deliver it. We'll give you the money, we'll give you the wheat, and we'll hope and pray you will pay," with no assurance whatsoever, and it is good business.

Mr. DOLE. No, it is not good business.

Mr. HUMPHREY. Second, the Israelis are in the World Bank and they are the ones that had their plane hijacked—Idi Amin—they did not cut it off to Uganda.

All we are doing is cutting off our nose to spite our face.

I know it makes a good speech, just as I made one on the Commodity Credit Corporation. I thought I would even it out.

Mr. DOLE. Let me say to my good friend from Minnesota, who always makes a good speech, that I was asked to cosponsor the bill this morning but I turned it down. I do not want to trade with all of those countries.

Mr. HUMPHREY. Which ones does the Senator want to trade with? As I understand it, the Senator wanted to trade with China.

Mr. DOLE. Right.

Mr. HUMPHREY. Now, China is not exactly a bastion of world democracy, is that not right?

The Senator and I know that is sensible, we ought to be selling. I am for selling them anything they cannot shoot back.

Mr. DOLE. I will say to the Senator from Minnesota, as he knows, he introduced the bill to provide the very things he said, but not with the name of the Senator from Kansas on it.

I respectfully suggest that probably the Senator will have hearings on the bill in the Agriculture Committee and work out some of the problems he suggested.

I appreciate the efforts to link me with the Senator from Minnesota because we find ourselves in agreement about 90 percent of the time on some things.

Mr. HUMPHREY. Yes.

Mr. DOLE. But when it comes to principles, sometimes we disagree.

Mr. HUMPHREY. That is correct.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. Five minutes remain on the amendment for the Senator from Pennsylvania.

Mr. SCHWEIKER. I yield back the remainder of my time.

Mr. INOUYE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the committee amendment.

The yeas and nay have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BAKER (when his name was called). On this vote I have a pair with the distinguished Senator from South Carolina (Mr. THURMOND). If he were present and voting, he would vote "nay."

If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Maine (Mr. HATHAWAY), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New York (Mr. MOYNIHAN), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PELL), the Senator from Alabama (Mr. SPARKMAN), the Senator from Mississippi (Mr. STENNIS), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from Maine (Mr. MUSKIE) and the Senator from Rhode Island (Mr. PELL) would each vote "yea."

Mr. BAKER. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Jersey (Mr. CASE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Idaho (Mr. MCCLURE), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), the Senator from Alaska (Mr. STEVENS), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. CHAFEE) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS) would vote "yea."

The result was announced—yeas 47, nays 29, as follows:

[Rollcall Vote No. 342 Leg.]

YEAS—47

Anderson	Gravel	Metcalf
Bayh	Hart	Metzenbaum
Bentsen	Haskell	Nelson
Biden	Hatfield	Nunn
Brooke	Humphrey	Packwood
Bumpers	Inouye	Ribicoff
Chiles	Jackson	Riegle
Church	Javits	Roth
Clark	Johnston	Sarbanes
Culver	Kennedy	Sasser
Danforth	Leahy	Schweiker
DeConcini	Magnuson	Stafford
Durkin	Mathias	Stevenson
Eagleton	Matsunaga	Stone
Ford	McGovern	Williams
Glenn	McIntyre	

NAYS—29

Allen	Garn	Morgan
Bartlett	Hansen	Proxmire
Burdick	Hatch	Randolph
Byrd, Harry F., Jr.	Hayakawa	Schmitt
	Helms	Scott
Byrd, Robert C.	Hollings	Tower
Cannon	Laxalt	Wallop
Curtis	Long	Weicker
Dole	Lugar	Young
Domenici	Melcher	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Baker, for.

NOT VOTING—23

Abourezk	Hathaway	Pell
Bellmon	Heinz	Percy
Case	Huddleston	Sparkman
Chafee	McClellan	Stennis
Cranston	McClure	Stevens
Eastland	Moynihan	Talmadge
Goldwater	Muskie	Thurmond
Griffin	Pearson	

So the committee amendment on page 14. line 6, was agreed to.

Mr. INOUYE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BROOKE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will report the next committee amendment.

Mr. JOHNSTON and Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The clerk will report the next committee amendment.

The second assistant legislative clerk read as follows:

On page 15, line 25, following "finance" strike the comma and "directly or indirectly," and insert "directly";

MILITARY CONSTRUCTION APPROPRIATIONS, 1978—CONFERENCE REPORT

Mr. JOHNSTON. Mr. President, I submit a report of the committee of conference on H.R. 7589 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The second assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7589) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of August 3, 1977.)

Mr. JOHNSTON. Mr. President, this conference agreement provides $2,977,720,000 in new fiscal year 1978 budget authority for military construction and family housing programs of the Department of Defense. This amount is $152,910,000 below the level passed by the Senate, but $158,219,000 above the House bill. I might add that it is also $37,880,000 below the budget request and $483,677,000 lower than last year's appropriations.

I ask unanimous consent that a table displaying these comparisons by military department be inserted in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JOHNSTON. In arriving at the almost $3 billion recommended for new appropriations in fiscal year 1978, the conferees considered some 283 items in disagreement, totaling over $597 million. While I will be glad to address any specific points raised by the Senators, I do not plan to elaborate on the details of this agreement; these are contained in House Report 95–560, which was also printed in the CONGRESSIONAL RECORD of August 3.

I would like to say in general that while the agreement does not contain all of the items recommended by the Senate, it represents a fair compromise which I do not hesitate to endorse. During conference, we were able to satisfactorily resolve the most critical of our differences. In particular, I am gratified that the conferees agreed to almost $94 million of the pollution abatement and energy conservation measures proposed by the Senate.

In short, this was a very productive conference, in large measure due to the competence and integrity of my House counterpart, the Honorable GUNN MCKAY of Utah. I would be seriously remiss if I did not publicly thank Congressman MCKAY for the spirit of cooperation he exhibited throughout the conference.

I would also like to express my appreciation to the distinguished Senator from Alaska, TED STEVENS, for his untiring support as ranking minority member of the Senate conferees. I do not know how he keeps up the pace, but I am grateful, and look forward to continuing our association.

In conclusion, Mr. President, I urge that the Senate adopt the conference report on military construction appropriations for fiscal year 1978.

This is the military construction conference report which was agreed to unanimously by the Members of the Senate. There was one major item in disagreement, Mr. President. That had to do with the barracks and the reception center at Fort Benning, Ga., and that, in turn, brought into focus the question of one-station unit training, a concept of combining both basic and advanced infantry training.

After considerable dealing with the House, we came up with a compromise whereby we would have a test of one-station unit training at Fort Benning, followed by a report by the Secretary of the Army.

The House conferees agreed that this would satisfy their concerns, provided they concurred that the report of the Secretary of the Army was reasonable. In other words, we expect to finally put to rest the question of one-station unit training based upon the report of the Secretary of the Army, provided he comes up with a reasonable report, which we would expect he would.

I want to thank the ranking minority member on the subcommittee, Senator STEVENS from Alaska, and Senator YOUNG from North Dakota, for their help and strong support in this matter, along with Congressman GUNN MCKAY, the chairman of the House Military Construction Subcommittee.

EXHIBIT 1

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY

	New budget authority					Conference compared with—			
	Enacted, fiscal year 1977	Estimates, fiscal year 1978	House, fiscal year 1978	Senate, fiscal year 1978	Conference, fiscal year 1978	Fiscal year 1977 enacted	Fiscal year 1978 estimate	House bill	Senate bill
Military construction, Army	597,664,000	601,800,000	483,659,000	583,059,000	527,769,000	−69,895,000	−74,031,000	+44,110,000	−55,290,000
Military construction, Navy	570,265,000	465,600,000	425,686,000	523,279,000	463,056,000	−107,209,000	−2,544,000	+37,370,000	−60,223,000
Military construction, Air Force	808,079,000	398,900,000	379,044,000	451,233,000	406,986,000	−401,093,000	+8,086,000	+27,942,000	−44,247,000
Military construction, Defense agencies	41,396,000	34,400,000	32,314,000	59,659,000	58,009,000	+16,613,000	+23,609,000	+25,695,000	−1,650,000
Transfers, not to exceed	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)				
Military construction, Army National Guard	61,128,000	49,400,000	49,400,000	49,400,000	49,400,000	−11,728,000			
Military construction, Air National Guard	37,200,000	43,300,000	43,300,000	43,300,000	43,300,000	+6,100,000			
Military construction, Army Reserve	53,804,000	50,500,000	50,500,000	50,500,000	50,500,000	−3,304,000			
Military construction, Naval Reserve	23,600,000	21,700,000	21,700,000	21,700,000	21,700,000	−1,900,000			
Military construction, Air Force Reserves	10,773,000	11,200,000	11,200,000	11,200,000	11,200,000	+427,000			
Total, military construction	2,203,909,000	1,676,800,000	1,496,803,000	1,793,330,000	1,631,920,000	−571,989,000	−44,880,000	+135,117,000	−161,410,000
Family housing, Defense	1,370,035,000	1,451,640,000	1,435,538,000	1,451,640,000	1,460,140,000	+90,105,000	+8,500,000	+24,602,000	+8,500,000
Portion applied to debt reduction	−112,547,000	−115,840,000	−115,840,000	−115,840,000	−115,840,000	−3,293,000			
Subtotal, family housing	1,257,488,000	1,335,800,000	1,319,698,000	1,335,800,000	1,344,300,000	+86,812,000	+8,500,000	+24,602,000	+8,500,000
Homeowners assistance fund, Defense		3,000,000	3,000,000	1,500,000	1,500,000	+1,500,000	−1,500,000	−1,500,000	
Grand total, new budget (obligational) authority	3,461,397,000	3,015,600,000	2,819,501,000	3,130,630,000	2,977,720,000	−483,677,000	−37,880,000	+158,219,000	−152,910,000

Mr. YOUNG. Mr. President, the distinguished Senator from Alaska (Mr. STEVENS), the ranking minority member of the committee, could not be here today, so I am handling the bill, speaking for him. This bill should be passed. It is a good bill. It is about $38 million below the President's request, and I understand it was approved unanimously by the committee. I hope the Senate will approve it.

Mr. JOHNSTON. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

The PRESIDING OFFICER. The clerk will report the amendment in disagreement.

The second assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 5 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed in said amendment, insert: $1,460,140,000

Mr. JOHNSTON. Mr. President, I move the Senate concur in the amendment of the House to the amendment of the Senate numbered 5.

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. BAKER. Mr. President, will the Senator yield to me briefly?

Mr. INOUYE. I will be happy to yield.

ASSOCIATE ADMINISTRATOR FOR WOMEN'S BUSINESS ENTERPRISE WITHIN THE SMALL BUSINESS ADMINISTRATION

Mr. BAKER. Mr. President, I cleared this with the majority leader, whom I do not see on the floor at this time, and it has been cleared at this time.

I ask unanimous consent that it be in order at this time to call up a bill by the distinguished Senator from Oklahoma (Mr. BARTLETT), and that no time be charged against either party in respect of the foreign aid appropriations bill for the few moments it will take to dispose of this matter.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will state the bill by title.

The second assistant legislative clerk read as follows:

A bill (S. 1526) to establish an Associate Administrator for Women's Business Enterprise within the Small Business Administration.

The PRESIDING OFFICER. Is there objection to the Senate's considering the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Select Committee on Small Business with an amendment on page 3, beginning with line 6, insert the following:

SEC. 3. Section 5316 of title 5, United States Code, is amended by striking from paragraph (11) "(4)" and by inserting the figure "(5)".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 4 (b) of the Small Business Act is amended by adding after the last sentence, "One of the Associate Administrators shall be designated an Associate Administrator for Women's Business Enterprise, whose duties shall be to—

"(1) increase participation of women in all Administration programs by—

"(a) organizing Administration seminars and workshops to inquire into the problems facing women business enterprises and to inform operating and potential businesswomen of available assistance programs;

"(b) assisting women's business enterprises in developing markets for goods and services;

"(c) providing management assistance, marketing assistance, technical assistance, and training for such enterprises;

"(d) assisting in the generation of venture capital for such enterprises;

"(e) assisting such enterprises in complying with Federal, State, and local laws;

"(f) providing information on economic and social developments which affect such enterprises;

"(g) evaluating the efforts of Federal agencies which have programs, goals, or objectives affecting such enterprises;

"(h) evaluating the efforts of business and industry to assist such enterprises;

"(i) doing such other things as may be appropriate to assist and strengthen the development of such enterprises; and

"(2) report regularly to the Administrator on the findings from these inquiries and on proposals for implementing these policy objectives.".

SEC. 2. The fourth sentence of section 4(b) of the Small Business Act is amended by striking the word "four" and inserting in lieu thereof the word "five".

SEC. 3. Section 5316 of title 5, United States Code, is amended by striking from paragraph (11) "(4)" and by inserting the figure "(5)".

ADDITIONAL COSPONSORS

The Senator from South Dakota (Mr. ABOUREZK), the Senator from Tennessee (Mr. BAKER), the Senator from Texas (Mr. BENTSEN), the Senator from Florida (Mr. CHILES), the Senator from New Mexico (Mr. DOMENICI), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Pennsylvania (Mr. HEINZ), the Senator from New York (Mr. JAVITS), the Senator from Nevada (Mr. LAXALT), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Montana (Mr. METCALF), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Oregon (Mr. HATFIELD), the Senator from Michigan (Mr. RIEGLE), the Senator from Alaska (Mr. STEVENS), the Senator from Texas (Mr. TOWER) and the Senator from Connecticut (Mr. WEICKER) were added as cosponsors of S. 1526.

Mr. BARTLETT. Mr. President, This bill, which creates the position of Associate Administrator for Women's Business Enterprise within the Small Business Administration, has been cleared for action on both sides of the aisle.

I think the creation of such a position at the policymaking level of the SBA will convey to America's growing number of women entrepreneurs a clear and unmistakable signal that the Government of the United States is concerned about their growth, development, and success.

In repeated hearings before the Small Business Committee we heard the com-

mon complaint that the Government generally and the SBA specifically, were not actively enough geared to the special needs of women business owners.

As Mr. Weaver, the Administrator of the SBA, said in testimony before the Small Business Committee, "Women do face unique problems and barriers" to entry and survival in the small business world.

While women face many of the same problems as men do in the business community, it is undeniably true that they also must overcome additional problems because they are women. The reluctance of many banks to make business loans to women, the lack of basic knowledge and experience by women concerning business that many men acquire early, the general lag between women's expectations and our society's ability to properly prepare them to realize those expectations, and a widespread lack of resources and management experience to get into, and stay in, business are some of the unique problems facing women today.

On Wednesday, August 3, the White House and the SBA announced the initiation of a "National Women's Business Ownership Campaign" designed to attract more women to ownership of businesses, to increase women's awareness of programs and services available, and to support the efforts of women already in business. Mr. President, I cannot too strongly commend this action of the Administration's—it is long overdue and it is welcome. But I think it, as nothing else could have, underlines the necessity of establishing, by law, a position to insure their continuity from administration to administration.

Mr. President, I ask unanimous consent to print in the RECORD a letter dated August 5, 1977, addressed to Senator NELSON, from the Director of the Congressional Budget Office, Alice M. Rivlin, with a cost estimate of S. 1526.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., August 5, 1977.

The Honorable GAYLORD NELSON,
Chairman, Select Committee on Small Business, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congresssional Budget Office has prepared the attached cost estimate for S. 1526, a bill to establish an Associate Administrator for Women's Business Enterprise within the Small Businesss Administration.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

COST ESTIMATE

1. Bill Number: S. 1526

2. Bill Title: To establish an Associate Administrator for Women's Business Enterprise within the Small Business Administration.

3. Bill Status: As ordered reported by the Senate Select Committee on Small Business.

4. Bill Purpose:

The purpose of this bill is to establish a new administrator, within the Small Business Administration, who shall be designated an Associate Administrator for Women's Business Enterprise. The duties of the position include increasing participation of women in all SBA programs, providing women's business enterprises with management and technical asssistance and training, and offering assistance as may be appropriate to aid and strengthen the development of women's business enterprises.

5. Cost Estimate:

(Thousands of dollars)

FY 1978	59
FY 1979	60
FY 1980	60
FY 1981	61
FY 1982	62

Estimated costs: The costs of this bill fall within budget function 400.

6. Basis for Estimate:

Associate administrators at the SBA are paid at the Level V salary rate of $47,500.

The costs for this legislation are based on that salary level plus a personnel benefits and overhead rate of 25 percent yearly, with benefits and overhead adjusted for inflation in future years.

7. Estimate Comparison: None.

8. Previous CBO Estimate: None.

9. Estimate Prepared By: Toby Radasky (225–7760).

10. Estimate Approved By: C. G. Nuckols.

JAMES L. BLUM,
Assistant Director for Budget Analysis.

Mr. BARTLETT. Mr. President, I understand this has been agreed to by both sides. I yield back the balance of my time.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1526) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 4(b) of the Small Business Act is amended by adding after the last sentence, "One of the Associate Administrators shall be designated an Associate Administrator for Women's Business Enterprise, whose duties shall be to—

"(1) increase participation of women in all Administration programs by—

"(a) organizing Administration seminars and workshops to inquire into the problems facing women business enterprises and to inform operating and potential businesswomen of available assistance programs;

"(b) assisting women's business enterprises in developing markets for goods and services;

"(c) providing management assistance, marketing assistance, technical assistance, and training for such enterprises;

"(d) Assisting in the generation of venture capital for such enterprises;

"(e) assisting such enterprises in complying with Federal, State, and local laws;

"(f) providing information on economic and social developments which affect such enterprises;

"(g) evaluating the efforts of Federal agencies which have programs, goals, or objectives affecting such enterprises;

"(h) evaluating the efforts of business and industry to assist such enterprises;

"(i) doing such other things as may be appropriate to assist and strengthen the development of such enterprises; and

"(2) report regularly to the Administrator on the findings from these inquiries and on proposals for implementing these policy objectives.".

SEC. 2. The fourth sentence of section 4(b) of the Small Business Act is amended by striking the word "four" and inserting in lieu thereof the word "five".

SEC. 3. Section 5316 of title 5, United States Code, is amended by striking from paragraph (11) "(4)" and by inserting the figure "(5)".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FOREIGN ASSISTANCE APPROPRIATIONS, 1978

The Senate resumed the consideration of the bill (H.R. 7797).

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, are we now on section 114?

The PRESIDING OFFICER. The Senator is correct, and the amendment has been stated.

Mr. INOUYE. Mr. President, I move that the committee amendments relating to section 114 appearing on page 15 be agreed to.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. INOUYE. I am happy to yield.

Mr. DOLE. This amendment applies to which country?

Mr. INOUYE. To Angola and Mozambique.

Mr. DOLE. Based on the vote we just had, I do not know of any reason to delay the vote; I just object to it and move on. It is on Angola and Mozambique?

Mr. INOUYE. Yes.

Mr. DOLE. The Senator from Kansas has the same objection as do others. Certainly I think we had a test of the strength of the Senate.

Mr. INOUYE. The principle involved is the same.

Mr. DOLE. Right.

Mr. INOUYE. It is just the countries are different.

Mr. DOLE. Right.

Mr. INOUYE. And if there are no others wishing to speak on it, Mr. President, I am prepared to yield back the remainder of my time.

Mr. SCHWEIKER. I yield back the remainder of my time.

Mr. HAYAKAWA. Mr. President, will the Senator yield for unanimous consent requests?

Mr. INOUYE. I am happy to yield to the Senator.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that Jim Streeter of Mr. MCCLURE's staff be accorded the privilege of the floor through the remainder of the debate and votes on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. I thank the Senator.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the committee amendments en bloc.

Without objection, the committee amendments are agreed to en bloc.

The clerk will state the next committee amendment.

The assistant legislative clerk read as follows:

On page 28, line 6, strike "or indirectly";

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I move that the committee amendment relating to section 506 be agreed to.

Mr. DOLE. Mr. President, will the Senator from Hawaii yield?

Mr. INOUYE. I am happy to yield.

Mr. DOLE. This is the same principle involving another country; is that correct?

Mr. INOUYE. The same principle. The country in this case is Cuba.

Mr. DOLE. Mr. President, this amendment is similar to previous ones where the Committee seeks to give U.S. aid indirectly to a government that is repugnant to American ideals—in this case, Cuba.

Mr. President, again my opposition to this committee amendment takes into consideration the extremely repressive and inhumanitarian character of the current Government of Cuba. The goal of my opposition is to insure that the aid we would not give these countries directly does not reach them just the same through indirect channels such as the World Bank, Asian Development Bank, and the International Development Association. The committee seeks to remove the words "or indirectly" from section 506 of the bill, which were already approved by the House of Representatives.

HUMANITARIAN OBJECTIVES

Mr. President, the committee amendment is totally contrary to the pronounced objective of this administration and this Congress to promote the cause of human rights wherever we have a voice of influence in the world. The administration has already suggested that we curtail U.S. aid and commerce with traditional allies in Latin America who violate certain human rights principles. The Congress has already complied with that recommendation in certain instances.

In attempting to advance the cause of human rights abroad, it is important that Congress insure consistency in U.S. trade and aid policies. And avoid a hypocrisy that undermines that cause. This is important whether U.S. aid is extended directly or indirectly through an international loan organization like the World Bank.

CUBA

In the context of current international concern about the appropriate observance of human rights by governing institutions, the Carter administration should insist upon significant progress in this area by the Castro regime. Credible reports indicate that as many as 15,000 to 20,000 Cuban citizens are imprisoned in Cuban jails, and at least some of these are incarcerated on charges of espionage or similar allegations of a political nature. Others are held on charges relating to drug use or hijacking activity. In line with a perfectly natural sense of concern by the United States about repressive actions against our own citizens, as well as Cuban citizens. We must insist that tangible steps be taken by the Cuban regime to resolve that concern. It is vital that U.S. policymakers apply the same human rights criteria to Cuba which has been applied to other nations with whom we maintain friendly relations. It is nothing short of ironic that the Carter administration proposes to improve relations with Cuba at the same time that it suggests that we reduce or eliminate interaction with traditional allies in Latin America and other parts of the globe.

I can see no excuse whatsoever for providing the Government of Cuba indirectly what we would not provide directly, in the form of economic aid. In doing so, we defeat our purpose, and contradict our high moral standards in the conduct of foreign policy.

Congress, as the duly authorized representative of the American people, has a solemn responsibility to place reasonable restrictions or authorized funding, in accordance with public opinion. My contact with the citizens of my home State and in other parts of the country as well, convinces me that sentiment is strong among American taxpayers to reject any form of U.S. aid to the totalitarian governments. It would be a proper exercise of our legitimate responsibility to legislate against the use of American tax dollars for loans to Cuba. It would be our duty to reestablish control over those funds which could be used to subsidize aid extended by these international organizations. It would tell the other members of these monetary institutions that we do not intend to allow our national policy to be subverted by institutional policy.

I thank the distinguished Senator from Hawaii.

Mr. DOLE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Senator from South Carolina (Mr. THURMOND).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. THURMOND

I wish to express my strong opposition to the Committee amendment deleting the word "indirectly" on line 6 of page 28 of H.R. 7797. This effectively opens the way for American dollars to be sent to Cuba, our Communist back-door neighbor.

How can the Senate in good conscience tolerate any American money going to Cuba—or, for that matter, even the remote possibility that U.S. dollars may be funneled into that country? Cuba, because of its "nationalization" of U.S. industry and properties by the Castro regime in the 1960's, owes the people of this country nearly $4 billion. Let me repeat: nearly $4 billion. Now, considering that fact, is it not foolish to allow even one American dollar to go to Cuba?

Preliminary negotiations are now under way to establish what the administration calls "normalization" of relations with the Cuban government. I am informed that the American negotiators are instructed to seek reparations to Americans whose properties were seized by the Castro regime. Well, that is fine, but we should await the outcome of those negotiations before considering allowing the hard-earned tax dollars of the American people to go to this repressive dictatorship.

Mr. President, let us not be deluded by the recent overtures of friendship by Mr. Castro. His government remains the militaristic, Communist dictatorship it has always been. Cuba, our closest neighbor other than Canada and Mexico, remains one of our most serious foes. The rumblings coming from Havana recently about resuming trade relations are not from the heart—they are from the stomach of a hungry foe. All Mr. Castro wants to do is sell sugar and cigars to America.

Mr. President, I strongly urge my colleagues to defeat this Committee amendment. We would do a service to the American people in doing so.

Mr. KENNEDY. Mr. President, will the Senator yield for a unanimous consent request?

Mr. INOUYE. I yield.

Mr. KENNEDY. Mr. President, I ask unanimous consent that West Coghlan, of my staff, be accorded the privilege of the floor during consideration of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I am prepared to yield back the remainder of my time.

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Several Senators addressed the chair.

The PRESIDING OFFICER. The clerk will state the last committee amendment.

The assistant legislative clerk read as follows:

On page 28, beginning with line 7, strike through and including line 12;

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I hope that Senators present will agree with the committee in adopting the committee amendment. Is there anyone against the committee amendment?

Mr. ALLEN. Yes.

This is the one we agreed we will submit to a rollcall vote, as the Senator recalls.

Mr. INOUYE. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Yes.

The Senator from Alabama.

Mr. ALLEN. Mr. President, the House of Representatives passed a very fine amendment, or at least this was their bill, that provided in section 511 for a 5-percent reduction across the board in the total amount of appropriation provided by the bill, and it goes on and provides that not more than 10 percent of any appropriation could be taken out of a particular account. In other words, there would be a 5-percent overall reduction but it could not come out of just

one particular appropriation. There would be a 10-percent ceiling on the amount that was to be charged against any one account, any one recipient.

Actually, the Senate raised the House figure by almost $400 million. The amount of this bill as reported to the Senate was $7,074,000,000.

We have cut by agreed amendments possibly as much as $250 million, possibly as much as $300 million from the Senate bill. It still, however, has this approximately $100 million over the House figure. So what this provision of the House would do would be to provide for approximately $350 million reduction, which would get it down some $250 million then below the House figure.

But as I stated, you could not charge any one account more than 10 percent. In other words, if there were a $50 million appropriation, to a given country, given activity, that could not be lowered below $45 million, 10 percent.

So I believe there is enough fat in this $7 billion foreign aid bill to easily absorb the $350 million reduction that the House provision calls for. The Senate committee did not like that cutback and as a result they knocked it out. As you see on page 28, starting with line 7, they knocked out this very fine provision that the House had.

So it is a question of whether we want to save the taxpayers of the Nation approximately $350 million from where we stand right now. This is an economy measure, a budget deficit reduction measure, a reduction that can easily be absorbed from this $7 billion appropriation. I hope that the amendment will be defeated so that we can return to the House language.

The time has been yielded back in order that the matter will be presented to the Senate in an easily understood manner. I am going to move to table the Senate committee amendment. In other words, those who want to save the taxpayers $350 million would vote "yea." Those who would like to charge the taxpayers an additional $350 million would vote "nay." But at the proper time I will offer that motion to table. Unless someone wishes to speak in opposition to the committee amendment, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, last night we began our debate at about 7:30 p.m. We resumed the debate this morning at 10:30 a.m. and we have been here diligently. It is now 5:50 p.m. During all these many hours and during all the many hours of consideration and deliberation by the Appropriations Committee we have studied each item and each account.

In each case, we have decided whether to accept the House figure, reject the House figure, add to it, or subtract from it. We feel that this is the proper and responsible way to deal with appropriations requests—not an across-the-board slash, whether it is 5 percent, 10 percent, or 20 percent.

Mr. President, this reminds me of something that happened not too many years ago. There was a time when I had the privilege of serving as chairman of the Subcommitee on Appropriations dealing with the District of Columbia. I was advised that one of my predecessors who had served on that committee did not care to spend too much time on the District of Columbia account. The District of Columbia was a semicolony of the United States. The people were subject to the laws that we had promulgated here, and so, because of his many other requirements, one year when the bill was called up, he spent exactly 30 minutes on the hearings, instructed his clerk to make a 10-percent cut right across the board, had a markup by the subcommittee, the following day the full committee voted on that, and 2 days later it was adopted by the Senate. The committee did not take into consideration whether this account was essential or that account was not essential.

Mr. President, we have during these many hours this afternoon, for example, lopped off $150 million from the IDA. This amendment would now go beyond that and lop off 5 percent more. We have, as a result of committee deliberations, reduced the President's requests for population planning, for health assistance, for food and nutrition, and here we come across another 5 percent.

If we were to accept this 5-percent cut, then I think the committee should just have submitted the President's request, have the Senate lop off 5 percent, and be done with it. But I would like to contend, and I hope my colleagues will agree, that that is not the responsible way to deal with any appropriation measure. I believe that all of these items are deserving of individual treatment, as we have done. To now go beyond that and lop off 5 percent more is not a responsible way.

If the Senate wished to reduce this bill by another $350 million, I think we should have done so by going through individual accounts. To do it across the board may have effects which some of us never intended. So I hope the Senate will adopt the committee amendment.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. INOUYE. I yield.

Mr. ALLEN. The Senator states that this is an across-the-board 5-percent reduction. That is not correct.

It does not reduce all appropriations 5 percent. It would provide that as to the total budget authority, there must be a 5-percent reduction, but that is not necessary as to individual items, and the conference committee, in its wisdom, could apply no reduction where there is no fat in the program, and apply up to a 10-percent reduction in a program where there is money wasted.

So it does not entail reducing every appropriation by 5 percent. It would leave the distinguished chairman with considerable influence on the manner of the reductions in arriving at the total $300 million reduction. So it is not a 5-percent reduction of every line item. I call that to the Senator's attention.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. INOUYE. I yield.

Mr. JAVITS. Mr. President, I am very pleased to have heard the Senator's statement, which is most responsible.

The reason why I have never supported these across-the-board cuts with the cutlass instead of the fine scalpel—and that is really what it comes down to—is because it means we are transferring authority to someone else. Even if we take Senator ALLEN at his word, he is transferring authority to the conference committee. In practical essence, the across-the-board cut transfers authority to the President. So the fight which the Senator from Hawaii and I and others like us have been making all these years to finally assert our right to really meaningfully participate, we would give up if we adopt that technique.

That has been my reasoning. I have held that way for years, and my constituents seem to agree.

I just wish to add that to the very responsible argument made by the Senator from Hawaii.

Mr. INOUYE. I thank the Senator from New York.

A FOREIGN AID PROGRAM WE CAN SUPPORT

Mr. DOLE. The foreign aid program of the United States has never really been popular with the American people, especially since they have had little or no recourse in preventing excessive and/or unjustified U.S. assistance to the entire world.

Mr. President, I do not wish to see the foreign aid program dismantled, but rather to make it a better program, one we can support and most important, one the people of our country can support. While the bill before us today has many legitimate and worthwhile features, there are a number of provisions in this bill and the whole foreign aid program which are not representative of the goals and values of the United States.

BALANCING THE BUDGET

Mr. President, it seems to me if we are truly serious about balancing the budget by fiscal year 1981, we are going to have to start doing something about it now.

As you know, the foreign assistance bill appropriation has increased to the tune of $1.5 billion over the current fiscal year. The defeat of this committee amendment would save the American people $373 million, leaving still however, an increase of $1.1 billion.

BORROWING MONEY TO GIVE TO OTHERS

Since 1946 we have had close to $200 billion American tax dollars going to some 134 countries and 8 territories around the world. In addition, the American people are currently faced with an $800 billion national debt with a $129 million daily interest rate. One of the major reasons for this debt is that the U.S. Government has gotten into the habit of borrowing money to give to other countries.

Over the past 30 years we have allocated West Germany over $3.75 billion. They in turn have lent us $22.3 billion to help pay our national debt: and on that we paid $1.3 billion in interest last year.

Mr. President, the Senator from Kansas believes the American people are generous and would support a realistic foreign aid program. At the same time, I know that they do not support the program as currently constructed and proposed.

DEVELOPMENT ASSISTANCE

There are several countries which will be receiving substantial increases in their program levels for development assistance in fiscal year 1978. As an example, in 1977, Peru received $11,416,000 in development assistance; this year Peru will receive $21,522,000, nearly a doubling of the program.

There are others. In fiscal year 1977 Panama received $7,945,000 in development assistance, this year their allocation has been tripled to $23,774,000. The Dominican Republic has gone from $662,000 in fiscal year 1977 to $10,591,000—the list goes on and on.

Mr. President, these major increases in program levels in just one year have simply not been justifid. When a country's program has increased by fourfold in 1 year's time, as in the case of Rwanda, or 16 times as in the case of the Dominican Republic, how effectively can these increases in aid be absorbed to avoid waste and abuse and still make a significant contribution to the development process?

INTERNATIONAL FINANCIAL INSTITUTIONS

On May 25, 1977, Secretary of State Cyrus Vance advised us of the administration's desire to seek a doubling of our foreign aid program within 5 years. The current foreign aid request is $7.6 billion, that would mean an annual appropriation of roughly $15 billion by 1982.

The Senator from Kansas does not believe that the American people support the current level of foreign aid let alone a $15 billion annual foreign aid program. The fact that the administration wants to put even more of these American tax dollars into multilateral aid programs will remove even further congressional control of these moneys.

Furthermore, it should be noted that some top executives of international financial institutions, which this bill will appropriate $2,123,000 in fiscal year 1978, receive salaries of over $100,000 a year. Some of these international bank employees make as much as 57 percent more than comparable positions in the U.S. Civil Service. Additionally, over 40 percent of the World Bank Group are earning more than $36,000 tax-free salaries a year while only 1.5 percent of all U.S. Civil Service employees are earning over $36,000.

Mr. President, as we can clearly see from case after case, we need to begin to seriously address the ever-increasing budget of our foreign aid programs.

Mr. President, I urge my colleagues to vote against the committee amendment which I believe is a step in the right direction if we are truly serious in our support of the President's stated objective to balance the budget by 1981.

Mr. INOUYE. Mr. President, I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back the remainder of my time.

Mr. ALLEN. Mr. President, I move to table the committee amendment.

Mr. JAVITS. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CANNON (after having voted in the affirmative). Mr. President, on this vote, I have a pair with the senior Senator from Maine (Mr. MUSKIE). If he were here and could vote, he would vote "nay." I have already voted "aye." I therefore withdraw my vote.

Mr. STAFFORD. Mr. President, on this vote, I have a live pair with the Senator from South Carolina (Mr. THURMOND). If he were here, he would vote "aye." If I were allowed to vote, I would vote "nay." Therefore I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New York (Mr. MOYNIHAN), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PELL), the Senator from Missouri (Mr. EAGLETON), the Senator from Wisconsin (Mr. NELSON), the Senator from Illinois (Mr. STEVENSON), the Senator from Georgia (Mr. TALMADGE), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "nay."

Mr. BAKER. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Jersey (Mr. CASE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Idaho (Mr. MCCLURE), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), the Senator from Alaska (Mr. STEVENS), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. CHAFEE) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS) would vote "nay."

The result was announced—yeas 28, nays 45, as follows:

[Rollcall Vote No. 343 Leg.]

YEAS—28

Allen	Garn	Proxmire
Bartlett	Hansen	Randolph
Bentsen	Hatch	Roth
Burdick	Hayakawa	Schmitt
Byrd, Harry F., Jr.	Helms	Scott
	Laxalt	Tower
Curtis	Long	Wallop
DeConcini	Lugar	Young
Dole	Melcher	Zorinsky
Domenici	Nunn	

NAYS—45

Anderson	Gravel	Matsunaga
Baker	Hart	McGovern
Bayh	Haskell	McIntyre
Biden	Hatfield	Metcalf
Brooke	Hathaway	Metzenbaum
Bumpers	Hollings	Morgan
Byrd, Robert C.	Humphrey	Packwood
Chiles	Inouye	Ribicoff
Church	Jackson	Riegle
Clark	Javits	Sarbanes
Culver	Johnston	Sasser
Danforth	Kennedy	Schweiker
Durkin	Leahy	Stone
Ford	Magnuson	Weicker
Glenn	Mathias	Williams

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

Cannon, for Stafford, against

NOT VOTING—25

Abourezk	Heinz	Percy
Bellmon	Huddleston	Sparkman
Case	McClellan	Stennis
Chafee	McClure	Stevens
Cranston	Moynihan	Stevenson
Eagleton	Muskie	Talmadge
Eastland	Nelson	Thurmond
Go'dwater	Pearson	
Griffin	Pell	

So the motion to lay on the table the committee amendment on page 28, line 6 was rejected.

The PRESIDING OFFICER (Mr. SASSER). The question now occurs on the last committee amendment.

The committee amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the committee amendment was agreed to.

Mr. GRAVEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The bill is open to further amendment.

The Chair recognizes the Senator from Arizona (Mr. DECONCINI).

UP AMENDMENT 746

Mr. DECONCINI. Mr. President, I send an amendment to the desk and ask that it be immediately considered.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes unprinted amendment No. 746.

On page 28, line 7, insert the following new section:

"Section 507. It is the sense of the Congress that, where other means have proven ineffective in promoting international Human Rights, and except where the President determines that the cause of international human rights is served more effectively by actions other than voting against such assistance or where the assistance is directed to programs that serve the basic needs of the impoverished majority of the country in question, United States representatives

to the International Bank for Reconstruction and Development, the International Development Association, the African Development Fund, the Asian Development Bank, and the Inter-American Development Bank should oppose loans and other financial or technical assistance to any country that persists in a systematic pattern of gross violations of fundamental Human Rights."

Mr. DECONCINI. Mr. President, before discussing the actual merits of this amendment, I want to take one moment to compliment the chairman of the Subcommittee on Foreign Operations of the Appropriations Committee. Chairman INOUYE has consistently demonstrated real leadership and has exercised great patience and fairness to all concerned. I want him to know that it is a privilege for me to serve on that committee with him. I thank him sincerely.

Mr. President, I offer this amendment in the belief that the President has chosen the correct course in making the fundamental ideals and values espoused by the term, "Human Rights," one of the touchstones of American foreign policy. Respect for the dignity and integrity of the individual human being is at the very core of our experience as a people.

It is imperative that Congress go on record with a consensus for the dignity of each individual human being. This particular amendment does just that.

When our forefathers, after repeated attempts to restore comity with colonial authorities, finally were driven to revolt against the English crown, it was not for want of material necessities wrought by confiscatory taxation nor because compliance with English law and regulations was onerous—though it was. These were only the superficial reasons, the surface irritants, that helped to impel our ancestors on their revolutionary course. The real reason had to do with precisely the sort of issues to which we now refer as human rights. The arbitrary and capricious rule of the English sovereign was endured until its excess became an affront to their dignity as free men.

It is this commitment to individual liberties and to a decent respect for what the 18th century called the "Rights of Man" that distinguishes us as Americans. It is our political birthright and joins us together as one national community, regardless of other differences. I am not ashamed of these beliefs and values, Mr. President, and commend the President for his forceful and eloquent articulation of them and for his effort to find some avenue by which they may be given meaningful expression in the conduct of our foreign relations. The amendment I have introduced is entirely consistent with the President's efforts in this regard and is designed to make clear that Congress shares his dedication to advancing the cause of human rights in the context of our relations with other countries. It is meant to strengthen his hand in this endeavor rather than encumbering him with inflexible directives.

I think it is imperative that the Congress express the will and the concern that each of us has. We have, on many occasions, talked about human rights. The President should be applauded for his continuous effort to bring this to bear in every aspect of our foreign policy. I applaud him for this effort.

This particular amendment has been cleared with the administration. They feel that they can live with this wording without hampering the ability of these international funds and associations to work toward the advancement of people in their deliberations and lending money when the applications are made.

Mr. President, I hope that the Senate will join in this consensus. I reserve the remainder of my time.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. DECONCINI. I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I commend the Senator from Arizona for his keen understanding of this matter.

Mr. HELMS. Mr. President, may we have order? I cannot hear the Senator.

THE PRESIDING OFFICER. The Senate will be in order.

Mr. HARRY F. BYRD, JR. I support the position of the Senator from Arizona. I shall vote for the amendment. My only fear is that it will not accomplish what he seeks. I think it is worth making the effort, and I hope it will accomplish what the Senator from Arizona seeks to do. He holds the same view as that held by the Senator from Virginia. I shall support him.

Mr. SCHWEIKER. Will the Senator from Arizona yield?

Mr. DECONCINI. Yes.

Mr. SCHWEIKER. Mr. President, I want to associate myself with the Senator's amendment. I think it is a good amendment and is a good policy direction for the bill. I support it.

I ask unanimous consent that Jack Robertson, of Senator HATFIELD's staff, may be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, the amendment has been discussed with all interested parties. We should keep in mind that this is a sense of the Congress amendment. It does not bind the hands of the administration in any way. However, it provides, in clear language, guidance for our U.S. representatives to these banks.

Second, I think it clearly sets forth the position of Congress on the matter of human rights.

I am prepared to yield back the remainder of my time and suggest that we accept this amendment.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. INOUYE. I am happy to yield.

Mr. JAVITS. Mr. President, certainly, the sentiments in the amendment are entirely satisfactory and agreeable. I do wish to call to the manager's attention the fact that the authorizing bill, which is now law, in section 701(f), under the heading, "Human Rights," says just about what this amendment says. The only thing I would like to suggest is that the managers be careful in conference to be sure—because it is much too quick to do it here on the floor—that there is nothing in this amendment that cancels out or confuses what we have already said in the authorizing legislation. So long as they are consistent—and, as I say, this is all too quick to compare here—I certainly think the amendment is fine and adequate.

Mr. INOUYE. I would like to assure the Senator from New York that we have studied the amendment and we find no inconsistency with the provisions in the authorizing bill.

Mr. JAVITS. I thank the Senator.

Mr. INOUYE. Mr. President, I yield back the remainder of my time.

Mr. McINTYRE. Vote!

The PRESIDING OFFICER. Does the Senator from Arizona yield back his time?

Mr. DECONCINI. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona.

The amendment was agreed to.

UP AMENDMENT NO. 747

Mr. CLARK. Mr. President, I send an unprinted amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Iowa (Mr. CLARK) proposes an unprinted amendment No. 747:

On page 15, Sec. 114, line 26, change the period to a comma and add the following: "except that the President may waive this prohibition with respect to any such country if he determines (and so reports to Congress) that furnishing such assistance to that country would further the foreign policy interests of the United States."

Mr. CLARK. Mr. President, I can explain the amendment, I think, in just 4 or 5 minutes.

Mr. President, I would offer this unprinted amendment to H.R. 7797 which would permit the President to provide foreign assistance to Mozambique or Angola, if he determines that such action would be in the foreign policy interests of the United States. This accords with the provision in the fiscal year 1978 International Security Assistance Act—our authorization act—which grants such a waiver to the President.

We put such a waiver in the authorization, and I think it is appropriate that we put such a waiver here. After all, we are very much involved now in the initiatives in southern Africa with regard to both Namibia and Rhodesia.

I think certainly, if, in the opinion of the President, it would be beneficial in the foreign policy interests of this Nation to extend assistance to a country, let us say, like Mozambique, with whom we have diplomatic relations, that that should not be prevented.

There is no money in this bill for either country. I would be, frankly, surprised if any money were spent there.

Given particularly the five-power demarche with regard to Namibia, in which these five security powers are working with South Africa to try to find a peaceful solution to a transition of

power in that country and, indeed, South Africa has agreed now that there should be a new government there by the end of 1978, just to say that any of these affairs should be set aside simply because of this restriction seems to me to be inappropriate.

So, Mr. President, I would hope the committee would accept this same presidential waiver as we have done in the authorization bill and I ask for support for that amendment.

Mr. President, as we know, President Nyerere of Tanzania is in the United States at this very moment to carry on discussions with the President on fresh Anglo-American initiatives which are aimed at bringing about peaceful solutions to the conflicts in southern Africa. President Nyerere is chairman of the group of five frontline states whose role in this initiative will be crucial. Mozambique and Angola are two members of the frontline group, and an unconditional prohibition of assistance to them at this time will appear to Nyerere and others to be a punitive and hostile act by the U.S. Congress that will certainly not contribute toward creating an atmosphere for cooperative negotiations. There is no money in this bill for either country.

These discussions come at an especially important period in the administration's efforts to resume negotiations on Rhodesia and to carry forward the demarche by five Western nations—United States, Great Britain, France, Germany, and Canada—to achieve an equitable solution, under the auspices of the United Nations, in Namibia.

The role of the frontline states is pivotal, with Mozambique bordering Rhodesia, and Angola bordering Namibia. Apart from Uganda, which is a separate case, the appropriations bill singles out only these two countries in Africa as ineligible for foreign assistance—a great injustice when one considers that many other nations that are worse violators of human rights or closer allies of the Soviet Union are not only eligible, but actually receiving assistance. We still have an AID program in Ethiopia and the administration has announced that it will supply military assistance to Somalia. Are these countries more worthy of U.S. assistance than those in southern Africa?

The administration does not now contemplate assistance to either Mozambique or Angola. What my amendment would do is simply provide the President with the option to do so in the future, if he considers it to be in the foreign policy interests of the United States. We cannot responsibly deny him that option and still convey the message to Africa that America is sincere in its desire to bring about peaceful solutions to the conflicts in the region, and is willing to play a significant development role in the continent. The prohibition on assistance denies the President the flexibility that is needed in a very delicate situation.

Apart from hindering the President, the prohibition has the effect of contradicting other actions taken by Congress. The security assistance authorization bill provided for $115 million in security supporting assistance for southern Africa, including $1 million for the development of a comprehensive economic strategy for the region. Southern African states are closely interconnected and no development plan can reasonably approach the economic problems of the region without including two countries on whom many landlocked states including Zaire, Zambia, Malawi, and Rhodesia depend for outlets to the sea. Even South Africa has reached a pragmatic accommodation with Angola and Mozambique and is maintaining economic ties with both states, to the point of running the railways and harbors of Mozambique and buying electric power from hydroelectric projects in both countries.

We cannot deny the reality of economic interdependence that all the states—black and white—have recognized in the region. The prohibition on assistance to Angola and Mozambique prevents the United States from playing a responsible development role in the region, from improving relations with these countries, and from responding to basic humanitarian needs—such as refugee aid—in a direct way.

Mr. President, I ask my distinguished colleagues to support my amendment. To fail to do so would be a severe blow to the talks now in progress on southern Africa. It would tie the hands of the administration in what may be the last opportunity to bring about a peaceful solution to the conflict in Rhodesia. Congress should not compromise this country's credibility at the very time that it may be able to overcome the legacy of mistrust created by previous failures.

This provision is in the authorizing legislation.

Mr. INOUYE. Mr. President, will the Senator yield?

Mr. CLARK. I do yield to the Senator.

Mr. INOUYE. The prohibition will stand, however, if the President should determine, and so report to the Congress, that the national interests of the United States would be better served to set aside the prohibition, he can do so?

Mr. CLARK. That is correct.

Mr. INOUYE. He must make a determination and report it in writing to us?

Mr. CLARK. That is correct.

Mr. INOUYE. It must be certified by the President?

Mr. CLARK. That is correct.

Mr. INOUYE. I have discussed this matter with the distinguished Senator and, as manager of the bill, I find no objection to it, Mr. President.

I gather the Senator from Alabama wishes to say something about this.

Mr. ALLEN. Mr. President, I hope the distinguished Senator will not insist on this amendment.

I thought we were moving forward or, at least, in the direction of final passage of this bill.

I do not feel that this is necessary to the peace of the world or to the furtherance of democratic aims and goals. The distinguished Senator said that no money is provided in the bill for Angola and Mozambique and that he doubts very seriously if any money would be provided.

I hate to see this bill extended further. What we have been trying to do is cut back on it. I think with the cooperation of the distinguished Senator from Hawaii and the distinguished Senator from Pennsylvania and, indeed, the distinguished Senator from Iowa (Mr. CLARK), we have been able to make some progress along that line.

I believe the bill right now—though I, of course, will vote against it—is in better condition than it was when it came to us.

I am hopeful that the Senator will not insist on this amendment. I will not say we had any agreement that such an amendment could not be offered, but the general spirit of the accord that was reached by some who were opposing the bill and those who were advocating the bill indicated that some slight concessions were going to be made on the matter of money spent in this bill and certain other areas of limitation.

Now we come forward with something extending our liability and extending the possibility of giving funds to Communist or Communist-leaning countries, despotic countries.

Mozambique has the worst dictatorship in the entire world, and just to open a crack in the door for giving money to that dictatorship, certainly makes me recoil.

When the time has been yielded back on this amendment, I am going to offer a motion to table this amendment and I hope it will carry.

I might state that if the motion to table does not carry—and I believe it will—then I will have to consider very seriously the possible use of one of my no-time limitation amendments to this amendment.

Under the unanimous consent agreement, I have three such amendments that can be offered, and under the unanimous consent agreement no tabling motion can be made on any such amendment that I introduce.

That was agreed to by unanimous consent of the Senate, that I be given that privilege.

So I am going to move to table, I will ask for the yeas and nays, and I am hopeful that Senators will table this amendment that the author says, in all likelihood, will not result in money going to these dictatorships. But if the Senate wants to open that crack in the door, then we will be put to consideration of whether it will be well to seek to amend this amendment.

With that, I am willing to yield back the remainder of my time.

Mr. CLARK. Mr. President, how much time do I have remaining on my amendment?

The PRESIDING OFFICER. The Senator from Iowa has 13 minutes remaining.

Mr. CLARK. I thank the Chair.

Mr. President, I find it very interesting to listen to this threat of keeping the Senate in session tonight if we do not agree to vote in the way in which the Senator from Alabama would prefer to have us vote.

Let me say, for my part, that I made no agreement, as the Senator said, with regard to this amendment or any other amendment that has been considered here with regard to Africa or anyplace.

I want to say right here and now that, for one Member of this Senate, I resent the idea that the Foreign Relations Committee and the Foreign Assistance Subcommittee spend months studying each of these items. I wish we had the record of the hearings that we have gone through in the weeks and months studying each of these issues.

In addition, the Appropriations Committee holds its hearings. Here are their hearings. There are 1,400 pages of careful consideration that the committee has given to the bill before us. That is the kind of background we have had in getting this bill—both the authorization and now this bill—to the floor for consideration.

As one Member of the Senate, I resent the idea that anybody can come down here—any one or two or three Members—and simply not agree to a time agreement and say, "If you don't vote the way I want, then we'll keep you here all night or until next month." So far as I am concerned, I will stay here all night, next month, and the month after, because I am going to vote my conscience, and I hope every other Member will not succumb to that kind of pressure.

Mr. ALLEN. Mr. President, will the Senator yield me 3 minutes?

Mr. INOUYE. I yield.

Mr. ALLEN. The distinguished Senator makes an interesting point, and he holds up a thick book, indicating the hearings on this subject. But I am just wondering, with all these months of work going into this bill, why the committee did not find the wisdom to put in this provision that the Senator now seeks to insert.

Mr. CLARK. If the Senator will yield, we did.

Mr. ALLEN. I have only 3 minutes.

I wonder why it is necessary at this late date to offer this amendment. After months of study, it seems to me that that would have been in the bill reported by the committee.

So I do not feel that this amendment has a great deal of standing, inasmuch as the committee did not see fit to report it in the bill before us.

Mr. CLARK. I yield myself 1 minute.

Mr. President, We considered this matter very carefully in the Foreign Assistance Subcommittee and in the Foreign Relations Committee, and we wrote precisely this waiver in the bill in authorization. Precisely this bill. In fact, that is where the wording comes from.

Mr. ALLEN. If it is in the bill, what is the need to offer the amendment?

Mr. CLARK. As the Senator knows, I said it was in the authorization measure. So it was not something that was considered at the last moment. It was considered in both the Foreign Assistance Subcommittee and the Foreign Relations Committee.

Mr. ALLEN. Why did not the Appropriations Committee put it in, then?

Mr. CLARK. I must say to the Senator from Alabama that if we were to limit amendments on the floor only to those that were in the bill, none of the Senator's amendments that sit at the desk would be in order.

Obviously, we are permitted to offer amendments on the floor, just as the Senator is doing and has done. I think there are 43 of them, or something like that, which, in the wisdom of the committee, were not put in. I come here to offer this amendment because we considered it carefully in the committee, and I believe it is the right action.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. ALLEN. The Senator from Alabama has foregone putting in some 40 amendments. It seems that the Senator from Iowa could forgo putting in one amendment.

Mr. CLARK. Is the Senator precluding any further amendments on his behalf?

Mr. ALLEN. No. I may offer some more.

Mr. CLARK. Exactly. The Senator is entitled to offer those 43 and 143 more.

So far as this Senator is concerned, I am not going to succumb to the idea that we are going to stay here all night and come back here in September and vote the way the Senator desires us to vote.

Mr. INOUYE. Mr. President, most of us have been here now for more than 8 hours, and I know that we are tired. Most of us have not had lunch, so I gather that we should be hungry. If we are not, we should be. Under these conditions, it is understandable, if we appear a bit more irritated than we should be.

We have reached this point on this day because by informal agreement we have been able to resolve many differences. We have been able to forgo the necessity of long debate. I hope that the spirit of comity and understanding can prevail for the remainder of the evening.

I assure my dear friend from Alabama that if we had had the wisdom of the Foreign Relations Committee before us when we considered this matter, I am certain that, as one Senator, I would have moved to adopt the Foreign Relations Committee language. Unfortunately, as I indicated when we opened the debate, we had to proceed with the appropriations bill, nothwithstanding the fact that none of the authorizing bills had become law. In fact, there are six authorizing bills related to this measure, and none of them is law. We had before us the Budget Act. We had before us the specter of October 1, the beginning of the fiscal year. So we decided to proceed.

I assure the Senator from Alabama that when this matter was brought to my attention, I did not accept it offhand. I gave it careful study. The study indicated to me that if we are desirous of preventing bloodshed in South Africa, if we are desirous of bringing about peace, if we are desirous of bringing about some understanding between the black people and the white people there, we should provide to our President and his agent, the Secretary of State, the flexibility which I believe is necessary between now and the end of fiscal year 1978.

In 1978, conditions may very well change in Mozambique. Conditions may very well change in Angola. If these signs should appear, then I think the President of the United States should be given the flexibility to make the necessary changes in our assistance programs.

Right now, under the present circumstances, it has been stated clearly that there is no intention on the part of the administration or of Congress, for that matter, to provide any aid or assistance to Angola or Mozambique. But something could happen in December of 1977, something could happen in March of 1978, and if that something happens, I think the Clark proviso would be absolutely necessary.

So I hope the Senator from Alabama will not look upon this as an amendment that was considered without much thought. Much thought was given to this matter. I assure my dear friend that if the authorizing bill had been before us, he would find this language in the bill.

So I hope this amendment can be treated as any other amendment and that we will be able to vote it up or down—up, I hope—and proceed with the remainder of the amendments.

I do not believe this amendment is cause for acrimony. I hope my colleagues will continue to carry out their responsibilities in the spirit we adopted some time earlier this day—the spirit of understanding—and move on with the passage of this measure.

Mr. CLARK. Mr. President, I am prepared to yield back the remainder of my time.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. INOUYE. I yield.

Mr. ALLEN. The Senator knows that we have been up this hill and down again many times with regard to Mozambique, and of course the same situation is true with respect to Angola.

I am not willing to open the door to taking care of these Communist governments. I would say in the case of an emergency we would have no difficulty seeing some money found in one of the State Department's or the UN's many repositories of money. They are able to reprogram something any time they want to and find the money in some fund, and I would think they would have no difficulty finding money for these countries in the unlikely event it would be for the best interests of the people of the United States.

The attitude of the State Department in this regard is well known because they, in the past, have requested money for Mozambique. So I do not think there is any certainty, I do not feel by any means, it is sure that the day after the bill is passed the President might not find it to our best interest to send the funds over there.

I am not in favor of supporting these despotic governments or opening the door to supporting them. So I do not feel I am being arbitrary in the matter. I feel I have yielded, and those opposed to this bill have yielded, on practically every amendment they have had except a very few we have insisted we vote on.

Then, at the last minute, to come again with this amendment that aside from the money involved, there is the principle that is involved that I am not willing to see, if I can prevent the door from opening for us, supporting these despotic governments.

Mr. INOUYE. If I may say, Mr. President, to the credit of the U.S. Congress we decided many years ago not to put all the Communist countries in one little basket. If we had done that, the relationship we are now maintaining with Communist governments in Romania, in Yugoslavia, Poland, and Czechoslovakia may not be as friendly as we find them today

If we had insisted upon initial prohibitions and had set forth in the law "Thou shalt not deal with these countries," I doubt the situation would have improved to what it is today.

I think the same principle can apply to Mozambique and Angola. With this amendment, the door is kept open. It keeps the door open to bring about better understanding with these countries.

I would hope the Senator from Alabama would go along and just permit an up-and-down vote. He knows where I stand. I know where he stands. I do not know where the others here stand. For all I know, the Senator's position may prevail. But I would hope the Senator will permit the Senate to exercise its will without having to go through an unfortunate exercise of many, many hours of debate and frustration, sir.

I yield back the remainder of my time.

Mr. CLARK. Mr. President, let me simply say I think the merits or demerits of the amendment have been adequately discussed. I am not suggesting for a moment that everybody in this body ought to support this amendment or oppose it. That is not what is at issue as far as I am concerned on this amendment.

It just seems to me that people ought to make the decision based on the merits of the amendment. If they feel it is a good amendment they ought to vote for it. If they feel it is a bad amendment they ought to vote against it.

My suggestion was simply that we ought not to vote against it simply under the threat of a filibuster or simply under the threat of staying here half the night or putting it over until September or October. I do not think we have to succumb to that kind of pressure, and I urge the Members of this body not to do so.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. ALLEN. I think, by the same token, the distinguished Senator from Iowa coming here at the last minute and dumping this garbage in the laps of the Senate I feel is not quite the right procedure to follow either, I will say.

Mr. CLARK. Will the Senator explain to me exactly what is wrong with the procedure I have followed in offering an amendment for the Senate to vote on? Is that somehow an inordinate procedure in this body?

Mr. ALLEN. No, the Senator has that privilege of coming in at the last minute, when we are about to come to a final vote, with this amendment that the Senator knew I would be strongly opposed to, because this is the very issue we have fought here on the Senate floor time and time again.

Mr. CLARK. I would be willing to make an arrangement with the Senator. I will withdraw this amendment if he is opposed to it on the same basis that he will withdraw all amendments he introduces late in legislation to which I am opposed. Is that a fair enough agreement? If the Senator is agreeable——

Mr. ALLEN. It is an offer I can well refuse.

Mr. CLARK. I would think so. [Laughter.] I would think so.

Mr. ALLEN. I move to table the amendment, and I call for the yeas and nays.

Mr. CLARK. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama to lay on the table the amendment of the Senator from Iowa. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. FORD (after having voted in the affirmative). On this vote I have a pair with the distinguished Senator from Maine (Mr. MUSKIE). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New York (Mr. MOYNIHAN), the Senator from Maine (Mr. MUSKIE), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PELL), the Senator from Michigan (Mr. RIEGLE), the Senator from Alabama (Mr. SPARKMAN), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. STEVENSON), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from Michigan (Mr. RIEGLE) and the Senator from Rhode Island (Mr. PELL) would each vote "nay."

Mr. BAKER. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Idaho (Mr. MCCLURE), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), the Senator from South Carolina (Mr. THURMOND), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. CHAFEE) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS) and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The result was announced—yeas 34, nays 40, as follows:

[Rollcall Vote No. 344 Leg.]

YEAS—34

Allen	Domenici	Proxmire
Baker	Garn	Schmitt
Bartlett	Hansen	Schweiker
Burdick	Hatch	Scott
Byrd, Harry F., Jr.	Hayakawa	Stafford
Cannon	Helms	Stone
Chiles	Johnston	Tower
Curtis	Laxalt	Wallop
Danforth	Long	Weicker
DeConcini	Lugar	Young
Dole	Melcher	Zorinsky
	Nunn	

NAYS—40

Anderson	Hart	McGovern
Bayh	Haskell	McIntyre
Bentsen	Hatfield	Metcalf
Biden	Hathaway	Metzenbaum
Brooke	Hollings	Morgan
Bumpers	Humphrey	Packwood
Byrd, Robert C.	Inouye	Randolph
Case	Jackson	Ribicoff
Church	Javits	Roth
Clark	Kennedy	Sarbanes
Culver	Leahy	Sasser
Durkin	Magnuson	Williams
Glenn	Mathias	
Gravel	Matsunaga	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Ford, for.

NOT VOTING—25

Abourezk	Huddleston	Riegle
Bellmon	McClellan	Sparkman
Chafee	McClure	Stennis
Cranston	Moynihan	Stevens
Eagleton	Muskie	Stevenson
Eastland	Nelson	Talmadge
Goldwater	Pearson	Thurmond
Griffin	Pell	
Heinz	Percy	

So the motion to lay Mr. CLARK's amendment on the table was rejected.

Mr. KENNEDY and Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, is the pending business now the amendment of the Senator from Iowa?

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from Iowa.

UP AMENDMENT 748

Mr. ALLEN. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. Allen) proposes an unprinted amendment numbered 748 to the Clark amendment:

Add after the word "President" the follow-

ing: "with the concurrence of both Houses of Congress."

Mr. ROBERT C. BYRD. Mr. President, will the distinguished manager of the bill yield me 30 seconds for a unanimous-consent request?

Mr. INOUYE. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the next rollcall vote, any further rollcall votes today be limited to 10 minutes each, with the warning bell to be sounded after the first 2½ minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, will the distinguished manager of the bill yield me 1 minute to take up another matter?

Mr. INOUYE. I yield.

SENATE RESOLUTION 252—TRANSITIONAL ACCOMMODATIONS IN CONNECTION WITH ABOLITION OF JOINT COMMITTEE ON ATOMIC ENERGY

Mr. JACKSON. Mr. President, I call up Senate Resolution 252, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 252) providing transitional accommodations needed in anticipation of abolishment of the Joint Committee on Atomic Energy.

The PRESIDING OFFICER. Is there objection to the consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. JACKSON. Mr. President, the resolution before the Senate covers basically the provisions in a bill that we passed and sent over to the House of Representatives earlier this year to abolish the Joint Committee on Atomic Energy. These provisions are in substance identical to the provisions for the transition period following abolishment of the Joint Committee on Atomic Energy which were included in S. 1153 as passed by the Senate on March 31.

The House of Representatives has amended the bill to remove portions which deal entirely with the business of the U.S. Senate. We are proposing to incorporate those Senate provisions in this Senate resolution. It will then be possible for the Senate to concur in the amendments of the House and clear S. 1153 for the President's signature. The intention of the provisions in this Senate resolution will be carried out as Senate business entirely.

Of course, the Senate has the duty and responsibility of passing on its own rules and regulations, and I ask that this resolution be adopted. It has been cleared on both sides of the aisle.

Mr. BAKER. Mr. President, will the Senator from Hawaii yield me 15 seconds?

Mr. INOUYE. Yes.

Mr. BAKER. Mr. President, I think this is not only in order, but I think it is urgently necessary to take care of routine details in connection with the closing up shop of the Joint Committee on Atomic Energy, and I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was considered and agreed to, as follows:

Resolved, that the committees of the Senate which receive the records, data, charts, and files of the Joint Committee on Atomic Energy may utilize the Office of Classified National Security Information established by this resolution or make other suitable arrangements for safeguarding such records, data, charts, or files.

Sec. 2. (a) There is established for the period beginning on the date on which this resolution is agreed to and ending March 31, 1979, an office of the Senate to be known as the "Office of Classified National Security Information" (hereafter referred to as the "Office"). The Office shall be under the policy direction of the majority leader, the minority leader, and the chairman of the Committee on Rules and Administration of the Senate, and shall be under the administrative direction and supervision of the Secretary of the Senate. The Office shall have the responsibility for safeguarding such restricted data and such other classified information as any committee of the Senate may from time to time assign to it.

(b) The Office shall have authority—

(1) upon application of any committee of the Senate, to perform the administrative functions necessary to classify and declassify information relating to the national security considerations of nuclear technology in accordance with guidelines developed for restricted data by the responsible executive agencies;

(2) to provide appropriate facilities for hearings of committees of the Senate at which restricted data or other classified information is to be presented or discussed; and

(3) to establish and operate a central repository in the United States Capitol for the safeguarding of restricted data and other classified information for which such Office is responsible.

(c) The Secretary of the Senate, with the approval of the majority leader, the minority leader, and the chairman of the Committee on Rules and Administration of the Senate, is authorized to appoint and fix the compensation of not more than two professional staff members and three clerical staff members for the Office. One of such professional staff members may be paid compensation at a rate not to exceed the rate provided for the two employees of a standing committee of the Senate referred to in section 105(e)(3)(A) of the Legislative Branch Appropriation Act, 1968, as amended and modified (2 U.S.C. 61–1), and the other professional staff member may be paid compensation at a rate not to exceed the rate provided for professional staff members of a standing committee of the Senate by section 105(e)(1) of such Act. The clerical staff members may be paid compensation at a rate not to exceed the rate provided for the four clerical assistants of a standing committee of the Senate referred to in section 105(e)(A) of such Act.

(d) The salaries and expenses of the Office shall be paid from the contingent fund of the Senate pursuant to appropriations made to the contingent fund for such purpose. Until funds are first so appropriated, such salaries and expenses shall be paid from the contingent fund out of funds appropriated for "Miscellaneous Items". Such salaries and expenses shall be paid out of the contingent fund upon vouchers approved by the Secretary of the Senate, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

(e) Within thirty days of the date on which this resolution is agreed to, the Office shall furnish the Committee on Armed Services, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, and the Committee on Foreign Relations of the Senate with a listing of all those records, data, charts, and files of the Joint Committee on Atomic Energy which are to be transferred to such committees, indicating which committee or committees may have jurisdiction over each item. The chairman of the committees involved shall be responsible for resolving any case of doubt regarding jurisdiction over particular records, data, charts, or files.

Sec. 3(a) For purposes of this section, the term—

(1) "effective date" means the date on which the Joint Committee on Atomic Energy is abolished;

(2) "eligible staff member" means an individual who is a member of the staff of the Joint Committee on Atomic Energy on the day prior to the effective date and had served continuously (except for any period of four days or less) as a member of the staff of the Joint Committee on Atomic Energy since October 1, 1976;

(3) "new committee" means the Committee on Armed Services, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, and the Committee on Foreign Relations of the Senate; and

(4) "transition period" means the period beginning on the effective date and ending on the ninetieth day after the effective date of such act.

(b) On the effective date, those eligible staff members who are required to carry out the provisions of section 2 of this resolution as designated by the majority and minority leader and the chairman of the Committee on Rules and Administration of the Senate in accordance with such section, shall be transferred to the Office of Classified National Security Information.

(c) On the effective date, each eligible staff member not transferred to the Office of Classified National Security Information under subsection (b) shall be transferred to the staff of a new committee. The determination of the eligible staff members transferred to the staff of each of the new committees shall be made by the Committee on Rules and Administration in consultation with the chairmen and ranking minority members of the new committees. The chairman of each new committee (and the ranking minority member with respect to minority employees) shall notify the Secretary of the Senate of the eligible staff members transferred to that new committee.

(d) During the transition period, each eligible staff member transferred to a new committee—

(1) shall, notwithstanding the limitations contained in section 105(e) of the Legislative Branch Appropriation Act, 1968, as amended and modified, receive compensation at a rate not less than the rate of compensation such staff member was receiving on March 1, 1977; and

(2) may not be removed, except for cause, as a member of the staff of the new committee.

(e) Subsection (d)(2) shall not apply in the case of an eligible staff member who would be entitled to an annuity under section 8336(d) of title 5, United States Code, upon his involuntary removal from service

as an employee of the Senate if such staff member (but not for the provisions of this Resolution) would be subject to involuntary removal from such service and such staff member elects to have the provisions of this resolution apply.

(f) The Committee on Rules and Administration shall report a resolution which authorizes expenditures out of the contingent fund of the Senate during the transition period by the new committees sufficient to enable each new committee to pay the compensation and expenses of the eligible staff members transferred to its staff under this resolution.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ABOLISHMENT OF THE JOINT COMMITTEE ON ATOMIC ENERGY

Mr. JACKSON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1153.

The PRESIDING OFFICER (Mr. SASSER) laid before the Senate the amendment of the House of Representatives to the bill (S. 1153) to abolish the Joint Committee on Atomic Energy and to reassign certain functions and authorities thereof, and for other purposes, as follows:

Strike out all after the enacting clause, and insert:

That the Atomic Energy Act of 1954 (Public Law 83-703), as amended, is amended to read as follows:

"CHAPTER 20. JOINT COMMITTEE ON ATOMIC ENERGY ABOLISHED; FUNCTIONS AND RESPONSIBILITIES REASSIGNED

"SEC. 301. JOINT COMMITTEE ON ATOMIC ENERGY ABOLISHED.—

"a. The Joint Committee on Atomic Energy is abolished.

"b. Any reference in any rule, resolution, or order of the Senate or the House of Representatives or in any law, regulation, or Executive order to the Joint Committee on Atomic Energy shall, on and after the effective date of this Act, be considered as referring to the committees of the Senate and the House of Representatives which, under the rules of the Senate and the House, have jurisdiction over the subject matter of such reference.

"c. All records, data, charts, and files of the Joint Committee on Atomic Energy are transferred to the committees of the Senate and House of Representatives which, under the rules of the Senate and the House, have jurisdiction over the subject matters to which such records, data, charts, and files relate. In the event that any record, data, chart, or file shall be within the jurisdiction of more than one committee, duplicate copies shall be provided upon request.

"SEC. 302. TRANSFERS OF CERTAIN FUNCTIONS OF THE JOINT COMMITTEE ON ATOMIC ENERGY AND CONFORMING AMENDMENTS TO CERTAIN OTHER LAWS.—

"a. Sections 201, 202, 203, 204, 205, 206, and 207 of the Atomic Energy Act of 1954, as amended, are repealed.

"b. Section 103 of the Atomic Energy Community Act of 1955, as amended, is repealed.

"c. Section 3 of the Congressional Budget Act of 1974 is amended by—

"(1) striking the subsection designation '(a)'; and

"(2) repealing subsection (b).

"d. Section 252(a)(3) of the Legislative Reorganization Act of 1970 is repealed.

"SEC. 303. INFORMATION AND ASSISTANCE TO CONGRESSIONAL COMMITTEES.—

"a. The Energy Research and Development Administration and the Nuclear Regulatory Commission shall keep the committees of the Senate and the House of Representatives which, under the rules of the Senate and the House, have jurisdiction over the functions of the Administration or the Commission, fully and currently informed with respect to the activities of the Administration and the Commission.

"b. The Department of Defense and Department of State shall keep the committees of the Senate and the House of Representatives which, under the rules of the Senate and the House, have jurisdiction over national security considerations of nuclear energy, fully and currently informed with respect to such matters within the Department of Defense and Department of State relating to national security considerations of nuclear technology which are within the jurisdiction of such committees.

"c. Any Government agency shall furnish any information requested by the committees of the Senate and House of Representatives which, under the rules of the Senate and the House, have jurisdiction over the development, utilization, or application of nuclear energy, with respect to the activities or responsibilities of such agency in the field of nuclear energy which are within the jurisdiction of such committees.

"SEC. 304. The committees of the Senate and the House of Representatives which, under the rules of the Senate and the House, have jurisdiction over the development, utilization, or application of nuclear energy, are authorized to utilize the services, information, facilities, and personnel of any Government agency which has activities or responsibilities in the field of nuclear energy which are within the jurisdiction of such committees: *Provided, however,* That any utilization of personnel by such committees shall be on a reimbursable basis and shall require, with respect to committees of the Senate, the prior written consent of the Committee on Rules and Administration, and with respect to committees of the House of Representatives, the prior written consent of the Committee on House Administration."

Mr. JACKSON. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

Mr. JACKSON. I move to reconsider the vote by which the motion to concur in the House amendment was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FOREIGN ASSISTANCE AND RELATED PROGRAMS—APPROPRIATION BILL, 1978

The Senate continued with the consideration of H.R. 7797.

Mr. ALLEN. Mr. President, I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN. That may be premature, I will say to the Senator from Virginia.

Mr. FORD. Mr. President——

Mr. ALLEN. Mr. President, I believe I have the floor.

Mr. FORD. Mr. President, a point of information. What did we get the yeas and nays on?

Mr. ALLEN. Final passage.

UP AMENDMENT NO. 748

Mr. ALLEN. Mr. President, how often have we heard the cry here in the Senate that Congress should have a part in shaping foreign policy? I bet 25 Senators, at a very minimum, have voiced that sentiment: "Let us let Congress have a part in shaping foreign policy. Let us not delegate everything to the President."

We have all heard the argument. I dare say half the Senators here have made that argument.

In line with that thought, Mr. President, in order to give Congress an opportunity to participate in the foreign policy decisions, it is an important bit of foreign policy to decide that it is in the national interest, Mr. President, to give money, to give supplies, to give military equipment to dictatorships because it is in the best interests of our Nation.

Should not Congress have an opportunity to decide that? I believe it should. That is all that this amendment does.

If Senators were interested enough to read the amendment of the distinguished Senator from Iowa, it says—this is added on to the section forbidding aid to certain dictator nations:

Except that the President may waive this prohibition with respect to any such country if he determines (and so reports to Congress) that furnishing such assistance to that country would further the foreign policy interests of the United States.

My amendment would add in words after "President" so that it would read, if my amendment is adopted:

Except that the President with the concurrence of both Houses of Congress may waive this prohibition with respect to any such country if he determines (and so reports to Congress) that furnishing such assistance to that country would further the foreign policy interests of the United States.

Mr. HELMS. Mr. President, may we have order? I hope the Senator will suspend until we do have order.

The PRESIDING OFFICER (Mr. HASKELL). The Senate will be in order. The Senator from Alabama will suspend until order is restored.

The Senator may proceed.

Mr. ALLEN. I will start over.

By the way, Mr. President, I designate this as the first of my three amendments as to which there will be no time limit, and as to which no motion to table will be in order.

The amendment of the Senator from Iowa, as amended by my amendment, would read:

Except that the President with the concurrence of both Houses of Congress may waive this prohibition with respect to any such country if he determines (and so reports to Congress) that furnishing such as-

sistance to that country would further the foreign policy interests of the United States.

So we would give Congress an opportunity to participate in this important decision.

I do not see why Congress would not want to reserve that right unto itself, rather than do what we have all criticized ourselves for; namely, delegating too much power to the President.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. ALLEN. Yes.

Mr. JOHNSTON. If the Clark amendment passes, with or without the Senator's amendment, what is the maximum amount of money that could be given to Angola or Mozambique?

Mr. ALLEN. I do not know. I imagine the Senator from Iowa, inasmuch as he is trying to open the door, would know how much might proceed through the door.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ALLEN. Yes.

Mr. CLARK. As the manager of the bill has indicated earlier, there is no money in the bill for either Mozambique or Angola.

Mr. JOHNSTON. Is there not a fund for Africa in the neighborhood of $100 million? Do I recall that correctly?

Mr. INOUYE. The Senator is correct, but Mozambique and Angola are not included.

Mr. JOHNSTON. So I am asking, is it a fact that if this amendment were adopted, then up to $100 million from that fund could be given to Mozambique or Angola?

Mr. INOUYE. No, the Senator is not correct, because the amounts have been designated for countries such as Zaire, et cetera.

Mr. JOHNSTON. What is the maximum amount that could be given to Mozambique or Angola, if the Clark amendment was agreed to?

Mr. INOUYE. The maximum amount would be that which is in the President's contingency account, $5 million.

Mr. JOHNSTON. $5,000,000.

Mr. INOUYE. And that could be spent, for example, under the following conditions: Let us say there is a grave emergency in Angola, a huge wave inundates the country, thousands of people lose their lives and shelters. Then the President may decide that it would be in our national interest to provide emergency assistance to Angola.

Mr. JOHNSTON. There are no other accounts from which any expenditures could be made other than the $5 million contingency account?

Mr. INOUYE. The Senator is correct. And if the administration should decide to use funds which have been justified and agreed upon for purposes other than in Angola, that would constitute a reprograming. Under the arrangement at which we have arrived, the President will have to submit the reprograming request to the Appropriations Committee, and it will be up to us to approve it or disapprove it.

Mr. JOHNSTON. On our reprograming—and I hope the Senator does not mind this——

Mr. ALLEN. We have plenty of time.

Mr. JOHNSTON (continuing). On some of these accounts can they be reprogramed if the chairman of the subcommittee agrees, or do we have to take a vote of the committee? What is the latest?

Mr. INOUYE. The chairman and the ranking minority member, because it is understood the subcommittee has authorized the two of us to act. This authority can be taken away from us at any time. The two of us have exercised this authority, I hope, with prudence. Congress has agreed with us to date.

Mr. JOHNSTON. Suppose the subcommittee would put it to the full committee. Would the full committee have the veto, the full committee of either house?

Mr. INOUYE. Absolutely.

In a case such as Angola, let us assume the President should decide 6 months from now to stop a project somewhere in Africa and use those funds for Angola. I would hope the Senate will consider me sufficiently sophisticated to act upon this not unilaterally but through the committee. I will most certainly ask the chairman of the full Appropriations Committee to fully debate this and decide upon it, and, if necessary, by resolution, bring it to the Senate itself. I would not attempt to take any action as an individual. I can assure the Senator of that.

Mr. JOHNSTON. As one who supported the Senator from Alabama on his motion to table, and as one who is not anxious for money to go to Angola or Mozambique, I am just wondering whether the Senator was aware of that. If that understanding is not sufficient, we could specifically write into the statute that it is subject to the veto of the Appropriations Committee in either house. If looks to me as if that would be sufficient. Would the Senator agree to that?

Mr. ALLEN. I believe the amendment route is the best way to do it.

On this matter of saying there is $5 million, the Senator from Hawaii spoke about we know he would be sophisticated enough to know that he would do thus and so. Well, he is sophisticated enough to know that if they want to find $50 million for Mozambique and Angola, they can find it in all the fat that is in this $7 billion bill.

Mr. JOHNSTON. I am wondering if the Senator is willing to write into this, instead of subject to the approval of both houses of Congress, to say subject to the veto of the full Appropriations Committee of either house, and then from whatever fund it would come would constitute a reprograming.

Mr. INOUYE. If the Senator will yield, I think that would make the situation worse. I do not think it would improve the situation. At the present time, we have assurances, not just gentlemen's assurances but written assurances, that if an objection is heard from the Appropriations Committee the administration will stop all action on the reprograming I believe that is sufficient.

Mr. JOHNSTON. I have utmost and absolute confidence——

Mr. INOUYE. I do not want to use the word "veto," because, constitutionally, I think we may be treading on very dangerous ground to say we can veto an action taken by the President.

Mr. JOHNSTON. Actually, this would simply be writing into the statute, if we did this, that which is the explicit understanding right now. If that language were unconstitutional, so would be the explicit understanding. But it would give assurance to Senators like the Senator from Alabama, if he were willing to accept it, that action would not be taken unless approved by the Appropriations Committee of either House. It would go beyond the $5 million contingency fund to whatever account.

Mr. ALLEN. I appreciate the very fine suggestion of the distinguished Senator from Louisiana. It certainly has considerable merit.

I never did too much like the idea of action merely through committees. I feel that raises a committee up to a status to which it is really not entitled. I think the people of the country need to act not through committees with some 15 to 18 members; they need to act through their duly elected representatives in the Halls of Congress.

I would not be willing to leave anything up to any committee, no matter with whom it is constituted.

I do believe this amendment would offer us a good solution of the impasse we have briefly met, because it would give to the distinguished Senator from Iowa his amendment. His amendment would be the Clark amendment to this bill.

It would give the President the authority to waive this requirement on getting his coequal branch of the Government to exercise the role that it is entitled to in our foreign policy that we have all sought and all demanded. It would seem to me it would have this power pretty well spread.

The President could tell the Congress that he felt this was necessary. If the Congress agreed with him, the goods could be loaded on a ship, and, if that is not enough, the goods could be loaded upon a jet plane to be sent over there. So I believe we would get the goods there as soon as they were needed, or as soon as required.

I feel this is a good solution to the problem. It would be the exercise of joint management by the Congress and the President of our foreign policy.

Mr. President, that is all I have to say on the amendment. I hope it will be agreed to.

I might say I have no further amendments.

Mr. HUMPHREY. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. HUMPHREY. I just want to say to my good friend from Alabama, who I know has a very sincere and deep in-

terest in these matters, how is the Senator sure that the Government of Angola 6 months from now is going to be the same as it is today? Or the Government of Mozambique? Just a few months ago Ethiopia was considered one of the best allies we had. A few months ago Somalia was considered to be a very risky proposition.

The whole thing has made a 180-degree turn.

Three months ago Somalia was an ally of the Soviet Union. Today the Soviet Union is lined up with Ethiopia. Today, the Somalians are attacking the Ogaden Province in Ethiopia.

Maybe somebody here has such incredible, omniscient wisdom that he can see how all these leaders in Africa are going to stay in power for months and months. If there is any characteristic today of the states that are emerging from colonialism, that are coming out of this long, dark period of their past, it is the uncertainty of leadership. I am not predicting it, but right at this very hour, the UNITA forces are at war in Angola, one of the three factions that was in that struggle. That war is not over right now.

Right now, the United States of America is looking to Somalia as a friend. Only a few months ago, it was the other way around.

That is why we have a President. We have to give the President some discretionary authority. I think that, with the President having to certify to Congress why he is taking an action, if he does, and that it has to be in our vital national interest, that is reasonably good protection. He may make a mistake, that is true. He could make a mistake.

I say to the Senator, there is no intention, from all of the testimony of the witnesses before the authorizing committee and the Appropriations Committee, of helping either Mozambique or Angola. That is No. 1.

No. 2, I think that Mr. Carter, President of the United States, would be the first one to tell us if he thought he had to do anything like this and would be up here asking the committee, the chairman of the Appropriations Subcommittee, and also, may I say, notifying the whole Foreign Relations Committee. Senator SPARKMAN surely is a trusted Member of this body. Senator CASE, the ranking Republican member, would have to be notified. I just cannot imagine that we are running any such great risk here.

First of all, we have our Mozambique and Angola. There is not any money in the bill for Mozambique and Angola. We have prohibitions on the use of money for Mozambique and Angola. Both nation states are unstable. One of them has a guerrilla, a civil war going on right now.

Here we are, trying to say, well, we can look right down the road through the whole next fiscal year and we know that in the entire next fiscal year, the same ruler will be in Angola that is there today. I want to say that if you want to place that kind of bet, you had better be sure that you have a lot of money that you want to fool around with. There is no reason to believe that at all, any more than there was, by the way, about Uganda.

Not long ago, they almost assassinated the fellow, Idi Amin, or whatever it is. Who knows what is going to happen, unless you have a pipeline to God up there. Mine has been shortcircuited somewhere along the line.

Mr. ALLEN. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. ALLEN. I believe the Senator misconstrues the amendment.

Mr. HUMPHREY. No, I do not misconstrue it.

Mr. ALLEN. Let me finish. I believe he misconstrues the amendment when he talks about looking down to the end of the fiscal year. That is hardly correct. If the President decides at 6 o'clock one morning that he wants to send supplies over there, he need not wait until the end of the fiscal year. He could talk to his partner, Congress, and, by joint resolution, get permission, probably, in 1 day.

So the Senator makes an unfair or not well-thought-out conclusion in saying that he is going to have to wait until the end of the fiscal year. There is nothing about the fiscal year in here. It just says the President can waive it with the concurrence of Congress.

Mr. HUMPHREY. I remember one President, a short time ago, thought he was going to send some money to Angola. I was here. Senator JOHN TUNNEY, right here in the back row, fought it. The next thing you and I knew, no money went to Angola.

Mr. ALLEN. Was that not right, or was it?

Mr. HUMPHREY. I was with him. But it took more than a day, even then. I believe Congress can operate with a reasonable degree of speed but, having been here a few years, may I say that in a race with a turtle, it will come in second.

Mr. INOUYE. Mr. President, I have listened to this debate with deep interest, because the Senator's amendment touches upon a matter close to my heart. Throughout the consideration of the bill, we have attempted our best to exert the prerogatives and the authority of the Congress of the United States. We have insisted that all accounts be justified before us before being obligated. So I must say that, although I find this amendment a departure from tradition, it may be a good idea. I shall ask my colleagues here to permit me to accept the amendment.

I know the conference is not going to be held tomorrow. It will be held sometime in September. Give us a full month to study this and we can have a good discussion on it in conference.

If that is agreeable to my colleagues here, I wish to announce that I am ready to accept the amendment and take it to conference and, during the month of August, give it the most thorough consideration that we can, because there is a fundamental principle involved in this.

Mr. ROBERT C. BYRD. Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. ALLEN. Just a moment.

Mr. President, are we agreeing to my amendment to the Clark amendment?

Mr. INOUYE. Yes.

Mr. ALLEN. I think that is a very wise decision. I say, however, that I realize that lots of things happen in conference. This being in conference would give the conferees an opportunity to knock out this proviso and leave the Clark amendment as is. I have no control over that and I shall have to accept the Senator's proposal.

Mr. INOUYE. It can knock out the Clark amendment itself.

Mr. ALLEN. One thing I do recognize is that, in the conference, this saving clause can be dropped. I recognize that, but if that is what the conferees want to do, I have no control over that.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is now on agreeing to the amendment of the Senator from Iowa, as amended.

The amendment, as amended was agreed to.

UP AMENDMENT NO. 749

Mr. HELMS. Mr. President, I have an amendment at the desk which I call up and ask to have considered.

The PRESIDING OFFICER. The clerk will state it. The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes unprinted amendment No. 749.

At the end of the bill insert the following: *"Provided,* That no part of any appropriation for 'International organizations and programs' may be available to make any contribution of the United States to the United Nations Decade for Women".

Mr. HELMS. Mr. President, this amendment would prohibit any U.S. contribution to the United Nations Decade for Women.

Mr. President, the phrase "United Nations Decade for Women" has a nice ring to it. It makes one ask how anyone could be opposed to any program that purports to assist women in overcoming the difficulties and barriers which they often face in today's world.

To be against the U.N. Decade for Women almost sounds like being against women in general and even motherhood in particular. Yet there is plenty of evidence that the so-called U.N. Decade for Women will have a devastating effect on the moral and social values of motherhood. The end results of the program are more political and philosophical than humanitarian. One of the program's goals is to fix a price tag on a wife's devotion to her home and family. The philosophy of the U.N. Decade for Women, Mr. President, would assert that marriage is essentially a financial arrangement instead of one based on love and trust.

If we look behind the deceptive rhetoric of such a program, Mr. President, we can see that the $3 million of the taxpayers' money to be appropriated here is really to be spent propagandizing one view of womanhood that is the view of a narrow and partisan group of women

who are attempting to impose this revolutionary view and lifestyle on all women, whether they like it or not. The taxpayer's funds should not be used for spreading propaganda.

The Senator from North Carolina submits this amendment at the request of several hundred women who have written to me expressing their indignation that their tax money is being spent to subsidize elitist groups that exclude women who do not agree with their views.

The United Nations Decade for Women is simply the extension of the so-called International Women's Year of 1975 sponsored by the United Nations. The 1975 conference in Mexico City is expanding in two ways—Senators may recall that conference. First we have witnessed the U.S. International Women's Year conferences which have generated such bitter controversy among U.S. women and will culminate in a so-called National Women's Conference to be held November 18–21 in Houston. That conference is sure to result in polarization—if the National Commission on International Women's Year allows the elected delegates representing views opposed to stated International Women's Year goals to receive adequate consideration in all discussions and resulting resolutions.

But second, it now appears that the United Nations IWY apparatus, which held the Mexico City conference, is seeking to perpetuate itself. If we do not stop these funds now, we will be making similar appropriations every year for the next ten years. And that is a rip-off on the women of America.

As any schoolboy knows, 3 times 10 are 30, $30 million, and that is a ripoff on the taxpayers of this country, and particularly, the majority of women who have been excluded deliberately and brusquely from participating in this program financed by the taxpayers of the United States.

What we can expect from the U.N. Decade for Women is clearly evident. We have already seen at close hand what its offspring—the U.S. National Commission on International Women's Year—has been doing. On July 1 and July 21 of this year, in statements on this floor, I sought to inform my distinguished colleagues of the widespread pattern of obvious and intended discrimination by IWY and its state affiliates against those women who do not agree with the negative ideology and partisan biases of the militant International Women's Year organizers.

The legitimacy of these conferences, Mr. President, is under direct attack from women who were denied representation and denied a voice in the decision-making processes for their State conference. Indeed, legal action is pending in at least one State and is being considered in numerous others as women unite to reveal alleged irregularities and violations of Federal statutes.

I doubt, Mr. President, that I need remind my distinguished colleagues of the event at which the concept of a "decade for women" was heralded as a means by which the problems facing women in their struggle for equality could be solved. The International Women's Year Conference itself—held in Mexico City in June 1975—was described as a "consciousness-raising exercise" and a time during which—according to the distinguished Senator from Illinois (Mr. PERCY):

The international women's movement toughened * * * and began * * * building the informal associations and networks so important in the exercise of influence and power.

Mr. President, it is indeed obvious that the so-called women's movement has toughened and is bent on obtaining and exercising whatever influence and power are necessary to implement the World Plan of Action. This plan was one of the major policy documents hammered out at the Mexico City Conference and is intended "to promote guidelines for national action over the 10-year period up to 1985."

Now, Mr. President, the World Plan of Action—formulated and adopted by some of the most militant and revolutionary of women's representatives—is the embodiment of concepts which have provided both the theoretical and pragmatic bases for the recommendations of the U.S. National Commission on International Women's year. These recommendations are found in the book "To Form a More Perfect Union."

Mr. President, given the World Plan's assertion that "in our times, women's role will increasingly emerge as a powerful revolutionary social force" in the creation of a new social order, perhaps it would be well to illustrate several aspects of the disturbing relationship between the U.N. program and the U.S. National Commission.

I. From the World Plan of Action: "The rights of women and all the various forms of the family, including the nuclear family, the extended family, consensual union and the single parent family should be legally protected."

From "To Form a More Perfect Union": "The Reproductive Freedom Committee acknowledges that sexual patterns are changing and that the traditional nuclear family of mother, father, and children is no longer perceived . . . as the only acceptable model. Therefore, all programs must take into account changing sex roles and new lifestyles, and teachers must recognize and accept the many differences in contemporary family structure."

II. From the World Plan of Action: "Individuals and couples have the right . . . to determine the number and spacing of their children and to have the information and the means to do so."

From "To Form a More Perfect Union": "The IWY Commission condemns any interference, open or subtle, with a woman's right to control her reproduction."

III. From the World Plan of Action: "Child-care centers and other child-minding facilities are means to supplement the training and care that children get at home. . . . Governments have therefore a responsibility to see to it that such centres and facilities are available."

From "To Form a More Perfect Union": "The IWY Commission asserts that the Federal Government should assume the major role in directing and providing for universal voluntary child development programs as a valuable service to parents, as essential to a child's best interest, and as society's obligation to avoid the cost of neglect. Therefore, the Administration should support and request adequate funding for comprehensive child development legislation."

IV. From the World Plan of Action: "Governments should guarantee non-discrimination on grounds of sex and equal rights . . . and should review and update all national legislation."

From "To Form a More Perfect Union": "The National Commission on the Observance of International Women's Year, as its first public action and highest priority, urges the ratification of the Equal Rights Amendment."

Mr. President, I could go on to list many more characteristics of kinship between these organizations, but the above are representative of the entire picture. Now, such similarity is no mere accident.

Mr. President, the pattern is evident as one recognizes, throughout the history of U.S. involvement in International Women's Year, the name of Ms. Bella Abzug. As a congressional adviser to the U.S. delegation to the U.N. Conference on International Women's Year in Mexico City, as a member of the first U.S. National Commission on the Observance of International Women's Year, and as the presiding officer of the current U.S. National Commission on International Women's Year, Ms. Abzug has made an all-out attempt to implement the World Plan of Action in the United States.

However, Mr. President, the forced acceptance and implementation of the proposals in the World Plan lead not to equality, but to more inequality. More discrimination, and an increased loss of freedom. Concrete evidence of that observation has been witnessed at many of the International Women's Year State conferences held throughout the United States.

Feminist groups, Mr. President, have organized to stack workshops, to deny equal representation and freedom of speech to anti-ERA/pro-life groups, and to proclaim that these federally financed conferences are their conferences—and theirs alone, and no one else need apply.

This kind of conduct was demonstrable in my own State of North Carolina where one point of view prevailed to the total intended exclusion of all other points of view.

Mr. President, that is not the proper expenditure of Federal funds in any amount and, certainly, not the proper expenditure of $5 million of the taxpayers' money which has already been used to create what has proved to be a program of inequality.

The voices of concerned women across this Nation have been ignored. The evidence to that effect is undeniable. I submit, Mr. President, that this is a corruption of the professed intent at the time this program was approved by Congress and funds for it were voted by Congress. Therefore, for Congress to appropriate even more of the taxpayers' money to finance the World Plan of Action and another international fiasco in 1980, which is the date set for a second women's international conference, would be evidence only of congressional insensitivity to the real issues of women's rights.

Mr. President, I have asked the Comptroller, Mr. Staats, to investigate this program, and such an investigation is underway. Evidence abounds that this is, at a minimum, a flagrant waste of the taxpayers' money. It is at worst a deliberate attempt to use public financing to stifle equality, to stifle the expression of contrary views.

It is time, Mr. President, to stop supporting activities which display such a fundamental disregard for the views of the majority of American women.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. INOUYE. Mr. President, I have listened to the discussion of my dear friend from North Carolina.

It is true that many of the women involved at these gatherings throughout the world may be looked upon by some as revolutionaries and militants. But I think the time has come for women of the world to be a little more militant, a bit more revolutionary. It was not too long ago that a young lady in the United States named Susan B. Anthony stood up and fought all the men of the United States. She was insulted by the women of this Nation because she stood fast and said that, as a citizen of the United States, she was deserving of participating in the affairs of this country by casting a vote. She was a revolutionary. She was a militant. Today, we honor her. We have postage stamps with the portrait of Susan B. Anthony on them.

The United States has taken a role of leadership throughout the world in raising the status of women, and we have felt that we cannot sit by and close our eyes to the conditions we find in other countries, where women get married not on the basis of love but on the basis of contracts—for sale. I suppose it will take many decades before these women come to our stage.

We have found from practice that in every country where women are given a greater voice and greater authority, it always adds to the benefit of that country. No country has suffered from the militancy of women. No country has been hurt because it has had women revolutionaries.

The amount here is not large. Instead of wiping it out completely, would my dear friend consider cutting it in half?

Mr. HELMS. Mr. President, if the Senator will yield, he has said nothing with which I disagree.

If he will forgive me, I think the point has been eluded. What the Senator from North Carolina wants is a representation of the views of all women, not just the militant, not just those who favor abortion, not just those who favor homosexuality, not just those who favor the ERA, but those on both sides.

This is no reckless observation. I have looked into it very carefully. On a board of 33, only one lady who was opposed to the ERA was permitted to come, and the same ratio existed on the abortion question.

The Senator from North Carolina does not like to see anything railroaded, particularly with the taxpayers' money. That is the reason why I have asked the General Accounting Office to investigate the improprieties involved.

If I can do no better, I say to the Senator, I will accept a reduction of funds, because that will reduce by one-half what I consider to be the arrogant disregard for fair play by those in control of this movement. I would rather see it all cut out, because I think the taxpayers of America are entitled to have it all cut out. But if the Senator is persuaded that the best he can do is to reduce it by 50 percent, I will accept that, and I will ask that the order for the yeas and nays be vitiated.

Mr. INOUYE. We will do that.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the yeas and nays be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Provided that the amount is cut in half.

Mr. INOUYE. Does the Senator withdraw his amendment?

Mr. HELMS. If the Senator will disclose to me how he will——

Mr. INOUYE. I will ask unanimous consent that on page 4, line 19, the amount $3 million be changed to $1.5 million.

Mr. HELMS. Mr. President, I withdraw the amendment.

Mr. INOUYE. Mr. President, I ask unanimous consent that on page 4, line 19, the amount $3 million be reduced to $1,500,000.

The PRESIDING OFFICER. Without objection, the amendment is in order and is agreed to.

Will the Senator from North Carolina withdraw his amendment?

Mr. INOUYE. He did.

Mr. HELMS. I did withdraw it.

UP AMENDMENT NO. 750

Mr. GLENN. Mr. President, at this time I call up an amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an unprinted amendment numbered 750:

On page 23, line 24, after "country" insert "other than a nuclear-weapon State as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons".

On page 24, strike all after "explosive" on line 2 and through the end of line 3 and substitute in lieu thereof "after the date of enactment of this Act".

Mr. GLENN. Mr. President, this amendment has been cleared with both sides of the aisle. The floor managers of the bill are in agreement with respect to it.

Mr. President, this amendment would modify a proviso on page 23 of the bill relating to Export-Import Bank loans.

The purpose of that proviso is to bar the use of Export-Import Bank funds for the export of nuclear equipment or fuel to a country which has detonated a nuclear explosive and has neither signed nor ratified the Nuclear Nonproliferation Treaty. This language was added by the House Appropriations Committee and was aimed at controlling nuclear exports to India. The House committee report states:

This provision is directed specifically at India and fulfills the Committee's desires to prohibit U.S. financing of nuclear exports to a country that has taken little action to help its own poor and has diverted scarce capital to the development of a nuclear explosive.

The new Indian government has not given any indication of renouncing development of nuclear explosives and no nuclear export financing should be provided to India while that nation insists on squandering scarce capital resources on capital intensive programs or on nuclear weapons development.

The language of the House committee which has remained intact in the bill reported by our own Appropriations Committee would prohibit nuclear export financing to India during fiscal year 1978 unless that country were to sign the Treaty on the Nonproliferation of Nuclear Weapons. Mr. President I submit that this approach is not a workable one. The State Department is presently engaged in delicate negotiations with the Indian Government on the nuclear proliferation question. If the Congress at this point singles out India with respect to restrictions under this bill, it is my opinion that we may well hinder these negotiations. The State Department joins me in this assessment and strongly opposes the language in the bill as reported.

My amendment, would change the nature of the restriction imposed on nuclear export financing. Under the terms of the amendment such financing by the Eximbank would be denied to any non-nuclear weapons state which detonated a nuclear device after the date of the bill. India would not be singled out for special attention but, of course, would be cut off—as would any other country—if it chose to explode a nuclear device after enactment.

This approach parallels that taken in two other pieces of legislation which have been before Congress this year. The foreign military assistance authorization bill which the President signed today contains a provision which would cut off military and economic assistance under the Foreign Assistance Act of 1961 and the Arms Control Act to any country which detonates a nuclear device after enactment unless the restriction is waived under the conditions specified in the bill. A similar restriction on nuclear exports is provided in the nuclear nonproliferation legislation reported this week by the Senate Governmental Affairs Committee. My amendment today would simply extend this concept to the area of Eximbank nuclear export financing.

Mr. President I firmly believe that this approach will help us in our efforts to control the risks of nuclear proliferation and will do so in a way that will not disturb our current negotiations with

India. I urge the floor managers and my other colleagues to support the proposal.

I do not require a record vote. I would be glad to have a voice vote.

Mr. INOUYE. Mr. President, this amendment has been discussed with both managers of the bill, and we find this amendment not only clarifies the situation but it gives the President of the United States the flexibility he requires. It will not in any way weaken our desire to stop the proliferation of nuclear devices in the world. So I stand ready to accept the amendment, and I do so.

I yield back the remainder of my time.

Mr. GLENN. I yield back the remainder of my time.

The PRESIDING OFFICER The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 818

Mr. KENNEDY. I call up my amendment 818.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY), for himself and Mr. HUMPHREY, proposes amendment No. 818.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 28, between lines 12 and 13, insert the following new title:

TITLE VI—ROMANIAN RELIEF AND REHABILITATION

SEC. 601. For expenses necessary to carry out the provisions of section 495D of the Foreign Assistance Act of 1961, as amended, $13,000,000 for the fiscal year 1977 for Romanian relief and rehabilitation assistance, to remain available until expended.

Mr. KENNEDY. Mr. President, this just adds the necessary resources to conform with the authorization statute for Romanian earthquake assistance. These resources are going to be devoted solely for humanitarian purposes.

We basically had made a commitment here in this body to provide some small degree of help and assistance to meet an enormous human tragedy in Romania last March. This amendment will provide the necessary resources to fulfill our commitment.

The President has requested these resources. The Secretary of State and the Administrator of AID support this amendment on an urgent basis. This was done in recent letters to the Appropriations Committee of both Houses.

I think the amendment is self-explanatory, Mr. President.

I talked to the manager of the bill, and I believe he is willing to take it to conference.

Mr. INOUYE. The distinguished Senator from Massachusetts has discussed this amendment with the managers of the bill, and we find it very difficult to disagree with this proposal. Therefore, we stand ready to accept it. We yield back the remainder of our time.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield back his time?

Mr. KENNEDY. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

AMENDMENT NO. 819

Mr. KENNEDY. Mr. President, I call up my amendment 819 on behalf of myself, the Senator from Iowa (Mr. CLARK), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Rhode Island (Mr. PELL), and the Senator from Maryland (Mr. MATHIAS). I ask that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, line 13, strike out "$53,054,000" and insert in lieu thereof "$63,554,000".

Mr. KENNEDY. Mr. President, this amendment provides full funding for the migration and refugee assistance account up to the authorization of $63,554,000. The full amount is required to meet anticipated emergency refugee needs in Africa and to help the voluntary agencies resettle in the United States refugees from Chile and Latin America, the Middle East, Eastern Europe, and Asia.

The amount now appropriated in the bill, $53,054,000, reflects the authorization contained in the House version of the Department of State authorization bill, which was prior to Senate action, and the filing of the conference committee report on July 26.

Since the House action, Mr. President, the Senate has acted, and the conference committee has incorporated in the final version of the authorization bill, provisions of an amendment which Senator CLARK and I offered that increased the authorization for migration and refugee assistance by $10,500,000. This additional authorization—which our amendment seeks to fund—is necessary to meet the needs of two separate sets of refugee problems not now adequately provided for in the appropriations bill.

The first problem relates to the growing needs of displaced persons and refugees in Africa. As the conference committee noted in its report on the authorization bill (H.R. 6689), "Current funding for the African refugee program is inadequate." All across Africa refugees are on the move, outpacing the ability of governments and the international community to fully respond to their needs. As the following table shows—which I ask unanimous consent to have printed in the RECORD—there are some 1,853,000 refugees in Africa, and the total increases every day.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—PRINCIPAL REFUGEE AND DISPLACED PERSON PROBLEMS IN AFRICA (ESTIMATED AS OF JULY 28, 1977)

	Estimated number
Host country and refugee source:	
Angola: Internally displaced	500,000
Algeria: From Western Sahara	50,000
Botswana:	
South Africa	500
Angola	100
Namibia	70
Zimbabwe	2,300
Total	2,970
Burundi: Rwandese	49,500
Central African Nations: [1]	
Angolans	5,000
Equatorial Guinea	90,000
Miscellaneous	10,000
Total	105,000
Djibouti: Ethiopia	1,000
Ethiopia:	
Sudan	8,000
Miscellaneous	200
Total	8,200
Guinea-Bissau: Refugee repatriates receiving aid	150,000
Kenya:	
Ethiopia	700
Uganda	3,000
Total	3,700
Lesotho: South Africa	25
Mozambique: Zimbabwe	32,000
Namibia: Angola	6,000-11,000
Rwanda: Burundi	7,400
Senega : Remaining from Guinea-Bissau	46,000
Soma ia: Ethiopia	20,000
Sudan: Ethiopia (mostly Eritreans)	150,000
Swaziland: South Africa	120
Tanzania:	
Burundi	110,500
Rwandese	23,000
Ugandans	3,000
South Africa	300
Total	136,800
Western Africa: Scattered movement	4,000
Zaire:	
Angola	510,000
Cabinda	35,000
Burundi	18,500
Total	563,500
Zambia:	
Angola (in camps)	12,000
Namibia	3,500
Zimbabwe	13,500
Miscellaneous	2,100
Tota	31,100
Grand total	1,872,315

[1] Principally Central African Republic.

Mr. KENNEDY. Mr. President, refugee problems are particularly acute in Zaire, in southern Africa, in the western Sahara, in the Sudan and, most recently, in Kenya with refugees from Uganda and Ethiopia. The escalating conflict in Zimbabwe is especially producing a steady flow of refugees and displaced persons, and this will likely continue in the months ahead.

All these refugees are fleeing into neighboring African countries which simply are unable to cope with the problem. Given their meager resources and the poverty of their own people. Especially hard pressed today in southern Africa are Botswana, Lesotho and Swaziland. Refugee problems are also growing in Zaire, Zambia, Tanzania, and Kenya.

The principal burden for helping refugees in all of these countries falls mainly upon the U.N. High Commissioner for

Refugees, UNHCR, and U.S. contributions in support of his program are financed principally through the Department of State's migration and refugee assistance account.

This year, the UNHCR program in behalf of African refugees is running close to $50 million, and next year's budget will also be high. Clearly, the funds currently available—from the refugee and migration assistance account, as well as other sources—are inadequate to provide an appropriate American contribution to these refugee programs.

To date, the United States has provided very little support to the Expanding UNHCR programs in Africa—despite urgent appeals from the UNHCR. These needs, coupled with the escalating problems in Zaire, Sudan, and Kenya, call for greater contributions by the United States—not only to UNHCR, but also in support of activities by the International Red Cross and several American voluntary agencies.

The International Rescue Committee, ICR, for example, has just started a program in Kenya to assist refugees from Uganda. The IRC is also working with other voluntary agencies among refugees in Zaire. These agencies are using their own private resources but could do a great deal more with our help.

According to the language of the conference committee report on the authorization bill, some $7 million appropriated by this amendment will provide additional funds necessary to support the work of the UNHCR, as well as other international agencies, in responding to the growing needs of refugees and displaced persons throughout Africa. These additional funds will also enable the United States to respond in an expeditious way to future appeals by the United Nations Secretary General Kurt Waldheim, or the UNHCR, for emergency funds to meet the growing crisis of people in southern Africa and elsewhere.

The second purpose of this amendment is to provide needed funding for resettlement grants to private American voluntary agencies assisting in the resettlement of refugees in the United States.

Traditionally, most of the total cost of resettling refugees in the United States has been borne by the private voluntary agencies. However, in the recent instances of massive refugee movement into this country, beginning with the Cuban parole program and most recently with the Indochina refugee resettlement effort, the voluntary agencies have necessarily looked to the Government for assistance. The provision of resettlement grants has also been given in recent years to refugees from Eastern Europe and the Soviet Union, who have been the only refugees receiving resettlement grants on a regular basis.

Recently, however, the Senate appropriations committee, during its consideration of the recent supplemental appropriations bill, broadened the scope of the refugee and migration assistance account as it relates to the resettlement of refugees in the United States. By eliminating language that restricted funding for refugee resettlement, the committee took an important step toward treating equally all refugees entering the United States, and I commend the action of the distinguished Senator from Hawaii, (Mr. INOUYE).

However, funds now appropriated in the refugee and migration assistance account are insufficient to help meet the anticipated needs of the voluntary agencies in resettling refugees now entering the United States. These refugees include "boat people" from Indochina entering under the conditional entry program, Kurdish refugees and other Middle East refugees, Chileans and others from Latin America, Chinese refugees in Hong Kong, and refugees from Eastern Europe and the Soviet Union—especially Soviet Jews. It is anticipated that up to 30,000 refugees will enter the United States this coming year, and that $6 million is a basic minimum that will be required to help the voluntary agencies in resettling the refugees.

The amendment has broad support within the voluntary agencies. It is not opposed by the Administration.

I was wondering if the manager will be able to take this amendment to conference?

Mr. CLARK. Mr. President, will the Senator yield?

Mr. KENNEDY. Yes.

Mr. CLARK. I would just like to associate myself with the remarks of the Senator from Massachusetts. In fact, I offered this amendment in the Subcommittee on Foreign Assistance, and it was adopted on that occasion, as the Senator has said. It was in the authorization bill.

Obviously, since the appropriation bill was market up prior to the completion of the authorization, there was no opportunity for this committee to consider it.

But in traveling particularly in southern Africa in 1976—$8 million of this deals with Africa—I visited a number of refugee camps where people were in very, very desperate circumstances, with only corn meal or mealy meal to eat, and very, very bad provisions. So I certainly support the Senator from Massachusetts.

Mr. INOUYE. Mr. President, at this late hour it is very tempting for the managers to accept all amendments and take them to conference. But to do this would be a rather dishonest exercise, knowing that some of these are going to be falling by the wayside as we approach the conference.

As a matter of practice this manager, whenever he accepts an amendment, has made a serious attempt to fight for that amendment in conference. I cannot fight for this amendment in conference. It just happens that I feel according to our studies that the funds presently available are sufficient. The funds in the South African Special Fund can be used for this purpose, if necessary. You also have a contingency fund. Furthermore, I will assure my distinguished friend from Massachusetts that if events in the future months should indicate the funds are insufficient, this subcommittee will not only welcome but will support a supplemental request for additional funds. So I would hope that, in order to leave this place at a decent hour, the Senator will withdraw his amendment.

Mr. KENNEDY. I thank the Senator from Hawaii. With those assurances I look forward to working with the Senator and the committee with respect to emergency requirements and the supplemental. All of the funds for this year have expired, but we are talking about next year's appropriation, and we will look forward to working with the committee to make the case on that particular matter.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment of the Senator from Massachusetts is withdrawn.

Mr. INOUYE. I thank the Senator very much.

AMENDMENT NO. 817

Mr. KENNEDY. I call up my amendment No. 817.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes amendment No. 817:

On page 12, line 7, strike out "$30,000,000" and insert in lieu thereof the following: "$29,400,000: *Provided*, That none of the funds appropriated under this heading may be used for the Republic of Nicaragua".

On page 16, line 14, strike out "$688,350,000" and insert in lieu thereof "$685,850,000".

On page 16, line 17, immediately before the period insert a colon and the following: "*Provided further*, That none of the funds appropriated under this heading may be used for the Republic of Nicaragua".

Mr. KENNEDY. Mr. President, this amendment is a very simple amendment. It basically strikes out the military aid and assistance for next year for Nicaragua.

Mr. President, last year the Congress provided in the Foreign Assistance Act that it is the policy of the United States not to provide military assistance to "any country, the government of which engages in a consistent pattern of gross violations of internationally recognized human rights." By this provision, we have committed our country to a fundamental proposition—not only do we refuse to sacrifice our own liberties to political expediency, but we also refuse to allow our military support to be the mainstay of those who would suppress the civil liberties of others.

We have been asked to appropriate $3.1 million in military assistance to Nicaragua—$600,000 for military training and $2.5 million for foreign military sales credits. This is in addition to $15 million in new economic assistance and over $58 million currently in the pipeline. The amendment I am now calling up would strike only the $3.1 million in military aid from the bill. It would therefore leave untouched the over $70 million in economic aid, but it would terminate our material support and implied moral condonement of that nation's brutal military establishment.

Last month, this body responded to the human rights standards of the Foreign Assistance Act by terminating military aid to Ethiopia and Argentina, just as it had 1 year ago to Chile. My friend and colleague, Senator CHURCH, joins me in calling for military aid cutoff on the same grounds today in the case of Nicaragua, as we did last month in the case of Argentina and as I, and my cosponsors, did in 1975 and 1976 in the case of Chile.

The United States has a special historic responsibility to the people of Nicaragua. It was U.S. Marines who established and trained what the State Department has referred to as "the personal instrument" of the Somoza family for 40 years—the Nicaraguan National Guard and its auxiliary paramilitary formations. It has been the U.S. Agency for International Development that has provided the Somoza regime with almost 15 percent of its annual governmental expenditures. It has been U.S. Security assistance that has both trained and maintained the present national guard and its paramilitary auxiliaries, and it is our continuing military aid in particular that indicates to the Somoza regime and the world that we continue to condone prevailing conditions of arbitrary arrest, political suppression, murder, and atrocity.

Why do I call on this body to terminate military assistance to the regime of President Somoza? Because of the recent wave of Government-organized political suppresssion waged by the national guard against the people of that country.

While Nicaragua has never been a model of democratic rule in Latin America, represssion and terrorism has intensified since early 1975, primarily in response to a terrorist raid by Cuban-backed Sandinist National Liberation Front insurgents otherwise known as Sandinistas, in which four persons were killed.

The immediate response of the Nicaraguan authorities was prompt, forceful, and at that time perhaps even justified. A state of siege was declared and martial law imposed. But the "emergency measures" undertaken by the Nicaraguan Government, most of which are still in force, have gone far beyond those needed to deal with what close observers now regard as a minimal security threat.

At the present time, civil rights have been suspended and the right of habeas corpus no longer exists. Justice in Nicaragua is now dispensed almost solely through the military courts, which have been empowered to hear any case. Defendants' rights have been arbitrarily limited by martial law and the absolute censorship of the media. Indictments against defendants are based on their own "confessions" and extracted under shocking conditions of torture and violence.

Current Amnesty International evidence, based on its latest mission to Nicaragua, has documented a policy of systematic torture and atrocities against detainees of the Nicaraguan National Guard. It has recorded continuing incidents of prolonged beatings with fists, rubber hoses, and rifle butts. Using cattle prods or wires connected to regular household current, severe electric shocks are applied to the most sensitive parts of the body.

One particularly sadistic torture is referred to by national guard interrogators as "el telephono", or "the telephone", where prisoners' ears are struck so hard as to explode the eardrums, causing total or partial deafness.

Then, there are the detention camps—characterized by one religious source as little more than "corrals with the addition of armed guards"—where hundreds of campesinos have been imprisoned. Such allegations have been corroborated by a letter signed by 31 Capuchins missionaries—all American citizens—who cite the "disappearance" of over 200 campesinos over the past 2 years.

In addition, there have been numerous reports of attacks by the national guard against the church. Last year 26 chapels were commandeered for the use of the national guard as barracks or to store supplies. Church services have been arbitrarily disbanded, priests have been harassed and beaten, and Catholic lay leaders have been singled out for arrest and subjected to unspeakable torture. The list of tortures documented by amnesty international goes on and on.

It is against this horrifying background that the seven Roman Catholic bishops of Nicaragua took the unprecedented step this past January of accusing the Nicaraguan Government in writing of a systematic campaign of torture, rape, and mass killings of civilians by the national guard.

The Government censors blocked publication of their letter, which was read instead from the pulpits of the country. In it, the Nicaraguan bishops condemned the utilization of methods "which are humiliating and inhuman; from tortures to rapes to executions without a previous civil or military trial."

The collective consciences of the bishops of Nicaragua can hardly be called a Cuban-backed Communist element—they have been unanimously characterized as "conservatives" by sources ranging from Time magazine to the pro-Somoza witnesses at hearings held in April by the House Foreign Operations Subcommittee.

How is it possible that our Nation can condone and, in reality, actively support such crimes? And let us not delude ourselves—American material support and political backing have been and continue to be constituent elements of the present situation in Nicaragua.

The Somoza family has for 40 years relied on the American-trained national guard as its brutal means to power—State Department witnesses have referred to it as the "personal instrument" and the "principal power base" of the Somozas. The national guard depends on the United States for its military equipment, weapons and the training of its officer corps.

All graduates of the Nicaraguan Military Academy receive postgraduate studies at the School of Americas—the American-run, staffed, and financed college of military science located in the Canal Zone. How can we possibly disclaim any responsibility for the national guard's role in the current state of affairs in Nicaragua, when 75 percent of its officer corps has received training from our own military?

I am therefore convinced that we should end military aid to Nicaragua if we are to abide by the human rights provisions of the Foreign Assistance Act. Indeed, I believe that the use of American tax dollars to shore up the Nicaraguan National Guard—acknowledged by the administration to be a combined military and police force—raises serious questions in terms of the prohibition of U.S. assistance to foreign police forces and prisons under section 660 of the act.

The primary arguments for continuing American military support of Nicaragua are threefold: That such assistance enhances U.S. security and prevents a Cuban-inspired takeover in Nicaragua; that the Somoza government is one of our strongest supporters in Latin America; and that severing this link eliminates a key bargaining chip for future efforts to foster respect for human rights in Nicaragua. I remain completely unconvinced by each of these arguments.

When asked on March 24, 1977, "What would be lost to the United States and what security interests would be violated if the committee suspended all aid to Nicaragua in view of some of the gross violations of human rights in that country", Under Secretary of State Lucy Benson told the House Foreign Operations Subcommittee: "I cannot think of a single thing." The threat of Cuban intervention is minimal, according to all reasonably objective observers. Insurgent strength is estimated at only 50 men in Nicaragua—this is hardly a serious threat to a nation of 2.3 million with a military force of around 7,000. Surely the proponents of the Nicaraguan regime cannot be considering that Nicaragua might "go Communist"?

The second argument is that Nicaragua under the Somoza family has been "our closest friend" in South America. It is true Nicaraguan foreign policy has been closely alined with our own, from support during the Korean war to providing bases for the Bay of Pigs invasion. But are we going to tell the world that American morality in foreign policy is for sale, that the closer you aline your foreign policy with ours the more guns we will give to oppress your peoples—and to better the bargain, we will even look the other way?

This is not hyperbole. We have just learned that 5,000 M–16 rifles have been shipped to the 7,000–man Nigaraguan National Guard, financed by foreign military sales credits for fiscal year 1977. This is the result of an executive branch decision made during the transition period between the Ford and Carter administrations. The House did not have this information when it voted to appro-

priate military aid to Nicaragua. All it was told was that the administration would not approve further security assistance agreements until the Nicaraguan human rights situation improved. I submit that this shipment makes a mockery of those assurances.

We should examine the friendship of our "closest ally in Latin America" in some detail. Following allegations of theft and corruption in the allocation of international disaster funding in the wake of last years' earthquake, the Agency for International Development commissioned a report by a reputable firm of Nicaraguan lawyers which revealed the "direct participation of government employees in the land transactions, prior knowledge of land transfers and gain thereof by government officials, inflated land values of up to 1,156 percent over a 3-month period, and lack of any ethics in transactions in which the public sector was involved." What this represents in plain and simple language is a well-documented, and government sanctioned rip-off of millions of dollars of taxpayers' money by the "best friend" of the United States in Latin America.

Nor can I accept the reasoning of the third proposition—that terminating military aid eliminates a key U.S. bargaining chip for human rights in Nicaragua. Over $70 million in economic aid remains unimpaired, including $185 million appropriated for fiscal year 1978. This surely is a legitimate source of diplomatic leverage.

At the same time, termination of military assistance—the most intimately related to the Nicaraguan National Guard—will serve as an unequivocal signal that we disapprove of its repressive practices.

The State Department has urged the Congress to give the administration this $3.1 million military appropriations as a blank check, stating that such assistance will be withdrawn if the human rights situation does not "improve". But what have past improvements really consisted of? Eleven times in the past 15 months we are told the State Department has made formal representations to the Somoza government—with no results.

What can we expect on the 12th and 13th representations without some meaningful sign that we mean what we say? Yet the administration continues to disburse previously appropriated military aid to Nicaragua.

Let there be no mistake about American identification with the repressive practices of Somoza's national guard—how could there be, when eyewitnesses have documented the Nicaraguan troops are purposefully dressed in American uniforms complete with American insignia, and drive American made vehicles emblazoned with U.S. Army markings.

Such links with the United States are fostered by President Somoza to promote an image of close personal ties with the powerful United States, not caring whether our name is tarnished by the atrocities of his regime. Is this a friend of the United States? Are these acts destined to win the support of the Nicaraguan people for the American ideals of democracy and friendship with Latin America?

What would be the reaction of any Senator here today if the President were to establish a family dynasty, gut the judicial system and replace it with military courts, harass, jail, torture, and execute innocent individuals out of hand? Without question, one would seek an immediate and effective change of the system. And if all viable democratic avenues were seen to be closed, one would resort to other measures—and eventually violent, revolutionary ones. In Nicaragua, and elsewhere in the world, our foreign assistance policy must be to meet human needs, not to repress human aspirations; to encourage democratic change, not to subsidize brutal dictatorships.

We cannot afford to ignore the impact of any decision to provide further military aid to Nicaragua. I have in my hand a copy of Novedades, the press mouthpiece of Somoza. It headlines the House appropriation last month of more military aid for Nicaragua. It gloats over the gagging of Somoza's critics in this country and misrepresents the House action as direct support for Somoza. At the same time. Nicaragua has suppressed a U.S. Embassy statement that the administration will not provide any military assistance funds until there has been improvement in the human rights situation in Nicaragua. Do we want to be unwilling partners once again to Somoza's proclamation of American support for his internal practices?

Mr. President, in 1930 the great American commentator Will Rogers asked a very pertinent question: "Why are we in Nicaragua, and what the hell are we doing there?"

This question applies today, to this debate on military aid to Nicaragua.

Our true interests—including those in the humanitarian and security sphere—should rest with the broad masses of people—not with narrowly based and repressive elites. Let us remain true to the precepts that we ourselves live by. I therefore urge that the 1978 appropriations presently before us be amended to strike the $3.1 million in military assistance to Nicaragua.

Mr. INOUYE. Mr. President, once again at this late hour I am tempted to accept this amendment. Nevertheless, I cannot in good conscience accept it. Not because I disagree with the description of the conditions in Nicaragua provided by the Senator from Massachusetts, but because we are singling out one country. The subcommittee has tried its very best to be consistent throughout this bill in keeping out all restrictive language relating to individual countries. We have gone through a whole exercise this afternoon deleting prohibitions against Cuba, Angola, Mozambique, Uganda, South Korea, Laos, and Cambodia. For this manager to accept this amendment now would be not keeping faith with the subcommittee.

However, I can assure the Senator from Massachusetts that we have been monitoring this military program very carefully. We are satisfied that the administration is not only sincere but has applied the muscle to make certain that human rights throughout the world are held.

To accept the Senator's amendment would be, if I may suggest, to tie the hands of the administration, an administration that is doing a good job, as the Senator has indicated.

I would hope that we will give the President of the United States the diplomatic flexibility that is necessary in convincing these wayward countries to follow the democratic path, and hopefully in that spirit the Senator will be willing to withdraw his amendment.

Mr. KENNEDY. Mr. President, what concerns me is that we have very substantial bargaining power at the present time, some $70 million for Nicaragua at this very moment. All we are talking about is really a very limited amount, which is $3.5 million, which is one-sixth of this year's appropriation.

So we have a good deal of leverage at the present time. The leverage argument I am not sure really amounts to much, and I am troubled by the fact that we effectively have had some 11 different missions that have traveled to Nicaragua by the Department to urge progress in this area of human rights.

As I indicated, I supported what I understood to be the policy of the administration in terms of prohibiting the sale of these weapons to Nicaragua, and now we have these exceptions that I mentioned earlier in my statement.

I realize however that we do have a new administration and the President is making sincere efforts, but I want to give every indication both to the Senate and to the committee that we will follow this particular country very closely.

The Senator makes an argument in terms of trying not to target specific countries in different provisions of different sections of the bill. Of course, we have in this body in the period of the last 4 years voted the termination of military sales to Chile and more recently to Argentina. I think we have made an important impression in a number of countries of the seriousness with which we take this issue.

The Senate has gone on record with regard to Chile and Argentina, and I think it should be very clear to the government of Nicaragua that we are going to watch extremely closely the activities of their government, and I am sure we will be effective in terminating military aid and assistance if there is no further progress.

So I am prepared to see that we pass over this particular amendment. We will have further opportunity in the next several months to consider it as well and will see what progress can be made. And let me reiterate: I intend to watch, and I am sure that all of my colleagues intend to watch, the human rights situation in Nicaragua very carefully. While

we cannot interfere within the sovereign domain of another state, we cannot continue to be a constituent element of foreign repression. Let me make it clear—if the situation in Nicaragua has not improved, I will undertake to prohibit U.S. military assistance to that country in the near future.

I appreciate the assurances of the chairman of the committee that he will work closely with us on this particular measure and in monitoring this policy paticularly in Nicaragua, and with those assurances, I shall withdraw the amendment. Just before making that statement however, I yield time to the Senator from Idaho.

Mr. CHURCH. Mr. President, I certainly do concur with the action being taken by the distinguished Senator from Massachusetts. We all know of President Carter's deep commitment to human rights. As I understand it, the policy of the administration is to deny or terminate military assistance to foreign governments engaged in the gross violation of human rights. Any list of such governments in this hemisphere would have to include Nicaragua.

It was for this reason that the House Appropriations Committee voted, 22 to 21, to withhold military assistance from Nicaragua, and only after receiving the assurance of the administration that no such assistance would be extended unless conditions there were corrected was that action abandoned.

So the distinguished Senator, in withdrawing his amendment, expresses his confidence in President Carter. I have no doubt the President intends to keep his pledge, but past experience has taught us that sometimes zealous administrators find ways to justify the continued shipment of arms, despite the best of intenions.

I think that it is good to give notice that if this turns out to be the case in Nicaragua, then Congress is prepared to later consider an amendment of this kind. After all, it was only after Congress did take such action that we finally brought an end to the shipment of arms to countries like Argentina and Chile. We always must stand ready to adopt a prohibition of this kind if experience shows it to be necessary. But we all have faith in the President's desire to promote human rights, and I am confident that the commitment of the administration will be kept in the case of Nicaragua.

Mr. SCHWEIKER. Mr. President, I call up my amendment—

The PRESIDING OFFICER (Mr. STONE). There is an amendment pending.

Mr. KENNEDY. Mr. President, I think it ought to be very clear from the record and the statements made by the chairman of the committee that this country is going to be watched with great care in the next several months. I want to assure the Senate and our cosponsors that we are deadly serious in the pursuit of this particular issue. We will pursue it in the committee and on the floor. We are going to cooperate with our administration in insuring that progress is made.

With those assurances, I withdraw the amendment.

Tht PRESIDING OFFICER. The amendment is withdrawn. The Senator from Pennsylvania is recognized.

AMENDMENT NO. 705

Mr. SCHWEIKER. Mr. President, I call up my amendment No. 705, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. Schweiker) proposes an amendment numbered 705: At the appropriate place in the bill, insert the following—

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

Sec. . It is the sense of the Senate that the Secretary of State should prepare and submit to the Speaker of the House of Representatives and to the President of the Senate—

(1) not later than six months after the date of enactment of this section, a report on the adequacy of insurance provided by the accredited diplomatic missions to the United States to cover loss or injury arising from the wrongful acts or omissions of the employees of such missions in the United States;

(2) not later than one year after the date of enactment of this section, a report on what efforts the President and the Secretary of State have made to encourage the provision of such coverage; and

(3) not later than six months after the date of enactment of this section, a report on what the Secretary of State has done to encourage the Government of Panama to make satisfactory compensation to Dr. Halla Brown for loss or injury arising out of the accident of April 20, 1974.

Mr. SCHWEIKER. Mr. President, my amendment, very simply, deals with the case of Dr. Halla Brown, who was permanently paralyzed from the neck down in an automobile accident caused by a diplomat, and now she is a paralyzed cripple. So far her medical costs have totalled $250,000 or more, and it is costing $50,000 a year or more to keep her.

My amendment would simply request, in a sense of the Senate resolution, the Secretary of State to submit a report on the adequacy of insurance provided by accredited diplomatic missions to the United States within 6 months of the enactment of this section, and would request within 1 year a report on what efforts the executive branch has made to encourage the provision of such coverage, and a report within 6 months on what the Secretary of State has done to encourage the Government of Panama to make satisfactory compensation to Dr. Halla Brown.

Mr. President, I am very disturbed about the nature of our laws governing foreign diplomats in the United States. Recent media reports regarding the case of Dr. Halla Brown, who was permanently paralyzed from the neck down in an automobile accident involving a Panamanian diplomat, and the refusal of the Panamanian Government to assume full responsibility are shocking. Under the terms of the 1970 law by which diplomats are immune from civil action, Dr. Brown is personally responsible for about $50,000 per year for her around-the-clock nursing care and medical expenses as a result of this tragedy. So far these have amounted to more than $250,000.

This case not only demonstrates the need for a thorough-going revision of U.S. law governing foreign diplomats, but also the need for at least a minimal assumption of responsibility by foreign embassies for their diplomatic personnel. Therefore, Mr. President, I am offering an amendment which would draw attention to this issue by urging that diplomatic missions be adequately insured and that the Government of Panama provide satisfactory restitution to Dr. Brown. Specifically, my amendment would request the Secretary of State to submit to the House and Senate a report on the adequacy of insurance provided by accredited diplomatic missions to the United States within 6 months of the enactment of this section; would request within 1 year a report on what efforts the executive branch has made to encourage the provision of such coverage; and would request within 6 months a report on what the Secretary of State has done to encourage the Government of Panama to make satisfactory compensation to Dr. Halla Brown.

While Dr. Brown's case may have been the most tragic, hers is not the only situation where our outdated laws governing diplomatic immunity has resulted in great hardship to American citizens, who usually find themselves without legal recourse. By requiring that foreign diplomats be adequately covered by insurance, we will prevent the kind of financial difficulties confronted by Dr. Brown. It is my strong belief that the American taxpayer should not be responsible for the negligence of foreign diplomats—either directly or by the passage of private relief legislation. As an immediate step in this direction, and as a recognition of responsibility, I would hope that the Government of Panama would respond to the concern of the Senate by providing satisfactory restitution to Dr. Brown.

Frankly, Mr. President, I had originally a little tougher approach than this, but after talking with our distinguished chairman, I feel this is the best way to proceed to put people on notice that we intended to get serious about this matter.

Before asking the chairman of the subcommittee some questions concerning my amendment, I would like to thank him for making some constructive suggestions concerning this issue. As you will recall, I originally thought I would approach this matter by offering an amendment to eliminate the military assistance for Panama, with report language saying that the subcommittee would reconsider the request for assistance to Panama should that Government make satisfactory restitution to Dr. Brown. However, because of my belief that the bigger pic-

ture regarding diplomatic immunity should be looked at, I took some of the chairman's suggestions and instead am offering this amendment.

Mr. President, I would like to ask the chairman if he would be willing to consider next year the cutoff of funding to countries that do not require their mission personnel here in the United States to carry sufficient liability insurance as is encouraged in my amendment after we have allowed adequate time for the report to Congress.

The reason I ask that question is that it would be my intention to offer such amendments next year unless it is certain that American citizens are protected from the results of wrongdoing or negligence by diplomatic personnel.

Mr. INOUYE. Mr. President, I think not only is the Senator's proposal worthy of serious consideration, but if, after due notice, these countries refuse to cover their diplomatic representatives with adequate insurance, I believe steps should be taken.

Mr. President, the amendment of the distinguished Senator from Pennsylvania is deserving of unanimous support by the Senate. The U.S. Government makes sure that all of our diplomats throughout the world are appropriately and adequately covered by insurance. I would think the least we should expect of other countries which have drivers here, is that they do the same.

Unfortunately, in this case the diplomat involved was not insured. As a result, an American citizen, because of diplomatic immunity, has to suffer almost in silence. I think that is grossly unfair, and we hope, through this sense of the Senate amendment, the Secretary of State will be encouraged to take steps to bring about a change in the situation.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. INOUYE. I yield.

Mr. MATHIAS. Mr. President, I thank the Senator from Pennsylvania for bringing this amendment to the Senate. I think it highlights a very important problem, a problem of great importance to people who live in the Washington metropolitan area, where there are some thousands of diplomats, most of whom are licensed to drive automobiles and many of whom are not insured. I think the Senator's amendment will help crystallize thinking in the State Department.

I would say to the Senate, and particularly the members of the Foreign Relations Committee—I believe the Senator from Minnesota is here, the Senator from New York, and the Senator from Iowa—that there are pending in the Foreign Relations Committee two bills, one which would repeal the total diplomatic immunity that was granted by Congress in 1790, and which is obviously inappropriate in the automobile age, and would substitute the provisions of the Vienna Convention, which most of the civilized countries of the world agree on, as the proper status of diplomatic immunity; and a second bill which would require compulsory automobile insurance for diplomats who do any driving in this country, and would prevent the insurance companies from pleading the immunity of diplomats when there is, in fact, an accident, which is a common occurrence today.

So what the Senator from Pennsylvania has done is extremely useful in helping focus attention on this problem, and I hope the Foreign Relations Committee will pick up the ball which has been dropped over in their court.

Mr. SCHWEIKER. Mr. President, I thank the distinguished Senator from Maryland. I know he himself has been very active in this area, in the legislation he has sponsored to go that route. I certainly concur in hoping the Foreign Relations Committee will be forthcoming.

Mr. President, I yield back the remainder of my time.

Mr. INOUYE. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment was agreed to.

UP AMENDMENT NO. 751

Mr. HELMS. Mr. President, I send to the desk an unprinted amendment and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 751:

"SEC. . None of the funds appropriated or made available pursuant to this Act shall be available for any action or activity which has or would tend to have adverse effect on industries, including agriculture, and employment in the United States, either by reducing demand for goods produced in the United States or by increasing imports to the United States.

Mr. HELMS. Mr. President, this amendment, of course, is very simple. It would prohibit the use of funds provided by the taxpayers of the United States for any foreign assistance program that has the effect of subsidizing competition with industries, businesses, agriculture, and so forth, in the United States.

I do not have any objection to competition with American industries or agriculture when that competition is fair. But I do not think it is fair when we find that foreign operators can get capital at 1 percent per year, while American business people must pay 10 percent. I do not think it is fair competition when the farmers of the United States must bear high borrowing costs, and then pay taxes to the Federal Government to finance an international aid institution so that foreign farmers can have low-cost or even no-cost capital to compete against them. That is going a little bit too far, Mr. President, and the people of this country are becoming increasingly fed up with it.

If there is an economic reason for some nation to set up an independent industry which might put American workers out of jobs, then the Senator from North Carolina feels that capital for that independent industry should be raised in the private market at market rates without U.S. taxpayers' money or U.S. guarantees.

To put it in perspective, Mr. President, maybe Senators would want to put themselves in the position of a woman who has worked in a clothing factory all of her life. This lady of whom I am thinking has dutifully paid her taxes to her Federal Government every year. Some of her tax money has gone to support the World Bank, the Inter-American Development Bank, and all the rest. But unbeknownst to her, the U.S. director of one of these banks votes to approve a loan at 1 percent interest rate for a clothing manufacturer in a foreign country. Because of the cheap capital and dirt-cheap wages, a flood of inexpensive imports begins to flow into the United States.

As a direct result, the company this lady has worked for years and years finds itself unable to sell its goods. Therefore, it must lay off its workers, and our hypothetical lady is one of the casualties.

This may not be a typical case, and I hope it is not, but I do think we have reached the point where we ought to draw the line. I think we would never want to say that the Congress approved legislation which taxed working Americans to pay for programs which were responsible for the elimination of their jobs.

That is all this simple amendment seeks to accomplish, Mr. President. I think it is entirely reasonable and entirely fair to the working people of this country, and the businesses and industries who are struggling to survive.

Some would point out that the Labor Department administers a program which will provide assistance to our unemployed seamstress, to whom I alluded, and other unfortunate workers who are laid off because of unfair foreign competition financed in part by tax funds provided by the people of this country. Indeed, the President has requested trade adjustment assistance to the tune of $270 million for this fiscal year. This is a great deal of money to help a large number of workers. But is it not ironic, Mr. President, that today the American taxpayers are being asked to cough up about $7 billion for projects which might well, in fact, contribute to the unemployment of American workers?

If American workers are going to wind up being put out of their jobs because we make the judgment to allow vast amounts of cheap imports into our country, at the very least let us make sure that those imports are not subsidized by the American taxpayers.

Mr. President, I will refer to some projects funded by the World Bank and by IDA which might have been affected by the amendment to prohibit loans to industries which compete directly with the United States:

In fiscal year 1975–76, there was an $18 million loan made by IDA for cotton development overseas; a $12 million loan by the World Bank for the fishing industry in the Philippines; $50 million in loans from the World Bank for fer-

tilizer and chemical industries in Brazil; $60 million loaned by the World Bank to iron and steel producers in Brazil; $52 million loaned by the World Bank for textile production in Egypt.

To look back a little further, in fiscal year 1974–75, would you believe, Mr. President, that the World Bank loaned $12.5 million to the fishing industry in Iran? The World Bank loaned $95 million to iron and steel producers in Brazil; $70 million to iron and steel producers in Romania, and $12.5 million to the airline industry in Jamaica.

I could go further. I have a whole list of examples of low cost loans beginning at 1 percent. I believe the distinguished occupant of the chair would be hard-pressed to find a 1 percent loan in his State of Florida to start any sort of enterprise.

Mr. President, I think this amendment might just be titled the fairplay amendment—fairplay for the workers of America, fairplay for the taxpayers of America, fairplay for the businessmen of America—and I urge its adoption.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Of course, Mr. President, the language of this amendment is very tempting, as our distinguished manager of the bill says. It is the kind of an amendment which, on first look, you would ask, "Why not?"

I think it well to consider a couple of things.

Eighty percent of all the funds appropriated in our bilateral aid program are spent in the United States, in American industry, in American agriculture, in American technical services, for American personnel.

That is not a bad package for American industry.

Secondly, our commercial exports to the less developed countries, many of whom are the countries which we are aiding, are larger in amount than our exports to all of Western Europe and all of the socialist bloc countries put together.

If we really just want to give ourselves a good rooking, vote for this amendment. This is really cutting off our noses to spite our faces.

Here are people who buy more from us than our friends in Western Europe and all of the countries of Eastern Europe put together.

Here is a program that is, if anything, not only a foreign aid program, but I happen to think that many of the American industries look with great favor on this program because approximately 80 percent of the entire sum of money provided is made available to American industry.

Let me give some other facts relating to the World Bank and the operations on the U.S. balance of payments. In the 30 years of the Bank Activities, there has been a net favorable impact on the U.S. balance of payments of $1.6 billion.

That is not bad. Those figures are the kinds of figures which make a person sort of feel it is all worthwhile.

There is not any doubt but what we do help other countries with low-interest loans. Some of those loans are very low. The Senator is eminently correct. But the real truth is that these countries have to make a living. When they generate capital from their little industries, whatever they be, a mill, a fishing operation, they spend it, and they spend a great deal of it in the United States of America.

Our problem on balance of payments is not with the less developed countries today; it is with OPEC, it is with oil. That is where our problem is.

These little countries in western Africa, eastern Africa, southern Africa, and in Latin America are some of the best commercial customers we have.

I am not talking about giveaway programs but commercial customers, financed through American commercial banks at prevailing rates of interest for American goods produced in America by Americans so Americans can have the highest standard of living in the world.

I urge the defeat of this amendment.

Mr. INOUYE. Mr. President, after listening to the Senator from Minnesota, I cannot see how any Senator can support this amendment. I associate myself with his remarks and wish to add a few of my own.

At the present time, Mr. President, we are spending millions of dollars in the Public Law 480 program. This program is not part of the bill. It is part of the agriculture bill, but it is an important aspect of foreign aid. It provides food, it provides sustenance for many hungry people in the world. We can continue to carry on this program, keeping these poor people in a perpetual bondage of poverty. By doing that, our farmers will continually produce grain and sell.

But that is not the purpose of our foreign policy. We are trying our best to help some of these downtrodden people to learn to grow their own grain. We are providing aid for that purpose. By providing this aid, we may be reducing Public Law 480 demands; but I think that is in the right path. That is the path we should be following.

We should not insist that these people be perpetually dependent upon the United States, that they be perpetually forced to purchase wheat from Kansas, or from Minnesota. If we believe in equality of mankind, if we believe in justice, the least we can do is make certain that these people be given a fair chance to raise their status.

We are providing funds here so that some of these farmers can purchase farm implements. I am not talking about tractors. I am talking about a pick, a shovel, a hoe. In the year of the Lord 1977, there are thousands upon thousands of farmers throughout the world who are still using sticks. So they are dependent, by this bondage of poverty, to Public Law 480 grains for nutrition.

Mr. HUMPHREY. Will the Senator yield to me?

Mr. INOUYE. Yes.

Mr. HUMPHREY. One of the greatest improvements in America was the rural electrification program. It took the Amercan countryside out of the lantern and the kerosene lamp age and put it into electrical energy and the electric light. It was financed with 2 percent money, far below the going rate. But it has yielded incredible results in a higher standard of living, paid for itself a thousand and one times in revenues to the Government and in the improved productivity of our agriculture.

May I say with equal candor that, even though we may provide low interest rates for some of these loans to these countries that we will call less developed, once they get their production up, once they get their people at work, like anybody else, they want more. They want to eat more, they want to dress better, they want to have a better place in which to live, they want better things. The results are very significant. An example: Taiwan.

Taiwan was one of the largest recipients of American aid at low rates of interest under the developmental assistance program of this Government. It received hundreds of millions of dollars of developmental assistance. Today, Taiwan is one of our best customers. Today, Taiwan has one of the higher standards of living. Today, Taiwan is highly productive in its enterprise and has the finest land reform program in the world. I am here to tell that it was mostly financed out of the early days of American foreign aid.

Taiwan is making its payments back to the United States. Taiwan, today, is an importer from the United States of far more than it exports to us.

Our problems are not exports, Mr. President. That is very, very simple. As long as we are going to have 100 million automobiles on the road, as long as we are going to consume gasoline as if it were never going to run out, and as long as we are not going to provide the kind of conservation that we need in this country for fuel, we are going to have a $25 billion balance of payments deficit.

Mr. HANSEN. Will the Senator yield for one question?

Mr. HUMPHREY. Of course.

Mr. HANSEN. What is the administration's position toward Taiwan? Is it worth saving?

Mr. HUMPHREY. I do not know what it is, I say to the Senator. I do not think it has been worked out. The last position we had was Mr. Nixon's, who said "One China." That is the last position I know of.

Mr. HANSEN. I thank the Senator.

Mr. HELMS. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. HELMS. Maybe Taiwan's problem is that they paid back the loans to us. We are going to kick them in the teeth because of it.

Mr. HUMPHREY. Not with my help, I say to the Senator.

Mr. HELMS. Mr. President, I move the adoption of the amendment. I ask for the yeas and nays on it.

The PRESIDING OFFICER. Is there a sufficient second? There is not now a sufficient second.

Mr. HELMS. All right, I will suggest the absence of a quorum. We will vote one way or another.

The PRESIDING OFFICER. There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I yield back the remainder of my time.

Mr. INOUYE. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from North Carolina.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New York, (Mr. MOYNIHAN), the Senator from Maine (Mr. MUSKIE), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PELL), the Senator from Michigan (Mr. RIEGLE), the Senator from Alabama (Mr. SPARKMAN), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. STEVENSON), the Senator from Georgia (Mr. TALMADGE), the Senator from Delaware (Mr. BIDEN), the Senator from Alaska (Mr. GRAVEL), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Montana (Mr. METCALF), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that, if present and voting, the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PELL), and the Senator from Michigan (Mr. RIEGLE) would each vote "nay."

Mr. BAKER. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Idaho (Mr. MCCLURE), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), the Senator from Vermont (Mr. STAFFORD), the Senator from Alaska (Mr. STEVENS), the Senator from South Carolina (Mr. THURMOND), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. CHAFEE) is absent due to a death in the family.

On this vote, the Senator from South Carolina (Mr. THURMOND) is paired with the Senator from Alaska (Mr. STEVENS). If present and voting the Senator from South Carolina would vote "yea" and the Senator from Alaska would vote "nay."

The result was announced—yeas 11, nays 56, as follows:

[Rollcall Vote No. 345 Leg.]

YEAS—11

Allen	Garn	Helms
Byrd, Harry F., Jr.	Hansen	Laxalt
Curtis	Hatch	Scott
	Hayakawa	Zorinsky

NAYS—56

Anderson	Durkin	Matsunaga
Baker	Ford	McIntyre
Bartlett	Glenn	Melcher
Bayh	Hart	Metzenbaum
Bentsen	Haskell	Morgan
Brooke	Hatfield	Nunn
Bumpers	Hathaway	Packwood
Burdick	Hollings	Pro'mire
Byrd, Robert C.	Humphrey	Randolph
Cannon	Inouye	Roth
Case	Jackson	Sarbanes
Chiles	Javits	Sasser
Church	Johnston	Schmitt
Clark	Kennedy	Schweiker
Culver	Leahy	Stone
Danforth	Long	Tower
DeConcini	Lugar	Wallop
Dole	Magnuson	Williams
Domenici	Mathias	

NOT VOTING—33

Abourezk	Huddleston	Ribicoff
Bellmon	McClellan	Riegle
Biden	McClure	Sparkman
Chafee	McGovern	Stafford
Cranston	Metcalf	Stennis
Eagleton	Moynihan	Stevens
Eastland	Muskie	Stevenson
Goldwater	Nelson	Talmadge
Gravel	Pearson	Thurmond
Griffin	Pell	Weicker
Heinz	Percy	Young

So Mr. HELM's amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CLARK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

U.S. PARTICIPATION IN INTERNATIONAL ORGANIZATIONS

Mr. ALLEN. Mr. President, I want to call to the attention of the Senate a report by the Committee on Government Affairs entitled "U.S. Participation in International Organizations"—February 1977, No. 95–50. The report is concerned with the major international financial institutions and the other international organizations which each year receive massive contributions from the U.S. Treasury.

Mr. President, I would direct Senators' attention to the statement in the report that during the time for which data is now available, 1970–75, "the amount of funds contributed by the United States to international organizations has shown a marked increase." (See report at page 3.)

In fact, Mr. President, the Committee on Governmental Affairs discovered in its analysis of U.S. contributions to international financial institutions that the overall increase in the rate of contributions by the United States to all such organizations during the period 1970–75 was 54 percent. But of even greater interest is the massive rate of increase during that period to the international development banks which we are here once again asked to replenish by the appropriations contained in H.R. 7797.

Mr. President, the Governmental Affairs Committee report shows that U.S. contributions to the International Bank for Reconstruction and Development increased by 166 percent during the period of the study, contributions to the Asian Development Bank increased by an astounding 132 percent, and contributions to the Inter-American Development Bank increased by 65 percent. The International Monetary Fund received an increase of 111 percent.

How long can our Treasury continue to support not only present loan replenishment levels but the predictable massive future requirements of these bloated world financial organizations?

Mr. President, I would recommend to the Senate a close study of the Report of the Committee on Governmental Affairs before final action is taken on the appropriations in H.R. 7797. A careful reading of the committee's report ought to convince any Member of this body of the folly of the continued unquestioned funding of whatever replenishment or contribution is sought. Surely, we should draw the line with something stronger than a "Sense of the Senate" resolution. We should instead express a sense of outrage by refusing to pay out another cent.

SEVERAL SENATORS. Third reading.

The PRESIDING OFFICER (Mr. MATSUNAGA). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats.

Mr. INOUYE. Mr. President, the last business before us is final passage. But before that, I take this opportunity to thank my colleagues in the Senate for their patience and understanding and for the spirit with which they approached this measure. Without this spirit, I think we would be here until October. I am most grateful to all Senators.

I am also very grateful for the assistance which has been provided me by my very able vice chairman, if I may call him that, the distinguished Senator from Pennsylvania (Mr. SCHWEIKER). Without his help, I think we would be swimming around here in the dark.

However, most important—and I am certain Senator SCHWEIKER will agree with me—if it were not for the help of the staff, I think we would all be lost. So I say thank you very much to Helen Dackis, Richard Collins, Jim Bond, Chris Visher and Bill Jordan.

Incidentally, Mr. President, today is Mr. Jordan's birthday. This is a horrible way to spend a birthday. [Laughter.]

Happy birthday, Bill.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. INOUYE. I yield.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ALLEN. Mr. President, I commend the distinguished manager of the bill and the ranking minority Member, Mr. SCHWEIKER, and the staff for their fine work on this bill. I am going to vote against it, as the Senator might imagine, but I do feel that the distinguished Senator from Hawaii and the distinguished Senator from Pennsylvania, with their conciliatory attitude in seeking to reach some sort of accommodation to

allow the matter to come on for a vote, have done an excellent job.

I commend the Senator from Hawaii for his courtesy and for his dedication and for the fact that he is a gentleman in every sense of the word. I commend him for his fine work and his knowledge and expertise in this field.

Mr. INOUYE. I thank the Senator.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. INOUYE. I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back the remainder of my time.

ADJOURNMENT OF THE TWO HOUSES PURSUANT TO PROVISIONS OF HOUSE CONCURRENT RESOLUTION 317—HOUSE CONCURRENT RESOLUTION 330

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 330.

By way of explanation, this resolution will waive the Saturday session. So that Senators may not debate this matter too long, I thought they should be informed. [Laughter.]

The PRESIDING OFFICER. The Chair lays before the Senate, House Concurrent Resolution 330, which will be stated.

The assistant legislative clerk read as follows:

H. CON. RES. 330

Resolved by the House of Representatives (the Senate concurring), That when the Senate adjourns on Friday, August 5, 1977, or on Saturday, August 6, 1977, it stand adjourned pursuant to the provisions of House Concurrent Resolution 317.

Mr. ROBERT C BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 330) was agreed to.

FOREIGN ASSISTANCE APPROPRIATIONS, 1978

The Senate continued with the consideration of H.R. 7797.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Delaware (Mr. BIDEN), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Sentor from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Montana (Mr. METCALF), the Senator from New York (Mr. MOYNIHAN), the Senator from Maine (Mr. MUSKIE), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PELL), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Michigan (Mr. RIEGLE), the Senator from Alabama (Mr. SPARKMAN), the Senator from Mississippi (Mr. STEVENSON), and the Senator from Georgia (Mr. TALMADGE), are necessarily absent.

I further announce that, if present and voting, the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PELL), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Michigan (Mr. RIEGLE), and the Senator from Alabama (Mr. SPARKMAN), would each vote "yea".

Mr. BAKER. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Idaho (Mr. MCCLURE), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), the Senator from Vermont (Mr. STAFFORD), the Senator from Alaska (Mr. STEVENS), the Senator from South Carolina (Mr. THURMOND), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG), are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. CHAFEE), is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) would vote "nay".

On this vote, the Senator from Alaska (Mr. STEVENS) is paired with the Senator from South Carolina (Mr. THURMOND).

If present and voting, the Senator from Alaska would vote "yea" and the Senator from South Carolina would vote "nay".

The result was announced—yeas 40, nays 27, as follows:

[Rollcall Vote No. 346 Leg.]

YEAS—40

Anderson	Ford	Mathias
Baker	Glenn	Matsunaga
Bayh	Hart	McIntyre
Bentsen	Haskell	Metzenbaum
Brooke	Hathaway	Morgan
Bumpers	Humphrey	Packwood
Case	Inouye	Sarbanes
Chiles	Jackson	Sasser
Church	Javits	Schweiker
Clark	Johnston	Stone
Culver	Kennedy	Tower
Danforth	Leahy	Williams
DeConcini	Lugar	
Durkin	Magnuson	

NAYS—27

Allen	Garn	Nunn
Bartlett	Hansen	Proxmire
Burdick	Hatch	Randolph
Byrd, Harry F., Jr.	Hatfield	Roth
	Hayakawa	Schmitt
Byrd, Robert C.	Helms	Scott
Cannon	Hollings	Wallop
Curtis	Laxalt	Zorinsky
Dole	Long	
Domenici	Melcher	

NOT VOTING—33

Abourezk	Huddleston	Ribicoff
Bellmon	McClellan	Riegle
Biden	McClure	Sparkman
Chafee	McGovern	Stafford
Cranston	Metcalf	Stennis
Eagleton	Moynihan	Stevens
Eastland	Muskie	Stevenson
Goldwater	Nelson	Talmadge
Gravel	Pearson	Thurmond
Griffin	Pell	Weicker
Heinz	Percy	Young

So the bill (H.R. 7797) was passed.

Mr. INOUYE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. INOUYE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 7797.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. INOUYE, Mr. PROXMIRE, Mr. CHILES, Mr. JOHNSTON, Mr. LEAHY, Mr. DECONCINI, Mr. SCHWEIKER, Mr. BROOKE, Mr. HATFIELD, and Mr. MATHIAS conferees on the part of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I take the floor at this time to express my personal appreciation and my compliments to Senator INOUYE and to Senator SCHWEIKER. We have seen here a remarkable display of teamwork and cooperation by these two fine Senators in the handling of a very difficult piece of legislation. It is in many respects a thankless task.

They are entitled to the commendations of their colleagues, and I personally again thank them and salute them for a job well done.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I thank the majority leader for yielding so that I can associate myself with his remarks, and extend my congratulations to the distinguished manager of the bill, and the distinguished manager on behalf of the minority. Both the Senator from Hawaii (Mr. INOUYE) and the Senator from Pennsylvania (Mr. SCHWEIKER) have shown not only diligence but good judgment in bringing this matter to a final conclusion. This is the sort of bill that could have kept us here late into the night and, indeed, until tomorrow. I think they have done a magnificent job of accommodating to the diverse views and ideas of the Members of this body, and were able to still bring us a bill that is fully worthwhile and in the best traditions of the Senate. I thank them for it.

Mr. SCHWEIKER. Mr. President, I just want to thank the distinguished majority leader and the distinguished minority leader because at a very criti-

cal time when it looked like we had 70 amendments and 20 hours of debate they both gave us the full resources of their leadership positions to help resolve some of the issues. I know, frankly, without their backing in a bipartisan way we would not have been able to break through today and pass this bill.

Finally, as I said in my opening remarks, I commend the Senator of Hawaii, my distinguished chairman, who I felt had a very reasonable, a very rational, and a very logical approach to resolving a number of these difficult issues so that it was easy to work with him. I commend his leadership on the bill.

Mr. INOUYE. Mr. President, I feel I have said too much in the past 2 days. But I must add a final word in thanking my leaders, Senator ROBERT C. BYRD and Senator BAKER, for not only the kind words but for the meaningful assistance they gave us in bringing this bill to final passage.

As I said earlier, without the assistance of Senator SCHWEIKER I think we would be here until October.

I thank the Senator very much.

FURTHER ROUTINE MORNING BUSINESS

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 5, 1977, he presented to the President of the United States the following enrolled bills:

S. 1235. An act to authorize appropriations for the Peace Corps for fiscal year 1978;

S. 1377. An act to amend the statute of limitations provisions in section 2415 of title 28, United States Code, relating to claims by the United States on behalf of Indians;

S. 1765. An act for the relief of the Federal Life and Casualty Company of Battle Creek, Mich.; and

S. 2001. An act authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, water conservation, recreation, hydroelectric power and other purposes.

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 10:03 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 1377. An act to amend the statute of limitations provisions in section 2415 of title 28, United States Code, relating to claims by the United States on behalf of Indians.

The enrolled bill was subsequently signed by the President pro tempore.

At 11:27 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bills, each with an amendment, in which it requests the concurrence of the Senate:

S. 1135. An act to abolish the Joint Committee on Atomic Energy and to reassign certain functions and authorities thereof, and for other purposes; and

S. 1935. An act to amend Public Law 95–18, providing for emergency drought relief measures.

At 4:30 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 7589, making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes.

The message also announced that the House has agreed to House Concurrent Resolution 330, relating to the adjournment of the Senate until September 7, 1977, in which it requests the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the following enrolled bills and joint resolution:

H.R. 1952. An act to amend the corporate name of AMVETS (American Veterans of World War II), and for other purposes;

H.R. 4991. An act to authorize appropriations for activities of the National Science Foundation, and for other purposes;

H.R. 6179. An act to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1978, and for other purposes;

H.R. 6370. An act to authorize appropriations to the U.S. International Trade Commission, to provide for greater efficiency in the administration of the Commission, and for other purposes; and

H.J. Res. 372. A joint resolution to authorize the President to issue a proclamation designating the week beginning on November 20, 1977, as "National Family Week."

The enrolled bills and joint resolution were subsequently signed by the Deputy President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–1797. A letter from the Secretary of Agriculture transmitting, pursuant to law, a report concerning studies to determine the reasons for extensive loss of livestock sustained while being transported in interstate commerce for commercial purposes (with an accompanying report); to the Committee on Agriculture, Nutrition, and Forestry.

EC–1798. A letter from the Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, a report of the actions taken by the Export-Import Bank of the United States under the authority of Public Law 90–390 during the quarter ended June 30, 1977 (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC–1799. A letter from the Chairman of the Federal Power Commission transmitting, pursuant to law, the Commission's annual report for the fiscal year July 1, 1975 through June 30, 1976, and for the transition quarter July 1 through September 30, 1976 (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1800. A letter from the Secretary of the Panama Canal Company transmitting, pursuant to law, a report on a proposed new system of records, in accordance with the Privacy Act (with an accompanying report); to the Committee on Governmental Affairs.

EC–1801. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Government Agency Transactions with the Federal Financing Bank Should Be Included on the Budget" (PAD–77–70) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1802. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Government Agency Transactions with the Federal Financing Bank Should Be Included on the Budget" (PAD–77–70) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1803. A letter from the Commissioner of Education transmitting, for the information of the Senate, recommendations adopted by the National Advisory Committee on the Handicapped at a recent meeting held in Washington, June 8–10 (with accompanying papers); to the Committee on Human Resources.

EC–1804. A letter from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation, as well as a list of the persons involved (with accompanying papers); to the Committee on the Judiciary.

EC–1805. A letter from the Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, a report of the actions taken by the Export-Import Bank of the United States under the authority of Public Law 90–390 during the quarter ended March 31, 1977 (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC–1806. A confidential communication from the Comptroller General of the United States transmitting, pursuant to law, a report on how the Army planned for three new divisions and how this can be improved (LCD–76–454) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1807. A letter from the Secretary of Labor transmitting, pursuant to law, a report on the administration of title IV of the Federal Coal Mine Health and Safety Act of 1969, as amended by the Black Lung Benefits Act of 1972, through December 1976 (with an accompanying report); to the Committee on Human Resources.

EC–1808. A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a report on the high school equivalency program and the college assistance migrant program (with an accompanying report); to the Committee on Human Resources.

EC–1809. A letter from the Executive Secretary of the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a document concerning community service and continuing education—special programs and projects that has been

transmitted to the Federal Register for scheduled publication (with accompanying papers); to the Committee on Human Resources.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM-292. A petition from the Honorable Corrada, Resident Commissioner, Puerto Rico, concerning H.R. 7200 providing for the extension, on a limited basis, of the benefits payable under the supplemental security income program to the United States citizens residing in Puerto Rico; to the Committee on Finance.

POM-293. House Concurrent Resolution No. 290 adopted by the Legislature of the State of Michigan requesting the Federal Aviation Administration to keep the flight Inspection Field Office at Kellogg Airport, in Battle Creek; to the Committee on Commerce, Science, and Transportation:

"HOUSE CONCURRENT RESOLUTION No. 290

"A concurrent resolution requesting the Federal Aviation Administration (FAA) to keep the flight inspection field office at Kellogg Airport in Battle Creek

"Whereas, The Federal Aviation Administration (FAA) is studying possible consolidations involving four of its seven flight inspection field offices, including an option of closing its forty-eight-employee operation in Battle Creek; and

"Whereas, The inspection office has been based at Kellogg Airport for more than twenty years. Its staff includes pilots, procedure specialists, mechanics, electronic technicians, clerical workers, and a supply technician; and

"Whereas, At Kellogg Airport, the flight inspection field office has a hanger, maintenance shop, and office, all leased from the City of Battle Creek for about $75,000 a year. The closing of the facilty would mean a payroll loss of $983,000 a year; and

"Whereas, It is alleged that the Federal Aviation Administration is considering the possibilty of combining the two flight inspection field offices—Battle Creek and Minneapolis—at one of the present sites; now, therefore, be it

"Resolved by the House of Representatives (the Senate concurring), That the Michigan Legislature hereby strongly request the Federal Aviation Administration to keep the flight inspection field office at Kellogg Airport in Battle Creek; and be it further

"Resolved, That copies of this resolution be transmitted to the Federal Aviation Administration, the Secretary of Transportation, the President of the Senate, the Speaker of the House of Representatives, and to each member of the Michigan delegation to the Congress of the United States.

"Adopted by the House of Representatives, June 13, 1977.

"Adopted by the Senate, June 30, 1977."

POM-294. House Concurrent Resolution No. 285 adopted by the Legislature of the State of Michigan memorializing the Congress and the President of the United States to accept the overland arctic gas project; to the Committee on Energy and Natural Resources:

"HOUSE CONCURRENT RESOLUTION No. 285

"A concurrent resolution memorializing the Congress and the President of the United States to accept the Overland Arctic Gas Project

"Whereas, A decision will be made this year concerning the selection of a transportation system to deliver new supplies of natural gas found in Alaska to consumers in the lower forty-eight states; and

"Whereas, The proved reserves at Prudhoe Bay are the largest ever discovered on the North American continent and are equivalent to at least five percent of the Nation's natural gas consumption for the next quarter century; and

"Whereas, Among the three competing projects for delivery of natural gas supplies is the overland Arctic Gas Project, the only plan favored by the Michigan Gas Association, a trade organization comprised of ten member gas utility companies serving 2.5 million residential, commercial, and industrial consumers in the State of Michigan; and

"Whereas, The Arctic Gas Project is the only plan which directly represents the gas interests of Michigan. Additionally, it has engineering, the environmental, and efficiency advantages as well. The other methods include delivery via tanker ship and by pipeline, the latter with substantial differences from the Arctic Gas Project; and

"Whereas, The Arctic Gas Project consists of a buried pipeline which would be constructed during winter months to avoid damage to the delicate Arctic surface. It would be routed to collect gas found in Canada for use there, thus helping both nations with their energy needs and, in so doing, sharing the costs between America and Canadian consumers. The gas from Alaska would be delivered to the Midwest; and

"Whereas, Following more than a year of hearings concerning methods of gas delivery, the Federal Power Commission as well as FPC Judge Nahum Litt recommended the Arctic Gas Project. Earlier this month, however, the FPC divided 2-2 of selecting between Arctic Gas and another delivery method in its recommendation to President Carter; and

"Whereas, Extensive feasibility studies have proven that a conventional buried pipeline across Alaska's North Slope, through Canada and into the contiguous United States, such as the Arctic Gas Project, is the most environmentally responsible, economical, and energy efficient transportation system; now, therefore, be it

"Resolved by the House of Representatives (the Senate concurring), That the Michigan Legislature urge the Congress and the President of the United States to accept and authorize construction of the Arctic Gas Project; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States and to the Speaker of the United States House of Representatives, the President of the United States Senate, and every member of the Michigan delegation in the United States Congress.

"Adopted by the House of Representatives, June 27, 1977.

"Adopted by the Senate, June 30, 1977."

POM—295. Senate Concurrent Resolution No. 208 adopted by the General Assembly of the Commonwealth of Pennsylvania memorializing the Congress of the United States to change the Federal law, to liberalize the excess earnings provision of the social security law; to the Committee on Finance:

"RESOLUTION

"Whereas, Many retired people receive only Social Security benefits; and

"Whereas, Some people also have substantial investment income, in addition to Social Security, and

"Whereas, People under the age of 72 without other income desiring to increase their standard of living are penalized when the individual earns over $3,000 a year because Social Security Benefits are reduced; and

"Whereas, In contrast, people over the age of 72 and those with substantial income from sources other than wages are not penalized; and

"Whereas, Something more should be done for these citizens who have already paid their dues to the Nation's economic well-being; therefore be it

"Resolved, (the House of Representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize the Congress of the United States to change the Federal law to liberalize the excess earnings provision of the Social Security Law, and be it further

"Resolved, That copies of this resolution be transmitted to the presiding officers of each House of the Congress of the United States and to each Senator and Representative from Pennsylvania in the Congress of the United States and the President of the United States and to the Federal Council on Aging."

POM-296. House Concurrent Memorial 2006 adopted by the Legislature of the State of Arizona praying that the Congress and Secretary of State of the United States exert all reasonable efforts to effectuate the granting of exit visas for the Alexander Roisman family and others similarly affected by the actions of the Union of Soviet Socialist Republics; to the Committee on Foreign Relations.

"HOUSE CONCURRENT MEMORIAL 2006

"A Concurrent Memorial urging the Congress and Secretary of State of the United States to exert all reasonable efforts to effectuate the granting of exit visas for the Alexander Roisman family and others similarly affected by the actions of the Union of Soviet Socialist Republics

"To the Congress and Secretary of State of the United States:

Your memoralist respectfully represents:

"Whereas, many Jewish families including the Alexander Roisman family of Novosibirsk, Siberia, Union of Soviet Socialist Republics, have been waiting for years for exit visas to emigrate to Israel; and

"Whereas, as the result of first applying for exist visas, many of these people have lost their jobs and have been refused the opportunity for gainful employment; and the families of Jews seeking to emigrate have been harassed and ostracized in school and in the streets; and

"Whereas, their only desire is to leave the Union of Soviet Socialist Republics and live in Israel or elsewhere; and

"Whereas, the desire to emigrate is part of a movement comparable historically to the exodus from Egypt; and

"Whereas, few Jewish families have been allowed to emigrate from the Union of Soviet Socialist Republics in recent years; and

"Whereas, the Soviet refusal to allow the Roisman and other Jewish families to emigrate is in violation of numerous international agreements and basic humanity.

Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

"1. That the Congress and Secretary of State of the United States exert all reasonable efforts to effectuate the granting of exit visas for the Alexander Roisman family and others similarly affected by the actions of the Union of Soviet Socialist Republics.

"2. That the Secretary of State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States, each Member of the Congress of the United States, the Secretary of State of the United States, the American Ambassador to the Union of Soviet Socialist Republics and to Alexander Roisman."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MOYNIHAN, from the Committee on Foreign Relations, with amendments to the preamble:

S. Res. 152. A resolution expressing the sense of the Senate that the President bring to the attention of the Government of Canada the adverse effect on the U.S. broadcasting industry of certain provisions of the

Canadian tax code (Rept. No. 95–402).

By Mr. RIBICOFF, from the Committee on Governmental Affairs, with an amendment:

S. 1626. A bill to amend title 5, United States Code (Rept. No. 95–403).

By Mr. McINTYRE, from the Committee on Banking, Housing, and Urban Affairs:

S. Res. 250. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. ———. Referred to the Committee on the Budget.

By Mr. NELSON, from the Select Committee on Small Business, with an amendment and an amendment to the title:

S. 972. A bill to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development, and for other purposes (Rept. No. 95–404).

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Report of the Committee on Banking, Housing, and Urban Affairs pursuant to House Congressional Resolution 133, 94th Congress, 1st Session, on the conduct of monetary policy (Rept. No. 95–405).

By Mr. NELSON, from the Select Committee on Small Business, with an amendment:

S. 1526. A bill to establish an Associate Administrator for Women's Business Enterprise within the Small Business Administration (Rept. No. 95–406).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

William H. Shaheen, of New Hampshire, to be U.S. attorney for the district of New Hampshire.

(They above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CRANSTON:

S. 2020. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act to clarify the Act's coverage to employees engaged in the manufacture, repair, servicing or sale of recreational boats; to the Committee on Human Resources.

By Mr. BAKER (for himself and Mr. TOWER):

S. 2021. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax to an individual who constructs, purchases, or rehabilitates a principal residence in a revitalization area and to a lending institution which provides financing for such an individual, and for other purposes; to the Committee on Finance.

By Mr. MATSUNAGA:

S. 2022. A bill for the relief of Goldhorn Cheng, Cheng-Hwa Lee Cheng, Shih-Chuang Cheng, Shih-Huang Cheng and Sih-Kang Cheng; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 2023. A bill to authorize nonmarket economy countries to participate in certain programs of the Commodity Credit Corporation; to the Committee on Finance.

By Mr. STEVENS:

S. 2024. A bill to prohibit the Secretary of the Navy from requiring an employment contract in excess of 1 year for civilian employees at Adak Naval Station; to the Committee on Armed Services.

By Mr. MATHIAS:

S. 2025. A bill to provide for station license renewal by the Federal Communications Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MATHIAS (for himself and Mr. MUSKIE):

S. 2026. A bill entitled Lobbying Disclosure Act; to the Committee on Governmental Affairs.

By Mr. TOWER:

S. 2027. A bill for the relief of Daid Ng and Dorothy Ng; to the Committee on the Judiciary.

By Mr. METCALF:

S. 2028. A bill to amend the Internal Revenue Code of 1954 to provide that income derived from the regulated sale of electrical energy will be exempt from income taxes, to impose an excise tax on the purchase of electrical energy from a public utility, and for other purposes; to the Committee on Finance.

By Mr. BROOKE:

S. 2029. A bill to provide for the payment of losses incurred as a result of the ban on the use of TRIS in children's wearing apparel, and for other purposes; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 2030. A bill to designate certain lands in the Gallatin and Beaverhead National Forests, Mont., as the Spanish Peaks Wilderness; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI:

S. 2031. A bill for the relief of Chaiwat Sangsukwirasathien; to the Committee on the Judiciary.

By Mr. HAYAKAWA:

S. 2032. A bill for the relief of Ionica Moldoveanu Nicolaica; to the Committee on the Judiciary.

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 2033. A bill to provide for conveyance of certain lands in the Wenatchee National Forest, Wash., by the Secretary of Agriculture; to the Committee on Energy and Natural Resources.

S. 2034. A bill to authorize the Secretary of the Interior to further consider the Liberty townsite petition; to the Committee on Energy and Natural Resources.

By Mr. McCLURE:

S. 2035. A bill to authorize the Secretary of Agriculture to review as to its suitability for preservation as wilderness certain lands in the Nezperce National Forest, Idaho; to the Committee on Energy and Natural Resources.

By Mr. STEVENS (for himself, Mr. CULVER, and Mr. STONE):

S. 2036. A bill to promote and coordinate amateur athletic activity in the United States, to provide for the resolution of disputes involving national governing bodies, to create certain rights and privileges for U.S. amateur athletes, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GRAVEL (for himself and Mr. STEVENS):

S. 2037. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the recovery by units of local government of surplus property donated by them to the U.S. Government, and subsequently declared to be surplus; to the Committee on Governmental Affairs.

By Mr. TOWER:

S. 2038. A bill to provide Federal financial assistance to local educational agencies in order to assist such agencies to provide public education to immigrant children, and for other purposes; to the Committee on Human Resources.

By Mr. ANDERSON:

S. 2039. A bill to amend the Internal Revenue Code of 1954 to allow a variable rate investment credit with respect to a newly constructed section 1250 property and to allow such credit to individuals in connection with their investment in newly constructed principal residences; to the Committee on Finance.

By Mr. JAVITS (for himself and Mr. WILLIAMS):

S. 2040. A bill to amend the Federal Food, Drug, and Cosmetic Act and related provisions of law; to the Committee on Human Resources.

By Mr. BROOKE:

S. 2041. A bill to reform utility regulation of residential conditions of service; to the Committee on Energy and Natural Resources.

By Mr. JAVITS (for himself, Mr. WILLIAMS, Mr. HAYAKAWA, Mr. KENNEDY, Mr. PERCY, Mr. RIEGLE, and Mr. SCHWEIKER):

S. 2042. A bill to amend the Rehabilitation Act of 1973 to improve the formula for State allotments under part B of that Act, and for other purposes; to the Committee on Human Resources.

By Mr. BAKER (for Mr. THURMOND):

S. 2043. A bill to provide for a separate agency within the Department of Labor to be known as the Veterans' Employment Service, to authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HELMS:

S. 2044. A bill to establish the Federal Legal Aid Corporation, and for other purposes; to the Committee on the Judiciary.

By Mr. McGOVERN:

S. 2045. A bill to repeal the Foreign Agents Registration Act of 1938, as amended, and to establish new procedures for the effective registration of foreign agents in the United States; to the Committee on Foreign Relations.

By Mr. GRAVEL (for himself and Mr. STEVENS):

S. 2046. A bill to enable Alaska Natives to maintain and consolidate tribal governing bodies, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. DURKIN (for himself and Mr. HATFIELD, Mr. PELL, Mr. KENNEDY, Mr. ANDERSON, Mr. METCALF, Mr. GRAVEL, Mr. McGOVERN, Mr. LEAHY, and Mr. HATHAWAY):

S. 2047. A bill to amend the Federal Power Act to provide for the encouragement of the licensing and development of small hydroelectric power projects in connection with existing dams on the waterways of the United States, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI:

S. 2048. A bill to offset the job loss by youth that accompanies an increase in the minimum wage, and to encourage youth employment generally by establishing a 6-month entry wage period at 85 percent of the regular minimum wage for youths under the age of 19; to simplify the currently underutilized student rate provisions in order to facilitate their use and make them consistent with the youth opportunity wage; to the Committee on Human Resources.

By Mr. DECONCINI (for himself and Mr. WALLOP):

S. 2049. A bill to establish fees and allow per diem and mileage expenses for witnesses before U.S. courts; to the Committee on the Judiciary.

By Mr. BROOKE:

S. 2050. A bill to amend the Internal

Revenue Code of 1954 to provide a credit for amounts contributed to an individual housing account; to the Committee on Finance.

By Mr. CHURCH (for himself and Mr. McCLURE):

S. 2051. A bill to designate certain lands in the Nezperce National Forest as the Gospel-Hump Wilderness Area, to return other contiguous lands to multiple use management, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. KENNEDY:

S. 2052. A bill to extend the supervision of the U.S. Capitol Police to certain facilities leased by the Office of Technology Assessment; to the Committee on Rules and Administration.

By Mr. METCALF:

S. 2053. A bill to promote the orderly exploration for and commercial recovery of hard mineral resources of the deep seabed, pending adoption of an international regime relating thereto; to the Committee on Commerce, Science, and Transportation, and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

By Mr. METCALF (for himself, Mr. JACKSON, Mr. HANSEN, Mr. HATFIELD, Mr. JOHNSTON, and Mr. MELCHER):

S. 2054. A bill to amend the Federal Water Project Recreation Act, relating to the provision of uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects; to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON:

S. 2020. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act to clarify the act's coverage to employees engaged in the manufacture, repair, serving or sale of recreational boats; to the Committee on Human Resources.

Mr. CRANSTON. Mr. President, in 1972 the Congress enacted into law amendments to the Longshoremen's and Harbor Workers' Compensation Act of 1927 designed to provide a uniform compensation system for those engaged in what had traditionally come to be known as "maritime employment."

This 1972 amendment greatly improved benefits available to those workers in the industry who were injured on the job and to their beneficiaries. That industry includes longshoremen and harbor workers engaged in loading and unloading, building, repairing or dismantling large commercial ships.

One purpose of the 1972 amendments was to resolve the difficulties caused by the prior limits on coverage to only those who were injured on or over the navigable waters of the United States. Under the law in force prior to 1972, a longshoreman was covered by the Federal act while working on the deck of a ship, but not covered when he shifted his activities to the dock—a change of situation which might occur several times each day. In addition, with the new methods used in international shipping, involving container vessels and roll-on/roll-off unit cargos, an increasing amount of longshore work is performed on docks and a lesser amount on ships.

The Congress agreed that compensation coverage for such workers should not depend on the fortuitous circumstance of whether the injury occurred on land or over water.

To eliminate this arbitrary distinction, Congress amended the defintion of "navigable waters" under this act to include any adjoining pier, wharf, dry dock, terminal, building way, marine railway, or other area adjoining navigable waters customarily used by a maritime employer in loading, unloading, repairing, building, or dismantling a vessel.

A second purpose of the 1972 amendments was to clarify the definition of "employee" under the act, so that a determination of coverage could be made from that definition. Previously, the act defined an employee as one engaged in maritime employment who was not an employer, a standard which was considered too vague to be useful. The old standard thus required the determination of coverage to be made on the basis of whether the injured worker was working for a covered employer.

In 1972, the Congress adopted what it believed to be simple, straight-forward language to accomplish the two purposes that I have just enumerated. The record is ample that Congress desired to have the act apply uniformly to all workers engaged in the industry traditionally known as "maritime employment." However, the record is barren of evidence that Congress intended to expand or otherwise alter the universally understood concept of what constitutes "maritime employment." In fact, there is considerable evidence to the contrary to be found in the committee reports and other pieces of legislative history leading to the 1972 amendments, as several courts have noted.

It is fundamentally clear and nearly universally conceded that Congress never intended to expand the coverage of the Federal Longshoremen's and Harbor Workers' Compensation Act to employees of small boat marinas, shoreside restaurants, fuel and ice dealers, fish-processing plants, oyster shucking operations, skindiving schools, recreational boat manufacturing and repair shops, and other waterfront activities normally, completely and appropriately covered by State workers' compensation laws—except to the extent that these occupations were already covered under Federal law prior to 1972. And that extent involves only those very few workers in such operations who actually work on or over the navigable waters of the United States who for that reason may be denied the coverage of State compensation laws. Previously, employers obtained L and H workers' compensation coverage to protect these workers with a simple, relatively inexpensive rider to their State workers' compensation insurance policy.

In 1974, the Dapartment of Labor, in its notice No. 21, with respect to the 1972 amendments to this act, reached the conclusion—with which I disagree—that in adopting the 1972 amendments to the act, Congress intended to expand the definition of "maritime employment" to include the entire pleasure boat industry including small recreational boat builders and repairers, marinas, services of small commercial fishing boats, and other shoreside or nearby operations.

The effect of this decision has been to impose a crippling financial burden on the numerous small businesses affected by it, who previously were covered by State workers compensation laws. Testimony taken by the House Subcommittee on Compensation, Health and Safety of the Committee on Education and Labor indicates that compensation insurance premiums among some small employers jumped by as much as 500 percent in less than 2 years, from, for example, $6.05 per $100 of payroll to more than $30 per $100 of payroll.

The tremendous increase in insurance costs for the recreational boat industry is not related to the risk of injury, but to other factors. The act was designed to cover shipbuilding and longshoring operations which are highly dangerous and involve as much as four times the risk of injury as ordinary manufacturing operations. Recreational boatbuilding or repair, on the other hand, involves no more risk of industrial injury than that involved in comparable occupations like cabinetmaking or auto mechanics, which are covered by State compensation laws.

The high premiums faced by the employers newly brought under the act by the DOL decision apparently result from a combination of factors mostly unrelated to the actual claims experience of these employers.

These factors are:

First, the very small usual size of these operations, averaging around seven employees—meaning that the premium cost per employee must be much higher to cover the possibility of even a single serious accident. Large shipyards have, of course, many more employees, reducing the cost/payroll dollar. In addition, because the total premium for a shipyard is so substantial, there is some evidence that carriers are willing to rebate some premium costs in order to keep the business. Because the premiums have apparently been calculated industry-wide, this may be responsible for even higher premiums imposed on the small employers, even though their risk of accident is substantially less.

Second, the combination of uncertainty as to cost/risk, given the new and, in some instances, unlimited benefits available under the Federal act, combined with the fact that insurance premiums are based on the worst potential risk conceivable.

Third, the unwillingness of private carriers in many areas to write coverage under the Federal act, except for preferred customers. In California, coverage was virtually unavailable in 1975, until emergency State legislation temporarily opened the State compensation fund to employers seeking coverage under the L and H Act. The statute authorizing the fund to be used for this purpose will expire in December, and is unlikely to be renewed.

While the most dramatic examples of hardship imposed on recreational boaters and related pleasure craft industries have surfaced in California—as a result

of the State's unusual insurance rate structure—the negative impact of DOL's decision is becoming apparent in every State with a recreational boat industry on or near U.S. navigable waters.

Faced with unbearably great increases in the costs of insurance now required by Federal law—as a result of DOL's interpretation of the 1972 amendments to the act—these small businessmen are confronted with a series of unattractive alternatives unless Congress acts to rectify the harm the DOL decision has caused. These are:

To pass the costs onto their customers, where possible, creating serious inflationary pressures in harbor communities heavily dependent on shoreside business activity. This alternative is not even available where the business is competing with off-water sales or service operations—not subject to the Federal act—or where demand is very price-responsive.

To absorb the increased cost by lowering the profit margin. But the recreational boat industry, and particularly its repair and marina components, usually operates on a slim margin of profit. Insurance cost increases can fully eat up that small profit.

To operate illegally, without required insurance, at high risk of financial and criminal liability. Clearly, no one wants this.

To close down. And, in California many long-established businesses already have closed, with many more facing imminent closure.

This needless dilemma has been created by a DOL interpretation of the 1972 amendments to the act in a way that Congress never intended. Exhaustive attempts have been made to correct that decision administratively without success. The Department is apparently prepared to await the eventual outcome of judicial review of its decision, which will come years too late to correct the harm done various businesses.

It is for that reason that I am today introducing legislation which will clarify the intent of Congress in enacting the 1972 amendments to this act, so that none of the intended beneficial consequences of congressional action will be lost, while the harm done by the DOL's misinterpretation of the congressional action will be alleviated.

My bill will retain the exemptions from the applicability of the act that predated the 1972 amendments, which apply to a master or member of a crew of any vessel, and to any person engaged by the master to load or unload or repair any small vessel under 18 tons net.

It will add exemptions for workers engaged in the manufacture, repair, servicing or sale of recreational boats—except for those who work on or over U.S. navigable waters, or who are not otherwise covered by State workers' compensation.

Recreational boats are defined for the purposes of this section as of a type or class designed, manufactured, or used primarily for noncommercial purposes, and not required to have a valid marine document as a vessel of the United States.

My amendment would also exempt workers manufacturing, repairing, selling or servicing commercial fishing boats 72 feet in length or smaller, who are employed by employers with 20 or fewer employees. Again, the exemption will not apply to workers actually engaged on, under or over U.S. navigable waters, or who are not otherwise covered by State compensation.

I am perfectly aware that any line which one attempts to draw between boats and ships or between large and small commercial fishing boats involves some borderline cases. It is my belief that the definitions in my bill represent carefully considered, but tentative judgments, about where those lines might best be drawn. These definitions may need to be revised as the committees responsible develop more testimony on these issues.

I do believe, however, that prompt resolution of this issue is urgently needed, and I urge the Congress, and particularly the committees who will consider this legislation, to give it their most expeditious attention.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2020

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(3) of the Longshoremen's and Harbor Workers' Act (33 U.S.C. 902(3)) is amended by striking out the remainder of the sentence appearing after the word "include" and inserting in lieu thereof the following:

"(A) a master or member of a crew of any vessel;

"(B) any person engaged by the master to load or unload or repair any small vessel under 18 tons net;

"(C) any person engaged in the manufacture, repair, servicing or sale of recreational boats, unless actually engaged on, under or over the navigable waters of the United States (as defined prior to the enactment of Public Law 92-576) and unless not otherwise covered by state workers' compensation law; and

"(D) any person engaged in the manufacture, repair, servicing or sale of fishing boats and employed by an employer with twenty or fewer employees, unless actually engaged on, under or over the navigable waters of the United States (as defined prior to the enactment of Public Law 92-576) and unless not otherwise covered by state workers' compensation law.".

SEC. 2. Section 2 of the Longshoremen's and Harbor Workers' Compensation Act is amended by redesignating paragraph (22) as paragraph (24) and by inserting after paragraph (21) the following new paragraphs:

"(22) The term 'recreational boat' means any vessel which is of a type or class designed, manufactured, or used primarily for non-commercial purposes, and not required to have a valid marine document as a vessel of the United States.

"(23) The term 'fishing boat' means any vessel which is 72 feet in length or less and is of a type or class designed, manufactured or used primarily for commercial fishing purposes.".

By Mr. BAKER (for himself and Mr. TOWER):

S. 2021. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax to an individual who constructs, purchases, or rehabilitates a principal residence in a revitalization area and to a lending institution which provides financing for such an individual, and for other purposes; to the Committee on Finance.

TAX INCENTIVES FOR NEIGHBORHOOD REVITALIZATION ACT OF 1977

Mr. BAKER. Mr. President, I am introducing the "The Tax Incentive For Neighborhood Revitalization Act of 1977."

Mr. President, this legislation is designed to aid in the preservation and revitalization of designated low and moderate income residential areas throughout the country. It would seek to do so by employing the tax credit mechanism as a means of involving local governments, lending institutions, and neighborhood residents in a common and concerted effort.

For the past 30 years, the trend in residential housing has been toward expansion of the suburbs. While this fundamental shift in the national housing pattern generally has provided Americans with the best housing in the world, it has also had a profound negative impact upon the physical, economic, and social character of many of our cities. Countless neighborhoods in or nearby cities are experiencing or have experienced various stages of economic decline.

Although "decline" is evidenced in many ways, the effect of decline is that higher income homeowners are replaced by progressively lower income residents. On occasion, the neighborhoods will stabilize and prosper after the initial change in character. However, more often than not, the first signs of economic decline in an area undermine confidence in the future of the neighborhood and decline becomes a self-fulfilling prophecy.

As the income level falls, lending institutions lose their incentive to make loans; builders, realtors, and developers invest elsewhere; and the local government may cut back on the quality of certain city services so as to reflect the reduction in property tax revenues from the area. The city might also increase the property tax rate in an effort to recapture losses suffered in other categories of tax revenues by the movement to the suburbs.

It is this sequence of events which our legislation would attempt to prevent or at least overcome. Since the preservation and revitalization of these areas is principally the responsibility of local governments, we would give them the responsibility for taking the initiative.

Local governments would be charged with the right to designate areas within their jurisdiction that were deserving of revitalization and new investment. However, before they could do so, they would have to commit themselves to maintain or upgrade basic city services to the area and to make the necessary changes in building codes and zoning ordinances such that their enforcement was consistent with the goal of revitalization. If that commitment were made by a local government, then the proposed designation would be communicated to the Department of Housing and Urban Development. The designation would become final within 60 days unless expressly objected to by HUD.

The effect of the designation is to make two essential parties to the effort eligible for certain tax credits. Those parties are the lending institutions and borrowers who either live in the designated area or are moving in.

With respect to the borrowers, who already live in the area, they would be eligible for a tax credit equal to 3 percent of any loan for rehabilitation up to $10,000; 2 percent of a loan for rehabilitation up to $20,000; and 1 percent of a loan for rehabilitation up to $30,000. This credit would only be available to families whose adjusted gross income does not exceed $40,000 per year, $20,000 in the case of a married person filing a separate return. Clearly, we are attempting to encourage both minor and major rehabilitation. If it appears necessary to provide residents a small incentive to rehabilitate even though no loan is required, that might be added to the bill.

With respect to those interested in buying a house that they will use as their principal residence in a designated area, we would provide a tax credit equal to 3 percent of a mortgage up to $40,000; 2 percent of a mortgage from $40,000 to $50,000; and 1 percent of a mortgage of $50,000 to $60,000. No borrower would be entitled to more than one credit in a taxable year.

We believe this economic incentive is necessary to encourage residents or purchasers to revitalize the area. However, the lending institutions also need this incentive so they, too, would be eligible for a sliding tax credit.

Lending institutions that make loans for new construction, purchase, or rehabilitation of houses in designated areas would receive a credit equal to three percent of the amount invested in such areas up to 15 percent of all new loans in a given year; 2 percent of the amount invested in such areas where such loans constitute from 15 to 30 percent of all loans in a given year; and 1 percent of the amount invested in the area where such loans constitute over 30 percent of all loans made in a given year.

No lending institution would be entitled to claim a credit more than once with respect to the same owner-occupant. Moreover, the aforementioned sliding credit is not cumulative. In order to tie the credit provided lending institutions to a requirement for large down payments on houses, we state that the lending institution offer a purchaser a mortgage on no less than 90 percent of the purchase price before claiming a credit on the loan. In this way, lending institutions are encouraged to provide low down payment mortgages and purchasers are able to obtain mortgages they cannot afford.

Another important reason why so many residents of low- and moderate-income areas are unwilling to rehabilitate their homes is because of the inevitable increase in property taxes which will occur. We would address this problem by providing owner-occupants an additional credit equal to 50 percent of the increase in property taxes levied as a result of a reassessment of the property after rehabilitation had been undertaken. After 2 years, this credit would be reduced to 25 percent of the increase which would continue for an additional 2 years and then terminate.

The obvious question, Mr. President, is what will this program cost in lost tax revenues. I sought an estimate from the Joint Committee on Internal Revenue Taxation, but was told that there is no national data on either the aggregate amount of loans made for the purchase or rehabilitation of low- and moderate-income housing, or the aggregate demand for such loans. Therefore, all we have to go on is the fact that both lending institutions and present or future residents of areas that are declining economically or show signs of economic decline, lack sufficient incentive to preserve and revitalize these communities. Also, it is clear that no major effort to revitalize an area will succeed without the support and commitment of the local government.

It may be determined in public hearings on this bill that the size of the tax credits are too large or too small for a particular party. Such a finding is quite likely and we certainly are not wedded to these specific figures. We merely seek to provide enough economic incentive to prompt the affected parties to do something which is necessary and which is not now being done.

To a great extent, the success or failure of this approach depends upon "market forces" or the will of the private sector. In my judgment, that is the way it should be. I do not believe that direct subsidies are necessary to solve this problem. Nor do I believe that extensive Federal involvement or supervision is required. And most important, I am convinced that the Federal Government should not get into the business of forcing, directly or indirectly, lending institutions to allocate credit on a legislative or administrative basis. The private sector, in cooperation with the local governments, can solve this problem if they are given the proper economic incentive; and that is precisely what this legislation attempts to do.

Mr. TOWER. Mr. President, there is no question that we are the best housed nation in the world. Since World War II, housing production has steadily increased, improving and expanding our supply of adequate, decent shelter. But, while we were building new suburbs, a major resource for housing stock, our cities were decaying. Houses were abandoned by the thousands in our urban areas, and abandonment persists. Neighborhoods that were several years old began showing signs of decay and blight, the first steps that would result in slums and abandonment.

This pattern need not continue. Our cities, however large or small, are drawing people back. No longer do people want to commute an hour or more to work. People are finding that cities and urban neighborhoods can be very pleasant places in which to live and rear families.

We are discovering, however, that the supply of decent housing is woefully inadequate. This proposal, The Tax Incentive for Neighborhood Revitalization Act of 1977, is designed to increase the availability of decent housing in our cities.

One part of the bill would provide a tax credit to persons who purchase or rehabilitate a home in a qualified revitalization area. To be eligible for a credit, a person must have an adjusted gross income of $40,000 or less, The credit would be computed on a sliding scale from 3 percent of the mortgage up to $40,000, down to 1 percent of a $60,000 mortgage. For example, a $40,000 mortgage would result in a credit of $1,200 and a $50,000 mortgage would mean a $1,000 credit. Likewise, a credit would be granted to a person who renovates the home he or she owns. Rehabilitation credits range from 3 percent of a rehabilitation loan up to $10,000 to 1 percent of a loan up to $30,000.

The purpose of these credits is quite obvious. They are designed to preserve and rehabilitate existing housing in our neighborhoods. Additionally, they are designed to encourage new construction where conditions permit. Credits are chosen, rather than deductions, because many who would utilize this program would have incomes which are not high enough to effectively utilize deductions. This is especially true of retirees and other fixed income families that might have no other financial incentive to improve their home, but for these tax credits.

This bill would provide a further encouragement to elderly persons to rehabilitate their homes. In many cases, families might have lived in a neighborhood for 25 or 30 years. Many would be retired and most would own their home. If one lives on a fixed income, there is little money left for home maintenance. Yet, after 30 years, most homes need some kind of fixing-up. In addition to having little income to rehabilitate the home, a further disincentive is that once the home is rehabilitated, reassessment occurs which results in increased property taxes.

To avoid the financial strain of increased property taxes and to further encourage rehabilitation of existing homes, an owner would be eligible for a tax credit equal to 50 percent of the increase in property taxes levied as a result of that owner improving his or her home. It is hoped that this will encourage many owners in our older neighborhoods to rehabilitate their homes in order to prevent further deterioration, which deterioration could lead to instability in the neighborhood and ultimately, abandonment.

While individuals might want to utilize this program, we think there should be incentives for financial institutions to make mortgage credit available in qualified revitalization areas. Consequently, a financial institution would be eligible to receive a tax credit for loans made in such areas. The credit ranges from 3 percent of the loans made in a revitalization area, if such loans do not exceed 15 percent of the total loans made by the lender, to 1 percent of the loans made in an area if such loans do not exceed 40 percent of the total loans made by the lender. It should be noted that the

loans upon which a credit is granted must be held by the lender who bears the sole risk for them. If the lender disposes of the loan within 36 months, the credit attributable to that loan will be recaptured.

Mr. President, this proposal is not perfect. It undoubtedly has some flaws and I would welcome comments on its merits. I would hope that hearings could be held in the Banking and Finance Committees in the near future. I am excited about the proposal, however. We have so much good, existing housing stock in this country that is rapidly deteriorating. Many, if not most, of the owners do not have the financial resources to preserve this stock. I hope that this proposal would provide an effective means to save this very valuable supply of housing.

By Mr. HUMPHREY:

S. 2023. A bill to authorize nonmarket economy countries to participate in certain programs of the Commodity Credit Corporation; to the Committee on Finance.

LIBERALIZING CCC CREDIT

Mr. HUMPHREY. Mr. President, no matter how vigorously we try to protect America's farm producers with effective farm programs, it is becoming increasingly clear that we must fight more aggressively for a greater share of international markets. It is not only our producers who need expanding markets; it is our country's economy. Our trade deficit and its pressure on the dollar make it imperative that we move more aggressively into international marketing of our farm commodities, and quit sitting back and becoming just a residual supplier to the rest of the world.

We are the world's most efficient producers. Let us also see if we cannot become the most efficient—and aggressive—marketers.

To do that we are going to have to press vigorously to eliminate every obstacle to expanded trade.

We have authorities on the statute books that have become ineffective in many instances because we have hamstrung them with other legislative restrictions, or made them ineffective by such timid and conservative administrative policies that we are not competitive in the marketplace. This is particularly true of credit for commodity sales. I am not talking here about concessional credit such as under Public Law 480. I am talking about solid commercial credit for countries who can and will pay for commodities, but are understandably going to buy from countries offering financing terms before they buy from countries requiring cash on the barrelhead.

It is time we recognized that financing facilities have become an established and recognized part of international trade in farm commodities. When you buy an automobile in the United States, you automatically expect financing as part of the transaction so that you do not tie up all of your capital investment at the outset. The same thing is true now in world markets for consumables; countries want and expect financing terms as part of a transaction. Our competitors are taking away a great deal of our markets because they offer such financing. We are not matching them.

Much more can be done than is being done with the Commodity Credit Corporation's authority to provide such financing. When CCC credit is offered, commodities are restricted to U.S. origin. If multinational grain companies have to turn to private financing, they usually buy from worldwide sources rather than just the United States and they do not hesitate to take advantage of government credit programs in other countries.

It is to the credit of Secretary of Agriculture Bergland and Assistant Secretary for International Affairs and Commodity Programs Hathaway that they have both indicated an understanding of this need and an intention to aggressively pursue it. I know from experience with the staff people directly involved in the CCC credit program that they are eager to liberalize and expand these facilities. However, somewhere in between the new top command and the operating people are too many layers of conservative nitpicking getting in the way of broadening and using the authority they now have. I am serving notice that I intend to aggressively pursue this, and will be watching what is done administratively to improve and liberalize CCC credit, and use it more aggressively to go after markets.

In the meantime, the least the Congress can do besides emphasizing this desire is to remove any roadblocks it can to making us competitive for markets.

For that purpose, I am introducing legislation to authorize nonmarket economy countries to participate in such credit programs of the Commodity Credit Corporation.

Let me make it clear. I am willing to sell to any country wanting to buy, whether we happen to like them or not or whether we agree with them on everything politically at any given time. Business and trade is a world of its own that cannot be turned on and off just because of shifts in political views. We need trade, and I want to see us go after it. I am willing to sell anything they cannot shoot back at us. We are only cutting off our own noses to spite our face when we put restrictions on sales of farm commodities they can buy elsewhere in the world to our financial loss.

I am introducing this legislation to enable USDA to go after more markets for our farm products, and to use whatever credit facilities are required to make us competitive. I hope my colleagues will consider this during the recess period so we can move on it when we return.

The struggle we have just been going through to work out a decent farm bill adds emphasis to the urgency of this effort to expand our foreign marketing, by every means we can.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2023

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law denying nonmarket economy countries eligibility to participate in programs of the Government of the United States, such countries shall be eligible to participate in any program carried out by the Commodity Credit Corporation (other than under the Agricultural Trade Development and Assistance Act of 1954) under which credit or credit guarantees or investment guarantees are extended, directly or indirectly.

By Mr. STEVENS:

S. 2024. A bill to prohibit the Secretary of the Navy from requiring an employment contract in excess of 1 year for civilian employees at Adak Naval Station; to the Committee on Armed Services.

Mr. STEVENS. Mr. President, today I am introducing a bill to provide much needed relief for civilian employees who work at the U.S. Naval Station in Adak, Alaska. Adak, as you know, is a small island near the end of the Aleutian chain. It is one of our forward naval bases and is, therefore, a vital link in our national defense system. There is no outside civilian community on Adak and civilians living there are effectively confined to the military base as far as the cultural and community aspects of their lives are concerned.

Because of their civilian status, however, these people are unable, under present Federal law, to receive routine medical and dental care at the naval base. As a result, they have to go some 1,200 miles to the nearest available medical and dental facilities, in Anchorage, at the end of each tour of duty to receive those items of medical and dental care that the rest of the military community on Adak takes for granted.

To cap off the whole situation, the Navy Department has recently increased the tour of duty for new employees going to Adak to 24 months. One effect of this condition of employment, which in some cases will not be realized by new employees until they get out to Adak, is that they are being asked to go 24 months without normal medical or dental care, even though they may have full health insurance coverage.

I regard this as an intolerable situation and therefore seek, by virtue of this bill, to limit the tour of duty on Adak to 12 months, so as to enable new civilian employees there to get the routine medical and dental care to which they are entitled. It is clear to me that the well-being of civilian employees at vital defense locations such as Adak ought to be of major concern to us all and I therefore urge your support for this simple, but vital bill.

Mr. President, I ask unanimous consent that the text of the bill be inserted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2024

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law or regulation, the Secretary of the Navy or his delegate shall not require any individual who is to perform services as a civilian em-

ployee at the U.S. Naval Station, Adak, Alaska, to enter into an employment contract for a term of service in excess of one year.

SEC. 2. The provisions of the first section of this Act shall apply to contracts entered into after the date of the enactment of this Act.

By Mr. MATHIAS (for himself and Mr. MUSKIE):

S. 2026. A bill entitled "Lobbying Disclosure Act"; to the Committee on Governmental Affairs.

LOBBYING DISCLOSURE ACT OF 1977

Mr. MATHIAS. Mr. President, today I am introducing a bill to require the public disclosure of lobbying activities. I am pleased to have the distinguished Senator from Maine (Mr. MUSKIE) as a cosponsor. In the last Congress, both the Senate and the House passed lobbying disclosure bills as part of the effort to cleanse the legislative process. The bill I and my colleagues are introducing today provides for the disclosure of lobbying activities without infringing on the individual's right to petition the Government.

We must never forget that the lobbyist is exercising the constitutional right to petition the Government for redress of grievances. The first amendment, which forbids abridgment of this right, confers broad immunity upon the activities of persons and organizations who attempt to present their points of view to elected officials.

The fact that the Constitution recognizes and protects lobbying as a vital component of the democratic process does not mean that Congress is absolutely prevented from protecting itself against corrupting influences. Indeed, Congress is obliged to take reasonable measures in this regard. Because it seeks to regulate constitutionally protected activity, however, the efforts of Congress to protect itself must be drawn narrowly and meet several constitutional tests.

First, there must be a compelling governmental interest demonstrated by factual record of abusive conduct.

Second, there must be a relevant correlation between compelling governmental interest and the type of regulation.

Finally, the Congress must use the least drastic means to effectuate the legislative purpose.

Some legislative approaches have been drawn so broadly that they sweep within the scope of regulation efforts to educate the general public or segments of the public on pending legislation. The Supreme Court has never sanctioned regulation of indirect efforts to influence the legislative or political process. The thresholds of other approaches in organizations which are small and whose lobbying activities are not widespread enough to significantly affect the legislative process and on whom the burden of legislative reporting would fall so heavily that people could be frightened away from lobbying. Requirements which have this effect might directly abridge the right to petition the government for redress of grievances.

On the other hand, the legislation I propose regulates only direct contacts with Members, officers or employees of the Congress. Activities aimed at the general public are not within the scope of the bill. Moreover, my bill would not bring within the scope of regulation small organizations which lobby on intermittent basis and which have slight impact on the legislative process.

More specifically, other proposals contain a requirement that lobbying solicitations be disclosed. Lobbying solicitations typically include the efforts by organizations to require, encourage, or solicit others to make direct contacts with Members of Congress or their staff. Some proposals would make amounts spent on lobbying solicitations a threshhold for the registration reporting provisions. This would mean that organizations which never contact Members of Congress, but only try to affect legislation through appeals to the public, would be swept within the lobbying statute.

Apart from direct contacts with Congress, American citizens must be allowed to exercise their first amendment rights without the threat of substantial criminal sanctions for failure to disclose their political literature with the Government. The Supreme Court has never permitted Government regulation of such indirect efforts to influence the legislative or elective process. Decisions of the Court in both the Warren and the Burger eras make it quite clear that the Court might well strike down this effort to regulate lobbying solicitations.

In the past, unfettered by Government regulation, lobbying solicitation played an essential role. The Federalist Papers were lobbying solicitations. And the civil rights movement gained its support in large part through lobbying solicitation. In the end, there has been no factual demonstration of the need for regulations which in effect would require organizations to file copies of their political literature with the Government. This is an unprecedented attempt to monitor constitutionally protected political activity of organizations.

A second problem area of some other proposals is the threshold for triggering the act's obligations. My bill requires substantial expenditures of money and time in directly contacting legislators or their staffs. Thus, only those groups who significantly affect the legislative process, by direct lobbying activities, would be forced to register and report.

The registration and reporting provisions in my bill are straightforward. Compliance will be relatively easy. Organizations which lobby must describe the organization, its size, and the amount of money it spends on lobbying communications. It must supply the names and salaries of its employees who lobby. It must identify any outside lobbyist hired by the organization and identify the issues on which the lobbyist works and the money which the lobbyist spends.

Under my bill, organizations would have to spend $2,500 a quarter on lobbying activities and either retain an outside lobbyist or have at least one salaried employee who spends an average of 8 hours per week of his or her time lobbying. Other proposals would require registration and reporting from organizations for contacting less than one committee of the Congress on one issue. This would mean that literally thousands of organizations would have to register and report.

It is only where groups are large enough to engage in lobbying on a sustained or widespread basis that the interest of Congress is sufficient to meet the constitutional test. My bill, which requires the quarterly expenditure of $2,500, provides such a measure. Organizations of a size large enough to have one regularly salaried employee which then spends employee time and organization money in this amount are generally engaging in substantial lobbying and are well enough organized for the registration and reporting requirements not to be so bewildering, intimidating or costly that they would consider refraining from lobbying at all.

Some proposals have required the disclosure of contributors to lobbying organizations. Believing that no individual should be forced to disclose his or her associational ties without sufficient cause, my bill does not require organizations to disclose identity of their members or contributors and the amounts of their contributions.

Disclosure of members can have a significant deterrent effect on the right of association, especially for those individuals involved with unpopular causes.

The Supreme Court first recognized the right of associational privacy in *NAACP* v. *Alabama ex rel Patterson*, 357 U.S. 449 (1958), where it reversed a conviction for contempt for failure to disclose the membership of the NAACP. Speaking for a unanimous court, Justice Harlan said that "the inviolability of privacy in group associations may, in many circumstances, be indispensable to the preservation of freedom of association."

The principle of the NAACP case has been applied to ther situations. In *Shelton* v. *Tucker*, 364 U.S. 479 (1960), the Court invalidated an Arkansas statute which compelled teachers to disclose all of their organizational affiliations for the past 5 years. And in *Talley* v. *California*, 362 U.S. 16 (1960) the Court ruled unconstitutional on its face a Los Angeles ordinance prohibiting the anonymous distribution of a handbill. In *Buckley* v. *Valeo*, 242 U.S. 1 (1976), the Supreme Court made it clear that it would not tolerate a contributor-disclosure statute that affected the general funds of every conceivable general-interest organization whose lobbying activities only made up a small percentage of its total.

Moreover, the contributor-disclosure provisions are overbroad because they require disclosure of all contributors over a certain amount without regard to the actual utilization of funds. In a general-interest organization, only a small percentage of each contribution is devoted to lobbying. A $2,500 contribution to the Sierra Club, for example, would be used to finance a variety of activities that had nothing to do with lobbying. Moreover, such a contribution would be utilized in

a different way from a $2,500 contribution to a smaller or different organization such as a local Better Business Bureau. Disclosure of these contributions has little, if any, correlation to the apparent purposes of the act, thus does not conform to the standards set by the Supreme Court.

A fourth problem area in most proposals is that they include within the definition of lobbying contact with the executive branch. This would mean the logging of contacts with thousands of executive branch officials. I believe that the lobbying disclosure bill should be confined to legislative activity. I am skeptical of any attempt to include contacts with the executive branch in a definition of lobbying. The nature of the administrative process demands, at the very least, treatment of this activity in separate legislation.

A final problem in all the proposals which is lessened, though not entirely eliminated, by my bill, is the discretionary administration and enforcement vested in the Comptroller General. The Comptroller General for the first time will be given wide powers to monitor the political activities of organizations. One of the lessons we have learned over the past 5 years is the tremendous potential for abuse when government officials are given access to organizational records. For this reason the Comptroller General's powers must be carefully defined and limited.

My bill would apply the Administrative Procedures Act, the Freedom of Information Act, and the Privacy Act to the Comptroller General, and all the records he maintains on lobbying. It would not permit the Comptroller General to have access to contributor or membership lists. It would require the Comptroller General to give notice under all circumstances to any organization under investigation for violation of the act. Finally, this legislation would not permit any presumptions to be created against an organization which does not comply with an opinion rendered by the Comptroller General.

CONCLUSION

As a final note I would like to draw an analogy between our effort to reform the Federal electoral process and this effort to bring reform to lobbying. When we wrote the Federal Election Campaign Act we had factual record of abuse to base the legislation on. Even with this factual record, the U.S. Court of Appeals for the District of Columbia, and later the Supreme Court of the United States, invalidated large portions of the act because of the significant chilling effect it would have on the free exercise of constitutional rights.

In lobbying legislation, we have no record of the various types of lobbying that organizations engage in—no record of systematic abuses. What we have is a record of excessive gifts by certain lobbyists. That problem has been cured to a large extent by our new Ethics Code. Thus the need for lobbying disclosure legislation has been significantly lessened. Thus, before we legislate in this area of important constitutional rights, I think there should be a further investigation of the lobbying process in order to more carefully define which areas require legislation.

I believe if we are to regulate lobbying as part of the effort to reform, then we must be sensitive to the prohibitions and limitations the Constitution places on our power to regulate the rights of individuals to freely associate and express political ideas. I believe:

First, Congress must not regulate indirect efforts to influence the legislative process;

Second, Congress must not regulate lobbying activities of small local organizations which have a slight impact on the legislative process;

Third, Congress must not require the disclosure of contributors.

The regulation and disclosure of the above activities, I believe, will raise serious constitutional questions. On the other hand, my bill provides for the disclosure of lobbying activities within the contours of the Constitution.

In our quest for reform we must not constrain the fundamental rights of the American democratic system—freedom of speech and freedom of association and the right to petition the Government for redress of grievances.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2026

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Lobbying Disclosure Act of 1977".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds—

(1) that the enhancement of responsible representative government requires that the fullest opportunity be afforded to the people of the United States to exercise their constitutional right to petition their Government for a redress of grievances, to express their opinions freely to their Government, and to provide information to their Government; and

(2) that the identity and extent of the activities of organizations which pay others, or engage on their own behalf, in efforts to influence Members of Congress on issues through direct communications should be publicly and timely disclosed in order to provide the Congress and the public with an understanding of the nature and source of such activities.

(b) It is the purpose of this Act to provide for the disclosure to the Congress and to all members of the public of such efforts without interfering with the right to petition the Government for a redress of grievances, and with other constitutional rights.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "affiliate" means—

(a) organizations which are associated with each other through a formal relationship based upon ownership or an agreement (including a charter, franchise agreement, or bylaws) under which (A) the governing instrument of one such organization requires it to be bound by decisions of the other organization on legislative issues, or (B) the governing board of one such organization includes persons who—

(i) are specifically designated representatives of another such organization or are members of the governing board, officers, or paid executive staff members of such other organization, and

(ii) by aggregating their votes, have sufficient voting power to cause or prevent action on legislative issues by the first such organization.

(2) The term "Comptroller General" means the Comptroller General of the United States.

(3) The term "direct expenses" means—

(A) the total of all expenses for mailing, printing, advertising, telephones, consultant fees, educational materials, gifts or the like, directly attributable to lobbying communications, but not including—

(i) exempt travel expenses; or

(ii) the cost of general operating overhead such as the costs of office equipment, basic utilities, and monthly rental or mortgage payments;

made to or by any person described in section 4;

(B) a contract, promise, or agreement, whether or not legally enforceable, to make, disburse, or furnish any item referred to in paragraph (A).

(4) The term "exempt travel expenses" means any sum expended by any organization in payment or reimbursement of the cost of any transportation for any agent, or employees plus such amount of any sum received by such agent, employee, or other person as a per diem allowance for each such day as is not in excess of the maximum applicable allowance payable under section 5702 (a) of title 5, United States Code, to Federal employees subject to such section.

(5) The term "identification" means—

(A) in the case of an individual, the name, occupation, and business address of the individual and the position held in such business; and

(B) in the case of an organization, the name and address of the organization, the principal place of business of the organization and a general description of its business or activities.

(6) "influence" means to affect, or attempt to affect, through lobbying communications with a member, officer, or employee of the Congress, the disposition of any issue whether by initiating, promoting, opposing, delaying, altering, amending, withdrawing from consideration, or otherwise.

(7) "issue before the Congress" means the totality of all matter, both substantive and procedural, relating to any pending or proposed bill, resolution, report, nomination, treaty, hearing, investigation, or other similar matter in Congress (excluding any investigation by the Comptroller General authorized by the provisions of this Act).

(8) The term "lobbying communication" means an oral or written communication directed to a member, officer or employee of the Congress to influence an issue before the Congress, but does not include—

(A) a communication by an individual, acting on his own behalf, for redress of his personal grievances to express his own personal opinion;

(B) a communication which deals only with the existence or status of any issue;

(C) testimony given before a committee or subcommittee or office of the Congress or submitted to a committee or office of the Congress for inclusion in the public record of a hearing conducted by such committee or office, or a communication made at the request of a member, officer or employee of the Congress, and made to such member, officer, or employee of the Congress.

(D) a communication made through a speech or address, through a newspaper, book, periodical, or magazine published for distribution to the general public or to the membership of an organization, or through a radio or television broadcast;

(E) a communication by, or on behalf of, a candidate, as defined in section 301(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(b)), or by, or on behalf of, a

candidate for a State or local office, including a communication, by, or on behalf of, an organization in its capacity as a political committee, as defined in section 301(A) of such Act (2 U.S.C. 431(d)).

(F) a communication by an organization on any subject to a Member of the Senate or of the House of Representatives or to an individual on the staff of such Member, if such organization's principal place of business is located—

(i) in the State or in the congressional district represented by such Member, or

(ii) in a standard metropolitan statistical area within which the State or congressional district or any portion thereof of such Member is located.

(9) The term "Member, officer or employee of the Congress" means—

(A) any member of the Senate or the House of Representatives, and the Resident Commissioner in the House of Representatives;

(B) any officer or employee of the Senate or the House of Representatives or any employee of any Member, committee or officer of the Congress.

(10) The term "organization" means—

(A) any corporation, company, foundation, association, labor organization, firm, partnership, society, joint stock company, national organization of State or local elected or appointed officials and any organizational unit thereof, group of organizations, or group of individuals, which has one or more paid officers, directors, or employees;

(B) Any office located in the Washington, D.C. Standard Metropolitan Statistical Area of any agency or department of any state, city, municipality, government corporation, or local government including the executive office of any governor or mayor.

(11) "paid officer, paid director, or paid employee" means an officer, director, or employee who received income for his services, other than exempt travel expenses, at a rate in excess of standard federal minimum wage. An officer, director, or employee who is not employed on a full-time basis is included within this definition if the effective hourly rate at which such an individual is compensated exceeds the effective hourly rate of a full-time employee who receives income at a rate in excess of standard federal minimum wage.

(12) The term "quarterly filing period" means any calendar quarter beginning on January 1, April 1 or October 1.

(13) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

(14) "Voluntary membership organization" means an organization composed of persons who are members thereof on a voluntary basis, and who, as a condition of membership, pay regular dues, subscribe to one or more publications, or make contributions to such organization.

APPLICABILITY OF ACT

SEC. 4. The provisions of this Act shall apply to any organization which—

(a) makes an expenditure in excess of $2500 in any quarterly filing period for the retention of another person or persons to engage in lobbying communications;

(b) spends $2500 or more in any quarterly filing period on lobbying communications and has one paid employee who spends an average of eight or more hours per week in any quarterly filing period engaged on behalf of that organization in making lobbying communications,

except that a registered organization at its discretion shall be permitted to report for an affiliate or other organization if such affiliate or other organization is engaged in the activities described in subsections (a) and (b) of this section, at the request of the registered organization.

REGISTRATION

SEC. 5. (a) Each organization shall register with the Comptroller General not later than thirty days after engaging in activities described in section 4.

(b) The registration shall be in such form as the Comptroller General shall prescribe by regulation, and shall contain the following, which shall be regarded as material for the purposes of this Act:

(1) an identification of the organization;

(2) a general description of the types of issues which the organization as of the date of filing intends to engage in lobbying communications;

(3) the approximate number of individuals and organizations who are members of the organization;

(d) an identification of any person retained under section 4(a) and of any employee described in section 4(b).

(c) A registration filed under subsection (a) shall be effective until the first day of January immediately following the date upon which the initial registration is filed. Each organization shall file a new registration under subsection (a) within thirty days after the first day of January of each year, unless the organization has ceased to engage in the activities described in section 4.

RECORDS

SEC. 6. (a) In accordance with regulations prescribed by the Comptroller General, each organization required to be registered under this Act, shall maintain records relating to the registration and reports required to be filed under this Act. In promulgating regulations, the Comptroller General is authorized to require maintenance of only such records as are essential to enable an organization to comply with the provisions of this Act, and may not by rule or regulation require an organization which is not registered pursuant to this Act to maintain or establish records, other than those records normally maintained by the organization, for the purpose of enabling him to determine whether such organization is required to register.

(b) The records required by subsection (a) shall be preserved for a period of five years after the close of the quarterly filing period to which such records relate.

REPORTS BY REGISTERED ORGANIZATIONS

SEC. 7. (a) Each organization shall, not later than thirty days after the last day of each quarterly filing period, file a report with the Comptroller General concerning any activities described in section 4 which are engaged in by such organization during such period.

(b) The report described in paragraph (a) shall be in such form as the Comptroller General shall prescribe by regulation and shall contain the following, which shall be regarded as material for the purposes of this Act—

(1) an identification of the organization filing such report;

(2) an estimate of the total direct expenses which such organization made with respect to lobbying communications during such period and for each individual described in section 4(b), a statement as to which of the following categories includes the annual salary of the individual: up to $14,999; between $15,000 and $29,000; between $30,000 and $49,000; and in excess of $50,000; *Provided*, That, at the option of the organization, it may make such statement based on that portion of the individual's salary directly attributable to lobbying communications; *Provided further*, That any organization which has elected to be treated under the provisions of § 501(i) of the Internal Revenue Code of 1954 or the corresponding provision of any future internal revenue law may file, in lieu of a statement of the total expenditures on lobbying communications, a copy of the information which it disclosed pursuant to § 6033(b)(8) of the Internal Revenue Code of 1954 as amended, or the corresponding provisions of any future internal revenue law, or the most recent annual federal tax return filed by such organization.

(3) In each instance where the organization retains a person under section 4(a), (A) an identification of such person; (B) a description of each issue which was the subject of one or more lobbying communications by such person pursuant to such retention; and (C) the total amount expended pursuant to such retention except that in reporting expenditures for the retention of such persons, the organization filing such report may elect to make such statement based on that portion expended directly for lobbying communications.

(4) a general description of the ten issues which the organization estimates accounted for the greater proportion of its time spent in making lobbying communications.

POWERS OF COMPTROLLER GENERAL

SEC. 8. (a) The Comptroller General, in carrying out the provisions of this Act, is authorized—

(1) to informally request or to require by subpena any individual or organization to submit in writing such reports, records, correspondence, and answer to questions as are essential to carry out the provisions of this Act, within such reasonable period of time and under oath or such other conditions as the Comptroller General may require;

(2) to require by subpena the attendance and testimony of witnesses and the production of documentary evidence;

(3) in any proceeding or investigation, to order testimony to be taken by deposition before any person designated by the Comptroller General who has the power to administer oaths and to compel testimony and the production of evidence in any such proceeding or investigation in the same manner as authorized under paragraph (2);

(4) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States; and

(5) to petition any United States district court having jurisdiction for an order to enforce subpenas issued pursuant to paragraphs (1), (2), and (3) of this subsection.

(b) The Comptroller General, in carrying out the provisions of this Act, is not authorized to have access to, or request or require disclosure of, in whole or in part, any membership or contributor list of any voluntary membership organization.

(c) No individual or organization shall be civilly liable in any private suit brought by any other person for disclosing information at the request of the Comptroller General under this Act.

DUTIES OF THE COMPTROLLER GENERAL

SEC. 9. (a) It shall be the duty of the Comptroller General—

(1) to develop filing, coding, and cross-indexing systems to carry out the purposes of this Act, including (A) a cross-indexing system which, for any person identified in any registration or report filed under this Act, discloses each organization identifying such person in any such registration or report, and (B) a cross-indexing system, to be developed in cooperation with the Federal Election Commission, which discloses for any such person in any report filed under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434);

(2) to make copies of each registration and report filed with him under this Act available for public inspection and copying, commencing as soon as practicable after the date on which the registration or report involved is received, but not later than the end of the fifth working day following such date, and to permit copying of such registration or report by hand or by copying machine, or, at the request of any individual or organization, to furnish a copy of any such registration or report upon payment of

the cost of making and furnishing such copy; but no information contained in any such registration or report shall be sold or utilized by any individual or organization for the purpose of soliciting contributions or business;

(3) to preserve the originals or accurate reproductions of such registrations and reports for a period of five years from the date on which the registration or report is received;

(4) to compile and summarize, with respect to each quarterly filing period, the information contained in registrations and reports filed during such period in a manner which clearly presents the extent and nature of the activities described in section 4 which are engaged in during such period;

(5) to make information compiled and summarized under paragraph (4) available to the public and publish such information in the Congressional Record within sixty days after the close of each quarterly filing period;

(6) to conduct investigations with respect to alleged violations of any provision of this Act;

(7) to prescribe such procedural rules and regulations, and such forms as may be necessary to carry out the provisions of this Act in an effective and efficient manner; and

(8) to furnish assistance, to the extent practicable, to any person who requests assistance in the development of appropriate activities, proceedings and practices to meet the recording and reporting requirements of this Act.

(b) for the purposes of this Act, the duties of the Comptroller General shall be carried out in conformity with Chapter 5 of Title 5, United States Code, and any records maintained by the Comptroller General under this Act shall be subject to the provisions of sections 552 and 552a of Title 5.

ADVISORY OPINIONS

SEC. 10. (a) Upon written request to the Comptroller General by any individual or organization, the Comptroller General shall, within 21 days following the receipt of such request, render a written advisory opinion with respect to the applicability of the recordkeeping, registration or reporting requirements of this Act to any specific set of facts involving such individual or organization, or other individuals or organizations similarly situated.

(b) Notwithstanding any other provision of law, any individual or organization with respect to whom an advisory opinion is rendered under subsection (a) who acts in good faith in accordance with the provisions and findings of such advisory opinion shall be presumed to be in compliance with the provisions of this Act to which such advisory opinion related. The Comptroller General may modify or revoke any such advisory opinion, but any modification or revocation shall be effective only with respect to action taken after such individual or organization has been notified, in writing, of such modification or revocation.

(c) All requests for advisory opinions, all advisory opinions and all modifications or revocations of advisory opinions shall be promptly published by the Comptroller General in the Federal Register.

(d) The Comptroller General shall, before rendering an advisory opinion under this section, provide any interested individual or organization with an opportunity, within such reasonable period of time as the Comptroller General may provide, to transmit written comments to the Comptroller General with respect to such advisory opinion.

(e) Any individual or organization who has received and is aggrieved by any advisory opinion from the Comptroller General may file a declaratory action in the United States district court for the district in which such individual resides or such organization maintains its principal place of business.

(f) Failure or refusal by an individual or organization to act in accordance with any provisions and findings of any advisory opinion rendered under subsection (a) which concerns or is directed to such individual or organization, or other individuals or organizations similarly situated, shall create no presumption of bad faith or of the knowing or willful violation of any provision of this Act on the part of such individual or organization.

(g) No advisory opinion rendered under subsection (a) shall be admitted into evidence against an individual or organization in any enforcement proceeding conducted pursuant to section 13 of this Act or used in any other manner against any individual or organization. An advisory opinion shall not be accorded substantial weight in the interpretation of this Act.

ENFORCEMENT

SEC. 11. (a) If the Comptroller General has reason to believe that any individual or organization has violated any provision of this Act, the Comptroller General shall notify such individual or organization of such apparent violation, and shall make such investigation of such apparent violation as the Comptroller General considers appropriate. Any such investigation shall be conducted expeditiously, and with due regard for the rights and privacy of the individual or organization involved.

(b) If the Comptroller General determines, after any investigation under subsection (a), that there is reason to believe that any individual or organization has engaged in any acts or practices which constitute a civil violation of this Act, he shall endeavor to correct such violation—

(1) by informal methods of conference or conciliation; or

(2) if such methods fail, by referring such apparent violation to the Attorney General.

(c) Upon a referral by the Comptroller General pursuant to subsection (b)(2), the Attorney General may institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate relief in the United States district court for the district in which such individual or organization is found, resides, or transacts business. The Attorney General shall transmit a report to the Comptroller General describing any action taken by the Attorney General regarding the apparent violation involved.

(d) The Comptroller General shall refer apparent criminal violations of this Act to the Attorney General. In any case in which the Comptroller General refers such an apparent violation to the Attorney General, the Attorney General shall act upon such referral in as expeditious a manner as possible, and shall transmit a report to the Comptroller General describing any action taken by the Attorney General regarding such apparent violation.

(e) The reports required by subsections (c) and (d) shall be transmitted not later than sixty days after the date the Comptroller General refers the apparent violation involved, and at the close of every ninety-day period thereafter until there is final disposition of such apparent violation.

ATTORNEYS FEES

SEC. 12. In any action brought pursuant to sections 10(d) or 11(c) of this Act, in which the organization which is the subject of such action substantially prevails, the court may assess against the United States attorney fees and other litigation costs reasonably incurred.

REPORTS BY THE COMPTROLLER GENERAL

SEC. 13. The Comptroller General shall transmit reports to the President of the United States and to each House of the Congress no later than March 31 of each year. Each such report shall contain a detailed statement with respect to the activities of the Comptroller General in carrying out his duties and functions under this Act, together with recommendations for such legislative or other action as the Comptroller General considers appropriate.

SANCTIONS

SEC. 14. (a) Any individual or organization who knowingly and willfully violates section 5, 6 or 7 of this Act shall be fined not more than $5,000 for each such violation not to exceed $100,000.

(b) Any individual or organization selling or utilizing information contained in any registration or report in violation of section 9(a)(2) of this Act shall be subject to a civil penalty of not more than $100,000.

REPEAL OF FEDERAL REGULATION OF LOBBYING ACT

SEC. 15. (a) The Federal Regulation of Lobbying Act (60 Stat. 839; 2 U.S.C. 261 et seq.) is repealed.

(b) All documents, papers and other information in the custody or control of the Clerk of the House of Representatives or the Secretary of the Senate obtained or prepared pursuant to the provisions of the Federal Regulation of Lobbying Act are hereby transferred to the custody and control of the Comptroller General. The Senate and the House of Representatives consent to the transfer of such documents, papers, or other information.

EFFECT ON OTHER LAWS

SEC. 16. (a) An organization shall not be denied an exemption under section 501(a) of the Internal Revenue Code of 1954 as an organization described in section 501(c) of such Code, and shall not be denied status as an organization described in section 170(c)(2), 2055(a)(2), 2106(a)(2), and 2522 of such Code, solely because such organization complies with the requirements of sections 5, 6 and 7 of this Act.

(b) The registration, reporting, and recordkeeping requirements of the Act shall not relieve any person from the registration, reporting, recordkeeping or similar obligations of any other Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 17. There are authorized to be appropriated such sums as may be necessary to carry out this Act.

EFFECTIVE DATES

SEC. 18. (a) Except as provided in subsection (b), the provisions of this Act shall take effect on the first day of the first calendar quarter which begins more than one hundred and eighty days after enactment of this Act.

(b) The provisions of this Act requiring the issuance of regulations to implement this Act shall become effective upon enactment.

SEPARABILITY

SEC. 19. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby.

By Mr. METCALF:

S. 2028. A bill to amend the Internal Revenue Code of 1954 to provide that income derived from the regulated sale of electrical energy will be exempt from income taxes, to impose an excise tax on the purchase of electrical energy from a public utility, and for other purposes; to the Committee on Finance.

ELECTRIC UTILITY TAX REFORM ACT

Mr. METCALF. Mr. President, I introduce for appropriate reference a bill to exempt investor-owned electric utilities from income taxation by the Federal Government and to replace the relatively

small amount of revenue that would be lost through a usage tax.

Congressman FORTNEY H. "PETE" STARK, a member of the House Ways and Means Committee, is introducing companion legislation.

This Electric Utility Tax Reform Act of 1977 is similar to legislation I offered and described in the 94th Congress—S. 2133, CONGRESSIONAL RECORD, July 29, 1975, page 25608. I elaborated on the need for the legislation when I offered S. 2213 as an amendment to the Tax Reform Act of 1976—CONGRESSIONAL RECORD, June 14, 1976, page 17928—and in testimony before the Senate Finance Committee on August 24, 1976.

There are several reasons why this legislation should be passed:

First, the present system of taxation permits utilities to collect from customers phantom taxes which are never paid to the Government.

Second, the present tax system encourages utilities to distort their utility responsibilities to obtain tax advantage, as from the investment tax credit. This has led to more plant construction than was necessary, with consequent adverse effects on the environment and our national energy conservation goals.

Third, the present system unduly complicates utility rate regulation. Some electric utilities go before State commissions asking for almost double the amount of additional revenue they need. They argue that the extra money is needed to satisfy the demands of the Federal Government with its theoretical 48-percent corporate tax rate. Regulatory commissions are simply not equipped to cope with the sophisticated projections of utility tax experts. Often by the time a utility's accountants have computed all the tax gimmicks the utility has no tax liability, despite substantial profits, and may even have a tax credit. That is sad and expensive news for the utility customer who has been saddled with a rate based upon taxation at a 48 percent or some lesser rate.

Utility taxation, as a percentage of revenue, has decreased from almost 15 percent in the mid-fifties to just over 1 percent in recent years. Thus revenue loss by totally exempting utilities would amount to less than a billion dollars. Congressman STARK and I have added a feature to the legislation this year which would assure that enactment of the legislation would not result in revenue loss to the Treasury. This would be accomplished through a usage tax, collected by the utilities the way the telephone company collects the Federal excise tax from its customers. The tax would be at a rate of 0.0004 of a dollar per kilowatt hour of electricity. A typical user of 7,500 kWh annually would thus pay a tax of $3, rather than the larger amount which he or she would likely pay indirectly under the present system.

Under the present system, the investor-owned utilities—IOU's—have become taxkeepers, rather than taxpayers. The amount of customer money intended for Federal income taxes which is being kept by the IOU's is substantial, and is growing larger each year. At the end of 1974, the electric utilities were holding $5.4 billion in unpaid Federal taxes which had been collected from customers. That was an increase of 23 percent over the $4.4 billion which they held at the end of 1973. The money held is used to purchase utility plants, some of which is included in the rate base upon which customers must pay a rate of return.

At my request, the Federal Power Commission has provided a list of the class A and B electric utilities showing their 1975 revenues. Federal income taxes, net profits, and return on common stock. Those figures show that the profits reported by IOU's continue to dwarf the Federal income taxes they pay. Their average level of profitability has increased while their Federal tax payments have diminished drastically to insignificant levels.

In 1955, the IOU's paid about $1 billion in Federal income taxes on total operating revenues of $6.9 billion, and their return on common stock averaged 10.8 percent. By 1975, their total revenues had grown over sevenfold to almost $53 billion and their average return on common stock increased to 11.2 percent, but the total amount of Federal income taxes paid actually decreased to $698 million.

Looking at it another way, the IOU's paid 14.7 percent of their revenues for Federal income taxes in 1955, but paid only 1.3 percent of their revenues for such taxes in 1975. The Federal Power Commission reports that 58 or 27 percent of the 213 class A and B electric utilities paid no Federal income taxes at all in 1975. Instead, they collected almost $84 million in Federal tax credits to apply against past or future tax liabilities.

My bill to exempt electric utilities will correct the unnecessary complexities and inequities of existing Federal tax laws. It simply recognizes that many IOU's are paying little or no Federal income taxes, and others are actually profiting from phantom taxes paid to the utilities by their customers. The immediate benefit would be to reduce significantly the skyrocketing electric rates of hard-pressed consumers with only a relatively minor reduction in Federal tax receipts. Generally, utility income requirements are approximately doubled to compute rate increases charged customers because provisions for Federal income taxes at the theoretical 48 percent are included.

In previous years, the IOU's have complained about the burden of paying Federal income taxes which they claim puts them at a competitive disadvantage with publicly owned utilities. Enactment of this bill will benefit the IOU's by removing that burden.

This bill will also greatly simplify and expedite the ratemaking process. One of the major complications in every rate case is the proper treatment of Federal income taxes in setting electric rates. Tax provisions for utilities have become so complex and contrary to normally accepted concepts of income taxation that they make sense only to the high-priced accountants and tax lawyers hired by the IOU's. Enactment of this bill will help regulatory commissions and customers clearly understand the actual costs involved in providing electricity.

Finally, this bill will get the Federal Government out of the business of telling State regulatory commissions how to set electric rates. State commissions have the authority and responsibility to establish fair electric rates for customers within their jurisdictions. Some of them have been thwarted by the Internal Revenue Code in their attempt to prevent charging their customers for Federal income taxes which are not actually paid to the Federal Government.

Utility lobbyists have persuaded Congress to write specific directives on how Federal taxes should be treated in rate proceedings, thus usurping the power of State commissions to protect their citizens from unfair rates. Recent articles in the Wall Street Journal described the efforts of some State commissions to oppose this undue Federal invasion of their regulatory authority by refusing to recognize phantom Federal income taxes in setting electric rates. However, many others have reluctantly acquiesced because the Internal Revenue Service threatens to withhold Federal tax benefits if the IOU's are not permitted to collect and keep customers' money under the guise of paying income taxes.

Mr. President, the ultimate tax absurdity has been reached—the IOU's are using Federal income tax provisions to milk their customers for substantial amounts of cash which the Federal Government will never see. Incredibly, the system that is supposed to generate Federal revenues has become a comfortable source of cash for electric utilities. Federal income taxes are a necessary and unavoidable burden for families, individuals, and other business, but taxation has evolved into a benefit for the IOU's.

It is time for Congress to correct this absurdity and leave the determination of fair electric rates to the state regulatory commissions which are charged with that responsibiity. My bill will accomplish that result while simultaneously simplifying the ratemaking process and benefiting both the electric utilities and their customers.

I ask unanimous consent that the text of the Electric Utility Tax Reform Act of 1977 be inserted in the RECORD, along with an excellent article on phantom Federal income taxes which appeared in the December 1976 issue of the Power Line, a publication of the Environmental Action Foundation. I ask also that two Wall Street Journal articles describing the activities of the California and Maine State regulatory commissions regarding the prohibition of phantom taxes be inserted.

Mr. President, I have previously inserted data on electric utility revenues, net income, and Federal income taxes paid for 1973 and 1974 which was prepared for me by the FPC—CONGRESSIONAL RECORD, September 11, 1974, page 30756; September 10, 1975, page 28394; September 15, 1975, page 28761. I ask unanimous consent to insert the same data for 1975, along with a table provided me by the FPC which shows investment tax credits generated and

utilized by major IOU's from 1962 through 1975.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2028

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Electric Utility Tax Reform Act of 1977."

SEC. 2 (a) Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as section 125 and by inserting after section 123 the following new section:

"SEC. 124. EXCLUSION OF AMOUNTS DERIVED FROM REGULATED SALE OF ELECTRICAL ENERGY

"(a) IN GENERAL.—In the case of a regulated public utility, gross income does not include any amount derived by such utility from a regulated electric trade or business.

"(b) REGULATED ELECTRIC TRADE OR BUSINESS.—For purposes of subsection (a), the term 'regulated electric trade or business' means a trade or business of the sale or furnishing of electrical energy if the rates for such sale or furnishing, as the case may be, have been established or approved by a State or political subdivision thereof, by an agency or instrumentality of the United States, or by a public service or public utility commission or other similar body of any State or political subdivision thereof.

"(c) GAIN FROM SALE OF PROPERTY.—For purposes of this section, gain from the sale or exchange by any regulated public utility of any property shall be treated as derived from a regulated electric trade or business only if such property was used predominantly by such utility in a regulated electric trade or business.

"(d) CROSS REFERENCES.—

"(1) For denial of deduction for amounts allocable to income excluded under this section, see section 265.

(2) For definition of reguglated public utility, see section 7701(a)(33)."

(b) Subsection (a) of section 48 of such Code (defining section 38 property) is amended by adding at the end thereof the following new paragraph:

(10) PROPERTY USED IN A REGULATED ELECTRIC TRADE OR BUSINESS.—Any property which is used predominantly is a regulated electric trade or business (as defined in section 124 (b)) shall not be treated as section 38 property."

(c) Paragraph (33) of section 7701(a) of such Code (defining regulated public utility) is amended by inserting "and without regard to section 124" after "capital gains and losses" in the first sentence following subparagraph (H).

(d)(1) The amendments made by subsections (a) and (c) shall apply to amounts received or accrued after December 31, 1978, in taxable years ending after such date.

(2) The amendment made by subsection (b) shall apply to property placed in service after December 31, 1978.

SEC. 3. (a) Chapter 33 of the Internal Revenue Code of 1954 (relating to tax on facilities and services) is amended by inserting after subchapter C the following new subchapter:

"Subchapter D—Electrical Energy

"Sec. 4285. Imposition of tax.
"Sec. 4286. Definitions.
"Sec. 4287. Exemptions.

"SEC. 4285. IMPOSITION OF TAX.

"(a) GENERAL RULE.—There is hereby imposed a tax on any taxable purchase of electrical energy in an amount equal to .0004 of a dollar for each kilowatt hour of electrical energy so purchased.

"(b) BY WHOM PAID.—The tax imposed by subsection (a) shall be paid by the person purchasing the electrical energy.

"SEC. 4286. DEFINITIONS.

"(a) TAXABLE PURCHASE.—For purposes of this subchapter, the term 'taxable purchase' means any purchase of electrical energy from a public utility.

"(b) PUBLIC UTILITY.—For purposes of this subchapter, the term 'public utility' means any entity which is engaged in the sale or furnishing of electrical energy—

"(1) if such entity is a State or political subdivision thereof, the United States, or an agency or instrumentality of any of the foregoing, or

"(2) if the rates at which such entity furnishes or sells electrical energy have been established or approved by a State or political subdivision thereof, by an agency or instrumentality of the United States, or by a public service or public utility commission or other similar body of any State or political subdivision thereof.

"SEC. 4287. EXEMPTIONS.

"(a) STATES, LOCAL GOVERNMENTS, AGENCIES, ETC.—Under regulations prescribed by the Secretary, no tax shall be imposed by section 4285 on any purchase of electrical energy by a State or any political subdivision of a State, or any agency, authority, or instrumentality of any one or more of the foregoing, or any corporation which is wholly owned, directly or indirectly, by any one or more of the foreging, or any officer, agent, or employee of any of the foregoing acting as such in the course of his official duty, unless such provision makes specific reference thereto, or any non-profit rural electric cooperative.

"(b) PURCHASES BY PUBLIC UTILITIES.—Under regulations prescribed by the Secretary, no tax shall be imposed by section 4285 on the purchase of electrical energy by a public utility."

(c) The table of subchapters of chapter 33 of such Code is amended by inserting after the item relating to subchapter C the following new item:

"Subchapter D—Electrical Energy".

(d) The amendments made by this section shall apply with respect to electrical energy furnished after December 31, 1978.

[From Power Line, December 1976]

UTILITY OVERCHARGE: $1.5 BILLION IN PHANTOM TAXES

With the help of Congress, the nation's 150 largest private electric utilities charged their customers almost $1.5 billion for federal income taxes which were not paid in 1975. This figure is up over half a billion from 1974.

These are among the findings of a study published this month jointly by Environmental Action Foundation and National Consumer Information Center entitled, *Phantom Taxes in Your Electric Bill.* The study is based on data filed by the electric utilities with the Federal Power Commission.

The tax overcharges exist, the groups said, because of certain accounting methods and tax breaks utilities are permitted to use under federal law. As of 1975, these loopholes have allowed private power companies to collect $7.1 billion from their customers for income taxes that were never paid.

Congress has provided new or expanded tax benefits to utilities four times in the last twenty years. In 1955, the year after their first major tax break, the nation's electric utilities paid more than $1 billion in federal income taxes. In 1975, utility tax payments had dropped to $800 million, even though utility revenues had increased more than five-fold. Thus, in the past 20 years federal income taxes as a percent of utility revenues have decreased from 12.7% to 1.8%.

Of the 150 companies surveyed by EAF & NCIC, 134 charged their customers for more taxes than they actually paid in 1975, 43 paid no federal income taxes at all, and 31 charged their customers for $194 million in federal taxes even though they received refunds from the IRS totaling $82 million.

Investigators calculated that pre-tax profits for the power industry totaled $8.9 billion in 1975. While the statutory corporate rate is 48% the electric utilities paid an average of only 8.2% of their taxable income to the federal government last year.

The tax breaks never make their way to ratepayers, though. Most state commissions permit utilities to keep two sets of books—one for the commission and one for the IRS. This process, called normalized accounting, allows utilities to charge their customers as if they received no tax breaks. Federal tax laws discourage state utility commissions from ordering utilities to pass on their tax savings to the consumer.

The two major loopholes which benefit utilities are accelerated depreciation and the investment tax credit (ITC).

Accelerated depreciation allows a utility to pay less tax in the first few years of a power facility's use, but more tax when the plant gets older. The company, in effect, is postponing its tax payments. At the same time, normalized accounting allows the utility to collect taxes from customers as though this tax break didn't exist. As long as a utility keeps growing, however, it will always have more new facilities than old ones. Thus the utility can go on postponing its tax payments indefinitely. This, in fact, is what happens. In the 21 years since accelerated depreciation was first allowed, the industry has collected $5.4 billion in taxes that have never been paid, and the amount is growing every year.

The 1975 investment tax credit simply permits a utility to subtract 10% of the cost of all new investments from the amount of taxes owed. Early in 1976, Congress passed legislation increasing the ITC to 11.5% by 1977 for companies instituting employee stock ownership plans. Hence, most utilities can expect even greater tax savings in the future.

Instead of benefiting electricity consumers, both of these tax loopholes encourage utilities to spend billions of dollars on unnecessary power plants, resulting in higher rates as well as needless environmental degradation and energy waste.

Because federal laws penalize state commissions that pass the tax savings on to customers, citizens cannot merely push for a prohibition of normalized accounting before their commissions. Federal laws, however, do allow other tax savings to be passed to ratepayers, and citizens should make sure their commissions do so.

In addition, it is important to generate public awareness of the laws which allow this incredible tax advantage to the power industry. By making an issue of phantom taxes, consumers can force their commissioners and legislators to protest against these taxes.

As California commissioner, Robert Batinovich has stated, "I think the ratepayers deserve to have rates set on the basis of taxes actually paid rather than by this exercise in illusion and mystery."

Phantom Taxes in Your Electric Bill *is available from EAF for $2.50.*

The top ten

The ten largest overcharges found in the investigation by EAF & NCIC of unpaid taxes were as follows:

	Million
1. Commonwealth Edison	$110.5
2. Georgia Power	91.2
3. Duke Power	64.3
4. Consolidated Edison	62.5
5. Alabama Power	57.9
6. Florida Power & Light	53.7

7. Public Service Electric & Gas	51.8
8. Philadelphia Electric	42.6
9. Carolina Power & Light	37.0
10. Detroit Edison	35.9

Summary of findings

(Statistics refer to the 150 largest private electric utilities in U.S, 1975)

Federal income taxes charged to customers	$2,198,770,163
Federal income taxes	727,860,518
Federal income taxes charged to customers, but not paid	1,470,909,645
Net tax credits or refunds of back taxes received by utilities	81,796,560
Number of utilities which paid no Federal income taxes	43
Number of utilities receiving refunds of back taxes	31
Number of utilities charging customers for more Federal income taxes than they paid	134
Total taxable utility income	8,908,886,760
Federal income taxes paid by utilities as a percent of taxable income	8.2%

All the above statistics were derived from the annual reports (Form 1) for 1975 filed by the utilities with the Federal Power Commisson.

[From the Wall Street Journal, Feb. 25, 1977]

POWER PLAY: CALIFORNIA'S REGULATORS ATTACK THE TAX BREAKS U.S. GIVES TO UTILITIES

(By G. Christian Hill)

For scores of utilities and millions of their customers, the action in California these days is worth watching.

There, state regulators and the federal government's tax agents are squaring off for a fight that could carry to the U.S. Supreme Court. If California wins, utilities across the country are likely to find themselves under pressure to disgorge billions of dollars in refunds and rate reductions. If the Internal Revenue Service gets its way, only California utilities—and possibly their customers as well—could face problems.

At issue are tax savings that have long been granted utilities under federal law. Now, a liberal, reform-minded majority of California's Public Utilities Commission wants to force power and telephone companies in the state to pass these savings on to customers. The sums are substantial. In the case of Pacific Telephone & Telegraph Co., for instance, the PUC is preparing to order the American Telephone & Telegraph Co. subsidiary to reduce rates by $50 million annually and cough up another $128.9 million in refunds.

But in its only comment so far on the PUC's actions, the IRS strongly suggests the commission is about to violate the wishes of Congress, which has declared that the purpose of the tax savings is to encourage modernization of plants and equipment, not to reduce rates. If the PUC persists, tax agents indicate, they will have no choice but to levy huge penalties against the California utilities.

A GAME OF CHICKEN?

The state regulators are betting that won't happen. "Picture whether or not AT&T or the federal government will let Pacific Telephone go belly up," says a source at the commission. "Think about whether the IRS would really demand a billion or so in back taxes. What we've got here is a gigantic game of chicken."

A number of consumer groups around the country also hope the IRS will back down. As they see it, the tax savings amount to an unfair windfall for utilities, one that regulators in other states should also pounce on. Even the utilities concede—with a distinct lack of enthusiasm—that California's action has wide appeal. "California is the only state in the union that has tried this," says Donald Redman, vice president and controller of General Telephone & Electronics Corp.'s California subsidiary. "I'm sure the other states are watching with great interest."

The tax savings in dispute are both the tax credits earned whenever a capital investment is made and the deferral of taxes that is gained by accelerating the rate at which a piece of equipment depreciates in value. The combined effect is to give a utility an interest-free, often non-repayable loan to spend on improving facilities.

That, at least, is what Congress has had in mind ever since 1954, when the first of the tax savings was approved. But for years some 13 state regulatory agencies paid no attention to what Congress wanted, insisting instead that utilities pass some of these tax benefits directly on to consumers.

CONGRESS CRACKS DOWN

In 1969 and again in 1975, however, Congress moved to stop the states' practice. Legislation was pased allowing many utility companies to place their tax savings in a special reserve; more important, the law decreed that any attempt by a regulatory agency to tap these reserves for rate-making purposes would result in complete loss of the tax credits and demand for payment of earlier tax savings.

The utilities lobbied hard for that penalty, reasoning that no regulator would be foolish enough to risk exposing the companies to huge back-tax liabilities sure to shrink earnings and, eventually, justify a need for big rate hikes. The threat was somewhat effective; six of the 13 states dropped the requirement that the tax savings "flow through" to consumers.

Some indication of what this has meant to utilities can be gleaned from two recent government reports. One, by the Federal Power Commission, shows that in 1974, the nation's electric utilities paid $528 million in federal income taxes. But the next year, according to a Library of Congress survey, state regulatory commissions granted these utilities $1.6 billion in rate hikes specifically to reflect federal taxes.

Put another way, in 1975 a company like Pacific Telephone was able to charge its customers rates based on the assumption that one of the utility's costs from its California operations was a $210 million tax bill. Yet in fact, Pacific Telephone not only didn't pay any federal income tax that year, it also received a $19 million tax refund through its parent company.

FEW OPERATIONS

A few in Congress have objected to the utilities' tax benefits. Senator Lee Metcalf, for instance, has accused his colleagues of enabling "electrical utilities to become the greatest tax evaders of all time."

Most, however, accept the utilities' argument that because of accounting practices, at least a portion of the tax savings is eventually passed on to customers. The utilities have also persuaded Congress that they do spend the tax savings to improve service for customers. Pacific Telephone, for instance, points out that 25% of its $1.35 billion capital budget for 1977 will be financed by tax credits produced by these expenditures.

But the utilities and Congress failed to reckon with the independent bent of California courts and regulators. In 1972, the California Supreme Court ruled that the tax savings constituted a "windfall" for utilities and should be shared, at least in part, with customers. The court then instructed the Public Utilities Commission to find a way to do that within the confines of U.S. tax law.

After years of trying, a majority of the PUC now claims to have found a way, devising formulas that ostensibly don't bear directly on utilities' federal tax savings but instead make various assumptions about expected revenues, and service and capital costs.

As a result, in addition to the ruling involving Pacific Telephone, the commission in recent months has ordered, or said it proposes to order, a $49.9 million refund and $10 million annual rate reduction by General Telephone Co. of California; a $6.4 million annual rate reduction by Southern California Gas Co., the nation's biggest retail gas distributor and a unit of Pacific Lighting Corp.; and an unspecified rate reduction by Southern California Edison Co., the nation's fifth largest power company.

A "TRANSPARENT RUSE"

The PUC minority—two of the agency's five members—says the rate orders amount to a "transparent ruse" and a "gimmick" to circumvent federal tax law. The utilities heartily agree. The PUC's "method is pure fiction, designed apparently to get around the law of the land," charges Arthur Latno, a Pacific Telephone vice president.

Indeed, Pacific Telephone believes that if the PUC action sticks, then the company will have to surrender $764 million in deferred taxes and interest to the IRS. General Telephone figures its tab at $200 million. The others say they would lose lesser, but still substantial, amounts.

ENFORCING THE LAW

For their part, the PUC staff and the commission majority are standing fast. Robert Batinovich, a member of the majority, cheerfully concedes that the Pacific Telephone proposal, for one, rests on a "bookkeeping fiction"—he only argues that it is perfectly legal. Nor does the PUC staff have much sympathy for the utilities' fears about paying big tax penalties that they themselves had lobbied to get. "Ma Bell can just get the law changed again, like it did in 1969," says one staff member. (Among PUC staffers, the 1969 tax legislation is known derisively as "the Bell bill.")

The IRS, however, is charged with enforcing current tax laws, and it has already indicated that it intends to do so. Southern California Gas Co. recently received a preliminary ruling from the federal agency saying that the PUC's rate order is an "impermissible accounting treatment of the (tax) credit." The ruling, made by John Hott, chief of the IRS Corporation Tax Division, also stated that the commission's order "indicates that the PUC did indirectly, and by another name, what it could not do directly without causing the (company) to lose the benefits of the investment credit."

Southern California Gas has already petitioned the California Supreme Court in an attempt to annul the PUC's rate order. Both of the telephone companies involved promise to do the same thing if the proposed PUC action affecting them is adopted in its present form. Moreover, should the state court rule against the companies, it's likely that the whole issue will then be taken to the U.S. Supreme Court.

In any case, the PUC majority would seem to welcome the confrontation. Commissioner Batinovich believes the actions by Congress to protect utilities' tax savings amount to subversion of state regulatory powers. "The IRS doesn't set rates in this state," he says, "we do." Utilities, meanwhile, suspect that the showdown being provoked by the PUC is actually designed to provide a national platform for the commission majority's own tax reform idea, which calls for abolishing all

federal tax payments by utilities and instituting instead a tax to be paid directly by the consumer to the government at monthly billing time.

If that is true, says Pacific Telephone's Mr. Latno, then the PUC is playing "a terrible game. Because if the commission's point of view is wrong, the stakes are so immense that there could be a catastrophe."

[From the Wall Street Journal, Mar. 1, 1977]

PHONE CONCERN'S BID TO LIFT RATES BRINGS UNWELCOME SURPRISE

When Continental Telephone Co. of Maine applied for a $510,000 annual rate increase last year, it gave little thought to getting the kind of answer the Maine Public Utilities Commission recently gave it.

Not only did the state agency deny the increase, but it actually reduced the company's rates $409,000. Continental Telephone Co. of Maine is a subsidiary of Continental Telephone Corp., Merrifield, Va., and has about 25,000 subscribers scattered around Maine.

"It's unbelievable, really," says William Houman, president of the subsidiary. The possibility of a rate decrease "was never once raised during the hearings" for the proposed increase, he says. The concern has appealed the decision to the Maine supreme court.

The rate decrease is probably the first in Maine in more than five years, says Ralph Gelder, chairman of the Maine utilities commission. The subsidiary "would have been better off not filing," he says.

If unheld by the state's supreme court, the decision's effect will be to reduce rates for most residential customers a couple of dollars a month, says Mr. Gelder. The reduction is scheduled to take effect March 12, unless the court intervenes.

The decision to reduce rates stemmed in part from what Mr. Gelder says was an overstatement by Continental Telephone Co. of Maine of its tax liability. The subsidiary showed its tax liability at the full corporate rate of 48% whereas its parent Continental Telephone Corp.'s consolidated taxes were only about 5% in 1974, the year examined by the state agency, he says.

The Maine Public Utilities Commission also decided that other charges made by the parent company to the subsidiary, such as for use of a company plane, were unwarranted, says Mr. Gelder. "There was just no way of showing that Maine rate payers were getting anything out of these costs being assessed," he says.

FEDERAL POWER COMMISSION,
Washington, D.C., September 8, 1976.

Hon. LEE METCALF,
U.S. Senate, Washington, D.C.

DEAR SENATOR METCALF: In further response to your request of June 1, 1976, enclosed are tabulations showing income taxes, return on common equity and other financial data on Classes A and B electric utilities and gas pipeline companies for calendar year 1975.

Please note that the information contained in the footnotes to the tabulations is an integral part and should be included in publication or release of this information.

It should also be noted that the figure for Federal income taxes as a percentage of net income can be derived by dividing column 11 by column 13 on the charts showing tax comparisons. You will note that this amounts to 11.3 percent for all electric utilities and 41.1 percent for interstate natural gas pipeline companies.

Sincerely,

RICHARD L. DUNHAM,
Chairman.

CLASSES A AND B PRIVATELY OWNED ELECTRIC UTILITIES—1975

Company name	Rate of return on common equity: Year end	Average
Alabama Power Co	10.9	11.6
Southern Electric Generating Co	13.4	13.4
Alaska Electric Light & Power Co	9.8	10.0
Arizona Public Service Co	12.1	13.5
Citizens Utilities Co	14.9	15.9
Tucson Gas & Electric Co	12.1	14.3
Arkansas Missouri Power Co	10.2	10.5
Arkansas Power & Light Co	7.6	8.1
Pacific Gas & Electric Co	9.2	9.7
San Diego Gas & Electric Co	5.8	5.9
Southern California Edison Co	9.8	10.0
Home Light & Power Co	8.9	9.2
Public Service Co. of Colorado	11.6	12.6
Connecticut Light & Power Co	10.7	11.1
Connecticut Yankee Atomic Power	7.1	7.2
Hartford Electric Light Co	12.5	13.4
Millstone Point Co	8.1	9.3
United Illuminating Co	13.0	14.7
Delmarva Power & Light Co	9.2	9.7
Potomac Electric Power Co	7.6	7.8
Florida Power Corp	12.5	13.4
Florida Power & Light Co	12.5	13.4
Florida Public Utilities Co	7.6	7.7
Gulf Power Co	16.8	17.6
Tampa Electric Co	12.6	13.7
Georgia Power Co	14.4	14.9
Savannah Electric & Power Co	13.0	13.5
Hawaiian Electric Co., Inc	11.2	11.5
Hilo Electric Light Co., Ltd	2.6	2.6
Maui Electric Co., Ltd	8.9	9.3
Idaho Power Co	8.1	8.7
Central Illinois Light Co	8.3	8.8
Central Illinois Public Service	12.0	13.1
Commonwealth Edison Co	10.4	11.0
Electric Energy, Inc	7.8	8.0
Illinois Power Co	12.3	13.2
Mount Carmel Public Utility Co	9.5	9.7
Sherrard Power System	8.2	8.5
South Beloit Water, Gas & Electric	[1] 0	[1] 0
Alcoa Generating Corp	3.4	3.3
Commonwealth Edison Company of I	7.6	7.5
Indiana-Kentucky Electric Corp	[2] 0	[2] 0
Indiana & Michigan Electric Co	10.0	10.7
Indianapolis Power & Light Co	11.3	12.4
Northern Indiana Public Service	11.2	12.0
Public Service Co. of Indiana	12.4	13.3
Southern Indiana Gas & Electric	12.8	13.2
Interstate Power Co	10.2	11.4
Iowa Electric Light & Power Co	7.7	7.7
Iowa Illinois Gas & Electric Co	11.0	11.9
Iowa Power & Light Co	13.2	14.3
Iowa Public Service Co	10.8	12.8
Iowa Southern Utilities Co	12.6	13.6
Central Kansas Power Co., Inc	7.4	7.7
Central Telephone & Utilities Co	14.7	15.3
Kansas Gas & Electric Co	12.2	13.2
Kansas Power & Light Co	11.8	12.1
Kentucky Power Co	7.6	7.7
Kentucky Utilities Co	11.6	12.5
Louisville Gas & Electric Co	11.8	12.6
Union Light, Heat & Power Co	9.3	9.6
Central Louisiana Electric Co	15.5	17.6
Gulf States Utilities Co	11.1	11.8
Louisiana Power & Light Co	12.5	13.8
New Orleans Public Service Inc	4.2	4.1
Bangor Hydro Electric Co	10.8	11.4
Central Maine Power Co	9.1	9.4
Maine Electric Power Co., Inc	12.4	11.9
Maine Public Service Co	9.4	9.5
Maine Yankee Atomic Power Co	10.0	10.0
Rumford Falls Power Co	8.9	9.0
Baltimore Gas & Electric Co	10.3	10.5
Chestertown Electric Light & Power Co	2.5	2.5
Conowingo Power Co	6.2	6.4
Delmarva Power & Light Co	7.6	8.0
Potomac Edison Co	12.7	13.1
Susquehanna Electric Co	[2] 0	[2] 0
Susquehanna Power Co	5.3	5.3
Boston Edison Co	7.0	7.5
Brockton Edison Co	11.1	13.7
Cambridge Electric Light Co	8.5	8.5
Canal Electric Co	14.8	15.4
Fall River Electric Light Co	12.6	12.5
Fitchburg Gas & Electric Light	9.0	9.1
Holyoke Power & Electric Co	4.1	4.1
Holyoke Water Power Co	[2] 0	[2] 0
Massachusetts Electric Co	11.7	11.7
Montaup Electric Co	8.6	9.3
Nantucket Gas & Electric Co	10.9	11.2
New Bedford Gas & Edison Light	7.1	7.7
New England Power Co	9.9	10.4
Western Massachusetts Electric Co	7.2	7.7
Yankee Atomic Electric Co	7.2	7.2
Alpena Power Co	12.5	13.1
Consumers Power Co	8.5	8.8
Detroit Edison Co	7.0	7.5
Edison Sault Electric Co	11.7	11.8
Indiana Michigan Power Co	6.4	7.0
Michigan Power Co	5.8	5.9
Upper Peninsula Generating Co	[2] 0	[2] 0
Upper Peninsula Power Co	8.6	8.6
Cliffs Electric Service Co	17.2	18.8
Minnesota Power & Light Co	12.0	13.0
Northern States Power Co	12.3	13.0
Mississippi Power Co	9.7	10.1
Mississippi Power & Light Co	12.6	12.8
Empire District Electric Co	10.9	11.1
Kansas City Power & Light Co	10.3	11.0
Missouri Edison Co	7.9	8.1
Missouri Power & Light Co	9.1	9.2
Missouri Public Service Co	11.8	12.2
Missouri Utilities Co	7.0	7.5
St. Joseph Light & Power Co	9.3	10.0
Union Electric Co	10.9	11.5
Montana Power Co	13.1	14.7
Nevada Power Co	9.5	9.8
Sierra Pacific Power Co	8.5	8.8
Concord Electric Co	12.7	13.9
Connecticut Valley Electric Co	2.7	2.7
Exeter & Hampton Electric Co	12.8	13.1
Granite State Electric Co	12.1	12.1
Public Service Company of New Ha	12.7	13.1
Atlantic City Electric Co	12.4	12.7
Jersey Central Power & Light Co	8.2	8.2
Public Service Electric & Gas	8.8	9.0
Rockland Electric Co	4.4	5.1
New Mexico Electric Service Co	13.3	14.0
Public Service Co. of New Me	10.6	11.5
Central Hudson Gas & Electric Co	9.9	10.4
Consolidated Edison Company of N	9.7	10.0
Long Island Lighting Co	12.1	13.4
Long Sault, Inc	9.0	12.3
New York State Electric & Gas Co	9.9	10.9
Niagara Mohawk Power Corp	11.4	12.2
Orange & Rockland Utilities, I	11.3	11.6
Rochester Gas & Electric Corp	9.5	10.1
Carolina Power & Light Co	10.3	11.7
Duke Power Co	9.1	9.6
Nantahala Power & Light Co	4.9	5.0
Yadkin, Inc	5.0	5.2
Montana Dakota Utilities Co	11.4	11.7
Otter Tail Power Co	9.5	9.6
Cincinnati Gas & Electric Co	10.2	10.8
Cleveland Electric Illuminating	11.9	13.1
Columbus & Southern Ohio Elect	13.5	15.6
Dayton Power & Light Co	11.7	12.4
Ohio Edison Co	12.3	13.0
Ohio Electric Co	12.3	13.0
Ohio Power Co	13.4	14.2
Ohio Valley Electric Corp	10.1	10.1
Toledo Edison Co	12.9	14.2
Oklahoma Gas & Electric Co	12.6	12.8
Public Service Co. of Oklahoma	13.2	14.0
California Pacific Utilities Co	7.6	8.0
Pacific Power & Light Co	11.4	12.8
Portland General Electric Co	12.7	13.8
Citizens Electric Co	7.2	7.3
Duquesne Light Co	10.2	10.8
Hershey Electric Co	9.8	10.3
Metropolitan Edison Co	10.3	10.2
Pennsylvania Electric Co	12.4	12.4
Pennsylvania Power Co	11.6	12.0
Pennsylvania Power & Light Co	11.9	12.7
Philadelphia Electric Co	8.8	9.4
Safe Harbor Water Power Corp	7.6	7.7
UGI Corp	9.2	9.3
West Penn Power Co	13.2	13.3
Blackstone Valley Electric Co	6.4	6.4
Narragansett Electric Co	8.2	8.3
Newport Electric Corp	9.4	9.5
Lockhart Power Co	8.3	8.4
South Carolina Electric & Gas Co	11.9	12.7
Black Hills Power & Light Co	12.9	13.4
Northwestern Public Service Co	7.3	7.2
Kingsport Power Co	5.9	6.0
Tapoco, Inc	4.3	4.1
Central Power & Light Co	12.0	13.0
Community Public Service Co	6.8	6.7
Dallas Power & Light Co	9.4	9.6
El Paso Electric Co	13.7	15.1
Houston Lighting & Power Co	10.2	10.8
Southwestern Electric Power Co	13.3	14.0
Southwestern Electric Service Co	14.3	14.7
Southwestern Public Service Co	17.0	18.5
Texas Electric Service Co	13.6	13.9
Texas Power & Light Co	10.6	11.4
West Texas Utilities Co	15.8	16.4
Utah Power & Light Co	9.2	10.2
Central Vermont Public Service Co	12.0	12.3
Green Mountain Power Corp	15.0	15.6
Vermont Electrict Power Co	7.2	7.8
Vermont Yankee Nuclear Power Corp	9.8	9.9
DelMarva Power & Light Co	11.0	11.3
Old Dominion Power Co	5.1	5.3
Virginia Electric & Power Co	9.8	10.5
Puget Sound Power & Light Co	12.4	13.4
Washington Water Power Co	11.2	11.8
Appalachian Power Co	13.8	14.6
Monongahela Power Co	13.3	14.1

Company name	Rate of return on common equity [1] Year end	Average
Wheeling Electric Co	11.3	11.6
Consolidated Water Power Co	4.0	4.0
Lake Superior District Power Co	9.6	9.8
Madison Gas & Electric Co	9.3	10.0
Northern States Power Co	12.0	12.8
Northwestern Wisconsin Electric	5.7	5.9
Superior Water, Light & Power	9.1	9.2
Wisconsin Electric Power Co	9.9	10.0
Wisconsin Michigan Power Co	7.1	6.9
Wisconsin Power & Light Co	9.5	10.3
Wisconsin Public Service Corp	11.8	12.0
Wisconsin River Power Co	.7	.7
Cheyenne Light, Fuel & Power Co	10.1	10.3
Lincoln Service Corp	4.6	4.7
Total	10.6	11.2

[1] Rates of return on common equity. The computed rates of return presented in this schedule are the percentage relationships of earnings available for common stock to (1) the end of year balance and (2) the average of the beginning and year-end balances of proprietary capital, excluding preferred stock. This presentation of rates of return on common equity is not considered indicative of the reasonableness of return by regulatory standards as the earnings available include both regulated and nonregulated earnings and, furthermore, the regulated portion of the earnings are from operations which are regulated partly by the Federal Power Commission and one or more State and local entities which may or may not utilize the same or similar rate making methods.

[2] Company in a net loss position

FEDERAL INCOME TAXES—REVENUES
CLASSES A AND B PRIVATELY OWNED ELECTRIC UTILITIES, 1975

Company No. and company name	Total utility operating revenues account 400 (1)	Federal income tax charged to account 409.1 [1 2] (2)	F.I.T. as percent of utility operating revenues (2)÷(1) (3)	Total nonutility operating revenues (4)	Federal income tax charged to account 409.2 [1 2] (5)	F.I.T. as percent of nonutility operating revenues (5)÷(4) (6)
010100 Alabama Power Co	$632,156,152	$5,693,245—	0.9—	$58,459,317	$641,515	1.1
011700 Southern Electric Generating Co	78,215,480	1,679,534	2.1	1,724,794	433,423	25.1
020250 Alaska Electric Light & Power Co	3,882,835	128,500	3.3	4,784	0	0
040350 Arizona Public Service Co	359,747,014	5,007,004	1.4	17,844,591	4,245,339—	23.8—
040540 Citizens Utilities Co	37,440,032	1,727,207	4.6	12,589,693	274,115	2.2
041600 Tucson Gas & Electric Co	166,833,106	971,000	.6	6,722,357	971,000—	14.4—
050160 Arkansas Missouri Power Co	40,970,572	278,725	.7	336,086	12,188—	3.6—
050220 Arkansas Power & Light Co	309,064,944	6,058,953	2.0	22,469,935	4,511,370—	20.1—
061090 Pacific Gas & Electric Co	2,438,570,217	4,253,000—	.2—	93,990,622	14,480,000—	15.4—
061240 San Diego Gas & Electric Co	388,866,898	37,159	0	9,188,630	3,245,506—	35.3—
061490 Southern California Edison Co	1,668,487,362	40,058,569	2.4	35,388,133	2,161,900—	6.1—
080550 Home Light & Power Co	10,329,277	319,936	3.1	32,383	0	0
080880 Public Service Co. of Colorado	436,407,235	11,445,470	2.6	13,894,925	96,470—	.7—
090370 Connecticut Light & Power Co	421,041,463	1,062,493	.3	23,336,229	622,315—	2.7—
090450 Connecticut Yankee Atomic Power	40,806,491	306,865—	.8—	161,348	306,865	190.2
090760 Hartford Electric Light Co	225,244,295	255,765—	.1—	11,333,912	186,642—	1.6—
090900 Millstone Point Co	21,904,425	211,631	1.0	680,677	0	0
091590 United Illuminating Co	188,650,770	1,734,400—	.9—	7,240,864	221,900	3.1
100150 Delmarva Power & Light Co	212,116,453	970,661—	.5—	19,043,988	438,035	2.3
110250 Potomac Electric Power Co	492,509,585	9,953,000—	2.0—	1,774,110	49,000—	2.8—
120290 Florida Power Corp	504,495,991	8,144,000	1.6	36,880,435	3,808,000	10.3
120380 Florida Power & Light Co	1,182,644,366	52,711,267	4.5	49,806,136	3,343,898—	6.7—
120560 Florida Public Utilities Co	17,621,352	59,104	.3	140,610	18,738	13.3
120650 Gulf Power Co	143,809,602	9,416,931	6.5	627,788	79,411	12.6
121190 Tampa Electric Co	254,856,688	4,326,823	1.7	10,669,035	1,141,366—	10.7—
130450 Georgia Power Co	1,081,621,144	12,935,448—	1.2—	91,036,629	12,935,448	14.2
131000 Savannah Electric & Power Co	62,485,541	240,023—	.4—	3,131,916	66,600	2.1
150250 Hawaiian Electric Co., Inc	170,203,732	6,723,472	4.0	2,511,618	1,926—	.1—
150280 Hilo Electric Light Co., Ltd	18,325,574	479,047—	2.6—	113,610	0	0
151000 Maui Electric Co., Ltd	15,895,006	445,267—	2.8—	252,410	0	0
160430 Idaho Power Co	121,323,751	5,411,300	4.5	2,186,334	187,900	8.6
170290 Central Illinois Light Co	181,468,245	1,944,800	1.1	12,175,311	567,100	4.7
170320 Central Illinois Public Service	240,556,330	4,808,400	2.0	9,009,272	1,776,500—	19.7—
170410 Commonwealth Edison Co	1,710,769,823	43,436,168	2.5	61,478,222	12,201,000—	19.8—
170590 Electric Energy, Inc	92,351,085	625,375	.7	94,357	0	0
170720 Illinois Power Co	408,950,964	11,575,000	2.8	7,703,525	1,919,000—	24.9—
171010 Mount Carmel Public Utility Co	4,933,026	212,845	4.3	9,521	0	0
171310 Sherrard Power System	4,048,280	150,116	3.7	1,716	0	0
171340 South Beloit Water, Gas & Electric	4,834,718	138,528—	2.9—	1,034	477	46.1
180100 Alcoa Generating Corp	40,604,439	531,281	1.4	0	0	0
180250 Commonwealth Edison Co. of Indiana	64,369,127	3,829,294	5.9	547,543	211,500	38.6
180450 Indiana Kentucky Electric Corp	79,374,930	0	0	101,557	0	0
180570 Indiana & Michigan Electric Co	364,499,322	1,183,812	.3	39,087,422	411,914—	1.1—
180630 Indianapolis Power & Light Co	177,876,435	7,030,000	4.0	9,545,063	2,220,000—	23.3—
180970 Northern Indiana Public Service	536,751,558	12,562,962	2.3	20,221,096	3,652,000—	18.1—
181150 Public Service Co. of Indiana	305,898,155	16,725,542	5.5	13,474,341	2,506,109—	18.6—
181270 Southern Indiana Gas & Electric	82,750,651	6,912,950	8.4	556,056	16,800	3.0
190820 Interstate Power Co	103,686,643	3,502,000	3.4	2,238,945	132,000	5.9
190890 Iowa Electric Light & Power Co	159,367,244	0	0	1,000,966	174,500—	17.4—
190900 Iowa Illinois Gas & Electric Co	195,743,581	2,779,697	1.4	4,186,802	16,597—	.4—
190930 Iowa Power & Light Co	162,669,919	5,325,500	3.3	3,442,054	27,800	.8
190970 Iowa Public Service Co	129,555,140	3,198,340	2.5	4,907,786	80,721—	1.6—
191030 Iowa Southern Utilities Co	50,617,284	151,389	.3	2,414,524	88,311—	3.7—
200280 Central Kansas Power Co., Inc	14,571,143	437,906	3.0	8,521	3,730—	43.8—
200320 Central Telephone & Utilities Co	115,512,881	7,468,800	6.5	40,718,069	307,400—	.8—
201040 Kansas Gas & Electric Co	126,165,853	5,943,000	4.7	5,154,908	1,650,000—	32.0—
201130 Kansas Power & Light Co	181,582,742	4,393,150	2.4	2,533,987	194,488	7.7
210850 Kentucky Power Co	72,597,795	11,538	0	932,879	0	0
210910 Kentucky Utilities Co	217,750,931	10,386,515	4.8	5,347,236	693,369	13.0
211270 Louisville Gas & Electric Co	198,808,233	10,844,000	5.5	1,894,211	436,591	23.0
211900 Union Light, Heat & Power Co	63,320,757	685,792	1.1	388,341	25,367—	6.5—
220240 Central Louisiana Electric Co	99,711,571	3,143,440—	3.2—	15,211,017	123,186	.8
220690 Gulf States Utilities Co	375,269,029	12,906,492	3.4	19,169,488	101,707	.5
220930 Louisiana Power & Light Co	264,844,393	4,746,244—	1.8—	17,074,550	3,612,795—	21.2—
221340 New Orleans Public Service, Inc	176,773,581	156,000	.1	1,504,719	450,000	32.0
230190 Bangor Hydro Electric Co	32,313,652	1,116,350	3.5	622,519	2,125	.8
230370 Central Maine Power Co	146,398,575	3,818,095	2.6	5,166,667	3,863—	.1—
230600 Maine Electric Power Co., Inc	16,242,386	44,934	.3	36,561	0	0
230940 Maine Public Service Co	16,889,410	575,243	3.4	569,422	20,905	3.7
230960 Maine Yankee Atomic Power Co	61,731,404	0	0	2,752,102	0	0
233100 Rumford Falls Power Co	1,516,416	248,319	16.4	4,271	0	0
240110 Baltimore Gas & Electric Co	680,041,581	14,344,378	2.1	21,722,678	200,307	.9
240210 Chestertown Electric Light and Power Co	2,414,683	7,374—	.3—	0	0	0
240280 Conowingo Power Co	15,127,446	571,289	3.8	40,862	14,667	35.9
240350 Delmarva Power & Light Co	56,836,904	87,611	.2	561,568	0	0
241050 Potomac Edison Co	176,027,962	7,217,400	4.1	1,233,052	130,900	10.6
241470 Suquehanna Electric Co	9,507,788	33—	0	0	0	0
241540 Susquehanna Power Co	6,540,098	1,356,359	20.7	199,384	66,108	33.2
250220 Boston Edison Co	501,743,766	0	0	12,339,481	189,068—	1.5—
250240 Brockton Edison Co	56,398,813	77,919	.1	4,449,355	3,971	.1
250250 Cambridge Electric Light Co	35,687,618	522,426	1.5	940,666	42,414	4.5
250270 Canal Electric Co	82,322,246	620,605—	.8—	4,254,772	48,269	1.1
250440 Fall River Electric Light Co	23,773,861	23,115	.1	1,098,729	6,845—	.6—

See footnotes at end of table.

FEDERAL INCOME TAXES—REVENUES—Continued

CLASSES A AND B PRIVATELY OWNED ELECTRIC UTILITIES, 1975—Continued

Company No. and company name	Total utility operating revenues account 400 (1)	Federal income tax charged to account 409.1 [12] (2)	F.I.T. as percent of utility operating revenues (2)÷(1) (3)	Total nonutility operating revenues (4)	Federal income tax charged to account 409.2 [12] (5)	F.I.T. as percent of nonutility operating revenues (5)÷(4) (6)
250460 Fitchburg Gas & Electric Light	$20,660,615	$140,763	.7	$587,812	$24,775	4.2
250570 Holyoke Power & Electric Co	26,583,559	11,824	0	10,357	0	0
250590 Holyoke Water Power Co	37,665,684	19,930	.1	226,130	1,235—	.5—
250780 Massachusetts Electric Co	434,182,936	9,594,500	2.2	634,562	215,600—	34.0—
250850 Montaup Electric Co	93,488,250	103,209—	.1—	5,470,755	0	0
250900 Nantucket Gas & Electric Co	2,362,030	132,014	5.6	36,297	15,985	44.0
250920 New Bedford Gas & Edison Light	119,627,236	1,517,638	1.3	322,724	139,729—	43.3—
250950 New England Power Co	431,757,513	6,432,496	1.5	8,917,227	302,700	.43
251450 Western Massachusetts Electric Co	126,513,651	97,719	.1	8,322,206	338,000—	4.1—
251800 Yankee Atomic Electric Co	15,004,435	1,187,600	7.9	173,117	300—	.2—
260100 Alpena Power Co	7,498,300	607,386	8.1	83,657	11,895	14.2
260210 Consumers Power Co	1,332,795,650	872,245—	.1—	44,445,012	2,508,428	5.6
260300 Detroit Edison Co	1,062,999,188	639,506—	.1—	46,432,808	832,000	1.8
260330 Edison Sault Electric Co	7,607,853	110,016—	1.4—	93,472	9,500—	10.2—
260580 Indiana Michigan Power Co	38,461,896	0	0	40,173,884	0	0
260870 Michigan Power Co	38,521,401	2,110	0	32,757	0	0
261319 Upper Penninsula Generating Co	53,656,610	0	0	0	0	0
261320 Upper Peninsula Power Co	28,133,483	169,426—	.6—	257,647	7,103—	2.8—
262280 Cliffs Electric Service Co	49,213,486	0	0	37,432	1,435,341	3,834.5
271030 Minnesota Power & Light Co	102,955,317	3,354,700	3.3	2,285,945	200,900	8.8
271210 Northern States Power Co	632,080,415	21,590,000	3.4	35,064,229	64,000	.2
280760 Mississippi Power Co	141,825,087	38,480—	0	6,542,776	38,480	.6
280970 Mississippi Power & Light Co	240,056,873	2,812,190	1.2	3,959,175	845,765	21.4
290460 Empire District Electric Co	39,751,525	1,855,000	4.7	55,623	0	0
290700 Kansas City Power & Light Co	210,643,037	4,555,445	2.2	9,394,031	1,068,000	11.4
290940 Missouri Edison Co	21,365,874	83,900	.4	63,911	6,000—	9.4—
291060 Missouri Power & Light Co	58,745,095	642,300	1.1	64,109	4,000—	6.2—
291080 Missouri Public Service Co	71,784,977	3,147,982	4.4	362,708	35,600—	9.8—
291210 Missouri Utilities Co	34,118,859	90,000	.3	97,463	9,000—	9.2—
291330 St. Joseph Light & Power Co	31,874,829	433,940	1.4	384,269	17,432	4.5
291500 Union Electric Co	518,633,900	23,537,000	4.5	31,017,796	469,000—	1.5—
301130 Montana Power Co	145,392,114	5,695,731—	3.9—	17,984,943	744,385	4.1
320890 Nevada Power Co	91,397,465	2,694,472—	2.9—	7,387,228	63,314	.9
321460 Sierra Pacific Power Co	98,070,541	312,162	.3	1,476,816	346,831—	23.5—
330260 Concord Electric Co	9,479,904	203,938	2.2	77,783	30,981	39.8
330350 Connecticut Valley Electric Co	4,347,996	77,952—	1.8—	9,169	4,000	43.6
330520 Exeter & Hampton Electric Co	10,074,922	142,178	1.4	31,460	10,055	32.0
330640 Granite State Electric Co	13,948,983	37,400—	.3—	4,921	1,300—	26.4—
331230 Public Service Co of New Hampshire	186,392,914	2,038,019	1.1	4,558,712	158,452	3.5
340240 Atlantic City Electric Co	199,079,150	1,035,029	.5	7,911,930	82,640	1.0
340780 Jersey Central Power & Light Co	395,111,430	941,984—	.2—	17,818,389	863,034—	4.8—
341310 Public Service Electric & Gas	1,630,524,965	1,201,823	.1	45,849,241	48,019	.1
341400 Rockland Electric Co	42,280,053	225,666—	.5—	701,019	0	0
351030 New Mexico Electric Service Co	9,801,277	917,271	9.4	621,719	50,587	8.1
351570 Public Service Co. of New Mexico	84,977,929	2,813,830	3.3	3,040,377	33,277—	1.1—
360350 Central Hudson Gas & Electric Co	158,310,571	3,391,000	2.1	831,454	20,000—	2.4—
360400 Consolidated Edison Co. of New York	2,679,411,886	50,000	0	38,877,522	0	0
360870 Long Island Lighting Co	673,116,317	1,973,900	.3	37,045,957	392,900—	1.1—
360930 Long Sault, Inc	849,316	44,044—	5.2—	864	415	48.0
361000 New York State Electric & Gas Co	340,784,881	1,710,000—	.5—	10,777,113	724,300	6.7
361050 Niagara Mohawk Power Corp	963,633,191	0	.0	36,668,810	0	0
361150 Orange & Rockland Utilities, Inc	193,067,534	899,914	.5	1,963,001	0	0
361350 Rochester Gas & Electric Corp	271,939,588	3,562,000	1.3	3,714,349	229,000—	6.2—
370360 Carolina Power & Light Co	606,329,122	23,438,786	3.9	61,668,352	20,254,600—	32.8—
370690 Duke Power Co	971,662,814	45,288,516	4.7	58,541,324	17,920,965—	30.6—
371170 Nantahala Power & Light Co	9,042,794	688,357	7.6	6,134	42,276—	689.2—
374000 Yakdin, Inc	8,513,901	477,577	5.6	0	0	0
380800 Montana Dakota Utilities Co	86,535,158	1,024,000—	1.2—	6,417,536	743,000	11.6
381150 Otter Tail Power Co	57,146,872	1,361,000—	2.4—	1,210,456	593,217—	49.0—
390430 Cincinnati Gas & Electric Co	441,402,354	3,916,821	.9	16,656,202	301,466	1.8
390470 Cleveland Electric Illuminating	523,165,066	7,950,853	1.5	27,865,728	780,689	2.8
390500 Columbus & Southern Ohio Electric	259,078,434	4,724,755	1.8	17,754,571	377,000	2.1
390560 Dayton Power & Light Co	358,669,502	9,177,300	2.6	10,149,739	2,166,300—	21.3—
391330 Ohio Edison Co	507,609,699	6,371,618	1.3	55,165,779	727,910	1.3
391370 Ohio Electric Co	216,289,242	251,803—	.1—	11,150,433	251,803	2.3
391410 Ohio Power Co	660,154,209	1,802,767—	.3—	56,240,171	196,686	.3
391470 Ohio Valley Electric Corp	156,691,941	1,157,406	.7	2,522,826	0	0
391680 Toledo Edison Co	191,564,100	5,885,277	3.1	20,852,178	288,583—	1.4—
400970 Oklahoma Gas & Electric Co	274,424,350	4,871,000	1.8	7,540,311	534,000—	7.1—
401320 Public Service Co. of Oklahoma	224,194,558	14,280,000	6.4	5,592,827	622,200	11.1
410250 California Pacific Utilities Co	49,537,185	628,108—	1.3—	354,223	4,900—	1.4—
411270 Pacific Power & Light Co	272,658,540	4,530,161—	1.7—	42,288,083	1,044,248—	2.5—
411390 Portland General Electric Co	179,942,332	3,663,021—	2.0—	22,907,690	268,815	1.2
420350 Citizens Electric Co	2,341,656	64,398	2.8	5,720	0	0
420520 Duquesne Light Co	394,616,193	18,786,900	4.8	27,284,575	6,994,300—	25.6—
420850 Hershey Electric Co	8,690,260	298,636	3.4	0	0	0
421140 Metropolitan Edison Co	243,107,696	5,285,995	2.2	18,041,923	3,530,000—	19.6—
421330 Pennsylvania Electric Co	306,315,880	5,689,543	1.9	13,776,217	2,125,000—	15.4—
421350 Pennsylvania Power Co	87,211,899	2,404,335	2.8	9,657,165	172,219	1.8
421370 Pennsylvania Power & Light Co	544,199,907	22,546,965	4.1	40,778,640	9,163,619—	22.5—
421440 Philadelphia Electric Co	1,128,525,626	40,233,331	3.6	72,349,873	18,176,749—	25.1—
421660 Safe Harbor Water Power Corp	4,242,086	509,786	12.0	198,367	5,124	2.6
421820 UGI Corp	123,109,404	884,290	.7	2,205,772	174,416	7.9
421870 West Penn Power Co	312,646,514	16,585,900	5.3	3,580,168	300,500	8.4
440260 Blackstone Valley Electric Co	43,753,920	696,630—	1.6—	2,097,470	0	0
440600 Narragansett Electric Co	137,061,095	3,602,300	2.6	343,656	119,800—	34.9—
440710 Newport Electric Corp	13,453,363	16,748—	.1—	26,584	3,793—	14.3—
451180 Lockhart Power Co	4,999,722	270,852	5.4	53,286	23,780	44.6—
451320 South Carolina Electric & Gas Co	321,131,211	10,222,300	3.2	11,150,081	2,294,100—	20.6
460240 Black Hills Power & Light Co	18,529,682	384,000	2.1	1,288,659	12,755—	1.0—
461110 Northwestern Public Service Co	40,280,669	466,230—	1.2—	1,846,156	402,000—	21.8—
470940 Kingsport Power Co	20,238,828	17,334—	.1—	14,514	13,335	91.9—
471500 Taboco, Inc	5,217,844	488,883	9.4	114,911—	46,463—	40.4
480280 Central Power & Light Co	286,623,780	13,066,000	4.6	4,620,158	136,000	2.9
480340 Community Public Service Co	74,084,592	993,731	1.3	385,853	139,892	36.3
480390 Dallas Power & Light Co	231,401,095	8,934,558	3.9	8,895,029	0	0
480450 Elpaso Electric Co	91,460,725	2,064,256	2.3	2,383,854	695,256—	29.2—
480860 Houston Lighting & Power Co	634,152,717	19,455,000	3.1	9,649,732	0	0
481200 Southwestern Electric Power Co	154,798,103	9,725,600	6.3	3,426,456	79,200	2.3
481240 Southwestern Electric Service Co	14,818,120	365,333	2.5	46,442	0	0
481320 Southwestern Public Service Co	190,406,659	7,649,085	4.0	8,215,060	580,000	7.1
481380 Texas Electric Service Co	263,401,843	19,955,481	7.6	15,303,049	0	0
481550 Texas Power & Light Co	398,136,493	12,995,577	3.3	20,628,226	0	0

Company No. and company name	Total utility operating revenues account 400 (1)	Federal income tax charged to account 409.1 [1 2] (2)	F.I.T. as percent of utility operating revenues (2)÷(1) (3)	Total nonutility operating revenues (4)	Federal income tax charged to account 409.2 [1 2] (5)	F.I.T. as percent of nonutility operating revenues (5)÷(4) (6)
481900 West Texas Utilities Co	$91, 258, 557	$9, 186, 900	10. 1	$735, 385	$271, 400	34. 1
491450 Utah Power & Light Co	210, 146, 639	429, 305—	.2—	8, 806, 848	0	0
500220 Central Vermont Public Service Co	54, 934, 141	47, 000	.1	2, 852, 290	0	0
500470 Green Mountain Power Corp	32, 932, 738		0	1, 457, 636	0	0
501300 Vermont Electric Power Co	71, 449, 339	0	0	771, 197	0	0
501350 Vermont Yankee Nuclear Power Corp	56, 496, 512	0	0	402, 683	0	0
510400 Delmarva Power & Light Co	9, 767, 777	344, 707	3. 5	27, 859	10, 420	37. 4
511160 Old Dominion Power Co	10, 990, 825	220, 202—	2. 0—	98, 457	1, 790—	1. 8—
511520 Virginia Electric & Power Co	1, 033, 335, 707	1, 142, 498—	.1—	67, 887, 683	1, 370, 975	2. 0
531240 Puget Sound Power & Light Co	162, 981, 231	2, 738, 000—	1. 7—	10, 945, 837	108, 356	1. 0
531630 Washington Water Power Co	134, 901, 619	3, 509, 527	2. 6	3, 059, 788	621, 032—	20. 3—
540120 Appalachian Power Co	513, 842, 373	32, 042—	0	13, 776, 814	35, 249	.3
540950 Monongahela Power Co	178, 540, 312	9, 004, 465	5. 0	2, 879, 803	35, 900—	1. 2—
541900 Wheeling Electric Co	36, 818, 213	171, 256	.5	26, 018	165, 606—	636. 5—
550330 Consolidated Water Power Co	4, 530, 322	408, 680	9. 0	68, 355	3, 028	4. 4
550680 Lake Superior District Power Co	22, 248, 596	270, 600	1. 2	122, 026	39, 400	32. 3
550220 Madison Gas & Electric Co	78, 739, 274	1, 101, 211	1. 4	979, 966	59, 600—	6. 1—
550920 Northern States Power Co	104, 455, 627	6, 273, 700	6. 0	1, 015, 092	335, 700—	33. 1—
550950 Northwestern Wisconsin Electric	2, 086, 505	9, 073	.4	1, 708	0	0
551420 Superior Water, Light & Power	15, 288, 341	345, 600	2. 3	27, 032	1, 700	6. 3
551710 Wisconsin Electric Power Co	352, 839, 541	17, 211, 600	4. 9	12, 066, 399	314, 400	2. 6
551770 Wisconsin Michigan Power Co	75, 997, 578	1, 519. 700	2. 0	173, 931	84, 000	48. 3
551800 Wisconsin Power & Light Co	195, 718, 565	9, 706, 371	5. 0	760, 913	11, 228	1. 5
551820 Wisconsin Public Service Corp	219, 946, 217	11, 391, 000	5. 2	584, 227	142, 900—	24. 5—
551850 Wisconsin River Power Co	1, 448, 305	33, 318—	2. 3—	203, 570	47, 600	23. 4
560130 Cheyenne Light, Fuel & Power Co	14, 930, 221	290, 160	1. 9	72, 068	22, 840	31. 7
560280 Lincoln Service Corp	1, 733, 909	24, 900	1. 4	9, 877	0	0
	0	0	0	0	0	0
Total (National average)	50, 744, 119, 099	810, 070, 189	1. 6	2, 207, 760, 457	116, 444, 057—	5. 3—

Company No. and company name	Total extraordinary items accounts 434 and 435 (7)	Federal income tax charged to account 409.3 [1 2] (8)	F.I.T. as percent of extraordinary items (8)÷(7) (9)	Total revenues and extraordinary items (1)+(4)+(7) (10)	Total Federal income taxes (2)+(5)+(8) (11)	F.I.T. as percent of total revenues (11)÷(10) (12)	Net income (13)	Percent of net income to total revenues (13)÷(10) (14)
010100 Alabama Power Co	0	0	0	$690, 615, 469	$5, 051, 730—	0. 7—	$94, 728, 833	13. 7
011700 Southern Electric Generating Co	0	0	0	79, 940, 274	2, 112, 957	2. 6	4, 388, 322	5. 5
020250 Alaska Electric Light & Power Co	0	0	0	3, 887, 619	128, 500	3. 3	268, 671	6. 9
040350 Arizona Public Service Co	0	0	0	377, 591, 605	761, 665	.2	56, 495, 520	15. 0
040540 Citizens Utilities Co	0	0	0	50, 029, 725	2, 001, 322	4. 0	15, 192, 002	30. 4
041600 Tucson	0	0	0	173, 555, 463	0	0	27, 640, 040	15. 9
050160 Arkansas Missouri Power Co	0	0	0	41, 306, 658	266, 537	.6	2, 699, 751	6. 5
050220 Arkansas Power & Light Co	0	0	0	331, 534, 879	1, 547, 583	.5	36, 608, 510	11. 0
061090 Pacific Gas & Electric Co	0	0	0	2, 532, 560, 839	18, 733, 000—	.7—	251, 579, 602	9. 9
061240 San Diego Gas & Electric Co	0	0	0	398, 055, 528	3, 208, 347—	.8—	25, 719, 744	6. 5
061490 Southern California Edison Co	0	0	0	1, 703, 875, 495	37, 896, 669	2. 2	186, 661, 622	11. 0
080550 Home Light & Power Co	0	0	0	10, 361, 660	319, 936	3. 1	746, 759	7. 2
080880 Public Service Co. of Colorado	0	0	0	450, 302, 160	11, 349, 000	2. 5	57, 103, 037	12. 7
090370 Connecticut Light & Power Co	0	0	0	444, 377, 692	440, 178	.1	57, 746, 402	13. 0
090450 Connecticut Yankee Atomic Power	0	0	0	40, 967, 839	0	0	3, 312, 231	8. 1
090760 Hartford Electric Light Co	0	0	0	236, 578, 207	442, 407—	.2—	36, 404, 795	15. 4
090900 Millstone Point Co	0	0	0	22, 585, 102	211, 631	.9	1, 349, 640	6. 0
091590 United Illuminating Co	0	0	0	195, 891, 634	1, 512, 500—	.8—	21, 554, 566	11. 0
100150 Delmarva Power & Light Co	0	0	0	231, 160, 441	532, 626—	.2—	32, 786, 618	14. 2
110250 Potomac Electric Power Co	0	0	0	494, 283, 795	10, 002, 000—	2. 0—	55, 132, 369	11. 2
120290 Florida Power Corp	0	0	0	541, 376, 426	11, 952, 000	2. 2	67, 043, 135	12. 4
120380 Florida Power & Light Co	0	0	0	1, 232, 450, 502	49, 367, 639	4. 0	145, 221, 390	11. 8
120560 Florida Public Utilities Co	0	0	0	17, 761, 962	77, 842	.4	638, 036	3. 6
120650 Gulf Power Co	$5, 270, 262	$2, 666, 752	50. 6	149, 707, 652	12, 163, 094	8. 1	20, 711, 114	13. 8
121190 Tampa Electric Co	0	0	0	265, 525, 723	3, 185, 457	1. 2	28, 807, 673	10. 8
130450 Georgia Power Co	0	0	0	1, 172, 657, 773	0	0	157, 580, 874	13. 4
131000 Savannah Electric & Power Co	0	0	0	65, 617, 457	173, 423—	.3—	6, 301, 507	9. 6
150250 Hawaiian Electric Co., Inc	0	0	0	172, 715, 350	6, 721, 546	3. 9	18, 624, 817	10. 8
150280 Hilo Electric Light Co., Ltd	0	0	0	18, 439, 184	479, 047—	2. 6—	821, 966	4. 5
151000 Maui Electric Co., Ltd	0	0	0	16, 147, 416	445, 267—	2. 8—	1, 261, 320	7. 8
160430 Idaho Power Co	0	0	0	123, 510, 085	5, 599, 200	4. 5	20, 638, 897	16. 7
170290 Central Illinois Light Co	0	0	0	193, 643, 556	2, 511, 900	1. 3	18, 033, 625	9. 3
170320 Central Illinois Public Service	0	0	0	249, 565, 602	3, 031, 900	1. 2	27, 814, 209	11. 1
170410 Commonwealth Edison Co	0	0	0	1, 772, 248, 045	31, 235, 168	1. 8	206, 908, 664	11. 7
170590 Electric Energy, Inc	0	0	0	92, 445, 442	625, 375	.7	684, 211	.7
170720 Illinois Power Co	0	0	0	416, 654, 489	9, 656, 000	2. 3	56, 721, 979	13. 6
171010 Mount Carmel Public Utility Co	0	0	0	4, 942, 547	212, 845	4. 3	265, 442	5. 4
171310 Sherpard Power System	0	0	0	4, 049, 996	150, 116	3. 7	257, 992	6. 4
171340 South Beloit Water, Gas & Electric	0	0	0	4, 835, 752	138 051—	2. 9—	125, 736—	2. 6—
180100 Alcoa Generating Corp	0	0	0	40, 604, 439	581, 281	1. 4	805, 315	2. 0
180250 Commonwealth Edison Co. of Indiana	0	0	0	64, 916, 670	4, 040, 794	6. 2	3, 740, 848	5. 8
180450 Indiana Kentucky Electric Corp	0	0	0	79, 476, 487	0	0	0	0
180570 Indiana & Michigan Electric Co	0	0	0	403, 586, 744	771, 898	.2	54, 245, 944	13. 4
180630 Indianapolis Power & Light Co	0	0	0	187, 421, 498	4, 810, 000	2. 6	26, 539, 228	14. 2
180970 Northern Indiana Public Service	0	0	0	556, 972, 654	8, 910, 962	1. 6	53, 656, 409	9. 6
181150 Public Service Co. of Indiana	0	0	0	319, 282, 496	14, 219, 433	4. 5	54, 502, 841	17. 1
181270 Southern Indiana Gas & Electric	0	0	0	83, 306, 707	6, 929, 750	8. 3	10, 538, 840	12. 7
190820 Interstate Power Co	0	0	0	105, 925, 588	3, 634, 000	3. 4	10, 051, 583	9. 5
190890 Iowa Electric Light & Power Co	0	0	0	160, 368, 210	174, 500—	.1—	10, 464, 900	6. 5
190900 Iowa Illinois Gas & Electric Co	0	0	0	199, 930, 383	2, 763, 100	1. 4	18, 017, 720	9. 0
190930 Iowa Power & Light Co	0	0	0	166, 111, 973	5, 353, 300	3. 2	17, 332, 913	10. 4
190970 Iowa Public Service Co	0	0	0	134, 462, 926	3, 117, 619	2. 3	15, 063, 755	11. 2
191030 Iowa Southern Utilities Co	0	0	0	53, 031, 808	63, 078	.1	7, 050, 287	13. 3
200280 Central Kansas Power Co. Inc	0	0	0	14, 579, 664	434, 176	3. 0	898, 635	6. 2
200320 Central Telephone & Utilities Co	0	0	0	156, 230, 950	7, 161, 400	4. 6	47, 480. 352	30. 4
201040 Kansas Gas & Electric Co	0	0	0	131, 320, 761	4, 293, 000	3. 3	18, 446, 164	14. 0
201130 Kansas Power & Light Co	0	0	0	184, 116, 729	4, 587, 638	2. 5	16, 959, 541	9. 2
210850 Kentucky Power Co	0	0	0	73, 530, 674	11, 538	0	8, 364, 887	11. 4
210910 Kentucky Utilities Co	0	0	0	223, 098, 167	11, 079, 884	8. 0	24, 256, 942	10. 9
211270 Louisville Gas & Electric Co	0	0	0	200, 702, 444	11, 280, 591	5. 6	24, 617, 176	12. 3
211900 Union Light, Heat & Power Co	0	0	0	63, 709, 098	660, 425	1. 0	3, 149, 701	4. 9

FEDERAL INCOME TAXES—REVENUES—Continued

CLASSES A AND B PRIVATELY OWNED ELECTRIC UTILITIES, 1975—Continued

Company No. and company name	Total extraordinary items accounts 434 and 435 (7)	Federal income tax charged to account 409.3[1 2] (8)	F.I.T. as percent of extraordinary items (8)÷(7) (9)	Total revenues and extraordinary items (1)+(4)+(7) (10)	Total Federal income taxes (2)+(5)+(8) (11)	F.I.T. as percent of total revenues (11)÷(10) (12)	Net income (13)	Percent of net income to total revenues (13)÷(10) (14)
220240 Central Louisiana Electric Co	0	0	0	$114,922,588	$3,020,254—	2.6—	$22,206,208	19.3
220690 Gulf States Utilities Co	0	0	0	394,438,517	13,008,199	3.3	51,426,910	13.0
220930 Louisiana Power & Light Co	0	0	0	281,918,943	8,359,039—	3.0—	43,695,863	15.5
221340 New Orleans Public Service, Inc	0	0	0	178,179,300	606,000	.3	3,978,427	2.2
230190 Bangor Hydro Electric Co	0	0	0	32,936,171	1,118,475	3.4	2,087,383	6.3
230370 Central Maine Power Co	0	0	0	151,565,242	3,814,232	2.5	13,807,075	9.1
230600 Maine Electric Power Co, Inc	0	0	0	16,278,947	44,934	.3	190,624	1.2
230940 Maine Public Service Co	0	0	0	17,458,832	596,148	3.4	1,449,390	8.3
230960 Maine Yankee Atomic Power Co	0	0	0	64,483,506	0	0	7,807,205	12.1
233100 Rumford Falls Power Co	0	0	0	1,520,687	248,319	16.3	277,845	13.3
240110 Baltimore Gas & Electric Co	0	0	0	701,764,259	14,544,685	2.1	93,363,095	1..3
240210 Chestertown Electric Light & Power Co	0	0	0	2,411,683	7,374—	.3—	29,108	1.2
240280 Conowingo Power Co	0	0	0	15,168,308	585,956	3.9	1,613,210	10.6
240350 Delmarva Power & Light Co	0	0	0	57,398,472	87,611	.2	4,820,206	8.4
241050 Potomac Edison Co	0	0	0	177,261,014	7,348,300	4.1	20,981,319	11.8
241470 Susquehanna Electric Co	0	0	0	9,507,788	33—	0	0	0
241540 Susquehanna Power Co	0	0	0	6,739,482	1,422,467	21.1	2,874,099	42.6
250220 Boston Edison Co	0	0	0	514,083,247	189,068—	0	33,740,147	6.6
250240 Brockton Edison Co	0	0	0	60,848,168	81,890	.1	5,539,229	9.1
250250 Cambridge Electric Light Co	0	0	0	36,628,284	564,840	1.5	1,712,333	4.7
250270 Canal Electric Co	0	0	0	86,577,018	572,336—	.7—	3,828,633	4.4
250440 Fall River Electric Light Co	0	0	0	24,872,590	16,270	.1	1,613,792	6.5
250460 Fitchburg Gas & Electric Light	0	0	0	21,248,427	165,538	.8	1,177,554	5.5
250570 Holyoke Power & Electric Co	0	0	0	26,593,916	11,824	0	30,973	.1
250590 Holyoke Water Power Co	0	0	0	37,891,814	18,695	0	155,044—	.4—
250780 Massachusetts Electric Co	0	0	0	434,817,498	9,378,900	2.2	19,550,672	4.5
250850 Montaup Electric Co	0	0	0	98,959,005	103,209—	.1—	4,054,354	4.1
250900 Nantucket Gas & Electric Co	0	0	0	2,398,327	147,999	6.2	220,119	9.2
250920 New Bedford Gas & Edison Light	0	0	0	119,949,960	1,377,909	1.1	4,603,905	3.8
250960 New England Power Co	0	0	0	443,674,740	6,735,196	1.5	33,137,160	7.5
251450 Western Massachusetts Electric Co	0	0	0	134,835,857	240,281—	.2—	12,826,944	9.5
251800 Yankee Atomic Electric Co	0	0	0	15,177,592	1,187,300	7.8	1,485,166	9.8
260100 Alpena Power Co	0	0	0	7,581,957	619,281	8.2	849,290	11.2
260210 Consumers Power Co	0	0	0	1,377,240,662	1,636,183	.1	100,727,303	7.3
260300 Detroit Edison Co	0	0	0	1,109,431,996	192,494	0	98,453,676	8.9
260330 Edison Sault Electric Co	0	0	0	7,701,325	119,516—	1.6—	580,061	7.5
260580 Indiana Michigan Power Co	0	0	0	78,635,780	0	0	26,700,081	34.0
260870 Michigan Power Co	0	0	0	38,554,158	2,110	0	1,413,511	3.7
261310 Upper Peninsula Generating Co	0	0	0	43,656,610	0	0	0	0
261320 Upper Peninsula Power Co	0	0	0	28,391,130	176,529—	.6—	1,640,546	5.8
262280 Cliffs Electric Service Co	24,000	0	0	49,274,918	1,435,341	2.9	1,944,207	3.9
271030 Minnesota Power & Light Co	0	0	0	105,241,262	3,555,600	3.4	12,392,516	11.8
271210 Northern States Power Co	0	0	0	667,144,644	21,654,000	3.2	91,122,641	13.7
280760 Mississippi Power Co	0	0	0	148,367,863	0	0	13,867,133	9.3
280970 Mississippi Power & Light Co	0	0	0	244,016,048	3,657,955	1.5	20,803,445	8.5
290460 Empire District Electric Co	0	0	0	39,807,148	1,855,000	4.7	3,932,248	9.9
290700 Kansas City Power & Light Co	0	0	0	220,037,068	5,623,445	2.6	26,603,767	12.1
290940 Missouri Edison Co	0	0	0	21,429,785	77,900	.4	1,435,802	6.7
291060 Missouri Power & Light Co	0	0	0	58,809,204	638,300	1.1	3,343,519	5.7
291080 Missouri Public Service Co	0	0	0	72,147,680	3,112,382	4.3	7,249,099	10.0
291210 Missouri Utilities Co	0	0	0	34,216,322	81,000	.2	1,264,038	3.7
291330 St. Joseph Light & Power Co	19,947	10,158	50.9	32,279,045	461,530	1.4	2,411,667	7.5
291500 Union Electric Co	0	0	0	549,651,696	23,068,000	4.2	86,035,198	15.7
301130 Montana Power Co	0	0	0	163,377,057	4,951,346—	3.0—	30,949,672	18.9
320890 Nevada Power Co	0	0	0	98,784,693	2,631,158—	2.7—	12,224,974	12.4
321460 Sierra Pacific Power Co	0	0	0	99,547,357	34,669—	0	9,484,352	9.5
330260 Concord Electric Co	0	0	0	9,557,687	234,919	2.5	540,594	5.7
330350 Connecticut Valley Electric Co	0	0	0	4,357,165	73,952—	1.7—	73,609	1.7
330520 Exeter & Hampton Electric Co	0	0	0	10,106,382	152,233	1.5	543,426	5.4
330640 Granite State Electric Co	0	0	0	13,953,904	38,700—	.3—	817,281	5.9
331230 Public Service Co of New Hampshire	0	0	0	190,951,626	2,196,471	1.2	20,808,134	10.9
340240 Atlantic City Electric Co	0	0	0	206,991,080	1,117,699	.5	28,279,735	13.7
340780 Jersey Central Power & Light Co	0	0	0	412,929,819	1,805,018—	.4—	50,769,100	12.3
341310 Public Service Electric & Gas	0	0	0	1,676,374,206	1,249,842	.1	158,605,993	9.5
341400 Rockland Electric Co	0	0	0	42,981,072	225,666—	.5—	1,385,370	3.2
351030 New Mexico Electric Service Co	0	0	0	10,422,996	967,858	9.3	1,750,660	16.8
351570 Public Service Co of New Mexico	0	0	0	88,018,306	2,780,553	3.2	14,216,172	16.2
360350 Central Hudson Gas & Electric Co	0	0	0	159,142,025	3,371,000	2.1	14,337,123	9.0
360400 Consolidated Edison Co. of New York	20,350,000—	3,000,000	14.7—	2,697,939,408	3,050,000	.1	251,383,602	9.3
360870 Long Island Lighting Co	0	0	0	710,522,274	1,581,000	.2	87,280,647	12.3
360930 Long Sault, Inc	0	0	0	850,180	43,629—	5.1—	280,157	33.0
361000 New York State Electric & Gas Co	0	0	0	351,561,994	985,700—	.3—	43,678,717	12.4
361050 Niagara Mohawk Power Corp	0	0	0	1,000,302,001	0	0	114,795,191	11.5
361150 Orange & Rockland Utilities, Inc	0	0	0	195,030,535	899,914	.5	19,718,205	10.1
361350 Rochester Gas & Electric Corp	0	0	0	275,653,937	3,333,000	1.2	26,370,995	9.6
370360 Carolina Power & Light Co	0	0	0	667,997,474	3,184,186	.5	101,621,721	15.2
370690 Duke Power Co	14,594,376—	0	0	1,015,609,762	27,367,551	2.7	128,235,373	12.6
371170 Nantahala Power & Light Co	0	0	0	9,048,928	646,081	7.1	897,399	9.96
374000 Yadkin, Inc	0	0	0	8,513,901	477,577	5.6	583,260	6.9
380800 Montana Dakota Utilities Co	0	0	0	92,952,694	281,000—	.3—	11,382,224	12.2
381150 Otter Tail Power Co	0	0	0	58,357,328	1,954,217—	3.3—	6,216,277	10.7
390430 Cincinnati Gas & Electric Co	0	0	0	458,058,556	4,218,287	.9	49,736,323	10.9
390470 Cleveland Electric Illuminating	0	0	0	551,030,794	8,731,542	1.6	64,768,061	11.8
390500 Columbus & Southern Ohio Electric	0	0	0	276,833,005	5,101,755	1.8	42,421,946	15.3
390560 Dayton Power & Light Co	0	0	0	368,819,241	7,011,000	1.9	41,168,279	11.2
391330 Ohio Edison Co	0	0	0	562,775,478	7,099,528	1.3	83,420,728	14.8
391370 Ohio Electric Co	0	0	0	227,439,675	0	0	36,957,686	16.2
391410 Ohio Power Co	0	0	0	716,394,380	1,606,081—	.2—	115,377,211	16.1
391470 Ohio Valley Electric Corp	0	0	0	159,214,767	1,157,406	.7	1,012,500	.6
391680 Toledo Edison Co	0	0	0	212,416,278	5,596,694	2.6	35,381,639	16.7
400970 Oklahoma Gas & Electric Co	0	0	0	281,964,661	4,337,000	1.5	39,405,658	14.0
401320 Public Service Co of Oklahoma	0	0	0	229,787,385	14,902,200	6.5	28,907,926	12.6
410250 California Pacific Utilities Co	0	0	0	49,891,408	633,008—	1.3—	3,258,082	6.5
411270 Pacific Power & Light Co	0	0	0	314,946,623	5,574,409—	1.8	72,444,135	23.0
411390 Portland General Electric Co	0	0	0	202,850,022	3,394,206—	1.7—	46,003,033	22.7
420350 Citizens Electric Co	0	0	0	2,347,376	64,398	2.7	121,881	5.2
420520 Duquesne Light Co	0	0	0	421,900,768	11,792,600	2.8	71,521,335	17.0
420850 Hershey Electric Co	0	0	0	8,690,260	298,636	3.4	358,589	4.1
421140 Metropolitan Edison Co	0	0	0	261,149,619	1,755,995	.7	47,599,374	18.2
421330 Pennsylvania Electric Co	0	0	0	320,092,097	3,564,543	1.1	48,492,654	15.1

Footnotes at end of table.

Company No. and company name	Total extraordinary items accounts 434 and 435 (7)	Federal income tax charged to account 409.3[1][2] (8)	F.I.T. as percent of extraordinary items (8)÷(7) (9)	Total revenues and extraordinary items (1)+(4)+(7) (10)	Total Federal income taxes (2)+(5)+(8) (11)	F.I.T. as percent of total revenues (11)÷(10) (12)	Net income (13)	Percent of net income to total revenues (13)÷(10) (14)
421350 Pennsylvania Power Co	0	0	0	$96,869,064	$2,576,554	2.7	$15,385,142	15.9
421370 Pennsylvania Power & Light Co	0	0	0	584,978,547	13,383,346	2.3	97,541,371	16.7
421440 Philadelphia Electric Co	0	0	0	1,200,875,498	22,056,582	1.8	143,925,472	12.0
421660 Safe Harbor Water Power Corp	0	0	0	4,440,453	514,910	11.6	829,375	18.7
421820 UGT Corp	0	0	0	125,315,176	1,058,706	.8	9,618,579	7.7
421870 West Penn Power Co	0	0	0	316,226,700	16,886,400	5.3	39,165,053	12.4
440260 Blackstone Valley Electric Co	0	0	0	45,851,390	696,630—	1.5—	1,465,409	3.2
440600 Narragansett Electric Co	0	0	0	137,404,751	3,482,500	2.5	6,951,668	5.1
440710 Newport Electric Corp	0	0	0	13,479,947	20,541—	.2—	459,251	3.4
451180 Lockhart Power Co	0	0	0	5,053,008	294,632	5.8	367,903	7.3
451320 South Carolina Electric & Gas Co	0	0	0	332,281,292	7,928,200	2.4	38,422,299	11.6
460240 Black Hills Power & Light Co	0	0	0	19,818,341	371,245	1.9	3,031,082	15.3
461110 Northwestern Public Service Co	0	0	0	42,126,825	868,230—	2.1—	3,124,542	7.4
470940 Kingsport Power Co	0	0	0	20,253,342	30,669—	.2—	505,526	2.5
471500 Tapoco, Inc	0	0	0	5,102,933	442,420	8.7	536,887	10.5
480280 Central Power & Light Co	0	0	0	291,243,938	13,202,000	4.5	29,164,315	10.0
480340 Community Public Service Co	1,262,995—	0	0	73,207,450	1,133,623	1.5	2,776,610	3.8
480390 Dallas Power & Light Co	0	0	0	240,296,124	8,934,558	4.7	28,460,374	11.8
480450 E. Paso Electric Co	0	0	0	93,844,579	1,369,000	1.5	10,097,890	10.8
480860 Houston Lighting & Power Co	0	0	0	643,802,449	19,455,000	4.0	70,385,384	10.9
481200 Southwestern Electric Power Co	0	0	0	158,224,559	9,804,800	6.2	24,468,692	15.5
481240 Southwestern Electric Service Co	0	0	0	14,864,562	365,333	2.5	1,145,130	7.7
481320 Southwestern Public Service Co	39,757—	0	0	198,581,962	8,229,085	4.1	31,333,503	15.8
481380 Texas Electric Service Co	0	0	0	278,704,892	19,955,481	7.2	51,574,873	18.5
481550 Texas Power & Light Co	0	0	0	418,764,719	12,955,577	3.1	65,441,957	15.6
481900 West Texas Utilities Co	0	0	0	92,053,942	9,458,300	10.3	12,808,344	13.9
491450 Utah Power & Light Co	0	0	0	218,953,487	429,305—	.2—	39,181,223	17.9
500220 Central Vermont Public Service Co	0	1,010,000—	0	57,786,431	963,000—	1.7—	6,962,913	12.0
500470 Green Mountain Power Corp	0	0	0	34,390,374	0	0	2,448,394	7.1
501300 Vermont Electric Power Co	0	0	0	72,220,536	0	0	339,015	.5
501350 Vermont Yankee Nuclear Power Corp	0	0	0	56,899,195	0	0	7,799,261	13.7
510400 DelMarva Power & Light Co	0	0	0	9,795,636	355,127	3.6	958,377	9.8
511160 Old Dominion Power Co	0	0	0	11,089,282	221,992—	2.0—	362,770	3.3
511520 Virginia Electric & Power Co	0	0	0	1,101,223,390	228,477	0	154,732,068	14.1
531240 Puget Sound Power & Light Co	0	0	0	173,927,068	2,629,644—	1.5—	28,310,700	16.3
531630 Washington Water Power Co	0	0	0	137,961,356	2,888,495	2.1	16,950,221	12.3
540120 Appalachian Power Co	0	0	0	527,619,187	3,207	0	68,156,989	12.9
540950 Monongahela Power Co	0	0	0	181,420,115	8,968,565	4.9	24,554,887	13.5
541900 Wheeling Electric Co	0	0	0	36,844,231	5,650	0	1,592,576	4.3
550330 Consolidated Water Power Co	0	0	0	4,598,677	411,708	9.0	487,348	10.6
550680 Lake Superior District Power Co	0	0	0	22,370,622	310,000	1.4	1,732,764	7.7
550720 Madison Gas & Electric Co	0	0	0	79,719,240	1,041,611	1.3	8,004,308	10.0
550920 Northern States Power Co	0	0	0	105,470,719	5,938,000	5.6	10,353,025	9.8
550950 Northwestern Wisconsin Electric	0	0	0	2,088,213	9,073	.4	90,441	4.3
551420 Superior Water, Light & Power	0	0	0	15,315,373	347,300	2.3	559,673	3.7
551710 Wisconsin Electric Power Co	0	0	0	364,905,940	17,526,000	4.8	49,011,331	13.4
551770 Wisconsin Michigan Power Co	0	0	0	76,171,509	1,603,700	2.1	6,438,320	8.5
551800 Wisconsin Power & Light Co	0	0	0	196,479,478	9,717,599	4.9	21,118,066	10.7
551820 Wisconsin Public Service Corp	0	0	0	220,530,444	11,248,10	5.1	23,477,220	10.6
551850 Wisconsin River Power Co	0	0	0	1,651,875	14,282	.9	69,928	4.2
560130 Cheyenne Light, Fuel & Power Co	0	0	0	15,002,289	313,000	2.1	628,999	4.2
560280 Lincoln Service Corp	0	0	0	1,743,786	24,900	1.4	102,851	5.9
	0	0	0	0	0	0	0	0
Total (national average)	30,932,919—	4,666,910	15.1—	52,920,946,637	698,293,042	1.3	6,198,264,140	11.7

[1] The Federal income tax expense amounts used in this schedule are as reported by the companies in accounts 409.1, 409.2, and 409.3 as prescribed by the FPC Uniform Systems of Accounts. These income tax accounts are charged with the Federal, State and local income tax applicable to the income for that particular year (State and local income taxes, where applicable, have been eliminated from this presentation) Taxes charged during a particular year may not agree with taxes paid during the year because of the timing of tax payments and subsequent adjustments to the estimated tax liability.

[2] Negative amounts charged to the income tax accounts are the result of several possible circumstances which include allocation of the tax expense between functions and adjustments to estimated taxes charged.

PRIVATELY OWNED ELECTRIC UTILITIES—CLASSES A AND B—SCHEDULE OF INVESTMENT TAX CREDITS GENERATED AND UTILIZED, 1962–75

Company	Investment tax credits generated and utilized: 1975 Generated	1975 Utilized	1974 Generated	1974 Utilized	Combined 1962–73 Generated	Combined 1962–73 Utilized	Unused credits available, Dec. 31, 1975	Accumulated deferred credits, Dec. 31, 1975	Method of accounting
Alabama Power Co	$17,298,947	$17,298,947	$297,891	$297,891	$27,144,226	$27,144,226	----------	$39,397,631	D
Alaska Electric Light & Power Co	54,171	54,171	56,266	56,266	172,135	172,135	----------	239,367	D
Alcoa Generating Corp	99,172	99,172	145,503	145,503	659,666	659,666	----------	562,631	D
Alpena Power Co	92,729	92,729	18,115	18,115	115,959	115,959	----------	194,347	D
Appalachian Power Co	2,934,620	(38,720)	4,490,582	(2,666,213)	26,527,336	19,760,888	$16,896,583	3,594,561	FT
Arizona Public Service Co	3,158,000	6,563,000	4,451,000	627,108	13,017,998	12,856,998	579,892	----------	FT
Arkansas-Missouri Power Co	319,815	319,815	223,100	223,100	878,724	878,724	----------	1,192,627	D
Arkansas Power & Light Co	6,258,799	6,258,799	9,791,027	9,791,027	2,112,406	12,112,406	----------	24,932,268	D
Atlantic City Electric Co	1,855,642	6,340,000	2,982,140	----------	7,618,464	5,858,320	257,926	7,638,388	D
Baltimore Gas & Electric Co	4,154,761	4,154,761	15,249,940	15,249,940	18,344,284	18,344,284	----------	33,142,373	D
Bangor Hydro-Electric Co	----------	----------	----------	----------	401,794	401,794	----------	----------	FT
Do	306,273	306,273	92,944	92,944	207,174	207,174	----------	573,100	D
Black Hills Power & Light Co	465,000	465,000	93,923	93,923	685,748	685,748	----------	1,303,823	D
Blackstone Valley Electric Co	278,774	278,774	62,910	62,910	1,072,490	1,072,490	----------	1,232,643	D
Boston Edison Co	7,000,000	----------	1,862,481	----------	21,451,534	10,077,317	20,236,698	7,237,264	D
Brockton Edison Co	267,007	313,660	128,970	127,709	990,460	985,338	----------	1,215,326	D
California-Pacific Utilities Co	340,360	----------	187,993	187,993	685,508	692,335	340,360	86,348	FT
Cambridge Electric Light Co	173,969	173,969	70,838	70,838	648,474	648,474	----------	715,502	D
Canal Electric Co	79,574	79,574	57,901	57,901	1,628,698	1,628,698	----------	1,407,620	D
Carolina Power & Light Co	19,167,172	14,803,758	3,560,090	----------	22,746,123	16,057,688	14,611,939	18,787,931	D
Central Hudson Gas & Electric Corp	868,000	1,540,000	2,670,000	----------	3,064,206	5,062,206	----------	319,000	FT
Central Illinois Light Co	1,341,000	----------	490,140	490,140	6,053,893	6,053,892	1,341,000	5,851,200	D
Central Illinois Public Service Co	5,495,800	5,495,800	984,589	984,589	9,963,101	9,963,101	----------	14,532,490	D
Central Kansas Power Co., Inc	118,201	118,201	27,938	27,938	281,565	281,565	----------	340,825	D
Central Louisiana Electric Co., Inc	4,148,200	4,148,200	695,415	695,415	3,873,874	3,873,874	----------	7,563,558	D
Central Maine Power Co	----------	----------	----------	----------	2,547,603	2,547,603	----------	----------	FT
Do	2,114,937	2,114,937	811,717	811,717	7,922,328	1,922,328	----------	4,504,607	D

Footnotes at end of table.

PRIVATELY OWNED ELECTRIC UTILITIES—CLASSS A AND B—SCHEDULE OF INVESTMENT TAX CREDITS GENERATED AND UTILIZED, 1962–75—Continued

Company	Investment tax credits generated and utilized						Unused credits available, Dec. 31, 1975	Accumulated deferred credits, Dec. 31, 1975	Method of accounting
	1975		1974		Combined 1962–73				
	Generated	Utilized	Generated	Utilized	Generated	Utilized			
Central Power & Light Co	$2,379,000	$2,379,000	$3,260,000	$3,260,000	$9,759,000	$9,759,000		$13,252,915	D
Central Telephone & Utilities Corp	521,400	17,300	541,600	17,800	2,363,604	79,200		2,670,519	D
Central Vermont Public Service Corp	192,000		174,109		1,322,800	758,570	$930,339		FT
Chestertown Electric Light & Power Co	11,766	11,766	6,066	6,066	38,810	38,810		45,468	D
Cheyenne Light, Fuel & Power Co	73,315	73,315	12,573	12,573	227,024	227,024		258,951	D
Cincinnati Gas & Electric Co., the	7,338,048	7,338,048	3,470,552	3,470,552	14,227,605	14,227,605		24,117,712	D
Citizens' Electric Co. of Lewisburg, Pa	16,611	16,611	7,030	7,030	43,025	43,025		48,560	D
Citizens Utilities Co					553,376	553,376			FT
Do	535,074	54,199	194,484	35,968	529,370	270,572		1,120,989	D
Cleveland Electric Illuminating Co., the	3,704,679	3,704,679	1,148,056	1,148,056	17,342,180	17,342,180		18,926,364	D
Cliffs Electric Service Co	3,250,778	3,250,778	1,421,689	1,421,689				4,468,155	D
Columbus & Southern Ohio Electric Co	2,761,000	2,761,000	2,543,219	2,543,219	11,565,630	11,565,630		14,695,849	D
Commonwealth Edison Co	27,380,100	27,380,000	10,064,610	10,064,610	89,736,995	89,736,995		109,465,018	D
Commonwealth Edison Co. of Indiana, Inc	145,900	145,900	25,704	25,704	799,179	799,179		810,282	D
Community Public Service Co.[1]			394,974	394,974	923,655	923,655			FT
Do	993,269	993,269			1,211,072	1,211,072		2,180,645	D
Concord Electric Co					84,697	85,387	690		FT
Do	68,290	65,824	38,688	38,783	83,306	85,539	138	165,885	D
Connecticut Light & Power Co., the	12,142,000		2,219,736		14,368,906	9,749,951	18,980,691		FT
Connecticut Valley Electric Co., Inc	15,000	15,000	11,542	24,141	60,456	47,857			FT
Connecticut Yankee Atomic Power Co		1,179,797	463,615	260,734	3,007,987	1,023,994	1,007,077	554,313	FT
Conowingo Power Co	129,870	129,870	69,107	69,107	315,055	35,055		274,706	D
Consolidated Edison Co. of New York, Inc	13,074,000	13,074,000	18,400,000		72,300,000	43,145,000	47,555,000	21,281,000	FT
Consolidated Water Power Co					17,216	17,216			FT
Do	7,883	170	6,170	327	10,780	1,316	23,020	22,995	D
Consumers Power Co	11,816,755	16,651,507	4,306,184	(1,595,325)	32,058,595	31,269,054	1,856,298	41,228,958	D
Dallas Power & Light Co	3,230,000	3,230,000	1,880,000	1,880,000	11,827,321	11,827,321		10,068,271	D
Dayton Power & Light Co., the	4,014,600	4,014,600	2,461,500	2,461,500	10,873,139	10,873,139		4,095,800	FT
Delmarva Power & Light Co	1,606,637	3,677,527	2,883,151	812,264	8,015,578	8,015,578		6,536,337	D
Delmarva Power & Light Co. of Maryland	670,234	670,234	247,964	(7,300)	2,295,290	2,295,290	257,779	1,172,493	D
Delmarva Power & Light Co. of Virginia	91,932	91,932	19,656	19,656	327,941	327,941		183,970	D
Detroit Edison Co., the	9,600,000	8,840,496	9,778,223		50,732,033	40,365,699	20,904,061	44,069,335	D
Duke Power Co	14,150,000		15,009,360		46,286,888	25,292,197	50,154,051	2,365,945	D
Duquesne Light Co	9,601,321	9,601,321	3,031,516	3,031,516	16,969,627	16,969,627		19,526,280	D
Edison Sault Electric Co	410,800	410,800	43,000	43,000	261,301	262,301		634,212	D
El Paso Electric Co	1,979,300	1,979,300	502,000	359,804	2,867,715	2,922,789	87,122	7,472,155	D
Electric Energy, Inc					13,040	13,040			FT
Do	625		33,659	11,193	469,728	162,921	329,798	329,799	D
Empire District Electric Co., the	458,200		206,700	199,867	2,005,700	2,074,105	396,628	2,237,175	D
Exter & Hampton Electric Co					96,380	96,380			FT
Do	83,823	83,823	43,739	43,739	125,936	125,936		222,365	D
Fall River Electric Light Co	100,463	100,463	70,217	70,217	362,205	363,205		441,704	D
Fitchburg Gas & Electric Light Co	618,172	466,034	31,437		365,708	329,727	219,556	670,009	D
Florida Power Corp	3,536,000	6,283,000	8,270,000		16,717,000	22,240,000		24,907,037	D
Florida Power & Light Co	13,172,423	13,172,423	9,661,214	9,661,214	44,680,486	44,680,486		57,580,196	D
Florida Public Utilities Co	54,000	54,000	53,612	53,143	191,667	189,868	2,268	263,250	D
Georgia Power Corp	17,806,475	57,199,309	25,047,471		43,301,854	28,956,350	141	77,561,189	D
Granite State Electric Co	80,200	80,200	67,500	67,500	306,009	306,009		387,380	D
Green Mountain Power Co	111,923		108,045		951,124	503,236	667,856		FT
Gulf Power Co	1,780,235	1,780,235	1,180,902	1,180,902	8,105,477	8,105,477		9,385,889	D
Gulf States Utilities Co	8,295,000	8,295,000	2,927,477	2,927,477	21,751,565	21,751,565		28,183,640	FT
Hartford Electric Light Co., the	5,897,000		1,076,327		9,355,150	4,954,896	11,373,581		FT
Hawaiian Electric Co., Inc	1,985,679	1,985,679	2,182,596	2,182,596	6,824,571	6,824,571		9,006,177	D
Hershey Electric Co	37,383	37,383	20,355	20,355	176,201	176,201		92,954	D
Hilo Electric Light Co., Ltd.[2]	372,949		513,458	17,115	971,230	30,997	1,809,525	1,666,111	D
Holyoke Power & Electric Co			208		26,149	23,264	3,093	18,995	D
Holyoke Water Power Co			7,020		110,497	67,063	50,454	48,565	D
Home Light & Power Co	135,563	135,563	96,646	96,646	348,879	348,879		498,929	D
Houston Lighting & Power Co	13,041,000	13,041,000	7,914,803	7,914,803	27,107,399	27,107,399		42,931,530	D
Idaho Power Co					4,260,800	4,260,800			FT
Do	5,514,300	5,514,300	4,515,200	1,825,000	1,353,500	4,023,700		10,862,100	D
Illinois Power Co	15,400,000	15,400,000	1,260,000	1,260,000	16,691,000	16,691,000		15,075,000	D
Indiana & Michigan Electric Co					8,536,628	10,517,050			FT
Do	2,365,584	(33,600)	1,512,264	(340,470)	5,180,116	4,647,259		(192,851)	D
Indiana & Michigan Power Co	18,088,000						18,088,000	61,616	D
Indianapolis Power & Light Co	3,866,000	3,866,000	915,000	915,000	8,995,484	8,995,484		11,949,479	D
Interstate Power Co	1,942,504	1,942,504	475,521	475,521	3,449,121	3,449,121		3,401,592	D
Iowa Electric Light & Power Co	1,321,820	1,321,820	7,020,600	226,820	3,385,569	3,483,567	6,695,782	4,327,230	D
Iowa-Illinois Gas & Electric Co	3,920,754	3,920,754	678,938	678,938	5,657,161	5,657,161		8,770,431	D
Iowa Power & Light Co	2,838,000	2,838,000	1,080,254	1,080,254	4,099,319	4,099,319		6,831,686	D
Iowa Public Service Co	3,294,074	3,294,074	358,609	358,609	4,967,037	4,967,037		7,489,569	D
Iowa Southern Utilities Co	2,612,989	2,612,989	181,081	181,081	1,705,675	1,662,885	42,790	3,700,059	D
Jersey Central Power & Light Co	3,207,465	7,488,329	6,431,780	2,150,916	17,162,933	17,162,933		16,698,285	D
Kansas City Power & Light Co	3,601,865	3,601,865	537,949	537,949	12,601,237	12,601,237		10,508,105	D
Kansas Gas & Electric Co	2,371,037	2,371,037	821,357	821,357	7,364,259	7,364,259		9,297,244	D
Kansas Power & Light Co., The	2,363,207	2,363,207	1,095,525	1,095,525	5,156,881	5,156,881		7,229,367	D
Kentucky Power Co					5,475,129	2,051,371			FT
Do	1,420,386	(10,040)	182,037	(995,421)	1,132,357	1,489,750		4,504,780	D
Kentucky Utilities Co	2,220,000	2,220,000	1,129,995	1,128,241	9,544,558	9,498,194	48,118	10,795,305	D
Kingsport Power Co	135,828	(440)	50,635	5,431	443,547	335,765			FT
Lake Superior District Power Co					379,044	389,544			FT
Do	285,000	285,000	63,000	63,000	384,400	373,900		684,173	D
Lincoln Service Corp	26,721	26,721	13,705	13,705	58,552	58,552			FT
Lockhart Power Co	18,485	354	11,580	498	93,324	2,489	120,048	48,603	D
Long Island Lighting Co	7,518,000	7,518,000	1,942,000	1,942,000	18,153,200	18,153,200		3,547,203	FT
Long Sault, Inc	156,814	156,814	3,771	3,771	6,683	6,683			FT
Louisiana Power & Light Co	6,508,297	6,508,297	4,150,603	4,150,603	14,317,180	14,309,980	7,200	21,822,532	D
Louisville Gas & Electric Co	2,482,000	2,482,000	2,525,000	2,525,000	7,623,700	7,623,700		10,922,900	D
Madison Gas & Electric Co					779,961	779,961			FT
Do	2,542,950	2,542,950	258,470		1,846,534	1,157,964	947,040	3,466,893	D
Maine Electric Power Co., Inc	8,203	8,203			897	897		8,807	D
Maine Public Service Co					297,834	297,834			FT
Do	138,025	138,025	44,483	44,483	133,517	133,517		301,714	D
Maine Yankee Atomic Power Co	818,535		64,625		7,288,004		8,171,164	570,288	D
Massachusetts Electric Co	1,938,600	1,938,600	1,248,800	1,248,800	7,632,981	7,632,981		9,032,650	D
Maui Electric Co., Ltd					195,281	195,281			FT
Do	632,632	632,632	135,271	135,271	416,208	416,208		1,128,402	D
Metropolitan Edison	1,723,300	6,635,690	7,392,470	2,480,080	8,027,303	8,027,303		12,520,403	D
Michigan Power Co	164,600		106,600		358,446	208,481	421,165	833,921	D
Northeast Nuclear Energy Co			181,559		81,931		263,490		N/S
Minnesota Power & Light Co					1,675,968	1,675,968			FT
Do	1,026,600	1,026,600	346,313	346,313	3,493,787	3,324,687	169,100	4,399,000	D
Mississippi Power Co	2,073,983	1,939,770	497,202	497,202	7,382,758	7,382,758	134,213	8,311,882	D
Mississippi Power & Light	2,348,039	2,348,039	4,876,326	4,876,326	7,791,313	7,791,313		13,365,946	D

Company	Investment tax credits generated and utilized						Unused credits available, Dec. 31, 1975	Accumulated deferred credits, Dec. 31, 1975	Method of accounting
	1975		1974		Combined 1962–73				
	Generated	Utilized	Generated	Utilized	Generated	Utilized			
Missouri Edison Co	$290,000	$278,000	$130,000		$374,000	$177,000	$339,000	$155,000	FT
Missouri Power & Light Co	418,000	418,000	450,000	$450,000	1,337,000	1,337,000		235,000	FT
Missouri Public Service Co	874,800	847,800	384,958	384,958	3,775,608	3,775,608		4,268,997	D
Missouri Utilities Co					428,252	453,271			FT
Do	250,000	290,000	179,773		290,215	421,872	8,116	691,063	D
Monogahela Power Co	2,475,000	2,475,000	1,591,500	1,591,500	10,156,200	10,156,200		9,309,664	D
Montana-Dakota Utilities Co	4,342,095	4,342,095	300,273	300,273	1,399,740	1,399,740		5,285,941	D
Montana Power Co., the	8,411,000	8,411,000	670,534	670,534	3,277,546	3,277,546		11,605,935	D
Montaup Electric Co	117,400	117,400	49,453	49,453	696,442	696,442		759,855	D
Mout Carmel Public Utility Co	37,218	37,218	9,354	9,354	69,620	69,620		99,881	D
Nantahala Power & Light Co	173,039	172,783	78,725	78,201	258,620	258,020	1,380	425,617	D
Nantucket Electric Co	16,207	16,207	7,130	7,130	101,629	101,629		91,978	D
Narragansett Electric Co., the	720,300	720,300	541,100	541,100	2,741,022	2,741,022		3,386,379	D
Nevada Power Co	1,950,000		2,200,000		4,710,673	4,475,379	4,385,294	1,381,887	D
New Bedford Gas & Edison Light Co	703,293	703,293	342,986	342,986	2,181,143	2,181,143		2,740,021	D
New England Power Co	1,545,400	1,545,400	8,458,200	8,458,200	8,623,662	8,623,662		16,337,741	D
New Mexico Electric Service Co	54,990	54,990	7,431	7,431	464,260	464,260		407,486	D
New Orleans Public Service Inc	986,000	986,000	438,000	438,000	4,220,000	4,220,000		4,544,351	D
New York State Electric & Gas Corp	4,524,800	3,495,200	1,588,120	1,588,120	11,798,200	11,798,200	1,029,600	1,549,071	FT
Newport Electric Corp	64,138	44,321	23,891	23,891	220,258	220,258	19,817	244,399	D
Niagara Mohawk Power Corp	14,160,000		7,990,000		21,710,000	14,985,000	28,875,000	11,621,000	FT
Northeast Nuclear Energy Co			181,559		81,931		263,490		NS
Northern Indiana Public Service Co	4,305,920	4,305,920	5,405,460	5,405,460	8,401,623	8,401,623		16,073,718	D
Northern States Power Co. (Minnesota)	5,494,000	7,174,000	8,499,000	2,519,000	25,902,500	30,202,500		24,828,400	D
Northern States Power Co. (Wisconsin)					1,185,300	1,300,800			FT
Do	382,828	100,532	861,211	72,373	1,555,005	74,755	2,669,432	294,768	D
Northern Public Service Co	5,145,937	1,131,140	119,825	119,825	799,080	799,080	4,014,797	1,038,816	D
Northern Wisconsin Electric Co	39,579	39,579	9,312	9,312	64,176	64,176		65,689	D
Ohio Edison Co	3,634,107	3,634,107	1,681,715	1,681,715	15,554,972	15,554,972		17,556,922	D
Ohio Electric Co	10,024,355		10,459,347				20,483,702	2,328,201	NS
Ohio Power Co	8,608,602	(60,440)	5,289,858	(1,014,666)	31,216,101	24,992,407			FT
Ohio Valley Electric Corp					28,458	28,458			D
Do	20,228	20,228	1,279	1,279	22,515	22,515		33,977	FT
Oklahoma Gas & Electric Co	7,665,000	7,665,000	2,011,000	2,011,000	13,634,830	13,634,830		14,250,632	D
Old Dominion Power Co	180,000	180,000	63,547	63,356	288,385	150,846	137,730	348,990	D
Orange & Rockland Utilities, Inc	1,033,810		2,310,013		5,659,084	1,981,349	7,141,558	1,017,100	FT
Otter Tail Power Co	8,062,434	3,108,520	349,000	349,000	2,200,200	2,200,200	4,953,914	3,387,535	D
Pacific Gas & Electric Co	20,887,000	11,872,000	8,767,000	8,767,000	56,984,000	56,936,000	9,063,000	9,015,000	FT
Pacific Power & Light Co	10,129,471		8,286,768		19,604,006	16,058,772	21,961,473	3,913,850	D
Pennsylvania Electric Co	2,698,000	5,627,234	4,396,069	1,466,835	12,488,216	12,488,216		11,723,295	D
Pennsylvania Power Co	791,068	791,068	375,905	375,905	2,687,465	2,697,465		3,197,126	D
Pennsylvania Power & Light Co	14,250,000	14,250,000	3,563,516	3,563,516	30,702,660	30,702,660		31,657,352	D
Philadelphia Electric Co	8,784,927	8,784,927	22,589,385	4,500,772	26,408,428	44,497,041		35,774,100	D
Portland General Electric Co					5,603,089	5,603,089			FT
Do	29,237,271		2,192,247	2,192,247	2,576,999	2,576,999	29,237,271	2,927,619	D
Potomac Edison Co., the	1,925,000	1,925,000	1,604,000	1,604,000	9,135,066	9,135,066		10,612,217	D
Potomac Electric Power Co	12,800,000	12,800,000	3,555,000	3,555,000	27,991,435	27,991,435		6,612,000	FT
Public Service Co. of Colorado	8,473,321	8,473,321	1,919,431	1,919,431	17,464,740	17,464,740		24,655,520	D
Public Service Co. of Indiana, Inc	9,220,934	9,220,934	2,098,378	2,098,378	13,667,888	13,667,888		22,498,039	D
Public Service Co. of New Hampshire	1,175,000	4,598,437	3,373,069	(5,567)	5,077,831	5,033,030		8,512,120	D
Public Service Co. of New Mexico	1,915,662	1,915,662	784,893	784,893	4,937,739	4,937,739		6,355,213	D
Public Service Co. of Oklahoma	2,603,000	2,603,000	3,410,000	3,410,000	7,210,520	7,210,520		11,759,160	D
Public Service Electric & Gas Co	9,186,436	6,781,315	15,909,571	(21,920)	40,317,754	28,829,275	29,825,091	27,987,602	D
Puget Sound Power & Light Co					4,467,811	4,354,342			FT
Do	9,153,000	6,313,769	1,389,703	1,389,703	3,281,167	3,392,449	2,727,949	12,523,000	D
Rochester Gas & Electric Corp	1,552,000	1,552,000	950,000	950,000	6,011,000	6,011,000		581,900	FT
Rockland Electric Co					367,107	366,724			FT
Do	319,000		188,431		447,843	25,694	929,580	20,096	D
Rumford Falls Power Co	2,852	2,852	3,587	3,587	48,197	48,197			FT
Safe Harbor Water Power Corp					17,272	17,272			FT
Do	5,544	5,544	1,771	1,771	2,063	2,063		8,769	D
St. Joseph Light & Power Co	399,000	399,000	414,000	201,000	1,124,572	1,337,572		904,353	D
San Diego Gas & Electirc Co	2,518,546	(1,133,412)	1,998,942	3,169,225	11,932,812	8,200,142			FT
Savannah Electric & Power Co	1,141,997	1,141,997	229,469		2,558,671	1,697,954	1,190,186	2,489,411	D
Sherrard Power System	45,208	45,208	18,023	18,023	104,787	104,787		43,852	D
Sierra Pacific Power Co	2,641,598	1,639,106	1,666,523	294,929	3,762,340	3,962,464	2,169,164	1,224,530	D
South Beloit Water, Gas & Electric Co	9,000	9,000	3,280	3,280	17,941	17,941		26,030	D
South Carolina Electric & Gas Co	3,392,277	7,220,000	1,083,157	1,492,867	12,857,479	8,620,046		10,897,894	D
Southern California Edison Co					40,362,500	40,362,500			FT
Do	13,458,000	13,458,000	7,951,000	7,951,000	17,975,000	17,975,000		6,624,000	D
Southern Electric Generating Co	1,043,000	1,043,000	(65,118)	(65,118)	255,764	255,764		1,186,844	D
Southern Indiana Gas & Electric Co	478,800	478,800	333,114	333,114	4,361,064	4,361,064		4,521,467	D
Southwestern Electric Power Co	2,683,700	2,683,700	2,124,000	2,124,000	6,819,000	6,819,000		10,148,800	D
Southwestern Electric Service Co					192,771	192,771			FT
Do	184,300	177,759	69,070	63,096	151,765	130,045	34,235	370,900	D
Southwestern Public Service Co	1,318,301	1,318,301	1,565,574	1,565,574	2,363,205	2,363,205			FT
Do					4,117,064	4,117,064		321,251	D
Superior Water, Light & Power Co	20,772	20,772	6,476	6,476	86,947	86,947		116,954	D
Susquehanna Electric Co., the	3,900	3,900	14,092	14,092	720,098	720,098		80,376	D
Tampa Electric Co	4,260,000	4,260,000	2,036,933	2,036,933	11,640,500	11,640,500		15,776,156	FT
Tapoco, Inc	17,573	17,573	1,619	1,619	120,154	120,154		101,564	D
Texas Electric Service Co					6,019,000	6,019,000			FT
Do	6,254,000	6,254,000	2,545,000	2,545,000	7,528,000	7,528,000		14,881,496	D
Texas Power & Light Co					10,500,000	10,500,000			FT
Do	13,072,467	13,072,467	6,300,000	6,300,000	10,755,889	10,755,889		27,703,854	D
Toledo Edison Co., the	2,133,660	2,133,660	1,218,987	543,553	6,039,750	6,715,184		7,795,610	D
Tucson Gas & Electric Co	3,046,000	4,903,000	5,211,141		6,518,234	3,955,948	10,819,427	7,806,928	D
UGI Corp	349,574	349,574	70,576	70,576	710,673	710,673		744,020	D
Union Electric Co	3,434,000	3,434,000	1,895,000	1,745,000	28,213,000	30,013,000	1,650,000	3,665,000	FT
Do	101,000	101,000	120,000	120,000	1,594,000	1,594,000			D
Union Light, Heat & Power Co., the	423,130	423,130	196,760	196,760	916,658	916,658		1,306,254	D
United Illuminating Co., the	10,830,378	2,897,584	800,923	800,923	5,080,112	5,080,112	7,932,794	569,800	FT
Upper Peninsula Generating Co	2,952,661		2,486,749		1,805,654	61,104	7,183,960	1,493,552	NS
Upper Peninsula Power Co	664,101	663,821	154,959	154,724	868,165	865,941	2,739	1,493,552	D
Utah Power & Light Co	3,740,682	7,626,692	6,260,000	374,586	8,805,005	8,805,005	1,999,404	14,839,706	D
Vermont Electric Power Co., Inc	267,571		91,686		472,984	36,555	795,686		FT
Vermont Yankee Nuclear Power Corp	86,000	86,000	620,000		5,450,000	1,668,000	4,402,000	82,000	FT
Virginia Electric & Power Co	16,346,431	2,188,752	10,532,000	(3,267,973)	71,123,000	35,235,587	43,151,440	19,555,362	D
Washington Water Power Co., the	1,695,000	945,609	732,423	729,378	3,705,466	2,629,774	1,828,128	1,793,665	FT
West Penn Power Co	3,554,000	3,554,000	2,601,600	1,052,700	16,652,400	18,201,300		19,335,680	D
West Texas Utilities Co	494,600	494,600	1,017,800	1,017,800	2,457,681	2,457,681		3,397,484	D
Western Colorado Power Co., the			6,,000	66,000	257,940	257,940			D

Footnotes at end of table.

PRIVATELY OWNED ELECTRIC UTILITIES—CLASSES A AND B—SCHEDULE OF INVESTMENT TAX CREDITS GENERATED AND UTILIZED, 1962–75—Continued

Company	Investment tax credits generated and utilized						Unused credits available, Dec. 31, 1975	Accumulated deferred credits, Dec. 31, 1975	Method of accounting
	1975		1974		Combined 1962–73				
	Generated	Utilized	Generated	Utilized	Generated	Utilized			
Western Massachusetts Electric Co.	$4,463,000		$508,173		$4,769,999	$3,041,801	$6,699,371	$2,601,651	D
Wheeling Electric Co.	207,403	($5,120)	59,490	($26,153)	602,108	521,451			FT
Wisconsin Electric Power Co.					10,932,000	10,932,000			FT
Do.	3,692,700	3,692,700	1,725,600	1,725,600	5,728,200	5,728,200		10,243,280	D
Wisconsin Michigan Power Co.					2,236,600	2,236,600			FT
Do.	903,500	903,500	396,300	396,300	2,231,100	2,231,100		3,145,400	D
Wisconsin Power & Light Co.					3,039,732	3,039,732			FT
Do.	4,822,718	4,822,718	942,622	942,622	4,654,853	4,654,853		9,672,881	D
Wisconsin Public Service Corp.					2,799,600	2,799,600			FT
Do.	4,058,679	4,058,679	817,625	817,625	4,486,872	4,486,872		8,803,445	D
Wisconsin River Power Co.	816	15	12	2	1,936	1,431	1,320	1,316	D
Yadkin, Inc.					151,079	151,079		53,376	D
Yankee Atomic Electric Co.					47,563	47,563			FT
Do.	130,600	130,600	95,000	95,000	85,300	85,300		287,100	D
Total	747,924,804	623,663,010	460,745,258	209,756,039	1,849,842,433	1,668,500,932	503,808,722	1,609,783,469	

[1] The company had revised its accounting method during the year 1975.
[2] Name changed to Hawaii Electric Co. in 1975.

Note: Method of accounting: FT—Flow through; D—Deferred; NS—Not stated.

By Mr. BROOKE:

S. 2029. A bill to provide for the payment of losses incurred as a result of the ban on the use of tris in children's wearing apparel, and for other purposes; to the Committee on the Judiciary.

Mr. BROOKE. Mr. President, in April the Consumer Product Safety Commission ordered off the market all children's sleepwear treated with the flame retardant chemical on the grounds that the chemical tris could cause cancer. None of us, I am sure, oppose the decision to take tris-treated garments, which are dangerous to the very children we wish to protect, off the market.

However, I do believe that the businesses which were engaged in producing tris-treated garments are entitled to economic justice. It has been argued that these businesses are no more entitled to Government compensation than any businesses adversely affected by Government regulations or decisions.

But, I believe that there is a vital difference between the businesses which would be compensated by S. 1503 and businesses such as saccharin or cyclamate manufacturers whose products are also ordered off the market by the Government because of documented health risks. For those who manufactured tris-treated garments did not do so by choice. They were using tris in good faith because the Government required them to use flame-retardant fabrics, and tris was the only chemical agent used in fabrics available to them. But producers of children's sleepwear were required to comply with these Government regulations before the Government itself tested and conclusively determined which flame-retardant chemicals were safe and which were not. And when the Government belatedly ruled that the chemical tris was unsafe, it triggered a $200 million loss in the children's sleepwear and associated industries, a loss which businesses involved will have to try to absorb if we do not act.

Perhaps the largest businesses involved will be able to withstand their share of the loss if it is later decided that all businesses involved will bear a share. But many small businesses will not, and it is these for which I am particularly concerned. Indeed, I find it unfortunate, unrealistic, and unfair that the Consumer Product Safety Commission ruled that the smallest and most vulnerable businesses, the garment manufacturers, alone had to bear the total loss involved.

Children's sleepwear garment manufacturers comprise only about 100 firms, 5 of which are in my own State of Massachusetts. Of these firms, about 70 are small and generally family run businesses. Indeed, the largest children's sleepwear factory in Massachusetts, in New Bedford, employs only about 250 people. These manufacturers are for the most part undercapitalized and operate on credit. Because of the extreme financial instability in the industry engendered by the Tris ruling on April 8, these firms are suffering not only the loss of their complete past Tris-treated line, but are finding it difficult to obtain credit to produce next season's line.

Small Business Administration loans provide a stopgap resolution for these small businesses. And I have put the entire resources of my office behind the affected Massachusetts garment manufacturers seeking such loans.

But the only real solution for these businesses is compensation for the losses they have borne. S. 1503, which I am cosponsoring, would fairly and rightfully allow the businesses affected to go into the U.S. Court of Claims, prove and recover their losses from the Government. I would emphasize that S. 1503 would compensate them only for their actual losses and not their lost anticipated profits.

But since such court procedures would take several years, a bearable situation perhaps for large businesses but ineffective relief for small businesses on the edge of bankruptcy, I hope that the committee will add to S. 1503 a provision for expediting these cases in the Court of Claims. In the Hart-Scott antitrust amendments of 1976, Congress authorized such a procedure providing that a court may take the designated cases out of order and hear them immediately after the case being heard at the time. Such a provision is essential if the small businesses involved are to be awarded relief in time to avoid disaster.

But I believe there may be an even more exepditious way for the Senate to initiate procedures to reimburse the businesses affected by the Tris ruling, and I am, therefore, introducing a congressional reference resolution in the Senate regarding these Tris cases. Such a resolution, upon passage by the Senate would immediately refer the Tris cases to the Court of Claims. In addition to the advantage that such a reference would have in requiring action by the Senate only, it would mean that the court could consider questions of equity and fairness, not just principles of law in determining claims. After these considerations, the court would report back to the Senate, and we would then have a clear picture of the rights and claims at issue.

The Judiciary Committee has already held hearings on S. 1503. With the introduction of my congressional reference resolution and the necessary accompanying bill, the committee will have before it the full range of options. I commend the committee and Senator ALLEN who chaired the committee hearings for the diligence and concern which they have already shown. I ask that they now choose the promptest and most equitable course of action. Such speed is absolutely essential if aid is to reach the small businesses involved in time to save many of them from bankruptcy.

By Mr. STEVENS (for himself, Mr. CULVER, and Mr. STONE):

S. 2036. A bill to promote and coordinate amateur athletic activity in the United States, to provide for the resolution of disputes involving national governing bodies, to create certain rights and privileges for U.S. amateur athletes, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AMATEUR SPORTS ACT OF 1977

Mr. STEVENS. Mr. President, I am leaving for Alaska momentarily, and I promised to make a public statement today on legislation that Senator CULVER, Senator STONE, and I are today introducing which we hope will provide a new beginning for amateur athletics in the United States. The time has come for all amateur sports groups to set aside their differences and work in a cooperative effort to enhance amateur sports. The bill which we introduce today should foster that cooperation by providing a foundation for amateur organizations to come together. The bill accomplishes three purposes. First, it expands the au-

thority of the U.S. Olympic Committee so that it can serve as a coordinating body for amateur athletics. Second, it sets forth criteria for national governing bodies and creates a mechanism for the resolution of disputes involving national governing bodies. Third, it protects the right of an amateur athlete to participate in amateur athletic competition without arbitrary controls.

Mr. President, the United States does not nearly approach achieving its full potential in amateur sports. We have not had a unified effort among our sports organizations to encourage and support public participation in athletics. We have failed to provide opportunities for young athletes to develop and compete. In many instances youngsters who could excel in a particular sport are not identified or are not encouraged to compete and develop their skills. Often proper coaching is not available. New athletic facilities need to be constructed and better utilization must be made of existing facilities. Our most elite athletes frequently cannot afford to train and compete because of the lack of financial support. Those who do make the sacrifices are often caught in the power struggles between the various amateur athletic organizations. The problem is that the United States has been unable to define a common meeting ground where sports organizations can come together and work out their differences.

In response to the never-ending problems affecting amateur athletics and as a result of congressional and public interest, President Ford in June of 1977, established by Executive order the President's Commission on Olympic Sports. Twenty-two public and sports-minded figures were appointed by President Ford to serve on the Commission. I was honored to be one of those chosen. Senators JOHN CULVER and DICK STONE and former Senator Glenn Beall were also Commission members. The Commission was charged to examine the full spectrum of amateur athletics in the United States. Specifically, we were asked to determine what factors impede the United States in developing, selecting, and fielding its best athletes for international competition.

The Commission in its 1½-year study attempted to get input from every segment of the sports community. We spoke to athletes, coaches, administrators of sports organizations, representatives of the school-college community, and others. In our discussions we considered such issues as sports medicine, the financial needs of amateur athletes, amateurism, the women's role in sports, organizational power struggles, the relationship of the United States to international sports organizations, and the handicapped in sports. We examined the organizational structures of the U.S. Olympic Committee, national governing bodies, and multisport organizations. No area was left untouched by our investigation.

As a result of this study, two reports were prepared by the Commission. The first which was delivered in February 1976, presented an analysis of the current system of amateur athletics in the United States and identified problems and weaknesses within that system. The Commission found that the current structure of amateur sports was fragmented, ill-defined, and nondirected. Too often sports organizations worked at cross purposes, discouraging public participation and inhibiting athlete development. As a result of this lack of organization and leadership, amateur athletics have been inadequately funded, athletes have been denied their rights to compete, and generally the development of amateur sports for all Americans has been hindered. We concluded that before the United States could operate in the best interests of the public, improvements would be required in the areas of organization, management, and finance.

The second report, which was released in January 1977, offered solutions to many of the problems which the Commission raised in the first report. We proposed that the U.S. Olympic Committee be reorganized so that it would serve as a coordinating organization with the responsibility of directing amateur athletics in the United States. As part of this proposal the Commission recommended a vertical integrated structure for all national governing bodies. We recommended that disputes involving national governing bodies be settled through arbitration. We also stressed that the rights of athletes must be protected and recommended a complaint procedure for any athlete who felt that he or she had been aggrieved. The Commission also endorsed a number of methods to raise moneys for amateur sports.

I might state that the reactions to the Commission's recommendations have been quite favorable. The report has served to encourage rival organizations to resolve some of the long outstanding problems which have existed in amateur athletics.

Since the release of the report, Senator STONE, Senator CULVER, and I have met with athletes, the U.S. Olympic Committee, the school-college community, and the American Athletic Union. In our meetings with those groups we discussed various legislative proposals which we were considering which would implement the Commission's recommendations. On April 29, 30, and May 1 of this year, the U.S. Olympic Committee adopted a number of amendments to its constitution, many of which followed closely the proposals of the President's Commission. Generally we have been very pleased with the cooperative attitude the amateur sports community has taken.

The legislation which we are introducing today is the culmination of a long and arduous process which had its beginning in June of 1975. The bill is founded on the Commission's report, but at the same time we have attempted to take into consideration the changes which have taken place voluntarily since the report was issued. I might add that all of the groups which we have talked to endorsed the need for legislation which would lay a groundwork for future cooperation between amateur sports organizations in the United States.

Mr. President, it should be pointed out that this legislation is founded on two basic principles. One, Federal Government should not regulate the day-to-day activities of amateur sports. Two, any structure to coordinate amateur sports programs in the United States should be built on the strengths of our present system.

The bill does the following. It expands the authority of the U.S. Olympic Committee so that it can coordinate athletic activity in the United States. With these new powers also come added responsibilities. In fulfilling these responsibilities the U.S. Olympic Committee will provide assistance to other sports groups so that those groups can better fulfill their obligations to amateur sports. The bill also authorizes moneys for the Olympic Committee. One of the findings of the President's Commission was that amateur sports is inadequately funded. If we want to develop world class athletes so that we can compete internationally, and if we want to provide better programs for the public, then we must recognize our responsibility to financially support amateur sports. The bill only takes a small step in this regard by providing the Olympic Committee with funds to initiate the concept of national training centers.

The bill also sets forth criteria which national governing bodies will have to meet before they can be recognized by the U.S. Olympic Committee. These criteria will insure that national governing bodies will be responsive to the athletes they represent and to the public they serve. When there are disputes regarding which group should be the U.S. representative for a particular sport, the bill provides that the dispute shall be settled by arbitration. This should alleviate the organizational feuding which has plagued amateur athletics in the United States.

Lastly, the bill provides for an athletes' bill of rights. Young men and women who train so hard to excel in their sport should not be penalized and denied the chance to participate in athletic competition. The bill would guarantee them that right and provide a remedy for any athlete who felt that his right to participate had been aggrieved.

Mr. President, I have been involved in past attempts by Congress to resolve the major obstacles confronting the administration of amateur athletics. I am very much aware of the sensitivity of these issues. Senator STONE, Senator CULVER, and I have made a diligent attempt to get the views of all groups involved in amateur sports. It is our purpose in sponsoring this legislation to enable the various sports organizations to combine for the common goal of advancing amateur athletics and to encourage a greater number of U.S. citizens to participate in amateur sports. We recognize the valuable service which educational institutions, clubs, and sports organizations render toward amateur sports. Almost every Olympic athlete is at least partially indebted to these groups for the training and support which they have provided. Further, these groups have programs and provide opportunities for

all individuals not just for those who are or will be world class athletes. We appreciate that and are not in this legislation supporting the interests of one group or another. There will be differences of opinion. We have a desire to discuss those differences so that hopefully an agreeable resolution can be made.

I believe that enactment of this bill inaugurates a new era in the history of amateur sports. If sports organizations can work in a cooperative atmosphere and provide improved programs of development and competition for the Nation's athletes there is no limit to the achievements which the United States can accomplish. If that cooperation does not come about, programs to promote physical fitness will continue to be deficient and our performance in international competition will continue to deteriorate. Only through the support of everyone concerned can we hope to provide the best athletic opportunities for all Americans.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD following the statements of Senator CULVER and Senator STONE.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CULVER. Mr. President, I am introducing today, with Senator STEVENS and Senator STONE, legislation to encourage more equitable and capable participation by America's amateur athletes in international competition. This legislation is based largely upon the recommendations of the President's Commission on Olympic Sports, on which we were privileged to serve, and is intended to accomplish three major objectives.

First, it clarifies the role, purposes, and powers of the U.S. Olympic Committee. The USOC is a federally chartered corporation which is composed of most of the major amateur sports organizations in this country and which is responsible, among other things, for selecting U.S. representatives in the Olympic and Pan American games. In the years since the charter was granted in 1950, conditions in both international athletic competition and in the organization of American amateur sports have undergone considerable change and stress. The alterations in the charter which this bill calls for should allow the USOC to respond more adequately to currently prevailing conditions, as well as to provide some of the coordination and direction to amateur sports which the President's Commission recommended. In order to assist the USOC in carrying out these functions, this bill authorizes an expenditure of $20 million.

The second major component of this legislation enumerates criteria for the selection of "national governing bodies" in individual sports. Such national governing bodies are the official representatives of U.S. athletes in international competition and are required by International Olympic Committee rules. In its investigations, the President's Commission on Olympic Sports discovered that, historically, national governing bodies have not always maintained the best interests of their athletes, that frequently national governing body status has been achieved and retained more on the basis of sports politics than merit, and that national governing bodies and other sports organizations have often dissipated their energies in internecine feuding rather than devoting attention to the needs of the athletes whom they represent. National governing bodies are the principal or "class A" members of the USOC, so the President's Commission recognized that they should be selected on the basis of criteria of merit and that an equitable and efficient method for resolving disputes should be established.

Accordingly, the legislation I am sponsoring would implement the Commission's recommendation of requiring national governing bodies to conform to such standards as nondiscrimination in membership and leadership, adequate representation for athletes themselves on governing boards, reasonable eligibility regulations, and adequate management capability. A procedure for settling disputes between rival organizations for national governing body status promptly and equitably through the American Arbitration Association is provided in the bill.

Third and finally, the legislation is intended to protect the rights of athletes to compete in events of their choice without undue interference from sports organizations or other institutions. I recognize, Mr. President, as did the President's Commission, that a proper balance must be struck between the rights of athletes and the legitimate needs of educational institutions and athletic groups to protect academic responsibilities and regular sports programs.

Unfortunately, these needs and other arguments have too often been used as convenient excuses for forbidding an athlete permission to participate in events when the prohibition was actually based upon a desire to protect narrow organizational interests or to hinder a rival group's program. The provisions of this bill define a limited class of events—international, unrestricted competition which is sanctioned by the appropriate national governing body and representatives for which meet certain selection requirements—where restrictions on participation should be illegal. Limitations on the rights of athletes, coaches, and others to take part in other intenational events would be subject to a test of reasonableness.

Mr. President, over the past decades a number of attempts have been made to address the major problems of amateur sports and to reconcile the rival groups. Such attempts have included internal efforts within the USOC, mediation efforts by distinguished Presidential appointees, and legislative initiatives—including one major bill passed by the Senate in 1974 which did not, however, become law. On balance these attempts have been unsuccessful.

Recently, however, progress has been made and I believe that there are strong grounds for believing that further advances can be made if legislation of the type we are introducing is implemented. Most expert observers and those who are directly involved in amateur sports programs cite the work of the President's Commission on Olympic Sports as providing both the impetus for encouraging action that was long overdue and the specific suggestions on what was needed.

Because Senators STEVENS and STONE and I served as members of the Commission and this legislation is based on its findings and recommendations, I think it is appropriate to describe its work briefly. The Commission was appointed by former President Ford in 1975 and consisted of 22 members drawn from public service, education, athletics, and business. After a year and a half of study of amateur athletics questions ranging from the structure of sports organization to the nature of amateurism to opportunities for handicapped athletes, the Commission made a comprehensive report to President Ford and President-elect Carter early this year.

In its deliberations the Commission was guided by two primary considerations. The first of these was that amateur sports activity should emphasize opportunity and access for all interested citizens and not be limited to special programs for a narrow, athletically gifted elite. If attention is given to such a broad-based effort, a wide range of Americans should be able to profit from the recreational and health benefits of participation and world class athletes will still have the opportunity to develop their skills.

Second, the Commission recognized that amateur sports problems in this country would require distinctly American solutions. The well-publicized success of Russian and Eastern European athletes in the 1976 Olympic games led some observers to recommend that the United States should emulate aspects of their systems. The Commission explicitly rejected such an approach. Those systems, based upon strict regulation and state control have no legitimate place in this country. Therefore, our legislation envisions the Government's role as one of guaranteeing that the charter of the USOC conveys sufficient ability for it to carry out its responsibilities. It should also protect through procedural safeguards the rights of sports organizations and individuals to fair representation. The recommendations of the President's Commission were made with these two principles in mind.

Already some of the primary recommendations have become reality through the actions of the USOC membership at its recent quadrennial meeting to revise its constitution. These included streamlining its governing structure, establishing fairer requirements for national governing body status, and extending additional protections in the area of athletes' rights. The USOC members should be commended for showing a new willingness to work together rather than expending their energies in needless feuds. In many cases, the legislation which we are introducing today merely codifies steps which the USOC has already voluntarily undertaken.

While all of the members of the USOC deserve commendation for fostering this new spirit of cooperation, I believe that two groups deserve special rec-

ognition. First of all, the USOC leadership, under its new president, Bob Kane and its executive director, F. Don Miller, has been instrumental in persuading various organizations to work together for the general good of amateur sports. Second, amateur athletes themselves have become better organized in order to protect their legitimate interests. All too often in the past, America's young athletes, who desired no more than the opportunity to develop their talents to the fullest in international competition, have suffered as the sacrificial pawns of rival factions. Currently athletes, particularly through the Athletes Advisory Council and its chairman, Ed Williams, are making certain that the perspective of these prime participants has a key bearing on decisions affecting their role. I am hopeful that the Amateur Sports Act will encourage the continuation of these trends.

Despite the recent improvements in coordination and cooperation, it is evident that the various sports groups will continue to have differing interests and needs. The experience and perspective of all of the members of the amateur sports community have an important role to play in improving this legislation. I am confident that they will be able to bring their viewpoints to committee consideration of the measure and I hope they will take advantage of that opportunity.

In conclusion, Mr. President, I believe that serious consideration of the bill which Senators STEVENS and STONE and I are introducing today will build upon the strengths of amateur sports in America and help to correct some of its weaknesses.

Mr. STONE. Mr. President, I am pleased to join Senator CULVER and Senator STEVENS in introducing a bill to promote amateur athletics in the United States to provide for the orderly resolution of disputes between amateur athletic organizations, and to insure and protect the rights of amateur athletes to participate in athletic competition.

This bill is based on the findings and recommendations of the President's Commission on Olympic Sports on which I was privileged to serve along with Senator CULVER, Senator STEVENS, former Senator Beall, and other distinguished individuals who brought to the Commission a wide variety of experiences and expertise. The purpose of our endeavor was to "determine what factors impede or tend to impede the United States from fielding its best teams in international competition."

The Commission held public hearings, meetings with representatives from the individual sports, and thousands of interviews with athletes, administrators, coaches, and officials. We found that the organizations responsible for administering the various amateur sports in this country lack a common purpose and an effective system of coordination. Disputes among these organizations have wasted time and athletes' talents and threatened the athletes' right to participate in important competition. Funding for amateur athletic development and research is inadequate, and it appears likely to decline.

While other countries have established superiority in international competition as a national priority, the U.S. Government has never attempted to control amateur athletics in this country, nor should it. The bill we are introducing today maintains the important principle of the Federal Government's noninterference in amateur athletics by expanding the existing authority of the U.S. Olympic Committee to serve as the coordinating body for amateur sports. Further, it retains existing laws that prohibit political involvement in the U.S. Olympic Committee.

Specifically, the bill would broaden the duties of the U.S. Olympic Committee (64 Stat. 889; 36 U.S.C. 371), and grant it new powers so that it can serve as the central authority for amateur sports in the United States. This reflects the recommendation of the President's Commission to make the U.S. Olympic Committee the highest congress of a representative, vertically structured sports system.

In order to implement the vertical organizational structure, it provides a procedure for the recognition by the U.S. Olympic Committee of an amateur sports organization as the national governing body in a particular sport. Criteria which an applicant must meet in order to be recognized as the national governing body are enumerated, including procedures for prompt and equitable resolution of members' grievances. Obligations of the national governing bodies are set forth which are designed to promote interest and participation in their respective sports and to insure that the requests of athletes to participate in legitimate international competition are honored. The national governing bodies would be given the authority to act as the exclusive representative to the international governing body in their respective sports. Procedures are provided to enable individuals and organizations to compel a national governing body which is not meeting its duties to comply with the criteria for recognition. Procedures to challenge such a national governing body for its recognition are also provided. The bill establishes a 2-year period for currently recognized national governing bodies to come into compliance before being subject to challenge.

The President's Commission report concluded that Congress must provide Government financing for amateur athletics if the United States is to attain broad-based participation and win medals in international competition. This Nation has depended primarily on the high schools and colleges for the development of amateur athletes. However, educational institutions cannot possibly meet the needs of the lesser known sports, while funds for even the better-known sports are getting scarce.

This bill would provide $10,000,000 to assist in the development and administration of national training centers for the development, research, and education in amateur sports. It would also provide $10,000,000 to assist the operation of the U.S. Olympic Committee and its programs. The U.S. Olympic Committee would be required to report to Congress and the President to insure that the money is used for proper purposes.

This is a small amount of Federal assistance in relation to the total amount of money needed to support amateur sports. The President's Commission estimated that an annual Federal appropriation of over $80,000,000 would be necessary merely "to allow the United States to maintain the status quo in a bitter competitive world." But if Federal funding is accompanied by the reorganization of U.S. amateur sports into a more cooperative system, I believe that private funds will be supplied by individuals and corporations who were previously unwilling to contribute.

Most important to athletes is their right to compete. The President's Commission found that, all too often, athletes are denied this right without good reason by the various amateur athletic organizations which are supposed to serve them. Abuses of athletes' rights typically occur because of jurisdictional disputes between rival organizations. For example, an incumbent national governing body for a particular sport is seeking to maintain its status. It, therefore, refuses to grant a sanction which is required by international rules for an international competition being organized by the rival organization. This type of jealously has prevented American athletes from competing in legitimate international competition.

The franchise challenge mechanism mentioned earlier and the obligation of the national governing bodies to grant sanctions will reduce such abuses of athletes' rights. In order to further protect athletes', rights to participate in sanctioned, unrestricted international competition, the bill contains an "Athletes' Bill of Rights" comprised of two sections.

The first section would prohibit any national governing body, educational institution or sports organization from denying an athlete the right to participate in certain defined competitions. The second would allow an individual who is denied his right to compete in such competitions to bring an action to the U.S. district court, or before the American Arbitration Association if mutually agreeable.

At its quadrennial meeting in April 1977, the U.S. Olympic Committee set out to amend its constitution to change its organizational structure along the lines of the President's Commissions report. All amateur sports organizations, including the NCAA which withdrew from the USOC in 1972, were represented. By and large, the changes adopted by the USOC follow the provisions of this legislation.

Mr. President, in fashioning this bill we have tried very hard to recognize the legitimate concerns of the U.S. Olympic Committee, the NCAA, the AAU, the national governing bodies, the other amateur athletic organizations and the athletes which it will effect. Wherever possible, we have attempted to accommodate these concerns. However, these are complex issues and there may be areas where problems remain to be resolved. I want to emphasize my willingness to

continue to work with all parties interested in amateur athletics to make improvements in this bill during the hearings process.

Finally, I want to commend the amateur sports organizations and athletes for the significant progress that has already been made toward a fairer and more unified sports system. I believe that with continued cooperation we can achieve this important goal.

EXHIBIT 1

S. 2036

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Amateur Sports Act of 1977".

TITLE I—DECLARATION OF POLICY

FINDINGS

SECTION 101. The Congress finds that—

(1) amateur sport plays an important role in American society by serving as a source of recreation, contributing to the improvement of physical and mental health, providing for public entertainment, and acting as a national unifying bond;

(2) amateur athletic activity, including competition, is valuable in the development of an individual's character, promotes integrity and the pursuit of personal excellence, and contributes to fitness and physical well-being;

(3) athletic competition between athletes of the United States and those of other nations provides a valuable exchange of cultural and personal ideas and fosters improved international understanding;

(4) it is in the best interest of the United States to encourage and support public participation in sports, including providing opportunities for amateur athletes to develop their skills and compete in national and international competition;

(5) the full potential benefits of amateur athletic competition have not been realized because existing amateur athletic organizations in the United States are fragmented, are not bound by a common purpose, and are unable to coordinate their efforts;

(6) athletes have often been denied the opportunity to participate in an athletic event because of the inability of amateur athletic organizations to resolve their differences;

(7) organized amateur athletic competition is conducted through the use of facilities of interstate commerce or is an activity which affects interstate commerce; and

(8) international amateur athletic competition involving American citizens is conducted through the use of facilities of foreign commerce and is an activity which effects commerce between the United States and other nations.

PURPOSE

SEC. 102. The Congress declares that it is the purpose of this Act—

(1) to encourage participation in sports by United States citizens;

(2) to coordinate the development, financing, management, and conduct of amateur athletic activity and to improve the cooperation between various amateur athletic organizations by expanding the authority of the United States Olympic Committee to serve as a coordinating body for amateur sports;

(3) to provide a mechanism to ensure that the right to govern a particular sport is awarded to the most representative and capable private organization; and

(4) to protect the rights of an amateur athlete to participate in amateur athletic competition without arbitrary controls.

TITLE II—AMATEUR SPORTS ORGANIZATION

SHORT TITLE

SEC. 201. This title may be cited as the "Olympic Committee Charter Amendments Act".

TITLE ADJUSTMENTS

SEC. 202. (a) The Act entitled "An Act to incorporate the United States Olympic Association", (64 Stat. 899; 36 U.S.C. 371) is amended—

(1) by inserting immediately after section 2 of such Act the following:

"TITLE I—CORPORATIONS";

(2) by redesignating sections 3 through 12 of such Act as sections 101 through 110, respectively;

(3) by striking out paragraphs (1) and (2) of section 101 of such Act, as redesignated by paragraph (2) of this subsection, and by inserting in lieu thereof the following:

"(1) to establish national goals for amateur sports and encourage their attainment;

"(2) to coordinate, direct, and develop amateur athletic activity in the United States in order to foster productive working relationships among sports-related organizations;"; and

(4) by striking out paragraphs (5) through (7) of such section 101 and inserting in lieu thereof the following:

"(5) to promote and support athletic exchanges with foreign nations;

"(6) to promote and encourage public participation in athletic activity and physical fitness;

"(7) to assist organizations and individuals concerned with sports in the development of sports programs for amateur athletes;

"(8) to provide for the swift resolution of conflicts and disputes involving amateur athletes, national governing bodies, and amateur sports organizations;

"(9) to foster the development of sports facilities for use by amateur athletes and to assist in making existing sports facilities available for use by amateur athletes;

"(10) to provide and coordinate technical information on physical training, equipment design, coaching, and performance analysis;

"(11) to encourage and support research, development, and dissemination of information in the areas of sports medicine and sports safety;

"(12) to encourage and provide assistance to programs and competition for handicapped persons; and;

"(13) to represent the interest of the public in amateur sports.".

(b) Section 102 of such Act, as redesignated by subsection (a)(2) of this section, is amended to read as follows:

"Sec. 102. (a) The corporation shall have perpetual succession and power—

"(1) to serve as the coordinating authority for amateur sports in the United States;

"(2) to represent the United States as its National Olympic Committee in relations with the International Olympic Committee and the Pan American Sports Organization;

"(3) to organize, select, finance, and control the representation of the United States in the competitions and events of the Olympic Games and of the Pan-American Games and to appoint committees or other governing bodies in connection with such representation;

"(4) to facilitate, through orderly and effective administrative procedures, the resolution of conflicts or disputes involving amateur athletes, national governing bodies, and amateur sport organizations;

"(5) to sue and be sued;

"(6) to make contracts;

"(7) to acquire, hold, and dispose of such real and personal property as may be necessary for its corporate purposes;

"(8) to accept gifts, legacies, and devises in furtherance of its corporate purposes;

"(9) to borrow money to carry out its corporate purposes, issue notes, bonds, or other evidences of indebtedness therefor, and secure the same by mortgage, subject in each case to the laws of the United States or of any State;

"(10) to provide financial assistance to any organization or association, other than a corporation organized for profit, in furtherance of the purposes of the corporation;

"(11) to approve and revoke membership in the corporation;

"(12) to adopt and alter a corporate seal;

"(13) to establish and maintain offices for the conduct of the affairs of the corporation;

"(14) to publish a newspaper, magazine, or other publication consistent with its corporate purposes; and

"(15) to do any and all acts and things necessary and proper to carry out the purposes of the corporation.

"(b) The corporation shall have the power to adopt and amend a constitution and bylaws not inconsistent with the laws of the United States, except that the corporation may amend its constitution only if—

"(1) the corporation publishes in its principal publication, and in the Federal Register, a general notice of the proposed alteration of the constitution, including the substantive terms of the alteration, the time and place of the corporation's regular meeting at which the alteration is to be decided, and a provision informing interested persons that they may submit materials as authorized in paragraph (2);

"(2) for a period of at least 30 days after the date of publication of the notice in the Federal Register, the corporation gives to all interested persons an opportunity to submit written data, views, or arguments concerning the proposed amendment; and

"(3) the corporation decided upon the amendment for which notice was published under paragraph (1) only after the thirty-day period under paragraph (2).".

(c) Section 110 of such Act, as redesignated by subsection (a)(2) of this section, is amended to read as follows:

"Sec. 110. The corporation shall, on or before the first day of March in each year, transmit to the President and to the Congress a detailed report of its operations for the preceding calendar year, including an annual accounting of the financial status of the corporation and a comprehensive description of the activities and accomplishments of the corporation during the preceding year. The report may include recommendations for additional legislation or other action which the corporation considers necessary or desirable for attaining the objectives of this Act. Copies of the report shall be made available to interested persons."

NATIONAL GOVERNING BODIES

SEC. 203. The Act entitled "An Act to incorporate the United States Olympic Association". (64 Stat. 899; 36 U.S.C. 371) is amended by adding at the end thereof the following new title:

"TITLE II—NATIONAL GOVERNING BODIES

"DEFINITIONS

"SEC. 201. As used in this title, the term—

"(a) 'amateur athlete' means any athlete who meets the standards for amateurism as defined by the national governing body for the sport in which the athlete competes;

"(b) 'amateur athletic competition' means a contest, event, game, meet, match, tournament, or other program in which amateur athletes are permitted to compete;

"(c) 'corporation' means the United States Olympic Committee;

"(d) 'eligible amateur athlete' means an athlete who is eligible for amateur athletic competition under applicable age, sex, amateurism, and athletic ability or performance standards as prescribed by the national governing body for the sport in which the athlete competes;

"(e) 'international amateur athletic competition' means any amateur athletic competition between (1) any athlete or athletes representing the United States, either individually or as part of a team, and (2) any athlete or athletes representing any foreign country; and any amateur athletic competition used to qualify United States amateur athletes for such competition;

"(f) 'national governing body' means a not-for-profit corporation which is recognized by the corporation in accordance with section 202 of this title;

"(g) 'national amateur sports organization' means any club, federation, union, association, or similar group in the United States which conducts regular national competition in a sport, which holds, or is financially and managerially capable of holding, an annual national championship in such sport from which a team of athletes could be selected to represent the United States in international amateur athletic competition, and which is capable of conducting international amateur athletic competition in the sport;

"(h) 'sanction' means a certification of approval issued by a national governing body;

"(i) 'sports organization' means a club, federation, union, association, or other group, except a 'national governing body', which sponsors or organizes any amateur athletic competition; and

"(j) 'unrestricted competition' means any amateur athletic competition which is not limited to a specific class of amateur athletes, such as high school athletes, collegiate athletes, members of the armed forces, or any other such group or category.

"GENERAL

"SEC. 202. (a) The corporation is authorized to recognize a national amateur sports organization as a national governing body if that organization meets the requirements of this section and section 203 of this title. Only one national governing body shall be recognized for each sport for which an appliction is made and approved.

"(b) A national governing body recognized pursuant to this section shall receive the authority set forth in section 205 of this title.

"(c) On the 31st day after the recognition of a national governing body, the corporation shall recommend and support in any other appropriate manner the recognized national governing body to the appropriate international governing body for its recognition as the United States representative for that sport.

"PROCEDURE FOR RECOGNITION OF A NATIONAL GOVERNING BODY

"SEC. 203. (a) Prior to the recognition of a national governing body under the authority granted under section 202 of this title and the procedures and requirements of this section, the corporation shall hold a hearing open to the public on the application for such recognition. The corporation shall publish notice of the time, place, and nature of the hearing. Publication shall be made in the last regular issue of the corporation's principal publication immediately prior to the date of the hearing.

"(b) No national amateur sports organization is eligible to be recognized as a national governing body under this subsection unless it—

"(1) is incorporated under the laws of any fo the several States of the United States or the District of Columbia as a not-for-profit corporation having as its purpose the advancement of amateur athletic competition;

"(2) submits, upon application, a copy of its corporate charter and bylaws and any additional information as is deemed necessary or appropriate by the corporation; and

"(3) agrees to submit, upon demand of the corporation, to binding arbitration by the American Arbitration Association in any controversy involving its recognition as a national governing body, or an athlete's right to compete.

"(c) The burden of persuasion at the hearing shall be on the applicant to demonstrate to the satisfaction of the corporation that—

"(1) it is qualified to receive recognition of the appropriate international governing body as the United States representative to that body for the sport for which recognition is sought;

"(2) its membership is open to any individual who is an athlete, coach, trainer, official, or administrator active in the sport for which recognition is sought, or to any sports organization which conducts programs in the sport for which recognition is sought, or to both;

"(3) it provides an equal opportunity for participation to all individuals eligible under applicable international amateur athletic rules and regulations, applies rules concerning eligibility and participation without discrimination on the basis of race, color, religion, age, sex, or national origin, and gives fair notice and a hearing to any individual before declaring such individual ineligible to participate;

"(4) it is governed by a Board of Directors, executive committee, or other governing body whose members are selected without regard to race, color, religion, age, sex, or national origin;

"(5) its Board of Directors, executive committee, or other governing body will at all times include among its voting members individuals who are actively engaged in amateur athletic competition in the sport for which recognition is sought or who have represented the United States in international amateur competition within the preceding ten years in the sport for which recognition is sought; and that the voting membership held by such individuals will not be less than 20 percent of the total voting membership held in that Board of Directors, executive committee, or other governing body;

"(6) it provides for a reasonable proportion of representation on its Board of Directors, executive committee, or other governing body for any sports organization which conducts, on a level of proficiency appropriate for the selection of athletes to represent the United States in international competition nationwide, programs or regular national competition in the sport for which recognition is sought;

"(7) no officer of the organization seeking recognition is also an officer of any other organization which is recognized as a national governing body;

"(8) it limits to a reasonable period of time the terms of office for its officers and members of its Board of Directors, executive committee, or other governing body, with consecutive service not to exceed ten years;

"(9) it does not have eligibility criteria more restrictive than those of the appropriate international governing body;

"(10) it has the managerial and financial capability to plan and execute its obligations; and

"(11) it provides procedures for the prompt and equitable resolution of grievances of its members;

"(d)(1) Except as provided in paragraph 2), any national amateur sports organization which on the date of enactment of this title represents a particular sport as a Class A member of the corporation shall be considered to be the national governing body for that sport. Such an organization is exempt for a period of two years from the date of enactment of this title from meeting the requirements of subsections (b) and (c) of this section, and during such two-year period shall take the necessary actions to meet such requirements. After the expiration of the two-year period, the organization shall continue as the national governing body for that sport except as otherwise provided in this title or if at the end of the two-year period the corporation determines that the organization (1) is not in compliance with subsections (b) and (c) of this section, or (2) is not recognized by the appropriate international governing body as the United States representative for the particular sport involved, the corporation shall revoke its recognition. Any organization aggrieved by the corporation's determination may submit a demand for arbitration in accordance with section 207(d) of this title.

"(2) Notwithstanding the provisions of paragraph (1), the corporation may revoke the status of an organization as a national governing body during such two-year period if such revocation is in the same manner and form, and for the same reason, as the corporation could have revoked a Class A membership prior to the date of the enactment of this title.

"OBLIGATIONS OF NATIONAL GOVERNING BODIES

"SEC. 204. Any national governing body for a particular sport under this title is under duty—

"(a) to develop interest and participation throughout the United States in the sport it governs and be responsible to the individuals and organizations it represents;

"(b) to minimize conflicts in scheduling by coordinating with other sports organizations the scheduling of all practices and competitions in the sport it governs;

"(c) to keep amateur athletes under its jurisdiction informed of policy matters and reasonably reflect the views of those athletes in its policy decisions;

"(d) to honor the request of any amateur sports organization or individual for a sanction to hold an international amateur athletic competition unless the national governing body reasonably determines that—

"(1) appropriate steps have not been taken to protect the amateur status of athletes who will take part in the competition and to protect their eligibility and availability to compete in other amateur athletic competition in the United States and in international amateur athletic events;

"(2) appropriate provision has not been made for validation of records which may be established during the competition;

"(3) due regard has not been given to any international amateur athletic requirements specifically applicable to the competition;

"(4) the competition will not be conducted by qualified officials;

"(5) proper medical supervision will not be provided for athletes who will compete;

"(6) proper safety precautions have not been taken to protect the personal welfare of the athletes or spectators, and

"(7) the sports organization or individual conducting the competition refuses to submit to an audited or notarized financial report of the most recent similar event, if any, conducted by the organizations or individuals; and

"(e) to honor the right of an eligible amateur athlete to compete in any unrestricted competition conducted under its auspices or that of any other sports organization, or in unrestricted competition sanctioned by another national governing body, unless it can be established that the denial was based on evidence that the organization or individual conducting the competition did not meet the requirements stated in subsection (d) of this section.

"AUTHORITIES OF NATIONAL GOVERNING BODIES

"SEC. 205. Any national governing body for a particular sport shall have the following authority:

"(a) To act as the exclusive representative of the United States to the appropriate international governing body for the sport with respect to which it has been recognized.

"(b) To act as the representative of athletes competing in international amateur athletic competition to the international governing body or bodies in its sport.

"(c) To designate individuals and teams to participate in international competition (other than the Olympic Games and the Pan-American Games) and certify, in accordance with international rules, the amateur status of such individuals and teams.

"(d) To conduct domestic amateur athletic competition including, but not limited to, national championships.

"(e) To establish procedures for the determination of eligibility standards for participation in unrestricted amateur athletic competition. Such procedures shall determine age, sex, amateurism, and athletic ability or performance standards for the sport.

"(f) To sanction the holding of an international amateur athletic competition in its sport. The preceding sentence shall not be construed so as either to recognize or not to recognize the authority of any national governing body to sanction the holding of a domestic amateur athletic competition.

"REVIEW OF NATIONAL GOVERNING BODIES

"SEC. 206. The corporation may on its own motion review all matters relating to the activities of a national governing body and may take such action as it deems appropriate, including but not limited to, placing conditions upon the continued recognition of the national governing body. The district courts of the United States shall have authority to enjoin the commission of any act of a national governing body that does not meet the requirements of sections 203(b), 203(c), and 204 of this title. The President of the corporation shall have standing to apply for an injunction except to the extent that the conferral of such standing is inconsistent with the Constitution of the United States of America.

"RESOLUTION OF CERTAIN DISPUTES

"SEC. 207. (a) Any sports organization or individual may seek to compel a national governing body to comply with the requirements of sections 203(b), 203(c), and 204 of this title by filing a written complaint with the corporation. A copy of the complaint shall also be served on the national governing body. Within 30 days of the filing of the complaint, the corporation shall determine (i) if the organization or individual has taken any action which may be taken within the national governing body to gain compliance with such requirements, and (ii) if the national governing body is in compliance with such requirements. If the corporation determines that any such action has not been taken and that the national governing body is not in compliance, it may direct that such action be taken before it will act. If the corporation determines that the national governing body is not in compliance and that no other action may be taken or that other action would result in unnecessary delay, it may revoke recognition of the national governing body or place the national governing on probation for a period not to exceed 180 days pending the national governing body's coming into compliance with such requirements. The corporation may extend such 180-day period for such time as the corporation finds that the national governing body has proven by clear and convincing evidence that it needs, through no fault of its own, to come into compliance. In making any determination, the corporation may choose to request and receive written briefs and affidavits and hold a hearing.

"(b) Any national amateur sports organization may seek recognition as a national governing body in place of any currently recognized national governing body by filing a written request for recognition with the corportation. A request may be filed under this subsection only (1) within the one year period after the final day of any Olympic Games in which competition in the sport occurs in the case of a national governing body which represents a sport for which competition and events are held in the Olympic Games or in both the Olympic and Pan-American Games, or (2) within the one year period after the final day of any Pan-American Games in the case of such a body which represents a sport for which competition or events are held in the Pan-American Games and not the Olympic Games. A copy of the request shall also be served on the national governing body. The challenging amateur sports organization must establish by a preponderance of the evidence that within 30 days of the filing of the complaint, the corporation shall make a determination as to whether or not the challenging amateur sports organization is to be recognized as the national governing body. However, if the current national governing body would have retained recognition except for a minor deficiency in one of the requirements of sections 203(b), 203(c) and 204 of this title, the corporation may decide to place the national governing body on probation not to exceed 180 days pending the national governing body's compliance. If the national governing body does not bring itself into compliance within the prescribed time period, the corporation shall revoke its recognition.

"(c) Any party aggrieved by the corporation's determination may submit a demand within 30 days for arbitration to any regional office of the American Arbitration Association. The Association shall serve notice on the parties to the arbitration and on the corporation, and shall immediately proceed with arbitration according to the commercial rules of the Association—

"(A) it meets the criteria for recognition as a national governing body under sections 203 (b) and 203 (c) of this title, and the current national governing body—

"(i) does not meet such criteria, or

"(ii) does not meet its duties under section 204; or

"(B) it meets the criteria for recognition as a national governing body under sections 203 (b) and 203 (c) of this title, and in comparison with the current national governing body, the challenging amateur sports organization—

"(i) more completely meets such criteria, and

"(ii) provides at the time of its application, or is able to provide, a more effective national program of competition in the sport for which it claims recognition as the national governing body.

in effect at the time of the filing of the demand, except that—

"(1) the arbitration panel shall consist of not less than three arbitrators, unless the parties to the proceeding mutually agree to a lesser number;

"(2) the arbitration hearing shall take place at a site selected by the association, unless the parties to the proceeding mutually agree for the use of another site;

"(3) the arbitration hearing shall occur within 60 days after the submission of the demand for arbitration, unless the parties to the proceeding mutually agree to a later date; and

"(4) the arbitration hearing shall be open to the public.

"(d) The arbitrators in any arbitration are empowered to settle any dispute arising under the provisions of this title prior to the making of a final award, if mutually agreed to by the parties to the proceeding.

"(e) Each contesting party may be represented by counsel or by any other duly authorized representative at the arbitration proceeding.

"(f) The parties may offer any evidence which they desire and shall produce any additional evidence as the arbitrators may believe necessary to an understanding and determination of the dispute. The arbitrators shall be the sole judges of the relevancy and materiality of the evidence offered. Conformity to legal rules of evidence shall not be necessary.

"(g) Any district court of the United States shall have jurisdiction for the purpose of issuing subpoenas to compel the attendance and testimony of witnesses and the production of documents. Upon application of the arbitrators, the court shall issue subpoenas to compel the attendance of witnesses and the production of documents that the arbitrators reasonably believe to be necessary or advisable for a better understanding of the dispute.

"(h) All decisions by the arbitrators shall be by majority vote unless the concurrence of all is expressly required by the contesting parties. The arbitrators shall make their decisions within 30 days after the closing of the hearings.

"(i) The hearings may be reopened, by the arbitrators upon their own motion or upon the motion of any contesting party, at any time before the decision is made. If the hearings are reopened the arbitrators shall make their decision within 90 days of the close of the original hearing.

"(j) The district courts of the United States shall have jurisdiction to enforce decisions of the arbitrators. Such action may be brought by any party to the final decision.".

SEPARABILITY

SEC. 204. If any provision of this title in its application to any person or circumstance is held invalid, the remainder of this title in its application to any person or circumstance shall not be affected.

FEDERAL FINANCIAL ASSISTANCE

SEC. 205. (a) The Secretary of Commerce is authorized to assist the United States Olympic Committee in developing amateur athletics in the United States.

(b) The Secretary shall provide such assistance by:

(1) making grants, upon application of the United States Olympic Committee, the total of such grants not exceeding $10,000,000, to finance the operation of the United States Olympic Committee including any programs sponsored by the United States Olympic Committee; and

(2) making grants, upon application of the United States Olympic Committee, the total of such grants not exceeding $10,000,000, to finance the administration and operation of National Training Centers for the furtherance of amateur sports development, research, and education.

(c)(1) Each application under subsection (b) shall be in such form as the Secretary provides and shall contain provisions to assure that the funds of the United States are properly disbursed, the funds are used to promote amateur athletic competition, and

that such use is not inconsistent with the policy and provisions of the Act entitled "An Act to incorporate the United States Olympic Association" (64 Stat. 899; 36 U.S.C. 371).

(2) The Secretary shall approve any application which meets the requirements of this section.

(d) The Secretary shall use authorities and funding presently and otherwise available to the maximum extent possible.

(e) The use of such moneys shall be at the full discretion of the United States Olympic Committee, except that no more than 20 percent of the appropriated funds may be provided to organizations which are not members of the United States Olympic Committee.

(f) The Secretary may review and audit, and shall have access to, for the purpose of such audit or review, any books, documents, papers, and records that are pertinent to any grant under this section.

AUTHORIZATION OF APPROPRIATIONS

SEC. 206. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of section 205.

(b) Sums appropriated pursuant to subsection (a) of this section shall remain available until expended.

TITLE III—ATHLETES' RIGHTS TO PARTICIPATE

SHORT TITLE

SEC. 301. This title may be cited as the "Amateur Athlete's Bill of Rights Act".

DEFINITIONS

SEC. 302. As used in this title, the term—

(a) "amateur athlete" means any athlete who meets the standards for amateurism as defined by the national governing body for the sport in which the athlete competes;

(b) "amateur athletic competition" means a contest, event, game, meet, match, tournament, or other program in which amateur athletes are permitted to compete;

(c) "eligible amateur athlete" means an athlete who is eligible for amateur athletic competition under applicable age, sex, amateurism, and athletic ability or performance standards as prescribed by the national governing body for the sport in which the athlete competes;

(d) "international amateur athletic competition" means any amateur athletic competition between (1) any athlete or athletes representing the United States, either individually or as part of a team, and (2) any athlete or athletes representing any foreign country; and any amateur athletic competition used to qualify United States amateur athletes for such competition;

(e) "national governing body" means a not-for-profit corporation which is recognized by the United States Olympic Committee;

(f) "sanction" means a certification of approval issued by a national governing body;

(g) "sports organization" means a club, federation, union, association, or other group, except a 'national governing body', which sponsors or organizes any amateur athletic competition; and

(h) "unrestricted competition" means any amateur athletic competition which is not limited to a specific class of amateur athletes, such as high school athletes, collegiate athletes, members of the armed forces, or any other such group or category.

Sec. 303. (a) No national governing body, educational institution, or sports organization may deny or threaten to deny any eligible amateur athlete, coach, trainer, manager, or administrator the opportunity to participate in any sanctioned unrestricted international competition if selected by a national governing body or one of its members, nor may it censure subsequent to the event, or otherwise penalize for having participated in such competition, any athlete, association, institution, corporation, educational institution, or school, coach, trainer, manager, or administrator.

(b) No national governing body, educational institution, or sports organization may deny or threaten to deny any eligible amateur athlete, coach, trainer, manager, or administrator the opportunity to participate in any international competition (except as provided in subsection (a)), nor may it censure subsequent to the event, or otherwise penalize for having participated in such competition, any athlete, associate, institution, corporation, educational institution, or school, coach, trainer, manager or administrator, unless the national governing body, educational institution or sports organization can show that such denial or censure is reasonable.

ENFORCEMENT

SEC. 304. (a)(1) Whenever any person is engaged in, or there are reasonable grounds to believe that any person is about to engage in, conduct resulting in a denial of opportunities to participate under section 303 of this title, a civil action for preventive relief, including an application for preliminary or permanent injunction, temporary restraining order, or other applicable order, may be instituted by the amateur athlete, coach, trainer, manager, or administrator claiming to be aggrieved, or on behalf of the athlete, coach, trainer, manager, or administrator by the United States Olympic Committee, by any national governing body, or by any sports organization of which such individual or institution is a member.

(2) The district courts of the United States shall have jurisdiction to enjoin the commission of any acts or threatened acts which would result in a denial of the opportunity to participate.

(3) Upon finding that a person is engaged in or is about to engage in conduct resulting in a denial of rights under section 303 of this title, the court shall issue such preliminary or permanent injunction, temporary restraining order, or other applicable order.

(b)(1) Upon mutual agreement of the parties, actions for relief under the provisions of this title may be submitted to any regional office of the American Arbitration Association for binding arbitration.

(2) The arbitration shall proceed in accordance with the rules of the American Arbitration Association in effect at the time of the filing of the action. The arbitration shall be before a panel of three arbitrators and shall begin as soon as possible but, in any event, no later than 30 days after the dispute is submitted to the American Arbitration Association. However, if the Association determines that it is necessary to expedite the arbitration in order to resolve a matter relating to an amateur athletic competition which is so scheduled that compliance with regular procedures would not be likely to produce a sufficiently early decision by the Association to do justice to the affected parties, the Association is authorized, upon 48-hour notice to the parties, to hear and decide the matter under such procedures as it deems appropriate.

(3) Each contesting party may be represented by counsel or by any other duly authorized representative at the arbitration proceeding.

(4) The parties may offer evidence as they desire and shall produce such additional evidence as the arbitrators may deem necessary to an understanding and determination of the dispute. The arbitrators shall be the sole judges of the relevancy and materiality of the evidence offered. Conformity to statutory rules of evidence shall not be necessary.

(5) Upon application, the district courts of the United States shall have jurisdiction for the purpose of issuing subpoenas to compel the attendance and testimony of witnesses and the production of documents which the arbitrators reasonably deem to be necessary or advisable for a better understanding of the dispute.

(6) All decisions by the arbitrators shall be by majority vote unless the concurrence of all is expressly required by the contesting parties. The arbitrators shall make their decisions within 30 days after the closing of the hearings.

(7) The hearings may be reopened by the arbitrators upon their own motion or upon the motion of any contesting party, at any time before the decision is made. If reopened the arbitrators shall make their decision within 90 days of the close of the original hearing.

(8) The district courts of the United States shall have jurisdiction to enforce decisions of the arbitrators. Such action may be brought by any party to the final decision.

SEPARABILITY

SEC. 305. If any provision of this title in its application to any person or circumstance is held invalid, the remainder of this title in its application to any person or circumstance shall not be affected.

By Mr. GRAVEL (for himself and Mr. STEVENS):

S. 2037. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the recovery by units of local government of surplus property donated by them to the United States Government, and subsequently declared to be surplus; to the Committee on Governmental Affairs.

DISPOSAL OF SURPLUS PROPERTY

Mr. GRAVEL. Mr. President, the legislation I am introducing today is designed to change GSA procedure for disposal of surplus property so that a unit of government which has sold or donated real property to the Federal Government can recover that property, if it is declared to be surplus, for the price at which it was originally sold, plus the cost of improvements on the land on the basis of construction costs in the year of such improvement.

Before World War II, the city of Nome, Alaska, transferred approximately 19 acres to the Defense Department for use in connection with military needs for the price of $1. The Department of Defense used the land, made several improvements, and declared 3.25 acres of this land to be excess and available for disposal by the General Services Administration last year. The General Services Administration began the usual disposal procedures and found no takers among Federal agencies. The city of Nome proved to be the only interested public body. Under the present disposal procedures, General Services Administration was required to offer the land and improvement at the fair market value of $72,000.

Mr. President, Nome would like to use this property as the site for a school building. It seems grossly unfair to allow the Federal Government to make a profit from the sale of a piece of land which was donated to the Federal Government. For this reason, the city feels that it should pay no more than $1 for the land.

This legislation would allow Nome to recover the site for $1 plus the cost of improvements on the land on the basis of construction costs in the year of such improvement.

I am also aware that a civil action has been filed by the Sitnasuak Native Corporation of Nome, questioning a determination on the part of the Bureau of Land Management that this land is not eligible for selection under the Alaska Native Claims Settlement Act. This legislation is designed to be permissive, so that the outcome of that case will not be affected by enactment of this bill.

I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my colleague, Mr. STEVENS' remarks.

Mr. STEVENS. Mr. President, I am pleased to join with my colleague from Alaska (Mr. GRAVEL) in introducing this legislation.

This land, located in downtown Nome, Alaska, was originally sold to the U.S. Air Force Alaska Communications Station along with approximately 16 additional acres for $1 during a critical period of World War II buildup in Alaska. This property was sold to the Federal Government by the people of the city for communications purposes.

Subsequently, the Alaska Communications Station gave the citizens of Nome an opportunity to make a bid for this land. Nome's offer of $10,000 was rejected.

In January 1968, the Nome, Alaska, Communications Station was declared excess to the needs of the U.S. Air Force. Following this announcement, roughly 13.41 acres of this land was reported to the General Services Administration for disposal and later sold in 1972 for $16,000. The remaining 5.45 acres were transferred to the Department of the Army in 1973.

When the land initially was sold to the Federal Government, this transaction was made by the people of Nome in the best interest of the Nation and the State of Alaska for the token price of $1. The generosity of the citizens of Nome was deflated a number of years later when the Government sold this property at a tidy profit of $16,000.

Because the people of Nome were extremely anxious to have the 5.45 acres in the downtown section returned to them, I initially introduced similar legislation in the 93d Congress to return this portion of land to the city for $1. I again introduced the same bill last Congress. In an effort to get immediate action on this measure, later in the 94th Congress; I offered it as an amendment to S. 1247, the military construction bill. The amendment was adopted in the Senate on June 9, 1975, but was defeated by the joint Senate-House conference committee.

After the amendment was rejected legislatively, I asked the Secretary of Defense to return any surplus property on this site to the city administratively through the normal excessing procedure (10 U.S.C. 2662(a)(5)). After a portion of this land was declared excess to the needs of the military, the Secretary of Defense agreed to return to the city administratively 3.25 acres of land. After a scan of the Federal agencies, the General Services Administration also declared this site surplus to their needs. Although during the entire excessing procedure the city of Nome was the only public group to express an interest in this land, the General Services Administration now requires the city to pay its fair market value, $72,000.

The final stage of the excessing procedure was scheduled for January 18, 1977. However, prior to the bid opening, the Sitnasauk Native Corp., filed suit for this land under the Alaska Native Claims Settlement Act. Therefore, the public sale has been indefinitely postponed pending the outcome of this case.

This legislation is drafted so that the land will not be conveyed until this case is resolved.

So that the people of Nome can use this property currently under the control of the Army to construct a new school, I urge that it be promptly returned to them under the provisions of the legislation that Mr. GRAVEL and I introduce today.

By Mr. TOWER:

S. 2038. A bill to provide Federal financial assistance to local educational agencies in order to assist such agencies to provide public education to immigrant children, and for other purposes; to the Committee on Human Resources.

IMMIGRANT CHILDREN ASSISTANCE ACT OF 1977

Mr. TOWER. Mr. President, I am today introducing the Immigrant Children Assistance Act of 1977, to provide emergency aid to those States that are most heavily and most unfairly burdened by a high concentration of immigrant students.

This bill addresses a longstanding problem. Liberal Federal immigration laws welcome immigrant children to this country, but the States, and specifically the local taxpayers, are required to provide them with a free public education without any meaningful Federal assistance. I might point out that cultural and linguistic barriers make an immigrant's education about twice as expensive as the average child's. Although there are several Federal education programs that indirectly provide the schools with program aid, there are none that assist in the construction of the facilities that are so desperately needed merely to house them.

The Immigrant Children Assistance Act will alleviate this problem for the first time. It authorizes the Commissioner of Education to make payments to local education agencies in the amount of $1,000 per immigrant student in districts with a concentration of 7.5 percent or more in average daily attendance. This is a one-time payment, the total of which for all affected school districts is not to exceed $20 million. The funds may be used for education programs, services, and activities, including the construction of necessary school facilities.

The act provides for only one payment for one reason. Since the primary need is for construction of new facilities, the resources for expansion need initially be offered only once. I hope that this aid will meet the immediate emergency. However, in the meantime, I urge that Federal policy regarding the education of immigrant children be reexamined and some remedy be found that will obviate the need for crisis intervention in the future.

I will use Texas as an example of a State suffering great hardship in these circumstances. At the outset, however, I would like to emphasize the fact that Texas is only one State critically affected by this problem. Texas, Florida, California, New York and New Jersey together bear the burden of educating 57 percent of the total U.S. school-age immigrant population. I might add that I am speaking only of legal immigrants. These children have every right to the free public education that is such a point of national pride.

In the fall of 1975, there were 44,864 immigrant children in Texas schools, representing approximately 1.6 percent of all schoolchildren in the State. However, 60 percent of those children, or 26,940 students, were enrolled in the 61 school districts along the Texas-Mexico border. One district with an 8.1 percent concentration has 5,100 immigrant students, and the numbers are rising steadily.

This influx would be a problem for wealthy districts. Here, these students are enrolling in the poorest districts. Although local residents are paying the statutory maximum on property taxes to support education, the most severely affected districts are typically below the statewide mean and median in market value of property. The very quality of education is in jeopardy, and school adminsitrators are justifiably desperate.

The problem so dramatically illuminated by the predicament of the Texas school districts is not going to evaporate. It is doubtful that immigration policy will be altered to close our doors to the vast numbers of non-English-speaking immigrants who come to our country every year, and I am sure that our historical compassion for refugees will be evoked again and again. It would be irresponsible to perpetuate existing policy without also acting to prtoect our educational communities from the financial crises they now suffer as a result.

I urge my colleagues to join me in offering immediate relief to those school districts currently suffering intolerable conditions and in calling for a reexamination of Federal policy on the subject of immigrant education.

By Mr. ANDERSON:

S. 2039. A bill to amend the Internal Revenue Code of 1954 to allow a variable rate investment credit with respect to a newly constructed section 1250 property and to allow such credit to individuals in connection with their investment in newly constructed principal residences; to the Committee on Finance.

Mr. ANDERSON. Mr. President, I am today introducing S. 2039, a bill to provide a variable rate investment credit for the construction of new homes which are principal residences and new commercial or industrial buildings.

This bill has a dual thrust. First, it will lower the cost of new housing by

providing a tax credit that directly offsets part of the rapid inflation of the costs of new homes in the last decade. Second, the credit is a variable tax credit that increases or decreases depending upon the state of the U.S. economy. The housing credit will act in a countercyclical fashion. It will be at its highest when unemployment is high, as a stimulus to new construction. It will decrease as unemployment falls and the economy approaches full utilization of resources.

Mr. President, I am greatly concerned by the failure of our economy to produce enough new housing. The high number of births two decades ago and the low number of housing starts in the last few years have combined to produce the current inflation in both housing prices and rents. To accommodate net increases of households, to replace units lost from the housing supply, to offset housing absorbed for seasonal and second homes, and to provide enough vacancies to allow for population mobility, this country needs about 2.45 million new housing units a year at least until 1985. This requirement is in addition to the need to replace some 3.5 million units of substandard housing across the United States which are now occupied.

As it stands now, it is unlikely that the need for new and improved housing in the United States will be met. In several years of the last decade, new housing starts have barely exceeded half of the nationwide need. This year we have seen a upsurge in new construction, but the number of new units is unlikely to reach the 2.45 million rate that is required to stay even. Also, there will likely be little improvement in the over 3 million substandard housing units.

Mr. President, it is important to remember that the problem in this country is not an inability to build enough housing units. Unemployment in the construction industry has been running in excess of 15 percent, often twice the level of other industries. We need not have serious worries of over stimulating the housing industry under current conditions. We must also realize the low level of new construction in the early 1970's was a major factor in the recession from which this country is not yet fully recovered. And, the United States will not fully recover unless construction activity not only maintains the current pace, but improves as well.

I do not believe that this can be accomplished with the present high price levels of new homes. The median price of a new home in the United States is now about $49,000, far above the level that most families can afford unless they already own a home. A Congressional Budget Office study of the years 1970–74 demonstrated that the average price of a new home increased 82 percent while average income increased only 39 percent. Obviously, the affordability of new homes declined for many Americans. And there is every reason to believe that the problem has gotten worse, not better since then.

There are a number of ways to deal with this problem. S. 2039 involves one approach, that of a Federal tax credit. Presently, the Federal Government provides a 10-percent tax credit to business for the purchase of tools and machinery. The Congress recently enacted a new business tax credit for the hiring of new workers. If tax credits make sense for these purposes, in my judgment, they certainly make sense for new homes.

I propose in S. 2039 that the Congress provide for those who purchase a new home the same kind of tax credit provided in present law for purchasing a new piece of machinery. I propose that when unemployment is at 6 percent or above, the credit be set as 10 percent of the price of the new home. As a result, a person building a new $45,000 home as a principle residence, could receive a tax credit of $4,500.

S. 2039 provides that for every 1 percent drop in the unemployment rate, that the credit be dropped 2 percent. Thus the credit will act countercyclically to stimulate when the economy has an excess of capacity, and to not stimulate as the economy approaches full utilization of resources.

This bill also provides that the housing tax credit will be available for the construction of new industrial or commercial buildings as well. However, the volume of construction is such that about three-quarters of the credit provided in S. 2039 will be available for construction of new homes.

Mr. President, the availability of decent housing has been a priority concern of the U.S. Government for decades. S. 2039 provides much needed relief for potentially millions of Americans who desire a home at a price they can afford.

Mr. President, I ask unanimous consent that the text of S. 2039 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2039

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 48 of the Internal Revenue Code of 1954 (relating to section 38 property) is amended by adding at the end thereof the following new paragraph:

"(10) Section 1250 property; principal residences.—Notwithstanding subparagraph (B) of paragraph (1), section 1250 property, the original use of which commences with the taxpayer, shall be treated as section 38 property. In the case of an individual, the principal residence (within the meaning of section 1034) of that individual shall be treated as if it were section 38 property if the original use of the residence commences with the individual.".

(b) Paragraph (2) of section 46(a) of such Code (relating to amount of credit for current taxable year) is amended by adding at the end thereof the following new subparagraph:

"(E) Percentage rate for section 1250 property and principal residences.—

"(i) In the case of property described in section 48(a)(10), the amount determined under this paragraph for the taxable year shall be an amount equal to a percentage (determined under clause (ii)) of the qualified investment (as determined under subsections (c) and (d)).

"(ii) The percentage shall be determined under the following table:

(Answers in percent)

"If the unemployment rate is—	The percentage is—
6 percent or more	10
5 percent or more but less than 6 percent	8
4 percent or more but less than 5 percent	6
3 percent or more but less than 4 percent	4
2 percent or more but less than 3 percent	2
less than 2 percent	0

"(iii) For purposes of clause (ii), the term 'unemployment rate' means the average monthly unemployment rate for the United States determined by the Bureau of Labor Statistics of the Department of Labor for the twelve month period ending on June 30 of each year. The Secretary of Labor shall certify the unemployment rate annually to the Secretary, and the certified unemployment rate shall be used to determine the percentage applicable under clause (ii) with respect to—

"(I) property to which subsection (d) does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after the first day of January next following such June 30, but only to the extent of the basis thereof attributable to construction, reconstruction, or erection after such first day and before the following January 1,

"(II) property to which subsection (d) does not apply, acquired by the taxpayer after the first day of January next following such June 30 and before the following January 1, and placed in service before the following January 1, and

"(III) property to which subsection (d) applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d)) with respect to qualified progress expenditures made after the first day of January next following such June 30 and before the following January 1.".

SEC. 2. The amendments made by this section shall apply with respect to—

(1) property to which section 46(d) of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after the date of enactment of this Act but only to the extent of the basis thereof attributable to construction, reconstruction, or erection after such date,

(2) property to which section 46(d) of such Code does not apply, acquired by the taxpayer after the date of enactment of this Act, and

(3) property to which section 46(d) applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) with respect to qualified progress expenditures made after the date of enactment of this Act.

By Mr. JAVITS (for himself and Mr. WILLIAMS):

S. 2040. A bill to amend the Federal Food, Drug, and Cosmetic Act and related provisions of law; to the Committee on Human Resources.

COMPREHENSIVE DRUG AMENDMENTS OF 1977

Mr. JAVITS. Mr. President, regulatory reform is an issue which is critical to the long-term process of restoring public confidence in Government throughout the Nation. The broad reexamination of our regulatory system which has been underway in many committees in both houses of Congress—and particularly in the Senate Governmental Affairs Com-

mittee—is long overdue. There is wide agreement that our regulatory system is not meeting minimal public needs, that the regulatory process often benefits special interests at the expense of the general public, and that some Government regulations cost the public more than they return in benefits.

It is imperative that concrete legislative reforms be adopted to assure a more independent regulatory system aimed at guaranteeing that the consumers' interests prevail. In addition, regulatory bodies must begin to make measurable progress toward eliminating the backlog and delays in their proceedings that have weakened public belief in an equitable and efficient regulatory system.

During the 95th Congress, several major substantive regulatory reform proposals have been proposed in such areas as transportation, energy, financial institutions, and communications.

I am today introducing major legislation the principal purpose of which is to reform the fundamental procedures of the Food and Drug Administration in order to make regulations in the drug field more efficient, more open and more surely in the public interest.

I am pleased to have Senator WILLIAMS, the distinguished chairman of the Human Resources Committee join with me in cosponsoring this bill. As ranking member of the committee and an active member of the Subcommittee on Health and Scientific Research, I have worked closely with my colleagues, especially Senator KENNEDY, in our intensive examination of the FDA and the pharmaceutical industry. In the last Congress, Senator KENNEDY and I introduced several FDA reform measures and together helped to form the HEW New Drug Review Panel. I commend Senator KENNEDY's initiative in introducing S. 1831—which is cosponsored by Senators PELL and HATHAWAY, and which has many of the same goals as my bill.

It is my hope and expectation that we may be able to join with Senator KENNEDY and his cosponsors for a bill containing the best features of his and ours in which we may join for the final legislation.

I am convinced that this Congress will produce a major reform of the Food, Drug, and Cosmetic Act and I believe it is in the public interest that our proposals, too, be presented for public discussion and for our consideration.

In undertaking this major reform, there are several major principles upon which our bill is predicated. They are:

First, statutes should be implemented with the least amount of regulation consistent with the theoretical need for regulation; they should be changed when they need changes;

Second, Federal regulation should only be as strong as is necessary to accomplish the underlying public policy objectives;

Third, regulatory purposes and standards should be clearly defined;

Fourth, standards should be administratively easy to apply, based upon rules which measure the trade-off between ease of general applicability and benefits of individual response;

Fifth, requirements levied upon the private sector should be clear and easy for laymen to understand;

Sixth, procedures should better provide for those interested or affected to participate in decisionmaking and to make their views known;

Seventh, agencies should have the means to gather independent information and conduct objective factfinding and research procedures to more adequately insure enlightened decisionmaking at a minimum of cost in terms of time, money, and invasion of personal privacy;

Eighth, regulatory enforcement should be conducted in a commonsense, knowledgeable manner with a view toward minimizing burdens upon small businesses without special staffs to handle work required by regulation.

Mr. President, our bill attempts to identify both the internal and external influences on the process by which the Food and Drug Administration evaluates and approves therapeutic drugs for marketing.

The new drug approval process is the most important licensing function performed by the agency. Yet, this process is largely informal, private, and, to a surprising degree, unstructured.

This lack of formality and high degree of confidentiality are unexpected in a governmental licensing process involving important public and private interests. The FDA's decision whether to approve a new drug for marketing immediately affects the commercial interest of the manufacturer, and of its competitors, as well as the health and well being of hundreds of thousands, and often millions, of citizens to whom the drug will or will not be administered.

I hope that this bill may serve as a vehicle through which we can examine carefully the relationship which the agency has with outside groups which provide trade secret information, draft proposed standards or regulations, conduct research, or otherwise give advice on the nature and content of proposed regulations.

In evaluating a drug the FDA relies on the scientific and medical data assembled and supplied by the manufacturers. Currently the manufacturer submits an application with the agency for permission to conduct a series of research investigations on a new drug. Technically the approval of the application is the administrative action which permits the marketing of a drug.

During this application process, the legal relationship between the manufacturer and the FDA is vague. Responsible members of the public have expressed great concern about this relationship.

Frequently it has been said that the agency delays the application process by changing the requirements to be met and the rules to be followed in midstream. Once a manufacturer begins testing the potential new drug after filing an application, frequently a staff change in the agency results in the new person changing the research protocols and requirements.

Manufacturers have expressed concern that even after they have completed all the requirements the agency adds even more.

Critics of the agency have asserted that the staff of the agency are heavily influenced during this process by industry. There are no rules or norms of behavior by which the industry or agency staff are to be guided. The manufacturer is anxious to get his drug through the process and to find out what is the status of his application. The agency staff are frequently in a quandry because they do not know what they can say about the application or what discretion they may exert.

An interesting solution to these and other problems in industry-agency relations would be to, by statute, require that the relationship be one of contract.

A contract device would provide an opportunity for detailed planning in advance of proceeding. Contracts have traditionally served as a mechanism by which parties endeavor to create norms of behavior which will govern their future relationship. Parties can express their expectations and work out beforehand their respective rights and responsibilities, timetables, structured and designated flow of communication, and arbitration mechanisms, if disputes should arise. In addition, contract law would provide an easier cause of action to enforce rights and responsibilities than present administrative law mechanisms. Pleadings would be narrowly drawn to the four corners of the contract, rather than to overly broad regulations. Currently, there is a single process for developing data on a drug and for approval. This makes decisionmakers and criteria for decisions invisible. I believe that this single process can be separated into two discrete procedures—one for the development of the scientific data on a drug and one for the approval of the drug.

The bill would require that the procedures governing the development of data on a drug would be set out in a new drug evaluation agreement. This agreement would be between the manufacturer and the agency. It would spell out, in advance, the appropriate provisions and thereby structure what presently tends to be a loose and ad hoc process.

The Federal Food, Drug, and Cosmetic Act contains provisions which suggest a process in which hearings play a major part, in which administrative decisions are based upon a public, evidentiary record, and are subject ultimately to judicial review. Moreover the current act suggests that the criteria for decisions are well established and easily applied. The extent to which the actual approval process departs from this statutory model may be revealed by the facts that since 1938, the FDA has held only a handful of hearings and that only a few manufacturers have ever sought court review of a decision.

In the vast majority of cases, the process proceeds informally, privately, and with an apparent understanding on both sides that formal procedures and judicial review are to be avoided.

Another innovative aspect of the bill which presents a model for all agencies where technical and policy decisions are

mixed is the statutory separation of the scientific decisions and the public policy decisions. In order to approve a drug, the law states that the drug must be "safe." However, the term "safety" is not a scientific conclusion, rather it is a legal conclusion based in part on scientific findings and conclusions and in part on public policy considerations.

I believe that it is imperative that the Congress examine the nature, quality, and impact of scientific input from all sources which is the foundation for virtually all of FDA's regulatory output. Likewise, I believe Congress now has responsibility to expore in detail how the agency makes scientific and public policy decisions.

Under the Federal Food, Drug, and Cosmetic Act, a drug can only be approved for marketing if it meets the rement of "safety." Use of the term "safety" creates a public expectation that the Government only allows "safe drugs" on the market. No useful drug can be absolutely safe. The approval of a drug for marketing requires a balancing of the probable toxicity and other risks associated with the drug against the probable benefits associated with the drug, taking into consideration the seriousness or importance of the medical condition for which the drug appears to have utility.

Chemicals that produce beneficial pharmacological effects always produce harm in some people. Therefore the term "safe," taken literally, is naive, inaccurate and misleading to the public, who have come to believe that therapeutic efficacy can be received without paying a toxicological price.

The public's expectation of absolute safety is significantly responsible for many of the ongoing criticisms of the FDA.

Many scientists have suggested that the term "safety" be defined so as to accurately reflect the true situation. Last year a group of eminent physicians and scientists met to formulate commentary on the Kennedy-Javits drug bill of last Congress. Their main recommendation was that any new drug legislation should reflect this.

The bill incorporates this recommendation.

This change is not a weakening of the standard. It is an accurate reflection of what actually occurs today and I believe bringing this to light would result in better decisions and further the public's understanding that there are always risks associated with drugs.

I find a striking feature of the new drug approval process is its lack of openness. The FDA treats the scientific data submitted as confidential, at least prior to approval, on the claim that it constitutes a "trade secret." Drug evaluation is a closed process in which all are shut out except the manufacturer and certain agency consultants. The agency does not publicly announce its decisions or the reasoning behind them.

In a time of increasing public participation and openness in administrative decisionmaking, the present veil of secrecy is an anachronism. Effective participation in this process is impossible without access to important safety and efficacy data. Participation has remained closed and it will always remain closed until this data is made available to interested members of the public.

I also recognize the importance of protecting the proprietary interests of manufacturers in safety and efficacy information. However, we must now equalize these public and private interests.

In this legislation, we suggest a balance of greater public access to important scientific information and increased commercial protection in the marketplace.

This bill would provide for greater public accessibility to data by: first, making detailed summaries of data available after an agency decision is made; second, permitting public access to data in FDA-related proceedings; and third, publishing decisions and the reasoning for them.

The bill would protect the commercial interest of a manufacturer in a drug by: First, prohibiting any trade secret data from being used to support another drug for FDA approval; and second, providing that the term of a patent on a drug end 17 years after the FDA has approved the drug.

I believe that patents provide important incentives to discoverers and manufacturers for developing new advances in technology. The patent system protects a product against infringement and provides a limited monopoly for a time.

I am concerned, however, that an extended patent life may result in increased drug prices to consumers since competition would be decreased if a manufacturer did not license the drug. Therefore, I have proposed that 8½ years after a drug is approved by the FDA, the manufacturer would be subject to compulsory licensing of the drug. Compulsory licensing would create competition among producers which would lower prices to consumers.

Mr. President, it is my deep conviction that we confront very serious problems of lack of objectivity and forceful regulation in the public interest in some regulatory agencies as well as serious overregulation in others.

These failings can best be resolved, not through ad hoc congressional review of every regulatory action, but by a systematic review of the basic regulatory structure and policy of each agency. The bill Senator WILLIAMS and I introduce today is precisely aimed at achieving that objective with respect to drug regulation in the FDA.

The combined weight of these shortcomings makes it clear that significant legislative changes are desirable, but the complexity of the process and the necessity to protect the public as well as legitimate private interests indicate that intelligence and discrimination are required to do this job well.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2040

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—DRUG AMENDMENTS

SHORT TITLE AND REFERENCE TO ACT

SEC. 101. (a) This Act may be cited as the "Comprehensive Drug Amendments of 1977".

(b) Whenever in this title (other than in sections 102(a)(2) and 103(a)(2)) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the section or other provision is a section or other provision of the Federal Food, Drug, and Cosmetic Act.

REQUIREMENT THAT PRE-1938 HUMAN DRUGS BE SAFE AND EFFECTIVE

SEC. 102. (a)(1) Section 201(p)(1) is amended by striking out ", except that such a drug not so recognized shall not be deemed to be a 'new drug' if at any time prior to the enactment of this Act it was subject to the Food and Drug Act of June 30, 1906, as amended, and if at such time its labeling contained the same representations concerning the conditions of its use".

(2) Section 107(c)(4) of the Drug Amendments of 1962 (76 Stat. 789) is repealed.

(b) The amendments made by subsection (a) of this section shall take effect on the first day of the sixth calendar month following the month in which this Act is enacted.

REQUIREMENT THAT PRE-1938 ANIMAL DRUGS BE SAFE AND EFFECTIVE

SEC. 103 (a)(1) Section 201(w)(1) is amended by striking out "; except that such a drug not so recognized shall not be deemed to be a 'new animal drug' if at any time prior to June 25, 1938, it was subject to the Food and Drug Act of June 30, 1906, as amended, and if at such time its labeling contained the same representations concerning the conditions of its use".

(2) Section 108(b)(3) of the Animal Drug Amendments of 1968 (82 Stat. 353) is repealed.

(b) The amendments made by subsection (a) of this section shall take effect on the first day of the sixth calendar month following the month in which this Act is enacted.

DEFINITIONS

SEC. 104. (a) Section 201(b) is amended to read as follows:

"(b) The terms "interstate commerce" and "commerce" mean (1) any activity which affects commerce between any State or Territory and any place outside thereof, and (2) commerce within the District of Columbia or within any other Territory not organized with a legislative body."

(b) Section 201(c) is amended to read as follows:

"(c) The term "Administration" means the Food and Drug Administration."

(c) Section 201(d) is amended to read as follows:

"(d) The term "Commissioner" means the Commissioner of the Food and Drug Administration."

(d) Section 201(e) is amended to read as follows:

"(e) The term "person" includes an individual, a partnership, a corporation, an association and a Federal agency."

(e) Section 201 is amended by adding at the end thereof the following new subsection:

"(z) 'Federal agency' means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, but does not include—

"(A) the Congress; and

"(B) the courts of the United States.

"(aa) The term 'Hearing Board' means the Drug Science Hearing Board established pursuant to section 1013 of this Act.".

FALSE OR MISLEADING DATA

SEC. 105. Section 301(e) is amended to read as follows:

"(e) The refusal to permit access to or copying of any record as required by section 703; or the failure to establish or maintain any record, conduct any study, or make any report, required under sections 505, 507, 512, 515 or 519; or the maintenance or submission of any such required records, reports, or data which contain any false or misleading information or that omit any material information; or the refusal to permit access to or verification or copying of any such required records, reports, or data."

INCREASE OF CRIMINAL FINES: FOOD, DRUGS, COSMETICS, AND BIOLOGICAL PRODUCTS

SEC. 106. (a) Subsection (a) of section 308 is amended to read as follows:

"(a)(1) Any person who violates, or causes the violation of, a provision of section 301 shall be imprisoned for not more than one year or fined not more than $10,000 in the case of an individual or $25,000 in the case of a person other than an individual, or both.

"(2) The penalties provided by paragraph (1) shall apply to an individual—

"(A) who acts knowingly,

"(B) who acts willfully, or

"(C) who acts without the care, skill, prudence, and diligence under the circumstances then prevailing that the prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character.".

(b) Subsection (b) of section 308 is amended by striking out "$10,000" and inserting "$25,000 in the case of an individual or $100,000 in the case of a person other than an individual".

(c) Section 351(f) of the Public Health Service Act is amended by (1) striking out "$500" and inserting "$10,000 in the case of an individual or $25,000 in the case of a person other than an individual" in lieu thereof, and (2) adding at the end the following new sentence: "And if any person commits such a violation after his conviction under this section has become final, or commits such a violation with the intent to defraud or mislead, such person shall be imprisoned for not more than three years or fined not more than $25,000, or both in the case of an individual or $100,000 in the case of a person other than an individual.".

CIVIL PENALTIES

SEC. 107. Chapter III is amended by adding at the end thereof the following new section:

"CIVIL PENALTIES

"SEC. 308. (a) Any person who is found by the Commissioner, after written notice and an opportunity for a hearing, to have committed an act prohibited by section 301 of this chapter, shall be liable to the United States for a civil penalty of not more than $10,000 in the case of an individual or $25,000 in the case of a person other than an individual for each violation. If any such violation is a continuing one, each day of violation constitutes a separate offense for such purpose. The amount of such civil penalty shall be determined and assessed by the Commissioner, or his delegate, by written notice.

"(b) Any person against whom a violation is found and a civil penalty assessed under subsection (a) may obtain review in the court of appeals of the United States for the circuit in which such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing a notice of appeal in such court within 30 days from the date of such assessment and by simultaneously sending a copy of such notice by certified mail to the Commissioner. The Commissioner shall promptly file in such court a certified copy of the record upon which such violation was found and such penalty imposed, as provided in section 2112 of title 28, United States Code. The finding of the Commissioner shall be set aside if found to be unsupported by substantial evidence, as provided by section 706(2)(e) of title 5, United States Code.

"(c) If any person fails to pay an assessment of a civil penalty after it has become final and unappealable, or after the appropriate court of appeals has entered final judgment in favor of the Commissioner, the Commissioner shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review."

REQUIREMENTS FOR STATING ON NONPRESCRIPTION DRUG LABELS THE QUANTITY OF THE DRUGS' ACTIVE INGREDIENTS

SEC. 108. (a) Section 502(e)(1)(A) is amended by striking out the colon preceding the proviso to clause (ii) and inserting in lieu thereof a semicolon and by repealing the proviso.

(b) The amendments made by subsection (a) of this section shall take effect on the first day of the thirteenth month beginning after the date of enactment of this Act, except that such effective date shall be postponed, if the Secretary of Health, Education, and Welfare determines that there is good cause therefor, for such additional period as the Secretary by regulation prescribes.

PATIENT PACKAGE INSERTS

SEC. 109. (a) Section 502 is amended as follows:

(1) Effective upon the expiration of the twelve-month period beginning on the date of the enactment of this Act, clause (1) of paragraph (b) is amended to read as follows: "(1) in the case of a drug which may be dispensed only upon the prescription of a practitioner licensed by law to administer such drug, the name and place of business of the manufacturer of the final dosage form of the drug and, if different, the name and place of business of the packer or distributor and, in the case of any other drug or a device, the name and place of business of the manufacturer, packer, or distributor; and".

(2) Such section is amended by inserting after paragraph (e) the following new paragraph:

"(f)(1)(A) Unless in the case of a drug, its labeling, pursuant to regulations of the Commissioner, bears as determined in such regulations to be necessary to inform individuals of the risks and benefits associated with the proper use of such drug prior to administration, or purchase by, any individual—

"(i) adequate directions for use of the drug, including adequate information (in readily understandable language) respecting—

"(I) the purposes or indications for which the drug may be used,

"(II) the proper administration of the drug,

"(III) the proper storage and handling of the drug, and

"(IV) warnings against unsafe use of, and significant side effects and adverse reactions from the use of, the drug;

"(ii) the date (established under regulations of the Commissioner) after which the drug should not be used;

"(iii) the drug's established name (as defined in paragraph (e)(2)) and its identification in accordance with an appropriate uniform identification code established under regulations of the Commissioner; and

"(iv) such other information as the Commissioner determines to be necessary for the protection of the public health or for the informed decision of individuals to purchase or take such drug.

The Commissioner shall by regulation authorize practitioners who are licensed by law to administer drugs to order in the written prescription of a drug that the labeling of the drug not include the information prescribed under the first sentence of this clause.

"(B) A regulation promulgated under the first sentence of clause (A) (other than a regulation making a clerical or similar technical change in a regulation promulgated under such sentence) shall take effect as prescribed in the regulation, but it may not take effect before ninety days after the date of its publication unless the Commissioner determines that an earlier effective date is necessary for the protection of the public health and safety.

"(C) Any requirement in effect under this paragraph with respect to a drug immediately prior to the date of the enactment of Comprehensive Drug Amendments of 1977 shall apply to such drug until the applicability of such requirement has been changed by action taken by the Commissioner under this paragraph after such date.

"(2) Unless in the case of a drug which may be dispensed only upon the prescription of a practitioner licensed to administer such drug, its labeling bears, in addition to the matter required by subparagraph (1), such information for practitioners licensed by law to administer drugs as the Commissioner may establish.".

(3) The paragraph (f) in effect on the day before the date of enactment of this Act is amended—

(A) by striking out "(f) Unless" and inserting in lieu thereof "(3) Unless in the case of a device",

(B) by redesignating clauses (1) and (2) as clauses (A) and (B),

(C) by striking out "dosage or",

(D) by striking out in the proviso "clause (1) of this paragraph" and inserting in lieu thereof "clause (A) of this paragraph", and

(E) by striking out "drug or" each place it occurs in the proviso.

(b) Section 503(b)(2) is amended by inserting "(b), (f)," after "paragraphs (a)".

(c) The Commissioner shall, within the twelve-month period beginning on the date of the enactment of this Act, publish in the Federal Register a list of priorities for the promulgation of regulations under the authority of the first sentence of section 502(f)(1)(A) of the Federal Food, Drug, and Cosmetic Act (other than the authority provided by subclause (ii) or (iii) of such sentence). Such priorities shall be based upon consideration of the frequency of the use of a drug, the frequency of occurrence of adverse effects from the use of a drug, the seriousness of such adverse effects, and a drug's potential for misuse or abuse.

REQUIREMENT FOR STATING QUANTITY OF CONTENTS AND DRUG NAME ON LABELS OF CONSUMER PACKAGES OF PRESCRIPTION DRUGS

SEC. 110. (a) The first sentence of section 503(b)(2) of such Act is amended—

(1) by inserting "(b)(2)," after "paragraphs (a),",

(2) by inserting after the phrase "the name of the patient," the following: "the name of the drug (as specified by the prescriber) and its strength unless compliance with this requirement is waived or prohibited by the prescriber,".

(b) The amendments made by subsection (a) of this section shall take effect on the first day of the third calendar month that begins after the date of enactment.

NEW DRUGS

SEC. 111. (a) Section 505 is amended to read as follows:

"SEC. 505. (a) No person shall introduce or deliver for introduction into commerce any new drug, unless a new drug evaluation

agreement, entered into pursuant to subsection (b) of this section, has been fulfilled and such drug has been approved by the Commissioner pursuant to subsection (g) of this section.

"(b) NEW DRUG EVALUATION AGREEMENT.—(1) Any person may enter into a new drug evaluation agreement with the Commissioner with respect to any drug subject to the provisions of subsection (a). The purpose of such agreement is to develop sufficient scientific data on such drug for presentation to the Drug Hearing Board. Each such agreement shall include provisions for the submission to the Commissioner of—(A) full reports of investigations which have been made which present the scientific evidence necessary to enable the Commissioner to conclude that such drug is safe for use and whether such drug is effective in use, (B) a full list of the articles used as components of such drug, (C) a full statement of the composition of such drug, (D) a full description of the methods used in, and the facilities and controls for, the manufacturing, processing, and packing of such drug, (E) such samples of such drug and of the articles used as components therefor as the Commissioner may require, and (F) specimen of the labeling proposed to be used for such drug.

"(2) In addition to the provisions specified in paragraph (2), each such agreement shall include provisions for (A) protocols, incorporating the phases of investigation described in subsection (C), which meet the standards and requirements of this Act; (B) describing the methods; frequency and type of communication to be expected between such person and the Administration, and (C) describing procedures for dispute resolution.

"(3) No provision of any such agreement shall exempt any such person from any segment under requirement of this Act.

"(c) No new drug evaluation agreement shall be considered fulfilled for purposes of subsection (a) unless the requirements of each provision of such agreement with respect to each of the following phases of investigation are met:

"(I) Phase I begins with the introduction of the new drug into man on the basis of animal and in vitro data for the determination of human toxicity, metabolism, absorption, elimination and other pharmacological action, preferred route of administration, safe dosage range, and any other purpose determined by the Commissioner.

"(2) Phase II begins with the initial trials on a limited number of patients for determining specific disease control or for prophylaxis purposes.

"(3) Phase III continues with clinical trials for the assessment of the drug's safety and effectiveness and optimum dosage schedules in the diagnosis, treatment, or prophylaxis of groups of subjects having a given disease or condition.

"(d) Upon entering into a new drug evaluation agreement the Commissioner shall publish in the Federal Register a notice that such agreement has been entered into, including the names of the parties to the agreement, the objectives of such agreement and the nature of the drug to be evaluated.

"(e) DRUG APPROVAL HEARING.—Within one hundred and eighty days after entering into such agreement under subsection (1), or such additional period of time as may be agreed upon by the Commissioner and such person, the Drug Hearing Board shall conduct a hearing on the question whether such drug is approvable, in accordance with subsection (f).

"(f) If after a hearing the members of the Board find, in their expert scientific opinion, that—

"(1) the investigations, reports of which are required to be submitted to the Commissioner pursuant to a New Drug Evaluation Agreement entered into under subsection (b), do not include adeqaute tests by all methods reasonably applicable to present the scientific evidence necessary to enable the Commissioner to conclude that such drug is safe for use under the conditions prescribed in the proposed labeling thereof,

"(2) the methods used in, and the facilities and controls used for the manufacture, processing, and packing of such drug are inadequate to preserve its identity, strength, quality, and purity,

"(3) upon the basis of the information submitted to the Commissioner, pursuant to a New Drug Evaluation Agreement, or upon the basis of any other information before the Hearing Board with respect to such drug, the Hearing Board has insufficient information to make a finding as to—

"(A) the probable toxicity and other risks associated with such drug for use under the conditions prescribed in the proposed labeling,

"(B) the probable benefits associated with such drug for use under the conditions prescribed in the proposed labeling, and

"(C) the relative seriousness or importance of the conditions prescribed in the proposed labeling,

"(4) evaluated on the basis of the information submitted to the Commissioner; pursuant to a New Drug Evaluation Agreement, or any other information before the Hearing Board with respect to such drug, there is a lack of substantial evidence that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labelling thereof, or

"(5) based on a fair evaluation of all material facts, such labelling is false or misleading in any particular, the Hearing Board shall submit to the Commissioner its findings of fact and conclusions which shall be based on expert scientific opinion. If the Hearing Board finds that paragraphs (1) through (5) do not apply, the Board shall submit to the Commissioner a recommendation that he issue an order approving the drug. If the Board finds that such paragraphs do apply, the Board shall submit a recommendation that the Commissioner that he issue an order approving the drug. If the Board finds that such paragraphs do apply, the Board shall submit a recommendation that the Commissioner that he issue an order denying approval of such drug.

"(g)(1) Within sixty days from the receipt of the findings and recommendations of the Hearing Board, the Commissioner shall either approve or disapprove such drug. The Commissioner may not approve a new drug if the Hearing Board finds that any of the provisions of subsection (f) apply. The Commissioner may make a decision under this section only after first making a conclusion that such drug is safe and effective under the conditions prescribed, recommended or suggested in the labeling thereof. The Commissioner shall publish in the Federal Register within five days from the date of his decision, his decision and the reasons therefor.

"(2) The Commissioner may—

"(A) in an order approving a drug under this subsection, or

"(B) after approving a drug, by order,

prescribe such conditions and limitations upon the approval or continuation of approval, as the case may be, of the drug as the Commissioner determines is necessary to assure that the drug is safe and effective in use and that adequate information is obtained concerning the effects of widespread or prolonged use of the drug. An order prescribing such conditions and limitations may only be issued after the Commissioner has provided all interested persons notice of the proposed order and has provided an opportunity for an informal hearing on the conditions and limitations proposed to be prescribed in the order. Such order shall be published in the Federal Register with the reason therefor.

"(3) The holder of an application for a drug which is subject to conditions and limitations prescribed under paragraph (2) may, after the expiration of two years after the date of the order which prescribed such conditions and limitations, petition the Commissioner to initiate a proceeding to issue an order to revise or remove such conditions and limitations. The Commissioner shall, within ninety days of the receipt of such a petition, by order either grant or deny such petition. An order to revise or remove conditions and limitations shall be issued in accordance with the last sentence of paragraph (2).

"(4) The Commissioner may immediately suspend the approval of any drug under subsection (h) upon a finding that a condition or limitation prescribed under paragraph (2) and applicable to the drug has not been complied with.

"(5) If a drug is subject to conditions or limitations prescribed under paragraph (2), the information included in the directions for use of the drug under section 502(f)(1)(A)(i) or 502(f)(2) shall also include (in such form and manner as the Commissioner prescribes) (A) a statement that the approval of the drug is subject to conditions or limitations, (B) information describing conditions or limitations applicable to the use of the drug, and (C) warnings respecting any hazard presented or which may be presented by the drug and, if appropriate, a warning that all the effects from the use of the drug are not known.

"(h) The Commissioner shall, after notice and an opportunity for a hearing, withdraw approval of a new drug or subject such drug to investigations and requirements, in accordance with subsection (g), if the Commissioner finds (1) that clinical or other experience tests, of other scientific data show that such drug is not safe for use under the conditions which such drug was approved; (2) that new evidence of clinical experience, not contained in the new drug evaluation agreement for such a drug or not available to the Commissioner until after such drug was approved, or tests by new methods, or tests by methods not deemed reasonably applicable when such drug was approved, evaluated together with the evidence available to the Commissioner when the drug was approved, shows that such drug is not shown to be safe for use under the conditions upon which the drug was approved; (3) on the basis of new information before him with respect to such drug, evaluated together with the evidence available to him when the drug was approved, that there is a lack of substantial evidence that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof; or (4) that the information submitted pursuant to such agreement contains any untrue statement of a material fact. If the Commissioner, or in his absence the officer acting as Commissioner (neither of whom may delegate the authority hereby conferred to suspend the approval of a drug) finds that there is serious and substantial risk of harm to any segment of the public, he may suspend the approval of such drug immediately, or subject such drug to investigations and requirements, in accordance with section (g), and give the holder of such approval prompt notice of his action, affording such person the opportunity for an expedited hearing under this subsection. The Commissioner may also, after notice and an opportunity for a hearing, withdraw the approval of a drug if the Commissioner finds (1) that such person has failed to establish a system for maintaining required records, or has repeatedly or delib-

erately failed to maintain such records or to make required reports, in accordance with a regulation or order under subsection (k), or to comply with the reporting requirements of section 410(j)(2), or the applicant has refused to permit access to, or copying or verification of, such records as are required to be maintained by section 410(j)(2); (2) that on the basis of new information before him, evaluated together with the evidence before him when the drug was approved, the methods used in, or the facilities and controls used for, the manufacturing, processing, and packing of such drug are inadequate to assure and preserve its identity, strength, quality, and purity and were not made adequate within a reasonable time after receipt of written notice from the Commissioner specifying the matter complained of; or (3) that on the basis of new information before him, evaluated together with the evidence before him when the drug was approved, the labeling of such drug, based on a fair evaluation of all material facts, is false or misleading in any particular and was not corrected within a reasonable time after receipt of written notice from the Commissioner specifying the matter complained of. Any order under this subsection shall state the findings upon which it is based.

(i) Whenever the Commissioner finds that the facts so require, he shall revoke any previous order under subsection (d) or (e) refusing, withdrawing, or suspending approval of a drug and shall approve such drug or reinstate such approval, as may be appropriate.

(j) Orders of the Commissioner issued under this section shall be served (1) in person by any officer or employee of the Administration designated by the Commissioner, or (2) by mailing the order by registered mail or by certified mail addressed to the applicant or respondent at his last-known address in the records of the Commissioner.

(k) An appeal may be taken by such person from an order of the Commissioner refusing or withdrawing approval of a drug under this section. Such appeal shall be taken by filing in the United States Court of Appeals for the circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia Circuit, within 60 days after the entry of such order, a written petition praying that the order of the Commissioner be set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Commissioner, or any officer designated by him for that purpose, and thereupon the Commissioner shall certify and file in the court the record upon which the order complained of was entered, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition such court shall have exclusive jurisdiction to affirm or set aside such order, except that until the filing of the record the Commissioner may modify or set aside his order. No objection to the order of the Commissioner shall be considered by the court unless such objection shall have been urged before the Commissioner or unless there were reasonable grounds for failure so to do. The finding of the Commissioner as to the facts, if supported by substantial evidence, shall be conclusive. If any person shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceeding before the Commissioner, the court may order such additional evidence to be taken before the Commissioner and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commissioner may modify his findings as to the facts by reason of the additional evidence so taken, and he shall file with the court such modified findings which, if supported by substantial evidence, shall be conclusive, and his recommendation, if any, for the setting aside of the original order. The judgment of the court affirming or setting aside any such order of the Commissioner shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless specifically ordered by the court to the contrary, operate as a stay of the Commissioner's order.

"(K)(1) The Commissioner shall promulgate regulations for exempting from the operation of the foregoing subsections of this section drugs intended solely for investigational use by experts qualified by scientific training and experience to investigate the factors which are relevant to a conclusion of the safety and effectiveness of drugs. The Commissioner may condition any exemption provided for such drugs upon—

(A) the submission to the Commissioner, before any clinical testing of a new drug is undertaken, of reports, by the manufacturer or the sponsor of the investigation of such drug, or preclinical tests, including tests on animals, such drug adequate to justify the proposed clinical testing;

(B) the obtaining by the manufacturer or the sponsor of the investigation of a new drug proposed to be distributed to investigators for clinical testing of a signed agreement from each such investigator that patients to whom the drug is administered will be under his personal supervision, or under the supervision of an investigator responsible to him, and that he will not supply such drug to any other investigator, or to clinics, for administration to human beings; and

(C) the establishment and maintenance of such records, and the making of such reports to the Commissioner, by the manufacturer or the sponsor of the investigation of such drug, of data, including analytical reports by investigators, obtained as the result of such investigational use of such drug, as the Commissioner finds will enable him to evaluate the safety and effectiveness of such drug in the event of the entering into an agreement pursuant to subsection (b).

"(2)(A) The provisions of this paragraph (2) apply in lieu of the provisions of subparagraph (A) of paragraph (1) of this subsection where the proposed clinical testing of a drug is not for the purpose of developing data to obtain approval for the commercial distribution of such drug.

"(B) Within the one hundred and twenty-day period which begins on the date of enactment of this paragraph, the Commissioner shall, by regulation, prescribe procedures and conditions applicable to exemptions granted pursuant to this paragraph. Such conditions shall include the following:

"(i) A requirement that an application be submitted to the Commissioner before an exemption may be granted and that the application be submitted in such form and manner as the Commissioner shall specify;

"(ii) A requirement that the person applying for an exemption for a drug assure the establishment and maintenance of such records, and the making of such reports to the Commissioner of data obtained as a result of the investigational use of the drug during the exemption, as the Commissioner determines will enable him to assure compliance with such conditions, and review the progress of the investigation; and

"(iii) Such other requirements as the Commissioner may determine to be necessary for the protection of the public health and safety.

"(C) Procedures and conditions prescribed pursuant to subparagraph (B) for an exemption may appropriately vary depending on (i) the scope and duration of clinical testing to be conducted under such exemption, and (ii) the number of human subjects that are to be involved in such testing.

"(D) Procedures and conditions prescribed pursuant to subparagraph (B) shall require, as a condition to the exemption of any drug to be the subject of testing involving human subjects, that the person applying for the exemption—

"(i) submit a plan for any proposed clinical testing of the drug and a report of prior investigations of the drug (including tests on animals) adequate to justify the proposed clinical testing—

"(I) to the local institutional review committee which has been established in accordance with regulations of the Commissioner to supervise clinical testing of drugs in the facilities where the proposed clinical testing is to be conducted, or

"(II) to the Commissioner if either no such committee exists or the Commissioner finds that the process of review by such committee is inadequate (whether or not the plan for such testing has been approved by such committee),

for review for adequacy to justify the commencement of such testing; and, unless the plan and report are submitted to the Commissioner, submit to the Commissioner a summary of the plan and a report of prior investigations of the drug (including tests on animals); and

"(ii) promptly notify the Commissioner (under such circumstances and in such manner as the Commissioner prescribes) of approval by a local institutional review committee of any clinical testing plan submitted to it in accordance with clause (i) of this subparagraph.

"(E)(i) An application, submitted in accordance with the procedures prescribed by regulations under subparagraph (B), for an exemption for a drug shall be deemed approved on the sixtieth day after the submission of the application to the Commissioner unless on or before such day the Commissioner by order disapproves the application and notifies the applicant of the disapproval of the application.

"(ii) The Commissioner may disapprove an application only if he finds that the investigation with respect to which the application is submitted does not conform to procedures and conditions prescribed under regulations under subparagraph (B), and under paragraph (1) of this subsection (except subparagraph (A) thereof). Such a notification shall contain the order of disapproval and a complete statement of the reasons for the Commissioner's disapproval of the application and afford the applicant opportunity for an informal hearing on the disapproval order.

"(iii) The Commissioner may by order withdraw an exemption granted under this paragraph for a drug if the Commissioner determines that the conditions applicable to the drug under this subsection for such exemption are not met. Such an order may be issued only after opportunity for an informal hearing, except that such an order may be issued before the provision of an opportunity for an informal hearing if the Commissioner determines that the continuation of testing under the exemption with respect to which the order is to be issued will result in an unreasonable risk to the public health."

Such regulations shall provide that such exemption shall be conditioned upon the manufacturer, or the sponsor of the investigation, requiring that experts using such drugs for investigational purposes certify to such manufacturer or sponsor that they will inform any human beings to whom such

drugs, or any controls used in connection therewith, are being administered, or their representatives, that such drugs are being used for investigational purposes and will obtain signed informed and voluntary consent of such human beings, or their legal guardians.

"(l)(1) In the case of any drug which is approved pursuant to this section, the holder of such approval shall establish and maintain such records, conduct such studies as required by the Commissioner, and make such reports to the Commissioner of data relating to clinical experience and other data or information, received or otherwise obtained by such applicant with respect to such drug, as the Commissioner may by general regulation, or by order with respect to such application, prescribe on the basis of a finding that such records, studies and reports are necessary in order to enable the Commissioner to determine, or facilitate a determination, whether there is or may be ground for invoking subsection (c) of this section. Regulations and orders issued under this subsection and under subsection (k) shall have due regard for the professional ethics of the medical profession and the interests of patients and shall provide, where the Commissioner deems it to be appropriate, for the examination, upon request, by the persons to whom such regulations or orders are applicable, of similar information received or otherwise obtained by the Commissioner.

(2) Every person required under this section to maintain records, and every person in charge or custody thereof, shall, upon request of an officer or employee designated by the Commissioner, permit such officer or employee at all reasonable times to have access to and copy and verify such records.

"(m) For purposes of this section, the terms 'Safe' and 'Safety' mean a conclusion based on a balancing of the probable toxicity and other risks associated with a new drug relative to the probable benefits associated with such new drug and the relative seriousness or importance of the medical condition for which such new drug appears to be indicated. These terms do not include consideration of any economic factors."

(b) Section 512(e)(1) is amended by striking out "imminent hazard to the health of man or of" and inserting in lieu thereof "serious and substantial risk of harm to any segment of the public or to".

RELEASE OF SAFETY AND EFFECTIVENESS DATA

SEC. 112. (a) Section 505, as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(n)(1) The Commissioner shall promulgate regulations under which a detailed summary of information which relates to the safety and effectiveness of any drug, which was submitted to the Commissioner, and which was the basis for—

"(A) findings of the hearing board under this section,

"(B) recommendations of the hearing board under this section,

"(C) an order under this section approving or denying approval of a drug,

"(D) an order disapproving, or terminating an investigational exemption for such drug under this section, or

"(E) an order under this section suspending approval of such drug, shall be made available to the public upon issuance of any such order, finding, and recommendation. Each summary shall include information concerning effects on health presented by the drug, including any information that the drug may cause cancer in man or other animals and an explanation of the basis upon which the benefits from use of the drug exceed the risks presented by its use.

"(2) The Commissioner shall publish, in the Federal Register, a list of all New Drug Evaluation Agreements entered into under section and include such information in such publishing as may be necessary to inform the public of the nature of the work to be conducted, the objectives of the work, the names of the parties to the agreement.

"(3) The Commissioner shall prepare and publish such list at least on a quarterly basis.

"(4) The Commissioner shall, within 60 days from the date of enactment of the Comprehensive Drug Amendments of 1977, publish, in the Federal Register, the criteria upon which he will make conclusions as to the safety and efficacy of a drug under this section.

"(5) Any information respecting a drug which is made available pursuant to this subsection may not be used to establish the safety or effectiveness of another drug for purposes of this Act without the written consent of the person who originally submitted such information to the Administration.

(b) Section 512 is amended by adding at the end thereof the following new subsection:

"(n)(1) The Commissioner shall promulgate regulations under which a detailed summary of information which relates to the safety and effectiveness of any new animal drug or any animal feed bearing or containing a new animal drug, which was submitted to the Commissioner, and which was the basis for any order under this section shall be made available to the public upon issuance of any such order. Each summary shall include information concerning the adverse effects on health presented by the new animal drug or animal feed, including any information indicating that the drug may cause cancer in man or other animals and an explanation of the basis upon which the benefits from the use of the drug or animal feed exceeds the risks presented by its use, if appropriate.

"(2) Any information respecting a new animal drug or animal feed which is made available pursuant to paragraph (1) of this subsection may not be used to establish the safety or effectiveness of another drug for purposes of this Act without the written consent of the person who originally submitted such information."

PUBLICITY

SEC. 113. (a) Section 705(b) is amended by striking "imminent danger to health, or gross deception of the consumer" and substituting "serious and substantial risk of harm to any segment of the public or material deception of the consumer".

CONFIDENTIAL INFORMATION

SEC. 114. (a) Section 708 is amended to read as follows:

"SEC. 708. (a) GENERAL.—Except as provided by subsection (b), any information reported to, or otherwise obtained by, the Administration or any representative of the Administration, which is exempt from disclosure pursuant to subsection (a) of section 552 of title 5, United States Code, by reason of subsection (b)(4) of such section, shall, notwithstanding the provisions of any other section of this Act, not be disclosed by the Administration or by any officer or employee of the United States, except that such information—

"(1) shall be disclosed to any officer or employee of the United States—

"(A) in connection with the official duties of such officer or employee under any law for the protection of public health, or

"(B) for specific law enforcement purposes;

"(2) shall be disclosed to contractors with the Administration and employees of such contractors if in the opinion of the Commissioner such disclosure is necessary for the satisfactory performance of the work of such contractor in connection with this part and under such circumstances as the Commissioner may specify;

"(3) shall be disclosed in situations involving, in the opinion of the Commissioner, a serious and substantial risk of harm to any segment of the public, or

"(4) shall be disclosed when relevant in any proceeding under this Act, except that—

"(A) disclosure in such proceeding shall be made in such manner as to preserve confidentiality to the extent practicable without impairing the proceeding, and

"(B) the Commissioner shall require as a condition to such disclosure that the person receiving it—

"(i) have an interest in the proceeding,

"(ii) register with the Commissioner as acknowledgment that he received it,

"(iii) acknowledge that he is fully aware of the prohibitions and penalties against further disclosure,

"(iv) take such security precautions respecting the information as the Commissioner may, by regulation, prescribe, and

"(v) assure that he will not use the information for commercial purposes.

"(5) shall be disclosed to any individual for research purposes, except that the Commissioner shall require as a condition to such disclosure that the individual receiving it—

"(i) have a bona fide research purpose,

"(ii) register with the Commissioner as acknowledgment that he received it,

"(iii) acknowledge that he is fully aware of the prohibitions and penalties against further disclosure,

"(iv) take such security precautions respecting the information as the Commissioner may, by regulation, prescribe, and

"(v) assure that he will not use the information for commercial purposes.

"(b)(1) In submitting data under this Act, a person may (A) designate the data which such person believes is entitled to confidential treatment under subsection (a), and (B) submit such designated data simultaneously but separately from other data submitted under this Act. A designation under this paragraph shall be made in writing and in such manner as the Commissioner may prescribe.

"(2)(A) Except as provided by subparagraph (B), if the Commissioner proposes to release for inspection data which has been designated under paragraph (1)(A) or any other information which is exempt from disclosure pursuant to subsection (a) of section 552 of title 5, United States Code, by reason of subsection (b)(4) of such section, the Commissioner shall notify, in writing and by certified mail, the person who submitted such data of the intent to release such data. If the release of such data is to be made pursuant to a request made under section 552(a) of title 5, United States Code, such notice shall be given immediately upon approval of such request by the Commissioner. The Commissioner may not release such data until the expiration of thirty days after the person who submitted such data has received the notice required by this subparagraph.

"(B) Subparagraph (A) shall not apply to the release of information under paragraph (1), (2), (3), or (4) of subsection (a), except that the Commissioner may not release data under paragraph (3) of subsection (a) unless the Commissioner has notified each person who submitted such data of such release. Such notice may be made by such means as the Commissioner determines will provide notice at least twenty-four hours before such release is made.

"(c) Any officer or employee of the United States or former officer or employee of the United States, who by virtue of such employment or official position has obtained possession of, or has access to material the disclosure of which is prohibited by subsection (a) and who knowing that disclosure of such material is prohibited by such subsection,

willfully discloses the material in any manner to any person not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $10,000 or imprisoned for not more than one year, or both. Section 1905 of title 18, United States Code, does not apply with respect to the publishing, divulging, disclosure, or making known of, or making available, information reported or otherwise obtained under this Act.

"(d) Any person, other than an officer or employee of the United States or former officer or employee of the United States, who by virtue of—

"(1) being a contractor with the Administration or an employee of such contractor;

"(2) participating in a proceeding under this Act and registering under subsection (a)(4)(B); or

"(3) conducting research and registering under subsection (a)(5),

has obtained possession of, or has access to material the disclosure of which is prohibited by subsection (a) and who knowing that disclosure of such material is prohibited by such subsection, willfully discloses the material in any manner to any person not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $10,000 or imprisoned for not more than one year, or both. Section 1905 of title 18, United States Code, does not apply with respect to the publishing, divulging, disclosure, or making known of, or making available, information reported or otherwise obtained under this Act.

"(e) For purposes of this section, the term 'officer or employee of the United States' includes any advisor or consultant of the Administration.

"(f) Any information respecting a drug which is made available pursuant to this section may not be used to establish the safety or effectiveness of another drug for purposes of this Act by any person other than the person who submitted the information so made available without the written consent of such person.

"(a)(1) Notwithstanding any provision of law, personal data (data which may identify an individual) which is received or maintained by the Administration for purposes of this Act, may not be disclosed or made available by the Administration to any person other than the individual who is the subject of such data. Such personal data may only be disclosed when such individual gives an informed consent for such disclosure and such consent is evidenced by a document containing the signature of such individual and the signature of the person who explained the provisions of

"(2) For purposes of this subsection, 'informed consent' includes a complete explanation of risks and benefits to the individual whose personal data is to be disclosed of such disclosure, including—

"(A) a statement informing such individual of whether he is legally required, or may refuse, to consent to such disclosure, and informing him of any specific consequences of consenting or not consenting to such disclosure;

"(B) a statement informing such individual that he may review the data and any other information which is proposed to be disclosed prior to such consent;

"(C) a statement informing such individual of the use to be made of such data and other information and of the identity of persons and governmental authorities which will use the data and other information.

(B) Section 301, as amended by this Act, is further amended by adding at the end thereof the following:

"(s) The using by any person of any information concerning a drug, which was made available pursuant to section 708 and the disclosure of which was prohibited by subsection (a) of such section, to establish the safety or effectiveness of another drug for purposes of this Act without the written consent of the person who originally submitted such information."

(C) Subsection (j) of section 301 is amended to read as follows:

"(j)(1) The using by any person to his own advantage any information acquired under authority of section 404, 409, 505, 506, 507, 510, 512, 513, 514, 515, 516, 518, 519, 520, 704, 706, or 708 concerning any method or process which is exempt from disclosure pursuant to subsection (a) of section 552 of title 5, United States Code, by reason of subsection (b)(4) of such section.

"(2) The revealing or disclosing, in violation of any of the provisions of section 708, of any information acquired under authority of section 404, 409, 505, 506, 507, 510, 512, 513, 514, 515, 516, 518, 519, 520, 704, 706, or 708 concerning any method or process which is exempt from disclosure pursuant to subsection (a) of section 552 of title 5, United States Code, by reason of subsection (b)(4) of such section."

"(3) The disclosure of any personal data in violation of the provisions of section 708 (g)."

AGENCY PROCEEDINGS

SEC. 115. Chapter VII as amended by section is further amended by adding at the end thereof the following:

"PROCEEDINGS

"SEC. 711. (a) Whenever, pursuant to section 553(e) of title 5, United States Code, an interested person (including a governmental entity) files a petition with the Administration (other than a petition for rehearing) for the commencement of a proceeding for the issuance, amendment or repeal of an order, rule, or regulation under any statute or other lawful authority administered by or applicable to the Administration, the Administration shall grant or deny such petition within 120 days after the date of receipt of such petition. If the Administration grants such a petition, it shall commence an appropriate proceeding as soon thereafter as practicable. If the Administration denies such a petition or takes no action on such petition within the 120-day period, it shall set forth, and publish in the Federal Register its reasons for such denial or inaction.

"(b) If the Administration denies a petition to which subparagraph (a) applies (or if it takes no action thereon within the 120-day period established by such paragraph), the petitioner may commence a civil action in an appropriate United States Court of Appeals for an order directing the Administration to initiate a proceeding to take the action requested in such petition. Such an action shall be commenced within 60 days after the date of such denial or, where appropriate, within 60 days after the date of expiration of such 120-day period.

"(c) If the petitioner, in a civil action commenced under subparagraph (b), demonstrates to the satisfaction of the court (by a preponderance of the evidence in the record before the Administration) that (i) the failure of the Administration to grant a petition to which subparagraph (a) applies is arbitrary and capricious; (ii) the action requested in such petition is necessary; and (iii) the failure of the Administration to take such action will result in the continuation of practices which are not consistent with or in accordance with this Act or any other statute or lawful authority administered by or applicable to the Administration; and (iv) the action requested in such petition is in the public interest, such court shall order the Administration to initiate such action.

"(d) A Court shall have no authority under this paragraph to compel the Administration to take any action other than the initiation of a proceeding for the issuance, amendment, or repeal of an order, rule, or regulation under this Act or any other statute or lawful authority administered by or applicable to the Administration.

"(e) As used in this paragraph, the term 'Administration' includes any division, individual Administrator, administrative law judge, employee board, or any other person authorized to act on behalf of the Administration in any part of any proceeding for the issuance, amendment, or repeal of an order, rule, or regulation."

MANDATORY REGISTRATION OF FOREIGN ESTABLISHMENTS EXPORTING DRUGS TO THE UNITED STATES

SEC. 116. (a) Section 801(a) is amended (1) by striking out the second sentence and inserting in lieu thereof the following: "The Commissioner shall compile a list of establishments registered under section 510(i) and shall require that drugs imported or offered for import into the United States be accompanied by a certification showing whether the drugs were manufactured, prepared, propagated, compounded, or processed in an establishment that is required to be registered under section 510(i) or is one that is exempt under section 510 (g) and whether any such establishment required to be registered is so registered. The Secretary of the Treasury shall deliver samples of drugs from unregistered and non-exempt establishments, as required by the Commissioner with notice of such delivery to the owner or consignee, who shall be given the opportunity to appear before the Commissioner and have the right to introduce testimony on whether such establishment is required to be registered or is registered under section 510(i).", and (2) by inserting after "505," the following "or (4) such article is a drug manufactured, prepared, propagated, compounded, or processed in an establishment not registered under section 510(i) that is not exempt from registration under section 510(g)".

(b) This section shall take effect with respect to articles imported on or after the first day of the sixth month beginning after the date of enactment of this Act, except that the Commissioner may extend such date by regulation for good cause.

PATENT PROTECTION

SEC. 117. (a) Where a patent is issued claiming a drug, composition containing a drug, a process for using a drug, or a process for manufacturing a drug, and such drug is the subject of an investigational new drug application, or a new drug evaluation agreement, under section 505 of the Federal Food, Drug, and Cosmetic Act, or an application with respect to an investigational use of an antibiotic drug or application for approval of use of an antibiotic drug under section 507 of such Act, or an investigational new animal drug application, a new animal drug application, or an application with respect to the investigational use of a new animal drug in an animal feed, or an application with respect to the use of a new animal drug in an animal feed, under section 512 of such Act, the term of such patent referred to in section 154 of title 35, United States Code, shall not expire until seventeen years after the date of the new drug is approved under section 505, or the application for approval of use of an antibiotic drug under section 507 is approved, or the new animal drug application, or new animal feed application, is approved under section 512 of such Act, as the case may be. The preceding sentence shall not apply to any patent where the approval of the drug or feed application by the Food and Drug Administration does not occur within seventeen years after the Patent Office has issued the patent.

(b) Chapter VII is amended by adding at the end thereof the following new section:

"SEC. 710. (a) It is hereby declared a prohibited act under section 301, for the owner

of a United States patent, or any licensee having sublicensing rights thereunder, to refuse or fail to license such patent, together with all available know-how necessary commercially to work the best modes of making, using, and selling the subject matter of the patent, to any applicant in the United States on reasonable and nondiscriminatory terms, when the effect of such refusal or failure may be substantially to lessen actual or potential commerce, and

"(1) the patented subject matter relates to the manufacture, use, sale, or commercial working of a product, material, or process involving or related to—

"(A) a new drug which has been approved under section 505;

"(B) an antibiotic drug, the application for approval of use, has been approved under section 507; or

"(C) a new animal drug or a new animal feed, the application for which, has been approved under section 512.

"(2) any such drug has had any such approval for 8½ years, and

"(3) in any section of the country, such product, material, or process is not commercially utilized or available to the public, or is commercially utilized or available only—

(i) in insufficient amounts or quantities to satisfy the public need therefor, or

(ii) in an inferior quality, or

(iii) at price levels or subject to other conditions or circumstances the effect of which may be substantially to lessen competition in the manufacture, use, sale, or distribution of such product, material, or process, or tend to create a monopoly thereon, or which indicate that the same already exists.

"(b) Any person injured or aggrieved by conduct declared a prohibited act by this paragraph may secure declaratory relief in respect to his entitlement to a license and the terms thereof, by civil action in a district court having jurisdiction of the parties, but nothing contained in this paragraph shall constitute a basis for any action for damages.

"(c) The Commissioner is authorized and directed to define any and all terms used herein, and otherwise to prescribe such procedural and substantive rules and regulations as may be necessary or appropriate for carrying out the purposes of this section. The Commissioner, acting through his own attorneys, is authorized and directed to seek injunctive and such other relief as may be necessary or appropriate to prevent violation of any provision of this section or of any rule or regulation promulgated hereunder, in any court of competent jurisdiction.".

(c) This section shall become effective ninety days after enactment thereof. It shall apply to all United States patents, whether issued before or after the effective date of this section.

SEC. 118. If any provision of this Act or the application of such provision to any person or circumstance is held invalid, the remainder of this Act shall not be affected thereby.

TITLE II—FOOD AND DRUG ADMINISTRATION

SHORT TITLE

SEC. 201. This title may be cited as the "Food and Drug Administration Act".

ESTABLISHMENT OF ADMINISTRATION

SEC. 202. The Federal Food, Drug, and Cosmetic Act is amended by adding after Chapter IX the following new Chapter:

"Chapter X—FOOD AND DRUG ADMINISTRATION

"SEC. 1001. There is established a Food and Drug Administration (herein referred to as the 'Administration') within the Department of Health, Education, and Welfare.

"COMMISSIONER

"SEC. 1002. (a) The Administration shall be headed by a Commissioner who, except as provided in subsection (b), shall be appointed by the President, by and with the advice and consent of the Senate. The Commissioner shall be responsible for the effective administration of the laws subject to his jurisdiction.

"(b) The individual who on the date of enactment of this Act holds the office of Commissioner of Drugs, Department of Health, Education, and Welfare, shall be the initial Commissioner of the Administration.

DEPUTY COMMISSIONER AND GENERAL COUNSEL

"SEC. 1003. There shall also be appointed a Deputy Commissioner and a General Counsel for the Administration.

"POWERS OF THE COMMISSIONER

"SEC. 1004. (a) The Commissioner is authorized—

"(1) to direct and coordinate the activities of the Administration;

"(2) to select, appoint, or employ all personnel of the Administration and direct and supervise all personnel so selected, appointed, or employed;

"(3) to employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for grade GS–18 as provided in section 5332 of title 5, United States Code, and, while such experts and consultants are so serving away from their homes or regular places of business, to pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

"(4) to appoint advisory committees composed of such private citizens and officials of the Federal, State and local governments as he deems desirable to advise him with respect to his functions under the laws subject to his jurisdiction, and to pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees, or otherwise serving at the request of the Commissioner, compensation and travel expenses at the rate provided for in paragraph (3) of this subsection with respect to experts and consultants;

"(5) to promulgate such regulations as may be necessary or appropriate to carry out the functions vested in him and for the efficient enforcement of the laws subject to his jurisdiction;

"(6) to make such investigations as he deems necessary to determine whether any person has violated any provision of the laws subject to his jurisdiction;

"(7) to utilize, with their consent, the services, personnel, and facilities of other Federal agencies and of State and private agencies and instrumentalities with or without reimbursement therefor;

"(8) to enter into and perform such contracts, leases, cooperative agreements, grants, or other transactions as the Commissioner may deem appropriate, with an agency, or instrumentality of the United States, or with any State, commonwealth, territory, or possession, or any political subdivision thereof, or with any public or private person, firm, association, corporation, independent testing laboratory, or institution;

"(9) to accept gifts and voluntary and uncompensated services, notwithstanding the provisions of section 665(b) of title 31, United States Code;

"(10) to designate representatives to serve or assist on such committees as the Commissioner may determine to be necessary or appropriate to maintain effective liaison with Federal agencies and with State and local agencies and independent standard-setting bodies carrying out programs and activities related to the protection of consumers with respect to products subject to his jurisdiction;

"(11) to plan, design, and construct such research or test facilities as may be necessary to carry out the purposes of the laws subject to his jurisdiction, (A) after fully utilizing the personnel, facilities, and other technical support available in other Federal agencies, (B) when authorized by the Congress to plan, design, and construct such facilities, and (C) subject to the appropriation of funds for this purpose by the Congress;

"(12) to conduct public hearings anywhere in the United States to consider matters within his jurisdiction;

"(13) to conduct such continuing studies, review, and investigations of deaths, injuries, diseases, other health impairments, health and nutrition status, and other related conditions, as he deems necessary or appropriate;

"(14) to conduct research, studies, and investigations on the safety and effectiveness of products subject to his jurisdiction and on improving the safety of such products, and test such products and develop product test methods;

"(15) to offer training in product safety investigation and test methods, and assist public and private organizations, administratively and technically, in the development of safety standards and test methods;

"(16) to undertake such other activities as are necessary to carry out his duties under the laws subject to his jurisdiction, including those enumerated in other sections of such laws;

"(17) to delegate any of his functions and duties under the laws subject to his jurisdiction to other officers or employees of the Administration; and

"(18) to develop ways to actively encourage and promote the discovery and development of new therapies in the United States

"DUTIES OF THE COMMISSIONER

"SEC. 1005. DUTIES OF COMMISSIONER.—The Commissioner shall—

"(1) enforce the laws which he is required under this Act to administer.

"(2) publish notice of any proposed public hearing in the Federal Register, and afford a reasonable opportunity for all interested persons to present relevant testimony and data;

"(3) upon request, provide technical assistance on legislative proposals directly to committees of Congress; and

"(4) subject to the provisions of the laws subject to his jurisdiction, take any action within his jurisdiction to make available to the public products that will promote the public health and welfare;

"(5) attempt to eliminate any product presenting an unreasonable risk of disease, injury, or death when compared to its benefit;

"(6) establish a capability within the Administration to engage in product evaluation and benefit-risk analysis;

"(7) establish an interdisciplinary epidemiology capability and undertake investigations to facilitate regulatory decisionmaking and to assist in product evaluation and benefit-risk analysis;

"(8) establish a scientific capability within the Administration to assist in product evaluation, risk-benefit analyses, hazard detection, test method development, and quality control requirements;

"(9) utilize field operations to conduct product evaluation, facilitate detection of conditions associated with products subject to his jurisdiction which might lead to disease, injury, or death, to monitor compliance with required levels of safety performance, to report violations, and to assist in any enforcement action taken by him;

"(10) decide, based on all available information, whether a drug is safe and effective and therefor should or should not be approved;

"(11) approve safe and effective new drugs for public use in the fastest possible time consistent with public safety; and

"(12) review and analyze the state of drug usage in this country.

"OBLIGATIONS OF ADMINISTRATION CONTRACTS

"SEC. 1006. (a) MAINTENANCE OF RECORDS.—Each recipient of assistance under this Act pursuant to grants or contracts entered into under other than competitive bidding procedures shall keep such records as the Commissioner shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assitance, the total cost of the project undertaken in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) ACCESS TO RECORDS.—The Commissioner and the Comptroller General of the United States or their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the grants or contracts entered into under section 904 (c)(9) under other than competitive bidding procedures.

"COOPERATION OF FEDERAL AGENCIES

"SEC. 1007. (a) COOPERATION.—Upon request by the Commissioner, each Federal agency is authorized—

"(1) to make its services, personnel, and facilities available with or without reimbursement to the greatest practicable extent within its capability to the Administration to assist it in the performance of its functions; and

"(2) to furnish to the Administration such information, data, estimates, and statistics, and to allow the Administration access to all information in its possession, as the Commissioner may reasonably determine to be necessary or appropriate for the performance of the functions of the Administration as provided by this Act.

"(b) NATIONAL BUREAU OF STANDARDS.—The Commissioner is authorized to utilize the resources and facilities of the National Bureau of Standards in the Department of Commerce with or without reimbursement, for the purpose of enforcing compliance or for other purposes related to carrying out his authorities under this Act.

"COOPERATION WITH STATES

"SEC. 1008. The Commissioner shall establish a program to promote Federal-State cooperation for the purposes of carrying out this Act. In implementing such program the Commissioner may—

"(a) accept from any State or local authorities engaged in activities relating to health, safety, or consumer protection assistance in such functions as data collection, investigation, and educational programs, as well as other assistance in the administration and enforcement of this Act which he may request and which such States or localities may be able and willing to provide and, if so agreed, may pay in advance or otherwise for the reasonable cost of such assistance,

"(b) commission any qualified officer or employee of any State or local agency as an officer of the Commissioner for the purpose of conducting examinations, investigations, and inspections, and

"(c) notwithstanding any other provision of law confidentially, exchange information necessary for the protection of public health and safety.

"CONFLICT OF INTEREST

"SEC. 1009. (a) No employee of the Administration classified as a GS–15 or higher and employed in a policy-making position, as determined by the Commissioner, shall, for a period of 2 years, beginning on the last date of service as such employee, represent any person in a professional capacity in any matter coming before the administration.

"(b) A consultant shall, within ten days prior to appointment, make a complete public disclosure, in accordance with subsection (e). Such disclosure shall include information pertaining to whether such consultant is currently working or has worked with any person who has filed an application or entered into an agreement under section 505 of this Act. Such disclosure shall include the name and address of each such person, the type of work, and the specific drug with which such consultant was involved. Failure to do so shall result in failure to hire such consultant.

"(c) A consultant shall not participate in or be present at, or influence, any activities of the Administration with regard to any interest of any person with whom such consultant is currently working or has worked for within a three-year period prior to appointment.

"(d) For purposes of this section, a "consultant" means a member of an advisory board or committee, established by the Administration, an employee of the Administration, or any individual who receives renumeration from the Administration and is not an employee of the Administration.

"(e) The disclosure, required under subsection (b) shall be made in such form and manner as the Commissioner may, by regulation, require.

"AUTHORITY TO INITIATE LEGAL ACTIONS

"SEC. 1010. Notwithstanding any other provisions of law, the Commissioner may initiate, defend, or appeal any court action arising under or in the administration of this Act through the general counsel or through the Attorney General or appropriate United States attorney.

"OFFICE FOR COORDINATION OF PATIENT INFORMATION

"SEC. 1011. (a) There is established, within the Administration, an Office of Drug Information which, acting in consultation with the National Institutes of Health, consumers, medical practitioners, psychologists, educators, clinical pharmacologists and others who have expertise in health education, shall analyze and evaluate the best method or methods, including and in addition to patient package inserts of educating patients in order that patients may make informed decisions about the purchase and use of drugs. Such methods should include information concerning the safe and unsafe use of drugs, the risks and benefits associated with drugs, individually and by class, and possible adverse reactions.

"(b) The Office shall, from time to time, submit recommendations to the Commissioner and to the Congress concerning the matters referred to in subsection (a).

"DRUG STUDIES

"SEC. 1012. (a) The Commission may conduct or support (by grant or contract) studies of the short-term or long-term use of any drug and of drugs with alternative forms of therapy and studies involving the comparison of drugs.

"(b) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(c) For purposes of subsection (a), there is authorized to be appropriated $10,000,000 for the fiscal year ending September 30, 1978, and for each fiscal year thereafter.

"(d) The Commissioner shall make an annual report to the Congress respecting the activities undertaken or supported under subsection (a).".

"ESTABLISHMENT OF DRUG SCIENCE HEARING BOARD

"SEC. 1013. (a) There is established within the Administration a Board to be known as the Drug Science Hearing Board (herein this Act referred to as the 'Hearing Board').

"(b) The Board shall be composed of five voting members. The Commissioner shall appoint—

"(1) Two permanent members of the Hearing Board from individuals who are—

"(A) scientific experts eminent in such fields as clinical pharmacology, medicine, or biological research, and

"(B) full-time employees of the Department of Health, Education, and Welfare.

"(2) Three members of the Hearing Board from individuals who are—

"(A) scientific experts eminent in such fields as clinical pharmacology, medicine, or biological research, and

"(B) not employees of the federal government.

"(c) The General Counsel of the Administration or his designee shall serve as a nonvoting ex-officio member.

"(d) The Commissioner may appoint members under paragraph (2) of subsection (b) for a term, not to exceed one year, or he may appoint such members solely to serve as such for a specific hearing or set of hearings on a specific drug or class of drugs.

"(e) Those members appointed under paragraph (1) of subsection (b) shall each serve for a term of two years.

"(f) The Hearing Board shall meet at the call of the Commissioner and shall have no authority to sit as the Hearing Board unless all five voting members and the General Counsel or his designee are present.

"PROCEDURES

"SEC. 1014. The Board shall, with the advice and assistance of the General Counsel, promulgate rules and procedures by which it will take testimony, hear and examine witnesses and conduct hearings.

"AUTHORITY OF DRUG SCIENCE HEARING BOARD

"SEC. 1015. (a) The Board shall have authority to sit as a Board and to carry out the functions vested in such Board under section 1016.

"(b) The Board may not make any conclusions regarding the safety of a drug or its approval or disapproval. The Board is limited to findings and conclusions as to the scientific facts and conclusions based on the information presented at a hearing on a specific drug. It may make recommendations to the Commissioner regarding the safety of a drug or the approval or disapproval of a drug, or any limitations or conditions on such recommended action. However, any such recommendations shall have no legal effect. Only the Board's scientific findings and conclusions shall be given the effect of law.

"POWERS OF THE HEARING BOARD

"SEC. 1016. The Hearing Board is authorized to—

"(a) promulgate such rules and regulations as it deems necessary to carry out its responsibilities,

"(b) hold hearings, take testimony, examine witnesses, call witnesses, and any other powers incident to such powers,

"(c) make findings, conclusions and recommendations with respect to any drug for which it has been called upon by the Commissioner to hold a hearing,

"(d) compensate witnesses who would be otherwise not available for a hearing, in accordance with rules and regulations of the Commissioner,

"(e) carry out the functions vested in the Hearing Board pursuant to section 505, and

"(f) afford a reasonable opportunity for all interested persons to present relevant testimony and data.

"SPECIAL POWERS OF THE GENERAL COUNSEL

"SEC. 1017. The General Counsel, or his designee, is responsible for advising and assisting the Hearing Board in conducting its responsibility under this Act. In so doing, the General Counsel shall advise the Hearing Board with respect to rules and procedures for conducting hearings, examining witnesses, and taking tesimony. In addition, the General Counsel shall advise the members of the Hearing Board as to whether it has authority to make certain findings and conclusions. The General Counsel shall review matters in which such questions may arise and make a final decision which shall be binding on the Hearing Board.

AMENDMENTS TO TITLE 5

SEC. 203. (a)(1) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(108) Commissioner, Food and Drug Administration.".

(2) Section 5316(43) of such title is repealed.

Section 5316 of such title is amended by adding at the end thereof the following new paragraph:

"(140) General Counsel, Food and Drug Administration.".

TRANSFERS

SEC. 204. (a) TRANSFERS.—Except for any function reserved to the Secretary of Health, Education, and Welfare by subsection (c) of this section, there are transferred to the Commissioner of the Food and Drug Administration all functions of the Secretary of Health, Education, and Welfare and of officers and offices of the Department of Health, Education, and Welfare under the following provisions of law:

(1) Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.).

(2) Filled Milk Act (21 U.S.C. 61 et seq.).

(3) Federal Import Milk Act (21 U.S.C. 141 et seq.).

(4) Tea Importation Act (21 U.S.C. 41 et seq.).

(5) Federal Caustic Poison Act (44 Stat. 1406).

(6) Fair Packaging and Labeling Act (15 U.S.C. 1451 et seq.).

(7) Subpart 3 of part F of title III of the Public Health Service Act (relating to electronic product radiation).

(8) Sections 301, 308, 311, 314, 315, and 361 of the Public Health Service Act (42 U.S.C. 241, 242f, 243, 246, 247, and 264) insofar as such sections relate to food, drugs, devices, cosmetics, electronic products, and other products subject to the jurisdiction of the Commissioner.

(9) Sections 351 and 352 of the Public Health Service Act (42 U.S.C. 262, 263) (relating to biological products).

(10) Egg Products Inspection Act (21 U.S.C. 1031 et seq.).

(b) TRANSFERRED FUNCTIONS.—All functions—

(1) which are vested by statute or reorganization plan in the Secretary of Health, Education, and Welfare,

(2) which are not transferred by subsection (a) of this section, and

(3) which, immediately before the effective date of this section, are delegated to or administered by the Food and Drug Administration,

are transferred to the Commissioner (except for any function reserved to the Secretary of Health, Education, and Welfare by subsection (e) of this section).

(c) PERSONNEL, ETC.—All personnel, property, records, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, which are used primarily with respect to any office, bureau, or function transferred under the provisions of this section are transferred to the Commissioner of the Food and Drug Administration. The transfer of personnel pursuant to this subsection shall be without reduction in classification or compensation for one year after such transfer, and this provision shall not be construed to impair the authority of the Commissioner to assign personnel during this period to carry out the functions of the Administration most effectively.

(d) COMPETITIVE EXAMINATIONS.—The Civil Service Commission shall establish criteria, in consultation with the Commissioner, when preparing competitive examinations for positions in the Administration.

(e) AUTHORITY OF THE SECRETARY.—There is reserved to the Secretary of Health, Education, and Welfare from the authority transferred to the Commissioner by subsections (a) and (b) of this section any function the performance of which—

(1) materially affects authority of the Secretary not transferred by subsection (a) or (b), or

(2) requires the resolution of major issues of national health policy.

(f) ADDITIONAL DELEGATIONS.—The Secretary of Health, Education, and Welfare may by regulation delegate such additional functions to the Commissioner as he from time to time deems appropriate.

SAVINGS PROVISION

SEC. 205. All laws relating to any office, agency, bureau, or function transferred under this title, insofar as such laws are applicable, remain in full force and effect. And orders, rules, regulations, permits, or other privileges made, issued, or granted by any office, agency, or bureau or in connection with any function transferred by this title, and in effect at the time of the transfer, shall continue in effect to the same extent as if such transfer had not occurred until modified, superseded, or repealed. No suit, action, or other proceeding lawfully commenced by or against any office, agency, or bureau or any officer of the United States acting in his official capacity shall abate by reason of any transfer made pursuant to this title, but the court, on motion or supplemental petition filed at any time within twelve months after such transfer takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the appropriate office, agency, bureau, or officer of the United States.

Mr. WILLIAMS. Mr. President, I am joining today my colleague from New York (Mr. JAVITS) in the introduction of the Comprehensive Drug Amendments of 1977. This new legislation provides for the reorganization and restructuring of the Food and Drug Administration and the new drug approval process.

Mr. President, over the last several years the Food and Drug Administration has been criticized by consumers, health researchers, and manufacturers of drugs alike for their procedures in approving new drugs and making basic information available to the public. The Committee on Human Resources' Subcommittee on Health under the leadership of my friend and colleague from Massachusetts (Mr. KENNEDY) has held extensive hearings on these problems and has also explored other concerns in the drug manufacturing, testing, and approval process.

Most recently, the Department of Health, Education, and Welfare's review panel on new drug regulation issued its final report on current policies and procedures relating to the approval and disapproval of new drugs. While concluding that the FDA's procedures for new drug regulation were fundamentally sound and impartial with regard to the industry, the panel made a series of recommendations for substantial improvement of the FDA's implementation procedures which go to the basic issue of administrative and procedural reform of the system of drug regulation.

In brief, the panel found that the drug regulation system lacked openness and accountability, relying too heavily on informal procedures and communications with industry and providing too little information to the public about its procedures, its activities, and the benefits and risks of the drugs it was considering for approval. These informal procedures often work in an arbitrary and tedious fashion for an applicant for a new drug, leaving the applicant dependent upon the vagaries of the moment but fostering the impression of improper industry influence.

To further improve public understanding, the panel recommended that the definition of "safe and effective," the standards which all drugs must meet, be changed to clarify to the public that there are risks and side effects of all drugs for some people and that the drug approval process involves a weighing of these risks and benefits.

In the area of drug approval and protection of the public, the panel recommended that the FDA should be empowered to provide limited distribution of certain drugs with unusual benefits and high toxicity. It further recommended drugs be accompanied by patient package inserts in order to provide the consumer with information on the approved uses of the drugs, although the panel did not recommend inserts for all drugs.

The panel also found that the present standard for removal of a drug from the market, the "imminent hazard" standard had, been too strictly interpreted by the courts to mean an immediate danger to public health and recommended that the standard for withdrawal of a new drug be changed to "substantial risk" of serious harm.

As has been noted several times in the last few weeks on the Senate floor, we have become much more knowledgeable in recent years in our procedures for testing substances and for determining safety, efficacy, and the benefits and risks of these substances. So, too, our concern for governmental secrecy and for the need for public awareness and accountability has changed substantially since the legislative amendments of the Food, Drug, and Cosmetics Act with respect to drug regulation in 1962. It is time to bring the Food and Drug Administration up to speed with modern day standards of governmental processes.

The Comprehensive Drug Amendments of 1977 attack the two fundamental weaknesses, as I see it, of the FDA's procedures with respect to drug regulation: the lack of openness about the drug

regulation process and the lack of adequate procedures to inform the public so that they may make informed decisions to use drugs and so that they may hold this governmental agency accountable.

Most important, I believe, the bill sets up a new drug approval process which will establish uniform procedures for new drug applications and will formalize and structure the FDA's interaction with drug manufacturers. Under this new procedure, the FDA and the manufacturer will enter into a new drug evaluation agreement which will set out—in advance of required testing—the expectations of both parties, including the reports and data which will have to be submitted, the testing to be done, the standards for manufacturing, processing, and packing of the drug and including a description of the types and methods of communication between the manufacturer and the FDA and a procedure for dispute resolution, should difficulties arise.

The second phase of this new procedure involves a new method for the scientific review of data and evidence of the drug. Under the legislation, a permanent drug hearing board will be set up to review the data submitted by the manufacturer and to make a judgment as to the scientific accuracy of the tests done and to draw the scientific conclusions on safety and efficacy. The board must hold a public hearing to review this data and will thereafter forward its conclusions to the Commissioner who will make the final decision, weighing the risks and benefits of the drug and deciding to approve or to disapprove the drug.

In addition, the bill provides authority to the Commissioner to provide limited approval of a drug or to apply certain conditions to the use and distribution of the drug, whether it is a new drug or has been on the market for some time, if he determines that such conditions are necessary to assure the safe and effective use of the drug. This authority may well assure that many drugs which have been approved for use in other countries or which have some very beneficial effects for certain patients can be approved, under limited conditions.

And, the bill, in keeping with our desires to assure that the public can be fully informed and involved in the decisionmaking process, requires the Commissioner, at various stages in the review process, to publish his findings and to make available detailed summaries of the data submitted in connection with the drug.

The second major provision of the bill amends existing law to make the disclosure of all information submitted on a drug available to persons having an interest in any proceeding under the act or the law enforcement officials, but prohibits the further disclosure of such information by the party and the use of the information in connection with commercial purposes.

In order to provide a measure of protection of the manufacturer and the consumer, the bill also specifies that the patent will run for 17 years following the approval of a new drug and provides that midway through that process the manufacturer shall make the drug available to other manufacturers under a license.

The third major provision of the bill establishes the regulatory base for the Food and Drug Administration in legislation. Thus, the bill provides for the establishment of the Food and Drug Administration to be headed by a commissioner, appointed by the President with the advice and consent of the Senate.

And the last major provision of the bill takes steps to make available certain basic consumer information for all persons who will be using drugs. Under these procedures, patient package inserts must be available prior to administration or purchase of the drug so that the consumer may make informed decisions about their use of the drug.

Mr. President, I believe that this legislation will assist us in structuring the drug approval process and help modernize our procedures for informing the public about this critical regulatory agency.

I ask unanimous consent that a brief summary of the bill be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

BRIEF SUMMARY OF THE COMPREHENSIVE DRUG AMENDMENTS OF 1977

1. Repeals previous exemption for pre-1938 animal and human drugs.

2. Prohibits submission of data, records or reports containing false or misleading information; raises fines to $10,000 for an individual and $25,000 for others; $25,000 for an individual for continued violation and $100.000 for others; adds civil penalties to criminal penalties already under the Act.

3. Requires the drug label to contain the name and place of business of the manufacturer and packer or distributor.

4. Requires all drugs to have package inserts to inform patients prior to administration or purchase of the benefits and risks of the drug.

5. Sets up a new drug approval process whereby FDA and the applicant enter into a New Drug Evaluation Agreement which structures their relationship, specifying what tests must be done, what records and data submitted, describing methods of communication and contact persons, and specifying a dispute resolution process;

Establishes a Drug Hearing Board to review the data and information on the drug and to make a decision on approvability based only on scientific evidence. The Board would also make unbinding recommendation to the Commissioner on whether the drug is safe and effective.

Provides the Commissioner with authority to provide limited approval of a drug or to set conditions on the use and distribution of the drug; such limited or conditional approval would be limited to a 2 year span after which a final decision would have to be made.

Provides special provisions under which a new drug may be used in research.

Changes the standard for removal of a drug from the market from imminent hazard to serious and substantial risk of harm to any segment of the public.

Requires the Commissioner to publish a detailed summary of the data submitted in relation to the new drug application.

6. Provides that all data and other information on a drug may be disclosed to persons in connection with law enforcement and protection of the public health, government contractors, or in any proceeding under the Act or where there is serious and substantial risk of harm to any segment of the public but prohibits further disclosure by the individual receiving the information or use of the information for commercial purposes.

Also provides that the term of the patent will run 17 years from the date the new drug is approved; requires that the applicant make the drug available to other companies, under license after 8.5 years.

7. Sets up procedures under which an interested party can file a petition for obtaining an expedited procedure.

8. Requires registration of foreign establishments which export drugs to the United States.

9. Establishes in law the Food and Drug Administration; requires appointment of the Commissioner with the advice and consent of the Senate; provides for a general counsel and a Deputy Commissioner; specifies the duties of the Commissioner and his powers; sets up procedures under which employees of the FDA must disclose certain information in order to avoid conflicts of interest; prohibits certain activities of employees; gives the FDA authority to initiate legal actions;

Sets up an Office for Coordination of Patient Information, charged with evaluating methods for best educating patients and making recommendations to the Commissioner and the Congress.

Authorizes $10 million for the purpose of conducting drug studies.

By Mr. BROOKE:

S. 2041. A bill to reform utility regulation of residential conditions of service; to the Committee on Energy and Natural Resources.

UTILITY RESIDENTIAL CUSTOMER SERVICE REGULATIONS REFORM ACT

Mr. BROOKE. Mr. President, the legislation I am filing today establishes national standards for fair customer service regulations governing utility retail sales. I also intend to propose this language as an amendment to the electric utility rate reform measures now before the Senate. While I believe that national standards for utility rate structures are of paramount importance in creating a system of energy pricing which promotes energy conservation, I also feel that fair credit practices, open access to energy supplies, and protection against arbitrary cutoffs are of equal importance as subjects for national policymaking.

Many Senators expressed support and deep concern for my effort last winter to establish a fair national policy to protect the old, infirm, and destitute from heating cutoffs during the extreme cold. I was told, at the time, that the pending emergency gas measure was not a good vehicle for such regulation and that a separate measure was needed. Mr. President, here it is. It is ready to be incorported into the general electric utility rate reform package which, with only a few other exceptions, mirrors closely the provisions of the legislation I introduced in 1975 and again in 1976. I am delighted that Senate action seems, at long last to be in sight.

Mr. President, I ask unanimous consent that the full text of my bill, S. 2041, be printed in the RECORD.

There being no objection, the bill was

ordered to be printed in the RECORD, as follows:

S. 2041

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Utility Residential Customer Service Regulations Reform Act".

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TITLE I—GENERAL PROVISIONS

STATEMENT OF PURPOSE

SEC. 101. It is the purpose of this Act—

(1) to reform utility regulation of the conditions of service for the provision to residential consumers of electric energy, natural gas, and telephone and water service by reducing arbitrary and unfounded adverse actions by utilities affecting eligibility for service, account billing and collection, and termination of service; and

(2) to assure the continued provision of utility services to residential consumers under reasonable conditions of service, thereby to promote and protect a sound and stable economy and the general health and welfare of the people of the United States.

DEFINITIONS

SEC. 102. As used in this Act—

(a) The term "adequate notice" means actual, and not merely constructive, written notice from a utility to a consumer of any contemplated adverse action against such consumer and the proposed date thereof which (1) is provided at least 45 days in advance, and then at fifteen day intervals, (2) is readily understandable, and (3) sets forth the alleged bases for the contemplated adverse action, the consumer's rights to contest or to avoid such action with deferred or partial payment plans, and the procedures whereby the consumer has *de novo* and appellate opportunities to present evidence and to be heard impartially in opposition to the alleged bases, necessity, or reasonableness of the contemplated adverse action. Notices shall be given where feasible to all tenants in multi-family dwellings where service is proposed to be terminated because of the non-payment of bills by a landlord.

(b) The term "adverse action" means action adverse to the interests of a consumer with respect to eligibility for service, account billing and collection, and termination of service.

(c) The term "conditions of services" means the terms, rules, practices, and procedures of a utility which govern eligibility for service, account billing and collection, and termination of service of consumers.

(d) The term "consumer" means any person, State agency, or Federal agency to which electric energy, natural gas, or telephone or water service is sold for residential purposes and other than for purposes of resale.

(e) The term "customer service regulations" means the regulations followed by a utility in setting and implementing its conditions of service for consumers.

(f) The term "deferred payment plan" means any mutually agreed upon plan for paying arrearages of utility bills over an extended period of time.

(g) The term "impartial adjudicatory procedures" means procedures in advance of adverse actions whereby consumers receive *de novo* and appellate hearing opportunities to be heard in opposition to such actions, including—

(1) an opportunity effectively to defend by confronting adverse witnesses and by presenting arguments and evidence orally and in writing;

(2) an opportunity to retain counsel or other legal representative, if desired;

(3) an impartial decision maker;

(4) a decision resting solely on the legal rules and evidence adduced at the hearing; and

(5) a written statement of reasons for the decision and the evidence relied on for decision.

(h) The term "Federal agency" means any agency or instrumentality of the United States, but does not include the District of Columbia.

(i) The term "sale" includes an exchange of, or a charge for provision of, or any transfer to a consumer of electric energy, natural gas, or telephone or water service.

(j) The term "State" means a State or the District of Columbia.

(k) The term "State agency" means a State, political subdivision thereof, or any agency or instrumentality of either.

(l) The term "State regulatory authority" means any State agency which has ratemaking authority with respect to the provision of electric energy, natural gas, or telephone or water service by any utility (other than by such State agency)

(m) The term "utility" means any person, State agency, or Federal agency, which sells electric energy, natural gas, or telephone or water service to consumers.

TITLE II—RESIDENTIAL CUSTOMER SERVICE REGULATIONS

STANDARDS

SEC. 201. (a) Each State regulatory authority shall order into effect, after notice and public evidentiary hearing, just and reasonable standards governing the practices and procedures by which utilities subject to its authority determine eligibility for service, require and preserve money deposits, perform estimated billings, collect accounts, and terminate service, including practices and procedures to prevent abrupt terminations of service to indigent or elderly consumers or terminations which in all probability would aggravate a serious health infirmity or cause death or serious illness to a resident of a terminated household.

(b) Standards issued pursuant to this Act shall prohibit terminations of electricity and natural gas service by utilities to consumers of such service for space heating during weather conditions of extreme cold, as determined by the regulatory authority.

(c) Standards issued pursuant to this Act shall precondition, where feasible, denials or terminations of service to consumers by utilities upon adequate notice and impartial adjudicatory procedures, and shall be just and reasonable in that they protect consumers from unnecessary, arbitrary, and unfounded adverse actions by utilities, making denials and terminations of service a measure of last resort undertaken only when reasonable efforts by utilities to secure performance on deferred payment plans by consumers delinquent on their accounts have failed or would in all probability fail due to deliberate action of the consumer, while protecting the financial integrity of utilities.

APPLICATION OF STANDARDS TO UTILITIES NOT SUBJECT TO STATE REGULATORY AUTHORITIES

SEC. 202. The standards ordered into effect under section 201 by a State regulatory authority shall also apply within such State to—

(1) each utility which provides service to consumers within such State, is owned or operated by a Federal agency or a State agency, and is not subject to the ratemaking authority of such State regulatory authority (hereafter in this Act referred to as a "covered public system"); and

(2) each private cooperative utility which provides service to consumers within such State and is not subject to the ratemaking authority of such State regulatory authority (hereafter in this Act referred to as a "covered cooperative").

TITLE III—INTERVENTION AND ENFORCEMENT

PARTICIPATION IN REGULATORY PROCEEDINGS BY STATES AND BY CONSUMERS

SEC. 301. (a) (1) Any consumer or State agency may intervene as of right as a party in any evidentiary hearing or other proceeding of a State regulatory authority or covered public system which affects such consumer's of State agency's interest, to the extent that such hearing or proceeding relates to the determination of compliance with the requirements of this Act.

(2) A consumer or State agency may maintain an action for judicial review and may, as of right, intervene or otherwise participate as a party in judicial proceedings which involve the review or enforcement of any action of a State regulatory authority—

(A) in a proceeding to which such consumer or agency was a party (or which such consumer or agency was denied, in violation of paragraph (1), the right to intervene), and

(B) which affects such consumer's or agency's interest, to the extent that such hearing or proceeding relates to the determination of compliance with the requirements of this Act.

(b) (1) (A) Unless an alternative means for assuring consumer representation is adopted in accordance with paragraph (2), if a consumer of a utility prevails in an adjudicatory proceeding before a State regulatory authority in which such consumer has alleged that any practice or procedure proposed by a utility is not in compliance with the requirements of this Act, such utility shall be liable to compensate such consumer for reasonable attorneys' fees, expert witness fees, and other costs of participation in such proceeding (including fees and costs in obtaining judicial review of such proceeding). Such consumer may collect such fees and costs from such utility in a civil action in any court of competent jurisdiction, unless such State regulatory authority has adopted a procedure pursuant to which such authority (i) determines the amount of such fees and costs and (ii) includes an award of such fees and costs in its order in the proceeding.

(B) For purposes of subparagraph (A), a consumer shall be deemed to have prevailed in a proceeding if the State regulatory authority or court disapproved or substantially modified a practice or procedure proposed by a utility on grounds first raised by the consumer who alleged that the practice or procedure did not comply with the one or more specific requirements of this Act.

(C) A State regulatory authority may prescribe reasonable requirements that persons with the same or similar interests have a common legal representative in the proceeding, as a condition of receiving fees and costs under subparagraph (A).

(2) Paragraph (1) shall not apply to any proceeding before a State regulatory authority if the State or such authority has provided an alternative means for providing adequate compensation to persons (A) who have, or represent, an interest (i) which would not otherwise be adequately represented in such proceeding, and (ii) representation of which is necessary for a fair determination of such proceeding, and (B) who are unable effectively to participate in such proceeding because such persons cannot afford to pay fees and costs of preparing and making oral presentations, conducting

cross-examination, and making rebuttal submissions in such proceeding.

(c) Each utility shall make available at cost of reproduction to parties in a proceeding before a State regulatory authority transcripts of such proceeding.

ENFORCEMENT

SEC. 302. (a) A State regulatory authority shall have the responsibility, with respect to each utility subject to its ratemaking authority, of determining whether the practices and procedures of such utility comply with the requirements of section 201.

(b)(1) Beginning two years after the date of enactment of this Act, no utility may increase any rate at which it sells electric energy, natural gas, or telephone or water service and which is subject to the ratemaking authority of a State regulatory authority unless such rate increase is part of a rate schedule the conditions of service for which such authority has determined meets the requirements of section 201.

(2) Beginning two years after the date of enactment of this Act, no covered public system may increase any rate at which it sells electric energy, natural gas, or telephone or water service unless such increased rate is a part of a rate schedule the conditions of service for which such system has determined meet the requirements of section 201.

(c) Any State agency entitled to obtain judicial review under section 301 may obtain judicial review of a State regulatory authority's or covered public system's determination under subsection (a)—

(1) in any statutory review proceeding in the courts of the United States which is otherwise applicable to such determination, or

(2) if there is no such statutory review proceeding applicable to such determination, by commencing a civil action in the United States court of appeals for any circuit in which such authority or system is located, which court shall have jurisdiction to review such determination in accordance with chapter 7 of title 5, United States Code.

(d) A consumer entitled to obtain judicial review under section 301 may obtain judicial review of a State regulatory authority's or covered public system's determination under subsection (a) in the following manner:

(1) In the case of a covered public system which is a Federal agency (and in the case of a State regulatory authority or covered public system whose determination is not reviewable by a State court of competent jurisdiction), such consumer may obtain such review—

(A) in any Federal statutory review proceeding which is otherwise applicable to such determination, or

(B) if there is no such statutory review proceeding applicable to such determination, by commencing a civil action in the United States court of appeals for any circuit in which such authority or system is located, which court shall have jurisdiction to review such determination in accordance with chapter 7 of title 5, United States Code.

(2) In the case of a State regulatory authority or covered public system which is a State agency—

(A) such consumer may obtain review in any State court of competent jurisdiction, and

(B) if such determination is reviewable by such a State court, such consumer may not obtain review by any court of the United States, except by the United States Supreme Court on writ of certiorari in accordance with section 1257 of title 28, United States Code.

(e) Beginning two years after the date of enactment of this Act, any person who is a member of a covered cooperative may bring a civil action in any court of competent jurisdiction against such cooperative for purposes of obtaining enforcement of the requirements of this Act.

(f) The district courts of the United States shall have jurisdiction, on application of the Secretary of Energy or of any consumer, to enjoin a utility from increasing any rate with respect to which a determination required by subsection (b) (1) or (2) has not been made.

By Mr. JAVITS (for himself, Mr. WILLIAMS, Mr. HAYAKAWA, Mr. KENNEDY, Mr. PERCY, Mr. RIEGLE, and Mr. SCHWEIKER):

S. 2042. A bill to amend the Rehabilitation Act of 1973 to improve the formula for State allotments under part B of that act, and for other purposes; to the Committee on Human Resources.

Mr. JAVITS. Mr. President, today with Senators WILLIAMS, KENNEDY, HAYAKAWA, PERCY, RIEGLE, and SCHWEIKER as cosponsors, I am introducing a bill to amend the Rehabilitation Act of 1973. This bill is offered to put before the Congress, the administration, and the public, an alternative to the present Rehabilitation Act State allocation formula.

The current Federal allocation formula for distributing funds to States for the support of basic vocational rehabilitation is highly inequitable. States with large populations and relatively high per capita incomes receive, under the current vocational rehabilitation funding formula, disproportionately low allocations of available Federal funds.

It is essential that we acknowledge that our programs of vocational rehabilitation be people oriented, and geared to serve those handicapped individuals who need such services. This means that we must more closely equilibrate the target population of vocational rehabilitation services with funding for these services. The bill which I introduce today to amend the allocation formula will help insure that those handicapped individuals in need of services are provided more equitable access to vocational rehabilitation services regardless of their State of residence.

HISTORY OF THE HILL-BURTON FUNDING FORMULA FOR VR SERVICES

The current funding formula has been used in the Federal vocational rehabilitation program since its adoption from the Hill-Burton Hospital Survey and Construction Act in 1954. The Hill-Burton formula places considerable emphasis on the ability of a State to provide funds for vocational rehabilitation services based upon the value of its per capita income relative to national per capita income. The formula relies on two factors to provide vocational rehabilitation assistance to States—population multiplied by per capita income squared. This latter element heavily weights the distribution on the per capita income factor.

When the Hill-Burton formula was introduced, it served as a means to encourage and stimulate the growth of vocational rehabilitation activity in States where progress in such programs had only slowly materialized—specifically, the low per capita income States. Since the introduction of the formula for "start-up" vocational rehabilitation allocations in 1954, major changes of both an economic and programmatic nature have occurred which obviate the need for, and desirability of, this antiquated and inequitable formula.

The differential in ability to pay between low and high per capita income States is not nearly so great now as it was in 1954. Higher taxation and cost of living, and massive public debts due to the provision of essential social services in the higher income States have eroded a once-substantial gap between States in relative ability to pay for vocational rehabilitation and other social services.

The Rehabilitation Act State-grant allotment formula is a glaring example of an unfair Federal formula. In fiscal year 1973, for example, the 25 States receiving the lowest per capita allotments for vocational rehabilitation services contained almost 75 percent of the Nation's population. Thus, the present formula discriminates against people—handicapped citizens in need of vocational rehabilitation services—who are born or live in populous States. This is a most egregious situation which must be rectified.

THE VOCATIONAL REHABILITATION STATE ALLOCATION STUDY

Title I of the Rehabilitation Act of 1973, while temporarily continuing this highly inequitable formula, simultaneously authorized the Secretary of Health, Education, and Welfare to conduct a thorough study of the allotment of funds among the States for grants for rehabilitation services authorized under part B of title I of this act, including a consideration of—

First. The needs of individuals requiring vocational rehabilitation services;

Second. The financial capability of the States to furnish vocational rehabilitation assistance including, on a State-by-State basis, per capita income, per capita cost of services rendered, State tax rates, and the ability and willingness of a State to provide the non-Federal share of the costs of rendering such services;

Third. The continuing demand upon the States to furnish vocational rehabilitation services together with a consideration of the factor that no State would receive less Federal financial assistance under such part than it received under section 2 of the Vocational Rehabilita-

tion Act in the fiscal year immediately prior to the enactment of this act.

HEW's study, prepared by JWK International Corp. and completed in 1974, found that the best general measure of an allocation's equity is the extent to which the allocation matches the relative size of the population of citizens to be rehabilitated. The current Hill-Burton allocation formula "deviates significantly" from this "equity index," according to the study, and introduces substantial inequities in allocating funds to States.

The principal objective of the vocational rehabilitation program is to make services available to eligible individuals, and to equalize access to such services regardless of one's State of residence. The HEW study states that "any change in the allocation that moves away from aid on the basis of incidence of the target population is a questionable procedure." The current allocation formula institutionalizes inequality of access, as indicated by a table prepared by the Congressional Research Service, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Population ages 18 to 64 (as of July 1, 1976)	Vocational rehabilitation appropriation (fiscal year 1978)	Fiscal year appropriation per person, 18 to 64
Alabama	2,113,000	$18,103,094	$8.57
Alaska	231,000	2,000,000	8.66
Arizona	1,295,000	8,526,789	6.58
Arkansas	1,181,000	10,472,837	8.87
California	13,106,000	57,035,827	4.35
Colorado	1,568,000	8,295,388	5.29
Connecticut	1,885,000	7,017,813	3.72
Delaware	351,000	2,000,000	5.70
District of Columbia	437,000	5,427,250	12.42
Florida	4,748,000	29,138,423	6.14
Georgia	2,920,000	21,133,655	7.24
Guam			
Hawaii	544,000	2,310,785	4.25
Idaho	472,000	3,344,923	7.09
Illinois	6,616,000	27,499,339	4.16
Indiana	3,092,000	19,066,756	6.17
Iowa	1,630,000	9,036,986	5.54
Kansas	1,349,000	7,200,397	5.34
Kentucky	1,987,000	15,919,071	8.01
Louisiana	2,177,000	18,074,413	8.30
Maine	611,000	4,967,235	8.13
Maryland	2,534,000	11,455,890	4.52
Massachusetts	3,453,000	18,212,747	5.27
Michigan	5,359,000	26,886,001	5.02
Minnesota	2,278,000	13,303,545	5.84
Mississippi	1,281,000	13,402,867	10.46
Missouri	2,760,000	18,198,853	6.60
Montana	435,000	2,886,498	6.64
Nebraska	884,000	5,032,964	5.69
Nevada	372,000	2,000,000	5.38
New Hampshire	478,000	3,282,747	6.87
New Jersey	4,388,000	18,376,436	4.19
New Mexico	666,000	5,647,884	8.48
New York	10,814,000	47,714,258	4.41
North Carolina	3,277,000	24,464,797	7.47
North Dakota	364,000	2,472,049	6.79
Ohio	6,309,000	36,617,086	5.80
Oklahoma	1,609,000	11,529,952	7.17
Oregon	1,382,000	8,109,804	5.87
Pennsylvania	7,072,000	39,945,506	5.65
Puerto Rico (1973 total population)	2,951,000	22,368,458	7.58
Rhode Island	545,000	3,264,733	5.99
South Carolina	1,677,000	13,905,312	8.29
South Dakota	383,000	2,739,957	7.31
Tennessee	2,489,000	19,262,813	7.74
Texas	7,279,000	46,756,113	6.42
Utah	680,000	5,559,165	8.18
Vermont	274,000	2,123,949	7.75
Virgin Islands			
Virginia	3,075,000	17,499,157	5.69
Washington	2,159,000	11,079,348	5.13
West Virginia	1,063,000	8,538,262	8.03
Wisconsin	2,653,000	16,785,908	6.33
Wyoming	232,000	2,000,000	8.62
Total, United States	129,488,000	758,054,041	5.854

Mr. JAVITS. I recently received a communication from the director of vocational rehabilitation of the State of Illinois describing funding constructions in providing services for the vocationally handicapped in that State, largely due to inequity in the Federal allocation formula. I ask unanimous consent that this communication be printed in the RECORD:

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF ILLINOIS DIVISION OF VOCATIONAL REHABILITATION,
Springfield, Ill.

Senator JACOB K. JAVITS,
Ranking Republican, Senate Committee on Human Resources, Washington, D.C.

DEAR SENATOR JAVITS: The Rehabilitation Act of 1973 authorized a study of the allocation formula for distributing basic vocational rehabilitation support funds. The purpose of the study was "to evaluate the equity of the current allocation formula and to develop and evaluate alternatives to it", as stated in the final report of the study. Social and Rehabilitation Services (SRS–HEW) contracted with JWK International Corporation to perform the study, and their final report was printed in July, 1974. Their major finding was that the current allocation formula is very inequitable in relation to the vocational rehabilitation needs of disabled citizens, as it distributes disproportionately low amounts to heavily-populated states that have relatively high per capita incomes. The Illinois Division of Vocational Rehabilitation fully concurs with this finding and requests your consideration in changing the formulas to effect more equitable funding and to thus better serve the vocational rehabilitation needs of disabled citizens.

The current (Hill-Burton) allocation formula is based on mathematical manipulations of two factors: population and "ability-to-pay". In the JWK International study there was an analysis of three alternative methods for calculating the states' allocations, using those same two factors. On the attached "fact sheet" the difference between the current formula and the proposed alternatives are briefly outlined. The resulting allocation variations for Illinois are also listed on that fact sheet (source: Vocational Rehabilitation State Allocation Study, Final Report, Executive Summary, July 19, 1974). As alluded to on that fact sheet, we believe that the current formula places an unreasonably strong emphasis on the ability-to-pay factor. We recognize that the "wealthy" should pay for relatively more of social service costs than the "poor", but we also believe that the concern has been exaggerated in the allocation formula to the point of grossly inequitable funding for the disabled and vocationally handicapped citizens of "wealthy" states. The effect of the current allocation formula on the disabled citizens of Illinois can be viewed from the following perspective. Based upon available data it is indicated that 500,000 disabled individuals in the state are eligible for or could benefit from the provision of vocational rehabilitation services. In fiscal year 1977 our agency anticipates serving approximately 63,000 disabled persons. The average cost per client is approximately $3,000. Translated into expansion of rehabilitation services, an increase of six million dollars by means of adoption of the "unsquared" Hill-Burton formula would permit our agency to serve an additional 2,000 clients annually. These individuals are now not receiving services due in part to the unavailability of additional resources. An adjustment of the Hill-Burton formula would assist greatly in correcting this deficiency.

Accordingly, we would appreciate any consideration you can give to adjusting the allocation formula to provide for more equitable distribution of federal funds. This adjustment will permit our agency to provide services to a great number of disabled citizens of the State of Illinois.

Sincerely,

JAMES S. JEFFERS,
Director.

Mr. JAVITS. Mr. President, the inequity inherent in the current allocation formula has been recognized not merely by those States which find themselves unable to provide handicapped persons requisite services for vocational rehabilitation. The Department of Health, Education, and Welfare has recommended that Federal funds for basic vocational rehabilitation services be allocated according to a formula which is based upon an estimate of the relative proportion of the vocational rehabilitation target population within each State.

PROVISIONS OF THE BILL

The formula contained in the bill is based upon the recommendations of the 1974 State allocation study authorized by Congress. Accordingly the formula in S. 2042 provides that future authorizations above fiscal year 1978 levels be based on relative State population, with a mechanism which "phases in" the population factor in the following manner:

Fiscal year 1979—20 percent by population, 80 percent by current formula.

Fiscal year 1980—40 percent by population, 60 percent by current formula.

Fiscal year 1981—60 percent by population, 40 percent by current formula.

Fiscal year 1982—80 percent by population, 20 percent by current formula.

Fiscal year 1983—100 percent by population.

Thus, this formula has an additional advantage, for it insures that virtually all States will continue to receive increasing Federal support for VR services over at least a 4-year period, while simultaneously improving equity of funding by phasing in the population factor which best represents need for services.

The following table, prepared by the Congressional Research Service, offers an estimated breakdown of the per capita allotment for rehabilitation services by State over the measure which we introduce today, based upon 1973–75 per capita income on 1976 population data.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—APPROXIMATE ALLOCATIONS (DOLLARS PER PERSON) FISCAL YEAR 1979 THROUGH FISCAL YEAR 1983 FOR GRADUAL PHASE-IN OF POPULATION FORMULA

State	Fiscal year—					
	1978	1979	1980	1981	1982	1983
Alabama	4.94	4.94	4.94	4.94	4.94	4.94
Alaska	5.24	5.24	5.50	5.76	6.02	6.28
Arizona	3.76	3.92	4.03	4.12	4.19	4.25
Arkansas	4.97	4.97	4.97	4.97	4.97	4.97
California	2.65	2.97	3.28	3.60	3.92	4.25
Colorado	3.21	3.46	3.66	3.86	4.06	4.25
Connecticut	2.25	2.62	3.00	3.40	3.82	4.25
Delaware	3.44	3.44	3.61	3.78	3.95	4.25
District of Columbia	7.73	7.73	7.73	7.73	7.73	7.73
Florida	3.46	3.63	3.80	3.96	4.11	4.25
Georgia	4.25	4.30	4.32	4.32	4.30	4.25
Hawaii	2.61	2.95	3.27	3.59	3.92	4.25
Idaho	4.03	4.13	4.19	4.23	4.25	4.25
Illinois	2.45	2.78	3.13	3.50	3.87	4.25
Indiana	3.60	3.72	3.87	4.00	4.13	4.25
Iowa	3.15	3.35	3.58	3.80	4.03	4.25
Kansas	3.12	3.37	3.60	3.82	4.04	4.25
Kentucky	4.64	4.64	4.64	4.64	4.64	4.64
Louisiana	4.71	4.71	4.71	4.71	4.71	4.71
Maine	4.64	4.64	4.64	4.64	4.64	4.64
Maryland	2.76	3.06	3.35	3.64	3.95	4.25
Massachusetts	3.14	3.33	3.56	3.79	4.02	4.25
Michigan	2.95	3.17	3.44	3.71	3.98	4.25
Minnesota	3.36	3.55	3.73	3.91	4.09	4.25
Mississippi	5.69	5.69	5.69	5.69	5.69	5.69
Missouri	3.81	3.91	4.02	4.11	4.19	4.25
Montana	3.83	3.94	4.04	4.13	4.20	4.22
Nebraska	3.24	3.44	3.65	3.85	4.05	4.25
Nevada	3.28	3.28	3.44	3.61	3.89	4.25
New Hampshire	3.99	4.07	4.14	4.20	4.23	4.25
New Jersey	2.50	2.82	3.16	3.52	3.88	4.25
New Mexico	4.84	4.84	4.84	4.84	4.84	4.84
New York	2.64	2.92	3.24	3.57	3.91	4.25
North Carolina	4.47	4.47	4.47	4.47	4.47	4.47
North Dakota	3.84	3.84	3.84	3.84	4.01	4.25
Ohio	3.43	3.56	3.74	3.92	4.09	4.25
Oklahoma	4.17	4.27	4.30	4.30	4.29	4.25
Oregon	3.48	3.68	3.84	3.98	4.12	4.25
Pennsylvania	3.37	3.54	3.73	3.91	4.08	4.25
Puerto Rico	7.58	7.58	7.58	7.58	7.58	7.58
Rhode Island	3.52	3.66	3.82	3.97	4.12	4.25
South Carolina	4.88	4.88	4.88	4.88	4.88	4.88
South Dakota	4.08	4.14	4.20	4.24	4.25	4.25
Tennessee	4.57	4.57	4.57	4.57	4.57	4.57
Texas	3.74	3.91	4.02	4.11	4.19	4.25
Utah	4.53	4.57	4.53	4.53	4.53	4.53
Vermont	4.46	4.49	4.47	4.62	4.83	5.04
Virginia	3.48	3.66	3.82	3.97	4.12	4.25
Washington	3.07	3.33	3.56	3.79	4.02	4.25
West Virginia	4.69	4.69	4.69	4.69	4.69	4.69
Wisconsin	3.64	3.76	3.90	4.03	4.15	4.25
Wyoming	5.13	5.13	5.38	5.64	5.90	6.15

Fiscal year 1979: Hypothetical $800,000,000 appropriation; 80 percent current formula; 20 percent population formula.
Fiscal year 1980: Hypothetical $840,000,000 appropriation; 60 percent current formula; 40 percent population formula.
Fiscal year 1981: Hypothetical $880,000,000 appropriation; 40 percent current formula; 60 percent population formula.
Fiscal year 1982: Hypothetical $920,000,000 appropriation; 20 percent current formula; 80 percent population formula.
Fiscal year 1983: Hypothetical $960,000,000 appropriation; 100 percent population formula.
Assumptions: All appropriations are reduced by a constant percentage for grants to territories other than Puerto Rico.
Hold Harmless: Fiscal year 1978 allocation.
Minimum: 0.25 percent of total appropriation.
Warning: All estimates based on 1973–75 per capita income and 1976 population data.

Mr. JAVITS. Concomitant with the introduction of this bill, I am requesting specific recommendations from the President, HEW Secretary Califano, Assistant Secretary for Human Development Arabella Martinez, and leaders in the field of vocational rehabilitation services regarding the State allocation proposal we have offered and possible alternatives. While we strongly feel this approach would constitute a major improvement over the inequity of Hill-Burton, we are not inextricably tied to it and will welcome suggestions to improve the present formula.

With the introduction of this bill, we hope to generate productive discussion which will lead to greater equity of funding for vocational rehabilitation services.

The intention is direct: to provide handicapped individuals who require rehabilitation services more equitable opportunity to obtain such services regardless of their place of residence. We must understand that vocational rehabilitation services are the rationale for our Federal program, and that we must better aline our desire for the equity of access to services with the equity of funding among the States. We must not allow our handicapped citizens to suffer as pawns in a war of allocational jealousy among States.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2042

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rehabilitation Amendments of 1977".

SEC. 2. Effective for fiscal year 1979 only, section 110(a) of the Rehabilitation Act of 1973 (29 U.S.C. 730(a)) is amended—

(1) by striking out "For each fiscal year" and inserting in lieu thereof "(1) For the fiscal year 1979" in the first sentence thereof;

(2) by inserting after "ratio to" the following: "80 percent of" in the first sentence thereof;

(3) by striking out "(1)" and "(2)" and inserting in lieu thereof "(A)" and "(B)", respectively, in the first sentence thereof;

(4) by redesignating the second sentence thereof as paragraph (3); and

(5) by inserting after the first sentence the following:

"(2) For the fiscal year 1979, each State shall be entitled to an allotment of an amount bearing the same ratio to 20 percent of the amount authorized to be appropriated under subsection (b)(1) of section 100 for allotment under this section as the population of the State bears to the population of all States.".

SEC. 3. Effective for fiscal year 1980 only, section 110(a) of the Rehabilitation Act of 1973 (29 U.S.C. 730(a)) is amended—

(1) by striking out "For each fiscal year" and inserting in lieu thereof "(1) For the fiscal year 1980" in the first sentence thereof;

(2) by inserting after "ratio to" the following: "60 percent of" in the first sentence thereof;

(3) by striking out "(1)" and "(2)" and inserting in lieu thereof "(A)" and "(B)", respectively, in the first sentence thereof;

(4) by redesignating the second sentence thereof as paragraph (3); and

(5) by inserting after the first sentence the following:

"(2) For the fiscal year 1980, each State shall be entitled to an allotment of an amount bearing the same ratio to 40 percent of the amount authorized to be appropriated under subsection (b)(1) of section 100 for allotment under this section as the population of the State bears to the population of all States.".

SEC. 4. Effective for fiscal year 1981 only, section 110(a) of the Rehabilitation Act of 1973 (29 U.S.C. 730(a)) is amended—

(1) by striking out "For each fiscal year" and inserting in lieu thereof "(1) For the fiscal year 1981" in the first sentence thereof;

(2) by inserting after "ratio to" the following: "40 percent of" in the first sentence thereof;

(3) by striking out "(1)" and "(2)" and inserting in lieu thereof "(A)" and "(B)", respectively, in the first sentence thereof;

(4) by redesignating the second sentence thereof as paragraph (3); and

(5) by inserting after the first sentence the following:

"(2) For the fiscal year 1981, each State shall be entitled to an allotment of an amount bearing the same ratio to 60 percent of the amount authorized to be appropriated under subsection (b)(1) of section 100 for allotment under this section as the population of the State bears to the population of all States.".

SEC. 5. Effective for fiscal year 1982 only, section 110(a) of the Rehabilitation Act of 1973 (29 U.S.C. 730(a)) is amended—

(1) by striking out "For each fiscal year" and inserting in lieu thereof "(1) For the fiscal year 1982" in the first sentence thereof;

(2) by inserting after "ratio to" the following: "20 percent of" in the first sentence thereof;

(3) by striking out "(1)" and "(2)" and inserting in lieu thereof "(A)" and "(B)", respectively, in the first sentence thereof;

(4) by redesignating the second sentence thereof as paragraph (3); and

(5) by inserting after the first sentence the following:

"(2) For the fiscal year 1982, each State shall be entitled to an allotment of an amount bearing the same ratio to 80 percent of the amount authorized to be appropriated under subsection (b)(1) of section 100 for allotment under this section as the population of the State bears to the population of all States.".

SEC. 6. (a)(1) The first sentence of section 110(a) of the Rehabilitation Act of 1973 (29 U.S.C. 730(a)) is amended to read as follows: "For the fiscal year 1983, and thereafter, each State shall be entitled to an allotment of an amount bearing the same ratio of the amount authorized to be appropriated under subsection (b)(1) of section 100 for allotment under this section as the population of the States bears to the population of all States.".

(2) Section 110 of such Act is amended by adding at the end thereof the following new subsection:

"(d) The population of the several States

and of the United States shall be determined on the basis of the most recent data available, to be furnished by the Department of Commerce by October 1 of the year preceding the fiscal year for which funds are appropriated pursuant to statutory authorizations.".

(b)(1) Section 8 of such Act is repealed.

(2) Sections 9 and 10 of such Act, and all references thereto, are redesignated as sections 8 and 9, respectively.

(c) The amendments made by this section shall take effect October 1, 1983.

By Mr. BAKER (for Mr. THURMOND:)

S. 2043. A bill to provide for a separate agency within the Department of Labor to be known as the Veterans' Employment Service, to authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment, and for other purposes; to the Committee on Governmental Affairs.

Mr. BAKER. Mr. President, on behalf of the Senator from South Carolina (Mr. THURMOND), I send a bill to the desk for appropriate reference and ask unanimous consent that a statement by him, together with the text of the bill, be printed in the RECORD.

There being no objection, the statement and bill were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THURMOND

I wish to add my full support to the nomination of Roland Mora as the Deputy Assistant Secretary of Labor for Veterans' Employment. I am impressed with Mr. Mora's sincerity and his determination to serve the veterans effectively in this position.

This confirmation represents the culmination of the efforts of many. Credit for the enactment of the DAS position should go to the veterans organizations—the American Legion, the VFW, AMVETS, the Paralyzed Veterans of America, and the Blinded Veterans Association. The DAS position is not all that many of us had worked for over the years. There has always been strong support among the veterans organizations for the position of a full Assistant Secretary of Labor for Veterans Employment to carry out the Congressionally mandated programs designed to assure jobs for veterans.

Members of the Congress are continuously inundated with statistics, affecting every facet of American life from peanuts and hyperkinetic children to troop strengths and the national debt. One statistic, however, that has consistently been brought to the forefront of concerned persons in the area of veterans' affairs has been the unemployment rate among the veterans population, especially among the younger, Vietnam era veterans. Particularly troublesome has been the incidence of unemployment among the veterans as compared to their non-veteran peers of the same age group.

As disturbing as statistics in this area may have been, however, they cannot in any true sense describe the despair of the veterans who are denied the dignity of working to earn their livelihoods because they cannot avail themselves of employment rights to which they are entitled under the law.

The position of Deputy Assistant Secretary of Labor for Veterans Employment was created to ensure that the mandates of Congress are carried out in the area of veterans employment. Unfortunately, the Veterans Affairs Committee has not received the desired assurances from the Department of Labor that the DAS position will be supported to the extent necessary to carry out the important functions of the office. Specifically, the Department of Labor has failed to give satisfactory assurances concerning the pay grade of the DAS position; the Department has failed to explain satisfactorily what role the DAS will play as the principal advisor to the Secretary of Labor for matters affecting veterans employment programs; and it has not clarified fully the extent to which the DAS will participate in the formulation of policies affecting veterans' matters.

I support the position of Deputy Assistant Secretary of Labor for Veterans Employment and I support the Administration's nominee, Roland Mora. I wish him the best of luck in solving the unemployment problems of the veterans population and pledge to give his office my full support. However, in fulfillment of what I perceive this nation's responsibility to be to its veterans in assisting them obtain meaningful employment, I am, concurrently with my vote of support for Mr. Mora, introducing legislation which will elevate the DAS position to a full Assistant Secretary of Labor for Veterans' Employment and which would establish the Veterans' Employment Service as a separate agency within the Department of Labor. In the event the DAS position proves to be ineffectual, I anticipate this measure would gain increasing support in the months ahead.

S. 2043

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that Section 2 of the Act of April 17, 1946, as amended (29 U.S.C. 553), is amended by—

(1) striking out "five" in the first sentence of such section and inserting in lieu thereof "six"; and

(2) adding at the end thereof a new sentence as follows: "One of such Assistant Secretaries shall be an Assistant Secretary for Veterans' Employment."

SEC. 2. There is hereby created within the Department of Labor a separate agency to be known as the Veterans' Employment Service which shall be headed by the Assistant Secretary of Labor for Veterans' Employment. Such Service shall be responsible for carrying out the policies and purposes of chapters 41, 42, and 43 of title 38, United States Code, and such other functions as may be required by law or regulation.

SEC. 3. Paragraph (20) of section 5315 of title 5, United States Code, is amended by striking out "(5)" and inserting in lieu thereof "(6)".

By Mr. HELMS:

S. 2044. A bill to establish the Federal Legal Aid Corporation, and for other purposes; to the Committee on the Judiciary.

THE FEDERAL LEGAL AID CORPORATION ACT OF 1977

Mr. HELMS. Mr. President, a fundamental aspect of any free society is the ability of its citizens to defend or assert their rights before an independent and impartial judiciary. The phrase "equal justice under law" has a very hollow ring indeed if substantial numbers of our fellow citizens can be denied their day in court because of an inability to afford an attorney.

For some time now, Government and the legal profession have recognized an obligation to provide legal services to defendants in criminal proceedings who would otherwise not be able to afford a legal defense. During the past few years many in Government have recognized a need to provide similar legal counsel in civil matters to those who would otherwise be denied many of the benefits of the American judicial process.

Since entering the Senate, I have supported the principle that Government provide a means by which those who cannot afford legal counsel can also have their day in court. As far as this Senator is concerned, the real debate over legal services is not one between those who seek to assist the poor of this country in obtaining equal justice under law and those who seek to deny them that right. Indeed, the legal services debate is of a very different character.

Mr. President, the principles of equal justice under law and the right of any person to a fair and impartial determination of his claims in a court of law is strongly embraced by the vast majority of Americans. I suspect there are very few Americans who so misunderstand the history and purpose of this country as would deny these fundamentals of our heritage. Yet the history of the Federal Government's involvement with the delivery of legal services, first through the Office of Economic Opportunity and now through the Legal Services Corporation, has been fraught with bitterness and controversy.

The reason for this controversy is very simple. Rather than limiting their activity to providing assistance with the personal and individual legal problems of the poor, employees of the legal services program have assumed the role of conspicuous, federally financed advocates of political and social causes. Under the guise of serving the poor, these taxpayer-funded social engineers have promoted militant extremism, graduated state income tax, student protests, racial quotas in employment and education, increased government welfare programs, Indian land claims, homosexual demands, rent strikes, and boycotts of private businesses. They have used taxpayers' money for lobbying efforts, organizing special interest and pressure groups and have engaged in class action suits, not on behalf of the poor, but to promote alleged social reforms.

Mr. President, the demands of special interest groups regarding quotas in employment and education, abortion, marijuana legalization, homosexual demands, and unrestrained pornography may be protected under the first amendment, but they have no right being lobbied and promoted by taxpayer-funded lawyers, who, in so doing, ignore the legal problems of the poor they are paid to represent. The American public resents this abuse of their hard-earned tax dollars and it is well that they should.

Although much of the legal services activity has been concerned with personal legal problems in such areas as housing, bankruptcy, debtor-creditor relations and family relations, a substantial amount of time and money has been spent in so-called legal activism promoting the social goals of special interest groups. This activity under the guise of legal activism or law reform is simple political advocacy in unrestrained form. It may be carried on in the guise of litigation, but its purpose and its impact is to change and, in effect, to make law.

This activity of the legal services program amounts to nothing less than a legislative activity. It is making law. It

is politics in its fullest sense; and in a democracy, it is also politics in its lowest sense. Political activity, even when disguised as litigation in the judicial system, ought to be subject to the traditional checks and balances of the free political system. It is undemocratic to give power to narrow political factions and at the same time insulate the use of this power from the restraints of free government.

A central issue regarding this legislation today is whether the efforts for social action and social change by a narrow minority should be financed with Government money. Using money taken from the taxpayers to advance the cause of one section of the population over another creates a system of new injustice. The proper forum for political questions is the political process, the constitutionally established system of checks and balances in our National and State legislatures.

The use of the judicial system and the administrative process to effect social reform makes an end run around the constitutional system of our country. Ultimately this practice destroys the popular consensus and support which is necessary for long-term reform and democratic government itself. This is why during 1973 I strongly supported amendments to the original Legal Services Corporation bill, amendments which were finally adopted by the Congress, to restrain legal services attorneys from pressuring courts to legislate rather than adjudicate.

But even if the present legal services program could be reformed to prevent these political abuses, the present approach to providing these services is deeply flawed. Essentially, the present legal services program, as is the case with so many Federal welfare programs, treats its poor clients with a patronizing approach which denies them the same position as the normal consumer of legal services. It thus instills an attitude of second-class citizenship.

First, the poor person seeking assistance from the legal services program does not have the freedom to choose his own attorney as does his self-sufficient counterpart. Under the present approach the poor client must accept whatever attorney is provided by the legal services program.

Second, the poor person seeking legal services assistance enters an attorney-client relationship which is very different from tl.e normal relationship. Since the attorney and the poor client understand that the client does not control the attorney's fee and has nowhere else to go for help, the legal services attorney tends to gain dominance in his relationship with his client. Because the attorney's fee is paid by someone other than the client, the attorney is continually faced with a potential conflict-of-interest situation.

Third, subsidized lawyers, with a federally assured income, are free to spend their time on appeals of test cases to promote the national goals of special interest groups, rather than on effective representation of poor clients.

Mr. President, there is an alternative to the present system which would be free of political abuses and which would place the poor client on the same level as any other client of legal services from a private attorney.

Today I am introducing legislation to create a new means of delivering legal services, entitled the "Federal Legal Aid Corporation Act of 1977."

This legislation would set up a small congressionally chartered corporation which would operate as both a funding and a compliance mechanism. The new corporation would transfer appropriated moneys to qualified State governments. A State government would qualify by adopting one of the following three procedures:

First, a State could empower an existing or new State agency to disburse funds to individual attorneys representing eligible cilents.

Second, it could transmit funds to the bar association with overall jurisdiction in the State, if the bar association has established a method to disburse funds to attorneys representing eligible clients, as for example, under the judicare approach.

Third, a State could establish a method of direct payment to eligible clients or their attorneys based upon a voucher system of proof.

Within this framework, the States would have full freedom to design their own program to suit local conditions, so long as clients retain the right to obtain the individual attorneys of their choice. This legislation also contains appropriate restrictions on lobbying and political activity by attorneys while engaged in activities funded by the program.

Further, this program includes an equitable geographic distribution of appropriated funds based upon the proposition of eligible clients in each State. The standard of eligibility set by this legislation is the same standard as that of the medicaid formula; a standard already endorsed by Congress, State legislatures and welfare groups.

This proposal restores freedom of choice to poor people in retaining legal assistance. It is client-oriented, rather than attorney-oriented. It provides for greater and more active participation by local bar associations. It involves local attorneys more intimately in the problems of the poor community. It sets up a sound basis for a stable, ethical attorney-client relationship. Finally, it allows the people's representatives in the State legislatures to play a proper role in designing and implementing the program in each State.

Mr. President, the present legal services delivery system is grossly deficient and the widespread controversy surrounding it is a valid indication of that deficiency. It has distorted the attorney-client relationsihp and has been subject to numerous political abuses in promoting the objectives of special interest groups with taxpayers' money. It has sought time and again to thrust the burden of politics upon our courts. The Federal Legal Aid Corporation Act of 1977 will go far in reforming many of these abuses while increasing the delivery of personal legal assistance to the poor. Mr. President, I ask unanimous consent that the Federal Legal Aid Corporation Act of 1977 be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2044

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; PURPOSE

SECTION 1. (a) This Act may be cited as the "Federal Legal Aid Corporation Act of 1977".

(b) Where fundamental rights are to be protected and justice attained, it is essential that the institutions of government be accessible to all. In a nation where justice is dispensed by the courts it is inherent that they be available to all regardless of race, religion, sex, national origin, or personal wealth.

DEFINITIONS

SEC. 2. (a) The word "State" shall include each of the several States of the United States, the Commonwealth of Puerto Rico, and the District of Columbia.

(b) An "eligible client" shall be an individual in need of professional legal services who meets certain criteria as established in section 4, subsection (k)(4) of this Act.

(c) A "State instrumentality" shall be an agency of a State government established solely to carry out the purposes of this Act, or an existing State agency which shall have assigned to it by the State the responsibility to carry out the purposes of this Act.

ESTABLISHMENT AND GOVERNANCE

SEC. 3. (a) There is authorized to be established in the Federal City a nonmembership nonprofit corporation chartered by the Congress of the United States of America which shall be known as the Federal Legal Aid Corporation (hereinafter referred to as the "Corporation").

(b) The Corporation shall be brought into being by a board of directors (hereinafter "Board") consisting of seven members who shall be appointed by the President of the United States of America, to take office upon confirmation by the United States Senate.

(c) Of the initial members of the Board, one each shall be chosen for fixed terms of seven, six, five, four, three, two, and one year(s), respectively. Succeeding appointments to fill terms which have expired, will be for seven years each. Each person duly appointed by the President and confirmed by the Senate, to fill a vacancy, shall serve for the balance of the term to which he was appointed. No member shall be appointed for more than seven years.

(d) No more than four members of the Board shall be members of the same political party. A majority of the members of the Board shall be members of the bar of the highest court of a State and none shall be full-time employees of the United States.

(e) No fewer than four members of the Board may be present to conduct the business of the Corporation. Should there, at any time after the Corporation has come into being, be fewer than four members, as a result of the failure of the Senate to confirm nominations submitted by the President of the United States, the President may designate one of the remaining directors or, if none remain, some other citizen of the United States, to supervise the affairs of the Corporation in a manner not inconsistent with policies already established.

(f) The terms of the original members of the Board shall be measured from the date on which this Act is enacted into law.

(g) The Board of Directors shall have a Chairman, to be appointed by the President of the United States from among the duly

appointed members of the Board of Directors for a term of one year, with the term of the first Chairman to be measured from the date on which this Act is enacted into law. If the President shall fail to name a Chairman within thirty days of a vacancy in the chairmanship, the members of the Board shall choose a Chairman from their own membership. No Chairman may immediately succeed himself. A Chairman may be removed at any time by a vote of a majority of the members of the Board.

(h) Meetings of the Board shall be held at the call of the Chairman, or by written request of a majority of its members, and shall be required to be held at least once in every four-month period. All meetings shall be held in the Federal city, except by unanimous agreement of the members of the Board.

(i) The purpose of the Corporation shall be—

(1) to render financial assistance to the States to enable the provision of legal assistance to the States to enable the provision of legal assistance to qualified individual citizens who are indigent and in need of professional legal services (hereinafter "eligible clients");

(2) to assist in the provision of legal services to eligible clients by obtaining and making available information of a technical nature to those rendering legal services to eligible clients; and

(3) to, consistent with the provisions of this Act, set forth such procedures and regulations governing the use of Federal funds as may be authorized for expenditure by the Corporation.

(j) The Corporation shall maintain a principal office in the Federal city and shall therein designate an authorized agent for service of process.

(k) Subject to approval by a majority of the members of the Board, the Chairman shall select an Executive Director of the Corporation who shall serve at the pleasure of the Chairman, and be authorized to secure as many staff members as may be authorized pursuant to law, but in no event shall the Corporation have more than twenty-five employees. Employees of the Corporation shall serve at the pleasure of the Executive Director. No Executive Director may serve more than four years.

(l) Compensation of Board members shall be limited to cost of travel plus a per diem rate equal to one two-hundred-sixtieth the annual pay of the highest civil service grade schedule on days actually employed on corporation affairs. The Executive Director shall be compensated at the rate of an employee in the highest civil service grade.

CORPORATION POWERS, REQUIREMENTS, AND PROHIBITIONS

SEC. 4. (a) The Corporation shall assign and disburse all funds appropriated to it to the governments of the several States, as qualify, in amounts proportionate to their respective shares of the total number of eligible clients in the United States (which shall be calculated so as to include eligible clients in the District of Columbia and the Commonwealth of Puerto Rico), as of June 30 of the fiscal year preceding the fiscal year for which an appropriation is made by Congress to further the provisions of this Act, only excepting:

(1) such funds as are necessary for administrative expenses including compensation of the Executive Director and his staff, payment of expenses and per diem of Board members, costs incurred in purchase and rental of space and equipment, and costs necessary to pay such audits, evaluations, and inspections as may be required to assure adherence to the provisions of this Act;

(2) such funds as may be made available by special grant to the various States as incentives to experiment with alternative delivery systems for legal services to eligible clients. Funds available to the Corporation for special grants shall be limited to maximum of 5 per centum of the Corporation's annual appropriation; and

(3) such funds as may be expended by the Corporation in entering into any contract as provided for in subsection (b) below. Funds available to the Corporation for such a contract shall be determined by Congress at the time of the Corporation's appropriation.

(b) The Corporation shall have the power to contract with a private or public group, association, or organization for the purpose of doing research into special legal problems encountered by those who qualify as eligible clients. Such research shall be made available by the Corporation to those rendering legal assistance to eligible clients and to all others interested in such research.

(c) Funds appropriated to the Corporation, or appropriated by the Corporation to the States, shall only be used to make legal assistance available to individual eligible clients, and to pay necessary expenses as authorized by subsection (a), above.

(d) No funds shall be disbursed by the Corporation to any State until said State has qualified as set forth in section 5.

(e) Personnel employed by the Corporation and funds appropriated to the Corporation or disbursed by it to a State shall not be used or commingled with other funds being used—

(1) to initiate, organize, support, represent, or assist any training program, workshop, seminar, school, publication, newsletter, club, association, group, organization, demonstration, boycott, meeting, rally, march, strike, or any other activity, group, or institution;

(2) to support or oppose, directly or indirectly, any candidate for public or party office, or any political party;

(3) to represent any person less than eighteen years of age without formal written consent of one of said person's parents or guardian; or

(4) in a manner which tends to discriminate in favor of or against individual attorneys, employees, or clients, on grounds of race, religion, sex, or national origin;

(f) The Corporation shall not—

(1) initiate or defend litigation on behalf of clients other than the corporate entity itself;

(2) seek to influence, nor shall any funds appropriated or disbursed by it be used to influence the passage or defeat of any legislation by the Congress or State or local legislative bodies or otherwise support any group or association advocating or opposing any legislative proposals, ballot measures, initiatives, referendums, executive orders, or similar enactments or promulgations.

(g) The income or assets of the Corporation shall not inure to the benefit of any director, officer, or employee thereof, except as salary or reasonable compensation for services.

(h) Persons directly or indirectly receiving compensation under this Act, as attorneys, for the provision of legal assistance, shall only receive such compensation subsequent to admission to practice law in the jurisdiction where such assistance is rendered.

(i) Persons advocating disregard or violation of Federal or State law, during their service, may not receive compensation under this Act.

(j) Notwithstanding the provisions of title I of the United States Code, all persons salaried by the Corporation, or paid from funds disbursed by the Corporation through the States in an amount which is equal to 50 per centum or more of said person's income during any four-month period, shall be subject to the provisions of rule IV of the civil service rules prescribed by the President of the United States pursuant to section 3301 of title 5, United States Code, as amended as of the date of enactment of this Act, as if said employees were employees of the Federal Government. Said employees shall not be treated as employees of the Federal Government for any purpose not specifically authorized in this Act.

(k) Funds made available by the Corporation, pursuant to this Act, may not be used—

(1) to provide legal services with respect to any criminal proceeding or, in the case of juveniles, proceedings which would be criminal if involving adults (including any extraordinary writ, such as habeas corpus and coram nobis, designed to challenge a criminal proceeding); or,

(2) for any of the political activities described in this section, or to contribute to or in any way assist any group or association participating in such activities;

(3) to maintain any action at law until such time as any and all administrative remedies provided for in applicable contracts have been exhausted; or

(4) to represent any person who fails to meet eligibility standards established in accordance with this subsection.

An individual shall be eligible for legal assistance pursuant to this Act (an "eligible client") if his assets or income would entitle him to receive benefits, in the State in which he is seeking legal assistance, under the program of the State established pursuant to title XIX of the Social Security Act or, in the event a State has not established a program, an indivdual shall be eligible for legal assistance pursuant to this Act if his income and assets fall below the official poverty line, as defined by the Office of Management and Budget, except that (1) no person shall be eligible for the receipt of legal services provided through this program if his lack of assets or income results from his refusal or unwillingness to seek or accept employment but in no event shall physical or mental incapacity prohibit an individual from receiving benefits under this Act, and (2) the States may impose additional eligibility criteria for the purpose of this Act.

(l) The Corporation shall evaluate annually the program for provision of legal services to eligible clients being conducted in each State. Should any such evaluation disclose: discrimination on the basis of race, religion, sex, or national origin in the provision of legal services to eligible clients; or violation of the code of professional responsibility for attorneys, in any State's program, the Corporation may terminate disbursal of funds to that State until it is determined by the Corporation that such discrimination or violation of the code of professional responsibility will no longer occur.

(m) Upon request by any Governor, Member of Congress, or authorized officials of executive branch departments and agencies, reports of particular audits, evaluations, and inspections will be made available to the requesting official or to the public. Such inspections, audits, and evaluations shall be initiated in response to the written request of any Governor, Member of Congress, or official of the executive branch whose appointment has been confirmed by the United States Senate or the separate request of a member of the Board or Executive Director of the Corporation.

(n) Violation of any of the provisions of this section by an individual shall constitute a misdemeanor. The penalties for such shall not exceed six months imprisonment or a $500 fine or both.

QUALIFICATION BY STATES

SEC. 5. (a) To qualify for assignment of funds from the Corporation, States shall be required to enact enabling legislation setting forth the manner in which grant funds will

be used to furnish eligible individuals with legal assistance. Such enabling legislation shall provide for at least one of (but none other than) the following procedures:

(1) Empower a State instrumentality to administer the funds received from the Corporation and disburse such funds to attorneys representing eligible clients as such attorneys provide proof to such State instrumentality of services actually rendered eligible clients; or,

(2) Transmit the funds received from the Corporation to the bar association with overall jurisdiction in the State, which bar association shall have established a method for disbursal of funds to attorneys representing eligible clients as such attorneys provide proof to the bar association of services actually rendered on behalf of eligible clients; or,

(3) Establishment of a method of direct payment of funds received from the Corporation to eligible clients or their attorneys based upon a voucher system or other method whereby proof of services actually rendered on behalf of eligible clients is provided to the State.

(b) In their enabling legislation, all States shall (1) permit eligible clients to retain the individual attorney of their choice; (2) insure that all attorneys, while engaged in activities funded by Corporation grants:

(A) Refrain (i) from political activity, (ii) from any voter registration activity, (iii) from any activity to provide voters with, or prospective voters with, transportation to or from the polls or provide similar assistance in connection with an election, and (iv) from any activity organizing individuals or groups or encouraging groups to organize in the community.

(B) Shall not at any time identify the Corporation or any program assisted by the Corporation with any partisan or nonpartisan political activity.

(C) Maintain the highest quality of service and professional standards in providing legal services to eligible clients.

(c) In the event a State does not enact the required enabling legislation within ninety days of the effective date of this Act or the legislature of a State is not sitting when this Act becomes effective and will not be able to enact the required enabling legislation within ninety days of the effective date of this Act, the bar association of the State may submit a plan in the form of a petition, embodying the provisions of subsections (a) and (b), above to the court of highest jurisdiction in the State. Said court may adopt such plans and upon such adoption, the State shall be qualified to receive funds pursuant to this Act. Where such a plan is adopted by the court of highest jurisdiction in the State, the plan shall be annually reviewed by said court: *Provided,* That nothing contained herein shall be construed to prevent the State legislature from reviewing, amending, or revoking such plan adopted by the court of highest jurisdiction in the State.

(d) In the event a State fails to adopt a plan as provided in subsections (a), (b), and (c), above, within one hundred and twenty days of the effective date of this Act, the Corporation may assign funds for expenditure within said State in a manner to be determined by the Corporation: *Provided, however,* That, shall a State determine not to participate in a program of legal assistance to eligible clients, pursuant to this Act, the authority of the Corporation to so assign funds in that State shall be terminated.

ATTORNEY-CLIENT RELATIONSHIP

SEC. 6. (a) As this program is one for the benefit of those individuals financially unable to afford counsel, the Corporation, officers, and employees thereof, may not interfere with any attorney in carrying out his professional responsibility to anyone who has become his client, or abrogate the authority of a jurisdiction to enforce adherence by any attorney to applicable standards of professional responsibility.

(b) Nothing contained herein shall be construed to limit an attorney, representing an eligible client, from taking any necessary legal action to protect the legal rights of his client.

REPORTS AND RECORDS

SEC. 7. (a) The Corporation shall have authority to require, from the States, such reports as it deems necessary.

(b) The Corporation shall have authority to prescribe the keeping of records with respect to funds provided and shall have access to such records at all reasonable times.

(c) The Corporation shall publish an annual report by April 15 of each year which shall be filed by the Corporation with the President and with Congress.

AUDITS

SEC. 8. (a) The accounts of the Corporation shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants who are certified by a regulatory authority of a State.

(b) The audits shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Corporation and necessary to facilitate the audits shall be made available to the person or persons conducting the audits and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons. The report of the annual audit shall be available for public inspection during business hours at the principal office of the Corporation. The above shall not be construed to limit the authority of the General Accounting Office to conduct such audits of the Corporation as deemed necessary.

(c) The Corporation may require from every State, an annual report conducted in accordance with generally accepted accounting standards by independent certified public accountants, who are certified by a regulatory authority of the State, with respect to funds received from the Corporation. The Comptroller General of the United States shall have access to such reports and may, in addition, inspect the books, accounts, records, files, and all other papers or property belonging to or in use by the State which relate to the disposition or use of funds received from the Corporation.

RIGHT TO REPEAL, ALTER, OR AMEND

SEC. 9. The right to repeal, alter, or amend this Act at any time is expressly reserved.

APPLICABILITY OF OTHER PROVISIONS OF LAW

SEC. 10. (a) In the absence of specific reference to this Act, the provisions of the Economic Opportunity Act of 1964, as amended (and references to that Act in other statutes) shall not be construed to affect the powers and activities of the Corporation or to have any applicability with respect to programs and activities assisted by Corporation grants.

(b) Title X of the Economic Opportunity Act of 1964 is repealed.

EFFECTIVE DATE

SEC. 11. (a) Except as provided in subsection (b) this Act shall take effect on the date of its enactment.

(b) Section 10(b) of this Act shall take effect on (1) the date of incorporation of the Federal Legal Aid Corporation, or (2) the date on which the first appropriation after incorporation becomes available to the Corporation, whichever is later.

By Mr. McGOVERN:

S. 2045. A bill to repeal the Foreign Agents Registration Act of 1938, as amended, and to establish new procedures for the effective registration of foreign agents in the United States; to the Committee on Foreign Relations.

FEDERAL REGISTRATION OF FOREIGN LOBBYING AND PROPAGANDA ACT

Mr. McGOVERN. Mr. President, on July 25, 1977—see CONGRESSIONAL RECORD, page 24732—I announced two initiatives to be undertaken by the Subcommittee on International Operations of the Senate Committee on Foreign Relations. One of these is an effort, through hearings and legislation, to strengthen the administrative and enforcement mechanisms now in effect under the provisions of the Foreign Agents Registration Act.

Passed in 1938 that act required persons and firms in the United States to disclose their activities on behalf of foreign governments, foreign political parties and other foreign principals. Notwithstanding numerous changes since its original enactment, the act's stated purpose remains unchanged:

". . . to protect the national defense, internal security, and foreign relations of the United States by requiring public disclosure by persons engaging in propaganda activities and other activities for or on behalf of foreign governments, foreign political parties, and other foreign principals so that the Government and the people of the United States may be informed of the identity of such persons and may appraise their statements and actions in the light of their associations and activities. 22 U.S.C. 611 note.

As this indicates, the purpose of the act is disclosure and publicity; it does not, and is not intended to, prohibit lobbying or propaganda in behalf of foreign interests.

In broad outline, the act: First, defines who must register with the Department of Justice as a foreign agent; Second, specifies how such agents are to register and report on their activities; Third, exempts certain types of foreign agents from registration; Fourth, has specific filing and labeling requirements for political propaganda disseminated by registered agents; Fifth, requires all registered agents to preserve books of account and other records on all their activities and to make these records available for inspection by the officials responsible for enforcing the act; Sixth, provides for public examination of all agents' registration statements, reports, and political propaganda filed with the Department; Seventh, imposes penalties for willful violation of the act or related regulations; and Eighth, specifies administrative and judicial enforcement procedures available to the Attorney General in bringing about compliance with the requirements of the act.

Since 1938, the act has been amended several times, including a general revision in 1942 and major amendments in 1966. These legislative changes, together with Justice Department efforts since 1974 to improve administrative procedures and to bolster the staff of the registration unit, have produced some positive results. Recent inquiries by the For-

eign Relations Committee, however, have indicated continued problems in administration and enforcement. A principal difficulty stems from the act's origins, which reflected early concern with subversive activities. This background, together with the popular negative image of foreign agents, apparently has caused a general reluctance to register, even on the part of those who represent foreign principals in legitimate areas. Thus, it appears that for many years a majority of registrations has resulted from informal "tips," leading to Government initiatives, rather than from unsolicited inquiries by potential registrants.

Another difficulty has been with the act's principal enforcement mechanisms—severe criminal penalties and injunctions—which experience has shown to be time-consuming and on occasion inadequate to the circumstances of today's world. For example, neither penalty nor injunction seems especially suited to deal with the practice of foreign agents who come into the country to conduct a lobbying and/or propaganda campaign on behalf of their foreign principals for short periods of time. Nor do the criminal penalties appear to be particularly effective in advancing the act's prime purpose of disclosure. As evident in the Justice Department's answers to committee inquiries, time-consuming judicial proceedings undertaken to compel compliance with its requirements are sometimes short-circuited by last-minute compliance.

Last year, in an effort to identify clearly all inadequacies in the act, the Committee on Foreign Relations submitted a long series of questions to the Departments of State and Justice. The replies to these inquiries have served as the stimulus to the drafting of a new bill, which I am introducing today. This legislation, which I anticipate will be refined through a process of hearings and deliberation, would:

First. Emphasize that the purpose of registration is not to disclose subversive activity but rather to protect the integrity of our Government's decision-making process and the public's right to the identification of the sources of foreign political propaganda.

Second. Improve the administrative machinery of the act by increasing the size of the Justice Department's foreign agents registration unit, and granting the Department the authority to use administrative subpoenas to insure timely and effective compliance with registration requirements.

Third. Clarify existing exemptions, notably the commercial and attorney-client exemptions, and establish safeguards against evasion and abuse.

Fourth. Require foreign agents to clear a claimed exemption with the Department of Justice.

Fifth. Require agents to maintain separate books of account and records with respect to agency-related activities.

Sixth. Set a statutory deadline for issuing formal notices of deficiency and noncompliance with the act's registration requirements.

Seventh. Direct all executive departments and agencies to cooperate with the Justice Department in furthering the purposes of the act.

Eighth. Authorize the Attorney General to obtain from other agencies of Government information pertinent to the work provided in the act.

Ninth. Plug the loophole in existing law with respect to political contributions by foreign agents.

To provide background material on this subject, the committee will release during the August recess a committee print prepared by the Library of Congress. My intention is to circulate both the draft bill and the committee print, soliciting comments from the public and private sector, and then to conduct hearings this fall with a view to the enactment next year of legislation which will result in a more effective foreign agents registration system.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2045

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the policy and purpose of this Act to protect the integrity of the decision-making process in the Government of the United States by requiring public disclosure by persons engaging in propaganda activities and other activities for or on behalf of foreign governments, foreign political parties, and other foreign principals so that the Government and the people of the United States may be informed of the identity of such persons and may appraise their statements and actions in light of their associations and activities.

SHORT TITLE

SEC. 2. This Act may be cited as the "Federal Registration of Foreign Lobbying and Propaganda Act".

DEFINITIONS

SEC. 3. For purposes of this Act, the following definitions shall apply:

(1) The term "person" means an individual, partnership, association, corporation, organization, or any other combination of individuals.

(2) The term "foreign principal" means—

(A) a government of a foreign country and a foreign political party;

(B) a person outside of the United States, unless it is established that such person is an individual and a citizen of, and domiciled within, the United States, or that such person is not an individual and is organized under, or created by, the laws of the United States or of any State or other place subject to the jurisdiction of the United States and has its principal place of business within the United States; or

(C) a partnership, association, corporation, organization or other combination of persons organized under the laws of, or having its principal place of business in, a foreign country.

(3) The term "agent of a foreign principal"—

(A) means any person who acts as an agent, representative, employee, or servant, or any person who acts in any other capacity at the order, request, or under the direction or control, of a foreign principal or of a person any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in part by a foreign principal, and who directly or through any other person—

(i) engages within the United States in political activities for, or in the interests of, such foreign principal;

(ii) acts within the United States as a public relations counsel, publicity agent, information-service employee or political consultant for, or in the interests of, such foreign principal;

(iii) within the United States solicits, collects, disburses, or dispenses contributions, loans, money, or other things of value for, or in the interests of, such foreign principal; or

(iv) within the United States represents the interests of such foreign principal before any agency or official of the Government of the United States; and

(B) means any person who agrees, consents, assumes, or purports to act as, or who is or holds himself out to be, whether or not pursuant to a contractual relationship, an agent of a foreign principal as defined in subparagraph (A); but

(C) does not include any news or press service or association organized under the laws of the United States, or any newspaper, magazine, periodical, or other publication published in the United States for which there is on file with the United States Postal Service information in compliance with section 3611 of title 39, United States Code, solely by virtue of any bona fide news or journalistic activities, including the solicitation or acceptance of advertisements, subscriptions, or other compensation therefor, if it is at least 80 percent beneficially owned by, and its officers and directors, if any, are citizens of the United States, and such news or press service or association, newspaper, magazine, periodical, or other publication, is not owned, directed, supervised, controlled, subsidized, or financed, and none of its policies are determined by, any foreign principal as defined in paragraph (2), or by any agent of a foreign principal required to register under this Act.

(4) The term "government of a foreign country" includes any person or group of persons exercising sovereign de facto or de jure political jurisdiction over any country, other than the United States, or over any part of such country, and includes any subdivision of any such group and any group or agency to which such sovereign de facto or de jure authority or functions are directly or indirectly delegated. Such term shall include any faction or body of insurgents within a country assuming to exercise governmental authority whether such faction or body of insurgents has or has not been recognized by the United States.

(5) The term "foreign political party" includes any organization or any other combination of individuals in a country other than the United States, or any unit or branch thereof, having for an aim or purpose, or which is engaged in any activity devoted in whole or in part to, the establishment, administration, control, or acquisition or administration or control, of a government of a foreign country or a subdivision thereof, or the furtherance or influencing of the political or public interests, policies, or relations of a government of a foreign country or a subdivision thereof.

(6) The term "public-relations counsel" includes any person who engages directly or indirectly in informing, advising, or in any way representing a principal in any public relations matter pertaining to political or public interests, policies, or relations of such principal.

(7) The term "publicity agent" includes any person who engages directly or indirectly in the publication or dissemination of oral, visual, graphic, written, or pictorial information or matter of any kind, including publication by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures or otherwise.

(8) The term "information-service em-

ployee" includes any person who is engaged in furnishing, disseminating, or publishing accounts, descriptions, information, or data with respect to the political, industrial, employment, economic, social, cultural, or other benefits, advantages, facts, or conditions of any country other than the United States or of any government of a foreign country or of a foreign political party or of a partnership, association, corporation, organization, or other combination of individuals organized under the laws of, or having its principal place of business in, a foreign country.

(9) The term "political propaganda" includes any oral, visual, graphic, written, pictorial, or other communication or expression by any person (A) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States racial, religious, or social dissensions, or (B) which advocates, advises, instigates, or promotes any racial, social, political, or religious disorder, civil riot, or other conflict involving the use of force or violence, in any other American republic or the overthrow of any government or political subdivision of any other American republic by any means involving the use of force or violence. As used in this paragraph, the term "disseminati~g" includes transmitting or causing to be transmitted in the United States mails or by any means or instrumentality of interstate or foreign commerce or offering or causing to be offered in the United States mails.

(10) The term "registration statement" means the registration statement required to be filed with the Attorney General under section 4 (a), and any supplements to such registration statement required to be filed under section 4 (b), and includes all documents and papers required to be filed with, amendatory of, or supplemental to, such registration statement or supplement, whether attached thereto or incorporated therein by reference.

(11) The term "American republic" includes any of the States which were signatory to the Final Act of the Second Meeting of the Ministers of Foreign Affairs of the American Republics at Habana, Cuba, July 30, 1940.

(12) The term "United States" when used in a geographical sense includes the several States, the District of Columbia, the Territories, the Canal Zone, the insular possessions, and all other places now or hereafter subject to the civil or military jurisdiction of the United States.

(13) The term "prints" means newspapers and periodicals, books, pamphlets, sheet music, visiting cards, address cards, printing proofs, engravings, photographs, pictures, drawings, plans, maps, patterns to be cut out, catalogs, prospectuses, advertisements, and printed, engraved, lithographed, or autographed notices of various kinds, and, in general, all impressions or reproductions obtained on paper or other material assimilable to paper, on parchment or on cardboard, by means of printing, engraving, lithography, autography, or any other easily recognizable mechanical process, with the exception of the copying press, stamps with a movable or immovable type, and the typewriter.

(14) The term "political activities" means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

(15) The term "political consultant" means any person who engages in informing or advising any other person with reference to the domestic or foreign policies of the United States or the political or public interest, policies, or relations of a foreign country or of a foreign political party.

(16) For the purpose of paragraph (4) of section 5, activities in furtherance of the bona fide commercial, industrial, or financial interests of a domestic person engaged in substantial commercial, industrial or financial operations in the United States shall not be deemed to serve predominantly a foreign interest solely on the ground that such activities also benefit the interests of a foreign person engaged in bona fide trade or commerce which is owned or controlled by, or which owns or controls, such domestic person, if (A) such foreign person is not, and such activities are not, directly or indirectly supervised, directed, controlled, financed, or subsidized, in whole or in substantial part, by a government of a foreign country or a foreign political party, (B) the identity of such foreign person is disclosed to the agency or official of the United States with whom such activities are conducted, and (C) whenever such foreign person owns or controls such domestic person, such activities are substantially in furtherance of the bona fide commercial, industrial, or financial interests of such domestic person.

(17) The term "exemption request" means the exemption request required to be filed with, and approved by, the Attorney General under section 4(a)(3).

REGISTRATION

SEC. 4. (a)(1) No person shall act as an agent of a foreign principal unless such person (A) has filed with the Attorney General a true and complete registration statement and supplements to such registration statement as required in this subsection and subsection (b), or (B) is exempt from registration under the provisions of this Act and has filed with the Attorney General an exemption request which the Attorney General has approved as provided in paragraph (3). Except as otherwise provided in this Act, not later than ten days after any person becomes an agent of a foreign principal, such person shall file with the Attorney General, in duplicate, a registration statement or an exemption request, under oath and on a form prescribed by the Attorney General. The obligation of an agent of a foreign principal to file a registration statement or an exemption request shall, after the tenth day of his becoming such an agent, continue from day to day, and the termination of such status shall not relieve such agent from his obligation to file a registration statement or an exemption request for the period during which he was an agent of a foreign principal.

(2) Each registration statement shall include—

(A) the registrant's name, principal business address, and all other business addresses in the United States or elsewhere, and all residence addresses, if any;

(B) in the case of a registrant who is an individual, the nationality of such individual; in the case of a registrant which is a partnership, the name, residence addresses, and nationality of each partner and a true and complete copy of its articles of copartnership; in the case of a registrant which is an association, corporation, organization, or any other combination of individuals, the name, residence addresses, and nationality of each director and officer, and of each person performing the functions of a director or officer, and a true and complete copy of its charter, articles of incorporation, association, constitution, and bylaws, and all amendments thereto and of every other instrument or document and a statement of the terms and conditions of every oral agreement relating to its organization, powers, and purpose, and a statement of its ownership and control;

(C) a comprehensive statement of the nature of the registrant's business; a complete list of registrant's employees and a statement of the nature of the work of each such employee, except that this requirement may be waived, in whole or in part, in writing by the Attorney General; the name and address of each foreign principal for whom the registrant is acting, assuming or purporting to act, or has agreed to act; the character of the business or other activities of each such foreign principal, and, in the case of a foreign principal which is not a natural person, a statement of the ownership and control of each such foreign principal, and the extent, if any, to which each such foreign principal is supervised, directed, owned, controlled, financed, or subsidized, in whole or in part, by any government of a foreign country or foreign political party, or by any other foreign principal;

(D) copies of each written agreement, and the terms and conditions of each oral agreement, including all modifications of such agreements, or, if no written or oral agreement exists, a full statement of all the circumstances by reason of which the registrant is an agent of a foreign principal; a comprehensive statement of the nature and method of performance of each such written or oral agreement, and of the existing and proposed activity or activities engaged in, or to be engaged in, by the registrant as agent of a foreign principal for each such foreign principal, including a detailed statement of any such activity which is a political activity;

(E) the nature and amount of contributions, income, money, or thing of value, if any, that the registrant has received within the preceding sixty days from each such foreign principal, either as compensation, for disbursement, or otherwise, and the form and time of each such payment and from whom received;

(F) a detailed statement of every activity which the registrant is performing, or is assuming or purporting or has agreed to perform, for himself or any other person other than a foreign principal and which requires his registration under this Act, including a detailed statement of any such activity which is a political activity;

(G) the name, business, and residence addresses, and, in the case of an individual, the nationality, of any person other than a foreign principal for whom the registrant is acting, assuming or purporting to act, or has agreed to act under such circumstances as require his registration under this Act; the extent to which each such person is supervised, directed, owned, controlled, financed, or subsidized, in whole or in part, by any government of a foreign country or foreign political party or by any other foreign principal; and the nature and amount of contributions, income, money, or things of value, if any, that the registrant has received during the preceding sixty days from each such person in connection with any of the activities referred to in subparagraph (F), either as compensation, for disbursement, or otherwise, and the form and time of each such payment and from whom received;

(H) a detailed statement of the money and other things of value spent or disposed of by the registrant during the preceding sixty days in furtherance of, or in connection with, activities which require his registration under this Act and which have been undertaken

by him either as an agent of a foreign principal or for himself or any other person, or in connection with any activities relating to his becoming an agent of such principal, and a detailed statement of any contributions of money or other things of value made by him during the preceding sixty days (other than contributions the making of which is prohibited under the provisions of section 441 (e) of title 2, United States Code) in connection with an election to any political office or in connection with any primary election, convention, or caucus held to select candidates for any political office;

(I) copies of each written agreement, and the terms and conditions of each oral agreement, including all modifications of such agreements, or, if no written or oral agreement exists, a full statement of all the circumstances by reason of which the registrant is performing, or assuming or purporting or has agreed to perform, for himself or for a foreign principal or for any person other than a foreign principal any activities which require his registration under this Act;

(J) such other statements, information, or documents pertinent to the purposes of this Act as the Attorney General, in the public interest, may, from time to time require;

(K) such further statements and such further copies of documents as are necessary to make the statements made in the registration statement and the supplements to and the copies of documents furnished with, such registration statement, not misleading. All of the statements, information, or documents required in this paragraph to be included in such registration statement shall be deemed material for purposes of this Act.

(3) Each exemption request shall contain such information as the Attorney General shall require by regulation. Not later than thirty days after any exemption request is filed with the Attorney General, the Attorney General shall determine whether to approve such exemption request. If the Attorney General disapproves any exemption request, the agent of a foreign principal who filed such request shall, not later than ten days after receiving notice of the disapproval, file a registration statement in accordance with the provisions of this section. If the Attorney General approves any exemption request, such agent shall be exempt from registration for a period of one year after the date of the approval, unless such agent ceases to qualify for the exemption approved by the Attorney General. Each such agent shall notify the Attorney General not later than ten days after any change occurs in the character of his activities which may result in his disqualification for such exemption. If the Attorney General determines that such agent no longer qualifies for such exemption, or for any other exemption under section 5, such agent shall, not later than ten days after receiving notice of the determination, file a registration statement in accordance with the provisions of this section.

(b) Every agent of a foreign principal who has filed a registration statement as required in subsection (a) shall, not later than thirty days after the expiration of each six-month period succeeding such filing, file with the Attorney General a supplement to such registration statement under oath and on a form prescribed by the Attorney General, which shall set forth with respect to such period such facts as the Attorney General may, in the public interest, deem necessary to make the information required in subsection (a)(2) accurate, complete, and current with respect to such period. With respect to any information furnished as required in subparagraph (C), (D), or (I) of subsection (a)(2), the registrant shall give notice to the Attorney General of any change therein not later than ten days after any such change occurs. If the Attorney General, having due regard for the public interest, determines that it is necessary to carry out the purposes of this Act, he may, in any particular case, require supplements to the registration statement to be filed at more frequent intervals with respect to any particular item of information to be furnished.

(c) Each registration statement and supplement to such registration statement shall be executed under oath—

(1) in the case of a registrant who is an individual, by such individual;

(2) in the case of a registrant which is a partnership, the managing partner and those individuals carrying out the responsibility of the agency; or

(3) in the case of any other registrant, by a majority of the officers or persons performing the functions of officers, or by a majority of the board of directors or persons performing the functions of diretcors of such registrant, if any.

(d)(1) Not later than sixty days after the Attorney General determines that any registration statement or supplement to a registration statement which has been filed with the Attorney General is not in compliance with the requirements of this Act, the Attorney General shall so notify the registrant in writing, specifying in what respects the statement or supplement is deficient. Not later than ten days after receiving a notice as provided in this paragraph, such registrant shall file an amended registration statement or supplement in full compliance with such requirements.

(2) The fact that any registration statement or any supplement, including an amended registration statement or supplement, has been filed shall not preclude prosecution, as provided for in this Act, for willful failure to timely file a registration statement or a supplement, a willful false statement of a material fact therein, the willful omission of a material fact required to be stated therein, or willful omission of a material fact or copy of a material document necessary to make the statements made in a registration statement, and supplements to, and the copies of documents furnished with, such registration statement, not misleading.

(e) the Attorney General may, by regulation, provide for the exemption—

(1) from registration, or from the requirement of furnishing any of the information required by this section, of any person who is listed as a partner, officer, director, or employee in the registration statement filed by an agent of a foreign principal as provided in this Act, and

(2) from the requirement of furnishing any of the information required by this section of any agent of a foreign principal,

where by reason of the nature of the functions or activities of such person the Attorney General, having due regard for the public interest, determines that such registration, or the furnishing of such information, as the case may be, is not necessary to carry out the purposes of this Act.

EXEMPTIONS

SEC. 5. The requirement in section 4 to file a registration statement and supplements to such registration statement shall not apply to any agent of a foreign principal who is also—

(1) a duly accredited diplomatic or consular officer of a foreign government who is so recognized by the Department of State, while such officers is engaged exclusively in activities which are recognized by the Department of State as being within the scope of the functions of such officer;

(2) an official of a foreign government, if such government is recognized by the United States, who is not a public-relations counsel, publicity agent, information-service employee, or a citizen of the United States, whose name and status and the character of whose duties as such official are of public record in the Department of State, while such official is engaged exclusively in activities which are recognized by the Department of State as being within the scope of the functions of such official;

(3) a member of the staff of, or any person employed by, a duly accredited diplomatic or consular officer of a foreign government who is so recognized by the Department of State, other than a public-relations counsel, publicity agent, or information-service employee, whose name and status and the character of whose duties as such member or employee are of public record in the Department of State, while such member or employee is engaged exclusively in the performance of activities which are recognized by the Department of State as being within the scope of the functions of such member or employee;

(4) a person engaging or agreeing to engage only (A) in private and nonpolitical activities in furtherance of the bona fide trade or commerce of such foreign principal, or (B) in other activities not serving predominantly a foreign interest, or (C) in the soliciting or collecting of funds and contributions within the United States to be used only for medical aid and assistance, or for food and clothing to relieve human suffering, if such solicitation or collection of funds and contributions is in accordance with and subject to the provisions of this Act of November 4, 1939, as amended (54 State. 4);

(5) a person engaging, or agreeing to engage, only in activities in furtherance of bona fide religious, scholastic, academic, or scientific pursuits or of the fine arts;

(6) a person qualified to practice law, to the extent that he engages in the legal representation of a disclosed foreign principal who is a defendant in a criminal proceeding before any court of law of the Government of the United States.

FILING AND LABELING OF POLITICAL PROPAGANDA

SEC. 6. (a) Every person within the United States who is an agent of a foreign principal and is required to register under the provisions of this Act and who transmits, or causes to be transmitted, in the United States mails or by any means or instrumentality of interstate or foreign commerce any political propaganda for, or in the interests of, such foreign principal (1) in the form of prints, or (2) in any other form which is reasonably adapted to being, or which he believes will be, or which he intends to be, disseminated or circulated among two or more persons shall, not later than forty-eight hours after the beginning of the transmittal thereof, file with the Attorney General two copies thereof and a statement, duly signed by or on behalf of such agent, setting forth full information as to the places, times, and extent of such transmittal.

(b)(1) It shall be unlawful for any person within the United States who is an agent of a foreign principal and is required to register under the provisions of this Act to transmit or cause to be transmitted in the United States mails or by any means or instrumentality of interstate or foreign commerce any political propaganda for, or in the interests of, such foreign principal (A) in the form of prints, or (B) in any other form which is reasonably adapted to being, or which he believes will be, or which he intends to be, disseminated or circulated among two or more persons, unless such political propaganda is conspicuously marked at its beginning with, or prefaced or accompanied by, a true and accurate statement, in the language or languages used in such political propaganda, which—

(1) sets forth the relationship or connection between the person transmitting the

political propaganda, or causing it to be transmitted, and such propaganda;

(ii) states that the person transmitting such political propaganda, or causing it to be transmitted is registered under this Act with the Department of Justice, Washington, District of Columbia, as an agent of a foreign principal, and the name and address of such agent of a foreign principal and of such foreign principal;

(iii) states that, as required by this Act, his registration statement is available for inspection at, and copies of such political propaganda are being filed with, the Department of Justice; and

(iv) states that registration of agents of foreign principals required by the Act does not indicate approval by the United States Government of the contents of their political propaganda.

(2) The Attorney General, having due regard for the public interest, may by regulation prescribe the language or languages and the manner and form in which such statement shall be made and require the inclusion of such other information contained in the registration statement identifying such agent of a foreign principal and such political propaganda and its sources as may be appropriate.

(c) The copies of political propaganda required by this Act to be filed with the Attorney General shall be made available for public inspection under such regulations as he may prescribe.

(d)(1) Upon the request of the Librarian of Congress, the Secretary of the Treasury and the Postmaster General are authorized to forward to the Library of Congress fifty copies, or as many fewer thereof as are available, of all foreign prints determined to be prohibited entry under the provisions of section 305 of title III of the Act of June 17, 1930 (46 Stat. 688), and of all foreign prints excluded from the mails under authority of section 1717 of title 18, United States Code, except that such copies shall not be distributed to the public by the Library.

(2) Notwithstanding the provisions of such section 305 and of such section 1717, the Secretary of the Treasury is authorized to permit the entry, and the Postmaster General is authorized to permit the transmittal in the mails, of foreign prints imported for governmental purposes by authority, or for the use, of the United States or for the use of the Library of Congress.

(e) It shall be unlawful for any person within the United States who is an agent of a foreign principal required to register under the provisions of this Act to transmit, convey, or otherwise furnish to any agency or official of the Government (including a Member or committee of either House of Congress) for, or in the interests of, such foreign principal any political propaganda or to request from any such agency or official for, or in the interests of, such foreign principal any information or advice with respect to any matter pertaining to the political or public interests, policies, or relations of a foreign country or of a political party or pertaining to the foreign or domestic policies of the United States, unless the propaganda or the request is prefaced or accompanied by a true and accurate statement to the effect that such person is registered as an agent of such foreign principal as provided in this Act.

(f) Whenever any agent of a foreign principal required to register under this Act appears before any committee of Congress to testify for or in the interests of such foreign principal, he shall, at the time of such appearance, furnish the committee with a copy of his most recent registration statement filed with the Department of Justice as an agent of such foreign principal for inclusion in the records of the committee as part of his testimony.

BOOKS, RECORDS, AND FUNDS

SEC. 7. (a) Each agent of a foreign principal registered as provided in this Act shall—

(1) preserve books of account and all other records with respect to all his activities the disclosure of which is required under the provisions of this Act;

(2) maintain such books and records separately from all other books and records not related to such activities;

(3) preserve such books and records for a period of three years from the date such agent ceases to be an agent of a foreign principal; and

(4) make such books and records available for inspection, at all reasonable times, by any official charged with the enforcement of this Act, except that if such agent fails to maintain separate books or records, such official may inspect all of such agent's books of account and records.

(b) It shall be unlawful for any agent of a foreign principal registered as provided in this Act to commingle his funds with any funds of such foreign principal. If such funds are commingled in violation of this subsection, the Attorney General may determine the respective interests of such agent and such foreign principal in such funds. Any determination by the Attorney General as provided in this subsection shall be conclusive.

(c) It shall be unlawful for any person willfully to conceal, destroy, obliterate, mutilate, or falsify, or to attempt to conceal, destroy, obliterate mutilate, or falsify, or to cause to be concealed, destroyed, obliterated, mutilated, or falsified, any books or records required to be preserved under the provisions of this section.

PUBLIC EXAMINATION OF OFFICIAL RECORDS

SEC. 8. (a) The Attorney General shall retain in permanent form one copy of all registration statements and all statements concerning the distribution of political propaganda furnished as provided in this Act, and such statements shall be public records and open to public examination and inspection at such reasonable hours as the Attorney General may prescribe by regulation, and copies of such statements shall be furnished to every applicant at such reasonable fee as the Attorney General may prescribe. The Attorney General may withdraw from public examination the registration statement and other statement of any agent of a foreign principal whose activities have ceased to be of a character which requires registration under the provisions of this Act.

(b) The Attorney General shall, promptly upon receipt, transmit one copy of each registration statement filed as provided in this Act and one copy of each amendment or supplement to such registration statement, and one copy of each item of political propaganda filed as provided in this Act to the Secretary of State for such comment and use as the Secretary of State may determine to be appropriate from the point of view of the foreign relations of the United States. Failure of the Attorney General so to transmit such copy shall not be a bar to prosecution under this Act.

(c) The Attorney General is authorized to furnish to departments and agencies in the executive branch and committees of the Congress any information obtained by him in the administration of this Act, including the names of registrants under this Act, copies of registration statements, or parts thereof, copies of political propaganda, or other documents or information filed under this Act, as is consistent with the purposes of this Act.

LIABILITY OF OFFICERS

SEC. 9. (a) It shall be the duty of each officer or director, or person performing the functions of an officer or director, of an agent of a foreign principal which is not an individual to cause such agent—

(1) to execute and file a registration statement and supplements to such statement, or an exemption request, as provided in section 4; and

(2) to comply with all other requirements in this Act.

(b) The provisions in subsection (a) shall apply notwithstanding the dissolution of any organization acting as an agent of a foreign principal.

(c) Each officer, director, and other person referred to in subsection (a) shall be subject to prosecution for any failure of such agent of a foreign principal to comply with the requirements of this Act.

POWERS OF ATTORNEY GENERAL

SEC. 10. (a) The Attorney General, in carrying out the provisions of this Act, is authorized—

(1) to administer oaths or affirmations;

(2) to require by subpena the attendance and testimony of witnesses and the production of books, records, or other documentary evidence relating to the execution of his duties under this Act;

(3) to initiate civil actions for the purpose of enforcing the provisions of this Act;

(4) to develop such prescribed forms as are necessary to carry out the provisions of this Act;

(5) to promulgate regulations to carry out the provisions of this Act;

(6) to conduct investigations and to encourage voluntary compliance with the provisions of this Act; and

(7) to compel any other executive department or agency to furnish information requested by the Attorney General which is necessary to carry out the provisions of this Act.

(b) In the case of any refusal to obey a subpena issued as provided in subsection (a), any district court of the United States, upon petition by the Attorney General, may issue an order requiring compliance with such subpena. Any failure to obey the order of the court may be punished by the court as a contempt of court.

(c) There is established in the Criminal Division of the Department of Justice a separate section which shall enforce the provisions of this Act and all other laws relating to lobbying activities in the United States. The Attorney General may delegate to such section all of the powers granted to him under this section.

SEC. 11. (a)(1) Whenever in the opinion of the Attorney General any person is engaged in or about to engage in any acts which constitute or will constitute a violation of any provision of this Act, or that any agent of a foreign principal fails to comply with any of the provisions of this Act, the Attorney General may institute, in the appropriate district court of the United States, a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order, including a civil penalty not to exceed $500 for each offense.

(2) It shall be the duty of the district court of the United States to advance on the docket and to expedite to the greatest extent possible any action instituted under this subsection.

(b) The Postmaster General may declare to be nonmailable any communication or expression described in paragraph (9)(B) of section 3 in the form of prints or in any other form reasonably adapted to, or reasonably appearing to be intended for, dissemination of circulation among two or more persons, which is offered or caused to be offered for transmittal in the United States mails to any person or persons in any other American republic by any agent of a foreign principal, if the Postmaster General is informed in writing by the Secretary

of State that the duly accredited diplomatic representative of such American republic has made written representation to the Department of State that the admission or circulation of such communication or expression in such American republic is prohibited by the laws thereof and has requested in writing that its transmittal to such American republic be stopped.

CONTRIBUTIONS BY AGENTS OF FOREIGN PRINCIPALS

SEC. 12. Whoever, being an agent of a foreign principal, directly or through any other person, either for or on behalf of such foreign principal or otherwise in his capacity as agent of such foreign principal, knowingly makes any contribution of money or other thing of value, or promises expressly or impliedly to make any such contribution, in connection with an election to any political office or in connection with any primary election, convention, or caucus held to select candidates for any political office; or

Whoever knowingly solicits, accepts, or receives any such contribution from any such agent of a foreign principal or from such foreign principal—

Shall be fined not more than $10,000 or imprisoned not more than five years or both.

As used in this section the term "foreign principal" has the same meaning as when used in section 1(2), except that such term does not include any person who is a citizen of the United States.

PENALTIES

SEC. 13. (a) Any person who—

(1) willfully violates any provision of this Act, or

(2) in any registration statement or supplement to a registration statement, in any statement under section 6(a) concerning the distribution of political propaganda, or in any other documents filed with or furnished to the Attorney General under the provisions of this Act, willfully omits any material fact required to be stated therein, or willfully omits a material fact or a copy of a material document necessary to make the statement therein and the copies of documents furnished therewith not misleading shall, upon conviction thereof, be punished by a fine of not more than $25,000 or by imprisonment for not more than five years, or both, except that in case of a violation of section 4(a)(3), section 4(a), subsection (b), (e), or (f) of section 6 or of subsection (e) of this section the punishment shall be a fine of not more than $10,000 or imprisonment for not more than six months, or both.

(b) In any proceeding under this Act in which it is charged that a person is an agent of a foreign principal with respect to a foreign principal outside of the United States, proof of the specific identity of the foreign principal shall be permissible, but shall not be necessary.

(c) Any alien who shall be convicted of a violation of, or a conspiracy to violate, any provisions of this Act shall be subject to deportation in the manner provided by sections 241–243 of the Immigration and Nationality Act of 1952 (66 Stat. 204).

(d) Failure to file any registration statement or supplement to a registration statement, as required by section 4, shall be considered a continuing offense for as long as such failure exists, notwithstanding any statute of limitation or other statute.

(e) It shall be unlawful for any agent of a foreign principal required to register under this Act to be a party to any contract, agreement, or understanding, either express or implied, with such foreign principal pursuant to which the amount or payment of the compensation, fee, or other remuneration of such agent is contingent in whole or in part upon the success of any political activities carried on by such agent.

COOPERATION WITH OTHER AGENCIES

SEC. 14. All executive departments and agencies shall administer their programs and activities in a manner which will further the purposes of this Act and shall cooperate with the Attorney General to further such purposes.

REPORTS TO CONGRESS

SEC. 15. The Attorney General shall, from time to time, submit to the Congress reports concerning the administration of this Act, including the nature, sources, and content of political propaganda filed with the Attorney General as provided in section 6.

REPEAL

SEC. 16. The Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.) is repealed.

By Mr. GRAVEL (for himself and Mr. STEVENS):

S. 2046. A bill to enable Alaska Natives to maintain and consolidate tribal governing bodies, and for other purposes; to the Select Committee on Indian Affairs.

Mr. GRAVEL. Mr. President, today, Mr. STEVENS and I are introducing legislation which will provide a vehicle for streamlining the delivery of Federal programs and services to Alaskan natives.

In 1970 the President signalled a new course in American Indian policy. The new direction recognized the need for Indian peoples of our Nation to have an active and determinant role in federal efforts to improve their social condition. Subsequent legislative action produced the Indian Self-Determination and Education Assistance Act Public Law 93–638, signed by President Ford, January 4, 1975. Native Americans, for the first time, had the legislatively recognized right and the administrative means to control and administer Federal programs designed for their benefit.

The central theme of the Self-Determination Act is to provide Native Americans with an efficient and realistic means of contracting federal programs and services. In this regard the Act

First, requires the Secretaries of the Interior and Health, Education, and Welfare to transfer to Indian tribes, at their request, control and operation of Bureau of Indian Affairs—BIA—and Indian Health Service—IHS—programs and services;

Second, permits Indians to contract with the BIA for administration of Johnson O'Malley—JOM—education funds; and

Third, provides for continued fringe benefits, such as retirement, life insurance and health benefits, to federal civil service employees who transfer to Indian tribal organizations to perform the services they formally performed as Government employees.

Generally, much progress has been made in the implementation of these features. There are two problems, however, that have frustrated and in some ways subverted the achievement of complete success in Alaska. The first problem is in the present definition of "tribe," contained in section 4(b) of the act, as it applies to Alaska Natives. The second problem is the provision contained in section 4(c), which requires that all tribes affected by a contract let pursuant to the act must approve the contract.

The present definition reads as follows:

"Indian tribe" means any Indian tribe, band, nation, or other recognized group or community, *including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act* (85 Stat. 688) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians, (P.L. 93–638, Sec. 4(b)) (emphasis added).

From this language, there could be as many as 465 tribes in Alaska, and each Alaska Native could be a member of at least four, and possibly as many as five tribes. The possible Alaska tribes can be organized into five basic categories:

First, 145 traditional tribal councils—all Alaska Native villages receiving BIA services which have not organized under the Indian Reorganization Act—IRA—or the Alaska Reorganization Act;

Second, 70 native villages and groups—such as the Inupiat Eskimos of the North Slope and the Kenaitze Indians of the Kenai peninsula—who have organized under IRA;

Third, one tribe, the Tlingit-Haida Central Council, established pursuant to a Federal statute;

Fourth, 225 native villages defined in or established pursuant to the Settlement Act; or

Fifth, 2 sets of 12 regional corporations organized subsequent to the Settlement Act.

All of the above entities must be recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

It is unclear who decides, or how one would decide which of the possible groups defined in or established pursuant to the Settlement Act would be recognized as tribes since the organizations identified in categories 1 and 2 are already recognized as tribes. The recognition of Settlement Act Corporations simply adds to the list. Hence, legally some 465 tribes could potentially request to contract services. This, of course, would be an impracticality and an absurdity. Even if substantial funding of a program or service would permit contracting at the village level, for any given native village, two distinct village organizations could claim to speak for the village. The act does not prescribe how such competing claims should be resolved since it clearly did not intend or envision such competition to arise.

The problem of tribal identity is further compounded by the second problem, contained in section 4(c) of the act:

"Tribal organization" means the recognized governing body of any Indian tribe; and legally established organization of Indians which is controlled, sanctioned, or chartered by such governing body or which is democratically elected by the adult members of the Indian community to be served by such organization and which includes the maximum participation of Indians in all phases of its activities; *Provided, that in any case where a contract is let or a grant made to an organization to perform services benefiting more than one Indian tribe, the approval of each such Indian tribe shall be a prerequisite to letting or making such contract or grant.* (Emphasis added.)

The emphasized provision was purposely added to insure that before any BIA or IHS contract that would serve two or more tribes is awarded, each tribe affected would have to consent to the contract, thereby avoiding instances wherein a tribe would be served by a contract against its will.

Among the lower 48 tribes, individuals are predominately members of only one tribe; dual membership is an exception. Instances wherein all members of one tribe are also members of another tribe are rare, if not nonexistent.

By comparison, most Alaska Natives are members of several different tribes. The confusion, overlap, and multiplicity spawned by the tribal definition has made the consent provision an effective obstruction to the implementation of the act. Even if the present definition of tribe(s) were amended to recognize only one tribe at the village level and one at the regional level, Alaska's situation would still be distinct from that of the lower 48 Indian tribes in that most Alaska Natives would be members of two tribes, one village and one regional. In Alaska, regional tribes are the closest analogy to tribes of the lower 48. The regional tribes encompass village tribes of common language and culture and are the forum for handling multivillage affairs. To require consent of regional tribal contracts is to challenge the fundamental principle of regional tribes.

The problems I have discussed here have been recognized for some time. Because of their complexity and fundamental nature, it was felt that they could best be resolved by reaching a concensus among Alaska Native people. It is my belief that we are close to such a consensus, and we are now introducing this bill at the request of the Alaska Native Regional Non-Profit Corporations with the endorsement of the Alaska Federation of Natives, the Alaska Native Foundation and the Rural Alaska Community Action program.

The changes we propose today will enable the Alaska Native regional nonprofit organizations, which were recognized by Congress in section 7(a) of the Alaska Native Claims Settlement Act, to contract with the Federal Government to provide services and programs in their regions. Standardizing and consolidating the definition of "Indian tribe," as it applies to Alaska, will contribute substantially to maximizing Native participation and control of Federal programs designed to enhance their well-being. I would like to add that this proposal was not easily arrived at. Alaskan Natives have been for more than 2 years obstructed from controlling and administering the various Federal programs and services designed for their benefit.

Although the Indian Self-Determination Act is aimed principally at various BIA and IHS programs, it is also intended to insure—

. . . maximum Indian participation in the direction of educational, as well as other federal services to Indian communities so as to render such services more responsive to the needs and desires of those communities. (P.L. 93-638 Sec. 3(a).)

Such other Federal programs and services have included: The Indian Education Act, title III of the Comprehensive Employment Training Act, the Public Works and Economic Development Act, the Community Services Act, and others.

So, Mr. President, what we are primarily interested in is the delivery of human resource-type services and programs. The major roadblock obstructing the effective delivery of these services and programs lies in the question of what constitutes a tribe and how that tribe is to go about contracting with the Federal Government. The legislation we are introducing today is intended to clarify for the Federal Government just who these tribes are.

Investigative hearings on this problem have been held in Alaska, and I am hopeful that additional hearings can be scheduled. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2046

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in accordance with the express Congressional policy of Indian self-determination, Congress hereby declares that it is its policy to recognize the express desires of Alaska Natives to maintain and consolidate tribal governing bodies and recognize their authority to designate tribal organizations.

SEC. 2. (a) Notwithstanding any other provision of law relating to or applicable to Alaska Natives, "Indian tribe" in Alaska shall mean the body of Alaska Natives represented by a Native Association, or its successor, named in section 7(a) of the Alaska Native Claims Settlement Act (85 Stat. 688), hereinafter referred to as Alaska Regional Tribes.

(b) Except as otherwise provided in this Act, the definition of Indian tribe as stated herein shall supercede, repeal, or modify the definition of Indian tribe in all other Federal legislation relating to or applicable to Alaska Natives, when they are in conflict in whole or in part.

SEC. 3. (a) Notwithstanding any other provision of law, the governing body established pursuant to this Act by the Native Association or its successor shall constitute the preeminant tribal governing body of Alaska Natives residing in the geographic area designated in and within the boundaries established under section 7(a) of the Alaska Native Claims Settlement Act.

(b) Alaska Native Regional Tribes shall have the power to establish or recognize tribal organizations.

(e) "Tribal organization" means any legally established organization of Alaska Natives including an Alaska Native regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688), which is controlled, sanctioned, or chartered by the governing body of an Alaska Native Regional Tribe.

SEC. 4. Qualifications for membership in Alaska Native Regional Tribes shall be established by tribal constitution and by-laws, unless otherwise provided by law.

SEC. 5. (a) The Alaska Native Regional Tribes, at their option, may organize in accordance with the Alaska Native Reorganization Act or pursuant to a Constitution and By-laws, or remain organized pursuant to any existing jurisdictional Act, or any existing constitution and by-laws adopted pursuant to the Alaska Native Reorganization Act.

(b) The Native Tribal Associations, or their successors, named in section 7(a) of the Alaska Native Claims Settlement Act, are empowered to initially draft, adopt and provide for ratification of the aforementioned constitution and by-laws of the Alaska Native Regional Tribes in accordance with such rules, as they may adopt.

(c) For the purposes of carrying out the provisions of this section, the Secretary is directed to grant to the Native Tribal Associations or their successors, such sums as may be necessary for organizational purposes, in accordance with section 104 of the Indian Self Determination and Educational Assistance Act, or other authorizations.

SEC. 6. (a) All rights, prerogatives and duties held by Federally recognized tribes in the contiguous States of the United States, shall accrue to the Alaska Native Regional Tribes established pursuant to this Act.

(b) Except as specifically provided by the adopted Constitution and bylaws of the Alaska Native Regional Tribes established pursuant to this Act, no powers, rights, or duties presently vested by Federal law in any Indian tribe, band, clan, village, community or association in Alaska or any Federally recognized Indian Tribe within Alaska shall be abridged.

(c) Nothing in this Act shall be deemed to abrogate or change any vested property rights.

SEC. 7. The provisions of this Act shall not be applicable to, or otherwise affect, the Metlakatla Indian Community.

SEC. 8. (a) Within 3 months following the date of the enactment of this Act, the Secretary of the Interior shall consult with each Alaska Native Regional Tribe, or its successor as listed in section 7(2) of the Alaska Native Claims Settlement Act in order to consider and formulate appropriate rules and regulations to implement the provisions of this Act.

(b) Within 4 months following the date of enactment of this Act, the Secretary shall present the proposed rules and regulations to the Senate Select Committee on Indian Affairs and the Subcommittee on Indian Affairs and Public Lands of the United States House of Representatives.

(c) Within 5 months following the date of enactment of this Act, the Secretary shall publish proposed rules and regulations in the Federal Register for the purpose of receiving comments from interested parties.

(d) Within 6 months of the date of enactment of this Act, the Secretary shall promulgate rules and regulations to implement the provisions of this Act.

Mr. STEVENS. Mr. President, I am pleased to join today with Mr. GRAVEL in cosponsoring legislation on behalf of the leaders of the nonprofit corporations in Alaska.

With the passage of the Alaska Native Claims Settlement Act in December of 1971, Alaska Natives gained an historic opportunity to utilize a system whereby Natives could pool their resources in business and prosper under their own management. The vehicle for this system was the corporation.

Under the act, 12 regional corporations were established for the purpose of carrying out the settlement. Their profitmaking role was clearly defined in the act and was the main thrust of each corporation. Due to the need for social service programs, the nonprofit Native corporations assumed the responsibility of carrying out these programs through Government grants and contracts.

Although a basic principle of the Alaska Native Claims Settlement Act was Native self-determination, the established contractual relationship created

some limitations to this principle. These limitations were realized by Native Americans nationwide. Congressional recognition of this problem led to the 1975 enactment of the Indian Self-Determination and Education Assistance Act (P.L. 93–638).

Notwithstanding the intent of this act to enable Natives to regulate their own affairs and develop their own leadership, this legislation has ironically exacerbated the Alaska Native struggle to pursue self-determination. The bill's definition of "Indian Tribe" conspicuously excludes any mention of the Alaska nonprofit corporation, thereby restricting this social service delivery vehicle from receiving 93–638 funding. The self-determination legislation further complicates the contracting situation by recognizing over 500 tribes and designating none as the preeminent vehicle. Therefore, whenever conflicts arise as to what tribal group should administer 638 activities, the decision is left up to the arbitrary and often capricious discretion of the BIA and other agencies.

It is our intent today, to introduce this legislation as a solution to this problem. By congressional recognition of these regional corporations as tribes, we would permit them to contract on behalf of all the Natives of their regions. Should a project be designed so as to have a more local impact, the language of the bill allows for project administration by tribal organizations representing the appropriate subregional area. We cannot ignore the important role of the nonprofit corporations. They are viable organizations responsible for providing much needed social services to their Native populations. They are integrally involved in the effort to insure more responsible and effective systems of education, health, housing, and justice. Their goal is to find solutions to problems and extend efforts to respond to the unmet needs of Natives throughout the State of Alaska.

Perhaps one of the most important aspects of this legislation, and one that I must stress, is the provision that each regional area have the option to organize as they choose. Each tribe, village, clan, community and association would have a voice in deciding who they want as their representative and governing body. Each Native that would be affected by this legislation should have the opportunity to express his opinion and the opinion of the Native Group he or she represents. Therefore, it is my intention, Mr. President, to circulate this bill in Alaska, for it is only through a united effort and united support that the policy of self-determination can be implemented for the benefit of all Alaska Natives.

By Mr. DURKIN (for himself and Mr. HATFIELD, Mr. PELL, Mr. KENNEDY, Mr. ANDERSON, Mr. METCALF, Mr. GRAVEL, Mr. MCGOVERN, Mr. LEAHY, and Mr. HATHAWAY):

S. 2047. A bill to amend the Federal Power Act to provide for the encouragement of the licensing and development of small hydroelectric power projects in connection with existing dams on the waterways of the United States, and for other purposes; to the Committee on Energy and Natural Resources.

SMALL HYDROELECTRIC POWER PROJECTS ACT OF 1977

Mr. DURKIN. Mr. President, there is no doubt that support for low-head hydroelectric generation is growing rapidly. Low-head hydroelectric power—water power created by installing turbines in small dams—offers a way to increase electricity production without serious environmental harm or substantial capital investment. It is a way to cope with the high energy costs in New Hampshire, New England, and across our country. A variety of constituencies, including labor organizations, environmental groups, and small businesses have identified low-head hydroelectric development as a high priority and have indicated their approval.

Most recently, the full House approved as part of its comprehensive energy bill an amendment added in committee to initiate a Federal effort to accelerate this promising technology. Originally introduced as a companion measure to S. 1648, the House program will provide grants and loans to encourage low-head hydroelectric generation using existing technologies. This is in accord with the recommendations of an Army Corps of Engineers report completed 2 weeks ago.

Today I am introducing an updated version of S. 1648, the Small Hydroelectric Power Projects Act of 1977. It incorporates many of the changes made during House consideration, as well as additional improvements. Further more, it is considerably stronger from an environmental standpoint.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2047

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Hydroelectric Power Projects Act of 1977."

SEC. 2. Part I of the Federal Power Act is amended by adding at the end thereof the following new section:

"SEC. 30. (a) The Congress declares that, because of the increasing shortages of natural gas and petroleum, and the urgent need to develop environmentally acceptable sources of electric energy to meet the needs of the Nation, the public interest requires the rapid development of the hydroelectric potential of the numerous existing dams on the Nation's waterways which are not being used to generate electric power where such development is technologically feasible, economically beneficial, and not environmentally harmful.

"(b) The Commission shall establish a program to—

"(1) encourage municipalities, electric cooperatives, industrial development agencies, nonprofit organizations, and other persons to undertake the development of small hydroelectric projects in connection with existing dams which are not being used to generate electric power, and

"(2) use simple and expeditious licensing procedures under this Act for such projects in connection with such existing dams in such manner as the Commission deems appropriate, consistent with the applicable provisions of law.

"(c)(1) The Commission is authorized to make grants (and commitments to grant) to any municipality, electric cooperative, industrial development agency, nonprofit organization, or other person of up to 50 percent of the project costs of any small hydroelectric project which the Commission finds—

"(1) will be constructed in connection with any existing dam,

"(2) has received all necessary licenses and other required Federal, State, and local approvals,

"(3) will provide useful information as to the technical and economic feasibility of—

"(A) the generation of electric energy by such projects, and

"(B) the use of energy produced by such projects,

"(4) will have no significant adverse environmental effects, including effects on fish and wildlife, on recreational use of water, and on stream flow, and

"(5) will not have a significant adverse effect on any other use of the water used by such project.

"(d)(1) The Commission is authorized to make loans to any municipality, electric cooperative, industrial development agency, nonprofit organization, or other person of up to 50 percent of the project costs of a small hydroelectric project which meets the requirements of subsection (c) (1), (2), (4), and (5) of this section. The Commission may make loans to a person or an industrial development agency only upon a finding that the operation of the project will result in substantially increasing employment or preventing a substantial loss of employment in the area to be served by the project.

"(2) The Commission shall give preference to applicants under this section who do not have available alternative financing which the Commission deems appropriate to carry out the project.

"(3) Every loan made pursuant to this subsection shall bear interest at the discount or interest rate used at the time the loan is made for water resources planning projects under section 80 of the Water Resources Development Act of 1974 (42 U.S.C. 1962–17(a)) and shall be for a term not less than twenty-five years and not more than fifty years, as the Commission deems appropriate.

"(4) Amounts repaid under loans made pursuant to this subsection shall be deposited into the Treasury as miscellaneous receipts.

"(e) The Commission shall encourage applicants for licenses for small hydroelectric power projects to make use of public funds and other assistance for the design and construction of fish and wildlife facilities which may be required in connection with any development of such project.

"(f) In making grants and loans under this section and in issuing licenses for small hydroelectric power projects, the Commission shall encourage joint participation, to the extent permitted by law, by those eligible to receive grants or loans under this section.

"(g) The Commission shall take such steps as are necessary to require (1) each utility within its jurisdiction to establish physical connection with any small hydroelectric power project, and (2) to establish conditions of service which require that any small hydroelectric project shall be provided with backup generation service from a utility at reasonable prices which do not discriminate against such project and shall have the right to sell surplus electric energy to such utility at reasonable prices which do not discriminate against such project.

"(h) Notwithstanding any other provision of Federal, State, or local law, licensees of small hydroelectric power projects shall not

be charged for the water used to operate such small hydroelectric power project licensed under this Act except to the extent that such water is consumed by such project or results in costs being imposed on the supplier of such water, or, upon a finding by the Commission that such charge is necessary or appropriate in the public interest.

"(i) Every licensee of a small hydroelectric power project licensed pursuant to this Act shall furnish the Commission with such information as the Commission may require regarding equipment and services proposed to be used in the design, construction, and operation of such projects and the Commission shall have the right to forbid the use in such project of any such equipment or services it finds inappropriate for such project by reason of cost, performance, or failure to carry out the purposes of this section. The Commission may make public information it obtains under this subsection, other than information which may not be released pursuant to section 1905 of title 18, United States Code.

"(j) In the case of projects receiving both grants and loans under this section, the total amount of Federal funds expended for such project shall not exceed 75 percent of the total project cost.

"(k) Before issuing any license under this Act for the construction or operation of any small hydroelectric power project (whether or not in connection with an existing dam) the Commission—

"(1) shall assess the safety of existing structures in any proposed project (including possible consequences associated with failure of such structure), and

"(2) shall consult with the Council on Environmental Protection Agency, and the Department of Interior with respect to the environmental effects of such project.

Nothing in this subsection shall be deemed to exempt such project from any requirement applicable to any such project under the National Environmental Policy Act, the Fish and Wildlife Coordination Act, the Endangered Species Act, or any other provision of Federal law.

"(l) Nothing in this section authorizes the grant or loan of funds, or simple and expeditious licensing, for construction of any new dam or other impoundment.

"(m) There is hereby authorized to be appropriated for each of the fiscal years ending September 30, 1978, September 30, 1979, and September 30, 1980—

"(1) $50,000,000 for grants made pursuant to subsection (c); and

"(2) $50,000,000 for loans made pursuant to subsection (d), such funds to remain available until expended.

"(n) For purposes of this section, the term—

"(1) 'small hydroelectric power project' means any project of not more than twenty thousand horsepower (or fifteen thousand kilowatts) of installed capacity;

"(2) 'electric cooperative' means any cooperative association eligible to receive loans under section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904);

"(3) 'industrial development agency' means any agency which is permitted to issue obligations the interest on which is excludable from gross income under section 103 of the Internal Revenue Code of 1954;

"(4) 'project costs' means the cost of all facilities and services used in the design and construction of a project;

"(5) 'utility' means any person engaged in transmission, or distribution, or both, of electric energy for profit;

"(6) 'nonprofit organization' means any organization described in section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1954 and exempt from tax under section 501(a) of such Code (but only with respect to a trade or business carried on by such organization which is not an unrelated trade or business, determined by applying section 513(a) to such organization);

"(7) 'existing dam' means any dam, the construction of which was completed on or before April 20, 1977, and which does not require any dam construction or enlargement (other than repairs or reconstruction) in connection with the installation of any small hydroelectric power project.".

SEC. 3. Section 10(e) of the Federal Power Act is amended by inserting before the period at the end thereof the following: ": *Provided further*, That, for licenses involving a Government dam issued subsequent to December 31, 1975, the annual charge shall be no more than $1 for each kilowatt of installed capacity".

SEC. 4. Notwithstanding any other provision of law, if the Federal Power Commission is terminated, any reference (other than a reference respecting licensing) in this chapter (or any amendment made therein) to the Federal Power Commission shall be deemed to be a reference to the officer, department, agency, or commission in which the principal functions of the Federal Energy Administration are vested, transferred, or delegated pursuant to law.

By Mr. DOMENICI:

S. 2048. A bill to offset the job loss by youth that accompanies an increase in the minimum wage, and to encourage youth employment generally by establishing a 6-month entry wage period at 85 percent of the regular minimum wage for youths under the age of 19; to simplify the currently underutilized student rate provisions in order to facilitate their use and make them consistent with the youth opportunity wage; to the Committee on Human Resources.

YOUTH EMPLOYMENT WAGE ACT

Mr. DOMENICI. Mr. President, I am introducing today a bill which seeks to offset the job loss sustained by youth which accompanies an increase in the minimum wage, as well as to address the pressing problem of the over 3 million youths already unemployed, by establishing a youth opportunity wage at 85 percent of the regular minimum wage.

Let me emphasize that this special rate applies only to youths under age 19 and is functional only for the initial 6 months of their employment. Upon the expiration of the 6-month "training" period, the special rate is no longer available and such employee must be paid at least the full minimum wage.

This bill also discourages any potential abuses by providing penalties in the event older workers are fired in order to hire youths, or youths are dismissed without cause at the conclusion of the 6-month training period, or wages of current young employees are reduced.

Additionally, the bill seeks to encourage use of the current full-time student rate by simplifying the student provisions and making them consistent with the youth opportunity wage.

Mr. President, there is convincing evidence that the burden of an increased minimum wage falls heaviest on the young. Evidence gathered by the Bureau of Labor Statistics and the Congressional Budget Office demonstrates that a significant drop in youth employment will accompany a higher minimum wage. Another study earlier this year reveals that minimum wage increases reduce employment of 14–15 year olds by 46 percent, 16–17 year olds by 27 percent, and 18–19 year olds by 15 percent. We surely cannot afford such job losses in a group that already constitutes 49 percent of the Nation's total unemployed.

While acknowledging the need to provide a better standard of living for our low income workers, we must not overlook the devastating effects that needed increases have on the Nation's youth.

This bill seeks to soften that blow. A 1970 Bureau of Labor Statistics survey of employers and employment agencies has found that more teenagers would be hired at a lower minimum wage. A youth wage in Europe has resulted in increased youth employment. By allowing employers to hire and train youths for 6 months at a wage more commensurate with their initial abilities, we encourage the creation of much needed career ladder opportunities.

Furthermore, research and experience shows that the youth wage will not result in mere substitution of younger employees for older workers. The BLS study concludes that "results from abroad do not indicate that adult employment has been adversely affected by lower minimum wage rates for teenagers". Several States have used youth differentials with "no apparent evidence of adverse effects".

For the Nation's young people, who as a group are experiencing three times the national unemployment rate, this bill provides a workable solution to their employment problems.

Mr. President, I ask unanimous consent that this bill appear in the RECORD at the conclusion of my remarks, and I urge the Labor Subcommittee of the Human Resources Committee to give all due consideration to this amendment in its deliberations on the minimum wage bill.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2048

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act be cited as the Youth Opportunity Wage Act.

SEC. 10. (a) Section 14(b) (29 U.S.C. 214 (b)) is amended to read as follows:

(b)(1) To encourage youth opportunity, an employer may employ any youth who has not attained the age of 19 for a period of one hundred and eighty days, without prior or special certification by the Secretary of Labor, at a wage rate not less than 85 per centum of the otherwise applicable wage rate in effect under section 6 (or in the case of employment in Puerto Rico or the Virgin Islands not described in section 5(e) at a wage rate not less than 85 per centum of the otherwise applicable wage in effect under 6(c)) in compliance with applicable child labor laws: *Provided, however*, That this paragraph shall not apply to any youth employee who has been employed by the same employer for a period of at least six months or is currently employed by an employer at a rate of at least the minimum wage.

(2)(A) To encourage youth opportunity, an employer or institution of higher education may employ any full-time student (regardless of age but in compliance with applicable child labor laws) at a wage rate not less than 85 per centum of the otherwise

applicable wage rate in effect under section 6 (or in the case of employment in Puerto Rico or the Virgin Islands not described in section 5(c), at a wage rate not less than 85 per centum of the wage rate in effect under section 6(c).

(B) Any full-time student so employed under this paragraph by an institution of higher education or an employer other than an institution of higher education shall prior to such employment present to the employer a letter from the institution at which the student is enrolled certifying that such student is a full-time student enrolled at that institution.

(C) Any full-time student employed pursuant to this paragraph shall be employed on a part-time basis and not in excess of twenty hours in any workweek, except during vacation periods.

(3) While no prior certification shall be required by the Secretary for purposes of paragraphs (1) and (2), the Secretary shall have general authority under this Act to insure that the provisions of paragraphs (1) and (2) of this subsection are not being violated. Should the Secretary discover that an employer is employing youth at a wage rate lower than that allowable under this section or for a period of time longer than that specified by this section, or is engaged in a pattern and practice of—

(A) substituting younger workers employed at less than the minimum wage for older workers employed at or above the minimum wage, or

(B) terminating the employment of youth employees after a period of one hundred and eighty days and employing other youth employees for periods of one hundred and eighty days in order to gain continual advantage of the youth opportunity wage, the provisions of section 6 of this Act shall be considered to have been violated, and the liability of the employer for unpaid wages and overtime compensation shall be determined on the basis of otherwise applicable minimum wage and overtime rates pursuant to sections 6 and 7 of this Act.

(b) Section 13(a)(7) (29 U.S.C. 213(a)(7)) is amended to read as follows:

(7) Any employee to the extent that such employee is exempted by regulations, order, certificate of the Secretary or in accordance with the provisions of section 14; or

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By Mr. DECONCINI (for himself and Mr. WALLOP):

S. 2049. A bill to establish fees and allow per diem and mileage expenses for witnesses before U.S. Courts; to the Committee on the Judiciary.

Mr. DECONCINI. Mr. President, on behalf of myself and Senator WALLOP, I am today introducing a bill which would revise witness fees and allow travel and subsistence allowances established in 28 U.S.C. 1821. Witness fees and allowances now provided pursuant to section 1821 no longer compensate the average witness for the actual costs which witness service entails, nor does section 1821 permit compensation for a variety of incidental travel expenses which witnesses routinely incur. The proposed legislation would alleviate these difficulties by increasing attendance fees and changing the method of computation for travel allowances and subsistence.

In 1968 the daily attendance fee was set at $20. Since then the average daily income has increased by over 60 percent, while the witness fee has remained the same. We are recommending that the witness fee be increased to $30 per day. This is the minimal level of compensation that constitutes a respectable remuneration for witness service today. It is not intended as reimbursement for lost income, witness service being a public obligation for which the Government is not required to provide compensation. However, as a matter of public policy the Government ought not to take the time of citizens, any more than their property, without reasonable compensation. Moreover, fair compensation should be provided in order to promote respect for the participation in our system of justice.

Section (c) provides that witnesses shall receive compensation for the actual expenses of travel on the basis of the means of transportation reasonably utilized and the distances actually and necessarily traveled. Witnesses who travel by common carrier shall receive the costs of transportation at the most economical rate available. Witnesses who travel by privately owned vehicle shall receive a travel allowance equal to the mileage allowance which the Administrator of General Services prescribes pursuant to section 5704 of title 5, United States Code, for official travel by employees of the Government.

The present uniform allowance of 10 cents per mile regardless of the method of transportation is inadequate. Application of this uniform standard has imposed undue financial hardship on some witnesses and grants financial windfalls to those who travel great distances by commercial carrier. For instance, a witness who travels from New York City to San Francisco receives $198.80 in excess of his actual fare. To eliminate these problems we proposed that compensation to witnesses be for the actual expenses of travel and on the basis of the form of transportation actually used.

This legislation will entail an increase in costs of approximately $6,260,000 for fiscal year 1978. However, the Department of Justice, which developed this legislation, has been advised by the Office of Management and Budget that there is no objection to submission of this legislation from the standpoint of the administration's program.

I would urge early consideration of this legislation in order to rectify inequities and problems of the present system in providing funds for witnesses.

By Mr. BROOKE:

S. 2050. A bill to amend the Internal Revenue Code of 1954 to provide a credit for amounts contributed to an individual housing account; to the Committee on Finance.

INDIVIDUAL HOUSING ACCOUNT ACT

Mr. BROOKE. Mr. President, I am today introducing legislation which would provide a tax credit for amounts contributed to an "individual housing account." This bill would meet objections to the "individual housing account" portion of S. 664, The Young Families Housing Act, which were raised by the Treasury Department at hearings on S. 664 held earlier this year before the Committee on Banking, Housing and Urban Affairs.

I would hope that the Finance Committee will give this bill its early consideration.

By Mr. METCALF:

S. 2053. A bill to promote the orderly exploration for and commercial recovery of hard mineral resources of the deep seabed, pending adoption of an international regime relating thereto, to the Committee on Commerce, Science, and Transportation, and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

DEEP SEABED MINERAL RESOURCES ACT

Mr. METCALF. Mr. President, the recovery of ferromanganese nodules from the deep seabed offers an important new source of cobalt, nickel, copper and manganese. While estimates of the amount of these potato-sized nodules lying on the bottom of the world's oceans vary, they run into the trillions of tons. The potential is enough to have impelled a number of American firms to expend many millions of dollars to develop the technology for lifting nodules to the surface of the ocean and for refining the ore either on land or at sea. Three basic nodule recovery systems are under investigation: First, mechanical, cable-bucket systems, second, air-lift pumping, and third, hydraulic lift without air. The processing methods involve complex roasting and leaching techniques. The Ocean Mining Administration and the Bureau of Mines of the Interior Department have been closely monitoring these developments.

The impact of nodule mining on the deep ocean environment has been a concern expressed by many individuals. Research has been under way to assess the extent of this impact on the biota of the deep ocean and on the quality of the surface water. The Department of Commerce, through the National Oceanic and Atmospheric Administration, is taking the lead in this effort.

For more than a decade, the exploration for and development of technology for nodule mining have gone forward, with several countries including the United States, Great Britain, France, West Germany, Japan, Canada, and the Soviet Union having an interest in deep seabed mining. American firms enjoy a lead position in this field but are hesitant to proceed to commercial exploitation without some guarantee of security for their projected large investments of $300 to $500 million for each mine site. According to the Congressional Research Service, the total annual tonnage of nodules likely to be processed and marketed by U.S. interests by 1985 could range from 4.5 to 6 million tons, assuming an early resolution of the present difficulties regarding entry of U.S. firms into commercial operations.

The United States is heavily dependent on the metals contained in manganese nodules, primarily nickel, copper, manganese, and cobalt. There is no domestic mine production of manganese and cobalt, and domestic nickel production supplies less than 10 percent of our needs. In addition, nickel and copper are not currently stockpiled by the Government. While the United States is a major copper producer, in 1974 nearly 20 percent of the copper consumed in the United States was imported. The reli-

ability of foreign sources and the possibility of cartel action are subjects of grave concern.

Based on Bureau of Mines projections of annual increases in domestic demand for metals contained in the nodules, according to 1975 prices, it has been estimated that nodule mining could supply the United States with approximately $0.8 billion per year in metals by the year 2000. Nodule mining in other countries or foreign shares in consortia could likely total three to five times this amount per year by then. Most U.S. firms interested in deep seabed mining have joined international consortia as a means of gaining investment security, sharing risk and pooling financial resources.

Mr. President, the possibility that the vast resources of the deep seabed could become available to the United States through the operations of U.S. nationals while at the same time respecting the rights of all nations under the United Nations resolution declaring the deep seabed to be the "common heritage of all mankind" is a matter of serious legislative concern. Since 1971, bills have been introduced in the Congress to provide some form of investment guarantee and regulation of deep seabed mining activities. Initially, these bills represented solely the view of the American Mining Congress. To initiate discussion, I have introduced such bills in the Senate. The last bill, S. 713, was reported out of the Senate Interior Committee in the 94th Congress. However, previous administrations repeatedly have recommended against any further legislative action for fear of prejudicing the outcome of discussions in the United Nations concerning the third Law of the Sea Conference, and Congress has been cooperative.

With the recent conclusion of the sixth session of the Law of the Sea Conference, held in New York, it has now become abundantly clear that Congress should take initiative by enacting legislation to encourage the orderly development of deep seabed mining and the protection of the marine environment.

The majority of nations represented at the Law of the Sea Conference are from developing countries whose interests are markedly dissimilar to those of the United States. This so-called Group of 77, representing approximately two-thirds of the voting delegates, generally favors a form of international control of seabed exploitation that is unacceptable to the United States. The Seabed Authority envisioned by developing nations would be effectively controlled by them on the basis of one country, one vote, and would exercise arbitrary power over seabed development. This would be accomplished by permitting mining by the Authority only—through an operating arm to be known as the Enterprise, or through contract arrangements under which the Authority would maintain initially indirect and eventually complete control of all mining operations.

The U.S. position at the Law of the Sea Conference favors a Seabed Authority under a system which would assure access to seabed resources to qualified countries and private entities on a nondiscriminatory basis. The basis for granting rights would be structured in the treaty so as to be economically efficient and so as to attract and guarantee security of investment. At the same time, the United States has offered to provide technological and financial assistance to the authority.

Ambassador Elliot Richardson, testifying recently before the Subcommittee on Public Lands and Resources of the Senate Energy and Natural Resources Committee, is recommending that President Carter reconsider the advisability of continuing U.S. participation in the Law of the Sea Conference. Although, from the U.S. perspective, important gains have been made in the strategic and marine scientific negotiations conducted in committees 2 and 3 of the recent session of the Conference, Ambassador Richardson characterized the outcome of the deep seabed mining negotiations in committee one as "completely unacceptable". Departing from the cautious attitude adopted by previous administrations, he all but urged Congress to get on with enacting deep seabed mining legislation.

Mr. Chairman, as chairman of the Subcommittee on Public Lands and Resources, I have delayed introduction of an ocean mining bill until the Federal Surface Mining Control and Reclamation Act of 1977 was enacted, because the strip mine bill was blocking other urgent energy legislation. On August 3, President Carter signed that long-awaited bill into law. Meanwhile, the House of Representatives has had several deep seabed mining bills under consideration, one of which, H.R. 3350, was reported out of committee on July 28.

The time is now ripe for the Senate to begin serious consideration of this portentous issue. I believe Congress is prepared to enact legislation which will offer sufficient backing and encouragement to our infant deep seabed mining industry to enable the resumption of its progress toward commercial recovery of ferromanganese nodules.

I detect a strong current of feeling among those who have followed the endless twistings and turnings of negotiations in the Law of the Sea Conference, a feeling that the U.S. delegation has exhibited extraordinary forbearance. There are many who feel that through the valedictory gesture of former Secretary Henry Kissinger last year at the United Nations, the United States nearly gave away the whole deep seabed mining ball game. Twenty Senators, including me, wrote President Ford following that dismaying performance, to let him know that in our opinion the Senate would never ratify a treaty containing terms so detrimental to U.S. deep seabed mining interests.

Since then, matters have gone from bad to worse. I do not know what Ambassador Richardson will recommend to President Carter as to future U.S. participation in the Law of the Sea Conference. I am convinced, however, that Ambassador Richardson will be in a far stronger negotiating position should he return to the conference next March when it is due to reconvene in Geneva, if Congress in the meantime has enacted legislation based upon the right of U.S. nationals to conduct ocean mining until such time as a new treaty emerges from the conference and becomes binding upon the United States.

Any such legislation should recognize that the concept of the common heritage of mankind can become a reality only through legal definition and implementation within a comprehensive international Law of the Sea Treaty.

It should recognize that deep seabed mining is a freedom of the high seas, the exercise of which requires security of investment.

It should also recognize that establishment of a transitional authority extending only to the activities of U.S. nationals on the high seas and not to the territory of the seabed itself, pending agreement on the Law of the Sea Treaty, is in the interest of the United States.

Mr. President, I am aware that some of my colleagues harbor misgivings about any such legislation. They worry about its possible impact upon a successful conclusion of the Law of the Sea Conference. Others are concerned about setting a precedent by insuring the investment of corporations which, under our free enterprise system, would normally expect to shoulder the risks involved in a pioneer profitmaking venture.

To these colleagues I would say, the bill I am introducing today is not the final answer to these questions. It is a vehicle for discussion purposes. It is an attempt to get our deep seabed mining industry moving again without either placing an undue burden of liability upon the Federal Government, or causing undue disruption of the Conference, on which extremely far-reaching issues depend, over and beyond those having to do with the economic benefits of ocean mining.

The bill I am introducing incorporates elements of legislation now being considered in the House of Representatives. This bill would:

First, require U.S citizens to hold a license in order to explore the deep seabed and a permit for commercial recovery and processing of ferro-manganese nodules, both to be issued by the Secretary of the Interior, in the absence of an international treaty which is in force with respect to the United States.

Second, establish administrative and enforcement procedures for deep seabed mining activities by U.S. citizens and for protection of the marine environment as it is affected by such mining.

Third, authorize the President to designate any foreign nation as a reciprocating state for the purpose of mutually advantageous exploitation of the deep seabed.

Fourth, provide for a voluntary insurance program requiring the payment of annual premiums covering loss of investment by an ocean miner who is a licensee or permittee and who has suffered a loss of investment due to the entering into force for the United States of an international agreement, payment not to exceed 90 percent of the investment or $350,000,000.

Fifth, require the Secretary to submit to Congress recommendations for legislation establishing a special escrow fund to be used for payment of U.S. contributions to an international regime under the treaty.

Sixth, delay implementation of the operative portions of the legislation until January 1, 1980, unless the President, by executive order, establishes an effective date at some earlier time, but in any case not permit issuance of permits for commercial recovery of deep seabed minerals until January 1, 1980.

Inevitably, this bill raises many questions ranging from how to set equitable daily fines for violations, to how to establish a system for compensation for investment loss which will not amount to an outright subsidy. I would welcome the participation of my colleagues from other committees, especially the Committees on Foreign Relations, Commerce and Armed Services, in hearings which will be held on this bill on September 19 and 20, so that a true consensus can be reached on such questions.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2053

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Deep Seabed Mineral Resources Act".

FINDINGS AND PURPOSES

SEC. 2. (a) FINDINGS.—The Congress finds that—

(1) the United States requirements for hard minerals to satisfy national industrial and security needs will continue to expand and that the demand for such minerals will increasingly exceed the available domestic sources of supply;

(2) the United States is dependent upon foreign sources of supply for certain hard minerals and that the acquisition of such minerals from foreign sources is a significant adverse factor in the national balance-of-payments position;

(3) the present and future national security and economic interests of the United States require the availability of hard mineral resources which are independent of the export policies of foreign nations;

(4) an alternate source of supply of certain hard minerals significant in relation to national needs, including nickel, copper, cobalt, and manganese, is contained in the nodules which are found in great abundance on the deep seabed;

(5) major deposits of such nodules have been proven to exist in areas of the deep seabed which are seaward of the limits of national resource jurisdiction recognized by international law;

(6) various mining companies are engaged in developing the technology necessary for the commercial recovery and processing of such nodules;

(7) given the necessary investment climate, United States mining companies are prepared to undertake programs for the commercial recovery and processing of the hard mineral resources from the deep seabed;

(8) it is in the national interest to establish a program to encourage the exploration and commercial recovery activities of United States citizens and that such activities be regulated in a manner to protect the quality of the environment;

(9) the United States supported (by affirmative vote in the General Assembly) United Nations General Assembly Resolution 2749 (xxv) declaring the principle that the mineral resources of the deep seabed are the common heritage of mankind, but recognized, however, that this principle would be legally defined under the terms of a comprehensive international Law of the Sea Treaty to be agreed upon in the future;

(10) since the parties negotiating a comprehensive international Law of the Sea Treaty have been unable to reach a final agreement, and since their failure to reach agreement may retard the development of the technology necessary to commercially recover and process the hard mineral resources of the deep seabed, interim domestic legislation is required to encourage the development of such technology; and

(11) commercial recovery of hard mineral resources from the deep seabed is a freedom of the high seas, subject to a duty of reasonable regard to the interests of other states in their exercise of that and other freedoms recognized by the general principles of international law.

(b) PURPOSES.—The Congress declares that the purposes of this Act are—

(1) to establish an interim program to encourage and regulate the exploration for and commercial recovery of hard mineral resources of the deep seabed by United States citizens, pending the entering into force with respect to the United States of a superseding international agreement concerning such activities;

(2) to insure that the exploration for and commercial recovery of hard mineral resources of the deep seabed are conducted in a manner which will protect the quality of the marine environment; and

(3) to encourage the successful negotiation of a comprehensive international Law of the Sea Treaty which will give legal definition to the principle that the mineral resources of the deep seabed are the common heritage of mankind and which will adequately protect the interests of the United States.

TRANSITIONAL NATURE OF ACT

SEC. 3. (a) SENSE OF CONGRESS.—It is the sense of the Congress that this Act shall be considered to be transitional in nature, pending—

(1) agreement on an international treaty being reached at the United Nations Conference on the Law of the Sea and such treaty entering into force with respect to United States citizens; or

(2) if such agreement is not forthcoming, the conclusion of a multilateral treaty or other international agreements concerning the deep seabed which enter into force with respect to United States citizens.

(b) REPORT OF SECRETARY OF STATE.—On or before October 31 of each year after 1977 in which no agreement or conclusion referred to in subsection (a) is reached, the Secretary of State shall report to the Congress on the progress, if any, toward such agreement or conclusion and advise the Congress as to any amendments to this Act which he believes would be of assistance in reaching such agreement or conclusion.

EFFECTIVE DATE OF ACT

SEC. 4. (a) IN GENERAL.—Except for this section and sections 109 (a) and (c), 401(a), 403 (a) and (c), and 404, the effective date of this Act, in the absence of a prior Executive order issued in accordance with subsection (b), shall be January 1, 1980. The effective date of this section and sections 109 (a) and (c), 401(a), 403 (a) and (c), and section 404 is the date of enactment of this Act.

(b) ESTABLISHMENT OF EARLIER DATE.—(1) The effective date of this Act may be any date prior to January 1, 1980, which is established by the President by an Executive order issued no later than sixty days prior to the effective date established by the order.

(2) If the President has not established an effective date which is prior to February 1, 1978, August 1, 1978, or February 1, 1979, he shall report in detail to the Congress on each such date his reasons for not taking such action.

DISCLAIMER OF EXTRATERRITORIAL SOVEREIGNTY

SEC. 5. By the enactment of this Act, the United States—

(1) exercises its jurisdiction to regulate the activities of United States citizens in the exploration for and commercial recovery of hard mineral resources of the deep seabed; but

(2) does not thereby assert sovereignty rights over, or the ownership of, any area of the deep seabed.

DEFINITIONS

SEC. 6. For purposes of this Act the term—

(1) "commercial recovery" means any activity engaged in at sea to recover any hard mineral resource at a substantial rate (without regard to profit or loss) for the primary purpose of marketing or commercially using such resource, and, if such recovered resource will be processed at sea, such processing;

(2) "Continental Shelf" means—

(A) the seabed and subsoil of the submarine areas adjacent to the coast, but outside the area of the territorial sea, to a depth of two hundred meters or, beyond that limit, to where the depth of the superjacent waters admits of the exploitation of the natural resources of such submarine areas; and

(B) the seabed and subsoil of similar submarine areas adjacent to the coasts of islands;

(3) "deep seabed" means the seabed, and the subsoil thereof to a depth of ten meters, lying seaward of and outside—

(A) the Continental Shelf of any nation; and

(B) any area of national resource jurisdiction of any foreign nation, if such area extends beyond the Continental Shelf of such nation and such jurisdiction is recognized by the United States;

(4) "exploration" means—

(A) any at-sea observation and evaluation activity which has, as its objective, the establishment and documentation of—

(i) the nature, shape, concentration, and tenor of a hard mineral resource; and

(ii) the environmental, technical, and other appropriate factors which must be taken into account to achieve commercial recovery; and

(B) the taking from the deep seabed of such quantities of any hard mineral resource as are necessary for the design, fabrication, installation, and testing of equipment which is intended to be used in the commercial recovery of such resource;

(5) "fund" means the Deep Seabed Mining Fund established pursuant to section 203;

(6) "hard mineral resource" means any deposit or accretion on the deep seabed of nodules which contain one or more minerals, at least one of which is manganese, nickel, cobalt, or copper;

(7) "international agreement" means any convention or treaty which relates to, among other matters, the exploration for and commercial recovery of hard mineral resources of the deep seabed and establishes an international regime for the regulation thereof;

(8) "license" means a license to explore for hard mineral resources of the deep seabed issued pursuant to this Act;

(9) "licensee" means any United States citizen who is issued a license;

(10) "permit" means a permit to engage in commercial recovery of hard mineral resources of the deep seabed issued pursuant to this Act;

(11) "permittee" means any licensee who is issued a permit;

(12) "reciprocating state" means any foreign nation designated as such by the President under section 116;

(13) "Secretary" means the Secretary of the Interior;

(14) "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam, and any other Commonwealth, territory, or possession of the United States; and

(15) "United States citizen" means—

(A) any individual who is a citizen of the United States;

(B) any corporation, partnership, association, or other entity organized or existing under the laws of any of the United States; or

(C) any joint venture, association, or other entity (whether organized or existing under the laws of any of the United States or a foreign nation) if the controlling interest in such entity is held by an individual or entity described in subparagraph (A) or (B).

TITLE I—REGULATION OF EXPLORATION AND COMMERCIAL RECOVERY BY UNITED STATES CITIZENS

PROHIBITED ACTIVITIES BY UNITED STATES CITIZENS

SEC. 101. (a) PROHIBITED ACTIVITIES AND EXCEPTIONS.—(1) No United States citizens may engage, directly or indirectly, in exploration or commercial recovery unless authorized to do so under—

(A) a license for exploration or permit for commercial recovery issued pursuant to this Act;

(B) a license, permit, or equivalent authorization issued by a reciprocating state; or

(C) an international agreement which is in force with respect to the United States.

(2) The prohibitions of this subsection shall not apply to any of the following activities conducted by any United States citizen:

(1) scientific research concerning hard mineral resources;

(2) mapping, or the taking of any geophysical or geochemical measurements or bottom samplings, of the deep seabed, if such taking does not significantly alter the surface or subsurface of the deep seabed;

(3) the design, construction, or testing of equipment and facilities which will or may be used for exploration or commercial recovery, if such design, construction, or testing (i) is conducted on shore, or (ii) does not involve the recovery of any hard mineral resource; and

(4) the furnishing of machinery, products, supplies, services, or materials for any exploration or commercial recovery activity engaged in by a licensee or permittee.

(b) EXISTING EXPLORATION.—Subsection (a)(1)(A) shall not be deemed to prohibit any United States citizen who is engaged in exploration before the effective date of this Act from continuing to engage in such exploration—

(1) if such citizen applies for a license under section 103(a) with respect to such exploration within such reasonable period of time after the date on which initial regulations to implement section 103(a) are issued as the Secretary shall prescribe; and

(2) until such license is issued to such citizen or a final administrative or judicial determination is made affirming the denial of the application for such license.

The timely filing of any application for a license under paragraph (1) shall entitle the applicant to priority of right for the issuance of such license under section 103(b). In any case in which more than one application referred to in paragraph (1) is filed with respect to all or part of the same area of the deep seabed, the Secretary shall, in taking action on such applications, apply principles of equity based on the date on which the applicants commenced exploration activities and the amount of funds each applicant has expended on such activities with respect to the area.

(c) INTERFERENCE.—No United States citizen may interfere with any activity conducted by any licensee or permittee which is authorized to be undertaken pursuant to the license or permit.

LICENSES FOR EXPLORATION AND PERMITS FOR COMMERCIAL RECOVERY

SEC. 102. (a) AUTHORITY TO ISSUE.—Subject to the provisions of this Act, the Secretary is authorized to issue licenses for exploration and permits for commercial recovery.

(b) NATURE OF LICENSE AND PERMITS.—(1) A license or permit issued under this Act shall authorize the holder thereof to engage in exploration or commercial recovery, as the case may be, consistent with the provisions of this Act, the regulations issued by the Secretary to implement the provisions of this Act, and the specific terms, conditions, and restrictions applied to the license or permit by the Secretary.

(2) Any license or permit issued under this Act shall be exclusive with respect to the holder thereof as against any other United States citizen or any citizen, national, or governmental agency of, or any legal entity organized or existing under the laws of, any reciprocating state.

(c) RESTRICTIONS.—(1) The Secretary may not issue—

(A) any license or permit after the date on which an international agreement pertaining to exploration and commercial recovery enters into force with respect to the United States, except to the extent that issuance of such license or permit is authorized by such agreement;

(B) a permit authorizing commercial recovery within any area of the deep seabed to other than the licensee who holds a license which applies to such area;

(C) any permit which authorizes commercial recovery before January 1, 1980;

(D) any license for exploration of, or any permit for commercial recovery within, any area of the deep seabed to an applicant if, within the three-year period before the date of application for such license or permit, (i) the applicant therefor surrendered or relinquished such area under a previous license or permit issued to him, or (ii) a license or permit previously issued to the applicant applied to such area and such license or permit was revoked under section 106; or

(E) any license for exploration of, or permit for commercial recovery within, any area of the deep seabed which is covered by any pending application for a license or a permit to which priority of right for issuance applies under section 103(b); to which any existing license or permit applies; or to which any license, permit, or equivalent authorization issued by a reciprocating state applies.

(2) No permittee may use any vessel for the actual commercial recovery, processing at sea, or transportation of hard mineral resources unless the vessel is documented under the laws of the United States.

(3) A permittee shall process hard mineral resources recovered by him pursuant to a permit only at places located in the United States or aboard vessels documented under the laws or the United States: *Provided*, That the Secretary may allow the processing of any such resource aboard a foreign vessel or at a place other than in the United States if he finds, after opportunity for an agency hearing, that—

(A) the processing of the quantity concerned of the resource at a foreign location or aboard a foreign vessel is necessary for the economic viability of the commercial recovery activities of the permittee; and

(B) satisfactory assurances have been given by the permittee that such resource, after processing, will be returned to the United States for domestic use, if the Secretary so requires after determining that the national interest necessitates such return.

PERMIT AND LICENSE APPLICATIONS, REVIEW, AND APPROVAL

SEC. 103. (a) APPLICATIONS.—(1) Any United States citizen may apply to the Secretary for a license and any licensee may apply to the Secretary for a permit.

(2) Applications for licenses and permits shall be made in such form and manner as the Secretary shall be regulations prescribe, and shall contain such relevant financial, technical, environmental, and other information, as the Secretary, in such regulations, may require as being necessary or appropriate to make the determinations pursuant to subsection (c) and other provisions of this Act for issuance of licenses and permits.

(b) PRIORITY OF RIGHT FOR ISSUANCE.—Subject to section 101(b), priority of right for the issuance of licenses to applicants shall be established on the basis of the chronological order in which license applications which are in substantial compliance with the requirements established under subsection (a)(2) are filed with the Secretary. Priority of right shall not be lost in the case of any application filed which is not in full compliance with such requirements if the applicant thereafter brings the application into conformity with such requirements within such reasonable periodic of time as the Secretary shall prescribe.

(c) ELIGIBILITY.—Before the Secretary may approve any application for a license or permit, he must determine that—

(1) the applicant is financially responsible to meet all obligations which may be required of a licensee or permittee to engage in the exploration or commercial recovery proposed in the application;

(2) the applicant has the technological capability to engage in such exploration or commercial recovery; and

(3) the exploration or commercial recovery proposed in the application will not—

(i) unreasonably interfere with the exercise of the freedoms of the high seas, as recognized under general principles of international law;

(ii) conflict with any international obligation of the United States, established by any existing treaty or international convention in force with respect to the United States; or

(iii) pose a threat of significant adverse effect on the quality of the marine environment, taking into account the analysis and information in any applicable programmatic environmental impact statement prepared pursuant to section 109(c).

(d) ANTITRUST REVIEW.—(1) The Secretary shall not issue or transfer a license or permit unless, pursuant to paragraph (2), he has received the opinions of the Attorney General of the United States and the Federal Trade Commission as to whether such action would create or maintain a situation inconsistent with the antitrust laws. The issuance or transfer of a license or permit shall not be admissible in any way as a defense to any civil or criminal action for violation of the antitrust laws of the United States, nor shall it in any way modify or abridge any private right of action under such laws.

(2) Whenever any application for issuance or transfer of a license or permit is received, the Secretary shall transmit promptly a complete copy of such application to the Attorney General and the Commission. Within ninety days of receipt of such application from the Secretary, the Attorney General and the Federal Trade Commission shall each prepare and submit to the Secretary a report assessing the competitive effects which may result from the issuance or transfer and containing the opinions described in paragraph (1). If either the Attorney General or the Commission, or both, should fail to submit such report within such period, the Secretary shall proceed as if the report or reports had been received.

(3) Nothing in this subsection shall be construed to impair, amend, broaden, or modify any of the antitrust laws, or bar the Attorney General or the Commission or any private party from challenging any anticompetitive situation in the exploration for and commercial recovery of hard mineral resources of the deep seabed.

(e) OTHER FEDERAL AGENCIES.—The Secretary shall provide by regulation for full consultation and cooperation with all other interested Federal agencies and departments. Each interested agency or department shall be afforded the opportunity to review each application for a license or permit and, based on its legal responsibilities and authorities, may recommend approval or denial of the application not later than sixty days after receipt of a complete copy of the application from the Secretary. In any case in which an agency or department recommends denial, it shall set forth in detail the manner in which the application does not comply with any law or regulation within its area of responsibility and shall indicate how the application may be amended, or how conditions might be attached to the license, to assure compliance with the law or regulation involved.

(f) NOTICE PUBLIC COMMENTS, AND HEARING.—(1) Upon receipt of an application for a license or a permit, the Secretary shall publish notice of such application in the Federal Register. Interested persons shall be permitted at least sixty days after publication of such notice to submit to the Secretary written comments on the application.

(2) The Secretary shall hold at least one public hearing in an appropriate location and shall employ such additional methods as he deems appropriate to inform interested persons and groups about the application and to invite their comments thereon.

(g) APPLICATION APPROVAL.—Upon considering the public comments received pursuant to subsection (f) and making the determinations required in section 102(c), subsection (c) of this section, and elsewhere in this Act with respect to any applicant for a license or a permit and the exploration or commercial recovery proposed by such applicant, after completion of procedures for receiving and considering the application required by this Act, and upon payment by the applicant of the fee required under section 104, the Secretary shall approve the application for the license or permit.

LICENSE AND PERMIT FEES

SEC. 104. No application for a license or permit may be approved unless the applicant pays to the Secretary an administrative fee. The amount of the administrative fee imposed by the Secretary on any applicant shall, to the extent ascertainable, reflect the reasonable administrative costs incurred by the Secretary in processing the application.

LICENSE AND PERMIT TERMS, CONDITIONS, AND RESTRICTIONS

SEC. 105. (a) ESTABLISHMENT OF TERMS, CONDITIONS, AND RESTRICTIONS.—Within sixty days after approving any application for a license or permit under section 103(g) and after publication of the final environmental impact statement prepared on the license or permit application pursuant to section 109 (d), the Secretary shall establish terms and conditions for, and restrictions on, the exploration or commercial recovery proposed in the application which are consistent with the provisions of this Act. The Secretary shall provide to each applicant a written statement of the terms, conditions, and restrictions established by the Secretary pursuant to this section. Upon acceptance by the applicant for any license or permit of the terms, conditions, and restrictions established by the Secretary pursuant to this section, the Secretary shall issue to the applicant the license or permit with the terms, conditions, and restrictions incorporated therein.

(b) MODIFICATION AND REVISION OF TERMS, CONDITIONS, AND RESTRICTIONS.—(1) After the issuance of any license or permit, the Secretary may modify any term, condition, or restriction in such license or permit (i) if relevant data and other information (including, but not limited to, data resulting from exploration or commercial recovery activities under the license or permit) indicate that modification is required to protect the quality of the marine environment and if such modification is consistent with the regulations promulgated to carry out section 109(b); or (ii) to avoid a conflict with any international obligation of the United States, established by any existing treaty or convention in force with respect to the United States, as determined by the President; or (iii) in the interest of national security, as determined by the President. No modification may be made under clause (i) if the Secretary determines, on the basis of substantial evidence and after affording the opportunity of an agency hearing, that the national interest in obtaining hard mineral resources from the area to which the license or permits applies outweighs the potential injury to the quality of the marine environment intended to be eliminated or ameliorated by the modification. In determining whether a license or permit shall be modified under clause (1), the Secretary shall also consider whether the proposed modification would result in significant economic loss to the licensee or permittee which would substantially outweigh the potential injury to the quality of the marine environment intended to be eliminated or ameliorated by the modification.

(2) During the term of a license or a permit, the licensee or permittee may submit to the Secretary an application for a revision of the license or permit. The Secretary shall not approve such application unless he finds that the revision will comply with the requirements of this Act and regulations promulgated hereunder.

(3) The Secretary shall establish, by regulation, guidelines for a determination of the scale or extent of a proposed modification or revision for which any or all permit application requirements and procedures, including a public hearing, shall apply. Any alteration in the size of the area to which a license or permit applies, except incidental alterations, and any extension in the duration of a license or permit must be made by application for another license or permit.

DENIAL OF APPROVAL OF APPLICATIONS AND SUSPENSION AND REVOCATION OF LICENSES AND PERMITS

SEC. 106. (a) DENIAL, SUPENSION, AND REVOCATION.—(1) The Secretary may deny approval of any application for a license or permit if he finds that the applicant, or the activities proposed to be undertaken by the applicant, do not meet the requirements set forth in section 103(c) or elsewhere in this Act for issuance of a license or permit.

(2) The Secretary may—

(A) In addition to, or in lieu of, the imposition of any civil penalty under section 302(a), or in addition to the imposition of any fine under section 303, suspend or revoke any license or permit if the licensee or permittee, as the case may be, substantially fails to comply with any provision of this Act, any regulation issued under this Act, or any term, condition, or restriction of the license or permit; and

(B) suspend any license or permit, or particular activities thereunder, if such suspension is necessary to avoid any conflict with any international obligation of the United States, established by existing treaty or convention in force with respect to the United States, or in the interest of national security, in either case as determined by the President.

(3) No action may be taken by the Secretary to deny approval of any application for a license or permit or, except as provided in subsection (c), to suspend or revoke any license or permit or suspend particular activities thereunder, unless the Secretary—

(A) gives the applicant, licensee, or permittee, as the case may be, written notice of his intention to deny, suspend, or revoke and the reason therefor; and

(B) if the reason for the proposed denial, suspension, or revocation is a deficiency which the applicant, licensee, or permittee can correct, affords the applicant, licensee, or permittee a reasonable time, but not more than one hundred and eighty days from the date of the notice (or such longer period as the Secretary may establish for good cause shown), to correct such deficiency.

(4) The Secretary shall deny approval of any application for, and suspend or revoke, any license or permit—

(A) on the thirtieth day after the date of the notice given to the applicant, licensee, or permittee under paragraph (3)(A) unless before such day the applicant, licensee, or permittee requests a review of the proposed denial, suspension, or revocation; or

(B) on the last day of the period established under paragraph (3)(B) in which the applicant, licensee, or permittee must correct a deficiency, if such correction has not been made before such day.

(b) ADMINISTRATION REVIEW OF DENIAL OR PROPOSED SUSPENSION OR REVOCATION.—Any applicant, licensee, or permittee, as the case may be, who makes a timely request under subsection (a) for review of a denial of approval, or a proposed suspension, revocation, of a license or permit is entitled to an adjudication on the record after opportunity for an agency hearing with respect to such denial or proposed suspension or revocation.

(c) EFFECT ON ACTIVITIES; EMERGENCY ORDERS.—The issuance of any notice of proposed suspension or revocation of a license or permit shall not affect the continuation of exploration or commercial recovery activities by the licensee or permittee. The provisions of subsection (a) (3) and (4) and the first sentence of this subsection shall not apply when the President determines by Executive order that an immediate suspension of a license or permit, or particular activities thereunder, is necessary to avoid any such conflict with an international obligation of the United States or to maintain national security, or the Secretary determines that an immediate suspension is necessary to prevent a significant adverse effect on the marine environment, and the Secretary issues an emergency order requiring such immediate suspension.

(d) JUDICIAL REVIEW.—Any determination of the Secretary under subsection (b) to deny approval of any application for a license or permit, suspend or revoke any license or permit, or suspend particular activities thereunder is subject to judicial review as provided for under chapter 7 of title 5 of the United States Code.

EXTENT AND DURATION OF LICENSES AND PERMITS

SEC. 107. (a) SIZE OF AREA OF EXPLORATION OR COMMERICAL RECOVERY.—(1) The Secretary shall determine and specify in each license or permit the size of the area of the deep seabed in which the licensee or permittee may conduct exploration or commercial recovery. The size of any area to which a license or permit applies shall be neither smaller nor larger than necessary to satisfy the following objectives:

(A) the area for exploration shall be suf-

ficient to allow for intensive exploration activities, but may not exceed twice the size of the estimated area in which commercial recovery may be undertaken; and

(B) the area for commercial recovery shall be sufficient to satisfy the permittee's stated production requirements over the term of the permit, taking into account the state of the technology then available for recovery of hard minerals from the deep seabed and the relevant physical characteristics of the area.

(2) When a licensee obtains a permit for commercial recovery, the area to which the license applied and to which the permit does not apply shall be relinquished.

(b) DURATION.—(1) The term of any license shall be of sufficient duration to allow for a thorough exploration of the area of the deep seabed to which the license applies and the design, construction, and testing of prototype mining equipment for the area and of prototype processing facilities.

(2) The term of any permit shall be of sufficient duration to allow for commercial recovery of the hard mineral resources in the area to which the permit applies (which duration shall be based upon related factors such as the depletion of the hard mineral resources within the area concerned, the useful life of the recovery equipment and processing facilities, and commercial viability) and shall include a reasonable period of time for the construction of commercial scale recovery and processing systems.

PERFORMANCE REQUIREMENTS

SEC. 108. (a) EXPENDITURES.—Each license shall require such periodic reasonable expenditures for exploration by the licensee as the Secretary shall establish, taking into account the size of the area of the deep seabed to which the license applies and the amount of funds which is estimated by the Secretary to be required to commence commercial recovery of hard mineral resources in the area within the time limit established by the Secretary: *Provided*, That such required expenditures shall not be established at a level which would discourage exploration by persons with less costly technology than is prevalently in use.

(b) COMMENCEMENT OF COMMERCIAL RECOVERY.—The Secretary shall establish with respect to each license a maximum time interval after exploration is completed within which commercial recovery must commence. Such interval shall take into account the time necessary for the construction of mining and processing systems, with allowance made for unavoidable delays in such construction.

(c) COMMERCIAL RECOVERY.—Once commercial recovery is achieved, the Secretary shall, within reasonable limits and taking into consideration all relevant factors, require the permittee to maintain commercial recovery throughout the period of the permit: *Provided*, That the Secretary may, for good cause shown, including force majeure and other circumstances beyond the control of the permittee, authorize the temporary suspension of commercial recovery activities.

PROTECTION OF THE ENVIRONMENT

SEC. 109. (a) ENVIRONMENTAL ASSESSMENT.—The Administrator of the National Oceanic and Atmospheric Administration shall expand and accelerate the program of assessing the effects on the marine environment from exploration and commercial recovery activities so as to provide as accurate as practicable assessment of environmental impacts of such activities to the Secretary in the implementation of subsections (b), (c), and (d).

(b) TERMS CONDITIONS, AND RESTRICTIONS.—The Secretary and the Secretary of Commerce, acting through the National Oceanic and Atmospheric Administration, shall establish terms, conditions, and restrictions which each license and permit shall contain and which shall prescribe the actions the licensee or permittee, employing the best practicable technology, shall take in the conduct of exploration and commercial recovery to protect the quality of the marine environment. Before establishing such terms, conditions, and restrictions, the two Secretaries shall consult with the Administrator of the Environmental Protection Agency, the Secretary of State, and the Secretary of the department in which the Coast Guard is situated and take into account, and give due consideration to, the information contained in each final environmental impact statement prepared with respect to such license or permit pursuant to subsection (d).

(c) PROGRAMMATIC ENVIRONMENTAL IMPACT STATEMENT.—The Secretary and the Secretary of Commerce, acting through the National Oceanic and Atmospheric Administration, in consultation with the agency heads cited in subsection (b), shall prepare and publish as soon as practicable after the date of enactment of this Act a programmatic environmental impact statement on exploration and commercial recovery in accordance with section 102(2)(C) of the National Environmental Policy Act of 1969 (83 Stat. 852, 853; 42 U.S.C. 4321, 4332). Such statement shall be general in its scope but shall also specifically discuss the area of the oceans in which exploration and commercial development by any United States citizen will likely first occur.

(d) ENVIRONMENTAL IMPACT STATEMENTS ON LICENSE OR PERMIT APPLICATIONS.—The approval of any application for a license or permit shall be deemed to be a major Federal action significantly affecting the quality of the human environment for purposes of section 102 of the National Environmental Policy Act of 1969. In preparing an environmental impact statement pursuant to this subsection, the Secretary and the Secretary of Commerce, acting through the National Oceanic and Atmospheric Administration, shall consult with the agency heads cited in subsection (b) and shall take into account, and give due consideration to, the relevant information contained in any other environmental impact statement prepared pursuant to this section.

PREVENTION OF INTERFERENCE WITH USES OF THE HIGH SEAS

SEC. 110. Each license and permit shall include such restrictions as may be necessary and appropriate to insure that exploration or commercial recovery activities conducted by the licensee or permittee do not unreasonably interfere with the interests of other states in their exercise of the freedoms of the high seas, as recognized under the general principles of international law.

NAVIGATIONAL SAFETY

SEC. 111. Subject to general principles of international law, the Secretary, in consultation with the Secretary of the department in which the Coast Guard is situated, shall require, in any license or permit, conditions regarding lights and other warning devices, safety equipment, operating procedures, and other requirements relating to navigational safety and the promotion of safety of life and property at sea.

RECORDS, AUDITS, PUBLIC DISCLOSURE

SEC. 112 (a) RECORDS AND AUDITS.—(1) Each licensee and permittee shall keep such records, consistent with standard accounting principles, as the Secretary shall by regulation prescribe. Such records shall include information which will fully disclose expenditures for exploration for commercial recovery and onshore processing of hard mineral resources, and such other information as will facilitate an effective audit of such expenditures.

(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for purpose of audit and examination, to any books, documents, papers, and records of licensees and permittees which are necessary and pertinent to verify the expenditures referred to in paragraph (1).

(b) SUBMISSION OF DATA AND INFORMATION.—Each licensee and permittee shall be required to submit to the Secretary such data or other information as the Secretary may reasonably need for purposes of making determinations with respect to the issuance, revocation, or suspension of any license or permit; compliance with the reporting requirement in section 402; and evaluation of the exploration or commercial recovery activities conducted by the licensee or permittee.

(c) PUBLIC DISCLOSURE.—Copies of any record, document, report, or other communication received by the Secretary containing data or information required under this title shall be made available to the public, upon identifiable request therefor, at reasonable cost, unless—

(1) such data or information relates to trade secrets or other confidential matter referred to in section 1905 of title 18 of the United States Code; or

(2) the public release of such data or information is prohibited under any provision of law, including, but not limited to, section 552(b) of title 5 of the United States Code.

MONITORING OF LICENSEES' AND PERMITTEES' ACTIVITIES

SEC. 113. Each license and permit may require the licensee or permittee—

(1) to allow the Secretary to place officers and employees of the Department of the Interior, the Environmental Protection Agency, or the National Oceanic and Atmospheric Administration aboard vessels used by the licensee or permittee in exploration or commercial recovery activities for the purpose of monitoring such activities at such time, and to such extent, as the Secretary deems reasonable and necessary to assess the effectiveness of, and to determine compliance with, license or permit terms, conditions, and restrictions relating to protection of the quality of the marine environment; and

(2) to cooperate with such officers and employees in the performance of monitoring functions.

RELINQUISHMENT, SURRENDER, AND TRANSFER

SEC. 114. (a) RELINQUISHMENT AND SURRENDER.—Any licensee or permittee may at any time, without penalty—

(1) surrender a license or a permit issued to him; or

(2) relinquish in whole or in part, any area of the deep seabed to which the license or permit applies: *Provided*, That any licensee or permitte who surrenders a license or permit, or relinquishes any area of the deep seabed, shall remain liable with respect to all violations and penalties incurred by him, and damages to persons or property caused by him, as a result of activities engaged in by him pursuant to such license or permit.

(b) TRANSFER.—Any license or permit, upon written request of the licensee or permittee, may be transferred by the Secretary: *Provided*, That no transfer may occur unless and until the Secretary determines that (1) the proposed transfer is in the public interest, and (2) the proposed transferee and the exploration or commercial recovery the transferee proposes to conduct meet the requirements of this Act and regulations issued hereunder.

APPLICATION OF CERTAIN LAWS

SEC. 115. In the administration of the laws of the United States relating to export control, customs, duties, and taxes, there shall be no discrimination between hard mineral

resources recovered under a permit and similar minerals recovered within the United States.

RECIPROCATING STATES

SEC. 116. (a) DESIGNATION.—The President may designate any foreign nation as a reciprocating state if the President finds that such foreign nation—

(1) regulates the conduct of exploration for, and commercial recovery of, hard mineral resources of the deep seabed in a manner comparable to that provided for in this Act and the regulations issued hereunder;

(2) recognizes licenses and permits issued under this Act to the extent that such nation prohibits any person from engaging, under its laws, in exploration or commercial recovery which conflicts with that authorized under any such license or permit; and

(3) recognizes, under its procedures, priorities of right for applications for licenses or permits which are consistent with those provided for in this Act and the regulations issued hereunder.

(b) EFFECT OF DESIGNATION.—If any foreign nation is designated as a reciprocating state pursuant to subsection (a), no license or permit shall be issued under this Act permitting any exploration or commercial recovery which will conflict with any license, permit, or equivalent authorization issued by such reciprocating state.

TITLE II—TRANSITION TO INTERNATIONAL AGREEMENT

EFFECT OF AN INTERNATIONAL AGREEMENT

SEC. 201. If an international agreement enters into force with respect to the United States, any provision of this Act, and any regulation issued hereunder, which is not inconsistent with such international agreement shall continue in effect with respect to United States citizens.

COMPENSATION FOR LOSS OF INVESTMENT RESULTING FROM TRANSITION

SEC. 202. (a) DEFINITION.—For purposes of this section, the term "investment" means the expenditure of, and any irrevocable legal obligation to expend, funds (together with the reasonable interest costs thereof) for the purchase of equipment, facilities, and services used for exploration, commercial recovery, and the processing of hard mineral resources in accordance with section 102(c)(3), if such expenditure is made, or such obligation is incurred, on or after the effective date of this Act. Such term does not include (1) funds expended for research on, and the development, testing, or evaluation of, the technology necessary for such exploration, recovery, or processing; or (2) the potential value of hard mineral resources.

(b) IN GENERAL.—Any licensee or permittee who suffers loss of investment by reason of the entering into force with respect to the United States of an international agreement is, if eligible therefor under subsection (c), entitled to compensation for such loss in accordance with this section.

(c) ELIGIBILITY.—(1) Except as provided in paragraph (2), any licensee or permittee is eligible for compensation under this section if—

(A) the license or permit was issued before, and is in effect on, the date on which an international agreement enters into force with respect to the United States;

(B) by reason of the agreement so entering into force, or the later implementation of the provisions of such agreement—

(i) the license or permit is rendered void, or

(ii) such licensee or permittee is permitted to continue exploration or commercial recovery, but under terms and conditions not substantially the same as the terms and conditions of such license or permit;

(C) such licensee or permittee suffers a less of investment as a result of the circumstance described in subparagraph (B); and

(D) such licensee, or such permittee, while a licensee, elected under section 203(b) to pay annual compensation premiums, has paid all such premiums assessed against him by the Secretary, and has not rescinded such election.

(2) No permittee is eligible for compensation under this section if the permittee has held the permit for ten years or more before the date on which an international agreement enters into force with respect to the United States.

(d) ACTION FOR COMPENSATION.—Any licensee or permittee who is eligible under subsection (c) may institute an action against the United States in a district court of the United States as provided in subsection (f) for a determination of the amount of compensation to which he is entitled under this section. No such action may be instituted by any licensee or permittee after the close of the ten-year period beginning on the day on which an international agreement enters into force with respect to the United States.

(e) DETERMINATION OF THE AMOUNT OF COMPENSATION.—(1) The amount of compensation to which any licensee or permittee is entitled under this section shall be the lesser of an amount equal to 90 per centum of, or $350,000,000 for, the loss of investment incurred with respect to the exploration for, and the commercial recovery and processing of, hard mineral resources from, the area of the deep seabed to which the license or permit applies.

(2) In determining the actual loss of investment of any licensee or permittee for purposes of this section, the court shall offset against the investment made by such licensee or permittee amounts equal to—

(A) the remaining commercial market value of the equipment, facilities, materials, and supplies used in exploration or commercial recovery under the license or permit and the onshore processing of hard mineral resources so recovered; and

(B) after-tax revenues, other tax benefits, and any compensation received incident to such exploration, commercial recovery, and processing.

(3) No compensation shall be awarded under this section for any element of loss incurred by any licensee or permittee in carrying out exploration or commercial recovery activities under a license or permit or processing of hard mineral resources so recovered if such loss is attributable to failure of technology, variation in market values of recovered hard mineral resources, force majeure, administrative fees paid under section 104, or events which are within the coverage of usual and customary insurance or for which remedy may be available under the admiralty laws.

(f) JURISDICTION AND VENUE.—The district courts of the United States shall have jurisdiction over cases and controversies involving claims of compensation under this section, without regard to the amounts involved. Actions with respect to any such claim may be instituted in a district court of the United States for the judicial district in which the plaintiff resides or transacts business, or the United States District Court for the District of Columbia.

(g) PAYMENT OF COMPENSATION.—The amount of each final award of compensation made under this section shall be certified by the court concerned to the Secretary who shall pay such award from the Deep Seabed Mining Fund established pursuant to section 203.

DEEP SEABED MINING FUND AND ANNUAL COMPENSATION PREMIUMS

SEC. 203. (a) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States the Deep Seabed Mining Fund which shall be available to the Secretary as a revolving fund for purposes of paying compensation which is awarded to licensees and permittees under section 202. The fund shall consist of—

(1) any sums appropriated to the fund pursuant to the authorization provided in section 403(b);

(2) any annual compensation premiums deposited by the Secretary under subsection (b)(3); and

(3) any interest earned on sums invested pursuant to the last sentence of this subsection.

Compensation shall be paid by the Secretary from the fund only to the extent provided for in appropriation Acts. Sums in the fund which are not currently needed for the payment of compensation shall be kept on deposit or invested in obligations of, or guaranteed by, the United States.

(b) PREMIUMS.—(1) Under such procedures as the Secretary shall establish, each United States citizen whose application for a license is approved pursuant to this Act shall be allowed an opportunity, before the license is issued, to elect whether or not to pay annual compensation with respect to the license and to the permit which may thereafter be issued with respect to the same area of the deep seabed. Any election not to pay such premiums is irrevocable. Any election to pay such premiums may be rescinded at any time. Any such recession is irrevocable and does not entitle the licensee or permittee to a refund of any premiums paid before rescission.

(2) Each licensee who elects to pay such premium, and each permittee who so elected while a license, shall pay to the Secretary for each calendar year, or part thereof, in which the license or permit is in effect an annual compensation premium the amount of which shall be determined by the Secretary: *Provided*, That the amount of any annual compensation premium assessed against any licensee or permittee for any calendar year may not be less than one-quarter, nor more than three-quarters, of 1 per centum of the value of the investment of the licensee or permittee as of the close of the calendar year immediately preceding the calendar year for which the premium is assessed.

(3) All annual compensation premiums collected by the Secretary under this subsection shall be deposited into the fund.

(c) TRANSFER TO TREASURY.—If any moneys remain in the fund, after all awards of compensation under section 202 are paid, the Secretary shall transfer all such moneys to the general fund of the Treasury and shall close the fund.

FUTURE CONTRIBUTIONS FOR IMPLEMENTATION OF INTERNATIONAL AGREEMENT

SEC. 204. No later than the one hundred and eightieth day after the effective date of this Act, the Secretary shall submit to the Congress specific legislative recommendations for requiring contributions to a special fund the proceeds of which shall be used for the payment of United States contributions to an international regime, established under an international agreement, for sharing with the international community pursuant to such agreement. Such recommendations shall include such provisions as the Secretary deems necessary and appropriate, including, but not limited to, provisions relating to the source, amount, and computation of the contributions required; the structure of the special fund; the tax treatment of the contributions (if contributions are required of licensees or permittees); and the disposition of the fund in the event that an international agreement does not enter into force with respect to the United States or United States contributions of the kind referred to in the preceding sentence are not required.

TITLE III—CIVIL PENALTIES AND CRIMINAL OFFENSES

PROHIBITED ACTS

SEC. 301. It is unlawful for any United States citizen to violate any provisions of this Act, any regulation issued pursuant to this Act, or any term, condition, or restriction of any license or permit issued to him pursuant to this Act.

CIVIL PENALTIES

SEC. 302. (a) ASSESSMENT OF PENALTY.—Any United States citizen who is found by the Secretary, after notice and an opportunity for a hearing in accordance with section 554 of title 5, United States Code, to have committed any act prohibited by section 301 shall be liable to the United States for a civil penalty. The amount of the civil penalty shall not exceed $50,000 for each violation. Each day of a continuing violation shall constitute a separate offense. The amount of such civil penalty shall be assessed by the Secretary by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the prohibited act committed, and, with respect to the violator, the history of any prior offenses, his demonstrated good faith in attempting to achieve timely compliance after being cited for the violation, and such other matters as justice may require.

(b) REVIEW OF CIVIL PENALTY.—Any United States citizen against whom a civil penalty is assessed under subsection (a) may obtain review thereof in the appropriate court of the United States by filing a notice of appeal in such court within thirty days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found or such penalty imposed, as provided in section 2112 of title 28, United States Code. The findings and order of the Secretary shall be set aside by such court if they are not found to be supported by substantial evidence, as provided in section 706(2)(E) of title 5, United States Code.

(c) ACTION UPON FAILURE TO PAY ASSESSMENT.—If any United States citizen fails to pay an assessment of a civil penalty against him after it has become final, or after the appropriate court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General of the United States, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(d) COMPROMISE OR OTHER ACTION BY THE SECRETARY.—The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty which is subject to imposition or which has been imposed under this section.

CRIMINAL OFFENSES

SEC. 303. Any United States citizen is guilty of an offense if he willfully and knowingly commits any act prohibited by section 301. Any such offense is punishable by a fine of not more than $250,000 for each day during which the violation continues. There is Federal jurisdiction over any such offense.

ENFORCEMENT

SEC. 304. The provisions of this Act, any regulation issued pursuant to this Act, and any term, condition, and restriction of any license or permit shall be enforced by the Secretary. The Secretary may, by agreement, on a reimbursable basis or otherwise, use the personnel, services, equipment (including aircraft and vessels), and facilities of any other Federal agency in the performance of such duties. The Secretary shall issue such regulations as may be necessary and appropriate to carry out his duties under this section.

LIABILITY OF VESSELS

SEC. 305. Any vessel, except a public vessel engaged in noncommercial activities, used in any violation of this Act, any regulation issued pursuant to this Act, and any term, condition, or restriction of any license or permit shall be liable in rem for any civil penalty assessed or criminal fine imposed and may be proceeded against in any district court of the United States having jurisdiction thereof.

TITLE IV—MISCELLANEOUS PROVISIONS

REGULATIONS

SEC. 401. (a) PROPOSED REGULATIONS.—As soon as practicable after the date of enactment of this Act, but not later than six months after such date, the Secretary shall consult with the Secretary of Commerce (acting through the National Oceanic and Atmospheric Administration), solicit the views of the agency heads cited in section 109(b), and publish in the Federal Register such proposed regulations as are required by, or are necessary and appropriate to implement, this Act. The Secretary shall hold a public hearing on such proposed regulations.

(b) FINAL REGULATIONS.—As soon as practicable after the effective date of this Act, but not later than three months after such date, the Secretary shall consult with the Secretary of Commerce (acting through the National Oceanic and Atmospheric Administration), solicit the views of the agency heads cited in section 109(b), consider the comments received during the public hearing required in subsection (a) and any written statements on the proposed regulations received by him, and promulgate such regulations as are required by, or are necessary and appropriate to implement, this Act.

(c) Provisions of regulations concerning terms, restrictions, and conditions of licenses and permits, to the extent practicable and taking into account differing characteristics of the various areas of the deep seabed to which licenses and permits would apply, shall be applied uniformly in establishing such terms, conditions, and restrictions included in each license and permit.

ANNUAL REPORT

SEC. 402. The Secretary shall submit to the Congress on or before October 31 of each year after 1977 a report on the administration of this Act during the period covered by the report. Such report shall contain, but not be limited to, the following information with respect to the reporting period—

(1) the number of licenses and permits issued, suspended, revoked, relinquished, surrendered, or transferred; applications for licenses and permits denied; and activities under licenses and permits suspended;

(2) a description and evaluation of the exploration and commercial recovery activities undertaken, including, but not limited to, information setting forth the quantities of hard mineral resources recovered and the disposition of such resources;

(3) a description of, and estimate of the damage caused by, adverse effects on the quality of the marine environment resulting from such activities;

(4) the number and description of all civil and criminal proceedings; and

(5) such recommendations as the Secretary deems appropriate for amending this Act to further fulfill its purposes.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 403. (a) FOR ADMINISTRATION.—There are authorized to be appropriated to the Secretary for each fiscal year beginning after September 30, 1977, such sums as may be necessary for the administration of this Act.

(b) FOR COMPENSATION.—To the extent that the moneys in the Deep Seabed Mining Fund established pursuant to section 203 are not sufficient to pay compensation awarded under section 202, there are authorized to be appropriated to such fund for any fiscal year beginning after September 30, 1977, such sums as may be necessary for such payments.

(c) FOR ENVIRONMENTAL ASSESSMENT.—There are authorized to be appropriated to the Secretary of Commerce for each fiscal year beginning after September 30, 1977, such sums as may be necessary to carry out the responsibilities assigned to him in section 109.

SEVERABILITY

SEC. 404. If any provision of this Act or any application thereof is held invalid, the validity of the remainder of the Act, or of any other application, shall not be affected thereby.

Mr. ROBERT C. BYRD subsequently said:

Mr. President, I ask unanimous consent that a bill introduced today by the Senator from Montana (Mr. METCALF), relative to deep seabed mining, be jointly referred to the Committees on Commerce, Science, and Transportation and Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. METCALF (for himself, Mr. JACKSON, Mr. HANSEN, Mr. HATFIELD, Mr. JOHNSON, and Mr. MELCHER):

S. 2054. A bill to amend the Federal Water Project Recreation Act, relating to the provision of uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects; to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

FEDERAL WATER PROJECT RECREATION ACT AMENDMENT

Mr. METCALF. Mr. President, I send to the desk for appropriate reference legislation to amend the Federal Water Project Recreation Act.

The Federal Water Project Recreation Act is one of the most important recreation measures to emerge as a result of the Outdoor Recreation Resources Review Commission and was a landmark of outdoor recreation policy. It represented recognition by the Congress that public outdoor recreation was among the principal purposes of Federal water resource development projects, and that it should receive full consideration in the planning and evaluation of project proposals.

The Federal investment in major reservoir projects has provided a recreational asset of phenomenal capabilities. Federal reservoirs already support public recreational use which exceeds that of the National Park Service in volume of visitor days. Many reservoirs are unique attractions in terms of setting and recreational attributes and some offer invaluable public land and water recreational opportunities close to major population centers. The optimal development and management of these opportunities must receive high priority.

In 10 years of implementation, the act has proven to have both strengths and weaknesses. Furthermore, public and governmental attitudes toward outdoor

recreation policies have evolved dramatically since 1965.

Mr. President, this legislation was originally prepared at the request of the committee chairman, Senator JACKSON, to address those deficiencies in the act which had been discovered during the committee review of Corps of Engineers projects. I requested the committee staff to investigate the Bureau of Reclamation record of implementation of the act's policies and to revise the draft legislation accordingly.

It is my intention, as chairman of the Subcommittee on Public Lands and Resources, to call upon both States and local units of government as well as the private sector to assist the subcommittee in its consideration of this important measure which has broad, bipartisan support.

Mr. President, I ask unanimous consent that the text of the measure be printed in the RECORD together with a staff memorandum explaining the legislation and a statement by Senator JOHNSTON.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2054

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Water Project Recreation Act, approved July 9, 1965 (79 Stat. 213; 16 U.S.C. 4601–12 to 4601–21), is amended as follows:

Delete sections 1, 2, and 3 and insert in lieu thereof the following:

"SECTION 1. It is the policy of the Congress and the intent of this Act that (a) in investigating, planning, and developing any Federal navigation, flood control, reclamation, hydroelectric, or other water resource development project, full consideration shall be given to the opportunities the project may afford for outdoor recreation and for fish and wildlife enhancement purposes and that, whenever any such project can serve either or both of these purposes consistent with the provisions of this Act, it shall be constructed, operated, and maintained accordingly; (b) planning and development of the recreation potential at any such project shall include, as a nonreimbursable expense of the project, initial and continuing Federal provision of facilities and the acquisition of necessary associated land and water areas to provide for and continue to assure adequate access to the project, full protection of the public health and safety and full protection and enhancement of the environmental and natural resources of the project; (c) additional facilities to support the fullest possible range of outdoor recreation activities shall be planned and developed as part of the project to the extent consistent with the provisions of this Act and based on the coordination of the recreational use of the project area with the use of existing and planned Federal, State or local public recreation developments; (d) non-Federal public bodies will be encouraged to administer project land and water areas for recreation and fish and wildlife enhancement purposes and to operate, maintain and replace additional outdoor recreation facilities for these purposes unless such areas or facilities are included or proposed for inclusion within a national recreation area, or are appropriate for administration by a Federal agency as a part of of the national forest system, as a part of the public lands as defined in the Federal Land Policy and Management Act of 1976 (90 Stat. 2743) or in connection with an authorized Federal program for the conservation and development of fish and wildlife.

"SEC. 2. (a) Each Federal water resources development project shall provide initial and continuing facilities and associated land and water areas in accordance with section 1(b) of this Act and the benefits of the project from predicted recreation use levels resulting from full Federal provision of such facilities shall be taken into account in determining the economic benefits of the project.

"(b)(1) Each Federal water resources development project shall provide additional facilities, associated lands and water areas and other measures to support a full range of outdoor recreation and fish and wildlife enhancement if, before their provision, non-Federal public bodies agree in writing to administer project land and water areas for recreation or fish and wildlife enhancement or for both of these purposes pursuant to the plan for the development of the project approved by the head of the agency having administrative jurisdiction over it and to bear not less than one-half the separable costs of the project allocated to the additional facilities, associated lands and water areas and other measures addressed in this subsection for the purpose of recreation use and one-quarter of such separable costs allocated for the purpose of fish and wildlife enhancement, and all the costs of operation, maintenance, and replacement of such additional facilities, associated lands and water areas, and other measures for either or both of said purpose, as the case may be.

"(2) Benefits of each project from predicted recreation use levels resulting from the provision of additional facilities and associated land and water areas in accordance with subsection 2(b)(1) of this Act shall be taken into account in determining the economic benefits of the project if prior to its authorization non-Federal public bodies indicate their intent in writing to agree to the non-Federal requirements specified in subsection 2(b)(1) of this Act. Such benefits shall be calculated in addition to those calculated under subsection 2(a) of this Act.

"(c)(1) Costs of recreation and fish and wildlife enhancement at a project under the provisions of this Act shall be allocated to said purpose or purposes and to other purposes of the project in a manner which will insure that all project purposes share equitably in the advantages of multiple-purpose construction: *Provided*, That the costs allocated to recreation or fish and wildlife enhancement shall not exceed the lesser of the benefits of those functions or the costs of providing recreation or fish and wildlife enhancement benefits of reasonably equivalent use and location by the least costly alternative means; and

"(2) The following costs of the project allocated to recreation and fish and wildlife enhancement occasioned by the facilities and associated lands and water areas provided in accordance with section 2 of this Act shall be borne by the United States and be nonreimbursable:

"(i) all joint and separable costs for facilities, lands and water areas provided in accordance with subsection 2(a) of this Act, and

"(ii) all the joint costs and not more than one-half of the separable costs allocated to recreation and exactly three-quarters of the separable costs allocated to fish and wildlife enhancement for facilities, lands and water areas and other measures for either or both of these purposes provided in accordance with section 2(b) of this Act.

"(d) The non-Federal share of the separable costs of the project allocated to recreation and fish and wildlife enhancement for facilities, lands and water areas and other measures provided in accordance with subsection 2(b) of this Act shall be borne by non-Federal interests under either or both of the following methods as may be determined appropriate by the head of the Federal agency having jurisdiction over the project: (1) payment, or provision of lands, interests therein, or facilities for the projects; or (2) repayment, with interest at a rate comparable to that for other interest-bearing functions of Federal water resources projects, within fifty years of first use of project recreation or fish and wildlife enhancement facilities: *Provided*, That the source of repayment may be limited to entrance and user fees or charges collected at the project by non-Federal interests if the fee schedule and the portion of fees dedicated to repayment are established on a basis calculated to achieve repayment as aforesaid and are made subject to review and renegotiation at intervals of not more than five years.

"SEC. 3. (a) In addition to any lands provided in accordance with subsection 2(a) of this Act and notwithstanding the absence of an agreement or an indication of intent to agree as specified in subsection 2(b) of this Act, lands may be provided in connection with project development to preserve the recreation and fish and wildlife enhancement potential of the project.

"(b) If non-Federal public bodies execute an agreement subsequent to the authorization of a project with the head of the Federal agency having administrative jurisdiction over the project for the provision and administration of additional facilities at the project to support outdoor recreation and fish and wildlife enhancement as specified in subsection 2(b)(1) of this Act, the Federal agency may provide such facilities in accordance with the cost sharing and payment provisions of section 2 of this Act. Such agreement and subsequent development, however, shall not be the basis for any reallocation of joint costs of the project to recreation and fish and wildlife enhancement.

"(c) Lands heretofore or hereafter purchased by the Federal Government at Federal water resources development projects for recreation or fish and wildlife purposes or both in accordance with the provisions of this or any other Act, including joint project lands shall be retained in the ownership of the Federal Government for such purposes as long as they are capable of serving the purposes for which they were acquired, except that, in the event that the head of an agency having jurisdiction over such lands determines that any of those lands are no longer capable of serving the purposes for which they were acquired, the head of such agency may utilize the lands for any lawful purpose within the jurisdiction of his agency or shall dispose of such lands in accordance with the Federal Property and Administrative Services Act of 1949 (63 Stat. 377). In no case shall the lands be used or made available for use for any purpose in conflict with the purposes for which the project was constructed, and in every case except that of an offer to purchase made, as hereinbefore provided by the prior owner preference shall be given to uses which will preserve and promote the recreation and fish and wildlife enhancement potential of the project or, in the absence thereof, will not detract from that potential.

"(d) In any case where the head of a Federal agency having jurisdiction over the project determines that a satisfactory agreement cannot be executed with an appropriate non-Federal public body to properly administer project land and water areas for recreation or fish and wildlife enhancement or an existing agreement is abrogated, such agency head shall investigate, plan, construct, operate, and maintain or otherwise provide for public outdoor recreation and fish and wildlife enhancement facilities, acquire or otherwise make available such lands, interests therein, or improvements thereon, as are necessary for public outdoor recreation or fish and wildlife

use and enjoyment of project lands, facilities, and water areas in a manner coordinated with other project purposes. In such cases, the agency head will provide recreation developments in accordance with an appropriate master plan that is responsive to a demonstrated public need.".

SEC. 2. Delete the provisions in subsection 6(e) and insert in lieu thereof the following: "Sections 2, 3, 4, and 5 of this Act shall not apply to general navigation features of small boat harbor projects or to project areas or facilities authorized by law for inclusion within a national recreation area or appropriate for administration by a Federal agency as a part of the public lands as defined by the Federal Land Policy and Management Act of 1976 (90 Stat. 2743) or in connection with an authorized Federal program for the conservation and development of fish and wildlife.".

SEC. 3. Add a new subsection 6(i) as follows:

"(i) Federal project construction agencies are authorized to construct roads, parking facilities, water supply, sewage collection and treatment and associated site development for private individuals and corporations who provide additionally required recreation and tourist facilities on Federal lands at water resources development projects under the jurisdiction of the agencies. Prior to the commencement of any such construction, the individual or corporation which will benefit from such construction shall enter into an enforcible, written agreement with the head of the Federal agency undertaking the construction to repay, with interest computed at current cost of borrowing to the Treasury, the Federal Government for all the Federal expenses of such construction. Such agreements may provide for repayment of the sums due to the Federal Government on an installment basis subsequent to the commencement of the construction and within 30 days from the date when the head of the Federal constructing agency determines that the Federal construction, conducted under the authority of this subsection, is substantially completed. Any proposed agreement to be entered into under the authority of this subsection shall be referred by the head of the Federal agency concerned to the Administrator of the Small Business Administration prior to its execution for his review of the terms of the agreement and investigation of the soundness of the investment involved and the administrator shall report thereon to the Federal agency head within sixty days of referral".

SEC. 4. Delete subsection 7(a); redesignate subsection 7(b) and 7(c) as 8(a) and 8(c) respectively and sections 8 through 12 as 9 through 13 respectively; and insert the following new section 7:

"SEC. 7. (a) The cost sharing requirements and other requirements and provisions of this Act shall apply to and govern the development and enhancement of outdoor recreation and fish and wildlife at all Federal water resources development projects subject to this Act which are not otherwise exempted under subsection 6(e)": *Provided*, That the applicability of these requirements and provisions shall not be retroactively applied to require any increase in Federal or non-Federal expenditure for any ongoing recreation or fish and wildlife development at any project where such development is more than two-thirds completed on the date of enactment of this Act.

"(b) Each Federal construction agency head is authorized and directed to develop and manage recreation and fish and wildlife enhancement facilities together with associated sanitary and drinking water facilities, access roads, and parking lots and acquire such lands and water areas at existing water resources development projects under his jurisdiction and modify such projects and agreements concerning them as proves necessary to comply with the provisions of the Federal Water Project Recreation Act, as amended by this Act.

"(c) Where a non-Federal agency is unwilling or unable to properly administer project land and water areas for recreation or fish and wildlife enhancement and shows justification and cause for returning the area to the Federal Government, the Federal construction agency head may investigate, plan, construct, operate, and maintain or otherwise provide for public outdoor recreation and fish and wildlife enhancement facilities, acquire or otherwise make available such lands, interests therein, or improvements thereon, as are necessary for public outdoor recreation or fish and wildlife use and enjoyment of project lands, facilities, and water areas in a manner coordinated with other project purposes. In such cases, Federal agencies will develop facilities in accordance with an appropriate master plan that is responsive to a demonstrated public need."

COMMITTEE ON ENERGY
AND NATURAL RESOURCES,
Washington, D.C., July 18, 1977.

MEMORANDUM

To: Senator Lee Metcalf, Chairman, Subcommittee on Public Lands and Resources
From: James P. Beirne, Counsel, Committee on Energy and Natural Resources
Re: Amendments to Public Law 89–72, Federal Water Project Recreation Act

Pursuant to your request the draft legislation has been revised to include the Bureau of Reclamation as well as the Corps of Engineers. An explanation of the revised legislation follows.

The Federal Water Project Recreation Act (Public Law 89–72) provides a broad program to develop recreation opportunities and provides for fish and wildlife enhancement at Federal reservoir facilities. The experience of the last decade has demonstrated the need to modify and improve the original Act.

Pursuant to Section 2 and 3 of Public Law 89–72 as it presently exists, virtually no recreation or fish and wildlife enhancement may be provided for in project plans in the absence of a written agreement, entered prior to project authorization, in which a non-Federal public sponsor indicates its intent to agree to administer project land and water are s for these purposes and to cost share 50/50 with the Federal Government for all separable costs of the project allocated to recreation and 75/25 (Federal to non-Federal), as amended by section 77 of Public Law 93–25, for all separable costs of the project allocated to fish and wildlife enhancement, and to bear all related costs of operation, maintenance, and replacement.

The obvious limitation of these provisions is that they require a non-Federal sponsor willing to participate in 50/50 and 75/25 cost sharing before recreation and fish and wildlife enhancement facilities may be planned for and provided at Federal water resources development projects.

Section 3(a) of Public Law 89–72 presently allows for the provision of some specific bare minimum recreation and/or fish and wildlife enhancement facilities at Federal water resources projects where a non-Federal public sponsor is unavailable. However, such facilities are limited to "minimum facilities which are required for the public health and safety and are located at access points provided by roads existing at the time of project construction or constructed for the administration and management of the project."

This provision is narrow in scope, has been administratively interpreted very narrowly, does not reflect policies established by subsequent legislation, and does not allow for adequate provision of facilities to accommodate the visitors who are being, and will be, attracted to Federal water resources development projects for recreation and/or fish and wildlife purposes even though virtually no facilities are provided.

The draft legislation provides for an expansion of the type and amount of minimum basic recreation and fish and wildlife areas and facilities to be provided at Federal water resources projects at full Federal expense. Such minimum basic facilities would include sanitary sewerage and drinking water facilities, access roads and parking areas, as well as additional lands, and would be provided first to meet initial demand, and in the future, as needed to meet future demand.

The legislation, however, does retain the existing cost-sharing requirements (50/50 for recreation and 75/25 for fish and wildlife enhancement) for any facilities to be provided in addition to the basic minimum facilities. Such additional facilities include the type of facilities normally found in State or local parks, such as picnic areas, camping areas, play fields, and so forth, and would naturally include the necessary associated sanitary and drinking water facilities, access roads and parking areas and so forth.

Section 3(a) of the existing Public Law 89–72 provides that in the absence of a non-Federal sponsor willing to cost share for facilities and so forth, "lands may be provided in connection with project construction to preserve the recreation and fish and wildlife enhancement potential of the project." However, in the event a non-Federal sponsor does not materialize within a 10-year period, provision is made for putting the lands to other agency uses or disposing of them.

Section 3 of the existing Act is modified in the draft legislation in part by adding a new subsection (c) which requires the retention by an agency of lands acquired at Federal water resources development projects for recreation or fish and wildlife purposes as long as the lands are capable of serving the purposes for which they were acquired. The new draft subsection provides for the retention of lands for other agency uses or disposing of them in the event the agency head determines that the lands no longer can serve the purposes for which they were acquired.

Another provision of this draft legislation provides for long-term low interest Federal loans to the private sector to aid and, in accordance with the Federal Property and Administrative Services Act, encourage development of tourist facilities. There is no comparable provision in Public Law 89–72, as it exists. What is envisioned in this is that private development at Federal water resources development projects of hotels, motels, and/or other related tourist-recreation facilities should be encouraged where such development would be in accordance with the plans for a project and where it would thus serve the general public.

A reasonable means of encouraging such private development might be the provision, by appropriate Federal project agency, of on-site "utilities" such as roads, parking areas, water supply, sewage collection and treatment, and associated site development for proposed tourist-recreation facilities, the cost of which would be repaid over a period of up to 30 years with interest computed at the current cost of borrowing to the treasury. Before any agreements would be entered under this the proposal would be referred to the Small Business Administration for review and investigation of the soundness of the investment involved. This provision would relieve private developers from the burden of some of the front-end costs of new development at projects.

Another concern of this draft legislation is to provide for consistent application of these policies to all Federal water resources development projects. Several portions of Public Law 89–72 have an impact limiting the application of the provisions contained in the Act to particular water resources development projects.

The existing Public Law 89–72 is prospective in nature and pursuant to Section 2 is applicable only to projects authorized during 1965 and after. In order to make Public Law 89–72, as amended, applicable to all water resource development projects, the provision in Section 2 of Public Law 89–72 is deleted and Section 4(a) of the draft legislation is written to specify that the provisions of Public Law 89–72, as amended, shall apply to all projects except that the provisions would not be retroactively applicable where to do so would require any increase in Federal expenditures for any recreation or fish and wildlife development more than two-thirds completed on the date of enactment.

To assure that the public recreation potential of all federally funded water development projects is fully realized, the commitment to develop a Federal water project should carry with it the obligation to fully serve any public recreation benefits inherent in the project. The commitment for national funding establishes the national purpose of the recreation aspects of the project, as well as the water, power, and flood control aspects.

While cost-sharing is a sound funding device that should be fully explored in each instance, there should be a statutory requirement that the Federal Government meet recreation needs if cost-sharing devices are not successful. In order to assure that the necessary investment is made when a satisfactory agreement cannot be executed, section 3 of the existing act is modified in the legislation by adding a new subsection, 1(d), which requires that in any case where the head of a Federal agency having jurisdiction over the project determines that a satisfactory agreement cannot be executed with an appropriate non-Federal public body to properly develop and manage an area, or an existing agreement is abrogated, that the agency head develop and manage or provide for the development and manage the area subject to an approved master plan.

Section 6(e) of Public Law 89–72 makes the cost sharing and reimbursement provisions of that Act not applicable to nonreservoir local flood control projects, beach erosion control projects, small boat harbor projects, and hurricane protection projects. The draft legislation provides modified language for Section 6(e) which would remove the above listed types of projects (except for navigational features of small boat harbor projects, because these are recreation projects to begin with) from those to which the cost sharing and reimbursement provisions are to be not applicable (modified language is on pages 11 and 12 of draft legislation.

Section 1(a) of Public Law 89–72 contains language which might lend itself to limiting the provision of recreation and fish and wildlife enhancement at certain projects. The statutory language presently reads as follows:

in investigating and planning any Federal navigation, flood control, reclamation, hydroelectric, or multiple-purpose water resource project, full consideration shall be given to the opportunities, if any, which the project affords for outdoor recreation and for fish and wildlife enhancement and that, whenever any such project can reasonably serve either or both of these purposes consistently with the provisions of this Act, it shall be constructed, operated, and maintained accordingly.

Section 1(a) in the draft legislation has been amended to delete the word "reasonably" and should thus make clear that all projects shall be considered for recreation and fish and wildlife enhancement.

The final concern of this draft is to provide for consistent application of the policies to all completed Federal water development projects. Public Law 89–72, as it presently exists, does not apply uniformly to completed projects under the administration of different Federal agencies.

Public Law 89–72 applies only to completed projects under the administration of the Secretary of the Interior and not the Department of the Army. (Note, however, that the current policy of the administration is to apply, for the most part, the cost-sharing principles of Public Law 89–72 where recreational development added under section 4 of the Flood Control Act of 1944 to Department of the Army projects authorized prior to 1965.) The Secretary of the Interior is presently limited by section 7(a) of Public Law 89–72 to a Federal cost-sharing contribution of $100,000 and does not have the authority to develop and manage which is available to the Department of the Army under the 1944 act. As a result the recreation potential of many of the water development projects in the 17 Western States subject to Reclamation laws has never been fulfilled. In many cases, minimum facilities to meet public health and safety standards at projects currently receiving visitation have never been built.

Therefore, section 4 of the draft legislation replaces the existing section 7(a) and provides that the terms and requirements of Public Law 89–72, as amended by the draft legislation, are to be applicable to all projects, with a specific provision which authorizes and directs the heads of Federal construction agencies to develop and manage minimum recreation and fish and wildlife enhancement facilities at such projects.

Subsection 4(b) of this draft legislation provides consistent general authority for all agencies having jurisdiction over a Federal water project to be able to provide adequate recreation development in order to more fully protect Federal lands and insure that the public and future generations will have recreational opportunities.

STATEMENT OF SENATOR JOHNSTON

The purpose of the Federal Water Project Recreation Act was to provide a broad program to develop recreation facilities and enhance fish and wildlife opportunities at Federally funded water reservoir facilities. The Act is now in need of modification to improve it in line with our experience over the last decade.

In its present form, almost no recreation or fish and wildlife enhancement may be provided in the plans for a project in the absence of a written agreement entered into prior to the authorization of the project. A non-Federal public sponsor must indicate its intent to agree to administer the projects land and water areas for these purposes and to share the cost on a 50–50 basis with the Federal government for all separable costs of the project allocated to recreation and 75–25 for fish and wildlife enhancement. The non-Federal body must also bear all costs related to operation, maintenance and replacement.

This draft legislation provides for an expanded participation in recreation and fish and wildlife facilities by the Federal government that will be fully federally funded. The legislation retains the existing cost-sharing requirements for any facilities to be provided in addition to the basic minimum facilities in the present law. Another provision of this draft legislation provides for long-term, low interest Federal loans to the private sector to aid and encourage development of tourist facilities. The legislation also provides for consistent application of these policies to all Federal water resources development projects.

I hope we will be able to hold hearings on this important legislation that will reinforce my belief that we must change our present system if we are to fully utilize our water resources projects.

Mr. MELCHER. I am pleased to join my colleague from Montana, Senator METCALF, in sponsoring S. 2054, a bill to amend Public Law 89–72, the Federal Water Project Recreation Act.

This is a forward-looking bill which will be a major step toward recognizing the importance of recreation and fish and wildlife enhancement at Federal water projects for the benefit of all Americans. And it will begin to give the necessary direction and consistent guidance to making such improvements.

Those of us from Montana know full well the need for increased recognition of the Federal responsibility to provide basic recreation and fish and wildlife enhancement facilities at our many water projects. The most striking example of the neglect of this responsibility with respect to recreation in our State, and perhaps the entire country, is at Fort Peck Lake which is part of the Pick-Sloan Missouri Basin project. Fort Peck Dam was completed in 1940—before there was the importance Americans place today on recreation as one of the key benefits of water projects.

Since 1940, Fort Peck has made a tremendous contribution to the entire north-central United States. It provides 165,000 kilowatts of electricity to the seven-State Pick-Sloan project area—with 1976 power sales returning $11.9 million to the Federal Treasury. It is essential for maintaining downstream irrigation, navigation, and flood control along the entire Missouri River. Its 19.1 million acre-feet of water storage capacity make it the fifth largest reservoir in the United States.

Fort Peck's energy contributions will increase even beyond present levels as electrical generation capacity is expanded in the future. The Missouri River "umbrella" study now in the process of being finalized by the Corps of Engineers has made a finding that the existing Fort Peck power output could be doubled by addition of more turbines.

However, the 1,540 miles of Fort Peck Lake shoreline have only a dozen points of access for recreation such as boating, fishing or camping with few facilities of any kind. And the people of the area and those who may travel hundreds of miles to the lake know how well the official "primitive" development descriptions fit. Yet the Corps of Engineers estimates that annual recreation visits will multiply many times within the next 5 years—perhaps to as many as one-half million visitors annually. This is because Fort Peck Lake is within easy driving distance of projected coal development sites of the Fort Union coal deposits in which it is located.

I share the conviction of the residents of the area that Fort Peck Lake has served the Nation well in terms of energy, irrigation, flood control, and navigation. It has more than paid its way as a true national resource and will continue to do so. But its recreational potential has been severely neglected.

In approving the bill we have introduced today, Congress can correct this and many similar situations by directing the Corps of Engineers or Bureau of Reclamation to provide minimum facilities such as access roads, parking areas, sanitary facilities, and drinking water supply at Federal water projects. I believe hearings on the bill will make a strong case to include simple boat ramps, picnic, and perhaps other facilities as well. In cases such as Fort Peck, where the Federal presence is so great as to overwhelm the ability of the surrounding areas to share the cost of additional improvements beyond these minimums, the bill establishes a procedure for those improvements to be clearly recognized as a Federal responsibility.

Mr. President, I commend Senator METCALF for his work on S. 2054 and I hope it will be approved by this Congress.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a bill introduced by the Senator from Montana (Mr. METCALF) and others to amend the Federal Water Project Recreation Act be jointly referred to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources. I understand this has been cleared on both sides of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 123

At the request of Mr. INOUYE, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 123, a bill to amend the Social Security Act to provide for the payment of services by phychologists, and for other purposes.

S. 643

At the request of Mr. NELSON, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 643, a bill to amend the Federal Food, Drug, and Cosmetic Act to require that the identity of the manufacturer of a prescription drug appear on the label of the package from which the drug is to be dispensed.

S. 692

At the request of Mr. HUMPHREY, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 692, a bill to provide third-class mailing privileges to Gold Star wives of America, Inc.

S. 901

At the request of Mr. BENTSEN, the Senator from Maine (Mr. HATHAWAY), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Nebraska (Mr. CURTIS), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of S. 901, a bill to make it easier to comply with certain Federal employee benefit plan requirements by amending the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to eliminate dual Treasury and Labor Department jurisdiction over certain requirements, to reduce the number of reports and other paperwork required thereunder, and for other purposes.

S. 991

At the request of Mr. RIBICOFF, the Senator from Ohio (Mr. METZENBAUM), the Senator from Wyoming (Mr. WALLOP), and the Senator from Colorado (Mr. HASKELL) were added as cosponsors of S. 991, a bill to establish a separate Department of Education, and for other purposes.

S. 1307

At the request of Mr. CRANSTON, the Senator from Iowa (Mr. CLARK) was added as a cosponsor of S. 1307, a bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under temporarily revised standards to discharge under honorable conditions.

S. 1526

At the request of Mr. BARTLETT, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Tennessee (Mr. BAKER), the Senator from Texas (Mr. BENTSEN), the Senator from Florida (Mr. CHILES), the Senator from New Mexico (Mr. DOMENICI), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Pennsylvania (Mr. HEINZ), the Senator from New York (Mr. JAVITS), the Senator from Nevada (Mr. LAXALT), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Montana (Mr. METCALF), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Oregon (Mr. HATFIELD), the Senator from Michigan (Mr. RIEGLE), the Senator from Alaska (Mr. STEVENS), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) were added as cosponsors of S. 1526, a bill to establish an Associate Administrator for Women's Business within the Small Business Administration.

S. 1745

At the request of Mr. NELSON, the Senator from Minnesota (Mr. HUMPHREY), the Senator from Maine (Mr. HATHAWAY), and the Senator from Hawaii (Mr. MATSUNAGA) were added as cosponsors of S. 1745, a bill to amend the Employee Retirement Income Security Act of 1974.

S. 1774

At the request of Mr. NELSON, the Senator from North Dakota (Mr. BURDICK) and the Senator from Florida (Mr. STONE), were added as cosponsors of S. 1774, a bill to amend the Internal Revenue Code of 1954 to provide that the Federal excise tax on telephone service does not apply to amounts paid as State tax on the same service.

S. 1882

At the request of Mr. GLENN, the Senator from New York (Mr. MOYNIHAN) and the Senator from Kentucky (Mr. FORD) were added as cosponsors of S. 1882, to amend the Omnibus Crime Control and Safe Streets Act of 1968 to authorize the Law Enforcement Assistance Administration to make grants to States for the prevention and detection of certain crimes involving the torching of buildings, and for other purposes.

S. 1903

At the request of Mr. JACKSON, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 1903, a bill to amend chapter 55 of title 10, United States Code, to authorize the use of health maintenance organizations in providing health care under such chapter, and for other purposes.

S. 1923

At the request of Mr. ROTH, the Senator from Hawaii (Mr. INOUYE) and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 1923, a bill to amend the Consolidated Farm and Rural Development Act and title V of the Housing Act of 1949 to authorize Federal assistance under such acts with respect to the installation of solar heating and cooling devices in residential and farm structures.

S. 1968

At the request of Mr. RIBICOFF, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 1968, a bill to establish the Long Island Sound Heritage.

S. 1991

At the request of Mr. METCALF, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Maine (Mr. HATHAWAY) were added as cosponsors of S. 1991, the National Electrical Energy Reliability and Conservation Act of 1977.

S. 1996

At the request of Mr. STAFFORD, the Senator from Alaska (Mr. STEVENS) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 1996, a bill to amend title 10 of the United States Code relating to survivor benefits for retirees of the Reserve Forces.

S. 2019

At the request of Mr. JAVITS, the Senator from Massachusetts (Mr. BROOKE) was added as a cosponsor of S. 2019, relating to welfare reform.

SENATE RESOLUTION 219

At the request of Mr. ROTH, the Senator from Arizona (Mr. DECONCINI), the Senator from California (Mr. HAYAKAWA), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of Senate Resolution 219, to establish in the Senate a senior citizen internship program.

SENATE RESOLUTION 250—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

(Referred to the Committee on the Budget.)

Mr. MCINTYRE, from the Committee on Banking, Housing and Urban Affairs, reported the following original resolution:

S. RES. 250

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. —. Such waiver is necessary to permit consideration of statutory authority authorizing the payment of interest on reserve balances held at Federal Reserve banks and the

lowering of certain reserve requirements in order to prevent continued attrition of bank membership in the Federal Reserve System. Such attrition may be affected by the authority permitting depository institutions to offer negotiable order of withdrawal (NOW) accounts and share draft accounts to individuals nationwide. Other than Title III, the provisions of S. — shall become effective one year after date of enactment. The delay in enactment is necessary to allow depository institutions time to prepare to offer such accounts and to allow any necessary adjustments in state laws.

SENATE RESOLUTION 251—SUBMISSION OF A RESOLUTION TO REFER S. 2029 TO THE COURT OF CLAIMS

(Referred to the Committee on the Judiciary.)

Mr. BROOKE submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 251

Resolved, That the bill (S. 2029) entitled "A bill to provide for the payment of losses incurred as a result of the ban on the use of TRIS in children's wearing apparel, and for other purposes" now pending in the Senate, together with all the accompanying papers, is referred to the Chief Commissioner of the United States Court of Claims. The Chief Commissioner shall proceed according to the provisions of sections 1492 and 2509 of title 28, United States Code, and report back to the Senate, at the earliest practicable date, giving such findings of fact and conclusions that are sufficient to inform the Congress of the nature and character of the demand as a legal or equitable claim against the United States or a gratuity, and the amount, if any, legally or equitably due from the United States to the claimant.

SENATE RESOLUTION 253—SUBMISSION OF A RESOLUTION ON U.S. COMMITMENT TO NATO

(Referred to the Committee on Foreign Relations.)

Mr. DOLE (for himself, Mr. THURMOND, Mr. HELMS, Mr. DANFORTH, Mr. LUGAR and Mr. HANSEN) submitted the following resolution:

S. RES. 253

Whereas, grave doubts have been raised in recent days, both at home and abroad, about the determination and resolve of the United States to fulfill its commitment to its NATO allies, especially to the Federal Republic of Germany;

Whereas, the confidence of our European allies as to the intentions and support of the United States regarding the NATO alliance must be maintained;

Whereas, any change in the commitment of the United States to support the NATO alliance and to defend the territoral integrity of its member nations should be a matter for full discussion by the Senate and the American people;

Whereas, we believe the American people continue to support our real and moral obligations to support and defend the governments and the people of our European allies: Now, therefore, be it

Resolved, That we reaffirm our determination to fulfill our responsibilities to protect and defend the territorial integrity of the Federal Republic of Germany and all member nations of the North Atlantic Treaty Organization.

Mr. DOLE. Mr. President, the Senator from Kansas rises to submit a resolution which I believe we should adopt in order to clarify our commitment to some of our closest allies. In my view, we must express our resolve to live up to our defense treaties with our European allies. That resolve has been opened to question by a recent report on a high level meeting in the Carter administration.

Mr. President, I would like to bring to the attention of my colleagues a series of articles that appeared in the Washington Post since August 3. These articles concern our contingency plans in case of a Soviet attack on Western Europe.

GIVE UP A THIRD OF WEST GERMANY

According to the Evans and Novak article of August 3, Zbigniew Brzezinski, the President's national security adviser, is quoted as accepting the loss of one-third of West Germany in the event of a conventional attack by Warsaw Pact forces. Apparently, there was no dissent from any of the senior officials present, including Vice President MONDALE, CIA Director Stansfield Turner and Joint Chiefs of Staff Chairman, Gen. George Brown. Although the White House denied the report, Mr. Brzezinski's press spokesman, Jerold Schecter declined to elaborate on which statements attributed to Mr. Brzezinski were inaccurate.

NATO ALLY NOT INFORMED

I find this kind of thinking on the part of our top leaders extremely disturbing. We are talking about the territory of one of our NATO allies, and apparently, the administration is considering this policy shift behind the back of West Germany, one of NATO's most diligent members. Let me remind my colleagues that the United States conceded territory to the Soviets in World War II and we have been wrestling with the problems created ever since.

FUTURE ACTIONS MUST BE WATCHED

In view of the fact that the administration is espousing the withdraw of U.S. troops from Korea at a most delicate time in the affairs of Asia, I find it inconceivable that the President's top national security officials are also secretly planning for the concession of one-third of West Germany to the Warsaw Pact in the event of a conventional attack. This is a most alarming development, Mr. President, if such discussions have indeed taken place.

Perhaps it is opportune to remind President Carter that the American people elected him President last November because of their desire for new leadership. And leadership is at the very heart of this article if I am to believe its basic accuracy. Mr. Brzezinski seems to be saying that the American people will not support increased defense spending to make the NATO alliance a truly effective deterrent to future Soviet aggression. Therefore, the United States must be willing to accept that fact that its friend and ally, West Germany shall have to sacrifice one-third of its territory.

Mr. President, I believe Mr. Brzezinski, for all his supposed brilliance in foreign policy, basically underestimates the intelligence and the mettle of the American people. If there is such a resistance in this country to legitimate and necessary defense spending, perception which I am not prepared at this time to share with the administration, then it is incumbent upon President Carter, Mr. Brzezinski and others to take their case before the American people—not sacrifice the territory of one of our most reliance allies in some meeting behind the closed doors of the White House.

The American people have always been willing to listen to reasoned arguments and their grasp of what constitutes the necessary elements for peace and America's contribution to that peace is broad and far-reaching.

I believe it is most important that we take note of this article and keep a watchful eye on the administration's future actions with regard to our defense policy. I want to share these provocative articles with my colleagues, therefore I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONCEDING DEFEAT IN EUROPE

(By Rowland Evans and Robert Novak)

President Carter late this week will be presented by his national security advisers with a new defense strategy that secretly concedes one-third of West Germany to a Soviet invasion rather than seek increased defense spending, which these advisers say would provoke Moscow and divide Washington.

[*For the Carter administration's comments on this column, see the news story on page A12.*]

PRM-10, the Carter administration's top-secret strategic study, suggested that this policy could be made palatable to Western Europe by simply not admitting its implications. This course was wholly adopted in high-level meetings July 28 and 29 by Zbigniew Brzezinski, the President's national security adviser. There was dissent from the senior officials assembled.

The strategic policy paper to be given the President (about three pages of single-spaced typing) makes no mention of surrender or duplicity in central Europe but talks of a commitment to a "minimum loss of territory" in NATO. To achieve a broader perspective Carter ought to look at the minutes of the July 28–29 meetings of his Senior Coordinating Council (SCC) on national security.

The SCC agreed on a 3 per cent annual increase in defense spending, fulfilling Carter's promise to his NATO allies earlier this year. But, according to verbatim notes taken by one of the participants, Brzezinski declared: "It is not possible in the current political environment to gain support in the United States for procurement of the conventional forces required to assure that NATO could maintain territorial integrity if deterrence fails. Therefore, we should adopt a 'stalemate' strategy. That is, a strategy of falling back and leaving the Soviets to face the political consequences of their aggression."

Brzezinski went on to declare that these "political consequences"—world opinion, U.N. disapproval, U.S. mobilization—would help deter a Soviet invasion. There was no dissent from those present, including Vice President Mondale, CIA Director Stansfield Turner, Chief Disarmament Negotiator Paul Warnke, Deputy Defense Secretary Charles Duncan and Joint Chiefs of Staff Chairman Gen. George Brown.

Brzezinski continued: "We agree there must be a gap between our declared strategy and actual capability. We cannot for political reasons announce our strategy." Again, there was no dissent, though some officials voiced the opinion there would be hell to

pay if the Germans learned what was happening.

All this follows the script of the June 20 draft of PRM–10, which lists four options for lower-range defense spending. Each would stop a Soviet offensive at a line formed by the Weser and Lech Rivers, surrendering about one-third of West Germany (including Saxony and most of Bavaria).

These four options, according to PRM–10, do not "plan" to stop "a determined Warsaw Pact conventional attack. . . . If the Soviets persist in their attack, a U.S.-NATO conventional defeat in Central Europe is likely." Yet these options are certainly not rejected out of hand.

"Many of the adverse political implications" of the reduced defense options (such as independent German rearmament or, conversely, European accommodation to Moscow) "probably could be avoided if the U.S. continued to publicly support" present strategy. Adverse reactions by Western Europe "could be significantly softened . . . If the U.S. were to avoid any statements to the effect that a loss of NATO territory would be acceptable."

PRM–10 also proposes these political steps, accompanying defense reduction, that could help forestall a Russian attack: "The U.S. might pursue arms-control initiatives more vigorously to obtain reductions in threats and opposing force levels, thereby minimizing the risks of unilateral U.S. reductions. With respect to the Soviet Union, the U.S. might undertake a broad program of economic assistance to the U.S.S.R. on trade, credits, food, and technology, thereby lowering political tensions and reducing the risks of war."

The four options calling for increases in defense spending, says PRM–10, would be intended to roll back a Soviet invasion but "may provoke adverse Soviet *and* allied reactions." This "might provoke a similar Soviet counter-buildup or even a preemptive attack," and therefore "might actually undermine deterrence."

Arms-control negotiations would be disturbed by "strategies requiring a visible and rapid increase in the size of U.S. and allied forces, particularly in Europe. . . . Soviet suspicions of U.S. motives would make it more difficult to conclude meaningful arms-control agreements, either SALT [Strategic Arms Limitation Talks] or MBFR [Mutual Balanced Force Reductions]."

PRM–10 predicts any increase in defense spending would generate "divisive debate" and warns an across-the-board hike in defense capability "is likely to find little domestic support." In general, the options calling for decreased strength are seen as causing less trouble; in particular, the option calling for approximately the present military level but with less sustained power in Europe is described as "probably the most anodyne [option] in terms of its domestic impact, unless it were only described as a lowering of our sights."

These views were implicitly accepted last week by Brzezinski and the other senior officials. So the President is about to adopt a policy boiling down to this: Instead of seeking greater defense spending to defend central Europe, rely on political pressures to deter Moscow while secretly conceding a military defeat. Whether this reflects a "political environment" as claimed by Brzezinski, it certainly reveals the environment within the Carter administration.

"PULLBACK" POLICY IN EUROPE IS DENIED

(By Edward Walsh)

Senior administration officials yesterday denied a report that the United States is considering a defense policy that would concede the loss of one-third of West Germany in the case of a Soviet invasion of Western Europe.

The denials, in response to a report by syndicated columnists Rowland Evans and Robert Novak published yesterday in the Washington Post, came from the State Department, Defense Secretary Harold Brown, White House press secretary Jody Powell and President Carter's national security adviser, Zbigniew Brzezinski.

Brown, testifying before a Senate Armed Services subcommittee, said U.S. policy still is to contain any Soviet attack near the German border.

"I do not advocate and will not support a policy which called for the United States to accept a loss or defeat in Europe," Brown said.

Powell, answering questions at the White House, said that Presidential Review Memorandum 10—the subject of the column—propcses no change in policy that would accept the loss of territory in Europe. U.S. policy, he said, remains unchanged and includes the possible use of tactical and strategic nuclear weapons as well as conventional forces in defense of Europe.

PRM–10 is the administration's overall review of U.S. global strategy, including military strengths and force levels. It has not yet been presented to the President.

Evans and Novak reported what they described as a meeting of high-level administration officials July 28 and 29 to discuss aspects of PRM–10. The thrust of the column was that the officials agreed with Brzezinski's contention that given the "current political environment" the administration could not expect to gain support to procure enough conventional forces to assure turning back a Soviet invasion.

In these circumstances, the columnists said Brzezinski argued, the United States should adopt a "stalemate strategy," in effect "falling back and leaving the Soviets to face the political consequences (such as adverse world opinion) of their aggression." But under no circumstances, Brzezinski was reported to have said, should the United States publicly acknowledge any such change in its strategy, since this would cause an uproar in Western Europe, according to the columnists.

The syndicated column contained lengthy quotations attributed to Brzezinski which Evans and Novak said came from the verbatim notes of one of the participants in the meeting.

The White House did not directly deny that Brzezinski made the statements attributed to him. However, Jerrold Schecter, Brzezinski's press spokesman, said the statements in the column were "partial, inaccurate and deal only with one aspect of the overall defense strategy that might be applied in the event of an attack on Western Europe."

Schecter declined to elaborate on where the statements attributed to Brzezinski were inaccurate.

Powell described the Evans and Novak report as another "in a series of the 'Oh, my God, they're caving in to the Commies' columns" by the two writers, who are known for their hard-line stance on defense issues.

Powell conceded that discussions of PRM–10 have included reviews of "political options" open to the United States in the event of Soviet aggression in Europe, but he said the discussions were not limited" to political options. The response to a Soviet invasion, he said, "would be other than words."

Asked whether the administration believes the United States and its NATO allies currently have the strength to regain any territory initially lost to an invasion, Powell, after hesitating, replied:

"Yes we do . . . It is our policy to regain any territory and it is our belief at this time that we can do that. However, it is important for NATO to take certain steps to maintain that ability."

Last May at a meeting of the NATO ministers in London, Carter reaffirmed U.S. support of the alliance and simultaneously warned that unless there is an early agreement for mutual and balanced force reductions NATO must be beefed up.

U.S. GENEROSITY TOUCHES TASS

Moscow, Aug. 2.—The United States is prepared to give up someone else's territory—West Germany's—to a country that has no intention of taking it, Soviet Union, the official Soviet news agency, Tass, declared today.

"What generosity!" Tass said, commenting on an article in which columnist Rowland Evans and Robert Novak said the United States is ready to surrender a third of West Germany in a conventional land war with Warsaw Pact forces rather than increase defense spending enough to meet an attack head-on.

BONN IS DISTURBED OVER REPORT OF U.S. "PULLBACK POLICY"

(By Michael Getler)

BONN, Aug. 4—Despite a barrage of official denials and reassurances from Washington, the report by columnists Evans and Novak that White House advisers are suggesting a strategy conceding the loss of one-third of West Germany to a Soviet attack has sown anxiety and some distrust here.

"The professional officer corps," says one high-ranking West German officer, "is not troubled because they know that such a plan is nonsense. But it has nevertheless caused distrust and some loss of confidence" in American thinking.

A senior West German officer at headquarters of the North Atlantic Treaty Organization in Belgium said:

"After you have believed in something like the American commitment to defend Germany for 25 years, it is hard to shake the faith on the basis of just one newspaper article." But it was so detailed, he continued, referring to the columnists' report and quotations from a White House meeting, "that it does make you wonder."

Concern has not been reduced as much as government officials here had hoped in part because Bonn had expected that President Carter—rather than his press spokesman—would personally make a statement reaffirming the U.S. policy of forward defense covering West Germany up to its borders with Communist East Europe.

Foreign Ministry officials here, on the basis of telephone discussions with Washington yesterday, indicated that Foreign Minister Hans-Dietrich Genscher had been told that Carter would make a public statement yesterday. "The President should have said something," a senior U.S. officer said.

A NATO official called the news account "the worst, most dangerous thing I've seen in the newspapers in years. It revives the whole question again about the basis of the American commitment, the old doubts about whether we would exchange Philadelphia for Hamburg."

Hamburg, in fact, symbolizes for West Germans the meaning of views such as those reportedly expressed in the classified White House study.

The study, according to the columnists, suggests as an optional U.S. strategy the lowering of defense spending, and the setting up of a line formed by the Weser and Lech Rivers as the point beyond which a Communist offensive would not be allowed to go. This would surrender about one-third of West Germany.

But perhaps one American in a million knows that such conceded territory includes big cities such as Munich, with more than 1 million people and Hamburg—which, is not only the largest West German city aside from West Berlin, with nearly 2 million people, but

is also the home of Chancellor Helmut Schmidt.

"We would never go along with that, never," said a West German commander, "and the Americans could not pull back and defend alone. Seventy-five per cent of our army is stationed in those areas. All our defense planning and training is directed at protecting them."

"If we ever tried to pull back like that," mused one U.S. officer, "we'd be taking fire from all flanks," implying that the West Germans would be firing on the Americans as well.

West German officials point out that after the formation of NATO in 1949, the main line of western defense was along the Rhine. Then it was moved farther east to the Weser and Lech rivers. But since 1966, as the West German armed forces, or Bundeswehr, began to take shape and grow to 500,000 men, the line was moved steadily eastward toward the East German border under the policy of forward defense.

"To go back to 1966 is impossible," one officer said. "The best thing the study could do is confirm that our current strategy is correct."

The lead editorial in today's Frankfurter Allgemeine newspaper accused the nameless U.S. advisers of "playing with dangerous thoughts" and said such tentative options reflect "an alarming ignorance of the real world."

If a massive attack from the East ever came into densely populated West Germany, observers believe, there would be enormous chaos and a situation that would be hard to control from the first shot. Certainly the West Germans would not pull back voluntarily or surrender big cities and countryside. Nor could the Soviets be expected to roll their formations neatly into areas which would make a Weser-Lech line attractive.

West German commentators have generally pointed out that aside from purely military matters, deterrence of war is a psychological thing making public discussion of such a pullback extremely risky.

Yet, as the Frankfurter Allgemeine said. "The Soviet will not benefit from the West's weakening of its defense readiness by tentative plans because ultimately the decision to invade, no matter how tempting runs the risk of quick escalation to all-out nuclear war.

"We hope President Carter will keep his political instinct and Europe will keep its cool. After this psychological disaster, restoration of confidence is what NATO needs first of all," the paper said.

CONCEDING A THIRD OF GERMANY

That sensational Evans and Novak column saying the United States is considering "a new defense strategy that secretely concedes one-third of West Germany to a Soviet invasion rather than seek increased defense spending" poses a couple of puzzles. Why, for instance, would any responsible official leak something that is preposterous at face, at least in our judgment, and that, true or false, can have only mischievous effects on alliance confidence and, conceivably, on Soviet planning? He would do the leaking, we presume, to build up some political steam for "increased defense spending." Detecting the self-serving aspect of a leak, any leak, is a constant challenge facing the consumers of Washington journalism.

But, you may ask, is there not some truth in the column? There's a lot, if what the columnists meant by "conceding" a third of Germany was that, in the initial phase of a full-scale surprise attack, the Warsaw Pact might seize substantial territory before NATO could effectively respond. Otherwise, the column testifies to the seriousness of current administration debate over whether the conventional forces of NATO can deter a Warsaw Pact attack, repel such an attack if it comes, and do so without employing nuclear weapons unless absolutely necessary. NATO's strategy always has been and, according to the President, still is to conduct a "forward defense" with an eye to conceding as little territory for as short a time as possible. But the Warsaw Pact buildup of the last few years has raised doubts about whether NATO can still put that strategy into effect.

It is precisely these doubts that underlie the administration's attempts to freshen its military planning, to beef up the alliance's conventional defenses, to negotiate force reductions in Europe and, incidentally, to open an option to deploy the neutron bomb—an offset for Moscow's widely presumed conventional superiority. The discussion on these matters is intense, the column plugged into part of it.

The column has had, however, one good result. It elicited from the President and his chief advisers pointed reaffirmations of the U.S. commitment to its European allies. Their reliance on this country is so great and permanent that, with or without newspaper stories, they will always wonder whether, in the clutch, the Americans will be there. It is a continuing task of American policy to find persuasive ways to say yes.

NO PRESIDENTIAL CLARIFICATION

Mr. DOLE. Mr. President, the doubts that have been sown among our friends in Germany and other NATO allies should be allayed by a Presidential clarification. The report in the press this morning indicates that the West German leaders expected a statement from the President. But there was no statement. The editorial in the Washington Post this morning said:

> The Evans-Novak column had one good result. It elicited from the President and his chief advisers pointed reaffirmations of the U.S. commitment to its allies.

But in the absence of the "reaffirmation" by the President, the result may be less than the Washington Post ascribes to it.

In fact, not even Mr. Brzezinski clearly refuted the Evans-Novak report.

Mr. President, we need a clear statement reaffirming our commitment to Europe. My resolution would do just that for the Senate and I believe it should be adopted.

CLOSED POLICYMAKING

Mr. President, the Senator from Kansas clearly remembers frequent pledges by President Carter that we would have an open administration.

A very significant and disturbing aspect of the reports that I mentioned earlier is that a very basic and vital policy is being discussed and decided without any public input whatsoever.

In my view, the American public would not support a policy of abrogating our treaty obligations secretly, and surrender in advance any territory of an ally.

In any event, I believe we must have a full and open public debate on any issue of this magnitude. Hopefully, the resolution I am introducing today will encourage the administration to bring a halt to this closed-door policymaking.

We shall adopt this resolution to help clarify the basic feeling of the public on this matter. Hopefully it will initiate an open discussion, if any further discussion over whether the administration should pursue the alleged policy is necessary.

Mr. President, I hope we can help dispel any doubts about our resolve to defend West Germany by adopting this resolution promptly.

SENATE RESOLUTION 254—SUBMISSION OF A RESOLUTION DISAPPROVING DEFERRAL OF BUDGET AUTHORITY

(Referred to the Committee on Appropriations, the Committee on the Budget, and the Committee on Energy and Natural Resources, jointly, pursuant to order of January 30, 1975.)

Mr. DOMENICI (for himself and Mr. SCHMITT) submitted the following resolution:

S. RES. 254

Resolved, That the Senate disapproves the deferral of budget authority for the Intense Neutron Source Facility project as reported by the Comptroller General of the United States to the President of the Senate and the Speaker of the House of Representatives in his letter dated July 28, 1977, under section 1015(a) of the Impoundment Control Act of 1974.

Mr. DOMENICI. Mr. President, I am today, on behalf of Mr. SCHMITT and myself, submitting a resolution disapproving a deferral by the administration of fiscal year 1977 funds in the Energy Research and Development Administration's magnetic fusion program. Although unannounced by the administration, this deferral has actually been in effect since February 23 of this year. It was uncovered on a recent GAO review of ERDA's fiscal year 1977 nuclear programs other than the Clinch River breeder reactor project requested by Senators JACKSON and HANSEN. Under the Impoundment Control Act of 1974, the magnetic fusion deferral should have been reported to the Congress months ago by the administration. Instead, this matter was not brought to our attention until earlier this week, when, pursuant to section 1015(a) of the Impoundment Control Act, the Comptroller General sent notification of the deferral to the House and Senate (No. OGC–77–23).

The deferred funds had been appropriated under Public Law 94–355 for construction of an Intense Neutron Source Facility (No. 76–5–b) at the Los Alamos Scientific Laboratory in New Mexico. We understand that some $13.4 million of unobligated project funds are involved. This represents a sizable fraction of the total project costs, which under Public Law 94–187 are authorized at a level of $22.1 million.

The Intense Neutron Source Facility project—consisting of a device with associated buildings, laboratories, and equipment—is a Federal effort to study the effects of high-level neutron irradiation on metals and insulators. ERDA has indicated that obtaining an understanding of these effects is essential to the development of magnetic confinement fusion as a practical energy source.

In its fiscal year 1978 request to Congress for funds to support ERDA's programs, the administration proposed that

the INS project authorization be rescinded. This was part of the administration's effort to stress short term energy options at the expense of those options whose commercial viability has not yet been proven. At least in the case of the INS project, this approach is extremely short-sighted. The engineering data provided by the INS facility will play an essential role in the design of, and materials selection for, the first large-scale magnetic fusion reactors. This information will be needed long before we move to the commercial development of fusion power, and the programed schedule for construction of the facility is directed toward providing this information on a timely basis.

Both the House and Senate authorizing committees recognized the need for moving ahead now with the INS project. As a consequence, both the ERDA fiscal year 1978 Authorization Bill which recently passed the Senate, and the one now pending before the House no longer contain the proposed INS project rescission.

We would urge our Senate colleagues to support this disapproval resolution, which is clearly in accordance with both present and past Congressional intent.

I ask unanimous consent that the July 28th message from Comptroller General Staats reporting this deferral be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL,
OF THE UNITED STATES,
Washington, D.C., July 28, 1977.

To the President of the Senate and the Speaker of the House of Representatives:

This letter reports a deferral of Energy Research and Development Administration (ERDA) budget authority that should have been, but was not, reported to the Congress by the President pursuant to the Impoundment Control Act of 1974.

The Intense Neutron Source Facility (INSF) project (consisting of a device with associated buildings, laboratories, and equipment) is a Federal effort to study the effects of high-level neutron irradiation on metals and insulators. ERDA has indicated that obtaining an understanding of these effects is essential to the development of magnetic confinement fusion as a practical energy source.

Public Law 94–187, approved December 31, 1975, authorized $22.1 million to be appropriated for the INS project. (Another $3.2 million was requested by the Administration for authorization in fiscal year 1977, but was not provided by the Congress.) Total project costs—excluding operating expenses and preconstruction research and development costs—were estimated by ERDA to be $25.4 million.

Funds were first appropriated for the INSF project in fiscal year 1977 when ERDA was provided $14.4 million in Public Law 94–355, approved July 12, 1976. These funds will remain available until expended; i.e., "no-year" budget authority. Although ERDA requested an additional $10.9 million in its initial fiscal year 1978 budget, presidential budget cuts deleted this amount from the revised fiscal year 1978 budget. ERDA informed us that this deletion, if approved by the Congress, would have required termination of the project. Notwithstanding the President's request, both Houses of Congress reinstated the $10.9 million. Prior to the congressional reinstatement, however, ERDA placed $13.4 million of unobligated project funds (about $1 million had been obligated for architecture and engineering studies) in ERDA reserve account on February 23, 1977. This action was documented only in ERDA's internal financial plans and OMB was not notified of this budgetary action.

An ERDA official told us that OMB was not informed because the agency was at the time working with OMB to include language in ERDA's fiscal year 1978 authorization bill to rescind the funds previously authorized for the project—$22.1 million—less those amounts obligated. This proposed legislation was transmitted to the Congress in March 1977.

Since both Houses of Congress subsequently reinstated funding for the project and deleted the rescission language, ERDA's Office of the Controller has requested the release of the project's funds from the ERDA reserve account. In the meantime, however, the $13.4 million remains in an impounded status due to ERDA's actions placing the funds in reserve.

Section 1015(a) of the Impoundment Control Act requires the Comptroller General to report to the Congress whenever he finds that the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any other officer or employe of the United States has ordered, permitted, or approved the deferral of budget authority and the President has failed to transmit a special message with respect to such a deferral. This report is submitted in accordance with the requirement imposed by section 1015(a) and, consequently, has the same effect as if it were a deferral message transmitted by the President.

ELMER B. STAATS,
Comptroller General of the United States.

SENATE RESOLUTION 255—SUBMISSION OF A RESOLUTION TO COMMEND THE PRIVACY PROTECTION STUDY COMMISSION

(Referred to the Committee on the Judiciary. Subsequently the referral of the resolution was changed from the Committee on the Judiciary to the Committee on Governmental Affairs.)

Mr. MUSKIE (for himself, Mr. RIBICOFF, Mr. PERCY, Mr. BAYH, Mr. PROXMIRE, Mr. GOLDWATER, Mr. HEINZ, Mr. ABOUREZK, Mr. ANDERSON, Mr. CASE, Mr. DANFORTH, Mr. FORD, Mr. GARN, Mr. HART, Mr. HASKELL, Mr. HUMPHREY, Mr. JACKSON, Mr. KENNEDY, Mr. LUGAR, Mr. MELCHER, Mr. METZENBAUM, Mr. PELL, Mr. RIEGLE, Mr. STEVENS, and Mr. WILLIAMS) submitted the following resolution:

S. RES. 255

Whereas our country has evolved in the last 100 years from one in which government and business maintained little personal information about individual Americans to an information-dependent society in which volumes of data are compiled with respect to each citizen in order to carry out the responsibilities of government and business; and

Whereas the increased complexity of an information-based society and its dependence upon the collection of intimate details about each of its citizens enhances the need for improved measures to insure the security and confidentiality of personal information; and

Whereas a growing number of Americans are expressing their concern for the collection of information by business and government as evidenced by a recent survey which reported that a great majority of Americans agreed that Americans begin relinquishing their privacy on the day that they open their first charge account, take out a loan, buy something on an installment plan, or apply for a credit card; and

Whereas the Privacy Protection Study Commission has completed a two-year examination of the ways in which government and business have intruded on the lives of Americans, and has presented the Congress with a broad range of recommendations designed to foster a greater expectation of privacy for every citizen; and

Whereas the recommendations of the Privacy Protection Study Commission will be a matter of legislative interest to the members and committees of the Senate and considerable effort will be required to achieve their adoption: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Privacy Protection Study Commission, including its members and its staff, should be commended for the outstanding contribution made by its July 15, 1977, final report, entitled "Personal Privacy in an Information Society", and that the Senate and the Congress should begin now to work toward the implementation of the Commission's recommendations, and that this effort should be based upon the joint cooperation and support of all of the members of the Senate and committees of the Senate who will have the responsibility for conducting investigations and hearings and for recommending legislation which will create a climate of increased protection of individual privacy in this country.

Mr. MUSKIE. Mr. President, the Privacy Protection Study Commission on July 12, 1977, presented to the Congress the product of 2 years of study of individual privacy in America entitled, "Personal Privacy in an Information Society."

The study includes a comprehensive set of recommendations which are designed to protect against the misuse of personal information and to create an expectation of confidentiality in the treatment of the many intimate personal and financial details which are an important part of our lives.

It is with great pleasure that I join with several of my colleagues today in offering a resolution commending the Commission for its work and expressing and sense of the Senate that we should begin now on a joint effort to develop legislation which can implement many of its recommendations.

Nearly 3 years ago, the distinguished senior Senator from North Carolina, Sam J. Ervin, Jr., guided through the Congress the Privacy Act of 1974. Without his leadership for nearly a decade as chairman of the Subcommittee on Constitutional Rights and the Committee on Government Operations, the Privacy Act, the Privacy Commission, and the report which we commend today, would not be a reality.

It is important that we grasp the momentum which was created by the work of Senator Ervin and which has been advanced by the Privacy Commission. This will involve the cooperative effort of the many Members and committees who will have responsibility for drafting proposals for the protection of personal information collected and maintained by Government and business.

I would like to acknowledge at this point the valuable contribution of those Senators who have helped lay the groundwork for a cooperative effort in

developing privacy legislation. Among these are the distinguished chairman and ranking minority member of the Committee on Governmental Affairs, Senators RIBICOFF and PERCY, whose leadership was so important to the adoption of the 1974 Privacy Act.

Also assisting was the distinguished senior Senator from Wisconsin, Senator PROXMIRE who shepherded the adoption of a wide range of new consumer protections through the Fair Credit Reporting Act.

The distinguished senior Senator from Indiana, Senator BAYH generously assisted in this effort. Not only does he serve as the ranking majority member of one of the newest committees of the Senate, which was created in response to reports of invasions of individual privacy by Government intelligence agencies, he also has inherited the important mantle of chairman of the Subcommittee on Constitutional Rights.

Finally, the effort would not have been complete without the able senior Senator from Arizona, Senator GOLDWATER. In 1974 the Privacy Act might have slipped from our grasp had it not been for the strong bipartisan support which it received in the Senate from Senators GOLDWATER, PERCY, and Ervin. Senator GOLDWATER and the Honorable BARRY GOLDWATER, JR., have formed a father-son team to work on privacy interests. Congressman GOLDWATER has spent a significant part of the last 2 years serving as a member of the Privacy Commission.

As the Privacy Commission report has observed, we live in rapidly changing times with respect to the impact information technology has on each of our lives. The Privacy Act of 1974 represents a significant step forward on our effort to assure the security and confidentiality of information about individuals which is collected and used by the Federal Government. It has established the basic principle that systems of records about American citizens shall no longer be maintained in secret.

It has established in law the right of citizens to examine records held about them and established procedures for the correction of inaccuracies in personal data.

Finally, the act has established penalties and provisions for civil remedies to enforce its implementation.

We have learned a great deal from the implementation of the act. A survey by Senator Ervin's Subcommittee on Constitutional Rights published in 1974 estimated that there were 858 Government data banks containing more than 1¼ billion records on individuals.

The President's second annual report to Congress on Federal personal data systems, which is required by the Privacy Act, has increased our knowledge about Government data collection, for we now know that in 1976, 97 Federal agencies maintained 6,753 personal data systems which contained 3.85 billion individual records. Seventy-four percent of those individual records were partially or fully computerized.

The changes in information technology have been equally dramatic throughout our entire society, yet as the report of the Commission notes, we have failed to keep pace with the need for protecting personal privacy in such areas as the employer-employee relationship, the insurance industry, the banking industry, and the expanding technologies of the retail credit industry.

Three out of four Americans now live in cities or their surrounding suburbs, only one in ten of the individuals in the workforce today is self-employed, and education is compulsory for every child. . . .

In addition, most Americans now do at least some of their buying on credit, and most have some form of life, health, property, or liability insurance. . . . Government social services programs now reach deep in the population along with government licensing of occupations and professions, Federal taxation of individuals, and government regulation of business and labor union affairs. Today, government regulates and supports large areas of economic and social life through some of the nation's largest bureaucratic organizations, any of which deal directly with individuals. In fact, many of the private-sector record-keeping relationships discussed in this report are to varying degrees replicated in programs administered or funded by Federal agencies.

These excerpts from the preface to the Privacy Commission report underscore the magnitude of the task before us. It will take the combined efforts of all of us to achieve the legislative goals outlined by the recommendations of the Commission. It is a task we must set about achieving in this Congress if we are to keep abreast of the exhilarating trends in information technology in this country.

I ask unanimous consent that the recommendations of the Privacy Protection Study Commission be printed in the RECORD.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

RECOMMENDATIONS

THE CONSUMER-CREDIT RELATIONSHIP

The Commission recommends:

Recommendation 1

That governmental mechanisms should exist for individuals to question the propriety of information collected or used by credit grantors, and to bring such objections to the appropriate bodies which establish public policy. Legislation specifically prohibiting the use, or collection and use, of a specific item of information may result; or an existing agency or regulatory body may be given authority or use its currently delegated authority to make such a determination with respect to the reasonableness of future use, or collection and use, of a specific item of information.

Recommendation 2

That the Federal Fair Credit Reporting Act be amended to provide that each credit grantor must exercise reasonable care in the selection and use of credit bureaus, independent authorization services, collection agencies, and other support organizations, so as to assure that the collection, maintenance, use, and disclosure practices of such organizations comply with the Commission's recommendations.

Recommendation 3

That Federal law be enacted or amended to provide that when an individual applies for credit, a credit grantor must notify the individual of:

(a) the types of information expected to be collected about him from third parties that are not collected on the application; and

(b) the types of institutional sources that are expected to be asked to provide information about him.

Recommendation 4

That Federal law be enacted or amended to provide that a credit grantor must limit:

(a) its own information collection practices in connection with an application for credit to those specified in the notice called for in Recommendation (3); and

(b) its request to any organization it asks to collect information on its behalf to information and sources specified in the notice called for in Recommendation (3).

Recommendation 5

That Federal law be enacted or amended to provide that an individual shall have a right to see and copy, upon request, all recorded information concerning him that a credit grantor has used to make an adverse credit decision about him.

Recommendation 6

That Federal law be enacted or amended to provide that a credit grantor must:

(a) disclose in writing to an individual who is the subject of an adverse credit decision:

(i) the specific reason(s) for the adverse decision;

(ii) the specific item(s) of information, in plain language, that support the reason(s) given pursuant to (a)(i);

(iii) the name(s) and address(es) of the institutional source(s) of the item(s) given pursuant to (a)(ii); and

(iv) the individual's right to see and copy, upon request, all recorded information pertaining to him used to make the adverse decision; and

(b) inform the individual of his rights provided by the Fair Credit Reporting Act, when the decision is based in whole or in part on information obtained from a credit bureau.

Recommendation 7

That the Federal Fair Credit Reporting Act be amended to provide that, upon request by an individual, a credit bureau or independent authorization service must:

(a) inform the individual, after verifying his identity, whether it has any recorded information pertaining to him;

(b) permit the individual to see and copy any such recorded information, in plain language, either in person or by mail; or

(c) apprise the individual of the nature and substance of any such recorded information by telephone; and

(d) permit the individual to use one or the other of the methods of access provided in (b) and (c), or both if he prefers.

The credit bureau or independent authorization service may charge a reasonable copying fee for any copies provided to the individual.

Recommendation 8

That the Federal Fair Credit Reporting Act be amended to provide that if a credit grantor learns it has reported any inaccurate information about an individual to a credit bureau or independent authorization service, it must notify the credit bureau or authorization service within a reasonable period of time so that the credit bureau or authorization service can correct its files.

Recommendation 9

That the Federal Fair Credit Reporting Act be amended to provide:

(a) that a credit-card issuer must have reasonable procedures to assure that the information it discloses to an independent authorization service is accurate at the time of disclosure; and

(b) that an independent authorization service shall be subject to all requirements of the Act, except the requirement to dis-

close corrected information to prior recipients upon completion of a reinvestigation of disputed information.

Recommendation 10

That the Federal Fair Credit Reporting Act be amended to provide that a credit grantor must have reasonable procedures for notifying a collection agency within a reasonable period of time if an individual has been referred to the agency as a delinquent debtor on the basis of inaccurate information; also, if a debt previously referred to a collection agency has been satisfied, or a satisfactory partial payment has been made, the credit grantor must so notify the collection agency within a reasonable period of time and provide the individual with proof of its notification.

Recommendation 11

That the Federal Fair Credit Reporting Act be amended to provide that a credit bureau must not disclose to its subscribers information about previous inquiries concerning an individual except the number and date of inquiries received.

Recommendation 12

That Federal law be enacted or amended to provide:

(a) that a credit grantor must notify an individual with whom it has or proposes to have a credit relationship of the uses and disclosures which are expected to be made of the types of information it collects or maintains about him; and that with respect to routine disclosures to third parties which are necessary for servicing the credit relationship, the notification must include the specific types of information to be disclosed and the types of recipients;

(b) that information concerning an individual which a credit grantor collects to establish or service a credit relationship, as stated in the notification to the individual called for in (a), must be treated as confidential by the credit grantor; and thus any disclosures to third parties other than those necessary to service the credit relationship must be specifically directed or authorized by the individual, or in the case of marketing information, specifically described in the notification;

(c) that an individual must be considered to have a continuing interest in the use and disclosure of information a credit grantor maintains about him, and must be allowed to participate in any use or disclosure that would not be consistent with the original notification, except when a credit grantor discloses information about an individual in order to prevent or protect against the possible occurrence of fraud; and

(d) that any material changes or modifications in the use or disclosure policies of a credit grantor must be preceded by a notification that describes the change to an individual with whom the credit grantor has an established relationship.

A Note on Commercial Credit

Recommendation 13

That the Federal Fair Credit Reporting Act be amended to provide that information concerning an individual maintained by a credit bureau may be used only for credit-related purposes, unless otherwise directed or authorized by the individual.

Recommendation 14

That government mechanisms should exist for individuals to question the propriety of information about individuals collected or used by commercial credit grantors, and to bring such objections to the appropriate bodies that establish public policy. Legislation specifically prohibiting the use, or collection and use, of a specific item of information may result; or an existing agency or regulatory body may be given authority or use its currently delegated authority to make such a determination with respect to the reasonableness of future use, or collection and use, of a specific item of information.

Recommendation 15

That the Congress amend the Fair Credit Reporting Act to provide that, upon request, a commercial credit grantor must disclose in writing to an individual who is associated with a firm that is the subject of an adverse credit decision, based in whole or in part on information provided by a commercial-reporting service, where such information pertains in whole or in part to that individual;

(a) the name and address of the commercial-reporting service that provided the information; and

(b) the individual's rights provided by law with respect to a commercial-reporting service.

Recommendation 16

That the Congress amend the Fair Credit Reporting Act to provide that, upon request by an individual, a commercial-reporting service must:

(a) inform the individual, after verifying his identity, whether it has any recorded information pertaining to him connected with a report about a firm;

(b) permit the individual to see and copy any such recorded information, except the identity of sources, in plain language, either in person or by mail:

(c) apprise the individual of the nature and substance of any such recorded information by telephone; and

(d) permit the individual to use whichever of the methods of access provided in (b) and (c) he prefers. The commercial-reporting service may charge a reasonable copying fee for any copies provided to the individual.

Recommendation 17

That the Congress amend the Fair Credit Reporting Act to provide that an individual has a right to correct or amend information pertaining to him that is maintained by a commercial-reporting service or is provided an opportunity to file a concise statement of disagreement with the commercial reporting service.

Recommendation 18

That the Congress amend the Fair Credit Reporting Act to provide that commercial-reporting services must have reasonable procedures to assure the accuracy of information pertaining to individuals included in reports produced by them.

Recommendation 19

That further examination of the need for additional requirements appropriate for commercial credit granting and credit reporting record-keeping practices be undertaken.

With respect to commercial credit granting, the following specific areas should be examined:

(a) information collection practices;

(b) the need to protect the identity of sources other than commercial-reporting services; and

(c) the adequacy of credit grantors' explanation of adverse credit decisions, pursuant to the Equal Credit Opportunity Act.

With respect to commercial-reporting services, the following specific areas should be examined:

(a) the time for reporting certain types of information, e.g., arrests and convictions;

(b) the need to protect identity of sources; and

(c) the use of commercial-reporting services for insurance underwriting and other decisions.

THE DEPOSITORY RELATIONSHIP

The Commission recommends:

Recommendation 1

That the Federal Fair Credit Reporting Act be amended to provide that a depository institution must exercise reasonable care in the selection and use of credit bureaus, independent check-guarantee services, and other support organizations, so as to assure that the collection, maintenance, use, and disclosure practices of such organizations comply with the Commission's recommendations.

Recommendation 2

That Federal law be enacted or amended to provide that when an individual applies for a depository service, a depository institution must notify the individual of:

(a) the types of information expected to be collected about him from third parties and that are not collected on the application; and

(b) the types of institutional sources that are expected to be asked to provide information about him.

Recommendation 3

That Federal law be enacted or amended to provide that a depository institution must limit:

(a) its own information collection practices in connection with an application for a depository service to those specified in the notice called for in *Recommendation* (2); and

(b) its request to any organization it asks to collect information on its behalf to information and sources specified in the notice called for in *Recommendation* (2).

Recommendation 4

That Federal law be enacted or amended to provide that an individual shall have a right to see and copy, upon request, all recorded information concerning him that a depository institution has used to make an adverse depository decision about him.

Recommendation 5

That Federal law be enacted or amended to provide that a depository institution must:

(a) disclose in writing to an individual who is the subject of an adverse depository decision:

(i) the specific reason(s) for the adverse decision;

(ii) the specific item(s) of information, in plain language, that supports the reason(s) given pursuant to (a)(i);

(iii) the name(s) and address(es) of the institutional source(s) of the item(s) given pursuant to (a)(ii); and

(iv) the individual's right to see and copy, upon request, all recorded information pertaining to him used to make the adverse decision; and

(b) inform the individual of his rights provided by the Fair Credit Reporting Act, when the decision is based in whole or in part on information obtained from a credit bureau or independent check-guarantee service.

Recommendation 6

That the Federal Fair Credit Reporting Act be amended to provide that an independent check-guarantee service shall be subject to all requirements of the Act, except the requirement to disclose corrected information to prior recipients upon completion of a reinvestigation of disputed information.

Recommendation 7

That the Federal Fair Credit Reporting Act be amended to provide that if a contributor learns it has incorrectly reported an individual to an independent check-guarantee service, it must notify the check-guarantee service within a reasonable period of time so that the service can correct its files.

Recommendation 8

That Federal law be enacted to provide:

(a) that a depository institution must notify an individual with whom it has or proposes to have a depository relationship of the uses and disclosures which are ex-

pected to be made of the types of information it collects or maintains about him; and that with respect to routine disclosures to third parties which are necessary for servicing the depository relationship, the notification must include the specific types of information to be disclosed and the types of recipients;

(b) that information concerning an individual which a depository institution collects to establish or service a depository relationship, as stated in the notification to the individual called for in (a), must be treated as confidential by the depository institution; and thus any disclosures to third parties other than those necessary to service the depository relationship must be specifically directed or authorized by the individual, or in the case of marketing information, specifically described in the notification;

(c) that an individual must be considered to have a continuing interest in the use and disclosure of information a depository institution maintains about him, and must be allowed to participate in any use or disclosure that would not be consistent with the original notification, except when a depository institution discloses information about an individual in order to prevent or protect against the possible occurrence of fraud; and

(d) that any material changes or modifications in the use or disclosure policies of a depository institution must be preceded by a notification that describes the change to an individual with whom the depository institution has an established relationship.

Recommendation 9

That individually identifiable account information generated in the provision of EFT services be retained only in the account records of the financial institutions and other parties to a transaction, except that it may be retained by the EFT service provider to the extent, and for the *limited period of time* that such information is essential to fulfill the operational requirements of the service provider.

Recommendation 10

That procedures be established so that an individual can promptly correct inaccuracies in transactions or account records generated by an EFT service.

Recommendation 11

That no governmental entity be allowed to own, operate, or otherwise manage any part of an electronic payments mechanism that involves transactions among private parties.

MAILING LISTS

The Commission recommends:

Recommendation 1

That a person engaged in interstate commerce who maintains a mailing list should *not* be required by law to remove an individual's name and address from such a list upon request of that individual, except as already provided by law.

Recommendation 2

That a private-sector organization which rents, sells, exchanges, or otherwise makes the addresses, or names and addresses, of its customers, members, or donors available to any other person for use in direct-mail marketing or solicitation, should adapt a procedure whereby each customer, member, or donor is informed of the organization's practice in that respect, including a description of the selection criteria that might be used in selling, renting or exchanging lists, such as ZIP codes, interest, buying patterns, and level of activity, and, in addition, is given an opportunity to indicate to the organization that he does not wish to have his address, or name and address, made available for such purposes. Further, when a private-sector organization is informed by one of its customers, members, or donors that he does not want his address, or name and address, made available to another person for use in direct-mail marketing or solicitation, the organization should promptly take whatever steps are necessary to assure that the name and address is not so used, including notifying a multiple-response compiler or a credit bureau to whom the name and address has been disclosed with the prospect that it may be used to screen or otherwise prepare lists of names and addresses for use in direct-mail marketing or solicitation.

Recommendation 3

That each State review the direct-mail marketing and solicitation uses that are made of State agency records about individuals and for those that are used for such purposes, direct the State agency maintaining them to devise a procedure whereby an individual can inform the agency that he does not want a record pertaining to himself to be used for such purposes and have that fact noted in the record in a manner that will assure that the individual's preference will be communicated to any user of the record for direct-mail marketing or solicitation. Special attention should be paid to Department of Motor Vehicle records and the practices of agencies who prepare mailing lists for the express purpose of selling, renting or exchanging them with others.

THE INSURANCE RELATIONSHIP

The Commission recommends:

Recommendation 1

That governmental mechanism should exist for individuals to question the propriety of information collected or used by insurance institutions, and to bring such objections to the appropriate bodies which establish public policy. Legislation specifically prohibiting the use, or collection and use, of a specific item of information may result; or an existing agency or regulatory body may be given authority, or use its currently delegated authority, to make such determination with respect to the reasonableness of future use, or collection and use, of a specific item of information.

Recommendation 2

That the Federal Fair Credit Reporting Act be amended to provide that no insurance institution or insurance-support organization may attempt to obtain information about an individual through pretext interviews or other false or misleading representations that seek to conceal the actual purpose(s) of the inquiry or investigation, or the identity or representative capacity of the inquirer or investigator.

Recommendation 3

That the Federal Fair Credit Reporting Act be amended to provide that each insurance institution and insurance-support organization must exercise reasonable care in the selection and use of insurance-support organizations, so as to assure that the collection, maintenance, use, and disclosure practices of such organizations comply with the Commission's recommendations.

Recommendation 4

That each insurance institution and insurance-support organization in order to maximize fairness in its decision-making processes, have reasonable procedures to assure the accuracy, completeness, and timeliness of information it collects, maintains, or discloses about an individual.

Recommendation 5

That an insurance institution, prior to collecting information about an applicant or principal insured from another person in connection with an insurance transaction, notify him as to:

(a) the types of information expected to be collected about him from third parties and that are not collected on the application, and, as to information regarding character, general reputation, and mode of living, each area of inquiry;

(b) the techniques that may be used to collect such types of information;

(c) the types of sources that are expected to be asked to provide each type of information about him;

(d) the types of parties to whom and circumstances under which information about the individual may be disclosed without his authorization, and the types of information that may be disclosed;

(e) the procedures established by statute by which the individual may gain access to any resulting record about himself;

(f) the procedures whereby the individual may correct, amend, delete, or dispute any resulting record about himself;

(g) the fact that information in any report prepared by a consumer-reporting agency (as defined by the Fair Credit Reporting Act) may be retained by that organization and subsequently disclosed by it to others.

Recommendation 6

That an insurance institution limit:

(a) its own information collection and disclosure practices to those specified in the notice called for in *Recommendation 5;* and

(b) its request to any organization it asks to collect information on its behalf to information, techniques, and sources specified in the notice called for in *Reccomendation 5.*

Recommendation 7

That any insurance institution or insurance-support organization clearly specify to an individual those items of inquiry desired for marketing, research, or other purposes not directly related to establishing the individual's eligibility for an insurance benefit or service being sought and which may be used for such purposes in individually identifiable form.

Recommendation 8

That no insurance institution or insurance-support organization ask, require, or otherwise induce an individual, or someone authorized to act on his behalf, to sign any statement authorizing any individual or institution to disclose information about him, or about any other individual, unless the statement is:

(a) in plain language;

(b) dated;

(c) specific as to the individuals and institutions he is authorizing to disclose information about him who are known at the time the authorization is signed, and general as to others whose specific identity is not known at the time the authorization is signed;

(d) specific as to the nature of the information he is authorizing to be disclosed;

(e) specific as to the individuals or institutions to whom he is authorizing information to be disclosed;

(f) specific as to the purpose(s) for which the information may be used by any of the parties named in (e), both at the time of the disclosure and at any time in the future;

(g) specific as to its expiration date which should be for a reasonable period of time not to exceed one year, and in the case of life insurance or noncancelable or guaranteed renewable health insurance, two years after the date of the policy.

Recommendation 9

That the Federal Fair Credit Reporting Act be amended to provide that any insurance institution that may obtain an investigative report on an applicant or insured inform him that he may, upon request, be interviewed in connection with the preparation of the investigative report. The insurance institution and investigative agency must institute reasonable procedures to assure that such interviews are performed if requested. When an individual requests an interview and cannot reasonably be contacted, the obli-

gation of the institution preparing the investigative report can be discharged by mailing a copy of the report, when prepared, to the individual.

Recommendation 10

That the Federal Fair Credit Reporting Act be amended to provide:

(a) That, upon request by an individual, an insurance institution or insurance-support organization must:

(i) inform the individual, after verifying his identity, whether it has any recorded information pertaining to him; and

(ii) permit the individual to see and copy any such recorded information, either in person or by mail; or

(iii) apprise the individual of the nature and substance of any such recorded information by telephone; and

(iv) permit the individual to use one or the other of the methods of access provided in (a)(ii) and (iii), or both if he prefers.

The insurance institution or insurance-support organization may charge a reasonable copying fee for any copies provided to the individual. Any such recorded information should be made available to the individual, but need not contain the name or other identifying particulars of any source (other than an institutional source) of information in the record who has provided such information on the condition that his identity not be revealed, and need not reveal a confidential numerical code.

(b) That notwithstanding part (a), with respect to medical-record information maintained by an insurance institution or an insurance-support organization, an individual has a right of access to that information, either directly or through a licensed medical professional designated by the individual, whichever the insurance institution or support organization prefers.

Recommendation 11

That the Federal Fair Credit Reporting Act be amended to provide that each insurance institution and insurance-support organization permit an individual to request correction, amendment, or deletion of a record pertaining to him; and

(a) within a reasonable period of time:

(i) correct or amend (including supplement) any portion thereof which the individual reasonably believes is not accurate, timely, or complete; and

(ii) delete any portion thereof which is not within the scope of information the individual was originally told would be collected about him; and

(b) furnish the correction, amendment, or fact of deletion to any person or organization specifically designated by the individual who may have, within two years prior thereto, received any such information; and, automatically, to any insurance-support organization whose primary source of information on individuals is insurance institutions when the support organization has systematically received any such information from the insurance institution within the preceding seven years, unless the support organization no longer maintains the information, in which case, furnishing the correction, amendment, or fact of deletion is not required; and automatically to any insurance-support organization that furnished the information corrected, amended, or deleted; or

(c) inform the individual of its refusal to correct or amend the record in accordance with his request and of the reason(s) for the refusal; and

(i) permit an individual who disagrees with the refusal to correct or amend the record to have placed on or with the record a concise statement setting forth the reasons for his disagreement; and

(ii) in any subsequent disclosure outside the insurance institution or support organization containing information about which the individual has filed a statement of dispute, clearly note any portion of the record which is disputed, and provide a copy of the statement along with the information being disclosed; and

(iii) furnish the statement of dispute to any person or organization specifically designated by the individual who may have, within two years prior thereto, received any such information; and, automatically, to an insurance-support organization whose primary source of information on individuals is insurance institutions when the support organization has received any such information from the insurance institution within the preceding seven years, unless the support organization no longer maintains the information, in which case, furnishing the statement is not required; and, automatically, to any insurance-support organization that furnished the disputed information.

(d) limit its reinvestigation of disputed information to those record items in dispute.

Recommendation 12

That notwithstanding *Recommendation (11)(a)(i)*, if an individual who is the subject of medical-record information maintained by an insurance institution or insurance-support organization requests correction or amendment of such information, the insurance institution or insurance-support organization be required to:

(a) disclose to the individual, or to a medical professional designated by him, the identity of the medical-care provider who was the source of the medical-record information; and

(b) make the correction or amendment requested within a reasonable period of time, if the medical-care provider who was the source of the information agrees that it is inaccurate or incomplete; and

(c) establish a procedure whereby an individual who is the subject of medical-record information maintained by an insurance institution or insurance-support organization, and who believes that the information is incorrect or incomplete, would be provided an opportunity to present supplemental information of a limited nature for inclusion in the medical-record information maintained by the insurance institution or support organization, provided that the source of the supplemental information is also included.

Recommendation 13

That the Federal Fair Credit Reporting Act be amended to provide that an insurance institution must:

(a) disclose in writing to an individual who is the subject of an adverse underwriting decision:

(i) the specific reason(s) for the adverse decision;

(ii) the specific item(s) of information that support,(s) the reason(s) given pursuant to (a)(i), except that medical-record information may be disclosed either directly or through a licensed medical professional designated by the individual, whichever the insurance institution prefers;

(iii) the name(s) and address(es) of the institutional source(s) of the item(s) given pursuant to (a)(ii); and

(iv) the individual's right to see and copy, upon request, all recorded information concerning the individual used to make the adverse decision, to the extent recorded information exists;

(b) permit the individual to see and copy, upon request, all recorded information pertaining to him used to make the adverse decision, to the extent recorded information exists, except that (i) such information need not contain the name or other identifying particulars of any source (other than an institutional source) who has provided such information on the condition that his or her identity not be revealed, and (ii) an individual may be permitted to see and copy medical-record information either directly or through a licensed medical professional designated by the individual, whichever the insurance institution prefers. The insurance institution should be allowed to charge a reasonable copying fee for any copies provided to the individual;

(c) inform the individual of:

(i) the procedures whereby he can correct, amend, delete, or file a statement of dispute with respect to any information disclosed pursuant to (a) and (b); and

(ii) the individual's rights provided by the Fair Credit Reporting Act, when the decision is based in whole or in part on information obtained from a consumer-reporting agency (as defined by the Fair Credit Reporting Act);

(d) establish reasonable procedures to assure the implementation of the above.

Recommendation 14

That no insurance institution or insurance-support organization:

(a) make inquiry as to:

(i) any previous adverse underwriting decision on an individual, or

(ii) whether an individual has obtained insurance through the substandard (residual) insurance market.

unless the inquiry requests the reasons for such treatment; *or*

(b) make any adverse underwriting decision based, in whole or in part, on the mere fact of:

(i) a previous adverse underwriting decision, or

(ii) an individual having obtained insurance through the substandard (residual) market.

An insurance institution may, however, base an adverse underwriting decision on further information obtained from the source, including other insurance institutions.

Recommendation 15

That no insurance institution base an adverse underwriting decision, in whole or in part, on information about an individual it obtains from an insurance-support organization whose primary source of information is insurance institutions or insurance-support organizations; however, the insurance institution may base an adverse underwriting decision on further information obtained from the original source, including another insurance institution.

Recommendation 16

That Federal law be enacted to provide that no insurance institution or insurance-support organization may disclose to another insurance institution or insurance-support organization information pertaining to an individual's medical history, diagnosis, condition, treatment, or evaluation, even with the explicit authorization of the individual, unless the information was obtained directly from a medical-care provider, the individual himself, his parent, spouse, or guardian.

Recommendation 17

That Federal law be enacted to provide that each insurance institution and insurance-support organization be considered to owe a duty of confidentiality to any individual about whom it collects or receives information in connection with an insurance transaction, and that therefore, no insurance institution or support organization should disclose, or be required to disclose, in individually identifiable form, any information about any such individual without the individual's explicit authorization, unless the disclosure would be:

(a) to a physician for the purpose of informing the individual of a medical problem of which the individual may not be aware;

(b) from an insurance institution to a reinsurer or co-insurer, or to an agent or contractor of the insurance institution, in-

cluding a sales person, independent claims adjuster, or insurance investigator, or to an insurance-support organization whose sole source of information is insurance institutions, or to any other party-in-interest to the insurance transaction, provided:

(i) that only such information is disclosed as is necessary for such reinsurer, co-insurer, agent, contractor, insurance-support organization, or other party-in-interest to perform its function with regard to the individual or the insurance transaction;

(ii) that such reinsurer, co-insurer, agent, contractor, insurance-support organization or other party-in-interest is prohibited from redisclosing the information without the authorization of the individual except, in the case of insurance institutions and insurance-support organizations, as otherwise provided in this recommendation; and

(iii) that the individual, if other than a third-party claimant, is notified at least initially concurrent with the application that such disclosure may be made and can find out if in fact it has been made; and

(iv) that in no instance shall information pertaining to an individual's medical history, diagnosis, condition, treatment, or evaluation be disclosed, even with the explicit authorization of the individual, unless the information was obtained directly from a medical-care provider, the individual himself, or his parent, spouse, or guardian;

(c) from an insurance-support organization whose sole source of information is insurance institution or self-insurer to an insurance institution or self-insurer, provided;

(i) that the sole function of the insurance-support organization is the detection or prevention of insurance fraud in connection with claim settlements;

(ii) that, if disclosed to a self-insurer, the self-insurer assumes the same duty of confidentiality with regard to that information which is required of insurance institutions and insurance-support organizations; and

(iii) that any insurance institution or self-insurer that receives information from any such insurance-support organization is prohibited from using such information for other than claim purposes;

(d) to the insurance regulator of a State or its agent or contractor, for an insurance regulatory purpose statutorily authorized by the State;

(e) to a law enforcement authority:

(i) to protect the legal interest of the insurer, reinsurer, coinsurer, agent, contractor, or other party-in-interest to prevent and to prosecute the perpetration of fraud upon them; or

(ii) when the insurance institution or insurance-support organization has a reasonable belief of illegal activities on the part of the individual;

(f) pursuant to a Federal, State, or local compulsory reporting statute or regulation;

(g) in response to a lawfully issued administrative summons or judicial order, including a search warrant or subpoena.

THE EMPLOYMENT RELATIONSHIP

The Commission recommends:

Recommendation 1

That an employer periodically and systematically examine its employment and personnel record-keeping practices, including a review of:

(a) the number and types of records it maintains on individual employees, former employees, and applicants;

(b) the items of information contained in each type of employment record it maintains;

(c) the uses made of the items of information in each type of record;

(d) the uses made of such records within the employing organization;

(e) the disclosures made of such records to parties outside the employing organization; and

(f) the extent to which individual employees, former employees, and applicants are both aware and systematically informed of the uses and disclosures that are made of information in the records kept about them.

Recommendation 2

That an employer articulate, communicate, and implement fair information practice policies for employment records which should include:

(a) limiting the collection of information on individual employees, former employees, and applicants to that which is relevant to specific decisions;

(b) informing employees, applicants, and former employees who maintain a continuing relationship with the employer of the uses to be made of such information;

(c) informing employees as to the types of records that are being maintained on them;

(d) adopting reasonable procedures to assure the accuracy, timeliness, and completeness of information collected, maintained, used, or disclosed about individual employees, former employees, and applicants.

(e) permitting individual employees, former employees, and applicants to see, copy, correct, or amend the records maintained about them;

(f) limiting the internal use of records maintained on individual employees, former employees, and applicants;

(g) limiting external disclosures of information in records kept on individual employees, former employees, and applicants, including disclosures made without the employee's authorization in response to specific inquiries or requests to verify information about him; and

(h) providing for regular review of compliance with articulated fair information practice policies.

Recommendation 3

That Federal law be enacted or amended to forbid an employer from using the polygraph or other truth-verification equipment to gather information from an applicant or employee.

Recommendation 4

That the Federal Fair Credit Reporting Act be amended to provide that no employer or investigative firm conducting an investigation for an employer for the purpose of collecting information to assist the employer in making a decision to hire, promote, or reassign an individual may attempt to obtain information about the individual through pretext interviews or other false or misleading representations that seek to conceal the actual purpose(s) of the inquiry or investigation, or the identity or representative capacity of the employer or investigator.

Recommendation 5

That the Federal Fair Credit Reporting Act be amended to provide that each employer and agent of an employer must exercise reasonable care in the selection and use of investigative organizations, so as to assure that the collection, maintenance, use, and disclosure practices of such organizations comply with the Commission's recommendations.

Recommendation 6

That except as specifically required by Federal or State statute or regulation, or by municipal ordinance or regulation, an employer should not seek or use a record of arrest pertaining to an individual applicant or employee.

Recommendation 7

That existing Federal and State statutes and regulations, and municipal ordinances and regulations, which require an employer to seek or use an arrest record pertaining to an individual applicant or employee be amended so as *not* to require that an arrest record be sought or used if it is more than one year old and has not resulted in a disposition; and that all subsequently enacted statutes, regulations, and ordinances incorporate this same limitation.

Recommendation 8

That legislative bodies review their licensing requirements and amend any statutes, regulations, or ordinances to assure that unless arrest records for designated offenses are specifically required by statute, regulation, or ordinance, they will not be collected by administrative bodies which decide on an individual's qualifications for occupational licensing.

Recommendation 9

That the Law Enforcement Assistance Administration study or, by its grant or contract authority, designate others to study, alternative approaches to establishing within State and local criminal justice information systems the capacity to limit disclosures of arrest information to employers to that which they are lawfully required to obtain, and to improve the system's capacity to maintain accurate and timely information regarding the status of arrests and dispositions.

Recommendation 10

That when an arrest record is lawfully sought or used by an employer to make a specific decision about an applicant or employee, the employer should not maintain the record for a period longer than specifically required by law, if any, or unless there is an outstanding indictment.

Recommendation 11

That unless otherwise required by law, an employer should seek or use a conviction record pertaining to an individual applicant or employees only when the record is directly relevant to a specific employment decision affecting the individual.

Recommendation 12

That where conviction information is collected, it should be maintained separately from other individually identifiable employment records so that it will not be available to persons who have no need for it.

Recommendation 13

That Congress direct the Department of Defense to reassess the extent to which the current military discharge system and the administrative codes on military discharge records have needless discriminatory consequences for the individual in civilian employment and should, therefore, be modified. The reassessment should pay particular attention to the separation program number (SPN) codes administratively assigned to discharges so as to determine how better to limit their use and dissemination, and should include a determination as to the feasibility of:

(a) issuing new DD–214 forms to all dischargees whose forms currently include SPN numbers;

(b) restricting the use of SPN codes to the Department of Defense and the Veterans Administration, for designated purposes only; and

(c) prohibiting the disclosure of codes and the narrative descriptions supporting them to an employer, even where such disclosure is authorized by the dischargee.

Recommendation 14

That the Federal Fair Credit Reporting Act be amended to provide that an employer, prior to collecting, or hiring others to collect, from sources outside of the employing organization the type of information generally collected in making a consumer report or consumer-investigative report (as defined by the Fair Credit Reporting Act) about an applicant, employee, or other individual in connection with an employment decision,

notify the applicant, employee, or other individual as to:

(a) the types of information expected to be collected about him from third parties that are not collected on an application, and, as to information regarding character, general reputation, and mode of living, each area of inquiry;

(b) the techniques that may be used to collect such types of information;

(c) the types of sources that are expected to be asked to provide each type of information;

(d) the types of parties to whom and circumstances under which information about the individual may be disclosed without his authorization, and the types of information that may be disclosed;

(e) the procedures established by statute by which the individual may gain access to any resulting record about himself;

(f) the procedures whereby the individual may correct, amend, or dispute any resulting record about himself; and

(g) the fact that information in any report prepared by a consumer-reporting agency (as defined by the Fair Credit Reporting Act) may be retained by that organization and subsequently disclosed by it to others.

Recommendation 15

That the Fair Credit Reporting Act be amended to provide that an employer limit:

(a) its own information collection and disclosure practices to those specified in the notice called for in Recommendation 14; and

(b) its request to any organization it asks to collect information on its behalf to information, techniques, and sources specified in the notice called for in Recommendation 14.

Recommendation 16

That no employer or consumer-reporting agency (as defined by the Fair Credit Reporting Act) acting on behalf of an employer ask, require, or otherwise induce an applicant or employee to sign any statement authorizing any individual or institution to disclose information about him, or about any other individual, unless the statement is:

(a) in plain language;

(b) dated;

(c) specific as to the individuals and institutions he is authorizing to disclose information about him who are known at the time the authorization is signed, and general as to others whose specific identity is not known at the time the authorization is signed;

(d) specific as to the nature of the information he is authorizing to be disclosed;

(e) specific as to the individuals or institutions to whom he is authorizing information to be disclosed;

(f) specific as to the purpose(s) for which the information may be used by any of the parties named in (e) at the time of the disclosure; and

(g) specific as to its expiration date which should be for a reasonable period of time not to exceed one year.

Recommendation 17

That as a matter of policy an employer should:

(a) designate clearly:

(i) those records about an employee, former employee, or applicant for employment (including any individual who is being considered for employment but who has not formally applied) which the employer will allow such employee, former employee, or applicant to see and copy on request; and

(ii) those records about an employee, former employee, or applicant which the employer will not make available to the employee, former employee, or applicant,

except that an employer should not designate as an unavailable record any recorded evaluation it makes of an individual's employment performance, any medical record or insurance record it keeps about an individual, or any record about an individual that it obtains from a consumer-reporting agency (as defined by the Fair Credit Reporting Act), or otherwise creates about an individual in the course of an investigation related to an employment decision not involving suspicion of wrongdoing;

(b) assure that its employees are informed as to which records are included in categories (a)(i) and (ii) above; and

(c) upon request by an individual applicant, employee, or former employee:

(i) inform the individual, after verifying his identity, whether it has any recorded information pertaining to him that is designated as records he may see and copy; and

(ii) permit the individual to see and copy any such record(s), either in person or by mail; or

(iii) apprise the individual of the nature and substance of any such record(s) by telephone; and

(iv) permit the individual to use one or the other of the methods of access provided in (c)(ii) and (iii), or both if he prefers,

except that the employer could refuse to permit the individual to see and copy any record if he has designated as an unavailable record pursuant to (a)(ii), above.

Recommendation 18

That the Fair Credit Reporting Act be amended to provide:

(a) that an applicant or employee shall have a right to:

(i) see and copy information in an investigative report maintained either by a consumer-reporting agency (as defined by the Fair Credit Reporting Act) or by the employer that requested it; and

(ii) correct, amend (including supplement), or dispute in writing, any information in an investigative report maintained either by a consumer-reporting agency (as defined by the Fair Credit Reporting Act) or by the employer that requested it;

(b) that an employer must automatically inform a consumer-reporting agency (as defined by the Fair Credit Reporting Act) of any correction or amendment of information made in an investigative report at the request of the individual, or any other dispute statement made in writing by the individual; and

(c) that an employer must provide an applicant or employee on whom an investigative report is made with a copy of that report at the time it is made by or given to the employer.

Recommendation 19

That, upon request, an individual who is the subject of a medical record maintained by an employer, or another responsible person designated by the individual, be allowed to have access to that medical record, including an opportunity to see and copy it. The employer should be able to charge a reasonable fee (not to exceed the amount charged to third parties) for preparing and copying the record.

Recommendation 20

That, upon request, an individual who is the subject to medical-record information maintained by an employer be allowed to have access to that information either directly or through a licensed medical professional designated by the individual.

Recommendation 21

That an employer that acts as a provider or administrator of an insurance plan, upon request by an applicant, employee, or former employee should:

(a) inform the individual, after verifying his identity, whether it has any recorded information about him that pertains to the employee's insurance relationship with him;

(b) permit the individual to see and copy any such recorded information, either in person or by mail; or

(c) apprise the individual of the nature and substance of any such recorded information by telephone; and

(d) permit the individual to use whichever of the methods of access provided in (b) and (c) he prefers.

The employer should be able to charge a reasonable copying fee for any copies provided to the individual. Any such recorded information should be made available to the individual, but need not contain the name or other identifying particulars of any source (other than an institutional source) of information in the record who has provided such information on the condition that his or her identity not be revealed, and needed not reveal a confidential numerical code.

Recommendation 22

That, except for a medical record or an insurance record, or any record designated by an employer as an unavailable record, an employer should voluntarily permit an individual employee, former employee, or applicant to request correction or amendment of a record pertaining to him; and

(a) within a reasonable period of time correct or amend (including supplement) any portion thereof which the individual reasonably believes is not accurate, timely, or complete; and

(b) furnish the correction or amendment to any person or organization specifically designated by the individual who may have, within two years prior thereto, received any such information; and, automatically to any consumer-reporting agency (as defined by the Fair Credit Reporting Act) that furnished the information corrected or amended; *or*

(c) inform the individual of its refusal to correct or amend the record in accordance with his request and of the reason(s) for the refusal; and

(i) permit an individual who disagrees with the refusal to correct or amend the record to have placed on or with the record a concise statement setting forth the reasons for his disagreement;

(ii) in any subsequent disclosure outside the employing organization containing information about which the individual has filed a statement of dispute, clearly note any portion of the record which is disputed, and provide a copy of the statement along with the information being disclosed; and

(iii) furnish the statement to any person or organization specifically designated by the individual who may have, within two years prior thereto, received any such information; and, automatically, to any consumer-reporting agency (as defined by the Fair Credit Reporting Act) that furnished the disputed information; and

(d) limit its reinvestigation of disputed information to those record items in dispute.

Recommendation 23

That an employer establish a procedure whereby an individual who is the subject of a medical record maintained by the employer can request correction or amendment of the record. When the individual requests correction or amendment, the employer should, within a reasonable period of time, either:

(a) make the correction or amendment requested, or

(b) inform the individual of its refusal to do so, the reason for the refusal, and of the procedure, if any, for further review of the refusal.

In addition, if the employer decides that it will not correct or amend a record in accordance with the individual's request, the employer should permit the individual to file a concise statement of the reasons for the disagreement, and in any subsequent disclos-

ure of the disputed information include a notation that the information is disputed and the statement of disagreement. In any such disclosure, the employer may also include a statement of the reasons for not making the requested correction or amendment.

Finally, when an employer corrects or amends a record pursuant to an individual's request, or accepts a notation of dispute and statement of disagreement, it should furnish the correction, amendment, or statement of disagreement to any person specifically designated by the individual to whom the employer has previously disclosed the inaccurate, incomplete, or disputed information.

Recommendation 24

That notwithstanding *Recommendation* (22), when an individual who is the subject of medical-record information maintained by an employer requests correction or amendment of such information, the employer should:

(a) disclose to the individual, or to a medical professional designated by him, the identity of the medical-care provider who was the source of the medical-record information;

(b) make the correction or amendment requested within a reasonable period of time, if the medical-care provider who was the source of the information agrees that it is inaccurate or incomplete; and

(c) establish a procedure whereby an individual who is the subject of medical-record information maintained by an employer, and who believes that the information is incorrect or incomplete, would be provided an opportunity to present supplemental information of a limited nature for inclusion in the medical-record information maintained by the employer, provided that the source of the supplemental information is also included.

Recommendation 25

That when an employer acts as a provider or administrator of an insurance plan, the employer should:

(a) permit an individual to request correction or amendment of a record pertaining to him;

(b) within a reasonable period of time, correct or amend (including supplement) any portion thereof which the individual reasonably . . .

(c) furnish the correction or amendment to any person or organization specifically designated by the individual who may have, within two years prior thereto, received any such information; and, automatically, to any insurance-support organization whose primary source of information on individuals is insurance institutions when the support organization has systematically received any such information from the employer within the preceding seven years, unless the support organization no longer maintains the information, in which case, furnishing the correction or amendment would not be necessary; and, automatically, to any insurance-support organization that furnished the information corrected or amended; or

(d) inform the individual of its refusal to correct or amend the record in accordance with his request and of the reason(s) for the refusal; and

(i) permit an individual who disagrees with the refusal to correct or amend the record to have placed on or with the record a concise statement setting forth the reasons for his disagreement;

(ii) in any subsequent disclosure outside the employing organization containing information about which the individual has filed a statement of dispute, clearly note any portion of the record which is disputed and provide a copy of the statement along with the information being disclosed; and

(iii) furnish the statement to any person or organization specifically designated by the individual who may have, within two years prior thereto, received any such information; and, automatically to an insurance-support organization whose primary source of information on individuals is insurance institutions when the support organization has received any such information from the employer within the preceding seven years, unless the support organization no longer maintains the information, in which case, furnishing the statement would not be necessary; and, automatically, to any insurance-support organization that furnished the disputed information; and

(e) limit its reinvestigation of disputed information to those record items in dispute.

Recommendation 26

That an employer assure that the personnel and payroll records it maintains are available internally only to authorized users and on a need-to-know basis.

Recommendation 27

That an employer:

(a) maintain security records apart from other records; and

(b) inform an employee whenever information from a security record is transferred to his personnel record.

Recommendation 28

That an employer that maintains an employment-related medical record about an individual assure that no diagnostic or treatment information in any such record is made available for use in any employment decision; and

Recommendation 29

That an employer that provides a voluntary health-care program for its employees assure that any medical record generated by the program is maintained apart from any employment-related medical record and not used by any physician in advising on any employment-related decision or in making any employment-related decision without the express authorization of the individual to whom the record pertains.

Recommendation 30

That an employer that provides life or health insurance as a service to its employees assure that individually identifiable insurance records are maintained separately from other records and not available for use in making employment decisions; and further

Recommendation 31

That an employer that provides work-related insurance for employees, such as worker's compensation, voluntary sick pay, or short- or long-term disability insurance, assure that individually identifiable records pertaining to such insurance are available internally only to authorized recipients and on a need-to-know basis.

Recommendation 32

That an employer clearly inform all its applicants upon request, and all employees automatically, of the types of disclosures it may make of information in the records it maintains on them, including disclosures of directory information, and of its procedures for involving the individual in particular disclosures.

Recommendation 33

That each employer be considered to owe a duty of confidentiality to any individual employee, former employee, or applicant about whom it collects information; and that, therefore, no employer or consumer-reporting agency (as defined by the Fair Credit Reporting Act) which collects information about an applicant or employee on behalf of an employer should disclose, or be required to disclose, in individually identifiable form, any information about any individual applicant, employee, or former employee, without the explicit authorization of such individual, unless the disclosure would be:

(a) in response to a request to provide or verify information designated by the employer as directory information, which should not include more than:

(i) the fact of past or present employment;

(ii) dates of employment;

(iii) title or position;

(iv) wage or salary; and

(v) location of job site;

(b) an individual's dates of attendance at work and home address in response to a request by a properly identified law enforcement authority;

(c) a voluntary disclosure to protect the legal interests of thet employer when the employer believes the actions of the applicant, employee, or former employee violate the conditions of employment or otherwise threaten physical injury to the property of the employer or to the person of the employer or any of his employees;

(d) to a law enforcement authority when the employer reasonably believes that an applicant, employee, or former employee has been engaged in illegal activities;

(e) pursuant to a Federal, State, or local compulsory reporting statute or regulation;

(f) to a collective-bargaining unit pursuant to a collective-bargaining contract;

(g) to an agent or contractor of the employer, provided:

(i) that only such information is disclosed as is necessary for such agent or contractor to perform its function for the employer;

(ii) that the agent or contractor is prohibited from redisclosing the information; and

(iii) that the individual is notified that such disclosure may be made and can find out if in fact it has been made;

(h) to a physician for the purpose of informing the individual of a medical problem of which he may not be aware; and

(i) in response to a lawfully issued administrative summons or judicial order, including a search warrant or subpoena.

Recommendation 34

That Congress direct the Department of Labor to review the extent to which medical records made to protect individuals exposed to hazardous environments or substances in the workplace are or may come to be used to discriminate against them in employment. This review should include an examination of the feasibility of:

(a) restricting the availability of records generated by medical examinations and tests conducted in accordance with OSHA requirements for use in making employment decisions; and

(b) establishing mechanisms to protect employees whose health has been affected by exposure to hazardous environments or substances from the economic consequences of employers' decisions concerning their employability.

RECORDKEEPING IN THE MEDICAL-CARE RELATIONSHIP

The Commission recommends:

Recommendation 1

That the Congress, through amendment of the Social Security Act, authorize the Secretary of Health, Education, and Welfare to promulgate regulations requiring:

(a) that medical-care providers whose services are paid for directly or indirectly under Titles XVIII and XIX of the Social Security Act develop specific procedures for implementing Commission Recommendations (5), (7), (9), (10), (11), (12), (13), (14);

(b) that such providers be required to show evidence of compliance with these recommendations as a condition of participation in the Medicare and Medicaid programs; and

(c) that all records of surveys of compliance with the procedures developed pursuant to the Commission's recommendations be a matter of public record and open to public inspection, provided, however, that

the names or other identifying particulars of patients are deleted prior to public release.

Recommendation 2

That each State enact a statute creating individual rights of access to, and correction of, medical records, and an enforceable expectation of confidentiality for medical records consistent with Commission recommendations in these areas.

Recommendation 3

That any medical-care provider not subject to either of the Commission's two general recommendations on implementation voluntarily establish procedures to comply with the specific recommendations set forth below.

Recommendation 4

That Federal and State penal codes be amended to make it a criminal offense for any individual knowingly to request or obtain medical-record information from a medical-care provider under false pretenses or through deception.

Recommendation 5

That upon request, an individual who is the subject of a medical record maintained by a medical-care provider, or another responsible person designated by the individual, be allowed to have access to that medical record, including an opportunity to see and copy it. The medical-care provider should be able to charge a reasonable fee (not to exceed the amount charged to third parties) for preparing and copying the record.

Recommendation 6

That upon request, an individual who is the subject of medical-record information maintained by an organization which is not a medical-care provider be allowed to have access to that information either directly or through a licensed medical-care professional designated by him.

Recommendation 7

That each medical-care provider have a procedure whereby an individual who is the subject of a medical record it maintains can request correction or amendment of the record. When the individual requests correction or amendment, the medical-care provider must, within a reasonable period of time, either:

(a) make the correction or amendment requested; or

(b) inform the individual of its refusal to do so, the reason for the refusal, and of the procedure, if any, for further review of the refusal.

In addition, if the medical-care provider refuses to correct or amend a record in accordance with the individual's request, the provider must permit the individual to file a concise statement of the reasons for the disagreement, and in any subsequent disclosure of the disputed information include a notation that the information is disputed and furnish the statement of disagreement. In any such disclosure, the provider may also include a statement of the reasons for not making the requested correction or amendment.

Finally, when a medical-care provider corrects or amends a record pursuant to an individual's request, or accepts a notation of dispute and statement of disagreement, it should be required to furnish the correction, amendment, or statement of disagreement to any person specifically designated by the individual to whom the medical-care provider has previously disclosed the inaccurate, incomplete, or disputed information.

Recommendation 8

That when an individual who is the subject of medical-record information maintained by an organization whose relationship to the individual is not that of a medical-care provider requests correction or amendment of such information, the organization should disclose to the individual, or to a medical-care professional designated by him, the identity of the medical-care provider who was the source of the information; and further,

That if the medical-care provider who was the source of the information agrees that it is inaccurate or incomplete, the organization maintaining it should promptly make the correction or amendment requested.

In addition, a procedure should be established whereby an individual who is the subject of medical-record information maintained by an organization whose relationship to him is not that of a medical-care provider, and who believes that the information is incorrect or incomplete, would be provided an opportunity to present supplemental information, of a limited nature, for inclusion in the organization's record, provided that the source of the supplemental information is also included in the record.

Recommendation 9

That each medical-care provider is required to take affirmative measures to assure that the medical records it maintains are made available only to authorized recipients and on a "need-to-know" basis.

Recommendation 10

That each medical-care provider be considered to owe a duty of confidentiality to any individual who is the subject of a medical record it maintains, and that, therefore, no medical care provider should disclose, or be required to disclose, in individually identifiable form, any information about any such individual without the individual's explicit authorization, unless the disclosures would be:

(a) to another medical-care provider who is being consulted in connection with the treatment of the individual by the medical-care provider;

(b) to a properly identified recipient pursuant to a showing of compelling circumstances affecting the health and safety of an individual provided that:

(i) an accounting of any such disclosure is kept; and

(ii) the individual who is the subject of the information disclosed can find out that the disclosure has been made and to whom it has been made;

(c) for use in conducting a biomedical or epidemiological research project, provided that the medical-care provider maintaining the medical record:

(i) determines that such use or disclosure does not violate any limitations under which the record or information was collected;

(ii) ascertains that use or disclosure in individually identifiable form is necessary to accomplish the research or statistical purpose for which use or disclosure is to be made;

(iii) determines that the importance of the research or statistical purpose for which any use or disclosure is to be made is such as to warrant the risk to the individual from additional exposure of the record or information contained therein;

(iv) requires that adequate safeguards to protect the record or information from unauthorized disclosure be established and maintained by the user or recipient, including a program for removal or destruction of identifiers; and

(v) consents in writing before any further use or redisclosure of the record or information in individually identifiable form is permitted;

(d) for an audit or evaluation purpose specifically required by law, provided that an accounting of such disclosures is kept and the individual who is the subject of the information being disclosed can find out that the disclosure has been made and to whom;

(e) for an audit or evaluation purpose not specifically required by law, provided that:

(i) any further use or redisclosure of the information in individually identifiable form is prohibited;

(ii) adequate safeguards to protect the medical-record information from unauthorized disclosure are established by the user or recipient including a program for removal or destruction of identifiers;

(iii) an accounting of such disclosures is kept and the individual who is the subject of the information being disclosed can find out that the disclosure has been made and to whom;

(f) pursuant to a statute that requires the medical-care provider to report specific diagnoses to a public-health authority, and the individual is notified of each such disclosure;

(g) pursuant to a statute that requires the medical-care provider to report specified items of information about the individual to a law enforcement authority, and the individual is notified of each such disclosure;

(h) limited to location and status information (such as room number, dates of hospitalization, and general condition) provided that:

(i) the patient or his authorized representative does not object to the disclosure; and

(ii) such disclosure is limited to items specified in the general notice to the individual called for in *Recommendation (12)*; or

(i) pursuant to a lawful judicial summons or subpoena consistent with the recommendations of the Commission on government access.

Recommendation 11

That any disclosure of medical-record information by a medical-care provider, with or without the authorization of the individual to whom it pertains, be limited only to information necessary to accomplish the purpose for which the disclosure is made.

Recommendation 12

That each medical-care provider be required to notify an individual on whom it maintains a medical record of the disclosures that may be made of information in the record without the individual's express authorization.

Recommendation 13

That whenever an individual's authorization is required before a medical-care provider may disclose information it collects or maintains about him, the medical-care provider should not accept as valid any authorization which is not:

(a) in writing;

(b) signed by the individual on a date specified or by someone authorized in fact to act in his behalf;

(c) clear as to the fact that the medical-care provider is among those either specifically named or generally designated by the individual as being authorized to disclose information about him;

(d) specific as to the nature of the information the individual is authorizing to be disclosed;

(e) specific as to the institutions or other persons to whom the individual is authorizing information to be disclosed;

(f) specific as to the purpose(s) for which the information may be used by any of the parties named in (e) both at the time of the disclosure and at any time in the future;

(g) specific as to its expiration date, which should be for a reasonable period of time not to exceed one year, except where an authorization is presented in connection with a life or noncancellable or guaranteed renewable health insurance policy, in which case the expiration date should not exceed two years from the date the authorization was signed.

Recommendation 14

That each time a medical-care provider discloses information about an individual

pursuant to a valid authorization, it be required to retain a copy of the authorization and, for the purpose of *Recommendation* (5) on patient access, treat it as part of the record(s) from which the disclosure was made.

GOVERNMENT ACCESS TO PERSONAL RECORDS AND "PRIVATE PAPERS"

The Commission recommends:

Recommendation 1

That Congress provide an individual by statute with an exception of confidentiality in a record identifiable to him maintained by a private-sector record keeper in its provision of financial services, medical-care, insurance, or telecommunications services, which statute should specifically require that the individual, in defense against compelled production of such a record pursuant to any administrative, judicial, or legislative summons, subpoena, or similar order be permitted—

(a) to challenge the relevance and scope of the summons, subpoena, or order and to require from the government clear proof of the reasonable relationship of the record sought to the investigation, prosecution, or civil action in furtherance of which the summons, subpoena, or order was issued before a court may order disclosure of the record; and

(b) to assert in protection of the record the protections for private papers and effects articulated in the Fourth Amendment, and the due process protections articulated in the Fifth Amendment, to the Constitution of the United States.

Recommendation 2

That any request for an individually identifiable record made to a private-sector record keeper or agency of another government jurisdiction by a government agency or its agents be made only through recognized legal process, such as an administrative summons or judicial subpoena, unless the request is made with the consent of the individual to whom the record pertains.

Recommendation 3

That Congress provide by statute that an administrative summons (or other form of compulsory legal process) issued by an administrator or executive authority of government to a private-sector record keeper in order to inspect or obtain an individually identifiable record shall be issued only

(a) for the inspection of a record required to be maintained pursuant to a statute or regulation, or

(b) for the investigation of violations of law where the evidence obtained by such administrative summons (or other form of compulsory process) will be used only for administrative action, civil enforcement, or criminal prosecution directly related to the statutory purposes for which such summons power was granted, except, where evidence of unrelated criminal activity is uncovered, the existence of such activity may be reported to a proper investigating authority who may then proceed to obtain such information from the record keeper pursuant to whatever legal processes are at its command; and

(c) where a copy of the administrative summons is served by the administrative or executive authority of government upon an individual who (i) is, or is likely to become, the subject of investigation or enforcement proceedings, and (ii) is the subject of the record to be produced,

(d) where the issuance of such a summons may only be made by officials of the issuing agency who are not field agents and who exercise supervisory authority and responsibility over the agents who will serve the summons, and

(e) where an individual identified in the record and subject to notification under (c) above has standing to assert protections for those records in which he has an expectation of confidentiality as defined in Recommendation (1) above or any other defense provided by common law or statute;

except that,

(f) an administrative summons may be issued without service upon the individual where the government shows to a court that service would:

(i) pose a reasonable possibility that the record sought will be destroyed, or an attempt to destroy it will be made, by the record subject upon whom service of the summons is required; or

(ii) pose a reasonable possibility that other evidence would be destroyed or become unavailable to government, jeopardizing the investigation; or

(iii) cause flight from prosecution by the individual upon whom service of the summons is required; or

(iv) endanger the life or physical safety of any person;

provided that, before issuance of such a summons, the government must show the reasonable relationship of the record sought to the investigation in furtherance of which the summons is to be issued. Within a reasonable period of time after issuance of a summons without notice, the government must notify the subject of the record of the seizure. This provision ((f)) would not, however, apply to a record in which an individual has a legitimate expectation of confidentiality recognized by statute or common law.

Recommendation 4

That Congress provide by statute that a subpoena or other method of judicial summons, issued after indictment or information or after the filing of a complaint or other initial pleading, issued to a private-sector record keeper

(a) in order to obtain an individually identifiable record and

(b) where the record subject is, or is likely to become, a target of the investigation, a named party to the litigation, or otherwise publicly implicated in the proceedings, may be issued only where

(i) service of the summons or subpoena is made upon both the individual identified in the record and the record keeper,

(ii) the individual has standing to contest the summons or subpoena and to halt production of the record until his claims are litigated, and

(iii) the individual is able to assert in protection of the record the defense provided by any legal expectation of confidentiality or other defense provided by common law or statute.

Recommendation 5

That Congress provide by statute that a record obtained pursuant to a Grand Jury subpoena:

(a) shall be returned and actually presented to the Grand Jury under whose authority the subpoena was issued;

(b) shall be employed only for the purposes of prosecuting a crime for which an indictment or presentment was issued by the Grand Jury sitting at the time the record was obtained;

(c) shall be destroyed or returned to the record keeper if it was not used in the prosecution of a crime for which the Grand Jury issued an indictment or presentment or if it has not been made part of the official records of the Grand Jury maintained under the seal;

(d) shall not be maintained, or its contents described in any record maintained, apart from the sealed records of the Grand Jury by any agency or officer, employee, or agent of such agency of government; and

(e) the information contained in such record shall be protected by stringent penalties for improper disclosure or maintenance, including penalties to be enforced by criminal prosecution (or the exercise of judicial contempt power).

Recommendation 6

That Congress provide by statute that a Grand Jury subpoena duces tecum (or other Grand Jury subpoena to acquire the contents of documentary evidence, whether by testimony or otherwise) issued

(a) to obtain an individually identifiable record,

(b) where a legally protectable expectation of confidentiality exists, such as the expectation recommended by the Commission for records of a credit grantor, depository institution, insurance institution, or health-care provider, and

(c) where the record subject is, or is likely to become, a target of the investigation, named in an indictment or presentment, or otherwise publicly implicated in the proceedings, may be issued only where

(i) service of the subpoena is made upon both the individual identified in the record and the record keeper,

(ii) the individual has standing to contest the subpoena and to halt the production of the record until his claims are litigated, and

(iii) the individual is able to assert in protection of the record the defenses provided by any legal expectation of confidentiality or other defense provided by common law or statute.

Recommendation 7

(a) That where a private-sector record keeper is required to report information about an individual to an agency or authority of government, the scope of such reporting should be limited by Congress such that:

(i) each reporting requirement is expressly authorized in statute;

(ii) each statutory provision clearly identifies the policies and purposes which justify the reporting it authorizes;

(iii) each statutory provision details standards of relevance which must be met before the information must be reported;

(iv) no information is reported in individually identifiable form unless such reporting is essential to accomplish the statutory policies and purposes which justify the reporting; and

(vi) where individual identity is not reported by the record keeper, yet at some point such identification may be necessary to ensure compliance with law, identifiable records be maintained by the record keeper only for inspection by authorized agents of the government upon presentation of a lawful summons or subpoena:

(b) this inspection by a government agency of records maintained pursuant to statute or regulation in individually identifiable form by a private-sector record keeper be permitted to occur

(i) only upon presentation and delivery of a copy of an administrative summons, provided that

(ii) the summons identifies the particular records and items of information to be made available for inspection by the agency;

(c) that a private-sector record keeper be required to notify an individual when he enters into a relationship with the record keeper that information concerning the relationship

(i) will be reported to agencies and authorities of government pursuant to statute or regulation, or

(ii) may be open to inspection by agencies and authorities of government;

(d) that individually identifiable information obtained by government through reporting or inspection required by statute or regulation should be unavailable for civil or criminal prosecution of violations of law not directly related to the statutorily identified purposes which justify the reporting or inspection;

(e) that an individually identifiable record

required to be maintained by a private-sector record keeper pursuant to statute or regulation may be destroyed by the record keeper at any time after the statute of limitations expires for the specific violation justifying the reporting or maintenance of such record; and

(f) that an individually identifiable record collected by a government agency from information reported or maintained by a private-sector record keeper pursuant to statute or regulation be destroyed by the government agency at the time the statute of limitations expires for the specific violation justifying the reporting or maintenance of such record.

RECORD KEEPING IN THE EDUCATION RELATIONSHIP

The Commission recommends:

Recommendation 1

That the Family Educational Rights and Privacy Act be amended to require an educational agency or institution to formulate, adopt, and promulgate an affirmative policy to implement FERPA requirements, as well as the additional requirements recommended by the Commission.

Recommendation 2

That the Family Educational Rights and Privacy Act be amended to require an educational agency or institution to include in its institutional policy to implement FERPA reasonable procedures to protect against unwarranted intrusiveness and against unfairness in its education record-keeping practices including:

(a) reasonable procedures to prevent the collection and maintenance of inaccurate, misleading, or otherwise inappropriate educational records;

(b) procedures that provide a student or parent a reasonable opportunity for reconsideration of an administrative decision regarding the student that is based in whole or in part on an education record about the student that has been corrected or amended as a result of rights exercised under FERPA subsequent to the decision; and

(c) procedures to assure that except as specifically required by law, no survey or data collection activity will be conducted, assisted, or authorized by an educational agency or institution unless:

(i) the proposal for such an activity has been reviewed and approved by the educational agency or institution, and not a component thereof, to eliminate unwarranted intrusion on the privacy of students or their families; and

(ii) parents of affected students have been notified of such activity, provided a reasonable opportunity to review the collection materials, and allowed to refuse participation in such activity by their children or families.

Recommendation 3

That the Family Educational Rights and Privacy Act be amended to broaden the definition of an "educational agency or institution" to include organizations that provide testing or data-assembly services under contract to educational agencies or institutions or consortiums thereof, except that such organizations should not be subject to Section (b)(3) of the Act which requires educational institutions to permit access by Federal auditors to educational records without the consent of the student or his parent.

Recommendation 4

That the Family Education Rights and Privacy Act be amended to:

(a) broaden the definition of "student" to include an applicant for student status;

(b) make all provisions of FERPA applicable to education records pertaining directly to an applicant; and

(c) require that records created about an unsuccessful applicant be maintained by an educational agency or institution for 18 months from the close of the application process, after which time they must be destroyed.

Recommendation 5

That the Family Educational Rights and Privacy Act be amended to provide that the right of a student or his parent to inspect and review letters and statements of recommendation not be subject to waiver by the student or his parent, provided further, however, that letters and statements of recommendation solicited with a written assurance of confidentiality, or sent and retained with a documented understanding of confidentiality prior to the effective date of the statutory change not be subject to inspection and review by students or parents.

Recommendation 6

That the Family Educational Rights and Privacy Act be amended to require an educational agency or institution that conducts instructional programs to provide for parent or student participation in the establishment and review of its policies and practices implementing FERPA; and further

Recommendation 7

That the Family Educational Rights and Privacy Act be amended to require an educational agency or institution that conducts instructional programs to have procedures whereby parents or students may challenge its policies or practices implementing FERPA.

Recommendation 8

That the Family Educational Rights and Privacy Act be amended to require that an educational agency or institution establish, promulgate, and enforce administrative sanctions for violations of its policy implementing FERPA. Such sanctions should be levied upon chief executive officers of educational agencies and components thereof who are negligent in pursuit of institutional compliance as well as upon employees who violate provisions of such policy.

Recommendation 9

That the Family Educational Rights and Privacy Act be amended to provide that all or any portion of DHEW funds earmarked for education purposes may be withheld from an educational agency or institution when its policy does not comply with FERPA requirements or when evidence of systematic failure on its part to implement its policy is presented to the Department of Health, Education, and Welfare. Such withholding of funds should only be imposed if the Secretary has determined that compliance cannot be secured through voluntary means or that systematic failures to implement policy have previously been brought to the attention of the educational agency or institution and it has not taken sufficient steps to correct such failures. The amount withheld should be appropriate to the nature of the violation, and should provide incentives for future compliance.

Recommendation 10

That the Family Educational Rights and Privacy Act be amended to permit an individual (in the case of a minor, his parents or guardian) to commence a civil action on his behalf to seek injuctive relief against an educational agency or institution that fails to provide him with a right granted him by FERPA. The district courts should have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to order an educational agency or institution to perform such act or duty as may be required by FERPA and to grant costs of the litigation, including reasonable attorney's fees.

Recommendation 11

That the Family Educational Rights and Privacy Act be amended to make it permissible for records of instructional, supervisory, and administrative personnel of an educational agency or institution, and educational personnel ancillary thereto, which records are in the sole possession of the maker thereof, to be disclosed to any school official who has been determined by the agency or institution to have legitimate educational interests in the records, without being subject to the access provision of FERPA, provided, however:

(a) that such records are incorporated into education records of the agency or institution or destroyed after each regular academic reporting period;

(b) that such records are made available for inspection and review by a student or parent if they are used or reviewed in making any administration decision affecting the student; and

(c) that all such records of administrative officers with disciplinary responsibilities are made available to parents or students when any disciplinary decision is made by that officer.

Recommendation 12

That the Family Educational Rights and Privacy Act be amended to provide that insofar as directory information is concerned, a student or parent may only require that address and phone number not be published without his consent or that it only be disclosed to persons who have established to the satisfaction of the institution a legitimate need to know.

Recommendation 13

That the Family Educational Rights and Privacy Act be amended to permit an educational agency or institution to use or disclose an education record or information contained therein in individually identifiable form for a research or statistical purpose without parent or student consent, provided that the agency or institution:

(a) determines that such use or disclosure in individually identifiable form does not violate any conditions under which the information was collected;

(b) ascertains that such use or disclosure in individually identifiable form is necessary to accomplish the research or statistical purpose for which the use or disclosure is to be made;

(c) determines that the research or statistical purpose for which any use or disclosure is to be made warrants the risk to the individual from additional exposure of the record or information;

(d) requires that adequate safeguards to protect the record or information from unauthorized disclosure be established and maintained by the user or recipient, including a program for removal or destruction of identifiers;

(e) prohibits any further use or redisclosure of the record or information in individually identifiable form without its express authorization;

(f) prohibits any individually identifiable information resulting from such research from being used to make any decision or take any action directly affecting the individual to whom it pertains;

(g) makes any disclosure pursuant to a written agreement with the proposed recipient which attests to all of the above;

and provided further, that all such determinations, requirements, and prohibitions are made by the educational agency or institution (and not a component thereof).

Recommendation 14

That the Family Educational Rights and Privacy Act be amended so as to permit an educational agency or institution to designate in its policy implementing FERPA that disclosures may be made on a routine basis without the authorization of the parent or student to a particular welfare or social

service agency for a specified purpose that directly assists the educational agency or institution in achieving its mission, provided that the categories of information which may be disclosed to such agency are also specified and that further redisclosure by such agency is prohibited.

Recommendation 15

That the Family Educational Rights and Privacy Act be amended to provide:

(a) that records collected or maintained by the security or law enforcement branch of an educational agency or institution solely for a law enforcement purpose—

(i) shall not be considered to be education records subject to the provisions of FERPA when the security or law enforcement branch does not have access to education records maintained by the agency or institution; and

(ii) may be disclosed only to law enforcement agencies of the same jurisdiction and to school officials responsible for disciplinary matters;

(b) that disclosure of information may be made by an educational agency or institution to law enforcement officials without the consent of the student or parent, provided that:

(i) an official determination is made by the educational agency or institution (and not by a component thereof) that the information disclosed is necessary to an authorized investigation of ongoing violations of law which threaten the welfare of the educational agency or institution or its students or faculty; and

(ii) each determination is publicly reported to the governing board of the agency or institution including the type of information disclosed, the number of individuals involved, and the justification for such disclosure, but not the names of the individuals involved.

THE CITIZEN AS BENEFICIARY OF GOVERNMENT ASSISTANCE

The Commission recommends:

Recommendation 1

(a) That the Congress enact a statute that requires each State, as a condition of the receipt of Federal financial assistance for public assistance and social services programs, to enact a fair information practice statute applicable to records about public assistance and social services clients of any agency administering or supervising the administration of any federally assisted public assistance or social services program (the requirements of the State statute are described below);

(b) That Congress give a State two full State legislative sessions to enact the required statute before it is considered not to be in compliance with Federal law;

(c) That the Congress specify in the statute the general principles of the fair information practice policy, leaving to the States some discretion to tailor specific means of implementing the principles to their own needs, where appropriate;

(d) That the Congress make the Secretary of Health, Education, and Welfare responsible for determining that each State has enacted the required State statute and that it has the characteristics required by Federal law. The Secretary should consult with the heads of other Federal agencies funding public assistance and social services programs in carrying out this responsibility;

(e) That every Federal agency responsible for overseeing the administration of a public assistance or social services program be required by Federal statute to review State compliance with the record-keeping requirements set forth in Federal and State statute;

(f) That the process that States use for formulating and enacting specific fair-information practice requirements provide ample opportunity for public participation, including public hearings; and

(g) That appropriate sanctions and remedies, at the Federal and State level, be available to deal with violations of the statutorily prescribed requirements.

Recommendation 2

That every State enact a statute applying the fair information practices required of agencies receiving Federal public assistance and social services funds to records of cash assistance and social services agencies that do not receive any Federal funding.

Recommendation 3

That the Congress require the States to provide by statute that public assistance and social services agencies must, to the greatest extent practicable, collect information and documentation directly from the client, unless otherwise requested by the client.

Recommendation 4

That the Congress require the States to provide by statute that a public assistance or social services agency must:

(a) notify a client as to:

(i) all types of information which may be collected about him;

(ii) the techniques that may be used to collect or verify such types of information;

(iii) the types of sources that may be asked to provide each type of information.

(b) limit its collection practices to those specified in any such notice;

(c) provide the client an opportunity to indicate particular sources of information which he does not want the agency to contact and to provide alternatives to those sources so indicated;

(d) provide the client an opportunity to withdraw his application should the agency require that a source be contacted notwithstanding . . .

provided, however, that such procedures shall not be required when there is a reasonable belief that the client has violated a law relating to the administration of the assistance or services program.

Recommendation 5

That Congress require States to provide by statute that public assistance and social services agencies must give clients of social services programs the opportunity to require that collateral contacts, made to secure information about their eligibility in a services program, are made in a manner that, to the maximum extent possible, does not reveal the specific nature of the service sought by the client.

Recommendation 6

That the Congress require States to provide by statute that a client who is the subject of a record maintained by a public assistance and social services agency shall have a right to see and copy that record upon request.

Recommendation 7

That the Congress permit the States to enact provisions of law that:

(a) provide that a medical record may be disclosed either directly to the client or through a medical-care professional designated by the client, provided, however, that a client must be given direct access to any medical-record information that is used to make a determination about his eligibility;

(b) restrict a parent or guardian's access to a minor's record, or a minor's access to a record that contains information about him;

(c) provide that the source of information in a record, or the information itself to the extent that it would reveal the identity of the source, need not be disclosed to the client if the source is an individual who has requested an assurance of confidentiality or, absent such a request, if disclosure can reasonably be expected to result in harm to the source, provided, however, that an adverse determination may not be based on information that is not disclosed to the client;

(d) deny a client access to a record that is being used for an ongoing investigation of a suspected violation by the client of a law relating to the administration of the welfare program; and

(e) provide for segregation of information in records maintained about multiple subjects so that a client may see only that information in a record that pertains directly to him.

Recommendation 8

That the Congress require States to provide by statute that public assistance and social services agencies will permit a client to request correction or amendment of a record pertaining to him, and that the agency must:

(a) promptly correct, amend (including supplement), or delete any portion thereof which the individual can show is not accurate, timely, relevant, complete, or within the scope of information which he was originally told would be collected about him, except that in the case of a medical record, the agency shall disclose to the client the identity of the medical-care provider who was the source of the record, and, if the latter agrees to the requested correction, the agency must make the correction:

(b) assure that any corrections, amendments, or deletions are reflected wherever information about the client is maintained that is similar to that which has been corrected, amended, or deleted; or

(c) inform the client of its refusal to correct, amend, or delete part of the record in accordance with his request and the reason(s) for the refusal, permit the client to have the refusal reviewed at a hearing, and permit a client who disagrees with the refusal to correct, amend, or delete the record to have placed with the record a concise statement setting forth his disagreement; and further

(d) provide reasonable procedures to assure that corrections, amendments, and deletions made pursuant to (a), or statements of disagreement filed pursuant to (c), are made available to prior and subsequent recipients of the record.

Recommendation 9

That the Congress require States to provide by statute that public assistance and social services agencies must have reasonable procedures to assure that all records they use in making any determination about a client are maintained with such accuracy, timeliness, completeness, and relevance as is reasonably necessary to assure that the records themselves are not the cause of an unfair determination.

Recommendation 10

That the Congress provide by statute that no disclosures of records about a public assistance or social services client may be made without the authorization of the client, unless disclosure has been specifically authorized by State statute, which must contain:

(a) provisions relating to the permissible uses and disclosures of individually identifiable information about clients for purposes related to the administration and enforcement of the specific program for which the information was acquired, as well as for purposes related to the administration and enforcement of other public assistance and social services programs for which the individual has applied, is required to apply, or may be eligible;

(b) a prohibition on the disclosure of individually identifiable information about clients to members of the public and to legislative committees;

(c) a prohibition on the use or disclosure of individually identifiable information about clients for purposes unrelated to the provision of public assistance and social services without the consent of the client, provided, however, that:

(i) disclosure necessary to assure the health or safety of the client or another individual in compelling circumstances may be permitted;

(ii) disclosure made pursuant to a court order may be permitted if the agency has contested the order, provided, however, that adequate notice and ability to participate in any action regarding the order has been provided the client if the client is the subject of the investigation or prosecution in furtherance of which the court order is issued; and

(iii) dsclosure for a research or statistical purpose may be permitted, provided, however, that:

(A) the agency maintaining the information ascertains that use or disclosure in individually identifiable form is necessary to accomplish the purpose for which disclosure is made;

(B) further use or disclosure of the information or record in individually identifiable form is prohibited without the express authorization of the agency or the client;

(C) reasonable procedures to protect the record or information from unauthorized disclosure are established and maintained by the recipient, including a program for removal or destruction of identifiers; and

(D) the agency determines that the research or statistical purpose for which any disclosure is to be made is such as to warrant risk to the individual from additional exposure of the record or information;

(d) provisions stating which redisclosures of individually identifiable information may be made by agencies or persons authorized to obtain such information; and

(e) a requirement that all permissible disclosures be limited to information that is necessary and relevant to the purpose for which disclosure is made, including those disclosures made for collateral verification purposes.

Finally, the Congress should provide that when enacted, the required State statute shall constitute the sole authority for disclosures of client records maintained by public assistance and social services agencies receiving Federal funding except that 42 U.S.C. 4582 and 21 U.S.C. 1175, regarding the confidentiality of alcohol and drug abuse treatment records, will continue to be in force.

Recommendation 11

That the Congress require States to provide by statute that public assistance and social services agencies must inform each client in plain language of:

(a) the kinds of records that the agency maintains, and the purposes for which the information in those records may be used;

(b) the client's right to see, copy, and request correction of record about himself;

(c) Whether information requested of the client by the agency must be provided as a condition of eligibility for public assistance and social services, or whether providing it is voluntary;

(d) of the agency's procedures regarding collateral verification [as required by Recommendation (4)], including its use of interagency and inter-jurisdictional data exchanges; and

(e) the provisions of the State statute governing disclosure.

Recommendation 12

That the Congress require the States to provide by statute that appropriate remedies and penalties will be available in cases in which a public assistance or social services agency violates a provision of the State fair information practice statute.

Recommendation 13

That the use and disclosure of information obtained on applicants for and recipients of child support services as well as an alleged absent parents should be subject to the same statutory disclosure policy called for by Recommendation (10). Furthermore, Congress should require by statute that information obtained by State agencies from the Federal Parent Locator Service regarding absent parents may not be disclosed for purposes unrelated to the establishment of paternity, the location of the parent, or enforcement of child support obligations, except to the extent that disclosures of such information result from court proceedings.

Recommendation 14

That the Congress amend Title IV–D of the Social Security Act to provide that the provision requiring States to "utilize sources of information and available records" [Section 454(8)] not be construed to override State and local laws prohibiting the disclosure of certain types of information unless these laws have made provision for disclosure to the State Parent Locator Service.

Recommendation 15

That the Congress amend Section 453(e)(2) of Title IV–D of the Social Security Act to provide that Federal agencies maintaining information which, by other provisions of law, has been deemed to be confidential, shall not be required to provide that information to the Federal Parent Locator Service (PLS), unless disclosure to the Federal PLS is specifically authorized by a Federal statute that specifies the agency that may disclose information to the PLS; and further, that the Congress limit disclosures of information by Federal agencies to the PLS to the minimum necessary to locate the absent parent (e.g., place of employment and home address).

Recommendation 16

That the Congress require the heads of all Federal agencies funding public assistance and social services programs to provide assistance to the States in developing their fair information practice statutes.

THE RELATIONSHIP BETWEEN CITIZEN AND GOVERNMENT: THE PRIVACY ACT OF 1974

The Commission recommends:

Recommendation 1

That a Federal agency administering a health-insurance program which employs the services of a private health-insurance intermediary provide to the intermediary only that information necessary for the intermediary to carry out its responsibilities under the program.

Recommendation 2

That there should be a continued examination of the standards, guidelines, and general criteria for safeguards within the Federal government, but there should not be a general extension of any Federal standards, guidelines, or general criteria for safeguards for security and confidentiality of records when a record is disclosed to a person other than an agency, except as specifically provided in other recommendations of the Commission.

Recommendation 3

That the Privacy Act of 1974 permit the recovery of special and general damages sustained by an individual as a result of a violation of the Act, but in no case should a person entitled to recovery receive less than the sum of $1,000 or more than the sum of $10,000 for general damages in excess of the dollar amount of any special * * *

THE RELATIONSHIP BETWEEN CITIZEN AND GOVERNMENT: THE CITIZEN AS TAXPAYER

The Commission recommends:

Recommendation 1

That the Congress prohibit the disclosure of any tax information about a prospective juror for use in jury selection.

Recommendation 2

That the Congress not permit tax information about prospective Federal appointees to be disclosed to the White House and heads of Federal agencies without the consent of the individual to whom the information pertains.

Recommendation 3

That Federal tax information authorized to be disclosed to the Parent Locator Service be limited to the minimum necessary to locate an alleged absent parent; that such information be used only in aid of location efforts: and that no disclosures of IRS information about an individual to whom support is owed be permitted without the individual's authorization.

Recommendation 4

That the Congress subject all information about a taxpayer to the same restrictions on disclosure for non-tax investigations and prosecutions that the Commission recommended in its interim report.

Recommendation 5

That all of the information about taxpayers in the possession of the IRS, regardless of source, be subject to the same disclosure restrictions recommended by the Commission in this chapter and in its interim report.

THE RELATIONSHIP BETWEEN CITIZEN AND GOVERNMENT: THE CITIZEN AS PARTICIPANT IN RESEARCH AND STATISTICAL STUDIES

The Commission recommends:

Recommendation 1

That the Congress provide by statute that no record or information contained therein collected or maintained for a research or statistical purpose under Federal authority or with Federal funds may be used in individually identifiable form to make any decision or take any action directly affecting the individual to whom the record pertains, except . . .

Recommendation 2

That the Congress provide by statute that any record or information contained therein collected or maintained for a research or statistical purpose under Federal authority or with Federal funds may be used or disclosed in individually identifiable form without the authorization of the individual to whom such record or information pertains only for a research or statistical purpose, except:

(a) where the researcher reasonably believes that the information will forestall continuing or imminent physical injury to an individual, provided that the information disclosed is limited to that information necessary to secure the protection of the individual who may be injured;

(b) where information is furnished in compliance with a judicial order, including a search warrant or lawfully issued subpoena, and the purpose of the judicial order is to assist inquiry into an alleged violation of law by a researcher or an institution or agency maintaining research and statistical records, provided that:

(i) any information so disclosed shall not be used as evidence in any administrative, legislative, or judicial proceeding against anyone other than the researcher or research entity,

(ii) any information so disclosed shall not be used as evidence (or otherwise made public) in such a manner that the subject of the research may be identified, unless identification of an individual research subject is necessary to prove the violation of law, and

(iii) an individual identified in any information to be made public in identifiable form be given notice prior to such publication and be granted standing to contest the necessity of such publication;

(c) where information is disclosed in individually identifiable form for the purpose of auditing or evaluating a Federal research program and such an audit or evaluation is expressly authorized by Federal statute; or

(d) where information is disclosed to the

National Archives and Records Service pursuant to the Federal Records Act.

And further, that should information be disclosed under any other conditions, an individual research subject identified in the information disclosed shall have a legal right of action against the person, institution, or agency disclosing the information, the person, institution or agency seeking disclosure and, in the case of a court order, the person who applied for such an order.

Recommendation 3

That when a Federal statute expressly authorizes disclosure in individually identifiable form of a research or statistical record for the purpose of auditing or evaluating a Federal or federally funded program, such statute should prohibit the use or disclosure of such information to make any decision or take any action affecting the individual to whom it pertains, except as authorized by that individual, or as the Congress specifically permits by statute.

Recommendation 4

That any Federal agency that collects or maintains any record or information contained therein in individually identifiable form for a research or statistical purpose should be permitted to maintain such records or information in individually identifiable form only so long as it is necessary to fulfill the research or statistical purpose for which the record or information was collected, unless retention of the ability to identify the individual to whom the record or information pertains is required by Federal statute or agency regulation.

Recommendation 5

That whenever a Federal agency provides, by contract or research grant, for the performance of any activity that results in the collection or maintennace of any record or information contained therein in individually identifiable form for a research or statistical purpose, the terms of such contract or research grant should:

(a) require the contractor or grantee to establish and maintain reasonable procedures to protect such record or information from unauthorized disclosure, including provision for removal or destruction of identifiers;

(b) include rules for the disposition of such information or record upon termination of the contract or grant that provide appropriate protection against future unauthorized disclosure; and

(c) make the contractor or grantee subject to the requirements of the most stringent applicable Federal and State statutes.

Recommendation 6

That the National Academy of Sciences, in conjunction with the relevant Federal agencies and scientific and professional organizations, be asked to develop and promote the use of statistical and procedural techniques to protect the anonymity of an individual who is the subject of any information or record collected or maintained for a research or statistical purpose.

Recommendation 7

That unless prohibited by Federal statute, a Federal agency may be permitted to use or disclose in individually identifiable form for a research or statistical purpose any record or information it collects or maintains without the authorization of the individual to whom such record or information pertains only when the agency:

(a) determines that such use or disclosure does not violate any limitations under which the record or information was collected;

(b) ascertains that use or disclosure in individually identifiable form is necessary to accomplish the research or statistical purpose for which use or disclosure is to be made;

(c) determines that the research or statistical purpose for which any disclosure is to be made is such as to warrant risk to the individual from additional exposure of the record or information.

(d) requires that reasonable procedures to protect the record or information from unauthorized disclosure be established and maintained by the user or recipient, including a program for removal or destruction of identifiers;

(e) prohibits any further use or redisclosure of the record or information in individually identifiable form without its express authorization; and

(f) makes any disclosure pursuant to a written agreement with the proposed recipient which attests to all the above, and which makes the recipient subject to any sanctions applicable to agency employees.

Recommendation 8

That when disclosure pursuant to Recommendation (7) is made to a Federal contractor or grantee, the written agreement should be between the disclosing agency and funding agency, with the latter responsible for assuring that the terms of the agreement are met.

Recommendation 9

That any person, who under Federal contract or grant collects or maintains any record or information contained therein for a research or statistical purpose, be prohibited from disclosing such record or information in individually identifiable form for another research or statistical purpose, except pursuant to a written agreement that meets the specifications of Recommendations (7) and (8) above, and has been approved by the Federal funding agency.

Recommendation 10

That absent an explicit statutory requirement to the contrary, any Federal agency that collects or supports the collection of individually identifiable information from an individual for a research or statistical purpose be required by Federal statute to notify such individual:

(a) of the possibility, if any, that the information may be used or disclosed in individually identifiable form for additional research or statistical purposes;

(b) of any requirements for disclosure in individually identifiable form for purposes other than research and statistical use; and

(c) that if any such required disclosure is made for other than a research or statistical purpose, he will be promptly notified.

Recommendation 11

That Congress provide by statute that when information about an individual is to be collected in individually identifiable form for a research or statistical purpose by a Federal agency or with Federal funding, an institutional review process be required to apply the principles enunciated in Recommendation (10) in order to protect the individual:

(a) who is not competent to give informed consent to provide information about himself (e.g., a minor or mentally incompetent individual);

(b) whose consent may be seriously compromised by fear of some loss of benefit or imposition of sanction (e.g., "capitive populations," such as students, welfare recipients, employees, prison inmates, or hospital patients);

(c) when the ability to conduct statistical or research activity is predicated on the individual being unaware of its existence, purpose, or specific nature.

Recommendation 12

That Congress provide by statute that when individually identifiable information is collected from an individual by a Federal agency or with Federal funding for a purpose other than a research or statistical one, the individual be informed that:

(a) such information may be used or disclosed in individually identifiable form for a research or statistical purpose, with appropriate safeguards;

(b) that he may be recontacted as a result of such use or disclosure.

Recommendation 13

That Congress provide by statute that if any record or information contained therein collected or maintained by a Federal agency or with Federal funding for a research or statistical purpose is disclosed in individually identifiable form without an assurance that such record or information will not be used to make any decision or take an action directly affecting the individual to whom it pertains (e.g., to a court or an audit agency), or without a prohibition on further use or disclosure, the individual should be notified of the disclosure and of his right of access both to his record and to any accounting of its disclosure.

Guideline 1

Any record or information contained therein collected or maintained for a research or statistical purpose should not be used in individually identifiable form to make any decision or take any action directly affecting the individual to whom the record pertains, except within the context of the research plan or protocol, or with the specific authorization of such individual; and

That based on the foregoing principle, a special set of information practice requirements should be established for records and information contained therein collected or maintained in individually identifiable form for a research or statistical purpose.

Guideline 2

Any entity that, for a research or statistical purpose, collects or maintains in individually identifiable form any record or information contained therein should be required:

(a) to establish and maintain adequate safeguards to protect such record or information from unauthorized disclosure; and

(b) to maintain such record or information in individually identifiable form only so long as is necessary to fulfill the research or statistical purpose for which it was collected, unless the entity can demonstrate that there are reasons for retaining the ability to identify the individual to whom the record or information pertains which outweigh the increase in the risks to the individual of exposure of the record.

Guideline 3

Except where specifically prohibited by law, an entity that collects or maintains a record or information may use or disclose in individually identifiable form either the record or the information contained therein for a research or statistical purpose without the consent of the individual to whom the record pertains, provided that the entity:

(a) determines that such use or disclosure does not violate any limitations under which the record or information was collected;

(b) ascertains that use or disclosure in individually identifiable form is necessary to accomplish the research or statistical purpose for which use or disclosure is to be made;

(c) determines that the research or statistical purpose for which any disclosure is to be made is of sufficient social benefit to warrant the increase in the risk to the individual of exposure of the record or information;

(d) requires that adequate safeguards to protect the record or information from unauthorized disclosure be established and maintained by the user or recipient, including a program for removal or destruction of identifiers; and

(e) prohibits any further use or redisclosure of the record information in individually identifiable form without its express authorization.

Guideline 4

Absent an explicit statutory requirement to the contrary, no individual should be required to divulge information about himself for a research or statistical purpose. To assure that there is no coercion or deception, the individual should be informed:

(a) that his participation is at all times voluntary;

(b) of the purposes and nature of the data collection;

(c) of the possibility, if any, that the information may be used or disclosed in individually identifiable form or additional research or statistical purposes;

(d) of any requirements for disclosure in individually identifiable form required for purposes other than research and statistical use; and

(e) that if any such required disclosure is made for other than a research or statistical purpose, he will be promptly notified.

Guideline 5

When information about an individual is to be collected in individually identifiable form for a research or statistical purpose, an institutional review process or responsible representative should be required to apply the principles enunciated in Guideline (4) in order to protect the individual:

(a) who is not competent to give informed consent to provide information about himself (e.g., a minor or mentally incompetent individual);

(b) whose consent may be seriously compromised by fear of some loss of benefit or imposition of sanction (e.g., "captive populations" such as students, welfare recipients, employees, prison inmates, or hospital patients); or

(c) when the ability to conduct statistical or research activity is predicated on the individual being unaware of its existence, purpose, or specific nature.

Guideline 6

When individually identifiable information is collected for a purpose other than a research or statistical purpose the individual should be informed:

(a) that such information may be used or disclosed in individually identifiable form for a research or statistical purpose, with appropriate safeguards; and

(b) that he may be recontacted as a result of such use or disclosure.

Guideline 7

When research or statistical records or information are collected and maintained in conformity with all the foregoing policy recommendations, an individual should have a right of access to a record or information which pertains to him if such record or information is used or disclosed in individually identifiable form for any purpose other than a research or statistical one (e.g., an inadvertent unauthorized disclosure).

Guideline 8

Any entity that collects or maintains a record or information for a research or statistical purpose should be required to keep an accurate accounting of all disclosures in individually identifiable form of such record or information contained therein such that an individual who is the subject of such record or information can find out that the disclosure has been made and to whom.

Guideline 9

If any record or information contained therein collected or maintained for a research or statistical purpose is disclosed in individually identifiable form without an assurance that such record or information will not be used to make any decision or take an action directly affecting the individual to whom it pertains, or without a prohibition on further use or disclosure (e.g., to a court or an audit agency), the individual should be notified of the disclosure, and of his right of access to the record and to the accounting for its disclosure, as provided by Guidelines (7) and (8) above.

THE SOCIAL SECURITY NUMBER

The Commission recommends:

Recommendation 1

That Section 7 of the Privacy Act be retained for government agencies.

Recommendation 2

That the President amend Executive Order 9397 (November 30, 1943, 8 Federal Register 237, an order directing Federal agencies to use the Social Security account number when establishing a new system of permanent account numbers) so that Federal agencies may not, as of January 1, 1977, rely on it as legal authority by which to create new demands for the disclosure of an individual's SSN.

Recommendation 3

That the independent entity recommended by the Privacy Commission monitor the use of the SSN and other labels by private organizations and consider the desirability and feasibility of future restrictions on the use of the SSN and other labels for identification and authentication purposes.

Recommendation 4

That the Federal government not consider taking any action that would foster the development of a standard, universal label for individuals, or a central population register, until such time as significant steps have been taken to implement safeguards and policies regarding permissible uses and disclosures of records about individuals in the spirit of those recommended by the Commission and these safeguards and policies have been demonstrated to be effective.

GENERAL COMMISSION RECOMMENDATION

That the President and the Congress establish an independent entity within the Federal government charged with the responsibility of performing the following functions:

(a) To monitor and evaluate the implementation of any statutes and regulations enacted pursuant to the recommendations of the Privacy Protection Study Commission, and have the authority to formally participate in any Federal administrative proceeding or process where the action being considered by another agency would have a material effect on the protection of personal privacy, either as the result of direct government action or as a result of government regulation of others.

(b) To continue to research, study, and investigate areas of privacy concern, and in particular, pursuant to the Commission's recommendations, if directed by Congress, to supplement other governmental mechanisms through which citizens could question the propriety of information collected and used by various segments of the public and private sector.

(c) To issue interpretative rules that must be followed by Federal agencies in implementing the Privacy Act of 1974 or revisions of this Act as suggested by this Commission. These rules may deal with procedural matters as well as the determination of what information must be available to individuals or the public at large, but in no instance shall it direct or suggest that information about an individual be withheld from individuals.

(d) To advise the President and the Congress, government agencies, and, upon request, States, regarding the privacy implications of proposed Federal or State statutes or regulations.

BAYH COMMENDS PRIVACY COMMISSION—URGES LEGISLATIVE RESPONSE

Mr. BAYH. Mr. President, I am pleased to be able to join my colleagues in submitting this resolution of commendation for the fine work recently completed by the Privacy Protection Study Commission. Along with many of the cosponsors of this resolution I have had a strong interest in the privacy area in my years in the Senate and I am proud to have been an enthusiastic supporter of the Privacy Act of 1974 which authorized this Commission.

Since assuming the chairmanship of the Subcommittee on the Constitution, with its long and distinguished record of protecting a citizen's right to privacy, I felt a special responsibility to carry on the impressive work of my predecessors. One former chairman, Senator Sam Ervin, probably did more to protect the privacy of Americans than any single individual of our time. I find his assessment of this often technical and complicated subject refreshing in his ability to strike at the heart of the matter and remind us exactly what principles we are striving to preserve. As Senator Ervin once stated:

> Any discussion of privacy must start with the Constitution of the United States and the Bill of Rights won through the efforts of men wiser in the ways of government than any of us today. We here today must talk of physical security, of confidentiality, of the philosophical influence on privacy of Judeo-Christian ethics, of the pragmatic balancing of competing social interests, or of the legal conditions for government invasion of privacy. Those men on the other hand, did more than talk. They drafted a Bill of Rights. I believe Congress and legislatures must do more than talk about privacy. They must heed the complaints they are receiving, and act on them.

Mr. President, various technological developments since the founding of our Republic some 200 years ago have generated an informational explosion that has produced not only vast amounts of abstract knowledge but also a tremendous volume of data concerning the lives and habits of individual citizens. We need not fear these developments but we must control them or lose to technological advancement that which has been given to us as our constitutional heritage. Each generation must strive to preserve the values embodied in our Constitution, many of which are concerned with protecting a citizen's right to privacy.

The Privacy Commission has pointed out various facets of modern American life in which there exists a threat to the legitimate privacy interests of our citizens. It is now up to the Congress to act upon the recommendations of the Commission in legislative form. Last week I introduced a bill to implement one of the Commission's suggestions for Federal legislation to control the use of lie detectors in employment situations. Congressman KOCH, who served with distinction as a member of the Privacy Commission, has a similar bill in the House. The full range of issues addressed by the Commission will require a cooperative effort among various committees and members and I am happy to join today in urging my colleagues to join together in this effort. As Sam Ervin has pointed out, it is time to act upon the problems of privacy.

Mr. President, I ask unanimous consent to have printed in the RECORD an

editorial which appeared in the Washington Post concerning the work of the Privacy Commission.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PRIVATE LIVES ON THE RECORD

Most citizens' private business is not really private any more. The day is gone with individuals could deal with their doctors, bankers, insurance agents and the like primarily face-to-face, with some assurance that their personal affairs would remain confidential. Now people have to cope increasingly with remote, impersonal organizations whose judgments are based largely on records that an individual may know little about and over which he has very little control.

How should organizations' needs for information about people be balanced against individuals' desires for fairness and privacy? Some thoughtful answers have emerged from a federal commission's two-year study of public and private record-keeping practices. The panel has recommended steps to minimize intrusions into people's lives by government and private investigators and to buttress citizens' expectations that the details of their financial and medical affairs will be treated as confidential. Those are traditional "privacy" issues that one might expect a group called the Privacy Protection Study Commission to focus on. The panel has gone further, however, and also suggested ways to insure fairness for individuals in relationships that are no longer as private or personal as they used to be.

Any person, the commission concludes, should be able to find out what information about him a financial institution, insurance company, medical agency or other such organization has, and how those records are being used. He should have some control over the release of medical records and financial files. Organizations should have to explain the basis for adverse decisions, such as a denial of credit, and allow people to challenge records that are inaccurate, incomplete or out of date. Those basic principles have been applied to federal record-keeping, however imperfectly, by the Privacy Act of 1974. They should certainly be extended to state and local governments and private institutions as well.

One tough question is how change in the private sector should be achieved. Many businesses, notably in insurance, credit and finance, fear—with good reason—that federal regulation of record-keeping could bring on demands for new heaps of costly records and reports. Moreover, citizens will gain little if government intervention leads, even inadvertently, to greater official surveillance of citizens' affairs.

The commission is well aware of these problems. Instead of recommending an all-embracing, immensely detailed regulatory scheme, it has proposed approaches tailored to specific fields. Fairer credit practices, for instance, should be obtained largely by expanding existing laws. New policies on medical records, an acutely delicate and controversial subject, should be pursued partly by federal initiatives and partly by the states. Finally, the panel concluded that confidentiality and accuracy have to be assured in the burgeoning field of electronic funds transfers—but the financial information involved is so sensitive that government ownership or management of these networks should be prohibited.

As the whole report assumes, there is no quick, easy or technological fix for the dilemmas of an "information society." A better balance between organizational efficiency and individual rights and liberties can be reached only by many painstaking adjustments in the ways that public and private business is done. The panel has set forth some good ideas. What is needed now is a serious response from Congress, the states, and the thousands of private organizations that collect, use and exchange records on individuals.

Mr. HEINZ. Mr. President, on July 12 the Privacy Protection Study Commission presented its final report at a hearing jointly held by the Senate Governmental Affairs Committee and the House Subcommittee on Governmental Information and Individual Rights. After 2 years of hard work, lengthy study and conscientious deliberations, the Commission has unanimously agreed on a set of proposals designed to help the American people secure their rights of privacy. I am pleased today to join with a number of my colleagues in introducing a resolution expressing the Senate's appreciation for the Commission's efforts. I want to stress that this resolution also states the commitment of this body to translate the Commission's recommendations into effective, workable legislation.

In any number of areas—whether it be medical care or consumer credit, insurance or taxes—Americans are the subject of information gathering over which they too often have too little control. Individuals frequently do not know what records are being kept about them. They have no access to those records, and consequently are unable to challenge their accuracy. In both the public and private sectors, Americans have little or no effective control over the use and distribution of information about themselves that is personal in nature and which ought to be confidential in its treatment. The possibilities for abuse of this information-gathering network are frightening to consider, and since our modern age demands that we rely on this network, it is incumbent upon us to adopt safeguards that will protect people's rights of privacy.

The approach to this problem taken by the Privacy Protection Study Commission is one marked by common sense and a sense of equity. In designing its proposals, it has sought to meet three fundamental objectives. First, the Commission's recommendations attempt to create an appropriate balance between what an individual is expected to divulge to a recordkeeping organization and what he seeks in return, thereby minimizing intrusiveness. Secondly, the Commission has strived to maximize fairness by opening up recordkeeping operations in ways that will reduce the potential for inequities in the manner that information is used. Finally, the Commission has wisely suggested that Congress join with the private sector to create ligitimate, enforceable expectations of confidentiality so that people will not be victims of unfair or unreasonable dissemination of personal information.

Mr. President, I want to take this opportunity to especially congratulate the Commission for seeking solutions that do not rely on the creation of new governmental bureaucracies for their success. Rather than creating new regulatory systems, the Commission has proposed that we simply create self-enforcing rights that the public and private sectors can observe and that can be secured through our Nation's legal system. At this point in time, I believe this is a judicious course that Congress may well want to follow in enacting new privacy protection reforms, particularly with regard to the private sector.

The rights of personal privacy are central to maintaining the dignity and security of the individual. Without safeguards against the abuses of privacy, the risk is high that individuals can and will lose control over basic elements of their lives. The Privacy Protection Study Commission has provided an invaluable service in demonstrating that safeguards can be adopted in a commonsense fashion, and I hope that the Senate will respond to the Commission's work as a call to action.

AMENDMENTS SUBMITTED FOR PRINTING

PRESIDENTIAL POWERS IN TIME OF WAR OR NATIONAL EMERGENCY—H.R. 7738

AMENDMENTS NOS. 821 THROUGH 823

(Ordered to be printed and referred to the Committee on Banking, Housing, and Urban Affairs.)

Mr. STEVENSON submitted three amendments intended to be proposed by him to H.R. 7738, with respect to the powers of the President in time of war or national emergency.

COAL UTILIZATION ACT—S. 977

AMENDMENT NO. 824

(Ordered to be printed and to lie on the table.)

Mr. BARTLETT (for himself and Mr. DOMENICI) submitted an amendment intended to be proposed by them, jointly, to S. 977, the Coal Utilization Act.

CAREER EDUCATION IMPLEMENTATION INCENTIVE ACT OF 1977—S. 1328

AMENDMENT NO. 825

(Ordered to be printed and referred to the Committee on Human Resources.)

THE CAREER EDUCATION ACT

Mr. HATHAWAY. Mr. President, I am pleased to submit today an amendment in the nature of a substitute to S. 1328, which I first introduced on April 20, 1977. The substitute version contains many modifications and improvements, both technical and substantive, over the original version. These modifications and improvements are largely a product of criticisms and suggestions which were raised at the hearings held earlier this summer.

They are also the result of input received from the offices of many of the Senators who serve on the Human Resources Committee and in particular the Subcommittee on Education, Arts, and Humanities, chaired by the distinguished Senator from Rhode Island (Mr. PELL).

The substitute has been drafted with all of these factors in mind. I am confident that as a result of this process, this amended version will receive prompt and favorable consideration by the full Human Resources Committee upon re-

sumption of legislative business in September, with a view toward Senate passage prior to adjournment. I can assure all of my colleagues, and all those in the field of career education that I shall be pushing hard toward this goal.

Of course, the substitute amendment I am introducing today does not, and cannot, address each and every concern or suggestion raised at the hearings or in any other contact. By nature, the legislative process is one in which competing interests must be willing to compromise and to seek what is acceptable to most as opposed to what is preferred by some. We have tried, and I think succeeded, in achieving a solution which preserves the original goals of the bill, corrects certain shortcomings, and responds to many suggestions. I hope that the various constituencies and interest groups will keep this in mind in examining this bill.

But at the same time, in admitting that this bill is not everything to everyone concerned, I would also insist that its financial incentives, for implementation of career education at the elementary and secondary levels, its standards of administration, its postsecondary demonstration grants, and its model grants, when viewed as a whole, promise to work a profound change and improvement in our educational system as we now know it. When enacted, this legislation will provide the means and the standards to bring about a more proper and appropriate emphasis on education as preparation for work.

I would like to highlight briefly some of the changes made in the bill since its introduction. Many of the changes are technical and stylistic, and for that reason I shall request that the text of the amendment be printed in the RECORD at the conclusion of my remarks.

First, the 5-year authorized Federal funding structure of the bill for formula allotments for elementary and secondary institutions has been changed. The substitute authorizes $50 million in fiscal year 1979, $100 million each for fiscal years 1980 and 1981, $50 million in 1932, and $25 million in 1983. It continues to be a central characteristic of the bill that at the end of 5 years Federal involvement would end, and the States and individual localities would take over the program in its entirety.

The $100 million funding in the second and third years was viewed to be necessary to provide a significant and stable level of Federal funding over 2 years of the Federal program. For postsecondary institutions, demonstration grants of $15 million per year for each of the 5 fiscal years are authorized.

Minimum Federal annual allotments to individual States are $250,000 per year. The legislation continues to require each State to provide gradually increasing "matching" payments over the 5-year life of the Federal program: no funds in the first year, 25 percent of the funds in the second and third years, 50 percent in the fourth year, and 75 percent in the fifth year. Subsequent to this the entire funding must come from State and local sources.

In the substitute, the administering agent at the State level for elementary and secondary is the State educational agency. For postsecondary grants, the Commissioner of Education is vested with the discretionary authority to make grants, contracts, or other arrangements.

The eligible uses of funds and other requirements have remained quite similar to those in the prior draft. State plan requirements have been modified to minimize paperwork and other administrative burdens. For fiscal year 1980 a full and complete detailed plan will be required. In following years, only amendments and additions need be submitted.

This is but a brief summary of the changes contained in the substitute version. In order that my colleagues and those in the field of career education, who have been steadfast in their support of my efforts, might have a better idea of the exact nature of the changes and adjustments contained in the substitute measure, I ask unanimous consent that the text of the amendment be printed in the RECORD at the conclusion of my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 825

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Career Education Incentive Act."

STATEMENT OF FINDINGS

SEC. 2. The Congress finds that—

(1) a major purpose of education is to prepare every individual for a career suitable to that individual's preference,

(2) career education should be an integral part of the Nation's educational process which serves as preparation for work, and

(3) educational agencies and institutions (including education, higher education, adult education, employment training and retraining, and vocational education) should make every effort to fulfill that purpose.

PURPOSE

SEC. 3. It is the purpose of this Act to provide Federal financial incentives to States for 5 years to enable States and local educational agencies and institutions of postsecondary education, including collaborative arrangements with the appropriate community, to develop, implement, and strengthen career education programs for individuals, in order to improve the awareness, exploration, decisionmaking and planning skills of individuals about career opportunities, career preparation and career development, and to promote equal opportunity for individuals in making career choices through the elimination of bias and stereotyping, including bias and stereotyping on account of race, sex, economic status or handicap.

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. There are authorized to be appropriated $50,000,000 for fiscal year 1979, $100,000,000 for fiscal year 1980, $100,000,000 for fiscal year 1981, $50,000,000 for fiscal year 1982, and $25,000,000 for fiscal year 1983 to carry out the provisions of this Act, other than section 12 of this Act.

ALLOTMENTS

SEC. 5. (a)(1) From the sums appropriated pursuant to section 4 for each fiscal year which are not reserved under paragraph (2) of this subsection, the Commissioner shall allot to each State an amount which bears the same ratio to such sums as such State's population aged five to eighteen, inclusive, bears to the total population, aged five to eighteen, inclusive, of all the States, except that no State shall be allotted from such sums for each fiscal year an amount less than $250,000.

(2) From the sums appropriated pursuant to section 4 for each fiscal year, the Commissioner may reserve—

(A) an amount not to exceed 5 percent each year for the administration of this Act and for making model program grants pursuant to section 10,

(B) an amount not to exceed 1 percent each year for the purpose of carrying out section 11 of this Act, and

(C) an amount not to exceed 1 percent for the purpose of making payments to the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands for their respective needs in career education.

(b)(1) Any funds allotted to a State under paragraph (1) of subsection (a) for which a State has not applied or for which a State application has not been approved shall be reallotted by ratably increasing the allocations of each of the States which have approved applications.

(2) If the sums appropriated for any fiscal year are not sufficient to make the allotments of the minimum amounts specified in paragraph (1) of subsection (a), such minimum amounts shall be ratably reduced. If additional sums become available during a fiscal year for which such allotments were reduced, such allotments shall be increased on the same basis as they were reduced.

WITHIN STATE DISTRIBUTION

SEC. 6. (a)(1) Any State receiving funds for the fiscal year 1979 may reserve not more than 25 percent of such funds for the purposes described in paragraphs (1), (2), and (4) of section 9(a). Not less than 75 percent of such funds shall be distributed by the State to local educational agencies within that State for the purposes described in paragraph (3) of section 9(a).

(2) Any State receiving funds for the fiscal year 1980 and for each fiscal year thereafter may reserve not more than 15 percent of such funds for the purposes described in paragraphs (1), (2), and (4) of section 9(a). Not less than 85 percent of such funds shall be distributed by the State to local educational agencies within that State for the purposes described in paragraph (3) of section 9(a).

(b) Consistent with the proportionate number of students enrolled in private elementary and secondary schools within the State, the State with respect to purposes described in paragraph (2) of section 9(a), and the local educational agencies with respect to the purposes described in paragraph (3) of section 9(a), as the case may be, shall, after consultation with the appropriate private school officials, make provision to assure that there is effective participation on an equitable basis of such students and teachers in private elementary and secondary schools within the appropriate school district.

STATE APPLICATIONS

SEC. 7. Any State desiring to receive its allotment for each fiscal year under this Act shall, through its State educational agency, submit to the Commissioner an annual application. Each such application shall include assurances that—

(1) the state educational agency will use payments made under this Act in accordance with the provisions of section 9;

(2) the State educational agency will

make every possible effort to integrate career education into the regular education programs offered in elementary and secondary schools in the State;

(3) the State educational agency will require local educational agencies within the State to carry out career education programs assisted under this Act in such a manner as will affect all instructional programs in elementary and secondary education, and not carry out such programs solely as a part of the vocational education program;

(4) the State educational agency will identify all local educational agencies which desire to develop or expand their career education programs, and such agency will develop a plan in accordance with section 8;

(5) the State educational agency will comply with the provisions of section 6 with respect to the distribution of funds to local educational agencies within the State;

(6) the chief executive of the State has been notified of the State's application for such funds;

(7)(A) the State will expend, from its own sources, for any fiscal year for which funds are received under this Act, an amount equal to or exceeding the amount which such State expended for career education during the fiscal year preceding the fiscal year for which the determination is made;

(B) the State will pay from non-Federal sources the non-Federal share of the costs of carrying out the application for fiscal year 1980 and for each of the three succeeding fiscal years;

(8) the State educational agency will employ such staff as is necessary to provide for the administration of this Act and programs of career education assisted under this Act, including a State coordinator having prior experience in the field of career education and at least one individual experienced with respect to problems of discrimination in the labor market and stereotyping affecting career education (including bias and stereotyping on account of race, sex, economic status or handicap).

STATE PLAN

SEC. 8. (a) Each State desiring to receive funds appropriated pursuant to this Act for the fiscal year 1980 and each fiscal year thereafter, shall, at the time of submission of its first annual application for the fiscal year 1980, submit to the Commissioner, a State plan. Each State plan—

(1) set forth the objectives the State will seek to achieve by the end of each fiscal year through fiscal year 1983 in implementing the purposes of this Act, with special emphasis on overcoming sex bias and stereotyping;

(2) set out the methods by which the State will seek each year to achieve the objectives with all resources available, and describe the methods by which the funds received under this Act will be used, in accordance with section 9, to contribute to achieving such objectives;

(3) set forth policies and procedures which the State will follow to assure equal access of all students (including the handicapped and members of both sexes) to career education programs carried out under the State plan; and

(4) provide proposed criteria to the Commissioner for the evaluation of the extent to which the State will achieve the objectives set out in the State plan.

(b) Each State shall, for each fiscal year after the year in which the plan is submitted, review the plan in the light of experience with the financial assistance furnished under this Act, and shall submit such amendments to the plan as may be necessary.

USE OF FUNDS

SEC. 9. (a) Subject to the provisions of sections 6 and 10, funds received under this Act may be used only to pay the Federal share of the costs of—

(1) employing such additional State educational agency personnel as may be required for the administration and coordination of programs assisted under this Act;

(2) providing State leadership for career education, either directly or through arangements with public agencies and private organizations (including institutions of higher education), in—

(A) conducting inservice institutes for educational personnel;

(B) training local career education coordinators;

(C) collecting, evaluating, and disseminating career education materials on an intrastate and interstate basis with special emphasis on overcoming sex bias and stereotyping;

(D) conducting statewide needs assessment and evaluation studies;

(E) conducting statewide career education leadership conferences;

(F) engaging in collaborative relationships with other agencies of State government and with public agencies and private organizations representing business, labor, industry and the professions and organizations representing the handicapped, minority groups, and women; and

(G) promoting the adaptation of teacher-training curriculums to the concept of career education by institutions of higher education located in the State;

(3) making payments to local educational agencies for comprehensive programs including—

(A) instilling career education concepts and approaches in classrooms;

(B) developing and implementing comprehensive career guidance, counseling, placement, and followup services utilizing counselors, teachers, parents, and community resource personnel;

(C) developing and implementing collaborative relationships with organizations representing the handicapped, minority groups, and women and with all other elements of the community, including the use of personnel from such organizations and that community;

(D) developing and implementing work experiences for students whose primary purpose is career exploration, if such work experiences are related to existing or potential career opportunities and do not displace other workers who perform such work;

(E) employing and training coordinators of career education in local educational agencies or in combinations of such agencies;

(F) providing inservice education for educational personnel, especially teachers, counselors, and school administrators designed to help such personnel to understand career education, to acquire competencies in the field of career education and to acquaint such personnel with the changing work patterns of men and women, ways of overcoming sex stereotyping in career education, and ways of assisting women and men to broaden their career horizons;

(G) conducting institutes for members of boards of local educational agencies, community leaders, and parents concerning the nature and goals of career education;

(H) purchasing instructional materials and supplies for career education activities;

(I) establishiing and operating career education resource centers serving both students and the general public;

(J) conducting needs assessments and evaluations; and

(4) reviewing and revising the State plan.

(b) The State shall make payments to local educational agencies for the purposes described in paragraph (3) of subsection (a) from funds received under this Act upon applications approved by the State educational agency. Such payments shall, to the extent practicable, be made on an equitable basis in accordance with criteria established by the State educational agency, having due regard for the special needs of local educational agencies serving sparsely populated areas or serving relatively few students.

(c)(1) To the extent consistent with the number of children enrolled in private nonprofit elementary and secondary schools within the State, with respect to services described under paragraph (2) of subsection (a), and within the school district, with respect to payments made to a local educational agency for the purposes described in paragraph (3) of such subsection, after consultation with appropriate private school officials, provision shall be made for the effective participation on an equitable basis of such children and the teachers of such children in the services and programs assisted under this Act.

(2)(A) The control of funds provided under this Act and title to materials and equipment therewith shall be in a public agency for the uses and purposes provided in this Act, and a public agency shall administer such funds and property.

(B) The provisions of services pursuant to this paragraph shall be provided by employees of a public agency or through contract by such public agency with a person, an association, agency, or corporation who or which in the provision of such services is independent of such private school and of any religious organization, and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this Act to accommodate students and teachers in nonprofit private schools shall not be commingled with State or local funds.

MODEL PROGRAMS

SEC. 10. From funds reserved under section 5(a)(2)(A) of this Act, the Commissioner is authorized to make grants directly to State and local educational agencies, institutions of postsecondary education, and other nonprofit agencies and organizations to support projects to demonstrate the most effective methods and techniques in career education and to develop exemplary career education models particularly projects designed to eliminate bias and stereotyping on account of race, sex, or handicap.

CAREER EDUCATION INFORMATION

SEC. 11. The Commissioner shall provide, either directly or by grant or contract, for—

(1) the gathering, cataloging, storing, analyzing, and disseminating of information related to the availability of, and necessary preparation for, careers in the United States, utilizing information from both the public and private sectors, including the Bureau of Labor Statistics, the Department of Commerce, the United States International Trade Commission, labor unions, and private industry;

(2) the publication of periodic reports prepared pursuant to this section and containing exemplary materials from the career education field, including research results and techniques from successful State and local programs, and highlights of ongoing analyses of career trends in the United States; and

(3) the conduct of seminars, workshops, and information sessions for the purpose of disseminating to teachers, guidance counselors, career educators and administrators, other education personnel, and the general public information compiled and analyzed under this section.

POSTSECONDARY EDUCATIONAL DEMONSTRATION PROJECTS

SEC. 12. (a) The Commissioner is authorized to arrange by way of grant, contract, or other arrangement with institutions of higher education, public agencies and nonprofit private organizations for the conduct of postsecondary educational career demonstration projects which—

(1) may have national significance or be of special value in promoting the field of career education in postsecondary educational programs,

(2) have unusual promise of promoting postsecondary career guidance and counseling, or

(3) show promise of strengthening career guidance, counseling, placement, and follow-up services relating to overcoming bias and stereotyping on account of race, sex, or handicap.

(b) The Commissioner shall approve arrangements under subsection (a) of this section if he finds—

(1) that the funds for which assistance is sought will be used for one of the purposes set forth in subsection (a) of this section, and

(2) that effective procedures, including objective measurements, will be adopted for evaluating at least annually the effectiveness of the project.

(c) For the purpose of carrying out the provisions of this section there is authorized to be appropriated $15,000,000 for the fiscal year 1979 and for each fiscal year ending prior to October 1, 1983.

PAYMENTS

SEC. 13. (a) The Commissioner shall pay to each State which the Commissioner finds—

(1) has an application for the fiscal year 1979 and each fiscal year thereafter in compliance with section 7; and

(2) is in compliance with section 8 for the fiscal year 1980 and each fiscal year thereafter,

the Federal share of the cost of such application for each such year.

(b) The Federal share of the payments made under this Act from a State's allotment shall be 100 per centum for the fiscal year 1979, not more than 75 per centum for fiscal years 1980 and 1981, not more than 50 per centum for the fiscal year 1982, and not more than 25 per centum for the fiscal year 1983.

ADMINISTRATION

SEC. 14. (a) (1) The Office of Career Education created pursuant to section 406 of the Education Amendments of 1974 shall be the administering agency within the Office of Education for the review of the State plans, applications, and reports submitted pursuant to this Act. In addition, the Office of Career Education shall perform a national leadership role in furthering the purposes of this Act.

(2) The Office of Career Education shall provide technical assistance to all participating State educational agencies and to Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

(b) The National Advisory Council on Career Education created pursuant to section 406 of the Education Amendments of 1974 shall perform the same functions with respect to the programs authorized under this Act as the Council is authorized to perform with respect to the programs authorized under that section.

(c) The National Institute of Education shall continue to carry out complementary functions in career education, including product and program development, evaluation, and research. The Office of Education shall cooperate with the Institute in identifying research and development priorities and, either directly or through arrangements with public agencies and private organizations (including institutions of higher education), in disseminating the results of the research and development undertaken by the Institute.

(d) The Office of Education shall provide the Office of Career Education and the National Advisory Council on Career Education with sufficient staff and resources required to carry out their responsibilities under this Act and under section 406 of the Education Amendments of 1974.

(e) Section 406(g)(1)(B) of the Education Amendments of 1974 is amended to read as follows:

"(B) not less than twelve public members broadly representative of the fields of education, the arts, the humanities, the sciences, community services, business and industry, and the general public, including (i) members of organizations of handicapped persons, minority groups knowledgeable with respect to discrimination in employment and stereotyping affecting career choices, and women who are knowledgeable with respect to sex discrimination and stereotyping, and (ii) not less than two members who shall be representative of labor and of business, respectively."

DEFINITIONS

SEC. 15. For purposes of this Act the term—

(1) "career education" means programs and activities through which educational agencies and institutions, and educators, counselors, and other individuals, seek to improve the awareness of students of all ages of career opportunities which are available to them, and to improve the ability of such students to take advantage of such opportunities, and includes activities which involve career awareness, exploration, planning, and decisionmaking, and which are designed to eliminate bias and stereotyping, including bias or stereotyping on account of race, sex or handicap;

(2) "Commissioner" means the Commissioner of Education;

(3) "handicapped" means mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other health impaired persons, or persons with specific learning disabilities, who by reason thereof require special education and related services;

(4) "local educational agency" has the meaning given such term by section 801(f) of the Elementary and Secondary Education Act of 1965;

(5) "State" means the several States, the District of Columbia, and the Commonwealth of Puerto Rico; and

(6) "State educational agency" has the meaning given such term by section 801(k) of the Elementary and Secondary Education Act of 1965.

ENDANGERED AMERICAN WILDERNESS ACT OF 1977—S. 1180

AMENDMENT NO. 826

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

GOSPEL-HUMP AREA

Mr. CHURCH. Mr. President, I am submitting today an amendment to S. 1180, the Endangered American Wilderness Act of 1977 and a separate bill, both of which relate to the future management of the Gospel-Hump area in north-central Idaho.

At 1 a.m. on July 13, in Grangeville, Idaho, an important precedent-setting agreement was reached. After several lengthy sessions spanning the past several months, Idaho conservationists and representatives of the Grangeville Chamber of Commerce finally approved a plan for the future management of the Gospel-Hump roadless area of Idaho County.

This agreement is proof that the volatile issues surrounding the further use of our national forest roadless areas can be resolved. Furthermore, the people who have been meeting together in north Idaho have demonstrated that even in areas where there is great controversy, agreements can be reached by men and women willing to sit down and talk about their differences. Hopefully, the era of shouting matches between wilderness proponents and commodity groups can be brought to an end.

The Gospel-Hump area takes its name for the region's most prominent features: Gospel Peak and Buffalo Hump Mountain. This 450,000-acre roadless area in north-central Idaho is located to the west of the Idaho Primitive Area on both sides of the main fork of the Salmon River. This diverse area contains drastic differences in topography, varying from rugged glacier-capped peaks to heavily forested, moderately sloped plateaus. Throughout the region a wide variey of wildlife resides: moose, elk, deer, bighorn sheep, mountain goat, black bear, and cougar all abound in this area. A number of species of small game such as blue grouse, spruce grouse, ruffed grouse, chukar partridge, and mountain quail can be found here. The Gospel-Hump area also supports significant populations of resident and anadromous fish. Parts of the region are thickly forested, containing many merchantable stands of timber. In summary, Gospel-Hump is a significant part of Idaho.

However spectacular the area and its resources may be, Gospel-Hump has been the center of a maelstrom of controversy lately. After a 1972 court decision required the Forest Service to prepare environmental impact statements and land use plans prior to developing any roadless area of the national forests, Gospel-Hump area was divided up into eight planning units for further study. Land use plans for two of the units were appealed by Idaho environmentalists to the regional forester for region I and finally to the Chief of the Forest Service.

The grounds the environmentalists used for the appeal was that local USFS planners had not considered the entire Gospel-Hump roadless area in their planning, but had adopted instead a piecemeal approach. Forest Service Chief John McGuire upheld the appeal on March 8 of this year and directed his staff to evaluate collectively all of the adjacent roadless units within the Gospel-Hump area. The evaluation, which is presently ongoing, is aimed at assessing the wilderness potential of the whole area.

Ever since the roadless areas in Idaho were administratively frozen in the aftermath of the 1972 court decision, residents of Idaho County and other parts of the State have been worried about the

effects of this freeze on the economies of their small communities. Because of the appeals filed administratively, and possible future legal actions, the possibility of harvesting timber in the most heavily forested portions of Gospel-Hump has been highly uncertain. If it lasted long enough, a protracted appeals process could literally tie up development in this region for years into the future.

In March, I attended a breakfast meeting with approximately 50 members of the Grangeville Chamber of Commerce. At that meeting, we had ample opportunity to discuss the problems facing the forest products industry and other economic interests who rely on the national forests for their livelihood. The meeting pointed up the need to take some action to bring an end to the long delays and reach some decision about the future use of this large area of land.

The general consensus of those at the March meeting was that perhaps the most expeditious way to decide the future of Gospel-Hump was simply for the conservationists who had filed the appeals (and who wanted a large Gospel-Hump wilderness) and the local chamber of commerce group to sit down and work out an agreement in order to expedite the decisionmaking process. It was thought that such an approach, if it succeeded, might save years of delay and uncertainty, which would be of no benefit to either environmental or user groups, and which had the potential of causing serious economic dislocations in Idaho County.

In that context, I agreed to do what I could to bring these two diverse groups together to try to put an end to the present pall of uncertainty. At that time, I said that if the two groups could find some common ground, and if they were able to reach an agreement on the best form of management for the area, then I would seek to formalize this agreement and introduce legislation to implement it.

In late April, the first meeting of these two groups took place in Grangeville, the community most affected by the lack of a decision as to the use of Gospel-Hump. That first meeting, which I attended, was very amicable, and extremely productive. It soon became clear that both the economic interests represented by the chamber of commerce, and the conservationists might reach common agreement.

At the first meeting it was decided that about 45,000 acres of the most productive timber lands could be excluded from further study, and thus returned to a classification that would allow logging to occur. It was also agreed that the access roads leading into the Gospel-Hump area would remain open. Because much of the area is at an altitude which gets a high volume of snow each year, assurance that the existing access roads would not be closed was extremely important. Without the roads, this region would be very inaccessible.

Subsequently, the two groups met on several other occasions and were able to reach what the parties consider to be an acceptable compromise plan for that portion of the Gospel-Hump area lying north of the Salmon River. That compromise forms the basis for the legislation which I am offering today.

The main provisions of the legislation are as follows:

The high alpine regions of Gospel-Hump and the breaks country of the Salmon River would be added as a unit of the National Wilderness Preservation System. Some 220 thousand acres would be included in this wilderness area.

The most heavily forested commercial timber lands lying along the periphery of the area, and accessible by the existing road network, would be scheduled for timber harvest and development. Some 45,000 acres would thus be immediately available for harvest. This should help to reduce some of the timber supply problems anticipated for the very near future in Idaho County.

Another 78,000 acres would also become available for development, under a comprehensive resource development plan.

A seven-member advisory committee would be set up within the Department of Agriculture to help the Secretary decide upon the best way to develop the areas covered under the resource development plan, and still protect water quality, and the fish and wildlife resources of the area.

The Secretary of Agriculture would be authorized to cooperate with the State of Idaho and the Department of Interior in conducting a comprehensive fish and wildlife research program within the entire Gospel-Hump area and surrounding Federal lands. This research program would involve detailed investigations of resident and anadromous fish populations, and the status, distribution, movements, and management of game populations. Results from this research program would be integrated into the plan developed for the 78,000 acres of management lands.

The management plan for these lands would be designed to gather data on soil types and soil hazards; timber volumes, site classes, and productivity; and would use the results from the fish and wildlife research program. The 4-year plan would be developed in cooperation with the advisory committee, and would be revised as new data on the resources of the area becomes available. The completed plan would be referred to Congress for a 90-day review.

Within 30 days from the date of enactment of the bill, the timber contained in the areas scheduled for development would be returned to the annual allowable cut calculations for the Nez Perce National Forest. That should relax some of the pressures to cut trees within less productive parts of the Nez Perce, and help to assure that this part of the forest is not overcut.

Mr. President, the Endangered American Wilderness Act which I introduced on March 31 is an important piece of legislation. For the first time, Congress is asserting its exclusive authority to designate certain de facto wilderness areas as components of the National Wilderness Preservation System. By clearing the wilderness docket of measures, such as this, that have widespread agreement, we will be able to speed up the process by which decisions are made on other areas.

One of the reasons why I am introducing this legislation dealing with Gospel-Hump is to cut through the uncertainty which plagues the Forest Service's land allocation process. By seeking a legislative solution, we will avoid further delays, we will avoid plans that must be done, and redone, and then subjected to possible appeals and lawsuits. I hope the Forest Service and others will take a close look at the process which evolved at Grangeville. Perhaps the method used there can be applied to other similar situations across the country. Perhaps if environmentalists and commodity groups sit down together, they will find they have more in common than they first imagined. That was certainly the case at Grangeville.

In closing, I would like to thank those who spent many long hours working out this agreement. They spent their time and efforts unselfishly, and they deserve our thanks and appreciation.

Mr. President, I ask unanimous consent that an editorial from the Idaho Statesman entitled "Forest Compromise," and a column by the Statesman's political editor, Steve Ahrens, be printed at this point in the RECORD.

Mr. President, I also ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment and material were ordered to be printed in the RECORD, as follows:

[From the Idaho Statesman, June 19, 1977]

STEVE AHRENS—SENSIBLE TALKS FINALLY BEGIN ON WILDERNESS

To the 800,000 or so of us who live here in the Gem State, Idaho is our home, in every sense of the word.

It's the place we live in the best home we can afford, the place we earn our living, the place we play after the workweek is over, the place we raise our children, the place where we retire.

But to 220 million of our fellow Americans, Idaho is a potential playground—a nice place to visit for the scenery, for a ride on a wild river, a backpack into the mountains and then home again. They provide some of our profit, but they don't partake of our problems.

We who live here year around, not just on a two-week vacation, are the ones who must deal with the Idaho of today and the Idaho of tomorrow, based on our experiences of yesterday. I firmly believe in "Idaho for Idahoians," and if that sounds chauvinistic to peanut farmers, Jayhawkers, Texans and Brooklynites, so be it.

That's why one of the most encouraging, progressive things that's happened in Idaho in a long time is the round of negotiations going on right now between the factions in the controversy over how much of the state should be designated as wilderness area. A lot of people are watching the discussions in the McCall and Grangeville areas, and more should be paying attention.

The reason it's encouraging is that it's the first time in years that ranchers, loggers, miners, environmentalists, farmers, recreationists and townspeople have been able to

talk to each other without shouting slogans; sincerely listening to all sides of the dialog.

In the recent past, the issue of wilderness vs. multiple-use has been so polarized that the very terms became catchwords that labeled the speaker either "good" or "bad," depending on who was listening.

As soon as one person mentioned "multiple use," a lot of people stopped listening to him—and didn't hear the valid arguments presented about preserving jobs and preserving access to the natural resources we need to sustain our state lifestyle.

On the other hand, when another person said "wilderness," just as many people closed their ears to the valid arguments about saving fragile scenic areas, protecting our fisheries and wildlife—and the need to write these protections into law before the unique values of those areas are lost.

A number of people deserve credit for pointing this situation toward possible solutions.

Sen. Frank Church has thrown his imposing political weight and influence in the Carter Administration into working out a reasonable compromise. Rep. Steve Symms jumped into the whole question of the McCall closure last year, on behalf of the workers who were most directly involved. Sen. Jim McClure has worked hard (McClure got a standing ovation at the recent congressional hearing in McCall).

And an absolutely key role is being played by a young man named Dan Lechefsky. Because of his low-key, non-abrasive, open-minded (but not empty-minded) approach his title of "regional representative for the Wilderness Society" has not become a millstone around his neck, polarizing people against listening to him.

Lechefsky, Kissinger-like, is virtually commuting between Boise, McCall and Grangeville these days, meeting with citizens groups, presenting information, debating facts and values, trying to help people arrive at compromises that honestly will satisfy the basic desires of both sides.

The citizens who are involved in these dialogs deserve credit, too. Many of them have strong beliefs that their way of life is threatened in the most concrete way—loss of jobs and homes. In that context, it takes real guts to sit down and sincerely talk about these highly charged issues, when they think they have the biggest stake and the most to lose.

Sometimes we get so involved in arguments about the "wilderness experience" or "raping the land" or "preservation" or "multiple use" that we forget the human side of the situation.

Living, breathing people are involved here, not just principles and philosophies. They want to make enough to buy steak once in awhile and put their kids through school, just like anyone else. Their main problem is that they live in and depend on areas for their livelihoods that have vastly different uses and values for other people.

Church, long a wilderness advocate and leader, succinctly explains the focus of the current debate.

"Our goal should be to see that endangered and deserving areas move swiftly into wilderness designation," he said at the University of Idaho in March.

"And, equally important, that areas better suited for resource development are scheduled for such use with all deliberate speed, thus reducing the uncertainty now facing our resource-dependent industries."

So there are two interesting prospects in the discussions going on now in the Grangeville and McCall areas. One is that Idahoans will be able to work out a compromise on the number of acres—and the location of those acres—to be protected (I'd say "preserved," but that's one of those polarizing words) under the wilderness designation.

The other is that, once agreement is reached on the wilderness areas, other lands now in the limbo of "wilderness study status" can be released for the benefit of the state, which is to say for all of us. Not to be indiscriminately stripped of timber and minerals and wildlife, but to be intelligently and productively managed to yield a broad variety of values.

In an atmosphere of reason, positive compromises are possible. And in this controversy, compromise is needed for the benefit of all Idahoans.

FOREST COMPROMISE

The peoples of central Idaho and representatives of environmental interests deserve our support and encouragement as they strive to reach a compromise on management of the Gospel-Hump area of the Payette and Nez Perce national forests.

Their agreement to sit down and talk about the issue is a tremendous step in the right direction. It gets away from the polarization, bitterness and protracted legal entanglements that have dominated much of the debate in Idaho over proper management of our valuable natural resources. It is to be hoped the process will culminate in a workable agreement, setting a precedent for future debate on similar problems.

As was aptly pointed out by Sen. Frank Church, everyone loses when our resources are locked up for years and years in endless hassles. It is only through discussion of common concerns and compromise on irreconcilable differences that we can move ahead quickly to safeguard the economy of our state while still protecting our environment.

The problem has not been, as some would suggest, that environmentalists have tied up great parcels of land for the price of a 13-cent stamp or have debated abstract philosophies to the detriment of homes and jobs.

Those who subscribe to this point of view forget that it was the chief of the U.S. Forest Service that decided the land-use plan for the Gospel-Hump area was inadequate. The blame could easily be laid to the Forest Service, which developed the plan. But why attempt to place blame? The problem is more the result of a complex set of countervailing influences.

For example, many of the small, family-held mills have been bought up by larger firms whose ties to Idaho and the land are not as close. These firms understandably tend to be more production oriented. Their aim is to keep the output of the mills as high as possible. This creates increased pressure on our forests and also on the remaining small mills, who must compete for the available timber. The result is an increasing appetite for lumber and, as that lumber becomes more difficult to locate, increased concern by the citizens of the area for the industry that is the backbone of their economy.

At the same time, we have in this country an increased consciousness about the needs of our environment. This consciousness and the needs of the timber industry conflict. Because environmentalists have had to fight very hard for whatever they have gained in the past, they tend to overstate their case, sometimes tying up inordinate amounts of land in the hope that they can at least hold on to critical parcels in the end.

Both sides in the Gospel-Hump debate have legitimate points. There are fragile alpine-like areas, particularly the Gospel Lakes and Buffalo Hump areas of the Nezperce National Forest, that deserve wilderness classification. The soil is grainy and easily eroded, the ecology is delicate. The ability of the land to withstand timber harvests or other major incursions by man is doubtful.

In other areas, the soil, rainfall and altitude suggest the forests can, and should, be made available for multiple uses, including sustained-yield logging that will help keep our mills operating.

The difficulty comes in separating these areas. This is the task that confronts the environmentalists and citizens as they sit down to talk with each other. We wish them luck. The success of their efforts is important to all of Idaho.

AMENDMENT NO. 826

GOSPEL–HUMP AREA

SEC. 5. (a)(1) In furtherance of the purposes of the Wilderness Act, certain lands in the Nezperce National Forest, Idaho, which comprise about two hundred and twenty thousand acres, as generally depicted under the category "Wilderness" on a map entitled "Gospel-Hump Area" and dated July, 1977, are hereby designated as Wilderness and therefore, as components of the National Wilderness Preservation System.

(2) Certain other contiguous roadless lands which comprise about seventy eight thousand acres, as generally depicted on said map as the "Management Areas" shall be managed in accordance with the multipurpose resource development plan defined later in this section.

(3) Certain other contiguous roadless lands which comprise about forty-five thousand acres, as generally depicted on said map as "Development Areas" shall be immediately available for resource utilization under the relevant Forest Service land management plans.

(b) Within ninety days after enactment of this Act, the Secretary shall appoint a seven-member Advisory Committee on the Management of the Gospel-Hump Area (hereinafter referred to as the Committee) who shall advise the Secretary as to the progress of the fish and game research program, and the multipurpose resource development plan authorized under this section, and who shall appraise the results of the research program and development plan on an ongoing basis.

(1) The Committee shall be comprised of two members of the timber industry who purchase timber from the Nezperce and Payette National Forests, two members from organizations who are actively engaged in seeking the preservation of wilderness lands, and three members from the general public who otherwise have a significant interest in the resources and management of the Gospel-Hump Area.

(2) Committee members shall serve without pay except that while away from their homes or regular places of business in performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed under section 5703 (b) of title 5 of the United States Code.

(3) The Secretary shall provide that the Committee shall meet as soon as practicable after all the members are appointed, but in no case later than one hundred fifty days after the enactment of this Act. Subsequently, the Committee shall meet every one hundred eighty days, or as often as the Secretary deems necessary.

(4) The Committee shall terminate one hundred fifty days after transmittal of the completed land management plan required under this section.

(c)(1) The Secretary of Agriculture shall cooperate with agencies and institutions of

the State of Idaho, and with the Secretary of the Interior, in conducting a comprehensive fish and game research program within the Gospel-Hump Area and surrounding Federal lands in north-central Idaho. The Secretary shall assure that this research program includes detailed investigations concerning resident and anadromous fisheries resources (including water quality relationships) and the status, distribution, movements, and management of game populations, in order to provide findings and recommendations concerning integration of land management and development with the protection and enhancement of these fish and game resources.

(2) To carry out the comprehensive fish and game research program, the Secretary of Agriculture is authorized to make grants of funds to agencies and institutions of the State of Idaho and to provide the assistance of personnel from agencies under his jurisdiction.

(3) The Secretary of Agriculture shall assure that that the comprehensive fish and game research program is scheduled and progressing on a timely basis so that findings and recommendations are fully integrated in preparation of the multipurpose resource development plan provided under this section.

(d) (1) Within four years after enactment of this act, the Secretary of Agriculture shall implement a multipurpose resource development plan (hereinafter referred to as the "plan") for development of the Federal lands identified on the map referenced under this section as "Management Areas."

(2) The plan shall comply with the provisions of the Multiple-Use Sustained-Yield Act of 1960 (74 Stat. 215; 16 U.S.C. 528) and the Forest and Rangeland Renewable Resources Planning Act of 1974, (88 Stat. 476; 16 U.S.C. 1601) as amended, and shall conform to all respects to the provisions of the National Forest Management Act of 1976 (90 Stat. 2949; 16 U.S.C. 1600), including the regulations, guidelines, and standards promulgated pursuant to that act. In preparing the plan, the Secretary shall take particular care to gather and integrate detailed field data on soil types and soil hazards, and to consider timber volumes, timber site classes, and productivity. The current findings and recommendations of the comprehensive fish and game research program and other available information shall be integrated into the preparation of the plan. The plan may be periodically revised to accommodate new information as it becomes available.

(3) In preparing the plan, the Secretary shall assure adequate public involvement, and he shall make full use of the recommendations of the Advisory Committee established under this section.

(4) One year after the date of enactment of this act and every year thereafter, the Secretary shall review the multipurpose resource development plan being prepared in accordance with this section to determine which lands, if any, might be scheduled for development prior to the completion of the final plan.

(5) The Secretary shall publish a notice of the completion of the plan or a portion thereof in the Federal Register and shall transmit it to the President and to the Senate and House of Representatives. The completed plan or relevant portions thereof shall be implemented by the Secretary no earlier than ninety days and no later than one hundred and fifty calendar days from the date of such transmittal.

(e) Within thirty days after the date of enactment of this act, the Secretary shall include the timber resources on the land identified on the map referenced under this section as "Development Areas" and "Management Areas" within the annual allowable timber harvest level for the relevant National Forests.

(f) There are hereby authorized to be appropriated such funds as may be necessary to carry out the comprehensive fish and game research program and the multipurpose resource development plan authorized under this section. Appropriations requests by the President to implement the multipurpose resource development plan shall express in qualitative and quantitative terms the most rapid and judicious manner and methods to achieve the purposes of this act. Amounts appropriated to carry out this act shall be expended in accordance with the Budget Reform and Impoundment Control Act of 1976 (88 Stat. 297).

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERNATIONAL FINANCE

Mr. STEVENSON. Mr. President, the Subcommittee on International Finance of the Committee on Banking, Housing, and Urban Affairs will hold hearings on September 8 on H.R. 7738, a bill to revise the President's power to place emergency controls on international economic transactions.

H.R. 7738 passed the House of Representatives on July 12, 1977. Title I of the bill amends section 5(b) of the Trading With the Enemy Act to limit to wartime the President's authority under that section to control international economic transactions. Existing usages are grandfathered for 2 years and may be extended for additional 1-year periods.

Title II grants authority to the President to regulate specified categories of international economic transactions in nonwartime situations if the President declares a national emergency to meet an unusual and extraordinary external threat to the national security, foreign policy, or economy of the United States.

The President's declaration would be subject to the provisions of the National Emergencies Act of 1976, Public Law 94–412, which provides, inter alia, that Congress may terminate such emergencies at any time by concurrent resolution and that each House must vote every 6 months on whether to terminate any existing emergency declaration. H.R. 7738 also provides that regulations issued during a national emergency declared under title II are subject to termination by concurrent resolution of Congress.

Title III of H.R. 7738 amends the Export Administration Act to grant the President authority to control non-U.S.-origin exports by foreign subsidiaries of U.S. firms. Presidents have previously claimed such authority under the Trading With the Enemy Act.

The hearing will begin at 9 a.m. in room 5302, Dirksen Senate Office Building. Persons interested in testifying or desiring additional information should contact Robert W. Russell at 202—224–0891.

HEARINGS ON CONSULTANTS AND CONTRACTORS

Mr. METCALF. Mr. President, the Subcommittee on Reports, Accounting, and Management will conduct hearings regarding Federal consultants and contractors on Tuesday, September 13 and Thursday, September 15, beginning at 10 a.m. The hearing on Tuesday, September 13 will be held in 6226 Dirksen Senate Office Building. The place of the hearing on Thursday, September 15, will be announced at a later date.

At this hearing problems involved in use of Federal consultants and contractors will be reviewed. We shall also explore with the Office of Management and Budget and General Accounting Office ways in which the Government's reports and records dealing with use of consultants and contractors can be improved.

This week end the subcommittee is issuing a committee print, "Consultants and Contractors: A Survey of the Government's Purchase of Outside Services." I ask unanimous consent that the press release concerning this study be printed at this point in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

STUDY OF FEDERAL CONSULTANTS AND CONTRACTORS REVEALS LACK OF BASIC INFORMATION ABOUT THEM

WASHINGTON, D.C.—"The Federal Government does not know how many consultants and contractors it employs, what they do or how much their services cost," Sen. Lee Metcalf (D-Mont.) said today. He released a survey of the use of consultants and contractors by 178 departments, agencies and bureaus.

Metcalf said he has asked Office of Management and Budget Director Bert Lance and Comptroller General Elmer Staats to tell his Subcommittee on Reports, Accounting and Management in a September hearing how they plan to keep track of who works for the Government.

The subcommittee survey, "Consultants and Contractors: A Survey of the Government's Purchase of Outside Services," apparently is "the single source of information" gathered on the use of consultants and contractors for professional services in the Federal sector, according to the Congressional Research Service (CRS) of the Library of Congress.

Metcalf noted that President Carter in May declared he has become aware "of a need for improved management of the excessively large volume of consulting and expert services used by the Federal Government" and sent agency heads a memo requesting information on the numbers and types of consulting arrangements.

"While the numbers of consultants and contractors are certainly increasing, no one has been able to say with certainty how many there are, who they are, or how much we spend on their services," Metcalf explained.

"Nor have we had answers to other basic questions which both Congress and the executive branch should have in order to provide informed oversight of and policy direction for consultants and contractors."

To obtain this basic information, the subcommittee sent a questionnaire and interrogatory last October to the heads of 178 executive branch units and independent agencies. The responses, which were tabulated and evaluated by CRS, deal with:

1. Development of a government-wide definition of consultants for professional services. Metcalf said the subcommittee expects "that such a definition will be proposed by the executive branch" before the September hearing.

2. Labeling of reports. Metcalf said the hearing will consider a bill by Sen. Daniel Inouye (D-Hawaii) to require that the name, address and certain other information regarding experts and consultants be included

in documents and other materials they prepare for Federal agencies.

3. Informing the public where publications by consultants and contractors are kept at each agency, and where copies of agency agreements to obtain outside services are located.

4. The cost, number and work-years of consultants and contractors.

Metcalf said CRS is still analyzing responses to five questions in the subcommittee's interrogatory. They concern (1) identification of lobbyists who are also consultants and contractors, (2) policies governing potential conflicts of interest, (3) post-contract evaluation, (4) limitations on types of work consultants and contractors may do, and (5) the response of agencies to former President Ford's July 1976 memorandum requesting agencies to identify at least five functions performed within the agency which could be contracted out.

The survey and related materials have been published as a 610-page print for the Senate Committee on Governmental Affairs. The publication is on sale by the Government Printing Office. Refer to Order/Stock No. 052-070-04158-7.

Mr. METCALF. Persons who seek additional information regarding the hearings should call Gerald Sturges, a member of the subcommittee's professional staff, at 224-1474.

GOSPEL-HUMP HEARINGS

Mr. CHURCH. Mr. President, for the benefit of my colleagues and other interested people, I would like to announce that the Subcommittee on Parks and Recreation of the Senate Energy and Natural Resources Committee will conduct a public hearing on the Gospel-Hump Land Allocation Act which I introduced today, in Grangeville, Idaho, on August 24, beginning at 10 a.m. Although the precise location of the hearing room is not completely certain, as of this date, it is expected that the hearing will be held in the cafeteria of the Grangeville High School.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. SASSER. Mr. President, I wish to announce that the Committee on Governmental Affairs will continue hearings on S. 80, S. 980, and H.R. 10 relating to the political activities of Federal employees. The hearings will be held on September 8 and 9 in room 3302 Dirksen Senate Office Building at 10 a.m. each day.

NOMINATION HEARING

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Human Resources has scheduled a hearing on Friday, September 9, 1977, at 9 a.m. in room 4232 Dirksen Senate Office Building on the nomination of Joseph D. Duffy, of the District of Columbia, to be Chairman of the National Endowment for the Humanities.

Persons wishing to testify or submit statements, please contact: Franklin Zweig in room 508 Senate Courts, phone 224-9285.

SUBCOMMITTEE ON CIVIL SERVICE AND GENERAL SERVICES

Mr. SASSER. Mr. President, I wish to announce that the Subcommittee on Civil Service and General Services of the Governmental Affairs Committee will hold hearings on S. 386, S. 865, and S. 1133 on September 13; that hearings on H.R. 2931 will be held on September 14; and the hearings on S. 666 will be held on September 15. Rooms and times will be announced later.

ADDITIONAL STATEMENTS

SENATOR WARREN G. MAGNUSON, CONGRESSIONAL LEADER IN THE FIGHT AGAINST CANCER, GIVES MESSAGE ON 40TH ANNIVERSARY OF THE NATIONAL CANCER INSTITUTE

Mr. RANDOLPH. Mr. President, our able colleague from the State of Washington, Senator WARREN G. MAGNUSON, has devoted in great degree, his public service to the cause of better health.

As chairman of the Health, Education, and Welfare Subcommittee of Appropriations, he has been a leader in cancer research and treatment. He has been responsible for providing funds through congressional measures for programs to alleviate cancer and search for cures of this dreadful disease.

In remarks prepared for delivery today on the 40th anniversary of the National Cancer Institute, Senator MAGNUSON highlights the successes and the faith in this continuing battle.

Jermaine Magnuson, wife of the distinguished Senator, read his splendid speech to an appreciative audience.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

WASHINGTON.—The following is the text of a speech to be delivered by Sen. Warren G. Magnuson (D-Wash.) at ceremonies marking the 40th anniversary of the National Cancer Institute in Masur Auditorium of the Clinical Center at the National Institutes of Health (NIH), Bethesda, Md., Friday, August 5, 1977, at 11 a.m.:

It was a distinct pleasure to be invited to participate in the 40th birthday celebration of the National Cancer Institute. It is always a pleasure for me to come out to the National Institutes of Health, especially for a wonderful occasion such as this.

It is with considerable humility that I speak today for all those Members of the 75th Congress who voted for the establishment of a National Cancer Institute and who had faith in all the promise which that legislation held forth.

As I prepared to make the trip out here to Bethesda, I recalled those earliest days when this entire area was beautiful farmland, and when Bethesda was just a little crossroad without a stop sign, let alone traffic lights.

Only a very few of my colleagues in Congress today can recall that time. Sen. Jennings Randolph of West Virginia, who was here during the 75th Congress as a Member of the House of Representatives and a supporter of the Cancer Institute bill, will remember this area.

I can recall when there was no Naval Hospital here, let alone the NIH campus, and when there were only lovely homes occupied by gracious people—and in one particular instance, very generous people.

We should all pay special tribute to Luke and Helen Woodward Wilson. Their estate, "Tree Tops," occupied these grounds in 1937 and their first gift of some 45 acres was made in consideration of $10.

Over the years, the Wilsons donated some 93 acres of land for the NIH campus, and the total amount paid out by the Treasury was only $26. Without their generosity, it is possible that the NIH which we all know today would not have come into being.

All those who work out here today—about 12,000 people, I believe—might take all this for granted. But I would certainly want to pause for a moment in our birthday observances to pay special tribute to Luke and Helen Woodward Wilson for all that they did—together with members of their family—to make this day as joyful as it is.

A few days ago, I looked over the remarks which I made on the floor of the House of Representatives back in 1937 when the Cancer Act was under consideration.

I cannot take credit for having the "idea" for the establishment of a National Cancer Institute. The idea had been around Congress for at least 10 years. The idea was a composite of some of the best thinking of many people—in and out of government—and throughout the scientific community.

The idea was not universally supported. And it was not popular among some members of the health professions. But the idea was fairly simple.

We charged the surgeon general with a new mission: to investigate the cause, diagnosis and treatment of cancer; to assist and foster similar research activities by other public and private agencies; and to promote the coordination of such activities.

All of this was aimed at achieving—and now I quote from that law—"the most effective methods of prevention, diagnosis and treatment of cancer."

In 1937, an aura of gloom and hopelessness clung to the disease of cancer. To most people, a diagnosis of cancer was the equivalent of a deferred death sentence. And all too often, that was all too quickly true.

In 1937, cancer was such a feared disease that some physicians refused to use the word in their diagnoses, and newspapers would not use that word in their obituary columns.

In 1937, only one out of five cancer victims was being saved. And for most families, the fear of cancer was only equalled by the fear of polio.

That was the kind of atmosphere which we faced back then, when President Roosevelt signed our bill into public law (number 75-244) on August 5, 1937. That bill carried an authorization of only $700,000 for operations and $750,000 for construction.

Congress back then was much like Congress today in looking upon any authorization as the outward limits of any future appropriations. In that first fiscal year, 1938, the Cancer Institute received only $400,000 for operations. It was 10 years before the Cancer Institute received over $1 million for all of its operations.

A few days ago, our Congressional conference committee on the Labor-Health, Education and Welfare (HEW) Appropriations bill (H.R. 7555) approved funding for fiscal year 1978 and we voted $867 million for the Cancer Institute.

Over the entire course of its first 26 years, the Cancer Institute only received a grant total of $858.8 million. Just 10 years ago, in fiscal year 1968, the total for the Cancer Institute was $183 million, and the grand total for the grant and contract programs of all the National Institutes of Health was just above $925 million.

At the close of my remarks in the House of Representatives back in 1937, I said, "If no other major legislation comes out of this Congress, we can go home to our people and

point with pride to the passage of this bill. The altars of experiment can now be warmed by the fuel which you gentlemen have today provided."

We have come a long way in funding levels for the Cancer Institute and NIH. We have warmed those biomedical research laboratories and the altars of experiments. And we have achieved a great deal from those expenditures.

Today, polio is a rare disease, although not as rare as some of us would want. But it was research funded by NIH which made those breakthroughs on polio a reality. Today childhood leukemia is no longer tantamount to death before maturity.

Today, more than a million and a half Americans are alive and cured of cancer, that is, free of any evidence of cancer at least five years after initial diagnosis and treatment. Today, one out of three cancer victims is being saved. And if presently known techniques and new treatment methods were used to their fullest, that figure could be revised downward to one out of two.

So we have come a long way in finding those effective methods of diagnosis and treatment. I am not convinced that we are doing enough—on any front—especially in prevention, but this is not a day for admonishing anyone. This is a day of celebration—a day for us to reflect on where we were, what has been accomplished and where we are.

In 1937, this area in Bethesda was farmland and cancer was an even more greatly feared disease, but we had a bill which held forth great promise. Here we are today, meeting in this grand auditorium, which is housed in one of the most modern clinical hospitals in the entire world.

We can point to facilities on this campus which are without peer. And we could add countless similar facilities throughout our Nation which are the result of NIH programs. Those massive amounts of Federal funds are at least partially responsible for all that.

But another accomplishment of the Cancer Institute program is that it has brought together hundreds of cancer-fighting organizations into a common effort. An example of that is the recognition of a nationwide group of 19 comprehensive cancer centers which offer the widest possible spectrum of assistance to community health professionals, cancer patients and those at risk to cancer.

These activities would not be possible without the coordination of Federal, non-Federal and private programs. That example has been duplicated by other units of NIH and other disease-oriented public and private organizations.

Those efforts have fulfilled the promise of that legislation in the 75th Congress and have borne good results. We can all look forward to even greater achievements down the road. As one of those legislators of 1937, all this makes me feel both pride and humility today.

Somewhere in my files, I have a treasured letter which I received from Dr. William J. Mayo shortly after I introduced the National Cancer Institute bill. I used that letter during our debates in the House of Representatives and I will repeat a few of Dr. Mayo's words today.

He said: "My brother, Dr. Charles H. Mayo, and I, and our associates in the clinic are very glad that you have introduced this bill, the purpose of which is of the greatest importance to the welfare of the people of this country and to the world. Too much cannot be said in favor of proper means and measures to learn the cause of cancer and to cure and prevent the disease."

It is obvious to me today that we did devise the proper means in setting up the Cancer Institute. We in Congress have shown equally good sense over the years by copying much of that same language as we established the other Institutes here at NIH.

It is obvious to me today that the billions of taxpayer dollars which we have appropriated over the years—for the National Cancer Institute alone—have paid off. Those one and a half million Americans who are alive today—cured of any cancer—are ample justification for me for all that we've appropriated over the past 40 years.

I would like to be present at a similar celebration which will undoubtedly be held 40 years hence, when others will recount the progress which will be made from 1977 to the year 2017.

I would not even venture a guess about the breakthroughs which will be cited that day. But I will bet you today that those future breakthroughs will be directly traceable to research programs sponsored by NIH, to basic research which has already been done or started, to work which will be done under NIH awards, and most surely to work which will be done by people trained under NIH programs.

The successes which we celebrate today have all depended on the skill and dedication of men and women here at NIH and in the field.

While I singled out the Wilsons earlier for their generous contribution to the success of the Cancer Institute and NIH, I want to pay tribute to all those individuals who have dedicated their lives and talents to biomedical research. They are the real heroes of all that we honor today.

Forty years ago, those of us in Congress believed that legislation held forth great promise. Today we know that a goodly portion of that promise has been achieved. Those achievements are due to all those who have worked out here on this campus and at public and private institutions throughout our Nation and around the world.

You do me great honor today, and I thank you. I thank you on behalf of all those in the 75th Congress who believed in what could be done. I thank you for all those in Congress over the past 40 years who have continued to have faith in that promise of what could be done.

In all humility, I thank you, and all those associated with you, for what has been achieved. With optimism, and the faith that we haven't seen anything yet, I thank you and your successors for all that will be achieved.

CLEAN AIR

Mr. GARN. Mr. President, like most legislation, the conference report on clean air, which the Senate and House adopted last night, was a compromise. From my point of view, it was about as good a compromise as we could hope to get under the circumstances. I would greatly have preferred a class II variance, so that large areas of States would not have to be redesignated class III. The variance procedure would have permitted the Governor to limit exceedances of class II standards to 18 days a year, rather than the full year, as can happen under class III. Environmentally, the variance is preferable.

Apart from that, the bill remains a bad bill, and one I think the country will live to regret. It contains a requirement for best available technology, whether or not that technology is needed to meet air quality standards. That, in my opinion, is overkill, and expensive overkill at that. It can only be justified on the grounds that it is our job to protect clean air from people. The bill contains a procedure for cutting off highway funds where certain procedures are not met. That is a case of blackmail, nothing more.

There are numerous other provisions of the bill which I consider unwise, which will interfere with this country's energy goals and the rational allocation of its resources. Nevertheless, it is considerably better than the bill I killed last year, and better than the one introduced this year, and even better than the one passed by the Senate 2 months ago. I guess that is all I can ask.

What I was trying to accomplish yesterday was to clarify the redesignation process. In order to get relief from the stringent class II number adopted by the Congress, it will be necessary to redesignate some areas class III. I wanted to make plain that those could be quite small areas, in fact, just the areas on mountain peaks around industrial facilities, where the class II numbers are exceeded only a few days a year. I asked that question of Senator MUSKIE, and he assured me that that was the case. So long as the procedural requirements of the bill were met, the Governor would control the size of the area redesignated.

I then turned to the procedures themselves, clearly establishing that this is not intended to be a long, involved process. It is a process that should take months at the most. Essentially, the State will establish its own procedures, as part of its State implementation plan, which must be approved by EPA. Once that is approved, EPA can review only the procedures. The substance of the analysis is at the State's discretion, as expressed in its SIP.

I was also able to establish that the redesignation had to be approved only at the State and county level. That separate hearings and investigations for each town and municipality did not have to be conducted.

All in all, I think we greatly clarified the situation and dissipated most of the fears. The process is workable. It will be up to the State and Federal officials to make it work within the framework outlined by the Congress last night.

PROGRESS REPORT ON REGULATORY REFORM

Mr. RIBICOFF. Mr. President, 2 years ago, on July 26, 1975, the Senate passed Senate Resolution 71, which authorized the Government Operations Committee a comprehensive study of Federal regulation. The resolution evidenced what was then a growing concern over the size and complexity of Federal agencies and departments, and over the waste and ineffectiveness that appeared to characterize so many regulatory programs. As Senate Resolution 71 declared:

The proliferation of such agencies over a long period of time, and under a variety of circumstances, has resulted in overlapping regulatory jurisdictions, conflicting mandates, and procedures that have affected the

efficient operation of the Government and the economy.

Simply put, there was a general sense that much of the regulatory process was ineffective and unresponsive in light of modern concerns and conditions. A full-scale reappraisal, such as that envisioned in Senate Resolution 71, was long-overdue.

There had been other studies of the problems of Federal regulation. Indeed, the area has not lacked for careful scholarly attention. Over the past four decades, there have been numerous articles, reports, and books published on various aspects of Federal regulation. In addition, since the 1930's, there have been five major Government-sponsored studies in this area. As a result of both public and private endeavors, there exists a vast body of literature on regulatory reform.

However, few concrete reforms were implemented. Instead the studies have been left to gather dust on library shelves, useful only as the basis for still further research and reports.

Senate Resolution 71 represents a different approach. This is the first comprehensive congressionally-authorized examination of regulatory problems. The responsibility to effect significant regulatory reform rests with Congress. A study conducted by Congress, resulting in specific recommendations, stands a much greater likelihood of successful implementation than previous efforts.

The principal objective of Senate Resolution 71 was the presentation to the Senate of specific recommendations for legislative and other action. The mandate to our committee was broad in scope. Among other things, Senate Resolution 71 directed the committee to study:

The most serious deficiencies within the regulatory process;

The economic costs and benefits of regulation;

The purposes and objectives which regulation should serve;

The revision of procedures for selecting commissioners and reviewing their qualifications;

The modification of agency rules to expedite regulatory agency proceedings;

The elimination, merger, or transfer of overlapping or related regulatory jurisdictions.

Mr. President, our study consists of six volumes. This past February the first two volumes—concerning the regulatory appointments process and congressional oversight—were released. Those volumes contained more than 60 specific recommendations, many of which called for congressional action and consideration. The recommendations concerned the White House search and selection process, Senate confirmation procedures, qualifications and conflict of interest requirements, congressional access to information, and periodic evaluation of regulatory effectiveness. This week, two additional volumes, concerning undue delay and citizen participation in regulation, are being published. Early this fall, the final two studies on the economic framework for regulation and agency overlap and duplication will be released to the public.

Mr. President, I am particularly gratified to report that there has already been substantial progress on implementation of the study's recommendations. Only several months after publication, there has been legislative action on a number of proposals. This progress report recounts those recent achievements. Each of those implemented recommendations, in my opinion, will help significantly in improving the operations and efficiency of our Federal regulatory agencies.

NEW RESTRICTIONS ON "REVOLVING DOOR" PRACTICES

Volume I of the study contained a detailed survey and analysis of present Federal laws and regulations on conflict of interest. Part of that review centered on the major, executive branch-wide statute on postservice activities of former officials. The report noted that confidence in Government has been weakened by a widespread conviction that Federal officials use public office for personal gain, particularly after they leave Government service. There is a deep public uneasiness with officials who switch sides—who become advocates for and advisers to the outside interests they previosuly supervised as Government employees. It is feared that officials may use information, influence, and access acquired during Government service at public expense, for improper and unfair advantage in subsequent dealings with that department or agency.

It is clearly in the public interest that reasonable and effective standards be imposed on a former official's dealings with the same agency of which he or she was once employed.

For those reasons, the appointments study recommended new legislation be adopted restricting postservice activities by former high-level Government employees. Specifically volume I recommended that there be a new, 1-year cooling off restriction for high-level Government officials. During that period of time, such officers and employees would be prohibited from contracting their former department or agency on a matter of business then pending before that department or agency. This proposal was directed to the problem of real or apparent undue influence or unfair advantage which might be given former officials due to their association with former colleagues and subordinates.

We have acted to implement this proposal. Section 605 of the Department of Energy Organization Act, enacted by Congress and signed into law by the President on August 4, 1977, contained such a "cooling off" restriction for supervisory officers and employees of the Department. It prohibits any contact on any matter pending with the Department for 1 year after the employee leaves the Department.

The provision states:

. . . no supervisory employee shall, within one year after his employment with the Department has ceased, knowingly—

(A) make any appearance or attendance before, or

(B) make any written or oral communication to, and with the intent to influence the action of;

the Department if such appearance or communication relates to any particular matter which is pending before the Department.

An identical provision was added to the Interim Regulatory Reform Acts (S. 1532, 1533, 1535, 1536, 1537), sponsored by Senators PEARSON, MAGNUSON, PERCY, and myself. Those bills apply to six Federal regulatory commissions—the CAB, CPSC, FCC, FMC, FPC, and FTC.

Volume I recommended other changes in Federal conflict of interest law, including: First, that former officials and employees be prohibited for life from aiding, assisting or representing anyone other than the United States on matters involving specific parties in which they had personal and substantial involvement while in office; second, that the language of section 207 of title 18 United States Code, be clarified to apply to professions other than lawyers; and third, that an administrative penalty provision be added to supplement the existing criminal sanctions of the statute. The Public Officils Integrity Act (S. 555), passed by the Senate on June 27, 1977, by a vote of 74 to 5, effected each of those reforms.

STANDARDS ON THE USE OF BLIND TRUSTS

Volume I also considered blind trusts, which have been used with increasing frequency by high-ranking Federal officials. However, at present, there is no accepted legal definition or standard for what constitutes a properly constructed blind trust. As such the terms of existing blind trusts created by Federal officeholders vary considerably; and, since no Government office is expressly charged with the responsibility of overseeing such agreements, the process for monitoring blind trusts is uneven, informal, and sometimes nonexistent.

The study found various problems with the present use of blind trusts. The chief problem appears to be that they do not have the confidence of the public. They are popularly considered as little more than cosmetic arrangements, often between friends, in order to shield officials from conflict of interest statutes and regulations. Beneficiaries, it is widely thought, know what their trust contains and what their trustee is doing.

The study recommends that guidelines be established to govern the use of blind trusts by Federal officials, including a requirement that the trustee be independent of the beneficiary, and incapable of being controlled or influenced by the beneficiary in the administration of the trust; a requirement that the trustee be given express authority to invest and reinvest the assets without consultation with the beneficiary; a requirement that assets deposited in trust be free of restrictions, and that the trustee be prohibited from the purchase of holdings the beneficiary could not own outright; a requirement that the trustee prepare the income tax return for the trust; and a requirement that the trust instrument and a list of the holdings initially de-

posited be made available for public inspection.

On June 27, 1977, the Senate passed, as part of the Public Officials Integrity Act (S. 555), a provision establishing for the first time strict standards for blind trusts. S. 555 reflects the proposals made by the committee in volume I of the study.

Section 303 of the act provides for: First, standards governing an "independent trustee," and what powers he shall exercise without restriction by the beneficiary; second, disclosure of assets initially deposited in trust; third, procedures for completing the tax returns for the trust; fourth, clarification of how section 208 of title 18, United States Code disqualification requirements are affected by a qualified blind trust; fifth, restrictions on communication between the trustee and beneficiary concerning trust investments; sixth, mechanisms for review and approval of proposed blind trust agreements; and seventh, penalties for violations of those provisions, either by the trustee or the beneficiary.

It is noteworthy that the Comptroller General of the United States, in a report issued on August 1, 1977, carefully reviewed the problems of previous blind trusts as well as the recommendations of volume I as contained in S. 555. The Comptroller General found the provisions of S. 555 to be "generally consistent with our work and views, and we endorse them."

REDUCING UNDUE DELAY

Volume IV of the study examined undue delay in the regulatory process. The committee found that the regulatory process takes far too long and results in economic costs of tens of millions of dollars.

One of the principal causes of delay is that agency procedures are excessively judicial. We also found that rulemaking proceedings are faster than adjudicatory procedures for making policy decisions.

The study therefore recommended that the agencies make increased use of informal rulemaking on cases in which adjudication is currently used. In addition, the study recommended use of a new modified procedure in certain proceedings that now proceed by formal adjudication. That modified procedure would allow for a legislative-type hearing in which interested persons could fully present their views. Where necessary to resolve particular factual issues essential to the outcome of the proceeding, an adjudicative hearing could be held.

The Department of Energy Act, enacted by Congress and signed into law by the President on August 4, 1977, provides that just this procedure will be available to the newly created Federal Energy Regulatory Commission. Section 403(c) of the new law provides:

(c) Any function described in section 402 of this Act which relates to the establishment of rates and charges under the Federal Power Act or the Natural Gas Act, may be conducted by rulemaking procedures. Except as provided in subsection (d), the procedures in such a rulemaking proceeding shall assure full consideration of the issues and an opportunity for interested persons to present their views.

The conference report accompanying the Energy Act amplifies on this:

. . . Section 403(c) specifies that the Commission may utilize informal rulemaking procedures, rather than formal, on the record proceedings, to establish rates and charges under the Federal Power Act or the Natural Gas Act. Individual enforcement actions, of course, would continue to be decided by more formal procedures.

Section 403(c) provides that rulemaking procedures shall assure full consideration of the issues, and full opportunity for interested persons to present their views and to explore the issues raised in the proceedings. This could include, at a minimum, a legislative-type hearing at which interested persons would be able to orally present their views but in which there would be no formal presentation of evidence or cross-examination of witnesses by the participants. The Commission should have the discretion to limit the length of oral and written presentation. (p. 77)

Inclusion of the study's recommendations in the Department of Energy legislation should be of great help in eliminating unnecessary delay in the new Department's proceedings.

BALANCED MEMBERSHIP ON COMMISSIONS

Volume I of the study found that there is a serious problem of imbalance in the membership of the regulatory commissions, and that we have not had broad representation of various backgrounds, talent and outlook. Women and members of so-called minority groups are woefully underrepresented; lawyers predominate; and a comparatively large number of regulators come directly from the regulated industries, which is in sharp contrast to the rare selection of persons with clear identification with public interest group concerns. For example, out of a total of more than 150 appointments since 1961, only seven women and four blacks had been selected for the nine major commissions. Prior to the start of the Carter administration, five of those agencies had never had a black commissioner, and three had never had a female member. Volume I also found that economists, engineers, political scientists, accountants, and members of other professions are rarely selected.

Our study considered—and rejected—the notion of reserving, by law, seats for various groups or interests on the commissions. Specifying that certain seats be set aside for certain interest groups would, in our view, be a mistake. Instead, we believe the appropriate way to address this problem is to require by law that the President, in nominating members of these commissions, insure that commission membership is well balanced, and that there be broad representation of various talents, backgrounds, occupations and experience appropriate to the functions of that particular agency. This approach will provide the Senate with an opportunity to enforce this standard via the confirmation process. This proposal should insure that if a commission were to be predominantly composed of members from a certain sector or background, a nominee with that same background would be unacceptable.

On June 28, 1977, the Senate adopted the Interm Regulatory Reform Acts (S. 1532, 1535, 1536), sponsored by Senators PEARSON, MAGNUSON, PERCY, and myself, which contained volume I's recommendation on balance. Those acts provide that all future appointments to the FCC, FMC, and FPC will be subject to the following requirement:

In nominating persons for the Commission, the President shall insure that Commission membership is well balanced, with a broad representation of various talents, backgrounds, occupations, and experience appropriate to the functions of the Commission.

Those bills are now pending in the House of Representatives. The remaining Interim Regulatory Reform Acts (S. 1533, 1537), concerning the CAB, CPSC, and FTC, are due to be taken up by the Senate in early September.

QUALIFICATION OF REGULATORS

Qualified, experienced leadership acting in the public interest has always been considered to be critical to the effectiveness of the regulatory agencies. However, volume I found that the preeminent problem with the appointments process is that it has not consistently resulted in the appointment of people best equipped to perform regulatory responsibilities. As part of our study, we surveyed members of the practicing bar of eight commissions for their opinion on commissioner quality. With the exception of the Securities and Exchange Commission, the respondents would recommend against the reappointment of about half the commissioners. About 40 percent of the then current members of three agencies were judged not to have the necessary training and experience to be Federal regulators, and the same percentage of commissioners of six agencies were viewed as not having an understanding of the laws they administer. All too often truly outstanding men and women have not been selected for the regulatory commissions. In order to address that problem, we recommended that general standards on qualifications be established by legislative action to assure that able men and women are selected for the regulatory commissions.

The Interim Regulatory Reform Acts—S. 1532, 1535, 1536—adopted by the Senate in June, contain volume I's recommendation on qualification. Those acts provide that all future appointments to the FCC, FMC, and FPC be subject to the following requirement:

The President shall nominate persons for the Commission, who by reason of training, education, or experience are qualified to carry out the functions of the Commission under this Act.

The bills concerning the CAB, CPSC, and FTC, which contain the same provision, are due to be taken up by the Senate in early September.

We have also established qualification standards for the new Federal Energy

Regulatory Commission, created by the Department of Energy Organization Act. That act was signed into law by the President on August 4, 1977. Section 204 of the act provides that members of the FERC be individuals "who, by demonstrated ability, background, training, or experience, are specially qualified to assess fairly the needs and concerns of all interests affected by Federal energy policy."

EXEMPTION FROM MANDATORY RETIREMENT

In creating the regulatory commissions, it was the intention of Congress that they be to a significant degree independent from the executive branch. It was for that reason that commissioners are appointed for set terms and may be removed from office only upon a showing of cause. However, that independence has been in the past undermined by a provision of law that compels a commissioner to resign upon reaching the age of 70 and upon completing 15 years of Federal service—unless the President exempts the regulator from that requirement. Our study found that exemptions in the recent past have been typically granted only for short periods of time, sometimes only 12 months. What that means is that the regulator is then, for all practical purposes, serving at the pleasure of the President—since his reappointment each year is subject to the continued pleasure of the President. To remedy this problem, volume I recommended that commissioners be allowed to complete their terms of office without regard to age.

The Interim Regulatory Reform Acts—S. 1532, 1535, 1536—also contained volume I's recommendation on retirement exemption. Those acts provide that all members of the FCC, FMC, and FPC be given the following exemption:

Once appointed, a Commissioner may serve until the conclusion of his term of office without regard to the provisions of section 8335, title 5, United States Code.

The same provision has been included in bills affecting the CAB, CPSC, — FTC—S. 1533, 1537—due to be taken up in early September.

MERIT SELECTION OF TOP AGENCY STAFF MEMBERS

Volume I of the study found that, during the Nixon administration, there had been considerable abuse in the process by which the top staff members are selected for the independent agencies. Individuals for those offices were being regularly subject to White House clearance. Too often that evaluation involved consideration of the candidate's loyalty to a particular political party and to the program of a particular administration. We believe this practice, which has grown by custom, significantly infringed upon the independent nature of these agencies. Selection of such staff members should be strictly on the basis of ability and suitability. For that reason, we recommended that top staff officials of the independent agencies not be subject to political evaluation and clearance by the White House or any other executive agency.

The Senate adopted the Interim Regulatory Reform Acts (S. 1532, 1535, 1536) which contained volume I's recommendation on staff merit selection. Those acts provide that all future top staff appointments at the FCC, FMC, and FPC would be selected in the following manner:

Any appointment or removal of an employee of the Commission to or from any position in categories GS–16, GS–17, and GS–18 may be made by the Commission without regard to any provision of title 5, United States Code, other than section 3324 thereof where applicable, governing appointments to, and removals from, positions in the competitive service, and shall not be subject to approval by the Executive Office of the President or the Office of Management and Budget, or any officer thereof, or by any officer or agency of the Federal Government other than the Commission.

The same provision has been included in bills affecting the CAB, CPSC and FTC (S. 1533, 1537), due to be taken up in early September.

ADMINISTRATIVE POWERS FOR THE FCC CHAIRMAN

Volume I of the study concluded that it was in the best interest of the smooth functioning of any agency that administrative powers be focused in a single individual. Such responsibility for agency personnel and other internal matters is presently enjoyed by the chairmen of nearly every independent commission. The Federal Communications Commission is the exception. The proposal to grant administrative powers to the FCC Chairman was first made in 1948, and has reappeared from time to time since that date. However, it has not yet been enacted. In our opinion that change is long overdue.

Accordingly the following language was inserted in the Interim Regulatory Reform Act for the FCC:

The Chairman of the Commission shall be the principal executive officer of the Commission, and he shall exercise all of the executive and administrative functions of the Commission, including functions of the Commission with respect to (A) the appointment and supervision of personnel employed under the Commission (other than personnel employed regularly and full time in the immediate offices of commissioners other than the Chairman, and except as otherwise provided in this chapter), (B) the distribution of business among such personnel and among administrative units of the Commission, and (C) the use and expenditure of funds.

In carrying out any of his functions under the provisions of this section the Chairman shall be governed by general policies of the Commission and by such regulatory decisions, findings, and determinations as the Commission may by law be authorized to make.

The appointment by the Chairman of the heads of major administrative units under the Commission shall be subject to the approval of the Commission.

There are reserved to the Commission its functions with respect to revising budget estimates and with respect to determining upon the distribution of appropriated funds according to major programs and purposes.

Legislation containing that language was passed by the Senate on June 28, 1977 (S. 1536).

"SUNSET" PROPOSALS FOR THE REGULATORY AGENCIES

Volume II of the committee's study on Congressional Oversight concluded that Congress does not provide sufficient oversight of the regulatory agencies on a regular basis. Very few Members or their staffs systematically review the agencies under their jurisdiction. Most oversight efforts are not initiated with regard to carefully considered sets of priorities, but rather in response to a newspaper article, a complaint from a constituent or special interest group, or information from a disgruntled agency employee. The study concluded that some form of systematic oversight by Congress should be instituted. Specifically the study recommended that in order to enhance systematic congressional review of regulatory agencies, Congress should require that all regulatory agencies be made subject to a periodic authorization process. To some extent, this has been accomplished, with respect to certain regulatory commissions by the Interim Regulatory Reform Acts referred to previously.

The study also recommended that Congress insure that indepth review of the agencies be undertaken periodically and that agencies with similar functions should be reviewed in the same years. The essence of the "sunset" concept is to place a time limit on the existence of Federal agencies and programs and to require rigorous reviews before reauthorization of similar programs.

Two bills before the Committee on Governmental Affairs are translating these concepts into legislation. On July 1, 1977, the committee reported S. 2, the Program Evaluation Act of 1977, which would require authorization of new budget authority for Government programs every 5 years and would provide for reviews of programs Exempted from the coverage of S. 2, and dealt with separately in S. 600, are the independent regulatory commissions and agencies of the executive departments having regulatory functions. The committee was of the view that regulatory agencies and programs are sufficiently different from other Government programs that separate treatment was warranted. S. 600, the Regulatory Reform Act of 1977, which is before the committee's Subcommittee on Intergovernmental Relations, provides a different approach for regulatory agencies. The bill undertakes to reform the Federal regulatory agencies by imposing a discipline on the Congress and the President to insure that regulatory policies are reviewed periodically in a comprehensive way.

CONCURRENT TRANSMISSION OF BUDGET AND LEGISLATIVE PROPOSALS

The committee's study of congressional oversight considered the issue of executive branch control of information to Congress from the independent regulatory agencies. At present the independent commissions must first submit their budget and legislative proposals to Congress through the Office of Management and Budget. The OMB usually prunes the budget requests before they are submitted to Congress by the President. Congress does not see the original agency request, but only the amended and usually reduced OMB version. Very often a further reduction occurs in Congress, thus allocating to the agencies an amount significantly less than that originally requested.

The same process occurs with legislative recommendations, with a similar result. Congress does not receive from the independent regulatory commissions an uncensored view of their legislative needs and comments.

The committee's study concluded that Congress should have the information, on budgets and legislative recommendations, directly from the agencies.

Section 401 of the Department of Energy Act, enacted and signed into law by the President on August 4, 1977, provides that legislative comments and budgetary requests of the Federal Energy Regulatory Commission will be transmitted to Congress directly. A similar requirement has also been included in the Interm Regulatory Reform Acts of 1977 for the CAB, ICC, FCC, FMC, FPC, and FTC (S. 1532, 1533, 1535, 1536, 1537).

CONSUMER PROTECTION AGENCY—INCREASING CITIZEN PARTICIPATION

The oft-repeated criticism that regulatory agencies are overly responsive to the industries they regulate was examined in volume III of the committee's study, public participation in regulatory agency proceedings. In spite of legislative mandates to regulate in "the public interest," it was found that agencies often lose their perspective because the information they receive comes predominantly from the interests they regulate. It appears that the remedy to this imbalance lies in providing new sources of information. The report considered various proposals to redress this imbalance. Chief among them was the creation of a new independent agency, with authority to advocate consumer interests before administrative agencies and courts and administrative agencies. In his consumer message in April of this year, President Carter indicated his support of the CPA.

In its various forms, a proposal for a single agency to represent consumer interests has been pending before Congress since 1965. The committee's study supported creation of an independent nonregulatory agency with authority to advocate consumer interests before administrative agencies and the courts. The committee concluded that there currently is a serious underrepresentation of consumer interests in regulatory proceedings, and that the proposed consumer agency would be one of the major remedies for that underrepresentation.

The agency would not hold a monopoly on the public interest, nor would it be a "czar" dictating policy to the regulatory agencies. Rather, it would be a valuable advocate of consumer interests and would supplement the efforts of the private consumer groups and enhance the ability of the regulatory agencies to regulate in the public interest.

The committee study recommended the creation of an independent, nonregulatory, consumer agency that would: First, have full intervention and participation rights to advocate consumer interests before the Federal agencies, and the Federal courts; second, undertake studies and disseminate information of importance to consumers; third, serve as a consumer complaint clearinghouse; fourth, possess authority to obtain information needed to carry out its functions; and—59 have adequate funding to assume these responsibilities.

The Consumer Protection Act of 1977 (S. 1262), which embodies those recommendations, was favorably reported by the committee on May 10, 1977, by a vote of 13 to 2. It is presently awaiting action by the Senate. A similar proposal has been reported in the House, and is also pending.

Mr. President, I believe thus far this is a very creditable record of implementation. It is a record which demonstrates the unique potential of a study conducted by a committee of Congress: It is more than an academic exercise, because the committee has the opportunity to propose and support enactment of what is recommended. I am optimistic that the recommendations, which have been already the subject of legislative action, will be enacted into law this year. I also look forward to action on other proposals both from the studies already published and those that will appear shortly. With those results the committee's studies will not gather dust on shelves, but will instead have a decided impact on the proper functioning of the Federal regulatory process. In my opinion, it was with that objective in mind that the Senate authorized this endeavor back in July 1975.

CHANGES IN PAY AND BENEFITS OF MEMBERS OF THE ARMED FORCES

Mr. GOLDWATER. Mr. President, at a recent hearing before the Armed Services Committee on the issue of military unionization, Vice Adm. James D. Watkins, Chief of Naval Personnel, provided a list of pay and benefits changes impacting on service members, retirees, and dependents since 1972. The list consisted of changes that impacted both favorably and unfavorably on service members as well as changes under active consideration which would further unfavorably impact on service members.

I bring this matter to my colleagues' attention because our committee just reported a bill to prohibit unionization of the military. While I feel that such a bill is necessary and urge its support and passage, a quick glance at Admiral Watkin's list of benefit changes indicates to me that Congress must also share in the responsibility for any feeling within the military that benefits are eroding and that, therefore, a union might be desirable. It is up to Congress, as well as the Department of Defense, to insure that our servicemen and women do feel Congress does care about them and is looking out for their interests.

Mr. President, let us pass the bill to prohibit unions, but after we have done that, let us not allow further erosion of service benefits. We must defeat any such future proposals if we are going to prohibit servicemen and women from belonging to a union that supposedly would represent their interests in this area. We are, in effect, saying that Congress can, in large measure, perform this function. We must not let our servicemen and women down.

Mr. President, I ask unanimous consent that the list provided by Admiral Watkins and referred to above be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LISTING OF PAY AND BENEFIT CHANGES IMPACTING ON SERVICE MEMBERS, RETIREES, AND DEPENDENTS SINCE 1972

(By Vice Adm. James D. Watkins, Chief of Naval Personnel, before the Committee on Armed Services on Unionization of Military Personnel, July 18, 1977)

SECTION 1. CHANGES THAT FAVORABLY IMPACTED ON SERVICEMEMBERS, RETIREES AND DEPENDENTS

17 items

Item, action, date, and comment:

1. Servicemen's Group Life Insurance. Increased face amount from $15,000 to $20,000. May 74. Brought coverage more in line with amounts carried by American families and comparable to what is offered to Federal Government employees.

2. Selective Reup Bonus. Reenlistment bonus for selected MOS ($12,000 max). June 74. Improves retention, provides monetary incentive.

3. PCS Mileage Allowance. Increased from: $.06 to .08 per mile, July 74; $.08 to .10 per mile, October 76. Partial compensation for travel costs.

4. Dependent Travel Entitlements. Travel of dependents and movement of household goods authorized for E–4 with over two years of service. January 74. Morale and retention. Defrays costs of moving dependents.

5. Travel Allowance. Raised rate to 15.5c a mile for use of privately owned vehicle for local travel in conjunction with government business. October 76. Compensation for travel costs.

6. Per Diem Rates for TDY. Rates increased from $25 to $35 per day (DOD ceiling of $33 until October 76). June 76 (one year after rates increased for civilians). Aligned with civilian rates. Service member adequately reimbursed for expenses while on TDY.

7. Do-it-Yourself Move. Service member authorized to move himself. June 76. Service member reimbursed 75% of what it would have cost government to move household goods by Government Bill of Lading.

8. Income Tax Exemption on Moving Expenses. Excludes inclusion in gross income any amount received or accrued for moving which is attributable to requirements of military service. January 77. Service member not required to pay tax for something over which he has no control (moves).

9. Veterans' Education Assistance Program (VEAP). Enacted as alternate to GI Bill. Service member contributes $50–75 per month; VA matches $2 for $1. ($8100 max). January 77. Possible enlistment incentive. Service member's contributions refunded if not used. (See loss of fully funded GI Bill.)

10. Military Retired Pay Inversion. Corrective legislation enacted for retirees. October 75. Protects active duty service members from loss of retired pay for continuing on active duty. Increased motivation to continue serving.

11. Changes in Survivor Benefit. Terminated irrevocable contribution when no longer any beneficiary. Reduced new spouse coverage wait, increased minimum income provision. October 76. Favorable financial impact on certain retirees and survivors.

12. Armed Forces Health Professions Scholarships. Continues income tax relief for tax years 1977, 1978, 1979 for scholarship recipients who entered program prior to 1 Jan. 77. October 76. Favorable monetary impact on recipients who entered program prior to 1 Jan. 77.

13. Reserve Participation in Individual Retirement Account. Tax Reform Act provides that Reserve Component members may participate in IRA unless the member is on active duty for over 90 days during a tax year. October 76. Tax relief for members of the Reserve who desire to participate in IRA.

14. Restoration of Pay Group P. Congress restored funding to allow payment for up to 24 drills prior to basic training for high school seniors (within 90 days of graduation) and high school graduates who enlist in a Reserve Component. FY 76 and FY 77. Allows these service members to attend drills and be paid prior to undergoing BCT/AIT.

15. Dependency and Indemnity Compensation (DIC). Legislation was passed to increase DIC payments to widows and children by 8%. Also increased aid and attendance payments to $78 per month. October 76. Favorable monetary impact on recipient.

16. VA Pension Rates and Allow. Payment rates were increased by 7%. New income limits depend upon whether the pensioner is a widow or child. January 77. Favorable monetary impact on recipient.

17. VA Educational Benefits. Increased payment for widows and surviving children who are full time students from $270 to $292 per month. Raised the period of entitlement from 36 to 45 school months. October 76. Favorable monetary impact on recipient.

SECTION 2. CHANGES THAT UNFAVORABLY IMPACTED ON SERVICEMEMBERS, RETIREES AND DEPENDENTS

21 items

Item, action, date, and comment:

1. Enlisted Undergraduate Degree. Funds eliminated. FY 75. Must obtain college education on off-duty time.

2. Uniformed Services Savings Deposit Program. Fund eliminated. June 74. Savings program which paid 10% interest for service members stationed outside CONUS.

3. Enlisted Undergraduate Fully Funded Program. Funds eliminated. January 76. Enlisted personnel were authorized up to two years to obtain Associate or Baccalaureate degree in discipline related to their military skill.

4. No BAQ/BAS for Accrued Leave Payments. No payment of BAQ/BAS for leave accrued after 31 Aug. 76. September 76. Monetary and morale impact.

5. Taxation Exemption for Disability Retirement. Enactment of law limiting tax exemption to disability resulting from combat type injuries. October 76. Applies to those who enter on active duty after September 75. Monetary loss.

6. CHAMPUS. PL 94-212 eliminated funds for: special education, learning disability, certain sex therapy, certain cosmetic surgery, services and supplies not medically necessary. Established 40-mile rule. February 76. Shifted burden of cost to beneficiary.

7. Superior Performance Pay. Terminated $50 per month awarded on competitive basis to top 20% in combat skills and top 10% in combat support skills. January 75. Loss of $50 per month and incentive to study to obtain scores which would qualify for this pay.

8. Reallocation of Pay Increase. Reallocate up to 25% of basic pay raise. October 1976. Reduce take home pay for families occupying government quarters; reduces retired pay for future retirees; reduced reserve drill pay relative to active duty members.

9. Fully Funded GI Bill. Eliminated by law for those entering active duty after 31 Dec. 76. October 1976. Replaced with contributory program. Those currently authorized must use benefit within 10 years from separation but not later than 31 Dec. 89.

10. Predischarge Education Program (PREP). Eliminated by law. October 1976. Terminated high school instruction for non-high school graduates and remedial/refresher education needed to enter college or vocational studies. Replaced with program which can only be used during last six months of initial enlistment.

11. Lump Sum Reup Bonus. Eliminated lump sum payments. December 1974. Loss in actual purchasing power of the bonus. Example: $5000 bonus paid via five equal installments—the purchasing power drops to $4500 assuming a 5% rate of inflation. Morale and reenlistment impact.

12. Regular Reup Bonus. Eliminated reup bonus designed to provide everyone with a maximum $2000 within a 20-year career. June 1974 (to be phased out thru May 1977). Loss of monetary incentive to reenlist except service members holding certain shortage skills who receive selective reup bonus.

13. Appropriated Fund Support for Morale, Welfare and Recreation Activities. Appropriated fund support did not keep pace with cost of living. 1974. Service members now contribute 45% of recreation services cost thru their PX purchases and fees and charges. (Prior to 1974 most activities were free.)

14. Medical Care for Retirees and Dependents. Reduced authorization of medical officers plus failure to procure and retain sufficient physicians. Decreased services available to other than active duty personnel. Health care services being curtailed due to manpower reductions and temporary shortages of active duty physicians forcing beneficiaries to CHAMPUS.

15. CHAMPUS. 24 restrictive changes resulting in loss or reduction of health care coverage. New regulation. July 1974 to present July 1977. Increased financial burden, inconvenience, creates disproportionate and service members serving away from military installations; i.e., ROTC, Recruiting, Reserve and National Guard duty.

16. Elimination of Some Military Post Offices. Military post offices collocated with US Postal Service Offices closed. TBA. Loss of PAL and SAM parcel post rates.

17. Vending Machine Revenue. Income from on-post vending machines, except in PX, will be turned over to the states for the visually handicapped, retroactive to 1 Jan. 75. March 1977. Reduce funds for Morale, Welfare and Recreation activities resulting in increased user charges.

18. COLA in Hawaii and Alaska. COLA rates decreased or eliminated for employees who occupy government housing and/or have commissary/exchange privileges. Decmber 1976. Dependents of service members and retirees losing benefit, entitled by law, because they work for Federal Government.

19. Taxation of Health Professions Scholarships. Students entering January 77 or later required to pay federal and state income tax on value of scholarship. January 77. Monetary.

20. Shortage Specialty Pro Pay. Terminated this pay for personnel in MOS experiencing career manning shortages. June 75. Monetary and morale.

21. Commissary Surcharge. Increased from 3% in CONUS and 2½% overseas to 4% worldwide to offset reductions in MILCON. February 76. Increased food costs in commissaries.

SECTION 3. CHANGES UNDER ACTIVE CONSIDERATION WHICH WOULD UNFAVORABLY IMPACT ON SERVICEMEMBERS, RETIREES AND DEPENDENTS

15 items

Item, action, status, and comment:

1. Overseas Transportation of Military Exchange Cargo. Eliminate appropriated funds for transportation. Considered by Congress for FY 77 but not terminated. SAC. eliminated funds in FY 78 budget. Awaiting floor action. Cost to service members $45 or $155 annually, depending on whether price increases necessitated by loss of appropriated funds are spread world-wide or overseas only.

2. Fair Market Rental. Require service member to pay a fair market rental price for government housing instead of just forfeiting BAQ. Under active consideration at OMB/OSD. Increased cost for service members occupying government family housing. Exact increase will depend upon location, size of housing, etc. May drive military off-post to buy house/build equity. Degrade unit esprit military as a way of life.

3. Reallocation of Future Pay Raises. Reallocate up to 25% of 1977 basic pay raise to BAQ/BAS. Decision on 1977 reallocation will be made by President Carter in August. Compounds adverse impact of reallocation on future retirees and Reserve Component pay.

4. Cadet Pay. Reduce academies cadet pay and ROTC summer camp pay to $313.20/mo. Contained in Administration proposed legislative program for 95th Congress. Save pay clause will freeze academies cadet pay at $345/mo until approx 1980. ROTC rate effective for 1978 summer camp.

5. Appropriated Fund Support for MWR. Reduce appropriated fund support for morale, welfare and recreation activities. SAC FY78 action to eliminate 14,000 MWR billets. Substitute NAF civilians. Awaiting floor action. Increased user charges and/or closure of certain activities.

6. Rental Fees for On-Post Trailer Spaces. Charge prevailing local rates for on-post trailer spaces. DOD ruled OMB Circular A-45 applies (charge FMR). Service member will pay up to $100 plus utilities. Possible increase in number of service members eligible for food stamps. Government service members makes monetary profit off of service members.

7. Maximum Allowable Housing Cost (MAHC). MAHC raised from 25% to 30% of Regular Military Compensation. Appeal rejected by OSD. Drastically reduce CONUS family housing leasing authority. Adverse impact on total family housing program.

8. Commissary Baggers. Termination of use of individuals who bag groceries in commissaries for tips only. OSD has appealed to Department of Justice. 2% increase in surcharge for commissary patrons; loss of opportunity for military dependents to earn money when school is not in season.

9. VA Home Loan. VA home loan program to be terminated for service members entering active duty on or after 1 Oct 1977. All Services nonconcurred in proposed legislation. Proposed legislation has not been sent to Congress as yet. Terminate VA loan guarantee for a home, condominiums, mobile home for future service members.

10. Reductions in Military Non-disability Retirement System. Several proposals to significantly reduce military retirement have been made. Proposals will be examined by Blue Ribbon Panel. Congressman Aspin may introduce proposed legislation. Severe adverse financial impact on future retirees.

11. Military Overseas Dependent Employment Policy. Terminate overseas emloyment preference for military dependents. CSC decision expected by 31 July 1977. Loss of job opportunity for spouses that have to work to supplement family income. Severest impact on junior enlisted personnel.

12. Military Leave for Reserve Component Personnel. Payment of civilian pay would be provided Federal employees only to extent necessary to assure no loss of take-home pay while on active duty for training. Contained in Administration proposed legislative program for 95th Congress. Loss of up to 100% of civilian pay for Federal employees while on Reserve Component Active Duty for Training.

13. Contributary Health Care. Member pay a monthly charge for medical care provided. Legislation introduced 94th Congress. Monetary.

14. Commissary Subsidy. SAC FY-78 action. Phase out subsidy over 3 year period.

Is third consecutive year for this initiative. Awaiting Senate Floor Action. Monetary.

15. Military "Double-Dipping." SAC & HAC Committee FY–78 reports prohibited future retirees from collecting retired pay while employed by Federal Government. (SAC limited to annuities over $6,000 p/year). House deleted during floor debate; awaiting Senate floor action. Monetary.

APPROVAL OF THE ACCEPTANCE OF FOREIGN EDUCATIONAL TRAVEL

Mr. STEVENSON. Mr. President, as required by rule 43, paragraph 4(b), I give notice that the Select Committee on Ethics approved the following staff acceptance of foreign educational travel at its meeting of August 4, 1977:

A Senator requested approval for the acceptance of foreign educational travel by a staff person under his supervision pursuant to the invitation of the III American-German Youth Conference jointly sponsored by the American Council on Germany, 680 Fifth Avenue, New York, N.Y., and the Atlantik Bruecke, of Berlin, West Germany, dated April 28, 1977, and the requirements of rule 43, paragraph 4(a) on gifts.

The responsible officer of the Department of State reports that the Atlantik Bruecke—Atlantic Bridge—which is to provide hotel accommodations and support services in Germany, is financed in some part by funds of the West German Government and that employee acceptance of assistance to participate in this conference specifically is approved by the Secretary of State for purposes of section 108A of the Mutual Educational and Cultural Exchange Act of 1961, as amended.

The program in which Senate staff is invited to participate is scheduled for August 14 to 18, 1977, and will deal with political, economic, and social questions of interest to the United States and Germany. The American Council on Germany will pay the necessary expenses of travel to and from Berlin. The employee works on defense and foreign affairs issues for the supervising Senator.

In accord with rule 43, paragraph 4 (a): First, the committee is informed that this program's principal objective is educational; it is sponsored in part by a foreign educational organization supported in part by foreign government funds; participation apparently is not in violation of any law and is specifically approved by the Secretary of State for purposes of section 108A of the Mutual Educational and Cultural Exchange Act of 1961, as amended; and second, the committee, therefore, finds that participation by the following Senate employee is in the interest of the Senate and the United States: Mr. Mark Bisnow, Office of Senator H. John Heinz III.

STATE OF ALASKA BACKS THE ALL-AMERICAN GASLINE ROUTE

Mr. STEVENS. Mr. President, the State of Alaska is solidly behind the all-American trans-Alaska natural gas transportation project proposed by the El Paso Alaska Co. The reasons for that support are summarized in a recent statement by Lt. Gov. Lowell Thomas, Jr., before the California Energy Resources Conservation and Development Commission.

Thomas expresses the opinion shared by many in Alaska that the recommendations of the Federal Power Commission favoring a pipeline route through Canada were made "in a vacuum, ignoring political, international and specific environmental issues."

Alaska backs the trans-Alaska project because it means more jobs and income and will contribute significantly to the development of a stable economy for the State.

The national interest is also best served by the trans-Alaska route. This route can make Alaskan gas available to south 48 consumers 2 years or more sooner than the alternatives. That is because it simply would not be subject to the additional delays that a route through Canada would face—settling native claims, resolving environmental issues, judicial reviews, and so on. The all-American route would be subject only to the expedited procedures and limited judicial review established in the Alaska Natural Gas Transportation Act. And native claims in Alaska have already been resolved by the Alaska Native Claims Settlement Act.

The cost of service for the competing routes is about the same, assuming that they all could be built on schedule and at the cost estimated by the proponents. Any delays will increase the costs.

The State of Alaska proposes to reduce even further the cost of service for the El Paso route by providing loan guarantees. This would lower the costs to consumers by at least 3 to 5 percent. Alaska is putting its money where its mouth is.

Mr. President, the Lieutenant Governor's comments deserve to be read by all who are following the gasline decision. I ask unanimous consent to have them printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY LT. GOV. LOWELL THOMAS, JR.

Good morning, Mr. Chairman and members of the commission. I am Lieutenant Governor Lowell Thomas, Jr. of Alaska.

I appreciate the opportunity to present the official position of my State on this urgent matter.

In addition to my statement, I am submitting the written testimony of Ernst W. Mueller, commissioner of Alaska's Department of Environmental Conservation, and that of Charles A. Champion, pipeline coordinator for the State of Alaska. Both these officials have had much experience with construction of the Alyeska oil line and their testimony is especially significant.

What are the advantages to Alaska of the trans-Alaska route?

1. Environmental—minimum additional damage, no breeching of arctic wildlife range.

2. Best possibility for future in-state use of our 12 and ½% royalty gas including a petro-chemical industry at Tidewater—gas which we can take back, with sufficient notice.

3. Jobs for Alaskans—(any U.S. citizen who resides there for 30 days with intent to stay).

4. Greater income to Alaska—Income taxes, ad valorem taxes, etc.

The Hammond administration supports the proposal advanced by El Paso. What company, or companies, construct the system, is beside the point. However, we were happy when El Paso came along!

On May 2, the Federal Power Commission advised the President that all three projects are economically viable. As you know, the Commission favored an overland pipeline system through Canada. In my opinion, that judgment was made somewhat in a vacuum, ignoring political, international and specific environmental issues. My testimony covers those broader areas—construction risks and implementation, environment, resources and financing.

The State of Alaska and nearly all of its citizens believe that the trans-Alaska, all-American route offers the earliest, most reliable delivery of Prudhoe Bay's 26 trillion cubic feet of natural gas (1/10th of the Nation's known reserves), with another 5 TCF proven nearby and more certain to be found off shore.

Alaska's Governor, Jay Hammond, appointed a gas pipeline task force several years ago consisting of cabinet-level officials. We have studied and restudied the proposals and testimony of all three applicants, evaluated reports and studies prepared by others, and conducted studies of our own. These investigations form the basis for the State's position.

We disagree vigorously with the initial decision rendered by the administrative law judge of the Federal Power Commission which the Commission apparently largely endorsed on May 2. Our lawyers filed strong exceptions to it in March. Within my testimony I will stress some of the fundamental errors we believe the Judge and the Commission made in reaching their conclusions favoring a trans-Canadian gas pipeline.

Any delay in bringing Alaska's gas to market will increase hardships throughout the country and escalate costs to the consumer. In Washington, D.C. last January, El Paso Gas announced that it could "bring much-needed natural gas to Midwest markets 1 and ½ to 2 years sooner than its competitors." We believe that statement is not only accurate, but even conservative; because, to begin with:

Support facilities costing $1 billion on the proposed trans-Alaska route are already completed.—The El Paso project which parallels the now-completed Alyeska oil line, will utilize the same haul roads, work pads, campsites, air strips, bridges and communications facilities. This alone means a 1 and ½ year head start over the 4,500 mile arctic gas proposal which would have to build its facilities from scratch, using risky construction techniques that require snow roads and snow work pads.

Regarding those risky techniques—

During periods of extreme cold, the operation of heavy equipment becomes increasingly difficult. Ordinary hydraulic fluid becomes very viscous, and special fluids are needed. Metal becomes brittle, and the shearing of bolts and breaking of axles are commonplace. Tires and electric cord insulation lose their elasticity, crack and shatter. Preventive maintenance tends to diminish because of the difficulty of working in a cold, dark environment, and consequently more time must be spent on repairs. Then there is the difficulty of making in-field repairs because of the impact of weather and darkness on logistics. Alyeska's experience on the oil pipeline has shown us all this.

Furthermore, when all construction activities for a given segment of pipe-laying work are planned in a sequential fashion and are planned to be completed in one construc-

tion season, there is very little opportunity to make up for lost time. If any delay occurs, it cannot be made up in the project schedule. The delay of construction for an entire season is possible. Exclusive utilization of snow roads or work pads may require that a good deal of the winter season be spent just in building and maintaining them, significantly slowing the laying of pipe. The dependence on unpredictable weather introduces a degree of uncertainty and makes the exclusive use of snow roads highly questionable. The F.P.C. seems to have paid little attention to the testimony of numerous persons experienced in arctic construction, including construction of the Alyeska oil pipeline, that the Arctic Gas project will not be able to meet its construction deadline. Arctic Gas's plan to construct from snow roads has been extensively reviewed by State personnel who are thoroughly familiar with all aspects of construction on the North Slope. It is their unanimous conclusion that the plan will not work. Other experts share this view; and failure to meet the proposed timetable inevitably means at least a year's delay, which in turn means an additional billion dollars of added cost to the American consumer. On the oil line—worker efficiency and morale fell off so greatly in the dead of winter that the Alyeska Pipeline Company found it wise to lay off its workforce for more than a month.

The United States Department of Transportation offered several comments to the Federal Power Commission relative to pipeline safety, namely that:

"The proposed pressure of 1680 PSIG (pounds/square inch at gauge), for a 48-inch line is above that pressure proven for large diameter pipelines, operation at 1680 PSIG pressure and subfreezing temperatures presents possibilities for significant fracture propagation . . . in order to compensate for these unknowns, Arctic Gas is proposing to install crack arrestors, which have not been proven by experience or testing.

"Although the crack arrestors are designed to prevent a failure leading to a propagating crack, it appears that they may induce stress concentration and corrosion possibilities on the line that could cause a failure."

So says the DOT, which also questioned the feasibility of snow roads.

The Department of Interior in a report to Congress in December, 1975, analyzed construction risks and uncertainties. The report showed that the trans-Canadian system (Arctic Gas) would have twice the potential for schedule slip and cost overrun as would the trans-Alaska system. A schedule slippage of 12 to 36 months and a cost overrun from $1 billion to $3 billion was forecast for the trans-Canadian route, and without even considering Canadian political delay factors.

As for the timing of these projects, the El Paso system is the only proposal that would guarantee American control over the timing of the transportation of natural gas reserves in Alaska. The trans-Alaska system would be built, operated and expanded in accordance with U.S. requirements alone. Canada's National Energy Board is now deliberating on the competing applications of Arctic Gas, Alcan and the all-Canadian "maple leaf project." A decision may be available by late June or mid July. However, that decision will not become effective unless adopted by the Cabinet. We should also keep in mind that even were the Arctic Gas proposal to be approved, or the Alcan, that decision could be subject to review by the Canadian courts.

We Alaskans sense a growing nationalism in Canada focusing on energy self-reliance. With a trans-Canada line, there would be no guarantee for any future expansion and, in addition, a line through Canada must contend with each province's powers of taxation, the limits of which are unknown at present. Add to this the need for establishment of a special protocol beyond any treaty agreements, the need for financing of any trans-Canada line with Federal Government guarantees (both by Canada and the U.S.), the fact that Canada has no gas shortage now and probably will not experience one until the 1990's and, therefore, has no reason to expedite the gas line project, and you can see that selection of any trans-Canada route runs the risks of unacceptable delay and cost overruns.

But paramount among Canadian issues that will delay any trans-Canada pipeline are the unresolved native land claims. It seems certain that they must be settled both in the Northwest territories and in the Yukon before any construction can start.

We in Alaska have had much experience with native claims. It took us five years to settle the claims of our native peoples, finally by an act of Congress, and it is likely to take as long in Canada where the process has only just begun. In fact, the Berger Report, with which you are familiar recommends that no pipeline be built in the Canadian Northwest until the claims have been settled and a period of ten years has elapsed; and that there never be any pipelines across the Northern Yukon. As for the lower Yukon, Commissioner Art Pearson, has said that claims must first be settled there, too—this he personally told Governor Hammond and me only a few months ago. (Canada's Minister of Indian Affairs and Northern Development, Warren Allmand, just with us in Juneau on June 3, appeared very sensitive to Berger's recommendations; sympathetic I would say).

Daniel Johnson, chairman of the Council for Yukon Indians, appearing before the U.S. House Subcommittee on Indian Affairs and Public Lands on March 17, stated that, "in the southern Yukon (where the Alcan line would cross), we are opposed to pipeline construction until there has been a land claims settlement which has been implemented." Mr. Johnson further stated that Indians are prepared to take court action to stop construction of a natural gas pipeline down the Alaska highway. And they refuse to negotiate with Ottawa over their land claims until a study of social impacts has been completed by the new Lysyk Commission. Some Indian groups have stated that they might wage guerrilla warfare if native claims are not settled prior to pipeline construction.

Just last month, the Governors of 13 western States decided it was too risky piping Alaska oil through Canada to the Midwest. Instead, they adopted a resolution calling for shipment of any Alaskan crude that might be surplus someday to west coast needs—via an all-American pipeline from Washington State across the northern-tier States. Both the Governors of Montana and Washington spoke of past treaty agreements broken by the Canadians. Montana's Governor used the word "shafted". Those same concerns and uncertainties must apply equally to the shipment of natural gas.

As for the all-American route, the Federal Power Commission found that the El Paso project has a "viable plan which technically can be built in an environmentally sound manner and which can deliver natural gas to all U.S. markets".

During last winter's gas crisis, actions taken under the emergency Natural Gas Act redistributing supplies from the west to the east and midwest, demonstrated that viability.

The basic conclusion of Alaska's gas pipeline task force was that from an environmental aspect, the Arctic Gas project is unacceptable, requiring all new construction as it traverses previously undisturbed terrain both in Alaska and Canada. Our conclusion is primarily based on the fact that Arctic Gas would cross the Arctic National Wildlife range. This 9 million acre range in the northeast of the State possesses a spectacular combination of Flora and Fauna, and is the best remaining example of an Eco-system that runs from the Brooks range to the Arctic shore. It is an area which supports a rich abundance of waterfowl and wildlife.

Some 139 species of birds from 31 families have been reported in the MacKenzie Delta. The Arctic National Wildlife Range is an important denning area for polar bears and the MacKenzie Estuary is reportedly an important calving ground for Beluga whales. It is the calving ground of one of the world's major caribou herds—a calving ground which the Arctic gas line would cut in two. The wildlife range is also the only portion of the Arctic coast in America not already committed to mineral exploration and development. I am certain you will hear much testimony concerning the wildlife range, and that is as it should be. We were interested in Justice Berger's recommendation that a wilderness park be created next door in the Northern Yukon, and hope it will be.

There is little doubt that pipeline construction, operation and maintenance, has the strong potential to have long-term detrimental effects on the north slope, and the Arctic National Wildlife Range-MacKenzie Delta areas. We do not believe that the FPC gave adequate consideration to the basic environmental issue posed by the Arctic Gas project. That issue: should a gas pipeline be built through the Arctic National Wildlife Range when other reasonable and acceptable alternatives exist? The FPC recommendation to the President fails to recognize that regardless of the care exercised during construction, construction and operation of the Arctic gas pipeline will substantially alter the basic character of the range as a wilderness area. The FPC recommendation also fails to recognize that the Arctic gas pipeline will be the "foot-in-the-door" for oil and gas exploration of the wildlife range.

Governor Hammond, in testimony before the FPC, noted that someday our Nation may need the oil and gas resources in the Wildlife Range, if there are any, even more than we need its wilderness value. But he also noted that that decision need not be made now, and we believe it would be unwise to take action which would hasten such a difficult decision. As Mr. Robert Leresche, one of Alaska's foremost wildlife biologists, now commissioner of our Department of Natural Resources, has said, this is "one of a kind, essentially one of the crown jewels of the wildlife refuge system." I urge you to read his statement here of caribou vulnerability.

"My observations on the calving grounds over several seasons lead me to believe that this impact would be both negative and significant. Caribou are most vulnerable to disturbances during late winter and early spring, including the calving period. Significant activity, either construction, revegetation, erosion control, or routine surveillance of a completed 'on line' gasline, would probably have the effect of displacing these caribou away from the calving grounds, that provide the foundation and the continuity for the continuing existence of populations. I believe that other impacts on caribou of a totally buried gas pipeline would be insignificant by comparison to the impacts to be expected on the calving grounds. Unfortunately, the calving grounds are the most important habitat for the healthy existence of caribou populations," so says one of Alaska's top game biologists.

The Arctic Gas project is a classic demonstration of the relationship between other aspects of this problem—like construction schedules—to environmental considerations. As previously stated, it is the State's firm belief that if Arctic Gas is permitted to proceed, their construction schedules are going to be thrown severely awry. What will happen then? What will happen to Arctic Gas's plan to minimize environmental damage in the arctic wildlife range if the project falls a year or so behind schedule and the costs mount geometrically? What if the Nation goes through another winter like the last, where the pressure to produce this gas in the Midwest becomes enormous? The State believes that if that happens, all the environmental planning will be out the window, and we would anticipate an "anything goes" attitude to get the line done. The same people who find our national interest lands so attractive today may find our natural gas more attractive tomorrow. The Arctic Gas project will make that development inevitable and signals the ultimate destruction of the range. And that's why every single environmental group in the country—and in Canada—joins with the State in opposing this route. To insure environmental control, there has to be a plan of construction that will minimize environmental damage and, equally important, a construction schedule that is realistic. Arctic Gas's plans are neither.

There's an added risk involved in denial of permanent access to the gasline, whereas Alcan and El Paso would have year-round access which would enable them to respond more effectively should emergency repairs be required during the life of the pipeline. Further, such repairs could be completed at minimal environmental expense, compared to the development of an emergency overland transportation route, as may be required by Arctic Gas.

Under the Arctic Gas proposal, several problems relative to erosion control and river crossings need to be resolved, according to Mr. Champion, Alaska's pipeline coordinator, and I refer you to his written testimony.

Alaska's commissioner of environmental conservation, Ernst Mueller indicates that another problem particularly troublesome with the Arctic Gas proposal is the projected use of methanol-water solution for the hydrotesting of the pipeline. We are strongly opposed to this use of a methanol mixture, and would probably not issue permits for its disposal in Alaska. Please refer to Commissioner Mueller's statement.

In contrast to the Arctic Gas proposal the El Paso and Alcan projects would make use of the established oil pipeline corridor, one more than the other. This has many advantages, not the least of which are a centralization of pipeline impacts and the opportunity to make use of a vast amount of experience and data developed during construction of the oil pipeline. It is clearly feasible, as many knowledgeable experts have testified, to build a gas pipeline in the same corridor as the oil pipeline.

That U.S. Department of Transportation, report earlier referred to also strongly endorsed use of the existing corridor.

Another issue involves the El Paso project's shipment of liquefied natural gas (LNG) from Alaska to California in specially constructed LNG carriers. The U.S. Coast Guard has concluded that LNG shipment is among the safest seagoing operations carried on today. LNG is not classified as a hazardous pollutant or explosive by either the Environmental Protection Agency or the U.S. Coast Guard. Admiral John B. Hayes, Coast Guard commandant for Alaska has stated, "LNG has been in world-wide commerce for 10 years without a significant accident—approximately 1,900 shipments world-wide took place during this period."—The record speaks for itself.

The Office of Pipeline Safety Operations (OPSO) which is under the U.S. Department of Transportation believes that a low risk level for the proposed LNG facilities can be achieved by appropriate siting, design, and testing.

An article in the April 1977 issue of "Scientific American" gives an excellent history and analysis of "the importation of liquefied natural gas". In their concluding remarks, the authors cite the following example:

"The risk associated with the proposed importation of liquefied natural gas to Staten Island is estimated to be about one fatality every 10 million years for people living or working along the approach route to the harbor. That level of risk is about 10 times less than the risk of dying from a fire at home and about the same as the risk of being struck by lightning."

Alaskans were pleased to hear that Governor Brown has given the go-ahead for siting an LNG regasification plant. Hopefully, that plant, or plants, will be capable of handling Alaskan gas as well as that from Indonesia.

Between El Paso and Alcan—it is difficult to decide strictly on environmental grounds. Both employ the corridor concept, at least within Alaska. But we don't know the details of Alcan's requirements for a workpad adjacent to the highway, for extraction of gravel, for work camps and other facilities—not only in eastern Alaska, but in the Yukon and beyond. Good and bad can be said about each route from an environmental viewpoint. For example, the FPC recommendation to the President noted the final word was not in yet on El Paso's plan for discharge of the LNG plant's waste heat. The State recognizes this, and I believe, so does El Paso, but the necessary baseline studies can be performed and we shall see they will be performed to make certain that the method ultimately employed does not impose unacceptable impacts on the environment. There is the distinct possibility of actually making beneficial use of the discharge of warm water by using it in a fish hatcheries program.

Seismic risk has been raised regarding an LNG plant at Point Gravina. I would only say that if the Valdez oil facilities can be designed to withstand 8+ Richter scale quakes, so can they be with the liquefaction plant.

In summarizing our environmental concerns, it is our conclusion that Arctic Gas is unacceptable because it crosses the Arctic national wildlife range, El Paso would cause the least damage, with Alcan probably close behind.

Turning now to Alaska's potential for additional gas supplies—exploration programs are currently underway in various areas. Right now our proven gas reserves on the North Slope, including the immediate area surrounding Prudhoe, are 31 trillion cubic feet with an additional 2.5 trillion cubic feet on the remainder of North Slope State land. No doubt other preserves will be discovered and proven in the Beaufort Sea as well.

Regarding Navy PET No. 4, now under the Department of Interior, the most recent estimate by the Federal Energy Administration places its total oil reserves at 5 billion barrels, and gas reserves at 14.3 trillion cubic feet.

The El Paso route would be a logical choice for transportation of gas reserves from "PET 4", at the same time offering the best means of delivering any gas found in southern sectors of the state, and the strongest incentive to find that gas.

Another point to mention for the record concerns Alaska's royalty gas. We recently sold El Paso 25% of our royalty share of Prudhoe Bay gas. This could be as much as 832 billion cubic feet, but the contract will be effective only if the trans-Alaska, all-American route is approved. About 80% of this royalty gas will go to California alone—enough to heat an additional 160,000 or so homes per year, according to El Paso. The balance of our royalty gas will go to "Tenneco" and "Southern Natural Gas" under the same terms—only if the El Paso route is approved. If either trans-Canada route gets the nod, Alaska will keep its royalty gas for its own use, or enter into new sale contracts. We have no intention of switching our support. Turning now to financing—

On May 27, the Alaska State Legislature transmitted to the Governor a resolution relating to the study of State-facilitated financing of an all-Alaska gas pipeline. This resolution gives the directive, and the legislature appropriated the funds, for the State to study the means of guaranteeing bonds or debentures needed to construct the pipeline and/or LNG facility. I stress the word "means" for State backing is a certainty. Our department of revenue estimates that the average city gate price to consumers in the Lower 48 would be lowered by at least 3%–5% by this backing, and would overcome any price disadvantage the trans-Alaska route might otherwise have had.

Testimony before the Federal Power Commission established the fact that the El Paso project is financially sound. It has no need for either State or Federal financial support. On the other hand, both trans-Canadian projects would require Federal guarantees from the U.S. and Canada. And the U.S. Treasury Department has not been happy about that.

In addition to other written testimony which has been submitted, I am including a copy of a letter written by our commissioner of revenue, Sterling Gallagher, to Mr. John Batinovich of your California Public Utilities Commission. This letter outlines in more detail Alaska's proposed financing plan, and the role our new permanent fund might play in that plan.

Turning to economics.—Many more jobs for Americans will be generated with approval of the all-American pipeline route—22,000 jobs on the pipeline, in the shipyards and building other needed facilities. An independent study commissioned by El Paso conservatively estimates that some 765,000 man-years of work will be needed to put together the El Paso facilities and run them for the life of the project. This is three times as many U.S. jobs as afforded by the Trans-Canadian proposals! Also, almost all commodity needs and equipment will be supplied by U.S. sources, fabricated in U.S. yards and shipped to the construction site in U.S. transport units. The Trans-Alaska project would result in maximization of employment opportunities for Alaskans, Californians and Americans in general—a goal I find it hard to believe President Carter would ignore.

Besides jobs, the El Paso project will pay $7 billion more in U.S. taxes than either the Arctic or Alcan routes. Beyond that, the all-American route would create no adverse effects on the U.S. balance of payments situation, in contrast with Arctic gas' $10 billion negative effect.

With these economic facts in mind, it's no surprise that such organizations as the national organization of the associated general contractors, the AFL–CIO, Teamsters Union

and others are supporting the all-American project. Some 247,000 man-years of work, or almost one-third that for the entire project, will accrue to the Pacific region. California's share alone is estimated at just over 120,000 man-years.

In its comparative analysis of December 1975, the Department of Interior concluded that the net economic benefits to the Nation would be greater with the Trans-Alaska, All-American delivery system.

The Trans-Alaska pipeline project is striving to lessen the impact of your natural gas shortage in California. Since you would be the first State to receive Prudhoe Bay gas, transportation costs will be less and, therefore, gas should be cheaper to you than to the other States. That U.S. Department of Interior analysis of '75 figured transportation costs of $1.60/mcf to California via the El Paso system—in contrast to $1.74/mcf via Arctic gas. With Alaska's financial backing, El Paso's costs will be even less.

In its May 2 advisory to President Carter the FPC stated, "it is in the best interests of the citizens of the United States that a system be built in the near future to transport natural gas from the North Slope of Alaska to the contiguous United States."

Although the commissioners expressed the desire for an overland route, it was pointed out that, "in the absence of agreement with the Canadian Government, a United States pipeline can be built in Alaska and a tanker system can deliver the gas to the contiguous United States at an economical price."

In terms of earliest delivery, the El Paso proposal appears to be far ahead for the reasons already given.

I was delighted to note that the chairman of the California Commission for Economic Development, your Lieutenant Governor and my good friend, Mervyn M. Dymally, wrote President Carter on May 23, urging approval of the El Paso proposal. Alaska wholeheartedly concurs with Lieutenant Governor Dymally when he tells the President that:

"Careful study has convinced me that, from a technical and financial standpoint, the El Paso project is superior or a close competitor on every count to the Arctic Gas and Alcan proposals. It is in the area of employment for Americans that El Paso clearly stands out.

The selection of the best route for transportation of our vast natural gas reserves is indeed a difficult decision. The key considerations to consumers must be the beginning date of delivery, the reliability and certainty of a continuing supply, the price per mcf, general benefits to cur economy, and the route which will cause the least amount of damage to the environment.

Alaska firmly believes that it is in the best interest of our two States and of the entire Nation to place this vital energy lifeline completely under the American flag. Mr. Chairman, I hope that after these deliberations your commission, and Governor Brown will choose to express support for the trans-Alaska, all-American natural gas delivery system in Washington where the President and Congress soon must make a decision.

Thank you, Mr. Chairman and Commissioners. I'll be happy to answer any questions.

PEASE AFB CITED FOR SAC EXCELLENCE

Mr. McINTYRE. Mr. President, the Strategic Air Command's mission of strategic deterrence requires a high level of readiness. So it should come as no surprise that the men and women of the 509th Bomb Wing stationed at Pease Air Force Base are buzzing with excitement over SAC's recent ratings.

For the first time in the history of SAC all four maintenance squadrons in a bombardment wing were rated "excellent" by SAC's maintenance standardization evaluation team. In addition, the consolidated base personnel office at Pease was recently selected as the best CBPO in SAC and was named runner-up in Air Force wide competition.

I bring these ratings to the attention of the Senate to remind my colleagues that a strong national defense relies on more than weapons systems alone. Pride in a job well done is key to preparedness and at Pease Air Force Base the personnel are proud to be named the best in SAC.

These ratings are a tribute to the men and women at Pease and their commander, Col. Guy L. Hecker, Jr., and I ask unanimous consent to have two articles from Seacoast Flyer detailing the accomplishments of the 509th Bomb Wing printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

CBPO NAMED "BEST IN SAC"

The Consolidated Base Personnel Office here was recently selected as the best CBPO in Strategic Air Command and was named runner-up in Air Force-wide competition.

In a letter to Lt. Gen. James E. Hill, former commander of Eighth Air Force, Maj. Gen. Earl G. Peck, SAC deputy chief of staff for Personnel, said, "the sustained excellent performance in administering personnel programs by the personnel of the Pease CBPO exemplifies the value of both leadership and teamwork. You can be proud that the Pease CBPO has achieved this goal and be assured it is an example for the rest of the command."

General Hill, forwarding the Outstanding SAC CBPO Achievement Award to the commander, Col. Guy L. Hecker Jr., said, "Winning this award is a result of continuous hard teamwork, planning and professionalism on the part of your CBPO."

The trophy symbolic of the award was presented to Colonel Hecker by General Hill during a conference at Barksdale AFB, La. Colonel Hecker, in turn, presented the trophy to Maj. Neil R. Bearce, CBPO chief, during a ceremony here June 16.

Factors clinching the award for the base CBPO this year were the ratings given by various inspection teams throughout calendar year 1976.

The CBPO was rated "Excellent" following the 1976 Operational Readiness Inspection. Defense Nuclear Agency Inspection and 8th AF Human Reliability Program Inspection and was rated outstanding after the Commander's Annual Facility Inspection.

"It was primarily everyone's attention to detail and the cooperation between various sections that put it all together," pointed out CMSgt. Eugene C. Brown, Personnel Division sergeant major. "The coordination between sections and a lot of hard work, dedication and cooperation tied it up.

"This is the first time as far as I know of that Pease has earned this award, he continued. "And we've got a good start on winning it back-to-back. We've already had several evaluations and received excellent ratings," he said. "During the recent Personnel Management Improvement Team visit, 13 individuals were rated as 'Outstanding'; a rather considerable accomplishment," he added.

The PMIT is to CBPO as the Maintenance Standardization Evaluation Team (MSET) inspection is to maintenance or as the Combat Evaluation Group (CEVG) evaluation is to operations, Chief Brown explained.

"The real measure of our success, however, are the numerous individuals who either call us or write us a note or even drop by personally to thank us for the service they received," Chief Brown said. "That's when we know we're doing our job."

MSET RATES WING "EXCELLENT"

(By T. Sgt. George H. Roberts, Jr.)

Maintenance ships throughout the base are still buzzing with excitement one full week after the outbriefing of the Strategic Air Command's Maintenance Standardization Evaluation Team, whose summary of the wing was, "Excellent!"

The MSET arrived June 12 for its annual, week-long, no-notice evaluation of the 509th Bomb Wing's maintenance and transportation capabilities.

The visit, according to Col. Allen B. Peterson, deputy commander for maintenance, resulted in the "the highest qualitative rating ever given to a bombardment wing in SAC.

"I can't help but feel elated," he exclaimed. "I'm so proud of my people that it's hard for me to express my emotions to them. I was informed by members of the MSET team that this is the first time in the history of SAC that all four maintenance squadrons in a bombardment wing have been rated 'Excellent,'" he said. "I think a lot was due to the attitude of our people. The men and women were, in fact, eager to be evaluated," continued Colonel Peterson. "I was told by MSET members that some of our people even volunteered to be evaluated. It's hard to beat an attitude like that."

"I think it says a lot for the quality of our people," added Col. Eugene F. Paquette, assistant deputy commander for maintenance. "As managers, our primary job is to establish objectives. We have to rely on the individual to do the job right. I'm pleased that we have individuals who say, I will do it, can do it, I know how to do it,' and then try to do it better."

According to Colonel Peterson, MSET's system of evaluation can be broken into two main segments: technical inspections and personnel evaluations. Technical inspections involve the evaluation of tools, equipment, aircraft and aircraft maintenance while personnel evaluations measure the degree of proficiency demonstrated by individuals in the performance of a specific task. Well over 1,300 individual evaluations were made within the four squadrons, including 703 personnel evaluations out of a minimum of 650.

The MSET also evaluated the transportation complex on base, narrowing in on the maintenance and operation of all SAC vehicles assigned. The squadron was credited with an overall "Highly Satisfactory."

"I think they did a super job in view of the harsh winter and its effect on the vehicles," said Col. Robert N. McChesney, deputy commander for resources. "It could only have been accomplished with a lot of hard work and I'm very proud of their accomplishments."

"We missed an 'Excellent' by just a hair," explained TSgt. Jeffrey B. Moore, chief of the transportation squadron's Quality Con-

trol Section. "But we're starting to work on that right now," he added, "and, next year, I'm sure we'll get it."

"How can I tell everyone how proud I am of them?" asked Col. Guy L. Hecker Jr., wing commander, at the conclusion of last Friday's outbriefing. "I just can't tell you how I really feel being a part of this wing. You're all great people and you did a super job!" he exclaimed.

Examining the results of the two previous MSET visits to the 509th reveals that the wing was rated "satisfactory" in personnel evaluations, technical inspections and overall both years. This year, however, the wing earned "Excellents" in all three categories.

Highlighting the "report card" at the conclusion of the evaluation were areas such as the 509th Avionics Maintenance Squadron's CMAA achieving a 100 per cent passing rate. In the words of the MSET chief, Col. Joseph E. Daneu, "This is the first time in five years that this has been accomplished at the squadron level."

Also highlighting the team's outbrief was the 509th Field Maintenance Squadron, the "first FMS to achieve an 'Outstanding' rating in technical inspections; the best FMS we have evaluated this cycle; and the finest Propulsion Branch we have seen in the last four years."

The significant accomplishments of the various squadrons will be highlighted in the *Seacoast Flyer* beginning this week (see page 5) with the 509th AMS and 509th Organizational Maintenance Squadron. More squadron coverage will appear in next week's issue.

WILDERNESS TO PEOPLE

Mr. STEVENS. Mr. President, section 17(d)(2) of the Alaska Native Claims Settlement Act, ANCSA, of 1971 authorized the Secretary of the Interior to withdraw up to 80 million acres to study for inclusion in the national park, wildlife refuge, forest, and Wild and Scenic River Systems. There have been several bills introduced into the House and Senate to deal with the settlement of section 17(d)(2), all with different ideas on the proper course for Alaska lands. Certain legislation now pending before the Senate calls for approximately 145 million acres to be set aside as national parks, refuges, forests, wild and scenic rivers, and wilderness areas. This is 65 million acres more than dealt with by ANCSA.

I introduced legislation, S. 1787, which deals with the acreage withdrawn under section 17(d)(2) and calls for designation of some 25 million acres as units of the four national management systems with the additional (d)(2) acreage to be designated as Federal cooperative lands to be managed in conjunction with State and private lands. Such management will assure environmental protection and will allow further study to insure the best utilization possible for these lands which have up to now received inadequate study as to their best possible use. These lands would remain under the auspices of the Federal Government and could be designated by Congress at a later date as units of the four systems, once adequate study had been completed.

Over the July 4 recess hearings were held on another d–2 bill, H.R. 39, which has been introduced in the Senate as S. 1500, in Ketchikan, Alaska. The people of Ketchikan voiced strong opposition to H.R. 39. They felt it would be a devastating blow to their livelihood and way of life if Congress were to pass that bill. H.R. 39 and S. 1500 would put one-quarter of the vast southeastern region of Alaska into instant wilderness without study to determine what resources within those areas are of economic importance.

This instant wilderness designation would preclude economic development of Alaskan resources and would severely limit the timber industry, a primary source of jobs for the people of southeastern Alaska. They also felt that H.R. 39 and S. 1500 would not provide wilderness areas that most Americans could enjoy. The bill would create immense areas of wilderness in Alaska out of the reach of the vast majority of Americans.

After the recent hearings there were several articles printed in the Ketchikan Daily News reflecting the attitudes of the people of southeastern Alaska, some of which I just mentioned. Over the next few days I will insert three of these articles into the RECORD, Mr. President, I ask unanimous consent that the first of these articles, "Wilderness to People," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WILDERNESS TO PEOPLE

Saturday will be a big day in Ketchikan, almost as big as the day the Environmental Protection Agency began hearings last year on the pulp mill's pollution problems. At that time it looked like government regulations would shut down Ketchikan's major industry. The mill still has problems but that threat to the people and the community is over.

A new threat now appears. It is that in order to satisfy the guilt feelings of people of the lower 48 over how they've eliminated their wilderness, they are going to turn Alaska into a huge wilderness area. It is another case of correcting problems in Ohio, for example, with solutions in Alaska

Rep. John Seiberling, D-Ohio, is conducting hearings in Southeastern Alaska this week on proposals to turn one fourth of Southeastern Alaska into instant wilderness, without study to determine what other resources valuable to the people of the United States lie within those wilderness areas. The full legislative package would put one-third of the state of Alaska in four restrictive reservation systems.

The argument for H.R. 39, the proposal by Congressman Morris Udall, D-Ariz., on which Seiberling is holding hearings, is that the federal land in Alaska belongs to all the people of the U.S. and the people are entitled to have their wilderness areas and other reserves. We agree, but those reservations make no sense unless they can be used by the citizens of the U.S. to enjoy as wilderness, as game reserve or as scenic areas, parks and as recreation areas.

It costs over $500 just for the air fare from Ohio to Alaska and return. Not many of Ohio's 11 million residents can afford that for vacation travel. In fact only 280,000 people from all over U.S. and the world visited Alaska last year as hiker, sightseer, hunter or fisherman, the Alaska Division of Tourism reports. Most of the visitors were from the U.S. west coast, obviously because it costs less in time and money to travel to Alaska. Those other west coast states are rich in parks and recreation areas.

Ohio has five per cent of the people of the U.S., so how many visitors to Alaska were from Ohio, five per cent of the 280,000 or 14,000? Probably much less—less than 10,000 for sure. So how much good are parks and wilderness doing Ohio residents or two-thirds of Americans who live east of the Mississippi River? The answer is none.

There is a solution. Sen. Ted Stevens, R-Alaska, proposes taking parks to the people, like the people in Ohio. His legislation puts 25 million acres of Alaska into reservation and calls for study of another 55 million acres for the best use. Most important, his bill puts all federal and one half of all state royalties from development of federal land in Alaska into a special fund. That fund would be used to acquire private land in other states to create parks, refuges and recreation areas.

Ohio is a state of 26.3 million acres. Only 275,000 of those acres are in federal or state parks, national forests or recreation areas. That's less than one per cent of the state. No wonder Ohioans are concerned about wilderness and parks.

There are 5.5 million acres of forest land in Ohio, about twenty per cent of the state's area. And 94 per cent of those forested lands are in private ownership. Purchase of about a million of those acres to create parks in Ohio would do considerably more for the people of Ohio than creating a 2.4 million acre wilderness area for them near Ketchikan, Alaska. The royalties from the U.S. Borax development near Ketchikan, the stumpage fees from timber cut for Alaska's mills could benefit all of the people of Ohio rather than the wealthy who can afford long and expensive trips to Alaska.

Another aspect is that Southeastern Alaska can support a much larger population and some of those people could be from Ohio. Many of us here now came from other states.

Alaska has 40 million acres of commercial timber land. That is almost as big as the entire state of Washington at 42 million acres. Washington supports a timber industry of 35,000 workers, compared with 3,500 in Alaska. And Washington has wilderness areas and parks, about three million acres of them. Developing the 40 million acres of Alaska commercial forest land is no threat to the total forest. It is one-third of the total forested area in the state. Ohio, on the other hand, lists almost all of its 5.5 million acres of forest as commercial. There is the threatened wilderness.

PRESIDENT CARTER AND OSHA

Mr. RIBICOFF. Mr. President, I am very pleased to see that President Carter is taking a major step to reform the Federal Government's efforts in the area of occupational safety and health.

The President has directed an interagency task force headed by Secretary of Labor Ray Marshall and Director of OMB, Bert Lance, to "consider ways to strengthen the Federal role in protecting workplace safety and health." I applaud this effort.

I feel strongly that the Federal Government should do everything possible to insure a safe and healthful work place. But the current Federal effort in this area has been less than effective. The

new administration has moved vigorously to make changes in this area. Secretary of Labor, Ray Marshall and the Assistant Secretary for Occupational Safety and Health, Eula Bingham have already made great strides in improving the functioning of OSHA.

The Senate Committee on Governmental Affairs has been conducting a 2-year study on Federal regulation. The final volume of the study to be published in the fall will deal with many of these issues including the use of incentives to improve worker health and safety, and I hope that the committee can work closely with the President's task force and the Senate Human Resources Committee in seeking to improve the Federal effort in this area.

I ask unanimous consent that the President's memorandum to heads of executive departments and agencies be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

[From the White House, Washington, D.C.]

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

I have frequently expressed my commitment to review and reform the Federal role in combatting safety and health hazards in the workplace. My aim is to improve the effectiveness of our efforts to protect the health and safety of American workers.

The Secretary of Labor, Ray Marshall, and the Assistant Secretary for Occupational Safety and Health, Eulah Bingham, have already moved vigorously to make our approach to occupational safety and health more sensible and effective. On May 19, 1977, the Labor Department announced a program to redirect the resources of the Occupational Safety and Health Administration (OSHA) away from trivial problems and toward more serious hazards to safety and health.

In another step towards common sense priorities, the Department of Labor announced on July 19 a program to reduce OSHA paperwork and streamline its record-keeping requirements. The nation's 3.4 million small businesses will be exempt from filling out complicated job health and safety forms, and the paperwork for 1.5 million larger employers will be cut in half. Over the coming weeks, the Administration will take additional steps to reduce unnecessary burdens and allow OSHA to concentrate on the most serious hazards.

To complement these internal changes at OSHA, I have asked Ray Marshall and Bert Lance to head an interagency task force that will consider ways to strengthen the Federal roll and protecting workplace safety and health. This task force will report to me with its first recommendations for action by April 30, 1978.

In addition to the Secretary of Labor and the Director of the Office of Management and Budget, this interagency group on worker safety and health protection will include the Departments of Commerce, Health, Education and Welfare and the Council of Economic Advisers, the Domestic Policy Staff, and the Small Business Administration. From time to time, I expect other departments and agencies to participate actively.

I want to be sure that federal programs actually do reduce threats to the health and safety of American workers, and that they help employers make the necessary adjustments. The inquiry will concentrate upon:

Exploration of incentives that might supplement workplace safety regulations. These might include improved education and information services, economic aid and tax incentives to help employers improve workplace safety, changes in workers' compensation and liability laws and deterrent penalty structures.

Evaluation of the government-wide administration of Federal workplace safety and health activities. This will include investigation of duplication, overlap and gaps in Federal agency jurisdiction.

Review of other ways to improve the safety and health efforts of all Federal agencies, including those programs that affect Federal employees, and resources devoted to them.

As you know, improvement of Federal health and safety protection measures is a matter of intense concern to the American people. This effort will be part of our larger program of looking at innovative approaches to many regulatory issues. It will help shape our reform program in other regulatory areas and will, I am confident, be one of this Administration's most valuable accomplishments.

You may be asked to contribute time, resources, and staff to this effort. I know I can count on your assistance.

In order to inform all affected parties that this review is underway, I have directed that this memorandum be published in the Federal Register.

JIMMY CARTER.

DEEP SEABED MINING

Mr. STEVENS. Mr. President, my good friend and colleague Senator DANIEL PATRICK MOYNIHAN, recently delivered a speech at the christening of the nuclear submarine *New York* in which he addressed the need for the United States to pass unilateral deep seabed mining legislation allowing American corporations to exploit the resources of the deep ocean bottoms. Senator MOYNIHAN's articulate speech aptly described the failure of the Law of the Sea Conference to resolve contentious issues of ocean law.

As a former Ambassador to the United Nations, Senator MOYNIHAN comprehends the problems associated with international negotiations. My distinguished colleague has come to the conclusion that the United States must now, in the light of the failure of the Law of the Sea Conference to resolve itself, implement comprehensive deep seabed mining legislation. I am glad my good friend has joined with me in calling for a unilateral deep seabed mining law.

Mr. President, Senator MOYNIHAN and I are not the only ones who have seen the failure of the Law of the Sea Conference. With equal disappointment I am sure our own representative to that negotiation, Ambassador Elliot L. Richardson, has also concluded that the United States must reevaluate its position on that conference.

Ambassador Richardson portrayed the new Law of the Sea text as most distressing to people like Senator MOYNIHAN and myself who have followed the Law of the Sea Conference for many years.

In Ambassador Richardson's words:

The substance of the text on this issue (deep seabed mining) and the lack of fair and open process in its final preparation (meaning the text) require me to recommend that the United States undertake a more serious and searching review of both substance and procedures of the conference.

Mr. President, it is time that the Congress of the United States addressed the contentious issue of deep seabed mining legislation. We must assess this problem and pass unilateral legislation which would allow American industry to exploit the resources of the deep ocean bottom. An American deep seabed mining industry which landed its ore in the United States would reduce the reliance of the American economy and our defense systems upon the importation of strategic minerals from foreign nations. Deep seabed mining is an issue of strategic national importance as well as economic freedom of the seas.

According to Ambassador Richardson, the latest text of the Law of the Sea Conference would not guarantee the United States "reasonable assurance of access" to deep seabed mining resources. The United States cannot accept the Law of the Sea Treaty in which we are not guaranteed access to strategic minerals which are vitally needed. Additionally, the new text also provides that artifical limits on seabed production of minerals may be established. Not only would this make financing of operations difficult, but it also is antithetical to the U.S. defense interests. If the United States is to rely upon deep seabed mining operations as a source of supply for strategic minerals, we cannot allow a cartel of lesser developed nations to indicate to us how much of that strategic mineral we can mine. Minerals needed to maintain the defense readiness of the United States cannot be placed under the control of a cartel of foreign nations. Mr. President, as of the present time, no deep seabed mining bill has been filed in the Senate. Now that my colleague, Senator MOYNIHAN has joined with me in support of unilateral deep seabed mining legislation, perhaps the Senate will begin consideration of such a bill.

We all share a great concern for the future of the Law of the Sea Conference. It is time however, for all of us to reevaluate our positions on that conference in light of its present failure. I would urge each of my colleagues here in the Senate to carefully evaluate their past positions on deep seabed mining legislation. The United States has been forced into a position with no alternatives. We must now pass deep seabed mining legislation if our seabed mining technology is to be used to gain access to the resources of the deep ocean bottom.

I ask unanimous consent that Senator MOYNIHAN'S address to which I have previously referred be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR DANIEL PATRICK MOYNIHAN

Trying to describe what Venice meant to the Mediterranean world of the 15th or 16th Century, the French historian Fernand Braudel writes: "Venice dominates the 'Interior Sea' as New York dominates the western world today."

We welcome this newest dimension to our influence, the nuclear attack submarine *New York City*. I would like to take this occasion to comment on development now in evidence at the United Nations Law of the Sea Conference, now underway in New York City.

It will seem odd, perhaps, but my thoughts on the occasion go back years almost to this day when I found myself sitting on the bank of the Thimphu Chu River which flows past the palace in the Himalayan kingdom of Bhutan, where I was attending the coronation of His Majesty Jigme Sinye Wangchuck. It was a memorable occasion on several scores. Of the greater personal significance was the day's fishing. A Scotsman devoted the first quarter of this century getting brown trout into those imcomparable streams, but the Bhutanese, a Buddhists, won't kill them. So there they were awaiting me, and for the first and last time in my life I caught all the fiish I could hope for. Indeed I grew weary of the work, and fell into conversation with the young Foreign Minister of Bhutan who was watching, tolerantly, from the stream bank. How much, I said, I would regret leaving the incomparable country, at the very top of the world, touching the heavens if any country could be said to do, the very outermost reach of human habitat. The Foreign Minister remarked that he, too, was sorry that he would be leaving. For what, I enquired? Why for the Law of the Sea Conference, he answered.

That was indeed a bright confident morning, and it seems so far past. In 1970 the United Nations Seabed Committee declared that the resources of the seabed and the ocean floor were the "common heritage of mankind." The United States, far from resisting this proposal, embraced it in the most forthcoming manner. President Nixon's statement on U.S. Ocean policy of that year supported the concept, and the United States entered the negotiations which led to the opening of the Law of the Sea Conference in Caracas, Venezuela on June 20, 1974.

Three years have passed, however, and confidence is fading. Just this week our chief negotiator Elliot L. Richardson, who has played a singular role in American government over so many years now, who commands a unique respect among the American people and the United States Congress, spoke of stalemate, and warned that the entire effort "now hangs in the balance."

This is not good news. Not for the seafaring nations of the world; not for the landlocked, not for those, as it were, in between. For the assertion that the seabeds were a common heritage gave to nations everywhere a common interest—Bhutan no less than Iceland, Hungary as much as New Zealand—in how this common heritage is shared.

Nor is it good news that the Soivets appear to have judged that the prospects for failure are sufficiently strong that they should no longer invest any energies in pursuing success. For a long period the Soviets in effect acknowledged that they shared the common interests of the seafaring and technologically advanced nations in getting a good treaty. Now they appear to have cut any ideological losses that might have occasioned, and are routinely supporting the most counterproductive demands of the Group of 77. Thus if the Conference fails, they will have been on the side that will blame us for the failure. If it succeeds, we will have won for them the terms they desire.

Let me state that the United States negotiators do not at all share the Soviet view. Ambassador Richardson's statement on June 13 had the desired effect of bringing forth a new draft which could be described as very substantially improved—from, that is, its predecessor which was plain unacceptable.

Some general comment might accordingly be of use from someone who was marginally involved in these negotiations at an earlier stage, and who will be one of those assessing the final result if, hopefully, a treaty is agreed upon at an early date and sent to the Senate for ratification.

I speak now to the Group of 77, now 114 countries in all, and I shall speak to what I believe to be the two principle questions involved here.

First, do the developing nations understand that by entering into these negotiations, and remaining faithfully with them, the United States and the western nations generally have agreed to negotiate for and, in the bargaining sense, to pay for rights which exist in the absence of a treaty? We did not have to do this; we wanted to do it. We wanted to do it, among other reasons, because we wanted to establish a regime for the use of the resources of the seabed which would produce resources that would be shared with the farmers of the Thimpu Chu River in Bhutan—and the Yangtze, and the Congo, and the Amazon We did not have to do this. We have under existing international law, including as Dr. S. Fred Singer has noted, the 1958 Geneva Convention, the perfect right to extract mineral resources from the deep ocean beyond the continental shelf. Moreover, we have the technology to do so.

I remember at the United Nations I had breakfast one morning with officers of the Kennecott Corporation, which has its headquarters on 42nd Street in New York. We spoke of the matter, and I asked the company's President: if it were decided to go into deep sea mining that day, how long would it be before manganese nodule copper would be used in lamps on sale in Brooklyn? 1985 was his reply. That was two years ago, and so I assume his answer today would be 1987. We have lost two years and the developing world has lost two years also.

And, we need some of those metals. We now import 82 percent of our nickel and manganese, 72 percent of our cobalt. We are dependent on other nations for minerals which verge on the strategic. And we would not have to be—we could quickly become almost wholly self-sufficient—if we simply went ahead to do what we have the right to do and the know-how to do.

What we do not have to do is to bog down in an endless parley in which every concession we make is instantly transformed into the next item to be negotiated.

There is a second and larger question. It is well known that the greatest obstacle to agreement at this point has to do with the nature of the Seab-d Resource Authority. How will it be run? Will it have complete control over who may or who may not undertake seabed mining, or will these exist a right of access by all parties, public and private?

The Group of 77 clearly opts for an all powerful international authority. Their newest draft states: "All activities in the area shall be conducted on the Authority's behalf." " . . . All activities in the area shall be conducted, organized, and controlled by the Authority . . . " We resist this. We want to make sure, among other things, that the seabeds will be open to private businesses which meet internationally agreed standards for such operations. We remind ourselves of Grotius' great dictum: the oceans "can neither be seized nor enclosed." (*Mare Liberum*)

Here once again we glimpse what my senior colleague Senator Javits, in a brilliant address to the Senate reporting on the recent (and failed) North–South conference in Paris (the Conference on International Economic Cooperation), termed "the abyss of difference between the developing countries and the developed world."

There is a simple point to be made here. The members of the Group of 77 will not like hearing it, but if they really want a Law of the Sea Treaty they are going to have to try to understand us, just as we must try to understand them.

The simple point is this: Most of us in the West—not all of us, by any means, but most of us—regard free economic activity as an indispensable condition of free political activity. We know that most nations in the Group of 77 do not believe this, or don't think it matters. We do not ask them to change their views. But we do ask them to understand that we do believe this and we do think it matters.

It comes to this: Of the 114 nations in the Group of 77, the Freedom House survey can find only sixteen that could be listed as Free, which is to say, these are nations in which citizens enjoy free political activity. Now obviously for many of the governments of the other 98 nations free economic activity—after a point at least—poses as much a threat to their way of doing things as would free political activity. And so they will not have it. Which is all well and good.

But they must not tell us that we cannot have it. For to do so is to tell us that we must risk losing the political freedoms that are precious to us beyond all things.

The Group of 77, so adept at asserting principles, must understand that for us, too, there is an issue of principle at stake in these negotiations.

We will not abandon the economic and political principles that have created our society in order to provide ideological sanction for the dictatorships of the Group of 77. I speak not as a negotiator of course, but as a Senator. I speak in the desire that there should be a treaty, but in the conviction that nothing would be worse than a bad treaty. I speak as one who wholly supports the efforts of Senator Lee Metcalf of Montana to make it possible for American firms to get on with the job pretty soon now, treaty or no treaty.

We want a treaty. We want a regime of shared responsibility and shared resources. But we remind the new nations of the world that by law the seas are free today, and we are not about to negotiate away that freedom in order to provide international sanction for political systems that are so painfully different irom and usually opposed to our own. Do not suppose we do not understand you on this. We understand you well enough.

Do not suppose it is going to come as any surprise to us when some regime accuses a Woods Hole survey of stealing vital secrets of its continental shelf. The freedom of science is as threatening to repressive regimes as is any other freedom.

But this does not mean we cannot work together. It means only that we must seek agreement in open awareness of the complexity of each other's concerns.

At whatever cost in the small change of diplomatic niceties, the Group of 77 must

acquaint themselves with the full range of our interests in this negotiation and the steadfastness of purpose with which we will pursue these interests.

A SUCCESS STORY FOR COLLINS RADIO

Mr. CULVER. Mr. President, as a member of the Senate Armed Services Committee, I have long been concerned about deficiencies in our military readiness posture. A major contributor to readiness problems is unreliable equipment, either because of poor design or manufacture or because of a premature shift from research and development into production.

When equipment fails earlier than planned, whole systems such as aircraft can be rendered inoperable until spare parts can be obtained or items can be switched from another plane. Unreliable equipment consequently leads to wasted man-hours and to reduced combat capability.

In view of the generally gloomy picture of aircraft readiness, since many of our newest planes are operationally ready less than half the time, it is reassuring to learn of a genuine success story in improved reliability.

Collins Radio of Cedar Rapids, Iowa, a major supplier of airborne communications and navigation equipment to the Government and private industry for many years, has developed and is supplying to the Air Force dramatically more reliable equipment for Tactical Air Navigation—TACAN.

The Collins Radio TACAN, known technically as the AN/ARN-118(V), is an airborne system to give pilots essential navigational information concerning the distance and direction to a known location of a ground station. Nearly all military aircraft are required to have some kind of TACAN on board.

When Collins Radio entered the competition to develop a new TACAN using solid state technology in 1970, the older, tube-type systems were suffering failures on an average of every 50 to 100 hours of flight. Maintenance costs alone have taken about $25 million per year.

The Air Force applied new management techniques to the TACAN competition, including a "design to cost" requirement—of $10,000 per set, a high reliability requirement, and a "Reliability Improvement Warranty"—RIW. The U.S. Government was consequently more confident than the new TACAN would be low in life-cycle costs as well as in initial production costs.

The specialty warranty, RIW, requires the contractor to replace all equipment malfunctions at a predetermined minimum rate for a period of 5 years. Knowing that they will have to foot the bill if repair costs become excessive, contractors take extra care to build in genuine reliability.

Collins Radio won the TACAN competition and is now under contract to build 8,500 TACAN sets. The warranty will be in force until 1982. Operational data on the new TACAN sets show a dramatically increased Mean Time Between Failure—MTBF—of over 800 hours, compared with the 50 to 100 hours on the older sets. These figures mean, of course, that equipment failures are less frequent, maintenance costs are down, and readiness is improved.

Mr. President, I cite this example not only because of pride in the superior product of a company in my State but also because of the direct contribution which that product makes to a more cost-effective defense.

H.R. 6502: EXTENSION OF AUTOMOBILE ASSISTANCE ALLOWANCE AND EQUIPMENT ELIGIBILITY

Mr. CRANSTON. Mr. President, I wish to explain the provisions of H.R. 6502, a bill, passed unanimously by the Senate on August 3, to extend the automobile assistance allowance and equipment eligibility to certain severely disabled veterans who served in World War I, and before and after that time.

Mr. President, the reported bill would amend chapter 39 of title 38, United States Code, relating to automobiles and adaptive equipment for certain service-connected seriously disabled veterans who served in the Armed Forces of the United States prior to September 16, 1940. The committee bill would amend section 1901 of title 38 to extend these benefits to those veterans of World War I and any eligible veterans who served before or after World War I.

BACKGROUND

Mr. President, the program of basic automobile grants—now chapter 39 of title 38—was established by the Congress in Public Law 79-663, enacted on August 8, 1946. Under that law, certain disabled veterans of World War II—with service between December 7, 1941, and December 31, 1946—were provided with or assisted in the purchase of an automobile or other conveyance. Public Law 82-187, enacted on October 20, 1951, extended these benefits to veterans of the Korean conflict. Public Law 90-77, enacted October 1, 1967, further extended these benefits to any veteran with service after January 31, 1955, who met eligibility requirements under a more restrictive criterion of having disability incurred in the line of duty as the direct result of performance of military duty, rather than under the standard service-connection criterion, of having a disability resulting from an illness or injury sustained or aggravated in service in the line of duty, applied to World War II and Korean conflict veterans.

Public Law 90-666, enacted on December 31, 1970, effective on January 11, 1971, increased the maximum amount payable toward the purchase of an automobile or other conveyance from the then $1,600 to a level of $2,800. The law also provided, for the first time, for VA payment, in addition to the dollar grant, of the cost of necessary adaptive equipment, as well as of the maintenance, replacement, and installation thereof. Public Law 93-538, enacted on December 22, 1974, extended the automobile and adaptive equipment entitlement to all veterans who had served from and after the beginning of World War II, as defined by section 101(8) of title 38, and thereafter. Public Law 94-433 extended the duration of this entitlement to all veterans who served on or after September 16, 1940—the date of the first general callup of troops for World War II.

Thus, Mr. President, the program in present law does not distinguish between periods of war-time and peace-time service except that veterans who served prior to September 16, 1940, are ineligible for such assistance. The House-passed bill makes eligible only those who served during the period of World War I as defined in section 101(7) of title 38 and thus leaves uncovered under chapter 39 a group who served in the peace-time armed services between 1920 and 1940—a distinction applicable only to this program among all service-connected title 38 programs for which such veterans could otherwise be eligible.

DISCUSSION

Mr. President, the Veterans' Administration's basis for not approving this extension of eligibility was that this entitlement was a "rehabilitative benefit * * * principally a means of assisting certain disabled veterans in their employment endeavors." The committee was unwilling to accept that reasoning. Although the automobile allowance may have originally been intended to be a rehabilitative benefit, over the years the law granting this benefit has changed extensively and its provisions have become more encompassing. It has now become a general, rather than a rehabilitative benefit.

Accepting, as the committee did, the reasoning that the benefit has become general, it is difficult to justify the exclusion of those veterans who served in the Armed Forces between 1920 and 1940. It should be pointed out that the number of "regular establishment" armed services members during that period of time was very small in number, and thus, we believe that the number of eligibles who served during that period of time would be very small.

Additionally, the committee felt that just because a benefit that expedites placement in the community might well be considered rehabilitative in nature, does not suggest that such a benefit should not be generally applied. Indeed, chapter 21 of title 38, which provides specially adapted housing grants to certain severely disabled veterans, enabling many to live outside the hospital environment, makes no such distinction either among service periods or between rehabilitative and nonrehabilitative purposes.

Thus, Mr. President, the bill as reported would cover not only veterans who served during World War I but also those who served before then and those who served since then prior to 1940. This conforms to the philosophy of extending such service-connected benefits generally to all those who are basically eligible regardless of the period of time when their service occurred.

Mr. President, the committee, based on information supplied by the Congres-

sional Budget Office, estimates a cost for H.R. 6502 as reported of just under $2 million over a 5-year period. On the other hand, the Veterans' Administration estimates a cost of $3.9 million for the reported bill over a 5-year period.

CONCLUSION

I believe, Mr. President, that it is long past time that we extend these benefits to these veterans, particularly those of World War I, who are certainly no less deserving than those who served at any other time in our Nation's history. I am hopeful, therefore, that the bill as reported and passed will be acceptable to the other body.

SITUATION IN LITHUANIA DEMONSTRATES NEED FOR GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, each time that I travel to Wisconsin, I have the opportunity to meet with many groups of diverse backgrounds and heritages. One group that has always impressed me as being particularly dedicated to preserving our freedoms is the Lithuanian people. But that should hardly be surprising, for they have not forgotten the tragedy of the Soviet-planned genocide of their tiny Republic.

It was some 37 years ago that the Soviets invaded Lithuania. Within days the Russians were in total control. They immediately sent members of the lawful government to jail and substituted a puppet regime. Soon thereafter the country was incorporated into the Soviet Union. The Lithuanian people, needless to say, were never asked for their consent.

In the nearly four decades since those fateful weeks, the Lithuanians have been subjected to abject poverty, isolation from the West, and total loss of freedom. Perhaps most terrifying, however, has been the loss of a sizable portion of the country's population as a result of a predetermined, systematic program of genocide by the Soviet authorities.

The Soviets incredibly slew some 285,000 people. They seized approximately 400,000 men, women, and children in a series of raids and horrifying deportations to Siberia. Records show that from 1944 to 1953, more that 100,000 freedom fighters were killed as well.

Mr. President, this small nation still looks to us for support, as do all oppressed people. It is time that we declare our unqualified opposition to the terrible crime of genocide. For almost three decades, the Genocide Convention has gone without action by this Nation. The Senate of the United States has failed even to consider it. Now that the new administration has renewed and strengthened our commitment to human rights, it is time that we finally act. Let us ratify the convention this session.

SENATOR SCOTT'S NEWSLETTER

Mr. SCOTT. Mr. President, our office is currently processing a newsletter to constituents and I ask unanimous consent that a copy be printed in the RECORD for the information of colleagues.

There being no objection, the newsletter was ordered to be printed in the RECORD, as follows:

PANAMA CANAL

For more than a decade officials of the Department of State have been discussing proposed changes in the status of the Panama Canal. Proposals include transfer of title and control of the Canal Zone and the canal itself to Panama. It is also proposed that we increase the annual compensation paid to Panama but retain troops there to protect the canal.

Many Americans have expressed concern that our officials would even consider such action because of the economic, political and military importance of the canal to our own country.

History records that the French first attempted to construct a canal through the Isthmus of Panama, while it was still a part of Colombia, but their efforts were unsuccessful. Thereafter, the portion of Colombia now known as Panama became an independent nation and our government, by treaty, acquired the right, in perpetuity, to use, occupy and control an area ten miles wide from the Atlantic to the Pacific oceans with all rights, power and authority as if the United States were sovereign to the entire exclusion of the Republic of Panama. For this privilege the United States agreed in 1903 to pay Panama the initial sum of $10 million and to make annual payments of $250,000 thereafter, which was later substantially increased.

Let me add, however, that the United States not only made these and other payments to Panama, but we also paid France and Colombia for their interests, as well as owners and squatters upon the property, and constructed the canal at a cost of $367 million. When a question was raised with regard to our title, the Supreme Court stated, "It is hypercritical to contend that the title of the United States is imperfect and that the Canal Zone does not belong to this Nation, because of the technical terms used in ordinary conveyance of real estate."

During a recent trip, I flew over the canal by helicopter with the Commanding General, had its operation explained, visited the locks with other officials, talked with the Governor of the Canal Zone, the American Ambassador, a former Foreign Minister of Panama, and a group of American canal employees. The issue was discussed with more than 100 individuals, some American citizens living in Panama, Argentina or Chile, and some foreign nationals. There was substantial agreement that the United States had constructed the canal and utilized it in the best interests of all nations, with toll charges only sufficient to cover the cost of operation. Fear was expressed that the Panamanians might let the facilities deteriorate; that they might increase tolls; that the facility might not be open impartially to all nations; and that it might come under communist control. Should you desire a more detailed report, as presented to the Senate Armed Services Committee, kindly let me know.

In view of these facts, it appears untenable for our government officials to negotiate the transfer of ownership and control to the country of Panama, and to couple this with agreement to pay Panama hundreds of millions of dollars. Unless the Congress or the American people can prevail upon the White House or the Department of State not to enter into a treaty to give away our property, the only other recourse is for the Senate to refuse to ratify the treaty and for Congress to refuse to appropriate funds specified in the proposed treaty. Such action could result in a confrontation between the United States and Panama. Yet we have a government of checks and balances and in my opinion the Congress cannot permit this valuable national asset to be lost because of agitation within Panama brought about by the desire of its political leaders to acquire the property and the encouragement our State Department has lent to them by acting as if we had no further interest in this vital artery of commerce.

BUSING

The Senate Judiciary Committee recently approved legislation to indicate when the busing of children can or cannot be ordered to obtain a racial balance. The measure would require a preliminary finding by a court that the school intended to discriminate against students before busing could be ordered. It would also limit the busing order to the extent necessary to provide a remedy for the actual discriminatory act and in practical effect tend to eliminate massive busing.

Because of time limitations for the balance of this calendar year, it is doubtful that the bill will come before the Senate directly but will probably be considered as an amendment to a House passed bill.

ENERGY DEPARTMENT

Legislation recently cleared the Congress that would consolidate various energy activities of the federal government in a new cabinet-level Department of Energy. Some argued that a centralized agency was needed to effectively coordinate national energy policies. However, a number of Senators expressed concern over establishment of a new department which is estimated to cost taxpayers more than $10 billion during its first year of existence.

It has been suggested that a typical federal agency starts small, grows slowly for a while and then expands significantly later on. We are advised that since the Department of Health, Education, and Welfare was established, total spending for HEW programs has jumped from less than $7 billion in 1954 to about $160 billion today; and the number of employees has increased from fewer than 36,000 to more than 140,000. Those having reservations about the proposal also pointed out that federal officials would have the authority to pursue economic planning activities which could well result in increased government regulation and control over the operation of the competitive marketplace. It appears the private economy could have served the nation's energy needs without the creation of a new super-agency.

PRESIDENTIAL ELECTIONS

A resolution is being considered by the Senate Judiciary Committee for the direct election of the President and Vice President. The procedure to amend the Constitution would require a two-thirds vote of both the House and the Senate and ratification by three-fourths of the states.

Of course each colony was independent before a national constitution was adopted and a major issue at the Constitutional Convention was the extent of authority to be delegated to the national government. The smaller states were concerned that they would be dominated by the larger, more populous ones. As you know, however, a compromise was reached providing for a House of Representatives based upon population and two Senators from each state, regardless of size. The electoral college system for the selection of a President and Vice President similarly provided for two electoral votes from each state corresponding to the representation in the Senate and additional electoral votes equal

to the number of members of the House of Representatives from each state.

Almost everyone would agree that the present electoral college has outlived its usefulness and that even if the electoral system is retained, the unfaithful elector should be eliminated.

Opponents of direct election have expressed concern in hearings before our Committee that citizens in sparsely populated areas, or small states, would not have the influence under a direct election system that they have today. Concern has also been expressed that candidates for President and Vice President would concentrate their campaign efforts, through the mass media, on large metropolitan areas of the country. Proponents, however, tend to believe that the only democratic method of electing our chief executives is by direct popular vote of the people.

Under present law, each state casts all of its electoral votes for the candidates who receive the most popular votes in the state, so that Virginia, for example, casts all of its 12 votes for the Presidential and Vice Presidential candidates who carry the state. Compromises between the present system and direct elections which have been suggested include the "Proportional Plan", under which the electoral votes of each state would be prorated on the basis of the percentage of the votes received by various candidates. A second alternative, known as the "District Plan", would have a vote cast for candidates who received a majority of the votes of each congressional district and two votes of each state cast for the candidates who received the greatest number of votes statewide.

Hearings have been concluded and the Judiciary Committee has agreed to a vote not later than September 16 on reporting the resolution to the Senate. This could be a close vote but in all probability the measure will be favorably reported.

There is doubt that the direct election efforts will be successful because many Senators will oppose the resolution based on the concept of federalism and the dual sovereignty concept of our state and national governments. On the other hand, some organizations, such as the National Association for the Advancement of Colored People and the Americans for Democratic Action, have indicated their opposition because of a belief that minority influence will not be as effective under a direct election and this combination probably will prevent the proponents from obtaining the necessary 67 votes in the Senate.

Of course the views of constituents on matters of this nature are always appreciated and especially so in this instance because, as ranking minority member of the Subcommittee on the Constitution, I may be one of the floor leaders when the resolution is considered in the Senate.

MILITARY UNIONS

By unanimous vote our Senate Armed Services Committee has favorably reported a measure banning unionization of our military forces. The bill also would make it unlawful for military or civilian employees of the Department of Defense to bargain on military issues. In addition it would be unlawful for any individual to organize or attempt to organize a strike or other action by military members against the government or use any military property for purposes of union activities.

The committee held a number of hearings on this matter and witnesses appeared from the Department of Defense, from various military and veterans organizations and from certain labor unions. These witnesses generally agreed that labor unions within our military services would have undesirable effects on morale and readiness of military servicemen and have no place in the military services.

Apparently the American people agree with this since a recent Gallup Poll indicated that 74 percent of Americans opposed unionization of the military services with 13 percent supporting such unionization and 13 percent undecided.

WASTEFUL SPENDING

Citizens generally have expressed concern over the high cost of government and duplication in federal programs. Of course we recognize the need for government to provide needed services but would eliminate nonessential spending. In this connection the General Accounting Office was requested to determine the overall cost of the federal government's public relations activities and to suggest ways to curb unnecessary expenditures. However, after surveying 20 departments and agencies, the Comptroller General responded that it was very difficult to make such a determination because of a lack of government-wide information and a common definition of activities that should be included as public relations.

The report indicates that no one in the Federal government knows how much is being spent each year on advertising, filmmaking, publishing of books and pamphlets, token gifts provided by various agencies, and related programs. A few days ago our office suggested that the Senate Governmental Affairs or Appropriations Committees consider holding hearings or otherwise investigate the cost of items mentioned in the General Accounting Office report and other promotional activities of the government. It seems desirable to eliminate low-priority spending programs in order to reduce the deficit and the cost of government. Copies of my floor statement which includes the GAO report are available upon request.

PROPOSED LEGISLATION

Your views would be welcome on any of the following proposals which may be considered in the Senate later this year:

National voter registration.
Energy regulation and gas taxes.
Increase in the minimum wage.
New consumer advocacy agency.
Delay in banning saccharin.
Hospital cost controls.
Unionization of the military.
Federal no-fault insurance.

SOMETHING TO PONDER

"In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."—Thomas Jefferson

A NATIONAL DOMESTIC DEVELOPMENT BANK—A CURE FOR URBAN FINANCE ILLS

Mr. HUMPHREY. Mr. President, the future of our State and local governments is troubled and uncertain. We can no longer neglect the fiscal difficulties that confront them. Mr. President, Congress is not a passive body. The American people have given the Congress a mandate to act when the need is there. In this case, there is most certainly a need for action. When New York City's crisis passed, we heaved a sigh of relief—and proceeded to ignore its urgent warnings. Our generosity rebuilt Europe after World War II. Why, then, can we not do the same for our own good?

For several years I have been proposing the concept of a National Development Bank for our troubled cities as a viable alternative to the municipal bond market. On July 28, the Subcommittee on Economic Growth and Stabilization and the Subcommittee on Fiscal and Intergovernmental Policy of the Joint Economic Committee held an informative hearing on this topic. A forceful case for a Federal intermediary for State and local governments was presented by Dr. Jean Gray, chairperson of the department of finance and insurance at Rider College in Lawrenceville, N.J.

She believes that a National Domestic Development Bank "can improve and strengthen the market for tax-exempt issues that continue to be offered; can impose reasonable credit standards on would-be borrowers—and can operate independently of other Federal programs."

Dr. Gray strongly favors a Domestic Development Bank as an effective financing alternative available to State and local governments. Among the potential benefits would be: First, tax equity and efficiency problems would be reduced by the substitution of a taxable obligation for some tax exempt securities; second, a single debt instrument of recognized credit standing would replace a heterogeneous collection of local issues; third, the investor base for municipal financing would be extended to all those for whom high grade, marketable securities are an attractive investment; fourth, interest rate volatility on new issues in the tax-exempt market resulting from cyclical or other changes in investors' tax liabilities would be reduced by the availability of a taxable financing option; fifth, supply conditions in the tax-exempt market would be improved by reducing the volume of securities traded in that market; and sixth, State and local governments would be able to borrow at maturities which reflect the life expectancy of the asset being financed, with payments of interest and principal scheduled to coincide with anticipated cash flows.

Mr. President, how long will we tolerate the inequity and ineffectiveness of our present municipal financing system? How long can our State and local governments continue to tolerate it? It seems to me that the near financial disaster of New York City should have taught us a lesson. I urge the speedy passage of S. 1396, the National Development Bank Act, so that we need not continue to operate by crisis management and can offer our State and local governments relief from their fiscal distress.

Mr. President, I ask unanimous consent that a copy of Dr. Gray's prepared statement for the hearing be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE CASE FOR A FEDERAL INTERMEDIARY FOR STATE AND LOCAL GOVERNMENTS

The proposition that the availability of funds to states and political subdivisions could be improved by the creation of a new financial intermediary is not new.[1] Opposition to such an intermediary has already been voiced. Representatives of the securities industry oppose it on the grounds that an existing capital market would be at least partly destroyed. There is a fear that an intermediary would encourage fiscal irresponsibility. Some municipal financial officers foresee a possible loss of local autonomy and the substitution of loans by the intermediary for outright federal grants. However, there are a number of reasons that suggest that a carefully conceived National Domestic Development Bank can improve and strengthen

Footnotes at end of article.

the market for tax-exempt issues that continue to be offered; can impose reasonable credit standards on would-be borrowers; can enter into local decision-making only through negotiation of the terms of the loan; and can operate independently of other federal programs (other than guarantee programs). The Bank should not, therefore, warrant opposition. The idea of a Domestic Development Bank is a good one whose time may have come.

This statement will briefly review some of the reasons why financial market conditions support the establishment of a Domestic Development Bank; [2] it will suggest some of the kinds of functions that the Bank should undertake; and will indicate why the concept of a Bank is seen as more efficient than a so-called "taxable-bond option.

MUNICIPAL MARKET CONDITIONS

On the assumption that national goals include providing assistance in allocating funds to municipalities similar to that already available to farmers and home owners, the overriding argument in favor of the establishment of a National Domestic Development Bank is that the present system for directing resources to state and local public uses is inefficient. It is inefficient as a means of subsidizing state and local financing, it is inefficient in providing financing at equivalent costs for equivalent default risks, and it is inefficient as a means of carrying out the intent of existing federal programs to provide incentive to local governments to promote socially desirable projects.

Something of the nature of these inefficiencies can be demonstrated by the data pictured in Charts I and II. Chart I shows the ratios of tax-exempt to taxable yields for new issues of "prime" (Aaa) and "good" (A) grades of municipal and corporate bonds. Chart II shows short- and long-term interest rate movements on prime and medium (Baa) grade municipal bonds since 1969.

First, there is the evidence that the exemption from federal income taxes of the interest paid on municipal bonds is an inefficient and inequitable subsidy [3] to borrowing governments. It is inefficient in that the tax revenues lost to the federal government exceed the interest costs saved by municipal borrowers. The exemption is inequitable in that the difference accrues as a tax-free surplus to investors in high tax brackets. The argument is a familiar one and it has been substantiated many times by those interested in tax reform.[4] It is also supported by the high ratios in Chart I. Under a progressive tax system, the higher the ratio of yields on tax-exempt securities to those on corporate securities of comparable risk, the lower is the tax rate required to induce marginal investors to enter the market and the greater is the surplus in the form of tax-free income which accrues to those in higher tax brackets.

The chart shows that the ratios on prime bonds often rise above 70 percent, and, like those on good bonds, occasionally rise above even 80 percent in response to high interest rates or unsettled market conditions, such as existed in 1976. When the ratios rise, those on lower grade bonds, usually rise relative to those on prime securities. What has been true since 1969 was also true for earlier periods.[5]

These high ratios have opened the municipals market to a much broader segment of individual investors, many with relatively modest incomes.[6] Indeed, Table I shows that in the first quarter of 1977 households accounted for more than half the net purchases of state and local securities. The advent of the tax-exempt mutual fund has further democratized the opportunities for tax-sheltered income, but only because the ratios are high enough to attract individual investors with relatively low marginal tax rates.

The high returns on tax-exempt as compared to comparable taxable securities induce individual investors into the market, but are engendered by the departure of institutional investors from it. So far as borrowers are concerned, the real problem is not so much tax exemption as the fact that so few investor groups benefit from it. In other words, the market for municipal securities is not a broadly based capital market. Traditionally, commercial banks, fire and casualty companies and individuals have accounted for about 90 percent of net purchases.[7] (Table I). When either of the institutional investors leave the market, yields on municipals rise relative to those on corporates, and individuals with lower tax rates enter the market. When institutional investors return, the ratios fall and the marginal individual investors leave. Or at least that was the scenario until 1975 and 1976. The financial crises in New York increased awareness of the inadequacies of disclosure in the underwriting requirements for state and local obligations, and growing suspicion of the reliability of ratings discouraged even individual investors. In response to high returns, some changes in tax laws, and occasionally, political pressures, state and local retirement funds, thrift institutions and life insurance companies took up the slack.

TABLE I.—NET PURCHASES OF STATE AND LOCAL SECURITIES BY SECTOR

[Dollar amounts in billions]

	Households		Commercial banks		Fire and casualty insurance		Other [1]		
	Amount	Share of total (percent)	Amount	Share of total (percent)	Amount	Share of total (percent)	Amount	Share of total (percent)	Total amount
1966	$3.4	61.0	$2.4	43.0	$1.3	23.0	−$1.5	−27.0	$5.6
1967	−2.2	−28.0	9.1	1.2	1.4	18	−.5	−6.0	7.8
1968	−.7	−7.0	8.6	90.0	1.0	10	.6	6.0	9.5
1969	9.1	92.0	0.6	6.0	1.2	12	−1.0	−10.0	9.9
1970	−.8	−7.0	10.7	95.0	1.4	12	−.1	−.9	11.2
1971	−.3	−1.7	12.6	72.0	3.9	22	1.3	7.4	17.5
1972	2.2	14.0	7.1	46.0	4.8	31	1.3	8.0	15.4
1973	7.2	44.0	5.7	35.0	3.5	21	−.1	−.6	16.3
1974	11.2	57.0	5.5	28.0	2.5	13	.4	2.0	19.6
1975	8.7	50.0	1.7	10.0	1.8	10	5.1	29.0	17.3
1976	6.4	37.0	2.9	17.0	3.6	21	4.3	25.0	17.2
1977 (1st quarter)	7.2	51.0	0.6	4.0	4.8	34	1.6	11.0	14.2

[1] Includes nonfinancial corporations, thrift institutions, life insurance companies, brokers and dealers, State and local government general funds and State and local government retirement funds. All were very small participants in the market until 1975 when life insurance companies, thrift institutions and State and local government retirement funds increased their purchases substantially over earlier years. Net purchases for each were:

[Dollar amounts in billions]

	Life insurance	Thrift institutions	State and local government retirement funds
1975	$0.8	$1.2	$1.9
1976	1.0	1.0	1.5
1977 (1st quarter)	.7	.3	

Source: Board of Governors, Federal Reserve System, Flow of Funds Accounts, 1946–75 and 1st quarter, 1977.

Prospects for a return to the traditional patterns of investment appear doubtful, as does any significant addition to demand by thrift, insurance or retirement institutions. Commercial banks have found new tax shelters and have decreased their net purchases every year since 1971.[8] Fire and casualty companies who left the market in 1974 and 1975 have returned as their profits have improved, but their liquidity requirements probably preclude a much higher share of total assets in municipals.[9] Partial exemption from federal taxes precludes much greater participation by life insurance and thrift institutions and, barring municipal rates as high as corporates, there is no logical financial reason for retirement funds to invest in tax-exempt securities. State and local governments will have to rely more heavily on individual investors to supply their increasing demand for long-term funds, and there may be some question as to the overall capacity of individual investors to absorb an increased supply of long-term tax exempt securities except at ratios that will steadily increase the tax-free surplus.[10]

The market for municipal securities is a curious one in which state and local government borrowers must not only share the benefits of tax exemption with investors, but pay the high costs engendered by wide swings in investor portfolio adjustments in a market dominated by tax considerations.

Footnotes at end of article.

The market should also be examined in terms of its efficiency in allocating credit on the basis of equal cost for equal risk. Charts I and II show that the ratios for the two grades of bond tend to move together except when long-term interest rates are high or market conditions unsettled. Then the ratios rise for both grades of bond, but the degree by which they increase ordinarily varies inversely with the rating. The ratios rise as the interest rates paid by municipal borrowers rise relative to those paid by corporations. The market, in effect, responds to tight credit conditions by imposing an additional risk premium on the cost of municipal borrowing: one which rises as the credit rating of the borrower declines. If the assumption can be made that, in general, comparably rated municipal and corporate debt should carry equivalent default risk, the additional premium results from investors' perceptions of increased market risk. That is, the market judges the potential risks of capital loss from secondary market trading as now relatively greater on municipal than on corporate securities. Further, the risk is judged greater for lower-rated securities.

This re-pricing mechanism is efficient: borrowing costs have changed because risk perceptions have changed. However, risk perceptions have changed not because of any necessary deterioration in the borrowers ability to repay, but because the market for municipal securities is not as broad, deep and resilient as the corporate bond market. It lacks breadth because tax exemption narrowly restricts the kinds of investors attracted to the market. It lacks depth because the number and diversity of both issues and issuers restricts secondary market trading. Both factors combine to limit its resilience. that is, the quickness with which prices snap back after temporary market disruptions.

Table II demonstrates the heterogeneity of the market from the supply side. In 1976 some 5,716 government units, including states, counties, municipalities, school districts, special districts and statutory authorities, issued some $35.2 billion in long-term debt obligations for an average issue size of approximately $6.2 million.[11] However, if the 330 largest issues totalling some $20.6 billion[12] are subtracted, the remaining 5,386 issues averaged only $2.7 million each. Most State and local government debt issues are serial: that is, they carry multiple maturities and coupon rates, so the available supply of any given component of an issue is very limited.

Further diversity among issues is created by the nature of the commitment to service the debt. General or limited tax revenues may be pledged, the obligation may be merely "moral" or it may be dependent on user charges or sales revenue. Finally, the largest and most rapidly growing category of borrower is the statutory authority. They may be spun off from both state and local governments and are used to finance public purposes that range from sports complexes to hospitals and pollution control.

The result is a secondary market in which it is virtually impossible to find continuous price quotations, regular grading, or information on changes in credit worthiness quickly and accurately for any more than a handful of securities.

TABLE II.—*Municipal Bond Sales—1976*

Sales by type of issues: Long term

	Billion
States	$7.1
Counties	3.1
Municipalities	6.8
School Districts	2.8
Special Districts	2.7
Statutory Authorities	12.7
Total	35.2

Footnotes at end of article.

Sales by types and number of issues

Long-term	Volume Billion	Number of Issues
General obligation	18.1	3,689
Revenue	17.1	2,027
Total	35.2	5,716
Short-term	21.9	

Source.—Public Securities Association, Municipal Market Developments, April, 1977.

The structure of the secondary market clearly influences the determination of re-offering rates in the primary markets. Even with competitive bidding, underwriters must assign spreads which cover the risks of marketing such diverse issues, and primary investors will require returns commensurate with the potential risks of capital loss from sale.[13] Uncertainty with respect to disclosure standards,[14] and questions regarding the reliability of municipal bond rating standards [15] compound the problem.

The wonder is not that investors favor shorter-term and prime-rated securities with lower relative yields, but that the premiums for raising funds at long-term for less than prime-rated borrowers have not been greater.

One reason premiums on long-term debt are not greater is that cost conscious borrowers respond to market conditions. They may delay floating issues until interest rates go down,[16] the average maturities on serial issues may be reduced, or long-term projects may be financed at short-term through the issuance of bond anticipation notes (with the expectation that the notes can be rolled over until more propitious market conditions arrive.) A rise in the use of short-term debt has been particularly pronounced since 1969. Short-term issues increased from about 50 percent of the long-term funds raised in 1968 to over 100 percent between 1969 and 1975.[17]

Unfortunately, none of these alternatives serves the public purposes for which the funds need to be raised. Facilities are either not put in place or borrowers jeopardize their liquidity and solvency by agreeing to too rapid paybacks and high debt-service costs on essentially long-lived projects. Bond anticipation notes may be a useful expedient to finance start-up costs for slow projects, but can present problems when their retirement is predicated upon the flotation of long-term debt in an unreceptive and expensive market.

Finally, the tax-exempt market is being mis-used and further segmented by a proliferation of federal assistance programs. The social intent of these programs may be laudable, but their impact on the efficient functioning of the market for state and local government debt can be pernicious. Some programs, notably housing and pollution control, provide subsidies and guarantees which funnel tax-exempt funds raised at long-term directly to private, unsecured borrowers.[18] Some provide federal guarantees for new types of tax-exempt debt.[19] Others prodebt issued on a taxable basis,[20] and still others provide local government units with access to the Federal Financing Bank.[21]

Programs which promote the issuance of long-term tax-exempt debt by new borrowers or for new purposes raise the cost of funds to all who require access to a market in which demand is already restricted to a very narrow band of investors. Programs which guarantee the tax-exempt issues of a select group of borrowers, presumably because their access to the market is limited, discriminate against non-guaranteed borrowers of all sizes and creditworthiness. Clearly, pressure to be included in the select group will grow. Providing access to the Federal Financing Bank or a taxable-bond option simply multiplies the existing variety of municipal debt instruments.

Singly, the programs each attack some special problem. Taken together they create a plethora of credit opportunities and obligations which are likely to become competitive in their efforts to re-direct financial resources to social objectives. Finding the right credit alternative could become as complicated as finding the cheapest air fare.

THE POTENTIAL BENEFITS OF FEDERAL INTERMEDIATION

The inefficiencies in the operation of the tax-exempt market for state and local government obligations could be significantly reduced, if not eliminated, by the creation of an institution like a National Domestic Development Bank. As a financing alternative available to state and local governments at their discretion, it could effect improvements along the following lines.

(1) The tax equity and efficiency problem would be reduced by the substitution of a fully taxable obligation for some tax-exempt securities. The degree to which tax-free income would be reduced will depend on the relative costs of borrowing through the new intermediary as compared to the tax-exempt market, the share of municipal financing done through the intermediary and the relative returns on tax-exempt as compared to taxable securities.

(2) A single debt instrument of recognized credit standing which would trade in broader, deeper and more resilient markets would replace a heterogeneous collection of local issues.

(3) The investor base for municipal financing would be extended to all those for whom high grade, marketable securities are an attractive investment.

(4) Interest rate volatility on new issues in the tax-exempt market resulting from cyclical or other changes in investors' tax liabilities would be reduced by the availability of a taxable financing option.

(5) Supply conditions in the tax-exempt market would be improved by reducing the volume of securities traded in that market.

(6) Municipal financing cost differentials which stem from factors other than credit worthiness, such as size of issue, would be eliminated by access to the Development Bank.

(7) Specialization and economies of scale of operation which accrue to the Development Bank would result in lower flotation costs.

(8) Proliferation of various kinds of federal guarantees with and without access to tax-exempt financing would be ended. Units of government receiving federal guarantees for their debt would be required to borrow through taxable issues.

(9) State and local governments will be able to borrow at maturities which reflect the life expectancy of the asset being financed, with payments of interest and principal scheduled to coincide with anticipated cash flows. Intermediary loans could be serialized, amortized or include balloon payments.

(10) Since the loan portfolio of the intermediary would be diversified by geographic region, project purpose, terms to maturity and debt service schedules, it would be free to market its own fully collaterialized obligations in denominations and at maturities which would minimize its borrowing costs. Known cash inflow from debt service payments and known loan commitments would allow the bank to shorten the average maturity of its liabilities as compared to that of its assets.

Controversy over the establishment of a National Domestic Development Bank has centered on the scope and nature of its operations. Critics contend that, among other things, the Bank could lead to federal domination of local financial decisions; erode established private market financial relationships; destroy incentives to local governments to improve their credit standings; and, in general, lead to higher social costs

and to greater misallocation of resources than prevail under the present system. Some thoughts on the characteristics and functions appropriate to a financial intermediary for state and local governments follow.

First, the institution should be free from Congressional and Executive Office control. A federally sponsored credit agency with public control and public plus participant ownership seems the ideal form of organization. However, most of the intermediary functions, and the benefits which would derive from them, could be achieved by establishing a much smaller organization within the Department of Housing and Urban Affairs or by expanding the areas of responsibility of an existing public body, such as the Advisory Commission on Intergovernmental Relations. The Advisory Commission has the appropriate public, federal, and local government representatives and, apparently, the expertise to analyze state and local problems.

Second, the scope of the intermediary's operations should be limited to providing an alternative source of long-term capital financing for state and local government units. These would include special districts and statutory authorities but should probably exclude business-for-profit operations of government units. There is a clear danger that an institution designed for a purpose as broad as assisting the nation's cities might be called upon the fund programs designed to cure all manner of social and economic ills. This could lead to the kinds of excesses associated with tax-emept housing and pollution control bonds.[22] The problems associated with raising capital funds for the nation's cities may warrant creation of a special financial institution, but reallocation of financial resources to public purposes raises the costs of private capital formation. Private capital formation creates jobs and income for the majority of the population, including people in the cities. When public funds are re-directed to private purposes, resource mis-allocation does occur.

Third, all state and local governments should have equal access to Bank funding, though not necessarily at equal cost. However, the initiative to use the Bank's facilities should, with one exception, be at the discretion of the borrower. When loans are to be guaranteed by an agency of the government, such as the Government National Mortgage Association or Housing and Urban Development, the funds should be made available only on a fully taxable non-interest subsidized basis, whether this is through the Development Bank or the private market. Unsubsidized private market financing may be unlikely, but, in any event, the Treasury should not forgo tax revenues on federally guaranteed debt.

In all other cases, whether federal matching grants are involved or not, the borrowing government should be able to compare directly and quickly the general terms and services offered by the intermediary with those available from private underwriters in the tax-exempt market. High-rated borrowers with established underwriting procedures may never approach the Development Bank. Small or lower-rated borrowers may be pleased to approach the Bank directly. In other cases, putting private underwriters in direct competition with the Development Bank could have a salubrious effect on both institutions, particularly in those cases where underwriting contracts must be negotiated or only a single bid is received on an issue.[23]

The Bank would have three functions: ordinary lending, refunding, and trading in its own or tax-exempt securities in secondary markets.

The lending function requires two interdependent decisions: determination of eligibility standards and determination of the rates to be charged borrowers. Both will affect the number of kinds of borrowers the Bank will attract. If the Bank were to be financially self-sufficient, its lending rate would have to at least equal its borrowing rate. Since federally sponsored credit agency debt usually trades at rates slightly above those on U.S. Treasury obligations, there will be a few borrowers for whom the Bank has a cost advantage over the tax-exempt market. Table III provides a kind of rough benchmark for this group. It shows the ratios of twenty-year A-rated municipal bond reoffering yields to long-term Treasury rates. A-rated securities have comprised somewhat more than one-half the new issues floated since 1973.[24] If Baa and lower- or unrated securities are added, the group makes up better than 60 percent of new issues. A-rated securities are often offered at rates very close to the prevailing market rates on long-term Treasuries and occasionally exceed them. The ratios for lower-rated or longer-dated securities would be higher. Thus, assuming credit standards appropriate to this class of borrowers, on a break-even interest rate basis, the Bank's clients would include low- and unrated borrowers much of the time and good, or, sometimes, better-rated municipalities when the tax-exempt market is unreceptive to new issues.

Debt absorbed by the Bank will generate federal tax revenues. Some, if not all, of these additional revenues could be transferred from the Treasury to the Bank, enabling it to offer borrowers rates below those at which the Bank acquires funds. The size of the transfer, and whether it exceeds or falls short of new revenues collected, is a political decision. Whatever the amount, the Bank's basic lending rate should be a fixed percentage of its borrowing rate. The funds transferred from the Treasury would then be the difference in the two rates times the volume of loans in the Bank's portfolio.[25] The larger the differential between the Bank's borrowing and lending rates, the more municipalities would use the Bank and the larger would be the annual transfer from the Treasury. The transfer should be viewed as a firm commitment to return to Bank-financed municipalities some or all of the benefits previously shared with investors in the tax-exempt market. The transfer should be automatic and not subject to Congressional appropriation.[26] The amount of the transfer would vary from year to year with changes in the volume of loans in the Bank's portfolio.

TABLE III.—RATIOS OF 20-YR MUNICIPAL BOND REOFFERING YIELDS TO LONG-TERM U.S. TREASURY SECURITIES (QUARTERLY AVERAGES)

Year	Quarter	Yield ratio
1969	I	0.87
	II	.93
	III	.99
	IV	.99
1970	I	1.00
	II	1.02
	III	.98
	IV	.98
1971	I	.93
	II	.99
	III	1.01
	IV	.93
1972	I	.93
	II	.95
	III	.96
	IV	.90
1973	I	.85
	II	.82
	III	.82
	IV	.82
1974	I	.81
	II	.88
	III	.94
	IV	.99
1975	I	1.03
	II	1.01
	III	1.00
	IV	1.02
1976	I	.98
	II	.98
	III	.95
	IV	.97
1977	I	.82

Source: Public Securities Association, "Municipal Market Developments" and Board of Governors, Federal Reserve System, "Federal Reserve Bulletin."

Both the Bank's borrowing and lending rates would vary with credit conditions, but the extra volatility associated with the tax-exempt market would be eliminated. Long-term project financing might still be delayed because of cyclically high rates, but tax-exempt bond anticipation notes could be converted to taxable long-term debt at the Bank if there is a sudden decline in investor interest in the non-Bank market.

If the Bank's role is to supplement the tax-exempt market rather than to eliminate it, the difference between the Bank's borrowing and basic lending rate might be set close to the historic mean ratio between the yields on long-term good (A) grade municipals and federally sponsored agency obligations.[27] Credit standards applied to the basic loan might reflect those currently used to assign "A" ratings. Beyond the basic rate and its associated credit standards, there might be two or three tiers of standards applicable to higher risk borrowers. Lower credit standards would require higher interest rates and more restrictive loan covenants. The risk premiums on less creditworthy borrowers could be used to build up a loan loss reserve commensurate with the overall loss experience on similar municipal debt.[28] Eligibility standards for the different classes of borrowers should be made readily available to municipal finance officers so that they can quickly determine the kinds of information needed for loan applications and have an approximate idea of the rate that they would be charged.

The co-existence of a tax-exempt market with a Domestic Development Bank would continue to provide communities with incentives to achive high credit ratings. Financing costs would be lowest for prime borrowers in the tax-exempt market, although it is always possible that in times of great credit stringency even these borrowers might use the Bank. Borrowers with good credit standards could examine both sources of credit and choose the one that costs less or better suits their needs. The rates charged by the Bank to less credit-worthy borrowers should be lower than those available to them in the tax-exempt market, but the premiums over the basic rate should be high enough to induce fiscal improvements. Note that the elimination of the very high tax-exempt rates will increase Treasury revenues extra-proportionally.

The volume of loans made by the Bank will vary over the credit cycle, but may also vary because of conditions specific to the tax-exempt market. It is quite possible that good- and medium-grade municipalities might borrow from both sources and might, if and when conditions change, want to convert debt from bank to tax-exempt debt or vice versa. The Bank should accommodate such refunding operations at a prescribed cost.

A final function of the Bank would be trade in its own and tax-exempt securities in secondary markets. It would trade in its own securities to equate its liabilities with its outstanding assets so that it would neither hoard nor ration funds. The Bank would trade in tax-exempt securities purely for the purpose of reducing any excessive volatility in that market. Trading in the tax-exempt secondary market might generate income for the Bank since it would tend to buy

Footnotes at end of article.

when prices were low and to sell when prices were high.

Other income would be generated by earnings on the loan-loss reserves and by any fees and charges made to clients. It is possible that the Bank might develop into a provider of project-planning and financial-analysis services to state and local governments, irrespective of whether the Bank would be used as the source of funds.

As it is outlined here, a National Domestic Development Bank would assist the states and political subdivisions of the nation by increasing the efficiency of the market for their debt. Financing through the Bank would lower the costs or borrowing for some borrowers—partly by requiring a lower interest rate and partly by reducing flotation costs and market risks. For borrowers in the tax-exempt market, the reduced volume of debt issued and traded should reduce yields and the stabilizing function of the Bank's trading should reduce interest rate volatility.

THE ALTERNATIVES: FEDERAL INTERMEDIATION OR TAXABLE BOND

Two proposals have emerged as the most likely candidates for improving the access of state and local governments to long-term funds: a federally sponsored intermediary and a taxable-bond option. Under the latter scheme the Federal Government would agree to subsidize directly the interest costs of state and local obligations by between 30 and 50 percent. The higher the subsidy, the greater will be the inducement to issue taxable bonds in lieu of tax-exempts.[28]

The two schemes are comparable in several dimensions. The two most important are their effect on the equity and efficiency problem and on the volatility of the new-issues market. For equivalent net interest costs to municipalities, both will increase federal tax revenues at the expense of intramarginal lenders and both will provide municipalities with the option of issuing bonds in two markets instead of one.

Beyond these common elements, the Bank has two clear advantages over a taxable bond option. It will likely be less costly to the Federal Government and it will be more effective in improving the efficiency of the market.

The larger gain lies in the size of the subsidy required to reduce municipal borrowing costs to a specified level. Under a taxable bond option, the Treasury would be committed to paying a fixed percentage of the interest cost for borrowers of all sizes and grades for whom the taxable bond option is cheaper. The Bank, on the other hand, would subsidize the same borrowers to the same degree by substituting its own credit rating and the marketability of its issues for those of the municipalities. Assuming that the market exaggerates the risk premiums on lesser-known borrowers, the subsidy paid by the Bank will be less than that paid under the taxable-bond option for equivalent issues. A simple arithmetic example will illustrate the mechanism. Let the ratio of municipal to corporate yields for a given grade be 70 percent and the ratio of tax-exempts of the same grade to agency debt be 90 percent.[29]

To equate the net borrowing costs of the municipality, the Bank would absorb only ten percent of the total interest costs while the taxable bond option would require the absorption of 30 percent. The Bank, by substituting its own debt for that of ultimate borrowers, will reduce the cost of funds raised in primary markets. Only if the borrowers from the Bank have high bankruptcy rates would the Bank prove more expensive. On an administrative cost basis, the Bank need not be at a great disadvantage since the taxable-bond option would require a mechanism to distribute the payment of interest to thousands of government units who have loans outstanding.

The impact of the Bank on the efficiency of the market in which municipals compete for funds can be an equally important characteristic of the Bank alternative. The diversity and large number of different small issues with the inherent instability that such a mix implies, will not be reduced by the taxable-bond option.[30] Per contra, the Bank will drastically reduce the number of issues with poor marketability. The costs of flotation are high for small borrowers in private markets and this cost would be virtually eliminated by the Bank, but not by the option. The market for the remaining tax-exempts (under the Bank alternative) would be smaller and contain only the better grade and more actively traded of bonds. This will be a more efficient source of funds for the better-rated borrowers and will be further aided by intelligent trading in the secondary market by the Bank.

In conclusion, there seems to be little doubt that the present system is inefficient. At issue is the means by which to improve its operation. This statement takes the position that a financial intermediary, like the National Domestic Development Bank, is the best alternative.

The degree of subsidy to be granted under any proposal is a political decision dependent on the degree to which Congress wants to direct economic resources to local public expenditures. For any degree of subsidy, Bank financing should be more economical and should bring about some beneficial changes in the structure of the municipal bond market.

One caveat is in order here. The Bank should be a low-cost, specialized organization. It should not be involved in finding solutions to the broad economic and social problems of the nation's states, cities and towns. To do so would dissapate its savings in huge administrative expenditures.

With that qualification, a National Domestic Development Bank would, by providing a financing option, smooth the flow of funds to the nation's communities and improve the overall functioning of an important financial market.

FOOTNOTES

[1] An early proposal for an "Intergovernmental Loan Corporation" appears in Alvin H. Hansen and Harvey Perloff, *State and Local Finance in the National Economy*, (W. W. Norton & Company, 1944), pp. 203–05. The "Case for an Urban Development Bank" is put by Peter Lewis in *Financing State and Local Governments*, (Federal Reserve Bank of Boston, 1970), pp. 159–180. Proposals considered by the Congress include those of then Vice President Humphrey in 1969 for an Urban Development Bank and Senator Humphrey in 1971 for a National Domestic Development Bank.

[2] Many of the problems of the municipal bond market have been carefully researched elsewhere. See, for example, John Peterson, *Changing Conditions in the Market for State and Local Government Debt*, A Study Prepared for the Use of the Joint Economic Committee of the Congress of the United States, April 16, 1976. The review of the problems presented in this testimony serves only as a reminder that most remain unresolved.

[3] Because it originates in Constitutional interpretation by the Supreme Court, some observers object to calling tax exemption a subsidy. So far as the loss of federal tax revenues is concerned it is as much a tax subsidy as an investment tax credit.

[4] David Ott and Allan H. Meltzer, *Federal Tax Treatment of State and Local Securities*, (Washington, D.C.: The Brookings Institution, 1963). The U.S. Treasury estimated that for 1976 only $3.5 billion of the 4.8 billion in revenues lost to the Treasury would be passed on to state and local borrowers. ("The Municipal Bond Market: Why it Needs Help," *Congressional Record*, December 17, 1975, S. 22558. Cited in Peterson, *Changing Conditions*, p. 56.

[5] Ratios on prime bonds rose to 75 percent in 1961 and those on medium grade bonds (Baa) approached 90 percent in the mid-1950's. (Peterson, *Changing Conditions*, p. 34 and John E. Peterson, *The Rating Game*, Twentieth Century Fund, New York, 1974, p. 36).

[6] Mutual funds provide investors with greater liquidity through the redemption of shares as well as smaller minimum investments than does direct market participation.

[7] In general, commercial banks prefer shorter-term obligations. One result of their dominant position in the market for tax-exempts is that the yields on shorter-term obligations rarely, if ever, rise about those on longer-dated securities, as they do in other markets under tight credit conditions.

[8] See, for example, Ralph C. Kimball, "Commercial Banks, Tax Avoidance, and the Market for State and Local Debt Since 1970," *New England Economic Review*, Federal Reserve Bank of Boston, January/February. 1977, pp. 3–21. Kimball points out an interesting facet of using tax subsidies to achieve social goals: they tend to become competitive as their number increases, and the benefits accruing to any single subsidized activity decrease. For example, municipal borrowing costs may be sacrificed to investment tax credits as bank leasing activities expand.

[9] A high of 46 percent of their total assets were invested in municipals in 1974. Fire and casualty companies need more liquidity in their investment portfolios than life insurance companies because their claims are less predictable.

[10] Life insurance, pension funds and Keogh plans already tax shelter a substantial portion of middle income long-term savings. Residual investments in municipal securities, either directly or through mutual funds, may have to compete with riskier, but potentially higher returns in equities or equity substitutes.

[11] The 3,689 general obligation bonds averaged just under $5 million per issue and the 2,027 revenue bonds about $8.5 million per issue. Petersen estimated in *The Rating Game*, (p. 32) that outstanding obligations included some 120,000 issues from some 34,-000 government units.

[12] Derived from *Municipal Finance Statistics*, The Bond Buyer, Volume 15, June, 1977, pp. 9–20.

[13] Apparently both very large and very small issues will carry higher yields than medium size issues. The market is too limited to absorb very large issues and very small issues may be unrated, locally underwritten and locally held. (American Enterprise Institute, *Proposed Alternatives to Tax-exempt State and Local Bonds*, Legislative Analysis No. 3, 93rd Congress, February 14, 1973, p. 11).

[14] See Peterson, *Changing Conditions*, pp. 41–46.

[15] See Petersen, *The Rating Game*, especially pp. 85–117 for an analysis of the difficulties in rating municipal securities.

[16] Paul F. McGouldrick and John E. Petersen, "Monetary Restraint and Capital Spending by Large State and Local Governments in 1966," *Federal Reserve Bulletin*, July, 1968 and "Monetary Restraint, Borrowing and Capital Spending by Small Local Governments and State Colleges," *Federal Reserve Bulletin*, December 1968.

[17] *Municipal Finance Statistics*, 1976, p. 7.

[18] See John Peterson, *Changing Conditions*, pp. 12–22, for a critique of these programs. Conservative estimates indicate that by 1980 the total tax losses since 1970 will amount to $640 million from outstanding pollution control bonds. In addition, state and local governments will be paying an additional $150 million each year in debt service costs, corporations will enjoy a total of $425 million in interest savings and investors will receive an

additional $365 million in tax-sheltered income (p. 21).

[19] For example, the Small Business Investment Act Amendments of 1975 (Public Law 94–305) authorize the Small Business Administration to guarantee tax-exempt bonds for small business pollution control. The Guaranteed Student Loan Amendments (Public Law 94–482) allow non-profit corporations to issue tax-exempt bonds to acquire student loans. (Lynda Rich, "State and Local Government Financing: Federal Guarantee and Subsidy Programs," *Municipal Market Developments,* October, 1976, pp. 1–2).

[20] For example, the Coastal States Management Act Amendment (Public Law 94–370). (*Ibid.*, p. 2)

[21] The Federal Water Pollution Control Act Amendment of 1976 (Public Law 94–482) enables "select" users to guarantee sewage treatment bonds through the Environmental Protection Agency and to issue the bonds directly to the Federal Financing Bank. (*Ibid.*, p. 2).

[22] Petersen, *Changing Conditions,* pp. 9–22.

[23] See Reuben A. Kessel, "The Economic Consequences of the Exclusion of Bank Competition from the Underwriting of Revenue Bonds," *Hearings Before the Subcommittee on Financial Institutions of the Committee on Banking and Currency,* United States Senate, 90th Congress, 1st session on S1306, August 1967.

[24] Advisory Commission on Intergovernmental Relations, *Understanding the Market for State and Local Debt,* Washington, D.C., May, 1976, p. 25.

[25] The Bank's loans could be made on a variable rather than a fixed interest rate basis to reflect changes in its borrowing costs.

[26] This would be similar to the automatic funding for federal interest reduction payments on a taxable bond option provided in the bill introduced by Senator Proxmire in 1972. (S. 3215, 92nd Congress). (A.E.I., p. 4).

[27] A cheaper alternative would be to float the Bank's debt through the Federal Financing Bank.

[28] An initial Treasury grant or loan could fund the loss reserve in the early years of the Bank's existence. Low insurance premiums might be required of all borrowers.

[29] The average ratio in Chart I for A-graded municipal and corporate new issues is 71 percent. The ratio for twenty-year A-rated municipal reoffering yields to long-term Treasury securities in Table III is 94 percent. Ratios of long-term municipals to Agency debt would be somewhat lower.

[30] Federal guarantees on taxable bonds could bring a degree of homogeniety to the market.

APPENDIX I

RATIOS OF MUNICIPAL TO CORPORATE YIELDS ON NEW ISSUES (QUARTERLY AVERAGES)

[In percent]

	Aaa	Aa	A	Baa
1968:				
I	64.7	.....	66.7	.....
II	62.8	.....	67.4	.....
III	64.7	.....	67.0	.....
IV	64.1	.....	65.6	.....
Annual average	64.1	64.5	65.6	68.4
1969:				
I	66.8	.....	69.7	.....
II	70.8	.....	71.9	.....
III	72.3	.....	74.7	.....
IV	70.9	.....	74.7	.....
Annual average	70.2	71.2	72.7	71.9
1970:				
I	71.8	.....	74.1	.....
II	80.1	.....	75.6	.....
III	71.0	.....	70.4	.....
IV	68.2	.....	68.6	.....
Annual average	72.8	72.3	72.2	69.6
1971:				
I	69.1	.....	70.3	.....
II	71.3	.....	72.6	.....
III	70.4	.....	73.1	.....
IV	66.7	.....	68.6	.....
Annual average	69.4	69.8	71.1	70.2
1972:				
I	68.7	.....	71.5	.....
II	69.2	.....	71.2	.....
III	69.4	.....	73.1	.....
IV	68.2	.....	69.8	.....
Annual average	68.8	70.3	71.4	70.0
1973:				
I	67.0	.....	69.1	.....
II	65.5	.....	68.0	.....
III	63.5	.....	64.6	.....
IV	61.6	.....	64.0	.....
Annual average	64.4	65.6	66.4	67.3
1974:				
I	62.5	.....	63.3	.....
II	64.6	.....	65.0	.....
III	65.5	.....	62.9	.....
IV	69.0	.....	69.6	.....
Annual average	67.2	65.0	66.9	(1)
1975:				
I	71.9	.....	71.2	.....
II	71.4	.....	72.5	.....
III	71.8	.....	75.8	.....
IV	71.1	.....	79.2	.....
Annual average	71.7	72.5	74.7	(1)
1976:				
I	70.6	.....	82.7	.....
II	68.4	.....	80.7	.....
III	67.2	.....	79.4	.....
IV	65.0	.....	80.5	.....
Annual average	67.8	71.7	80.8	78.5
1977: I	63.2	.....	74.5	.....

[1] Insufficient observations for realistic averages to be calculated.

Notes: Annual averages only are given for Aa and Baa rated bonds for comparison. The Aa bond ratios usually follow those of Aaa bonds quite closely, as do those for Baa and A rated bonds. Ratios for A rated bonds were calculated in preference to Baa bonds because there were sufficient observations of new Baa issues.

Sources: The ratios are quarterly averages of the yields of new issues of municipal to new issues of corporate bonds of the same rating. The municipal yield series is "Municipal Bond Yield Averages (Long-term Bonds)" in "Moody's Municipal and Government Manual." The corporate yields are taken from "Composite Average of Yields on Newly issued Corporate Bonds" given in "Moody's Industrial Manual."

APPENDIX II.—1- AND 20-YR REOFFERING YIELDS ON Aaa AND Baa RATED BONDS

[Quarterly averages; in percent]

	Aaa—term to maturity		Baa—term to maturity	
	1 yr	20 yr	1 yr	20 yr
1969:				
I	4.06	4.92	4.15	5.44
II	4.00	5.55	4.66	5.87
III	5.03	5.78	5.43	6.41
IV	5.00	6.15	5.64	6.77
1970:				
I	4.47	6.10	5.13	6.83
II	4.57	6.57	4.87	7.25
III	4.21	6.17	4.67	6.88
IV	3.42	5.72	3.65	6.70
1971:				
I	2.39	4.90	2.93	5.75
II	2.85	5.41	3.35	6.22
III	3.14	5.32	3.62	6.12
IV	2.76	4.93	3.03	5.43
1972:				
I	2.64	5.02	3.02	5.48
II	2.82	5.17	3.17	5.62
III	2.95	5.06	3.22	5.52
IV	2.90	5.00	3.16	5.25
1973:				
I	3.57	5.03	3.62	5.35
II	3.95	5.00	4.13	5.26
III	4.65	5.13	5.0	5.60
IV	4.08	4.97	4.48	5.41
1974:				
I	4.10	5.21	4.67	5.75
II	4.94	5.68	5.40	6.27
III	5.61	6.16	6.16	7.25
IV	4.48	6.28	5.37	7.28
1975:				
I	3.81	6.53	5.25	6.85
II	3.82	6.28	5.28	7.29
III	4.04	6.47	5.05	7.70
IV	3.81	6.37	4.50	9.4
1976:				
I	3.20	6.00	4.43	6.87
II	3.31	5.86	5.26	7.12
III	3.13	5.75	4.09	6.58
IV	3.00	5.62	NA	6.25
1977: I	2.80	5.36	3.94	6.13

Source: Public Securities Association, Municipal Market Developments, various issues.

RURAL COMMUNITY INITIATIVES

Mr. DOMENICI. Mr. President, at a time when a big and ever-growing Federal Government has slowly but steadily confiscated personal liberties and initiative from Americans, I believe it is indeed refreshing to find communities such as Mt. Dora and Clapham, N. Mex., which are willing to undertake a complex project such as installing telephone cables to their isolated and distant homes without the aid of Government or other institutions.

The two rural communities has wanted and needed telephone service for some time, but because of the isolation of their area, the cost of having the telephone cable installed by the telephone company was prohibitive.

So the citizens of Mt. Dora and Clapham decided to install the telephone cable themselves, with the assistance of Mountain Bell. Mountain Bell provided the cable and technical assistance while the citizens did the actual back-breaking labor of digging the long trench and filling it with inch-thick cable.

Through the sweltering New Mexico sun, the citizens of the tiny but proud communities worked tirelessly to complete their task. Thus, with a minimum of assistance from external sources, the industrious residents of Mt. Dora and Clapham have provided themselves with an invaluable service.

This self-reliance is what America is all about. America has become a great nation because of what its people have done for themselves, not because of what others have done for them and to them.

I congratulate these fine New Mexicans and Americans, and trust that they will be an example to the rest of the Nation of what the rewards and benefits of self-reliance and initiative are.

Mr. President, I ask unanimous consent to have an "Albuquerque Journal" article, "Group Effort Gets Phone to Rural Area," printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GROUP EFFORT GETS TO RURAL AREA

(By Denise Tessier)

Excitement pervaded the Jack Pagett household Friday. A telephone was installed in the house—its first, though three generations had lived there.

It was also the first phone in the entire ranching communities of Mt. Dora and Clapham, N.M., because the cost of stringing lines to the sparsely populated area was too much

for the ranchers. Until they decided to do the installation themselves.

The plan had been in the works for more than a year, but it was Monday when the ranchers started pitching in together to begin digging 47.5 miles of trench and filling it with the inch-thick cable that would link the homes of the rolling range country to friends and business in Clayton, almost 25 miles away.

Working side-by-side, hand-over-hand, dust-covered neighbors held black cable in place while it was laid by a Mountain Bell spool rig trailing a farmer's Caterpillar tractor. The trench had been dug by another neighbor on another donated tractor. Some of the men guided the rigs, pulled fences for passage and then put them back up again.

Rancher Mamie Carter, a resident of the area 57 years, helped out by delivering cake and ice tea to the "boys" who worked along the rural dirt roads.

The 19 families who will receive phone service as a result of the community labor have never had phone service in the area before. Mountain Bell charges rural residents a percentage of labor and cost to provide service, but the remainder was prohibitive for the ranchers. So the ranchers offered to do the work themselves and Mountain Bell agreed to provide the cable, the spool rig and a full-time employe to supervise the project.

Mountain Bell's public information office personnel said they believe the cooperative agreement is the first of its kind in the Bell system. And they said the company wouldn't mind working similar arrangements in other rural areas where service is needed.

As a beige desk phone was being installed in his kitchen Friday, Jack Pagett commented that he needed to call the folks, the kids, the people in town, and "get more help on this telephone line." But first he called his cousin, Joy Gilbert. "I've used her phone for the last 10 or 11 years. She even gave me a key to her house so I could use it." The house is about 20 miles away.

"It's a dream come true," Pagett's wife, Violet, added. "We didn't think we'd ever get this." Cousin Joy seemed to be finding it hard to believe as Pagett placed his call. "No, I'm not. I'm right here in the old kitchen," he told her.

Sometimes when their girls were unable to get home from school, they'd tell the Clayton radio station, and Mrs. Pagett would know when to expect them from the radio announcer on her kitchen AM. Most of the other ranchers in the area have used a two-way radio system out of Clayton, which served in emergency situations and general conversation. But most agreed the system just wasn't private enough. "You're talkin' to the whole county on that," commented Fred Mapes as he took a break with Mrs. Carter's cake on the road.

The radio didn't work well with business either. "There's no sense in buying and selling cattle over a PA system," said rancher J. M. Poling Jr., who donated the trench-pulling tractor. "You can go to auction in Clayton for that."

Poling's son, George, 32, said, "Everybody's real eager to get a telephone. We never really have had one. We won't have to go to town so often.

He explained that the families put about $150 each into a "kitty" managed by the wife of one of the working ranchers, Irene Meara. "If it runs out," he said, "it might have to be added to." The money is used for fuel to run the tractors, the leasing of the digging attachment, miscellaneous. Mrs. Meara gets all the bills. Ranchers who donate equipment, like Poling's father, don't pay as much.

"Everybody's happy to donate what they can," A. J. Poling said.

The project got started through the efforts of Joe Bob Baker, the Mountain Bell Clayton manager, who heads the local exchange (as opposed to long distance). He obtained the names of ranchers who wanted service and then moved to estimate the cost to the ranchers and Mountain Bell. He hesitates to quote figures, as does Jon Schumard, the district manager out of Santa Fe. But they say the cost is going to be just more than half of the six-figure amount it might have been, and a portion of that would have been borne by the ranchers.

The families, many of whom have already applied for additional phone lines for their teenagers, will be paying about $15 a month for each four-party line, Baker said.

Bob Daves, who's been around since 1917, thinks it will be worth it—in gasoline and time savings as well as for emergencies. "We get so many bills, one more won't matter," Pagett said.

George Gonzales said he has fencing to do, alfalfa to cut and bale. But: "I'd give up what I'm doing just to get a telephone," he said. "It's really gonna be handy." Pagett concurred. "We've got a few things buildin' up, but we'll take care of that later."

Schumard said the ranchers are even doing the cable splicing, with Mountain Bell foreman Steve Scott showing them how. He estimates the work will continue two more weeks before all the phones can be put in.

Time has worked to one advantage, however. Unlike their rural neighbors around Springer about an hour to the southwest, the Clayton tie-ins won't have telephone poles and lines to mar the beauty of their "little stretches." Baker said underground cables are more practical as well. "There's so much wind and blizzard up here, it's the only way to go. If a line was knocked out, it'd take days to fix it."

As Pagett reached for the brand-new phone book to look up another number, Mrs. Pagett lamented, "I'll never be able to get Jack off of there." Later, on the porch, she talked about the distance to her neighbors' homes.

The Gonzales' house, she said, is about 13 miles away. "We don't have any close neighbors." Pagett quietly nudged her and said, "We do now."

COMMON MARKET PROCEEDS WITH BREEDER REACTOR

Mr. CHURCH. Mr. President, we have recently had occasion to debate administration policy concerning fast breeder reactors during our consideration of funding for the Clinch River breeder reactor project.

It has been my contention that Western Europe and Japan will proceed with the fast breeder and reprocessing technology despite the President's attempt to persuade foreign nations to stay with the current generation of light water reactors as electrical power generators. The pressing energy needs of these nations, when pitted against uncertain foreign supplies of uranium, the energy stretching nature of the breeder reactor, dangerous dependence on imported petroleum, and the emergence of a uranium cartel, all cause them to pursue breeder reactors and reprocessing.

I am persuaded that the United States must recognize these realities and commence the urgent task of designing the international control structure necessary to deal with the arrival of the plutonium age. We simply cannot allow nuclear anarchy to develop.

I call attention to a recent statement of the Common Market Commission which rejects President Carter's advice that they abandon breeder reactor construction. A report on this statement in the July 16 edition of the Washington Post leaves no doubt that the EEC is determined to aggressively develop and market fast breeder reactors.

Mr. President, I ask unanimous consent that the text of this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EEC TO STRESS FAST BREEDER TECHNOLOGY

(By William Drozdiak)

BRUSSELS, July 15.—The Common Market Commission, in an effort to reduce Europe's dependence on outside fuel suppliers, intends to push for urgent development of fast breeder and reprocessing technology.

Rejecting President Carter's advice to shun breeder reactors in an effort to restrict nuclear proliferation, the Commission said in a statement yesterday that the European Economic Community must build such plants to cope with an expected world shortage of uranium in the 1980s and the lack of space in Europe to store nuclear waste.

"The Communist cannot afford to throw away spent nuclear fuel which can be reprocessed and reused in advanced types of reactors such as fast breeders," the EEC Commission noted in a statement explaining its nuclear strategy.

The Community's nine member countries now import 80 per cent of their uranium supplies, which have been subject to nagging delivery delays in the past from the United States and Canada. By the year 2,000, the European Community will account for one-third of total world demand for uranium, so the Commission hopes to bolster construction of fast breeder plants to cut Europe's dependence on foreign sources of uranium and oil.

The EEC's nuclear energy branch, Euratom, has concluded that there are adequate safeguards for storing and recycling plutonium, a highly lethal element extracted from spent uranium, which can be used to make bombs as well as to fuel nuclear power plants. Breeder reactors produce more plutonium than they absorb, a fact that has raised a controvery over their use.

Euratom contends that building four or five nuclear strongholds in member countries would accommodate European needs for nuclear waste disposal and plutonium storage.

"Such joint reprocessing facilities would be subject to strict controls by Euratom and would help toward the general aim of avoiding the proliferation of potentially dangerous nucear material. These regional centers would also simplify the security problems of countering theft and sabotage," the EEC Commission statement said.

Euratom officials believe breeder and reprocessing plants could trim the EEC'S annual uranium import requirements by up to 20 percent starting in the late 1980's. In the long term, such technology could assure "virtual freedom from dependency on external supplies."

The EEC Commission plans to increase the number of joint nuclear ventures within the European Community, like the giant 1,200-megawatt "Superphenix" fast breeder reactor built in Creys-Malville in France by a consortium of French, German and Italian companies. France, West Germany and a group of other EEC members signed agreements July 5 for a joint venture to develop and market fast-breeder reactors.

Most nuclear specialists acknowledge that France has the most sophisticated fast breeder technology. By merging its expertise with West German industrial and financial strength, the European Community hopes to intensify nuclear research and development.

French and West German atomic energy agencies agreed recently to increase research funds for breeder technology.

West Germany, in cooperation with Belgium and The Netherlands, is constructing its own fast breeder prototype at Kalkar along the Dutch border. Britain already has a 250-megawatt fast breeder plant in operation at Dounreay, Scotland.

Conscious of the hazards posed by growing amounts of plutonium generated by fast breeder reactors, the EEC Commission said that reprocessing plants will diminish the bulk of nuclear waste and ease security problems.

"Radiological risks for future generations might be greater if reprocessing were not undertaken. In that case, the plutonium would remain in the spent fuel elements and its storage would be a long term risk," the Commission paper said.

The EEC nuclear strategy involves establishing five centers for nuclear waste disposal by the end of the century. Euratom also plans to study nuclear processes that would preclude diversion of materials into weapons manufacturing, a concept the U.S. administration wants explored on a global basis.

TRIBUTE TO ARCHBISHOP MAKARIOS

Mr. WILLIAMS. Mr. President, it was with deep sadness that I learned of the passing of his beatitude, Archbishop Makarios, the President of Cyprus. This tragic loss of one of the world's most courageous leaders creates a void that will not soon be filled. I join with the people of Cyprus and with freedom-loving people everywhere in mourning the archbishop's untimely death.

Archbishop Makarios came to symbolize the character and destiny of the island republic of Cyprus. Born as the son of a village goatherd, he became head of the Greek Orthodox Church and a leader in his country's struggle for independence. Seventeen years ago, when his vision became a reality, Makarios won an overwhelming victory in the first presidential election ever held on the island. Unique, as both the spiritual and temporal leader of his people, Makarios served his country faithfully and selflessly until his death.

I had the great honor of meeting this great man in August 1975 when the archbishop came to the United States seeking economic assistance. I know that no successor can command the authority and prestige that accrued to him in his nearly three decades of leadership. A man of great intelligence, strong principle and profound faith, Makarios asserted the democratic values which we all share and cherish. His deep-rooted ties to his own people enabled him to sustain them and lead them courageously. He was a tower of strength and a vital stabilizing force.

The archbishop had a dream—a dream for a peaceful and independent nation. It is a great tragedy indeed that he will never live to see the realization of his hopes for his beloved Cyprus. His rare and extraordinary qualities will be deeply missed. His passing deprives the world and the Republic of Cyprus of a great statesman.

FARMERS TURN TO OTHER JOBS

Mr. McGOVERN. Mr. President, lest some of my colleagues continue to believe that things are fine down on the farm, I call their attention to a recent newspaper article appearing on July 25, 1977, in the Huron, S. Dak., Daily Plainsman. Small farmers just are not making a living from farm income alone and must supplement it through off-farm jobs or working wives. What is alarming is that of an average farm income of slightly over $19,000, $11,000 of this total comes from non-farming-related activity. Regardless of the size of the farm as reflected by gross sales, every category of agriculture relied in one degree or another on a substantial part of the family income coming from seasonal, part-time, or spouse-held employment.

Mr. President, I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARMERS TURNING TO NONFARM INCOME TO SUPPORT THEMSELVES

(By Don Kendall)

WASHINGTON.—The Agriculture Department says thousands of American farmers found it necessary to rely on nonfarm income to support themselves last year.

The department reports that the nation's 2.8 million farms averaged a total income each of $19,059 in 1976, an increase from the $17,558 average for each farmer in the previous year.

But officials also said new figures show that only $7,885 of the 1976 total average income came from farming profits. The remaining $11,174 came from "off-farm" income such as moonlighting jobs by farmers themselves or from jobs held by spouses and other members of their families.

In other words, the department said, a farmer earning less than $20,000 from his farm found it necessary to rely on nonfarm income to live.

The off-farm earnings were most pronounced for the smallest category of farms, those with annual sales of crops and livestock of $2,500 or less. These often have been called "country residences" by some authorities, rather than farms.

Those averaged $1,921 each from farm income and $15,630 in 1976 from off-farm earnings, a total income last year of $17,551 per farm.

But the $2,500-or-less farms account for more than one million of the nation's 2.8 million farms, about 30 percent. On the basis of dollar value of farm product sales, those accounted for only 1.4 percent of the nation's food and fiber last year.

Not until annual farm product sales reach $20,000 a year do the off-farm earnings drop below those of actual farm income.

For example, in the category of sales ranging from $2,500 to $4,999 a year, farm earnings—net income—averaged $1,725 a farm and off-farm income $12,067 each for a total of $12,067 or well below the smallest category.

In the $5,000 to $9,999 class of farm sales, farm income averaged $3,030 last year and nonfarm earnings $9,124 or a total of $12,154 for total income. The total income, incidentally, includes a value USDA economists place on food and housing used by a family on the farm.

The farms with product sales of $10,000 to $19,999 last year averaged $5,248 from farming and $7,060 off the farm, a total of $12,308 in 1976.

Collectively, the groups of farms having product sales of less than $20,000 last year—meaning what they sold in crops and livestock—accounted for 10 percent of 1976 U.S. farm production, based on the value of products marketed. But they comprised nearly two million or about 72 percent of all the farms in the country.

Put another way, there were about 782,000 farms which sold more than $20,000 worth of products each last year—28.1 percent of the U.S. total—and those accounted for about 90 percent of the nation's 1976 production, based on sales value.

But off-farm earnings still are important to the larger farms. In the sales category of $20,000 to $39,999 last year, farm income averaged a net income of $16,558 a farm against $6,906 from off-farm income.

In the largest category—units with farm sales of $100,000 or over last year—net farm incomes averaged $55,716 while off-farm earnings were $13,310.

Increasingly, partly because of higher prices of commodities since 1972, more farms have moved up into the higher categories of annual sales. For example, the report said that last year there were 155,000 farms which marketed at least $100,000 worth of products, compared with 141,000 in 1975.

In 1971, there were 63,000 farms in the $100,000-plus category. Those increased to 82,000 in 1972, to 138,000 in 1973 and to 150-000 in 1974 before dropping—largely due to sagging livestock prices—to 141,000 in 1975.

The figures are included in a new "Farm Income Statistics" report issued by USDA's Economic Research Service.

Mr. McGOVERN. Mr. President, further indications of the serious nature of the agricultural problems are contained in the August 1, 1977, issue of the Farm Paper Letter of USDA. This publication reports the current farm parity level at 65—the lowest parity ratio since March of 1933.

I ask unanimous consent that the text of the August 1 Farm Paper Letter be printed in the RECORD.

There being no objection, the Farm Paper Letter was ordered to be printed in the RECORD, as follows:

INSIDE: PRICES RECEIVED BY FARMERS CONTINUE DOWN; PARITY AT 44-YEAR LOW . . . BEEF REFERENDUM TURNED DOWN BY FARMERS

Net realized farm income for 1976 now placed, by USDA's Economic Research Service, at $21.9 billion. That's up slightly from the revised $20.8 billion total for 1975. And, though it's well below both the record $29.9 billion total for 1973 and 1974's $27.7 billion, it's still the 3rd highest in history, nearly double that for 1964.

Cash receipts from farm marketings hit a record high $94.3 billion, up 7 percent from a year earlier, 2 percent above the previous high (of $92.4 billion) set in 1974. Though livestock receipts were record high, they were exceeded by receipts from crops for the 3rd straight year.

At $47.9 billion, crops' receipts were up 6 percent from a year earlier, but 6 percent below the record $51.1 billion for 1974. Livestock receipts totaled $46.4 billion, up 8 percent from a year earlier, 12 percent above those for 1974, but only 1 percent above the $45.9 billion total of 1973.

Realized gross farm income a record $103.6 billion, up from $96.7 billion in 1975. But, farm production expenses totaled a record $81.7 billion, up from the previous high of $75.9 billion set a year earlier and more than double those for 1968.

On a per farm basis, cash receipts averaged $34,704, realized gross income, $37,303, and production expenses $29,418. That left

a realized net of $7,885, up from $7,410 in 1975, but below both the $12,529 for 1973 and 1974's $9,801.

The nation's largest farms, those with cash receipts of $100,000 or more, totaled 155,000, accounted for only 5.6 pct. of all farms. But, they accounted for nearly 60 pct. of all cash receipts. The smaller farms, those with cash receipts less than $5,000, accounted for more than 50 pct. of all farms, but less than 3 pct. of the cash receipts from farming.

Direct government payments to farmers totaled $735 million, averaged only $264 per farm. (Farm Income Statistics).

U.S. red meat production up sharply during June. At nearly 3.3 billion lbs. for the month, it was 5 pct. above that of a year earlier. Beef output, at 2.2 billion lbs., up 1 pct. from a year ago. Veal, at 66 million lbs., up 5 pct.; pork, at 1.0 billion lbs., up 14 pct.; lamb and mutton, 29 million lbs., up 7 pct. from June 1976.

June output brought red meat production for the first 6 months to 19.5 billion lbs., up 3 pct. from last year's record pace. Though beef output, at 12.5 billion lbs., was down 1 pct. from the first 6 months of 1976, veal, at 397 million lbs., was up 3 pct.; pork, at 6.5 billion lbs., was up 14 pct.; and lamb and mutton, at 176 million lbs., was unchanged from a year earlier. (Livestock Slaughter).

Prices received continue down; Parity at 44-year low! Index of Prices Received by Farmers declined 4 points (2 pct.) during the month ended July 15. It was the second straight month of decline. At 180 (pct. of its Jan.–Dec. 1967 average), the index was down 14 points (7 pct.) from both two months earlier and a year eailer.

Lower prices for soybeans, all grains, hay, oranges and tobacco were mainly responsible for the decline. Higher prices for hogs, cattle, eggs and broilers were partially offsetting.

At $6.30 per bu., soybeans were down $1.91 from a month earlier. Hay averaged $56.80, down $4.50 per ton; corn averaged $1.93 per bu., 19 cents lower. Oats, at $1.06, were 23 cents a bu. lower. Barley decreased 20 cents to $1.73 per bu.

Beef cattle prices were up 80 cents per cwt. to $34.90; hogs were up $3.00 per cwt. to $44.90. Eggs were up 3.9 cents per doz. to 50.7 cents and broilers were up 1.5 cents per lb. to 26.2 cents.

Meanwhile, the Index of Prices Paid by Farmers declined 1 point (½ of 1 pct.) to 203. It was still 9 points (5 pct.) above a year earlier. The Ratio of the Index of Prices Received to Prices Paid declined 1 point to 89. It had stood at 100 a year earlier.

Under the old 1910–14 formulas, Prices Received declined 11 points to 450 and were 486 a year earlier. Prices Paid declined 3 points to 689 and were at 660 a year ago. And, the Parity Ratio declined 2 points to 65. That's the lowest since March of 1933—when it stood at 55. A year ago it was at 74. (Agricultural Prices).

Cattle producers apparently have turned down a national beef research and information program. Preliminary results of a nationwide referendum indicate that only 56.5 pct. of voters approved the measure. While 322,175 beef producers registered to vote, only 231,046 (or 72 pct.) voted. A total of 130,464 voted in favor of the measure, 100,582 voted gainst it. Under the Beef Research and Information act, at least 50 pct. of beef producers registered had to vote; and ⅔ needed to vote affirmatively. (USDA 2016–77).

NEW AND REVISED USDA PUBLICATIONS

Packaged Fluid Milk Sales in Federal Milk Order Markets: By Size and Type of Containers, and Distribution Method During November 1975 (AMS 553), . . . Building Hobby Greenhouses (ARS Agriculture Information Bulletin No. 357), . . . Conservation Tillage for Wheat in the Great Plains (ES Program Aid No. 1190), . . . Ponds and Marshes for Wild Ducks on Farms and Ranches in the Northern Plains (Farmers' Bulletin No. 2234), . . . Wood Siding: Installing, Finishing, Maintaining (Home and Garden Bulletin No. 203), . . . Compartmentalization of Decay in Trees (FS Ag. Inf. Bulletin No. 405).

ABOUT YOU . . . 'N ME

Pete Hendry from FAO regional information advisor in Washington, D.C., to chief editor of Ceres magazine (in Rome). A one-time editor of the old Family Herald (in Canada), Hendry moved into the FAO slot after the Family Herald folded in 1970. He'll assume his new duties on Sept. 1. . . . Deborah Clubb, who has a M.S. in Journalism from Northwestern and a B.A. in English from Transylvania U. in Lexington, Ky., looking for a Washington ag reporting slot. She has a dairy/tobacco farm background, served as an intern for Medill News Service, covering capitol hill and USDA last winter. Contact her at 2337 N. Dickerson St., Arlington, Va. 22207. (tele: 703–532–5678). . . . Joseph Vansickle, 28, former reporter for the Fairmont (Minn.) Sentinel and Albert Lea (Minn.) Tribune, now associate editor of the National Hog Farmer. . . . Charles Lyon, managing editor of American Hereford Journal, notes that this year's 54th annual Herd Bull Edition "is not our largest in history, containing a mere 1,036 pages." AHJ's annual issues almost always exceed 1,000 pages, he says, "and we've published a couple that were near the 1,200-page mark." All this, in addition to regular monthly issues that vary from 200 to 400-plus pages. . . .

INSURANCE AND SENIOR TRANSPORTATION

Mr. CHURCH. Mr. President, many transportation programs for older Americans are now threatened by rapidly escalating insurance costs and other restrictions.

This point was made very convincingly at a recent Idaho conference on aging.

In some cases insurance premiums have doubled or tripled in a year's time.

Many programs are now denied coverage because their drivers are 65 years or older.

A Committee on Aging hearing held on July 12 makes it clear that this problem has reached crisis proportions in some areas of our Nation and demands immediate attention. Some of the major points which emerged were:

Premium increases or nonrenewal actions are not based on actual safety records in many instances. For example, the insurance rate for an area agency on aging in Idaho leaped forward by 600 percent over a 2-year period. Yet, vehicles used by local Idaho offices on aging have not been involved in any accidents. In Virginia, one office had a policy canceled, ironically, because its vehicles had not been involved in any accidents. The insurance agent apparently felt that the drivers were riding a wave of good luck which was about to end.

The high cost of insurance undermines the capacity of agencies to provide services for the elderly. The net impact is that many older Americans continue to live in isolation, cut off from their families, friends, and service providers.

Certain restrictions, such as a 50-mile radius limitation for the vehicles of one Idaho office on aging, make it impossible to serve large numbers of the rural aged.

Mr. Leon Harper, president of the National Association of Area Agencies on Aging, estimated that insurance already accounts for at least 20 percent of the transportation costs of offices on aging. It is no wonder that many transportation programs are financially hard-pressed because they are also being strained by rapidly rising costs for vehicles, maintenance, and gasoline.

One insurance company terminated its underwriting of nationwide supplemental personal liability coverage for volunteer drivers. Unless alternative coverage is provided, some 9,000 volunteers must either stop driving their own cars for those in need or risk potentially ruinous liability if they are involved in an accident.

The Committee on Aging has already initiated some action.

We are developing, as rapidly as possible, the information required to come to grips with the problem. The National Association of State Units on Aging is, on our behalf, soliciting information from their members. And the National Association of Area Agencies on Aging has mailed out a questionnaire to nearly 600 member agencies. Those questionnaires will be returned directly to the committee for evaluation.

Because regulation of the insurance industry is largely the responsibility of the States, I plan to communicate with all 50 insurance commissioners to let them know of our findings and deep concern.

We have also been in contact with groups representing the insurance industry. We have been assured that they will work closely with us in obtaining appropriate rate classifications and reasonable premium charges for these programs. Rates for senior transportation should be based on an understanding of their purpose and their actual safety record, not on fears, ignorance or conjecture.

Mr. President, until better information is forthcoming and various alternatives are explored, it is difficult to say what is the best approach to this problem. However, I hope it can be corrected as satisfactorily and rapidly as possible. Perhaps some good can emerge from the present situation. Already the common insurance crisis is fostering new avenues of communication and cooperation between local offices on aging and others facing similar problems. I plan to seek solutions which can overcome or minimize the barriers which produce fragmentation in these federally supported special transportation programs. This is essential if our Nation is to improve the quality of life for older Americans in cities, suburbs, and the country.

CAMPAIGN FINANCING: THE PROSPECTS FOR THE 1978 ELECTIONS

Mr. CLARK. Mr. President, since the defeat of public financing for congressional elections last Tuesday, there have been numerous statements regarding the significance of that defeat. The minority leader, Senator BAKER, has called it a demonstration that Senate Republicans are the most potent political force in town. Others have painted a picture of defeat for the Carter administration and

its entire election reform package. Still others have called it a clear signal of the demise of moderate Republicans.

My own views on the reasons for this defeat were clearly stated following the final cloture vote on Tuesday and I shall not take the Senate's time to repeat them.

More important than who won and lost, however, is the question of what impact the failure, nevertheless, absent among much of the discussion of who won and who lost was any attempt to analyze the impact that the failure to enact public financing will have on the 1978 elections. I would like to take a few minutes to address that point.

The public financing provisions of S. 926 had three major goals:

First, to help minimize the increasing influence and importance of special interest money in congressional elections;

Second, to help reduce the overwhelming advantages that incumbents now hold over challengers; and

Third, to attempt to discourage—within the limits set down by the Supreme Court in Buckley against Valeo—wealthy candidates from committing vast amounts of their own funds in the effort to win election to public office.

Now that the public financing provisions of S. 926 have been stripped from the bill, let us examine what is likely to occur with regard to each of these problems.

In recent years special interest contributions to congressional campaigns have grown by leaps and bounds; from a total of $8.5 million in 1972, to $12.5 million in 1974, to the staggering sum of $22.6 million in 1976.

But the tremendous growth in special interest political activity cannot be fully understood by looking at dollar figures alone. Since the end of 1974 there has also been a phenomenal rise in the number of so-called political action committee—PAC's—the source of special interest dollars. At the end of 1974 there were 607 PAC's in existence; by last month that figure had nearly doubled, to 1207. The number of cooperate PAC's alone increased fivefold—from 89 in 1974 to 477 last month.

Each political action committee is limited to contributing $5,000 to a candidate in a Federal election. But there is no limit to the number of PAC's that can be created. They have doubled in 2½ years, and there is every reason to believe that trend will continue.

Absent congressional public financing, candidates who intend to run competitive campaigns will have no alternative but to turn to the special interests for funds. The record of campaign finance disclosure since 1972 clearly shows that individual contributions alone are not enough—that to generate individual contributions requires large amounts of seed money available only from PAC's or personal resources.

With special interest groups growing rapidly, and with their treasuries expanding each day, the 1978 congressional elections promise to be virtually flooded with special interest dollars.

The unchecked growth of special interest money in politics should also serve to strengthen the already firm grip of congressional incumbents. Historically, special interest contributions flow to incumbents over challengers at a rate of better than 3 to 1. In some cases incumbents' campaigns have been dependent on special interest groups for more than 50 percent of their financing.

A strong infusion of public funds into the political process would greatly strengthen the position of challengers in the struggle to raise enough money to get their messages across to the electorate. But there will be no public funds in the 1978 campaign; and we can expect that—as usual—more than 90 percent of incumbents will be returned to office, many after receiving no serious opposition.

But one kind of challenger—the multimillionaire—will be riding high in 1978. Under Buckley against Valeo it is unconstitutional to restrict the expenditures of a candidate on his own behalf. But through public financing, it is possible to protect a candidate of modest means from being inundated by wealthy opposition. With the death of public financing, the prospect for such protection in 1978 was effectively eliminated, and all candidates—incumbents and challengers alike—will be looking over their shoulders in fear of rich opposition.

To sum up, Mr. President, the prospect for 1978 is for more of the same—massive contributions by special interest groups, continued victories for incumbent officeholders, and huge advantages for wealthy candidates. Public financing of elections could have made this prospect considerably brighter.

But it appears that the day when candidates will be forced to depend on all the people—not just the special interests and the rich—is still to come.

A TRIBUTE TO THE CITY OF HOPE

Mr. CHURCH. Mr. President, on July 16 the City of Hope, a pilot medical center, celebrated its 64th anniversary in Los Angeles. Since 1913 this remarkable institution has been providing the best health care and conducting pioneer research in developing new treatment for catastrophic illness. The City of Hope has been an outstanding success.

In a speech to the biennial convention last month, the executive director, Ben Horowitz, provided an overview of the programs which have proved so valuable. Also, at that convention, I had the honor of delivering the main address at the banquet, where I spoke of the spirit and the philosophy which has attracted national attention to this extraordinary medical center.

I ask unanimous consent that both addresses be printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

KEYNOTE ADDRESS

(By Ben Horowitz)

Welcome to our 1977 National Convention.

Our City of Hope is a unique phenomenon on the American scene. Among its many extraordinary components, conventions occupy a significant position. Such biennial gatherings are not mere exercise in ceremonial ritual. In our framework, they give vibrant testimony to our ideas and ideals, geared to advancing health and humanism everywhere.

You delegates, representing tens of thousands of members in the family of the City of Hope, were selected on the basis of special qualifications. You have accepted weighty responsibilities and rendered outstanding service in your auxiliaries. The progress our organization has made during the past two years reflects in great measure the money, time, energy and talents you have given to our cause.

Leaders of the City of Hope must be dreamers and doers! Our vision for the American people is grand, indeed. Its fulfillment demands that we commit ourselves to a maximum effort to convert creed into deed.

When the word "miracle" is used, it is usually associated with a single incident. In connection with the City of Hope, I dare to say, miracles are virtually a daily occurrence. The central focus of everything we do is to relieve the agony of those who suffer, to prolong life and effect cures for the victims of crippling and killer diseases. Apart from the awesomeness of human creation, what greater marvel is there in the universe?

The founders of the City of Hope 64 years ago began our wondrous adventure by establishing a modest haven of healing to combat the pestilence of tuberculosis. As their successors, we have built a world-renowned Medical Center broadening the targets to the major catastrophic ailments. Superb patient facilities and research laboratories conduct the struggle gainst ancient enemies of humanity.

My keynote address tonight will give you a general overview of recent developments and perspectives, to be spelled out more specifically on other days of this Convention. You will hear heartening reports from our physicians and scientists. You will see at first hand how the battle for life is being won on the grounds of our Medical Center. Reports of various Committees will provide you with detailed information of our activities—organizational, programmatic and ideological. What I will be telling you is a story of substantial accomplishment. It is your story because, in a real sense, you are the authors of this Book of Life.

OUR HOSPITAL

Economic recession and skyrocketing inflation of recent years have compounded a decade-long health crisis in this country. Many hospitals have been forced to retrench and some have even closed down. In the final analysis, the patient has borne the burden of soaring costs, depersonalized treatment and any deterioration of services.

Imbued with its purpose and relying on the devotion of its supporters, the City of Hope not only refused to cut back during this crucial period, it went even further. Since 70% of our patients are afflicted with malignancies, exciting new programs were launched in medical oncology, cancer immunotherapy and bone marrow transplantation.

Shortly, we will also be inaugurating an expanded pediatrics service in the Sunny and Isadore Familian Children's Center. It will admit little patients with immunological, respiratory and metabolic conditions.

Our comprehensive facilities, equipped with the latest technology, are housed in intimate and beautiful surroundings rather than in a cold institution-like setting. The finest quality of service is dispensed by our highly competent staff. Care is rendered free, in an atmosphere of loving concern for patients and their families. Only the best is good enough for those who come to the doors of our hospital.

OUR CONSULTATION SERVICE

Medical practice has leaped from bygone years when knowledge was carried in the

brain and satchel of a doctor to the present era with its dozens of specialties, complex facilities and hundreds of medical journals.

The City of Hope is distinctively well-qualified to offer physicians the benefit of our advice and assistance regarding diagnosis and therapy for their patients' conditions. In response to ever-increasing requests for such consultations, we have added several boards in specialized areas.

We are pleased with the wide use of our consultation services. Our Department of Anatomic Pathology serves as a national reference center for clinical lymphoma. Our Department of Hematology is a national center in disorders involving red cells. Our Department of Metabolism and Endocrinology has particular expertise in the area of diabetes. It is our intention to boltser this source of reassurance to our patients.

OUR PILOT MEDICAL CENTER

Unquestionably, medical science has made headway against the ravages of disease. But what consolation are statistics as we see those near and dear to us endure torment and die prematurely. The body count of casualties is numbered in the millions.

The need for an arsenal in this all-out war against major maladies motivated the emergence of our Pilot Medical Center, encouraging and emphasizing intensive clinical and basic research.

Since the 1975 Convention, 320 reports have come from our laboratories. In the last decade, a total of 2,000 reports from our investigators have been published in the world's leading professional journals and presented at hundreds of meetings. National and international recognition has come to them in the form of awards, honors, appointments to editorial posts, designations to eminent offices in professional societies, and invitations to lecture and collaborate with colleagues at other prestigious institutions.

The thrust of the City of Hope in probing the biological processes will lead to more effective prevention, detection, diagnosis and treatment of illnesses. One newcomer to our ranks is a specialist in occupational diseases, an appointment reflecting the fact that 80% of malignancies are environmentally induced.

It is noteworthy that our research is supported by millions of dollars in government grants and by similar large funds from our own sources.

OUR THINK TANK FOR HOSPITALS

Hospital budgets have doubled in the past five years. This has little relationship to better services but is rooted in the double-digit inflationary pattern affecting all hospitals.

Improvement in the health delivery system is therefore a fundamental consideration of the City of Hope. Our task forces are studying various phases of hospital function in contributing to upgrading the irquantity, quality, economy and efficiency.

Our role as a think tank has been highlighted by piloting projects of our administrative, nursing, pharmacy, social work and rehabilitation staffs.

OUR AUXILIARIES

Throughout the years the auxiliary movement has been the heartbeat of our endeavors. The lofty aspirations of the City of Hope have stirred the hearts, minds and souls of these humanitarian men and women.

Auxiliary members have provided a vital portion of our fiscal needs, constituted the democratic hub of our policy-making, and conveyed our objectives to communities in every part of the land. Much of our success can rightfully be credited to their heroic exertions.

We now have 522 auxiliaries in 236 cities in 31 states and Washington, D.C. This is the largest number of chartered affiliates in the widest geographical area in our history.

OUR FUNDRAISING

The income for 1975–1977 will be approximately $57,600,000—an increase of more than $10,000,000 over the previous biennium.

Spurring the attainment of this record sum was the initiation of Operation Breakthrough, a campaign for unprecedented fundraising ventures. The response was overwhelming and this will be amply demonstrated at our Roll Call tomorrow evening.

Is our emergency over? Definitely not. True, we will meet in full the operating costs of the current year; it should interest you to know that we started the fiscal year with an estimated expenditure budget of $29,500,000 which will wind up closer to $30,500,000. A cause of anxiety was that we were compelled to delay many New Horizons plans and were unable to lay aside money for such construction and equipment; this must be completed in the next fiscal year.

OUR LEADERSHIP

It is appropriate at this time to pay tribute to the active and creative efforts of our President, Mike Hersch, the officers and members of our Board of Directors, Honorary President Mannie Fineman, Executive Medical Director Dr. Rachmiel Levine, Associate Medical Director Dr. Melville L. Jacobs, Medical Center Administrator Robert Sloane and the professional staff. Their leadership has given impetus to higher levels of achievement by our organization.

OUR MISSION

We seem to be living in an age of deepening pessimism about the future of humankind. There is great cynicism about the nature of the human being, which is characterized as selfish, corrupt and bent on self-destruction.

It would be foolhardy to deny the prevalence of these evils. Philosophers have given thought and engaged in heated controversy about these sordid facets of human existence. But authoritative observers of behavior assert that self-image is a determining force of action, for the person and the society as a whole. Consequently, it is essential that the blanket indictments of the human race be decisively rejected.

The performance and promise of City of Hope volunteers is solid evidence of the capacity and potential of human beings, individually and collectively, for goodness and compassion. This is represented by our manifold mission.

We have accepted the obligation of stimulating people to be vigorously concerned about other human beings in distress.

We have assumed the responsibility of assuring the drastically stricken that assistance will be forthcoming.

We have espoused an ideology that insists upon respect for the dignity, worth and preciousness of each individual.

We have undertaken to build a mass movement to enlist advocates of our cause and to raise the funds which will implement our goals.

The theme of this Convention, "City of Hope Cares," is an affirmation of our commitment. It recognizes that "caring" means energetic action rather than a mere verbal expression of sentimentality. It insists that "caring" should be a constant reaching out for new areas of application. It signifies a readiness to make living a joyful experience for the many and not for the few.

As you participate in the sessions of this Convention, give your best thinking and wisdom to the deliberations. Remember that what you do here will advance hope as against despair, comfort as against pain, life as against death.

Our Biennial Convention must be a shining beacon to America that the City of Hope is determined to hold high for those who need and believe in us—who look to the expertise of our physicians and scientists for physical healing—who look to the humanism of our auxiliary workers for spiritual healing.

So, delegates, to work. Let's transform prophesy into reality!

THE CITY OF HOPE: A BEACON FOR THE FUTURE

Bethine and I are very proud to be here tonight. To begin with, we were captivated by the first official action you took in approving your rules. We haven't witnessed a vote cast with that degree of unanimity since we attended the all-Ukranian Soviet Congress in Kiev nine years ago! Now, as I listened to those rules, I noted one of them prescribed that no one could speak for more than three minutes, and another required the speaker to stick to the subject. Well, you just can't expect a United States Senator to comply with rules like those, especially when you didn't even give me a chance to vote no!

During the day, it was our pleasure to visit the City of Hope. I confess I came here from Washington with a speech that I had edited, but which in fact had been written for me. I was sufficiently satisfied with it to distribute it to the press, and, of course, I stand by everything in it. But, after we visited the City of Hope, and I had my first opportunity to see the facility, to meet with those who administer it, to visit with some of the doctors and research people there, I came away with the feeling that my prepared speech was not sufficient for this occasion. And so I have discarded it, and I will free-wheel instead, in order to more genuinely express my own reaction to the experience we had this afternoon. If my remarks are not so polished as they might have been, at least they will come from the heart and you will know that they are mine.

Life is a learning experience, and I learned a lot today. Throughout most of my career in the Senate, I have been a member of the Committee on Aging, and during the past five years, I have been its Chairman. When first appointed to that committee, 16 years ago, I was still in my 30's, and I looked, I'm told—hard as this may be to believe—as if I were still in my 20's. Now, on the day of my appointment, I went over to the New Senate Office Building, to a particular elevator I always liked to use because the operator, an older man, possessed a wry sense of humor. He always had something original, something different, something humorous to say, about the day's events, and I liked to ride with him. So I boarded the elevator, and he said, "What floor, Senator?" And I said, "the fifth." He took me all the way to the fifth floor and didn't say a word. But when the doors opened, he turned to me and he said, "Why are you coming to the fifth floor, Senator? You usually go to the third or the fourth." And I replied very proudly, "I've come to the fifth today, because I have been appointed the newest member of the Select Committee on the Problems of the Aging." Well, he looked me up and down a couple of times, shook your head, and said, "Wouldn't you know, that's just the way the government would do it!"

Now I want you folks to know, having spent the afternoon at the City of Hope, that I surely like the way you do it. I think that the City of Hope is an institution in which anyone associated can take heartfelt pride. In reviewing your literature, I noticed that you stress the fact that the City of Hope is a medical center, a kind of pilot plant for medical research and patient care. Other institutions make such claims, but few live up to their own billing. I saw evidence today that impressed me very deeply. The City of Hope is indeed a pilot plant.

Having had something to do with the establishment of the National Institutes of Health in Washington, D.C., I am conscious of the large amounts of your tax money they consume. The Institutes represent a great medical center. But it plagiarism is the high-

est form of flattery, then let me describe the way the National Institutes of Health operate. First of all, they take in patients afflicted with acute illness, where treatment is rendered free of charge. Secondly, they constitute a center for medical research in developing new methods for the treatment of catastrophic illness, where patients can be helped, some enabled to live, others to grow better, while the patients themselves assist in advancing the research. Finally, discoveries at the National Institutes, funneled through the National Library of Medicine and in other ways, are made available to other hospitals and medical centers throughout the country and the world, free of charge.

Doesn't that sound a lot like an institution you know about? Doesn't that demonstrate that the City of Hope, which put these very principles into practice years before the National Institutes of Health ever came into being, operated as a pilot plant which led the way for the whole country?

Since our visit this afternoon, I've looked again at your Thirteen Articles of Faith which have governed the life and growth of this remarkable institution, since its inception 64 years ago. Let me read you Article II:

"Since major diseases are difficult to diagnose, and costly to cure, the people who suffer from major disease require specialized attention. It is our duty to offer the best care known to medical science."

Well, it didn't take long to realize, after we had visited the laboratories and talked with some of the research specialists, that every effort is being made to extend to the patients at the City of Hope the most advanced medical care known. We were told, for example, about the latest breakthrough, where bone marrow transplants are being used to assist leukemia victims. A tremendously promising breakthrough in the treatment of leukemia for adults is today taking place at the City of Hope—one of the few places in the world where this advanced treatment is available.

But it is not only the treatment that counts, it is also the way the treatment is given. At the City of Hope, when you visit it tomorrow, you will be impressed—as we were—by the beautiful grounds, by the philosophy that the patient counts—that the buildings, the internal and external arrangements, the architecture itself should reflect the needs of the patients.

Thus we were told that the hospital rooms have been placed on the first floor so that patients can see out and enjoy the flowers, the landscaping, and the beautiful grounds. We were shown how carpeting had been placed in the hallways. A few years ago, Bethine had an operation at the Georgetown Hospital in Washington. They located her on the floor where they had placed carpeting, explaining that this was an innovative experiment to reduce noise that they had learned about. I wouldn't be surprised if they had learned about it from the City of Hope.

We also visited the new Children's Hospital, and here again marvelled at the extraordinary design. It wasn't just that I met some of my favorite characters on the walls: Snoopy and Mickey Mouse, and Donald Duck—but the rooms were built around a wonderful playground. And it was clear that the children there didn't feel estranged.

We were told, too, about the ratio of nurses to patients, two nurses for every five patients. I doubt you'll find that kind of ratio in any other hospital in the world.

Dr. Mel Jacobs is here tonight. He got a nice hand; it's clear he's much loved. This afternoon we looked at a model of the cobalt machine he designed, the original of which is now on display at the Smithsonian Institute. It happens that I was a cancer patient years ago, at the age of twenty-four, long before the cobalt machine was perfected. I was given X-ray, as much as I could tolerate. The X-ray burned the outer flesh so that one could take only a limited dosage. As a result, the effectiveness of X-ray was limited. When the cobalt machine came along, it penetrated into the region of the malignancy without burning the flesh. I remember my excitement when first reading about it, an excitement I felt again this afternoon.

We also visited a pharmacy in one of the wards and learned about the new technique for making certain that drugs are dispensed properly. I heard for the first time that one of the serious problems in our hospitals across the land is that pharmacists don't play the role they're trained to play. Typically, the pharmacist is in the basement some place dispensing drugs without having any direct connection with the patient. Furthermore, the drugs are dispensed with such laxity that many mistakes are made. Throughout the country, the percentage of error runs as high as 15 to 20 percent: the wrong drugs being given in the wrong quantities to the wrong patients! Here at the City of Hope we saw the extraordinary precautions being taken to assure that the right drugs get to the right patients in the right dosages. We were told about how the pharmacist is brought in as part of the medical team, to become acquainted with the patient, and to counsel with the doctor about the combination of drugs that ought to be administered. This new method of dispensing drugs is now the subject of a film which is being sent all around the country so that every hospital can benefit, for the results have been dramatic. As compared to a 15 or 20 percent margin of error in many hospitals in this country, at the City of Hope the margin has been cut to 1/10 of one percent. Imagine that!

Let me turn now to Article V, which reads: "since the fight against major diseases requires maximum physical and mental strength, and the cost of financing the cure of a patient of a major disease is often beyond the reach of the patient, it is our duty to give the patient all necessary care and treatment on a free basis in order to set his mind at rest and enable him to obtain a more certain and speedy recovery. Imagine what a radical doctrine that must have been back in 1913 when the City of Hope was first established. It's a pretty radical doctrine in most circles today!

For example, compare it with what our society has done, generally, in addressing this very question. Remember that at the City of Hope the standard is: what are the health needs of the person, not what can the person afford to pay. The standard at the City of Hope involves no means test, yet the care is given without any suggestion of charity. Insofar as the patient can be helped and can contribute to the growth of knowledge with respect to his or her particular illness, the patient is invited in. And the service received is free.

Well, back in 1913, when there were just two tents located on five acres of ground at the City of Hope, our society recognized begrudgingly that the destitute should not be denied medical care, which was sparingly spooned out at county hospitals or "poor houses," as they were known, if it was available at all.

We've made some progress in the 50 years that have elapsed since that time. As a society we now recognize an obligation to extend public health care beyond the utterly destitute. Through Medicaid, some states offer, with federal help, a program that covers not only the indigent, but those of low income who cannot meet the high costs of modern medicine. Also, through Medicare as an adjunct of Social Security, we have provided for the elderly partial medical insurance that at least accommodates most of the cost of hospitalization and associated doctors' fees. All of this represents progress. But I couldn't honestly say to you that the problem of providing our people adequate medical care is even close to being solved. For the truth is that those who qualify for help are in the distinct minority. And the programs, themselves, are full of holes.

Nor can I honestly say that these programs have been administered in a way that has effectively controlled costs or even prevented widespread graft and corruption. Costs are soaring out of control. This was recognized as early as 1971, at the White House Conference on Aging. A great cry arose from that Conference to find alternatives to institutionalization. But very little has been done. In Medicare, less than one percent of the expenditures go for home health care. Nearly everything goes for institutionalized care, which is, of course, the most expensive kind. And when I speak of waste, let me refer to HEW Secretary Joseph Califano's recent statement that of the 700,000 patients in our hospitals throughout the nation, 100,000 have no need to be hospitalized at all! That's 15 percent of the total occupying hospitals designed, equipped and costed for patients in need of the most intensive care. That's 15 percent who should be in nursing homes, or receiving out-of-hospital patient care, or being treated at home, if only there were the flexibility to do it. Once again, I suggest to you that the City of Hope is a pilot program that can lead the way. For those hundred thousand patients in our hospitals who don't need to be there—what is the cost? It's a staggering $2.6 billion a year! Think what could be done with $2.6 billion a year if it were applied to the kind of health care these people really need?

And so when I was told today, that there are outpatient care facilities at the City of Hope which accommodate ten times the number of patients inside the institution, I say here is a pilot program that the whole country should study and emulate!

Now let's turn to the Sixth of your Articles of Faith, which reads:

"Since the high spirit of the patient is most vital in the fight against disease, and the feeling of being a recipient of charity lowers the morale of the patient, and since we feel there is no profit in saving the body, if in the process we destroy the soul, it is our duty to maintain the dignity of the patient by avoiding all implication of charity in our service."

I mention this article because it is one of several I could read that has to do with the humanism in the treatment extended to the patients at the City of Hope. This ingredient is so often lacking in publicly financed medical care. I learned the other day of a case in Cleveland that I would like to relate to you tonight, because it typifies the problem that frequently afflicts our public programs.

It had to do with a man who went to the Cleveland City Health Department Clinic and complained about arthritis pains and respiratory difficulty. Now he was fortunate, because he found somebody there who began to take an interest in him as a person. It happened, as it so often does, that he didn't fit any of the categories. But this person just attracted the attention of one of the administrators who went out and investigated his condition and discovered that this man, who was 82 years of age, was living alone in an old, unheated store front, without decent cooking or sanitary facilities. His problems could never have been known at the clinic—only when he was treated as a person and his whole life condition was looked at, was it possible to begin to prescribe some help.

But it took months, because he didn't fit into any of the established categories. It took a lot of negotiating, counselling, cajoling and nagging before it was possible to find him better housing, and enroll him in a senior citizens' center for meals to improve his nutrition. And then it took months to

get him a pair of glasses because, you see, Medicare doesn't cover glasses, and he couldn't afford to buy them. But finally a pair of glasses were contributed, and he started to read again. That person was fortunate, for the truth is that there are countless thousands of people in his situation today who fall through the cracks of the existing programs and get no help at all. Somehow we must find a way to incorporate the philosophy that has so long governed the City of Hope, that's expressed, directly or indirectly, in all of your Articles of Faith: which is to recognize that, above all, the patient is a human being, not a case number, a human being whose physical and psychological and spiritual needs must be taken into account. That's what you're striving to do. And that's the only way we'll find a humane solution to our health care problems in this country.

I'd like to close by telling you a story of a friend of mine who now lives in Paris—a very successful lawyer, and one of the brightest men I know. As a boy, he was incarcerated in a Nazi concentration camp and was one of the few to come out alive. Every moment of his terrible ordeal was indelibly inscribed in his memory. I asked him how it was that the many Germans associated with the camp could possibly have sent thousands of human beings to the ovens to be gassed and rendered into soap. He said, "Frank, there were some beasts at Auschwitz, but most of the people who administered the camp were not beasts."

"Then how," I asked, "could they endure being part of that mad and murderous exercise?" And he said, "Because they didn't think about it. They never looked at it as a whole. They never assumed a responsibility for the end result. They had little parts of the operation to take care of, and they confined themselves to distributing the clothing or cooking the food, or providing the transportation, or taking care of the paperwork, doing those little parts that didn't force them to face up to the monstrous truth of the whole evil scheme. And that's how they lived with themselves, by segmentizing everything that happened."

Segmentization is what we must avoid in developing a health care system for this country. Otherwise, too many of our own people will be abused, those who don't fit this segment or that. We must treat them, instead, as whole human beings, entitled to be cared for with dignity, with concern, and compassion. That's what you're doing at the City of Hope.

So I commend you for your wonderful work, and I'll close by quoting your own words. For you say, "We bear witness that democracy, properly organized and intelligently directed, can develop a large reservoir of leadership. Democracy is becoming a faceless thing, a mere matter of counting noses which encourages the one leader cult. Organizations like the City of Hope must resist this trend, making it possible for people to be somebodys in a world of nobodys."

I think President Carter, in just a few months in office, has made it clear that he sees people as individuals. I think that Congress, having witnessed the serious mistakes which have marred Medicare and Medicaid, is beginning to see that health care programs must be people-centered, rather than category-centered.

But the Congress and the White House aside, what really counts most, is what people like you insist be done to assure good health care for everyone of every age in every part of this nation. You and other concerned citizens can tell the policymakers that you are tired of outrages, tired of out-of-sight costs, inadequacies and inequities in our health care system. You and other concerned citizens can help all of us start taking pride in accommodating people who need medical care and humane support in this rich country.

That would be a good feeling—a good feeling to have once again. That would be the City of Hope feeling extended to all parts of our country. Shouldn't we hope for the best and then work for it, just as a few people did back in 1913 when they first dared to believe that a city called Hope could become real. And won't we then make it happen throughout the land?

FEDERAL MEAT INSPECTION ACT

Mr. BENTSEN. Mr. President, last week I introduced S. 1940, a bill designed to provide relief for the small State-inspected meat-processing establishments. This bill would give the small operator a chance to compete with the larger federally inspected meat-processing establishments. I have received a copy of House Concurrent Resolution No. 101, which was passed by the house of representatives and senate of the State of Texas during the regular legislative session earlier this year. As you can see, this problem is one which State legislatures are concerned about, but which only the U.S. Congress can correct.

Mr. President, the small operator is not asking for any special favors; he only wants to be able to operate in a competitive situation with the large federally inspected meat processors. I believe this bill will alleviate an inequity currently existing in the meat industry, and will benefit the cattleman, processor, and consumer alike. I am hopeful that the Senate will give timely consideration to S. 1940, in order to provide the small businessman the same opportunity that is currently enjoyed by the larger operator.

Mr. President, I ask unanimous consent to have House Concurrent Resolution No. 101 printed in the RECORD in its entirety.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION NO. 101

Whereas, when provisions were made in the Federal Meat Inspection Act and the Poultry Products Inspection Act to prohibit interstate distribution of products inspected in state rather than federal facilities, most states did not have inspection programs which met federal standards; and

Whereas, U.S.D.A. authorities have recognized that state inspection plants in Texas have standards equal to the federal standards, yet state-inspected packers are still unable to sell their products to federally-inspected packers; and

Whereas, Federal law and regulations, despite the equal standards, only permit federally-inspected packers to sell to state-inspected packers; and

Whereas, This situation narrows the market for state-inspected products and places the state-inspected packer at a competitive disadvantage; and

Whereas, The state-inspected packer is placed at a further disadvantage in competing with foreign producers because, once a foreign product is introduced into a federal plant and is commingled with the federally-inspected domestic products, it also moves with complete freedom throughout the United States; and

Whereas, Federal embargo on free movement of state-inspected meat products must be corrected if small packers are to receive equal treatment under the law and the state meat inspection program is to survive; and

Whereas, A change in the federal provisions would promote freedom of trade within the packing industry and help to improve all agribusiness related to meat production; now therefore, be it

Resolved by the House of Representatives, the Senate concurring, That by this resolution the 65th Legislature of the State of Texas hereby memorialize the Congress of the United States to take affirmative action to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to provide that meat or poultry which is inspected in a state facility that meets federal standards shall be eligible for acceptance in federal plants and for distribution in commerce in the same manner as meat or poultry which is inspected in a facility subject to federal supervision; and, be it further

Resolved, That a copy of this resolution be forwarded to each senator and representative in the Congress from Texas with the request that this resolution be officially entered into the Congressional Record as a memorial to the Congress.

DAY CARE—AN ALTERNATIVE FOR THE ELDERLY

Mr. WILLIAMS. Mr. President, many communities have recognized the need for an alternative to traditional forms of institutional care for the elderly. Studies have shown that nursing home care, in addition to being very costly, can have a deteriorating effect on an aged individual, as this type of care tends to foster dependency. "Senior citizen" centers provide important opportunities for social contacts, but often do not have facilities for medical treatment.

A new option in care for the elderly which has found acceptance and success in a growing number of American communities is the concept of day care. Day care centers for senior citizens are designed to accommodate those who do not require the full-time medical facilities of a nursing home, yet need some medical supervision. These programs are run by professionals who are able to provide medical and dietary care as well as create an atmosphere where the elderly can meet others and participate in social activities. For many older Americans, previously faced with the prospect of entering a nursing home or living alone, such centers can be a welcome opportunity for a more enjoyable life.

In my own State, the Daughters of Miriam day care program for the elderly in Clifton, N.J., has proved to be enormously successful and popular among the surrounding communities' senior citizens. The center is free of charge to participants and is the first such facility in New Jersey to accept medicaid patients. The granting of medicaid approval for day care can mean a savings of millions of dollars for State governments over the cost of full-time institutionalized care. For the senior citizens in need of part-time care and able to take advantage of day care opportunities, these programs would seem to offer a more satisfactory solution. Elderly persons participating in day care are more likely to maintain their individuality and independence.

The establishment of the Daughters of Miriam Center has promoted the plan-

ning of two other day care programs in northern New Jersey, which will be funded in large part by Federal grants. One of the several Government programs which provides funds for the establishment of senior citizen day care centers is the model projects program under the Older Americans Act. I was honored to join with the distinguished chairman of the Senate Aging Committee in sponsoring legislation enacting model projects, and I am particularly pleased to note its successful application.

These three projects are described in a recent article in the Record, a Bergen County, N.J., newspaper. Mr. President, I ask unanimous consent that this most interesting article, entitled "Staying Sharp Together," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STAYING SHARP TOGETHER: DAY CARE—AN ALTERNATIVE FOR THE ELDERLY

(By Barbara L. Archer)

"If it weren't for this, I would just sit on my porch and watch the world go by," said Esther Arnowitz, taking time out from an afternoon sing-along at the Daughters of Miriam Day Care Program for the Elderly.

"Here, I'm amongst people. It's harmony and togetherness. At home, it's emptiness. This gives me a chance to get out of the house and be with other people, and when you're with other people, you forget your own troubles."

For the 74-year-old Paterson widow, who must spend most of her time in a wheelchair, the day care program is a happy alternative to two depressing prospects—becoming a shut-in or entering a nursing home.

Until recently, this alternative did not exist. The free day care program, operated by the nonprofit Daughters of Miriam in Clifton, is the first of its kind in northern New Jersey. It is also the first such program to receive state approval to accept Medicaid patients. This fall, however, Bergen County plans to open a center, using the successful Daughters of Miriam program as a model.

MINIBUS SERVICE

Forty-five persons from nearby Passaic, Paterson, Elmwood Park, and Fair Lawn are signed up for the program. Some attend five days a week, some go only three times a week, putting the average daily attendance at about 20. Minibuses pick up the participants every morning and take them home every afternoon at about 3. One minibus is equipped with a hydraulic lift, which is essential to transport wheelchair-bound clients.

Day care programs for the elderly differ from simple senior citizen centers in that they are run by professionals who attend to the medical and psychological as well as the social needs of the participants.

The Daughters of Miriam program provides supplementary medical and nursing care in consultation with the participants' personal physicians. Clients like Mrs. Arnowitz benefit from daily physical therapy, while others receive necessary medications. As a part of the larger Daughters of Miriam complex on Hazel Street—the organization runs a 275-bed nursing home and 130 apartment units for senior citizens—the day care program has access to special services such as dentistry, podiatry, and ophthalmology. Though the program is nondenominational, hot lunches and snacks are prepared according to kosher dietary laws. In cases in which clients live with their families, the program offers counseling and referral services.

COST BREAKDOWN

A federal program under Title 20, administered through the New Jersey Department of Human Resources, cover about 75 per cent of the program's basic costs. The Jewish Federation of North Jersey donates the other 25 per cent, and the Daughters of Miriam itself provides the money for countless extras.

Day care for the elderly is designed to fill a gap in the services provided to the increasing population of aging Americans, according to social worker Bill Poznik, the program's director. While candidates for day care programs usually are frail or have some medical problems, they do not need full-time professional care, Poznik said in a recent interview.

"The average age of our clients is 80," he said. "Our goal is to provide supportive services so that the elderly person can remain in the community and postpone or eliminate the need to enter an institution.

"Before this was available, many of these people would have had to choose between giving up their independence and becoming a burden on their families, staying home alone, and going into a home. This prolongs their life in the community."

In some cases, the program prolongs life, period, Poznik and the other professionals at the center believe. It has been their experience that when the elderly enter an institutional home, no matter how good the home may be, they tend to give up and become totally dependent. This alone can cause a deterioration in an aging person's condition. In contrast, day care participants come out of their shells and become involved in life again, Poznik and his staff said.

ONE STAFFER'S REWARD

For Lynne Bolson of Teaneck, a former teacher who directs activities for the program, seeing participants become more outgoing is one of the most rewarding aspects of her work.

"Although older people can become egocentric and self-centered, here I have seen them become tremendously interested in each other," she said.

Ms. Bolson's job is largely devoted to keeping participants interested in the world outside themselves. To achieve this goal, she holds daily discussions on current events.

"We focus on today, what happened today," she said. "We follow the news, particularly issues that interest the clients. During the presidential election we had speakers here to talk about the campaign.

"Many of the clients have had little formal education, but they are tremendously knowledgeable about the arts and history. I have to read several newspapers to keep up with them."

Ms. Bolson also plans other activities. Passaic pianist Gertrude Holtzman and Saddle River pianist Neil Fishman volunteer their services for music sessions. The clients also like to play word games, work at crafts, and simply chat with each other, Ms. Bolson said.

"We emphasize freedom of choice in order to foster independence rather than encouraging dependence on us. So, although the schedule of activities is posted, there are several options. Someone may decide to read a book in the quiet room rather than come to the discussion period."

The discussion period is usually well attended, however, and can get quite lively, as a visitor found out. Ms. Bolson said she will never forget the day a 94-year-old woman got up and, using her cane, did an imitation of Charlie Chaplin.

The program at Daughters of Miriam is a team effort, and Roberta Hausman is a key member of that team. A registered nurse specializing in community health, Ms. Hausman supervises the diet and medical care of the clients, seeing that they get necessary therapy and prescribed medications.

Ms. Hausman said that while the center is equipped to handle a variety of medical problems, total senility or incontinence would make a person ineligible for day care.

"Other than that, we're taking people whom no one else would take on this basis," she said.

Ms. Hausman said she thought it was not just the well-rounded services of the center but its atmosphere that contributed to its success. The chance to socialize with each other is invaluable to the elderly, she said. "It becomes like a second family."

A vistor's observations confirmed Ms. Hausman's. During the sing-along, the participants responded to each other with great warmth. They applauded when one woman sang for them, and took great delight in seeing other clients take turns dancing with Lynne Bolson or with each other.

The group seemed especially fond of Joseph and Lena Lazinski of Passaic, the only couple enrolled at the program. The Lazinskis have been married 64 years and still seem to be in love. That afternoon, the 88-year-old Lazinski tapped out the rhythm of the songs while his 89-year-old wife sat beside him, smiling and giving him an occasional pat on the shoulder or head.

Lazinski, who delivers one-liners in a style reminiscent of George Burns, said the center gave the couple something to do and that they enjoyed the outing. "I think it's been very good for my wife," he said.

There are plans to expand the year-old program, said Harvey Adelsberg, executive vice-president of the Daughters of Miriam. Now that the center has Medicaid approval it should be able to take on 25 to 30 more clients.

Adelsberg said, however, that under present guidelines it was easier for an elderly person to qualify for Medicaid payments to cover full-time nursing home care than part-time day care. He said he found this ironic since nursing-home care is so much more costly than day care. To keep an aged person in a home, Medicaid may pay as much as $900 a month, whereas it reimburses for day care at the rate of about $540 a month, Adelsberg said.

In granting Medicaid approval to the Daughters of Miriam program earlier this year, New Jersey Commissioner of Human Service Ann Klein said day care could save the state and federal governments millions of dollars. Adelsberg said he hoped Medicaid eligibility requirements for day care reimbursements would be relaxed so as to make such programs available to more people.

IT'S NOT CHEAP

"Because of the intricacies and needs of the people who participate, the ratio of professionals to clients is higher than for other types of day care, so it's not cheap," Adelberg said. "But it's a lot cheaper than supporting someone in an institution, and more importantly the quality of life is better in day care than in a home."

In Bergen County, reconstruction work began last week at the former county nursing home on East Ridgewood Avenue in Paramus. Nancy Noonan, R.N., project director for the Bergen County Adult Day Care Center, said she hoped to be able to accommodate 25 persons daily at the center, with about 100 persons on the roster. As in Clifton, not all participants would come every day.

Mrs. Noonan said the Bergen center would be open from 8 a.m. to 5:30 p.m. to meet the needs of working families that cannot care for an elderly relative during the day. The county's minibuses will pick up most participants, she said, but some families might be asked to drive a client back and forth themselves.

Three-quarters of the center's funding will come from a $55,000 federal grant under the Older Americans Act. The Board of Chosen

Freeholders is paying the rest of the cost. Mrs. Noonan said there would be no charge for services, and that the eligibility requirements of the Older Americans Act would apply.

In addition to the freeholder-sponsored program, the Community Mental Health Center of Dumont, with a grant of $119,000 from the federal Community Development Act, plans to open another day care program. Marion Ritano said the center hoped to handle 100 clients a day at its annex on Park Avenue in Dumont. The program would be run on an ability-to-pay basis.

VERL W. SNYDER IS SPLENDID EXAMPLE OF DEDICATED PUBLIC SERVANT WHO MAKES A SIGNIFICANT CONTRIBUTION TO AMERICA

Mr. RANDOLPH. Mr. President, an esteemed educator is retiring after many years of significant service with the Federal Government.

This tribute to him and to the many Americans who devote a substantial part of their lives, energy and wisdom to the performance of public service, is noteworthy.

Verl W. Snyder is a native of West Virginia, and resides in Berkley Springs. In addition to distinguished service in the U.S. Navy during World War II, Mr. Snyder served in public schools as a teacher, coach, and as superintendent of schools in Morgan County. From 1954 until 1964 he served as assistant State superintendent of schools of West Virginia. He then joined the U.S. Office of Education as an education program officer administering ESEA title III.

In 1966, Mr. Snyder returned to West Virginia to serve as administrative assistant to Gov. Hulett Smith. In 1967, he rejoined the Office of Education as a program officer and branch chief with both the ESEA title V program and the consolidated title IV program primarily working with State departments of education to improve the leadership resources and management of those agencies. Mr. Snyder ably represented the Federal Government while serving as an individual program officer, as a member of State management review teams, as coordinator of a special project on interstate planning, and as an expert in the area of the organization and administration of the State departments of education.

In these capacities, Mr. Snyder has made a significant contribution, and I am pleased to note that distinguished service to the field of education and to the Federal Government, and through this Government, to the youth of the Nation. It is hoped that his commitment, contribution, and dedication will serve as an example to others who carry on the governmental function of providing an equal and adequate educational opportunity for the young people of our great country.

THE ALASKAN NATURAL GAS PIPELINE

Mr. BAYH. Mr. President, the Congress will adjourn shortly for the August recess and will not come back into session until September 7. It is quite likely that by the time we reconvene the Canadian Government will have taken a definitive position on a trans-Canadian pipeline, which they have not done to date, and that the President will have sent us a recommendation about his preference for a transportation system to bring Alaskan natural gas to the lower 48 States.

The Alaskan Natural Gas Transportation Act provides for congressional approval of the President's recommendation for an Alaskan gas pipeline. Under this act, President Carter is to recommend a route to the Congress by September 1, although he can take an additional 90 days if he needs to. The Congress will then have 60 days to approve the President's recommendation by joint resolution. If we fail to approve it, the President is allowed 30 days to offer a second and final recommendation.

Every indication we have is that the President will make a recommendation at an early date and that we will be faced with a decision on this issue shortly after we reconvene in September. For this reason, Mr. President, I wanted to take this opportunity to indicate the importance of a prompt and well-considered resolution of this issue to our country, review recent events relative to the Alaskan gas decision, and share my analysis of the comparative advantages of the two remaining possibilities for transmitting Alaskan gas to the lower 48 States with my colleagues.

IMPORTANCE OF THE PIPELINE DECISION

Mr. President, there is no doubt that the Senate will be spending almost all of its time this fall debating and acting on the President's energy program. One area that will doubtlessly be controversial will be the question of how to best increase the Nation's supply of natural gas. Few of us from areas heavily dependent on natural gas can easily forget the severe hardships and economic disruptions caused this past winter by natural gas shortages.

Twenty States suffered unemployment as a result of the gas curtailments in 1977. Approximately 1.2 million workers were thrown out of work as a result of factory, school, and other closings. We must do everything possible to keep these things from happening again.

My colleagues from States heavily dependent on oil imports, I am sure, can remember similar experiences in their States during the Arab oil embargo.

All of us know that there is no magic process, no bill we can pass that will prevent similar events tomorrow. The President's energy package addresses these concerns by stressing conservation and a switch from heavy reliance on natural gas and oil to coal, which we have in abundance, and clean renewable energy resources, currently in the research and development stage.

This is an admirable goal, and well worth our efforts. But, even with the best research and development efforts, and smoothest possible conversion from oil and gas to coal and other energy sources, we are going to be heavily dependent on natural gas for the rest of this century.

Natural gas is a critical component of the Nation's total energy supply, making up about one-third of all energy used in this country. It seems to me only prudent to assure ourselves the most stable supply possible. One critical factor in giving us this assurance will be prompt access to our Alaskan gas and continued exports of Canadian gas until we can manage comfortably without it. Only the proposed trans-Canadian Alcan proposal can meet these needs.

Mr. President, if the green light is given to this project soon, we will likely begin receiving additional Canadian gas during the winter of 1979–80 and Alaskan gas in the winter of 1982–83. Further, this gas will be delivered to those areas of the country in desperate need of it.

The 1979–80 delivery date is possible because the Alcan consortium has already contacted for additional Canadian gas from Alberta for delivery to the lower 48.

We know that gas is there, and the Canadian Government has commented favorably on its sale to the United States. By starting construction on the southern end of the proposed gas pipeline, the Alcan Consortium can distribute Canadian gas to the Midwest, Atlantic region, and the west coast by the winter of 1979–80 and continue these deliveries until the northern segments of the pipeline are built to bring our own Alaskan gas south. This should avoid the risk of too many more winters like the one we had last year.

This compares to a presently predicted completion date of 1984 for the El Paso route, which will deliver energy to areas already experiencing a surplus of energy—areas which do not want the El Paso route because of the severe environmental problems associated with it.

In addition, Mr. President, the trans-Canadian Alcan proposal is the only one which offers continued Canadian exports of natural gas to the United States in the coming decades.

Canada now supplies some 5 percent—2.7 billion cubic feet per day—of total U.S. gas consumption. In some States, this constitutes a sizable portion of all supplies—for example, 65 percent in Washington and Idaho, and 45 percent in Oregon and northern California.

The most recent Canadian National Energy Board—NEB—analysis of their gas demand/supply outlook reveals that continuation of these exports will shortly curtail domestic Canadian consumer deliveries. To avoid these curtailments, U.S. imports will have to be cut back as early as 1982 or 1983, and will cease altogether by 1989. The NEB presumes that access to frontier reserves by 1989 will avoid the necessity to curtail Canadian consumers beginning in that year. No Canadian frontier reserves are economically accessible now.

We can expect some Canadian flexibility on the timing of gas export curtailments. Nevertheless, this predictable curtailment and possible cessation of gas exports will have a devastating impact here. And, this impact will be nationwide as priority residential users in the Northern Tier, the West and the Pacific coast preempt less preferred users everywhere.

The most effective means to avoid cur-

tailments in the early 1980's is for the United States to facilitate Canadian access to frontier reserves. As originally designed, and particularly as modified by the NEB on July 4, the Alcan route does facilitate such access. In fact, it will open for exploration the McKenzie Delta, Canada's cheapest frontier reserve—and a reserve not now economically accessible without Alcan. This access via Alcan will delay any import curtailment until at least the late 1980's and even beyond if additional Delta and Polar gas reserves are discovered.

In short, selection of Alcan offers the most certain way to avoid import reductions or even their cessation in the 1980's—a cessation—2.7 bcf per day—which, should it occur, would not even be entirely offset by the new Alaskan gas flows—2.4 bcf per day through either system. A choice of El Paso will actually diminish the volume of gas available to our consumers by the mid-1980's from Canada and Alaska combined. And, it will markedly weaken our bargaining position when Canada initiates gas export curtailments. Put another way, within a decade or so, gas supplies totaling 5.1 bcf daily will be available as a result of an Alcan selection; El Paso will only result in 2.4 bcf daily being available.

RECENT EVENTS

As most of my colleagues are aware, both the Canadian and American Governments have completed a series of major studies in the last few months, which have narrowed the choice of natural gas transmission systems for Alaskan gas to two radically different alternatives.

Originally, three major proposals to transport Alaskan natural gas to the lower 48 States were submitted to the Federal Power Commission—FPC—for application approval. They included the Arctic Gas and Alcan all-pipeline projects, which called for transporting Alaskan natural gas through Canada to U.S. markets on both sides of the Rockies, and the El Paso proposal, a combined pipeline-liquefied natural gas—LNG—system. This system follows the trans-Alaskan oil pipeline corridor to an Alaskan facility in which El Paso proposes to liquefy the gas for super tanker shipment to California, where it would have to undergo a regasification process.

The Arctic proposal has now been eliminated as a possibility due to decisions made by the Canadian Government and the U.S. Arctic sponsors have decided to coordinate their efforts in support of the Alcan route. As the companies involved in Arctic have stated themselves, they have opted to join with Alcan because they believe it will bring Alaskan gas to American consumers at the least cost, in the largest quantity, at the earliest date, in the most environmentally acceptable and equitable manner and because it also offers possible access to northern Canadian reserves, which will buttress Canada's ability to maintain present levels of gas exports to the United States, which the El Paso project would forfeit.

Therefore, Mr. President, we are down to two vastly different alternatives and deliberations in both the United States and Canada are reaching a decisive stage. Both Governments will soon announce their preferences. The Canadians must make a decision about whether they want a trans-Canadian pipeline at all, and if so, under what conditions. President Carter must choose between two alternatives, the trans-Canadian pipeline proposed by Alcan Pipeline Co., and the El Paso liquefied natural gas—LNG—system.

Here, in this country, the Federal Power Commission and the administration's task forces have sent final recommendations to the President. While the FPC was divided in its judgments about the relative merits of the two trans-Canadian routes, it clearly found either of them superior to the El Paso proposal. The Alcan route received the strongest backing from the Interagency Task Forces set up by the President. These analyses judged Alcan able to deliver North Slope gas sooner, cheaper, and with less environmental damage than El Paso.

This is true despite the indirect Federal subsidy the El Paso proposal would receive through the Merchant Marine Act shipbuilding loan guarantees. In addition, the reports found that Alcan's net national economic benefit would be significantly higher than El Paso, that its all-pipeline system would consume about half as much of the gas as El Paso's LNG system, and that its deliveries of gas would be less likely to suffer from interruptions and delays. The only clear advantage the task forces found with El Paso was its ability to provide more jobs for American workers. However, Mr. President, I would point out that the Federal analyses drastically reduced El Paso's claims for 730,000 person-years of employment by El Paso to 271,000 person-years, only slightly more than Alcan's 240,000 person-years.

Finally, Mr. President, the Senate, just the other day, ratified the United States-Canada Transit Pipeline Agreement signed on January 28, 1977 and submitted to the Senate in March. The agreement provides reciprocal assurances that pipelines carrying hydrocarbons such as oil, natural gas, petroleum products, coal slurries or even petrochemical feedstocks owned by one country across another will not be interrupted or subject to discriminatory taxation. These protections apply to both existing and yet to be constructed pipelines.

The Canadian Government has received its final agency reports from the Canadian National Energy Board, which is their equivalent of our Federal Power Commission, the Hill Panel, established to assess the environmental impact of the Alcan proposal, and the Lysyk Inquiry, established to review the economic and social implications of the Alcan route.

While these various commissions have recommended some modifications to the Alcan proposal, all have concluded that a trans-Canadian pipeline is in the best interest of the Canadian people. The issues raised by these advisory bodies—such as the precise route the pipeline will follow, the socio-economic costs assessed on the pipeline company for impact aid, and the actual date of initiation of construction—are negotiable. The machinery is in place for these negotiations to start just as soon as Prime Minister Trudeau and President Carter are ready to talk. I anticipate that these talks will be starting shortly and that both governments will do their best to resolve outstanding issues in such a way that approval for a trans-Canadian pipeline will be forthcoming soon. This is in the interests of both ourselves and the Canadians, for the benefits from this pipeline will be mutually shared.

Mr. President, I will not take the time of the Senate now to go into more specific detail on the comparative advantages of the Alcan proposal over El Paso's. However, I intend to circulate a fact sheet to my colleagues in the coming weeks which will address, in more detail, some of the issues that I have touched on briefly here—environmental and safety considerations, delays due to siting problems, equitable gas allocation, and comparative costs to consumers.

Mr. President, for the information of my colleagues, I would like to insert a copy of a letter to President Carter that I recently sent, along with 14 of my colleagues, urging the President to pursue negotiations with the Canadians toward consummating an acceptable agreement on the Alcan route and recommending this route to the Congress. Mr. President, I ask unanimous consent to have this letter printed in the RECORD.

In closing, Mr. President, I would urge my colleagues to take some time to consider this issue in depth.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C. July 29, 1977.

THE PRESIDENT,
The White House
Washington, D.C.

DEAR MR. PRESIDENT: We have been following recent developments relative to the proposed routes for the Alaskan gas pipeline with great interest. We are writing to express our deep concern that this issue be resolved in such a way that the safest and most economical and environmentally acceptable pipeline is completed at the earliest possible date.

As we understand the current situation, deliberations in both the United States and Canada are reaching a decisive stage, and both governments will soon announce their preference for a route. The Canadian government has already received recommendations from the Berger Inquiry and the National Energy Board, both of which were critical of the Arctic pipeline. It is currently awaiting reports from the Lysyk Inquiry, which will address the economic and social costs of the Alcan Route, and from the Environmental Assessment Review Panel, which will assess the environmental impact of the Alcan route. Both of these reports are expected by August 1, 1977.

Here, in this country, the Federal Power Commission and the Administration's Task Forces have also sent final recommendations to you. While the FPC was divided in its judgment about the relative merits of the Alcan and Arctic routes, it clearly found either of them superior to the El Paso proposal. The Alcan proposal received the strongest backing from your own Task Forces, and even more recently the Justice Department issued a report criticizing the Arctic route because of its anticompetitive aspects.

Though in the past many of us have favored the Arctic route, which was the first

proposal for bringing Alaskan gas to the eastern half of the country, and still do, it has become clear from reviewing the various reports and recommendations, especially those issued by the Canadian government, that the only viable trans-Canadian option available is the route that follows the Alcan Highway. This is particularly so if the issues raised by the National Energy Board about the Alcan route can be negotiated in a way that does not compromise the technical or financial viability of the Alcan proposal. For this reason, we hope that American representatives at these negotiations will endeavor to resolve these issues so that this proposal, which is in the mutual interest of both countries, will proceed promptly and in a mutually satisfactory manner.

Mr. President, we feel certain that with the demise of the Arctic route, the pressure on you to recommend the El Paso route will become increasingly intense. We respectfully urge you to follow the thoughtful and well documented recommendations of both the Federal Power Commission and your Task Forces which came to the conclusion that the El Paso route is not advisable. The Alcan route is developing as the only acceptable route to the Canadians. It seems to us also to be the route which would be most beneficial to the United States. We hope you will share our conclusions, and we are looking forward to a successful resolution of this important problem.

The Alaskan Natural Gas Transportation Act provides for Congressional approval of your recommendation for an Alaskan gas pipeline. We write with the sincere belief that it would be most unfortunate if a lack of prior consultation between Congress and the Executive Branch led to a difference of opinion at the time you send us your recommendation. Thus, we emphasize our feelings at this time and urge you to make a prompt decision so that Congress will have ample time to act on this crucial issue before it adjourns.

Thank you for your personal consideration of this matter.

Sincerely,

Birch Bayh, Wendell R. Anderson, Hubert H. Humphrey, James Abourezk, Wendell H. Ford, Donald W. Riegle, Jr., George S. McGovern, Clifford P. Case, John Glenn, Richard G. Lugar, Quentin N. Burdick, Howard M. Metzenbaum, Thomas F. Eagleton, Edward M. Kennedy, and John C. Culver.

H.R. 7345: VETERANS AND SURVIVORS PENSION ADJUSTMENT ACT OF 1977

Mr. CRANSTON. Mr. President, I rise to explain the provisions of H.R. 7345, the Veterans and Survivors Pension Adjustment Act of 1977, passed unanimously by the Senate on August 3, 1977. The purpose of this bill is to provide a 6.5-percent cost-of-living increase in the rates applicable to pension for needy wartime veterans who are disabled for non-service-connected reasons and their needy survivors, and for surviving parents receiving dependency and indemnity compensation.

AMOUNT OF INCREASE

The original House-passed version of this bill contained a 7-percent increase. The committee initially, however, on July 15, amended H.R. 7345 to include a 6.7-percent increase the amount which the Congressional Budget Office had informed us that the Consumer Price Index would be increased for the period from January 1, 1977—the date of the last cost-of-living increase—to January 1978. Subsequently, on July 21, CBO revised its percentage slightly downward, to 6.5 percent, and the committee, on July 22, revised the bill accordingly. I should point out that the pension benefit dollar rates remained unchanged when the committee changed the increase from 6.7 percent to 6.5 percent. Only the income limitations—the amount of countable annual income a person may not exceed in order to be eligible—were changed, from $3,775 for a single veteran with no dependents to $3,770, and from $5,080 for a veteran with one dependent to $5,070. Thus, the slight percentage point change will have only minimal effect on pensioners.

SUMMARY OF BILL AS REPORTED

The basic purpose of H.R. 7345 as reported is to provide a cost-of-living adjustment in the rates and annual income limitations applicable to pension for non-service-connected disabled veterans and their surviving spouses, for surviving parents receiving dependency and indemnity compensation, and the annual income limitations applicable to persons receiving pension under section 9(b) of the Veterans' Pension Act of 1959—"old law."

The cost of this bill as reported is as follows:

For the 9 months of fiscal year 1978, $128.5 million; for fiscal year 1979, $166.7 million; for fiscal year 1980, $162.4 million; for fiscal year 1981, $159.9 million; and for fiscal year 1982, $155.5 million.

For those pensioners who also receive social security or railroad retirement benefits and who received a 5.9-percent increase on July 1, a 6.5-percent increase in rates will largely offset the decline in aggregate income which many of these persons would otherwise experience in January when the amount of pension is redetermined. I would like to emphasize that the pension program is a program based on need. It is intended to provide a minimum income for those who have no other income and an income supplement to those who do have other income.

As chairman of the Veterans' Affairs Committee, and as one who has taken a deep and continuing interest in the problems experienced by aging wartime veterans who are in need, I am fully aware of the need for a general overhaul of the pension program. I hope to introduce shortly, with the cosponsorship of all the members of the committee, a bill to thoroughly restructure the pension program in a way that will respond to he inequities, anomalies, and inconsistencies in the current program.

In summary, the basic provisions of the Veterans and Survivors Pension Adjustment Act of 1977 would:

First, provide an increase of approximately 6.5 percent in the rates of disability and death pension under current law, including the additional amount authorized for dependents;

Second, increase by approximately 6.5 percent the rates of dependency and indemnity compensation—DIC—payable to parents;

Third, increase by the same percentage the maximum income limitations applicable to pensioners and parents entitled to DIC under current law, and for beneficiaries under the protected pension law;

Fourth, increase by the same percentage the amount of additional pension and DIC payable to those recipients so entitled based upon aid and attendance or housebound status; and

Fifth, increase by the same percentage additional allowances for recipients of wartime death compensation payable based upon need for regular aid and attendance.

DISCUSSION

NEED FOR PENSION REFORM

Again, Mr. President, I would like to stress that the committee bill is a stopgap measure, and that the increased rates are not intended as a substitute for comprehensive structural reworking of the pension program.

Restructuring the needs-based pension program under chapter 15 of title 38, United States Code, for non-service-connected disability or death has been a priority of the committee for some time. In June 1973, the Veterans' Administration testified that the current pension program contained "inconsistencies, inequities, and anomalies, which cannot be corrected unless the entire framework of the program is restructured." Following extensive investigation, congressional hearings, and studies conducted by the VA, the Senate Committee on Veterans Affairs favorably reported on December 9, 1975, S. 2635, a comprehensive pension reform measure. This bill was passed unanimously by the Senate on December 15, 1975, but the House did not act on it.

Since December 15, 1975, the Congress has enacted two pension rate adjustment acts: Public Law 94–169, enacted December 23, 1975, and Public Law 94–432, enacted September 30, 1976. Neither of these acts affected any pension reform; however, section 404(a) of Public Law 94–432, the Veterans and Survivors Pension Adjustment Act of 1976, declared it to be the sense of the Congress that the existing pension program:

First, does not provide sufficient assistance to meet the needs of some eligible veterans and survivors;

Second, has developed some inconsistencies, inequities, and anomalies which prevent it from operating in the most efficient and equitable manner; and

Third, subjects many pensioners annually to reductions in their pensions.

The Congress also declared that it lacked sufficient long-range information as to actual and anticipated financial characteristics of potential pensioners and their families upon which to estimate costs of existing alternative pension programs; and in section 404(b) it directed the VA to conduct a thorough and comprehensive study of existing and alternative non-service-connected pension programs and to submit its report to the Congress on October 1, 1977.

The committee has been advised by the Veterans' Administration that the study mandated by Public Law 94–432 is well under way and will be submitted in a timely manner.

The committee, in its March 15, 1977,

report to the Budget Committee of its Budget Views and Estimates for Fiscal Year 1978, reiterated its commitment to pension reform by allocating $500 million for this purpose in its recommendations to the Budget Committee for Function 700—Veterans' Benefits and Services. This commitment was highlighted in a letter which I wrote, together with Senator ROBERT T. STAFFORD, the ranking minority member, transmitting the committee's report, as follows:

The committee would like to stress the critical need for pension-reform legislation (subfunction 701). Last year the committee favorably reported and the Senate passed a pension-reform bill (S. 2635). The House did not consider the reform measure; instead it passed a 7 percent cost-of-living increase which Congress enacted in Public Law 94–432. That law required the VA to complete and submit a major study of the VA pension system by October 1, 1977. The committee is particularly concerned over the state of the law which may result in the reduction of a needy veteran's pension when social security payments are increased to compensate for rises in the cost-of-living, thus denying increases needed to offset the impact of inflation. S. 2635 could have avoided this result. Anticipating enactment of a new pension-reform law after receipt of the VA study, the committee has included additional budget authority and outlays of $500 million to fund pension reforms its expects to become effective April 1, 1978.

The committee recommended to the Budget Committee that $20.471 billion in budget authority and $20.501 billion in outlays be allocated to Function 700 in the first concurrent resolution on the budget for fiscal year 1978. However, the Budget Committee, in its recommendations to the Senate reduced each of these amounts to $19.8 billion. Thereafter, during floor consideration by the Senate of the first concurrent resolution on the budget for fiscal year 1978—Senate Concurrent Resolution 19—the members of the committee successfully cosponsored an amendment, based in substantial part on the need for additional funding for pension-reform legislation, which resulted in increases of $500 million in budget authority and $400 million in outlays for the allocation to veterans' benefits and services—to $20.3 billion in both budget authority and $20.2 billion in outlays—in the Senate-passed version of the first concurrent resolution. In the final version of that resolution, those increases were retained almost entirely, the final budget authority figure being decreased to $20.25 billion and outlays being retained at $20.2 billion. These levels allow for the enactment of pension-reform legislation with an effective date in fiscal year 1978.

At a meeting of the committee on July 15, 1977, members of the committee again expressed their interest in the pension study underway at the VA and their commitment to pension reform, emphasizing that the cost-of-living increase in pension rates in H.R. 7435 was intended as a stopgap measure, and that a pension-reform measure would be introduced in this session of Congress in order to provide for a new pension program under which automatic annual benefit increases would be keyed to the rise in the Consumer Price Index to protect needy veterans and survivors against pension reductions attributable solely to cost-of-living increases in social security. Such a pension-reform measure would equalize benefits between veterans and survivors and would provide a basic amount sufficient to remove veterans and their families who are dependent on pension income from "poverty" status.

NEED TO ADDRESS IMMEDIATE PROBLEM OF PENSIONERS

Nevertheless, pending the development and consideration of pension-reform legislation, the committee recognizes the need to address the immediate hardship suffered by pensioners who must live on fixed incomes in the face of continued inflation. It has carefully monitored the increase in the Consumer Price Index—CPI—from the date since the last increase became effective—on January 1, 1977—to the present, and the predictions made by the Congressional Budget Office for the period remaining before January 1, 1978, the effective date of the next increase.

The increase recommended in the committee bill is intended to offset the decline in purchasing power attributable to inflation experienced by veterans and survivors receiving pensions and is measured by the predicted increase in the CPI as estimated by the Congressional Budget Office. On July 21, 1977, the Director of the Congressional Budget Office, responding to my request, advised in a letter that, based on current economic indicators, the CPI increase over the period January 1977 to January 1978 would be 6.5 percent. The Veterans' Administration had previously recommended an increase in pension rates of 6.7 percent, and the Congressional Budget Office had confirmed this as the likely CPI increase. On July 15, 1977, the committee ordered the bill reported with a 6.7-percent increase to offset the then anticipated CPI increase. On July 22, based on the economic projections made available by the Congressional Budget Office, the committee adjusted the increase to 6.5 percent in the bill as ordered reported.

Mr. President, in order that all Senators and the general public may have a full understanding of the various provisions of this measure, I ask that there be inserted in the record at this point pertinent excerpts from the committee report, No. 95–374, accompanying this bill.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

SUMMARY OF H.R. 7345 AS REPORTED

Basic purpose

The basic purpose of H.R. 7345 as reported is to provide a cost-of-living adjustment in the rates and annual income limitations applicable to pension for non-service-connected disabled veterans and their surviving spouses, for surviving parents receiving dependency and indemnity compensation, and in the annual income limitations applicable to persons receiving pension under section 9(b) of the Veterans' Pension Act of 1959 ("old law").

Summary of provisions

The basic provisions of the Veterans and Survivors Pension Adjustment Act of 1977 would:

(1) provide an increase of approximately 6.5 percent in rates of disability and death pension under current law including the additional amount authorized for dependents;

(2) increase by approximately 6.5 percent the rates of dependency and indemity compensation (DIC) payable to parents;

(3) increase by the same percentage the maximum income limitations applicable to pensioners and parents entitled to DIC under current law, and to beneficiaries under the protected pension law;

(4) increase by the same percentage the amount of additional pension and DIC payable to those recipients so entitled based upon aid and attendance or housebound status; and

(5) increase additional allowances for recipients of wartime death compensation by the same percentage based upon need for regular aid and attendance.

DISCUSSION

Pension reform

Restructuring the needs-based pension program under chapter 15 of title 38, United States Code, for non-service-connected disability or death has been a priority of the Committee for some time. In June, 1973, the Veterans' Administration testified that the current pension program contained "inconsistencies, inequities, and anomalies, which cannot be corrected unless the entire framework of the program is restructured." Following extensive investigation, congressional hearings, and studies conducted by the VA, the Senate Committee on Veterans' Affairs favorably reported on December 9, 1975, S. 2635, a comprehensive pension reform measure. This bill was passed unanimously by the Senate on December 15, 1975, but the House did not act on it.

Since December 15, 1975, the Congress has enacted two pension rate adjustment acts: Public Law 94–169, enacted December 23, 1975, and Public Law 94–432, enacted September 30, 1976. Neither of these acts addressed the question of pension reform; however, section 404(a) of Public Law 94–432, the Veterans and Survivors Pension Adjustment Act of 1976, declared it to be the sense of the Congress that the existing pension program—

(1) does not provide sufficient assistance to meet the needs of some eligible veterans and survivors;

(2) has developed some inconsistencies, inequities, and anomalies which prevent it from operating in the most efficient and equitable manner; and

(3) subjects many pensioners annually to reductions in their pensions.

The Congress also declared that it lacked sufficient long-range information as to actual and anticipated financial characteristics of potential pensioners and their families upon which to estimate costs of existing and alternative pension programs; and in section 404(b) it directed the VA to conduct a thorough and comprehensive study of existing and alternative non-service-connected pension programs and to submit its report to the Congress on October 1, 1977.

The Committee has been advised by the Veterans' Administration that the study mandated by Public Law 94–432 is well under way and will be submitted in a timely manner.

The Committee, in its March 15, 1977, Report to the Budget Committee of its Budget Views and Estimates for Fiscal Year 1978, reiterated its commitment to pension reform by allocating $500 million for this purpose in its recommendations to the Budget Committee for Function 700 (Veterans' Benefits and Services). This commitment was highlighted in the letter from Senator Alan Cranston, the Chairman, and Senator Robert T. Stafford, the Ranking Minority Member, transmitting the Committee's report, as follows:

"The Committee would like to stress the critical need for pension-reform legislation (subfunction 701). Last year the Committee favorably reported and the Senate passed a pension-reform bill (S. 2635). The House did not consider the reform measure; instead it passed a 7 percent cost-of-living increase which Congress enacted in Public Law 94–432. That law required the VA to complete and submit a major study of the VA pension system by October 1, 1977. The Committee is particularly concerned over the state of the law which may result in the reduction of a needy veteran's pension when social security payments are increased to compensate for rises in the cost-of-living, thus denying increases needed to offset the impact of inflation. S. 2635 could have avoided this result. Anticipating enactment of a new pension-reform law after receipt of the VA study, the Committee has included additional budget authority and outlays of $500 million to fund pension reforms it expects to become effective April 1, 1978."

The Committee recommended to the Budget Committee that $20.471 billion in budget authority and $20.501 billion in outlays be allocated to Function 700 in the First Concurrent Resolution on the Budget for Fiscal Year 1978. However, the Budget Committee, in its recommendations to the Senate, reduced each of these amounts to $19.8 billion. Thereafter, during consideration by the Senate of the First Concurrent Resolution on the Budget for Fiscal Year 1978 (S. Con. Res. 19), the members of the Committee successfully sponsored an amendment, based in substantial part on the need for additional funding for pension-reform legislation, which resulted in increases of $500 million in budget authority and $400 million in outlays for the allocation to Veterans' Benefits and Services, from $19.8 to $20.3 billion in both budget authority and $20.2 billion in outlays, respectively, in the Senate-passed version of the First Concurrent Resolution. In the final version of that Resolution, those increases were retained virtually intact, the final budget authority figure being decreased to $20.25 billion and outlays being retained at $20.2 billion. These levels allow for the enactment of pension-reform legislation with an effective date in fiscal year 1978.

At a meeting of the Committee on July 15, 1977, members of the Committee again expressed their interest in the pension study underway at the VA and their commitment to pension reform, emphasizing that the cost-of-living increase in pension rates was intended as a stopgap measure, and that a pension-reform measure would be introduced in this session of Congress in order to provide for a new pension program under which automatic annual benefit increases would be keyed to the rise in the Consumer Price Index to protect needy veterans and survivors against pension reductions attributable solely to cost-of-living increases in social security. Such a pension-reform measure would equalize benefits between veterans and survivors and would provide a basic amount sufficient to remove veterans and their families who are dependent on pension income from "poverty" status.

Nevertheless, pending the development and consideration of pension-reform legislation, the Committee recognizes the need to address the immediate problem of the hardship which pensioners who must live on fixed incomes suffer from inflation. It has carefully monitored the increase in the Consumer Price Index (CPI) for the period from the date on which the last increase became effective, January 1, 1977, to the present and the predictions made by the Congressional Budget Office for the period remaining before January 1, 1978, the effective date of the next increase.

The increase recommended in the Committee bill is intended to offset the decline in purchasing power attributable to inflation experienced by veterans and survivors receiving pension and is measured by the predicted increase in the CPI as estimated most recently by the Congressional Budget Office. Only 21, 1977, the Director of the Congressional Budget Office, responding to a request from the Chairman, advised in a letter that, based on current economic indicators, the CPI increase over the period January 1977 to January 1978 would be 6.5 percent.

The Veterans' Administration had previously recommended an increase in pension rates of 6.7 percent, and the Congressional Budget Office had then confirmed this as the likely CPI increase. Accordingly, on July 15, 1977, the Committee had ordered the bill reported with a 6.7-percent increase to offset the then anticipated CPI increase. On July 22, based on the economic projections made available by the Congressional Budget Office, the Committee adjusted the increase to 6.5 percent in the bill as ordered reported.

It should be noted that there are no differences in the dollar amounts payable under a 6.5-percent increase, on the one hand, and a 6.7-percent increase, on the other. For example, the basic amount of pension for an eligible veteran who has no dependents and who has countable income of $500 or less under a 6.7-percent increase would be $197; under a 6.5-percent increase, this amount would be the same. The annual income limitation for a veteran with no dependents, however, is $3,775 with a 6.7-percent increase, and $3,770 with the 6.5-percent increase proposed by H.R. 7345 as amended, and for a veteran with dependents, the comparable figures are $5,080 with a 6.7-percent increase and $5,070 with a 6.5-percent increase. These increases would become effective January 1, 1978.

Current pension benefits and characteristics of pensioners

Under current law, a veteran may be eligible for pension benefits if:

First, he or she served in the Armed Forces at least 90 days, including at least 1 day of service during wartime;

Second, his or her income does not exceed the limits specified in the law—currently $3,540 if the veteran is single and $4,760 if he or she has a dependent;

Third, he or she is permanently and totally disabled (for the purposes of the pension law, veterans age 65 or older are defined as totally disabled); and

Fourth, his or her net worth is not excessive as determined by the Veterans' Administration.

Surviving spouses and children of deceased wartime veterans are also eligible for pension benefits if they qualify on the basis of need.

As provided by Public Law 94–432, for an eligible veteran without dependents, the monthly pension rates range from $5 to $185 with a limitation on countable annual income of $3,540. Monthly rates of $5 to $185 are provided for veterans with dependents where the annual countable income does not exceed $4,760. Suurviving spouses with no children are subject to the same income limitations as veterans alone although the pension rates vary from $5 to $125. The $4,760 annual income limitation for veterans with dependents also applies to surviving spouses with children. The rates for surviving spouses with one child range from $57 to $149; the applicable rate is increased by $24 per month for each child in excess of one.

Currently, there are more than 2 million veterans and surviving spouses receiving pensions of whom approximately 1 million are veterans and the remainder are their surviving spouses. The present cost of the nonservice-connected pension program is approximately $3.1 billion a year. The following table shows the distribution of all active compensation, dependency, and indemnity compensation and pension cases as of June 1977:

TABLE 1.—ACTIVE COMPENSATION, DEPENDENCY AND INDEMNITY COMPENSATION, PENSION AND RETIREMENT CASES BY PERIOD OF SERVICE, JUNE 1977

Entitlement	Disability total cases	Death total cases	Death beneficiaries			
			Total	Widows/ widowers	Children	Parents
Total	3,262,752	1,637,015	2,191,310	1,206,053	831,098	154,159
Service-connected	2,244,527	365,507	478,885	222,046	102,680	154,159
Compensation	2,244,527	77,322	85,811	121	9	85,681
Dependency and indemnity compensation		283,894	384,072	217,917	102,531	63,624
Dependency and indemnity compensation and compensation		4,291	9,002	4,008	140	4,854
Nonservice-connected	1,017,904	1,271,488	1,712,404	983,996	728,408	
Public Law 86–211	944,888	1,190,943	1,631,020	904,665	726,355	
Prior law	73,016	80,545	81,384	79,331	2,053	
Special acts	33	20	21	11	10	
Retired emergency officers	287					
Retired Reserve officers	1					
World War II	1,919,981	750,848	1,036,976	479,067	461,857	96,052
Service-connected	1,267,207	184,360	210,066	100,339	13,675	96,052
Compensation	1,267,207	60,886	66,755	66	5	66,684
Dependency and indemnity compensation		120,327	136,774	97,296	13,604	25,874
Dependency and indemnity compensation and compensation		3,147	6,537	2,977	66	3,494
Nonservice-connected	652,774	566,488	826,910	378,728	448,182	
Public Law 86–211	645,373	563,824	824,156	376,075	448,081	
Prior law	7,401	2,664	2,754	2,653	101	
World War I	329,806	585,650	599,124	573,885	24,991	248
Service-connected	44,389	33,341	33,863	32,609	1,006	248
Compensation	44,389	113	121	35	1	85
Dependency and indemnity compensation		33,225	33,736	32,571	1,005	160
Dependency and indemnity compensation and compensation		3	6	3		3

TABLE 1.—ACTIVE COMPENSATION, DEPENDENCY AND INDEMNITY COMPENSATION, PENSION AND RETIREMENT CASES BY PERIOD OF SERVICE, JUNE 1977—Continued

Entitlement	Disability total cases	Death total cases	Death beneficiaries			
			Total	Widows/ widowers	Children	Parents
Nonservice-connected	285,129	552,309	565,261	541,276	23,985	
Public Law 86-211	220,630	489,927	502,277	478,955	23,322	
Prior law	64,499	62,382	62,984	62,321	663	
Special acts	1					
Retired emergency officers	287					
Korean conflict	307,309	147,154	293,578	55,052	216,316	22,210
Service-connected	239,309	39,305	49,974	20,259	7,505	22,210
Compensation	239,309	13,294	15,461	6		15,455
Dependency and indemnity compensation		25,127	32,633	19,449	7,484	5,700
Dependency and indemnity compensation and compensation		884	1,880	804	21	1,055
Nonservice-connected	68,000	107,849	243,604	34,793	208,811	
Public Law 86-211	67,142	107,801	243,552	34,746	208,806	
Prior law	858	48	52	47	5	
Vietnam era	501,043	84,825	175,080	44,928	107,862	22,290
Service-connected	489,806	60,145	118,862	34,739	61,833	22,290
Compensation	489,806	15	22	3	3	16
Dependency and indemnity compensation		60,112	118,784	34,723	61,807	22,254
Dependency and indemnity compensation and compensation		18	56	13	23	20
Nonservice-connected	11,237	24,680	56,218	10,189	46,029	
Public Law 86-211	11,237	24,680	56,218	10,189	46,029	
Regular establishment	203,838	48,161	65,922	33,925	18,638	13,359
Service-connected	203,805	48,153	65,914	33,917	18,638	13,359
Compensation	203,805	3,013	3,451	10		3,441
Dependency and indemnity compensation		44,901	61,940	33,696	18,608	9,636
Dependency and indemnity compensation and compensation		239	523	211	30	282
Special acts	32	8	8	8		
Retired reserve officers	1					
Spanish-American War	468	19,428	19,665	18,426	1,239	
Service-connected	4	193	197	178	19	
Compensation	4	1	1	1		
Dependency and indemnity compensation		192	196	177	19	
Nonservice-connected	464	19,227	19,460	18,245	1,215	
Public Law 86-211	206	4,119	4,212	4,111	101	
Prior law	258	15,108	15,248	14,134	1,114	
Special acts		8	8	3	5	
Mexican Border Service	307	595	608	592	16	
Service-connected	7	3	3	3		
Compensation	7					
Dependency and indemnity compensation		3	3	3		
Nonservice-connected	300	592	605	589	16	
Public Law 86-211	300	592	605	589	16	
Indian Wars		61	62	49	13	
Service-connected		1	1		1	
Dependency and indemnity compensation		1	1		1	
Nonservice-connected		60	61	49	12	
Prior law		60	61	49	12	
Special acts						
Civil War		293	295	129	166	
Service-connected		6	5	2	3	
Dependency and indemnity compensation		6	5	2	3	
Nonservice-connected		283	285	127	158	
Prior law		283	285	127	158	
Special acts		4	5		5	

Source: RCS 21-14. Veterans' Administration, Washington, D.C., Office of Controller, Reports and Statistics Service.

The following tables illustrate the historical development of both current law pensions and protected or "old law" pensions for veterans:

TABLE 2.—HISTORICAL DEVELOPMENT OF PROTECTED LAW PENSION FOR VETERANS

Law and effective date	Income limits		Rates of pension				Aid and attendance	Housebound
	Single	With dependent	Single	1 dependent	2 dependents	3 dependents		
WW VA, July 1, 933	$1,000	$2,500	$30	$30	$30	$30		
Public Law 77-601, June 10, 1942	1,000	2,500	$40	$40	$40	$40		
Public Law 78-313, May 27, 1944	1,000	2,500	$50, age 65 or after 10 yr $60.	$50, age 65 or after 10 yr $60.	$50, age 65 or after 10 yr $60.	$50, age 65 or after 10 yr $60.		
Public Law 79-662, Sept. 1, 1946	1,000	2,500	$60, age 65 or after 10 yr $72.	$60 age 65 or after 10 yr $72.	$60, age 65 or after 10 yr $72.	$60, age 65 or after 10 yr $72.		
Public Law 82-149, Nov. 1, 1951	1,000	2,500	$60, age 65 or after 10 yr $72.	$60, age 65 or after 10 yr $72	$60, age 65 or after 10 yr $72	$60, age 65 or after 10 yr $72	$120.00	
Public Law 82-356, Public Law 82-357, July 1, 1952	1,400	2,700	$63, age 65 or after 10 yr $75.	$63, age 65 or after 10 yr $75.	$63, age 65 or after 10 yr $75.	$63, age 65 or after 10 yr $75.	129.00	
Public Law 83-698, Oct. 1, 1954	1,400	2,700	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after $78.75.	135.45	
Public Law 90-77, Oct. 1, 1967	1,400	2,700	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	135.45	100
Public Law 90-275, Jan. 1, 1969	1,600	2,900	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	135.45	100
Public Law 91-588, Jan. 1, 1971	1,900	3,200	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	135.45	100
Public Law 92-198, Jan. 1, 1972	2,200	3,500	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	135.45	100
Public Law 93-527, Jan. 1, 1975	2,600	3,900	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	135.45	100
Public Law 94-169, Jan. 1, 1976	2,900	4,200	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	135.45	100
Public Law 94-432, Jan. 1, 1977	3,100	4,460	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	$66.15, age 65 or after 10 yr $78.75.	135.45	100

TABLE 3.—HISTORICAL DEVELOPMENT OF CURRENT LAW PENSION FOR VETERANS

Law and effective date	Income limits		Rates of pension					
	Single	With dependent	Single	1 dependent	2 dependents	3 dependents	Aid and attendance	Housebound
Public Law 86-211, July 1, 1960	$1,800	$3,000	$85 down to $40	$90 down to $45	$95 down to $45	$100 down to $45	$70 added	
Public Law 88-664, Jan. 1, 1965	1,800	3,000	$100 down to $43	$105 down to $48	$110 down to $48	$115 down to $48	$100 added	$35 added.
Public Law 90-77, Oct. 1, 1967	1,800	3,000	$104 down to $45	$109 down to $50	$114 down to $50	$119 down to $50	$100 added	$40 added.
Public Law 90-275, Apr. 1, 1968	2,000	3,200	$110 down to $29	$120 down to $34	$125 down to $34	$130 down to $34	$100 added	$40 added.
Public Law 91-588, Jan. 1, 1971	2,300	3,500	$121 down to $29	$132 down to $34	$127 down to $34	$142 down to $34	$110 added	$44 added.
Public Law 92-198, Jan. 1, 1972	2,600	3,800	$130 down to $22	$140 down to $33	$145 down to $38	$150 down to $43	$110 added	$44 added.
Public Law 93-177, Jan. 1, 1974	2,600	3,800	$143 down to $38	$154 down to $39	$159 down to $44	$164 down to $49	$110 added	$44 added.
Public Law 93-527, Jan. 1, 1975	3,000	4,200	$160 down to $5	$172 down to $14	$177 down to $19	$182 down to $24	$123 added	$49 added.
Public Law 94-169, Jan. 1, 1976	3,300	4,500	$173 down to $5	$186 down to $5	$191 down to $5	$196 down to $5	$133 added	$53 added.
Public Law 94-432, Jan. 1, 1977	3,540	4,760	$185 down to $5	$199 down to $5	$204 down to $5	$209 down to $5	$155 added	$57 added.

Over 18 percent of veterans and over 14 percent of surviving spouses reported no annual countable income exceeding $100, other than pension, in December 1976. The annual income of pensioners (other than their pensions and excludable income) is shown in the following tables:

TABLE 4.—ALL VETERANS ON PENSION ROLLS

Annual income not over	Apr. 30, 1976					Apr. 30, 1977				
	Total	Old law	New law	Percent old law	Percent new law	Total	Old law	New law	Percent old law	Percent new law
$100	168,293	7,945	160,348	4.7	95.3	182,929	6,616	176,313	3.6	96.4
$200	4,282	586	3,696	13.7	86.3	4,154	498	3,656	12.0	88.0
$300	4,180	510	3,670	12.2	87.8	4,002	431	3,571	10.8	89.2
$400	3,315	478	2,837	14.4	85.6	3,134	402	2,732	12.8	87.2
$500	3,567	395	3,172	11.1	88.9	3,433	337	3,096	9.8	90.2
$600	3,102	387	2,715	12.5	87.5	2,947	328	2,619	11.1	88.9
$700	2,249	297	1,952	13.2	86.8	2,305	252	2,053	10.9	89.1
$800	3,440	360	3,082	10.5	89.5	3,143	295	2,848	9.4	90.6
$900	4,562	345	4,217	7.6	92.4	2,669	265	2,404	9.9	90.1
$1,000	11,065	434	10,631	3.9	96.1	6,814	271	6,543	4.0	96.0
$1,100	31,324	2,349	28,975	7.5	92.5	11,631	350	11,281	3.0	97.0
$1,200	16,060	1,034	15,026	6.4	93.6	28,978	1,950	27,028	6.7	93.3
$1,300	17,522	1,258	16,264	7.2	92.8	14,973	823	14,150	5.5	94.5
$1,400	17,891	1,265	16,626	7.1	92.9	16,778	976	15,802	5.8	94.2
$1,500	20,360	1,584	18,776	7.8	92.2	18,539	1,117	17,422	6.0	94.0
$1,600	24,793	2,017	22,776	8.1	91.9	18,408	1,089	17,319	5.9	94.1
$1,700	27,077	2,239	24,838	8.3	91.7	22,249	1,459	20,790	6.4	93.4
$1,800	29,499	2,492	27,007	8.4	91.6	25,856	1,751	24,105	6.8	93.2
$1,900	28,996	2,753	26,243	9.5	90.5	25,837	1,875	23,962	7.3	92.7
$2,000	33,894	3,258	30,636	9.6	90.4	30,136	2,215	27,921	7.3	92.7
$2,100	30,480	3,467	27,013	11.4	88.6	26,439	2,025	24,414	7.7	92.3
$2,200	30,487	3,622	26,865	11.9	88.1	29,869	2,867	27,002	9.6	90.4
$2,300	31,696	3,900	27,796	12.3	87.7	28,738	2,619	26,119	9.1	90.9
$2,400	32,236	3,902	28,334	12.1	87.9	29,889	3,055	26,834	10.2	89.8
$2,500	36,702	6,002	30,700	16.4	83.6	30,066	3,072	26,994	10.2	89.8
$2,600	36,861	4,471	32,390	12.1	87.9	31,416	3,393	28,023	10.8	89.2
$2,700	34,092	3,338	30,754	9.8	90.2	34,727	4,713	30,014	13.6	86.4
$2,800	37,373	4,543	32,830	12.2	87.8	31,512	3,072	28,440	9.7	90.3
$2,900	35,083	2,990	32,093	8.5	91.5	33,322	2,918	30,404	8.8	91.2
$3,000	34,612	2,319	32,293	6.7	93.3	35,850	3,720	32,130	10.4	89.6
$3,100	26,505	2,268	24,237	8.6	91.4	32,425	2,407	30,018	7.4	92.6
$3,200	23,691	2,306	21,385	9.7	90.3	30,174	1,918	28,256	6.4	93.6
$3,300	22,532	2,267	20,265	10.1	89.9	26,925	1,852	25,073	6.9	93.1
$3,400	19,153	2,393	16,760	12.5	87.5	23,622	1,843	21,779	7.8	92.2
$3,500	16,703	2,303	14,400	13.8	86.2	22,213	1,926	20,287	8.7	91.3
$3,540						988		988		100.0
$3,600	15,716	2,325	13,391	16.5	83.5	19,572	1,946	17,626	9.9	90.1
$3,700	13,400	2,209	11,191	16.5	83.5	16,780	1,882	14,898	11.2	88.8
$3,800	12,494	1,924	10,570	15.4	84.6	15,320	1,858	13,462	12.1	87.9
$3,900	11,544	1,922	9,622	16.6	83.4	14,284	1,744	12,540	12.2	87.8
$4,000	9,735	610	9,125	6.3	93.7	12,707	1,515	11,192	11.9	88.1
$4,100	8,915	473	8,442	5.3	94.7	10,895	1,198	9,697	11.0	89.0
$4,200	8,954	395	8,559	4.4	95.6	9,638	541	9,097	5.6	94.4
$4,300	5,072		5,072	0	100.0	8,684	273	8,411	3.1	96.9
$4,400	4,511		4,511	0	100.0	8,155	219	7,936	2.7	97.3
$4,460						211	211		100.0	
$4,500	4,012		4,012	0	100.0	7,226		7,226		100.0
$4,600						4,423		4,423		100.0
$4,700						3,779		3,779		100.0
$4,760						2,317		2,317		100.0
(1)						1,011		1,011		100.0
Not stated	96	34	62	35.4	64.6	70	21	49	30.0	70.0
Total	998,126	91,969	906,157	9.2	90.8	1,012,162	76,108	936,054	7.5	92.5

[1] In excess of income limitation, but receiving special A & A allowance.

TABLE 5.—ALL SURVIVING SPOUSES ON PENSION ROLLS

Annual income not over	Apr. 30, 1976					Apr. 30, 1977				
	Total	Old law	New law	Percent old law	Percent new law	Total	Old law	New law	Percent old law	Percent new law
$100	134,144	1,782	132,362	1.3	98.7	142,304	1,578	140,726	1.1	98.9
$200	4,976	134	4,843	2.7	97.3	4,911	131	4,780	2.4	97.6
$300	5,943	131	5,812	2.2	97.8	5,639	111	5,528	2.0	98.0
$400	5,200	127	5,073	2.4	97.6	4,750	109	4,641	2.3	97.7
$500	5,784	157	5,627	2.7	97.3	5,498	116	5,382	2.1	97.9
$600	6,915	198	6,717	2.9	97.1	6,374	174	6,200	2.7	97.3
$700	5,809	157	5,652	2.7	97.3	5,229	140	5,089	2.7	97.3
$800	7,925	278	7,647	3.5	96.5	7,043	231	6,812	3.3	96.7
$900	8,943	234	8,709	2.6	97.4	7,655	199	7,456	2.6	97.4
$1,000	16,649	498	16,151	3.0	97.0	9,789	249	9,540	2.5	97.5
$1,100	51,405	1,920	49,485	3.7	96.3	21,052	626	20,426	3.0	97.0

TABLE 5.—ALL SURVIVING SPOUSES ON PENSION ROLLS—Continued

Annual income not over	Apr. 30, 1976					Apr. 30, 1977				
	Total	Old law	New law	Percent old law	Percent new law	Total	Old law	New law	Percent old law	Percent new law
$1,200	24,823	1,140	23,683	4.6	95.4	48,687	1,759	46,928	3.6	96.4
$1,300	25,525	1,421	24,104	5.6	94.4	23,341	1,010	22,331	4.3	95.7
$1,400	25,618	1,761	23,857	6.9	93.1	22,741	1,289	21,452	5.7	94.3
$1,500	29,129	2,280	26,849	7.8	92.2	25,156	1,543	23,613	6.1	93.9
$1,600	34,175	3,058	31,117	8.9	91.1	27,753	2,170	25,583	7.8	92.2
$1,700	34,740	3,139	31,601	9.0	91.0	31,853	2,602	29,251	8.2	91.8
$1,800	35,622	3,531	32,091	9.9	90.1	34,030	2,855	31,175	8.4	91.6
$1,900	36,027	4,030	31,997	11.2	88.8	34,373	3,096	31,277	9.0	91.0
$2,000	40,541	4,578	35,963	11.3	88.7	36,404	3,537	32,867	9.7	90.3
$2,100	40,333	5,000	35,333	12.4	87.6	34,759	3,846	30,913	11.1	88.9
$2,200	42,022	5,020	37,002	11.9	88.1	39,187	4,322	34,865	11.0	89.0
$2,300	43,613	7,314	36,299	16.8	83.2	40,094	4,444	35,650	11.1	88.9
$2,400	38,310	5,540	32,770	14.5	85.5	39,135	4,351	34,784	11.1	88.9
$2,500	42,767	6,241	36,526	14.6	85.4	41,578	6,784	34,794	16.3	83.7
$2,600	40,721	7,143	33,578	17.5	82.5	37,411	5,225	32,186	14.0	86.0
$2,700	31,754	1,836	29,918	5.8	94.2	42,819	6,606	36,213	15.4	84.6
$2,800	35,023	1,395	33,628	4.0	96.0	33,074	3,288	29,786	9.9	90.1
$2,900	28,538	672	27,866	2.4	97.6	30,503	1,788	28,715	5.9	94.1
$3,000	22,577	30	22,547	.1	99.9	34,376	879	33,497	2.6	97.4
$3,100	9,747	23	9,724	.2	99.8	26,099	503	25,596	1.9	98.1
$3,200	7,146	20	7,126	.3	99.7	18,996	15	18,961	.2	99.8
$3,300	6,212	22	6,190	.4	99.6	11,242	14	11,228	.1	99.9
$3,400	1,718	33	1,685	1.9	98.1	6,615	18	6,597	.3	99.7
$3,500	1,683	26	1,657	1.5	98.5	5,650	30	5,620	.5	99.5
$3,540						1,235		1,235		100.0
$3,600	1,634	19	1,615	1.2	98.8	1,670	19	1,651	1.1	98.9
$3,700	1,519	25	1,494	1.6	98.4	1,508	14	1,494	.9	99.1
$3,800	1,421	13	1,408	.9	99.1	1,528	17	1,511	1.1	98.9
$3,900	1,272	19	1,253	1.5	98.5	1,354	15	1,339	1.1	98.9
$4,000	1,348	4	1,344	.3	99.7	1,415	16	1,399	1.1	98.9
$4,100	1,141	6	1,135	.5	99.5	1,179	7	1,172	.6	99.4
$4,200	1,698	3	1,695	.2	99.8	1,181	3	1,178	.3	99.7
$4,300	789		789	0	100.0	1,043	3	1,040	.3	99.7
$4,400	721		721	0	100.0	977	4	973	.4	99.6
$4,460						0	0		0	
$4,500	1,487		1,487	0	100.0	1,508		1,508	0	100.0
$4,600						719		719	0	100.0
$4,700						723		723	0	100.0
$4,760						929		929	0	100.0
Not stated	55	5	50	9.1	90.0	39	14	25	35.9	64.1
Total	945,142	70,963	874,179	7.5	92.5	963,128	65,770	897,358	6.8	93.2

Scheduled pension reductions on January 1, 1978

A prospective pension reduction faces a majority of our veterans and surviving spouses.

Most pensioners are elderly—and the most common source of income available to them is social security (Old Age Survivors Insurance). About 75 percent of all pensioners have some income from social security. The following table shows the number of non-service-connected pensioners and DIC parents receiving social security benefits:

TABLE 6.—NONSERVICE-CONNECTED PENSIONERS AND DIC PARENTS WITH SOCIAL SECURITY (OLD AGE SURVIVORS INSURANCE), JUNE 1977

	Veterans (new law)	Survivors (new law)	DIC parents
Social security only	465,551	469,680	29,131
Social security and other income	298,699	218,997	8,553
No social security	232,156	246,673	28,652

The following table shows the numbers of non-service-connected pensioners and DIC parents whose benefits were terminated, reduced, or increased (or which remained unchanged) following the Annual Income Questionnaire (required of all recipients) in December 1976, and the pension redeterminations made in January 1977, through June 1977:

TABLE 7.—INCOME ADJUSTMENTS—ALL PENSION AND DIC PARENTS, JUNE 1977

	Total	Old law		New law		
		Veterans	Survivors	Veterans	Survivors	DIC parents
Terminated	41,812					
Persons with social security income	2,591	45	29	1,748	703	66
Social security and other income	26,432	444	322	13,906	11,320	440
No social security	12,789	123	149	3,508	8,716	293
Reduced	810,435					
Social security only	470,893	0	1	186,248	271,630	13,013
Social security and other income	279,612	0	3	135,501	139,549	4,553
No social security	59,930	0	1	19,429	38,990	1,506
Increase or no change	1,333,288					
Social security income only	547,696	26,180	28,046	279,303	198,050	16,118
Social security and other income	316,813	38,447	31,726	163,198	79,448	4,000
No social security	468,779	13,749	7,478	212,727	207,683	27,146
Total	2,185,535					

Solely because of the 5.9-percent cost-of-living increases in social security benefits in July 1977, approximately 47.5 percent of all current law pensioners are scheduled to sustain annual pension reductions averaging $91.0 if no rate increase is enacted. Another 18,040 veterans and survivors will be dropped from the pension rolls altogether.

Pension increases effective January 1, 1978

As a result of changes in the Consumer Price Index and because of the large number of veterans and survivors who will sustain

pension reductions on January 1, 1978, the bill provides for adjustments in the current program effective January 1, 1978.

A 6.5-percent increase in the rates payable and a comparable increase in the maximum annual income limitations are provided for veterans and survivors in the current program.

Similarly, maximum annual income limitations for the "old law" pensioners are increased by $200 and $300, respectively, for a veteran or surviving spouse without dependents and a veteran or surviving spouse with one or more dependents. A 6.5-percent increase in rates and in the annual income limitations is authorized also for needy parents receiving dependency and indemnity compensation. Finally, aid and attendance allowances for certain recipients of wartime death compensation are increased by 6.5 percent.

Thus, under the current program the maximum rate for a veteran without dependents would be increased from $185 to $197 a month, while the rate for a veteran with a dependent would be increased from $199 to $212. The following tables show the rates currently payable and those proposed:

TABLE 8.—CURRENT RATES AND THOSE PROPOSED BY H.R. 7345 AS AMENDED

Annual income not over	Pension[1]			
	Veteran alone	Veteran and 1 dependent	Surviving spouse alone	Surviving spouse with 1 dependent
0	$197	$212	$133	$159
$100	197	212	133	159
$200	197	212	133	159
$300	197	212	133	159
$400	194	212	132	159
$500	191	212	131	159
$600	187	210	130	159
$700	183	208	127	159
$800	178	205	124	158
$900	173	202	121	157
$1,000	167	199	117	156
$1,100	161	195	113	155
$1,200	154	191	108	153
$1,300	147	187	103	151
$1,400	140	183	98	149
$1,500	133	179	93	147
$1,600	126	175	88	145
$1,700	119	171	83	142
$1,800	111	167	78	139
$1,900	103	163	72	136
$2,000	95	159	66	133
$2,100	87	154	60	130
$2,200	$79	$149	$54	$127
$2,300	71	144	48	124
$2,400	63	139	42	121
$2,500	55	134	36	117
$2,600	47	129	30	113
$2,700	39	124	24	109
$2,800	31	119	17	105
$2,900	23	114	10	101
$3,000	15	109	5	96
$3,100	7	103	5	91
$3,200	5	97	5	86
$3,300	5	90	5	81
$3,400	5	83	5	76
$3,500	5	76	5	71
$3,540	5		5	
$3,600	5	69	5	66
$3,700	5	61	5	61
$3,775		53		61
$3,900		45		61
$4,000		37		61
$4,100		29		61
$4,200		21		61
$4,300		13		61
$4,400		5		61
$4,500		5		61
$4,600		5		61
$4,700		5		61
$4,760		5		61
$4,800		5		61
$4,900		5		61
$5,000		5		61
$5,080		5		61

[1] Veterans housebound allowance increased from $57 to $61 per month and aid and attendance increased from $155 to $165

TABLE 9.-DEPENDENCY AND INDEMNITY COMPENSATION (PARENTS)

Annual income not over	1 parent	2 parents together	2 parents not together
0	$152	$103	$107
$100	152	103	107
$200	152	103	107
$300	152	103	107
$400	152	102	107
$500	152	102	107
$600	152	102	107
$700	152	102	107
$800	152	102	107
$900	149	102	105
$1,000	146	102	103
$1,100	141	100	101
$1,200	136	98	96
$1,300	130	96	91
$1,400	124	94	86
$1,500	118	92	81
$1,600	110	90	76
$1,700	102	88	71
$1,800	$94	$86	$66
$1,900	86	84	61
$2,000	78	82	56
$2,100	70	79	45
$2,200	62	76	39
$2,300	54	73	35
$2,400	46	70	27
$2,500	38	67	21
$2,600	30	64	15
$2,700	22	61	8
$2,800	14	58	5
$2,900	6	55	5
$3,000	5	51	5
$3,100	5	47	5
$3,200	5	43	5
$3,300	5	39	5
$3,400	5	35	5
$3,500	5	31	5
$3,540			
$3,600	5	27	5
$3,700	5	22	5
$3,775		17	
$3,900		12	
$4,000		6	
$4,100		5	
$4,200		5	
$4,300		5	
$4,400		5	
$4,500		5	
$4,600		5	
$4,700			
$4,760		5	
$4,800			
$4,900		5	

According to information supplied by the Veterans' Administration, if the adjustments contained in this measure are enacted, none of the 18,040 veterans or survivors currently scheduled to be terminated because of social security increases will be dropped. Further, 1,718,850 veterans, surviving spouses and dependents can expect to receive an average annual gain in pension of approximately $95.

And although no veteran or survivor will sustain a loss in aggregate income, solely as a result of social security increases, it should be acknowledged that even if provisions contained in titles I and II are enacted, 62,575 veterans and survivors will sustain an average annual reduction of $2 in pension despite such adjustments. The following table shows the projected gains and losses with respect to the current pension population if H.R. 7345 is enacted into law (NOTE: The figures shown in this table are based on a 6.7-percent increase rather than a 6.5-percent increase. However, any variations in figures based on a 6.5-percent increase can be expected to be very slight):

TABLE 10.—ESTIMATED EFFECTS OF 5.9 PERCENT OASI INCREASE AS OF JANUARY 1978 (NEW LAW ONLY)

[Effective July 1, 1977]

	Number gaining pension	Average annual gain	Number reduced pension	Average annual reduction	Number gaining aggregate	Average annual gain	Number reduced aggregate	Average annual reduction	Number terminated
With no change in law:									
Veteran alone	0	0	218,136	$99	241,976	$46	0	0	3,874
Veteran with dependent	0	0	465,477	118	482,165	94	0	0	7,947
Widow alone	0	0	508,518	70	567,004	71	0	0	5,518
Widow with dependent	0	0	100,419	48	113,862	83	0	0	702
Total	0	0	1,292,549	91	1,405,006	76	0	0	18,040
With enactment of VA 6.7-percent increase:									
Veteran alone	319,298	$128	19,379	1	319,298	128	0	0	0
Veteran with dependent	542,907	114	24,901	1	542,907	114	0	0	0
Widow alone	713,989	60	18,295	4	713,689	60	0	0	0
Widow with dependent	142,958	126	0	1	142,958	126	0	0	0
Total	1,719,150	95	62,575	2	1,718,850	95	0	0	0

COST ESTIMATE

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510, 91st Congress) the Committee, based on information supplied by the Congressional Budget Office, estimates that the 5-year cost resulting from the enactment of the Committee bill would be $128.5 million in fiscal year 1978; $166.7 million in fiscal year 1979; $162.4 million in fiscal year 1980; $159.9 million in fiscal year 1981; and $155.5 million in fiscal year 1982. A detailed report on these costs, as estimated by CBO, over the 5-year period follows:

CONGRESSIONAL BUDGET OFFICE

Cost estimate

1. Bill number: H.R. 7345 (Senate version).

2. Bill title: Veterans and Survivors Pension Adjustment Act of 1977.

3. Bill status: This bill has been ordered reported by the Senate Committee on Veterans' Affairs.

4. Bill purpose: The Senate version of H.R. 7345 provides an increase of approximately 6.5 percent to the rates of disability and death pension, to the rates of DIC for

parents, and to the income limits under the Veterans Pension Act of 1959. These increases would be effective on January 1, 1978.

5. Revised cost estimate:

Fiscal year:	*Cost (millions)*
1978 (9 months)	$128.5
1979	166.7
1980	162.4
1981	159.9
1982	155.5

6. Basis for estimate: This estimate was prepared using a computer simulation model. The model is based on a 1-percent sample of the pension caseload. For each of the 5 years of the simulation, the income of each sample case is updated based on current economic assumptions and a pension payment is computed using the proposed rate structure. The cost for the sample cases is then inflated to the level representative of the total pension caseload.

7. Estimate comparison: None.

8. Previous CBO estimate: The House version of H.R. 7345 contained a 7 percent increase in rate levels and an increase of 25 percent in the pension payable to a surviving spouse age 78 or older. The estimated cost of this version for 9 months of fiscal year 1978 was $185.9 million.

An earlier Senate version of H.R. 7345 contained a 6.7 percent rate increase. On July 18, 1977, CBO submitted an estimate of this version which showed a cost of $131.2 million for fiscal year 1978.

9. Estimate prepared by: K. W. Shepherd.

10. Estimate approved by: C. G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

REGULATORY IMPACT STATEMENT

In compliance with paragraph 5 of rule XXIX of the Standing Rules of the Senate, the Committee on Veterans' Affairs has made an evaluation of the regulatory impact which would be incurred in carrying out the Committee bill. The results of that evaluation are described below.

The Committee bill would provide rate increases of approximately 6.5 percent, including additional allowances for aid and attendance and for housebound status, for non-service-connected disability and death pensioners and parents entitled to dependency and indemnity compensation (DIC), effective January 1, 1978. It would also provide for an increase, by approximately the same percentage, of the maximum annual income limitations applicable to pensioners and parents entitled to DIC under the current law and for beneficiaries under the protected pension law. Moreover, it would provide for an increase of approximately 6.5 percent in the maximum unearned annual income limitation for children entitled under current pension law, as well as an approximate 6.5-percent increase in the aid and attendance allowance available to a surviving spouse or parent in receipt of death compensation based on a service-connected death prior to January 1, 1957. In light of the nature of this legislation, its regulatory impact will be minimal.

The requisite evaluation of such impact is as follows:

A. Estimate of the numbers of individuals and businesses who would be regulated and a determination of the groups and classes of such individuals and businesses:

No individuals would be regulated under the bill, which simply increases statutory rates of disability and death pension and parents' dependency and indemnity compensation for approximately 1,719,000 individuals in fiscal year 1978, and increases statutory annual income limitations for approximately 16,400 individuals during fiscal year 1978.

Likewise, no businesses would be regulated under the provisions of H.R. 7345 as reported.

B. Determination of the economic impact of such regulations on individuals, consumers, and businesses affected:

Since the Committee bill does not call for the promulgation of any regulations, there would be no economic impact resulting from regulations promulgated under the Committee bill. Under the substantive provisions of the Committee bill, however, increased statutory rates and maximum income limitations would result in the distribution of aproximately $128.5 million in VA benefit payments to eligible individuals during fiscal year 1978.

C. Determination of the impact on the personal privacy of the individuals affected:

Increasing these statutory rates and maximum income limitations would have no effect on the personal privacy of the recipients of such benefits beyond the financial disclosures required by current law.

D. Determination of the amount of additional paperwork that will result from regulations to be promulgated under the bill:

Since the proposed increased rates are statutory, little regulatory change would be necessitated by their enactment. The generation of additional paperwork would essentially be limited to the notification of recipients by the Veterans' Administration of the new rates, and to the internal directives and programing necessary to effect the rate increases.

The above comment is equally applicable to the proposed statutory increase in the maximum annual income limitations.

SECTION-BY-SECTION ANALYSIS OF H.R. 7345 AS REPORTED

Section 1

This section provides that the Act may be cited as the "Veterans and Survivors Pension Adjustment Act of 1977".

TITLE I—VETERANS' AND SURVIVORS' PENSIONS

In general, title I of the Act would provide an average 6.5-percent cost-of-living increase in current pension rates and increases in the maximum annual income limitations for all pensioners effective January 1, 1978.

Section 101

Provides, effective January 1, 1978, an average 6.5-percent increase in the rates of pension and a $230 increase in the maximum annual income limitation for eligible veterans under section 521.

Clauses (1) and (2) of section 101 amend subsection (b) of section 521, which prescribes pension rates for unmarried veterans. Currently, a veteran with no dependents and with an annual countable income of $300 or less receives a maximum monthly pension of $185 which is gradually reduced to $5 subject to a limitation on annual countable income of $3,540. This section would provide that a veteran with no dependents and an annual countable income of $300 or less would receive a maximum monthly rate of $197 reduced to $5, subject to a limitation on annual countable income of $3,770.

Clauses (3) and (4) of section 101 amend subsection (c) of section 521 prescribing rates for veterans with dependents. Currently, the maximum monthly pension payable to a veteran with annual countable income of $500 or less, and with one dependent is $199, for two dependents $204 and with three or more dependents $204. This decreases gradually to the minimum monthly payment of $5, until the veteran's annual income reaches $4,760 whereupon he or she would be ineligible for a pension. As amended, subsection (c) would provide for a monthly payment of $212 to a veteran with one dependent, $217 to a veteran with two dependents, and $222 to a veteran with three dependents, b sed on income of $500 or less, ranging downward to a minimum monthly payment of $5 and limited by a maximum annual countable income of $5,070.

Clauses (5) and (6) of section 101 amend section 521(d), which authorizes additional allowances payable to veterans receiving pension who are in need of regular aid and attendance, by increasing the monthly rate from $155 to $165, and section 521(e), which authorizes who do not qualify for aid and attendance but who are permanently housebound, by increasing the monthly allowance from $57 to $61.

Section 102

Provides, effective January 1, 1978, an average 6.5-percent increase in the rates of pension and a $230 increase in the maximum annual income limitation for eligible surviving spouses of veterans under section 541 of title 38, United States Code.

Clauses (1) and (2) of section 102 amend subsection (b) of section 541, prescribing pension rates for surviving spouses with no dependents. Currently a surviving spouse with no dependents and with an annual countable income of $300 or less receives a maximum monthly pension of $125 which is gradually reduced to a minimum monthly payment of $5 subject to a limitation on annual countable income of $3,540. As amended, this subsection would provide that a surviving spouse with no dependents and an annual countable income of $300 or less would receive a maximum monthly pension of $133 reduced to $5 subject to a limitation on annual countable income of $3,770.

Clauses (3) and (4) of section 102 amend subsection (c) of section 541, which prescribes rates for surviving spouses with dependents. Currently the maximum monthly pension to a surviving spouse with one dependent and an annual countable income of $700 or less is $149 which decreases gradually to a minimum monthly payment of $61 and is limited by annual countable income of $4,760. As amended, this subsection would provide that a surviving spouse with one dependent and an annual countable income of $700 or less would receive a maximum monthly pension of $159 reduced to $5 subject to a limitation on annual countable income of $5,070.

Clause (5) of section 102 amends subsection (d) of section 541, which provides for additional payments for dependents in excess of one, by increasing the monthly pension for each additional child from $24 to $26.

Section 103

Provides, effective January 1, 1978, an average 6.5-percent increase in the rates of pension and a $190 increase in the maximum annual income limitation for eligible children where there is no surviving spouse.

Clause (1) of section 103 amends subsection (a) of section 542, which provides for payment of pension at a monthly rate of $57 for one child and $24 for each additional child, by increasing the monthly rates to $61 and $26, respectively.

Clause (2) of section 103 amends the eligible child's maximum annual income limitation from $2,890 to $3,080.

Section 104

Provides, effective January 1, 1978, a 6.5-percent increase from $74 to $79 for any surviving spouse entitled to additional monthly allowances for aid and attendance.

Section 105

Amends section 4 of Public Law 90-275 (82 Stat. 68) to increase the maximum annual income limitations applicable under the "old law" pension plan, effective January 1, 1978. A veteran or surviving spouse

without a dependent, or a child alone, would remain eligible for pension with a maximum countable annual income of up to $3,300 a year as contrasted with the current $3,100 limitation. A veteran with a dependent or a surviving spouse with a child would remain eligible for pension with a maximum countable annual income of up to $4,760 as opposed to the current maximum of $4,060.

TITLE II—DEPENDENCY AND INDEMNITY COMPENSATION FOR PARENTS

In general, title IV of this Act would provide an average 6.5-percent cost-of-living increase and an increase in the maximum annual income limitations effective January 1, 1978, for those parents receiving need-based dependency and indemnity compensation.

Section 201

Clauses (1) and (2) of section 201 increase the rates of dependency and indemnity compensation (DIC) and annual income limitation for a sole surviving parent receiving dependency and indemnity compensation under section 415(b).

Currently, a sole surviving parent receives a maximum monthly DIC payment of $142 if his or her annual countable income is less than $800, decreasing to $5 subject to a limitation on annual countable income of $3,540. As amended, this section would provide for a maximum monthly payment of $152 with an annual income of $800 or less, decreasing down to $5 and limited by an annual income of $3,770.

Clauses (3) and (4) of section 201 increase the rates of dependency and indemnity compensation (DIC) and the annual income limitation for two parents not living together but receiving DIC under section 415(c). Currently, each of two parents who are not living together receives a maximum monthly DIC payment of $100 if annual countable income is $800 or less, decreasing on a graduated scale to $5 subject to a limitation on annual countable income of $3,540. As amended, this section would provide for a maximum monthly rate of $107 with an annual income of $800 or less, decreasing down to $5 subject to a limitation on annual income of $3,770.

Clauses (5) and (6) of section 201 increase the rates of dependency and indemnity compensation (DIC) and the annual income limitation for parents receiving DIC under section 415(d). Currently, if there are two parents who are living together or if a parent is remarried and is living with his or her spouse, each parent receives a maximum monthly DIC payment of $96 if their annual income is $1,000 or less, decreasing gradually to $5 subject to a limitation on annual countable income of $1,760. As amended, this section would provide for a maximum monthly payment of $102 with an annual income of $1,000 or less, decreasing down to $5 for an annual income of $5,070.

Clause (7) of section 201 increases the allowance payable under section 415(h) to parents in receipt of DIC who are in need of aid and attendance. Currently, this additional allowance is $74 per month. As amended, it would be increased to $79.

TITLE III—MISCELLANEOUS AND EFFECTIVE DATE PROVISIONS

Section 301

Increases the aid and attendance allowance by approximately 6.5 percent of those surviving spouses and dependent parents receiving death compensation. The rate would be increased from $64 to $69, the same as that provided for surviving spouses under the non-service-connected-pension program.

Section 302

Provides for an effective date of January 1, 1978.

CONCLUSION

Mr. CRANSTON. Mr. President, I would like to congratulate Senator HERMAN TALMADGE, the chairman of the Subcommittee on Compensation and Pension, for his invaluable assistance in preparing this bill for consideration by the Senate, and I would also like to thank all the Senators on the Veterans' Affairs Committee and the members of their staffs for their patience, cooperation, and hard work in this matter. The staff of the Veterans' Affairs Committee has also worked diligently and tirelessly in assisting the committee, and I would like to take this opportunity to thank them as well—particularly Mary Sears, Harold Carter, Ed Scott, Jon Steinberg, Garner Shriver, and Gary Crawford. In carrying out their duties, they have often requested the assistance of the Veterans' Administration in technical matters, and the VA staff, under the direction of its new Administrator, my good friend Max Cleland, and General Counsel Guy McMichael, has been most helpful and responsive. We thank them also.

PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the notifications I have just received.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

[Transmittal No. 77-51(A)]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(B) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Switzerland.

(ii) Total estimated value:

	Million
Major Defense Equipment *	$81.8
Other	22.3
Total	104.1

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) *Description of articles or services offered:*

Fifteen-thousand five-hundred and forty-four (15,544) Dragon missiles M-222 and six-thousand four-hundred and twenty-six (6,426) Dragon practice missiles M-223, one-thousand three-hundred and fifty-four (1,354) trackers and support equipment.

(iv) Military Department: Army.

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: August 4, 1977.

[Transmittal No. 77-51(B)]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Switzerland.

(ii) Total estimated value:

	Million
Major Defense Equipment*	$75.3
Other	10.3
Total	85.6

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Fifteen-thousand five-hundred and forty-four (15,544) Dragon missiles M-222, and six-thousand four-hundred and twenty-six (6,426) Dragon practice missiles M-223, and three-hundred and fourteen (314) trackers, and co-production of trackers and support equipment.

(iv) Military Department: Army:

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress:

[Transmittal No. 77-54]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Greece.

(ii) Total estimated value:

	Million
Major Defense Equipment*	$7.5
Other	.6
Total	8.1

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Eleven (11) M-88A1 medium full-track recovery vehicles, one year spare parts, tools, spare engines and transmissions.

(iv) Military department: Army.

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: August 4, 1977.

[Transmittal No. 77-55]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Korea.

(ii) Total value:

	Million
Major defense equipment*	10.4
Other	2.4
Total	12.8

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or service offered: Fifteen (15) M88A1 full-track recovery vehicles.

(iv) Military department: Army.

(v) Sales commission, fee, etc., paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: August 4, 1977.

[Transmittal No. 77-56]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Spain.

(ii) Total estimated value:

	Million
Major defense equipment*	$32.9
Other	6.2
Total	39.1

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or service offered: Six (6) SH-3D anti-submarine helicopters, support equipment, and repair parts.

(iv) Military department: Navy.

(v) Sales commission, fee, etc., paid, offered or agreed to be paid: **(Deleted.)

D. Same as paragraph iii above.

E. The information contained in paragraph (v) consists of **

(vi) Date report delivered to Congress: August 4, 1977.

[Transmittal No. 77-57]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Greece.

(ii) Total estimated value:

	Million
Major Defense Equipment*	$21.8
Other	2.6
Total	24.4

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: Eleven (11) self-propelled 155mm howitzers (M109A1B) and one-hundred forty-four (144) towed 105 howitzers (M101A1).

(iv) Military department: Army.

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: August 4, 1977.

[Transmittal No. 77-58]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Greece.

(ii) Total estimated value:

	Million
Major Defense Equipment*	$9.1
Other	3.7
Total	12.8

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: One-hundred (100) AIM-7E-3 Sparrow missiles, spare parts, and training.

(iv) Military department: Navy.

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: August 4, 1977.

** Proprietary data within the meaning of 18 U.S.C. 1905, and accordingly may not be disclosed except pursuant to the provisions of the code.

[Transmittal No. 77-59]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Republic of Korea.

(ii) Total Estimated Value:

	Million
Major Defense Equipment [1]	$36.7
Other	3.8
Total	40.5

[1] As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: Forty-eight (48) UH-1H helicopters, armament, and support equipment.

(iv) Military department: Army.

(v) Sales commission, fee, etc. paid, offered or agreed to be paid:** (Deleted.)

(vi) Date report delivered to Congress. August 4, 1977.

**D. Same as paragraph iii above.

E. The information contained in paragraph (1) consists of proprietary data within the meaning of 18 U.S.C. 1905, and accordingly may not be disclosed except pursuant to the provisions of the code.

PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD at this point the two notifications, which is classified information, has been deleted for publication, but is available to Senators in the office of the Foreign Relations Committee, room S-116 in the Capitol.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

[Transmittal No. 77-60]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Israel.

(ii) Total estimated value:

	Million
Major Defense Equipment*	$75.5
Other	16.9
Total	92.4

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: [Deleted] armored personnel carriers, full-tracked, M113A1 plus support.

(iv) Military department: Army.

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: August 4, 1977.

Classified by the Department of State subject to general declassification schedule of Executive Order 11652. Automatically downgraded at two year intervals. Declassified on 31 Dec. 83.

[Transmittal No. 77-61]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Israel.

(ii) Total estimated value:

	Million
Major Defense Equipment*	$8.8
Other	.8
Total	9.6

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: [Deleted] TOW missiles launchers M22OA1.

(iv) Military department: Army.

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: August 4, 1977.

Classified by the Department of State subject to general declassification schedule of Executive Order 11652. Automatically downgraded at two year intervals. Declassified on 31 Dec. 83.

THE 1977 FARM BILL

Mr. ANDERSON. Mr. President, happily, it appears that the House-Senate conferees will soon reach an agreement on the 1977 farm bill. The Senate conferees deserve the thanks of those who are truly concerned with the fate of the American family farmer. The Senate made few concessions to the House on items in which the Senate position was more generous than that passed by the House. And, I am pleased to note that the Senate conferees were eager to accept the House position when, as in the case of a sugar program, the House had enacted a better provision.

I must say that the 1977 farm bill, as it is now before us, exceeds my expectations, although it does not quite measure up to my best hopes. Fortunately, it is a much better bill than the Carter administration promised early in the spring. That is because of the constant pressure that came from those who know first hand the bitter difficulties our farmer constituents are facing as they try and sell high cost crops such as corn, wheat, and sugarbeets for fire sale prices and worse.

We must now urge the President to sign this bill. The $2.90 wheat target price, based as it is on planted rather than allotted acres, will help many wheat farmers from going under. And the sugar program will at least give Midwest area sugarbeet farmers a fighting chance to survive another year.

I know that the President's own inclination is to rescue thousands of farmers from the brink of ruin. I am sure he

would very much like to sign the bill and recent signals from the White House have been encouraging. But there are others who will advise him differently. Powerful voices will be urging the President to veto the bill. The budget experts within the administration will see the farm bill as an easy way to cut the budget. There are those who enthusiasticadlly want low farm prices as a simple way to curb inflation. Others honestly do not care whether or not thousands of family farmers fall victim to international market forces during a time of rapidly rising farm production costs. Still others point to obvious imperfections in our farm program as an excuse for scrapping the entire effort.

I sincerely hope that President Carter will reject these arguments. If any further evidence is needed that Midwestern farmers are truly in the midst of an economic depression, consider these facts. According to our new Minnesota Commissioner of Agriculture, Bill Walker, outstanding debts of Minnesota farmers as of mid-1977 were in excess of a record $4.3 billion. This figure surpasses the annual budget of Minnesota State government, and it is by far more than the annual cost of the commodity price supports contained in the 1977 farm bill.

Even more startling is the fact that this huge debt level for Minnesota farmers has increased by nearly 77 percent, or $2 billion, just in the last 3 years.

Mr. President, I would suggest that a survey of our neighboring States will reveal a similar or worse pattern.

Budget bureaucrats, bankers, and big city newspapers, including I am sad to say our own Minneapolis Star, will supply the President with plenty of rhetoric suggesting directly or indirectly that he veto the farm bill. But the facts of life in rural Minnesota and in rural America will, I hope, speak more persuasively, and will convince the President to heed the danger signals from the farm belt. For thousands of farmers, a farm depression is not a potential threat, it is already here.

ENCOURAGEMENT OF WOMEN ENTREPRENEURS

Mr. SASSER. Mr. President, the Carter administration took a step forward this week in its efforts to guarantee equal economic opportunities for women.

I am referring to the national women's business ownership campaign.

The Small Business Administration proposes to increase the number of women in small businesses by doing the following:

Sponsoring seminars and conferences which tell women how to enter business and how to develop and expand the businesses they work for;

Having SBA district offices pay more attention to the borrowing needs of women;

Assisting eligible, women-owned small businesses which desire to participate in Government contract work;

And by providing general management assistance through the use of preexisting SBA programs.

These steps are small but important ones in a larger effort to end discrimination against women who choose to enter the business field.

All one has to do is to look at the figures to see the present imbalance in business ownership and management. Today women constitute 51.3 percent of the population in the United States; yet they own only 4.6 percent of the businesses.

In 1976, only 11 percent of SBA loans went to women.

Women must not be denied a chance to participate in the economic life of the Nation. Recent figures indicate that they are more eager than ever to enter the business field.

Whereas in 1975 and 1976, 27 percent of those attending SBA training sessions were women, this year the average has risen to 40 percent. Implementation of the women's business ownership campaign should allow this percentage to increase even further.

In addition to this commendable new SBA program, the Small Business Administration assures me that it will put greater emphasis on the appointment and promotion of women within its own ranks. The agency should, of course, practice what it preaches, and I hope its example will be followed by all government agencies.

In conclusion, Mr. President, I support this latest step in assuring an equal chance for women in the business world. Women should be able to pursue their interests just as easily in this sphere as in any other they may choose.

WEST VIRGINIA BUSINESS LEADER CREATES THRIVING ROADSIDE SERVICE COMPLEX

Mr. RANDOLPH. Mr. President, there was a time, as many of us can recall, when there was nothing particularly unusual about an individual success story.

Now it seems to be a generally accepted fact that the corporate approach is the only way to make good in business.

That being so, it is heartening and worthy of mention when you find there are exceptions to that rule.

I encountered an example of that individual achievement a few weeks ago on a trip to West Virginia when I talked with Frank Schirtzinger, the owner and operator of the Charleston West Auto/Truck Stop.

His facility, located at exit 9 off Interstate 64, at Hurricane, is one of approximately 2,200 being operated in other parts of the country, as it is not unique in itself.

It is what this 45-year-old West Virginian has done to develop the establishment, from a modest beginning, which makes his accomplishment impressive.

He has, in the first place, thought and built big to the point that his property is more than twice the size of the national average, with an investment of about $1.7 million in land, buildings, and equipment.

The complex features a restaurant, motel, gift shop, store, and diesel repair shop to supplement fuel service facilities. The combination is producing annual sales estimated at $6.2 million.

From the Government's standpoint that translates into annual taxes of $1.3 million.

The way he figures it, that comes out to some $2.49 per minute of his operations.

Those operations also translate into jobs for 144 people with an annual payroll of $856,000.

His story does not stop there. Along with managing and expanding that enterprise he serves as president of Citizens for Community Improvement, as a trustee of the Thomas Memorial Hospital, as past president of the West Virginia Truckstop Operators and second vice-chairman of the National Association of Truckstop Operators.

Granted, it took the Federal highway program to provide Frank Schirtzinger with his opportunity.

What he did with that opportunity proves that individual initiative, imagination, and hard work do pay dividends in our free enterprise system.

That is why I wanted to share his story.

SOLAR ENERGY ON FARMS

Mr. BAYH. Mr. President, I would like to commend two of my colleagues for their leadership in conserving energy on farms. Senator LEAHY and Senator ROTH introduced S. 1738 and S. 1923 which would assist farmers who want to apply the benefits of solar technology on their farms. I am happy to join in cosponsorship of both bills. This legislation represents the foresight and action needed to meet the growing demands for energy in agricultural production.

Blessed with rich natural resources, the United States is the greatest agricultural producer in the world. Through hard work and efficient management, America's family farmers, who comprise less than 4 percent of U.S. population, feed nearly the entire Nation. People in foreign countries also turn to the U.S. for supplies of food and for leadership in agricultural development. In the past American farm production has steadily increased, but we are now entering a new era in agriculture. We must feed an ever expanding population with diminishing supplies of farm land and fossil fuels.

It is estimated that 22 percent of the total energy used in the United States is related to the production, processing, marketing, and consumption of agricultural and forest products. On-farm agricultural energy usage accounts for 3 percent of the Nation's total. At the Agriculture, Nutrition and Forestry Subcommittee on Rural Development hearing on Energy in Agriculture, Prof. Howard Hjort testified that 1300 trillion Btu of energy are used directly in U.S. farm production. Indirect use—chemicals for fertilizers and pesticides—adds about 700 trillion Btu. This requires about 8.1 billion gallons of petroleum products, 164 billion cubic feet of natural gas, and 32

billion kilowatt hours of electricity. Agriculture is the largest single nontransportation user of energy and its appetite is growing. According to the National Rural Electrical Cooperative Association, consumption per individual user increased and total farm and residential consumption in rural areas went up more than 6 percent in 1976.

Clearly efforts to conserve energy and find new energy sources are needed now. The Agricultural Research Service directed approximately $10.3 million into 140 projects related to energy research for agriculture for fiscal year 1977. Fifty-eight of these projects involve solar energy.

Solar energy is a good example of new technology which has been proven efficient and environmentally sound. The Office of Technology Assessment recently found that—

(s)olar equipment is technically capable of providing almost any kind of energy: it can be used to heat and cool buildings, provide heat for industrial processes, provide mechanical power for pumps and other equipment and generate electricity. Moreover, it can meet these demands with minimal adverse effect on society or the natural environment.

Furthermore they found that although the cost of solar technology continues to be a barrier to wide use—

(t)here is a market for some types of onsite solar equipment at today's prices and this market could expand rapidly if relatively modest increases occur in the cost of conventional energy. Solar equipment can produce hot water for domestic use at costs which are competitive with the cost of water heated by conventional electric water heaters. If the price of electricity increases by about 40% (in constant dollars) by the year 2000, it should be possible by 1980 to build solar systems which supply 100% of the heating and hot water needs of large buildings in three of the four cities examined by this report at prices which are competitive with electricity from other sources in all of the cities examined (Albuquerque, Omaha, Boston, Ft. Worth). If electricity prices increase slightly faster (e.g. by a factor of 1.5 to 2 over the next 3 decades) and if the cost of solar cell arrays is reduced by a factor by about 30 from current levels (the ERDA price goal for 1985), onsite solar devices would be able to generate supplemental electricity at prices competitive with electricity from other sources in wide areas of the country.

The study notes that although the technical feasibility of solar energy is "beyond serious question," it now only supplies less than one-thousandth of 1 percent of current U.S. energy requirements. The report explains that—

(u)seful thermal and electrical power can be provided by onsite solar devices which are as simple to install and maintain as conventional air-conditioning systems . . . Building orientation will not be a major barrier to retrofitting many existing structures with solar equipment. A building must be heavily shaded or have a particularly poor orientation and roof shape in order for a collector mounted on its roof to gather less than 70 percent of the energy that could be collected by a device pointed in an optimum direction . . . Regional differences in the attractiveness of solar energy are often due more to differences in the prices of conventional energy than to differences in the amount of sunlight available.

The OTA concluded that—

(o)nsite technology clearly works. Apart from being desirable for a number of societal and environmental reasons, its possible future costs fall within a range where they could well be competitive with other energy sources in a variety of applications during the next two decades. Thus, if there is a single conclusion of this analysis, it is that given the ambiguities of the future, the limited number of alternatives, and the grave consequences of being without a reliable future source of energy, onsite solar energy must be regarded as an important option.

ERDA estimates that by the year 2000 about 50 percent of the U.S. agricultural energy demand could be met by solar energy. ERDA's research on the agricultural uses of solar energy centers on four projects: First, grain drying; second, livestock shelter and dairy water heating; third, heating greenhouses and rural residences, and fourth, food processing. Researchers at Purdue University in Lafayette, Ind., have determined that with only slight increases in gas prices solar-farm equipment including solar heating of farrowing and poultry houses and greenhouses, tobacco curing barns, and solar grain dryers, will be economically justified. For instance, solar energy for the later stages of grain drying could reduce by 50 percent the energy required for grain drying without disrupting or dangerously extending drying schedules. As 90 percent of the corn produced in Indiana is artificially dried, this innovation could provide substantial energy savings. Financial benefits of solar technology vary according to location. Dr. George H. Foster of Purdue University testified at the Energy and Agriculture hearing that, based on present cost of liquified petroleum gas, fuel savings will meet only half the cost of investments in solar collectors which run $20 per square meter and up. However electricity costs differ around the country and in some areas, solar energy is now competitive cost-wise with electricity for crop drying.

Livestock barn heating and cooling is one of the most promising applications of solar energy especially when coupled with energy conservation methods. Wind and shade protection by trees around buildings have been found to reduce energy requirements by as much as 12 percent for heating in the winter and 20 percent for cooling in the summer. Adequate insulation and weatherization provide another major reduction in heating and cooling requirements.

In another area, research on solar irrigation pumps in Willard, N. Mex., shows that this technology could provide additional savings. Thirteen percent of all energy used in farm products is for pumping irrigation water. This and the other studies comprise an impressive accumulation of research. Daily we learn of other developments in solar technology. ERDA and USDA should be encouraged to continue this research and promote its application.

Interested in keeping costs down and maintaining the high-production capacity of their land, family farmers have traditionally been conservative energy users. Small farmers, who are especially beset by the hardships of high production costs and low prices deserve assistance in developing energy improvements in farming. The President projects solar systems in 2½ million homes by 1985. As explained above, the technology already exists for many implementations of solar energy. The task is now to get this solar energy out of the labs and onto the farms. The Farmers Home Administration, on which small farmers depend for necessary credit, should be authorized to make loans for investment in solar equipment. S. 1738 and S. 1923 make this specific authorization by amending the Consolidated Farm and Rural Development Act.

On June 22, 1977, Senator LEAHY introduced S. 1738 to help family farmers get credit for solar equipment in the homes. Senator ROTH's bill, introduced July 27, 1977, would authorize FmHA loans for solar farm equipment as well as residential heating and cooling. Without these loans, many farmers cannot afford or may choose not to invest in the initial cost of solar units which will later provide energy savings. I am very pleased that the conference committee on the Agriculture Act of 1977, S. 275, has also given consideration to agricultural applications of solar energy. I hope the conference committee decides to include a provision which will explicitly authorize FmHA loans for solar equipment, consistent with S. 1738 and S. 1923.

Not only does onsite solar equipment save scarce and expensive fossil fuels, reduce pollution, and eliminate inefficient transmission, it also minimizes farmers' dependence on distant and often unreliable energy sources. If enacted this legislation would be a step in helping farmers lower their future power bills and enhance their energy autonomy. By combining energy alternatives with conservation efforts, American farmers can continue to produce abundant yields both economically and at a profit while protecting our energy resources.

THE NATIONAL CLIMATE PROGRAM ACT

Mr. SCHMITT. Mr. President, I am pleased to be an original cosponsor of the new National Climate Program Act introduced by my distinguished colleague, Senator PEARSON, on August 2.

It is vital that the Senate immediately act to establish the organizational framework for research in climate prediction. This is necessary to enhance conditions for attracting the scientific expertise which can establish and utilize a worldwide system of monitoring facilities that will be capable of detecting, evaluating and eventually predicting climate phenomena.

Six days of hearings by the Science, Technology, and Space Subcommittee on an earlier draft of the bill produced much insight into the complexity of climate prediction. Few of the witnesses were as persuasive in their testimony as those who spoke to the need for immediate action.

The capability for climate prediction requires long-term technological ad-

vances. We need time to determine which variables are meaningful and which are not. We need time to establish a multidisciplinary and international team of scientists, all focusing their attention on climate prediction. Finally, we need time to understand how to relaize the enormous economic benefit to be gained by accurate knowledge of future temperature and rainfall conditions.

There is an urgent need for better climate information than now available. New Mexico, and the Southwestern United States, has a great, if not a greater, interest in climate prediction as the other sections of the Nation. Our basic southwestern climate is compatible with ranching and farming, but it is a marginal situation. The more accurately we can predict annual and multiannual climate variations, the more economical will be our agricultural activities.

This example has more general application. The industrial nations of the world are straining their capacity to produce energy at rates sufficient to meet demand. Thus, annual and multiannual variations in climate, specifically heat and cold, can cause major crisis of energy supply. We saw this last winter in this country.

The rapidly increasing populations of the developing nations of the world are straining the world's capacity to produce food supplies in seasonal quantities sufficient to meet demand. Thus, small annual and multiannual variations in climate, specifically rainfall, can cause major crises of food supply. We see these crises each year in many parts of the world.

The common factor is that the world is pushing at the present limits of the Earth's ability to support the material and population growth that we demand. In the future, technology offers major relief, but for the next several decades improved climate prediction is absolutely necessary if we are to buy time for politics and technology to expand the limits we now face. This is as true for the United States as it is for the world.

Mr. President, I commend Senator PEARSON for his personal leadership in recognizing the need for this scientific effort and for initiating this important legislation. I join with him in seeking expeditious and positive action on this bill.

GASOLINE TAXES

Mr. RIEGLE. Mr. President, I would like to bring to your attention the action taken yesterday in the House of Representatives which overwhelmingly defeated two separate proposals to increase the Federal gasoline tax by 4 or 5 cents per gallon.

I welcome this action in the other body as it dramatically demonstrates the folly of the proposals in question. Without question, we all want to do everything reasonable to conserve energy. At the same time, however, we must recognize that actions taken as mere symbols or demonstrations of dedication often can be disastrously costly and yield no significant conservation. The gasoline taxes are precisely such empty, but terribly painful, gestures.

No advocate of the gasoline tax, inside the administration or elsewhere, seriously argued that such gasoline taxes would result in substantial savings in petroleum consumption. What was argued was that such a tax would generate useful revenue and that it would be a symbol of the conservation ethic. Now gestures and symbols are fine, so long as they do not cause more harm than good. These taxes would have cost consumers $4 to $5 billion each year. I for one do not think gestures are worth that price. On the other hand, if our goal was to generate needed revenue, we should not propose a tax which would fall hardest on those least able to afford it.

The gasoline sales tax would be a grossly regressive tax. While those who were well off financially could easily afford the added financial burden and may even reap a strange sort of pleasure from the symbol of conservation, those people with lower incomes, those people least able to afford either the new tax or new, more efficient cars, would have another burden to carry as they struggled to make ends meet.

I hope that the Senate draws the obvious conclusion from the House action, and rejects the quick but futile and costly route of these gasoline taxes as part of a comprehensive energy policy.

THE NEUTRON BOMB: ARGUMENTS PRO AND CON

Mr. JAVITS. Mr. President, according to his announced timetable, President Carter will soon be reviewing the arguments for and against a decision to proceed with further development and production of the neutron bomb. When the President has made his decision, the Congress will then be in a position to make its own decision in accordance with the procedures established in the Public Works Appropriations Act, which has been sent to the President for his signature and enactment into law.

There are serious substantive arguments by both the opponents and proponents of the decision to add this new weapon to our tactical nuclear weapon inventory. The Congress and the President must weigh these arguments in making a national decision. Two articles appearing recently in the Washington Post, in my judgment, effectively state the reasoning of the proponents and opponents respectively of the neutron bomb. I believe it would be helpful to my colleagues to have these articles available to them. They are "The High Risks of Neutron Weapons" by Alton Frye of the Council on Foreign Relations, and "Those Blasts Against Neutron Weapons" by George Will. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 17, 1977]

THE HIGH RISKS OF NEUTRON WEAPONS

(By Alton Frye)

Although they have come to public attention only lately, arguments over the military utility and deterrent value of "enhanced radiation weapons"—the neutron bomb—have occupied the national security community for two decades. They have always been inconclusive.

Army commanders have been reluctant to procure such weapons largely because the radiation effects on which they rely would kill enemy personnel instantaneously, leaving many irradiated troops capable of fighting for some period after an attack. This problem is bound to persist with the systems currently proposed. If, as some sources indicate, personnel within 200 to 300 yards would be incapacitated in a few minutes, others might receive lethal doses out to more than half a mile, although they could survive for days or weeks. The battlefield scene would deserve Herman Kahn's famous caption: "Will the living envy the dead?"

One of the greatest uncertainties concerns the likely behavior of these "walking corpses." Knowing that they face prolonged agony and certain death, would these troops lay down their arms or would they exact vengeance? The matter is especially pressing if the affected forces control nuclear weapons of their own.

Given such battlefield uncertainties, what accounts for the Army's recent shift to favor neutron weapons? Political, bureaucratic and technical factors appear to have combined. Worried about the aging nuclear components of its European arsenal, the Army was rebuffed three years ago when it sought congressional approval to modernize its tactical warheads. Influential members of the Joint Committee on Atomic Energy, prompted by experts from the Los Alamos and Livermore nuclear laboratories, withheld support, complaining that the tactical nuclear innovations were too "conventional." Politically, it was clear that the Army would have to suggest more dramatic changes.

Bureaucratically, some figures in the Army had come to fear the steady erosion of their nuclear mission. The drastic decline in nuclear-capable air defense forces had been followed by the negotiated abandonment of the Army's anti-ballistic missile (ABM) system, the service's best hope for a long-term nuclear role. There was talk in NATO and in the Mutual Balanced Force Reduction discussions of cutting the number of theater nuclear weapons in Europe. Thus, there were powerful institutional reasons for the Army to devise novel and exciting weapons to protect its claim to a nuclear mission.

Technologically, work on warheads for the ABM system had made significant progress toward enhancing various types of radiation. Weapon engineers had explored different kinds of "kill mechanisms" for use against missiles and had tinkered with ways to "fine-tune the output spectrum" from nuclear detonations. There was much interest in finding an alternative application for this costly and hard-won knowledge.

Furthermore, the legacy of James Schlesinger's tenure as Secretary of Defense was a heightened interest in the Pentagon and among our NATO allies in forging nuclear systems capable of discrete attacks and less wholesale destruction. Faced with these inducements and the very impressive threat of Soviet armored forces, the Army hierarchy overcame its persistent skepticism of enhanced radiation devices.

Yet this history only underscores the fact that policymakers have not addressed the vital issues. Would such weapons increase or decrease the likelihood that nuclear weapons would actully be used, raising or lowering the so-called nuclear threshhold? Would they strengthen or weaken deterrence of Soviet attack? Would they facilitate or impede negotiated restraint on the use of force in Europe and, more generally, on the nuclear arms race between the United States and the Soviet Union? In sum, would they contribute to American security? These questions defy final answers but they demand scrupulous judgment.

WHY THE SECRECY

The disreputable procedure through which the weapons nearly evaded legislative and public scrutiny may prejudice one's initial view of the case. If the purpose of enhanced radiation warheads is to bolster deterrence, why were they cloaked in such secrecy? Deterrence exists in the mind of a potential adversary, not in the hidden recesses of the public works budget.

Though unaware of the original proposals, President Carter has become a party to a badly tainted procedure by urging Congress to pass the appropriations before he has completed his own review of the program's merits. He can redeem this violation of democratic process only by the most thoroughgoing and critical evaluation of the program. Carter's evident concern for the horrors of nuclear war gives hope that he will attend the problem with special care—but that same concern may make him vulnerable to the tempting prospect of "more humane" weapons.

One can be sure that no presidential study will resolve the fundamental dilemmas posed by all tactical nuclear weapons. It may be that the deployment of neutron weapons could reinforce deterrence by persuading Moscow that NATO could use them, if necessary, to repeal a convention attack. That increment of deterrence, however, is likely to be minor compared to the overwhelming influence of 7,000 U.S. nuclear weapons already deployed on the continent, weapons which the Russians have every reason to fear would be employed, not only against invaders but behind their lines.

Moreover, we must reckon with a perverse consequence of deploying enhanced radiation systems. To the very degree that the Soviets expect such weapons to be used against conventional armor, we increase Moscow's incentives to launch preemptive nuclear strikes against our tactical forces. Russian doctrine already emphasized the likelihood that any war would go nuclear; preemptive nuclear attacks are common topics in Soviet military discourse. Thus, the price of a putative increase in deterrence by deployment of neutron bombs is further pressure on the Soviets to go first with weapons that would render meaningless any hypothetical limits on damage promised by new U.S. weapons. The net result is likely to be a reduction in the slender chances that a conflict could remain conventional long enough for diplomacy to exercise its own powers of damage-limitation.

The proposed investment in neutron warheads to fit three tactical weapons systems in Europe—the Lance missile and both 8-inch and 155-millimeter artillery—would also divert funds from the pressing need to improve survivability for nuclear forces deployed in Europe.

If we are serious about a tactical nuclear option for NATO, the urgent requirement is to reduce the vulnerability of such weapons to the kinds of preemptive strikes the Soviet might mount. Only by concerted action on this front can we diminish the danger that nuclear weapons will be used at the very outset of a European war. Money spent on enhanced radiation weapons, which could ultimately approach $3 billion, will do nothing to meet this central weakness in the force.

Equally important is the fact that a comparable expenditure could well buy a more effective and usable conventional capability to deal with the threat of Soviet tanks. With the advent of precision-guided munitions (PGM), Soviet tanks are becoming far more vulnerable to destruction by high explosives. The neutron bomb budget could add more than 100,000 precision anti-tank weapons to the NATO arsenal. Such "smart" weapons avoid the severe operational difficulties of nuclear explosives. They do not require the same degree of centralized command and control, since they are presumably authorized to attack any Soviet tank on Western territory. And needless to say, hundreds of PGMs can be fired without yielding the devastation of a handful of nuclear weapons.

Army studies acknowledge the trade-off between enhanced radiation weapons and PGMs, but they contend that the nuclear devices could deliver a faster shock to an attacking enemy. This might turn the tide of a conventional battle. Undoubtedly, there would be a dramatic and traumatic effect from the use of neutron warheads, but the claimed advantage highlights some other troublesome features of Army employment doctrine.

In order to achieve the desired shock treatment, the Army contemplates not discrete and singular use of neutron weapons, but barrages of dozens of such rounds. Indeed, some employment packages are said to involve well over 100 nuclear warheads. This reckless employment doctrine is scarcely a plan for selective and discriminating use.

In a setting like Germany, where average population densities exceed 650 people per square mile, the Army's ideas for using enhanced radiation weapons offer no meaningful protection to civilians in the combat zone. One hundred nuclear rounds could easily be another Hiroshima. Furthermore, knowing the approximate lethal radius of nuclear weapons, the Soviets can vary their own tactics, separating their tanks enough to prevent multiple kills even by neutron weapons. This may force NATO to target each tank individually; if so, conventional PGMs will clearly be more cost-effective than nuclear devices.

All of these contingencies reveal the difficulty of calculating the consequences of a neutron weapons deployment. Some years ago, when pressed in the Senate Armed Services Committee to estimate collateral damages and casualties from using a portion of its tactical nuclear force, Army witnesses confessed their inability to do so. The same confession is in order today. The variables are simply too numerous—and too variable. The recommended force rests more on guesswork than calculation. If one doubts that assertion, let him consider the conclusion of the Army's attempt last year to treat the matter systematically: With the shift to enhanced radiation weapons and substantial adjustments in employment doctrine, the authors found that the ideal number of weapons to deploy in Europe was the number currently deployed there. *Sic semper status quo.*

STOKING THE ARMS RACE

As the President deliberates on this subject, his commitment to arms control will be very much at stake. While it is possible that the Soviets have been pursuing enhanced radiation techniques, it is certain that they will do so if the United States goes forward with testing and production of neutron weapons. Every experience to date indicates that Moscow's military authorities will insist on retaining the option to match the United States technologically.

The real choice confronting the President, then, may be whether he prefers a neutron bomb or comprehensive ban on nuclear tests, with all that it portends for the efforts to curb proliferation and to curtail the Soviet-American strategic competition. Coinciding with U.S. movement toward the cruise missile, projected improvements in the capacity of U.S. missiles to strike Soviet missile silos and the general malaise of detente, the neutron bomb controversy inevitably creates the impression that the technological arms race is continuing unabated. That is not the objective to which the Carter administration proclams its dedication.

To be sure, the Soviet Union shares responsibility for provoking these new developments in the technological competition. Moscow's introduction of mobile SS-20 missiles to cover targets in Western Europe has triggered much alarm there and allies are anxiously asking what the United States proposes to do to meet the rising Soviet threat. The steady growth in Russian armor forces created an imbalance that demands correction or countermeasures. It may even be that some members of the administration hope to play the neutron bomb option as a bargaining chip to elicit cutbacks in the number of Soviet armored divisions.

Out of this commotion some goods may emerge. Close study of the Army's proposals may persuade the President more vividly than anything else that plans to use tactical nucelar weapons in Europe are a snare and a delusion. He may well discover that the most refined nuclear weapons cannot relieve the defects of the schemes to employ them. The President could well conclude, as others have, that NATO cannot reasonably expect to counter a Soviet conventional threat except by adequate conventional forces of its own. And he may well perceive the truth too long ignored by all of us, namely, that the only proper function of tactical nuclear weapons is to defer the use of similar weapons by the other side. If the neutron bomb debate leads Jimmy Carter to these essential insights, it will have made its contribution to national security.

[From the Washington Post, July 7, 1977]

THOSE BLASTS AGAINST NEUTRON WEAPONS

(By George F. Will)

Sen. John Heinz (R-Pa.) says a neutron warhead for battlefield missiles or artillery is "dehumanizing" because it "singles out people for destruction, choosing to preserve buildings instead." Newspaper reports have said that neutron weapons destroy people "rather than" property, or "while sparing" property.

In fact, neutron weapons do not "preserve" or "spare" property. But this kind of rhetoric has stimulated intemperate and uninformed outcries against such weapons. So before the debate boils to an irrational climax, this should be noted:

The principal objection to neutron weapons is not that they destroy people. Rather, the objection, made in the name of moral sensitivity, is that they do not destroy people and property as indiscriminately as the less precise tactical nuclear weapons that neutron weapons would replace.

All nuclear explosions produce four lethal effects: blast, heat, radiation and fallout. Neutron weapons produce only about one-tenth of the blast, heat and fallout produced by regular nuclear weapons.

Radiation from neutron weapons is more intense, but more confined; it can be confined to a radius of 300 yards. And it is short-lived; an area hit by a neutron weapon can be occupied the next day.

One newspaper reports that neutron weapons are "more detrimental to humans than to buildings," a description that also applies to bullets. Sen. Mark Hatfield (R-Ore.) says neutron weapons are "in the realm of such devastation that it is difficult to comprehend."

Not really. Nuclear weapons that neutron weapons would replace would destroy civilians and homes far beyond the battlefield area to which the effects of neutron weapons would be confined.

Since industrial organization became the basis of military power, and especially since the development of air power, the theory and practice of war has blurred the distinction between combatants and noncombatants. Neutron battlefield weapons are a step back from the indiscriminateness of modern war technologies. They make possible reduced collateral damage to civilians.

And that is why they are opposed.

Paul Warnke, President Carter's arms-control adviser, once said, with character-

istic excess, that new tactical nuclear weapons capable of more controlled devastation would be "an absolute disaster." Weapons "with lower yield and greater accuracy and presumably few collateral consequences" would undermine the self-deterrence of nations that possess them.

In other words, a weapon must be so indiscriminately destructive in blast and fire effects that we will be deterred from using it. Similarly, Hatfield objects to neutron weapons because, being precise, they "invite" use.

Sen. Sam Nunn (D-Ga.) rightly notes that opponents of neutron weapons fear that the United States might not be sufficiently reluctant to use them. But as Nunn argues, a deterrent is credible only to the extent that it is usable:

"Those who oppose the warhead apparently believe in self-deterrence . . . that we should keep the weapons so destructive we would never use them or if we did use them, it would only be under the most desperate of conditions. . . . By deterring ourselves from using tactical nuclear weapons, except weapons which would destroy the territory we are pledged in NATO to protect, the advantages which the Soviets now maintain in conventional arms are greatly magnified. . . . I remind my colleagues that the purpose of deterrence in Europe is to deter Soviet aggression, not to deter ourselves from responding to that aggression."

Rejection of clean, precise neutron weapons would be destabilizing in two senses. On the one hand, the Soviets would be given reason for doubting that the United States would use existing tactical nuclear weapons, with their devastating collateral effects, while fighting on allies' soil. On the other hand, while NATO forces are equipped only with such imprecise weapons, NATO will be under pressure to use them early against attack, before superior Soviet conventional forces move the battlefield from the border into the heart of Western Europe.

The basic objection to neutron weapons constitutes an objection to tactical nuclear weapons in general. Neutron weapons do not involve a departure from established principles for defending Europe with tactical weapons.

Opponents should calculate the cost—in money and, in the event of war, in allied and civilian lives—of alternative means of coping with the Soviet advantage in conventional forces. They should, but they won't.

AMERICAN AND SOVIET ARMED SERVICES, STRENGTHS COMPARED, 1970–76

Mr. HELMS. Mr. President, John M. Collins is Senior Specialist in National Defense with the Congressional Research Service of the Library of Congress. He is well known for his authoritative and definitive analyses of defense problems, particularly the study "United States/Soviet Military Balance, a Frame of Reference for Congress," published last year, and "United States and Soviet City Defense, Considerations for Congress." Both received unanimous favorable comment from every quarter.

Mr. Collins has now prepared a new study, "American and Soviet Armed Services, Strengths Compared, 1970–76." This study is more exhaustive than the previous work on the military balance since it shows the trends for the 6-year period. But more important, for the first time, it assembles in one place a total compendium of unclassified statistics from the best official sources, chosen according to a universal rule of counting.

Those who deal with unclassified statistics are faced with the problem of different sets of numbers which count force levels and equipment available in different ways—some items actually deployed, others in stock or in training use, others without proper distinctions between tactical and strategic deployment, and so forth. Mr. Collins has taken his statistics directly from unclassified DOD computer printouts, and from declassified DIA estimates, and has arranged them in totals of true comparability. The product has been thoroughly reviewed by the defense and intelligence communities, as well as by a number of specialists in the Library of Congress.

Thus for the first time public debate can take place on an unclassified basis with the assurance of reliable and uniform statistics. Those who have access to classified statistics may find some discrepancies, based on different counting methods, the need to protect intelligence sources, or new methods of breaking down statistical components. That is a question, however, that need not inhibit public discussion. Were this the only service that Mr. Collins had performed, the study would still be a major contribution.

It is important to understand also what the Collins study is not. It makes no recommedations, and contains no options. It does not discuss weapons systems which, at the end of 1976, were still under development or assigned only to training squadrons. There is no discussion here of the MX mobile strategic missile system, the B–1 bomber, or the F–18 and F–15 fighters. Such discussions more appropriately belong to Congress, the administration, and the defense community; there will be better discussions as a result of this factual analysis of the trends of comparable strengths between 1970 and 1976.

That debate could well begin on top of the wreckage of some of the myths which Mr. Collins has demolished in this study. One is the myth that levels of defense spending, taken by themselves, are anything more than rough indicators of military effort. On the Soviet side, as Mr. Collins points out, true levels of spending are disguised by spreading military costs into what we would consider the civilian sector of the budget, and there is no accurate method of translating ruble expenditures into dollar expenditures—particularly when we do not know the physical characteristics of Soviet equipment not in our possession, nor their efficiency in producing it.

Far more important, perhaps, is the use to which spending is put. Military postures are presumably shaped to fit a predetermined strategy. The important symmetries are not in spending or in numbers of equipment in various classes, but rather in meeting the actual threat posed by an opponent. What emerges from a study of the trends between 1970 and 1976 is a growing asymmetry between Soviet strategy and U.S. strategy. Debate on military preparedness should not be about budgets, but about strategies.

Mr. Collins himself draws no conclusions, but a study of the data presented reveals, among others, the following asymmetries between the United States and the Soviets:

I. STRATEGIC NUCLEAR ASYMMETRIES

First. Assured destruction is still the heart of our strategic defense concept, but two legs of the Triad are significantly weaker than they were in 1970.

Second. One leg—our undefended fixed-site ICBM's—is weaker because the Soviets are developing a massive counter-silo capability.

Third. The other leg—our strategic bombers—is significantly weaker because of aging equipment and great Soviet strides in air defense across the world: in SAM's, new kinds of interceptor aircraft, and improved warning.

Fourth. Assured destruction itself is significantly degraded because of Soviet strategic defenses, civil defenses that are far ahead of ours—U.S. civil defense being almost nonexistent—and emphasis on ABM research which far exceeds our own.

II. SOVIET GROUND COMBAT POWER ASYMMETRIES

First. Soviet ground combat power dwarfs that of the United States whose forces are so spare that they are stripped of flexibility.

Second. The psychological effect of Soviet ground forces being two or three times that of the United States creates an impression of invulnerability that may or may not be matched at actual combat performance but which may hamper our leadership role.

III. NAVAL OFFENSIVE COMBAT POWER ASYMMETRIES

First. U.S. fleets are in danger of destruction by surprise attacks from Soviet cruise missiles which could fire almost at point blank range. The U.S. Navy has neither any comparable countercapability nor any defense against such attacks.

Second. U.S. capability for antisubmarine warfare still lacks a major conceptual breakthrough for effectiveness, and, in any case, lacks the sheer numbers which are necessary for successful attrition against the numerically larger Soviet force. These deficiencies constitute a serious threat to U.S. naval and merchant shipping.

IV. NATO DEFENSE CAPABILITY ASYMMETRIES

First. The stark asymmetries in firepower and manpower between NATO and Warsaw Pact forces, including the Soviet forces, is so great that it belies the value of our declared strategy for the protection of Western Europe. Only 5 out of 19 active U.S. divisions—two Army, three Marine—are free to contend with non-NATO contingencies without significantly undercutting U.S. capabilities in Europe.

Second. Soviet IRBM's and MRBM's could destroy NATO's ports, airfields, and supply complexes and control centers at the onset of any war. NATO has no defense against such attack and no comparable countercapability.

Third. Increasing Soviet threats to NATO's tactical air power could cause NATO to lose land battles.

Fourth. A forward defense, up to the

perimeter of West Germany, is both a political and military necessity, especially since the withdrawal of France from active participation; but NATO's defenses are dangerously thin when matched against Soviet military threats.

Most of America's national defense problems are self-inflicted wounds caused by short-sighted policies and stale strategic concepts. Until this country begins relating strategy and force posture more effectively, we can bleed the Treasury dry without improving U.S. national security.

Our emphasis should be upon survivable systems, not merely on more aircraft, submarines, missiles, and warheads; we may need more aircraft, submarines, missiles, and warheads, but on the basis of strategies, not numbers. For example, there are still sound reasons for the deployment of the B–1, but merely to match Soviet deployment of the Backfire is not one of them. Our reasons for needing the B–1, and Soviet reasons for deploying the Backfire, are based on different strategic considerations.

The data which has been presented by Mr. Collins makes more imperative public discussion of our capabilities. The purported defense options offered to the President in the Presidential Review Memorandum 10, PRM 10, for example, are said to range from "rough equivalence" down to considerably less than that. The quotations from PRM 10 published in the press dealing with conceding the loss of Germany in our secret NATO strategy are given substance by a review of the stark facts outlined in the Collins study. The time has come not only to get our house in order, but also to get our strategies to protect that house in order.

Mr. President, because of the utmost importance of the issues raised by this study, I ask unanimous consent that it be printed in the RECORD so that it may be available to all of my colleagues and all readers of the RECORD. At this time, I also wish to express deep appreciation for the kind cooperation of the able and distinguished chairman of the Committee on Armed Services, Mr. STENNIS, and other members of the committee with whom I have discussed this study. I also want to thank Mr. Frank Sullivan, of the committee staff, for his helpful comments and suggestions.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

AMERICAN AND SOVIET MILITARY STRENGTH, CONTEMPORARY TRENDS COMPARED, 1970–76

(By John M. Collins)

[From the Library of Congress, Congressional Research Service, Washington, D.C.]

Everybody is entitled to his own views, everybody is not entitled to his own facts.—James R. Schlesinger, Pacem in Terris IV, December 2, 1975.

BACKGROUND, PURPOSE, AND SCOPE

The Soviet Union, alone among all countries in the world, can seriously challenge the United States across the conflict spectrum. America's armed services must be able to deter or, if necessary, deal decisively with associated problems, while retaining sufficient strength in reserve to safeguard U.S. regional interests against possible threats by lesser powers.[1]

What military balance would best satisfy U.S. national security needs, however, is subject to constant contention.[2] Polarized positions and partisan stands dominate many discussions. Consequent misinformation makes it difficult for Congress to assess the situation accurately and take appropriate action.

This concise survey, in consonance with the opening quote, therefore seeks to serve a four-fold purpose:

Furnish facts
Outline opinions
Sharpen issues
Stimulate debate

The product complements an earlier study by the Congressional Research Service, so that each stands alone, but addresses the subject from different angles, and in much greater depth.[3]

Care has been taken to silhouette trends, showing which are strong, which are weak, which are shifting, and which are steady. Statistical summaries that originally covered just two years a decade apart (1965, 1975) now span the 1970s. That eight-year spread, combined with system characteristics, indicates qualitative as well as quantitative changes in capabilities on both sides, because it conforms which weapons are phasing in and out on what specific cycles. Extensive sections compare defense budgets, manpower, science/technology, and other topics that the foundation document disregarded or quickly dismissed.

U.S. statistics in the main were drawn from unclassified computer printouts produced by the Department of Defense (DOD) and the four military services. Defense Intelligence Agency (DIA) furnished most Soviet figures. Some differ in detail from those in classified publications, but the patterns portrayed are dependable.[4]

Data are displayed unconventionally, whenever so doing clarifies comparisons. U.S. strategic nuclear manpower figures, for example, commonly are subsumed in Army, Navy, and Air Force totals. They are segregated herein to conform with Soviet Strategic Rocket Forces, which in turn are subdivided to identify manning levels for theater nuclear missiles. Division counts are somewhat different than Congress is used to seeing. And so on.

More than 100 knowledgeable officials reviewed the first draft in DOD (especially the Director of Net Assessment and DIA); the Joint Staff (especially J–5, Plans and Policy); Army, Navy; Air Force; Marine Corps; and Military Sealift Command. Several specialists at the Library of Congress also contributed. The author, who considered all constructive comments but sought no concurrence, reserved the right to accept or reject. Conflicting opinions were often resolved by citing contrasting viewpoints.

The resultant net assessment, designed to influence U.S. defense policy without promoting particular programs, prescribes no courses of action. It simply affords an analytical tool that Congress, if so inclined, could use to assist its continuing review of U.S. force requirements and connected request for funds.

PART I. ANALYTICAL PROBLEMS

STANDARD CAUTIONS

Readers should be aware that *any* appraisal of the U.S./Soviet military balance contains many subjective decisions. Defects in the data base confront analysts with severe constraints at the onset. Simple alterations in assumptions can create radically different conclusions, even if the input is constant.

The following discourse identifies sample problems and pitfalls.

QUANTITATIVE COMPARISONS

Quantitative analyses are the inescapable starting point for comparing competing forces, but difficulties in compiling compatible figures make the mere matching of raw statistics a complex matter.

U.S. intelligence estimates of Soviet strengths, for example, are inexact, because of incomplete collection capabilities and uncertainties introduced by the Kremlin's cover and deception plans. Conclusions in some cases indicate nothing more than an order of magnitude.[1]

Just deciding how and what to count can be confusing.

Calculations may involve total inventories on both sides, or only those items in operational units. Stockpiles, particularly prepositioned equipment, can be included or ignored. Determining what fits in which category can be equally complicated. U.S. and Soviet definitions of "heavy" bombers and ICBMs differ drastically. Dual-purpose systems, such as air superiority aircraft that double as air defense interceptors, produce similar counting problems.

Large missiles, divisions, ships, and so on in any given class count the same as small ones. Old weapons count the same as new.

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[1] Presidential Review Memorandum (PRM) 10, the Carter Administration's first comprehensive survey of U.S. national security requirements, reportedly recognizes five sorts of conflict that conceivably could involve the commitment of U.S. armed forces in support of this country's security interests: strategic nuclear war; combat in Central Europe between NATO and the Warsaw Pact; an "East-West" war elsewhere; altercations in East Asia, typified by a showdown in Korea; and assorted contingencies, such as the conflict in Vietnam. The Soviet Union would be our principal opponent in the first two cases, and a possible opponent in cases three and four.

[2] The U.S./Soviet *military* balance is just one component of the U.S./Soviet *strategic* balance, which is just one aspect of the U.S. *global* balance with other powers that determines our total defense demands. Political, economic, geographic, social, psychological, scientific, and technological assets that are central to any strategic balance are considered here only as they directly affect relative strengths of U.S. and Soviet armed services, along with respective allies.

[3] U.S. Congress. Senate. Committee on Armed Services. United States/Soviet Military balance depend directly or indirectly gress. A study by the Congressional Research Service. 94th Congress, 2d Session. Washington, U.S. Govt. Print. Off., 1976. 86 p.

[4] All assessments of the U.S./Soviet military Balance: A Frame of Reference for Conon DOD and its affiliates for U.S. force statistics. The intelligence community collects almost all information concerning the Soviet side. Some disagreements derive from dissatisfaction with basic data, but most disputes deal with differences in interpretation.

Statistics for 1975 sometimes differ between this document and the study cited in Footnote 3, because better data became available. Those contained herein take precedence.

[1] Soviet secrecy laws and procedures are outlined in U.S. Congress. Senate. Soviet Space Programs, 1971–75. Staff Report prepared for use of the Committee on Aeronautical and Space Sciences. Vol. 2. Washington, U.S. Govt. Print. Off., August 30, 1976, p. 87–89.

Service troops count the same as combatants in basic manpower comparisons.

Since there is no accepted conversion formula, no one knows for sure how many bombers compensate for how many ballistic missiles, or what respective weights should be assigned to armor as opposed to anti-tank forces. Translating simple sums to comparative capabilities that connote quantitative "superiority", "inferiority", or "essential equivalence" (sometimes called "equal aggregates") is increasingly difficult.

Assessing statistics just to ascertain who is numerically "behind" or "ahead" thus is an imprecise art. Schematics, such as Graph 1 which condenses 17 subsequent statistical summaries, are subject to all sorts of odd interpretations, unless tied tightly to analytical texts.

QUALITATIVE COMPARISONS

Quality can compensate for quantity to uncertain extents. It can also confer superior capabilities on forces that are the same size or smaller than those they oppose.

Comparing qualitative characteristics of weapons and equipment, however, is a convoluted process, because key indicators are often concealed. Speeds, service ceilings, combat radii, and payload capacities of most Soviet aircraft, for example, are subjects of speculation in the United States.

Backfire bombers are a case in point. Several U.S. aircraft corporations recently estimated effective ranges, using different sets of data from different sources that created different conclusions. Assessments at the lower end of the scale suggest a range limitation of roughly 3,500 nautical miles. If correct, that would classify Backfires in the "medium" bomber category, along with Badgers, Blinders, and FB–111s. Other analyses, however, credit Backfire with nearly twice that range (6,000+ miles), which clearly would make it a "heavy" bomber, like Bears, Bisons, and B–52s. This study sticks with median findings, which were about 5,000 miles.[2]

Evaluations are sometimes elusive, even when Soviet items are available for inspection, simply because different experts assign different weights to assorted aspects.

It is true, to cite just one sample, that Soviet T–62 tanks are superior to U.S. M–60s in several respects.[3] Their smaller size presents poorer targets. Less width and lighter weights make them better suited for crossing shaky bridges and slipping through crooked streets. Air filters and automatic aperture closings shield crews against radioactive dust and chemical contamination, whereas U.S. crews lack such protection. However, sights and turning spans are strictly second class. Taking reliability, maintainability, materials, craftsmanship, and other considerations into account, each tank obviously may be much better than the other in given sets of circumstances, depending on given tasks.

Intangibles make it even more difficult to compare U.S. and Soviet manpower. Which takes precedence: outstanding initiative or instinctive obedience to orders? Technological training or toughness? Modern wars, of course, are won by teams, not individuals. Analysts therefore must ascertain whether respective wholes equal more or less than the sum of their parts.

Assessing in advance which opposing attributes are most apt to affect the military balance in what ways hence poses perplexing problems. Few U.S. seers before World War II foresaw Japanese soldiers fighting so fiercely, or French forces folding so fast. Qualitative comparisons between U.S. and Soviet men-at-arms might also contain some surprises.

PART II. BUILDING BLOCKS

PROSPECTUS

Three basic building blocks contribute to military capabilities: money, manpower, and materiel. Those indices, however, are often misapplied in comparing competitors. This short section provides perspective and shatters some prominent myths.

DEFENSE BUDGETS

Myth One deals with the value of comparing defense budgets. That interesting intellectual pursuit is among the most publicized, but least meaningful, means of measuring military power.

Purpose of comparing budgets

Budget studies concerning the U.S./Soviet military balance most often emphasize one of two issues, sometimes both: [1]

Economic "burdens" that armed forces impose on respective societies, with special concern for national abilities to sustain particular pressures over specified periods at the expense of domestic priorities.

The magnitude of respective military expenditures, with special attention to trends.

Methods of calculating Soviet budgets

The annual Soviet State Budget contains a solitary statistic in a single-line entry entitled "Defense". The figure fluctuates slightly to suit political purposes, but has stayed fairly constant at 17-some-odd billion rubles for several years.[2]

That scrap of unsubstantiated information reportedly reflects most Soviet outlays for personnel, operations, maintenance, and military construction. Additional costs may be concealed elsewhere, along with research, development, and procurement.[3] The Ministry of Education bears expenses for extensive basic training conducted in civilian schools. Most money for moving military units and materiel comes from the Ministry of Transportation. The Welfare Ministry administers military retired pay. And so on.[4]

U.S. calculations of Soviet defense budgets therefore must be devised, either in dollars or rubles. Both methods begin with the same data base, which includes a detailed account of physical accoutrements and activities that constitute Soviet defense efforts for any given year.[5]

Dollar computations speculate how much it would cost to reproduce Moscow's military establishment in the United States, then contrast consequent estimates with confirmed U.S. expenditures. Such comparisons reveal rough budgetary relationships and trends, but no more.[6]

Ruble computations assist U.S. analysts in assessing actual Soviet expenditures and their impact on that country's economy. Appraisals rely on real Soviet prices to the extent possible, but straightforward statistics are scarce for about one-third of all military items. Costs in such cases are first computed in dollars, then converted to rubles, using U.S. intelligence estimates of relative production and efficiency as indices. Determining ruble costs of U.S. forces is such a convoluted process, that no reputable comparisons of defense expenditures exist in that coin.[7]

Comparative economic burdens

Official U.S. estimates over the past several years suggested that Soviet outlays for defense equalled a steady 6–8 percent of that country's growing Gross National Product (GNP).[8] Recently revised evaluations by CIA, based on better measurement data, now indicate that the share is twice that amount, or 11–13 percent,[9] compared with a projected 5.1 percent for the United States in FY 1977.[10] Other authorities place the Soviet proportion as high as 20 percent.[11]

Increased U.S. estimates of the Soviet defense burden came as no surprise to experienced students of the subject. As the Congressional Budget Office put it, current conclusions "serve principally to resolve a paradox. . . . How could the Soviets squeeze such a large defense establishment out of such a small fraction [6–8 percent] of their GNP? It now appears they were not particularly efficient; rather, we simply underestimated how much of their budget went to defense." [12]

One conclusion, however, seems inescapable. Both sides could sustain current rates of expenditure indefinitely without serious strains. The United States devoted almost 40 percent of its GNP to national defense during World War II, but the civilian standard of living still was higher than in most countries today.[13] The annual growth in Soviet GNP seems sufficient to allow increased defense spending and slow improvements in living standards to proceed simultaneously.[14]

Comparable defense spending

Estimated total dollar costs of Soviet defense programs in 1976 exceeded U.S. budget authorizations by about 32 percent, according to CIA (40 percent, if pensions are excluded). Soviet expenditures have expanded about 3 percent per year since 1970, whereas U.S. outlays expressed in constant dollars have contracted steadily.[15]

Questionable confidence in estimates

Conclusions sketched above are subject to question, since dollar and ruble estimates of Soviet defense budgets both are subject to sizable error.

To begin with, it is almost impossible to compile a sound data base. Some counts of Soviet manpower and materiel are incomplete. Others admittedly are incorrect. The costs of Soviet weapons, equipment, and construction depend in large part on their physical and technological characteristics, which in many cases (such as ballistic missiles) are imprecisely known to U.S. analysts.[16]

Assuming U.S. estimates of Soviet force size and structure were entirely accurate, cost estimates would still be ambiguous "because there is no appropriate or universally agreed set of . . . rules, and thus there is no objective standard by which to measure error." Assumptions and arbitrary judgments consequently abound.[17]

Two examples, one related to dollars, the other to rubles, serve as illustrations.

Determining dollar prices for Soviet items not in our possession is a very subjective process. Some weapons, when obtained, prove less sophisticated and cheaper by far than formerly presumed. Others, such as ZSU 23–4 anti-aircraft guns and BMP infantry combat vehicles, turn out to be much "more costly in dollars than their closest US counterparts." [18]

Manipulations by the Kremlin, which make it impossible for U.S. analysts to know what a ruble is worth, complicate computations.[19] Moreover, prices vary to fit the market. Trucks sold to collective farms may cost 40,000 rubles. The charge to some other State enterprise may be one-fourth that amount. Foreign sales customers may receive identical vehicles for fewer than 4,000 rubles. Our intelligence community is uncertain where Soviet armed forces fit on that sliding scale, but surmise that some parts of the Soviet civil economy subsidize defense spending.[20]

U.S. estimates of Soviet operations/maintenance expenditures are even less exact. Calculations concerning research, develop-

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[2] Sources include highly-placed officials in McDonnell-Douglas Aircraft Corporation and the Defense Department. February 22, 1977.

[3] Comparative Characteristics of Main Battle Tanks, Fort Knox, Kentucky, U.S. Army Armor School, June, 1973, p. 11–1 through 11–4, 14–1 through 14–4.

Footnotes at end of article.

ment, test, and evaluation (RDT&E)—which contributes to our opponent's future capabilities—are shakier still.[21] Some Soviet budget categories, such as military assistance and civil defense, escape assessment entirely, because evidence is inadequate.[22] Compound problems prevail when allies are considered (such as NATO and the Warsaw Pact).

In sum, the extent to which counting and costing errors overstate or understate Soviet defense budgets is an open debate.[23]

Practical applications

It may indeed be true that "properly conceived and executed analyses of comparative U.S. and Soviet defense expenditures can provide valuable insights into the status and trends of the two defense efforts."[24] Even so, costs do not measure effectiveness. "Budgets are, in an important sense, little more than a summary of other data. We perceive changes in military capabilities *without* the aid of defense costing calculations" (emphasis added).[25]

One fact, however, is foreboding. More than half of every U.S. defense dollar is devoted to pay and allowances. The Soviets, with far lower pay scales and a controlled economy, can afford a larger force and modernize at a more rapid rate, because a much greater share of their money can be spent on machines.

DEFENSE MANPOWER

These, like defense budgets, have some bearing on national economies, but are a marginally meaningful index for comparing rival military establishments in most respects, as this survey shows.

Quantitative considerations

The Statistical Base—U.S. armed services try to keep careful statistics concerning respective manpower levels. All sorts of activities and administrative actions depend on such lists: pay and allowances; rations; quarters and other construction; clothing and personal equipment; medical support; training facilities; and miscellaneous services are representative. Reserve components and civilians, as well as uniformed regulars, are taken into account.

Conversely, the U.S. intelligence community accorded low priority to Soviet personnel statistics until the recent past, except for combat forces. Other problems were more pressing.[26]

Analysts traditionally scrutinized functional categories. Strategic attack forces, for example, included long-range aviation, plus all ballistic missiles ashore and afloat. Army, navy, and air force general purpose contingents were segregated into special groups. Command and general support (CGS) forces from all services coalesced into a separate class. Results, which related manpower statistics to missions, instead of organizations, contained significant oversights, double counting, and other inconsistencies.

A comprehensive reassessment, completed in 1975, reduced such shortcomings by combining functional and organizational approaches.[27] For the first time, intelligence specialists from CIA and DIA addressed discrete, clearly defined entities: Strategic Rocket Forces (SRF); strategic defense forces (the PVO); and integrated ground, air, and naval services that included respective support. Navy statistics, for example, combined strategic nuclear submarines, general purpose forces, and naval infantry (herein called marines). The Ministry of Defense and Main Political Directorate were catalogued separately.[28]

Sharp statistical revisions resulted.

The following review reflects current tabulations. Comparisons with U.S. forces are confined to a single year, because the U.S. intelligence community has never published an agreed adjustment of estimated Soviet personnel strengths for the early part of this decade.[29]

Active Armed Forces—

Post-Vietnam cutbacks have physically subtracted almost a million men from active U.S. roles since 1970 (from 3,088,000 to 2,095,000).[30] The U.S. paper recomputation added almost a million to previously estimated Soviet levels near the end of that period, largely in the command/support category.[31]

Official confidence in Soviet statistics is only about plus or minus 15 percent, but current consequences still show in stark relief on Graph 2 and Figure 1 at the end of this subsection. The Soviet Army alone exceeds the aggregate of all active U.S. forces by almost half a million. Total Soviet active military manpower is more than twice ours (4,437,000 to 2,095,000).

Nearly half a million paramilitary border guards and internal security troops supplement the regular establishment. Many are armed with automatic weapons, aircraft, and armored vehicles.[32] KGB divisions, like the Nazi SS, fought well during World War II, and could today if called on for homeland defense.

Perhaps 70,000 political officers, who parallel the military chain of command at almost every level, are soldiers in every sense.[33] Other forces are not. These include 400,000 support troops committed to construction projects, transportation, and part-time farm labor.[34] Their training is spotty and superficial, and units lack arms. Still, most of them contribute to military capabilities that bear on the balance of power. Railroads run by men in uniform, for example, are the key to internal strategic mobility.[35]

Sizable Soviet forces presumably are "pinned down" along the lengthy Chinese frontier, but their presence nevertheless constrains U.S. courses of action in East Asia. A Sino-Soviet thaw, a subject for speculation since Mao's death, could free some of those forces for duty elsewhere.[36]

As it stands, statistically superior active armed forces assist Moscow in at least two important ways:

They strengthen Soviet deterrent capabilities by influencing political and psychological impressions in this country and among our allies.

They foster flexibility not available to U.S. forces.

Civilian Manpower—

Civilians supplement active military manpower in both defense establishments to provide continuity and special skills.

Once again, U.S. statistics are solid.[37] Those for the Soviets are so spongy that confidence in present estimates approximates plus or minus 25 percent at best, a mighty high margin of error.[38]

Still, evidence seems to indicate that U.S. civilian strengths exceed the Soviets' somewhat in absolute terms, and are triple proportionately. We employ one civilian for every two military men. Their ratio is one for six or seven (see Figure 2).

As a result, overall personnel comparisons that merge active military manpower with civilians reduce this country's quantitative deficit from 2:1 to 5:3 for forces in being. Narrowing the numerical gap, however, by no means indicates that civilian and military strengths are interchangeable. Civilians can substitute for uniformed specialists, but they are not combat forces in any sense of the word, nor are they readily redeployable in most instances.

Ready Reserves—

U.S. Ready Reserve strengths[39] have dropped dramatically since 1970, from 2,661,000.[40] Our Marine Corps, which lost 56 percent of assigned personnel, suffered worst, but the Army and Navy were also sliced in half. Decline will continue, because fewer forces annually enter reserve status at a slower rate from a smaller establishment than during days of the draft, when conscripts served two-year terms.

Soviet forces released from active service in the last five years are counterparts of the U.S. Ready Reserve for purposes of this study, although they are not precisely comparable and statistics shown in Figure 3 are questionable.[41] Their regular Air Force, for example, outnumbers the Soviet Navy and has a shorter term of service, yet accumulated 165,000 fewer reserves, according to unclassified intelligence estimates.[42]

Nevertheless, it is certain that Soviet Army reserves alone would dwarf the combined size of all U.S. reserve components if their estimated numbers were reduced by half. That gap will grow, as U.S. reserves contract.

Aggregates Assessed—

Soviet active military regulars, not counting security forces, exceed the entire U.S. establishment, including civilians and reserves (Figure 4). Soviet military regulars and reserves almost triple the U.S. total (4,383,000 to 11,097,000). Even if U.S. experts have overestimated Soviet active military strengths by 15 percent and all other personnel by 25 percent, the Kremlin still would have almost twice as many people in its military machine as we do (9,764,000 to 4,383,000).

Those statistics, however, convey a false impression, except for special cases.

Just as increased costs often fail to increase effectiveness, quantitatively superior personnel strengths frequently fail to create superior capabilities. Threats posed by naval flotillas and fighter squadrons, for example, depend on material, not human, mass. Direct correlations between personnel statistics and power are confined not just to general purpose ground forces, both army and marines, but specifically to "cutting edge" elements that match man against man in mortal combat. (See Part IV).

FIG. 1.—UNITED STATES AND SOVIET: ACTIVE MILITARY/PARAMILITARY MANPOWER STRENGTHS, FISCAL YEAR 1976

[In thousands]

	United States	Soviet Union	United States standing
MILITARY SERVICES			
Strategic nuclear:			
Offensive	123	390	−267
Defensive	40	610	−570
Total	163	1,000	−837
MRBM/IRBM forces	0	125	−125
General purpose forces:			
Army	778	2,470	−1,692
Navy	505	400	+105
Air Force	457	430	+27
Marines	192	12	+180
Total	1,932	3,312	−1,380
Military total	2,095	4,437	−2,342
PARAMILITARY FORCES			
Frontier security (KGB)	0	155	−155
Internal security (MVD)	0	300	−300
Total	0	455	−455
Grand total	2,095	4,892	−2,797

Note: The U.S. Coast Guard, with 37,475 military personnel and 6,850 civilians, is not shown, because only a small number possess combat capabilities in the context of this study.

Footnotes at end of article.

FIG. 2.—UNITED STATES AND SOVIET: CIVILIAN MANPOWER STRENGTHS, FISCAL YEAR 1976

[In thousands]

	United States	Soviet Union	United States standing
MILITARY SERVICES			
Strategic nuclear:			
Offensive	22	50	−28
Defensive	15	65	−50
Total	37	115	−78
MRBM/IRBM forces	0	+ 15	−15
General purpose forces:			
Army	389	305	+84
Navy	300	135	+165
Air Force	235	145	+90
Marines	19	0	+19
Total	943	585	+358
Military service total	980	715	+265
PARAMILITARY FORCES			
Frontier security	0	8	−8
Internal security	0	9	+9
Total	0	17	−17
Grand total	980	732	+248

FIG. 3.—UNITED STATES AND SOVIET: READY RESERVE STRENGTHS, FISCAL YEAR 1976

[In thousands]

	United States	Soviet Union	United States standing
MILITARY SERVICES			
Strategic nuclear:			
Offensive	4	520	−516
Defensive	13	[1] 0	[1] +13
Total	17	520	−503
MRBM/IRBM forces	0	170	−170
General purpose forces:			
Army	798	4,140	−3,342
Navy	203	625	−422
Air Force	206	480	−284
Marines	84	0	+84
Total	1,291	5,255	−3,964
Military total	1,308	5,945	−4,637
PARAMILITARY FORCES			
Number	0	[2] 855	−855
Grand total	1,308	6,800	−5,492

[1] Soviet strategic defensive forces revert to Army Reserve ater discharge.
[2] No breakout between Soviet frontier and internal security forces is available.

FIG. 4.—UNITED STATES AND SOVIET: COMBINED MANPOWER STATISTICS COMPARED, FISCAL YEAR 1976

[In thousands]

	United States	Sovet Union	United States standing
ACTIVE FORCES			
Military services:			
Military	2,095	4,437	−2,342
Civilian	980	715	+265
Total	3,075	5,152	−2,077
Paramilitary forces:			
Military	0	455	−455
Civilian	0	17	−17
Total	0	472	−472
Active total	3,075	5,624	−2,549
RESERVE FORCES			
Military	1,308	5,945	−4,637
Paramilitary	0	855	−855
Total	1,308	6,800	−5,492
Grand total	4,383	12,424	−8,041

Qualitative considerations

Whereas quantitative manpower comparisons are meaningful mainly in the ground combat context, qualitative characteristics affect the U.S./Soviet military balance in many important ways.

Each side has distinctive strengths and weaknesses. Some, like Soviet stamina and U.S. zeal, seem more or less constant. Others are constantly changing. Dissidence and drug abuse, which degraded U.S. capabilities in the early 1970s, have largely disappeared.[43] Soviet city dwellers with mechanical skills are supplanting peasants.[44]

This section is confined to a few general considerations. Comments keyed to specific armed services appear elsewhere, when appropriate.

Selected U.S. Problems—

U.S. land, sea, and air forces all feature technical skills that demand high-caliber manpower.

The quality of non-prior-service accessions, as measured by educational levels and mental capacity, reportedly is higher today than in FY 1964, the last year in which we had a peacetime draft.[45] That bright trend, however, may be transitory, because current U.S. unemployment rates create a "buyer's market" for all All-volunteer Force. Economic recovery could quickly reduce the roster of qualified recruits.[46]

Since 80 percent of all first-term U.S. enlisted men revert to reserve status after three or four active duty years,[47] retaining prime personnel is a pressing problem. The consequent turnover, which causes instability within each Service, complicates training and reduces readiness, especially at echelons where combined arms coordination is essential. The present predilection of careerists to retire after 20 years makes room at the top for younger men, but robs our armed forces of many mature and experienced members.

DOD reports that U.S. Ready Reserves are now better than ever in many respects,[48] but qualitative shortcomings are more sharply pronounced than in the active Services. Part-time leaders and part-time training impair proficiency least in Air Force airlift and air defense organizations. Most other elements suffer, despite strong command emphasis for the last several years.[49]

Selected Soviet Problems—

The 1967 Law of Universal Service theoretically obligates all 18-year-old Soviet males to serve the State in active armed forces. About 80 percent are conscripted annually, but those committed to "hot spots" constitute the cream of the crop. Culls go to construction gangs and general labor.[50]

Pre-induction preparation starts in grammar schools. Average results are approximately equal to a month of active basic training. Before they enter service, about a third of all inductees take additional courses from DOSAAF.[51] Specialists spend six months in a "cram course" before being certified for duty with tactical units.[52]

Nevertheless, military manpower management problems are immense in the Soviet Union.

Improved education, which makes it possible for present day recruits to master military skills more quickly than their predecessors, probably prompted the Defense Ministry to cut draft age and conscript service a full year in 1967,[53] but the sacrifice in experience has been considerable. Turnover is terrific. Callups take place twice a year, spring and fall. A quarter of all draftees are discharged at the same times.[54]

Technical competence is afflicted especially by short tours. Civilians ashore, not seamen afloat, consequently serve a high percentage of Soviet shipboard equipment. Aircraft maintenance is equally aggravating. Supervisory requirements in all high skill areas are far greater than for U.S. forces.

Soviet training and operational procedures are effective, but commonly inefficient. Efforts often are excessive in terms of ends achieved, partly because uncompromising dedication sets equal priorities for all objectives. It is all very well to insist on toughness, for example, but human errors increase inevitably when specialists work under abysmal conditions that could be avoided.[55]

Political indoctrination, protracted and pervasive, competes eternally with military training for time and attention, although there is no close linkage between professional competence and the Communist Party line. Conflicts of interest assume special significance in high technology units that can least afford the tradeoff.[56]

Worse yet, powerful political officers often second guess commanders, who must keep a tight rein on subordinates to minimize "mistakes".[57] As a direct result, innovation is a rare commodity. The Soviet socialist system, which stresses collective enterprise and isolates citizens from outside contact, further inhibits initiative. Conscripts serving in East Germany can not speak the language or even read the road signs. Movement plans and maps are matters for officers only.[58]

Discipline is stringent by U.S. standards, but when it cracks, resultant rifts are sensational. Misdoings on U.S. ships in the recent past have been minor, compared with attempted mass defections that mar the Soviet Navy's record.[59]

Concluding Comments—

None of the shortcomings sketched above is critical. Soviet soldiers are not "10 feet tall" when compared with American counterparts, but neither are they 10 inches. Which opposing strengths outweigh which weaknesses may someday make a great difference, but judgments now are subjective. Meanwhile, manpower qualities on *both* sides seem in the main sufficient to support most projected courses of action. Only the test of combat could confirm the true timber of U.S. and Soviet forces.

DEFENSE TECHNOLOGY

Science and technology exert enormous influences on the U.S./Soviet military balance. Competition between the two countries is intense. Each side struggles ceaselessly to stock its arsenal with weapons and equipment that satisfy special needs under changing conditions.

Technological warfare

Technological warfare, which connects science with strategy and tactics, is deliberately designed to outflank enemy forces by making them obsolete. Battles are won by budgeteers and men at drawing boards before any blood is shed.[60]

Technological surprise thus poses special perils in critical echelons of the conflict spectrum, where sudden, one-sided supremacy in aerospace defense, antisubmarine systems, supersmart weapons, chemical warfare, lasers, and the like could create spectacular shifts.[61] The Soviet penchant for secrecy prompts "worst case" U.S. estimates in such cases.

Footnotes at end of article.

Classic dangers develop when new systems based on new technology burst on the scene (nuclear weapons, for example), but breakthroughs that combine new systems with old technology or vice versa can also create serious shocks. Still, creativity alone confers no advantage unless tied to procedures that translate inventive ideas into tangible instruments deployed in correct combinations and sufficient strength.[62] Tactical thought outweighs scientific theory as often as not.

"Victory" is achieved when one participant unveils technological superiority so pervasive and pronounced that opponents can neither cope nor catch up. Since indicators of rival success often surface slowly, losers sometimes cherish illusions of winning until too late. Conversely, they may long be aware that they have lost, but lack any way to rally.

Unfortunately, technological forecasting is at best imprecise.[63] Surprise can be intense when enemies are fully aware of their foe's R.&D. schemes, if they fail to sense the significance. Serendipitous offshoots of basic or applied research often alter perceived patterns in unexpected ways. Even so, estimating future states of the enemy's art may be the *easiest* prediction. Analysts must also account for educational, economic, institutional, bureaucratic, and doctrinal constraints.[64] The will to compete can be crucial.

Since surefire predictions perhaps are impossible, given the dearth of hard data, being "ahead" is important in technological areas that really count. Substantial leads lessen chances of surprise, by allowing friendly teams to explore frontiers before they are probed by enemies.[65]

Soviet challenges

The Soviet Union, as a closed society, enjoys an R&D edge not available to the United States.

Leadership, starting with Lenin, has stressed science and technology. Command emphasis and a cohesive strategy ensure an increasingly skilled cadre, sustained heavy investments in rubles and other resources, and solid continuity. Focus remains unflinchingly on military research and development, with little fear of repercussions caused by domestic demands.[66]

Extreme secrecy shrouds Soviet efforts, often concealing courses of action and intent until field testing starts in full view. Shortcuts are possible, because published reports of U.S. plans and progress point them out. The Kremlin consequently can concentrate on carefully-chosen goals that simplify the search for superiority in selected sectors.[67]

All, however, is not advantageous.

Surreptitious science carries severe penalties. It inhibits competition and free interchange of ideas (both essential stimulants) and protects poor programs from public opposition. The Socialist system excludes many incentives that generate growth. Civil and military R&D efforts are sometimes so segregated that neither sustains the other.[68] To compensate in part, the Soviets participate in exchange programs, purchase products and processes on the open market, perpetuate espionage, plagiarize ideas, and engage in technological piracy.[69]

In the past, Soviet scientists stuck closely to a policy of conservative incrementalism that featured slow but steady progress.[70] The R&D community designed around difficulties. Current indications, however, suggest a significant change, characterized by expansion in the scope of Soviet basic research, greater emphasis on innovation, and increasing inclination to take technological risks on speculative projects that promise big payoffs if successful.[71]

Soviet forces already feature a smorgasbord of brand-new systems based on technology well known in the West, but slightly exploited. Significant samples include intercontinental ballistic missiles (ICBM's) with "cold launch" capabilities; [72] mobile air defenses; satellite intercept and surveillance craft; armored vehicles and surface ships engineered expressly to operate in chemical/biological warfare environments; rapid-fire rocket launchers; anti-ship cruise missiles; and fire-control systems unmatched either in this country or among other NATO members.[73]

From the small fraction of Soviet exploratory efforts for which U.S. intelligence analysts have sound evidence, several now stressed could bear strongly on the future balance if breakthroughs occur.

Controlled thermonuclear fusion could pave the way for limitless power supplies. Wing-in-ground effect aircraft able to skim the sea's surface apparently offer great promise as part of an antisubmarine system. Techniques subjecting certain substances to pressures exceeding a million megabars could transform matter into new forms of unfathomed importance. Metallic ammonia, for example, could constitute the ideal propellant for space ships in its highly condensed stage, or furnish unstable materials for exotic munitions. High energy lasers have endless applications.[74]

U.S. Responses

The United States starts with the world's richest reservoir of scientific resources. Constant feedback between civil and military markets encourages entrepreneurism and technological chain reactions not remotely equalled by our Russian rival. As a result, options still closed to the Soviets are completely open to us.[75]

This country's predominance, however, shows signs of perishability that make many intellectuals lament our lack of momentum.[76]

Causes include uncertain goals that make it troublesome to chart a sound course for defense technology. Insistence on practical products is becoming more pronounced. Fund requests for abstract research are frequently cut or cancelled. Sharp fiscal caution extends to other R&D sectors. Consequent tendencies to tolerate few failures sometimes impede rapid progress.[77]

Beyond that, "one-way street" technological transfers to Soviet competitors create sharp anxiety among some U.S. authorities. A recent RAND report, for example, cautions that uncontrolled exports "of integrated circuit manufacturing plants, machinery, and know-how cannot but improve Soviet military computers" with many potential applications.[78] Similarly, Soviet capabilities may well be enhanced by shipments of U.S. precision grinders that polish miniature bearings for missile guidance systems and MIRVs (multiple independently targetable reentry vehicles).[79] The total impact on U.S. security is difficult to assess, because no focal center studies such trends.

Nevertheless, the United States still holds unsurpassed abilities to compete technologically, and could consistently create superior products, if policies and priorities changed.

Comparative competence

Relative standings of U.S. and Soviet defense technologies reflect a dynamic situation. Trends there, as elsewhere, are more revealing than static snapshots at any point in time. Figure 5 therefore should segregate sample comparisons into classes that show convergence, divergence, crossovers, static situations, and uncertainties,[80] but lack of information forces a simpler configuration. Confidence in categories shown is high where evidence is conclusive or Soviet leaders signal serious shortfalls by seeking U.S. assistance. It is low where clues are equivocal.

More importantly, some leads and lags on each side are deliberate, caused at least as much by different missions and developmental styles as by asymmetries in technological competence or failure to foresee demands. The United States could quickly close any current gaps if our leaders chose to do so.

Consequently, technological comparisons can be quite confusing, unless linked with strategic concepts, significant threats, and associated force requirements.

FIGURE 5.—THE TECHNOLOGICAL BALANCE

United States clearly superior

General—
"Black box" electronics
Computers
Integrated circuits
Microtechnology
Night vision
Small turbofan engines
Space technology
Submarine noise suppressants
Target acquisition
Terrain-following radar
Specific—
Aircraft
Air-to-air missiles
Artillery ammunition
ECM, ECCM
Look-down shoot-down systems
Precision-guided munitions
Remotely piloted vehicles
Strategic cruise missiles
Survivable submarines

Soviets closing gap

General—
Aerodynamics
Composite materials
Inertial instrumentation
Specific—
MIRVs
Missile accuracy
Satellite sensors
Tactical Nuclear Systems

Soviet Union clearly superior

General—
Cast components
Commonality of components
Ease of maintenance
High pressure physics
Magneto-hydrodynamic power
Rockets and ramjets
Simple systems for common use
Titanium fabrication
Welding
Specific—
Air defense missiles
Anti-ship missiles
Armored fighting vehicles
Artillery/rocket launchers
Chemical/biological warfare
Cold weather equipment
Gas turbines for ships
ICBM payloads, yields
Mobile ballistic missiles
Ship size vs. firepower
Tactical bridging

Status uncertain

General—
Acoustics
Adaptive optics
High explosive chemistry
Inductive storage and switching systems for pulsed power control
Reduced drag for submarines
Specific—
Antiballistic missiles
Antisubmarine warfare
High energy lasers
Satellite-borne radars

FOOTNOTES

[1] Marshall, Andrew W., Comparisons of US and SU Defense Expenditures. A study prepared by Director of Net Assessment, Department of Defense, September 16, 1975. Contained in Allocation of Resources in the Soviet Union and China—1975, p. 155.

[2] Estimated Soviet Defense Spending in Rubles, 1970–1975, Central Intelligence Agency, May, 1976, p. 5; Graham, Daniel O., The Soviet Military Budget Controversy, Air Force Magazine, May, 1976, p. 34.

[3] Lee, W. T., Soviet Defense Expenditures, Chapter 7 in Arms, Men, and Military Budgets: Issues for Fiscal Year 1977, Ed. by William Schneider, Jr., and Francis P. Hoeber, New York, Crane, Russak & Co., 1976, p. 261.

[4] Graham, Daniel O., The Soviet Military Budget Controversy, p. 34.

[5] Estimated Soviet Defense Spending in Rubles, CIA, p. 5.

[6] A Dollar Comparison of Soviet and US Defense Activities, 1965–1975, Central Intelligence Agency, February, 1976, 8 p.

[7] Estimated Soviet Defense Spending in Rubles, CIA, p. 5.

[8] Marshall, Andrew W., Comparisons of US and SU Defense Expenditures, p. 170; Estimated Defense Spending in Rubles, CIA, p. 16.

[9] Estimated Soviet Defense Spending in Rubles, p. 16.

[10] Special Analyses, Budget of the United States Government, Fiscal Year 1977, Washington, U.S. Govt. Print. Off., 1976, p. 12.

[11] The Soviet defense budget equals 10–20 percent of GNP, according to Andrew Marshall in Comparisons of US and SU Defense Expenditures, p. 164. Daniel Graham cites 15–20 percent in The Soviet Military Budget Controversy, pp. 36, 37.

[12] Letter and accompanying staff paper submitted by the Congressional Budget Office to Brock Adams, Chairman of the House Budget Committee, subject: Replies to Chairman Adams' Questions in his letter of April 15, 1976. Dated July 21, 1976. Page 3 of cover letter.

[13] Statistics from Braden, John B., comparison of U.S Government Budget Data. . . . Related to Total Budget Outlays and to Gross National Product (GNP), Fiscal Years 1940–1976, Washington, Congressional Research Service, February 7, 1975, p. 7.

[14] CIA Estimated Soviet Defense Spending in Rubles, p. 17.

[15] CIA Dollar Comparison of Soviet and US Defense Activities, p. 3, as amended by DOD comments on the draft of this study.

[16] Congressional Budget Office Replies to Chairman Adams' Questions, pp. 1–2.

[17] Ibid., pp. 3–4.

[18] Marshall, Andrew W., Comparisons of US and SU Defense Expenditures, p. 169.

[19] The Soviet official rate of exchange for foreign trade purposes is $1.35 per ruble.

[20] Graham, Daniel O., The Soviet Military Budget Controversy, p. 34.

[21] Estimated Soviet Defense Spending in Rubles, CIA, p. 15.

[22] Marshall, Andrew W., Comparisons of US and SU Defense Expenditures, p. 167.

[23] Congressional Budget Office Replies to Chairman Adams' Questions, p. 1, 4, 6, 7, 8.

[24] Marshall, Andrew W., Comparisons of US and SU Defense Expenditures, p. 153.

[25] Cover letter, Congressional Budget Office Replies to Chairman Adams' Questions, p. 2.

[26] This subsection is predicated on personal conversations between the author and Defense Intelligence Agency (DIA) analysts in September and October, 1976, together with written data furnished by DIA.

[27] Classified details are contained in Reassessment, Soviet Armed Forces Personnel Strengths (U), Washington, DIA, July, 1975, 8 p.; and Part II, November, 1975, 61 p.

[28] Organizational and functional approaches complement each other by double checking intelligence collection and processing capabilities. A third method, which deals with demography, relates raw manpower with requirements by indicating how many men of military age are annually available for induction, how many reservists reach the statutory age of obligatory service each year, and so on. For the latter, see especially Feshback, Murray and Rapawy, Stephen, Soviet Population and Manpower Trends and Policies. Contained in U.S. Congress. Joint Committee Print, Soviet Economy in a New Perspective, A Compendium of Papers Submitted to the Joint Economic Committee, Washington, U.S. Govt. Print. Off., October 14, 1976, p. 113–114, 144–152.

[29] Trend tables and graphs in other documents, including those disseminated by DOD, should be treated cautiously, for reasons described above.

[30] U.S. active military strengths were mainly derived from Manpower Statistics by Defense Planning and Programming Category for each military service and DOD agencies, a series of unpublished working papers prepared for OASD (M&RA), Program Division. Figures for 1970–74 were dated March 29, 1976. Figures for 1975 and 1976 were dated October 21, 1975 and August 26, 1976, respectively. OASD (M&RA) furnished supplemental statistics on U.S. strategic offensive and defensive forces in October, 1976.

[31] Soviet active manpower strengths were derived from diverse unclassified official sources.

[32] Border Guards belong to the KGB, internal security troops to the MVD, according to John Erickson, who mentions accoutrements in Soviet-Warsaw Pact Force Levels, USSI Report 76–2, Washington, United States Strategic Institute, 1976, p. 20–21.

[33] DIA identifies about 12,000 personnel in the Main Political Directorate. The remaining 58,000 are diffused in military units.

[34] Congressman Les Aspin, for example, calls 2,755,000 Soviet armed forces "non-threatening" to the United States. He credits each side with about 2,000,000 "comparable opposing forces." Disarmament and International Views, May, 1976, p. 5–7.

[35] DIA comments on the draft of this study, March 2, 1977.

[36] U.S. leaders are compelled to consider the eventual possibility of a new Sino-Soviet entente since, to paraphrase Lord Palmerston, there is no such thing as permanent friends or permanent enemies, only permanent interests.

[37] U.S. civilian statistics include direct and indirect hire. The latter involves paying foreign governments, who in turn provide civilians to assist U.S. forces overseas. Contract services, which contribute a large but unknown number of man hours, supplement U.S. civilians shown on figures and graphs in this study. See Note 30 for sources of U.S. civilian statistics.

[38] Soviet civilian manpower strengths were derived from diverse unclassified official sources.

[39] U.S. Ready Reserves include personnel who enlist directly into Reserve and National Guard units of the top-priority Selected Reserve; prior service personnel who elect to join Selected Reserve units after stints with the active establishment; and prior service personnel released to Individual Ready Reserve, which are affiliated with no organization, but act as fillers.

[40] U.S. Ready Reserve strengths were derived from Selected Manpower Statistics, OASD (Compt), Directorate for Information, Operations, and Control, April 15, 1971, p. 86; April 15, 1972, p. 89; April 15, 1973, p. 91; May 15, 1974, p. 91; May 15, 1975, p. 99; June 76, p. 98. See also Guard and Reserve Manpower: Strengths and Statistics, OASD (RA), flyleaf, June 1976.

[41] Soviet forces released from active service during the period 1972–1976 total about 5,945,000. U.S. servicemen released during that same time frame total 3,111,000.

[42] U.S. intelligence analysts currently are reviewing estimates of Soviet reserve manpower strengths.

[43] The Defense Manpower Commission (DMC) "found no evidence that any unit had been affected negatively by socioeconomic changes, either as to performance or mission capability. Generally, commanders [told DMC members] that these are the concerns of Washington, not of the field." Palmer, Bruce jr. and Tarr, Curtis W., A Careful Look at Defense Manpower, Military Review, September, 1976, p. 7.

[44] Turner, Frederick C., How Tall Are the Russians?, opening remarks in a panel discussion at the annual convention of the Association of the United States Army, Washington, October 12, 1976, p. 4.

[45] Rumsfeld, Donald H., Annual Defense Department Report, FY 1977, Washington, Department of Defense, January 27, 1976, p. 289.

[46] Ibid.; Palmer, Bruce jr. and Tarr, Curtis W., A Careful Look at Defense Manpower, p. 11.

[47] Rumsfeld, Donald H., Annual Defense Department Report, FY 1977, p. 288.

[48] Ibid., p. 293.

[49] Defense Manpower: The Keystone of National Security, Report to the President and the Congress, Washington, Defense Manpower Commission, April, 1972, p. 2.

[50] Goldhamer, Herbert, The Soviet Soldier: Soviet Military Management at the Troop Level, New York, Crane, Russak & Co., Inc., 1975, p. 4, 36–37, 69; Turner, Frederick C., How Tall Are the Russians?, p. 2; Lee, William T., Military Economics in the USSR, Air Force Magazine, March, 1976, p. 50; Feshback, Murray and Rapawy, Stephen, Soviet Economy in a New Perspective, p. 148.

[51] DOSAAF stands for the All-Union Voluntary Society for Assistance to the Army, Air Force, and Navy. Its clubs and schools play an important part in pre-induction training.

[52] Telephonic conversation with Frederick C. Turner, March 7, 1977.

[53] Turner, Frederick C., How Tall Are the Russians?, p. 3. Callup age was cut from 19 to 18 years. Service with the Army, Air Force, naval air elements, and border/security troops was reduced from three to two years. Service on naval ships, with Coast Guard combat units, and with maritime units of border troops was cut from four years to three. For full details, see Current Digest of the Soviet Press 19, No. 45, November 29, 1967, p. 4–10.

[54] Goldhamer, Herbert, The Soviet Soldier, p. 4–5, 39.

Demographic difficulties have also developed to such an extent that Feshback and Rapawy foresee an obligation to change the current system, perhaps by extending the length of service once again. See Soviet Population and Manpower Trends and Policies p. 149.

That trend may already be in motion (see Erickson, John, Soviet-Warsaw Pact Force Levels, p. 17, 20). If so, and rates of induction were substantially reduced, no buildup would occur. Such action would simply confirm that shorter enlistments unduly degrade performance in several ways. However, holding three age groups under arms at current conscription rates, despite strains on the civil economy, *could* indicate plans for early aggression, according to Robert L. Goldich, a manpower analyst with the Congressional Research Service. Active duty strengths would shoot up by more than a third and stay there until reductions in force were effected. Close U.S. scrutiny thus would be commendable.

[55] Some Soviet radar operators reportedly work in cabin temperatures "up to 70 centigrade . . . under conditions that blunt 'all of the senses'." Goldhamer, Herbert, The Soviet Soldier, p. 328.

[56] Ibid., p. 255–309, 324–327.

[57] Present-day political officers lack the clout of World War II commissars. They neither countersign orders nor have an official say in operational command. All the same, their influence is still immence. DIA comments on the draft of this study, March 2, 1977.

[58] Turner, Frederick C., How Tall Are the Russians?, p. 4–5. Regimentation obviously has strong points. Communications doctrine and discipline make it possible for 30 tanks to

share a single radio net in a Soviet tank battalion. Each U.S. Army tank company with 17 tanks operates four internal nets, plus a fifth that connects with battalion headquarters. The Soviet system not only cuts costs, but enhances communications security. There is, however, another side to the coin. It is also quite inflexible.

[59] Russians Stung By Dissent in Armed Forces, Baltimore News-American, February 9, 1976, p. 4; Soviet Mutiny Ended Swiftly, Washington Post, June 7, 1976, p. 18; Mutinied Soviet Destroyer Dispatched on Long Voyage, Christian Science Monitor, June 29, 1976, p. 6.

[60] For discussion, see Possony, Stefan T. and Pournelle, J. E., The Strategy of Technology: Winning the Decisive War, Cambridge, Mass., Dunellen, 1970, p. 1–20, 55.

[61] Dr. George Heilmeir, Director of Defense Advanced Research Projects Agency (ARPA) outlines possibilities in Guarding Against Technological Surprise, Congressional Record, June 22, 1976, p. S10139.

[62] Research, development, test, and evaluation (RDT&E) precedes procurement.

Abstract research improves prospects for a range of practical products by broadening the base of human knowledge. Applied technology supports specific goals. Stage I in the U.S. process identifies options, sets priorities, and defines projects. Stage II establishes program characteristics, including costs and schedules. State III produces prototypes. Civil contractors and military project managers complete technical tests during Stage IV, which culminates in operational assessments that are conducted by authorities who are independent of users as well as developers.

[63] "In 1878, Frederick Engels stated the weapons used in the Franco-Prussian war had reached such a state of perfection that further progress which would have any revolutionary influence was no longer possible. Thirty years later, the following unforeseen systems were used in World War I: Aircraft, tanks, chemical warfare, trucks, submarines, and radio communications. A 1937 study entitled 'Technological Trends and National Policy' failed to foresee the following systems, all of which were operational by 1957: Helicopters, jet engines, radar, inertial navigators, nuclear weapons, nuclear submarines, rocket powered missiles, electronic computers and cruise missiles. The 1945 Von Karmann study entitled 'New Horizons' missed ICBMs, man in space [and so on], all operational within 15 years." Heilmeier, George, Congressional Record, June 22, 1976, p S10139.

[64] Knorr, Klaus and Morgenstern, Oskar, Science and Defense: Some Critical Thoughts on Military Research and Development, Princeton, N.J., Princeton University Press, 1965, p. 19–27.

[65] George Heilmeier sketches a seven-step process that a free society can take to forestall technological surprise. Initiative is the most important. Congressional Record, June 22, 1976, p. S10139.

[66] Background information is contained in The Soviet Military Technological Challenge, Washington, The Center for Strategic Studies, Georgetown University, September, 1967, p. 13–31.

[67] Currie, Malcolm R., Program of Research, Development, Test and Evaluation, FY 1977, Washington, Department of Defense, February 3, 1976, p. I–6, II–2.

[68] Augenstein, Bruno, Military RDT&E, Chapter 6 in Arms, Men, and Military Budgets, p. 220–221; Currie, Malcolm R., Program of Research, Development, Test and Evaluation, FY 1977, p. I–6, II–2.

[69] Possony, Stefan T. and Pournelle, J. E., The Strategy of Technology, p. 22. None of the Techniques noted is unique to the Soviet Union, but strong emphasis is evident.

[70] Incremental improvements are important even when the main focus is on mighty leaps forward. Indeed, they serve a crucial purpose when opposing systems are essentially equal. "In an air battle conducted with air-to-air missiles . . . a two mile difference in radar ranges can result in one side being destroyed even before it detects the other. Small improvements in missile accuracy can [immensely increase] kill probabilities." Possony, Stefan T. and Pournelle, J. E., The Strategy of Technology, p. 30, 38–39.

[71] Currie, Malcolm R., Program of Research, Development, Test and Evaluation, FY 1977, p. I–5, II– 3–4.

[72] A "pop-up" procedure that ejects ballistic missiles from silos or submarines using power plants that are separate from the missile body. Primary ignition is delayed until projectiles are safely clear of carriers/containers, preserving the launcher intact for reuse if required.

[73] Currie, Malcolm R., Program of Research Development, Test and Evaluation, FY 1977, p. I–7, 8, II–10, 17.

[74] Soviet R&D: No New Weapons Expected, But Surprises still Possible, Aerospace Daily, August 13, 1976, p. 241. Supplemented telephonically by staff members of ARPA on December 3, 1976. See also Cooke, Robert, The Lethal Laser is Here—Will it Be Added to US, Soviet Arsenals? and Lasers Turned to Spying on Spies, Boston Globe, May 23, 1976, p. 1 and May 24, 1976, p. 1.

[75] Augenstein, Bruno, in Arms, Men, and Military Budgets, p. 218, 220, 221, 244–247; Possony, Stefan T. and Pournelle, J. E., The Strategy of Technology, p. 51.

[76] Senior members of the President's Committee on Science and Technology and the National Science Board, for example, recently expressed concern. Others share such sympathies. Participants at a symposium sponsored by Massachusetts Institute of Technology (M.I.T.) agreed that serious, speedy steps are needed to prevent further erosion of the U.S. position. Jerome B. Wiesner, M.I.T.'s President, predicted that "if we don't apply our enormous, unused capacity to technology, we face a problem of whether we shall survive 30 years from now." R&D on the Skids, Time, May 3, 1976, p. 56; Loss of Innovation in Technology is Debated, New York Times, November 25, 1976, p. 53.

[77] Currie, Malcolm R., Program of Research, Development, Test and Evaluation, Fy 1977, p. I–6; Possony, Stefan T. and Pournelle, J. E., The Strategy of Technology, p. 23–25; Weapons Research: Ivan's Edge is Our Bureaucracy, Armed Forces Journal, July, 1976, p. 16, 18.

[78] Soviet Computer Technology: Catching Up, Air Force Magazine, November, 1976, p. 67; Additional details are contained in Long-Range U.S.-U.S.S.R. Competition: National Security Implications, proceedings of a conference conducted by the National Defense University, July 12–14, 1976, p. 208–246; and Augenstein, Bruno in Arms, Men, and Military Budgets, p. 242–244.

[79] Heinl, Robert D., jr., U.S. Technological Gifts to Soviets Hit, Detroit News, November 11, 1976, p. 7B.

[80] Augenstein, Bruno, in Arms, Men, and Military Budgets, p. 216–217.

Part III. Strategic Nuclear Forces

Strategic offensive comparisons

U.S. nuclear deterrent strategy presently depends almost entirely on a retaliatory triad of manned bombers, ICBMs, and submarine-launched ballistic missiles (SLBMs) coupled with a sophisticated command/control system.[1] Those components, in combination, are designed to survive a savage first strike by any enemy and still retain infallible Assured Destruction abilities. According to current concepts, the mix also must afford a range of flexible responses within the framework of our second-strike strategy, minimize probabilities that all U.S. systems could be compromised concurrently by technological surprise, and contribute to stability.

This section relates U.S. and Soviet strategic offensive forces to those requirements.[2] (See Graph 3).

Intercontinental ballistic missiles

All U.S. and Soviet ICBMs currently are cased in subterranean concrete silos, although both sides are experimenting with land-mobile models, and U.S. Minutemen have been test launched from aircraft. American efforts, however, are still in early stages, whereas Soviet SS–16s reputedly are ready to join using units. (See Figure 6 at the end of this section).

U.S. Trends—

The total number of U.S. ICBMs and the "heavy-light" mix of 54 Titan IIs and 1,000 Minutemen has stayed static since 1967. Converting half the force to MIRVed Minutemen IIIs[3] drastically reduced weapons in the megaton range (only 504 remain), but concurrently doubled our warheads from 1054 to 2154.

Titans have ample explosive power to crack hard structures, such as Soviet silos, but lack the accuracy to "kill" point targets consistently. Minuteman missiles, which mount smaller warheads, still lack sufficient yield, although that condition is being corrected.[4] Consequently, U.S. ICBMs at this stage are essentially designed to fulfill Assured Destruction functions against Soviet population/production centers and other soft targets.[5]

Soviet Trends—

Moscow has stressed land-based ballistic missiles since the early 1960s. Deployments soared during that decade, then slowed when the tally outstripped our own by almost a third. U.S. intelligence confirms just 122 new Soviet silos since 1970, but all are in the "heavy" category, which includes five systems (SS–7, SS–8, SS–9, SS–18, and S–19).[6]

Twenty percent of all Soviet warheads are in the 5–25 megaton range, versus fewer than five percent for our ICBM force (469 to 54). Except for "small" MIRVs on SS–17s and SS–19s, the least lethal tips have three times the yield of those on Minuteman III. That disparity derived from a conscious U.S. decision to emphasize precision when the Soviets stressed raw power. The Kremlin now strives for both. Before long, its land-based missiles therefore could boast the best accuracy/yield combinations.[7]

Systems with MIRV capabilities are now supplanting those with single weapons. The Soviets already have twice as many ICBM warheads as we have missile silos. Our count still outnumbers theirs slightly (2154 to 2109), but larger Soviet missiles with greater MIRV capacities put Moscow in position to pass us quickly, and Soviet craftsmen have the competence to achieve impressive accuracies if ruling councils so choose.

Consequences—

The U.S. second-strike strategy, professed by every President since Truman, imposes constraints on this country that the Soviets do not share.

Bigger ICBMs and warheads, combined with better accuracy, would enhance U.S. abilities to smash rival silos, but not before the missiles therein took flight. At best, such improvements could check the release of some Soviet reserves, including rapid refirings from cold launch facilities (cold comfort in a cataclysmic war and needless in lesser conflicts).

Far more importantly, present trends bode badly for the prelaunch survival of undefended U.S. ICBMs, whose power to perform Assured Destruction tasks is by no means permanent. Former Defense Secretary Schlesinger, for example, once predicted that Soviet SS–18s with MIRV warheads "could pose

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Footnotes at end of article.

a serious threat to our ICBMs." [8] The Federation of American scientists concurred, with the comment that "our fixed land-based missiles in silos will look more and more vulnerable to attack if MIRV and increases in accuracy cannot be prevented." [9]

Corrective courses of action are subject to question.

Installing more U.S. ICBMs would prove impractical, because the Soviets could add hard target warheads much faster than we could build silos and fill them with missiles, at a fraction of the cost.

Prospects for reinforcing U.S. silos face finite limitations (the ultimate compressive strength of cement approximates 3,000 psi, to cite just one criterion). After maximum practical hardness has been achieved, an advanced generation of Soviet warheads with appropriate yields and pinpoint precison could strike each silo in a closely spaced ICBM field with far less fear of "fratricide" than saturation attacks would currently cause.[10]

Launch-on-warnng policies would help preserve U.S. ICBMs against surprise assaults only if adequate information were immediately accessible to our National Command Authorities (NCA), who reserve exclusive rights to sanction retaliatory strikes.[11] As a minimum, rational response would depend on sufficient data to determine the magnitude and impact areas (cities or silos) of a Soviet missile attack. Should the U.S. alert apparatus fail to function for any reason, including early enemy action, chances are slim that any decision to launch could be made, much less implemented, in the few minutes available.

Undefended U.S. ICBMs in concrete silos may serve deterrent purposes for an extended period of time, despite such disadvantages.[12] In the final analysis, however, the question is not whether the Soviets could eventually crush them with a first strike, only when they could achieve that capability. The consequent uncertainty makes that leg of our triad an increasing source of instability.

Ballistic missile submarine systems

All U.S. and Soviet sea-launched ballistic missiles (SLBMs) are carried by submarines.[13] They are "sitting ducks" in port, but on station at sea are the most survivable of all strategic nuclear systems. "Hair-trigger" action would not be needed to avoid heavy losses from surprise attacks. Decisions to fire against Assured Destruction type targets could be delayed indefinitely without degrading deterrence or countervalue capabilities. (See Figure 7)

U.S. Trends—

The total number of U.S. nuclear-powered ballistic missile submarines has stayed constant at 41 since 1967. Each, regardless of class, still carries 16 SLBMs. The missile count remains at 656, but the mix is decidedly different than it was early in this decade.

All single-warhead Polaris A-2s have phased out. MRVs on the remaining A-3s have larger yields than most U.S. ICBMs, but poorer CEPs.[14] The preponderance of power now lies with MIRVed Poseidon missiles, which may carry as few as 6 or as many as 14 warheads. Most are tipped with 10, for an average of 160 per boat. Accuracy, however, at a third of a mile, is still less than the best ICBMs, and 40 KT yields are only one-third as much as Minuteman's MIRVs. Their lethality against hand targets is commensurately less.

U.S. submarine missile systems therefore afford an effective Assured Destruction force for use against most surface structures in Soviet cities, but several warheads would be needed to cripple a single silo. Flight times to bomber bases deep in Soviet territory allow enemy aircraft on alert ample opportunity to scramble.

Switching to many small MIRVs had other side effects. The current Poseidon complement concentrates 4,480 weapons on 28 boats, of which about a third are tempting targets immobilized in port for maintenance at any given time.[15] Each submarine at sea, however, poses deterrent threats of immensely greater magnitude than its 1970 predecessors.

Soviet Trends—

Antiquated submarines armed with three short-range SLBMs each accounted for two-thirds of Moscow's sea-launched missile strength as late as 1970. Half were diesel powered.

Since then, 38 new nuclear subs have hoisted the total to almost twice our own. The number of tubes has nearly tripled (from 289 to 842). Only 78 short-range missiles remain. Other types could obliterate U.S. bomber bases (but not alert aircraft) from firing positions on our continental shelf and in the Caribbean, using yields measured in megatons. Short flight times would allow fewer than 10 minutes warning. SS-N-8s, recently introduced, have a 4,800-mile range than this country's missiles will not match for several more years.[16] Immense launch areas, which complicate U.S. search procedures, enhance survivability.

Even so, Soviet submarine systems are inferior to U.S. counterparts in most crucial respects. Diesel-powered types still comprise a third of the count. Late-model nuclear boats, being noisier than Polaris and Poseidon, are more susceptible to compromise. On-station time is substantially less. Total target coverage is only a fifth that afforded by our force 842 to 4,688), since none of their missiles are MIRVed.[17] SS-N-8s must sacrifice security for counterforce capabilities. Should they rely on remote firing points, flight times to U.S. bomber bases would triple, and threats would be much reduced.

Consequences—

The expanding strength of Soviet submarine-launched missile systems in no way endangers U.S. counterparts, except for those in port, nor does it degrade their deterrent capacities. Matching Moscow's buildup with more submarines, SLBMs, and MIRVs would therefore serve little purpose in terms of essential missions.

Reinforcing SLBMs with bigger warheads and better accuracy would improve U.S. hard target kill capabilities from firing positions close to Soviet shores, since flight times would be shorter than those for ICBMs. Each submarine, however, would run serious risks in enemy coastal waters, and chances of catching Soviet missiles in silos would be slight, given our second-strike strategy.[18]

Qualitative changes centered on continued pre-launch survivability therefore seem to proffer the best prospects for preserving the deterrent powers of American SLBMs, despite Soviet ASW (anti-submarine warfare) efforts.

Strategic bombers

The United States and Soviet Union both based strategic nuclear strength on manned bombers until ballistic missiles were deployed en masse, beginning early in the 1960s. Thereafter, the U.S. accent on air power stayed comparatively strong, while Soviet stress has been slight. (See Figure 8).[19]

Assured Destruction is the principal capability in each case, because U.S. and Soviet alert forces (aircraft and ICBMs) have adequate time to launch before bombers could arrive. That characteristic, which makes aircraft a poor first-strike system, enchances strategic stability.

U.S. Trends—

B-52s assigned to Strategic Air Command (SAC) as unit equipment have decreased 30 percent since the start of this decade, from 465 to 330. The oldest airframes have been flying for 20 full years, the newest for 15,[20] but they still pack a powerful wallop.

Multimegaton gravity bombs come in various sizes, one of which offers assorted yields. B-52s carry up to four of either as their basic load.[21] They could also be fitted for up to 20 nuclear-tipped Short-Range Attack Missiles (SRAMs), although only 1,500 were produced, an average of four per plane. Those weapons are designed primarily to assist aircraft penetration by suppressing enemy defenses, but can also engage main targets.[22]

Sixty-six FB-111s in the "medium" category supplement U.S. "heavy bombers. Payloads are roughly half that of B-52s, and ranges are less than one-third, but each can carry six slim bombs, six SRAMs, or some combination (an average of two SRAMs per aircraft is in stock).[23]

SAC tanker squadrons furnish aerial refueling support that assures intercontinental range for B-52s and FB-111s under combat conditions.

Flexible force loadings for U.S. bombers are adjusted to suit changing missions and target assignments, as Figure 8 shows. As currently armed, SAC's air wings account for almost a fourth of all allocated U.S. weapons and more than half of all megatonnage.[24] Fewer aircraft life larger loads than in the recent past.

Soviet Trends—

Soviet heavy bomber strength peaked at about 210 turboprop Bears and jet-powered Bisons in 1966, then steadily dropped to 135, the current tally. Something like 80 tankers serve those antiques, whose penetration prospects would be poor against any determined defense. Both types probably average just one large gravity bomb as the basic load, although B-Model Bears may carry a single AS-3 Kangaroo missile, which could be released 400 miles from its target.[25]

Supersonic Backfire, the first new Soviet bomber deployed in the past 15 years, is smaller but much more sophisticated. That modern aircraft probably threatens sea lanes and NATO more than North America, but could strike some U.S. cities without resorting to tanker support, then recover in Cuba or another "neutral" country. Inflight refueling is technically possible, because all Backfires are fitted with receptacles. Stand-off missiles extend their range by as much as 500 miles.[26] (Medium-range Badgers, which could attack undefended targets in the United States on one-way missions, are addressed in sections concerning theater nuclear and land-based naval aircraft.

Consequences—Backfire bombers may have some bearing on U.S. needs for improved air defenses, but are completely unrelated to offensive force requirements. Backfire squadrons, which currently contribute less to

Footnotes at end of article.

Soviet strategic nuclear capabilities than forward-based fighters add to ours, could double in number or disappear without diluting any advantages that accrue from SAC's aircraft. Manned bombers may indeed be a legitimate leg of the U.S. triad, but maintaining superiority, essential equivalence, or any other military balance with Backfire would serve some cosmetic or symbolic purpose, nothing more.

Triads assessed in tandem

Separate assessments of triad components supply incisive insights, but only a survey of interactions on competing sides can measure complete implications.

Comparative Patterns—The basic composition of both triads has stayed constant during this decade. Only sizes and shapes have changed. (See Graph 4 and Figure 9).

America maintains a balanced structure of ballistic missiles and bombers. The Soviet Union does not. Most of its might will remain with large, land-based missiles, even if Moscow MIRVs SLBMs, because bigger, more numerous ICBMs can carry many more warheads.[27] The importance of manned bombers is minuscule in comparison.

Soviet delivery systems are somewhat more numerous than in 1970, while our count is slightly smaller, but MIRV programs caused U.S. weapon holdings to rise at a rapid rate until they reached a plateau not yet approached by our rival. America's transcendence, however, may be transitory. The Soviets have established a solid expansion base, and growth could be just beginning.

Cogent Implications—U.S. bombers and ICBMs are more vulnerable than ever before. That condition causes instability, even though no current combination of assaults could smother the two systems simultaneously.[28] Soviet counterparts are comparatively secure, because of our second-strike strategy. SLBMs are still safe at sea.

Both sides consequently display awesome Assured Destruction abilities, but neither could neutralize the other by adding offensive power under current conditions. Defensive measures may endanger U.S. survival to a greater degree, as discussed in the following section.

FIG. 6.—INTERCONTINENTAL BALLISTIC MISSILES—STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS

	1970	1971	1972	1973	1974	1975	1976
LAUNCHERS							
Heavy ICBM's:							
United States: Titan II	54	54	54	54	54	54	54
Soviet Union:							
SS-7	190	190	190	190	190	190	140
SS-8	19	19	19	19	19	19	19
SS-9	228	270	288	288	288	288	264
SS-18 [1]	0	0	0	0	0	10	36
SS-19	0	0	0	0	0	60	100
Total	437	479	497	497	497	567	559
U.S. standing	−383	−425	−443	−443	−443	−513	−505
Light ICBM's:							
United States:							
MM I	490	390	290	140	21	0	0
MM II	500	500	500	510	450	450	450
MMM III	10	110	210	350	529	550	550
Total	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Soviet Union:							
SS-11	970	907	970	970	1,030	960	910
SS-13	20	40	60	60	60	60	60
SS-17	0	0	0	0	0	10	20
Total	990	1,010	1,030	1,030	1,090	1,030	990
U.S. standing	+10	−10	−30	−30	−90	−30	+10
Grand total:							
United States	1,054	1,054	1,054	1,054	1,054	1,054	1,054
Soviet Union	1,427	1,489	1,527	1,527	1,587	1,597	1,549
U.S. standing	−373	−435	−473	−473	−533	−543	−495
WARHEADS							
United States:							
MIRV	30	330	630	1,050	1,587	1,650	1,650
Other	1,044	944	844	704	525	504	504
Total	1,074	1,274	1,474	1,754	2,112	2,154	2,154
Soviet Union:							
MIRV	0	0	0	0	0	400	680
Other	1,427	1,489	1,527	1,527	1,587	1,528	1,429
Total	1,427	1,489	1,527	1,527	1,587	1,928	2,109
U.S. standing	−353	−215	−53	+227	+525	+226	+45

	System characteristics							
	First deployed	Number RV's: Single	MRV	MIRV	Warhead yield	CEP (nautical miles)	Range (miles)	Cold launch
United States:								
Titan II	1963	1			10 MT	0.8	7,250	No
MM I	1962	1			1 MT	.5	7,500	No
MM II	1965	1			1 MT	.3	8,000	No
MM III	1970			3	170 KT ea	.2	8,000	No
Soviet Union:								
SS-7	1962	1			5 MT	1.5	6,900	No
SS-8	1963	1			5 MT	1.5	6,900	No
SS-9	1967	1			18-25 MT	.7	7,500	No
Mod 4	1971		3		4-5 MT	.5	7,500	No
SS-11	1966	1			1-2 MT	.7	6,500	No
Mod 3	1973		3		500 KT ea	.5	6,500	No
SS-13	1969	1			1 MT	.7	5,000	No
SS-17	1975			4	200 KT ea	.3	6,500	Yes
SS-18	1974	1			18-25 MT	.3	7,500	Yes
Mod 2	NA			8-10	2 MT ea	.25	7,500	Yes
SS-19	1974			6	200 KT ea	.25	6,500	No

[1] Soviet SS-18 Mod 2 ICBM's have been flight tested with 8-10 MIRV's; a few reportedly have been deployed, but the count is classified.

Note: The 3 MRV's on each SS-9 Mod 4 and SS-11 Mod 3 count as single warheads in this summary.

FIG. 7.—BALLISTIC MISSILE SUBMARINE SYSTEMS—STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS

	1970	1971	1972	1973	1974	1975	1976
SUBMARINES							
Nuclear power:							
United States:[1]							
Poseidon	1	7	12	22	24	28	28
Polaris	40	34	29	19	17	13	13
Total	41	41	41	41	41	41	41
Soviet Union:[2]							
D-II	0	0	0	0	0	0	4
D-I	0	0	0	1	5	11	13
Y	13	20	26	31	33	34	34
H	7	7	7	7	7	7	7
Total	20	27	33	39	45	52	58
U.S. standing	+21	+14	+8	+2	−4	−11	−17
Diesel power:							
United States	0	0	0	0	0	0	0
Soviet Union:							
G-II	11	11	11	11	11	11	11
G-I	9	9	9	9	9	9	8
Total	20	20	20	20	20	20	19
U.S. standing	−20	−20	−20	−20	−20	−20	−19
Total:							
United States	41	41	41	41	41	41	41
Soviet Union	40	47	53	59	65	72	77
U.S. standing	+1	−6	−12	−18	−24	−31	−36
SLBM'S							
On nuclear subs:							
United States:							
Polaris A-2	128	128	128	128	64	32	0
Polaris A-3	512	416	336	176	208	176	208
Poseidon	16	112	192	352	384	448	448
Total	656	656	656	656	656	656	656
Soviet Union:							
SS-N-5	21	21	21	21	21	21	21
SS-N-6	208	320	416	496	528	544	544
SS-N-8	0	0	0	12	60	132	220
Total	229	341	437	529	609	697	785
U.S. standing	+427	+315	+219	+127	+47	−41	−129
On diesel subs:							
United States	0	0	0	0	0	0	0
Soviet Union:							
SS-N-4	27	27	27	21	21	21	18
SS-N-5	33	33	33	39	39	39	39
Total	60	60	60	60	60	60	57
U.S. standing			−60	−60	−60	−60	−57
Grand total:							
United States	656	656	656	656	656	656	656
Soviet Union	289	401	497	589	669	757	842
U.S. standing	+367	+255	+159	−67	−13	−101	−186
WARHEADS							
United States:							
MIRV	160	1,120	1,920	3,520	3,840	4,480	4,480
Other	640	544	464	304	272	208	208
Total	700	1,664	2,384	3,824	4,112	4,688	4,688
Soviet Union:							
MIRV	0	0	0	0	0	0	0
Other	289	401	497	589	669	757	842
Total	289	401	497	589	669	757	842
U.S. standing	+411	+1,263	+1,887	+3,235	+3,443	+3,931	+3,846

	Missile characteristics						
	First deployed	Number RV's: Single	MRV	MIRV	Warhead yield	CEP (nautical miles)	Range (miles)
United States:							
Polaris A-2	1962	1			800 KT	0.5	1,750
Polaris A-3	1964		3		200 KT ea	.5	2,880
Poseidon	1971			10	40 KT ea	.3	2,880
Soviet Union:							
SS-N-4	1961	1			? MT	2.0	350
SS-N-5	1963	1			? MT	2.0	750
SS-N-6	1968	1			1 MT	1.5	1,750
Mod 3	1974		3		? KT ea	1.0	2,000
SS-N-8	1973	1			1 MT	.8	4,800

[1] U.S. Franklin, Madison, and Lafayette class submarines are armed with Poseidon SLBM's. George Washington and Ethan Allen class carry Polaris missiles. 3 Polaris boats presently are being converted to Poseidon. When that process is complete, the count will be 31 Poseidons and 10 Polaris submarines, total 41.

[2] Soviet D-II submarines are armed with 16 SS-N-8 SLBM's. D-I's have 12. Y-Class submarines have 16 SS-N-6 missiles. H and G-II models carry 3 SS-N-5 missiles. G-I submarines have 3 SS-N-4's.

Note: The 3 MRV's on each Polaris A-3 and SS-N-6 Mod 3 count as single warheads in this summary.

FIG 8.—STRATEGIC NUCLEAR BOMBERS: STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS

Aircraft	1970	1971	1972	1973	1974	1975	1976
Heavy bombers:							
United States, B–52	465	435	397	397	372	330	330
Soviet Union:							
Bear	100	100	100	100	100	100	100
Bison	40	40	40	40	40	35	35
Total	140	140	140	140	140	135	135
United States standing	+325	+295	+257	+257	+232	+195	+195
Modern medium bombers:							
United States, FB–111	4	66	66	66	66	66	66
Soviet Union, Backfiire	0	0	0	0	0	25	60
United States standing	+4	+66	+66	+66	+66	+41	+6
Grand total:							
United States	469	501	463	463	438	398	396
Soviet Union	140	140	140	140	140	160	195
United States standing	+329	+361	+323	+323	+298	+236	+201
Nuclear weapons:							
United States	2,226	1,762	1,842	1,206	1,462	1,658	2,058
Soviet Union	140	140	140	140	140	185	255
United States standing	+2,086	+1,622	+1,702	+1,066	+1,286	+1,473	+1,803

Bomber systems

	First deployed	Unrefueled combat radius (miles)	Bomb load (pounds)	ASM	Max speed (Mach)	Engines Nr	Engines Type
Aircraft:							
United States:							
B–52G	1959	[3] 3,385	60–70,000	SRAM	0.95	8	Jet.
FB–111	1969	1,550	13,500	SRAM	2.5	2	Jet.
Soviet Union:							
Bear	1956	3,900	40,000	AS–3 AS–4	.78	4	Piston.
Bison	1956	3,250	20,000		.87	4	Jet.
Backfire	1974	2,500	20,000	AS–4	2.5	2	Jet.

Supersonic air-to-surface missiles:	First deployed	Warhead yield	Range (miles)
United States:			
SRAM (W–69)	1972	200 KT	100
Soviet Union:			
AS–3 [1]	1961	1 MT	400
AS–4 [2]	1962	? KT	450
AS–6	1975	200 KT	155 lo, 500 hi

[1] AS–3 is commonly called Kangaroo.
[2] AS–4 is commonly called Kitchen.
[3] B–52G combat radius reflects maximum high altitude mission armed with average load of bombs and SRAM's. B–52H radius under those conditions is 4,060 nautical miles. FB–111 radius is with SRAM's only. The 1,550-mile combat radius would be reduced if the load were 13,500 lb of nuclear bombs.

Note: Bomber force loads vary according to assigned missions. U.S. weapons figures above were derived by subtracting ICBM/SLBM warheads from total loads published in DOD posture statements for fiscal year 1971–77. Soviet figures reflect 1 large bomb or ASM per Bear/Bison, and 2 ASM's per Backfire. No reserve weapons are counted on either side.

FIG. 9.—STRATEGIC OFFENSIVE FORCES—STATISTICAL RECAPITULATION

	1970	1971	1972	1973	1974	1975	1976
SYSTEMS							
United States:							
ICBM	1,054	1,054	1,054	1,054	1,054	1,054	1,054
SLBM	656	656	656	656	656	656	656
B–52	465	435	397	397	372	330	330
FB–111	4	66	66	66	66	66	66
Total	2,179	2,211	2,173	2,173	2,148	2,106	2,106
Soviet Union:							
ICBM	1,427	1,489	1,527	1,527	1,587	1,597	1,549
SLBM	289	401	497	589	669	757	842
Bear/Bison	140	140	140	140	140	135	135
Backfire	0	0	0	0	0	25	60
Total	1,856	2,030	2,164	2,256	2,396	2,514	2,586
U.S. standing	+323	+181	+9	−83	−248	−408	−480
WEAPONS							
United States:							
ICBM	1,074	1,274	1,474	1,754	2,112	2,154	2,154
SLBM	700	1,664	2,384	3,824	4,112	4,688	4,688
Total	1,774	2,938	3,858	5,578	6,224	6,842	6,842
Soviet Union:							
ICBM	1,427	1,489	1,527	1,527	1,587	1,928	2,109
SLBM	289	401	497	589	669	757	842
Total	1,716	1,890	2,024	2,116	2,256	2,685	2,951
U.S. standing	+58	+1,036	+1,834	+3,462	+3,968	+4,157	+3,891
Bombs/ASM's:							
United States	2,226	1,762	1,842	1,206	1,426	1,658	2,058
Soviet	140	140	140	140	140	185	255
U.S. lead	+2,086	+1,622	+1,702	+1,066	+1,286	+1,473	+1,803
Grand total:							
United States	4,000	4,700	5,700	6,784	7,650	8,500	8,900
Soviet Union	1,856	2,030	2,164	2,256	2,396	2,870	3,206
U.S. standing	+2,144	+2,670	+3,536	+4,528	+5,254	+5,630	+5,694

STRATEGIC DEFENSIVE COMPARISONS

American forces, people, and production base are naked to nuclear attack. A "vulnerability gap" of disputed proportions grows, because Soviet leaders stress defense, while U.S. leaders do not. End results eventually could erode our deterrent.[29]

Active defense

Statistical summaries of U.S. and Soviet active defenses are so nearly self-explanatory that a few words suffice. (See Graph 5 and Figures 10–11 at the end of this section).

Anti-Ballistic Missile Defense—

Ballistic missiles on both sides are essentially unopposed, because neither country has ever erected an extensive ABM shield. The Soviet Galosh system, which comprises 64 launchers in four sites around Moscow, could be easily saturated. A single U.S. Safeguard installation opened operations with 100 missiles in an ICBM field near Grand Forks, North Dakota in October 1975, but shut down one month later.[30]

Scientists on both sides still pursue credible ABM capabilities within confines imposed by the SALT I Treaty and subsequent Protocol. Those documents restrict development and deployments, but not basic research.[31] The stakes are high, because a breakthrough by either side could suddenly shift the strategic balance. There is no consensus in the U.S. intelligence community concerning Soviet progress in that regard, but their purpose appears unswerving.[32] Certainly, there is no conviction comparable to that in some influential U.S. circles, which believe defense degrades deterrence by making nuclear conflict seem a sensible choice, and true "victory" seem attainable.[33]

Air Defense—

Cutbacks in U.S. interceptor aircraft, begun in the 1960s, accelerated sharply after ABM was excised, on the supposition that "a major anti-bomber defense of CONUS [the Continental United States] without a comparable anti-missile defense . . . would not be a sound use of resources." [34] Surface-to-air missile (SAM) batteries, which once defended U.S. cities, have all but disappeared.[35] Point defenses are not presently possible.

To compensate, our Air Defense Command (ADCOM) now is compelled to supplement dedicated interceptors with F–4 fighters from the general purpose pool. Even so, the attrition of aging F–106s, still our first line of defense, will make it impossible to maintain even the present minimum number of alert sites in the late 1970s, unless F–4s join the Air National Guard as planned.[36]

Consequently, U.S. air defenders find it difficult to meet requirements of a watered down mission, which merely demands capabilities sufficient for "limited day-to-day control of U.S. airspace in peacetime," warning of possible bomber attacks, and enough surge strength to "deny any intruder a free ride." [37]

The Soviet Union, in stark contrast, has amassed the world's most impressive array of air defenses, which currently includes 2,700 interceptor aircraft and 12,000 SAMs. Numerical strengths are slightly smaller than they were in 1970, but sheer mass serves a useful purpose, even though half the inventory consists of items outmoded according to U.S. standards.

U.S. bombers fighting their way to targets therefore would face serious competition that cuts penetration prospects considerably.

Passive defense

Defense for Delivery Systems—

Pre-launch survival of U.S. nuclear delivery systems is predicated completely on passive defense. Fixed-site ICBMs, required to ride out any enemy first strike before retaliating, rely on hard silos to reduce initial attrition. Our bombers and SLBMs depend on mobility and dispersion.

Soviet passive protective measures are comparable, but security for land-based components in that country is enhanced considerably, because active defenses assist and U.S. second-strike concepts create a small threat.

Civil Defense—

Civil defense (CD) has received scant attention in the United States since the Cuban missile crisis.[38] Soviet stress on city evacuation and shelter programs reputedly is quite strong. Comprehensive programs provide incomplete but significant protection for the production base, as well as selected members of the population.[39]

Consequent asymmetries in U.S. and Soviet susceptibilities to nuclear attack cause increasing controversy.

Cassandras at one end of the spectrum contend that emerging Soviet abilities, abetted by detailed plans, psychological conditioning, and physical preparations, already degrade U.S. deterrence and place this country in peril.[40]

Princeton's Nobel Prize-winning nuclear physicist, Dr. Eugene P. Wigner, and Joanne S. Gallar, a Soviet civil defense specialist with Oak Ridge National Laboratory, speculate that crisis relocation procedures would limit Soviet fatalities to four or five percent during a general war, under worst-case conditions.[41] Official estimates indicate that almost half the American people would die under similar circumstances. Another 35 million would demand medical attention.[42] If those casualty ratios are reasonably correct, Wigner would be right in claiming "Assured Destruction has become a myth." [43]

Skeptics, whose ranks reportedly include the present Secretary of Defense,[44] draw less drastic conclusions.

Most concede that the Kremlin stresses city defense, but doubt that U.S. deterrence is in danger. Followers of one faction, for example, see the so-called civil defense gap as a spurious issue, because they believe that nuclear blasts can break through the best protection.[45] Others, whose opinions are widely shared, suspect that Soviet CD capabilities, while significant, are overstated.[46] U.S. over-reaction, they contend, could be just as ruinous as complacency.

Which claims are correct is still not clear.

The U.S. intelligence community accorded such a low priority to Soviet civil defense for so many years that crash efforts to estimate current effectiveness are inconclusive.[47] Classified studies, as well as open assessments, thus lack sufficient hard data and depth to support solid conclusions concerning Soviet strengths and weaknesses.

All the same, Cassandras and skeptics seem to agree that Soviet CD capabilities would considerably exceed our own if the Wigner-Gallar calculations were overstated by several hundred percent and U.S. casualty statistics were off by, say, half.

The upshot

Active and passive defenses in combination are beginning to create a survivability imbalance that favors the Soviet Union.

Assertions that the Soviets soon could survive a general war appear premature, but long-term consequences could be severe if the trend proceeds too far, particularly if accompanied by surprise Soviet breakthroughs in ASW or ABM (which presently seem possible, but not soon probable). Any amalgam that allowed the Soviets to evade Assured Destruction while America still could not would discredit this country's deterrent strategy based on mutual dangers.[48]

Strategic defense thus seems to merit close and continuous attention by individuals and agencies responsible for U.S. national security.

FOOTNOTES

[1] A sizable number of Air Force and Navy tactical aircraft, routinely earmarked for strategic nuclear missions, reinforce the U.S. triad. Four new families of nuclear weapons are now under development: air- and sea-launched cruise missiles (ALCMs, SLCMs), air-launched ballistic missiles (ALBMs), and land-mobile ICBMs.

This study uses the term strategic offensive and strategic retaliatory interchangeably, although U.S forces are for retaliatory purposes only, according to pronounced policy.

[2] For basic characteristics and implications of delivery systems by functional class, including those now in R&D stages (such as mobile CBM's), see Collins, John M., Strategic Nuclear Delivery Systems: How Many? What Combinations?, Washington, Congressional Research Service, October 7, 1974, p. 1–84. Future trends are addressed in Tinajero, A.A., Projected Strategic Offensive Weapons Inventories of the U.S. and U.S.S.R.: An Unclassified Estimate, Washington, Congressional Research Service, March 24, 1977. 180 p.

[3] Multiple reentry vehicles (MRVs) on any ballistic missile are similar to the pellets in a shotgun shell. They saturate a single target. Multiple independently targetable reentry vehicles (MIRVs) also are carried by a single missile, but engage several separate targets.

[4] Yields expressed in kilotons or megatons and accuracies expressed in circular errors probable (CEPs) are subject to considerable speculation. Unclassified documents universally agree on estimates for some U.S. and Soviet systems, but disagree on others. Thomas A. Brown cites three sources (Robert A. Leggett, Kosta Tsipis, and Edward Luttwak) in Missile Accuracy and Strategic Lethality, Survival, March/April 1976, p. 52–59. See also Downey, Thomas J., How to Avoid Monad—and Disaster, Foreign Policy, Fall, 1976, pp. 172–201.

[5] Ibid., pp. 54–55. Warhead lethality, derived from accuracy and yield, is expressed as K. More than 30 K reputedly is required to destroy a silo hardened to resist overpressures of 330 pounds per square inch (psi). About 50 K could crack one hardened to 500 psi. A 1,000 psi silo could survive a shock of almost 80 K. Titan II's largest warhead is rated at less than 20 K. Each MIRV on Minuteman III exerts about 8K. Several such weapons would be needed to neutralize the weakest Soviet silo.

[6] A unilateral U.S. statement associated with the 1972 SALT I interim agreement on the limitation of selected strategic offensive systems identified "heavy" ICBMs as those having "a volume significantly greater than that of the largest light ICBM", which then was the SS–11. Since no different definition has been formally adopted, this study considers SS–19s to be "heavies". They exceed SS–11s by about 60 percent in volume and 350 percent in payload capacity, which enables them to handle half a dozen MIRVs rated at roughly 200 KT each.

[7] Lethality (K) is directly proportional to yield and inversely proportional to CEP. Thus, increasing any weapon yield by a factor of eight produces just four times more lethal power. Reducing the same weapon's CEP by a factor of eight multiplies K 64

times. Improving accuracy *and* yield by factors of eight increases K 256 times.

[8] Schlesinger, James R., Report on the FY 1975 Defense Budget, p. 46.

[9] Solution to Counterforce: Land-Based Missile Disarmament, Public Interest Report, Federation of American Scientists, February, 1974, p. 1.

[10] The simulatenous explosion of two or more nuclear weapons over any target is almost impossible to plan. "Fratricide" occurs when blast, heat, or radiation from the first detonation destroys or deflects other warheads in the salvo. If successive shots delay until adverse conditions dissipate, slightly damaged silos can launch missiles through the resultant "window." McGinchley, Joseph J. and Seelig, Jakob W., Why ICBMs Can survive a Nuclear Attack, Air Force Magazine, September, 1974, p. 82–85.

[11] U.S. National Command Authorities are limited to the President, the Secretary of Defense, and their duly deputized alternates or successors.

[12] General David C. Jones, current Air Force Chief of Staff, contends that "it will be a long time before [the Soviets] could disarm the Minuteman force with any great assurance." His Director of Plans amplified that statement. "Any reasonably cautious Soviet planner or policy-maker contemplating a nuclear strike on the Minuteman force (which—if it failed—could result in the destruction of the power base of the Communist Party of the Soviet Union) would entertain the following sorts of doubts. . . . Would the Soviet missiles work with the reliability estimated from limited peacetime tests? Would there be previously undetected bias errors which degrade accuracy? Would the U.S. silos be 'harder' than anticipated? Would the surviving U.S. ICBMs in silos still possess sufficient destructive power to pose a significant threat to the Soviets because of their multiple warheads?" From letters to the author written by Major General Richard L. Lawson on August 17 and 21, 1976.

[13] Soviet ships, not counting coasters, carry more than 350 SS–N–3/SS–N–12 cruise missiles (SLCMs) that can be armed with nuclear warheads. Surface ships carry 56, submarines the remainder. Their effective range of 150–250 nautical miles makes them a potential threat to U.S. targets close to ocean shores, but their main mission seems to antishipping.

[14] The last three Polaris A–3 submarines being converted to Poseidon are still in shipyards. Those boats, with a total of 48 missile tubes aboard, count as Polaris A–3 in this study, no matter what their state of completion on December 31, 1976.

[15] In the past, U.S. ballistic missile submarines averaged 60 days on patrol and 30 days in port. Transit times to launch stations and return still take 2–10 days. depending on base locations. Improved boats, better maintenance procedures, and longer range missiles will enable each Polaris/Poseidon boat to stay on station for longer periods, but a sizable percentage must always be in port for repair and crew rest. The same will be true for Trident.

[16] Brown, George S., United States Military Posture for FY 1976, Washington, The Joint Chiefs of Staff, 1976, p. 23–24.

[17] Soviet SS–N–X18s are being tested in a MIRV mode with about three warheads. Their estimated range is 4,600 miles. The SS–N–X17, with a range of roughly 2,000 miles, has not yet been tested with MIRVs, but may have such a capability. Rumsfeld, Donald H., News Conference at the Pentagon, September 27, 1976, p. 4. See also Russians Test New Submarine Missile, Chicago Tribune, November 24, 1976, p. 2.

[18] Related problems were reviewed earlier in the sub-section on ICBMs, including Notes 5 and 7.

[19] Statistics in this section refer only to unit equipment (UE) aircraft. Those in storage, being cannibalized, or used for training purposes do not count. Significant numbers of U.S. land- and carrier-based tactical aircraft that act as strategic nuclear auxilliaries are also excluded. Soviet forces have no counterparts.

[20] About 75 B–52Ds, delivered to SAC in 1957, still were assigned in December, 1976, according to Air Force staff officers. The last B–52H models entered service in 1962.

[21] Covault, Craig, B–52 Training Stresses Timing, Realism, Aviation Week and Space Technology, May 10, 1976, p. 127.

[22] Annual Air Force Almanac Issue, Air Force Magazine, May, 1976, p. 123.

[23] Ibid., p. 112.

[24] U.S. Congress. House. Hearings by the Research and Development Subcommittee of the Armed Services Committee on FY 1977 Authorization. Part 5. Washington, U.S. Govt. Print. Off., 1976, p. 239.

[25] Second Annual Soviet Aerospace Almanac, Air Force Magazine, March, 1976, p. 94–95, 105.

[26] Ibid., p. 95–96, 105. See also Tinajero, A. A., The Soviet Backfire Bomber, Washington, Congressional Research Service, November 24, 1975. 3 p.

Backfire's capabilities and limitations still cause controversies that will not likely be soon resolved. (See Part I for one example.)

[27] ICBMs presently carry 70 percent of all Soviet warheads. That share could increase to 90 percent or more if SS–19 deployments are large and SS–18s mount maximum MIRVs. By way of contrast, U.S. ICBMs carry fewer than a fourth of our strategic nuclear weapons.

[28] Soviet SLBMs, with flight times of 6 to 10 minutes if fired close to U.S. coasts, might catch some of SAC's aircraft on strip alert, but still lack sufficient accuracy/yield combinations to crush concrete silos. Soviet ICBMs, which take about 30 minutes to reach targets, pose greater threats to American land-based missiles, but would allow authorities ample time to launch bombers. Scheduling problems of that sort are close to insoluble.

[29] Relationships between deterrence and deterrence and defense, in principle and practice, are described in U.S. Congress. Senate Document 94–268, United States and Soviet City Defense: Considerations for Congress, a study prepared by the Congressional Research Service, Washington, U.S. Govt. Print. Off., 1976, p. 3–26.

[30] Rumsfeld, Donald S., Annual Defense Department Report for FY 1977, p. 70, 91.

[31] In accord with the 1972 SALT I ABM Treaty, the United States and Soviet Union renounced rights to erect area defenses of respective homelands, and agreed that point defenses should comprise no more than two complexes of 100 ABM launchers and missiles each, sited to cover an ICBM field and the capital city. A Protocol signed in 1974 reduced that authorization to one complex in each country. For verbatim texts, see United States and Soviet City Defense, p. 66–71.

[32] Personal conversation between the author and DIA officials on April 22, 1976.

[33] Erickson, John, Soviet Military Power, Report No. 73–1, Washington, United States Strategic Institute, 1973, p. 42, 45, 47, 49; Wolfe, Thomas W., Soviet Power and Europe, 1945–1970, Baltimore, The Johns Hopkins Press, 1970, p. 186, 439–440.

[34] Rumsfeld, Donald H., Annual Defense Department Report for FY 1977, p. 88.

[35] Four Nike-Hercules and eight Hawk batteries in Florida currently are under operational command of ADCOM, but are available for overseas deployment. Three additional Nike-Hercules batteries are positioned in Alaska.

[36] Rumsfeld, Donald H., Annual Defense Department Report for FY 1977, p. 70; J–5 comments on the draft of this study, March 4, 1977.

[37] Ibid.

[38] United States and Soviet City Defense, p. 88–91 contains a concise summary.

[39] Ibid., p. 15–17.

Representative Soviet writings on the subject include Yegorov, P.T., Shiyakhov, I.A., and Albin, N.I., Civil Defense: A Soviet View. Translated and Ed. by Oak Ridge National Laboratory. Published under auspices of the U.S. Air Force, Washington, U.S. Govt. Print. Off., no date. 374 p; and Titov, N.M., Legorov, P.T., Gayko, B.A., and others, Civil Defense. Translated and ed. by G.A. Cristy, Oak Ridge National Laboratory, (Document ORNL–TR—2845), July, 1975 118 p.

Unclassified U.S. studies include Gouré, Leon, War Survival in Soviet Strategy, Center for Advanced International University of Miami, 1976, 218 p.; Industrial Survival and Recovery After Nuclear Attack: A Report to the Joint Committee on Defense Production, U.S. Congress. Seattle, The Boeing Aerospace Company, November 18, 1976, 81 p.; and U.S. Congress. House. Civil Defense Review, Hearings by the Civil Defense Panel of the Subcommittee on Investigations of the Committee on Armed Services. 94th Congress, 2d Session. Washington, U.S. Govt. Print. Off., 1976, 428 p.

[40] Conrad V. Chester, Leon Gouré, T.K. Jones, Paul H. Nitze, and Harriet Fast Scott are among authoritative students of Soviet civil defense. All generally concur (as Jones put it before the Joint Committee on Defense Production in November, 1976) that "Soviet preparations substantially undermine the concept of deterrence that forms the cornerstone of U.S. security."

[41] Gallar, Joanne S. and Wigner, Eugene P., Civil Defense in the Soviet Union, Foresight, May–June, 1974, p. 10; see also Wigner's original estimate in The Myth of Assured Destruction, Survive: An American Journal of Civil Defense, July-August, 1970, p. 2–4.

[42] U.S. Congress. Senate. Analyses of Effects of Limited Nuclear Warfare. Committee Print. Prepared for the Subcommittee on Arms Control of the Committee on Foreign Relations, Washington, U.S. Govt. Print. Off., 1975, p. 112, 119; Post Nuclear Attack Study (PONAST) II briefing prepared by Studies Analysis and Gaming Agency, Joint Chiefs of Staff, May 23, 1973.

[43] Wigner, Eugene P., The Myth of Assured Destruction, p. 4.

[44] Gillette, Robert, Incoming Defense Chief Skeptical of Soviet Civil Shelter Reports, Los Angeles Times, December 27, 1976, p. 15.

[45] La Rocque, Gene R., Danse Macabre in a Divided Ballroom, New York Times, Oc-

tober 14, 1976, p. 37; see also The New Nuclear Strategy: Battle of the Dead? Defense Monitor, Washington, Center for Defense Information, July, 1976, 8 p.

[46] Aspin, Les, Soviet Civil Defense: Myth and Reality, Arms Control Today, September, 1976, p. 1–4.

[47] Bradsher, Henry S., Civil Defense Plans Compared, Washington, Star, November 9, 1976, p. 2.

[48] A case could be built for more and bigger U.S. ballistic missile, more MIRVs, and MaRV if the Soviets deployed a credible ABM system and/or secured major elements of the population and production base in hard shelters. Deterrence would be well served, because U.S. weapons that survived a first strike would be numerous enough and possess sufficient lethal power to saturate defenses and ensure Assured Destruction.

FIG. 10.—STRATEGIC DEFENSIVE MISSILE SYSTEMS—STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS

	1970	1971	1972	1973	1974	1975	1976
ABM LAUNCHERS							
United States	0	0	0	0	0	100	0
Soviet Union	64	64	64	64	64	64	64
U.S. standing	−64	−64	−64	−64	−64	+36	−64
SAM LAUNCHERS[1]							
United States:							
Active:							
Hawk:							
Launchers	(288)	(288)	(288)	(288)	(288)	(288)	(288)
3 arms each	864	864	864	864	864	864	864
Nike Hercules	792	504	504	504	126	126	126
Bomarc	196	196	84	0	0	0	0
Total	1,852	1,564	1,452	1,368	990	990	990
National Guard: Nike Hercules	684	486	486	486	0	0	0
Grand total	2,536	2,050	1,938	1,854	990	990	990
Soviet Union:							
SA–1	3,200	3,200	3,200	3,200	3,200	3,200	3,200
SA–2	4,600	4,500	4,300	4,100	3,700	3,500	3,400
SA–3							
Launchers	(900)	(1,000)	(1,100)	(1,100)	(1,150)	(1,200)	(1,300)
Rails	1,800	2,000	2,200	2,600	3,100	3,500	3,700
SA–5	1,100	1,200	1,300	1,400	1,500	1,600	1,800
Total	10,700	10,900	11,000	11,300	11,500	11,800	12,100
U.S. standing	−8,164	−8,8580	−9,062	−9,446	−10,510	−10,810	−11,110

	System characteristics					
	First deployed	Number of rails, arms	Type warhead	Slant range (miles)	Combat ceiling (feet)	Launch site
United States:						
Hawk	1960	3	HE	25	Lo–Med	Mobile.
Nike Hercules	1958	1	HE, Nuke	100	100,000	Fixed.
Bomarc	1958	1	HE, Nuke	200–400	70,000	Fixed.
Soviet Union:						
ABM: Galosh	1964	1	Nuke	200		Fixed.
SAM:						
SA–1	1956	1	HE			Fixed.
SA–2	1958	1	HE	25	Med—80,000	Fixed.
SA–3		2, 4	HE	18	Lo—40,000	Mobile.
SA–5	1963	1	HE	50–150	95,000	Fixed.

[1] All Hawk launchers have 3 arms. SA–3's originally had 2 rails, but some were deployed with 4 rails, beginning in 1973. Each arm/rail holds 1 missile.

54 Nike-Hercules launchers now are in Alaska. All other U.S. SAM's are in Florida, on call, but out of position to deal with surprise attacks.

Notes: An improved version of SA–3, first displayed in 1967, may have a nuclear warhead. A 4-rail version of SA–3 began replacing the standard 2-rail system beginning in 1973.

SA–4 and SA–6 through SA–9 all are tactical missiles associated with battlefield air defense. So are many Hawk and Nike-Hercules. Those weapons are excluded from this summary, although some Soviet launchers could contribute to strategic defense if properly positioned at appropriate times. So could air defense artillery.

FIG. 11—STRATEGIC DEFENSIVE INTERCEPTORS: STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS

	1970	1971	1972	1973	1974	1975	1976
United States:							
Active:							
F–106	207	199	162	126	120	115	114
F–102	58	14	16	5	0	0	0
F–101	56	1	4	3	0	0	0
Total	321	214	182	134	120	115	114
National Guard:							
F–106	0	0	33	67	68	90	90
F–102	255	192	157	172	167	44	19
F–101	45	110	102	107	117	122	134
Total	300	302	292	346	352	256	243
Grand total	621	516	474	480	472	371	357
Soviet Union:							
MIG–17	1,000	800	650	400	200	150	100
MIG–19	350	350	350	300	200	200	150
MIG–23	0	0	0	0	0	0	100
MIG–25	0	50	100	150	200	200	300
SU–9	750	750	750	750	750	700	650
SU–15	400	550	550	600	650	850	860
TU–28	150	150	150	150	150	150	150
YAK–25	200	100	50	0	0	0	0
YAK–28	350	350	350	350	350	350	350
Total	3,200	3,100	2,950	2,700	2,500	2,600	2,700
United States standing	−2,579	−2,584	−2,476	−2,220	−2,028	−2,229	−2,343

	Aircraft characteristics					
	First deployed	Nr jet engines	Combat radius [1] (miles)	Max speed (Mach)	Typical armament	
					Guns	Missiles
United States:						
F–106	1959	1	600	2.0	0	4 AIM–4F/G, 1 AIR–2.
F–102	1959	1	450	1.5	0	3 AIM–4C/D, 1 AIM–26.
F–101	1958	2	400	1.8	0	2 AIM–4D, 2 AIR–2.
Soviet Union:						
MIG–17	1953	1	360	Subsonic	0	4 Alkali.
MIG–19	1955	2	425	1.0	3X30mm	4 Alkali.
MIG–23	1972	1	550	2.5	Gatling	or 4 missiles.
MIG–25	1965	2	700	3.2	0	4 Acrid.
SU–9	1959	1	685	2.2	0	4 Alkali.
SU–15	1967	2	450	2.5	0	2 Anab.
TU–28	1966	2	----------	1.7	0	4 Ash.
YAK–25	1953	1	----------	Subsonic	2X37mm	2 missiles.
YAK–28	1961	2	575	1.1	0	2 Anab.

	Air-to-air missile/rocket characteristics					
	First deployed	Guidance	Range (miles)	Speed (Mach)	Warhead	
					Type	Yield
United States:						
Rockets:						
AIR–2	1957	None	6	3.0	Nuclear	1.5 KT.
Missiles:						
AIM–4C, D	1956	Infrared	6	2.0	HE	
AIM–4F, G	1960	Radar	7	2.5	HE	40 lb.
AIM–26A	1960	Radar	5	2.0	Nuclear	
AIM–26B	1963	Radar	5	2.0	HE	
Soviet Union:						
Acrid	1975	Radar, IR	23	2.2	HE	
Alkali		Radar	3.7–5	1–2	HE	
Anab	1961	Radar, IR	5–6.2	----------	HE	
Ash		Radar, IR	18	----------	HE	

[1] Combat radius is with external fuel tanks.

Note: MIG–23 and MIG–25 are the only interceptor aircraft presently being produced for Soviet air defense squadrons. 3 squadrons of Canadian F–101's, which total about 44 aircraft, are assigned to North American Air Defense Command (NORAD). They complement U.S. capabilities by covering northern approaches to the United States, which strengthens defense-in-depth. 36 United States F–4's are dedicated to strategic air defense, but none are in CONUS; 24 are in Alaska 12 in Iceland. Figures above reflect Unit Equipment (UE) aircraft only.

Part IV. General Purpose Forces

Important U.S. Missions

The most important single mission of U.S. general purpose forces is to help NATO allies deter, and if need be defeat, Soviet armed aggression in Europe. Our Army and tactical air power are tailored primarily to meet that threat. Marine and Navy needs are more global in nature, but preserving open sea lanes for NATO takes a high priority.

Simultaneously, without undercutting deterrent capabilities in Europe, America's armed forces should be sufficient to discourage Soviet aggression elsewhere, if it endangers U.S. security; deal with such ventures if they do develop; and cope with selected contingencies caused by other countries, when U.S. decision-makers deem armed forces advisable. Robbing Peter to pay Paul, as we did during the Vietnam and Yom Kippur Wars, intensifies risks in Western Europe, where we can ill afford it.

Coverage herein consequently assesses total U.S. and Soviet general purpose forces, service by service, with the focus on flexibility. Regional interactions are reviewed in Part VI, which includes NATO and Warsaw Pact partners.

Ground Forces

Preponderant ground combat power on both sides is invested in armies. Marines and naval infantry provide supplemental strength, but are considered separately in this section, because their main missions and methods of operation are special.

Armies

A mammoth conscript army is the traditional source of Soviet general purpose strength. Other services are subsidiary, despite the emergence of a modern air force and navy. The much smaller U.S. Army currently consists of volunteers. Quantitative gaps that favor the Soviet Union are great in nearly every category.

Comparative Manpower.—Armies everywhere are still manpower intensive, even in this mechanized age. Active deployable personnel strength displayed in Figure 12 thus are very significant.[1]

U.S. Army rolls, drastically reduced by retrenchment after the Vietnam War, bottomed out at 420,000 in 1972, then began to recover by swapping overhead for sinew within a constant ceiling.[2] Still, Soviet increases during this decade cause the net U.S. loss to total almost half a million men. Soviet personnel, less command/support, now outnumber our own by more than three-to-one (1,725,000 to 505,000).

Comparative Firepower.—Firepower statistics in Figure 13 speak for themselves. Soviet quantitative superiority stands in stark relief. Qualities are competitive with (sometimes superior to) U.S. counterparts. A new main battle tank, a fine armored fighting vehicle (the BMP), a family of field army air defense weapons, and several artillery pieces, two self-propelled, are being deployed at rather rapid rates. Our Army's much-discussed main battle tank, mechanized infantry combat vehicle (MICV), and Patriot air defense system are still in gestation.

The prognosis, however, is incomplete, despite Soviet progress. U.S. precision-guided munitions and mobile anti-tank missiles are causing disputes in the U.S.S.R., where some writers contend that such technologies threaten certain aspects of Soviet armored doctrine.[3] Talk continues, but tactical changes thus far have been slight.

Major Maneuver Units.—Any army's cutting edge comprises maneuver units, of which divisions most affect the U.S./Soviet military balance. (See Figure 14.)

Ready Divisions.—The U.S. Army never exceeded 16 active divisions since 1970. A maximum of about 19 might be attained if All-Volunteer Force recruiting standards were relaxed or incentives raised.[4]

Four Army divisions lack one regular brigade. Others lack one or more active maneuver battalions. Division readiness is unavoidably reduced, even though reserve components "roundouts" receive priority treatment and train part time with parent units.[5]

A fourth of our active divisions are stationed in western Europe as part of NATO's on-site deterrent. Three in CONUS are earmarked to reinforce that force in emergency.[6] One is in Korea. Perhaps six in the United States should serve as a rotation base for troops returning from overseas.[7] Thus, only two divisions (one in CONUS, one in Hawaii) are free for contingency purposes without spreading the force very thin or federalizing parts of the National Guard.[8]

In contrast, 55 Soviet Category I divisions are kept at 75–100 percent of top personnel strength, with complete equipment. Another 49 in Category II maintain average manning levels of about 60 percent. All officers, noncommissioned officers (NCOs), and key specialists are on tap to train as teams. Material shortages are minor. Experienced fillers thus can bring 104 divisions close to full strength very quickly.[9]

Capabilities in the recent past have been buttressed considerably by beefing up manpower and firepower. Each tank division has 1,000 more men than in 1970, mainly mechanized infantry. Motor rifle divisions each have been bolstered by 2,000 troops and 67 tanks. Both types are buttressed with additional artillery, some of it self-propelled. Personnel strengths stay small compared with U.S. counterparts, but striking power is potent.[10]

Nevertheless, the reservoir of Soviet ready divisions is reduced by restrictions much like our own.

Twenty-five Category I divisions abut the Czech and East German borders. Maybe 46 more, including Cat II, are sited in Hungary, Poland, and European Russia as Warsaw Pact reinforcements. Another mix of 20 or more man the Chinese frontier.[11] Some guards divisions around major cities, like Moscow and Leningrad, never move far from home stations. Perceived requirements, of course,

Footnotes at end of article.

could change, but fewer than 12 out of 104 ready divisions are currently uncommitted.

First-Line Reserves.—Since most U.S. and Soviet ready divisions are tied to continuing tasks, first-line reserves fulfill a crucial function.[12]

Eight Army National Guard (ARNG) divisions comprise the U.S. complement.[13] That number has stayed constant since 1968. Fifteen separate brigades and three armored cavalry regiments not affiliated with active division roundout or augmentation programs complete the list of major maneuver units in the U.S. reserve.

ARNG infantry divisions, as a general rule, would require 10 weeks of intensive preparation *before* being fully ready to fight, although deployment might take place a month earlier in emergency. Post-mobilization training for armored and mechanized divisions would take almost four months, if tank gunners and signal troops in particular were allowed time to attain proficiency. Minimum combat standards could be achieved in nine or ten weeks.[14] Any National Guard division, however, could replace Regular Army forces in CONUS soon after entering federal service.

Nothing in the Soviet inventory is really comparable to our National Guard.

Twenty-some-odd so-called "mobilization divisions", not carried on active order of battle lists, could fill in 30 days, but manning levels now are minimal (200–300 men), stocks are in dead storage; and training would take several months.[15]

Sixty-five Category III divisions come closer to corresponding with U.S. reserve components, although all have substantial active elements. The best are at about one-third strength. The poorest are simply cadres, that total 10 percent. Combat equipment is almost complete, if elderly items count. Severe transport shortages would be solved in crises by taking trucks from the civil economy.[16]

Most such divisions, being stationed in densely populated regions with many reservists, could fill in about three days. Delays would be longer for those that rely on distant replacements. Redeployment to relieve Category I and II divisions in static sectors could commence as soon as units were up to strength, but considerable cramming would be required to create cohesive divisions.[17] Total elapsed times would be directly proportionate to training standards and percentages on active duty.

The Soviet aggregate, eight times larger than our National Guard, allows the Kremlin latitude not available to U.S. leaders. Perhaps 20–25 Cat III divisions stand guard along the Sino-Soviet frontier,[18] a few more in the far south. The remaining 40–45 are first-line reserves.

Marines and naval infantry

The main mission of U.S. Marines is to seize and secure hostile coasts by amphibious assault, but the Corps is capable of sustained operations ashore, independently or in concert with our Army, if assisted logistically.[19]

Active ground force components comprise 70,000 men in three divisions that are backed by extensive combined arms combat and service support. (See Figures 12–14).

Three divisions are positioned to cope promptly with assorted global contingencies and, after assembly, could contribute significantly to U.S. deterrent/defense capabilities vis-a-vis the Soviet Union. If those forces were committed, the Marine's reserve division/wing team would provide the sustaining base.[20]

Soviet naval infantry, with a total strength of 12,000, compose five regiments of fewer than 2,000 men each. As currently constituted, with minimum fire support and not much staying power, they are suitable mainly for small-scale raids and conventional operations against second-class opponents.[21]

Combined flexibility

U.S. active ground combat power, pooled with that of allies, presently serves deterrent purposes in Northeast Asia and NATO Europe. Five divisions (two Army, three Marine) are free to contend concurrently with contingencies elsewhere, if the situation stays stable in those theaters. Additional "brush fires" adverse to American interests would burn beyond our control, unless we called up reserves. Such action, however, could dilute essential U.S. deterrent powers by reducing abilities to reinforce rapidly at either point of primary decision.

Soviet flexibility superficially seems more favorable. As matters now stand, Moscow has more than 50 divisions in strategic reserve, including 10 that are combat ready.

None, however, have recently been deployed beyond Soviet borders, except in satellite states, and abilities to sustain large-scale forces on far foreign shores are subject to serious question.[22] Proxies, including Cubans, take their place.

The likelihood thus seems low that Soviet divisions will be used for distant initiatives in the short-range future. Immense impediments inhibit employment in hot spots, such as the Middle East.[23] Huge Soviet reserves consequently bolster Warsaw Pact capabilities, as assessed in Part VI, but bear less on the global balance.

Footnotes at end of article.

FIG. 12.—GROUND FORCES, DEPLOYABLE MANPOWER

[In thousands]

	1970	1971	1972	1973	1974	1975	1976
United States:							
Army	684	594	420	477	451	485	505
Marines	85	66	62	65	65	70	70
Total	769	660	482	542	516	555	575
Soviet Union:							
Army	1,450	1,510	1,570	1,650	1,700	1,720	1,725
Naval infantry	10	10	10	11	11	12	12
Total	1,460	1,520	1,580	1,661	1,711	1,732	1,737
U.S. standing:							
Army	−766	−916	−1,150	−1,173	−1,249	−1,235	−1,220
Marines/Naval infantry	+75	+56	+52	+54	+54	+58	+58
Total	−691	−860	−1,098	−1,119	−1,195	−1,177	−1,162

Note: U.S. Army strengths include field commands and mission-oriented base operating support. Marine air wings are excluded. Soviet forces exclude command and general support forces.

FIG. 13.—GROUND FORCE FIREPOWER—STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS

	1970	1971	1972	1973	1974	1975	1976
ARMY							
Heavy and medium tanks:							
United States	9,520	10,180	9,435	8,430	8,400	5,195	6,265
Soviet Union	38,000	39,000	39,500	40,500	42,000	42,000	42,000
U.S. standing	−28,480	−28,820	−30,065	−32,070	−33,600	−36,805	−35,735
Light tanks:[1]							
United States	1,600	1,600	1,600	1,575	1,575	1,570	1,570
Soviet Union	3,000	3,000	3,000	3,000	3,000	3,000	3,000
U.S. standing	−1,340	−1,400	−1,400	−1,425	−1,425	−1,430	−1,430
APC/AFV:[2]							
United States	11,875	13,000	11,860	11,775	10,510	10,480	11,245
Soviet Union	30,000	30,000	30,000	35,000	35,000	38,000	38,000
U.S. standing	−18,125	−17,000	−18,140	−23,225	−24,490	−27,520	−26,755

FIG. 13.—GROUND FORCE FIREPOWER—STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS—Continued

	1970	1971	1972	1973	1974	1975	1976
Artillery:							
United States	6,885	6,635	5,840	5,540	4,710	4,625	4,885
Soviet Union	16,000	16,500	17,000	18,500	18,500	19,000	19,000
U.S. standing	−9,115	−9,365	−11,160	−12,960	−13,790	−14,375	−14,115
Antitank guided missiles:							
United States	2,710	12,080	21,840	33,235	45,015	63,235	72,555
Soviet Union	4,500	4,700	4,800	5,000	5,500	6,000	6,000
U.S. standing	−1,790	+7,380	+17,040	+28,235	+39,515	+57,235	+66,555
U.S. MARINES							
Medium tanks	175	175	175	175	175	175	175
LVTP's	330	330	525	525	525	525	525
Artillery	250	250	250	250	270	270	270
Antitank Missiles	0	0	----------	0	0	0	70
Soviet Naval Infantry:							
Light tanks	140	140	175	175	175	200	200
APC/AFV	500	500	500	600	600	750	750
Heavy mortars	120	120	150	150	150	180	180
Antitank missiles	60	60	75	75	75	90	90
Grand totals:							
Medium tanks:							
United States	9,695	10,355	9,610	8,605	8,575	5,370	6,440
U.S.S.R.	38,000	39,000	39,500	40,500	42,000	42,000	42,000
U.S. status	−28,305	−28,645	−29,890	−31,895	−33,425	−36,630	−35,560
APC/AFV/LVTP's:							
United States	12,205	13,300	12,330	12,245	10,890	10,950	11,715
U.S.S.R.	30,500	30,500	30,600	35,600	35,600	38,750	38,750
U.S. status	−18,295	−17,170	−18,270	−23,355	−24,620	−27,800	−27,035
Artillery:							
United States	7,135	6,885	6,090	5,790	4,980	4,895	5,155
U.S.S.R.	16,000	16,500	17,000	18,500	18,500	19,000	19,000
U.S. status	−8,865	−9,615	−10,910	−12,710	−13,520	−14,105	−13,845
Antitank missiles:							
United States	2,710	12,080	21,840	33,235	45,015	63,235	72,625
U.S.S.R.	4,560	4,760	4,875	5,075	5,575	6,090	6,090
U.S. status	−1,850	+7,320	+16,965	+28,160	+39,440	+57,145	+66,535

U.S. system characteristics [3]

	First deployed	Combat weight (tons)	Road speed (mph)	Range (miles)	Primary arm: Type	Primary arm: Effective range (meters)	Crew/ passengers	CBR protection
Armor:								
Medium tanks:								
M-48A3	1963	52	30	310	90 mm	900	4	No.
M-60A2	1971	57	30	280	152 mm	Classified	4	No.
M-60A1, A3	1961, 1976	53	30	310	105 mm	4,400	4	No.
Sheridan	1966	17	43	375	152 mm	Classified	4	No.
APC/LVTP:								
M-113	1962	12	40	300	50 cal. MG	1,000	1/8	No.
LVTP-7	1972	25	40	300	50 cal. MG	1,000	3/25	No.

	Type	Transport	Max effective range (meters)	Nuclear capable
Artillery:				
175 mm	Gun	SP	32,800	No.
8-in M-110	How	SP	16,800	Yes.
155 mm M-109A1	How	SP	18,000	Yes.
155 mm M-114	How	Towed	14,600	Yes.
105 mm M-101	How	SP	11,500	No.
105 mm M-102	How	Towed	11,000	No.

	Type	Caliber (inches)	Max effective range (meters)	Guidance	Weight (pounds)	Crew
Antitank guided missiles:						
Dragon	Medium	5.0	1,500	Wire	30.5	1
TOW	Heavy	5.8	3,000	Wire	228.0	4

Soviet system characteristics

	1st deployed	Combat weight (tons)	Road speed (mph)	Range aux tanks (miles)	Primary arm: Type	Primary arm: Effective range (meters)	Crew/ passengers	CBR protection
Armor:								
Medium tanks:								
T-72	1975	40	30	----------	{122mm?, {115 mm?	2,000+ / 1,500	3	Yes.
T-62	1962	40	30	310	115 mm	1,500	4	Yes.
T-55	1961	40	30	375	100 mm	1,000	4	Yes.
Light tanks: PT-76	1952	14	28	260	76 mm	1,000	3	No.

FIG. 13.—GROUND FORCE FIREPOWER—STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS—Continued

	Soviet system characteristics							
					Primary arm			
	1st deployed	Combat weight (tons)	Road speed (mph)	Range aux tanks (miles)	Type	Effective range (meters)	Crew/ passengers	CB protection
APC/AFV:								
BTR-152	1959	9	45	390	None		19	No.
BTR-50P	1957	15	25	170	None		22	Yes.
BTR-60P	1961	10	48	300	None		16	Yes.
BMP	1967	14	40	240	73 mm	1,000	11	Yes.
					Sagger AT	3,000		

Artillery:	Type	Transport	Max effective range (meters)	Nuclear capable
203.2 mm	Gun/How	Towed	27,000	Yes.
180 mm	Gun	Towed	30,000	?
152 mm	Gun/How	Towed	17,000	?.
152 mm	Gun	SP	16,500	?.
130 mm	Gun	Towed	27,000	No.
122 mm	How	SP	15,300	No.
122 mm	How/AT	Towed	13–18,000	No.
100 mm	How/AT	Towed	8,500	No.

Antitank guided missiles:	Type	Caliber (inches)	Max effective range (meters)	Guidance	Weight (pounds)	Number rails
Sagger	Medium	5.5	3,000	Wire	25	1 on BMP, 6 on BRMD.
Swatter	Heavy		2,500	Radio	45	Always 4.

[1] U.S. light tanks indicate Sheridan armored assault vehicles.
[2] Armored Personnel Carriers (APC) and Armored Fighting Vehicles (AFV) include wheeled and tracked vehicles.
[3] LVTP speed in water is 7.5 knots; endurance at sea 15 hours. Where several models of a system are deployed, this chart lists characteristics only of those versions which are most numerous.
Note: The United States has no counterparts for about 10,000 Soviet heavy mortars.

FIG. 14—GROUND FORCE MANEUVER UNITS: STATISTICAL TRENDS AND DIVISION CHARACTERISTICS

	1970		1971		1972		1973		1974		1975		1976	
ACTIVE/ARNG, USMCR														
Divisions:														
United States:														
Armor	4	2	3	2	3	2	3	2	3	2	4	2	4	2
Mechanized	4	1	4	1	4	1	4	1	4	1	4	1	5	1
Infantry	5	5	3	5	3	5	3	5	3	5	4	5	5	5
Airmobile	2	0	1	0	1	0	1	0	1	0	1	0	1	0
Airborne	1	0	1	0	1	0	1	0	1	0	1	0	1	0
Tricap	0	0	1	0	1	0	1	0	1	0	0	0	0	0
Total	16	8	13	8	13	8	13	8	13	8	14	8	16	8
Marine	3	1	3	1	3	1	3	1	3	1	3	1	3	1
Grand total	19	9	16	9	16	9	16	9	16	9	17	9	19	9
CATEGORY I–II/CATEGORY III														
Soviet Union:														
Tank	43	3	44	3	44	3	44	3	44	3	44	3	44	3
Motor rifle	51	53	53	53	55	55	55	59	53	61	53	61	53	61
Airborne	7	0	7	0	7	0	7	0	7	0	7	1	7	1
Total	101	56	104	56	106	58	106	62	104	64	104	65	104	65
United States standing	−85	−48	−91	−48	−93	−50	−93	−54	−91	−56	−90	−57	−88	−57
Grand total:														
United States	28		25		25		25		25		26		28	
U.S.S.R.	157		160		164		164		168		169		169	
United States standing	−129		−135		−139		−139		−143		−143		−145	
Brigades:														
United States:														
ACTIVE/RESERVE COMPONENT														
Brigades:														
United States:														
Division roundout	0	0	0	0	0	1	0	2	0	1	0	3	0	4
Division augment	0	0	0	0	0	0	0	0	0	4	0	4	0	4
Separate	7	21	7	21	5	20	4	19	3	17	4	15	5	15
Total	7	21	7	21	5	21	4	21	3	22	4	22	5	23
Grand total	28		28		26		25		26		25		28	
Soviet Union	0		0		0		0		0		0		0	
United States standing	+28		+28		+26		+25		+25		+26		+28	
NATIONAL GUARD														
Regiments:														
United States: Armored Calvary	5	4	4	4	3	4	3	4	3	4	3	3	3	3
ACTIVE														
Soviet Union: Naval Infantry	5		5		5		5		5		5		5	

Footnotes at end of table.

	Division characteristics					Maneuver battalions			
	Personnel strength	Medium tanks	Armored carriers	Artillery pieces	Antitank missiles	I	T	M	Total
United States:									
Army:									
Armor	16,500	324	450	66	376	0	6	5	11
Mechanized	15,875	270	490	66	422	0	4	6	10
Infantry	15,875	54	120	76	366	8	1	1	10
Airborne	15,150	0	0	54	417	9	1	0	10
Airmobile	17,950	0	0	54	372	9	0	0	9
Marine	19,830	70	187 LVTP's	102	72	9	1	0	10
Soviet Union:									
Tank	9,500	325	150	80	105	0	10	3	13
Moto Rifle	12,000	255	375	110	135	0	6	9	15
Airborne	8,000	0	100	54	145	9	0	0	9

Note: U.S. Marine division depicted includes personnel and weapons attached from Force Troops. U.S. light antitank weapons (LAW's) and Soviet rocket-propelled grenades (RPG-7's) are excluded. Soviet antitank missiles include about 100 on BMP armored carriers in each type division. For maneuver battalions, I=infantry; T=tank; M=mechanized.

LAND-ORIENTED TACTICAL AIR POWER

Dissimilar strategies, geographic circumstances, and technologic competence have caused U.S. and Soviet tactical air combat power to develop along different lines that left our rival disadvantaged.

Assorted U.S. assets, positioned in allied countries or on aircraft carriers, possess global capabilities that can be supplemented swiftly with responsive reserves. Assigned missions span a wide spectrum.[24]

The Soviet side, dedicated to home defense in past decades, is still made up mainly of special-purpose aircraft designs merely modified since the 1950s and early 1960s. A modern force is emerging, but transition at current rates will continue into the mid-1980s.

High-performance combat forces

The degree to which tactical air forces help deter or defeat opponents ashore depends on abilities to attain air superiority over key contested areas, cut off enemy supplies/reinforcements, and furnish close support for ground forces. U.S. resources are structured to accomplish those tasks under a range of conditions. The Soviets are confined.

Land-Based Fighters and Medium Bombers—Forward-based fighters of the U.S. Air Force provide America's primary land-based air power overseas. Rapid-reaction reinforcements in the United States add credibility to deterrent and combat capabilities.[25] Ready forces, assisted by in-flight refueling, can arrive almost anywhere in one to three days after notification, armed with conventional or nuclear weapons.[26]

Soviet counterparts (except for medium bombers) are found in Frontal Aviation. The largest concentration is focused on Eastern Europe, a lesser one on the Chinese frontier. The remainder are dispersed among military districts.[27]

Statistical strengths have stabilized at a level twice our own, counting Marine Corps tac air (Graph 6 and Figure 15),[28] but the changing complexion is at least as significant.

Intermediate- and medium-range ballistic missiles with no non-nuclear option, were the principal weapons for deep interdiction purposes when this decade opened, because Badger and Blinder bombers (TU-16s, TU-22s) have poor penetration prospects. Short-range, fair-weather Frontal Aviation, lightly-armed and with little lift capacity, was better fitted for local air defense than for offensive strikes over enemy soil or close support for field armies.

Backfire bombers and multimission fighters with standoff firepower and better avionics now augment Moscow's arsenal. All can deliver nuclear weapons as well as conventional ordnance under adverse weather conditions. SU-19 Fencers are the first Soviet airframes created specifically for ground attack. Advanced armaments and penetration aids improve performance of all new types, especially against point targets. Older mainstays, after modification, conform to broader missions. The combat radius and destructive power of some ground attack regiments, for example, has quadrupled since 1970.[29]

Conversion, however, is just commencing. The newest aircraft are not yet numerous, other than MIG-23s. Air intercept training retains its traditional emphasis on strict ground control, with little attention to free air combat for air supremacy purposes. Soviet fighters, which cannot refuel in flight, are difficult to redeploy long distances over land, and depend on ships for movement over seas.[30]

Consequently, U.S. forces are qualitatively superior, and should stay so, given our long lead in tactical aviation technology and F-15/F-16/A-10 programs, which are about to bear fruit.[31]

Amphibious Fighter/Attack Forces—

The Soviets have no air power comparable to U.S. Marine air wings, which include more than 300 fighter/attack aircraft in active squadrons (Figure 15).[32] Crews specialize in air cover and close air support for Marine divisions during amphibious assaults and sustained operations, but are prepared to participate in overall air efforts as directed.[33]

Marine forces exhibit adaptability unequalled by sister Services, being able to function effectively either ashore or afloat.[34] Portable catapults, optical landing aids, arresting gear, lights, and other accountrements associated with expeditionary airfields reduce requirements to seize or construct strips for high performance fighters at an early stage. Marine VSTOL aircraft transferred ashore on amphibious ships can commence operations even before installation is complete.[35]

Naval Aircraft Contributions—

The U.S. Navy, with more than 600 carrier-based fighter/attack aircraft and collateral functions connected with land combat,[36] can supplement or supplant Air Force and Marine forces in many circumstances that call for air power. (See Figure 18 in the next section for statistics).

The Soviet Navy can not yet compete. A few YAK-36 Vertical Takeoff and Landing (VTOL) aircraft aboard the carrier Kiev constitute its sole high performance capability. They reputedly are better than British-built AV-8 Harriers flown by U.S. Marines, but are too few to tip the U.S./Soviet balance.[37]

Helicopters for fire support

U.S. Army helicopter gunships, many armed with anti-tank (AT) missiles, afford significant close air support that is immediately responsive to ground commanders. Crews are combat tested.

Soviet counterparts, controlled by Frontal Aviation, not the Army, are neither so numerous nor so well trained, but forces are building up fast. MI-24 (Hind) helicopters, with 57mm rockets and Sagger AT missiles, are formidable fire support systems that can also carry considerable cargo or 14 fully-armed troops.[38]

Combined flexibility

America's tactical air combat assets in the aggregate afford flexibility not available to the Soviet Union, whose main strength still lies in mass.[39] Our side enjoys a clear qualitative edge in most respects, regardless of misssion.[40] U.S. leadership is light years ahead of the Soviet system.[41]

Small size, however, creates an Achilles Heel. The several U.S. Services are insufficient to cope with large-scale contingencies unless they assist each other. Even then, difficulties develop. Air Force-Navy-Marine collaboration, for example, was compulsory in Korea and Vietnam, to such a degree that deterrent/defense capabilities suffered in Central Europe. Projected U.S. procurement programs will do little to correct that shortcoming.

Footnotes at end of article.

FIG. 15.—LAND-ORIENTED TACTICAL AIR FORCES: STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS

	1970	1971	1972	1973	1974	1975	1976
Fighter/bombers:							
United States:							
Air Force:							
A-7	4	80	144	144	253	224	210
F-4	968	971	933	965	1,056	1,055	1,091
F-100	282	209	9	0	0	0	0
F-105	145	104	66	31	55	38	37
F-111	26	158	211	283	311	333	312
Total	1,425	1,522	1,363	1,423	1,675	1,650	1,650

FIG. 15.—LAND-ORIENTED TACTICAL AIR FORCES: STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS—Continued

	1970	1971	1972	1973	1974	1975	1976
Marine:							
A-4	94	101	67	89	85	65	76
A-6	76	47	45	49	49	56	57
AV-8	0	6	13	32	59	53	53
F-4	184	154	144	130	128	130	132
Total	354	308	269	300	321	304	318
Grand total	1,779	1,830	1,632	1,723	1,996	1,899	1,968
Soviet Union:							
Bombers:							
Backfire	0	0	0	0	0	25	60
TU-16	500	500	500	500	500	475	450
TU-22	175	200	200	200	200	170	170
Total	675	700	700	700	700	670	680
Fighters:							
MIG-17	800	800	800	900	900	900	600
MIG-19	100	200	100	50	0	0	0
MIG-21	1,400	1,500	1,600	1,700	1,500	1,600	1,700
MIG-23	0	0	100	200	300	300	500
SU-7	500	500	500	500	400	400	400
SU-17	0	0	50	100	100	100	100
SU-19	0	0	0	0	0	0	50
YAK-28	50	50	100	200	50	0	0
Total	2,850	3,050	3,250	3,650	3,250	3,300	3,350
Grand total	3,525	3,750	3,950	4,350	3,950	3,970	4,030
United States standing	−1,746	−1,920	−2,318	−2,627	−1,954	−2,016	−2,062
United States	635	520	535	730	715	685	690
Soviet Union	0	0	0	100	125	200	300
United States standing	+635	+520	+535	+630	+590	+485	+390

	Aircraft characteristics							
	1st deployed	Combat radius (miles)	Max speed (Mach)	Payload (pounds)	Typical weapons: Guns	Typical weapons: Missiles	Nuclear capable	All weather
United States Air Force:								
A-6	1963	750	0.9	10,000	None	18 Mk-82	Yes	Yes.
A-7D	1966	550	.9	7,200	1—20 mm	12 Mk-82	Yes	Yes.
AV-8	1969	200	.9	2,500	2—30 mm	AIM-9	No	Yes.
F-4	1963	550	2.2	16,000	1—20 mm	4 AIM-7E 11 Mk-117	Yes	Yes.
F-100	1954	450	1.3	9,000	4—20 mm	2 AIM-9 or AGM-12	Yes	No.
F-105	1959	625	2.1	10,200	1—20 mm	4 AGM-45 or 2 AGM-78	Yes	Yes.
F-111	1967	745	2.2	14,500	1—20 mm	24 Mk-82	Yes	Yes.
Sovet Union:								
Backfire	1975	2,500	2.5	20,000		AS-4, AS-6	Yes	Yes.
MIG-17	1953	360	.9	1,100	3—23 mm	4 Alkali	No	No.
MIG-19	1955	425	1.0	1,100	3—30 mm	4 Alkali	No	No.
MIG-21	1956	550	2.1	2,000	1—23 mm	4 Atoll	Yes	No.
MIG-23	1971	550	2.5	2,800	1—23 mm	4 AS-7	Yes	Yes.
SU-7	1960	200	1.6	5,500	2—30 mm	None	No	No.
SU-17	1972	300	1.7	5,500	2—30 mm	AS-7	Yes	Yes.
SU-19	1974	300	2.0	11,000	1—23 mm		Yes	Yes.
TU-16	1955	2,000	.8	20,000	7—23 mm	2 AS-5	Yes	No.
TU-22	1962	700	1.4	12,000	1—23 mm	1 AS-4	Yes	No.
YAK-28	1961	575	1.1	4,400	1—30 mm	2 Anab	No	Yes.

	Missile characteristics					
	1st deployed	Guidance	Range (miles)	Speed (Mach)	Warhead: Type	Warhead: Weight, yield
United States:						
Air-to-air:						
AIM-7E		Radar	14	3.5+	HE	
AIM-7F	1976	Radar	28	3.5+	HE	
AIM-9B	1958	Infrared	2	2.5	HE	25 lb.
Air-to-ground:						
AGM-12B	1959	Radio	7	1.8	HE	250 lb.
AGM-12C	1959	Radio	10	2.0	HE	1,000 lb.
AGM-45	1964	PH	10	2.0	HE	145 lb.
AGM-65	1969	TV	Classified	Classified	HE	27 lb.
AGM-78	1968	PH	15.5	2.0	HE	1,356 lb.
Soviet Union:						
Air-to-air:						
Alkali	1953	Radar	3.7–5	1–2	HE	
Anab	1961	Radar, IR	5–6.2		HE	
Atoll	1956	Infrared	3–4		HE	
Advanced Atoll		Radar	3–4		HE	
Air-to-ground:						
AS-2	1961	Radar	130	1.2	HE	
AS-4	1962		450		Nuke	
AS-5	1967		200		HE	
AS-6		Radio	135		Nuke	200 KT.
AS-7		Radio				

Note: See fig. 18 for U.S. carrier-based aircraft. All aircraft are Unit Equipment (UE), excluding recon and special-purpose versions. Backfire bombers are the same aircraft shown on fig. 8. Combat radii correspond with payloads shown under average conditions. Payloads are merely representative. External fuel tanks are included where applicable. F–15 aircraft were all in training squadrons in 1976. U.S. armed helicopters are AH–1's. Soviet counterparts are MI–24's. IR missile guidance is infrared. PH is passive homing.

GENERAL PURPOSE NAVIES

Sea power is a necessity for the United States, but not for the Soviet Union.[41a]

Commerce, always a U.S. tradition, assumes a salient role as dwindling natural resources increase our dependence on other countries for critical supplies. Petroleum products are most publicized,[42] but mineral shortages are also important.[43] Routes must therefore be secured for friendly merchant ships under adverse conditions.[44] Essential sea lines of communication (LOCs) must also be kept open in wartime to ensure the free flow of military forces and logistic support between America, its allies,[45] and/or contested areas.

The Soviet Union, with far fewer requirements for foreign raw materials and intrinsic interests that center on the Eurasian land mass, has only recently begun to break out of its continental cocoon. Its Navy is still cast as a spoiler that emphasizes negative sea denial (rather than positive sea assertion) capabilities, despite Admiral Gorshkov's grand design.[46]

This section shows how differences in size, composition, concepts, and accoutrements influence abilities of U.S. and Soviet general purpose navies to accomplish assigned tasks.[47]

Comparative missions

U.S. deterrent/defense capabilities must be sufficient to satisfy interlocking, overlapping naval missions in peacetime and in war.[48] Some Soviet aims are the same. Others are quite different.

Peacetime Naval Presence—

Peacetime presence to influence perceptions serves political and military purposes. This country consistently stresses one purpose. The Soviets strongly stress both.[49]

Men who fashion America's foreign policy perceive the U.S. Navy as a peripheral and part-time instrument to exploit political, economic, and social opportunities. Its rival is routinely used (with sporadic success) to reap or retain an international reservoir of good will, which Soviet leaders try to translate into political persuasion, basing privileges, and other practical products that can have a significant bearing on the U.S./Soviet balance.[50] Their outposts along the African littoral, for example, overlook our oil LOCs to ports in the Persian Gulf.[51]

Both sides periodically parade flotillas or fleets as deterrent threats in times of tension or crisis to impress each other with intent or resolve. Four such confrontations have taken place in this decade, twice in the Mediterranean during Arab-Israeli disputes, twice in the Indian Ocean.[52]

Sea Control—

Freedom of the seas was a self-satisfying U.S. interest from late 1944, after the battle for Leyte, until increased Soviet capabilities started causing serious concerns in the mid-1960s. Since then, sea control, the prime prerequisite for all positive naval operations, has been an imperative U.S. mission.[53]

Positive U.S. missions demand abilities to deter or defeat enemy aircraft, submarines (including those bearing ballastic missiles), and surface combatants that try to interfere with friendly activities along selected ocean avenues or in associated areas. Local superiority (not necessarily numerical) is essential at specified times and places.

Sea denial, the Soviet specialty, is simpler to satisfy, since the Kremlin can apply power at times, places, and under circumstances of its choosing to prevent the accomplishment of U.S. tasks.

Power Projection—

Naval air and/or amphibious forces can assist in controlling seas by projecting power ashore to seize and secure, damage, destroy, or otherwise exert control over critical terrain features (such as Norway's North Cape or the Dardanelles), enemy installations, and ships in port. Power projection capabilities can also support national purposes not associated with sea control, as occurred during U.S. campaigns in Korea and Vietnam.[54]

American stress on such missions has been evident for many years. Soviet interest cropped up in a rather small way only recently.[55]

Comparative force structures

Naval strategists on both sides recognize that diversified forces are required to fulfill the foregoing missions, as shown on Figure 16, but U.S. and Soviet navies are nonetheless structured asymmetrically in almost every respect. (See Graph 8 and Figures 18–21 at the end of this section.) [56]

Aircraft Carriers—

America's air power afloat has been cut in half since 1965, when 25 carriers (not counting helo platforms for amphibious assault were still in active service.[57] Flexibility was first-rate. This country truly had two-ocean offensive capabilities at that time.

Reductions to the current complement of 13 carriers (Figure 18) have caused drastic revisions in forward deployment patterns since the start of this decade. Just four are positioned permanently overseas—two in the Western Pacific, two in the Mediterranean. One of the latter is on call for excursions into the Atlantic. Surge capabilities are slight.[58]

Still, 200 U.S. fighter/attack aircraft are available in key areas at all times. Soviet carrier air power is scant in contrast. The Kiev, with its few fighter aircraft and formidable missile armament, compares more closely with a strike cruiser than, say, with our Midway class carrier (in service since 1945), much less the nuclear-powered *Enterprise* or *Nimitz*.[59] Moskva and Leningrad, called ASW cruisers, apparently are the first and last in their class.[60] The Soviets have no counterparts for seven U.S. helicopter carriers, which support amphibious assault forces and perform other useful functions.

Other Major Surface Combatants—Numbers of U.S. major surface combatants assigned to the Regular Navy have declined dramatically during this decade, while Soviet strength stayed steady (Figure 19). America's cruiser quantities are still roughly the same, but 90 destroyers were decommissioned, while only four were delivered.[61] (Statistical trends are summarized on Figure 19.)

Quality tells an even more telling tale. Soviet ships are somewhat smaller than U.S. counterparts,[62] and none are nuclear-powered (the United States now has seven, including aircraft carriers). They are generally faster,[63] however, and several major combatants mount a total of 85 cruise missiles created expressly to kill surface ships.[64] Perhaps more importantly, something like 164 SS–N–14 ASW missiles may also have anti-surface ship missions. Endurance and sea-worthiness have increased, along with offensive combat capabilities. Several classes, such as Sverdlov, Kilden, and Kotlin, are reaching the end of their theoretical hull life, but many have been remodeled or reconstructed.[65]

Coastal Combatants—The Soviet Union has more coastal combat craft, including minesweepers, than the rest of the world combined.[66] Neither the U.S. Navy nor Coast Guard has anything to equal 14 Nanuchka class coastal combatants or 120-odd Osa patrol boats with cruise missiles for shoreline defense (Figure 19).

Attack Submarines—The excellence of U.S. nuclear-powered attack submarines is widely acknowledged. They are not as fast as some Soviet boats (their Victors are the world's speediest), but are quieter and better equipped. The new Los Angeles class (SSN–688), now entering our inventory with wire-guided acoustic homing torpedoes and improved sonar systems, should strengthen the U.S. position.[67] Harpoon missiles will follow.

Qualitative superiority, however, is insufficient when quantity is also essential.

ASW is the primary mission of U.S. attack submarines.[68] The 74 that remain after recent reductions therefore face distinct disadvantages trying to check three times their number in open oceans, even though most of their prey are diesel-powered and many are well past their prime(Figure 20). The balance would be better with the order of battle reversed.

Sixty-six Soviet submarines, which account for a third of the force, are fitted to fire anti-ship cruise missiles. Total tubes exceed 400. Papa and Charlie classes can fire from submerged positions. All classes carry torpedoes for close combat. The United States will have no cruise missile counterparts until Harpoon enters service.

Land-Based Naval Air Power—U.S. naval air power is mainly afloat. Soviet strength is almost all ashore (Figure 21).

Land-based aircraft on both sides engage in ASW activities, active as well as passive, but only the Soviet Navy specializes in anti-surface ship strike forces. More than 300 aging Badger bombers, the basic component, can reach about 1,600 miles from home stations without refueling.[69] Their ability to pierce U.S. protective fighter shields would be poor if they carried gravity bombs, but cruise missiles can be launched at least 100 nautical miles from targets. Supersonic Backfires, whose naval numbers are increasing, open up new options.

B–52s armed with precision-guided munitions recently joined the competition, in accord with collateral functions of long standing,[70] which heretofore were finessed. Air Force tactical aircraft could augment SAC's short-based strike capabilities, especially if forces receive Harpoon.[71]

Soviet shortcomings

The "new" Soviet Navy suffers from several chronic shortcomings that it shares with the "old."

Its chief handicap is the geographic strait jacket that makes timely mutual support almost impossible for four widely-separated fleets based in the Baltic, Barents, and Black Sea of Japan. All four risk being bottled up by bad weather and/or barriers at critical choke points. (Several show on Figure 17: the Greenland-Iceland-Faeroes-U.K. Gap, including the English Channel; the Skagerrak; Suez Canal; Turkish Straits; and Gibraltar.) The scarcity of all-weather ports is only partially overcome by extensive use of ice breakers and covered repair facilities.

Soviet surface craft all must contend with lack of air cover when they sweep far from friendly shores. Land-based bombers for area defense and on-board SAM clusters for short-range and point defense are poor substitutes for defenses-in-depth that include carrier-based fighters.

Soviet naval forces are also short on stamina, except for late-model ships, such as Kiev, Kara, and Krivak. Small surface combatants, lacking large fuel capacities or nuclear power, have limited ranges. Restricted space for rations, ammunition, and other stores prohibit prolonged operations without resupply. Merchant tankers routinely refuel Soviet ships at sea, and trawlers serve some logistic purposes, but underway replenishment procedures, although improving, are still substandard compared with U.S. skills. Lengthy, large-scale operations would be next to impossible in sea areas remote from friendly port facilities.[72]

Finally, most conscripts quit after three years' service. Problems attendant to training 100,000 recruits every year (a fifth of the

Footnotes at end of article.

total force) almost beggar imagination in this age of technical specialization,[73] despite

Soviet strengths

Abilities of the Soviet Union to satisfy positive sea control and naval power projection missions against U.S. opposition will generally be restricted to regions along its periphery until limitations just outlined are alleviated. The capacity for coordinated attacks on U.S. men-of-war and merchant shipping, however, menaces American missions.[74]

Threats to the U.S. Surface Navy.—A recent National Security Council study of U.S. strategy and naval missions reportedly revealed three major Soviet threats to the U.S. surface navy. All three concern antiship missiles.[75]

Anti-Ship Missile and Strategy.—The Soviets currently have a stable of assorted over-the-horizon anti-ship cruise missiles. Fifteen different sorts of surface warships, submarines, and aircraft can launch at least one kind.

Most of the long-range missiles (more than 100 miles) are jet propelled. Many short-range models are solid-fuel rocket powered. Speeds vary from 600 knots to several times faster than sound. Some, with small visual and radar cross-sections, confound anti-aircraft gun crews by skimming across the sea's surface. Others, with steep trajectories such as Shaddock (SS–N–3), dive straight onto targets. In-flight corrections and terminal homing are the rule. The weight of some warheads exceeds a ton.[76]

Soviet strategy seems designed to seize and secure initiative with a single killing salvo. Missile-carrying surface ships, submarines, and aircraft, moving without any semblance of tactical formation, could trigger surprise, preemptive strikes on central signal from many directions, and perhaps from point-blank range.[77] U.S. carriers, cruisers, and support ships comprise high-contrast targets for Soviet missile seekers. To infrared sensors, they seem hot against cool sea backgrounds; to radars, they are large reflectors; to radiometric sensors, they are massive metal structures.[78]

Tactics close to shore tend to be somewhat different. Small, missile-bearing boats (nicknamed Wasp, Gnat and Mosquito[79]) are difficult to distinguish in the coastal clutter of shallow-draft civilian craft and other reflectors. Short ranges and awesome weapons power could overwhelm warships caught unaware. Lowflying Soviet aircraft with cruise missiles complicate U.S. defensive problems. The impact on American power projection missions, particularly amphibious assaults, clearly could be profound.[80]

U.S. Countermeasures.—U.S. sea control tactics traditionally try to destroy enemy weapons before they endanger our ships, concentrating force on a few closely-bunched combatant craft and other defendable targets. Surprise assaults by Soviet cruise missiles, launched at close range, could make that approach obsolete.

Active defenses along appear inadequate. America's current ship-launched SAMs would be essentially ineffective against concerted attacks. "The time from detection to target engagement is [still] excessive and coordination among missile batteries on different ships . . . is poor. These difficulties are compounded by [SAM] system vulnerability to electronic counter-measures."[81] Even Phoenix-armed F–14s, which can engage six targets simultaneously, are subject to easy saturation if large-scale attacks box the compass.[82]

Diverting, rather than destroying, enemy missiles in flight therefore assume increased importance. Authorities, however, generally agree than any navy which relies solely on decoys, jammers, chaff, and other electronic countermeasures for defense is doomed to take heavy losses when counter-countermeasures come into play.[83]

Successful defense likely will depend on SAMs and interceptor aircraft systems in combination with ECM, strategy, tactics, and doctine. An appropriate package is not yet available.

Threats to Merchant Shipping.—Soviet submarine threats to friendly merchant shipping are potent and pervasive.

The Soviet Submarine Challenge.—Cruise missiles, with ranges from 25 to 250 miles, supplement new Soviet families of homing, acoustic, and wire-guided torpedoes. Submarines that serve as launch platforms can swim farther, faster, and deeper than predecessors, while suppressing sound more effectively. Special features include inertial navigation, highly-directional passive sonar, and receivers to warn of airborne and seaborne radar.[84]

The resultant menace is manifest. U-boat successes against Allied shipping were spectacular at the beginning of World War II, when the Nazi Navy boasted just 57 primitive boats. (Present Soviet holdings exceed four times that size.) By June 1942, 1602 ships totalling 7,860,000 tons had gone to the bottom.[85]

America's ASW Response.—Successful ASW operations depend on abilities to find, fix, and finish enemy undersea raiders before they can wreak heavy damage.

U.S. hunter-killer task forces are deficient on all three counts. Breakthroughs in the detection field are still in the blueprint stage, but beyond that, the size of America's specialized force is simply insufficient. ASW is mainly a time-consuming matter of attrition, in which numbers matter more and more as friendly losses mount. At most, we might account for 20 percent of all Soviet subs before the real carnage commenced among merchantmen.[86] Consequently, Soviet capacities to interfere with U.S. life lines at sea could prove to be low cost, low risk operations under certain circumstances, at least as long as a "Mexican standoff" persists at strategic nuclear levels.

Protection for petroleum tankers plying routes from the Persian Gulf to U.S. and European ports is a case in point.

Convoys would reduce attrition, but U.S. escorts currently are inadequate even to shepherd ships along the 5000-mile course to Capetown, if the Suez Canal were closed. Combat losses would cut effectiveness further. Land-based aircraft could provide part-time cover for unarmed, unaccompanied tankers following random tracks across the Atlantic, provided appropriate base rights could be obtained in neutral or allied countries, but would be a poor substitute for on-the-scene ASW support.[87]

Similar problems are apparent in the Pacific, where our Navy reputedly could keep sea lanes open to Alaska and Hawaii, but would be hard pressed to control seas farther west against Soviet attack.[88]

Mine Warfare—

The U.S. Navy has long been skilled at mine warfare, which helped strangle Japanese shipping in World War II and sealed off Haiphong harbor 30 years later. Even so, Soviet minelaying capabilities are generally superior, although tactics are different.

The Soviet edge in minesweeping is even more clearly evident.

U.S. ships of that sort on active service have all but disappeared. Sixty have been decommissioned since 1970, leaving only three. Twenty-two in the Naval Reserve would be hard pressed to clear important CONUS harbors expeditiously if extensive mine warfare occurred.[90] U.S. mine clearance capabilities in support of amphibious assault operations are also strained. Rotary-wing aircraft supposedly supplant our former surface force for that purpose, but many Soviet mines are laid at depths beyond their reach. Moreover, Marines and minesweeping helicopters would compete for space on aircraft carriers at times when that could affect operations adversely.

The Soviets, in contrast, maintain more than 360 oceangoing and coastal craft for minesweeping purposes. Their efforts might be easier than we would like if they were called on to break up U.S. barriers, because our clearance of Haiphong harbor and the Suez Canal were conducted in full view of Gorshkov's intelligence agents, who could copy techniques.

Current U.S. flexibility

One serious student of naval strategy summed up the U.S. situation most succinctly: as a seagoing power, the United States is entering an era of reduced options and reinforced risks.[91]

FOOTNOTES

[1] Total army strengths are compared in Part II. This section subtracts high command and general support forces, which amount to approximately a quarter of a million men in the U.S. Army, and nearly three-quarters of a million in the Soviet Union.

[2] Brown, George S., United States Military Posture for FY 1976, p. 68.

[3] Karber, Phillip A., The Soviet Anti-Tank Debate, Survival, May-June, 1976, p. 105–111.

[4] U.S. Army Force Design: Alternatives for Fiscal Years 1977–1981, Washington, Congressional Budget Office, July 16, 1976, p. 45–49.

[5] The U.S. Army began its "roundout" program in 1972, when one reserve brigade and four separate battalions were designated to replace components missing from *understrength* active divisions. Four brigades and 11 separate battalions (6 tanks, 4 mechanized, and 1 infantry) now serve that purpose. All such elements must be ready to deploy with parent divisions on demand. Four other independent reserve brigades participate in an "augmentation" program intended to increase the combat power of designated *full strength* divisions. These forces must also be ready to deploy with associated divisions on short notice, but requirements to do so depend on contingency plans. Data derived from Army staff officers in January, 1977.

[6] Four U.S. divisions are currently stationed in Germany. All others likely would be required as reinforcements if a major war occurred, but only three in CONUS (minus one brigade each already in Europe) are earmarked for early deployment. Heavy equipment for two of them is prepositioned. Manpower requirements Report for FY 1976, Washington, Assistant Secretary of Defense (Manpower and Reserve Affairs), February, 1975, p. D–7; and The Military Balance, 1976–1977, London, International Institute for Strategic Studies, 1976, p. 6.

[7] No rotation base would be needed if a general war erupted in Europe. *All* U.S. divisions were committed overseas during World War II. Most men returning to CONUS were separated from the Service, attended schools, or were assigned to staffs.

In peacetime, and during limited conflicts like those in Korea and Vietnam, U.S. divisions stay overseas, while personnel serve specified tours and then return to CONUS. Most men must receive assignments related to their skills, or readiness levels lapse. A satisfactory balance can be maintained if about 60 percent of the force stays in the United States, according to Army staff officers. When fewer than 40 percent serve as a rotation base, combat effectiveness suffers seriously.

Four U.S. divisions, for example, served as a rotation base for 15 others overseas in the late 1960s. Insufficient slots existed, especially for specialists. Training everywhere suffered. The four divisions, which played parts in NATO plans, were combat ineffective for a protracted period, because equipment

was stripped and personnel passed through too rapidly.

[8] Five separate brigades and three armored cavalry regiments (ACRS) afford extra U.S. strength, but are not the equivalent of two or three divisions, because they lack staying power and the capacity for large-scale combined arms action. Three brigades serve special purposes in Alaska, Berlin, and Panama. Two ACRS and equipment for the third (now in CONUS) are positioned in Germany. Only two brigades remain in general reserve.

[9] Data derived from personal conversations with DIA analysis in January, 1977.

[10] Ibid. See also Erickson, John, Soviet-Warsaw Pact Force Levels, p. 31–39.

[11] Ibid.

[12] The generic term "reserves", as used in this study, refers to all reserve components, including the National Guard.

[13] Twelve divisions in the U.S. Army Reserve are regional replacement training centers, rather than maneuver units.

[14] Readiness Condition 1 (REDCON–1 or C1) requires U.S. units to be "fully capable of performing missions for which organized or designed." Such units, with 95 percent of authorized manpower and 90 percent of materiel, "may be deployed to a combat theater immediately" after mobilization. C–3 units, which are marginally ready, have deficiencies that severely constrain capabilities, but could be committed in combat "under conditions of grave emergency." Army Regulation 220–1, Unit Readiness Reporting, March 17, 1975, p. A–1, 2.

Times it would take for ARNG divisions to reach C–1 or C–3 status were furnished by Army staff officers in January, 1977.

[15] Unclassified data, derived from personal conversations with DIA analysts in January, 1977.

[16] Ibid.

[17] Ibid. Some sources contend that Cat III divisions can fill in 24 hours.

[18] About half of all Soviet divisions on the Chinese border are Category III. The Kremlin apparently anticipates no early aggression by either side in that area.

[19] U.S. Marines are organized, trained and equipped as an air-ground team whose divisions are never committed to combat without associated tactical air wings. This section arbitrarily separates the two components to facilitate U.S./Soviet comparisons.

[20] The 4th Marine Division, manned by 19,000 reservists in paid drill status, plans to reach full readiness 60 days after recall. Its units maintain only about 50 percent of their equipment allowance at home armories. Shortages must be made up in emergency from Prepositioned War Reserves at the same time active divisions are expected to tax the supply system. Individual Ready Reserves normally receive at least 30 days notice before call-up. If that requirement were waived, combat proficiency could be achieved more rapidly. U.S. Congress. Senate. Hearings before the Armed Services Committee on FY 1977 authorization. Part 3. Manpower. 94th Congress, 2d Session. Washington, U.S. Govt Print Off., 1976, p. 1846–1850.

[21] DIA analysts identify a marine division structure in the Soviet Far East, but its elements still exercise separately.

[22] Several Soviet divisions were stationed in northern Iran during World War II. They stayed from August 25, 1941 until May 9, 1946, when U.S. and U.N. pressures prompted withdrawal.

[23] Difficulties are described in U.S. Congress. House. Oil Fields as Military Objectives: A Feasibility Study, prepared for the Special Subcommittee on Investigations of the Committee on International Relations by the Congressional Research Service. 94th Congress. 1st Session. Washington, U.S. Govt. Print. Off., 1975, p. 18–21.

[24] For general discussions of US. tactical air power see White, William D., U.S. Tactical Air Power: Missions, Forces, and Costs, Washington, The Brookings Institution, 1974, 121 p.; and Planning U.S. General Purpose Forces: The Tactical Air Forces, Washington, Congressional Budget Office, January, 1977, 51 p.

[25] About a third of all USAF fighter/attack aircraft in operational units are assigned to U.S. Air Forces in Europe (USAFE). A smaller slice is deployed with Pacific Air Forces (PCAF). Slightly more than half are held in CONUS reserve by Tactical Air Command (TAC). U.S. Congress. Senate. Seminars: Service Chiefs on Defense Mission and Priorities. Hearings Before the Task Force on Defense of the Committee on the Budget. Part III, Air Force. Washington, U.S. Govt. Print. Off., 1976, p. 70–72.

[26] F–111s from Mountain Home AFB, Idaho reportedly took just 15 hours to arrive in Korea ready for combat during the 1976 DMZ incident in which two Americans were killed. TAC's Dixon Watches Soviet Threat, Stresses Training Realism, Aerospace Daily, September 28, 1976, p. 128.

Air Force Reserve and National Guard units must be ready to move 72 hours after mobilization. "Virtually all . . . can reach Europe within a month or less," according to the Congressional Budget Office. Planning U.S. General Purpose Forces: The Tactical Air Forces, p. ix, 27.

[27] Some Soviet fighter aircraft defended the Suez Canal a few years ago, but none are now stationed on foreign soil, except in satellite states.

[28] Soviet strategic air defense forces supplement tactical air power for air superiority purposes along that country's borders.

[29] J–5 comments on the draft of this study, March 4, 1977.

[30] Ibid., p. 127, 185.

[31] Ulsamer, Edgar, The Quiet Revolution in USAF's Capabilities, Air Force Magazine, September, 1975, p. 38–44.

[32] Marine aircraft are an integral part of Navy tactical air power, procured with Navy dollars, supplied and serviced by a Navy system. Pilots in large part use Navy training facilities. This section, however, considers the special contribution of Marine air wings to land-oriented air power.

[33] Title 10, United States Code, Chapter 503, Section 5013 and Department of Defense Directive 5100.1, Collateral Functions.

[34] "Bare base" kits would allow Navy fighter/attack aircraft to operate off primitive strips ashore, but supply, maintenance, and other support facilities now aboard carriers would be costly to duplicate. Carrier aircraft could, however, share established installations with other Services.

[35] Marine Corps comments on the draft of this study, March 3, 1977. VSTOL stands for Vertical and/or Short Takeoff and Landing.

[36] Title 10, United States Code, Chapter 503, Section 5012 and Department of Defense Directive 5100.1, Collateral Functions.

[37] Prina, Edgar L., Soviet Jet Called Superior to U.S. Version, San Diego Union, August 20, 1976, p. 21. Quotes Navy Secretary J. William Middendorf, II.

[38] Schemmer, Benjamin F., Soviet Armed Helicopter Force Said to Double By Middle of 1977, Armed Forces Journal, December, 1976, p. 28–29; Hind–D Carries Added Weapons, Aviation Week and Space Technology, February 21, 1977, p. 21.

[39] This section is not a brief in favor of four U.S. air forces, which some critics castigate. (See, for example, Four U.S. Tactical Air Forces, The Defense Monitor, Washington, Center for Defense Information, October, 1975, 8 p.). It simply states superior U.S. flexibility as a fact.

[40] General David C. Jones, Air Force Chief of Staff, as cited by Edgar Ulsamer in The Quiet Revolution in USAF's Capabilities, p. 39.

[41] Binder, David, Soviet Defector Depicts Grim Life at MIG–25 Base, New York Times, January 13, 1977, p. 1, 12.

[41a] Alva M. Bowen, Jr., specialist in naval affairs for the Congressional Research Service, acted as technical advisor and data source during the preparation of this section.

For general coverage, see Polmar, Norman, Soviet Naval Power: Challenge for the 1970's, Rev. Ed., New York, Crane, Russak & Co., Inc., 1974, 129 p., and Understanding Soviet Naval Developments, Washington, Office of the Chief of Naval Operations, April, 1975, 79 p.

[42] Imports currently account for about 45 percent of all petroleum consumed in the United States. International Oil Developments: Statistical Survey, Washington, Central Intelligence Agency, Office of Economic Research, December 30, 1976, p. 10, 16.

[43] Rumsfeld, Donald H., Annual Defense Department Report for FY 1978, p. 17.

[44] For a summary of commodities imported and exported by the United States over 31 sea routes to foreign countries, see Essential United States Foreign Trade Routes, Washington, U.S. Government Printing Office June, 1975, 79 p.

[45] Current U.S. defense treaties, congressional resolutions, executive agreements, policy declarations, and communiques are summarized in Annex C to the United States/Soviet Military Balance, p. 55–56. Two changes should be noted. The Tonkin Gulf Resolution terminated in January, 1971. The Southeast Asia Treaty Organization (SEATO) disbanded in September, 1975.

[46] Fleet Admiral S. G. Gorshkov, principal molder of the modern Soviet Navy, spells out his concepts for naval superiority in Sea Power of the State, Moscow, Military Publishing House, 1976. Translated by U.S. Naval Intelligence Support Center, July 27, 1976, 363 p. As Deputy Minister of Defense and Commander-in-Chief of the Soviet Navy since 1956, he has converted principle to practice with unprecedented continuity of purpose. The U.S. Navy saw nine Service Secretaries and seven Chiefs of Naval Operations during that same 20-year period.

[47] Naval forces for strategic nuclear purposes were surveyed in the section on ballistic missile submarines. For sealift, including amphibious assault forces, see Part V, which concerns mobility.

[48] Naval missions are addressed by Admiral J. L. Holloway, III, Chief of Naval Operations, in the enclosure to a letter to the Chairman of the House Armed Services Committee on January 12, 1977, p. 3–6. See also Admiral Stansfield Turner, Commander-in-Chief Allied Forces Southern Europe, Designing a Modern Navy: A Workshop Discussion, contained in Power at Sea, II, Super-powers and Navies, Adelphi Papers 123, London, International Institute for Strategic Studies, 1976, p. 25–27; and The Naval Balance: Not Just a Numbers Game, Foreign Affairs, January, 1977. p. 342–347.

[49] For basic considerations, see U.S. Congress. House. Means of Measuring Naval Power: With Special Reference to U.S. and Soviet Activities in the Indian Ocean. Prepared for the Sub-committee on the Near East and South Asia of the Committee on Foreign Affairs by the Congressional Research Service, Washington, U.S. Govt. Print. Off., 1974, p. 1–5.

[50] Gorshkov, S. G., Sea Power of the State, p. 1–7, 312–322.

[51] Sophisticated Soviet Base Nearly Completed in Somalia, Baltimore News American, December 16, 1976, p. 12; Foreword to Jane's Fighting Ships, 1976–77 cites Soviet ports/anchorages in Aden, Somalia, the Seychelles, and Guinea, p. 121.

[52] Understanding Soviet Naval Developments, p. 6–7; U.S. Congress. House. Means of Measuring Naval Power, p. 8–9.

[53] Title 10, United States Code, Chapter 503, Section 5012 and Department of Defense Directive 5100.1.

[54] Ibid.

[55] Turner, Stansfield, The Naval Balance: Not Just a Numbers Games, p. 342, 343.

[56] For a summary of ship characteristics, see Understanding Soviet Naval Developments, p. 11–29, 53–71. Aircraft are discussed in Polmar, Norman, Soviet Naval Aviation, Air Force Magazine, March 1976, p. 69–75. Greater detail is contained in Jane's Fighting Ships and All the World's Aircraft, 1976–77.

[57] The complement in 1965 included 15 attack carriers (CVA) and 9 ASW carriers (CVS). Roughly one-third were commonly forward-deployed, three with Sixth Fleet in the Mediterranean and five with Seventh Fleet in the Western Pacific.

[58] Rumsfeld, Donald H., Annual Defense Department Report for FY 1977, p. 160.

[59] For Kiev characteristics, including razor-sharp close-up photos, see Soviet Navy Deploys New V/STOL, Aviation Week and Space Technology, August 2, 1976, p. 14–17.

[60] Moskva and Leningard, which lack fighter aircraft, apparently were designed to destroy ballistic missile submarines when short-range U.S. SLBM's required launch positions near the continental shelf. Land-based aircraft could cover the Soviet search. The situation changed when longer-range Polaris A–3 and Poseidon missiles replaced Polaris A–2s.

[61] U.S. and Soviet ships deliveries from 1965 through 1976 are contained in McGwire, Michael, Western and Soviet Naval Building Programmes 1965–1976, Survival, September/October, 1976, p. 204–209.

[62] Kresta cruisers displace 7,500 tons, slightly less than a U.S. Spruance class destroyer. Krivak destroyers, at 4,000 tons, are a little larger than our latest frigates.

[63] A speed advantage of one or two knots can be important in evading, engaging, or simply keeping station with enemy ships.

[64] The U.S. Chief of Naval Operations considers Krivak class destroyers as "ton for ton the heaviest armed and most effective destoyer afloat." Understanding Soviet Naval Developments, p. 23. For comparisons between Krivak and U.S. Perry class frigates (due to begin deployment in mid–1977), see Heini, Robert D., Jr., Navy Lagging in Surface Sea Power, Detroit News, August 22, 1976, p. 1 and a rebuttal by John B. Shewmaker, U.S. Destroyer Seen Superior: Col. Heini Overrated Soviet Warship?, Detroit News, September 18, 1976, Letter to the Editor.

[65] Foreword to Jane's Fighting Ships, 1976–77. Theoretical hull life is 20-35 years, depending on ship type and circumstances.

[66] Understanding Soviet Naval Developments, p. 25.

[67] Rumsfeld, Donald H., Annual Defense Department Report for FY 1977, p. 174.

[68] Ibid. Submarines share ASW missions with several other fixed and mobile systems, but they play the paramount role.

[69] About 100 TU–16s are configured as tankers for aerial refueling. Soviet Long-Range Aviation units could augment them under some circumstances. (Understanding Soviet Naval Developments, p. 27, 73.) In-flight refueling for aircraft committed to surprise first strikes could take place with impunity, but slow-flying Badgers would be tempting targets during that process thereafter.

[70] Department of Defense Directive 5100.1 assigns the Air Force collateral functions in fields of sea interdiction, ASW, and aerial mine-laying.

[71] Ginsburgh, Robert N., A New Look at Control of the Seas, Strategic Review, Winter, 1976, p. 86–89. See also Silber, Howard, B–52 Testing Its Ship-Sinking Ability, Omaha World-Herald, December 26, 1976, p. 1.

[72] U.S. Congress. House. Means of Measuring Naval Power, p. 9–13; Understanding Soviet Naval Developments, p. 17, 18.

[73] Merry, Robert, Jane's Editor Sings Russ Navy Blues, Chicago Tribune, March 8, 1976, p. 1.

[74] The Soviet Navy has conducted two world-wide exercises, one in 1970, the other in 1975. The most recent, code named "Okean-75", demonstrated dramatic progress during the intervening five years. Eight task forces, totaling more than 200 surface ships and submarines, plus land-based naval aviation, deployed in diverse ocean areas. Satellite surveillance, computerized data flow, and almost instantaneous communications coordinated functions that included convoy tracking and simultaneous cruise missile launches. See, for example, Watson, Bruce W. and Walton, Margurite A. Okean-75, Naval Institute Proceedings, July, 1976, reprinted in Congressional Record, August 24, 1976, p. 514339–41; and Soviet Seen Operating two Types of Ocean Surveillance Satellite, Aerospace, Daily, June 2, 1976, p. 169.

[75] The Three Major Threats to U.S. Fleet, Defense/Space Daily, October 15, 1976, p. 246.

[76] Ruhe, William J., Cruise Missile: The Ship Killer, U.S. Naval Institute Proceedings, June, 1976, p. 46, 47–48; and Navy Faces Grave Cruise Missile Threat, Aviation Week and Space Technology, January 17, 1975, p. 101.

[77] Ruhe, William J., Cruise Missile: The Ship Killer, p. 47

[78] Navy Faces Grave Missile Threat, p. 101.

[79] Osa stands for Wasp; Nanuchka for Gnat; Komar for Mosquito.

[80] Ruhe, William J., Cruise Missile: The Ship Killer, p. 48, 49, 52.

[81] Ibid., quoting the NSC study cited in Note 75. "There is indeed some doubt as to whether the Terrier system could effectively defend against cruise missiles fired from a single 'Charlie'-class submarine," according to a Congressional Budget Office study entitled Planning U.S. General Purpose Forces: The Navy, Washington, U.S. Govt. Print. Off., December, 1976, p. 41. See also Rumsfeld, Donald H., Annual Defense Department Report for FY 1978, p. 111, 112.

[82] Turner, Stansfield, The Naval Balance: Not Just a Numbers Game, p. 350.

[83] Israeli patrol boats stymied Arabs armed with Styx missiles (SS–N–2s) during the Yom Kippur conflict in 1973, using chaff umbrellas and clever tactics. Roughly 50 missiles were fired without one hit, because the Arabs were still unequipped to wage electronic warfare. Surprises could be expected from sophisticated Soviets. Aviation Week and Space Technology, January 27, 1975, p. 121. See also Eustace, Harry F., A U.S. View of Naval EW and Sunderam, G. S., Electronic Warfare at Sea, both in International Defense Review, April, 1976, p. 4f, 217ff.

[84] Lindsay, George R., Tactical Anti-Submarine Warfare: The Past and the Future, contained in Powers at Sea, I. The New Environment, Adelphi Papers 122, London International Institute for Strategic Studies, 1976, p. 33; Merry, Robert, Jane's Editor Sings Russ Navy's Blues, p. 1.

[85] Germany had 330 submarines in service by July, 1942. Lindsay, George R., Tactical Anti-Submarine Warfare, p. 32.

[86] Polmar, Norman, Thinking About Soviet ASW, U.S. Naval Institute Proceedings, May, 1976, p. 110.

[87] U.S. Congress. House. Oil Fields as Military Objectives, p. 19–20, 66–67.

[88] Admiral J. L. Holloway, III, Chief of Naval Operations, as quoted by Stansfield Turner in The Naval Balance: Not Just a Numbers Game, p. 351.

[89] Alva M. Bowen, Jr., specialist in naval affairs for the Congressional Research Service, was principal source for the sub-section on naval mine warfare.

[90] Statistics were drawn from U.S. Navy computer printouts dated June 15, 1976.

[91] Turner, Stansfield, The Naval Balance: Not Just a Numbers Game, p. 339.

FIG. 18.—CARRIER-BASED AIR POWER—STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS

	1970	1971	1972	1973	1974	1975	1976
Attack carriers: [1]							
United States:							
Nuclear	1	1	1	1	1	2	2
Oil	14	13	13	13	13	13	11
Total	15	14	14	14	14	15	13
Soviet Union	0	0	0	0	0	1	1
U.S. standing	+15	+14	+14	+14	+14	+14	+12
ASW carriers:							
United States	4	4	3	2	0	0	0
Soviet Union	2	2	2	2	2	2	2
U.S. standing	+2	+2	+1	Par	−2	−2	−2
Other carriers:							
United States	7	7	7	7	7	7	8
Soviet Union	0	0	0	0	0	0	0
U.S. standing	+7	+7	+7	+7	+7	+7	+8
Grand total:							
United States	26	25	24	23	21	22	20
Soviet Union	2	2	2	2	2	3	3
U.S. standing	+24	+23	+22	+21	+19	+19	+17

Footnotes at end of table.

FIG. 18.—CARRIER-BASED AIR POWER—STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS—Continued

	1970	1971	1972	1973	1974	1975	1976
Fighter/attack aircraft:[2]							
United States:							
A-4	147	38	41	42	30	40	0
A-6	119	118	105	113	115	97	104
A-7	254	308	312	312	283	300	274
F-4	222	246	253	238	209	95	139
F-8	78	41	45	45	43	38	0
F-14	0	0	0	0	23	50	93
Total	827	751	756	750	703	620	610
Soviet Union: Yak-36	0	0	0	0	0	0	15
U.S. standing	+827	+751	+756	+750	+703	+620	+595
ASW aircraft:							
United States:							
S-2	91	83	73	68	52	31	5
S-3	0	0	0	0	0	28	73
SH-3 (Helo)	54	62	60	56	56	56	56
LAMPS (Helo)	0	0	11	17	37	43	56
Total	145	145	144	141	145	158	190
Soviet Union: KA-25 (Helo)	80	95	95	145	160	170	180
U.S. standing	+65	+50	+49	−4	−15	−12	+10

	Offensive weapons systems							
	Fighter aircraft	Attack aircraft	Recon aircraft	ASW aircraft	Average age (years)	Cruise missiles	Other weapons	Speed (knots)
Aircraft carriers:								
United States:								
Attack (CVA)	24 F-4/F-14	24-36 A-7, A-6	10 RA-5C	10 S-2/S-3	23	None	Sea Sparrow/Terrier	35
Helicopter (LPH)	Carries a mix of about 20 CH-46, CH-53, UH-1, AH-1 helos				12	None	Sea Sparrow/4 3-in. 50 cal	20
Soviet Union:								
ASW (CVS)	Carries up to 30 V/TOL and/or ASW Helicopters				1	8 SS-N-3/12.	Torpedoes, ASW Rockets, SS-N-1.	30+
Helicopter (CHG)	0	0	0	20 Helo	10	None	Torpedoes, ASW Missiles	30

	Aircraft characteristics							
	First deployed	Combat radius (miles)[3]	Max speed (mach)	Payload (pounds)	Typical weapons: Guns	Typical weapons: Missiles	Nuclear capable	All weather
Fighter/attack aircraft:								
United States:								
A-6	1963	750	0.9	10,000	None	18 Mk-82	Yes	Yes.
A-7D	1966	550	.9	7,200	120 mm	12 Mk-82	Yes	Yes.
F-4J	1961	475	2.2	15,500	None	8 AIM-7/9	Yes	Yes.
F-14	1973	580	2.3	17,600	120 mm	8 AIM-7/9, 6 AIM-54.	No	Yes.
Soviet Union: YAK-36	1976	300	Subsonic					

	First deployed	Combat radius (miles)	Patrol speed (mph)	ASW weapons	Detection devices
ASW aircraft:					
United States:					
S-2	1954	675	150	2 torpedoes or depth charges	MAD, radar, sonobuoys.
S-3	1974	1,200+	200	4 torpedoes or other mix	MAD, radar, sonobuoys.
SH-3 (Helo)	1611	100	135	2 torpedoes or other mix	MAD, radar, dipping sonar.
LAMPS (Helo)	1973	60	150	1 torpedo	MAD, radar, sonobuoys.
Soviet Union: KA-25 (Helo)	1962	200	120	2 torpedoes or depth charges	

[1] The Kiev is not strictly an attack carrier. The Moskva and Leningrad are not strictly ASW carriers. However, they correspond most closely with those categories.

[2] UE aircraft only, excluding reconnaissance, training, and special-purpose versions. Kiev class carriers can carry a mix of up to 30 fixed- and rotary-wing aircraft. All 30 could be Yak-36, but 10-15 have been counted thus far.

[3] Combat radii correspond with payloads shown under average conditions. Payloads are merely representative. External fuel tanks are included wherever applicable.

FIGURE 19.—NAVAL SURFACE COMBATANTS (LESS AIRCRAFT CARRIERS) STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS

	1970	1971	1972	1973	1974	1975	1976
CRUISERS							
United States:							
SSM	0	0	0	0	0	0	0
Other:							
Nuclear	3	3	3	3	4	5	5
Oil	24	24	25	26	24	22	21
Total	27	27	28	29	28	27	26
Soviet Union:							
SSM	9	10	12	15	17	19	21
Other	15	15	15	13	12	11	10
Total	24	25	27	28	29	30	31
U.S. standing	+3	+2	+1	+1	−1	−3	−5

FIGURE 19.—NAVAL SURFACE COMBATANTS (LESS AIRCRAFT CARRIERS) STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS—Continued

	1970	1971	1972	1973	1974	1975	1976
DESTROYERS							
United States:							
Active:							
SSM	0	0	0	0	0	0	0
Other	159	141	131	108	69	70	69
Total	159	141	131	108	69	70	69
Reserve [1]	28	28	31	31	37	32	30
Grand total	187	169	162	139	106	102	99
Soviet Union:							
SSM [2]	6	7	7	10	13	16	20
Other	71	70	70	67	67	65	64
Total	77	77	77	77	80	81	84
U.S. standing	+110	+92	+85	+62	+26	+21	+15
FRIGATES [3]							
United States:							
Active	47	57	66	67	64	64	64
Reserve	6	4	4	4	0	0	0
Total	53	61	70	71	64	64	64
Soviet Union	111	111	110	109	108	105	106
U.S. standing	−58	−50	−40	−38	−44	−41	−42
SMALL COMBATANTS							
United States	0	0	0	0	0	0	0
Soviet Union:							
SSM [4]	0	0	6	6	8	10	14
Other [5]	70	75	77	80	85	88	88
Total	70	75	83	86	93	98	102
U.S. standing	−70	−75	−83	−86	−93	−98	−102
SHORE PATROL [6]							
United States:							
SSM	0	0	0	0	0	0	0
Other	16	17	16	14	14	14	8
Total	16	17	16	14	14	14	8
Soviet Union:							
SSM	140	145	136	129	127	123	121
Other	665	555	480	460	430	394	391
Total	805	700	616	589	557	517	512
U.S. standing	−789	−683	−600	−575	−543	−503	−504

[1] U.S. Naval Reserve ships shown are immediately available to augment active forces in emergency.
[2] Soviet SSM figures include surface-to-underwater missiles that probably have SSM capability.
[3] Includes ships formerly called destroyer escorts and comparable to craft over 1,200 tons.
[4] SSM's are Nanuchka.
[5] Others are Grisha and Poti.
[6] SSM's are Komar and Osa. Others are fast torpedo boats, subchasers, hydrofoils, and the like.

SHIP CHARACTERISTICS—UNITED STATES

	Current number	First deployed	Average displacement (tons)	AAA Sams	ASW weapons	Guns	Power plant
Cruisers:							
Bainbridge (CGN)	1	1962	8,580	2 Terrier (twin) 4, 3 in	ASROC 2 torpedo (tripler)	None	Nuclear.
Belknap (CG)	9	1964	7,930	2, 3 in	ASROC (twin) 2 torpedo (triplet).	1, 5 in	Steam.
California (CGN)	2	1974	10,150	2 Tartar	ASROC (twin) 4 torpedo	2, 5 in	Nuclear.
Leahy (CG)	9	1962	7,800	2 Terrier (twin) 4, 3 in	ASROC 2 torpedo (triplet)	None	Steam.
Truxton (CGN)	1	1967	9,200	2, 3 in	ASROC (twin) 4 torpedo	1, 5 in	Nuclear.
Virginia (CGN)	3	1976	11,000	2, Tartar (twin)	2 torpedo (triplet)	2, 5 in	Do.
Destroyers:							
Charles F. Adams (DDG)	23	1960	4,500	1 Tartar (single or twin)	do	2, 5 in	Steam.
Coontz (DDG)	10	1960	5,800	1 Terrier (twin)	do	1, 5 in	Do.
Forrest Sherman:							
DDG	14	1955	4,050	None	do	3, 5 in	Do.
DDG	4	1967	4,150	1 Tartar	do	1, 5 in	Do.
Gearing (DD) (modernized)	42	1945	3,500	None	do	4, 5 in	Do.
Spruance (DD)	8	1975	7,800	do	ASROC 2 torpedo (triplet) 1 ASW Helo.	2, 5 in	Gas turbine.

Note.—Speed average slightly over 30 kn. Torpedoes are launch tubes only, not numbers of weapons. Col. 1 totals do not equal entire inventory, because several classes are not shown.

SHIP CHARACTERISTICS—SOVIET UNION

	No.	First deployed	Speed (knots)	Average displacement (tons)	AAA Sam's	ASW weapons	Antisurface ship weapons	Powerplant
Cruisers:								
Kara (CLGM)	4	1973	32	10,000	2 SA–N–3; 2 SA–N–4; 4 76 mm; 4 gatling.	ASW rockets; depth charges	8 SS–N–14; 10 torpedo	Gas turbine.
Kresta I (CG)	4	1967	32	7,500	2 SA–N–1; 4 57 mm	MBU 2500A depth charges	4 SS–N–3; 10 torpedo	Steam.
Kresta II (CG)	9	1970	32	7,500	2 SA–N–3; 4, 57 mm	ASW rockets	8 SS–N–14; 10 torpedo	Do.
Kynda (CG)	4	1962	34	5,500	1 SA–N–1; 4, 76 mm	2 MBU 3500A; 6 torpedo	8 SS–N–3 (reloads)	Do.
Sverdlov (CL)	10	1952	32	17,500	32, 37 mm; some SA–N–4; some gatling.	10 torpedo	12, 6 in; 12, 3.9 in mines	Do.

Footnotes at end of table.

SHIP CHARACTERISTICS—SOVIET UNION—Continued

	No.	First deployed	Speed (knots)	Average displacement (tons)	AAA Sam's	ASW weapons	Antisurface ship weapons	Powerplant
Destroyers:								
Kanin (DDG)	7	1968	34	4,500	1 SA–N–1; 8, 57 mm	3 MBU 2500A	10 torpedo	Do.
Kashin (DDG) (converted)	5	1963	+36	4,500	2, SA–N–1; 4, 76 mm	2 MBU 2500A; depth charges	4 SS–N–2/11; 5 torpedo mines	Gas turbine.
Kotlin (DD)	18	1954	35	3,885	16, 45 mm	MBU 2500A or depth charges	4, 5.1-in; 10 torpedo mines	Steam.
Kotlin (DDG)	8	1962	35	3,885	1 SA–N–1; 4, 57 mm; 8, 30 mm.	2 MBU 2500A	2, 5.1 in; 5 torpedo	Do.
Krivak (DD)	15	1971	32	4,000	2, SA–N–4; 4, 76 mm	do	4 SS–N–14; 8 torpedo	Gas turbine

Note.—14 additional Kashin class destroyers lack any antiship missiles. All Soviet SAM's have twin launchers. Torpedoes are launch tubes only, not numbers of weapons. Col. 1 totals do not equal entire inventory, because several classes are not shown.

PATROL CRAFT CHARACTERISTICS—SOVIET UNION

	No.	1st deployed	Speed (knots)	Average displacement (tons)	SAM's, AAA	Cruise missiles	Torpedo tubes, guns, and other weapons	Powerplant
Patrol craft:								
Komar (PTG)	(1)	1960	50	80	2 25mm	2 SS–N–2	None	Diesel.
Osa (PTG)	120	1960	35	220	4 30mm	4 SS–N–2/11	do	Do.
Nanuchka (PGG)	14	1969	30+	800	1 SA–N–4; 2, 57mm	6 SS–N–9	do	Do.

[1] Few.

ANTISHIP MISSILE/ROCKET CHARACTERISTICS

	1st deployed	Range (miles)	Warhead	Yield
United States: ASROC (ASW)	1961	6	HE, Nuke	All in kiloton range.
Soviet Union:				
SS–N–14	1974	30	HE, Nuke	Do.
SS–N–12	(1)	(1)	(1)	Do.
SS–N–11	(1)	(1)	(1)	
SS–N–9		150	HE, Nuke	Do.
SS–N–3	1960	150–250	HE, Nuke	Do.
SS–N–2	1960	23	HE	Do.
SS–N–1	1958	130	HE	Do.

[1] Characteristics classified.

Key: CL=Light Cruiser; CG=Guided Missile Cruiser; DD=Destroyer; DDG=Guided-Missile Destroyer; PTG=Guided-Missile Patrol Boat; PPG=Patrol Combatant.

Note.—ASROC carries a small torpedo or depth charge for use against submarines. SS–N–14 a missile-borne ASW torpedo, probably has antisurface ship capabilities. SS–N–12 is replacing SS–N–3; SS–N–11 is replacing SS–N–2. All Soviet SAM's probably have significant SSM capabilities

FIGURE 20

ATTACK SUBMARINES—STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS

	1970	1971	1972	1973	1974	1975	1976
United States:							
SSM	0	0	0	0	0	0	0
Other							
Nuclear	46	51	56	60	61	64	64
Diesel	59	50	38	24	12	11	10
Total	105	101	94	84	73	75	74
Soviet Union:							
SSM:							
Nuclear	35	38	40	41	42	42	43
Diesel	28	27	26	25	24	24	23
Total	63	65	66	66	66	66	66
Other:							
Nuclear	24	26	28	31	34	37	38
Diesel	210	190	180	175	160	156	150
Total	234	216	208	206	194	193	188
Grand total	297	281	274	272	260	259	254
U.S. standing	−192	−180	−180	−188	−187	−184	−180

ATTACK SUBMARINE CHARACTERISTICS

[SS, diesel submarine; SSN, nuclear submarine; SSG, diesel cruise missile submarine; SSGN, nuclear cruise missile submarine]

	Current number [1]	1st deployed	SUBROC, cruise missiles	Subsurface launch	Torpedo tubes	Powerplant
United States:						
688 Class (SSN)	1	1975	SUBROC	Yes	4	Nuclear.
637 Class (SSN)	37	1966	SUBROC	Yes	4	Do.
594 Class (SSN)	13	1962	SUBROC	Yes	4	Do.
Skate Class (SSN)	5	1957	None		8	Do.
Skipjack Class (SSN)	5	1959	do		6	Do.
Soviet Union:						
Cruise missile:						
Charlie (SSGN)	14	1968	8 SS–N–7	Yes	8	Do.
Echo II (SSGN)	29	1963	8 SS–N–3–/12	No	10	Do.
Juliett (SSG)	16	1962	4 SS–N–3/12	No	6	Diesel.
Papa (SSGN)	1	1973	8 SS–N–7	Yes	8	Nuclear.

FIG. 20.—ATTACK SUBMARINE CHARACTERISTICS—Continued

	Current number [1]	1st deployed	SUBROC, cruise missiles	Subsurface launch	Torpedo tubes	Powerplant
Attack:						
Echo I (SSN)	5	1960	None		10	Do.
Foxtrot (SS)	60	1958	do		10	Diesel.
November SSN)	13	1958	do		8	Nuclear
Romeo (SS)	10	1961	do		8	Diesel.
Tango	3	1973	do		6	Do.
Victor (SSN)	19	1968	do		8	Nuclear.
Whiskey (SS)	40	1951	do		6	Diesel.
Zulu (SS)	15	1952	do		10	Do.

[1] Col. 1 numbers do not equal entire inventory, because some classes are not shown.

Note: The few U.S. diesel-powered submarines, all commissioned in the 1940's and 1950's are omitted. So are "one-of-a-kind" classes, like nuclear Lipscomb and Narwhal.

ANTISHIP MISSILE/ROCKET CHARACTERISTICS

	1st deployed	Range (miles)	Warhead	Yield
United States: SUBROC (ASW)	1965	45	Nuke	In kiloton range.
Soviet Union:				
SS-N-12	(1)	(1)	(1)	Do.
SS-N-7	1968	30	HE, Nuke	Do.
SS-N-3	1962	150-250	HE, Nuke	Do.

[1] Characteristics classified.

Note: SS-N-12 is replacing SS-N-3.

FIGURE 21

SHORE-BASED NAVAL AIRCRAFT—STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS

	1970	1971	1972	1973	1974	1975	1976
ANTISURFACE SHIP BOMBERS							
United States	0	0	0	0	0	0	0
Soviet Union:							
Backfire	0	0	0	0	0	0	30
IL-28	60	50	50	30	30	30	20
SU-17	0	0	0	0	0	0	Few
TU-16	320	320	320	320	320	320	320
TU-22	60	60	60	60	60	60	60
Total	440	430	430	410	410	410	430+
U.S. standing	−440	−430	−430	−410	−410	−410	−430+
ASW AIRCRAFT							
United States: P—3	210	210	213	314	202	199	203
Soviet Union:							
Bear-F	0	0	0	0	0	15	20
BE-6	30	10	0	0	0	0	0
BE-12	60	75	75	100	100	100	100
IL-38	20	20	40	40	55	55	55
MI-4 (Helo)	130	130	130	130	115	105	70
Total	240	235	245	270	270	275	245
U.S. standing	−30	−25	−32	−56	−68	−76	−42
Grand total:							
United States	210	210	213	214	202	199	203
Soviet Union	680	665	675	680	680	685	675
U.S. standing	−470	−455	−462	−466	−478	−486	−472

	Aircraft characteristics					
	1st deployed	Crew	Nr engines	Patrol radius (miles)	Detection devices	Antiship weapons
ANTISURFACE SHIP BOMBERS						
Soviet Union:						
Bear-F	1975	5	4	3,900		
Backfire	1975	2-4	2	2,500		ASM's.
IL-28	1950	3	2	685		Bombs or torpedoes.
SU-17	1972	1	1	375		Bombs, rockets, ASM.
TU-16	1955	7	2	1,600		Bombs or ASM.
TU-22	1962	3-4	2	700		Bombs.
ASW AIRCRAFT						
United States: P-3	1962	10-12	4	1,200	MAD, [1] radar, sonobuoy	Torpedoes or mines.
Soviet Union:						
BE-12 [2]	1961	4	2	1,250	MAD, radar, sonobuoys.	Bombs, mines, depth charges, torpedoes (various mixes).
IL-38	1968	12	4	2,250	do	Do.
MI-4 (Helo)	1953		1	75+	MAD, radar, sonar	None.

[1] MAD stands for magnetic anomaly detector.
[2] BE-12 (and its predecessor BE-6) is a flying boat.

Note: UE aircraft only, excluding reconnaissance, training, and special-purpose versions.

Part V. Mobility Forces

Mobility modes and missions

The proper mix and amount of airlift, sealift, and land transportation depends on how much must be moved how far how fast under specific conditions to serve particular purposes. Prepositioning selected stocks (such as armor, artillery, and ammunition) in or near prospective employment areas can reduce demands, but only up to some changeable point, beyond which such steps can be counterproductive.[1]

Intercontinental lift over open oceans is a U.S. essential. Russian requirements thus far have been more regional. Dissimilar demands

consequently foster mobility force structures that are quite different in size as well as composition.[2] (See Graph 9 at the end of this section).

MILITARY AIRLIFT

There is no clean dividing line between strategic and tactical airlift, both of which specialize in rapid redeployment to serve deterrent/defensive purposes, but primary missions are distinct.

Strategic airlift

Soviet Posture—

AN-22 Cocks, with a cargo capacity second only to U.S. C-5s, can lift outsize items like T-62 tanks, Frog-3 rockets, and SA-4 SAMS on tracked launchers. Flashy turbofan Candids (IL-76) have some features similar to C-141s. Taken together, however, they total just 80 aircraft, a small fleet compared with the titanic armed force they are tasked to support. (See Figure 22). Neither is fitted for in-flight refueling.[3]

Aeroflot, the Soviet counterpart of U.S. civil airlines, could increase cargo capacities about 25 percent, and triple spaces for passengers,[4] but its crews, along with those in military service, lack much experience in long-range operations over strange territory.

Those factors in combination rule out large-scale airlift operations in southern Africa, Latin America, and other remote locales, unless "stepping stones" are available.

U.S. Posture—

America's strategic airlift assets, despite significant shortfalls, are without peer in the world.

Capabilities.—Major emphasis on modernization has paid off. Our present all-jet force, less than half the size of its propeller-powered predecessor in the late 1960s, can lift loads more than three times larger.[5] Seventy C-5s can accommodate outsize, oddly-shaped cargo, such as heavy helicopters, tanks, and 20-ton cranes.[6] Aircraft and crews are qualified for in-flight refueling, which makes nonstop performance possible at unrestricted range.[7] C-141s, proved over a seven-year period on the trans-Pacific "pipeline" to Southeast Asia, are still reliable mainstays that make up 75 percent of our strategic airlift stable. Utilization rates could be increased in emergency by mobilizing associate reserves that lost their last aircraft in 1975, but are collocated with active squadrons, and participate in operations.[8] C-130 E/H models, available for augmentation under certain circumstances, could increase strategic capabilities by about 8,500 tons in fifteen days.[9]

The U.S. Civil Reserve Air Fleet (CRAF), with roughly 135 long-range cargo and 94 passenger aircraft,[10] all modern jets, can be committed during crises in accord with contracts that connect commercial carriers with Military Airlift Command (MAC).[11]

Combined military/CRAF 30-day capabilities reportedly total 180,000 tons, 50,000 of which (28 percent) comprise C-5 sorties with outsize equipment.[12]

Constraints.—Absolute airlift abilities, however impressive in abstract terms, must be related to the real world and real requirements if they are to be meaningful.

The time required to deploy Army divisions with unit integrity intact depends entirely on C-5s, the only aircraft (including those in CRAF) that can carry outsize cargo.[13] The current complement of 70 clearly is too few to implement NATO plans in prescribed time frames. Nearly five trips, for example, would be needed to move the medium tanks of one armored division, at the rate of two per load. One official study concludes that eight days would elapse before all outsize equipment could reach NATO airports after C-141s and CRAF delivered an inter-service package composed of 300,000 troops and 169,000 tons of cargo.[14]

C-141s, which "cube out" quickly,[15] fly many sorties with substantial lift capacity unused. Their inability to refuel in flight causes operational costs to soar and constrains mobility options.[16] Huge numbers are needed even to lift the combat elements of a light airborne division over long distances with a basic load of ammunition and five-day supplies of rations and fuel. A move from Fort Bragg, North Carolina to the Middle East would consume more than 700 sorties,[17] not counting comparable airlift required for associated Army support and forces from other services.[18]

CRAF equipment compensates less effectively than first glance suggests. Only 12 are wide-bodied freighters.[19] None of those are configured to carry outsize cargo.[20]

Finally, SAC's fleet of 615 KC-135 tankers[21] is sufficient to serve concurrently the peacetime U.S. B-52 alert force, transoceanic fighter redeployments, and strategic airlift operations only during small-scale, medium-range contingencies. Competition could delay receipt of supplies and reinforcements under more stringent circumstances.[22]

Tactical airlift

Tactical airlift is used primarily for intra (rather than inter) theater transportation. Various types of aircraft can quickly shift troops, supplies, and equipment by airlandings and/or aerial delivery.

Soviet Posture.—AN-12 Cubs, which account for almost 85 percent of all Soviet airlift aircraft, are inferior to U.S. C-130s in every respect. Still, they find space for most equipment assigned or attached to airborne divisions (see Figure 22 for statistics and characteristics). So do IL-76s, which are just beginning to see service.[23]

Tactical transports are sufficient to airlift one Soviet airborne division about 1,000 miles with all combat equipment and three days worth of accompanying supplies. Military aircraft could move assault elements of two divisions the same distance, provided heavy items were prepositioned. Augmentation from Aeroflot could triple the number of personnel.[24] Shorter hops increase capabilities, because turnaround times are reduced. Major elements thus could move rapidly to, say, the Middle East from departure airfields in the Caucasus, especially if committed in waves over several days.[25]

Reliable fighter support, however, could be a critical limiting factor in any objective area far from Soviet frontiers or satellite states. Forward basing conceivably could be found in friendly countries, such as Syria, but complexities would increase. The likelihood that large-scale Soviet airborne operations would occur under any conditions that exclude local air superiority thus seems slight.[26]

U.S. Posture—America's tactical airlift, long the world's best, is still unexcelled, but in the absence of modernization measures shows clear signs of age.

Capabilities.—Tried, true, and time-tested C-130s, which make up most of the U.S. tactical airlift force, are ideally suited for multiple missions over medium ranges under combat conditions. They adapt equally well for airlandings and airborne assaults that involve minimal campaigns or mass movements.

Constraints.—MAC's active force is much smaller than in 1970 (534 aircraft then, 234 now).[27] Reserve components, equipped mainly with older model C-130s, are much larger (100 then, 374 now). Composite strengths have therefore stayed constant statistically, but combined capabilities have decreased. Reliance on reserves, once modest, is now marked.

Beyond that, C-130 cargo compartments are too tight for loads like self-propelled artillery and MICV,[28] which C-141s can lift only by slighting strategic airlift missions. We also are losing any capacity to conduct operations off crude strips less than 2,000 feet long. A few C-7 and C-123 aircraft, approaching the end of their service life, are still assigned to squadrons in reserve, but capabilities are absent in the active inventory.

Battlefield mobility

Dual-purpose Soviet MI-24 Hind helicopters, which serve as weapons platforms as well as cargo/troop carriers, possess great possibilities.[29] Their numbers, however, now are few. Other makes are less impressive. Doctrine is still in development.

The combined U.S. Army and Marine fleet of 3,200 cargo/utility helicopters, cut by 60 percent since 1970, still possesses battlefield mobility much superior to that of the Soviets. That trend, however, could turn around, if present stocks are not replaced with more capable models.

MILITARY SEALIFT

Military sealift essentially serves two purposes: administrative movements and amphibious assault. Once again, asymmetries between U.S. and Soviet structures are clearly apparent (Figure 23).

Administrative sealift

Airlift affords rapid response, but only sealift can carry mass tonnages over transoceanic distances to sustain forward deployed forces or move strategic materials in amounts essential for national security.

Soviet Strategic Sealift—

The Soviet merchant marine, controlled by the Navy, currently includes 1,650 modern, highly-automated ships whose characteristics have been shaped more by sea power concepts than purely commercial considerations. Most, being self-sustaining[30] and smaller than U.S. counterparts, are better able to operate in ports plagued by shallow harbors and skimpy facilities. Abilities were displayed to advantage during the Vietnam War, when Soviet merchantmen moved millions of tons 14,000 nautical miles around the Cape of Good Hope to Haiphong.[31]

Present trends tend toward Roll-on Roll-off (Ro/Ro) vessels, with ramps that allow wheeled and tracked vehicles to board and debark at will from open piers, with or without containers. Something like 20 now are in service. Finland is building two "Seabee" ships, based on U.S. technology. Barges, stowed topside and between decks, can be loaded and unloaded easily, and once in the water integrate easily with feeder systems that navigate inland waterways. The applicability to operations in out-of-the-way areas is apparent.[32]

U.S. Merchant Fleets—

U.S. merchant shipping has definitely been on a down slide since World War II. The implications for national defense are inimical.

Military Sealift Command.—Six government-owned and 21 chartered dry cargo ships currently constitute the core assets immediately available to Military Sealift Command (MSC) for security purposes—166 less than those assigned at the start of this decade.[33] Thirty tankers make up the remainder.

Active Merchant Marine.—Capabilities so slight can be quickly exhausted. Consequently MSC leans ever more heavily on our active merchant marine, which is also shrinking.

Footnotes at end of article.

Ships now in the inventory are tailored expressly for foreign trade, not military emergencies. The U.S. break-bulk tramp fleet has broken up.[34] Specialized container ships, which now predominate, capitalize on speed at sea and at pierside.[35] Loading and offloading can take less than 24 hours, vice several days for conventional freighters.

Unfortunately such vessels are ill-configured to carry vehicles, and the absence of onboard gantry cranes, which increase container capacity and decrease cost/maintenance problems, makes discharge difficult in undeveloped ports. Heavy-lift helicopters, balloon-supported aerial tramways (like those used by lumber companies), and equipment on self-sustaining ships currently serve as expedients to unload container ships in such circumstances, but efforts of that sort are expensive and inefficient.[36]

Even if the U.S. Merchant Marine were structured perfectly, potential problems would still exist, given existing legal limitations. Emergency callups are politically sensitive matters, and in prolonged conflict could weaken this country's already poor competitive commercial position by diverting ships for defense.[37] Sharp distinctions consequently are made between major wars and minor contingencies. No emergency requisitioning, for example, ever occurred in the Vietnam War, although the President had such powers. As a direct result, civilian ships offered for charter were often second class in terms of requirements.[38]

National Defense Reserve Fleet.—Marginal abilities of the active Merchant Marine to satisfy national needs (with or without compulsory callups) reinforce reliance on the National Defense Reserve Fleet (NDRF), which moved 40 percent of all military cargo to Vietnam during peak periods.[39]

Capabilities, however, are miniscule, compared with those in the past. The "mothballed" fleet of World War II cargo ships, which once numbered thousands, is now reduced to 139 that are worth reactivating. Law permits owners to trade in aging but effective Mariner class ships for equal value in clunkers they could sell for scrap, but few so far have taken advantage, so the NDRF rusts and rots.[40]

Those still seaworthy are small and slow,[41] but their self-sustaining characteristics and ability to accept outsize items like tanks, trucks, locomotives, rolling stock, and harbor craft makes them easily adaptable for military missions. Perhaps even more importantly, requirements for break-bulk ships will remain critical until commercial containers are approved for ammunition carriage sometime in the early 1980s.[42]

Current DOD plans call for supplementary sealift from NDRF storage sites to report ready for duty within 10–15 days after American servicemen and/or materiel are committed to contingency operations, but refurbishment in fact would take 30 days or more in many instances. Drydock schedules are cramped. Labor skills are short in some shipyards. The passage of time will only aggravate the availability of repair parts, which already are scarce. Union assurances that sufficient qualified crews could assemble in short order may prove optimistic. About eight months reputedly would transpire before all NDRF Victory ships could pass muster, if reactivation proceeded on a regular schedule. Time could be cut to something like three months if crash programs were implemented.[43]

A program now is afoot to refit 30 NDRF ships fast enough to satisfy 5- to 10-day force generation requirements.[44] Five ships from this Ready Reserve Force (RRF) would join the MSC Nuclear Fleet. The remainder would be chartered. That program, however, will not reach fruition until 1981.[45]

Effective U.S. Controlled Fleet.—The Effective U.S. Controlled Fleet (EUSC) of 314 ships, owned by Americans but flying flags from Liberia, Panama, and Honduras, offers a fallback position of sorts. Written agreements list which ships might reasonably be available in emergency. How responsive they would actually be is argumentive, but their military value is minimal in any case, since all but 10 are tankers or bulk cargo carriers best suited for hauling petroleum products and natural resources.[46]

Other Foreign Flags.—Other foreign-flag ships completely beyond U.S. control are more than ample to meet America's major contingency requirements. Dependability, however, could be poor if perceived interests of the countries concerned (including NATO allies) fail to coincide during crises with those of the United States. Even if owners show good will, there is no certainty that alien crews will agree to traffic in war zones, with or without a big bonus.[47]

Salient U.S. Shortcomings.—U.S. strategic sealift suffers from insufficient ships that can assemble in acceptable times and carry military type cargo to points where facilities are undeveloped or destroyed.

Army armored and mechanized divisions, with many more vehicles than ever before, would impose immense strains on merchant shipping, not just for initial deployment but to withstand combat losses, which could be heavy if history is any indicator. The trend toward fewer ships, constructed essentially to carry containers, thus is inversely proportionate to military demand. Even modest attrition from Soviet attacks could cripple our missions.

Amphibious sealift

Soviet amphibious sealift is extremely limited (Figure 24). Active U.S. assets are still comparatively strong, although they dropped from 162 ships to 62, after reaching their apogee in 1967.

The residue is satisfactory for battalion- and regimental-size landings, but lift requirements of a single Marine division/wing team would absorb all but four operational ships scattered from Manila to the Mediterranean. Lead times for assembly would be long, and combat losses irreplaceable.[48]

Road and rail

Except for one gravel road that links CONUS with Alaska, the United States has no overland routes to any prospective areas of possible confrontation with the Soviet Union, which relies heavily on road and rail lines that lead to NATO territory, the Indian-subcontinent, China, and the Middle East.

Soviet networks generally compare poorly with those in this country. Not many highways are paved. Trucks are plentiful, but maintenance is poor. Railways are still restricted, even though traffic has doubled in the last decade. Trains enroute to and from central Europe (or China, for that matter), must change wheels at the border, because Russian broad gauge tracks are incompatible with those of satellite states.[49] The process takes about two hours for a 20-car train.

Nevertheless, Soviet land lines of communication constitute impressive mobility means that are more important than airlift and sealift for many missions.

Combined flexibility

Composite Soviet mobility forces are sufficient to influence a range of low-key contingencies in widely-separated areas, such as Angola and the Arab States, but airlift/sealift shortages are still strong limiting factors for major military operations almost anywhere outside the home country or contiguous satellites.

Quick and efficient logistic support for allies is a U.S. airlift specialty. MAC's squadrons also afford means of reinforcing forward deployed forces rapidly or shifting sizable combat power anywhere in the world. Apparent flexibility, however, is conditioned by the dearth of sealift, which makes it almost impossible to sustain major efforts without allied assistance. That dangerous combination calls for caution under most conceivable circumstances, since aid is by no means assured.

FOOTNOTES

[1] Prepositioned stocks require protected facilities. Duplicate sets of equipment (one in use, one in storage) not only double costs, but some items are difficult to maintain, much less modernize at rates equal to those of items in active units. Land-based depots in particular are susceptible to preemptive destruction in some deployment areas. Relocating caches in emergency can *add* to, rather than *reduce*, demands on airlift and sealift. Rainville, R.C., Strategic Mobility and the Nixon Doctrine, Washington, The National War College, 1971, p. 60–61.

[2] U.S. plans, programs, and alternatives are addressed in Rumsfeld, Donald H., Defense Department Report for FY 1978, p. 228–237; Brown, George S., United States Military Posture for FY 1978, p. 93–98; and Mobility Forces: An Interim Report, prepared by the Congressional Budget Office for the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee, Washington, October 26, 1976, 13 p. plus tables.

[3] Schott, Terry L. Soviet Air Transportation: Projection of Power, U.S. Army Aviation Digest, July, 1976, p. 14.

[4] Brown, George S., United States Military Posture for FY 1978, p. 94.

[5] U.S. Congress. House. The Posture of Military Airlift. A report by the Research and Development Subcommittee of the Committee on Armed Services. 94th Congress, 2d Session. Washington, U.S. Govt. Print. Off., April 9, 1976. p. 28.

[6] Mobility Forces, Congressional Budget Office, p. 3.

[7] C–5 aircraft have always been equipped with refueling receptacles. but crews were not qualified during the emergency airlift to Israel in 1973. Consequently, they not only were compelled to take on fuel at politically sensitive Lajes Field in the Azores enroute, but consumed 1.3 pounds of POL at Lod Airport in Israel for every pound of equipment delivered. Ibid., p. 15.

President U.S. aircraft could carry 38 percent more outsize cargo if refueled in flight, according to a recent MAC study.

[8] Brown, George S., United States Military Posture for FY 1978, p. 94.

[9] Mobility Forces, Congressional Budget Office, p. 7, amended by Air Force comments on the draft of this study, March 7, 1977.

[10] Brown, George S., United States Military Posture for FY 1978, p. 95.

[11] CRAF callups, by model and series, can be in three stages. The first two afford extensive voluntary civil augmentation airlift in times of limited crisis. Commander, MAC is authorized to activate Stage I. Stage II requires Defense Secretary approval. Stage III provisions, connected with grave national emergencies declared by Congress, the President, or (under specified conditions) the Office of Preparedness, permit requisitioning of the entire CRAF. To date, none of those plans have been implemented. Commitments during the Vietnam conflict comprised voluntary expansion of peacetime contracts. U.S. Congress. House. The Posture of Military Airlift, p. 31–32.

[12] Air Force comments on the draft of this study, March 4, 1977. To put 30-day lift capacities in perspective, a single armored division with accompanying supplies (computed at 422 pounds per man day) weighs 55,900 tons. A mechanized division weighs 49,710. Infantry divisions, which make up most of our National Guard, weigh 29,370 each. Figures were furnished by Army DCSLOG planners on February 4, 1977.

[13] U.S. Congress. House. The Posture of Military Airlift, p. 18.

[14] Rainville, R.C., Strategic Mobility and the

Nixon Doctrine, p. 51–52, 73. The study cited is out of date, but C–5 holdings have stayed constant at 70 and similar delivery delays could be expected today.

[15] Large, irregular items such as vehicles often fill the cigar-shaped C–141 cargo compartment long before allowable cargo load (ACL) limits are reached in terms of pounds. That phenomenon, called "cubing out," has produced a prototype program for a "stretch" version of the C–141, which (if procured) would increase lift capacity about 30 percent.

[16] C–141s would have proved useless during the 1973 airlift to Israel if Portugal had refused landing rights at Lajes field. The same tonage could have been delivered with 57 fewer sorties while saving 5 million gallons of gas if in-flight refueling had been feasible. U.S. Congress. House. The Posture of Military Airlift, p. 15.

[17] A sortie is one round trip by one aircraft.

[18] Statistics were received telephonically from staff officers of the 82d Airborne Division in April, 1975.

[19] Another 13 wide-bodied aircraft can be converted from passenger to cargo configuration. MAC Monthly Reserve Air Fleet Summary.

[20] Rainville, R. C. Strategic Mobility and the Nixon Doctrine, p. 49.

[21] Brown, George S., United States Military Posture for FY 1978, p. 96.

[22] Rumsfeld, Donald H., Annual Defense Department Report for FY 1978, p. 230.

[23] Turbiville, Graham H., Soviet Airborne Forces: Increasingly Powerful Factor in the Equation, Army Magazine, April 20, 1976, p. 22; Schott, Terry L., Soviet Air Transportation, p. 14–16.

[24] DIA comments on the draft of this study, March 3, 1977.

[25] Erickson, John, Soviet-Warsaw Pact Force Levels, p. 51; Turbiville, Graham, H., Soviet Airborne Forces, p. 22, 27.

[26] Turbiville, Graham H., Soviet Airborne Forces, p. 27.

[27] U.S. tactical airlift assets were assigned to Tactical Air Command and theater commanders until March 31, 1975, when Military Airlift Command was made single manager.

[28] U.S. Congress. House. The Posture of Military Airlift, p. 7.

[29] Erickson, John, Soviet-Warsaw Pact Force Levels, p. 51; Bramlett, David A., Soviet Airmobility: An Overview, Military Review, January, 1977, p. 16–18, 24–25.

[30] "Self-sustaining" in merchant marine terms connotes ships that can load and unload themselves, using the ship's booms, cranes, and other cargo-handling apparatus.

[31] Briefing by Larry Luckworth, U.S. Naval Intelligence Support Center, Washington, May, 1976, p. 1–2 of text; Understanding Soviet Naval Developments, p. 39; Brown, George S., United States Military Posture for FY 1978, p. 97. Sources refer to ship characteristics, not Soviet use.

[32] Chase, John D., U.S. Merchant Marine—for Commerce and Defense, U.S. Naval Institute Proceedings, May 1976, p. 134–135, 141; Rumsfeld, Donald H., Annual Defense Department Report for FY 1978, p. 237; Izvestia, December 27, 1976.

[33] MSC is the operating agency through which the Secretary of the Navy exercises his single manager responsibilities for all U.S. strategic sealift.

[34] Break-bulk ships, as opposed to those constructed to carry containers, transport undifferentiated dry cargo of various sizes and shapes. They suit military needs very well. "Tramps" are owned by independent operators, who haul cargoes of opportunity without regard for schedules or routes.

[35] Containers are rectangular steel boxes, eight feet square in cross-section. Standard lengths are 20, 24, 35, and 40 feet. Each can be carried on a trailer, railroad flat car, or in a barge. They stack vertically in container cells and on top of strong hatch covers, side-by-side, so that loading is simple and no space is wasted.

[36] Approximately 400 dry cargo ships were needed to sustain operations in Vietnam, because unloading and clearance facilities were inadequate. Consequently, scores of merchantmen constantly anchored offshore or queued in Thai harbors waiting their turn, extending turnaround times. New container ships transferred cargo to old self-sustainers or LSTs at Cam Ranh Bay. Many of those useful craft, that saw yeoman service, have since been retired. Chase, John D., U.S. Merchant Marine—For Commerce and Defense, p. 133–134; Brown, George S., United States Military Posture for FY 1978, p. 98.

[37] The Merchant Marine Act of 1936, as amended in 1970, prescribes a fleet "capable of serving as a naval and military auxillary in time of war or national emergency" declared by Presidential proclamation. In such case, "it shall be lawful for the Secretary of Commerce to requisition or purchase any vessel or other watercraft owned by citizens of the United States, or under construction in the United States, or for any period during such emergency to requisition or charter the use of any such property." Title 46, Sections 1101 and 1242, United States Code.

[38] Kendall, Lane C., "Capable of Serving as a Naval and Military Auxillary. . . .," U.S. Institute Proceedings, May, 1971, p 213–214, 214–215.

[39] The National Defense Reserve Fleet—Can it Respond to Future Contingencies? Report to the Congress by the Comptroller General of the United States, Washington Accounting Office, October 6, 1976, p. 2.

[40] Mariner class ships are newer, larger, and faster than Victory ships, but are similarly configured. Chase, John D., U.S. Merchant Marine—For Commerce and Defense, p. 140; Kendall, Lane C., "Capable of Serving as a Naval and Military Auxilliary. . . .," p. 226.

[41] Cargo ship speed is an important factor for fast turn-around times. Steaming at a steady 15 knots, a Victory ship would take four days plus four hours longer than a 20-knot C–4 Challenger to travel 6,000 miles.

[42] The National Defense Reserve Fleet—Can it Respond to Future Contingencies?; p. 3–4; telephonic conversation with MSC planners on February 9, 1977.

[43] The National Defense Reserve Fleet—Can it Respond to Future Contingencies?, p. 4–13, 32.

[44] The present list of 30 ships will change in size, composition and capability if MSC receives approval to swap a few Victory ships for more modern models.

[45] Brown, George S., United States Military Posture for FY 1978, p. 97.

[46] Chase, John D., U.S. Merchant Marine—For Commerce and Defense, p. 140–143.

[47] Ibid., p. 140; Kendall, Lane C., "Capable of Serving as a Naval and Military Auxiliary. . . ," p. 216, 209.

[48] One Marine division with its associated air wing normally embarks on a minimum of 49 amphibious ships, whose composition is as follows:

Command/control ship (LCC)	1
Amphibious assault ship (LPH)	5
Amphibious transport (LPA)	3
Amphibious transport dock (LPD)	10
Landing ship dock (LSD)	9
Amphibious cargo ship (LKA)	5
Landing ship tank (LST)	16
Total	49

Current assets are limited to 62 ships (see Figure 18 for LPH), of which 15 percent are normally in overhaul at any given time. Marine Corps comments on the draft of this study, March 3, 1977.

[49] Russian broad gauge tracks are 5 feet wide. Standard gauge tracks in satellite states are 4 feet 8½ inches.

FIGURE 22

MILITARY AIRLIFT—STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS

	1970	1971	1972	1973	1974	1975	1976
STRATEGIC AIRLIFT							
United States:							
Active:							
C–5	2	28	49	70	70	70	70
C–133	38	14	0	0	0	0	0
C–141	234	234	234	234	234	234	234
Total	274	276	283	304	304	304	304
Reserve:							
C–97	32	8	8	0	0	0	0
C–124	208	168	72	24	24	0	0
Total	240	176	80	24	24	0	0
Grand total	514	452	363	328	328	304	304
Soviet Union:							
AN–22	10	20	20	20	50	50	50
IL–76	0	0	0	0	0	10	30
Total	10	10	20	20	50	60	80
U.S. standing	+504	+442	+343	+308	+278	+244	+224

FIG. 22.—MILITARY AIRCRAFT—STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS—Continued

	1970	1971	1972	1973	1974	1975	1976
TACTICAL AIRLIFT							
United States:							
Active:							
C-7	80	80	4	0	0	0	0
C-123	60	38	0	0	0	0	0
C-130	394	332	288	272	272	272	234
Total	534	450	292	272	272	272	234
Reserve:							
C-7	0	0	32	48	48	48	48
C-119	48	0	0	0	0	0	0
C-123	8	8	40	72	72	72	64
C-130	44	114	188	188	198	222	262
Total	100	122	260	308	318	342	374
Grand total	634	572	552	580	590	614	608
Soviet Union: AN-12	730	730	730	730	680	670	630
U.S. standing	−96	−158	−178	−150	−90	−56	−22
Grand total:							
United States	1,148	1,024	915	908	918	918	912
Soviet Union	740	740	750	750	730	730	710
U.S. standing	+408	+284	+165	+158	+188	+188	+202
UTILITY/CARGO HELICOPTERS							
United States							
Army:							
CH-34	185	40	0	0	0	0	0
CH-37	25	0	0	0	0	0	0
CH-47	480	460	345	380	365	330	325
CH-54	70	55	50	50	50	50	50
UH-1	4,030	3,750	2,810	2,680	2,945	2,440	2,565
Total	4,790	4,305	3,205	3,110	3,360	2,820	2,940
Marine:							
CH-46	224	164	133	140	91	118	141
CH-53	113	95	101	107	101	97	101
Total	337	259	234	247	192	215	242
Grand total	5,127	4,564	3,439	3,357	3,552	3,035	3,182
Soviet Union	800	900	950	1,100	−1,325	1,350	1,475
U.S. standing	+4,327	+3,664	+2,489	+2,257	+2,227	+1,685	+1,707

	Transport aircraft characteristics							
	Powerplant		Cruising speed (knots)	Maximum cargo load (pounds)	Range with maximum load (nautical miles)	Minimum runway length (feet)		Troops
	NR	Type				Takeoff	Land	Passengers / Paratroops
United States:								
Active:								
C-5	4	Jet	450	209,000	2,565	7,700	4,610	343 / 0
C-130E	4	Turboprop	280	42,000	2,000	2,600	2,700	91 / 64
C-141	4	Jet	425	63,600	2,835	6,300	3,840	131 / 123
Reserve:								
C-7	2	Turboprop	140	6,000	100	1,000	1,000	31 / 25
C-123K	4	2 jets, 2 turboprops	145	17,600	100	1,325	1,150	58 / 58
C-130A	4	Turboprop	290	25,000	1,075	1,850	1,850	89 / 64
C-130B	4	do	290	35,000	1,575	2,400	2,400	91 / 64
Soviet Union:								
AN-12	4	do	320	44,000	750	2,300	1,640	28 / 80
AN-22	4	do	350	176,200	2,200	4,260	2,620	29 / 0
IL-76	4	Jet	430	88,000	2,700	(1)	(1)	122 / 0

[1] Unknown.

Notes: Coke (AN-24) and Curl (AN-26), both similar to Fokker F-27's, are scarcely suitable for most airlift purposes. Coot (IL-28), a medium transport, is assigned almost exclusively to Aeroflot, rather than Soviet Air Force units. All 3 are therefore excluded. Ranges correspond with loads shown. Performance data predicated on wartime maximum gross takeoff weights, no wind, and maximum fuel reserves. Lighter loads allow longer ranges. Minimum runway lengths shown above apply to average, not maximum, gross takeoff weights. C-5 range is unrefueled. C-130's, AN-12's AN-22's are turboprop powered.

FIG. 23.[1]—MERCHANT MARINE—STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS

	1970	1971	1972	1973	1974	1975	1976
UNITED STATES							
MSC:							
Nucleus:							
Cargo	69	66	63	30	12	9	6
Tanker	25	24	17	16	20	19	21
Total	94	90	80	46	32	28	27
Charter:							
Cargo	123	76	91	43	34	22	21
Tanker	36	31	34	23	22	13	9
Total	159	107	125	66	56	35	30
Grand total	253	197	205	112	88	63	57

Footnotes at end of table.

FIG. 23.[1]—MERCHANT MARINE—STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS—Continued

	1970	1971	1972	1973	1974	1975	1976
Remainder, active merchant marine:							
Cargo	351	300	205	249	257	272	268
Tanker	187	183	176	176	169	181	180
Total	538	483	381	425	426	453	448
Effective U.S. controlled fleet:							
Cargo	34	22	20	18	14	11	10
Tanker	265	269	276	301	319	299	304
Total	299	291	296	319	333	310	314
Total active:							
Cargo	577	464	379	340	317	314	305
Tanker	513	507	503	516	530	512	514
Total	1,090	971	882	856	847	826	819
NDRF:							
Cargo	170	175	168	149	138	139	139
Tanker	20	27	28	26	24	28	19
Total	190	202	196	175	162	167	158
Recap:							
Cargo:							
Active	577	464	379	340	317	314	305
NDRF	170	175	168	149	138	139	139
Total	747	639	547	489	455	453	444
Tanker:							
Active	513	507	503	516	530	512	514
NDRF	20	27	28	26	24	28	19
Total	533	534	531	542	554	540	533
All active	1,090	971	882	856	847	826	819
An NDRF	190	202	196	175	162	167	158
Total	1,280	1,173	1,078	1,031	1,009	993	977
SOVIET UNION							
Cargo	1,075	1,150	1,150	1,200	1,200	1,250	1,325
Tanker	325	300	300	300	300	300	325
Total	1,400	1,450	1,450	1,500	1,500	1,550	1,650
U.S. standing:							
Cargo	−328	−511	−603	−711	−745	−797	−881
Tanker	+208	+234	+231	+242	+254	+240	+208
Total	−120	−277	−372	−469	−491	−557	−673

CARGO SHIP CHARACTERISTICS

United States	MARAD[2] design	Ship class	Capacity (measurement tons[3])	Deadweight tons at design draft	Design speed	Boom/capacity	Container capacity	Lighters/barges
Break bulk	VC2-S-AP2	Adelphi Victory	11,325	7,400	15	1-50T	None	None.
	C3-S-37c	Sheldon Lykes	14,300	9,610	18	1-60T	do	Do.
	C4-S-57A	Challenger	16,072	10,290	20	4-10T, 2-15T, 1-70T	do	Do.
Partial containership	C4-S-64A	Austral Pilot	17,176	9,800	20	4-15T, 2-10T	203-20'	Do.
Self-sustaining containership	C6-S-1Qc	President Polk	26,700	17,300	20	2-10T, 4-22T, 1-60T	380-20', 198-40'	Do.
Containership non-self-sustaining.	C5-S-73b	C. V. Lightning	23,800	11,700	20	None	928-20'	Do.
	C6-S-1N	American Ace	26,100	17,100	22	do	463-20', 234-40'	Do.
	----------	Sea-Land Galloway (SL-7).	59,300	20,060	30	do	896-35', 200-40'	Do.
Lash	C8-S-81b	Lash Italia	32,655	17,990	21	1-30T, 1-500T (crane)	248-20'	49 with containers, 62 without containers.
SeaBee	C8-S-82A	Doctor Lykes	37,187	25,550	20	2,000T elevator	None	38 barges.[5]
RO/RO	----------	Ponce	49,200	11,192	25	None	do	None.
	C7-S-95	Maine	43,390	11,980	23	2-15T	do	Do.

[1] Fig. 23 excludes bulk cargo ships.
[2] MARAD stands for Maritime Administration.
[3] Measurement ton equal to 40 cubic feet.
[4] Lash lighter capacity 475 measurement tons.
[5] Sea Bee barge capacity 1,000 measurement tons.

Note: Foreign flags are 1,000 tons or more.

FIGURE 24.—AMPHIBIOUS SEALIFT STATISTICAL TRENDS AND SYSTEM CHARACTERISTICS

	1970	1971	1972	1973	1974	1975	1976
United States:							
LCC	2	4	3	2	2	2	2
LKA	12	7	6	6	6	6	5
LPA	4	3	3	2	2	2	0
LPD	12	14	15	14	14	14	14
LPSS	1	1	1	1	1	0	0
LSD	13	12	12	13	13	13	13
LST	46	30	30	21	20	20	20
Total	90	71	70	59	58	57	54
Soviet Union: LST	10	10	12	12	12	15	20
U.S. standing	+80	+61	+58	+47	+46	+42	+34

AMPHIBIOUS SHIP CHARACTERISTICS

	Speed (knots)	Troops	General cargo (cubic feet)	Vehicles (square feet)	Ammunition (cubic feet)	Fuel drums	Bulk fuel (gallons)	Booms, cranes, (tons)	Boats	Helos
United States:										
LKA—Rank in class	16	138	42,518	21,798	39,988	600	none	4, 35 ton; 2, 10 ton; 6, 5 ton.	6 LCM–6; 6 LCVP; 2 LCPL; 1 LCM–8.	None.
LPA—Paul Revere class	20+	1,657	135,457	10,132	11,471	905	5,900 AVGAS	2,60 ton; 1, 30 ton; 3, 10 ton, 2, 8 ton; 2, 5 ton.	7 LCM–6; 10 LCVP; 5 LCPL.	1 CH–53.
LPD—Austin class	20+	925	2,176	11,127	16,660	MOGAS: 22,335; AVGAS: 97,328; AV–LUB: 4,500; JP–5: 224,572.		1, 30 ton; 6, 4 ton; 2, 1.5 ton.	2 LCPL; 2 LCVP	2 CH–53.
LSD—Thomaston class	20+	341	NA	8,754	3,000	AVGAS or MOGAS, 12,000; diesel. 39,000.		2, 50 ton	Ship's boats; 2 LCVP; 2 LCPL. Sample Loads: 3 LCU; or 19 LCM–6; or 9 LCM–8; or 48 LVTP.	1 CH–53.

Note.—Each class is different. Ships above are currently in widest use. LPD can cargo ammunition or general cargo, but not both.

LST CHARACTERISTICS

	Speed (knots)	Troops	General cargo (tons)	Vehicles (sample loads)	Ammunition (cubic feet)	Bulk fuel (gallons)	Boats	Helos
United States: LST—1179 class	+20	431	500 (beach) 2,000 (over LST installed causeway).	25 LVT, 172½ ton trucks or 21 M–60 tanks. 17 2½ ton trucks.	2,552	254,000 diesel; 7,197 MOGAS; 134,438 AVGAS.	3 LCVP; 1 LCPL	1 CH–53.
Soviet Union: LST—Alligator	15	375		26 tanks				

LANDING CRAFT CHARACTERISTICS

United States:				
LCM 6	9	80	34	3 ¼-ton trucks or 1 2½-ton truck/trailer.
LCM 8	12	150	60	1 M–60 tank
LCU 1610 series	8	400	180	3 M–60 tanks
LCVP	8	36	8,100	1 ¼-ton truck/trailer
LVTP	7	28	None	None
Soviet Union:				
LSM:				
Polnocny A	18	200		6 tanks
Polnocny C	18	30		5 tanks

Key:—LCC=Amphibious command ship. LKA=Amphibious cargo ship. LPA=Amphibious transport. LPD=Amphibious transport dock. LPSS=Amphibious transport submarine. LSD=Landing ship dock. LST=Landing ship tank. LCM=Landing craft, mechanized. LCPL=Landing craft, personnel. LCU=Landing craft, utility. LCVP=Landing craft, vehicle, personnel. LVTP=Landing vehicle, tracked, personnel. Soviet LSM's (landing ships, mechanized) correspond more closely with U.S. landing craft than with amphibious ships, and are so listed. They currently have 65.

PART VI. NATO AND WARSAW PACT

FUNDAMENTAL FOCUS

Previous sections portray U.S. and Soviet armed forces as separate entities. Complete assessment of comparative strengths, however, must take allies into account, especially in the European area, where NATO and the Warsaw Pact are in contiguous confrontation.

Estimating who would win or lose if war broke out is beyond the scope of this study, which simply surveys current trends, then assesses consequent problems, paying particular attention to the crucial center sector, which is the strategic center of gravity and point of decision.[1] If defense fails there, NATO can forget the rest of Europe.

Footnotes at end of article.

NATO'S CENTER SECTOR

West Central Europe, with which we have strong political, economic, military, technological, and cultural ties, rates second only to North America in strategic importance among regions of the Free World. U.S. interests there may indeed be vital,[2] for if the Soviets were able to add that prodigious source of strength to their present holdings, the power balance might shift so far in their favor that this country could not compete.

Comparative force postures

NATO is quantitatively outclassed by the Warsaw Pact in almost every category, and is losing its qualitative edge in several respects that count.

Quantitative Comparisons—

NATO is outnumbered, not just on prospective battlefields, but in backup. (See Figure 25).

U.S. and German troops along the Iron Curtain are the only NATO contingents strengthened since 1970. Contributions from most other countries have been cut.[3] France plans to prune its forward-based forces by almost 15 percent in the immediate future.[4] Financial straits could soon cause further reductions in Britain's Army of the Rhine.[5]

As it stands, Soviet forces alone substantially outnumber NATO in most instances. Twenty-five Category I divisions along the Iron Curtain in East Germany and Czechoslovakia compare favorably with 24 NATO counterparts.[6] Soviet tanks, artillery, and aircraft of all types (except ground attack) in those two countries exceed NATO's total. (See Figure 25).

FIGURE 25

NATO'S CENTER SECTOR, STATISTICAL SUMMARY

	1970			1976		
	United States	Soviet Union	U.S. standing	United States	Soviet Union	U.S. standing
Personnel	240,000	750,000	−510,000	271,000	840,000	−569,000
Divisions committed:						
Armor	2	14	−12	2	14	−12
Other	3	13	−10	3	13	−10
Total	5	27	−22	5	27	−22
Ready reinforcements:						
Armor	2	14	−12	2	14	−12
Other	9	7	+2	9	7	+2
Total	11	21	−10	11	21	−10
Subtotal	16	48	−32	16	48	−32

Footnote at end of table.

FIGURE 25—Continued

NATO'S CENTER SECTOR, STATISTICAL SUMMARY—Continued

	1970			1976		
	United States	Soviet Union	U.S. standing	United States	Soviet Union	U.S. standing
1st line reserves:						
Armor	2	0	+2	2	0	+2
Other	10	9	+1	10	11	−1
Total	12	9	+3	12	11	+1
Total divisions	28	57	−29	28	59	−31
Medium tanks	2,065	7,900	−5,835	2,120	9,100	−6,980
Tactical aircraft:						
Light bombers	0	200	−200	0	100	−100
Fighter/attack	180	700	−520	250	800	−550
Interceptors	0	800	−800	0	950	−950
Total	180	1,700	−1,520	250	1,850	−1,600
MRBM/IBBM	0	650	−650	0	550	−550

	1970			1976		
	NATO	Warsaw Pact	NATO standing	NATO	Warsaw Pact	NATO standing
Personnel	1,099,300	1,190,000	−90,700	1,045,200	1,216,000	−170,800
Divisions committed:						
Armor	8	24	−16	8	24	−16
Other	15	28	−13	16	27	−11
Total	23	52	−29	24	51	−27
Ready reinforcements:						
Armor	2	14	−12	2	14	−12
Other	10	7	+3	10	7	+3
Total	12	21	−9	12	21	−9
Subtotal	35	73	−38	36	72	−36
1st-line reserves:						
Armor	2	2	(1)	2	2	(1)
Other	11	13	−2	11	16	−5
Total	13	15	−2	13	18	−5
Total divisions	48	88	−40	49	90	−41
Medium tanks	6,535	14,500	−7,965	6,615	16,000	−9,385
Tactical aircraft:						
Light bombers	15	300	−285	185	100	+85
Fighter/attack	1,400	1,000	+400	1,250	1,200	+50
Interceptors	350	1,100	−750	375	1,200	−825
Total	1,765	2,400	−635	1,810	2,500	−690
MRBM/IRBM	0	650	−650	0	550	−550

[1] Par.

NOTES.—U.S./NATO committed divisions include all active divisions in NATO's center sector. Soviet/Warsaw Pact counterparts are limited to divisions in East Germany, Czechoslovakia, and Poland. All are Category I.

U.S./NATO ready reinforcements include all other active U.S. Army divisions, less one in Korea; one U.S. Marine division; and one British division in the U.K. Soviet counterparts are restricted to Category I and II divisions in the Baltic, Belorussian, and Carpathian Military Districts. There are no satellite state divisions in this class.

U.S./NATO first-line reserves include one active U.S. Army division; three U.S. Marine divisions; and one Dutch division. Warsaw Pact forces are Category III divisions, including those in the Baltic, Belorussian, and Carpathian Military Districts of European Russia.

U.S., West German, and Soviet divisions have increased in size since 1970. Three German divisions, for example, had only two brigades each at that time. All 12 now have three brigades. The British Army has the same total number of brigades as in 1970, but has added a division headquarters.

Most of NATO's increased strength is in separate brigades and regiments, which do not show on these charts. Some studies include them as "division equivalents". The British Military Balance, 1976–1977, for example, counts 29 NATO divisions, including 11 armored division equivalents.

U.S./NATO medium tank statistics include 535 U.S. prepositioned stocks (POMCUS), plus 130 in divisions that serve as maintenance float. Only tanks now in place are shown.

Aircraft statistics exclude U.S. dual-based forces in CONUS.

Personnel strengths are active forces only for U.S./NATO, but include Soviet Category III divisions.

NATO and Warsaw Pact comparisons include the United States and Soviet Union.

France is excluded from all calculations. Its divisions and tactical aircraft, which are not now under NATO's control, would be difficult to reintegrate into the current command structure in emergency.

Special mention: Every U.S. Army and Marine division, active and reserve component, is shown on these charts. The Soviet has 109 others, some Categories I and II. Many of those would be available for service in Central Europe if a crisis arose.

Soviet reinforcements could reach the current line of contact more rapidly and in much greater numbers than forces from the United States, which contains nearly all of NATO's uncommitted strength.[7] Reserves in European Russia could relieve two Category I divisions in Poland and four more in Hungary. Forward-deployed forces could be further strengthened on short notice from eight armies composed of 32 divisions and 6,800 main battle tanks that now are maintained in the Baltic, Belorussian, and Carpathian Military Districts.[8]

Friendly forces consequently are poorly prepared to absorb attrition, which could be awesome during early stages of an all-out war.

Qualitative Comparisons—

The statistical tale is just the tip of the iceberg. Improvements on the Soviet side are undermining NATO's long-standing qualitative superiority, which was compensatory strength.

Soviet ground combat firepower, mobility, and staying power have been beefed up. The best weapons face NATO forces, not the Chinese frontier. T–72 tanks are starting to arrive in considerable numbers. BMP–76 armored carriers, despite drawbacks, permit Soviet infantry to fight while mounted, while NATO must fight on foot.[9] New antitank missiles, mainly mobile, merge with armor formations and thus add to combat power. A shift is underway from towed to self-propelled artillery, which eventually will enable many battalions to support advancing armor more adroitly. Soviet guns in general not only outnumber, but out-range NATO's, and have higher rates of fire. Engineer bridging capabilities, unequalled in the world, suggest that Western Europe's wide streams could be crossed quickly.[10] Logistical shortcomings, once the weakest link in the Soviet chain, are being reduced systematically.[11]

Mobile air defense systems, being amended and extended in light of Middle East war experience, free many fighter-interceptors for air superiority missions. Some frontal aviation regiments have 25 percent more aircraft than they did in the recent past. Concrete shelters and increased dispersal assure their security better than in past years. New types of tactical aircraft afford a four-fold improvement in payload and range that would

Footnotes at end of article.

allow them to strike critical targets deep in NATO territory without first redeploying from peacetime bases well behind present frontiers. Armed helicopters are helping to bolster close air support abilities, which got short shrift in the 1960s.[12]

NATO never has matched Moscow's medium- and intermediate-range ballistic missiles (MRBMs, IRBMs), which are being supplemented or supplanted by a mobile model (SS-20) with MIRVs.[13] Increased stocks of tactical nuclear weapons, such as Scaleboards, Frogs, and Scuds, cover targets as close as 10 and as far as 500 miles from firing points.[14] Chemical warfare capacities of all kinds are considerable. NATO has no defense against such threats.

No change by itself is crucial, but emerging Soviet capabilities, with great stress on offensive shock power, create a new strategic environment when considered in combination. NATO obviously has made some significant progress during the seven-year period surveyed by this study. However, it failed to keep pace, because member states continually compromised on requirements.[15] Consequently, the overall balance has not been so lopsided since the early 1950s, before NATO's bulwark was complete.

Integrating structures

Several shortcomings are common to both coalitions, but unity of command coupled with central position affords strengths to the communist side that NATO has never been able to equal.

Shared Shortcomings.—Political infidelity, poor motivation, or both are commonly cited as Warsaw Pact weaknesses, but in fact afflict NATO as well. France, for example, has not been a full partner for 10 years, during which time the alliance has suffered all sorts of ills, many associated with lack of space for dispersion. Relations reportedly are improving, but the two French divisions in Germany still have no operational sectors.[16]

Some forces on each side are poorly trained and equipped. Not even East and West Germany, the best of the lot, are armed as adequately as their senior partners (German armor is a salient exception).

Soviet logistic shortcomings, corrected to some extent, are still evident. How well existing systems could sustain deep armored attacks, which consume huge quantities of ammunition and POL, is widely questioned. NATO's inflexible setup, predicated on separate supply and maintenance arrangements for each member country, is equally suspect. Stock levels show little consistency. Cross-servicing capacities for a hodge-podge of materiel are exceedingly limited. Shortages between authorized and actual inventories of critical items are common, even for U.S. units.[17]

Neither side has an operational peacetime chain of command. The Warsaw Pact is mainly an administrative organization. How (indeed whether) it would perform under combat conditions is subject to speculation.[18] The conversion of NATO's complicated command structure to wartime footing would be time-consuming and exasperating, especially in emergency. Indeed, the whole problem of command, control, and communications (C^3) seems to impinge on NATO's survival prospects at least as much as the physical balance of forces.[19]

Warsaw Pact Strengths—Soviet forces furnish a far greater share of Warsaw Pact strength than U.S. counterparts contribute to NATO.[20] Close integration is enhanced, because strategy, tactics, and command decisions derive directly from the Kremlin. Advantages are apparent, compared with the Atlantic Alliance, which relies on committee decisions in times of crisis before acting on compromise plans.[21]

The Soviets provide Warsaw Pact cohorts with standard arms and equipment that reduce costly duplication of R&D efforts, simplify logistic support, and foster flexibility. NATO, in sharp contrast, is afflicted with incompatible accoutrements and supplies. Neither ammunition nor repair parts are readily interchangeable between combat forces of different countries that share common causes and boundaries. Parochial national interests preclude early resolution of resultant problems.[22]

In compilation, the Soviet side, with interior lines and strategic initiative, displays military advantages denied NATO's loose coalition of 15 nations.

Current threats

Soviet power alone would pose serious potential threats to NATO's center sector, even if most satellite forces were pinned down for local security and air defense purposes.[23]

Warsaw Pact Capabilities—The Soviets, in concert with selected allies, could exercise all or part of the following combat capabilities,[24] if they chose to run serious risks:

Inflict catastrophic damage on the Continental United States with strategic nuclear weapons as a prelude to war in Europe.

Invade Western Europe with little or no warning,[25] using air and ground forces now in East Germany and Czechoslovakia.

Support conventional operations with tactical nuclear weapons targeted against NATO forces, airfields, ports, command/control centers, and supply installations.

Challenge NATO for air superiority over Western Europe.

Reinforce initial efforts rapidly with ready reserves in European Russia and Poland.

Seriously inhibit reinforcement and resupply from the United States by interdicting trans-Atlantic air and sea lanes.

Mobilize additional combat power.

Soviet Intentions—Capabilities just enumerated are tempered by Soviet intentions, which separate possibilities from probable courses of action.[26]

History indicates that the Kremlin's hierarchy is essentially conservative, despite its revolutionary tradition. National character, communist doctrine, and unshakable convictions that time is generally on their side tend to repress impulses and reduce unwarranted risks. Political, economic, social, psychological, and technological competition have superseded naked force as policy tools since the Cuban missile crisis, although military power looms increasingly large as a possible option.

Bearing that backdrop in mind, premeditated Soviet attacks across the Iron Curtain, even for limited objectives, seem likely to occur only if Moscow entertains serious doubts concerning NATO's defense abilities and/or resolve. Even then, issues would have to be immediate and immense, unless Kremlin leaders believed actual risks were low in relation to anticipated gains. Whether those conditions will soon be satisfied is a matter of serious concern in the U.S. intelligence community and among net assessment specialists.

Soviet Military Doctrine.—Soviet military doctrine suggests that the Warsaw Pact would have three main objectives if a major war should ensue: early destruction of NATO's defense forces; early occupation of NATO territory; and early isolation of Western Europe from its U.S. ally.[27]

Unclassified analyses conclude that Soviet concepts for such operations stress surprise, shock, and quick exploitation.[28] Conventional and nuclear capabilities would be used in combinations suited to the occasion, without any scruples concerning collateral damage and casualties.[29] Employing nuclear arms is not considered escalatory, since Soviet strategists contend that political aims, not weapons systems, establish the scope of war.[30]

NATO's counter strategy

NATO's common sense of purpose and associated policies form the framework within which strategic concepts must be shaped to counter Soviet threats.[31]

Common Interests.—Most U.S. interests in Europe coincide with those of our NATO allies, but emphases differ. Europe's survival and independence, for example, would be directly endangered by Soviet aggression. America's would not. Some choices that are seemingly open to us are not open to the rest of NATO. That condition has complicated the formulation of an agreed NATO strategy since the mid-1960s, when burgeoning Soviet nuclear strike forces caused West Europeans to question whether the United States would risk general nuclear war to satisfy interests that are not immediately vital. If Moscow ever seriously entertained serious doubts concerning U.S. conventional commitments, NATO's credibility could be shattered.

Deterrent/Defense Objectives.—To satisfy its security interests despite potential threats, NATO seeks to deter all forms of Warsaw Pact aggression, from encroachment to general war, and to defend NATO territory without serious loss or damage should dissuasion fail (Figure 26).[32]

FIGURE 26.—*NATO's deterrence and defense objectives*

Deterrent objectives—
Prevent General Nuclear War
Prevent Local Nuclear War
Prevent Conventional War
Prevent Encroachment
Defense objectives—
Stabilize the Situation Expeditiously
Repel Invaders
Limit Damage to NATO

Strategists in Western Europe understandably stress deterrence even more than their U.S. counterparts. Extensive hostilities on NATO soil would be "limited" from the U.S. standpoint, but could be lethal to our partners. Should war occur, our overriding objective would be to obviate damage to the United States. Theirs would be to safeguard Free Europe.

Those schisms in defense priorities shape opposing schools of thought, whose views differ regarding what stance would best ensure deterrence, and where the war should be fought if battle were unavoidable.

Supporting Policies—

Fundamental policies that shape NATO's military planning are summarized in Figure 27.

FIGURE 27.—*NATO's deterrent and defense policies*

Deterrence/defense—
Limited War
Second Strike
Containment (not Rollback)
Flexible Response
Forward Defense
High Nuclear Threshold
Minimum Civilian Casualties
Minimum Collateral Damage
Central Control
Non-provocative Posture
Comprehensive Capabilities
Lowest Credible Force Levels
Heavy Reliance on: CONUS Reserves, Mobilization
Burden-sharing—
Fundamental Philosophy: An attack against one member is an attack against all, whether it occurs on the flanks or in the center sector.
U.S. Provides: Primary Nuclear Capability, Most Sea Power, Substantial Air Power, Substantial Land Power.
Europe Provides: Most Land Power, Limited Nuclear Capability, Limited Sea Power, Substantial Air Power, Installations and Facilities.*

Obvious contradictions between policies and objectives, between various policies, be-

Footnotes at end of article.

*United States pays construction costs in many cases.

tween official policies and member state proclivities, and between NATO policies and Soviet military doctrine all cause compromises and increasing controversy.

Strategic Concepts.—Policies constitute separate guidelines. Strategy is the concept of operations that ties them together.

The Switch to Flexible Response.—NATO's deterrent and defense posture originally was predicated on threats of massive retaliation against the U.S.S.R. in event the Warsaw Pact provoked a war in Western Europe. That simple, relatively low-cost strategy sufficed as long as U.S. nuclear capabilities were markedly superior to Moscow's. As the Soviets strengthened their position, massive retaliation gradually lost credibility as a deterrent. Worse yet, if deterrence foundered, massive retaliation guaranteed a general nuclear war which NATO could not "win" in any sense of achieving a favorable outcome.

A sweeping strategic reappraisal therefore culminated in the mid-1960s. Predominantly conventional defenses soon were deemed too expensive. Predominantly tactical nuclear defenses were deemed too unpredictable. Neither of those tacks could cope with a wide range of contingencies. After prolonged debate, a consensus eventually prevailed in NATO councils that the low-option, low-credibility, high-risk strategy of massive retaliation was imprudent. In December 1967, the Alliance therefore embraced a complex, costly strategy called flexible response, which could contribute credibly to deterrence and would afford multiple warfighting options if a conflict erupted.[33] (See Figure 28 for a comparison of NATO's past and present strategies).

FIGURE 28
PAST AND PRESENT NATO STRATEGIES COMPARED

	Massive retaliation	Flexible response
Type war:		
Global; general	X	X
Regional; limited		X
Main theater of operations:		
United States—U.S.S.R.	X	
Western Europe		X
Main objectives:		
Deterrence	X	X
Defense		X
Options if deterrence fails:		
Sustained defense		X
Available forces only		X
Reinforcement		X
Conventional only		X
Tactical nuclear assistance		X
"Tripwire" defense	X	
Strategic bombardment	X	X
Special requirements:		
U.S. nuclear superiority	X	
U.S. nuclear sufficiency		X
Local air supremacy		X
Sea control		X
Strategic mobility		X
Mobilization		X
Force requirements:		
Specialized	X	
Comprehensive		X

Note: General war is the last resort option of flexible response. "Tripwire" forces are largely symbolic. Defensive capabilities may be considerable, but the intent is to trigger a massive response if the contingent is attacked.

Current Strategic Summary—

America's strategic retaliatory forces, with their Assured Destruction capability, provide the primary detrrent to general nuclear war between NATO and the Soviet Union (but do not similarly discourage Soviet use of tactical nuclear weapons, whose utility will shortly be shown).

NATO's strategy for limited war within its center sector contemplates a strong forward defense, to repel invaders immediately or contain them as near the Iron Curtain as possible. That concept demands sufficient versatility to cope with aggression at the most appropriate level on the conflict scale, and to escalate under full control, if necessary. Nuclear weapons are held in reserve, ready for use whenever and wherever decision-makers decree. To execute its strategy successfully, the Alliance must gain and maintain air supremacy over Western Europe and control selected seas. Should NATO's standing forces prove insufficient, stiffening would come from ready reinforcements and strategic reserves.

In essence, NATO strives to deny the Soviets any hope of success unless they attack in such strength that compelling U.S. interests would be compromised and the risk of rapid escalation would be excessive.

NATO's pressing problems

Problems related to prompt and effective implementation of NATO's strategy are becoming so severe that some authorities are calling for a complete reappraisal of force requirements. The following coverage stresses NATO's weak spots.

Conventional Defense—

The way in which NATO deploys its military power in peacetime is critical. Forces concentrated for conventional combat could expect unprecedented casualties if the enemy launched a nuclear war. Forces dispersed to escape the effects of nuclear weapons would be poorly prepared for classic defense. Compromise solutions are ill-suited for either environment.[34]

NATO presently is disposed for conventional combat, presuming that the Soviets would withhold nuclear weapons during the opening stage. Any surprise attack would be met, and repulsed if possible, by forces presently in place. If those elements were unable to stem the tide alone, they would strive to buy time for NATO to reinforce, make decisions concerning escalation, or negotiate a solution.

Geographic Considerations.—Three strategically significant avenues of approach are available to the Warsaw Pact. The northernmost dead-ends at Hamburg, a shallow but lucrative goal. The most dangerous invasion routes traverse the broad North German Plain, part of a 1,000-mile corridor that cuts through NATO's center sector in transit from Russia to France. The third thoroughfare, in the south, follows the Fulda Gap through rugged uplands from Thuringia to the Rhine. (See map at Figure 29).

NATO's Present Dispositions.—NATO's much-criticized dispositions athwart those three avenues result from historical accidents rather than strategic design. In large part, they parallel British, French, and American occupation zones at the end of World War II. The Bundeswehr shares responsibility with forces from Britain and the Low Countries for the critical North German Plain, but the United States, on the southern flank, still guards the most easily defended terrain. Amending maldeployments, by shifting U.S. ranks north or holding them in mobile reserve, might make military sense, but the cost of moving would be immense, and the diplomatic difficulties could prove discouraging.[35]

The Concept of Forward Defense.—The prescription for forward defense originally was a political expedient to ensure wholehearted participation by West Germany, which has persistently rejected any proposition that arbitrarily cedes German ground.[36] The objective, therefore, has always been to block major attacks and stabilize the situation quickly.

That task is imposing. The present line of contact would be difficult to defend, particularly along the flat northern plain, but forward defense has been a military necessity since 1967, when de Gaulle evicted NATO from France. The first sharp Soviet surge would sever friendly supply lines, which presently radiate from Bremerhaven, Rotterdam, and Antwerp, then run closely behind and parallel to the prospective front. Airfields also would be overrun.

NATO can no longer defend in depth, even if forward positions proved pregnable. Its forces formerly could fence with the foe all the way to the Pyrenees if necessary, along established lines of supply and communication. At West Germany's waist, the theater now is barely 130 miles wide, about the same distance that separates Washington from Philadephia. Maneuver room for armies is at a premium. NATO forces and facilities are fearfully congested. Every lucrative military target, including command and control centers, airbases, ports, and supply depots, is within reach of Soviet IRBMs and MRBMs. An enemy breakthrough would compel NATO to retreat across Belgium toward Dunkerque or south toward the apline wall. Even if France invited NATO back in emergency, many handicaps would remain, since facilities there have deteriorated or been dismantled.[37]

NATO's freedom of choice obviously would be constricted under present circumstances, and decision times compressed. How long the Atlantic Alliance could hold along the Iron Curtain would depend on a host of variables, including—but not restricted to—the nature of the conflict (nuclear or non-nuclear); the scale of Soviet attack (comprehensive or limited objectives); the amount of warning (hours, days, or weeks); the capabilities of opposing forces; NATO's will; and the weather. If strong enemy elements cracked through the crust, our main line of resistance could be enveloped, unless friendly forces quickly regrouped behind the unfordable Rhine, the first major defensible terrain feature to the rear.

Tactical Nuclear Defense.—If conventional defenses crumble, NATO plans to use tactical nuclear weapons, after consultation among its members. The time, place, and circumstances under which the Alliance would "go nuclear" have deliberately been left vague to complicate enemy planning.

Rationale For a High Nuclear Threshold.—Early resort to nuclear weapons theoretically could improve NATO's ability to sustain a strong forward defense, but a high threshold (crossed only after pressures became unbearable) would be salutary for several reasons.

Severe civilian casualties and collateral damage would be unavoidable if tactical nuclear weapons were exploded in large numbers. Limited target acquisition capabilities make it technically impossible to deliver ordnance infallibly onto stationary targets, let alone military forces on the move. Moreover, in a war for survival, the temptation to engage "suspected" targets would be high. Numerous deaths from accidental fallout probably would follow, even if both sides agreed to abstain from surface and subsurface detonations. Neutron weapons available to NATO, but not the Warsaw Pact, would alleviate such problems very little.

Controls would be tenuous at best. Nuclear weapons could be administered very selectively—for defensive purposes only; on NATO territory only; against military targets only; using air bursts only or atomic land mines only; and low yields only—but none of those restrictions would be as readily distinguishable by the enemy as the "firebreak" between nuclear and conventional combat.

Since the first side to disregard arbitrary restraints might accrue a decisive advantage, the pressures to escalate would be enormous. Surprise Soviet ballistic missile strikes on key installations at the onset of a war could in fact confront NATO with the shocking choice between surrender and suicide, by blasting essential installations and blocking the arrival of reinforcements and resupply. The absence of missile defenses therefore constitutes a potentially fatal flaw for NATO, but not for the Soviet Union, which faces no similar threat.

Manpower Requirements.—Manpower re-

Footnotes at end of article.

quirements for tactical nuclear warfare might exceed those for conventional combat. NATO's forward defense forces have to be strong enough to make the enemy mass. Otherwise, Soviet assault troops would present few profitable targets. However, friendly formations would also suffer from nuclear attack, and attrition rates would be high. Eventual ascendance thus might be attained by the side with the greatest reserves of materiel and trained manpower.[38]

NATO unfortunately has few readily accessible reserves. All major ground combat forces are "on line." On-the-spot fighter squadrons are insufficient to perform assigned tasks. In exigency, the early augmentation of elements now in place therefore would be imperative. Their arrival, however, would depend on adequate warning, which might indeed be available, but is surely not assured.

Special Requirements.—NATO's strategy of flexible response depends on several capabilities that were of reduced moment when massive retaliation was in vogue: air superiority; sea control; and strategic mobility.

Air Superiority.—Freedom of action on the ground demands dominance in the air. NATO's aerospace defenses nevertheless are dangerously thin, when taken in context with Soviet threats. Revetments reduce dangers somewhat at air bases, but U.S. Hawk and Hercules batteries are short of missiles, and surprise attacks by nuclear-tipped IRBMs/MRBMs could neutralize friendly air power in parking areas, except for those on alert.[39]

Once aloft, NATO's tactical air forces confront masses of Soviet interceptors, SAMs, and air defense artillery, which shield static point targets and move the troops. Coverage is close to comprehensive. NATO's countermeasures help, but the period is past when close support and interdiction missions can count on easy success.

Corrective actions consequently seem imperative, because failure to achieve local air superiority "in the clutch" could cause NATO to lose land battles.[40]

Sea Control.—Reinforcement and resupply, now high priority projects, call for secure lines of comunication from Western Europe to North America and the Middle East.

In the absence of armed escorts, allied shipping would be plagued by very heavy losses from submarine attacks. Essential avenues would have to be kept open indefinitely. Failure to do so could result in the collapse of NATO's defense, due to POL and other logistical starvation, even if the land battle stabilized. Protracted antisubmarine warfare operations would be essential before NATO could reduce losses to "manageable proportions."

Controlling the entire Atlantic Basin would be a practical impossibility. Therefore, NATO practices defense in depth. During time of war, its fleets would take advantage of geographic "choke points" to help confine enemy naval forces, but Soviet submarines could circumvent that screen initially by infiltrating to patrol stations during peacetime.

Strategic Mobility.—To function effectively, NATO must be able to move immense amounts of men and material from the United States to Europe on a continuing basis.

The throughput capacity of ports and airfields at both ends is adequate, provided installations in Western Europe escape early destruction. Peacetime aerial ports would be supplemented in emergency by other military airfields suitable for transport aircraft and, if necessary, by civilian facilities (subject to political approval and the tactical situation). Benelux seaports that presently serve NATO would continue to do so in war. Either Rotterdam or Antwerp alone has sufficient capability to handle U.S. needs, but the threat of ballistic missile attacks and naval mine blockades casts a cloud over every base.

Future U.S. Force requirements

Difficulties described above were severe when NATO planners presumed that any massive Soviet conventional assault would be preceded by lengthy preparations. Warning times appeared ample to mobilize and move CONUS-based reserves well before a shooting war erupted.

Concepts which suited that situation, however, would ill-serve U.S. interests if the Soviets, as some claim, could launch a large-scale attack on moment's notice against NATO's center sector. Future U.S. force requirements therefore depend on early resolution of conflicting threat estimations and the doctrinal disputes that are now developing in Congress and the Executive Branch, including the influence of precision-guided munitions (PGM) on NATO's capabilities.[41]

NATO'S NORTHERN FLANK

NATO's far northern flank controls exits from and access to the ice-free Kola coast (see map at Figure 30), which houses immense Soviet submarine packs, plus more than half of all Soviet cruisers, destroyers, and ocean going escorts.[42] If adjacent Norway fell into hostile hands, forward-based fighters and bombers could extend sea-denial capabilities far over the North Atlantic, to the wartime detriment of NATO fleets and merchant shipping. The strategic significance of upper Scandinavia to both sides thus is critical.

NATO, however, secures that sensitive area with a single Norwegian brigade, whose in-place opposition comprises two Soviet motorized rifle divisions and a naval infantry regiment backed by six more divisions (one being airborne) located near Leningrad. Soviet tactical air strength is substantial.[43] The implications are contrary to NATO interests.

NATO'S SOUTHERN FLANK

A great alpine abatis separates NATO's center and southern sectors into two distinct theaters that lack mutual support and are only marginally related.[44] (See map at Figure 31).

North of that barrier, NATO comprises a contiguous coalition for security purposes. Threats against one state are threats against all. Deterrent and defensive schemes stress land power. Other forces are complementary.

Collective security measures of Mediterranean states are somewhat less cohesive. Members are not only cut off from NATO's nucleus, they are isolated from each other. Common threats are uncommon. Common fronts are infeasible. Three sub-theaters thus exist: Italy; Greece, plus Turkish Thrace; and Asia Minor. Deterrence and defense depend strongly on sea power, screened from the air.

The balance ashore

The United States furnishes few ground combat or tactical air forces for use on NATO's south flank, but even so, the Warsaw Pact is badly outnumbered in most categories, as figure 32 shows. Tanks comprise the salient exception. Interceptor aircraft influence air supremacy indirectly, but are expressly designed for defense.

NATO's land-based forces, being geographically separate, can not concentrate, but neither can prospective foes. Enemy breakthroughs in any locale would be isolated. Mass assaults from the Balkans, for example, might menace Greece and Turkey (the most exposed countries), but other states would stay secure from Italy through Iberia.

FIG. 32.—NATO'S SOUTH FLANK: STATISTICAL SUMMARY (COMMITTED FORCES ONLY)

Forces ashore	NATO	Warsaw Pact	Soviet only
Combat troops, plus direct support	540,000	395,000	155,000
Divisions:			
Armored	2	5	2
Other	32	23	2
Total	34	28	4
Tanks	4,000	7,500	2,750
Light bombers	0	50	50
Fighter/attack aircraft	450	225	75
Interceptors	275	350	225

Forces afloat	Mediterranean Members of NATO	U.S. 6th Fleet	Soviet Union
Selected surface combatants:			
Attack carriers	0	2	1
ASW carriers	0	0	2
Helicopter carriers	0	1	0
Cruisers	1	1	2–3
Destroyers/frigates/corvettes	66	15	6–7
Submarines: Attack	32	Classified	11–12
Total	99	Classified	22–25
Naval aircraft	0	200	15
Fighter squadrons	0	4	0
Attack squadrons	0	6	1

Note: NATO ground forces nclude United States and British units. Air strengths exclude U.S. dual-based squadrons. Normal naval deployments are shown. French forces are omitted. So are NATO aircraft in inventory, but not in tactical units.

The balance afloat

NATO also outnumbers its rivals at sea, but raw figures are misleading. Allied forces in the western Mediterranean (most notably, Italy's modern contingent) normally are not free for use in the eastern basin, where the Soviets have significant surge capabilities, if the Turkish Straits stay open.[45]

Maneuver room is minimal in the Mediterranean, but Soviet submarines still are difficult to detect in those shallow waters, where thermal layers and many merchantmen confuse ASW devices by distorting sounds. Anti-ship cruise missiles also inject serious uncertainties into strategic equations. Peacetime contacts with Sixth Fleet are so close that U.S. reactions to sneak attacks might be measured in seconds.

Soviet logistic lines from the Black Sea are short but, being controlled by NATO at present, are constrained. Moscow maintains no formal base rights in the Mediterranean, merely a presence. However, underway replenishment procedures are improving. Selected anchorages not only simplify resupply, but overlook every choke point from Suez to Gibraltar.

Overall Soviet opportunities to compete with Sixth Fleet in the eastern Mediterranean are consequently impressive, especially if conflict were short.

The western Mediterranean is a much different matter. Soviet abilities to conduct combat operations in that area against numerically superior NATO are strictly limited, for short wars as well as long ones.[46]

Connections with center sector

Soviet breakthroughs along NATO's south flank would cause psychological shock waves to buffet the Atlantic Alliance, but the center sector could still stand.

Greek and Turkish armed forces defend a discrete region, nothing more. Reducing freedom of action for Soviet reserves in south Russia is their only direct connection with plans and operations in Western Europe. Airfields, NADGE installations,[47] and most communications sites are only significant locally. Aegean ports improve Sixth Fleet's

Footnotes at end of article.

posture in the eastern Mediterranean, but are not crucial beyond that basin.

If war ensued with the Warsaw Pact, far distant France would be free from fear of waterborne invasion if NATO held the Sicilian narrows. Italy would still be intact, subject to incursions only by airborne/amphibious assaults across the Adriatic (specialized Soviet sealift being in short supply), or along difficult axes in northern Yugoslavia. Assuming the Italian outlier fell, aggressors still would have to breach the alpine obstacle before they could overrun NATO's heartland.

All told, therefore, the Mediterranean seems an unlikely avenue for turning NATO's south flank, as so often alleged.[48]

FOOTNOTES

[1] NATO's center sector is herein construed to include Denmark, the Federal Republic of Germany, France, the Low Countries, Luxembourg, and the United Kingdom.

[2] The only vital national interests, by definition, is survival. States cease to exist if they fail to safeguard that essential. Serious threats to survival therefore compel stringent countermeasures.

[3] U.S. and German forces account for two-thirds of NATO's divisions (17 out of 24).

The United States has added two brigades to Seventh Army since 1970. A second wing of F-111 aircraft will soon be stationed in England. A fighter wing in Germany will convert to F-15s. Its present complement of F-4s will relocate in that country. European Basing Public Announcement, News Release by Office of the Assistant Secretary of Defense (Public Affairs), October 27, 1976.

For other changes, see The Military Balance, 1970–71, London, International Institute for Strategic Studies, 1970, p. 22–30 and The Military Balance, 1976–1977, p. 18–25.

[4] U.S. Congress. Senate. NATO and the New Soviet Threat, Report of Senator Sam Nunn and Senator Dewey F. Bartlett to the Committee on Armed Services. 95th Congress, 1st Session. Washington, U.S. Govt. Print. Off., 1977, p. 10–11. France remains a member of NATO, but its armed forces are not under NATO control.

[5] Keatley, Robert, NATO Retrenchment Threat May Hint New Round of European Woes, Wall Street Journal, October 28, 1976, p. 8.

[6] Category III divisions airlifted into Czechoslovakia could quickly replace five Category I divisions deployed in that restless satellite since the abortive 1968 uprising.

[7] See chart on page 99 of The Military Balance, 1976–1977. Most European reserves are scheduled simply to bring existing formations up to full strength. (same source, p. 100).

[8] Erickson, John, Soviet-Warsaw Pact Force Levels, p. 69–71. Soviet divisions in Hungary are shown on Figure 32, which concerns NATO's south flank.

[9] Magnesium armor on BMPs proved disadvantageous during the Yom Kippur conflict. Gas tanks on the rear door are also undesirable. Even so, these armored fighting vehicles, with a 76mm gun and Sagger antitank missiles, are superior to NATO's current armored personnel carriers, which have no firing ports in the troop compartment and are armed with a single machinegun. (German forces are the sole exception).

[10] Egyptian troops using Soviet engineer bridging in October, 1973 crossed the Suez Canal in great strength and in far faster time than Israeli intelligence previously indicated was possible.

[11] Coverage was compiled from Erickson, John, Soviet-Warsaw Pact Force Levels, p. 74–75; Schemmer, Benjamin F., Soviet Build-up on Central Front Poses New Threat to NATO, Armed Forces Journal, December, 1976, p. 30–33; U.S. Congress. Senate. NATO and the New Soviet Threat, p. 4–5; The Military Balance, 1976–1977, p. 101–102.

[12] Erickson, John, Soviet-Warsaw Pact Force Levels, p. 74, 75–76; Schemmer, Benjamin F., Soviet Build-up on Central Front Poses New Threat to NATO, p. 31–32; U.S. Congress. Senate. NATO and the New Soviet Threat, p. 5–6.

[13] SS–4 and SS–5 MRBMs/IRBMs, installed around 1960, have ranges of roughly 1,200 and 2,300 miles respectively. Each, armed with a single one-megaton warhead, is sufficiently accurate to hit within a mile or less of its target half the time. SS–20s, which carry three MIRVs each, reportedly have CEPs that approximate 440 yards over 2,500 miles. Beecher, William, Portable Red Missiles Housed in "Garages," Washington Star, January 9, 1977, p. 9; The Military Balance, 1976–1977, p. 73.

[14] Erickson, John, Soviet-Warsaw Pact Force Levels, p. 69.

[15] The Military Balance, 1976–1977, p. 97.

[16] Ibid., p. 98, 102. This study excludes French forces from all calculations.

[17] Ibid., p. 102; U.S. Congress. Senate. NATO and the New Soviet Threat, p. 13–16, 18, 20; Aspin, Les, A Surprise Attack on NATO: Refocusing the Debate. Remarks in the House. Congressional Record, February 7, 1977, pp. 3813–3816.

[18] Erickson, John, Soviet-Warsaw Pact Force Levels, p. 67.

[19] NATO presently has just one operational (as opposed to planning) headquarters, which is the nerve center for Allied Forces in Central Europe (AFCENT), at Boerfink, West Germany.

The DOD Director for Net Assessment expressed special concern for NATO's C[3] problems in comments on the draft of this study, March 1, 1977.

[20] The United States consistently contributes about 10 percent of NATO's ground forces, 20 percent of its naval forces, and a quarter of its tactical air forces. An additional 50,000 American specialists (such as subordinate elements of Defense Communications Agency), are stationed in Europe, but are not controlled by U.S. European Command (EUCOM).

[21] U.S. Congress. Senate. NATO and the New Soviet Threat, p. 10.

[22] U.S. Congress. House. NATO Standardization: Political, Economic, and Military Issues for Congress. Report to the Committee on International Relations by the Congressional Research Service. Washington, March 29, 1977. 58 p.

A view which suggests that standardization has several drawbacks is described in Daniels, John K., NATO Standardization—The Other Side of the Coin, National Defense, January–February, 1977, p. 301–304.

[23] John Erickson indicates that satellite ground forces "earmarked" to supplement Soviet troops are substantially less than those on full order of battle lists. All 6 East German divisions apparently play parts in Soviet plans, but only 9 out of 15 Polish divisions and 6 out of 10 in Czechoslovakia seem to have combat missions. The political reliability of these select forces may be less shaky than popularly presumed, according to Erickson, who points out that *military* elites in Eastern Europe have been most consistently (sometimes irrationally) loyal to Moscow. Soviet-Warsaw Pact Force Levels, p. 67, 79.

[24] Capabilities constitute the ability of countries or coalitions to execute specific courses of action at specific times and places. Fundamental components can be quantified and compared—so many tanks, ships and planes with particular characteristics. Time, space, climate, terrain, organizational structures, and so on can also be calculated with reasonable reliability. Capabilities rarely are subject to rapid changes. Technological breakthroughs, typified by the advent of atomic weapons, sometimes cause exceptions.

[25] One critic advances two uncommon arguments against a surprise Soviet attack (Congressional Record, February 7, 1977, p. 3815). Neither is *necessarily* valid.

First, he contends, "It is hard to believe the U.S.S.R. would start a ground war without simultaneous attack at sea. . . . A sudden surge in [Soviet naval] deployment would tip us off." Exercises such as Okean-75, however, could camouflage intent, and sea control would be of reduced importance in any case if the Soviets decided to destroy NATO's ports.

In addition, he asks "Would the Soviets not set in motion extensive and time-consuming [civil defense and other] preparatory measures before beginning a conflict that could rapidly escalate?" The Kremlin, however, could conclude that Assured Destruction threats are sufficient to deter the United States from defending NATO with strategic nuclear weapons, and therefore abstain from executing city evacuation plans.

[26] Intentions deal with the determination of countries or coalitions to use their capabilities in specific ways at specific times and places. Interests, objectives, policies, principles, and commitments all play important parts. National will is the integrating factor. Intentions are tricky to deal with, since they are subjective and changeable states of of mind, but estimates of capabilities and intentions in combination are essential for decisionmakers who hope to design sound strategies.

[27] Wolfe, Thomas W., Soviet Power and Europe, 1945–1970, p. 456.

[28] Rumsfeld, Donald H., Annual Defense Department Report for FY 1977, p. 101–102; Betit, Eugene D., Soviet Tactical Doctrine and Capabilities and NATO's Strategic Defense, Strategic Review, Fall, 1976, p. 95–107; Erickson, John, Trends in the Soviet Combined Arms Concept, Strategic Review, Winter, 1977, p. 38–53.

[29] The nature of many Soviet nuclear delivery systems, which stress missiles with large yields and low accuracy, raises grave doubts that the U.S.S.R. could contain collateral damage and casualties, even if it tried.

[30] Erickson, John Soviet-Warsaw Pact Force Levels, p. 69.

[31] Sections on NATO strategy depend primarily on Collins, John M., Grand Strategy: Principles and Practices, Annapolis, Maryland, U.S. Naval Institute Press, 1973, p. 129–140.

[32] The three defense objectives in Figure 26 would apply equally if general war or encroachment occurred.

[33] Pfaltzgraff, Robert L., Jr. The Atlantic Community: A Complex Imbalance, New York, Van Nostrand Reinhold Co., 1969, p. 37–69.

[34] Amme, Carl H., Jr., NATO Without France, Stanford, Calif., The Hoover Institution on War, Revolution and Peace, 1967, p. 117–121.

[35] U.S. Congress. Senate. NATO and the New Soviet Threat, p. 12.

[36] Amme, Carl H., Jr., "National Strategies Within the Alliance: West Germany," NATO's Fifteen Nations, August-September 1972, p. 82.

[37] France has not undertaken any agreement to realign herself militarily with NATO. The use of French forces and territory in time of crisis would be subject to political decision. NATO planners therefore treat that possibility as one of many contingencies.

[38] Enthoven, Alain C. and Smith, K. Wayne, How Much is Enough? New York, Harper and Row, 1971, p. 125.

[39] U.S. Congress. Senate. NATO and the New Soviet Threat, p. 15–16.

[40] Ibid.; Schneider, Willian, jr. and Hoeber, Francis P., Arms, Men, and Military Budgets, p. 174–175; Erickson, John, Soviet-Warsaw Pact Force Levels, p. 38; planning U.S. General Purpose Forces: The Tactical Air Forces,

Washington, U.S. Govt. Print. Off.; January, 1977, p. 24–27.

[41] Possible options are analyzed in Braddock, J. V. and Wikner, N. F., An Assessment of Soviet Forces Facing NATO—the Central Region—and Suggested NATO Initiatives, Washington, the BDM Corporation and the University of Miami, 1976, 85 p.

[42] Erickson, John, Soviet-Warsaw Pact Force Levels, p. 72.

[43] Ibid., p. 73. See also Erickson, John, The Northern Theater: Soviet Capabilities and Concepts, Strategic Review, Summer 1976, p. 67–82, and Dewey, Arthur E., The Nordic Balance, Strategic Review, Fall 1976, p. 49–

NATO's poor peacetime posture is directly attributable to Norwegian policy, which permits no allied forces in the country, except in response to emergencies.

[44] NATO's south flank includes Italy, Greece (which has withdrawn from the Alliance militarily, at least for the moment), and Turkey. Opponents are primarily Bulgaria, Rumania, Hungary, and forces from southwestern U.S.S.R.

[45] Moscow massed 95 ships south of Turkey during the Arab-Israeli outburst of 1973 (Sixth Fleet totalled 60, including three attack carriers), plus 30 in the Indian Ocean, a spectacular feat for a force devoted to coastal defense in the recent past.

[46] For further background, see U.S. Congress. Senate. U.S. Naval Forces in Europe. Report of Senator Gary Hart to the Committee on Armed Services, 95th Congress, 1st Session. Washington, U.S. Govt. Print. Off., 1977, 9 p.

[47] A full discussion of U.S. bases is contained in U.S. Congress. House. United States Military Installations and Objectives in the Mediterranean. Report prepared for the Subcommittee on Europe and the Middle East of the Committee on International Relations by the Congressional Research Service, Washington, March 27, 1977, 95 p.

NADGE stands for NATO Air Defense Ground Environment, designed to provide early warning to air attack and direct interceptor actions.

[48] For further background, see Milton, T. R., NATO's Troubled Southern Flank, Strategic Review, Fall 1975, p. 31.

PART VII. WRAPUP

THE PRESENT BALANCE IN PERSPECTIVE

Quantitative changes in U.S. and Soviet armed forces since 1970 favor the Soviet Union, with scattered exceptions. U.S. qualitative leads, less pronounced than in the past, can not completely compensate.

The full significance of such trends is beyond the scope of this unclassified study, but a few findings stand out.

First and foremost, essential equivalence with the Soviets across the conflict spectrum is neither necessary nor desirable. Opposing capabilities would be quite different in many cases if forces were identical in size and structure, because circumstances and strategies are dissimilar. Possible Soviet preemptive employment of ICMs and/or antiship cruise missiles, for example, would pose counterforce perils far out of proportion to reciprocal U.S. actions constrained by second-strike concepts.

Procuring unnecessary or unusable assets simply for the sake of achieving apparent parity (a strong argument supporting some U.S. systems) seems a poor way to influence perceptions among enemies, allies, or uncommitted countries. Practical power would pay greater dividends.

It is clear, however, that current trends curtail U.S. freedom of action. The upshot impinges increasingly on American abilities to deter attacks against the United States, defend this country if deterrence fails, and safeguard associates whose security is closely linked with our own.

In the strategic nuclear field, Mutual Assured Destruction seems less mutual than it was in 1970. U.S. conventional capabilities have also faded, in comparison with those of the Soviet Union. U.S. land, sea, and air forces alike consequently would be hard pressed to support NATO plans at existing levels and cope concurrently with large-scale contingencies, including those caused or sustained by the Kremlin.

THE PROBLEM OF U.S. PRIORITIES

A second set of asymmetries, between complementary U.S. systems, bears directly on abilities to maintain a satifactory military balance with the Soviet Union. Airlift, for example, is adequate to commit forces quickly, but sealift is insufficient to sustain them in crucial contingencies. Marines are ample, but lack amphibious lift.

Congress and the Executive Branch, with focus on Forces and funds, clash annually over expensive programs, each considered essentially in isolation, and each with a life of its own. Interrelationships with enemy systems and each other commonly get short shrift, except for matching counts with Moscow. Political expediency and technological excellence, rather than real requirements, too often are the tests. Misplaced priorities consequently stress inessentials in many important cases, while slighting critical sectors.

Problems will prevail as long as U.S. decision-makers bank on bigger budgets to cure defense ills, without reference to better strategy. More money will ensure substantial improvements only if connected with force sufficiency factors that match meaningful U.S. ends with measured means in ways that minimize risks and reinforce weak spots.[1]

ANNEX A: NICKNAMES FOR SELECTED WEAPONS SYSTEMS

United States

U.S. Armed Service designation, and nickname:

Missiles—

Strategic:

ICBM LGM–30F/G, Minuteman II/III; LGM–25C, Titan II.

SLBM; UGM–27C, Polaris A–3; UGM–73A, Poseidon C–3; UGM–93A, Trident C–4.

Air-to-Surface: AGM–12, Bullpup; AGM–45, Shrike; AGM–65, Maverick; AGM–69A, SRAM; AGM–78, Standard; AGM–84, Harpoon; AGM–86A, ALCM.

Surface-to-Air; CIM–10B, BOMARC; MIM–14B, Nike-Hercules; MIM–23A, Hawk; XMIM–104, SAM–D.

Shipborne: AIM–54L, Phoenix; RIM–8G, Talos; RIM–24B, Tartar; RIM–2F, Terrier.

Air-to-Air: AIR–2, Genie; AIM–4, Falcon; AIM–7, Sparrow; AIM–9, Sidewinder.

Aircraft—

Bombers: B–52, Stratofortress; FB–111, (None).

Fighter/Attack: F–4, Phantom; F–14, Tomcat; F–15, Eagle; F–16, (None); F–100, Super Sabre; F–101, Voodoo; F–102, Delta Dagger; F–105, Thunderchief; F–106, Delta Dart; F–111, (None).

Naval Aircraft: F–8, Crusader; A–4, Skyhawk; A–6, Intruder; A–7, Corsair; AV–8, Harrier; P–3, Orion; S–2, Tracker; S–3, Viking.

Helicopters: UH–1, Iroquois; CH–34, Choctaw; CH–47, Chinook; CH–54, Flying Crane; SH–3, Sea King; CH–46, Sea Knight; CH–53, Sea Stallion.

Airlift: C–5, Galaxy; C–7, Caribou; C–97, Stratofreighter; C–119, Flying Boxcar; C–123, Provider; C–124, Globemaster; C–130, Hercules; C–141, Starlifter; KC–135, Stratotanker.

[1] For force sufficiency factors, see U.S. Congress. Senate. The United States/Soviet Military Balance, p. 41, 47–54.

Artillery: M–101, 105mm Howtizer; M–102, 105mm Howtizer; M–107, 175mm Gun; M–109, 155mm Howitzer; M–110, 8–inch, Howitzer; M–114, 155 mm Howitzer.

Anti-Tank: M–47, Dragon; BGM–71A, TOW.

Armor: M–48, (None); M–60, (None); M–555, Sheridan; M–113, (None); LVTP–7, (None).

Soviet Union

Numerical designation and nickname:

Missiles—

Strategic:

ICBM: SS–7, Saddler; SS–8, Sasin; SS–9, Scarp; SS–11, Sego; SS–13, Savage; SS–17, (None); SS–18, (None); SS–19, (None).

IRBM: SS–5, Skean; SS–20, (None).

MRBM: SS–4, Sandal.

SLBM: SS–N–4, Sark; SS–N–5, Serb; SS–N–6, Sawfly; SS–N–8, Sasin; SS–N–X17, (None); SS–N–X18, (None).

Air-to-Surface: AS–2, Kipper; AS–3, Kangaroo; AS–4, Kitchen; AS–5, Kelt; AS–6, (None); AS–7, Kerry.

Suface-to-Air: SA–1, Guild; SA–2, Guideline; SA–3, Goa; SA–4, Ganef; SA–5, Gammon; ABM, Galosh.

Shipborne: SA–N–1, Goa; SA–N–3, (None); SA–N–4, (None).

Air-to-Air: AA–1, Alkali; AA–2, Atoll; AA–3. Anab; AA–5, Ash; AA–6, Acrid.

Tactical Shipborne: SS–N–2, Styx; SS–N–3, Shaddock; SS–N–9, (None); SS–N–10, (None); SS–14 (None); SS–N–13, (None); SS–N–14, (None).

Aircraft Bombers: TU–16, Badger; TU–22, Blinder; TU–95, Bear; TU–??, Backfire; M–4, Bison; IL–28, Beagle.

Fighter/Attack: MIG–17, Fresco; MIG–19, Farmer; MIG–21, Fishbed; MIG–23, Flogger; MIG–25, Foxbat; SU–7, Fitter–A; SU–17, Fitter–C; SU–9, Fishpot.

Recon/Intercept: SU–15, Flagon; TU–28, Fiddler; YAK–25, Mangrove; YAK–28, Firebar (Brewer).

Naval Aircraft: BE–6, Madge; BE–12, Mail; IL–38, May; YAK–36, Forger (VTOL).

Helicopter (Naval): KA–25, Hormone; MI–4, Hound; MI–24, Hind–A.

Airlift: AN–12, Cub; AN–22, Cock; IL–76, Candid.

Artillery: M–55, 203.2mm; S–23, 180mm; M–43, 152mm; M–46, 130mm; M–1938, 122mm; M–1955, 100mm; M–1975, 152mm (SP); ZSU–23–4, 23mm (AA).

Anti-Tank: AT–2, Swatter; AT–3, Sagger.

Armor Tanks: T–55, (None); T–62, (None); T–72, (None).

APC/AFV: BTR–50P, (None); BTR–60P, (None); BTR–152, (None); BMP–76PB, (None).

NOTE: Naval ships are identified by class throughout the study.

ANNEX B.—ABBREVIATIONS

AAA—Anti-aircraft armament.
ABM—Anti-ballistic missile.
ACR—Armored cavalry regiment.
ADCOM—Air Defense Command.
AFCENT—Allied Forces Central Europe.
AFV—Armored fighting vehicle.
ALBM—Air-launched ballistic missile.
ALCM—Air-launched cruise missile.
APC—Armored personnel carrier.
ARNG—Army National Guard.
ARPA—Advanced Research Projects Agency.
ASM—Air-to-surface missile.
ASW—Anti-submarine warfare.
AT—Anti-tank.
CBR—Chemical, biological and radiological.
CD—Civil Defense.
CEP—Circular errors probable; Circle of equal probability.
CGS—Command and general support.
CIA—Central Intelligence Agency.
CONUS—Continental United States.
CRAF—Civil Reserve Air Fleet.

DCSLOG—Deputy Chief of Staff for Logistics.
DIA—Defense Intelligence Agency.
DMC—Defense Manpower Commission.
DOD—Department of Defense.
ECCM—Electronic counter-counter-measures.
ECM—Electronic counter-measures.
EUCOM—U.S. European Command.
EUSC—Effective U.S. controlled (fleet).
GNP—Gross National Product.
HE—High Explosive.
ICBM—Intercontinental ballistic missile.
IR—Infrared.
IRBM—Intermediate-range ballistic missile.
K—Warhead lethality factor.
KT—Kiloton.
LAMPS—Light airborne multi-purpose system.
LAW—Light anti-tank weapon.
LOC—Line of communication.
MAC—Military Airlift Command.
MAD—Magnetic anomoly detector.
MARAD—Maritime Administration.
MaRV—Maneuverable reentry vehicle.
MICV—Mechanized infantry combat vehicle.
MIRV—Multiple independently-targetable reentry vehicle.
mm—Millimeter.
MRBM—Medium-range ballistic missile.
MRV—Multiple reentry vehicle.
MSC—Military Sealift Command.
MT—Megaton.
NADGE—NATO air defense ground environment.
NATO—North Atlantic Treaty Organization.
NCA—National command authorities.
NCO—Non-commissioned officer.
NDRF—National Defense Reserve Fleet.
Nuke—Nuclear.
OASD—(Compt) Office of the Assistant Secretary of Defense, Comptroller.
OASD (M & RA)—Office of the Assistant Secretary of Defense for Manpower and Reserve Affairs.
PACAF—Pacific Armed Forces.
PGM—Precision-guided munitions.
PH—Passive homing.
POMCUS—U.S. pre-positioned stocks.
PONAST—Post-nuclear attack study.
psi—Pounds per square inch.
RDT&E—Research, Development, Test and Evaluation.
R&D—Research and development.
REDCON—Readiness condition.
RRF—Ready Reserve Force.
SAC—Strategic Air Command.
SALT—Strategic Arms Limitations Talks.
SAM—Surface-to-air missile.
SEATO—Southeast Asia Treaty Organization.
SLBM—Submarine-launched ballistic missile.
SLCM—Sea-launched cruise missile.
SRAM—Short-range attack missile.
SRF—Strategic rocket forces.
TAC—Tactical Air Command.
UE—Unit equipment.
USAF—United States Air Force.
USAFE—United States Armed Forces Europe.
USMC—United States Marine Corps.
V/STOL—Vertical/short take-off and landing.
VTOL—Vertical take-off and landing.

CURRENT NEGOTIATIONS BETWEEN A.T. & T. AND THE COMMUNICATIONS WORKERS OF AMERICA.

Mr. MATHIAS. Mr. President, on May 19, 1977 representatives of American Telephone and Telegraph and the Communications Workers of America began negotiations on a new nationwide contract.

More than one-half million workers are involved in the outcome of these important negotiations. Beyond them, however, the entire country could be affected by a break in service. The first offer was made by A.T. & T. during the week of July 25 and their second offer came today. Both have been rejected.

The current contract expires at midnight August 6, 1977. The members of the union have voted by a margin of 6 to 1 to go on strike if no settlement is reached by that time. Because of the structure of the union, ratification of any agreement would take 3 weeks. The economic impact of such a lengthy strike or shutdown is difficult to assess. But certainly it would not be healthy for our economy.

I simply want to take this opportunity to urge both parties in this matter to make every effort to avert a strike and any subsequent break in service. The valuable services provided by the corporation and its employees are needed to help this country during this period of recovery. I hope and I know that good-faith bargaining will continue in order to reach a reasonable and just settlement.

PRM–10 AND THE INCOMPETENCE OF THE HIGH STRATEGISTS

Mr. HATCH. Mr. President, the Evans and Novak column in yesterday's Washington Post starkly portrays the tragic result of elitist foreign policy conducted without the participation of the American people. The academics who design American foreign and defense policies, having convinced themselves that the American public will not support military forces that are adequate to deter Soviet aggression, have allowed a document to be prepared—Presidential review memorandum 10—which may prove to be the most tragically destructive document in the Nation's history. This document, in effect, writes off Western Europe on the grounds that it is too expensive to defend. But no one has taken the case to the American people. The people have not been presented with a choice. Not even the Congress has been presented with a choice. The elitist academics have certainly not consulted our allies. Rather, they have determined among themselves in private rooms that the politicians in Washington would rather build their welfare dependencies—their political spending constituencies—than pay the price of freedom for ourselves and our allies. Mr. President, the American people, our few remaining allies, and the remnant of the spirit that Western Civilization once had have all been betrayed by the abstract academic mind that dwells in untested and untried theories neglecting the accumulated wisdom of mankind.

American foreign policy has now built a tradition of neglect of the values, strength and commonsense of the American people. Instead its direction comes from academic minds, victimized by abstraction, that structure hypothetical world orders according to the principles of the theory of the moment.

The commitment of the academic mind to the latest fad interpretation of world politics is as tenuous as the commitment of western intellectuals to their own civilization. In short, Mr. President, it is a flighty commitment. And that explains why the only coherence to American foreign policy is a pattern of surrender.

Many of us have been worried about the sellout of our Asian allies. On June 6, I warned in the Senate that "to sell out another ally is a serious business. Those who remain are no doubt wondering who is next." They now know, Mr. President, and the answer is all of Europe. Whoever wrote PRM–10 is an idiot. And I say that not just in anger, but also to emphasize that here we have the case of the emperor without any clothes. The high strategists are not clothed in sophistication; they are stark naked. If we were to replace them with the proverbial first 600 names in the New York City telephone directory, we could only do better.

Mr. President, what PRM–10 tells our NATO allies, the Soviet Union—indeed, the entire world—is that if it is too expensive now with existing Soviet force levels for us to defend all of Germany, so that we have to give up one-third of the territory of our ally, then if the Soviets add a few more divisions, we will give up two-thirds of Germany. A few more tanks and we will write off the rest of Germany, and France as well. And Italy. And England.

Mr. President, the Western European nations are too sophisticated to allow us to sell them out in the way we sold out South Vietnam. They will strike their own deals with the Russians first. I would be surprised, in the light of PRM–10, if they are not already scrambling to sell us out first. This is certainly not to say that the Europeans are not honorable people. On the contrary, who can criticize them for putting their own survival ahead of a futile commitment to the dishonorable ally who would fashion and follow a PRM–10? What confidence can they have in an ally so stupid as to write down on paper that we rely on a psychological deterrence for the defense of Europe and would not counterattack Soviet aggression?

Most ominously of all, the doctrine expressed in PRM–10 eliminates Europe as a theater of war and, thereby, makes the homeland of the United States the focus of Soviet military capability. In fashioning PRM–10, we have fashioned a lightning rod that invites Soviet attack; we have signaled to them that they no longer have to worry about Europe. They now know that they can shift their focus away from the Rhine to the Atlantic. They now know that there is nothing between them and us. No allies, nothing but the maginot line of "overkill," a psychological deterrence that exists only in our minds. The Soviets now know that the only thing they have to do is hit us hard and the whole free world collapses. The focus of the next war is now on U.S. soil, and we are not prepared for that.

Mr. President, if PRM–10 is not totally and harshly and rapidly disavowed, it will achieve the "Finlandization of Europe," and with it the "Finlandization of the United States."

Mr. President, I have noticed that the administration's denial of the Evans and Novak report was weak and unconvincing, and I ask unanimous consent that the Washington Post's report of the administration's response be included in the RECORD along with the Evans and Novak article at the end of my speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HATCH. Mr. President, the incompetence of the high strategists and the damage inflicted on our security by PRM-10 are so extraordinary that only strong action can remedy the situation and restore the military credibility of the United States. Strong action is absolutely necessary. I think the public ought to demand that the White House disclose the PRM-10 document and if the document shows that Evans and Novak are correct in their assertions, the public ought to and I will call for the removal of the President's National Security Adviser, and I must then question the judgment of the Secretary of Defense and the Secretary of State for allowing the preparation of Presidential memorandum 10.

EXHIBIT 1

[From the Washington Post, Aug. 4, 1977]

CONCEDING DEFEAT IN EUROPE

By Rowland Evans and Robert Novak

President Carter late this week will be presented by his national security advisers with a new defense strategy that secretly concedes one-third of West Germany to a Soviet invasion rather than seek increased defense spending, which these advisers say would provoke Moscow and divide Washington.

PRM-10, the Carter administration's top-secret strategic study, suggested that this policy could be made palatable to Western Europe by simply not admitting its implications. This course was wholly adopted in high-level meetings July 28 and 29 by Zbigniew Brzezinski, the President's national security adviser. There was dissent from the senior officials assembled.

The strategic policy paper to be given the President (about three pages of single-spaced typing) makes no mention of surrender or duplicity in central Europe but talks of a commitment to a "minimum loss of territory" in NATO. To achieve a broader perspective Carter ought to look at the minutes of the July 28-29 meetings of his Senior Coordinating Council (SCC) on national security.

The SCC agreed on a 3 percent annual increase in defense spending, fulfilling Carter's promise to his NATO allies earlier this year. But, according to verbatim notes taken by one of the participants, Brzezinski declared: "It is not possible in the current political environment to gain support in the United States for procurement of the conventional forces required to assure that NATO could maintain territorial integrity if deterrence fails. Therefore, we should adopt a 'stalemate' strategy. That is, a strategy of falling back and leaving the Soviets to face the political consequences of their aggression."

Brzezinski went on to declare that these "political consequences"—world opinion, U.N. disapproval, U.S. mobilization—would help deter a Soviet invasion. There was no dissent from those present, including Vice President Mondale, CIA Director Stansfield Turner, Chief Disarmament Negotiator Paul Warnke, Deputy Defense Secretary Charles Duncan and Joint Chiefs of Staff Chairman Gen. George Brown.

Brzezinski continued: "We agree there must be a gap between our declared strategy and actual capability. We cannot for political reasons announce our strategy." Again, there was no dissent, though some officials voiced the opinion there would be hell to pay if the Germans learned what was happening.

All of this follows the script of the June 20 draft of PRM-10, which lists four options for lower-range defense spending. Each would stop a Soviet offensive at a line formed by the Weser and Lech Rivers, surrendering about one-third of West Germany (including Saxony and most of Bavaria).

These four options, according to PRM-10, do not "plan" to stop "a determined Warsaw Pact conventional attack. . . . If the Soviets persist in their attack, a U.S.-NATO conventional defeat in Central Europe is likely." Yet these options are certainly not rejected out of hand.

"Many of the adverse political implications" of the reduced defense options (such as independent German rearmament or, conversely, European accommodation to Moscow) "probably could be avoided if the U.S. continued to publicly support" present strategy. Adverse reaction by Western Europe "could be significantly softened . . . if the U.S. were to avoid any statements to the effect that a loss of NATO territory would be acceptable."

PRM-10 also proposes these political steps, accompanying defense reduction, that could help forestall a Russian attack: "The U.S. might pursue arms-control initiatives more vigorously to obtain reductions in threats and opposing force levels, thereby minimizing the risks of unilateral U.S. reductions. With respect to the Soviet Union, the U.S. might undertake a broad program of economic assistance to the U.S.S.R. on trade, credits, food, and technology, thereby lowering political tensions and reducing the risks of war."

The four options calling for increases in defense spending, says PRM-10, would be intended to roll back a Soviet invasion but "may provoke adverse Soviet *and* allied reactions." This "might provoke a similar Soviet counter-buildup or even a preemptive attack," and therefore "might actually undermine deterrence."

Arms-control negotiations would be disturbed by "strategies requiring a visible and rapid increase in the size of U.S. and allied forces, particularly in Europe. . . . Soviet suspicions of U.S. motives would make it more difficult to conclude meaningful arms-control agreements, either SALT [Strategic Arms Limitation Talks] or MBFR [Mutual Balanced Force Reductions]."

PRM-10 predicts any increase in defense spending would generate "divisive debate" and warns an across-the-board hike in defense capability "is likely to find little domestic support." In general, the options calling for decreased strength are seen as causing less trouble; in particular, the option calling for approximately the present military level but with less sustained power in Europe is described as "probably the most anodyne [option] in terms of its domestic impact, unless it were only described as a lowering of our sights."

These views were implicitly accepted last week by Brzezinski and the other senior officials. So the President is about to adopt a policy boiling down to this: Instead of seeking greater defense spending to defend central Europe, rely on political pressures to deter Moscow while secretly conceding a military defeat. Whether this reflects a "political environment" as claimed by Brzezinski, it certainly reveals the environment within the Carter administration.

[From the Washington Post, Aug. 4, 1977]

"PULLBACK" POLICY IN EUROPE IS DENIED

(By Edward Walsh)

Senior administration officials yesterday denied a report that the United States is considering a defense policy that would concede the loss of one-third of West Germany in the case of a Soviet invasion of Western Europe.

The denials, in response to a report by syndicated columnists Rowland Evans and Robert Novak published yesterday in The Washington Post, came from the State Department, Defense Secretary Harold Brown, White House press secretary Jody Powell and President Carter's national security adviser, Zbigniew Brzezinski.

Brown, testifying before a Senate Armed Services subcommittee, said U.S. policy still is to contain any Soviet attack near the German border.

"I do not advocate and will not support a policy which called for the United States to accept a loss or defeat in Europe," Brown said.

Powell, answering questions at the White House, said that Presidential Review Memorandum 10—the subject of the column—proposes no change in policy that would accept the loss of territory in Europe. U.S. policy, he said, remains unchanged and includes the possible use of tactical and strategic nuclear weapons as well as conventional forces in defense of Europe.

PRM-10 is the administration's overall review of U.S. global strategy, including military strengths and force levels. It has not yet been presented to the President.

Evans and Novak reported what they described as a meeting of high-level administration officials July 28 and 29 to discuss aspects of PRM-10. The thrust of the column was that the officials agreed with Brzezinski's contention that given the "current political environment" the administration could not expect to gain support to procure enough conventional forces to assure turning back a Soviet invasion.

In these circumstances, the columnists said Brzezinski argued, the United States should adopt a "stalemate strategy," in effect "falling back and leaving the Soviets to face the political consequences (such as adverse world opinion) of their aggression." But under no circumstances, Brzezinski was reported to have said, should the United States publicly acknowledge any such change in its strategy, since this would cause an uproar in Western Europe, according to the columnists.

The syndicated column contained lengthy quotations attributed to Brzezinski which Evans and Novak said came from the verbatim notes of one of the participants in the meeting.

The White House did not directly deny that Brzezinski made the statements attributed to him. However, Jerrold Schecter, Brzezinski's press spokesman, said the statements in the column were "partial, inaccurate and deal only with one aspect of the over-all defense strategy that might be applied in the event of an attack on Western Europe."

Schecter declined to elaborate on where the statements attributed to Brzezinski were inaccurate.

Powell described the Evans and Novak report as another "in a series of the 'Oh, my God, they're caving into the Commies' columns" by the two writers, who are known for their hardline stance on defense issues.

Powell conceded that discussions of PRM-10 have included reviews of "political options" open to the United States in the event of Soviet aggression in Europe, but he said the discussions were "not limited" to political options. The response to a Soviet invasion, he said, "would be other than words."

Asked whether the administration believes the United States and its NATO allies currently have the strength to regain any territory initially lost to an invasion. Powell, after hesitating replied:

"Yes we do . . . It is our policy to regain any territory and it is our belief at this time that we can do that. However, it is important for NATO to take certain steps to maintain that ability."

Last May at a meeting of the NATO ministers in London, Carter reaffirmed U.S. support of the alliance and simultaneously warned that unless there is an early agreement for mutual and balanced force reductions NATO must be beefed up.

U.S. GENEROSITY TOUCHES TASS

Moscow, August 3.—The United States is prepared to give up someone else's territory—West Germany's—to a country that has no intention of taking it, the Soviet Union, the official Soviet news agency, Tass, declared today.

"What generosity!" Tass said, commenting on an article in which columnists Rowland Evans and Robert Novak said the United States is ready to surrender a third of West Germany in a conventional land war with Warsaw Pact forces rather than increase defense spending enough to meet an attack head-on.

THE MARSHALL PLAN

Mr. HARRY F. BYRD, JR. Mr. President, on April 21 ceremonies were held in Washington, D.C. commemorating the 30th anniversary of Gen. George C. Marshall's speech at Harvard University when he outlined the European recovery program.

This ambitious postwar program became known as the Marshall plan. Under the auspices of the George C. Marshall Research Foundation, headquartered in Lexington, Va., a prominent group of individuals associated with the Marshall plan, gathered to pay tribute to General Marshall.

The Honorable William McChesney Martin chaired this event. Other participants included Gen. Maxwell D. Taylor; His Excellency Jacques Kosciusko-Morizet, Ambassador of France; His Excellency Sir Peter Ramsbotham, Ambassador of Great Britain; the Honorable John Gilligan, Administrator, Agency for International Development; and the Honorable W. Averell Harriman.

The remarks delivered by these distinguished gentlemen provide a valuable insight into the scope of the Marshall plan.

Mr. President, I ask unanimous consent that the proceedings of this ceremony be printed in the RECORD.

TRIBUTES TO GEN. GEORGE C. MARSHALL ON THE OCCASION OF THE 30TH ANNIVERSARY YEAR OF THE INCEPTION OF THE MARSHALL PLAN

Chairman WILLIAM MCCHESNEY MARTIN, Jr. This evening it's my privilege to welcome all of you who are trustees of the Marshall Foundation and your ladies and associates of the Marshall Foundation and friends of the Marshall Foundation, friends that are connected with foundations that have contributed to the Marshall Foundation. It's a great privilege for me to welcome all of you to this Second Annual Dinner of the Marshall Associates.

Now just a word about the background, about the Marshall Foundation. It was founded in 1953 with the enthusiastic support and help of President Truman. On one occasion I heard him say that he thought that General Marshall was one of the greatest men that he'd ever known and he was very enthusiastic about having an organization of this sort founded.

It has facilities in Lexington, Virginia. I think it is really developing in the way it should because the idea was that there would be a place where you could have research in military and diplomatic history and memorialize, perpetuate the work of one of our great statesmen and great soldiers and I believe that the Marshall Foundation has been performing that.

It was called the George C. Marshall Research Foundation and they took as their motto: "That tomorrow may know our times better." I think that's an interesting motto and it certainly is a very valuable one. I am one of those people who think perhaps we're changing too fast these days and perhaps too much of tomorrow is occurring today but, nevertheless, it's a very good thing to have a center where these things can be evaluated and analyzed and considered and in the light of the character of a man that we know is worthy of all the youth of our land following. So it's a very nice thing to be able to participate in this dinner and to pay tribute to the Marshall Associates.

It's the Thirtieth Anniversary of the Marshall Plan. And this afternoon about four o'clock I received a very nice message from our President which I would like to read to you at this time.

From the White House, April 21st:

"I am deeply honored to join in this tribute to the memory of the brilliant General and Statesman who offered to the war-torn nations of Europe a program by which both victor and vanquished could work together in a common effort to assist their economic recovery following World War II.

"On George C. Marshall's creative and determined enterprise now rest the entire structure of trans-Atlantic cooperation and goodwill. His leadership then should be our guide now as we work to strengthen the Atlantic Alliance. Together we face new challenges, less dramatic but no less important to our collective security and economic well-being. Together we can overcome these challenges, if we address them with the same invincible and daring spirit that marked the public service of this remarkable man.

"For many of you who knew General Marshall and who were part of the gallant and valorous undertakings of that era, the Thirtieth Anniversary of the Marshall Plan is a milestone of the deepest personal satisfaction. For all of us, it is an occasion to rejoice in the success of the selfless cooperation that gave western nations renewed hope and confidence in the future."

JIMMY CARTER.

Now it's my privilege to introduce one of America's most distinguished military men, one who has served our country in a great many different capacities. He was Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, not long ago Ambassador in Viet Nam. He led two combat divisions during World War II and, above all, from our standpoint, he's been an effective trustee of the Marshall Foundation.

Gen. MAXWELL D. TAYLOR. Distinguished guests, ladies and gentlemen:

My mission here on the platform is very simple, to explain and to announce the formal adoption of the General Marshall ROTC Award. This was a concept developed within the trustees last fall. As you're well aware, they are constantly seeking for ways of properly memorializing this great man and, obviously, with his enormous contribution, his versatility, his many contributions to the country, that's not hard. The question is one of choice.

This time recognizing his great concern as a military man for the quality of the officer corps and, more precisely, the problem of creating officers in time of emergency, as in World War II, he was always expressing his view of the essentiality of the Reserve officer Training Corps Program, and, hence, for that purpose, this award is being chosen.

If we needed any citation, chapter and verse, of his interest, I am indebted to Cabot Lodge for calling attention to the fact a statement made before a Senate Committee in the course of World War II to the following effect:

The most valuable asset we have in this emergency, namely, World War II, has been the product of the ROTC. If we lost these officers at a critical juncture such as now, the result in mind would be disaster.

The concept is simple, simply that the Foundation support and propose to the Department of the Army a program whereby the Foundation can give an award to the senior cadet of the graduating class in the ROTC units and the 285 colleges and universities where we have representation today the choice of the young man who has shown the greatest characteristics of leadership and has the best record in military studies in that particular unit.

This decision will be made by the commanding officer in the unit and will be nominated to the Foundation. The Foundation's role will be threefold.

First—To give a certificate of excellence in the terms of the intent of the Foundation, namely, outstanding ability, outstanding potential in leadership and in military studies.

Next—There will be the gift of the Marshall biographies of Dr. Pogue.

Third—There will be a conference held each year in Lexington by the Foundation in which there will be a discussion of national security issues and there will be not only the representatives of the ROTC, the winners of the awards, but also distinguished citizens, men of background to add to the discussions which will take place.

It seems to all of us that this is indeed a very valuable program from many points of view. First, it gives us, I would say, a very apt way of recognizing General Marshall. It also allows us to impress his image on these young men at a formative time in their lives, the qualities of this great man. It utilizes the facilities of the Foundation, which, under Dr. Hadsel, has become more and more a center of vitality, I would say, in inviting thoughtful people to come to Lexington and under the aegis of General Marshall to consider these worldwide affairs.

This was taken then—this was our proposition. We took it to the Chief of Staff of the Army, General Rogers. He saw the merits of it, he accepted it. He designated Major General Charles D. Rogers, Deputy Chief of Staff for ROTC Training, to monitor this and to work out the arrangements with us.

We think we have, as I mentioned, a great potential in this. We should all watch it closely. The real payoff, of course, will be the quality of the young men who are brought to Lexington but I would say that with the concept we have and with the image of General Marshall behind it I'd be surprised if we don't bring there young men who will receive something and in turn will give something to us in the vitality of youth and, most of all, I think we will bring young men of whom George Marshall would have approved.

Chairman MARTIN. I think that is a very encouraging development and we're most appreciative to General Rogers and to General Taylor for this initiative.

Now the response to the Marshall Plan after the talk on June 5th of 1947, was dramatic and inspiring and any number of countries rallied round but we are fortunate that two of them, France and Britain, that were in the forefront, we're fortunate to have representatives of both of them here tonight

and we're going to ask them to make a few remarks.

In the case of France, we've had an ambassador here, a very distinguished ambassador for sometime whom I first heard when he was teaching at Columbia University in New York. He then went back to Paris and was in the French civil government for a number of years and has been His Excellency, the Ambassador of France to the United States here in the United States since 1972.

I would like very much to ask him to say a few words, if you would, Mr. Ambassador, on behalf of your government.

His Excellency JACQUES KOSCIUSKO-MORIZET. Mr. Chairman, Governor Harriman, Senator Byrd, Mr. Zablocki, my dear colleagues, ladies and gentlemen: Thirty years in the history of nations is very little. In fact, it seems only yesterday that the United States in a generous and intelligent gesture put the resources of its power at the disposal of a battered, devastated Europe so that it could reorganize and rehabilitate itself through self-help.

I also remember, as if it were only yesterday, the time when Secretary of State Marshall visited President Auriol, for whom I was head of staff and foreign policy advisor at the time. I showed the visitor into the Presidents office. He was tall, typically American, squarely built, rugged features, and his hair was already white. I remember his kind, intelligent look, his forthright and still rather military speech.

Mr. President, he said, I am not a diplomat, I go straight my road. I often thought about these words. First of all, I viewed them as my own guidelines because I've always found that the best diplomacy was to follow a straight path and, secondly, this was a reminder that in matters of foreign policy the great innovators are rarely the professionals, the experts, as we are wont to call them, who are hidebound by routine and by their very professionalism. The innovators are usually those who have a broad, simple vision of the political necessities and intuitively know what the future holds.

President Truman's vision was clear when he said on March 12th, 1947, that it was essential and good to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressure. Incidentally, it is a clear lesson for the western countries considering what happens today in Africa, frightened by the same totalitarian domination.

On June 5th, at Harvard, General Marshall took up the same theme. It is our duty to help free peoples. That was the good news, the important political decision and the concept itself was well suited to the purpose. My country, France, was in need. It had been shattered by the war, bled dry, vast areas had been laid waste, houses and cities destroyed, roads and bridges cut, railroads paralyzed and people were undernourished. What France needed more than immediate help, necessary though this was, was to set its war-torn economy in motion again.

The Marshall Plan was to give an indispensable boost to the recovery and modernization of our economy. On the American side there was legitimate concern that the funds might be poorly used and swallowed up by the chasm of budgetary operating expenditures but France prepared, thanks to Jean Monet, a gifted Frenchman who was able to transcend preconceived ideas and take the longer view.

After consultation among government, management and labor, a settlement was established, thus the structure existed for the aid so generously offered by General Marshall. As Jean Monet wrote in his recently published memoirs. For the first time the responsibility for the effort had been shared, Americans were helping Europeans to help themselves.

I cannot emphasize strongly enough the importance of the historic joint effort between the French team and the American team. I would have to mention many names but it would take some restraint. The French team inspired by our beloved Governor Harriman, aided by Ambassador David Bruce, and under the leadership of a man who is, alas, no longer with us, a man whom I later had the honor to work with at the United Nations, a great American, an outstanding man of action, Paul Hoffman.

I would also like to pay special tribute to his memory today.

The scope of this methodical assistance is well known, $30 million to 16 nations, 97ths of which was reimbursed by the 6 founding members of the European community. And in all cases, the entire debt was repaid.

The results were spectacular. There was the German miracle. There were many miracles in Europe. There was also the French miracle. With a current G N P of about $400 billion France is now the world's third ranking exporters of goods and services. The results could not have been achieved without U.S. aid and without this aid the Western World would not be what it is today.

I can see two lessons in this superb demonstration of solidarity.

First—The Marshall Plan illustrated the interdependence of western nations and cemented the 200-year-old friendship between our countries.

And secondly—It showed what we were capable of achieving when we work together in freedom.

As early as in 1949 Jean Monet wrote in an official government report, France has risen above the threatening economic decline. This statement alone is enough to show you the extent of our gratitude.

Chairman MARTIN. Thank you, Mr. Ambassador.

Now, in introducing the British Ambassador, I am presenting to you one of Britain's most accomplished diplomats. He entered his service in 1948 and was immediately involved in German affairs. After arriving at the United Nations in Paris and, of course, in his own Foreign Office, he was High Commissioner to Cyprus and Ambassador to Iran. He has been Her Majesty's Ambassador to the United States since 1974.

Sir Peter Ramsbotham, Knight, Commander of the Order of St. Michael and St. George and the Ambassador of the United Kingdom to the United States.

Ambassador PETER RAMSBOTHAM. Mr. Chairman, Governor Harriman, Senator Byrd, Mr. Zablocki, Mr. Gilligan, dear colleagues, ladies and gentlemen: It's a great pleasure and privilege to join with you this evening in this commemoration. It's an evening when I can look back to the beginning of my own career as a diplomat, for I entered the British Foreign Service at the age of 28, just six months after the signing of the European Recovery Act by President Truman.

In the late forties things were difficult and life was cold, they were hard years in Europe and Britain's spirit then was less capable of coping with the slow task of reconstruction than it had been with the quick, harsh dangers of war and, with so many of our overseas assets sold off to pay for the war, we were desperate for help. And then the hand of friendship was offered in the concrete form of the Marshall Plan at a time when it was not the thought only that counted but the quality of the gift. Ernest Bevin, our beloved, rather eccentric but immensely practical Foreign Secretary at the time, seized upon the opening in a vigorously positive response. It was a lifeline and the name of General Marshall will always be revered in my country, the symbol of integrity, of loyalty, of selfless public service, the Mr. Standfast of his day, and his memory will never fade.

There's no need for me to recall to you what the Marshall Plan meant for Britain then. Many think, as my French colleague has said, many think that it saved Western Europe, saved it perhaps from Soviet domination. Certainly beyond that it was itself a remarkable reaffirmation in peacetime of a comradeship which had been bred in war and whose spirit might well have evaporated once that war was over. I believe that, if the Marshall Plan had been no more than an arrangement between governments, then that might have been the case. But it was a gesture, it was a gesture that went far deeper than that. It came from the American people as a whole.

Indeed, to me it was an illustration of how ideas which were put together in hammering out the Constitution of the United States still influenced and influence and control the effectiveness of American foreign policy. Seen through the eyes of the head of the British delegation at the Committee of European Cooperation in 1947, Oliver Franks, who was soon to become an Ambassador in Washington, one of our greatest, seen through his eyes the negotiations for the Marshall Plan were themselves a remarkable affair.

For 8 weeks in Paris in that hot summer 16 European nations, under his chairmanship, worked at drafting the European Recovery Program, their response to the American encouragement for the first move to come from Europe. When Oliver Franks came into the bar of his hotel, he records, he'd come across American congressmen, American journalists. They would cross-question him for hours on what his committee was doing, what figures they were using, when they would finish their report. When the report was completed and transmitted to Washington Oliver Franks was asked by the British Government to come here to explain it and to justify it. As soon as he arrived, he was subjected to intensive questioning in the State Department and in the Treasury. He appeared before the Senate Foreign Relations Committee where one of the first questions asked him was whether the European Recovery Program was not just an operational rathole.

From Washington he traveled all over the country speaking at meetings with businessmen, women's luncheon clubs, groups of teachers, Rotarians, local radio and newspaper reporters and he became involved in a nationwide debate on the Marshall Plan. It seemed to him, as he moved from one place to another, that it was all one continuous discussion and debate with the American people. Meanwhile, all around him major processes in the American government were taking place of which he was hardly aware at the time.

You remember Senator Vandenberg's proposal which led to the creation of the Harriman Committee. After the publication of the report a bipartisan group was established to consider it in detail.

President Truman made a radio address to the nation and then spoke to a special session of Congress.

And, finally, the President sent a message to Congress explaining the part to be played by the United States in a comprehensive plan for the recovery of Europe. Congress passed the European Recovery Act and it was signed into law on the third of April 1948.

Now this account of the experiences of a predecessor of mine, the one who played a central role, an account of Oliver Franks's experiences, illustrates to me something of great importance in America's political way of life. Your Administration formulates a piece of major policy and publicly announces its proposal. The people are informed by the preparation and publication of reports on the implications of this policy. Congressional leaders are approached on a bipartisan basis and agreement and support is sought. The

President makes an address and a nationwide debate ensues. The people feed their reactions back to Congress and Congress votes on the bill.

The European Recovery Act was effectively and successfully enacted because all the parts of the United States Government were then in harmony and enjoyed the broad support of the people. Those were the Marshall days. "We, the people," perhaps your greatest constitutional contribution, were being fully consulted, and this is reassuring to see. With this Administration, as I view it, it is reassuring to see the same conscientiousness in bringing the people into the process of evolving a foreign policy. If there was value to the United States in a restored and independent Europe there was also value to Europe in seeing that the American people as a whole wanted it that way. A policy became the demonstration of a state of mind, of partnership, or generosity and after 30 years we still feel the warmth from that glowing moment. Indeed, the Atlantic Alliance owes a great deal to the habits of cooperation and mutual respect which were developed during the Marshall Years. Its example will, I know, illuminate our future actions also.

And, before I sit down, Mr. Chairman, I shall pay a tribute from the people of Britain to one of the great architects and technicians of American foreign policy in this century, Averell Harriman. Not only did his wisdom and his tireless energy see the Marshall Plan executed for the benefit of Europe, he has labored for and guided and loved and sometimes chastised the American people itself over a long career of public service. British and Americans alike and our European friends with us owe him a special debt of gratitude for he has strengthened the bonds that join us. To the spirit of trans-Atlantic partnership which he and General Marshall have so nobly symbolized I reaffirm the British commitment tonight.

Chairman MARTIN. Thank you, Sir Peter. You and the French Ambassador have helped pull us together into a spirit of nostalgia that will be adequate, I think, for some time to come as we look back over our history.

We're very happy to have here tonight the current Administrator of International Aid John Gilligan. I won't introduce him again because I went down the line and forgot that he was going to speak and I said that he was Governor of Ohio and has been a congressman.

The Honorable JOHN GILLIGAN. Thank you, Mr. Chairman. I'm honored indeed to be here this evening among so many who contributed so much to the realization and the implementation of the vision of General Marshall.

To Governor Harriman, to their Excellencies, the Ambassadors from our allied and friendly countries throughout Western Europe, to Chairman Zablocki and his colleagues in the Congress and to all here present, many of whom played important and significant roles in filling out the dream that George Marshall and his colleagues once had.

I am doubly honored to be here representing the 6,000 people who today work in the fields of economic development all over the globe on behalf of the Agency for International Development and, indeed, for the thousands of people, American, Europeans and others who have worked in the Marshall Plan and the Point IV Program and the Mutual Assistance Operation and the Peace Corps, which numbers at least 50,000 alumni who have carried through their own individual efforts and talents and dedication this typically American message of help to others who are in need.

I think that one of the important things to remember tonight on the Thirtieth Anniversary of the inception of the Marshall Plan is that, if George Marshall's dream, the dream of a military man who understood quite clearly that the resources of the nation could be used for construction, as well as destruction, if that dream had been his alone, he would have been dismissed as an eccentric visionary. But the fact was that the dream and the vision that he had was shared by those in government, by President Truman and the Presidents who succeeded him, by those in Congress who accepted and debated the practical aspects of the program that he presented to them and adopted it in the name of the American people, and by those in other countries who understood what the program meant, responded to it, cooperated with it and today, I think it is significant to note, the very recipients of the benefits of the Marshall Plan of 30 years ago are contributing from their own resources to the development of less-developed countries all over the world, very generously and very deeply from their own resources, and most of those countries who are so contributing are represented here tonight through their distinguished Ambassadors.

And that spirit embodied in the message of George Marshall at his Harvard address 30 years ago, implemented by President Truman and by the Congress of that time and endorsed and supported by the American people in the years since then are expressed again in the words of President Carter in his inaugural address this year when he said the world itself is now dominated by a new spirit. Peoples more numerous and more politically aware are craving and now demanding their place in the sun, not just for the benefit of their own physical condition but for basic human rights.

The passion for freedom is on the rise, said President Carter. Tapping this new spirit there can be no nobler nor more ambitious task for America to undertake in these days of a new beginning than to help shape a just and peaceful world that is truly humane.

I think in those words we have truly a continuation of the spirit and the vision of George Marshall and those who worked with him and I think all of us here this evening and the nations we represent are privileged indeed to carry this tradition on into a new generation.

Chairman MARTIN. Thank you, Governor.

We have now covered in a general way from the start of the Marshall Plan to the present Administration of the aid program and we come to the climax of our evening.

You've all heard of carrying coals to Newcastle. Well, when you look at the biography of our guest of honor this evening you can see that there is a limit to the things that could be said. He has been our Ambassador to the Soviet Union, our Ambassador to the Court of St. James, Secretary of Commerce. He has been Governor of the State of New York. He has been on any number of commissions and there's no way that you could probably summarize his activities but in respect to the Marshall Plan, and the tribute that has already been paid to him, I can only say that on one occasion I heard him referred to as Mr. Marshall Plan.

So, without any further introduction, Averell, I'm going to ask you to take the podium.

The Honorable W. AVERELL HARRIMAN (Extemporaneous Remarks). Thank you Bill Martin.

Your Excellencies, warm admirers of General Marshall, and my friends: This is, as we know, the Thirtieth Anniversary of the great speech that General Marshall made at Harvard in which he outlined in the most brilliant manner the most complex subject in the briefest and simplest words. He was a past master at making complex things seem simple and clear and certainly he did it in this speech. Covering just two pages in your program, that speech started perhaps more activity than any statement. Those few words started more activity in more nations which affected more masses of people and which in fact changed the course of history in a manner which had not been known before.

I was much interested in the British Ambassador's statement. I am grateful for your kind words. But it is the description of Ernie Bevin moving and moving rapidly and, of course, his words about Oliver Franks were well deserved but along with Oliver Franks I want to say that Jean Monet played a very important role in those deliberations which lasted two months in Paris. It was a joint effort under good leadership.

But I want to tell you a story about Ernie Bevin which I like very much and it affects other people as well. Dean Acheson, who in no small measure was involved in the thinking that developed General Marshall's final statement, was concerned that it would not be taken seriously in Europe and so he called in two British correspondents and told them that this was was a most serious statement and the British Government should take it seriously.

So dispatches went to London and Ernie Bevin was shaving in the morning when he heard on the early radio the statement of what General Marshall had said and he immediately understood its importance. So he rapidly finished shaving and breakfast and arrived at his office 15 minutes before he usually did.

Anyway, he was getting there early, no one was there and so he rang every bell that he could and asked for every officer that he could and finally the first to arrive was the Economic Advisor, Hall Patch, Sir Edmond Hall Patch, and Ernie said, Why don't you do something about this? This is in your field. Immediate steps must be taken. So he put Hall Patch on a plane and sent him to Paris to see the Foreign Minister who was then M. Bidault and together they arranged there should be a meeting in Paris very quickly. Of course, General Marshall's plan was for all European countries including the Soviet Union. So they thought it was well to ask Mr. Molotov to join them and they had a big three meeting.

Mr. Bevin and Mr. Bidault stood absolutely firm on the position that General Marshall had taken that this must be a joint venture, the European countries must work together and develop a program which was a mutual program, that was called later Self Help and Mutual Aid, and Molotov said, of course, in his normal manner, it's simple for us. All you do is to ask the Americans how much money they'll give and we'll divide it on the basis of those who suffered the most will get the most.

But both men stood definitely firm and, God bless them for it, and Molotov was recalled by Stalin. He had arrived, I should have said, with a team of 40 individuals among which were their most distinguished economists, and it was very fortunate that he did leave.

We've often wondered just why General Marshall made that offer. Some have said it was a considered risk. Others have said that he maybe wanted to give Stalin a last chance to join. I'm among those that are convinced that it is the latter, he wanted to give Stalin the last chance. I know that because—and I think this is one of the reasons why we can discount the present group of people that are revisionist historians who try to pretend that if we had taken certain other steps we could have gotten along with dear old Uncle Joe Stalin and it wasn't Stalin but it was the United States that caused all the difficulties of the cold war.

The fact is that General Marshall was the very last, and also General Eisenhower was very late to give up hope of being able to

deal with Stalin. They couldn't believe that after the devastation of the war that anyone would be so utterly ruthless as not to cooperate.

There was a statement that came from the Kremlin. Stalin declared war on the Marshall Plan. Perhaps many of you have forgotten that. And did so in so many words and called it an American ploy to enslave Europe. At the same time they started the Cominform, which you remember was an institution which was a device and an effective device to dominate the nations of Eastern Europe.

Of course, during the Marshall Plan days they did everything they could to undermine the Marshall Plan and it was in spite of that that it was a success. Of course, there are many who played a role in getting it through Congress. General Marshall himself played perhaps the leading role due to his prestige with the Congress in his testimony and in his speeches throughout the country. Then, of course, Senator Vandenberg, the Republican Senator from Michigan, took a lead and he insisted on certain matters being done which were not entirely as President Truman wished it to be. President Truman wished to appoint Acheson the Administrator because he had had more to do with the early thinking and the early work which led General Marshall to make his proposal but Vandenberg said, We have to have a Republican, and, of course, Paul Hoffman was the obvious choice. But he said, No, Paul is too liberal, many Republicans think he's too liberal. We ought to get a hard-boiled Republican.

So we went over a list; and name after name, I pointed out to Senator Vandenberg, are men that are opposed to the Marshall Plan! You can't put a man in who's opposed to it. So finally he agreed to Paul Hoffman and never a wiser decision was made. But President Truman thought it was an invasion on his constitutional responsibility and he was very much annoyed that the Senate should interfere with his right to nominate and then to consult the Senate.

But in any event Vandenberg knew what he was talking about. It had to be a Republican and I want to say that never was there a more fortunate choice. President Truman in fact gladly accepted him and called him in to see him. This is one of the stories of Truman that I like the most among them. Paul explained why it was utterly impossible for him to take this position and, with that, he left. Truman kept saying that he had to do it, but Paul left and he got into his car and he happened to turn on the radio. I don't know whether this is exactly right but this is the net of it. He listened to the radio and he heard an announcement from the White House that the President had appointed Paul Hoffman to head the Marshall Plan.

[Laughter.]

So, Paul, being a very practical man, realized that there was nothing else he could do, so he took the job.

[Laughter.]

And again, thank God that he did, because no one could have handled the situation in this country as he did or give the inspiration of the fantastic conception that General Marshall had. He gave us in Europe the greatest amount of support and help and advice. We in Europe understood what General Marshall was after and out of it came a great many new conceptions.

The first thing we did was to insist that the Europeans should divide the aid. The OEC director said that it was utterly impossible, it would divide them. We felt that it was essential for them to divide the aid because otherwise there would be 16 countries coming to the United States and we would satisfy none of them and we'd make 16 enemies. In addition to which it was General Marshall's idea that it should be a European program and, if it was to be a European program, they were the ones to decide which countries needed the aid—and the amounts involved.

They said it would destroy the OEEC but it made the OEEC and then, of course, every country had to come before the OEEC and submit their programs and it became a concerted program in a manner in which nations have never worked so closely together.

We, for our part, did something which the Congress was quite upset with. We tried, through our publicity, to minimize the American assistance. I remember that the total gross national product for 16 nations was only $100 billion at that time and we were giving in that year something over $5 billion, so we publicized the fact that we were only doing 5 percent, the European nations were doing 95 percent of the job. I was called before Congress and I was asked, Were the Europeans grateful for what we were doing? And I said, Gratitude is the—I really spoiled almost all of Paul's relations with Congress. He used to say that I caused him a great deal of difficulty because I was very blunt—I said gratitude was the emotion that we were not trying to evoke. Gratitude was the shortest-lived of any emotion and it carried with it also some aftermaths which weren't so desirable.

I said, I know what you men would like to have me do. You'd like to have me bring to you pictures of French children waving the American flag, dancing in the provincial capitals and singing God Bless America and, I said, As long as you keep me in Paris that's exactly what we're not going to try to do.

That took them aback so much that they didn't demand my resignation. But it was the respect and confidence of the Europeans that we were trying to achieve. I think we did that because we called upon American businessmen, American labor, American farmers to come over and help, and we found that productivity was not one of the virtues which Europe understood.

During the inter-war period they had come to regard productivity as perhaps very dangerous, causing overproduction and unemployment and yet our teams that came over by industry did a great job in education and our labor representatives worked with the noncommunist unions to strengthen them. And, incidentally, we had the help of the CIA. It isn't very popular to say that today but I want to tell you that the CIA played a very important role and a very honorable role in assisting the Marshall Plan, helping the noncommunist unions to maintain a stronger position in Europe against the communist unions which were well financed, and we were well informed of it, by moneys that came from Moscow.

The press did not have in the beginning pulp enough, newsprint enough and the communist press was getting it from the East in some of the countries. We saw to it that the press got enough paper to print what they wanted to. We never interfered with what any noncommunist or anybody said but we helped those that were carrying the banner.

We have a little post-Vietnam and post-Watergate inhibitions just now, particularly in Congress and they seem to think that the work of the CIA is not important. I say to you, my friends, the CIA is the first line of defense because, with all of the good will that comes from Mr. Brezhnev and it is sincere, in detente and in wanting to come to agreements on the nuclear arms race, he makes it perfectly plain that he is going to continue to support everywhere in the world liberation movements and, as I say, that is our first line of defense.

Nuclear bombs do not destroy communism but the way we act based on real information and the way we behave is the vital force in this competition that we have, still have with the Soviet Union.

We went through many periods and many things were done during the Marshall Plan days, new conceptions, but above all, for instance, Schuman made the historic rapprochement with Adenauer which united the objectives of Germany, France and Germany. That was one of the outcomes. The coal and steel community, which has led to what we wanted to have Europe do, unite with the common market. It hasn't gone as far as we'd want but it has gone a long ways even in these 30 years and let's hope it goes further. We had the European Payments Union which broke down barriers and which helped break down the quantity restrictions and the tariffs and the trade went up remarkably well and laid the basis for the present common market.

There were difficulties. The OEEC was not very strong because it was established as not to be too strong. There were some that didn't want to give up any of their sovereignty but we finally got them to agree, the ministers to agree to appoint a permanent ministerial chairman. It turned out to be Mr. Stikka. I wanted Mr. Spaak because he was known to be a European but oddly enough the British labor government was not so keen about that.

But I want to say for both Ernie Bevin and Stafford Cripps, they gave us some difficulties, but when they made an agreement the British always do more than they say they will do and that is among the many reasons why I respect them.

As we look at the world today, as we look at Europe today, we see that instead of the communists being under control we see them developing. We see the Euro-communists gaining strength, particularly in Italy and in France, of course Spain now, we don't know where it will go, and Portugal, but our eyes particularly are on the Euro-communists in Italy and in France and people wonder what to do.

Number one—I want to say we never want to turn our backs on any communist group because I have found that there are very few who live west of Moscow that want to be dominated by Moscow. In the early days Stalin could control everything. Stalin controlled all the nations and all the communist parties throughout the world. In fact, Tito was concerned that he would unleash the satellites to attack him. Moscow has no such power today and that is a change for the good and yet we see these Euro-communist parties gaining power and in all probability they will be in governments and what should our policy be?

I'm not going to try to answer that question fully but I'm going to say a few things.

One—We should never turn our backs on them in a way which would force them to go back to Moscow. On the other hand we want to make it plain just what we think of communism and I think it's most fortunate that at this time we have a President that makes the human rights an international issue because that is an issue which the communists cannot stand up to and, if they do, they will be repudiating their own faith. Then, too, we have perhaps the most important problem or work to do and that is to make our own country stronger, more prosperous, with more social justice.

And above all, in facing the communist issue, it was Mr. Stimson that said we should—something of this character. I'm paraphrasing it. By our actions we should make it doubly clear that freedom and prosperity march hand in hand and then he went on to say, This is the answer to communism but it's the right thing to do anyway. That is the way I think it's clear today that we can do more for Italy and more for other European countries by getting our economy in shape and also follow-

ing what President Carter wants to do and that is to understand that trade is a two-way street and, although it may be necessary to restrict over-imports, temporary imports, the conception which he has of freer trade is of vital importance.

Then too he has the conception that we must work with our European allies and members of the OECD, which include Japan, and then go to the developing nations with an outstretched hand and help them and it is through those actions that we can look forward to stability and to peace.

It is, as you can imagine, unhappy for me, having thought-through the Marshall Plan and through the brilliant proposals—that we had the communists under control. It's a new situation. They are not under control but through the concept of human dignity and human freedoms that President Carter is announcing so loudly today from the White House and through the strength and determination of our own nation to have a sounder economic life with greater social justice we will be able to deal with the problems that we face ahead.

It's nothing like the difficulties that existed in '46 and '47 that General Marshall faced. There's a sound basis on which to build but the nation must stand together and I won't go into our problems but I must say to you that I doubt in history whether any President has had as much courage as—or any more courage than President Carter did in the speech that he made to the Congress yesterday. We must face those issues and find the solutions of them here at home and when we do we can again regain the leadership which we had at a time when we were so enormously the only strong nation economically in the world.

We have sound partners and we must work with them but our great responsibility is our problems here at home.

Chairman MARTIN. I know all of us are very grateful for Ambassador Harriman sharing his experiences with us.

And if you'll indulge me in just one personal thing, the thing that impressed me about General Marshall was the authority of command that he had. He had a striking ability to say something and you knew that he meant it and it was the command authora and I happen to think that in the times we're living in we hear a great deal of gloom and doom talked about by various people. The stock market's going to pot or all of our savings are about to be blown up and we can look back on the career of a man like General Marshall and, if you'll forgive me for quoting one of my favorite poems—You know last year I closed with my poem from Browning that I like so much as applying to General Marshall. I still am very much intrigued with the lines of Arthur Hugh Clough:

"Say not, the struggle naught availeth,
The labor and the wounds are vain,
The enemy faints not, nor faileth,
And as things have been they remain.
If hopes were dupes, fears may be liars;
It may be in yon smoke concealed,
Your comrades chase e'en now the fliers,
And, but for you, possess the field.
For while the tired waves, vainly breaking,
Seem here no painful inch to gain,
Far back, through creeks and inlets making,
Comes silent, flooding in, the main."

Thank you all for being here and the meeting is adjourned.

ARCHBISHOP MAKARIOS III

Mr. BROOKE. Mr. President, the world has lost a great leader and the United States has lost a friend. Archbishop Makarios, President of Cyprus for 17 years, died on August 3. His sudden death came as a great shock to the people he led, to world leaders who admired his statesmanship and political ability, and to me personally for it was only 7 months ago that I sat with the archbishop in Nicosia discussing the tragic conditions on Cyprus.

His Beatitude was an extraordinary man; a religious giant and a pragmatic, skillful statesman. He was loved by his people because he epitomized the deep spiritual qualities that abide in the Greek soul. He was respected by political friends and foes alike because of his deep understanding of the political forces that determine the course of events in the eastern Mediterranean. He knew how to work within those forces in pursuit of his main goal—an independent, unified Cyprus.

To the people of the Commonwealth of Massachusetts, the death of the archbishop is especially sorrowful. As a young man he attended Boston University. And in the years since that time, the people of the Commonwealth have pointed with pride to him as one of their own. In my recent discussion with him I was pleased that he spoke so fondly of his experience in the Commonwealth and his warm affection for the people of Massachusetts.

The archbishop was at his best when confronted with difficult situations. Dealing with the problems and dangers inherent in leading a country constantly threatened by internal ethnic hostilities, he was able to defuse many explosive situations because of the personal respect he commanded from the Cypriot people. Living as he did in such a potentially perilous position, His Beatitude learned the art of survival, and he learned it well.

Lellos Demetriades, mayor of Nicosia, characterized the archbishop well when he said: "The Cypriots are not fatalists, they know how to bend so they will not break." This physically impressive leader of Cyprus indeed knew when to bend, but also when to stand firm. It was his ability to adapt and flourish in the face of adversity which made him uniquely qualified to lead Cyprus into nationhood.

The Archbishop was much more than a successful politician. He was, as the Washington Post noted, the "incarnation of Cypriot nationalism." Every one of his official actions was designed to further his vision of the future of Cyprus. Originally, that vision meant unity with Greece. "Enosis" was his goal when, as a young monk, he scrawled it in the wet cement of the monastery at Kikkud. It drove him to lead the movement against British colonial rule during the 1950's. He was later forced into exile for his beliefs, but enjoyed a triumphant return to power in 1959. Since 1960, he has, through his political actions, attempted to steer a careful course designed to avoid the political ties which could easily compromise the delicate domestic balance on Cyprus. His political wisdom and experience led him to the realization that "Enosis" was not the answer for Cyprus and her people. He came to understand that the future of Cyprus would not be served by unification with Greece, and his old vision of "Enosis" was replaced by a new one—a slow, careful building of a true Cypriot national culture. Archbishop Makarios died believing that internal unification of the Cypriot people was the key to the future survival and well-being of Cyprus, not merger with either Greece or Turkey. His hopeful view of Cyprus' future led him to work untiringly for a strong central government uniting the Greek and Turkish enclaves on Cyprus.

Today, it appears to many observers of the Cyprus situation that Archbishop Makarios dreamed the impossible dream. Despite an economic boom in the Greek community for which the Archbishop was largely responsible, his hopes for Cypriot nationalism seem quite far away. Cyprus is a partitioned island with each side developing its own institutions. This is the tragedy of Cyprus.

Some observers saw the archibishop only as the leader of the Greek Cypriot community. Yet it seems apparent that in the thicket of Cypriot politics, the archbishop was much more than a partisan. In a region known for its political instability, the leadership of His Beatitude was the one factor which lent continuity to the system. George Ball once called him "the stubbornest man I ever met." It was this very stubbornness when necessary, this strength of character and purpose, that gave Archbishop Makarios a decisive role to play in the turbulent eastern Mediterranean. Few men have the ability to truly lead a people as he did, and his death robs Cyprus and her people of their major unifying force.

I do not believe that Archbishop Makarios dreamed the impossible dream. I cannot subscribe to the pessimistic view put forth by some that the situation on Cyprus can only continue to worsen. On the contrary, being the optimist that I am at heart, I can only hope that the legacy left by Archbishop Makarios to the Cypriot people will inspire them to work harder than ever before at finding just and lasting solutions to their differences. And I pray that God will guide them in this endeavor. Choosing a new leader will not be easy. However, my faith in the wisdom and prudence of the Cypriot people leads me to believe that they will be equal to the herculean task before them.

Mr. President, those of us who had the privilege of personally knowing His Beatitude will never be able to think of Cyprus without thinking of this imposing man. We mourn with the Cypriot people his passing and can well understand and share the emotional grief they feel. But we can also be grateful that he, in some way, touched our lives. And, paraphrasing the Apostle Paul, we can truly say of the archibishop that he ran the course well.

SHAHEEN EXCELLENT CHOICE FOR NEW HAMPSHIRE U.S. ATTORNEY

Mr. McINTYRE. Mr. President, I was pleased and gratified when the Senate this morning confirmed the new U.S. attorney for New Hampshire, because this able young man is a superb appointment and my State will be the beneficiary of

the President's good judgment in naming him to this post.

I have watched Bill Shaheen come of age in the legal profession, realizing from the first time that I met him that he held great promise and satisfied now that my initial reading was on target.

Bill is a native of New Hampshire, born in Dover in 1943, and a product of that community's public school system. From Dover High School, Bill went on to take his bachelor of arts degree from the University of New Hampshire, majoring in history. After teaching high school for a year in Milton, N.H., Bill entered the U.S. Army in October of 1965. He served in Germany and rose to the rank of captain before his release from service.

He entered the University of Mississippi School of Law in September of 1970 and ranked second in his class when he took his law degree in May of 1973.

His other academic honors and activities included: president of the law school student body for two terms; president of the Lamar Society of International Law; member of the National Moot Court Competition team; cited in Who's Who Among Students in American Universities and Colleges; member of the editorial board of the Mississippi Law Journal; winner of the award for highest scholastic average in his senior year; recipient of the Am Jur award for legal bibliography, civil procedure and criminal law; and winner of the Phi Delta Phi award as the senior selected by the faculty as the student who best exemplifies what it requires to become a successful lawyer.

After graduation, Bill first served as a research assistant for a sea grant coastal law project. Admitted to the Mississippi State and Federal Bar and the New Hampshire State and Federal Bar, he became city attorney for Somersworth, N.H., in July 1974 and served in that capacity to the present time. He has also been a member of the law firm of Keefe, Dunningham and Shaheen of Dover, N.H., since August, 1976.

New Hampshire's new U.S. Attorney is married to Jeanne Bowers, a native of Huntington, W. Va., and holder of a master's degree in international relations from the University of Mississippi.

The Shaheens have one child, Stefany Amber Shaheen, who is now 2 years old.

Mr. President, I would like to take this occasion to congratulate Mr. Shaheen upon his appointment, to wish him well, and to commend the President for making this appointment.

THE "SOVIET DAY OF SHAME"

Mr. HEINZ. Mr. President, August 21, 1977, will mark the ninth anniversary of the Soviet invasion of Czechoslovakia. The Czechs are observing this date as the "Soviet Day of Shame." We in the Senate should reflect upon this sobering occasion.

The Russian invasion of Czechoslovakia was in direct contradiction to article 2, section 4 of the United Nations Charter, which prohibits the use of military force in the relations between individual members of the U.N. The invasion also violated the principle of self-determination of peoples, and denied Czechoslovakian citizens their autonomy. Indeed, the Soviet occupation was a clear act of aggression and repression.

Since the time of that brutal attack, freedoms have been severly restricted in Czechoslovakia. Human rights guaranteed by the Helsinki accord are disregarded and individual actions come under the scrutiny of government. Freedom of speech is suppressed by central management of all mass media, including publishing and cultural institutions. There is no political, scientific, philosophical, or artistic work in Czechoslovakia that differs from the firmly established Soviet ideology.

Those men and women who deviate from this authoritarian system often suffer harsh repercussions. Their mail is opened, their apartments are searched, and their phone conversations are monitored. As a result of systematic suppression of civil rights, open discussion of intellectual and cultural matters is almost eliminated. Those who speak out have no redress in the courts if they are arrested and even false accusations cannot be refused.

I urge my colleagues in the Senate to observe August 21 as a day for remembrance of human rights. We have a responsibility to millions of Czech citizens who have lost most of their liberties. The Soviet regime will not allow a citizen to leave his country—this discrimination under the pretext of "protecting the State security." Soviet oppression cannot be tolerated, and our Government must recognize and denounce its tactics.

CUTTING PENTAGON WASTE

Mr. METZENBAUM. Mr. President, when President Carter recently announced his courageous decision to halt production of the B–1 bomber, he stated that it was based, in part, on the high cost of the bomber program. As the President explained at his press conference, American taxpayers must not be required to pay billions of dollars for a weapons system that another system—in this case the cruise missile—could perform equally well at a lesser cost.

I strongly support the President's concern for spending defense dollars in a more cost-effective manner. I hope the Carter administration will now turn its attention to the billions of defense dollars which are being wasted because of bad management. I believe these dollars can be saved simply by applying good business methods to our defense purchases.

Since I have been in the Senate, I have had an extended dialog with Secretary of Defense Harold Brown on the way the Pentagon manages the taxpayers' dollars. At Dr. Brown's public and executive confirmation hearings, I questioned him closely about his commitment to savings through the use of better business practices. His answers were vague, which is understandable since he had not yet assumed his office. But Dr. Brown was generally supportive.

After Secretary Brown had been in office 4 months, I wrote to him with some detailed suggestions for cutting Pentagon waste. I did not expect him to agree with everything I had suggested, or to provide complete solutions to the problems I had raised. I did, however, hope that—given the Carter administration's commitment to efficiency and cost cutting—he would acknowledge that Pentagon inefficiency was a major problem which had to be given a high priority.

Mr. President, Secretary Brown's answer to me is a very revealing one. I ask unanimous consent that my original letter, and Dr. Brown's reply, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. METZENBAUM. Mr. President, I have enormous respect for Dr. Brown's intelligence and abilities. However, his letter is disappointing because it seems to indicate that Dr. Brown does not consider Pentagon inefficiency to be a major problem. He does not see the need for new, tough-minded business methods. Apparently he believes that business as usual will suffice.

The two key sections of the Secretary's response to me are particularly disturbing—his comments on overruns, and on competition.

In asking questions on cost overruns, I did not expect that Dr. Brown would develop an immediate solution to this complicated problem, nor that he would endorse my proposed solutions. But I did hope that he would acknowledge that overruns are a major problem which requires new solutions. Instead, Dr. Brown and his staff have used a very superficial analysis of Pentagon data to make it appear that almost all overruns are caused by inflation.

Dr. Brown says that 78 percent of the $60 billion cost overrun in the Pentagon's September 1976 selected acquisition report was due to "cost growth stemming from inflation in the national economy." To be sure, this is how it appears if one looks only at the brief SAR summary distributed to the press and public by the Pentagon's public relations personnel.

However, the Pentagon also prepares more detailed unclassified SAR summaries, which it supplies to the Armed Services Committees, and anyone else who requests them. If Dr. Brown's staff had looked closely at these figures, they would have realized that inflation is not the main cause of overruns.

The September 30, 1977 detailed SAR summary shows that less than half of the $60 billion cost over-run was due to economic escalation. More than $30 billion of the overrun could be traced to Pentagon and contractor mismanagement.

Moreover, Pentagon figures show that, since September 1976, the effect of inflation has decreased, while overruns due to mismanagement have grown dramatically. As of December 1976, this overrun was $49.7 billion. By March 31 of

this year, the mismanagement-caused overrun had risen to $52 billion. It is very unfortunate that Dr. Brown ignored the steady growth of this staggering sum.

Secretary Brown's comments on competition were also very disappointing, and I am afraid he may have misunderstood me. I do not believe that price competition will prevent all Pentagon overruns. But, I do believe that—in the long run—increased price competition slows cost growth and gives the taxpayers more for their money.

In answering my questions about the Pentagon's use of price competition, Secretary Brown says that "During fiscal year 1976, almost 57 percent of the Department of Defense procurement was subject to either price or technical competition and to follow-on contracts after price or technical competition. This was a noticeable improvement over the prior year."

I am frankly puzzled by this figure. I addressed my remarks to price competition. Dr. Brown has responded by providing data on design competition and follow-on contracts, which do not involve price competition.

Dr. Brown should have focused his analysis on the Pentagon's data on price competition. If he had done so, he would have found that in fiscal year 1976, only 7.9 percent of Department of Defense procurement dollars were awarded through sealed bid price competition. This figure is a decrease from 1975, not an improvement. Only 22.2 percent of Department of Defense dollars were awarded through competitive negotiated contracts, which are obtained from two or three contractors. Thus, 69.9 percent of Department of Defense procurement dollars were awarded without price competition of any kind. This is only a 0.1-percent increase in price competition over the previous year, hardly a major improvement. Moreover, there is still less price competition in Department of Defense buying than there was in 1970.

This lack of price competition is especially dismaying, since congressional studies, to which I referred in my letter, have shown that such competition can lead to major cost decreases, especially in follow-on contracts. Moreover, the Pentagon's current indifference to competition leads to cases, such as the one GAO discovered, where common items like oil filters, spark plugs, recording tape, window screens, and water faucet handles were purchased at inflated prices without price competition.

Mr. President, Dr. Brown is a brilliant man, and he is in many ways proving to be an outstanding Secretary of Defense. He helped President Carter make a tough decision against the B–1 and in favor of cost-effectiveness. However, to date he has not done nearly enough to improve the way the Pentagon is managed. I hope that now that the B–1 decision is behind him, Secretary Brown will begin to turn his attention to the Pentagon's continuing problems. I look forward to working with him in the future and I hope our dialogue will continue.

The articles follow:

EXHIBIT 1

The Honorable HAROLD BROWN,
Secretary of Defense
The Pentagon
Washington, D.C.

DEAR DR. BROWN: During your confirmation hearings I expressed to you my concern about certain wasteful practices in Pentagon procurement policies. I have been a reasonably successful businessman who feels that the taxpayers should get a dollar's worth of product for every dollar spent. I am convinced that billions of dollars can be cut from the Defense budget through the use of tough-minded business methods. Overruns can be drastically reduced. More competition can cut costs. Conflicts of interest can cease. Your early actions in office indicate your own concern about cutting back expenditures in the Defense Department and I commend you for these actions.

Now I have some specific suggestions about what you, as Secretary of Defense, can do in other ways to demonstrate your commitment to better management of the Department. I would like to have your specific response to my suggestions, and your thoughts on alternative solutions.

Though the public furor about cost overruns has, unfortunately, died down since the late 1960's, Defense Department figures show that too many major systems continue to have astronomical cost increases. One recent report showed that 46 major weapon systems had over-runs of more than $61 billion. Now I realize that some over-runs may be justified but, with good management, most could be avoided. I hope that one of the first things you do is put the Services and defense contractors on notice that the DOD will no longer routinely approve over-runs. To do this, more is needed than a pledge by you to look closely at the problem. Every President, every Secretary of Defense, and every Assistant Secretary of Defense dealing with procurement has pledged that he will do all he can to end over-runs. But costs continue to skyrocket. Specific steps must be taken to curb mounting over-runs.

One step that I would recommend is to insert the following phrase into Part VII of the Armed Services Procurement Regulations:

"No Department of Defense official shall agree to, or otherwise authorize, modifications of a procurement contract which provide for a total percentage cost increase greater than the rate of inflation since the date the contract was originally entered into, without the specific approval of the Secretary of Defense."

Clearly, you cannot personally review every contract change, though I hope you would review the larger ones. Perhaps you could take a leaf from former Defense Secretary Robert McNamara's book. McNamara brought a new team of bright young men, of whom you were one, to the Pentagon in 1960 to centralize decisions on force structure through systems analysis. I would like to see you centralize the audit function at DOD by assembling a team of bright young cost accountants. These could expand and improve the Defense Audit Service and the Defense Contract Audit Agency. This new staff would give you the tools to monitor cost increases and decide which are justified and which are not.

In addition, I would like to see the current Selected Acquisition Report system drastically improved. At Congress' requests, the GAO has made periodic special audits of the way the SAR system has been functioning. The results of the audits were disturbing. The GAO found that in 1972 and 1974 the DOD failed to report a total of $7 billion in over-runs on programs which Congress was reviewing. Just last year, another special GAO audit found that DOD had failed to report a $260 million cost increase in the F–16 fighter.

In each of these reports the GAO made recommendations for improving the DOD's performance on the SAR's. Will you review these recommendations and make a general evaluation of the DOD's reporting under the SAR requirements within the next year? Will you make public the results of this review?

No reform will have any beneficial effects as long as the DOD continues to bail-out wasteful contractors. The Defense Department has been unwilling to take the final step of cutting off contractors who do not perform well. Admiral Rickover has described the result very well:

Large defense contractors can let costs come where they will and count on getting relief from the DOD through changes and claims, relaxation of procurement regulations and laws . . . or other escape mechanisms . . . they will make their money whether their product is good or bad; whether their price is fair or higher than it should be; whether delivery is on time or late.

Will you commit yourself to diverting Defense Department procurement funds away from contractors with a record of waste, over-runs, and poor management?

I am also very concerned about a closely related problem—the lack of competition in defense procurement. I find it shocking that in 1975 only 8.6 percent of military procurement dollars was awarded through sealed bid price competition. Only 21.4 percent of DOD dollars was awarded through competitive negotiated contracts, in which two or three contractors were invited to bid on a project. Thus, 70 percent of DOD dollars was awarded with no price competition at all. Moreover, the trends have been in the wrong direction. There was less price competition in 1975 than in 1970.

The Services have always been extremely reluctant to encourage competition. I suspect that even though the Services claim most contracts are for sophisticated systems which cannot be procured through price competition, that oftentimes provides a shield behind which to hide rather than a reality applicable to most of our procurement purchases. I suggest you have all the Service Under-secretaries read "The General Advantages of Competitive Procurement Over Sole Source Negotiation in the Department of Defense," a November 1973 study prepared for the Joint Economic Committee. The study examined 20 complex weapon systems, including sophisticated electronics and missile systems. These contracts originally were awarded through sole source procurement, but for various reasons their costs were later readjusted through price competitive bids. The results were dramatic—price decreases averaging 51 percent.

There are a number of specific steps I think you should take to increase competition, the easiest being for you to make it clear to the procurement officials you appoint that the general policy of the Department is to encourage price competition. Price competition should be the rule and sole-source procurement the exception.

To implement this, as I suggested at your confirmation hearings, you could require that all exemptions from price competitive bidding be approved by the Office of the Secretary of Defense; additionally, I urge you to institute a system of regular quarterly reports to the Congress containing the reasons why sealed bidding was not feasible in relation to each contract where it was not used.

If you do not approve of both of the procedures herein suggested with respect to competitive bidding, what alternative procedure will you adopt to require more competitive bidding, and how will you keep Congress advised of your progress?

Furthermore, I suggest that you require that all procurement contracts which are for follow-on buys be awarded on the basis of sealed bidding. This could have an immediate effect in reducing DOD spending since between 15 and 20 percent of DOD procurement dollars is spent on follow-on contracts. The follow-on buy should logically be far less costly than the original purchase, and once the technology is completed, many companies may be interested in submitting competitive proposals. What steps do you propose to take to implement savings with respect to follow-on buys?

On another point in your testimony, you addressed yourself very briefly to the protection of DOD procurement officials who speak up about waste. I am concerned about dedicated government officials being encouraged in this regard. What channels do you plan to establish to insure that those who report on waste can be effective in making their complaint, and that they are accorded a fair hearing? I would appreciate a detailed answer on this key point.

Finally, in the open hearing I suggested that you require the military and civilian personnel which you appoint to procurement positions to sign a pledge not to go to work for at least two years for defense contractors they monitor. You responded that I had identified a problem but you doubted that I had identified a solution. I would appreciate hearing your solution, since I feel that the American people—by and large—do not approve of the present practices.

Dr. Brown, I look forward to a good working relationship with you. To date, I have been very impressed by much of your performance in office. But as a Senator who is committed to reducing wasteful expenditures of our tax dollars, I hope to help you focus in on areas wherein I believe billions of dollars can be saved.

I look forward to hearing from you soon.

Sincerely,

HOWARD M. METZENBAUM,
U.S. Senator.

THE SECRETARY OF DEFENSE,
Washington, D.C. July 7 1977.

Honorable HOWARD M. METZENBAUM,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METZENBAUM: This is in response to your letter of April 18, 1977 which conveys both your concerns and your suggestions as to the conduct of the procurement operations of the Department of Defense. I certainly share your desire for increased efficiency in these operations. There are a number of observations which I would like to make concerning these suggestions.

You can be sure that I share your concerns about the contractor cost overruns. Although I am uncertain of the source of your data regarding the $61 billion, the 30 September 1976 Selected Acquisition Report (SAR) did identify a total cost growth of $60 billion ($117 billion to $177 billion) for major systems. Of this amount, $47 billion (78%) was due to cost growth stemming from inflation in the national economy. The remaining 22% ($13 billion) was caused by a wide variety of reasons which are mostly Government required changes; cost overrun generated by contractor action was relatively minor. While the specific individual approval procedure you suggest presents problems, I can assure you that I am involved in decisions concerning significant changes to major programs.

I would like to note that the SAR system was revised extensively in September 1975. This review was due in part to the recommendations of the GAO to which you refer. We continuously review the system for possible improvement and will continue the reviews during this calendar year. In addition, we have substantially centralized the audit function within the Department with the establishment of the Defense Audit Service which has responsibilities that were dispersed among five audit organizations.

Aside from the methods available for monitoring or controlling cost growth, however, I can reassure you that we will, as relevant, examine the past performance of a contractor's cost control and reporting system in conjunction with the award of new contracts.

There is no necessary relationship between cost growth and the existence of competition in contract awards. While price is a statutorily specified element in the conduct of competitive procurement, there is a significant number of situations where meaningful competition can be maintained only on a basis other than price. During FY 1976, almost 57% of the DOD procurement was subject to either price or technical competition and to follow-on contracts after price or technical competition. This was a noticeable improvement over the prior year.

Price competition generally results in lower prices, particularly for off-the-shelf items. At the same time, I want to reiterate the view, expressed during my confirmation testimony, that the achievement of this result depends very much on the character of the supplies or services to be procured. In the case of major production procurements which will involve substantial learning curves and significant capital investment, price reductions through competitive procurement are not usually attainable.

Finally, as to the conduct of procurement officials within the Department, people should be afforded the means to communicate findings on wasteful practices to their superiors. Any action I might take as a result of somebody stepping out of departmental channels to discuss wasteful practices within the procurement system will depend on the facts of each case. As to the employment of former Department of Defense personnel by contractors, the President has announced that he desires to reexamine the existing restrictions and make appropriate changes. I intend to work with him in this effort.

Your comments and suggestions are appreciated. They will be taken into consideration as we review our current processes pertaining to defense expenditures.

Sincerely,

HAROLD BROWN.

SUPPORT FOR CIVIL RIGHTS LITIGATION

Mr. JAVITS. Mr. President, the Ford Foundation recently commissioned an important study of the litigation program of the Foundation in the civil rights field in order to judge its effectiveness and responsiveness to the needs of the community. This report was prepared by Robert B. McKay, the former distinguished dean of New York University Law School and now director, program on justice, society and the individual, Aspen Institute for Humanistic Studies.

Throughout the long struggle for equality of opportunity in this country many organizations in the private sector have contributed significantly as Federal and State law, as well as private action has sought to promote equal opportunity in housing, education, health and jobs and to remove barriers to minority electoral participation.

One of the important areas of interest for those seeking to strengthen the implementation and enforcement of constitutional, statutory and public policy guarantees is civil rights litigation. Since 1967 the Ford Foundation has made grants for this purpose approximating $18 million. Many groups have participated in this program including the National Association for the Advancement of Colored People, the Southern Regional Council, the National Council of La Raza, and the voter education project.

Mr. President, Dean McKay's report "Nine For Equality Under Law: Civil Rights Litigation" is a timely and informative statement about the status and progress of the civil rights movement. I ask unanimous consent that the first and last segments of the report entitled "Discrimination and Equality" and "Summary" be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Mr. President, I wish to take this opportunity to commend both the Ford Foundation and Dean McKay for their continuing leadership in this important effort to implement national public policy. Strong commitment to the support of litigation activities is indispensable to the continued health and success of the civil rights movement:

EXHIBIT 1

DISCRIMINATION AND EQUALITY

Discrimination has been constant in United States history. It has affected and hurt many minority groups. Sometimes it has been unthinking, almost casual. Today, even in an age of sharply increased awareness, it persists with particularly harmful effects—against blacks, who were largely invisible during long periods of American history; against American Indians in continuance of of a dark chapter in this history; against Mexican Americans, who were suspect because they (or their forebears) were "foreigners"; against Puerto Ricans, who spoke a language and followed traditions alien to the mainland; against women, who were respected as conservators of hearth and home but not accorded equality elsewhere; against others who only offense was age or poverty, and against ex-addicts and ex-offenders as if to ensure recidivism.

Other groups that have suffered the lash of prejudice and exclusion over the course of American history are Catholics, Jews, and certain Protestant immigrant groups. They have sometimes been excluded from equal access to education, employment, and positions of political and social influence. But the weight of that discrimination, based mainly on religion, has been lightened a good deal as these groups have succeeded in making their way up the ladder of economic and social mobility in American society. The problem is more complicated for people of a different color, or when it comes to discrimination on the basis of sex or cultural differences.

On the other side of the ledger of American history, there is a deep commitment to equality. It appeared originally in the literature and declarations leading to the war for independence and, at the insistence of the victorious citizens, in the Bill of Rights. The emphasis was on freedom as the guarantee of individual rights, and as an atmosphere

in which everyone had an opportunity to find his place in society.

The Civil War Amendments to the Constitution—the Thirteenth, Fourteenth, and Fifteenth—broadened the national commitment to equality. Those amendments became the basis of decisions that provided increased opportunity for the exercise of individual rights in political, as well as economic and social terms. But in the last quarter of the nineteenth century the promise of equal opportunity faded into rationalizations of "separate but equal," and often worse without even a pretense of equality. From that time until the second half of the twentieth century there was little progress toward the realization of the ideals and opportunities expressed in the Bill of Rights and subsequent amendments. The legacy of discrimination and disregard for equal rights made it difficult, if not impossible, for those who continued to be the victims of prejudice to rise above their dismal economic and social plight on the basis of individual merit. As Judge Leon Higginbotham has observed: One of the tragedies of today's racial polarization is that blacks, who have been the major victims of historic racial deprivations, are now in some strange way being held accountable for those very conditions which they did not create, which they did not want, but were forced to take.

Mexican Americans, Puerto Ricans, and Native Americans, with problems more recently exposed to public view, have often shared a similar outcast status. But it is the blacks, having felt the string of oppression most massively, who have led the fight to give substance and reality to the principle of equality. Their long and continuing struggle was and still is required because the right to equal treatment is not self-enforcing. The vindication of the principle involves a complex legal, legislative, and administrative process:

1. The Supreme Court of the United States must interpret the constitutional text, through decision in specific cases, to assure that the words are clearly understood. In the case of the equal protection of the law clause, as applied to blacks, that full assurance did not emerge until 1954, with the decision in *Brown* v. *Board of Education*.

2. Since the Supreme Court often speaks negatively—it says "thou shalt not," as it were—the majesty of the constitutional imperatives requires translation into the affirmative specifics of legislation by Congress and state legislatures.

3. Even when the courts have spoken definitively, and the legislatures have followed the command, there remains the need for public acceptance. Here, the importance of leadership by the executive branch of government, and especially by the President, is crucial. Equally important is the support provided by local leaders; again, success or failure depends largely on community acceptance. The law plays an important but limited educational role.

4. No matter what the leadership provided by the Supreme Court, by Congress, the President, and by local leaders, problems are bound to arise in the translation of principles into patterns of everyday living. Economic or social conflicts of interest, often exacerbated by deeply held prejudice, tend to slow or halt the process, necessitating yet another round to reassert the principle in the courts and in the legislatures.

Examples come readily to mind. The promise of equality in the Fourteenth Amendment was a long time in being fulfilled. Only in the voting rights cases was the language of the Fourteenth Amendment used to guarantee an element of equal rights. But these legal victories were late in coming and sporadic at best until Congress acted, haltingly in 1957 and 1960, and more effectively with the Voting Rights Act of 1965, and its renewal in 1975. Not until 1954 was there a significant Supreme Court affirmation of the anti-discrimination aspect of the equal protection clause of the Fourteenth Amendment. The ruling in that case, *Brown* v. *Board of Education*, was eloquent and straightforward: We conclude that in the field of public education the doctrine of "separate but equal" has no place. Separate educational facilities are inherently unequal.

Before long it was demonstrated once more that even the clearest constitutional mandate is not self-enforcing against determined resistance. Every step along the way, from the express ruling through various steps of legislative and administrative action, can and often does serve as a basis for challenge by opponents. If the guard is let down, the constitutional principle is again at risk. To protect against this hazard requires commitment, competent personnel, and considerable financial resources.

Until at least the mid-1960s the NAACP Legal Defense and Educational Fund stood almost alone in this effort. Although the Legal Defense Fund, as it is popularly known, had as its principal mission the protection of blacks against all forms of racial discrimination, it recognized that success in this work might well be jeopardized if it were not accompanied by efforts to secure protection for other groups against whom discrimination was being practiced on grounds of race, religion, ethnic background, or sex. The equal protection clause, in its proscription of acts of bias against individuals, is all-embracing. Accordingly, the Legal Defense Fund has all along been a champion of all who suffer from discrimination.

In the late 1960s the Ford Foundation recognized the heavy obligation that the Legal Defense Fund had until then assumed largely by itself. Relief from what might otherwise become an intolerable burden could be provided in two ways:

Direct financial aid to provide the necessary resources for litigation of high quality.

Establishment of other organizations to assume primary responsibility for litigation on behalf of different constituencies (e.g., women, Mexican Americans, Native Americans, Puerto Ricans), or to specialize in litigating cases in specific areas (e.g., housing, narcotics addiction, prisoners' rights), or to exercise oversight of the implementation of legislation and policy in the civil rights field.

With some planning and much improvisation the Foundation moved in both directions. It made grants totaling approximately $18 million during the seven-year span of 1967–1975. The purpose of this report is to examine the manner in which this major commitment has been carried out and to describe what has been accomplished.

BACKGROUND AND OBJECTIVES

The civil rights movement has long received support from varied private sources, including foundations, corporations, and individuals. But litigation work has received a relatively small share of that total, with the bulk of support going to the more traditional areas of research, scholarship grants, and the strengthening of institutions weakened by discrimination. The reluctance for many years of philanthropic institutions to make major allocations to litigation as a means to promote progress in civil rights may have its roots in a traditional view of the judicial function, which holds that where an injustice exists that is within the power of the courts to correct, litigants will come forward to set in motion the necessary machinery to right the wrong. Yet in reality, wrongs are not self-righting, even when courts are at hand to take the necessary corrective steps, needing only the trigger of litigation. The natural plaintiffs often are reluctant to initiate action, and more often lack the resources to commission the studies, conduct the investigations, and engage the legal talent essential to an effective challenge.

Furthermore, many people, including elements of the organized bar, have long felt that to provide financial assistance for the conduct of litigation, regardless of the merits of the case, might be an inappropriate intrusion into the judicial process. In fact, litigation was necessary to establish the very proposition that group advocacy of individual rights is permissible. But even when court decisions had established the appropriateness of civil rights litigation, there was no large outpouring of philanthropic support. Perhaps the commitment to other kinds of civil rights efforts was too solid to permit easy diversion of the effort in new directions; perhaps there remained a lingering mistrust of judicial intervention into individual cases as a means of achieving broad reform and fear of controversial consequences. Whatever the reasons, litigation as an instrument of civil rights reform has not attracted financial support in anything like the amounts that have gone to other civil rights activities.

The Foundation made its major commitment to civil rights and disadvantaged minorities in 1967. Parity for minorities and efforts to find new approaches to the often related problems of urban areas became the main goals of the newly created National Affairs Division. The change in Foundation priorities was reflected in a rapid increase in grant funds related to minority rights: from only 2.5 per cent in 1960 to 38.5 per cent in 1968, and 40 per cent in 1970.

But only a part of this money was for litigation. Ranked in the order of dollar support originally allocated to the minorities and the poor, the Foundation listed four areas for action:

1. Community development, particularly in inner-city ghettos.[1]

2. Civil rights advocacy, such as the activities of the Urban League and the NAACP (as a separate entity, distinct, from the NAACP Legal Defense Fund).

3. Civil rights litigation.

4. Public interest law.[2]

This allocation of resources by the Foundation was also affected by the decisions and actions of other institutions. Community development, the Foundation's first priority, was supported substantially by other private and public sources. Civil rights groups also received considerable assistance from private groups and individuals, but no public money. Not so with civil rights litigation, however. (Public interest law was a new field when the Foundation entered it in 1970 and it has only gradually built up some diversity of assistance.)

Foundation grants for civil rights litigation, totaling some $16 million, reflect the following objectives: to help remove barriers to equality caused by discrimination on the basis of race, ethnic background, or sex; to help provide equal access for minorities and the poor to housing, education, jobs, and other avenues to opportunity, and to help insure fair treatment by government.

The growing importance attached to litigation is indicated by the fact that, when a reduction in Foundation giving was announced in 1975, the level of support for civil rights litigation remained essentially constant.

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[1] See *Community Development Corporations, A Strategy for Depressed Urban and Rural Areas.* Available on request from the Ford Foundation, Office of Reports, 320 East 43 St., New York, N.Y. 10017.

[2] See *The Public Interest Law Firm, New Voices for New Constituencies, and Public Interest Law, Five Years Later.* Available on request from the Ford Foundation, Office of Reports.

The Foundation's first grants in the field, in 1967, were to the NAACP Legal Defense and Educational Fund, which had a solid reputation for competence, and to the Lawyers' Committee for Civil Rights Under Law, which grew out of a 1963 White House meeting between President Kennedy and a group of prominent lawyers who were concerned about the nation's persistent problems of political, economic, and social inequity. The bulk of the grants to the Lawyers' Committee has gone to support of its office in Mississippi, where it was considered important for the committee to have a presence because of the extent of civil rights litigation in the South at the height of the civil rights movement.

Subsequently, the Foundation broadened its support of civil rights litigation to include seven other organizations, four of which the Foundation helped establish to concentrate on special problems of particular groups—the Native American Rights Fund (NARF); the Mexican American Legal Defense and Educational Fund (MALDEF), the Puerto Rican Legal Defense and Education Fund, and the Women's Law Fund. The other three, which work on various substantive issues are: the National Committee Against Discrimination in Housing; the Legal Action Center, concerned mainly with litigation on behalf of former addicts and ex-offenders, and the Center for National Policy Review, which monitors civil rights and equal-opportunity legislation and policy by federal government agencies.

During the period of Foundation assistance these organizations have brought to court and won some of the most significant civil rights cases in judicial history. The cases include reversal of attempts in the South to delay or circumvent desegregation through so-called "freedom of choice" in education; major progress toward equalizing municipal services in black and white neighborhoods; a series of equal-employment decisions on behalf of Spanish-speaking Americans, blacks, women, and exoffenders; the restoration of important rights and resources to several Indian tribes; mandated bilingual instruction for Spanish-speaking students; and protection of rights in access to housing and in law enforcement.

Although the Foundation can take credit for strengthening and increasing the effectiveness of all these groups, its support did not spell the difference between life and death for the more established ones like the NAACP Legal Defense Fund. For the newer groups like MALDEF and NARF, Foundation support was crucial.

No one asserts that litigation assures instant solutions to the problems of discrimination. But skillful use of litigation can yield results that have impact far beyond particular court proceedings. With the equal protection clause of the Constitution as their principal guidepost, organizations assisted by the Foundation have achieved such results with a relatively modest level of resources.

SUMMARY

The objectives of plaintiffs in civil rights litigation often challenge prevailing patterns accepted by the general public. Typically, relief is sought by one or more members of a disadvantaged group who can succeed only by upsetting an established practice. The uphill nature of the task is both the problem and the reward of the civil rights movement.

It is in the best tradition of American democracy to protect minority interests, whether political, religious, racial, ethnic, or sexual. When the majority is thus confronted, conflict is likely. Against this background, the champions of minority interest find it difficult to obtain financial support.

To the extent that money has been given, it was until recent years not for litigation, but mostly for projects using education or other non-litigative approaches. One reason there has been relatively little interest in providing support for litigation may be that it was considered too risky or controversial in the eyes of many funding sources. If this is so, it may be an unconscious or oblique recognition of the fact that litigation dollars have the potential for greater systemic change than money spent in more conventional ways.

When the Foundation made its major commitment to civil rights litigation in the late 1960s, it was a major effort by a private organization to look at civil rights as a whole. The decision was made not to limit support to a single group or area of minority rights; civil rights was identified as a unifying concept beyond particular categories of race, national origin, or sex. By linking these traditional criteria with substantive problems of housing, treatment of narcotics addicts and ex-offenders, and discrimination by government regulation or practice, it became possible to view civil rights as a matter of concern to all and an area where common solutions might be found to transcend the former lines of conceptual distinction.

The results have been significant. Each of the nine organizations that has received Foundation assistance has made a distinctive contribution to the total civil rights effort, and the activity of each has reinforced that of other organizations, even when their respective agendas were not directly related to each other. In short, the reach of each organization has been extended with the creation of each new organization. The weaving together of formerly separate strands has greatly strengthened the pursuit of civil rights goals in the United States.

When the Foundation led the way in making awards to civil rights litigation grantees, other philanthropic institutions found it easier to move along the same path. Thus, the Rockefeller Brothers Fund has developed a similarly broad program, and several other foundations have felt encouraged to make individual grants to particular organizations.

Private support for civil rights litigation is still not massive, but it is of sufficient size to have made a discernible impact. It is important that the level of resources now reached be sustained and that the work retain the broad scope and the conceptual focus that it has developed.

SUPPORT OF U.S. PRISONERS IN NON-FEDERAL INSTITUTIONS

Mr. HOLLINGS. Mr. President, last year the Director of the Bureau of Federal Prisons, Norman A. Carlson directed that public and private community residential programs—halfway houses—throughout the Nation be utilized to a much greater extent by the Bureau. This greater utilization served three very important purposes:

First, it relieves the overcrowed conditions in the Federal prison units.

Second, the cost of maintaining a person in community residential programs is less that at a prison, while at the same time the prisoners are working, supporting their families, paying taxes and in fact paying for part of the cost of the program in most instances.

Third, and probably the most important value of the community residential program—the men and women in the CRP's benefit from involvement with good community contracts; are provided counseling and guidance and personal vocations and financial matters; are afforded job placement and job training opportunities and, in a word, are better for reentry into our society than they would have been if released directly from prison.

There are now 400 programs, mostly privately operated that have contracted with the Bureau of Prisons to provide these services. In my own State the Alston Wilkes Society operates four programs and the Volunteers of America operates halfway houses in many States. Over the last few weeks I have heard from 19 halfway houses located in Colorado, Kansas, Louisiana, Massachusetts, Minnesota, Missouri, New Jersey, New York, North Carolina, Ohio, South Carolina, Texas, and Wisconsin of the important role of this program in penal reform.

On June 29, the Bureau of Prisons announced that due to a lack of funds no new commitments would be made to the halfway houses until September 30. Mr. Parker Evatt, the executive director of the Alston Wilkes Society in Columbia, S.C., says that the impact of this policy "Can be equated to a right cross to the jaw followed by a body blow to the solar plexis."

Earlier this year I obtained approval of a $10 million supplemental appropriation to avert a similar financial crisis in this account. This seems to be an annual situation and mainly arises from the unpredictable and largely uncontrollable inmate population. Currently the jurisdiction is split between the Bureau of Prisons and the U.S. Marshal Service over the expenditures for persons in non-Federal institutions. In the 1978 Appropriation Act we hopefully cured this situation by fixing the responsibilities for these functions and dividing the money between prisons and the marshals.

However, this year we have experienced a much larger prison population than expected and currently there are 7,300 more persons in Federal prisons than they were designed to hold. As the ranking minority member of our subcommittee, the distinguished Senator from Connecticut, Mr. WEICKER, can attest, Danbury recently had an arson-set fire which consumed five lives. The result of this curtailment is that 900 inmates—who would normally have been released to the halfway houses during this quarter and partially relieve the overcrowded prisons—still remain in the prisons.

In fact, the reason the funds for the contract agencies are exhausted is that the Bureau accelerated the commitments to the halfway houses earlier this year in order to relieve the overcrowded situation in the prisons. This is illustrated by the increase in the average population which steadily rose from 1,261 last October to a high of 2,030 in April or about double the average population budgeted for a typical month for 1977. Sooner or later something had to give and unfortunately it is the halfway houses who in good faith staffed up to meet the needs of the Bureau of Prisons and who are now left to fend for themselves until October 1.

Mr. President, this is, of course, more than an institutional problem of relieving the overcrowding and maintaining

the halfway houses. There is the human dimension of the inmates who served their prison time and found the doors shut in their faces on July 1. The shutting off of the hope of parole to the halfway houses breaks faith with those who have contritely accepted their imprisonment and have readied themselves to return to society.

I have been following this situation closely. The Bureau of Prisons advised us that an audit of their current expenditures with the District of Columbia had freed sufficient funds to resume a normal flow of commitments to the halfway houses about August 15. However, on Monday of this week I was informed that the audit results had to be reviewed and a final decision will not be made until the end of this week at the earliest. Accordingly, I prepared a stopgap amendment to allow the Bureau to use funds in the salaries and expenses appropriation, ordinarily used at this time to replenish their stocks, for the support of prisoners in non-Federal institutions. Today I was advised that sufficient funds are available from the District of Columbia audit to resume the normal flow of commitments to the halfway houses so the amendment will not have to be offered.

I want to thank the distinguished manager of the bill for his cooperation on this somewhat extraordinary amendment and am happy that things have worked out so that it is no longer necessary.

THE SELLING OF THE "SEQUOIA"

Mr. SCHMITT. Mr. President, I call attention of my colleagues to a letter I received in mid-July, from Don Blair of Santa Fe relative to a comment made by Rodger Beimer of station KOAT-TV in Albuquerque, N. Mex. His comment is in reference to the President selling the Presidential yacht *Sequoia*. It is Mr. Beimer's feeling that the President should maintain the dignity of the Oval Office and that as President he should have a few things that the common folks do not have, such as yachts and White Houses.

The letter follows:

COMMENT OF RODGER BEIMER

We try to talk about items of primary interest in New Mexico. Well, tonight I am going to jump those bounds. Something happened this past week, that I don't like, and there are a number of others who have expressed similar feelings. President Carter, who is trying to bring the presidency to the common folks, sold the Presidential yacht Sequoia. It wasn't very much, so the President decided it was time to dump it. Well, there are certain things I expect of a President. I expect him in a big black limousine, I expect him to live in the White House, and I expect him to maintain the dignity of the Office, and I expect him to have a few things us common folks don't have. And the Sequoia is one of those things. The President, trying to be one of us, can go a little too far. By auctioning off the yacht, the government has released an historic landmark, to the claws of private business and the gullible tourist. In my opinion, the President made a mistake getting rid of the Sequoia. I hope he doesn't decide to sell the White House, and move into a motel because it would be cheaper.

WE NEED MORE AGRICULTURAL ENERGY RESEARCH

Mr. BAYH. Mr. President, a few days ago, on August 1, I wrote to the Secretary of Agriculture, Robert Bergland, asking for an evaluation of the research effort being made by the USDA into areas which promise to reduce the petrochemical dependence of the American farmer. These areas include improved biological nitrogen fixation, increased use of green and animal manures, use of predator insects and bacteria to control pests, sludges as soil conditioners and fertilizers, and genetic research to develop more stress-resistant plants. I ask unanimous consent that the text of this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 1, 1977.

Hon. ROBERT BERGLAND,
Secretary, Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: I have been pleased to note the recent change in philosophy that the Department of Agriculture seems to have undergone particularly in the search for less energy intensive methods of agricultural production. The National Academy of Sciences recently published its *World Food and Nutrition Study* which emphasized the need for a shifting away from our present dependence on fossil fuels in agriculture toward renewable resources for farm energy and soil productivity. I am interested to learn what research is being done by the Department in seeking to find substitutes for petrochemical fertilizers and pesticides that will be energy efficient and provide quality crop production. Methods such as biological nitrogen fixation, increased use of green and animal manures, use of predator insects and bacteria to control pests, sludges as possible fertilizers and soil conditioners, and genetic research to develop more stress resistant plants are some of the areas where potential energy savings exist. In view of the intense pressures placed on the American farmer as he tries to pay an ever increasing fertilizer and pesticide bill I know you agree that the USDA must continue in its efforts to develop new areas of agricultural resources. I would like to know what funds are now available for research in these areas and what level of funding the Department intends to seek in the future.

I understand that recent research has indicated that increased biological nitrogen fixation can be expected for soybeans in the near future, with a longer range capability for nitrogen fixation in crops such as corn, wheat and rice; particularly if breakthroughs in photosynthesis research are developed.

As you are aware, there are tremendous amounts of feedlot manures that are wasted because of the costs of transporting them to cropland. Because of the fertilizer and soil conditioning value of this material there could be considerable energy savings if it were used more efficiently. The increased use of green manures and sludges could contribute toward less energy dependence by U.S. agriculture. As energy prices continue to rise these sources will become more and more cost effective and deserve serious consideration.

The *World Food and Nutrition Study* pointed out the need to develop more stress resistant crops in order to reduce dependence on chemical pesticides. The study states: "We suspect we are nowhere near the limits nature has put on plant productivity. New techniques of genetic manipulation will permit us to achieve much greater productivity." With the U.S. facing energy shortages in the near future and the growing demands placed on our farmers by a hungry world, research that seeks to maintain our high productivity with greater energy efficiency should be adequately funded and explored.

I am looking forward to receiving your analysis of the level of our present and anticipated research efforts in these directions.

Sincerely,

BIRCH BAYH,
U.S. Senator.

Mr. BAYH. Mr. President, I also wrote to EPA Administrator, Douglas M. Costle, earlier this week urging continued funding for the biological waste management program being carried out at the Beltsville Agricultural Research Center in Beltsville, Md. This project is concentrating very important research work on safe and economically valuable uses of municipal sludges. If sludges could be used safely in agriculture they could help reduce dependence on petrochemical fertilizers made from natural gas which we all know is becoming increasingly scarce.

Recently a number of studies and reports have called upon the Department of Agriculture to begin intensive research efforts in order to reduce the energy dependence of the American farmer. The ever-rising cost of petrochemical fertilizers and pesticides is a threat to world food production that should be recognized while we have the time to seek suitable alternatives. Fertilizer and pesticide costs, for example, now constitute one-half of the variable costs of growing corn. Inorganic nitrogen fertilizer is commonly applied on corn land at rates in excess of 100 pounds per acre. Between April 1973 and April 1975 the average cost of 100 pounds of anhydrous ammonia fertilizer—the most common nitrogen fertilizer used—rose from $4.30 to $14.25 in some areas. These already outrageously high prices can be expected to continue rising as petroleum and natural gas become more expensive. Rising fertilizer and pesticide costs not only raise the price of food that the consumer must pay; they have placed the farmer in a serious cost-price squeeze that is especially hard on the small farmer. Purdue University estimated that in 1976 Indiana alone used 2,342,821 tons of fertilizer in agricultural production. It is easy to see that fertilizer costs constitute a very large part of the farmer's budget.

I would like to bring to the attention of the Senate some of the recent findings concerning the dangers of petrochemical dependence by modern agriculture. The Senate and House Agriculture Committees in reporting the 1977 Agriculture Act addressed the problem of high energy use by American agriculture. The House Agriculture Committee cited the example of Nebraska where between 1970 and 1974 energy costs for corn production rose 56 percent, for wheat 60 percent, for alfalfa 62 percent, and for sorghum 100 percent. With the United States facing an acute natural gas short-

age in the immediate future, the House report noted that natural gas used for nitrogen fertilizer production consumed almost as much energy as all of the U.S. farm tractors. Technologies that are based on petroleum and natural gas will be less and less viable in the future according to the Senate Agriculture Committee which also stated:

Over these problems hangs an even more ominous cloud—the potential doubling of the world's population by the year 2000, and subsequently increased food needs.

Mr. President, Purdue University has recently published a study entitled "Energy Input-Output Relations in Midwest Crop Production," which examines present energy usage and suggests possible alternatives. The study points out that 50 percent of the energy costs for corn production come from nitrogen fertilizers. Rotations of corn and legumes, which are hosts to nitrogen producing bacteria, and the use of winter cover crops have the potential of reducing the need for such heavy chemical nitrogen input. Alfalfa, for example, has been increasing in value and could become a more major cash crop in the Midwest which would encourage its use in crop rotation. Coincidentally the Office of Technology Assessment also recently published a study which supported greater research efforts in the area of biological nitrogen fixation. Researchers are trying to improve photosynthesis efficiency in cover crops and legumes which would increase their nitrogen fixing properties.

Present methods of drying shelled corn, the Purdue study says, are also large users of natural gas and are only 40 to 50 percent efficient. The study points out:

Thus, a method of drying the corn with lower energy input is needed for improving energy efficiency in corn production. One of these future practices that needs more research and looks very promising is the possible use of part of the corn residue for drying fuel.

Solar methods for later stages of the drying process also are being studied at Purdue and promise to reduce the amount of precious gas used in corn production. I would like to see such alternatives thoroughly researched and implemented as quickly as possible.

The National Academy of Sciences has recently published its "World Food and Nutrition Study: The Potential Contributions of Research," which arose from the 1974 Rome World Food Conference. This study suggests areas where the United States should do more research to reduce agricultural energy dependence and still meet the demands of a hungry world. I think that this report should be brought to the attention of every Member of Congress and I ask unanimous consent to have printed in the RECORD at the end of my statement two articles from the Christian Science Monitor which summarize the findings of the National Academy of Sciences' study. I look forward to working with the administration and my colleagues in both Houses of Congress as we strengthen our research efforts in these critical areas of agricultural energy needs.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, June 23, 1977]

FEEDING THE HUNGRY—DRAMATIC NEW SURVEY—U.S. STUDY SAYS FAILURE WILL HARM "HAVES," TOO

(By Robert C. Cowen)

BOSTON—The National Academy of Sciences has given the United States a stark warning: Join with the "hungry" nations to develop an agriculture that can feed all the world's people, or face serious food problems at home within the next few decades.

The academy study appears at a time when the U.S. is looking for more meaningful ways to combat hunger than just giving away food or trying to export techniques of energy-intensive farming, says James T. Grant, a member of the steering committee for the study.

After two decades of letting its agricultural research languish, the United States needs to revitalize it along lines that will produce new crops, sharing this work with developing lands and profiting from research done abroad. The academy study, Mr. Grant adds, contains a wealth of detailed suggestions on the kinds of research worth pursuing.

In short, the study warns that the challenge of world hunger translates into a domestic challenge for the U.S. that is as serious and as fundamental as the energy shortage.

This is the context in which to view the report, says Mr. Grant, also president of the Overseas Development Council. Commissioned by former President Ford as a follow-up to the 1974 World Food Conference, the study should also be seen against the background of President Carter's foreign policy, Mr. Grant notes.

In his unprecedented, special inaugural address to foreign countries, broadcast overseas last January, Mr. Carter not only pledged to work with other nations to tackle such basic problems as poverty and hunger, but was the first U.S. president to call freedom from hunger a basic human right. Since the address, American diplomats have been reinforcing this message.

The academy study, which reflects the analyses of some 1,500 experts, smashes several stereotypes that have clouded American perceptions of the world food situation. Among the findings of the study:

The vaunted productivity of U.S. agriculture is faltering. Yields per acre of major crops are no longer increasing. Indeed, they are below levels of three years ago.

The energy-intensive farming of Western nations, with its emphasis on chemical fertilizers, pesticides, and heavy irrigation, not only is unsuitable for developing nations but is no longer appropriate for industrial countries either. In the United States, it not only shows diminishing returns, but is feeding inflation as strongly as is the high price of oil.

The new breadbaskets of the world over the next 25 years are in the developing countries. They are the ones with the greatest capacity to increase food production at current prices, if they can lick the organizational problems that stand in their way.

The kind of research needed to boost food production in developing countries is the same as that which the U.S. needs to meet its own increasing food needs. This is research that emphasizes biological productivity—boosting food yields by developing crops that do not depend heavily on fertilizers, pesticides, or intensive irrigation.

SUCCESS IN 20 YEARS SEEN IN WORLD "WILL"

(By Clayton Jones)

WASHINGTON.—The worst aspects of world starvation could be ended in 20 years with the help of untapped "political will" of both rich and poor nations.

So concludes a two-year, government-sponsored study of world hunger by a panel from the U.S. academic and scientific community.

Poor nations, which will need to double food production by the year 2000, show increasing ability to use available remedies to do so, the study from the National Academy of Sciences concludes.

And developed nations, which require more and more grain to meet demands for better diets, are learning that there are return benefits in helping the hungry help themselves, while not pushing inappropriate solutions on the world's small farmers, the study adds.

The study, ordered by President Ford, is the collected response and recommendations of more than 1,500 scientists and others to the challenge posted at the 1974 World Food Conference in Rome, at which former U.S. Secretary of State Henry Kissinger pledged that "within a decade no child will go to bed hungry."

"We believe that a latent political will now exist in numerous countries which could be mobilized in a mutually supporting fashion . . .," the report states.

But for now, "the world food system is not working adequately for either poor or rich countries," says the report from a 14-member steering committee headed by Harrison S. Brown, professor of geochemistry and of sciences and government at California Institute of Technology.

"Increasing numbers of people are hungry and malnourished. Possibly as many as 450 million to 1 billion [out of 4 billion] persons in the world do not receive enough food."

"Malnutrition causes more damage than outright starvation. The loss of vitality undermines a person's capacity to savor life . . .," concludes the study.

Among the report's other conclusions:

Emergency world grain reserves should be built up, but such short-term steps should not distort goals for higher productivity on present lands, especially in some 90 less-developed nations where the hungry are concentrated.

The United States should give a high priority to 22 research topics, starting with how diet affects human performance, which foods meet certain needs, which government actions indirectly affect nutrition, how to improve nutritional awareness, and a series of ongoing scientific studies, and ending with a study of international food policies.

No action is more important for improving the world food situation than reduction of birthrates. But the study also suggests that only new social and economic changes that will increase food production are conducive to reducing fertility rates, even though they may cause a nation to experience a short-term population increase.

American technology cannot solve the hunger problems in other countries, where local research needs to be supported to come up with appropriate local solutions. "We have much to learn from their [farmers'] experience," the report says.

Addressing U.S. "decisionmakers," the report calls for several government changes such as more coordination of food policies between the White House and Agriculture Department. It asks for increased funding, now totaling about $700 million, for domestic and international research into nutrition and the social impacts of hunger and its solutions.

The $1.2 million study comes as the following actions are being taken:

Congress is in the midst of revising America's food aid program, called PL 480, and also deciding funds for international development programs for the next two years.

An April analysis from the U.S. General Accounting Office suggests the national focus

is changing from an agricultural policy reflecting an age of surplus and narrow farming interests to a food policy encompassing U.S. consumers and world nutrition.

Bob Bergland, President Carter's Agriculture Secretary, who is just finishing a world tour, wants the International Wheat Council, which begins meetings June 27 in London, to start building nationally held food reserves in case of a world shortfall and to lessen America's job of being the "world's grain elevator." Secretary of State Cyrus Vance's worldwide negotiations on human rights include a "right to be free from hunger."

HUNGARIAN MINORITY OPPRESSED IN ROMANIA

Mr. DOLE. Mr. President, although most members of the United Nations have ratified the U.N. Covenant on Civil and Political Rights which provides for the right of ethnic, religious, and linguistic minorities, not all live up to those commitments. The Romanian Government, although a signatory to the U.S. covenant as well as the Helsinki Final Act, is practicing a policy of subtitle discrimination and repression against its Hungarian minority.

As a consequence of the rearrangement of East-Central Europe's borders following World War I, 2.5 million Hungarians and 1 million other minorities now live in Romania. These nationalities are mainly concentrated in the Transylvania region, of whose population they form 40 percent.

Although its national minorities are subjected to the same general suppression of freedom as all the other inhabitants of Romania, additional systematic and increasingly aggressive policies are being implemented against the Hungarian minority.

HUNGARIAN SCHOOLS ELIMINATED

In the area of education, the elimination of independent Hungarian schools began in 1959. They have been attached to Romanian schools as sections, as a first step, and then gradually phased out altogether. In order to maintain or establish a class in a minority language, the presence of 25 students in grade school and 36 students at high school level are required. Since most villages in Transylvania often fall short of this quota, the Hungarian class must be terminated and the Hungarian language is forbidden to be spoken even during recess. Of course, these provisions do not apply to the Romanian classes where a Romanian section must be maintained, regardless of class size be it only one pupil. At the university level, similar tactics are used. The most offensive was the merging of the 378-year-old Hungarian university at Kolozsvar as a section of the Romanian Babes University.

A similar destruction of Hungarian culture is taking place in the arts. The Romanian Government is curtailing or eliminating Hungarian theaters, museums, libraries, and other cultural institutions. Today, only two independent Hungarian theaters exist, the rest having been incorporated and wholly absorbed by the Romanian theaters. In addition, historic archives of minority churches and institutions have been confiscated and removed to state warehouses.

CHURCHES CENSORED

The churches are also under severe censorship. No decision can be implemented unless thoroughly reviewed and approved by the Ministry of Cults. Any social or religious gathering, except Sunday worship, must be approved by the state. Protestant congregations are denied the right to elect their own ministers and presbyters. And while the state does approve religion classes to be held during certain prescribed hours, school authorities are instructed to organize compulsory school activities at exactly the same time. Nonattendance of them results in official reprimands of the "delinquent" child and the parents.

Hungarian-language newspapers have also been reduced in size and frequency. Six daily Hungarian newspapers were forced to curtail their distribution to a weekly newspaper. This was all done under the pretext of a "paper shortage," but only for the Hungarian-language papers.

CULTURAL GENOCIDE PRACTICED AGAINST HUNGARIANS

In effect, the Romanian Government is engaging in cultural genocide against its 2.5 million Hungarian minority, as well as the other 1 million people of German, Jewish, Ukrainian, Armenian, and other nationality backgrounds.

I am much concerned about this situation. We cannot stand by and see the heritage and freedom of these people be trampled. Romania receives commercial credits from us. But it should not expect to get them automatically while continuing to ignore the human rights of those they have sworn to upkeep and protect at Helsinki.

MAMMOTH SITE DIGGINGS IN HOT SPRINGS, S. DAK.

Mr. McGOVERN. Mr. President, in the western part of South Dakota in 1974, during preparation of land for homesites, workers unearthed a mammoth tusk. To the credit of Mr. Phil Anderson, owner/developer of the homesites, he recognized the potential importance of the discovery and ordered that further work be stopped until such time as confirmation by archeological experts could be made.

Since that time, the people of Hot Springs have engaged in a community-wide effort, on their own, to insure the protection of this important discovery. Most recently, what may be one of the most exciting finds in the two summers of digging was made. For the information of my colleagues, I ask unanimous consent that an article on the mammoth site in Hot Springs, S. Dak., which appeared in the Rapid City Journal on July 30, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAMMOTH SITE DIGGING CONCLUDING THIS WEEKEND

(By Jan Griesenbrock)

HOT SPRINGS.—Digging at the Hot Springs mammoth site will conclude this weekend for the summer season after recording more significant finds.

Dr. Larry Agenbroad, director of the mammoth site for Chadron State College, said Thursday four mammoth skulls, 11 tusks, camel teeth and the possibility of a small human-produced hand tool.

The most recent mammoth skull was unearthed Sunday when a backhoe being used to construct a small road into nearby private property brushed the outer end of a tusk.

Digging later in the week exposed the rest of the skull with the hand tool located several inches below the tusk in a gravel layer.

"At this point without further investigations, we're treating it very conservatively. It could be a secondary introduction, which means it may have worked its way down through a crevice in the soil and gravel or dropped through an old rodent passageway," Agenbroad said.

"If man is associated here, it would have been in later phases."

The mammoth bones at Hot Springs were found in a shale-lined sinkhole that apparently trapped the large beasts that weighed 7,000–8,000 pounds. Through this year, 22 mammoths have been located at the site.

Other predators probably came to feed on the mammoth bodies, bogged down in the wet sand and silt, and also died.

Phil Anderson, who owns the land on which the mammoth remains were found, contacted Dr. Agenbroad, professor of earth science at Chadron State College, after the initial find in 1974.

The digging project has been funded through grants from National Geographic and Earthwatch.

LAW OF THE SEA

Mr. BROOKE. Mr. President, at the Law of the Sea Conference on July 11, 1977, I, along with several other members of the delegation, attended a breakfast given by Ambassador Beesley from Canada. The breakfast proved to be most useful in briefing the guests on the current Law of the Sea issues. Ambassador Beesley told me about the speech he previously gave on June 29, 1977, concerning the Law of the Sea. Now that I have read his excellent speech, I wish to enter Ambassador Beesley's remarks in the RECORD. I feel that my colleagues will find them useful in informing them of the Canadian position in regard to the Law of the Sea Conference and legislation, which are of such concern to us all.

Mr. President, I ask unanimous consent that Ambassor Beesley's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY J. ALAN BEESLEY, Q.C. (CANADA)

Mr. Chairman, Distinguished Members of Congress, Ladies and Gentlemen:

INTRODUCTION

I am deeply honoured by your kind invitation to meet with you today together with my colleague Paul Engo, Chairman of the First Committee of the Law of the Sea Conference.

I am aware that I am here in my capacity as Chairman of the Dratfing Committee of the Conference. However, since I have the dubious distinction of being the only Chairman of a Committee which has never met, I propose to express to you today my purely personal views on the importance of the Conference and the consequences of its success or failure.

IMPORTANCE OF THE LAW OF THE SEA CONFERENCE

It is often said that the Law of the Sea Conference is the most important interna-

tional conference since that held in San Francisco when the United Nations was founded. Be that as it may, there is no doubt that the Conference is grappling with fundamental issues of tremendous importance to every nation state. It has a mandate so broad that it embraces new questions ranging from the rights of landlocked states with respect to ocean resources to traditional concepts relating to rights of passage through international straits. Thus, there is no state which would remain unaffected by the results of the Conference, whether it succeeds or fails, a basic point to which I shall return.

THE PRE-EXISTING LAW

It is essential to bear in mind the state of the law as it was when we began the Conference in order to attempt an appraisal of the progress made, the prospects of success and the consequences of failure. In simple terms, the pre-existing Law of the Sea was based on two fundamental principles of international law, namely, state sovereignty and freedom of the high seas—the principles established by Grotius nearly 350 years ago. Translated into specific terms, this has meant that for over three centuries the nation states of the world have accepted the concept of a narrow marginal part of the territorial sea over which states assert total sovereignty, subject only to the principles of innocent passage, and that the area beyond has been open to the use of states on the basis of freedom of the high seas. These principles proved adequate for their time, although it has been alleged that the principle of the freedom of the high seas gradually became translated and distorted into the right to overfish, a license to pollute and the "roving sovereignty" of the flag state. One change in the traditional law of particular relevance to our discussion today was the acceptance in 1958 of the "exploitability test" as the outer limit for coastal state jurisdiction over the continental shelf as reflected in the Geneva Convention on the Continental Shelf, another point to which I shall return.

PRESSURES FOR CHANGES IN THE LAW

Since the 1958 and 1960 Law of the Sea Conferences there have been increasing pressures for changes in the Law of the Sea to better reflect the spectrum of interests represented by all those countries which have received independence since 1958. Coincident with these demands have been an increasingly widespread recognition of the need for new rules to conserve the living resources of the sea, to preserve the marine environment and to regulate the exploitation of both the living and non-living resources of the oceans.

BACKGROUND TO THE CONFERENCE

In 1967, two important developments occurred which led directly to the creation of the Law of the Sea Conference as a means for effecting these changes in the law. It is well known that in that year Ambassador Pardo of Malta introduced into the United Nations his progressive and imaginative concept of the common heritage of mankind. It is not so widely known that in that same year the USSR canvassed a large number of countries to solicit support for an agreement upon a 12 mile territorial sea coupled with a high seas corridor through international straits. The significance of these two separate but eventually interrelated developments is as important today as it was in 1967 as indications of the basic preoccupations of the developing countries on the one hand and the major maritime powers on the other.

THE PREAMBLE OF THE CONFERENCE

The "Seabed Committee" created in 1968 as a result of the Malta initiative became transformed in 1970 into a preparatory committee for the Law of the Sea Conference. I had the honour of introducing the resolution which laid down the terms of reference of the Conference, and I can speak from personal experience in attesting to the fact that there was a widespread determination to tackle all of the interrelated issues of any Law of the Sea and a total rejection of any attempt at a "manageable package" approach, limited to a few issues. Criticisms are often made of the decision to embark upon such an ambitious undertaking. A point of fundamental significance to bear in mind in this connection is that it was argued by the major maritime powers that the operation was feasible since the basic trade-off between them and the developing countries would be recognition of resource claims in return for recognition of freedom of navigation. Presumably, no one anticipated at that time that the major developed nations of the world would later be in the forefront in the rush for resources, and, in the process, undercut the whole foundation of their bargaining position. This has already occurred with respect to the 200 mile fishing zones established by the USA, Canada, the USSR and the EEC; an example, we are told, soon to be followed by Japan. It is also proposed, as you know, that some of these same countries should take the lead in asserting unilateral jurisdiction over the resources of the deep ocean seabed in the face of strong opposition from the developing countries. The implications for any state attaching importance to freedom of navigation are obvious, but I should like to elaborate upon this question a little later.

PROGRESS MADE

How does one answer the question: How much progress has the Conference made? The answer is that it has made tremendous progress on a wide range of issues. We are light-years away from where we began. A preoccupation with remaining difficulties should not obscure this fact. Had we been embarked on a mere codification exercise, which is essentially what was entailed in the 1958 and 1960 U.N. Conferences on the Law of the Sea, when we were unable, in spite of great success on a wide variety of questions, to reach agreement on a 6 mile territorial sea and a 6 mile contiguous fishing zone, we should have long since finished our work. What we have been involved in, however, is a basic rethinking and restructuring of the law, a process which must inevitably take much longer, taking into account the number, range and complexity of the issues and the fact that over 150 nation states are involved in the exercise. You are all aware of the radically new concepts which have emerged from the Conference. Of these, amongst the most important are the economic zone; the common heritage of mankind; freedom of transit through straits; and the archipelagic state. Interestingly, the regime of the territorial sea is also being altered in an important respect.

THE ECONOMIC ZONE

The economic zone embraces, in brief, coastal state sovereign rights over fisheries and the seabed resources in an area extending out to 200 miles from shore, coupled with limited and defined coastal state jurisdiction for the purpose of preserving the marine environment and regulating marine scientific research. The origin of this concept was an attempt to find an accommodation between those countries, mainly the major maritime powers, committed to a narrow territorial sea, and those claiming a territorial sea or patrimonial sea extending to 200 miles.

THE COMMON HERITAGE

The common heritage concept, as developed in the Conference, embodies the creation of an International Authority to regulate and control the exploitation of the deep ocean seabed resources, (including in particular manganese nodules), and the establishment of an "International Enterprise" which would have the right to exploit these resources for the benefit of the "common heritage of mankind". Obviously, the proposed international area begins where national jurisdiction ends, namely, at the outer limit of 200 miles of the economic zone (or the outer limit of the continental shelf, in those cases where the land territory of the coastal state, i.e. the continental shelf, extends beyond). As Paul Engo has pointed out, we have finally achieved what I would not hesitate to call a "breakthrough" on the common heritage principle at this Session of the Conference. I refer to the widespread acceptance of "guaranteed access" permitting states and private enterprise as well as the proposed international institution to exploit the resources of the seabed.

FREEDOM OF TRANSIT

The freedom of transit concept has been developed as a direct consequence of the impact of the widespread acceptance of a 12 mile territorial sea upon those international straits which would be enfolded by the territorial sea of one or more "strait states". It means exactly what it says, namely, the right of free transit through such straits, a substantive and even radical change of the pre-existing law, based as it was, on the principle of "non-suspendable innocent passage". In brief, the new rule would provide for little or no coastal state control over vessels passing through international straits, thus maximizing freedom of navigation in such areas.

ARCHIPELAGIC STATES

The archipelagic state concept, in essence, comprises recognition by the international community that the waters within straight baselines joining the outermost islands of archipelagic states constitute territorial sea, but subject to provisions relating to freedom of navigation in "sea-lanes" through straits used for international navigation. The point of importance is that the length of the baselines has become a secondary issue and the precise rules relating to passage through sea-lanes have become the important question.

TERRITORIAL SEA

I referred to the fact that the régime of the territorial sea is, in my view, being altered in a most important respect. At the present time, the USA, the USSR and Canada all have legislation (the USA Port and Waterways Authority Act, in the case of the USA) which permits coastal states to legislate concerning the design, construction, manning and equipment of foreign vessels passing through the territorial sea of the coastal state. No state has ever alleged that this legislation is contrary to existing international law. Yet the provisions of the Revised Single Negotiating Text eliminate this right completely, and do not even permit the coastal state to pass such legislation to implement internationally agreed rules. It seems clear that unless some radical alterations are made in the RSNT, the USA Port and Waterways Authority Act will have to be amended.

If I may speak for a moment as a Canadian, I regret that the USA and Canada appear to have lost this battle to preserve the environment and that we must continue to accept the threats to our respective coastlines posed by sub-standard unseaworthy tankers loaded with oil. Even the "compromise" likely to emerge from any further negotiations is most unlikely to be of the kind which would eliminate the need to amend the legislation of our two countries. All I can tell you on that issue is that I don't intend to give up the fight.

PROSPECTS FOR THE CONFERENCE

I have attempted to give a capsule summary of the background to the Conference and of the nature of some of the changes being proposed in the pre-existing law. I would now like to turn to the question of prospects for success of the Conference and the consequences of failure. The first point

I should like to make is that there is an increasing danger in many parts of the world of a loss of interest in the Conference on the part of governments, legislative bodies and the public as a consequence of the widespread establishment of a 200 mile fishing zone, which represented a major objective for many states. The second point I should like to make is that it is no longer accurate to judge the success of the Conference by the stalemate, approaching paralysis, which had pertained for a period in Committee I on the deep ocean seabed régime. Indeed, it might now be said with some accuracy that Committee I has caught up to the work of Committee II, concerned with all the basic jurisdictional issues, and Committee III, concerned with the preservation of the marine environment, the conduct of marine scientific research and the transfer of technology. Yet, nevertheless, pressures are mounting in various countries for unilateral legislation to license deep ocean seabed mining.

What then, against this background, are the prospects for the Conference, the consequences of the success or failure and the relationship to these questions of unilateral legislation on the deep ocean seabed? I had occasion to address these questions recently in a speech I delivered in San Francisco at the Annual Meeting of the American Society of International Law, in which Ambassador Elliot Richardson also participated. The points I made were as follows:

It is impossible to make any firm predictions concerning the fate of the Conference. It seems likely that the Conference will require at least another two years to conclude its work.

No one can say with certainty whether the Conference will succeed or fail. What is certain is that there remains a good chance that the Conference can succeed, provided governments do not refuse to continue with the exercise because of the time it is taking and the costs involved, in terms not only of human and financial resources, but the self-restraint required of states on claims they wish to advance while the Conference continues. It is generally accepted that this (Sixth) Session of the Conference is likely to prove the "make or break" Session. If the basis for agreement is worked out on the seabed regime, then there will be great pressure to conclude the negotiations on the other unresolved issues. Even so, at least one further full substantive session may be required, in addition to considerable work by the Drafting Committee. It seems likely, however, that if visible progress is made at this Session, governments will be willing to continue to commit themselves to pursue the Conference to a successful conclusion.

CONSEQUENCES OF SUCCESS OR FAILURE

I have pointed out in a series of recent speeches that a successful Conference could mean agreement on over 500 treaty articles, including annexes, which would together comprise a comprehensive constitution of the oceans—an area, we are often reminded, consisting of over 70 percent of the earth's surface. These rules of law would not exist in a vacuum. They would bind states to act in new ways. They would elaborate a wholly new regime for the rights of passage through international straits. They would lay down totally new principles concerning the management of ocean space. They would, for example, oblige all states to undertake the fundamental commitment to preserve the marine environment, to conserve its living resources, and to cooperate in the carrying out of scientific research. They would establish a single twelve-mile limit for the territorial sea throughout the world. They would result in a major re-allocation of resources as between distant water fishing states and coastal states, and more importantly perhaps, from developed to developing states. They would give recognition to the concept of the archipelagic state, consisting of sovereignty over the waters of the archipelago, wth clearly defined rights of passage and over-flight through sea-lanes. They would bind states to peaceful settlement procedures on most—unfortunately not all—issues. They would, moreover, establish something new in the history of man—an international management system for a major resource of the planet earth—the seabed beyond national jurisdiction. They would reserve this area for purely peaceful purposes. They would subject it to a legal regime governed by an international institution unlike anything known either in the UN system or outside it. The international community would actually become engaged in economic development activities whose benefits would be shared by mankind as a whole. Interestingly, the UN, in the process, could engage in economic competition with states and, perhaps, private enterprise.

These new rules, if accepted by the international community and coupled with binding peaceful settlement procedures, would undoubtedly make a major contribution to a peaceful world. Of equal importance perhaps, they would lay down an essential part of the foundation for a new international economic order, since it would effect a transfer, by consent, of powers and jurisdiction on many issues from the richer and more powerful states to the poorer and less powerful.

What are the consequences of the other alternative—a failure of the Conference? As I have suggested in a series of interventions in a variety of fora, a failed Conference would mean that while the 200 mile limit has come into existence as a fact of international life, none of the safeguards embodied in the draft treaty would necessarily apply. The 200 mile concept, if left to state practice following a failed Conference, is far more likely to become a 200 mile territorial sea than a 200 mile economic zone confined, as in the RSNT, to specific jurisdiction and coupled, as it is in the RSNT, with stringent safeguards. The 12 mile territorial sea is a fact of international life, and is beyond challenge in the International Court, but its application to international straits would not be coupled, as it is in the draft treaty articles, with specific rules concerning rights of passage. That can occur only through acceptance of the treaty as a whole. New proposals concerning the delimitation of marine boundaries could have sufficient legal weight to erode the pre-existing equidistant-median line rules, but they would not be linked to binding third party settlement procedures, without which the new "equitable" approach would have little meaning. The nine years of work on the international regime and institutions to govern the seabed beyond national jurisdiction would be lost. Some developed states would almost certainly take unilateral action authorizing their own nationals and other legal entities to explore and exploit the deep seabed beyond the limits presently claimed by any state.

Certain developing states might well respond by new kinds of unilateral action asserting national jurisdiction over these same areas, basing their action on the "exploitability test" of the 1958 Geneva Continental Shelf Convention—while the developed states prove that the area is exploitable, and thus subject to such claims. Indeed, they have said they would do so. Disputes over fishing rights, environmental jurisdiction, under-sea resource rights, conflicting delimitation claims, rights of passage in straits and claims to the deep ocean seabed could "surface" all over the globe.

The conclusion which follows from the foregoing is obvious. The Law of the Sea Conference has gone too far in developing new concepts and eroding the "old international law" for it to be permitted to fall at this stage. The particular interests of individual states, be they powerful or weak, maritime or coastal, landlocked or geographically disadvantaged, merge and coalesce with the general interest of the international community as a whole in the overriding need for a successful conclusion to the Law of the Sea Conference. This is no longer merely a desirable objective. It is an international imperative.

CONCLUSIONS

As I have been pointing out, in the series of recent speeches to which I have referred, it seems clear that the international community is facing the choice, on the one hand, of a very real danger to peace and security—quite apart from the damage to the UN—should the Conference fail, or, on the other hand, of an opportunity to lay the foundations for a world order of the heights to which mankind can rise when we are prepared to look beyond our narrow immediate interests to the broader long-term interests of all. In legal terms, the Law of the Sea Conference presents the opportunity to leave behind us both the narrow 19th century concept of sovereignty, and its faithful companion, the laissez faire principle of freedom of the high seas, and to create new laws in place of each, embodying a totally new concept, an approach reflecting the need to manage ocean space in the interests of mankind as a whole. For far too long, the Law of the Sea has been based on the notion of competing rights, with little or no recognition of the need reflected in even the most primitive systems of law, whereby duties go hand in hand with rights.

Areas of the sea have been treated as subject to the assertion of sovereignty of one state or another, with no corresponding duties concerning the conservation of fisheries in such areas or the preservation of the environment itself. The oceans beyond the territorial sea have been subjected to the principle of first come first served, a régime which tended to benefit the powerful at the expense of the weak, while defended under the name of freedom of the high seas. When coupled, as it has been, with the doctrine of flag states jurisdiction, and further adopted by the device of flags of convenience, it has become a kind of "roving sovereignty" of the flag state, subject to little or no restrictions, except in the cases of piracy, slavery and narcotics control. Freedom of the high seas has meant, increasingly, the freedom to over-fish and the license to pollute. These are the freedoms which must be circumscribed, while the essential freedom of navigation for purposes of commerce and "other internationally lawful uses" (including legitimate self-defence) must be protected.

The difficulties in the way of harmonizing the conflicting uses of the oceans and the divergent interests of states in a comprehensive constitution of the oceans are immense. The dangers of failure are increasingly acute. The benefits of success, however, are tremendous. Whatever the imperfections of the proposed treaty, it offers the possibility of an orderly régime, in place of the chaotic situation which would otherwise pertain.

There is, in my view, a duty upon influential opinion-making groups such as this body to support the efforts of governments to go forward with perseverance and determination toward the resolution of those problems still besetting the Conference. The greatest danger, at this stage, may well be the possibility of unilateral action on the seabed, stemming, admittedly, from years of frustration and mounting impatience. As I see it, it is the duty of every one of us to use our best efforts to encourage our governments and our legislatures not to give up on the Law of the Sea Conference, but to go that

last nautical mile, and to make one further effort to reach the objective of a global constitution of the oceans.

In conclusion, I would like to make the following observations. Firstly, if the basis for the trade-off of freedom of navigation in return for resources has been weakened due to the fisheries resource claims already made by many major maritime states, the basis for such a compromise would be completely undermined by new resources claims to the deep ocean seabed by these same countries.

Secondly, it would be a fundamental error to draw conclusions about the consequences of such action based upon the legislation establishing the 200 mile fishing limit. That legislation, while in advance of the Conference, was based on one of the fundamental new concepts emerging from the Conference, namely the 200 mile economic zone. Unilateral legislation on deep seabed mining would be interpreted as being diametrically opposed to the other important new concept emerging from the Conference, namely the common heritage of mankind. Reactions would be quite different. In these circumstances, the legislators in countries with global strategic interest in freedom of navigation should think very seriously about passing legislation advancing additional resource claims which could have the effect of destroying the Law of the Sea Conference.

Thirdly, the situation is well past the point of no return in terms of state practice or, if you prefer, unilateral action. It is no longer possible to go back to the status quo if the Conference fails. The clock cannot be turned back. The 3 mile territorial sea cannot be resurrected. It is worth noting that the 3 mile territorial sea and, indeed, the very concept of the territorial sea—and of the freedom of the high seas—was established by state practice, that is to say, unilateral action in which other states acquiesced. Eighty-six states have now established a territorial sea of 12 miles or more. It is totally unrealistic at this stage to imagine that such states would be willing to repudiate such legislation except—in the case of claims beyond 12 miles—in the event of a Conference solution.

Fourthly, if the Conference fails, many states can protect their major interests by unilateral action. However, freedom of navigation through straits enclosed by new territorial sea claims and through the 200 mile economic zone or territorial seas established unilaterally by other states cannot be protected by the same kind of unilateral action. Perhaps it can be protected by the use of force or the threat of force or by diplomatic pressure but it cannot be protected by legislation on the part of those states attempting to assert freedom of navigation. It is essential to bear in mind that the objectives seemingly achieved by the results of the Conference to date concerning freedom of navigation cannot be taken for granted should the Conference fail. Obviously the Conference solution is not only the best answer to this problem but may be the only one.

Fifth, the situation is not one in which a state can protect its interests by refusing to ratify the Convention. Thus, even great powers have been overtaken by events—events in which they have themselves participated. I refer primarily to the development of new customary principles of international law through state practice—that is to say unilateral claims—based on the results of the Conference to date. Non-ratification would merely signify non-acquisescence in claims by other states, but it would not eliminate the legislation passed by the vast majority of the existing international community. All it would do is keep open the right to refuse to recognize such claims and dispute them (by such means, for example, as occurred between the United Kingdom and Iceland).

The sixth, and final point, I wish to make is that it is unnecessary and, indeed, counterproductive, at this stage, either to consider contingency plans should the Conference fail, or to consider non-ratification should the Conference agree upon a treaty containing provisions which are not acceptable. The Conference is still underway. The USA has a tremendous influence in that Conference. No state has a greater influence. No state had made a greater contribution to that Conference. No state is more deeply committed to a successful Conference. Surely, the conclusion is obvious.

We all need a successful outcome from the Conference on the Law of the Sea. It is unrealistic that the treaty will be wholly satisfactory to any state. Every state must accept compromises on some issues. We are too far down the pipe, however, to attempt to reverse the flow, to stop the Conference because we want to get off. We have a responsibility to see it through and the responsibility is a shared one: shared by all of the states involved in the Conference and shared by governments and legislators as well as by the public and the press. I know that the U.S. Government is playing an extremely active and constructive role in the Conference and has worked very hard for many years to achieve a successful outcome. I hope I have given you reasons to support this objective.

Territorial Sea Claims as of June 14, 1977

Breadth:	*Number of States*
12	60
15	1
20	1
30	4
50	4
100	2
130	1
150	2
200	11
Total	86

Total number of independent coastal states—128.

MOST-FAVORED NATION

Mr. HAYAKAWA. Mr. President, I was deeply disappointed with President Carter's recent recommendation to extend most-favored-nation status to Romania for another year, which was submitted to Congress on June 3, 1977. There have been some questions raised concerning the continuation of this status, especially in regard to Romania's emigration policies and the human rights situation inside that country.

Congressional hearings in the summer of 1975 and in the fall of 1976 produced evidence that the Romanian record on emigration has been less than satisfactory. In a recent letter to President Carter, 55 of our colleagues in the House of Representatives documented a precipitous drop in the number of visas issued by Romania for emigration to both the United States and Israel between July 1976 and March 1977.

Furthermore, some serious charges have been levelled against the Romanian Government's treatment of minorities, including approximately 2.5 million Hungarians. A policy of this sort undeniably violates the Helsinki agreement as well as other international covenants ratified by Romania.

It seems to me that allegations such as these were not adequately investigated by the administration before the President made his recommendation. In light of the special trading relationship which we maintain with this member of the Communist bloc, it is imperative that he do so.

LOCAL RADIO IN EMERGENCIES

Mr. SCHMITT. Mr. President, I would like to call the attention of my colleagues to two letters I recently received from constituents, Darrel K. Burns of the Los Alamos radio station KRSN and Barry S. Newberger of the Los Alamos Amateur Radio Club W5DO, relative to a tragic fire located in the northern part of my homestate of New Mexico. This fire burned for 8 days and in the process destroyed approximately 15,270 acres. In their letters, Mr. Burns and Mr. Newberger express a great concern regarding the importance of communication provided to the public in times of great need. Often small radio station and individual radio operators are thought of as nonessential modes of communication when in reality they provide the public with a valuable resource of information. The La Mesa fire is a fine example of the excellent coverage of the fire provided by a local radio station and the tremendous assistance contributed from the Los Alamos radio club to those many agencies dealing with this emergency. Unfortunately amateur radio operators are finding themselves continuously restricted by regulations and legislation. If this trend is not reversed amateur radio operators may not be in a position to provide such assistance.

I ask unanimous consent that the letters be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

COMMUNITY BROADCASTING CO.,
Los Alamos, N. Mex.,
JULY 12, 1977.

Hon. HARRISON SCHMITT,.
New Senate Office Building,
Washington, D.C.

DEAR SENATOR SCHMITT: During the La Mesa fire we at KRSN & KRSN-FM were busy.

From our files here are copies of four of the letters we received.

Perhaps there is a tendency from time to time to be complaisant about the services of local radio stations and to consider national radio of more interest and value. An incident such as the La Mesa fire makes it obvious that local radio stations are irreplaceable.

Sincerely,

DARREL K. BURNS.

UNITED STATES ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION,
Los Alamos, N. Mex., July 7, 1977.

DARREL K. BURNS,
KRSN Radio Station,
Los Alamos, New Mexico.

DEAR DARREL: I am taking this opportunity to express my appreciation for the cooperation and dedication that was demonstrated by KRSN during the recent days and nights of the La Mesa fire.

The support and effort shown by members of your station contributed substantially in keeping local residents informed of the status of the fire. Also, it is recognized that the additional time spent at the station resulted in some of your employees being away from their homes and families for long periods of time. Therefore, please convey my sincere thanks to all of those who participated.

On behalf of the Energy Research and De-

velopment Administration, let me say: "Thank you for a job well done."

Sincerely,

KENNETH R. BRAZIEL,
Area Manager.

DARREL, we are most appreciative of the excellent coverage supplied by you and your outstanding and patient staff of the recent disastrous fire!

You are all to be complimented!! I hope other Los Alamos citizens are as proud of KRSN as are we.

Most sincerely,

MARGARET AND JIM BROWNE.

LOS ALAMOS, N. MEX.,
June 26, 1977.

Mr. DARREL BURNS,
Radio Station KRSN,
Los Alamos, N. Mex.

DEAR MR. BURNS: Fredrica and I wish to thank you and your news staff for the excellent radio coverage of the La Mesa fire. Throughout the tense weekend you provided factual information while avoiding the sensationalism that could very easily have resulted in mass panic. We are grateful to all of you who put in such very long days for our benefit.

Sincerely,

PAUL D. SMITH.

JUNE 20, 1977.

Mr. DARREL K. BURNS,
Radio Station KRSN,
Los Alamos, N. Mex.

DEAR DARREL: My congratulations to you and your staff on the very excellent coverage you have provided on the fire. Most of my years as a newspaperman were spent in regions subject to forest fires, hence I am quite aware of the many difficulties such situations present.

My wife and I have commented several times during the past several days on the factual, low-key level of KRSN's reporting, which I am sure has contributed greatly to the community's peace of mind and may well have averted panic at times.

It has also been a distinct pleasure to listen to straight news without having to endure commercials interjected after every paragraph such as the TV news seems to require. I appreciate the fact that commercials keep the place going, but I shudder when they overwhelm the news.

Keep up the good work.

Sincerely,

JOHN V. YOUNG.

LOS ALAMOS, N. MEX.,
July 6, 1977.

Hon. HARRISON SCHMITT,
U.S. Senate,
Washington, D.C.

DEAR SIR: As you are well aware, the battle against the very costly and destructive La Mesa fire near Los Alamos has now been won.

In the spirit of the Communications Act of 1934 and the FCC's test of public interest, convenience and necessity which *all* radio services must meet, we wish to call your attention to the communications service provided by the Los Alamos Amateur Radio Club through its club station W5PDO and repeaters WR5ABU, WR5AFP, WR5ARO and WR5AEQ (the last three belonging to the Santa Fe VHF Society, Jemez Mountain Repeater Association and the Caravan Club of Albuquerque, respectively.) For over eight days, the club and its volunteer members and friends provided continuous round-the-clock communications service for all the agencies involved in this emergency. The agencies served included the U.S. Forest Service, weather service and the military. All the Forest Service administrative traffic was handled through the radio club including 145 pieces of priority traffic. In addition, approximately 565 health and welfare phone patches were handled for the firefighters, many of whom had come from California, Idaho, Washington, Oregon, Montana and South Dakota and other states. These men and women in not a few instances had to leave pressing personal problems at home to help fight the fire and many would have found it difficult to resolve them without our phone patch service. We were told by many of the firefighters that they had never before had such a service provided for them and were given a substantial boost in morale for having it. (It should be noted that a commercial mobile telephone unit brought in for the purpose was unsuccessful and was removed from the base camp.) In all, fifty-five people were involved for a total of nearly 1900 man hours, using their own personal equipment.

The next time New Mexico faces a disaster of this magnitude, we amateur radio operators may not be in a position to provide such assistance. With the convening of the World Administrative Radio Conference (WARC) in 1979, and the persistent attack on the already small spectrum space that the amateurs have dedicated to them that will occur there, amateurs may find themselves without sufficient resources and flexibility to insure quality reliable communications where all others fail. The situation is exacerbated by faulty press reporting as appeared in a nationally syndicated column a few months ago.

You could do a great service to the amateur radio operators in New Mexico and across the United States by calling to the attention of your colleagues in the Senate on the floor of the Congress and in the Congressional Record the kind of help amateur radio provides to the public in times of great need and consequently the valuable resource that this country has in this body of competent, disciplined and dedicated amateur radio operators.

For the Los Alamos Amateur Radio Club, Best Regards.

BARRY S. NEWBERGER.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Mr. JAVITS. Mr. President, the Equal Employment Opportunity Commission since its creation by title VII of the Civil Rights Act of 1964, has been the key Federal agency charged with eradicating discrimination in employment throughout the Nation on the basis of an individual's race, color, religion, sex, or national origin. Unfortunately, the EEOC has in recent years become known more by its failures than by its successes—yet its responsibilities are enormous and vital. Particularly since 1972, when the EEOC was finally granted enforcement powers by the Congress, the Senate Human Resources Committee has conducted extensive oversight activities in an attempt to improve the effectiveness of EEOC and strengthen enforcement of the act.

Now, just a few weeks after being sworn in as the Chairperson of the Commission, Eleanor Holmes Norton has announced a sweeping reorganization of EEOC, which she aptly characterizes as a "total redesign of the Commission and its functions." I approved highly of the President's nomination of Ms. Norton to this position after her 7 distinguished years of service heading the New York City Commission on Human Rights. She has already begun to prove the confidence that I and the other members of the Human Resources Committee have in her. The important changes announced last week before the House Subcommittee on Employment Opportunities deserve the attention of the Senate.

Accordingly, Mr. President, I ask unanimous consent to have the statement of Eleanor Holmes Norton, and the accompanying charts, as she testified before the Subcommittee on Employment Opportunities in the other body, printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF ELEANOR HOLMES NORTON

Mr. Chairman, distinguished members of the Committee, I am pleased to be here today to present to you the first results of our efforts to reshape the Equal Employment Opportunity Commission. I shall be presenting a comprehensive plan—much of it already being implemented—that can only be characterized as the total redesign of the Commission and its functions. It represents the most extensive overhaul of the agency structure and processes since the establishment of the Commission in 1965. Among its purposes are to integrate the litigation powers Congress gave the Commission in 1972 with the pre-existing investigative and conciliation functions of the agency to overcome a much criticized dual agency structure where investigators work at cross purposes with lawyers instead of in partnership to fruitfully develop cases.

But I stress that the plan is much more than a reorganization or structural redesign, as important as that is. Its chief purpose is functional: to improve the enforcement of Title VII. For it is the operations of the Commission where the most serious problems exist—in case processing, litigation of significant cases, internal management and information systems, and the like. Thus, structure has been addressed only as a means of improving specific functions.

I am pleased to announce that this plan was drawn with the explicit cooperation of the sitting commissioners, Vice Chair Ethel Bent Walsh, Commissioner Daniel Leach, and the General Counsel Abner Sibal, utilizing their staffs alongside my own. The Commission unanimously approved the plan last Wednesday. The development and approval of such fundamental changes in so short a time could simply not have been accomplished otherwise. I have been at EEOC only six weeks. Only the most disciplined self-analysis drawing all parties into the process could have produced this result in that brief time. Thus, in this first important effort of my term, I believe I have reversed the long-existing situation where commissioners were inadequately informed and utilized and insufficiently involved in policy-making, a result which in the past contributed to internal conflict that has taken its toll at the agency. We believe the intensive cooperation of Vice Chair Walsh, Commissioner Leach, and General Counsel Sibal in producing this plan in itself represents a significant accomplishment. I intend to pursue reform of the agency on each and every issue in this collegial fashion.

With your permission, I should like to insert into your record a copy of the resolutions unanimously adopted by the Commission on July 20, 1977, setting the reform of the Commission in motion. The changes which we have adopted and are now implementing include: *

*While the general outline of the programs discussed here have been submitted to the Commission, detailed regulations and manual changes including some of the details discussed in this testimony will be submitted for specific approval pursuant to Paragraph VI of the Resolution of July 20, 1977.

1. Introduction of a new Rapid Case Processing System with emphasis on expanded intake procedures, face-to-face fact-finding and settlement.

2. A separate backlog case processing system to give systematic and priority attention to presently backlogged cases.

3. A "direct service" consumer oriented structure patterned after the National Labor Relations Board, introduced through a model office approach in three to five locations now being selected.

4. Integration of litigation, investigation and conciliation functions.

5. Establishment of a program to deal with systematic discrimination, addressing first those whose actions have demonstrated clear disregard for the purpose of Title VII.

6. A new Program Office to place the Commission in an affirmative posture for developing Title VII through guidelines, interpretations, and other rulings.

7. A new management accountability and information system to insure that the above programs take hold and are implemented.

8. A national training program and standards to assure that the staff will be able to effectively administer the new systems.

This set of changes was hammered out in intensive and detailed discussions during the last six weeks, but they did not spring full blown in that short period of time. Rather they build upon studies made by the staff of this Committee, by the General Accounting Office, by the Commission on Civil Rights and by other analysts over a number of years, reflecting a growing concern over the quality of the implementation of Title VII. Thus we are able to move confidently ahead knowing that these first steps follow the direction that most studies of the Commission agree are appropriate to improve the performance of the agency.

I would like to make one important point before I proceed. We are deeply concerned to mitigate problems that change will bring to our employees. The installation of new systems will inevitably involve the unfamiliar and some dislocation among staff can be expected. We have already had, and will continue to have, appropriate discussions with the representatives of the employees concerning these matters. I come to the EEOC with a record of deep respect for the rights of employees and am confident that the necessary changes can be installed with the cooperation and understanding of the present staff. This is especially important in an agency which in the past has had serious personnel problems. We will do everything possible to minimize hardship on our employees that may come out of the effort to better serve the public.

I would like to discuss the principles and the basic plan which we have adopted to reform Commission activities.

RAPID CHARGE PROCESSING SYSTEM

The first principle that has received priority is the need for expedited charge resolution. I am determined that we will no longer deny justice by delaying it. We are therefore instituting a rapid charge processing system to handle new complaints as they come in.

This will involve a much more detailed pre-charge counseling and interviewing process than took place under the old system. There has been inadequate analysis of the problems of complainants at the time they seek the aid of the EEOC. As a consequence we take many cases which are clearly outside our jurisdiction, or where detailed inquiry of the complainant would establish that he or she did not have a viable Title VII claim. For example, a Black person was rejected on the basis of his resume alone but the resume provided no direct or indirect indication of race through name, address, schools, work history, or other information. Intake officers will be trained to make meaningful referrals elsewhere to parties whose claims should not become a part of our caseload.

At the same time we fail to seek emergency relief for those complainants who may be entitled to it. The old system makes it difficult to secure temporary restraining orders in situations where an employee is about to be fired, or to be disciplined for filing a charge, or where acts of overt discrimination are continuing, or in similar situations. The new system will correct both of these problems.

The detailed intake interview with the complainant will enable the drafting of a precise charge and the preparation of a request for information from the respondent directed to the specific issues in the case. This interrogatory will be sent to the respondent along with a copy of the charge within 10 days. The respondent will be on notice as to what precisely is involved in the charge of discrimination.

In the history of the Commission, there have been periods when charges were not served in a timely manner upon respondents. Originally the practice of serving the charge only when the investigator arrived at the respondent's establishment was developed for fear of possible retaliation against those who filed charges with the Commission. Very few episodes of retaliation under Title VII have occurred. I do not believe that the delayed service of charge is any longer appropriate. Congress in 1972 indicated that employers should receive a notice of the charge within ten days of its filing. I now believe that it is appropriate to serve the charge itself as part of our rapid processing system and intend to so recommend to the Commission. Our rapid charge processing system will be possible only if respondents are promptly served with the complaint. When a respondent becomes aware that a charge has been filed, it will have the option to secure a just resolution of the grievance without further processing. The respondent will be encouraged to settle early in the process.

The importance of encouraging settlement of Title VII claims cannot be overstated. The Congressional intent to encourage settlement is clear in the statutory language mandating conciliation. But the practical imperative is even more demanding. With a filing rate this year projected at more than 80,000 charges, no formal process can avoid being swamped. Therefore if the system is to function, it must use resolution techniques which do not require exhausting the entire process. Swamping of the process harms complainants and respondents alike and threatens the very existence of charge-processing as a system.

Thus we must vigorously pursue settlement as the primary method of administrative enforcement of the law and as the only techniques which can secure a remedy for a significant number of complaints in a timely fashion. All of our procedures are being shaped with the objective of encouraging prompt and fair conciliations.

We believe that early settlement practice will produce fair results for individual complainants. During my tenure at the New York City Commission on Human Rights, almost 50% of complainants chose to settle in the first three months after the case was filed. Many of these cases could not have survived the rigor of the more formal parts of the case process and would have gotten no remedy at all if settlement had not been introduced as a possibility early and aging of the case foreclosed. At the same time, we will continue to recognize the individual right to pursue Title VII claims through litigation.

If initial attempts at settlement fail, the case moves to the next step in the process: a fact-finding conference. This is a new investigative technique for the Commission. It has been used to good effect in New York City and some other Sec. 706 deferral agencies. We believe this new technique will: 1) substantially reduce the time it takes to investigate a case; 2) improve the quality of the information which the Commission obtains; and 3) enhance the possibility of settlement. Prior to the conference, information which has been requested as a result of the initial intake interview with the charging party is supplied to an investigator by the respondent. The investigator presides at the fact-finding conference. Both charging party and respondent are present. The investigator questions both parties to develop a clear understanding of the factual background and the nature of the particular dispute. At the same time, the fact-finding conference provides a way for the parties to develop a deeper understanding of each other's position, which in turn provides a realistic atmosphere conducive to serious settlement discussions. The settlement effort may be concluded at the fact-finding conference, or within a short time thereafter. If settlement is not achieved the facts developed at the conference may be sufficient to allow an early decision that the case does not have merit or that reasonable cause should be found.

However, if the facts developed through the fact-finding conference do not clearly establish that there is "no cause" or that the respondent has violated the statute, further in-depth investigation will take place. The familiar techniques of interrogatories, field visits, witness interviews and document examination will be utilized. But the time required for this investigation will be substantially reduced because of information developed and issues defined at the fact-finding conference and at intake.

There is another matter which I wish to touch upon in connection with the new method of taking charges and conducting the investigation. In the past the Commission has tended to construe charges of discrimination broadly and has sometimes encouraged complainants to file charges that contain broad and general allegations of discrimination. The purpose of the Commission in encouraging and accepting such charges was clearly laudatory. It was to use the individual charges to secure evidence concerning possible discrimination against any employee. This was a necessary approach because the Commission did not have any other effective program to deal with systemic discrimination. Under those conditions, the broadening of the charge to deal with discrimination made sense.

History, however, has demonstrated that this approach has had an adverse effect on individual complainants. The broad investigation has turned out to be long and delayed and has contributed substantially to the build-up of aging cases in the backlog. Very few of these cases have resulted in "cause" findings, conciliation agreements, or Commission-initiated litigation. The aging of the case while the broad investigation was conducted has, in turn, made it more difficult to obtain relief for the individuals who initially filed charges.

Thus the effort of the agency to secure justice as quickly as possible to those who sought the aid of the Commission was frustrated by the long and involved investigation. Since many of these investigations did not prove fruitful, the result was that neither the complainant's interest nor the general public interest in eliminating employment discrimination was served.

We will better serve both the complainant's interest and the larger public interest in eliminating discrimination by separating insofar as possible the processing of the individual complaint and the elimination of systemic discrimination. Thus we will construe complaints as relating to the harm that

the individual has suffered. We will investigate that harm. In that investigation, of course, we will examine the extent to which the employers' restriction or exclusion of minorities or women as a class may have contributed to a particular individual employment decision. However, we will do this by a sharply focused investigation of the general statistics of the employer and the activities in the particular unit in which the discrimination is alleged to have occurred. Thus individuals will no longer be able to automatically invoke a systemic investigation by the Commission. However, individuals or organizations will be able to formally petition for a systemic inquiry. This petition will then be considered by the systemic program, which I will discuss shortly.

We realize that there cannot be a rigid separation of individual and systemic matters and that there will be circumstances in which it is desirable to expand the individual complaint investigation into "like and related" matters and conduct a full scale investigation of the respondent's operations. But this will be done only after a careful analysis and conclusion that such a step would further the overall purpose of Title VII.

This represents an important policy change. By affirmatively developing systemic or class cases we expect to maximize our impact. The Commission has been unable to deploy its resources to target the most serious instances of discrimination. Instead, it has allowed individual complainants to randomly choose targets and issues. This has diverted the use of the Commission's own expertise and policymaking responsibility to affirmatively, rationally, and fairly choose class-action targets. The result has been to dilute the impact of the Commission on discrimination against minorities and women. The decision to separate individual from class claims is therefore an important corrective.

BACKLOG CASE PROCESSING SYSTEM

The next principle that underlies this plan, one that necessarily has high priority, is to systematically reduce the backlog of cases. We will give effective priority treatment on a systematic and continuous basis to the cases that are presently in the system until the inventory is at a reasonable and manageable level. Alongside the rapid charge processing system will be an independently staffed backlog charge processing system. This new system utilizes a positive management approach to the backlog. It involves grouping files by respondent and selecting those with the largest number of charges for first review. A special management review team in each office will oversee the endeavor and will move each case forward with the next steps delineated, staff assignments made and time frames set. After special referral of cases with litigation potential, we will inquire of every charging party concerning his or her desire to proceed with the case. Some charges will be closed at this point. We will then contact by phone or visit every respondent to encourage it to engage in no-fault settlement discussions. If settlement fails, investigative interrogatories will be sent immediately with mandated follow-up to conclude the case as quickly as possible.

These cases will be processed under current Commission policies and procedures except that we will limit the scope of the case to individual matters unless we make a conscious decision that a systemic approach is required. As mentioned earlier, many charging parties whose cases are in the backlog have been denied justice in part by the very breadth of the charges which the Commission itself sometimes had encouraged them to file.

I reemphasize that this approach to the backlog will be continuous and systematic. This distinguishes this effort from the crash programs of the past that temporarily increased productivity by disposing of large numbers of charges. While certain defects in procedures were criticized, those efforts have generally been praised. Unfortunately, many of the sound management innovations were not carried over into permanent streamlining of the Commission's overall processes.

It is important to note that the backlog figure of nearly 130,000 cases is deceptive and misleading. Worse, it is useless for operational and managerial purposes. It appears that EEOC has allowed "backlog", a term meaning old cases, to be used synonymously with "inventory", a reference to all cases received. Cases that were filed years ago and cases that were filed yesterday are reported to the Congress and the public as "backlog". Current subcategories make no sense and do not measure the work of the agency. The Commission is designing a reporting-measurement system which will enable it to know the stage of the charge and how long it has been there as against how long it should be there under management goals and standards for charge processing. The information systems we have found at the Commission must be totally revised to make such information available. For example, charges categorized under "pending assignment" may have been substantially investigated but moved back into the category upon the departure or transfer of the investigator previously handling the case. We are moving to redesign this information system to reflect the location of the cases in the various processes of the agency. We will draw upon the experience of the National Labor Relations Board which uses "time in stage" standards rather than gross numbers. This approach gives precise information on the age of cases rather than lumping all cases together as part of an undifferentiated backlog.

The systematic approach to backlog through a separate charge processing system has several advantages. It allows immediate conversion to a new system with rapid charge processing staff. It assures special and priority treatment of the backlog in a systematic way. It avoids the total absorption of personnel in backlog cases allowing instead for planned allocation of staff among all the priorities of the system.

HEADQUARTERS-TO-FIELD SERVICE ORIENTED MODEL OFFICES

The third principle which has guided reform is direct service to those who have been discriminated against through a lean rather than a multi-tiered model. This will mean the adoption of direct headquarters-to-field model offices and, I would propose, the eventual elimination of intermediate regional litigation centers. In the new model offices, investigators and lawyers will work together, handling cases. We are introducing a new technique, a formal investigator-lawyer conference, to eliminate the much publicized conflict over standards between the legal and investigative staffs.

In adopting a direct service model, we have drawn heavily upon the experience provided by the National Labor Relations Board. The Board has had forty years of experience in complaint processing using a direct headquarters-to-field office system. We intend to move carefully toward such a system because it will involve all staff in service delivery, where the emphasis of our operations must be to meet mounting workload requirements.

Under the present structure cases are litigated from five regional centers while the 32 district offices are supervised by seven regional offices. Thus, there are situations in which the Commission has three separate offices—a district office, a regional office and a regional litigation center in the same city—but they often are not in the same building and too often have little communication. The difficulty of communication created by the fact that litigators are physically separated from investigators means that there is frequently a wide gap between what the investigators secure and what the lawyers require. We believe that the integration of litigation and investigation functions in a single field office will not only enable the more rapid processing of cases but will improve the ability among the staff to achieve effective enforcement.

As we establish this unified field office system we recognize that there will be many problems that cannot be foreseen and we intend to introduce the systems very carefully. We will begin in 3 to 5 offices now being selected to test the new process. As we move forward to successive offices we will build on the experience we have gained in instituting the procedures in the first set of offices.

During the period the new structure is being phased in, we will maintain the existing structure to provide continuity of management and case handling, to allow adequate planning for reassignment of staff, and to provide advance and adequate training and sufficient time to adapt to the new model.

The designation of the model offices has been put on the Commission agenda for next Tuesday, August 2, 1977.

INTEGRATION OF LITIGATION, INVESTIGATION, AND CONCILIATION FUNCTIONS

The fourth principle of reform has been that there must be an integration of the investigation and conciliation processes with the power to litigate given to the Commission by Congress in 1972. Virtually all who have studied the Commission's processes have made this recommendation, including this Subcommittee. In the last six weeks we believe we have solved the difficult technical problem of how to accomplish the integration. The integration will take place as Chart A (attached) indicates at the point of the decision that there is reasonable cause to believe that there may be discrimination.

Historically the finding of reasonable cause meant only that there was sufficient evidence to attempt to settle the case. This definition was developed when the Commission first went into operation in 1965. At that time there was a great uncertainty as to the legal concept of discrimination and hence a need for a finding by the Commission before conciliation was attempted. An attempt to settle a case without a reasonable cause finding back in 1965 would have left the parties in confusion as to what the law required. Thus it was appropriate that the standard for reasonable cause be sufficient evidence to warrant settlement efforts.

Today the vast expansion, strength, and definition of the law concerning discrimination and the widespread knowledge of Title VII among those who deal in employment matters mean that we no longer need a reasonable cause decision as a predicate for settlement efforts. The high settlement rate of the New York City Commission, discussed earlier was almost all obtained before the finding stages. It is time EEOC moved to dispose of cases before a finding to get maximum justice for complainants before cases are allowed to deteriorate through aging.

The Commission continued to define reasonable cause to mean that conciliation should be attempted even after Congress gave it the power to litigate in 1972. Since this standard required less evidence than that necessary to go to litigation, few cases in which reasonable cause was found were taken to court. This meant that the Commission did not secure leverage in settlement from the prospect of litigation, and that there was a double standard—one for conciliation and one for litigation.

As we move into our new system we will redefine reasonable cause to mean that the case is worthy of litigation. The attorneys

and investigators—now located into the same office—will participate in a litigation-investigation conference before the finding of reasonable cause. With the knowledge that the reasonable cause decision means the case is litigation-worthy, conciliation efforts will be much more successful. Those cases which do not meet the new standard of reasonable cause will be "no cause" and a notice of right-to-sue issued. We will explain that the standard of reasonable cause has been upgraded so as not to disable those whose cases are rejected from having a fair opportunity to litigate if they wish to do so.

Cases in which conciliation has failed may be taken by private attorneys or referred to the General Counsel for recommendation to the Commission for litigation. If the Commission approves the recommendation the case will be sent back to the district office and the litigation will be conducted in that office under the direction of the General Counsel.

There need be no fear that this new and tighter standard of evidence for finding reasonable cause will adversely affect remedies for complainants. Based on actual experience from other agencies, the tightened standard of reasonable cause should: 1) increase the rate of remedies at earlier stages; and 2) increase the likelihood of successful conciliation after the reasonable cause decision. Under our rapid charge processing system, cases will move much more quickly to the reasonable cause stage, and cause may be found in cases which, under the old system, would have been dismissed as stale. Thus I am confident that the Commission will do justice for more people than under the old system.

SYSTEMIC DISCRIMINATION PROGRAM

The next principle is the necessity to establish an effective program to attack discrimination. As I stated to the Senate Committee on Human Resources at my confirmation hearing, I am convinced that only by an effective attack on entire systems that discriminate can we have any significant impact on discrimination and ultimately achieve the objectives which Congress established in Title VII. Only an organized program can cope with patterns of employment discrimination. The primary vehicle for our systemic program will be use of Commissioner charges.

I am aware that the filing of a Commissioner's charge alleging discrimination will require considerable time, effort, and expense by respondents. It is only fair that the initiation of these charges of discrimination be organized on a rational basis before the government imposes such costs on respondents. We intend to develop a rational and sensible basis for proceeding on systemic discrimination matters. A first indicator will be a poor statistical profile of minorities and women. The Supreme Court in the Hazelwood School case indicated that, where relevant statistics demonstrate an employer has fallen significantly below comparable employers, there exists a prima facie case of discrimination. This decision provides support for aggressive action to correct discriminatory patterns.

We have already begun an analysis of our own statistical data to identify appropriate subjects for further inquiry. While we will emphasize the statistics, the net judgment as to whether to proceed will be based not only on the statistics but on all other information available to us and to other governmental agencies, as well as on an analysis of petitions for a systemic inquiry filed by individuals and organizations.

Settlement will be as important in systemic cases as in individual cases. At all stages we will be prepared to settle with respondents with an agreement which ends the past discrimination, to take affirmative action to assure that there will not be discrimination in the future and to provide appropriate compensation for identifiable victims of discrimination. Strict monitoring of agreements and assistance to employers in meeting Commission requirements will be important elements in the program. My experience in New York is an indication of the high impact systemic work can have. Last year in a particularly entrenched economy, the New York City Commission secured new jobs and promotions for women and minorities, of the value of $20 million dollars.

Generally, the systemic program will be developed in headquarters and executed in the district offices except for those matters which transcend district boundaries.

AFFIRMATIVE ENFORCEMENT OF TITLE VII

The next principle is that the Commission must make affirmative use of the wide range of administrative powers available to it to enforce Title VII. By advising those subject to the law of our interpretation of it, we hope to reduce dependency on the litigation of individual cases in achieving compliance with Title VII, the slowest and most arduous way to achieve conformity with law. We have already begun this process. Before the Commission secured the power to litigate, it engaged in very effective, creative administrative activities, particularly in issuing guidelines and publishing reasonable cause decisions. In this fashion, the Commission played a major role in developing the law of Title VII. For example, the Commission shaped the interpretation of the "bona fide occupational qualification" exemption and the concept that selection procedures which adversely affect minorities or women were required to be job related.

The Commission will formally establish its activities in the field of interpretations and guidelines, in order to secure wide-scale conformity to Title VII with a minimum of specific individual proceedings. We began this function on July 12, 1977 when we issued our interpretation of the decision of the Supreme Court in *Teamsters v. United States* and *Evans v. United Airlines*. To assure that this activity continues we will establish a headquarters program to support on an ongoing basis the affirmative enforcement aspects of the administrative process. This program will consider and recommend to the Commission the adoption of interpretations, guidelines and the holding of hearings, as well as other Commission-initiated activities.

MANAGEMENT ACCOUNTABILITY AND INFORMATION SYSTEM

The next underlying principle is the need for sound and careful management in order to balance the three priorities described above—the processing of old cases in the backlog, converting to a new rapid case processing system and developing a systemic program. Balancing these priorities in district offices will require a highly effective management system. That system will be modeled after the system which I installed in New York, whose results were so effective that the New York City Commission on Human Rights became the first agency in city government to win decentralized authority over important personnel and budget decisions. A system, which holds managers of all functions at the Commission accountable for their performance will be instituted. The Management System will have four major parts: a) a prioritized and detailed statement of the agency's missions and program objectives within each mission; b) a performance and resource plan with objectives and goals jointly developed by line managers and the execution director; c) a systematic way to identify and correct specific operational deficiencies with deadlines for accomplishment; and d) a system for anticipating critical issues which must be faced during each quarter, thus avoiding management by crisis. Agency managers will be held accountable for meeting the objectives of the management plan and will be evaluated accordingly.

Our computerized and manual information systems are already being revised to assure that the new case processing system is measured from the first day of implementation. Both management and planning depend on good and timely information. We have found several independent and uncoordinated information systems at the Commission, and this fragmentation makes effective planning and management virtually impossible. We are transforming them into a unified information network so that management and planning can take place effectively. Within this information network we will be able to encompass all the operations of the Commission and of the 706 deferral agencies along with as much information about private Title VII litigation as possible.

UNIFORM STAFF TRAINING AND STANDARDS

The final principle is that systematic training of staff will be necessary if the reforms I have described are to take hold and prove effective. The Commission resolution of July 20th has centralized in headquarters responsibility for training. This will facilitate the development of uniform and high quality standards of staff performance. Already in progress are ten training modules. These are to be used not only to introduce the new programs, but also to train new personnel who come to the Commission after the new programs are in effect. Thus they will afford an ongoing training capability which the Commission has not had before. They will also be available for use by state and local civil rights agencies. Examples of training modules in preparation include materials to assist lawyers and investigators in working together under the new standard of reasonable cause; to develop investigative skills necessary to conduct a fact-finding conference; and to train personnel for in-depth interviewing of complainants and the drafting of more precise charges as part of the new comprehensive intake procedures.

Progress on other issues

In addition to fundamental issues of organizational and procedural reform, which I have just discussed, I have also addressed a number of basic issues and operational matters that have long concerned this Committee and the public. I should like briefly to report on progress concerning them.

These issues include the dual set of selection guidelines, the problem of centralized line authority at EEOC, financial responsibility, vacancies and hiring control, grievance procedures, union relationships, state and local agencies, the private bar and the role of other Commissioners.

1. Selection guidelines

First, on the morning I took office on June 6th, I set in motion the process of resolving the separate and competing federal selection guidelines. This most exasperating dilemma had been under negotiation for four years, ending with an impossible situation in which employers are confronted with two sets of standards from the federal government. I am most pleased to report now that there has been excellent cooperation among the Assistant Attorney General for Civil Rights, Drew Days, Civil Service Commissioners Campbell, Poston and Sugarman and the Assistant Secretary of Labor, Don Elisberg; that the staffs of the agencies have been directed to develop unified guidelines; that an informal draft prepared by Justice and EEOC has been developed; and that comments on this draft have served to sharpen and narrow the issues, to the point where I am now hopeful that we will shortly produce draft uniform guidelines for public comment.

2. Orderly line of reporting at EEOC

Second, we have met the criticism of diffuse authority within EEOC by establishing a reporting line of command directly through my newly appointed Executive Director to me. I moved immediately on arrival to consolidate the fragmentation and the separate and often competing efforts among staff units. In the first week of my administration, headquarters offices were ordered to go through the Executive Director on all matters that were to come before the Commission, and this is being uniformly adhered to. In the second week, line authority was reestablished directly from the regional offices to the office of the Executive Director. Weekly meetings were organized with all office directors to coordinate activities, reports on new developments, and review all matters affecting more than one office.

3. Installation of new financial system

Third, I moved to clarify a tangled financial situation and to establish fiscal responsibility. Immediately upon coming to EEOC I found a difference of opinion between the financial office and the Internal Audit unit, on an over-obligation matter that had previously been raised by the General Accounting Office. A special investigation, which I ordered immediately, has now resolved the issue, revealing that there was no over-obligation, but that the former fiscal system was in such poor repair, that it was virtually impossible to make a proper accounting. An improved system, fully accountable has since been developed and we are working on the computer capability to make it functional. We have reported fully to the General Accounting Office. A copy of our final report is being made available to this Subcommittee. We are now moving on target toward a completely reliable financial system to be operational by the beginning of the new fiscal year.

4. Vacancy rate corrected

Fourth, we have corrected the situation in which we were carrying a large number of vacancies without appropriate personnel action. Today the opposite situation obtains. A new vacancy control unit has been established which is not only approving vacancies but must control them so that jobs are filled only when absolutely required and only when consonant with projected reorganization.

5. Employee use of internal grievance processes

Fifth, I am taking action on a distressing grievance situation in which an unprecedented number of compliants were brought against management either through the standard labor-management grievance machinery or through the equal opportunity discrimination apparatus.

This has produced an unfortunate climate in which some managers hesitate to make difficult decisions and evaluations. I have ordered a study of the various grievance mechanisms to see where and how this might be approached. I have also informed all managers that their job is to manage and that I will stand behind them firmly if they demand accountability and are fair in their evaluations. I believe that the climate of charge and counter-charge is already being reversed.

6. Labor-management relations

Sixth, I sought a meeting with the union at the agency during my first week in office in order to establish a relationship that will minimize tension in labor-management affairs. Any difficulties flowing from reorganization can be dealt with through open consultation and exchange of opinion. We have already begun to consult with union officials on a regular basis to provide them with information and to receive the benefit of their thinking.

7. Sec. 706. Deferral agencies, private bar, law school, and legal organizations

I am moving to use available outside resources to help the Commission in its operations. Heretofore, these groups and agencies, which receive grants from the Commission, have often had no systematic relationship to the workload of EEOC but operated entirely independently. As the 706 agencies, the law schools, the public interest legal organizations and the private bar begin to handle an increased case load, it becomes apparent that we need to view them as an integral part of the overall equal opportunity machinery. We are beginning to fashion improved and uniform standards for national intake and charge notification forms, procedures for the efficient sharing of work and a formula for a fair and rational allocation of funds. The 706 agencies will be brought into our training system, and in the next round of negotiations we will build in quality case processing standards, not contracts based on numbers of cases processed alone. Contracts with the law schools will similarly emphasize the need to produce programs responsive to, and integrated with, on-going EEOC operations.

I view the state and local 706 and 709 agencies as associates in a national anti-discrimination effort. They are neither adjuncts of the EEOC nor unrelated institutions. At our request, Congress recommended in its most recent appropriations bill for EEOC, that we establish a system of improved and uniform standards for the more expeditious processing of charges for FEP agencies. We are establishing a national case processing system with national standards, universal forms and procedures, and standardized reporting. State and local agencies will be better used in case processing. Currently over 60% of the charges filed with EEOC are deferred to these agencies. Yet they process only 22% of the annual resolutions. The reasons for the fall-off are varied. Many of these agencies are backlogged. Large numbers of charges are sent back or not filed with the local agencies, with the loss of 60 days of valuable processing time. And, the lack of clearly articulated uniform standards for investigation and charge resolution may result in the rejection of local agency findings. The EEOC has the responsibility to address these problems and is currently doing so. Of course, we will fully consult with the state agencies as these plans and programs are being worked out.

The law schools and legal organizations are another important resource which has not been used to the maximum benefit of the Commission. We are currently renegotiating all private bar funding contracts so they will contain provisions ensuring the promotion of a national litigation system.

8. Development of Collegial System to better use Commissioners in operations and policymaking

Eighth, I am working to correct the criticism of this agency that commissioners have been underutilized, thus diminishing the Commission's overall capability. I am working with the commissioners to establish new roles, specific responsibilities and a collegial decisionmaking system. I have instituted weekly briefings for commissioners and their staffs to familiarize them with issues as they emerge so that they are involved and contributing well before an issue appears on the Commission agenda. Formal commission meetings are to be used for extensive reporting on agency operations and programs to get maximum participation from commissioners in the formation of policy and programs.

CONCLUSION

We believe that structural and procedural reforms I have described here today and the work being done to meet specific problem areas will correct the major deficiencies of the Equal Employment Opportunity Commission and make the Commission the effective instrument for eliminating discrimination that Congress intended it to be. This Committee over the years has done an outstanding job in focusing on the problems of the Commission and pointing it in new directions. I welcome your oversight and suggestions. I hope you will allow me to come back on a regular basis to report on our problems and progress.

OCCUPATIONAL SAFETY AND HEALTH

Mr. DOLE. Mr. President, I would like to address a few questions to the distinguished floor manager for the pending conference report. The amendment I sponsored on OSHA consultation practices was deleted by the conference. As you know, the Dole amendment would have required OSHA to consult with any employer after the OSHA inspector had found a nonserious and nonwillful violation of OSHA regulations. If the violator corrected the problem within a reasonable time, he could not be fined or cited.

I know that the Senator from Washington and the Senator from Massachusetts strongly supported the Senate's position in the conference. I understand this amendment was one of the last items settled by the conference committee because the Senate conferees were strongly committed to the intent of the amendment. Nevertheless, because of the adamant opposition of some Members of the House delegation the amendment was deleted and report language was adopted in its place. The conferees have directed the Secretary of Labor to develop a detailed plan for provision of mandatory consultation services for all small businesses in the United States.

My amendment received a board spectrum of support from individuals and business groups across the country. These people, who have had first hand experience with OSHA's heavy handed regulations and fines, spontaneously and almost unanimously voiced their approval for the intent of my amendment. Unfortunately, one of the largest groups representing small businesses withdrew their support at the last minute and opposed my amendment in conference. The reasons are unclear for their change in heart, however, I hope that the next time I sponsor an amendment to help small businesses that I will have their complete and lasting support.

In reading the report language, I have seen one possible ambiguity. Because this language was part of a compromise on my amendment, I assume that the mandatory consultation plan the conferees intend to have developed will focus on consultation after violations have been found.

Mr. MAGNUSON. It is my understanding that is the intent of the conferees on this matter.

Mr. DOLE. The alternative interpretation would be a mandatory plan which forces employers to seek OSHA consultation. Would the Senator agree that the Secretary of Labor should not interpret the conference report as a mandate to compose a plan forcing employers to have mandatory consultation outside of the inspection process?

Mr. MAGNUSON. That is the way that I read the language. I believe the conferees intended this mandate to be interpreted in light of the Dole amendment

which addressed consultation after the normal inspection process.

Mr. DOLE. In light of the large vote for the Dole amendment in the Senate, 61 Senators in favor and 27 opposed, does the distinguished Senator from Washington intend to include the Labor Department OSHA report on the agenda for committee consideration next year.

Mr. MAGNUSON. That is why the due date of January 1, 1978 was selected, so that the report would be available for committee consideration next year.

Mr. DOLE. I thank the Senator from Washington and the Senator from Massachusetts for this clarification and for the support he gave to my amendment in the conference committee. I also want to make it clear that I intend to continue my efforts for the reforms contained in my amendment. I firmly believe that small businesses across the country are hurt unfairly by the current OSHA law. These employers simply cannot afford to obtain the technical advice needed to comply with every OSHA regulation.

The intent of the OSHA law is to make work places safer and more healthy for every American worker. The Government can never achieve this goal without the cooperation of businessmen. If no fine could be imposed when a nonserious and notwillful violation is promptly corrected, the feelings of employers toward OSHA would be vastly improved. The two-fold thrust of my amendment requiring consultation and peventing imposition of a fine if the nonserious and nonwillful violation is corrected, would be a major step toward a reform of OSHA.

LT. GEN. SAMUEL V. WILSON

Mr. HARRY F. BYRD, JR. Mr. President, the Freedoms Foundation at Valley Forge has presented its George Washington Honor Medal for the Public Address category for the Bicentennial Year to a dedicated American, Lt. Gen. Samuel V. Wilson.

The occasion for his address was a bicentennial program at Farmville, Va., on July 4, 1976.

It is an inspiring commentary on this Nation's need to pursue the basic fundamentals that have been its rock and its substance, and it suggests a vigorous future for this country if these qualities continue to endure.

General Wilson has served with distinction as Defense Attaché in Moscow, as Deputy Assistant Secretary of Defense for Intelligence and Resources Management, and now serves as Director of the Defense Intelligence Agency.

Mr. President, I ask unanimous consent that General Wilson's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

BICENTENNIAL PRESENTATION, INDEPENDENCE DAY, JULY 4, 1976, FARMVILLE, VA.

Some years ago, a young President of the United States, told the American people, "This generation has the power to be the best or to be the last." How much has happened since John Kennedy told us that and depending on how you measure a generation—I'm never quite sure where one begins or ends—one more may have come along—but his words are still very true—and they should be our challenge today.

The best or the last—which will it be? Maybe some of you are aware of the dire predicitions that this will be the *last* for America. Seems that before this Nation ever began as a shining example—a British historian, Alex Tyler, offered the theory that a Democracy cannot exist as a permanent form of government—that it contains within it the seeds of its own destruction. He theorized that a democracy would only last until the voters discover that they can vote themselves benefits from the National Treasury. That discovery would be followed by the election of those who promise to expand the benefits until the point is reached when the Nation goes bankrupt. Not a pleasant thought.

Now couple that with another theory—this one based on an historical research which suggests that the average life expectancy of a great civilization is right at—get this—200 years. Those who hold to these theories would turn our Bicentennial birthday party into a wake—but I hope you agree with me that the title of a DeSeversky book a number of years back still is more apropos—recall he wrote about an "America: Too Young To Die."

America has made it to 200 years—through good times and bad—in sickness and in health—through inflation and times of prosperity—in peace and in war. We have survived to celebrate this Bicentennial. But the question I keep hearing more and more—do we dare plan a Tricentennial?

Nor does the question seem to be asked in the calm of logic—or the ground of historical perspective—no, rather we hear it in the roar of the doomsayers—the loud clamor of those who think they see the end of this Nation—see it slip to number two—and then continues a downward trend. Amid this loud weeping and gnashing, it is sometimes difficult to pick out the quiet sounds of the more confident—especially the voices of those who have walked this way before—who carry with them the wisdom of days gone by. Perhaps, for a moment, at this Bicentennial celebration, we should turn the volume down on the shrill harsh screams of the present, so that we can better listen to the voices as the past speaks to us.

And those voices speak to us today. Can you hear Thomas Paine? He looked around his world and he too saw "crisis." He characterized those days as "the times that try men's souls." He forecast that there would be drop outs when he said "the summer soldier and the sunshine patriot will in this crisis shrink from the service of their country." Listen as Paine speaks to us today as he adds for all who would hang in there. "Tyranny, like Hell, is not easily conquered; yet we have this consolation with us, that the harder the conflict, the more glorious the triumph. What we obtain too cheap, we esteem too lightly; it is dearness that gives everything its value. Heaven knows how to put a proper price upon its goods; and it would be strange indeed if so celestial an article as freedom should not be highly rated." (The opening paragraph, "The Crisis," 1776).

Now eavesdrop on a conversation in Philadelphia. When the discussion of what kind of Nation America should be was over, a woman is reported to have asked Franklin, "What kind of government have you given us? And Franklin, reflecting on the frailty of the new Nation, and predicting the doomsayers heckling even to today, said, "A republic, madam, if you can keep it."

Listen to Franklin today—"A republic, ladies and gentlemen, but only if we can keep it."

Not all of our forefathers reeked of confidence that the Nation would see a centennial, let alone a Bicentennial. John Adams, close enough to the dream to have thought better, is speaking. Hear him prophesy, "There never was a democracy that did not commit suicide." Disturbing? It shouldn't be—he just presented the other side of Franklin's coin—that of the *need* for you in the USA. If the Nation is to survive, Franklin told us, it's up to us to keep it; if it is to die, it will be we who kill it—the suicide that Adams speaks of. Perhaps what those early voices are saying to us is that this happening called America cannot be taken from us—but we do have the power to give it away. You may not have thought about it, but that is a distinction the Founding Fathers didn't want to allow when they wrote the Declaration of Independence. When Jefferson penned the original draft, he wrote of *in*alienable rights, but the revision committee—Samuel Adams, Franklin and himself changed it to *un*alienable. The distinction is significant. *In*alienable means it can't be taken away without consent of the possessor, but he may sell it, abandon it, or give it away. *Un*alienable is now an archaic word, but in Jefferson's time it had a precise meaning and was commonly used. It meant that which could neither be taken away nor given away. We have to listen to those voices of the past tell us of an America that should not be able to be taken nor given away.

Other nations have not listened to their voices and their fates are well known. It is sometimes helpful for perspective to recall that when this Nation was founded, there was a Holy Roman Empire, France was ruled by a king, China by an emperor, Russia by an empress, Japan by a shogun—Germany and Italy weren't even nations—just conglomerates of bickering principalities—Venice was a republic. Now in the time it has taken for America to grow, all of those ruling regimes and scores of others have passed into history. Are we listening America? We should be.

Do we hear Zachary Taylor in 1849 sum it up beautifully when he says, "The prediction of evil prophets who formerly pretended to foretell the downfall of our institutions are now remembered only to be laughed at. The United States of America at this moment presents to the world the most stable and permanent government on earth."

No, I don't think America was listening sincerely years later as it prepared for a Centennial celebration. 1976 America—we who survived the second hundred years—listen to how it was in 1876—and draw some encouraging parallels. The Nation was still smarting from the wounds of a most decisive war—the Civil War—recalling too clearly how its military was ignobly defeated by an indigenous guerrilla force, because as the celebration began in Philadelphia, word came that Custer's entire command had been wiped out at Little Big Horn, reeling under an economic situation that saw salaries virtually slashed in half in the panic of 1876, looking for help from a government that was virtually dismantled by scandal. And when Tilden out-polled Hayes for the Presidency, Congress gave it to Hayes anyway. Lynch law was rampant. Sound familiar?

Do you think the clamor went up in that Centennial Year? Do you think there were people around this country predicting that we would ever see this Bicentennial Day? You bet there were—and there were some who would have given up—thrown in the towel—accepted what they called fate. And suppose they did—what a loss for the world—no cure for polio—no heavier than air flight—no man to the Moon—but even more important—no nation to intercede in World War I, none with the resources to defeat the Axis in World War II—none to frustrate the Communist surge of the past thirty years for world domination. In short, none to preclude slavery for the world.

Some were listening but it seems that

there have always been those who wonder "how long can it last." Can you decipher the accent as the French historian Guijot asks the American poet, James Russell Lowell how long the American Republic would last? You shouldn't have any trouble with Lowell's answer. "It will last as long as the ideals of its Founders remain dominant." And that places the burden not on outside forces—but squarely back on us. When we hear the voices they whisper one theme, "It's up to us." If we listen carefully, we can hear more recent voices. A Roosevelt speaking of nothing to fear but fear itself. More familiar voices—not from two hundred years back, but thirty-two years—not from Concord, but from Omaha Beach, on the coast of France, D-Day. We recognize those voices—and the names are in our hearts, as well as on the tablet—the men of the 166th—our sons, nephews, cousins, school-time friends who speak to us today—of confidence and courage, if, we like they, are willing to pay the price.

The message of the voices is loud and clear—and it is simply, America is alive and well—and will stay that way until Americans choose otherwise—and nobody wants to consciously make a choice like that. Perhaps one more voice we should hear in warning is that of Carl Sandburg. From his great grasp of history he wrote the poetic analysis—and it should tell us what we must do.

"When a society or civilization perishes, one condition may always be found.

They forgot where they came from.
They lost sight of what brought them along.
The hard beginnings were forgotten and the struggles.
Unity and common understanding there *had* been.
—enough to overcome rot and dissolution.
—enough to break through their obstacles.
But eventually the mockers came, and the deniers were heard.
And vision and hope faded,
And the custom of greeting one another
Became—"What's the use?"
And men whose forefathers
Would go anywhere
Holding *nothing* impossible
In the genius of man
Joined the mockers and deniers
Not knowing the past, they lost sight
Of what brought them along."

Are we listening America? Mr. Sandburg—indeed all of the voices from the past are plainly calling for a return to the fundamentals that made this Nation great.

But isn't it true, doesn't history and personal experience both tell us when a nation or an individual starts doing "pretty well," like America has been—there is a great temptation to drift from the path that was so important to success—to back off of the fervor and the spirit that was responsible for achievement—to begin to avoid what I call responsible citizenship and permit certain individual material goals to become paramount.

I am talking about a fundamental attitude that speaks of public unconcern amid personal self gratifications—resulting in less involvement in elections, less concern for the schools, less everything for the community—more for ourselves. You realize that isn't the way it all began in America—that isn't what "brought us along"—that isn't the way most of us recall it from our childhood—and I don't think that's the way we want our kids to recall it either.

There is a story you may have heard about the festival in France that is apropos. There was a little village in France that held its traditional harvest festival—a week of celebration and thanks. As each family began to gather its part of the food and drink, the villagers decided to make the filling of the wine barrel a cooperative effort. Each family was to bring its own wine, the wine they had made themselves, and put it into the community barrel. At the climax of the celebration the mayor was asked to open the barrel and begin the round of toasts. When he opened the spigot, however, and tasted the first glass, he discovered it was only water, *only water*. You see, each villager, not willing to give of themselves, had brought water—saved his own wine at home. Each one was so sure that, in so large a barrel his little water would never be noticed.

That can't be permitted to happen in this nation—and it's up to each of us to do something about it—we are going to have to give of ourselves—contribute the results of our work as a committee of ones to the community—bring our wine—not water.

For a more modern reference, consider the title of Gayle Sayer's book. The great halfback for the Chicago Bears said a lot in his title—"I am third." He was indicating that God and his fellow man came before himself. I'd suggest that our title might be an even higher number, perhaps "I'm fifth—or I'm sixth," placing at least country and community in that sequence ahead of ourselves.

Let me tell you I know a return to the fundamentals is expensive—because it costs in self—the toughest price to pay. It demands involvement, not in your own private little world, or even your family—but in the community family as well. Placing country and community ahead of self doesn't allow you to sit back with a receipt or a refund from the IRS and say smugly, "I'm paid up"—because it won't let you believe that you pay for liberty with tax money. You pay with *your* time and *your* self. You see like the folk song says, "Freedom Isn't Free, You Have To Pay the Price, You Have To Sacrifice, For Your Liberty." That hasn't changed in 200 years—and it isn't about to change now.

What we have to ask ourselves is are we still listening or have our values changed? Do we still price this Nation, and the heritage that is ours as highly as we used to or ought to—or have we allowed indifference and apathy to mark down the most priceless of gifts,, And if we say "sure we still value the Nation as highly as ever," then *we* must ask, are we willing to pay the price?

At this point, I believe you have a legitimate right to ask, "What do you want us to do?" I'd say for the most part—just keep doing what you have been doing, doing so well for so many years. But as you do, feel the burden to guarantee that your children, and their children will also continue your fine tradition. For you see, the answer to whether we get an American tricentennial really rests with them.

We pride ourselves here in this area for the great educational opportunities we give our kids—both high school and college systems.

Complacent? Probably. We have to guard against the Euphoria of apparent success with our youngsters—we can't afford to get lost in the shuffle like some schools and some parents who have lost the whole ball game are lost—on the fundamentals—the kind of fundamentals our teens need to prevent them from fumbling their lives—and this nation's future away.

It's a highly technical world. There is the need for the technical information—the physics, chemistry, mathematics and all the rest. I feel that Farmville—indeed, most high schools and universities throughout the nation—are geared to do that—and are doing it successfully. But, more is required—for example, we can get anyone to teach English, but who can we get to teach honest communication? We can get anyone to teach philosophy and study what is true and what is good, but who can we get to teach integrity? We can get anyone to teach American history, but who can we get to teach patriotism? Yet, honest communication, integrity and patriotism are fundamental to the success of this nation—vital to the continuing existence of our way of life.

And I think you understand that our way of life isn't for just anybody—you have to be something special. I used to think differently, used to believe that those fabulous precepts of Locke, Rousseau, Paine, the Adams, and my personal hero, Thomas Jefferson, were for all people—could be exported. My experiences with Vietnam and in Russia have convinced me differently. It takes a special kind of person to be able to handle it, one with special moral fiber, personal discipline, and a great deal of maturity. That isn't every man, nor is it every nation.

Let me tell you why. For our system to work properly, we have to establish the highest possible level of tolerance for dissidence, short of anarchy.

Dissension has been woven into the very fabric of the nation. And, it is the supreme virtue of our system that, rather than tearing us apart, our crises have forged us into a more cohesive people.

But we must understand that dissent is expressed only because we are a free country—our Constitution embraces dissent. In order to have progress, we must have dissent with the status quo—and we certainly do. We must express ourselves, discuss things, get them out of our system, scrub them down, go on to try to do what's right. That we do have dissent doesn't bother me—dissent can be patriotic, you see, dissent is founded in freedom—our heritage from the greatest form of government devised by man—based upon the principle of freedom under law—of respect for the dignity of each individual. But many of the dissenters are not patriots—they're anarchists. The difference is an important one—for both dissent—both seek change. But the patriot does so within the framework of the law—from which freedom and justice for all Americans is derived—he is *con*-structive—while the anarchist expresses his dissatisfaction ouside the framework of the law—he is *de*-structive. We must listen to the patriot—we must not tolerate the anarchist.

So, you have to have a special people—enlightened and responsible citizenry. One example will suffice—just look at our system of law. In order to insure the maximum protection for the innocent, sometimes the guilty go free. Now it takes a special kind of maturity to understand that—to accept it as a necessity to insure the level of protection of the innocent—to resist the temptation to take advantage of it—following the example of the evil doer—forgetting that right is right if no one is right—wrong is wrong if everybody is wrong—a fundamental we have known here since the very beginning. That is the special brand of maturity that has to be inculcated into our children.

Maybe you, like I, were frightened in the mid 60's with the demonstrated lack of this maturity on the college campuses all over the Nation—in the inner cities of Watts, Chicago, Detroit. We survived that—due in main to what I have said—the Nation can accept dissidence—to a point. So it really takes something special. Jefferson, as usual, hit the nail on the head when he said, "I know no safe depository of the ultimate powers of society but the people themselves; and if we think them not enlightened enough to exercise their control with wholesome discretion, the remedy is not to take it from them, but to inform their discretion."

So, it is an education process—and one that has to be conducted, not in the schools alone, but in church and family. You know that—have produced it for years. The best instructor is "good example"—and we are all a necessary part of that. Day-in and day-out, we must be infusing our children with the same important principles, the same understanding, the same maturity that the voices of the past have given us—that have made possible a bicentennial.

That is the red wine we bring to the barrel—and that sometimes is tough. But it

sometimes gets even tougher. As harsh as it may sound on this great day, there's another part of the understanding, the principles and the maturity we must consider. Involvement may be enough—but when those who would threaten us rise up, there is a clear call for the ultimate involvement—putting your life on the line. It may be necessary for some of us to send our sons, even as our parents sent theirs—some will have to pick up the rifle, march away, maybe not to return—even as our friends and reatives honored in marble have done. For that is the ultimate involvement, the shouldering of the burden to insure the Tricentennial. With the day-to-day red wine, there may be—God forbid it—there may be—the occasional red blood. And we will have to bear it—we can't all run off to Canada or find reason to be Four-F and still expect a Tricentennial.

You ask again, what can I do? I answer in a shorthand I hope you understand—wine and blood, in a single word, patriotism.

Now for some reason, in this country, it has never been considered manly to talk about being patriotic—only to show it. Then it became fashionable to be against even showing it. We have to turn that around. I'm not suggesting that patriotism is proclaiming you love this country with a bumper sticker, or even a flag on the holidays—you have to proclaim it with personal effort. We have to give example, provide an atmosphere that fosters love and appreciation for the Nation. Don't worry if you can't define patriotism. It's one of those ideas that is too hard to pin down. Like leadership or love—if you attempt to define it—you put a fence around it—limit its scope. It is much too complex to be imprisoned in words. All you have to remember is that patriotism is a love—a love of country—and love is something we all can grasp. It is for richer—for poorer—in good times and in bad—it is loyalty that develops an attitude to serve—to sacrifice—even your life—to protect honor and country. That is what patriotism is all about—and it's an every day affair. As I see it, those voices of the past are trying to tell us that we must return to the fundamentals that have carried this Nation through the first two hundred years—that we must practice them ourselves and devise ways to communicate them, instill them, root them deep in our young people. Are we listening?

If we hear and heed, then the doomsayers, the pessimistic heirs of those who predicted no Bicentennial for America, those who now feel there is no hope for a Tricentennial, will have their sounds drowned out by the thundering whisper of some future Americans joining voices with ours and those of the past to procaim—oh, say does that Star Spangled Banner yet wave—over the land of the free and the home of the brave.

You bet it does.

SENATOR RUSSELL LONG—CARRYING ON THE FAMILY TRADITION OF PUBLIC SERVICE WITH DISTINCTION

Mr. HUMPHREY. Mr. President, I would like to take just a moment to call to the attention of my fellow Senators a superb article on a fascinating subject—our colleague, RUSSELL LONG.

The August 1977 issue of Nation's Business has a well-researched article written by senior editor Vernon Louviere on RUSSELL which weaves the historical background of the Long family with the issues facing the Senate today.

As you know, RUSSELL is the third Long to be a Senator. Both his father and mother preceded him, serving here with distinction and honor.

RUSSELL and I have been friends a long time, longer than I care to recount in public. We attended college together at LSU in his native State of Louisiana—and that does go back a few years.

Mr. President, I ask unanimous consent to have printed in the RECORD a very fine article about a very great Senator.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR RUSSELL LONG: HE CAN INFLUENCE YOUR LIFE FOR YEARS TO COME

At 1600 Pennsylvania Avenue N.W., in the White House, Jimmy Carter ponders legislation that will affect the nation for years to come—legislation involving taxes to pay for Medicare, welfare, Social Security, and massive new health programs.

On Capitol Hill, less than two miles away along the avenue, one senator will pass judgment almost single-handedly on what President Carter gets or doesn't get in these areas.

Russell B. Long (D-La.) is chairman of the Senate Finance Committee, and, as such, his decisions influence the lives of all Americans. The man who fashions the tax policies of this nation ultimately touches us all.

Although he has almost as much power as any man in Washington, Sen. Long rarely, if ever flaunts it publicly.

NO CHIP OFF THE OLD BLOCK

The son of flamboyant, outgoing, petulant Huey P. Long, Louisiana governor who also became a U.S. senator, he is no chip off the old block. Huey Long, who was felled by an assassin at age 42, when Russell was 17, did pass on many of his traits to his son. Russell Long is clever—some say brilliant. He is a master of legislative tactics and strategy, and he is a good storyteller. But the Kingfish, as Huey Long was called, was a spellbinder before an audience. Russell is rather lackluster.

Huey Long "was more a revolutionary," Russell Long says. "I am more the evolutionary type."

Russell Long shows no outward signs of wanting to be President, as his father did. Huey Long published a book in 1935, the year he was assassinated. It was called, "My first Years in the White House."

DEFEAT FOR ROOSEVELT?

"I think he would have been elected in 1940 if he had lived," Russell says. "He would have run as a third-party candidate. President Roosevelt had polls indicating that Huey Long would get so many votes as a third-party candidate in 1936 that a Republican would run ahead of Mr. Roosevelt.

"If that had been the case, and the people had gotten four more years of the kind of government that they had under Herbert Hoover, the public would have been inclined to look toward someone like Huey Long. At that point, I think, he would have had a chance to win."

NAME TO RECKON WITH

After Huey Long came out of the scrub country of northern Louisiana in 1918 to serve in his first elected office, as a member of the old state railroad commission in Baton Rouge, the name Long became synonymous with politics in the Bayou State. It still is.

The Kingfish dominated the political scene during his years as governor and senator. Russell Long's mother, Rose, completed Huey's unexpired term in the Senate. Russell's tempestuous uncle, Earl, who took over the so-called Long political machine in 1935, twice served as governor and won a seat in the House of Representatives in 1960, but died before he could take office.

Another uncle, Dr. George Long, a dentist, served in the House. So did a distant cousin, Speedy Long. Another distant cousin, Gillis Long, is an incumbent congressman.

A SENATOR AT 30

Russell Long's own plunge into politics started early. After a colorful, hoopla-filled campaign, he was elected president of the Louisiana State University student body. He later received his law degree at L.S.U.

In 1948, at age 29, he won a special election to fill the two-year unexpired U.S. Senate term of the late John P. Overton. He had to stand aside briefly before taking the seat because the Constitution sets the minimum age for a senator at 30.

Today he is sixth in seniority in the 100-member Senate, having served half his life there. He was named chairman of the Senate Finance Committee in January, 1966, after Sen. Harry F. Byrd, Sr. (D-Va.) resigned for health reasons. At 58, Sen. Long has been a Senate committee chairman longer than all but four other chairman. Some chairmen are in their late 70's.

Sen. Long has been described as a conservative, a liberal, a populist, and a reactionary, depending on who was hanging the label on him. In an interview with a Nation's Business editor, he said of himself:

"I am a populist in some respects, and I would like to think I am a conservative in other respects. I think some of the best senators and best Presidents are both conservative and liberal by the best definition of those words. If you mean conservative because they favor keeping the good things about the existing order, I would call them conservatives. And if you mean liberal because they favor aggressive, constructive change, I favor that.

"In some respects I even regard myself as a reactionary because there were some very good things in our lives that we let get away and should try to regain. Some of the old values had much more to be said for them than some of these new values we hear so much about. Whatever it was that gave us our inner strength as a nation, we should try to recapture it."

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"We haven't reached that point," the Senator says, "but we have passed the point when we can provide additional benefits merely by changing our assumptions [economic yardsticks which attempt to forecast the effects of inflation and other factors on Social Security payouts]. When I first came to the Senate, we were financing Social Security on the theory that we would build up a trust fund of more than $200 billion by the year 2000. Then we began to change the assumptions to say that we didn't need that large a fund as long as we collected more money each year than we paid out in benefits. In due course we found we weren't even keeping up."

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"In view of the fact that the Social Security benefits are weighted heavily in favor of people at the lower end of the economic ladder and against people at the upper end, it seems to me there should be no complaints that an income tax is more progressive than a Social Security tax."

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"This article points out briefly and clearly what is wrong with the President's proposed energy plan: It is an unmitigated disaster on the production side.

"The conservation side of the equation must be pursued. However, the most that this aspect can accomplish in the foreseeable future is to reduce the gross rate in energy consumption.

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WELFARE REFORM

The senator has equally strong views about correcting the welfare system, which he feels does not offer incentives that are adequate for getting the able-bodied poor to help support themselves.

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Sen. Long thinks true welfare reform will finally come about someday. He doesn't know when.

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"By defeating this legislation, we may have saved the American free enterprise system."

Does the senator see the private enterprise system as being in trouble now?

"It sure is. So many burdens are being piled on business—on an environmental basis, on a safety basis, on the basis of the government telling business how to produce its products and to whom they can be sold.

"Today's businessman must have the genius of an Einstein, the memory of an elephant, and the education of a lawyer, scientist, and educator all wrapped in one.

"If we keep adding burdens on business,

the system will fail. Businessmen simply cannot shoulder all of these burdens. We must reduce government interference in the operation of businesses and in the lives of our people in general."

SHARING THE WEALTH

When Huey Long pushed a program of heavier taxation on businesses and prosperous individuals in Louisiana, he hit on a slogan—"share the wealth"—which made him a popular figure in what was then a generally impoverished America.

Russell Long would like to share the wealth, too, but not in his father's fashion of taking from the haves and giving to the have-nots.

"My greatest hope is to see us reach a day when the great majority of our people will enjoy the good things of this country," he says. "I don't seek to redistribute the wealth as my father did in his day. I would just like to see us distribute the wealth somewhat more evenly."

He estimates that about 85 percent of today's property, money, tangible goods, etc., are owned by 15 percent of the people, while 35 percent own about ten percent and the other 50 percent have the remaining five percent.

"I would like to see this redistributed in such a fashion that 30 percent would be owned by the 15 percent of the people at the top, about 35 percent by the 35 percent in the middle, and the balance by the other 50 percent of our citizens."

He adds that he see "an America where someday everybody will live above the poverty line."

How would the senator accomplish this? He explains:

"You would need more employe stock ownership plans and expanded pension plans, and you may need some other things that I can't anticipate at this time."

Sen. Long advocates an employee stock ownership plan which, he says, is gaining popularity around the country. He sponsored a provision in the Tax Reduction Act of 1975 which cleared the way for creation of ESOP's.

When a company files for a ten percent investment tax credit, the government adds an extra one percent tax credit for setting up an ESOP trust fund. Monies accumulating in the fund are converted to shares of stock which in turn are assigned to employees. [See "How to Motivate Your Employees and Raise Capital, Too," Nation's Business, October, 1976.]

There is no question that Russell Long enjoys his work. He rarely misses a Finance Committee session and will sit through hours of tedious testimony, seemingly relishing every word.

In 1973, in a rare display of emotion, the entire Senate spontaneously applauded Sen. Long after passage of a complicated Social Security bill. For 2½ days, and well into the night, Mr. Long had been on the floor managing the bill. Dozens of amendments were debated and voted upon.

THE ULTIMATE ACCOLADE

The ultimate accolade came from then Senate Majority Leader Mike Mansfield (D-Mont.), who, when the final vote was taken rose and said:

"I commend the distinguished senator from Louisiana for doing his usual skillful managerial job on a most difficult piece of legislation.

"Speaking personally, I am glad I am not in his shoes because this is a most difficult committee to chair, and this piece of legislation, which the Senate has just agreed to, was one of the most difficult to manage through this chamber.

"When one considers all the amendments which have been offered today and one becomes aware of the skill, the knowledge, and the maneuverability of the distinguished senator, one cannot help but admire him."

ISSUES BEFORE SENATOR LONG'S COMMITTEE NOW

Here is some of the major legislation being considered this year by Chairman Russell Long's Senate Finance Committee:

Energy tax measures.—Impose a crude oil equalization tax to bring the market price of price-controlled oil up to the price of uncontrolled oil by 1980. Grant per capita tax rebates to all taxpayers and special rebates to individuals using home heating oil. Levy a two-tiered tax on industrial users of oil and natural gas who consume in excess of the equivalent of 50,000 barrels per year. Impose a tax on new cars obtaining less than 15 miles per gallon of gasoline and offer tax-credit incentives for home insulation and other conservation measures.

Public Assistance Amendments of 1977.—Expand federal support for child welfare services with particular emphasis on taking children out of foster care, either by reuniting them with their families or by arranging for their adoption. Provide an additional $200 million in child care funds and extend the federal program of supplemental security income to needy, aged, and disabled persons in Puerto Rico.

Social Security financing.—The Social Security system faces a serious long-term deficit and needs additional funding in the near future. President Carter has proposed a combination of tax increases and benefit modifications to deal with this financing problem.

Medicare and Medicaid abuses.—This bill contains a number of provisions designed to curb abuse of the Medicare and Medicaid programs by providers of medical care.

Hospital cost containment.—President Carter has proposed short-term measures to limit reimbursement to hospitals in order to save funds under major federal health programs. Other proposals pending in the committee deal with curbing hospital cost increases over the long term.

SENATOR RUSSELL LONG

Mr. TALMADGE. Mr. President, there appeared in the August issue of Nation's Business magazine an excellent article about Senator RUSSELL LONG, chairman of the Senate Committee on Finance, in which he sets forth perceptive views on legislation that is important to all Americans and the economic security of our Nation.

I do not know of any Senator, past or present, who has been harder working or a more effective chairman. He presides over the Finance Committee with an even hand and he consistently demonstrates a quick grasp of complex legislative matters involving tax laws, health care, and energy. He is respected without respect to party lines.

I bring this article to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SEN. RUSSELL LONG: HE CAN INFLUENCE YOUR LIFE FOR YEARS TO COME

At 1600 Pennsylvania Avenue N. W., in the White House, Jimmy Carter ponders legislation that will affect the nation for years to come—legislation involving taxes to pay for Medicare, welfare, Social Security, and massive new health programs.

On Capitol Hill, less than two miles away along the avenue, one senator will pass judgment almost single-handedly on what President Carter gets or doesn't get in these areas.

Russell B. Long (D.-La.) is chairman of the Senate Finance Committee, and, as such, his decisions influence the lives of all Americans. The man who fashions the tax policies of this nation ultimately touches us all.

Although he has almost as much power as any man in Washington, Sen. Long rarely, if ever, flaunts it publicly.

NO CHIP OFF THE OLD BLOCK

The son of flamboyant, outgoing, petulant Huey P. Long, Louisiana governor who also became a U. S. senator, he is no chip off the old block. Huey Long, who was felled by an assassin at age 42, when Russell was 17, did pass on many of his traits to his son. Russell Long is clever—some say brilliant. He is a master at legislative tactics and strategy, and he is a good storyteller. But the Kingfish, as Huey Long was called, was a spellbinder before an audience. Russell is rather lackluster.

Huey Long "was more of a revolutionary," Russell Long says. "I am more the evolutionary type."

Russell Long shows no outward signs of wanting to be President, as his father did. Huey Long published a book in 1935, the year he was assassinated. It was called, "My First Years in the White House."

DEFEAT FOR ROOSEVELT?

"I think he would have been elected in 1940 if he had lived," Russell says. "He would have run as a third-party candidate. President Roosevelt had polls indicating that Huey Long would get so many votes as a third-party candidate in 1936 that a Republican would run ahead of Mr. Roosevelt.

"If that had been the case, and the people had gotten four more years of the kind of government that they had under Herbert Hoover, the public would have been inclined to look toward someone like Huey Long. At that point, I think, he would have had a chance to win."

NAME TO RECKON WITH

After Huey Long came out of the scrub country of northern Louisiana in 1918 to serve in his first elected office, as a member of the old state railroad commission in Baton Rouge, the name Long became synonymous with politics in the Bayou State. It still is.

The Kingfish dominated the political scene during his years as governor and senator. Russell Long's mother, Rose, completed Huey's unexpired term in the Senate. Russell's tempestuous uncle, Earl, who took over the so-called Long political machine in 1935, twice served as governor and won a seat in the House of Representatives in 1960, but died before he could take office.

Another uncle, Dr. George Long, a dentist, served in the House. So did a distant cousin, Speedy Long. Another distant cousin, Gillis Long, is an incumbent congressman.

A SENATOR AT 30

Russell Long's own plunge into politics started early. After a colorful, hoopla-filled campaign, he was elected president of the Louisiana State University student body. He later received his law degree at L.S.U.

In 1948, at age 29, he won a special election to fill the two-year unexpired U.S. Senate term of the late John P. Overton. He had to stand aside briefly before taking the seat because the Constitution sets the minimum age for a senator at 30.

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"If we keep adding burdens on business, the system will fail. Businessmen simply cannot shoulder all of these burdens. We must reduce government interference in the operation of businesses and in the lives of our people in general."

SHARING THE WEALTH

When Huey Long pushed a program of heavier taxation on businesses and prosperous individuals in Louisiana, he hit on a slogan—"share the wealth"—which made him a popular figure in what was then a generally impoverished America.

Russell Long would like to share the wealth, too, but not in his father's fashion of taking from the haves and giving to the have-nots.

"My greatest hope is to see us reach a day when the great majority of our people will enjoy the good things of this country," he says. "I don't seek to redistribute the wealth as my father did in his day. I would just like to see us distribute the wealth somewhat more evenly."

He estimates that about 85 percent of today's property, money, tangible goods, etc., are owned by 15 percent of the people, while 35 percent own about ten percent and the other 50 percent have the remaining five percent.

"I would like to see this redistributed in such a fashion that 30 percent would be owned by the 15 percent of the people at the top, about 35 percent by the 35 percent in the middle, and the balance by the other 50 percent of our citizens."

He adds that he sees "an America where someday everybody will live above the poverty line."

How would the senator accomplish this? He explains:

"You would need more employee stock ownership plans and expanded pension plans, and you may need some other things that I cannot anticipate at this time."

Sen. Long advocates an employee stock ownership plan which, he says, is gaining popularity around the country. He sponsored a provision in the Tax Reduction Act of 1975 which cleared the way for creation of ESOP's.

When a company files for a ten percent investment tax credit, the government adds an extra one percent tax credit for setting up an ESOP trust fund. Monies accumulating in the fund are converted to shares of stock which in turn are assigned to employees. [See "How to Motivate Your Employees and Raise Capital, Too," NATION'S BUSINESS, October, 1976.]

There is no question that Russell Long enjoys his work. He rarely misses a Finance Committee session and will sit through hours of tedious testimony, seemingly relishing every word.

In 1973, in a rare display of emotion, the entire Senate spontaneously applauded Sen. Long after passage of a complicated Social Security bill. For 2½ days, and well into the night, Mr. Long had been on the floor managing the bill. Dozens of amendments were debated and voted upon.

THE ULTIMATE ACCOLADE

The ultimate accolade came from then Senate Majority Leader Mike Mansfield (D.-Mont.), who, when the final vote was taken, rose and said:

"I commend the distinguished senator from Louisiana for doing his usual skillful managerial job on a most difficult piece of legislation.

"Speaking personally, I am glad I am not in his shoes because this is a most difficult committee to chair, and this piece of legislation, which the Senate has just agreed to, was one of the most difficult to manage through this chamber.

"When one considers all the amendments which have been offered today and one becomes aware of the skill, the knowledge, and the maneuverability of the distinguished senator, one cannot help but admire him."

APPROVAL OF THE ACCEPTANCE OF FOREIGN EDUCATIONAL TRAVEL

Mr. STEVENSON. Mr. President, as required by rule 43, paragraph 4(b), I give notice that the Select Committee on Ethics approved the following staff acceptance of foreign educational travel at its meeting of August 4, 1977:

Several Senators requested approval for the acceptance of foreign educational travel by staff under their supervision pursuant to the invitation of the Van Leer Jerusalem Foundation, Jerusalem, Israel, dated July 13, 1977, and the requirements of rule 43, paragraph 4(a) on gifts.

The responsible officer of the Department of State reports that this program of the Van Leer Jerusalem Foundation is privately funded and the Department has no reason to believe employee participation would violate any law or be contrary to the interests of the United States.

The program in which Senate staff are invited to participate is scheduled for August 24 to September 2, 1977, and will deal with political and social problems of the Middle East. The foundation will pay the necessary expenses of travel to and from Israel and incidental food and lodging while there. Each employee for whom approval is requested assists the supervising Senator on international affairs.

In accord with rule 43, paragraph 4(a): First, the committee is informed that this program's principal objective is educational, it is sponsored by an independent foreign organization, and participation in it is not in violation of any law; and second, the committee therefore finds that participation by the following Senate employees is in the interest of the Senate and the United States:

Mr. Mark Edelman, Office of Senator JOHN C. DANFORTH;

Mr. Burton Wides, office of Senator PAUL S. SARBANES;

Mr. Carl Blake, office of Senator DONALD W. RIEGLE, JR.;

Mr. Peter Fenn, office of Senator FRANK CHURCH; and

Mr. William Reinsch, office of Senator H. JOHN HEINZ III.

APPROVAL OF THE ACCEPTANCE OF FOREIGN EDUCATIONAL TRAVEL

Mr. STEVENSON. Mr. President, as required by rule 43, paragraph 4(b), I give notice that the Select Committee on Ethics approved the following staff acceptance of foreign educational travel at its meeting of August 4, 1977.

A Senator requested approval for the acceptance of foreign educational travel by a staff person under his supervision pursuant to the invitation of the Foreign Affairs Association of South Africa, Pretoria, Republic of South Africa, dated July 11, 1977 and the requirements of rule 43, paragraph 4(a) on gifts.

The responsible officer of the Department of State reports that the Foreign Affairs Association of South Africa is a private foundation and the Department has no reason to believe employee participation would violate any law or be contrary to the interests of the United States.

The program in which Senate staff is invited to participate is scheduled for August 5 to 19, 1977, and will permit the employee to confer with South African leaders in education, business, and government, as well as to travel in the country for factfinding purposes, better enabling him to assist the Senator in his work on the Foreign Relations Committee.

The foundation will pay the necessary expenses of travel to and from the Republic of South Africa and within that country and incidental food and lodging while there.

In accord with rule 43, paragraph 4(a): First, the committee is informed that the principal objective of this program is educational; it is sponsored by

an independent foreign educational organization; and participation in it is not in violation of any law; and second, the committee therefore finds that participation by the following Senate employee is in the interest of the Senate and the United States: Mr. Ralph Nurnberger, Office of Senator JAMES B. PEARSON.

CAPITAL FORMATION OPTIONS TO FINANCE POLLUTION CONTROL

Mr. HARRY F. BYRD, JR. Mr. President, as chairman of the Subcommittee on Taxation and Debt Management of the Finance Committee, I recently held hearings on the question of incentives for the future economic growth of our Nation. One of the suggestions which emerged from the hearings was that special tax preferences be given for companies which are mandated by the Government to make capital expenditures to purchase expensive pollution control equipment.

The following is an article by Prof. Scott C. Whitney of the Marshall-Wythe School of Law of the College of William and Mary in Williamsburg, Va. Professor Whitney deals with the governmental policy questions raised by environmental laws which require private companies to purchase pollution control equipment. His article was published in the Columbia Journal of Environmental Law and is entitled, "Capital Formation Options to Finance Pollution Control." Professor Whitney's work is a scholarly analysis of a difficult problem, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPITAL FORMATION OPTIONS TO FINANCE POLLUTION CONTROL

(By Scott C. Whitney)

The economic cost of environmental pollution and the cost of implementing far-reaching corrective measures are increasingly recognized as significant national problems. Extensive effort has been expended in recent years to analyze and quantify pollution abatement and control costs and forecast capital demands that will be necessary to comply with environmental laws and regulations.

As this analysis has become more sophisticated, environmental costs have been classified into four basic categories: damage costs, avoidance costs, abatement costs, and so-called "transaction" costs. Although official concern for pollution abatement costs dates from 1972, and although increasingly frequent studies of this problem have subsequently been undertaken, it has generally been recognized that this analysis is still in its infancy.

Despite the difficulties of cost quantification and the recognition that forecast environmental costs are at best approximations, it seems clear that environmental costs will be a major factor affecting the national economy in the foreseeable future. Similarly, it is not feasible at this time to forecast with precision the capital investment that will be required by the private sector during the next decade and beyond to comply with existing federal environmental laws and regulations, and the various state and local requirements. The most recent comprehensive forecast was published by the Council on Environmental Quality (CEQ) in its 1976 Annual Report. The CEQ estimates incremental pollution control expenditures for the private sector alone during the period 1975–1984 will exceed $300 billion, of which approximately $275 billion will consist of capital investment and capital costs.

This analysis considers legislative and regulatory options available to cope with future private sector capital requirements to meet both "conventional" and environmental needs. While by no means agreed as to the precise amount of these needs, virtually all studies indicate they will be immense and will place great strain on the national economy.

Moreover, it must be recognized that these pollution abatement costs will tend to increase rather than decrease. The as yet unchecked force of inflation is of course one important factor contributing to this problem. More importantly, most existing statutory environmental abatement programs are structured in a way that progressively increases the stringency of environmental requirements and consequently their cost. For example, the incremental cost to achieve national secondary ambient air quality standards will undoubtedly significantly exceed the cost to achieve primary standards. Furthermore, the law requires that once the national ambient air quality standards are attained, they must then be maintained. This maintenance will necessitate an indefinitely ongoing comprehensive nationwide air quality maintenance program. Furthermore, compliance with the judicially enunciated goal of no significant deterioration of the air quality in regions with air cleaner than that required by secondary standards will likewise create increasing direct and indirect incremental costs.

The same cost augmentation phenomenon is built into the Federal Water Pollution Control legislation, which likewise envisions implementation of progressively more stringent standards culminating in the goal of eliminating discharges of all pollutants by 1985. Like the clean air strategy, maintenance of water quality is required once the mandated goal is achieved. Here too, this maintenance will necessitate costly continued planning and regulatory strategies to accommodate the apparently inevitable national growth while yet adhering to the no discharge requirement.

To date no environmental cost forecast methodology has evolved accurate indicia to measure this phenomenon of disproportionately increasing costs, but it is essential to consider this factor when considering what legislative, regulatory or other action is appropriate to devise effective capital formation and/or capital recovery strategies.

Before considering possible specific legal-legislative options for capital formation, two basic policy issues must be considered: first, whether it is appropriate for the federal government to assist the private sector to meet the costs of federally enacted environmental laws and regulations, and second, if it is determined that it is either necessary or desirable that the federal government assist private sector compliance, what form the assistance should take.

I. FEDERAL GOVERNMENTAL OPTIONS OR INTERNATIONALIZATION OF ABATEMENT COSTS?—A CRITICAL NATIONAL DECISION

For the private sector to be able to alter its plants and processes to comply with existing environmental laws and regulations it must develop the funds to pay for abatement. The CEQ correctly recognizes that these costs and capital needs are "incremental"; that is, expenditures are necessitated by the designated federal environmental legislation beyond those "business as usual" expenditures that would have been made absent the legislation. Consequently these incremental environmental requirements are *additional* to the so-called "conventional" capital requirements that are necessary to a growing and productive economy capable of assuring that the *other* vital national goals of adequate employment and containment of inflation are achieved. Given the forecast capital shortfall during the coming decade, there is a distinct likelihood that rival claims on existing capital supply by the productive sector of the economy versus legally mandated environmental reform may well increase the cost of capital to the point that expansion of productive capacity and economic growth may be retarded with adverse effects on employment and the ability to control inflation. The Environmental Protection Agency (EPA) notes that "this spectre is particularly troubling because of the experience of 18–30 months ago when capacity shortages in the basic materials-producing industries seemed to throttle economic growth and spur inflation with unemployment at very high levels."

Consequently, the nation is faced with the reality that *additional* capital formation methods (beyond those necessary to meet "conventional" needs) must be devised if we are to achieve the multiple national goals of a healthy economy and a protected environment.

Two basic possibilities of forming the necessary capital exist: (1) some form of federal assistance (grants, subsidies, tax incentives or "tax expenditures" of various kinds), or (2) "internalization" of environmental costs by inclusion of the environmental increment into the pricing of goods and services to the consumer.

The CEQ has considered the option of imposing effluent charges set at a sufficiently high level to compel extraction of most of the pollutant, with the effluent charge being passed on to the consumer in the form of higher prices. This option entails serious disadvantages. First, to "internalize" environment costs of the magnitude involved by passing them to the consumer in the form of higher prices would aggravate the inflationary price spiral and create further stresses between labor and management. The environmental cost increment added to the price of goods and services would undoubtedly give rise to increased wage demands and the cost would in large part redound to industry in the form of higher labor costs. Moreover, imposition of effluent charges only indirectly addresses the critical problem of how to rid the environment of pollution. If a given plant simply pays the charge and continues to pollute then the pollution is not abated. If instead, the plant chooses to install appropriate abatement equipment and avoids the effluent charge the problem of how to obtain the capital to buy the abatement equipment remains unanswered.

An additional disadvantage of internalizing environmental costs is that to do so would further weaken the United States international trade position by further pricing United States goods out of competitive markets. The "distortions" arising from unequal environmental control costs incurred by the United States private sector vis-a-vis competitors from its eleven principal trading partners constitute a major national problem which Congress sought to address in the Trade Act of 1974. Given the national commitment to contain inflation within acceptable limits, it is rather clear that the nation's pricing structure cannot be expected to absorb some 300 billion dollars of additional environmental costs.

Moreover, the CEQ concept envisions use of varying charge levels to achieve desired degrees of pollution abatement:

"Since the costs of removing any given pollutant presumably will vary as between processes, products and plants, a requirement of the same proportionate reduction, or a reduction to the same absolute level, would impose high costs on some and relatively low costs on others. The same aggregate reduction in an area could be achieved by an ef-

fluent charge which will lead to substantial or very large proportionate reductions in pollution where that could be achieved relatively inexpensively, with little reduction where it was relatively more expensive to make improvements."

To be effective, this system must produce a program of pollution abatement which results in compliance at any given time with statutory environmental standards. Coordination of a schedule of fees which might well vary from industry to industry and from plant to plant to produce pollution levels that comply with standards required by law would be extraordinarily difficult to determine accurately and costly to administer. Thus it would appear that "internalization" could not produce adequate net capital accretions and would create problems at least as troublesome as those it seeks to solve.

Finally, it seems clear that Congress by enacting the various environmental laws has elevated environmental protection to a major national policy not unlike public health (with which the environmental quality is closely related), law enforcement and national security. Consequently, whenever private sector compliance is either impossible as an economic matter, or is attainable only at the expense of major impacts on the national economy, it seems appropriate, in fact necessary, that public funds, whether in the form of so-called tax expenditures, in the form of tax incentives, or in the form of grants, guaranteed loans or subsidies, be used to achieve the national goal of environmental protection. Congress has repeatedly recognized this principle in its appropriation of grants for, *inter alia*, publicly owned treatment works, environmental planning, research and development, and monitoring systems.

II. ASSUMING FEDERAL FISCAL ACTION, WHAT FORM SHOULD IT TAKE?

Given the determination that federal fiscal action is preferable to "internalization" of environmental costs in the price structure, the *form* this federal action should take is controversial. Leaving out of account certain tax incentives devised to influence conduct that tends to have beneficial environmental consequences, Professor Stanley Surrey has identified two basic federal options:

1. "Direct government expenditure programs," a process under which programs are normally given direct and searching budget management evaluation (this would include grants, subsidies and loan guarantees).

2. "Tax subsidies" or "tax expenditures," a process by which some program or project is financed by tax liability concessions of one kind or another (this would include investment tax credits, accelerated depreciation and tax exemption).

Professor Surrey opposes "tax expenditures" because they "tumble into the law without supporting studies, being propelled instead by cliches, debating points, and scraps of data and tables that are passed off as serious evidence." Apart from this rhetoric, it appears that Professor Surrey's *substantive* objections to use of the "tax expenditure" option are:

(1) That the need for programs supported by tax expenditures receives inadequate or at least less consideration than the need for direct expenditure programs;

(2) That the costs and benefits of a program are given less or inadequate consideration when tax expenditures are employed;

(3) That program effectiveness evaluation is less likely to occur when programs are supported by tax expenditures;

(4) That program objectives of tax expenditure programs are more apt to be obscure.

Professor Surrey advocates that the antidote to ill-considered programs supported by tax expenditures is to "restate the tax program as a direct expenditure program and ask whether such a program represents a desirable policy. But even if the program when "directly" evaluated turns out to be a "desirable policy," Professor Surrey still believes that support of the program should be in the form of a direct expenditure program:

"Thus, for example, if it is decided that elimination of tax expenditures for natural resources should be accompanied by government assistance in oil and mineral exploration, the direct programs can be readily devised."

Whether some, many or all tax expenditure programs in fact "tumble into the law" without the four-fold program evaluation Professor Surrey advocates is a question that need not be resolved herein. It is elementary good government that all programs should receive such evaluation regardless of what funding process is utilized. In the ensuing portions of this analysis devoted to consideration of the various capital formation and/or recovery options available through tax legislation such direct program evaluation will in fact be undertaken. Such direct evaluation demonstrates that adoption of improved investment tax credit measures, a special environmental investment tax credit system, and improved capital recovery measures are all essential to achieve the multiple national goals of a sound economy and environmental protection.

The fundamental dispute arises over the proposition that tax expenditure programs should or must be "translated" into direct government expenditure programs to be effective and accountable.

One of the primary realities that must be recognized is that the investment tax credit and the special environmental credit are not "tax subsidies." As shown hereinafter, neither will produce any revenue dilution but rather, based on some fifteen years' experience, will stimulate treasury receipts due to the increased production of pollution abatement devices which thereby increases the private sector taxable basis.

In contrast, given the presence of perennial budget deficits, to address capital formation problems by direct grants would aggravate the federal deficit picture and necessitate further federal borrowing to obtain grant funds that would otherwise be available through tax credits without incurring interest charges. Thus a direct expenditure approach to the capital formation problem would be more costly in absolute numbers of dollars and would contribute to increasing the national deficit. Moreover, the various investment tax credit provisions are virtually self-administering, thereby obviating the cost of additional grant administration personnel.

The importance of the foregoing is underscored by the fact that the federal government is already heavily involved in direct environmental grant programs that are increasing rapidly: $5.9 billion in 1975, $7.1 billion in 1976 (estimated) and $8.6 billion in 1977 (estimated). Moreover, the federal government also expends substantial amounts to assist state and local governments in bearing their share of environmental abatement costs and programs. CEQ forecasts that the federal government will subsidize state and local governments by more than $3 billion between 1975 and 1983, quite apart from the above-noted grants.

III. CAPITAL FORMATION BY TAX LEGISLATION

A. The investment tax credit

During the period 1962 through 1975, the various investment tax credit measures have provided an important source of capital for American industry. Experimentation with the investment credit during this period has demonstrated that it is a particularly effective means of controlling the level of capital supply thereby significantly affecting productivity, employment levels, and the rate of inflation. Moreover, use of the investment credit can be made without incurring dilution of Treasury revenues. The increased productivity resulting from investment credit expenditures increases the corporate income base and thus produces corporate tax revenues to the Treasury which substantially exceed revenue dilution. This factor was implicitly recognized by the Congress in its recent enactment of the Tax Reform Act of 1976 which extended the existing investment credit until December 31, 1980 (which would otherwise have expired December 31, 1976). In addition, there is a long-lasting continued increase in budget revenues as a result of the investment tax credit.

While a four year extension constitutes some progress, it is evident that indefinite extension of investment credit provisions is a minimum essential merely to accommodate existing non-environmental capital needs. Former Secretary of the Treasury Simon recently stressed the serious effects of corporate borrowing, which has sharply increased during the past decade as internally generated corporate funds and equity financing fell short of meeting capital needs.

"One of the factors which can inhibit the future growth of needed capital formation is the financial condition of American corporations. Analysis of debt-equity ratios indicates that corporate balance sheets have shown signs of deterioration over the past decade, which is a break from the pattern which persisted in earlier periods. Debt has increased dramatically, both in absolute terms and relative assets and income. Interest costs have risen appreciably, roughly doubling over the past ten years. The combination of increased debt financing and higher interest rates has resulted in a decline in the coverage ratios reported by American corporations—that is, the ratio of earnings to interest charges. The ratio of liquid assets to debt has shrunk. As a result of these developments, there is a serious question about the potential capability of companies to be able to finance the capital investment that will be required to achieve our basic economic goals of reducing unemployment and inflation as I outlined earlier in my testimony."

The investment credit device offers significant advantages. First, the taxpayer is entitled to the credit only when the proceeds are in fact used for the designated statutory purpose thereby assuring that the purpose of the credit is achieved. It thus possesses the advantage of being for all practical purposes self-administering, unlike direct government expenditure programs.

Second, the investment credit is a highly effective means of "capital deepening" and can, over the years, contribute significantly to the capital base of the economy that will be necessary for increased productivity and employment, and containment of inflation to an acceptable rate. To achieve these goals the investment credit must be both adequate in amount and of sufficiently long duration.

As to the amount, Congress in its wisdom in the Tax Reform Act determined that 10 percent was appropriate during the period through December 31, 1980. Yet virtually every responsible economic forecaster predicts that the "capital gap" will increase during the next decade and probably for the remainder of the century. It would have been more consonant with economic realities had Congress followed the Senate bill and enacted an investment credit provision of indefinite duration. Moreover, such investment credit should be structured to increase in amount from the basic irreducible 10 percent to higher rates which would generate increasing capital necessary to maintain acceptable levels of productivity and employment. By such a system the amount of investment credit could be adjusted to keep pace with capital requirements without resort to the time-consuming process of enacting new tax legislation periodically, and in addition the long term continuity that is

essential would thereby be provided. Experience with the Tax Reduction Act of 1975 demonstrates that due to long lead times in obtaining heavy equipment, there must be a long term investment credit program if companies are to utilize the credit effectively.

The Tax Reform Act of 1976 contains other important provisions that facilitate capital formation. Congress modified the prior limitation of the investment credit to $25,000 of tax liability plus 50 percent of liability in excess of $25,000 and provided a three year carry-back and a seven year carry-forward for credits not used due to the above-noted limitations. Under this system, credits accruing in a given taxable year are applied against the tax liability for that year before any carry-overs or carry-backs of unused credits from other taxable years become applicable.

In addition, under the 1976 Act a so-called "first-in first-out" method of handling investment credits was adopted. Thus in a given taxable year the *oldest* pending credit is used first, the next oldest next, and so on. The effect of this provision is to enhance the likelihood that credits will be fully utilized by effectively extending the duration of credit eligibility. Lengthening the potential duration of earned credits likewise increases somewhat the possibility that unprofitable or marginally profitable companies may utilize such credits.

B. Environmental investment tax credit

Prior to enactment of the Tax Reform Act of 1976, federal tax provisions provided little in the way of "tax expenditures" to meet pollution control capital requirements. One such provision provides that the interest earned on industrial development bonds shall not be included in the gross income of the bondholder if he either qualifies as an "exempt person" (*i.e.*, an Internal Revenue Code Section 501(c)(3) entity exempt from tax under Section 501(a) or if substantially all of the proceeds of the bond are used, *inter alia*, (A) for sewer or solid waste disposal facilities, or (B) for air or water pollution control facilities. However, provision (A) may well (among other disadvantages and limitations) actually encourage waste disposal rather than recycling; and as to air and water pollution control facilities, most if not all bond proceeds would inure to the benefit of state or local governments rather than meeting private sector needs.

The other "environmental" provision prior to passage of the 1976 Act allows "every person" to elect five year amortization for "any certified pollution control facility" which is "a new identifiable treatment facility which is used, in connection with a plant or other property in operation . . . to abate or control water or atmospheric pollution or contamination by removing, altering, disposing, or storing of pollutants, contaminants, wastes or heat" if both the state and federal "certifying authorities" approve. By virtue of the definition of "new identifiable treatment facility" this five year amortization can be elected only as to "tangible property" (not including a building and its structural components, other than a building which is exclusively a treatment facility) which is of a character subect to the allowance for depreciation provided in section 167 "but only if the construction is completed after December 31, 1968 and placed in service before January 1, 1976. The amortizable basis of such a facility was not eligible for the investment credit.

The 1976 Act provides for two significant improvements:

1. As to qualifying facilities constructed after January 1, 1969, but before January 1, 1976, the taxpayer can elect a five year amortization plan and take one-half the investment credit provided the investment did not lead "to a significant increase in output or capacity, a significant extension of useful life, or a significant reduction in total operating costs for such plant or other property (or any unit thereof), or a significant alteration in the nature of a manufacturing production process or facility."

2. As to qualifying facilities placed in service after December 31, 1976, the taxpayer can elect both a five year amortization schedule and an investment credit not to exceed two-thirds of the 10 percent standard investment credit.

Adoption of the principle of a special environmental investment credit by the Congress is of the utmost importance. As already noted it is highly doubtful the capital formation produced by the standard investment credit provision of section 802 will be sufficient to meet future needs and, as suggested above, should be keyed flexibly to increasing capital requirements. Without special provision for an environmental investment credit to meet capital requirements created by private sector compliance with federal environmental laws and regulations, an unhealthy competition for capital would arise which would both impede productivity and related employment and thwart or delay unduly compliance with national environmental objectives. In this latter connection it should be stressed that a number of environmental statutes condition compliance and attainment of standards upon economic practicability. Hence congressional recognition of the need for special environmental investment credits is of landmark significance.

It should be further noted that were Congress to adopt the "sliding scale" approach to the regular investment credit, as advocated, the special environmental credit for qualifying facilities placed in service after December 31, 1976, which amounts to two-thirds of the regular credit would likewise escalate when the regular credit escalated to meet increased capital needs.

Although Congress in the 1976 Act expanded somewhat the definitional scope for qualifying facilities, it still remains unduly circumscribed. The credit should be available not only for pollution abatement equipment and buildings that are entirely pollution abatement facilities, but for other buildings and structures as well. The credit should extend to environmentally designed production facilities and processes as well if reform objectives are to be realized. In future years when the national air and water quality goals have, hopefully, been reached, then the predominant regulatory objective will be the maintenance of these standards. Necessarily, with anticipated growth in population and industrial activity, air and water quality maintenance objectives will be feasible only by fundamental redesign of many plants and processes. Extension of investment credits for plants would provide a needed stimulus to phase out existing operations which are costly and not optimally feasible to modify, and to replace these with environmentally designed plants better capable of achieving future standards at acceptable maintenance and operation cost levels. It is widely recognized that the incremental cost of achieving higher levels of environmental purity mounts steeply as stricter goals are met and maintained. In the long run it will thus be cheaper to convert to plants and processes which have been designed to achieve a high degree of environmental protection rather than continue to "fix," or modify or retrofit, existing plants to meet and maintain increasingly stricter standards.

To be fully effective, tax incentives should be available for *any* control facility or abatement procedure required by federal, state or local environmental laws or regulations. Accordingly, existing law should be amended to include a broad tax incentive definition, such as:

"The term 'pollution control facility' means any facility (including buildings and equipment) the primary purpose of which is to abate, control or prevent actual or potential environmental pollution."

While air and water pollution control at present appears to comprise the major portion of forecast environmental cost, Congress has enacted extensive legislation addressed to other kinds of pollution. Abatement strategies for stripmining, solid waste, pesticides, oil spills, ocean dumping and other categories are in their infancy. As regulatory programs in these areas are developed, significant additional costs will undoubtedly result. Congress, therefore, should provide for comprehensive environmental tax incentives keyed to the full range of environmental protection and reform programs that it has enacted.

While there has as yet been no actual experience with implementation of the environmental tax credit, available data suggests it will offer all the same advantages that the conventional credit provides. Like the conventional credit, the environmental credit program is self-administering and avoids the cost of grant administration personnel. Furthermore, recent CEQ economic studies conclude that funds spent on environmental abatement will not only significantly enhance the productivity of existing firms that manufacture or build abatement equipment and facilities but will attract new private sector activity as well.

While these CEQ studies do not undertake to quantify the amount by which Treasury tax receipts are increased by the new economic activity stimulated by the "environmental industry," CEQ does estimate "that approximately 300,000 people are now employed who would not otherwise be." CEQ adopted a rule-of-thumb indicator that a billion dollar expenditure generates directly or indirectly about 70,000 jobs. Thus given the expenditure of the forecast private sector environmental capital requirements during the period 1975–1984, it is evident that the federal tax base will be expanded enormously, and such expansion will increase the Treasury tax revenue yields as well. Thus there is every reason to conclude that the revenue yield history of the conventional investment credit will also hold true for the environmental tax credit.

Moreover, since it is virtually universally conceded that a protracted period of capital shortage will prevail, it is evident that without the environmental tax credit, every investment dollar diverted from "conventional" production activity to meet legally mandated environmental requirements will thereby increase the expected capital gap and so contribute to less productivity, lower employment and, correspondingly, less tax revenues.

Finally, to the extent that the special environmental credit contributes to the ability of United States industry to compete effectively costwise with our eleven leading trade partners, the credit will contribute to solution of the "distortion" problem arising from unequal United States versus foreign environmental costs without recourse to import relief measures.

C. Accelerated capital recovery

As with investment credits, United States policy with respect to capital recovery provisions must take into account both the so-called conventional needs of the economy to achieve increased productivity and employment and the special demands resulting from environmental pollution abatement. Despite the recent upturn in the United States economy, certain basic long-term indicators suggest that major increases in investment will be necessary to restore its vitality. The United States has lagged significantly behind other industrialized nations in terms of productivity growth during the period 1960–1973. This trend is particularly ominous because in the past the United States has been able to preserve viable

market shares against foreign competition despite price disadvantages by virtue of superior worker productivity.

A similarly bleak trend is evident in the comparative real gross national products (GNP) per employed civilian of several nations during the period 1950–1972. The declining worker productivity in the United States has produced a condition in which the GNP per worker in the United States has fallen below that enjoyed by such nations with troubled economies as Great Britain, France and Italy. Given the well-established relationship between the level of investment and growth, it is clear that expanded capital recovery provisions are necessary to augment capital supply and production investment to counter these trends. It is no coincidence that virtually all of the industrialized nations have more liberal capital recovery provisions than those presently in force in the United States under the Asset Depreciation Range (ADR) System. These facts suggest the immediate need to increase the permissible range under the ADR System for depreciating capital assets from 20 percent to a significantly higher level.

A further important corrective measure would be the elimination of the salvage increment in depreciation schedules. During periods of inflation, depreciation allowances based on original cost fail to recover capital adequate to finance facilities having significantly higher replacement costs. Moreover, during such inflationary periods corporate profits, unless adjusted for inflation, are overstated. It has heretofore been noted that the inability to generate sufficient capital from corporate profits has weakened the economy by creating increasing dependence on debt financing with resultant deterioration of debt-equity ratios. This shortfall in capital recovery during a period of higher replacement costs and declining profits is aggravated by inclusion of a salvage factor in depreciation schedules. It must be recognized that the salvage increment is a holdover from the archaic policy of gearing depreciation schedules to the actual life of assets. Retention of such anomalies in the tax law impedes attainment of adequate capital supplies and is thus counterproductive.

Given the magnitude of capital requirements to increase productivity and employment, the additional drain on capital funds created by environmental requirements mandates special treatment. Pollution control costs have increased and are forecast to continue to increase dramatically. The CEQ study notes that expenditures for pollution control totalled $12.3 billion for capital expenditures in 1974, and that these are forecast to reach $27.5 billion for operating and maintenance and $27.8 billion for capital expenditures in 1983. In view of the increasingly high incremental cost of attaining progressively stricter goals that are structured into major existing environmental laws, these estimates may indeed be low.

IV. CONCLUSION

For at least the remainder of this century the United States faces uniquely complex and difficult challenges. It must cope with already well-established trends of declining productivity, inflation and unemployment. To do so, adequate domestic energy resources must be developed at economically viable levels and industrial productivity must be expanded. Both goals also involve major impacts on the environment which will be increasingly costly to control within acceptable limits. What constitutes acceptable limits has been defined by Congress in terms of legal deadlines established by comprehensive legislative and regulatory programs. These programs were structured by Congress to impose progressively more stringent standards which will become increasingly costly to achieve.

Moreover, environmental control programs are likely to expand—*e.g.*, to protect more effectively ocean, outer continental shelf and coastal resources. Significant additional effort will be required in the areas of research, planning and environmental design

All of these efforts must be undertaken and implemented contemporaneously. Consequently, the government must devise capital formation and recovery provisions capable of financing *all* of these deeply interrelated activities. At a minimum the following program appears to be indispensable:

1. Continuation on an indefinite basis of existing investment credit provisions amended to provide sliding scale adjustments to reflect changes in capital requirements.

2. Adoption of the perfecting amendments to existing investment credit provisions.

3. Continuation of the special investment credit for environmental control expenditures keyed to the level of the standard investment credit as adjusted by the sliding scale procedure.

4. Reform of existing capital recovery provisions for non-environmental investment.

5. Expensing in the year invested rather than depreciating facilities installed pursuant to environmental requirements.

Anything short of this multi-dimensional program will seriously jeopardize the prospects for attaining one or more indispensable national goals: With the exception of certain suggested improvements the validity of all of the foregoing has been recognized in principle by the Congress in the Tax Reform Act of 1976. These measures have in fact been carefully scrutinized, their costs and benefits weighed, and the ultimate program objectives considered. Important improvements and refinements remain to be made but it is clear that the tax legislative approach is a far sounder method of coping with capital formation requirements and offers many more advantages than the direct government expenditure alternative.

ANNOUNCEMENT OF HEARINGS

Mr. McINTYRE. Mr. President, the Research and Development Subcommittee of the Armed Services Committee will meet in executive session on August 24 to continue hearings on the fiscal year 1978 supplemental military authorization bill. Witnesses will include Gen. Richard H. Ellis, Commander and Chief of the Strategic Air Command, and other representatives of the Departments of Defense and Energy. The hearing will be held in room 224 of the Russell Senate Office Building. The time will be announced at a later date.

STATEMENT FOR SENATOR JACKSON

Mr. President, I wish to announce for the information of the Senate and the public that the following hearings and business meetings have been scheduled before the Committee on Energy and Natural Resources beginning on September 6, 1977:

September 6, Parks and Recreation Subcommittee, 9 a.m., room 3110, hearing, S. 1976, Redwood National Park bill.

September 7, Parks and Recreation Subcommittee, 9 a.m., room 1114, hearing, S. 1976, Redwood National Park bill.

September 7, Energy Conservation and Regulation Subcommittee, 10 a.m., room 3110, hearing, part E, utility rate reform, of S. 1469, the National Energy Policy Act.

September 8, Energy Conservation and Regulation Subcommittee, 8 a.m., room 3110, hearing, part E, utility rate reform, of S. 1469, National Energy Policy Act.

September 8, full committee, 10 a.m., room 3110, business meeting, part D, natural gas pricing, of S. 1469, National Energy Policy Act.

September 9, Energy Conservation and Regulation Subcommittee, 8 a.m., room 3110, hearing, part E, utility rate reform, of S. 1469, National Energy Policy Act.

September 9, full committee, 10 a.m., room 3110, business meeting, part D, natural gas pricing, of S. 1469, National Energy Policy Act.

September 12 through 16, full committee, 10 a.m., room 3110, business meeting, pending calendar business.

September 19 and 20, Public Lands Subcommittee, 10 a.m., room 3110, hearing, S. 2053, deep seabed mining legislation.

September 21, full committee, 10 a.m., room 3110, business meeting, pending calendar business.

September 22, Public Lands and Resources Subcommittee, 10 a.m., room 3110, hearing, S. 473; S. 553; S. 624; S. 688; S. 824; S. 917; S. 920; S. 1000; S. 1318; S. 1403; S. 1744; S. 2033; S. 2041; H.R. 1403; H.R. 2501; H.R. 2527; H.R. 4974, land conveyance bills.

September 23, Parks and Recreation Subcommittee, 10 a.m., room 3110, hearing, S. 1791, Chattahoochie River National Recreation Area legislation, and S. 1156, to establish San Antonio Mission National Historical Park bill.

HEARING NOTICES

September 13, 9 a.m., Governmental Affairs Subcommittee on Civil Service and General Services. To hold hearings on S. 386, S. 865 and S. 1133 to repeal the requirement relating to apportionment in the civil service in the District of Columbia among the states. 457 Russell Building.

September 14, 9 a.m., Governmental Affairs Subcommittee on Civil Service and General Services. To hold hearings on H.R. 2931 to establish uniformity in Federal employee health benefits and coverage provided pursuant to contracts by pre-empting state or local laws inconsistent with such contracts. 1202 Dirksen Building.

September 15, 9 a.m., Governmental Affairs Subcommittee on Civil Service and General Services. To hold hearings on S. 666 to allow Federal employment preference to certain employees of the Bureau of Indian Affairs and of the Indian Health Service who are not entitled to the benefits of or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians. 6202 Dirksen Building.

THE NECESSITY OF EARLY ENACTMENT OF S. 1882, THE ARSON CONTROL ASSISTANCE ACT OF 1977

Mr. GLENN. Mr. President, on July 19 I introduced S. 1882, the Arson Control Assistance Act of 1977. My bill is designed to combat the astonishing growth of arson for profit. This vicious crime is terrorizing and devastating many of our urban centers while going virtually unchecked.

S. 1882 does two things, that, taken together, will strengthen the enforcement effort against arson. First, it reclassifies arson from a "part two" to a "part one" major crime under the FBI's Uniform Crime Reports System. Second, it gives specific authority to LEAA to make grants that assist localities in developing programs designed to combat arson. Only by properly declaring arson a major crime can we begin to collect accurate data and focus proper national attention and awareness on this crim-

inal activity that, by some estimates, has grown by over 300 percent over the past decade. Increased technical assistance and training programs will also serve to further increase law enforcement "heat" on the arson-for-profit criminal.

Mr. President, Senators MOYNIHAN and FORD have joined as cosponsors of S. 1882. Additionally, since introduction of S. 1882 last month, there have been several major newspaper stories further documenting the epidemic of arson for profit in various forms as well as community efforts to fight the spread. I urge my colleagues to read these materials and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the National Underwriter, Property & Casualty Insurance edition, July 29, 1977]

FIRED UP OVER ARSON

The upsurge in arson activity over the past several years, with its attendant severe toll in economic as well as human terms, has been duly reported in this and other publications on many occasions.

However, developing effective methods to reduce or curb the incidence of arson and to bring to justice those responsible for commission of that act is a problem whose solution, we feel, should be of paramount importance to insurers.

The absence of reliable arson statistics is a severe stumbling block to reducing or controlling the crime, in the opinion of John Wrend, vice president of the Chicago-based Property Loss Research Bureau.

In a recent talk at the annual meeting of the National Crime Prevention Assn. in Washington, D.C., Mr. Wrend said that to a great extent nobody really knows what are the dimensions of the arson problem, and one reason for the mystery is that data on arson is "sketchy, inexact and largely unsubstantiated."

One key step that can be taken to upgrade arson data is to bring about a reclassification of arson in the ranking of crimes by the FBI, the recognized source of crime statistics in the U.S. and whose reports greatly influence the crime-fighting efforts of states and municipalities.

Mr. Wrend notes that currently arson is listed by the FBI as a Part II crime much in the same class with such relatively minor offenses as vagrancy, drunkenness and disorderly conduct. To bring this into focus, Mr. Wrend said, "If an individual steals a bicycle he's guilty of having committed a Part I crime. On the other hand, if that same person torches a building which results in a multi-million-dollar loss, he would be guilty of having committed a Part II crime.

Mr. Wrend predicted that reclassifying arson as a Part I crime, and thus boosting it to the same level of severity as murder, rape and theft, would produce much more significant data than is now required for Part II crimes, for which the FBI demands minimal statistics.

Reclassification, in the words of Mr. Wrend, "would exert a tremendous influence in jolting the public, legislators, prosecutors, judges and our own industry into a greater awareness of the arson problem."

It seems amazing to us that arson should have ever been classified as a Part II crime by the FBI. Indeed, one wonders who was the bureaucratic boob who ranked such a serious offense alongside of such innocuous offenses against society as vagrancy or drunkenness.

And it also seems to us that the insurance industry should assume a more active and persistent role in demanding better statistics with which to work toward developing approaches to control the incidence of arson.

To paraphrase an Illinois judge, arson is not only a fraud against the insurance industry, it is also a fraud on members of the community who must share the cost of fraudulently induced insurer payouts.—D.C.J.

[From the New York Times, July 26, 1977]

BROOKLYN WELFARE FAMILY LINKED TO $40,000 ARSON-FOR-PROFIT PLOT

(By Molly Ivins)

A Brooklyn family has engaged in "arson for profit" for more than seven years and received more than $40,000 in special welfare benefits for relocation and replacement costs, according to a report by the State Office of Welfare Inspector General.

The report, made public yesterday, accuses New York City's Human Resources Administration of "an unbelievable degree of laxity bordering on dereliction." Ralph A. Cipriani, acting Inspector General, said 13 fires had occurred in the apartments of one woman welfare client and one of her grown daughters. Ten of the fires have occurred since 1974, he said.

In each case the family was reimbursed for loss of furniture, even though in five of the fires there was some evidence that the furniture had been removed before the fire started, the report said.

LACK OF EVIDENCE REPORTED

A spokesman for the city's H.R.A. said: "The case he's talking about was investigated by the H.R.A.'s Inspector General with the cooperation of the Fire Marshal. There was suspicion of arson, but the Marshal concluded there was not enough evidence to refer to the District Attorney's office. As you know, arson is especially hard to prove, because the evidence goes up in smoke. We consider Mr. Cipriani's charges uncalled for."

Fire Commissioner John T. O'Hagan said: "We have long been aware of the problem of arson to obtain social support payments. We have alerted H.R.A. and requested them to discontinue the profit factor long before Mr. Cipriani became interested in this."

The Fire Commissioner said that H.R.A. officials had told him they believed arson is a factor in only "a relatively small percentage of cases."

"I am at a loss to influence the H.R.A.," Mr. O'Hagan went on, adding that he believed the city agency should refuse to pay for new furniture and moving expenses after one fire.

The family described in the report by the Office of the Inspector General is headed by a 42-year-old South Carolina woman who has been on the city's welfare rolls since 1954. Five children from 7 to 16 live with her, and two older daughters, 23 and 24, have moved out and have four children of their own. They are also on welfare. The family has lived at various times in the arson-prone areas of Bushwick, Williamsburg, Bedford-Stuyvesant and Brownsville.

FAMILY NAMES NOT GIVEN

The names of the family members are not being released "pending action by the city," the state report said.

Mr. Cipriani said a copy of the report had been sent to District Attorney Eugene Gold of Brooklyn. Commissioner O'Hagan said: "He hasn't shared his records with us."

The first fire occurred in December 1969, and the mother was given $1,751 to replace furniture, clothing and food. Three months later, on March 20, 1970, another fire occurred in the same apartment. This time the family was put up in a hotel until mid-November at a cost of $20,114—about $10,000 in special grants, $6,270 for hotel rooms and $3,844 for food. Such funds are 50 percent Federal, 25 percent state and 25 percent city.

Sometimes social workers who visited the scene of the fires noted that there was little furniture in the apartments, but according to the Inspector General's reports, other workers apparently did not bother to go out to investigate the scene. In three of the fires, no "fires and disasters" report was made by the H.R.A., in violations of H.R.A. procedures, according to the report.

[From the Washington Post, July 25, 1977]

ARSON SUSPECTS GOT FIRE AID

NEW YORK, July 25.—Members of a Brooklyn family who received at least $250,000 in welfare since 1969 may have set fire to several of their homes and collected an additional $40,000 in relocation costs, according to a report released today.

The report, by State Comptroller Arthur Levitt, said that the city's Human Resources Administration "exercised an unbelievable degree of laxity bordering on dereliction" in handling the case of the unnamed family.

It noted that the fire department had filed investigative reports for only half the fires, although family members were allegedly well-known as suspects in "arson for profit."

Hearings conducted by the welfare inspector general also "disclosed a history of 13 fires since 1969, of which 10 occurred since 1974."

The family lived in various sections of Brooklyn. It includes a 42-year-old grandmother on welfare since 1954, five of her children from 7 to 16 years of age, two older daughters, 23 and 24, and four of their children.

Relocation funds were paid for furniture and clothing allegedly lost in the fires and for hotel rooms and meals while living quarters were found for the family, even though, on five occasions, "there were sufficient evidence to indicate that the fires were set after removal of furniture," the report said.

The report recommended that the Department of Social Services submit a report to Brooklyn District Attorney Eugene Gold.

[From the Cincinnati Call and Post]

COMMITTEE TO REWARD SUPPRESSION OF ARSON

COLUMBUS, OHIO.—A $10,000 arson reward fund has been established to help Ohio public officials fight the crime of arson. Rewards from the fund will be part of a citizen-participation program announced by the Blue Ribbon Arson Committee of the Ohio Fair Plan Underwriting Association.

Gene L. Jewell, committee chairman and chief of the Ohio State Fire Marshal's Arson Bureau, said public-spirited citizens who help to suppress arson in their communities will be eligible for cash rewards from the fund. Persons who provide information to a fire chief, police chief, prosecuting attorney or any member of their staffs may be nominated for a reward if that information aids in supressing a case of arson to property in Ohio.

Information on fires that occurred on or after January 1, 1977, are eligible for nominations, but the program itself will run from August 1, 1977 to August 1, 1978. All nominations will be reviewed, award amounts determined and rewards will be presented in August, 1978.

The fund was subscribed by major property insurance companies in Ohio, and anyone connected with the program will not be eligible to receive an award. Ineligibles include members of Jewell's committee, staff of the Ohio Fair Plan, insurance industry employees, public officials, law enforcement and prosecuting personnel and their families.

Jewell said the conviction rate for arsonists is lower than the rate for any other crime: "Studies show that only about one percent of suspected arsonists are convicted. Fire and law enforcement officials want to reverse that figure, but we need community help and citizens' participation."

[From the New York Times]

ARSON, A DEVASTATING BIG-CITY CRIME

(By Joseph P. Fried)

Several factors have combined in recent weeks to heighten public consciousness of arson; the fires that accompanied the July blackout and Mayor Beame's decision, apparently under pressure of his re-election campaign, to emphasize New York City's efforts to combat incendiarism. But as exhausted firemen, frightened residents and dismayed community leaders can testify, in the city and elsewhere in the region from Rochester, N.Y. to Elizabeth, N.J., arson is a phenomenon that has been around—and growing—for more than the last few weeks.

The exact dimensions of the phenomenon are difficult to determine, partly because "a good arsonist destroys the evidence," as Francis Cruthers, chief of operations of the New York City Fire Department, puts it. But there are sufficient clues for Chief Cruthers and other officials to conclude that arson is common. The evidence includes the recurrence of fires in abandoned buildings and the tendency for numerous fires to erupt in the same, usually declining, neighborhoods.

Bushwick and the West Bronx are among the latest New York City neighborhoods to be victimized by arsonists, joining the South Bronx and Brownsville and East New York in Brooklyn. Chief Cruthers estimates that 25 to 40 percent of the building fires in New York City are deliberately set. Because the limited staff of fire marshals cannot investigate all blazes, the official arson figures are much lower than that. The number of structural fires in the city has risen steadily, from 48,000 in 1972 to 56,000 last year, but the number proven by investigators to be arson has hovered at around 4,000 annually.

In Yonkers, fire investigators report 203 fires examined for suspected arson so far this year. At that rate, the annual total would greatly exceed the 269 of last year. Mount Vernon recently recalled its retired fire chief, Alexander Leggatt, to active duty as a full-time arson investigator. The city has suffered more than 80 suspicious fires this year, primarily in its black neighborhoods. Officials in the upstate cities of Rochester and Albany also report significant increases in arson.

In New Jersey, Newark has long had substantial arson in some of its neighborhoods, and "there is a sign of it in the past year or two" in Elizabeth, according to that city's fire chief, Edward Sisk.

In the United States as a whole, fire-protection specialists estimate the arson rate has tripled in the last 15 years to about 15,000 annually. The damage and loss amount to about $1 billion.

Fire officials in New York City and elsewhere attribute part of the increase to businessmen or property owners seeking to collect on their insurance policies. The "arson for profit" owners may be slumlords who see no value in their decaying buildings other than the insurance money. Although many of these owners may be driven by desperation, one former city prosecutor insists that at least some are avaricious entrepreneurs who buy decrepit buildings solely to arrange a profitable fire.

Other suspected arsonists are slum residents who, fire officials say, ignite their own apartments to obtain higher priority for relatively few public housing vacancies or to get emergency benefits, such as relocation allowances, that New York City offers to welfare families. A welfare family consisting of the parents and three children, for example, can obtain up to $2,000 if city officials determine that a fire has made the family's apartment uninhabitable and destroyed its furniture and clothing.

Real estate officials argue that landlord arson has been exaggerated. Some welfare officials and community leaders insist that tenant arson has also been exaggerated and that, given the cost of moving and buying new clothing and furniture, there is not much to gain by burning one's apartment.

Still other arsonists are said to be "building strippers" and scavengers who find that a fire is the quickest way to empty a building and gain access to plumbing, appliances and other objects that can be sold for scrap. There are also youngsters who, if they are not being paid to "torch" a building for an owner, set fires for sheer excitement. People of all ages, moreover, are sometimes moved to arson by the desire for revenge.

Federal, state and local officials have acted recently to deal with arson in New York City. The city formed a 100-member team of fire marshals and police officers to concentrate on the most affected neighborhoods. In the past, though, police and fire officials have not worked well together on arson-suppression teams, one fire official has acknowledged.

At the state level, Governor Carey last week signed into law a bill designed to take the profit out of arson by permitting cities to collect delinquent taxes and other payments from landlords' insurance proceeds. And a Federal grand jury recently started an investigation into arson for fraud in the Bronx and northern Manhattan.

To many urban specialists, however, these steps, although important, are not regarded as the ultimate answer. They believe that as long as urban decay continues to spread as rapidly as in recent years, arson will continue.

[From the New York Times, July 21, 1977]

ARMED CITIZENS PATROL BUSHWICK, SAYING THE POLICE DO NOT DO JOB

(By Pranay Gupte)

Late every evening, when the sun has disappeared behind the decaying tenements in the Bushwick section of Brooklyn, William Johnson brings out his shotgun, coaxes his two German shepherd dogs out of their kennels and starts patrolling his block.

The block, between Granite and Furman Avenues, has, like other areas in Bushwick, been repeatedly struck by arsonists in the last few months. And so now, contending that the New York City Police Department has failed to monitor the area properly, Mr. Johnson and other residents of the neighborhood have formed a citizens' vigilance group.

"We have no choice but to take on this responsibility," said Mr. Johnson, who is licensed to possess a shotgun. He lives at 1501 Bushwick Avenue.

His house, a three-story frame structure, stands next to two other similar type of buildings that were attacked by arsonists several months ago. The debris from the fire still has not been cleared away, and neighbors fear that if there is another fire on the premises, the blaze could well sweep the entire block, because all the houses are connected.

The residents of this block say their apprehensions are aggravated because a sudden, sweeping fire—caused by arsonists, according to the police—spread through a seven-block area last Monday not far away from this neighborhood. That fire destroyed 23 buildings and displaced more than 250 people.

Yesterday, District Attorney Eugene Gold of Brooklyn announced the arrests of three youths from the borough on charges that they started the fire, which raged for several hours.

Mr. Gold identified two of the suspects as John Damico, 18 years old, of 1358 DeKalb Avenue, and John Rivers, 16, of 135 Irving Avenue. They have been charged with arson. The identity of the third suspect—all the suspects were arrested late Tuesday night—was not disclosed because of his juvenile status. He is 12 years old, Mr. Gold said, and he has been charged with juvenile delinquency.

The police said that the suspects, who lived several blocks from where the fire began, set it to destroy evidence of the glue they had been sniffing.

Yesterday another fire hit the Bushwick section of Brooklyn. It was a three-alarm blaze that occurred in a vacant five-story brick factory at Lexington and Lewis Avenues, about 10 blocks from Monday's fire, which started in an abandoned knitting plant at the corner of Myrtle and Knickerbocker Avenues.

The fire yesterday began shortly after 1 a.m., and two firemen were reported slightly hurt extinguishing it.

Fires like these have made Mr. Johnson and his neighbors extremely wary.

Gwendolyn Hart, who lives at 1473 Bushwick Avenue, said she feared that if something was not done to prevent such fires, there would soon be no homes left in Bushwick.

"Where are our officials?" Miss Hart asked yesterday. "What do they do to help us? We want a decent neighborhood, but the city government is systematically ruining us by its neglect."

Both she and her mother, Pearl Hart, recalled the time when they first moved into the neighborhood, 20 years ago. There were mostly Germans and Italians here then, they said, and there was harmony between them and the few blacks in the area.

A CHANGE FOR THE WORSE

Sanitation pickups were regular and crime was minimal, Miss Hart said. Now, she said, the garbage is collected only infrequently and the crime rate is high—not unlike other low-income areas around the city.

And Kareen Wilson, who lives near the Harts, remembered the elms that lined Bushwick Avenue 18 years ago when she and her parents came here. Miss Wilson, a Brooklyn College sophomore, was 5 years old at the time, and she spoke of how residents would rest or picnic under the shady trees on warm summer afternoons.

But the elms are gone now, victims of a tree disease that struck the area a few years ago. The whites are gone, too—to the suburbs, for the most part, or to neighborhoods where crime is not so high. Now most of the residents are black and nearly all own the houses they live in. They say that fear characterizes their lives now.

"This whole neighborhood is dead," Miss Wilson said. "There is no protection for us—no one cares for Bushwick."

Why, then, do people stay?

"Where are we going to run to?" Miss Hart said.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Bernal D. Cantwell, of Kansas, to be U.S. marshal for the district of Kansas for the term of 4 years vice Jack V. Richardson.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Friday, August 12, 1977, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Hubert H. Bryant, of Oklahoma, to be U.S. attorney for the northern district of Oklahoma for the term of 4 years vice Nathan G. Graham, resigned.

Carl W. Gardner, of Oklahoma, to be U.S. marshal for the northern district of Oklahoma for the term of 4 years vice Harry Connolly.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Friday, August 12, 1977, any representations or objections they may wish to present concerning the above nominations with a further statement whether it is their intention to appear at any hearing which may be scheduled.

REFERRAL OF A BILL—S. 897

Mr. GLENN. Mr. President, I have a further unanimous-consent request. I ask unanimous consent to amend the referral of S. 897 and amendment No. 745 thereto to provide that the bill and the amendment be jointly referred to the Committee on Governmental Affairs, the Committee on Foreign Relations, and the Committee on Energy and Natural Resources, with the proviso that the Energy and Natural Resources Committee shall be limited in its consideration of the bill and amendment to sections 102, 103, 104, 105, 202, 501, 502, and 503 of the amendment, and that the Committee on Energy and Natural Resources shall complete its consideration of such sections not later than September 20, 1977, and further that such committees shall report their recommendations to the Senate not later than September 23, 1977.

This has been cleared with the chairmen and ranking members of the Committees on Foreign Relations, Energy, and Governmental Affairs.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR CERTAIN ACTIONS DURING ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate may be authorized to receive messages from the President of the United States and to appropriately refer them during the adjournment of the Senate over to 12 o'clock noon on September 7.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Vice President of the United States, the President of the Senate pro tempore, the Acting President of the Senate pro tempore, and the Deputy President of the Senate pro tempore may be authorized during the adjournment of the Senate over to 12 noon on September 7 to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate may be authorized during the adjournment of the Senate to receive messages from the House of Representatives and to appropriately refer them if it is necessary to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION TO APPOINT A SPECIAL DELEGATION

Mr. ROBERT C. BYRD. Mr. President, I send to the desk on behalf of myself and the distinguished minority leader a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

Resolved, That the President of the Senate is authorized to appoint a special delegation of not to exceed 12 members of the Senate upon the recommendation of the Majority and Minority Leaders to visit certain countries in the Middle East and other areas as needed to conduct a study on United States economic and security interests in those areas.

SEC. 2. (a) The expenses of the delegation, including staff members designated by the chairman or co-chairman to assist said delegation, shall not exceed $45,000, and shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman or co-chairmen of the said delegation.

(b) The expenses of the delegation shall include such special expenses as the chairman or co-chairmen may deem appropriate, including reimbursements to any agency of the Government for (1) expenses incurred on behalf of the delegation (2) compensation (including overtime) or employees officially detailed to the delegation, and (3) expenses incurred in connection with providing appropriate hospitality.

(c) The Secretary of the Senate is authorized to advance funds to the chairman or co-chairmen of the delegation in the same number provided for committees of the Senate under the authority of Public Law 118, Eighty-first Congress, approved June 22, 1949.

The PRESIDING OFFICER. Is there objection to its immediate consideration?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 256) was agreed to.

EMERGENCY RUNOFF RETARDATION AND SOIL EROSION PREVENTION PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 344, S. 1462

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1462) entitled Emergency Runoff Retardation and Soil Erosion Prevention Program.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. BAKER. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Tennessee reserves the right to object.

Mr. BAKER. And I shall not object.

I simply inform the Chair that the majority leader and I have discussed this matter previously, and I have assured him that it is cleared for consideration and passage at this time on this side.

There being no objection, the Senate proceeded to consider the bill (S. 1462) which had been reported from the Committee on Agriculture, Nutrition, and Forestry, with an amendment to strike out all after the enacting clause and insert the following:

That the Secretary of Agriculture is hereby authorized to undertake such emergency measures for runoff retardation and soil-erosion prevention, in cooperation with landowners and land users, as he deems necessary to safeguard lives and property from floods, drought, and the products of erosion on any watershed whenever fire or any other natural occurrence has caused a sudden impairment of that watershed.

SEC. 2. There is hereby authorized to be established and maintained in the United States Treasury an emergency fund to carry out emergency activities pursuant to this Act. The fund shall be available to the Secretary of Agriculture wtihout fiscal year limitation.

SEC. 3. There are hereby authorized to be appropriated such sums as Congress may determine necessary for the establishment and maintenance of the emergency fund authorized under section 2 of this Act.

SEC. 4. The Secretary of Agriculture is authorized to prescribe such regulations as he determines necessary to carry out the provisions of this Act.

SEC. 5. The provisions of this Act shall become effective October 1, 1978.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–372), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SHORT EXPLANATION

S. 1462 authorizes the Secretary of Agriculture to undertake emergency measures to safeguard lives and property from floods, drought, and erosion whenever fire or any other natural occurrence has caused a sudden impairment of a watershed. The bill authorizes the establishment of an emergency fund in the U.S. Treasury for the use of the Secretary in carrying out such measures, and the appropriation to the fund of such sums as may be necessary.

The provisions of the bill would become effective October 1, 1978.

BACKGROUND AND NEED

Section 7 of the Act of June 28, 1938 (52 Stat. 1215, as amended; 33 U.S.C. 701b–1), authorizes the Secretary of Agriculture to provide emergency assistance similar to that authorized in S. 1462, with a funding limit of $300,000 annually. After the $300,000 is obligated, additional emergency assistance is dependent upon supplemental appropriations. The present $300,000 limitation has been in effect for some 25 years. During that time, several emergencies have occurred which resulted in a need for Federal assistance in an amount greater than $300,000.

During the last 7 years, supplemental appropriations were approved as follows: $4 million in fiscal year 1969; $3.7 million in fiscal year 1970; $16.5 million in fiscal year 1972; $20 million in fiscal year 1973; $22.5 million in fiscal year 1973; $22.5 million in fiscal year 1974; and $65.8 million in fiscal year 1976.

When supplemental appropriations are needed, the installation of emergency measures is often delayed for long periods and in some instances is never accomplished. As a result, persons are subjected to greater hardships, and the environment is subject to additional degradation.

S. 1462 will help alleviate this problem by making funds available to enable the Secretary of Agriculture to respond to emergency situations in a more timely manner. Passage of this bill will not affect the total funds needed, since the total amount of funds expended in any one year is solely dependent on actual emergency needs created by fire or natural occurrence such as floods, drought, erosion or sedimentation.

COMMITTEE CONSIDERATION

The Committee on Agriculture, Nutrition, and Forestry, meeting in Executive Session on June 28, 1977, amended S. 1462 to make the provisions of the bill effective beginning October 1, 1978. The Committee also made several minor technical amendments to S. 1462 and ordered the bill reported to the Senate.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to authorize the Secretary of Agriculture to undertake an emergency runoff retardation and soil-erosion prevention program, and to establish an emergency fund to carry out the program.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRANSFER OF MEASURE TO UNANIMOUS CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there is a bill on the calendar which has been cleared for passage by unanimous consent. It is Calendar Order No. 359, S. 1752, a bill to extend certain programs under the Elementary and Secondary Education Act of 1965 for 1 year, and for other purposes.

I ask the clerk to transfer that bill to the Unanimous Consent Calendar.

The PRESIDING OFFICER. It will be so transferred.

SMALL BUSINESS DEVELOPMENT CENTER ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, there is a bill at the desk, S. 972, that has been reported from the Small Business Committee. I ask unanimous consent for its consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 972), to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the bill (S. 972) which had been reported from the Committee on Small Business with an amendment to strike out all after the enacting clause and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Small Business Development Center Act of 1978".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) small business concerns rarely have access to useful and practical advice, information, and services of the types which are available to large business concerns or, through the Department of Agriculture extension service, to farmers and agricultural business concerns;

(2) small businesses would benefit from having a local, single source of assistance which would interpret, analyze and counsel on matters such as management, marketing, product development, manufacturing, technology development and exchange, finance, government regulations and policies and other similar problem or policy areas; and

(3) Universities are aware of local small business problems and are better equipped than the Federal Government to develop and establish management and technical assistance programs designed to aid small business concerns in such local communities.

(b) It is the purpose of this Act to expand the small business sector, to stimulate economic diversity, and to foster competition by encouraging the development of Small Business Development Centers through a grant program giving States wide flexibility in developing and establishing Centers to aid in the development and growth of existing and new small business concerns.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "Administration" means the Small Business Administration;

(2) the term "Center" means State Small Business Development Centers and regional Small Business Development Centers established or operated with assistance furnished under this Act;

(3) the term "Board" means the Small Business Development Center Advisory Board;

(4) the term "University" means any public or private nonprofit institution of higher education which is located in any State; and

(5) the term "State" means a State of the United States, the District of Columbia, or any territory, possession, or commonwealth of the United States.

GRANTS

SEC. 4(a). The Administration, upon the advice of the Board, acting through the Associate Administrator for Management and Technical Assistance, is authorized to make grants to States to assist Universities within the States in developing and operating a Center program that furnishes small businesses with a broad range of advice, information, and assistance, as described in section 6 of this Act.

(b) A grant may be made to finance 75 percent of the cost of developing and operating a State Center program. Assistance made available pursuant to this Act may be used only to support activities described in section 6 of this Act and for such other comparable activities as are approved by the Administration which are designed to benefit small business concerns by providing direct information and assistance or by providing access to business analysts who can refer small business concerns to available experts or consultants.

(c) The Administration may make a grant to finance 100 percent of the cost of developing and operating regional Center activities described in section 6 or other such comparable activities as are approved by the Administration.

STATE PLANS

SEC. 5. (a) A State may apply to participate in the Center program by submitting to the Administration for approval a plan naming:

"the Universities within the State that would participate in the program, the geographic area to be served by each University, the services that each University would provide, the method for delivering services by each participating University, the budget for each University, and any other information and assurances the Administration may require to insure that the State will carry out the activities eligible for assistance under this Act."

(b) Assistance shall be made available through the States to a University only if that University is included in that State's plan which has been approved by the Administration.

CENTERS

SEC. 6. (a) State and regional Centers receiving grants under this Act shall assist small businesses in solving problems concerning operations, manufacturing, engineering, technology exchange and development, personnel administration, marketing, sales, merchandising, finance, accounting, business strategy development, and other disciplines required for small business growth and expansion, innovation, increased productivity, and management improvement, and for decreasing industry economic concentrations.

(b) A State Center shall provide services as close as possible to small businesses by providing extension services and utilizing satellite locations when necessary. It shall also, to the extent possible, make full use of other Federal and State Government programs that are concerned with aiding small businesses. A State Center shall have:

(1) a full time staff including a State director to manage the program activities;

(2) business analysts to counsel, assist, and inform small business clients;

(3) technology transfer agents to provide state of the art technology to small businesses through coupling with national and regional technology data sources;

(4) information specialists to assist in providing information searches and referrals for small businesses;

(5) access to part-time professional specialists to conduct research or to provide counseling assistance whenever the need arises; and

(6) access to laboratory and adaptive engineering facilities.

(c) Services provided by a State Center shall include, but shall not be limited to:

(1) furnishing one-to-one individual counseling to small businesses;

(2) assisting in technology transfer, research and coupling from existing sources to small business concerns;

(3) maintaining current information concerning Federal, State, and local regulations that affect small businesses and counsel small businesses on methods of compliance. Technology development shall be provided when necessary to help small businesses find solutions for complying with environmental, energy, health, safety, and other Federal, State, and local regulations;

(4) coordinating and conducting research into technical and general small business problems for which there are no ready solutions;

(5) providing and maintaining a comprehensive library that contains current infor-

mation and statistical data needed by local small businesses;

(6) maintaining a working relationship and open communications with the financial and investment communities, legal associations, local and regional private consultants, and local and regional small business groups and associations in order to help address the various needs of the small business community; and

(7) conducting in depth surveys for local small business groups in order to develop general information regarding the local economy and general small business strengths and weaknesses in that locality.

(d) A State Center shall continue to upgrade and modify its services, as needed, in order to meet the changing and evolving needs of the small business community.

(e) Regional Centers shall be established to support State Centers when the Administration, with the advice of the Board, determines a need for providing assistance and information on technical or specialized problems that may require capital intensive research and which transcend State boundaries. Regional Centers shall be provided a specific charter and staff according to the services they will be expected to provide. Their assistance shall be available to all State Centers participating in the program.

(f) Laboratories operated and funded by the Federal Government are authorized and directed under this Act to cooperate with Centers participating in this program. Laboratories shall make facilities and equipment available as an aid in providing experiment station capabilities in adaptive engineering; provide library and technical information processing capabilities; and provide professional staff for consulting. Centers shall reimburse the laboratories for necessary expenses.

PROGRAM MANAGEMENT

SEC. 7. (a) There is hereby established in the Small Business Administration a division to be known as the Small Business Management and Technical Assistance Division. The Division shall be headed by an Associate Administrator for Management and Technical Assistance who shall be appointed by the Administrator, and shall receive compensation at the rate provided by law for other Associate Administrators of the Small Business Administration.

(b) The Administrator shall appoint a Deputy Associate Administrator for Management and Technical Assistance who will report to the Associate Administrator for Management and Technical Assistance and who shall serve without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51, and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at a rate not less than the rate for GS–17 of the General Schedule.

(c) The sole responsibility of the Deputy Associate Administrator for Management and Technical Assistance shall be to administer the Small Business Development Center Program. Duties of the position shall include, but are not limited to establishing the annual program budget, reviewing the annual budgets submitted by each State, establishing appropriate funding levels therefore, selecting States to participate in this program under this Act, establishing policies implementing the provisions of this Act, reviewing applications for research grants under section 8 of this Act, maintaining a clearinghouse to provide for the dissemination and exchange of information between Centers, disseminating information obtained under section 8 of this Act, and conducting audits of recipients of grants under sections 4 and 8 of this Act. The Deputy Associate Administrator for Management and Technical Assistance shall confer with and seek the counsel of the Board in carrying out the responsibilities described in this section.

(d) (1) There is established a National Small Business Development Center Advisory Board which shall consist of 17 members, 12 of whom are to be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall be persons of outstanding qualifications known to be familiar and sympathetic with small business needs and problems. Of the 12 members so appointed, no more than 3 shall be from Universities or their affiliates and 9 shall be from small businesses or associations representing small business. At the time of the appointment of the Board, the President shall designate at least one third of the members and at least one from each category whose term shall end in two years from the date of appointment, and a second third whose term shall end in three years from the date of appointment, and the final third whose term shall end in four years from the date of appointment. Succeeding Boards shall have three year terms, with one third of the Board changing each year. The other members of the Board shall be the National Science Foundation Director of the Office of Small Business Research and Development, Director of the Energy Extension Service of the Department of Energy, Assistant Secretary of Commerce for Science and Technology, Deputy Assistant Secretary of Defense for Material Acquisitions and the Assistant Administrator for Industry Affairs and Technology Utilization of the National Air and Space Administration.

(2) The Board shall elect a chairman and advise, counsel and confer with the Deputy Associate Administartor for Management and Technical Assistance in carrying out the duties described in section 7 (c) of this Act. The Board shall meet at least quarterly and at the call of the chairman of the Board. Each member of the Board, other than representatives of the Federal Government, shall be entitled to be compensated at the rate not in excess of the per diem equivalent of the highest rate of pay for individuals occuping the position under GS–18 of the General Schedule for each day he is engaged in activities of the Board and shall be entitled to be reimbursed for his expenses as a member of the Board.

(e) Regional and State Centers shall establish advisory boards which shall consist of a majority of members from small businesses and which shall include members from Universities and members from State and local governments. State Center Board members shall be appointed by the Governor not regional Center Board members shall be appointed by the Administrator of the Small Business Administration and persons selected for both boards shall have outstanding qualifications and known to be familiar and sympathetic with small business needs and problems.

RESEARCH GRANTS

SEC. 8. The Administration, upon the advice of the Board, acting through the Associate Administrator for Management and Technical Assistance, is authorized to make grants to Universities, public and private organizations, and business concerns to undertake research to identify and solve managerial, economic, financial, operational, technological, or other problems which affect small business concerns. The Deputy Associate Administrator for Management and Technical Assistance, with the advice of the Board, shall develop criteria to insure that all research projects are coordinated and that they address the need for relevant and meaningful small business data and information.

AUTHORIZATION

SEC. 9. There is authorized to be appropriated for grants under section 4 of this Act not to exceed $8,000,000 for fiscal year 1979 and $15,000,000 for each fiscal year from 1980 through 1982 and under section 8 of this Act not to exceed $5,000,000 for each fiscal year from 1979 through 1982. Salaries and expenses of the Administration and the Board under section 7 of this Act shall not exceed 5 percent per annum of the per annum authorization.

EVALUATION

SEC. 10. The Administration, with the advice of the Board, shall establish a plan for evaluation of the Center program which may include the retaining of an independent concern to conduct such an evaluation. The evaluation shall be both quantitative and qualitative and shall determine:

(1) the impact of the Center program on small businesses and the socio-economic base of the region it served; and

(2) the multi-disciplinary resources the Center program was able to coordinate to assist small businesses. For the purpose of these evaluations, the Administration is authorized to require any Center or party receiving assistance under section 8 of this Act to furnish it with such information annually or otherwise as it deems appropriate. The first such evaluation must be completed and submitted to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives no later than the third year after the date of enactment of this Act and each year thereafter.

ASSOCIATE ADMINISTRATOR

SEC. 11. (a) Section 4(b) of the Small Business Act is amended by striking the world "four" and inserting in lieu thereof the word "five".

(b) Section 5316 of title 5, United States Code, is amended by striking from paragraph (11) the figure "(4)" and by inserting the figure "5".

Mr. BAKER. Mr. President, I rise only to advise the majority leader that we are aware of this bill. It has been cleared on the minority side, and we have no objection to its passage.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–404), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The Small Business Development Center Act of 1978 would expand the small business sector, stimulate competition, and aid in the development and growth of new and existing small businesses by providing assistance, interpretation, analysis and counseling to small businesses on matters involving manufacturing, technology development, marketing, sales, finance, accounting, planning, strategy development, personnel, administration, government regulatory compliance, and other related business functions. Rural and urban small businesses, including those engaged in agricultural activities, would all be assisted by this measure.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small businesses with advice and counseling on management development, technical information, product planning and development and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. MATSUNAGA). The Chair, on behalf of the Vice President, pursuant to Public Law 95-45, appoints the Senator from Vermont (Mr. STAFFORD) to the 64th Fall Conference of the Interparliamentary Union, to be held in Sofia, Bulgaria, September 20-30, 1977.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in adjournment for 30 seconds.

There being no objection, the Senate, at 9:18 p.m. on Friday, August 5, 1977, adjourned until the hour of 9:18 and 30 seconds p.m. the same day.

AFTER ADJOURNMENT

FRIDAY, AUGUST 5, 1977

The Senate met at 9:18 and 30 seconds p.m., pursuant to adjournment, and was called to order by Hon. SPARK MATSUNAGA, a Senator from the State of Hawaii.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of this legislative day be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FIRST 7 MONTHS—SENATE ACCOMPLISHMENTS OF THE 95TH CONGRESS, JANUARY 4-AUGUST 5, 1977

Mr. ROBERT C. BYRD. Mr. President, the accomplishments of the Senate during the first 7 months of the 95th Congress are impressive. Senators have worked assiduously on a variety of issues both in committee and on the floor. We have made changes to the rules of the Senate which have resulted in greater efficiency of the Senate and greater effectiveness of Senators. We have passed 12 of the 13 regular appropriation bills well in advance of the beginning of the approaching fiscal year. We have come to grips with issues ranging from farm prices to the B-1 bomber which affect the well-being of every American and the security of the Nation. We have acted expeditiously on two extremely important programs which were left from last year—strip mining controls and air quality standards.

The Congress finally prevailed in establishing a Federal program to minimize the degradation of the environment by surface mining. Two previous Republican Presidents thrice vetoed our initiatives to set up uniform minimum strip mining and reclamation standards. President Carter, however, supported our efforts and signed the Surface Mining Act into law on Wednesday.

The Senate is continuing to give President Carter's legislative proposals thorough study and consideration, as illustrated in a status report on his major recommendations which will be included at the conclusion of my remarks.

In response to the priority concern of this Congress, the Senate has already passed 21 energy-related measures. Senate action ranges from giving the President special authority to deal with the natural gas shortage during the record cold winter to passage more recently of a measure which will facilitate the expeditious and orderly development of the energy resources on the Outer Continental Shelf. Eight energy-related bills have become law including an act creating a Department of Energy. Two await the President's signature while one other is in Senate-House conference. Ten await passage by the House as listed below:

ENACTED

Deepwater Ports Extension (H.R. 6401, Public Law 95-36).

Department of Energy (S. 826, Public Law 95-91).

ERDA Nonnuclear Authorization, 1977—Civilian (S. 36, Public Law 95-39).

Export Control—Arab Boycott (H.R. 5840, P.L. 95-52).

FEA Authorization (S. 1468, Public Law 95-70).

Natural Gas Emergency (S. 474, Public Law 95-2).

Urgent Power Supplemental Appropriation (H.J. Res. 227, Public Law 95-3).

Strip Mining (H.R. 2, Public Law 95-87).

SENT TO PRESIDENT: 2

Public Works—Energy Research Appropriation (H.R. 7553, P.L. 95-).

Clean Air (H.R. 6161, P.L. 95-).

IN CONFERENCE: 1

Mine Safety (S. 717).

PASSED SENATE, NOT HOUSE

Alaska Pipeline Destruction (S. 1496)

Educational Institution Energy Saving Grants (S. 701)

ERDA Nonnuclear Authorization, 1978—Civilian (S. 1340; H.R. 6796 on House Union Calendar)

ERDA Nuclear Authorization—Civilian/Military (S. 1341)

ERDA Nuclear/Nonnuclear Authorization—Civilian (S. 1811)

ERDA Nuclear Authorization—Military (S. 1339; H.R. 6566 on House Union Calendar)

ERDA Synthetic Fuel Loan Guarantee Program (S. 37)

Outer Continental Shelf (S. 9; H.R. ordered reported 7/27)

Pipeline Destruction (S. 1502)

Radiation Exposure (S. 266)

Aside from these 21 bills which we have considered on the Senate floor, our committees have already spent many hours hearing witnesses and examining the numerous components of the President's omnibus energy package. Senators are to be congratulated on the important committee work they have already done so that the full Senate will have this urgent matter for consideration in September.

The leadership is grateful to all Members of the Senate for their cooperation in writing this record of achievement of which we can all be proud.

A more detailed accounting of the measures the Senate has passed the year is contained in a report prepared by the staff of the Democratic Policy Committee. I ask unanimous consent that this report and other relevant material be inserted in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LEGISLATIVE DIGEST

(January 4-August 5, 1977)

ENERGY-ENVIRONEMENT

Emergency Natural Gas.—Congress enacted early this year a measure giving the President special emergency authority to deal with the natural gas shortage during the winter months.

Department of Energy.—Congress has written into law provisions creating a cabinet-level Department of Energy incorporating some 50 energy-related agencies including FEA, ERDA and the FPC. The Senate has confirmed the President's nomination of of James R. Schlesinger to become its first Secretary only minutes after the President signed the bill into law.

Strip Mining.—Congress has enacted a program to minimize the degradation of the environment by requiring minimum uniform standards for mining and reclamation.

Export Control—Alaskan Oil.—Congress has enacted a measure prohibiting the export of Alaskan oil except for mutually beneficial exchanges or for national security reasons.

Clean Air.—Congress has sent the President a measure setting final auto emission standards in 1981, and requiring other measures to improve air quality.

Public Works—Energy Research Appropriations.—We have cleared for the President an appropriation of $10.4 billion of which $5.9 billion is for energy research.

Clean Water.—In Senate-House conference is a $26.5 billion 5-year authorization for Federal grants to local municipalities for construction of sewage treatment plants. It also severely limits the use of phosphates in detergents sold in States bordering the Great Lakes.

Mass Transit.—The Senate has approved $5.3 billion in new funds to help cities and States pay for urban mass transit programs.

ERDA.—The Senate has authorized $5.2 billion for nuclear and nonnuclear energy research and development and $3.8 billion for ERDA programs which have military applications.

Outer Continental Shelf.—The Senate has passed a measure which will facilitate the environmentally-safe development of oil and other resources on the Outer Continental Shelf.

Energy Saving Grants for Schools.—The Senate has authorized matching grants to schools to help them meet the high costs of fuel and to encourage energy conservation measures.

Pipeline Destruction.—The Senate has passed provisions making it a Federal crime to willfully destroy the Trans Alaska pipeline or any interstate pipeline system transporting gas or oil.

Alaska Pipeline Treaty.—The Senate voted to ratify a treaty with Canada to insure that present and future pipelines across Canadian territory will be free from interruptions in flow and from discriminatory taxation.

ECONOMY-UNEMPLOYMENT

Tax Cut.—Congress has enacted a 3-year $34 billion tax cut. Forty-six million Americans—90% with incomes less than $20,000—will pay less taxes. Corporations will be allowed a tax credit on hiring new employees. Ninety-six percent of all taxpayers will have a simpler method of computing their taxes.

Economic Stimulus Appropriations.—Congress has enacted a measure providing $20.1 billion to create 415,000 new CETA jobs in implementing the President's economic stimulus proposals. Includes funds for public works projects, public service employment, and countercyclical revenue-sharing to help State and local governments continue their basic services and to target employment and training programs to youth, veterans and unskilled workers.

Public Works Employment.—Congress has enacted a measure authorizing $6 billion for local public works projects which provide jobs through construction in places with the most distressing levels of unemployment.

Unemployment Compensation.—Congress has extended the unemployment compensation program until October 31 to aid those temporarily unemployed with an income to meet their day-to-day living expenses.

Youth Employment.—We have sent the President a bill adding a new title to CETA to put 200,000 unemployed youths to work on neighborhood improvement, public facilities, parks and other projects in an effort to enhance job prospects and career opportunities for youths.

Housing and Community Development.—Under consideration by Senate and House conferees is a $14.6 billion multi-year authorization for housing assistance and community development.

INTERNATIONAL

Arab Boycott.—We have enacted provisions attacking the most repugnant aspects of the Arab boycott against Israel and generally improving export administration.

Rhodesian Chrome.—Congress acted early this year to halt the importation of chrome from Rhodesia which was in violation of U.N. sanctions against trade with that country.

Foreign Corporate Bribes.—The Senate passed a measure to make it a crime for U.S. companies to bribe foreign officials and to remove the means of concealing bribes by falsification of corporate records.

Intelligence Activities.—For the first time in history, the Senate voted on a separate bill authorizing the budget for the intelligence activities of the U.S. Government including specific amounts for the CIA and the DIA.

Transfer of Prisoners in Mexican/Canadian Jails.—The Senate has agreed to a resolution of ratification of treaties with Mexico and Canada to allow American convicted prisoners in those countries to return to the U.S. to serve out their prison terms.

HEALTH

Black Lung.—The Senate has concluded debate on a measure to improve the benefits program to miners disabled from Black Lung disease and awaits passage of the House bill.

Clinical Laboratories.—The Senate has voted to expand the program of mandatory licensure to all laboratories except military and veterans hospitals.

Health Research.—Congress enacted a $3.3 billion authorization for the major public health programs.

Mine Safety.—The Senate has voted to strengthen the national mine safety and health program by providing uniform administration and enforcement for the entire mining industry under a single Act administered by the Department of Labor.

OTHER

Presidential Reorganization Authority.—Congress has enacted a 3-year extension of the President's authority to submit to Congress plans to reorganize Executive branch agencies.

Defense Funds.—In conference is a measure appropriating $109 billion for the Department of Defense. As recommended by the President, the Senate omitted funding for procurement of the B–1 bomber.

Omnibus Farm Bill—Food Stamps.—The Senate and House have agreed to extend the basic price support programs for major commodities and the Food for Peace (P.L. 480) program. This bill also makes important revisions in these programs as well as needed reform to the Food Stamp program which is extended for two years.

Senate Committee Reorganization and Code of Ethics.—At the beginning of the session, the Senate reduced the number of Senate committees and realigned jurisdictions into a more rational order. It agreed to numerous other changes to spread legislative responsibilities more equally among all Senators. The Senate also adopted an official code of conduct for Senators and staff which requires extensive financial disclosure.

Ethics in Government.—The Senate has passed a bill requiring extensive financial disclosure by top officials and employees throughout the Federal Government and providing for the appointment of a special prosecutor who would be responsible for investigating any wrongdoing of top government officials.

Waterway User Fee.—The Senate has voted to establish, for the first time in our history, a system of commercial user charges to pay for the maintenance and improvement of the inland waterways.

Insecticides (FIFRA).—The Senate has passed a measure designed to improve the operation of the Federal pesticide registration program and to protect the public against health and environmental hazards from pesticides.

Omnibus Judgeships.—The Senate passed a bill providing for the appointment of 110 additional permanent district court judges to permit the judicial system to keep pace with increased cases.

Campaign Financing.—The Senate has passed a measure simplifying the reporting requirements for candidates and generally improving the administration of the present law.

5-YR COMPARISON OF SENATE LEGISLATIVE ACTIVITY (THROUGH AUGUST 5)

	1973	1974	1975	1976	1977
Days in session	117	106	116	112	121
Hours in session	665:15	657:24	739:49	775:39	746:17
Total measures passed	412	426	425	552	440
Rollcall votes	362	336	376	492	346
Rollcall votes before 12 m	28	19	32	65	17
Rollcall votes after 8 p.m	10	0	27	25	20
Public laws	82	118	66	172	92
Treaties	9	3	1	10	4
Confirmations	37,636	38,827	36,141	39,185	43,433
Senate average attendance (percent)	87.60	88.62	89.87	85.26	89.13
Sessions convened before 12 m	65	75	79	77	57
Sessions convened at noon	52	31	37	35	18
Sessions convened after noon	0	0	0	0	46
Sessions which continued after 6 p.m	18	25	29	15	25
Sessions which continued after 7 p.m	4	8	3	14	21
Sessions which continued after 8 p.m	5	1	16	18	21
Saturday sessions	4	0	2	1	0

STATUS OF MAJOR MESSAGES AND COMMUNICATIONS OF THE PRESIDENT, 95TH CONG., 1ST SESS. BY SENATE DEMOCRATIC POLICY COMMITTEE, ROBERT C. BYRD, CHAIRMAN, AUG. 5, 1977

Message or communication title, bill No.	Senate action	House action	Conference or other action	Date approved	Public Law No.
Presidential Message No. 21 (Jan. 17, 1977): Budget rescission ($452,600,000 for Nimitz-class nuclear carrier and Aegis), H.R. 3839.	Passed Senate, Mar. 15, 1977	Passed House, Mar. 3, 1977		Mar. 25, 1977	95–15
Presidential Message No. 22 (Jan. 17, 1977): Top level exceutive, legislative and judicial salary increases.	Senate tabled Allen, et al. amendment to S. Res. 4 disapproving pay recommendation Feb. 2, 1977; vote Mar. 3, 1977, against repealing increase.	House twice objected to request to consider disapproval resolution, H. Res. 115, Feb. 16, 17; voted June 29, 1977, to reject amendment to H.R. 7932, 1978 legislative branch appropriations, delaying funds for Mar. 1 increases.		Feb. 20, 1977 became effective.	
Presidential Message No. 22 (Jan. 17, 1977); Ethics Code.	S. Res. 110 (Senate Ethics Code), passed Senate Apr. 1, 1977.	H. Res. 287 (House Ethics Code). Passed House, Mar. 2, 1977.		House code became effective Mar. 2, 1977, Senate code became effective Apr. 1, 1977.	
Executive Communication No. 441 (Jan. 26, 1977): Emergency Natural Gas Act S. 474 (administrative bill).	Passed Senate, Jan. 31, 1977	Passed House, amended Feb. 2, 1977	Conference report agreed to Feb. 2, 1977, in Senate; Feb. 2, 1977, in House.	Feb. 16, 1977	95-2
Presidential Message No. 32 (Jan. 31, 1977): Economic recovery:					
(a) Economic stimulus appropriations (public works jobs, revenue sharing, and public service empolyment, H.R. 4876.	Passed Senate, amended May 2, 1977	Passed House, Mar. 15, 1977	Conference report agreed to May 4, 1977 in House; May 5, 1977 in Senate.	May 13, 1977	95–29
(b) Public works jobs ($4,000,000,000 increase), H.R. 11.	Passed Senate, amended Mar. 10, 1977	Passed House, Feb. 24, 1977	Conference report agreed to Apr. 29, 1977 in Senate; May 3, 1977 in House.	do	95–28

STATUS OF MAJOR MESSAGES AND COMMUNICATIONS OF THE PRESIDENT, 95TH CONG., 1ST SESS. BY SENATE DEMOCRATIC POLICY COMMITTEE, ROBERT C. BYRD, CHAIRMAN, AUG. 5, 1977—Continued

Message or communication title, bill No.	Senate action	House action	Conference or other action	Date approved	Public Law No.
(c) Countercyclical revenue sharing	Passed Senate, as amendement to H.R. 3477, Apr. 28, 1977.	H.R. 6810, passed House, Apr. 13, 1977	Conference report contained 1-yr extension of program instead of 5 yr as requested by President.	May 23, 1977	95-30
(d) Tax reform and simplification for individuals and business (tax rebate withdrawn, H.R. 3477.	Passed Senate, Apr. 29, 1977	Passed House, Mar. 8, 1977	Conference report agreed to May 17, 1977 in House and Senate.	do	95-30
Presidential Message No. 33 (Feb 4, 1977): Presidential Reorganization Authority ,S. 626.	Passed Senate, Mar. 3, 1977	Passed House, amended Mar. 29, 1977	Senate agreed to House amendments Mar. 31, 1977.	Apr. 6, 1977	95-17
Presidential Message Nos. 40 (Feb. 21, 1977) and 57 (Mar. 24, 1977): Water development projects:	Senate adopted Johnston amendment expressing sense of Congress to continue funding for water projects.			May 13, 1977	95-28
H.R. 11 (public works jobs)					
H.R. 7553 (public works appropriations, 1977).	Passed Senate, amended Jul. 13, 1977 (Senate bill funds 9 of 18 water projects opposed by President).	Passed House, June 14, 1977 (House bill funds 17 of 18 opposed by President).	Conference report agreed to Jul. 25, 1977 in House and Senate funding 9 of 18 water projects.		95-
Presidential Message No. 41 (Feb. 22, 1977): 1978 budget revisions, S. Con. Res. 19.	Passed Senate May 4, 1977	Passed House amended May 5, 1977	Conference report agreed to with amendment May 16, 1977 in Senate; House agreed to Senate amendment May 17, 1977.	Action complete	
Presidential Message No. 42 (Mar. 1, 1977): Creates Cabinet Department of Energy, S. 826.	Passed Senate May 18, 1977	Passed House amended June 3, 1977	Conference report agreed to Aug. 2, 1977 in House and Senate.	Aug. 4, 1977	95-91
Presidential Message No. 45 (Mar. 4, 1977): Airline deregulation.	Commerce Committee markup on staff draft proposal which combines S. 292 and S. 689, June 21, 30, July 12, 14, 19-21, 26, 28, Aug. 2, 4.	Public Works Subcommittee on Aviation hearings April 18; field hearings in Pennsylvania June 17, 18, in Chicago July 30.			
Presidential Message No. 47 (Mar. 9, 1977): Youth unemployment:					
(a) $342,000,000 increase for Job Corps.				In H.R. 4876, Economy stimulus appropriation, Public Law 95-29.	
(b) New Youth title to CETA, H.R. 6138.	Passed Senate, amended May 26, 1977	Passed House May 17, 1977	Conference report agreed to July 19, 1977 in House; July 21, 1977 in Senate.	Aug. 5, 1977	95-
(c) 1-yr extension of CETA, H.R. 2992.	Passed Senate, amended May 25, 1977	Passed House Mar. 29, 1977	House agreed to Senate amendment June 3, 1977.	June 15, 1977	95-44
Presidential Message No. 51 (Feb. 17, 1977): Foreign Aid:					
(a) Multilateral development assistance (financial institutions), H.R. 5262.	Passed Senate, amended June 14, 1977	Passed House Apr. 6, 1977	Conference report agreed to July 27, 1977 in Senate.		
(b) Bilateral development assistance ($1,300,000,000)—Public Law 480 program changes, H.R. 6714.	Passed Senate, amended June 15, 1977	Passed House May 12, 1977	Conference report agreed to July 21, 1977 in House; July 22, 1977 in Senate.	Aug. 3, 1977	95-88
(c) Public Law 480 program extension, S. 275.	Passed Senate May 24, 1977	Passed House, amended July 28, 1977	In conference		
(d) Security assistance, H.R. 6884	Passed Senate, amended June 15, 1977	Passed House May 24, 1977	Conference report agreed to July 21, 1977 in House; July 22, 1977 in Senate.		95-
Presidential Message No. 52 (Feb. 17, 1977): Oil tanker spills.	S. 682 (tanker safety) passed Senate May 26 1977. Commerce Committee ordered new bill reported in lieu of S. 687 (oil pollution) Aug. 4; to be referred to Environment Committee.	Merchant Marine and Fisheries reported H.R. 6803 (H. Rept. 95-340) May 16.			
Presidential Message No. 55 (Mar. 22, 1977): Election reform:					
(a) Voter registration	S. 1072 on Senate Calendar (Cal. No. 144).	H.R. 5400 on Union Calendar (Cal. No. 162).			
(b) Public financing	Senate agreed to Allen amendment to S. 926 deleting public financing for Senate elections Aug. 2.	Administration Committee hearings on campaign reform completed July 12; markup to be scheduled after Sept. 7.			
(c) Campaign Act amendments	S. 926, passed Senate Aug. 3, 1977	do			
(d) Direct election of President	Judiciary Subcommittee on Constitution, markup on S.J. Res. 1 complete; full committee to consider by Sept. 15.	Judiciary Subcommittee on monopolies and commercial law hearings on H.J. Res. 33, 118, and 350 not yet scheduled.			
(e) Hatch Act changes	Governmental Affairs Committee hearings on S. 80 July 18, 19; to resume after Sept. 7.	H.R. 10, passed House June 7, 1977			
Presidential Message No. 56 (March 23, 1977): Drought assistance:					
(a) EDA emergency water system improvement, S. 1279.	Passed Senate May 5, 1977	Passed House May 17, 1977		May 23, 1977	95-31
(b) FHA emergency water system improvement and Southwestern Power assistance to irrigators on Federal Reclamation Bureau projects.				In H.R. 4877 supplemental appropriations, 1977, Public Law 95-26.	
(c) SBA drought assistance loan program.	S. 1306 on Senate Calendar (Cal. No. 343).	Small Business hearings on H.R. 6047 (administravite bill) and 11 related bills Apr. 19, 22, June 9, 13, 17.			
(d) Water bank objectives, S. 925	Passed Senate March 15, 1977	Passed House, amended April 4, 1977	Senate agreed to House amendments, April 4, 1977.	April 7, 1977	95-18
(f) Transfer of emergency livestock feed program.	Senate agreed to Humphrey amendment to S. 275 (farm bill) which passed Senate May 24, 1977.	H.R. 4295 in full committee (President no longer supports because of subcommittee amendments).	Senate 275 in conference		
Presidential Message No. 64 (April 6, 1977): Agency for Consumer Advocacy.	S. 1262 on Senate Calendar (Cal. No. 143).	H.R. 6805 on Union Calendar (Cal. No. 183).			
Presidential Message No. 71 (April 25, 1977): Health care system improvements:					
(a) Hospital Cost Containment Act	Human Resources Committee ordered S. 1391 reported Aug. 2.	Ways and Means and Interstate and Foreign Commerce Subcommittees on Health joint hearings on H.R. 6575 complete; markup July 20, 27-29, Aug. 2; will resume after Sept. 7.			
(b) Child health assessment program.	Finance Committee hearings on S. 1392 not yet scheduled.	Interstate and Foreign Commerce Subcommittee on Health and Environmental hearings on H.R. 6706 Sept. 8, 9.			
Presidential Message No. 74 (April 27, 1977): Nuclear nonproliferation policy.	Governmental Affairs Committee reported S. 897 in lieu of S. 1432 Aug. 2; Foreign Relations Subcommittee on Arms Control completed hearings on S. 1432; Energy Subcommittee on Energy Resources and Development hearing on S. 1432 June 10.	International Relations Committee ordered H.R. 8638 reported Aug. 2.			

Message or communication title, bill No.	Senate action	House action	Conference or other action	Date approved	Public Law No.
Executive Communication No. 1246: Energy policy:					
(1) Pricing, regulatory, and nontax (S. 1496).	Energy Committee overview hearings May 3, 19; markup in progress, to be completed by Aug. 8 with subjects to be taken up in the following order: (1) Coal conversion (S. 977 markup completed July 21). (2) Conservation (Banking, Housing and Urban Affairs Committee residential conservation markup completed July 20; Energy Committee markup completed Aug. 1). (3) Natural gas (markup scheduled to begin after Sept. 7). (4) Utility rates (markup to begin after the August recess).	PIH 8.5.77 (allows continued control of natural gas pricing, but broadens the definition of "new gas"; approves an oil equalization tax; contains a modified gas guzzler tax; and does not allow the administration's proposed gas hike).			
(2) Tax provisions (S. 1472)	Finance Subcommittee on Administration of the Internal Revenue Code hearings June 6 and 27 on the administrative difficulties of anticipated tax revenues: Full committee hearings scheduled Sept. 8–12 with executive session to begin Sept. 15.	do			
Presidential Message No. 78 (May 3, 1977): Ethics in Government.	S. 555, passed House June 27, 1977	Select Committee on Ethics reported H.R. 7401 Aug. 5 (H. Rept. 95–574).			
Presidential Message No. 79 (May 9, 1977): Social Security Trust Funds (draft legislation not yet received).	Finance Committee hearings on Social Security financing complete, markup July 26.	Ways and Means Subcommittee on Social Security hearings on H.R. 8218 complete; markup week of Sept. 12.			
Message (May 23, 1977): Genocide Convention ratification.	Foreign Relations hearings May 24, 26	No action needed			
Presidential Message No. 83 (May 23, 1977): Environmental protection:	Jointly referred to: Environmental, Energy, Agriculture, Banking, Commerce, Foreign Relations, Governmental Affairs, and Human Resources Committees.				
(a) Clean air, H.R. 6161	Passed Senate, amended June 10, 1977	Passed House May 26, 1977	Conference report agreed to in Senate House Aug. 4, 1977.		95–
(b) Outer Continental Shelf	Passed Senate, July 15, 1977	OCS Committee ordered H.R. 1614 reported July 27.			
(c) Strip mining, H.R. 2	S.9 Passed Senate, amended May 20, 1977.	Pass House, Apr. 29, 1977	Conference report agreed to July 20, Aug. 3, 1977 1977 in Senate: July 21, 1977 in House.		95–87
(d) Urban homesteading provisions in H.R. 6655.	Passed Senate, amended June 7, 1977	Pass House, May 11, 1977	In conference		
(e) Endangered Wilderness Act		H.R. 3454 on Union Calendar (Cal. No. 282).			
Presidential Message No. 86 (June 2, 1977): Extension of most-favored nation status of Romania.	Finance Subcommittee on International Trade hearing complete.	H. Res. 653 (disapproval resolution)—House postponed indefinitely Aug. 3.			
Presidential Message No. 95 (July 15, 1977): Reorganization Plan No. 1—Executive Branch.	Governmental Affairs Committee hearings on S. Res. 222 (disapproval resolution) July 27, Aug. 1.	Government Operations Subcommittee on Legislation and National Security—hearing on H. Res. 688 (disapproval resolution) Aug. 3.			
Presidential Message No. 97 (July 19, 1977): Rescission of $642,000,000 for B-1 bomber and $1,400,000 for SCRAM-B.	Referred to Appropriation Committee, no action taken.	Referred to Appropriation Committee			
Presidential Message No. 103 (Aug. 2, 1977): Drug abuse.	Referred to Foreign Relations Committee, Human Resources Subcommittee on Health, and Judiciary Committee.	Referred to Committee on State of Union.			

Senate Legislative Achievements

(95th Congress, 1st Session)

(Prepared by Senate Democratic Policy Committee, Robert C. Byrd, Chairman)

Senate Activity

Days in session	121
Hours in session	746:17
Total measures passed	440
Private laws	5
Public laws	92
Treaties	4
Confirmations	43, 433
Record votes	346

Symbols: (VV)—Passed by Voice Vote; numbers in parenthesis indicate number of record vote on passage, conference report, or reconsideration.

Agriculture

Federal Crop Insurance Corporation capital.—Amends the Federal Crop Insurance Act to increase the authorized capital stock of the Federal Crop Insurance Corporation from $100 million to $150 million in order to replenish its operating capital which was nearly exhausted as a result of indemnity payments to insured farmers for crop losses during the 1976 drought and harsh winter of 1977. S. 955—Public Law 95–47, approved June 16, 1977. (VV)

FIFRA.—Extends through fiscal year 1979 the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and authorizes therefor $54.5 million for fiscal 1978 and such sums as necessary but not to exceed $70 million for fiscal 1979; limits the scope of the prohibition against the use of a pesticide in a manner inconsistent with its labeling by providing four specific exceptions; amends the provision relating to the use of data submitted by an applicant for registration of a pesticide which relies on the test data submitted by another applicant by extending to the data owner a right to compensation for use of the data for 7 years after its original submission and establishes a procedure for settling compensation disputes by binding arbitration; eliminates the prohibition against the use of data submitted to the Environmental Protection Agency in order to obtain registration which contains "trade secret" information in processing the application of another person for the registration of a similar pesticide; establishes procedures governing the generation of data needed to maintain existing pesticide registration, including provisions requiring all registrants of a pesticide to take appropriate steps to secure the necessary additional data, arrangements by which the necessary data can be submitted, jointly by the registrants to avoid the waste involved in duplicative testing, and the settling of disputes over cost-sharing arrangements by binding arbitration;

Authorizes "generic" registration of pesticides; directs the Administrator to establish a simplified system for registering pesticides and exempts applicants who purchase registered technical-grade or manufacturing-use pesticides for formulation into end-use products from requirements pertaining to the submission of data to determine safety and from the obligation to pay compensation for use of the data; authorizes the Administrator of EPA to waive registration requirements pertaining to the submission of data relating to the efficacy of pesticides in considering an application for registration; authorizes the conditional registration of pesticides during the period in which data needed for complete registration are being generated if the conditional registration would not significantly increase the risk of any unreasonable adverse effect on health or the environment; permits the Administrator to classify all pesticides prior to the completion of the reregistration required by the 1972 amendment, in order that States may proceed with programs for the training and certification of applicators; permits the Administrator to conduct programs for the certification of applicators of pesticides in States which do not have an approved State plan by October 20, 1977; directs the Administrator to consider restricting a pesticide's use or uses as an alternative to cancelling a registration; requires the Administrator to issue a notice of intent to cancel a conditional registration if the condition upon which the registration was based had not been satisfied within

the time provided; requires the Administrator to submit an annual report by February 15 of each year beginning with fiscal 1979 on the total number of applications for conditional registration, those approved, and the conditions upon which they were approved; limits the prohibition against public disclosure of "trade secret" information only to data relating to the manufacturing process or the identity or percentage quantity of inert ingredients which data could nonetheless be made public if necessary to protect against an unreasonable risk of injury to health or the environment;

Modifies the civil penalty provisions of the act and authorizes the Administrator to issue a warning in lieu of a civil penalty in certain cases; gives the States primary enforcement responsibility with Federal enforcement permitted only if the State is not carrying out regulation and enforcement provisions in accordance with the act; authorizes cooperative agreements with Indian tribes and clarifies the provision relating to the use of the services of the Cooperative State Extension Services to inform and educate all pesticide users of the provisions of the Act; extends to January 1, 1981, the Scientific Advisory Panel; establishes "professional applicators" as a class to which provisions of the Act apply and defines the term as an applicator who applies pesticides for hire; requires applicators to keep certain records and includes their business premises among the establishments subject to inspection by designated agents of the Administrator; provides that a non-registered pesticide or device intended for export would be misbranded if the label did not contain the phrase "Not Registered for Use in the United States"; requires the registration of establishments that produce pesticides or active ingredients from which they are produced for export; and requires the Administrator, within nine months, to submit a report to the Congress on the feasibility of assessing and collecting fees to cover the costs of the pesticide registration program. S. 1678—Passed Senate July 29, 1977. (VV)

Grain inspection.—Amends the United States Grain Standards Act to facilitate and improve the implementation of the amendments made in 1976 (Public Law 94–582); establishes a temporary 12-member committee (representing farmers, consumers and all segments of the grain industry) to advise the Administrator of the Federal Grain Inspection Service (FGIS) on the implementation of the 1976 act, and provides for its termination 18 months after the date of enactment; eliminates the requirement that grain merchandisers and elevator operators using grain inspection or weighing services maintain certain itemized types of records of their operations for a five-year period and requires them instead to keep only such records as the Administrator may prescribe for administration and enforcement; repeals, effective October 1, 1977, the authority for the charging of fees for Federal supervision of grain inspection and weighing and provides instead for funding of these activities through the regular appropriations process; makes several technical amendments; and prohibits effective May 1, 1977, subclassing of the hard red winter wheat on the basis of color, kernel content, or percentage of dark, hard and vitreous kernels. S. 1051—Passed Senate March 30, 1977. Note: (Provisions contained in S. 275, Omnibus Farm Bill, which passed the Senate May 24, 1977.) (88)

Great Plains Conservation.—Amends effective October 1, 1978, section 16(b) of the Soil Conservation and Domestic Allotment Act, which provides for a Great Plains conservation program by (1) striking the provisions in current law that no new conservation contracts may be entered into after December 31, 1981, thus making the Great Plains conservation program permanent; (2) making the program available to all farmers in eligible States, not just those in counties classified as "semi-arid"; and (3) amending the authorization to carry out the program by deleting the current $300 million limitation on total appropriations and $25 million limitation on annual appropriations and authorizing instead, such sums as necessary. S. 896—Passed Senate August 3, 1977. (VV)

Land and Water Resources Conservation.—Establishes a mechanism for making long-range policy to encourage the wise and orderly development of the Nation's soil and water resources; requires the Secretary of Agriculture to (1) prepare an appraisal of the Nation's land, water and related resources and (2) develop a national land and water conservation program setting forth the direction for future soil and water conservation efforts on the Nation's private and non-Federal lands by December 31, 1979, and to update them each fifth year thereafter; requires that the appraisal and the program together with a detailed statement of policy intended to be used in framing budget requests for Soil Conservation Service activities be transmitted to Congress on the first day it convenes in 1980 and at each 5-year interval thereafter; requires that programs established by law be carried out in accordance with the statement of policy unless either House adopts a disapproval resolution within 90 days of receipt; provides that Congress may revise or modify the statement of policy, and that the revised or modified statement of policy shall be used in framing budget requests; requires, beginning with the fiscal 1982 budget, that requests sent by the President to Congress governing Soil Conservation Service activities express the extent to which the projected programs and policies meet the statement of policy approved by Congress; requires the President to set forth reasons for requesting Congress to approve a lesser program or policy where budget recommendations fail to meet the established policy; and requires the Secretary to submit to Congress beginning with fiscal 1982, an annual report evaluating the program's effectiveness. S. 106—Passed Senate March 23, 1977; Passed House amended June 6, 1977. (VV)

Omnibus farm bill.—Extends for 5 years through fiscal year 1982 the basic price support programs for wheat, feed grains, cotton, rice, and wool; extends, with major changes, the food stamp program through fiscal year 1979; extends through 1982 the Food for Peace Program (P.L. 480) with some changes; and establishes a new charter and clearer direction for the Federal role in agricultural research;

Payments limitation.—Places a limitation of $50,000 on the total payments which a person may receive annually under one or more of the programs for wheat, feed grains, upland cotton, extra long staple cotton, and rice instead of the present $20,000 limitation and the separate $55,000 limitation on rice;

Commodity programs.—Milk—sets the price support at 80 percent of parity adjusted semi-annually but reviewed quarterly; extends for 5 years the Class I base plans, seasonal base excess plans, and seasonal takeout—payback plans for 5 years; Wool—updates the support levels to 90 percent of the formula; Wheat—sets the target price in 1977 at $2.90 per bushel and the target price for 1978 at $3.10 per bushel and an increase thereafter if the cost of production exceeds that level; Feedgrains—sets the target price levels for corn at $2.28 per bushel in 1978 and any increases thereafter will be based on cost of production, and ties the target level for other feedgrains to corn; Cotton—establishes a target price of 51.1 cents per pound for 1978 to increase in subsequent years in relation to cost of production increases; Peanuts—establishes a national acreage allotment and a minimum national poundage quota; sets up a price support program for producers through loans, purchases or other operations; Soybeans—requires price support loans for producers on the 1978 through 1982 crops at not less than $4 per bushel;

Grain reserves.—Requires the Secretary to formulate a producer storage program on original or extended price support loans for wheat and feedgrains at the same support level as provided by the 1949 Act, as amended; authorizes the President to negotiate a system of food reserves for humanitarian food relief and to maintain such a reserve of food commodities as a contribution of the United States to the system; expands the authority of the Secretary to acquire commodities for disposition in the event of national disasters; makes the following changes in the farm storage facility loan program: authorizes the Secretary of Agriculture to use guarantees on secured loans as well as direct loans as a means of assisting farmers to construct or purchase onfarm facilities; permits the making or guaranteeing of loans for the construction of facilities to store high moisture grain and forage crops, as well as dry grain; and requires, with respect to direct loans, that the borrower put up security for the loan and base the interest rate charged to farmers on the rate charged the Commodity Credit Corporation;

Food for peace program (P.L. 480).—Extends the program through 1982 and increases the annual authorization to $750 million (with the understanding that the committee's suggested reform would become a part of S. 1520, the foreign aid authorization bill);

Food stamp reforms.—Extends the program for 2 years; eliminates the purchase requirement and establishes a single benefit reduction rate at 30 percent of net income; limits participation to households at or below official Federal poverty levels; replaces current itemized deductions with standardized deductions; requires unemployed participants to seek employment; requires a 60-day period of ineligibility for a household whose head voluntarily terminates employment; eliminates automatic, categorical eligibility of welfare recipients; gives Indian tribal organizations greater authority over food distribution programs on reservations; increases incentives for States to root out program abuse and improve administration; authorizes pilot projects to improve administration; and extends authority to purchase commodities and establishes the Federal share of administrative costs for the Commodity Supplemental Food Program;

Food and agricultural research.—Expands support for research programs, improved dissemination of research findings, increased efficiency and coordination of Federally-funded food and agricultural research including nutrition research and animal health research; creates three interrelated advisory panels to improve coordination; provides for a program of competitive grants within the Department to initiate high priority research activities; authorizes the Secretary to make grants to agriculture experiment stations and land-grant universities to support the Federal-State cooperative research program; authorizes research on solar energy as applied to agriculture; directs the Secretary to develop and implement a national nutrition research and extension program;

Grain inspection.—Adds the language of S. 1051, the Federal Grain Inspection and Weighing Program Improvements bill as earlier passed by the Senate, which amends the United States Grain Standards Act with respect to recordkeeping requirements and supervision fees, and establishes an advisory committee to provide advice to the Administrator of the Federal Grain Inspection Service;

Other provisions.—Amends the authorizations for several existing rural development and conservation programs and contains other provisions including those relating to the inclusion of aquaculture and human

nutrition as functions of the Department of Agriculture, beekeepers indemnity, and the importation of filberts. S. 275—Passed Senate May 24, 1977; Passed House amended July 28, 1977; In conference. (169)

Rabbit meat inspection.—Makes rabbit meat inspection mandatory at Federal cost, by extending, with certain exceptions, the provisions of the Poultry Products Inspection Act to rabbits and rabbit products, effective October 1, 1978. H.R. 2521—Passed House March 29, 1977; Passed Senate amended July 25, 1977. (VV)

Soil erosion prevention.—Authorizes the Secretary of Agriculture to undertake emergency measures to safeguard lives and property from floods, drought, and erosion whenever fire or any other natural occurrence has caused a sudden impairment of a watershed; authorizes the establishment of an emergency fund in the Treasury for the use of the Secretary in carrying out these measures and authorizes therefor such sums as necessary; and makes the bill effective October 1, 1978. S. 1462—Passed Senate August 5, 1977. (VV)

Tobacco quotas.—Amends the Agricultural Adjustment Act of 1938 to increase from 50 percent to 80 percent the amount of the farm acreage allotment for Fluecured tobacco which must be planted on farms desiring to lease acreage-poundage quotas after June 14 of any year. H.R. 3416—Public Law 95–54, approved June 25, 1977. (VV)

Tomato standards.—Amends section 8e of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to require that imported tomatos conform with pack-of-container standards imposed on domestic tomatos under marketing orders. S. 91—Passed Senate July 25, 1977. (VV)

Western States conservation.—Amends, effective October 1, 1978, section 16(b) of the Soil Conservation and Domestic Allotment Act, which provides for a Great Plains conservation program in the States of Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming by (1) extending the program into all 22 contiguous States west of the Mississippi River; (2) authorizing farmers and ranchers participating in the program to utilize program funds to improve irrigation systems to conserve water; and (3) adding a condition to cost-sharing contracts under the program that farmers or ranchers who destroy permanent conservation measures installed on farms or ranches under the program forfeit all rights to Federal disaster payments for farm production losses. S. 1614—Passed Senate August 3, 1977. (VV)

Wheat and feed grains loan levels.—States as the sense of the Senate that the Secretary of Agriculture should exercise his authority under existing law to increase the loan levels for the 1977 crops of wheat and feed grains. S. Res. 193—Senate agreed to June 22, 1977. (VV)

Wheat producers assistance.—Provides temporary emergency assistance to wheat producers who planted prior to January 1, 1977, in order to prevent further increases in carryover stocks resulting from record U.S. wheat production and decreasing U.S. exports: requires the Secretary of Agriculture to carry out, through the Commodity Credit Corporation, a special wheat acreage grazing and hay program for the 1977 crop whereby a wheat producer who elects to participate may designate an acreage of cropland on his farm, of not to exceed 40 percent of the wheat allotment, for grazing purposes or hay production only: requires that the producer designate the specific acreage on the farm to be so used; directs the Secretary to pay any participating producer an amount determined by multiplying the number of acres placed in the program times the projected yield established for the farm times $1; makes the producer ineligible for any other payments or price supports, including deficiency payments and disaster payments under section 107 of the Agricultural Act of 1949, on that portion of the wheat allotment placed in the program; provides that such acreage shall be deemed to have been planted for harvest for the purposes of wheat acreage history; and authorizes the Secretary to issue the necessary regulations to carry out this act. S. 650—Passed Senate March 16, 1977. (60).

Wheat referendum.—Defers the wheat marketing quota referendum for the 1978 crop, which by law must be held no later than August 1, until 30 days after the adjournment of Congress or October 15, whichever is earlier, in order to provide additional time for enactment of legislation, presently being considered by Congress, for the 1978 and subsequent wheat crops which would eliminate the need for a referendum. S. 1240—Public Law 95–48, approved June 17, 1977. (VV)

APPROPRIATIONS

Fiscal 1977

Continuing.—Extends the continuing resolution (Public Law 94–473) which expires on March 31, 1977, until April 30, 1977, to provide financing authority for the following programs traditionally funded under the Departments of Labor, and Health, Education and Welfare Appropriations Act: higher education; National Health Service Corps; home health services; emergency medical services; library resources; teacher corps; alcohol abuse and alcoholism prevention, treatment and rehabilitation; health professions educational assistance; D.C. medical and dental manpower; activities under title VI of the Comprehensive Employment and Training Act; vocational education; and National Institute of Education; and amends the resolution to provide such amounts as necessary for the calendar quarter ending March 31, 1977, for general revenue sharing payments to State and local governments. H.J. Res. 351—Public Law 95–16, approved April 1, 1977. (VV)

Economic stimulus.—Makes economic stimulus appropriations in the total amount of $20,101,484,000 in new budget obligational authority for fiscal year 1977; includes the following to implement the economic stimulus proposals recommended by the President in his message of January 31, 1977:

Public Works Projects—$4 billion for acceleration of local public works projects;

Revenue Sharing Program—$4,991,085,000 for revenue sharing payments for the last three quarters of fiscal 1977:

Antirecession Financing—$632.5 million for increased antirecession payments under Public Law 94–369 to States and local governments in areas of high unemployment to assist them in maintaining basic services;

Public Service Employment—$7.987 billion for public services jobs which will expand the present Comprehensive Employment and Training Act (CETA) public service programs from the current 310,000 jobs to 600,000 jobs by September 30, 1977, and 725,000 jobs by December 31, 1977;

Targeted Employment and Training Programs—$1.438 billion for programs targeted to youth, veterans and those in need of new skills; and

Older Americans—$59,400,000 for an additional 14,800 jobs for community service employment for Older Americans;

In addition, includes the following appropriations: $95 million for production of NASA's third shuttle orbiter; $300 million for the construction grants reimbursement program for sewage treatment plants; $175 million for a drought assistance program contingent upon enactment of authorizing legislation; $35 million increase in the obligation limitation on airport development grants; $366 million for various programs authorized under the Federal-Aid Highway Act; $50 million for the Northeast Corridor improvement program to speed up construction currently underway; and $2 million for IRS accounts collection and taxpayer service. H.R. 4876—Public Law 95–29, approved May 13, 1977. (130)

Supplemental.—Makes supplemental appropriations in the total amount of $28,923,859,260 for the fiscal year 1977 for almost every department and agency of the Federal Government including appropriations to cover costs associated with the October 1, 1976, general government pay raise. H.R. 4877—Public Law 95–26, approved May 4, 1977. (98)

Urgent disaster supplemental.—Makes urgent supplemental appropriations of $200 million for fiscal year 1977 for disaster relief activities resulting from the severe weather conditions prevalent throughout the nation. H.J. Res. 269—Public Law 95–13, approved March 21, 1977. (VV)

Urgent power supplemental.—Makes urgent power supplemental appropriations of $6.4 million for fiscal year 1977 for the Department of the Interior, Southwestern Power Administration, for power purchases caused by critically low stream flow conditions in the area served by the Administration; and removes the restrictions in Public Laws 94–355 and 94–373 which limit the use of funds appropriated to ERDA subject to enactment of authorizing legislation to assure the continued funding of essential energy research development and demonstration programs. H.J. Res. 227—Public Law 95–3, approved February 16, 1977. (VV)

Fiscal 1978

Agriculture.—Appropriates $12,749,378,000 in new budget authority for the Department of Agriculture and related agencies for fiscal year 1978; includes $441,202,000 for the Animal and Plant Health Inspection Service and $1 million for the Farmers' Home Administration for planning and evaluation of housing program; contains funding for domestic food programs; appropriates $50 million for fiscal year 1977 to be immediately available for the Agricultural Conservation Program in drought areas in the Southeast; and contains other provisions. H.R. 7558—Public Law 95– , approved 1977. (VV)

Defense.—Appropriates $109,805,080,000 for the Department of Defense for fiscal year 1978 including the pay, allowances, and support of military personnel, operation and maintenance of the forces, procurement of equipment and systems, and research, development, test and evaluation; omits funding for procurement of the B–1 bomber; commissaries; bars the use of funds to consolidate undergraduate helicopter pilot training; requires military personnel in nonappropriated fund activities such as post exchanges and officers' clubs to be returned to military duties; limits the number of enlisted aides for general flag officers to a total of 150 for the Department of Defense; limits payments to hospitals under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) which pay for medical care for military dependents; and prohibits pay raises that would cause pay of wage board employees to exceed prevailing rates in the private sector but stipulates that no employee's pay shall be reduced from current levels. H.R. 7933—Passed House June 30, 1977; passed Senate amended July 19, 1977; conference report filed. (308)

Foreign aid appropriations, 1978.—Appropriates a total of $6,851,854,000 for foreign assistance and related programs for fiscal year 1978 including funds for foreign economic and military assistance, foreign military credit sales and the Export-Import Bank; appropriates $13 million for disaster assistance to Romania for fiscal year 1977; increases by 10 percent the U.S. contribution to the United Nations Development Program; appropriates $50 million for the Sahel Development Program and limits U.S. assistance to 10 percent of total cash contributions to

this drought-stricken area; includes security supporting assistance in the amount of $785 million for Israel, $750 million for Egypt, $300 million for Portugal, $80 million for Southern Africa Special Requirements Fund, $20 million for Lebanon, and $15 million for Cyprus; provides $2 billion for international development banks which is a billion dollar increase above fiscal year 1977; states sense of the Senate establishing appropriate levels for the "U.S. share" of future contributions to the internat onal development banks; states sense of the Senate language regarding human rights considerations in U.S. voting in international financial institutions; and limits the 1978 contribution to international banks until U.S. Executive Directors' salaries now ranging from $78,820 to $83,830 are reduced to $50,000, the salary of the Assistant Secretary of the Treasury. H.R. 7797—Passed House June 23, 1977; passed Senate amended August 5, 1977; Senate requested conference August 5, 1977. (346)

HUD.—Appropriates a total of $67,648,491,000 in new budget authority for fiscal year 1978 which includes $35,655,781,000 for the Department of Housing and Urban Development; $39,144,000 for the Consumer Product Safety Commission; $843,203,000 for the Environmental Protection Agency; $4,017,940,000 for the National Aeronautics and Space Administration; $43,970,000 for the National Science Foundation; and $17,194,882,000 for the Veterans' Administration; contains a provision to prohibit the use of government vehicles to drive Federal officials other than the Secretary of Housing and Urban Development between home and work; and provides that no government consultants shall be paid in excess of the rate paid a GS–18 civil servant. H.R. 7554—Passed House June 15, 1977; Passed Senate amended June 24, 1977; House agreed to conference report July 19, 1977. (237)

Interior.—Appropriates a total of $10,026,349,000 for the Department of the Interior and related agencies for fiscal year 1978; includes significant increases in natural resources program, the Department's energy and minerals programs directed at the safe and environmentally sound development of energy resources both onshore and on the outer continental shelf, and the Forest Service; contains increased funding for energy programs outside the Interior Department with the major part directed to the Strategic Petroleum Reserve and programs benefiting American natives that are administered by Interior and HEW with emphasis on health, educational, and economic opportunities and the wise management of their natural resources; expands support for programs enhancing the Nation's cultural resources and for specific programs for the arts and humanities, historic preservation, the Smithsonian Institution, and others; and contains other provisions. H.R. 7636—Public Law 95–74, approved July 26, 1977. (221)

Labor-HEW.—Authorizes a total of $60,168,561,000 in new budget authority for fiscal year 1978 with $5,679,187,000 for the Department of Labor, $53,185,557,000 for the Department of Health, Education and Welfare. and $1,303,837,000 for related agencies;

Makes significant increases over the Administration's budget requests for the following: employment and training assistance programs, with primary emphasis on creating jobs for unemployed youths; the Occupational Health and Safety Administration to provide for an additional 100 Federal compliance staff members; health programs for community health services, preventive medicine, research and training; elementary and secondary education programs to provide title I grants to disadvantaged students, impact aid for schools in Federally aeffcted areas, and emergency school aid to help school districts encountering special desegregation problems; higher education programs, particularly the basic opportunity grant, the direct student loan programs and a one-time demonstration project for law school clinical experience programs; the Head Start program; aging programs; rehabilitation programs; community service programs; and the Corporation for Public Broadcasting;

Makes significant decreases in the administration's budget requests for the Bureau of Labor Statistics, public assistance, and the Social Security Administration;

Contains funds restricting the use of public funds for abortions; and requires the use of funds appropriated by this act to require the transportation of students, reorganization of school grade structures, pairing of schools, or clustering of schools for the purpose of achieving racial desegregation. H.R. 7555—Passed House June 13, 1977; Passed Senate amended June 29, 1977; House agreed to conference report August 2, 1977; Senate agreed to conference report August 4, 1977, with House amendment on the abortion provision remaining in disagreement and requested further conference with House. (266)

Legislative.—Appropriates a total of $990,067,800 for the Legislative Branch for fiscal year 1978; includes $653,395,000 for Congressional operations and $336,672,200 for related agencies totalling $20,520,700 for Congressional operations and related agencies; deletes $55 million for the extension of the West Front of the Capitol and includes language instructing the Architect of the Capitol to ascertain which operations currently housed in the Capitol could be relocated to the office buildings and to prepare plans and drawings in detail with cost estimates for restoration of the West Front; provides that virtually all 1977 costs associated with the March 1, 1977, pay raise be absorbed through savings; includes changes in Senatorial allowances, as mandated by the Official Code of Conduct Amendments of 1977, S. Res. 110, and reduces the 1978 budget request for Sente activities by $12 million; consolidates the clerk-hire and the so-called S. Res. 60 allowances into a single allowance which will afford maximum flexibility to Senators in utilizing funds authorized for employment; retain the S. Res. 60 provisions for accessibility to committee files and meetings and certain reductions for committee chairmen and ranking minority members effective October 1, 1977; revises the current Consolidated Office Expense Allowance to provide more flexibility to Senator and to create a fixed allowance for each State; adds to the categories of expenses for which Members may be reimbursed: per diem and travel for Members and staff in the U.S. on official business, travel on official business in Washington, D.C. and in the vicinity of the home State office; and sets aside one-tenth of each Member's allowance to meet any other official office expense; makes each Senator eligible for two WATS telephone lines to be paid out of the contingent fund of the Senate; increases allowances by 10 percent although the consumer price index has risen 42.5 percent since last adjustment; allows an employee to be on the payroll of more than one Senator; directs that a supplement to the Congressional Directory be printed during second sessions rather than a new edition; reduces from 100 to 50 the number of recipients per Senator of free copies of the Congressional Record and requires publication of their names on the Record; eliminates a requested $250,000 subsidy for the Senate Restaurant with the intent of balancing the budget through price increases and improved management; phases out the 34 elevator operator jobs on automatic elevators at a savings of $292,000; and contains other provisions. H.R. 7932—Public Law 95– , approved 1955. (296)

Military construction.—Appropriates $2,977,720,000 for military construction for the Department of Defense for fiscal year 1978 which provides the necessary funding for the planning, design, construction, alteration and improvement of military facilities worldwide, both for active and Reserve forces, including military family housing; provides certain types of community impact assistance as well as assistance to members who face loss on the sale of private residences due to installation realignments; includes $8.5 million for an energy consumption metering program; and provides for the U.S. share of NATO infrastructure construction costs. H.R. 7589—Public Law 95– , approved 1977. (vv)

Public Works—Energy research.—Appropriates $10,350,669,000 for public works for water and power development and energy research for fiscal year 1978; provides $5,978,155,000 for the Energy Research and development Administration (except for fossil fuel and certain conservation programs) in title I; provides $2,728,242,000 water resources development programs (including power) and related activities of the Department of the Army, civil functions—Army Corps of Engineers' civil works program; provides $785,168,000 for the Department of the Interior's Bureau of Reclamation and Power agencies; provides $802,849,000 for related independent agencies and commissions including the Appalachian Regional Commission and Appalachian regional development programs, the Federal Power Commission, the Nuclear Regulatory Commission, the Tennessee Valley Authority; and the Water Resources Council in title IV; includes funding for 9 water resources projects which the President had removed from the budget and omits new construction starts of such projects; omits funds for the Clinch River Breeder Reactor; bars production of enhanced radiation weapons until the President certifies to Congress that production of these weapons is in the national interest, with the proviso that the Congress, by concurrent resolution, may disapprove such production within 45 days following Presidential certification. H.R. 7553—Public Law 95– , approved 1977. (284)

State-Justice-Commerce.—Appropriates a total of $7,709,432,000 in new budget authority for fiscal year 1978 including $1,234,970,000 for the Department of State; $2,300,619,000 for the Deartment of Justice; $1,923,275,000 for the Department of Commerce; $444,318,000 for the Judiciary; and $1,806,250,000 for related agencies including the Arms Control and Disarmament Agency, the International Trade Commission, the Small Business Administration, the Equal Employment Opportunity Commission, and the Legal Services Corporation; makes fiscal year 1977 supplemental appropriations totalling $211,515,000 for certain agencies with the major portion of the appropriation to replenish the Small Business Administration's disaster loan fund; and prohibits the use of funds for implementation of the President's pardon program for Vietnam-era draft resisters. H.R. 7556—Public Law 95–86, approved August 2, 1977. (242)

Transportation.—Appropriates $6,196,609,023 for fiscal year 1978 for the Department of Transportation (including the Coast Guard, Federal Highway Administration, National Traffic Safety Administration, Federal Railroad Administration, Urban Mass Transportation Administration, and Materials Transportation Bureau) and for related agencies (including the National Transportation Safety Board, Civil Aeronautics Board, Interstate Commerce Commission, Panama Canal Zone Government, United States Railway Association, Washington Metropolitan Area Transit Authority, and the National Transportation Policy Study Commission. H.R. 7557—Public Law 95–85, approved August 2, 1977. (230)

Treasury-Postal Service.—Appropriates a total of $7,478,254,000 in new budget obligational authority for fiscal year 1978 of which $2,842,714,000 is for the Treasury Department,, $1,695,540,000 is for the Postal

Service, $71,697,000 is for the Executive Office of the President, and $2,868,303,000 is for certain independent agencies; contains reductions in the number of permanent personnel positions in the Treasury Department based on the Presidential memorandum of March 1, 1977, restricting hiring until new personnel ceilings have been established and provides that if the ceilings established are lower than the committee recommendations the funds may not be used for other purposes without approval of the Appropriations Committees; and directs the Secretary of the Treasury to study the practice by Treasury Department agencies relating to the use of official Government vehicles by personnel and report to the committee by January 1, 1978. H.R. 7552—Public Law 95–81, approved July 31, 1977.

ATOMIC ENERGY AND NASA

NASA authorization.—Authorizes $4,049,429,000 for the National Aeronautics and Space Administration for fiscal year 1978 of which $3,041,500,000 is for research and development, $160,940,000 is for the construction of facilities, and $846,989,000 is for research program and management; includes funds to support the following new programs: (1) 5 space shuttle orbiters, (2) development of the shuttle-launched space telescope for research in astronomy, (3) a third generation earth resources survey spacecraft, Landsat-D, to carry an advanced scanning instrument, (4) initiation of a search and rescue satellite system in cooperation with Canada, and (5) initiation of a Jupiter orbiter probe mission; provides continued funding of the Space Shuttle; and includes the second funding increment for a fuel efficient aircraft technology development program designed to decrease fuel consumption of commercial jet transports by 50 percent. H.R. 4088—Public Law 95–76, approved July 30, 1977. (VV)

Nuclear Regulatory Commission authorization.—Authorizes $299,640,000 for fiscal year 1978 for the Nuclear Regulatory Commission; includes $41,480,000 for nuclear reactor regulation, $12,130,000 for standards development, $36,050,000 for inspection and enforcement, $22,090,000 for nuclear materials safety and safeguards, $148,400,000 for regulatory research, $10,180,000 for program technical support, and $29,310,000 for program direction and administration; provides for a reduction in appropriations if (1) the Clinch River Breeder Reactor project is cancelled or indefinitely deferred, (2) the license application is withdrawn or further construction is cancelled for the fuel reprocessing plant at Barnwell, S.C., and (3) plans for commercial fuel reprocessing and plutonium recycle are cancelled; and directs the Administrator of the General Services Administration to study and report to the Environment Committee by June 15, 1977, on the feasibility of consolidating the NRC which is presently housed in nine buildings throughout the Washington metropolitan area. H.R. 3733—Passed House May 17, 1977; Passed Senate amended May 25, 1977. (VV)

BUDGET

Rescissions.—

Helium Purchases.—Rescinds $47.5 million in contract authority for helium purchases under Public Law 87–122 as recommended by the President in his message of September 22, 1976, for which purchase contracts were terminated by the Interior Department in 1973 and the contract authority therefore is no longer needed. H.R. 3347—Public Law 95–10, approved March 10, 1977. (VV)

Second budget rescission. Rescinds $664,050,000 of the $941,278,000 in budget authority recommended by the President in his message of January 17, 1977, as follows: Department of Defenses—Military—$143.6 million in retired pay, $452.6 million in Naval shipbuilding and conversion because of the decision not to procure the fourth nuclear powered aircraft carrier (CVN–71) or convert the nuclear powered cruiser USS Long Beach to the Aegis air defense weapons system, and $145.35 million for Air Force procurement because of termination of the Advanced Logistics System (ALS): $41.5 million in funds appropriated to the President for foreign military credit sales; and $12 million for the Department of State contributions for international peacekeeping activities because of the lower budget levels established by the U.N. General Assembly; and disapproves $277,228,000 as follows: Department of Commerce—$525,000 for salaries and expenses of the U.S. Travel Service and $1.5 million for operations, research and facilities of the National Oceanic and Atmospheric Administration to continue surveys, mission and cost analysis and initiation of design and engineering studies for OCEANLAB; and $6,803,000 for the Department of Transportation for retired pay for the Coast Guard. H.R. 3839—Public Law 95–15, approved March 25, 1977. (VV)

Resolutions:

Third budget resolution, 1977.—Revises the Second Budget Resolution (S. Con. Res. 139) for fiscal year 1977 setting the level of revenues at $347.7 billion, outlays at $417.45 billion, deficit at $69.75 billion, budget authority at $472.9 billion and public debt at $718.4 billion; contains an adequate funding level to permit enactment of up to $13.8 billion in tax legislation stimulus as proposed by the administration and $3.7 billion in increased outlays to produce jobs in areas of high unemployment; sets a level of budget authority at $1.1 billion and outlays at $760 million for EPA construction grants, railroad and highway construction and improvement in recreational facilities; sets the following levels of funding for the relief of individuals and families hard hit by the recession and the harsh winter: (1) 1.8 billion in budget authority and outlays for direct payments to recipients of social security, SSI, and railroad retirement, or any similar stimulus proposals, (2) $508 million in budget authority and $508 million in outlays to extend the Federal supplemental benefits program for the unemployed, and (3) $200 million in budget authority and $200 million in outlays for Federal assistance to low- and moderate-income families to help them meet fuel costs during the winter emergency; includes adequate levels of budget authority for housing to support increased reservations for a total of 360,000 dwelling units for low- and moderate-income families; and makes the following revisions to the totals for budget authority and outlays contained in the Second Budget Resolution to reflect savings which have been achieved and additional costs which have arisen under existing programs (in billions of dollars):

National Defense—BA: $108.8 instead of $112.1, O: $100.1 instead of $100.65;

International Affairs—BA: $7.9 instead of $8.9, O: $6.8 instead of $6.9;

General science, space, and technology—BA: $4.5 instead of $4.6, O: $4.4 instead of $4.5;

Natural resources, environment, and energy—BA: $18.7 instead of $18.2, O: $17.2 instead of $16.2;

Agriculture—BA: $2.3 instead of $2.1, O: $3.0 instead of $2.2;

Commerce and transportation—BA: $17.3 instead of $17.2, O: $16.0 instead of $17.4;

Community and regional development—BA: $14.8 instead of $9.55, O: $10.55 instead of $9.05;

Education, training, employment and social services—BA: $30.4 instead of $24.0, O: $22.7 instead of $22.2;

Health—BA: $40.6 instead of $40.5, O: $39.3 instead of $38.9;

Income Security—BA: $170.9 instead of $155.9, O: $141.3 instead of $137.2;

Veterans benefits and services—BA: $18.9 instead of $20.3, O: $18.1 instead of $19.5;

Law enforcement and justice—BA: $3.5, O: $3.6;

General Government—BA: $3.5 instead of $3.6, O: $3.5;

Revenue sharing and general purpose fiscal assistance—BA: $7.6, O: $7.7;

Interest—BA: $38 instead of $39.6, O: 38 instead of $39.6;

Allowances—BA: $0.8 instead of $0.7, O: $0.8;

Undistributed offsetting receipts—BA: —$15.6 instead of —$16.8, O: —$15.6 instead of —$16.8. S. Con. Res. 10—Action complete March 3, 1977. (38)

First budget resolution, 1978.—Sets the level for total budget outlays for fiscal year 1978 at $460.95 billion, estimated revenues at $396.3 billion, new budget authority at $503.45 billion, and the estimated deficit at $64.65 billion as compared to the President's estimates of $462.6 billion in budget outlays, $404.7 billion in revenues, $506.2 billion in new budget authority, and a proposed deficit of $57.9 billion; sets the appropriate level of the public debt at $784.9 billion and the amount by which the statutory amount may be increased at $83.6 billion; for estimated revenues (1) assumes the level of fiscal stimulus in fiscal 1978 provided in the Tax Reduction and Simplification Act as agreed to by House and Senate conferees; (2) accepts a $65 million allowance for miscellaneous tax and tariff legislation; (3) considers the entire cost of the earned income credit as a reduction of revenue; and (4) postpones the treatment of tax credits in excess of recipients tax liabilities until development of the second budget resolution; recommends outlays for budget programs by function for fiscal year 1978 as compared with the President's proposed budget outlays as follows:

National Defense: $110.0 billion as compared to $112.8 billion;

International Affairs (conduct of foreign affairs, foreign information and exchange activities, the Peace Corps, Food for Peace, and non-military foreign assistance): $7.3 billion as compared to $7.2 billion;

General Science, Space and Technology: $4.7 billion, which is the same estimate submitted by the President;

Natural Resources, Environment, and Energy: $20.0 billion as compared to $20.9 billion;

Agriculture: $4.35 billion as compared to $4.4 billion;

Commerce and Transportation: $19.4 billion as compared to $19.9 billion;

Community and Regional Development: $10.8 billion as compared to $9.9 billion;

Education, Manpower, and Social Services: $27.2 billion as compared to $27.0 billion;

Health: $44.3 billion as compared to $44.6 billion;

Income Security (social security and unemployment insurance, retirement systems for Federal and railroad employees and assistance programs for the needy): $146.7 billion as compared to $148.7 billion;

Veterans Benefits and Services: $20.2 billion as compared to 18.8 billion;
lion as compared to $18.8 billion;

Law Enforcement and Justice: $3.85 billion as compared to $3.8 billion;

General Government: $3.85 billion as compared to $4.0 billion;

Revenue Sharing and General Purpose Fiscal Assistance: $9.7 billion, which is the same estimate submitted by the President;

Interest: $43.0 billion as compared to $40.9 billion;

Allowances (includes Federal pay increases for civilian agencies and other expenditures which cannot be reasonably assigned to other functions): $1.9 billion as compared to $1.2 billion; and

Undistributed Offsetting Receipts (includes receipts from rents and royalties on leases on the Outer Continental Shelf and other deductions from outlays which cannot be reasonably assigned to other functions):

$16.3 billion in undisturbed offsetting receipts in the Congressional budget as compared to $16.0 billion in the President's budget. S. Con. Res. 19—Action completed by both Houses May 17, 1977. (137,142)

CONGRESS

Capitol Grounds extension—Amends the act of July 31, 1946, as amended, to include certain specified areas and portions of streets within the U.S. Capitol Grounds in order to strengthen Capitol Police jurisdiction over traffic and other matters for security purposes. S. 1859—Passed Senate July 20, 1977. (VV)

Congressional Campaign Committee employees retirement credit.—Amends title V, U.S.C., to provide that a congressional employee may credit not to exceed 10 years of service as an employee of the Democratic Senatorial Campaign Committee, the Republican Senatorial Campaign Committee, the Democratic National Congressional Committee or the Republican National Congressional Campaign Committee for Civil Service Retirement purposes provided the required deposits for such service are made to the fund; and makes the provisions of this act, applicable to an employee who retires on or after the date of enactment. S. 992—Passed Senate March 5, 1977. (VV)

Ernest Gruening statue.—Accepts, in the name of the United States, the statue of the late Senator Ernest Gruening, presented by the State of Alaska, for the National Statuary Hall collection; expresses the appreciation of the Congress for the contribution; and provides for the temporary placement of the statue in the rotunda of the Capitol with appropriate ceremonies to mark the occasion. S. Con. Res. 25—Senate agreed to July 15, 1977. (VV)

Joint Committee on Atomic Energy Abolishment.—Abolishes the Joint Committee on Atomic Energy and provides for the disposition of its staff and the transfer of its statutory functions and authority to other congressional committees having jurisdiction over the development, utilization or application of atomic energy. S. 1153—Public Law 95– , approved , 1977. (VV)

Provides for transitional accommodations for the Joint Committee on Atomic Energy. S. Res. 252—Senate agreed to August 5, 1977. (VV)

Joint Committee on Congressional Operations Abolishment.—Abolishes the Joint Committee on Congressional Operations effective September 30, 1977, and transfers its duties and responsibilities to the Senate Committee on Rules and Administration. S. 1608—Passed Senate July 12, 1977. (VV)

Joint Economic Committee Study.—Directs the Joint Economic Committee, or any of its subcommittees, to investigate past and prospective changes in the United States and world economies and their impact on the economies of the United States and other nations and to report to Congress their recommendations for meeting the economic policy requirements of the United States; authorizes the Committee to hire expert professional staff and supporting assistants as well as individual consultants and organizations and to sit and act during sessions of the present Congress whether or not either House is recessed or adjourned; and authorizes therefor $900,000 for the period July 1, 1977, through December 31, 1978, of which not to exceed $250,000 may be expended prior to December 31, 1977. H. Con. Res. 248—Action completed by both Houses July 18, 1977. (VV)

State taxation of Members of Congress.—Adds a new section 113 to title 4, U.S.C., effective with respect to all taxable years, which provides that no State in which a Member of Congress maintains a place of residence to attend sessions of Congress may for State income tax purposes treat the Member as a resident or domiciliary or treat his Congressional salary as income for services performed within or from sources within that State unless the Member represents the State. H.R. 6893—Public Law 95–67, approved July 19, 1977. (VV)

CONSUMER AFFAIRS

Debt collection practices.—Amends the Consumer Credit Protection Act to add a new title entitled the "Fair Debt Collection Practices Act" to protect consumers from a host of unfair, harassing, and deceptive debt collection practices; prohibits a debt collector from: (1) contacting third parties other than to obtain location information except the consumers attorney, a credit reporting agency, the creditor, the creator's or debt collector's attorney, or any other person to the extent necessary to effectuate a post-judgment judicial remedy; (2) engaging in any conduct which harasses, oppresses or abuses any person; (3) using any false, deceptive or misleading representations; (4) using any unfair or unconscionable means; (5) attempting to collect a disputed debt until the consumer receives verification of the debt; and (6) applying payments to disputed debt; provides that if a consumer notifies a debt collector in writing that he refuses to pay a debt or wishes the debt collector to cease further contacts the debt collector must cease further contacts, the debt collector must so cease except to notify the consumer of the debt collector's or creditor's further actions; requires that actions on real property be brought in the judicial district in which the property is located and actions on personal suits be brought either where the contract was signed or where consumer resided; provides that a debt collector who violates the act is liable for actual damages plus costs and reasonable attorney's fees; permits the court to award up to $1,000 in individual actions, and up to $500,000 or 1 percent of the debt collections net worth, whichever is less in class actions; provides the following two defenses; (1) good faith reliance on an FTC advisory opinion and (2) bona fide error notwithstanding procedures to avoid the error; provides that a court may award reasonable attorney's fees to a defendant if it finds that the consumer brought a suit in bad faith for harassment; sets a 1-year statute of limitation on bringing actions; places enforcement of the act with the FTC and the Federal bank regulatory agencies; prohibits the promulgation of any additional rules or regulations pertaining to debt collectors; requires the FTC to report annually to the Congress on the Act's effectiveness and administrative enforcement; annuls state laws only if inconsistent to Federal; allows the FTC to exempt any collection practices within any State if they are subject to substantially similar requirements; and provides that the act shall take effect within 6 months of enactment. H.R. 5294—Passed House April 4, 1977; Passed Senate amended August 5, 1977. (VV)

CRIME-JUDICIARY

Daughter of the Confederacy patent renewal.—Extends for 14 years design patent number 29,611 which is the insignia of the United Daughters of the Confederacy. S. 810—Passed Senate May 13, 1977. (VV)

Drug Enforcement Administration.—Amends the Comprehensive Drug Prevention and Control Act of 1970 to extend for 2 years through fiscal 1979, the Drug Enforcement Administration at an annual authorization of $182 million plus such additional amounts as necessary for salary increases and other employee benefits authorized by law. S. 1232—Passed Senate June 6, 1977. (VV)

Federal Rules of Criminal Procedure.—Approves with modifications certain amendments to the Federal Rules of Criminal Procedures proposed by the Supreme Court on April 26, 1976, and disapproves other such amendments;

Changes rule 6(e), which deals with the secrecy of grand jury proceedings, to allow disclosure information of grand jury proceedings to personnel deemed necessary by an attorney for the government to assist in the performance of his duty to enforce Federal criminal law; changes rule 23(b), which deals with cases tried by juries or less than 12 persons, to allow the parties to stipulate that a valid verdict may be returned by a jury should the court find it necessary to excuse one or more jurors after the trial commences, and changes rule 23(c), which deals with cases tried without a jury, to require that a request for a special finding be made prior to the general finding and to allow findings to be made orally; disapproves the Supreme Court's proposed changes to rule 24 which deals with the number of peremptory challenges to prospective jurors; changes rule 41(c), which deals with the issuance of search warrants, to provide for a telephone search warrant procedure; amends the present removal to Federal Court statute to minimize the disruption and unnecessary delay in State criminal procedures that can result from delatory petitions for removal; and specifies the effective dates of the proposed modifications. H.R. 5864—Public Law 95–78, approved July 30, 1977. (VV)

Jefferson F. Davis citizenship.—Restores posthumously full rights of citizenship to Jefferson F. Davis effective December 5, 1968. S.J. Res. 16—Passed Senate April 27, 1977. (VV)

Juvenile justice.—Strengthens and extends for 3 years, the program established by the Juvenile Justice and Delinquency Prevention Act of 1974 with authorization levels of $150 million, $175 million, and $200 million for fiscal years 1978, 1979, and 1980, respectively; extends the definition of "juvenile delinquency program" to include programs for all youths who would benefit from services designed to reduce delinquent conduct; reaffirms Congressional intent that the provisions of the act are to be administered through the Office of Juvenile Justice and Delinquency Prevention; changes the title of the head of the Office from Assistant Administrator to Associate Administrator and upgrades the position to the Executive Schedule, Level 5, to emphasize the importance of the position; affirms the authority of the Associate Administrator of the Office to administer LEAA juvenile justice funds subject to delegation and direction by the Administrator of LEAA; retains the Office's National Institute for Juvenile Justice and Delinquency Prevention and strengthens the scope of its activities particularly in the area of training;

Gives increased emphasis and recognition to the proper roles of the National Advisory Committee for Juvenile Justice and Delinquency Prevention and the Coordinating Council on Juvenile Justice and Delinquency Prevention; provides for the addition of the Commissioner of the Office of Education and the Director of Action to the statutory membership of the Council, and states that the Director of the Special Action Office for Drug Abuse Prevention shall be replaced on the Council by the Director of the Office of Drug Abuse Policy; expands the scope of representation on the advisory committee and requires that future appointments to the committee include at least three youth members who have been under the jurisdiction of the juvenile justice system; provides for more significant input at all levels from persons who, by virtue of their training or experience, have special knowledge concerning the prevention and treatment of juvenile delinquency and the administration of juvenile justice; makes changes to the formula grant program intended to fine tune this modified grant program, to clarify ambiguous language in the 1974 act, and to assist States to more effectively expand formula grant funds according to priority areas identified in the States' juvenile justice plan; requires that,

beginning in fiscal year 1979, not more than 7.5 percent of a State's total formula grant allotment may be used to cover the costs of planning, administration, or any pre-award activities, and that any grant funds used for these purposes must be matched on a dollar-for-dollar basis from State or local funds; provides that formula grant program funds will cover 100 percent of the approved cost of any program or activity effective October 1, 1978; extends eligibility for State formula grant pass-through funds to local private agencies which have applied to the appropriate units of local governments for funding and have been denied; provides one additional year for States to comply with the deinstitutionalization requirements of the program; requires that all facilities for juveniles be monitored in order to determine whether they are properly classified as juvenile detention and correctional facilities or as other types of facilities where status offenders may be placed; provides that participating States shall provide the Associate Administrator with a review of the extent of compliance with deinstitutionalization requirements; provides that States in compliance with the deinstitutionalization requirement shall have preference for reallocated formula grant funds;

Provides that 25 percent, rather than 25-50 percent, of Part B funds be allocated for the special emphasis program, and expands its scope to include activities to help prevent school violence and vandalism, to promote youth advocacy, and to assist State legislatures to develop legislation to achieve State compliance with the act; increases the minimum private agency share of special emphasis funding from 20 to 30 percent;

Prohibits the use of formula grant funds to match other LEAA funds, but allows the formula grant funds to be used as match for other Federal juvenile delinquency program grants; provides that the Administrator's authority to require a matching contribution extends to grants for the concentration of Federal efforts and programs of the National Institute for Juvenile Justice and Delinquency Prevention, but not to grants for special emphasis programs; requires that program records be kept confidential; authorizes funding at the level of $25 million for fiscal years 1978, 1979, and 1980 for the extension of the Runaway Youth Act to enable the Secretary of HEW to increase assistance to local groups which operate temporary shelter care programs in areas where runaways tend to congregate; and contains other provisions. H.R. 6111—Passed House May 19, 1977; Passed Senate amended June 21, 1977; Senate agreed to conference report July 28, 1977. (VV)

Mississippi court terms.—Amends section 104(a)(1), title 28, U.S.C., to provide for holding terms of the U.S. District Court for the Eastern Division of the Northern District of Mississippi at Aberdeen, Ackerman, and Corinth. S. 662—Passed Senate April 7, 1977. (VV)

North Dakota Judicial District.—Amends title 28, U.S.C., to realign the judicial districts of North Dakota by transferring Bottineau, McHenry, and Pierce Counties from the Northeastern Division to the Northwestern Division and transferring Sheridan and Wells Counties from the Southeastern Division to the Northwestern Division in order to reduce the average distance which litigants, attorneys, and jurors in these counties must travel to the nearest place of holding court by approximately 100 miles S. 195—Passed Senate May 24, 1977. (VV)

Omnibus judgeships.—Provides for the appointment of 110 additional permanent district court judges in 65 specified judicial districts; creates three temporary district court judgeships, for a minimum of 5 years, in the Eastern District of Kentucky, Southern District of West Virginia, and Southern District of Florida; divides the fifth circuit into a new fifth circuit consisting of Alabama, Florida, Georgia, and Mississippi which would have 14 judges, and a new eleventh circuit consisting of Louisiana and Texas which would have a total bench of 12 judges; creates a total of 35 new circuit court judgeships distributed as follows: one new judgeship in the first circuit; two in the second circuit; one in the third circuit; three in the fourth circuit; five for the revised fifth circuit; two for the sixth circuit; one for the seventh circuit; one for the eighth circuit; ten for the ninth circuit; one for the tenth circuit; and six for the new eleventh circuit; contains a "report back" provision which requires the Judicial Council of the Ninth Circuit Court to make recommendations for a solution to the unique problems of that circuit within one year of the date on which the tenth new judge is appointed; authorizes the Administrative Office of the United States Courts to upgrade and reclassify eight employee positions; and amends existing law to require that actions brought against rail or motor carriers on claims for damage or delay to shipments be subject to a minimum jurisdictional amount of $10,000 for each bill in lading, in order to prevent abuse of the Federal judicial process by persons bringing such actions simply as a means of tolling the statute of limitations while settlement negotiations are undertaken. S. 11—Passed May 24, 1977. (VV)

U.S. magistrates.—Enlarges and amends the current jurisdictional provisions for U.S. magistrates in order to improve access to the Federal courts for the less advantaged;

Allows magistrates to finally determine civil cases, upon the consent of the parties involved; authorizes a magistrate to "conduct any or all proceedings in any jury or nonjury civil matter"; specifies appeal and review procedures available to an aggrieved party in a civil matter decided by a magistrate;

Qualifies the existing discretion of district courts to select and appoint magistrates by: directing the Judicial Conference to promulgate standards for qualification and selection procedures of magistrates; requiring that all subsequent magistrate appointments must conform to these standards; providing that the qualifications of full-time magistrate appointees must also be approved by the judicial council of the circuit before the appointment takes effect; and requiring that all magistrates must have been admitted to practice of law for at least five years; extends statutory prohibitions on outside activities to all full-time and part-time magistrates who exercise the new case-dispositive jurisdiction provided for in the bill; extends the existing provisions for payment of certain litigation expenses for indigents in proceedings before a district judge to proceedings before a magistrate;

Expands jurisdiction of magistrates to try minor criminal offenses to include all misdemeanors; eliminates the requirement for defendant consent to a magistrate conducting the trial in a petty offense case; allows the conduct of jury trials in misdemeanor cases before a magistrate where the court has specifically designated the magistrate to proceed in that manner; permits magistrates to sentence young adults and youthful offenders if the commitment imposed does not exceed the maximum term for an adult convicted of the same offense; provides that the procedural requirements of the Juvenile Delinquency Act do not apply to single petty offense cases in which terms of commitment or imprisonment are not usually imposed; and contains other provisions. S. 1613—Passed Senate July 22, 1977. (VV)

DEFENSE

Coast Guard authorization.—Authorizes $1,262,521,000 for fiscal year 1978 for the Coast Guard for the procurement of vessels and aircraft, construction and improvement of shore and offshore facilities, alteration and removal of obstructive bridges, aids to navigation, pollution abatement, administrative expenses, and operating expenses; authorizes a year-end strength for active duty personnel of 39,145; authorizes an average military student load of 5,506; includes funds for the recent Presidential program of boarding and inspecting oil tankers, reactivation of Coast Guard cutters to be used as back-up vessels in the enforcement of the 200-mile Fishery Conservation Zone, enforcement of the Fishery Conservation and Management Act of 1976, a search and rescue mission capability at the Portage, Mich., Coast Guard station, two additional icebreaking tugs and one large icebreaker, procurement of 2 short-range recovery helicopters for the search and rescue station at Cordova, Alaska, the procurement of radar and other equipment for a continuation of various vessel traffic systems, and the study of oil spill containment in high seas or fast rivers; restores funds which the Coast Guard expended as a result of the unanticipated winter storm damage; adds a new section which permanently authorizes the Coast Guard to continue its present accounting procedure of merging prior year "Operating Expenses" and "Reserve Training" appropriations with current year appropriations for the same purpose; authorizes the Coast Guard to contribute funds to the North Marin County Water District in California for the construction of a sewage treatment plant; authorizes the Coast Guard to accept money from the city of Baltimore, Maryland, for use in replacing Coast Guard facilities which will be removed by the city incident to a road improvement project; reextends an exemption from Coast Guard inspection for fishing tender and cannery tender vessels in the States of Alaska, Oregon, and Washington and authorizes the commandant of the Coast Guard to assist HEW in providing medical emergency helicopter transportation services to civilians. H.R. 6823—Public Law 95-61, approved July 1, 1977. (VV)

Defense production extension.—Extends for two years, through fiscal 1979, the titles of the Defense Production Act of 1950, as amended, which contain the sole authority for a number of programs designed to maintain the national defense production base in peacetime, prepare for mobilization, provide a pool of trained manpower for war production management, provide uniform cost accounting standards for negotiated defense contracts, provide for the examination of national policy with regard to material supplies and shortages, and continue the Joint Committee on Defense Production. S. 853—Public Law 95-37, approved June 1, 1977. (VV)

Deputy and Under Secretaries of Defense.—Eliminates one of the two positions of Deputy Secretary of Defense and establishes the position of Under Secretary of Defense for Policy; and changes the title of the Director of Defense Research and Engineering to that of Under Secretary of Defense for Research and Engineering. S. 1372—Passed Senate June 9, 1977. (VV)

Military construction authorization.—Authorizes $3,724,718,000 for construction and other related authority for the military departments, and the Office of the Secretary of Defense within and outside the United States; contains authority for the construction of new projects which will create an estimated 50,000 jobs in the construction industry and to operate and maintain the current inventory of military family housing; contains funds for upgrading the chemical weapons storage sites; contains nearly $200 million for selected projects designed to conserve energy and to control pollution at military installations; encourages the utilization of solar energy where practical and economically feasible for projects authorized by this act; includes $70 million for a test program which will meter energy consumed in individual

military family housing units in order to establish, once feasibility is demonstrated and after Congressional review, reasonable energy consumption ceilings and to assess occupants for any consumption in excess of the established ceiling; specifies the guidelines which should be included in the program; includes $7.3 million for construction of support facilities for personnel stationed at Diego Garcia; increases from $400,000 to $500,000 DOD authority for new minor construction projects without specific authorization; establishes permanent procedures for accomplishing base realignments at military installations employing more than 500 civilian personnel; makes these procedures applicable to relocating functions and civilian personnel positions if the authorized level of such personnel is to be reduced by 1,000 or 50 percent of the authorized strength, whichever is smaller, except if the reductions result from work load adjustments or other similar causes; requires that DOD notify Congress of any proposed action, comply with the provisions of the National Environmental Policy Act of 1969, submit a detailed justification for any final decision, and defer implementation for 60 days following notification of the final decision; authorizes the Secretary to enter into contracts for periods not to exceed 10 years for the purchase of fuel derived from waste products; provides that commissary surcharge funds may be used to provide new commissaries and renovate existing commissaries anywhere in the world; authorizes $2 million for the construction of visitors facilities for the U.S.S. Arizona memorial in Hawaii; and contains other provisions. S. 1474—Public Law 95–82, approved August 1, 1977. (VV)

Military enlistment and reenlistment bonuses.—Amends chapter 5, title 37, U.S.C. to extend for 15 months, from June 30, 1977, to September 30, 1978, present law authorizing the armed services to pay enlistment and reenlistment bonuses to selected enlisted personnel who possess a critical skill or to those who enlist for service in a critical skill including the combat arms; and adds a provision whereby a member would forfeit his bonus if he becomes technically unqualified in the skill for which the bonus was paid unless it is the result of an injury, illness, or other impairment which is not a result of his own misconduct. H.R. 583—Public Law 95–57, approved June 29, 1977. (VV)

Military procurement authorization.—Authorizes a total of $36.1 billion for fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development test, and evaluation for the Armed Forces; continues funding of submarine-based missiles, land-based ICBM's and manned bombers to maintain the strategic balance with the Soviet Union; increases funds for Naval shipbuilding including several new initiatives; contains funds to improve the deterrent and fighting capabilities of NATO without increasing the commitment of American ground forces; establishes a Naval Shipbuilding Commission to study and report to the President and Congress on current naval policies and procedure together with its recommendations on a more efficient and cost-saving means of procuring vessels; prohibits the use of funds after fiscal 1980 for the development of procurement of any main battle tank, mechanized infantry combat vehicle, armored personnel carrier, armored self-propelled artillery vehicle, or armored self-propelled air defense artillery vehicle which does not possess collective system protection for all occupants against chemical and radiological agents; sets the end-strength for active duty personnel at 2,085,100, the average strength of the Selected Reserve at 868,900, the end strength of civilian personnel at 1,018,600 with authority for the Secretary to exceed the limit of 1¼ percent, and the average military student load at 248,894; sets at $313.20 the monthly pay for a cadet or midshipman; directs the Secretary to expand the job classifications to which female members of the Armed Services may be assigned; authorizes a test educational bonus program for the Selected Reserve and requires quarterly reports to Congress; requires the Secretary to maintain at least one ROTC unit in each State; includes $95,250,000 for programs of the Defense Civil Preparedness Agency; provides that females who become members of the Armed Forces will incur the same 6-year statutory obligation as males; eliminates the requirements for annual inspections of National Guard units and for quadrennial physical examinations for members of the Fleet Reserve and the Fleet Marine Corps Reserve; extends the authority to provide financial assistance of $100 a month to officer candidates under the Marine Corps Platoon Leaders Class program; extends to October 1, 1979, the President's authority to transfer to Israel by sale, credit sale, or guaranty aircraft and equipment to counteract military assistance provided to other countries in the Middle East, and authorizes the Secretary to restock Armed Forces inventories with equivalent aircraft and equipment; requires the Secretary to submit to the Armed Services Committees by October 1 of each year a full accounting of all experiments and studies conducted by DOD in the preceding 12-month period which involved the use of human subjects for testing chemical or biological agents and requires the Secretary to notify the Committees 30 days after final approval and 30 days prior to initiation of plans to conduct such tests; prohibits such experiments involving civilians unless local officials are notified in advance and a period of 30 days has expired; prohibits DOD from increasing the percentage of funds allocated to private research and development contracts pending submission of a study to Congress or March 15, 1978; prohibits the use of funds for advertising the Special Discharge Review Program for certain Vietnam-era individuals; reduces the authorized levels of generals and admirals to 1,073 over a 3-year period beginning fiscal 1978 and provides for a like reduction in the number of civilian personnel grades GS 13–18; requires the Secretary to submit a report with the fiscal 1979 authorization request on the required number of general officers as well as any justification for deferring the proposed reductions; provides for congressional consideration of modifications in U.S. Strategic Arms Programs which the President may recommend to facilitate negotiation or agreement in the Strategic Arms Limitation Talks; requires the Secretary to report to Congress on the proposed sale or transfer of defense articles from active forces' inventories or current production valued at $25 million or more; and provides that retiring military and civilian personnel (of Grade GS–13 or above) in the procurement field may submit written suggestions for methods to improve procurement policy H.R. 5970—Public Law 95–79, approved July 30, 1977. (144)

DISASTER ASSISTANCE

Disaster relief programs.—Amends the Disaster Relief Act Amendments of 1974 to extend the authorizations for the Federal disaster assistance programs of the Federal Disaster Assistance Administration, which expire on June 30, 1977, through fiscal year 1980. H.R. 6197—Public Law 95–51, approved June 20, 1977. (VV)

Drought emergency authority.—Provides temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976–77 drought conditions affecting irrigated lands in the western States; authorizes the Secretary, acting through the Bureau of Reclamation and the Bureau of Indian Affairs, to: (1) study available means to augment, utilize, or conserve Federal reclamation and Indian irrigation projects water supplies and to undertake construction (which must be completed by November 30, 1977), management, and conservation activities to mitigate drought damage, (2) acquire water supplies by purchase from willing sellers and redistribute the water to users based upon priorities he determines, and (3) undertake evaluations and reconnaissance studies of potential facilities to mitigate the effects of a recurrence of a drought emergency and make recommendations to the President and Congress; provides that payment for water acquired from willing sellers be at negotiated prices; directs the Secretary to determine the priority of need in allocating the acquired or developed water; authorizes the Secretary to defer without penalty, the 1977 installment charge payments, including operation and maintenance costs, owed to the U.S. on Federal reclamation projects, with the costs to be added to the end of the repayment period which may be extended if necessary; requires that this program be coordinated, to the extent practicable, with emergency and disaster relief operations conducted by other Federal agencies under existing provisions of law; requires the Secretary to report to Congress by March 1, 1978, on all expenditures made under this act; authorizes the Secretary to make interest-free five year loans to individual irrigators for construction, management and conservation activities or acquisition of water; authorizes $100 million to carry out the water purchase and reallocation (water bank) program of which 15 percent shall be available to carry out other programs authorized by this act; and provides that up to 15 percent of fiscal 1977 funds available to the Secretary for the Emergency Fund Act may be used for non-Federally financed irrigation projects, 5 percent for State Government drought emergency programs, and $10 million for the purchase of water. S. 925—Public Law 95–18, approved April 7, 1977. (54)

Amends Public Law 95–18 to remove constraints on the allocation of funds for drought assistance and permit the use of funds already appropriated for the programs authorized in a more effective and timely manner, and permits the Secretary to waive all or any portion of the repayment of loans made if the recipient agrees to undertake a program of water conservation. S. 1935—Public Law 95– , approved 1977. (VV)

Drought emergency relief.—Authorizes $225 million in grant and loan authority to the Economic Development Administration for assistance to States, Indian tribes or units of local government with a population of 10,000 or more for drought-related projects; includes among the permissible activities for which grants may be made the improvement or expansion of existing water supply facilities, construction of new facilities, well drilling or impoundment where appropriate, transportation of water by pipeline, and purchase of water if it is the most economic method of providing the needed supply; gives the Secretary of Commerce authority to designate areas eligible for assistance; limits grants to 50 percent of the cost of any project and provides that loans shall be at 5 percent interest for not to exceed 40 years and at terms determined by the Secretary; directs the Secretary to consider the relative needs of the applicants giving priority to communities facing the most severe problems; permits obligation of funds for drought impacted projects conducted by eligible applicants during fiscal year 1977 if they are compatible with the purposes of the act; permits funds to be obligated to December 31, 1977, and requires that projects be completed by April 30, 1978; and extends the time allowed for convening the White House Conference on Balanced Growth and Economic Development from 12 to 18 months after the date of enactment of Public Law 94–487. S. 1279—Public Law 95–31, approved May 23, 1977. (VV).

DISTRICT OF COLUMBIA

D.C. Armory Board.—Amends the Home Rule Act to allow the Armory Board of the District of Columbia, which manages Robert F. Kennedy Stadium and the D.C. Armory, to operate under a fiscal year coinciding with the calendar year, rather than the October 1–September 30 fiscal year required of all city government agencies in order to accommodate the special seasonal nature of the revenues earned by the concerns, and changes the filing date for the Board's annual reports from January to July. S. 1062—Passed Senate May 26, 1977. (VV)

D.C. bonds.—Adds a new subsection to the section of the Home Rule Act authorizing the issuance of revenue bonds to provide that payments made pursuant to acts authorizing such bonds may be made without further authorization or approval. S. 1063—Passed Senate May 26, 1977. (VV)

D.C. borrowing authority.—Amends the Home Rule Act to extend until October 1, 1979, the District's interim authority to borrow from the Treasury of the United States to finance the District's capital improvements projects; changes from November 1 to February 1 of each fiscal year the date by which the Mayor must submit to the Council of the District a complete financial statement and report for the preceding fiscal year; and makes procedural and technical changes to the act respecting qualifications for appointment to the Commission on Judicial Disabilities and Tenure, and to the Judicial Nomination Commission. S. 1061—Passed Senate June 13, 1977. (VV)

D.C. reciprocal tax collection.—Authorizes any State, territory or possession to bring suit in the Superior Court of the District of Columbia to recover any tax lawfully due and owing to it, if a reciprocal right is accorded to the District by the State, territory or possession. S. 1103—Passed Senate May 26, 1977. (VV)

Federal water, and sewer payment.—Allows the District of Columbia to collect the amount of money owing from the Federal Government for water and sewer services in its next fiscal year's budget. S. 1322—Passed Senate June 7, 1977. (VV)

George Washington University.—Restates completely the charter of The George Washington University, substituting a more adequate, flexible and modern document for the cumbersome and antiquated original charter granted in 1921; changes the name from George Washington University to The George Washington University; cites the schools purposes and states explicitly that a policy of nondiscrimination must govern its pursuit of those objectives; enumerates the specific powers of the University to control and direct its operations; provides for the creation of a board of trustees and its executive committee; vests in the board the powers to control and direct the operation of the university, in addition to authority over school personnel and the bylaws; empowers the trustees to merge the university with other nonprofit organizations; and ensures the continuity of the school's corporate status. S. 1060—Passed Senate May 26, 1977. (VV)

ECONOMY-FINANCE

Export Administration—Arab boycott.—In title I, authorizes $14,033,000 for the extension to the Export Administration Act of 1969, through fiscal year 1979; requires a review of the export control lists, rules, and regulations issued under the Act, to be submitted not later than December 1, 1978; authorizes the Secretary of Defense to recommend his approval of an export license application whenever he determines that the export would be detrimental to U.S. national security; exempts agricultural commodities purchased for export and stored in the United States from subsequent export restrictions if such storage will not have a serious domestic inflationary impact; requires a study of the national security impact of the export of technical information to restricted countries within 6 months of enactment and adds other reporting and notification requirements of the act;

Excludes petroleum products refined in the U.S. foreign trade zones or in Guam from any quantitative limitations imposed for short supply purposes unless the Secretary of Commerce limits such exports; prohibits export of Alaskan oil except (1) for exchanges of crude oil in similar quantity, for convenience or increased efficiency in transportation, with governments of adjacent foreign states, or for oil that is temporarily exported for increased efficiency of transportation across part of an adjacent foreign state and reenters the United States, or (2) where the President publishes and submits to Congress 60 days prior to export an express finding that the export of such oil is in the national interest and in accord with the provisions of the Export Administration Act of 1969; allows a 60-legislative-day period for any such action to be vetoed by either House of Congress prior to any export; provides that any contract for the export of such oil may be terminated any time that U.S. petroleum suppliers are seriously threatened;

Reaffirms Congressional intent that the secrecy provisions of the act do not abridge the inherent right of Congress to acquire information obtained under the act; directs the Secretary of Commerce to undertake a review or unilateral and multilateral export controls and to submit the results to Congress by December 31, 1978; requires that monitoring of exports for short supply purposes commence at a time adequate to insure that sufficient data will be available to permit achievement of the act; increases the penalties applicable to violations of the Export Administration Act and otherwise improves the administration of U.S. export controls;

In title II, seeks to prevent most forms of compliance with foreign boycotts; prohibits refusal to do business with blacklisted firms and boycotted friendly countries pursuant to foreign boycott demands; prohibits discrimination against any U.S. person on the grounds of race, religion, sex, or national origin in order to comply with a foreign boycott; prohibits U.S. persons from furnishing information about any person's race, religion, sex or national origin for foreign boycott enforcement purposes; provides for public disclosure of requests to comply with foreign boycotts; requires domestic U.S. persons who receive such requests to disclose publicly whether they are complying with such requests; provides that these provisions apply to all domestic concerns and persons, including intermediaries in the export process;

Exempts from the antiboycott provisions transactions in which a unilateral and specific selection is made by a boycotting country, or national or resident thereof; allows United States persons residing in a foreign country to comply with the laws of that country with respect to his activities exclusively therein; permits a negative certification with respect to carriers or route of shipment in order to comply with requirements protecting against war risks and confiscation; allows compliance with immigration or visa requirements with respect to the individual and members of his family; permits U.S. persons to comply with requests for information pertaining to securing or maintaining employment in a boycotting country; preempts all State foreign boycott laws; provides a 2-year grace period for agreements in effect on or before March 1, 1977, with three additional 1-year extensions available in cases where good fatih efforts are being made; and generally strengthens U.S. law against foreign boycotts to reduce their domestic impact. H.R. 5840—Public Law 95–52, approved June 22, 1977. (140)

Export-Import Bank.—Extend from June 30, 1978, to September 30, 1978, the operating authority of the Export-Import Bank in order to conform to the new fiscal year. H.R. 6415—Passed House May 3, 1977; Passed Senate amended June 29, 1977; In conference. (VV)

Financial institutions regulatory agencies.—Provides financial institution regulatory agencies with greater and more specific authority to stop unsafe or unsound practices or violations of law; prohibits interlocking management and director relationships between financial institutions that are not commonly owned nor affiliated in order to foster competition among these institutions in financial markets; allows the Federal Reserve to exempt by rule interlocking, management or director relationships if the effect would be procompetitive; requires the prior approval of the Federal Deposit Insurance Corporation for a State-insured non-member bank to establish a foreign branch or invest in a foreign bank; contains language to clarify the authority of the bank regulatory agencies to examine bank contractors; Provides that it is a crime to forcibly assault or intimidate a financial institution regulatory official; proscribes revolving door employment practices by the heads of financial institutions regulatory agencies; and provides increases in salaries for officials of these regulatory agencies. S. 71—Passed Senate August 5, 1977. (VV)

Foreign corporate bribes and domestic disclosure.—Amends the Securities Exchange Act of 1934 to require companies subject to the jurisdiction of the Securities and Exchange Commission to maintain accurate records, prohibit certain bribes, and expand and improve disclosure of ownership of the securities of U.S. companies;

In title I, requires companies subject to SEC jurisdiction to maintain strict acounting standards and management control over their assets: prohibits the falsification of accounting records and the deceit of accountants auditing the books and records of such companies; makes it a crime for U.S. companies to bribe a foreign government official for the specified corrupt purposes; imposes a maximum fine $500,000 on companies and $10,000 and 5 years imprisonment on individuals for violation of the criminal prohibitions;

In title II, requires those persons who already file reports with the SEC when they own more than 5 percent of the shares in a U.S. company to identify their residence, citizenship, and the nature of their beneficial ownership; provides for the development of a comprehensive system in publicly held companies; requires the Commission to consolidate the various beneficial ownership reporting requirements of the Securities Exchange Act into a centralized nonduplicative system for the collection of such information, and to tabulate and make it available to regulators and the public; requires the Commission, within 30 months of enactment, to report to Congress with respect to the effectiveness of the ownership reporting requirements and the desirability and feasibility of reducing or otherwise modifying the 5-percent disclosure threshold giving appropriate consideration to specified regulatory and public policy; and provides the Commission with authority to assure that the jurisdictional effectiveness of section 15(d) of the Securities Exchange Act is not inappropriately limited because of the use of nominee and street name registration of securities. S. 305—Passed Senate May 5, 1977. (VV)

Interest rates (regulation Q)—Federal credit unions.—Extends from March 1, 1977, until December 15, 1977, existing authority (commonly known as Regulation Q) under the Interest Rate Control Act by which Federal financial regulatory agencies set interest rate ceilings on deposits in financial institu-

tions under their respective jurisdictions; extends until August 31, 1977, the Treasury Department's authority to borrow funds from the Federal Reserve System;

Modernizes the powers of Federal credit unions under the Federal Credit Union Act in order that they may provide more contemporary financial services to their members; considers demand deposit accounts of state chartered credit unions as member accounts, if they qualify pursuant to state law, thus making them eligible for Federal share insurance; establishes varying self-replenishing lines of credit to member borrowers; removes the distinction between secured and unsecured loans and raises the maximum loan maturities to 12 years (currently 5 years on unsecured loans and 10 years on secured loans); empowers the board of directors to establish their own loan maturity and collateral requirements; removes the $2,500 maximum amount for unsecured loans; provides the necessary flexibility to meet members' needs in accordance with the applicant's creditworthiness and the credit union's soundness rather than arbitrary loan ceilings; permits real estate loans with maturities up to 30 years; and includes the following restrictions on such lending authority: (1) loans must be secured by a first lien, (2) loans must be for a one-to-four family dwelling, (3) the dwelling must be the principal residence of the borrower, and (4) the sales price must not exceed 150 percent of the median sales price of residential real property to be determined on a market area basis; allows loans with maturities of up to 15 years for the purchase of mobile homes used as the member's residence, or for the repair, alteration or improvement of a member's residence; permits Federally guaranteed or insured loans, such as the VA guaranteed mobile home loans, with maturities as specified in those statutes; increases the officials' borrowing limit on unsecured loans from $2,500 plus pledged shares to $5,000 plus pledged shares and permits them to guarantee or endorse up to the same amounts without board approval; clarifies the existing provisions regarding the penalty for excess interest and the provision regarding loan amortization; ensures that a member may repay his or her loan prior to maturity with no penalty; authorizes loans to other credit unions and credit union organizations; and contains other provisions. H.R. 3665—Public Law 95–22, approved April 19, 1977. (VV)

International Trade Commission.—Authorizes $11.5 million to the U.S. International Trade Commission for fiscal year 1978; provides that the President will designate one Commissioner as Chairman and one Commissioner as Vice-Chairman, each to serve for 2-year periods, except that the individual the President designates may not be of the same party affiliation as his predessor; makes the Chairman responsible for all administrative functions of the Commission subject to disapproval by a majority vote of the Commission; and authorizes the Commission to continue publication of its reports on synthetic organic chemicals until 1981. H.R. 6370—Passed House April 25, 1977; Passed Senate amended May 17, 1977; Senate agreed to conference report August 5, 1977. (VV)

Securities and Exchange Commission authorizations.—Amends the Securities Exchange Act of 1934 to increase the authorization for fiscal year 1977 from $55 million to $56.6 million. S. 1025—Public Law 95–20, approved April 13, 1977. (VV)

Authorizes $58,290,000 for fiscal year 1978 to the Securities and Exchange Commission. H.R. 3722—Passed House May 17, 1977; Passed Senate amended May 25, 1977; House requested conference July 19, 1977. (VV)

Small business amendments—Disaster relief loans.—Amends the Small Business Act to authorize a total of $1.4 billion for fiscal 1978 and $1.565 billion for fiscal 1979 for the Small Business Administration; sets levels of $2 billion for the surety bond guarantee program, $4 million for the lease guarantee program, $150 million for pollution lease guarantees, and $171 million for salaries and expenses; places ceilings for the first time on SBA lending programs except for the physical and economic injury disaster loans which are open ended authorizations;

Eliminates SBA's obligation to pay interest on capital appropriations to the Real Estate Lease Guarantee Revolving Fund, the Surety Bond Guarantee Revolving Fund and the Pollution Control Lease Guarantee Revolving Fund; eliminates the authority to invest temporarily idle funds except for fees from the Pollution Control Lease Guarantee Revolving Fund; requires the submission of certain reports to the Senate and House Small Business committees and others to the Senate Select Committee on Small Business, the President of the Senate and the Speaker of the House; requires SBA's annual report to break out the assistance provided to socially and economically disadvantaged individuals; requires SBA to specify the Administration's goals for the next fiscal year with respect to minority small business and to make recommendations to improve such assistance; authorizes SBA to finance residential or commercial construction or rehabilitation for sale but provides that such loans may not be used primarily for land acquisition; authorizes SBA to undertake, for a period of 5 years, a small business concern's obligation to make required payments under a SBA loan if the business would become or remain insolvent without such a suspension; requires the business to repay the amounts that become due during the suspension and authorizes SBA to extend the maturity date of the loan to coincide with the suspension; expands SBA's displaced business loan program by authorizing SBA to make displaced business loans to small concerns suffering substantial economic injury as a result of displacement by a State or local government or public service entity which exercises its right of eminent domain; authorizes SBA economic injury loans, upon the request of the Governor of the State, to small business concerns in an area affected by a natural disaster even if the extent of the disaster was not sufficient for a disaster declaration by the President, Secretary of Agriculture, or Administrator of SBA; authorizes the Administrator, upon certification by a State Governor, to lend up to $100,000 to a small business concern in an impacted area which would otherwise become insolvent because of the magnitude of economic dislocations or natural disasters;

Lowers the interest rate on physical disaster loans from the period July 1, 1976, to October 1, 1978, for the uninsured damaged portion of a principal residence and property from the present rate of 6–5/8 percent to the following: 1 percent on the first $10,000 of the loan and 3 percent on the next $30,000 of the loan; reduces to 3 percent on the first $250,000 the interest rate on all loans to other applicants; makes similar reductions in the Farmers Home Administration disaster loan programs; reduces to 3 percent on the first $25,000 the interest rate on economic injury disaster loans; authorizes SBA to increase the principal of a loan by not to exceed $2,000 in order to insulate property which was damaged or destroyed during the period April 1, 1977, to January 1, 1978, whether or not the property was insulated at the time of the damage.

Authorizes SBA to certify a small business company's ability to perform a specific government contract; provides that a contract may not be withheld for any reason without referring the matter to SBA for a determination and that the contract must be awarded if SBA issues a certificate of competency; directs the contracting procurement agency for set-aside contracts in excess of $1 million to reduce the dollar amounts of each contract in excess of that amount in order that SBA may issue a surety bond guarantee; and directs that priority be given to labor surplus areas when awarding small business set-aside contracts. H.R. 692—Public Law 95–89, approved August 4, 1977. (VV)

Small Business Associate Administrator.—Establishes an Associate Administrator for Women's Business Enterprise within the Small Business Administration. S. 1526—Passed Senate August 5, 1977. (VV)

Small business grants.—Authorizes the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and internationl market development, S. 972—Passed Senate August 5, 1977. (VV)

Small business loan ceilings.—Amends the Small Business Act to increase the fiscal year 1977 authorization ceilings for the following SBA financial assistance programs: Business Loan and Investment Fund from $6 billion to $7.4 billion, Economic Opportunity Loans from $450 million to $525 million, and Small Business Investment Company Program from $725 million to $887.5 million; and amends the Small Business Investment Act of 1958 to increase the fiscal year 1977 ceiling on the Surety Bond Guarantee Program from $56.5 million to $110 million, H.R. 2647—Public Law 95–14, approved March 24, 1977. (VV)

Smith College carillon—SSI food stamp eligibility—child support funding—child day care study—Medicaid funding.—Directs the Secretary of the Treasury to admit free of duty thirty-three carillon bells, including all accompanying parts and accessories, provided by the Paccard Founderie de Cloches, Annecy, France, for the use of Smith College, Northampton, Massachusetts;

Extends through fiscal year 1978 current provisions of law relating to the method whereby SSI recipients are eligible for food stamps;

Extends from July 1, 1977, through fiscal year 1978 the Federal matching payments to States for paternity and parent locator services directed toward maximizing child support for nonwelfare families;

Extends from July 1, 1977, until April 1, 1978, the date by which HEW must submit its report on the appropriateness of the Federal Interagency Day Care Program; and

Extends for 90 days the statutory requirement whereby States must have in place regular independent evaluations of long-term patients in skilled nursing homes, intermediate care facilities, and mental hospitals to be eligible for their share of Medicaid funding. H.R. 1404—Public Law 95–59, approved June 30, 1977. (VV)

White House Conference on Small Business.—States as the sense of the Senate that the President should convene a White House Conference on Small Business to develop recommendations that will increase public awareness of the importance of small business; identify the problems of new, small, and independent business enterprise; and suggest appropriate governmental actions to encourage and maintain the economic interests and potentials of the small business community in order to strengthen the overall economy of the Nation. S. Res. 105—Senate agreed to March 28, 1977. (VV)

EDUCATION

Education of the Handicapped.—Extends certain programs under the Education of the Handicapped Act for 5 years, through fiscal year 1982, with authorizations for each of fiscal years 1978 through 1982, respectively, as follows: (1) Part C, Centers and Services to Meet Special Needs of the Handicapped—$76 million, $80 million, $86 million, $89 mil-

lion, and $93 million; Part D, Training Personnel for the Education of the Handicapped—$77 million, $82 million, $87.5 million, $92.5 million, and $97.5 million; Part E, Research in the Education of the Handicapped—$20 million, $22 million, $24 million, $26 million, and $28 million; Part F, Instructional Media for the Handicapped—$24 million, $25 million, $27 million, $29 million, and $29 million; and provides the authority for the Bureau of Education to support model education projects for all handicapped children under section 641 of the act. H.R. 6692—Public Law 95–49, approved June 17, 1977. (VV)

Higher Educational Technical Amendments.—Makes technical and miscellaneous changes to the higher education provisions contained in the Education Amendments of 1976 (Public Law 94–482). H.R. 6774—Public Law 95–43, approved June 15, 1977. (VV)

Vocational Education Amendments.—Makes a number of technical amendments to title II of the Education Amendments of 1976, Public Law 94–482, dealing with printing and clerical errors and changing certain reporting dates; removes the $25 million a year limit for State administrative expenses and authorizes funds under the basic State grant for this purpose with the requirement that States match Federal funds used; requires States to set forth in their State plan the amount of Federal funds it plans to retain at the State level for administration; and gives each local recipient the option of using a percentage of Federal funds which is equal to the percentage of Federal funds in their vocational education program or to use any amount of Federal funds as long as they are matched by State appropriated funds administrative expenses. H.R. 3437—Public Law 95–40, approved June 3, 1977. (VV)

ELECTIONS

Campaign Act Amendments.—Amends the Federal Election Campaign Act of 1971 to substantially reduce the number of reports required to be filed with the Federal Election Commission; raises the threshold above which detailed information with respect to contributions and expenditures must be reported from $100 to $250 and, with respect to independent expenditures, from $100 to $250; makes changes in the law to strengthen the role of political parties in future elections; contains language to encourage a candidate to support his political party's Presidential candidate by providing that the costs of listing or mentioning the name of any Presidential nominee by any other candidate in his campaign material will not be considered as a contribution in-kind prohibited by the act; permits the transfer of excess campaign funds to a political party committee without limitation; contains provisions to improve the act in regard to political action committees; and contains several administrative provisions to facilitate more expeditious handling of complaints; authorizes $250,000 in fiscal year 1978 to reimburse States for the additional costs of receiving and preserving Federal campaign reports; and changes the statute of limitations from 3 years to 5 years with regard to violations of Campaign Act. S. 926—Passed Senate August 3, 1977. (331)

Federal Election Commission Authorization.—Authorizes $7.5 million for activities of the Federal Election Commission for fiscal year 1978. S. 1435—Passed Senate May 5, 1977; Passed House amended July 18, 1977. (VV)

Overseas Citizens Voting Rights.—Amends the Overseas Citizens Voting Rights Act of 1975 and the Federal Voting Assistance Act of 1955 to improve the administration and operation of these laws: vests the authority and responsibility for collecting and disseminating absentee voting information to citizens overseas in the President's designee (currently the Secretary of Defense) under the Federal Voting Rights Assistance Act; authorizes utilization of the same ballot application and free airmail postage provisions presently contained in the Federal Voting Assistance Act for all citizens residing overseas; provides the designee with the authority to revise the absentee registration and ballot application forms currently recommended for use by military personnel and civilians temporarily residing abroad and to develop a single form which could also be used by citizens covered by the Overseas Voting Act; provides that any balloting material sent from the United States to persons covered by either act or returned by them to this country shall be sent by priority airmail or by the most expeditious postal service available; directs the designee to publicize and notify appropriate citizens and State election officials of the availability of free postage and the expedited mail delivery of balloting material; and provides that the exercise of the right to register or vote in Federal elections by citizens residing overseas shall not affect the determination of his place of residence or domicile for the purpose of any tax imposed under Federal, State, or local law. S. 703—Passed Senate May 9, 1977. (VV)

EMPLOYMENT

CETA.—Extends the authorization of sums as may be necessary for all titles of the Comprehensive Employment and Training Act (CETA) through fiscal year 1978; extends the amendments to title VI made by the Emergency Jobs Programs Extension Act of 1976, which provide that each prime sponsor of a public service employment program may use its allocation, first, to sustain its existing member of public service job holders under the Act, and shall thereafter fill any additional public service jobs with low-income persons unemployed for at least 15 weeks who have been receiving or are eligible for unemployment compensation, and also provide that 50 percent of title VI job vacancies due to attrition must meet those eligibility requirements, but the remaining 50 percent may be filled under the original title VI requirements (15 days unemployment in areas having 7 percent or higher unemployment rates, and 30 days unemployment in other areas). H.R. 2992—Public Law 95–44, approved June 15, 1977. (VV)

Emergency Unemployment Compensation.—Extends the Emergency Unemployment Act to October 31, 1977, to provide a maximum of 13 weeks of emergency benefits (which combine with the 26 weeks of regular and 13 weeks of extended benefits for a total of 52 weeks of unemployment benefits) in States where the insured unemployment rate is 5 percent or more, with a phase-out under which individuals eligible before October 31, 1977, may continue to receive benefits until January 31, 1978; extends until April 30, 1977, the maximum 26 week program now in effect (which combine with 26 weeks of regular and 13 weeks of extended benefits for a total of 65 weeks of unemployment benefits) in order to avoid terminating benefits for certain participants in that program; provides that the cost of emergency unemployment compensation paid after March 31, 1977, be met from nonrepayable general revenues without the present law requirements that the costs ultimately be met from Federal Unemployment Tax;

Provides that, in addition to any eligibility requirements of State law, an individual would be disqualified from receiving emergency benefits for failing to (1) actively seek work, (2) apply for any suitable work which was referred by the State agency, or (3) accept any offer of suitable work; defines suitable work as that which (1) is within the capabilities of the claimant, (2) meets conditions of present Federal law, (3) meets the conditions of State law and practices pertaining to suitable or specific disqualifying work such as unreasonable travel distance or threat to morals, health, or safety, (4) pays wages equal to Federal or State minimum wage, (5) pays gross average weekly remuneration equal to the individual's weekly unemployment benefits plus any Supplemental Unemployment benefits he might be entitled to, and (6) was listed with the State employment service or offered in writing; allows a State to waive these requirements if an individual furnishes satisfactory evidence that prospects for obtaining work within a reasonable period of time in his or her occupation are good;

Establishes new statutory authority and procedures for the treatment of fraud and erroneous payments, disqualifies applicants submitting false or erroneous information; requires States with certain exceptions; to recover any overpayments made to individuals; makes fraud in connection with the program a Federal crime and imposes a fine of up to $10,000 and imprisonment for up to 5 years.

Provides for State implementation of changes made by this act; requires each State to enter into a modification if its present agreement within 3 weeks after the Secretary of Labor proposes the modification to the State; provides that if modification is not entered into, the Unemployment Compensation Program in that State would expire within the last week which ends on or before March 31, 1977; permits Kentucky, which does not have a scheduled meeting of its legislature during 1977, to defer until 1979 compliance with certain requirements of the act;

Simplifies administration by terminating an individual's entitlement to emergency benefits two years after the end of the benefit year for which regular benefits were payable; extends for two years, through 1979, the moratorium under which the Federal unemployment tax is automatically increased to recapture any loan to a State which is unpaid after 2 years; prohibits benefits to an individual who was illegally working at the time he earned his eligibility; allows States to deny unemployment compensation to teachers during brief mid-year vacation periods if the teacher was employed by the school system immediately before the start of the vacation and has reasonable assurance of the employment continuing at the conclusion of the vacation; makes clear that groups of local governments are to be provided the same options for financing unemployment compensation as those provided to single government units; extends from September 30, 1979, to March 31, 1980, the provision contained in Public Law 94–566 which requires States to reduce the unemployment benefits of an individual by the amount of any public or private pension including social security and railroad retirement annuities in order to conform this enactment date with the final reporting extension granted the National Commission of Unemployment Compensation; extends the time by which the National Commission on Unemployment Compensation must submit its interim report from March 31, 1978, to September 30, 1978, and the time by which it must submit its final report from January 1, 1979, to July 1, 1979; and amends present law to require an affirmative vote of the Senate and the House to make effective the President's quadrennial recommendations regarding the salary increases of Members of Congress, the Federal judiciary, Cabinet officials and other top Federal personnel. H.R. 4800—Public Law 95–19, approved April 12, 1977. (82)

Public Works Employment.—Authorizes an additional $4 billion to extend the program of grants to State and local governments to provide jobs through construction in places with the most distressing levels of unemployment as originally authorized under Title I of the Public Works Employment Act of 1976; provides that 65 percent of the funds be allotted on total numbers of unemployed and 35 percent on the basis of the relative severity of unemployment, with States participation

in the 35 percent allocation only if their unemployment rates exceed 6.5 percent for the most recent 12 month period; provides that no State shall receive less than three-fourths of 1 percent nor more than 12.5 percent; requires that within a State 70 percent or more of the funds be spent in areas with rates of unemployment above the national average and 30 percent for areas with rates below the national average but above 6.5 percent; provides a $70 million set aside for grants that were not received, considered or rejected solely because of an error by a U.S. employee or officer; contains a 2½ percent setaside for Indian and Alaskan Natives projects to insure a substantial fund for such projects while permitting high-unemployment non-Indian communities a competitive chance to be awarded projects in States with Indian communities; includes the transportation of water to drought-stricken areas within the term "public works project" and permits an applicant who received a grant to substitute one or more projects for the project for which the grant was made under certain conditions approved by the Administrator; requires that all articles, materials and supplies used in a project be produced and made from substances mined or produced in the U.S. except in certain cases; requires a grant applicant to expend 10 percent of the funds for minority business enterprises if available within project areas; requires that priority and preference be given to pending applications resulting in energy conservation; repeals the provision permitting the Secretary to consider the unemployment rate in adjoining areas from which the labor force for a project may be drawn; ensures that all laborers and mechanics employed on projects are paid the prevailing wage rate under the Davis-Bacon Act; requires the Secretary to consider only those applications for grants submitted on or after December 23, 1976, and before the date of enactment except for applications from the Trust Territory of the Pacific, Indian tribes and Alaskan Native Villages or any applicant if a sufficient number of applications were not received; requires the Secretary of Commerce to study public works investment in the U.S. and report his findings to Congress within 18 months of enactment; requires the promulgation of regulations assuring special consideration to the employment of qualified disabled and Vietnam-era veterans;

Mandates, in Title II, the obligation of funds for water resource projects for fiscal 1977 (with the exception of the Meramec Dam in Missouri) and states congressional intent not to uphold any prospective budget rescissions or deferrals regarding these projects; provides that the rates of interest or discount used to assess the return on Federal investment in projects carried out by the U.S. Army Corps of Engineers or the Department of Interior Bureau of Reclamation be those established by the Water Resources Development Act of 1974 or by prior law authorizing such projects. H.R. 11—Public Law 95–28, approved May 13, 1977. (48,216)

Youth Employment and Training.—Adds a new youth employment title VIII to the Comprehensive Employment and Training Act of 1973 (CETA), as recommended by the President as part of his economic recovery package, and authorizes such sums as may be necessary to carry out the new title over a 3-year period; creates, in title I, a National Young Adult Conservation Corps to provide work for unemployed youths in the Nation's public lands and water; establishes, in title II, a variety of employment, training, and demonstration programs to explore methods of dealing with the structural unemployment problems of the Nation's youth; authorizes the establishment of youth incentive entitlement pilot projects for economically disadvantaged youth to provide part-time employment and/or training for youths between the ages of 16 and 19 who resume or maintain attendance in secondary school for the purpose of acquiring a high school diploma or its equivalent; authorizes the establishment of youth community conservation and improvements projects to put unemployed youths to work for a period not to exceed 12 months on the rehabilitation or improvement of public facilities, neighborhood improvements, weatherization and basic repairs to low-income housing, and conservation, maintenance, or restoration of natural resources on non-Federal public lands; and authorizes support for employment and training programs designed to enhance job prospects and career opportunities for young persons, including activities involving useful work experience opportunities in community betterment and appropriate training and services such as outreach, counseling, occupational information, institution and on-the-job training, and transportation assistance;

Specifies the wage rates to which employed youths are entitled; prohibits full time employment to youths who have not attained the compulsory school attendance age; permits full time employment when school is not in session; requires the Secretary of Labor to submit a report to the Congress on the progress of the programs by March 15, 1978; disregards a youth's earnings in determining the family's eligibility to participate in Federal or Federally-assisted welfare programs;

Requires the Secretary of Labor to take steps to increase CETA participation by disabled veterans and Vietnam-era veterans under 35 years of age; and provides that, in filling teaching positions in public schools with financial assistance under CETA title II (public service employment in high unemployment areas) or title VI (Jobs Corps), each prime sponsor shall give special consideration to unemployed persons with previous teaching experience who are certified by the State and who are otherwise eligible under CETA. H.R. 6138—Public Law 95– , approved 1977. (170)

ENERGY

Alaska pipeline destruction.—Amends title 18, U.S.C., to make a Federal crime the willful destruction or attempt to destroy the Trans-Alaska pipeline system with a fine of not more than $15,000 and/or 15 years imprisonment. S. 1496—Passed Senate July 18, 1977. (VV)

Deepwater ports.—Extends through fiscal year 1980 the annual $2.5 million authorization under the Deepwater Port Act of 1974 which established a licensing and regulatory program governing offshore deepwater port development beyond the territorial limits of the United States. S. 891 (identical to H.R. 6401)—Passed Senate May 17, 1977. H.R. 6401—Public Law 95–36, approved June 1, 1977. (VV)

Department of Energy.—Creates a cabinet-level Department of Energy (DOE) to permit coherent administration of the national energy policy with a Secretary, one Deputy Secretary, one Under Secretary (with responsibility for energy conservation), and eight Assistance Secretaries; establishes within the Department (1) the Energy Information Administration to gather, analyze and distribute energy data and to implement a system of mandatory reporting by major energy-producing firms of information related to the economics of energy supply; (2) the Economic Regulatory Administration to administer regulatory functions which the Secretary deems appropriate and which do not fall exclusively within the jurisdiction of the Federal Energy Regulatory Commission; (3) an Office of Inspector General to promote efficiency and prevent fraud and abuse within DOE; (4) the Office of Energy Research; and (5) the Leasing Liaison Committee, composed of an equal number of members from the DOE and the Department of Interior, to provide for cooperation and consultation between the two Departments; provides that the GAO shall audit the DOE;

Transfer of Functions.—Transfers to and vests in the Secretary all functions of the Federal Energy Administration, the Energy Research and Development Administration, and the Federal Power Commission, except those functions transferred to the Federal Energy Regulatory Commission; four Regional Power Marketing administrations and the power-marketing functions of the Bureau of Reclamation currently under the Department of Interior; authority under the Outer Continental Shelf Lands Act, Mineral Lands Leasing Act, Mineral Leasing Act for Acquired Lands, Geothermal Stream Act of 1970 and the Energy Policy and Conservation Act related to the leasing of energy resources onshore and offshore; functions relating to fuel supply and demand analysis currently under the Bureau of Mines; authority for development and promulgation of new building conservation standards now vested in the Secretary of HUD; Commerce Department programs to promote voluntary industrial energy conservation; jurisdiction over three naval oil reserves and three naval oil shale reserves currently administered by the Department of Defense; authority currently vested in the Interstate Commerce Commission related to the transportation of oil by pipelines; and authority to publish guidelines for the Rural Electrification Administration on the issuance of loans or loan guarantees for generation and transmission facilities;

Retains the responsibility for promulgation of automobile efficiency standards within the Department of Transportation, but requires the Secretary of Transportation to give the Energy Secretary 10 days in which to provide written comment on any standard prior to its implementation; leaves responsibility for policing clean air standards with the Environmental Protection agency; continues responsibility for actual leasing of resources for the extraction of energy sources from public land in Interior, but places control over all economic terms and conditions of such leases in DOE; provides that nothing in the transfer of Federal leasing functions from Interior to DOE shall be construed as affecting Indian lands and resources or as transferring the responsibility of the Secretary of Interior concerning such lands and resources; requires cabinet-level departments and agencies with conservation responsibilities to designate a principal conservation officer within their Department; provides that the responsibility for the promotion of vanpooling and carpooling shall be transferred to the Secretary of Transportation;

Federal Energy Regulatory Commission.—Creates within the Department, independent of the Secretary's control, a five-member Federal Energy Regulatory Board, with its members appointed by the President, subject to Senate confirmation; prohibits members from engaging in any other business while serving on the Commission; provides that the Commission shall have sole jurisdiction over the establishment and enforcement of rates and charges for the transmission and sale of electricity and natural gas, and authority to license hydroelectric power plants; provides that either the Secretary or the Commission may propose a rule pertaining to functions within the exclusive jurisdiction of the Commission and that the Secretary can set reasonable time limits for completion of a rule-making proceeding before the Commission; provides that the Secretary shall have jurisdiction over the import and export of natural gas and electricity, emergency interconnections and curtailment priorities;

Provides that the Secretary shall have sole power to propose oil pricing actions, and that all such proposals must be referred immediately to the Commission which has sole power to make final decisions on such proposals; provides that the Commission can

either agree to an oil pricing proposal (in which case the Secretary may issue the rule), amend the proposal (in which case the Secretary may accept the changes and issue the final rule or reject the changes and not issue the rule), or reject the proposal (in which case the Secretary may not issue the rule); provides that during an energy crisis the President may grant the Secretary temporary exclusive pricing authority;

Miscellaneous.—Contains general administrative and procedural provisions governing rulemaking and other proceedings of the Department, and other provisions to eliminate or minimize conflicts of interest within the Department; requires the President to submit a proposed national energy policy plan by April 1, 1979, to be updated biennially thereafter; provides that the act shall become effective 120 days after the Secretary assumes office, or earlier as the President may prescribe; and requires the President to submit to the Congress a comprehensive review of each program in the Department by January 15, 1982, for Congressional review with respect to authorizing legislation for fiscal year 1983. S. 826—Public Law 95–91, approved August 4, 1977. (148,323)

ERDA Nonnuclear Authorization—Civilian, 1977.—Authorizes a total of $4,946,261,000 for the Energy Research and Development Administration for fiscal year 1977, of which $1,175,671,000 is designated for nonnuclear scientific research and programs, and $3,770,590,000 is designated for non-weapon nuclear research programs; includes: $461,801,000 for solar energy; $65.7 million for geothermal energy; $221 million for conservation research and development; $10 million for a high Btu pipeline gas demonstration plant: $5 million for a fuel gas low Btu demonstration plant; and $10 million for solar energy projects; authorizes funds for numerous plans to make improvements to comply with safety regulations; contains authorizations for capital equipment not related to construction to replace obsolete or worn-out equipment and to purchase certain new equipment to meet the needs of expanding programs and new technology at ERDA installations; provides an additional $50 million for the clean boiler fuel demonstration plant authorized by Public Law 94–187 and $15 million for the 5-megawatt solar thermal test facility authorized by Public Law 94–187; provides guidelines under which funds for fossil energy programs may be utilized; deauthorizes authorized fossil energy projects which were not appropriated within 3 full fiscal years; allows the Administrator to assist in the demonstration of the production of synthesis gas, methane, methanol, anhydrous ammonia, and similar energy intensive products from municipal waste by entering into agreements with units of local government or persons proposing to construct facilities for the manufacture of such products; provides authority by which ERDA may reprogram funds between major program areas; directs ERDA to relate the funds authorized and appropriated in annual authorization and appropriation measures to the objectives and goals of the various enabling legislation under which the Agency operates; amends the Federal Nonnuclear Energy Research and Development Act of 1974 to transfer responsibility for preparation of demonstration project water assessments from ERDA to the Water Resources Council; requires the Administration to classify the recipients of ERDA contracts into various categories including: Federal agency, non-Federal governmental entity, profitmaking enterprise, non-profit enterprise, and nonprofit education institution; authorizes the establishment of a small grants program to promote the research, development, and demonstration of energy-related systems and technologies appropriate to the needs of local communities; requires the Administrator, in consultation with EPA, to report to the Congress on the environmental monitoring, assessment and control efforts related to its various energy demonstration projects;

Authorizes $464,302,000 for work in biomedical and environmental research, operational safety, environmental control technology, the materials sciences, and molecular mathematical and geosciences portion of the basic energy sciences program and program support; provides $26.7 million for plant and capital equipment obligations including construction, acquisition, or modification of facilities, land acquisition, and acquisition and fabrication of capital equipment not related to construction; prohibits ERDA from starting projects if the current estimated cost exceeds the original estimated cost by more than 25 percent;

Authorizes ERDA to transfer sums from its "Operating Expenses" to other agencies for work for which the moneys were appropriated; authorizes "Operating Expenses" and "Plant and Capital Equipment" as no year funds; authorizes any Government-owned contractor operated laboratory, energy research center or other laboratory performing functions under contract to ERDA to use a reasonable portion of its operating budget for funding employee suggested research projects up to the pilot plant state of development; permits ERDA to contract for advanced architect/Administrator services for construction projects essential to meet the needs of national defense or the protection of life, property, health or safety prior to congressional authorization; requires any officer or employee of ERDA in a policy making position to report certain known financial interests in various energy technologies and related resources; directs the Administrator to develop regulations that would avoid conflicts of interest in ERDA contracts with private persons or organizations involved in energy research and development; and authorizes the establishment of a National Energy Extension Service. S. 36—Public Law 95–39, approved June 3, 1977. (VV)

ERDA Nonnuclear Authorization—Civilian, 1978.—Authorizes a total of $2,496,762,000 for fiscal year 1978 for ERDA non-nuclear related programs and certain support activities for both nuclear and non-nuclear programs; provides $977.15 million for the fossil energy development program to direct research of extraction, utilization, and conversion of coal, oil and natural gas, and oil shale and in-site coal gasification (of which $88 million is for research in magnetohydronamics); $131.8 million for the geothermal energy development program; $384 million for solar energy development programs (of which $7.5 million is earmarked for design works for small community applications); $372.8 million for energy conservation research and development programs to develop and demonstrate technologies for end-use conservation and conversion efficiency; $249.9 million for the environmental research and development program to assure that environmental, health and safety standards are maintained as new energy technologies are introduced; and $379.4 million for general program management and support. S. 1340—Passed Senate June 13, 1977. (195)

ERDA Nuclear Authorization—Joint Applications.—Authorizes $392,050,000 for fiscal year 1978 for operating expenses and plant and capital equipment for three ERDA military programs (laser fusion, space applications and naval reactors) which have potential for civilian energy applications. S. 1341—Passed Senate June 29, 1977. (VV)

ERDA Nuclear Authorization—Military.—Authorizes a total of $1,780,436,000 for fiscal year 1977 and $2,030,144,000 for fiscal year 1978 for certain Energy Research and Development Administration (ERDA) programs which have military applications; includes funding of the three national defense programs: (1) weapons activities—supporting the operation of the three weapons laboratories; research on advanced weapons and the full scale development of the following 7 weapons—B–61 and B–61–4 tactical bombs, Trident I missile warhead, full fuzing option strategic bomb, Mark 12–A warhead, 8-inch artillery projectile, and common warhead for land attack cruise missiles and short range attack missile; continued development of improved nuclear test detection methods necessary to monitor compliance with the limited Test Ban Treaty, Threshold Test Ban Treaty and Peaceful Nuclear Explosives Treaty; operation of the Nevada Test Site and the related costs of tests of advanced weapons concepts; maintenance and reliability assessment of the current weapons stockpile, production engineering for new weapons, nuclear materials recycle and recovery and security measures to protect nuclear shipments; and production of the following 9 new weapons for the war reserve: B–61–3, B–61–4, and B–61–5 tactical bombs, Lance enhanced radiation warhead, Trident I missile warhead, full fuzing option strategic bomb, Mark 12–A warhead, 8-inch artillery projectile, and common warhead for the land attack cruise missiles and the short range attack missile; (2) special materials production—supporting 3 reactors which produce enriched weapons grade uranium, plutonium and tritium; R & D associated with special materials production and management of radioactive wastes; and surveillance, maintenance and management of production reactor waste; and (3) nuclear explosives applications—supporting development of understanding of applications of nuclear explosives for peaceful purposes; includes $411,344,000 for plant and capital equipment; provides for cost variations in the authorized amounts for projects; provides authority to merge funds appropriated in different years for the same requirement category; directs that funds appropriated pursuant to this act remain available until expended; authorizes ERDA to proceed to design any project subject to the total amount authorized for the activity; authorizes ERDA to retain monies received from outside sources and use them for operating funds; and authorizes ERDA to transfer funds to other agencies supporting its programs. S. 1339—Passed Senate May 22, 1977. (VV)

ERDA Nuclear/Nonnuclear Authorization—Civilian.—Authorizes $5,232,665,000 for civilian nuclear and nonnuclear energy appropriations for the Energy Research and Development Administration for fiscal year 1978; includes the Senate passed provisions of S. 1340 for nonnuclear applications and $75 million for the Clinch River Breeder Reactor Project; and reaffirms Congressional intent that the Clinch River Breeder Reactor Project not be terminated during fiscal years 1977 and 1978. S. 1811—Passed Senate July 12, 1977. (VV)

ERDA Synthetic Fuel Loan and Guarantee Program.—Amends the Federal Nonnuclear Energy Research and Development Act of 1974 to establish a loan guarantee program to be administered by the Energy Research and Development Administration (ERDA) whereby the Administrator may guarantee the payment of interest and principal of bonds, debentures, notes, and other obligations issued for the purpose of financing the construction and initial operation of commercial-sized demonstration facilities for the conversion of biomass into synthetic fuel or other useable forms of energy; authorizes guarantees of up to 75 percent of the total project cost and, during the construction and start up period, up to 90 percent; limits the total outstanding indebtedness that may be guaranteed at any one time to $300 million; requires ERDA, before approving an application, to notify the appropriate State and local governmental officials and to give the Governor of the State an opportunity to make his recommendation respecting the facility; prohibits ERDA from guaranteeing a project if the Governor recommends against it; authorizes the Administrator, in the event of default, to complete the project

and assume management of the facility including the authority to sell the products or energy produced; provides that any patents and technology resulting from the facility will be treated as assets in cases of default and requires that the guarantee agreement contain a provision assuring their availability to the Government if needed to complete the facility; and requires ERDA to submit a report of the proposed guarantee and facility to the appropriate committees of Congress which shall have 90 days to disapprove by passage of a disapproval resolution. S. 37—Passed Senate March 31, 1977. (VV)

Energy saving grants for schools.—Establishes, for fiscal years 1978–1981, the following three programs of matching grants to provide Federal financial assistance to institutions of higher education, public elementary and secondary schools and private non-profit elementary and secondary schools to assist them in meeting the emergency caused by the high costs of fuel, fuel shortages, and harsh weather conditions: $300 million for energy conservation measures including insulation, remodeling and renovation (50 percent Federal-50 percent applicant); $50 million for demonstration projects for innovated energy conservation projects (66⅔ percent Federal-33⅓ percent applicant); and $150 million for technical assistance for energy saving programs involving planning, studies or the temporary employment of special personnel (50 percent Federal-50 percent applicant). S. 701—Passed Senate July 20, 1977. (VV)

Federal Energy Administration authorization.—Extends through fiscal year 1978 the authorities under the Federal Energy Administration Act; includes $1.210 billion to permit 250 million barrels of crude oil to be placed in the Strategic Petroleum Reserve by the end of calendar year 1978; contains $1.8 million for the appliance labeling program under the Energy Supply and Environmental Coordination Act of 1974 and extends FEA's authority to require certain facilities which presently burn oil and gas to convert to coal; adds provisions limiting the powers of the regional counsels of FEA; establishes general procedures to be followed with respect to the use of commercial standards by the FEA; and requires the Administrator within 120 days of enactment, to publish regulations which would require prospective FEA contractors to disclose all relevant data which could cause a possible conflict of interest in carrying out activities for FEA. S. 1468—Public Law 95–70, approved July 1, 1977. (VV)

Natural gas emergency.—Authorizes the President to declare a natural gas emergency if he finds that a severe shortage exists or is imminent in the United States which would endanger the supply of natural gas for high-priority uses and the exercise of his authorities is reasonably necessary to assist in meeting requirements for such uses; provides that these authorities shall terminate when the President finds that shortages no longer exist and are no longer imminent;

Emergency Allocation.—Authorizes the President, during a declared natural gas emergency, to require (1) any interstate pipeline to make emergency deliveries or transport interstate natural gas to any other interstate pipeline or a local distribution company served by an interstate pipeline; (2) any interstate pipeline to transport interstate natural gas from one interstate pipeline to another or to any local distribution company served by an interstate pipeline; or (3) the construction and operation by any pipeline of necessary facilities to effect deliveries or transportation; directs the President, in issuing such orders, to consider the availability of alternative fuel to users of the interstate pipeline ordered to make deliveries and to determine that they would not have an adverse effect on the natural gas supply or exceed the transportation capacity of the pipeline; provides that these authorities shall terminate by April 30, 1977, or after the President terminates the emergency, whichever is earlier;

Emergency Sales at Deregulated Prices.—Authorizes interstate pipelines or local distribution companies to purchase supplies of natural gas for delivery before August 1, 1977, from intrastate pipelines at unregulated prices as reviewed by the President for fairness and equity; provides that these purchases could be delivered from intrastate pipelines and any producer of natural gas not affiliated with an interstate pipeline unless such natural gas was produced from the Outer Continental Shelf, and the sale or transportation of the gas was not, immediately prior to the date of the contract for purchase of the gas, certificated under the Natural Gas Act; authorizes the President to require, by order, any interstate or intrastate pipeline to transport gas and operate facilities necessary to carry out emergency purchase contracts;

Miscellaneous.—Authorizes the President to subpoena information to carry out his authority under the Act; contains antitrust protection provisions available as a defense against civil or criminal action brought against any person for violation of the antitrust laws with respect to actions taken pursuant to a Presidential order; gives the Temporary Emergency Court of Appeals exclusive jurisdiction to review all cases including any order issued or other action taken under this act; imposes civil penalties of up to $25,000 a day for violations of orders and $50,000 a day for willful violations; directs the President to require weekly reports which shall be made available to the Congress on prices and volume of natural gas delivered, transported or contracted for, and to report to Congress by October 1, 1977, on all actions taken under this act; and authorizes the President to delegate all or any portion of the authority granted to him to such executive agencies or officers he deems appropriate. S. 474—Public Law 95–2, approved February 2, 1977. (21)

Outer Continental Shelf.—Declares that the Outer Continental Shelf (OCS) is a vital national resource reserve held by the Federal Government for all the people, which should be made available for expeditious and orderly development, subject to environmental safeguards, in a manner consistent with maintenance of competition and other national needs; directs the Secretary of Interior to prepare a five-year comprehensive leasing development, subject to environmental safe-development of the OCS while assuring receipt of fair market value for publicly owned oil and gas resources; provides a mechanism for separation of exploration from development and production so that Federal, State, and local government officials can assess the political, environmental, social, and economic impact of proposed development in order to resolve any problems prior to production; contains other provisions to increase Coastal states participation in OCS policy development; directs the Secretary of Interior to contract for exploratory drilling where he determines that such drilling is necessary to gain better information about OCS reserves; requires an independent Presidential investigation of all domestic crude oil and natural gas; authorizes the Secretary to modify the bidding system with the proviso that either House of Congress may veto any such change; reduces the maximum amount of bonus bids permitted under the law from 66.67 percent to 50 percent and requires the use of new leasing systems on an experimental basis; provides that at least 20 percent of offshore production be set aside for independent refiners;

Provides that an OCS lessee is liable for the total cost of control and removal of spilled oil; creates a new strict liability rule for damages from oil spills from any offshore facility or any vessel carrying oil produced offshore; sets maximum liability amounts for a lessee or holder of a right-of-way at $35 million and for a vessel owner at $150 per gross registered ton unless such damage resulted from gross negligence or willful misconduct or violation of a safety or construction regulation; creates the Offshore Oil Compensation Fund, which is liable for the balance of damage and which receives its funds from a fee of 3 cents per barrel on oil produced from the OCS; requires that any company permitted to conduct exploratory activities on the OCS submit to the Government all data which it collected about oil and gas resources, including interpretive data, and requires the Secretary to keep all proprietary data confidential until public availability of the data would not damage the competitive position of the permittee; directs the Secretary and the Coast Guard to establish safety and environmental protection standards for equipment used for development of OCS resources; increases criminal penalties for willful violations of the act; and establishes a Fishermen Contingency Fund to provide compensation for damage to commercial fishing vessels and gear caused by OCS development. S. 9—Passed Senate July 15, 1977. (293)

Pipeline Destruction.—Amends title 18, U.S.C., to make a Federal crime the willful destruction or attemot to destroy any interstate pipeline system used in the transportation of gas or oil in interstate commerce with a fine of not more than $15,000 and/or 15 years imprisonment. S. 1502—Passed Senate July 18, 1977. (VV)

Radiation Exposure.—Extends the program of the Energy Research a nd Development Administration (ERDA) to provide financial assistance to limit radiation exposure resulting from the widespread use of sand containing mill tailings in the construction of approximately 500 public and private buildings in the Grand Junction, Colorado area; calls for a cooperative arrangement with the State of Colorado whereby ERDA is authorized to provide 75 percent of the costs of the program; extends the deadline for applying for remedial work under the program from 4 to 7 years; provides that property owners who removed mill tailings at their own expense prior to the date of enactment and without the administrative determination required may apply for such reimbursement within the first year of enactment; permits the State of Colorado to waive the requirement that it perform the remedial work; and increases the authorization therefor from $5 million to $8 million. S. 266—Passed Senate April 4, 1977. (VV)

Stripmining control and reclamation.—Establishes a program for the regulation of coal surface mining activities and the reclamation of coal mined lands, under the administration of the Office of Surface Mining Reclamation and Enforcement in the Interior Department, to assure that surface coal mining operations—including exploration activities and the surface effects of underground mining—are conducted so as to prevent or minimize degradation to the environment and that such surface coal mining is not conducted where reclamation is not feasible; sets forth a series of minimum uniform requirements for all coal surface mining on both Federal and state lands which deal with (1) preplanning (requires that an operator applying for a permit do certain research regarding adjacent land uses, the characteristics of the coal and the overburden, and hydrologic conditions and requires inclusion in his application of the planned methodology and timetable for the operation in a reclamation plan); (2) mining practices (requires that mining methods be used which will minimize or obviate environmental damage or injuries to public health and safety including restrictions on the placement of overburden, blasting regulations, water pollution control requirements, and waste disposal standards); and (3) post-

mining reclamation (requires reclamation and restoration of the mined land to its pre-mined condition including backfilling and regrading to approximate original contour, restoration of water quality and quantity, revegetation to pre-mining conditions and elimination of erosion and sedimentation with certain exceptions) provides that these minimum Federal standards be administered and enforced by the States and by the Secretary of the Interior on public lands; authorizes funds to assist States in improving their regulatory and enforcement programs; provides for Federal enforcement of a State program if a State fails to comply with the Act;

Authorizes $200,000 in 1978, $300,000 in 1979 and $400,000 thereafter for 5 years in matching funds to each State to establish a State mining and mineral resources research institute to conduct research and training mineral engineers and scientists;

Provides for the protection of scarce and vital water resources in the permit application requirements, reclamation standards and provisions for designation of areas unsuitable for mining; provides for a mechanism on both State and Federal lands for citizens to petition that certain areas be designated as unsuitable for surface coal mining; prohibits stripmining of lands which cannot be reclaimed under the standards of the Act; prohibits stripmining in national parks and recreational areas (except for such lands which do not have significant forest cover within those national forests west of the 100th meridian) and areas which would adversely affect such parks; prohibits stripmining 300 feet from an occupied building, 100 feet from a public road, or 500 feet from an underground mine; permits certain variances to the mining-reclamation standards of the bill;

Requires with regard to lands where the Federal government owns the coal but not the surface estate that the surface owner must give written consent to the stripmining of the Federally-owned coal deposits; provides that if the surface and mineral estates are in private ownership, disputes shall be settled by State law;

Requires the Secretary of Interior to issue interim regulations for environmental standards within 90 days; waives provisions of the National Environmental Policy Act of permanent standards one year after enactment; requires EPA approval of air and water quality regulations; requires compliance by all new mines within 6 months; exempts mining operators with under 100,000 tons annual production from compliance with the interim environmental standards until January 1, 1979;

Bans stripmining on alluvial valley floors if it disrupts farming and the quantity and quality of the water supply except for (1) undeveloped range lands which are not significant to farming; (2) those lands the regulatory authority finds have negligible impact on the agricultural production of the affected farm; and (3) those surface coal mining operations in commercial production during the past year or for which a permit has been approved prior to enactment; requires a coal exchange program for fee coal located in alluvial valleys;

Requires that applicants seeking to stripmine on prime farmland demonstrate to the State regulatory authority that they have the technological capability to restore the mined area, within a reasonable time, to equivalent or higher levels of yield as nonmined prime farmland soils in the surrounding area under equivalent levels of management;

Establishes a fund to be used to reclaim abandoned mined lands which will be derived from a reclamation fee levied on every ton of coal mined at 35 cents per ton for surface mined coal and 15 cents per ton for all local mined by underground methods or 10 percent of the value of the coal at the mine, whichever is less; requires that 50 percent of all fees must be allocated to the State or Indian reservation from which it was mined; applies to lignite coal a fee of the lesser of either 10 cents per ton or two percent of the value of the coal;

Provides that, beginning no later than 6 months from the date of enactment continuing until a State program has been approved or a Federal program has been implemented, the Secretary is required to carry out a Federal enforcement program which includes inspection and enforcement actions in accordance with the act; and contains comprehensive provisions for inspections, enforcement notices and orders, administrative and judicial review, penalties, and citizen participation. H.R. 2—Public Law 95-87, approved August 3, 1977. (159,310)

ENVIRONMENT

Clean Air.—Amends the Clean Air Act, as amended, as follows:

Auto Emission Standards.—Extends for 2 additional years, for model years 1978 and 1979, the existing interim auto emission standards of 1.5 grams per mile for hydrocarbons (HC), 15 grams for carbon monoxide (CO), and 2 grams for nitrogen oxides (NO_x); requires 1980 model cars to meet emission standards of .41 gram to HC, 7 grams for CO, and 2 grams for NO_x; requires 1981 model cars to meet the final emission standards set by the 1970 Clean Air Act of .41 grams for HC, 3.4 grams for CO, and 1 gram for NO_x; authorizes EPA to waive the 1 NO_x standard to a level not to exceed 1.5 grams per mile beginning in model year 1981 (1) to encourage the production of new engines (such as the diesel) and emission systems not using precious metal catalysts, or (2) for small manufacturers who produce less than 300,000 cars and who must purchase this pollution control technology from another manufacturer (American Motors); authorizes EPA to grant a 2-year waiver of the CO standards to 7 grams; reduces warranties for emission-control devices from 5 years and/or 50,000 miles to two years and/or 24,000 miles.

Delayed Compliance.—Authorizes EPA and the States to issue enforcement orders extending compliance schedules for stationary sources until July 1, 1979; limits extension of compliance to no more than 3 years delay, except in case of innovative technology (5 years), coal conversion extensions, or smelter orders; automatically subjects noncomplying sources to a penalty after July 1, 1979, equal to the cost of compliance to eliminate any economic advantage of delay;

Non-Deterioration.—Provides that areas where air quality is presently cleaner than the existing standards shall be protected by non-deterioration standards; designates the most carefully protected areas as Class I areas and other areas as Class II and III areas; provides a mechanism for States to redesignate lands from class I to II or II to III; provides that the following areas are not eligible for Class III designation if the area is over 10,000 acres: national monuments, primitive areas, preserves, wild and scenic rivers, wildlife refugees, lakeshores, seashores, parks, wilderness areas and any new areas subsequently designated for these categories; allows a State to redesignate any Federal land as a Class I area without the concurrence of any Federal authority; allows an Indian tribe to designate its land as Class I or III;

Defines "significant deterioration" in all clean air areas as a specified amount of additional pollution measured by increments of sulfur oxides and particulates; exempts facilities otherwise subject to the nondegradation provisions which emit less than 50 tons per year of total pollutants from the increment requirements; provides that States issue construction permits to new major emitting facilities in clean air areas (with EPA acting in the role of monitor of State actions) requiring the use of best available control technology; requires new sources locating in Class II area to demonstrate to the State that they will not exceed the Class II pollution increments, or adversely affect the air quality values in any nearby Class I area; allows a State Governor to waive compliance with the Class I standards if computer models show in advance that the standards would not be exceeded for 18 days annually with the right of the Secretary of Interior to object and a final decision to be made by the President within 90 days;

Non-Attainment Areas.—Requires new sources proposed for construction in nonattainment areas (where pollution levels exceed the public health standards) to meet a number of conditions prior to approval of construction; requires that such sources meet the lowest achievable emission rate; requires that emission reductions from existing sources more than offset the emissions from the new source; requires that existing sources use all reasonably available controls; provides that sources may only be approved after July 1, 1979, if a State implementation plan exists, the source is in compliance with its requirements, and the plan assures the attainment of the health standards within 3 years; makes available an extension until 1987 for States that cannot show attainment of the oxidant and carbon monoxide standards within 3 years; provides waiver from the source-by-source emission offset requirement available to a State under limited conditions; and

Other.—Requires a review of the air quality criteria for existing ambient air quality standards which shall be completed by December 31, 1980 and subsequently every 5 years thereafter; allows a state to temporarily suspend State implementation plan requirements where necessitated by energy or economic emergencies under specified conditions; authorizes the President to require major noncomplying industrial coal burners to utilize coal supplies that are locally and regionally available instead of importing low-sulfur Western coal if necessary to avoid local economic disruption, after taking into account the final cost to the consumer; and contains other provisions. H.R. 6161—Public Law 95- , approved 1977. (190)

Clean water.—Amends the Federal Water Pollution Control Act Amendments of 1972 including the following provisions.

Waste treatment construction.—Authorizes $26.5 billion through 1982 in Federal grants to local municipalities for construction of sewage treatment plants; increases the flexibility of the Administrator of the Environmental Protection Agency (EPA) and the States in determining the best cleanup techniques; extends for 5 years, until July 1, 1983, the deadline for communities to meet clean water standards if they have been unable so far to obtain federal funds for construction;

Industrial standards.—Allows the Administrator of EPA to grant a "reasonable" time for compliance with the 1977 deadline and to set up a compliance schedule; allows EPA to grant an extension of the 1977 deadline for achieving the "best practicable technology" up to 18 months to a source whose facilities are under construction but not completed by July 1, 1977, and who in good faith has tried to meet the requirements;

Oil spill liability.—Increases the jurisdiction for oil spills out to 200 miles and the limits of liability for cleaning up oil spilled from tankers or oil terminals; sets a minimum of $500,000 for liability from an oil cargo vessel and limits liability to $150 a gross ton; raises liability for onshore and offshore handling facilities to $50 million from $8 million;

Penalties for noncompliance.—Sets fines for pollution sources in an amount equal to the economic value of noncompliance in order to remove any economic advantage which might accrue to an industry which

does not comply with the law beginning July 1, 1979;

Phosphate use.—Limits the amount of phosphates contained in laundry detergents, dishwashing compounds, and water conditioners sold in the Great Lakes region and requires a study by EPA to determine whether a national phosphates limitation program should be enacted;

Wetlands protection.—Modifies the controversial wetlands protection provisions by exempting such activities as farming and ranching and allowing the States to control disposal of dredge and fill materials; and

Community flexibility.—Allows communities to use property tax or another payment scheme to charge residential users for waste treatment if the charges are in proportion to use and if the consumer is notified of his contribution to support the waste treatment facility. H.R. 3199—Passed House April 5, 1977; passed Senate amended August 4, 1977; Senate requested conference August 4, 1977. (336)

Earthquake hazards reduction.—Establishes a national earthquake hazards reduction program under the direction of the President to minimize the loss and disruption resulting from future earthquakes; specifies the objectives of the program which includes the following four elements: (1) a research element dealing with fundamental earthquake risk analysis for land-use consideration, hazards assessment, and engineering and research to reduce earthquake, vulnerability; (2) an implementation plan to be prepared within 6 months setting year-by-year targets through at least 1985, specifying roles for Federal agencies, and recommending appropriate roles for State and local units of government, individuals, and private organizations; (3) a State assistance program allowing assistance to the States under the Disaster Relief Act of 1974; and (4) the opportunity for wide sectors of the population to participate in the formulation and implementation of the program; calls for cooperation among a number of Federal agencies including the U.S. Geological Survey and the National Science Foundation; requires the President to report annually to the Congress on progress achieved in the program; and authorizes therefor $55 million, $70 million and $80 million over a 3-year period for the U.S. Geological Survey and National Science Foundation to undertake specific activities and such sums as necessary for other agencies involved in the program, S. 126—Passed Senate May 13, 1977. (VV)

Endangered species.—Extends through fiscal year 1980 the authorization for section 6(i) programs under the Endangered Species Act of 1973 at a rate of $9 million for the Department of the Interior and $3 million for the Department of Commerce to assist States in developing programs for the protection of threatened and endangered species of fish, wildlife, and plants. S. 1316—Passed Senate May 25, 1977. (VV)

EPA authorization.—Authorizes a total of $185,330,000 for the environmental research and development program conducted by the Environmental Protection Agency for fiscal year 1978 as follows: $95 million for water quality under the Federal Water Pollution Control Act; $10.8 million for pesticides under the Federal Insecticide, Fungicide and Rodenticide Act; $830,000 for radiation under section 301 of the Public Health Service Act; $8.2 million for toxic substances under the Toxic Substance Control Act; $28 million for interdisciplinary activities; $19 million for program management; $10 million for a long-term R&D program; $2 million for training of environmental health scientists; $5 million for unanticipated environmental emergencies; $500,000 for a report by the Council on Environmental Quality on coordinating the environmental research and development activities of the various Federal agencies and departments which is to be submitted to the President and Congress by January 1, 1978; and $5 million for Gulf Coast air quality studies; provides the legislative and statutory mandate for EPA's Science Advisory Board consisting of nine members, appointed by the Administrator for staggered terms, to review conflicting claims and advise the Administrator on the adequacy and reliability of the technical basis for rules and regulations; and directs the Administrator to assess organizational structures and management techniques and determine what would be the most appropriate means of tying together the program offices, research laboratories and contracted research efforts and to submit a report to the President and Congress by September 30, 1977. H.R. 5101—Passed House April 19, 1977; Passed Senate amended May 27, 1977. (VV)

National Advisory Committee on Oceans and Atmosphere.—Repeals the Act of August 16, 1971, which established a National Advisory Committee on Oceans and Atmosphere and establishes a new and smaller National Advisory Committee on Oceans and Atmosphere (NACOA) to replace it, consisting of 18 members (which is reduced from 25 in the original act) appointed by the President for staggered 3-year terms; sets more stringent qualifications for membership by requiring that each member be an expert or otherwise knowledgeable in either oceanic matters, atmospheric matters, or both; provides for the transfer of the personnel, positions, records, and unexpended funds to the new Committee; directs the Committee to undertake a continuing review of national ocean policy (on a selective basis), coastal zone management, and the status of U.S. marine and atmospheric science and service programs and advise the Secretary of Commerce with respect to the National Oceanic and Atmospheric Administration; requires the Committee to submit a report by June 30 of each year to the President and Congress and such other reports as may from time to time be requested; gives the Secretary of Commerce 60 days (instead of 90 days) to review and comment on the annual report; directs the Secretary to provide administrative support and services to the Committee; and authorizes $520,000 for fiscal year 1978. H.R. 3849—Public Law 95-63, approved July 5, 1977. (VV)

Noise control.—Authorizes $10.9 million for general technical assistance, regulatory and administrative responsibilities under section 19 of the Noise Control Act of 1972 and $2.1 million for research and development for fiscal year 1978. S. 1511—Passed Senate May 18, 1977. (VV)

Ocean pollution research.—Establishes a comprehensive Federal program of ocean pollution research and monitoring; designates the National Oceanic and Atmospheric Administration as the lead Federal agency for ocean pollution research and monitoring; and provides for the assistance of the Director of the Office of Science and Technology Policy, through the Federal Coordinating for Science, Engineering, and Technology, in coordinating, on a continuing basis, the Federal program of ocean pollution research and monitoring; requires the Administrator to submit annually to the President and Congress a report on all Federal ocean pollution and monitoring efforts; and authorizes therefor $5 million for fiscal 1978 and $6 million for fiscal 1979 to the National Oceanic and Atmospheric Administration. S. 1617—Passed Senate August 3, 1977. (VV)

Safe drinking water.—Amends the Safe Drinking Water Act of 1974 to extend through fiscal year 1978 the following authorizations which expire on September 30, 1977: $17 million for technical information and training, $20.5 million for State water supply supervision programs, $6 million for the State underground injection control program, $25 million for technology demonstration grants, and $16 million for research and development activities; and requires the Administrator of the Environmental Protection Agency to make grants under section 1444(c) of the Act which authorizes funding of projects demonstrating technology for recycling waste water for drinking purposes. S. 1528—Passed Senate May 24, 1977; Passed House amended July 12, 1977. (VV)

Sea grant program.—Extends through fiscal 1978 the authorization for the national sea grant program as follows: $50 million for the basic sea grant program; $5 million for the national program, and $3 million for the international program. H.R. 4301—Public Law 95-58, approved June 29, 1977. (VV)

FISHERIES

Atlantic tunas.—Extends for an additional 3 years, until 1980, the Atlantic Tunas Convention Act of 1975 which implemented an international convention governing fishing for tuna and tuna-like fishes in the Atlantic Ocean and authorizes therefor such sums as necessary; and redefines the term "fishery zone" to mean the 200-mile fishery zone described in Public Law 94-265. H.R. 6205—Public Law 95-33, approved May 26, 1977. (VV)

Commercial fisheries.—Extends the Commercial Fisheries Research and Development Act for 2 years, through fiscal 1980, and increases the annual authorization for fiscal year 1978 and the two subsequent years as follows: $10 million for section 4(a) general programs (increased from $5 million); $3 million for section 4(b) which provides funds on an emergency basis if there is a commercial fishery disaster or serious disruption affecting future production due to a resource disaster arising from natural or undetermined causes (increased from $1.5 million); and $500,000 for the section 4(c) program of grants to develop new commercial fisheries (increased from $100,000). H.R. 6206—Public Law 95-53, approved June 22, 1977. (VV)

Fishermen's protection reimbursement program.—Extends the provisions of the Fishermen's Protective Act of 1967 which expires October 1, 1977, to October 1, 1979; establishes a Federal Government loan program whereby the Secretary of Commerce may make a loan after October 1, 1977, to the owner or operator of any U.S. vessel to replace or repair vessels or gear lost, damaged, or destroyed by any foreign vessel; conditions loans upon assignment to the Secretary of all rights of recovery and directs the Secretary with the assistance of the Attorney General, to take appropriate actions to collect on any right assigned to him; cancels repayment of a loan if it is determined that the owner or operator was not at fault; and provides that loans may be granted for any damage which occurred after October 1, 1976. S. 1184—Passed Senate May 24, 1977. (VV)

Fishery agreement with Canada.—Amends the Fishery Conservation Zone Transition Act by adding a new section giving Congressional approval of the Reciprocal Fisheries Agreement between the United States and Canada during the period of March 1, 1977, to December 31, 1977; authorizes Canadian vessels and nationals to fish within the Fishery Conservation Zone of the United States, or for anadromous species and Continental Shelf fishery resources of the United States beyond the zone only when the fishing is carried out pursuant to the provisions of the Agreement; waives the requirements of title II (relating to foreign fishing and international fishery agreements) and the penalty provisions in section 307 of the act; requires any person who owns or operates a United States fishing vessel and engages in fishing to which the agreement applies or any person who directly or indirectly receives

fish in sufficient quantities as determined by the Secretary of Commerce, to submit to the Secretary such statistics as he may request; authorizes the Secretary, after consultation with the Secretary of State, to issue regulations as necessary regarding the collection of such statistics; and provides that any person violating the act or regulations issued pursuant thereto would be deemed to be committing an act prohibited by section 307 of the Act and subject to a civil penalty of up to $25,000. H.R. 5638—Public Law 95– , approved 1977. (VV)

Fishery conservation zone transition.—Gives Congressional approval of the fishery agreements between the United States and the People's Republic of Bulgaria, the Socialist Republic of Romania, the Republic of China, the German Democratic Republic, the Union of Soviet Socialist Republics, and the Polish People's Republic; provides that these agreements will enter into force on the date of enactment of this joint resolution; waives the 60-day Congressional review period; limits to 7 days the 45 day period for review and comment on application permits required of the Regional Fishery Management Councils created under the Fishery Conservation Zone Act during 1977 for those applications received by the Council on or before the date of enactment and those received by the Council from the Secretary of State after the date of enactment to provide for an orderly transition from the 12 mile to 200 mile fishing limit; waives, until May 1, 1977, the requirement that foreign fishing vessels have a valid permit on board and permits the Secretary to waive the fee required before fishing permits may be issued if he is satisfied that the foreign nation will pay the fee before May 1, 1977; and repeals, effective March 1, 1977, the Northwest Atlantic Fisheries Act of 1950. H. J. Res. 240—Public Law 95–6, approved February 21, 1977. (VV)

Gives Congressional approval of the fishery agreements between the United States and Spain, Japan, South Korea, and the countries of the European Economic Community (Iceland, France, Italy, Luxembourg, the United Kingdom, Denmark, Belgium, West Germany, and the Netherlands); contains essentially the same provisions as H.J. Res. 240 (Public Law 95–240) to provide for an orderly implementation of foreign fishing within the 200-mile fishery zone of the United States after March 1, 1977, including the 7-day period of comment by the Fishery Management Councils and the public with respect to applications for permits, the May 1 extension of time for the payment of fees and permit requirements, and waives the 60-day Congressional review period. H.R. 3753—Public Law 95–8, approved March 3, 1977. (VV)

Marine mammal protection.—Extends through fiscal year 1978 the Marine Mammal Protection Act of 1972 and authorizes therefor $1.8 million for the Department of the Interior of which $1.1 million is for research grants in subjects relevant to the protection and conservation of marine mammals, $11.5 million for the Department of Commerce of which approximately $5 million would fund a 100 percent observer program on all large tuna-purse vessels, and $2 million for the Marine Mammal Commission; and makes it unlawful for any person or vessel to take any species of whale in the U.S. fishery conservation zone (the 200-mile limit) established by the Fishery Conservation and Management Act. S. 1522—Passed Senate July 18, 1977. (VV)

GENERAL GOVERNMENT

Age discrimination report—nutrition programs for elderly.—Amends the Age Discrimination Act of 1975 to extend for 6 months, until November 1977, the time in which the U.S. Commission on Civil Rights must submit its report on unreasonable discrimination based on age in programs and activities receiving Federal financial assistance; authorizes the Commission for a 90-day period following transmittal of its report to provide technical assistance and information to Government officials; and

Amends the Older Americans Act to extend the surplus commodities provision of the title VIII nutrition program for the elderly through fiscal year 1978 in order that it will coincide with the authorization period of the other programs of the act; and gives States the option to receive cash in lieu of such commodities. H.R. 6668—Public Law 95–65, approved July 11, 1977. (VV)

Center for books.—Establishes a Center for Books in the Library of Congress, under the direction of the Librarian of Congress, which will be supported by private gifts to provide a program to stimulate public interest and research in the role of books in the diffusion of knowledge through such activities as a visiting scholar program accompanied by lectures, exhibits, publications, and any other related activities. S. 1331—Passed Senate July 12, 1977. (VV)

Civil Rights Commission authorization.—Raises the authorization limitation for the Civil Rights Commission from the present annual maximum of $9,540,000 to $10,420,023 for fiscal year 1978 plus such additional amounts as may be necessary for salary increases and other employee benefits authorized by law. H.R. 5645—Passed House May 23, 1977; Passed Senate amended July 13, 1977; Senate requested conference July 13, 1977. (VV)

Federal assistance program information.—Increases the availability of information about Federal domestic assistance programs by requiring the Director of the Office of Management and Budget (OMB) to: (1) establish and maintain a data base containing specified information on all Federal domestic assistance programs; (2) develop and maintain a computerized information system to provide for the widespread availability of information contained in the data base by computer terminal facilities; and (3) publish annually a catalog of Federal domestic assistance programs containing information from the data base, a detailed index and any other information deemed appropriate; authorizes therefor $1.2 million for the first year; $1.7 million the second year and $2.2 million the third year;

Amends section 201 of the Intergovernmental Cooperation Act of 1968 to give OMB the responsibility to insure that information is provided to the States through their Governors or designated information centers on Federal financial assistance; requires the Director to report his recommendations to Congress for improving, consolidating and further developing Federal financial information systems; and requires the General Accounting Office to submit a report to Congress 1 year after enactment on actions taken by OMB to implement this act and, within 2 years of enactment, a progress report to Congress 1 year after enactment on actions taken by OMB to implement this act and, within 2 years of enactment, a progress report including an evaluation of its effectiveness and any legislative recommendations. S. 904—Passed Senate May 17, 1977. (VV)

Federal Home Loan Bank Board members.—Amends the Federal Home Loan Bank Board Act, as amended, to permit a board member, whose term expires, to continue to serve on the board for an additional 30 days or until his successor is appointed, whichever occurs first. S.J. Res. 63—Public Law 95–56, approved June 29, 1977. (VV)

Amends the Federal Home Loan Bank Act to extend for an additional 15 days the term of the member of the Federal Home Loan Bank Board which expired on July 31, 1977, in order to permit the Board to obtain a quorum for transacting business until the new prospective chairman can be sworn into office. S.J. Res. 79—Public Law 95– , approved 1977. (VV)

GAO audits of IRS and ATF.—Amends the General Accounting and Auditing Act of 1950 to provide that the General Accounting Office may conduct management and financial audits of the Internal Revenue Service and the Bureau of Alcohol, Tobacco, and Firearms; contains provisions to insure the confidentiality of information including Congressional oversight and penalties for unauthorized disclosure; and requires the Comptroller General to submit to the Senate Finance and Governmental Affairs Committees, the House Ways and Means and Government Operations Committees, and the Joint Committee on Taxation, every six months, the names and titles of GAO employees having access to tax returns and information; to submit as frequently as possible results of the audit; and to submit annually a report of his findings and recommendations which must also include the procedures established for protecting the confidentiality of tax return information and the scope and subject matter of the audit. S. 213—Passed Senate March 11, 1977. (VV)

Intelligence activities authorization.—Authorizes such amounts as specified in a classified report prepared by the Senate Select Committee on Intelligence for fiscal year 1978 for intelligence activities of the United States Government includes specific amounts for activities of the Central Intelligence Agency, the Defense Intelligence Agency, the Office of the Secertary of Defense, the National Security Agency, the military service, the Department of State, the Department of the Treasury, the Energy Research and Development Administration, the Federal Bureau of Investigation, and the Drug Enforcement Administration; authorizes $8.95 million for the Intelligence Community Staff for fiscal 1978 which supports the Director of the C.I.A. in fulfilling his responsibilities for overall management and direction of the intelligence community and the Policy Review Committee of the National Security Council; sets at 170 the end-strength of full time employees for the Intelligence Community staff; and authorizes $35.1 million for the Central Intelligence Agency Retirement and Disability System for fiscal 1978. S. 1539—Passed Senate June 22, 1977. (VV)

Kennedy Center authorization.—Authorizes $4.7 million for the John F. Kennedy Center for the Performing Arts, to remain available until expended, for the Secretary of the Interior, acting through the National Park Service, to correct leaks in the roof, terraces, kitchen, and East Plaza Drive and the damage which has resulted from these leaks; gives the Center approval authority over contracts let by Interior Department; and authorizes $4 million for fiscal year 1978. S. 521—Public Law 95–50, approved June 20, 1977. (VV)

Kennedy Presidential Library.—Authorizes the Administrator of General Services to accept land, buildings, and equipment that have been or may be offered to the United States without reimbursement, for the purpose of maintaining, operating and protecting as part of the National Archives system a Presidential archival depository located next to the University of Massachusetts campus on Columbia Point in Boston in memory of John Fitzgerald Kennedy. H.J. Res. 424—Public Law 95–34, approved May 26, 1977. (VV)

Library services and construction.—Extends through October 1, 1982, and revises the Library Services and Construction Act; retains current use and allocation of funds but adds a provision to direct one-half of the funds after the appropriation level of $60 million is reached (current funding level is $56.9 million) to urban resource libraries, which are defined as public libraries in incorporated areas with populations exceeding

100,000; provides that any State that does not have an incorporated area with at least 100,000 persons will nevertheless be considered to have at least one urban resource library; adds a new title to the Act which provides special aid to and study of urban libraries; authorizes funds for projects to make libraries more energy efficient; and contains other provisions. S. 602—Passed Senate May 20, 1977; Passed House amended June 2, 1977; In conference. (VV)

National Science Foundation Authorization.—Authorizes $879.35 million for fiscal year 1978 to the National Science Foundation and an additional $4.9 million in foreign currencies which the Treasury Department determines to be in excess to the normal requirement of the U.S.; includes (1) $246.8 million for mathematical and physical sciences and engineering; (2) $210.5 million for astronomical, atmospheric, earth, and ocean sciences; (3) $47.5 million for the U.S. Antarctic Research Program; (4) $142.5 million for biological, behaviorial, and social sciences; (5) $4.5 million or 2 per cent of the funds for (1), (2), and (4), whichever is less for basic research stability grants; (6) $83.3 million for science education programs; (7) $75.85 million for Research Applied to National Needs (RANN), with not less than 25 percent of these funds to be earmarked for applied social research and policyrelated scientific research and not less than 12.5 percent be earmarked for the Small Business Innovation Program; (8) $20.9 million for scientific technological, and international affairs; (9) and $47.8 for program development and management;

Contains provisions to support interaction between academic and industry researchers, and to emphasize the activities of the Office of Science and Society; earmarks $4.5 million for programs directed to minority graduate students; contains certain requirements designed to protect pre-college students involved in research funded by the agency; establishes financial disclosure procedures to guard against possible conflicts of interest on the part of NSF employees; requires the National Science board to submit an annual report to Congress; and contains other provisions. H.R. 4991—Public Law 95– , approved 1977. (VV)

Presidential reorganization authority.—Extends for three years from the date of enactment, the authority of the President under chapter 9, title 5, U.S.C., to submit reorganization plans to Congress proposing the reorganization of agencies in the executive branch; expresses Congressional intent that the President provide appropriate means for public involvement in reorganization; requires that the President, on a continuing basis, examine the organization of all agencies of the executive branch and determine what changes are necessary to accomplish the purpose of the statute;

Provides that reorganization plans may: create new agencies, transfer or consolidate the whole or part of agencies or their functions to other agencies, abolish all or part of the functions of an agency except any enforcement function or statutory program, change the name of an agency, authorize an agency official to delegate any of his functions, and provide that the head of an agency be an individual, commission or board with a fixed term not to exceed 4 years;

Requires that each plan be based upon a Presidential finding stated in a message to Congress that the proposed action is necessary to accomplish one or more of the purposes of the statute; requires that the message specify, with respect to each plan, the reduction of or increase in expenditures likely to result from the plan, as well as any improvements in the effectiveness or efficiency of the government anticipated as a result of the plan;

Prohibits the use of reorganization authority to: create a new executive department, abolish an executive department or an independent regulatory agency, abolish any function mandated by Congress through statutes, increase the term of an office beyond that provided by law, create new functions not authorized by pre-existing statutes, or continue a function beyond the period authorized by law;

Requires the President to submit each plan, which must deal with only one logically consistent subject matter, to both Houses of Congress simultaneously for referral to the Senate Governmental Affairs Committee and the House Government Operations Committee; requires the Chairman of the respective committee to introduce a disapproval resolution whenever a reorganization plan is submitted to assure that there will be a resolution for the Committee to act on and to report either favorably or unfavorably a disapproval resolution for each proposed plan; provides that plans shall become law at the end of 60 calendar days of continuous session of the Congress or if specified, at a later date, unless either House passes a resolution of disapproval or prior to that time if both Houses defeat a disapproval resolution; requires the committees in both Houses to file recommendations on each plan with the full House within 45 days and provides, if the committee has not done so, the resolution will automatically be discharged from further consideration and placed on the calendar; specifies that no more than three reorganization plans may be pending in the Congress at any one time;

Allows the President to (1) amend a plan within the first 30 days after submission if neither committee has ordered reported a disapproval resolution or made any other recommendations on the plan, or (2) withdraw a plan at any time prior to the conclusion of the 60 day period;

Provides that any member may move to proceed to consider a disapproval resolution once it has been reported or discharged; limits to 10 hours floor debate on a disapproval resolution and on appeals and motions made in connection therewith, and makes motions to postpone consideration or amend the resolution out of order;

Provides that suits brought against an agency affected by a reorganization plan, or regulations or other actions taken by an agency under a function affected by the plan shall not abate as a result of the plan, except in the case where the function is abolished; specifies that plans may provide for the transfer or other disposition of affected records, property, and personnel, and for the transfer of unexpended appropriations if the funds will be used for their original purpose; and requires that unexpended funds revert to the U.S. Treasury. S. 626—Public Law 95–17, approved April 6, 1977. (40)

Privacy Protection Study Commission extension.—Extends the life of the Privacy Protection Study Commission from July 10, 1977, to September 30, 1977, to provide additional time for the printing of a set of appendix volumes for its final report. S. 1443—Public Law 95–38, approved June 1, 1977. (VV)

Smithsonian Institution.—Canal Zone biological area.—Increases from $350,000 to $750,000 the annual authorization for the Canal Zone Biological Area (the Barro Colorado Island Facility of the Tropical Research Institute of the Smithsonian Institution). S. 1031—Passed Senate May 2, 1977. (VV)

U.S. territories.—Provides for the continuance of the civil government of the Trust Territory of the Pacific Islands by authorizing $90 million for fiscal 1978, $122.7 million for fiscal 1979, and $112 million for fiscal 1980 in addition to such amounts authorized but not appropriated for fiscal years 1975 through 1977; authorizes $13,515,000 for the government of the Northern Marianas until the separate funding provisions of their Covenant become effective; authorizes $12.5 million for the rehabilitation and resettlement of Enewetak Atoll; provides for compensation to the people of Rongelap and Utirik Atolls in the Marshall Islands for radiation exposure resulting from a thermonuclear detonation on Bikini Atoll on March 1, 1954; authorizes $25,000 to each individual who has developed hypothyroidism or a radiation-related malignancy, $1,000 to each person or heir who was an inhabitant of Utirik Atoll at the time of exposure, and not to exceed $25,000 in compassionate compensation to an individual who has suffered a physical injury from a radiation-related cause; authorizes the Secretary of Interior to provide adequate medical care and treatment to any person who has a radiation injury or related illness with the costs to be assumed by ERDA; directs the Secretary to report to Congress by December 31, 1980, on any additional compassionate compensation that may be justified for those individuals continuing to suffer from radiation-caused illnesses or injuries;

Authorizes $15 million for a grant to the Government of Guam to assist in typhoon rehabilitation, upgrading and construction of public facilities, and maintenance of essential services; authorizes Guam to use funds provided under this act as its matching share for Federal programs and services; authorizes for 5 fiscal years beginning in fiscal 1978, $1 million annually for the Guam Development Fund; provides for the Secretary to assume the costs of the Guam comptroller effective October 1, 1977; allows Guam to impose a separate tax on all taxpayers of not to exceed 10 percent of their annual income tax obligation to the Government of Guam; grants jurisdiction to the district court of Guam to review individual claims arising from U.S. land acquisitions in Guam immediately after World War II; requires an individual to prove that he received less than fair value for his land as a direct result of fraud, duress, or other unconscionable actions by the United States and provides that claims of individuals who received payment for their land in judicial condemnation proceedings shall remain res judicata and the district court will not have jurisdiction to review their awards; authorizes the Secretary to guarantee loans to the Government of Guam of not to exceed $25 million to meet their health care needs after obtaining the approval of the Secretary of HEW; requires additional taxes in Guam in the event of a default on these loans;

Provides for the Secretary to assume the costs of the Comptroller General of the Virgin Islands; allows the Virgin Islands Legislature to vary the present 6 percent ad valorem custom duty on the importation of articles into the Virgin Islands; directs the Secretary to submit to Congress by January 1, 1978, a report on Federal programs available to U.S. territories in order to determine the feasibility of extending to Guam and the Virgin Islands those programs extended to the Northern Marianas by the Commonwealth Covenant; and authorizes a one-time payment of $15 million to Guam and an additional $14 million to the Virgin Islands for tax revenue losses. H.R. 6550—Passed House May 2, 1977; Passed Senate amended July 25, 1977. (VV)

GOVERNMENT EMPLOYEES—FEDERAL OFFICIALS

Ethics in government.—Establishes a mechanism for the appointment of a temporary special prosecutor to deal with (a) matters concerning the President, Vice President, Members of Congress, and other high-level officials, and (b) matters which may directly and substantially affect the partisan political or personal interests of the President, the Attorney General, or the President's party and in which there exists a conflict of interest within the Justice Department; contains a general provision requiring any officer or employee of Justice to disqualify himself from cases in which he could have a conflict of interest; creates an Office of Gov-

ernment Crimes within the Justice Department to deal with abuses of office committed by government officials, violations of Federal lobbying, elections, and conflicts-of-interest laws, and other matters; provides that the director of this Office shall be appointed by the President and confirmed by the Senate;

Provides that an individual who has played a leading partisan role in the election of a President cannot be appointed Attorney General or Deputy Attorney General; sets forth procedures to be followed by the Attorney General with respect to any investigation of influence peddling by the Korean Government;

Establishes an Office of Congressional Legal Counsel to represent Congress and, with the consent of Congress, protect the vital interests of Congress in matters before the courts; provides that the Congressional Legal Counsel and the Deputy Congressional Legal Counsel will be appointed by the joint leadership and must be approved by both houses, and that neither position may be filled by persons who have been Congressional members, candidates, employees or persons who have served in Congressional campaigns within the preceding three years;

Requires annual financial disclosure reports be filed by the President, Vice President, Members of Congress, justices and judges of the U.S. and D.C. government, officers and employees of the executive branch at the GS–16 level or greater; officers and employees of the legislative and judicial branches compensated at a rate equal to or greater than the GS–16 pay rate; members of a uniformed service compensated at a rate equal to or greater than the grade 0–7 pay rate, candidates for Federal elective office, and Presidential appointees subject to advice and consent of the Senate; specifies the required contents of such disclosure reports; creates various offices to monitor compliance with this statute; sets criminal penalties for knowing and willful falsification or emission and civil penalties for failure to file or accidental omissions;

Establishes an Office of Government Ethics within the Civil Service Commission with primary responsibility for implementing financial disclosure requirements throughout the executive branch; provides that the director of this Office shall be appointed by the President with the advice and consent of the Senate;

Revises the current statute concerning restrictions on post service activities by officials and employees of the executive branch by imposing a new restriction which prohibits, for a period of one year following termination of government service, a former top-level official from contacting his former department or agency on any matter pending before the department or agency; and makes other minor modifications to the statute. S. 555—Passed Senate June 27, 1977. (245)

Federal comparability increases.—Denies the October 1 cost-of-living increase to Members of Congress, the Supreme Court Justices and other members of the Judiciary, Cabinet officials, and top Executive personnel who received the March 1 quadrennial pay increase under which salaries were increased as follows: Members of Congress from $44,600 to $57,500; Cabinet officers from $63,000 to $66,000; the Vice President, Speaker, and Chief Justice from $65,000 to $75,000; the President Pro Tempore and Majority and Minority Leaders from $52,000 to $65,000; circuit court judges from $44,600 to $57,500; district judges from $42,000 to $54,500; subcabinet assistants from $44,600 to $57,500; and other top Federal personnel from $42,000 to $52,000. S. 964—Public Law 95–66, approved July 11, 1977. (44)

Secret Service protection of former Federal officials.—Authorizes the Secret Service to continue to furnish protection to certain former Federal officials (Secretaries Kissinger and Simon and Vice President Rockefeller) or members of their immediate families who received such protection immediately preceding January 20, 1977, if the President determines that they may be in significant danger, and provides that such protection shall continue for a period determined by the President but not beyond July 20, 1977, unless otherwise permitted by law. S.J. Res. 12—Public Law 95–1, approved January 19, 1977. (VV)

Child nutrition programs.—Extends through September 30, 1980, the summer food service program for children with changes designed to eliminate abuses and otherwise strengthen the administration of the program; extends through September 30, 1982, the authority of the Secretary of Agriculture to purchase agricultural commodities for donation to the child nutrition programs when acquisitions under other agricultural authorities are not available; requires the Secretary to establish procedures to assure that donations of agricultural commodities to the child nutrition programs are more responsive to the problems and needs of local school districts; requires the Secretary to conduct studies of the impact and the effect on the child nutrition programs of making cash payments in lieu of commodities, and of past and present patterns of sanitary practices of commodity producers under consideration for contracts for child nutrition programs; revises the special milk program to provide that in schools and institutions participating in the school lunch, breakfast, or child care feeding programs, free milk may be provided to children eligible for free school meals only at times other than the regular school lunch or school breakfast serving period; revises the school breakfast program to require that the Federal maximum reimbursement for especially needy schools be adjusted semiannually to reflect changes in the cost of food away from home and require States to establish the standards, subject to the Secretary's approval, under which schools in severe need may receive 100 percent of their operating costs; revises the authority under which equipment funds are furnished schools to give priority to schools without a food service program and schools without the facilities to prepare and cook hot meals; revises the authority under which States are provided administrative expenses for carrying out certain child nutrition programs to require that a specific amount (based on percentage of the State's total costs) be made available for the 1978 through 1980 fiscal years; establishes a five-year entitlement nutrition education and information program under which grants would be made to State educational agencies for the purpose of encouraging effective dissemination of scientifically valid information about food and nutrients to children participating in the school lunch and related child nutrition programs and to adults; repeals the provision in existing law which prohibits the Secretary from banning the sale of competitive foods (such as food from vending machines) in food service facilities or areas during the time that school lunches or breakfasts are being served; and requires the Secretary to establish an Institute of Food Management and Technology to address the problems of providing adequate food programs in diverse situations. H.R. 1139—Passed House May 18, 1977; Passed Senate amended June 30, 1977; In conference. (267)

Clinical laboratories.—Extends and expands the existing program of mandatory licensure to all laboratories (except those under the jurisdiction of the Department of Defense or the Veterans Administration) soliciting and accepting specimens for laboratory analysis: authorizes the Secretary of Health, Education, and Welfare to license those laboratories meeting quality assurance standards; authorizes the Secretary to promulgate standards and regulations to assure the quality, accuracy, and reliability of laboratory testing; authorizes the Secretary to delegate his licensure authority to states with primary enforcement responsibility to implement laboratory quality assurance programs at least equal to the Federal program; authorizes the Secretary and any State with primary enforcement responsibility to take necessary actions against laboratories not meeting the quality assurance standards; authorizes the Secretary to establish an Office of Clinical Laboratories to provide a uniform regulatory program for all laboratories subject to Federal jurisdiction; authorizes the Secretary to establish an advisory council to advise, consult with, and make recommendations to the Office of Clinical Laboratories concerning the development of quality assurance standards and the implementation of such standards; authorizes the Secretary to exempt physicians' office laboratories under certain conditions where physicians file an attested application with the Secretary, including but not limited to a description of the qualifications of non-physician laboratory personnel, the quality and type of tests conducted, and the score of proficiency examinations taken by such personnel, or where the laboratory participates in an approved proficiency testing program; authorizes the Secretary to waive from the personnel standards laboratories located in and serving rural areas; authorizes the Secretary and any State with primary enforcement responsibility to utilize the services of private, nonprofit entities for the provision of inspection and proficiency testing services; authorizes $15 million annually to permit the Secretary to provide technical and financial assistance to States to become States with primary enforcement responsibility; authorizes the Secretary to inspect laboratories without a warrant solely for the purpose of determining compliance with the promulgated national standards; authorizes the Secretary to seek revocation of a laboratory's license where it is found that the laboratory has engaged in kickbacks, bribes, or false, fictitious, or fraudulent billing practices; prohibits discrimination by any licensed laboratory against any employee who has become involved in any activity concerning allegations that the laboratory is in violation of this section; authorizes the Secretary to exempt laboratories which are primarily engaged in biomedical or behavioral research, or where the sole purpose of the tests or procedures performed is to determine insurability for insurance; authorizes $1 million annually to permit the Secretary to make grants and contracts for projects and studies respecting clinical laboratory methodology and utilization; authorizes increased penalties for failure to comply with the national standards and for any fraudulent activities undertaken in connection with obtaining reimbursement under titles XVIII and XIX of the Social Security Act; authorizes one year experimental demonstration competitive bidding in State medicaid programs under title XIX of the Social Security Act; and authorizes citizen suits for alleged violation of compliance with the law. S. 705—Passed Senate July 28, 1977. (VV)

Public health programs—Biomedical Research.—Authorizes a total of $3.357 billion to extend through fiscal year 1978, without major substantive modifications, the assistance programs under the Community Mental Retardation and Community Mental Health Centers Act and the programs under the Public Health Service Act, including biomedical research; computes the authorizations for these programs generally on a formula of the higher of the fiscal 1977 authorization or the fiscal 1977 appropriation plus 20 percent;

Establishes five supergrade positions for the National Institute on Alcohol Abuse and Alcoholism in order to attract highly qualified senior level scientific personnel; increases the number of National Cancer Institute consultants from 100 to 151; author-

izes the Secretary of Health, Education and Welfare to develop minimum public health standards to maintain preventive health care programs; directs the Secretary to arrange for studies of international health issues and opportunities and to submit a final report by January 1, 1978; authorizes an additional $67.5 million to enable the Secretary to make grants for construction and modernization projects to assist public hospitals to meet life and safety codes and avoid loss of accreditations; prohibits payments under medicare and medicaid to health maintenance organizations which memberships are made up of a majority of individuals who are recipients of such benefits; requires the Secretary of HEW to take into account unusual local conditions which inhibit access or availability of personal health services in designating medically underserved populations for the purpose of making grants and awarding contracts for community health services; reaffirms Congressional intent that the existing prohibition on the use of funds under the authority of the Public Health Service Act other than section 1004 (relating to authorizations for family planning research) includes the administrative costs of family planning research activities;

Amends the Health Professions Educational Assistance Act to provide for equity in student loan programs, scholarships programs, and payback provisions for medical students within the National Health Service Corps (NHSC) who had made commitments under previous legislation; amends the definition of a health professions educational institution eligible to participate in the guaranteed student loan program to provide that an institution would be eligible for the program if it received or was eligible to receive capitation support in the previous fiscal year; assures that all physicians graduating from medical schools accredited by the Liaison Committee on Medical Education are treated equally; provides that individuals with obligated service to the NHSC may participate in residency training programs as officers in the regular or reserve corps of the Public Health Service prior to fulfilling the obligated service in an underserved area; permits an area Health Education Center to conduct training in general pediatrics as well as in family medicine and general internal medicine; allows the Secretary to repay, in return for service in a health manpower shortage area, educational loans obtained by health professions students before October 12, 1976; guarantees that students who graduated from two-year U.S. medical schools will be treated the same as U.S. students who completed 2 years at a foreign medical school when transferring to degree-granting institutions; authorizes construction assistance for the establishment or expansion of regional health professions programs; provides that traineeships in emergency medicine for graduate medical education students shall provide for tuition and fees and such stipends and allowances that the Secretary of HEW may deem necessary; reinstates the Indian Health Scholarship program; modifies amendments to the Immigration and Nationality Act to ensure that actions by HEW officials will be consistent with the intentions of Congress in regard to the so-called "f" visa training program which sets standards for alien graduates of foreign medical schools enrolling in the United States to study and practice medicine; and amends the Public Health Service Act to conform certain provisions of the student loan program with those in the NHSC;

Increases to $399,864,200 the authorization for the maternal and child health grant programs under the Social Security Act and extends through fiscal 1980 the authority for 100 percent Federal financing of medicaid skilled nursing and intermediate care facility inspection and enforcement costs; extends for 1 month, until August 30, 1977, the date by which the Committee on Mental Health of the Elderly must make its report to Congress to coordinate its actions and recommendations with the Presidential Commission on Mental Health; provides that States shall not receive less than their 1976 formula grant allotments under the Comprehensive Alcohol Abuse and Alcoholism Prevention. Treatment and Rehabilitation Act; and authorizes $140 million for preventive family planning project grants and $5 million for the Sudden Infant Death Syndrome Counseling and Information Services. H.R. 4975—Public Law 95–83, approved August 1, 1977. (131)

HOUSING

Housing and community development.—Amends the Housing and Community Act of 1974 and authorizes a total of $14.6 billion for housing programs through fiscal year 1980;

Community development.—Authorizes $12.4 billion for extension of the community development program through fiscal 1980; provides that not less than $197 million be made available for low-cost housing projects, and not less than $120 million be used for housing for the elderly and handicapped; provides a dual formula method of allocation which permits communities to use either poverty or age of housing stock as the primary indicator of need, and allows cities with at least 50,000 population and urban counties to choose a third formula which uses the proportion of housing stock built prior to 1940 as the primary indicator of need; creates the urban development action grant (UDAG) program to aid seriously distressed cities; allows multiyear funding to small cities; authorizes $60 million for the loan rehabilitation program and $75 million for the comprehensive planning program;

Housing assistance and related programs.—Provides $1.116 billion in new contract authority for low-income housing programs and limits the amount of assistance to be used on existing rather than new housing; authorizes $708.1 million for public housing operating subsidies; permits HUD to make assisted housing payments for new or rehabilitated housing units beyond 60 days in an FHA-insured project; provides that loans for housing and related facilities for elderly and handicapped persons assisted under section 202 be made without regard to mortgage insurance limits contained in the National Housing Act; permits interest reduction subsidies for section 235 cooperatives to increase the availability of cooperative housing projects for low-income families; authorizes $60 million for policy development and research and $15 million for the urban homesteading program; allows communities which choose to not participate in the flood insurance program to continue to have access to conventional forms of financing;

Mortgage credit.—Extends through fiscal year 1978 the following mortgage credit programs authorized under the National Housing Act: insurance of financial institutions, general insurance program, housing for moderate -income and displaced families, homeownership for lower income families, rental cooperative housing for lower income families, experimental financing, armed services housing, mortgage insurance for land development, and mortgage insurance for group practice facilities; extends through fiscal 1978 the authority to set FHA interest rates (Public Law 90–301) and the National Flood Insurance Act of 1968;

Increases the maximum loan amount for FHA-insured mortgages and for loans made by chartered savings and loan associations to adjust for the inflation in the costs of homes, mobile homes, and home improvements; decreases the downpayment requirements for FHA-insured loans; lowers the FHA mortgage insurance premium paid by nonprofit teaching facilities hospitals; provides for the expansion of the experimental graduated payment mortgage program; amends the Government National Mortgage Association emergency tandem plan to correct problems in the program and give it greater flexibility, particularly for use in urban areas and for housing rehabilitation;

Community reinvestment.—Authorizes the Community Reinvestment Act which requires Federal financial regulatory agencies in the course of examining the institutions they regulate to assess each institution's performance in meeting the credit needs of its primary savings service area, to the extent consistent with sound business operations; provides that regulations resulting from the Act will become effective no later than 180 days after its enactment;

Rural housing.—Amends the Housing Act of 1949 to extend through fiscal year 1978 the housing programs under the Farmers Home Administration (FmHA); increases by $25 million the low rent housing for domestic farm labor and low income repair loans programs;

Modifies the guaranteed loan program of FmHA to completely separate the guaranteed loan program, both in operation and funding, from the insured (direct) loan program; restricts the guaranteed loan program to persons with above average incomes, thereby asserting Congressional intent that FmHA use the direct loan program for low- and moderate-income persons; makes interest rates on guaranteed loans negotiable between the borrower and the lender in order to increase the program's attractiveness to private lenders;

Authorizes $10 million in fiscal 1978 for the mutual and self-help housing program; requires that at least 60 percent of FmHA loans made pursuant to section 502 (single family) and section 515 (rental) programs benefit persons of low income; requires the establishment of a research capacity within FmHA; mandates the implementation of a rural rent subsidy; and expands the definition of "rural area" to include smaller communities with standard metropolitan statistical areas which have a serious lack of mortgage credit. H.R. 6655—Passed House May 11, 1977; Passed Senate amended June 7, 1977; In conference. (177)

Mortgage insurance.—Extends for 30 days, to July 31, 1977, the authority of the Secretary of Housing and Urban Development to: insure mortgages or loans under certain HUD-FHA mortgage or loan insurance programs under the National Housing Act, administratively to set interest rates for FHA-insured mortgage loans, enter into new flood insurance contracts; and extends certain authorities under title V of the Housing Act of 1949 with respect to FHA's rural housing program. H.J. Res. 525—Public Law 95–60, approved June 30, 1977. (VV)

Extends from July 31, 1977, to September 30, 1977, the authority of the Secretary of Housing and Urban Development to: insure mortgages or loans under certain HUD–FHA mortgage or loan insurance programs under the National Housing Act, administratively set interest rates for FHA-insured mortgage loans to meet the market at rates above the statutory maximum, and enter into new flood insurance contracts under the National Flood Insurance Act of 1968; and extends through September 30, 1977, certain authorities under title V of the Housing Act of 1949 with respect to FHA's rural housing programs. S.J. Res. 77—Public Law 95–80, approved July 31, 1977. (VV)

Supplemental housing authorizations.—Authorizes additional funds for housing assistance for lower income Americans in fiscal year 1977; extends the riot insurance and crime insurance programs; and establishes a National Commission on Neighborhoods;

Increases, in title I, the authorization for section 8 rental assistance, the major housing program for lower income Americans, by $378 million for a total of $1,228,050,000; increases operating subsidy funds for public housing projects by $19.6 million to pay for this winter's unexpectedly high heating costs; extends the contract period for new,

privately developed section 8 housing from 20 to 30 years in order to attract more private financing; authorizes such appropriations as may be necessary for reimbursement of the FHA general insurance fund for losses on the sale of foreclosed properties from the FHA inventory; contains a $10 million increase for a total of $15 million for the Hud urban homesteading program as a means of attracting additional rehabilitation funds into neighborhoods and disposing of the HUD inventory of foreclosed properties; increases from $500 million to $1.341 billion the ceiling for losses incurred by the Federal Housing Administration General Insurance Fund; extends HUD's authority to write crime insurance and riot reinsurance policies through September 30, 1978, and authorizes continuation of policies in force before April 30, 1978, through September 30, 1981; extends from April 30, 1978, to September 30, 1978, the date that the Secretary must submit a plan for the liquidation and termination of these programs; deletes the requirement whereby mortgages may be insured under section 220 of the National Housing Act only if the property is located in an area which has a workable program for community development; makes clear that mortgages insured under section 221(d)(4) of the Act may be executed by a mortgagor which is a public body or agency, or a cooperative, limited dividend corporation or other entity, private nonprofit corporation or association, as well as a profit motivated entity, as defined by the Secretary; and

Authorizes, in title II, $1 million for the establishment of a National Commission on Neighborhoods to assess existing policies, laws and programs having an impact on neighborhoods and make recommendations regarding investment in city neighborhoods, community government participation, economically and socially diverse neighborhoods, rental housing, and rehabilitation of existing structures, among other issues. H.R. 3843—Public Law 95–24, approved April 30, 1977. (VV)

INDIANS

American Indian Policy Review Commission.—Extends from February 18, 1977, to May 18, 1977, the period of time in which the American Indian Policy Review Commission must submit its final report to the Congress and increases the authorization therefor from $2.5 million to $2.6 million. S.J. Res. 10—Public Law 95–5, approved February 17, 1977. (VV)

Cheyenne-Arapaho lands.—Declares that two separate tracts of excess Government land, totaling approximately 107 acres, located in Canadian and Custer Counties, Okla., be held in trust for the Cheyenne-Arapaho Tribes of Oklahoma and authorizes the Secretary of the Interior to accept, upon request from the tribes, the fee simple title to lands conveyed to them pursuant to the acts of September 14, 1960, and May 18, 1968, to be held in trust for the tribes. S. 1291—Passed Senate June 9, 1977. (VV)

Creek Nation land.—Declares that 5 acres of Federally-owned land in McIntosh County, Okla., be held in trust by the United States for the Creek Nation of Oklahoma. S. 947—Passed Senate June 9, 1977. (VV)

Ely Indian land.—Declares that 90 acres of Federally-owned land located in White Pine County, Nev., be held in trust for the Ely Indian Colony in Ely, Nev. S. 103—Passed Senate June 9, 1977. (VV)

Indian business development program.—Amends the Indian Financing Act of 1974 to extend the Indian Business Development Program for 2 years, through fiscal year 1979, at an annual authorization of $14 million. H.R. 4992—Public Law 95–68, approved July 20, 1977. (VV)

Indian claims.—Extends to April 1, 1980, the statute of limitation under which the U.S., as trustee, can bring Indian claims for monetary damages which arose prior to the enactment of the original statute in 1966 on land claims by Indian tribes, bands and groups. S. 1377. Public Law 95– , approved 1977. (VV)

Extends for an additional month, until August 18, 1977, the statute of limitation under which the U.S., as trustee, can bring Indian claims for monetary damages which arose prior to the enactment of the original statute in 1966 on land claims by Indian tribes, bands and groups. H.J. Res. 539—Public Law 95–64, approved July 11, 1977. (VV)

Indian Claims Commission.—Authorizes $2,250,000 for the Indian Claims Commission for fiscal year 1978; adds a new section to facilitate the transfer of cases from the Indian Claims Commission to the U.S. Court of Claims; confers upon the Court the powers of the Commission to set fees for attorneys representing Indian tribes or claimants and to obtain information and documents from Government agencies and congressional committees; provides that final judgments of the Court shall be paid as other Court of Claims judgments are paid; provides that cases transferred to the Court shall be subject to review by the Supreme Court; provides that the law establishing a revolving loan fund for tribes to obtain expert witnesses in Commission cases shall remain applicable to transferred cases; and increases from 15 to 16 the number of Court of Claims Commissioners. H.R. 4585—Public Law 95–69, approved July 20, 1977. (VV)

Indians rights to Arkansas riverbed.—Directs the Secretary of the Interior to enter into an agreement with the Cherokee, Choctaw, and Chickasaw Nations of Oklahoma for the use, lease, or purchase by the United States of their rights in the Arkansas Riverbed; directs the Secretary to utilize, as a basis for the terms of any agreement, the value of the property rights as determined by appraisals conducted by the Secretary and provides for payment of not less than the appraised value of the property rights involved; directs the Secretary to take such action as necessary to immediately carry out any agreement; and authorizes therefor $177 million. S. 660—Passed Senate June 30, 1977. (VV)

Siletz Indian Tribe restoration.—Extends Federal recognition to the Confederated Tribes of the Siletz Indians, Oregon; makes the provisions of the Indian Reorganization Act of June 18, 1934, applicable to the tribe; makes the tribe and its members eligible for all Federal services and benefits without regard to the existence of a tribal reservation or its members residing on a reservation; directs that a specified area, comprising seven counties, in Oregon be considered a reservation for the purpose of determining the eligibility of tribal members for those Federal services and benefits requiring residency on a reservation; restores to the tribe all rights and privileges, other than hunting, fishing and trapping, under any Federal treaty, Executive order, agreement, or statute, or under the act of August 13, 1954, which terminated the tribe; provides a procedure by which membership in the tribe is to be established; provides for an election to adopt a constitution and bylaws and to elect tribal officials as provided in the constitution and bylaws; directs the Secretary of the Interior to negotiate with all interested parties to develop a plan for the establishment of a reservation, and to submit the plan, in the form of proposed legislation, to the appropriate Congressional committees within two years of enactment; and authorizes the Secretary to promulgate such rules and regulations as necessary to carry out the act. S. 1560—Passed Senate August 5, 1977. (VV)

Sioux Black Hills claim.—Authorizes the U.S. court of Claims to review, without regard to the technical of res judicata or collateral estoppel the determination of the Indian Claims Commission entered February 14, 1974, that the act of February 28, 1877, effected a taking of the Black Hills portion of the Great Sioux Reservation in violation of the fifth amendment. S. 838—Passed Senate May 3, 1977 (VV)

Te-Moak Shoshone land.—Transfers 80 acres of land from the United States to the Te-Moak Bands of Western Shoshone Indians to be held in trust by the United States in order to provide a home for the Wells Indian Community, a group of the Te-Moak Band who are presently landless. S. 667—Passed Senate June 9, 1977. (VV)

Wichita Tribal land claim.—Authorizes the Indian Claims Commission to consider claims by the Wichita Indian Tribe and affiliated bands with respect to aboriginal title to lands which were acquired by the United States without payment of adequate compensation. S. 773—Passed Senate May 5, 1977. (VV)

Zuni lands.—Directs the Secretary of the Interior to acquire through purchase, trade or otherwise the 618.41 acres in the State of New Mexico upon which the Zuni Salt Lake is located and hold such land in trust for the Zuni Indian Tribe; confers jurisdiction upon the Court of Claims to hear and determine an aboriginal land claims that the Tribe failed to file with the Indian Claims Commission under the Act of August 13, 1946, which established that forum; and authorizes the Tribe to purchase and exchange lands in the States of New Mexico and Arizona notwithstanding the restrictions in the act of May 25, 1918, expressly prohibiting further expansion of Indian reservations in these States. S. 482—Passed Senate May 3, 1977. (VV)

INTERNATIONAL

Abu Daoud.—States as a sense of the Senate that the release by France of Abu Daoud, a known terrorist who is accused of having planned the murder of Olympic athletes in Munich in 1972, is harmful to the effort of the community of nations to stamp out international terrorism; further states that the United States should consult promptly with France and other friendly nations to seek ways to prevent a recurrence of a situation in which a terrorist leader is released from detention without facing criminal charges in a court of law; and directs the Secretary of the Senate to provide a copy of this resolution to the Secretary of State for transmission to the Government of France. S. Res. 48—Senate agreed to January 26, 1977. (13)

Arms Control and Disarmament Agency.—Authorizes a total of $16.6 million for the Arms Control and Disarmament Agency (ACDA) for fiscal year 1978, including $11.05 million for program operations, $3.55 million for external research and public affairs, and $2 million for the purpose of furthering the nuclear safeguards and program activities of the International Atomic Energy Agency; creates a new executive level IV position, Special Representative for Negotiations, to be appointed by the President with the advice and consent of the Senate to serve as the Alternate Chairman of the U.S. SALT delegation and to take a part in other negotiations; removes the requirement that all ACDA contracts and grants be with U.S. institutions and persons; allows the agency an exception from the appointment and classification provisions of the Civil Service System in order to allow the agency to compete effectively for employees with other Federal agencies; permits ACDA employees to accept reimbursement for work-related travel and expenses; adds a new section 37 to the Arms Control and Disarmament Act which states the sense of Congress that adequate verification compliance with the terms of arms control agreements should be an indispensable part of any such agreement, and requires the ACDA Director to report to Congress his determinations as to the veritability of the components of arms control proposals, any degradation of veritability in

existing arms control agreements, and the amount of agency resources expended on the verification task. H.R. 6179—Public Law 95. , approved 1977. (220)

Belgrade conference.—States as the sense of the Congress that the U.S. delegation to the preparatory Belgrade meeting, beginning on June 15, 1977, should make every effort to insure that the agenda adopted for the subsequent meeting on the Conference on Security and Cooperation in Europe provides for proper, straightforward and serious exchange of views among the participating States on the application of the principles of the Final Act of the Helsinki Conference as well as on compliance and noncompliance with all of its provisions including the presentation and thorough discussion of all violations of the Final Act, especially those related to universal humanitarian ideals. H. Con. Res. 249—Action completed June 15, 1977. (VV)

States the sense of the Senate that the U.S. representatives to the Helsinki Accords Review Conference should indicate to the Soviet Union and other states represented at the Conference the official concern of the U.S. over the treatment of Anatoly Scharansky, Yuri Orlov, and others who sought to monitor compliance with the Helsinki Accord. S. Res. 198—Senate agreed to July 12, 1977. (VV)

Harp seal killings.—Urges the Canadian Government to reassess its present policy of permitting the killing of newborn harp seals in Canadian waters which is considered by many citizens of the U.S. to be cruel and, if continued at the current high level, may cause the extinction of that species of seal. H. Con. Res. 142—Action complete April 6, 1977. (VV)

International cooperation on nuclear proliferation.—Commends the President for his stated intentions to give diplomatic priority to the pursuit of nonproliferation measures; endorses and strongly supports active consultations with world leaders on the highest level to: (1) curb the spread of nuclear enrichment and reprocessing facilities and otherwise discourage the diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices, (2) achieve universal acceptance of international safeguards on all peaceful nuclear activities, as well as to seek international cooperation to improve the packaging and handling of high-level wastes and to provide for international storage of plutonium, spent reactor fuel, and other sensitive nuclear materials, (3) explore possible international arrangements for the provision of nuclear fuel services to help meet the legitimate energy needs of cooperating states, (4) reach agreement on sanctions to be applied against any nation which seeks to acquire a nuclear explosives option, and (5) strengthen the safeguards of the International Atomic Energy Agency; and pledges prompt Senate action on legislation to enact a clear statement of goals for U.S. nonproliferation policy providing guidance and support to these Presidential diplomatic initiatives, and to establish a clear statutory framework for the development and implementation of U.S. nuclear export policy. S. Res. 94—Senate agreed to April 28, 1977. (VV)

International development assistance—Food for peace.—Authorizes $1,646,800,000 for fiscal year 1978 for bilateral development assistance, international disaster assistance programs, operating expenses for the United States Agency for International Development (AID) and voluntary U.S. contributions to international organizations;

Authorizes $200 million for the initial U.S. contribution to the Sahel Development Program which combines the resources of more than 12 donors and 8 recipient countries in a long term development effort in the Sahel region of Africa; continues the New Directions aid policies initiated by the Congress in 1973 which require that U.S. assistance be channeled directly to aid the poor people in developing countries; extends the Housing Investment Guaranty Program through fiscal year 1979 and combines the separate Latin American and worldwide guaranty authorities; extends through fiscal 1978 the Agricultural and Productive Credit and Self-Help Community Development Programs; authorizes the following housing guaranty programs for fiscal year 1978: Israel—$25 million, Portugal—$15 million, and Lebanon—$10 million, notwithstanding the fact that these countries are not otherwise receiving development assistance; provides $30 million to continue U.S. assistance for the relief, rehabilitation, and reconstruction assistance for victims of the Italian earthquake; improves U.S. population planning programs by providing for their integration with U.S. health and other development assistance programs; bars the use of funds for assistance to or reparations for Vietnam, Cambodia, Laos, or Cuba and directs the President to continue to try to obtain an accounting of MIA's; repeals various provisions of the Foreign Assistance Act prohibiting assistance to countries which furnish assistance to or trade with Cuba or Vietnam; bars funds for involuntary sterilizations; establishes an International Energy Institute;

Includes a separate title to strengthen the economic development and trade expansion aspects of the Food for Peace program (Public Law 480) and to clarify the humanitarian intent of the program; repeals the present exclusion from title I sales program of those countries or exporters which trade with Cuba or North Vietnam; removes the restriction on title I sales to the United Arab Republic; changes the title I sales allocation formula by requiring that 25 percent of the food aid commodities provided in each fiscal year be allocated to countries other than those with a per capita gross national product of $520 instead of $300 or less and by allowing the Secretary of Agriculture to reallocate some portion of title I financing if he certifies to Congress that the quantity of commodities that would be required to be allocated could not be used effectively to carry out humanitarian or development purposes of title I; permits the Secretary to finance projects to aid in the untilization, distribution, and storage of U.S. agricultural commodities; increases the annual minimum of agricultural commodities to be shipped under title II of Public Law 480 from 1.3 to 1.5 million metric tons; requires that 1.3 instead of 1 million metric tons of this amount be distributed through the U.S. voluntary agencies and the world food program; creates a new food for development program; expands and refines the "grantback" authority provided in 1975; permits the President to waive the repayment of title I obligations under a carefully developed plan for utilization of the proceeds raised by the recipient government from the sale of title I commodities upon its own market; and makes various other improvements. H.R. 6714—Public Law 95-88, approved August 3, 1977. (207)

International financial institutions.—Provides a total of $5.125 billion in multiyear authorizations for continued participation by the United States in six international financial institutions which includes $1.57 billion for the World Bank to be spread over three years; $2.4 billion for the International Development Association to be spread over three years; $112 million for the International Finance Corporation to be spread over three years; $814 million for the Asian Development Fund to be spread over three years; and a $50 million one-year authorization for the African Development Fund with a provision directing the Secretary of the Treasury to begin discussions with other donor nations for the purpose of setting amounts for future replenishments and of reviewing the voting structure within the Fund;

Instructs U.S. representatives to all international financial institutions to use their voice and vote to channel aid to projects which address the basic human needs of people in the recipient country; requires U.S. representatives, where other means have proven ineffective in advancing the cause of human rights, to oppose all assistance to countries which engage in consistent patterns of gross violations of internationally recognized human rights or which provide refuge to airline hijackers unless the assistance is directed specifically to programs which serve basic human needs or unless the President certifies that the cause of international human rights would be more effectively served by actions other than voting against assistance; requires the U.S. Executive Directors to consider several additional factors in carrying out their duties: (1) the extent of cooperation of a country in permitting unimpeded investigations of alleged human rights violations by specified international organizations; (2) U.S. actions on bilateral assistance due to human rights considerations; (3) the extent to which economic assistance directly benefits needy people; (4) whether a country has detonated a nuclear device or is not a State Party to the Treaty on Nonproliferation of Nuclear Weapons, or both, and (5) in dealing with requests from Vietnam, Laos, or Cambodia, the responsiveness of these governments in providing a more substantive accounting of American MIAs; requires U.S. representatives to oppose loans or other assistance for expanding foreign production of palm oil, sugar, or citrus crops for export if such production will cause injury to U.S. producers of the same, similar, or competing agricultural commodities; contains language to clarify that all funds to international financial institutions, including multiyear authorizations and pledges for callable capital, are subject to the annual appropriations process; and directs U.S. officials to try to maintain salaries in these institutions at levels near to comparable positions in the United States. H.R. 5262—Passed House April 6, 1977; Passed Senate amended June 14, 1977; Senate agreed to conference report July 27, 1977. (203)

International Security Assistance.—Authorizes a total of $3,195,900,000 ($53 million below the Administration's request) in 1978 budget authority for eight programs to finance international security programs totaling $4,579,100,000;

Military programs.—Provides $228.9 million to the military assistance program which includes funds for military aid to Greece ($33 million), Portugal ($25 million), Spain ($15 million), Turkey ($48 million), the Philippines ($20 million), Jordan ($55 million), Indonesia ($15 million), and Thailand ($8 million); continues the phasedown of the military assistance advisory group program by reducing the number of groups from 34 to 17 and establishing a worldwide personnel ceiling of 865; retains the provision which states that no military personnel performing military functions may operate in any foreign country unless specifically authorized by Congress; authorizes the assignment of overseas management teams in fifteen countries; provides $31 million for the international military education and training program; provides $677 million to finance foreign military sales credits to 29 countries, with direct credits of $500 million to Israel and $20 million to Zaire, and with all loans to other countries to be financed through the Federal Financing Bank; states that a policy of restraint in U.S. arms transfers shall not impair Israel's deterrent strength or undermine the military balance in the Middle East;

Economic programs.—Authorizes $1.89 billion for the security assistance program to provide economic assistance for 15 countries and recommends that such programs be subject to the "new directions" criteria of the Foreign Assistance Act which requires

that aid be channeled directly to aid the poor people in developing countries; provides $20,000 in security supporting assistance for disaster relief in Lebanon; provides that not less than $300 million for the amount authorized for Israel shall be available only for budgetary support on a grant basis; adds a new section 533 to the Foreign Assistance Act of 1961 to create an $80 million Southern Africa Special Requirements Fund to address the economic problems caused by the conflict in that region and prohibits the use of such funds for assistance in Mozambique, Angola, Tanzania, or Zambia unless the President determines that such aid would further U.S. policy interest; authorizes a balance of payments support loan to Portugal not to exceed $300 million to assist in stabilizing the Portugal economy; provides $25.0 million to continue the Middle East special requirements fund with $12.2 million of that amount earmarked for the Sinai support mission;

Narcotics control and contingency funds.—Provides $39 million for international narcotics control, with the understanding that $12.5 million will be used for programs in Mexico; requires the Department of State to review the narcotics control assistance program in Burma; provides $5 million for the President's Contingency Fund to give the Administration some flexibility in dealing with national security;

Other provisions.—Prohibits military assistance, training, and credits to Ethiopia and Argentina; exempts Australia, Japan, and New Zealand from the license requirement contained in the Arms Export Control Act for the export of major defense equipment; includes a statement of Congressional intent to authorize $100 million for a Zimbabwe Development Fund when progress toward an internationally recognized settlement will so permit; prohibits funds to promote any military or paramilitary operations in Zaire; prohibits economic assistance to any supplier or recipient of nuclear technology of equipment unless both agreed to place the transferred equipment under multilateral auspices when available, and that the recipient agreed to place all nuclear activities under international safeguards; authorizes such sums as may be necessary in fiscal year 1978 to carry out international agreements relating to defense cooperation with Greece and Turkey, and raises to $175 million the FMS credits and sales ceiling for Turkey contained in the Foreign Assistance Act; authorizes additions to stockpiles of defense articles in foreign countries of $270 million, with the entire amount earmarked for War Reserve Stocks of ammunition for Korea, a bookkeeping shift requiring no appropriation; and requires the termination of the sale of defense articles and services for one year to any country granting sanctuary to international terrorists unless U.S. national security justifies continuation of such sales. H.R. 6884—Public Law 95– , approved 1977. (209)

National Academy of Peace and Conflict.—Establishes a 1 year Commission to study proposals for establishing the National Academy of Peace and Conflict consisting of 9 members, three each appointed by the President pro tempore of the Senate, the Speaker of the House, and the President, to conduct a study to consider whether to establish a National Academy of Peace and Conflict Resolution; the size, cost and location of the Academy; the effects the establishment of the Academy would have on existing institutions of higher education; the relationship which would exist between the Academy and the Federal Government; the feasibility of making grants and providing other forms of assistance to existing institutions of higher education in lieu of, or in addition to, establishing the Academy; and alternative proposals, which may or may not include the establishment of the Academy, to assist the Federal Government in accomplishing the goal of promoting peace; and authorizes therefor $500,000. S. 469—Passed Senate June 17, 1977. (VV)

Peace Corps authorization.—Authorizes $82.9 million to finance the operation of the Peace Corps for fiscal year 1978 and $1 million for increases in salary, retirement, or other employee benefits authorized by law. S. 1235—Public Law 95– , approved 1977. (VV)

Portugal—Military assistance.—Modifies the existing statutory limitations on the allocation of military assistance funds for fiscal year 1977 contained in section 504(a)(1) of the Foreign Assistance Act of 1961, as amended, to add Portugal to the list of eligible countries and specify that $32.25 million be allocated to that country to upgrade its armed forces which were debilitated as a result of prolonged colonial wars in Africa. S. 489—Public Law 95–23, approved April 30, 1977. (VV)

Regulations to prevent collisions at sea.—Provides the necessary statutory authority to implement the provisions of the "Convention of International Regulations for Preventing Collisions at Sea, 1977" (Ex. W, 93d–1st) by specifying the means by which the Regulations will come into force and effect for the United States, ensuring coordination with the international implementation of the Regulations, and providing legal notice to interested persons through publication in the Federal Register; repeals Public Law 88–131 and replaces it with a congressional authorization for the President to proclaim the International Regulations and to establish the effective date of the Regulations, Annexes thereto, and any subsequent amendments, by publishing the proclamation in the Federal Register; provides for executive and legislative review of any proposed amendment to the Regulations and Annexes by requiring the President to notify Congress of the proposal, including the date before which objections must be received by the International Maritime Consultative Organization (IMCO) and provides that either House of Congress may adopt a disapproval resolution within 60 days of receipt of a notification or 10 days before the last date on which an objection must be communicated to IMCO; provides that the regulation will be applicable to and must be complied with by all U.S. vessels, both public and private, while operating on the high seas; makes the regulations inapplicable to vessels operating in U.S. waters covered by the Inland Rules of the Road, the Navigation Rules for the Great Lakes and their connecting and tributary waters, and the Western Rivers rules which are established by both statute and Coast Guard regulations; requires U.S. vessels to comply with the international regulations if a foreign state has not exercised its recognized right to promulgate different rules; directs the Secretary of the Navy to require a vessel to comply as closely as possible to requirements of the international regulations which he certifies cannot be complied with without interfering with the special functions of the vessel; permits the Secretary of the Navy to establish special rules for sound and light signals for ships of war or vessels in convoy provided that they not be mistaken for signals authorized in the Regulations; authorizes the Secretary of the Department in which the Coast Guard is operating to promulgate reasonable rules and regulations to implement the act and international regulations and to establish special rules for sound and light signals for fishing vessels operating as a fleet; and imposes two separate civil penalties of not more than $500 each for violations. H.R. 186—Public Law 95–75, approved July 27, 1977. (VV)

Rhodesian chrome.—Amends the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome by nullifying the effect of Section 203 (the so-called Byrd amendment) of the Armed Forces Appropriations Act of 1972, Public Law 92–156, which permitted the importation into the United States of chromium and other strategic minerals from Rhodesia, despite mandatory U.N. sanctions against trade with that country which the United States supported by its vote in the United Nations Security Council and by Executive Order 11419; prohibits the importation into the United States of Rhodesian commodities and products as specified in that Executive Order, of July 29, 1968, as well as steel mill products containing Rhodesian chromium in any form; establishes an enforcement mechanism which requires a certificate of origin for these products confirming that they do not contain chromium from Rhodesia; and authorizes the President to suspend the act if he determines that it would encourage meaningful negotiations and further the peaceful transfer of government from minority to majority rule in Rhodesia. H.R. 1746—Public Law 95–12, approved March 18, 1977. (59)

Romanian earthquake.—States as a sense of the Senate that the United States should join with other nations and international, public, and private organizations to assist the people of Romania following the 1977 earthquake; and expresses deepest sympathy to the victims and their families on behalf of the people of the United States. S. Con. Res. 12—Action complete March 17, 1977. (VV)

Romanian earthquake authorization.—Authorizes $20 million to the President for fiscal year 1977, to remain available until expended, for the relief and rehabilitation of refugees and other earthquake victims in Romania; requires the President to transmit a report to the Foreign Relations Committees of the Senate and House 60 days after enactment and quarterly thereafter on the obligation of authorized funds; and states that nothing in this act shall be interpreted as endorsing any measure undertaken by the Government of Romania which would suppress human rights as defined in the Conference on Security and Co-operation in Europe (Helsinki Declaration) Final Act and the United Nations Declaration on Human Rights or as constituting a precedent for or commitment to provide development assistance to Romania and requires that the Romanian Government be so notified. H.R. 5717—Public Law 95–21, approved April 18, 1977. (VV)

Soviet detention of Robert Toth.—States as the sense of the Senate that the U.S. should continue to press the Soviet Government for a complete accounting of the circumstances which precipitated the detention of Robert C. Toth, a Los Angeles Times staff member, and that appropriate means should be taken to obtain the safe return of Mr. Toth to the United States. S. Res. 194—Senate agreed to June 15, 1977. (VV)

Soviet expulsion of George A. Krimsky.—States as the sense of the Senate that: (1) the Soviet expulsion of Associated Press reporter George A. Krimsky is contrary to the spirit of the Helsinki Declaration respecting the rights of Journalists; (2) the decision serves only to obstruct the implementation of the free flow of information provisions contained in the Declaration; (3) the action only invites and justifies steps of a reciprocal nature by the U.S. Government; and (4) the U.S. and Soviet Governments should seek greater communication in this area to prevent similar events of a counterproductive nature from occurring in the future; and directs the Secretary of the Senate to transmit a copy of this resolution to the President for the Department of State to convey directly to General Secretary Leonid Brezhnev of the Central Committee of the Soviet Communist Party. S. Res. 81—Senate agreed to March 4, 1977. (VV)

Soviet freedom of emigration.—Conveys to

the Soviet Government the sustained interest of the American people regarding Soviet adherence to the Helsinki Declaration, including their pledge to facilitate freer movement of people, expedite the reunification of families, and uphold the general freedom to leave one's country. S. Con. Res. 7—Action complete March 22, 1977. (39)

State Department authorization.—Authorizes $1,693,308,000 for fiscal year 1978 for the operations of the State Department (including the Office of Foreign Buildings), the U.S. Information Agency (USIA), and the Board for International Broadcasting (which makes grants to Radio Free Europe/Radio Liberty);

Facilitates compliance by the United States with the Helsinki Agreement by requiring that the Secretary of State recommend the necessary waiver for any prospective visitor to the United States who could be subject to the denial of a visa solely for reason of political affiliation with the exception of the right of continued denial of entry to any person whom the Secretary judges to be a threat to U.S. security;

Strengthens the ability of the Board for International Broadcasting to oversee and set broad policy direction for Radio Free Europe/Radio Liberty, Inc.;

Provides that (1) U.S. policy toward Korea should be arrived at jointly by the President and the Congress; (2) any implementation of the President's policy of phased troop withdrawal from Korea should be consistent with the security interests of South Korea and the interests of the United States in Asia, notably Japan; (3) such policy should involve appropriate consultations between the United States and governments directly involved; and (4) any implementation of such policy shall be carried out in regular consultation with Congress;

Contains provisions to encourage the State Department to assist Americans incarcerated abroad and requires an annual report to Congress on the prisoners' status, including an assessment of the performance of Embassy and consular personnel in assisting them;

Provides that any new Panama Canal treaty or agreement negotiated with funds appropriated under this title must protect the vital interests of the United States in the Canal Zone and in the operation, maintenance, property, and defense of the Panama Canal;

Repeals existing law which authorizes suits against U.S. consular officers for damages resulting from neglect or failure to perform any duty imposed by law or by an order pursuant to the law in a timely fashion;

States the sense of the Congress that negotiations toward the normalization of relations with Cuba be conducted in a deliberate manner and on a reciprocal basis; that the vital concerns of the United States with respect to the basic rights and interests of U.S. citizens whose persons or property are the subject of negotiations be protected; and that Cuban policies and actions regarding the use of military and paramilitary personnel beyond its borders and the Cuban government's disrespect for human rights are among elements which must be taken into account during negotiations;

Strengthens the Foreign Gifts and Decorations Act of 1966 by clarifying existing ambiguities as to who is covered by establishing certain reporting and publication requirements and by increasing penalties for noncompliance; prohibits the President from making a commitment to provide any reparations or aid to Vietnam and prohibits funds for reparations or aid to Vietnam and directs the President to take all possible steps to obtain a final accounting of POWs and MIAS. H.R. 6689—Public Law 95– , approved 1977. (219)

State Department supplemental authorization.—Provides a supplemental authorization of $89.5 million for the Department of State for fiscal year 1977 as follows: (1) $60 million to pay U.S. dues and assessments to UNESCO for 1975 and 1976, in arrears because of Congressional action suspending further payments until the President certified that UNECO's policies were in line with its objectives and less political, and part of the 1977 assessment, (2) $11,325,000 for aid to Soviet and East European refugees not settling in Israel and $7.4 million for the Indochinese Refugee Program administered by the United Nations High Commissioner for Refugees to continue U.S. support of 80,000 refugees in Thailand who arrived from Vietnam, Cambodia and Laos in 1975, and (3) $10,775,000 to provide for the construction of 108 apartment units for the U.S. mission in Cairo—36 for the State Department and 72 for AID; authorizes the Secretary to use appropriated funds to provide emergency medical attention, dietary supplements, and other assistance to U.S. citizens incarcerated abroad; requires that the Chairman or Vice-Chairman of the Senate and House delegations to the four interparliamentary union groups (Canada-U.S., Mexico-U.S., North Atlantic Assembly, and Interparliamentary Union) be a member of their respective foreign affairs committee; increases from 18 to 24 the size of the delegation to the North Atlantic Assembly and specifies that no more than 7 of the 12-member Senate delegation be of the same political party; and amends Public Law 94–203 (known as the Case Act which requires the Secretary of State to transmit the text of any international agreement other than a treaty to Congress within 60 days after the agreement has entered into force with respect to the United States) to require any department or agency entering into an international agreement on behalf of the United States to transmit the text of the agreement to the Department of State within 20 days following the date on which the agreement was signed. H.R. 5040—Public Law 95–45, approved June 15, 1977. (VV)

Uganda—Human Rights.—Expresses the sense of the Senate that the actions of the current regime in Uganda violating the human rights of its citizens and residents deserve condemnation by the world community and by the Organization of African Unity; urges all nations suppying lethal arms to Uganda to halt all deliveries of weapons; and urges the U.S. Ambassador to the United Nations to request that the situation in Uganda be investigated by an appropriate agency in the United Nations. S. Res. 175—Senate agreed to May 25, 1977. (VV)

Vietnam POW's and MIA's.—Directs the President, as Commander in Chief of the Armed Forces, to require an accounting of all military personnel presently categorized on personnel rosters of the various branches of the U.S. Armed Forces as prisoner of war, missing in action, or killed in action in South Southeast Asia; directs the President, by executive order, to require the Secretary of State to pursue enforcement of the Paris agreement of January 27, 1973; states that the Congress, having passed Public Law 88–408 authorizing the deployment of U.S. Armed Forces for the maintenance of international peace and security in Southeast Asia, recognize a corresponding duty and obligation to determine the fate of missing or unaccounted for Americans; requires that the President, through the Secretary of State, hold the Democratic Republic of Vietnam and the Provisional Revolutionary Government of the Republic of South Vietnam responsible to account for and provide information not otherwise available to satisfactorily dispose of the POW/MIA problem in accordance with the Paris agreement or seek alternatives that might resolve the question; and requires responsible officeholders in the executive and legislative branches to address the authority of their office toward a satisfactory resolution of the problem, make a public accounting, and remove any question as to the integrity of their function. S. Con. Res. 2—Senate agreed to February 21, 1977. (VV)

States as a sense of the Congress that the honor of those Americans who upheld the dignity of the law and served in the U.S. Armed Forces should be reaffirmed and that the Government should do everything possible to address the problems of those who served during the Vietnam war; and urges that there be established, in view of the recent issuance of a general pardon for U.S. draft evaders of the Vietnam War era, a Presidential Task Force on Missing in Action and Prisoners of War to propose courses of action to achieve the fullest possible accounting for all Americans listed in a missing status in Southeast Asia, including the return of remains, and to make recommendations concerning Federal policies relating to POW's and MIA's, S. Con. Res. 3—Senate agreed to February 21, 1977. (VV)

LABOR

Mine safety and health.—Strengthens the national mine safety and health program by providing uniform administration and enforcement for the entire mining industry under a single act administered by the Department of Labor;

Repeals the Metal and Non-Metallic Mine Safety Act of 1966; amends the Federal Mine Safety and Health Act of 1969 (the Coal Act) to make its enforcement and administrative provisions applicable to the entire coal and non-coal mining industry; transfers the responsibility for the administration and enforcement of the mine safety and health program from the Department of the Interior to the Department of Labor;

Provides a streamlined mechanism for the promulgation of mandatory safety and health standards by imposing time limitations on each step of the standard-making process; vests all standard-making authority in the Secretary of Labor who may use Advisory Committees for the development of standards; provides for public comment and hearings on standard proposals and for judicial review of promulgated standards; contains provision for improved health standards;

Requires at least four inspections each year for all underground mines in their entirety, at least two inspections a year for all surface mines in their entirety, and at least one spot inspection every 5 working days for particularly hazardous mines; permits operators and miners or representatives to accompany inspectors; permits miners to request inspections in writing if they suspect a hazardous situation; requires an inspector to issue a citation to the mine operator of any violation of the health and safety standards with a time period within which the violation must be fully abated; authorizes the inspector to issue an order closing all or a portion of a mine affected by certain violations and if a pattern of violations exists; establishes a 5-member Mine Safety and Health Review Commission as the ultimate administrative review body for disputed cases of citations, penalties or closures; and provides a variety of civil and criminal penalties. S. 717—Passed Senate June 21, 1977; passed House amended July 15, 1977; in conference. (231)

MEMORIALS, TRIBUTES, AND MEDALS

Alex Haley.—Honors and pays tribute to Alex Haley for his exceptional achievement in writing *Roots* and extends to him the highest praise of the Senate. S. Res. 112—Senate agreed to March 14, 1977. (VV)

Benjamin Whitcomb Independent Corps of Rangers.—Extends best wishes of the Senate to the Benjamin Whitcomb Independent Corps of Rangers on the occasion of the reenactment, on August 19, 1977, of the Revo-

lutionary War Battle of Bennington, Vermont, and commends the Rangers for their continuing educational efforts in connection with the Revoluntionary War. S. Res. 241—Senate agreed to August 3, 1977. (VV)

Charles A. Lindbergh.—Honors Charles A. Lindbergh for his service to our country in peace and war, and expresses appreciation for his leadership and advocacy in the conservation of natural resources and for his daring and courageous contributions to the field of aviation and aeronautical science. S. Res. 177—Senate agreed to may 19, 1977. (VV)

Cora Rubin Lane 100th birthday.—Expresses the gratitude and appreciation of the Senate to Cora Rubin Lane for her long and outstanding service as an assistant to Senator William E. Borah and expresses best wishes to her on the occasion of her 100th birthday. S. Res. 162—Senate agreed to May 3, 1977. (VV)

Frances G. Knight.—Commends Frances G. Knight upon her retirement as Director of the Passport Office, Department of State, for her diligence and outstanding performance to the Nation during a landmark career of public service. S. Res. 231—Senate agreed to July 27, 1977. (VV)

Francis R. Valeo.—Commends Francis R. Valeo for his long, faithful and exemplary service as an employee of the Senate and his ten years of service as Secretary of the Senate. S. Res. 133—Senate agreed to April 1, 1977. (VV)

General Draza Mihailovich Monument.—Authorizes the Secretary of the Interior to permit the National Committee of American Airmen Rescued by General Draza Mihailovich to construct and maintain a monument to General Mihailovich on Federal land in the District of Columbia in recognition of the role he played in saving the lives of approximately 500 United States airmen in Yugoslavia during World War II; and provides that the location and design of the monument shall be subject to the approval of the National Capital Planning Commission, the Fine Arts Commission, and the Secretary of the Interior. S. 244—Passed Senate June 29, 1977. (VV)

Gerald R. Ford Building.—Names the Federal building located at 110 Michigan Avenue, N.W., in Grand Rapids, Mich., the "Gerald R. Ford Building". S. 385—Public Law 95–25, approved May 4, 1977. (VV)

Henry Ford.—Marks the occasion of the 75th anniversary of the first mass-produced motor vehicle by the elder Henry Ford as an appropriate time to recognize his unique industrial statesmanship. S. Res. 215—Senate agreed to June 29, 1977. (VV)

Jackie Robinson.—States the sense of the Senate to commemorate the 30th anniversary of Jackie Robinson's entry into major league baseball and join in the celebration of the week of July 18 through 25, 1977 in paying tribute to Jackie Robinson and what he symbolized to so many Americans. S. Res. 223—Senate agreed to July 18, 1977. (VV)

Jaycees International Conference.—Commends the "Old Sourdough Jaycees" of Anchorage, Alaska, the U.S. Jaycees, and the Jaycee International for bringing together Jaycee leaders around the world who have contributed to the betterment of mankind. S. Res. 137—Senate agreed to April 6, 1977. (VV)

Lieutenant General Ira C. Eaker Medal.—Authorizes the President to present, on behalf of the Congress, to Lieutenant General Ira C. Eaker, U.S.A.F. (retired), a gold medal of appropriate design in recognition of his distinguished career as an aviation pioneer and Air Force leader; provides a $5,000 authorization therefor; and authorizes the Secretary of the Treasury to have duplicate medals struck in bronze and sold at cost. S. 425—Passed Senate May 13, 1977. (VV)

Marian Anderson medal.—Authorizes the President to award to Marian Anderson, in the name of the Congress, a gold medal with suitable emblems and inscriptions in recognition of her highly distinguished and impressive career; provides that bronze duplicates of the medal shall be coined and sold under regulations prescribed by the Secretary of the Treasury; and authorizes therefor $2,500. H.J. Res. 132—Public Law 95–9, approved March 9, 1977. (VV)

Mike Monroney Aeronautical Center.—Designates the Federal Aviation Administration Aeronautical Center in Oklahoma City, Oklahoma, as the "Mike Monroney Aeronautical Center". S. 1640—Passed Senate June 8, 1977. (VV)

Motion Picture Academy 50th anniversary.—Congratulates the Academy of Motion Picture Arts and Sciences for its past achievements on the occasion of its 50th anniversary on May 11 and extends best wishes for the future. S. Res. 168—Senate agreed to May 11, 1977. (VV)

Nez Perce war commemoration.—States as the sense of the Senate that June 17, 1977, is to be a day for the commemoration of the Nez Perce War of 1977 and for the remembrance of the courage and honor of the Nez Perce during the long tortuous maneuvers of 1877. S. Res. 196—Senate agreed to June 16, 1977. (VV)

Philip A. Hart, death of.—Expresses the sorrow of the Senate over the death of Senator Philip A. Hart, of Michigan. S. Res. 15—Senate agreed to January 4, 1977. (VV)

President and Mrs. Ford.—Congratulates and commends President and Mrs. Ford on their exemplary conduct as President and first lady and for their dedicated public service to the Nation during their entire career of public service. S. Res. 22—Senate agreed to January 10, 1977. (VV)

President Ford.—Commends President Ford for the manner and integrity with which he carried out his responsibilities and wishes him Godspeed in his new and active life. S. Res. 38—Senate agreed to January 18, 1977. (VV)

President-elect Carter.—Extends best wishes to President-elect Jimmy Carter and to all those who will serve in his administration. S. Res. 23—Senate agreed to January 10, 1977. (VV)

Roman L. Hruska Meat Animal Research Center.—Designates the United States Department of Agriculture Meat Animal Research Center located near Clay Center, Nebraska, as the "Roman L. Hruska Meat Animal Research Center". S. 409—Passed Senate July 12, 1977. (VV)

Rosalynn Carter.—Congratulates the President on his selection of Rosalynn Carter as his recent emissary to Latin America and commends her on her performance as a representative of the people of the United States. S. Res. 195—Senate agreed to June 16, 1977. (VV)

St. Patrick's Parish anniversary.—Commemorates the people of St. Patrick's Parish, in Pottsville, Pennsylvania, who this year are celebrating the 150th anniversary of the founding of the parish. S. Res. 116—Senate agreed to March 17, 1977. (VV)

Vice President Rockefeller.—Commends Vice President Rockefeller for the manner and integrity with which he carried out his responsibilities and wishes him Godspeed in his new and active life. S. Res. 37—Senate agreed to January 18, 1977. (V) V

William A. Ridgely.—Commends William A. Ridgely upon his retirement as financial clerk of the Senate for his lengthy, faithful and outstanding service. S. Res. 236—Senate agreed to July 28, 1977. (VV)

William O. Douglas.—Dedicates the canal and towpath of the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas; directs the Secretary of the Interior to provide the necessary identification to inform the public of the contributions of Justice Douglas and to erect and maintain within the exterior boundaries of the Park an appropriate memorial; and authorizes such sums as necessary to carry out the act. S. 776—Public Law 95–11, approved March 15, 1977. (VV)

NATURAL RESOURCES—NATIONAL HISTORIC SITES

Bull Run Reserve.—Authorizes the Secretary of Agriculture to permit, under the provisions of the Multiple Use-Sustained Yield Act of 1960, general recreational access and geothermal explorations for six months within a 42,500 acre area of the Bull Run Reserve, Mount Hood National Forest, Oregon. H.R. 7606—Public Law 95–55, approved June 25, 1977. (VV)

Eleanor Roosevelt National Historic Site.—Authorizes the Secretary of the Interior to establish 175 acres, including the Val-Kill estate in Hyde Park, New York, as the Eleanor Roosevelt National Historic Site to commemorate the life of Eleanor Roosevelt as well as provide a location for the conduct of studies and seminars relating to the issues with which she was concerned. H.R. 5562—Public Law 95–32, approved May 26, 1977. (VV)

George W. Norris Home National Historic Site.—Authorizes the Secretary of the Interior to acquire by donation or purchase with donated funds the home of Senator George William Norris (who, among other achievements, authored the 20th amendment to the Constitution which deals with Presidential and Congressional terms and the sessions of Congress, and the legislation which established the Rural Electrification Administration) in the State of Nebraska and to establish it as the "George W. Norris Home National Historic Site". S. 1828—Passed Senate July 11, 1977. (VV)

Land and Water Conservation Fund.—Amends the Land and Water Conservation Fund Act of 1965 to establish a special account for use in acquiring the backlog of lands previously authorized for inclusion in the national park system and certain similar Federal areas; increases the authorized level of the fund from $600 million to $900 million in fiscal year 1978 and from $750 million to $900 million in fiscal 1979 with the additional $450 million to be credited to the special account and to remain available until appropriated; provides that prior acquisition ceiling limitations on authorized areas may be exceeded in any one fiscal year by up to $1 million or 10 percent of the statutory limitation, whichever is greater; permits preacquisition work such as title searches, mapping, and other preliminary work which does not interfere with the rights of private landowners if Congressional authorization appears to be imminent; authorizes the Forest Service to use Land and Water Conservation Fund moneys to purchase land in the Big Thompson Canyon at pre-flood value; and gives the Secretary the authority to (1) make minor boundary adjustments in units of the national park system with such authority to expire 10 years from the date of enactment of the authorizing legislation establishing the boundaries, and (2) accept adjacent lands outside park boundaries by donation. H.R. 5306—Public Law 95–42, approved June 10, 1977. (VV)

Public Works on Rivers and Harbors—Waterways user fee.—Authorizes the construction, repair, and preservation of certain public works of the Corps of Engineers on rivers and harbors for navigation and flood control; includes authorization (either construction or Phase I engineering) for 15 projects developed by the Corps of Engineers, modifications to previously authorized projects, and general legislative items; increases monetary authorizations for eleven river basins which will cover anticipated funding requirements for fiscal year 1978;

Authorizes the reconstruction of Locks and Dam 26 on the Mississippi River at Alton, Illinois, by replacing it with a new dam and a single 1,200 foot lock with contingen-

cies for a second lock, at an estimated cost of $421 million;

Establishes, for the first time in U.S. history, a system of user charges to be paid by the commercial cargo vessels that use the 25,000 miles of Federally built and maintained inland waterways; provides that the user charge plan recover 50 percent of Federal expenditures for construction of navigation aids such as locks and 100 percent of operational and maintenance costs of the inland waterways; and provides that the charges be phased in over 10 years beginning October 1, 1979, unless Congress disapproves by concurrent resolution within 90 days. H.R. 5885—Passed House May 17, 1977; Passed Senate amended June 22, 1977; Senate requested conference June 24, 1977. (235)

Reclamation projects.—Authorizes $31,050,000 for fiscal year 1978 for continuing construction of the distribution system and drains of the San Luis Unit, Central Valley project, California; and provides for the establishment of a task force to review the of the Unit and to report to Congress by January 1, 1978, the results of an examination of certain specified issues. H.R. 4390—Public Law 95–46, approved June 15, 1977. (VV)

Recreation permits.—Establishes uniform and objective policies and procedures to be employed by the Forest Service in issuing and administering permits for ski area and other commercial outdoor recreation facilities and services on national forest lands; removes permits for ski area facilities and services from any acreage limitations providing instead a separate procedure for such areas having more than 3,000 acres; continues the present maximum permit term of 30 years and allows the renewal of the permit at any time during the permit's term if substantial investment is to be made by the permittee with the requirement that there must be six month's public notice prior to the renewal; authorizes the Secretary to suspend or terminate a permit if the permittee has breached the terms and is given due notice and a reasonable opportunity to correct the violation or if the lands are needed for another use; requires the Secretary to submit to the Congress within six months proposed regulations setting forth the conditions and procedures for the issuance of permits and provides certain congressionally mandated conditions and procedures which are to be included; requires that the permittee pay annual fees for the use of the lands to which the permit applies; increases from 25 to 50 percent the State's share of these fees; requires that the share be paid directly to affected local government rather than to the State, and widens the permissible use of the funds from construction of roads and schools only to construction of any public facility and provision of any public service; contains provisions whereby a permittee may increase a charge to the public for use of his principle facilities and services; provides for public disclosure of any memoranda, financial statement, or other materials concerning historical or financial data or information of commercial outdoor recreation facilities and services used in support of or in opposition to proposed increases in charges to the public; provides that structures, fixtures, or improvements not owned by the U.S. to which a permit applies, are the property of the permittee who may remove them and assign, transfer, encumber or relinquish their title; authorizes the Secretary to furnish, on a reimbursement of appropriation basis, all types of utility service on forest reserve lands to concessioners and permittees; contains a provision concerning maintenance of records and provisions of access to them by the Secretary and Comptroller General and requires that such records be kept for six years unless they are mandated to be kept longer in another statute; and contains other provisions. S. 1338—Passed Senate July 13, 1977. (VV)

River basins.—Authorizes $3,905,000 for fiscal year 1978 to carry out the comprehensive river basin planning program of the U.S. Water Resources Council in those areas and river basins where river basin commissions have not been created, and to finance work on national water assessments. H.R. 6752—Public Law 95–41, approved June 6, 1977. (VV)

Increases the authorization for the Brazos River Basin in Texas to $7.5 million and the San Joaquin River Basin in California to $6 million which funds are appropriated but not authorized in order to permit contractors to continue work under their present contracts and allow the Corps to let additional contracts that were scheduled to be awarded in October. S. 2001—Public Law 95—, approved 1977. (VV)

Sabine River compact.—Gives Congressional consent to the amendment to the Sabine River Compact, entered into by the States of Texas and Louisiana, which would permit the Sabine River Authorities of the respective States to address themselves to the problems of pollution abatement and saline intrusion in the water sources within their jurisdiction, subject to the powers already vested in them under the existing agreement. H.R. 1551—Public Law 95–71, approved July 23, 1977. (VV)

Water resources development—Saline water conversion.—Reinstates for fiscal year 1978 the authorization for grants under title II of the Water Resources Act of 1964, as amended, for an institute, center, or equivalent agency at a college or university in each State to carry out water resources and technology; and extends through fiscal year 1978 the Saline Water Conversion Act of 1971 and authorizes therefor $21.95 million plus an additional $40 million for four projects which demonstrate the technology of desalination of which two must utilize underground brackish water. H.R. 4746—Public Law 95–84, approved August 2, 1977. (VV)

Wilderness areas:

Oregon Wilderness.—Designates additional land for inclusion in the following wilderness areas: Kalmispsis Wilderness, Siskiyou National Forest, Oregon—82,400 acres, Wenaha-Tucannon, Umatilla National Forest, Washington and Oregon—185,000 acres, and Mt. Hood Wilderness, Mt. Hood National Forest, Oregon—33,000 acres and designates the proposal Hidden Wilderness area, Willamette and Mr. Hood National Forests, Oregon, for study for possible inclusion in the National Wilderness System under the interim management of the Secretary of Agriculture. S. 658—Passed Senate July 20, 1977. (VV)

Wilderness areas studies:

Montana Wilderness.—Directs the Secretary of Agriculture to study 9 areas of land totaling approximately 973,000 acres located within the following National Forests in Montana to determine their suitability for designation as wilderness under the provisions of the Wilderness Act of 1964: Beaverbrook National Forest—West Pioneer Wilderness and Taylor-Hilgard Wilderness; Bitteroot National Forest—Bluejoint Wilderness and Sapphire Wilderness; Kootenai National Forest—Ten Lakes Wilderness and Mt. Henry Wilderness; Lewis and Clark National Forest—Middle Ford Judith Wilderness and Big Snowies Wilderness; and Gallatin National Forest—Hyalite-Porcupine-Buffalo Horn Wilderness; requires the Secretary to complete the studies and report his findings to the President within 5 years of enactment who is to submit his recommendations with respect thereto to the Congress within 7 years of enactment; and directs the Secretary to administer the areas so as not to diminish their presently existing wilderness character and potential until Congress determines otherwise. S. 393—Passed Senate May 18, 1977.

Wildlife refuges.—Extends through fiscal year 1980 the authorization for the acquisition and development of the San Francisco Bay National Wildlife Refuge in California (consisting of approximately 21,000 acres), the Tinicum National Environmental Center in Pennsylvania (consisting of approximately 1,200 acres), and the Great Dismal Swamp National Wildlife Refuge in Virginia (consisting of approximately 107,360 acres). H.R. 5493—Passed House May 16, 1977; Passed Senate amended May 24, 1977. (VV)

Nominations

(Action by Rollcall Vote)

Griffin B. Bell, of Georgia, to be Attorney General.—Nomination confirmed January 25, 1977. (10)

Joseph A. Califano, Jr., of the District of Columbia, to be Secretary of Health, Education, and Welfare.—Nomination confirmed January 24, 1977. (7)

Peter F. Flaherty, of Pennsylvania, to be Deputy Attorney General.—Nomination confirmed April 5, 1977. (99)

Ray Marshall, of Texas, to be Secretary of Labor.—Nomination confirmed January 26, 1977. (12)

Paul C. Warnke, of the District of Columbia, for rank of Ambassador for SALT negotiations and to be director of the Arms Control and Disarmament Agency.—Nominations confirmed March 9, 1977. (41 and 42)

Andrew J. Young, of Georgia, to be U.S. Representative to the United Nations.—Nomination confirmed January 26, 1977. (14)

Proclamations

American Business Day.—Designates May 13 of each year as "American Business Day". S.J. Res. 40—Passed Senate April 27, 1977. (VV)

Family Week.—Designates that week in November which includes Thanksgiving Day as "National Family Week". H.J. Res. 372—Public Law 95– , approved 1977. (VV)

Grandparents Day.—Designates the first Sunday of September of each year as "Grandparents Day". S.J. Res. 24—Passed Senate May 16, 1977. (VV)

Lupus Week.—Designates the Week of September 18 through 24, 1977, as "National Lupus Week". H.J. Res. 24—Public Law 95–72, approved July 25, 1977. (VV)

School volunteers.—Requests the President to issue a proclamation recognizing the contributions made by the thousands of Americans who are voluntarily working to improve the quality of education in the United States. S.J. Res. 62—Passed Senate June 13, 1977. (VV)

Sickle cell month.—Designates the month of September, 1977, as "National Sickle Cell Month". S.J. Res. 71—Passed Senate August 3, 1977. (VV)

Senate

Commission on the Operation of the Senate.—Extends for an additional 30 days, until April 1, 1977, the Commission on the Operation of the Senate. S. Res. 93—Senate agreed to February 24, 1977. (VV)

Committee reorganization.—Amends the Standing Rules of the Senate to reorder and rationalize the jurisdictions of Senate committees, effective February 11, 1977, among 15 standing committees and 6 other special, select or joint committees; abolishes the Aeronautical and Space Sciences Committee and transfers its jurisdiction to a newly created Committee on Commerce, Science, and Transportation; abolishes the District of Columbia Committee and the Committee on Post Office and Civil Service and transfers their jurisdictions to a newly created Committee on Governmental Affairs; transfers the jurisdiction of the former Interior Committee to an Energy and Natural Resources Committee; transfers the jurisdiction of the former Public Works Committee into a new En-

vironment and Public Works Committee; transfers the jurisdiction of the former Labor and Public Welfare Committee to a new Human Resources Committee; continues the existence of the Special Committee on Aging with membership reduced to 9 in the next Congress; continues the existence of the Select Committee on Nutrition and Human Needs until December 31, 1977, after which its jurisdiction will be transferred to the Committee on Agriculture, Nutrition and Forestry; establishes a temporary Select Committee on Indian Affairs to consider all legislation relating to Indians for the duration of the 95th Congress after which its jurisdiction will be transferred to the Human Resources Committee;

Limits the number of committee and subcommittee memberships a Senator can hold generally to two major or class "A" committees and one class "B" committee and eight subcommittees thereof; prohibits committees from establishing subunits other than subcommittees; permits the Majority and Minority Leaders to temporarily increase the sizes of committees to ensure majority party control; allows Senators to serve on joint committees where such service is required to be from members of a committee on which such Senator serves; prohibits Rules Committee members from serving on any joint committee unless the Senate members of such committees are required by law to be from the Rules Committee; exempts members of the Budget Committee during the 94th Congress from certain assignment limitations during the 95th Congress; continues grandfather rights for Senators who are serving on three standing committees as a result of an exemption in the Legislative Reorganization Act of 1970 to continue to do so during the 95th Congress; allows the chairmen and ranking minority members of the Post Office and Civil Service Committee and the District of Columbia Committee to serve on the Governmental Affairs Committee and two other committees of the same class, as long as their service on Governmental Affairs remains continuous; prohibits a Senator from serving as Chairman of more than one standing, select, special, or joint committee unless the jurisdiction is directly related to that of the standing committee he chairs; prohibits Senators from serving as chairman of more than one subcommittee of each standing, select, special or joint committee; limits members to two class A committee or subcommittee chairmanships and one class B committee or subcommittee chairmanship, effective at the beginning of the 96th Congress; requires that not later than July 1, 1977, the appropriate standing committees shall report legislation terminating the statutory authority of the Joint Committees on Atomic Energy, on Congressional Operations and on Defense Production; requires that the appropriate standing committees report recommendations not later than July 1, 1977, with respect to the Joint Committees on the Library and on Printing; allows Senators to serve on joint committees considered for termination pending final disposition of the issue;

Provides for sequential and join referral of bills that cross jurisdictional lines based on motions by the Majority and Minority Leaders, instead of by unanimous consent; provides for a computerized schedule of committee meetings by the Rules Committee; permits committees to meet without special leave until the conclusion of the first 2 hours of a meeting of the Senate or 2:00 p.m., except for the Appropriations and Budget Committees which may meet at any time without special consent; requires that morning meetings of committees and subcommittees be scheduled for one or both of two periods, one ending at 11:00 a.m. and a second beginning at 11:00 a.m. and ending at 2:00 p.m.; provides for continuous review of the committee system by the Rules Committee in consultation with the Majority and Minority Leaders; prohibits consideration of committee amendments to bills when the amendments are not in the jurisdiction of the committee proposing them; requires committee reports to contain an evaluation of the regulatory impact which would be incurred by individuals and businesses in carrying out the provisions of the bill; provides for the transition of staff from abolished or realigned committees to the new committees and provides for salary and tenure of committee staff during a transition period; provides that committee staff reflect the relative numbers of majority and minority members and that one-third of the committee staffing funds be allocated to the minority members for compensation of minority staff; provides that such adjustment be made over a four-year period beginning July 1, 1977, with not less than one-half being made in 2 years; provides for funding of increases in the expenditures of new committees resulting from this resolution; incorporates provisions of S. Res. 60 of the 94th Congress relating to individuals appointed by Senators to assist them with committee work; provides for the rereferral of measures according to the realigned jurisdictions; and provides that legal references to old committees are to be construed as referring to their successors. S. Res. 4—Senate agreed to February 4, 1977. (36)

Deputy President Pro Tempore.—Establishes, effective January 5, 1977, the Office of Deputy President Pro Tempore which shall be held by any Senator who is a former President or Vice President of the United States; authorizes the President Pro Tempore and the Deputy President Pro Tempore each to appoint an administrative assistant, a legislative assistant and an executive secretary; authorizes the Sergeant at Arms to provide and maintain an automobile for use by the Deputy President Pro Tempore and to employ a driver-messenger; and authorizes the Secretaries of the Conferences of the Majority and Minority each to appoint two staff assistants in each office. S. Res. 17—Senate agreed to January 10, 1977. (VV)

Names Hubert H. Humphrey of Minnesota Deputy President Pro Tempore of the Senate, effective January 5, 1977. S. Res. 27—Senate agreed to January 11, 1977. (VV)

Political fund raising.—Amends paragraph 1 of rule XLIX of the Standing Rules of the Senate to permit those two assistants of a Senator designated to solicit campaign funds to also receive, be the custodian of, or distribute such funds. S. Res. 188—Senate agreed to June 13, 1977. (VV)

Senate ethics code.—Amends the Standing Rules of the Senate to create a Code of Official Conduct; amends Senate Resolution 338, the original resolution establishing the Select Committee on Ethics, to provide for additional procedures for enforcing the new Code as well as other laws and rules of the Senate; and directs other Senate committees to study certain matters related to this resolution;

Public financial disclosure.—Requires Senators, candidates for the Senate, officers and employees of the Senate earning in excess of $25,000 per year to file a report listing their earned income and the sources and categories of value of their income, other than earned income, and all other interests, assets, and holdings held for the purposes of investment or income production;

Gifts.—Prohibits knowingly accepting a gift or gifts having an aggregate value of over $100 during a year from any individual or organization defined as having a "direct interest in legislation;"

Outside Earned Income: Limits outside earned income of a Senator, officer or employee earning over $35,000 to 15 percent of the person's salary; limits each honorarium to $1,000 for Senators and to $300 for officers and employees; allows Senators or staff to accept honoraria up to $25,000 if immediately donated to a tax-exempt charity;

Conflict of Interest: Bars the use of one's official position to introduce or aid the progress of legislation the principal purpose of which furthers one's own financial interests; allows Members or staff who earn over $25,000 to provide professional services for compensation if not affiliated with a firm or association and if their work is not carried out during regular Senate office hours; directs committee employees earning over $25,000 to divest themselves of any holdings which may be directly affected by the actions of the Committee for which they work unless permitted by their supervisor and the Ethics Committee; prohibits Senators from lobbying the Senate for one year after leaving the Senate; applies a similar prohibition to employees lobbying the Committee or office for which they worked;

Unofficial Office Accounts: Abolishes unofficial office accounts, those accounts defined as not including personal funds of a member, official funds, political funds and reimbursements;

Foreign Travel: Prohibits "lame duck" travel by a defeated or retiring member; prohibits receipt of counterpart funds where there has been reimbursement from another source; restricts per diem allowance to food, lodging and related expenses and places the responsibility on the person receiving the per diem to return any unused funds;

Franking Privilege—Radio-TV Studio—Senate Computer: Prohibits mass mailings and the use of the radio-TV studios within 60 days of an election; requires the use of official funds to purchase paper, to print, and prepare mass mailings under the frank; requires a Senator to register mass mailings annually for public inspection; prohibits the use of the Senate computer to store names identified as campaign workers;

Political Activity by Officers and Employees: Restates the present ban on staff soliciting or receiving campaign contributions; allows a Senator to name one assistant each in his Washington and State office to receive and handle campaign funds;

Discriminatory Employment Practices: Prohibits discrimination on the basis of race, color, religion, sex, national original, or state of physical handicap in employment practices in the Senate;

Enforcement: Sets forth procedures for the Select Committee on Ethics in investigating complaints of violation of the Code and enforcing its provisions;

Further Studies: Requires the Appropriations Committee to report within 120 days regarding an adjustment of official allowances; requires the Finance Committee to report within 120 days on the tax status of funds raised and expended to defray ordinary and necessary expenses of Members; directs the Rules Committee (1) to report within 120 days on the desirability of promulgating rules providing for: (a) periodic audits by GAO of all committee and office accounts; (b) a centralized recordkeeping system of accounts, allowances, expenditures and travel expenses of all committees and offices; (c) suggested accounting procedures for committee and office accounts; and (d) public disclosure and availability of information on the accounts of all committees and offices in a form which segregates the allowances and expenses of each committee and office; (2) to report within 120 days on the desirability of requiring that only official Senate funds may be used to pay for any expenses incurred by a Senator in the use of the radio-TV studies; and (3) to study laws relating to contributions made by officers or employees as well as on proposals to prohibit the misuse of official staff in election campaigns and report thereon within 180 days; requires the Governmental Affairs Committee to report (1) within 180

days regarding employee discrimination complaints and the desirability of establishing rules requiring "blind trusts" by members, officers and employees of Senate and (2) within 120 days regarding the use of simplified form of address for franked mail; and directs the Foreign Relations Committee to report in 90 days on the problem of travel, lodging and other related expenses provided members and staff paid for by foreign governments where it is not possible to procure transportation, lodging or other related services or to reimburse the foreign government for those purposes. S. Res. 110—Senate agreed to April 1, 1977. (94)

Severance pay for displaced Senate employees.—Provides severance pay for certain committee staff members whose service as an employee of the Senate was terminated solely and directly as a result of the reorganization of Senate committee staffs caused by the Committee Reorganization Amendments of 1977. S. Res. 389—Senate agreed to August 5, 1977. (VV)

South American delegation.—Authorizes the President of the Senate to appoint, upon the recommendation of the Majority and Minority Leaders, a special delegation of not to exceed 12 members of the Senate to visit certain countries in South America and other areas as needed to conduct a study on U.S. economic and security interests in those areas, and authorizes therefor $45,000. S. Res. 221—Senate agreed to July 15, 1977. (VV)

Special Committee on Official Conduct.—Establishes a temporary Special Committee on Official Conduct composed of fifteen members appointed by the President pro tempore of the Senate (eight appointed upon the recommendation of the majority leader and seven upon the recommendation of the minority leader, with the chairman designated by the majority leader and the vice chairman by the minority members) to conduct a complete study of all matters relating to standards of conduct of Members, officers and employees of the Senate in the performance of their official duties including standards for: (1) annual public disclosure of income, assets, debts, gifts, and other financial items; (2) restrictions on, or the elimination of, outside income from honoraria, legal fees, gifts and other sources of financial or in-kind remuneration; (3) conflicts of interest arising out of investments in securities, commodities, real estate, or other sources; (4) office accounts, and excess campaign contributions; (5) Senate travel; and (6) engaging in business, professional activities, employment, or other remunerative activities, so as to avoid any conflict with the conscientious performance of official duties; requires the Committee to submit a report of its findings by March 1, 1977, together with a resolution setting forth, by way of proposed amendments to the Standing Rules of the Senate, a Code of Official Conduct for Members, officers and employees of the Senate;

Provides that on March 1, 1977, after the conclusion of routine morning business, the resolution shall become the pending business of the Senate under a 50 hour time limitation with a 2 hour time limitation on amendments thereto and 1 hour on amendments in the second degree, debatable motions or appeals; provides that amendments not germane to the bill will not be received; states that motions to limit debate are not debatable and that motion to table or recommit are out of order;

Authorizes the Committee to utilize the facilities and services of the staff of any other committee and provides that expenses of the Committee shall be paid from the contingent fund of the Senate. S. Res. 36—Senate agreed to January 18, 1977. NOTE: (On March 3, 1977, the Senate, by unanimous consent, extended until midnight, March 7, 1977, the time for the Committee to file its report and provided that the leadership may call the resolution up on March 8, 1977, or any time thereafter.) (VV)

Teamsters' Pension Fund.—Authorizes the Committee on Human Resources to inspect and receive any tax return, return information, or other tax related matter held by the Secretary of Treasury with respect to the Teamsters' Central States Southeast and Southwest Area Pension Fund, and any related matter which the committee demonstrates to the satisfaction of the Secretary, contains or may contain information directly relating to its study and oversight proceedings. S. Res. 139—Senate agreed to April 22, 1977. (VV)

TAXATION

Sick pay exclusion.—Delays for one year, to taxable years beginning after December 31, 1976, the changes made by the Tax Reform Act of 1976 with regard to the exclusion of "sick pay" from income; makes a similar delay of the effective date of the provisions regarding the tax treatment of income earned abroad by U.S. citizens; modifies the withholding requirement enacted in the 1976 Tax Reform Act on proceeds of wages placed in parimutuel pools with respect to horse races, dog races, and Jai Alai requiring a 20 percent withholding tax on winnings of $1,000 or more only if the odds are 300 to one or more; extends for one year the provisions of the Internal Revenue Code to allow State legislators to treat their place of residence within their legislative district as their tax home for purposes of computing the deduction for living expenses; and waives the interest and penalties with regard to certain errors regarding underpayments of estimated tax and withholding that might be made in the tax returns for 1976. H.R. 1828—Passed House April 4, 1977; Passed Senate amended April 6, 1977; House agreed to Senate amendments with amendment which omitted the provisions regarding the treatment of income earned abroad by U.S. citizens April 6, 1977; Senate requested conference April 19, 1977. (100) (*NOTE:* Provisions included in Tax Reduction and Simplication which became Public Law 95-30).

Tax reduction and simplification.—Amends the Internal Revenue Code of 1954 to extend the individual and business income tax reductions enacted in 1975 and to provide tax simplification as follows:

Standard Deduction and Tax Simplification: Permanently changes the standard deduction to $2,200 for single returns and heads of households and $3,200 for joint returns; revises the tax tables to simplify tax computation for 96 percent of all taxpayers by building into the tax tables the personal exemption, the general tax credit, and the standard deduction;

Individual and Corporate Tax Reductions: Extends through 1978 the general tax credit of $35 per person or 2 percent of the first $9,000 whichever is larger; extends the earned income credit equal to 10 percent of the first $4,000 of earned income which is phased out as income rises from $4,000 to $8,000;

Extends through 1978 the corporate tax cuts, enacted in 1975 and subsequently extended, which reduced the tax rate on the initial $25,000 of corporate taxable income from 22 percent to 20 percent and reduced the rate on the next $25,000 from 48 to 22 percent;

Filing Requirements and Withholding Changes: Increases the income level at which a tax return must be filed from $2,450 to $2,950 for a single person and a head of household and from $3,600 to $4,700 for a joint return; requires modification of the withholding rates to reflect the changed standard deduction;

New Jobs Credit: Provides a new jobs tax credit for 1977 and 1978 equal to 50 percent of the increase in each employer's wage base under the Federal Unemployment Tax Act (FUTA) above 102 percent of that wage base in the previous year; reduces the employer's deduction for wages by the amount of the credit, thereby reducing the maximum gross credit for each new employee from $2,100 to $1,806; limits the credit to no more than: (1) 50 percent of the increase in total wages paid by the employer for the year above 105 percent of total wages in the previous year; (2) 25 percent of the current year's FUTA wages; (3) $100,000 per employer; and (4) the taxpayer's tax liability with provision of carrying back credit for 3 years and carrying forward credit for 7 years; provides an additional 10 percent nonincremental credit for hiring the handicapped, including handicapped veterans, who have received vocational training;

Postponement of Changes in 1976 Act: Postpones for one year the effective date of revisions made by the Tax Reform Act of 1976 in the tax treatment of sick pay and income earned abroad; relieves individual taxpayers for the periods prior to April 16, 1977, and corporations for period prior to March 16, 1977, from additions to tax and interest arising from changes in the tax law made applicable to 1976 by the 1976 Act; relieves employers from penalties for under withholding in 1976 on remuneration which became taxable prior to January 1, 1976, as a result of the 1976 Act; lifts the exclusive use of the test in the 1976 Act for business deductions for the use of the home for day care services for children, handicapped individuals and the elderly and limits such deductible expense; extends for 1976 the election to treat a State legislator's place of residence within the legislative district he represents as his tax home for purposes of determinating deductions for travel and expenses;

Minimum Tax on Intangible Drilling Costs: Provides for taxable years beginning in 1977 that intangible drilling costs incurred in oil and gas production operations are to be subject to the minimum tax to the extent that these expenses exceed oil and gas production income;

Charitable Contributions of Conservation Easements: Extends through June 13, 1981 the period during which deductions are allowable for charitable contributions of remainder interests in real property exclusively for conservation purposes as well as the period during which deductions are allowable for charitable contributions exclusively for conservation purposes of easements with respect to real property, if the easement is perpetual;

Work Incentive (WIN) Program: Authorizes an additional $435 million in each of fiscal years 1978 and 1979 for employment and supportive services for welfare recipients with no requirement for State matching funds:

Child Care Facilities Amortization: Extends through 1961 the 5-year amortization provision for expenditures relating to child care facilities for children of the taxpayer's employees;

Retirement Income Credit Election: Allows taxpayers over age 65 to choose between the retirement income credit as it existed before the 1976 Act and as revised by it for 1976 taxes only;

Accrual Accounting for Farm Operations: Postpones until 1978 the effective date for requiring accrual accounting by any farm corporation if either (a) two families own at least 65 percent of the stock, or (b) three families own at least 50 percent of the stock and substantially all of the remaining stock is owned by employees or their families;

Gambling Withholding: Modifies the 1976 requirement for withholding on gambling winnings to provide that withholding is required on proceeds of more than $1,000 from bets placed in parimutuel pools involving horses, dogs or jai alai but only if the amount of the proceeds is at least 300 times as large as the amount wagered;

Extension of countercyclical revenue sharing.—Extends for 6 quarters, or until national unemployment drops below 6 percent, the current countercyclical revenue sharing legislation which expires September 30, 1977 to help State and local governments maintain services; authorizes up to $1 billion in additional funding for fiscal year 1977 for a total of $2.25 billion; authorizes up to $2.25 billion for FY 1978; requires that the most recent data be used in the allocation formula and that the national amount be determined on the basis of tenths of the unemployment percentage in excess of 6 percent rather than on half percentage points; provides that each tenth of a percentage point will generate $30 million for allocation in addition to the basic $125 million; extends the program to Guam, American Samoa, Puerto Rico and the Virgin Islands;

Other provisions.—Amends the Social Security Act to clarify the law which provides for the garnishment of Federal payment for purposes of child support and alimony; and contains other provisions. H.R. 3477—Public Law 95–30, approved May 23, 1977. (128)

TRANSPORTATION-COMMUNICATIONS

Air transportation subsidy.—Amends the Federal Aviation Act of 1958 to provide explicit statutory authority for the payment of "flow-through" subsidy pursuant to an experimental local air service program administered by the Civil Aeronautics Board (CAB) in cooperation with Frontier Airlines, during the period August 1, 1973, through July 31, 1975. H.R. 6010—Passed House May 17, 1977; Passed Senate amended May 27, 1977; House agreed to Senate amendment with an amendment June 8, 1977. (VV)

Aircraft registration.—Amends the Federal Aviation Act of 1958 to permit citizens of foreign countries lawfully admitted for permanent residence in the U.S. and corporations lawfully organized and doing business under U.S. or State laws to register aircraft in the United States provided that (1) the aircraft is based or primarily used in the U.S. thus enabling the Secretary of Transportation to condition registration on reasonable inspection by FAA personnel and (2) as at present, the aircraft is not registered under the laws of any foreign country. H.R. 735—Passed House February 22, 1977; Passed Senate amended May 11, 1977. (VV)

Communications Act amendment—Hawaii.—Amends the Communications Act of 1934, as amended, to include Hawaii within the definition of "Continental United States", thereby removing artificial restraints on the availability of telecommunications offerings, the entry of new carriers into the Hawaiian market and service integration into the mainland structure; and adds a new subsection to the Communications Act to ensure that carriers currently serving the Hawaiian market may continue to do so. S. 1866—Passed Senate August 5, 1977. (VV)

Interim regulatory reform.—Provides for interim regulatory reform for the following independent regulatory agencies which are subject to the jurisdiction and oversight responsibility of the Committee on Commerce, Science, and Transportation: Interstate Commerce Commission (ICC), Federal Trade Commission (FTC), Federal Power Commission (FPC), Federal Communications Commission (FCC), Civil Aeronautics Board (CAB), Federal Maritime Commission (FMC), and Consumer Product Safety Commission (CPSC); directs each agency to prepare and submit to Congress a proposed modernization, revision, and codification of all statutes and other lawful authorities administered or applied by it; and

Makes it a Federal crime to kill or forcibly assault, resist, oppose, impede, intimidate, or interfere with a U.S. judge, U.S. attorney, F.B.I. agent, or any other specified Federal official or employee while that person is engaged in, or on account of, the performance of official duties. S. 263—Passed Senate June 10, 1977. (VV)

INTERIM REGULATORY REFORM

Federal Communications Commission.—Amends the Communications Act of 1934 to provide for regulatory reform with respect to the Federal Communications Commission; requires the Commission to review and recodify systematically all of the rules and regulations which it has promulgated and which are still in effect and to submit to Congress within 480 days of enactment a proposed recodification designed to (a) eliminate unnecessary, redundant, overlapping, or conflicting provisions or requirements, (b) provide timely considerations of petitions, (c) provide Congressional access to information, (d) provide representation in civil actions, (e) avoid conflicts of interests, (f) provide for appointment of the chairman by the President with the advice and consent of the Senate, and (g) provide Congressional oversight through the process of an authorization of appropriations not to exceed 4 years; provides for public comment on the proposed recodification and requires the agency to submit a final proposal within 660 days which will go into effect in 180 days unless modified by Congress; applies the conflict of interest provisions to personnel GS–16 or higher; retains the independence of the regulatory agency by not subjecting supergrade positions to OMB clearance; requires that nominees be persons who by reason of training, education or experience are qualified to carry out the function of the Commission; waives the mandatory retirement provisions giving Congress the authority to decide whether a Commissioner should continue to serve over the age of 70 at the time of his confirmation; and authorizes therefor $70 million for fiscal 1978, $74 million for fiscal 1979, $80 million for fiscal 1980, and $82 million for fiscal 1981. S. 1536—Passed Senate June 28, 1977. (VV)

Federal Maritime Commission.—Provides for regulatory reform with respect to the Federal Maritime Commission; contains the same provisions with respect to a proposed recodification of all rules and regulations promulgated by the Commission and still in effect as contained in S. 1536; and authorizes $9.424 million for fiscal 1978, $9.7 million for fiscal 1979, $10 million for fiscal 1980 and $10.4 million for fiscal 1981. S. 1532—Passed Senate June 28, 1977. (VV)

Federal Power Commission.—Amends the Federal Power Act to provide for regulatory reform with respect to the Federal Power Commission; contains the same provisions with respect to a proposed recodification of all rules and regulations promulgated by the Commission and still in effect as contained in S. 1536; and authorizes therefore $44,549,000 for fiscal 1978, $46,410,000 for fiscal 1979, $48,373,000 for fiscal 1980, and $50,444,000 for fiscal 1981. S. 1535—Passed Senate June 28, 1977. (VV)

Interstate Commerce Commission.—Amends the Interstate Commerce Act to provide for regulatory reform of the ICC; requires the Commission to review and recodify systematically all of the rules and regulations which it has promulgated and which are still in effect and to submit to Congress within 480 days of enactment a proposed recodification designed to (a) eliminate unnecessary, redundant, overlapping, or conflicting provisions or requirements, (b) provide timely considerations of petitions, (c) provide Congressional access to information, (d) provide representation in civil actions, (e) avoid conflicts of interest, (f) provide for appointment of the chairman by the President with the advice and consent of the Senate, and (g) provide Congressional oversight through the process of an authorization of appropriations not to exceed 4 years; provides for public comment on the proposed recodification and requires the agency to submit a final proposal within 660 days which will go into effect in 180 days unless modified by Congress; authorizes therefor $71,216,000 for fiscal 1978, $80,474,000 for fiscal 1979, $90,935,000 for fiscal 1980 and $102,755,000 for fiscal 1981. S. 1534—Passed Senate May 20, 1977. (VV)

Maritime authorization.—Authorizes $552,974,000 for programs of the Maritime Administration for fiscal year 1978 as follows: $135,000,000 for acquisition, construction, or reconstruction of vessels and construction-differential subsidies, $372,109,000 for payment of ship operating differential subsidies, $20,725,000 for research and development, $5,137,000 for the reserve fleet, $14,633,000 for maritime training at the Merchant Marine Academy at Kings Point, N.Y., and $5,370,000 for financial assistance to the State marine schools which includes an increased annual student subsidy from $600 to $1,200; authorizes additional supplemental amounts to cover increases in salary, pay, retirement, or other employee benefits authorized by law and for certain expenses of the Merchant Marine Academy at Kings Point; and authorizes an additional Assistant Secretary of Commerce to be the principle advisor to the Secretary for Congressional relations. S. 1019—Passed Senate May 24, 1977; Passed House amended July 13, 1977; In conference. (VV)

Rail reorganization—Office of Rail Public Counsel.—Amends the Regional Rail Reorganization Act of 1973 to authorize an additional $15 million for fiscal year 1978 to the United States Railway Association to cover litigation and other anticipated expenses involving the reorganization of the Northeast railroads, and amends the Interstate Commerce Act to authorize an additional $2 million for the Office of Rail Public Counsel which is the statutory successor to the Office of Public Counsel of the Interstate Commerce Commission. H.R. 4049—Passed House May 3, 1977; Passed Senate amended May 23, 1977. (VV)

Tanker safety.—Amends the Ports and Waterways Safety Act of 1972 to: establish more stringent construction, design, equipment, repair, manning, maintenance, and operation standards for all tankers, regardless of flag, entering U.S. ports; provides clear authority for the Secretary of Transportation to bar substandard vessels from operating in U.S. waters; authorizes the creation of a Marine Safety Information System to identify substandard vessels and disclose the true ownership of ships; authorizes the establishment of regulations for controlling lightering (vessel-to-vessel transfer of cargo) in U.S. waters and on the high seas where a U.S.-bound vessel is involved; mandates that all self-propelled vessels of 20,000-deadweight tons or larger carrying oil in bulk be equipped by no later than June 30, 1979, with a dual radar system, a collision avoidance system, a long-range navigation aid, adequate communications equipment, a fathometer, a gyrocompass, and up-to-date charts; mandates that such vessels also be equipped, by not later than June 30, 1983, with a segregated ballast system, a gas inerting system, a transponder or other appropriate position-fixing equipment, and a double bottom if the vessel is contracted for, or construction is actually commenced, after January 1, 1978; creates an expanded inspection and enforcement program; authorizes the promulgation of improved manning and qualification standards; specifies more stringent requirements for obtaining a Federal pilot's license; and provides for study and evaluation of shore-station monitoring systems of vessels as defined in the Fishery Conservation and Management Act of 1976. S. 682—Passed Senate May 26, 1977. (VV)

Urban mass transportation.—Authorizes the use of the $500 million capital grant program under the National Mass Transportation Act of 1974 for operating as well as

capital assistance costs of public mass transportation service in urbanized areas (areas with less than 50,000 population); authorizes the Secretary to make operating subsidy grants to areas other than urbanized areas; revises the method of financing the capital grant problem, extends it to 1982, and adds $5.318 billion to the remaining contract authority of $3.332 billion for a total of $8.65 billion; incorporates into statute the procedures for funding major capital grants by authorizing the Secretary to announce approval of a multi-year project and an intent to obligate funds from budget authority to be made available in future years; sets aside $400 million annually from the capital grant program for obligation for equipment replacement programs; authorizes $125 million to restore the fiscal 1980 authorization for the formula grant program to its original level; expands the basic formula grant program by creating a supplemental source of funds for high impact areas with a total of $295 million available from (a) authorization of $50 million for each of fiscal years 1978 through 1980 and (b) estimated $145 million in "recycled authority"; creates a new second tier formula program financed by new authorized funds and the reapportionment of unobligated funds; permits the Secretary to develop a new formula for additional funds taking into account the needs of major urban areas; removes certain restrictive provisions for eligibility in the grant program providing fellowships for training of personnel employed in managerial, technical, and professional positions in the urban mass transportation field; expands the definition of "construction" in the capital grant program to include preliminary engineering of mass transportation capital projects; requires the Secretary to convert the two outstanding loans under the mass transit loan program which is no longer in existence into capital grants; requires the Secretary to provide by February 1, 1980, a detailed estimate of major capital grants to be made in fiscal years 1980–84 and by February 1, 1982, a similar estimate for fiscal years 1982–86; extends from March 15, 1978, to March 15, 1980, the 50 percent emergency operating assistance for commuter rail services affected by the reorganization of the Northeastern Railroads and expands the assistance in the authorization; requires assurance that service will be continued for the last 12 months of the 50 percent period; and adds a new section providing $20 million in fiscal 1978 to cover up to 50 percent of the operating deficits of rail commuter services not eligible for the 50 percent Federal subsidy. S. 208—Passed Senate June 23, 1977. (VV)

Vessels sale.—Authorizes the Secretary of Commerce to sell, within two years of enactment, at a price which is the greater of the appraised value or scrap in the U.S. market, two obsolete Navy tankers to mid-Pacific Sea Harvestors, Incorporated, for conversion and operation in the fisheries of the United States; requires that the vessels be converted in the United States and documented and operated under U.S. laws and in conformity with all international fishery agreements to which the U.S. is a party; and requires if the vessels are scrapped within five years of the date of sale, that the work be done in the U.S. S. 854—Passed Senate July 12, 1977. (VV)

TREATIES

Agreement with Canada concerning transit pipelines.—Provides government-to-government assurances on a reciprocal basis so that present and future pipelines carrying all forms of hydrocarbons (including crude oil, petroleum products, natural gas, petrochemical feedstocks, and coal slurries) owned by one country across the territory of the other will be free from interference and discriminatory taxation by Federal, provincial or state authorities particularly in regard to taxes, duties or fees unless the charge would be applicable to similar pipelines within the jurisdiction of the public authority; allows each nation to impose proper regulations for pipeline safety and environmental protection and in the case of a natural emergency, to reduce or stop the flow until the danger has passed; permits each nation to determine the route a pipeline is to take within its territory and provides that protocols may be added to apply this agreement to a specific pipeline; and contains arbitration provisions to resolve disputes which cannot be settled by negotiation. Ex. F, 95th-1st—Resolution of ratification agreed to August 3, 1977. (324)

Protocol to Inter-American Treaty of Reciprocal Assistance (RIO Treaty).—Reaffirms the principle of "attack against one, attack against all" embodied in the Rio Treaty while restricting its applicability and resultant obligations; provides for the lifting of diplomatic, economic and military sanctions against a member state by a simple majority vote rather than by the two-thirds majority vote required for all other decisions; and revises Treaty procedures so as to provide specifically rather than by implication for binding decisions and for recommendations by the Organ of Consultation. Ex. J. 94th–1st—Resolution of ratification agreed to July 19, 1977. (300)

Treaty with Canada on execution of penal sentences.—Allows a convicted prisoner or youthful offender accused of an offense to be returned to his native country to serve the sentence imposed by the other country; limits the transfer arrangement to prisoners convicted of offenses which are criminal under the laws of both countries, who have no pending appeals, have at least six months remaining on their fixed sentences, are not domiciliaries of the nation where they are incarcerated, and have been imprisoned on other than political, military or immigration offenses; requires the prisoner to initiate the transfer process; permits the transfer of parolees and those persons receiving suspended sentences; makes the laws regarding parole and probation of the Nation to which the prisoner is transferred apply but provides that only the transferring State can grant a pardon or amnesty; and contains provisions to protect an offender against double jeopardy. Ex. H. 95th–1st—Resolution of ratification agreed to July 19, 1977. (301)

Treaty with Mexico on execution of penal sentences.—Allows a convicted prisoner, youthful offender or mentally ill person accused of an offense to be returned to his native country to serve the sentence imposed by the other country; limits the transfer arrangement to prisoners convicted of offenses which are criminal under the laws of both countries, who have no pending appeals, have at least 6 months remaining on their fixed sentences, are not domiciliaries of the nation where they are incarcerated and have been imprisoned on other than political, military or immigration offenses and have consented to the transfer; requires the country holding the prisoner to initiate the transfer process and provides that the prisoner may submit a transfer request for consideration; makes the laws regarding parole and probation of the Nation to which the prisoner is transferred apply but provides that only the transferring state can grant a pardon or amnesty; and contains provisions to protect an offender against double jeopardy. Ex. D, 94th–1st—Resolution of ratification agreed to July 21, 1977. (316)

AMVETS.—Amends the Federal charter of AMVETS (American Veterans of World War II) to conform with the organization's practice of admitting men and women who served in the Armed Forces of the United States in the Second World War, the Korean War and the Vietnam War by changing the name of AMVETS to "American Veterans of World War II, Korea and Vietnam" and provisions of its Federal charter, where necessary, to reflect this change. H.R. 1952—Public Law 95– , approved, 1977. (VV)

VETERANS

Veterans and survivors pension adjustments.—Amends title 38, U.S.C., to increase the rates of disability and death pension and to increase the rates of dependency and indemnity compensation for parents; provides a cost-of-living adjustment in the rates and annual income limitations applicable to pension for non-service-connected disabled veterans and their surviving spouses, for surviving parents receiving dependency and indemnity compensation, and in the annual income limitations applicable to persons receiving pension under section 9(b) of the Veterans' Pension Act of 1959; provides an increase of approximately 6.5 percent in rates of disability and death pension under current law, including the additional amount authorized for dependents; increases by approximately 6.5 percent the rates of dependency and indemnity compensation (DIC) payable to parents; increases by the same percentage the maximum income limitations applicable to pensioners and parents entitled to DIC under current law, and to beneficiaries under the protected pension law; increases by the same percentage the amount of additional pension and DIC payable to those recipients so entitled based upon aid and attendance or housebound status; and increases additional allowances for recipients of wartime death compensation by the same percentage based upon need for regular aid and attendance. H.R. 7345—Passed House July 12, 1977; Passed Senate August 3, 1977. (VV)

Veterans' care in State homes.—Amends title 38, U.S.C., to consolidate the construction grant-assistance programs under section 644 (for State home domiciliary and hospital facilities) and under subchapter III of chapter 81 (for State home nursing care facilities) and create new statutory authority for grants for the construction of new domiciliary facilities and the expansion of domiciliary and hospital facilities, and for initial equipment in both categories; increases to $15 million the annual authorization for fiscal years 1978 and 1979; removes the 3-fiscal-year limitation on the availability of sums appropriated for the consolidated programs, making the funds available until expended; makes the allowable nonveteran population of a grant-assisted State nursing home domiciliary, or hospital facility 25 percent in order to make allowance for veterans' spouses, surviving spouses, and Gold Star mothers; sets at 33⅓ percent the limit which any one State may receive in any year of the total amount appropriated for the program; includes domiciliary and hospital projects under the statutory nursing home program recapture provision; allows the Administrator to reduce the recapture period to less than 7 years in cases of expansion, remodeling, and alteration; limits recapture to not more than the amount of grant assistance provided for the project; repeals existing statutory authority for making grants for the remodeling of State home domiciliary and hospital facilities and governing the operation of this program; provides for an October 1, 1977, effective date with a savings provision for hospital and domiciliary grants made under the section to be repealed; and gives existing nursing home program grantees the right to obtain grant modifications consistent with the new act. H.R. 3685—Public Law 95–62, approved July 5, 1977. (VV)

World War I veterans auto allowance.—Amends section 1901, title 38, U.S.C., to extend to veterans of World War I and any eligible veterans who served before or after World War I those benefits entitlement to the automobile assistance allowance for the purchase of an automobile or other convey-

ance and provisions of the adaptive equipment necessary to operate the vehicle safely. H.R. 6502—Passed House May 23, 1977; Passed Senate amended August 3, 1977. (VV)

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(Prepared by Senate Democratic Policy Committee, ROBERT C. BYRD, Chairman)

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Joseph A. Califano, Jr. to be Secretary of HEW
Peter F. Flaherty to be Deputy Attorney General
Ray Marshall to be Secretary of Labor
Paul C. Warnke for Rank of Ambassador for SALT Negotiations and to be Director of the Arms Control and Disarmament Agency
Andrew J. Young to be U.S. Representative to U.N.

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H.R. 6655, Housing and Community Development, housing.
H.R. 6668, Age Discrimination Report—Nutrition Program for Elderly, gen. gov.
H.R. 6689, State Department Authorization, international.
H.R. 6692, Education of the Handicapped, education.
H.R. 6714, International Development Assistance—Food for Peace, international.
H.R. 6752, River Basins, natural res.
H.R. 6823, Coast Guard Authorization, defense.
H.R. 6884, International Security Assistance—Arms Export Control, international.
H.R. 7345, Veterans and Survivors Pension Adjustment, veterans.
H.R. 7552, Treasury-Postal Service Appropriations, 1978, approp.
H.R. 7553, Public Works-Energy Research Appropriations, 1978, approp.
H.R. 7554, HUD Appropriations, 1978, approp.
H.R. 7555, Labor-HEW Appropriations, 1978, approp.
H.R. 7556, State-Justice-Commerce Appropriations, 1978, approp.
H.R. 7557, Transportation Appropriations, 1978, approp.
H.R. 7558, Agriculture Appropriations, 1978, approp.
H.R. 7589, Military Construction Appropriations, 1978, approp.
H.R. 7606, Bull Run Reserve, natural res.
H.R. 7636 Interior Appropriations, 1978, approp.
H.R. 7797, Foreign Aid Appropriations, 1978, approp.
H.R. 7932, Legislative Appropriations, 1978, approp.
H.R. 7933, Defense Appropriations, 1978, approp.

HOUSE CONCURRENT RESOLUTIONS

H. Con. Res. 142, Harp Seal Killings, international.
H. Con. Res. 248, Joint Economic Committee Study, Congress.
H. Con. Res. 249, Belgrade Conference, international.

HOUSE JOINT RESOLUTIONS

H.J. Res. 24, Lupus Week, proclamations.
H.J. Res. 132, Marian Anderson Medal, memorials.
H.J. Res. 227, Urgent Power Supplemental Appropriations, 1977, approp.
H.J. Res. 240, Fishery Conservation Zone Transition, fisheries.
H.J. Res. 269, Urgent Disaster Supplemental Appropriations, 1977, approp.
H.J. Res. 372, Family Week, proclamations.
H.J. Res. 424, Kennedy Presidential Library, gen. gov.
H.J. Res. 525, Mortgage Insurance, housing.
H.J. Res. 539, Indian Claims, Indians.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene on September 7 at 12 o'clock noon. After the two leaders or their designees have been recognized under the standing order, the Senate will proceed to the consideration of the coal conversion bill, S. 977, on which there is a time agreement. There is 2 hours on the bill, 1 hour on any amendment, 30 minutes on any amendment to an amendment, debatable motion, appeal, or point of order, with one exception, that being a 4-hour limitation on an amendment by Mr. KENNEDY, and at the expiration of the 4 hours it is anticipated that there will be a motion to table that amendment. If the motion to table fails, there is no time limit on further discussion of that amendment. No other amendments dealing with divestiture or the prospective divestiture of energy properties will be in order.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I am pleased to yield.

Mr. BAKER. Mr. President, reserving the right to object—I suppose technically this is not a reservation—it is my understanding that the Kennedy amendment probably deals with either a prospective divestiture situation or the prohibition of certain acquisitions.

It was my understanding that the unanimous-consent order was an order to provide that if that amendment were not tabled, then debate would be unlimited on that proposal. I simply wanted to make sure I understood it and that the majority leader and I were in full accord on the meaning of the unanimous-consent agreement.

Mr. ROBERT C. BYRD. The minority leader and I are in full accord on the meaning of that order with respect to that amendment.

Mr. President, there will be rollcall votes on amendments and/or motions in relation to the coal conversion bill on our return on Wednesday, September 7. Upon the disposition of that measure, hopefully that day, or certainly no later than Thursday, the 8th, the distinguished Senator from Maine will be ready to call up the second budget resolution, on which there is, under the law, a deadline for final enactment of September 15.

During the month of September and such time in October as is required, the Senate will be passing legislation dealing with the President's energy proposal, the coal conversion legislation having already been mentioned.

The committee, under the chairmanship of Mr. JACKSON, the Committee on Energy and Natural Resources, will have ready by that time a bill dealing with the conservation of energy. A report will have been printed, and that measure will be following on after the second budget resolution.

Thereafter, that same committee, under the chairmanship of Mr. JACKSON, will be ready to deal with utility rate reform and with natural gas regulation.

It is my feeling, after having discussed the matter with Mr. JACKSON on a number of occasions, that the natural gas regulation bill will precede the utility rate reform.

As I understand from Mr. JACKSON, the hearings on natural gas regulation have been completed. That measure will be marked up upon the return of the Congress on September 7.

I should also state that, according to Mr. JACKSON, possibly 2 days of hearings will remain to be conducted on the utility rate reform legislation.

At my request, Mr. LONG, the chairman of the Committee on Finance, will be holding hearings next week on the energy package—at least, that portion that deals with taxes. Mr. LONG will press for action on the tax aspects of the energy package in due time following the return of Congress, and every effort will be made to expedite action on that part of the package.

I hope that the distinguished minority leader (Mr. BAKER) and I shall be able to find ways to get consent for committees to meet during the session of the Senate, especially those committees that have jurisdiction over energy legislation and other legislation which it may be deemed absolutely necessary to pass before Congress adjourns sine die for the year.

I take this occasion to commend my friend and to thank him for the coopera-

tion, the splendid cooperation, that I have received from him as minority leader during these months of the first session of the 95th Congress. I think it is obvious and ought to be clear that, without cooperation on the part of the minority, it would not be possible for the majority to work its will on the various measures that have been taken up. The minority leader has, at all times, fully understood the problems of the majority leader and there has not been a time when the Senate has not had a measure before it. Unanimous-consent agreements have been gotten. I thank the minority leader and the Members of the Senate on his side of the aisle for their cooperation in that respect.

I take this occasion, also, to express appreciation to the majority whip (Mr. CRANSTON) for his fine cooperation and support and dedication to duty.

I also thank the minority whip (Mr. STEVENS), as I have done many times, referring to him also in respect of his capacity as the ranking member of my Appropriations Subcommittee on the Interior.

Incidentally, the Senate has now passed 12 of the 13 regular appropriation bills, well in advance of the beginning of the new fiscal year. The other body has not yet passed the 13th out of the 13 appropriation bills, the District of Columbia appropriation bill.

I am sorry to belabor the Senate at this late hour, it being 9:28 p.m. I take this occasion, however, to thank the members of the Democratic policy staff, under the direction of Tom Hart and Lee Williams, for their splendid cooperation and all of their good help to me during these many months.

I also want to express my appreciation to my able assistant for floor operations, Joe Stewart.

I take occasion, also, to express my deep gratitude to my colleagues on my side of the aisle for their patience and forbearance, understanding, cooperation, and support during these months.

Especially do I thank the chairmen of the committees on this side of the aisle and the ranking Members thereof on the other side of the aisle.

Finally, may I say to all of the officers and officials of the Senate and to the pages, the official reporters of debate, all the people at the desk, the staff of the Democratic cloakroom and the doormen and security officers of the Senate: Thanks to you.

Inasmuch as I have said finally, I shall add as a postscript that I hope for all concerned that they will have a very pleasant August and early days of September. If they are looking for a very restful place that is almost Heaven in which to spend a few of those days, at least, that place is West Virginia.

I might add, as a post-postscript, that, the Lord willing, I expect to be at Coolfont, in Morgan County, just 3 miles west of Berkeley Springs, tomorrow evening with all four of my violins, and I shall be playing there at what is called the Squirrel's Nest, a treetop restaurant. I expect to spend at least 5 hours playing a number of tunes, which, as I indicated sometime ago, will be in addition to "Rye Whiskey" and "The Cumberland Gap."

Thanks to all, my appreciation to all, and see you in September. Be ready for long days, hard work, lots of votes, and a continued splendid record of productivity on the part of the Senate of the United States.

Mr. BAKER. Mr. President, at this hour it would not be seemly nor would it be appropriate to try to emulate the good style and good will of the majority leader. So I will not try, except to say it has been my privilege to work with him in keeping with discipline on the minority side, to arrange the affairs of the Senate for maximum accomplishment, and our continuing efforts together to accommodate the requirements of our respective Members.

There are many things I could comment on about these first months of this session, and the majority leader's able administration of the affairs of the Senate, but I would mention only one. It is a remarkable thing and a refreshing thing to observe that I believe the Senate now has met every single schedule we set in the first weeks of this session, those times of nonlegislative session, this statutory recess, these other commitments that have been made, the absence of weekend sessions.

I really think it is a remarkable thing and an accolade to the majority leader that the schedule previously published has not been breached or broken a single time, and I thank him for that.

Mr. President, it has been a difficult first several months of this session. It has been trying at times. The hours have been long. The debate on occasion has been burdensome. But I think the Senate has comported itself very well, indeed, its work product is of high quality, and no small measure of that credit must go to the majority leader.

Mr. President, I will only briefly express my appreciation, in turn, to those officers and agents and employees of the Senate on the minority side. It would be literally impossible to operate the calendar and the affairs of the Senate from the minority point of view without our distinguished Secretary of the Minority, Bill Hildenbrand, his assistant, Howard Greene, and others who contribute so well and so ably to our efforts.

Mr. President, I will not prolong this session of the Senate except to say that this has been a distinct pleasure for me and a great privilege, not only to serve in this body, but with the distinguished majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

I would only add to my own remarks that I, too, especially recognize and appreciate the fine cooperation that the majority leader has had from Bill Hildenbrand and Howard Greene

The PRESIDING OFFICER (Mr. MATSUNAGA). The Chair will observe that when the distinguished majority leader was speaking of Paradise, the Chair thought for sure he was referring to Hawaii.

Mr. ROBERT C. BYRD. Mr. President, in my 20 years in the Senate, I have yet to see a Senator preside with the flair, the skill, the precision and the fairness of the distinguished Senator from Hawaii who now sits in the chair, and as he adjourns the Senate I am sure that our guests in the galleries will understand what I mean.

ADJOURNMENT TO WEDNESDAY, SEPTEMBER 7, 1977

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of House Concurrent Resolution 317, that the Senate stand in adjournment until the hour of 12 o'clock noon on Wednesday, September 7, in the year of our Lord 1977.

The motion was agreed to; and at 9:35 p.m., the Senate adjourned until Wednesday, September 7, 1977, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate August 5, 1977:

DEPARTMENT OF JUSTICE

Charles M. Adkins, Jr., of West Virginia, to be U.S. marshal for the southern district of West Virginia for the term of 4 years, vice Irvin W. Humphreys.

Edward D. Schaeffer of Pennsylvania, to be U.S. marshal for the eastern district of Pennsylvania for the term of 4 years, vice Charles S. Guy.

COMMUNITY SERVICES ADMINISTRATION

Frank Jones, of Virginia, to be Assistant Director of the Community Services Administration (new position).

CONFIRMATIONS—AUGUST 5, 1977

Executive nominations confirmed by the Senate August 5, 1977:

NATIONAL CREDIT UNION ADMINISTRATION

Lawrence Connell, Jr., of Connecticut, to be Administrator of the National Credit Union Administration.

DEPARTMENT OF JUSTICE

George V. Grant, of New York, to be U.S. marshal for the southern district of New York for the term of 4 years.

William H. Shaheen, of New Hampshire, to be U.S. attorney for the District of New Hampshire for the term of 4 years.

DEPARTMENT OF LABOR

Roland Ray Mora, of California, to be Deputy Assistant Secretary of Labor for Veterans' Employment.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

T. F. Gilroy Daly, of Connecticut, to be U.S. district judge for the District of Connecticut.

IN THE ARMY

The following officer for appointment in the Army National Guard of the United States under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be brigadier general

Col. James Clifford Good, [redacted].

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Harold Robert Aaron, [redacted] U.S. Army.

IN THE NAVY

Vice Adm. John G. Finneran, U.S. Navy, (age 53), for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Rear Adm. Charles H. Griffiths, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

IN THE AIR FORCE

Air Force nominations beginning James E. Payne, to be major, and ending William W. Lehman, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 18, 1977.

IN THE ARMY

Army nominations beginning William J. Allison, to be second lieutenant, and ending Frederick E. Wolfe, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 18, 1977.

Army nominations beginning Robert O. Abney, to be lieutenant colonel, and ending Jacqueline Wonpat, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 21, 1977.

IN THE NAVY

Navy nominations beginning John Lewis Adams, to be captain, and ending Joseph Albert Howland, to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 18, 1977.

Navy nominations beginning Joseph M. Carwile, to be ensign, and ending Gayle H. Damstrom, to be Chief Warrant Officer, W-2, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 21, 1977.

EXTENSIONS OF REMARKS

A TRIBUTE TO THE DESERT SUN NEWSPAPER

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mrs. PETTIS. Mr. Speaker, I would like to extend my heartiest congratulations to the Desert Sun newspaper upon the occasion of its 50th anniversary. On Aug. 5, 1977, this publication celebrates 50 years of journalistic clarity, sagacity, insight, and purpose.

While there is always a temptation to compromise in the matter of principle whenever the question of economic security is involved, the Desert Sun has consistently hewed to its initial purpose and resisted all allurements to gain circulation through the sacrifice of ideals. Consequently, the people of Palm Springs and the Coachella Valley have much reason for pride in the quality of community service this publication provides.

In an oft-repeated eulogy, John Casey, professor of journalism at the University of Oklahoma, stresses the necessity, character, and influence of newspapers like the Desert Sun in these words:

Without its newspaper, the small-town American community would be like a school without a teacher or a church without a pastor. In the aggregate, the country newspaper determines the outcome of more elections, exerts a greater influence for constructing community programs, is read longer by more members of the family, and constitutes, with its millions of circulation and quadrupled millions of readers, a better advertising medium than any other group of newspapers or periodical publications.

Through service to its community the country newspaper will not merely survive, it will continue to flourish as the most representative, most distinctive, most wholesome type of journalism America has produced.

Mr. Speaker, I am confident that the staff of the Desert Sun will remain fully aware of the newspaper's heritage and will keep it consistently free from distortion, prejudice, censorship and propaganda.

In closing, I am reminded of the words of Elisha Manson, past general counsel of the American Newspaper Publishers Association:

Our founding fathers believed that the people of this country were entitled to information concerning the activities of their government. They also believed that those in power should have their activities reported to the citizens as a restraint upon possible misgovernment.

They did not guarantee freedom of the press to the publishers of this country as a special privilege. Rather they imposed upon publishers a solemn obligation and made them trustees of the right of the American people to have their information free from the control of those who are affected by it—that right to be preserved at all hazards and at all costs.

Those of us who believe in our system of democratic self government are indebted to the press of this country for its vigilance in protecting our right to enjoy life, liberty and the pursuit of happiness. As long as the press maintains its vigilance, democratic self government will exist in America. Without freedom of the press, all liberty will fail.

Mr. Speaker, I am sure that my colleagues join me today in wishing the Desert Sun the happiest of birthdays and in saluting the principles on which it stands. Undoubtedly, such principles insure a continued success which we will all be happy to honor once again 50 years from today.

VA HOSPITALS

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. EDGAR. Mr. Speaker, I would like to share with my colleagues the statement of Robert H. Vogel, director of veterans affairs and rehabilitation, the American Legion, Department of Pennsylvania, before the Subcommittee on Medical Facilities and Benefits of the Committee on Veterans' Affairs, on July 23, 1977, at the Veterans' Administration hospital in Philadelphia. In my opinion, his testimony provides a valuable insight into some of the special problems faced by veterans who use VA hospitals and clinics:

STATEMENT OF ROBERT H. VOGEL

Mr. Chairman and members of the subcommittee, the American Legion, Department of Pennsylvania, appreciates the opportunity to appear before this subcommittee of the Committee on Veterans' Affairs, and to present its views on the consolidation of the Philadelphia Veterans' Administration Hospital and the Veterans' Administration outpatient clinic as announced by the Veterans' Administration Department of Medicine and Surgery.

Before stating the American Legion's position on this subject, may I first summarize briefly the basic problems that have been brought to the attention of the American Legion by veterans receiving service at these Veterans' Administration stations during this period of consolidation.

Veterans have sent letters, telephoned, or come in person to this American Legion service office complaining of verbal abuse by physicians. They have also complained about long waiting periods at the Veterans' Administration Hospital when requesting hospital admission. They are often not admitted that day but told to report back in 1, 2 or 3 days for admission to medical service. In some cases, the veteran has reported that he was admitted within 24 hours to a community hospital with the same complaints.

Many veterans complain of waiting 3 to 4 months or longer, and reporting two or three times, for completion of their compensation and pension examinations. The shortage of physicians, therapists and clerks at the Veterans' Administration outpatient clinic has created problems with appointments, waiting periods and help with Veterans' Administration forms, etc.

What we will attempt to do in the following remarks, as briefly as possible, is to state the findings of the American Legion in reference to these complaints.

On the question of verbal abuse by the physicians, this problem has been discussed on many occasions with the hospital director and his staff. An example of this abuse is referring to veterans as drunken bums. Alcoholism is defined by the medical profession as a disease and the Veterans' Administration recognizes this by having an alcohol treatment unit in this Veterans' Administration hospital. It must be assumed then that this phrase is used by the physicians in a derogatory manner.

The problem of long waits in the admitting area are brought about by waiting for records to be located and by physicians treating veterans in the admitting area instead of referring them to clinical areas. Sometimes, veterans wait many hours and then are told to report back another day, as their records cannot be located. Along with the inconvenience to the veterans, this also compounds the problem of inadequate building space.

The practice of not admitting a veteran to the Veterans' Administration hospital, who then is admitted to a community hospital within 24 hours, tends to support the

theory of selective admissions. This theory is further supported by the fact that veterans are accepted for admission by admitting physicians and refused bed placement by the ward physicians or the bed-distributor physician.

The waiting period of 3 to 4 months or longer for compensation and pension examinations at the Veterans' Administration outpatient clinic is caused by the loss of personnel without replacement. This causes many undue hardships on the veterans and loss of salary when he has to report two or three times to complete the examination. This situation has been brought on by the attempted consolidation of the Veterans' Administration health care facilities in Philadelphia.

When this consolidation was in its infancy, it was explained to the American Legion that it was to be an administrative, not physical consolidation. However, there is some question about this—administrative staff have been sent from the Veterans' Administration outpatient clinic to the Veterans' Administration hospital, rehabilitative medical service and pulmonary function facility at Veterans' Administration outpatient clinic have been closed and all veterans sent to the Veterans' Administration hospital. Professional personnel including pharmacy, dietetics, social service, nursing, X-ray and laboratory technicians have been sent back and forth to further deterioration of the provision of the outpatient care.

Veterans must wait approximately 6 months for an orthopedic clinic appointment. Veterans who had come regularly to the tuberculosis clinic for treatment now wait about 3 months beyond their regular scheduled time for a check-up. Veterans who have applied for benefits because of a neurological or psychiatric disability must wait at least 3 months to be scheduled for an examination; not only does this delay a decision on monetary benefits, but also delays the receiving of treatment which, in a vicious circle, makes the veteran's condition worse.

A satellite clinic in the Allentown, Pennsylvania area was planned approximately 5 years ago and is not yet a reality. This type of clinic would help to eliminate staffing and space problems. It would, also, reduce the inconvenience to the veteran and decentralize service.

Investigation into these complaints over the past few years has given us the opportunity to acquaint ourselves with the problems underlying consolidation.

Many of these complaints, and others, were brought to the attention of the chief medical director of the Veterans' Administration by the reports of the National Veterans Affairs and Rehabilitation Commission of the American Legion, dated December 24, 1975 and November 10, 1976; also, the report of Fred J. Smith, Hospital Administration Specialist, Veterans Administration Central Office, dated February 6, 1976 and the report of Jack S. Westall, Assistant Chief Medical Director for Administration, dated May, 1977.

We believe that the Veterans' Administration central office is doing its job in a responsible manner. We realize that the recommendations of the National Academy of Science's study have just been made public and more planning is needed to follow the recommendation for separate outpatient clinics.

We recognize that medical school affiliation brings better care to the veteran, but we have concern about two medical schools in one Veterans' Administration hospital, each maintaining separate services with separate chiefs. Our concerns center around added cost, added building space, and competition between the two schools causing jealousy and greed, which in turn, could downgrade the quality of medical care to the veteran, which should be second to none.

In summation, Mr. Chairman and members of the subcommittee, may I say again that the American Legion, Department of Pennsylvania, has many reservations about the consolidation of the Veterans' Administration outpatient clinic and the Veterans' Administration hospital. Our experience, as we have tried to present today, is that service to the veteran has deteriorated at the Veterans' Administration outpatient clinic and it has not improved at the Veterans' Administration hospital. The complaints about the Veterans' Administration hospital have remained constant and we are now receiving many complaints about the Veterans' Administration outpatient clinic, which was not the case prior to consolidation. We ask that the Veterans' Administration Medical Service be judged by their delivery of care, their quality of care and how the Veterans' Administration cares for the veteran.

Mr. Chairman, this concludes our statement at the present time. We thank you and the subcommittee again for this opportunity and will answer any questions you may have.

THE NEED FOR A NATIONAL UNIT PRICING LAW

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. STEERS. Mr. Speaker, today I am introducing the Unit Pricing Act of 1977. I consider this bill an ideal example of how consumers can save money by buying in economical quantities.

During my service in the Maryland State Senate I introduced a unit pricing bill. That bill was enacted into law and is now an effective agent of increased consumer awareness. Unit pricing allows a shopper to compare the price per unit, for example, of differing sizes of containers. Essentially, it establishes a uniform criterion such as the pound or foot by which to measure the price paid by the consumer.

Thus, you may see, two tubes of toothpaste, the smaller priced at 69 cents and the larger at $1.09. One no longer needs a calculator or slide rule to find that the prices per pound will be $3.68 for the small tube that weighs 3 ounces and $2.49 for the larger tube that weighs 7 ounces. The prices are right there on the shelf.

After the unit pricing program had been in operation for a period of time, the State government held hearings on the effectiveness of the program. The stores that had to use unit pricing came in to testify. Without exception, the store owners indicated that after the first-time costs for setting up the program there was no additional cost to the program.

As many of my colleagues know, there are other bills that have been introduced that deal with unit pricing. Almost all of them have incorporated restrictions on the use of the computerized check-out systems. My bill does not include any of those restrictions. I have used the system myself and there are several stores in my district that use the system. I have found it to be a positive aid to the consumer with its itemized checkout list and visual display as the prices are tabulated. If it is possible for fewer people to work in a store due to this system, competition will reduce food prices, at least in comparison with what they would be.

Unit pricing is a tool that will make consumers more effective shoppers. They will save money by knowing the best price available. We need to help our citizens pay less on their food budgets.

REPORT ON COAL, NUCLEAR, AND THE ENVIRONMENT

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. EDGAR. Mr. Speaker, I inserted into the RECORD on August 1 the first report prepared for me by a subcommittee of my Energy Advisory Committee, entitled "New Energy Sources and the Future." I would like to share with my colleagues a second subcommittee report entitled "Coal, Nuclear, and the Environment." This subcommittee is chaired by Dr. Ernest B. Cohen, of Upper Darby, Pa., and I am pleased by his leadership in helping me understand the many issues addressed by the report:

SUBCOMMITTEE REPORT: COAL, NUCLEAR, AND THE ENVIRONMENT

SECTION I—BACKGROUND

The energy situation has become critical because of two interrelated facts: (1) The world's consumption of oil and gas has been expanding rapidly and, (2) The estimated reserves, both discovered and undiscovered, are not sufficient to satisfy this demand for more than another decade or so. The United States, as the world's largest consumer of oil and gas, has been forced to face the issue first, in spite of the large oil fields with which the country was blessed. Domestic production of oil and gas will continue to decrease in the future because the best of our oil fields have been significantly emptied already. (All this is covered in Chapters 1 and 2 of the National Energy Plan.) We have about 10 to 20 years in which we can gracefully adjust to the future world economy. This adjustment must take the form of either reducing total energy use or shifting to other energy sources, chiefly some combination of coal and nuclear. The possibilities of exotic energy systems so far remain just possibilities, and the person who counts upon completely new technology to deal with the energy crisis is foolhardy.

The National Energy Plan (NEP) is a first step in coping with the energy shortage of the future. It is the first significant national program to grapple with the problem. NEP is not sufficient and must be followed by additional programs over the next few years.

The philosophy with which this subcommittee approached the National Energy Plan can be characterized by the following points:

1. Belief in gradual evolution and phased-in changes to our economy and way of life.

2. Changes to be the result of maximum individual free market decisions and minimum bureaucratic control or government edicts.

3. All energy involves environmental damage. This was true of the technology of 1776: animal power, fuel wood and water wheels, and it is equally true of energy technology in 1976. In balancing energy needs against the environment, the least amount of energy to just meet our basic needs is best.

4. Because of human resistance to change

and our large existing capital goods stock based on present forms of energy, changes will require 10 to 20 years to be fully implemented. It will require all the grace time available from our present petroleum and gas supply in order to develop and implement alternative energy systems.

SECTION II—INDIVIDUAL REPORTS

The committee considered 5 subtopics: coal conversion, air pollution, the future of nuclear power, nuclear safety and coal (and uranium) mining.

A. Coal conversion (Dr. Ernest B. Cohen)

It is physically impossible to convert oil or gas fired boilers to use coal. Most of the easy reconversions of units built for coal firing but converted to oil have already been done wherever it could be made environmentally acceptable. Coal conversion of newer boilers, both in utility plants and industry, requires installation of a complete unit. A rough estimate is that coal prices must be at least one-third less than oil or gas prices to make coal burning economically competitive in spite of the much higher cost of the equipment. The proposed taxes should push oil and gas into the cost regime. It is important to initiate those taxes proposed in Chapter 6 of the NEP (pages 65–66) early so that business decisions to design and install coal fired boilers will not be delayed, but the full tax should be phased-in over a number of years as proposed in the National Energy Plan.

It is particularly important to initiate these taxes early on utility fuels because utilities can swing a significant portion of their consumption from one fuel to another when operating under light load. Indeed it is standard operating procedure at any electric utility to utilize the most efficient and lower cost generating unit.

Coal conversion is particularly important in the industrial sector where the units are not large enough to justify going nuclear. Pushing the cost of oil and gas up nationwide would not provide any economic incentive for industry to move away from the Northeast States. At best, coal conversion will take place over a considerable period of time because boilers are very long lived pieces of equipment. They are usually considered to have a 40-year life, for depreciation purposes, but a significant number of 50- to 60-year-old boilers are still operational. Based on New Jersey data, about one-half the industrial boilers in this area are 25 years old. However, given sufficient differences in fuel costs, new coal burning boiler capacity would be installed and existing oil fired units retired to standby or emergency services. It is important that sufficient oil and gas fuel be available to run these unconverted standby boilers when required by peak demand or emergency failures of the main coal fired unit.

The utility boilers will generally require sulfur scrubbers as well as precipitators or filters to eliminate particulates (smoke). Industrial boilers can often be designed around firing with low sulfur coal. Our limited supply of low sulfur coal must be carefully watched in regard to both boiler use and making coke for the metallurgical industries, for which no adequate substitute exists.

B. Environmental aspects of coal use (Dr. James Bradley)

1. Interim EPA policy, (page 68 of the national energy plan).—Support is recommended for the Administration policy of no new legislation pending EPA review of present policies allowing offsetting pollution tradeoffs on new installations.

2. Sulfur dioxide and particulate pollution.—Scrubbers and electrostatic precipitators should not reduce the effluent temperature in order to maintain buoyancy and hence dispersion of pollutants in the stack gases. The best available scrubber technology should be required and developed for use in all new installations

High stacks promote dispersion when they extend above the relevant local inversion, but this is not feasible for the deep inversions present in severe, prolonged air pollution incidents. Stacks below the inversion lead to morning fumigation problems and to high local concentrations of pollutants. Because of better scrubbers and taller stacks, power station use of coal is therefore preferable to an equivalent quantity consumed by many small scale users.

Since persistent, widespread adverse dispersal conditions and peak electricity loads both occur predominantly on hot summer days in the eastern half of the U.S., the government should have powers to require curtailment of loads in factories and air conditioned premises.

The use of scrubber residues for production of sulphuric dioxide and trioxide in the atmosphere is inadequately understood; removal is mostly by washout and by reaction with susceptible rock and metal. The catalytic effects of other particulate pollutants, such as metal oxides, are important but very variable because they come from other industries.

3. Radioactive pollutants from coal.—The committee does not have adequate data upon these pollutants; they include long lived uranium, thorium and their daughter nuclides such as radium and radon. Most radioactive isotopes will appear in either bottom ash or fly ash, depending upon the chemical form of their initial bonding, upon other impurities in the coal, and upon the combustion conditions. Entrapped radon will inevitably escape to the atmosphere because it is a noble gas.

Wide variations are expected, depending upon the nature and origin of the coal and the combustion equipment. The public health consequences may well be in the same order of magnitude as radiation exposure from the same amount of fission energy; neither is precisely known, but is not a serious threat.

4. Solid waste.—Ash is a major solid pollutant which is inherent in combustion of coal. Some ash can be used as inert filler in concrete or as sources of potassium or phosphorus. Most ash, as well as residues from stack scrubbers, has no use, and must be buried in land fills or mines.

5. Carbon dioxide.—Combustion of all fossil fuels (coal, oil or gas) releases carbon dioxide to the atmosphere. Although the carbon dioxide cycle is buffered by the oceans and their dissolved bicarbonates, atmospheric carbon dioxide has increased 10% during the industrial era. The warming which this causes may offset cooling trends due to recovery from the abnormally warm climate since 1900, from fluctuation in solar activity, and from cyclic changes in the earth's orbital parameters (the Milankovich hypothesis).

In order to yield reliable inferences about local climatic changes, existing computer General Circulation Models would have to be updated by a much higher usable spatial resolution (attainable by 50 year old finite elements methods and more recent techniques), extensive thinking about the statistical mechanics and irreversible thermodynamics, and possibly improved boundary conditions and forcing functions. Many of the group velocities and non-linear interactions in such models are now admitted to have the wrong order of magnitude and often the wrong sign. Computational expenditures should be held constant pending several years of the preliminary thinking.

6. Waste heat.—The siting of power plants in sparsely populated areas reduces the potential use of waste heat for industry and space heating. Its use for greenhouses to reduce the transportation of vegetables should be encouraged; many vegetable plants, however, respond to daylength rather than temperature. Present design nuclear power plants release more waste heat than coal burning units because of lower steam temperatures.

7. Water use.—Science and Public Affairs, April 1973, pp. 39–40 quotes the North Central Power Study of the Bureau of Reclamation and the Environmental Defense Fund as estimating detrimental water consumption for coal development in Montana and Wyoming. Agriculture should have priority for water use in semi-arid areas.

C. The future of nuclear power (Mr. G. Frank Cole)

The future of nuclear power can be summed up in a word—uncertain.

While the future is uncertain, the potential of nuclear power is very great. Using present light water reactors, it can meet an increasing share of our electrical needs. In fact, it is unlikely our energy needs can be met without nuclear power for electricity. For the longer term, the breeder reactor represents the ability to obtain about 60 times more energy from our uranium resources and would make uranium the largest energy resource we have.

Dr. Schlesinger has stated we must bring on line 300 more nuclear plants between now and the year 2000. While this is a substantial reduction from previous estimates of the requirements, it is a formidable amount of energy. It is not clear, however, if this goal can be met in the current climate. Since the middle of 1974 when the slowdown in building nuclear plants began, there have been only 21 new orders. In this same period of time 32 plants were cancelled and 150 deferred. The problem is not economic nor is it technical. It is the result of the current legal, political, and regulatory climate. Former Congressman Craig Hosmer recently remarked that since the Seabrook experience utility executives have been treating nuclear plant suppliers like Typhoid Mary.

Development of the breeder reactor unlocks an extremely important long term source. With the use of the breeder, already mined uranium would meet our energy needs for several hundred years. Indeed, the breeder may prove the only way to meet energy needs in the next century if fusion power turns out not to be practical, or if the expanded use of coal results in an unsatisfactory carbon dioxide buildup as some fear. Development of the breeder, however, is now a major uncertainty. President Carter has tied the Clinch River breeder demonstration plant to nuclear weapons proliferation and has taken the position it should be cancelled. If this occurs, the United States will have difficulty resuming development work on the breeder in the future. It is noted, however, that many other countries are proceeding to develop breeder reactors.

For the near term, Congressional action will be required to improve the legal, political and regulatory climate so that work on the 300 nuclear plants can proceed. It is essential that enough nuclear generating capacity be installed by 1990 so that oil/gas fueled combustion turbines are reserved for peaking power and emergency use only. It is desirable that enough nuclear generating capacity be available so that many present uses of oil or gas may be converted to electric energy.

For the longer term, Congress needs to deal with the nuclear proliferation problem and decide if the breeder reactor really affects it or not.

D. Nuclear safety (Mr. Daniel M. Sternberg)

Nuclear power plants are regulated in the design, construction and operations phases by the Nuclear Regulatory Commission (NRC). As an aside, the President's plans for the Department of Energy lets the NRC remain an independent body to avoid direct political interaction. The licensing and

standards arms of the NRC establish design criteria for plant siting and systems performance. The NEP's impact on this area (page 72, para. 3 and 4) can't have any near term impact on safety since the licensing activity at best starts 6 years before a plant provides power and the firm siting criteria to prohibit plants near population centers is probably redundant to similar criteria evolving within the NRC and the industry for related reasons. The Inspection and Enforcement arm of the NRC inspect plants from before construction, through construction and operation, and finally the decommissioning phase.

Typically there are 25 to 35 inspections at each plant each year, of which a significant number are unannounced. These inspections focus on ensuring compliance with the criteria established by the licensing and standards arm with the objective of protecting the health and safety of the public and workers. The NEP's impact on this function (page 72, para. 1) will provide for more frequent inspections and assign an inspector to each plant. In terms of overall improvement, this approach strengthens the claim that the nuclear industry is the most closely regulated one in the country today. No major change in the level of protection provided by the NRC is likely to result from these proposals. An additional requirement to make mandatory the reporting of certain minor mishaps and component failures is inculded in the NEP. Such reporting must indeed relate to minor items since nuclear power plants presently have a low threshhold for reporting.

Reference is made to the recent increase in the required number of guards and the training of these guards (page XXI, para. 3). The number of guards is a subjective requirement that is not realistically determinable by the analytical techniques used to analyze systems and accidents. It tends to become a debatable point since no one can deny the threat, but no once can really quantify it. Looked at in perspective, the increased number of guards may dissuade more potential terrorists than a lesser number, but the threat from terrorist action is probably no greater at a power plant than other types of lesser protected facilities such as stadiums, reservoirs, schools, etc.

The subject of radioactive waste disposal comes up quite frequently in discussions of nuclear power. The committee does not feel this is a particularly difficult or insurmountable problem. Today's technology can be classed as almost acceptable. Burial in geologically stable locations such as salt mines, will probably be accepted. However, time works in favor of us in this case. First of all, the amount of material to be disposed of decays away with time and secondly, the technology of disposal, like all techonologies solutions, may be altered and considered to have been an "interim" solution. (Reference: Bernard L. Cohen "The Disposal of Radioactive Wastes from Fission Reactors" Scientific American June 1977).

In summary, the NEP's impact on nuclear power safety is not a major redirection, but rather an upgrading. The potential improvement in the licensing process may or may not decrease the time to license and build a plant, but shouldn't result in any real degradation of nuclear safety. In general, the committee feels that safety of power plants can presently be considered as an acceptable risk when compared to the alternatives.

E. Mining coal and uranium (prepared by Dr. Ernest B. Cohen in default of imput from fifth committee member)

It is estimated that 90 percent of the global fossil fuel reserves are in the form of coal. It is also estimated that the energy content of the U235 isotope in our uranium deposits is about the same as our coal supply. If we utilize the U238 isotope (and also Thorium) in breeder reactors, the energy potential is about 100 times as great. The total energy available from coal and fissionable material is such that we can defer some of these decisions as to the ultimate exhaustion of these resources for many decades, unlike the problem of oil and natural gas supply. However, particularly in the case of coal there are different degrees of accessibility and different forms of the resources. High quality, low sulfur metallurgical coal for coking, is not as common as we would like. A large part of the American coal reserves are in low grade materials like the Montana/N. Dakota lignite beds and other low value deposits. Also we must recognize that only 10–20 percent of the coal reserves can be strip mined, if that much, and of this portion, not all of it should be strip mined because of the environmental consequences. There are also significant quantities of thin seams and other deposits which would only be mined under conditions of extreme scarcity. Where practical, strip mining output can be expanded quickly because it utilizes general available construction equipment, such as bulldozers and draglines. Deep mining involves very special technology. The latest advances in deep mine equipment are the so called long wall coal cutting machines which are largely of European development. At present, the long wall machines account for only about 10 percent of American deep mining coal production. A major advantage of long wall coal technology, where it can be used, is that you can get 100 percent coal recovery. This involves having the mine collapse behind the machinery as the coal is removed. Whereas with the prior American automated technology, the short wall cutting machines, approximately one-half the coal is left behind to support the roof in the room and pillar layout.

The biggest technical problem with deep-mining costs is hauling coal from the working face rather than cutting of coal at the face. Many mines have underground tunnels which extend up to 5 or more miles from the shaft. Labor productivity, measured in tons per man day, has been decreasing in American mines, both deep and surface. I do not know what can be done to reverse this trend, but it appears that future research in mining technology and mechanization might be helpful.

There is a high investment in the opening of new coal mines and it requires considerable time to bring a new mine into full production. This is inherent in the nature of a well operated mine, in that the haulage tunnels are first driven to the extreme distance in which coal will be mined, then the coal is removed from the back of the mine towards the shaft. In the Appalachians and certain other areas, strip mining would cause severe erosion and should not be practiced. In flat or gently rolling terrains, strip mining can be economical and the surface can be restored as good or better than before the coal was removed, at reasonable cost. Of course strip mining is not useful for coal seams below some moderate depth because of the cost involved in removing and replacing the overburden.

All in all, mining is a dirty operation. It breeds a host of mine communities which are left without economic support when the mines are exhausted. We have seen this primarily in the Appalachian coal fields, but there are also western ghost towns left behind by exhausted ore bodies. About all we can say is that the minimum amount of coal usage that we can get by with is the best. Uranium mining has many of the same properties in terms of economics and the environment. If we can restrict our uranium requirements to what can be supplied by the few rich deposits, the environmental damage will not be too bad. If we have to mine the granite beds of the Appalachian mountains (which contain energy and uranium equivalent to coal streams) we will scar a large portion of the countryside forever. This is one justification for developing breeder reactor technology. Relative to the deaths associated with mining coal or uranium, little difference exists between the two. The same can be said for damage to the environment.

SECTION III—SPECIFIC CRITIQUES OF NATIONAL ENERGY PLAN

A. President Carter has stated that the licensing time for nuclear plants must be reduced. There is nothing in the plan which states how this will be done. It is very important that Congress take action to improve the legal, political and regulatory climate so the needed nuclear plants can proceed.

B. Coal fired power plants have a lead time of 7 to 8 years and nuclear plants from 10 to 12 years. With these long lead times, advance planning is needed. If poor planning results in inadequate generating capacity, oil fired gas turbines would have to be used to fill the gap. To prevent future use of oil on an "emergency" basis to avoid electricity shortages, action is needed to cut through the red tape on the lead time for building nuclear power plants. The special coal fields of Eastern Pennsylvania and New England are anthracite which is not particularly good for firing in modern pulverized boilers. However, it may be good feed stock for production of substitute natural gas (SNG). As this resource is almost solely in the Pocono fields and in the Massachusetts/Rhode Island coal fields, it is of great concern to the Northeastern states.

C. With the proposed Portsmouth, Ohio enrichment facility, nuclear fuel supplies will be adequate for the short term. The matter of providing sufficient uranium enrichment facilities depends upon the reactor types in use. This is not covered in the NEP.

D. The National Energy Plan does not mention agriculture use. American agriculture with its high productivity requires high resource use (energy) for operating machinery, fertilizer production, transportation, and other directly associated purposes. The agriculture sphere must be added into the National Energy Plan, probably in the next revision.

E. The impact of the energy plan as discussed in Chapter IX does not show a very large effect of the plan to the year 1985. The overall difference in energy use patterns is dropping petroleum from 46 percent to 39 percent of the national energy supply and increasing coal from 22 percent to 28 percent. The plan forecasts significant growth in industrial use of oil (from 3.2 to 4.0 million barrels per day) in spite of an even larger swing to coal (from 1.9 to 5.0 million barrels per day oil equivalent).

F. The transportation sector remains as oil dependent as before with minimal impact of conservation measures. Oil usage in transportation is forecast to increase from 9.2 to 10.2 millions of barrels per day. The next revision of the National Energy Plan will have to reduce oil usage in transportation. This implies development of electrified transportation. This implies development of electrified transportation systems, primarily electric rail with some supplemental trolley bus service for passenger transportation. Perhaps we should also include a small scale introduction of that old technology device, the battery powered electric vehicle, for local delivery service.

SECTION IV—RECOMMENDATIONS FOR VOTE

A. This committee recommends that you vote for the National Energy policy in almost any form that it takes after Congressional amendment, unless it is completely emasculated. Deficiencies in the program will have to be corrected by subsequent legislation over the next several years.

B. Recommended changes in the National Energy Plan:

1. The provision calling for taxes and fees on the use of natural gas and petroleum products in industrial boilers and utilities should be initiated immediately with passage of the act; although the fees should be nominal in 1977 and 1978 and rising gradually to their final value by 1985. If fees are not initiated now, there will be no serious expectation in the business community that these fees will ever be imposed. As an additional benefit, there are many industrial or utility operations in which multiple fuels can be used or one fuel can be substituted from another by choosing which unit to operate at a given time. In such cases, an immediate application of oil and gas surtax will shift usage away from the gas resources.

2. Funding for expansion of electric transportation is desperately needed. Highway fuel taxes appear to be the best source for obtaining these funds. A figure of 5 cents/gallon would be about right.

3. The Department of Energy should be required to define a program of industrial energy conservation. The greatest increase in energy use forecast under NEP is in the industrial sector.

4. The National Energy Plan involves social factors as much as technical and economic factors. We should initiate basic research on such social phenomena as the dynamics of changing technology and the effects of centralized energy systems on labor organization.

ON THE DEATH OF PRESIDENT MAKARIOS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. FLORIO. Mr. Speaker, it is with deep mourning that we observe the sudden passing of Archbishop Makarios, the spiritual and secular head of the Cypriot nation. His loss will be deeply felt in the councils of world government, in the hearts of his countrymen, and in the minds of all those who value the virtues of honor and self-respect that he so admirably demonstrated before the world.

The son of a poor Cypriot shepherd, Archbishop Makarios had a humble beginning. And yet, in later years, as the singularly influential leader in Cypriot religious and political life, he remained one with his people. This was truly his most memorable quality, and was demonstrated by the unending love and respect shown toward him by his fellow Greek Cypriots and Greek people throughout the world.

It is certain that the tragedies that have been inflicted upon his island nation extracted a heavy toll on President Makarios. The Turkish invasion of Cyprus 3 years ago severely disrupted the nation's steady progress toward full modernization, as well as inflicting great suffering on the Greek Cypriot people. It is hoped that the people and future leaders of Cyprus will be able to build on the firm commitment that President Makarios made toward finding an ultimate solution to the nation's present political problems. The passing of Archbishop Makarios, however, will assuredly make a peaceful settlement more elusive, and for that reason alone all nations and people committed to justice and freedom will mark his passing with great sorrow.

CLIMATE RESEARCH: WE'VE GOTTEN ON WITH THE JOB

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. BROWN of California. Mr. Speaker, as we look forward to House deliberation on the National Climate Program Act of 1977, I would like to note for the RECORD the wide support in the scientific community for the kind of national climate program envisioned in H.R. 6669, a program with a central focus but with diverse and multidisciplinary participation. This aspect is particularly brought to mind by a letter in Science magazine by Dr. John Laurmann, a Californian with whom our office has been in touch again this spring.

Dr. Laurmann's thoughtful letter is illustrative, perhaps more than even he was aware, of the kind of reasoned communication which the House Science and Technology Committee—and the Commerce, Transportation, and Science Committee in the Senate—has received, both in hearing testimony and in letters to Members offices. As Dr. Laurmann states, and many others have also stated in similar words, "understanding climatic change is a truly massive task; social responsibility dictates that we get on with the job diligently and expeditiously."

Mr. Speaker, I am very much encouraged by increased recent activity in the Senate on legislation not dissimilar to H.R. 6669. In 6 intensive days of hearings this June and July, Senator STEVENSON's Subcommittee on Science, Technology, and Space has telescoped very well the thorough exploration of the need and nature of a National Climate Program which we began in the House Science and Technology Committee with hearings in May 1976. I am sure our colleagues in the Senate would agree that the thoughtful urging of scientists like Dr. Laurmann and innumerable of his colleagues has helped us formulate H.R. 6669. We have striven to create the legislative charter for a truly national climate program, one which will achieve a diverse but coherent program of Federal agency and outside efforts in climate research and monitoring.

Dr. Laurmann's early letter to Science, published last Mar. 12, 1976, might be judged a minor benchpoint of our progress toward a national climate program:

CLIMATE RESEARCH

Among the host of warnings of environmental degradation now facing the public is the claim that disaster is in store if mankind fails to realize that his well-being depends on a stable global climate and that climatic change, either natural or man-made, is a real threat which must be attended to today.

As is true in the case of many environmental advocacy causes, some claims are gross exaggerations, thereby lending less credibility to the remainder. In addition, due in large measure to the degree of ignorance regarding the fundamentals of the nature of climatic variability and change, disagreements among climate experts concerning the plausibility of possible traumatic effects of climatic change have caused confusion on the part of the lay-public and within government circles, making it difficult to assess the true state of affairs.

However, these circumstances are hardly sufficient to account for the lack of federal funding of climate research in response, not just to the clamor of the doomsday prophets, but also to a series of highly authoritative and respectable reports,[1] all of which have reiterated the need for a major increase in climate research activities. No doubt the demise last spring of the National Climate Program[2] can in part be ascribed to the nation's economic difficulties, but there is another more trenchant cause for the problem, specifically a failure to demonstrate to funders of such research the practical benefits that can result within a time frame of relevance to their mandate. For example, at its most ambitious, climate research would generate untold benefits if it could lead to a predictive capability; at present, however, this is more a hope than an expectation. Research funding with such an objective would be long-term, high-risk, and have a high payoff. A conservative program would emphasize the collection and analysis of more data on climate the world over. Such knowledge would be of interest to planners in climate-sensitive sectors of the economy, for example, in determining the magnitude of buffer stocks of food. This type of research is easy to justify in terms of short-term goals but has attracted little attention from the research community, presumably because of its relatively mundane scientific content. Finally, there remains the very real possibility of an eventual man-made disturbance of the world's climate through any one of a variety of mechanisms, most of which were reviewed in the Study of Man's Impact on Climate report.[3] The Climatic Impact Assessment Program,[4] based on one such possibility, was in fact funded but ended without gaining the advances needed to predict the climatic consequences of a reduced ozone layer—its stated objective. Other man-induced impacts have been judged potentially serious, but far off, and thus those investigating them have not been able to compete for restricted research funds.

Within the last few months, new information has come to light: there is now a demonstrable case of a man-made global climatic change whose magnitude depends on planning decisions made today but which cannot be quantitatively assessed because of our ignorance of the dynamics of the climate system. The increase in global atmospheric carbon dioxide since the start of this century is well documented and the first-order climatic response well known (the "greenhouse" effect). Best estimates suggest an increase in global mean temperature of perhaps 2°C, with a doubling of ambient CO_2 levels above their preindustrial value,[5] but reliable estimates are far from possible at present, due, not only to a lack of understanding of atmospheric dynamics, but to a wide variety of feedback mechanisms within the climate system that need to be investigated and taken into account. The latter, it should be pointed out, can result in diminution *or* enhancement of the climatic response.[6] Projections have also been made of expected levels of atmospheric CO_2 by extrapolation of present-day trends of industrial generations. The recent report by Broecker[7] estimates a 50 percent increase by the year 2020, a figure that agrees with that used by Hafele and Sassin in an important new study[8] made for the Interna-

national Institute for Applied Systems Analysis (IIASA).

They assume a fully fossil-fuel energy production system for the world well into the next century (that is, insignificant nuclear or other forms of energy production) and report a date of 2035 for a doubling of the ambient CO_2 level. They also assume a 3 percent energy growth rate for the world with an ultimate leveling off at 5 kilowatts per capita using 1974 U.N. population projection figures. The crucial new consideration introduced in the IIASA study is the juxtaposition of this fact with an assessment of our ability to massively deploy a new energy production technology. It points out that the "market penetration time" (that is, the time for a new energy production system to gain a 50 percent share of the total market, starting from a 1 percent level) is 60 years in the case of the United States and longer for the rest of the world. Moreover, this number appears to be an indigenous property of the economic forces that drive the market system and is difficult, if not impossible, to reduce materially. Thus, it so happens that the market penetration time just matches our current best estimate of the CO_2 doubling time, and if planning decisions for avoidance of possible CO_2 climatic impacts are to be effective, the time to make them appears to be now.

If the nation's energy planners take their public charge seriously, it is evident from these fundamental considerations that they should be pressing for assured predictions of the climatic consequences of their decisions on energy production deployment, as error could be disastrous. Understanding climatic change is a truly massive task; social responsibility dictates that we get on with the job diligently and expeditiously.

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[2] Environmental Resources Committee, Subcommittee on Climate Change, A United States Climate Program (Domestic Council, Washington, D.C., 1974).

[3] Inadvertent Climate Modification: Report of the Study of Man's Impact on Climate (MIT Press, Cambridge, Mass., 1971).

[4] A. J. Grobecker, S. C. Coroniti, R. H. Cannon, Jr., The Effects of Stratospheric Pollution by Aircraft Report of Findings(National Technical Information Service, Springfield, Va., 1974).

[5] S. H. Schneider and R. D. Dennett, Ambio 4, 65 (1975).

[6] There are, of course, other possible man-made as well as natural causes of climatic change. Particulates from industrialization have until recently been thought to reduce global temperature. This is no longer believed to be necessarily the case [see S. H. Schneider and C Mass, Science 190, 741 (1975)]

[7] W. S. Broecker, ibid. 189, 460 (1975). Brocker also makes estimates of global temperature response allowing for projected natural climate change, an important consideration in predicting increased global temperatures.

[8] W. Hafele and W. Sassin, "Energy strategies", paper presented at the European Physical Society Annual Meeting, Bucharest, 1975.

CUBAN TERRORISM AND THE STATE DEPARTMENT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. McDONALD. Mr. Speaker, on the same day that Fidel Castro's FALN terrorists slaughtered an innocent American citizen on the streets of New York, the U.S. Department of State revealed that it is supplying the Cuban Communist dictatorship with information about its political enemies.

According to a statement by John Trattner to United Press International, published in the Washington Post of August 4, 1977, "I can confirm that we have exchanged information with the Cuban Government on possible terrorist acts." The UPI linked this statement with an allegation that the U.S. Government had provided information to the Castro regime about a planned commando attack on the Cuban military by an exile group. According to UPI, the group abandoned its plans when it learned that the Castro forces had been alerted by the U.S. Government.

When the State Department advised my office that no further information would be made available on information exchanges with the Castro regime, they were asked whether the Cuban Communists had provided our Government with information on the terrorist groups trained and supported by Cuba now operating in the United States. The State Department not only would not answer the question, but asked, "Do you mean those trained years ago?" We answered, that we were referring to such groups as the FALN which committed a murder in New York yesterday and has publicly thanked Fidel Castro for his support; the Weather Underground Organization—WUO—most of whose members were trained in Cuba and which is currently engaged in terrorist acts in this country.

We called the State Department spokesman's attention to the activities of Julian Torres Rizo, a high ranking official of Castro's DGI secret police whose diplomatic cover at the Cuban U.N. Mission is first secretary. Rizo is the liaison with the Weather Underground and the FALN terrorists.

Terrorism is a violent attack on unarmed civilians, not an attack on enemy military formations or installations. The example given by UPI of information given by the U.S. State Department to the Castro dictatorship did not relate to terrorism, but to a legitimate military action by Cuban exiles against the oppressive Communist military.

I have instructed my staff to investigate this situation. I want to know what kind of information was given to Castro's repressive dictatorship about its enemies, and whether this information related only to terrorism. I want to know further whether the Cuban Communists have provided any information that would help the United States prevent terrorist acts or apprehend the terrorists trained and supported by the Castro regime or its Soviet mentors.

ARCHBISHOP MAKARIOS

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. MOAKLEY. Mr. Speaker, I was deeply saddened to hear of the death of Archbishop Makarios on the morning of Aug. 3, 1977. As president of Cyprus, the Archbishop was a leader who untiringly dedicated his life to the advancement of his fellow countrymen. His profound faith transcended national borders and touched the hearts of many throughout the world. Archbishop Makarios was a man of enduring spirit in the face of political turmoil and social unrest. He will long linger in our memories as one of the greatest political and spiritual leaders of our time. His leadership will be sorely missed in Cyprus; his inspiration will be long remembered throughout the world.

This revered leader had the humblest of beginnings in western Cyprus. He was born Michael Mouskos in August of 1913. This son of a poor village shepard was sent to the ancient monastery of Kykko in hopes of becoming a novice monk. Here, the archbishop received his first formal education. He continued his education in Greece.

His pursuit of knowledge then brought him to the United States where he studied theology at Boston University. Later, he rose quickly through the hierarchy of the church and was elected archbishop in 1950. A striking figure recognized and respected worldwide, the archbishop reflected the unifying force of faith.

His political career, like his spiritual life, was marked by earnest striving for the highest of ideals The archbishop was actively involved in Cyprus' movement toward independence from British colonial rule. In 1960, Makarios became President of Cyprus when the dream of the island's independence was realized. The ascetic Makarios was to become the greatest political figure in the island's history. He was an immensely popular ruler, beloved by his fellow Greek Cypriots. In a tenuous political environment, the archbishop was a figure of endurance. Makarios was still serving as president of Cyprus at the time of his death.

I had the good fortune to befriend the archbishop during his visits to the United States. He was such a vibrant man. I was genuinely moved by his great sensitivity and profound faith. An incident which epitomized his great humanity, faith, and leadership came on the occasion of the archbishop's unfortunate first heart attack, which occurred a mere 4 months ago on Palm Sunday. Despite the pain in his body, the archbishop continued to participate in the Palm Sunday services. That very next day, this determined man conducted the affairs of state from his bedside

The life of Archbishop Makarios should be an example to us all to strive toward the fullest service to one's fellow man and God. The Archbishop Makarios

has his place in history secured; his place in our hearts forever. We will all pray for him.

THE GLOBAL RESPONSE TO NATURAL DISASTERS

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. WHALEN. Mr. Speaker, this morning a distinguished panel, headed by former Secretary of Agriculture Orville Freeman, presented a comprehensive report on the international disaster relief system and steps which could be taken to correct what is often a tragically inadequate approach to human suffering.

The report, entitled Acts of Nature, Acts of Man: The Global Response to Natural Disasters, was the result of a year-long study sponsored by the United Nations Association. Participants included many outstanding public officials, scholars, and civil leaders such as George W. Ball, Lester Brown, George D. Woods, Glen Watts, David A. Morse, and HUBERT H. HUMPHREY.

The recommendations in the report address one of the broadest aspects of human rights, the right to survival. Drought, crop failure, and the resultant food shortages in countries such as Ethiopia, Ghana, and Haiti too often serve as examples of the politicization of disaster. Sovereign states often refuse to admit the existence of slow-developing disasters, such as famine or epidemics. However, if developing nations were to become part of a program of satellite surveillance and had access to a central computer information system, with members of the international community standing by when aid would be most effective, many of these catastrophes could be avoided.

When a major natural disaster such as an earthquake, tornado, or flood occurs, international relief is often quick to arrive. But the effectiveness of that relief depends largely upon the preparedness of the affected government. Thus, a relief operation often takes on a life of its own, without any real planning or forethought.

The study recommends four major steps to improve, coordinate, and depoliticize international disaster relief. They are: (1) Creation of a disaster early warning unit in the Office of the United Nations Secretary-General; (2) provision of legal protection to victims of natural disasters through neutral international agencies such as the Red Cross and the United Nations Disaster Relief Office. (Such an approach would be comparable to existing contacts with prisoners and refugees); (3) conclusion of international agreements specifying the obligations of governments to disaster victims; (4) creation of a special United Nations fund, administered by the United Nations Development Program, for disaster preparedness programs in the developing countries.

There can be little doubt that implementation of these aforementioned steps could contribute significantly to our efforts to deliver disaster relief when and where it is most needed. Since 1972, we have spent over $1 billion on international disaster relief, often ineffectively. The U.N. is a logical instrument to coordinate activities of international relief agences without becoming involved in confrontations regarding national sovereignty.

The United Nations Association is delivering copies of the report to all Members of Congress. I highly recommend it to my colleagues.

COMMISSIONER OF EDUCATION BOYER INTERVIEWED

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. BRADEMAS. Mr. Speaker, the distinguished U.S. Commissioner of Education, Ernest L. Boyer, has brought to the Office of Education a new sense of commitment to equal educational opportunity and quality education. In his brief tenure, Dr. Boyer has reactivated the Office of Education as a source of leadership in American education and has made strides to enhance the efficiency and effectiveness of the Office. In a recent interview published by U.S. News & World Report, Commissioner Boyer articulated some of his objectives for the appropriate Federal role in education.

Mr. Speaker, I insert the interview at this point in the RECORD:

A DRIVE FOR BETTER SCHOOLS—WHAT THE GOVERNMENT PLANS

Q. Commissioner Boyer, what is the Carter Administration going to do to improve the nation's schools and colleges?

A. First, it's important to remember that American education is and must remain basically a State and local responsibility. At the same time, we're going to take major initiatives in those areas where the Federal Government legitimately should be involved.

For example, equal access to education is absolutely crucial. Economic and racial barriers must be removed, and we're determined to help the bypassed—the handicapped, poor, minorities, women—to get into the nation's schools and colleges, and the professional schools as well.

We'll also be looking for ways to help the middle-income families who are so pinched when their children go to college because of the high tuition costs.

Q. What about changes in the schools themselves?

A. We're committed to quality as well. I'm convinced it's time to emphasize fundamental skills like reading, writing and arithmetic. I don't suggest that these subjects are ends in themselves—but without these basic tools, it's just impossible for students to be fully educated in literature, science and the arts.

We'll also be proposing some new directions for our schools. For example, the home is the first school, and parents should be helped in their role as teachers. Possibly, schools should offer week-end classes for the parents of young children. At the high-school level, I'm convinced we need more alternatives for students. I'd like to see classroom instruction combined with life experience for most students—working in city parks, for example, or in job apprenticeships. And I believe many of our schools could become community-service centers—places where many services such as health care and counseling programs for the elderly could be offered. After all, the school is a facility within easy reach of everyone.

Finally, we'll be looking at the way our schools are financed. States must be helped in their efforts to spread the costs and benefits of education more equitably across the population.

Q. Does this mean taxing rich school districts to help support poor ones?

A. Property taxes in many districts are strained to the breaking point. The present financing system results in great unevenness by allowing one district to raise more money with a lower tax rate than its neighbors down the road. Court rulings—even common sense—say that we cannot live with such inequities and still deliver on our commitment of equal access to good schools.

Q. What is the Federal Government doing about this?

A. We have a small grant program now that provides State education departments monies to develop plans to equalize financing within their States. I am proposing that we give much more attention to this national problem—that we encourage all States to develop such plans and to swap ideas about equal financing alternatives. Clearly, there must be equity in school financing if we are to protect and increase the quality of our schools.

Q. Is the quality of education declining?

A. If you limit quality to what we now measure on standarized tests, the answer is "Yes." But some of the most important goals of education are not measured by these tests: an understanding of contemporary affairs, an appreciation of the arts, a sense of personal worth, an awareness of future alternatives.

I meet students of all ages, and often I find them most impressive—informed, concerned and wise beyond their years. But in the basic language skills and in the more traditional fields, students are not performing quite as well in tests as they used to, and here we have some catching up to do.

Q. What can you do about this problem?

A. In the Office of Education, we have a dozen or more separate programs which relate in one way or another to the teaching of the basic skills. I plan to bring all of these together to focus our activity and to promote those programs which are working the best. Not surprisingly, the most successful programs have clear goals and set high standards for student performance.

Q. Why hasn't more of this been done already?

A. One reason may be that many "skills teachers"—who might have a splendid major in English literature—let's say—are not well trained to teach the fundamentals.

To combat this problem, I suggest we organize a network of basic-skills clinics all over the country. These clinics, which might meet at schools rather than on college campuses, would bring together school and college teachers to focus on the most effective ways to teach students to read and write. I believe that if the schools and higher-education institutions begin to work together on this problem, great progress can be made.

Q. Commissioner Boyer, is there any way to hold down soaring costs in schools and colleges?

A. First, let me say that many schools and colleges have in fact held down costs.

I came to Washington from the State University of New York, and I know that in recent years our budget increases did not begin to keep pace with inflation, although enrollments grew. Faculty vacancies were not filled, library books went unpurchased, and maintenance was deferred. This same

story can be repeated a thousand times by other colleges and school districts all across the nation. It's just not reasonable to expect education to live with no-growth budgets while everything else is going up.

Q. Yet costs of schools and colleges keep rising rapidly, even though enrollments are falling in many places. Why is that?

A. First, education involves people. About 75 to 85 per cent of school and college budgets are tied to salaries and benefits. If school costs covered only machinery or buildings, we could switch them off or bolt them up. But it's neither legally nor morally right to dismiss people arbitrarily when enrollments shift. Staffing changes must be made in a legal and humane way.

Further, the drop in enrollment doesn't mean that an entire class fails to show up and a teacher can be dropped. Rather, it usually means that there are fewer students in a given class—which is quite a different matter. The teacher is still needed.

Also, it's important to remember that the schools are still being asked to take on additional programs, such as the education of handicapped children. Schools need more money to do these jobs.

Actually, now that school enrollments are beginning to level off, I believe we have a great opportunity to focus not on growth but quality. Schools can be more selective in hiring new teachers and requiring top performance. With smaller classes, the teachers can be given more time to work with individual students. I'd like to see us talking a lot more about excellence in education—not just about cutting back.

Q. Will growing financial problems in the public schools lead to more federal aid?

A. Not substantially. The Office of Education's budget now totals about 9 billion dollars a year. That's about 8 per cent of the nation's education expenditures. This figure may increase marginally, because we are taking on some major new social responsibilities mandated by Congress—such as educating all the handicapped. But I don't see the federal education budget going up dramatically in the immediate future.

Q. How much will the new regulations on the handicapped cost the nation's schools and colleges?

A. We don't have a firm estimate on the total cost. The reason the answer is so elusive is that we have not yet defined with full precision what is meant by "handicapped." The term "learning disabilities," for instance, could involve many students who have performed poorly in school. Also, the changes in facilities needed to accommodate all handicapped students are just now being calculated.

Q. Commissioner Boyer, is the Carter Administration going to require more busing?

A. The Administration will enforce the law. Busing remains a necessary and useful alternative that's constitutionally endorsed through judicial decisions.

Of course, busing is not an end in itself. The real goal is good schools: quality education for all of our children.

Q. Are there any districts where busing has improved the quality of education for blacks or whites?

A. Yes. Busing has been successfully used not only to desegregate but also to promote quality. More children are getting a better start in the educational world. But some experimental programs are also being introduced, such as "magnet" schools. These institutions provide high-powered courses to attract students of different races to the same school voluntarily.

A large part of the Office of Education's effort in desegregation is the drive to achieve quality for all students, black and white.

Q. What has happened to White House plans for a Cabinet-level Department of Education?

A. We're still examining the idea, and there are good arguments on both sides.

A Department of Education would give greater visibility to education and a new sense of priority, as some have argued. But I don't believe it would necessarily mean better administration or more money. My job, within the present structure, is to see to it that the Office of Education is well managed, that paper work is reduced and that the schools are well funded.

What matters most, of course, is not our structure but our vision. Education is central to the progress of this nation. We must have schools and colleges where students not only learn about the past but are also well prepared to live successfully and joyfully in the future, too.

DONALD R. LARRABEE

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. COHEN. Mr. Speaker, Donald R. Larrabee has for years been the eyes and ears of the people of Maine in Washington. Don Larrabee has covered the Capital for Maine newspapers since 1947. He has seen many Senators and Congressmen come and go, but he has always remained a fair and impartial observer of the events in this town that affect the State of Maine.

Today, Maine newspapers reported that Don is taking a leave of absence from his news bureau, which serves 26 newspapers throughout the country, to undertake a new project to serve Maine. Don has accepted Gov. James Longley's invitation to head a new State of Maine office in Washington which will encourage economic development in our State. I am very pleased to be able to welcome him now to the ranks of those of us who serve the State of Maine in Washington in a more official capacity. I am sure that all my colleagues who have come to know and respect Don Larrabee over the years will join me in wishing him well in his new venture.

The following is a news story from today's Bangor Daily News about Don Larrabee and his new undertaking:

NEWSMAN TO PROMOTE INDUSTRY FOR STATE

(By David Platt)

WASHINGTON.—The Bangor Daily News' Washington correspondent, Donald Larrabee, said Wednesday that he was leaving the news business to become Gov. James B. Longley's Washington representative. The governor's office announced Larrabee's new job Wednesday afternoon.

Larrabee, 54, has covered the capital for the NEWS since 1947, a year after he became associated with what is now known as the Griffin-Larrabee News Bureau.

He will start work for the state Sept. 1.

Larrabee's responsibilities, he said Wednesday, will be in the economic development area.

"I'll go after some industries wanting to relocate to an area like Maine with a solid labor supply," he said.

Larrabee said he and Long agreed there were many potential non-polluting industries that might be lured to Maine, and that a Washington-based recruiting effort would make sense.

As for his relationship with Longley, whose dealings with the press occasionally have been stormy, Larrabee said, "We've always had good conversations and interviews, and I think his objective, like that of previous governors, is sound."

Except for its congressional delegation, Maine has not had a Washington representative since shortly after Longely took office.

The last representative was William Ellis, who worked for former Gov. Kenneth Curtis. Longley closed the Washington office as an economy move three years ago.

Larrabee said Wednesday that the new Washington office, which will have a budget of $28,500 for its first six months, would concentrate in the industrial development area, instead of working on projects and grants as the former office did.

Larrabee said he would retain ownership of his news service while taking a six-month leave of absence. He will work for the state on a contract basis. The state will hire Larabee's new company, New England Development Associates, to represent it in Washington.

The news service will be managed by Knight Kiplinger, a veteran newsman who is the son of Austin Kiplinger, publisher of Changing Times.

"I would not be an appointee of the governor," Larrabee wrote in a letter to his 25 newspaper clients, "but rather, an independent contractor with freedom to take on other clients where there is no conflict."

He added Wednesday that he would be "free to suggest things" to the Longley administration.

As for leaving news reporting, Larrabee said Wednesday that he had been growing increasingly restless during the last two years.

"I wrote the story when the Air Force first started talking about opening a base at Loring," he recalled. "When they started talking about closing the place down, I thought it might be about time for a change."

One problem with covering Washington, Larrabee said, is that a reporter must do the same story many times.

"I've nursed along several generations of congressmen now," he said.

Larrabee's four-man bureau in Washington provides localized stories to 26 newspapers in 12 states, primarily in the Northeast. Larrabee said that his is the only such service in Washington, having survived the last 30 years of newspaper mergers and acquisitions.

The large chains have their own reporters in Washington, he said, making a service like his less marketable than it was when more dailies were locally owned.

Larrabee is a native of Portland, a graduate of Deering High School and Syracuse University. In 1973, he was president of the National Press Club. He is a former president of the State of Maine Society in Washington.

REGARDING THE DEATH OF ARCHBISHOP MAKARIOS

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. ZABLOCKI. Mr. Speaker, it was with profound sadness that we learned of the death of Archbishop Makarios yesterday.

As one of the prominent political figures notwithstanding the relative smallness of his country, his passing leaves another gap on the world's political scene. His loss will be especially felt in Cyprus by the people who elected him overwhelmingly as their first President upon the independence of Cyprus. Their loss is heightened by the unfortunate circumstances which prevail on Cyprus

today, as the search continues for a peaceful settlement to the tragic state of affairs on that island, precipitated by the coup against Archbishop Makarios led by Greek Cypriot army officers in 1974 and the resulting Turkish intervention.

Archbishop Makarios was a strong leader of his people and commanded their near total respect and loyalty. He returned that loyalty and service in kind, as his people so well knew. So great was his preeminence among his own people that he had no genuine challenges to his position of leadership.

There could be no greater tribute or memorial to this true son of Cyprus than to achieve a peaceful settlement of the Cyprus dispute. It is my profound hope that the Cyprus stalemate will soon be ended. It is a great tragedy that Archbishop Makarios did not live to see that day.

IS BERT LANCE THE BENEFICIARY OF A DOUBLE STANDARD?

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. DRINAN. Mr. Speaker, an editorial in today's Boston Herald American raises a pertinent question about Budget Director Bert Lance. "Why," the Herald asks, "should Bert Lance be allowed to duck questions about personal financial affairs while others are asked to answer forthrightly and in good faith?"

Why, indeed? Why should there be a double standard which allows Mr. Lance to escape serious questioning at the same time other executive branch appointees are subjected to the most rigorous scrutiny?

Does the fact that Mr. Lance now has control over the Nation's purse-strings explain the reluctance in the Congress to investigate his financial transactions?

Fortunately the press has kept the matter of Bert Lance before the public, as the Herald did in the editorial I would like to share with my colleagues. I hope, Mr. Speaker, that all Democrats in the Congress will realize that serious questions have not been answered concerning Mr. Lance, and that these questions must not be dismissed merely because a Democratic administration is now in power.

I commend the Boston Herald American for their diligence in pursuing this matter:

BUDGET DIRECTOR LANCE

Why should Bert Lance be the exception to President Carter's intensely preached sermons about avoiding conflicts of interest? Why should Bert Lance be allowed to duck questions about personal financial affairs while others are asked to answer forthrightly and in good faith?

It's too soon to knock Lance for any illegalities, for none has been proved. It's high time to aim a few knocks, however, at those United States Senators, Connecticut's Abraham Ribicoff among them, who have been treating the head of the nation's Office of Management and Budget as if he had some special immunity to the rules laid down for the rest of the Carter Administration.

When Senator Humphrey asked Lance about interest rates, Lance replied, "I've been told I shouldn't talk about interest rates." He didn't say why, but he did admit he was in an "unusual position."

It is "unusual" indeed, made so by Lance's lack of candor, made so by the quashing of a federal investigation of Lance's banking operations just before he joined the Administration, made so by the timing of a Teamster union deposit of $18 million in a Lance bank.

Despite all this, the Senate gave Lance that ridiculous "Good Housekeeping Seal of Approval." Despite all this, Senator Ribicoff, for reasons best known to himself, blamed the press: "You have been smeared from one end of the country to the other."

So far as anyone knows, nothing illegal has taken place. The question nags, however, as to why Bert Lance should be the exception to Mr. Carter's declared rule of conduct, which in the President's words means all appointees should be "unfettered by any actual or apparent conflicts of interest."

ARCHIE DICKRANIAN BENEFACTOR—GREAT AMERICAN

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. DANIELSON. Mr. Speaker, the high recognition of Archie (Arshag) Dickranian, philanthropist and community leader of Beverly Hills, Calif., is eminently deserved. His whole life has been dedicated to the betterment of the conditions of all mankind, with special concern for both the spiritual and physical needs of the less fortunate.

Born in Izmit, Turkey, on January 26, 1905, the son of Mihrtad and Elmona Dickranian, he moved to Constantinople with his parents as a result of the pogrom of Armenians by the Turkish Government beginning in 1915. Later, he came to America to begin his life anew.

Coming to California, he married Eleanor Zakarian of Selma, Calif. in 1932. Archie and Eleanor are the proud and loving parents of two daughters, Cynthia and Laurel, both of whom are now married and living in the Los Angeles area.

Archie Dickranian has always been a super-achiever. Starting at the bottom, he has moved on to outstanding success as a businessman by reason of his own efforts and intelligence, always aided by the love and loyalty of his Eleanor.

But Archie did not keep his success to himself. Deeply religious, humane and understanding, he has spared no effort to help those in need and to spread and preserve the love of God, to further education and culture and to do all sorts of wondrous things for mankind throughout the world.

Among his many benefactions, but by no means all of them, here are a few which impress me as being outstanding:

He has endowed a 3-story building to the Karen Jeppe College of Aleppo, Syria in the name of his mother, Elmona; and has made a large donation to the building of the Mihrtad Dickranian Hall of Ferrahian High School, Los Angeles, in honor of his father;

He has assisted in endowing the chairs for Armenian studies at Harvard University and at the University of California at Los Angeles;

He has contributed generously to many churches and schools in the Los Angeles area, is a founder of the Armenian Symphonic Music Association, and has contributed $100,000 to the development of the Armenian General Benevolent Union's new Armenian Cultural Center in Los Angeles.

He also contributed to the expenses of the theological seminary and the Cathedral of Antelias for which he was honored with an encyclical from the Catholics of the See of Cilicia. The auditorium of the Harach School of Anjar, Lebanon, was named for him.

To the Matendadaran of Ancient Manuscripts of Yerevan, he has donated three precious hand-illustrated vellum manuscripts dating from the 11th, 13th, and 14th centuries. He was awarded the Mesrob Mashtots Insignia.

Mr. Speaker, I am delighted to know that Archie Dickranian has now been awarded the ultimate recognition by his church, the Order of St. Gregory the Illuminator First Degree. I commend the outstanding example of Archie Dickranian to all of my colleagues, to all Americans, and to good people throughout the world.

DAY OF SOVIET SHAME

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. BLANCHARD. Mr. Speaker, August 21, 1977, will mark the ninth anniversary of the Soviet occupation of Czechoslovakia.

I know many of us still find that day hard to forget. For some months previously, it had been rumored that the Russians would react to the series of liberalizing reform which had taken place under the Dubcek regime, but many doubted up to the final moment when Soviet tanks and planes crossed the Czechoslovak frontier.

It was a brutal reminder that the Soviet sphere of influence in Eastern Europe was, and remains, essentially a colonial empire in which the price of internal autonomy is the suppression of political dissent.

Nonetheless, history suggests that the peoples of Czechoslovakia will someday once again be able to control their own destinies. The Czechs and Slovaks have existed as distinct nationalities in central Europe for over 1,000 years, and for nearly all of that time they have been subject to foreign domination. Yet despite nearly 900 years of Magyar and Hungarian rule, and the more recent Soviet hegemony, their desire for freedom has not been crushed. If anything, it remains as strong today as it has ever been.

The continuing Soviet occupation of Czechoslovakia is another in the long

series of violations of human rights and self-determination pledges which have characterized the conduct of the Soviet Union in recent years.

Again this year, Czech and Slovak Americans will observe August 21 as a "Day of Soviet Shame." I join with them in calling for an end to the illegal Soviet occupation and in looking to the day when Czechoslovakia will again be free from foreign oppression.

ON THE DEATH OF ARCHBISHOP MAKARIOS: A TRAGIC LOSS FOR THE GREEK CYPRIOT COMMUNITY

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. KOCH. Mr. Speaker, I rise to pay tribute to the memory of Archbishop Makarios, the distinguished leader of the troubled island of Cyprus, who died suddenly yesterday. Archbishop Makarios was a man truly bestowed with the affection and trust of the vast majority of Greek Cypriots. He symbolized their hopes and desires for an independent and democratic Cyprus, totally free from Turkish occupation.

I had the pleasure of meeting with His Eminence during his last visit to the United States. He was a genuinely charismatic figure whose charm and intelligence impressed me deeply. He was one of the few rulers today capable of combining peacably and judiciously the difficult roles of both political and religious leader, a rare accomplishment in an era when religion and politics, more than any other factors, have drawn nations into civil wars and internal conflicts. But, more importantly, His Eminence was a man of principle, an individual who spoke out for what he believed in and fought for what he thought was morally right. It is primarily for this reason that the world will mourn his loss.

Tragically, the death of Archbishop Makarios has created a void in Cypriot state affairs. He leaves behind him an island partitioned by foreign occupation and the problems of caring for close to 200,000 Greek Cypriot refugees. However, I have confidence in the fortitude of the Greek Cypriots in their struggle against Turkish oppression. I have faith that new leaders will emerge to resolve the current troubles between the island's Greek and Turkish communities. Therefore, let us reaffirm our support for an independent Cyprus in the memory of Archbishop Makarios and do all that we can to assist in the realization of his aspirations.

Mr. Speaker, I am appending the editorial which appeared in today's Washington Post on Archbishop Makarios. May God grant him peace. The editorial follows:

ARCHBISHOP MAKARIOS

On Cyprus, where ethnicity is the sum of politics. Archbishop Makarios moved easily from leadership of the Greek Orthodox community, to leadership of the struggle for independence from Britain, to the presidency when independence was achieved in 1960, to dominance of his country's public life in the ensuing years. With his death yesterday of a heart attack, a vacuum forms in Cyprus, and no one can be sure how it will be filled.

The archbishop cut a strikingly individualistic figure on the world stage. But through most of his career it was not entirely clear to either his supporters or his enemies whether he saw Cyprus as a Western-style country in which ethnic groups must try to come to mutually agreeable terms, or as an Eastern-style territory for the preservation of Greek values alone—perhaps by political union with Greece. His supporters revered him, not least for his displays of Byzantine and democratic political skills. His enemies, including the Turkish minority and mainland Turkey, were certain he was the instrument of a whole Western conspiracy against them. The United States, always more interested in stabilizing the eastern Mediterranean than in coping with community passions, at best only dimly understood, gritted its teeth and held on.

During a political upheaval in 1974, Turkey seized and occupied 40 per cent of Cyprus, insisting, indefensibly, that there was no alternative if the safety and welfare of the Turkish minority were to be ensured. If, as some suspected, the archbishop then concluded that Cyprus's true interest lay in community reconciliation rather than dependence on Athens, the Turks never gave him the chance to prove it. Tied in political knots of its own, Ankara had since 1974 balked any progress on ending the division of Cyprus and on establishing ways for Greek and Turkish Cypriots to coexist.

For a towering figure like Archbishop Makarios, it always seems there is no replacement. A period of introspection and sorting out is inevitable. The risk of it is that either mainland or island Turks may be tempted by the disarray in Nicosia to make more irreversible the Turkish grip on northern Cyprus. This could further strain Greek-Turkish relations and further embarrass American diplomacy in its so-far unsuccessful attempt to repair NATO's torn southeast flank. It is a time for responsible statement to give Cyprus the calm it needs to prepare its future.

JUSTICE WALTER J. FOURT

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. LAGOMARSINO. Mr. Speaker, as a resident of Ventura County, it is with personal loss that I relate the passing of an outstanding American, Justice Walter J. Fourt. A lawyer by profession, Justice Fourt served as a superior court judge and from 1955 to 1969 as a justice of the court of appeals.

As a man, he was a model leader of his community. He was a member of the California Legislature from 1943 to 1946. Mr. Fourt also led many civic organizations such as the American Legion, Chamber of Commerce, and the Lions Club.

We must not only remember this man by his titles, for he left a legacy of legal commonsense as a permanent contribution to society. His ideas are best conveyed in his words:

We must convince the apathetic citizen that this country became great because it was one of laws and not of men. That without respected law we have no liberty—that if we have unbridled liberties we will not have a safe and stable society. That our individual rights and liberties cannot survive in a vacuum; that we have a decent and reasonably safe place to live and work, otherwise there is no place within which to exercise our individual rights such as the right of privacy.

As we all share in the grief of Justice Fourt's death, I call upon my colleagues to extend their heartfelt condolences to his wife Pauline and his sister, Mrs. Edward Adams.

MONTHLY LIST OF GAO REPORTS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The May 1977 list includes:

AGRICULTURE

Issues Surrounding the Management of Agricultural Exports. ID–76–87, May 2.

Federal Deficiency Payments Should Not Be Made for Crops Not Grown. CED–77–77, May 24.

Examination of the Rural Telephone Bank's Financial Statements for the 15-month Period Ended September 15, 1976. FOD–77–02, May 12.

Administration of Marketing Orders for Fresh Fruits and Vegetables. B–177170, December 11, 1974.

COMMERCE AND TRANSPORTATION

The Federal Motor Carrier Safety Program: Not Yet Achieving What the Congress Wanted. CED–77–62, May 16.

Certifying Workers for Adjustment Assistance—The First Year under the Trade Act. ID–77–28, May 31.

If Defense and Civil Agencies Work More Closely Together, More Efficient Search/Rescue and Coastal Law Enforcement Could Follow. LCD–76–456, May 26.

Mass Transit for Elderly and Handicapped Persons: Urban Mass Transportation Administration's Actions. CED–77–37, March 25.

Transportation Programs for the Elderly. HRD–77–68, April 7.

Letter Report

The Maritime Administration needs to reevaluate its policy of giving the American shipbuilding industry preference in its vessel sales program. CED–77–80, May 26.

COMMUNITY AND REGIONAL DEVELOPMENT

Letter Reports

GAO evaluation of pilot project in Cincinnati, Ohio, for paying property taxes on acquired single family homes. FGMSD–77–38, May 5.

Farmers Home Administration's decision to allow a rural rental apartment to be used for commercial office space. CED–77–43, March 11.

EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

Curriculum Case Studies Are of Questionable Quality But Helped Precollege Curriculum Activities. HRD–77–46, May 2.

Controls Over Vocational Rehabilitation Training Services Need Improvement. HRD–76–167, May 5.

Domestic Resettlement of Indochinese Refugees—Struggle for Self-Reliance. HRD–77–35, May 10.

Further Improvements to a Building at the Maryland Job Corps Center. HRD–77–36, May 13.

Letter Reports

Delays in issuing food stamp authorization-to-purchase cards in Chicago. CED–77–65, May 9.

GAO survey of student loan borrowers who had petitioned for bankruptcy. HRD–77–80 or HRD–77–83, April 15.

Investigation of allegations that ineligible applicants were being enrolled in programs administered by the United Migrant Opportunity Service, Milwaukee, Wisconsin. HRD–77–59, March 22.

GENERAL GOVERNMENT

Establishing a Proper Fee Schedule under the Independent Offices Appropriation Act, 1952. CED–77–70, May 6.

Changing Ownership of Mutual Savings and Loan Associations—An Evaluation. FOD–77–10, May 26.

Further Improvement to a Building Leased for the Social Security Administration Should Not Be Made If the Activities Will Be Consolidated Elsewhere. LCD–76–351, April 6.

Misuse of Unexpended Capital Outlay Fund Balances. GGD–77–39, May 10.

Examination of Financial Statements of the National Credit Union Administration for the Fiscal Years Ended June 30, 1976 and 1975. FOD–77–6, May 23.

Government Printing Office Production and Management Controls—Improvement Opportunities. LCD–77–410, May 4.

Annual Report of the Comptroller General of the United States, 1976. Stock Number 020–000–00146–1.

Letter Reports

GAO comments on proposed deferrals of budget authority for the Energy Research and Development Administration and the Commerce Department. OGC–77–17, May 6.

GAO comments on proposed impoundments of Treasury and Commerce Department funds. OGC–77–18, May 18.

How the Internal Revenue Service uses 100-percent penalties against responsible officials of corporations for willful nonpayment of taxes withheld from employees' wages and certain excise taxes. GGD–77–49, May 3.

More information is needed before costs of implementing recommendations of the American Indian Policy Review Commission can be estimated. CED–77–75, May 9.

Quality of mail service in Louisiana was lower in 1976 than in 1975. GGD–77–57, May 11.

Suggestions for making equal employment opportunity training for Federal employees more effective. FPCD–77–27, May 12.

Corrective actions taken to enforce Davis-Bacon Act labor standards for carpet-laying on construction projects in Denver. HRD–77–86, May 13.

Assessment of plans for building a convention center in Washington, D.C. GGD–77–58, May 18.

The Commodity Futures Trading Commission should improve its information-gathering program. GGD–77–52, May 26.

Problems in hiring clerical and technical employees in San Francisco and Sacramento. FPCD–77–5, May 27.

GAO plans for monitoring contracting out of functions now performed in-house by Government employees. PSAD–77–79, February 16.

GENERAL SCIENCE, SPACE, AND TECHNOLOGY

Status and Issues Pertaining to the Proposed Development of the Space Telescope Project. PSAD–77–98, May 4.

Space Shuttle Facility Program: More Definitive Cost Information Needed. PSAD–77–17, May 9.

Status of the Mariner Jupiter/Saturn 1977 Project. PSAD–77–103, May 20.

Space Transportation System: Past, Present, Future. PSAD–77–113, May 27.

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Fundamental Improvements Needed for Timely Promulgation of Health Program Regulations. HRD–77–58, May 5.

Delays in Setting Workplace Standards for Cancer-Causing and Other Dangerous Substances. HRD–77–71, May 10.

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Need to improve the payroll system for officers in the Commissioned Corps of the Public Health Service. FGMSD–77–23, May 3.

Possible effects on the Medicaid program of a proposed amendment to restore Medicaid eligibility to individuals who lost it because of 1974–76 cost-of-living increases in social security benefits. HRD–77–88, May 20.

INTERNATIONAL AFFAIRS

The World Food Program—How the U.S. Can Help Improve It. ID–77–16, May 16.

The United States Should Play a Greater Role in the Food and Agricultural Organization of the United Nations. ID–77–13, May 16.

Need for U.S. Objectives in the International Labor Organization. ID–77–12, May 16.

Greater U.S. Efforts Needed to Recruit Qualified Candidates for Employment by U.N. Organizations. ID–77–14, May 16.

U.S. Participation in the World Health Organization Still Needs Improvement. ID–77–15, May 16.

Summary of Actions Being Taken in the United States to Control Questionable Corporate Payments in Foreign Countries. OP–77–1, May 2.

Public Diplomacy in the Year Ahead—An Assessment of Proposals for Reorganization. ID–77–21, May 5.

Nationalization and Expropriations of U.S. Direct Private Foreign Investment: Problems and Issues. ID–77–9, May 20.

Implementation of Economic Sanctions Against Rhodesia. ID–77–27, April 20.

LAW ENFORCEMENT AND JUSTICE

Internal Audit Coverage of Financial Matters in the Department of Justice. FGMSD–77–28, May 13.

Lawsuits Against the Government Relating to a Bill to Amend the Privacy Act of 1974. GGD–77–21, May 6.

Drugs, Firearms, Currency, and Other Property Seized by Law Enforcement Agencies: Too Much Held Too Long. GGD–76–105, May 31.

Examination of Financial Statements of Federal Prison Industries, Inc., Fiscal Year 1976. FOD–77–03, May 31.

NATIONAL DEFENSE

What Defense Says about Issues in Defense Manpower Commission Report—A Summary. FPCD–77–40, May 3.

Why Improved Navy Planning and Logistic Support for the Mark–48 Torpedo Are Essential. LCD–76–451, May 9.

Emergency Power Generators Used and Managed Inefficiently by Department of Defense. LCD–77–406, May 20.

Selecting Production Site for Army's New Main Battle Tank. PSAD–77–107, May 11.

Restructuring Needed of Department of Defense Program for Planning with Private Industry for Mobilization Production Requirements. PSAD–77–108, May 13.

Cost of Training Granted to Foreign Students Under the Military Assistance Program. ID–76–79, May 17.

Determining Requirements for Aircraft Maintenance Personnel Could Be Improved Peacetime and Wartime. LCD–77–421, May 20.

A Central Manager Is Needed to Coordinate the Military Diagnostic and Calibration Program. LCD–77–427, May 31.

Contractor Pension Plan Costs: More Control Could Save Department of Defense Millions. PSAD–77–100, May 19.

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Transportation support provided for the Foreign Military Sales program during fiscal years 1976 and 1977. LCD–77–225, May 4.

Results of Defense Department reexamination of planned reimbursements for foreign military training in fiscal year 1978. FGSMD–77–40, May 6.

The Military Sealift Command should develop a staff with knowledge of commercial ocean tariffs, and should review its negotiation efforts on shipments to Puerto Rico. LCD–77–226, May 3.

Department of Defense can save $9.2 million annually by consolidating its undergraduate helicopter pilot-training programs. FPCD–77–52, May 5.

Suggestions for improving management of depot stock inventories in Korea. LCD–77–124, May 9.

The Department of Defense should collect a nominal fee from passengers flying on military aircraft on a space-available basis to cover processing costs and taxes. LCD–76–230, May 11.

Suggestions for improving Army and Air Force medical education and training programs. HRD–77–89, May 7.

Costs of transferring messages transmitted over different communications networks can be cut through consolidation or automation and direct delivery of some messages. LDC–76–128, May 18.

Reasons for differences in independent cost estimates for the B–1 bomber. PSAD–77–116, May 25.

Information on the proposed Project PISCES—Pacific Intertie Strategic Communications ELF System—an extremely low frequency communications system. LCD–77–319, February 11.

NATURAL RESOURCES, ENVIRONMENT, AND ENERGY

An Unclassified Digest of a Classified Report Entitled "COMMERCIAL NUCLEAR FUEL FACILITIES NEED BETTER SECURITY." EMD–77–40A, May 2.

Delayed Redevelopment Was Reasonable After Flood Disaster in West Virginia. CED–77–17, December 30, 1976.

Information on Federal Land Exchanges with Private Citizens in New Mexico. RED–76–83, April 2, 1976.

Information on the Proposed Alaska Oil Pipeline. B–174944, June 27, 1973.

Letter reports

The Nuclear Regulatory Commission has not taken steps to implement GAO's 1973 recommendation for making sure that containers used to transport radioactive materials are safe. EMD–77–35, May 11.

Federal Leadership and assistance will be essential for the development of effective programs for the reclamation of lands damaged in the mining of minerals other than coal. CED–77–72, May 17.

Potential health hazard in using sewage sludge products with high levels of cadmium—a suspected cancer-causing substance—to fertilize food crops. CED–77–78, May 23.

Comparison of revenues and royalties received by the Navajo and Hopi Indian tribes with those received by the Federal Government from similar coal leases, and with revenues received from mining on State and private lands. B–177079, January 29, 1974.

REVENUE SHARING AND GENERAL PURPOSE FISCAL ASSISTANCE

Procurement Practices of Cities: Using Federal Grant Funds, PSAD–77–88, April 1977.

Letter reports

What can the Federal Government do to help alleviate some of New York City's fiscal problems? B–185522, May 2.

VETERANS BENEFITS AND SERVICES

Survey of job satisfaction among employees of the Veterans Administration's Department of Medicine and Surgery. HRD–77–94, May 9.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution

Section, Room 4522, 441 G Street, N.W., Washington, D.C. 20548. Phone (202) 275–6241.

Summaries of significant legal decisions and advisory opinions of the Comptroller General issued in May 1977 are also available as follows:

Payment of Judgments When Agency Fails to Comply with Garnishment Order. B–188654, May 6.

Reimbursing an Employee for Living Expenses Incurred Due to Sex Discrimination. B–187598, May 6.

Travel Expenses Home to New Duty Station. B–188045, May 9.

Agency Should Not Overstate Its Actual Needs. B–187604, April 8.

Cost-of-Living Allowances in Alaska and Hawaii. B–187876, April 13.

If you need further information regarding these or other decisions, please call (202) 275–5308 or write to the General Counsel, U.S. General Accounting Office, Washington, D.C. 20548.

ALFRED LUNT: THE NATION LOSES A GREAT ACTOR—WISCONSIN LOSES A GREAT FRIEND

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. REUSS. Mr. Speaker, Alfred Lunt, thought by many to be the greatest American actor of this century, died yesterday morning in Chicago 2 weeks after undergoing surgery for cancer. We have lost a great actor, and a great lover of life.

With his wife Lynn Fontanne, Lunt enjoyed a long and brilliant career. The two of them packed theaters all over the country. If there was a great romantic couple to be played, the Lunts played it. The Nation suffers a loss.

The people of Wisconsin, my home State, have suffered a double loss. Lunt was a good neighbor as well as a good actor. He was born and raised in Milwaukee, and he spent his last years with his wife on their farm in Genessee Depot, a delightful town about 30 miles west of Milwaukee.

I feel his loss personally. In recent years he has been a stalwart supporter of the development of Wisconsin's Ice Age Reserve and Ice Age Trail, projects on which I have been working for 20 years. He loved the Wisconsin countryside in which he grew up. His work on the trail and the reserve helped preserve and protect the country.

Lunt's acting career got its start on Grand Avenue—now called Wisconsin Avenue—in Milwaukee, in the large stone house of his parents, when he was 3 years old. His mother, who doted on young Alfred, the story goes, gave him a stack of magazines to page through one day while she was entertaining friends in the parlor. The boy happened on a picture of the God Eros and was inspired to mimesis. He dug a bow and arrow out of a toy chest, stripped to the buff, ran into the parlor and struck a god-like pose. It was only afterward, he said later, that he realized he had neglected the sash that had adorned the young cupid in the magazine. This performance received mixed reviews.

He remained a theater buff all his life. His spare hours as a boy were taken up in seeing every play his budget would allow, and filling scrapbook after scrapbook with pictures of his favorite actors. It is said that the most pictured actress in these books was one Ellen Terry, whose picture later reminded a Lunt biographer of Lynn Fontanne Lunt.

After the death of his father, and after that of his stepfather, Lunt's family moved to Waukesha, which is about 20 miles west of Milwaukee, and Lunt attended Carroll College there. It was at Carroll that he met the woman who inspired and molded his dramatic talent.

Her name was May Rankin, and she had the ability, Lunt said later, to transform nervous farmboys into enthusiastic and accomplished Shakespeareans. In Lunt, she recognized genius, and she gave him his head.

After 2 years of theater in Waukesha that was entertaining and realistic—when a scene called for a baby, for example, Lunt would not settle for the obligatory doll—a nervous Waukesha mother would be convinced to give up her 6-month-old to the arts for a night. Lunt went away to school in Boston. But he left school after a day and took a job at the Castle Square Theater, where he stayed for 2 years. Because he was considered ugly and of ungainly height, he was given no roles of an age of less than 50.

In 1914, he left the Castle Square and returned to Wisconsin, where, with his inheritance, he built his house in Genessee Depot and put his family in it.

It was then that the break came along that set up his subsequent successes. Margaret Anglin, a touring romantic actress in a play called Beverly's Balance, lost her leading man in Chicago. She had heard about Lunt, and she asked him to audition for the vacant part.

Lunt hurried to Chicago and read his best, but Miss Anglin's stage manager was not impressed—he thought Lunt a most awkward, ungainly, ugly chap.

Luckily for us all, Miss Anglin disagreed. "I think this boy has quality," she told her manager. "He will go far. True, he is ugly, but it is a handsome ugliness, rather like that of the Vanderbilts." A star was born.

INDIANA PARENT COMMENTS ON THE EDUCATION OF ALL HANDICAPPED CHILDREN ACT

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. BRADEMAS. Mr. Speaker, on July 14 Mr. John Huber, project director of the Task Force on Education for the Handicapped of St. Joseph County, Ind., testified before the Senate Subcommittee on the Handicapped concerning the implementation of Public Law 94–142, the Education for All Handicapped Children Act. Mr. Huber, a parent of a handicapped child, advocated "full implementation of the act without any further amendments until problems of implementation have been experienced, reported and analyzed." He commented in detail on some of the proposed revisions of the act.

Mr. Huber also gave the Senate subcommittee a description of the work of the Parent Information Center in South Bend, Ind. This center, funded by a contract with the U.S. Office of Education, involves the parents of handicapped children in advising and counseling other similarly situated parents. The Parent Information Center provides an outstanding and valuable service to the community, helping to assure that all handicapped children receive the assistance and education which they need and to which they are entitled.

Mr. Speaker, I would like to share Mr. Huber's testimony and the description of the work of the Parent Information Center with my colleagues:

TESTIMONY OF JOHN HUBER

As the father of a mentally retarded child, I look forward to the implementation of Public Law 94–142, The Education for All Handicapped Children Act of 1975, and I urge Congress to see this Act through to its full implementation without any further amendments until the problems of implementation have been experienced, reported, and analyzed after at least 1 year.

That there will be problems in implementation cannot be denied, and not the least of these is funding. We would support any amendment to accelerate the rate at which funding moves toward the 40 percent level, but we must insist at the same time that the current relatively low level of funding is no excuse for holding states harmless from the requirements of the act. For special education is primarily a state responsibility, and where states have in the past—through discriminatory laws, regulations and attitudes—failed to provide an equal educational opportunity to handicapped children, the States cannot rightly call on the Federal Government to bail them out. The principle that all children, regardless of their handicap, have the right to a free, appropriate public education is simply not negotiable. Other educational interests compete for State resources, to be sure, but they must not be allowed to invade the handicapped child's right to education.

The current census procedure, which requires that children be counted on October 1 and February 1, has caused concern for some administrators. It may be that a duplicated count is more fair to the States than an unduplicated count; however, a proposed method of counting children on the first full school week in February will provide schools with undesirable incentives to delay. While some adjustments in the placement of children will always have to be made, particularly in the early months of a school year, most children should be appropriately placed on the first day of school. A February-only count of children will encourage delay in the place of children. Furthermore, a February-only count may destroy the incentive of schools to move students who have succeeded after a few months in special education into the main stream of regular education. We recommend that there be no change in the method of counting children.

We are concerned that some states have only limited authority over the operations of local educational agencies, but we find that a strong, centralized authority is sometimes required as the only means of guaranteeing the due process rights of children who have been denied appropriate programs by their local schools. We recommend that there be no change in the requirement of the

act that states must assign their state educational agency responsibility for general supervision.

We most strongly urge that there be no change in the act which prohibits employees of agencies serving handicaped children from acting as surrogate parents. This prohibition is not unnecessarily restricting, but absolutely essential to insure the independence of the surrogate. It is unfair to the child to expect that potential surrogate parents will always agree with their employers about the education of the child; likewise is it unfair to the potential surrogate parents to expect them to press strongly their interest in the child when it does not coincide with the interest of their employer, and yet maintain a good relationship with the employer. One need not question the motives of school employees who might wish to become surrogate parents; it is enought to point out that they could not maintain their independence in difficult cases. If the schools are concerned that they cannot find enough qualified surrogate parents to do the job, let them do what we do in St. Joseph County, Indiana: look first to the other parents of handicapped children.

PARENT INFORMATION CENTER

On September 30, 1976, Congressman John Brademas announced that the U.S. Office of Education had awarded a contract to the Task Force on Education for the Handicapped of St. Joseph County, to provide a Parent Information and Referral Center which will serve the handicapped of St. Joseph County and their families. The Bureau of Education for the Handicapped will oversee the project, which is expected to run for three years.

The Task Force on Education for the Handicapped is a relatively new organization in St. Joseph County, only 3 years old.

It has its own board of directors and anyone who wishes may join its general membership. Most of the members are parents of handicapped children, who have been active in community organizations which serve the handicapped. The task force cannot replace the efforts of those many organizations which promote the welfare of people with particular handicaps. Therefore we support those who wish to work through organizations serving the visually impaired, the hearing impaired, the learning disabled, the physically handicapped, the mentally or emotionally handicapped, or any other group acting on behalf of handicapped individuals. But wherever there is an issue of common interest to all those groups, the task force will work with them to coordinate their activities for the common good of all handicapped persons.

So far, most of the work of the task force has been in the area of education. Our volunteers have held conferences on education of the handicapped, helped smaller organizations get organized, and helped parents who are having trouble getting adequate services for their children. We are convinced that the best help to parents is other parents who have already "been there." Experienced parents who have talked with their doctors, dealt with the school systems or tried to find jobs for their children with handicaps—those who handled their frustrations and tackled the "system"—have a lot to offer those who are just beginning. That's what the task force is all about.

The Bureau of Education for the Handicapped is as convinced as we are of the value of parent-to-parent information and advice. Its funding of our Parent Information Center has allowed us to open an office in South Bend where experienced parents will help others get through their hassles with their doctors, with their schools, with employers, and even with themselves. The Parent Information Center will be staffed by such experienced parents, and will need volunteer efforts of many more. The motto of the Center is: "Tell us what you know—so others can learn from it."

Since opening up our office January 1, 1977, we have completed a resource file on the many services available to handicapped children throughout the area, the State, and some national resources. We have organized information on the rights of handicapped children and their parents. Our parent helpers and volunteers are assisting parents who have looked for help.

If you need our help, we can provide it. If you don't need it, somebody else needs yours. Write to us, or stop in at our office.

While the Task Force on Education for the Handicapped was formed by St. Joseph County people, the Parent Information Center will serve anyone who can use our help regardless of residence. We serve every age and any disability at no cost to you.

SURVEY SHOWS CONTINUED OPPOSITION TO ABORTION

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. ZABLOCKI. Mr. Speaker, I recently reviewed a survey on the subject of abortion conducted in the 27th Assembly District in the State of Wisconsin, which falls within my congressional district, the Fourth District of Wisconsin.

The survey conducted by the Wisconsin Citizens Concerned for Life presented eight abortion-related questions to a random sampling of 1,500 residents in the district. While the results are to be used in testimony at the State level, I believe Federal lawmakers ought to note the results.

Mr. Speaker, it is significant that while the area polled is a low-income community, it was found to be strongly opposed to abortion on demand and strongly opposed to the use of public moneys for abortions.

Because I find this survey relevant to the ongoing efforts to restore the basic right-to-life, I would like to share the following information:

SURVEY RESULTS

Calls were made by 35 callers from a random sampling taken from the Bressers Street Address Directory and the residents were asked eight abortion-related questions. A sample of 1,500 calls was completed with the following results:

Question 1. Are you against abortion on demand?

Yes—66 percent; No—23 percent; Undecided—11 percent;

Question 2. Do you feel that public moneys should be used to pay for abortions?

Yes—20 percent; No—72 percent; Undecided—8 percent;

Question 3. Do you feel that information relating to an abortion which was performed should be filed with the State Health Commission?

Yes—66 percent; No—11 percent; Undecided—16 percent;

Question 4. Do you feel a woman should be informed of possible complications and other alternatives before obtaining an abortion?

Yes—96 percent; No—1 percent; Undecided—3 percent;

Question 5. Do you feel that the woman's spouse should be consulted before an abortion is performed?

Yes—91 percent; No—5 percent; Undecided—4 percent;

Question 6. Do you feel that the parents of a woman under 18 should be consulted before an abortion is performed?

Yes—90 percent; No—4 percent; Undecided—6 percent;

Question 7. Do you feel abortions should be prohibited in the last 3 months of pregnancy?

Yes—89 percent; No—4 percent; Undecided—7 percent.

Question 8. Do you feel that the U.S. Constitution should be amended to prohibit all abortions except when the life of the mother is in danger?

Yes—66 percent; No—21 percent; Undecided—12 percent.

All of the questions pertain to provisions in bills before the Wisconsin Legislature. The size of the sample, 1,500 calls, was predetermined by computer based on the total population of the assembly district and allows for a 3 percent error factor in either direction. By comparison, Harris and Gallup polls sometimes use a 1,500 sample to measure national opinion for some 200 million people.

Although we feel this survey is a valid indication of the opinion of the residents of the 27th Assembly District, it does not represent a cross section of either the city of Milwaukee or the State of Wisconsin and is therefore limited in scope. There are several conclusions that can be drawn, however.

1. Since the area polled is a low income community which strongly rejects abortion and the use of public moneys for abortions; it appears that the argument that abortion and public moneys are needed for poor women is largely without basis.

2. Some of those who favor abortion itself, were nevertheless opposed to expenditure of public funds.

3. Even larger numbers of those who favor abortions also favored prohibiting abortions in the last three months of pregnancy, informed consent of the woman, and consultation with spouse or parents.

The results of this survey were presented as testimony before the Assembly Health and Social Services Committee chaired by Representative Czerwinski.

A MARSHALL PLAN FOR MEXICO

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. SISK. Mr. Speaker, this year, for the first time in my 23 years in Congress, I voted against the foreign aid bill. I consider myself sympathetic to the problems that developing nations face, but unless and until we reform the reasons and methods of allocating foreign aid, such as giving military hardware to military dictatorships, I will find it hard to justify to my constituents that this money is reaching those it is intended to benefit.

In my view, we must begin to more aggressively address ourselves to the development problems facing the countries identified by the Domestic Council Committee on Illegal Aliens as the major sources of illegal immigrants: Mexico and several other Latin American countries, the Philippines, Thailand, India,

Nigeria, and so forth. We are currently giving bilateral economic development assistance to only 7 of the 15 countries identified as major sources of illegal immigration and we have population assistance programs in only 7 of those 15 countries.

Our refusal to come to grips with the illegal immigration issue has been a subtle form of foreign aid, but not a very positive form of assistance. By acting as a safety valve for the underdeveloped countries and by accepting their excess population, we enable them to delay taking action on their own to deal with economic and population problems.

Although it is a mistake to view the illegal alien problem as a Mexico problem, Mexico is probably the largest single sending country. Our longtime friend and neighbor to the south certainly needs and deserves our special consideration.

The fact is that along no other border of comparable length in the world have such strong push and pull migration factors been operating for so long. In recent years, these factors have acquired a new intensity. On the push side, rapid change in Mexico has generated a host of new pressures. Population is expanding; unemployment is very high, particularly in the border cities; and per capita income is very low. Mexico's population of over 64 million with 46 percent under age 15, is expected to increase to 82 million by 1985 and to 132 million by the year 2000. The pull factors have remained strong too, despite the fact that we still have a disturbingly high unemployment rate.

There certainly is a basic need to encourage United States-Mexican cooperation on key economic and social issues and I am encouraged by the discussions which have been undertaken in this regard by President Carter and Mexican President Jose Lopez Portillo.

The illegal alien problem probably cannot be eliminated completely, but it certainly can be reduced to manageable proportions. Most migrants prefer to remain where they are with friends and families and risk moving away to strange places only when they feel they must—usually for economic reasons. Developing countries, while gaining certain initial advantages from illegal immigration, suffer in the long run as it is generally their brightest, youngest, and most ambitious who take the risk of illegal immigration.

The Mexican Government is aware of all of this and is willing to cooperate with us in reducing illegal immigration. But Mexico needs our help in coping with the massive problems it faces.

This Nation should move actively toward fashioning a more effective and enlightened foreign policy outlook, and in my view, there is no better place to start than with Mexico. Recently, following an extended visit to Mexico, the associate editor of the Fresno Bee, Verne H. Cole, proposed that we institute a massive Marshall Plan to save our neighbor to the south. He noted that Mexico has demonstrated it is helping itself—a requirement of the original Marshall plan. I believe the time is ripe for such a plan and I enclose Mr. Cole's commentary for my colleagues consideration:

MARSHALL PLAN FOR MEXICO?

(By Verne H. Cole)

As a tourist in Mexico a few months ago, I followed the footsteps of the many Americans who have visited there, seeing the major tourist attractions in four cities, including Mexico City.

I saw more than the normal tourist attractions, though. I saw the magnificent skyscrapers built on floating platforms so they can withstand earthquake shocks—an invention of Mexican engineers that has drawn interest from around the world.

I saw Indian mothers, barely in their 20s, wandering around trying to sell a few oranges or flowers, while trailed by three or four children, much as ducklings follow their mothers. The children often whimpered, being tired, hungry, and some of the youngest in need of a change of clothing.

I chatted with businessmen whose greatest worries were the drastic devaluation of the peso and the directions to be taken by the new administration of President Lopez-portillo.

And since returning, I have read with interest the many news and feature stories about the problems of Mexico and the problems of the United States in attempting to halt the tide of illegal immigrants from Mexico.

Mexico is a land of sharp contrasts. It has undeveloped wealth in oil and other minerals, a vast supply of unskilled labor, fine craftsmen, as witness the silver industry of Taxco, exceptional engineers and architects, a strong sense of history, and a dread of exploitation by foreigners—which has marked its history.

Newspapers, television and magazines a couple of weeks ago hailed the 30th anniversary of the Marshall Plan, which directly led to the economic recovery of western Europe after the devastation of World War II.

Gen. George C. Marshall unveiled the European Recovery Program at Harvard June 5, 1947, and 10 months later Congress authorized the spending of $5.3 billion for the first year of the plan's operation in West Germany and 16 countries of Europe. In all, $16.7 billion was spent on the program in about four years.

In announcing the plan, Marshall declared, "Our policy is not directed against any country or doctrine, but against hunger, poverty, desperation and chaos." And he specified that as a condition of American aid, each of the European nations would have to increase their industrial production and give other evidence of being ready to help themselves, instead of placing reliance solely on American aid.

The shock waves of that four-year plan are still reverberating around the world.

Well, I think it's time for a massive Marshall Plan to save our neighbor to the south from hunger, poverty, desperation and chaos. Granted, the United States does help Mexico financially in several ways, as when it loaned $600 million last winter to shore up the peso.

In my opinion Mexico is ready for a Marshall Plan. It offers great inducements to foreign investors willing to establish manufacturing plants there. Volkswagens are the most popular automobile in Mexico largely because Volkswagen has a plant in Mexico City. But also because high import duties have forced the price of a Ford or Chevrolet to about $13,000.

The Mexican government wants and needs new manufacturing plants to provide jobs for some of the estimated 16 million unemployed—a full 30 per cent of the work force.

Mexico, in just the last six years, built 80,600 miles of new roads to add to the 43,400 that existed before; built hundreds of new schools and thousands of classrooms; increased the number of university graduates by 100 per cent; constructed 149 water storage dams, and spent some $3.3 billion on irrigation projects to bring more arid land into agricultural production.

The nation has demonstrated it is helping itself—a requirement of the original Marshall Plan. I believe the United States can only gain by offering massive assistance to help develop an economically sound nation on its border.

Perhaps, in this way, the influx of poverty-stricken illegal immigrants can be curbed. The reason most of them come here, to accept any kind of job, is to prevent starvation.

I would like to return to Mexico in a few years and see the results such an aid program could achieve.

THE FRANKED MAIL ACT OF 1977 (H.R. 7792)

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 3, 1977

Mr. BENJAMIN. On July 12, the House passed, under Suspension of Rules, the Franked Mail Act of 1977 (H.R. 7792). The procedure by which this bill was adopted precluded any amendment to clarify the differing Senate and House interpretations of section 3210(a) (2) and (3) (B) and (C), title 39, United States Code which, by the ruling of the House Commissioner on Congressional Mailing Standards, prohibits the use of the reverse frank by constituents. Contrary to the House interpretation, the Senate allows the use of the reverse frank for response to questionnaires.

During the consideration of H.R. 7792, Mr. ASHBROOK inquired whether the franking laws have equal applicability to the House and the Senate to which Mr. UDALL provided an affirmative response.

The colloquy continued:

Mr. ASHBROOK. I appreciate that answer because I have had a great amount of concern in the past about different interpretations of the franking law by the other body. For example, I received a letter from a constituent that one of our Senators had used his questionnaire with a return form and solicited the constituent to return the questionnaire without postage to the Senator by using his frank. Yet when I brought this to the attention of the appropriate regulatory commission in the House, they indicated that it is illegal for House Members to do it, but evidently it is legal for Senate Members to do it. If we are going to get into the frank, and the gentleman indicated earlier that he wanted to remove clouds, I am wondering if we are creating any more clouds here by different interpretations. I wonder how the gentleman would resolve the situation.

Mr. UDALL. If the gentleman will yield, this is an old thorny problem. I think the Senate got some bad legal advice. We have had our lawyers and experts look at it, and I think we are right and they are wrong.

Section 3215 of the basic Postal Code says a person entitled to use a frank "may not lend it or permit its use by any committee, organization, association, or person,"

and so on. To me, if one lets a constituent mail back a piece of mail under one's frank, he is lending his frank. The Senate has taken a contrary view. I would like to settle this in conference so that we have one rule which applies to both Houses.

Mr. ASHBROOK. I thank my colleague and appreciate his interest. That is one of the reasons I directed these questions, because his remarks on this proposal indicated that it was to clear up some clouds. I hope we are not creating more differences between the House and the Senate. I, for one, do not advocate the loaning or using of the frank by someone else, but I do feel, to prevent Members like myself from being embarrassed by people who write in saying, "If he can do it, why don't you?" that we should have it one way or the other. I hope in the areas covered by this legislation we can clear up any doubts, and I appreciate the gentleman's efforts.

Mr. UDALL. We will do our best to get uniformity in this area.

Mr. ASHBROOK. I appreciate the gentleman's response.

Mr. SPEAKER. I, along with other Members of this body, share Mr. ASHBROOK's concern. On May 12 I directed a lengthy personal analysis of the pertinent section of law to the House Commissioner on Congressional Mailing Standards, an operation which employs four at the cost of $5,800 per month. While its chairman, Mr. UDALL, was kind enough to discuss the reverse franking problem with me personally, I have not had the courtesy of an acknowledgment from the commission staff to date which might explain in part why the so-called experts and lawyers of the House and the Senate cannot agree—agreement entails some willingness to communicate.

My unanswered communication of May 12 indicated that I had then mailed a news report to my constituents. The report contained a short questionnaire which the constitutents were asked to complete and return at their own expense. About 5 percent of those who returned the completed questionnaire inquired as to why I had the privilege of mailing to them but they had to pay to return the answer. One gentleman forwarded a questionnaire which he had received from a U.S. Senator who provided the reverse frank thereby allowing a free return of the response.

I discussed this disparity with a member of the commission who felt the reverse frank would cost considerable moneys and favor the incumbent. While I cannot now intelligently assess the cost, I do not believe that it favors incumbency. Perhaps the mailing from the congressional office does, but the assessment of attitudes and encouraged response do not favor incumbency—they merely mean work and hopefully a better appreciation of what citizens think.

I am aware of H.R. 455 and H.R. 2067 which would invoke the reverse frank in toto, and I favor these measures and extensions of the constitutional right of petitioning and seeking redress from the Government. However, the only argument that I present here is for the limited reverse frank to enable and facilitate better response to the Member's questionnaire.

Initially, I did not believe that this would require a statutory enactment as much as a reconsideration of the interpretation of the law. However, the commission's apparent refusal to consider this matter and the Ashbrook-Udall dialog on H.R. 7992 persuades me to believe that H.R. 7992 is the appropriate vehicle to reconcile the conflicting interpretations regarding limited use of the frank for questionnaire responses. I parenthetically add that good sense would suggest that one House or the other may not be entirely correct in the use of the frank for questionnaire returns and that our views should be reconciled before the public reacts. After all, it is the same public law that both Houses adopted and are now interpreting differently.

Section 3215 specifies that a person entitled to use a frank may not lend it or permit its use by any committee, organization or association. It also prohibits its use by any person for the benefit or use of any committee, organization or association. Literally construed, this prohibition is directed to the use of or for committees, organizations or associations. It does not prohibit the individual use for the benefit of a constituent by a constituent or for the benefit of a Congressman by a constituent.

On the other hand, section 3210(a)(1) specifies that franking is established under this section to assist and expedite the conduct of official business, activities and duties of the Congress.

Section 3210(a)(3) indicates that frankable mail includes, but is not limited to:

(A) mail matter to any person regarding programs, decisions and other related matters of public concern or public service;

(C) usual and customary Congressional questionnaire seeking public opinion.

While section 3201(3) defines frank as the autographic or facsimile signature of persons authorized by sections 3210–3216 and 3218 to transmit mail without prepayment, there is no provision which specifies that the origin of the mail must be in the Congress and the only reference is to the type of mail and the purpose to be served. If fact, there is nothing in title 39 that I can find which states that a Member of Congress is specifically entitled to a frank or a constituent is not except for groups listed in section 3215.

The only difference that I can find in the law, other than that found in the patron mail section and in House Resolution 287, is found in Public Law 93–191 wherein the Congress established the House Commission on Congressional Mailing Standards.

Section 5(c) of that Act mandates the Commission to provide guidance, assistance, advice, and counsel with respect to portions of title 39. Further, the Commission is to prescribe regulations governing the proper use of the franking privilege.

The commission apparently concludes in its regulations, published February 1977, that the penalty mail provisions permit penalty mail covers to facilitate a response, and since similar verbage is not found in the franked mail provisions, that no such authority can exist.

I hope that Members will read the penalty mail provisions. Penalty mail is defined in section 3202 as the official mail of several agencies (enumerated) of Government except the Congress. This section specifically sets forth the point of origination and necessitates section 3205 which is the penalty cover section. It differs vastly from the franked mail section where the point of origin is not specified. The drafter of the regulations also attempts to bolster support for the regulation banning the use of the frank for the return of the questionnaire by citing a 1936 opinion from Cannon's Precedents and a 1930 reply of a Third Assistant Postmaster General. Chapter 32, title 39, is a product of the 91st Congress (1970) and superceded the 1904 law which provided that "Members of Congress may send as franked mail . . . correspondence, . . ., upon official business to any person."

To recapitulate, I find nothing in chapter 32, title 39, to prohibit the use of the frank in the return of questionnaires. There is no specific prohibition and I believe that the authority for any mailing is found in the type of mail specified in section 3210(a)(3) except for specific enumeration of matter found in sections 3212 and 3213. The point of origin is not specified as it was in the 1904 law on which the regulations and supporting citations are based. I also find that the franked mail sections differ from the penalty mail sections so as to divorce any possibility of analogy or extension of the logic found in the explanatory note on page 3 of the printed regulations.

Admittedly, I may not have all of the law on which the commission staff may have relied to draft the regulations, but I do believe the regulations are far more restrictive than the governing statute and are not supported by the statute on which they were to be based. Of course, besides my interpretation of the law, I do believe that it would be most wise for the two bodies of Congress to interpret the law they jointly wrote in the same manner. Finally, I believe that constituents should be encouraged to answer questionnaires, more for Representatives than Senators, if we are to truly represent the views of our districts and that any barrier to that response should be removed.

H.R. 7992 has been referred to the Senate Committee on Governmental Affairs. I have directed a request asking each member of that committee to consider clarifying language to end the conflict and debate on whether constituents will be allowed to return answers to questionnaires without postage charge. Senate action will insure the House that the matter will receive the attention of the conference on H.R. 7992.

I ask my colleagues to join with me to resolve this dilemma now while a legislative vehicle is available. As stated, it is my opinion that there are many valid reasons to justify a request that all correspondence mailed to Members of Congress be sent postage free. However, in

this instance I only ask that we immediately clarify the interpretation and application of the law by asking the Senate to act in a manner which would cause consideration of this issue in conference. It would be much less futile to economize by eliminating some of our experts and lawyers than to curtail response from interested constituents.

I ask that other interested colleagues join with me to address the Senate Governmental Affairs Committee regarding this concern.

LEGISLATION TO ESTABLISH PROCEDURES FOR THE DISPOSITION OF LAND IN THE CANAL ZONE WILL RESOLVE THE EXISTING UNDESIRABLE SITUATION

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. MURPHY of New York. Mr. Speaker, while the Panama Canal issue has been oversimplified time and time again, as a whole and in each of its many aspects, this issue is in fact very complex, involving as it does, considerations of national security, domestic and foreign commerce, international relations, and U.S. territoriality. A potential new treaty arrangement with the Republic of Panama by which the United States would divest itself of Canal Zone territory, and ultimately the canal itself, has raised many issues, but one paramount concern should be the constitutional prerogatives of the Congress in the disposition of U.S. territory.

Article IV, section 3, clause 2 of the U.S. Constitution provides in part:

> The Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States. . . .

This investiture of the two Houses of Congress with the power over territories has by implication placed restrictions on powers conferred elsewhere in the Constitution. Among other things, this provision restricts the treatymaking power of the President under article II, section 2 insofar as any treaty disposes of U.S. territory or property.

It is particularly appropriate that the power of property disposition conferred on Congress in the Constitution should be discussed in connection with the Panama Canal issue, for this issue is of great importance to the people of the United States in whom the sovereignty of our country rests. The people rightfully view the canal as an important defense asset, a key trade artery, a major historical accomplishment, a model government enterprise, and a significant U.S. investment.

Although article IV, section 3, clause 2 of the Constitution enumerates the undeniable right of the Congress to deal with the transfer of U.S. territory and property, the executive branch has created difficulties by insisting that the President's right to negotiate treaties can overside this prereogative. While the emphasis on Presidential authority is understandable in view of the executive's desire to insist on its own authority, the prior practice of the U.S. Government with respect to the disposition of canal property, and the clear necessity for the participation of the House of Representatives in making a new canal treaty operative, build a commonsense case for the involvement of the House in the disposition of a U.S. investment of over $7 billion.

There should be no doubt that the United States is the bona fide holder of property rights in the Canal Zone. The acquisition of canal property was authorized by Congress in 1902, effectuated in articles VIII and XXII and other articles of the 1903 Hay-Bunau-Varilla Treaty, and confirmed by an opinion of the Attorney General and a decision of the U.S. Supreme Court in 1907.

Therefore, regardless of the overall sovereignty issue, the U.S. possesses territory and property in the Canal Zone; even if we recognize by treaty Panamanian sovereignty over the Canal Zone, the separate issue of the disposal of U.S. territory and property must be addressed in this House and in any new treaty.

In the past, canal property acquired pursuant to our authority on the isthmus has been transferred only in accordance with congressional authorization. In 1932, 1937, 1943, and 1955, canal property or Canal Zone territory, whether promised by executive agreement or treaty, was not transferred until congressional consent had been obtained.

The executive branch has never sought legislative authorization to transfer to the Republic of Panama those lands and waters which are presumably going to be divested under a new treaty arrangement in which the Canal Zone would disappear and only specific use rights granted to the United States. By its failure to consult with and receive the authorization of the Congress for the transfer of land, the executive has set the stage for confrontations with the over-expectant Panamanians on one hand and an irritated Congress on the other. The confrontation with Congress will be especially difficult if there is no provision in the new draft treaty for full congressional authorization of any land and property transfers to Panama.

Given the present awkward situation created by negotiations involving U.S. territory and property, one manner in which the President can deal with the situation is by insuring that any new Panama Canal treaty contain that provision requiring congressional authorization for any transfer of territory and property. Absent that provision, the Members of the Senate could refuse to consider a draft treaty just as there ought to be no consideration of a canal treaty by the Senate until the agreement has first been considered in the irregular and unstable political environment of a military dictatorship in Panama. Also, it is possible that no consideration be given until it is clear precisely what interpretation Panama is making of sensitive or ambiguous portions of any new arrangement. Too hasty a consideration of a new treaty arrangement will leave the United States in the untenable position in which we placed ourselves in 1903 by ratifying the Hay-Herran Treaty and seeing it rejected by Colombia at the cost of our closer friendship with that Latin country.

While the import of article IV, section 3, clause 2, with respect to disposing of property, transcends even the vital Panama Canal issue, and despite the fact that the controversy goes to the heart of our constitutional system, it is important to keep in mind the second power bestowed in that particular clause, the power of Congress to make "all needful Rules and Regulations" with respect to U.S. territory or property.

Congress has exercised its prerogatives in connection with territories and U.S. properties on scores of occasions. In the case of the Canal Zone, the Congress has legislated a three-volume, eight-title set of laws called the Canal Zone Code. The courts have affirmed that the Congress is the legislative body for the Canal Zone in the absence of any local legislature *Luckenbach SS Co.* v. *Panama Canal Co.*, 196 F. Supp. 835. (D.C.C.Z. 1961), affirmed, 303 F. 2d 252 (5th Cir. 1962). With respect to the power to regulate U.S. territories, of which the Canal Zone must be recognized as one in a jurisdictional context, the Constitution of the United States Annotated, 1973 (pp. 849–850) records:

> In the territories, Congress has the entire dominion and sovereignty, national and local, and has full legislative power over all subjects upon which a state legislature may act. It may legislate directly with respect to the local affairs of a territory or it may transfer that function to a legislature elected by the citizens thereof, which will then be invested with all legislative power except as limited by the Constitution of the United States and acts of Congress

Congress, over the years, has chosen to regulate affairs in the Canal Zone directly, and has treated the Canal Zone, in effect, as a Government reservation.

In accordance with the rules and regulations powers of the Congress, I am introducing today legislation to clarify the procedures for the disposition of land in the Panama Canal Zone. This legislation, when passed, will serve notice of the importance which the legislative branch attaches to canal property.

The legislation authorizes the disposition of land in the Canal Zone by the President if the property is properly described and appraised, and certified as unnecessary for canal operation, or expansion, and if the Congress approves the disposition within 1 year after its proposal. In setting out procedures for the turnover of any land, the measure will help to overcome the confusion which has characterized the canal property issue. Further, if precise procedures are followed, it will prevent the vituperative situation which has come to exist in which the executive branch is negotiating a treaty involving the relinquishment of billions of dollars of U.S. assets paid for by the U.S. taxpayer without any authorization from Congress, the appropriating authority.

I solicit the support of the Members of the House as well as the administra-

tion for this important clarifying legislation, the text of which I include as part of my remarks:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 1 of part 1 of title 2 of the Canal Zone Code (2 C.Z.C. Pt. 1) is amended by redesignating section 3 as section 4 and by inserting immediately after section 2 the following new section:

"§ 3. Disposition of land

"(a) The President may not dispose of any land (including appurtenant structures) incorporated in the Canal Zone (as defined by the treaty with the Republic of Panama, dated November 18, 1903, as modified by the treaties of March 2, 1936 and January 25, 1955) unless—

"(1) The President submits to the House of Representatives and to the Senate a document, which conforms with the requirements set forth in subsection (b), regarding any disposition which he proposes to make; and

"(2) before the close of the one-year period beginning on the date on which the document referred to in paragraph (1) is so submitted, the House of Representatives and the Senate approves of such disposition by concurrent resolution.

"(b) Any document required to be submitted under subsection (a) relating to the proposed disposition of any land in the Canal shall set forth—

"(1) a description, by metes and bounds, of such land and a description of the appurtenant structures, if any;

"(2) a separate certified appraisal by the Chief of Engineers, Corps of Engineers, of the current value of the land and the current value of the appurtenant structures, if any;

"(3) the acquisition cost of the land, as certified by the Governor of the Canal Zone; and

"(4) a certification by the Governor of the Canal Zone that such land is not needed for the maintenance, operation, sanitation, government, and protection of the Panama Canal and the Canal Zone, and the future expansion of the Canal.

"(c) A copy of the document referred to in subsection (a)(1) shall be delivered to each House of Congress on the same day, and shall be delivered to the Clerk of the House of Representatives if the House is not in session, and to the Secretary of the Senate, if the Senate is not in session. Any such document shall be referred in the House of Representatives to the Committee on Merchant Marine and Fisheries and in the Senate to the Committee on Armed Services.

(b) The analysis of such chapter 1 is amended by striking out "3. Towns and subdivisions."

and inserting in lieu thereof the following:

"3. Disposition of land.
"4. Towns and subdivisions."

SALUTE TO YOUTH SERVICES OF TULSA

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. JONES of Oklahoma. Mr. Speaker, it is rare that one can point to a program that actually seems to be doing something to curb our rising rate of crime and juvenile delinquency.

The city of Tulsa is indeed fortunate to have such a successful program in operation today. The pride the citizens of my district have in Youth Services of Tulsa, Inc., is reflected in the fact that the city of Tulsa has proclaimed the month of August as Youth Services of Tulsa Month.

Youth Services of Tulsa operates on a concept and a philosophy of dealing with juveniles before the problems they might be having leads them into serious difficulty with society. By working to divert youth into alternative programs and away from the juvenile justice system, the YST helps avoid the negative labeling of children which so often leads to self-fulfilling prophecies about their ability to function in our society.

The programs of the Youth Services of Tulsa agency are many and varied—the school outreach program (RAP), the Youth Services Bureau, county programs, and the recently instituted youth shelter—all of these services are models of effectiveness that other communities should study in an effort to improve their own juvenile services.

I sincerely hope that my colleagues will join me in wishing continued success to the Youth Services of Tulsa agency. It is only fitting that we draw attention to their fine work on behalf of society and the young people forced to cope with that structure.

A BILL FOR LABOR

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. CLAY. Mr. Speaker, the labor movement has suffered some setbacks these past few years, but if greater protections are sanctioned by the administration we can still hope that the backbone of this country will not be broken or weakened.

I want to take this opportunity to share with my colleagues the following editorial which appeared in the St. Louis Post Dispatch on July 23, 1977:

A BILL FOR LABOR

Why Labor Secretary Ray Marshall insists that the package of proposed labor law revisions supported by the Carter Administration is not a bill on behalf of organized labor is puzzling, for that is exactly what it is and there is no good reason to characterize it as anything else—as Mr. Marshall did when he said it was only regulatory reform. It is that, to be sure, but it is reform that is clearly intended to facilitate the organizing of workers by unions and it deserves support on that basis.

To achieve its objective, the bill would establish strict deadlines for scheduling a union certification election after authorization cards have been signed by workers. The purpose of this provision is the elimination of long delays that employers often use to conduct a campaign among workers to vote against a union. The measure would also require the payment of double back wages to employes illegally discharged for engaging in union activities. It is hoped this would make such firings too expensive to be worthwhile.

In a provision analogous to laws that deny federal contracts to companies engaging in racial discrimination, the bill would prohibit employers who willfully violate labor laws from being awarded federal contracts. Another important feature is one mandating increased pay levels, based on industry averages, for workers whose employers refuse to negotiate with validly-chosen bargaining units. Other features of the bill would streamline the National Labor Relations Board's administrative procedures so that cases would be less likely to get bogged down in red tape for prolonged periods.

If the bill is enacted, those companies that use delay and threats to frustrate a lawful effort to organize employes or the collective bargaining process would have a much more difficult time doing so. The Carter Administration has no need to apologize for supporting legislation that does nothing more than give greater meaning to the protections offered working people by the National Labor Relation Act.

OREGON RESPONDS TO CALL FOR GRASSROOTS RESPONSE ON WELFARE

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. ULLMAN. During the past year, this country's income maintenance policies have been the subject of considerable public debate. Poverty and unemployment have once again shared the Nation's attention with inflation and the energy crisis.

Reflecting this new mood in the country, President Carter has made it clear that welfare reform will be a major concern of his administration. Five months ago, HEW Secretary Califano asked for a grassroots effort to advise the administration on reforming Federal welfare programs. The 12 guidelines for reform enunciated by the President in early May were thus the result not only of the bureaucratic process but also of the national and regional hearings on public assistance held by HEW in March.

As President Carter prepares to announce to the Nation and the Congress his specific recommendations for welfare reform, he and Secretary Califano are to be commended for their willingness over the past 9 months to engage in direct consultation with the American people on these critical national issues. At the same time, it is also fitting to commend the people of Oregon for their willingness to act as consultants to the President and Secretary.

Oregonians believe, with considerable pride, that they have responded to the President's invitation "in more sweeping fashion than have the residents of any other State." (Editorial, Portland Oregonian, July 17, 1977.) Oregon's exercise in grassroots Democracy began last November, when 150 people gathered in Portland to discuss problems in current income maintenance and employment programs. Following this workshop, representatives from business, labor, academic, religious, civic, social service and public interest groups met, under the auspices of the Metropolitan Family Service of Portland, to encourage continuing public exploration of these concerns. As a result, a broad coalition of 24 organizations was formed to further the community education effort begun in the November workshop.

On April 15–16, more than 1,000 people attended a conference organized by this coalition to explore income maintenance and employment policies. This forum, called "Wages, Welfare or WHAT?" attracted both nationally known experts and political leaders at the municipal, State, and Federal levels. Dialog at the conference was focused on four major public policy options: Full employment, less Government intervention, welfare reform, and guaranteeing an adequate income.

"Wages, Welfare or WHAT?" generated considerable enthusiasm throughout the State for following this conference with a project which would encourage greater direct citizen involvement in formulating public policies. On July 14 approximately 3,000 Oregonians in 35 cities and towns throughout Oregon attended over 55 town hall meetings. Citizens voiced opinions about their ideals for the kind of society they wished to live in, about the public policies that they saw as necessary to achieve these ideals and about the Government programs they preferred for implementing these policies in response to continuing social problems of poverty and unemployment.

The opinions of Oregonians who participated in the town hall meetings were recorded in a public opinion survey. The results of the 55 town hall meetings will be presented this month to the Oregon Congressional Delegation, and transmitted to Secretary Califano and President Carter. They also will be offered as testimony in congressional hearings on welfare reform later this fall. These results promise to be exciting and challenging for the insights which they will provide into the beliefs and preferences of a diverse sample of citizens in Oregon.

NATIONAL "CHEF OF THE YEAR"

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. GAYDOS. Mr. Speaker, it is with great pleasure that I call the attention of my colleagues to a man from my 20th Congressional District of Pennsylvania who was honored recently by the American Culinary Federation, ACF, during its national convention.

Jack F. Braun, executive chef of the Lemon Tree Restaurant in McKeesport, Pa., won an overwhelming endorsement from the national organization of professional chefs, ACF, and was named the U.S. "Chef of the Year" for 1977. Nominated by the Pittsburgh chapter for the national award, Chef Braun won the award by unanimous decision representing the vote of some 7,000 chefs across the country. Each year the chefs bestow the honor upon "the one chef who has singularly done the most for the advancement of the profession."

Chef Braun has been actively involved in the food service industry for 17 years and has been employed at the Lemon Tree for the past 8 years.

During his 17-year career, Chef Braum has contributed to his profession by successfully developing and implementing the first cook's apprenticeship training program to be registered by the U.S. Department of Labor. The standardized educational program is designed to train aspiring young chefs and has been adopted nationally and by the U.S. Army.

The initial program was implemented in Pittsburgh 3 years ago. Its success there prompted Chef Braun and his colleague, Mr. L. Edwin Brown of the Community College of Allegheny County, to present the program as a nationwide prototype to be used as the standard of cook's training throughout the country.

The apprenticeship program earned Chef Braun a citation merit award from the Pennsylvania House of Representatives.

At age 31, Chef Braun is the youngest ever to receive the ACF's most prestigious award. The award also brings special recognition to Pennsylvania and Allegheny County. During the 48-year history of the award, Pennsylvania is the only State to have two winners of the title. The previous National Chef of the Year is Ferdinand Metz, chef of Heinz Co.

Late this fall, chefs from across the country will gather to prepare a 21-course dinner at the Lemon Tree as a testimonial to Chef Braun.

Chef Braun resides in North Huntingdon Township with his wife, Barbara, and their two sons, Rudy and Kevin.

Earlier this year, Chef Braun was the recipient of an "Outstanding Young Man of the Year Award," bestowed upon him by the Jaycees.

I congratulate restaurateur, Benjamin Kulasa, proprietor of the Lemon Tree as well as Jack F. Braun in achieving this distinctive honor and wish them continued success in the future.

ST. STEPHEN OF HUNGARY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. ANDERSON of California. Mr. Speaker, on August 20 the people of Hungary—and the many Americans of Hungarian descent—celebrate St. Stephen's Day, a national holiday that combines religious and patriotic history in the memory of the first Christian King of the Magyars.

Hungarians have long prided themselves on their independence, and freedom is a concept which they hold dear. Even today, under Communist domination and the shadow of the Soviet Union, St. Stephen's Day retains its national significance, and is observed with traditional ceremony.

St. Stephen of Hungary, a member of the Magyar people, was born in 977 A.D. Following the death of his father, Geza, he succeeded to the Magyar throne in 1001. To commemorate his conversion to Christianity, Stephen was given a crown by Pope Sylvester II. Today, that crown is reversed as a national symbol with the same significance we give to the Liberty Bell. Ironically, the crown today is kept in the United States, having been given to our Government for safekeeping by the Hungarian Crown Guard at the end of World War II.

During St. Stephen's reign from 1001 to 1038 A.D., the Magyars were brought together under the aegis of national unity. He was victorious in numerous battles with internal and external enemies, and with the help of the Catholic Church founded dioceses and abbeys throughout his nation. Not only did this hasten the religious conversion of his people, but the abbeys, as centers of learning, played an important role in the development of Hungarian education and learning.

Through his marriage with Gisela, the sister of St. Henry II, an alliance was forged between the fledgling Hungarian nation and the Holy Roman Empire. By protecting the security of his country, Stephen was able to enjoy a reign that is still remembered as one marked by compassion, wisdom, and success.

So on August 20, Americans of Hungarian descent will pay tribute to one of the great men in history. Stephen of Hungary remains a symbol of freedom not only for Hungarians, but rather for all of us to revere for his dedication to his people.

THE SOCIAL SECURITY DEBATE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. MURTHA. Mr. Speaker, the social security system is in trouble—but it is not broke, and Congress will not allow it to fail.

New funding represents the most urgent need. With more people retired, unemployment reducing the number of workers paying into the fund, and inflation pushing up the annual cost-of-living increases, social security experiences the same pressures as any bank account.

Two sources of new funding are mentioned most often. Social security taxes can be increased, but low- and middle-income workers already pay heavily into the program; or money can be taken from other tax revenues. This is easier, but provides another drain against a balanced budget, and ends the tradition of social security supporting itself. Other options must be explored.

Congress must also review another tradition. Social security began as a supplement to other income. Today, many retired persons rely solely on these checks. The Government must determine if social security should remain a supplement or insure the daily needs of the retired.

Other questions exist about the fairness of the system, the needs of persons just under social security age, and long-term financing as the retired population continues to increase.

In its 38 years, social security has never missed a payment. Congress plans to continue that record.

THE UNITED STATES AND THE ILO

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. FRASER. Mr. Speaker, the United States faces a serious foreign policy decision: to give effect to former Secretary Henry Kissinger's 1975 letter of intent to withdraw from the International Labor Organization by November 1977 or to find a way not to withdraw at this time. We joined ILO in 1934 with the support of the President, the U.S. Senate, the House of Representatives and American labor. A cabinet-level committee in less than 2 weeks will meet—on August 16—and recommend a decision to President Carter on the ILO.

The issue of withdrawal is complex. It involves the points raised in Kissinger's 1975 letter as well as important considerations of the U.S. relations with its Western Allies, the Soviet Union, and the Third World. A decision to withdraw also has important implications for this administration's commitment to human rights, to a Middle East settlement, and to the north-south dialog in which discussions on improving labor standards must play a continuing role.

The Overseas Development Council has prepared a balanced and useful analysis of the issue of the United States and the ILO and I request that it be inserted in the RECORD. It describes the origins of the 1975 letter of intent to withdraw, ILO's record since November 1975 and several additional factors that should enter the U.S. decision. The ODC's analysis importantly refers to the ILO's unusual work in promoting and supervising the international human rights standards it has prepared. Since it was established in 1919, ILO members have developed over 300 conventions and recommendations; these comprise the International Labor Code. According to ILO's constitution, members are to report to a committee of experts every year on steps they have taken to implement the conventions they have ratified. The members of this committee are appointed by the director-general from among the world's leading international legal experts. They meet in their independent capacity every year, consider reports submitted to them and report to an ILO conference committee on the application of conventions, which in turn reports to the ILO conference. The United States wants to strengthen this ILO human rights machinery and I understand that our Western allies and some of the group of 77 are committed to working with us to support the reforms we seek in the months ahead. We should also note that the reports of the committee of experts are to be used by the Helsinki Commission in accordance with the Declaration of Principles of the Helsinki Agreement.

I am very pleased that Mr. Douglas Fraser, new President of the United Auto Workers publicly supports the United States' staying in the ILO. In his letter to President Carter of July 28, 1977, Mr. Fraser refers to the importance of the ILO's promoting the rights of workers throughout the world. I request that this letter also be inserted in the RECORD.

Mr. Speaker, it seems to me that the new administration's commitment to promoting human rights requires that the United States remain a member of the International Labor Organization. The administration must examine the points raised in the 1975 letter and pay particular attention to the implications of a decision for human rights, the north-south dialog and the Middle East situation:

ISSUES MEMORANDUM: THE UNITED STATES AND THE ILO

(By Stephen M. Taran and Rosemarie Philips)

The United States is on the threshold of a decision regarding its continued participation in the International Labor Organization (ILO). In its most narrow context, this decision involves nothing more than determining whether the United States should tolerate conditions which, in its judgment, impair the ability of the ILO to fulfill its mandate. But in a broader context, the decision involves considerations of U.S. relations with its Western European allies, with nations of the Third World, and with the Soviet Union. Because of the unique, tripartite structure of the ILO—with each member nation's delegation consisting of two government delegates, one worker delegate, and one employer delegate—the decision directly involves U.S. domestic political interests as well. Without the consent and support of the AFL–CIO and the U.S. Chamber of Commerce, which are responsible for appointing the U.S. worker and employer delegate, respectively, the United States would find it difficult, if not impossible, to continue as a member of the ILO.

In reaching a decision, due by November 6, President Carter must weigh not only the likely impact of the decision on the ILO and its work, which was deemed worthy of the Nobel Peace Prize in 1969, but also its impact on U.S. participation in other international organizations and on his nascent efforts to gain worldwide acceptance for his human rights campaign. At the same time, if a decision is made to stay in the ILO, the President must devise a strategy for achieving some amelioration of the conditions which warranted the issuance of a letter of intent to withdraw. Without such a strategy, it is unlikely that the AFL–CIO or the Chamber of Commerce would lend their support to the President's decision.

BACKGROUND ON THE ILO

The original mandate of the ILO (founded in 1919) was to set standards of performance in such areas of social and human rights as freedom of association, the elimination of forcer labor, and non-discrimination in employment. Under the tripartite structure of the organization, worker, employer, and government delegates vote independently.

Most of the ILO's early work concerned itself with setting international labor standards and supervising their implementation by member countries. As the organization's membership has broadened to include the newly independent developing countries, an increasing share of its resources has been devoted to technical assistance activities and to research in such fields as employment policy.

The ILO, which is located in Geneva, is comprised of three parts. The Conference, which meets annually and consists of four-member delegations from 134 nations, serves as the forum for discussion of world labor and social problems and sets minimum international labor standards and broad policies of the Organization. Between Conferences, the work of the ILO is guided by the 56-member Governing Body, consisting of 14 worker and 14 employer delegates and representatives from 28 governments. The International Labor Office is the organization's secretariat, operational headquarters, research center, and publishing house. The work of the Office and of the Governing Body is assisted by tripartite committees covering major industries and by panels of experts on a wide range of issues, including vocational training, occupational health, and special problems of women and young workers.

THE CURRENT U.S. POSITION AND ITS ORIGINS

The immediate origins of the decision facing President Carter are found in a letter of intent to withdraw issued on November 7, 1975, under the signature of the Secretary of State, Henry Kissinger, and with the full support of the Ford Administration and the AFL–CIO and the Chamber of Commerce. This letter was issued in order to fulfill the ILO's constitutional requirement that two years' notice be given prior to the departure of any member-nation. It served the additional function of summarizing the U.S. position regarding the ILO and of outlining the terms under which the United States would remain in the organization. The U.S. withdrawal will become automatically effective on November 6, 1977, unless a decision to the contrary is taken.

The letter cites four issues as the heart of the U.S. complaint:

(1) Erosion of the tripartite principle underlying ILO structure and function.—This refers not just to the fact that there is considerable government domination of worker and employer delegates within Soviet-bloc and many Third World delegations—a phenomenon that is admitted to be outside the purview of the ILO, being the result of increasing governmental control throughout the world of many aspects of national life. The U.S. concern is that government domination is beginning to override the decision-making power of all worker and employer delegates within the organization;

(2) Selective concern for human rights.—The ILO Conference has passed resolutions condemning the practices of a few select nations (e.g., Israel), while ignoring the human rights records of nations that are protected by their allegiance to a majority bloc. This is taken as a threat to the credibility of the organization, diluting whatever moral authority it can bring to bear on nations violating its International Labor Code, which is the codification of the Conventions and Recommendations agreed to within the ILO. Although Conventions, once adopted by the ILO Conference and ratified by member-nations, have the force of treaties, the success of the ILO in promoting economic and social justice depends almost exclusively on its ability to serve as the conscience of the international community on labor issues, using moral persuasion rather than legal sanction to gain compliance with its standards;

(3) Growing disregard of due process in ILO procedures.—Long-established fact-finding and conciliation machinery has been ignored or bypassed in efforts to score rhetorical victories against particular political targets. A recent example of this occurred in 1974 when the ILO Conference condemned Israel for its treatment of Arab workers in the occupied territories without the required investigation by an ILO committee of experts; and

(4) An increasing politicization of the ILO's deliberations.—The United States has acknowledged the inherently political nature of many of the ILO undertakings, specifically its responsibility "to promote and protect fundamental human rights, particularly in respect of freedom of association, trade union rights, and the abolition of

forced labor." But the United States has insisted that consideration of international political issues such as those concerning relations between states seriously disrupts the work of the ILO, diverts attention from the real tasks constituting the ILO mandate, and arouses conflicts that inhibit the organization in its efforts to promote social justice through its work on employment, labor relations, and work conditions.

The U.S. letter of intent to withdraw is a carefully drawn bill of particulars containing serious allegations about the motives and behavior of many ILO members. But the key question remains whether these issues, to the extent that they are valid, constitute sufficient cause for the United States to withdraw from the ILO. While the record on each of these conditions will be important in determining the U.S. decision, it will not serve as the only criterion for judging the value of continued U.S. participation. The importance of the ILO's work for the United States and the rest of the world, the impact of a U.S. withdrawal on the ILO, and the potential effect of withdrawal on other multilateral institutions are other factors that will be considered.

THE RECORD SINCE NOVEMBER 1975

In the 21 months since the letter of intent to withdraw was issued, the United States has worked toward bringing about changes in the conditions that prompted the letter. Some success in this effort is evidenced in a number of developments.

1. The 1976 ILO Conference adopted a convention calling for the establishment of national consultative machinery by member-nations to strengthen the ILO tripartite mechanism. The independence of worker delegates was reaffirmed both at the 1977 Conference (where the U.S. worker delegate, Irving Brown, was elected Vice President) and after the 1977 Conference (when the Canadian worker delegate was elected Chairman of the Governing Body—the first time in ILO history that this position has been held by a non-government delegate).

2. The issue of politicization within the ILO has become somewhat less salient. At none of the four world ILO conferences in the last thirteen months—the 1976 and 1977 annual conferences, the World Employment Conference, or the World Maritime Conference—was a resolution concerning Israel, Zionism, or the Middle East adopted.

3. At the Governing Body meeting in March 1977, the United States won important political victories on the issue of due process within the ILO when that body adopted a U.S.-proposed change in rules that would prevent the introduction of politically motivated resolutions and when it approved the Director General's decision to abandon his examination of Israeli labor practices in occupied territories.

In spite of these rather positive developments, three events at the 1977 Conference have caused the United States to seriously consider allowing the 1975 letter of withdrawal to become effective. These are: a) the effective rejection of the Governing Body's recommendation that political issues be screened by a group of experts before entering ILO deliberations, b) the rejection—with strong Soviet encouragement—of an ILO committee report criticizing the Soviet Union and other countries for their failure to apply ILO standards, and c) the failure to approve the Governing Body's recommendation to end ILO action concerning Israeli treatment of Arab workers in the occupied territories, thereby reaffirming the 1974 Conference resolution condemning Israel.

OTHER FACTORS TO BE CONSIDERED

In determining whether the United States should remain in the ILO, other considerations must be taken into account by each of the three parties—government, workers, and employers—taking part in the U.S. decision.

The most important of these is the usefulness of the ILO and its work to its tripartite constituency in the United States and to the world community at large. The ILO is one of the few international institutions with a mechanism for bringing about change within nations in the field of human rights. In 1976, for example, as a result of pressure from the ILO, 45 countries altered a total of 80 pieces of national legislation to comply with ILO standards; in 1975, 55 countries amended 94 pieces of legislation; and over the past fourteen years, 1,100 national laws were changed because of the standards set by the ILO.

The ILO's long-standing concern for human rights entered its most innovative stage with the adoption at the 1976 World Employment Conference of a "basic human needs strategy" for fostering economic development. This strategy—which has as one of its fundamental principles the promotion of job creation and full employment in rural areas—embodies the most ambitious effort yet undertaken by any international agency to secure for the vast majority of the world's people the economic rights which are the necessary counterpart of political freedoms in a comprehensive approach to promoting human rights. Since the ILO adopted this strategy, the concept—developed by the staff of the ILO secretariat—has found support and approval in the U.N. General Assembly, the World Bank, the Development Assistance Committee of the Organization for Economic Co-operation and Development, the Conference of Non-Aligned Nations, and the U.S. Agency for International Development. This wide-ranging support suggests that the ILO continues to be of considerable relevance and importance to the world community.

Of little immediate economic benefit to either American business or labor, the ILO holds considerable potential for ensuring a greater degree of equality of labor conditions internationally. Labor and business have both been hurt recently by products manufactured in countries where there is little concern for the treatment of workers, the wages they receive, or the conditions under which they must work. The ILO has contributed to the alleviation of some of the worst problems and holds the promise of even further improvement in each of these areas. U.S. Secretary of Labor Ray Marshall recently suggested, for example, that the long-term solution to the loss of U.S. jobs due to import competition include the establishment of a worldwide minimum wage. The ILO could be a useful forum within which to consider such a measure.

A second consideration affecting the U.S. decision is the impact of its withdrawal on the ILO itself. The loss of U.S. leadership in fighting to maintain the ILO's commitment to its fundamental principles would almost inevitably worsen the conditions which the United States deplored in its letter, further undermining the ILO's credibility and effectiveness. By leaving, the United States could trigger the withdrawal of those nations which supported its views on the need for reform within the ILO, setting off a vicious circle in which each withdrawal leaves the ILO less effective, cause even more withdrawals. Moreover, U.S. departure from the ILO would mean a loss of $20 million, which is 25 per cent of total ILO resources supplied by member-nations. There is, therefore, considerable risk that a decision by the United States to quit the ILO would mark the beginning of the organization's demise.

The final point to be considered is the effect which such a precedent-setting action would have on other international organizations. For the United States to leave the ILO under any but the most serious circumstances would raise questions about its commitment to other international organizations and could undermine its effectiveness in such politically volatile institutions as the United Nations General Assembly or the United Nations Educational, Scientific, and Cultural Organization (UNESCO). There is the further danger that this action would serve as a precedent for other countries to leave international organizations when circumstances no longer suit them. This would over the longer term destroy the international forums important for settling many of the world's problems.

In sum, its recent record indicates that the ILO, as most other international agencies, is affected by the political atmosphere outside the organization. This was true in the 1920s and 1930s when the ILO was the scene of debates on the rise of fascism and the formation of popular front governments and it remains true today when the issues are East-West conflict, North-South debates, and Arab-Israeli disputes. What matters most is that these issues have not yet crippled the ILO or turned it into a meaningless debating society. In fact, some would point to its initiative on basic human needs, its continued success in gaining greater acceptance of international standards for workers as national laws, and its growing technical assistance programs as evidence that the ILO can continue to fulfill its legitimate mandate in international labor affairs. The question today is whether President Carter will seek to maintain the United States in a position from which it can continue to influence the ILO from within the organization or whether he will decide that the conditions within the ILO are indeed intolerable and follow the course set by the Ford administration leading out of the organization.

JULY 28, 1977.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I have followed closely for several years the debate over the continued participation of the United States in the International Labor Organization (ILO). Because you will scon be making a decision on this crucial issue, I would like to make you aware of my position.

Like many other American trade unions, the UAW has been proud that the ILO was created, in large part, at the urging of the labor movement. It was and is a unique tripartite world organization in which workers have an equal voice with government and management. Although we live today in a much different world than existed in 1919 when the ILO's charter was established, its goal of promoting the well-being of working people throughout the world remains valid today.

As President of the United States, you have made it clear that human rights is a cornerstone of our nation's foreign policy. I believe that the ILO has a significant role to play in the struggle of workers for human rights across the world. If the United States withdraws from the one international agency which has played such a central role in promoting human rights for workers, our hope of improving the lives of many will greatly diminish.

I have been distressed by the increased drift toward unconstructive politicization of the ILO and share the belief of many trade unionists that its greatest contribution must be in providing technical and developmental assistance to working people particularly in developing nations. The ILO cannot and should not be the forum for resolving broad, complex foreign policy issues confronting member states. If the ILO is to achieve its objectives, it will be essential that non-communist industrial nations and third world countries support efforts to limit the trend toward purely politically motivated resolutions.

My hope is that the U.S. will remain an active participant in the ILO and will press vigorously within that forum for the human rights principles you have so articulately presented as President. It is not clear to me that our goals can, in any way, be furthered by withdrawal. In fact, withdrawal will provide those with whom we strongly disagree an unobstructed path down which they will carry their effort to expand their influence, particularly in developing countries. In addition, I believe withdrawal will harm many member nations which have supported our positions, both on specific and general ILO issues.

The UAW has always been a friend of Israel, a nation with a strong, democratic trade union movement. We have deplored the condemnation by the ILO of Israel without even an effort to impartially investigate the charges as required under established ILO procedures. Yet neither that development nor the seating of Palestine Liberation Organization observers resulted in a decision by Israel to withdraw. Nor have any other western democracies which shared the U.S. position on these and other ILO issues chosen to withdraw.

In addition, I am concerned that U.S. withdrawal from the ILO could create pre-conditions for the unravelling of our involvement in other international forums that can and should move us closer to the goal of world peace. That goal can best be achieved by improving and strengthening these forums rather than abandoning them to countries with which we disagree.

I hope you share my belief that the concessions which we seek in order to have the ILO properly live up to its promise can best be achieved from within the organization. I would be happy to discuss this matter with you further should you wish and appreciate greatly the opportunity to express my views to you on this crucial subject.

Respectfully,

DOUGLAS A. FRASER,
President, International Union, UAW.

WHALE OIL'S FUTURE

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. COLLINS of Texas. Mr. Speaker, people have asked what will happen if America runs out of oil and gas. I want to tell you it will be the same thing that happened when we ran out of whale oil. No one in your home is using whale oil today, and no one in your family has gone down to the store lately to price whale oil.

Yet, history shows that whale oil for a 1,000 years was the most important resource that was used for lighting and as an industrial oil.

Civilization first adapted whale oil back around 950 A.D. For the first few centuries whales were hunted and captured in the oceans surrounding Western Europe. It may have been that the Scandinavians were looking for whales when they first came across our North American area.

With the big market for whale oil and whale bone, the more venturesome and aggressive whalers extended the search further and further into distant oceans.

In the early part of the development of the American colonies, whaling was a major industry. New England took the lead and at the time of the Revolution the American colonies had the biggest share of the whaling business in the world. They broadened into new areas including the Pacific and in the 1880's they moved up to the Arctic Ocean. The exploration reflected the natural motivation that comes through individual enterprise. With the demand for energy and the older areas playing out on supplies, the whalers moved into new areas. Whale oil had its high point during the Civil War and from then on it was a downhill slide.

Whale oil priced itself out of the market because as it became short, the price went up. It reached a point of $2.55 per gallon with a Civil War greenback currency inflation. Remember there are 42 gallons in a barrel of oil. So they were paying $107 a barrel for whale oil.

So what happens is a natural development. In 1859, petroleum was discovered in Pennsylvania. Kerosene and the incandescent electric light came in as competitive alternatives for whale oil. Although the American whalers at their high point had over 70,000 people engaged in the industry, and Americans owned 73 percent of the world's whaling ships, the lower priced alternative provided tough competition. The new kerosene created a bright and cheap illumination. In the 1850's kerosene sold for $1 a gallon. Whale oil at this time was not only faced with a decreasing number of whales but also the cost of ships and the rising cost of seaman labor made it even more expensive to stay in the whaling business. Only the strong price of whale bone kept the market up through the latter part of the 1800's but by 1900 America was out of the whaling business.

By 1900, all whale oil lamps had been discarded, despite the fact that the whale oil price had broken and was selling for less than 20 percent of its high point.

Fortunately, in those days President Jimmy Carter was not in the White House. People did not think they could put price controls on the single commodity of whale oil. They left energy to natural economics. Twenty years from now our power might come from the waves of the ocean, or it might come from new nuclear developments, or it might come from utilization of waste products. But President Carter must realize that for the next 10 years our industrial facilities are geared so that 74 percent of America's energy will come from oil and gas.

The answer is to cut back on our Arab OPEC imports which could bankrupt our American economy. Our imports of oil have increased from $5 billion in 1972 to where we sent the Arab OPEC countries $45 billion during 1977. We must be self-sufficient in our resources and the only way to do it is to eliminate price control. The only commodity in the United States today under price control is oil and gas. Let an open market provide the incentive for future alternatives to our energy needs.

LIFE CYCLES

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. MOAKLEY. Mr. Speaker, today I would like to insert into the RECORD an article sent to me by a constituent. It is not about any particular issue but about general conditions in American life. It discusses our life cycle and the pace of life created by our society. As its author, Ellen Goodman, says, it presents "the big picture."

I believe we legislators need to keep such pictures in mind as we set our legislative priorities. It is only through panoramic views of American life we can pick out the problems most needful of resolution.

In keeping with this belief, I urge Members of Congress to consider this short article on the cycles of American life:

KEEPING IN STEP WITH THE LIFE CYCLE

Every once in a while, I'm convinced that the last Easy Answer was taken away by the Tooth Fairy, who didn't even have a quarter in return. Every solution we've come up with lately turns out to be an embryonic problem and every time we resolve one conflict, we produce a new one.

It's enough to make anyone retire from the business of social problems, except for the fact that one of these problems is retirement.

Retirement. Forced retirement, mandatory retirement, compulsory retirement. The notion that every human being is ready to be marched out of the economic system at 65 or 70 is more absurd even than the notion that every child is ready to be marched into the educational system at 5 or 6.

Forced retirement programs deal with age categories instead of individuals and legislate the psychological and economic realities of life.

Now, these are being rethought. In Los Angeles, residents this spring voted to substitute annual physicals for mass retirements. In Seattle the mayor did away with most compulsory plans by executive order, and now, in Congress there are several bills pending that would also ban the wholesale "firing" of the older population.

But unless we want to stay in the business of spawning new problems out of the solution for the old ones, we have to look at what they always call "the big picture." Mandatory retirement is a miniature in close-up. It only touches on the fundamental problem of the American life cycle of today—a story that doesn't begin at 65.

The major statistical fact of the century is that people live longer than they used to. But rather than stretching out the pressures and pleasures over more years, we suffer from middle-aged bulge, with a lean youth and age.

Childhood, or youth, has become an extended period of dependency that can last until the last degree, the first (increasingly scarce) job, or the birth or a child. Middle-class children in their 20s recycle through their homes with such regularity that their parents never quite dare to make their rooms into dens.

Their adult childhood seems to be characterized by lack of commitments, a shortage of the kind of energy that comes only from expending energy. They testify to feel-

ing useless, empty or even afraid of adulthood.

Yet, a few years later, they enter the middle of the life cycle. Then the pressures collect to form like an embolism in a major artery. For most people the child-rearing years coincide with the career-building years.

The time when parents of young children feel most needed at home is precisely the time when they most need the money that can only be earned outside the home. In the same intense, speeding decades, they are trying to deal with growing children, aging parents, bosses and each other. They are in the pressure-cooker of the life cycle, when the most common lament is, "We don't have enough time." Or energy. A fact of family life today is that many only have the time and energy to appreciate it after they've missed it.

Yet, in some ways today, the young elderly mirror the problems of the old young. A few years or a decade after the paid-life tensions are relieved, millions have again been pushed, this time into forced idleness. Their letters and testimony in Congress express the same malaise—discomfort at idleness, fear of uselessness—as the young. They have too much "time" on their hands.

Too little or too much. There is an unequal distribution of pressure along the life cycle. Ending mandatory retirement is only one of a series of adjustments to be made if we are looking for a public policy that will be supportive of stronger families and more sensible lives.

We need employment (or even national service) for the young as well as the able old, just as we need flexible work schedules for the parents of young children. We need to foster the mutual support systems of extended families and mixed-age communities, and neighborhoods. As a beginning.

It's time for an energy redistribution program all along the life cycle, one that would smooth the pressure points of some and add meaning to the lives of others. In the process we might even discover something they call the balanced life.

STRENGTHENING THE NATIONAL DRIVER REGISTER

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. ROE. Mr. Speaker, the safety devices to protect life on the highways, the campaigns for better driving habits and against drunken driving, the research, the investigations, and the National Driver Register have all contributed to make America a safer driving environment. The safety of people traveling on our roads and highways must remain highest on our list of priorities. However, revision of faulty or ineffective programs is a necessary prerequisite.

Ken Nathanson's article in the August 1 Washington Post, "A Forgotten Road Hazard; The Unsafe Driver," poignantly articulates the need to change one such program—The National Driver Register. The concept of a national register of motor vehicle violations is sound. With only voluntary participation by the States, the NDR, however, is not working and needs to be overhauled and strengthened. By strengthening this program as proposed in H.R. 8614, authored by our colleague, JAMES L. OBERSTAR, we will be reaffirming the commitment we put forth in the Highway Safety Acts of 1966 and 1973.

Mr. Nathanson's article follows:

A FORGOTTEN ROAD HAZARD: THE UNSAFE DRIVER

Ben Kelley in his excellent op-ed article, "Highway Slaughter: By Caring, We Could Stop It," (July 2) states that "much of the carnage will be technologically preventable . . . but as a community, the United States probably will not care enough to stop it." He correctly attributes this collective not-caring attitude to the fact that "the violence will strike not in a few catastrophic outrages but in unimpressive dribbles, day by day, through the year."

Kelley accurately describes the need for lowering the built-in top speed of cars and the importance of seat belts and air bags. Unfortunately, he fails to mention the significant role in highway slaughter of the chronically offending driver.

Kelley is not alone in bypassing the importance of behavioral factors in the total picture. This concentration by many highway-safety specialists on the engineering aspect gives an incomplete picture and unrealistic perspective. Such exclusion of the human factor in highway-safety results in a poorly informed public that remains understandably complacent and in no position to demand suitable remedies.

There are now 10 million unlicensed drivers on America's highways. This is the core of the problem. Among these millions of unlicensed drivers are untold numbers of problem drivers who consistently flout the law and rack up violation after violation. Sooner or later death and/or maimings result. Granted, not all highway accidents are caused by the dangerous driver, but so many are that this is where more emphasis should be placed. We could have the safest vehicles and the safest highway construction, yet unnecessary tragedy would continue. A concerted national campaign must be mounted to identify and rehabilitate the unsafe driver.

The National Driver Register of the U.S. Department of Transportation is an index data bank containing the names of well over 5½ million drivers whose licenses have been revoked or suspended. NDR is a sound concept but it simply is not working. Only the state driver-licensing authorities have access to this data when issuing an original or renewal license. The police, the courts, researchers and even another branch of DOT, the Bureau of Motor Carrier Safety, do not have access to this invaluable data.

At present the NDR responds by mail to requests from the states for driver-licensing information. Delays of up to two weeks are not unusual.

A step has finally been taken in the right direction. Rep. James L. Oberstar (D-Minn.), a member of the House Public Works and Transportation Committee, introduced legislation last Thursday to strengthen the National Driver Register and give it a quick-response electronic communications system. This would be its first major overhaul since it was established in 1960.

Kelley mentions the negligence of Detroit but does not discuss the inaction of state and federal officials who, though they have early means to know of the extreme danger posed by drivers with bad records, are not making the necessary efforts to improve the driver-records system and use it to maximum advantage.

We should not forget that the highway-safety picture has three parts: the driver, the vehicle and the highway. Unless the public is sufficiently informed that it will care enough to demand the kind of highway safety it has a right to expect, the safe driver, the innocent passenger and the unprotected pedestrian will soon become endangered species.

GEN. CASIMIR PULASKI

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. GINN. Mr. Speaker, one of the most dramatic and significant stories of the American Revolutionary War revolves around the life of a son of Poland, Gen. Casimir Pulaski. He came to America at the time of our greatest need, and his heroic self-sacrifice contributed both to our success in securing independence, and to the honor that surrounds those who fought for our freedom. In the end, General Pulaski gave his life in combat during the historic Battle of Savannah, Ga., in 1779.

In honor of this great man, who symbolizes one of the many contributions of the people of Poland to America, I ask that the resolution in honor of General Pulaski by the Honorable George Busbee, Governor of Georgia, be included in the RECORD at this point. I also ask that an excerpt from a statement prepared by the Honorable Edward C. Rozanski, chairman of the Polish American Congress, Inc., be included:

RESOLUTION OF GOVERNOR BUSBEE

GEN. CASIMIR PULASKI DAY

Whereas, July 23, 1977, marks the 200th anniversary of General Casimir Pulaski's arrival in America; and

Whereas, during the Battle of Savannah in the War for American Independence, Brigadier General Casimir Pulaski of Poland commanded and led the famous Legion which included Savannah's own Georgia Hussars; and

Whereas, Brigadier General Pulaski distinguished himself in action against a determined and strongly entrenched enemy force, recognized the confusion and faltering of the combined American and French forces at Spring Hill Redoubt, and, at the risk of his life, led a gallant cavalry charge to create a diversion among the enemy, thereby buying time for the attacking force; and

Whereas, He was mortally wounded and died two days later; now therefore:

I, George Busbee, Governor of the State of Georgia, do hereby proclaim the day of July 23, 1977, as "General Casimir Pulaski Day" in Georgia, and commend the observance of this occasion to the citizens of our State.

EXCERPT

POLISH AMERICAN CONGRESS, INC.

This year marks the 200th anniversary of General Kazimierz Pulaski's arrival to America, and thus provides a great opportunity for informing the American people of the contributions Poles made in the fight for American independence. It is also fortunate that our president Mr. Mazewski of the Polish American Congress (PAC) has issued a call to action across the entire country, wherever there are large Polish communities or active Polish American organizations, in the form of patriotic and commemorative observances honoring the Founder of the American Cavalry, a deeply patriotic Pole who in the fight for Independence made the

supreme sacrifice and gave his life in the battle near Savannah, Georgia.

Casimir Pulaski, alongside Thaddeus Kosciuszko, symbolizes not only the noblest ideals of freedom for the Polish people, but also extraordinary service in the battle for American independence. The participation in the Revolutionary War of these two distinguished Poles and their contributions are accepted without argument, nevertheless, their historical context is not well known among average Americans. Thus, education through such special commemoratives, becomes a very patriotic responsibility for America's Polonia. One must remind the public of these fragments of American history in which Poles or Americans of Polish descent played a vital role, and in which the ideal of Polish-American cooperation and the traditional friendship between the two nations are accented.

The actions of Pulaski in the Revolutionary War testify to the undisputed fact that the best sons of Poland, from the very beginning, fought in America's wars as well as helped build the Republic's greatness. Pulaski's death handed down later generations, including today's, an unique inheritance, one of faith in the ideal of freedom and independence, irregardless of the character of Polish history.

Pulaski bequeath the entire American public, especially the Polonia community, an exceptionally rich treasure for the soul. In it we see the example of self-sacrifice for the ideals of freedom. When freedom was missing from the soil of Pulaski's fatherland, tramped upon and taken away by the partitioning powers, he came to where the battle for freedom was waging, America. His subsequent endeavors are indeed worth remembering, and thus it is very appropriate to commemorate the 200th anniversary of Pulaski's arrival to America.

CARTER'S ENERGY PLAN COSTS $377 BILLION

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. COLLINS of Texas. Mr. Speaker, a complete study of President Carter's energy plan shows that it costs $377 billion in the 8 years until 1985. An excellent analysis was prepared by Milton R. Copulos of the Heritage Foundation. Here is a summary of his report.

As the Carter energy package nears the end of its consideration in the House, concern is growing over its potential cost to the American public. Much of the measure consists of tax programs intended to either encourage or discourage some sort of activity in the energy area. While the administration has repeatedly emphasized that the taxes will be rebated, the fact is that in many instances they will not be returned.

For example, one of the more significant tax credits is for insulation; however, there is some indication that there will not be nearly enough fiberglass available to meet even relatively modest increases in demand. Without this material, many firms will not be able to insulate and therefore not be able to take this credit.

Another instance of no rebate credit is that most firms will not be taking the risk associated with unproved technologies such as solar and wind power. In any case, where they do these technologies have relatively specialized applications at present. The simple fact is that the majority of the tax revenues under the Carter plan will wind up in the Federal coffers and quite possibly eventually be used for social programs. For example, while the administration claims that all of its crude oil tax will be rebated, in fact only 75 percent will be, leaving $40.8 billion out of $163 billion to be eaten up by administrative and similar costs.

Other costs associated with the Carter energy program are more difficult to identify than taxes. For instance, as we depend on increasing amounts of imported oil, we not only pay higher prices but become more vulnerable to economic dislocation as well. One thing is certain: The energy bill in its current form is going to significantly raise costs to the public and at the same time tend to create severe disincentives for the exploration and development of additional oil and gas reserves. As a result, we will have to import $553 billion worth of foreign oil between 1978 and 1985.

TAXES ON OIL

There are essentially three forms of tax on oil. The first is the crude oil tax at the wellhead; the second is the industrial users tax; and the third is the tax on utilities which burn oil. The Carter administration has indicated that all of the revenues from the wellhead tax are to be rebated to the public. However, on closer examination this is not exactly the case. First of all, there is a provision in the legislation to allow the administrative costs for collecting and rebating the tax to be deducted from receipts. As a rule, the administration of a program at the federal level accounts for 15 percent of that program's budget, and there is no reason to believe that the administration of something as complex as the wellhead tax on oil will be any different.

A second consideration in regard to the wellhead tax on oil is the concept of opportunity costs. The tax will be paid over a period of one year and will be rebated with an individual's income tax. As a result, the individual incurs a very real cost—that of not having the money on hand during that year. It is not unreasonable to assign a 10 percent discount for the loss of use of the wellhead tax for the year. Therefore, it is reasonable to assume that a minimum 25 percent of total collections of the wellhead tax represents a real cost to the public.

A third consideration is that the tax on industrial users of oil is not rebated and is therefore a real cost to the businesses subject to it. Since it is eventually going to be passed on to the consumer, it is also a real cost to the public. The same holds true for the tax on utilities that must burn oil. The total cost of these taxes is staggering.

Total collections of the wellhead tax on crude oil will come to $163 billion for the period between 1978 and 1985. Even if discounted to account for rebates, there still is a $40.8 billion cost to the public. The industrial users tax will amount to $11.4 billion for the same period, and the tax on utilities will come to $3.9 billion. This means that the public will pay a total of $56.1 billion between 1978 and 1985 in taxes on crude oil and boiler fuel. This amounts to $801 for every family in the U.S.—and it is just the tip of the iceberg.

ADDED COSTS FROM IMPORTS

One aspect of the costs of the Carter energy program which has received relatively little attention is the potential additional cost of imported oil. While there are some OPEC members who take a more moderate view of price increases, many of them are pushing quite hard for significant escalations in the cost of crude. While the actual amount of the increases is obviously open to debate, there can be little doubt that they will be significant. One must remember that the initial increase voted by OPEC was nearly 400 percent. There is no reason to believe that the members of OPEC will be content to merely keep pace with inflation. For the purposes of this estimate, it has been assumed that OPEC increases will average only 4 percent annually. This, of course, is far less than the increases have been historically; however, even at this figure they come to a substantial amount. Based on an assumed 3 percent annual increase in the real price of oil, the cost of imports for the period between 1978 and 1985 will be fully $57.8 billion. This amounts to over $825 for every family in the United States.

NATURAL GAS

Much has been said about the pricing of natural gas. There is considerable evidence of its price responsiveness and of the fact that the current low prices have been a strong disincentive to exploration and development. There is no reason to believe that the $1.75 price contained in the energy bill will provide the incentive necessary to increase our supply. In fact, there is a considerable body of evidence which would indicate the opposite. For the purposes of this estimate, however, the secondary costs associated with shortages which are likely to occur at the $1.75 price have been ignored. Although these costs will be severe, they are difficult to quantify as their exact nature is dependent on a number of exogenous variables such as region, time of the year, and the like. Instead, it is assumed that supplies will be adequate to meet demand, and the tax consequences are all that will be considered. These alone are significant enough to be of considerable concern. For the period betwen 1978 and 1985, it is estimated that the cost of the taxes on natural gas will amount to $44.2 billion, or slightly over $631 per family.

IMPACT OF INFLATION ON TAXES

The National Chamber of Commerce has completed an econometric study of the potential impact of the Carter energy program on taxes through inflation. This aspect of the program will considerably increase the real tax burden of the middle class. The chamber estimates this impact as totaling $98 billion for the period between 1978 and 1985. This amounts to $1,400 for the average family.

IMPACT ON SUPPLY

Perhaps what is most significant about the Carter program is the total lack of incentives for exploration or development of new supplies of oil or natural gas. Also, when considering the various environmental initiatives proposed by the Administration, one is hard pressed to see how the mandated coal conversion can take place. In addition to stringent strip mining requirements, a severe tax burden will be placed on operators. The total tax bill is likely to surpass $1.8 billion for the coal industry by 1985. Further, since coal is relatively nonprice elastic, the cost of coal may rise dramatically over the coming years. The cost of pollution control equipment will be enormous. The only industry which has made a reliable estimate, the utility industry, indicates that the cost of coal conversion will amount to $50.6 billion between 1978 and 1985. A similar figure will be multiplied for the rest of American business, if they are allowed to convert under existing environmental regulations. These costs will mitigate strongly against the use of coal.

In the case of natural gas, an estimate prepared by Rep. Stockman of Michigan indicates that under the Carter program, 25 trillion cubic feet of natural gas which would have been produced under de-control will not be produced. While the cost of replacing this natural gas with some other fuel has not been included here, its replacement would be an expensive process—if it could be replaced at all.

CONCLUSION

The Carter energy program will represent the most significant increase in the middle-

class American's tax burden in our nation's history. The total cost of the program will be $377.31 billion over the next 8 years. This is over $5,390 for every American family. On an annual basis, the cost per family of the program will be as follows, excluding the cost of coal conversion (the cost of coal conversion will be $722.00 for every family just for utilities): 1978, $104; 1979, $357; 1980, $491; 1981, $584; 1982, $663; 1983, $783; 1984, $832; 1985, $851.

The American public is on the verge of discovering just how expensive the Carter Administration's approach to solving the energy puzzle will really be.

TOTAL COST OF CARTER PLAN—1978–1985
(*Billions of 1977 Dollars*)

Taxes on oil less rebate	56.1
Taxes on natural gas	44.2
Gasoline taxes	58.8
Auto efficiency taxes	10.0
Tax on coal	1.81
Added cost of imported oil	57.8
Additional Federal tax caused by inflation from energy taxes [1]	98.0
Utility conversion [2]	50.6
Total	377.31

[1] Source: Chamber of Commerce Forecasting Center Model.

[2] Source: Edison Electric Institute—Annual figures not available.

MISSING IN ACTION

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. DORNAN. Mr. Speaker, I would like to call to my colleagues' attention the discussion which took place between Mr. Leonard Woodcock and me during his testimony before the Subcommittee on Asian and Pacific Affairs of the International Relations Committee on March 31, 1977. It will give further insight into the activities of the President's commission sent to Vietnam and into the tragedy of Laos from which not a single missing American serviceman or missionary has emerged alive. Not one. The discussion follows:

Mr. DORNAN. Thank you, Mr. Chairman, and thank you, Mr. Burke, for allowing me to address some questions to these two distinguished gentlemen. I am not a member of this subcommittee but in many discussions with Congressman Montgomery he has been kind enough to acknowledge expertise on my part on this POW/missing-in-action issue.

Let me establish for the record and for your own information, Mr. Woodcock, just what that expertise is. I'll try to make it as brief as possible. I helped to raise, for the POWs, millions of dollars through the development of the POW bracelet, which I started with the help of two teenage girls in 1970. One of them has blossomed into womanhood and is in this room. Most of those millions were spent to let the world know the ghastly mistreatment and torture of our prisoners held by the Communists in South and North Vietnam and in Laos.

I raised funds personally in 1970 and 1971 to take three groups of wives around the world. Our trips took us to Moscow, Romania, Hungary, Egypt, Iran, Czechoslovakia, Cambodia, Laos, to Italy to meet with Pope Paul, to India to see Indira Gandhi when she was head of the largest democracy on the face of the Earth, and also, to South Vietnam into combat zones to visit hospitals.

I have made eight trips to Vietnam myself, five on this missing-in-action issue, one trip going back to May of 1966. My best friend during my 5 years in the Air Force was unreturned POW Lt. Col. David Hrdlicka, and I don't use that term "best friend" in the general sense, but quite literally. I checked Dave out in the F–100 supersonic fighter at George Air Force Base. Because we're the same religion, he asked me to be the godfather of his oldest child. Dave was shot down on May 18, 1965 in Laos, and was observed by his wingman being captured after a safe parachute descent and is still carried as a known POW. He was photographed in captivity as late as 1968 or 1969. He was almost the object of an international prisoner transfer by the Communist half-brother of Laotian Prince Souvanna Phouma. There were tape recordings and photographs of him in captivity. His wife found out about his missing-in-action status through a newspaper photograph in Moscow and not through the State or Defense Departments.

I have flown on combat missions as a journalist in all four corps areas of Vietnam, and was one of the first journalists reported missing in Cambodia. I made four trips to Laos. On one trip to Laos, our Ambassador put a helicopter at my disposal. I went up to the mountain areas, made trips to the villages to question people about the missing-in-action. I ate with the people and picked up intestinal parasites which stayed with me for a long time. I won their confidence. They told me many tales of downed Americans.

One of my Air Force commanders was one of the prominent POW's, Col. Robinson Risner, recently retired as a brigadier general. For 2 years on my television show in 1968 and 1969 I ended every broadcast with the closing plea to "Remember Robbi Risner and the other POW's in Hanoi."

This is just a partial background of my involvement with this issue. This POW bracelet that I still wear was originated with the two young ladies I mentioned, Miss Carol Bates, in the room now, and Miss Kay Hunter; this is what caused millions of dollars to be raised. I think the bracelet did help to bring word to Americans and to focus on relief of some of the POW families' suffering and to bring Geneva Convention treatment to POW's after 1971.

I think I should share a little-known story that will live in infamy forever. Over a little sleazy porno shop on the corner of 9th Avenue and 42d Street in New York City, all POW mail was delayed and contaminated by pro-Communists—imagine, all mail to and from POW's and their fathers, mothers, wives, sons, and daughters. What a disgrace. Some of these heroic POW's were tortured to death, as was the man whose name is on my bracelet, Maj. Edwin Atterberry. For escaping in May of 1969 he was stripped naked and beaten until there was not a square inch of flesh that was not a raw wound. He died after 8 days of sadistic beatings.

Imagine, all of the mail by these brave men after about 1967 was manipulated by this pro-Communist group, the Committee of Liaison, from above a porno shop in fun city. That disgrace and other disgraces like it for these families made me what President Carter would call emotionally involved. I agree.

With all due respect to Congressman Sonny Montgomery, who was one of the early friends when I first came to Capitol Hill on this issue back in 1968, 1969, and 1970—and with due respect to you, Sonny, and to Congressman Pete McCloskey and others, I really do know more about this subject than any other Member of Congress.

I could not begin an effective line of questioning that would bring any light to these hearings and thus to the American people in the 2 minutes I have left. I can only concentrate on one aspect, the missing-in-action in Laos.

I wonder, Mr. Woodcock, if you were briefed in depth on Laos and if you are aware that Laos became a black hole of Calcutta, a bottomless pit for American airmen, that if we could write an after-the-fact squadron order for pilots we would have told all the men to bend their crippled airplanes back around and bail out over North Vietnam, where, if they were not killed in the villages or tortured to death in prison they would have had some hope of coming home? But zero chance in Laos.

All of the 10 men who were reported to have come home from Laos were not Pathet Lao Laotian-held prisoners. One, a civilian, Ernie Brace, was held for only 3 weeks at the old French battle area of Dien Bien Phu, but then he, the same with the nine others, was taken to the Hanoi prison system. Not a sole, single, solitary American missing in Laos has ever been returned to our custody. I repeat, not one. Those 10 so-called Laos POW's were put into North Vietnamese troop control within days if not hours of their imprisonment.

So we now have the disgrace of 300 or more men still missing in action in Laos.

Mr. Woodcock and Mr. Montgomery, please comment. Did you feel any difference in approach between Laos and North Vietnam, given the North's hegemony of terror over Laos and all of Southeast Asia? North Vietnam must also bear some responsibility for the incredible genocide of possibly 2 million people in Cambodia.

Did you feel any independence on the part of Laos—given their U.N. membership and the fact we still have a delegation there—where maybe we could move independently with them to undo this horrible fact that not a single, solitary man has been returned from Laos?

Mr. WOODCOCK. In Vientiane we endeavored to establish that. Let me say that in our formal discussions with the Laos Government representatives they were very formal. Their words had a very hard line. They deliberately and distinctly linked doing anything about MIA's with reparations.

In the informal discussions they were completely different.

We made no progress whatsoever. I simply say that we possibly have some hope. It was a little confused by an identification of a so-called governmental broadcast which said they had set up a commission. I learned today that we have not been able to identify such a broadcast. Our whole endeavor was to try to make clear to them we look to them to take some steps, of which up to now they have taken absolutely none.

Mr. DORNAN. Did you have any feeling that they blamed us when they threw up to you that men were still fighting against their Communist regime in the hills and fields—did they indiçate to you that they thought we were guilty of some continued CIA connection, or that if the fighting were to stop they would start talking about missing-in-action Americans?

Mr. WOODCOCK. They kept talking about Thailand was our friend and Thailand was doing it. The inference, without its being a specific charge, was that we must be doing it. There was no specific reference to the CIA.

We had been authorized to say to them we were not involved either within their country or outside of their country in any hostile activity against their government. We asked them for some proofs—particularly Senator Mansfield, who was there last August and went through the same business at that time with them.

And their response finally was that when you are dealing with secret intelligence work, how can you possibly have proofs?

Mr. WOLFF. As the chairman of the full committee I hope that if this will continue to be a problem that we will act in an oversight capacity and continue to pursue it. I intend very strongly to pursue it. I don't know whether the rest of the committee will

support me. I intend to pursue strongly some of the aspects of this that I referred to.

I want to thank both Mr. Montgomery, Mr. Woodcock for the services that they have given. After all, for Mr. Montgomery it is somewhat in the line of duty as a member of Congress to pursue this. As a private citizen, Mr. Woodcock, you have the thanks of the American people.

Mr. DORNAN. Mr. Chairman, may I make a closing statement?

Mr. WOLFF. In one moment.

The fact is, Mr. Woodcock, that this is an issue of great controversy. I am sure that with the accolades also come some of the barbs. That is unfortunate. That is because we live in a country such as we do.

Mr. WOODCOCK. I learned that before today, sir.

Mr. WOLFF. People can speak their minds. That is the one thing we have to safeguard here. With that in mind, I yield to Mr. Dornan.

Mr. DORNAN. Mr. Woodcock, I would like to request that I be allowed to see you sometime in the near future to elaborate on some of the knowledge that I have on this tragic MIA issue and to also commend you because you volunteered for this, I have special admiration for volunteers.

I believe even our draftees in Vietnam were volunteers because it was not difficult to get a bus ticket to the Canadian border. All of our missing pilots and aircrew members, of course, were volunteered and you were a volunteer. You did not have to do what you did.

I would like to make two statements in closing and then hopefully elaborate on them to you privately. Never, in my 12 years of activity in this tragic cause have I ever confronted, or even felt vibrations from a family member whose motivation was trying to stay on the Government dole, and that payroll money was the reason why they would not accede to a Government desire to declare their son or husband dead. This is a cruel, untrue charge. Number two. I believe that there is a God, and that there is truth in a common expression used by Americans, "If there is a heaven, we're going straight there because we've served our hitch in hell." It may have been overused, but it nevertheless was very true, particularly for POW's that died in captivity from torture. If these men could address us from heaven in some ghostly way in this chamber today, I believe they would say, "My sacrifice is mocked if you trade my femur or my tibia or a hip socket, or whatever is left of my bones, for aid to the country that has brought such a vicious type of slavery to all of Southeast Asia."

I agree with our President, that we have nothing to be ashamed of about our effort in Vietnam. I say to my colleagues that the difference between our postwar aid to crushed Nazi Germany and imperial Japan and none to Communist Vietnam is that in those other areas we won and we brought war criminals to death. In Southeast Asia we lost and although we may have punished some of our own for our My Lais, and flagellated ourselves, sometimes in an orgy of self-criticism, the North Vietnamese have, however, gone unpunished for horrors like the flamethrowing of an entire village of Montanards at Dak-son, the slaughter of 4,000 people at Hue and the unbelievable ongoing genocide of more than a million people in Cambodia under their nose. These stories are only part of the vicious communist legacy in Southeast Asia. I honor you for trying to help and I honor Sonny Montgomery for being one of the first Congressmen to respond to the pleas for help of the families. But we must not let them down now in the final hours. Please leave your door open, Mr. Woodcock, open to these incredibly heroic mothers, fathers, and wives and their children now fully grown. Thank you very much.

Thank you, Mr. Chairman.

COPING WITH THE WORLD: TROUBLED YOUTH

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. ABDNOR. Mr. Speaker, major news periodicals in the United States have, in recent weeks, carried cover articles on the problems some of our young people are having in coping with the world today.

It has been noted than in the last 17 years, juvenile crime has risen twice as fast as adult crime and that more than half of the serious crimes, including car theft, rape, aggravated assault, burglary, robbery, murder, and larceny, are committed by children aged 10 to 17.

The causes of the problem are as perplexing as the solutions. We have before this Congress several dozen proposals addressing attempted solutions. We all know, however, that passing another law, or many laws, is not going to do much to help salvage these deeply troubled young people who take out their frustrations or find their kicks through assaulting, by one means or another, their fellow man.

Salvaging the damaged lives is one of our Nation's greatest challenges, and one institution which is achieving a high degree of success in meeting this challenge is located in the Second Congressional District. The Sky Ranch for Boys, founded by the late Father Don Murray in 1960, is located near Camp Crook, S. Dak.—60 miles from the nearest town and 150 miles from the nearest city.

Sky Ranch, by combining academic and vocational education with professional counseling and the unique therapies of working on a ranch and learning to fly, has successfully rehabilitated over 90 percent of the more than 800 disturbed and delinquent teenaged boys who have gone there from all over the country. In many cases, those who were rehabilitated were kids who were not responding to traditional approaches.

The 3,000-acre working ranch has evolved from a unique partnership between Father Murray, his successor, Father Dale Kutil, and the beverage alcohol industry which has formed a foundation for the support and expansion of the facilities.

A new dormitory is nearing completion which will expand the capacity of the ranch to 80 young men—64 at the Sky Ranch itself and 16 at "Wingspread" a halfway house in Sturgis, S. Dak., for those who have earned the opportunity to live a more normal, less restricted life before returning to society.

Eighty boys was believed by Father Murray and Father Kutil to be the maximum number under the care of Sky Ranch so that each boy can receive the individual attention needed for rehabilitation. The boys must work at farming and ranching if they are to eat, as the spread grows most of its own food. They attend a fully staffed and equipped school on the ranch with special educational facilities to treat learning disabilities. After earning the privilege they can continue their education at the public high school in Sturgis.

The fundamental philosophy of the ranch is that rehabilitation results from equal doses of security, discipline, and love. When the boys qualify scholastically and behaviorally they are entitled to the special reward of learning to fly. With progress to responsible maturity they begin ground school training, and at age 16 may start the actual operation of one of the ranch's Cessnas. Father Murray once said of this tool:

> Nothing does more for a boy's image of himself than his first solo flight. Many of these boys have been told they couldn't do anything, and now they've mastered an airplane in flight. They've conquered a tremendous challenge.

Two years ago Father Murray died in a crash while flying with his boys. The work of Sky Ranch, in its unique partnership of dedicated men and an industry, continues under the direction of Father Kutil, handpicked successor to the founder. The philosophy remains the same:

> So many boys have been hurt so many times because of a lack of love, understanding and trust. They cover that hurt with anti-social behavior. They become defiant or delinquent or they escape into drug addiction. Our job, the responsibility of every staff member at Sky Ranch, is to give these boys love, understanding and trust so that they, in turn, will love, understand and trust others.

South Dakota's success story is one bright spot in the tragic national picture of troubled youth coping with a perplexing world.

ENERGY RHETORIC

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. DERWINSKI. Mr. Speaker, even though the administration forces rammed through amendments to the energy bill, one should not be misled to believe that this legislation will solve our Nation's energy problems.

Even though it is now too late, I am inserting an article by noted economist Milton Friedman, which appeared in Newsweek magazine of June 13. His column effectively addresses the Carter-Democrat Congress energy hypocrisy:

ENERGY RHETORIC

I do not know whether the Guinness Book of World Records recognizes a record for the divergence of rhetoric from reality. If not, I suggest that it do so, and I nominate as a candidate the debate over energy policy now raging in the U.S. Herewith some supporting evidence.

1. Pride of place must go to President Carter's use of William James's phrase "the moral equivalent of war" to describe the approach needed.

We do have a real energy crisis—no doubt about that. And, of course, every aspect of life has a moral dimension. But, for the ordinary U.S. citizen, there is simply no special moral issue involved in energy, any more than there is in how to make the most effective use of our limited supplies of food, or iron ore, or land. The problem is a strictly technical economic problem of adjusting consumption and domestic production to a drastic change in the world price of oil engineered by the OPEC cartel.

If there is any special moral issue, it is the failure of the Congress and the Federal bureaucracy to acknowledge the major role that they have played, through ceilings on price, encouragement of OPEC and heavy-handed administration, in greatly exacerbating the crisis. Of course, the best defense is a good offense—hence the appeal to other people's moral responsibility!

2. "The nation's most careless squanderers of energy"—a phrase used in one media report on an affluent suburb.

Are the residents of the suburb (and the reporters writing the story) also "squanderers of food, housing, clothing"? Is it either an actual or desirable policy that everyone should consume all items at some minimum sustainable level? At the same level as everyone else? What has happened to pride in our success in improving the living standards of our people? Today's lower-middle classes live at levels that would have been affluent "squandering" a century ago; and today's "squanderers" will set the pace for the less advantaged tomorrow—if ill-considered government meddling does not kill the goose that lays those golden eggs.

Energy has been relatively cheap, and it has been sensible for all of us to adjust our use to that fact. It has become more expensive—perhaps only temporarily—and if each of us is required to face that fact, we shall all be led to cooperate in using less energy and producing more at home.

3. Gasoline prices have risen drastically and it is unconscionable to let them rise further.

Corrected for inflation, the price of gasoline in 1976 was 2 per cent lower than in 1956! Gas prices did slightly more than double over the two decades, but prices in general rose even faster.

A major source of our energy problem is that government policies have been falsifying the true situation to consumers. As a nation, we are paying more for gasoline than two decades ago, but we are doing so through taxes that are used to subsidize the import of foreign oil, in order to hold down the price at the gasoline pump. That is why we have not had the right incentive to conserve.

4. In a discussion of President Carter's proposals: "The biggest burden will probably fall on industry. Factories and utilities will be taxed heavily unless they shift to coal."

How do you "burden" industry or "tax" a factory? Do you squeeze it until it screams? Send it to jail?

Only people can bear a "burden" or pay a tax. An industry, a factory, or a utility can do neither. Officials of an enterprise may transmit a check to the U.S. Treasury, but they are only agents. The burden of the tax is borne either by the stockholders, or the employees, or the customers—and, in the long run, for a tax on a specific product, primarily by the customers. Stockholders and employees may bear the initial burden if they are temporarily locked into a particular enterprise or industry, but only at the expense of discouraging further investment and employment in the industry.

We need more investment in the domestic production of energy. Taxing away the fruit of past investment is hardly a sensible way to encourage more investment. It is simply stupid of us to adopt the general policy of taxing away "windfall" profits reaped by farsighted individuals who invested in advance in order to be able to profit from high prices when a "shortage occurs—whether because of a cartel or a drought or whatnot. That is a sure way to destroy private provision for emergencies and to transform our economy into a centralized corporate state. Senators who scream about "obscene profits" are sabotaging the free-market system, and therewith our political and civil freedoms.

5. A congressman about the President's program: "OK, as long as everybody is hurt equally."

What a sadistic philosophy. That is a prescription for universal misery. I thought true American philosophy was "OK, as long as everyone has an equal opportunity to improve his lot."

6. The House energy committee's 40 members "were carefully chosen . . . with a light tilt toward consumer interest and against radical changes, such as the total elimination of price controls on gas and oil."

How rapidly the conventional becomes radical and the radical, conventional. The truly radical element of present energy policy is the existence of price controls. The controls on natural gas date back only to 1954, on oil, to 1971. They are not only radical, but a major source of our problem.

7. "Gas-guzzling" cars.

A combination of demagoguery, confusion about morals, and bad economics. One man's gas guzzler is another man's necessity. If each of us has to pay the full cost of energy—which is what would occur if the market were allowed free rein—we would each have to choose how to meet the cost. One man would decide to do so by driving a large car fewer miles; another by buying a small car; a third, by conserving on other items of consumption, thereby releasing them for persons who had a less urgent need for the gasoline.

Given that gasoline sells at full-cost—which today means at the cost imposed by OPEC—there is no justification whatsoever for an additional tax on large cars and a subsidy for small cars. That simply imposes a cost greater than the value of the energy saved. Neither is there any justification for governmentally mandated average-mileage requirements. These are just further examples of how one government mistake—artificially keeping down the price at the gas pump—leads to others. A full-cost price for gasoline gives just the right incentive to the car owner to balance the advantages of a larger car against the extra costs of gas; it gives the right incentive to the manufacturer to meet the demands of the prospective car purchaser.

Insofar as the problem is one of relieving persons in acute distress, we should do that by giving them general purchasing power, through a negative income tax replacing our present rag bag of welfare programs, not by trying to do something about gasoline separately, food separately, and so on ad nauseam.

UNITED STATES-CHINA RELATIONS

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. KETCHUM. Mr. Speaker, I wish to address my remarks on a subject of grave concern and importance to the security of this Nation. The issues of our relations with the Republic of China and the People's Republic of China is one which must be carefully and thoughtfully considered. I would like to focus on three areas of concern: The economic, military, and political importance of Taiwan.

The real immediate threat to the continued existence and independence of the Republic of China arises from potential nonmilitary confrontations. Normalization with the People's Republic of China will adversely affect the United States-Taiwan trade, which each year amounts to several billion dollars. In fact, Taiwan's present trade with the United States is greater than that of France with the United States, and there is confidence that when the current 6-year plan is concluded in 1982, Taiwan will be formally ranked among the developed nations.

Private U.S. banks have lent $1.5 billion to Taiwan and the U.S. Government-owned Export-Import Bank has extended another $1 billion. Private investments amount to about $500 million and those investments enjoy insurance coverage under the Overseas Private Investment Corporation.

In short, Taiwan continues to be a major and essential economic ally of the United States. Normalizing relations with the People's Republic of China is not likely to increase significantly the United States-China trade, nor is it going to lead to U.S. investments in China because of the Chinese policy of economic self-reliance. The transfer of recognition would, however, give Peking many means for undermining Taiwan's economy.

Should the United States formally recognize the People's Republic of China, what would become of the position in the Export-Import Bank? If Taiwan is ousted, what happens to the $1.7 billion in loans that they currently hold? What would happen to the eight American banks and the nearly one-half billion dollars of U.S. investment? If mainland China is recognized as the only legitimate government of China, would they then intervene in the commercial affairs of Taiwan?

These questions and many others must be resolved before we even ponder the question of recognizing the People's Republic of China. It is incomprehensible to me that anyone could even consider normalizing relations with Red China in light of the economic commitment we have with Taiwan.

While our economic alliances are important, our military ties with Taiwan are essential. Through the 1954 Mutual Defense Treaty, the United States has a commitment; I repeat, an obligation to maintain strong military ties with the Republic of China.

Taiwan constitutes a crucial element in our defense posture for the entire Pacific region. As tensions may again rise in Korea with the withdrawal of our ground forces, the use of our facilities in Taiwan gain even more importance. Any change in our position with regards to the final removal of forces from Taiwan, while we withdraw troops from Korea, can only further encourage aggression by North Korean's Kim Il Sung. Yet, this is exactly what mainland China calls for us to do if we are to normalize relations.

We have assisted the Republic of China militarily with the training and equipment for its navy, air force, and army. We must continue to provide Taiwan with access to replacement parts and the upgrading of American equipment.

I, for one, believe that our presence in Taiwan maintains a stable balance of power in East Asia. The continuation of our present relations with the Republic of China is unlikely to lead to serious conflict over the island. But, should we pull back troops from Taiwan and break our security treaty with the Republic of

China, we cannot help but increase the likelihood of armed conflict. Peking surely would be tempted to gain control of the island by force following a U.S. withdrawal of support.

We must face the political realities of this situation squarely. Recognition of the government in Peking as the official China must also imply acceptance of the position that Taiwan is a province under authority of that government. It implies that the laws and regulations of that government pertains to its province. How can we justify risking the security of the people in Taiwan for the sake of improved United States-People's Republic of China relations? I ask my colleagues how can we, in good conscience, subject the people of Taiwan to almost certain military pressure and possible attack from the mainland?

We must maintain our diplomatic ties with Taiwan; otherwise, Peking will proceed from diplomatic isolation to economic isolation attempting to strangle Taipei by denying her access to markets necessary for her survival.

Many will look to the Japanese model of Chinese relations of establishing a regular embassy in mainland China and downgrading the embassy in the Republic of China to a liaison office as a possible alternative for the United States. However, the Japanese action was only feasible because the United States continued to maintain full diplomatic relations with the Republic of China.

Finally, I would like to reiterate the fact that the United States has a commitment to the Republic of China. Taiwan remains a close trading partner with this country. We must maintain a credible military posture in East Asia, and we must sustain our traditional allies in the region. The survival of the Republic of China depends on our continued support, that support we are here to reconfirm today.

THE ALL-ALASKA GAS ROUTE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. ANDERSON of California. Mr. Speaker, I want to share with my colleagues a letter I received on the future transportation of Alaska's natural gas. The letter follows:

JOHN A. VANNA,
Danville, Calif.

Hon. GLENN M. ANDERSON,
House of Representatives,
Washington, D.C.

DEAR MR. ANDERSON: I am writing to you regarding an urgent national problem which warrants the immediate attention of all Americans and of Californians in particular.

I am referring to the upcoming Federal decision on a pipeline route to transport badly needed Alaskan natural gas to the Lower 48 States.

I reside with my family in Danville, California, and work as Vice President and General Manager for Sea-Land Service, Inc., at the Company's Pacific Division headquarters in Oakland, California. Sea-Land is the largest American-flag general cargo steamship company. We operate forty-four fully containerized U.S.-flag ships, employing more U.S. citizen seamen than any other ocean carrier. The Company connects the State of California with more than 50 countries through our container terminals in Oakland and Long Beach. We serve both terminals with two sailings per week and, in 1976, handled more than 160,000 containerloads of cargo in and out of California. We directly employ more than 1000 people in the State with an annual payroll of $22.3 million.

As a senior manager of a large, American transportation company, and as a citizen who is concerned about the handling of this country's energy resources, I am convinced that the "All-Alaska" gas route is in the best economic interest of the United States and of California.

I am also concerned about developments in Washington, D.C., which indicate the possibility of the selection of a pipeline route through Canada. This would be subjecting our energy resources to foreign control.

As you are probably aware, a recent report by a Canadian government commission recommended that a Canadian gas pipeline to the U.S. be delayed for ten years to permit settlement of native land claims. We can ill afford delays in the delivery of our energy resources.

Also, if a Canadian route were selected, most of the economic benefits of employment, economic stimulation and increased tax revenues would accrue to Canada. The All-Alaska route would provide these same benefits to the United States—and California would be a primary participant.

A recent study indicated that the total economic impact to our state during the construction period alone would be nearly $1.8 billion. This would be generated primarily by the construction of an LNG tanker terminal, a regasification plant and the laying of additional pipe.

It has been calculated that the El Paso project would generate more than 121,000 man-years of primary, secondary and induced employment in California.

Additionally, our State would be assured of a steady, long-term supply of natural gas, which we could not count on if a Canadian pipeline route were to be selected.

Being fully aware of the pressures and time constraints placed upon you, Mr. Anderson, by virtue of your position, I would be most grateful if you would review this issue. Should you find sufficient merit in the arguments favoring the All-Alaska route, I would be most appreciative if you would communicate your feelings to the White House prior to the July 1, 1977, deadline which was established by the Alaska Natural Gas Transportation Act of 1976.

I am deeply grateful to you for your interest in this matter, which is of concern not only to Californians, but to all Americans.

Sincerely,

JOHN A. VANNA.

LEGISLATION TO LIMIT IMMUNITY AND REQUIRE LIABILITY INSURANCE FOR DIPLOMATS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. KOCH. Mr. Speaker, last week this body passed and sent to the Senate a significant piece of legislation designed to help protect Americans against abuses of diplomatic privilege by diplomats who are guests in our country. This legislation, H.R. 7819, the Diplomatic Relations Act, has two major purposes. The first is to bring our domestic statutes into conformity with the Vienna Convention on Diplomatic Relations, which the United States had ratified in 1972. Under the terms of that convention the United States is no longer required to extend diplomatic immunity for civil and criminal acts to lower-ranking employees of foreign embassies, unless they are actually performing official tasks at the time of the infraction. With the passage of this new legislation U.S. law will be changed to conform with the Vienna Convention so that cooks, chauffeurs, and other embassy service employees will have to answer in court for any auto accidents or other conduct that might create liability, which occurs off duty.

The other major purpose of this legislation is that all diplomatic personnel will be required to obtain liability insurance for any boats, aircraft, or automobiles that they operate. The failure to have liability insurance has resulted in a number of cases in which diplomats involved in accidents with American citizens have failed to compensate those injured. This new requirement that diplomats obtain adequate insurance will help protect Americans in the future from diplomatic abuses.

Last year, at my request, the Library of Congress prepared a study of the insurance requirements of both Western European and Eastern European nations. I was surprised to learn that the United States is one of the few nations that does not require insurance for diplomats as well as tourists who visit the country. This legislation will correct that situation so far as diplomats are concerned. In addition, because lower-ranking embassy employees will no longer have immunity from civil lawsuits, those jurisdictions like New York City which treat parking violations as civil matters will be able to prosecute a large number of diplomats who previously could defy local parking ordinances. Hopefully this will help correct a large part of the diplomatic scofflaw problem.

I am pleased that the House has adopted this legislation. I also introduced legislation earlier this year to require auto insurance for foreign diplomats in the United States, and I was a cosponsor of the bills introduced by Congressman JOSEPH FISHER on diplomatic immunity and Congressman STEPHEN SOLARZ on compensation of those injured by diplomats. I am pleased that the efforts of many Congressmen have resulted in legislation to deal with abuses of diplomatic privilege. I particularly commend Chairman DANTE FASCELL and the staff of the Subcommittee on International Operations of the International Relations Committee for their efforts in reporting this bill.

I also want to applaud the efforts of the Eastside Courier, a newspaper located in my congressional district, which has done a superb job of reporting on local and citywide matters, including the controversial matter of diplomatic immunity and its abuses. That newspaper's efforts have also contributed significantly to the passage of this legis-

lation that will reduce abuses of diplomatic privilege in New York City and around the country. I would like to insert their editorial on this legislation that appeared today:

DPLIABILITY

We applaud the House of Representatives and our local Congressman Edward Koch, for the passage of legislation that would modernize our concepts and use of diplomatic immunity.

New York, and particularly the Eastside, has gone to great lengths to be a cordial and accommodating host to the many foreign officials connected with the United Nations. But too often, this hospitality has been flouted by ungrateful diplomats. A conspicuous minority of foreign diplomatic personnel has consistently abused their traditional privileges, causing an unconscionable burden on our community.

Eastsiders have borne the greatest burden. Our police precincts are diminished by protecting diplomatic missions. Our on-street parking has been diminished by diplomatic special parking zones. Our pedestrians are endangered because diplomats are not required to carry motor vehicle insurance, or to stand liable for accidents they cause.

Yet, as good hosts, we have assumed these burdens without much complaint. But what of the undiplomatic manners of the guest?

We consistently find diplomat motor vehicles endangering our lives, neighborhoods and livelihoods—because they are too often driven by irresponsible drivers and parked before fire hydrants, driveways, bus stops and intersections. And always with complete impunity.

It is time we forced those few arrogant members of the diplomatic community to maintain at least the basic decorum required for civilized urban living.

To the majority of diplomats, who carry themselves in a perfectly respectable manner, we regret the actions of a few who have compromised the dignity of their profession.

DPL WHO?

One easy way to bring civility to the philistines among the Eastside's diplomatic community is to engrave the names of their respective countries on their license plates.

Thus, the consul of Spain would have a tag "SP–1" and his chief attache would be "SP–2" and so on, with a special cypher affixed to the plate indicating diplomatic status. This would make these diplomats representatives to the American people as well as the American government and United Nations.

Perhaps then, when diplomats bear the emblem of their country, they will be a little more careful not to offend any potential American tourist, businessman or consumer.

FUNDING OF RADIO FREE EUROPE AND RADIO LIBERTY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. DERWINSKI. Mr. Speaker, last night we passed the State Department authorization bill, which included funding for Radio Free Europe and Radio Liberty. The significance of the funding of these radio stations was lost in the debate involving congressional practices.

However, lest the Members overlook the practicality of Radio Free Europe and Radio Liberty, I wish to insert a column by John Maclean, appearing in the Chicago Tribune of August 3, which stresses the importance of these operations:

RADIO WAVES TEAR OPEN IRON CURTAIN

(By John Maclean)

WASHINGTON.—In a remote prison camp in the heart of the Soviet Union, a small band of political prisoners huddle around a makeshift radio.

The prisoners, who had scraped together the radio with an ingenuity born of confinement, strain to hear the signal of the United States-sponsored Radio Liberty. Months later, one of their number, a noted dissident named Vladimir Bukovsky, would be exiled to the West and would tell how the radio sustained him and his comrades.

Throughout the Soviet Union and Eastern Europe this radio-listening scene, often in less harsh surroundings, is being repeated with a new urgency.

Once thought of as an outmoded relic of the Cold War, Radio Free Europe and Radio Liberty have found new purpose since the signing of the Helsinki Accords two years ago.

Integral parts of the agreement are provisions for human rights and freedom of communication. It was signed by the U.S., Canada, Soviet Union, and 32 European countries.

Paul Goma, a Romanian writer, says he and his fellow dissidents "found each other" through Radio Free Europe, which broadcasts to the Communist nations of Eastern Europe. They now rely on the broadcasts to keep each other informed of their activities.

And Andrei Amalrik, another exiled dissident, told congressmen in recent testimony how he and other dissidents listened to American broadcasts to Moscow for news of the raid on Yuri Orlov's apartment by the KGB, the Soviet secret police.

"Foreign broadcasts in Russian play an enormous role," Amalrik told the United States Commission on Security and Cooperation in Eastern Europe last spring.

"It is the only alternative information available to millions of Soviet citizens. The role of the radio in fact is continually growing for two reasons. One is simply physical—the number of transistor radios in the Soviet Union keeps on growing.

"[And second] the activity of the Soviet dissidents is itself continually growing, and the growth of that activity is communicated and becomes widely known."

Amalrik criticized the efforts of the Voice of America, the U.S. government's official broadcasting arm charged with spreading the word on American foreign policy. He said VOA fails to focus enough on Soviet events.

"It seems to me its broadcasts are a great deal less interesting than the broadcasts of Radio Liberty . . . because its [Radio Liberty's] basic focus is on Soviet events."

Radio Liberty broadcasts exclusively to the Soviet Union.

Many still criticize Radio Free Europe and Radio Liberty as being more effective in placating American conservatives than in changing Soviet society. Both networks no longer are considered tools for stirring insurrections, as during the Hungarian Revolution in 1956.

The official guidelines for the radio networks now call for "avoidance of any comment or broadcast of any material which could be reasonably construed as incitement to revolt or support for illegal or violent actions."

But no less an advocate than President Carter views the networks as "the most valuable instruments this nation has" for stimulating the flow of ideas across national boundaries, as called for in the Helsinki Accords.

"If detente with the Soviet Union and the countries of Eastern Europe is to have real meaning, we must work towards a freer flow of information," Carter said before his election.

Since his inauguration, Carter has asked Congress to approve $45 million in additional funds to double the power of the transmitters used by Radio Free Europe, Radio Liberty, and Voice of America.

In short, Radio Free Europe and Radio Liberty no longer seek to lead the charge—urging the masses to overthrow their Communist oppressors. But they do provide an "alternate domestic radio service" for their audience, which is estimated at 4 million to 5 million daily in the Soviet Union, and about 13 million daily in Poland, Romania, Hungary, Czechoslovakia, and Bulgaria.

While VOA broadcasts go unimpeded, Radio Liberty has to overcome jamming in the Soviet Union, and Radio Free Europe must overcome jamming in Bulgaria and Czechoslovakia.

Amalrik told the Helsinki Commission that while VOA is the most listened to station in the Soviet Union because its signal is so strong, most Soviets prefer the meatier programming of Radio Liberty.

Commentators for Radio Liberty might read an essay on the state of religion in the Soviet Union, how the Soviets assess the recent Spanish parliamentary elections, or the effect on the private sector of the new Soviet Constitution.

"A Soviet listener who puts in the time [to listen to that station] has earned the right to have something broadcast to reward his effort," Amalrik said.

The Soviet government vehemently disagrees. While the Soviets long have claimed that Radio Free Europe and Radio Liberty were hostile and slanderous, they now charge the networks violate the Helsinki Accords—by intervening in domestic affairs of sovereign nations.

A recent commentary on Radio Moscow attacked both networks along those lines.

"The undermining radio stations, Radio Free Europe and Radio Liberty, broadcasting slanders and disinformation about the world of socialism, for which dozens of millions of dollars were being spent annually, belonged to the CIA arsenal," Radio Moscow complained.

Sig Mickelson, former CBS News president who now heads Radio Free Europe and Radio Liberty, has cautioned that the Soviets and Third World countries are making every effort to keep foreign media from crossing national boundaries.

"The Soviet Union is leading a concerted international campaign with the enthusiastic support of a large number of Third World countries to put the dead hand of the bureaucrat on the throttle of the worldwide communications transmissions system," Mickelson said in a January speech.

Meanwhile, Radio Free Europe and Radio Liberty are emerging from the shadows that surrounded them after 1971 when a financial link between the networks and the CIA was disclosed.

While that link was officially broken by placing the networks under a presidentially appointed Board for International Broadcasting, the scandal fueled a campaign to terminate the networks as relics of the Cold War.

Then Sen. J. William Fulbright [D, Ark.] led the attempt to scuttle the networks, calling them a nettle in the delicate membrane of detente. He failed.

But Radio Free Europe and Radio Liberty kept a low profile for several years, failing, for example, to seek funds for the additional transmitter power needed to overcome heightened jamming. Now they have a champion in President Carter and a cause in the Helsinki Accords.

MOBILIZATION FOR SURVIVAL: CO-OPTATION OF THE ANTI-NUCLEAR MOVEMENT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. McDONALD. Mr. Speaker, the section of the Marxist-Leninist movement led by the Soviet Union is in the process of coopting the anti-technology anti-nuclear power movement to its drive for Western disarmament. The theoretical explorations of how to harness the revolutionary potential of the anti-nuclear ecology movement have been underway in Europe and the United States for some time with Institute for Policy Studies-Transnational Institute associate Hans Magnus-Ensenberger's article in New Left Review being one example. And having marked the large attendance at Ralph Nader's critical mass conferences, Women Strike for Peace (WSP), an organization which has enjoyed the full support of the Communist Party, U.S.A. (CPUSA) from its inception and which continues to work closely with such international Soviet fronts as the World Peace Council (WPC) and Women's International Democratic Federation (WIDF), has been devoting its attention to both the WPC's new Stockholm appeal and the ecology anti-nuclear power for peaceful purposes area.

Now two veteran Communist organizers who have worked with the WPC and its U.S. affiliates for many years, Sidney Peck, a former member of the Wisconsin State Committee of the CPUSA; and his friend Sidney Lens, a former member of the now disbanded Trotskyite Revolutionary Workers League (RWL) have initated an organization to combine the disarmament and anti-nuclear power issues. The work of Lens and Peck in organizing the mobilization for survival was supplemented by a British agent of the World Peace Council, Peggy Duff, who entered the United States earlier this year to provide impetus and direction.

I commend the following article from the July 29, 1977, issue of the newsletter, Information Digest, to my colleagues' close attention:

MOBILIZATION FOR SURVIVAL

A new national organization to combine the anti-nuclear power movement with the international Soviet sponsored campaign for U.S. disarmament has been formed by professional activist organizers of the former anti-Vietnam War coalitions.

Now circulating its manifesto, *"A Call to Action,"* the Mobilization for Survival (MFS), operating from the headquarters of the Women's International League for Peace and Freedom (WILPF), 1213 Race Street, Philadelphia, Pa 19107 [215/563-1512], made its formal debut on April 23, 1977, at a Philadelphia conference.

Some 118 persons from 49 groups and organizations attending including the American Friends Service Committee (AFSC); Chicago Peace Council (CPC), a Communist Party, U.S.A. front; North American Congress on Latin America (NACLA); Fellowship of Reconciliation (FOR); Women Strike for Peace (WSP) and its California affiliate, Another Mother for Peace (AMP); Women's International League for Peace and Freedom (WILPF); Clergy and Laity Concerned (CALC); the AFSC's Campaign to Stop the B-1 Bomber; the Coalition for a New Foreign and Military Policy (CNFMP) and assorted remnants of the Communist Party, U.S.A.-initiated sequence of anti-Vietnam coalitions ranging from the Spring, National and New Mobilization Committees through the People's Coalition for Peace and Justice (PCPJ).

Sid Peck, now teaching sociology at Clark University, and Kathy Mathews of the Harvard Employees Organizing Committee have explained in an article for WIN magazine (7-28-77) that "The politics of the Mobilization for Survival are to energize the growing opposition to the military through effective political education, solid community organizing, and significant mass actions."

The principal immediate political goal of the MFS is to bring "the power of nonviolent direct mass action to prevail at the UN Special Assembly on Disarmament next May (or June), so that the international community takes on the demand of abolishing nuclear weapons as a singular, universal, enforceable demand."

Peck and Mathews emphasize that for the past thirty years and again with its "New Stockholm Appeal" the World Peace Council (WPC), the principal international Soviet front which campaigns for U.S. disarmament while providing logistical support to Soviet-sponsored terrorist movements, "continues to push for detente and an end to the threat of nuclear war." The article notes that the WPC and two of its more active affiliates, the Japan Council Against Atomic and Hydrogen Bombs (Gensuikyo) and the British International Confederation for Peace and Disarmament (ICPD) "are working closely with non-governmental organizations the world over to create maximum impact on the United Nations Special Assembly on Disarmament in late May, 1978. Clearly, there is a growing international consciousness expressing the demand for zero nuclear weapons."

The Mobilization for Survival is building on another WPC-associated base, that layer of the anti-Vietnam organizing that focused on the legislative process.

"When Congress voted to stop funding the Vietnam War, these lobbying groups were ecstatic. They are still hopeful in their work—and they have formed legislative action coalitions such as the Campaign to Stop the B-1 Bomber and the Coalition for a New [Foreign and Military] Policy. In generating these campaigns, they have created an active political network across the country to respond at the moment to any new legislative crisis regarding the arms race.

The third element drawn upon the MFS is the community and workplace organizing carried out by such groups as the New American Movement (NAM) demanding government programs to solve "unemployment, inadequate health care, poor education, substandard housing, neglect of the elderly and the young." The issue of disarmament is presented to these target groups as, simply, "guns or butter."

The fourth "political base" for the MFS is the anti-nuclear power and ecology movement. The article notes that "In particular, the Clamshell Alliance carried off one of the best organized mass actions of this decade. Through a powerful display of nonviolent direct action, Clamshell was able to convey a serious political message. For many, the issue of the nuclear threat—by reactor or bombs—was joined. Because of Seabrook and similar efforts, movement people, and thousands of others, have become sensitized to the plutonium economy and nuclear proliferation."

According to author Sid Peck, a former member of the Wisconsin State Committee of the CPUSA, his friend Sid Lens, a former member of the now defunct Trotskyite communist Revolutionary Workers League (RWL), drafted the original conference call after meeting with AFSC and other "peace activists" last Thanksgiving in Boston. "At that gathering, Lens shared his fears and urged those assembled to issue a call for action. In turn Lens was asked to draft the call for prominent signatures."

Next, AFSC "national peace secretary" Ron Young arranged for British WPC and ICPD activist Peggy Duff to speak to the Boston group and impress them "with the historic importance of the UN Special Assembly on Disarmament * * *." Duff demanded, "Well, what are you folks going to do about it?" As Peck and Mathews note, the formation of the Mobilization for Survival was the response.

Another veteran organizer, Norma Becker, the WRL chairwoman, was brought in to chair an organizing meeting in New York City on March 12, 1977. After a general consensus to work against all forms of "nuclear pollution" was reached discussion broke down over particulars of dates for actions and their nature. Michael Klare, NACLA founder, fellow of the Transnational Institute of the Institute for Policy Studies and now with the InterUniversity Committee to Stop War and Military Spending who has lectured on U.S. arms policies to meetings of the WPC and in Havana, took the lead in proposing that questions of detail be left to later meetings.

The Mobilization for Survival calendar starts with traditional anti-atomic local demonstrations around the August 6-9th period of the Hiroshima/Nagasaki anniversaries. The MFS states:

"We will call on people to mount local actions including demonstrations (at nuclear power sites wherever possible), vigils, leafleting, petitioning in their communities as a signal that the Mobilization for Survival has begun."

Joint press conferences in Hiroshima and the U.S. will be held to formally announce the launching of the MFS. MFS organizers will participate in the annual August conferences of the Gensuikyo and Gensuikin groups.

During the period October 15 to November 15, the MFS will ask city councils in as many cities as possible to pass resolutions "demanding that Congress dramatically cut military spending and shift funds to human needs." The Spring 1978 focus will be the mass rally at the United Nations.

MFS leaders include: Norma Becker, Carol Patti and Dave McReynolds, WRL; Terry Provance, Pat Conway and Kathy Knight, AFSC; Michael Klare; Tom Cornell and Dorothy Maas, Fellowship of Reconciliation (FOR); Mary Ellsberg, Dean Hammer and J. Paul Hodel, Connecticut Peace Action Coalition (CPAC).

The Mobilization for Survival participated in a July 9, 1977, conference of "peace activists" held at Yale Law School sponsored by the Connecticut Peace Action Coalition.

Featured speakers included CPUSA activist Sid Taylor who "stressed the importance of demanding that the U.S. Government live up to its obligation to give aid to Vietnam." Other participants included Gloria Emerson; General (Ret.) Hugh B. Hester; Louise Ransome, Gold Star Parents for Amnesty; Tom Wynn, National Association of Black Veterans; AFSC activist Stewart Meacham who denounced the remaining non-communist countries in Southeast Asia—Philippines, Malasia, Singapore, Thailand and Indonesia—as having increased "repressive measures" since the fall of Vietnam, Cambodia and Laos; and the ubiquitous Cora Weiss.

MFS regional offices include:

Chicago Mobilization for Survival, 343 S. Dearborn, Chicago IL 60604 [312/663–1248].

San Francisco Campaign Against Nuclear Weapons, 1360 Howard Street, San Francisco, CA 94013 [415/626–6976].

Boston Mobilization for Survival, 13 Sellars St., Cambridge, MA 02139 [617/354–0008].

FLYING COLORS FOR NUCLEAR SAFETY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. TEAGUE. Mr. Speaker, in the plethora of material that has been published recently on nuclear energy, there has been endless exhortations about safety hazards and projected scenarios for core meltdowns. There has been far less dramatic discussion of the safety hazards related to coal utilization.

It is time to examine some hard facts and make some necessary comparisons with regard to these issues.

The Nuclear Safety Bimonthly which is prepared at the Oak Ridge National Laboratory for the Nuclear Regulatory Commission has presented a comparison of coal and nuclear safety records in plant operation and associated transportation. All figures are based on a single 1,000-megawatt plant for each energy source, for a 1-year period.

OPERATION AND ASSOCIATED FUEL TRANSPORTATION FOR A 1,000-MEGAWATT PLANT FOR 1 YEAR

Coal: Fatalities, 1.65; non-fatal injuries, 48.0; total man-days lost per year, 12,750.

Nuclear: Fatalities, 0.109; non-fatal injuries, 6.08; total man-days lost per year, 960.

To state these same numbers in another way, it is 15 times more likely that a person will die working in a coal plant than in a nuclear plant or transporting fuel to a coal plant than to a nuclear plant. It is eight times more likely that a coal worker will incur a nonfatal injury than a nuclear worker. For every 1 workday lost due to a nuclear-related accident, more than 2 workweeks are lost in coal-related accidents.

These figures clearly indicate the safety superiority of nuclear power generation over coal power generation.

In the August 1 issue of the Energy Daily an article entitled "Nuclear Is Safest Energy Source in U.K." further substantiates the safety record of nuclear power. The text of the article which follows also includes comparisons of nuclear with other nonnuclear technologies such as gas, offshore oil, and gas and oil refining.

Accusations in Parliament last winter that he was constantly finding fault with the safety record of Britain's nuclear industry provoked Energy Secretary Anthony Wedgewood Benn to promise members of the Parliament the accident statistics of the British fuel industries over the past 20 years. He released them last week, commenting that the outstanding safety record of the nuclear industry "emerges clearly from the figures." None of the handful of fatal accidents in the nuclear industry were caused by the specific hazards of radioactivity.

Fatal accidents to employees over the period 1957–76 totalled: coal, 3,562; gas (1966–76), 67; electricity (including nuclear stations), 312; offshore oil and gas (1965–76), 65; oil refining, 43; and nuclear fuel and R&D, 9.

Still more revealing is the fatal accident rate per 1,000 employees, which show that Britain's offshore energy activities are by far the most hazardous. Figures for 1976 are: offshore oil and gas, 1.5 deaths per 1,000; coal, 0.19; gas, 0.10; electricity, 0.09; oil refining, 0.05; nuclear fuel and R&D (no deaths).

Mr. Speaker, in nearly 2 decades of commercial nuclear power generation in the United States there has been: No injury to any member of the public; no radiation injury to any plant worker.

In addressing the subject of possible core meltdown, a report of the first in a series of three experiments recently conducted by Albuquerque's Sandia Laboratories appeared in the July 28 issue of the Energy Daily. Excerpts from the account of the Sandia tests follow:

The worst accident that could happen may not be so bad after all, indicate early results of advanced reactor safety testing by Albuquerque's Sandia Laboratories.

The researchers sought to make their initial experiment the most realistic conducted anywhere.

In the Sandia experiment, happily, the sodium successfully permeated the porous simulated debris bed and kept it to a cool 734° C maximum, thanks to sodium's natural qualities as a conductor. This natural cooling is preferred for breeder safety because mechanical cooling systems could fail.

It is evident that the risks that might be associated with nuclear power generation are not being ignored. Rather, they are being addressed in a straightforward, public manner.

The administration's new energy proposal has placed heavy emphasis on increased coal production, which is essential if we are to meet our near-term energy needs. It has at the same time recommended the deferral of the Clinch River Breeder Reactor, which may prove essential if we are to meet the longer-term energy needs of this country. The safety record of coal power is poor compared to that of nuclear power but we will have to use coal nonetheless and work on improving its failings. However, the safety record for nuclear power is excellent and the breeder offers us an almost unlimited potential for energy production. Why then ignore this safety record and the enormous energy capability of breeders when there is great question about our long-term energy needs?

I ask all of my colleagues to consider this issue before the vote on the Clinch River breeder reactor.

NATIONAL WOMEN'S BUSINESS OWNERSHIP CAMPAIGN

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. WRIGHT. Mr. Speaker, last year during the campaign, President Carter spoke of the need for a program to assist women in becoming the owners, and not just the employees, of American business. He is now making good on that commitment.

Yesterday at the White House the President's special assistant, Ms. Margaret Costanza, held a joint press conference with A. Vernon Weaver, Administrator of the Small Business Administration, and Ms. Pat Cloherty, Deputy Administrator-designate of SBA, to announce the beginning of a National Women's Business Ownership Campaign by the SBA.

The program has the strong support of the President.

Mr. Speaker, I ask unanimous consent to insert in the RECORD a press release from the Small Business Administration issued in connection with this announcement, as well as a fact sheet setting forth the details of the program:

NATIONAL WOMEN'S BUSINESS OWNERSHIP CAMPAIGN BY SBA ANNOUNCED BY WHITE HOUSE TODAY

A national Women's Business Ownership Campaign by the Small Business Administration was announced today by Margaret Costanza, Special Assistant to the President for Public Liaison.

She made the announcement at the White House in a joint press conference with A. Vernon Weaver, Administrator of SBA, and Ms. Pat Cloherty, Deputy Administrator-designate, SBA, who will have overall direction of the program.

"This program has my strong support and the President's strong support," Ms. Costanza said. "In the campaign the President discussed the need for such assistance by SBA for women entrepreneurs and this initiative follows through on his commitment to work to assure women equal economic opportunity.

"I want to commend Vernon Weaver, Pat Cloherty and SBA for moving forward with this timely and significant program at this time. SBA has the programs and the resources to make such an effort a success and I am confident that under the new leadership at SBA it will be a success."

Weaver pointed out that "SBA is going to have a 'new look'—internally, with greater emphasis on the appointment and promotion of women, and externally, with a strong definite program to encourage business ownership by women.

"We will take definite, positive actions in our basic programs to assure the success of this initiative. We are committed to the use of SBA as a major instrument to assist women in gaining entry into the small business sector of our economy."

Ms. Cloherty, the deputy-designate at SBA, said:

"The goals of this campaign are to increase the number of women in small business. This will be done through a combination of management assistance, financial assistance, advocacy, and assistance in securing Federal contracts and services.

"This campaign will begin immediately and will be keyed to short-term goals designed to reorient SBA priorities, and a longer term strategy geared to developing specific programs. The latter will take feedback from the immediate program and will utilize resources already in existence, such as the Advisory Council on Women in Business. A pilot program will be developed in a selected sector of the economy where women already have experience and the leap to ownership position is not that great.

"To deal first with the short-term plan:

"A. Advocacy—a series of some 110 seminars and conferences will be mounted with the primary purpose of informing women about SBA programs and how to get into business or develop a business.

"B. Financial Assistance—through our lending programs administered by our district offices, SBA will be more attentive to the needs of women seeking business loans. An attempt will be made to stimulate greater activity through the Small Business Investment Company program.

"C. Management Assistance—this element is critical to the success of many small businesses, particularly new ones. Knowledgeable persons have observed many times that the failure of many small businesses is traceable to inadequate management systems. SBA will devote resources in this area specifically to women. Among these current programs will be included training; use of the retired business people who are volunteers in the Service Corps of Retired Executives (SCORE) and the Active Corps of Executives (ACE) who provide counseling; the call contract program which is a more specific form of counseling assistance; the Small Business Institute program which harnesses university talents in the assistance of small business and the pilot University Business Development Center project which brings together federal, state, local and other resources in universities to assist small business persons.

"D. Contract Assistance—this office is instituting a deliberate and systematic search by contract specialists in our Regional offices to locate and add to our source files the names of eligible women-owned small businesses desiring to participate in Government contract work. These businesses will also be assisted in the mechanics of securing contracts.

"As you can see, the key elements of this campaign do not involve reinventing the wheel. They are instead based on the maximum utilization of existing resources coupled with a reorientation and much sharper focus on women. There are program elements, however, designed to enhance the implementation of the program . . .

"It will be necessary for SBA people on the line in the District offices to have more intensive training to sensitize them to the needs of women desiring to enter business. We will work to increase the number of women loan officers and supervisory loan officers and managers in order to provide more sensitivity to the problem women face in business. And SBA personnel will be made aware of the special requirements of the program.

"We anticipate that the Advisory Councils composed of people knowledgeable in the nuts and bolts of business will be heavily involved in the process of program development.

"I am pleased to be a part of this initiative which the Agency has mounted and I plan to follow closely the results through visits to District and Regional offices where, after all, the action is—in short, we mean business!"

The first of the 110 seminars as a part of this national effort will be held August 24 in San Francisco.

FACT SHEET

NATIONAL WOMEN'S BUSINESS OWNERSHIP CAMPAIGN

The need

Women constitute 51.3 percent of the population in the United States; yet they own only 4.6 percent of the businesses.

Only 11 percent of SBA loans in 1976 went to women, and only 8 percent of dollars went to women.

In FY 1977, loans to women have been averaging approximately 27 percent less in dollar amounts than other loans.

In 1976, only 11.9 percent of the persons counseled through our Management Assistance programs were women.

Women have demonstrated a strong desire and need to participate in the economic life of the Nation—in 1975 and 1976, 27 percent of those attending SBA's training sessions were women. In the first nine months of FY 1977, almost 40 percent of the persons attending the training sessions were women.

Specific SBA initiatives and response

Advocacy—A series of some 110 seminars and conferences will be held by December 1978. The primary purpose is to inform women about SBA programs and how to get into business or develop a business. The first seminar will be held August 24. These seminars will also be geared toward providing information on how to prepare bids for Government contracts, and information on national business trends and issues.

Financial assistance—SBA will be more attentive to the needs of women seeking business loans. Field-level loan officers will be encouraged to seek out opportunities to involve women in business through our lending programs. And an attempt will be made to stimulate greater activity through the Small Business Investment Company program. SBA's regular loan program provides for loans up to $500,000.

Management assistance—SBA will devote more resources in this area specifically to women. Management Assistance programs involve counseling; training; the Service Corps of Retired Executives/Active Corps of Executives (SCORE/ACE) program; the call contract program; the Small Business Institute program and others. SBA publications are being revised with these programs in mind.

Procurement assistance—A search is being instituted to locate and add to sources files the names of eligible women-owned small businesses. They will also be assisted in the mechanics of securing Federal contracts for goods and services.

Designating roles—A Representative for Women in Business will be designated in each of our 10 Regional Offices. Bank Relations Officer will also be designated for each region. An individual in each field office will be designated to counsel women who wish to establish a business, or who are encountering problems in repaying SBA loans.

Internal priorities—SBA personnel will be made aware of the intent of the Agency to follow through on these initiatives and in some cases training programs will be instituted on the field level in order to sensitize personnel to the needs of business women. Efforts will be made to increase the number of women loan officers, supervisory loan officers and managers.

Long-term plan—The long term strategy is geared to developing specific programs. Information will me gathered as the short-term plan is carried out, and from sources such as the Committee on Women in Business of SBA's National Advisory Council.

President Carter's stand on the issue

President Carter told the National Women's Agenda Conference on October 2, 1976, that under his Administration the woman entrepreneur would have "business assistance, with loan guarantees, finanacial advice, and constant support" from the Small Business Administration.

Available SBA programs

Financial assistance—SBA offers a broad range of loan programs for small businesses needing money that cannot be borrowed from conventional lenders. The Agency may either participate with a bank or other lender in a loan, or guarantee up to 90 percent of a loan which a lender agrees to make. SBA loans may be used for business constructions, expansion, or conversion, the purchase of machinery, equipment, facilities, supplies, materials, or working capital.

Management assistance—The Agency's Management and Technical Assistance program is extensive and diversified. It includes free individual counseling by retired and active business executives (SCORE/ACE); training programs such as prebusiness workshops, problem clinics, conferences and courses; the Small Business Institute program in which senior and graduate students of business schools provide on-site management counseling to small business owners; the Call Contracts program, which provides management and technical assistance to small businesses from professional consulting firms under contract to SBA. The Agency also issues hundreds of management, technical, and marketing publications.

Assistance in securing contracts—Specialists in this field throughout the country counsel small businesses on how to prepare bids and obtain prime contracts and subcontracts, direct them to Government agencies that buy the products or services they supply, help them get their names placed on bidders' lists, and assist in obtaining drawings and specifications for proposed purchases. They also supply leads on research and development projects, new technology and assistance in technology transfer.

Advocacy—SBA represents the small business community at national, state, and local government levels and with business, professional and trade associations and organizations. The Agency's Advocacy Office endeavors to find out what problems small businesses are having and calls these problems to the attention of Government officials, and attempts to develop solutions.

OFFICE OF CONSUMER ADVOCACY

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. SHUSTER. Mr. Speaker, over the past several months I have received scores of letters urging my support for the creation of an Office of Consumer Advocacy. These letters have not come from the folks back home who would supposedly benefit, but those letters have come from the heads of Federal agencies who would be in charge of implementing the program.

In the June 27 edition of the Wall Street Journal, John W. Morris, the first assistant district attorney in Philadelphia pointed out an aspect of the consumer protection bill that somehow was overlooked by the bureaucrats in Washington who took the time to write Members of Congress. I know my colleagues will be interested in the excellent arguments set forth by Mr. Morris and I ask unanimous consent that the article be inserted into the RECORD:

[From the Wall Street Journal, June 27, 1977]

NO TO CONSUMER ADVOCACY

The creation of an Office of Consumer Advocacy seems imminent. While the plight of the consumer is obvious—he is ill-equipped to defend against or even recognize the depradations of all forms of marketers—I think the much heralded Office of Consumer Advocacy will bring nothing but trouble.

Although the debate to date has centered on the cost-benefit arguments of additional economic regulation, a bit of trial and possible error on that score would not seem inappropriate. What concerns me about the proposed office is the unexamined but radical shift it will bring to our structure of democratic government.

Traditionally, government attacks problems through legislative action and executive policy. The solution, whether it be wise or foolish, becomes a matter of settled govern-

mental policy, subject to modification and electoral consequences.

With the Office of Consumer Advocacy comes a new and dangerous idea. It will be the function of that office to cajole and sue other governmental departments and regulatory agencies on behalf of consumer interests. Thus, our elected and appointed officials will no longer be trusted or expected to address themselves to the issues. Our officials will now be mere litigants in a political system in which complex issues of economic policy will be placed before the courts.

Congress, finding its duty to regulate commerce too complex, has decided to deputize these lobbyists whom it found impossible to satisfy. The President, instead of settling upon a recognizable consumer policy, is being asked to assent to a plan under which a soon-to-be-official lobbying group can sue him and his department heads to get what they want in court.

If consumer policy has been unresponsive, inexpert or slow of development, it is ironic that we now turn to the courts to correct the situation. Judges are not meant to be policymakers. Nor can we expect our overburdened judiciary to resolve the competing pressures of lobbying groups.

Think what you may of the power of lobby and pressure groups on government, why is it that we are now willing to institutionalize one such group within the very walls of government? If there be an Office of Consumer Advocacy, then why should there not also be paid officials advocating the equally just causes of aggrieved taxpayers, the unemployed and the underprivileged?

I submit that it is not the function of government to advocate.

JOHN W. MORRIS,
First Assistant District Attorney
District Attorney's Office Philadelphia.

NATIONAL INSTITUTE OF EDUCATION PRAISED FOR ASSISTANCE IN TENNESSEE AND SOUTH CAROLINA SCHOOL REFORM

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. BRADEMAS. Mr. Speaker, I would like to say a word about a significant project of the National Institute of Education. The Institute provided support to the legislators' education action project which was instrumental in helping win passage of recent landmark school reform laws in Tennessee and South Carolina. The success of this project is an example of the constructive Federal-State partnership in education being encouraged by the Institute.

At this point in the RECORD I insert letters which I recently received from legislative officials in South Carolina and Tennessee commending the Institute for its assistance:

JOINT LEGISLATIVE COMMITTEE ON ELEMENTARY-SECONDARY SCHOOL FINANCE,
Nashville, Tenn., May 25, 1977.

MS. PAT GRAHAM,
Director, National Institute of Education, Washington, D.C.

DEAR MS. GRAHAM: I am enclosing copies of Public Chapters 289 and 290 of the Tennessee Public Acts of 1977 which enacts the Tennessee Education Finance Act of 1977 and a new Student transportation formula for our state. These major reforms were made possible by a grant from the Legislators Education Action Project of the National Conference of State Legislatures which NIE has assisted.

Our Governor and the leadership of the Tennessee General Assembly have called this the most significant education legislation in our state in the last twenty-five years, and our sincere appreciation to the Institute and to the National Conference of State Legislatures for the assistance.

Sincerely,

HOWELL W. TODD,
Staff Director.

SOUTH CAROLINA,
House of Representatives,
Columbia, S.C., July 5, 1977.

DR. PAT GRAHAM,
Director, National Institute of Education, Washington, D.C.

DEAR DR. GRAHAM: During the past two and a half years we have grappled with the thorny questions of fiscal equity and accountability in the public schools of South Carolina. After months of study and detailed legislative debate we have enacted the South Carolina Education Finance Act of 1977. This major piece of reform legislation would never have been drafted, much less become law, without valuable assistance from the Legislators' Education Action Project of the National Conference of State Legislatures, a project supported heavily by the National Institute of Education in the past few years.

We in the South Carolina General Assembly consider this to be perhaps the most significant education enacted in our state in the last decade, and we would like to express our sincere appreciation to the Institute and the National Conference of State Legislatures for their assistance in this matter. A copy of our new school finance legislation is enclosed for your consideration.

Sincerely,

NICK A. THEODORE,
Chairman, House Education Committee.
REX L. CARTER,
Speaker, House of Representatives.
HARRY A. CHAPMAN, JR.,
Chairman, Senate Education Committee.
JAMES M. WADDELL, JR.,
Senator.

MONTHLY LIST OF GAO REPORTS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The June 1977 list includes:

JUNE 1977 LIST

AGRICULTURE

Food Stamp Receipts—Who's Watching the Money? CED–77–76, June 15.

Marketing Meat: Are There Any Impediments to Free Trade? CED–77–81, June 6.

Procedural Operations of the Farmers Home Administration, Department of Agriculture, in Wisconsin. CED–77–29, February 10.

Letter reports

Removal of conservation measures installed under Federal cost-sharing programs. CED–77–63, May 17.

School lunches served in New York City do not meet minimum nutritional standards. CED–77–89, June 15.

Department of Agriculture plans for acquiring computer equipment for the Farmers Home Administration. LCD–77–114, June 23.

How Agriculture's Office of Investigation reviewed a loan by the Farmers Home Administration to the Collier County Sewer District A, Florida. CED–77–36, February 23.

Farmers Home Administration's rural rental housing program in Iowa and Missouri. B–114873, January 30, 1973.

Complaints concerning the Farmers Home Administration's rural housing loan program in five Arkansas counties. B–114873, July 21.

COMMERCE AND TRANSPORTATION

Reporting, Staffing, and Other Changes Would Enhance the Internal Audit Function. CED–77–58, June 1.

Amtrak's Incentive Contracts with Railroads—Considerable Cost, Few Benefits. CED–77–67, June 8.

The Federal Role in Merchant Marine Education. FPCD–77–44, June 15.

Need to Resolve Metro Funding. PSAD–77–123, June 29.

COMMUNITY AND REGIONAL DEVELOPMENT

Department of Housing and Urban Development Could Be Streamlined. FPCD–77–56, June 16.

The Work Measurement System of the Department of Housing and Urban Development Has Potential But Needs Further Work to Increase Its Reliability. FPCD–77–53, June 15.

Poor Design Reviews and Construction Inspections of Apartment Project in Rhode Island. CED–77–66, June 3.

Planning Federal Assistance to Communities Affected by the Trident Submarine Base, Washington State. LCD–77–320, June 8.

EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

The National Direct Student Loan Program Requires More Attention by the Office of Education and Participating Institutions. HRD–77–109, June 27.

Information on the Summer Youth Employment Program. HRD–77–121, June 27.

GENERAL GOVERNMENT

Review of the Impoundment Control Act After 2 Years. OGC–77–20, June 3.

Government Regulatory Activity: Justifications, Processes, Impacts, and Alternatives. PAD–77–34, June 3.

Personnel Ceilings—A Barrier to Effective Manpower Management. FPCD–76–88, June 2.

Management of Civilian Personnel in the Federal Government: The Present Situation and Proposals for Improvements. FPCD–77–36, June 7.

Extent of Use and Application of Fitness-for-Duty Examinations by Federal Agencies. FPDC–77–38, May 13.

The Federal Deposit Insurance Corporation's Financial Disclosure Regulations Should be Improved. FPCD–77–49, June 1.

Changes to the Federal Employees Group Life Insurance Program are Needed. FPDC–77–19, May 6.

Centralized Direction Needed for Calibration Program. LCD–77–426, June 13.

The Force of the Public Utility Holding Company Act Has Been Greatly Reduced by Changes in the Securities and Exchange Commission's Enforcement Policies. FGMSD–77–35, June 20.

Fire Prevention and Security at the Denver Federal Center. LCD–77–341, May 19.

Review of the American Indian Policy Review Commission. GGD–77–62, June 29.

Audit of the House Beauty Shop Calendar Year 1976. GGD–77–54, June 8.

Letter reports

Information about the New Federal office building in Indianapolis. LCD–77–346, June 2.

Computer operations and data processing activities of the Social Security Administration. HRD–77–97, June 3.

GAO comments on impoundments proposed in the President's 12th special message to the Congress for fiscal year 1977. OGC–77–19, June 13.

Agreement between the Navy and the Interior Department for use of land at Sachuest Point, Rhode Island. LCD–77–344, May 6.

How the Office of Management and Budget is carrying out its duties under the Federal Reports Act. GGD–77–38, May 25.

Improper use of Federal funds by the National Commission on the Observance of International Women's Year to promote ratification of the Equal Rights Amendment. HRD–77–27, January 17.

Clarification of information in GAO report on "Management of Federal Supply Service Procurement Programs Can Be Improved." PSAD–76–16, September 2, 1975.

GENERAL SCIENCE, SPACE, AND TECHNOLOGY

Landsat's Role in an Earth Resources Information System. PSAD–77–58, June 10.

More Emphasis Needed on Data Analysis Phase of Space Science Programs. PSAD–77–114, June 27.

HEALTH

The Swine Flu Program: An Unprecedented Venture in Preventive Medicine. HRD–77–115, June 27.

Federal Efforts to Protect Consumers from Polybrominated Biphenyl Contaminated Food Products. HRD–77–96, June 8.

Investigations of Medicare and Medicaid Fraud and Abuse—Improvements Needed. HRD–77–19, May 23.

Letter reports

Legislation needed to eliminate inequities in the Supplemental Security Income Program resulting from different treatments of room and board and other living expenses. HRD–77–101, June 23.

Are Public Health Service hospitals and clinics operating at 1973 levels, as required by law? HRD–77–111, May 26.

The Indian Health Service needs better justification of its plans to construct or expand hospitals. HRD–77–112, May 31.

Discussion of issues related to the swine flu vaccine program. HRD–77–66, March 8.

Compliance with Medicaid requirements that States providing long-term care have an effective program of control over use of such services. HRD–77–56, March 1.

INTERNATIONAL AFFAIRS

Results of the Third Law of the Sea Conference 1974 to 1976. ID–77–37, June 3.

An Evaluation of the U.S. Early Warning System in the Sinai. ID–77–11, June 6.

U.S. Direct Investment in South America's Andean Common Market. ID–76–88, June 7.

U.S. Assistance Provided for Resettling Soviet Refugees. ID–76–85, June 20.

Actions Recommended to Make the Foreign Gifts and Decorations Act More Effective. ID–77–31, June 23.

Impact of Population Assistance to an African Country. ID–77–3, June 23.

U.S. Participation in International Organizations. ID–77–36, June 24.

LAW ENFORCEMENT AND JUSTICE

Military Jury System Needs Safeguards Found in Civilian Federal Courts. FPCD–76–48, June 6.

The District of Columbia's New Detention Center: Careful Planning Essential for Adequate Addition. PSAD–77–86, June 13.

Crime in Federal Recreation Areas—A Serious Problem Needing Congressional and Agency Action. GGD–77–28, June 21.

Grievance Mechanisms in State Correctional Institutions and Large-City Jails. GGD–77–63, June 17.

NATIONAL DEFENSE

Accountability and Control of Warheads in the Custody of the Department of Defense and the Energy Research and Development Administration. PSAD–77–115, June 2.

Withdrawal of U.S. Forces from Thailand: Ways to Improve Future Withdrawals. LCD–77–402, June 3.

Unauthorized and Questionable. Use of Appropriated Funds to Pay Transportation Costs of Non-Appropriated-Fund Activities. LCD–76–233, June 3.

Two Coproduction Programs—F–5E Aircraft in Taiwan and M–16 Rifle in the Philippines. ID–76–84, June 6.

Submarine Supply Support Costs Can Be Greatly Reduced Without Impairing Readiness. LCD–76–237, June 7.

Air Force Continues to Repair Parts When Serviceable Parts Are Available. LCD–77–202, June 7.

Military Services Should Uniformly Adopt Improved Packaging Techniques. LCD–77–216, June 8.

Another Look at the Readiness of Strategic Army Forces. LCD–76–457, June 9.

The United States and Japan Should Seek a More Equitable Defense Cost-Sharing Arrangement. ID–77–8, June 15.

The Air Force Can Reduce Inventories by Eliminating Unneeded Stock Levels. LCD–76–425, June 17.

Accuracy of Records and Reported Quality of Military Male Enlistees. FPCD–76–73, August 12, 1976.

Potential for Contracting Selected Operations at the Air Force Academy Cadet Dining Hall. FPCD–77–57, June 20.

Letter reports

Better controls needed to assure contractor compliance with cost accounting standards, rules, and regulations. PSAD–77–125, June 8.

Suggestions for improving Defense Department procedures for handling repairs and claims resulting from accidents involving Government vehicles. LCD–77–217, June 21.

The Navy needs to improve its management of items with limited shelf-lives. LCD–77–211, June 29.

Impact of foreign military sales on Department of Defense supply operations. LCD–77–222, May 27.

Conferences sponsored by the Department of Defense held in Hawaii from July 1, 1975 to September 30, 1976. FPCD–77–50, May 26.

The military services should continue their policy of using chartered commercial aircraft instead of military aircraft to transport military personnel and their dependents. LCD–77–223, May 9.

Use of military aircraft by the President, Cabinet officers, and other executive and legislative branch officials. LCD–76–238, August 16, 1976.

Investigation of union allegations about operations at the Naval Air Development Center, Johnsville, Pennsylvania. FPCD–76–53, April 7, 1975.

NATURAL RESOURCES, ENVIRONMENT, AND ENEGRY

Cleaning Up the Remains of Nuclear Facilities—A Multibillion Dollar Problem. EMD–77–46, June 16.

Allegations of Poor Construction Practices on the North Anna Nuclear Powerplants. EMD–77–30, June 2.

Alternative Methods for Funding U.S. Support of International Atomic Energy Activities. ID–77–20, May 5.

Problems in Planning and Constructing Transmission Lines Which Interconnect Utilities. EMD–77–21, June 9.

Actions Needed to Increase the Safety of Dams Built by the Bureau of Reclamation and the Corps of Engineers. CED–77–85, June 3.

Slow Progress in Developing and Implementing a National Dam Safety Program. CED–77–94, June 29.

Ground Water: An Overview. CED–77–69, June 21.

Dredging America's Waterways and Harbors—More Information Needed on Environmental and Economic Issues. CED–77–74, June 28.

Improving Military Solid Waste Management: Economic and Environmental Benefits. LCD–76–345, June 2.

Potential for Improvement of Internal Audit Function. FGMSD–77–26, May 31.

Eppley Airfield, Nebraska; Problems Caused in Council Bluffs, Iowa. CED–77–73, May 27.

Letter reports

The Administration's energy program will fall short of meeting proposed energy goals for 1985. EMD–77–45, June 8.

The United States should not abandon research and development on the liquid metal fast breeder reactor. EMD–77–50, June 14.

Has the Department of Interior effectively carried out provisions of the Federal Metal and Nonmetallic Mine Safety Act? CED–6–46, June 10.

The Energy Research and Development Administration has an effective accounting system for accounts receivable. FGMSD–77–25, June 22.

Potential safety problems at the plutonium processing building at the Mount Laboratory near Dayton, Ohio. EMD–77–49, June 29.

Accountability controls over special nuclear materials at the Nuclear Materials and Equipment Corporation. B–157767, June 20, 1967.

VETERANS BENEFITS AND SERVICES

Veterans Administration Land Transfer to Medical Schools: Propriety and Impact. HRD–77–105, June 3.

Letter report

Evaluation of process used by the Veterans Administration to determine the bed size of new and replacement health care facilities. HRD–77–104, May 20.

The monthly list of GAO reports and/or copies of the full texts are available from the U.S. General Accounting Office, distribution section, room 4522, 441 G Street NW., Washington, D.C. 20548. Phone 202–275–6241.

SANDY KYRISH HONORED AS 1977 ESSAY CONTEST WINNER

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. WRIGHT. Mr. Speaker, for the past several years I have had the privilege of sponsoring an annual high school essay contest for the students in Tarrant County, Tex.

This year, as in the past, the response of high school juniors and seniors was excellent, with 153 students submitting essays.

It was certainly difficult for the judges to select winners since the essays submitted were of such uniformly superior quality.

In this keen competition, the first-place winner was Sandy Kyrish, daughter of Mr. and Mrs. Marvin Kyrish of Bedford, Tex. Miss Kyrish, an honor graduate of Trinity High School in Euless, Tex., won top prize for her essay entitled, "State of the Union, Year 2077: A Look At America's Next Century."

Miss Kyrish will be attending the University of Texas this fall, majoring in radio, television and film. She is a member of the National Honor Society and a finalist in the National Merit Scholarship program. This year's contest winner was also a finalist in the State competition of the National Forensic League

for extemporaneous speaking, and was chosen "Mayor of Bedford" during the "Youth in Government Days" sponsored by the Mid-Cities Kiwanis Club in the Mid-Cities area.

Runners-up for the contest were as follows:

First runner-up—Eric Mair, son of Mr. and Mrs. Alexander Mair of Forth Worth. He will be a senior at Western Hills High School in the fall.

Tied for second runner-up were Marjorie R. Stephens, a June graduate of North Side High School in Fort Worth, and Donna Newhouse, a June graduate of Mansfield High School. Miss Stephens is the daughter of Mrs. Marjorie Stephens of Fort Worth. Miss Newhouse is the daughter of Mr. and Mrs. Don Newhouse of Arlington.

In addition to the above awards, honorable mentions went to the following: Linda Miller, of Eastern Hills High School in Fort Worth; Gloria Jane Shipman, of L. D. Bell High School in Hurst; Scott Lawrence, of Paschal High School in Forth Worth; John Rooke, also of Paschal High School; Kristie Yates, of Bell High School; and Bryan Blakeman of Eastern Hills High School.

The top essay, by Miss Kyrish, is included in today's CONGRESSIONAL RECORD:

STATE OF THE UNION, YEAR 2077; A LOOK AT AMERICA'S NEXT CENTURY

Members of Congress and citizens of America, last year, the seventy-five United States of America celebrated a glorious event: the nation's Tricentennial. As we now begin our fourth century of democratic existence, I would like to reflect upon our achievements of the last one hundred years and define our goals for the next one hundred years.

We have traveled an unfathomable distance since 1977. In that year, space travel was in its infancy; today, it is a common occurrence. In 1977, overpopulation threatened mankind's very existence; today, we have nearly eradicated the problem. One hundred years ago, the nation suffered from an energy shortage; in 2077, we have abandoned the traditional fossil fuels and moved to the infinite power of solar energy. In 1977, the world feared atomic warfare; today, we have eliminated that problem.

But this is not a time to be complacent. Indeed, much still remains to be done. To be certain, we deserve to sit back and reap the fruits of our labors, yet at the same time let us push onward for a better America.

Where do the challenges lie? At present, we are plagued with ageless problems: crime, poverty, corruption. These are not problems that advancing our technology will solve; these are not problems that a computer can print a solution to. These are obstacles that must be conquered through a strengthening of our moral intellect. Our third hundred years could unfortunately not solve these problems, but perhaps we can.

Other challenges lie in providing a better America for our children. Are we really pleased with the way that life is? Indeed, the days of disease and hunger are almost gone, but this is not the end of our quest for a more perfect society. We still have racial and religious prejudices; we still have corruption in business and government. Let it be our duty to eliminate these as well.

This last century has been one of achievement, momentous achievement. Technologically, we are superior to any nation on this earth, democracy is still our form of government, and freedoms are still assured. But the quest for a better way is not over.

In 1977, much of American literature was science fiction, and much of the science fiction related to this time period. Authors attempted to foretell what society would be one hundred years later. They guessed correctly our technological advancements in space flight, communications, energy, and other areas, but will they have guessed correctly about our moral and intellectual situation?

Will we be judged in the future as primitive, civilized, or incredibly advanced? Let it be our job in this fourth century to utilize what we have and what we will have only for the good of man. That is the best that we can do.

THE FUTURE OF THE STEEL INDUSTRY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. MURTHA. Mr. Speaker, many Members of Congress have been following the deliberations by the Bethlehem Steel Corp. concerning the Johnstown plant located in the district I represent. Some elements of these deliberations are clear; others are not. I would like to report to the Members on the discussions.

The immediate cause for Bethlehem's review is the severe flooding in central Pennsylvania. Preliminary estimates of the clean-up expense at the Johnstown plant is in the range of $35 million, and the cost of restoration to preflood conditions will be much greater. We are doing everything we can to continue the plant in operation and retain jobs.

Behind that immediate concern, however, are severe problems in the steel industry. In July, Bethlehem Board Chairman Lewis W. Foy wrote to me that "The American steel industry is trying to bring to the attention of its congressional representatives and the general public the bind it is caught in between low production rates, a low return on investment, and the high import levels of foreign-made steel."

These underlying problems mean the economic impact and employment decisions we are confronting in central Pennsylvania today can be faced by communities throughout the United States if Congress does not respond to these basic problems.

I insert for the Members a summary of a report entitled "Economics of International Steel Trade—Policy Implications for the United States" prepared by the American Iron and Steel Institute. This report shows the problems Congress must confront to protect the American steel industry and the Nation's economy.

The article follows:

SUMMARY: AN ANALYSIS OF THE ECONOMICS OF INTERNATIONAL STEEL TRADE AND POLICY IMPLICATIONS

Three senior staff members, Howard Pifer, III, Paul Marshall, and John Merrill compiled this extensive analysis, ultimately concluding that a thorough review of United States trade policy (as it affects the steel sector) was vitally necessary. The major conclusions revealed in this report are: (1) foreign producers are currently selling steel in the United States market at prices below their average costs, this practice has been consistently used by foreign producers in the past whenever necessary to increase their capability utilization, (2) the market share of imports is increasing, (3) additional capacity will not be added to supply the United States market at these price levels, either by foreign or domestic producers, and (4) the demand for steel will grow, presenting the possibility for a severe steel shortage between 1980 and 1985.

The availability of reliable supplies of steel at reasonable prices has been a major concern to every industrial and developing society. In the past, United States policies have helped foreign steel producers increase the size and efficiency of their operations relative to our producers. Presently, the United States is the only large industrialized nation incapable of producing 100 percent of its domestic requirements. In 1976, over 14,000,000 tons were imported, accounting for over $4 billion of trade flow (14 percent of the total steel consumption for the United States).

The majority of imported steel bought by the United States is exported by Japan and the EEC (European Economic Community). The United States is the largest buyer of imported steel in the world and Japan's and the EEC's share of its market has gradually increased since 1964. This penetration by foreign producers could conceivably increase to 30 percent of the United States market. This, the report concluded, is entirely unacceptable.

Japan manipulates profits by countercyclical exporting, i.e., each downturn in domestic demand is met by a sharp surge in export activity; conversely, when domestic demand improves, export activity is reduced. The EEC also follows a similar policy. Putnam, Hayes, and Bartlett, Inc. express a fear that other developing nations will emulate these examples.

United States trade policies must be reassessed because at stake are many jobs which are directly or indirectly related to domestic steel production and the United States balance of trade. Allowing imports to increase from the average 14 percent level of recent years to as much as 30 percent would eventually deprive the United States economy of 96,000 potential steel worker positions. This report finds this, in addition to expressing an aversion to our increasing dependence on foreign producers, entirely unacceptable.

J. P. STEVENS STORY: THE NEED FOR LABOR LAW REFORM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. MILLER of California. Mr. Speaker, on the weekend of July 4, 1935, President Franklin Delano Roosevelt signed into law one of the most significant and far-reaching pieces of legislation ever enacted by Congress, the National Labor Relations Act—NLRA. This law, which is better known as the Wagner Act, guarantees workers the right to organize into unions "for the purpose of collective bargaining or other mutual aid or protection."

During the past 40 years, millions of workers have exercised this right, and have thereby greatly improved their standard of living. Unfortunately, there are still many thousands of American workers who, due to the intransigence of unscrupulous employers, are still being denied the rights—and concomitant

benefits—granted them in 1935. A prime example of such an employer is our Nation's second largest textile manufacturer, J. P. Stevens & Co. The examination of how this firm has been able to flaunt the national purpose is the best illustration of why we need legislation to prevent such abuses.

J. P. Stevens employs 44,000 people in approximately 85 plants in both the North and South. Not one of these plants has a union contract. Contrary to company assertions, a need for such contracts clearly exists. A close look at Stevens' plants reveals many problems which cry out for collective bargaining. The most glaring of these include: extremely low wages—as Mike Wallace documented on "60 Minutes," "Stevens' workers average about $3.65 per hour—$1.75 per hour less than the national average for factory workers"; inadequate pensions—according to "Christianity and Crisis," "a worker retiring in 1976 with 30 years' service would receive only $20 per month pension"; dangerous working conditions—according to data compiled by the North Carolina Department of Labor, in some Stevens plants as many as one in three workers are likely to develop a disabling respiratory disease known as "brown lung"; and blatant racial bias—U.S. District Court Judges James McMillan and F. T. DuPree have cited the company for discriminatory acts. See *In re Lucy Sledge et al.* v. *J. P. Stevens & Co., Inc.*, 11 EPD 11047 ed., and see 1976 pending appeal 12 EPD 11,252 4th Circuit, 1976.

Such a litany would seem to make Stevens' plants fertile ground for unionization. But, a 14-year effort by the Textile Workers Union of America has been thwarted by the company's "massive multistate campaign to prevent unionization of its southern plants. This campaign has involved numerous flagrant unfair labor practices including coercive interrogation, surveillance, threat of plant closings, and economic reprisals for union activity." U.S. Court of Appeals for the Fifth District in *J. P. Stevens* v. *NLRB*, 417 F. 2d 533, 1969. This "massive campaign" has been so effective that to this day only 7 percent of Stevens' 44,000 employees belong to a union, and even these are not covered by a contract.

The most damaging element in J. P. Stevens' campaign against the union has been the company's firing of prounion employees. As documented in the accompanying chart prepared by the Amalgamated Clothing and Textile Workers' Union of America, over the past 14 years Stevens has been found guilty by the NLRB of illegally firing 184 prounion workers. The company has also been charged with intimidating union supporters through pay cuts and threatening interrogations. Fifteen times the NLRB has brought suit against Stevens for such activities, and 13 times the Courts have upheld the NLRB's decision.

Since the NLRB has proven Stevens' antiunion activities to be patently illegal, most of the prounion workers fired have been reinstated with backpay. The problem is that final reinstatement only occurs after a long and protracted period of litigation, usually taking between 2 and 6 years. As workers simply cannot afford to risk being unemployed for so long, the threat of firing is—though illegal—quite effective. A Labor-Management Subcommittee staff report in 1976 concluded that this long delay in the adjudication process "gives the ruthless employer full sway to destroy a union organization drive."

Another impediment to effective enforcement of the NLRA is the fact, that as the subcommittee staff put it, "the penalties under the act cost less than does recognition of a union."

Certainly the tax-deductible $1.3 million which Stevens has paid out in backpay over the last 14 years is much less than what the company would have had to pay in higher wages and decent working conditions if unions had been established. By simply paying such fines, after having taken full advantage of the appeals process, J.P. Stevens has been able to systematically block the Federal Government from carrying out its mandate to protect the right of workers to organize, leaving the workers at J. P. Stevens in the "deplorable" conditions outlined above.

Even if, after years of struggle and litigation, a union does manage to get established in a Stevens plant—as it has in Roanoke Rapids, N.C.—the company continues to obstruct the process of equitable collective bargaining. In Roanoke Rapids, Stevens has refused to grant the union such basic rights as a dues checkoff and grievance arbitration—rights which are granted in 95 percent of all industrial contracts. Clearly, Scott Hoyman, the textile union's southern regional director, is correct when he maintains that "the company is not trying to reach an agreement. It is trying to destroy the union." (Nation, Oct. 2, 1976.) Although the NLRB has issued a complaint of "bad faith bargaining" against Stevens which is pending before an ALJ there is very little the board could do under existing law to make Stevens bargain in good faith if the company refuses to do so.

In response to Stevens' unscrupulous circumvention of the NLRA, the Thompson-Williams labor reform bill has proposed amendments to the act which would greatly strengthen the National Labor Relations Board's power to correct such abuses. The bill would significantly reduce the time lag between the filing of a complaint and final adjudication by streamlining the procedures of the NLRB. It creates remedies that could deter violations of the act. In addition it would give the NLRB the power to adopt a "make-whole" remedy in cases where the employer refuses to bargain in good faith during negotiations for an initial contract. Each of these provisions would make it much more difficult for an employer like J. P. Stevens to frustrate the intent of the act.

The Thompson-Williams bill is a long-overdue attempt to guarantee to all American workers the rights bestowed upon them by the NLRA. That an employer can brazenly deny these rights does much to undermine the authority of the Federal Government. If only for this reason, the bill should be enacted. More importantly, however, the workers at J. P. Stevens and other such "rogue" firms desperately need the protection which a stronger NLRA would give them.

The NLRB cases follow:

THE RECORD OF A CORPORATE OUTLAW

The unprecedented record of violations of the National Labor Relations Act listed below earned J. P. Stevens & Co. its reputation as the Nation's Number 1 Labor Law Violator. As the cases mounted, the National Labor Relations Board resorted to tagging each case with a Roman numeral. Several pending cases threaten to add even more violations to the record.

NLRB CASES

Case, period of litigation, present status of case, and violations of law

Stevens I: August, 1963 to December, 1967, Company found guilty. 2nd Circuit Court of Appeals upheld NLRB findings. Supreme Court denied company request for review; 71 discharges of union supporters and other violations.

Stevens II: June, 1964 to October, 1968, Company found guilty. 2nd Circuit Court of Appeals upheld NLRB findings. Supreme Court denied company request for review; 18 discharges of union supporters and other violations.

Stevens III: August, 1966 to December, 1968, Company found guilty. 4th Circuit Court of Appeals upheld NLRB findings. No further appeals; 15 discharges and other violations.

Stevens IV: August, 1966 to December, 1968, Company found guilty. 4th Circuit Court of Appeals upheld NLRB findings. No further appeals; 3 discharges and other violations.

Stevens V: September, 1967 to October, 1969, Company found guilty. 5th Circuit Court of Appeals upheld NLRB findings. No appeal to Supreme Court; 4 discharges and other violations.

Stevens VI: November, 1967 to February, 1971, Company found not guilty. Workers won case through NLRB, but lost decision in 4th Circuit Court. Supreme Court turned down review; involved 17 discharges.

Stevens VII: February, 1968 to October, 1971, Company found guilty, 5th Circuit Court of Appeals upheld NLRB findings. Supreme Court denied company request for review; 4 discharges and massive violations resulting in bargaining at Statesboro.

Stevens VIII, July, 1968 to March, 1971, Company not guilty. 4th Circuit Court of Appeals reversed NLRB ruling. No appeal to Supreme Court; involved 2 discharges and other violations.

Stevens IX: March, 1969 to June, 1972: Company found guilty. 4th Circuit Court of Appeals upheld NLRB findings. No appeal to Supreme Court; 1 discharge and other violations.

Stevens X: February, 1970 to July, 1970, Company not guilty. An order to bargain case which automatically lost when Stevens VI was lost; Company cut pay of 144 workers after union won bargaining rights.

Stevens XI: January, 1970 to December 1971, Company found guilty. 5th Circuit Court upheld NLRB findings. No appeal to Supreme Court; Company cut pay of 144 workers after union won bargaining rights.

Stevens XII: June, 1970 to February, 1973, Company found guilty. DC Circuit Court of Appeals upheld NLRB findings. No appeal to Supreme Court; 2 discharges and other violations.

Stevens XIII: September, 1973 to Present, Pending. Workers have appealed NLRB decision to 4th Circuit Court; Involves 23 discharges.

Stevens XIV: January, 1974 to April, 1975, Company found guilty by NLRB. No further appeals; Interrogation of and threats to union supporters.

Stevens XV: November, 1974 to September 1975, Company found guilty by NLRB. No further appeals; Interrogation of and threats to union supporters.

CONTEMPT CASES

Contempt I: August, 1969 to February, 1973, Company found guilty by 2nd Circuit Court of Appeals. Supreme Court denied review; 11 discharges and other violations.

Contempt II: September, 1970 to October, 1971, Company settled case prior to hearing in 5th Circuit Court of Appeals; 7 discharges and other violations.

Contempt III: September, 1973 to Present, Pending. Recommendations of Special Master appointed by 2nd Circuit Court of Appeals expected soon; Involves 6 discharges and other violations.

Contempt IV: September, 1973 to Present, Pending. Decision from 5th Circuit Court of Appeals on recommendations expected soon; Involves refusal to bargain at Statesboro, Ga., plant.

Contempt V: June, 1975 to Present, Hearing in 2nd Circuit Court of Appeals. Pending; Threats, coercion, interference.

NLRB CASES

Update as of February 1977—

Stevens XIII: September 1973 to September 1976, Company found guilty by 4th Circuit Court of threats & interrogation. Court ruled one worker discharged unlawfully, 22 workers discharged lawfully; Involves 23 discharges.

Stevens XVI: October 1974 to present, ACTWU's charge on company's refusal to bargain in good faith at Roanoke Rapids, N.C.

CONTEMPT CASES

Contempt III: September 1973 to present, Special Master issued his recommendation finding the company in contempt. Decision from the 2nd Circuit pending; Involves discriminatory no-solicitation rule; threatening discharge of union supporters; interrogation of union supporters; and surveillance of employees' activity.

Contempt IV: September 1973 to present, Company held in contempt by U.S. Court of Appeals for the 5th Circuit. Decision on remedies pending; Involves refusal to bargain at Statesboro, Ga. plant.

JOINT GOVERNMENT-INDUSTRY-LABOR EFFORT SAVES PHILADELPHIA PLANT

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. EILBERG. Mr. Speaker, because of a unique partnership of labor, industry and Government, I am very proud to be able to report a "success story" to my colleagues in the Congress.

This story began 2 years ago, when the Wissahickon Industrial Center was facing closure, threatening the loss of a thousand jobs to the Philadelphia community. It has culminated in a ceremony held recently to salute those who took part in the revitalization of this center, which now provides more than twice as many jobs as it did 2 years ago.

Participating in the dedication ceremonies were Anne Wexler, Deputy Under Secretary of the U.S. Department of Commerce; Paul Smith, Pennsylvania secretary of labor and industry; Irwin Solomon, manager of the Philadelphia Dress Joint Board of the International Ladies' Garment Workers' Union; and City Managing Director Hillel S. Levinson.

This success story is an outstanding example of what can be achieved when all levels of government work together with labor and management for the common good.

Commented Mayor Rizzo:

I would like to extend sincere congratulations to all who were involved in this undertaking.

The Wissahickon Industrial Center is a 760,000 square foot industrial building formerly built by Atwater Kent Radio Co. and last owned by the Southeast Pennsylvania Economic Development Corp.

Its revitalization is a successful venture involving the Council for Revitalization of Employment and Industry in Philadelphia, the City of Philadelphia, the Commonwealth of Pennsylvania, the U.S. Department of Commerce and Industry located in the facility.

In 1975, the Wissahickon Industrial Center was in danger of closing down with the subsequent loss of 1,000 jobs in textile manufacturing, bindery, printing and physical therapy services.

The Council for Revitalization of Employment and Industry entered the picture and became project manager, now owning the building.

In the space of 2 years, the council obtained over 400,000 feet of new tenants and expanded tenants in the building. The city of Philadelphia was the first new tenant, committing itself to 148,000 square feet for storage of city voting machines.

The State department of commerce, acting through its Pennsylvania Industrial Development Authority, made funds available for the restoration of the building on a long-term loan basis. The U.S. Department of Commerce made a public works grant for job-creating purposes.

Presently some 2,000 people work at the Wissahickon Industrial Center and employment is expected to reach 3,000 when the center is completely rehabilitated.

The center is a 30-acre industrial complex located in north-central Philadelphia. Its restoration has been instrumental in bolstering the entire north-central industrial section of Philadelphia.

The Council for Revitalization of Employment and Industry in Philadelphia was established in 1974 as a nonprofit corporation through a partnership of labor, industry, civic, and Government officials seeking ways to stabilize and improve the economic base for blue-collar and labor-intensive industries in Philadelphia.

The council is currently under contract with the city of Philadelphia to explore the feasibility of establishing a labor-management committee in Philadelphia.

The purpose of this committee would be to improve communications between labor and management, and develop areas of mutual cooperation to increase business and production output of industry in Philadelphia.

SPIRIT OF THE RHODESIANS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. McDONALD. Mr. Speaker, if you believed all the accounts and statements in the press and the media, it would be difficult for you to understand why Rhodesia has not surrendered to the various terrorist bands skulking around and across her border. What is generally not appreciated is the great strength and resiliency of the Rhodesians who are more akin to our pioneers of a hundred years ago. The flavor of this spirit was captured in a speech by the Rhodesian Foreign Minister, I feel, on June 26, 1977 in a speech dedicating a memorial hall to those who had fallen at the hands of the terrorists. The text of his speech follows:

I would like to associate myself with all that has been said in praise of what Mr. Bower and his Committee have succeeded in doing in erecting this Memorial Hall.

It is a fitting and inspired idea that we should honor and commemorate those Rhodesians who have fallen in the terrorist war in this manner which, while honoring them and perpetuating their memory, at the same time does so much to ease the lot of those who have been greviously wounded and whose courage and sacrifice are often equally great.

In this hall we are in an atmosphere of superb courage where one of the most gallant countries in history has produced a race of men and women whose fortitude has become a by-word and which is so great that to praise it is almost to belittle it.

The whole of our history has been a succession of brave and splendid deeds. The courage to which we have gathered here today to pay tribute, is the greatest of all human virtues because it is the father of all other admirable traits—compassion, magnanimity, loyalty, kindness, devotion, tolerance and humility. It is only the brave who have all these qualities and these qualities are the outstanding characteristics of Rhodesia and Rhodesians.

It is therefore not surprising that we have produced this race of heroes who we honour today. Heroes cast in the same mould as Hector and Achilles, of Horatius and El Cid because, after all, their forefathers fought at Agincourt and Alamein; they marched with Kruger and Botha and with Mzilikazi and the Monomatapa and though at times in the past we fought each other, we are now welded into one great force in defending Rhodesia.

Out of the crucible of this terrible war a new race of warriors has been forged; a race of great diversity of origin embracing all the colours of the spectrum but now eternally united in the brotherhood of the great and noble enterprise in which we are engaged—the defence of our homes, our people and our country.

This new race is a great and splendid thing and one can have no greater pride than to be able to say "I am a Rhodesian".

This is a breed of men, the like of which has not been seen for many a long age and which may yet perhaps, by virtue of the example that it sets, go some way towards redeeming the squalid and shameful times in which we live.

The cream of these men who we are remembering today have made the supreme sacrifice but while we do them all the honour, let us not forget those who also bear a grievous burden of sorrow—their wives and

their mothers, their fathers and their children, and their comrades who have been wounded and maimed.

I hope that in some way this Memorial Hall may also be a memorial to them too, because this would undoubtedly be the wish of those who have fallen.

A long time ago a great American President, Abraham Lincoln dedicated a place under similar circumstances to these and I will quote what he said because I cannot improve on it:

"We have come to dedicate a portion of that field as a final resting place of those who here gave their lives that the nation might live. It is altogether fitting and proper that we should do this.

"But in a larger sense, we cannot dedicate, we cannot consecrate, we cannot hallow this ground. The brave men, living and dead, who struggled here have consecrated it far above our poor power to add or detract. The world will little note nor long remember what we say here, but it can never forget what they did here. It is for us the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us, that from these honoured dead we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead shall not have died in vain; that this nation shall have a new birth of freedom."

I cannot too strongly emphasize my complete acceptance of the philosophy contained in this inspired declaration. Merely to go through this ceremony and no more is no fitting tribute to the fallen.

In the final analysis the only meaningful and lasting, and indeed adequate, tribute that we can make to those who have made the supreme sacrifice is by all means in our power to ensure that their sacrifice was not made in vain, and that what they fought and died for is preserved and cherished. This is our obligation. This is our responsibility. And this is our sacred duty.

We all know what our brave men fought for, and are still fighting for—to preserve their homes and families and to save this country from degradation and ruin. They died so that you and I could continue to live here and if we fail to do all in our power to ensure that their ideals and objectives are achieved, then we will have denied them and we will be traitors to all that they stood for and for which they fought and died.

I have a deep feeling of compassion for those Rhodesians who due to the economic recession and other factors, largely brought about by the sanctions imposed upon us by those who should be our friends, are forced to leave the country because it is impossible for them to make a living here. One has nothing but contempt for those who have left, and are still leaving, because they are tired of being called up, or because of the inconvenience and even danger of living in Rhodesia during her present time of trouble.

These people are failing our dead and living fighting men and if the cause our soldiers died for should be lost, then an intolerable and shameful burden of responsibility will rest on the shoulders of those who fled, and haunt them all of their days.

At the height of the last War an Englishman sent a prayer to Eleanor Roosevelt and this is what it said:

"Dear Lord, Lest I continue my complacent way, help me to remember somewhere out there a man died for me today. So long as there be war I must then ask myself and answer, am I worth dying for?" Let our conduct be such, let all of us so bear ourselves, so carry out our duty, that we are worth dying for.

Seldom in the history of mankind has a gallant little country such as ours, with so many virtues and so little fault, been so grievously beset by enemies as we are.

The Russian colossus is on the search to subjugate and enslave all of Africa and we like the Spartans at Thermopylae are a major stumbling block in their path. At the same time, the greatest power on earth—the United States, together with Great Britain for whom so many of our fathers died, do all in their power, diplomatically and economically, to strangle us.

A loathesome and savage foe howls at our gates, backed by the Russians and succoured and comforted by these who should be our friends.

Every imaginable pressure is brought to bear on us, by those who have little regard for the peace and happiness of our people, to come to terms and settle at any cost. We must make, and no matter what the rebuffs, continue to make, every effort to secure a settlement which might mean the end of the war and the necessity for our people to fight and die.

But we must not—and we will not—come to any accommodation which is not in keeping with the ideals and the objectives for which these men laid down their lives. To do so would be the utter rejection of everything they fought for; to do so would be the total betrayal of the trust and duty which they bequeathed to us.

No matter what the difficulties; no matter how hard the road; no matter how apparently great the odds, we must endeavor to emulate the high example and courage which they have shown, in order to justify their sacrifice.

And if the battle should wax fiercer, and if the forces arrayed against us should become immeasurably stronger, there can be no question of surrender: every inch of ground will be fought for.

We will contest every hill and every river; every village and every town; every crossroad and every bridge. Inevitably and unavoidably the land will suffer.

Indescribable cheers and irreparable destruction will follow but, come what may, we will uphold the ideals for which these men fought. We can not let them down.

And now, with profound humility and with all my homage, I declare this Memorial to the Fallen officially open, and I call on soldiers, civilians, all Rhodesians, to dedicate ourselves to ensuring that these men did not die in vain.

AUTOMOBILE SAFETY

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. ECKHARDT. Mr. Speaker, as you are probably aware, the Secretary of Transportation recently issued a ruling which would require that automobiles be equipped with passive means of protecting passengers in crashes—that is, that devices such as automatic belts (VW has them already), or air bags, or other technological alternatives, be installed which the occupant of a car need take no action to activate.

Since that ruling was made, much information has been circulated to our colleagues. I noted that my esteemed colleague from the Ninth District of Pennsylvania discussed at some length a study which he indicates shows that one of the options available under Brock Adams' ruling, the air bag, is ineffective at saving lives and injuries, compared with standard lap and shoulder belts.

I have asked both the Congressional Research Service and the Insurance Institute for Highway Safety to study the documents on which Mr. SHUSTER relies for his strong position against this alternative for meeting the passive restraint standard.

The Insurance Institute for Highway Safety, an organization which has done much excellent research on safety matters, has responded to my request and I would like to have their response inserted in the RECORD at this point for my colleagues' information:

INSURANCE INSTITUTE FOR HIGHWAY SAFETY,
Washington, D.C., July 26, 1977.

Hon. BOB ECKHARDT,
Chairman, Subcommittee on Consumer Protection and Finance of the Committee on Interstate and Foreign Commerce, Washington, D.C.

DEAR MR. CHAIRMAN: I am replying to your letter of July 18, 1977.

Rep. Shuster's position is described in his press statements (July 5, July 18 and July 20) seeking support for his "Concurrent Resolution to disapprove the air bag order (Federal Motor Vehicle Safety Standard No. 208)."

As the principal basis for his position, Rep. Shuster has cited what he describes as "an air-bag study supported by NHTSA."

In summary, Rep. Shuster's position and contentions are as follows:

The Department of Transportation has issued an air bag "order" or "edict".

Air bags are "unproven," that "no hard evidence exists to show that air bags will actually save lives" and "air bags could actually cause more highway deaths than they prevent."

Air bags would be protective "only in frontal collisions, and only 55 percent of all fatalities occur in such crashes."

Non-passive safety belts (such as now provided in new cars) "triple" the chances of survival in crashes, and "forty million Americans," or "44 percent of the people," now wear belts.

DOT Air Bag "Order": The Department has issued no air bag "order" or "edict", nor may it do so under the law. The law * provides that DOT issue motor vehicle safety performance standards. The standard issued on June 30 by Secretary Adams requires, starting with the 1982 model year, that a new safety performance standard be phased in for new cars over three model years. The standard puts a limit on the crash forces reaching the front seat occupants in severe frontal impacts.

Auto manufacturers are entirely free to choose any appropriate design alternative—including passive safety belts, air bags or other approaches—as long as the end result is that the force reductions are accomplished automatically ("passively"). Under the standard and the prevailing law, however, they may not choose designs, such as the ignition interlock belt design, that do not work unless the occupant has activated them. In addition, lap belts would be provided for those who would use them for even additional protection.

The "NHTSA-Supported" Study: The "study" relied upon by Rep. Shuster was not "supported" by NHTSA. It was prepared by a private consulting firm, Economics and Science Planning, Inc., whose witnesses appeared at the passive restraint hearing held by Secretary of Transportation Adams on

*PL 89-563.

April 27 and 28, 1977. In one appearance, an Economic and Science Planning staff member appeared as a paid witness on behalf of the American Safety Belt Council, which opposed a passive restraint requirement. For the other appearance, a second Economic and Science Planning witness sought and was granted expense funds for his presentation under the provisions of an NHTSA demonstration program entitled, "Financial Assistance to Participants in Administrative Proceedings" (42 Fed. Reg. 2863–67, January 13, 1977).

NHTSA neither requested nor endorsed the witness or the material he submitted—the material that Rep. Shuster now is relying upon as a "study supported by NHTSA".

Attached to this letter is a detailed analysis of the "study". In summary, the analysis makes clear that the Economics and Science Planning "study" was based on speculation and assumptions not consistent with the known facts.

Remarkably, the "study" is not based on an evaluation of the known crashes involving air bag cars but on crashes and injuries that the authors speculate might have taken place in such cars. (In contrast, the Insurance Institute for Highway Safety evaluation, also attached, considers only actual crashes and does not invent crashes and injuries that may or may not have occurred.) The approach chosen by Economics and Science Planning is scientifically inexcusable.

Belt Use: The "study," also uses an assumption that 44.2 percent of auto occupants are now using shoulder belts (it is doubtless on that basis that Rep. Shuster has publicly, wrongly stated that 44 percent of Americans, or "40 million," are now wearing belts). Every valid study of current safety belt use levels has found less than 25 percent shoulder harness use in 1974–76 model cars, and less than 10 percent in pre-1974 model cars. Ironically, the 44 percent use level was reported only during the period when the now-outlawed ignition interlock was required in new cars.

Effect of Belt Use, Bag Use: Rep. Shuster is incorrect that a person wearing a safety belt in a serious crash "triples his chance of survival," and is also wrong that air bags "provide no additional protection over safety belts." DOT's own estimates, based on its thorough evaluation of all of the available evidence, are that lap/shoulder belts, when worn, reduce the chance of death by 60 percent, while air bags plus lap belts provide even greater protection, reducing the chance of death by 66 percent. And, as the Institute's attached study shows, air bags offer more protection than lap/shoulder belts in severe frontal crashes.

Air Bag Passive Belt Effectiveness: Neither of the two systems presently available for meeting DOT's automatic crash protection standard are, as claimed by Rep. Shuster for air bags, "unproven," nor is there any lack of "hard evidence" to show their effectiveness. Furthermore, there is no evidence to support nor logical reason to believe the incredible claim that "air bags could actually cause more highway deaths than they prevent."

Air bags are one of the most thoroughly, rigorously and successfully tested automotive safety systems ever developed. Nearly a decade of exhaustive laboratory and track research has made clear the effectiveness of air bag systems in greatly reducing crash forces in frontal crashes; the research has been conducted and validated not only by government and industry, but also, in particular, by the companies ready to supply such systems to the auto companies—suppliers that include Eaton Corp., Allied Chemical, Talley, Rocket Research, and Thiokol.

Supplementing the laboratory and track research have been the extensive real-world operating results (as of July 1, 1977, more than 350,000,000 miles of travel) and crash results (153 crashes severe enough to deploy the air bags) available from the more than 11,000 air bag-equipped cars already placed on the highways. As the Insurance Institute for Highway Safety evaluation indicates, these results have been consistent with the earlier laboratory and track research; they have indicated levels of effectiveness for the air bag in frontal crashes even higher than for lap/shoulder belts, when worn.

Volumes of research and real-world operating data for air bag technology were available to DOT in reaching its decision to require passive restraints in future new cars.

Passive belts now are on the road in some 60,000 VW Rabbit automobiles. A recent Highway Loss Data Institute preliminary study shows that such automobiles have substantially lower injury claim frequencies than identical cars equipped with active lap/shoulder belts. The findings provide "encouraging evidence that the use of passive belts is substantially higher than active belts and as a result is producing substantial reductions in the frequency of crash injuries to the occupants of the relatively small number of vehicles so equipped," the HLDI study notes.

Frontal Crashes.—Rep. Shuster is correct that, as now written, DOT's standard will require that air bags be effective "only" in frontal crashes, and is also correct that "only" 55 percent of all highway crash fatalities occur in such crashes. If that is a valid argument against passive protection, it would be equally valid to argue against penicillin because it doesn't stop all infectious diseases—just some of them; or against brakes because they don't stop all collisions.

It is a tragedy that so much misinformation is being propagated concerning this issue. The National Highway Traffic Safety Administration (NHTSA) is the federal agency with the necessary expertise to judge the effectiveness of passive restraints and the research relevant thereto. After years of research, study and review involving a tremendous effort, the agency has reached thoroughly-considered conclusions concerning the relative effectiveness of air bags, passive belts, lap/shoulder belts based on all of the available evidence. But Rep. Shuster has apparently decided to ignore the conclusions reached by the responsible federal agency and rely instead on a single superficial and incompetent study that required less than three man-weeks of effort to complete. The obviously shallow analysis in this study clearly reflects the minimal effort put into it.

It is worth noting that three Secretaries of Transportation (Volpe, Coleman, and Adams) and three NHTSA administrators (Toms, Gregory, and Claybrook), when they looked at and reviewed the totality of available evidence, concluded that air bags are feasible, practical, and effective, and would save many more lives than lap/shoulder belts.

The Department of Transportation has concluded that in 1975 lap and shoulder belts saved 3,000 lives, but that had all of the vehicles in that year been equipped with air bags, an additional 9,100 lives would have been saved. Despite many incorrect assertions by others to the contrary, DOT has concluded (again, on the basis of a review of all of the evidence) that air bags plus lap belts are 10 percent more effective in preventing fatalities than lap and shoulder belts when worn. It is not correct to assert, as has been done frequently recently in the press and elsewhere, that present users of lap and shoulder belts would pay more for less protection if required to purchase cars equipped with air bags. In actual fact, they would receive additional protection.

Rep. Shuster has relied, in developing his position, on incorrect data and wrong assumptions. It is apparent that he has not availed himself of the comprehensive data and research results underlying Secretary Adams's decision. Tragically, by his statements Rep. Shuster has become the medium for broadcasting misinformation and unfounded conclusions about passive restraints, and in particular about Secretary Adams's decision, to members of Congress and the public.

If Americans unnecessarily die or become injured in future highway crashes as a result, the nation will have suffered inexcusably.

Sincerely,

WILLIAM HADDON, Jr., *M.D.*

COMPARATIVE EFFECTIVENESS OF OCCUPANT RESTRAINT SYSTEMS

The subject document was submitted to the U.S. Department of Transportation's docket on FMVSS 208 subsequent to the April 27 hearing on passive restraints.

The following are detailed comments on this study:

STATEMENT

"To determine the comparative effectiveness of various restraint systems with respect to unrestrained occupants, the injuries and fatalities experienced have to be related to some common baseline such as fatalities per car year, per million miles or per tow away accident. Tow away accidents are used for the baseline in this comparative evaluation since NHTSA data is available in this form."

COMMENT

Crashes of air bag equipped cars and other cars can be and, in other studies, have been matched on a number of criteria such as point of impact and vehicle deformation that are more indicative of crash forces than whether the vehicle was towed away. The use of the fact that a vehicle is towed away from the crash as a criterion for inclusion in a study can lead to very serious biases, and should not be used when far better, more scientific measures of the crash forces are available.

STATEMENT

". . . no injury data [on VW Rabbits] has been collected."

COMMENT

Some injury information on VW Rabbits with passive belts was reported by VW at the passive restraint hearings conducted by Transportation Secretary Coleman in August 1976. (Pages 99–103, transcript, August 3.) Subsequent to the Goldmuntz and Gates study the insurance loss experiences of VW Rabbits with and without passive belts were compared in a Highway Loss Data Institute (HLDI) Research Report. It reported that ". . . these preliminary results . . . provide encouraging evidence that the use of passive belts is substantially higher than active belts and as a result is producing substantial reductions in the frequency of crash injuries to occupants . . ."

STATEMENT

". . . 2.3 percent of U.S. cars are involved in tow away accidents each year. Since the accumulated mileage of air bag-equipped cars is approximately 340 million miles, and since new cars (air bag-equipped cars) accumulate 14,000 miles per year, it is reasonable to estimate tow aways of air bag equipped cars as

$$\frac{340\times10^6}{14\times10^3}\times0.023=560$$

which is close to the NHTSA estimate."

COMMENTS

The formula used for estimating the number of air bag cars in tow away crashes is invalid. It is a gross oversimplification to estimate the number of tow away crashes (560) for air bag-equipped cars by multiplying the per vehicle rate of tow aways for the U.S. vehicle population by the estimated number of vehicle registration years of air bag-equipped cars. It is unlikely that the

annual rate of involvement of full size air bag-equipped vehicles in tow away crashes is the same as an overall national figure.* The factor used for estimating the number of registration years for air bag-equipped cars was derived by assuming that air bag-equipped cars travelled as many miles every year as new cars would, and this is unwarranted since most of the air bag cars have accumulated mileage for three or more years. On the average, the rate of use of new cars declines substantially from the first year on, so the correct factor in the denominator of the formula should be smaller than $14x10^3$. Slight changes in either the rate of involvement in tow away crashes or annual mileage can substantially change the estimated number of tow away crashes—a fact clearly evidenced by the discrepancy between the Goldmutz and Gates estimate of 560 such crashes and the estimate of 600–800 provided by NHTSA.

As a result of their assumption, Goldmuntz and Gates include in their analysis 392 tow away crashes (560 less than 178 reported to NHTSA) that may or may not have occurred. Their conclusions are completely dependent on the reliability of their estimate, and it is clear that it is based on overly simple assumptions.

STATEMENT

Another one of the "assumptions" in the study is that, "The same proportion of injuries occurred in non-reported, non-deployment tow aways as in reported non-deployment tow aways."

COMMENT

This assumption is used to estimate injuries that may or may not have occurred in crashes that may or may not have occurred. No evidence for this assumption is cited. It is, however, implausible for two reasons. It is likely that injury under-reporting is less common in the population of crashes in which one or more AIS 2 or more severe injuries occurred than in the population without such injuries. In other words, authorities are much more likely to have injury producing crashes reported to them than damage-only crashes. Ignoring this reporting bias—as the study does—inflates the estimated number of unreported injuries.

For this reason, the frequency of unreported AIS 2 or more severe injuries is likely to be substantially below the figure used in the study. This is yet another reason to disregard the conclusions of the study.

STATEMENT

". . . the probability of risk in a population exposed to hazard as determined from a sample of n exposures in which k were killed, or injured at AIS $\geqslant$ 2" was derived in part on the basis of the following argument (p. 25) "Since, a priori, p(R) [the probability that the risk of injury or death is R] is known, from Bayes axiom (sic) all values are equally likely; thus p(R) = a. But by definition

$$\int_0^1 p(R)=1;$$

hence, a priori p(R) = 1."

COMMENT

Customarily statisticians employ Bayes' Theorem to explicitly incorporate prior information in the analysis of data at hand. The results of an analysis that employs Bayes' Theorem is critically dependent on the choice of the prior distribution, p(R)=1 in the present case. Bayes' Postulate states in the absence of information to the contrary all prior possibilities are to be assumed equal. This postulate has been, and continues to be subject to much dispute and undiscriminating application. The Goldmuntz and Gates analysis is an example of an inappropriate application of the postulate.

A major source of difficulty with the Baysian method is that the choice of the prior distribution directly influences both the estimate and the uncertainty about the estimate, and it is not always clear which particular prior distribution is an adequate summary of the existing prior knowledge. Bayes' Postulate should only be invoked in the complete absence of prior knowledge about the risk; to the contrary, in the case of crashes there is a considerable body of information available. The extensive knowledge about highway crashes developed by competent research scientists in recent years indicates that the risk of death in such crashes is not constant, but varies dramatically with the severity of the crash, the number of occupants, the age and sex of the occupants and many other factors.

Thus, the conclusions of their study were based on equations derived from an inappropriate assumption that is at complete variance with known facts.

STATEMENT

"The most likely effectiveness of lap and lay-shoulder harnesses in mitigating fatalities is 68% based on available field data."

COMMENT

NHTSA, based on all of the available field data and component statistical analyses, has concluded that lap/shoulder belts when worn reduce the chance of a fatality in a crash by 60%.

STATEMENT

"To overcome the air bags effectiveness of only 40 percent relative to the harness, the air bag would have to be utilized 2.5 times as much as the lap/shoulder harness which is impossible at a 44.2 percent harness utilization rate."

COMMENT

The 40 percent relative effectiveness is invalid for reasons cited above. The assumption of a 44.2 percent harness utilization is based on the Restraint System Evaluation Program which was done on 1973–1975 cars in use in 1975 when the ignition-interlock was required and restraint use in the cars so equipped was temporarily high. ESP totally ignores subsequent studies that find less than 25 percent shoulder harness use in 1974–76 model cars and less than 10 percent in pre-1974 model cars.

In summary, the ESP document "Comparative Effectiveness of Occupant Restraint Systems" shows clear evidence of selected use of biased data and use of invalid statistical methods, and its conclusions are without merit.

* It should be noted that no source was given for the national figure of 0.023 used.

ALASKAN NATURAL GAS: PART VIII—MORE POSSIBLE DELAY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. MURTHA. Mr. Speaker, in this series of articles and comments, I have tried to point out the key issues associated with transporting Alaskan natural gas to the lower 48 States.

The greatest of these problems is delay. We need this gas available in this country as soon as possible. One of the key reasons I have supported the El Paso/Alaska proposal is that decisions would be controlled solely by the U.S. Government and that it had the firmest construction plan.

Further evidence of potential delay with the Alcan/Canadian route came this week from the three-member Board of Inquiry considering problems along the Alcan route facing the Canadian Government. The report said:

We consider that a minimum of four years will be necessary to permit sufficient implementation and to avoid prejudice to a just settlement of the Yukon Indian land claims.

This would require no construction prior to 1981. It would further delay delivery of this gas which the United States needs so badly.

For the information of the Members, I insert into the CONGRESSIONAL RECORD the press release of the Alaska Highway Pipeline Inquiry Board:

ALASKA HIGHWAY PIPELINE INQUIRY

The three-member Board of Inquiry into the proposed Alaska Highway natural gas pipeline has unanimously concluded that undesirable social and economic consequences of the project can be kept within acceptable limits if key recommendations are accepted.

If the federal government wishes to give approval-in-principle to such a pipeline, the Board of Inquiry states that four things should be done.

The first condition refers to the unresolved Yukon Indian land claim. The Board notes that negotiations for settlement of the claim appear to be progressing well, with agreement-in-principle anticipated next year. The Board was assured that implementation of major elements of the claim settlement can begin at that time, even before final settlement is reached.

The Board states that it is important that the pipeline project not prejudice the claims process. "We have no doubt that the achievement of a just settlement and the implementation of the Indian land claim is much more important to the future of the Yukon than any pipeline."

So that implementation of the settlement will not be impeded by lack of financial resources, the Board recommends that the federal government immediately make an advance payment of $50 million on the settlement. Interest earned on that money could be used by the Yukon Indians to begin implementing the claims settlement.

Second, the Board recommends that the pipeline company be required to pay compensation in recognition of the fact that regulatory measures cannot entirely prevent undesirable consequences of the pipeline project. "The main benefits from the pipeline will be concentrated outside of the Yukon, largely south of the 49th parallel, whereas the most significant costs, in terms of both economic dislocation and social disruption, will be experienced in the Yukon. . . . We believe that the anticipated distribution of benefits and burdens is unfair and unacceptable to Yukoners, and it is our strong view that steps should be taken to redress this imbalance."

The Board recommends that Foothills be required to pay $200 million to compensate for the overall negative impact on the Yukon. It suggests that this amount be paid into a Yukon Heritage Fund, which could be applied to improve various aspects of the quality of life there.

Third, it recommends that if approval-in-principle is given to the pipeline, the government should immediately establish a single planning and regulatory agency as the most effective method of keeping undesirable consequences of the project to a minimum. The agency would be given comprehensive powers to regulate engineering, social, economic and environmental aspects of the pipeline project.

The fourth key condition calls for deferring the commencement of construction of the pipeline. "We consider that a minimum

of four years will be necessary to permit sufficient implementation and to avoid prejudice to a just settlement of the Yukon Indian land claim." Accordingly, the Board recommends that if approval is to be given now to the pipeline, construction of it should not proceed before August 1, 1981.

The Foothills aplication calls for construction of the pipeline to commence in June 1979. The Board noted, however, that at the hearings the President of Foothills acknowledged that some additional time would benefit the pipeline company itself both in terms of increased efficiency during construction, and in savings that might be effected through more careful planning, and he indicated that commencement of construction in the following year would be acceptable to the company. In the Board's opinion, further postponement of start-up of construction to August 1, 1981, at the earliest, is necessary to avoid prejudice to the claim settlement and implementation process.

Additional time provided by deferral of construction would also be useful for other reasons One reason is that further study of the pipeline route to be followed through the southern Yukon is necessary. Foothills had applied for a route following the Alaska Highway. The National Energy Board favours a route through Dawson which would follow the Klondike Highway instead of the Alaska Highway to Whitehorse. A third route favoured by some witnesses before the Inquiry would follow the Tintina Trench. The Board of Inquiry recommends that the proposed planning and regulatory agency, along with its other responsibilities, be given the task of making recommendations on route selection.

The possibility of a pipeline along the Dempster Highway (the Dempster lateral) from the Mackenzie Delta has been put forward. The Board states that there is insufficient information about this route and recommends deferral of any decision on construction. The Board notes that many witnesses were convinced that there should be no pipeline along the Dempster Highway in the foreseeable future.

The Board expresses concern that relations between Indians and Whites in the Yukon are strained, and appear to have been deteriorating. In its letter to Warren Allmand, Minister of Indian Affairs and Northern Development, the Board states: "It is our deeply felt conviction, Mr. Minister, that a reversal of this trend must be a leading priority for your government in all of its policies that relate to the Yukon in any way. We believe that your decision with respect to the proposed pipeline will be of critical importance in whether or not this trend is reversed."

Solutions must be found which "will promote, not erode further, harmonious relations among all segments of society in the Yukon". This view is basic to the recommendations in the report.

Despite the existence of certain differences between Indians and Whites, the Board finds a high level of agreement on a number of fundamental objectives and values, and it stresses the importance of recognizing these common interests.

An important theme of the report is that more attention must be focused on identifying and developing those things which unite Yukoners rather than those which divide them on racial lines. A number of specific recommendations in the report are aimed at developing structures in which Indians and Whites will be encouraged to work together.

On the pipeline question generally, the Board cautions against relying upon generalizations about the north that would lead to the conclusion that the Yukon is much the same as the Northwest Territories. The report notes differences between the two geography, history, development and racial mix. Unlike the Northwest Territories, every community in the Yukon, with one exception, is connected to southern Canada by a highway network. Also, in the Northwest Territories the native land claims negotiations have taken a different course and are not likely to be finally settled as early as the Yukon Indian land claim. For those and other reasons, the Board holds the view that the social and economic impact of a pipeline through the southern Yukon would be less severe than the impact of a pipeline through the Northwest Territories.

Other recommendations include:

Preferential hiring and training of Yukoners.

Programs to control in-migration of job seekers.

Continuation of constraints on land grants in the Yukon for three years to allow for land selection under the Yukon Indian claim settlement.

A formula for the taxation of the pipeline property.

An independent impact monitoring center.

The Board of Inquiry—Kenneth Lysyk, Chairman, Edith Bohmer and Willard Phelps—notes that its terms of reference permitted any member of the Board to submit a minority report or a supplementary report. "We have particular pleasure in stating that none of us has wished to take advantage of that provision. This report presents our unanimous views."

"HELSINKI'S UNFULFILLED PROMISE"

HON. DAVID L. CORNWELL

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. CORNWELL. Mr. Speaker, I am pleased today to join my colleagues in a project entitled "Helsinki's Unfulfilled Promise" on behalf of Soviet Jewry. I am most concerned about this subject because events of the past few months demonstrate that despite denials by Soviet officials, harassment of Jews continues. This religious, social, and economic repression of Jews in the U.S.S.R. is a blatant violation of the human rights provisions of the Helsinki Final Act, signed by the Soviet Union, as well as Soviet constitutional guarantees of freedom of religion. I rise today to implore the Soviet Government to honor the Helsinki agreement by unequivocally applying its provisions to all peoples of the world.

According to the latest census, there are 2,151,000 Jews living in the Soviet Union. Genia and Lev Frumkin and their daughter Dina are three of the more than 200,000 Jews who seek permission to leave in order to be reunited with their families.

Genia is 29 years old and a graduate of the Riga Medical Institute where she specialized in stomatology. Since her graduation from the institute, she has been unable to find employment as a dentist. Geniva, Lev, and their daughter live in Riga Latvia where Lev is employed as a mechanical engineer in a factory. They applied for an emigration visa in 1972 and were refused in 1974 because of Lev's service in the Army which ended in 1969.

Genia's parents and brother reside in Israel where they anxiously await her arrival. Her mother, Mrs. Lea Roitkop, writes from Israel:

Genia is my only daughter and I have never seen my granddaughter. I have shed many tears but the Russian government finds all kinds of excuses not to let them out. You can imagine the agony I go through not to be able to be reunited with my children.

Repeated denial of permission to emigrate as in the Frumkins' case is but one example of harassment on the part of the Soviet Government. Letters from Soviet Jews which have recently reached the outside world report of renewed and often-violent persecution. Two letters, one signed by three activitists accused by a government newspaper of espionage on behalf of the CIA and the other signed by 250 Jews, report of an escalation in this harassment, mass arrests, and threats to arrest the editors of the magazine Jews in the U.S.S.R. Conditions are so threatening that in one of the letters, the authors were compelled to write:

The situation is such that we feel exactly like hostages in the hands of terrorists who acknowledge no laws, national or international, and who are ready to take extreme measures at any moment.

The recent arrest of Anatoly Schransky, a leader of the Moscow Jewish community and a founding member of a Soviet group formed to monitor the Helsinki agreement, is a further indication of increased repression. In addition, on July 19, 1977, Benjamin Levick, the highest-ranking Soviet scientist who wishes to emigrate to Israel, was officially summoned for questioning by the KGB state security police.

It is imperative that we continue to exert pressure on the Soviet Union in order to eliminate the continual harassment and repression of Soviet Jews. Our responsibility to protect human rights extends not only to Americans but also to all the citizens of the world. History has proven that we cannot afford to compromise our position on this issue. The events of recent months, as illustrated by the individual case of the Frumkin family, and the past history of Soviet Jewry clearly demonstrate that the promises made in the Helsinki accord remain unfulfilled.

SOCIAL INSECURITY FOR FORMER SPOUSES

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mrs. SCHROEDER. Mr. Speaker, when the Government created the Civil Service Retirement System in 1920 and social security in 1935, the divorce problem we experience today was not envisioned.

In 1965 Congress responded to the growing number of long marriages ending in divorce by amending the Social Security Act to provide benefits for a divorced spouse who was married at least 20 years.

Unfortunately, the Federal pension plans have not taken similar action so that former spouses of Federal employees find themselves out in the cold with no

retirement benefits when a long marriage ends in divorce.

The United States has the highest divorce rate in the world. According to census statistics, there were 4.4 divorces per thousand in our country, with Great Britain, Canada, and Germany averaging half of that. Yet all of these countries have experienced soaring divorce rates in the 1970's because of liberalized divorce codes.

Studies prepared for me by the Library of Congress Law Library revealed that Germany and Canada, alarmed at the economic consequences of divorce, are taking measures that compensate the homemaker for her nonsalaried services.

In July 1976, Germany passed a marriage and family law reform entitled "the Equalization in Division of Pension Expectancies." This law recognizes pensions as being jointly earned by both spouses to provide old age security for both insured and noninsured spouses. There is no duration of marriage requirement and the law divides the pension on a prorata basis by the ratio of work years to marriage years.

On April 18, 1977, the Canadian Minister of National Health and Welfare and Minister Responsible for the Status of Women introduced an amendment to the Canada pension plan to permit equal splitting of Canada pension plan credits between husband and wife upon divorce regardless of the amount of direct contribution made by husband and wife. Under the Canadian proposal, an individual's interest vests after 3 years of cohabitation and credit splits would be made upon application by either spouse within 3 years of the dissolution of the marriage. The amendment covers the ex-spouse against disability and makes the child of the ex-spouse eligible for survivor's benefits following the death of the former spouse. The Canadian proposal is retroactive, providing credit splits for all years of marriage back to 1966 when the Canada pension plan was created. Those already receiving pension plan retirement and disability benefits would receive a new benefits amount calculated on the basis of the split.

Aware of the gaps in our country's legal protection of homemakers, the Homemakers Committee of the National Commission on the Observance of International Women's Year has published surveys on "The Legal Status of the Homemaker" in each State to educate homemakers of their legal risks and rights.

According to former Congresswoman Martha Griffiths, chair of the Homemakers Committee,

> Federal and state law in the common law states, in general, do not give recognition to the economic and social value of the homemaker's contribution.

Speaking from her experience as an attorney and member of the House Ways and Means Committee, Mrs. Griffiths said that:

> Far from being the darling of the law, the homemaker is the most vulnerable woman in society, with the least knowledge available to her of the reality of her legal status.

It is indeed time to review our retirement plans and their effects on wage earners and their dependents. I applaud President Carter's decision to appoint a top level task force to study our pension systems. Because of his concern that the integrity of the American family be a factor in his administration's programs, I urge this task force to give careful consideration to the welfare of divorced spouses and widows. This administration can significantly upgrade protections for homemakers, so that in the future those persons who choose to dedicate their efforts to their home and family are not punished for that decision.

I would like to share with my colleagues the following article that appeared in the Los Angeles Times written by Riane Tennenhaus Eisler, author of a new book entitled "Dissolution."

[From the Los Angeles Times, July 22, 1977]

INEQUITIES FORCE WOMEN TO FACE SOCIAL INSECURITY

(By Riane Tennenhaus Eisler)

In recent years, many American women have been abruptly ousted from the ranks of the middle class and shoved into sudden—and very real—poverty. Who are these unfortunate women? They are former wives, now separated, divorced, or widowed.

Behind their plight lies a number of factors. Divorce courts are awarding support payments that are smaller and paid over shorter periods than was the case just a decade ago—a shift that has been ascribed, erroneously, to the push for women's equality. Deepening the problem for women who have spent years as housewives is the likelihood that those who do manage to find jobs will earn only 60 percent of what a man can make on the labor market.

Contributing to their impoverishment is our discriminatory Social Security system. Indeed, the poorest single segment of society is made up of widowed, single and divorced women aged 65 or over.

As it stands now, Social Security, which is supposed to protect all workers, fails to provide adequately for millions of women who have devoted their lives to marriage and family.

For example, a widow is not eligible to receive Social Security benefits until she is 60 years old—even if her deceased husband was the sole breadwinner. This law leaves many widows without support at a time when they may need it most. Furthermore, numerous older women, unable to find jobs after lifetimes as homemakers, are penalized by Social Security laws for following the only other course open to them: remarriage. If they take another husband before turning 60, they lose all widow's benefits, and only half accrue to them if they remarry after 60.

The plight of the older divorcee is even worse. Under current Social Security law, a divorced homemaker is not entitled to any benefits based on her ex-husband's earnings unless the couple had been married at least 20 years—and even in that event she cannot qualify until she is 62. This rule applies even to a divorced woman with children, whose former husband is disabled and cannot provide any support.

All these regulations ignore that marriage is, among other things, an economic partnership. While contributing valuable services to the maintenance of the family, homemakers enable their spouses to devote themselves to full-time jobs in the workaday world. Yet the wages earned by the partner outside the home (usually the man) are credited solely to him for purposes of Social Security insurance when, in effect, the couple have agreed to split his wages while sharing her contribution of maintaining the home.

Some lawmakers have proposed bills that would recognize this concept of income-splitting by establishing separate Social Security wage scales for homemakers. Several such measures were discussed earlier this week when the House Ways and Means subcommittee on Social Security held hearings on equal treatment of men and women. However, since subcommittee members have already indicated that their overriding concern for the rest of the present session will be to finance the perilously dwindling Social Security fund, all that proponents of equal treatment can realistically hope for is a commitment to study the feasibility of recognizing income-splitting between spouses.

But while Congress considers proposals to make Social Security laws fairer and more realistic, the Supreme Court has dealt a severe blow to the move to legally acknowledge the homemaker's economic contribution. This setback occurred in a recent case, Mathews v. de Castro.

Helen de Castro, 56, the mother of a disabled child, had been married more than 20 years at the time of her divorce. Ms. de Castro could not qualify for benefits on her own, and since she was not yet 62 years old, she could not draw old-age benefits on the basis of her ex-husband's earnings. However, the Social Security Act has a provision which states that a wife is entitled to benefits before age 62 if she has a dependent child in her care and a husband who is retired or disabled. So, at the time that her ex-husband retired and applied for his benefits, Ms. de Castro also applied for benefits under this provision. She was turned down because the rule permitted payments to wives—but not *ex*-wives.

To deny her payment solely because she was divorced, Ms. de Castro maintained, violated the equal-protection clause of the Constitution. A federal court in Chicago agreed, but the Department of Health, Education and Welfare appealed the decision, and the Supreme Court overturned it.

The underlying reason for the high court's decision, apparently, was concern for fiscal economy. But is it economically sound to force ever-increasing numbers of middle-class homemakers—and their children—onto the welfare rolls? Considering the exorbitant cost of the welfare bureaucracy, this approach hardly produces a net savings. Furthermore, the real cost—the human cost—we pay for such an attitude is lowered self-esteem and personal alienation among millions of citizens who come to believe that society is indifferent to their plight.

Clearly, the issue involves costs less than it does social priorities. Each year a million American families break up in divorce; one of every six children is raised by a divorced or widowed mother. At long last *all* homemakers—married, widowed or divorced—should be rewarded, not punished, for their years spent as wives and mothers.

By amending the Social Security Act to allow for income-sharing and give the American homemaker benefits in her own right, Congress would be taking a step in the right direction. As a start, coverage might be provided to all married women who file joint federal income-tax returns with their husbands; this would guarantee Social Security benefits for wives who do not work outside the home while providing fairer retirement payments to employed women who earn far less than their husbands.

Our lawmakers now have a chance to pay more than traditional lip service to the American homemaker. Perhaps our society errs in granting dignity and social recogni-

tion to its members by attaching a dollar value to their careers, but as long as we do so, we had better put up for mothers and homemakers—or shut up and stop pretending to venerate them.

THE AMERICAN SPIRIT FACES THE CHALLENGES OF THE TIMES

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. BROWN of Ohio. Mr. Speaker, I had the privilege of hearing an address recently which I would like to share with my colleagues. It was delivered on Memorial Day by former Logan County School Superintendent John Stanfield in Bellefontaine, Ohio, in the Seventh Ohio District

Mr. Stanfield boldy takes stock of the challenges and crises facing the United States. Believe me, it is a discouraging assessment. Yet Mr. Stanfield's confidence in Americans and their spirit shows through in a shining optimism that we can meet the challenges we face and triumph over the ills which beset us. It is a message we need to hear, particularly as we conclude some hectic weeks of legislative business in which we too often get buried in the details and fail to see the whole picture.

As we return to our homes around this great nation to the districts and the people we represent, perhaps we should take a moment to think about America as it is today. Only then can we resolve to make it better tomorrow.

I commend the following remarks of Mr. Stanfield to my colleagues' attention:

REMARKS OF MR. STANFIELD

Mr. Brown, Honored Guests, Friends: Each time we take part in a Memorial Day program or attend ceremonies like these—as we watch the American flags wave in the breeze, hear the bands, we try in our hearts to understand and appreciate the trials, heartaches, moments of torment or happiness that those who have made America the country that it is. We are proud of them and thankful for them. Today is a day for remembering those earlier Americans who lived, struggled to build, and died under tremendous hardships to give us our heritage—this country, this community.

We often severely criticize some aspects of our national life, and perhaps it is good to be able to see where we are wrong and try to correct matters. But if you have ever lived for any time abroad you quickly learn that America is a country of which we can be proud. This concept was repeatedly brought home to me when I conducted American farm leaders on tours of Egypt and Pakistan a few years ago. Without exception the participants would say to me, "John, as I leave this country and return to American soil, I will get down on my knees and thank God that I am an American citizen!"

Did you every help a child make a kite and share with that eager questioning anticipation which is so much a part of the whole fashioning process? Will it fly? Will it gracefully ride the winds? What if a sudden squall comes up? Will it buckle and dart disastrously into a tree? It wasn't the calm and steady breeze that you needed to be concerned about. It was the turbulence that offered the real test of your kite-making skills.

Have you ever said, or heard it said, 'I don't want my child to have as hard a time as I did'? We forget that turbulence is the real test of whether or not we can successfully meet the challenges of life. Today we are beginning to see that a hard testing of our unselfish love of country is coming as we see that the rapid depletion of the world's natural resources will force us to change our lives, no matter where we live.

There are fundamental aspirations that Americans can hold, basic to our lives now, especially in the light of the rapid worldwide changes we are experiencing. Elmer Morgan has summarized those aspirations and ideals that have brought happiness, achievement and fulfillment to many Americans. He listed them as follows:

1. To be a good father, mother, sister, brother or friend.

2. To be dependable, faithful, a skilled worker in the home, school, office, Church, field or factory.

3. To be an intelligent, honest, useful and loyal citizen, with faith in God and a love of fellowman.

4. To recognize the brotherhood of man and live by the Golden Rule.

Some of these things may appear as common, ordinary . . . little things. But if carefully examined we will find them to be the most important factors for good in our lives!

The Common things in life are the things that have made the uncommon American!

Dean Rusk, former Secretary of State, was invited to a New England college campus to lead a discussion on "Values." He talked of little things, small things: such as Honor, love, faith, character, integrity, sacrifice, patriotism. Following the discussion, as Mr. Rusk walked from the room a dead silence fell over the group. Then . . . tremendous applause. They had understood what he said.

Men and women that we remember—as we look at the lives of those people we realize that they lived by values that: made their lives more meaningful, and the world in which they lived more liveable! This could be a realistic goal for each of us: A more liveable world in which to live!

While this day is for remembering those who sacrificed their lives in war to preserve our freedoms, we also remember those who returned to pick up the torn threads of their lives and those families at home who also suffered the pangs, doubts and losses of war. All felt loyalty and duty to country and were willing to pay a high price for the privilege of American citizenship.

What is an American citizen?

President Lincoln once said: "Let reverence of the laws . . . become the political religion of the nations." He was saying that laws are needed and it is necessary that we respect and observe them. Law is a great instrument for social justice—when applied evenly and fairly.

Another president, Theodore Roosevelt said, "No man is above the law, and no man is below it." He was saying "equal justice for all".

Thus both men highlighted the importance, and the correct application of law in the American way of life.

Again, I believe that the American concepts of compassion, dignity, honesty, integrity loyalty, patriotism, and love of fellowman that were woven into our Constitution and national life (by our founding fathers whose thinking was based on the Judeo-Christian ethic) are of everlasting value.

Not all believe this to be true! There are many thousands of people, many groups, that are doing all they can to destroy religion, the law, the schools, the family and the Constitution itself!

Let us think for a moment of some events in our national life. As I name them ask yourselves if you think they should become the accepted standards for our state or nation:

1. Graft, greed, lying, stealing and other crime in government circles.

2. The Supreme Court decision sanctioning abortion. How can we rationalize our righteous indignation of Hitler's slaughter of the Jews in the death camps of World War II, and yet accept this decision and the low value it places on human life.

3. The 'Do your own thing' concept—no matter the cost to others or self.

4. Media programming that is contrary to the basic tenets of Christianity.

5. The 'God is dead' movement with its far-reaching consequences on both youth and adults.

6. Food stamp scandals . . . workmens compensation scandals . . . welfare scandals, medicare.

7. The modern view of some that the family is out-dated.

8. Lotteries wherein the State exploits the weakness and greed of its citizens to secure funds. Historically, such governments have declined!

9. State-owned liquor stores, acceptance of prostitution, homosexuality, hard-core pornography.

10. Ruling prayer and expression of religion out of our public schools. I would like to enlarge on this subject a bit later.

Along these same lines Wm. J. Rogers, present Commander of the American Legion, speaks of America as a 'troubled land' and says that many Americans are filled with doubts; too many are asking if we have fallen victims of our own excesses, too many see old standards, old traditions crumbling, with little evidence of strong new standards rising . . . ordinary Americans are worried that values they fought for are slipping away. He continues:

"Terrorists seize hostages, kill innocent people, posture for TV cameras, mock the police and even demand conversation with the President of the United States.

"Discouragement or disillusionment with government at all levels borders on cynicism. Crime has spawned a silent fear that now pervades many once-proud cities.

"Concerned parents are pulling the plug on dubious, if not offensive, TV programs.

"Neighborhood theatres offer 'parental guidance' rated movies that make many parents blush, and X-rated fare that is artistically redeeming only in the eyes of judges wearing blinders!

"It is a cliche to say that this is a dangerous moment in our history. The phrase has been the editorial writer's prerogative for 200 years. But this is a moment of disquiet in America and it troubles many people. (Symptoms of this disquiet are found each day on the front pages of our newspapers and on each day's newscasts.)"

On the matter of ignoring prayer and religion in our public schools:

The Amendment to our Constitution in 1789 reads as follows: "Congress shall make no laws respecting the establishment of religion or prohibiting the free expression thereof."

In my judgment the founding fathers had no intention of eliminating everything religious from the official life of our nation. As witness to this we note the ff.

1. The existing numerous government documents and statements that recognize God as the Divine leader of our country.

2. Many mayors', presidents', and governors' calls to prayer and Thanksgiving proclamations.

3. Prayers in the Halls of Congress.

4. In the 1950's Congress added the words "under God" to the pledge of allegiance following the words 'one Nation'.

5. Oaths of office by government officials taken on the Bible.

There can be no question that our forefathers believed that independence was possible only when there is a 'Firm reliance on Divine Providence.' The above amendment, in my judgment, was to guarantee the separation of Church and State as institutions, wherein government was not to control the Church and no Church was to control the government. The reason for this was simple . . . the Founders remembered the evils that arose from such things in Europe. The amendment certainly does not eliminate all government controls over religious activities, nor does it eliminate all religious expressions from public life. A nation under God cannot run roughshod over the ideals of justice and honesty that are a part of our religious heritage.

In summary it appears to me that our country is faced with four crises and in the ff. order:

1. A religious crisis: When civilization is built upon technologies and machines that ignore the dignity of man, reject responsibility to God, then a type of Communism is the logical result.

2. A moral crisis: People have come to think they can do anything they want to, and get away with it. But society cannot endure without moral sanctions: It disintegrates!

3. A political crisis: As certain that night follows day, when society fails religiously and morally it is certain to fail politically.

4. Economic crisis: When economic problems are solved by selfish strife, greed, special interests, enslavement and war—at that moment we have created the ultimate moral/religious crisis. So the cycle continues until we destroy ourselves as a nation.

Government cannot provide all things to all people. We give up some right, freedom or independence for every function we turn over to government in return for more paternalistic catering to our many wants.

All the present-day claiming of "democracy" and "rights" will be meaningless unless a life worth living, a spiritual life, is achieved by the individual!

Josiah Gilbert Holland gave us these thoughts:

God, give us Men! A time like this demands,
Strong minds, great hearts, true faith and ready hands;
Men whom the lust of office does not kill,
Men whom the spoils of office cannot buy,
Men who possess opinions and a will,
Men who have honor; men who will not lie.
Men who can stand before a demagogue,
And damn his treacherous flatteries without blinking,
Tall men, sun-crowned, who live above the fog,
In public duty and in private thinking.
For while the rabble. with their little deeds,
Mingle in selfish strife, Lo, Freedom weeps,
Wrong rules the land and waiting Justice sleeps.

America has always had such men—men who have risen to many crises. I believe that the true American spirit still burns in many hearts and that her people will meet the challenges of these times.

THE PRODUCT LIABILITY INSURANCE TAX EQUITY ACT: HELP FOR THE UNINSURABLE

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. PEASE. Mr. Speaker, the product Liability Insurance Tax Equity Act, H.R. 7711, was introduced on June 9. I am pleased to have been one of its original sponsors.

In the past 2 months, the bill's chief sponsor, CHARLES WHALEN, has done an excellent job of pointing out how the legislation would help businesses and professionals who cannot afford the high cost of product or professional insurance.

As my coauthor has pointed out, the Federal tax code currently discriminates against those who seek to self-insure for all or part of their potential liability. But most of what has been said and written so far has concerned those who cannot afford commercial coverage that is otherwise available to them.

More and more frequently, though, manufacturers of certain inherently dangerous products are finding it impossible to locate an insurance carrier willing to sell them a product liability policy at any price. Yet when they attempt to establish a self-insurance reserve fund, which is their only alternative to "going bare" and operating without any protection against liability claims, then they run into two problems caused by our present tax laws.

First, today's tax code does not allow contributions to a self-insurance reserve fund to be treated as a deductible business expense. This means that a reserve fund must be built with very expensive after-tax dollars. In contrast, insurance premiums are permissible deductions and are purchased with pretax dollars.

Second, the Internal Revenue Service generally treats a product liability self-insurance fund as if it was undistributed dividends, subjecting the corporation to possible tax penalties. Thus, it is virtually impossible to build up any substantial reserve.

These problems may be quite troublesome and disturbing to a company that is faced with high premium costs and which would like to be able to consider self-insurance. But they are absolutely tragic for a company that must self-insure of necessity, not choice. I am aware of companies in several industries that are in this predicament.

Admittedly, their product lines are rather risky ones from the insurance point of view—certain medical devices, explosives manufacture and firearms assembly and distribution. And I find it hard to criticize private insurors for not wanting to cover those companies. But should the Federal Government compound the problem by making it virtually impossible for the small corporation to self-insure?

The free market economists say that insurance costs should be allowed to seek whatever levels they might. They argue that when these high costs are passed through to consumers, then a product's price will accurately reflect the risks that are inherent in it.

I have no argument with this. I just think that our present tax code distorts the free market unreasonably, preventing companies from exercising an option that should be available to them.

In the case of companies that have no commercial coverage available, we are forcing them to go uninsured, operating in peril of bankruptcy if they are sued and lose a big case. This kind of policy does not reflect the proper role of government, in my opinion.

To illustrate the problems discussed above, I would like to share with you a portion of a letter from a company in Florida. Their product line includes imported handguns:

We would like to briefly explain why (The Product Liability Insurance Tax Equity Act) is of vast interest to us and why, under existing law, we are innocently put in a very trying position for a small business.

(Our company), among other things, is an importer of revolvers and as an importer we take on some of the legal aspects of a manufacturer in that we are the original source of a product distributed in the U.S. market. . . . Over the years (we have) carried product liability insurance to cover those products imported and distributed for protection in the event of damage claims made against those products.

Due to the chaotic product liability situation now prevailing in the U.S. and, in particular with reference to the sporting goods industry, most major and substantial underwriters no longer will consider liability policies on our products or, if they do wish to quote, the premiums are astronomical. Therefore, faced with the inability to acquire product liability insurance, we decided that to protect ourselves and our customers and to stand behind our product which we market, we investigate the possibility of an alternative plan by insuring ourselves.

Our original thought was to set up an airtight trust fund or contingency fund of $200,000 or $300,000 that would only be used for legal defense and payment of any claims made on us through a court of law. Much to our chagrin, we discovered that the IRS codes look upon a fund such as this as regular income and fully taxable, and in our case that tax would be approximately 50 percent.

In essence, we found that as an ethical and reputable small U.S. business, through circumstances beyond our control, we are "mousetrapped" into a very serious and unfortunate position.

Bear in mind that we could simply set up no fund and have no liability insurance and disregard any and all claims made on us, but we do not feel this is the proper attitude for us to take.

Therefore, with reference to HR 7711, we certainly hope that consideration to this bill will be forthcoming and realize through this rather sketchy and informal explanation of one small business, that it is essential to the well-being of a great number of small businesses in this country.

Another Southern company, this one in the fireworks manufacturing business, also provides documentation of the problem. Here are the relevant portions of their statement:

We are most interested in a recent bill introduced by Congressman Charles W. Whalen to exempt product liability reserves from taxation when companies set up their own funds . . .

Under current laws, insurance premiums are allowable as tax deductions, however, the reserve funds are taxable as accumulated capital. Product liability insurance coverage, if obtainable, carries an extremely high premium rate even with high deductibles.

Of greater concern is the refusal of insurance carriers to write any kind of coverage of firms such as ours engaged in pyrotechnics and explosive ordnance manufacturing and assembly. The exception is automobile insurance, and because of state law, coverage is obtainable under assigned risk plans. There is no similar provision for contractors' or product liability insurance.

In view of this very serious situation, we request and support legislation that would allow businesses to set up non-taxable re-

serve funds for insurance purposes. In this manner, the small business concern can be assured of some kind of protection when the insurance carriers decline to provide it.

SBA'S WOMEN'S BUSINESS OWNERSHIP PROGRAM MARKS A NEW DAY IN WOMEN'S RIGHTS

HON. CLIFFORD ALLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. ALLEN. Mr. Speaker, I want to commend the Small Business Administration for its announcement at the White House yesterday of a national women's business ownership program.

The SBA is the only agency in Government with the programs in place to effectively respond to the urgent need for a more important place in the economic sun for capable and creative women who have latent business talents and abilities.

This is an important step toward assuring meaningful equal opportunity for women.

I want to commend Ms. Margaret Costanza, Assistant to the President for Public Liaison, A. Vernon Weaver, Administrator of SBA, and Ms. Pat Cloherty, Deputy Administrator-Designate of SBA, for their leadership in moving forward with this timely proposal. I also want to commend Mr. Bill Keel, Assistant Administrator for Congressional Legislative Affairs at SBA, and Dr. Pat Burr, Assistant Administrator for Management Assistance, for developing the proposal for this program as members of the Carter administration's SBA transition team.

This is an outstanding program and marks an important milestone in the road to economic equity for women.

In this connection I place in the RECORD herewith the text of a White House press release announcing the program.

The release follows:

THE WHITE HOUSE,
August 3, 1977.

A national Women's Business Ownership Campaign by the Small Business Administration was announced today by Margaret Costanza, Assistant to the President for Public Liaison.

She made the announcement at the White House in a joint press conference with A. Vernon Weaver, Administrator of SBA, and Ms. Pat Cloherty, Deputy Administrator-designate, SBA, who will have overall direction of the program.

The program is designed to increase the number of women in small business through a combination of management assistance, financial assistance, seminars and conferences, and help in securing federal contracts and services.

"This program has my strong support and the President's strong support," Ms. Costanza said. "In the campaign the President discussed the need for such assistance by SBA for women entrepreneurs and this initiative follows through on his commitment to work to assure women equal economic opportunity."

Weaver pointed out that "SBA is going to have a 'new look'—internally, with greater emphasis on the appointment and promotion of women, and externally, with a strong, definitive program to encourage business ownership by women."

"We are committed," he said, "to the use of SBA as a major instrument to assist women in gaining entry into the small business sector of our economy."

Ms. Cloherty said the campaign would begin immediately and would be keyed to short-term goals designed to reorient SBA priorities, and a longer term strategy geared to developing specific programs.

She said the short-term program would include:

A series of some 110 seminars and conferences designed to inform women about SBA programs and how to get into business or develop a business.

More attention to the needs of women seeking business loans though lending programs administered by SBA district offices.

Management assistance, including training; use of the retired business people who are volunteers in the Service Corps of Retired Executives (SCORE) and the Active Corps of Executives (ACE) who provide counseling; the call contract program, which is a more specific form of counseling assistance; the Small Business Institute program, which harnesses university talents in the assistance of small business, and the pilot University Business Development Center project which brings together federal, state, local and other resources in universities to assist small business persons.

Contract assistance for eligible women-owned small businesses desiring to participate in government contract work.

Ms. Cloherty stressed that the key elements of this campaign are based on the maximum utilization of existing resources coupled with a reorientation and much sharper focus on women.

FORMER LBJ PRESS AIDE EXPOSES ERRORS IN ASSOCIATED PRESS ARTICLE

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. PICKLE. Mr. Speaker, Mr. Horace Busby served as the press secretary for the 1948 Johnson for Senate campaign. He later served with great distinction on the White House staff during the Johnson administration. From this vantage point, he is very familiar with that tumultuous contest which an Associated Press article recently referred to.

I think that Mr. Busby's straightforward, unemotional yet factual letter to the editor of the Washington Star amply illustrates that the article erred not only in commission, but also in omission.

I insert the letter mailed to the Star for the edification of my colleagues and to set the historical record straight. Horace Busby is one of the most respected journalists in America today, and he knows what he is talking about.

The letter follows:

AUGUST 2, 1977.

Mr. JAMES G. BELLOWS,
Editor, The Washington Star,
Washington, D.C.

DEAR MR BELLOWS: In 1948, I served as press secretary to Congressman Lyndon B. Johnson during his race in Texas for the Democratic nomination to the United States Senate.

May I, from that perspective, respectfully suggest that in the Sunday, July 31, articles regarding the outcome of that race, the Dallas bureau of the Associated Press has circulated a story which does not meet the standards of journalistic accuracy and responsibility expected of the Associated Press by its member newspapers.

In the order of their appearance in the article, let me cite the following instances of such inaccuracy:

Item: The photographs distributed with the article by the Associated Press are identified as being of the candidates and their respective wives. Governor Stevenson, at that time, was a widower.

Item: The article states that Justice Hugo Black of the Supreme Court "halted an investigation." The only issue to come before Justice Black was the validity of a North Texas Federal District Court injunction preventing the State Democratic Party from certifying Mr. Johnson as the Party's candidate for Senator in the November general election. Justice Black stayed that injunction. The article omits reference to the fact that in 1949 the full Supreme Court acted upon the case and unanimously affirmed the action of Justice Black.

Item: In the above instance and in a subsequent reference to "an aborted investigation," the article implies that no investigation of the Box 13 vote fraud was ever completed. The United States Senate, then under Republican control, initiated an investigation in the fall of 1948, sent teams of investigators into the counties in question, and issued a full report which found no cause for challenging Mr. Johnson's election. The article omits any reference to the fact of the Senate investigation or to the findings published in a public document.

Item: The article identifies T. Kellis Dibrell as a "former FBI agent" who got a "brief look at the Box 13 tally in the original investigation." The implication is that Mr. Dibrell saw the tally in his capacity as an FBI agent. In fact, Mr. Dibrell was, at the time, Governor Stevenson's attorney and political ally. As for the innuendo that only one person had a "brief look" at the tally sheet, it is fact that the records were seen, copied and reported by countless newspaper reporters and others.

Item: The article asserts that the "AP interviewed everyone connected with the case who is still alive to corroborate Salas' story." If so, not one word of corroboration is introduced into the article. More noteworthy, by journalistic standards, is the absence from the story of any interviews with persons associated with Mr. Johnson: among those still living who were directly connected with the case are several attorneys who represented Mr. Johnson as Mr. Dibrell represented Governor Stevenson, such as, to name two, Leon Jaworski and Abe Fortas

Item: The article states that between the July primary and the August second primary, "Johnson intensified his campaign," adding that "he went stumping" in the region where the Box 13 events later transpired. This did not occur. Shortly after the first primary, Mr. Johnson abandoned his campaign to return to Washington for the special session of the 80th Congress called by President Harry S Truman. He was out of the state for one-third of the brief campaigning period. Upon his return to Texas, Mr. Johnson concentrated his efforts in the state's populous metropolitan areas and did not go "stumping" in the region alleged.

Item: The article relates that seven days after the runoff, the "official statewide vote canvass" gave Mr. Johnson 494,191 votes and Governor Stevenson 494,104 votes. This did not occur. Seven days after the voting, the Texas Election Bureau, an unofficial tabulating operation of Texas newspapers and the Associated Press, suspended counting without declaring a winner since the 254 county reports were incomplete, unreliable

and subject to certification later. The vote figures cited in the article represent the official tabulation made by the State Democratic Executive Committee at the Party's convention in Fort Worth at mid-September, well after the election.

Item: Significantly, the article omits mention of the fact that, both before and after being declared winner of the election, Mr. Johnson repeatedly called for all ballot boxes in the state to be impounded so that the outcome could be determined under a court-supervised recount. As the winner, he had no legal standing to seek such a recount himself. The Stevenson forces refused to seek a statewide second count of the ballots. The report of the Senate investigation, which was ignored in preparation of this article, states that an accurate determination of the outcome of the election could only have been obtained by following the course advocated by Mr. Johnson.

Item Finally, in the last several paragraphs, the article implies that President Truman had given assurances permitting Luis Salas to be told, "Don't worry about the investigation." Then, by juxtapositioning of espisodes, the article casts a last innuendo: that, two days after the implied Truman assurance, Justice Black acted to end the investigation and put Mr. Johnson's name on the ballot.

Thus, with no corroboration whatsoever, the Associated Press article relies upon the results of three years of badgering of a 76-year-old former enforcer for a South Texas "godfather" to weave a story irresponsibly impugning two former Presidents and one former Supreme Court Justice, all now dead.

In writing this, I have avoided disputing the details of the article on the basis of purely personal "I was there" knowledge. While I believe the story entirely false, and malicious as well, its falsity and improbability are demonstrable from information available to any sincere research effort in the files of the Associated Press.

I realize that member newspapers of the Associated Press, as well as the national editors of that organization, could hardly be expected to know, at a distance of 30 years, the inaccuracies, innuendoes, misstatements and selective omission of publicly avaliable information out of which this article is fabricated and embellished. Considering the currently healthy willingness of newspapers to engage in objective examination of their news content, I am writing this in the belief that the Sunday article is deserving of such objective examination by responsible members of the profession.

Sincerely,

HORACE BUSBY.

A HISTORY OF THE TEXTILE TRADE

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. FISH. Mr. Speaker, the Members are aware of the recent trade talks in Geneva concerning the textile/apparel industry which hopefully will lead to wide participation in a new multifiber arrangement. Many of us are concerned about the health of this vital American industry and I take this time today to advise the membership that Representative JAMES R. MANN, chairman of the Informal House Textile Committee, and I will be taking a special order after our return from the August recess to give Members an opportunity to express their concerns and to receive an update on developments in the international textile trade area. In the meantime, I am inserting the following remarks for the purpose of providing background information for Members who may not be familiar with the history of the textile trade:

This year marks a crucial moment in the long-time efforts of our country to preserve one of the most vital sources of employment for American working people. I refer to the discussions that were recently held in Geneva with regard to the textile and apparel trade that directly affect the more than 2.3 million people employed in this sector of the economy.

These workers make up the single largest body of factory workers in the United States. Their well-being is vital not only to them and their families, but to the nation as a whole that depends on their giant purchasing power. Their continued employment is especially significant in many small towns that are often totally dependent on this industry for employment and to several large cities where lower income people have traditionally turned to textile mills and sewing factories for their livelihood.

This year is crucial because a number of international arrangements and understandings, evolved over many years to regulate imports so as to prevent disastrous disruption in American production, and now up for renegotiation and renewal.

The central institution in these negotiations is the Multifiber Textile Arrangement (MFA) and the many bilateral agreements flowing from it. The original MFA, effective in 1974, is due to expire this year unless renewed. Both the major arrangement and the bilateral agreements have a history that is highly instructive in helping us to understand the nature of the problem, the progress and pitfalls of the past, and present needs.

The need to establish orderly marketing arrangements in the textile industry was recognized more than 40 years ago when a special committee reported to President Roosevelt in 1935 its recommendation "to deal with this special situation" by controlling imports "preferably by means of a voluntary and friendly agreement with Japan on limitations of shipments of cotton products to the American market."

It is significant that one of the members of this Cabinet-level committee was then-Secretary of State Cordell Hull, the father of Reciprocal Trade Agreements. The reference to Japan is due to the fact that Japan was then the great exporter and the reference to cotton was due to the fact that this fiber was then dominant in the trade problem.

The Committee recommendation was pursued. And in doing so, one year after the first Reciprocal Trade Agreement Act, it is clear that the problem of textiles was viewed as unique and "special."

This relevant piece of history was almost forgotten because during the war years the textile problem disappeared. Even in the early post-war years, the problem was virtually non-existent because the United States was the key nation with a major textile-producing capacity. It was not until the 1950's that the problem reemerged as the Japanese cotton textile industry surged back into operation.

From the 1950's on, our government—under different Administrations—has moved in many ways to grapple with a problem that has continued to grow so that what began as rather simple negotiations between Japan and the United States over cotton products has become a worldwide affair dealing with cotton, wool, man-made fiber textiles and a host of products containing these fibers. The evolution of this problem stresses our need to be well informed, to stay abreast of current developments and to pursue policies that are based on the realities of the moment.

In 1956, under President Eisenhower's directions, negotiations were concluded with Japan. As a result, Japan adopted its own five-year program of export restraints beginning January 1, 1957. But even as Japan's program of limiting the exports of its cotton textiles and apparel took effect, products began to pour in from elsewhere. Other nations began to export cotton textiles to the United States from factories that paid wages in penny pitances, from Hong Kong, Taiwan and elsewhere.

In the 1960's the problem took on an added dimension as wool and man-made fibers began to loom large in the textile and apparel trades. It was now painfully apparent that "market disruptions" resulting from the unrestrained flood of imports was a danger that had to be faced frankly so that appropriate formulae might be found to deal with impending chaos. The contracting parties to GATT (General Agreement on Tariffs and Trade) that met in Tokyo in 1960 recognized the problem of impending market disruption and defined it in very specific terms, as follows:

Market disruptions generally contain the following elements in combination:

(a) A sharp and substantial increase or potential increase of imports of particular products from particular sources;

(b) These products are offered at prices which are substantially below those prevailing for similar goods of comparable quality in the market of the importing country;

(c) There is serious damage to domestic producers or threat thereof."

With the problem defined—damage to a domestic producer arising from a sharp increase of low price imports—the next problem was what to do about it. In the election campaign of that year (1960), the spokesmen for both major parties favored international regulations over imports of textile and apparel. Said then-Vice President Nixon: "Nor does it make sense to me that an industry like cotton textiles bear an inequitable burden as a result of efforts to adjust wartime agricultural policies to peacetime needs. To the end of assisting the textile and garment industries and their workers to meet the problems ahead, I am determined to explore every constructive line of action." Then-Senator John F. Kennedy affirmed the same sentiments: "We must recognize that the Textile and Apparel Industries are of international scope and are peculiarly susceptible to competitive pressure from imports. Clearly the problems of the Industry will not disappear by neglect nor can we wait for a large-scale unemployment and shutdown of the Industry to inspire us to action. A comprehensive industry-wide remedy is necessary."

Almost immediately after his inauguration, on May 2, 1961, President Kennedy advanced a seven-point program to assist the U.S. textile industry. Point Six was aimed at international arrangements:

"I have directed the Department of State to arrange for calling an early conference of the principal textile exporting and importing countries. This conference will seek an international understanding which will provide a basis for trade that will avoid undue disruption of established industries."

The outcome of this call was a Geneva Conference in July 1961 that produced the Short Term Arrangement for Cotton Textile Trade to run from October 1, 1961 to September 30, 1962, during which time the parties would work out a Long Term Arrangement to cope with the problem of "market disruption" as defined in the early statement of GATT.

The Long Term Arrangement was renewed several times—in 1967 under President Johnson and in 1970 under President Nixon.

Although by 1973 there were some 32 governments who were signatories to the Long Term Arrangement, the essential problem was far from solved because cotton was being superseded by wool, by man-made fibers, and by blends thereof. To meet the new problem, some 50 governments participated in the negotiation of the Multifiber Arrangement.

The MFA that became effective in 1974 was foreshadowed by several bilateral agreements, negotiated directly by the United States with Japan, Taiwan, Hong Kong, and South Korea to cover products made of man-made fibers and wool in addition to cottons. Out of these beginnings there evolved the more inclusive Multifiber Arrangement.

We have now had several years of experience with the MFA and are in a position to make some evaluations of its pluses and minuses.

Its single greatest plus is the fact that the MFA provides an instrument through which nations may arrive at orderly marketing arrangements by negotiation and agreement. The alternative to such civilized procedures is the chaos of trade wars wracked by the anarchy of market invasions and market barriers.

It is for this reason that our Administrations have favored the renewal of MFA. I am glad to note that a proposal for its renewal for another four years was put forth in Geneva on July 24, and that protocol will be available for signature later this year. It is apparent that there are deficiencies in the Multifiber Textile Arrangement and in the bilateral agreements flowing from MFA. The reasons are numerous:

(1) Not all the countries with textile and apparel-producing operations or potential are included. Among those outstanding are mainland China, and several Latin America countries.

(2) The import quotas allowed under its umbrella have been made too high. Thus while government figures show the domestic apparel market growing at 2.8 percent per year, imports grew at the rate of 6.1 percent—an incontestible proof that imports were growing at the expense of American production and jobs.

(3) The MFA contained a number of technical loopholes, permitting the use of previous year's unfulfilled quota, or borrowing against next year's quota, or shifting product lines as a result of which, in product after product, the annual rate of import increase by far exceed the six percent.

There are other specifics on the MFA's and the bilaterals that are worthy of further discussion at some later point. The key fact is that in the last decade—despite our continuing efforts—144,000 jobs have disappeared in America's apparel trades alone.

Our loss is understated by this figure, however. During these years the American market has been expanding. If imports had not grown since 1961, there would be over 386,000 more men and women employed in apparel industry alone in this country.

From this altogether too brief and sketchy history of our efforts to maintain one of the most vital sectors of our economy, it is clear that our best intentions have been repeatedly frustrated because we have applied ourselves to solving yesterday's problems at the very time when new problems were emerging.

Admittedly even an agreement such as the Multifiber Textile Arrangement with all of its deficiencies is better than no agreement at all. But we must do everything that is possible to safeguard our jobs in this country even under its present imperfect provisions.

I see from the press that the protocol on renewal of the MFA for the next four years will be accompanied by a document giving signatory states the possibility, on the basis of bilateral agreements, of "reasonable departures from particular elements in particular cases" from the provisions of the MFA. It is essential for the U.S. Government, therefore, in negotiating future bilaterals to take full advantage of these provisions. We must do so because of the importance of the textile and apparel industry to our country and because of its sensitivity to the impact of foreign imports.

In the light of the renewed MFA we must negotiate realistic agreements with the exporting countries taking into account the capacity of the American market to absorb an additional volume of imports.

As we must make certain that countries not currently covered by bilateral agreements, such as the People's Republic of China, are also brought into the orbit of the MFA and the bilateral agreements concluded in accordance with its terms.

And there is another problem of which we must be conscious. At the present time, the United States is in the process of reviewing its duties in the course of another set of Geneva negotiations. There is no justification for lowering customs duties on apparel and other textile products. The existing duties have in no way kept foreign merchandise out of our market with the significant detriment to our ability to maintain jobs in textiles and apparel.

Reasonable restriction of imports has been the will of the nation from President Roosevelt's day to the present, irrespective of the administration in Washington. We must now find improved ways to give reality to this will.

THE EROSION OF OUR PURCHASING POWER

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. SARASIN. Mr. Speaker, we devote many hours in this chamber to finding remedies for the economic woes that plague our country. Yet the most serious problem—inflation—is alive and well. It threatens our economic well-being as it approaches double digit figures.

I would like to take this opportunity to direct the attention of my colleagues to an editorial which appeared in the Bridgeport Telegram that emphasizes the potential ramifications of Federal deficits and increases in the money supply. The editorial was thoughtfully sent to me by one of my constituents, Mr. Bertram A. Stroock, a well-respected resident of Newton, Conn.

If the Government continues to artificially increase the money supply without regard for the equilibrium of supply and demand, our future security will be jeopardized. Spiraling inflation erodes the purchasing power of each of us, but especially those who live on fixed incomes, principally the old, the disabled and the very poor.

If we allow inflation to run at a faster rate than the average American's ability to earn, then that American's initiative wanes. He will no longer be tangibly rewarded for hard work and diligence. This is tantamount to challenging the very roots of the American tradition. Something must be done to balance the Federal budget because continued inflation can only have a devastating impact.

The article is as follows:

[From the Bridgeport Telegram, July 2, 1977]

WARNING SIGNALS

Devastating inflation may be here again. Only a few economists—too few—seem aware of the danger.

"We are faced with the almost certain prospect of double-digit inflation for the balance of the year, and possibly into the next, not because of greedy business, or greedy labor, but because of spend-thrift government—a government that is printing money faster than we can produce goods," writes a specialist in economic affairs, Warren T. Brookes, in the Boston Herald American.

Another early-warning specialist, Dr. Milton Friedman, has commanded too little attention with his cautionary statements since last summer and his most recent observation that the government is expanding the total money supply at a rate of 8 to 10 per cent a year while the economy is growing at less than 5 per cent.

"That's inflation," Mr. Brookes states bluntly. "The only way government can correct it is to stop running $50–$70 billion deficits, and then printing money to cover them." The total money supply has grown four times as fast as our national output since 1967—just the opposite of what happened from 1950 to 1967 when inflation was less than 1.7 per cent per year.

Despite the four-fold acceleration in money supply over output, the consumer price index has not even kept pace.

"In other words," Mr. Brookes adds, "we still have built into our system another 25–30 points of 'unused' inflation just with the current money supply. Our money has already been devalued by 25–30 per cent more than prices have risen."

What few politicians seem to understand is that inflation cannot, and does not, occur unless someone does something funny to the money—and that has to be government or the Federal Reserve central bank, the Boston authority contends.

So what is the White House doing about all this? Almost nothing at the moment. If it won't stop printing so much money, then asking government to launch an anti-inflation campaign is a little like asking the Mafia to combat organized crime, Mr. Brookes says.

"The trouble is, Mr. Carter seems more likely to fall for the notion that government can fight inflation by controlling wages and prices, even while it runs these huge deficits and prints money."

Harry Truman used to say proudly, "If you can't take the heat, stay out of the kitchen." A few knowledgeable economists are warning the current chef that he can't cool overheated stew by putting the lid on the kettle and turning up the fire.

SUPPORT FOR THE PRODUCT LIABILITY INSURANCE TAX EQUITY ACT

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. PATTISON of New York. Mr. Speaker, in early June I joined with several of my colleagues to introduce the Product Liability Insurance Tax Equity Act, H.R. 7711. This legislation grew out of a study that was conducted early this year by the Ad Hoc Panel on Product Liability, on which I served.

One of the panel's most interesting

findings was that the Federal tax law discriminates against those who establish self-insurance reserve funds for product or professional liability. The money placed into such funds cannot be claimed as a deductible business expense, and the fund itself is vulnerable to very sharp tax penalties if the Internal Revenue Service chooses to declare it an unreasonable accumulation of earnings.

We felt that this tax policy amounts to an unjustifiable compounding of the problems of businessmen who cannot obtain or cannot afford commercial insurance coverage—21.6 percent of all manufacturers responding to our survey were in this situation. So we drew up the Product Liability Insurance Tax Equity Act to provide some direct and immediate relief to those who are hardest hit by the insurance crisis.

H.R. 7711 provides that a trust fund can be established for product or professional liability and that funds held in that self-insurance reserve, or funds paid out of it for qualified purposes, shall be tax exempt. And the bill allows business deductions to be claimed for reasonable contributions made to the reserve fund.

Mr. Speaker, there has been some publicity in my congressional district in New York regarding this legislation, and some of my constituents have written to me about it. From the study I conducted in conjunction with the product liability task force, we already know that insurance problems are significant in that area. So, I was quite pleased by the positive response I have gotten.

As a prime example, I wish to share with you this statement from a partner in a law firm in my district:

Our office represents a number of small companies which are finding themselves increasingly burdened with products liability costs. I represent a medical instrument company which, I am afraid, shortly faces a very serious problem trying to get products coverage at a cost which the company can afford. It may very well be that this little company, among others, will end up having to self insure and your bill certainly would provide substantial tax relief if that becomes necessary.

Also of interest is this statement from a company that has been operating in my area for over 100 years.

Your bill, the Product Liability Insurance Tax Equity Act, is, in my estimation, an initial step in the right direction. We have written to Juanita Kreps regarding this type of legislation and commend you for being the cosponsor of a bill that, once before Congress, will give the Legislature an opportunity to fully discuss the problems that the American manufacturer is presently faced with regarding product liability, law suits and settlements.

If we cannot obtain reasonably priced product liability insurance, then this seems to be a way of protecting ourselves while further legislation is contemplated that will finally take care of the problem.

As that writer implies, changing the tax treatment of self-insurance reserve funds will by no means eliminate the actual problem of product liability. Resolving the root problem, though, will be a complex and controversial process, most likely taking several years more to achieve. Consequently, we view PLITE as the most practical and efficient way to help businessmen stay out of bankruptcy while awaiting the needed reform of the tort law.

Now, I want to share with you this cryptic message from a company in a neighboring congressional district:

Congratulations on introducing legislation to end Federal tax discrimination against companies who choose to self insure for product liability. I would hope that this bill could get prompt attention, as it should not have opposition from trial lawyers who are currently the main beneficiaries of the present disastrous system.

Well, I am not entirely certain that trial lawyers can take all of the credit for rising insurance costs. In fact, members of the bar are themselves among those who are having increasing difficulties with professional liability insurance. See the CONGRESSIONAL RECORD of June 14, page 18844.

The chief sponsor of H.R. 7711, CHARLES WHALEN, informs me that there are now more than 50 Representatives who have joined as cosponsors of our bill. This is very encouraging, and I am hopeful that the Ways and Means Committee will take up consideration of the legislation in the fall.

In the meantime, I am writing to President Carter, urging him to include this revision of the Tax Code in the tax reform package he is preparing to send to the Congress in September.

THEY HAVE DUMPED FRANCES—SHE WAS TOO EFFICIENT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. ASHBROOK. Mr. Speaker, Members of Congress who have been in Washington for any length of time need no introduction to Miss Frances Knight, the recently retired Director of the Passport Office, whose no-holds-barred battles with Members of Congress and the executive branch regularly made headlines over the years. As Director of that office for 22 years and a civil servant for 38, Miss Knight has won admirers and supporters for her willingness to take on all comers as well as running a tight, efficient ship at the Passport Office. Democrats and Republicans alike concede that her operation is worthy of emulation by other Federal units. Four Presidents, Kennedy, Johnson, Nixon and Ford, have praised her efficiency and dedication to good government. Presidents Kennedy and Johnson cited the Passport Office as a model of efficient management and public service.

In 1975 and 1976 her tenure was extended a year by the waiver required after reaching the 70-year-old retirement deadline. However, 7-day workweeks are no rarity to Miss Knight whose industry and dedication to her work help account for her exemplary record.

Unfortunately, this administration did not see fit to extend her service another year despite a 6-year project, now nearing fruition, which would revamp the passport system. Scores of letters from Senators, Congressmen. and the public have been addressed to the White House requesting an extension of another year to allow the program to be completed, but to no avail. To what extent the President is aware of the unusual congressional reaction is a matter of speculation. Whatever acknowledgements were received were strictly pro forma.

Of special significance in the retirement of Miss Knight is the project known as TDIS—the travel document and issuance system—which Miss Knight has directed for 6 years, combining efforts of the Passport Office personnel with experts outside Government to provide the technical knowledge necessary for this important overhaul of the present system which was developed by Miss Knight when she modernized the Passport Office in 1956.

New improvements would include an improved machine readable passport with greater security, reduced in size and made with a tough, durable, and greatly improved vinyl cover which will not crack or fade.

The new issuance system would replace the present obsolete manual-mechanical methods with faster, more reliable electronic production. Involved is the replacement of such obsolete pieces of equipment as the papertape-operated flexowriters which are no longer produced in the United States; low speed communications lines which in the past 2 years became overloaded; hot irons to secure photographs to the passport; and the expensive, cumbersome seal and legend machines.

The new system will use cathode ray tube input terminals, minicomputers, high-speed printers, encoding machines, and a special purpose computer.

Based on OMB criteria, the estimated savings over a 10-year period would be in the neighborhood of $38,000,000, if volume remained constant. The estimated savings in yearly costs would be approximately $1,320,200. Increased productivity through the use of the new equipment would range from the present maximum of approximately 3,000 passports issued per man-hour, which is the current limit, to as high as 10,000 passports issued per man-year under the new system.

It is difficult to understand why such vast improvements would have been opposed or delayed or questioned as they consistently were by the supervising Bureau of Security and Consular Affairs. The harassment was there, despite all sorts of queasy denials from Department officials.

The record is clear and it is an established fact that most of the opposition to Miss Knight's initiative and energetic support of economy, efficiency, and even-handed management comes from within the bureaucracy of the Department of State. Self-serving bureaucrats in their quest for enhancing or perpetuating

their own assignments have blocked the progress of many recommended Passport Office improvements by denying funds, delaying action on personnel recruitments and assignments, and engaging in repeated prolonged conferences and discussions over minutia. Such a record is clear but what is not clear is the continuing obfuscation emanating from the so-called spokesmen of the Department of State when asked for explanations. The overtones are clearly political.

Prudence would seem to demand that a project of the enormity of the TDIS be carried through with personnel offering the most experience and proven leadership in this area. If this administration were truly serious in its pursuit of efficient and responsible government at the Federal level, then the services of Director Frances Knight should have been retained, either in her present position or at least as a consultant to the Passport Office for another year, the estimated time required to develop the project, to a point of no return to undermining sabotage.

Indeed, it is strange that a Federal employee with a record of 38 years of service and with the national reputation for efficiency and dedication that Miss Knight enjoys, does not receive so much as an answer to her letter to the Secretary of State. Nor did she get a reply to her telephone call for an appointment. The only reaction from the Department was a short note from Richard Moose, who at the time of writing was the Deputy Under Secretary of State for Management, in which he informed Miss Knight that the Secretary's "considered decision" not to extend her employment for another year was made in the best interests of the Department. Mr. Moose since then was reassigned as an Assistant Secretary of State for African Affairs.

I insert at this point in the RECORD a column by James J. Kilpatrick, appearing in the Washington Star of July 14 and entitled "They've Dumped Frances—She Was Too Efficient":

[From the Washington Star, July 14, 1977]

THEY'VE DUMPED FRANCES—SHE WAS TOO EFFICIENT

Over at the State Department, they called her the dragon lady, the battleax, and the old witch of K Street, only they used a variant spelling for that last appellation. All the names applied to one wonderful lady: Frances Knight, director of the Passport Office. The bad news is: She's been dumped.

As of July 31, thanks to a cabal in Jimmy Carter's administration, Miss Knight will give up the office she has directed for 22 years. The President, whose favorite boast is that he wants efficiency in the federal bureaucracy, has himself approved the ouster of the most efficient agency head in Washington. Sic semper Franceses. It had to happen some time.

But it's too bad, all the same. The ostensible reason for firing the lady is that she will be 72 years old on July 22. If ever there were a walking, talking argument against compulsory retirement by reason of age, Miss Knight provides it.

The ulterior reason for all this, sad to say, is that Frances Knight has been a little too efficient, a little too independent, a little more fearless than official Washington can tolerate easily. The lady would never—well, she would never exactly "go along" in order to get along.

This became apparent when she first took over the Passport Office in the spring of 1955. As Willard Edwards describes her debut, she found the office "swarming with the sons and daughters of Foreign Service officials, enjoying summer vacations at the taxpayers' expense." She cleaned out the loafers, and incurred the lasting enmity of Foreign Service nabobs.

Miss Knight soon began to tangle with the high-and-mighty on the issue of diplomatic passports. Official policy in this regard could not have been established more clearly. The policy was based "upon a fundamental principle, which is that a diplomatic passport shall not be issued to a person who has not actual diplomatic status."

But the official policy, she discovered, existed to be winked at. In every administration, but especially in the Kennedy-Johnson years, directives constantly came her way to make exceptions—for retired Supreme Court justices; for retired ambassadors, for the grandchildren of retired ambassadors, for members of Congress and their wives and wandering offspring.

Miss Knight protested in vain against these abuses. Last November she put together a report documenting the issuance of thousands of diplomatic passports to bigshots and little-shots whose foreign travel was not even remotely related to the conduct of foreign affairs. She named names of lordly fellows. She objected bluntly "that the U.S. diplomatic passport is at an all-time low in respect and integrity since it is being issued like lollipops at a carnival." Her stubborn resistance got her nowhere—nowhere, that is, until her principles got her bounced a few weeks ago.

Miss Knight will survive. She has been happily married for many years to millionaire publisher Wayne Parrish. They travel widely. Their private art collection provides continuing pleasure. She has a book she wants to write. But it hurts to give up the devoted labors of two decades, especially at a time when her chief project, the machine-readable international travel document, is so close to fruition. And it rankles to see an office that for 50 years has been headed by a woman turned over to a male Foreign Service officer, 51-year-old Loren E. Lawrence, despite his good credentials for the post.

Until Lawrence's appointment was announced, there seemed a possibility that influential friends to Capitol Hill might save her one more time. Now she's accepted the decree. Among the possessions already packed up is a small sign, lettered in dog Latin, that used to hang above her desk. Its legend, in loose translation, Don't Let the Bastards Wear You Down. Trouble is, after all these years, they wore her down, but they were good years while they lasted.

OPPOSED TO FURTHER TAXES ON THE PRICE OF GASOLINE

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. STEERS. Mr. Speaker, today the House of Representatives is considering amendments to the bill H.R. 8444, the National Energy Act, which would raise the cost of gasoline. I am opposed to any further tax on the purchase of gasoline at the pump.

During the debate that has taken place in the House on this issue, proponents of this measure have made it clear that the tax is not designed to reduce consumption by raising the price of gasoline. Rather its purpose is to raise revenues for the development of transportation systems. It is my feeling that this amendment will be inflationary without providing any real benefit to our citizens. Furthermore, I am not convinced that this amendment should be considered with the energy bill. As I have noted the tax has little relationship to energy demand or conservation.

This tax as proposed is regressive. It will impose the greatest burden on those who can least afford to shoulder the already increasing costs of gasoline. There are millions of our citizens who have a legitimate need to transport their goods and services as well as themselves and families, and who are faced with severe economic problems because of our energy problems. Rather than effectively relieving that burden and still conserve energy, we add to their financial crunch.

Finally let me say that I am also concerned over the use of these revenues. Each penny of the tax will realize an estimated $1.2 billion. Rather than putting this money to the development of alternate energy sources or more effective energy conservation technologies this revenue will be put to transportation systems that do little to realize the goals of the administration's bill. This amendment would be much more acceptable if the revenues realized were allocated, for example, to solar energy development.

Let me stress to all of my colleagues that I am not opposed to the development of mass transit systems. Montgomery County, Md., will have access to an areawide mass transit system in the 1980's. I realize that the cost involved with this system is high and increasing. However, I cannot in good conscience support this tax for the reasons I have outlined.

ECOLOGIST TURNS BUILDER: A SUCCESS STORY

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. BROWN of Michigan. Mr. Speaker, in recent years we have witnessed a continuing clash between the interests of environmentalists, who want to preserve and protect nature, and those of businessmen and developers, who want to expand industry and create badly needed jobs. It is often difficult to balance these competing interests in deciding what is best for the Nation. I am, therefore, delighted to bring to my colleagues' attention a situation where environmentalists and developers are working together as partners—and where they are succeeding.

Rather than opposing new construction as many environmentalists are wont to do, Kalamazoo College Ecology Prof. H. Lewis Batts did just the opposite—he became a builder himself. Believing that the country needs better building, not less building, Mr. Betts, in a well-coordinated partnership with

innovative developer Burton H. Upjohn created an environmentally protected community that has proved to be economically viable. This exciting venture reflects a willingness to explore new avenues of dialog between business and academia and can serve as a demonstration project for the entire country.

The project, Parkview Hills, located in Kalamazoo, Mich., is more fully described in the May 22, 1977, issue of Parade, and I would like to share it with my colleagues. The article follows:

ECOLOGIST TURNS BUILDER: A SUCCESS STORY

(By Carl Norcross)

KALAMAZOO, MICH.—Parkview Hills is an unusual residential community whose creator is calling a truce in the battle between land developers and environmentalists.

The 280-acre project is the brainchild of Dr. H. Lewis Batts Jr., a professor of ecology at Kalamazoo College and director of the Nature Center there. While most environmentalists throw up roadblocks to stop new construction, Batts has turned builder himself.

His aim is to demonstrate that what the country needs is not less building but better building. Parkview Hills, now five years old, has about 450 families and is a little more than half completed.

Batts, 54, has a friendly smile and an easy approach to people. "He's a sweet and gentle man until the land or environment is threatened," says a close friend. "Then he's a tiger." His partner, Burton Upjohn, who runs the business end and directs the building, says, "A lot of people give lip service to environmental causes, but it's superficial. With Lew, it's for real."

Batts' aim in building Parkview Hills is to show that when a residential community is environmentally sound it is also a better place to live. While other apartments nearby have high vacancies, Parkview Hills has waiting lists. Batts' townhouses and condominium apartments are full, and the sale of single-family lots and houses has been brisk.

SATISFIED RESIDENTS

Parkview residents are satisfied because they are surrounded by features that most people look for. Consumer polls show these features to be trees, wooded areas, green grass, open space, nearby water and convenient shopping. Families at Parkville Hills have all that and more: peace and quiet, no through traffic, walking and bike paths, a variety of recreational facilities, and natural beauty.

Melanie and Bruce Flessner, just out of college, moved to an apartment there as honeymooners. They like the variety in age groups and family composition. "New neighborhoods need not result in tract-house sameness in looks or families," says Melanie.

"Dr. Batts is doing what the entire world must do: disturb natural environment to the least possible degree," says Walt Hajicek, a condominium owner. "People here live harmoniously along with geese, swans, ducks, pheasants, quail, groundhogs, etc. The view we enjoy from our balcony overlooking a wild area is a prized possession. There is a constant changing panorama of wild flowers. We feel we live in a private forest that includes lakes, streams, marshes, woodlands and meadows."

OUTSTANDING COMMUNITY

States city planner Gary Niemeck: "I regard it as one of the outstanding residential communities in the country. You can move from one type of housing to another as your life-style changes. We rent a townhouse. Now, five years and two children later, we'll build a home in the single-family section. Because of the club it isn't necessary to go outside for recreation." Among the club's facilities are indoor and outdoor pools, whirlpools, saunas, exercise rooms and tennis courts.

"It seems like living in the country," resident Cameron Davis reports, "but we are inside the city and have city bus, police and fire department services."

One of the big questions in the beginning was whether upper-income families would move to townhouses and apartments. Now, the affluent are moving to Parkview for an environment and facilities they cannot match in their big houses. And they do not mind that around the corner or even down the hall may live secretaries, very junior executives, or newlyweds pinching their pennies. Each group seems to enjoy the company of the others and the experience of living together in a complex that includes rental apartments from $200 a month and condominiums that have sold from around $35,000 to as much as $150,000.

What does an environmentalist do that an ordinary developer doesn't do?

"In land use," says Batts, "my number one priority is to preserve as much as possible in its natural state. When Parkview Hills is completed, over one-third will be open space."

Preserving nature means saving trees. Every tree with a diameter of four inches or more was plotted on a map and saved if possible. Scores of trees were transplanted. Others were brought in. Today, there are more trees than when construction started.

BEWARE THE BULLDOZER

In most projects the great destroyer of nature is the bulldozer. But at Parkview not a square foot of soil was disturbed needlessly. Landscape architect Larry Harris coached bulldozer operators to guide their machines between trees rather than knocking them down.

Marshland was preserved around Parkview's four lakes, providing cover for waterfowl, birds and small animals. Shrubs were planted to attract birds and the lakes stocked with fish.

Cars, Batts feels, "should not be seen when not in use." So they are hidden behind berms, screened by trees or kept in garages.

Batts strongly believes that the proper siting and placement of buildings is more important than their design. Buildings are designed to be looked from, rather than at, and are skillfully tucked into hillsides and partially screened by trees. As a result, nearly every resident has good views from windows and balconies.

ECOLOGICAL PRINCIPLES

Batts carries out his ecological principles at every chance, using catch basins to hold rain and snow water until it seeps back into the soil rather than draining into a river. In winter, sand is used on icy streets rather than polluting chemicals.

Lew Batts might have built a community for just one type of family, but he wanted diversity, "because in diversity there is strength. The diversity we're after is ecological, sociological, racial, political, by age and income." Burton Upjohn adds, "If it's a racial mix, we've got it."

Batts has limited Parkview to 850 housing units, a density of only 3.2 families per acre—extremely low for a community of this type, especially along the lakes. He prefers to keep the shores open for walking paths, picnic areas, a 300-foot sand beach, and for pleasant views.

GOOD ECONOMICS

His policies clearly cost more, but he believes that in the long run a good environment is also good economics. "When our project became successful to the point of outperforming our competition in the marketplace, we took this as proof that what is good for human environment can also be good for the balance sheet," he told a group of Kalamazoo businessmen recently.

And Parkview Hills is having an influence for good on many builders, who travel to Kalamazoo to study Batts' methods.

City officials are convinced that communities like Parkview Hills are the answer to the no-growth movement, which has stopped or delayed home building in many sections of the country.

CELEBRATION OF UKRAINIAN DAY

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. CARNEY. Mr. Speaker, today I join my colleagues and Americans of Ukrainian descent in commemorating the 46th annual Ukrainian Day, which will be celebrated this Sunday, August 7, and in saluting the Ukrainian nation for its centuries-old—but ever vigorous—struggle for self-determination.

This struggle has its beginnings in the late 14th century, when the kings of Hungary were extending their control over the Carpathian region of what is now known as the Ukraine, and the Polish Lithuanian dynasty was expanding toward the rest of the Ukraine, and imposing serfdom on its people. Preferring the hardships of nature over oppression by other men, many rugged souls fled into the steppe, a no-man's land. These fugitives, who were called "kozaks," meaning adventurers, settled the land and established a self-governing community of Zaporozhian Cossacks.

So successful were the Cossacks that in the 17th-century Poland requested their aid against incursions by the Tatars. Once the Tatars were repelled, however, Poland again attempted to subjugate their Ukrainian allies. Refusing to surrender their automony, the freedom-loving Cossacks turned to Russia for help. But Moscow used the resulting Russo-Polish wars as an opportunity to gain control of the Ukraine.

In 1793, after decades of battling against tsarist domination, the Ukraine was incorporated into Russia and its people were forced into serfdom. Ukrainian patriotism survived nevertheless, and was expressed through literature, songs, and folklore. By the mid-1800's, the resistance had assumed a political nature. In 1846, the Brotherhood of St. Cyril and St. Methodius, a secret society, was founded, as were several underground publications dedicated to the cause of Ukrainian independence. Although the tsarist regime outlawed the Ukrainian language and arrested most of the leading dissidents, the Ukrainian people's spirit could not be broken. In fact, Ukrainian patriotism gained impetus in the last quarter of the 19th century, when Carpatho-Ukraine established its autonomy from Hungary.

With the Russian revolution of 1917, the Ukraine declared itself an independent republic, thus establishing the first modern Ukrainian Government. But fighting alternately against the German Empire, the Red army, and White Rus-

sian forces, the Ukrainians were unable to prevent military occupation by the U.S.S.R. The Soviets, nevertheless, dared not attempt to relegate the Ukraine again to the status of a mere part of Russia, and admitted it as a nominal republic of the U.S.S.R. with a limited degree of autonomy. Stalin's efforts to force more centralized control over the Ukrainian people succeeded only after more than 3 million Ukrainians were killed.

Although the Germans who invaded the Ukraine during World War II were initially greeted as liberators by the Ukrainian people, they waged guerrilla warfare against their German captors when oppression continued unabated. Exhausted and battered from their fight against the German occupation forces, the Ukrainians were unable to repel the returning Red Army after the war's end.

Despite the certainty of Moscow's military dominance over their country, the Ukrainian people continue to strive for national independence. The Ukraine remains the largest and the most economically prosperous of all the Soviet captive nations. The fierceness of Ukrainian patriotism is recognized even by the Soviet leadership, who use manipulation of Ukrainian national symbols along with terror and thought control to maintain their hegemony over the Ukraine. However, the Ukrainian people, led by such dissidents as Mikola Rudenko and Oleksi Tikhy, are demanding Moscow's compliance with the provisions of the Helsinki accord which protect the rights of national minorities, as well as those which guarantee individual rights. This continued dissent by the Ukrainian people serves as a spark of hope for other captive nations within the U.S.S.R., and for the people of Eastern Europe.

As the 46th annual Ukrainian Day approaches, we salute both the efforts of the Ukrainian people to achieve self-determination, and the courage which enables them to persist in their centuries-old struggle.

HOW MUCH WILL YOUR FUTURE ELECTRICITY COST?

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1977

Mr. HARRIS. Mr. Speaker, as we are now engaged in debating proposals designed to solve the energy crisis, one of the most serious problems confronting our Nation today, I would like to share with my colleagues a most timely article by one of my constituents, Mr. Paul Whittington. A retired mechanical engineer with 28 years of experience with the U.S. Army Research and Development, Mr. Whittington has conducted a meticulous study of electricity costs over the past years. In his article, which appeared in the Alexandria Gazette on Tuesday, June 7, 1977, he projects these figures 10 years into the future, using 850 kilowatt hours per month as the constant factor. He presents a grim picture for the American home owner. His forecast compels us to focus on the development of alternative sources of energy and the encouragement of their use. I urge my colleagues to direct their attention to the results of Mr. Whittington's research:

ENERGY SIDELIGHTS: HOW MUCH WILL YOUR FUTURE ELECTRICITY COST?

(By Paul E. Whittington)

The very critical energy problem has many facets—examination of any one facet of the total energy problem forecasts a striking change in our future life style. Read on and find out why.

The cost of electricity for a single family, three bedroom, 2 bath, with three adult occupants, electric domestic water heating but not space heating has been examined. Based upon the past four years use and costs, the next ten years have been forecast. As with everyone who analyzes future energy costs and use, even I have been startled.

This household used about 850 kilowatt hours of electricity a month. The study started in March of 1973 and ended in April of 1977. Total cost increased 95.44 percent in that time. This is an inflation rate of 23.86 percent a year and includes county utility taxes. Is the end of this inflation in sight? No. If anything, it will be at least as much and maybe more. There must be pity for the home owner who heats his home with electric resistance heat.

Projecting costs into the future, electricity for this household for ten years will cost a total of $5492. One half of this amount will be spent for heating domestic hot water. The electric cost in the first year will be $175 and in the tenth year, $1199. Under the strangulation costs alone, there will be stringent electrical conservation.

This study is not a condemnation of the electric power company. Without much that the electric company can do about it, costs have gone up and will continue to go up. They can be faulted for backing off on construction on two nuclear power plants.

We are in a transition period of changing over from oil and natural gas to coal and nuclear power. Both coal and nuclear power can and will be used in increasing amounts to run electrified railroads, metro trains, industry, and in ten to fifteen years, to run many more heat pumps for individual homes.

The above discussion leads to solar energy. What is its future? How much of a part will it play in the future? Right now estimates range from supplying 2 percent to 10 percent by the year 2000 A.D. The President's energy plan, if adopted, will encourage home owners to use more and more solar energy both for domestic water heating and space heating. Virginia has voted to approve a constitutional amendment which will eliminate property assessment increase for approved solar energy installation. The effective date is January 1978.

POSTAL SERVICE ACT OF 1977

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. OBERSTAR. Mr. Speaker, one of the most frequently voiced complaints among my constituents is the increasing cost and decreasing quality of postal service in this country. In an effort to deal with those problems I have introduced the Postal Service Act of 1977, which would reassert a degree of congressional control over USPS, without jeopardizing the employees' collective bargaining rights. I would like to share with my colleagues the testimony I presented to the House Subcommittees on Postal Operations and Services and Postal Personnel and Moderization:

Mr. Chairman, thank you for this opportunity to testify on behalf of my bill, H.R. 8238, which is identical to H.R. 7700, the Postal Service Act of 1977.

Ever since the Postal Reorganization Act of 1970, I have been increasingly concerned about the failure of the U.S. Postal Service to carry out its mission to provide effective postal service to all the people of this country.

Service has deteriorated, costs have risen, small town post offices have been closed, and millions of dollars have been wasted on technological "improvements" of dubious value or effectiveness.

Postmaster General Bailar's support of the Postal Rate Commission's recommendation to eliminate Saturday delivery is the most recent example of USPS' tunnel vision. It shows why so may people feel USPS no longer deserves its name, because the "service" part of their mission has been relegated to a back seat role—which postal customers and employees alike deplore.

The Postal Service Act of 1977 would go a long way toward correcting these problems by reasserting a degree of Congressional control over USPS.

However, in attempting to reform USPS, we must be careful not to inadvertently undo some of the major accomplishments of the Postal Reorganization Act of 1970. Primarily, I am referring to the section which awarded postal employees the rights of collective bargaining. This right must not be weakened in any way, shape or form.

Since the legislation which this Subcommittee is considering is quite comprehensive, I will not discuss all the proposed amendments. There are, nevertheless, a few items which I feel are especially important. These are: Section 3 dealing with the methodology for setting postal rates; Section 4 dealing with authorized appropriation levels, six day delivery and rural post offices; Section 8 abolishing the Postal Service Board of Governors and reinstating presidential appointments of the Postmaster General; Section 9 dealing with post office closings and Section 11 dealing with major capital programs.

Mr. Chairman, I have no doubt that the members of this Committee will give this legislation their most careful and thoughtful consideration, and will report out a bill which will significantly alleviate the postal problems in this country.

I thank you for your untiring efforts on behalf of postal patrons and employees, and also for the this opportunity to share with you my concerns and those of my constituents.

A SAD ANNIVERSARY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. LENT. Mr. Speaker, August 12 marks an anniversary which should not be allowed to pass without notice. On that day, August 12, 1976, a petition signed by 91 Members of Congress urging Soviet leader Breshnev to grant fundamental human rights to Soviet Jews was delivered to the Soviet Embassy in Washington. In the 12 months since that peti-

tion was delivered there has been no reply. That brutal Soviet silence which has swallowed up so much hope of freedom and liberty for so many in Russia, and which coldly rejects those who try to break it, still stands unbroken.

As one of the 91 signers of the petition, I was particularly interested in one of the victims of inhuman treatment, Hillel Butman. He, like so many other Soviet Jews, is being punished for the courage of refusing to reject his religious convictions, and for his desire for freedom with his family in Israel.

Three years ago, I adopted Hillel Butman as my Prisoner of Conscience. Each week, since then, I have written letters to Soviet officials, urging them to reconsider Hillel Butman's case, urging them to grant him a pardon, and to give him better treatment. Each week, I have written Hillel Butman to let him know I was continuing my efforts to help him. Each week I have written Hillel Butman's wife in Israel, reporting the facts to her.

From these 3 years of letters to Soviet officials I have heard not one word in reply; not even an acknowledgement that my letters are being received. But, I am continuing to write, and will continue, until Hillel Butman wins the freedom he deserves.

Mr. Speaker, that is why I am calling attention today to the first anniversary of the presentation to the Soviet Embassy of that petition signed by 91 Members of Congress. Those of us who signed that petition need to keep reminding Mr. Brezhnev and the rest of the Soviet leadership that we do not intend to give up our efforts to win human rights for the Soviet Jews. And that we will continue to send petitions, to write letters, to demand Soviet implementation of the Helsinki accord, and to do everything else in our power to make sure the Soviet silence will not prevent the rest of the world from knowing of the inhuman treatment the Soviet regime inflicts upon its citizens.

Mr. Speaker, this message will be sent to President Brezhnev as a reminder that our petition of 1 year ago has not been forgotten, and that the signers will neither forget nor desert the unfortunate human beings for whom the petition was signed.

BAGS AND RIGHTS

HON. JIM GUY TUCKER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. TUCKER. Mr. Speaker, Secretary of Transportation Brock Adams recently announced that automobiles manufactured as early as 1982 must be equipped with automatic crash protection. This is the next step in safety devices already mandated by the Federal Government, such as shatterproof glass, padded dashboards, impact-absorbing steering columns and fortified bumpers.

Some 46,000 Americans died in motor vehicle accidents last year. Another 1.8 million were injured. The Department of Transportation estimates that the air bag would save 9,000 lives annually over and above those now saved by seat belts.

I ask that an editorial on air bags that appeared in the Arkansas Democrat be included in the RECORD:

BAGS AND RIGHTS

We're on our way to auto air bags, finally—provided Congress doesn't nullify Transportation Secretary Brock Adams' order that installation begin with 1982 cars. Already the right-to-die crowd is ranting against mandatory passive restraints as a violation of individual liberties.

We can't agree with them, and though we don't often agree with Ralph Nader, we're with him in thinking that it's past time that the bags were installed. Sure, they'll cost, but a life is worth $100-$300, isn't it? The Transportation Department says as many as 12,000 lives a year will be saved and as many as 200,000 serious injuries averted.

But the main congressional argument against bags is libertarian rather than economic. The argument is that government shouldn't force us to save our lives against our will—that we should have a choice of buying or not buying bag-equipped autos.

That sounds good, but it isn't a true libertarian argument. Rights are individual matters, and the argument would be telling only if all cars carried only the driver. But most cars carry more than one person, and if the driver had the option of turning down the bags, he'd be involving the safety of others in his determination to risk his life. It's not as though mothers, wives and babies were to be polled to see whether they shared the individual's decision to take risks.

Government can be awfully intrusive in a lot of matters involving safety. We've seen what OSHA can do, and most of us have sworn a time or two at those buzzer devices that used to remind you that your car wouldn't start unless you buckled up. That was discontinued as the nuisance it was. Besides, nobody can make anybody buckle up—hence the air-bag, passive-restraint system that works whether you think about it or not.

It's good only in head-on collisions. but that's plenty, and it protects all front-seat occupants. For that reason no one should have the option of playing libertarian loner at the risk of other lives.

METRIC SYSTEM AND HOME ECONOMY

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. McCLORY. Mr. Speaker, the schoolchildren of this Nation realize that we are moving rapidly, albeit haphazardly, toward a general conversion to the metric system of weights and measures. Recently a series of articles have appeared in the Hampshire Register, a newspaper published in Hampshire, Ill., in my congressional district.

A most sincere and forthright article composed by an eighth grader in the Hampshire Junior High School, Janet Elaine Connors, is worthy of our thoughtful consideration. The citizens in this small community in midwest Illinois recognize the conversion process which is taking place and the steps which we should take to facilitate the changeover.

Mr. Speaker, I am pleased to attach Janet Connors' article, as follows:

[From the Hampshire Register, July 27, 1977]

METRIC SYSTEM AND HOME ECONOMY

(By Janet Elaine Connors)

The United States is the only industrial nation that is not using the metric system.

In 1790 Thomas Jefferson turned the currency to the decimal system. He also asked Congress to change from the English system to a system a lot simpler.

When you buy products such as window cleaners, wax, dishwashing liquid, you will probably buy them by the liters.

The change to the metric system isn't going to be hard for me because I'm still young and in school. But for my grandmother it will be hard, because she is older and has been out of school for almost 40 years. She is used to English system of her life when she cooks.

Measuring cups, spoons, are going to change to liters, milliliters, and grams. Most economists say that the most economical way for people to change to the metric system as far as cooking utensils are concerned is to use the utensils you now have and get the new one after the old ones wear out.

Cookbooks are going to change. Recipes my grandmother has given me are going to have to be converted so I can hand them down to my children.

The metric system is more exact. This will make the prices of food go slightly higher, but we'll get more. The reason the price might be a little bit more is because we are going to be paying by weight instead of by volume. Some experts feel that this change might help beginning cooks cook better.

The change for my brother and sister won't be hard at all because they are just starting school.

AIR BAGS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. DOWNEY. Mr. Speaker, according to a recently released Gallup poll, the American public is in favor of requiring car manufacturers to equip all new cars with airbags. Women and young people, in particular, are strong supporters of mandatory passive restraints. I would like to take this opportunity to insert the results of this Gallup poll in the RECORD:

PUBLIC VOTES 46 TO 37 PERCENT IN FAVOR OF REQUIRED AIR BAGS—WOMEN, YOUNG ADULTS MOST IN FAVOR

(By George Gallup)

PRINCETON, N.J.—Although most drivers fail to use their seat belts—and oppose laws that would fine a person for failing to do so—they nevertheless vote in favor of a passive restraint system in cars in the form of air safety bags.

The public votes 46 to 37 per cent in favor of requiring car manufacturers to equip all new cars with air safety bags. The air bag, which would cost $100 to $300 per car, is a balloon that inflates automatically when sensors detect a collision, keeping riders from slamming into the windshield, dashboard and steering wheel.

PASSIVE RESTRAINT SYSTEMS COULD INCLUDE SEAT BELTS

Transportation Secretary Brock Adams recently ordered passive restraint systems for all standard and luxury cars sold in the

United States starting with 1982 models. This system could include a seat belt harness that automatically covers the driver and passenger. Automatic seat belts, in use for several years on various models, wrap around passengers and lock into place.

The Transportation Department has estimated that passive restraints could save 9,000 to 12,000 lives each year and prevent 100,000 to 200,000 serious injuries.

Interestingly, it is among the nation's youngest adults, 18 to 29, who have the highest car accident and death rate, that support is greatest. Sixty-five per cent of persons in this age group favor requiring air bags in all new cars, compared to only 31 per cent among persons 50 and over.

When the results are limited to men alone, the proposal to have air bags installed is voted down, 47 to 42 per cent. Among women, on the other hand, support is heavily in favor, 51 to 27 per cent.

Sharp regional differences emerge as well, with Easterners considerably more inclined than persons in other regions to favor new cars being equipped with air safety bags.

Following is the question asked:

"Would you favor or oppose requiring car manufacturers to equip all new cars with air safety bags?"

[In percent]

	Favor	Oppose	No opinion
National	46	37	17
Men	42	47	11
Women	51	27	22
College	49	39	12
High school	48	37	15
Grade school	35	32	33
East	53	29	18
Midwest	41	47	12
South	48	33	19
West	44	38	18
18 to 29 yr	65	27	8
30 to 49 yr	48	37	15
50 and older	31	44	25

Further findings in the survey show the public to be overwhelmingly opposed to a law that would fine a person $25 if he did not wear a seat belt when riding in an automobile. Least opposed to such a law are Easterners and persons with a college background as seen in the following table:

"Wouldn't you favor or oppose a law that would fine a person $25 if he did not wear a seat belt when riding in an automobile?"

The results show opposition among all major population groups:

[In percent]

	Favor	Oppose	No opinion
National	17	76	7
Men	17	78	5
Women	18	74	8
College	21	76	3
High school	15	79	6
Grade school	16	67	17
East	21	71	8
Midwest	13	83	4
South	18	75	7
West	17	76	7
18 to 29 yr	19	77	4
30 to 49 yr	18	76	6
50 and older	15	76	9

Authorities also maintain that many lives could be saved with tougher laws on drinking and driving. The Gallup Poll recently revealed the public to be overwhelmingly in favor of stricter laws regarding drinking and driving. Eight in 10 want tougher legislation than presently on the books, including large majorities of persons who say they sometimes drive after drinking and majorities of those who say they have driven after excessive drinking.

The latest results reported today are based on in-person interviews with 1,526 adults, 18 and older, taken in more than 300 scientifically selected localities across the nation June 3–6.

THE BOUNDARY WATERS CANOE AREA: A WORKABLE SOLUTION

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. OBERSTAR. Mr. Speaker, the Boundary Waters Canoe Area is an area of 1,030,000 acres of waterways and forest lands in northeastern Minnesota, entirely within the Eighth Congressional District of Minnesota, which I represent in the House.

It is a national resource with which I have enjoyed a life-long acquaintance.

The tranquillity of the boundary waters contrasts sharply with the often rancorous debate that has arisen over its future.

Throughout the 20th century, the BWCA has provided the people of Minnesota and the Nation with a wide range of recreational opportunities: paddle canoeing, motorboating, snowmobiling, and cross-country skiing.

Furthermore, since the 1880's, the BWCA has been an important supplier of the State's wood fiber needs.

The current debate centers on whether the entire 1,030,000 acres of the boundary waters will be closed to all but canoeing and cross-country skiing or whether the other established uses of the BWCA will be permitted to continue.

This debate has produced the oversimplification that the conflict is between narrow local concerns and the broad national interest in the preservation of wilderness.

That generalization is neither accurate nor conducive to the enactment of legislation essential to the resolution of the protracted debate.

The preservation of wilderness is a major objective of the legislation that I have introduced in both the 94th and the 95th Congresses. On August 3, 1977, I introduced H.R. 8722, a refinement of those earlier bills; it sets aside two-thirds of the current BWCA to be managed as total, pure wilderness.

The national interest will not be served, however, by total wilderness designation which ignores: first, the history of the BWCA, second, the legitimate interest of the people of Minnesota in preserving historically established uses and, third, the fact that over 30 percent of the motorized use of the BWCA is by people from outside of Minnesota.

Mr. Speaker, the only equitable solution to the Boundary Waters Canoe Area controversy is one which adequately addresses the many conflicting, but nevertheless, valid interests. The issue is not simple, and the solution will not be easy.

Mr. Speaker, the official history of the Boundary Waters Canoe Area began with this proclamation by President Theodore Roosevelt on February 13, 1909, establishing the Superior National Forest:

> There are hereby reserved from settlement or entry and set apart as a public reservation, for the use and benefit of the people, all the tracts of land, in the State of Minnesota, shown as the Superior National Forest on the diagram forming a part hereof.

The area then totaled 1,018,638 acres, just about half the acreage in Federal ownership today of the Superior National Forest. It was the first major action by the Federal Government in the long, turbulent history of this unique resource, and probably the least controversial.

MAN'S IMPACT ON ESTABLISHMENT OF THE BWCA

The BWCA actually predates President Roosevelt's proclamation.

Over 100,000 acres of the Superior had been logged beginning in the 1880's and the area continued to be managed principally for its forestry and recreational values until 1926, when Secretary of Agriculture William M. Jardine introduced a new concept with this announcement on roadbuilding and recreational use within the Superior National Forest:

> Not less than 1,000 square miles containing the best of the lakes and waterways will be kept as wilderness-recreation areas.

Jardine's order went on to make a key policy statement:

> A proper harvesting of the timber, as it becomes available for cutting and with the preservation of natural screens along lake shores, campgrounds and similar areas, is not inconsistent with preserving opportunities for wilderness recreation; and it will be the policy of the Department to utilize the timber produced on the Superior under careful methods of cutting that insure a continuous forest.

In that statement were sown the seeds of controversy which has engulfed this resource since its very inception: conflicting and competing uses, side by side within the same resource area. The conflicts have endured and intensified; they now must be resolved by act of Congress, because administrative and judicial attempts to clarify the issues and settle the controversy have failed. A new law is needed with a clear mandate and precisely written policy directives for the future management of the area in a way that best responds to the broadest public interest.

MULTIPLE USE AND THE BWCA

The U.S. Eighth Circuit Court of Appeals in its August 30, 1976, decision on logging in the BWCA said:

> The Boundary Waters Canoe Area has never been managed as a pure wilderness area.

That accurate and incisive observation has unfortunately been largely ignored in the public debate over the future disposition of the BWCA. Legislation affecting the future of the BWCA must recognize the fact that, historically, it has not been managed as a single use wilderness.

The present two-zone management concept, first established in 1941, set aside a 362,000 acre, no cut "northern" zone, and a 700,000 acre "southern" zone where timber harvesting was allowed. Although the "northern" zone included the most heavily traveled canoe routes, motor boats were allowed there as well as in the multiple-use "southern" zone. Motorboats traversing canoe routes,

snowmobiles traveling through a "wilderness" area, and timber harvesting under primitive-area conditions were activities almost destined to erupt into controversy on a national scale—and they did.

THE WILDERNESS ACT OF 1964

A provision of the Wilderness Act of 1964 initiated by Senator HUBERT H. HUMPHREY attempted to resolve the controversy by including the BWCA in the National Wilderness System—with an exception:

. . . with the general purpose of maintaining, without unnecessary restrictions on other uses, including that of timber, the primitive character of the area, particularly in the vicinity of lakes, streams, and portages: Provided, That nothing in this chapter shall preclude the continuance within the area of an already established use of motor boats.

The language was very carefully and thoughfully drafted with a view to protecting a long established history of use within the area and for the purpose of responding to the needs of the local economy and to the recreational pursuits of local area residents.

Although that language was intended to be a clear reffirmation to established use, rather than end controversy it served to intensify the public dispute. Congress had established "nonconforming" uses within a wilderness area—uses not allowed in any other segment of the National Wilderness System. The intent of the legislation was to permit the continuation of these uses, yet the Forest Service was required to provide for them under new wilderness guidelines, far different from the policy yardstick they had used in the past.

There were 20 active timber sales in virgin forest areas of the BWCA at the time the Wilderness Act was passed. Logging in the virgin forest was an "established use," and would continue under the new law, with significant changes in management, which now would emphasize the new "wilderness" policy.

THE FREEMAN DIRECTIVE

Complying with the letter and spirit of the Wilderness Act, substantial acreage was removed from timber harvesting, motorized travel routes were realigned and reduced in number, and a revised two-zone concept was announced by Agriculture Secretary Freeman in 1965, including an "interior" zone of some 618,000 acres which contains 90 percent of the waterways of the BWCA and a "portal" zone of some 412,000 acres.

Despite those changes, the overlapping uses continued: Motor boat and snowmobile travel was permitted in certain interior zone routes and both motorized travel and commercial timber harvesting were permitted in the portal zone. The BWCA, though included in the National Wilderness System, would still be managed as it historically had been: As a mixed-use area, some portions reserved for pure wilderness experience, some for other, "established," uses.

The essence of the BWCA is that it is "unique, pristine, endangered, rugged, primitive, beautiful and fragile"—as the 1973 management plan of the U.S. Forest Service so well states. To some the BWCA is treasured for its scientific, educational and primitive values, an opportunity for the urban dweller to escape to the solace and solitude of a remote land where one can experience the adventure of discovery, see the "primeval" land as man first saw it, travel through it as the fur traders did three centuries ago.

THE LOCAL IMPACT

To others, the local area residents who have no less an appreciation for those values, it is either their most accessible recreational area—and to most of them for only very limited day use—or the source of their livelihood, whether canoe outfitting, resort managing or timber harvesting. They never considered the BWCA a classic "pure" wilderness; rather, a combination of primitive and multiple use. A change in the law could not change the reality of the BWCA's character and management which they had experienced for generations.

Nature and man have combined to make the BWCA what it is today; only man stands at the crossroads of decision-making; only he can set policies for the area's future use—decisions that will affect the future of the people of northeastern Minnesota and of the rest of the United States, but whose impact will be felt most heavily by the people of northeastern Minnesota.

A COMPROMISE LEGISLATIVE SOLUTION

In the spirit of attempting to resolve the conflicting uses in a way that would respect the need for wilderness, the need for motorized recreational use and the need for wood fiber, both in the national and local economy, I set about devising a BWCA management plan that would resolve each of these issues under clear guidelines written in law for the future of this area. That plan is embodied in my bill.

That bill and its predecessors, which I introduced in the 94th Congress and earlier this year, are the outgrowth of 2 years of study, consultation, public meetings with local residents, national wilderness and multiple-use groups, and personal travel to other units of the National Forest System to observe firsthand a variety of management concepts.

My principal goals in drafting this legislation have been to fit the use to the resource, to respect the history of the area's use, and to carefully control that use.

BOUNDARY WATERS WILDERNESS

In that spirit, my bill designates 700,950 acres as pure wilderness. The wilderness includes all but 30,000 of the BWCA's more than 500,000 acres of "virgin forest," that is, forest which has not been previously logged over. That area, encompassing virtually all of the present BWCA interior zone, will be left to nature, untouched by man, except as he passes through, completely protected from logging, including in that protection the 30,000 acres of virgin forest to be located in the national recreation area. The wilderness will include nearly 1,000 miles of the area's most beautiful waterways set aside exclusively for paddle canoes—undisturbed by motorized or commercial use. It will remain an area of beauty, of historical and recreational significance left to the action of natural forces: no motor boats, no snowmobiles, no aircraft, no timber harvesting, no roads, no resorts, no private homes.

BOUNDARY WATERS NATIONAL RECREATION AREA

Not all people seek or desire wilderness, nor are all people equally equipped to experience the rigors of wilderness—particularly the elderly and the handicapped. There is also the special case of the local area resident, whether miner or merchant, who has only a limited time in which to experience the out-of-doors and who prefers to use a motor boat, particularly on the larger lakes, to make the best use of his time and who usually is a day user—out and back the same day. Likewise, the long, harsh northern Minnesota winter has been made somewhat more bearable by snowmobiling, a popular day-use recreational activity and a growing Minnesota industry. The present BWCA Portal Zone is also an important resource of softwood for Minnesota's wood fiber industry, third largest in the State.

With a view, therefore, to providing for these many and varied local, as well as national, interests, my bill introduces a new concept in the BWCA: a 412,397-acre national recreation area. Though the concept is new, it is based on historical principles of established use, tailored to the resource, and compatible with the present two-area management system of interior zone and portal zone.

The national recreation area will serve as a buffer zone to protect and enhance the wilderness area. Its management will generally be in harmony with the concept of wilderness but in a way that permits varied use, quite similar to the present portal zone.

MINING

Mining would be prohibited throughout both the wilderness area and the national recreation area.

To accomplish this objective, I have drafted the strongest possible anti-mining provisions, based on the law enacted by the 94th Congress in 1976 to prohibit mining in national parks, Public Law 94–429.

VISITOR USE

Visitors use of the BWCA clearly indicates that travel by motor canoe and motorboat is in the national interest, representing 40 percent of all BWCA summer travel, including travel by out-State and out-of-State visitors, according to 1975 U.S. Forest Service figures. Those figures also show that motorized travel has increased from 30 percent of all BWCA use in 1972 to 40 percent in 1975.

All BWCA visitor use has virtually skyrocketed from some 50,000 visitor-days in the mid-1950's to well over 1.1 million visitor-days in 1975. That explosive growth will have to be restrained in the future with firm visitor quotas for all modes of travel and more scientific dispersal of visitors through less-used entry points and less popular water routes. The establishment of a national recreation area will contribute significantly to a more balanced, restrained management

and, acting as a buffer, will serve to protect and enhance the more fragile wilderness area.

MOTORS

The NRA will permit travel by motorboats of limited horsepower: 10 horsepower on the smaller lakes, 25 horsepower on 17 specifically named bigger lakes. Snowmobiles would be allowed on the same routes specified on a map which accompanies the bill. Snowmobiling accounts for 81 percent of the winter use of the BWCA—a use that interferes with virtually no other person or activity in the area.

To recap: my bill sets horsepower limits on motor sizes, specifically designates the routes on which motors can be used, reduces the number of lakes open to motors, expands single-use wilderness, yet allows enough motor use to serve local economic and recreational needs.

VIRGIN FOREST AND TIMBER HARVESTING

Many northeastern Minnesotans believe very deeply that it is wasteful not to utilize forestry resources—or, worse, to allow them to be destroyed by insect, disease, or fire—especially when they will never be seen by recreational users, with cutting allowed only beyond the "military crest," or as far as the eye can see from the water's edge. They feel the forest is a living resource that should be managed on a sustained yield basis in compliance with modern scientific forest management principles, as much to assure a continuous forest and all its values as to provide for the local economy.

The wood fiber industry continues to be a vital sector of the total Minnesota economy and is particularly significant to northeastern Minnesota, with some 9,000 employees and a $100 million payroll. The NRA recognizes the legitimate role of timber harvesting as an important tool in forest and wildlife management. Harvesting will be permitted only in previously logged over, second-growth areas under a management plan that must be prepared publicly in full compliance with the National Environmental Policy Act—environmental impact statement process and in compliance with the principles of modern scientific timber management embodied in the Timber Management Act of 1976 passed in the 94th Congress.

The U.S. Eighth Circuit Court of Appeals stated the case for timber harvesting very clearly:

> All parties acknowledge that the vegetation in the BWCA must be managed in some manner. The art of prescribed burning has not been perfected. Logging is a legitimate vegetative alternative; timber harvesting is a controllable tool which can safely take the place of fire.

Yet there is a certain "mystique" about the virgin forest. It is something intangible, a sense of eternity on which no price can be put. To preserve that value, my bill provides that there shall be no logging of virgin timber, either in the wilderness or in the national recreation area.

Though the acreage open to logging in my proposed NRA is small, less than 1 percent of all Minnesota commercial timberland, it has the potential to yield on an annual basis 21 percent of the available softwoods in Minnesota's two national forests. Carefully and conservatively managed, the NRA could have an annual yield of 100,000 cords in a mix of 60 percent softwoods, 40 percent hardwoods of the species required for the future growth of northeastern Minnesota's wood fiber industry. My bill very carefully protects the environment by retaining the provisions of the Shipstead-Newton-Nolan Act of 1930, which prohibits logging within 400 feet of a water course and extends that coverage even to those lands added to the NRA from the present Superior National Forest.

Timber harvesting, under the foregoing conditions, will admittedly be difficult and costly—but it will be permitted. I believe, therefore, that the tight controls over timber harvesting should be appealing to conservationists who have long sought such restraints; the assurance of timber availability should be an encouragement to the wood fiber industry, which now operates under a cloud of uncertainty about its future.

WILDLIFE AND FOREST MANAGEMENT

The eastern timber wolf, virtually extinct everywhere in the United States but Minnesota and Alaska, depends heavily upon the whitetailed deer for its survival. The deer, in turn, depend upon young forest growth for their forage. As timber harvesting in the BWCA declined and, in the last 3 years, was stopped altogether, the deer population declined with it, as did the wolf population. Furthermore, the wolves declined in size and moved out of the wild country to farmed areas where they prey on livestock.

The U.S. Fish and Wildlife Service established a Federal-State eastern timber wolf recovery team to develop a "recovery plan" for that endangered species. The recovery team's report cites, "four main factors critical to the long-range survival of the eastern timber wolf," including these two: First, large tracts of wild land with low human densities and minimal accessibility; second, ecologically sound management." The BWCA fits the first of these, and logging fits the second.

The recovery team further recommended establishment of a wolf sanctuary, whose purpose is to "develop and maintain prey density—to support an average of 1 wolf per 10 square miles." To achieve that goal, the team proposes to "promote adequate hardwood and conifer composition in age classes and types to provide for maintenance or improvement of forest diversity," and "promote logging practices to provide adequate supply, distribution and age classes of hardwoods, with emphasis on aspen."

In short, the food chain, of which the deer and the timber wolf are so vital a part, is not complete without adequate browse for wildlife. The harvested forest produces more browse for animals than does the uncut virgin forest and, therefore, is essential to the recovery and maintenance of viable eastern timber wolf populations.

AIRCRAFT BAN

The ban on aircraft imposed by President Truman in 1948, limiting air travel over the BWCA to altitudes above 4,000 feet, will continue in both the wilderness and the NRA, with specific exceptions for seven lakes now in the Superior National Forest where float planes are presently permitted and which will be included in the proposed NRA.

Local residents have expressed concern about the safety of air travel caused by the altitude restrictions, particularly where aircraft must land at Canadian customs. Responding to that concern, my bill directs the Secretary of Agriculture and the Secretary of the Interior jointly to undertake "a study of the safety, noise impact, and cost factors associated with the airspace reservation" and report their findings and recommendations to the President and Congress. The President is directed to act on those recommendations within 90 days.

PAYMENT IN LIEU OF TAXES

Financially hard-pressed northeastern Minnesota counties will get much-needed financial relief from the Federal Government under the payment-in-lieu-of-taxes bill I authored and worked to get enacted into law during the 94th Congress.

Under the provisions of this legislation, counties where the Federal Government is a nontaxpaying landholder will receive up to 75 cents per acre for Federal land within their boundaries. That payment is a large increase over the present compensation of 35 cents an acre now paid to northeastern Minnesota counties for their BWCA lands. Payments to Cook, Lake, and St. Louis Counties, amounting to several hundred thousand dollars, will be made by the U.S. Treasury this September under the payment-in-lieu bill.

COMPROMISE

Mr. Speaker, my proposal admittedly is a compromise, one that concedes more to wilderness than to other uses, yet a balanced approach that reflects the area's history, that attempts to treat each interest as legitimate in its own right and to place each use in such a way that one does not conflict or overlap with another—use with careful controls.

It is a balanced plan; it does not yield the future of this area to any single use nor allow any one interest to dominate. It respects the concerns of local area residents who feel, with some justification, that their opinions and rights have not been recognized by people distant from and not familiar with unique local circumstances. This plan will open the area to the young and the elderly; the hale and the handicapped; the local residents and the distant, infrequent visitor. It fairly and responsibly serves both the local and the national interest.

WE NEED CLEAN AIR NOW

HON. RICHARD KELLY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. KELLY. Mr. Speaker, though I voted against the House version of the Clean Air Act, when the House-Senate

conference came up for a voice vote I supported it. I have long been torn between a desire not to disrupt the economy and my concern for the Nation's air quality.

My change of mind on this legislation is attributable to a combination of events, including changes in the legislation itself, a complicated air purity situation with passage of the National Energy Act, and recent air quality conditions throughout the Nation.

The changes in the bill to which I refer concern the granting of greater flexibility to State officials in implementing EPA standards. First of all, the bill permits State governors to issue a variance for up to 18 days to areas designated as class I, clean air regions. Also, the State would be able to reclassify class II areas if they felt it necessary.

A second change involves EPA's ruling that in dirty air, class III areas, any increase in pollution from a new source would have to be offset by a decline in pollution from an existing plant. Under the terms of the conference bill, States would have the option of getting a waiver from this requirement.

Another reason for my supporting the bill is my fear that the coal conversion provisions of the National Energy Act may result in substantial shocks to our Nation's air quality. I believe we must make an effort to balance this possible shock by a decrease in automobile pollutant emission levels. The conference bill includes a serious attempt to do this.

Finally, the recent spell of intensely hot, humid days that blanketed much of the country, with extreme air stagnation, made clear in my mind the need for some action. Here in Washington, a city with no heavy industry, the air quality index logged in the hazardous range without relief for weeks. This is particularly unhealthy for our elderly and for people with respiratory conditions. Our people, in the great urban areas and across the country, deserve air that is fit to breathe.

HOUSING SPECULATION AND THE RISING COST OF HOMES

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. HANNAFORD. Mr. Speaker, recently many Americans have been plagued by fears of rising inflation and unemployment, diminishing purchasing power, and savings which have significantly eroded in value.

In recent testimony before the House Banking Committee, Chairman Arthur Burns of the Federal Reserve Board stated that "there has been some diminution in the rate of inflation lately." He added however, that "the rate of inflation this year is running higher than it did last year."

Unemployment declined to 6.9 percent in May, the lowest rate in 2½ years, and the wholesale price index during that month rose by only 0.4 percent. At the same time, the Consumer Price Index measured 6.7 percent higher than the May 1976 rate. The latest available rate of unemployment is 7.1 percent, with the wholesale price index for all commodities in June decreasing by 0.6 percent from May, and the June CPI rate 6.8 percent higher than that of June 1976.

In this atmosphere, the prospects of homeownership for many lower- and moderate-income families are steadily declining. Today, the average price of a new home is climbing well over $50,000. Furthermore, a report by the MIT-Harvard Joint Center for Urban Studies estimates that in 5 years the typical new home will cost $78,000. The National Association of Realtors also reports that over the last 12 months, the median sales price of existing single-family homes rose by 12.1 percent in the North Central region, 7.7 percent in the Northeast, 7.9 percent in the South, and by 28.3 percent in the West. The median sales prices of existing one-family residences in the West now hovers around $58,000.

Exacerbating the rising cost of homes are certain speculative activities which have been widely reported in California, and spreading to other areas such as Chicago, Seattle, and Baltimore. Speculators have concentrated on newly built single-family homes, buying and reselling them at high profits in some instances before closing escrow. In other cases, homes are purchased and rented at rates lower than monthly mortgage rates which the speculators must pay and then resold at inflated values in several months. Profits sometimes range from $15,000 to $20,000 in a few months on as little as a $1,000 deposit. Testifying before the House Banking, Finance and Urban Affairs Committee on July 29, Dr. Burns cautioned that this "speculative activity in the single-family sector * * * bears watching."

A cursory review of the rising price of homes since 1973, when the average price of a new home was about $37,000, shows that many regions of the Nation have experienced considerable increases in the cost of newly constructed residential units. As of April of this year, most of the 18 standard metropolitan areas surveyed by the Federal Home Loan Bank Board sustained gains in the average cost of a new home over the last 5 years of well over $10,000. In 7 areas, the increases amounted to $20,000 or more during the last 5 years.

Metropolitan area	April figures					Increase since 1973
	1977	1976	1975	1974	1973	
Chicago-Gary, Ill., Ind	$58,000	$49,000	$44,000	$46,000	$38,000	$20,000
Cleveland-Akron-Lorain, Ohio	59,000	50,000	50,000	42,000	39,000	20,000
Denver-Boulder, Colo	58,000	54,000	43,000	36,000	33,000	25,000
Detroit-Ann Arbor, Mich	49,000	41,000	47,000	43,000	37,000	24,000
Los Angeles-Long Beach-Anaheim, Calif	73,000	66,000	49,000	45,000	40,000	33,000
San Francisco-Oakland-San Jose, Calif	75,000	62,000	54,000	43,000	44,000	31,000
District of Columbia-Maryland-Virginia	68,000	64,000	56,000	50,000	42,000	26,000

The highest costs for new dwellings according to the above figures issued by the Federal Home Loan Bank Board were in California. Moreover, increases in the California metropolitan areas surveyed since 1973 indicate an acceleration of over $30,000 in the average price of a new home.

In many parts of California, average new, single-family homes now cost $90,000, with values increasing between 2 and 4 percent each month. With the growing demand for housing due to significant in-migration and a greater number of young families in the market, many people fear that there just will not be enough available housing at affordable prices.

The 1977 edition of the Tax Foundation's "Facts and Figures on Government Finance," indicates that as of 1975, 22 percent of families had an income range of $10,000 to $14,999 and 30 percent had an income range of $15,000 to $24,999. Another 33 percent earned between $7,000 and $9,999 or less. Also, during 1975, housing and household operation expenditures accounted for 30 percent of personal consumption expenditures, followed by 23 percent for food and tobacco expenses.

So far, many lending institutions have instituted measures designed to control speculative activities in the new single-family home market. Some practices include requiring mortgage borrowers to sign statements of intent that they will live in the house for which the loan is being made, and interest rate differentials on loans for non-owner-occupied home sales. Other lenders have initiated higher mortgage rates across the board, required higher downpayments, and raised the points or loan fees on residential mortgage loans. In April, the San Francisco Federal Home Loan Bank Board moved to restrict available funds to member S&L's by raising the short-term advance rate to 7.50 percent from 6.50 percent, and the long-term advance rate to 8.50 percent from 7.50 percent. Later, in July, the short-term rate was reduced to 7.25 percent and the long-term rate to 8.25 percent.

While these measures have had some impact on speculative buying of new homes, the prospective buyer should also be provided with information which will enable him to know if the price he is being charged represents an overinflated value. While this knowledge may not in all cases affect the prospective buyer's decision to purchase, such disclosure will put him in a better bargaining position and hopefully discourage speculators from unconscionable markups. Together,

this type of disclosure on newly constructed dwellings and other actions by lending institutions should curb speculative buying which prices many families out of the housing market. By tightening demand for "legitimate" home buyers, lending institutions will also be able to avoid a potentially dangerous posture. As the president of the San Francisco Home Loan Bank stated recently, the deluge of loan commitments in California S. & L., is rising at a fast rate—amounting to somewhere around $3 billion in March. With such loan promises facing the industry, appraisal requests are piling up, adding to the paperwork problem, and raising serious questions about the adequacy of hasty reviews to determine lending risks.

Such activity also raises questions of how this speculation affects rent values, property values, and property taxes, and intensifies regional variations in mortgage interest rates. Rapidly escalating housing costs are imposing burdens on current homeowners, whose property tax assessments are soaring at rates which, in most instances, are not commensurate with gains in income. The inflated property values which result from speculation not only penalize growing families, but many senior citizens who are on fixed incomes and find themselves paying out a larger proportion of their income.

Mr. Speaker, I am introducing a bill today requiring simple disclosure provisions by the seller to the buyer on sales involving federally related mortgage loans. This disclosure will be directed at residential units on which both construction and a sales transaction has been completed within 1 year. Thus, the thrust of this proposal is aimed at new residential structures. I welcome the comments of my colleagues on this legislation and also urge that we consider longer term proposals to lower the cost of homes so that they are affordable to low- and middle-income families throughout the Nation.

TRIBUTE TO LT. COL. KURT CASEY McDONALD, MIA

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. RYAN. Mr. Speaker, although only 4 years have passed since the end of our Nation's involvement in the Vietnam war, our remembrances of those days tend to become hazy. As a result, I feel an obligation to bring to the attention of my colleagues those Americans who still remain somewhere in Vietnam, our POW's and MIA's.

August 19, 1977, marks the 43d birthday of Lt. Col. Kurt Casey McDonald. He was reported missing on December 31, 1964, while on a reconnaissance mission in South Vietnam. Lieutenant Colonel McDonald is one of some 1,300 men who are still unaccounted for in Vietnam. His family is not unlike the other families who must bear the burden of not knowing their son's fate.

I hope we will continue to remember the men who are still listed as MIA's and POW's and their families, that we will insist upon some final accounting of these men by the Communist Government of Vietnam before we begin any meaningful negotiations for trade with that Government, and that we will one day see an end to the conflicts which this war has caused.

THE WANBLI ARCHERY CO.—AN AMERICAN SUCCESS STORY

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. PRESSLER. Mr. Speaker, I would like to tell you, and my colleagues here in the House of Representatives, about an exciting and inspiring "American success story" that has taken place in my home State of South Dakota.

Later this month, on August 26, the Wanbli Archery Co. located on the Pine Ridge Indian Reservation in South Dakota will have its grand opening. The story began, however, when a Connecticut Yankee, named Tom Loomis, decided to use his expertise to set up an arrow manufacturing factory.

When Tom started looking for a source of startup funds for his operation, he first thought of going through the Veterans' Administration since assembly of arrows—which would not necessarily require sight or full use of limbs—could provide employment for our handicapped veterans. While his negotiations were still in the preliminary stage at the VA, though, Carl Janis and John Husman, planners for the Oglala Sioux Tribe at Pine Ridge, S. Dak., heard about Tom's plans. They decided to encourage him to locate his factory on the Pine Ridge Indian Reservation, a high-risk area for an employer or industry to locate, but a sure source of manpower.

Like so many communities in our economically depressed Indian reservations, the little town of Wanblee could offer little or nothing by way of employment opportunities. About 400 people live in Wanblee and the surrounding area—which is equal to the metropolitan area of Washington, D.C., in size. The nearest major community, Rapid City, is 125 miles away.

At this point in the story—just a little over 2 months before the Wanbli Archery Co. began to train its first employees—Tom began to learn what good cooperation between Federal and State governments—and local people who have a dream—can do. The Oglala Sioux Tribe wasted no time in contacting Tom—and the week before Thanksgiving they pledged $18,000 in startup funds from their tribal treasury. Shortly after the Tribal government offered their financial support, the Bureau of Indian Affairs came through with $20,000 in grants and $25,000 in loans for the arrow factory at Wanblee. The State of South Dakota, which was in dire financial straits because of a severe drought, granted $3,500 and agreed to pay for an 8-weeek training program for 15 trainees through the South Dakota Job Service. The contracts were signed on February 1, 1977 and training began March 21. At the end of the 8-week session, none of the trainees had dropped out of the program—a major concern of employers on Indian reservations—and the Wanbli Archery Co. was on its way.

Tom Loomis' pipe-dream has become a reality. The first shipment of 9,000 arrows—each one hand-painted with the special design of the individual Indian artisan—went out on Thursday, July 28. The Wanbli Archery Co. is 100 percent Indian owned—by the members of the Eagle Nest District of the Oglala Sioux Tribe. In another 6 months, Tom expects that the company will be under 100 percent Indian management.

Nationwide, the archery industry does an $80 to $100 million business—and 60 percent of that can be attributed to arrow sales. If the initial success of the arrow factory at Wanblee is any indication, the company should be a $1,000,000 industry within 3 years. In fact, company production is already sold out for the years of 1977 and 1978.

I congratulate the Wanbli Archery Co., its 22 employees, and especially Tom Loomis for once again proving that the individual can make a real contribution to society in this country. With the support of Federal, State, and local governments—and direct citizen participation—the work ethic and our American free enterprise system have given Wanblee job opportunities for its people, community pride, economic growth, and the promise of a better tomorrow.

We in Congress need to devote more time and consideration to legislation—like the "Operation Bootstrap for American Indian Reservations" that I introduced earlier this year—to help individuals, and communities like Wanblee, help themselves. Indeed, the success of the Wanbli Archery Co. is proof positive of such an approach—and I hope it serves as an inspiration to us all.

AUGUST 6—84TH BIRTHDAY OF THE LATE WRIGHT PATMAN

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. GONZALEZ. Mr. Speaker, there are very few men we come to know in our lifetimes, who are considered both great and kind.

One of the greatest men I have ever known, who was kind, and who I termed at the time of his passing "the gentle prophet", was Wright Patman.

Saturday, August 6, marks the 84th anniversary of Wright Patman's birth at Patman's Switch near Hughes Springs in Cass County, Tex.

I could not allow this day to pass without paying tribute to one of the most dedicated servants of the people to ever serve in Congress.

It was my honor and privilege to come to serve in Congress at a time when

Wright Patman was chairman of the House Banking and Currency Committee.

The former district attorney of the Fifth Judicial District of Texas served a little more than 47 years in the U.S. House of Representatives. During the last 14 years—during the time I knew him and served with him—he never deserted his principles. In all the hard and bitter fights he had while I knew him, I never saw him lose his grace or temper.

Wright Patman's mission in life was the cause of the plain people—the ordinary folk. Whatever would help the little people, Wright Patman was for. Whatever would hurt them, he opposed. Everything he did was founded in his vision that plain people counted, and that Government was intended to serve them. If the Federal Reserve followed monetary policies that hurt ordinary people, Wright Patman demanded different policies; if big business hurt small business, he demanded fair treatment; if big banks harmed the interests of modest folks, he called them on the carpet.

The accomplishments of Wright Patman on behalf of the ordinary folk during his lifetime comprise one of the greatest legacies ever left the people of this country by one who asked to serve.

For example, he was the one who was instrumental in establishing credit unions, and the House employees credit union now bears his name.

No man ever served the people with greater faith and fervor than Wright Patman. A few served as long as he did, but none with greater love for the people.

No one could truly be a substitute for Wright Patman, but it surely would be commendable for anyone to try.

The Congress, the people, are always in need of a Wright Patman.

AIRLINE DEREGULATION COULD BE BAD FOR ARKANSAS

HON. JIM GUY TUCKER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. TUCKER. Mr. Speaker, President Carter and Secretary of Transportation Brock Adams have now indicated their intentions to move forward with some type of airline deregulation proposal.

Until the final form of this proposal is determined and a bill comes to the floor, I cannot make a firm judgment as to how I might vote on such a proposal.

But, my friend Bob McCord of the Arkansas Democrat recently wrote a most interesting article on deregulation that reflects some of the deep concerns and apprehensions that Representatives from States like Arkansas must have.

I include his article at this point in the RECORD.

AIRLINE DEREGULATION COULD BE BAD FOR ARKANSAS

(By Bob McCord)

In Washington hearings have just been completed on proposals to deregulate the airlines. It's a three year old effort that probably will produce a bill this year.

This sounds very dull and foreign to us, but it shouldn't be regarded that way because places like Arkansas will be the real losers if deregulation comes . . . especially total deregulation, which is what Senator Ted Kennedy, D. Mass. and others are proposing.

Depending on the degree, deregulation will take the trunk airlines (like American) and regional airlines (like Texas International) from under the control of the Civil Aeronautics Board and give them the relatively free status of commuter airlines (scheduled Skyways).

All airlines could then set their own roots, leaving or entering any market they choose and establish their own fares. In theory, this would result in 1. cheap fares, 2. more direct flights, and 3. a reduction in tax spending, since the airline subsidy, which the government gives airlines for serving unprofitable markets, would be reduced (incidentally, subsidies are paid in all six Arkansas cities that have airline service).

Practically and ideologically this sounds very good. The catch is where you stand to do the listening. If you are in Boston, for instance, deregulation undoubtedly would enable you to fly to Washington more often and for less than the current fare of $55, which is more than an unregulated airline now charges to make a longer flight from San Francisco to Los Angeles (the most heavily travelled air corridor on earth). Airlines freed of regulations would rush to places like Boston and cut prices, add flights, and do anything else to get business.

But, if you are standing in Harrison, Arkansas, deregulation means something different. Harrison is one of those marginal places the airlines would rush from, despite the subsidy that has enabled cities like Harrison to keep minimal airline service. A planeload of customers out of Boston every half hour pays better than a ¼ load out of Harrison, once a day, no matter how high the subsidy.

Ralph Disheroon, manager of the Hot Springs Airport for 32 years says that there was no doubt that total deregulation would take scheduled airline service out of his city. In fact, Eddie Holland, director of the Arkansas Aeronautics Commission, estimated that only four cities would still have service following deregulation—Little Rock, Texarkana, Fayetteville, and Fort Smith.

Furthermore, service in these cities would be curtailed. For example, Little Rock Airport Manager Robert Crisp, said he believed Braniff would leave Little Rock if deregulation took effect. Now, trunk and regional carriers couldn't leave a city unless the CAB agrees, and it usually will do so only if the airline gets a commuter service to move in and offer some kind of service.

For example, El Dorado, Jonesboro, and Pine Bluff are the latest cities in the state to lose airline service. They are now served by Air Illinois and Royale, which transport people to Memphis and Shreveport where they can board trunk or regional carriers. (Commuter airlines have a better chance of making a go of it in small markets because they fly 18 rather than 100 passenger airplanes, have non-union pilots, and are not regulated by the CAB.)

Holland said that for most small towns, commuter service was all the future held. So what's wrong with that?

Well, for Hot Springs, it would be quicker for people to drive 50 miles to Little Rock to use the airport rather than to catch a commuter flight to Little Rock, according to Disheroon. Hot Springs livelihood depends on visitors, and when 150 convention delegates want to go home the small commuter planes can't handle them. We will put a lid on a lot of small cities if all they have are commuter lines because cities with airline service grow four times as fast as those without.

Actually, arbitrary rate setting also could reduce service. Crisp said he is worried about this. A trunk airline could drop its rate on a popular flight out of Little Rock (making up the money somewhere else) and force regional or commuter carriers to give up the route and maybe leave Little Rock completely.

Why complain if the traveller got a lower rate? Well, what about the other, less popular places the regional or commuter carrier serves out of Little Rock? That service would be lost if it left town.

Then there's another factor. The airlines that land in Little Rock pay landing fees and rentals amounting to almost one million dollars of the airport's total annual income of 2.3 million dollars. This money is used to operate the airport, of course, but also to pay a half million dollars in debt service. Like most airports, Little Rock's has millions of dollars in outstanding revenue bonds, backed in part by long term leases with the airlines. Changing or moving CAB regulations would be a means to break these contracts. Small wonder that Crisp's main fear about deregulation is the uncertainty; the airlines could leave at any time. Planning under these conditions would be nearly impossible.

Even if it meant a reduction in service, would deregulation save tax money? I doubt it. Congress is just not going to let towns die for lack of air service. This means that the government will have to start paying subsidies to commuters, because under deregulation they would be the only airplane company left in most towns. This would lead to an increase, not a decrease, in federal spending. Now Holland, Crisp, and Disheroon are not opposed to all the deregulation; they know the airlines have the lowest profit of any major business and need help. But, they want deregulation that they say will assure better service—elimination of what's called "regulatory lag" and more flexibility in setting rates, for instance.

These things won't result in lower fares, but these three aviation veterans don't think this is very important anyway in a developing state like Arkansas. Service is what counts. The Department of Commerce, for instance, says that scheduled airline service is an important factor in selecting locations for 64% of the nation's businesses.

"I hear a lot more complaints about a lack of service to New Orleans or Denver than I do about the price of airline tickets," Crisp told me. Disheroon added that people going to conventions didn't worry about the cost of airline tickets anyway.

THE NEED TO CONSERVE ENERGY

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. VANIK. Mr. Speaker, the June 1977 issue of the Department of Commerce's publication, International Economic Indicators, contains an interesting table on the value of petroleum imports among seven major industrial nations. The data indicate that the United States, which has larger domestic sources than most of the other industrial nations, has been increasing the value of its imports at a faster rate than the others. This table appears to show that the United States, more than any of the others, is failing to conserve energy and reduce its demand for foreign oil:

IMPORTS OF PETROLEUM—ANNUAL COST, INSURANCE, AND FREIGHT

Period	U.S. transaction value [1]	France	Federal Republic of Germany	Italy	Netherlands	United Kingdom	Japan	Canada
1960	1.5	0.7	0.7	0.5	0.5	1.4	0.1	0.4
1969	2.6	1.6	2.0	1.6	.9	2.1	2.3	.6
1970	2.8	1.9	2.3	1.9	1.3	2.2	2.8	.6
1971	3.6	2.4	3.2	2.4	1.8	2.9	3.6	.7
1972	4.6	3.0	3.3	2.6	2.1	2.9	4.5	.9
1973	8.1	3.9	5.7	3.6	3.0	4.1	6.7	1.2
1974	26.1	10.8	12.5	10.4	5.6	10.6	21.1	3.1
1975	26.6	11.0	11.8	9.3	5.8	9.3	21.0	3.5
1976	34.2	13.3	14.0	10.2	----	10.0	23.3	3.5
Percent increase, 1973–76	422	341	245	283	----	243	347	291

[1] Includes crude petroleum imports into the Virgin Islands, most of which are refined and sent to the United States, but are not in U.S. import statistics because the Virgin Islands are not part of the U.S. customs area, and U.S. trade with this (or any other) possession is not included in U.S. foreign trade data. Prior to 1974 Customs values are shown; full alongside ship.

Note: Please see note 13, p. 89.

COMPLETING THE NATION'S ENERGY PROGRAM: PETROLEUM PIPELINE DIVESTITURE

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. HARRIS. Mr. Speaker, the enactment of a national energy program is truly a landmark step for the country and I am pleased to vote for H.R. 8444, the National Energy Act, a bill which I believe seriously addresses the many complicated and critical energy needs of our country. Continuing controls on natural gas, expediting coal conversion, reforming utilities, encouraging home weatherization, setting auto and appliance fuel efficiency standards, and creating solar energy programs are certainly key elements of our new program which I hope will get us on the road to sensible energy use as a nation.

I believe, however, there is a missing element in the national energy program that this Congress must still deal with: oil company pipeline divestiture. We cannot continue to let the oil companies reap ruthless profits and gouge the people. It is that simple. The oil companies have just "had it too good."

That is why I have introduced H.R. 8506, the Pipeline Divestiture Act of 1977, and am urging the Judiciary Committee, on which I serve, to move promptly on the divestiture issue. For too long we have tolerated a situation under which a handful of large companies have monopolized the supply of domestic crude oil, these monoliths have been able to restrict entry into refining and limit the competitiveness of independent refiners. They have "controlled" energy prices from start to finish, from the oil well to the kitchen stove. This, in turn, has enabled them to force on the consuming public a wasteful, inefficient, and inordinately expensive system of marketing. In short, it is the "oil boys" who are making the money and it is the average family that is paying.

I do not see why pipelines should not be treated like other common carriers and why shipper ownership of pipelines should not be prohibited. There is an inherent and obvious conflict of interest between a company as owner of a carrier pipeline and the same company as shipper on the pipeline. Competitiveness is the name of the game in American business and oil company ownership of pipelines is not competitive. And for this absence of competition it is the consumer who is paying the cost.

Energy means food, life, comfort and peace of mind for people and for our society. The lack of it can mean human misery. I am ready to loosen the strangle the oil companies have over people's lives. And I believe that this bill is one such way.

THE DIVESTITURE BILL

H.R. 8506, the Pipeline Divestiture Act of 1977, is patterned after S. 2387, the Petroleum Competition Act of 1976, which was reported by the Senate Judiciary Committee during the 94th Congress. Under H.R. 8506, it would be unlawful, 5 years after the date of enactment of the legislation, for any corporation that owns a petroleum pipeline to own or control any interest in an energy production, refinery, or marketing asset. H.R. 8506 would also prohibit a pipeline company from transporting, through its pipelines, any energy resource or refined product in which the company had an interest. To facilitate the judicial supervision of the divestiture required by H.R. 8506, titie II of the bill establishes a temporary petroleum industry divestiture court.

ADMINISTRATION WANTS CLOSE STUDY

In recent months, both Attorney General Griffin Bell and Assistant Attorney General John Shenefield have indicated, during their appearances befor Congressional committees, that pipeline divestiture may be necessary. The following exchange occurred during the Attorney General's appearance on May 11, 1977 before the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee:

Attorney General BELL. Assistant Attorney General Baker testified last week on the pipeline problem and what we are doing in that area.

Senator KENNEDY. He mentioned that he does support divestiture in terms of pipelines. Is that your view?

Attorney General BELL. Yes. I have studied his testimony and talked with him and others, and it seems to me that there is a good deal of merit in the position he has taken.

In his testimony of June 21, 1977 before the Subcommittee on Energy and Environment of the Interior and Insular Affairs Committee, Assistant Attorney General John Shenefield stated:

The relevant inquiry, therefore, is whether the petroleum industry is workably competitive at each and every level.

Our analysis of ownership of producing assets by vertically integrated firms suggests that when it comes to crude oil and petroleum products pipelines we may be dealing with a special situation. Substantial arguments have been made for prohibiting pipeline companies from owning producing properties, Federal or otherwise. Because pipelines are natural monopolies, rate regulation is necessary to prevent throughput restriction and monopoly profits. Where pipelines are owned by vertically integrated firms, however, rate regulation can be evaded. A vertically integrated firm can restrict the capacity of or access to its pipeline, thus forcing competitors to ship their products by less efficient, higher cost alternatives.

This will increase the downstream delivered price of crude oil since the marginal barrel of oil sets the price of all sales in the downstream market. The owner of the pipeline, shipping his product through the more efficient pipeline, will be able to sell at the higher downstream price and pocket the efficiency benefits of pipeline transportation.

It should be noted that H.R. 5709, by prohibiting petroleum pipeline companies from acquiring Federal leases, would address only part of the problem. A more comprehensive approach, if divestiture is seen as a solution, would be to prohibit all crude oil and petroleum product pipelines from transporting any commodity in which they have an interest. Pipelines would become truly independent common carriers with incentives to increase rather than restrict the efficient transportation of petroleum.

I believe joint ownership of pipelines by the major oil companies creates an extraordinary opportunity for anticompetitive behavior. In any market where a few firms maintain a dominant position, parallel behavior is more than suspect. In a situation where a few dominant firms in a highly concentrated industry communicate on a regular basis on matters of common concern, communications concerning prices and products are likely. While such communications would normally be illegal, where the competing firms jointly own an asset, such as a petroleum pipeline, communications are inevitable.

Although the administration has not formally endorsed divestiture legislation, the Nation's key law enforcement officials have indicated that they believe that this issue deserves careful study. I agree. Further I believe that the public policy decision on pipeline divestiture should be made by Congress. I hope that the Monopolies Subcommittee of the Judiciary Committee will soon begin consideration

of this bill. Divestiture is desirable, and I believe divestiture could better be achieved by legislation rather than litigation.

I will work to see that this Congress acts quickly to restore competition to the oil industry and to keep energy costs under control for the average family.

ENERGY AND THE CITY

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. BADILLO. Mr. Speaker, last year when New York was in the depths of its fiscal disaster, it fell to the House Banking Committee to find a viable and effective way to assist the city. At that time I came to know HENRY REUSS well, and to understand the depths of his sensitivity and affection for New York. I also came to know of his deep commitment to urban problems and to the search for their solutions. This commitent, and his determination to carry it out, was translated into action this year with the organization of the Subcommittee on the City of the Banking Committee. I have the privilege to serve with HENRY on this subcommittee, and I know that under his leadership we will develop a workable and visionary urban policy for our country.

Recently, HENRY REUSS spoke before the National League of Cities about the energy problems of the Nation's cities and their solutions. I am pleased to include a copy of his speech, and I hope you will all consider what he says carefully as we seek to better assist our urban areas in the coming years:

ENERGY AND THE CITY

(Remarks of Representative HENRY S. REUSS)

By the end of this Congress, I am confident we will be able to say that we have made a good start on a sensible national energy program. At this point, however, we are still in the first stages of our deliberations. The various House Committees have readied their portion of the energy program, and next week the Ad Hoc Energy Committee will start to put it all together.

We have yet to appreciate the city form as naturally energy efficient. We must find means to effectively enlist our local governments in the national effort to conserve energy.

The Subcommittee on the City of the House Banking, Finance and Urban Affairs Committee this September will begin hearings on Energy Policy and the Cities. I invite you to participate in these hearings.

We all know that energy consumption is concentrated in our metropolitan areas. At the suburban fringes of these areas, profligacy reigns. The typical pattern of detached single family dwellings, dispersed centers for shopping, employment, and recreation, and heavy reliance on the auto to get from here to here, make for wasteful use of energy.

As we approach our urban cores, the picture becomes different. Higher densities and greater concentrations of employment and stores make possible more trips by foot and mass transit. Attached dwellings and apartment buildings permit more efficient use of heating fuel. On a per capita basis, the energy required to maintain the city's infrastructure of sewers and streets, and to deliver services such as sanitation and police and fire protection, is less than in the sprawling suburbs.

I will not contend that all our cities, or even any of them, are as energy-efficient as they might be. But their potential is great. And energy scarcity is a certainty. Hence we ought to be doing more to encourage cities to realize their energy-conserving potential.

Here are two ways in which cities can help conserve energy:

1. City officials must help make and carry out a national energy policy.

If we are to get Americans to lower their thermostats, insulate homes and buildings, and make more use of transit, we will need your cooperation and exhortation close to home. How you use your city vehicle fleets and your zoning powers will make a difference. So will your management of municipal utilities and amendments to municipal building codes.

2. Urban development and land-use policies should be redirected to save the goal of energy conservation.

We can't roll back the sprawl that surrounds our urban centers, or the highways and beltways that have helped it leapfrog into the country side.

What we can do is get rid of some of the incentives that might feed a new wave of development, and concentrate our resources on preserving what is in place in our cities and close-in suburbs. This will not only make for more efficient energy use. It will also help us economize on scare land and capital.

a. Historically, the *tax code* has been one of the strongest incentives to decentralization in our metropolitan areas. It has favored investment in new commercial, industrial, and residential buildings over the maintenance and repair of older structures. It has encouraged the construction of owner-occupied, single-family housing over multi-family, rental apartments.

The Administration has promised us a tax reform package later this year. We should take this opportunity to re-examine those provisions that are skewed in favor of new suburban development.

In particular, we should take a careful look at homeownership deductions with the idea of limiting their availability, at least to the taxpayer's principal home. With increases in the standard deduction, it has become obvious that these deduction are chiefly available to the affluent, who itemize on their returns. And it is this group that is most apt to build far out in the suburbs, and dot the exurban landscape with vacation homes.

b. Our interstate highway program also need new scrutiny, with the aim of curtailing new construction and using the funds for badly needed maintenance of routes in place. It is now possible to remove unwanted inner-city legs from the system and divert the money to transit. But I can testify from my own experience that the procedures required for this laudable, neighborhood-saving option are interminable. I hereby enlist you in another battle against red tape.

c. Another thing we should be aiming for, I suggest, is compact new communities within our urban areas, where residences are mingled with work places and facilities for shopping and recreation and other day-to-day needs. In some of our cities which are still growing, we can create these communities by in-filling land that has been bypassed in the spread outward. An appropriate vehicle is at hand in HUD's New Communities program, which is being redirected to encourage energy-conserving new towns-in-town.

d. In many of our older cities, the neighborhood framework for mixed-use communities already exists. These neighborhoods need more flexible zoning. If we modify the typical single-use ordinances, we can get rid of artificial separations between housing and shopping. We can bring in offices and light industry where appropriate. And we can provide a better base for the mix of incomes that makes for healthy neighborhoods.

e. What we do not need to do is tear down and build anew. Instead, we should give priority to rehabilitation of existing physical structures. This is the least expensive way of providing decent housing. It preserves the character and variety of existing neighborhoods. And it can be carried out without large-scale displacement of residents.

Two caveats, however: First, in order to avoid displacement of low and moderate income residents, we will need to provide housing subsidies so that they can own or rent rehabilitated homes. The return of young middle-class couples to cities is a healthy trend. It should be encouraged, but not at the expense of those who are in place.

Second, we need added incentives to induce lending institutions to keep their money in the cities instead of sending it beyond the beltway. Present law, if properly enforced, enables us to detect red-lining. Government funds alone cannot revitalize our city neighborhoods. Private investment is also needed.

In this drive for using the city as the Great Conservator of energy, we must do all we can to see that the impact of the continuing energy crisis does not worsen the lot of the poorer regions of our country and the poorer people.

1. The burden of energy shortages and rising costs should be shared as equitably as possible among regions and states.

We can ill afford to follow beggar-my-neighbor policies on energy. The economic health of the nation depends on the economic health of each of its regions. Yet lower energy costs have been one factor in the shift of industry and jobs from the Northeast and Midwest to the South and Southwest.

It is time for those regions that have easy access to domestic supplies to pay more for what they consume. This will be in their own best interest because it will reduce waste. You will, I predict, see quite a struggle on this issue in Congress in the weeks ahead.

As for the hard-pressed cities in the Northeast and Midwest, who pay through the nose for the energy they use, we may have to consider some form of special relief such as the one-shot fuel use refund that Congress mandated for last winter.

Industries and utilities that convert from oil to coal will create particular hardships for cities that are struggling to meet nationally mandated air quality goals. Here also, if energy policy is not to degrade our urban environments, we may have to provide Federal assistance, by direct subsidy or tax credit, for the installation of pollution control devices in private plants.

2. National energy policy should demand equality of sacrifice from our citizens and serve the goal of equal employment opportunity.

We cannot piggy-back all our social welfare and full employment objectives on national energy policy. But we can ask that energy policy not worsen the plight of the disadvantaged who live in our central cities. And we can also ask that insofar as energy-related jobs are created, a special effort be made to see that they go to the hard-core unemployed.

Increases in energy prices are likely to mean increases in the costs of all of life's necessities. Our urban poor will be the first to suffer. The Administration proposed crude oil tax rebate may provide some relief, but it will be a flat amount for all adults regardless of income. If we go the route of rebates, a case can be made that those who feel the energy pinch most should be rebated the most.

But why not instead use these new revenues to tackle some priority items on the urban agenda—for example, Federal assump-

tion of the costs of welfare, medicaid and other programs for those unable to work; improvements in our urban transit systems; and meaningful job placement and training programs for the unemployed?

Energy is a national problem; so also is urban poverty. We cannot let our quest for more energy sufficiency result in more dependency for our urban populations and their fiscally hard-pressed governments.

Job opportunities will be created by investments in the retrofitting of physical structures, energy-conserving technologies and the development of renewable sources.

I refer not just to crash programs to insulate our homes and public buildings. As we come to realize that it makes more sense to rehabilitate housing and recycle commercial structures than to build anew, we will get more labor-intensive job projects where we need them—in our older urban centers.

We need a modernized nation-wide railroad network for transporting coal. We also need it for the day when we may have to switch back to the train from our autos and trucks. Here also there will be jobs in upgrading road-beds and other rail facilities that we have left untended.

We must then make sure that training programs are oriented to these new opportunities. State employment offices should far surpass their previous performance in telling job-seekers where the jobs are. Relocation assistance, which has to date been a much-buffeted orphan among our Federal jobs programs, should emerge as an important way to serve the twin goals of energy conservation and urban revitalization.

If we pursue the policies I have outlined, we can enhance our cities as places to live and work and play. And we will also save on energy.

Instead of abandoning our existing urban infrastructure and duplicating it elsewhere at enormous expense, we can put it into shape to serve new generations living at energy-efficient densities. Instead of giving the auto a new lease on life, we can make it possible to walk to work or use bicycles and buses to get about the city. Instead of trying to make our suburban strips and low-density communities energy-efficient, an almost impossible feat, we can target our efforts where large numbers of people are concentrated and where they will count most.

If we make the preservation and revitalization of our cities a goal of national energy policy, we will give them a new reason for existence. And if we are attentive to the burdens as well as the opportunities that energy policy will create for cities, we can ensure that our cities survive, and survive for the benefit of us all.

ANNIVERSARY OF THE CZECH INVASION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ANDERSON of California. Mr. Speaker, August 21, 1977, will mark the ninth aniversary of one of the saddest chapters of modern history. For it was on that day in 1968 that 650,000 Soviet, Bulgarian, East German, Polish, and Hungarian troops brutally crushed the liberalized regime of Czechoslovakia.

Today, 9 years later, foreign troops are still occupying this Eastern European nation, and an imposed regime is vigorously trying to erase the last influences of the Prague Spring—the brief regime of Alexander Dubcek, who tried to apply the basic concepts of freedom and humanity to Soviet-style communism. Unlike the brutal crushing of the Hungarian revolt in 1956, there was no uprising or rebellion to spark the 1968 invasion. Instead, it was a fear by the leaders of the Soviet block of the example Czechoslovakia might give to their own oppressed peoples that caused them to invade the Czech frontier.

On August 14, 1970, we in Congress passed House Concurrent Resolution 817 protesting the occupation of Czechoslovakia. The American people have not forgotten this outrage against the people of a nation which historically has been an island of freedom and independence in Eastern Europe.

Perhaps one day the reforms instituted and crushed in 1968 will once again become a reality for the people of Czechoslovakia, and other nations where they are currently denied. But August 21st will remain a sad day in the history of all men and women who cherish liberty, freedom, and the rights of individual and national self-determination.

FINANCIAL PROBLEMS CONFRONTING THE SOCIAL SECURITY SYSTEM

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. OTTINGER. Mr. Speaker, last week the Social Security Subcommittee concluded extensive hearings on the President's plan to solve the financial problems confronting the social security system. I submitted a statement on the President's proposals as well as several other measures I felt deserved the attention to the subcommittee.

I wish to insert in the RECORD the statement I presented to the subcommittee:

STATEMENT OF THE HONORABLE RICHARD L. OTTINGER

Mr. Chairman, I appreciate the opportunity to submit these remarks to the Subcommittee on Social Security in conjunction with your hearings on the Administration's proposals to refinance the Social Security system. First, I would like to address some of the problems of our present system, then comment on the Administration's plan, and wind up with a few other measures I feel deserve the attention of this subcommittee.

The fiscal soundness of the Social Security system is of critical importance to all Americans. Practically every American is a beneficiary, a contributor or a dependent of a contributor. More than 33 million Americans receive a Social Security benefit check every month; over 104 million pay into the program each year. For millions Social Security is the sole source of income. Amid reports of Social Security's deep financial trouble, there is a growing sense of anxiety and alarm among Americans—particularly older Americans—that the trust fund soon will be depleted, and benefits will be reduced or cut off. Since public support for the program depends on confidence in its solvency, we must act *now* to restore financial integrity to the system and to assure people that their Social Security protection is secure.

ADMINISTRATION PROPOSALS

On May 7th, President Carter fulfilled a campaign promise and proposed a comprehensive plan to meet both the immediate and long-range problems of financing the Social Security system. Overall I think the Administration has put together a sound package that deserves careful consideration by this subcommittee and the members of Congress.

I would like to comment on several major elements of the Administration's plan, and then offer some suggestions for further improvement of the financial soundness and equity of the Social Security system.

First, the Administration calls for instituting a special counter-cyclical system of financing from general revenues which would replace the Social Security taxes that are lost when the unemployment rate exceeds 6 percent. I wholeheartedly support the use of general revenues to finance part of the Social Security program. Only in this way can we help to remedy the very regressive nature of existing Social Security taxes which bear most heavily on the already overburdened middle income workers.

Using general revenues is not a new idea. In fact, the Committee on Economic Security, the group that drafted the Social Security Act, predicted the system would need general revenue financing by about 1965. Most foreign governments already have a government contribution in addition to deductions from workers' earnings and payments from employers.

The Administration would restrict the use of general revenues to years when unemployment is above 6 percent. This temporary feature would operate through 1982 when the next Social Security Advisory Council would review the results and make a recommendation whether it should be made permanent. I think the President's proposal is modest. In the past, I have co-sponsored legislation to provide permanent authority for Social Security benefits to be funded in part from general revenues. That bill, sponsored by the Chairman of this subcommittee, would have *lowered* Social Security taxes, raised to $25,000 the amount of wages taxed and provided one-third of the trust fund requirements from general revenues. I prefer this formula to the Administration's more limited use of general revenues.

I would not use general revenues for more than one-third to one-half of Social Security's funding. The limited use of general revenues, phased-in over a number of years, would maintain the important Social Security principle of an *earned* benefit. I believe this principle contributes significantly to preserving the dignity of the recipient and to maintaining broad public support for the program.

In addition, authorizing the use of general revenues would underscore the Congress' determination to meet future obligations of the social security system. I hope such a plan will be part of the recommendations of this subcommitteee.

President Carter has proposed advancing to 1985 the one-quarter of one percent increase in the Social Security tax that currently is scheduled to go into effect in the year 2011 and advancing the remaining three-quarters to 1990. I have very serious reservations about this proposal because a rate increase falls on all wage earners—low paid as well as high paid. Instead, I favor increasing the amount of wage or salary on which an employee must pay Social Security taxes as also proposed by the Administration.

When the Social Security program began in 1937, 97 percent of all those in covered occupations had their full earnings subject to the Social Security tax. In 1977, the maximum wage base of $16,500 covered the full earnings of only about 85 percent of workers. Under the President's scheme, the remaining 15 percent would pay more. The lower income workers would pay no more tax.

The Administration has proposed relatively small increases in the amount subject to the payroll tax. The maximum wage base would

be raised by $600 in each alternate year beginning in 1979 through 1985. These increases would be in addition to the automatic increases included in the present law. The Social Security Administration estimates that the wage base would be raised to $30,300 in 1985 instead of $27,900. I support this measure because it would help meet the Social Security fund's revenue needs in a reasonably equitable manner, and would help reduce the regressiveness of the Social Security tax.

Another feature of the Administration's Social Security financing proposals deals with the over-compensation for inflation built into the 1972 Social Security amendments. Almost half of the long range deficit is due to this faulty method of adjusting benefits for inflation.

The 1972 amendments provided that the taxable earnings base would keep step with inflation to provide more tax revenue, and that the formula for calculating the initial benefit payment to a newly retired person would increase with the cost-of-living. However, increasing the earnings base while increasing the benefit formula means that future retirees will be doubly compensated for inflation. Clearly benefit adjustments for retirees and workers must be separate or "decoupled."

The President's "decoupling" provision is probably the least controversial in his package. It is supported by the AFL-CIO, the National Council of Senior Citizens, the American Association of Retired Persons, the last Advisory Council on Social Security, and many others, because it insures that the replacement ratio of benefits for future retirees will be no lower than for current retirees. Quick action to correct this overcompensation for inflation should be an immediate priority for this subcommittee.

Finally, I would like to comment on one other provision of the President's program, a provision that troubles me. This provision, which changes the test which determines whether an individual may claim Social Security benefits as a dependent, is in response to Supreme Court decisions requiring men and women to be treated equally. This provision is inadequate; it avoids the full range of inequities that are built into our system—inequities based on outdated assumptions regarding the role of women in the United States.

The present system is based on the faulty assumption that most workers are men with dependent wives and children. Although half of all married women are employed, the current system disregards their social security contribution and penalizes two-earner families. For example, in many instances, upon retirement or a spouse's death a working woman recives no more benefits than if she never had worked. Another example of inequity—in one family the husband and wife both work, earn relatively low wages, and pay tax on the full amount of those wages. When they retire they receive *less* than a couple in which only the husband has worked and earned the equal of the two-worker family's combined income.

Social Security treats the worker as an individual for the purpose of collecting taxes, but as a member of a family unit for receiving benefits—this is fundamentally unfair. Retirement benefits should be paid on an individual basis just as the taxes are collected. And, of course, men and women should be treated equally.

I support Congressman Fraser's plan to establish in the Department of Health, Education and Welfare an "Equal Treatment Task Force" to address *all* equal treatment issues: women vs. men; married women who work vs. married women do not work; single persons vs. married person; and working persons 65-72 who work vs. non-working persons 65-72. This group would recommend ways to restructure the Social Security system into a logical part of our total system of taxes and social benefits.

TWO CRITICAL UNMET NEEDS

Now, Mr. Chairman, I'd like to turn to two issues which were not addressed in the President's proposals, but which are of critical importance to Social Security recipients—passing through Social Security cost-of-living increases to recipients and eliminating the current earnings limitation on Social Security recipients.

Earlier this month, 33 million Social Security recipients received a 5.9-percent cost-of-living increase in their Social Security check. Unfortunately, at the same time many of these recipients suffered cutbacks in other need-based programs such as food stamps, veterans benefits and subsidized housing. For example, the increased Social Security benefit may move a food stamp recipient into a higher income bracket, where he or she is no longer eligible for food stamps. Clearly, Congress didn't intend to create this kind of situation when it provided for automatic adjustments for inflation. We should act without further delay to insure that those Americans who are entitled to adjustments in their Social Security benefits are not adversely affected by either increased charges or decreased benefits in other programs. We should insist that increases in Social Security be passed through to those in need.

The other provision I believe we should enact immediately is a repeal of the limit on earnings of Social Security recipients. By inhibiting the elderly from working, we are depriving them of a means of financial support, and undermining an objective of the Social Security program—to supplement retirement income.

In 1977, a Social Security beneficiary stands to lose $1 in benefits for every $2 he or she earns in excess of $3,000. is incurred in addition to the usual deductions from those earnings, including income and social security taxes. The nature of the monthly earnings test seems even more unconscionable when we consider that it applies only to earned income and not income earned from investments. Thus the earnings test affects the lower income retirees even more severely, since they have greater need to supplement their Social Security benefits and are unlikely to have investment income.

Removing the earnings limitation fits well with ending mandatory retirement for federal employees and lifting the private retirement age to 70, actions which themselves will contribute substantially to increasing the Social Security fund.

OTHER PROPOSALS

Mr. Chairman, I would like to call your attention to two additional proposals which I believe merit this subcommittee's attention.

As we all know, recent inflation has had a disastrous effect on the standard of living of Social Security recipients and others living on fixed incomes. The Social Security Amendments of 1972 included a cost-of-living escalator to provide annual increases in benefits whenever the Consumer Price Index increased more than 3 percent. At the time this provision was enacted we assumed price increases would be relatively moderate. Now it is plain that more frequent adjustments are needed to keep pace with rapidly rising prices and to prevent purchasing power losses due to time lags between the time an adjustment is calculated and the time it is received by beneficiaries. Therefore, I support legislation to provide semi-annual rather than annual cost-of-living adjustments in Social Security benefits.

Along this same line, we know that the spending patterns and needs of a person on a fixed income differs dramatically from those of the average urban wage earner as measured by the CPI. Food, housing, transportation and medical care account for 90 percent or more of a typical older persons' budget. We need a more precise measure of the impact of inflation on senior citizens. Therefore I join with many others in urging that a special CPI for the elderly be devised in order to determine fairly future cost-of-living adjustments.

Mr. Chairman, I would like to conclude my remarks with some brief comments on the Supplemental Security Income program, which also is in desperate need of reform.

The basic problem with the program is federal benefits are too low. In many areas, SSI benefits are lower than the poverty level and beneficiaries cannot meet expenses for even the most basic necessities. I continually hear from SSI recipients that they have no money to buy food by the end of the month or that they live on a food budget of $1 a day. Others face eviction from their apartments because they cannot pay the rent. We cannot continue to tolerate this situation.

I support legislation to provide a regional cost-of-living differential in the federal SSI benefit to take into account high differences in costs between urban and rural retirees and other sectional differences.

In addition, I feel that one of the more effective ways of providing relief to SSI recipients in high cost areas is through a special housing allowance for those who spend more than one-quarter of their income on housing. I have introduced a bill to provide a federal SSI supplement equal to the difference between what an SSI recipient is paying for shelter and what constitutes 25% of his or her income, up to a maximum of $1,200 per year.

Finally, Mr. Chairman I believe we need to enact legislation to establish an SSI contingency fund to help SSI recipients meet large unanticipated emergency expenditures, such as moving expenses. I hope these proposals will receive favorable consideration by this Congress.

To sum up my views, Mr. Chairman, I believe the wisest policy at this time is to enact changes to assure the financial soundness of the Social Security system and rebuild public confidence in the program. Once the viability of the system has been guaranteed, Congress can focus its attention of the important changes that are needed to eliminate the present inequities in the Social Security and SSI programs. In the meantime, we in Congress should make every effort to drive down unemployment, which includes promoting employment opportunities among older people, so that more and more people will be working and contributing to the trust fund.

I look forward to working with you to develop this kind of legislation and appreciate the opportunity to share my views with you today.

REAL OPERA LOVERS ARE MAKING THE TREK INTO SANTA FE'S HILLS

HON. PETE V. DOMENICI

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Friday, August 5, 1977

Mr. DOMENICI. Mr. President, I would like to bring my colleagues' attention to an article published in the August 1, 1977. Wall Street Journal by June Kronholz entitled "Real Opera Lovers are Making the Trek into Santa Fe's Hills".

Mr. President, for the 21 years of its existence, the Santa Fe Opera Company has served a great purpose in introducing countless thousands of New Mexicans and people from all over our Nation to the world of opera, and has greatly enhanced the cultural life of our State.

This company has not only maintained exemplary standards in its presenta-

tion of standards operatic literature, but has been the proving ground for new operas by both American and foreign composers. American premieres of original operas have included Igor Stravinsky's "The Rake's Progress." Benjamin Britten's "Owen Wingrave," and Alban Berg's "Lulu." Santa Fe's 1976 production of Virgil Thomson's opera "Mother of Us All," the story of Susan B. Anthony, was recorded and released for public sale by New Word Records, the first Santa Fe production to be so honored.

The Santa Fe Opera's apprentice program is considered to be one of the finest in the Nation. First established in 1960, it has provided many young singers, costumers, and stage technicians from colleges across the Nation with training and background to aid them in achieving highly rewarding professional careers in opera.

All of this is the result of a dream of one man, who has seen through to reality his dream of making Sana Fe a center of the opera world. John O. Crosby was the founder and is still the driving force behind the Santa Fe Opera. He has also made great contributions to cultural activities in Albuquerque between seasons of the Santa Fe Opera Company.

Mr. President, I ask unanimous consent that the full text of this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REAL OPERA LOVERS ARE MAKING THE TREK INTO SANTA FE'S HILLS—INNOVATIVE OPERAS, PREMIERES, YOUNG SINGERS LURE MANY TO NEW MEXICO FESTIVAL

(By June Kronholz)

SANTA FE, N. MEX.—A man in a tuxedo and a Western string tie is rubbing shoulders with a New York diva. A woman in an Indian blanket and moccasins is cooing over an Italian composer. The parking lot is bumper-to-bumper with everything from Jeep Cherokees to plush BMW Bavarias.

It's opera month in Santa Fe. What has prompted this eclectic group to gather high in the New Mexico mountains is an opera company that has earned an international reputation by introducing bold new operas and bright young stars.

"Anyone who's interested in good opera goes to Santa Fe," says Robert Jacobson, editor of Opera News. And so they do. Among the 60,000 fans who come each year are opera directors, music reviewers, vacationing musicians and also tourists, fresh from visiting the Indian pueblos nearby.

Such is the appeal of Santa Fe that composer Nino Rota, who didn't show up to receive his Academy Award for scoring "The Godfather, Part II," came from Italy for the opening night of his opera, "The Italian Straw Hat"—and rewrote part of the clarinet score during intermission.

SUPPORT FROM STRAVINSKY

"Everyone knows the reputation of Santa Fe," says Mr. Rota. "It was an honor. I had to come." Igor Stravinsky was so taken with the idea of seeing his operas performed in Santa Fe that even before the theater was built in 1957 he agreed to supervise production of "The Rake's Progress" in it, and returned for the next seven years.

The wonder is that Santa Fe could afford an opera at all. It's a town of only 48,000 people, without even a commercial airport. John O. Crosby, a New York conductor who wanted an opera of his own to conduct, built the first theater 21 years ago with a $200,000 loan from his father. Even this year, when all 36 performances are expected to sell out, the opera will depend on government and foundation grants and private contributions for more than half its budget.

While many summer music festivals live on a diet of re-heated family favorites, Santa Fe has made its reputation by mounting the American premieres of 16 operas and the world premieres of four. "We shouldn't count on living on Giuseppe Verdi forever," warns Mr. Crosby. "If we don't present the promising material currently being composed, what will happen 50 years from now?"

A HUNGRY HORSE

If Mr. Crosby has his way, we may be listening to "The Italian Straw Hat." Under various names, it was a French farce, a silent film and a Broadway play before Mr. Rota turned it into an opera in 1954. It is a pleasant confection that involves the embarrassing consumption of a lady's straw hat by a horse, a frantic search of Paris for a replacement, a crashing thunderstorm and a warm-hearted finale in which the starring lovers are reunited.

Not all Santa Fe's productions are so frothy. Other premieres have included Paul Hindemith's "Cardillac," Hans Werner Henze's "The Bassarids," Benjamin Britten's "Owen Wingrave" and Alban Berg's "Lulu," in which everyone commits suicide, dies of a stroke, or is done in by Jack the Ripper.

Opera critics contend that Santa Fe's fondness for premieres is partly a public-relations gimmick. "It keeps Santa Fe on the operatic map by pulling in the reviewers," says Irving Kolodin, music editor of the Saturday Review, who has been here five times.

The ploy seems to work amazingly well. Last year Santa Fe presented Gertrude Stein and Virgil Thomson's off-beat opera, "The Mother of Us All," written in the mid-1940s, the story of Susan B. Anthony and her imaginary encounters with Daniel Webster, Andrew Johnson, Lillian Russell and two characters named Chris the Citizen and Jo the Loiterer. The opera not only sold out, but attracted reviews in publications as diverse as Time magazine, New West magazine and this newspaper.

Mr. Crosby, who is general director of the company and conducts two of the five operas each year, acknowledges that the media blitz is calculated. About half his patrons come from opera centers in the Midwest and on the East and West coasts. "Why would they bother to come unless it's to obtain an opera experience they can't get at home?" he asks. "You can't run a museum of opera in a little mountain town."

Nor can you find a chorus or a costume maker. So in 1960 Mr. Crosby started an apprentice program for American singers. Three years later he added a program for would-be designers, prop men and theatrical electricians and painters. The two programs supply the company with eager young workers and give the workers a chance to break into opera.

"We were chasing our best young singers to Europe," Mr. Crosby says. Large American opera houses weren't interested in untested singers fresh out of school. The singers therefore were going to Europe where there was an abundance of smaller houses.

Now, would-be Figaros and Violettas come to Santa Fe. By day, apprentice singers learn dancing, drama and such practical sides of the business as how to attract an agent and read a contract. By night, they understudy lead roles and sing in the chorus.

So popular are the apprenticeships that 800 singers auditioned for 40 spots this year, and the technical program had four times more applicants than it could hire. The pay is only $100 a week, but because the Santa Fe season is well attended by agents and directors, an apprenticeship here can launch a career.

A USEFUL PLACE

Former apprentice Ellen Shade made her Metropolitan Opera debut in "Die Meistersinger" last winter. "That once-in-a-century voice can make it to the top without Santa Fe," she says. "The rest of us need this place."

Rising young stars like Miss Shade take the leads in most Santa Fe productions. But occasionally an older, established, star joins the company at its headquarters, a dude ranch seven miles north of town. Two years ago, Thomas Stewart, a Metropolitan Opera baritone, broke in on the title role in "Falstaff." This summer, Evelyn Lear, a Metropolitan soprano who is Mr. Stewart's wife, is doing the same with "Fedora," When the Santa Fe season ends Aug. 27 both will sing their roles in Europe.

Miss Lear says she's being paid "about half" her usual fee for singing "Fedora." Voice coaches, stage managers and technicians, who would be out of jobs anyway because their opera companies close for the summer, also work for less than union scale. "You have to look at it as a paid vacation," says Ken Fischer, a New York dance instructor. Still, it is costing $1.7 million to mount five operas this summer, even though three are revivals and will reuse old costumes and scenery.

A PICTURESQUE SETTING

Contributions and grants helped re-build the opera house after it burned to the ground in 1967, taking most of the season's sets, costumes and music with it. The new $1.9 million redwood and stucco theater is perched on a mesa between the Jemez and Sangre de Christo mountains. The scenery sometimes is used for dramatic effects. For the revivals of "Madam Butterfly," which is set in Nagasaki, the rear doors of the stage are thrown open and the lights of Los Alamos twinkle below

In recent years the opera has spawned a musical comedy series and a music festival, whose guest conductor this summer is Aaron Copland. But the opera fans rule Santa Fe; restaurants offer opera night specials, hotels have opera ticket offices and society matrons open their dining rooms and country clubs to the company.

A radio announcer gives opera weather reports. Traffic lines up on what's become known as Opera Hill. And it's opera month again in Santa Fe.

A DUBIOUS DECISION, AND A DISTURBING PATTERN

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

A DUBIOUS DECISION, AND A DISTURBING PATTERN

(By Vincent T. Hirsch, President, Navy League)

President Carter's recent decision not to go forward with production of the B–1 bomber has provided editorial boards of newspapers from coast to coast one of the most magnificent opportunities to pointificate they have had in decades. And take advantage of that opportunity they have!

For the most part, the editorials we have read have supported the President's decision. Most have praised it glowingly, describing it in terms ranging from "daring" to "stupendous." The President, of course, was deemed "courageous" by almost all who took pen in hand to address the subject. And one

could almost assume from the tone of those favoring his action that the American public had collectively heaved a mighty sigh of relief because such an overwhelming burden had been lifted from the shoulders of all of us taxpayers.

As is the wont of those who must address even the most complicated subjects in a few short paragraphs, most columnists and editorialists sought to explain the decision in fairly simple black-and-white terms. The gist of their explanation was that the President had junked the B–1 because of its high unit cost, thus saving billions of dollars, and would rely instead on the much ballyhooed cruise missile fired from refurbished B–52 aircraft. The inescapable conclusion was that the B–52/cruise missile combination was almost as effective and certainly far cheaper than the B–1 with both bombs and missiles, and therefore, for far less expenditure of funds, the nation's strategic striking power would still be maintained. If indeed that conclusion were completely accurate, one could not blame John Q. Citizen, who has been beleaguered enough by both man and nature of late, for rejoicing at the apparent great wisdom of his leader.

Unfortunately, it isn't all that simple. Here's why:

Our military strategy for the next two decades called for the triad of the Poseidon/Trident sea-based missile system, the Minuteman land-based missile system, *and* the combination of B–1 and the cruise missile as our means of delivering nuclear weaponry. It foresaw utilization of the aging B–52 bombers *only* until B–1s were rolling off the production line; it never envisaged the B–52/cruise missile combination as the air arm of the triad in the 1980s and 1990s.

Anyone who has ever owned or operated a car, a boat, or an aircraft for any length of time knows that over a long period of time, even without extensive usage, and despite effective preventive maintenance, the particular vehicle concerned is going to deteriorate. The more frequent the usage, the more rapid the deterioration. The Navy has had for years various programs designed to extend *the* usable life of certain of its ships; it just proposed another one, this time for its carriers, during this session of Congress. Yet it knows that such programs are stop-gap measures at best, and that at some time in the future it must replace these ships with new ones. So it is with combat aircraft. And no matter how skillful are those given the task of prolonging the life span of the B–52s, the fact remains they are a product of the 1950s living on borrowed time in the 1970s and being asked, if need be, to fly against the sophisticated antiaircraft defenses of the 1980s and 1990s. How well will they and their load of cruise missiles fare? We wonder.

The savings to be realized by not going forward with B–1 production are going to be nowhere near the optimistic predictions of foes of the B–1. There are contract termination costs in the multimillions. Large sums of money now must be spent on refurbishment of the B–52s, and those costs are subject to inflation, too. A production team has been broken up, and it is entirely possible that some thousands of employees of the prime contractor, Rockwell, and of some subcontractors, who have been and are being let go will wind up on the unemployment rolls. And, as one thoughtful student of this subject has pointed out, to get the same bomb and missile load the B–1 could carry will require *two* B–52s, so immediately higher operating costs will be incurred.

The planned research and development program of the B–1 is estimated to require two more years. This program requires few personnel. After it is completed it is estimated by the Secretary of Defense that five years would then be required before B–1's could be produced in volume. That doesn't leave the President much of a choice in the event he might consider the B–1 *is* needed as an integral part of the strategic triad. Five years is a long time.

Much of the commentary on the President's decision implied that the B–52/cruise missile combination could be readied for possible use within a comparatively short time, whereas the B–1 was some years away from being ready. Not so! The cruise missile still is in the development stage, and the B–52 modernization hasn't commenced. All of which means that if cruise missile development should be less successful than is optimistically forecast, then our air component of the triad at the time the B–1s were to become operational would be B–52s carrying only bombs.

If the B–1 decision were an isolated one in the overall defense scheme of things, we'd not be quite so uneasy about it. But it's not. This administration still has not pressed forward resolutely toward a 600-ship Navy. It decided against the fifth nuclear-powered carrier, although Congress is balking at that decision. It stretched out the construction of the only surface effect ship authorized and is seeking to kill the already sharply curtailed hydrofoil project, although Congress may yet force the administration to spend funds appropriated for it last year. It is vacillating on whether to proceed with the further development of the M–X missile, the vastly more effective land-based missile of the future. And it is apparently concluding, if the many recent discussions in the press of Presidential Review Memorandum 10 are accurate, that—in stark contrast to the conclusions of the two previous administrations—the Soviets are not steadily outstripping us militarily but have slowed in their efforts to increase their capabilities. Ergo, we don't need to invest as many of our assets in maintaining our defenses; in fact, we might even be able to cut back our forces.

The pattern is disturbing. In some ways it smacks a bit of a determination to fulfill campaign promises and damn the consequences. In others it is mindful of the Kennedy-McNamara ploy of letting the Soviets gain "parity" with our strategic forces in the belief that once this happens the Soviets would realize the futility of it all and curb their military build-up. Unfortunately, Soviet momentum didn't cease after they overcame our clearly established lead in strategic weaponry, and suddenly it was we who had to play catch-up ball. Now we hear that familiar theme again, with Paul Warnke, the President's top arms-control negotiator, urging the Soviets to react to the killing of the B–1 with "matching restraint on one of their weapons programs."

There is nothing in our country's history, ancient or recent, that indicates this sort of an approach is more effective than that reflected in the adage with which we all have become familiar, "The best defense is a good offense." For that reason, we wish the President and his Secretary of Defense would act to *insure* we have the best posible offense. We know we have no defense, so our hope for the future must lie in maintaining the strength to deter. We don't believe his B–1 decision is providing us that insurance.

AQUACULTURE

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. LEGGETT. Mr. Speaker, I address my fellow colleagues today on a matter of national importance. As you know, I am a strong supporter of aquaculture. Aquaculture is the planned raising of aquatic animals and plants raised in large numbers. This rearing is done in a controlled environment for economic or social benefit.

My message is primarily of an educational nature. That is to say, before you can adequately study the current proposals, it is helpful to have an understanding of the positive results of their future implementation. I also remind you of the need to move legislation promoting aquaculture forward. The time we stand idle before enacting legislation is time that could be used in the production of food and the establishment of a strong aquaculture program. The National Aquaculture Organic Act of 1977, H.R. 1883, would develop much needed water food supply to the United States.

The reasons for this needed program become more apparent every day. If the population continues to increase, a shortage of fisheries products can be expected in 10 years. This worldwide shortage is caused by the expanding population. At the same time, increase in food supply is not adequate to supply the needs of the people. The world population at the present time is approximately 4 billion, and at the current rate it is expected to be 6 billion by the year 2000. The average consumption of fish in the world is 24 pounds a year. This consumption ranges from a low of less than 1 pound in Afghanistan to 79 in Japan and Iceland.

A steady increase in the production of aquaculture products has been observed in the past decade. In 1975 it was estimated that six million tons of fish were produced through aquaculture. The major part of this increase came from countries where a new system of aquaculture has been adopted. These countries have higher increases of seafood production than many of those with no such program. Also associated with these countries of higher production is the emphasis given to investments and support services.

The first step to achieve the needed aquaculture production depends on current technology. Without this technology, the knowledge that dedicated people have given us, we can do nothing about these matters. The knowledge of how to achieve the desired results is of primary concern. No matter how strongly the Congress supports these projects, we need to promote the advancement of technology first. To do this we need financial investment, suitable legislation, intensive research and manpower training.

In 1973–1974, aquaculture accounted for only 3 percent of all the fish and shellfish consumed domestically. However the knowledge is there and only needs to be implemented. When this is done the harvest America will reap will be dramatic. To illustrate what can lie ahead for the United States, note what countries currently using modern methods of aquaculture are accomplishing. Japan has increased aquaculture production 5-fold in only 7 years. A 32-percent increase in the Philippines and a doubling in Romania, a 4-fold increase in Poland all in only 3 years.

It has been shown that the knowledge is there. However, to achieve the 5- to 10-fold increase that aquaculture is able to

support, we will need the essential components mentioned above. Primarily we need sufficient financial investments to help establish this technology to a degree that will in time help support the nutrition needs of millions of people.

A look to the future of what can be expected when legislation is passed, I feel, is in order. What will the commercial aspects of aquaculture hold in store for the small businesses as well as the corporations of America?

A recent article in Business Week describes the threshold of the aquaculture industry. I feel this article will prove very informative and sets the foundation for the markup of the National Aquaculture Organic Act in my Fish and Wildlife Committee in early September.

The article as it appeared in Business Week, June 20, 1977, follows:

[From Business Week, June 20, 1977]

FISH FARMERS GET READY TO HOOK INTO PROFITS

What might Union Carbide Corp. and Weyerhaeuser Co. have in common except that they are both very big corporations? For one thing, they are both in the salmon-growing business these days. And their commitment is not just a quirksome diversification. It may be viewed as a signal that businessmen have now begun to take a very old science—mariculture—very seriously. After decades of high promise but low performance as a commercial enterprise, mariculture, the nurture and harvest of salt-water species in a controlled environment, now seems on the threshold of profitability.

A combination of circumstance and market forces is responsible for mariculture's newfound favor:

The price of fish has turned steeply upward. According to the National Marine Fisheries Service, part of the National Oceanic & Atmospheric Administration (NOAA), the average market value of all species has risen 39.2% in the past four years, and 13.3% since 1976. By contrast, the price of all meats and poultry has actually dropped in the past year.

Scientists no longer regard the potential supply of fish from conventional sources as limitless. The most sanguine estimates today are that 150 million tons of fish would be the maximum sustainable yield worldwide, as opposed to some 64 million tons that are now taken annually. If the world's population growth continues at its current rate, demand will outstrip supply within 10 years.

It is much more expensive to catch fish today. The worlds' fleets face increased legal restrictions on their activities as well as mounting labor, equipment, and energy costs as they compete ever more fiercely for dwindling stocks of prime species. In the Gulf of California, for example, twice as many commercial boats catch the same volume of fish today as was caught five years ago.

Researchers are now solving many of the technological problems associated with mariculture. More important, both production costs and risks are being reduced.

Man has cultivated fresh- and salt-water fish for thousands of years, but the practice, known generally as aquaculture, has usually amounted to little more than stocking farm ponds with carp or developing protected bays for shellfish beds. Nevertheless, the practice is widespread enough to account for a harvest of 6 million metric tons last year, roughly 10% of worldwide fish production. With proper encouragement, says the United Nations & Agriculture Organization (FAO), aquaculture production could expand tenfold by the end of the century. Already, nearly half the oysters, a third of the salmon, and practically all the trout consumed in the U.S. are cultivated by man in some way.

PEN-REARING

Perhaps the best known American aquaculturists are the catfish and crawfish farmers of the Midwest and South, who produced a combined harvest of 58 million lb. last year. But what has corporate planners busily refiguring their diversification options is the market for luxury species such as lobster, salmon, and various kinds of shrimp. Right now the U.S. imports some 60% of the shrimp it consumes, and domestic producers have seen their wholesale price for some species jump to more than $4 a lb. from $1.25 in just two years. Maine lobsters, which sold for 35 cents a lb. following World War II, now commonly fetch 20 times that amount in West Coast supermarkets. Salmon from Alaska and the Pacific Northwest sell for as much as $7 a lb. in New York City.

Those figures and the pace of mariculture research advances were in part responsible for an internal memorandum prepared recently for Standard Oil Co. (Indiana) that concluded: "Entry into the mariculture business now would be timely."

Standard has yet to take the plunge, but others have. Domsea Farms Inc., a Union example, will grow 1 million salmon this year. The company also is looking into shrimp cultivation in Central America and salmon farming in Chile.

To cultivate its current product, a pan-size salmon of up to ¾ lb. suitable for home or restaurant use, Domsea incubates its own salmon eggs. After two months the young fish, called fry, are transferred to freshwater tanks. In another six months the growing salmon are moved by truck and barge to floating enclosures anchored offshore in Puget Sound. The salmon are ready for market six to nine months after being moved. Domsea, which has been developing this "pen-rearing" approach to mariculture since 1971, says it has now cut the marketable age of its salmon in half.

COMBINING PROCESSES

Weyerhaeuser is not nearly so far along, but it is in the midst of an ambitious, $10 million project to raise salmon in Oregon. If its research and market surveys are correct, Weyerhaeuser will be harvesting 30 million salmon a year and realizing $40 million in gross annual revenues within ten years.

The key to the lumber giant's plans are the 3 million acres of forest land that it owns in the Northwest, some of it bordering on streams, lakes, and ocean shores. To exploit that resource potential, it bought control of a small "oceanranching" company in Oregon six years ago. With its acquired team of experts, Weyerhaeuser is building a salmon hatchery next to the company's Springfield (Ore.) pulp mill.

When they are cultivated in river water warmed by effluent from the mill, the salmon grow much more quickly than they do in their natural habitat. And by selectively controlling just how warm the water is, Weyerhaeuser expects to fine-tune the salmons growth rate.

After six months in the hatchery, Weyerhaeuser's smolts will be trucked 100 mi. to Newport and Coos Bay, Ore., where they will be introduced to salt water, vaccinated, then released from the mouth of a stream to swim free in the ocean, as is their habit. In nature, 1% to 6% of a generation of salmon will return to its home stream to spawn. Weyerhauser is figuring on 3% of its released salmon to swim home to company nets for harvesting.

HOW RISKY?

Companies as diverse and substantial as Westinghouse, Walt Disney Productions, Ralston Purina, Dow Chemical, and General Mills also have either investigated mariculture or are now involved with growing fish. Most maintain a low profile, and some observers say they do so to protect successful new techniques from current and future competitors.

Ironically, news of their involvement is just what mariculture boosters hope to disseminate because, they say, the failure of many small, undercapitalized companies to make a go of mariculture has made the business seem overly risky. "It takes real money to enter this business," says Robert D. Wildman, associate director for operations at the National Sea Grant Office at NOAA. "You pretty much have to stand losses for the first three years before the profits start coming in."

Yet a number of small companies gamely continue to make a go of mariculture. For example, Aquaculture Systems, Inc., of Guilford, Conn., has spent the past four years developing its lobster farms. Next year, the company will begin breeding and hatching lobster at its Connecticut plant. Then it will ship juvenile lobsters to Georgia where they will be reared in half-acre, open-air ponds. Later, they will be separated into cages because lobsters are fiercely cannibalistic. Accordinging to Aquaculture President Barry White, the cultured lobsters will reach market size in two years, as opposed to the seven to eight years they require in the wild. The first crop will total 200,000 lobsters, White says.

Tankultured Foods in Chicago began to raise a tropical fish called the tilapia in an enclosed 20,000-gal. tank system eight years ago. The company fed its tilapia used malt from a brewery but, President Paul Shackter recalls, "the neighbors complained of the smell." Subsequently, the whole operation moved to Florida. This year Tankultured will produce 500,000 lb. of tilapia, which Shackter describes as tasting "like a French turbot" and looking like "a black bass." So far, though, the company has not turned a profit.

PRAWNS FOR PROFIT

Perhaps the most tenacious of all has been Marifarms Inc., of Panama City, Fla. For 10 years Marifarms has been developing a shrimp farm on a rented, 3,100-acre site at St. Andrew Bay in northwest Florida. Working from a system originally developed in Japan, Marifarms has invested 350 man-years in learning how to cope with the weather, disease, transportation, engineering, and regulatory problems.

Now Marifarms is finally poised on the edge of profitability—if, as President John R. Cheshire anticipates, it harvests 1.2 million lb. of shrimp this year. Two years ago, Hurricane Eloise blasted through St. Andrew Bay and washed Marifarms' entire harvest out to sea.

Mariculture may prove to be a particular boon to Hawaii where sugar cane, once the major industry, has fallen on hard times. Federal and state funding for programs at a variety of island research institutions has led to schemes for the cultivation of practically everything from aquarium fish to mullet. Even the farming of bait fish, used to catch bigger fish such as the skipjack tuna, is being explored.

Two weeks ago, Kahuku Farms Inc. introduced its first crop of oysters in the island's Safeway supermarkets. C. Brewer & Co., meanwhile, is pushing ahead with construction of a 300-acre prawn farm that is expected to produce 900,000 lb. of prawns a year. According to the First Hawaiian Bank, the prawn farm should realize up to $3.5 million in annual revenues—about as much, the bank points out, as the gross revenues realized by the Kilauea Sugar Co. from its 4,800-acre cane plantation before the company closed down in 1971. "Aquaculture," the bank noted recently, "has finally

made a start, and the prospects for its growing into a major revenue earner appear favorable."

GOVERNMENT SUPPORT

Protein precedes profitability in the minds of many fish culturers. The FAO, for example, is involved in 22 separate projects with $15 million in funding. These projects are seeking to introduce low-technology, labor-intensive fish farming to developing nations. The U.N. agency even introduced the idea of eating farm-pond fish in the first place to villagers in landlocked Swaziland.

But FAO officials emphasize that the development of mariculture and aquaculture will require active encouragement and support from national governments. The U.S. spends only some $15 million a year on research, with around $5 million coming from the National Sea Grant Office and the Marine Fisheries Service. The figures have remained constant for the past few years. but a bill in Congress would provide for more than twice as much total funding plus the planning of an overall strategy for future development.

The most vivid example of a national commitment is that of Japan, where necessity has dictated development. The Japanese consume 79 lb. of fish per capita each year, more than five times the American average. Since March 1 and the advent of a protected U.S. fishery, the price of fish has doubled in Japan. In response, Prime Minister Takeo Fukuda's government has begun to implement a seven-year program that calls for spending more than $600 million to foster the expansion of fish farming—especially for yellowfin tuna, a prized species. The program's target is an increase in production of 1 million tons a year by 1983. In 1975 Japan cultured 772,741 tons of salt-water fish, twice the amount cultured in the previous ten years.

The mariculture research effort around the world is mainly focused on the study of animal life cycles, nutrition needs, and methods for controlling disease. A growing amount of attention also is being given to the genetic improvement of wild stocks, much the same as the domestic chicken and cow have been bred for meat yield and feed-conversion improvement.

Among the more interesting developments in recent years:

Scientists at the University of Miami have successfully spawned female shrimp. Commercial application of their work would allow companies such as Marifarms to breed their own shrimp, rather than having to collect wild, fertilized females as they now do.

In Delaware, a team led by marine biologist Ellis Bolton has succeeded in spawning oysters and growing them to market size in one-third the time it takes in nature. The project has demonstrated that oysters can be grown efficiently in an enclosed environment that requires only a 10% recirculation of water each day. Soon, the researchers hope, they will be capable of formulating a seawater substitute, thus making an oyster farm feasible for a place such as, say, Omaha.

A team at Scripps Oceanographic Institute in La Jolla, Calif., has crossbred a Maine lobster with a European species. The resulting hybrid grows faster, produces more meat, and resists disease.

Scientists at the University of California at Davis are breeding a prawn that they say could be produced at one-fourth the cost of present-day prawns.

The mariculture business is already big enough to attract a number of ancillary ventures. A number of engineering companies now are working on designs for fish "factories" such as the one Ellis Bolton's Delaware team envisions, as well as other equipment. A British insurance company now offers a line of mariculture protection. And a company in Colorado is busily formulating vaccines for cultured species.

"We are now coming to the point where people—serious people—are more than just interested in mariculture," says Bolton. "We have shown here that the major technological barriers are behind us and we think we have shown that there's money in mariculture. In some ways, you can think of it as almost inevitable."

LAND CROPS ADAPT TO SEAWATER IRRIGATION

Seawater culture is not just for fish. Emanuel Epstein, a plant nutrition expert at the University of California at Davis, has produced a strain of barley that will grow in soil irrigated exclusively with salt water.

Working at the University of California's Bodega Marine Laboratory, Epstein has crossbred types of barley known to have saltwater tolerance, and after hundreds of such crossings he has produced a plant impervious to salt damage. "What we are doing is a very conventional breeding technique," he explains. "When a plant is exposed to disease, you take a broad variety of those plants and expose them to the disease agent. Then you crossbreed the ones that survive."

A SMALL YIELD

Soil and water salinity, which is poison to most food crops, bedevils farmers around the world, especially in areas where irrigation is the primary means of bringing water to plants. Natural salts tend to accumulate where irrigation water has run off or evaporated, and such concentration can render otherwise fertile farmland useless.

So far, Epstein and his team have been able to produce a yield of some 900 lb. per acre from their salt-water barley, less than half the average harvest for conventionally grown barley in the U.S. But until recently no one thought barley or any other land-based crop could be grown in salt water at all.

The barley would most likely be grown along sandy coastal areas that receive little or no rainfall in the U.S., that might not be practical because cultivation would run into competition from land developers, or it might be barred from sites designated for public use. On the other hand, Epstein says that his barley's salt tolerance means that it could be introduced as a cash crop to such salty-soil areas as parts of the San Joaquin Valley in California or the lower Colorado River basin.

Outside the U.S., countries such as Mexico, Israel, and many of the Arab states have vast stretches of currently unproductive coastal land that are suitable for salt-water irrigation.

TOMATOES AND WHEAT

Epstein has also turned his attention to tomatoes, and he reports success with them as well. In 1974 he visited the Galapagos Islands off the coast of Ecuador and discovered several types of tomato growing close to the shoreline. Six species of the wild tomatoes were found to tolerate a diet of 40% seawater and 60% fresh water. They were then crossbred with commercial tomatoes, and the researchers are now endeavoring to push the resulting strain of cherry-size tomatoes toward greater salt-water tolerance. "We don't know how far we can drive the tomato," Epstein concedes.

As is commonly heard from scientists, Epstein says that right now "our problems are more financial than they are scientific." The speed with which his work can be proved out, he continues, will depend upon how much more he has to spend than the modest $40,000 a year he now has.

Even so, the California scientists have begun to look at wheat, too, as a seawater crop. although the plant has no natural resistance to salt. "We chose wheat," says the indefatigable Epstein, "because if we can make it with wheat, we will really have something. It's the world's foremost crop."

DUAL COMPENSATION AND RETIREMENT IN THE FEDERAL GOVERNMENT

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Friday, August 5, 1977

Mr. METCALF. Mr. President, no one in America is more responsible for the use of skilled technicians in the Navy in the development and utilization of the nuclear Navy than Admiral Rickover. The recruitment, training, continued employment and retirement of nuclear experts has been a constant concern for him.

His observation of other employment and retirement practices in the military over a long and distinguished career motivated him to testify before the Committee on Post Office and Civil Service of the House of Representatives on the question of dual compensation and retirement in the Federal Government—as well as in industrial systems. In view of his experience and background, his testimony is forceful and persuasive. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF ADM. H. G. RICKOVER

DUAL COMPENSATION AND RETIREMENT IN THE GOVERNMENT

You have asked for my views on dual compensation, so-called double-dipping, in the Federal Government Service.

I cannot debate the technical details of retirement systems as would an actuary or administrator of a retirement program. However, I can and will give you my observations from more than a half century of experience with the Navy, the Federal Government, and private industry.

Double-dipping is an emotional issue receiving increasing attention in the press, in Congress, and in the executive Branch. The term is commonly applied to anyone who draws a Government salary and Government retired pay simultaneously. Although the problem can exist in other areas, most attention has been focused on retired military personnel in civil service jobs.

In announcing these hearings, Chairman Nix pointed out that:

There are more than 141,000 retired military now holding jobs in the Federal Government.

There may be as many as 10 retired generals and admirals whose combined military pension and Federal civilian salary exceed the total salary paid the Vice-President and Chief Justice of the Supreme Court, and as many as 25 more who receive more than the members of the President's Cabinet.

Moreover, the amount of double-dipping has increased substantially during the 1970's to a level of 141,000—five percent of the entire Federal civilian work force—as of June 30, 1975.

From these figures, one can see that although the most startling cases involve retired flag-rank officers, the problem of double-dipping also involves lower ranking officers and enlisted men. The problem is not simple. Historically, Congress has approached it from various directions.

In 1894 Congress passed a law providing that no person could hold two Federal Government offices if the salary attached to either was $2,500 or more. At that time Congressmen earned $5,000 and the equivalent

of today's top civil servants earned $2,500. However, the 1894 statute applied only to regular military officers; reserve officers, enlisted regulars, and enlisted reservists were exempt as were elected officials and officials appointed with Senate confirmation. At the time the law was enacted, it affected only 390 retired officers—lieutenant commanders, majors and above. These retired officers were prohibited from holding other jobs with the Federal Government. In 1924 the law was amended to add officers retired for disability in the line of duty to the list of those exempted.

In 1932 another law was passed, and subsequently amended in 1956, to permit regular officers and certain "temporary" officers retired for "noncombat" disability to hold another Government job providing their combined federal income did not exceed $10,000 annually. No restriction was placed on reserve officers and enlisted.

In 1963 there were over 400 different laws and about 200 separate Comptroller General decisions involving dual compensation. To straighten out the confusion a Dual Compensation Bill was introduced and referred to the Post Office and Civil Service Committee. The intent of the original bill was to permit hiring any qualified military person; to simplify conflicting statutes; and to treat all military equally—regular, reserve, officer, or enlisted. As finally passed, however, the Dual Compensation Act of 1964 restricts the pay of regular officers only, not the pay of reservists or enlisted. It liberalized earlier laws by permiting a retired regular officer to draw a full civil service salary and a reduced retired pay consisting of the first $2,000 of his military pay plus half his remaining retired pay in excess of $2,000. This $2,000 figure is subject to cost of living increases; the figure is now $4,000. In other words, a retired regular officer, employed in the Civil service, forfeits half of his military retired pay in excess of $4,000. There is no reduction of retired pay for reserve officers or retired enlisted personnel in civil service jobs.

The Civil Service Commission has authority to waive the Dual Compensation Act for retired regular officers. Also, because of the apparent shortage of qualified people in 1964 to meet the then urgent needs of the space program, the National Aeronautics and Space Administration (NASA) was provided statutory authority to exempt 30 NASA jobs from the restrictions of the Dual Compensation Act. With the NASA exemptions and the Civil Service Commission waivers, there are now some 42 retired admirals and generals drawing their full military retired pay as well as their full salary as Federal civilian officials. A retired four-star admiral or general with a waiver of the Dual Compensation Act can be employed as a GS-18 and paid $7,200 per year by the Government.

In my opinion, there should be no waivers or NASA exemptions from the Dual Compensation Act. These loopholes benefit only a small group of retired senior officers, generally those who happen to be in positions of influence prior to retirement. I find it difficult to believe that their services, past or present, warrant federal pay greater than a Congressman's salary. Moreover, it is inconceivable that any retired military officer can be so vital to the operation of a Government agency that his job could not be filled with another fully qualified person willing to work for the salary that position commands.

Another form of double-dipping exists which falls outside existing restrictions on dual compensation. This occurs when retired Government personnel—either civilian or military—draw retired income from the Government but use their influence with former co-workers to indirectly obtain a lucrative salary through Government contracts for consulting services, studies, or special projects. For example, a Navy officer who has become an expert in some area—entirely at Navy expense—can start drawing retired pay from the Navy after but twenty years of service and also sell his expertise back to the Navy under a consulting contract or under a study contract with one of the "think tanks."

I have seen case after case where the Navy contracts for special studies on the basis that the Navy itself does not have sufficient expertise. These contracts, however, go to "think tanks" that assign retired officers to the job as "experts." Thus, we have a curious phenomenon—an officer becomes sufficiently expert to perform Navy work only after he has left the Navy. This is a separate problem which warrants attention.

Even when the pay restrictions of the Dual Compensation Act are applied, many retired military people draw combined incomes far in excess of their civilian pay. It is difficult for their civilian counterparts to understand why retired military people should receive a much larger income from the Government when doing the same job.

As I mentioned, the Dual Compensation Act reduces the pay only of retired regular officers. This group constitutes less than 4 percent of the 141,000 retired military working as federal civilians. Over 96 percent of these so-called double-dippers are reserve officers or former enlisted personnel who, because they are exempt from the Dual Compensation Act, receive their full civilian pay plus their full military retired pay, with no reductions. If restricting dual compensation is a sound concept as a matter of public policy—and I believe it is—the principle should be applied across the board.

In private industry, and elsewhere in Government, employees do not receive both full retired pay and a full salary from the same employer. If civil servants continue to work for the Government beyond the date at which they are eligible to retire, they can draw no more than the pay prescribed for the position held. However, they continue to earn retirement credits. The same principle applies in most retirement plans used in private industry. I believe it should also apply to retired military personnel who decide to work for the Government.

The military retirement system is considerably more liberal with respect to early retirements than are Federal Government civilian retirement systems and most private industry retirement programs. Private industry, state, and local governments generally start paying retirement benefits at age 60 to 65 depending on the number of years served. Civil Service pays retirement benefits at age 55 if the employee has 30 or more years of service; at age 60 after 20 years of service; and at age 62 with 5 years of service. It is because the military grants immediate retirement income at such a young age that the double-dipping problem arises.

The Government has no moral commitment to pay a full civilian salary plus retired pay to retired military personnel. This is particularly so in the case of new hires. Some exceptions to dual compensation restrictions may be appropriate in the case of retired military currently in the employ of the Government. However, as a matter of public policy, no Government agency should have to depend on retired military personnel to staff its organization. Frequently filling vacancies with persons drawing retired pay from the Government tends to demoralize career civil servants who might otherwise have had a chance to fill these positions. Military persons drawing retired pay have the option to seek employment outside the Government if restrictions on dual compensation are unpalatable.

At one time the liberal retirement provisions for the military were thought to be compensation for the fact that military pay was lower than comparable wages in the private sector. Today, however, military pay is generally conceded to be comparable to civilian pay. Yet the right to early retirement and a lifetime retirement income remain.

The question arises whether early retired pay, for other than disabled persons, is necessary in order to treat military people fairly and to encourage young people to remain in the military. Today the military services face serious personnel problems. There is concern at what many view as a continuing erosion of their earned military benefits. There is also the problem of maintaining an all-volunteer defense force; the increasing rate of desertions; and the serious shortage of people with special skills.

I recognize the importance of having good people in the military as much as anyone. For example, it is difficult to attract and retain the highly skilled personnel we need to man our nuclear ships. To help remedy this problem, I have pushed successfully for legislation authorizing special reenlistment bonuses and other incentives.

I believe that throughout the military the people should be paid properly for the work they do and the special hazards some face. The military must not be treated or considered as second-class citizens, economically or otherwise.

It does not follow, however, that the best interests of the military or of the public are served by continuing costly retirement practices which do not accomplish their purpose. The special problems of the military should be dealt with as directly and specifically as possible. I think it is wasteful and inefficient to provide an overly generous retirement system to all members of the military and justify it on the basis of conditions that are the exception rather than the rule.

Military personnel should be paid adequately for the performance of duties unique to the military—for duty in combat and other hazardous situations—and for arduous or undesirable duty. But, I question whether providing *all* members of the military the option of a lifetime retirement income after only twenty years service is an effective or just means of compensation. It makes more sense to provide adequate special pay or bonuses to those who perform unusually difficult or hazardous duty during the times they are performing such duty. By attempting to compensate for special situations through retired pay, the serviceman behind a desk gets the same benefits as those who undergo hardships in the field. Further, I doubt that to a young person the promise of retirement income twenty or thirty years hence provides as much incentive per dollar spent as special pay would provide.

The practice of trying to enhance the attractiveness of the military through benefits may be far less effective per dollar spent than simply increasing salaries. One reason many military people continue to believe they are underpaid is because, for comparable real income, the military man has a smaller paycheck than his contemporaries on the outside. In my opinion, the morale of the military would be better promoted by higher salaries and fewer benefits.

It is sometimes said that war is young man's business and that offering twenty year retirements with lifetime retirement income is one way to maintain a young and viable military. Actually there are today few jobs in the military that cannot be performed by persons up to 55 years of age or even older. For those jobs requiring special demands there should be qualification requirements as there are for aviators or for underwater demolition teams. For those jobs that do require extraordinary risk or unusual hardship, differential pay allowances would seem to be more appropriate compensation than increasing retirement benefits for the entire military.

The twenty year retirement income is

sometimes explained as needed to thin out the ranks and enhance promotion opportunities within the military. But it is questionable that providing an early retirement income is the most appropriate way to accomplish this.

While twenty year military retirements provide some marginal people an incentive to remain in the military, they also provide an incentive for many of the best people, those who can command higher salaries on the outside, to turn to civilian careers immediately upon completion of twenty years service. Moreover, the existing rule which requires at least twenty years military service before earning any right to retired pay, at any age, makes it difficult to discharge unwanted or unneeded people before they complete twenty years. There is an understandable reluctance to discharge a person from the military after, say 10 to 15 years service, since he would not be eligible for any military retirement benefits at any age. Consequently there are marginal people who tend to bide their time in the military until they complete twenty years service and can draw retired pay.

In contrast to military retirement rules, most federal, state, and local government retirement systems permit those who have served five, ten, or fifteen years to start drawing some retirement income after reaching age 62, 60, and in some cases 55, depending on the number of years served. Under the Pension Reform Act of 1974, private industry retirement plans offer employees a *deferred* retirement income once they have completed at least five years—in some cases ten years—of service. Obviously, the amount of such retirement checks is much smaller for those retiring early than for those who pursue full careers. However, allowing people to earn the right to a deferred retirement income with less than a full career, helps alleviate many problems associated with separating unwanted or unneeded people. Similar arrangements should be made for the military.

In my opinion, the concept of promising all enlisted people—regardless of their military specality—retired pay after only twenty years service should be reexamined. In addition, a thirty year career for military officers—except those who are disabled—should be required. Officers passed over or selected out prior to completion of thirty years service could be entitled to retired pay starting at age 62 based on the number of years served. A lump sum payment would also be proper in such cases to ease the transition to private life. Those who continued to meet the military's requirements would serve the full thirty years before being eligible for retired pay.

Coincident with a move to thirty year retirements, the entire officer grade structure should be reduced and a more reasonable grade/age relationship established. As I testified before the Senate Subcommittee on Manpower and Personnel in April 1977, the present military rank structure is top heavy and results in an officer corps that is far too young with respect to the rank held. I want to make it clear that I am not commenting on how much military salaries should be and how often a military man should get a pay raise throughout his career. I am pointing out that the grade structure is distorted and needs to be corrected.

Also, to be equitable, persons with military service should be able to fully transfer retirement credits in the military to other federal retirement programs. Today, military time is counted toward civil service retirement and used initially in calculating retired pay. However, because of a quirk in the law, all military time does not count in the calculation of civil service retired pay received after age 62. At that age, the civil service retiree loses all civil service retirement credit for the time he spent in the military after 1956, and gets instead a social security annuity for those years. During the time he is in the civil service he does not come under the social security program. Therefore, he is generally entitled only to minimum social security payments based on contributions he made while in the military, years earlier. The effect is that federal employees with prior military service receive a much lower retired pay after age 62 than they receive from age 55 to 62. In fairness, this anomaly should be corrected.

On the other hand civil servants who are members of the military reserve should not get double retirement credit for military service. Under present rules, a reservist's active duty time is credited toward civil service retirement. It also counts toward his eligibility for a military retired pay at age 60. Thus, his years of active duty are counted twice—once for civil service retirement and once for a military retirement. This loophole should be eliminated.

Although I have focused on the military, the same problems can arise elsewhere in government and in industry. I believe a hard look should be taken at all levels of government as well as in private industry at the wisdom of using liberalized retirement rules and early retirement incomes as devices for attracting and retaining the right people. I am concerned that the national trend toward early retired pay is inefficient, counterproductive, and costly.

In revamping its retirement systems, the Government must not break faith with those who have committed themselves to a career with the understanding that certain benefits would accrue. Therefore, changes should provide a phase-in period designed to avoid inequities.

In examining the problems of double-dipping and retired pay, one cannot help but become concerned at the deteriorated financial condition of retirement programs in government and in business. The New York Times recently reported that the 55 Federal Government retirement funds have a projected deficit totaling $350 billion dollars; in addition the military retirement program deficit constitutes about $200 billion. The Washington Post reported that America's 100 largest industrial corporations have promised their employees $38 billion more in pensions than the companies have put aside to meet these requirements. These deficits are technically referred to as unfunded liabilities. These unfunded liabilities are estimates of the current value of how much a pension program must pay in retirement income for all its workers, minus what has already been set aside, or is scheduled to be set aside in future years to meet these obligations. The estimates vary, depending on what assumptions the actuaries make regarding death rates, interest rates, and inflation.

One reason the unfunded liabilities of the military retirement system are so large is that the Defense Department does not have a military retirement fund from which to meet its retirement obligations. Instead, the Defense Department includes in its annual budget only enough to cover retirement checks to be issued that year. Thus, when you read in the press that military retirement costs have increased tenfold since 1964, and that they are rapidly approaching 10 percent of the entire defense budget, remember that these figures represent but a fraction of the full cost of military retirement. Another reason for the large unfunded liability in the military retirement system is that it is noncontributory. The Civil Service retirement system and the retirement plans offered by most state and local governments and by private industry generally require employees to contribute from 3 to 8 percent of their salaries to the retirement fund. The employer also contributes to the fund. Under the military retirement system, the Government alone funds the retirement program. There are no deductions from military pay for this purpose. Without employee contributions, the unfunded liability of the retirement system gets much larger than it would otherwise be.

From a short range viewpoint, Government agencies have a strong incentive to fulfill their needs in ways that have minimum impact on current budgets. For example, the military system of pay and allowances results in certain tax credits that are not available to the civil servants or to persons in the private sector drawing a straight salary. This is a tangible benefit, but whose cost does not have to be included in the Defense budget.

A similar situation obtains with retired pay. The promise of liberal retirement benefits can be used immediately for recruiting purposes. Yet, the full cost of these benefits does not have to be included in the Defense budget where it would have to compete with weapons programs for available funds. The result is that neither Congress nor the public sees the cost of these hidden benefits in the budget until later years when it is too late to do anything about it. We are now beginning to see the effects of this phenomenon. Unless prompt action is taken to start setting aside today sufficient funds to meet future retired pay commitments, future Congresses will be faced with the funding of overwhelming retirement commitments.

The finances of the Civil Service Retirement Program are handled differently than those of the military retirement system. Under the Civil Service System, each Government agency budgets funds to match employee retirement contributions. Also, Congress is supposed to appropriate funds sufficient to cover increases in unfunded liability resulting from salary increases or revised statutes which change retirement benefits. To date, however, the Government has not been budgeting for, or making, full payments to the Civil Service Retirement and Disability Fund. Similarly, the federal budget does not reflect the current value of the expected increase in liabilities resulting from inflation. As a result, according to Civil Service Commission figures, the unfunded liability of the Civil Service Retirement and Disability Fund—the largest of the federal civilian retirement systems, has increased from $53 billion in fiscal 1970 to $150 billion in 1976.

In my opinion, the main purpose of a retirement program should be to take care of those who are no longer employable. This basic function could be served more effectively and efficiently by consolidating the various retirement plans into a single retirement system for the entire Federal Government, with the retirement credits earned in any part of the federal service fully transferable to any other part. Agencies should not compete with each other for personnel by using differences in retirement benefits. Varying conditions of employment, hazards, and so on should be handled directly through salary differentials, lump sum payments, or similar direct means. Such direct payments can be more readily assessed by Congress and the agencies and more properly administered from a financial standpoint. Too often the benefits of various retirement programs have been obfuscated to the point that even the individual himself has no appreciation of his true earnings.

The problems are not confined to the public sector. In private industry, for example, the pyramiding of retired pay, severance pay, and salaries for high officers is carried to an extreme. As a condition of employment, company presidents and senior officers are often guaranteed a lifetime salary or large severance sum even if they are removed from their jobs. As a consequence, it is not unusual to find senior corporate officers drawing large sums simultaneously from both current and former employers. Al-

though these arrangements are costly to the consumer, I doubt the Federal Government can inject itself directly. But it can take special care to insure that the income tax laws are rigorously applied to them to insure that they pay their fair share.

I recognize that others are attempting to deal with many of the subjects I have addressed. President Carter has appointed a nine member Commission on Military Compensation to investigate the problems of military pay and benefits. Congress has legislated some important reforms in the area of private pension plans. The sponsors of the various federal and non-government retirement funds are also starting to pay more attention to the problem of retirement funds.

This Committee can also do an important job in the area of Government retired pay. The Civil Service Retirement System is by far the largest one covering federal employees. Therefore, I recommend that this committee, which has cognizance of the civil service, take the lead in developing standards for all federal retirement systems—civilian and military—and develop a single retirement system which could be used throughout the Government.

Here are my specific recommendations for strengthening the Dual Compensation Act, the Civil Service Act, and the Federal Government retirement systems:

First, prohibit waivers of the Dual Compensation Act. There is no valid justification for the Government to pay some retired military officers combined civil service salary and military retired pay which is greater than the salaries paid to the Chief Justice of the Supreme Court, the Vice President, and Members of Congress.

Second, dual compensation restrictions should apply to all retired military personnel—regulars, reservists, officers, enlisted. There is no valid reason to discriminate against regular officers in applying dual compensation restrictions.

Third, retired military personnel subsequently employed under civil service should be compensated in the same manner as a civil service employee who continues to work for the Government after he is eligible for retirement. Namely, he should continue to earn retirement credits, but he should not be paid in total more than the approved civil service salary for the job he is doing.

Fourth, a schedule should be established for fully funding all Government retirement funds on a "pay-as-you-go" basis so that future generations will not be saddled with today's retirement commitments. Budgeting on the basis of meeting only the current year's "pay out" requirements should be prohibited.

Fifth, agencies should be required to budget enough annually to cover the retirement pay liability for present and previous employees. The cost impact of changes in retirement benefits should be identified in the budget and specifically approved by Congress at the time authorized.

Sixth, consideration should be given to making all Government retirement systems contributory so that actual salaries and personnel costs are fully visible to the individual, the agency, and to Congress.

Seventh, the 50-some Government retirement plans should be consolidated into a single system which would include the military. Retirement credits among Government retirement systems should be fully interchangeable. Civil servants should not get double retirement credit for time in the military, as presently is the case for military reservists. Conversely, any military time that is creditable toward civil service retirement should continue to count throughout retirement instead of being eliminated at age 62.

Eighth, all Government retirement systems should defer retired pay until at least age 55. Our citizens should not be encouraged to believe they can expect a salary and retired pay during their working years.

Ninth, all Government retirement systems, not just the Civil Service Retirement System, should provide rights to a deferred retirement income of some amount, with payments starting at age 62, for persons who have served a prescribed minimum time, say 5 years.

Tenth, discharge of unneeded or undesired persons before completion of a full career in military service should be compensated for by lump sum settlement rather than by offering relatively young people lifetime retirement income. Such persons would still have their years of service credited towards retirement at a later age.

Some of my recommendations have previously been proposed by others. Despite wide recognition of the problems and increasing costs, little has been done.

I believe that by implementing the recommendations I have made, and others which I am sure will occur to this committee and the President's Commission, Congress would be making substantial progress toward responsible management of Government retirement programs—and at the same time would be treating Government civilian and military people fairly.

EFFECTIVENESS OF THE EXPORT POLICIES OF THE DEPARTMENTS OF COMMERCE AND STATE

HON. MICHAEL T. BLOUIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. BLOUIN. Mr. Speaker, after reviewing the recent report of the House Government Operations' Subcommittee on Commerce, Consumer, and Monetary Affairs, "Effectiveness of the Export Policies of the Department of Commerce and State," I asked the Department of Commerce to review their programs which are involved in export promotion and asked how they applied to my home State of Iowa.

Oftentimes we read of Government programs and how they are supposed to work, but it is more interesting and useful to see how they impact on people that we know best, the men and women of our districts and States who use these Government programs and services to boost their companies profits and make them more dynamic and effective.

I believe that the information the Department of Commerce has submitted on the extent and overwhelming success of Iowa firms in overseas markets will be of great interest to the members of the House Government Operations Committee and to the Members of the full House as well.

The report states that Iowa's participation in the Department of Commerce's Domestic and International Business Administrations' overseas events is the highest in proportion to the number of manufacturing firms in the State than anywhere in the country. Cedar Rapids, Iowa, the largest city in my district, has the largest amount of export sales, per capita, of any city in the United States. In 1976, over $273 million dollars in Iowa exports came from the Cedar Rapids area. Moreover, about 18.6 percent of the people employed in Cedar Rapids are dependent upon exports and most of the firms are considered small to medium, being of less than 200 employees.

Based on the information provided by the Department of Commerce, I feel that I must state that the criticisms leveled at this country's export promotion programs are overly harsh and based on questionable information. Moreover, I feel that it would be premature not to allow the new administration the opportunity to thoroughly examine existing export promotion programs and make changes if they are deemed necessary.

At this time, I wish to briefly review the objectives and programs of the Domestic and International Business Administration's export promotion programs.

The purpose of DIBA's export promotion programs is to extend U.S. exports in order to contribute to an improved U.S. economic, trade, and payments position.

DIBA seeks to accomplish this mission by expanding the export base of U.S. firms and increasing the activity of current exporters.

There are presently an estimated 25,000 U.S. firms engaged in exporting and another 25,000 firms which have the potential to export but for a variety of reasons do not. Given DIBA's goal, its programs are designed to overcome or minimize factors which impede the business community's desire and ability to engage in export trade. These impediments fall into five categories:

First. Attitudinal.

Second. Informational.

Third. Operational/Resource Limitations.

Fourth. Foreign Buyer Resistance.

Fifth. Foreign Competitive Factors.

These categories group impediments corresponding to what can be described as DIBA's "pipeline approach." This method may be described in the following manner: rather than indicating an ordering of impediments according to priorities or importance, the "pipeline approach" recognizes the various stages a U.S. firm must pass through to successfully enter or expand exporting. The individual U.S. firm must—

First. Be motivated to export;

Second. Decide how and where to export;

Third. Devote manpower and resources to marketing efforts; and

Fourth. Aggressively compete in the overseas marketplace, while overcoming foreign competitive factors.

Firms may only encounter difficulties or have problems in one or more of these phases, but it is assumed that a firm cannot progress to the next phase without overcoming impediments encountered in prior phases. This applies no matter whether a firm overcomes impediments and then proceeds to the next phase on its own or with Government or private sector assistance.

DIBA recognizes these five impediments and offers services to help U.S. firms in each; however, the program emphasis is on self-sufficiency. It is hoped that assistance provided to U.S. firms is temporary and provided only because a firm cannot help itself. Assistance is provided so that a firm can proceed through succeeding phases on its own, only rely-

ing on such services again when impediments appear. It is expected that the small new-to-export firm would require assistance through a complete "pipeline approach" while the larger more experienced firm may only require assistance at one or several phases of difficulty.

DIBA's programs fall into two major groups of activities designed to: First, stimulate an increased desire to export and second, to help firms pursue their market entry objectives.

OBJECTIVE I

Activities designed to increase interest in and awareness of the benefits of exporting:

Media campaigns, which are conducted through the facilities of the Ad Council, utilizing the American business press representing some 2,300 publications, to promote the image of exporting as beneficial to participating firms as well as the Nation;

"E" and "E Star" Awards, which are granted to firms that have achieved outstanding export success as a means of demonstrating to others, by example, the benefits of exporting;

Domestic publications, which are broadly disseminated to familiarize the business community with services available in the Department and elsewhere to assist them in exporting;

Seminars, which are sponsored or cohosted to provide information to U.S. firms to stimulate their interest in exporting; and

Multiplier activities, in which the support and cooperation of appropriate private sector groups and firms, such as banks, trade associations and so forth, are enlisted to use their resources and influence to stimulate interest in exporting and to counsel new exporters.

Activities to increase knowledge and understanding of how and where to export:

General business counseling services, which provide orientation-type information to companies interested in exporting and in need of advice on how to proceed; and

Country information and analysis, by which U.S. firms can obtain, from a wealth of DIBA publications and reports on specific countries, and from a staff of country specialists in Washington, extensive information on marketing techniques and prospects in nearly every country in the world, and detailed guidance and advice on how best to develop and exploit commercial opportunities in those countries.

OBJECTIVE II

Activities to alert U.S. firms to specific commercial opportunities abroad and assist them to follow through with successful bids:

The trade opportunities program, which provides U.S. firms with specific trade leads abroad through a computer-based notification system;

The major projects and overseas product sales activities, which apprise U.S. firms of specific "big ticket" opportunities abroad—namely large scale engineering, design, and construction projects, and major product and equipment sales opportunities—and directly assist them to compete successfully from contacts and orders; and

Overseas products investment opportunities services, which apprises U.S. firms of specific overseas investment and licensing leads having an "add-on" export effect, and assists them to overcome investment obstacles.

Activities to assist U.S. firms to identify and contact potential overseas agents, distributors and buyers:

The foreign traders index services, which provide requesting U.S. firms and official users with specialized lists of foreign buyers and representatives in select countries for select product categories;

The agent/distributor service, which provides requesting U.S. firms with the names of specific potential foreign representatives;

The World traders data reports service, which provides requesting U.S. firms and official users with commercial information about individual potential foreign buyers and representatives; and

The overseas information services, which provide requesting U.S. firms with on-the-spot counseling in the overseas market at trade and international marketing centers.

Activities to assist U.S. firms to establish effective representation overseas and to conclude export sales:

Trade centers and international marketing centers which provide U.S. firms with scheduled opportunities to demonstrate their products in major markets and regions abroad;

Trade and industrial exhibits, which provide U.S. firms with scheduled opportunities to demonstrate their products under Commerce sponsorship in major or specialized international trade fairs or "solo" exhibitions abroad;

Catalog shows and video catalog exhibitions, which provide U.S. firms with scheduled opportunities and facilities to display their product catalogs and sales literature in developed and emergent markets abroad;

In-store promotions, which provide U.S. suppliers of consumer goods with scheduled opportunities to expose their products to the overseas public through Commerce-sponsored events held in select foreign retail stores; and

Specialized and industry organized Government approved (IOGA) trade missions, which provide groups of U.S. firms with scheduled opportunities to travel abroad under Commerce sponsorship to meet directly with potential foreign buyers and representatives.

Activities to assist foreign buyers and distributors to identify and contact prospective U.S. suppliers:

The foreign buyer program, which encourages groups and individual foreign buyers to come to the United States to purchase goods and services, and assists in making contacts between potential buyers and U.S. suppliers;

Technical trade missions, which provide foreign buyers and representatives with scheduled opportunities, to learn about the latest product/industrial technologies in the United States available from potential U.S. suppliers;

The new products information service, which disseminates information abroad on U.S. firms having newly developed or manufactured products available for export; and

The exporter/agent information system, which identifies sources of U.S. supplies in microfilm cassette libraries at U.S. trade centers abroad.

Mr. Speaker, the people of Iowa and my district recognize the importance of the export market as it relates to this country's balance of trade and the economy as a whole. Not only does it stimulate the fiscal growth of our country, but it provides jobs for hundreds of thousands who would otherwise do without. I have faith that those currently in office will not let the American businessman and worker down, but rather seek to refine those programs that are vital to the health of our Nation's economy.

Therefore, I would like at this time to insert in the RECORD that information requested by myself from the Department of Commerce as it relates to Iowa's export market:

IOWA INTERNATIONAL TRADE DATA

(The Department of Commerce's Domestic and International Business Administration (DIBA) Programs and How They Impact Upon the State of Iowa.)

In 1972 the State of Iowa exported $500 million in manufactured products. In 1976 it is estimated that $1.1 billion of Iowa manufactured goods were exported to foreign countries.

The Iowa economy is considered well balanced. In addition to a broad based manufacturing complex, Iowa is one of the major agricultural states in the United States. In 1976 Iowa agricultural exports reached $1.75 billion, second only to Illinois. The state exported $482.3 million in soybeans, 15.7% of the U.S. total, and $36.2 million in hides and skins, which is 6.5% of the U.S. total.

Recent statistics released by the Iowa Department of Agriculture rank Iowa first in meat production; second in feed grains (barley, wheat, corn, oats), soybeans, lard and tallow, and fourth in hides and skins.

There are six Iowa outlets for hides and skins. Three are currently selling 25% of their output to overseas markets. Two firms utilize local contacts for their output while one sells all hides in the Chicago area. It is expected that some of these local sales enter the international trade channels, but statistics are not available to substantiate amounts.

It is estimated that 20% of the 3,400 Iowa manufacturing firms are in the export business, in comparison to a national average of only 8%. Iowa firms have made use of Department of Commerce programs over the years with a majority of the users being small to medium size firms.

Some of the Iowa firms identified as major users of the Department's export services and who have expressed satisfaction with DIBA international programs are:

1. *Shivvers Enterprises', Corydon, Iowa.*—Manufactures corn dryers. The firm has used DIBA services since 1973. They have participated in Commerce Trade Center Shows and Trade Missions, and have used the Agent/Distributor Service (ADS) and the New Product Information Service (NPIS). As a result of these services, the firm is now exporting corn and coffee dryers to many overseas countries.

2. *Geo-Sonics, New London, Iowa.*—In 1973 this firm had six employees. They now employ over 30 person and sell their lapidary equipment in over 40 countries. To develop this outstanding growth, the firm used the ADS, Trade Opportunities Program (TOP) and NPIS. They had particularly great success with the New Product Information Service.

3. *Welty-Way Products, Cedar Rapids, Iowa.*—This firm has used virtually all of the programs provided by DIBA. They have purchased numerous ADS's, which were suc-

cessful; subscribed to TOP, and participated in overseas Trade Fairs. The President of the company, Mr. Roger Welty, was named the "National Small Businessman of the Year" in 1975.

4. *Wayne Engineering, Cedar Falls, Iowa.*—This firm manufactures refuse compactors. They felt their product was too large to sell overseas, but with the help of the Commerce Department, they have sold their products in many countries. As a result of recent participation on an Industry-Organized Government-Approved (IOGA) mission to Africa and the Middle East, they expect sales of $200,000.

5. *International Livestock, Inc., Ames, Iowa.*—This manufacturer of veterinarian equipment has successfully marketed its products overseas as a result of Trade Show participation with the Department of Commerce in a Joint Export Establishment Promotions (JEEP) in Verona and Frankfurt. They have also used NPIS and TOPS successfully.

6. *Ertel Company, Dyersville, Iowa.*—As a result of utilizing the ADS and TOP programs, this firm has expanded their overseas markets considerably.

7. *Thermolyne, Inc., Dubuque, Iowa.*—Has used DIBA programs for a number of years and received the "E" Award in 1976 as a result of export excellence. The President of this company, Mr. Burton S. Payne, Jr., is a member of the District Export Council. (DEC).

8. *Amana Refrigeration, Amana, Iowa.*—This important Iowa manufacturer has used virtually all of the DIBA export promotion programs. It has successfully participated in Trade Center Shows, and Trade Missions and was invited by the Soviet Union to display their products in Moscow. Amana has enjoyed outstanding success with the TOP program and a company spokesman said, "TOP is the best thing we have come across to support our overseas operations." Amana has recommended TOP to many other Iowa firms.

9. *McCracken Concrete Pipe Machinery, Sioux City, Iowa.*—As a participant in the Building and Construction Equipment Exhibition in Tehran, Iran, the firm's representative stated, "the potential for our equipment is growing rapidly; Iran is one of the real markets of the world. The help given by the U.S. Trade Center has been invaluable." Mr. Frank Ladue, Chairman of the firm, participated in the Small Business Workshop on Exports sponsored by DIBA in March of 1977.

10. *Corry's Machine and Tool Company, Bonaparte, Iowa.*—This firm participated in the recent Iowa IOGA Mission to Africa and the Middle East. The firm's representative stated "The Department of Commerce has been very helpful and is to be commended for its performance under very trying conditions." The firm expects sales to approach $2 million within the next year and predicts six representation agreements will be signed. This firm has less than 100 employees and is relatively new to international commerce.

11. *Triple "F" Feeds, Urbandale, Iowa.*—This firm participated in the Iowa IOGA Trade Mission to Bulgaria in 1975. The company "expects much business to follow" and predicts sales of $200,000 to Bulgaria of their soybean extruders.

12. *Iowa Development Commission, Des Moines, Iowa.*—The Iowa State Development Agency has used DIBA services extensively. Six Iowa IOGA Trade Missions have been staged since the beginning of the program, and the state recently participated in an off-site agricultural show in Mexico sponsored by the U.S. Trade Center in Mexico City. The Des Moines DIBA District Office has an Associate Office relationship with this agency and maintains close liaison with them involving DIBA export programs. A Foreign Service Officer (FSO) has been assigned to this agency under the Pearson Amendment. They publish a monthly digest with extensive coverage on export opportunities for Iowa business.

Mr. Dean Arbuckle, of the Iowa Development Commission, has reported that "approximately $10 million has been added to the Iowa economy as a result of the recent Iowa IOGA Trade Mission to Nigeria, Sudan and Saudi Arabia." Nine Iowa firms participated in the event. The projected successful results far exceeded expectations, as most missions average $1 million in sales. This is the fourth IOGA mission for the Iowa Development Commission since 1971. A fifth is planned for South America in January of 1978.

13. *Cedar Rapids Chamber of Commerce ("E" Star Award), Cedar Rapids, Iowa.*—This DIBA Associate Office has its own International Trade Bureau. Cedar Rapids has the largest amount of export sales, per capita, of any city in the United States. The Chamber, and its member firms, have used virtually all of the export services which are offered by DIBA. Prior to the establishment in 1964 of the Department of Commerce DIBA District Office in Des Moines, the Chamber provided basic export needs to Iowa firms. They were required, though, to refer most companies to the DIBA Chicago District Office for extensive export assistance. The Director of the Chamber's International Trade Bureau, Mr. Richard Petska, states that "many more Iowa companies in the small to medium size range are now able to take advantage of DIBA's export programs." In 1976 over $273 million in Iowa exports came from the Cedar Rapids area. About 18.6% of the people employed in Cedar Rapids are dependent on exports. Most firms which export are considered small to medium, having less than 200 employees.

Iowa participation in DIBA overseas events is higher in proportion to the number of manufacturing firms in the state, than elsewhere in the country. Iowa manufacturers participated in two of the initial Joint Export Establishment Promotions (JEEP) held in European locations. The Livestock and Veterinarian Supplies JEEP was held in Verona, Italy, and Frankfurt, West Germany, with three Iowa participants. The Farm and Garden JEEP in Paris, France, also had Iowa participants.

The services of DIBA's Major Export Projects/Products area have been utilized by Iowa firms. The services include assisting manufacturers to obtain sales in major overseas infrastructure projects, including foreign government tenders. The following Iowa firms have been served by DIBA in the Major Products field: Fisher Controls, Marshalltown, Iowa; McCracken Concrete Pipe, Sioux City, Iowa; Bantam Division, Koehring Corporation, Waverly, Iowa; Gomaco Corporation, Ida Grove, Iowa; Iowa Manufacturing Company, Cedar Rapids, Iowa; Curb-Master of American, Inc., Cedar Falls, Iowa; FMC, Crane and Excavator Division, Cedar Rapids, Iowa; and Collins Radio, Cedar Rapids, Iowa.

IOWA EXPORT AWARENESS PROGRAM IN COOPERATION WITH THE DEPARTMENT OF COMMERCE

An extensive export awareness program is conducted throughout Iowa by the Department of Commerce. Utilizing DIBA programs and techniques, Iowa businesses have been able to profitably expand their overseas markets. During World Trade Week, 1977, a variety of export awareness events took place. Governor Robert Ray proclaimed World Trade Week for the State of Iowa. Outdoor advertising billboards displaying "Iowa Exports Create Iowa Jobs—World Trade Week—May 22-28" were placed by the District Export Council in key locations in Des Moines, Cedar Rapids, Cedar Falls, Burlington, Davenport, and Waterloo. The Department of Commerce World Trade Week poster was reprinted and distributed throughout the state. Three export promotion meetings were held in Fort Madison, Bettendorf, and Cedar Falls. The Iowa District Export Council members taped television and radio spots and participated in radio interview shows.

On an annual basis the Des Moines DIBA District Office, in cooperation with local world trade entities, stages three-day seminars and workshops throughout the state during the autumn. DIBA representatives have participated in three previous conferences when Venezuela, Nigeria, and the Near East were featured. Latin America and the Caribbean are proposed for 1977.

Over 1,600 Iowa business firms and Chambers of Commerce received the Des Moines DIBA District Office Newsletter. Approximately 136 of the newsletters are sent to firms in the Cedar Rapids area. Each edition includes both domestic and international subjects. It has been particularly effective in stimulating interest and participation by Iowa firms in DIBA overseas events and trade missions in addition to conveying key country market information to the recipients.

Successful exporting activities are officially recognized by the Department of Commerce and the President of the United States with the "E" Award program. Since the inception of the President's "E" Award for excellence in exporting, thirty-three (33) Iowa firms have received the coveted award. An additional eleven (11) firms have received the "E" Star Award for continued excellence in exporting. The most recent recipients since 1975 are: Thermalyne Corporation, Dubuque, Iowa, "E" Award; Welty-Way Products, Inc., Cedar Rapids, Iowa, "E" Award; Thompson Engineering Company, Des Moines, Iowa, "E" Star Award; W. A. Schaeffer Pen Co., Fort Madison, Iowa, "E" Star Award; Den-Tal Ez Manufacturing Co., Des Moines, Iowa, "E" Star Award; Fisher Controls Company, Marshalltown, Iowa, "E" Star Award, and Winpower Corporation, Newton, Iowa, "E" Award. The Winpower Corporation recorded the proceedings of their recent May 13, 1977, "E" Award ceremony and their Export Sales Manager, H. V. Harned had the following to say about the Department of Commerce export services:

"Exporting is not new to Winpower—but we stopped upon the retirement of our Export Manager a few years ago. When new management arrived on the scene, we started back in the export business. With the help of Jess Durden of the Commerce Department we started to look for agents and have now expanded into some fifty-two countries. We presently sell 32 percent of our products overseas. The export programs of the Department of Commerce and the assistance provided to us by the Des Moines DIBA District Office have contributed to our success."

AID TO AMERICAN SURVIVORS OF HIROSHIMA

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ANDERSON of California. Mr. Speaker, tomorrow, August 6, is the 32d anniversary of the dropping of the first atomic bomb on Hiroshima. Normally, I would make no attempt to take notice of this event.

This year, though, I am happy to do so, for the occasion can serve to help U.S. citizens who survived the blast. My distinguished colleagues from California, Congressmen ROYBAL and MINETA, have introduced legislation which will provide Federal payments to cover medical expenses incurred by the survivors for treatment of physical injuries resulting from the Hiroshima and Nagasaki blasts.

I am proud to be a cosponsor of H.R.

8440 which benefits only U.S. citizens and resident aliens. Although there are about 750 of these survivors in the United States, only an estimated 130 will require assistance. These are victims of the bombing for whom it can be demonstrated that their illness is "directly attributable" to the blasts or the resulting fallout. Additionally, of these 130, the Government will be obligated to reimburse payments just for those medical services not covered by insurance or other compensation.

The wisdom of America's decision to unleash these weapons in World War II is not at question here. What is being addressed is the Government's responsibility to help alleviate the problems this decision imposed on people who are now, 30 years later, our friends and citizens.

LESS GOVERNMENT

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. COLLINS of Texas. Mr. Speaker, America is not great because of what Government did for people but because of what Government permitted a free people to do for themselves. Our free enterprise system—more than anything else—has produced greater wealth and distributed that wealth more widely to a greater percentage of our people than any economic system in the history of the world. In America today, two-thirds of the people who live below the so-called poverty line live lives of luxury compared to the better-than-average family in most of the nations of the globe.

We need to remind ourselves that even with our current problems, we have more energy per capita, more food per mouth, more clothing per body, more homes per family, more cars per driver, more freedom per individual, and more opportunities per dream than any people who ever lived on the face of this earth.

Gradually in this country there is an erosion of freedom as citizens are allowing big Governmnt to be so dominant as to regiment every phase of our lives. Have the American citizens forgotten the advantages of private enterprise compared to this nationalized state of socialism.

Here are some of the primary advantages of private enterprise.

First. Worship in the church of your choice.

Second. Live with your family.

Third. A free and independent press.

Fourth. Right to work or to quit work for any business we choose.

Fifth. Independent education for our children.

Sixth. The best medical facilities in the world.

Seventh. No one in our community goes hungry.

Eighth. A nation at peace.

Ninth. Live in any city or farm where we choose to locate.

Tenth. Being able to buy your own home.

Eleventh. Opportunities for promotion.

Twelveth. Opportunity to own an automobile, television set and telephone.

Thirteenth. Gasoline at $0.60, where most of the world pays $1.50 a gallon.

Fourteenth. Right to elect office holders.

Our big Government gives us nothing but headaches. The best benefits and joys of life come from our family and living in a free society so we can do things for ourselves.

INTERCONNECTION AND POOLING OF ELECTRIC RESOURCES

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. EVANS of Delaware. Mr. Speaker, under the bill, the Federal Power Commission will control, directly or indirectly, most important management decisions of the utility industry. For example, section 451 relating to interconnection, pooling and wheeling deletes the "voluntary" aspects of interconnection between regional districts and further states as its goal:

> To assure maximum competitive opportunity for the purchase of electric energy at wholesale at the lowest possible cost.

This is contrary to the purpose stated elsewhere in the act that—

> Rates for providing electric service to electric consumers shall be designed to the maximum extent possible; particularly, to reflect the cost of providing electric service to such consumers.

The Federal Power Commission, on its own motion:

> Shall by order direct an eletcric utility to . . . establish physical connection of its transmission facilities with the facilities of any other electric utility . . . sell or deliver energy to or exchange energy with such utility . . . provide pooling for such utility . . . provide wheeling or otherwise transmit energy for such utility . . . or otherwise coordinate with such utility.

In short, these and other provisions bring questions relating to reliability and quality of service within the purview of the Federal Government. The record for providing electric service in this country has been excellent. Despite occasional interruptions on individual systems, pooling and interconnections on a voluntary basis have been provided. The power network in the United States has a proven record of providing excellent service and adequate capacity on a timely basis. There is no justification for a bill which gives to Federal Government the responsibility for the operation of the electric utility industry.

This bill will leave the heavy responsibility for financing and operating the companies in private hands while the real authority to manage will be assumed by the Government. Such a scheme of separating responsibility and authority will result in neither adequate financing nor good management; rather it is the prescription for inefficiency and high cost, and ultimately for shortages of capacity which would limit the growth of the whole economy.

The electric power industry is the Nation's instrument for the vital service of electric power supply. It should, of course, be regulated but to create conditions which will impair the quality of management is not in the Nation's interest.

FRANCE AGREES TO JOIN UNITED STATES IN A 2-YEAR STUDY ON NUCLEAR SAFEGUARDS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. BROWN of California. Mr. Speaker, the President's long-term policy aimed at reaching international safeguards and control of plutonium achieved yesterday a significant step forward. Valery Giscard d'Estaing, the President of France, sent President Carter a telegram indicating that France is ready to join in a 2-year study on nuclear safeguards. France has already agreed not to export any more nuclear facilities that could be used for making nuclear explosives. An article in today's New York Times describes this favorable announcement by the French Government. I believe it is important for Members to take note of this development, because it demonstrates that world opinion is beginning to work in favor of President Carter's initiatives on nuclear proliferation and on reevaluating reactor designs which pose a danger to our nonproliferation goals, such as plutonium breeder reactors.

The article follows:

[From the New York Times, Aug. 5, 1977]

FRANCE SET TO JOIN 2-YEAR STUDY TO DEVISE NEW ATOM SAFEGUARDS

PARIS, August 4.—The French Government said today that it would take part in an attempt to work out a new international code of safeguards against the spread of nuclear weapons, first proposed by President Carter.

The French decision is conditional on the Soviet Union's also taking part. Diplomatic sources said Moscow had been invited to join and was expected to accept.

The decision ends two months of uncertainty about the French attitude toward this international attempt to find a way of insuring that nuclear power reactor fuels are not misused to make weapons.

At a meeting of seven Western leaders in London last May, President Carter proposed restrictions on the manufacture and use of plutonium, which is suitable for making nuclear weapons. The approach proved unacceptable to most Western European countries, which expect to derive a substantial portion of their energy from plutonium-burning breeder reactors.

As a compromise, the seven Western leaders agreed in principle on a broader study to evaluate other ways of insuring that the increasing use of power reactors does not also enable more countries to make nuclear weapons. The results of that study would be the basis for a new code of safeguards.

Diplomatic sources said today that President Valery Giscard d'Estaing of France made clear that he would not agree to participate until he was sure the study would not be biased in favor of President Carter's own curbs on plutonium.

Since May, experts have held several meetings in Paris to draw up terms of reference for the study. France's decision today suggests that President Giscard d'Estaing is now satisfied with what they have decided.

There is speculation in diplomatic circles that France is now trying to put pressure on Moscow to participate, thus insuring that another government sharing many of Western Europe's reservations about the Carter proposals contributes to the study.

The study is expected to take about two years. During this time, Western European countries as well as the Soviet Union are expected to continue their research and development of the breeder and the use of plutonium as a nuclear fuel.

However, the Western European countries will also be continuing their efforts to devise new and more secure methods for manufacturing and storing plutonium to insure that it is not diverted for warlike uses, European officials insist.

Along with the United States and the Soviet Union, these countries have already agreed not to export any more nuclear technology that could be used for making explosives, although France and West Germany are still committed to make controversial sales of such technology to Pakistan and Brazil contrary to the United States' wishes.

HUMAN RIGHTS AT HOME: WHY I OPPOSE THE PRESIDENT'S PROPOSALS ON UNDOCUMENTED ALIENS

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. BADILLO. Mr. Speaker, yesterday, the President sent to the Congress a series of proposals to deal with the critical problem of undocumented aliens in in this country. When he took office, I was impressed that the President expressed a concern for dealing with the problem, and I had hoped that his approach would be thoughtful and humane. What has emerged in his proposals is a callous, careless, and expedient approach to dealing with the very lives of hundreds of thousands, probably millions of people residing on American soil.

The President's proposals include an amnesty for aliens who have been in this country prior to 1970, and a "temporary resident alien" status for all those who entered the country between 1970 and 1977. This status would preclude these aliens from ever becoming citizens of this country, it would preclude them from even voting as Americans, it would preclude them from receiving any social benefits from this country.

President Carter has taken a hard line on the human rights of foreign nationals in their own countries, but he seems to take a different view of foreign nationals in this one. He seems to forget that full rights and benefits under the law are supposed to exist for all legal residents of this country. However, for the first time in American history, an American President is attempting to create a new class of resident in this country. If this law is passed not only will there be people in this country who will never have the opportunity to become citizens, but at the end of 5 years when a review of these aliens' status will be made, if a different President with a different philosophy is in office, these people face the possibility of deportation because they have been identified. And if the President's idea becomes law, it will institutionalize the lying and deceit that many aliens have been forced into in order to find the documentation to make them eligible for resident alien status.

However, the practical implications of these proposals are even worse. I am appalled at the ease with which the White House has passed the buck to local governments. It is well known that the flow of illegal immigration into this country has radically increased since 1970, and nowhere is that increase more dramatic than in major urban areas like New York, where the resident illegal population is estimated to be 750,000. Now these people are invisible, and make little demand on the social services available to them. But if the President's proposals become law, you may be certain that they will want their fair share of health benefits and SSI and welfare. And the burden for paying for these services will fall on localities.

I urge my colleagues, as we begin to consider these proposals, to keep in mind their implications. We must have the determination to assure that the estimated millions of undocumented aliens, and the urban centers that must serve their needs, get a fair and humane deal from the Government of the United States.

PUBLIC FINANCING OF HOUSE ELECTIONS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. UDALL. Mr. Speaker, I noted with disappointment the action of the other body earlier this week in deleting the public financing provisions from the campaign financing reform legislation it was considering. That action was taken after it became apparent that the filibuster which had tied up the Senate for more than a week was not going to be broken at this stage.

Although the public financing title was stricken, the Senate did pass the remainder of the bill dealing with other changes in the Federal Election Campaign Act.

This means that the House can now move forward to pass its own bill and go directly to conference. I have always believed that public financing was an incremental process. My 1976 experience with the new law providing public financing of Presidential campaigns last year convinced me that, while there is room for improvement, it was on the whole a major success. Now is the time to take the next logical step and extend public financing to congressional general election races. If the Senate is not interested in taking this step at this time, that is their business.

The House must make its own decision on whether it will allow the discredited status quo to prevail in 1978 House races.

I still firmly believe that the prospects for enacting public financing for House races remain excellent in this body. The bill that I introduced along with Representatives JOHN ANDERSON, PHILLIP BURTON, TIM WIRTH, and more than 120 cosponsors demonstrates strong support in the House for the issue.

I urge my colleagues on the House Administration Committee to move quickly into markup when the House returns in September so that we can still obtain House action on this issue during 1977.

YOUTH EMPLOYMENT AND DEMONSTRATION PROJECTS ACT OF 1977

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. BROWN of California. Mr. Speaker, President Carter today signed the Youth Employment and Demonstration Projects Act of 1977. As a cosponsor of Mr. SIMON'S comprehensive youth employment bill, one of the major components of the act signed today, I am pleased with the speed with which this much needed legislation was approved. This addition to the existing CETA program focuses on one of the most neglected segments of our population. Youth unemployment rates are two to three times as high as the rate for adults. And among black teenagers the current unemployment rate reaches 40 percent in urban areas, a figure that is a national disgrace.

With the program signed today, we can help reduce these figures and encourage a more positive attitude toward employment among these forgotten citizens, an attitude that will continue to return benefits to society in future years. At the same time, we can work on some of the major problems facing this country's economy and environment and give the youth participating in the program academic credit for their training and work. Watershed and wildlife management, reforestation of millions of acres of national forest lands, energy conservation and new energy technology are only a few of the areas that will receive attention.

I know that my constituents will welcome this act. The reduction in the numbers of idle youth and decrease in unemployment compensation payments will benefit taxpayers currently burdened with the cost of providing services for this group. And the many excellent existing local programs utilizing CETA participants will be able to expand and further benefit the community.

One project in particular, the San Bernardino West Side Community Development Corp., exemplifies the positive benefits to be derived from this program. This group is using CETA participants to rehabilitate housing and in-

stall solar hot water heating in a number of Veterans' Administration-owned homes. These CETA participants are being trained in many general construction skills and are learning specialized skills in solar installation, skills that will prove to be very valuable as we increase our emphasis on solar energy. This group is currently planning the development of a solarized industrial park and a facility to cure concrete using solar-generated, low-pressure steam.

This type of multifaceted program will mesh well with the intent of this act and I am sure that they are encouraged by the action we have taken to deal with the youth unemployment problem.

LEAVE THE HATCH ACT ALONE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the well written editorial from the Santa Barbara News-Press entitled: "Leave the Hatch Act Alone":

[From the Santa Barbara News-Press, Aug. 1, 1977]

LEAVE THE HATCH ACT ALONE

Working for the federal government isn't quite like working in the private sector or even like other public jobs. In return for the advantages of federal employment such as job stability, good retirement benefits and a paycheck that the bank never declines (other public workers have been paid with warrants during hard times), all federal workers must try to avoid any hint of conflict of interest.

This is prelude to the circumstance that plans are afoot to revise the Hatch Act, a law that for 38 years has provided a screen between federal employes and the most overt stages of partisan politics such as running for partisan office. A bill that would change important aspects of the Hatch Act has passed the House of Representatives. If approved by the Senate and signed by the President, federal employes could seek partisan offices or work actively in next year's local, state and congressional elections. We think that would be a very bad idea.

Relaxing the Hatch Act would politicize federal workers and give their unions a lot more clout. There is no doubt, in fact, that the big push for change has come from outside sources. Why? Because nearly three-fourths of the federal employes surveyed in a poll said they were against gutting the Hatch Act. Even the Federal Times, a weekly newspaper for federal employes, has come out strongly against a change, terming the legislation (HR 10) "a bad bill that, if approved by the Senate and the President, will come back to haunt us all." The many voices raised against revising the Hatch Act include the strong, liberal one of Common Cause.

Advocates of HR 10 argue that it would only give federal workers the same democratic rights that other U.S. citizens have for total participation in politics. Terming this a "tired, old fallacious argument," federal workers point to the good features of the Hatch Act which protect Civil Service workers from such things as harassment, demotion, job transfer and even dismissal for refusing to make political contributions or do political chores that a government superior might request.

This is the "can of worms" that would be opened if the Hatch Act were defanged. Federal workers know this. A few of them can remember the turbulent times of the 1930s when federal workers as far down the ladder as WPA workers were fired because they wouldn't make campaign contributions or attend political rallies. Such abuses brought about the Hatch Act. It's good law. Why change it?

JOHN REDDIN—GIFTED EDITORIALIST

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. KASTEN. Mr. Speaker, Members of Congress sometimes disagree with the editorial writers of America's great newspapers, but I have found there is always a healthy respect for their concise analysis and opinion-leading ability.

One of Wisconsin's most effective, incisive editorial writers, John Reddin, chief editorial writer for the Milwaukee Journal, died recently.

Leaders of our State and elected officials of both political parties always held him in high regard. As an expression of respect, I submit the following editorial from the Journal, written by those who knew him best and respected him most:

JOHN REDDIN—GIFTED EDITORIALIST

John Reddin—colleague, counselor, good friend—is dead. He presided over these editorial columns for most of the past five years and contributed pungently to them for the past 28. He will be missed—by all of us at The Journal, of course, but also by many faithful readers of these columns who may never have known him.

Reddin's mental ability to store away vast quantities of knowledge and draw upon it quickly in his prolific production of editorials was unequaled among us. Moreover, his wise counsel and firm guidance, based on decades of experience, helped us all penetrate murky issues and avoid dangerous journalistic pitfalls. Thus, he significantly influenced far more editorials than the thousands that he wrote himself.

He also injected courage, toughness and insight into Journal editorial policy at crucial times. His unflinching commitment to civil liberty was well illustrated when Sen. Joseph R. McCarthy posed a rising threat to freedom. Reddin wrote penetrating editorials alerting Journal readers to the dangers of this home state demagog—at a time when the Communist scare was at its peak and McCarthy sharply questioned the loyalty of any publication that dared to challenge his high-handed methods.

A decade later, Reddin was among the early questioners of this nation's ill fated Vietnam policy. Long before it became politically "safe," Reddin was writing repeatedly that the only way for the US to extract itself from the morass of Vietnam was "just to get out"—as, finally, the nation did under the Nixon and Ford administrations.

In another way was John Reddin a much valued colleague. While he could be gruff and impatient with those whose views he believed shallow or ill conceived ("Nonsense!" was a favorite pejorative), his heart was soft. He delighted in interrupting whatever he was working on to relate the latest news of his infant granddaughter. And as boss, he could be at once professionally demanding and warmly understanding of a staff member's personal problems. Thus, a great deal of affection for him grew among his colleagues..

Reddin died as we imagine he would have wished—on a working trip abroad in pursuit of more knowledge to file away in that great storehouse of a mind. It won't be the same around here now. But just as "editorial row" may always retain a hint of Reddin's ever-present, long cigar, we hope it also retains the journalistic integrity, wisdom and fortitude that John Reddin exemplified.

U.S. PANAMA CANAL AND CANAL ZONE: SENATE HEARINGS, JULY 22 AND 29, 1977

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. MURPHY of New York. Mr. Speaker, one of the most vital issues now confronting the Nation and the Congress is that of the sovereign control of the U.S.-owned Canal Zone and Panama Canal. The strategic location of this area and its transit facilities have been recognized for centuries and the value of the canal to national defense and interoceanic commerce has been fully established by experience in both peace and war.

The Subcommittee on Separation of Powers of the Senate Committee on the Judiciary on July 22 and 29, 1977, conducted hearings on the constitutional aspects of the State Department's projected surrender without prior congressional authorization of U.S. sovereign control over the Canal Zone and canal to the Republic of Panama, which country is closely allied with Soviet Cuba. These hearings, which necessarily covered many angles of the immensely complicated canal subject, including the intentions of the executive, will be published at a relatively early date and thus be widely available.

I testified on July 22 and expressed some very positive views derived from my study of canal history and problems as well as from many personal observations during official visits in the Canal Zone.

Among the statements submitted to the subcommittee on July 29 was one by Adm. John S. McCain, Jr., retired, former U.S. Commander-in-Chief, Pacific, whose earlier career included service on submarines operating from Coco Solo, Canal Zone. In his statement, which is based upon an extensive study of the subject, as well as his naval experience, he urged a positive six-point plan of action for our Government in the interest of hemispheric security, national defense, and interoceanic commerce.

Mr. Speaker, because of the relevance of the two indicated statements to the present national debate, I quote both as parts of my remarks:

STATEMENT OF HON. JOHN M. MURPHY, CHAIRMAN, COMMITTEE ON MERCHANT MARINE AND FISHERIES, BEFORE SENATE JUDICIARY SUBCOMMITTEE ON SEPARATION OF POWERS

Mr. Chairman, thank you for this opportunity to testify before this subcommittee on one of the most important contemporary issues with respect to the separation of

powers—the congressional power to dispose of U.S. property and territory, especially as it relates to the Panama Canal and Canal Zone. This issue has long been of concern to me. As chairman of the House Panama Canal Subcommittee in the 92d Congress, I chaired several days of hearings which addressed this question and gave firm proof that congressional authorization is required for any transfer or conveyance of the lands of the Canal Zone or Panama Canal property to the Republic of Panama.

Let it be unmistakably clear—the United States has title to the Panama Canal and a vested property interest in the Canal Zone. These two facts have been acknowledged not just by many in the Congress today, but by Presidents, Secretaries of State and U.S. representatives who were involved in the writing and interpretation of canal treaties. These facts have even been acknowledged by the representatives of Panama. Indeed, any U.S. official who chose to deny these facts would be contravening the position of successive administrations since the time of Theodore Roosevelt.

The overriding reason that the United States possesses such extensive powers on the Isthmus of Panama is that the taxpayers and Congress of the United States would never have allowed the investment of such large sums of U.S. money in the construction of an interoceanic canal and its defense without the necessary legal authority—jurisdiction, sovereign power and title—to protect that investment.

The basic 1903 treaty with Panama gave the U.S. property rights. In article VIII of that treaty, Panama granted to the United States, and in article XXII, Panama renounced all reversionary claim to all rights, interest and property connected with previous canal concessions. Moreover, that treaty either granted to the United States or authorized the taking of all real property in the Canal Zone, and provided for a land commission to compensate private landowners. Landholders or landowners subsequently deeded property to the United States and were indemnified, and in this way, the United States acquired property rights ranging from fee simple title to release of squatters' claims. In fact, the total compensation paid by the United States to various entities in connection with the canal property purchases has amounted to $166,362,173, as of 1974.

In 1907, the U.S. Attorney General confirmed the satisfactory title to the property the United States acquired from the French Canal Company, including land and stock.

Also in 1907, in the historic case of *Wilson* v. *Shaw*, the Supreme Court indicated that the title of the United States to the Canal Zone was sufficient for the expenditure of U.S. funds.

It is hypercritical to contend that the title of the United States is imperfect, and that the territory described does not belong to this Nation, because of the omission of some of the technical terms used in ordinary conveyances of real estate.

Thus, Mr. Chairman, without addressing all of the specific foundations of U.S. property interests with respect to the Panama Canal and Canal Zone, it is clear that the United States is the owner of assets of the Panama Canal Company and the Canal Zone Government, and that we have ownership of the waterway, appurtenant installations, buildings, and other structures in the zone. Further, the assets of the Panama Canal organization and military departments and agencies of the U.S. Government in the zone are assets which are property subject to article IV, section 3, clause 2, of the Constitution.

The United States, then, has property interests which can only be disposed of with proper constitutional authorization. Even if the Republic of Panama were to regain sovereign power over the Canal Zone in a new treaty, that would not accomplish of itself the reacquisition of title or rights to the land, assets and property of the Panama Canal. In behalf of our property interests in the Canal Zone, the U.S. has paid—and paid—and paid. Our expenditures have included the initial $10 million payment and annuity payments made to the Republic of Panama through the 1903 Treaty and its modifications; the $40 million paid to the French Canal Company in 1903; the $25 million payment to Columbia in 1922; and, finally, the $7 billion in investment by the U.S. in the Canal and Zone.

Having established that the U.S. is a bona fide property holder in the Canal Zone, what, then, is the answer to the chief question which the Subcommittee is addressing? Can the property rights of the United States in the Zone be disposed of by treaty without implementation or authorization by the entire Congress, including the House of Representatives? The answer, Mr. Chairman, is, in my view, definitely not—prior practice, judicial interpretation, and the tenets of real democracy do not allow it.

The Presidential power to negotiate treaties, stipulated in Article II, Section 2, of the Constitution cannot be viewed in isolation. Article IV, Section 3, Clause 2, of the Constitution is one clear limitation on the Article II power. It provides:

"The Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States; and nothing in this Constitution shall be so construed as to Prejudice any Claims of the United States, or of any particular State."

Since it is the responsibility of Congress to dispose of U.S. property, if the President proceeded to negotiate and press for consent to ratification of a treaty which ceded or transferred U.S. property without Congressional consent, then he would be proceeding on an unconstitutional course. As the Supreme Court has said, the treaty power does not extend to what the Constitution forbids (*Geofroy* vs. *Riggs* 133 U.S. 258).

Moreover, treaty arrangements which are complex in nature and require implementing legislation, like those which would likely result from present Canal treaty negotiations, are most advantageously handled by the entire Congress and the Excutive because of the many interests which are affected. In addition, the depth of feeling of the people of the United States on the Canal issue invites a democratically superior policy of maximum participation of the Legislative Branch. Indeed, the people of this country rightfully feel that their tax dollars and resources are greatly responsible for the Panama Canal—and they want the influence of the House of Congress charged with appropriation of monies to be felt.

In debate in previous years on this question of Congressional approval of disposal of U.S. property, representatives of the Executive Branch have frequently cited U.S. treaties with Indian tribes as precedents for disposing of U.S. territory without full Congressional approval. What must be pointed out, however, is that these Indian treaties had some fundamental differences with the Panama Canal situation. Not all of these treaties involved a transfer of title. Moreover, in those few cases in which title was transferred, the U.S. retained residual rights as the sovereign in lands granted to the Indian Tribes. In the Panama situation, we will probably find lands being conveyed to a foreign power with no residual U.S. rights.

Also, you may hear the Department of State citing some isolated instances where transfers were made by treaty alone in order to support the proposition that the treaty-making powers are concurrent with that of the Congress with regard to transfer of properties. The fact that Congress chose not to exercise its power in instances involving 43 gallons of whiskey in an Indian treaty, or some very minor parcels of property in Panama, does not mean that Congress does not have the disposal power and does not denigrate the powers granted by the clear and unequivocal language contained in Section IV, Article 3, Clause 2.

With regard to the specific question of disposal of Panama Canal property to Panama, prior practice demonstrates what must continue to be the rule. Property of the U.S. associated with the Panama Canal enterprise has been disposed of in the past only in accordance with Congressional authorization with the exception of some small tracts of land which were conveyed as part of 1955 boundary adjustments and in which the Congress acquiesced. Certainly, if House as well as Senate authorization was necessary heretofore to dispose of appurtenant facilities of small tracts of land in the Zone, then there must be full authorization for, in effect, transferring the entire Canal Zone and most or all Panama Canal property as we may see it in a draft treaty.

Allow me to cite the precedents for transfer of Canal property. In 1932, in order to build a legation building on land that had been a part of the Canal Zone, Congress authorized the Secretary of State to modify the boundary line between Panama and the Canal Zone.

In 1942, a House Joint Resolution permitted the transfer to Panama, free of cost, of the sewers and waterworks systems of Colon and Panama City, as well as certain railroad lots. This Resolution was passed in the Senate despite some objection that the transfer should have been accomplished by treaty without House participation. In the debate that confirmed this important legislative requirement, the then Chairman of the Senate Foreign Relations Committee, Senator Connally, stated:

". . . under the Constitution of the United States, Congress alone can vest title to property which belongs to the United States. The Constitution itself confers on Congress specific authority to transfer territory or lands belonging to the United States. . . . The House of Representatives has a right to a voice as to whether any transfer of real estate or other property shall be made either under treaty or otherwise."

Finally, in 1955, in the treaty of Mutual Understanding and Cooperation with Panama, major property transfers were made dependent upon the Congressional authorization given in 1957. During hearings on the consideration of the 1955 Treaty, a representative of the State Department admitted that legislation would be needed to implement the transfer of all the territory and property mentioned in the treaty.

Thus, Mr. Chairman, the prior practice with respect to the Canal Zone is clear. Based on the facts of this situation, our U.S. negotiators should proceed on the assumption that the House of Representatives and the Senate will both have to approve any agreement binding on the United States. In view of past practice, if the State Department does not want full Congressional authorization of disposal, the burden is on them to show that we do not own the Canal Zone or any properties therein.

I would urge that the only treaty the Senate ought to accept is one which includes Congressional authorization for disposal of U.S. Canal property as one of its provisions. Absent that provision, the draft agreement should be remanded to the negotiators. This is especially important in view of the fact that the U.S. is negotiating with a military dictatorship in Panama whose treaty agreement on property rights could be overturned tomorrow.

Mr. Chairman, if the Executive is permitted to sidestep the House of Representatives on this vital constitutional issue of disposal

of Canal property, it will try to sidestep the Senate on another issue, and the Judiciary on still another. The very fundamental precepts of the Constitution are at stake and we have already had one instance in which the Executive Branch attempted to expand its powers, resulting in the worst scandal in our nation's history—Watergate.

In addition to my personal views on this subject, I appear today because the House Committee on Merchant Marine and Fisheries, which I chair, must be intensely interested and rightfully insistent on its prerogatives with respect to the Panama Canal. If the U.S. is to be a primary operator of the Canal under a new treaty arrangement for the next 25 years or so, then the Committee will presumably have legislative responsibility for such items as the structure of a new Canal operating entity; the basis for vessel tolls; the lands and waters and property rights relevant to the Canal; assets of the Canal entity; options for Canal modernization or a new sea-level Canal; the neutrality and international guarantees for the Canal; and ancillary operations. It would be disastrous for the Committee and the Congress to have to deal with a treaty wholly or mostly deemed by the Executive to be self-executing. To do this would be to make a farce of democracy.

For this reason, I strongly urge that the Senate Committee forcefully act to retain appropriate Congressional powers and to ensure effective participation in any projected arrangements with Panama regarding the Canal. The Constitutional language of Article IV is clear and unequivocal. Congress has the power to deal with U.S. property—it is the intent and duty of Congress in matters of such vital importance to assert its power.

In conclusion, I would like to express the gratitude of the Members of the House of Representatives for the service which this Subcommittee is rendering in holding these essential hearings.

STATEMENT BY ADM. JOHN S. MCCAIN, JR.

Mr. Chairman and members of the Subcommittee: My name is John S. McCain, Jr., Admiral, U.S. Navy, retired. My last active duty was a U.S. Commander-in-Chief, Pacific, 1968–72, which was during the height of the Vietnam war. My previous experience included duty with submarines based at Coco Solo, Canal Zone, prior to World War II. Throughout my active career I have been a student of sea power in the defense of the United States. In this defense, the Panama Canal is the strategic center of the Americas and as such a crucial element of U.S. sea power in the current drive for world domination by the USSR. This includes the predominating effect of economic security.

Records show that at the height of the Vietnam war, the Panama Canal transited U.S. Government vessels as follows: in Fiscal 1968 a total of 1,505; in 1969, 1,376; and in 1970, 1,068. These vessels consisted largely of combatant units and logistic support groups for the U.S. Armed Forces in the war. Had the Panama Canal not been available, the war could not have been effectively conducted.

In my capacity as Commander-in-Chief, Pacific, I worked in close collaboration with the Chiefs of the Army, Navy, Marine Corps and Air Force. I have read the July 22 statement before this Subcommittee by Admiral Thomas H. Moorer and concur fully with his evaluation on the vital importance of the Panama Canal to our Armed Forces and national survival.

As a student of Panama Canal history, I have long admired the vision of the framers of our Isthmian Canal policy for all sovereign control over the Canal and its protective strip of the Canal Zone territory. Both are closely inter-related and should not be separated or have their sovereign control in any sense whatsoever diluted as is now being proposed.

To surrender one square inch of the Zone territory, as known by experience, will only lead to future greater demands and eventual loss of the Canal itself to a small and weak country that could not possibly stand up against the pressures of stronger powers. Soviet Russia and the communists, both terms synonymous, are making every effort to gain control of the Canal.

Mr. Chairman, I have also read the recent letter to the President by four greatly distinguished former Chiefs of Naval Operations. My experience as Commander-in-Chief, Pacific, fully justifies the views that they so powerfully expressed.

The United States is now facing the gravest period in its history. It has suffered successive defeats all over the world and the loss of sovereign control over the Canal Zone would result in transforming the Caribbean and Gulf of Mexico into Red lakes, with grave consequences in Latin America.

One of our country's outstanding strategists, General Thomas A. Lane, a student of Panama Canal problems with Canal Zone experience, foresaw what is now transpiring. In an editorial in the Strategic Review, he made this significant statement:

"The belief of some officials that U.S. operation and defense of the Canal under treaty provisions, instead of under sovereign authority, would eliminate the friction of recent years is a calamitous misjudgment of the present scene. Marxist-Leninist subversion would be intensified by such a retreat. Friction would mount and the U.S. position would become intolerable. The United States would be compelled to use force against the Republic of Panama, or to withdraw and allow the Canal to be operated and defended by another (power). That is a prospect which no President should impose on his successors." (Strategic Review, Winter 1974, p. 5.)

The Canal Zone sovereignty question transcends all partisan considerations and must be decided on the highest plane of national interest if our U.S. future is to be safeguarded. Under no circumstances should U.S. sovereign control over either the Panama Canal or the Canal Zone be diluted.

In Latin America, the national qualities that win respect are strength and decisiveness. It is time for our country to stop COWERING, cringing and to act the part of a great and powerful nation with a positive and constructive program. We have nothing to be ashamed of. Nor need we apologize for all the foreign aid and technical assistance we have given to other nations beginning with the Marshall Plan. I would urge in the interest of hemispheric security the following:

1. Emphasis by the Senate and House of Representatives on U.S. sovereign rights, power and authority in perpetuity over the U.S. Canal Zone and Panama Canal (H. Res. 92);

2. Major modernization of the existing Panama Canal under existing treaty power for "expansion and new construction" (H.R. 1587);

3. Authorization for the election by U.S. citizens residing in the Canal Zone of a non-voting delegate in the Congress (H.R. 1588);

4. Reactivation of the pre-World War II U.S. Naval Special Service Squadron with homebase in the Canal Zone; and

5. Stationing of a unit of U.S. submarines at Coco Solo, Canal Zone. This force served a worthwhile purpose when it existed. It had a stabilizing effect and would do so again. It may be needed sooner than we like to think.

Some day a Soviet naval task force will be operating in the Caribbean-Gulf area. This will happen in the not-to-distant future. In the area of international relations, we must be prepared in peace in order to be prepared to fight in war.

6. The Naval Air Station at Coco Solo should be retained and we need the return of Old France Field, which was recently leased without prior congressional authority to Panama for 15 years. We need these two air facilities to increase U.S. air capability in the Gulf-Caribbean area in lieu of the shortage of aircraft carriers for the area.

BILL BERLIN WINS OUTSTANDING USAF EDUCATION SERVICES AWARD FOR 1976

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. OBERSTAR. Mr. Speaker, the U.S. Air Force's highest honor in the field of education has been awarded to Mr. William A. Berlin, formerly a resident of my congressional district, and now education services officer of the U.S. Air Force base at Misawa, Japan. The outstanding USAF Education Services Award for fiscal year 1976 means that Mr. Berlin's education program is the very best worldwide in the entire U.S. Air Force. This is the second time Mr. Berlin has won the award, an unprecedented distinction.

To those who know Bill Berlin, the award comes as no surprise. He is a product of Minnesota's Iron Range, where our immigrant forebears gave education the highest priority when they settled this area at the turn of the century. Bill Berlin exemplifies the finest tradition of Iron Range excellence in education.

He was born of immigrant parents on a mining location near Buhl, Minn., and began his career in public service early in life, serving in the Minnesota State Legislature from 1938 through 1942, one of the youngest legislators in the State at that time.

At the outset of World War II, Berlin resigned from the legislature and joined the Army Air Corps, where he learned to appreciate the value of off-duty education. Following 20 years of service in the Air Force, Mr. Berlin undertook a new career teaching government in the University of Maryland's overseas extension program.

Bill Berlin's strong personal commitment to education as a means of career development for armed services personnel led him to his present position as Air Force educational officer in 1968.

His first worldwide recognition came in 1972 when he had developed such an outstanding education program at his Air Force base in Turkey that 75 percent of the military personnel there were attending school on off-duty time.

In 1974, Berlin moved to the Misawa Common Defense Installation in Japan, and in 2 years advanced that education program from among the least effective to the top in the entire U.S. Air Force. Such dedication to serving others deserves the highest recognition that has so rightfully been awarded to Mr. Berlin.

I join the U.S. Air Force in congratulating Bill Berlin on an outstanding career of service to his fellow man and to his country.

I invite my colleagues to read the following detailed account of Mr. Berlin's education program as reported in the May 13, 1977, edition of Northern Light, the base newspaper of the U.S. Air Force base at Misawa, Japan:

[From Northern Light, May 13, 1977]

THE MORE YOU KNOW THE HIGHER YOU GO!

Everybody at Misawa knows that our Education Office is the best in the Air Force, but now it's official. Under the leadership of William A. Berlin, Misawa's education program has grown by leaps and bounds in the last two years and earned the Outstanding USAF Education Services Program Award for Fiscal Year 1976.

Success here is measured by the scope of services offered and the number of students enrolled. With more than half of the officers assigned here enrolled in graduate programs and 100 per cent of the enlisted force completing high school requirements, enrollments have tripled since 1974.

The testing program, another service here, administers to military and civilians from as far away as Korea and Tokyo, who travel to Misawa to take the Law School Aptitude Test, National League of Nurses Exam, Medical College Admissions Test, Engineering Certification Exam and National Teacher's Exam. Misawa is the only center on mainland Japan authorized to administer these tests. Other exams offered are too numerous to mention, but are well worth looking into.

Testing receives special emphasis here. By simply assuring that testing materials are on hand, an increased number of people have been able to upgrade their educational status. "We can give two years of college in four to six weeks," stated Mrs. Lynn Champa, testing specialist, explaining how the College Level Examination Program (CLEP) can accelerate a person who already has the knowledge to pass college level exams. "Why take the class when you know the work?" Mrs. Champa administers about 15 subject exams every week to people who can receive college credit at no cost to themselves.

Two years ago, Misawa had no graduate program. Now there are two graduate programs offering three majors. The 26 classes, offered this term by the University of Maryland and the 19 by Los Angeles Community College, represent a two-year growth rate of more than 230 per cent and 430 per cent respectively and a study is underway that could soon bring a doctorate program to Misawa.

Realizing that all college students are not necessarily degree seekers, Los Angeles Community College specializes in useful courses such as photography, auto repair and typing. Foreign language courses offered by the Education Office range from a free conversational Japanese course, to the only spoken English class in the Pacific designed to help foreign-born military dependents who speak English as a second language.

The colleges participating at Misawa should be very proud of the outstanding work being done by their field representatives, Marcia Carnahan, University of Maryland and Los Angeles Community College (LACC); Lynn Champa, University of Oklahoma; Geri Sheets, University of Maryland; Lindia Shultz, LACC; and Bridgett Wilson, University of Southern California.

Professional Military Education (PME) continues to be an important element in career advancement. MSgt. William L. Nichter and TSgt. William R. Champion teach Phase One (required by senior airmen to be awarded noncommissioned officer—NCO—status) and Phase Two for supervisors. The five-phase program incorporates the various NCO academies and leadership schools and adds to it, thus creating a building block program. "PME is the first sequential development program designed to enhance the quality of the enlisted force," stated Sergeant Champion.

Much of the in-service training received by military people can count toward college credit through the Community College of the Air Force (CCAF). It is fully accredited and recognized by the Southern Association of Colleges and Schools to award college credit for in-service training and schools. This is yet another program whereby a person can get a college transcript without enrolling in a civilian college. Mrs. Pam Hilderbrand, education specialist and acting Noncommissioned Officer in Charge, offered this example. "A few years ago, we sent a team to the Hill to review college credits. In a round-the-clock session with an entire flight, 89 years of college were examined and documented."

Misawa's academic program has grown so fast, that every available classroom space on base is being used to accommodate the 9,000 annual enrollments. Classes are held in the fire station, civil engineering air conditioning shop, credit union, photo lab, chapel lounge and anywhere instructors can find a classroom or a place to sit a group. The 17 scattered classroom locations have given Missawa the unofficial name, "The Campus."

How did the Misawa Education Office get to be the best in the Air Force? "Just plain hard work," was how it was explained by Mr. Berlin, education services officer. As another staff member put it, "Mr. Berlin is a master salesman. The more students we have, the more extras we can provide. People are the capital that the Education Office functions with."

One hundred per cent of all incoming Air Force personnel receive Mr. Berlin's personal briefing on educational opportunities. His aggressive technique is virtually legend and emulated around the world. Judging from critiques, only 10 percent of incoming personnel have ever received a briefing on educational services, although it is mandatory by Air Force regulation.

While the Misawa Education Office is usually viewed in Air Force terms, services are extended to all base personnel—Army, Navy, Air Force and Marine military, as well as dependents and Department of Defense civilians. In this regard, some people feel that this office should be considered the best in the world—not just Air Force!

Misawa now has a full time education counselor, Dr. Mike Imphong, who supplements Mr. Berlin's briefing with a personal interview of each newcomer. Dr. Imphong reviews each person's background and advises on educational opportunities and needs, helping the individual set goals.

Keeping education records on Misawans is very important to students and it's a task the Education Office handles well. One of the unique services offered by Mrs. Hildebrand and education clerk SrAmn. Kathy Crace, is the automatic update of military records so that students completing classes will receive immediate official academic credit.

Enrollment in the Extension Course Institute, CCAF, Airman Education and Commissioning Program, AF Reserve Officers Training Corps and tuition assistance are provided regularly. It is not by accident that of the 43 Basic Education Opportunity Grants recently awarded in the Pacific area, 39 were from Misawa.

The theme of the Air Force Education Services Program is "Everyone a Professional." Everyone working in the Misawa Education Office is a professional and they are working hard to upgrade the professional level of every Misawan who is smart enough to listen.

Mr. Berlin summed it up this way: "Keep 'em in class and off grass!"

EDUCATION OFFICE GETS RECOGNITION FOR BEST PROGRAMS IN COMMAND

The man who informed Misawans to, "think of education as a service you can demand," is meeting education demands from thousands of scholars, according to a recent message released by Security Service officials.

William Berlin, education services officer here, and his staff were recently selected as having the best education program in Security Service. The office is also being considered for Air Force-wide recognition.

"People should learn to demand education services as vociferously as they would other services, such as plumbing, telephone, dental or medical," stressed Mr. Berlin.

The education officer personally conducts mandatory education briefings for newly arrived personnel. As a result of increased enrollment efforts, Los Angeles Community College enrollments have mushroomed from 48 enrollments in fiscal year 1974 to 1,106 in fiscal year 1976 for a growth rate of 434 per cent according to statistics released by the Education Center.

Total enrollment for the University of Maryland for fiscal year 1976 was 1,722. Maryland's 688 first term enrollments reflect the largest enrollment figure for a single term at the base Education facility.

The Education Center also offers a variety of college aptitude tests, college board tests and graduate record exams.

PRESIDENT MAKARIOS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. GILMAN. Mr. Speaker, I was deeply saddened to learn of the untimely death of the President of Cyprus, Archbishop Makarios. His passing is a profound loss to his people and to his nation.

As the President of Cyprus since its independence in 1960, he has come to symbolize the character and destiny of his homeland and he gained respect throughout the world as a great statesman.

This humble son of a shepherd rose to become head of the Greek Orthodox Church and head of State through personal courage and compassion with the single goal in mind of creating a modern independent Cyprus.

To this end, he helped create a modern, thriving, and progressive nation, well on its way to economic as well as political independence. The unfortunate tragedies that have fallen upon his country, including the Turkish invasion, subsequent occupation, partition and general disruption have dealt a heavy blow to the work he had so carefully completed.

But even in these troubled times, he worked hard in seeking the withdrawal of Turkish forces and to obtain an ever-elusive political settlement.

I recall on one of his recent visits to this country, the Archbishop met with the members of the House International Relations Committee. All of us at that meeting felt the sincerity and compassion contained in his remarks.

President Makarios has earned the re-

spect of the world. His life has had a significant effect on his homeland. His memory will serve as an inspiration to future Greek-Cypriots. It is my hope that the void caused by his passing will be filled with men of equal ability to continue his efforts in seeking unification and peace. The people of Cyprus could not provide a more fitting tribute to their fallen leader than by achieving his dream of returning once again the political freedom and tranquillity that Cyprus so richly deserves.

THE MARITIME LOBBY'S TRIUMPH

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. EVANS of Delaware. Mr. Speaker, this week the House Merchant Marine and Fisheries Committee, of which I am a member, ordered reported H.R. 1037, cargo preference legislation. Five of us on the committee opposed the legislation, but unfortunately for the American consumer we were outgunned by the special interests pushing this boondoggle of a bill.

This legislation will cost the American consumer some $7 billion over the next 5 years. If we are serious about holding down inflation, then we should defeat this measure when it comes to the floor after the recess.

Mr. Speaker, I insert two editorials, one from the August 2 Washington Post and the other from the August 4 Wall Street Journal, which zeroed in on this victory of the special interests, to be included in the RECORD:

THE MARITIME LOBBY'S TRIUMPH

The maritime lobby, with its money bags has scored a great political triumph. The costs will be borne over coming years by everyone who buys oil products. It's another defeat for the enlightened trade policy that President Carter keeps proclaiming but never quite manages to put into practice.

The maritime interests—ship builders, ship operators and unions together—already enjoy more different kinds of subsidy than any other American industry. Despite this torrent of aid, they have worked their freight rates up so high that nobody uses American-flag shipping unless the law requires it. The maritime lobby has now obtained President Carter's misguided support for its perennial bill to force part of this country's oil imports into those American-flag tankers. The proportion of imports affected will be small at first, but it will rise steadily.

It's called a cargo preference bill, and it is 200-proof protectionism. It would violate American treaties with other nations. It would be inflationary. It would add still another layer of subsidy, this time paid directly by consumers in the form of higher oil prices. As national policy, it's got absolutely nothing going for it but the lobbying muscle and the extensive campaign contributions of the people who wanted it. But that turned out to be enough to get the President's support.

Mr. Carter's whole trade policy is rapidly deteriorating. He keeps talking in terms of the most highminded commitments to open trade and international competition but, unfortunately, the actual record points the other way. There have been three major cases so far, and three times the administration has caved in to the protectionists.

In the case of the color television sets from Japan, Mr. Carter resorted to an Orderly Marketing Agreement. That term is a euphemism for an agreement by the exporting country to limit shipments. In the shoe case, the administration imposed another couple of Orderly Marketing Agreements on Korea and Taiwan. THey will save some jobs in American shoe factories; they will also cost some jobs in American retail stores as well as increase prices to American consumers. But at least an Orderly Marketing Agreement is limited in duration and is a legal procedure under the general trade rules that this country has bound itself to. The cargo preference bill is neither.

It's a strange performance for an administration that foresaw trade troubles and staffed itself with people to meet them constructively. Those people, led by Treasury Secretary Michael Blumenthal and Under Secretary of State Richard Cooper, have been walloped in each successive test. The President has been mainly following the advice of Robert S. Strauss, currently his special trade representative and formerly chairman of the Democratic Party. Like most party managers, Mr. Strauss thinks in terms of constituencies and grievances: a factory here, a union there. He apparently does not work in terms of broader concerns, like consumer interests in general, or American productivity, or the future of the highly competitive American industries whose overseas markets are now threatened by foreign retaliation.

If Mr. Carter will not resist protectionists pressure, he cannot expect the fragile governments of Western Europe to do better. He may get heat from aggrieved unions—but unlike, for example, the president of France, he does not face an election next year that might bring the Communists to power. In May, at the London summit conference, Mr. Carter joined in a pledge to support firmly the principle of open trade and a growing world economy. The people who heard him must wonder what he had in mind when they now read the cargo preference bill that he has promised to support.

THE MARITIME PAYOFF

Back during the 1976 primary campaign Jesse Calhoon of the Marine Engineers Beneficial Association put together some $200,000 in maritime industry contributions for Jimmy Carter. Mr. Calhoon doesn't work for nothing. The payoff for his efforts is making its way through Congress, with the support of the President.

The payoff, of course, is the cargo preference bill, reported out of the House Merchant Marine Committee this week by a comfortable 31-to-5 margin. "Cargo preference" is a euphemism for a shipbuilder and maritime union hijacking of American consumers. It will add another $7 billion or so to fuel bills over the next five years.

East Coast consumers, who depend heavily on imported oil, will be among the hardest hit. Constituents of Merchant Marine Committee Chairman John Murphy, (D., N.Y.) can expect to pay an added $50 a year just for this bit of special interest legislation.

The way money is transferred from Mr. Murphy's constituents to well-paid merchant seamen and rich ship owners and shipbuilders is simple. The cargo preference bill requires initially that 4.5% of all oil imported into the U.S. be carried in U.S.-flag vessels. The percentage will move up to 9.5% over the next five years.

It costs about 2.3 times as much to operate a U.S. flag tanker as a foreign flag tanker currently. With the added demand legislated by the act, that cost gap is sure to widen.

U.S. flag tanker owners already are reaping a bonanza through government policies even before the cargo preference bill becomes law. Under the Jones Act, U.S. coastal shipping must move in U.S. flag vessels. Alaskan oil and the government's crude oil stockpiling program both have expanded coastal shipping, sharply increasing demand for U.S. flag tankers. The rate for chartering a U.S. flag tanker has about doubled over the last year. If you add a provision that 4.5% of imported oil must move in U.S. bottoms as well, it's hard to guess how high these tanker rates might go. Currently, they are four to five times foreign tanker rates.

The government subsidizes the operation of U.S. flag vessels to the tune of some $400 million a year, which means that most of the salaries of Mr. Calhoon's 6,000 MEBA members are paid for with tax money. The average U.S. flag seaman earns some $24,300 per year and MEBA members do considerably better than the average. While the cargo preference bill does not call for additional subsidies, they will hardly be necessary considering the charter rates the operators will command.

As to ship owners, consider this: The Federation of American Controlled Shipping estimates that the crude carrier Stuyvesant, just completed in the Brooklyn Seatrain shipyard and chartered to Sohio, will gross $30 million in three years on a $9 million equity investment. The government paid a $27 million subsidy on the $63 million ship and also insured a mortgage for the sums borrowed to build it. Not a bad deal.

An added point is raised by Lawrence C. Ford, president of Chevron Shipping Co. of San Francisco. Since Mr. Carter's energy legislation calls for wellhead taxes on domestic oil to bring its price up to the level of imported oil, any added importing costs will affect domestic fuel costs as well. So the $7 billion in direct shipping costs is only the beginning of the total cost to American consumers. Windfalls are bad if oil producers get them, good if they go to the maritime industry, so we would gather.

The maritime lobbies put up arguments that their raids on American pocketbooks serve the public interest, but they are not very convincing. National security is one such argument, but national security can hardly be said to depend on what flag a ship flies. It seems very unlikely that the U.S. will go to war with Liberia or Greece or that American oil companies would give up ships that fly Liberian or Greek flags, even in the event of war.

As to jobs created or preserved the estimate for cargo preference is 3,500. That figures out, according to Mr. Ford, to a cost of about $440,000 per job. It might be a little cheaper to simply pay 3,500 people to do nothing.

Mr. Ford's opinion of the cargo preference act is summed up simply: "It's the worst I've ever seen." We can hardly improve on his appraisal.

LEST WE FORGET

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mrs. LLOYD of Tennessee. Mr. Speaker, despite the fact that the Vietnam war has ended, and despite the fact that Vietnam was recently admitted to the United Nations, with the support of the United States, it still remains that there are many families in our country who have still not been told the status of their husbands, sons, and fathers. I believe that we should all be deeply sympathetic to the emotional strain which has been placed on the families of those

men who still remain unaccounted for. It is unconscionable that these people should have to continue to live with such uncertainty. We must use every means possible to persuade the North Vietnamese to provide for a full accounting of all MIA's and POW's.

Capt. Samuel L. James, who is the son of Mr. and Mrs. Sam James of Hixson, Tenn., and who is missing in action, was 32 years old on July 24. It is my hope that his parents will receive some information on Captain James in the very near future.

FEDERAL RESERVE IS DOING ITS JOB

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. EVANS of Delaware. Mr. Speaker, I happen to believe that the Federal Reserve System serves as one of the cornerstones of our economic system, and is one of the prime reasons for this Nation's unmatched prosperity over the last several decades.

I also believe that the present Chairman of the Federal Reserve, Dr. Arthur Burns, is a man of unquestioned integrity, honesty, and brilliance to whom Americans owe a deep debt of gratitude. Dr. Burns has done much over the years to educate the American people about the complex but important meaning of economic trends and activities, and, as one who considers himself a student of Dr. Burns, I look forward to his regular and frequent appearances before the Banking Committee.

Thus, it concerns me greatly when attacks are made in the press which call into question either the workings of the Fed, or, even worse, the character of Dr. Burns. Generally these attacks are made by people who apparently, judging by their comments, know little about the strengths of our economic system.

However, occasionally an article appears in the public media which cuts through the haze of misinformation. One such article appeared recently in the Philadelphia Inquirer in the form of a letter to the editor from Mr. Allen J. Simpson. Mr. Simpson was answering a column by Mr. Nicholas von Hoffman, but his comments shed new light on the responsibilities of the Federal Reserve.

I insert Mr. Simpson's comments in the RECORD:

[From the Philadelphia Inquirer, July 13, 1977]

AND BURNS, TOO: FEDERAL RESERVE IS DOING ITS JOB

To the Editor:

"Pulling the Fed in From the Cold" by Nicholas von Hoffman, appearing in the June 27 Inquirer is a disservice to the American people. The inaccuracies and misimpressions in the article indicate that the author has failed to research the topic even superficially. The article strikes me as hearsay.

While it is true that the Federal Reserve System is not well-understood, that is not the Fed's fault. The system publishes many pamphlets and books describing its purposes and functions. In addition, there are scheduled tours of the Fed facilities and movies explaining its activities. The truly interested person can learn a great deal about our system.

The original purposes of the Federal Reserve System were to create an elastic currency, to provide facilities where commercial paper could be discounted, and to improve the supervision of the commercial banking industry. In a broader sense, the Fed's purposes were to help counteract inflationary and deflationary pressures that develop and to foster favorable economic conditions over the long term.

It becomes obvious as one's understanding of Fed operations increases that secrecy is an essential part of the program. Secrecy about operations permits the Fed to talk a hard line, or talk a very soft line on domestic monetary policy, while actually maintaining a moderate course in an operational sense.

In this way, objectives can frequently be reached without the application of strong measures that have undesirable side effects. Secrecy aids the Fed's effectiveness and benefits the public.

In addition, during the course of business, the Fed is called upon to assume major financial risks. For example, while stabilizing the dollar in recent years, the Fed took major positions long and short in various foreign currencies. If the Fed's position had become known at the time, it could have resulted in large capital losses and even a crisis in world business confidence. Without secrecy, effective operations are impossible.

Von Hoffman and Rep. Henry Reuss criticize the Fed for urging commercial bank assistance to the troubled mortgage trust and utility industries. In this instance, the Fed anticipated multi-billion dollar bankruptcies that would have made the Penn Central crash seem small.

Some assistance to those industries seemed in the public interest and the banks seemed a better source of credit than an arm of the government. Fortunately, crisis was not allowed to come to disaster.

This involvement by the Fed did bring forth charges of credit allocation and interference; but what criticism has there been of Federal aid to New York City, a direct act of credit allocation? The point is that this activity in credit allocation to the mortgage trusts and utilities was in the national interest, not for the benefit of a specific sector of the economy. If credit allocation had been aimed to benefit only a part of the economy, it would have been wrong.

The criticism of Dr. Arthur Burns is most unfair. No chairman in the history of the Federal Reserve System has done so much to lift the cloak of secrecy. Through public appearances, publicaiton of FRB monthly meeting results, announcements of monetary growth targets, and through countless meetings with elected officials, Burns has tried to make clear the actions and intentions of the institution.

He has the great strength of character and integrity required for his position in addition to the highest professional skill. Yet, he is subjected to constant second-guessing, Monday-morning quarterbacking, and criticism. Seldom is there praise.

Much of past criticism of the Fed has come from Congress, because of the Fed's reluctance to disregard its monetary policy goals in order to finance the Federal budget deficits caused by excessive congressional spending. As the Fed pursues sound monetary policies and speaks critically of deficit spending, Congress is thwarted from passing even larger and more popular spending bills. There is evidence that deficit spending is one of the major causes of inflation worldwide; therefore, it appears doubtful that increased congressional control of our monetary system would be of benefit to the public.

ALLEN J. SIMPSON.

NATIONAL ENERGY ACT SERIOUSLY FLAWED

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. GRADISON. Mr. Speaker, I would have liked to vote "yes" on the National Energy Act, H.R. 8444, but the final version was such a disappointment that I had to vote "no". This country badly needs a coherent energy policy, and I had hoped that the leadership of a new President would allow us to make a fresh start toward such a policy. Along with so many of my colleagues from both parties, I have worked hard to try to improve the energy plan submitted to Congress by President Carter, but I feel compelled to oppose this bill because it is fundamentally flawed in several respects. First, the legislation concentrates on conservation to the almost total neglect of production. There is no doubt that conservation is called for. For too long, Federal policy has encouraged wasteful use of energy by keeping energy prices at artificially low levels.

But the whole thrust of H.R. 8444 is to use taxes to raise costs to consumers, an approach which neglects the need for stronger production incentives. In this way, consumers will end up getting the worst of both worlds. They will pay more for energy but will not derive any benefit from increased production incentives.

The second basic flaw in this legislation is that it primarily relies on regulation through our tax system. When running for President, Jimmy Carter called our national tax system a disgrace and pledged to reform it. Yet his energy plan included 5 new taxes and 10 new or expanded tax preferences. Unfortunately, the House bought this approach of using the tax system to try to solve our energy problem. The result will be to add further complications and inequities to a tax system, which is already a disgrace.

A third basic flaw in the National Energy Act is that it would result in a tremendous increase in the degree of Government regulation of the energy industry. It is this same Government regulation which was primarily responsible for the shutdown of schools and factories due to the natural gas shortage in Ohio last winter. It is this same Government regulation which has subsidized oil imports through the operation of the entitlements program. At a time when we are increasingly questioning the benefits of Government regulation in other industries, it makes absolutely no sense to increase the burden of regulation in the energy industry, where such regulation is already a proven failure.

Because of these flaws, I have concluded that the enactment of this bill in

its present form would be worse than no bill at all. This legislation does not represent the national energy policy we so desperately need. It is in reality a plan to create deliberate energy shortages and then attempt to manage those shortages through increased bureaucratic interference. Even viewed as a shortage management policy, it is woefully inadequate. I have listed below what I see as some, but by no means all, of the serious specific defects of H.R. 8444 at this point:

DEFECTS OF THE NATIONAL ENERGY ACT (H.R. 8444)

1. The so-called "gas guzzler" tax is an unnecessary and inequitable tax. It is unnecessary because existing law already mandates very significant fuel economy improvements between now and 1985. The mandatory fleet fuel efficiency standards under present law are 18 m.p.g. in 1978 and increase yearly to 27.5 m.p.g. in 1985. Any additional savings due to the "gas-guzzler" tax would be minor. The tax is inequitable because it would raise prices sharply to larger families who have no alternative but to buy a full-size car.

2. The energy insulation tax credit is an unjustified complication to our tax system. It will cost the Treasury $2.1 billion and will mostly pay people for what they would have done anyway. In addition, the fiber glass insulation industry is having difficulty just meeting existing demand and a tax credit will make this situation tighter and drive up prices.

3. The tax credit for residential solar and wind energy equipment is simply not cost effective. The Congressional Budget Office estimates that under this credit the government will pay $2 and the homeowner another 50c for each $1 that fuel bills are reduced. Because of the high cost of solar and wind equipment, only a relatively few higher income families will be able to take advantage of this credit.

4. The macroeconomic effects of H.R. 8444 on production, and unemployment were not adequately considered. Chase Econometrics Associates Inc., in a study entitled "The effect of Alternative Energy Policies on the U.S. Economy," has estimated that the President's energy plan would in 1985 reduce GNP by $55 billion, reduce exports by more than 25%, and increase unemployment to 6.7%.

5. The combination of the crude equalization tax and the industrial users tax will result in American industry paying oil costs in excess of world prices. This will obviously result in a negative impact on our ability to compete with other nations.

6. This bill does not provide for deregulation of natural gas despite the fact that every reputable study estimates that there are vast quantities of gas left in the United States and that deregulation would significantly expand supplies. Studies by the federal government itself (the U.S. Geological Survey and the Energy Research and Development Administration) have reinforced these conclusions but the President and the House have unfortunately chosen to ignore these studies. For every cubic foot of natural gas we do not produce, consumers must acquire more expensive energy sources. Consumers will pay an estimated $50 billion more for energy between now and 1990 under this bill than they would if natural gas were deregulated.

7. This bill extends natural gas price controls to the previously unregulated, intrastate market. This will discourage production in these markets.

8. This bill gives the federal government substantial power over an area which has traditionally been and should remain under the control of individual states. Under this bill, the federal government would tell state regulatory commissions (like the Public Utilities Commission of Ohio) what information to collect and how to set rates. In addition, the federal government could challenge any rate increases in federal court. This increased federal intervention has the potential for causing long delays in getting new powerplants approved and could well lead to increased brownouts and blackouts in the 1980's.

9. Under this bill, some public utilities may be forced by the federal government into the business of installing insulation. Since public utilities generally have no experience in this area, this would not be in the consumers best interest.

10. Section 536 of the bill contains a prohibition on any rate increase by any electric utility which is not in compliance with all the very complex provisions of subchapters B and C. Even on technical violations, federal litigation could tie up utility rate increases for long periods of time, leading eventually to deterioration of service.

11. The bill contains provisions designed to generate time-consuming litigation on utility matters. Section 551 provides $5 million to be given out to consumers who want to participation in state regulatory proceedings. Section 552 establishes an Office of Public Counsel within the Federal Power Commission. This would be a mini-Consumer Protection Agency which could sue the Federal Power Commission or state commissions.

12. The bill contains a rebate provision which is intended to prevent the crude oil equalization tax from impacting on home heating oil. This is inequitable because it is intended to benefit only those who use home heating oil to the exclusion of those who heat with other energy sources, such as natural gas.

13. This bill fails to address serious deficiencies in the present system of crude oil price controls. Incredibly, Republicans on the Ad Hoc Energy Committee were not even allowed to raise this issue because it was ruled nongermane. This despite the fact that a study of the energy conservation potential of bicycles was considered germane.

14. The mandatory coal conversion program is probably the worst example of bureaucratic excess in the bill. The bill would give the FEA vast authority to order coal conversion by even small industrial users. Coal conversion is a laudable goal and it is already taking place to a great extent because of market forces. But the program in this bill ignores the many real economic and environmental costs associated with coal conversion, especially in urban areas. It is worth noting that the 1977 Clean Air Act Amendments make coal burning more difficult. It is also important to note that we have had a coal conversion program since 1974 and that the FEA has badly bungled this existing program.

15. This whole energy bill is predicated on a very sharp increase in coal production. Again, this is a worthwhile goal but this bill does not deal in any way with obstacles which stand in the way of increased coal production such as environmental regulations and shortages of tarnsportation capacity.

16. In another case of bureaucratic excess, the bill requires the FEA to mandate efficiency standards for a wide range of home appliances from television sets to ovens. All appliances together use 2.7 percent of our national energy consumption. Because of the economics of energy consumption by appliances, these standards will almost certainly end up costing consumers more than they save in energy costs.

17. The natural gas users tax presented by the Administration failed to take into account technical reality in that it would have taxed many gas users who could not possibly convert to coal. Such uses as glass making and food processing simply cannot be converted. The Ways and Means Committee exempted some uses, but there are probably more uses which should have been exempted. Unfortunately, we will find out about these other uses only after this bill has passed.

18. The bill contains differing incentives for production of oil and gas without any economic or geological justification.

19. The various parts of this bill are not sufficiently coordinated despite the fact that this was the job of the Ad Hoc Energy Committee. What happened was that the Democratic leadership, in their haste to get this bill passed, did not allow the Ad Hoc Committee enough time to work. An example is the natural gas users tax. This is intended to bring about coal conversion despite the fact that mandatory coal conversion can be ordered under another section of this bill.

20. Finally, this energy plan will not meet its goals. The Congressional Budget Office, the General Accounting Office, and the Office of Technology Assessment all agree that the plan will fall short of its stated goals.

BLACK BASEBALL GREATS ENTRY INTO HALL OF FAME IMPERILED

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. PICKLE. Mr. Speaker, the Washington Post ran a very interesting article this past Sunday on the great black baseball players who many people in this Nation were unable to see in action because of the "Jim Crow" attitudes of major league owners and the Nation, as a whole.

Of course, we have little film or other hard primary evidence, other than eyewitness accounts about the real ability of some of the players in the old Negro leagues but there is a general consensus that several of them surpassed the skills of blacks who played in the majors after Jackie Robinson and Branch Rickey broke the color line in 1947.

We have come a long way since that time, but as the author of the article notes it does seem illogical now to penalize the recognized great black players just because they played in an earlier day.

I was quite proud to note that one of the greats mentioned, Willie (Devil) Wells, mentor of Monte Irvin and others, now resides in my hometown of Austin, Tex.

I enclose this article in the hopes that the members of the Hall of Fame will not close the door on the many great blacks yet to be enshrined in baseball's elite circle:

BASEBALL HALL A MOCKERY OF ITSELF IF DOORS ARE SHUT ON BLACK GREATS

(By John Holway)

Just 30 years after Jackie Robinson first pushed open the big-league doors to his race, baseball is threatening to slam them shut again. This time it is the heavy oaken doors of Cooperstown that may clang shut—perhaps forever—on the dozens of great black players who, unluckier than Robinson, were never allowed to play in the white major leagues.

The special committee headed by ex-Giant great Monte Irvin and all-time Dodger favorite Roy Campanella, both Negro League veterans themselves, named nine black oldtimers to the Hall of Fame. The panel then

voted to disband effective Aug. 8, in effect closing the door forever on dozens of black greats, who were playing—and beating—the best of the whites: Ty Cobb, Babe Ruth, Walter Johnson, Bob Feller, etc.

Contrary to popular belief, the two races played each other often, and profitably, in the fall and winter during those long apartheid decades. Newspaper box scores have been found for more than 400 such inter-racial games. The whites won 168; the blacks 268.

Traditionalists are unimpressed. A fluke, they say. The whites were loafing.

Would Ty Cobb loaf? He sailed to Havana in November, 1910, after leading the American League in batting with .385 and in stolen bases with 65, to join his Detroit Tiger mates in a series against two Cuban squads loaded with U.S. blacks. Among those blacks was shortstop John Henry Lloyd, who will be enshrined in Cooperstown this August.

In the first game, Cobb bunted safely, then roared into second with spikes flashing on a steal attempt. Little Bruce Petway, the black catcher, nailed him with the throw, and Lloyd tagged the Georgian out, catching Cobb's spiked foot with a well-padded shin guard and flipping him into center field.

Three times in all, Cobb tried to steal and three times he was thrown out. (The last time, he didn't even complete the steal attempt but turned and trotted back to the dugout in disgust.) At bat, he hit the Cuban pitchers at a .369 clip. But Lloyd topped him with a mark of .500 against the Tiger pitchers. Cobb was so furious he stomped off the field and vowed never to play blacks again.

They called Lloyd "the black Wagner," after Pirate immortal Honus Wagner. Wagner was so intrigued that he went out to see Lloyd play with the New York Lincoln Giants. He returned saying he was proud to have a player of that caliber named after him.

Connie Mack, the gentle owner of the Philadelphia A's, agreed. He often said, "You could put Wagner and Lloyd in a bag together, and whichever one you pulled out, you wouldn't go wrong."

Lloyd will be enshrined along with Martin Dihigo, the big Cuban who played eight positions and may have been the most versatile man the game has ever seen, black or white. One Negro League veteran, ex-outfielder Ted Page, who was also a close personal friend of the late Roberto Clemente, insists that Dihigo had a better arm than the Pirate star.

Says Johnson: "Dihigo would throw a runner out at home plate then fall down on the ground laughing, 'You no run on me, boy, you no run on me'!"

Lloyd and Dihigo are the eighth and ninth black old-timers to be admitted to Cooperstown. The others are Satchel Paige; Washington slugger Josh Gibson (who hit the longest home run ever seen in Yankee Stadium) and his roommate Buck Leonard; Irvin; speedster Cool Papa Bell; Johnson, and Oscar Charleston, the Willie Mays of his day who was considered by some whites who saw him to be the greatest player of all time of any race.

Charleston was sometimes called "the black Cobb." Both men ran the bases with the same savage fury, and both sprayed line-drive hits to all fields. But unlike Cobb, Charleston could also pull the ball with power over the most distant fences, and in the field he ran circles around the Georgian. No wonder then that many who saw both men disliked the comparison. Cobb, they said, should be called "the white Charleston."

These are only nine of the hundreds of black stars of baseball's segregation era. Why is the door being closed now, just 30 years after the unknown Jackie Robinson pried another door open by being the first of his race to enter the white majors?

Ted Williams may have been instrumental in opening Cooperstown's doors to black veterans with a graceful call to admit them as part of his speech at his own inauguration into the Hall of Fame. Traditionalists resisted, however, and only begrudgingly agreed to admit the legendary Satchel Paige in 1971, in a special section—"at the back of the bus," so to speak.

The stigma of a special section was removed, and the door, now slightly ajar, was opened a crack more to admit "five or six" black old-timers from among the hundreds who had played baseball going back to the 1880s.

The quota was arrived at by Campanella and New York Daily News columnist, Dick Young. Just how it was decided on, with some 130 white veterans in the Hall of Fame, is not clear.

At any rate, Campanella, Irvin and the rest of the special committee met to nominate others to follow Paige. "We had a list of 25 candidates," says Irvin, now an assistant to Commissioner Bowie Kuhn. "You could probably put all 25 guys in there. But realistically, the committee knew if it had tried to do that, the whole thing would have been lost. Our main worry was the board of directors of the Hall of Fame. They had the power to amend any decision we might make."

The Irvin committee's first choice was a natural. Satchel Paige was the world's most famous (if not necessarily its best) black player. The dead Josh Gibson, subject of a long Sporting News profile, was the logical second choice, along with his home run twin of the Homestead Grays, Buck Leonard.

Next, the committee named Irvin himself, well-known to fans since his brief career with the New York Giants. Cool Papa Bell, coming off a spate of publicity because of a Sports Illustrated article, was the fifth named. No. 6 was third baseman William (Judy) Johnson, also a member of the Irvin group.

That might have closed the books, but a flurry of protests at the rumored ending of the committee kept it alive a bit longer, long enough to name Charleston.

Except for 1972, when Gibson and Leonard were named together, the practice had been to name one black old-timer a year. This was dictated by a second quota, the limit of six total names to be enshrined in any one year. Since the baseball writers usually named two and, sometimes, three men, and the white veterans' committee named its quota of three, that left Irvin's committee with one, at most. This year, however, the writers named only one man, Ernie Banks, thus giving the black committee a chance to name two—Lloyd and Dihigo. Then, already four over its original quota of five, the committee announced it is disbanding.

The announcement made Irvin's old owner, Effa Manley of the Newark Eagles, "furious." In a heated letter to C. C. Taylor Spink, publisher of The Sporting News, Manley, a white woman, recalled the bad old days "when the so-called national pastime was as lily white as the Ku Klux Klan," and branded the decision to name only nine to the Hall of Fame as "insulting and irresponsible." She could have named 100, she wrote, "but I probably would have settled for 30."

On Manley's list—and on virtually everyone's—is Irvin's old manager at Newark, veteran shortstop Willie (Devil) Wells. "He taught me all I knew," Irvin says simply.

Wells, now living in Austin, Tex., vies with Lloyd for the title of best shortstop in blackball annals. He is often compared to Hall of Famer Lou Boudreau of the Cleveland Indians. Both had weak arms, yet both were uncanny judges of hitters and generally managed to beat the runner by half a step. Wells was also an excellent sign stealer, shrewd developer of talent (Irvin, pitcher Don Newcombe, Larry Doby) and a good spray hitter. He hit .332 lifetime in the Negro leagues, .392 in 40 games against white big leaguers.

In October, 1929, Wells and his Chicago American Giants swept a three-game series against a team of white all-stars. The team they beat included three Hall of Famers—Heinie Manush, Harry Heilmann and Charles Gehringer. The last-named now sits on Cooperstown's board of directors and will cast one of the 15 votes in August on whether to shut the Hall of Fame door in Wells' face or hold it open for him and others.

One of those others will surely be lefty Bill Foster, who remembers losing only one game in his life to a white big league squad. And he says he has a one-game edge over Satchel Paige in the 15 duels they waged in their careers, the best black righthander of his day against the best black lefty.

Foster almost made the Hall of Fame this year. He was voted down only when Irvin's committee decided to limit itself to two names.

Foster's older half-brother was the immortal Andrew (Rube) Foster, the preeminent figure in the history of black baseball. He was Christy Mathewson, John McGraw, Al Spalding and Kenesaw Mountain Landis all rolled into one.

On the mound, Rube earned his nickname by beating the Philadelphia A's great lefty, Rube Waddell, in 1902. McGraw wanted the squat Texan for his New York Giants. Failing that, he at least hired the Rube to teach Christy Mathewson and other Giant hurlers the screwball. (Matty called it a "fadeway.")

It is Rube Foster's omission from Cooperstown that has caused the greatest single outcry from knowledgeable fans.

Probably the second-loudest outcry is from partisans of Smokey Joe Williams, the big half-black, half-Indian who was probably the greatest black pitcher in the history of baseball. The two most authoritative all-black all-star teams—that of Cum Posey in 1945 and that of the Pittsburgh Courier in 1952—both rate Williams tops. Satchel Paige placed second in the Courier poll of experts; he finished no better than third on Posey's list, behind Williams and Cannonball Dick Redding.

Paige admits he faced Smokey Joe twice during their careers. Satch won the first game, 3-2, and lost the second, 2-1. But it is also true that Williams was 20 years older than Satch at the time.

Williams was so fast, recalled ex-pitcher Sam Streeter, that it took two catchers to hold him. One would go five innings before retiring, his hand too swollen to play any more.

Twenty-five times Williams faced the best of the white big leaguers in postseason play. He won 20, lost four, tied one.

The tie game was 1-1 in 10 innings against Rube Marquard and the New York Giants in 1911.

Of Willams' four losses, two came in 1932 when he was 46 years old.

His greatest game of all was also a loss. It came in October, 1917, against the National League champion New York Giants with their World Series lineup intact. Williams pitched 10 innings of hitless ball, striking out 20, only to lose, 1-0 in the 10th on an error.

Williams, Wells, the Foster brothers—these are only four of the great black stars before 1947 whom most fans in America were denied the chance to see. These players had the big-league doors slammed in their faces throughout their lives. Now the Cooperstown doors are about to be slammed on them, too, unless Bowie Kuhn and the other members of the board of directors prevent it.

Ironically, there is, of course, no longer a color line at Cooperstown. Robinson, Campanella, Clemente, Banks have all gotten in. Willie Mays, Hank Aaron, Frank Robinson, Bob Gibson, Lou Brock and many more blacks will follow. The black old-timers, then, are victims of a new prejudice—age.

Now it's O.K. to be black—if you're also young (as Banks is). It is also all right to be old—if you're white (as Joe Sewall and Amos Rusie are). But it is not O.K. to be both black and old.

There are many more who could go into Cooperstown:

Raleigh (Biz) Mackey, Campanella's old mentor who, Roy freely admits, taught him everything he knew. Often compared to his white contemporary, Mickey Cochrane, Mackey was a line-drive switch-hitter who led the league in 1923 with a .440 average.

George (Mule) Suttles, Norman (Turkey) Stearnes, Louis Sandtop and John Beckwith—four of the most powerful sluggers in black baseball history.

Spottswood Poles, Vic Harris, and Ted Page, three of the most feared base runners in baseball. Poles hit .487 in the Negro league and .610 against the best big leaguers before World War I—Bender, Alexander, Marquard, etc. Page, who rivaled Cool Papa Bell for speed, had a .429 average against big leaguers and reputedly hit Satchel Paige like a cousin.

Infielders Ray Dandridge, George Giles, Sammy T. Hughes, Jud Wilson, and Dick Lundy; pitchers Dick Redding, Bullet Joe Rogan, Jose Mendez and Chet Brewer—these are among the men who were not admitted to the majors when they could play and perhaps will not be admitted to Cooperstown now.

Wilson, a burly, barrel-chested slugger, looked more like a pro wrestler than like one of the three greatest men who ever swung a bat. At least, that's what Satchel Paige calls him. Paige faced Ted Williams, Joe DiMaggio and Stan Musial, but he ranks Wilson, Josh Gibson and another black, Charlie (Chino) Smith of New York, as the three toughest outs.

The foghorn-voiced Wilson played third base for many years for the Washington Homestead Grays, Baltimore Black Sox and Philadelphia Stars, and his widow still resides in the District of Columbia (as does the widow of Joe Williams).

If Cooperstown should ever admit Wilson, he would be the fourth member of the fabulous Grays so honored, joining Gibson, Buck Leonard, and Cool Papa Bell—an honor shared by few other teams.

The present Hall of Fame includes almost 150 players. In talent they range all the way from Babe Ruth to, say, Joe Tinker. How good were the black veterans still outside the hall? Most observers say the men I've mentioned rank at the upper end of the spectrum, closer to Ruth than to Tinker.

They earned their place there. As Satchel Paige's old catcher, James (Joe) Greene quietly put it: "I still say we made a big contribution to baseball, even if nobody knows about us anymore. They say Jackie Robinson paved the way. He didn't pave the way. We did."

ESTABLISH A DEPARTMENT OF HEALTH

HON. JOSEPH A. LE FANTE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. LE FANTE. Mr. Speaker, today I have introduced a much needed bill which would create a Department of Health in the executive branch, separate from the present Department of Health, Education, and Welfare. It is imperative that the Federal Government take a more active and responsive role toward the health needs of all Americans.

Over the years, the health industry has expanded into the third largest employer in the country, providing jobs for 6 percent of the labor force. Its expenditures account for 8.6 percent of the gross national product, compared to 4.6 percent in 1950. An industry of that size and importance deserves the attention of a Secretary in direct contact with the President.

A lack of administrative coordination and an uncontrolled budget has left the Nation's health system in near chaos. The result, thus far, is that an increasing number of Americans cannot afford decent health services, particularly minorities, poor city dwellers, rural Americans, and the aged.

The reasons for this disparity are obvious. Hospital costs have risen dramatically since medicaid began in 1966. The average cost for a day in the hospital in 1966 was $40. Today it costs on the average of $124 per day. Private—nongovernmental—expenditures nationwide for personal health care services have risen from $19.5 billion in 1960, to $68.6 billion in 1975. Overall, a 60-day stay in the hospital has risen from $1,540 to $4,774 in 10 years, leaving medicare recipients liable for $3,234 more in hospital costs.

Over 40 million people in this Nation are still without any health insurance. Health officials say the reason for such inadequate coverage is the lack of appropriate health information available to the consumer regarding choice, use, and monitoring of health services, as well as the cost of coverage. The average annual cost for individual health insurance, including public and private insurance, has risen from $124.50 in 1960, to $551.50 in 1976.

Mr. Speaker, America needs a Department of Health. A seat in the President's Cabinet would make the Department of Health directly accountable for its actions, and would provide the impetus for a more constructive national health policy.

An independent Department of Health would eliminate the fragmented and wasteful operations in the various health offices of HEW. Accordingly, a Secretary of Health would provide the leadership and expert assistance needed to enforce a reliable preventive health program, that is, immunizations, protection against environmental hazards, and individual medical care.

My bill will eliminate the redtape of health policy decisionmaking by providing for the orderly transfer of all health functions in HEW in the new Department of Health.

The bill also provides for the development of a national plan to meet the Nation's health needs for the next 10 years.

An identical bill has been introduced in the Senate by Senator CHARLES MATHIAS of Maryland.

This Nation, which claims to have the "finest health care in the world," cannot continue to make such a claim as long as the existing system remains mismanaged and economically insecure. Congress must show its concern for the health needs of the people by creating a Department of Health.

CHILDREN'S SLEEPWEAR

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. COLLINS of Texas. Mr. Speaker, the recent ban on the use of Tris has brought an end to the first chapter in the continuing saga of Government intervention. Our liberal Congress has cost businesses and consumers millions of dollars but more important it has possibly exposed an unknown number of children to cancer. For all this, our children have received little in the way of measurable protection. While many Government agencies swear they never mandated the use of Tris and cannot be held responsible for the effects of Government regulation, the evidence before us points to the contrary. The Congress seriously erred in many instances.

First, the standard was apparently based not on a known number of deaths or injuries caused by sleepwear but rather on individual cases selected and studied at random which numbered only a few hundred a year. In a letter to me the Consumer Product Safety Commission—CPSC—said:

> Indepth investigations provide a description of the causal factors . . . However, because the indepth investigations do not constitute a statistically valid sample, the data base cannot be used to make estimates of the total burns that occur.

In 1973, 119 computers were installed in emergency rooms across the country in order to collect data on various accidents—the national electronic surveillance system. It was instigated to support the basic legislation but the system is now considered to be of little statistical value as the figures show:

Total estimated number of burn injuries related to sleepwear—all ages

Year:	Number of sample cases	Estimated number
1973	29	438
1974	20	828
1975	17	238
1976	23	418

Thus, the Commerce Department did not have and still does not have any accurate figures on the number of actual burned cases from children's sleepwear.

Second, this regulation was promulgated when there were not sufficient technological capabilities to produce a practical flame-resistant garment. Richard O. Simpson, former Chairman, has stated that the regulation was a technology forcing standard. Some fabrics were inherently flame resistant and there were other chemicals that could make a garment meet the standards. But Tris treated nightwear was the only marketable choice the industry had. The practical effort of the standard was to mandate the use of Tris. The Commission, then, forced the use of Tris without ever thoroughly testing for toxic or al-

lergic effects. They were warned on many occasions that hasty Government action would be bad for all. Below are excerpts of letters from the Carter Co. to various Government agencies:

February 26, 1970:

Within the framework of current technology, there is a strenuous likelihood that durable flame retardant chemicals would lead to allergenic problems affecting many more wearers than flammability itself.

December 4, 1970:

We further strongly urge the Department of Commerce to arrange for additional testing through government agencies which would determine the dermatological effects of appropriately treated knit fabrics.

January 14, 1971:

Home wear testing indicates the strong possibility of a very serious skin rash problem when treated fabric is exposed to urine. We are also seriously concerned about toxicological dangers since children frequently chew or suck on their clothing. While we ourselves are following up on these two problems, we feel that further research should be undertaken by appropriate government agencies immediately.

May 17, 1971:

In the light of this experience, we would be remiss, I believe, to release the production trial garments without some assurance that no significant portion of the wearers would be adversely affected.

Furthermore, as Dr. Harris testified before the Commerce Committee's Oversight and Investigations Subcommittee, "when the information first became available, Dr. Ames' mutagenistic tests and other tests in Columbia, the CPSC basically ignored the information . . . They did nothing to try to reduce the levels used in children's sleepwear or even to voluntarily ask the industry to move away from this chemical to perhaps a safer one.

I can only express my sincere disappointment at former Chairman Simpson's statement "In hindsight, I'd do the same thing again." This Government boondoggle was not unforeseeable. It is typical of regulatory mandates that are neither supported by statistical data showing a need for Government intervention nor thoroughly investigated for possible future effects. What this country needs is less government not more. In this case alone, our Consumer Product Safety Commission increased the cost of garments 32 to 35 percent, decreased its wear life by 50 percent, and possibly exposed millions of children to cancer.

We have too much government in America. We legislate when legislation is not needed. Let us have a thorough review of the history leading up to the children's sleepwear mandate for cancerous chemicals. Let Americans have freedom of choice as to how they live and how their children live.

PERSONAL EXPLANATION ON MISSED VOTES

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. RYAN. Mr. Speaker, on June 23 and July 14, I was absent when the House voted on two pieces of legislation, on which I would like to be recorded. Had I been present, I would have voted as follows:

Roll No. 375—June 23, 1977, H.R. 7797, making appropriations for Foreign Assistance and related programs, was agreed to by a vote of 208 to 174: "Yes."

Roll No. 416—H.R. 2777, July 14, 1977, providing for creation of the National Consumer Cooperative Bank Act, passed by a vote of 199 to 198: "Yes."

JOINT TAX RETURN OF REPRESENTATIVE VOLKMER

HON. HAROLD L. VOLKMER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. VOLKMER. Mr. Speaker, I am today making public the 1976 joint tax return of my wife and myself, together with a statement of our net worth as of August 2, 1977. I appreciate having this opportunity as I believe that financial disclosure by all public officials is of utmost importance. I also welcome this statement in compliance with the newly enacted code of congressional ethics.

The material referred to follows:

1976 TAX RETURN

The 1976 joint Federal Tax Return of Harold L. and Shirley R. Volkmer, 715 Country Club Drive, Hanibal, Missouri:

Two dependent children: Elizabeth and John.

Line 6(f), total exemptions, 4.

Line 9, wages (Missouri House and Hannibal School District) $8,560.

Line 10, dividends, $10, exclusion, $10, net $0.

Line 11, interest income, $109.

Line 12, other income: Loss on law practice, $334, gain on rental property, $957. Net gain $623.

Line 13, total of above, $9,292.

Line 14, less adjustments: moving expense to Washington, D.C. $230.

Line 15(c), adjusted gross income, $9,062.

TAX COMPUTATION

Line 43, adjusted gross income, $9,062.

Line 44, standard deduction, $2,100.

Line 45, subtract line 44 from 43, $6,962.

Line 46, exemptions (4) x $750, $3,000.

Line 47, total taxable income, $3,962.

Line 16, Federal tax (from tax table), $616.

Line 17(a), $35 time the number of exemptions, $140

Line 18, balance (line 17c from line 16), $476.

Line 19, credits, none.

Line 20, balance, $476.

Line 21, other taxes (self employment tax), $126.40.

Line 22, total, $602.40.

Line 23(a), total Federal income tax withhold, $805.56.

Line 23(b), 1976 estimated tax payments, $200.

Line 24, total payments, $1,005.56.

Line 26, amount overpaid, $403.16.

Total 1976 amount asked in refund, $403.16.

NET WORTH OF HAROLD L. AND SHIRLEY R. VOLKMER

(As of August 2, 1977)

Assets

Cash on hand or in banks, $2,119.31.

Savings Account (Farmers and Merchants), $2,450.

Cash value of Life Insurance, $6,000.

Stock in Great River Marine, $1,000.

Law office (furniture, equipment, library, estimated), $2,000.

Automobiles (book value): 1975 Buick, $3,500. 1974 Pontiac, $2,500.

Missouri Legislative Retirement, $4,000.

U.S. House of Representatives Retirement, $2,491.49.

Furniture and personal property (jewelry, clothing etc. for family estimated), $4,000.

Notes payable to Harold L. Volkmer by Volkmer for Congress Committee, $14,850.

Rental Property value (Hannibal), including furnishings, purchased 1961 for $16,000, estimated value, $20,000.

Residences (estimated value): Hannibal (built in 1961 for $21,500, improvements 1961–1975, $10,000, $31,000, cost), $42,000.

Arlington (purchased January 16, 1977 for $77,000), $80,000.

Liabilities

Loans on Life Insurance, $5,500.

Loan on Rental Property (Hannibal), $7,621.56.

Loan from Farmers and Merchants on Hannibal residence, $36,332.47.

Loan from Kenneth and Julia Braskett (mother and father in-law), $2,500.

Loan from First Federal Savings and Loan of Arlington, Va. on Arlington residence, $55,000.

Totals assets, $186,910.82.

Total liabilities, $106,954.03.

Total net worth, $79,956.79.

REPUBLICAN TASK FORCE ON CAPITAL FORMATION

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. GRADISON. Mr. Speaker, the Republican Task Force on Capital Formation, which I had the opportunity to chair, recently issued its report on the subject of productivity and investment in the American economy. This report emphasizes the importance of increased capital formation to the American people in terms of its impact on wages, unemployment, and the achievement of social goals. I believe the findings and recommendations of the task force will be of interest to my colleagues and I would therefore like to insert our report in the RECORD at this point:

TASK FORCE ON CAPITAL FORMATION

FINAL REPORT, AUGUST 1977

The Task Force on Capital Formation was created under the auspices of the House Republican Research Committee in response to widespread concern about lagging investment and productivity in the American economy. The issue is of crucial importance because what is fundamentally at stake is the well-being of the American worker.

This report is the result of our study of the problem and it indicates first of all our judgment that concern about lagging productivity and investment is well-founded. We believe that the evidence points to the need for a more constructive policy towards savings and investment. Such a policy must contain two basic elements. The first element consists of steps to reduce and control inflation. The second is a tax system which will be favorable to economic growth. We believe it is essential that the tax reform package which will be forthcoming from the Administration contain measures designed to increase the rate of investment. The goals of simplification and equity

should receive high priority, but unless tax reform has positive effects on jobs and productivity, it will prove to be a cruel hoax to the American people.

WHY WORRY ABOUT CAPITAL FORMATION?

One way of gauging the problem is to look at the trends in objective indicators. For instance, productivity increases have slowed down dramatically in the past decade. Between 1966 and 1973, productivity increases in the private economy averaged 2.1%, down from an average of 3.3% per year in the 1949–1966 period. Growth in capital per hour of labor input, which is one of the factors which determines productivity, has also evidenced some deceleration. It averaged 3.1% per year in the 1948–1966 period, 2.8% per year in the 1968–1973 period, and appears to have fallen further since 1973 to an average 1.7%, after adjustment for cyclical factors.

Secretary Blumenthal cited another disturbing trend in his recent speech to the Financial Analysts Federation. "In recent years, the rate of capacity growth in manufacturing has slowed from 4.6% over the period from 1948–1968, to 4% from 1968 to 1973 and 3% from 1973 to 1976. One consequence of this lagging investment is a decline in productivity growth that means less growth in real incomes and increased propensity to inflation."

Concern over these trends has been reinforced by the fact that capital spending has not recovered from the recent recession in pace with the general economy. As of the first quarter of 1977, real spending for nonresidential fixed investment was still some 8.4% below its pre-recession peak level twelve quarters earlier.

But merely citing figures fails to indicate adequately the importance of capital formation in our economy. Too often, capital formation is discussed in abstract terms as if it were far removed from the more pressing economic problems of inflation and unemployment. Nothing could be further from the truth.

How much we as a nation invest will determine to a great extent how fast real wages increase and how rapidly standards of living improve. Paul McCracken aptly summed up the importance of capital formation to the average worker in this way. "Whether we get investment activity more solidly based in the American economy probably will not make a great deal of difference in the way residents of the carriage district or occupants of mahogany row offices live. It will make a great deal of difference to those behind the store counters or out in the factories who aspire to the doubling of material levels of living each generation which the American economy has historically delivered."

Capital formation has important effects on living standards in other ways as well. The achievement of major social goals will require large amounts of capital over and above that needed to expand our productive capacity. Goals such as a cleaner environment, a safer workplace, and development of alternative energy sources could be thwarted by insufficient savings and investment.

We wish to emphasize that we do not consider capital formation a goal in and of itself. Rather, increased capital formation is important because it means more jobs, better paying jobs, and the achievement of social goals. It is with the aim of promoting the achievement of these goals that we present our recommendations for a more constructive policy towards capital formation.

As a precondition for a new growth-oriented policy towards investment and savings, we find that certain economic myths must be refuted. These myths have gained a secure foothold in Congress and seem to be the guiding force behind much of the economic policy emanating from Washington.

We must somehow alter the misconception that more consumption is always good for the economy, while more savings is necessarily bad. We must break away from the idea that profits are always a rip-off for the consumer and contrary to the best interests of workers. A fundamental change in attitudes must go hand in hand with the policy recommendations discussed below.

INFLATION

More than any other factor, we find that the current weakness in investment is attributable to inflation. In fact, it would be difficult to overstate the devastating effects of inflation on investment and entrepreneurship.

Inflation makes extremely difficult the planning which is essential for rational investment. It destroys confidence. It makes investment projects riskier since relative price dispersion increases with inflation.

Inflation causes serious distortions in both the personal and corporate income tax systems. It also aggravates the bias towards debt as opposed to equity finance which is already built into our tax system.

Our experience in 1974 and 1975 also demonstrated that unchecked inflation can in itself lead to recession. This lesson has not been lost on either businessmen or consumers, which accounts for the general unease over any signs that inflation may be accelerating once again.

Discussions about capital formation have tended to center on possible ways to stimulate savings and investment through the tax system. This approach should not be neglected, but we assign primary importance to fiscal and monetary policies which will contribute to the achievement of noninflationary growth.

A separate task force of the Research Committee, the Task Force on Fiscal Policy, has issued detailed recommendations which, if implemented, would go a long way towards assuring a non-inflationary fiscal policy. We strongly concur in their recommendation that we should be aiming to achieve a balanced budget as the economy enters the fiscal full-employment zone, which is currently between 5% and 5.5% unemployment. We note that based on the administration's most recent economic projections, this implies a budget approximately in balance in fiscal 1980. While we applaud the President's promise to balance the budget, we are disappointed that the President's actions on spending to date have not inspired much confidence that this goal will be met.

It is important to note the strong connection between fiscal policy and capital formation. A balanced budget at full employment has the effect of freeing more of the economy's savings for use to create jobs in the private sector, in addition to its salutary effects on inflation.

With regard to monetary policy, we strongly endorse the announced policy of the Federal Reserve Board gradually to reduce the growth rate of the monetary aggregates to non-inflationary levels. Past reductions in the announced targets for aggregates have provided assurances that the Federal Reserve Board will remain firm in fighting inflation, and we believe that further gradual reductions will have beneficial effects on actual inflation and on expectations.

It would be foolhardy, we believe, to follow the advice of those who say we can lower interest rates, and thus increase investment, by increasing the monetary growth rates. This policy can at best temporarily lower interest rates. It will inevitably be self-defeating in the long run and most likely ineffective in the short run as well, due to adverse effects on inflationary expectations.

TAXES

One of the principal tools at society's disposal to influence the rate of capital formation and economic growth is the tax system. Among the proposals in this area are faster depreciation, indexing of capital recovery allowances, reduction in corporate tax rates, integration, and an expanded investment tax credit. The report of the Task Force on Capital Formation of the House Ways and Means Committee analyzes the major options available in altering the tax system to encourage capital formation.

We have considered these options and consulted with experts in the field from academia, business, and government. We have found that opinions vary widely as to which of the various tax reform options would be best. Therefore, we have no single solution to propose. Rather than argue the case for or against any specific tax proposal, we stress that what counts is the overall impact of the tax structure—viewed as a whole. Rather than "fine tuning" of the tax system we might gain the greatest benefit for the American people by straightforward, across-the-board tax cuts for individuals and businesses.

We do offer the following in the way of general principles which we believe should be observed in designing tax reforms to stimulate growth. In offering these principles, we hope to contribute constructively to the review of tax policy which is currently ongoing within the Administration.

1. Discussions of the effects of the tax system on economic growth are often confined to the corporate income tax. We find that this is too narrow a focus. The personal income tax structure is also important. For example, investment in education and training by workers is a major determinant of economic growth. The returns from this type of investment, often referred to as human capital, are taxed as wage and salary income. It is the total tax burden on productive activity, at both the corporate and personal levels, which should be considered. Furthermore, savings by individuals are influenced by tax rates, and such savings affect investment not only in corporate securities but directly in farms, homes, and small businesses.

2. The level of taxes with respect to GNP determines the overall tax burden. No matter how well-designed a tax system is, a higher burden of taxes with respect to GNP will still involve disincentive effects. The ratio of government expenditures to GNP has been generally trending upwards since 1930. A continuation of this trend will have an adverse effect on economic growth. We urge the President to halt the upward trend in the ratio of federal expenditures to GNP while balancing the budget.

Continuing inflation causes unlegislated tax increases for both individuals and businesses. Congress has partially offset these increases but the distribution of these offsetting tax cuts has been haphazard in relation to the inflation-generated tax increases. Complete indexation of the tax system, while involving additional complexity, would insure that inflation does not act to drive up the ratio of tax revenues to GNP. We stress that indexation should in no way be considered a substitute for controlling inflation.

3. An argument which continually arises in discussions about capital formation is that tax changes designed to promote investment or savings necessarily make the tax system more regressive. This is incorrect because with any given degree of progression there are tax changes which can be designed so as to make the tax system more or less progrowth. In advocating the design of a tax policy which is more favorable to growth, we are not advocating that anyone be relieved of their fair share of the tax burden.

4. We recommend as a basic principle of equity that the government should not take more than half of any income. Thus we recommend that the tax reform package should include an elimination of all marginal rates in excess of 50%. By avoiding rates over 50%, we could reduce to a great extent the non-

productive activity which now is devoted to minimizing tax.

5. Integration of the corporate and personal income taxes is a possible tax change which has been in the forefront of discussion recently. We find that elimination of the double tax on all or part of the income arising in the corporate sector can be supported on equity grounds. However, we consider it advisible to proceed cautiously on integration of corporate and individual rates, because of possible adverse effects on capital formation.

Depending on the exact method of integration chosen, and there have been many variants suggested, integration could lead to increased pressure on corporations to pay out more of their income as dividends. This effect could be particularly pronounced if integration were combined with an end to capital gains treatment. While increased rates of payout are not necessarily adverse to capital formation, they could be so and for this reason, the effects of any particular integration scheme need to be studied carefully.

6. We note with approval that the Administration is taking a critical look at all existing tax preferences to determine if their continuation can be justified. By broadening the tax base and reducing both corporate and individual marginal rates, elimination of unjustified preferences can be beneficial to economic growth. At the same time, the Administration has been inconsistent in proposing unjustified new tax preferences such as the solar energy tax credit and the insulation tax credit. We urge the Administration to avoid proposing new preferences as well as working to eliminate unjustified old preferences.

7. The Administration has indicated that it may propose an end to capital gains treatment. This preference should be reexamined along with others and its elimination may be consistent with a pro-growth tax reform package. This step could contribute a great deal to simplification. It is important to realize, however, that capital gains are not limited to the very rich. Edwin Cohen has noted that in 1975, 48% of capital gains were reported in returns of individuals with adjusted gross income of less than $30,000 while 63% of all capital gains were reported in returns of individuals with adjusted gross income of less than $50,000. This fact needs to be carefully considered in designing compensating tax reductions to avoid substantial tax increases on the middle class. This is particularly true in view of the fact that permament tax reductions enacted in 1975 and 1977 have not even offset inflationary tax increases for those with incomes above $15,000.

It is also important to realize that without inflation adjustments, the elimination of capital gains treatment will result in taxing as ordinary income fictitious gains resulting from inflation. Taxation of capital gains in full without allowing for inflation adjustments would be inherently unfair, as it would actually amount to a capital levy, rather than an income tax.

8. While to a great extent the factors inhibiting investment are common to businesses of all sizes, small businesses also face some special problems. To cite two examples, the burden of complying with federal regulations and the skyrocketing costs of product liability insurance have hit small businesses particularly hard. Because of these special problems, we recommend that careful attention be devoted to the needs of small businesses in the upcoming tax reform package. Alternatives which should be considered include reduction of the lower bracket corporate rates and an increase in the surtax exemption level.

9. Finally, the timing as well as the substance of tax changes is important. Judicious use of phase-in provisions can help to minimize potential disruptions, as well as allow the close tailoring of revenue effects to fiscal policy needs.

GOVERNMENT REGULATION

In many sectors of our economy government regulations play a necessary and socially beneficial role. Excessive regulation, however, is counter-productive and creates impediments to investment. Similarly, conflicting regulations and uncertainties as to future regulations act to inhibit the development of long range investment plans. Excessive regulation also leads to the inefficient use of resources which means that what investment does take place will be less productive.

Federal involvement in the energy field is an extreme example of how excessive government regulation can discourage investment and production. This situation will be greatly aggravated by the new layer of controls and taxes which the President has proposed to enact on top of existing regulations. Both legislative and administrative action are required to relieve the burden of excessive regulation. Initiatives like that recently announced by the Administrator of OSHA to reduce employer recordkeeping and reporting requirements and to exempt very small employers entirely from recordkeeping requirements should be encouraged. To insure proper legislative attention to the question of federal regulations, Congress should enact comprehensive sunset legislation to mandate periodic review of every federal agency and function.

Fiscal policy, monetary policy, regulatory reform, and tax reform are all essential elements of a constructive policy towards investment and productivity. The greatest obstacle to such a constructive policy is a lack of understanding about the role of investment and savings in our economy. We will continue to take the case for action to increase investment and productivity to the American people. We are confident that if the impact of capital formation on inflation, unemployment, and improved living standards becomes better understood, the American people will demand that Congress institute the necessary policy changes. As Republicans we favor permanent tax cuts which will produce a tax system which viewed as a whole will encourage economic growth and the achievement of social goals.

AMATEUR TRADE TEAM HURTS CONSUMERS

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ERLENBORN. Mr. Speaker, the penalty for inexperience is often great, and in the case of the Special Representative for Trade Negotiations we hope the impact on footwear consumers will not be unbearable. President Carter's Special Trade Representative—STR—Robert Strauss, may be a politically astute Texas lawyer and former Democratic Chairman, but he is devoid of international trade experience. The present STR team is woefully amateurish compared to the Herter-Blumenthal combination of the early 1960's, which possessed both experience and stature in the international field.

My attention was drawn to this problem when I read Assistant STR Stephen Lande's statement on the recently negotiated Korean and Taiwanese orderly marketing agreements—OMA's—on footwear. To my amazement, Mr. Lande told the press that this administration had not analyzed the possible consumer costs of these import cutbacks Mr. Lande surprised observers by saying that such a study would have been "very difficult."

This is a rather startling admission from an administration that has been clamoring for a consumer protection agency. Moreover, similar studies have been made in the past. They indicate that mandatory quotas on footwear would cost consumers between $400 million and $1.7 billion.

The STR's lack of attention to the consumer impact also runs counter to the Trade Act of 1974, which states:

> The President shall take into account . . . the effect of import relief on consumers (including the price and availability of the imported article and the like or directly competitive article produced in the United States) and on competition in the domestic markets for such articles.

Protectionism in the form of quotas is always costly to consumers. The administration claims to have avoided protectionism by rejecting the tariff rate scheme suggested by the International Trade Commission. However, observers are just now beginning to realize that the mandatory quotas forced on the two shoe-exporting nations are protectionism in its worse form.

We must be realistic—OMA's are involuntary quotas. As the Washington Post in its May 20 editorial pointed out:

> A U.S. negotiator tours the Third World countries of the Pacific, accompanied by a delegation from the U.S. footwear manufacturing industry, browbeating governments into restricting competition.

The President cannot for long ostensibly espouse the principles of open trade, as he did at the London economic summit, while his principal trade adviser travels around the world imposing OMA's As Treasury Secretary W. Michael Blumenthal, the President's chief economic spokesman, has warned, the proliferation of OMA's would bring about defacto quotas, and, I might add, higher prices.

Barry Bosworth, Director of the Council on Wage and Price Stability, commented upon the significant inflationary factor of OMA's in his recent confirmation hearing. Coincidentally, a Congressional Budget Office study released July 1 cited OMA's as a cause of inflation, because they reduce the aggregate supply of goods.

Adding fuel to the fire, the President now wants to replace the consumer watchdogs within various Federal agencies with a single consumer advocate. In other words, department and agency officials can forget about inflation, and any other consumer impact of their actions and decisions. The STR's lack of concern about consumers is about to become official policy.

THE NEED FOR TV EDUCATION

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Ms. MIKULSKI. Mr. Speaker, the July 26 Wall Street Journal carried an extremely thoughtful essay by Horace Newcomb, associate professor of American studies at the University of Maryland, regarding the need for education of the public to the nature of the television medium.

While I do not agree with Professor

Newcomb's view that the public campaign against TV violence will lead to attempts at program censorship, I do believe his article makes an important contribution to the ongoing dialog regarding television programing. For that reason, I commend Professor Newcomb's observations to the attention of my colleagues:

[From the Wall Street Journal, July 26, 1977]

THE NEED FOR TV EDUCATION

(By Horace Newcomb)

Television has become a powerful cultural force in America, yet for all its undeniable influence we still seem unable to decide whether its impact is good or bad, healthy or unhealthy. Moreover, we seem unwilling to take the step that would allow us to coexist more easily with TV: educating ourselves and our children about television.

A few courses teach the use of portable video equipment, and many colleges offer courses in the context of TV's cultural implications. But these do not deal with problems at the level that concerns parents and teachers.

We have avoided these problems because we have been continually embarrassed by television—ashamed of our fascination with it, the hours we've spent viewing it, in some cases our actual dependence on it. Like discussions of sex, we have avoided serious discussions of television with our children, and when we have gotten riled up it was usually over something like TV violence.

Indeed, crusaders against TV violence have had a good year. Action for Children's Television joined with the PTA and the AMA in a national campaign, holding hearings in major cities to alert the public to the alleged menace of fictional violence. While they are by no means convinced that the war is over, most of them seem to think that a major battle has been won. They think that they have proved that the network can be made to respond if enough public pressure can be applied where it really hurts, to advertising revenues and public good will.

CAMPAIGNS AGAINST INDECENCY

But it is the classic Pyrrhic victory, brought on by the classic liberal dilemma. Already campaigns are being mounted against all other sorts of real and imagined sexuality, against the use of profanity, against certain political points of view and against all other sorts of real and imagined "indecency."

Thus, leaders of the fight against violence soon will find themselves called upon to join these battles, and more than likely they eventually will find themselves levelling charges of censorship and manipulation against former allies. It's a familiar pattern in war, politics and the wars of cultural politics.

Actually, what appeared to be a frontal attack was a rear guard action, fought from a position of fear. The victory, then, is symbolic not of new power over the networks, but of yet another abdication to them. Like the push for "pro-social" programming, it leaves the final decisions over content in the hands of network executives, their advisers and advertisers.

The only alternatives are to avoid television altogether or exercise careful parental control of what comes into the home. And most parents, especially those who reject the notion that no TV should be in the home, are quick to admit that they make subjective program choices. They determine what to watch in terms of available time, habit and attraction to a star, rather than on an informed understanding about what might be acceptable for them or their children.

What is needed, therefore, is massive public education of a very basic sort, beginning in kindergarten and extending through high school.

We can immediately help kindergarten children arrive at answers to some of their most pressing questions. How is television transmitted? Are those people really in that box? Is what I see on the screen happening now, this minute, or was it filmed long ago? How does the film show me the picture now? We can discuss the relationship of cartoons to live action. We can talk about the physical distortions that appear in commercials. We can help students understand why toys do not perform for them as they do for the children on television.

Different versions of these questions can be worked into the curriculum at almost any level.

Questions for high school students should deal with the realities of the news. Or about the manipulation possible in documentaries as well as in commercials. About why real life political and social systems do not work as they appear to work in television series. About why real families do not seem to be able to solve their problems as easily as television families.

Entire courses need not be devoted solely to these topics. But I do think it possible that some time could be devoted to such questions during every school year and for optional courses to be available for advanced high school students.

The model for such an approach is the language and literature curriculum. We expect literacy to give the student some control over the language. We use literature to examine basic human questions. Even so, we generally accept the fact that not all literature is suitable for children.

Yet television demands no essential literacy level. Children view "adult" programs from infancy. So far we've done nothing about it except try to find out how they've been hurt, and to make those bad people in New York and Hollywood stop hurting them.

If we expect to have control over television we must understand television's special qualities. Instructions can cultivate an awareness of this richness and variety, so that children neither accept it all uncritically nor feel ashamed of enjoying it.

CREATING AUDIENCE AWARENESS

The goal of such a curriculum would be creation of a critically aware audience. Young children will learn to make distinctions. They probably will not choose to forego all violent programs, but they will be able to think about what they see rather than merely react to it. In a matter of years perhaps we will have developed an audience capable of making informed judgments beneficial to its own children.

Robert Lewis Shayon wrote in a collection of television criticism that, "That critical spirit is the supreme manifestation of human intelligence which sets man off from the animals. It is the world's best hope." Abandonment of this spirit in the face of television, its replacement with our pathetic displays of embarrassment and fear and sputtering outrage, will someday intrigue scores of sociologists and educators.

Meantime, we should begin to nurture the critical spirit in our children so that they unlike their parents will deal creatively and imaginatively with television. In the end neither the networks nor the crusaders will control television. It will be controlled by an audience of alert and capable critics who insist upon public responsibility.

CONCEDING DEFEAT IN EUROPE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. McDONALD. Mr. Speaker, the defeatism and retreat of the Carter administration becomes more apparent as on one hand as the list of weapons and weapons systems cancelled grows longer, while on the other, the retreat from Europe and Asia, in order to match our reduced capabilities to respond to attack, goes on. Thus, we announce retreat from Korea, cancel the B–1 bomber and now we prepare a strategy of partial surrender in Europe.

A recent newspaper column by Evans and Novak that appeared in the Washington Post of August 3, 1977, reveals that in place of having forces second to none in Europe, we are going to concede one third of West Germany to the U.S.S.R., in the event of an attack, and let them face the "political consequences" of world opinion, U.N. disapproval and U.S. mobilization. And, we all remember how effective world opinion was in saving Hungary in 1956 and Czechoslovakia in 1968 do we not? The U.N. in both the cases of Hungary and Czechoslovakia did nothing.

Lastly, U.S. mobilization will mean little to the Soviets. The U.S.S.R. is prepared to fight a nuclear war and win. We are not prepared to fight a nuclear war and survive. Mr. Brzezinski and the whole National Security Council ought to go back to school and learn some history. There is little time left to redress the balance.

The column by Mr. Rowland Evans and Robert Novak follows:

President Carter late this week will be presented by his national security advisers with a new defense strategy that secretly concedes one-third of West Germany to a Soviet invasion rather than seek increased defense spending, which these advisers say would provoke Moscow and divide Washington.

PRM–10, the Carter administration's top-secret strategic study, suggested that this policy could be made palatable to Western Europe by simply not admitting its implications. This course was wholly adopted in high-level meetings July 28 and 29 by Zbigniew Brzezinski, the President's national security adviser. There was dissent from the senior officials assembled.

The strategic policy paper to be given the President (about three pages of single-spaced typing) makes no mention of surrender or duplicity in central Europe but talks of a commitment to a "minimum loss of territory" in NATO. To achieve a broader perspective Carter ought to look at the minutes of the July 28–29 meetings of his Senior Coordinating Council (SCC) on national security.

The SCC agreed on a 3 percent annual increase in defense spending, fulfilling Carter's promise to his NATO allies earlier this year. But, according to verbatim notes taken by one of the participants, Brzezinski declared: "It is not possible in the current political environment to gain support in the United States for procurement of the conventional forces required to assure that NATO could maintain territorial integrity if deterrence fails. Therefore, we should adopt a 'stalemate' strategy. That is, a strategy of falling back and leaving the Soviets to face the political consequences of their aggression."

Brzezinski went on to declare that these "political consequences"—world opinion, U.N. disapproval, U.S. mobilization—would help deter a Soviet invasion. There was no dissent from those present, including Vice President Mondale, CIA Director Stansfield Turner, Chief Disarmament Negotiator Paul Warnke, Deputy Defense Secretary Charles Duncan and Joint Chiefs of Staff Chairman Gen. George Brown.

Brzezinski continued: "We agree there

must be a gap between our declared strategy and actual capability. We cannot for political reasons announce our strategy." Again, there was no dissent, though some officials voiced the opinion there would be hell to pay if the Germans learned what was happening.

All this follows the script of the June 20 draft of PRM–10, which lists four options for lower-range defense spending. Each would stop a Soviet offensive at a line formed by the Weser and Lech Rivers, surrendering about one-third of West Germany (including Saxony and most of Bavaria).

These four options, according to PRM–10, do not "plan" to stop "a determined Warsaw Pact conventional attack. . . . If the Soviets persist in their attack, a U.S.-NATO conventional defeat in central Europe is likely." Yet these options are certainly not rejected out of hand.

"Many of the adverse political implications" of the reduced defense options (such as independent German rearmament or, conversely, European accommodation to Moscow) "probably could be avoided if the U.S. continued to publicly support" present strategy. Adverse reactions by Western Europe "could be signficantly softened . . . if the U.S. were to avoid any statements to the effect that a loss of NATO territory would be acceptable."

PRM–10 predicts any increase in defense spending would generate "divisive debate" and warns an across-the-board hike in defense capability "is likely to find little domestic support." In general, the options calling for decreased strength are seen as causing less trouble; in particular, the option calling for approximately the present military level but with less sustained power in Europe is described as "probably the most anodyne [option] in terms of its domestic impact, unless it were only described as a lowering of our sights."

These views were implicitly accepted last week by Brzezinski and the other senior officials. So the President is about to adopt a policy boiling down to this: Instead of seeking greater defense spending to defend central Europe, rely on political pressures to deter Moscow while secretly conceding a military defeat. Whether this reflects a "political environment" as claimed by Brzezinski, it certainly reveals the environment within the Carter administration.

A VISIT WITH MAKARIOS RECALLED

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. YOUNG of Florida. Mr. Speaker, on August 3, 1937, with the death of Archbishop Makarios of Cyprus, Americans of Greek descent throughout the Sixth Congressional District of Florida paused to mourn his passing. Some had known the prelate as a boy in their native Cyprus. Others had befriended him when he had come to the United States as a young priest to study. Most recalled his visit to Pinellas County in October 1974, as the then exiled President of Cyprus, and his resolve to return to his homeland in an effort to work for a united and independent Cyprus still burns in their hearts.

Most recently, James Scofield, the chief librarian of the St. Petersburg Times, visited with Archbishop Makarios in Cyprus. Mr. Scofield was there as press secretary for an AHEPA fact-finding mission, and yesterday he recalled that visit for local residents:

A VISIT WITH MAKARIOS RECALLED

(By James Scofield)

Archbishop Makarios appeared paler than usual when we met with him in his presidential office in Nicosia on June 24.

But if you did not know, you would never have guessed he had suffered a serious heart attack in April.

He was alert, smiling and seemed to relish the opportunity to reminisce about his days in the United States, to ask about old friends and to discuss the critical issues facing a divided Cyprus.

During the 45-minute meeting, he told us of his concern about the lack of international initiative toward solving the Cyprus crisis. He said that the political instability in Turkey "should not be used as an argument to justify Turkish unwillingness to engage in meaningful negotiations." He said that Cyprus "cannot be a victim to the chronic upheavals and problems within Turkey."

Makarios pledged to continue "for the days which God will grant me" his personal struggle "for a united, sovereign and independent Cyprus free of occupation by aggressor forces." He said he wanted majority rule for Cyprus with guarantees for Turkish Cypriots" so that together we can build a great nation."

But he wondered aloud why the human rights violations against Greek Cypriots by Turkish soldiers reported by the European Commission of Human Rights to the Council of Europe did not seem to be of great concern to the United States government, which had proclaimed its concern for human rights elsewhere.

He expressed his gratitude to the American people and especially to Congress for "their support and belief in our cause."

These words reminded us of his statement in an explosive interview given to The St. Petersburg Times in October 1974, during his visit to the Tampa Bay area. He said then: "I am optimistic because I believe in the moral power of our cause." He was preparing to return to Cyprus. Asked if he would return as president, Makarios smiled confidently and said: "I think so." He did in December.

During the traditional photo-taking at the conclusion of our Nicosia meeting, Makarios showed more public relations flair than most government leaders by helping position to best advantage those photographed with him and by instructing the chuckling photographers just how to shoot the photos. They cheerfully followed the directions and the pictures turned out fine.

This brought to mind the humorous incident in 1974 when he was posing for a photo with Jack Barrett, St. Petersburg Times artist, who presented the archbishop with his portrait of Makarios that had appeared on the cover of Crossroads—The Times magazine of religion.

The archbishop told Barrett: "Thank you so very much. It certainly flatters me." Then he took note of Barrett's beard. "I certainly like people who grow beards. My, you look like a miniature Makarios," he laughingly told Barrett as he looked up at the much taller artist.

Mr. Speaker, Wednesday night, and again this coming Sunday, services in memory of Archbishop Makarios will be held in Greek Orthodox churches throughout Pinellas County. We know that in death the Archbishop has found the peace he could not bring to his troubled land. As his people pause, it is fitting for us, too, to honor this man, to pray with his flock that his dream of a sovereign Cyprus may be realized, and especially that "his memory be eternal."

TOWARD A NATIONAL ENERGY POLICY

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. KASTEN. Mr. Speaker, throughout this week the House of Representatives has been debating one of the most important pieces of legislation to come before us in a long time. H.R. 8444, the National Energy Act, is the first major step toward enactment of a comprehensive national energy policy.

The bill is 580 pages long and represents the collective work of five major standing committees. H.R. 8444 embodies 113 separate legislative initiatives. Its size and complexity make it difficult to understand; yet its mandate and ramifications for our future life on this planet will be experienced by each and every citizen.

It was not until the Arab embargo and OPEC's success at controlling world petroleum prices that Americans were forced to come to grips with a grim set of statistics. Actually, the figures and their disturbing significance had been present for years. Few heeded their warning. The United States, with 6 percent of the world's population, was consuming one-third of the world's energy. More ominous, during the decade of the sixties, U.S. dependence on foreign imports for a critical share of its energy supply increased steadily. In 1976 imports were 7.3 million barrels per day or 42 percent of U.S. oil demand.

The costs of dependence to both individuals and to society were vividly registered when the embargo was imposed. Energy dependence contributed to one of the worst unemployment cycles in American history, prices soared, gasoline lines stretched for blocks, and the specter of rationing loomed in the background.

For the first time Americans realized the far-reaching significance of energy to their lives, and the stakes were high. Without adequate supplies of energy, the economic structure of the country began to shake, and the reverberation from that quake will not be forgotten soon. A viable economy to employ millions cannot survive without energy. A healthy agricultural economy to feed America and the world's starving millions will collapse without energy. Investment, growth, jobs, standard of living, and food production are essential to the American economic system. Without adequate supplies of energy, each will slowly wither.

In many ways, the dark days of the Arab embargo seem long past. But, the message is inescapable. No longer can Americans take energy for granted. No longer can we continue a policy that discourages exploration, development, and production of domestic resources. No longer can we live in a world of unlimited choices.

Quite the contrary is true. Options are indeed limited, and their price is high. A population of 216 million with an insatiable energy appetite has reached the

point when supply can no longer keep pace with demand.

This realization dictates a fairly simple set of policies. Demand must be curbed; energy conservation must be encouraged. Supply, particularly domestic supply, must be increased. The means to achieve those policy goals, however, have formed the basis of the debate we have been engaged in this week.

HOUSE ENERGY BILL—A GREAT DISAPPOINTMENT

President Carter's energy program, submitted to Congress April 20, provided a framework from which we could begin to draft a comprehensive energy program for the Nation. But, it was a framework only.

It was our hope that through the committee process and floor debate, the President's proposal could be improved and balanced so that the end product would be a truly comprehensive policy to guide the Nation's energy future.

That hope gradually faded. It became vividly apparent that debate on the most important bill before the 95th Congress would be so structured that little meaningful opportunity would be provided for the general membership of the House to work its will. Instead, we are confronted with a parliamentary situation that excludes reasonable opportunity for legitimate efforts to improve and strengthen the bill.

MAJOR FLAWS IN COMMITTEE BILL

Thomas Jefferson once made the sagacious observation, "Were we directed from Washington when to sow and when to reap, we should soon want for bread."

The President, and now the majority in Congress, will have us adopt an energy policy that is to be directed from Washington. I fear that Jefferson's advice will ring true again. The energy plan, as embodied in H.R. 8444 assures us of more Government regulation, more taxation, higher prices, and little guarantee that energy supplies will increase.

H.R. 8444 is not an energy bill. It is a tax bill. It proposes to further reshape the tax code into a punitive device—admonishing citizens for "gluttonous" energy consumption, burdening business with increased costs of operations, and flogging the energy industry for insufficient production.

It is a negative program that lays the entire burden for solving the energy problem on American consumers. While it may force conservation, it does little to increase energy supply which is absolutely essential if we are to reduce our dependence on foreign nations.

If H.R. 8444 is enacted without sufficient changes, the American people will no longer have to worry about being "ripped off" by the energy companies. The Federal Government will be the culprit, reaping the windfall profits from their tax dollars and redistributing them at the direction of the bureaucracy.

A BETTER ALTERNATIVE

The committee bill represents half of an energy policy. There are elements in the package which are attractive and merit support. I believe that conservation must be a key element of our national strategy. Our wasteful use of energy has laced an incredible strain on our environment. Conservation is a quick, cheap source of energy. Not only does it buy us time to search for alternative, renewable resources, it also preserves our environment.

But, conservation is not enough. We must look to the demand side of the equation, and that is where I believe several key improvements could have been made to the committee bill.

NATURAL GAS PRICES MUST BE DEREGULATED

I am very disappointed that the House has chosen to retain price controls on natural gas. A recent study shows that deregulation would result in about 25 trillion cubic feet more gas production over the next 13 years than would the administration's natural gas price control approach. We have only to recall last winter's natural gas crisis to realize that increased supplies are desperately needed.

PRICE CONTROLS ON CRUDE OIL MUST BE REMOVED

As with natural gas, the committee bill retains price controls on crude oil. Instead, the cornerstone of the program is a crude oil equalization tax which is nothing more than an artificial device to raise the price of oil to the world market price. By using a tax rather than competitive market pricing, the plan fails totally to provide adequate incentives for new domestic oil and gas exploration.

While the committee has recognized half of the economic truth—prices can no longer be depressed without further depleting scarce supplies—they fail to recognize the obvious corollary which is to remove controls and let the price be determined in the marketplace. Gradual decontrol, coupled with an effective plowback provision as an incentive for further production, is the long-term solution. Congress should reject the short-term, politically expedient approach embodied in H.R. 8444.

REJECTION OF THE GAS TAX—A VICTORY FOR THE PEOPLE

Perhaps the only satisfaction of this week's debate was our rejection of two amendments to increase the Federal tax on gasoline. This tax was discriminatory and regressive. It would punish the worker who depends on his automobile and the rural American who must of necessity travel long distances by car. To punish in such a harsh fashion—with no assurance of any reduction in demand—makes absolutely no sense. Fortunately, the gas tax amendments were soundly defeated.

A MORE RESPONSIBLE AND WORKABLE ROLE FOR UTILITIES

One of the more disturbing sections of H.R. 8444 is part V relating to the role that utilities will play in meeting our energy demands. While modifications were made to the recommendations originally proposed by the President, this section remains a gross intrusion by the Federal Government into areas of responsibility previously reserved exclusively to the States. Rather than coercion, I believe the Federal Government should work with the States and utilities toward adoption of demand-saving, rate-making policies.

MINORITY SUBSTITUTE

While I wanted to briefly enumerate several of the key areas where I believe the Congress could have made responsible changes to the President's energy program, there are numerous other improvements that could have been made. These will be offered in the form of the Minority Substitute. While we have little hope for passing our substitute, I think the record will show that when given the opportunity, the President and his party in Congress, voted against an energy program which would provide the basis for a sound, comprehensive national energy policy—one that is less punitive on the individual consumer and one which would provide the basis for development of new sources of energy supply.

An analogy which accompanied the minority committee report expressed my feelings about H.R. 8444:

> As a Nation we once used whale oil for lighting, but coal gas later proved more efficient. Subsequently, we found that natural gas was cheaper and cleaner. Eventually our investiveness led to lighting our homes and doing many other things with electricity.
>
> If President Carter and those who have supported this program had been in charge, at the start of our energy evolution, we would now be taxing whalers and lamp manufacturers in order to reduce demand for diminishing supplies of whale oil; we might have never discovered coal gas; natural gas or electricity; our standard of living would be so far below what it is today that it would be unrecognizable in a modern context.

When the American people realize that this bill is not the energy policy they had expected, I am confident we will be back to do the job that should have been done this week.

KLEARTONE TO RECEIVE AWARD

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. AMBRO. Mr. Speaker, for over a decade, Sears, Roebuck & Co. has awarded it top suppliers with the coveted "symbol of excellence." In 1977, 592 companies will be so honored, 142 for the first time. I am happy to note that this year, one of Long Island's leading corporations, Kleartone Transparent Products Co., Inc., of Westbury, will be among the first time recipients.

Kleartone, a packaging supplier, is particularly honored to receive this award because the usual recipients are merchandise suppliers. The magnitude of the honor becomes apparent when one considers that Sears, Roebuck & Co. deals with over 12,000 suppliers on a worldwide basis. The committee chosen to select the top corporations represents all facets of Sears, Roebuck & Co., including retail, catalogue, plants, service, quality control, personnel, testing and merchandise development. The criteria used in selection considers several factors: Promptness of delivery, reliability, and initiative displayed in the development of new products. Sears, Roebuck & Co. intends the "symbol of excellence" to honor not only Kleartone's president, Alfred W. Levy, but each of the company's nearly 100 employees. It is their hard work and dedication to craftsmanship that has won Kleartone this special

honor. Reliability of service and goods is achieved only by teamwork; indeed, this spirit of employee cooperation has always been a valued characteristic of Long Island business and industry.

On August 23, there will be a luncheon at Salisbury Restaurant, Eisenhower Park, Long Island to celebrate Kleartone's acceptance of the coveted "symbol of excellence." Top representatives of Sears, Roebuck & Co., will be present as well as many of Long Island's leading government and business leaders.

Mr. Speaker, I am proud to call to the attention of my colleagues the superb achievements of Kleartone Transparent Products, its president, Al Levy, and its employees. I look forward to learning of their future accomplishments.

A SPECIAL RELATIONSHIP—THE UNITED STATES AND THE PHILIPPINES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ANDERSON of California. Mr. Speaker, on July 4 the American people traditionally celebrate Independence Day, marking as it does the anniversary of our birth as an independent Nation: However, July Fourth also marks the Independence Day of another nation—the Philippines.

In the 32d Congressional District of California, which I am pleased to represent, Americans of Philippine ancestry comprise a strong and important community in an area known for its rich ethnic diversity. Since they celebrate the independence of both their native and adopted lands on the same day, it seems entirely fitting that July 4 is also known in our community as Philippine-American Friendship Day.

Our two nations have always shared a close relationship which has held steady over the years. The following article from the July 22, 1977 edition of the Los Angeles Times gives an excellent account of how special the relationship between the United States and the Philippines truly is:

ASIA LEGACY: FILIPINOS FEEL SPECIAL TIES WITH AMERICA

(By George McArthur)

MANILA.—Back in 1972, just before President Ferdinand E. Marcos declared martial law, there was an amazing popular movement to lead the Philippines into American statehood.

Within a year it signed up perhaps 7 million people willing to surrender the independence granted by the United States after World War II. This despite the fact that the movement's leader and guiding spirit, one-time congressman Rufino Antonio, was a man of modest attainments, no visable charisma and tainted by the ordor of political chicanery that touched almost all Philippine politicians of that time.

He was dismissed by some as a crackpot, branded a traitor by young nationalists and was a considerable embarrassment to both the Philippine government and the American Embassy.

He was not dismissed so lightly by the Marcos government. Immediately after martial law was declared, Antonio says, he was told by Defense Minister Juan Ponce Enrile to stop his statehood campaign.

But untold numbers of the country's more than 42 million people still carry the membership card of "Philippine statehood, U.S.A." The cards pledge, "I shall offer my life and soul in the pursuance of remedial reforms and as a last recourse without reservation of purpose of evasion I shall work and vote for the incorporation of the Philippines as a full-fledged and coequal state of the United States of America."

The membership records now molder in dusty cartoons stacked 8 feet high in two storerooms of Antonio's business headquarters—a showroom where Antonio makes his money selling Japanese motorcycles.

To those who question whether the statehood movement was real and voluntary, Antonio opens the storerooms and says, "Look for yourself. Pull out anything. Take what you want."

The files are real, box after box crammed with applications in their original mailed envelopes from all over the country. They came mostly from simple people, but they also came from doctors, lawyers, university students, priests, policemen, soldiers, businessmen and even cadets at the Philippine Military Academy. Antonio kept all the letters, even the scattering calling him such things as "A foul curse on the nation."

The letters accompanying some applications clearly showed there was a large element of simple protest in the movement. A multitude of Filipinos were fed up with the chaotic politics that made their outward democracy meaningless—a sentiment that made martial law popular initially when Marcos disarmed political goons, clamped down on crime and gave the impression that he would set the economy right (He hasn't. Real wages are lower now than five years ago.)

Still, the unabashed desire of millions to get back under the American umbrella showed that a lot of Filipinos believed they had a "special relationship" with the United States.

In government-to-government relations, that phrase has vanished in the past five years—the victim of declining American influence in Asia plus the professed desire of Marcos to steer a more independent international course, including recognition of the Soviet Union and China.

In the decades of generally benign colonialism and early independence that phrase was the stuff of commencement speeches and veterans rallies. No candidate—including Marcos—made it to the presidential palace without openly embracing the "special relationship."

Antonio contends that this basic sentiment is unchanged and that his statehood movement would grow even larger if permitted.

That claim is questionable in a volatile country where population growth is so rapid that 60 percent of the people are under 21. The Anti-American flavor of student demonstrations so prevalent before martial law clearly showed shifting attitudes. Public opinion samplings by the American Embassy, however, show undiminished affection for the United States. An overwhelming majority of Filipinos favors retention of the big American bases, for example.

As one university professor admitted somewhat ruefully, "The special relationship still exists whether we admit it publicly or not."

It derives largely from history—the shared World War II battles, liberal educational policies that were immensely welcomed in colonial days and the fact that such Americans as William Howard Taft and Douglas MacArthur were sent to the Philippines. Only a decade ago, Philippine historian Teodoro Agoncillo wrote that during World War II, the occupying Japanese "were in truth exasperated to realize that the Filipinos were hopelessly pro-American."

It derives also from an American economic presence of over $2 billion, two vast military bases at Clark Field and Subic Bay that account for about 5 percent of the nation's economic structure, and a continuing belief by most Filipinos in "the American dream"—something that seems to elude them at home.

Although President Marcos, in the wake of Vietnam, is increasingly paying more attention to his Asian neighbors and the Third World, his people still look eastward. While Marcos continues to haggle over a new base agreement, he adds that "the problem of the American presence in the Western Pacific is one the American people have to decide for themselves. But from our point of view the United States is not only welcome but encouraged to be here."

That sentiment is apparent to anyone visiting the countryside. It is somewhat unsettling when a young plantation worker descends from a coconut tree, his bolo chopping knife in hand, and asks a visiting American if, by any chance, he knows his sister in San Diego.

"You can't go anywhere in the Philippines without finding dozens of people with relatives in the United States," an American diplomat said.

Official census figures put the Philippine population of the United States at about 500,000. These figures are certainly conservative. Within a decade the Filipinos will probably outnumber the Chinese and Japanese to become the biggest Asian minority in America

The jammed U.S. consulate in Manila is jokingly known to some as "Ellis Island West," and has waiting lists seven years long for some categories of immigrant visas. Still, it issues 60,000 visas annually, half of them for permanent immigrants.

The ambassador's office commands a stunning view of Manila Bay, overlooking the very site where Adm. Dewey turned to his gunnery officer in 1898 and said, "You may fire when ready. Gridley," thus destroying the Spanish Pacific squadron and beginning the American military presence in Asia.

Since that time, virtually every American career officer has done at least one tour in the Philippines.

There are now, also, about 35,000 American civilians living in the Philippines, apart from the military establishment. It is one of America's largest overseas communities.

The embassy is unlike any other American overseas establishment.

"It is funny, but sometimes you get the feeling around here that the Filipinos think this is their embassy," one American said with a shrug.

This is what Charge d'Affaires Lee Stull calls "interpenetration." He says, "There is a vast network of expectations and obligations stemming from an intensive United States presence for over 80 years."

This network of expectations and obligations—plus a mutual defense treaty that no one questions—makes American relations with its former colony unique. It also places constraints on any Philippine president, including Marcos.

As one old American resident said, "Marcos can complain about tariffs and protest over 'irritants' and ask for more money for the bases and everybody says that's fine. It is part of the game. But he is much too smooth a politician to let it get out of hand and get offensive. He wants to keep that 'American connection' too."

"The base agreement legally runs until 1991. Discussions on a revised agreement were suspended after last year's U.S. elections, and the shape of future negotiations remains unclear. There is little pressure from either side to resume the talks.

The embassy is unusual in other respects. It includes the only overseas office of the U.S. Veterans Administration. Director Howard Price, who has succumbed to the lure of the islands and served four tours in Manila,

estimates there are 472,000 potential VA beneficiaries in the Philippines—survivors and families of the guerrillas and Philippine scouts who fought at Bataan and elsewhere during World War II.

Present yearly payments go to about 70,000 people and amount to $87 million. Philippine veterans are cared for in a $10 million hospital built by the United States. The hospital receives $2.1 million annually.

Although Japan is pressing hard, the United States remains the Philippines' biggest trading partner, as it has been since New England ship captain Ezekiel Hubbell landed in 1817 and later set up a trading firm.

"They like to do busineses with us," said an American businessman. "The government is trying to branch out, like buying an oil rig from Romania, but the individual businessmen prefer the United States. Half of them have degrees from Harvard or Stanford.

The tendency of well-to-do Filipinos to send their sons and daughters to the United States—President Marco's eldest daughter Imee was sent to Princeton—is a continuing part of the "special relationship."

The most striking monument to Philippine-American relationships is the American military cemetery at Ft. Bonifacio just outside Manila. It contains the graves of 17,000 World War II dead.

On weekends the green and peaceful site is a favorite spot for family picnics and the guest book at the gate shows that far more Filipinos visit the cemetery than Americans. It is also, by general admission, the biggest single tourist attraction in Manila.

"I have taken my children there many times," said Eduardo Vargas, a 53-year-old onetime guerrilla who now makes a living as a mechanic in the town of Angeles. "I want them to know how it was."

REACHING NATIONAL HEALTH GOALS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. LEHMAN. Mr. Speaker, many claims are being made and many are being refuted about what a national health insurance system can and cannot accomplish. It is time for a realistic look at the contribution a reasonable national health insurance plan, like the health security program, can make to the much needed goal of providing adequate medical care to all Americans at manageable cost.

The average American spent $638 for health care in fiscal year 1976, equal to a month's income. Medical care inflation has been rising steadily since the end of the economic stabilization program in 1974 at a rate considerably higher than the general inflation rate. There has been double digit inflation in hospital care expenditures, which now comprise 40 percent of the Nation's health bill, for over a decade. More Americans are spending greater portions of their income on health each year. The percentage of the gross national product going to health has increased to the point where 8.6 percent of the U.S. GNP is involved, up from 8.3 percent last year, and reflecting a maior increase from the 5.9 percent of GNP devoted to medical care in 1965.

Many people cannot afford the heavy cost of illness.

Each year, 1 in every 25 Americans spends more than one quarter of his income on illness. The United States is unusual among industrial nations because it is one of the few such nations where, for a considerable portion of the population, medical care expenses can still result in financial ruin. Private insurance plans are available, but too expensive for many of those who need them most. Others are excluded entirely, due to past medical histories, age or other reasons.

Though Federal efforts such as medicare, medicaid, and the Veterans' Administration programs have helped to ease the burdens of some of those who are unable to purchase private insurance, there remain an estimated 22 million people, 12 percent of the U.S. population, with no health insurance whatsoever. Further, there are an additional estimated 19 million Americans with skimpy, inadequate coverage.

Many of the uninsured are poor. A majority of the rural poor do not qualify for benefits under medicaid. To make matters worse, medicaid, like medicare and much of private health insurance, encourages the use of hospital and other specialized care, rather than the primary care so desperately needed. When payments are not guaranteed, doctors are hard to attract, leaving 133 counties in the United States with no practicing physician.

Many unemployed persons and working poor are similarly not covered by any type of insurance. There are fewer doctors in the inner city areas than in the upper and middle-class neighborhoods. Poverty has been on the rise in recent years, and with poverty come increased health problems. Karen Davis, presently Deputy Assistant Secretary of the Department of Health, Education, and Welfare, has pointed out:

> Chronic illnesses limit the daily activities of the poor at a rate two and one-half times that of the nonpoor. Arthritis, diabetes, hearing and visual impairments, heart conditions, and hypertension are two to three times as prevalent among low-income families as those above the median income level.

And yet, it is these persons who find themselves without readily available basic care. The Health Security Act, which would cover physician visits for all Americans, would eliminate these inequities.

The U.S. infant mortality rate is significantly higher than those of a dozen other industrialized nations, and our life expectancy statistics also compare badly with other countries. It has been demonstrated that one of the few changes in medical care that would actually improve statistics like the infant mortality rate and life expectancy in the United States, is an increase in specific types of care for the poor, such as prenatal and infant care. These are precisely the types of care that would expand most under the health security program due to extended coverage to those of the poor and near-poor who are not now eligible for or able to afford insurance.

The high cost of health care is a serious problem for the Nation as a whole in addition to its effect on individuals. The advanced budgeting provision of the health security program would establish an effective means of controlling health care cost inflation.

The Health Security Act cannot do everything. If we want to dramatically improve the health of the average American, we are going to have to convince him to change some of his unhealthy habits: drive his car more carefully, watch his weight, cut down on his smoking, for example. We are going to have to stop polluting the air and the water. But health security can calm the fears of financial disaster associated with our present system. And, it can extend quality health care to those Americans who desperately need treatment, but cannot now afford it or find it.

There is a great deal that we can realistically expect from a proposal like health security. I hope the Congress will keep these benefits in mind and work for quick passage of this reasonable health insurance plan.

ARCHBISHOP MAKARIOS

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. NEDZI) is recognized for 5 minutes.

Mr. NEDZI. Mr. Speaker, Archbishop Makarios was a giant in the history of Hellenism as few have ever been.

His unexpected passing is a serious loss, not only to Cyprus but, I believe, to the world.

He was a remarkable man, the son of an illiterate shepherd, and he was a world figure for over 20 years. Only Tito remains from among the major Third-World figures who attended the Bandung Conference in 1955.

Many obituaries are being published of Archbishop Makarios, some accurate, some inaccurate.

I would like to submit for the RECORD an unusual down-to-earth interview conducted by the fiery Italian journalist, Oriana Fallaci, in September of 1974, and appearing in her book, "Interview with History":

ARCHBISHOP MAKARIOS

At a certain point I said to Makarios, "You remind me of Jane Austen's advice." Makarios smiled. "What advice of Jane Austen's?" "An intelligent woman should never let others know how intelligent she is." Makarios smiled again. "But I'm not a woman." "No, but you're intelligent, so intelligent that you're doing all you can to keep me from realizing it," I said. And then his gaze hardened, something in him arched, like the back of a cat preparing itself for combat. I too arched myself, waiting for the blow of his claws, and ready to give it back. The blow didn't come. With the same rapidity with which he had flared up, he regained his composure and went on with his story. "As I was telling you, I'm lucky. I know already what the newspapers will write when I pass to a better life. Last July I read such nice obituaries about myself. They gave me up for dead, remember? The cables to my ambassadors were nice too. The nicest came from

Lord Caradon, the last British governor of Cyprus and a great enemy. I met Lord Caradon in London. We got to talking about the old days when we used to quarrel over the British bases on Cyprus. I told him those bases had been good for just one thing: to give me refuge after the *coup d'état* and help me leave the island." Every time his mind wanders and he forgets Jane Austen's advice, you're a little sorry. You want to shout at him, "Pay attention!" And it goes without saying that in this interview his mind often wandered. Almost always. Which is one of the reasons I like Makarios.

I hadn't liked him before. Once I had even tried to show him that I didn't, with the result that I had received his blessing. It was in Athens, at the time of the wedding of Juan Carlos and Sophia. He was staying at the Grande Bretagne, and I was staying there too. One evening he came down to the lobby, and as soon as he appeared, all dressed up like an icon, shining with gold and jewels, and gripping his pastoral scepter, the lobby became a chapel. Some bowed till their noses touched their navels, some knelt on the floor, some tried to kiss his hand or at least his vestments. The only erect head was mine, very visible besides, because I had remained seated on a high armchair. The chair was situated between the elevator and the exit, and he noticed me at once. And his eyes pierced mine like needles of indigation, surprise, sorrow. Who was I? How did I dare? However, he continued his solemn advance, and, as he passed in front of me, he imparted to me that blessing.

Needless to say, I could have done happily without it. To the mind of a layman, he is irritating to say the least. Let us not forget that he represents the most solid fusion of the temporal power with the spiritual. He is like a pope who sits in the Quirinale instead of the Vatican; he is the head of the Greek Orthodox Church on Cyprus and the president of Cyprus. So, you never know whether to address him as a religious leader or a political one, whether to call him Beatitude or President, Archbishop or Mr. Makarios. Nor does the fact that he was democratically elected help you to forget a bitter reality: he gets those votes thanks to his relationship with heaven. For the peasants of Cyprus, voting for him is almost a sacrament. While handing in their ballots with his name, even the communists make the sign of the cross. And yet, yet . . . he's one of the few heads of state before whom it's worth the trouble to get to your feet if not to kneel down. Because he's one of the few with brains. Along with brains, courage. Along with courage, a sense of humor, independence of judgment, dignity. A dignity that approaches regality, and God knows where it comes from. The son of an illiterate shepherd, he guarded sheep until the age of twelve.

Many people cannot stand him. They accuse him, for instance, of devoting or having devoted too much attention to women, of being in no sense an ascetic. I believe it. They also accuse him of governing through lies, intrigue, and opportunism. And this I don't believe completely unless by lies you mean Byzantinism, by intrigue, elasticity, by opportunism, imagination. His character cannot be judged by the yardstick we use in the West. He does not belong to the West. He belongs to something that is no longer the West but is not yet the East, something that sinks its roots into a culture that is sophisticated and archaic at the same time, and which has mastered the art of survival. He has the gift of survival, gained and regained through fast stepping, contortions, cleverness, lucidity, cynicism. Four times they tried to kill him. Four times he escaped. Twice they sent him into exile. Twice he came back. And only once did he seem to have lost for good—after the coup of July 1974. Instead, those who lost were those who were thought to have won—as a result of that coup, the Greek military junta fell and now finds itself under arrest. If I close my eyes on the subject of the archbishop-president, I can't help accepting Makarios and taking him seriously even when he tells me he's a socialist.

I interviewed him twice, for a total of six hours. The interview as written skips over such well-known incidents as the attempts on his life and his flight. I interviewed him in his suite in the Plaza Hotel in New York, where he had gone to keep an eye on Kissinger and the UN. No longer dressed up in gold and jewels, he wore a plain blue cassock and seemed older than his sixty-one years. His attitude was mild, deliberately humble. His vice was soft, deliberately suave. He said "he's a criminal" in the same tone with which he might have said "he's a good man." I wasn't bored for a minute, and indeed enjoyed myself. He knows how to be so brilliant. And at several moments I admired him. He cares so much about freedom. We parted friends. In the doorway, he whispered, "That advice of Jane Austen's . . . it goes for you too. What a pity you're a woman." And I answered, "What a pity you're a priest."

ORIANA FALLACI. An abrupt question, Beatitude: are you going back to Cyprus or not?

Archbishop MAKARIOS. Of course I'm going back. Certainly! I'll go back in November. At the latest, the end of December. The date depends entirely on me. I haven't gone back as yet because I was waiting for the Greek government to withdraw and replace the officers responsible for the coup against me. And also because I wanted to follow the UN debate on Cyprus from near by. I don't understand why there should be any doubt about my return—after all I didn't resign. Nothing and nobody is against my going back, except those who are afraid of being tried and punished, something I don't intend to do since it would hurt the unity of the country. Mind you, that doesn't mean I intend to let history have a distorted version of the facts. On the contrary, I want the world to know what happened. But I want to avoid any punishment, any revenge. I'll grant a general amnesty, and anyone who's anxious about my return can calm his fears. Besides it's only a question of a few individuals. The people support me today even more than before the coup. And they're eager to have me back. They're ninety-nine percent for me.

O.F.: Ninety-nine percent of the population includes the Turkish Cypriots. And I don't think they're so eager to have you back, Beatitude.

M.: Of course. I don't think either that the majority of the Turks are in favor of me. I'm sure Mr. Dektas, the Turkish vice-president, is anything but pleased with the idea of seeing me arrive. But this doesn't worry me, and anyway it won't be up to me to negotiate with Mr. Dektas and the Turkish community. That will still be done by Clerides, who's an excellent negotiator and knows Dektas better than I do. Oh, naturally it's understood that Clerides won't make any decisions without my consent. It's understood that when I speak of going back to Cyprus, I mean to go back as president. I'm the president, I'll go back as president, I'll never agree to go otherwise. And the question of whether I'll remain president for a long time or not concerns me alone. I'll make that decision when I'm back in Cyprus. I'm saying I don't exclude the possibility of retiring from the presidency after a certain period of time. I'll have to decide on the basis of the situation. Should a bad agreement be reached, for instance, I wouldn't care to stay as president. But this, I repeat, we'll see later on.

O.F.: What do you mean by a bad agreement?

M.: Turkey is going to insist on a geographical federation, and I will never accept a federation on a geographical basis. It would lead to a partition of the island and to a double *enosis:* half of Cyprus consigned to Greece and half to Turkey. It would mean the end of Cyprus as an independent state. I'm more than ready to discuss a federation, yes, but on an administrative basis not a geographical one. It's one thing to have areas governed by Turks and areas governed by Greeks; it's quite another to divide ourselves into two parts. It's one thing to group, for example, two or three Turkish villages and entrust them to a Turkish administration; it's quite another to shift more than two hundred thousand people from one end of the island to the other. The Turkish Cypriots are scattered all over Cyprus. How can you say to them, "Pack up your things, leave your house, your land, and move elsewhere because we're going to have a federation"?! It's inhuman, to say the least.

O.F.: Is this really what worries you, Beatitude? I mean the tragedy of the Turkish Cypriots? It doesn't seem to me that so far they've been the object of much concern. They've been treated like second-class citizens and . . .

M.: That's not true! It's not true! Though they're a minority, they've had a lot of privileges, and they've behaved as though they represented the majority. We haven't been the ones to mistreat them, it was their Turkish leaders, by forcing them to live in separate villages, blackmailing them, keeping them from cooperating with us even economically, and from progressing. They didn't even let them do business with us, or help us to develop tourism. They weren't our victims, they were their victims. Nobody can deny that a true democracy, and a good one, exists in Cyprus. In their newspapers the Turks could abuse me and insult me as much as they liked. They could come to see me at the archbishop's palace whenever they liked. The trouble is they were obliged to come secretly, without their leaders knowing it. In mixed villages we had no problem living together, in the past and at the time of the Greco-Turkish war as well. What you say isn't true.

O.F.: And is it true that you deprived them of many constitutional privileges, Beatitude?

M.: I deprived them of nothing. I simply complained about those privileges because they only served to hamper the functioning of the state. The Constitution provides that they be represented in the government at the ratio of thirty percent. And very often the Turkish Cypriots didn't have people capable of filling that thirty percent. There was, for example, a post that could have been filled by an intelligent Greek and it had to be given to an illiterate Turk just because he was a Turk Once they voted against taxes. I tried to explain to them that a state can't survive if the citizens don't pay taxes, and they refused anyway. So I forced them to pay all the same. Was that an abuse? Another time, when I was about to go to Belgrade for the conference of nonaligned countries, Mr. Dektas tried to stop me from going by exercising his veto power. I told him, "Exercise it all you like. I'm going just the same." Was that an abuse?

O.F.: Beatitude, whether you're right or wrong, the reality today is different. The Turks occupy forty percent of the island and . . .

M.: And I don't accept it. Because I can't recognize a fait accompli, I can't legalize with my signature a situation created by the use of force. So-called realists advise me to negotiate a geographical federation with the Turks; they say I should be less rigid. Instead of holding on to forty percent of the island, they repeat, the Turks might be content with thirty percent. So be flexible. I don't want to be flexible.

O.F.: Flexible is a word dear to Henry Kissinger. Is he the one who says that?

M.: Kissinger has never clearly told me he was in favor of a geographical federation. He's never told me clearly what he's doing.

He's always talked about a "solution acceptable to both sides" and always repeated "we don't want to say openly what we're doing to persuade Turkey." So I can't state that he's actually preparing the agreement that I reject, but I can tell you we're still in disagreement on many things. Many. If it wanted to, the United States could play a more decisive and precise role in this matter. Doesn't it supply economic aid and arms to Turkey? Isn't it the only one that could persuade or even force Turkey to be more reasonable?

O.F.: Beatitude, do you think that what happened in Cyprus would have been possible without the tacit authorization of Kissinger and the Americans?

M.: Ah! I think the United States and other countries knew in advance that the Turks were preparing the invasion of Cyprus. And perhaps they were fooled by the Turks, perhaps they fell into the trap when Turkey said it would be a limited operation—a police action to restore constitutional order in two days. Perhaps they understood only later what Turkey's real plans were. But all the same they could have prevented what happened. They could have stopped the continuous arrival of Turkish troops. I had a long discussion with Kissinger about it. And I expressed to him all my disappointment; I told him in no uncertain terms how dissatisfied I was with the attitude held by his country.

O.F.: And he?

M.: He answered that he didn't agree with me, that he had tried to persuade Turkey, that he had acted behind the scenes. But again he didn't want to explain clearly what he had done.

O.F.: Beatitude, many people feel that Kissinger's responsibility and that of the United States go well beyond the Turkish invasion of Cyprus. Let's not forget that the invasion took place following the coup carried out against you by the junta in Athens and that . . .

M.: Of course! The first chapter of this tragedy was written by the Greek military junta. Cyprus had been first of all destroyed by the intervention of Greece. Turkey came later, like a second evil. And I'm sorry to say so. I'm sorry because the present Greek government is behaving well toward me, in a frank and honest manner. I've not met Karamanlis or Averoff, but I've known Mavros. And I like Mavros. He's a good man. He's sincere, open, and that's more than enough for me. But the fact remains that Greece would not have regained its freedom if Cyprus hadn't lost its own. The fact remains that Turkey woud never have dared intervene if the previous government, the junta, hadn't offered it the pretext. The Turks had been threatening to invade us for such a long time, and yet they'd never done it. They'd never found an excuse.

O.F.: Yes, but don't you think the United States and the CIA had something to do with that *coup d'état*? There are rumors that the CIA wasn't exactly unhappy about the attempts on your life.

M.: As regards those attempts, I don't believe it. Before the last one, in fact, it was people at the American embassy in Nairobi, during a trip I took to Africa, who informed me my life was in danger. They came to me and said, "We know that when you go back they'll try to kill you. Be careful." A few days later, in Cyprus, they confirmed the information to me, adding that the attempt would take place within two weeks. As indeed happened. As for the *coup d'état*, on the other hand . . . I don't know. Kissinger told me, "It wasn't in our interests to have that *coup d'etat* against you." I suppose I ought to believe him, but should I? There are plenty of indications that show just the opposite of what Kissinger told me, and still I have nothing to go on. I've even asked for information from Athens; I've tried to find out more. No use. I have to keep my idea without being able to offer any proof that it's correct. Kissinger added, "Naturally we were following the situation and it was known to us that neither Ioannides nor the rest of the junta liked you. But we had no concrete information as to 'the day' when the *coup d'état* against you would take place."

O.F.: Maybe it was helped along by the letter you wrote to Gizikis in July.

M.: Let's say that that letter speeded things up. If I hadn't written it, the coup more than decided on; all that remained was to set the date. I was too big an obstacle to *enosis*, and they were too anxious to have *enosis*. Every time we were on the point of reaching an agreement between Greek Cypriots and Turkish Cypriots, officials in Athens intervened by shouting about *enosis*. "We don't care about your local agreements, our goal is *enosis*." I remember one of these officials who came to me one day and said, "You must declare *enosis*. Anyway it will take three or four days before the Turks can send troops to Cyprus. In the meantime the United States will intervene and keep them from invading the island. In a week *enosis* will be a *fait accompli*." Maybe they really believed that annexation to Greece was a viable alternative. Anyway they expected me to take orders from Athens, they wanted me to obey like a puppet, and that's absolutely impossible with my temperament. I obey only myself.

O.F.: So you too were expecting the coup.

M.: No. I never thought they'd be so stupid as to order a coup against me. In fact, to me it seemed impossible that they wouldn't consider its consequences. I mean Turkish intervention. At the most I thought they might do such a thing by making a deal with Turkey, that is, authorizing Turkey to intervene so that Greece could then respond, to be followed by partition and double *enosis*. I went on thinking so even after the coup, when I got to London. It took some time for me to realize that Ioannides had simply acted out of a lack of intelligence. And yet I knew him. In 1963 and 1964 he had been in Cyprus as an officer of the National Guard, and one day he came to see me, accompanied by Sampson, in order to "explain to me secretly a plan that would settle everything." He had bowed to me, he had kissed my hand most respectfully, then: "Beatitude, here's the plan. To attack the Turkish Cypriots suddenly, everywhere on the island. To eliminate them one and all. Stop." I was flabbergasted. I told him I couldn't agree with him, that I couldn't even conceive the idea of killing so many innocent people. He kissed my hand again and went away in a huff. I tell you, he's a criminal.

O.F.: Do you find Papadopoulos better?

M.: I'd say yes. If I had to choose between Papadopoulos and Ioannides, I'd choose Papadopoulos. At least he's more intelligent, or, if you prefer, less stupid. I met him for the first time when he came to Cyprus, shortly after his coup, as minister for the presidency, and no one can say that at that time I was paying him any great consideration. But I saw him again a couple of times in Athens, when I went there to discuss the problem of Cyprus, and I must say that on those occasions he seemed to me much smarter. In any case, supplied with common sense. Well, Papadopoulos was suffering from megalomania, and besides I don't know what he really thought about Cyprus. On the other hand, he was capable of controlling many situations simultaneously, and he was head and shoulders above his collaborators. I don't even think he hated me, in the beginning. He started hating me later, in the last two years. And maybe only in the last year.

O.F.: And you, Beatitude, are you capable of hating?

M.: Well, let's say that the feeling we call hatred is part of human nature. You can't stop anyone from feeling it once in a while. And though I don't like to admit it, since I must preach love, there are moments when . . . well, when . . . All right, let's say that I don't like certain people. Why are you smiling?

O.F.: Because you make me think of certain Renaissance popes who led their armies in war, and I can't understand to what extent you're a priest. So I conclude that maybe you're not a priest at all, but a big politician dressed as a priest.

M.: You're wrong. I'm a priest first and then a politician. Better still, I'm not a politician at all. I'm a priest, first of all a priest, above all a priest. A priest who has been asked to be head of state and consequently a politician. But one would say you don't much like that.

O.F.: No, and I'm dismayed by it. In the world I live in, the struggle of laymen consists precisely in not allowing the spiritual power to be confused with the temporal power, and in keeping a religious leader from becoming a political one.

M.: In my world, on the other hand, it's fairly common. And all the more so in Cyprus, where the archbishop, like the bishop, is elected directly by the people, with universal suffrage. In other words, in Cyprus, the archrepresentative and administrator of the church, he's also a national figure. The ethnarch. And then, in my opinion, the Church should interest itself in all aspects of life—the Christian religion doesn't confine itself to taking care of the moral progress of men, it's also concerned with their social well-being. I see no conflict between my position as priest and my position as president. I see nothing scandalous about my holding both the temporal and spiritual power. Besides I don't lean on a party; I'm not the leader of a political party who goes around asking people to elect him. I simply serve the people in the two capacities that they insistently and almost unanimously offered me. As I explained many years ago to another layman, Prime Minister George Papandreou, I'm strong because I'm weak. Because I have neither a party nor an army nor a police force behind me. And because I don't even know the rules of politics. Because I follow certain principles that are Christian principles and not games, tricks, political maneuvers.

O.F.: Oh, come off it, Beatitude! You, who are a past master in the most Byzantine game of compromise. You, who are considered the most brilliant specialist in intrigue and calculation.

M.: No! I don't use those methods, I don't! I yield to compromises, of course, but never to anything that's not clear and honest. I'm not a saint. But I'm an honest man, and I don't believe politics has to be dishonest. I don't think that in order to have success, it's necessary to indulge in deceit. Do you know why my people love me? Do you know why they forgive all the mistakes I make? Because they understand that those mistakes are caused by bad judgment, not by bad intentions. You must not confuse me with the popes of the past, and in fact, if you were to ask me, I have a very negative opinion of them. I really try to bring Christian teachings into the maze of the office that's been entrusted to me and which I accepted. I'll give you an example. In Cyprus we have capital punishment, and as head of state, I'm the one who has to put his signature on death sentences. But executions in Cyprus are very rare, because every time a condemned man appeals to me, I let him off. Everyone in Cyprus knows the death penalty is nominal, that I always suspend executions. Those popes went to war but I don't accept war; I consider it a madness that's destined to end someday, to be remembered with disbelief. I don't accept bloodshed.

O.F.: Excuse me, Beatitude, but you were the one who actually said, at the beginning

of the struggle for the independence of Cyprus, "Much blood will have to flow."

M.: I can't possibly have said it that way. Maybe I said, "The road to freedom is irrigated with blood," something like that. Maybe I said, "We'll have to die," but not, "We'll have to kill." I was in favor of sabotage, yes, but on condition that it didn't cost the blood of innocent people. All that killing took place when I was in exile and couldn't do anything to stop it. Oh, I'm not the terrible person you think!

O.F.: We'll see. But now let's forget about Cyprus and talk about you. First of all, why did you become a priest?

M.: I always wanted to be a priest. Ever since I was a child. I was barely thirteen when I entered the monastery. But the reason is hard for me to explain. Maybe I'd been impressed by my visits to the monasteries around my village. I liked the monasteries so much. Life there was so different from the kind we led in the village, and I sometimes wonder if for me the monastary wasn't a way of escaping the sheep, the poverty. My father was a shepherd. And he always wanted me to help him look after the sheep, and I didn't like looking after the sheep. In fact, he used to complain and say, "I can't expect anything from my elder son! If I need help when I'm an old man, I'll have to turn to my younger son!" He said it so often that in the last years of his life, when I was already archbishop, I liked to tease him: "Do you remember when you used to grumble and say you couldn't expect anything from me?" He was very religious, like everyone in the family, but he couldn't understand why on Sunday morning I left the sheep to run to the monastery and help the priest say Mass. I was twelve years old when I told him I wanted to take that path, and he got angry. But I wasn't scared, I was so sure that nothing would be able to stop me.

O.F.: And your mother?

M.: I don't remember my mother very well. She died when I was very small; I don't even have a picture of her. In those days, the poor didn't get their pictures taken, especially in the mountains of Cyprus. About my mother, I only remember the day she got ill. There was only one doctor in the whole district, and my father set out on foot to look for him. He had no idea in what village he might find him, and went wandering around for hours, and finally he came back dragging the doctor like a sheep. The doctor used the same pill for all illnesses. Aspirin, I guess. He gave my mother the pill, and she died soon after. I remember the funeral. I remember the nights I slept with my father, because with him I could cry better. And I remember the night when he too started crying, and I said, "If you'll stop crying, I'll stop too." And then I remember my grandmother taking me away, and the relatives saying to my father, "You're young, you should get married again. Also for the children." Besides myself, there was my little brother, and my little sister who had just been born. And one day they brought me home to meet my new mother—Father had got married again. My new mother was a woman in the middle of the room, and she kept whispering, "Come in, come in!" I didn't want to go in because I didn't know her. But then I went in and soon I loved her. She was nice. She's still alive, and still nice, and I still love her. Very much. Oh, it's so difficult, and also so easy, to tell you where I come from. My father couldn't read or write. Neither could my mother, nor my grandmother, nor my stepmother. I think my father resigned himself to the idea of letting me go into the monastery because there I would learn to read and write. When he took me there, he kept urging me: "Be obedient, study . . ."

O.F.: Were you disobedient then too? You just told me that you only obey yourself.

M.: I was shy. I was so shy that in school I didn't even have the courage to get up and show that I'd studied the lesson. When the teacher called on me, I blushed and my tongue got paralyzed. But not even then was I able to obey. Take the story of the beard. When I was twenty years old, the abbot of the monastery ordered me to let my beard grow. And a novice isn't obliged to grow a beard. I refused, and he got angry. "Either you obey or out you go." "All right, I'll go." Then I packed my bag—I knew exactly what would happen. "You mustn't go! Stay." "All right, I'll stay." "But grow a beard." "No, no beard." "Look out or I'll beat you." "Beat me." He started beating me, and while he was beating me, he yelled. "Will you let it grow?" "No." "Now will you let it grow?" "No." Finally he sat down, exhausted. "Please. Let it grow a little. Just a little, so I won't lose face." "No." "Just the little bit needed to make people ask whether you have one or not." I smiled. "This little bit?" "Yes." "Like now?" "Yes." "Not even a millimeter more?" "Not even a millimeter more." "All right." And a compromise was reached without my giving in to obedience.

O.F.: Revealing, I'd say.

M.: It's my strategy. It always has been. I mean, I've always enjoyed the game of pushing myself to the edge of the abyss and then stopping so as not to fall. You see what I mean? It's not that I stop at the last moment because I realize the abyss is there; I calculate the millimeter that I can go that far and no further. The others, naturally, think I'm about to fall, to commit suicide. Instead I go along very quietly, knowing I'll put on the brakes. It was the same with the abbot. I hadn't the slightest intention of leaving the monastery; I liked it too much. But I knew that by making him believe the contrary and taking his beating, he'd give in and accept a compromise that for me was a victory.

O.F.: And has there been any case when your calculations didn't work, when destiny decided for you?

M.: I don't believe in destiny. Everyone makes his own destiny. At the most there exist unforeseen circumstances, which one must know how to take advantage of. I, for instance, hadn't foreseen that I'd become bishop at the age of thirty-five and archbishop at thirty-seven. . . . But that's a story worth telling. After seven years in the monastery, three of which were spent studying at the high school in Nicosia, I was sent to Athens to take my degree in law and theology. There I was caught by the war, the Italian and then the German occupation, a tough as well as adventurous period. After the liberation, however, I got a scholarship in the United States and went to Boston. I liked America—they'd given me, among other things, a small Greek Orthodox parish. I decided to stay there for five years instead of the three that had been arranged and take my teaching degree in theology. And here the plan failed. Two years had barely gone by, in fact, when I received a cable from Cyprus informing me that a certain district wanted to elect me its bishop. I was alarmed. I didn't want to leave America, I didn't want to go back to Cyprus. Cyprus meant nothing to me except a vague geographical knowledge. And a limited one at that, since all I had seen were the mountains where I was born, the monastery where I'd grown up, and the school in Nicosia where I'd studied. Do you know I was eighteen when I saw the sea for the first time? I cabled back: "Many thanks but I don't want to become bishop stop."

O.F.: Are you telling me you weren't ambitious?

M.: Of course I was! No priest can be happy if he doesn't succeed in an ecclesiastical career. But my ambitions were different. The fact is that no sooner had I sent my reply when a second cable arrived: "Elections held. People elected you unanimously." It was 1948, the eve of the struggle for independence. Sadly I took a plane to Athens, and I remember that there I kept asking everybody, "Will I find a taxi at the Nicosia airport?" Then I took the plane from Athens to Nicosia and . . . I've already told you that in Cyprus the election of a bishop is something very democratic. The people participate in it spontaneously, enthusiastically, and without tricks. But I didn't tell you that it arouses a mad fanaticism. And I can't stand fanaticism. In any form. So you can imagine how I felt when, going out to look for a taxi, I saw this incredible crowd fanatically shouting my name. I recovered myself if only to utter what was to be my first political statement: "You wanted me. So I shall dedicate myself to the Church and to Cyprus. And I'll do everything I can to help Cyprus win its freedom and break the chains of colonialism." Then I saw myself lifted up and taken to Larnaca, the district where I'd been elected. And from that moment on, Cyprus became my life.

O.F.: A good life, Beatitude. A lucky life, let's face it.

M.: A tough, difficult life, full of assassination attempts, of risks, anxiety, and exile. I was in the Resistance against the British. Still it's true that two years later, when the archbishop died, I was triumphantly elected in his place, thus becoming the youngest head of a Church in the whole world. It's true that I liked it. But it doubled my political commitment and cost me exile. To get rid of me, the British sent me to the Seychelles and . . . Of course, when I look back on it today, that exile seems anything but tragic. Actually it wasn't an exile, it was a vacation. I was given a nice house where I was served and respected. The landscape was marvelous, so marvelous that I wanted to see it again, and I went back as a tourist and even bought a little piece of land near the same house, which the owner, unfortunately, didn't want to sell. The British treated me well and didn't keep me there long—just eleven months. But at that time I didn't know it and thought they'd keep me for at least ten years or forever. I had no idea what was going on in Cyprus, I had no radio, no newspapers, and I couldn't speak with anyone. And . . .

O.F.: And?

M.: Well, all right, I'll tell you. I wasn't born for the contemplative life. I can stay shut up for a week in this suite in the Plaza, but on the eighth day I have to go out, see people, do something, live. You'll object: didn't the monastery teach you anything? Well, our monasteries aren't very strict—those who stay inside them do so by choice and not because they're forced to. And no one says I should go back and live in a monastery. I prefer to do what I'm doing and . . . why should I go back to a monastery?

O.F.: So I was right to compare you with those popes. Besides I've never believed in the picture some people paint of you: ascetic, vegetarian . . .

M.: I'm not a vegetarian! I like vegetables but I also eat meat. One of my most painful memories is a certain official dinner that was offered me in India. The waiter came over and asked me, "Are you vegetarian?" I thought he was asking if I liked vegetables and I answered yes. Then he put a flower beside my plate and for the whole meal served me nothing but vegetables. I was consumed with envy seeing the others devouring chicken, fish, steaks. In fact, now whenever they put a flower in my hand, I get suspicious.

O.F.: But I was referring to other flowers, Beatitude. It seems you were once at a party where a dancer did a wild belly dance, and you're said to have remarked, "The beauty of woman is a gift of God."

M.: I don't know that incident. It's true, I love popular dances, I like folklore . . .

O.F.: No, no, I wasn't talking about folklore. I was talking about belly dancing. I was trying to ascertain that you're not one of those priests who pray from morning to night and . . .

M.: I'm usually a very simple man. At the same time, however . . . What should I say? . . . When necessary . . . I make certain . . . adjustments. I like to walk, for instance, to run, to climb mountains, to keep in shape. Also because I like sports and I dislike fat people. So whenever I can, I take an excursion, I walk in the woods. . . . Under my robe, you see, I wear trousers. If I always dress this way, in robes, even at home, it's because my people are used to seeing me in a cassock and I can't disappoint them. But cocktail parties bore me, and so do worldly things. . . .

O.F.: I still haven't made myself clear, Beatitude. Maybe it's better to call things by their right names. I was referring to women, to the rumors that you're very fond of women. They even say that in Cyprus you have two, well, two wives.

M.: Come now. In the Orthodox Church, bishops and archbishops can't marry. Only priests can. But then they don't become bishops.

O.F.: I know. I said "wives" to be polite.

M.: . . .

O.F.: Isn't it true you're very fond of women?

M.: . . .

O.F.: All right, let's change the subject. They also say you're not a sincere man, that a word of truth never comes out of your mouth. Do you think a head of state should be permitted to tell lies?

M.: No, this is something I can't accept. I'm so incapable of telling lies, any lie, that when I can't tell the truth, I prefer to keep silent. Silence is always better than lies. Look, during the Resistance struggle, the British arrested me several times. After being arrested, I was interrogated, and naturally I couldn't deny what I was doing. And then everyone knew I had contacts with Grivas. So, in order not to lie, I answered, "I can't say anything. I don't want to say anything. I refuse to answer." And I kept silent.

O.F.: Just what you did with me when I asked you about women.

M.: What did I say?

O.F.: Nothing.

M.: The perfect answer.

O.F.: I'm beginning to like you, Beatitude. And at this point it pains me to insist on the ugly things they say about you. For instance, that you rule through favors, and that you're very rich, and that . . .

M.: I possess nothing. Absolutely nothing except that little piece of land in the Seychelles. I haven't a penny in any bank in the world. I have nothing but a kind of salary, which I can use as I like, but it's very small. I administer the properties of the Greek Orthodox Church in Cyprus, it's true, and as archbishop I can dispose of anything that belongs to the archbishop's palace, but I'm not authorized to use a single cent for myself. Theoretically, even my linen belongs to the archbishop's palace. As for favors, I help many people, it's true. But my friends less than anyone. And my relatives still less. My brother is my driver. That doesn't seem to me a great career; also when you stop to think of the attempts that are made on my life. I stay in good hotels when I travel, it's true. But do you know why? Because I have friends all over the world and they're anxious to pay for me. In London, for instance, after the coup d'état, I went to the Grosvenor House, where I always go. The next morning Charles Forte, whom I'd known from Cyprus where he wanted to open a hotel, came to me and said, "Do you know I'm the owner of the Grosvenor House?" I hadn't known. "It will be an honor for me to have you as my guest for as long as you care to stay in London." And so I didn't pay. In fact, he even wanted me to be his guest in New York, at the Pierre, another hotel he owns I didn't accept because I didn't want to take advantage of him.

O.F.: Yes, but then why do they call you the Red Archbishop?

M.: I've never understood where that came from. Maybe from the fact that I've never made anticommunist propaganda. Or the fact that I follow a policy of nonalignment. Most of the non-aligned countries are accused of being leftist-oriented and even of looking to the Soviet Union.

O.F.: Are you a socialist, Beatitude?

M.: If you're referring to Swedish socialism, not Soviet socialism, I can say I really have nothing against socialism. Among all social systems, it's the closest to Christianity, to a certain Christianity, or at least to what Christian teaching should be. Christianity doesn't favor any social system—it recognizes that any social system, from the capitalist one to the communist, can contain something good. But if I had to choose the best system, or the most Christian system, I'd choose socialism. I said socialism, not communism. And let me add that, in my opinion, the future belongs to socialism. It will end by prevailing, through a kind of osmosis between the communist countries and the capitalist ones. Spiritually it's already happening. The socialist, that is, egalitarian, spirit is permeating all human relationships. Today equality is an almost spontaneous feeling.

O.F.: You're an optimist, Beatitude.

M.: I always have been. And never at random. In the last thirty years a great change has happened in the world. Thirty years ago who would have imagined that colonialism would be over and that war would no longer be accepted as a means for subjugating a country? Who would have imagined that social hierarchies would no longer be accepted with conviction, that the word socialism would no longer be frightening?

O. F.: But if you believe in socialism, how can you administer a church that's one of the richest in the world?

M.: Never so rich as the Catholic Church. And anyway the Church isn't a reactionary force; it doesn't represent the capitalist world. If it often goes to the right, the fault is only of its representatives. And the representatives of the Church aren't the Church; the representatives of religion aren't religion. When you think that not even the priests, bishops, archbishops, and theologians have been able to uproot religion from the hearts of men! I may be too optimistic, but even the Catholic Church leads me to make a positive judgment. It's changed so much in recent years, thanks to Pope John. In 1961, when I was asked to stop in Rome on a state visit, I was invited by the pope. And naturally I had a great desire to go, but still I wondered if I should. Our lack of understanding goes back so far. Not only had I never met a Catholic bishop, I'd never met a Catholic priest! I told myself that the other heads of the Orthodox Church would be offended. But soon after the patriarch of Constantinople, Athenagoras, met with Paul VI in Jerusalem.

O. F.: Did you feel at ease with the Pope?

M.: It was interesting. A pity all that protocol.

O. F.: And who are the leaders with whom you've felt at ease?

M.: Let's say that some leaders, not many, have impressed me, and the others have left me indifferent. They were considered great men, but they were only men at the head of great countries. Among those who impressed me, I'd put Jack Kennedy. That childish face of his was really nice; it had a dignity of its own. Besides Kennedy was simple, human. Along with Kennedy, I'd put Tito. But Tito and I are friends; I like to think he has the same affection for me that I have for him. . . . He's such a dynamic man, full of clear ideas. And generous besides. "Anything you need, just let me know," he always says. I liked Nasser too. I remember meeting him at the first conference of nonaligned countries, in Bandung in Indonesia. It was the first time he'd left Egypt, the first time he'd flown in a nonmilitary plane, and he was so excited. I found that touching. As for Castro . . . I don't know. He has certain qualities necessary for a leader. With me he behaved . . . well, he behaved like Castro. Golda Meir is a very strong, interesting woman, but we disagree about too many things. We've met twice and we didn't exactly throw our arms around each other. Sukarno . . . he didn't impress me. Nixon even less. An ordinary man, very ordinary. And then . . . what do you want me to say? I like Constantine. Not because I'm a monarchist—I saw him coming into the world, I saw him grow up, I like him. But I can't say that because I shouldn't be making political propaganda for him.

O. F.: And Mao Tse-tung?

M.: I wouldn't say I have much in common with him. And I don't know how to define the impression he made on me. His health, when I met him last May, really wasn't good and. . . . Let's put it this way: in China he's a kind of god. His fingerprints are everywhere, obsessively, and I've already told you that I hate fanaticism. I feel more at ease with Chou En-lai. Besides I've known him for nineteen years, since the Bandung Conference. Chou En-lai is so intelligent, so pleasant, with him you can even joke. He prepared a fabulous welcome for me—hundreds of thousands of people in the streets of Peking, a million in Shanghai. I kept saying to him, "You want to make me feel like somebody!" We also had fun when he started talking about our two countries, about the role they'd play in history. He kept repeating, "Our two countries . . ." Finally I interrupted and exclaimed, "Will you do me a favor? Will you stop talking about our two countries, about their historical roles? I feel ridiculous. How can you compare a little island of five hundred thousand inhabitants with a China of eight hundred million? What historical role can we have in common, we two? I'm a mosquito next to an elephant!" Mao Tse-tung was there too. He tried to smooth things over by saying that mosquitoes can sometimes give a lot of trouble, while elephants are innocent. But that didn't go down with me. And I still kept my inferiority complex.

O.F.: Do you often feel that inferiority complex?

M.: Ah, yes. If it's not inferiority, it's uneasiness. During my visit to the Soviet Union, for instance, I stayed inside the Kremlin. Every morning I said to myself, "Good Lord! An archbishop inside the Kremlin!" Podgorny was nice and polite; he did nothing but smile at me, but he didn't succeed in making me forget the paradox. To get out of it, I combined my state visit with a visit to the Russian Orthodox Church. And that was worse. The coronation ceremony for the new patriarch of Moscow was taking place just then, and the crowd was as numerous as in Peking, as in Shanghai. It was very hard for me to behave as though I really felt important. Look, there's only one time when I lost that inferiority complex.

O.F.: When?

M.: When I visited Malta.

O.F.: We can offer you San Marino.

M.: They've never invited me. But I've felt comfortable in Africa too. Oh, it's extraordinary the number of babies and streets that have been named after me in Africa! In Tanzania I did nothing but meet little black Makarioses, and the same in Zanzibar, though Zanzibar is Muslim. In Mombasa there's a Makarios Avenue. And in Nairobi . . .

Ah, Nairobi was the best of all, because in one week I baptized five thousand people. I'd been invited by Kenyatta, another leader who's impressed me very much, and all of a sudden I had an idea. I asked, "How many people could I baptize if I stayed here a week?" They said, "As many as you like." "Even fifty thousand?" "Even fifty thousand." Well, fifty thousand was too much, I said, "Let's do five thousand." The first contingent arrived in two days, coming on foot from very distant villages. And naturally I should have baptized them in the river. But I didn't want to run the risk. The water is polluted and I'm a hygienist. So I threw them all into a swimming pool, adults and children, and . . . For a week I did nothing but fill that pool. It was amusing because there's a Catholic mission there that's not too well liked because of its old ties with colonialism, and to baptize even a single person those poor missionaries had to sweat like hell. Help women give birth, nurse babies, and what have you. For me instead it was quite simple. I didn't have to do any of those awful things, and the result is that in Africa I have at my disposal the largest concentration of black Orthodox Christians. Naturally they understood nothing about what it means to belong to the Greek Orthodox Church. You meet some fellow on the street and ask him, "What religion do you belong to?" And he answers, "To Makarios's religion!" But it's all right just the same and . . . Look, I'll always live in Cyprus. As I told you, Cyprus is now my life. But if I couldn't live in Cyprus, I'd live in Africa.

O.F.: And now I begin to understand something about you, Beatitude. Good-bye, thank you, and see you again in Cyprus.

M.: See you again in Cyprus. Come when you like. I'll receive you as president.

NEW YORK, *November 1974.*

OUR CONTINUED MARCH TOWARD WEAKNESS—ADDRESS OF PAST NATIONAL COMMANDER, THE AMERICAN LEGION

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. TEAGUE. Mr. Speaker, I wish to call to the attention of my colleagues the address of Maj. Gen. Robert E. L. Eaton, USAF, retired, before the annual convention of the American Legion, Department of Maryland, in Ocean City, Md., on July 13, 1977. General Eaton is a past national commander of the American Legion and I am sure that you will find his remarks to be thought provoking.

General Eaton graduated from West Point in 1931 and served with distinction in the Air Force until his retirement in 1961. While serving in the Air Force he held many posts of responsibility and received many awards. However, his most distinguished service has been service that he has devoted to his country as part of the American Legion. He was national commander in 1973 and 1974.

In his remarks, Past National Commander Eaton calls our attention to our continued march toward weakness as a national policy and enjoins all of us to face up to the challenges around us by returning to a position of strength. He quotes from the article in the Washington Star on July 10 written by Michael Novak, entitled, "The Stench of Weakness is in the Air".

I think that my colleagues would like to peruse this article as well. In his discussion of the B–1 bomber decision, he follows the reasoning of Robert Hotz in an editorial in the Aviation Week & Space Technology magazine of July 11, 1977, and I am also introducing this into the RECORD.

I hope that all of my colleagues will take the opportunity to read these stimulating items.

SPEECH OF MAJ. GEN. ROBERT E. L. EATON

Mr. Commander, distinguished guests, fellow delegates to the 59th Annual Convention of the Department of Maryland of The American Legion. Last year I talked to you about what I regarded as the trauma of our defeat in Southeast Asia. The trauma continues to the present time and sets the pattern for another and more difficult era in the life of the Republic. A few days ago I read an article by the columnist Michael Novak in the Washington Star entitled, "The Stench of Our Weakness Is in the Air." Mr. Novak reminds us that the political atmosphere today is the same as that in England prior to World War II when the Prime Minister made his trip to Munich and disowned England's treaty obligations, thus turning millions in Europe into slavery. It was a dismal business, and to this day, we can recall the picture of Chamberlain, an elderly man, holding up his umbrella, and saying, "Peace in our time."

It seems to me that the weakness which flowed naturally from our experience in Southeast Asia is indeed a continuing traumatic and hypnotic business. We seem to be hypnotically accepting a weakened national position which can do nothing but hasten the coming of another war. Many of the things that happen around us today are in the Chamberlain spirit—"peace in our times"—based on concessions and weakness.

There are numerous examples of our weakness that come to mind naturally related to things going on in these days. One of the most recent is the cancellation of the B–1 bomber. We can regard it in almost any light: such as, that it was the fulfillment of a campaign promise to cancel the program and at the same time reduce the defense budget by $5 billion. Curiously the figures come out almost even on that basis. Or we can say that the program was killed because it presented a clear choice between a very expensive system and a lesser expensive system that might also work. This appears to be a superficial ploy but, thus, it must be considered. Regardless of how we look upon the matter, no amount of crying in our B–1 beer is going to bring the program back. Those social welfare members of Congress who were going to have to support the B–1 program in order to face their constituents back home—constituents who support adequate national defense—have, by the President's cancellation order, been given an opportunity to "get off the hook."

In these days when we can, and do, separate form from substance, we should take a second look at the "form" on which the decision was based. The cost figures were greatly distorted in the public discussion. It was continually reported that the cost of a single B–1 aircraft was in excess of $100 million. This amount, of course, represents the 1985 projected cost figure predicated on the current rate of inflation. The present cost of the airplane is $60 million and the proposed substitute, the Boeing 747, which is being considered as a less expensive alternate, would cost $35 million each, off the shelf. To remodel the Boeing 747 so that it can do the job of delivering cruise missiles from outside the perimeter of the Soviets, another $35 million would be required for each aircraft. So, to use the Boeing 747 to do the job, the cost will be $70 million each. And what do we have? A huge subsonic vehicle operating at high altitude with an enormous radar cross section that can be immediately recognized by "over the horizon" radars from thousands of miles away.

But the cost aspects of the program are not the only ones where form took the place of substance. Look at the cruise missile—a subsonic vehicle. The missile has to be preprogrammed, and once launched, cannot be redirected. It has been advertised that the vehicle goes in below the radar screen. Of course, look down radars could pick up the missile. Also, it can be shot down by shoulder held antiaircraft devices. It is well known that the Soviets have a large civil defense or militia force and are equipped with these weapons. It might be found that the cruise missile is much more vulnerable than expected. The warhead is miniscule and the effectiveness of the weapon leaves much to be desired. Actually, with the B–1, a penetration weapon system, it was planned that cruise missiles would be part of the offensive armament along with short range attack missiles and gravity nuclear bombs. It would seem that this still is the most effective and most challenging system as far as our offensive armament is concerned. Cancelling the B–1 weapons system leaves us at a grave disadvantage since we have no alternate method of launching strikes with large yield atomic weaponry. We must rely solely on ICBM's. As far as the B–52's are concerned, some of those who are flying them now are flying the same airplane that their fathers flew. It is worn out. Even if the life of the B–52 can be extended until 1985, what then? What is our follow-on bomber? Or, are we to give up this type of weapon system?

On the other hand, there are those in the SALT negotiating business who have favored unilateral disarmament. The pacifists who feel this way regard the B–1 decision as a step in that direction. These individuals have the view that by unilaterally disarming we might encourage the potential enemy to do likewise. This concept, of course, flies in the face of known history. We can only say that our SALT activities seem to dictate a reduction of all our offensive capability. Since the first of this year our nation has taken major actions which tend to decrease our capability to maintain a balance of strength in relation to our potential adversary who continues to produce new and improved weapons at an accelerated rate. These actions are: the cancellation of the nuclear carrier, the B–1 bomber cancellation, termination of the production of the Minuteman III, a slow up in the development of any land based missile system, and the SRAM missile production termination.

Let us examine another phase of our defense capability—our nuclear weapons—particularly, the recently introduced neutron bomb. In an endeavor to reduce physical damage to cities, and yet be destructive to enemy personnel, our scientists have developed a nuclear weapon that produces a relatively low heat and blast effect, but has a terrific radiation capability. This bomb—the neutron bomb—provides us with a potential to save Western Europe if the Soviets should decide to make a western sweep. Likewise, this is an ideal weapon to keep the North Koreans from charging southward. Yet, during a recent news conference our President announced that Europe could survive without resorting to atomic weaponry. This was proclaimed in spite of his recent PRM–10 Study which reportedly predicted a 30-day survival of Western Europe against a Soviet onslaught.

All kinds of arguments are heard against the neutron bomb. One opposing Congressman is quoted as saying that our country

would be more tempted to use it because of its clean capability rather than heavy fallout bombs. With the neutron bomb we can deter the enemy, and if it is used, our forces can march on toward the battle without fear of fallout effect.

The surprisingly large number of individuals who have supported killing the neutron bomb give but another indication of our continued march toward voluntary weakness.

Then, of course, in foreign affairs our weakness is even more evident. In the case of the Panama Canal, we propose to give away the Canal in order to convince the Panamanians and others in Central America that we are really good hearted people who do things against our own interest. The dangers incident to giving it away are well known. If, today, we set up a time schedule for the giveaway, tomorrow, following the pattern of the Paris Agreements relating to Southeast Asia, the Panamanians would expect us to go the whole way and turn the Canal over to them without further delay.

The proposed "defense" arrangements whereby we would take a hand should the Canal be threatened by a third power seem vague and inoperable. The real danger would be in the case of Panama itself if it decided to deny us use of the Canal. In that event the initiative would be on us to do something about it and we are not very good these days at taking initiatives.

Since the Canal does not allow the passage of our largest carriers and super tankers, there are those who say that it is out of date and not useful anyway. Recently four admirals who are former Chiefs of Naval Operations of the Navy—Admiral Carney, Admiral Anderson, Admiral Burke and Admiral Moorer—have written a letter to the President indicating their firm belief that the Panama Canal is necessary to the defense of our country, and at the same time, they express their grave concern that giving up control of the Canal is a step from which we would not be able to turn back. Of course, it has been proposed that we ought to dig a sea level canal anyway. The problem of getting permission and the great cost of digging a new canal will be affected by the outcome of the present negotiations on Panama. One of the things that is puzzling is that those West Coast areas—the states of Washington, Oregon, California, Alaska and Hawaii—are silent when they ought to be vociferous in their desire to protect shipping which is of so great importance to them. This whole attitude about the Canal is just another sign of weakness.

Finally, let us look at Formosa. Formosa is a land of 16 million people. Under our guidance and our restrictions they have built an economy that is remarkable in this age. Only Japan has done a greater job in the area of technology and performance. Amazingly we seem on the point of abandoning Formosa, turning our back as we did in the case of Cambodia. There, in Cambodia, we let them go under the heel of the tyrant. In a country of 7 million people, 1 million were brutally exterminated. Are we going to stand idly by and watch 2½ million Formosans lose their lives?

Unfortunately, we have adopted an unusual military and diplomatic operational pattern. This pattern began in Korea where we substituted in-place halting of the war for decisive victory. The pattern was followed in Southeast Asia where we negotiated the infamous Paris Agreement and turned our face to the wall while the Agreement was completely ignored. The result was South Vietnam going under the tyrant's foot and the fall of Cambodia and Laos. As I say, the pattern of weakness is everywhere about us and we can just see at this moment the abandonment of Formosa just as Chamberlain abandoned the peoples of Europe and ignored Britain's treaty commitments.

But out of the ashes prior to World War II the Phoenix rose again. We can look back to that time at those who were agitating for continued weakness. When World War II began there were the prophets of doom on every hand—our Ambassador to England, Joseph P. Kennedy, kept the communication lines hot with recommendations that we stay out of the War and that the fall of Britain was inevitable. But strong men—Churchill and Roosevelt—stood up and did the things necessary. Can you imagine today that we have the strength to do the things necessary? Out of these words we presently hear about shame and restoring America's sense of morality and giving away all our power, out of this, out of the ashes the Phoenix will rise again. We will see a strong America that will face up to the conditions that are all around us—an America that will do the things necessary to preserve our way of life. But the time is late and action on the part of all of us is necessary. The American Legion, one of the last bastions of freedom in our country, must recognize its responsibility. We must fight as we have in the past to get away from the stench of our weakness and face up to the requirement that we must remain strong.

[From The Washington Star, July 10, 1977]

THE STENCH OF OUR WEAKNESS IS IN THE AIR

(By Michael Novak)

Thirty-six years ago, in early 1941, the people of the United States and the Congress were anti-war. No one in the public eye was thinking much about impending war in Yugoslavia. No one except Franklin D. Roosevelt, who through a spectacular British success in codebreaking, knew about Hitler's plans to "pacify" the Balkans. Hilter planned to take the Balkans in a week, and then to seize Moscow in a blitzkrieg before the winter.

In utter secrecy, President Roosevelt dispatched his personal envoy "Wild Bill" Donovan to direct secret agents in the Balkans. Their task was to cause dissension in Yugoslavia, so that the Marxist guerrillas under Tito would be drawn into open war with the Nazis. Often in political affairs, power speaks louder than morality. In many nations, Nazi power won collaboration without a struggle. The King of Yugoslavia was ready to submit.

Fortunately, Franklin Roosevelt understood power, and the irresponsibility of mere "morality." He had lived through the terror of Coventry. He knew that Churchill, despite advance knowledge of Nazi plans, could not warn exposed Coventry without tipping off the Nazis. Thousands of innocents died, in order that Britain might live to fight. Churchill and Roosevelt made that decision, accepting blood upon their hands.

The work of U.S. secret agents in Belgrade turned the Nazi occupation into a bloodbath. A palace revolution occurred. Bill Donovan taunted Hitler on the radio and in the press. Enraged, Hitler bombed Belgrade to smithereens. The guerrillas arose. The German armies were exposed to weeks of fighting. Hitler's triumphant strike into Russia was delayed for more than 38 days—later, it stalled in the snows of winter just short of its objective. One out of nine Yugoslavs perished, unknowing, for that cause.

One hopes, today, that the U.S. president and secret services are ready to do what must be done, in spite of public opinion, in spite of the Congress, should necessity once again arise. The pious moralists of the 1930s—forbidding arms, mocking Churchill, blocking Roosevelt—nearly delivered Great Britain to its doom. Ambassador Joseph P. Kennedy, to Churchill's anguish, kept predicting from London the fall of Britain, and privately urged settlement with Hitler.

Although every prescient person knew from 1936 that World War II was coming, most respected moralists held that Hitler was a man of reason like themselves, and had to be protected from the "hawks" around him. They wished to prove the cooperativeness of the democracies. Our real interests, they held, were not affected by the fall of small nations, underdeveloped, faraway.

Today, once again, Yugoslavia is on the front edge of the next moves which will be made by the greatest conventionally armed power in the history of the world, and by ourselves. Once again, Great Britain has been reduced to weakness, and injured from within more severely than from without. Once again, the southern flank of Europe is a weak spot. Once again, Tito is a key to the future, an old man now, likely to be irreplaceable. As in 1914 and in 1941, control over the Mediterranean will be decided by events in Serbia, Croatia, and Slovenia.

At two dinner parties recently, two very different sorts of Americans confided to me that they felt closer to war today than at any period in their lifetime. I agreed. One can feel it in the air. The smell of weakness is a special smell.

Brave words come from President Carter about challenging Soviet power in Cuba, Korea, and other trouble spots around the world. But the words are curiously matched with troop withdrawals and concessions. A pronounced perception of the creeping weakness of America grips the world. Our volunteer army is a disaster. Hurt in Vietnam, the giant has retreated to fascination with its wounds. Wise spokesmen like Vice President Mondale and Andrew Young speak about "wiping away America's moral shame" and "restoring America's sense of morality"—dead giveaways that as power slides away, this nation will cover nakedness with moral preening.

Assume that the Soviets will not dare to launch atomic weapons. The tests of muscle in the next 20 years, then, are likely to come with tanks, infantry, ships, and planes. Already, cynics in Turkey, the Balkans, and elsewhere are studying Russian. Many neutrals position themselves for Soviet dominance.

Power governs world affairs, not moral principles. A truly moral nation must be prepared to accept the dirty hands of military power and secret operations. The grave weakness of the United States, once again, is that our moralists seem to prefer to shine their moral medals, rather than to challenge the open military power and the secret war of hidden agents for which, in fact, our adversary is prepared.

I would feel better with a Churchill and a Roosevelt. The stench of moral language veils our voluntary weakness.

[From Aviation Week & Space Technology, July 11, 1977]

JIMMY'S WEAPONS CHOICE

(By Robert Hotz)

President Jimmy Carter has made his first major military decision in halting production of the B-1 supersonic bomber in favor of expanding the subsonic cruise missile program. Superficially, it appears to be a clear choice between a very expensive weapon and a relatively cheap method of doing the same job In that context it has earned him approval from a majority of his fellow countrymen. After the obfuscations, mealy mouthings and plain lies that have emanated from the White House during the past decade, it is indeed refreshing to have a President explain his decision in plain simple English on live television. It has also earned President Carter wild enthusiasm from the Liberal wing of the Democratic Party, which had misgivings over his conservatism and which now regards the B-1 decision as the slaying of

another fire-breathing technological dragon similar to the killing of the supersonic transport research program. We hope the economic benefits of the B–1 decision will prove less of a mirage than the claimed savings of the supersonic transport cancellation, which eventually cost the taxpayers about $100 million more to cancel than it would have to complete the two prototypes and test fly them long enough to provide some factual data to replace the hysterical theories that still prevail.

FIGURES DISTORTED

We suspect that the "billions of savings" from the B–1 decision trumpeted by Defense Secretary Harold Brown will prove equally illusory. The B–1 cost figures have been atrociously distorted in public discussion. The current B–1 cost in today's dollars is about $60 million per aircraft. The price of a commercial Boeing B–747 wide-body jet touted by Brown as a replacement carrier for the cruise missile is about $35 million plus an equal amount for adding military avionics and launching equipment. The $70-million total for this allegedly "cheap" method is really more than a B–1, albeit as greatly degraded combat capability. A poll among Strategic Air Command pilots charged with the task of delivering cruise missiles to Soviet targets would hardly favor the high-altitude subsonic B–747 with its enormous radar cross section. The $100-million-per-copy cost for the B–1 is actually a forecast for escalation in terms of 1985 prices. The Trident submarine missile system already costs many times that figure, and the MX heavy mobile ICBM will also cost more than a B–1 in 1985 prices.

But the cost juggling is only part of the military mirage. The cruise missile reaches its maximum military effectiveness when deployed along with a penetrating aircraft. Not until President Carter's decision has it been asked to shoulder the entire job of penetrating to all Soviet targets. It has several major military defects. First, it must be preprogramed and can only avoid previously known fixed defensive systems. The cruise missile is blind to mobile defense systems, and all the Soviet antiaircraft missile systems have a mobility capability that outmatches the cruise missile's reprograming time cycle. The cruise missile carries only a small fractional-megaton warhead and because of range limitation cannot reach all prime Soviet targets.

BASIC QUESTIONS RAISED

President Carter did not discuss these points in explaining his decision, but we expect they will surface in the ensuing debate. We do not expect this debate to reverse his basic decision to confine, at least for the foreseeable future, the B–1 program to a development test phase with four aircraft. The Air Force has done a miserable job over the years making its case for the B–1 and pushing the pace and funding of the program beyond its genuine needs. The Air Force has never expounded on the great flexibility of a modern penetrator for tactical and antishipping missions, particularly in view of the growing Soviet surface navy. Nor has it exerted much of a design-to-cost pressure on the program. Rockwell International, the prime contractor, should serve as a good example of where a low profile leads in the defense business and raises basic questions about the role of large conglomerates in this vital industry. Too many of these conglomerates are happy to take the defense contract money but reluctant to fight any of the public battles over their handiwork. The aerospace industry failed to respond to the anti-supersonic transport campaign and lost by a narrow margin. It failed again to respond to the anti-B–1 campaign and will lose by a wider margin. The trend for the future seems clear.

We also are puzzled as to why President Carter surrendered his powerful B–1 SALT bargaining chip so early in the game. The Soviets have long fought to have the B–1 barred by treaty. Now they have achieved their objective at no cost. Their full force can now be concentrated on the cruise missile, which is the major bargaining chip left in U.S. hands for the next round of SALT. It seems to us a poor exchange for the momentary popularity of making good on a campaign promise to sacrifice an enormous blue chip in a long-term poker game.

However, this is only the beginning of the strategic weapon debate, because like most supposedly key decisions it has raised as many questions as it was designed to answer.

CLINCH RIVER COST IS LESS THAN SOLAR

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. TEAGUE. Mr. Speaker, Dr. Schlesinger, during hearings on the Clinch River breeder reactor project conducted by the Committee on Scence and Technology, stated that the cost-benefit ratio of Clinch River was insufficient to support continuation of the project.

Mr. Speaker, the cost-benefit ratio, a useful tool that you and I would use if we intended to invest in an apartment project, has no meaningful application to Clinch River. Of course, the cost-benefit ratio for Clinch River isolated from the commercialization of fast breeders, would be negative. Taken by themselves so are the Homer City coal gasification plant, the national transonic facility for advanced aircraft development, the 10-megawatt solar electric pilot plant in California, and practically every other development supported by the Government. High development cost, unestimable risk, and unproven technology, aside from national security, constitute the primary reasons the Government should be in the business in the first place. Otherwise, Mr. Speaker, we would all be better off if we kept our Government noses out of it.

The second point is that the project cost of Clinch River is not excessive. The total estimated cost of Clinch River is $2.2 billion less the anticipated proceeds of $700 million from the sale of electrical power to the TVA, or an estimated total net cost of $1.5 billion. This is not excessive when you compare the $100 million estimated cost of the 10-megawatt solar electric pilot plant for California—$10 million per megawatt—against the $4 million per megawatt for Clinch River. That is only part of the comparison. A fast breeder can produce power 24 hours a day, a solar electric plant works from 9 to 5.

In other words, both electrical power producing systems: fast breeder and solar, operate on a virtually inexhaustible energy source. The fast breeder will cost $4 million per megawatt installed, the solar electric power tower $10 million per megawatt installed. Solar can only run part time and it cannot produce base power in 1,000-megawatt blocks to turn the wheels of our industry and provide jobs.

The real issue is: Do we want to slide back to the old days or do we want to maintain a pretty darn good lifestyle?

I ask my colleagues to vote against this amendment to terminate Clinch River.

CHANCELLOR VERNON I. CHEADLE RETIRES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. LAGOMARSINO. Mr. Speaker, in 1962 the University of California at Santa Barbara received a dynamic new Chancellor in Vernon I. Cheadle. His administration, until the time of his retirement in June 1977, was to be one of tremendous expansion; enrollment of 4,785 to 14,000; from 15 master degree programs to 41; 2 Ph. D. fields to 27; from 36 undergraduate majors to 100 at present.

Dr. Cheadle is chairman of the Council on International Educational Exchange. His leadership has led to the development of the education abroad program and its present 37 centers in 17 countries.

From 1 research unit in 1962 to 11 today, a distinguished faculty from a variety of disciplines explore subjects of mutual interest. Dr. Cheadle was instrumental in securing for U.C.S.B. a learning resources center containing the most totally comprehensive educational technology west of the Mississippi.

His concern for student welfare and his strong belief that students should share in campus governance are a matter of public record long before it was fashionable for educational administrators to hold such views. Dr. Cheadle leaves a campus where leisure and classroom activities focus on the total student and where student voices are heard at virtually all levels of policy and decision-making.

Dr. Cheadle's awards include one from the California Academy of Sciences which named him a Fellow, a Fulbright Fellowship, membership in the American Academy of Arts and Sciences, and honorary LL.D. degrees from the University of Rhode Island and from Miami (Ohio) University. He also was the recipient of a certificate of appreciation from Lambda Chi Alpha fraternity, a certificate of merit from the Botanical Society of America and an Outstanding Civilian Service Medal from the office of the Secretary of the Army.

Former president of the Botanical Society of America, Chancellor Cheadle has served as that organization's membership committee chairman, general section chairman, journal editorial committee and vice president. His other memberships include the American Institute of Biological Sciences, the Torrey Botanical Club, the Society for the Study of Growth and Development, Society for the Study of Evolution, the American Society of Naturalists, Phi Beta Theta fraternity, Sigma Xi, Phi Beta Kappa and Phi Kappa Phi.

Because of this long and distinguished career I ask the Members of the House to join with me in extending congratulations to Dr. Vernon I. Cheadle and in wishing him a happy and rewarding retirement.

THE CHURCH AND THE GOVERNMENT

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mrs. SPELLMAN. Mr. Speaker, beyond the wall which our Founding Fathers wisely built between church and state, government and religion are both involved in a common struggle for a better world.

That is why I think it particularly fitting to ask my colleagues in the Congress to join with me in bringing greetings to the 41st annual session of the Baptist Association and Auxiliaries of southern Maryland when it convenes at Sylvan Vista Baptist Church in Fairmount Heights, Md.

In one sense, a church is a place of refuge and tranquility. But there is another sense of "church" in which we are all one. That sense is of a people called to a special mission. More and more, people are nurtured in the church to go out into the world to do justice and to reconcile conflicting forces.

I remember so well the tremendous moral persuasion of the early days of the civil rights movement when so much activity was centered in and around the little churches of the rural South. The time had come to ask for impossible things. And impossible things began to happen.

We have lived, all of us, through a real revolution of rising expectations. When expectations are high, discouragement often walks hand in hand with hope. That is why the theme of this Baptist session, "God's Word Is the World's Hope," has special meaning.

We need hope desperately. Without it, we would have too few adventurers in the Biblical sense—those who, like Abraham, are willing to pull up stakes and move on—not necessarily to new places, but to new challenges, new changes.

It often seems that established institutions inhale and exhale in centuries, that real change takes a long, long time. Perhaps. But it is too easy to grab onto that as an excuse for doing nothing. A really hopeful people, on the other hand, will be drawn into responsible participation in affairs which concern them.

It is this message I would like to bring from us in the halls of government to those in the pews of the church. We need, we welcome such participation. Transfusions of hope can transform discouragement into a sort of divine discontent, driving a people and their institutions on to better things.

I know my colleagues join me in the hope that this Baptist convention will do just that.

GEN. RUSSELL E. DOUGHERTY, CINC, SAC

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. WON PAT. Mr. Speaker, as a lifelong resident of Guam and, more recently, as a member of the House Armed Services Committee, it has been my pleasure to meet many thousands of fine members of the U.S. military services. Indeed, we of Guam owe our liberation and freedom from an occupying enemy to courageous U.S. military personnel. A great number of these service men and women have been truly outstanding.

Nearly 30 years ago, when I was Speaker of the Guam Legislature, one of these outstanding individuals, Russell E. Dougherty, was a junior officer at Andersen Air Force Base. Since, I have been pleased to observe this officer make well-deserved progress through the Air Force ranks.

Now, as Commander in Chief of the Strategic Air Command, General Dougherty, after 38 years in the service of our Nation, is retiring from active duty. In marking his departure from active duty, General Dougherty shared with me some parting thoughts.

Mr. Speaker, I would like to share with you and our colleagues these thoughts of this 100-percent professional officer and military leader who has dedicated most of his life to our national defense and interests:

DEPARTMENT OF THE AIR FORCE,
August 1, 1977.

Hon. ANTONIO B. WON PAT,
Delegate from Guam, House of Representatives, Washington, D.C.

DEAR MR. WON PAT: I have just recently written an open letter to all the personnel of my Command concerning my tour as Commander in Chief of SAC, and my impending retirement. I would be remiss, however, if I were not to correspond in a similar vein with you, who have been so closely integrated with our people and our military activities throughout the Command—a dedication and service for which we in SAC are deeply grateful.

For me, this summer marks 35 years of commissioned service and more than 38 years in the military uniform of my country. Having run the gamut of military assignments from enlisted Cavalryman in the Kentucky National Guard to Commander in Chief, SAC, I am pleased to be able to say that I have enjoyed every assignment. Also, I am humble and grateful for the confidence placed in me and the many opportunities afforded me by the President, the Congress, the Secretaries, the Joint Chiefs of Staff, my fellow service men and women, and the people of the United States of America and our NATO Allies.

Although I have no present inclination to "retire" in a conventional sense, I have always been an enthusiastic supporter of the need for a constant, relatively rapid "up and out" policy for our Air Force senior personnel. Continuing youthfulness and upward mobility in the Air Force are key attributes to maximum dynamism and usefulness to the Nation. I am fully prepared and ready to retire from the active military rolls and pass my responsibilities in accordance with our reasoned policies of progression.

Also, I must say that it is comforting to realize that the 35th house in which Mrs. Dougherty will make a "home" for our family is, at last, to be a permanent residence—frequent moving is easier when you are young enough to savor the excitement of change!

As one who has been "on board" or "in the vicinity" during the entire existence of SAC—and has been in a sense both progeny and patriarch—I am proud to have been a part of this dynamic history of SAC (and to have shared these exciting, fulfilling years with you and your colleagues throughout our SAC communities).

During my three years as SAC's leader, the command has continued a marked evolution. We have become "leaner" in people and facilities, while at the same time increasing the numbers of SAC weapons on strategic alert. We have been able to achieve this efficiency by improved management, consolidating support and operations—and by completing the deployment of weapons systems, such as the Short Range Attack Missile and the Minuteman III ICBM.

Some of the changes occurring during "my watch" as CINCSAC have been predictable; others—such as the increased conventional bombardment capabilities, research and development of the B1 strategic bomber, research and testing of the Air Launched Cruise Missile, and new emphasis on human relations—have been truly innovative.

There have been disappointments, of course—and I should especially have liked to have seen greater support for more balanced force modernization toward future years—but I am satisfied that those of us now "on watch" have kept the present force combat capable, have made accurate and reasoned recommendations, and have prepared for future needs to the best of our collective abilities.

For the last thirty-one years, SAC has been a central element of our national policy of deterrence. It has remained so because the men and women of SAC and our Nation have—while not seeking change for change's sake—been open to change, even advocating it, whenever it was perceived better to support national objectives and military effectiveness.

It seems to me that for the next thirty-one years this dynamic spirit will be doubly necessary for all SAC's people and those in our communities who support the Command and its people. Those who serve in the future must be prepared to accommodate changes in their profession which may make Alvin Toffler's Future Shock seem mild by comparison. But those changes cannot be allowed to detract from SAC's professionalism—the dedication, integrity, competence, and selflessness of SAC's People in the service of our nation. And I am confident, under General Richard H. Ellis' leadership, Strategic Air Command will remain dedicated to providing the most capable strategic force that is humanly possible.

As Air Force retirees, Gerry and I now begin a different pattern of life. As concerned citizens, we will continue to be interested in and to work in behalf of our nation's overall security. As a retired military officer, I will give our active duty colleagues my best advice on defense matters when it is requested, but I will never interfere or press such advice on the active leadership. Whatever we do, wherever we go, we shall never forget—nor could we—the deep obligation we owe the people of the Air Force—and of SAC.

And we can never forget the dedication of those not in uniform or no longer on the active rolls who have done so much to make it possible for us to perform our mission. Wherever we have been stationed, we have been welcomed into the privileges and responsibilities of community membership. And there have always been you "Key

Movers"—responsible, patriotic citizens ready to go the "extra mile" with us—whether the needs were for better community relations or better strategic weapon systems. Strong believers in America's security through strength, you never hesitate actively to support or constructively to criticize—though it may cost you socially or financially to do so. For your support all of us are humbly grateful . . . and I, as the Commander in Chief, have particularly appreciated your support and confidence.

Throughout history there has been no nobler calling that that of helping to provide for one's fellow man those greatest of social services—life and freedom. And it is my judgment that in our time, no one has reponded more selflessly to that calling than the members of Strategic Air Command, where—though the preparation for war is our business—the people of SAC have lived our motto: "Peace . . . is our Profession" . . . and none have supported us in that endeavor more positively than you, the active leaders of military support in the communities around our bases.

My thanks for the support, the inspirations, the memories, and the privilege of serving with you in defense of America . . . and the security of our fellow Americans. God bless you and yours throughout the years that lie ahead.

Respectfully . . . and with gratitude.

RUSSELL E. DOUGHERTY,
General, USAF,
Commander in Chief.

BUCKEYE CITED FOR OUTSTANDING ANTIPOLLUTION EFFORTS

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. FUQUA. Mr. Speaker, tomorrow, August 6, Buckeye Cellulose Corp., which has been operating 21 years as the dominant industry in Perry, Fla., will receive a national award for their untiring efforts in pollution control and cleanup.

Buckeye is the only industry in the State of Florida, and only one of 19 in the Nation, to receive the Isaac Walton League's "First Annual Award" presented to industry which has performed above and beyond the call of duty in water improvement.

Perry, located in Taylor County, the forest capital of the South and in the heart of my second congressional district, and the State of Florida is proud of Buckeye, a good corporate citizen.

While in recent years national attention focused on the blight of industrial pollution, Buckeye has voluntarily forged the trail in pollution control not only with water but with air pollution and other areas of environmental concern.

The company invested millions of dollars between 1970 and 1973 on pollution cleanup, which earned the favorable respect of even the most astute environmentalists, as well as a resolution of praise from the Florida State cabinet.

In addition, Buckeye has gone to considerable expense to provide public recreation areas on their privately owned land. The Hickory Mound Impoundment offers some of the best waterfowl watching and crabbing on Florida's west coast, and the picturesque Goose Pasture Landing is well known to canoeists who travel down the sparkling Wacissa River.

These efforts and antipollution program, a gesture of good will and cooperation, was instigated well before present pollution requirements were in effect nationally and in the State of Florida. Buckeye was the forerunner of industries who followed suit, encouraged by the company's favorable publicity and public reception of the cleanup program.

Indeed, Buckeye Cellulose Corp.'s environmental consciousness, unheralded in the pulp and paper industry, stands as a successful example to industry throughout our Nation.

It has not only taken from our generous Mother Earth but, in turn, made it a better place for us to live. In this respect, every living being, and generations who are yet to come, are indebted to the pioneering efforts of this outstanding company.

ESTABLISHING A TASK FORCE TO STUDY SCHOOL FINANCING

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. OBERSTAR. Mr. Speaker, today I introduced legislation to establish a task force to study school finance and the taxation of real property by State and local governments.

The critical issue of school finance needs a thorough review. The constitutionality of financing education through local property taxes, national education standards, differentials in education quality between districts, and the appropriate combination of State, local, and Federal support are just a few of the complex issues that demand study.

The task force would consider a variety of crucial topics related to these issues in addition to evaluating the effects of real property taxes and feasibility of policies designed to reduce State and local governments' dependency on them. Alternative methods of finance, Federal education standards and guidelines on finance, and effects of disparities in real property on education quality are some of the general areas that would be included.

H.R. 5304, introduced earlier this year by Representative BURGENER, would establish a similar task force to examine real property taxes. However, this task force would contain no members of the academic community or citizen groups concerned with financing of elementary and secondary public schools and would not cover school finance. Because of their interrelationship, it would be inefficient to study real property taxes and school finance separately. Furthermore, isolated changes in the property tax structure could aggravate the problem of school finance. My bill includes these pressing problems in the study of the task force.

Executive discussions over the past 2 years with school board members, school superintendents and principals, teachers, parents, and State legislators throughout my congressional district have convinced me of the need for a thorough review of school financing that hopefully can lead to constructive long-term solutions benefiting all school systems in the Nation.

We must commit ourselves to the protection of the education claims of all children, the search for new funding sources, and the determination of the proper role of the Federal Government. Decisions on individual education programs can only be effective after the foundation for a sound financing system has been laid.

TO ESTABLISH A SELECT COMMITTEE ON POPULATION

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. BURKE of Florida, Mr. Speaker, I am pleased to cosponsor and support H.R. 70, introduced by our colleague, Congressman SCHEUER. I believe, as do so many of us, that there is a great need for this committee. There can be little question of the value of the proposed work of this committee, which will study: First, the major adverse effects of international population growth; second, approaches to cope with this with an emphasis on those measures to reduce the frequency of conception rather than the termination of pregnancy; and third, means to encourage countries to adopt proven fertility reduction methods.

Jack Anderson in his column in the Washington Post on Wednesday, July 27, 1977, quoted a study by the National Security Council concerning the runaway population growth around the world which threatens our national security, even our very existence. I would like to read into the RECORD this column entitled "The Perilous Population Explosion," for my colleagues to think about. It succinctly summarizes my feelings regarding the danger we face because we closed our eyes in the past to this problem.

THE PERILOUS POPULATION EXPLOSION

(By Jack Anderson and Les Whitten)

The final Armageddon will likely come, in the opinion of intelligence analysts, not from a nuclear holocaust but from the simple crush of people.

No less than the National Security Council has labeled the runaway population growth around the world as a "threat to our national security."

The council called for population reports last year from U.S. embassies in 77 countries. Their responses have now been summarized in a grim intelligence document.

The study warns that the sheer mass of people already is beginning to stifle human life on this planet. Our ambassadors report that underdeveloped nations are running out of food to sustain their people. Living costs are plunging these nations into debt until they are unable to finance their own survival.

The human encroachment, like a plague of locusts, is also devastating the land. "A majority of our embassies in Africa, Asia and some in Latin America report large pockets of declining agriculture productivity due to

widespread slash-and-burn farming, overgrazing and overcropping," the study asserts. The cause: "population pressures."

The same warning is echoed in an Agriculture Department report which declares urgently that, unless the population explosion is contained, "there ultimately is no solution to the world food problem."

The population bomb, warns the intelligence study, will also produce a political explosion. In many countries, the U.S. embassies predict "rising unemployment and underemployment, with countless millions unable to eke out a living in rural areas jamming into already overcrowded cities where living conditions for many are appalling."

This "can only spawn social unrest with serious political and even potential strategic implications," the study stresses. By the year 2000, for example, Mexico City may be the most populous urban area in the world.

One expert fears there may be 60 million Mexicans fleeing across U.S. borders within the next generation to escape the overcrowding in their country.

Yet there is "a widespread unawareness of the economic facts of life," states the report, "including wishful thinking that economic development will automatically resolve the population problem." A disturbing 62 per cent of the nations have no population policy at all.

Wars, as historians tell us, are usually fights over resources. Unless careful planning starts now, the huge increases in population coupled with the dramatic decreases in raw materials will cause future wars as people become desperate for the basic necessities.

I am proud to support this legislation and I hope it will be enacted today and that this committee's work will guide us in the future.

U.S. TAX COURT RETIREMENT

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ULLMAN. Mr. Speaker, today I have introduced a bill to correct an unfortunate interpretation of the provisions of present law dealing with the retirement of tax court judges.

Under present law, if a tax court judge receives tax court retirement benefits, then that judge cannot also receive civil service retirement benefits. This provision against double benefits appears to be correct and I am not proposing to change it.

However, the Civil Service Commission is interpreting present law to forbid even single benefits.

Under the Commission's interpretation, a tax court judge who elects tax court retirement is forever barred from civil service benefits even though the judge never in fact becomes entitled to tax court benefits. As a result, a tax court judge who resigned from that court and later was called back into Federal Government service—in one case, in a variety of Presidentially-appointed positions—cannot get civil service benefits for any of his 25 years of civilian service and 4 years of military service, simply because he once made an election for tax court retirement benefits. This is so, even though this judge did not serve long enough on the tax court to become qualified for tax court retirement benefits. This judge now is excluded from both retirement systems.

To correct the situation, the ranking minority member of the Ways and Means Committee, the gentleman from New York (Mr. CONABLE) has joined me in introducing a bill to amend present law to permit any tax court judge to revoke the election if the judge has not yet begun to accrue tax court retirement pay. A judge who revokes the election would then be put back into the civil service retirement system—if he or she is otherwise qualified—and would not be eligible for tax court retirement benefits.

TRIBUTE TO AN OUTSTANDING AMERICAN

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. AMBRO. Mr. Speaker, I would like to take just a moment to bring to the attention of this Chamber the most recent recognition given one of my constituents, Joseph S. Hydrusko, of Massapequa, L.I.

The Long Island Restaurant and Caterers Association recently named Mr. Hydrusko "Restaurant Man of the Year 1977–78," in recognition of the excellence and high standards he demands as host and owner of Dick and Dora's Restaurant in Massapequa.

"Man of the Year" is only the latest in a long, long list of achievements of this outstanding American.

Entrepreneur, sportsman, community leader, pilot, hero, Joe Hydrusko is a Long Islander of the first order. His accomplishments stand as tribute to freedom, opportunity, and the American spirit of competition and adventure.

On the Day of Infamy, December 7, 1941, Joe Hydrusko was a seaman first class on board the U.S.S. *Solace* in Pearl Harbor. Immediately following the Imperial Japanese aerial attack on our naval forces, he asked for and received permission from his commanding officer to take command of a motor launch for rescue operations aimed at saving the lives of those sailors wounded and trapped aboard our crippled vessels.

During the next 48 hours, Mr. Hydrusko, at great danger to his life and personal safety, made repeated rescue missions across the smoldering harbor to the battleships *Nevada, California,* and *West Virginia,* before turning his efforts toward the capsized *Oklahoma.*

Diving repeatedly into the bombed out interior of the *Oklahoma,* he saved the lives of 24 American servicemen trapped inside.

His citation for heroism from the Secretary of the Navy reads:

For heroic achievement on 7 and 8 December 1941 while serving on board the U.S.S. *Solace* (AH–5). During this period, Hydrusko participated in rescue operations which resulted in the freeing of 24 men entrapped in the capsized U.S.S. *Oklahoma* following the aerial attack by enemy Japanese forces on Pearl Harbor. His skill, courage, and devotion to duty throughout were in keeping with the highest traditions of the U.S. Naval Service.

Mr. Hydrusko is now president of the Massapequa Rotary, a board member of the Massapequa Chamber of Commerce and active member of the local Civil Air Patrol.

Just one final, brief note, Mr. Speaker, every Memorial Day Joe Hydrusko leads a squadron of private airplanes on a mission over New York Harbor. Circling close to the Statue of Liberty, he drops a wreath from his plane to a site near the base of this world famous landmark of freedom in memory of those combat GI's that never made it home and whom we all remember with such reverence on that day.

Joe Hydrusko is an authentic hero, an outstanding citizen, and a great American.

IN MEMORIAM: JOSEPH GRAZIANO

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. WOLFF. Mr. Speaker, it is with a profound sadness that I call to the attention of my colleagues the passing of Joseph Graziano. Mr. Graziano, a community leader whose work and dedication transcended the limits of my congressional district passed away a short while ago after a prolonged illness.

In 1958, Mr. Graziano was one of the three founders of Cellini Lodge No. 2206 of the Order of the Sons of Italy in America. He was elected to the post of First Venerable of the lodge and since its inception he was extremely active and a guiding factor in its activities. Over the years, both Mr. Graziano and the lodge have devoted untold energies toward the betterment of the community. Both he and the lodge were deeply concerned with high school related programs in the community which reflected a strong belief in education at all levels. One of the projects of the lodge, under Mr. Graziano's direction, was the institution of a college scholarship program. The lodge was also instrumental in bringing the Italian language within the teaching curriculum of high schools in Nassau County, N.Y.

Both he and the lodge were strong supporters of Cooley's Anemia Foundation and the St. Francis Heart Hospital. Mr. Graziano was particularly active in the affairs of his church, the Notre Dame Parish of New Hyde Park, N.Y., and he was one of those unique men who bore a strong conviction that America's diverse ethnic pride should be preserved. He worked hard toward that end.

Despite his illness, Mr. Graziano was ever present in community affairs. I know that his lodge will continue on the path of community service which he helped to blaze and direct. On September 28, Cellini Lodge No. 2206 of the Order of the Sons of Italy in America will celebrate the ninth anniversary of its founding. Joseph Graziano will be sorely missed.

NUTRITION EDUCATION

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. NOLAN. Mr. Speaker, it is a particular pleasure for me to enter into the RECORD the remarks of my colleague, Mr. RICHMOND, at a recent Conference on Nutrition and the American Food System sponsored by the Community Nutrition Insitute. Mr. RICHMOND and the members of the Subcommittee on Domsetic Marketing, Consumer Relations, and Nutrition, which he chairs, are concerned over the lack of an effective and coordinated Federal role in nutrition education. Consequently, the subcommittee will be conducting a comprehensive investigation into this problem. It is my hope that as a Nation we will establish a more effective means of providing nutrition information that is vital to the health and well-being of our people.

The remarks follow:

REMARKS BY REPRESENTATIVE FRED RICHMOND

Several weeks ago as I was watching "Rocky" Balboa tenderize a side of beef aging in cold storage, it occurred to me that, even as he was preparing to fight a fight we knew he had to lose in the end, he was lucky. He, at the very least in his uphill struggle, clearly knew who his opponent was. He knew exactly when and where he could be found and he had a clear idea of what he hoped to do . . . deliver one, decisive winning knockout blow.

Perhaps Rocky was such great entertainment because, in our increasingly complex and confusing world, for two hours we lived in the clearly right or wrong . . . black hat or white hat . . . yes or no celluloid world of the Italian Stallion.

Unlike the world outside the theater, Rocky couldn't care less about the levels of antibiotics, marbled fat or cholesterol in the meat he was slamming away at. After all, he only had to hit it . . . not eat it.

Those of us here today, however, have made a commitment to care about our food . . . what's in it, how it's grown and what it's long range effects on us will be. We have further made a commitment to care about the food our fellow 225 million Americans are served every day and about the food required to meet the needs of the earth's four billion persons.

This is a burden of caring that doesn't offer us a single enemy to defeat once and for all. In the public's mind there are no easily identifiable good guys or bad guys . . . and there are no easy victories in sight. Our choice of caring about food and nutrition in America of the late 1970's offers us only the prospect of more work ahead after each small, usually unnoticed victory. We often find ourselves crying scarcity in an age of plenty . . . crisis in an age of calm . . . malnutrition in an age of obesity.

We live in an era when an average consumer's day—from breakfast to midnight snack—demonstrates the scope and difficulty of our task. Start the day with an orange flavored drink containing as many components as the spacecraft that—for some reason—carried it around the moon . . . eggs over and crisp bacon . . . cholesterol and sodium nitrate . . . toast made from a mix containing over 50 percent water and wood cellulose . . . water itself that is possibly contaminated with PCB's . . . saccharin . . . sugar . . . more fats . . . additives . . . preservatives . . . all held together with an alphabet soup of emulsifiers and stabilizers.

In the background, the children's morning television is hardselling multicolored cereals, vitamins shaped like dinosaurs or famous athletes, candy, gum, soda, fast foods, whipped toppings, chips and cupcakes . . . a confusing and expensive babble of interchangable claims and new products.

Later in the day, sandwiched in between similar commercials now aimed at adults, headlines inform us that six out of ten of the leading causes of death in this country are linked to the way we eat. Anchorpersons solemnly inform us that our diet is clearly associated with epidemic rates of cardiovascular failure, cancer, stroke, high blood pressure, hardening of the arteries, cirrhosis and diabetes.

There is also, of course, the occasional nightmarish story of toxic shellfish, botulism and reports that even some mothers' milk has been found to be danagerous to the health of the new born.

The world we have chosen to care about—the world of food and nutrition—is one filled with contradictions: "The best fed people on the face of the earth" apparently killing themselves with the very abundance and variety of products that makes the claim plausible.

It is a world where we can't simply slug away in a rage—although the causes of rage are surely there—but is a world where our staying power will be tested . . . our will constantly in need of reinforcement and our leadership challenged by those with the ready cash access to the mass consumer market.

It is to this world—the world of mass marketing, television, four color magazine layouts, saturation radio jingles and junk mailings for junk foods that we must turn. For, if we abandon this most critical arena of public opinion, the battle for better health through better eating is lost. Lost—in spite of meetings such as this . . . in spite of all the reports and all the task force recommendations. If we are to win—that is—if Americans are to live longer, healthier lives on a balanced diet—we must reach the consumer in the commercial marketplace.

However, we cannot accomplish this by matching outrageous advertising expenses dollar for dollar . . . but by gaining the consumers' confidence by upgrading the quality of the advice and counsel the government offers.

For, it is ultimately to the government that the salted, fattened, confused and panicked consumer must turn. And, unfortunately, today in place of sound, detailed nutritional guidelines, these consumers are deluged by the government with outdated pamphlets or told that the labels we can neither read nor fully understand contain the answers.

Ladies and Gentlemen, when I first sought a seat on the House Agriculture Committee three years ago, I went this route. I asked Earl Butz for his opinion on human nutrition, research and education. From that initial—and memorable—experience, I can tell you that confusion gave way to frustration, and, if your will weakens, frustration can give way to indifference.

It was this frustration that led me to request the Congressional Research Service to comprehensively survey the role of the federal government in nutrition research. What I thought would be a routine request turned out to be a landmark study. For never before has anyone bothered to examine the extent of the federal government's activities in this most essential field.

This report revealed that human nutrition research performed by the Federal government is a haphazard jigsaw puzzle, whose pieces fail to fit together because of a lack of coordination, funding, guidance and planning.

This report revealed that the Department of Agriculture spends less than 3% of its research budget on human nutrition . . . and several times more studying nutrition of pigs, cows, and chickens. And they are the only agency with a specific legislative mandate to conduct human nutrition research.

This report revealed that Federal researchers are forced to work in World War II era labs, with a shoestring budget.

Finally, and most glaring of all, the report revealed that government officials themselves do not know the full scope of or gaps in nutrition research and assistance programs.

As a follow up, I asked that another study be done to assess the government's role in nutrition education. I was, I must say, prepared for the worst by the results of the first study, and the results of the new study are no less upsetting.

That we have 30 separate nutrition education programs does not shock me; that we are spending more than 70 million dollars on such undertakings does not shock me; but it does shock me to learn from our report that, in fact, there is *no* policy, *no* coordination, and *no* reliable measure of the impact of these isolated programs.

Duplication of effort and dispersion of severely limited funds point to a federal role that lacks clear goals, firm resolve or a workable strategy. A patchwork of isolated independently conceived activities are performed to the extent that funding and jurisdiction allow. There simply is no unified federal policy relating food and nutrition to the consumer. Research into needs, knowledge, attitudes and practices of consumers is conducted without a view of how this research may be translated into policy or planning guidance. Each agency and program has built its own network of information distribution . . . many of which, I am sorry to say, are totally ineffective in the face of overwhelming food advertising.

I happen to believe that nutrition on education can definitely alter and influence our food purchases and eating habits and, ultimately, our health. Judging from the obvious success of the food industry to shape food purchasing behavior, there are obviously powerful informational tools which can be developed for this purpose. Their impact, however, will not be felt until government designs a coordinated effort; a unified system which reaches our people through public media programs, community institutions, and organizations as well as through teachers, health professionals, consumer and industry leaders, nutritionists and paraprofessional aides.

Beginning in September and extending throughout next year, the Domestic Marketing, Consumer Relations and Nutrition Subcommittee will undertake a thorough five-part investigation of the role of the federal government in nutrition education.

During our first phase we shall listen to consumers tell us about the problems they have in receiving reliable and useful information about the food they eat. Administration and policymakers of federal programs which have a mandate for nutrition will testify on what their agencies are doing to educate the public. We are particularly concerned about how these officials and their staffs determine what type of information is to be disseminated, what groups should receive this information and whether it is ultimately of any use to the consumer.

Our second phase during the early fall will be to visit two communities: one urban and one rural to evaluate the assistance available to typical American families. Washington administrators may tell us what they think they are providing: we want to know what information is actually reaching the consumer.

Our third phase of hearings which will take place in Washington will bring together representatives from the food industry, the

health and education professions, public interest and private groups and media experts who are involved in the presentation of information about nutrition. We will ask each of our witnesses to describe their activities and advise us on how the federal government might play a more effective role in nutrition information. Quite frankly, after looking at innumerable commercials, pamphlets, posters and programs I am convinced that the public interest groups often do a better job in reaching the consumer.

Our fourth stage, extending through the winter, will be the preparation of a report which will make administrative and budgetary recommendations based on the knowledge gained during our first four phases.

During our fifth phase, we shall solicit additional public comment on our report and recommendations and, with the support of our colleagues in the House and Senate, introduce appropriate legislation to insure that the federal government will play an active and leading role in determining national nutrition policy.

It was only eight years ago that the White House Conference on Food, Nutrition and Health was convened, for the first time bringing together all of the interest groups that must play a role in formulating this national food and nutrition policy. Public attention drawn to these issues resulted in expanded food and nutrition programs, such as food stamps, child nutrition program, and the initiation of new programs such as WIC and Elderly Feeding.

In Congress, under the able leadership of Senator McGovern, the Senate Select Committee on Nutrition defined and began exploring the relationship between food, health, nutrition, domestic production and the international situation . . . cornerstones of a future national policy.

In the absence of direction or, perhaps more accurately, in the midst of contradicting testimony from nutrition experts, and, sensing a rising demand on the part of the public for clear-cut, specific answers to food and diet questions, the Senate Select Committee has taken the bold initiative of proposing national dietary goals. After a generation of indifference to the outworn prescription of the "basic poor", consumers were enthusiastic in their response to the Committee's findings.

To its credit, the new Administration is turning its attention to human nutrition and raising the issue to a national priority. A White House Task Force is currently preparing a report on the status of nutrition research and I am advised that the President will personally determine which issues should be given immediate and long term attention.

Inspired by the work of Senator McGovern's Select Committee, other voices in Congress are now being heard on nutrition issues. With the encouragement of Secretary Bergland and Assistant Secretaries Carol Foreman and Rupert Cutler, the USDA is emphasizing the right of the consumer to an affordable, safe and nutritious diet.

However, no single subcommittee . . . select committee . . . agency or even Administration can, alone, establish national nutrition policies. Now, all our institutions must cooperate to implement already articulated and debated goals.

We must:

Allocate more funds for nutrition research;

Foster interagency coordination;

Disseminate more sophisticated consumer information materials by the government;

Consolidate all federal efforts;

Demand the government take a stance for the consumer, including full labeling and consumer-oriented grading programs;

And establish federal policy and standards on food advertising.

This is our long struggle. It is your job as food and nutrition advocates to keep the issues before the public so that conscious pressure can be brought to bear on the Congress—on my committee—on the bureaucracy, and on the Administration. For, all too often in the decision making process, the voices of growers, producers, packagers and merchandisers have been heard instead of those of consumers.

But, rather than decrying the past neglect of Congress, the unresponsiveness of the bureaucracy and the powerful influence of industry, concerned consumers and their advocates must raise their voices of advocacy in the political marketplace. Many of you realize this. But until you and your colleagues join forces and develop a national nutrition constituency, you will not witness the implementation of a national nutrition policy.

As I look about this room, I see leaders and representatives of each of the separate segments which have an interest in national food and nutrition issues and hope that, in your deliberations today and tomorrow, you will be able to agree on more effective ways to channel your views and recommendations to public policy decisionmakers.

I cannot stress strongly enough the difficulties inherent in the task we have undertaken. If we try to reduce our issues to those clear yes or no, good or bad choices . . . we will fail. In recent discussions I have heard opinions offered condemning an extraordinarily wide range of individuals, groups and things for the questionable state of our health.

Our enemy is not a single food producer, bureaucrat, individual additive, the emerging fast food industry, agrisbusiness, nutritionists holding views differing from your own, unenlightened lawmakers, supermarkets, television, ad agencies or food technology run amok . . . Ladies and Gentlemen there is no one enemy for us to defeat . . . or panacea for us to enact.

Our oppcsition—if we must try to isolate something—is an apathetic public. A public already concerned—to be sure—about the emerging relationship between what we eat and how we live—and die—but still unready to demand—demand—from government, industry, and public groups the sweeping changes necessary to move from a status quo of questionable plenty to a future of healthful plenty.

Our goal must be to arouse this public opinion. Our weapons will not be the paraphernalia of the prize fighter but the well known tools of any dedicated minority seeking change in this country: the conviction of being right, access to an uncensored press and, most of all, a deeply held conviction that our fellow Americans—once alerted to a clear and present danger we already see—will respond.

I see a long, hard road ahead—but, with more people like you across the nation—we will have in the future a nation truly worthy of the description, "the best fed people on the face of the earth."

ADDITIONAL REMARKS ON FEDERAL FUNDS AND ABORTIONS

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. YOUNG of Missouri. Mr. Speaker, in discussing the use of Federal funds for abortions, much has been said about discrimination against indigent women versus a responsible use of taxpayers' money. Many people, including our President, have viewed the vote on the so-called Hyde amendment as an expression of responsible use of Federal funds, not as a vote for or against abortion.

Until this time, the Labor-Health, Education, and Welfare appropriation bill has been the only opportunity for us as legislators to voice our views on abortion. The various proposed human life amendments have been pending before the Judiciary Committee for several years and there appears to be little chance that any of these proposals will be brought in the near future to the House for discussion or a vote.

Bearing this in mind, I would like to put on the record that my vote for the provision prohibiting the use of Federal funds for abortion was deeper than a mere expression of fiscal responsibility. My vote for the Hyde-Flood language was a simple vote against abortion.

Mr. Speaker, I applaud the fine work of my colleagues, HENRY HYDE, DANIEL FLOOD, and the many others who have spoken out for the lives of the unborn.

INTRODUCTION OF NATIONAL OIL RECYCLING ACT

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. VANIK. Mr. Speaker, the Congress is currently considering a series of complex proposals to reduce national energy consumption. Yet, in our search for the exotic solutions we often miss some simple and obvious steps for energy conservation. One such step is to improve our Nation's capability to recycle used lubricating oil. Lube oil is manufactured from the highest quality fraction of a barrel of crude oil. We use these lube oils in a wide variety of applications—automobiles, airplanes, and machinery.

About one-half of all lube oil is consumed during use. The remaining half—with its contaminants of dirt, water, and heavy metals—could be salvaged, reprocessed, and used again. Unfortunately, our economy does not recycle its waste oil. Most used oil is burned, dumped on roads, or poured down sewers. All of these disposal practices have serious environmental problems.

Yet, if this oil were recycled, oil imports could be reduced by over 70,000 barrels per day. Each 1.2 billion gallons of used oil is generated. Less than 8 percent is reprocessed and recycled. Improving our economy's capability to reprocess used oil would clearly make a significant contribution to our long-range energy security.

There are three principal reasons why waste oil is not currently being recycled. The first problem is technical. Assessing the quality of recycled oil as well as new oil is very difficult. Until an economical test procedure for product quality is developed it will not be possible for the consumer to know exactly what he is getting when he shops for motor oil. Fortunately, the Energy Policy and Conservation Act directed the National Bureau of Standards to develop a solution to the problem of developing test procedures to assess

lube oil quality. The NBS is currently working on its program and hopes to begin the second phase this fall.

The second obstacle to used oil recycling is economic. Currently, a large portion of our waste oil—which is produced by automobiles—is being collected at service stations and sold to unscrupulous oil dealers who mix used oil with heating oil and sell it to an unsuspecting consumer. This practice not only victimizes the consumer of heating oil, it robs the re-refiner of valuable feedstock for his process. Solving the feedstock problem will not be easy. A combination of economic incentive and stiff regulation will be required. The legislation I am introducing today encourages States to establish used oil recycling programs. It is through such programs that control over used oil can be most effectively exercised.

The third problem area to successful recycling is educational. The public is simply not aware that used oil when carelessly discarded is a serious pollutant or that when used oil is properly recycled, it becomes a valuable resource. The National Oil Recycling Act addresses this problem by mandating a two-year program of consumer education.

I am hopeful that more action on recycled oil can be taken this Congress. Already the House in the pending energy bill has approved changes in the tax law to remove the discriminatory excise tax treatment of used oil. I would encourage my colleagues to support a continued effort to reduce our waste of this valuable resource.

A summary of the National Oil Recycling Act follows:

SUMMARY OF THE NATIONAL OIL RECYCLING ACT

SHORT TITLE

Section 1 provides that the Act may be cited as the "National Oil Recycling Act".

FINDINGS AND PURPOSE

Section 2 states that it is the purpose of Congress to recycle used oil to the greatest extent possible.

DEFINITIONS

Section 3 outlines the definitions used in the Act.

FEDERAL PROGRAM FOR THE USE OF RECYCLED OIL

Section 4 amends the Energy Policy and Conservation Act to provide for the establishment of a program to recycle used oil generated by the Federal Government. The section directs the Administrator of the General Services Administration and the Secretary of Defense 1. to develop a record keeping system to control the flow of used oil generated from the military and non-military; 2. to prohibit the disposal of used oil by practices which create adverse environmental and public health effects; and 3. to encourage the use of recycled oil by procurement and requiring, where feasible, parties contracting with the Federal Government to use recycled oil and by initiating programs for closed-cycle waste oil recovery and reuse.

CONSUMER EDUCATION

Section 5 directs the Administrator of the Environmental Protection Agency to carry out a program of public education on the recycling of used lubricating oil. The program will focus on the performance characteristics of new and recycled oil, the environmental and public health hazards of indiscriminate disposal of used oil, and the potential of resource conservation through used oil recycling.

GRANTS FOR STATE WASTE OIL MANAGEMENT PLANS

Section 6 authorizes the Administrator of EPA to make grants to any State which establishes a waste oil management plan in compliance with the guidelines of the section. The State plan must—

1. Licensing of used oil collectors;
2. Licensing of used oil recyclers;
3. Procurement regulations for recycled oil used by the State government and parties contracting with the State government;
4. Requirements that retailers of lubricating oil maintain used oil collection facilities on the premises;
5. Prohibitions against the use of used oil as a fuel oil or for oiling State roads unless the oil has been processed to meet Federal and State pollution control laws;
6. An education program on the hazards of indiscriminate disposal of used oil and the merits of recycling used oil.

RELATIONSHIP BETWEEN FEDERAL AND STATE LAW

Section 7 provides that the Act shall not preempt state law when the Administrator determines that state law provides for stricter control of lubricating oil.

RETAIL SALES OF AUTOMOTIVE OIL

Section 8 provides that over-the-counter sales of automobile lubricating oil shall be sold in resealable containers with a deposit of 30 cents per container. The deposit is refundable upon return of the container.

RESTRICTIVE CONTRACTS PROHIBITED

Section 9 makes unlawful contracts which are intended to discourage the recycling of used oil.

FEDERAL PROGRAM OF RESEARCH

Section 10 directs the Administrator of the Energy Research and Development Administration to conduct a program of research to improve the performance and marketability of recycled oil and to conduct a program of research into the environmental and public health impacts of various used oil disposal practices.

REPORT

Section 11 mandates that the Administrator of EPA provide Congress with an annual report on the administration of the Act.

MANDATORY LICENSING

Section 12 provides the Administrator of EPA to order the licensing of an open and competitive recycling industry consistent with the purposes of the Act.

PENALTIES AND ENFORCEMENT

Section 13 provides that specific violations of the Act shall be misdemeanors punishable by a term of six months in prison or a fine of up to $25,000, or both.

COOPERATION WITH OTHER AGENCIES

Section 14 directs the Administrator of EPA to coordinate his activities under the Act with other agencies already involved in used oil recycling.

AUTHORIZATIONS

Section 15 authorizes $4 million for each fiscal year from 1978 through 1982 to fund state waste oil management plans. Another $200,000 per year is authorized for FY 79 and FY 80 to administer the program for consumer education under Section 5. $600,000 is authorized for research under Section 10 for FY 78 through FY 82.

EFFECTIVE DATES

Section 16 establishes that the provisions of the Act will become effective ninety (90) days after enactment.

PRESIDENT CARTER'S PROPOSALS DEALING WITH THE UNDOCUMENTED ALIEN ISSUE

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ROYBAL. Mr. Speaker, the major features of the undocumented alien proposals announced by the administration yesterday are unrealistic and inconsistent with the traditions upon which this country was founded.

The administration recommends putting the aliens into three categories: Those who entered the United States before 1970 could apply to become lawful permanent residents; those who entered between 1970 and the start of 1977 would be assigned a new status called temporary resident alien for 5 years; and those who entered after January 1, 1977, would be subject to deportation if discovered by the Immigration Service.

While I agree with the provision that grants legal resident status to those who came here before 1970, I find it appalling that the administration has proposed the creation of a new subclass of temporary resident aliens for those who entere between 1970 and 1977. The administration reportedly wants to keep these aliens in a state of limbo for 5 years in order to get a handle on the number of people who have been living here without proper documentation. Why, though, should it take 5 years to count the numbers, when the administration intends to allow the aliens only 1 year to come forward and register for their new status?

Clearly, this group of aliens would be stigmatized and segregated from the mainstream of American society. They would be nothing more than braceros, with the right to work and pay taxes, but without access to any social services whatsoever, regardless of need. These so-called temporary resident aliens would be forbidden to be joined by their families who are now living in their countries of origin, thus creating an atmosphere contrary to the President's own philosophy of a strong nation built on family unity. Worst of all, these aliens would be expected to come forward and register with the Immigration Service, not knowing what might happen to them after 5 years. Such a plan would subvert the humanitarian purpose of an amnesty by causing uncertainty and fear among aliens all over the country.

Also unacceptable is the administration's recommendation to impose civil penalties on employers who knowingly hire undocumented aliens, because it will obviously increase employment discrimination against Hispanic Americans. To protect themselves, employers will be encouraged under the plan to request identification from job applicants, proving that the applicants are citizens, legal residents, or otherwise authorized to work in the United States. However, since employers will not actually be required to ask for identification, many will take a safe shortcut and request it only from

those who appear foreign. The applicants most negatively affected by this practice will be Hispanic Americans, who because of their heritage will constantly be asked to prove their legal identity.

I find it intolerable that a people who already suffer a great deal of injustice should be subjected to such a new form of discrimination as a result of the administration's proposals.

Moreover, the idea of employer sanctions contradicts another plan under consideration by the administration to streamline the "H–2" visa program, under which foreign workers can be brought into the United States. On the one hand, the administration would be trying to keep aliens out of U.S. jobs by imposing employer sanctions, while on the other hand, he would be inviting aliens in to take U.S. jobs through the "H–2" program. The only possible explanation for this contradiction is that the administration may want to use the "H–2" program to appease agricultural interests, which would otherwise be badly hurt by the employer sanctions.

It should also be pointed out that so-called improvements to the "H–2" program could turn into a revival of the old bracero program, which was shown by a recent study to have actually spurred illegal immigration. The study, done by Prof. Wayne Cornelius of MIT, revealed that half of the undocumented aliens he surveyed had fathers who had also come to the United States, many of them during the period of the bracero program. And as many as 27 percent of the older aliens in the Cornelius survey had been here once before as braceros.

Clearly, the administration proposals are short-sighted, and may even compound the undocumented alien problem in the future. Unlike the administration, I do not believe there is any intranational remedy, short of a Berlin wall along our borders, which can prevent undocumented entries into the United States. As long as economic opportunities remain so much greater in the United States than anywhere else, people from all over the world will want to come here to make better lives for themselves, with or without proper documentation.

We must therefore help to increase economic opportunities in other countries in order to reduce their out-migration. We should concentrate on increasing bilateral and multilateral aid to Latin America, and we should especially encourage the promotion of human development and the expansion of labor-intensive jobs in Latin American nations.

To this end, I have proposed in my bill H.R. 6093 that we establish a cabinet level commission headed by an ambassador, which would meet with counterparts from Mexico and other countries of this hemisphere to study and make recommendations for a long-term solution to immigration, including the economic development of countries that today send us their poor and oppressed who cannot make a living in their native countries.

LOS ANGELES TIMES ENDORSES MINIMUM WAGE, LABOR LAW CHANGES

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. DANIELSON. Mr. Speaker, the Los Angeles Times on July 18, 1977, contained an editorial endorsing passage of legislation to increase the minimum wage, and amendments to the National Labor Relations Act relating to union elections and labor law violations. I call this editorial to the attention of my colleagues and insert it at this point in the RECORD.

TYING A RIBBON ON A LABOR PACKAGE

Two important pieces of labor legislation supported by the AFL–CIO have won the backing of President Carter. That should make more likely their passage.

As modified at the President's urging, one of these measures would raise the minimum wage and tie future increases to the average hourly earnings of American factory workers. The other bill would stiffen penalties against labor-law violators and speed the workings of the National Labor Relations Board.

The measures still need modest changes, but they deserve enactment.

The minimum-wage proposal, sponsored by Rep. John H. Dent (D-Pa.), chairman of the House subcommittee on labor standards, would boost the federal minimum from $2.30 an hour to $2.65. That increase of 15% is roughly enough to compensate for inflation in the 2½ years since the pay guidance was last raised.

We questioned the dire warnings of business groups that the wage-cost increase would throw large numbers of people out of work and harm the economy. But we do agree with those who oppose tying future changes to an index.

The minimum wage has existed for decades, but its effect on different groups is still not certain. Changes should be undertaken cautiously and after comprehensive congressional hearings—not triggered automatically by the impersonal workings of some obscure index.

Teen-agers, minorities and part-time workers are heavily represented among minimum-wage employes. They have much to gain from a healthy increase, and much to lose if the minimum jumps too fast, pricing their labor out of the market.

It is true that the minimum wage is a very low wage indeed, and that these groups need a better economic lot. But it is equally true that the complex plight of the working poor cannot be fixed by automatic jumps in an index.

The other labor bill is HR 77, a series of amendments to the National Labor Relations Act. The proposal would increase the National Labor Relations Board to seven members from the present five, adding two more officials to conduct hearings and supervise appeals.

This bill, introduced by Rep. Frank Thompson Jr. (D–N.J.), who heads the House labor-management relations subcommittee, would also require prompt organizing of elections after a union had demonstrated that it had won the support of 30% of a plant's workers. It would double the back wages that employers must pay to workers in some unfair-labor-practice cases, and it would add to the legal remedies available against labor-law violators.

Gone from the bill is AFL-CIO President George Meany's earlier insistence on repealing right-to-work laws, and gone is an attempt by the labor federation to let unions win elections without the secret ballot. Earlier versions had included a proviso allowing elections to be decided by union signup cards collected by organizers. That idea, which invited the worst kinds of coercion, deserved the death it has met.

THE CHESHIRE FOUNDATION

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. McHUGH. Mr. Speaker, last December Ralph Hall, who is the administrator of the extended care facility at Wilson Memorial Hospital in Johnson City, N.Y., and Philip Deitch, who is the director of Association for Disabled Individuals at SUNY-Binghamton, visited England in order to research several aspects of health care in that nation.

In the course of their visit, they had an opportunity to spend some time with staff members of the Cheshire Foundation and to visit a Cheshire home. Both were very impressed with the work of the foundation, and of the opportunities made available to disabled individuals living in Cheshire homes.

These homes provide an alternative type of care to disabled people. Unfortunately, few individuals in the United States are aware of the work of the Cheshire Foundation, or of the lifestyle encouraged in Cheshire homes.

I believe that the work of the Cheshire Foundation is commendable, and I would very much like to encourage its efforts. Because so little is known about the work of the foundation, I am inserting into the RECORD two items that I believe will foster a better understanding of that work. The first item is a series of questions and answers about Cheshire homes published by the Cheshire Foundation International. The second item is a report prepared by Ralph Hall and Philip Deitch which discusses their contacts with the Cheshire Foundation during their visit to England last winter.

The report follows:

THE CHESHIRE FOUNDATION

(By Ralph Hall and Philip Deitch)

WHAT IS A CHESHIRE HOME?

A Cheshire Home is a real home, in the normal family sense of the word. It's any kind of suitable building, of almost any size, where all kinds of physically disabled people enjoy the fullest lives they can. One thing that the residents have in common is a deep desire for a creative, purposeful life, above all a life of their own choosing in a family environment of affection and encouragement.

Each Home is different because each one has been set up by local people to meet local needs. The Cheshire Foundation is truly international, with 150 Homes in 32 different countries, and a current growth rate of more than 12 a year.

WHO IS LEONARD CHESHIRE?

Group Captain Cheshire, V.C., D.S.O., D.F.C. is the Founder of the Homes, and they are his concept. Today's network grew out of

his personal concern for one man's predicament. In 1948, Group Captain Cheshire, a retired Royal Air Force Bomber pilot and war hero, heard that a 75-year-old ex-serviceman he knew was dying of cancer with nowhere to go following his discharge from hospital. After determined efforts failed to find him a home, Cheshire took the old man into his own home and nursed him until he died.

Others in similar need followed and these he took in too. But he was soon to discover that the real need was for the young adult disabled, for whom, in the United Kingdom at least, no specialised provision existed at all at that time.

WHO ARE THE RESIDENTS?

The great majority are people too handicapped to be able to go out each day to work or to study, but who nevertheless want, and have a right to expect, as full a life as possible. Many work in the Home's workshop, or in the privacy of their own room and all have interests and hobbies which give meaning to their lives. Whilst emphasis is on rehabilitation of the whole person, in the hope that she, or he may be able to return to independent living in the outside community, there are those for whom this is impossible and they are entitled to look upon the Home as theirs for the rest of their lives.

HOW ARE THE HOMES ORGANISED?

The management of each Home is vested in a committee, or board, chosen to be as representative as possible of the local community, and with maximum involvement by the disabled residents. Thus the Homes fit into the framework of their surroundings, and the residents have a sense of belonging to the community around them.

In each country where Homes exist a Central Trust, or Foundation, is established which, as a tax-exempt incorporated charity, co-ordinates the activities of the Homes. It acts as a guarantor to the public that they are being properly managed in conformity with their declared aims and principles, and is the source of authority for the starting of new ones.

WHO PAYS FOR THE HOMES?

The local Management Committees are responsible to the Central Foundation for the financial costs of building and running their own Homes, and therefore have to find sponsors, arrange covenants and generally organise such fund-raising events as they think appropriate. In most Western countries Government or Local Authority grants are available towards running costs, and in some countries grants or loans for capital expenditure are also available. Such has proved the case with the Home-to-be in Madison, New Jersey. Although residents who can, contribute towards their maintenance, no-one is turned away because of inability to pay.

NORTH AMERICA'S OWN CHESHIRE HOMES

The most rapid growth that the Cheshire Foundation has yet known is taking place in Canada where, in addition to a Home of imaginative design at Saskatoon, 7 Homes have come into being in Ontario in the past 4 years, embracing a wide diversity of approach to residential living for the disabled. Others are planned in Vancouver, Montreal and Nova Scotia, as well as Ontario itself.

The Cheshire Foundation in the United States was first pioneered in Madison, New Jersey where a highly personalised Home for 24 residents is in the advanced planning stage in anticipation of commencing building during the course of 1977. The Foundation is also incorporated in Santa Cruz, California, were the Committee is actively working towards the establishment of a Home.

In Washington D.C., where the Central Trust has very recently been incorporated, the Cheshire Foundation is very privileged to be collaborating with Independent Living for the Handicapped in order to bring into being a first "House" for six disabled residents.

NEW ATTITUDES

The first Cheshire Home came into being 30 years ago because of a new attitude towards the physically disabled. But attitudes have changed a great deal since then. Today's needs require today's answers. If the Foundation is to maintain its momentum it must constantly seek new expertise and new ideas. Above all it hopes for the active involvement of Americans to make the dream of independence come true for more of the world's young disabled.

THE CHESHIRE FOUNDATION—PART II

A person can incur a disability from many sources (i.e., birth, accident or illness.) After all medical attempts at eliminating or minimizing the impairment have been tried, the individual must then learn to continue to live a normal life with the disability. The majority of disabled individuals could lead full and independent lives if the barriers or handicaps were removed—architectural, transportation, educational and employment barriers.

It has now been proved beyond question that 90 percent of even the severely disabled have the capacity, if they get proper training, to take care of their own daily needs, and in many cases to return to gainful employment in a competitive society.

There are those who will always need some level of support service for their personal care and maintenance. Other than this care for their daily living needs, they do not have major medical needs requiring full time medical staff attention. Hospital and nursing homes are expensive for permanent residence and do not begin to simulate a normal living experience. They are designed for those needing skilled nursing care in addition to their daily support needs—thusly they foster dependence rather than independence.

The home sometimes can become a place for the disabled individual; however, this may create two problems. Firstly, the situation may become a permanent drain on the family resources and life style. Secondly, the individual does not have the opportunity to begin to live an independent life.

The professionals in the health field can also become barriers to independence in that they have an educated desire to categorize every type of patient care into very concise terms.

For example, every level of care is precisely identified as either an acute facility, a skilled nursing facility, a health related facility, or a domiciliary facility. Even home health care is being labeled as an alternate level of care. The basic philosophy is that good and sound management requires that a large health system be highly organized and categorized.

It is not surprising that an attempt to establish a Cheshire Home in the United States has met with long delays and many bureaucratic barriers. A Cheshire Home is something uniquely different to any level of care presently identified in the United States. It is definitely not home health care; but then it is not an institution which easily fits into an established American pattern of identification.

THE HISTORY

One can trace the history of the development of the Cheshire Foundation from its founding by Group Captain Cheshire in 1948 when "he came across a man dying of cancer whom no one wanted and who was about to be discharged from the hospital. After trying very hard to find somewhere else for him to go, but without success, he took him into his own house and nursed him until he died. In the course of doing this he discovered others who were in much the same situation, and he took them in too, turning the house into a home for the incurably sick or permanently disabled."

After the success of the first home, the program expanded into what are now over 60 residential homes for the permanently disabled in the United Kingdom with almost the same amount located in 32 countries around the world.

THE ORGANIZATION

This has been merely a chronological and statistical tracing of the development of a concept of providing facilities for the care of disabled individuals. It does not truly provide an insight into the operation of the Cheshire Foundation Homes. Each home is run independently of any day-to-day control from the Central office, and each home attempts to manage its own financial matters in a self-supporting manner. Each home is governed by a local board of community residents so that in theory it can keep in touch with the needs of the local community and become a part of the local lifestyle.

The central foundation does set general standards and provides the capital funds needed to build or improve the homes. These funs are made available to the local communities as loans and are expected to be repaid. Whenever possible the residents themselves are expected to support the rest of the home's activities. All moneys are private non-governmental funds. All homes have a matron as head of staff which will also include a registered nurse and trained assistants.

A VISIT TO A HOME

On December of 1976 the writers had an opportunity to visit a Cheshire Home in Gerrards Cross just outside of London, England. The building, like most of the Cheshire Homes was a large two-story house probably built in the early part of the 20th Century. Except for a large addition on the garden side of the home, it appeared merely to be another home within the Gerrards Cross Community.

The major differences were found inside the home—and the differences were not architectural. Inside was an environment established upon the concept that the home "should be a place of shelter physically, and of encouragement spiritually; a place in which the residents can acquire a sense of belonging and of ownership by contributing in any way within their capabilities to its functioning and development; a place to share with others, and from which to help others less fortunate; a place in which to gain confidence and develop independence and interests; a place of hopeful endeavour and not of passive disinterest."

Ms. Sylvia Ho'mes was the writer's hostess during the visit. She is a resident of the facility along with 25 other disabled including her sister. Both Sylvia and her sister were disabled by muscular dystrophy at birth.

During the on-site visit the writers were also joined by Sister (British for nurse) Barbara Smith and Aide Pauline Heard. The Foundation has a training program in residential care for the disabled which takes about 1½ years to complete. Attendance in the program is not required of all staff hired, and it is not yet formally recognized by the government nor the academic community as a certified program. However, its graduates are well respected and received into the professional community.

After a tour of the facility (to be discussed later), Ms. Holmes and the staff were quite open in their discussion and description of the operations of the home. It became apparent that they were supportive of the concepts and definition of a Cheshire Home. However, there were a few shortcomings noted.

Firstly, Group Captain Cheshire's deeply routed philosophy of individual independ-

ence was strongly evident in this home. No resident was ever forced to participate—in fact Sylvia felt that even strong encouragement to become involved in activities both inside and outside the home could meet with criticism. She felt that many residents would be happier and healthier if they were more strongly encouraged to participate. During the visit, it was mentioned that there was an acute shortage of occupational therapists and that they presently did not have one available which might have helped to involve more residents.

In later conversations with a representative of the Foundation, the independent philosophy was noted and indicated as a current problem in the operation of the homes. Individual freedom is a highly respected way of life for the Englishman and woman; but there may be times when the disabled need to be encouraged to do more for themselves and to become more involved in home activities.

When asked why she chose not to remain at home with her family (where the family was being given support by the government), Sylvia replied that "Home Health Care cannot provide for recreation and just getting out (in the community) as opposed to a residential facility such as the Cheshire Home." This appears to be contrary to the growing assumption in the United States that given the opportunity and support, the elderly and disabled would choose to remain in their homes. The significant difference here is whether or not the residence is the home of the person's parents or whether it is his or her own home adapted to meet the needs of a disabled. This matter will be discussed in greater detail in the summary page of this paper.

Sylvia Holmes felt very strongly that the Cheshire Home residence did belong to the residents and therefore they should have a more active role in the policy setting procedures and the governing of the home. This is a current appeal heard throughout most of the Cheshire Homes, and it is one that the Foundation is addressing. The most suggested solution appears to be to have the residents represented on the local community boards.

As mentioned earlier in this paper, Ms. Holmes did conduct a tour prior to tea. The first impression an American might have upon entering the facility, would be that they were entering a pre-1960 vintage U.S. nursing home. However, as he or she met the residents, noted their youth, and observed the home's operations, he would soon realize that this was not a nursing home of any type known to him.

Although the home has twenty-five patients, the staff is small limited to the Warden, his wife (a nurse), plus two other nurses, a three-person kitchen staff and two housekeepers.

All the residents were disabled either by accident or disease; and most were confined to wheelchair. However, each resident was expected (and appeared to do so) to care for themselves to the fullest extent possible.

The interior of the home would probably not meet the code requirements for most eastern United States health departments. Not due to a lack of cleanliness or medical reasons; but primarily because of the width of doors and halls and other architectural differences between the British and United States standards.

Most wheelchairs were noted to be motorized, and an ingenious system of pullies and hoists enabled many residents to lift themselves into and out of bed. Likewise, most were able to care for their own bowel and bladder needs.

Residents are encouraged and supported in visiting the local community pubs and shops. However, several residents have never taken part in this type of outing. One unique aspect of the homes was an exchange program with a French facility similar to their own. Both staff and residents were exchanged.

Although "the management of each Home is vested in a committee, chosen to be a representative as possible of the local community," the residents admit that they still have some difficulty in receiving full support of their neighbors and fellow-community dwellers for the same basic reasons that exist in other communities around the world—i.e. the communities' concern for depreciation of property value of homes located near 'such a facility'; for fear of the effect disabled have upon children growing up; for the dissatisfaction of being forced to face the reality that the disabled deserve an opportunity to live within the community. The home office of the Cheshire Foundation is aware of these difficulties and as mentioned earlier is presently considering placing residents on the management committees.

CONCLUSIONS

In summary, the Cheshire Foundation Homes for the Sick list as their "Basic Principles" for each home:

1. The Homes have developed and expanded, not according to a pre-conceived plan, but as opportunity or need presented itself, and normally in some premises for which no one else could find a use.

2. They care for the incurably and permanently disabled—those for whom hospitals can do nothing further and who have nowhere else suitable to go.

3. They are run as homes rather than as hospitals, for their function is not to administer curative or surgical treatment. Thus they offer the affection and freedom of family life, the residents being encouraged to take whatever part they can in the day-to-day running of the house.

4. They are un-denominational. Residents are admitted according to need, irrespective of race, creed or social status, all being asked to live together as one family.

Based upon the limited knowledge gathered from one on-site visit and interviews with home office personnel plus a review of available literature, the writers have reached the conclusion that most of the "basic principles" are met and that the philosophy upon which the foundation was established still exists. The major items beginning answers are whether or not each home has a responsibility to its residents to "get them involved" or must the philosophy of absolute individual freedom be adhered to at all times and at all costs. Secondly, to what extent can the role of the residents in the management of the homes be expanded.

Nevertheless, it is apparent from discussions with the Foundation Staff and comments made by British Secretary of State of Health and Social Services, David Ennals, there will continue to be a need for Cheshire Homes as they exist today and even further expansion.

As mentioned earlier, the Foundation is working with a group of American citizens in Madison, New Jersey, to establish a home in that community. The success of this home in creation may very well set the pattern for future development of homes in the United States. To the best of the knowledge of the writers after limited research, no other home of this type actually exist within the United States. It may well be that here is a lesson to be learned.

NEW GENERATION SINGERS

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. COLEMAN. Mr. Speaker, as we were called into session this morning, it was our pleasure to hear the New Generation Singers of the Wyatt Park Christian Church of St. Joseph, Mo., performing on the east steps of the Capitol. It was a delightful way to begin this beautiful day.

The 67 members of the New Generation Singers are among the finest young people it has been my pleasure to meet. Although they have been traveling for nearly a week and keeping a busy schedule, they were fresh, alert, and enthusiastic. In short, they truly represent the best hope for our Nation's future. And, as you know, Mr. Speaker, they are very talented.

Mr. Speaker, I would like to especially recognize the Reverend Byron Myers who is director of the New Generation Singers. Reverend Myers and his wife, Phyllis, sponsored the tour, which included many performances across the Eastern United States. Throughout the year they devote their lives to their church and these young people. Assisting Reverend and Mrs. Myers as tour sponsors are Chuck and Jane Pfander, Doug and Carolyn Dannen, Bill and Doris Steele, and Richard and Barbara Crumley. These folks deserve our special appreciation for their work with these young people.

Mr. Speaker, I am proud to represent a district that produces young people like the New Generation Singers. I am sure you join in my hope that we can look forward to their visit again next year.

A LETTER TO THE SPEAKER

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. GILMAN. Mr. Speaker, my colleague, the distinguished gentleman from New York (Mr. RANGEL), and I believe, as do many other Members, that the President's recent proposal to dismantle the Office of Drug Abuse Policy—ODAP—from the President's Executive Office is a setback in this Nation's efforts to develop a comprehensive national drug strategy program.

In order to express our deep concern over this proposal, we have circulated a letter among our colleagues for their signature, a letter addressed to you, Mr. Speaker, urging that you use your good office to request the President to reconsider his decision to abolish ODAP. To date, 90 Members have signed this letter.

Mr. Speaker, in the interest of calling this letter to the attention of other interested colleagues and in welcoming their support, we insert the complete text and list of cosigners of our letter in the RECORD at this point.

HOUSE OF REPRESENTATIVES,
Washington D.C., August 4, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: We urge you to use your good office to advise the President to reconsider his recommendation to abolish the Office of Drug Abuse Policy (ODAP).

The Congress created ODAP to develop a national drug abuse policy and to finally coordinate the 50 departments, agencies, bureaus and administrations of the executive branch having jurisdiction over drug trafficking and drug abuse.

When President Carter took office, he supported the decision and, for the first time, the Congress and the nation had hopes that progress was being made.

Now, with less than five months existence, ODAP is being charged with the responsibility to research, study and make recommendations to the Congress and then, at the end of the year, go out of business.

Mr. Speaker, it has taken us too long to get our national narcotic problem on the executive agenda for the Congress to recede to the President's request.

We urge your support of our position.

Sincerely,

BENJAMIN A. GILMAN,
Member of Congress.
CHARLES B. RANGEL,
Member of Congress.

THE FOLLOWING MEMBERS OF CONGRESS REQUEST THAT YOU INTERCEDE ON OUR BEHALF AND ADVISE THE PRESIDENT OF OUR DISAPPROVAL OF HIS PROPOSAL TO ABOLISH THE OFFICE OF DRUG ABUSE POLICY

James Abdnor, Joseph Addabbo, Herman Badillo, L. A. Bafalis, Robert Bauman, Robin Beard, Mario Biaggi, Jonathan Bingham, William Broomfield, and J. Herbert Burke.

Yvonne Brathwaite Burke, John L. Burton, Shirley Chisholm, Don H. Clausen, Del Clawson, William Clay, James Cleveland, Cardiss Collins, Barber Conable, and Tom Corcoran.

James Corman, William Cotter, Phillip Crane, James Delaney, Ronald Dellums, Charles Diggs, Robert Dornan, Thomas Downey, Don Edwards, and Thomas Evans.

Billy Lee Evans, Millicent Fenwick, Hamilton Fish, Jr., Daniel Flood, Walter Flowers, Harold Ford, Louis Frey, Tennyson Guyer, James Hanley, and Augustus Hawkins.

Michael Harrington, Margaret Heckler, Elwood Hillis, Harold Hollenbeck, Elizabeth Holtzman, Frank Horton, Henry Hyde, Robert Kasten, Jack Kemp, and Edward Koch.

Robert Lagomarsino, Norman Lent, Trent Lott, Pete McCloskey, James Mann, Marc L. Marks, Ralph Metcalfe, Abner Mikva, Parren Mitchell, and Donald Mitchell.

Toby Moffett, G. V. Montgomery, Morgan Murphy, John Meyers, Lucien Nedzi, Richard Ottinger, Edward Pattison, Claude Pepper, Joel Pritchard, and Tom Railsback.

Frederick Richmond, Peter Rodino, Benjamin Rosenthal, John Rousselot, Marty Russo, Ronald Sarasin, James Scheuer, Joe Skubitz, and Steve Solarz.

Louis Stokes, Gene Taylor, Joe D. Waggonner, Jr., William Walsh, Theodore Weiss, Larry Winn Jr., Lester Wolff, C. W. Young, and Leo Zeferetti.

COMPETITION AMONG ENERGY RELATED INDUSTRIES

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. RODINO. Mr. Speaker, I am pleased the House's debate on H.R. 8444 has focused in part on matters relating to the level of competition in some of the energy related industries. However, particular questions may be resolved, it is useful, I think, to be reminded that our antitrust laws represent a fundamental commitment to vigorous competition that extends to every sector of our free enterprise economy.

As the House may be aware, the Judiciary Committee through its Subcommittee on Monopolies and Commercial Law has been engaged for several years in a careful and thorough examination of many aspects of competition in the energy industries. Some of those inquiries, I think, may be pertinent to issues raised by H.R. 8444.

The committee is, for example, completing a lengthy investigation into the possible anticompetitive effects of oil company joint ventures. By making close business partners of competitors, it may be that these ventures seriously erode competition, to the potential detriment of both businessmen and consumers. If such an anticompetitive potential does exist, the Congress should closely scrutinize these arrangements.

But our inquiry has, in part, been slowed by a lack of reliable, standardized data. For that reason, I am greatly pleased that H.R. 8444 requires the submission of all relevant competitive data, on an individual line-of-business basis, from the petroleum companies. The President, I know, is in strong support of these provisions and he is to be commended for his leadership in this area. Together with the Pre-merger Notification Act we passed last year—an act that provides for the advance review of certain large mergers and joint ventures—these provisions will help give the Congress, the antitrust agencies, and the new Energy Department the critical information we need to insure healthy competition.

As the House may also be aware, the Judiciary Committee is also studying the need for, and the merits of, legislation proposing the vertical divestiture of the major integrated petroleum companies. And we also have before us numerous horizontal divestiture proposals, aimed at forestalling anticompetitive developments in the coal and uranium industries in particular. Those, too, are receiving careful study.

Finally, the Monopolies Subcommittee is also particularly concerned about the state of competition in the Nation's petroleum pipeline industry. Pipelines, of course, are natural monopolies, and that is why they have long been subject to common carrier regulation by the ICC. However, the adequacy of this regulation has in recent months come under some notable challenge. The Justice Department, the Federal Trade Commission, the Department of Transportation, and the ICC itself have all raised concerns of anticompetitive potential—both in petroleum pipelines, and in the proposed deepwater ports that are now a source of so much public concern. These antitrust concerns voiced by the expert administrative agencies—concerns that include the possible exclusion of competitors and the exaction of excessive, monopolistic rates—deserve the most careful attention of the Congress.

Mr. Speaker, all of us have expressed ourselves against monopoly. But all too often, attention is paid only to those sectors of the economy traditionally governed by free markets and open competition. It is in those markets where Government regulation has to some degree replaced and limited free competition, however, that we have sometimes fallen short. It is in many of these very energy-related industries that our concern for competition should be at its greatest—precisely because competition has in these cases been diminished by regulation.

Mr. Speaker, H.R. 8444 is the product of an enormous amount of hard work and I am pleased that, in part, it brings to the attention of the House some of the difficult questions we face in the struggle to maintain a free, vigorous, and competitive energy economy.

NATIONAL ENERGY ACT

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. EARLY. Mr. Speaker, today we passed perhaps one of the most far-reaching and encumbering pieces of legislation that the 95th Congress will have had an opportunity to address itself to. Together, the Congress and the administration, have sought to fashion an equitable national energy policy. While five House committees labored for several months, the final piece of legislation will probably engender more redtape and add to the voluminous paperwork that already inundates our Federal and State agencies.

I think that we have asked for the impossible. What appears to be fair and palatable to all regions of the Nation on paper may be worth academic debate, but possibly would never withstand the acid-test of real-life situations. We have written legislation that asks the Federal Energy Administration, the Federal Power Commission, the Department of Housing and Urban Development, the Department of Transportation, the Energy Research and Development Administration, the General Services Administration, the Farmer's Home Administration, the Government National Mortgage Association, the Community Services Administration, and the CETA program to work together to formulate a coherent and readily available weatherization program for homeowners. While this many agencies and departments attempting to hammer out a single program would seem to preclude a quickly implemented and Catch-22 free program, there are just too many bureaucracies involved with jurisdictions that they have historically protected with a ferocity befitting the so-called king of beasts, the lion.

This plethora of organizations would be required to ostensibly draft a program to conserve our domestic energy supplies while reducing our dependence on foreign imports. I sometimes wonder whether, indeed, we have not unwittingly drafted legislation with its primary thrust aimed at reducing our trade deficit rather than conserving and converting our present industrial complex to alternative fuel sources. We now import nearly 50 percent of all crude oil used in this Nation. There should be no dispute that America has failed to effectively conserve our fossil fuel sources to date. And, now we are faced with the harsh fact that our balance of trade is partially, if not completely, contingent upon our

continued importation of substantial amounts of crude oil.

Unfortunately, we must give economic incentives to the consuming public to conserve, and place disincentives, economic penalties if you will, to prod it toward greater fuel efficiency and alternative fuel sources. As a result, I think, we have enacted a tax bill rather than a national energy policy.

The Congressional Budget Office estimates that through 1982, the pricing policies, regulatory, tax and nontax provisions, to encourage energy conservation, reduce demand for oil and natural gas, and conversion to alternate energy sources will cost Americans, at the minimum, $50 billion. This massive redistribution of wealth is regressive in nature. While it is commendable that the committees have sought to foster the development and deployment of solar energy equipment, the economic incentives are negligible when considering the present tax burden that most moderate and low-income Americans now bear. The committees in their effort to be equitable to all regions and to all Americans have recommended further that a crude oil equalization tax be kept in the legislation to help conserve and convert from such fossil fuels—and perhaps enhancing our balance of trade in the long term.

Again, however, even with a moderate rebate of approximately $28 per household, the cost of petroleum products, in particular gasoline, is expected to increase by nearly 7 cents, and as high as 10 cents on the gallon. The brunt of this new burden will be felt by those Americans who can least afford it. In theory the provision is equitable for all regions of the Nation. But, I suspect, that in practice, this provision will fail to accomplish its stated goal. The provision will flounder in its own complexity creating another bureaucratic nightmare.

Mr. Speaker, I must applaud, though, the action taken during the course of debate this week on the natural gas pricing provisions of the bill. We have successfully enacted legislation that gives sufficient economic incentive for new exploration and development of our domestic natural gas reserves while keeping a reasonable lid on the market price. Consumers will pay more for heating their homes and for cooking their meals, but we have restrained those groups who sought total deregulation. Such action would have drained an additional $70 billion from the consuming public without producing any significant increase in exploration and development of new natural gas reserves.

It should also be noted that the Members of this House acted wisely in resisting attempts to increase the Federal gasoline tax. The 4- and 5-cent increases, as proposed, would have proven regressive. The low- and moderate-income groups would have paid a disproportionate percentage of their income if this additional Federal gasoline tax had been enacted in comparison to those individuals and families in the upper income tax brackets. A recent Harris survey indicated that at $1 a gallon, 38 percent of Americans would change their means of transportation. At $1.25, 49 percent of drive-to-work people would carpool or take public transportation. At $2 a gallon, 54 percent said they would share or abandon their use of a car to get to their place of employment.

There is no doubt that Americans are concerned about the amount of gasoline they consume. But placing a 5-cent-a-gallon additional Federal tax on gasoline would have cut most deeply into middle America's wallet. Those in the upper income brackets would still spend less proportionately of their income on fuel costs than would the majority of Americans.

Mr. Speaker, I wish to make it clear for the record that I personally believe that the title to H.R. 8444, National Energy Act, is a misnomer. The legislation should be entitled a Tax Act of 1977. Those least able to afford insulating and retrofitting their homes will become involved in a bureaucratic quagmire. The continued tax squeeze on middle America will slowly become a strangehold. The administrative procedures required in this legislation will probably cause additional frustration for the vast majority of the American public. It is my thought that we must conserve our domestic fossil fuel reserves while cutting down on our foreign imports. But taxing Americans as provided for in this bill is unfair and will possibly aggravate the existing economic disparity between lower and moderate-income groups and those in the upper income brackets.

While I suppose this bill is fair in theory, it would in my estimation, cause further disenchantment with the Federal Government and with elected officials in general. I also have some serious reservations regarding the procedure by which this legislation was handled. Never have I seen a single piece of legislation pushed so fast and hard by the House of Representatives. One wonders whether sufficient time was spent on formulating and debating the provisions of this legislation. For these reasons, Mr. Speaker, I have reluctantly voted against final passage of this bill.

MR. JUSTICE CLARK

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. GONZALEZ. Mr. Speaker, the late Justice Tom Clark died during his 77th year; he would have been 78 years old on September 23.

Tom Clark was a public man, but not widely known, as perhaps the quiet dignity that we associate with the U.S. Supreme Court. He was known as a hard-working Justice, as industrious a man as ever served on the Court. In fact, his retirement was a working one, and at the time of his death, he was actively serving in the Federal court system, providing judicial help in circuit courts that were overburdened with work.

Tom Clark was born in Dallas, Tex., in the year 1899. He attended and graduated from Virginia Military Institute, a place steeped in legend, whose graduates have often gone on to distinguished public careers. Tom Clark spent his university years at the University of Texas, and received his law degree there in 1922. Two years later, he married Mary Ramsey.

For 15 years, Tom Clark practiced law in Dallas, 10 years in private practice, interspersed with 5 years as civil district attorney for Dallas County. He came to Washington to work for the Justice Department in 1937, and by 1943 became Assistant Attorney General. President Truman made him Attorney General, a post that he held until 1949.

President Truman nominated Tom Clark to be an Associate Justice of the Supreme Court on August 2, 1949, and his confirmation by the Senate took only slightly more than 2 weeks. He served the Supreme Court until his retirement at the recess of the Court in 1967, and thereafter continued his judicial work, right up until the moment of his death.

Tom Clark was a hard working, talented servant of the people. He wanted nothing more than that opportunity and privilege. There could be no higher tribute than to say that Tom Clark cared for his country, and served it with honor, every way that he could, and with excellence, in every capacity he held; and he never stinted in his effort, even to the last day of his life. Our country can only mourn the loss of a servant as dedicated as Tom Clark, a rare and good man.

OPEC USE OF THE SDR IN OIL TRADE: WE SHOULD WELCOME IT

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. REUSS. Mr. Speaker, once again, the dollar has dipped in exchange markets. Once again the oil producers, led by Iran, are threatening to value their product in special drawing rights—SDR's. Under the floating exchange rate regime that exists today, we must expect the value of the dollar to fluctuate occasionally with respect to the other major currencies. Over two years ago, in June 1975, the OPEC ministers decided in principle to switch from dollars to SDR's as their accounting unit, but this decision has never been implemented. We must now expect that whenever the dollar looks weak, the oil producers will become worried about taking payment in the U.S. currency. If I were an oil producer, I would get worried too.

For some years, the Joint Economic Committee has advocated reducing gradually the international monetary role of the dollar as a reserve asset that central banks hold, as a measure of value, and as a medium of exchange, in favor of the SDR issued by the IMF. A switch by the OPEC countries from using dollars to SDRs to value their oil would be difficult, since the SDR does not circulate as a medium of exchange that can be used by corporations or individuals. But if the technical problems could be ironed out,

such a transition would produce definite benefits for the United States.

I can visualize the situation in which the price of oil would be stated as a given number of SDR's per barrel and payment by companies purchasing that oil could be made in the appropriate number of dollars, marks, yen or whatever of equivalent value.

The possibility of paying for oil in other currencies according to a fixed SDR value might take some strain off the dollar in exchange markets by reducing the need for OPEC to convert dollar earnings into other currencies. This development might also pave the way for eventual use of the SDR itself as a medium of exchange, although evolution in this direction will necessarily be slow.

The United States must and should take its international and monetary responsibilities seriously. But we should also encourage the transfer of these responsibilities to the SDR, because relieving the United States of some of these responsibilities will help to give this country additional latitude in determining our own fiscal and monetary policies. If the international financial community looked a little more to the SDR, and less to the dollar, policy-makers in the United States might be able to be a little less concerned about the international implications of interest rate variations in the United States.

I welcome this prospective initiative from the OPEC finance ministers.

SETTING OUR HANDICAPPED FREE—SECTION 504 IS NOT ENOUGH

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. KOCH. Mr. Speaker, with the passage of title V of the Rehabilitation Act in 1973, handicapped Americans obtained long-overdue legislative protection of their basic civil rights. This law protects the Nation's handicapped from discrimination in Federal employment—section 501—in employment by recipients of Federal funds and contracts—section 503—and in housing, transportation, education, health services, and social service programs provided by recipients of Federal funds—section 504.

Until recently, many of the rights, guarantees by title V, often termed the "Civil Rights Act for the Disabled," were meaningless because there were no regulations to implement section 504 of that title. This spring, Secretary Califano developed and signed these regulations, and a broad antidiscrimination program could finally be set into motion.

Handicapped Americans worked long and hard to obtain these regulations as parts of their efforts to insure enforcement of the title's protections. But commencement of a Federal section 504 compliance program is not enough, however, to guarantee compliance with title V throughout the society. Disabled Americans face still another struggle to translate their statutory and regulatory civil rights protections into actual practice by all recipients of Federal funds.

The problem is this—should a recipient of Federal funds fail to comply with the provisions of title V, the Federal agencies administering the funds are empowered to cut off recipients' moneys. Unfortunately, if a handicapped person wants a job, or access to a program that receives Federal funds, an agency does not have the power to order specific relief for the person—it can only threaten to cut off all Federal funds going to the recipient. This drastic action is impracticable as a mechanism to insure enforcement of civil rights protections on an individual basis. Therefore, each disabled person must ultimately turn to the courts if he or she wishes to obtain individual relief.

Individual litigation is thus extremely important to the effective enforcement of title V's guarantees. At present, however, very little title V litigation has occurred, largely because of the need for extensive—and expensive—investigations, document production and expert witnesses to press such cases successfully. Disabled people, who face so many attitudinal and architectural barriers, thus confront an economic barrier that prevents many of them from exercising their private right of action, and individual remedy becomes impossible. Unless individual litigation is made feasible under title V, much of its protections will remain unenforced.

Therefore, today I am introducing a bill to add a new section to title V to allow attorney's fees for litigation brought to enforce its provisions. This additional section serves to give title V parity with similar civil rights laws that award attorney's fees to prevailing plaintiffs. All handicapped citizens would then join the ranks of other civil rights litigants and litigants enforcing section 504 against State and local officials in seeking attorney's fees to offset the great financial burden of enforcing the Nation's nondiscriminatory statutes. My bill makes the courts a viable avenue of recourse for disabled Americans whose civil rights are violated.

The text of my bill follows:

H.R. 8862

A bill to amend the Rehabilitation Act of 1973 to permit courts to allow a reasonable attorney's fee to prevailing parties, other than the United States, in certain actions under title V of such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title V of the Rehabilitation Act of 1973 (29 U.S.C. 790 et seq.) is amended by adding at the end thereof the following new section:

"ATTORNEY'S FEES

"SEC. 505. On any action or proceeding to enforce any provision of section 501, section 503, or section 504, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs.".

"SEC. 2. The table of contents in the first section of the Rehabilitation Act of 1973 (Public Law 93–112; 87 Stat. 356) is amended by adding at the end thereof the following new item:

"Sec. 505. Attorney's fees.".

STATE-EMPLOYEE RELATIONSHIP

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. CHARLES H. WILSON of California. Mr. Speaker, when Congress returns next month, one item on the calendar will be consideration of H.R. 6566, authorizing appropriations for the Energy Research and Development Administration for fiscal year 1978 national security programs.

One item upon which there is disagreement involves the status of University of California employees at the Lawrence Livermore Laboratory. While the disagreement is limited to one California facility, an amendment may be offered, and for my colleagues' benefit, I offer this background report.

As I see it, the central question is whether the Congress should intrude in the area of State-employee relations while legislation on this subject is presently under discussion by the California State Legislature.

The report follows:

REPORT

The California legislature is considering whether to permit the state's public employees to collectively negotiate labor contracts with their employers. Several measures are now before the legislature.

Assembly bill 1590 proposes to replace all existing public employee-employer relations legislation, including the 1975 law affecting public schools and community colleges, with a single collective bargaining law covering virtually all of California's public employees.

Separate bills have been sponsored by Assemblyman Howard Berman and Senator Ralph Dills.

The Berman legislation (AB 1091) is aimed solely at University of California and California State University and College employees.

Introduced in the Assembly in April, the Berman bill, based upon past practice, is expected to be amended from its original form as it moves through the legislature. The measure has cleared both the Ways and Means Committee and the Assembly. The measure then went to the State Senate, where it was at the time the Legislature adjourned for the summer. The legislature reconvened on August 1.

That bill would affect Lawrence Livermore Laboratory employees because if it becomes law, the Laboratory, as part of the University of California system, would be covered by its provisions.

Currently University of California workers, as well as all state employees, fall under what is known as the Brown Act, authored by then Assemblyman and now our colleague Representative George Brown.

That legislation permits employees to organize, and requires management to "meet and confer" with employee representatives on issues involving wages, grievances, and working conditions. The Brown Act, however, does not provide for the adoption of legally binding labor contracts.

The Berman bill proposes new regulations for University of California employees. Similar to the Rodda Act, which allows the state's public schools and community college employees to choose whether they want collective bargaining, the Berman bill has these provisions.

Academic and non-academic workers, with the exception of those classed as "manage-

rial" and "confidential" employees, would be free to join or not join organizations established for the purposes of collective bargaining.

An organization representing a majority of employees in what is termed an "appropriate unit" could be certified as the exclusive bargaining representative.

An employer and an exclusive bargaining representative may, but are not required to, enter into binding arbitration to settle a dispute that might arise, for example, over interpretation of an agreement.

The act would be administered by the Educational Employment Relations Board which was formed to administer the 1975 law covering public schools and community colleges. This board is similar in scope and function to the National Labor Relations Board. Among the board's duties are: determining the appropriateness of proposed bargaining units, conducting and certifying elections that determine union representation by employees, and investigating unfair labor practices by either management or organizations.

The Berman bill is silent on the controversial topic of public employees' right to strike. California courts have held that state law prohibits strikes by public workers.

In stating who would be permitted to join employee organizations, the bill defines "confidential" and "managerial" employees as two classes excluded from collective bargaining representation.

Managerial employees are defined as those who have "significant responsibilities" for formulating or administering policies and programs. Confidential employees are those whose job requires them to develop or present management's position on collective bargaining or "whose duties normally require access to confidential information which contributes significantly to the development of such management positions."

"Supervisory employees"—those in whom an employer has delegated authority in such personnel matters as hirings, firings, transfers, promotions, layoffs, or discipline—could be represented in a collective bargaining unit. But, the bill says, it is not "appropriate" to have a collective bargaining unit that includes both supervisory employees and non-supervisory employees.

In commenting on the "appropriateness" of other bargaining units, the bill, as now written, makes these points:

. . . skilled crafts employees shall have the right to be a separate unit of representation, based on occupation. Skilled crafts employees shall include, but not be limited to, employment categories such as carpenters, plumbers, electricians, painters, and operating engineers.

There is a presumption that professional employees should not be included in the same bargaining unit. However, the presumption is rebuttable.

In each case where the appropriateness of the unit is an issue, the California Educational Employment Labor Relations board decides the question on the basis of the community of interest between and among the employees and their established practices including, among other things, the history of employee representation, the extent to which such employees belong to the same employee organization, and the effect of the size of the unit on the efficient operation of the college or university.

Meanwhile, the California Senate on June 21 approved a bill sponsored by State Senator Dills, sending this collective bargaining proposal to the Assembly. As passed by the Senate, the Dills measure provides state workers—excluding University of California employees—a system of employee relations very similar to that now provided to California city and county employees under a law known as the Myers-Milas-Brown Act.

Introduced by Senator Dills as Senate Bill 839, the legislation would provide that employer representatives would meet and confer with representatives of recognized employee organizations—if employees choose collective bargaining—and make a good faith effort to reach agreement on terms and conditions of employment.

If agreement is reached, a binding "memorandum of understanding" would be jointly prepared and submitted to the Legislature for approval and funding. If agreement cannot be reached, a mediator could be appointed to help resolve the dispute.

The bill also provides for such things as the development of regulations pertaining to the official recognition of employee organizations, the role of management and confidential employees and additional dispute resolution processes.

Either the Berman or the Dills bill would have to be approved by both the Assembly and the Senate and be signed by the governor before it becomes law. That action would have to come in this session of the Legislature for a new collective bargaining law to take effect on July 1, 1978.

A VOID TO BE FILLED

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. HOLLENBECK. Mr. Speaker, the sudden death of Archbishop Makarios on Wednesday of this week is a great tragedy for the people of Cyprus. Archbishop Makarios worked long and hard to earn the trust and confidence placed in him by the people of Cyprus and his memory will remain as an inspiration to Greek-Cypriots.

During the 1950's Makarios participated in the militant drive to secure Cypriot unification with Greece. His efforts directly contributed to the independence achieved on August 16, 1960. During his 17-year tenure as the major political figure in his country, Makarios worked toward a lasting peace, and managed to survive even the most difficult of situations. In the past two decades Cyprus has come to the brink of war three times. Makarios weathered the political confrontations on the island of 700,000 whose evolution has been shaped by the conflicts between its Greek ethnic majority and Turkish minority.

Because of his benevolent rule, he was genuinely loved and supported by the significant majority of Greek Cypriots. Those who knew him well spoke of him as an immensely charming and charismatic leader who was without equal.

Despite the threat of violent death which tormented his existence over the past years, Makarios continued to work in a public capacity aimed at unionization with Greece. His death has created a void which will be difficult to fill. I only hope that his successors will work to follow the goals of national unification and peace, and that some day, Cyprus will enjoy the benefits of political freedom and tranquillity that it so richly deserves.

THE FISHERY CONSERVATION AND MANAGEMENT ACT OF 1976—SHADES OF PROMISE

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. LEGGETT. Mr. Speaker, commercial fisheries traditionally have been an important source of income and employment in coastal areas in the United States. However, the nature of the resource and the institutional arrangement controlling the harvesting of this resource made it difficult to attract capital, technology, and young fishermen, thereby relegating commercial fishing to marginal break-even operations in yesteryear.

The U.S. fleet has been characterized by old vessels which were expensive to maintain, relatively inefficient, and subject to high and rapidly increasing insurance rates. These vessels were not being replaced. The fishermen or crews on many of them received relatively low earnings for the long hours they worked. New fishermen were not being attracted to these fisheries and the average age of fishermen seemed to be rising steadily.

Between the years of 1960 and 1976, the United States take of fish off its shores has remained relatively stable, even declining in certain locations, while the foreign take off the U.S. coasts increased monumentally. This situation has caused overfishing in at least 10 major commercial stocks and has caused correspondent adverse economic consequences to our fishermen.

This was the picture we faced when the Fishery Conservation and Management Act of 1976 was enacted on April 13, 1976, just 15 months ago. It was my hope and the hope of my colleagues that this act would be a giant step forward in our efforts to revitalize the U.S. fishing industry. Very early reports indicate that this act may be meeting some of our expectations.

I have asked the Department of Commerce to do a study on the economic benefits of the act so we can determine exactly how it is benefiting the fishing industry and what more needs to be done to assist this important industry to regain its proper place in the ranks of the world's major fishing nations. Perhaps we have been effective!

I wish to bring to the attention of my colleagues an article in the July 25, 1977, Wall Street Journal which indicates how much the picture of our domestic fishing industry has changed. The article entitled "After Years of Decline, U.S. Fishing Industry Is Beginning to Boom," by Neil Ulman, follows:

AFTER YEARS OF DECLINE, U.S. FISHING INDUSTRY IS BEGINNING TO BOOM

(By Neil Ulman)

GLOUCESTER, MASS.—Although the fish are still running, the aging commercial fishing trawler Natalie III is returning to port here, her voyage marred by equipment failures. It has happened before—the vessel is about 30 years old—but on this occasion, Natalie III skipper Anthony Parisi is surprisingly undis-

couraged. Times are sure to get better, he explains, because "big things are changing in this industry."

And indeed they are. Consider:

After years of decline, the New England fishing fleet's catch is a striking 25 percent above year-earlier levels.

Foreigners are showing up at U.S. fishing ports everywhere, eager to contract for supplies of American-caught fish.

Young people, typified by the resemblance of Natalie III's crew to a college football team, are coming back to the fleet.

And Mr. Parisi himself, with two of his brothers, impatiently awaits delivery of a new 110-foot, steel-hulled purse seiner under construction in Maine at a cost of nearly $1 million. The boat is part of a new boom in fishing-vessel financing and construction.

IMPACT OF THE 200-MILE LIMIT

Credit for all this, fishermen say, goes to the 200-mile "fisheries conservation zone" established by Congress last March 1. By giving U.S. fishermen first crack at fish within 200 miles from shore, the new regulation had cleared over 400 foreign fishing vessels from U.S. waters. And although fisheries experts say the full effect of the law on the long-troubled $3.3 billion domestic fish industry is yet to be felt, they are surprised by the difference the 200-mile zone is already making both here and in fishing ports around the world.

In addition to the U.S., nearly 50 other countries have established 200-mile fishing boundaries, most of them in the past six months. Nor will it be long, believes John A. Knauss, dean of the University of Rhode Island's Graduate School of Oceanography, before all coastal nations adopt the zone, extending new claims of national sovereignty over 37 percent of the world's ocean. But because American waters have been a prime source of fish for so many other countries, it's the U.S. limit that is having an especially significant impact abroad.

Fish prices in Japan, for instance, have been rising sharply ever since the new U.S. and Russian limits forced many Japanese fishing vessels from Pacific waters within those nations' 200-mile zones. As a result, the Japanese government has begun a $750 million program to improve Japan's coastal fishing grounds. And the Soviet Union, hundreds of its vessels pushed out of U.S. Atlantic and Pacific waters, is turning to the coastal waters of Africa and Asia, stepping up diplomatic efforts to secure access to fishing areas there.

THE GERMANS' COMPLAINT

Meanwhile in West Germany, Nordstern High Seas Fishery Co. complains that foreign-fishing quotas set under the U.S. law are so low that there could be 5,000 workers out of jobs in the German fishing industry within a year. To fill the supply gap created by the quotas, Nordstern would like to take fish directly from American fishing vessels and process it at sea, a spokesman says. (Mr. Parisi, the Natalie III skipper, says he already has been asked by Nordstern if he would be willing to deliver fish to German processing vessels. Nordstern denies making such an approach, apparently in the mistaken belief that such transfers would be illegal.)

Other foreign fish-processors also are expressing interest in doing business with the American fleet. William Gordon, Northeast regional director of the National Marine Fisheries Service, a Commerce Department arm, reports that in the four months since the 200-mile limit was set, over 30 delegations from Japan, Spain, Poland, West Germany and Italy have shown up here seeking American sources of supply for fish they used to catch themselves off U.S. coasts. A year earlier, by contrast, there were only two such visits.

Besides attracting foreign processors, the 200-mile limit is also stimulating investment within the U.S. fishing industry itself. The Fisheries Service says the amount of loans it guarantees on fishing-boat construction totaled $21 million in the just-ended fiscal year, compared wtih $8 million in fiscal 1976 and $5 million the year before. Among the recent recipients are Mr. Parisi and his brothers, who are using a guaranteed loan to build their new boat. It is an investment that Mr. Parisi says depended on the protection of the 200-mile limit. "Without it there wouldn't have been any U.S. fishing industry—no stock to fish on," he declares.

LURING NEWCOMERS

The improved climate is luring newcomers as well. Frederick Leber, a 34-year-old former staff attorney with the Securities and Exchange Commission, is building a $350,000 83-foot trawler which he plans to operate with a hired skipper. Mr. Leber expects to pay off his government-backed loan on the boat in six to seven years, depending on fishing prices.

"If prices stay where they are this week (around 20 cents a pound for cod), we'll just get along," he says. "If they go where they were last winter (around 75 cents a pound), we'll make a lot of money." In any case, Mr. Leber adds, he "wouldn't have done it" without the 200-mile limit.

This is good news for builders of fishboats. Bender Shipbuilding Co., a Mobile, Ala., concern that is building Mr. Leber's boat, says a recent surge of orders has extended delivery times to a year, compared with six months last winter. In Seattle, Marine Construction and Design Co. reports nine new fishing vessels on order, the first such orders in 18 months. And Newport Shipyard Inc., Newport, R.I., which hadn't built a fishing boat "since the 1940s," is completing a 96-foot vessel for delivery this summer to the Gloucester fleet and negotiating two other contracts, a spokesman says.

Aiding the fishing industry's resurgence is the sharp rise in the size of the New England catch. The amount of fish brought into principal ports since the 200-mile limit went into effect totals 110 million tons, up 25% from the year before. Marine biologists who watch the fish stock are reluctant to assign specific reasons for this increase; it is certainly too early for the 200-mile limit and its quotas to cause a rise in the stocks, they caution. And federal statisticians on the West Coast, an even bigger fishery than New England, say there doesn't appear to have been any dramatic change in landings this year, although hard figures are still lacking. (Much of the fishing from boats out of West Coast ports takes place beyond the 200-mile limit.)

But fishermen themselves haven't any doubt that the 200-mile limit is making the difference in New England. Edward MacLeod, chairman of the New England Fisheries Steering Committee and manager of Kennebec Fish Co.'s Gloucester operations, points to a chart of New England waters to explain: "Foreign vessels fishing in the Gulf of Maine and the Georges Bank used to work over the schools of fish out there—break them up and scatter them. Now those fish are coming in closer where the U.S. fishermen have a chance."

Whatever the case, processors of fresh fish have turned New England fishermen away at least twice this spring, unable to handle their catch. "That's the first time I can remember that happening in 15 years," says Rose Ciulla, who helps manage Star Fisheries, a small processor on Gloucester's Harbor Loop. Star finds the outlook so promising that it plans a $700,000 expansion of its facilities that would allow it to handle 40 boats at a time, up from six currently, Mrs. Ciulla adds.

On a larger scale, Seattle-based New England Fish Co. plans a $2 million to $3 million addition to its Kodiak, Alaska, processing plant. The new facilities will process bottom fish such as cod, pollock and flounder caught in waters where the Russian and Japanese presence is being cut back. "We think the outlook for bottom fish is good because now the U.S. can manage these resources so they will continue to produce," a spokesman says. "That's a tremendous change."

These processors, however, worry about foreign competition for U.S.-caught fish. While Korean Marine Industrial Development Corp. recently contracted to take American fishermen's catch aboard its processing vessels inside the 200-limit off Alaska, two West Coast industry groups that advise the government of fishing-quota policies recommended disapproval of the deal. And the National Marine Fisheries Service, which says it has received "several applications" for permits like those sought by the Koreans, is scheduling public hearings at fishing ports around the country to help determine whether foreign processors should be allowed to operate within the 200-mile zone.

Still, for all the growth predicted for the U.S. fishing fleet, it's likely to be some time before the industry can fill domestic demand. Currently, nearly half the fish consumed in the U.S. isn't the fresh-caught product of the American fleet but rather fish caught by foreigners in distant European or Mid-Atlantic waters, frozen and then sold to large food processors and retailers here. As a result, the U.S. is running a $1.5 billion annual trade deficit in fish products.

One problem is that even if the fleet could catch enough fish to satisfy all domestic demand, U.S. fresh-fish processors lack the capacity to turn out frozen fish in the volume that large food-product companies require. Indeed, the inability of the fresh-fish processors to absorb today's rising catch has even forced some fish prices down.

Many in the industry, however, believe this situation will be a temporary one. "I foresee the domestic industry once again catching enough fish to sell to processors like ourselves," says Ross N. Clouston, president of Gordon Corp., a General Mills Inc. subsidiary that markets frozen-fish products. Others predict further increases in U.S. fish exports. "There's a market somewhere in the world today for every fish an American fisherman can catch," declares Mr. Gordon of the Fisheries Service.

Such prospects are bringing young people back to the domestic fleet. The pay is good: A deckhand can earn $20,000 a year now, while a skipper can make up to $35,000 a year, says Natalie III's Mr. Parisi. And the University of Rhode Island, which claims to offer the nation's only bachelor's degree in fishing, says the number of students signing up for the curriculum rose to 87 last year from 58 in 1975. Applications for this fall's semester total 100 for 50 available openings, the university adds.

PERSONAL EXPLANATION

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. LEACH. Mr. Speaker, because of scheduling conflicts, I missed the following votes and would like to record how I would have voted if I had been present: Roll No. 84, "yes;" roll No. 138, "yes;" roll No. 183, "yes;" roll No. 205, "yes;" roll No. 259, "yes;" roll No. 289, "no;" roll No. 299, "yes;" roll No. 300, "yes;" roll No. 301, "yes;" roll No. 376, "yes;" roll No. 378, "no;" roll No. 421, "yes;" and roll No. 464, "yes."

On roll No. 9, I voted "present" be-

cause of a conflict of interest caused by ownership in a family company directly affected by the legislation in question. Subsequently, my family has agreed to sell out, through merger, our interest in the family business.

On roll No. 227 and No. 373, I voted to prohibit aid or trade to Cuba. My feeling is that such a prohibition is justified with respect to aid, but not trade. We have trade relations today with both the Soviet Union and the Peoples Republic of China. Trade implies mutual advantage, not approval of domestic political systems.

OIL IMPORTS: A CONTINUING AND GROWING DISASTER

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. VANIK. Mr. Speaker, in June, the Library of Congress released a major report entitled "Project Interdependence: U.S. and World Energy Outlook Through 1990." The report, prepared at the request of both House and Senate Committees, is an excellent statement of the enormous energy problems facing the Nation. The report clearly indicates that the President's plan, which has been weakened by the Congress, is inadequate to deal with the energy problems facing the United States.

The following quotes from the report are the best summary I have seen on the probable level of oil and natural gas imports which will be required by the United States during the next few years. These figures indicate that at the present level of imports, we are facing a long-range trade and balance of payments problem which threaten the value of the dollar and the stability of our economy and the world's economy:

OIL AND NATURAL GAS IMPORTS

10. Under base case demand and supply conditions laid down in this report, natural gas imports are expected to grow from 0.9 TCF in 1976 to 1.5 TCF in 1980, 2.1 TCF in 1985, and 2.4 TCF by 1990. Oil imports—crude oil and oil products—are projected to increase from 7.2 million b/d in 1976 to 10 million b/d in 1980, 11.8 million b/d in 1985, and 12.9 million b/d by 1990. The strategic oil storage program is projected to add another 0.4 million b/d in 1980 and 0.3 million b/d in 1985.

11. Additional oil imports will come primarily from Arab countries in the Middle East and North Africa. Total U.S. imports from the Middle East and North Africa are projected to grow from about 2.5 million b/d in 1976 to 6.6 million b/d in 1980, 7.4 million b/d in 1985, and 7.9 million b/d by 1990. The adverse effects of another oil embargo on the economy at current and projected Arab oil import levels could be anywhere between very substantial and disastrous.

12. The implications of a dependence on the Middle East and North Africa in 1985 equal to total oil imports in 1976 are manifold and include: (*a*) potential oil supply interruptions as a result of war in the Middle East, or confrontation with the Soviet Union or, acts of sabotage by terrorist groups; (*b*) unknown effects of the accumulation of vast monetary reserves in Saudi Arabia and a few other Arab Gulf countries on the world economy; (*c*) potential conservation policies of Saudi Arabia or other Arab Gulf countries with limited capital absorptive capacity, resulting in escalating oil prices; (*d*) reduced leverage in the exercise of U.S. foreign policy in the region; (*e*) possible friction within the western alliance systems related to potential competition for available Middle East oil supplies.

These Library figures are most ominous. The Library estimates we will be importing 10 million barrels of oil per day by 1980—that equals 3.6 billion barrels per year. Assuming $15 per barrel oil by that time, which may well be a conservative assumption—our payments to foreigners for oil will be $55 billion per year. The figure of $55 billion is approximately half of the value of our total imports today, half of our defense budget, half of our social security/medicare budget—it is a national treasure that is being sent overseas in exchange, not for capital goods to make our country better, but for fuel to be burned away.

These figures are stark testaments to the need to conserve and to develop alternative forms of non-oil energy.

THE CLEAN AIR ACT AMENDMENTS OF 1977

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. RUPPE. Mr. Speaker, automotive workers, not only in Detroit but throughout the United States, heaved a deep sigh of relief when Congress last night finally passed and sent to the President the Clean Air Act Amendments of 1977.

This act provided, in part, an essential extension of the overly strict automotive emissions schedule due to take effect this year. These statutory standards would mean lost jobs to thousands of workers if an extension were not passed.

Although the automotive emission standards finally agreed upon were more stringent than those included in the House-passed bill, H.R. 6161, workers in the automobile and related industries, who comprise about one out of every five jobs in our labor force, were spared the hardships associated with job lay-offs that would have occurred without this 11th hour reprieve by Congress. Accordingly, the measure passed by a voice vote.

But the automotive emissions schedule was only a part of the bill which will have a wide-ranging impact outside the automotive industry. I refer, of course, to the restrictions on stationary source emissions; and, in particular, the issue of significant deterioration. It seems that in our rush to meet the mid-August deadline for automotive emissions, we may be unnecessarily restricting further development in the rural areas of the Nation, such as my own district of northern Michigan.

While I clearly favor a continuing effort to improve the quality of the Nation's air, I am deeply concerned that, ultimately, this legislation will lead to a "no growth" policy for areas such as northern Michigan.

In particular, I worry about the stringent emission restrictions placed upon class I areas, and how this new legislation will affect development in adjacent or nearby lands surrounding the class I areas.

Coming, as I do, from a district that includes three national forests, a national park, a national lakeshore, and a Federal wildlife refuge, and where the preservation of northern Michigan's unique environment and development of mineral resources has gone hand-in-hand for over a century, stringent growth restrictions arising from the significant deterioration section of this legislation would be not only unnecessary but also an economic hardship on my district, which is currently experiencing an economic revival.

It is unfortunate that the Breaux amendment permitting an 18-day variance in sulfur dioxide emissions was only adopted for class I areas and not also included for class II areas. It remains to be seen whether this variance will be sufficient to meet the strict increment levels established under this legislation.

Undoubtedly, the provisions dealing with significant deterioration will result in lengthy and complex regulations and perhaps even legal battles over interpretation of the act.

Therefore, I want to express my reservations about this legislation as it pertains to significant deterioration. I fear Congress may again be confronted with this issue in the very near future.

AIR BAG DECISION WILL REDUCE FATALITIES

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. WALGREN. Mr. Speaker, I would like to bring to the attention of my colleagues the following article concerning the air bag issue.

[From the Scranton Times, July 13, 1977]

AIR BAG DECISION WILL REDUCE FATALITIES

Overshadowed by President Carter's announcement of an end to the B1 bomber program was the news of the decision of Transportation Secretary Brock Adams to require automatic crash protection devices in all new cars by the 1984 model year.

The two announcements came the same day. The B1 decision will avoid an unnecessary expenditure of taxpayer dollars. The decision to require air bags or automatic restraints in cars will mean a saving of lives.

The Insurance Institute for Highway Safety, which has been a leading proponent of automatic protective devices in cars, reports that more than half of the 27,000 auto accident deaths each year result from crashes in which air bags or automatic seat restraints would prevent fatalities. Secretary Adams said his decision could save as many as 9,000 lives a year.

While the devices have been available for some years, the auto industry has been reluctant to make them standard equipment. And most motorists have declined to use the seat belts and related equipment which are now required in new cars. Legislatures have been unwilling to mandate seat belts be used by motorists and passengers.

To get around the problem, safety officials have been urging that automatic safety de-

vices be required by law. The former Transportation secretary, William T. Coleman, Jr., declined to issue such an order. He urged auto makers to install air bags on half a million cars in late 1979 on a voluntary basis.

But highway safety is not something that can be left to a voluntary basis, as has been shown by both manufacturers and the motoring public. With air bags and automatic seat restraints elevated to equipment required by law, the devices will be there when needed. The timetable setting deadlines of the 1982 model year for larger cars and 1984 for all cars is a reasonable transition period for car manufacturers and the public to get used to the idea. And mass production of the devices will make them less expensive than they are now.

SEEKS CONSUMER PROTECTION AGAINST FRAUD IN THE MARKETPLACE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ROSENTHAL. Mr. Speaker, in seeking ways to increase the ability of consumers to exercise their rights in the marketplace, this Congress is considering a number of proposals designed to give consumers a strong voice in the regulatory process and provide consumers the legal ability to fight against fraud and unfair practices. One such proposal is section 7 of H.R. 3816, the FTC Amendments Act of 1977. H.R. 3816 is scheduled to reach the House floor shortly. The bill, and especially section 7, has been the subject of an intense lobbying effort by some members of the business community. Since much of the opposition to section 7 comes from business groups who are also opposed to a bill which I have sponsored creating a Federal agency for consumer protection, and since many of the arguments made against the ACP and section 7 are similarly illogical and often inconsistent, I would like to bring those inconsistencies and contradictions to light and to urge those Members of Congress concerned with affording consumers adequate protection to support section 7 of H.R. 3816.

Section 7 allows consumers who are injured by a violation of an FTC rule or order to sue individually or as a class for damages resulting from the violation. In short, this provision allows consumers to use the orders and rules of the FTC to obtain relief from fraud or unfair business practices by creating a private right of action.

Contrary to the picture of massive and frivolous law suits which would result from this provision as painted by its opponents, the ability to use this section is narrowly prescribed. In order to bring a law suit under this provision, the FTC must have certified in the rule or order to be invoked that it is appropriate for use in private relief. In other words, the FTC must provide by the terms of the rules or order that it can serve as the basis for consumer suits.

Section 7 spells out specifically the way in which notice shall be given to potential members of a class and the way in which damages shall be proved, awarded, and distributed. It provides defendants with substantial protection against irresponsible litigation and unjustified damages awards by requiring that the suits and resultant awards be conducted according to well-defined criteria.

Yet some business groups continue to oppose section 7 with tortured arguments based on distortion of the section's provisions and positions which are totally contradictory with positions taken by the same groups against other consumer protection legislation.

For example, it has been argued against section 7 that in order to preserve uniformity of law enforcement and regulatory activity, one Government agency should enforce the statutes within its congressionally mandated jurisdiction. However, when faced with the prospect of one Government agency created to insure that those statutes are enforced with serious representation of the consumer viewpoint, uniformity of enforcement is opposed.

Another example of the inconsistency in the business arguments against section 7 and the consumer agency is the too-much-Government argument. The consumer agency legislation has been criticized by its opponents as a costly additional layer of bureaucracy. Section 7 is a legislative proposal designed to afford consumers serious protection against marketplace abuses at no cost whatever to the Federal Government and without creating any additional layers of bureaucracy. Yet it is as strongly opposed as the consumer agency.

The real issues raised by section 7, however, are not the issues of uniformity or cost or even the wisdom of a class action mechanism. The real issue is resources. At an FTC oversight hearing by the Commerce, Consumer, and Monetary Affairs Subcommittee, which I chair, Congressman ELLIOTT LEVITAS, Democrat of Georgia, made the following observation to the Commission:

Mr. Gibson and others have commented about limited resources and the impact which that has had upon the decisions made not only at the regional offices, but in Washington as well. That is a factor well known to the private practitioner. In fact, I would guess that that is one thing on which the private practitioner with a marginal case can rely most effectively. If he puts you people to enough work, he knows that you are going to go on another matter where you have a better cost-benefit relationship existing. ("Federal Trade Commission Regional Office Operations", hearings before the Commerce, Consumer, and Monetary Affairs Subcommittee of the House Government Operations Committee, March 15 and 16, 1977.)

Indeed, it is well known to the business interests which oppose section 7 that the FTC with its limited resources cannot possibly detect and sue every violator of its statutes. Section 7 will allow aggrieved consumers to use their FTC Act to sue the violators which the FTC would never get to. In fact, statutes authorizing combinations of public and private enforcement are common in the antitrust, securities, employment discrimination, civil rights, and environmental areas precisely because limited Government resources alone could not realistically be expected to solve the problem.

This Congress has an opportunity to give consumers both the voice they need in the regulatory process and the tools necessary to enforce the rights afforded to them by that process. I urge my colleagues to support section 7 of H.R. 3816.

REPRESENTATIVE BINGHAM'S LETTER ON THE CLINCH RIVER BREEDER REACTOR

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. BROWN of California. Mr. Speaker, my good colleague, Representative JONATHAN BINGHAM, had an excellent "Dear Colleague" letter the other day in support of the President's decision to defer the Clinch River breeder reactor. For the educational value to all of us, I insert his letter into the RECORD.

The letter, dated July 14, follows:

JULY 14, 1977.

DEAR COLLEAGUE: I am writing to urge your support for George Brown's amendment to the ERDA authorization bill, H.R. 6796, an amendment which will provide $33 million for termination of the Clinch River Breeder Reactor project, while retaining nearly $500 million for continued research and development of more safeguardable breeder reactors.

Over the past several weeks the Congress has been subjected to an intense and often misleading lobbying campaign by proponents of the Clinch River project. In writing today, I want to share with you my understanding of the facts of the situation and offer you my reasons for supporting the President's decision to defer commercialization of the breeder reactor.

It is my belief that the spread of nuclear weapons capability represents the single greatest threat to the continued existence of human civilization on this planet. Specifically, the danger is that terrorist organizations or irresponsible nations such as Uganda or Libya will gain possession of enough plutonium to readily manufacture nuclear weapons. The present generation of light water nuclear reactors do not present this danger: they use a slightly enriched uranium fuel which does not contain plutonium. After use in light water reactors, the spent fuel rods do contain some plutonium, but it is mixed in with lethally radioactive by-products of the fission process and is thus relatively inaccessible.

President Carter is presently pursuing a courageous and far-reaching foreign policy initiative designed to curb the use of plutonium as a reactor fuel. At the heart of this difficult effort is the attempt to prevent premature commitment to breeder reactors. If the House were to encourage the commercialization of the plutonium breeder by approving full funding of the Clinch River project—which would use a pure plutonium fuel—we would completely undermine the Administration's vital antiproliferation effort.

The key point here is that through the introduction of commercial plutonium-fueled breeders such as Clinch River, the U.S. would sanction the use of plutonium as a legitimate article of daily commerce. It would take only twenty pounds of plutonium to fashion a nuclear weapon as destructive as the bomb dropped on Nagasaki. The acceptance of this pure weapons-grade material as a reactor fuel would encourage the development of a "plutonium economy" where pure nuclear bomb material would be a daily cir-

culation throughout the globe; in such a world nuclear antiproliferation efforts would be completely hopeless, and international safeguards on plutonium diversion would be impossible to enforce. That is why the House International Relations Committee reported last year, after two years of study on international safeguards that "Safeguards which are adequate and effective when applied to nuclear reactors are inadequate and ineffective when applied to nuclear reprocessing facilities." The same rationale lay behind the International Relations Committee's vote on May 24 of this year to support President Carter's decision to terminate the Clinch River project and vigorously pursue development of more safeguardable alternatives.

Foreign nations share our deep concern over the dangers of the plutonium economy. Several of the Carter Administration's antiproliferation initiatives have already met with significant success abroad, despite the fact that representatives of the U.S. nuclear industry have constantly encouraged opposition to these initiatives from within the atomic bureaucracies of foreign nations. Specifically, we can be pleased by the announcement by the French and the West Germans that they will enter into no new contracts to export nuclear fuel reprocessing plants to purify plutonium for use in breeders. The U.S. has also been successful in preventing the premature operation of such a plant in Japan. Canada and Australia—two of the world's leading uranium producers—have strongly embraced U.S. antiproliferation efforts. The British have initiated a far-reaching national debate on their breeder program. And in West Germany—where there is presently a moratorium even on light water reactor construction—a key committee of the Parliament has frozen funds for their breeder reactor research program.

What the termination of the Clinch River project offers to this nation—and the world—is time, time to examine seriously the effects of using pure plutonium as an article of daily commerce. There are many, many alternatives; the most prominent are alternative breeder reactor designs where various mixtures of uranium, thorium, and plutonium might be used as fuel instead of the pure, weapons-grade material for which Clinch River has been designed. Again, there is nearly $500 million dollars in the ERDA bill for the study of these alternative breeder types which will not be affected by the Brown Amendment. We are *not* "killing the breeder program".

But we are faced here in the Congress with an industry lobby hungry for the $2.2 billion contracts for Clinch River. They are claiming the program is necessary because we are running out of uranium to fuel conventional light water reactors. This is not true; we have at least enough uranium to fuel all the conventional nuclear reactors we could possibly use until well into the next century. The breeder industry is claiming we need to build the Clinch River breeder now, or else we'll soon have energy shortages. This, too, is untrue; even if we were to continue top priority funding of a commercial breeder program, it would offer us less than half the energy we'll be getting from solar power by the year 2000, according to ERDA estimates. The fact is that the plutonium breeder will produce little or no energy this century. Nuclear power's contribution to our energy needs can be met by light water reactors. Clinch River backers are pushing the program because they say it is desperately needed to supply jobs. Yet a $2.2 billion program is an absurdly costly way to provide a few thousand temporary jobs. We can have more jobs *and* additional energy sources a lot cheaper, a lot safer and at far less peril to ongoing foreign policy initiatives without pouring the lion's share of our energy research and development monies into a commercial plutonium breeder. As a final point, it is worth refuting the statement made by CRBR proponents that we should reject the Administration's views and proceed with Clinch River construction because to do otherwise would break up the program's management team. This statement fails to acknowledge the abysmal management record this project has had since 1973: over the past four years the original price tag has soared from $699 million to $2.2 billion, with industry's share of the total cost plummeting from 50% to less than 12%.

The Carter Administration has made the courageous decision to develop alternative breeder reactor designs with our allies while terminating the Clinch River project. I feel strongly that this decision deserves the support of the House. I urge my colleagues to reject the simplistic arguments made by the breeder industry and to support the Brown Amendment to terminate Clinch River funding.

I am enclosing some other comments on the breeder issue supporting termination of the Clinch River project.

Sincerely,

JONATHAN B. BINGHAM.

ADDITIONAL COMMENTS ON THE CLINCH RIVER PROJECT

President CARTER. (Letter from Dr. James Schlesinger to Rep. Bingham 5/23/77) He (the President) believes the Clinch River Breeder Reactor is unnecessary for the maintenance of the U.S. nuclear research and development program. The CRBR is a highly expensive program designed to give momentum to the commercialization of the LMFBR. This effort is superfluous at this time . . . the President believes that continuing with the CRBR program is unwise."

Secretary of State CYRUS VANCE. (Letter to Speaker O'Neill 6/14/77) If we were to proceed toward the early commercialization of the breeder at this time, by funding the Clinch River Breeder Reactor, it would undermine our credibility and call into question our motives in calling for a joint reassessment of the problems associated with early entry into a plutonium-based economy.

Dr. JAMES SCHLESINGER. (Testimony before Science and Technology Committee 6/7/77) The current estimate for nuclear capacity in the year 2000 is less than one-third of what the estimate was when the CRBR project was authorized . . . the breeder program in this scenario need not begin until after 2000 . . . I believe commercialization of the LMFBR should be deferred and the construction of the CRBR should be cancelled.

Secretary of Defense HAROLD BROWN. (Letter to Rep. Downey 6/9/77) . . . . there is a very clear increase in the risk of proliferation of nuclear weapons capability associated with the widespread use of plutonium . . . The acquisition of a nuclear weapons capability by any additional countries certainly increases the possibility of a weapon being used and is clearly *inconsistent with our national security interests.*" (Emphasis added.)

NEW YORK TIMES. Construction of the Clinch River plant would have little effect on our ability to build breeder reactors a decade from now, if they are needed . . . Clinch River is an unnecessary project combining poor economics, bad foreign policy and needed technology.

UAW. We strongly endorse the President's decision to indefinitely defer all further development of breeder reactors.

ATLANTA JOURNAL. Jimmy Carter is America's first president with a background in nuclear education. We believe he has reached the right decision on the breeder. It is unnecessary at this time, combining bad economics and bad foreign policy.

UMW. President Carter has made a very fine initial attempt in the international forum to move toward an international solution (to) the serious problem of nuclear proliferation . . . a $150 million authorization (for Clinch River) will undermine the progress that has already been achieved.

WASHINGTON POST. The Clinch River breeder reactor is turning into a peculiarly ominous symbol. If its construction is canceled, no scientific knowledge or technology will be lost. President Carter is trying to discourage the commercial traffic in plutonium here and around the world. He deserves congressional support.

USW. The development of the breeder reactor should be placed at a lower priority and viewed only as a possible long range supply option. Its use in the near future is neither necessary (because of other supply options which can better meet short range needs) nor practical (because of the immense financial burden and safety problems, particularly regarding the use and proliferation of plutonium.)

BOSTON GLOBE. Given the incomparable risks to mankind of the proliferation of nuclear weaponry, the development of breeder reactors could be justified only in the most dire circumstances, when a failure to proceed threatened the very future of the nation. In the case of the Clinch River project that is emphatically not the case.

WASHINGTON STAR. We believe Congress owes itself—and the tranquility of the world—a close look at the case against Clinch River funding . . . we believe (the President's supporters) have a strong case, a case that in any event deserves consideration before Congress caves in to the Clinch River lobby.

The following additional groups and organizations support the President's decision to terminate funding for the Clinch River project.

HORACE DUNAGAN

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. JONES of Tennessee. Mr. Speaker, I want to take this opportunity to pay special tribute to a friend who carries on one of the best programs I know of. He is Horace Dunagan, of Caruthersville, Mo.

He is a man I have known a long time. He grew up near my home. Today, he is president of the First State Bank in Caruthersville. In that capacity, he has sought out new ways that the bank can assist his community and its people. He actively seeks out new customers by talking to people one on one to show them how the bank can help them to accomplish those goals they have set for themselves.

One of his greatest attributes is his ability to talk to a wide variety of people, from the poorest to the richest. Horace Dunagan is a man who has made his niche in life from hard work and a desire to help people. He was recently honored by being the subject of the cover story of Bankadministration Magazine. I would like to include that story in the RECORD at this point:

HORACE DUNAGAN, JR.: A PROFILE OF BAI'S CHAIRMAN OF THE BOARD

(By Charles Remsberg)

Dawn has scarcely broken over the Missouri Bootheel this Saturday, but Horace Dunagan is behind the wheel of his car, traveling down a dusty back road between two cotton fields. For most employees of the First State Bank in nearby Caruthersville, it's a day off. But for Horace, First State's president for more than a decade, it is a chance to practice the style of banking he loves best—searching out first-hand the problems people have, then showing them ways the bank can help.

In a few moments, he'll be in a field talking with a farmer about his chemical weed control program and listening to the man's complaints about the soaring cost of new machinery. At a crossroads store, where he'll stop later to buy cigars, he'll learn of the owner's dream of installing an island of gasoline pumps. That afternoon at an estate auction in a small town backyard, a carpenter's widow will tell him about the accident that claimed her husband's life and the staggering medical bills she is left to pay.

"I'm not much for sitting still in my spare time," says Horace as he steers the car off the road into the cotton field. "I know it sounds corny, but my favorite hobby is finding new customers for the bank."

He heads the car down a turn row toward a farmer who is laboring over his tractor. "Something about banks scares people. I can go to their homes, farms and businesses and visit with them, and they're different than they are in my office. They feel freer to tell me what they're thinking, what they want, what they need. Once you break down that barrier on a one-to-one basis and explain all the things a bank can do for them, then they will come in and talk across a desk."

He brings the car to a stop and lets the dust settle before stepping out and striding toward the farmer with a cherry hello. "The reason a lot of people haven't done business with us is because we haven't asked them. Of course, it often takes more than simply asking, but it is far better than just sitting in the bank, wishing."

In his 28 years in banking, Horace H. Dunagan, Jr., BAI's Chairman of the Board, has done precious little idle wishing. Since he ferried across the Mississippi River from his native Tennessee in 1955 to become executive vice president and chief executive of the First State Bank of Caruthersville at the age of 31, he has earned a reputation as an aggressive "action" man, with a special bent for relating banking to people and their communities.

When he arrived in Caruthersville, once a French fur trading outpost and now the seat of soybean and cotton rich Pemiscot County, First State "just had a charter," recalls one long-time resident. "They'd make a loan only if they knew you real well and had loaned to you in the past." In two decades of operation, the bank's total assets had reached only about $5.5 million.

In the years since, First State has become a $34 million bank and is still growing. Under Horace's guidance, it has more than quadrupled its physical plant, added an array of services—instalment loan department, complete savings program including certificates of deposit, farm management and a trust department—not previously available in the area, and broadened its loan policy to accommodate customers wanting to borrow for everything from college educations to major industrial installations. Its legal loan limit has risen from $40,000 to $400,000, and last year it turned an impressive 1.34% profit on its total assets.

A major factor has been Horace's way with people. Bob Morgan, First State's executive vice president, said: "Mr. Dunagan is able to talk to a person who is in here to buy food stamps as well as someone who is in to buy a $100,000 time certificate or get a $100,000 loan. He can see their side of the picture because he has been where each of them is right now."

In addition, he has sustained a youthful enthusiasm for new approaches and an unwillingness to be deterred by obstacles. When a hospital equipment manufacturer was considering Caruthersville for a factory site a few years ago, Horace proposed that First State and one of its correspondent banks finance the project with public industrial bonds. However, the Missouri legislature had only recently sanctioned such instruments, and their constitutionality was yet to be upheld. When some hesitation consequently greeted Horace's proposal, he promptly buttonholed a neighbor and persuaded the man to immediately file a test suit. The law was affirmed, $400,000 in bonds issued and a new industry brought to town. Since then, both the plant's production and work force have more than doubled and a second bond issue has sold without difficulty.

Projects to improve the town, from a riverfront park to public housing, have repeatedly commanded Horace's energies, even when no direct benefit seemed likely for the bank. He considers his most rewarding civic effort a frustratingly long campaign for a bridge to span the Mississippi River between Caruthersville and the Tennessee shore, to replace the inconvenient and unpredictable ferry service. He carried a quest for federal aid to Washington through four presidential administrations before government officials finally were persuaded to include such a superstructure in the interstate highway system. The $30 million bridge was opened to traffic last December. "Our bank didn't even get the contractor's account," Horace laughs. "But I still believe that a bank that helps its community helps itself in the long run."

The distance from Horace Dunagan's office of glass and polished wood to the place where he was born 53 years ago is 35 miles over that bridge and along winding roads of rural Tennessee, a journey of several light years in atmosphere.

Along with six brothers and sisters, Horace "learned to scramble early in life just to stay alive," he remembers. During the depression their family home, near the settlement of Eaton, was a rickety shack in a cotton patch that his father—a tenant farmer—worked with mules. Horace was 14 before a government loan from a New Deal farm program enabled the Dunagans to move to their first house with a coat of paint and running water. Horace saw his father become one of the most progressive and successful farmers of the area.

On his seventeenth birthday, too young to shave but "a bit weary of the farm," Horace enlisted in the Navy. After the attack on Pearl Harbor, he saw action as a pharmacist's mate assigned to the First Marine Division for the invasions of Guadalcanal and New Britain. "I was the youngest man in my division and the only one in my company not wounded or stricken with malaria," he says.

Discharged, he married his childhood sweetheart, Sara Zarecor, finished high school (the only married veteran in a class of teenagers), and in 1949 was graduated from the University of Tennessee with a B.S. Degree in Agriculture. He planned to become a county agent, but instead, he "backed into banking" by taking a $225-a-month job as farm representative for the First Citizens National Bank in Dyersburg, Tennessee.

Horace's penchant for bank-community partnerships emerged quickly at First Citizens. In one of many programs he instituted, the bank began importing breeding stock—sheep from Montana and registered cattle from Wisconsin—to auction to area farmers for improving their herds. "We would loan the farmers money to buy the animals and as their returns from livestock went up, our deposits increased, too," he explains. He also arranged for the bank to sponsor free soil tests, with Horace advising on the basis of the results what fertilizers could best be used. Getting farmers to spread more fertilizer meant higher cotton production and, again, more money flowing into the bank. "The idea was profits tied to service—a soft-sell approach," he says. "I learned that people were ready to listen to anything that could help them have a better way of life." In acknowledgement of the benefits his projects brought the area, Horace was named outstanding young man of the year by the Dyersburg Jaycees in 1951, the first non-member in that county to be given the honor.

When he moved to Caruthersville in 1955, Horace accelerated his "people" approach. "First, we adopted a policy of talking to everyone who came into the bank. If they wanted a loan and we thought it was sound for the person, the bank and the community, the loan would be made, even though other banks might have said 'no.'"

Some loans were so small—$200 to buy a used car—the cost of the paperwork exceeded the return. But as the borrowers' situations improved and they needed money for large personal or business investments, their loyalty to the bank ultimately translated into profits.

Horace encouraged First State employees to become active in civic organizations, community projects and local politics. To further heighten the bank's visibility he launched a weekly radio program for which he interviewed area residents at their homes, farms and businesses, and he created a stream of imaginative promotional programs to assure First State coverage in the local newspaper.

In recognition of steadily mounting profits, First State's board named Horace president in 1963. Later he also became president and is now board chairman of the affiliated Bank of Hayti in nearby Hayti, Missouri.

Through state and national associations, Horace has worked hard for many years to strengthen professionalism in the banking industry. An accomplished public speaker, he has, among other things, presided over a series of BAI's Forums for Presidents of Community Banks and is a section leader and faculty member of The School for Bank Administration. A BAI board member since 1974, he has also served as chairman of the Community Bank Council. He is also a past president of the Missouri Bankers Association.

"Horace never seems to unplug banking," Sara complains good-naturedly. While he concedes impatience with most "sitting down" hobbies, he has been known, in periodic bursts of recreational energy, to ride a bicycle more than 120 miles in a single day. He "plays at" tennis, jogs occasionally, recently bought an old Ford pickup truck to restore and sometimes putters in a woodworking shop behind his home. As an active member of Rotary International, he has logged 27 years of perfect attendance at club meetings and has served Rotary International as a District Governor. Most of his non-working time, however, revolves around Sara, their three married children and six grandchildren.

During his term as BAI chairman, his principal goal, Horace says, will be to proselytize more bankers into community involvement. "To build your bank, you have to build your community. It's amazing how much a bank can influence its community, and too often, because of short-term thinking, banks are responsible for their communities not doing better."

"In banking, we have to think of both direct and indirect profits. And often, I've found that indirect profits prove the most important."

GROWING NEED FOR UNITED NATIONS MIA INVESTIGATORY COMMISSION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. GILMAN. Mr. Speaker, I recently introduced legislation, House Concurrent Resolution 252, CONGRESSIONAL RECORD, June 17, 1977, urging the President to instruct the Secretary of State to enlist the good offices of the Secretary General of the United Nations for the purpose of establishing a special U.N. investigatory commission charged with the responsibility of securing a full accounting of Americans listed as missing in Southeast Asia.

This fall, it is anticipated that the Socialist Republic of Vietnam will be admitted to the United Nations. Enjoying all the privileges and benefits conferred upon it by virtue of its U.N. membership, Vietnam will also be expected to fulfill, in good faith, obligations incumbent upon all members of the international body dedicated to the maintenance of world peace and security through the peaceful and judicious settlement of international disputes.

Against this background can be posited the increasing frustration pervading our unrelenting efforts to crack Vietnam's inherent recalcitrance to provide us with information concerning the fate of American MIA's.

Both the Presidentially appointed Woodcock MIA Commission and the administration's negotiating team at the United States-Vietnamese Paris talks, have provided us with an abundance of Vietnamese pledges; but exceedingly little in the way of tangible, substantive information about Americans missing in Southeast Asia.

Recent hearings before the Subcommittee on Asian and Pacific Affairs of the House Committee on International Relations have provided us with not easily dismissed testimony, from an on-the-scene observer, that here is indeed, key information concerning our MIA's being witheld from us by the Vietnamese.

Twenty-four of my colleagues have joined me in cosponsoring this resolution to establish a U.N./MIA investigatory commission which would not only take testimony, but seek the full cooperation and facilities of the Socialist Republic of Vietnam in obtaining information on American MIA's.

As Vietnam enters the United Nations this fall, there could be no clearer affimation of its commitment to the humanitarian principles embodied in the U.N. Charter than its agreement to fully cooperate with this U.N./MIA special commission in ascertaining the fate of American MIA's in Southeast Asia.

Accordingly, I urge my colleagues to support House Concurrent Resolution 252, so that this Nation may enlist the assistance of the United Nations in acquiring all available information concerning our MIA's.

I request that the names of those 24 Members cosponsoring this timely and important measure be listed at this point in the RECORD:

LIST OF MEMBERS

Mr. Baucus, Mr. Bonior, Mr. Brodhead, Mr. Broomfield, Mr. Caputo, Mr. Cohen, Mr. Frenzel, Mr. Frey, Mr. Goodling, Mr. Guyer, Mr. Kemp, Mr. Kindness.

Mr. Krueger, Mr. Mitchell of New York, Mr. Murphy of Pennsylvania, Mrs. Oakar, Mr. O'Brien, Mr. Roe, Mr. Vento, Mr. Walsh, Mr. Waxman, Mr. Whitehurst, Mr. Charles H. Wilson of California, Mr. Winn.

OBJECTS TO DEFERRAL OF BREEDER DEMONSTRATION PROGRAM

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mrs. LLOYD of Tennessee. Mr. Speaker, today I filed an impoundment resolution as an objection to a deferral of fiscal year 1977 budget authority on this Nation's vital breeder demonstration program. Shortly after the Congress returns in September, I expect that the will of the Congress will be expressed on whether or not the United States can afford to turn away from the most promising inexhaustible energy source available to it. For the President to thwart due process, a full-fledged congressional participation in shaping our Nation's energy future, would be extremely unfortunate.

The GAO has continually reviewed the validity of the breeder program, especially its objectives, and still recommends strongly that the Clinch River demonstration project be continued on an expeditious schedule. As the focal point for a broad based program to examine all facets of breeder technology, Clinch River is a unique vehicle for providing many real-world answers to questions about the viability of this important long-term option. This country must lead the world—not retreat from its responsibility. Due to the President's actions in May, orderly progress toward a full public review of questions dealing with Clinch River was abruptly terminated. The President has, in fact, been instrumental in adding costly delay to the project schedule that has gone beyond the impact of his February budget cut to $150 million, the funding the Committee on Science and Technology has included in H.R. 6796. The revised deferral action will further exacerbate the conduct of vital national energy research in a cost-effective manner. These actions could destroy the will of our technical and industrial community to participate fully in the challenges that lie ahead. Without that commitment, this country's future will be doomed.

At a time when we have been asked to wage the moral equivalent of war on our energy problems, it does not make sense to prematurely interrupt an orderly process of government-industrial development before a full and open deliberation on the consequences of such actions has been undertaken.

In reference to this subject, I believe that my colleagues may be interested in the following assessment which was recently made by a former House Member, Mr. Craig Hosmer.

A recent Washington Post editorial argued that the administration's indefinite delay of breeder reactors and spent nuclear fuel reprocessing will "create breathing and thinking space" in which other nations can consider alternatives to a plutonium economy, come to understand the President's reservations about it, weigh incentives the administration may offer countries to forgo breeder reactors, and then, "if it turns out that plutonium is the wave of the future, to try to work out some international disciplines to make it less dangerous."

The illogic of this position is that we already are a third-of-a-century down the road with plutonium. Thousands of tons of it exist around the world under a variety of national and international disciplines. The fact that nuclear war has not happened is no argument that safeguards and security cannot and should not be improved. The need "to make it less dangerous" is with us here and now and always. It is risky nonsense to argue that this need will not exist if we forgo breeders and reprocessing.

It is not "breathing and thinking space" that is needed. It is a Carter blueprint for an effective international proliferation control structure that is needed. His public concern over plutonium and proliferation has put government and nuclear leaders worldwide in a mood to impose whatever new international disciplines over plutonium, short of renouncing it, that he suggests. He has won this one. He should pick up his winnings.

If the Carter structure and disciplines are proliferation resistant for existing plutonium, they will also be proliferation resistant for plutonium generated by reprocessing and breeder reactors. Imposing them will simply be an incremental matter. Thereupon these technologies may be used safely to help overcome the energy deficits of many nations. For example, as fuel for breeders, otherwise unusable Government owned uranium tailings represent almost 165 years of energy for the U.S. at the rate we now use it. Plutonium's energy may comfort Americans; for many other countries it can mean survival.

The President's antiplutonium stance is popular with nuclear opponents. It satisfies no-growth proponents and turns their political wrath on others. His energy advisor, James Schlesinger, believes that a slowed rate of energy growth offers a few years leeway for emotions over plutonium to cool before commitment to a post-light water reactor technology must be made.

Surely the prospect for delay in making any decision that fires up the plu-

tcnium issue must seem attractive to the President. If delay lasts past the next election, one fewer hot issue will have to be faced.

But the cost of delay cannot be ignored. Failure by the President to suggest new disciplines and institutions to make present and future plutonium stockpiles less dangerous will cause a golden nonproliferation opportunity to slip by. But, if he suggests them, that will certify that the plutonium problem is manageable and ignite a political firestorm amongst nuclear opponents whose case is based on an assertion that the problem is unmanageable; that is, nothing short of suppressing breeder technology can "save us."

That is Jimmy Carter's dilemma. Congress can extricate him. By voting funds to continue CRBR, Congress will keep the breeder option alive without embracing it. This will free the President to make timely international antiproliferation suggestions by removing the domestic political considerations now holding him back.

NINTH ANNIVERSARY OF THE INVASION OF CZECHOSLOVAKIA BY THE U.S.S.R.

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. KOCK. Mr. Speaker, August 21 marks the ninth anniversary of the Soviet Union's invasion of Czechoslovakia. On that day in 1968, Soviet forces marched into Czechoslovakia and overthrew the progressive regime of Alexander Dubcék. Many of us vividly remember reading about or watching films of gallant Czech youths hurling homemade Molotov cocktails at invading Soviet tanks.

The reason for the Soviet invasion was brutally simple. The Dubcék government dared to implement some liberal measures and sought to secure a semblance of civil liberties within a Soviet bloc country. Moscow was unable to tolerate any democratic reforms so close to its borders—it feared the spread of such a movement as a subverting threat to its own security system and even to its legitimacy as a government. The result was a Soviet military invasion and occupation of a defenseless nation striving to assert a modicum of national independence.

The struggle for freedom of the Czechoslovakian people has been a long and hard one. In 1918, Czechoslovakia was declared an independent and sovereign country by the victorious nations at Versailles. The people enjoyed a period of political tranquillity under a parliamentary democracy until the spring of 1938. But 1938 was to bring the initial dismemberment of Czechoslovakia under Nazi pressure. It was a tragic fact that the Western democracies turned their backs on the regime of President Benes and thereby secured a new, ominous definition for the word "appeasement." It is bitterly ironic that, at this time, it was Stalin's Soviet Union that was willing to stand up against Hitler's aggression and oppose Nazi encroachment on Czechoslovakia.

And so began a 40-year history of tyranny. Czech partisans fought valiantly against the Nazi occupation and actually succeeded in assassinating Himmler's chief aide, Reinhardt Heydrich, on a visit to Moravia. In revenge for that act of courage, the German authorities razed the village of Lidice and executed all its male inhabitants—a tragic symbol of the Czech passion for liberty.

Czech jubilation at the end of Nazi occupation in May, 1945, died swiftly when the Czech Communist Party staged a Soviet-backed coup d'etat in 1948. Czech independence was again crushed, but the desire for freedom was not extinguished. The temporary progress and political reforms of the late 1960's was to end abruptly in the late summer of 1968 as Soviet shock troops destroyed all efforts at restoring a legitimate government based on respect for the rights of the individual.

Today Czechoslovakians enjoy few freedoms. They remain in a repressive state, their political and ethnic integrity still held in bondage by the leaders in the Kremlin. However, the Charter of 77, a document requesting greater liberties for individuals in Czechoslovakia, and the general rise of dissidence proves that the fire of freedom continues to burn in their hearts. And the fact, in itself, is a remarkable phenomenon. After a long history of domination and betrayal by foreign powers, the Czechs still strive vigorously in their quest for national liberty.

Mr. Speaker, August 21, 1968, must serve as a vivid reminder to the free world about the ways in which the Soviet Union treats the aspirations of freedom-loving people. It represents Soviet repression in its raw form. Moreover, the invasion of Czechoslovakia portrays the outright hypocrisy of the Kremlin leaders. Today, they claim that we, in our concern for Soviet dissidents, interfere in their internal affairs. Then, let us point to the summer of 1968 as an example of blatant Soviet interference in the affairs of another nation.

Today we must condemn the Soviet Union's occupation of Czechoslovakia in 1968. And as we pay tribute to those people who fought and died in the streets and alleys of Prague and other Czech cities for the very ideals which led to the birth of our own country, we must continue to reaffirm our support for human rights in Czechoslovakia and Eastern Europe. The undying thirst for liberty among the peoples of Eastern Europe is the Achilles' heel of the Soviet empire. It is a matter on which the Kremlin will always be on the defensive—an issue on which they know they can never win. The Russians will hate us for our strong advocacy of human rights for Czechoslovakia and other countries under the Soviet yoke—and we must never falter in that advocacy.

UNFAIR FOREIGN TRADE PRACTICES

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. LEACH. Mr. Speaker, I have today introduced H.R. 8868. This bill amends the Trade Act of 1974 to broaden the criteria for determination of unfair trade practices to include currency undervaluation. If such a determination is made, the President may take remedial action on behalf of U.S. companies under section 301 of the Trade Act.

Frequently criticism is levied against countries like Japan for subsidizing their export trade through various means, including tax policies and shipping practices. Often overlooked is the maintenance by some of our important trade partners of artificially undervalued currencies. Such artificial currency undervaluations have a profound effect on the competitive position of U.S. produced and manufactured products in our own and in third country commercial settings.

The remedial approach authorized in H.R. 8868, intended to be triggered by a decision of the U.S. International Trade Commission, is aimed at increasing, rather than limiting, free trade. No responsible legislator favors stark trade protectionism which is beneficial to neither the United States nor the world economy. However, our Nation must respond to a foreign country that utilizes competitive techniques not normally associated with free trade. We have a responsibility to those companies and employees adversely affected by unfair competitive practices, in this instance currency undervaluation.

Recently there has been serious discussion of the United States devaluing the dollar. In my judgment this would be a major error. A far preferable approach would be a responsible administrative policy which balances the social imperativeness of protecting jobs with the general economic advantages associated with free trade. The issue for our Government is to insure that trade is carried out in an orderly, equitable manner with all countries following the same general precepts. Lacking acceptance of such preceptual parameters, penalties should be devised to deter the type of export parochialism practiced by countries which maintain undervalued currencies.

Below is H.R. 8868, I plan to reintroduce this legislation October 5 and would urge my colleagues to consider joining me as a cosponsor:

H.R. 8868

A bill to designate the maintenance of artificially undervalued currencies by foreign countries for certain purposes as unfair trade practices with respect to which the President may take remedial action under section 301 of the Trade Act of 1974.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section

301(a) of the Trade Act of 1974 (19 U.S.C. 2411(a)) is amended—

(1) by striking out "or" at the end of paragraph (3);

(2) by inserting "or" immediately after the comma at the end of paragraph (4);

(3) by adding immediately after paragraph (4) the following new paragraph:

"(5) maintains an artificially undervalued currency for purposes of facilitating its export trade which action with respect to its currency has the effect of substantially reducing sales of competitive United States products within the United States,"; and

(4) by striking out "restrictions or subsidies" in the matter immediately preceding subparagraph (A) and inserting in lieu thereof "restrictions, subsidies, or actions".

LESSONS FROM THE NEW YORK CITY BLACKOUT BY A MINORITY SMALL BUSINESSMAN

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. KEMP. Mr. Speaker, the New York Times recently carried an extremely interesting article, about the recent New York City blackout and the subsequent looting, by Mr. J. Bruce Llewellyn, president of Fedco Foods, one of the largest black-owned companies in America, and Mr. Adam Walinsky, a lawyer.

Mr. Llewellyn writes as one whose concern for the people of New York's ghettos is shown by his personal commitment to the creation of a viable business employing thousands of minority citizens and providing important services for them in the hope of making a profit for his company.

He is rightly critical of the way Government has responded to the needs of small businessmen like himself. Politicians pay lip service to private enterprise, but their actions belie their words. The "employment" programs erected by Government have only created jobs for bureaucrats and fostered a philosophy among the recipients that everyone is entitled to live well whether they work or not, and that private enterprise is a synonym for "ripoff." Well, the "ripoff" is in the public sector programs, the high taxes to pay for them, and the attitude they foster among the people of "something for nothing."

Moreover, businessmen and property owners did not receive the police protection to which they had a right. Police made little effort to protect businesses from looting in order to avoid hurting any of the looters. But this is a double standard, because everyone knows that if the rioting had spread into white areas downtown, all possible force would have been used. As long as the violence was confined to small ghetto businesses, anything was tolerated.

I believe that this situation is deplorable. On the one hand, welfare has become a right, while police protection is no longer considered one. I think this is the opposite of the way it ought to be. Welfare ought to be a condition to be avoided and discouraged, not a right. While police protection cannot have one standard for a large business downtown and another for a small ghetto business.

It is open to question whether calling out the National Guard and adopting a tougher attitude toward looters would have helped a great deal. In conditions such as those that prevailed during the blackout there is little likelihood that the mere presence of armed troops would have been much of a restraining influence. Nevertheless, it is an accepted practice during riots and natural catastrophes, such as earthquakes and tornadoes, that looters are dealt with very harshly. The fact that the police action taken was so much less than anyone had a right to expect will ultimately make any reoccurrence of a riot in New York City vastly worse than it would otherwise have been, and even greater force may be necessary to restore order. But certainly the National Guard and police should have been used to maintain order and protection for the people.

It is tough enough for any business to survive in America today even under the best of conditions, given the unreasonable regulations and taxes imposed by all levels of government. But it is especially tough for those in the ghetto. Those who try to do business there ought to be encouraged, as should all residents, by systematically reducing the tax barriers to employment opportunities and prosperity that are engendered by New York City, New York State and the Federal Government.

The article follows:

[From the New York Times, July 31, 1977]

BLACKOUT LESSONS

(By J. Bruce Llewellyn and Adam Walinsky)

Dr. Samuel Johnson thought that the prospect of hanging would "powerfully concentrate" the mind. But the looting in New York City seems instead to have turned most minds into poisonous mush. We have a very short time to learn the real lessons. They are as follows:

1. Present Government programs—welfare, jobs, housing, etc.—are wholly ineffective and cannot prevent a repetition of the disorder. This is not the same as saying that employment is unimportant; it is critical. But what is needed are permanent, productive, self-supporting jobs in the private sector.

The billions spent by Government since 1965 have created jobs, not for the needy poor but for bureaucrats and what Herman Badillo calls "poverticians." These programs increase cynicism, since they teach that stealing is acceptable: Indeed, the politicians are the original looters. They are also an important source of the ethic of entitlement—everyone is entitled to live well whether or not they are willing to work toward their own comfort.

2. Liberal rhetoric has created something approaching contempt for work and effort. The rioters of the 1960's often spared black merchants who put "Soul Brother" signs in their shop windows. But brotherhood was no safeguard in 1977.

So a generation of struggling black and Hispanic entrepreneurs, built up with the aid of Government loans and their own enormous efforts over the last decade, was utterly destroyed. This was, in some substantial part, the result of years of nattering about the evils of private enterprise: If, as millions of people have been told on television, ghetto merchants are all "ripping off" their customers, then the customers can excuse themselves by stealing back their own.

Those who mouth this easy rhetoric have little conception of business, let alone the special conditions of the ghetto. They ignore the extra costs of insurance, of security guards, of theft losses; they are insensitive to the increased dangers of holdups, the problems of night hours, the difficulty of hiring. Oddly, those who thus implicitly justify destruction of ghetto business often bemoan the absence of jobs in poor areas.

3. Class distinctions still hold: The institutions of power evidence a shocking indifference to real black and Hispanic needs. The great majority of blacks and Hispanics are not looters and arsonists, but victims of these crimes. Yet after the looting, the organs of the press Establishment all congratulated the police for their "restraint." That "restraint" consisted mostly of outnumbered policemen standing by and allowing the mobs to steal anything they wanted, and destroy the rest. Any damage to property, any number of burned-out stores and homes, was presumably better than damage to persons. So the police were under obvious orders, not only not to shoot but not even to use their clubs; and this was applauded.

Imagine, however, if the riots had moved downtown: if it were Bloomingdale's that had been looted, and Park Avenue apartments that were torched, and New York Times presses that were smashed beyond repair. When that day arrives, be certain that the concept of "restraint" will change sharply.

Police Commissioner Michael J. Codd said on television that "sufficient force," including "deadly force," would have been used to prevent the rioters from any move out of the ghetto. The truth seems to be that we will accept any amount of damage, so long as it is confined to small-business men (whether white, black or Hispanic), and so long as the homeless are black and Puerto Rican.

4. Those places that escaped significant damage were of one kind: where the owners armed themselves and stood guard, ready and physically able to injure even a few of the looters. No doubt all ghetto businessmen would prefer an effective police presence, or even the National Guard, to prevent their destruction—just as residents would prefer that the police keep their homes from being burned. But if we are not to be protected, we will have no alternative but to protect ourselves.

5. When the looting began, Mr. Codd called for all off-duty patrolmen to report. Thousands of heroes came. Thousands of malingerers stayed home (Mr. Codd says "only" 1,500). Out of a total force of over 25,000 men, fewer than 10,000 seem actually to have been on the street. Their hard work and long hours and the firefighters' gallant efforts make more irresponsible, by contrast, the actions of those policemen who refused their duty. This is unforgivable; and a pay raise for those individuals who refused their basic duty in this crisis should be inconceivable even in the debased politics of this city.

6. The response of government at every level has been bankrupt. While the looting was in progress, City Hall did its best to minimize it. When it was over, the Governor made clear that the National Guard would never be ordered in. And the President has yet to order disaster aid (although he has been quick to offer it to flooded Johnstown, Pa.).

At every level, we are offered pious explanations of "the real causes," but no serious action to address them. Even for the immediate victims of the looting, there is little help.

The Small Business Administration loans now being offered are no more than a chance to start all over again from scratch. Welfare payments cannot make up for lost jobs, nor will Federal Section 8 housing programs rebuild the burned-out housing.

As always, there will be welfare and food stamps for blacks and Hispanics who do nothing. For the vast majority who work, for those who try to join the American parade, there is only indifference and a queer sort of distaste.

7. Help is desperately needed. The looting has done incalculable damage. Many businesses, along with the jobs they created, have gone forever. Many potential new businesses will go elsewhere. It was always difficult to build up employment in the ghetto; the barriers are now higher than ever.

First, there must be assurance that this will never happen again. Not that people will not attempt to steal and loot—another such episode is inevitable, either when the lights go out again, or on some other pretext. What we need is a pledge that if there is a "next time," the authorities will be prepared, and that sufficient forces will be deployed to prevent it. This means disciplining the policemen who did not show up; it may mean reorganizing the Guard; it will certainly mean a change in orders, to assure that property is protected.

Second, there must be assistance in rebuilding shattered neighborhoods and businesses. Disaster aid would certainly help now.

The state must require that insurance companies not only pay losses but write new policies in ghetto areas. There must be tax incentives to locate business in ghetto areas and offer employment to residents. If we are at all serious about jobs, a program of this kind would do far more than all the Government's self-enriching "poverty" programs. At a minimum, the city should immediately enact emergency legislation to exempt from all city taxes, for perhaps seven years, every looted business that reopens.

Third, and most of all, we must end the vicious double standard that now governs politics, the news media and the entire society. Whites are expected to learn, but black children are assumed to the uneducable, are allowed to graduate illiterate. Whites are expected to obey the law, but blacks are allowed to defy it—so long as they confine their depredations to other blacks. "Restraint" is preferred to protection—so long as those left unprotected are the powerless. This is not only tripe, it is suicidal.

Dr. Martin Luther King Jr. told us that we must combine the qualities of the serpent and the dove—a tough mind and a tender heart. In New York, in 1977, we need both more compassion and more strength: a real determination to improve ghetto conditions, and a total intolerance of the lawlessness that makes improvement impossible.

PERSONAL EXPLANATION

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mrs. KEYS. Mr. Speaker, on Wednesday, August 3, 1977, I was unavoidably absent from the House. Had I been present, I would have voted on matters coming before the House as follows:

"No" on roll No. 500, an amendment offered by Mr. FLOWERS to delete section 548 of the bill, which extends Federal antitrust jurisdictions to the siting of fossil fuel electric generating plants;

"Aye" on roll No. 501, an amendment offered by Mr. HORTON to strike the Federal van pooling program.

CHARITY DISCLOSURE BILL (H.R. 41) THREATENS RELIGIOUS FREEDOM

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. TAYLOR. Mr. Speaker, on July 25, 1977, House bill 41, the dubious and controversial so-called charity disclosure bill, squeaked past its Post Office subcommittee by a narrow 4 to 3—with Democrat and Republican opposition.

I voted against the bill because the more I studied the field of charitable giving and the more testimony we heard pro and con, the more I became convinced that this bill is both impractical, economically repressive to charitable giving, and an unconstitutional threat to the free exercise of religion in America.

The sponsors of the bill intend to require all charitable organizations—including religious organizations, churches, schools, mission societies, hospitals, and so forth—seeking contributions, by mail or through radio or TV, to provide at the time of the solicitation complete disclosure of the percentage allocation of funds received between the ultimate charitable purpose on one hand and fund raising, general, and administrative costs on the other.

The sponsor's concept is that if the internal workings and financial costs of an organization are widely revealed, the public will be able to distinguish between good and bad, efficient and inefficient charities.

After the charitable organization calculates its costs percentage figure and publicizes that in every mailing piece, donation envelope, radio and TV broadcast, this bill would then allow the U.S. Postal Service to get complete control of the financial records—expense accounts, contributors lists, and so forth—of each charitable and religious group, so that the Postal Service can verify and publicize whether the charitable organization is truly publishing an honest figure.

Aside from the seemingly unconstitutional aspects of a proposal like this, there are good grounds to believe that the bill's percentage disclosure requirements are not practical. The bill does not take into account different methods of raising funds, and it does not recognize the various groups of people solicited by our various charities. Furthermore, it puts the charity in the position of looking like a liar to the press and public when the Postal Service accountants come up with different percentage costs figures because they used a different method than the charity-church uses in allocating costs between ministry and administration.

This percentage reporting requirement assumes that percentages are a good basis for comparing charities or for judging a charity on its own. The cost of fund-raising, expressed in a cold figure or percentages, is of itself a very bad criterion of the worth of a charity. And when you get into appeals by religious groups, will the Postal Service claim as fund-raising costs an entire mailing or broadcast which asks for funds—even though most of the mailing or broadcast is spiritual refreshment or teaching?

Several of the witnesses who testified on this bill pointed out that percentage disclosure will place certain types of charities and charitable organizations in a statistically unfair light and give no recognition about the value of their work. Some organizations, legitimate and worthy, have and always will have higher fundraising costs not because they are inefficient or mismanaged, but simply because their cause is different.

Mr. Speaker, all charitable institutions, regardless of fundraising techniques or fundraising costs will be innocent victims if this legislation passes. Only a small number of charities run costly fundraising programs, yet this bill would penalize and harass thousands of decent ones, including practically every church and religious organization in the country. The bill, as passed by our subcommittee, exempts from its regulatory features "any local religious congregation or parish" which solicits exclusively from its members. But, Mr. Speaker, there is hardly a handful of religious groups who solicit only from its members.

Quite frankly, there has been little need shown for this type of pervasive legislation. There are more than sufficient forces at work to expose and remedy any "charity rip-offs" and to protect the interests of both the public and legitimate charities.

First, we have the vigilance of the press. Second, we already have in the law the nonprofit authentication process and audits of the Internal Revenue Service. Third, we have the false representation statute, a consumer protection law covering nonprofit and religious organizations, and Fourth, we have the existing statutes dealing with postal fraud.

Perhaps the greatest protections offered the public against rare abuses is the peer pressure and various codes of ethics of religious and other groups of fundraisers, plus the overwhelming availability to contributors of financial summaries, if the contributor specifically requests it.

Even without all the existing legal protections, the bill fails to take into account one all important fact: donations to charity are, by definition, made of one's own free will. There is no force compelling people to give. Every individual has the right not only to give or not to give, but to ask for whatever information or financial report he or she desires from that charity, before he or she makes a decision to contribute.

CONSTITUTIONAL OBJECTIONS

Mr. Speaker, the U.S. Supreme Court has consistently held that Government, in its dealings with religion, must not inhibit religion, must not become excessively entangled with religion, and must not violate the first amendment's free exercise rights.

The attempt through this bill to regulate the activities of religious organizations and churches and to compel disclosure of church financial information would infringe both the establishment and the free exercise clauses of the first

amendment. The sanctions allowed for Government to take, including putting a mail stop on those organizations refusing to publicly disclose their sources of income and contributors' lists, would have a profoundly chilling effect on solicitations of funds by churches. I do not think the bill's apparent exemption for "membership organizations," even with the addition of the words "any local religious congregation or parish," is adequate to avoid an unconstitutional inhibition of the free exercise of religion in the absence of a compelling state interest.

Witness after witness raised constitutional objections to this bill during the hearings, and their arguments against enactment impress me very much.

This bill would place a burdensome paperwork requirement on all churches, both large and small, if they received any charitable contributions through the mail. By forcing them to open their books and records for review and examination by the U.S. Postal Service and, under the Freedom of Information Act, revelation thereby to the press and public, religious contributors would no longer have confidentiality and protection from disclosure, harassment, and possible persecution or discrimination.

I for one am not prepared to vote to have the Postal Service or any Federal agency looking down the necks of this Nation's churches and charitable organizations in this manner.

STRAIGHTENING THE RECORD ON VAN POOLING

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. JOHN L. BURTON. Mr. Speaker, section 701 of H.R. 8444, the National Energy Act, was to authorize establishment of a voluntary and self-sustaining Federal van pooling program for employees of Federal agencies.

In view of some inaccurate statements opposing section 701, let us clear the air with a few facts.

Section 701 permits two types of programs. The first enables Federal agencies to work through the private sector. Agencies are given express authority to encourage and cooperate with such non-Federal sponsors. To facilitate this, the section lifts several legal and institutional barriers.

The second type involves Federal purchasing or leasing—repeat leasing—of a limited number of vans—up to 6,000. However, as the Government Operations Committee report declares, in general van pooling arrangements not involving Federal lease or purchase should be favored. With Federal leasing or purchasing of vans goes the requirement that virtually all expenses must be recovered through rider charges. Only an insignificant amount of administrative costs would not be returned. Section 701 and the Government Operations Committee report make this clear. Of course, special costs for a few vans to handle handicapped employees would be underwritten.

GSA calculates the monthly charge for a Government-purchased van as $31.53 for a 50-mile daily round trip—a reasonable figure. Where the van is leased, the rider charge would be about $2 a month more—still reasonable. GSA estimates that each year the same number of private vans as federally leased or owned vans would enter the overall program.

This program would start on a solid base of years of research and actual experience with ridesharing in the Department of Transportation, the Department of Energy, and GSA.

GSA would start slow, with not more than 300 vans leased or purchased for the first year. This would require an appropriation of $3,345,000 for that year, all recoverable. Figures for subsequent years are shown in the GSA cost estimate below. Congressional budget and appropriation processes naturally would govern all funding. This is a modest program, and the General Accounting Office testified that its administrative burden need not be great.

Section 701 would mean that Federal agencies could do what Congress for years has urged non-Federal employers and organizations to do: Use van pooling to save fuel, cut traffic, and reduce parking.

FEDERAL VANPOOL PROGRAM—GSA/DOT COST ESTIMATE,[1] BASED ON A PHASED ACQUISITION OF VEHICLES

	1978	1979	1980	1981	1982	1983	1984	1985	Total
Number of vans:									
Vans (Government-owned or leased)	300	+1,200	+1,500	+1,500	+1,800				
Disposal					−300	−1,200	−1,500	−1,500	
		=1,500	=3,000	=4,500	=6,000	=4,800	=3,300	=1,800	
Vans (private)	300	+1,200	+1,500	+1,500	+1,500				
		=1,500	=3,000	=4,500	=6,000				
Total	600	3,000	6,000	9,000	12,000				
Recoverable expenses [2] appropriated:									
Capital, at $7,400/van	$2,220	$8,880	$11,100	$11,100	$13,320				$46,620
Fleet administration	400	500	600	600	600	$600	$600	$500	4,400
Promotion, training, marketing	350	550	500	450	350				2,200
Initial operating expense [3]	375								375
Total	3,345	9,930	12,200	12,150	14,270	600	600	500	53,595
Directly from fares:									
Operating 50 mi/day/250 days/×10 cents a mile	(2)	1,875	3,750	5,625	7,500	6,000	4,125	2,250	31,125
Insurance at $600/van	180	900	1,800	2,700	3,420	2,700	1,800	900	14,400
7-percent interest on unrecovered-purchase price	105	525	1,050	1,575	2,100	1,680	1,155	630	8,820
Total	285	3,300	6,600	9,900	13,020	10,380	7,080	3,780	54,345
Total expenses	3,630	13,230	18,800	22,050	27,290	10,980	7,680	4,280	107,940
Revenues:									
Resale at $2,000/van after 4 yr				600	2,400	3,000	3,000	3,600	12,600
Fares [4]	1,135	5,675	11,350	17,025	22,700	18,160	12,485	6,810	95,340
Total	1,135	5,675	11,350	17,625	25,100	21,160	15,485	10,410	107,940
Nonrecoverable expenses:									
Handicapped program:									
Modifying vans [5]	32	32	32	32	64				192
Loss of fares due to modification	23	45	68	91	113	91	68	45	544
Total	55	77	100	123	177	91	68	45	736

[1] In thousands of constant fiscal year 1977 dollars.
[2] Expenses incurred above existing agency budgets as a direct result of Federal vanpool program.
[3] From appropriations (1st yr only) to establish needed operating reserves.
[4] Estimated average passenger fare $31.53/mo—based on 10 paying passengers per van/50 mi round trip.
[5] Based on 20 vans/yr at $1,600 modification.

Note: Expenses which cannot be identified (because of the small amount of time expended or the excessive effort needed to determine them) are assumed to be a part of an existing employee's normal function and are not itemized in this cost estimate. That such unrecoverable costs should be kept to a minimum is evidenced by the administrator's letter to the Honorable Jack Brooks, Chairman, House Government Operations Committee, dated July 1, 1977.

RARE II

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. RUPPE. Mr. Speaker, recently, the U.S. Forest Service announced that it would conduct a complete review of roadless and undeveloped areas in the national forest system for possible designation as wilderness areas under the national wilderness preservation system.

This roadless area review and evaluation program, or RARE II, is intended to be a much more comprehensive review of undeveloped lands than an earlier one conducted in 1973. In addition, public workshops have been set up to allow private participation in this inventory process.

To the extent that this program will provide a thorough inventory of all undeveloped area in the national forest system, it will serve a useful twofold purpose. It will not only lessen the possibility of further court litigation, as in Sierra Club against Butz, but it will also move the Nation a step closer toward the goal of preserving those undeveloped areas which should be preserved for future generations.

However, in our haste to preserve genuine wilderness areas, we must not allow the criteria for wilderness designation to become so broad as to swallow up areas already adequately protected due to their remoteness or inaccessibility.

Unfortunately, wilderness designation can sometimes lead to economic hardships to the nearby property owners, as well as long delays in settling such issues as accessibility and rights of way. I cite for example the difficulties encountered in Rock River Canyon, and Sturgeon River areas where access roads were arbitrarily closed, due to their wilderness designations.

If we are to develop a fair and equitable inventory of roadless and undeveloped lands, consideration must be given to such factors as:

First, designating as wilderness only those areas which are not adequately protected under existing Federal ownership status,

Second, taking into account the economic impact that such a designation would have on nearby landowners, businesses, and communities, and,

Third, exploration of certain multiple-uses of land considered for wilderness designation that would not destroy or disturb its unique qualities.

Another problem that must be clarified is the status of lands included in the RARE II inventory. While it is understandable that new, disruptive activities should necessarily be limited in areas whose unique qualities would be lost if not preserved until a final designation decision is made, it would not be appropriate to freeze all use of lands pending the outcome of this initial inventory phase.

For example, timber harvesting that has been continuing in areas included in this inventory should not be discontinued in this phase I review. Clearly a cessation of such activities would expand this inquiry beyond the review stage. It is my belief that the impact of this review process on the public should be minimized to the greatest extent possible, if this is indeed to be only a review.

I would hope that the U.S. Forest Service will be particularly sensitive to the needs of the affected citizens before considering additions to our wilderness system. Preserve that which must be protected or forever lost, but allow the public access to that which is already sufficiently protected and allow these lands to remain available to all.

LaCROSSE VOTERS HAVE SENT US A MESSAGE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ASHBROOK. Mr. Speaker, on August 2, the voters of LaCrosse, Wis., recalled their entire five-man school board by a margin of better than two to one. Recall of public officials is unusual. But most important was the issue which caused the voters to unseat their school board.

The issue was permissiveness. The school board had fired a principal who had had the audacity to enforce discipline in a school plagued by drugs and violence. He searched the students for drugs and confiscated them. When a student got out of line, he put him back into line, by force if necessary. With a comment that these methods were "30 years behind the times," the board removed this hard-liner. They would apparently rather have drugs and violence in their schools than defy fashionable social theories.

As so often happens today, it was the public officials who were looking to the past, while voters had their eye on the future. Liberal education policy is as out of date as beatniks and pegged pants. The school board claimed that the principal was 30 years behind the times. He claimed he was 30 years ahead. They were both right. The social experiment of permissiveness which ruled education over the past two decades has failed. We have to return in the future to the solid values of the past.

Thirty years ago there were things Americans simply would not stand for. Drugs in school was one of those things. Rowdiness in school was another. LaCrosse has shown us once again that the voters are often far wiser than their officials. If firm discipline and concern for our young people is behind the times, elected representatives had better start getting old-fashioned fast, or they will follow the LaCrosse school board in an abrupt return to private life.

Voters are demanding basic education combined with old-fashioned, firm discipline, and I, for one, could not be more delighted.

LOOPHOLE IN CANADIAN-AMERICAN AUTOMOTIVE AGREEMENT OF 1965

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. VANIK. Mr. Speaker, as a representative from one of the major auto and automotive parts producing areas of the Nation, I have long been concerned about certain problems in the operation of the Canadian-American automotive parts agreement of 1965.

The 1965 agreement was signed to reduce barriers to automotive trade between the two countries and to encourage trade expansion. There is considerable disagreement between the two nations as to which country has gained the most from the agreement. For example, the Canadian House of Commons is currently studying a major report "harshly critical" of the activities of the Big Four auto companies in Canada and their operations under the 1965 agreement. I personally feel that Canada has benefited far more than the United States as a result of this agreement. There is no disagreement over the fact that the volume of trade has expanded dramatically in both directions. For example:

U.S. new passenger car imports from Canada

	Units	Value (millions)
1964	9,201	$18,703
1976	825,590	4,072,150

U.S. new passenger car exports to Canada

	Units	Value (millions)
1964	15,644	$42,223
1976	573,470	2,442,987

As the figures indicate, the percentage growth in new car sales has favored Canada, and in general, the automotive trade surpluses which the United States had with Canada in the mid-1960's have turned to deficits.

One of the problems with the agreement is that Canada promised to eventually remove the tariff on new autos exported to Canada for sale. While the United States removed its tariffs on Canadian imports, Canada was allowed to maintain a tariff "during a transition" period. Twelve years later, they are still "in transition" and have failed to remove the tariff on our autos shipped to Canada for sale to Canadian customers.

Another potentially more serious problem has just come to my attention. Under the agreement, the United States elected to continue its existing tariffs against the imports of autos and auto parts from countries other than Canada. Canada, however, chose to provide the same duty-free treatment to other nations as it agreed to apply to the United States in the 1965 agreement. As a result, automotive parts, which would be subject to a tariff if they entered the United States directly, are entering Canada duty-free, being placed into

finished auto assembly lines in Canada and then those autos are being sold in the United States. This loophole is possible, because the 1965 agreement applied to autos which had only a minimum of 50 percent of their value produced in North America.

The effect of this loophole on American and Canadian workers can be seen by studying the use of foreign imported parts at the Ford Motor Co.'s St. Thomas, Ontario plant. The St. Thomas plant is using some 766 Brazilian engines per production day for placement in Pintos. Over 800 French transmissions are installed in the St. Thomas assembly line per day. According to the United Auto Workers, the Ford engine plant in Lima, Ohio, used to make the engines that were shipped to St. Thomas. However, since the engine was obtained from Brazil beginning in 1975, some 600 workers were laid off; 375 are still out of work with seniority recall rights, while approximately 200 have lost recall rights.

These specific examples were obtained earlier this summer and may no longer be accurate, due to new model startups and changes in production lines. The example, however, is accurate of the type of problems developing because of a loophole in the agreement.

Needles to say, the hourly wage costs in Brazil are much lower than the hourly wage rates for auto workers in North America. Yet interestingly enough, there does not appear to be any reduced price to the consumer on autos assembled and sold with these foreign parts compared to the same models made totally in North America.

I do not believe that this loophole in the agreement should be allowed to continue and I will be introducing legislation to increase the value added requirement under the 1965 agreement from 50 percent to 75 percent.

It is interesting to note that the legislation passed in the last Congress mandating increased auto efficiency and improved miles-per-gallon standards defined North American autos as ones with 25 percent or more of their value added in North America. The same standard should apply to the Canadian-American trade agreement.

The present 50-percent value added requirement level is unfair to North American workers and appears to have no benefit for the consumer.

PERSONAL ANNOUNCEMENT

HON. BRUCE F. CAPUTO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. CAPUTO. Mr. Speaker, on July 20, 1977, I was absent at the time two votes were taken. I would like to indicate for the RECORD how I would have voted had I been present:

Rollcall No. 441, adoption of the conference report on Water Resources Research and Saline Water Conversion Act (H.R. 4746). I would have voted "yea."

Rollcall No. 442, adoption of the conference report on Health Programs Extension Act (H.R. 4975). I would have voted "yea."

A TAIWAN SELLOUT LOOMS UNDER CARTER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. DERWINSKI. Mr. Speaker, I wish to insert the following article, appearing in the Anaheim Bulletin of July 19, by Allan C. Brownfeld, a penetrating observer of the Washington scene. His article takes a pessimistic view of the forthcoming trip of Secretary Vance to Peking. I hope that Mr. Brownfeld is overpessimistic, but I am afraid he is not.

[From the Anaheim Bulletin, July 19, 1977]

A TAIWAN SELLOUT LOOMS UNDER CARTER

(By Allan C. Brownfeld)

Secretary of State Vance is now planning his trip to Taiwan in August and, as he does, pressures are mounting for the U.S. to abandon Taiwan and "normalize" relations with Communist China.

One indication of how strongly the Communist Chinese feel on this question came in an unusually tough statement from Vice Premier Li Hsien-nien, who met on July 4 with Admiral Elmo Zumwalt while he was visiting China. Vice Premier Li said the following: "As to when and in what way the Chinese people are to liberate their sacred territory of Taiwan, that is entirely China's internal affair, which brooks no interference."

Writing from Peking, Ross Munro of The Toronto Globe and Mail noted that, "The statement was another Chinese rebuff of U.S. probes for some sort of direct or indirect assurance from Peking that it does not intend to use military force to reunite Taiwan with the mainland."

After his meeting with Vice-Premier Li, Admiral Zumwalt said that he "detected no flexibility" in the Chinse positions in regard to Taiwan. One week earlier, Secretary Vance had urged China to "join the U.S. in mutual efforts to normalize relations, but added that the U.S. "places importance on the peaceful settlement of the Taiwan question by the Chinese themselves." Vice Premier Li appeared to be responding to the Vance statement when he declared that the U.S. must take the following steps of disengagement from Taiwan: "Severance of diplomatic relations, withdrawal of its troops and abrogation of the defense treaty—and none of the three can be dispensed with."

The idea of the men in Peking determining U.S. policy is itself a shocking presumption on their part. Unfortunately, there is some evidence that the Carter Administration is in the process of submitting to their demands.

In a major speech concerning U.S. Asia policy delivered to the Asia Society on June 29, Secretary Vance appeared to be paving the way toward a fruitful visit to Peking in August. Some observers found it significant that the speech omitted mention of American guarantees for Taiwan, although State Department officials stress that there has been no change in the status of the American Security Treaty with Taiwan. Yet, one Taipei newspaper declared that, "The Secretary of State's address could be construed as a calculated insult to this country. Secretary Vance is associating himself with the Machiavellianism of Richard Nixon. He is not standing on the Carter platform of morality and human rights."

Already, the U.S. seems to be taking steps away from its commitment to Taiwan. The U.S. has reduced its military forces on Taiwan from 10,000 at the time of the Shanghai Communique in 1972 to 1,400 at the present time. The Military assistance and advisory Group has been reduced to 35 members, largely concerned with the cash sales of military material. When the Carter Administration assumed office in January, the U.S. Ambassador to Taiwan, Leonard Unger, sent in his resignation. It was not picked up, many in Washington say, because the U.S. did not want to name a new Ambassador to the Republic of China—thereby irritating Peking.

While the Carter Administration may be toying with the idea of abandoning the U.S. commitment to Taiwan, there are powerful pressures at work which would make this a costly political decision. The State Department has been receiving cables from its embassies all over non-Communist Asia reflecting concern on the part of our Asian allies that the U.S. is withdrawing from its commitments in the region. Beyond this, support in the Congress for Taiwan is perhaps as strong as ever. On a recent visit to Taipei, Senator John Sparkman (D-Alabama), chairman of the Senate Foreign Relations Committee, asserted that the U.S. "will not alter its relations with the Republic of China" while seeking normalization of relations with Peking. Senator Sparkman noted that, "It seems to me that it is both unwise and unnecessary" to accept Peking's terms to establish normal relations.

There are also many in the U.S. who argue that the Carter Administration's embrace of Peking is in direct contradiction to its human rights policy. Professor David N. Rowe of Yale University states that, "If President Carter really does mean not to 'embrace' dictatorships, he should immediately cancel Secretary of State Vance's plan to visit Peking in August to advance normalization of relations with the Red regime there. Or is the Carter Administration in reality so afraid of the Soviet Communists. . . . It seems to embrace the Chinese Communist dictatorship?"

Quietly, the Carter Administration has been taking a variety of actions against the Republic of China. The State Department has discouraged any American companies from participating in any oil and gas exploration off the coast of Taiwan and has requested the termination of a $917,000 contract between the Republic of China and M.I.T. stating that the program "is not in the furtherance of the foreign policy. . . of the U.S." If we are not preparing to abandon Taiwan what is the purpose of such actions?

Even those on Taiwan who disagree with the Nationalist Government are shocked at the heavy-handedness of what appears to be U.S. policy. One of Taiwan's anti-government politicians said: "You gave us to Chiang Kai-Shek and now someday you are going to turn us over to the Communists. Carter talks about morality. He should know we want to be independent. It is going to be a sad day for the Taiwanese."

Hopefully, those Americans concerned with keeping our commitments will see to it that that sad day never arrives.

HELSINKI'S UNFULFILLED PROMISES—KIM FRIDMAN

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. LONG of Maryland. Mr. Speaker, Kim Fridman is a Ukrainian Jew who is forced to remain in the Soviet Union against his will. His wife and daughter have emigrated to Israel, and he is denied work in his chosen career as a radio engineer.

He has been harassed by the authorities for such activities as teaching Hebrew and the history of the Russian Jews.

For a government to presume the authority to meddle in the religious or cultural lives of its citizens is repugnant. To refuse to allow religious or cultural dissidents to leave and pursue their beliefs elsewhere is unspeakable.

Kim Fridman must be remembered and helped.

HOW SOME PENNSYLVANIANS COPE WITH THE HIGH COSTS OF COLLEGE

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. COUGHLIN. Mr. Speaker, I would like to bring an article to the attention of my fellow colleagues that was written by Henry Klein and appeared in the July 26, 1977 edition of the Evening Bulletin.

The article illustrates the diverse and sometimes ingenious ways in which several middle-class Pennsylvania families are coping with the soaring costs of higher education. The financial hardships are especially grim for the larger families where the costs of a college education are swiftly becoming prohibitive.

The plight of these families speaks eloquently of the need for assistance to the middle American, traditionally the segment of our Nation that pays the most taxes, provides the stability the Nation enjoys and which is often forgotten in the talk of tax reform and social justice.

Tax relief for families bearing the costs of higher education is becoming an economic necessity to insure quality skills and education of our future America.

The article follows:

HOW TO CUT CORNERS AND AFFORD COLLEGE

(By Henry Klein)

The cost of a college education is soaring out of sight.

Tuition, room and board plus incidentals at the University of Pennsylvania, Bryn Mawr College, Haverford College and Swarthmore College currently hover around $7,000.

Even public institutions in this area—subsidized by tax money—range between $3,000 and $4,000. Costs have escalated about 10 percent each year since 1970, with little hope of slowing down.

If you have a high school freshman in your house, you'd better have (or know where to get) about $5,500 for the first year of a state college, or nearly $10,000 at a private one.

To discover how parents are putting their children through college, I recently asked readers of my Sunday Bulletin "Live & Learn" column to share their experiences and secrets.

They were remarkably and admirably candid in telling their hardship stories, although some requested anonymity. Most are using the standard forms of financial aid (government grants and loans), but in some unusual combinations with self-help.

If any single "secret weapon" emerges from their stories, it is their intense commitment to providing more education for their children than they got from their parents.

This is a family-shared commitment, with everybody—grandparents, father, mother and children—pitching in their savings and sacrifices.

The family of Mr. and Mrs. Richard A. Sorrell, of Havertown, has used just about every imaginable way of putting five children through higher education.

"In 1970 our No. 2 son went to New College," Mrs. Sorrell reports." Tuition, room and board were close to $4,000 per year but we felt it was worth it because he was a near-genius and knew exactly what he wanted to do.

"His first year we provided part of the money (which we had frugally saved). He was able to get a $1,000 loan and about midyear was awarded a $1,000 scholarship. He also earned incidental money for books, plane fare, etc. working at odd jobs.

"That year my husband lost his job at Boeing and also was hospitalized with a serious illness. I went to work part-time (I'm an RN) till he was employed again and we got financially stable once more. All money I earned went into a college account for the children.

"Our sons's second year he got a $700 student loan and another $1,000 scholarship while we paid the difference. By his third year we were paying the total bill because according to the Parents' Confidential Statement we were making a shade too much money to qualify for any sort of aid.

"He finished in three years and earned a teaching fellowship at Stanford where he has just graduated with a Ph.D. in chemistry and has a job at the University of North Carolina. His wife helped support him through Stanford.

"Meanwhile No. 1 son had come from the Army in 1972 and began at Eastern College in St. David's under the G.I. Bill. He lived at home and commuted. We gave him room, meals and provided medical care when needed. He works at a part-time job.

"In 1973, No. 3 son graduated from high school but decided not to go to college. He is a natural-born auto mechanic and works in a foreign car garage. He attends necessary classes to keep up with latest trends, so is constantly adding to his education that way.

"From June 1973 to September 1974 we had a little breather, so we could accumulate a little more money in the bank.

"In 1974, No. 1 daughter went to Indiana (Pa.) State College and I went to work part-time. In 1975, No. 2 daughter also went to Indiana and after rejection of both PSC's we never bothered to submit anymore.

"The girls work in the summer if they can find jobs. I finally switched over to full-time work. I'm also adding to my own education, classes that relate to my work. I'm prepared for the day I might have to support myself. I feel better mentally and physically than I ever have."

A family of six children has had a grim history of sacrifices.

"We value education a great deal in this family and have drunk powdered milk and eaten hamburger for many years to afford college," says the mother.

"We have turned sheets (when about half-worn, tear down the middle and sew selvages together, then hem edges)—they last twice as long. We have made lye soap from fat scraps, gardened, frozen and canned, cut our own hair, washed our car (10 years old).

"My husband gets a good pair of shoes about every two years. Other than a $20 raincoat, I have not had a coat that did not come out of the thrift shop for 12 years.

"My husband has never made more than $12,000, though we are furnished with a rent-free house. Ten years ago he was making $5,500. We have put almost $10,000 of our own money into our children's education so far, excluding what was saved in their own names.

"One son had almost $2,000 saved in his own name when he started college. They have gotten scholarships, grants, loans and jobs—from baby-sitting and waitressing to patching roads. We have borrowed $3,000 from our insurance policies. We have not inherited any money. For some years I worked part-time.

"The third one is going to college now. One went to a top-notch state university although we paid out-of-state tuition; one went to an Ivy League college; one to a fine private college. For several years we had two in college."

"But it can be done if you have the will and work hard. This sounds pretty grim but we don't find life that way at all. Laughing youngsters and their friends are always running through the house."

A Wilmington family which was financially able to send only one of its five children "strongly resent the so-called hard-core disadvantaged given grants."

Marguerite C. says: "The fifth and last child is the only one we have sent to college. Five children in eight years. We regret not being able to send the other children who wanted to go, but they have all made it, thank God.

"Our daughter goes to the University of Delaware. Tuition is $978 a year. She commutes with four other students, each takes their turn driving 22 miles each way.

"She works 16 hours a week, clearing about $38 which pays for her books and all her clothes. I went back to work at 45 years of age and her tuition is paid by the savings we deposit at $200 a month.

Many readers are caught in the "middle-class squeeze." They are too rich to qualify for financial aid—yet too poor to pay the full cost.

June R. Bitzer, of Ft. Washington, poses this dilemma: "We have hard-earned income property giving us assets too high to qualify for a grant. We do not want to consider a loan, and we do not feel commuting is an answer because living away from home is in itself an education.

"Sadly, our three children are only given the choice of in-state colleges and they are responsible for their own personal expenses. Our children's ages are such that of the eight consecutive years of college costs, there will be four years of double tuitions. Therefore they must work in the summer."

"A Frustrated Sucker" claims "there is no secret weapon."

"It's depressing," she writes. "The whole system is totally unfair. Why should the middle-class, hard-working people have to bear the burden of the country with taxes and college costs?

"My husband and I have four jobs between us to pay for these two things. We are sick of being discriminated against by the minorities. If they are to be given free college, at least the middle class should be able to deduct college costs from their income tax.

"We are 'too rich,' to get the free help, but have to have four jobs to keep our head above water.

"Our daughter had a perfect 4.0 average upon graduation from high school. She selected an inexpensive state college for her music degree, thinking we could not afford an expensive conservatory. She should have been offered a scholarship for her talent and intelligence. She graduated from college with a 3.96 average.

"Since she wants to continue in graduate school, we told her to select a top conservatory since she had gone to a cheap college. The one she now attends costs $6,000 per year minus $2,314 which they awarded her in fellowships and assistantships."

People who are self-supporting, divorced or separated have their own stories and methods.

Charles McGuigan, of Brigantine, N.J., a waiter, uses a rehabilitation grant and a job stay in a community college.

A divorced mother who is putting herself through college relies on food stamps, a Pennsylvania Higher Education Assistance Agency grant, an interest-free bank loan (state guaranteed), and a special scholarship from her college for women over 25.

"If the motivation is there, it becomes easy. And the children are happy if you are happy achieving," she says.

Nancy Dougherty, of Broomall, is "a self-supporting college student who is dependent on the generosity of the state and a part-time job." She also shares her apartment with a roommate.

A Wilmington mother describes an unusual wrinkle—a collateral loan. Her daughter has worked since age 16 and has saved $2,500. When she began college, the family obtained a collateral loan from a bank for the first year's college costs. The loan interest rate of 9 percent is offset by the 5¼ percent interest she receives on the $2,500 savings.

However, they are also using the National Direct Student Loan, a college grant, summer and part-time work earnings, and a small scholarship—toward a $6,000 annual expense.

"We do not know what the future holds as our income is very unstable," she says. "But we feel even a year or two at an out-of-state, competitive college is an invaluable learning experience."

If there are any "secret weapons" in winning the war against rising college costs—it's the working wife and the cooperative husband.

Mrs. Nora Reyner, of Norristown, has two children at college, costing about $8,000 a year—which they pay completely without loans or scholarships. The children work during the summer.

"How do we do it?" asks and answers Mrs. Reyner. "Way back when the children were 6 and 5 years old, I went back to college for my elementary education certification—going to class at night and Saturdays. Almost all of my earnings went into savings deposits for the specific purpose of providing our children's education.

"My husband and I do our own housecleaning and he does all home repairs—painting, plumbing, electrical work, gardening. We live within our means."

TOO MUCH HOSPITALITY

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. GEPHARDT. Mr. Speaker, in recent months the House has considered and passed legislation restricting the ability of aliens from receiving sizable payments from the supplemental security income program after a short period in the country. KMOX-radio in St. Louis broadcast and editorial on May 13, 1977, opposing these benefits and later sponsored several call-in shows that enabled a full discussion of this issue by the people.

As a clear channel station heard in over 30 States, I believe that this editorial played a significant role in informing the public of the abuses of this program.

I think that this is a good sign for those who look to radio for an in-depth analysis of news and issues facing the public.

I would like to share with my colleagues the text of that editorial:

Elderly aliens are pouring into the United States by the tens of thousands to get government pensions and free medical care from Uncle Sam.

These foreign oldsters may be costing the American taxpayer as much as one-half billion dollars a year. What's more, it's perfectly legal under present American law for these senior citizens to receive these benefits.

We imagine you are as shocked by these facts as we were when we read them recently in an article in the Chicago Tribune. It seems that a change in the Social Security regulations in 1974 made it possible for registered aliens to bring their old people to the United States from their native lands.

After a thirty-day waiting period, these oldsters are eligible for checks ranging from $167.80 a month to $295.00 a month and free medical services. The influx of the elderly from foreign countries has become so big and so organized that welcoming committees greet the newcomers and help them fill out the necessary forms to get benefits. The funds for this purpose do not come from Social security, but general revenue—your dollars and mine.

This situation is intolerable at a time when millions of our own people are without work and all are pressed by inflation. We urge you to write your congressmen and senators immediately to call for a stop to this wasteful, disgraceful boondoggle.

Americans are a hospitable people but this is ridiculous.

FIRST NATIONAL BANK OF ARIZONA—100 YEARS OF SERVICE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. RUDD. Mr. Speaker, next Friday, August 12, the 3,500 men and women of First National Bank of Arizona will be celebrating the bank's 100th anniversary of doing business in our great State.

The bank will officially mark its centennial at its current branch in Prescott, former capital of Arizona Territory, on the same site where the Bank of Arizona opened its doors in 1877.

I am touched by the nostalgia of this event, because as a native Arizonian myself I well know the importance of this bank in helping to guide Arizona's development and growth to statehood in 1912, and to its position today as one of America's truly most desirable places to live.

I remember the founding Bank of Arizona's good impact on the community and the Verde Valley where I was born and raised. I also remember Sheriff Jim Roberts, a fine example of law enforcement in Arizona's earlier era, who with a single bullet from a single-action Colt 45 deterred an intended robbery at the bank's branch in Clarkdale.

Mr. Speaker, this celebration by First National Bank of Arizona is as much a personal tribute to the bank's distinguished chairman of the board, Mr. Sherman Hazeltine, who has displayed great leadership in shaping First National Bank's course as well as Arizona's destiny.

Sherm Hazeltine is a true gentleman who exemplifies all that we admire in a good banker. The sheer impact of this man's personality and respectability made First National Bank of Arizona what it is today. When Sherm Hazeltine made an agreement, he kept his word, and it is this honor—this trust—that is the hallmark of his legacy to Arizona banking.

Sherm and Mary Hazeltine moved from Prescott to Phoenix about 20 years ago, and since that time they have involved themselves in every worthwhile endeavor. He is retiring this year as First National Bank's chairman of the board. I wish him well. His great leadership and legacy will undoubtedly continue to benefit the entire State of Arizona.

Mr. Speaker, the building of the West and its economy has taken many roads. This is true in Arizona, and First National Bank will continue to play an impressive role as it has in the past.

REVISION OF DRUG LEGISLATION

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ROGERS. Mr. Speaker, last year and again at the beginning of this session I and several of my colleagues introduced legislation which would significantly revise the existing treatment of drugs under the law by the Food and Drug Administration. Briefly, the legislation required that drugs be accompanied by patient package inserts; reporting of information bearing of the safety of marketed drugs after they have been approved; notification to health practitioners of hazards to human health presented by drugs; authority for the Food and Drug Administration, upon approving a new drug application, to prescribe conditions and limitations on its approval to insure that it is used safely and effectively; an expansion of the drug research efforts of the U.S. Government; the requirement that upon taking action with respect to a new drug, the Food and Drug Administration must release a detailed summary of information relating to that drug's safety and effectiveness; and an easing of the criteria by which drugs may be immediately suspended from the market.

Today, Mr. Speaker, I am reintroducing that legislation with substantial revisions and circulating it for my subcommittee colleagues seeking cosponsorship. These revisions are designed not only to assure that drugs on the market today are safe, but also will provide the public with far greater information as to the reasons for their approval and will serve to speed the approval of drugs not now currently on the market which are much needed. Specifically, the new legislation makes the following additions and revisions to last year's bill:

First, it authorizes a merging of the so-called investigational new drug and new drug application processes whereby a drug protocol may be approved by the Secretary and, if the test results of the protocol do not differ substantially from the results required by it, the drug will be approved. This provision, called a drug development protocol, is similar to the product development protocol provisions of the Medical Device Amendments of 1976. It is my hope and belief

that this provision will serve to cut down on unnecessary delays in getting safe and effective drugs to the market.

Second, the legislation would authorize limited marketing of investigational new drugs. It provides that the Secretary may approve, for a 2-year period with provision for extension, the offering for sale in interstate commerce of a drug presently in the investigational stage if the drug is determined to be safe and if it presents a significant advancement of the treatment of disease.

Third, the legislation would require that upon approval of a new drug application, an order withdrawing approval of such an application or an order suspending a new drug application, all information bearing on the safety and effectiveness of the drug must be made available to the public. As a quid pro quo for this new requirement, the patent life of a drug is changed such that the term of a patent would not expire until 17 years from the date of the approval of a new drug application.

Mr. Speaker, there are other differences between this legislation and the previously introduced legislation, but I have highlighted the major changes. I anticipate holding hearings on this legislation this year, and look forward to working with my colleagues and the general public toward successful enactment of this legislation during the 95th Congress.

THE NEED FOR LABOR LAW REFORM

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. CHARLES WILSON of Texas. Mr. Speaker, I would like to bring to the attention of my fellow Congressmen a story which highlights some of the difficulties with our labor laws. This is a case history of a firm that has reportedly violated our labor laws with impunity and somewhat denied its workers some rights this Congress attempted to guarantee them under the National Labor Relations Act.

The workers of Schill Steel in Houston, Tex., fought over 12 years for the right to have a union and to secure a collective bargaining contract. In May of 1962, workers of the firm contacted the local Steelworkers representative and expressed their interest in a union. By August, an election had been held and the union had won and was certified.

During this period the company reportedly questioned employees on their opinion of the union, promised additional benefits if they voted against the union, threatened removal of various benefits if they voted in the union's favor, indicated that they would fire the union's leaders if their identities were learned, and actually did fire one such organizer, Columbus Caldwell. Caldwell was one of the original employees to ask the union to assist the workers in organizing.

Subsequent to the union election, the company apparently refused to recognize the union and fired another employee who had supported the organizing efforts, Wilburn Brown. Considered by one of his supervisors to be among the 5 best employees in the plant of 50, Brown was fired allegedly because of insubordination and laziness. The charge of insubordination stemmed from a fight Brown supposedly had with one of his supervisors. Yet, the very same supervisor denied ever having such an argument; and in fact, testified before the NLRB that he was told "to make Brown mad so he, a manager, would have a reason to fire him."

The National Labor Relations Board found that the company illegally fired both Brown and Caldwell and ordered that they be offered reinstatement to their former jobs with back pay. The Board also saw through the company's arguments and found that it had improperly refused to recognize and bargain with the union. Consequently, the Board ordered the company to bargain in good faith and to refrain from further acts discouraging union membership. This order was affirmed and enforced by a court of appeals cease-and-desist order in 1965, already 3 years later, which found the case replete with "evidence of the company's antiunion animus."

Bargaining then proceeded until January 1966 when a contract was fully agreed upon by both parties, and even signed by the union. Unexpectedly, the company then refused to sign the agreement it had helped draft. Company representatives claimed that the union no longer represented a majority of the employees and petitioned for a new election.

This prompted the National Labor Relations Board to seek an order holding the company in contempt of the 1965 court order directing Schill to bargain in good faith, and expected that both parties, the union and management, to begin bargaining immediately.

But delay by the NLRB in filing the charges and procedural delay fostered by Schill prolonged the rendering of a final decision until 1973. In its decision. the court was very clear:

> It should be unnecessary to add that any further violation or infringement of the rights of the employees involved by this company will be met with extremely harsh sanctions from this court.

At the court's direction, and under this threat, the company and union began bargaining again on August 17, 1973. Bargaining continued until January of 1974 when an agreement was reached; an agreement that gave the workers a wage increase, a reasonable seniority system, and other benefits common to workers at so many other plants.

Schill Steel is one of a growing number of companies who have ignored the purpose our labor laws. To such violators, the threat of a cease-and-desist order from the NLRB, or even a contempt of court citation is less compelling than a chance to break a worker's organizing drive. The law must state that in any organizing drive, every effort be made to protect the worker from unfair labor practices, regardless of which party engages in it.

AVIATION SAFETY—MORE MUST BE DONE

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. LEVITAS. Mr. Speaker, on March 15, I addressed the House on a matter of serious concern to us all—air safety. The main consideration was whether the Federal Aviation Administration was adequately discharging its statutory obligation to regulate the safety of flight, both on its own initiative and in response to recommendations made by the National Transportation Safety Board—NTSB.

We are fortunate in having such an outstandingly good safety record on the part of the American airline industry. For this we can be thankful. But, there is still much more that can and must be done if we are to avoid future tragedies of major proportions.

I pointed out that as of February 16, 1977, well over 200 NTSB recommendations dating back to 1970 were still open on the books—either not rejected by FAA or agreed to in principle by FAA but not yet fully implemented. I went on to describe in some detail 27 of these open recommendations limited to those covering passenger safety and crash survivability, including inflight and postcrash fuel fires, passenger and crew seats and restraining devises, cabin area crashworthiness, and emergency evacuations. Following my speech the Public Works and Transportation Committee's Subcommittee on Investigations and Review, chaired by my good friend and very able colleague from Georgia, Congressman Bo GINN, began an investigation into the manner in which FAA conducts its regulatory business. When my March 15 speech was made, it had been a long time since the latest U.S. air disaster. However, the tragedies at Tenerife, Canary Islands, and New Hope, Ga., which claimed over 600 lives, soon followed. Many of the topics addressed on March 15, fuel fires, crashworthiness and the inability of passengers to escape a "survivable" accident were present in those two disasters.

Mr. Speaker, today I address the House to report on the status of the open recommendations discussed on March 15 and hearings held in July by the Subcommittee on Investigations and Review.

In short, all of the recommendations I reported on in depth are still "open," that is not yet fully implemented. I have seen little or no progress on any of the items—in fact, I am beginning to suspect that some vital rulemaking projects are being consciously delayed or shelved.

One glaring example of FAA failure to come to grips with a serious problem is in the area of fuel fires. It is indisputable that post crash fuel fires pose a serious threat to air safety. According to a recent NTSB Special Study—NTSB–AAS–77–1, fire erupted during 141 U.S. certificated air carrier accidents from 1965 to 1974. Of the 7,043 persons aboard these air-

craft, 1,848 were killed, with about 292 deaths attributable to fire. In only 38—27 percent—of these accidents were impact forces so severe that survival was impossible regardless of the presence of fire. These statistics do not include the many persons who perished in the fuel fires at Tenerife and New Hope.

FAA's inadequate response in this area may be illustrated by the following. In 1964 the agency issued an Advance Notice of Proposed Rulemaking entitled "Prevention of Crash Fires in Transport Airplanes" covering fuel containment and ignition suppression. No new standards or rules resulted from this effort, and the new generation of widebody jets were introduced with little or no improvements in this area. In early 1974 a Notice of Proposed Rulemaking was issued proposing to require explosion prevention systems for transport aircraft. Although the comment period on that NPRM closed some 3 years ago, on April 25, 1977, FAA published a notice to the effect that a public hearing would be held on fire and explosion hazard reduction in transport category airplanes (Federal Register, Vol. 42, page 21202).

In that notice the FAA made the following statement in justification for the hearing:

> That a public hearing would provide a forum to obtain information needed to determine whether a requirement should be developed to reduce the hazards of fuel system fires and explosions associated with both in-flight and impact-survivable turbine powered transport category airplane accidents.

Can there be any question as to whether such a requirement should be developed?

Perhaps in no other area has FAA fallen so far short in carrying out its charter than in dealing with the fuel fire problem. The agency's level of effort over the years in research and development has been minimal and lack of FAA effort to incorporate technology developed by other agencies is disgraceful. The Investigations and Review Subcommittee is examining FAA's activities in this area, and Chairman GINN has indicated that this is one topic on which hearings may be held. I sincerely hope that the FAA public hearing held in May was not for the purpose of merely buying time. I hope that much new information was received so that FAA can get moving to a conclusion on this vital safety problem.

Another example of FAA failure to come to grips with a serious air safety problem is in the area of flammability, smoke emission, and toxicity of aircraft cabin materials. There is an obvious close connection here with inflight and post-crash fuel fires. In addition to the danger of flames, it has long been understood that toxic gas emissions from burning cabin materials pose a high risk of death due to asphyxiation, and smoke emissions greatly impair the ability of passengers to evacuate burning aircraft. Despite these dangers, at the present time there are no existing standards for toxic gas or smoke emissions from aircraft cabin materials. Flammability standards do exist, but many of these standards have not been upgraded for years. FAA efforts to deal with cabin materials requirements have been inexplicably piecemeal and unreasonably slow. Yes, FAA has begun numerous rulemaking projects dating back to the midsixties and has collected reams of public comments on the issues, but the rules and standards have not been forthcoming.

The current status is that on July 18 FAA issued a call for a public hearing—Federal Register, vol. 42, page 36976—on the subject of compartment interior materials in transport category airplanes. In justifying the need for a public hearing to be held in November FAA stated the belief—

> * * * that further consideration, including research efforts, should be given to the interrelationships of flammability, smoke emission, and toxic gas emission characteristics of compartment interior materials in transport category airplanes before further action is taken with respect to Notices 74-38, 75-3 and 75-31.

Mr. Speaker, I submit that just another public hearing is not necessary to consider the interrelationship of flammability, toxicity and smoke. Responsible individuals and corporations have for many years urged FAA to consolidate its efforts in this area, and the public dockets on existing piecemeal efforts are replete with such references. Again, I truly hope that this call for public hearings is not an effort to buy time—we cannot afford to let the clock continue to run while lives are being needlessly lost.

I would now like to report on the very important hearings held last month by the Investigations and Review Subcommittee. The topic of the hearings was: "Aircraft Passenger Education: the Missing Link in Aviation Safety."

These hearings left me with the following firm impressions:

First. Most air carrier accidents have survivable aspects, that is, crash impact force alone was insufficient to kill all on board.

Second. Most aircraft emergencies are unexpected and require quick, correct responses to insure occupant safety and survival.

Third. Due to ever present fuel fires, passengers have very little time to exit following a crash—the rate of survival is closely related to the evacuation rate.

Fourth. In many cases it is the passenger, not a crewmember, who opens emergency exits.

Fifth. The present system of informing passengers of vital safety information is woefully inadequate.

Sixth. The present system of crewmember emergency training may be inadequate.

Seventh. Certainly, in the area of passenger education and perhaps in the area of flight attendant training the air carrier industry is largely self-regulated.

Eighth. Many passengers who have survived crash impacts may have perished because they were unfamiliar with what to do in an emergency—passenger safety briefing methods need to be improved to increase the probability of passenger safety and survival.

Ninth. Air carriers may be letting their marketing concerns and putting passengers at ease interfere with informing and preparing passengers for an emergency.

At the present time the passenger receives his safety education from the air carrier through an oral briefing prior to takeoff and by passenger information cards located in seatback compartments. The oral briefings provide a very minimal and, I believe, inadequate amount of information, are often hurried, suffer from poor PA systems, cannot always be seen, and are largely ignored. The briefing cards, when seen, are often inadequate in that they may have misleading, incorrect, or easily misunderstood information. To illustrate the shortcomings of the present system I would like to use as a classic case in point of the patent shortcomings of the present passenger education system: the emergency oxygen systems for passengers.

Everyone who has flown in an aircraft can remember being briefed on the use of the emergency oxygen systems. However, both in actual practice under real emergencies and in the laboratory, it clearly appears that very few people actually know how to use the system in order to prevent hypoxia. In a recent NTSB case study—NTSB-AAS-76-1—the Board cited several examples where during actual decompression emergencies only a small percentage of passengers correctly activated the oxygen generators and donned their masks. The Board cited the following as causes of passenger inability to use their oxygen masks: passenger briefings; lack of oxygen flow indications; headband adjustment difficulties; lack of mask stowage methods; and flight attendant training. NTSB made several recommendations in the study. To my knowledge none of these have been fully carried out by FAA.

Another shortcoming of the present passenger education system is in the operation of emergency exists. Air carriers deemphasize information enabling passengers to know how to operate these exits—total reliance is placed on crew members being able to open the exits. FAA only requires that the location of exits be pointed out, and I have never seen an oral presentation on how to operate the exits. A summary table presented at the hearings by Dr. Daniel A. Johnson on 10 recent selected accidents indicates clearly that the air carriers reliance on crew members to assist in evacuations is unrealistic. In those 10 accidents 80 percent of the passengers escaping exited through emergency exits opened by passengers. One reason for this is obvious: In the narrow body jets, which comprise the largest part of the current fleet, overwing window exits are very frequently used, yet FAA regulations do not require the exits to be attended by crew members during regular landings or in known emergency situations. Since flight attendants will not normally be at these exits in an emergency, and passengers are not told of this, the need for air carriers to do more than merely point out where the exits are and refer passengers to the information card is obvious.

Mr. Speaker, time does not allow me to detail the wealth of information developed at these hearings. Oxygen mask and emergency exit use were only two of many areas covered. The proper method of using emergency slides, life vests, and life rafts are other areas where passenger education is sadly deficient. Much work needs to be done.

It is time for FAA to reassess its stance in allowing air carriers to regulate themselves in this area. The present system of imparting safety information to airline passenger via "canned" PA announcements and visual demonstrations has been insufficient to assure full and effective use of the provisions that have been made for their safety in emergencies. The FAA and the air carriers need to do much more work in the areas of passenger motivation, standardization of emergency procedures, equipment and information cards, and in developing new concepts in the use of dynamic briefings such as videotape or motion pictures.

We have a fine air transportation system with marvelously designed aircraft, but in my view the next frontiers in air safety are in crashworthiness and passenger reaction to emergencies—this is where we will be making the greatest strides in the near future. The hearings being conducted by the Investigations and Review Subcommittee have and will continue to call attention to the need for redoubled efforts on these fronts, but in the final analysis it is the FAA and the air carriers resolve to make strides that will determine whether we improve air transportation safety. I have been heartened in recent days by several carriers expressing real interest in recommendations made during the hearing. Hopefully this will develop into an industry wide trend which will have widespread benefits for all air travelers.

RESOLUTION IN FAVOR OF TAIWAN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. DERWINSKI. Mr. Speaker, there has been much discussion over the President's decision to recognize Peking. I direct the attention of the Members to a resolution adopted by the city of Cleveland, dealing specifically with the issue of maintaining diplomatic relations with the Republic of China, Taiwan.

AN EMERGENCY RESOLUTION

Memorializing the President of the United States to maintain diplomatic relations and the mutual defense treaty with the Republic of China, Taiwan

Whereas, the Republic of China, Taiwan, was a founding member of the United Nations and has always been a law abiding member of the community of nations; and

Whereas, the people of the Republic of China, Taiwan, have built a successful, prosperous, free economy out of the ashes of a half century of revolution, invasion and civil war and now serve as an important trading partner of the American people; and

Whereas, the Republic of China, Taiwan, is of great strategic importance in the defense of East Asia and the Pacific and had always utilized its military power in the interests of the free World; and

Whereas, the people of the Republic of China, Taiwan, have been among the most trusted friends and allies of the people of the United States since the founding of the Chinese Republic in 1912; and

Whereas, President Jimmy Carter has repeatedly stated that he will pursue an open and just foreign policy, based on morality; and

Whereas, President Jimmy Carter has also repeatedly stated that he will not compromise the freedom and security of the people of the Republic of China, Taiwan, and will stand by the U.S. commitments to that country; and

Whereas, this Resolution constitutes an emergency measure providing for the immediate preservation of the public health, safety and welfare; now

Be it resolved by the Council of the City of Cleveland:

Section 1. That the President of the United States be and he is hereby memorialized to strongly maintain its diplomatic relations and mutual defense treaty with the Republic of China, Taiwan, and to continue this country's friendship with the people of the Republic of China, Taiwan.

Section 2. That the Clerk of Council be and she is hereby directed to transmit a copy of this Resolution to the President of the United States.

Section 3. That this Resolution is hereby declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its adoption and approval by the Mayor; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PRAISE FOR COLLEAGUE IN WATER REFORMS

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. PHILLIP BURTON. Mr. Speaker, I would like to call to the attention of the House the summer 1977 edition of Cry California, published by the highly respected organization California Tomorrow which is dedicated to problem-solving and environmental protection through proper planning.

In this edition, the article, "Water Politics: Those Clouds Over Westlands Aren't Rain," by Dan Blackburn, calls attention to the valuable contribution made by my colleague, GEORGE MILLER, in initiating the major reform of water policy in California.

Earlier this year GEORGE MILLER'S amendments to H.R. 4390 not only brought about the first full-scale investigation of how water policy and priorities have been set in the past, but also have provided a vehicle for the major reform of water policy which will lead to better protection of our San Francisco Bay and delta regions. For all too long in California's history, big corporate farmers have been able to dictate water policy in this State to the detriment of the public interest. With the passage of H.R. 4390 and the subsequent work by the task force, I believe this will no longer be allowed to happen, and that future water policy will be made with the interests of all Californians in mind.

The article follows:

WATER POLITICS: THOSE CLOUDS OVER WESTLANDS AREN'T RAIN

(By Dan Blackburn)

(NOTE.—Dan Blackburn is a consultant to the American League of Anglers and a free-lance writer who has contributed articles on water policy to *Cry California* and other publications.)

Ralph M. Brody, silver-maned manager-chief counsel for the Westlands Water District in Fresno—the man whom *The California Journal* tagged last year as "California's highest-paid public official" ($81,500 a year)—is contemplating retirement. He has duly noted that, in this dry year, more and more people are asking hard questions about Westlands water and the 1902 Reclamation Act.

The Reclamation Act was a deliberate attempt to use federal irrigation projects for a specific social purpose—putting more people on the land. Although a product of the administration of Theodore Roosevelt, it could as easily have been drafted by Thomas Jefferson—it clearly expressed the old American idealistic belief that there is something naturally healthy about a nation of small farmers. The law required that water from federal projects be supplied only to land-holdings of not more than 160 acres—320 acres in the case of a husband and wife.

It has been systematically nonenforced ever since it was passed, and Brody has certainly done his part.

With impressive skill and tenacity, Brody has molded, manipulated and exploited the Reclamation Act to the multimillion-dollar advantage of his employers—the owner-irrigators of Westlands. For more years than anyone had thought possible, they have gotten what they wanted and he has earned his ample salary for helping them get it. It, of course, being water.

M. Woodrow Wilson of the governor's Office of Planning and Research: "The reclamation laws intentionally provide subsidies to help their intended beneficiaries, the settler and the small farmer. It is arguable, however, that the subsidies were not intended to reach their present magnitude, and it is unquestionably true that most of those presently receiving reclamation benefits in Westlands are not settlers or small farmers."

It is a remarkable understatement. The subsidies' "present magnitude" is expected to top $2.5 billion when the public's investment is computed. And the recipients are certainly not "settlers or small farmers." More than two-thirds of Westlands' total irrigable acreage is held as "excess land"; that is, more than the 160 acres allowable to qualify for reclamation-project water. Large landowners dominate the district: Southern Pacific has 106,000 acres; Boswell's Boston Ranch, 24,000 acres; and Standard Oil, 11,500 acres.

The big owners, using Brody to write their version of the Reclamation Act, were able to spread their excess-land sales over a 10-year period, all the while dumping those tax-bought gallons of water on their crops. Since federal water first arrived at Westlands, property has gone up in price, as well as production. Would-be small farmers who line up for a bid on excess Westlands property going on the block discover that—again in violation of the act—the provision of water has increased the acreage price beyond their means.

But the heat is on Westlands, and it seems likely that the district will soon have to conform to at last *part* of the law. And with compliance in Westlands, it may follow that other Bureau of Reclamation operations, in

other parts of the country, may be in for some Congressional facelifting.

This will not necessarily mean rigid adherence to the 160-acre concept. During California hearings of the Select Committee on Small Business and the Committee on Interior and Insular Affairs, U.S. Senator Gaylord Nelson of Wisconsin said, "There is nothing religious about 160 acres. The idea is to encourage small farmers to live on the land and farm it. If they need more acreage, Congress will consider the question. But 106,000 acres [Southern Pacific's holdings] does not seem to me to be a 'small farm'."

In the late 1950s, George Ballis was the editor of a small labor newspaper. Today he is head of National Land for People, a Fresno-based public-interest group working for land reform in Westlands.

"Back then, no one cared that this huge federal project was being built to line the pockets of the valley's land barons," Ballis smiles. "Today everyone is sitting up and taking notice." Soon, if all goes according to schedule, National Land for People will begin to help first-time investors buy, and farm, their own land in the San Joaquin Valley.

Undoubtedly the drought is helping call attention to the Westlands situation. The 200 farms that receive water within the district are remarkable water-consumers. Collectively they produced crops with a gross value of $275 million in 1974. To do that, they received and spread 1.08 million acre-feet of water over the same 12-month period. That amounts to 700,000 gallons of water each and every minute pouring onto rich, brown earth that only 20 years ago was dry, dusty, and dirt cheap.

MAKING THE DESERT BLOOM

The conversion of Westlands into rich farm country is the direct consequences of the federal government's decision to construct the San Luis water project, a decision made by Congress nearly two decades ago.

In 1959, B. F. Sisk (called "Bernie" by his Fresno neighbors who had elected him to represent them in the Congress of the United States) sought funds for a system of impoundment dams, transfer canals and related facilities that would supply water for a huge, semi-arid belt of fallow land. He wanted to make the desert bloom in central California.

In 1959, if a man said he could make something out of nothing . . . well, by cracky, he deserved a chance.

Congress yawned its approval, and suddenly Sisk's Westlands followers had themselves 192 million federal tax dollars and the authority to appropriate water from the shrinking pool of the Sacramento-San Joaquin Delta. With the water, Westlands landowners could bring into production 600,000 acres of new farmland. Property values began an upward spiral until today an acre of Westlands costs 300 percent more than it did in 1960.

While Sisk was launching water projects in Washington, Charley V. Porter was doing the same in California. Porter, a Southern California assemblyman, successfuly obtained voter approval for the floating of bonds to finance construction of the fruits of his legislative fantasies, a facility to be known as the State Water Project. It mattered not to Porter that the waters he thought would fill his project upon completion were the very same waters that Sisk thought would fill *his*. The conflict was painfully obvious even in 1959, but nobody really believed California would not have plenty of water. Something would turn up.

INTENSE COMPETITION

James F. Sorensen, a Visalia engineer who serves as secretary of Friant Water Users Association, summarized the problem two years ago when he testified before a U.S. Senate hearing about Westlands: ". . . we find ourselves pitted against each other, in effect, competing, and that is what it is: intense competition for what water is available in California at this particular time."

Coincidentally, that "particular time" was the very outset of the current dry spell, and Sorensen, as he spoke, was visualizing exactly twice as much water as exists today. Intense? Sorensen had no idea then what the word really meant.

While Sorensen was competing in his clients' interest, a report was being furnished to Governor Brown that expressed concern about a proposed long-term (40 years) contract between Westlands and the U.S. Bureau of Reclamation, provider of water through the Central Valley Project's San Luis Unit. The contract was already in the hands of Jesse Unruh, who would sign for the state of California, and Thomas Kleppe, who would sign for the United States during his final days as Secretary of the Interior.

G. Donald Meixner of the State Water Resources Control Board noted in the report to Brown: ". . . the Bureau will not have the capability in the near future to meet all of its contractual demands in [in California] and Delta water-quality requirements during certain critical dry periods." There was enough evidence that the bureau had indeed overcommitted itself to convince Brown that the signature of Unruh should wait.

The little matter of insufficient water to fulfill promises didn't faze Kleppe, who sat poised in the nation's capital with raised pen. First he proclaimed that he would await his successor, and then, just as he left office, he signed the contract. Incoming Interior Secretary Cecil Andrus invalidated the signature. The proposed contract presently undergoes additional scrutiny and alteration by Andrus before it gets a second—and binding—signature.

As the situation stands, Andrus will be in no hurry. The only advocates of immediate signing are the Westlands owners, their glib spokesman, Brody, and Congressman Sisk.

While the contract hangs fire in the executive branch, other Westlands-related intrigues are being played out in Congress.

In March of this year, Representative Sisk, father of the San Luis project, introduced an amendment to his original San Luis authorization act. Sisk's intent was to get funding for a drainage system that would carry pesticide- and fertilizer-laden runoff water out of Westlands to be dumped into—where else?—the Delta and San Francisco Bay.

As a counter move, Representative George Miller (who represents the Delta area) introduced far-reaching amendments of his own to Sisk's HR 4390. Miller's amendments neutralize the aspects of Sisk's proposal favorable to Westlands owners, and may pose one of the most significant threats yet. The Delta farmers are anything but radicals, but in the struggle for water they are in fact lending a hand to the land-reform movement. For example, the legislation as amended will:

Limit the total appropriation for San Luis during fiscal year 1978 to $40 million;

Direct Secretary of the Interior Andrus to establish a task force to review the management, organization and operation of the San Luis Unit "to determine the extent to which they conform to the purposes and intent of" the original authorizing act. The task force will include the Commissioner of Reclamation, the Assistant Secretary of the Interior for Land and Water, the Solicitor and the Comptroller of the United States (or their representatives), members of the general public, and representatives of the state of California and the Wetlands Water District;

Prohibit Andrus or his representatives from approving any amendatory or interim contract with the San Luis Unit, or any water service or repayment contracts with Westlands.

At least three hearings (two in California) will be conducted by the task force, which will be charged with completing its analysis and making its recommendations no later than January 1, 1978.

The task force proposed by Miller's amendments could evolve into something more than a paper tiger. Its powers are broad, and its political makeup (mainly Carter appointees) might produce a willingness to use its authority to the fullest.

The task force's report will cover ten specific areas of investigation, including:

A detailed accounting of funds expended for planning and construction of San Luis facilities;

An analysis of the compatibility of the present design and plan for San Luis with the original feasibility report, environmental impact statement, and cost estimate;

An analysis of existing repayment obligations;

The record of enforcement of the requirements concerning the disposition of excess lands by persons receiving federal water or major project benefits.

Francia Welker of OPR thinks such a report could be a sound basis for reassessing Westlands policy:

"This provides a fact-finding forum which is different from Congressional testimony. It's nice when George Ballis and David Weiman (Westland's most vociferous critics) can get up before a committee and sound off, but this is a different structure in that it allows a cost-accounting and other things with regard to the effectiveness of the [San Luis] project, who its real beneficiaries are and who is really paying the cost.

"I think this will give any decision-maker a much better position from which to make a decision that would be unpopular with vested interests. In other words, the facts just dictate one course of direction—to enforce the Reclamation Act of 1902 in terms of its intended beneficiaries and to regulate the water quality [of the Delta]."

THE FORGOTTEN FARMER

Thus ownership of Westlands agricultural property seems to be moving painstakingly toward compliance with the intent of the Reclamation Act of 1902. One of these days, we may see a California version of what the law promised—small farmers happily tilling in the San Joaquin Valley, the boundaries of their property plainly visible on the horizon, their fields irrigated with water from San Luis Reservoir.

California Congressman John Krebs, then a freshman legislator, told a Senate investigating panel:

"At the core of all this controversy is the oftforgotten family farmer. After all, he or she has *theoretically* been the compelling reason behind the federal subsidization of reclamation water all along . . . While there are no doubt differing conceptions of the meaning of a family farm, no one can seriously claim that the 1902 Reclamation Act was ever designed to promote corporate and large-scale farming by abenstee landowners, let alone encourage land speculation at the expense of the general taxpayer, and those who were to benefit from this legislation . . . This act has placed great trust in the integrity of those designated to administer it. Serious questions have been raised as to whether this trust has been faithfully carried out."

In terms a bit more lofty, Governor Brown added his thoughts about the social value of redirecting Westlands:

"As the society allows aggregates of economic power, as we allow ourselves to be regimented in the massive way that we find in so much of our national life, democracy itself is threatened. To the extent that we can moderate the development and provide options for people, I think we can do a great

deal." To the governor, doing "a great deal" would be bringing the small farmer back into the California agricultural picture.

One result of that would be higher agricultural productivity. That's right—despite the agribusiness myth that larger farms are more efficient and the small farmer can't make it, research from several sources (including the University of California and the U.S. Department of Agriculture) shows clearly that small family farms operated by resident owners are more productive.

There would also be secondary payoffs to the Westlands area. Whereas today it is mainly a place of rich land and poor people, vast fields with few buildings except equipment sheds and workers' barracks, the change to significant numbers of small farms would undoubtedly stimulate construction of farm houses and buildings. In place of the rather bleak and semifeudal Westlands that exists today, there could be an area of stable and prosperous rural communities. Perhaps, after 75 years, we will get a chance to see what kinds of social and economic benefits the Reclamation Act can provide.

TAXING TIMES

HON. BOB GAMMAGE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. GAMMAGE. Mr. Speaker, it is a great personal pleasure for me to commend to your attention, and to the attention of my colleagues, this fine editorial written by Lynn Ashby of the Houston Post, entitled "Taxing Times."

Mr. Ashby's article illustrates the difficulty Americans now have in maintaining their present standard of living because of increasing taxes. I hope my colleagues will pay careful attention to this predicament before voting for additional Federal spending.

The editorial follows:

TAXING TIMES

(By Lynn Ashby)

In case you haven't noticed, one of the fastest rising costs to the average American is not his food, rent or gasoline. No, it's his taxes. Taxes are increasing faster than almost anything else. They are not only undercutting our pay raises, but in many cases are leaving us worse off than before. The amount of all taxes collected per person in the U.S. between 1960 and 1976 more than tripled—yes, tripled—from $278 to $900. At the same time, the purchasing power of the dollar was just about cut in half. This combination just might be the reason for some of your problems.

So, I want everyone to just jot down how much you estimated you made in 1960, 1970 and 1976. Ready?

The reason I am asking you to do this is because today we are going to figure out, not how much you are making, but how much you should be making. This particular topic is rather timely since President Carter has announced plans to increase our Social Security taxes, both the rate and the amount to be taxed. To see where we are going, let's see where we've been, depressing though it may be.

For a guide, we turn to the latest figures gathered from the Conference Board, which is an independent fact-finding operation. We begin on an up note: Last year, total personal income was up by 10 per cent, the biggest jump in three years. What is called "per capita disposable personal income," an economist's way of saying what you've got after paying your taxes, was also up last year, by 3.2 per cent. The year before it was up only 1 per cent and the year before that it was actually down, by 2.3 percent.

Now let's look at Social Security taxes, which will probably be increased shortly. In the past 10 years, the amount of money put into the program annually has jumped from $17.8 billion to almost $55 billion, but benefits have increased even more, so the program is going broke.

Here's an interesting point: Personal federal income tax collections have slowed, and have even shown actual declines in three out of the past seven years. So where, you might well ask, are all these additional taxes going? To the social security program, of course, and to state and local governments, which are tacking on income taxes and increased sales taxes and the like. Right after World War II, these state and local taxes made up 19 per cent of our tax load. Today they account for 35 per cent, or in dollars, about $116 billion a year.

Between taxes and inflation, you have to be making a lot more today than you used to, but how much more? A rule of thumb is to take your 1960 income and then compare it with your '76 income. If your income has not more than doubled in that time, you're in trouble. Here's a simple chart to help out, figured for a married couple with two children, for '60, '70 and this year:

	Gross income needed to stay even		
1960	$10,000	$15,000	$25,000
1970	13,181	19,829	32,644
1977	20,340	30,850	51,950

If you are the person who made an even 10 grand in 1960, then that year you paid about $1,400 in federal income and social security taxes. In 1970 you needed $13,181 to stay even, but you were paying $1,900 in those taxes, and last year, when you were making that $20,340, you were sending to Washington $3,336. Thus you can see what has been happening to us in just the last six years.

Ah, but let's say you are a high roller. Big income. And, therefore, heavily taxed. If you plan to make $51,950 this year (which is what it will take to equal that $25,000 you made in '60) you will be paying $12,497 in federal income and social security taxes, and you will have lost $19,490 in purchasing power since '60.

Now, none of this counts what we send to our city and state governments, or even what we send to Washington in the form of other federal taxes. Just the ISR and social security payments. But, as I noted earlier, it's still not enough because the social security program, designed to be self-sufficient, isn't. Not any more. Carter says we will have to tap the federal treasury for more than $14 billion to bail out the program. And, of course, raise taxes.

There is a bright side to all of this, to be sure. You might be making $206,800 this year, and thus would be paying $86,090 in federal income and social security taxes. Can you imagine owing Uncle Sam 86 grand? And if you don't pay, going to jail? There are benefits to everything, and this is one bennie to being poor. If I think of any more, I'll let you know.

PAY INCREASE LEGISLATION

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. BRECKINRIDGE. Mr. Speaker, the legislation I am introducing today addresses the unique situation in which Members of Congress must approve or disapprove once every 4 years immediate salary increases for themselves. This bill amends the Federal Salary Act of 1967, Public Law 90–206, to provide that no increase in the salary of Members of Congress can go into effect until after the next Congress is seated. In other words, a Representative would have to be elected to the next Congress before he or she could receive an increase in salary.

The 1967 act devised a method by which congressional salaries could be reviewed every 4 years by a Commission on Executive, Legislative, and Judicial Salaries. This method was established by section 225 which provides for review of not only congressional salaries, but of the salaries of justices and judges of the Federal judiciary, Cabinet and subcabinet officers—levels I through V of the executive schedule—and certain other officials in the executive, legislative, and judicial branches.

Under this section, the Commission recommends salary adjustments to the President, who in turn transmits his own recommendations to the Congress. According to the law, the President's recommendations become effective at the next pay period after 30 days following transmittal unless, in the meantime, one House of Congress by resolution disapproves all or part of the recommendations. Since most pay periods begin every 30 days, Members enjoy the benefits of a pay increase within 60 days upon receipt of the President's recommendations unless they are disapproved.

The Constitution places Members of Congress in the precarious and sometimes awkward position of having to vote on their own levels of compensation. We are the only Federal employees that are authorized to set and adjust their own salary levels and ultimately that authority cannot be delegated to anyone else. Nor should it be.

Nevertheless, we are faced with an inherent conflict of self interest situation when we are required to approve or disapprove a proposal that could be to our immediate and substantial personal advantage. In any other situation the proper course of action would be for any individuals concerned to disqualify themselves from the decision, but this is impossible when every Member of the House and Senate is personally affected and there is no constitutional method by which to delegate ultimate responsibility.

Nearly 200 years ago, the First Congress considered this very problem. Subsequently on September 25, 1789, both Houses of Congress approved and sent to the States for ratification a proposed amendment designed to partially limit the authority of Congress to increase the salaries of its Members. The amendment, introduced by James Madison as part of a package which eventually became the Bill of Rights, would have postponed the implementation of any congressional pay raise approved by Congress "until an election of Representatives shall have intervened." The Annals of Congress record that Members favored the constitutional amendment because it would remove the burden that future Congresses would have alleviating "the disagreeable sensation occasioned by leaving it in the breast of any man to set a value on his own work."

Although Congress approved this amendment to the Constitution as proposed article 2 of 12 amendments, the amendment failed to be adopted by the necessary 11 States and become part of the Constitution.

Two very similar draft amendments which were proposed at the New York and North Carolina conventions considering the ratification of the Constitution in July 1788 may have been the direct source for Madison's proposed amendment. The New York convention proposed 13 amendments to Congress—1 of which forbade a change in congressional salaries "for the benefit of the representatives until after a subsequent election shall have been held." The amendment proposed by the North Carolina convention said that—

The laws ascertaining the compensation of senators and representatives for their services, be postponed in their operation until after the election of representatives immediately succeeding the passing thereof.

Although the proposal for deferred pay increases has been advocated since even before the earliest Congress, we are still faced with a situation in which our pay rates are affected within a few weeks after having been proposed to Congress. This continues to present an intolerable and embarrassing situation, particularly when attempting to provide an explanation to the people we represent. One of the chief benefits of this proposal is that it allows the public to properly express its views on any congressional pay increase, since Members must stand for election before they could receive any benefits from a salary increase.

Consequently, because we would no longer be making decisions that are to our immediate benefit, we could hope for a more rational and objective consideration of congressional salaries than that which has been the case for the past several years.

Finally, I might point out that my proposal benefits those Federal employees whose pay is dependent on congressional approval of the Commission's recommendations The bill makes provision that would not act to delay pay increases for other Federal officials under the purview of the Commission during the congressional deferral period. Although congressional salaries would be postponed until the succeeding Congress, the proposed adjusted salaries of these officials could become effective immediately. This would not only provide the means for a more rational discussion of the subject of congressional pay, but would also assure that these officials would not be penalized, but instead paid compensation comparable with their counterparts in private industry.

This legislation does not alter any of the procedures of the operations and recommendation process of the Commission nor does it eliminate any of the annual comparability pay adjustments provided for in the 93d Congress. It does provide a more rational framework by which we deliberate future salary increase.

MOSCOW'S MAN IN LUSAKA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. CRANE. Mr. Speaker. When the House of Representatives took up H.R. 6884, the International Security Assistance Act, some of my distinguished colleagues objected in part to an amendment I offered on the floor to the act. My amendment would have prevented any funds from being expended for Angola, Mozambique, Tanzania, and Zambia. Several Members on both of the aisles enlightened me to the fact that Zambia was not in the same category as Angola and Mozambique, and therefore, should not be excluded from receiving funds from the United States. I was told that Zambia and its President, Kenneth Kaunda, are friends of the United States, that Kaunda is a peacemaking moderate in Africa, and that Zambia was a country that would stand up to the Russians if necessary. For those who questioned the inclusion of Zambia in the original amendment, I insert the following article which appeared in the Washington Post last week.

MOSCOW'S MAN IN LUSAKA

(By Rowland Evans and Robert Novak)

LUSAKA, Zambia.—The fortress-like Soviet embassy here has become the nerve center for guerrilla operations against Rhodesia (Zimbabwe) and South West Africa (Namibia), undermining persistent Western hopes that Zambia's President Kenneth Kaunda would become the peacemaking moderate for southern Africa.

Behind the embassy's high heavily guarded walls, a short walk from the Zambian foreign ministry, Ambassador Vasily Solodovnikov is intimately involved in training, supplying and even deploying guerrillas. Moreover, old diplomatic hands see him doing his best to scuttle Western efforts for negotiated settlements in Rhodesia and Namibia. For the Kremlin to cash in on its heavy investment, the guerrillas must win; a genuine free election might well install a non-guerrilla government.

The Soviet aim thus conflicts with popular sentiment in Zambia, possibly shared at heart by Kaunda himself, for a quick, negotiated peace in Rhodesia. Nevertheless, Kaunda publicly takes the hard line and may be trapped in positions not in his nation's best interest. Having mounted the Russian bear, Kaunda cannot easily get off.

Solodovnikov has impressive credentials. An expert at the Soviet Africa Institute with intimate links to the KGB, he was architect of the Kremlin's succesful strategy for southern Africa. But the pudgy, smiling Russian is no KGB heavy, frightening off diplomatic colleagues. Rather, he assures everybody of his sincere best wishes for the Anglo-American initiative on Rhodesia.

Veteran diplomats don't believe a word of it. Solodovnikov supervised the quick buildup of Joshua Nkomo's new 3,000-man guerrilla army based in Zambia. Having put their money on this new military factor, the last thing the Russians want is a quick settlement.

Indeed, Solodovnikov has made Zambia a hub of military activity. It is a base for guerrilla raids against both Rhodesia and the long silver or South West Africa called the Caprivi strip. Aeroflot passenger planes land regularly at Lusaka, ferrying Nkomo's guerrillas to and from training in Angola.

But in typical Russian style, Solodovnikov is no gracious guest. While using Zambia as a base for military operations elsewhere, he is not beyond attempting a little subversion here. Some 250 Russian technicians, mainly teachers, are suspected by Zambian officials of proselytizing student radicals against Kaunda as an old fuddy-duddy with insufficient revolutionary fervor.

The matter surfaced when the Zambian government accused a Novosti press representative (undoubtedly a KGB man) of subversive activities and told Solodovnikov there would be no publicity if the agent were quietly returned home. The ambassador refused. The Zambian government then kicked out the Novosti man, announcing it in a brief item buried in Lusaka's government-controlled newspapers.

The Novosti incident is seized upon by Western diplomats as proof that Kaunda runs his own house, but it actually reveals Solodovnikov's arrogance and Kuunda's caution. Certainly, Kaunda is no free agent capable of throwing out the Russians in Egyptian-Sudanese fashion. Besides reliance on Soviet arms by the Zambian army (now deployed on the Rhodesian border), Kaunda is constrained by fellow "front-line" states (Mozambique, Angola, Tanzania) more radical than Zambia.

So, Kaunda's posture has hardened. The agent for Angola's anti-Communist Unita guerrillas, backed by Kaunda in the Angolan civil war, has been thrown out of Lusaka. Although Kaunda once condemned Cuban intervention in Angola, he recently suggested Cuban troops might be used in Rhodesia.

Kuanda's switch from moderate to hawkish rhetoric on Rhodesia is attributed by Western apologists to disillusionment over past failures in negotiations. But beyond rhetoric, he singlehandedly pushed the African summit meeting in Gabon to a resolution demanding a military solution in Rhodesia. Western diplomats suspect a recent editorial in the Zambia Daily Mail, criticizing a suggested British Commonwealth peace-keeping force for Rhodesia, was written at the presidential palace. Above all, Kaunda is as committed to Nkomo's military force as are the Russians.

Kaunda's militancy does not fit the national mood, which greeted war posters slapped all over Lusaka with ennui. Although depressed copper prices are mainly responsible for Zambia's economic hard times, closing the border with Rhodesia also hurt. Apart from student radicals, Zambians would rather spend money on Lusaka's wretched shanytown slums than for more Soviet military hardware. Even back-benchers in parliament are privately cool to the war effort.

Kaunda cannot change course to satisfy public opinion. He will ride the Russian bear until Soviet-backed guerrillas take over Rhodesia. Whether he dismounts at that point, nearly surrounded by leftist neighbors, is something Solodovnikov will have much to say about.

PUBLIC POLICY OBJECTIVES OF AMERICAN ASSOCIATION OF HOMES FOR THE AGING

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. PEPPER. Mr. Speaker, I commend to the attention of my colleagues the

public policy objectives for the 95th Congress which recently were adopted by the American Association of Homes for the Aging. AAHA, which represents 1,500 nonprofit intermediate care and skilled nursing care facilities for the elderly, has long been concerned with assessing and answering the social and medical needs of our elderly. The proposals set forth by this association reflect the know-how and first-hand experience which its members have in providing long-term care to the aging. A number of its officers and members also serve with distinction in other organizations, private and public, which deal with problems of the elderly.

AAHA's goal of achieving a continuum of necessary services for the elderly is shared by the House Select Committee on Aging and its Subcommittee on Health and Long-Term Care, both of which it is my privilege to chair. Several of the bills which I have recently introduced as part of a legislative package for the elderly reflect my own concern that we assure a full spectrum of long-term health and social services to the elderly of our country. A great deal has already been accomplished through the medicare and medicaid programs. Innovative institutional alternatives to care must be developed and made accessible side-by-side with traditional institutional services.

Both the AAHA and the Select Committee on Aging recognizing the need to improve the now predominant medical model of care for the elderly with a broader perspective incorporating social and personal care as well as medical care. The coordination of these varied services is a complex matter; community care organizations are endorsed by both the association and the Committee on Aging as a sound means of providing local information and guidance centers for the elderly who require counseling, homemaker help, nutrition services, physical therapy, and similar services.

I am pleased that AAHA places emphasis upon the need to regulate and review facilities which provide long-term care. Professional standards review should apply to long-term care facilities as well as hospital services and legislation I have offered, H.R. 1116 and 1126, would insure that this is the case. I am also pleased to note that the association supports another proposal also contained in H.R. 1116 and 1126 which require that nurses, social workers and other related health professionals be represented with physicians on PSRO's to assure a broad range of views on the treatment of elderly patients.

The association's objectives represent a most constructive contribution to the ongoing deliberations regarding what steps are necessary to assure a high quality of care for the Nation's elderly citizens. I therefore insert highlights from this report to be included at this point in the RECORD:

PUBLIC POLICY OBJECTIVES OF THE AMERICAN ASSOCIATION OF HOMES FOR THE AGING

PREAMBLE

Of paramount concern to the American Association of Homes for the Aging is the failure of public policy to address the long term care needs of the older population. Existing programs are predicated on the separate approaches of income maintenance, medical services, and housing assistance. Program integration is nonexistent due to conflicting regulations and a disjointed, fragmented bureaucracy.

HEALTH

The American Association of Homes for the Aging advocates the establishment of a long term care service benefit as a social entitlement. Coverage should include a full range of health and social supports, including both institutional and noninstitutional services. Eligibility for services should be predicated on individual needs as assessed by community long term care centers (including existing facilities), which would serve as coordinators for services to the aged. Such a program should optimize community resources, maximize the quality of care offered, and insure program flexibility.

SOCIAL CARE

The American Association of Homes for the Aging urges a public commitment to funding and delivering social care within institutional settings. Benefits under medicare and medicaid must be broadened to include social and residential care. Greater flexibility and variety in facilities serving the elderly must be encouraged, and public support for nonmedical long term care services within the institutional setting must be expanded. Consideration should be given to enacting an entitlement to a social care benefit. The primary thrust of this benefit would be the purchase of environmental and nonmedical supportive services.

HOUSING

To further the objectives of providing appropriate housing and services for the elderly, the American Association of Homes for the Aging urges Congress to amend current housing programs, to mandate the provision and funding of rent supplement payments and health and social services within environments designed for the elderly. Service programs must be an integral part of facilities for the elderly, if all, including the poor and minorities, are to be afforded opportunities to receive needed services. In addition, there should be a full Federal commitment to developing a variety of specialized living arrangements to meet individual needs and preferences. Federal funding which enables sponsors to build the number and types of living units needed by older Americans is imperative. To insure that elderly residents of these facilities receive quality care, the Department of Housing and Urban Development and the Department of Health, Education, and Welfare must work together more closely and cooperatively to develop suitable programs for the aging. Also, AAHA encourages the participation of its members in the national program to certify managers and administrators of facilities for the elderly.

COMMUNITY SERVICES

The American Association of Homes for the Aging endorses the tentative recommendations of the Federal Council on Aging to legislate an entitlement to programs providing basic supports for the elderly appropriate to their needs. Such supports should include a periodic assessment of the types of services needed by the older person. In addition, there should be a determination that the services needed are actually available and accessible. Counseling and implementation of a services plan should enable the individual to lead a reasonably independent and satisfying life.

PLANNING AND STRENGTHENING THE DELIVERY SYSTEM

The American Association of Homes for the Aging is deeply concerned that incidental policy decisions have had a stronger influence on the development of our long term care delivery system that the conscious policy actions of our lawmaners. We encourage a thorough review of Government policies, and encourage the Government to strengthen the capability of the not-for-profit sponsor of services to provide necessary supports for the elderly.

ON AIR BAGS AND AUTOMATIC SEAT BELTS

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. MOFFETT. Mr. Speaker, the Wall Street Journal recently printed an editorial attacking Secretary of Transportation Brock Adams' decision to require that the cars of the 1980's be equipped with passive restraints, which are automatic crash protections, such as air bags or automatic seat belts.

The chairman of the Allstate Insurance Co. has written a letter to the editor of the Wall Street Journal in response to that editorial. The letter clarifies many questions concerning passive restraints. I would like to insert this letter in the RECORD at this time:

NORTHBROOK, ILL.,
July 21, 1977.

Mr. ROBERT L. BARTLEY,
Editorial Page Editor, The Wall Street Journal, New York, N.Y.

DEAR MR. BARTLEY: I just read your editorial in the Wednesday, July 20, 1977 Wall Street Journal entitled "The Half-Safe Car". This editorial purports to state your editorial opinion on the passive restraint standard proposed by Secretary Adams to provide improved and automatic crash protection for future model automobiles.

Since you include Allstate by name in your attack, I felt the need to immediately respond:

In a free society the press bears a heavy responsibility to ascertain the facts and to base its opinions upon reliable evidence before putting ink to paper. You have failed to carry that burden. Your editorial contains so many erroneous alleged facts and assumptions that it is extremely difficult to know where to begin.

(1) At the very onset you say that the air bag "is both expensive and relatively ineffective". The facts are that the air bag is relatively inexpensive and outstandingly effective.

In the Ford administration Secretary Coleman conducted extensive hearings, compiled a monumental record and determined that air bags were reliable, effective, relatively inexpensive and cost beneficial. In the Carter Administration Secretary Adams reviewed that record and himself held extensive hearings and reached the same conclusions—exactly contrary to your opening statement.

In addition to many other persons and organizations, over 95% of the automobile insurance business testified to the reliability, effectiveness and cost beneficial relationship of passive restraints. This included virtually the entire automobile insurance business except the handful of insurers owned by the auto manufacturers and a few of the AAA insurance companies.

(2) Your editorial goes on to state that "early advocates of the air bag trouble their minds little with recent data demonstrating its inadequacies". You include Allstate by name among these advocates.

The facts are that the recent data totally demonstrates the adequacy of the air bag. The Adams and Coleman records compiled in

their hearings and dockets provide overwhelming evidence of this fact. Both Secretaries Coleman and Adams found the data supportive of the effectiveness and reliability of the systems and of their ability if installed as standard equipment on all automobiles to save 9,000 lives annually and prevent hundreds of thousands of injuries.

The extensive research of the insurance business, the supportive testimony of all major suppliers of air bag components (including some of the largest industrial corporations of this country) and all of the latest crash results and tests absolutely confirm air bag effectiveness.

(3) You allege that the DOT's own research shows lap and shoulder belts far more effective than air bags in protecting passengers.

The DOT research proves exactly the opposite. Your assumptions have no application to frontal or quasi-frontal crashes where the air bag is far superior to the lap and shoulder belt without regard to whether or not a lap belt is worn. In addition, the air bag equipped cars provide a lap belt for those who will use it, so even in rollover crashes of the type where the air bag is not designed to inflate belts are available for those who will voluntarily protect themselves with that additional device.

(4) You allege there have been four fatalities in air bag crashes, inferring that this involves some failure of the air bag system to perform.

Secretary Adams' findings as well as those of Secretary Coleman completely describe the circumstances of these crashes. Two cars were completely crushed so that no restraint system could have saved the drivers. In a third instance a baby was killed by being thrown off the seat in precrash braking prior to the impact, but in that same crash there appears to be little doubt that the mother's life was saved by the fact of the air bag protection provided for her. The fourth case appeared to be to a heart attack or other physical condition wherein no autopsy was performed and where the blood alcohol content of the deceased far exceeded requirements for a legal determination of intoxication. None of these related to air bag performance.

(5) You go on to recite that there were 23 serious injuries in air bag crashes. The few resultant injuries to air bag protected occupants were all what you would call moderate and none of them were critical or life-threatening. You fail to mention that in virtually every instance the injuries would have been severe, critical or life-threatening without the protection afforded by the air bag. Many of the people involved in these crashes testified in support of air bags in the Coleman and Adams hearings.

In your attempt to compare air bag performance with the present lap and shoulder belt system you ignore the fact that the lap and shoulder belts don't have to meet any dynamic crash tests after being installed in the vehicle or any injury performance criteria. The 20% who will use belts have no way of knowing when they purchase a car whether they're buying a well performing or a poor performing system.

(6) The crash tests in the DOT docket show that inertial reels do fail, that belt anchorages do break and that in direct side-by-side comparisons where the passenger seat is protected by standard lap and shoulder belts and the driver's position by air bags in 30 mph crashes, the test dummy in the driver's seat sustained no injuries and the test dummy wearing the lap and shoulder belt sustained fatal injuries.

You further ignore the severe limitations in injury prevention performance of belt systems in subcompact cars and at higher speeds. If the belts in small cars are stiff enough to prevent the occupants from hitting the steering column and the dashboard, they can tend to cause severe internal injuries at relatively low crash speeds. If they have enough flexibility to prevent internal injuries, then at higher speeds the occupants strike the steering wheel and dash with injury producing impacts.

You also ignore the fact that belt usage is only about 20%.

You are obviously unaware of the fact that there has been no live volunteer crash testing of standard production lap and shoulder belt systems of the type installed on automobiles sold to the American public at barrier impact speeds of over 15–17 mph and only then with the inertial reels and retractors prelocked (hardly a real world test). In comparison there have been live volunteer air bag crash tests at barrier impact speeds up to 32½ mph without injury (this is in excess of DOT test requirements which are at 30 mph.)

(7) You seem to rely on Dr. Howard Goldmuntz for whatever alleged technical conclusions you have reached. Dr. Goldmuntz has been a consultant for the seat belt industry and has always opposed any passive restraint standard. He and his associates testified before Dr. Gregory the then head of NHTSA, Secretary Coleman and Secretary Adams. They all rejected the theories he advanced as unsupported by any acceptable evidence.

Extensive research analysis by the insurance business has effectively rebutted all of Goldmuntz' allegations.

(8) The Journal editorial then criticized Secretary Adams by saying "His argument that air bags 'could' cost an added $100 to $200 is so optimistic as to border on the fraudulent."

Allstate had John De Lorean do a detailed cost benefit analysis of air bags. As you're well aware De Lorean was the Corporate Vice President in charge of all car and truck production at the time he resigned from General Motors. His assistant in our air bag study was Robert McLean who ran the General Motors air bag program for two years. They know the exact cost of the air bag system. That study and De Lorean's testimony before Coleman, Adams and Congressional committees established reasonable air bag costs for a full-sized car at $111.50 (which included $50 manufacturer's profit and dealer's markup) and for the smaller two-door front seat cars $90 (which included $40 manufacturer's profit and dealer's markup). Even these estimates are sticker prices and if air bags become standard equipment included in the base price of the car, nobody pays sticker prices.

Both Secretary Coleman and Secretary Adams reached cost conclusions in the same range as De Lorean. After extensive audit and study Secretary Coleman recited several factors wherein he found that General Motors and Ford overstated the cost aspects of air bags as standard equipment. Major suppliers of air bag systems supported the De Lorean figures as accurate within a dollar or so.

(9) You attempt to make some point by alleging that the air bag's extra weight of 40–50 pounds should preclude its installation. The fact of the matter is that the more modern air bag systems such as those found in Allstate's Volvos weigh only 28 pounds and newer systems can be even lighter. It doesn't appear to concern you that many models cannot be purchased without vinyl roofs, expensive trim packages, fancy wheel covers, heavy carpeting and many other items which weigh many pounds more than the air bag.

(10) You allege dire economic consequences in the cost of replacing air bags after they inflate. You say the bills would run between $500 and $600.

Secretary Adams discussed this at length in his findings. He estimates that on a full volume basis in mass production the journey will cost two-and-one-half times the factory installed cost of an item to repair and replace it out in the field. Thus at an initial cost of $100 we could anticipate replacement cost between $250 and $300 to be charged to an insurance company when it repaired or replaced the air bags rather than the $500–$600 you estimate. Many of the cars in which the bags inflate will be total losses and no air bag repairs are therefore involved.

You ignore the extensive testimony of the Nationwide Insurance Company which projected that if all cars had air bags the automobile insurance savings per car would total annually $32 and the additional cost of the collision coverage for repairing air bag systems would be less than $1.00. Other insurers certified the Nationwide estimates.

(11) You accept an allegation by Congressman Shuster of Pennsylvania that there would be 30,000 accidental deployments per year if all cars are air bag equipped. This is an absolutely unsupportable figure and Congressman Shuster as a late comer to this issue has no technical or other qualifications in relation to air bag technology.

Allstate has the largest privately owned air bag fleet on the road. We have been operating our air bag fleet since 1972. It includes five different makes spread over five model years (Mercurys, Chevrolets, Buicks, Oldsmobiles and Volvos). We have operated over 600 air bag equipped cars, driven millions of miles by our employes under all types of climatic conditions. There have been a lot of fender benders, parking lot bumps, panic stops and other occurrences of the type usual in any types fleet operation as well as a few high speed crashes. We have never experienced an inadvertent inflation in any of the cars in our air bag fleet and there has never been a failure to inflate in the high speed situations where the air bags were supposed to inflate. We know of no experience whatsoever that Congressman Shuster has had with air bags or air bag automobiles.

Secretary Coleman's findings, Secretary Adams' findings, the testimony of virtually the entire automobile insurance business, the testimony of air bag suppliers and the many other technical qualified people attest to their reliability.

I wonder why you think virtually the entire automobile insurance business supports the concept of air bag systems. If they're not cost beneficial, effective and reliable they would substantially increase our loss costs, since we have to repair and replace the automobiles in which they would be installed. The fact is the automobile insurance business knows that air bags besides saving thousands of lives a year and preventing hundreds of thousands of injuries (this should be our major concern) will save the public millions of dollars on their automobile insurance costs when installed on all automobiles as standard equipment.

Air bags are inconspicuous, concealed, automatic and convenient. They no more infringe on personal freedom than do the requirements for safety glass, dual braking systems, padded dashes or similar passive items already required on automobiles. For safety to be affordable and fair, safety items need to be standard equipment so there's no price penalty for a safety pioneer trying to add safety to its automobile and so that the public gets the benefit of reduced prices through mass production rather than having to pay high prices for limited production safety items. The government already requires every automobile purchaser to pay for a relatively expensive lap and and shoulder belt, inertial reel-retractor front seat restraint system whether they want it or not. As I've stated that system is not required to meet any injury performance standards or be dynamically crash tested yet it must be installed in the automobile. We and the rest of the insurance business say that if we're going to force everyone to purchase a restraint system—let's make available as standard equipment the best system—that is,

one that's passive, effective, automatic, reliable and cost beneficial—in other words, the air bag.

The strength of a great organization, whether it be a newspaper, manufacturer, or financial institution, rests in its expert and informed staff members. The first rule of good business management is to consult with these experts before a public statement is made on a major issue. It is painfully obvious that before writing your editorial you did not consult the one passive restraint expert on your staff—Mr. Al Karr of your Washington Bureau. Al would have helped you avoid the serious errors of fact and improper assumptions to which we were forced to respond in this letter.

An editorial opinion not founded on fact is worthless. An editorial opinion founded on misstatements of fact is dangerous. How dangerous? If your editorial helps to prevent installation of air bags as standard equipment, that mistake spread over a similar period will kill and maim more Americans than did the Vietnam war.

Sincerely,

ARCHIE R. BOE.

AMERICAN CASUALTIES IN FOUR WARS IN THE 20TH CENTURY AS COMPILED BY AMSTERDAM, N.Y. VETERAN ANTHONY J. TOMASELLO

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. STRATTON. Mr. Speaker, last Memorial Day the Amsterdam (N.Y.) Evening Recorder carried a half-page ad inserted by the John J. Wyszomirski Post No. 701, American Legion, which summarized the costly toll which America has paid in the four wars we have fought in this present 20th century. These are sobering statistics, which should surely reinforce the strong desire of every American to deter any further war rather than be forced to fight another one.

I want to express my personal appreciation to Mr. Anthony J. Tomasello, of Amsterdam, a member of the post, for his hard work in compiling these statistics and in presenting this very poignant and effective message. Mr. Tomasello, by the way, is 81 years old, but is obviously still vigorous and productive. We are all grateful to him for the work he did in compiling this very powerful message.

The ad, which was printed in the May 28, 1977 issue of the Amsterdam (N.Y.) Evening Recorder, follows:

JOHN J. WYSZOMIRSKI POST No. 701
AMERICAN LEGION

Our eternal tribute transcends the Invisible realm of eternity in the Bosom of Blessedness and the glory of God in this memorial ad infinitum, Amen!

During the 20th century, or within a period of 50 years, our country—the United States of America—was involved, with honor, in 4 (four) major wars: World War I; World War II; Korean war, and Vietnam war . . . the historical facts are enumerated in detail for further manifestation, as described . . .

Wars	Number served (1)	Battle deaths (2)	Other deaths (3)	Casualties, wounds not mortal (4)	Total (cols. 2-3)
World War I, Apr. 6, 1917, to Nov. 11, 1918	4,743,826	53,513	63,195	204,002	320,712
World War II, Dec. 7, 1941 to Dec. 31, 1946	16,353,659	292,131	115,185	670,846	1,078,160
Korean war, June 25, 1950 to July 27, 1953	5,764,143	33,629	20,617	103,284	157,530
Vietnam war, Aug. 4, 1964 to Jan. 7, 1973	8,744,000	46,498	10,388	153,329	210,215
Total	35,605,628	425,771	209,385	1,131,461	1,766,617

Source: N.B. statistics– Copied from World Almanac and Book of Facts 1977.

Throughout that era 35,605,625 Stalwart Americans marched on with honor and glory for God and our country . . . America! . . . With each fact we cannot describe all the consequences, however . . . we pause: In memoriam to the glory of God and to their Devotion and Honor for the Ideals of our country, the honored dead (here rests in honored glory an American soldier known but to God, Amen), are enshrined on the altar of devotion and glory to God; on the pedestal of honor, freedom and security for our country—America—forever.—John J. Wyszomirski Post 701, American Post 701, American Legion.

We also pause reverently to honor the memory of the following comrades who departed into the invisible Realm of Eternity, where the Angels of Mercy, Compassion and Honor reveal the beatitudes of everlasting peace, ad infinitum: Judge Felix Aulisi, John H. Cline, William H. DeHart, Peter LaMothe, Richard Karchesky, Desmond F. Nichols, Joseph Sajta, Albert J. Zostautas, George H. Small, Frank Stasy, Joseph Williams.

Lord God, almighty and omniscient, may Thy grace bless their souls within the spiritual abode of peace and the glory of the beatitudes . . . as the requiem of the invisible choir and symphony reigns in the bosom of perpetuity! . . .

IN PACE REQUIESCAT

Joseph A. Dybas, Commander. Prepared by Anthony J. Tomasello, Treas.

OUR MEMORIAL DAY CREED

To this sublime task of devotion we have dedicated ourselves anew to the glory of God our Heavenly Father, whose inspiration of equality symbolizes our unity of purpose: To consecrate the honored dead and our departed comrades; to cherish forever the solemnity and memory of our beloved.

In this divine supplication we pray for the assistance of the public in general: That our cause of freedom for humanity and civilization shall enlighten the universe . . . 1957 . . . Anthony J. Tomasello.

To inculcate a sense of individual obligation to the community, State, and Nation.

SPOUSE RIGHTS IN DIVORCE PROCEEDINGS

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. LEACH. Mr. Speaker, a great deal is said about equality and justice. The Federal Government has taken significant strides in enacting laws which force the Nation to move in that direction. Yet, we often stumble across examples, right under our own noses where the Federal Government resists the application of principle it wishes that others would apply to themselves.

Twelve years ago, the social security system adopted a change which the Federal Government, in its role as employer, still refuses to make. The principle of homemaking was granted an economic value in the instance of divorce proceedings, and certain former spouses of social security recipients could, if the marriage had lasted at least 20 years, claim a portion of that recipient's annuity.

The underlying assumption in the social security position is that during the marriage, the earning power of the home is dependent not only on the primary wage earner, but on both partners in the marriage relationship. But today, the Federal Government refuses to grant former spouses of Federal employees that same right. In fact, it even ignores court ordered divisions of a Federal employee's pension during a divorce settlement. A double standard is clearly evident—the Federal Government has mandated for others a standard with which it does not itself comply.

On August 3, I introduced legislation, H.R. 8738, which seeks to correct this inequity. The bill does the following:

Allows for a former spouse to claim a portion of the Civil Service pension, if a State court fails or refuses to consider retirement assets in divorce proceedings.

Establishes a fair formula, which in essence recognizes that during the time of the marriage, the pension earned belongs to both partners equally.

Makes both men and women eligible to assert that claim, whereas the social security system does not allow men, as former spouses, to make a claim on the women's benefits.

Recognizes that a court may prefer to award other family assets to the spouse in lieu of providing annuity rights.

Requires the Civil Service Commission to honor a court ordered division of a Federal employee's pension, made during the property settlement at the time of the divorce.

The Subcommittee on Compensation and Employee Benefits of the Houst Post Office and Civil Service Committee, of which I am a Member, has recently approved legislation to require the Civil Service Commission to honor court settlements with regard to pensions. Unfortunately, it offers no relief beyond that and fails to recognize instances where a court may neglect or refuse to consider retirement fund assets in dividing marital property.

My bill is not retroactive. It does not require increased expenditures from the

Civil Service retirement fund. It leaves the decision regarding the pension first and foremost to the parties to the divorce and the courts. It gives men and women equal rights. Finally, it provides some economic hope to spouses who after years of marriage find themselves in serious financial straits, unfamiliar with, and unwelcome in, a job market which places a premium on youth and vocational training which was not available a decade or two ago.

I plan to reintroduce this legislation September 21 and would urge my colleagues to consider joining me as cosponsors.

Below follows a section-by-section analysis of H.R. 8738:

SECTION BY SECTION ANALYSIS

Section 1—Defines 'former spouse' as someone married to an employee or Member of Congress for at least five years (the time required for an annuity to vest in the employee or Member), at least eighteen months of which occurred during periods of creditable service. The eighteen month period was included in order to avoid inappropriately small annuities (without such a provision, a former spouse might be married to an employee for 5 years or more, but might have been married to him for only one day during his government service, which would result in a negligibly small annuity for the former spouse.)

Section 2(c) (page 2)—Requires the Commission to honor court decrees and orders in connection with the dissolution of an employee's or Member's marriage.

Section 3(a) (page 3)—Awards an annuity to a former spouse if the employee's or Member's annuity is not taken into account by the divorce court as property subject to division by the court between the two parties to the divorce, and if the former spouse notifies the Commission in writing of this within 120 days of the dissolution of the marriage (the finalization of the divorce decree).

Section 3(b) (page 4)—The amount of the annuity of a former spouse shall be equal to one half of the amount which bears the same ratio to the employee's or Member's annuity as the period of creditable service during the marriage bears to the total creditable service.

Section 3(c) (page 4)—The former spouse's annuity begin on the first day of the month in which the individual becomes a former spouse. The annuity ends when the employee, Member or former spouse dies, or when the former spouse remarries before becoming age 60 or becomes entitled to a survivor annuity.

Section 3(c) (page 5)—In the event the former spouse predeceases the employee or Member, the annuity of such an employee or Member is recomputed and paid as if it had not been so reduced.

Section 3(c)(1) (page 5)—Allows a lump-sum credit to a former spouse if the divorce court does not take an employee's or Member's lump-sum credit into account as property subject to division between the two parties to a divorce, and if the former spouse so notifies the Commission within 120 days of the dissolution of the marriage.

Section 3(c)(2) (pages 6–7)—Computes the former spouse's lump-sum credit in the same manner as his or her annuity.

Section 4(d) (pages 8–9)—Allows an employee or Member to designate a former spouse as recipient of a survivor annuity either as such employee or Member retires or before the final dissolution of the marriage, whichever is later.

Section 5—The amendments made by this act shall only apply to marriages dissolved on or after the date of the enactment of this act.

ENERGY QUESTIONNAIRE

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. YOUNG of Florida. Mr. Speaker, more than 38,000 people have responded to my 1977 questionnaire, which has just been tabulated by a dedicated corps of volunteers in my district office.

This year's questionnaire was divided into two sections. The first consisted of 11 questions on general legislative subjects—some of which are the most frequently asked of me when I am back in the district. Because of the President's energy proposal, I included 10 additional questions related to this subject.

There is one response that I would specifically like to call to the attention of my colleagues. It is the question on foreign aid. As ranking minority member of the Appropriations Subcommittee on Foreign Operations, I am particularly interested in public opinion about this program. Question 10 asks if my constituents favor the increase in foreign assistance that the administration proposes. An overwhelming 92 percent answered in the negative—the strongest response in the entire questionnaire.

This response is particularly significant, however, when compared to a question on the same subject in my 1976 questionnaire. That question asked, "Do you support America's foreign aid program?" To that question 80 percent of the respondents answered no.

I encourage my colleagues to discuss these two questions with their constituents during the August district work period. I am confident that they will find a similar feeling among the people they represent. That is—the American people are overwhelmingly disappointed with the foreign aid program as it is currently constructed, but they are even more displeased with the increases in that program that have been proposed.

I would like to share with my colleagues the responses of my constituents to these questions. The questions and tabulations are as follows:

CONGRESSIONAL QUESTIONNAIRE—THE PEOPLE SPEAK

(1) Are you in favor of using Federal Funds to help finance Congressional Election Campaigns?

	Percent
Yes	33.6
No	60.7
No opinion	5.7

(2) Do you favor abolishment of the Electorial College, and providing for direct election of the President and Vice President based on actual votes cast?

	Percent
Yes	80.4
No	16.3
No opinion	3.3

(3) Would you support repeal of Section 14B of the "Right to Work" provision of the Taft-Hartley Act?

	Percent
Yes	19.7
No	54.3
No opinion	26.0

(4) Do you support legislation raising the limit on the amount of income a retired person can make without jeopardizing his/her full social security benefits?

	Percent
Yes	73.7
No	22.7
No opinion	3.6

(5) Do you support my bill to prohibit unionization of America's Armed Forces?

	Percent
Yes	89.4
No	7.1
No opinion	3.5

(6) A new treaty is under negotiation with Panama which would considerably reduce U.S. control over the Panama Canal. Do you favor such a treaty?

	Percent
Yes	12.8
No	80.1
No opinion	7.1

(7) Should governmental subsidies to the Postal Service be increased in order to meet higher operating costs?

	Percent
Yes	26.7
No	64.9
No opinion	8.4

(8) Do you support FDA's decision to ban the use of saccharin?

	Percent
Yes	14.4
No	72.0
No opinion	13.6

(9) Do you support legislation to legalize or decriminalize marijuana?

	Percent
Yes	27.0
No	65.8
No opinion	7.2

(10) Secretary of State Vance has advised me that the Carter Administration plans to double our annual Foreign Aid Program in the next five years, from approximately $7-billion this year to $14-billion per year at the end of 5 years. Would you favor this increase in Foreign Aid?

	Percent
Yes	4.2
No	92.0
No opinion	3.8

(11) Do you feel that Congressional Newsletters and Questionnaires are worthwhile?

	Percent
Yes	90.4
No	4.3
No opinion	5.3

PRESIDENT CARTER'S ENERGY PROPOSALS—WHAT'S YOUR OPINION?

(1) President Carter proposed a tax on the purchase price of new "fuel inefficient" automobiles (those which do not meet certain miles per gallon standards) coupled with a rebate on new "high miles per gallon" automobiles. Do you favor this approach?

	Percent
Yes	39.6
No	54.1
No Opinion	6.3

(2) President Carter has proposed an increase in the Federal gasoline tax by from 5c to 50c per gallon. Would you support this tax increase?

	Percent
Yes	14.5
No	81.8
No Opinion	3.7

(3) President Carter would use the revenue received from these taxes for the tax rebates. If these taxes are imposed, would you prefer that the extra revenue be used to develop more energy?

	Percent
Yes	68.9
No	20.7
No Opinion	10.4

(4) President Carter has proposed a ban on further study of the Nuclear Liquid Metal Breeder Reactor, designed to convert nuclear energy to electric power. Do you favor such a ban?

	Percent
Yes	17.6
No	64.9
No Opinion	17.5

(5) President Carter's proposal would require utility companies to offer their customers service for installation of home insulation and financing for that installation. Do you favor this idea?

	Percent
Yes	37.1
No	50.6
No Opinion	12.3

(6) President Carter has proposed tax penalties to force industry and the utilities to convert from natural gas and oil to coal, except for those industries where those fuels are an essential part of the process, by 1990. Do you support conversion to coal?

	Percent
Yes	66.4
No	20.0
No Opinion	13.6

(7) President Carter has issued an executive order requiring vigorous enforcement of the 55 mph speed limit. Do you approve?

	Percent
Yes	77.9
No	17.6
No Opinion	4.5

(8) President Carter has proposed mandatory energy conservation efficiency standards for new household appliances (all appliances sold after a pre-publicized date). Do you support this proposal?

	Percent
Yes	80.1
No	11.0
No Opinion	8.9

(9) President Carter's proposal would provide a tax credit to homeowners who purchase solar plants for conversion of energy for any purpose in their own homes. Do you support this proposal?

	Percent
Yes	61.7
No	27.9
No Opinion	10.4

(10) President Carter has delayed the implementation date for increased auto emission (clean air) standards in order to increase miles per gallon of gasoline. Do you support this action?

	Percent
Yes	61.6
No	28.5
No Opinion	9.9

AN EMPLOYER'S CANDID LETTER TO HIS EMPLOYEES ABOUT INFLATION

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ARMSTRONG. Mr. Speaker, can you imagine how painful it would be to tell each employee of the House of Representatives that—because of inflation—they cannot count on an adequate pension?

More and more employers are realizing that their best laid plans for adequate employee retirement pensions are being eroded by inflation. One such employer is Mr. Herman Sutherland of Sutherland Lumber Co. In a letter to 1,300 employees, Mr. Sutherland warned that—because of inflation—the purchasing power of their retirement pensions will probably not be enough to pay living expenses.

The letter is truly remarkable. Frankly, it indicts Congress for ignoring inflation. Unless Congress finally resolves to fight inflation by reducing Federal spending, Mr. Sutherland's letter is the first of many we can expect to receive. I hope my colleagues will read Mr. Sutherland's candid report to his employees.

KANSAS CITY, MO.

Hon. WILLIAM L. ARMSTRONG,
House of Representatives,
Washington, D.C.

DEAR SIR: We have about 1,600 employees, 84 of which are in the state of Colorado, and I am writing the enclosed letter to each one of them.

We have spent a long time trying to plan a decent retirement program, but with present inflation rampant, to talk glibly of a meaningful retirement is just not honest. There is no way an adequate pension can be funded under the present inflationary conditions. The federal Social Security system's crises is a prime example of what will surely happen to private pensions under the inflation that seems to have become our way of life.

Some way, some how Congress must balance fiscal outgo and income. Otherwise, inflation will make a shambles of any attempt by the American citizen to plan for his own future.

Some day the voters will finally learn how they are being robbed by this subtle thief, and then their political reaction will be quite vigorous.

How can we find the necessary statesmanship in Congress to balance our budget and retire some debt? The consequences of not doing so are in evidence all over the world from England to Zaire. Why can't Congress see it and take responsible leadership?

Sincerely,

HERMAN R. SUTHERLAND.

DEAR FELLOW EMPLOYEE: Some 25 years ago your company became convinced that we all should be putting something away each month to make our life easier when we retired.

If you will look at the record of the annual inflation rate, you can see that at that time, and for some generations before, we could depend on the fact that the value of a dollar, put away for our future, would still be a recognizable dollar in purchasing power when we retired and depended on it for our livelihood.

Then a few years ago we became uncomfortable because we felt that what we were putting away for each of us was not going to be as supportive in our older years as we had been led to believe a quarter of a century ago. Inflation had entered into our world as none of us could have believed possible.

So we started another fund into which your company has been depositing, at its expense, an amount equal to 5 percent of your salary each year. This, we believed, could keep up with this new "devil inflation" if we invested it into common stocks. These, theoretically, would rise in value as the dollar's value declined. So far this theory, seemingly so obvious and logical, just hasn't worked. The stock market averages today are less than they were twelve years ago, while the purchasing value of the dollar has shrunk 50 percent since 1965.

This is a problem that no one anticipated. And yet with the present attitude of Congress and other elected officials, it is pretty naive to expect that anything will be done to correct the over spending by political entities. Each year our politicians have accepted the formula that their reelection depends upon the amount of public funds they can spend. What is taken in has no relation to what is spent. The result is inflation. Politicians seem to have accepted deficit financing as a way to buy their continuation in office. We pay for it by having our savings, life insurance, government bonds, bank accounts, and pensions lose their value year after year. It is a silent, sneaky leech that painlessly bleeds us all white.

Let's see how devastating it can be over the years. Nothing is ever sudden or startling; that is what makes inflation so sinister and such an acceptable, slow poison.

If a young person starts today at $500.00 per month and receives a 5 percent raise every year for 45 years, when he retires at 65 he will be receiving $4,000.00 per month. We all accept 5 percent per year inflation as manageable, and yet a salary of $6,000.00 per year in 1977 needs to be increased to $48,000 in the year 2022 to provide the same scale of living.

Therefore, to be honest we must face up to this new world of inflation that our politicians have introduced. Let's face the truth; the plans that we made together 25 years ago and again five years ago just aren't valid, now that our elected leaders are spending more than they collect. There will be every excuse in the world given us to obscure the real reason behind this silent thief. But remember, a federal, state or local deficit means inflation, it means every dollar we have becomes less and less valuable.

Therefore, we must tell you that no matter how we have tried to insure a retirement for ourselves which is decent and honorable, we must face the fact today that probably the inflation we are suffering will make this retirement income less effective than we had hoped and planned for.

Your company will continue to put away for you as it promised, but the results are now not dependable or predictable. Inflation through deficit spending comes out of your pocket and your future. Maybe inflation can be stopped, but there are no signs of it yet. Perhaps the stock market will go up to reflect this inflation, but it hasn't so far.

We are in this together. As your partner and co-worker I felt I must share with you this new development and my concern about each of our futures.

Best regards,

H. SUTHERLAND.

WHAT'S BEHIND THE SUNDAY TIMES OF LONDON'S "EXPOSÉ" ON ISRAEL?

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. EILBERG. Mr. Speaker, ever since the Sunday Times of London published what it alleged was an investigative piece on Israeli treatment of Palestinian prisoners, a controversy has raged in the news media over what's really behind this story.

I offer for the record an article from the New Republic of July 23, 1977.

The New Republic's probe shows that there were serious deficiencies in the Sunday Times article—not the least of which is the fact that at no point did reporters from the London newspaper ever talk to Israeli judicial or military officials to seek a response to the serious charges of torture.

The magazine rightfully states that these charges cannot be dismissed lightly. But it acknowledges the difficulty that the Israelis have had in proving that something did not happen.

Mr. Speaker, the New Republic concludes that—

Any suggestion that Israel engages in this kind of systematic torture of Arabs simply is not true.

I commend the following to the attention of my colleagues:

TORTURE TEMPEST

(By Seth Kaplan)

Governments torture, or at least some governments do. It is by now one of those evil banalities of modern life. But are all charges of torture—in Chile and the Soviet Union, in Syria and South Africa, in some African minstate or in an industrial superstate—equally true and equally newsworthy? Or perhaps more to the point, what constitutes proof of a coherent and deliberate program of torture as an instrument of revenge and intimidation?

On June 19, the Sunday Times of London published a long and detailed report by its investigative "Insight Team" alleging that the Israeli government systematically tortures Palestinian prisoners in the West Bank and Gaza. Two weeks later, the Israeli embassy in London issued a reply denying the charges and challenging the journalistic methods of the reporters. On July 10, these reporters wrote again, this time in their own defense. In Israel itself, the Jerusalem Post, though doubting the credibility of the Sunday Times's indictment, called for some sustained oversight against the temptation of a beleagured people to ingore the use of torture against their enemies; in the Israeli parliament, there is a move for a parliamentary inquiry. But, as the Insight Team conceded in its initial story, it's hard to know whom to believe. "In the nature of torture, only the two parties are present: torturer and victim."

The Insight Team charged that the Israelis have used torture to gain information about terrorist groups, to obtain confessions which then are used to obtain convictions of the terrorists by Israeli courts, and to deter the Arab population from resisting Israeli rule. The story was based on interviews with 49 Arabs who had been detained, some members of their families and two Jewish Communist lawyers who had defended them.

In the Israeli rebuttal, much was made of the fact that the reporters relied only on involved Arab sources and their defense attorneys. At no point in its investigations did the Insight Team confront Israeli judicial or military officials with their evidence and charges. Having made their choice not to do so, the British journalists set about to compile a strong circumstantial case. It is certainly not one that can be shrugged off cavalierly. The core of their findings is the mutually corroborating accounts of five Palestinians. All of them said they were taken to an interrogation center known as "The Palace of the End" where they were subjected to almost identical forms of abuse. They said they were blindfolded, and once a day sent to "the frigidaire," a cold box with spikes on the floor, constructed so that the prisoner can neither sit down nor stand up. Others testified to different abuses.

The Israeli reply included a general denial of the Sunday Times' charges, and some specific counter-evidence on a few of the cases. Of course it's hard to prove that something did not happen. How could the Israelis adduce concrete proof that one or another Arab was not tortured? However the Israelis did not even attempt to disprove—or even specifically deny—the most vivid charge in the Sunday Times article, that concerning the "frigidaire." The Israeli reply says, "The fact . . . that prisoners were at such and such a prison together and both describe it, is indeed evidence, but it is evidence as to facts that are not in question." This is disingenuous; these identical descriptions go to the heart of the Insight Team's accusations.

The thrust of Israel's rebuttal is a defense of the integrity of its judicial system. Most effectively, the Israelis show that the Sunday Times disguised to the point of deception the terrorist activities of its complainants. These people have taken many lives, including those of Arabs. In the latest round, the Insight Team conceded some significant omissions.

So what is the verdict in England? The Sunday Times reported that it had received 384 letters from readers, of which 262 criticized "a farrago of innuendo" and 90 praised a "courageous exposure." Thirty-two discussed associated matters. Two law lords came down hard against the Sunday Times article. Lord Justice Salman said, "The Israeli reply destroyed the credibility of the allegations." The former Lord Chancellor, Lord Hailsham, termed the Israeli judiciary "manifestly independent. I am quite certain that they would never have allowed things to pass by that would have aroused criticism or complaint in the most meticulous English court."

In this country, Nicholas von Hoffman discussed the Insight Team report with glee in his syndicated column of July 1. Von Hoffman adopted the same metaphors for the Israelis that became so popular in the Soviet press after the Six Day War, comparing them to Nazis: "If Heinrich Himmler were around to read The [Sunday] Times report his stony heart might beat with pride . . . [T]he grotesque irony of using gas as an instrument of torture ought to have been too much . . . for . . . Israeli officials . . . ." But the facts as they have emerged from the Insight Team-Israeli exchange hardly justify von Hoffman's analogy. At worst, the Israelis seem to have tortured only active terrorists. Nothing in the articles indicates the use of torture as a way of controlling the Palestinian population as a whole.

The American press does not seem to know what to do with stories about human rights violations by foreign governments. They are almost always difficult to verify. The Boston Globe reprinted excerpts from the Sunday Times reports and a few other papers played the controversy big. Others ignored it or buried it in the back pages.

There are reasonable policies that newspapers might follow. Ronald Koven, foreign editor of The Washington Post, said last week that his paper would report allegations made by the Red Cross, the Human Rights Commission, and those discovered by the Post's own reporters. The Post carried a five-paragraph item the day after the Insight Team's report appeared, and nothing since then. Earlier in the year it ran a series by its own correspondent on conditions in Israeli prisons. These articles reported allegations of torture, but did not give them any credibility. The Post may have missed an interesting controversy by doing so little with the Sunday Times story, but at least its coverage seems consistent.

The New York Times, on the other hand, followed a ragged course. The day after the Sunday Times article appeared, our Times buried a small box on the Insight Team's report in the nether regions of the paper. When the Israeli reply was issued, the Times ran a long bylined article on page three. The story itself, however, was a model of even-handedness: six paragraphs on the accusations, six paragraphs of rebuttal. Then, later in that week, the Times ran a Reuters dispatch from Israel by Bernard Edinger. Israeli authorities allowed Edinger to interview Palestinian guerilla prisoners in Gaza, specifically to counter the Insight Team's allegations. Edinger found the prisoners' descriptions of their treatment—being stripped and beaten—not sufficiently grim to qualify in his book as "torture." Why the Times chose to print Edinger's story at all, which had been censored by Israeli military authorities, is something of a mystery, particularly in view of the short shrift allowed the original Sunday Times dispatch.

Systematic use of torture as a method of political control is obviously repugnant. But one thing is clear from this controversy: any suggestion that Israel engages in this kind of systematic torture of Arabs simply is not true. The question of how a government should treat people who regularly detonate bombs in public places is not susceptible to simple absolutism, such as the outright condemnation of torture. One may have to use extreme measures—call them "torture"—to deal with a terrorist movement whose steady tactic is the taking of human life.

CARTER'S AFRICAN POLICY

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the San Diego Union, June 24, 1977]

CARTER'S AFRICAN POLICY

When running for President, Jimmy Carter said that the time for American intervention "in all the problems of the world" is over. The early months of his administration, however, make plain that Mr. Carter didn't exactly mean that. He did mean that America wouldn't intervene militarily in the problem areas defined by the ideological battle between East and West. But he didn't mean that America would keep its diplomatic hands off those problem areas defined by racial conflict.

The harsh fact is the United States under President Carter is intervening in Southern Africa. The intervention reflects the Carter Administration's belief that race, not Marxist ideology, is Africa's most important social issue.

It was in recognition of this new foreign policy—not in any rebuke of the garrulous Andrew Young—that Vice President Walter Mondale recently was assigned to head up our African affairs. Mr. Young and Mr. Mondale intervened last month on behalf of black Africans by serving notice on African whites. The de facto government of Rhodesia, said Messrs. Mondale and Young, must be replaced by black majority rule before the end of 1978, or else, South Africa's de facto protectorate, South West Africa, must become independent and ruled by a black majority government approved by the United Nations, or else. And South Africa must give up its policy of apartheid, quickly integrate its blacks into full citizenship, and shift to black majority rule, or else.

This is clearly Mr. Carter's new foreign policy in Africa. It is unequivocally and volubly supportive of black majority rule. The policy derives in part from Mr. Carter's belief that race is the most important social issue, in part from his belief that human rights are the most important personal issues. The policy is not an abstraction to Mr. Carter,

since he apparently believes black majority rule in Africa is a logical extension of the civil rights struggle in the United States. Mr. Carter believes that black majorities will pass through Marxist growing pains, and eventually evolve into liberal democracies.

However, it is demonstrably false that man is born unto democracy. Witness the paucity of democracies that now cling for dear life in a world full of dictatorships and totalitarian regimes. There is no magic in any advent of black majority rule in southern Africa. It may, and probably will, mean what black majority rule has meant in many parts of Africa: the violation of human rights, both of whites and blacks.

That this probability has not been emphasized indicates the low level of debate concerning Mr. Carter's policy. Further, there is little questioning, and there should be, whether black majority rule can be understood in the context of the American civil rights struggle. Or whether transition to black majority rule can be "peacefully" effected, as Mr. Carter claims. Or whether race is, indeed, a more important consideration than Marxism or Soviet aggression.

These questions deserve public attention because they dig to the assumptions of Mr. Carter's African policy. There is the practical side as well. For now our intervention in Africa is only verbal, but, as Vietnam should have taught, unreflected ideals can have unfortunate consequences.

PROCEDURAL DELAY: THE NEED FOR LABOR LAW REFORM

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. WEISS. Mr. Speaker, the National Labor Relations Act guarantees workers the right to join a union and to participate in other collective activities for their mutual aid and protection. The law prohibits certain employer actions which interfere with these rights and confers upon the National Labor Relations Board the right to remedy any violation and prevent the occurrence of future ones.

In theory, the law is fine. In practice, however, employers who are not above violating the law can take advantage of the Board's slow-moving procedures to such an extent that an organizing drive becomes nearly impossible.

In early March 1971, employees of the Federal Prescription Service, Inc., and the Drivex Co., two companies sharing the same ownership, began an organizing campaign to seek higher wages and better working conditions. (See 86LRRM 2185.) Operating out of a single plant in Madrid, Iowa, the work for each company was conducted by the same employees—primarily housewives and schoolgirls—who were paid $1.60 an hour and were given no paid holidays or sick leave.

Upon hearing of the organizing efforts, the management promptly began violating the National Labor Relations Act in an attempt to kill the workers' campaign.

The management coercively interrogated and threatened to discharge Betty Peterson, an employee who on March 4 helped circulate a petition asking for higher wages. During the next couple of weeks, the owner and other managers attempted to inhibit employee discussion, invaded meetings where the possibility of union recognition was being debated, threatened to discharge employees, and offered employees benefits if they did not support the union.

Management also directly violated the NLRA when it changed the working conditions for several union sympathizers. In some cases, regular overtime hours were eliminated, employees were moved to locations where their actions could be easily observed, their daily working hours were altered, oftentimes their plant keys were taken away, and their general activity was closely supervised so they would not confer with other employees.

Other violations were just as numerous. The most severe was the unexpected laying off of 10 employees on April 2 under the pretense of an economic cutback.

Following the 10 layoffs, the workers struck to protest these unfair labor practices. Previously, 36 of 65 employees, a clear majority, had requested union certification based on this count of valid authorization cards.

During the Board-directed election, which followed the strike, management refused to allow the 10 discharged employees to vote, and brought in unqualified voters to cast ballots against the union. The Board found this conduct "outrageous" and "persuasive" and ruled that a reliable election would be impossible. Therefore, the company was ordered to bargain with the union. The Board also ruled that the 10 employees were fired because of their prounion stand and ordered them reinstated.

In spite of the severity of these violations, it was not until May 1, 1974, that a court of appeals finally enforced the Board's order and ordered the company to recognize and bargain with the employees' designated representative and offer reemployment to the 10 illegally discharged employees. Despite this court order, final vindication of the employees' rights did not occur until 1976 when under threat of a contempt of court the company finally relented and offered reinstatement.

It was 3 years before Federal Prescription ever had to seriously consider bargaining with the union selected by its employees. It was nearly 5 years before the discharged employees could return to their old jobs.

Determined employers can place these sorts of obstacles in the way of employees who wish to organize. The chilling effect of such dilatory techniques can have on the exercise by workers of their rights is all too obvious.

To prevent this sort of abuse of the law, we must plug up the loopholes in our labor laws. We must shorten the processing of cases and insure that employees wronged by their employers are adequately compensated for their losses. For these reasons, I wish to announce my wholehearted support for H.R. 8410, a bill to reform the National Labor Relations Act.

REPORT ON U.N. LAW OF THE SEA CONFERENCE

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. McCLOSKEY. Mr. Speaker, on behalf of my colleague from New York, BEN GILMAN and myself I would like to submit the following report on the recently concluded session of the United Nations Law of the Sea Conference.

The sixth session of the Third United Nations Conference on the Law of the Sea ended on July 15, 1977 with many conference participants hopeful that a major step had been taken toward a successful Law of the Sea treaty. This hope was based upon the progress made in open negotiations on the highly contentious deep seabed issues. The release of the informal composite negotiating text—ICNT—however, dashed these hopes. Ambassador Elliot Richardson pointing to a lack of "fair and open processes" in compiling the ICNT, recommended that the United States undertake a "most serious and searching review of both the substance and procedure of the Conference."

Ambassador Richardson's comments were prompted by what he characterized as an "unfortunate, last minute deviation from what had seemed to be an emerging direction of promise in the deep seabed negotiations." This "deviation" was a major, 11th-hour revision of a series of compromise articles drafted by Minister Jens Evensen of Norway. Most delegations had expected that the Evensen articles, reflecting compromises reached after arduous negotiations in Geneva in March and in New York during the past session would be reproduced in the informal consolidated negotiating text—ICNT—when that text was assembled by the President of the Conference, H. Shirley Amerasinghe, after receiving input from each committee chairman.

The "Evensen articles," prior to their last-minute revision, had pointed to formulas which could break the deadlock between the group of 77—a caucus really representing over 110 developing countries—and the industrialized countries, over the issue of the terms and conditions which should attach to the exploitation of the resources of the deep seabed, the "common heritage of mankind." This deadlock was apparent during the previous session in September 1976 after a closed or restricted negotiating process had made compromise and accommodation in an atmosphere of mutual trust impossible. Evensen managed to create a productive, open atmosphere by proposing a series of articles on the unresolved issues and allowing closely focused and limited debate which was open to all parties who wished to participate. Using this slow and painstaking process, both prior to, and during, the May–June session, Evensen was able to close the differences between all parties.

The Evensen-produced articles included provision for:

First, access to the seabed by States and private parties for the purpose of exploitation;

Second, general policies and principles regarding control of exploitation;

Third, financial arrangements, including initial financing for the "Enterprise"—an internationally controlled deep seabed mining company—as well as revenue sharing and transfer of technology to the international community via the International Seabed Authority;

Fourth, institutional arrangements, including the power relationships between the one-nation, one-vote "assembly" and the interest oriented executive body, the "council," as well as a mechanism to settle disputes arising out of deep seabed exploitation, the "tribunal"; and

Fifth, a mechanism to review the workings of the entire system after it has been in operation to ensure that it is achieving its basic goals.

Although Richardson has stated that "substantial" differences remained between the U.S. position and the Evensen articles, it was clear that the administration was prepared to accept much of Evensen's work, with some modification, in exchange for the conclusion of a comprehensive treaty which satisfied the majority of the U.S. interests on all law-of-the-sea issues. It was generally accepted within the U.S. delegation that, if the Evensen articles were passed on by the committee I chairman—Paul Engo of the Republic of Cameroon—to the Conference president, H. Shirley Amerasinghe, for inclusion in the ICNT, substantial progress would have been achieved at the Conference. Furthermore, it was believed that the result would be generally acceptable to the administration and could be ratified by the Senate if some minor changes were made.

Therefore, Richardson and many delegations were shocked and frustrated when they discovered, after the adjournment of the Conference, that the Evensen articles had been surreptitiously replaced by articles which did not reflect the compromises negotiated in the open sessions; nor, as the Ambassador pointed out before the House Merchant Marine and Fisheries Committee, the "preponderant views of the group of 77" or those of the United States.

Restricted, behind the scenes negotiations resulting in last minute substitutions of unfamiliar provisions clearly favoring one interest group or another have often plagued the Conference. In this session, such behind-the-scenes negotiations resulted in articles contrary to U.S. interests. However, only 15 months before, during the March through May 1976 session, behind the scenes negotiations resulted in the revised single negotiating text—RSNT—which favored the U.S. position.

The reaction to the RSNT by the group of 77 after their realization that secret negotiations had been conducted was similar to the reaction of Ambassador Richardson to the ICNT. Just as Richardson blasted the last minute switch in a press release after the release of the ICNT, the group of 77 had made their position and annovance with procedures surrounding the production of the RSNT clear following the March-May 1976 session. During the August-September session, they rejected the bulk of the RSNT while clinging to the concessions made by the United States.

The shortcomings of secret or closed negotiations, interestingly enough, was recognized by Chairman Engo in a speech to a number of House Members a few days before he changed the Evensen articles when he said "restricted negotiations, however efficient and productive, are unreliable as devices for achieving progress, since any compromises reached are treated with suspicion and often rejected by those who did not, or could not, participate."

Apparently failing to heed his own advice, Mr. Engo, either acting alone or in concert with a limited number of other persons, materially changed the Evensen articles when drafting his section of the ICNT for submission to the Conference president for compilation.

The question now is whether or not a reasonable balance can be restored, and whether or not the next session of the Conference scheduled for next March in Geneva, can hold out any hope of further progress.

Ambassador Richardson could not have expressed the problem more succinctly than when he stated it is time to review "whether or not an agreement acceptable to all governments can be best achieved through the kind of negotiations which thus far have taken place."

The disappointment of the most recent New York session was sharply focused in the immediate markup and passage of a strong, anti-internationalist oriented deep seabed mining bill by the House Merchant Marine and Fisheries Committee on July 28.

Ordinarily, U.S. international posture is determined by the executive branch, not Congress. However, in the case of the Law of the Sea Conference, we in the Congress now have before us a piece of domestic legislation which could have a significant impact on, if not destroy, the success of these negotiations, in which we have been the acknowledged leader since 1970. We have a particularly important responsibility to understand the problems at the Conference and the chances of their resolution, as well as the international relations impact of unilateral action on the Conference, on international law and on the future chance to preserve world peace on and under the oceans which cover two-thirds of the surface of the earth.

The deep seabed legislation has its genesis in deep seabed mining technology which is largely the creation of the United States. During the past few years, several U.S. corporations and their foreign partners have asked Congress for legislation to give financial, diplomatic, and military protection to their proposed deep seabed mining ventures.

Although these multinational corporations have stated that they would prefer to see such activities conducted under an acceptable, comprehensive international Law of the Sea Treaty. 7 years of fruitless negotiations have frustrated the continued development of their technology through an understandable reluctance of capital investors to risk their investment without either a treaty or U.S. legislative support. The companies presently maintain that further delay will prejudice the U.S. technological lead. They further argue that any restriction on the development of new technology, a valuable commodity, is contrary to our national interest, since we are, or will be, increasingly dependent on potentially-hostile foreign nations for supply of the minerals found in abundance in the deep seabed nodules, notably nickel, copper, cobalt, and manganese.

We face important questions which have broad international ramifications. Should we support unilateral legislation which will protect the rights, property and investments of U.S. citizens, and foreign nationals in partnership with U.S. citizens, who choose to exercise the freedom of the seas by mining the resources of the deep seabed? Should we allow the negotiations to continue, perhaps slowing the development of new technology and resources, without the complicating factor of unilateral claims to jurisdiction over deep seabed resources which may result after the passage of unilateral legislation? Or should we attempt to enact unilateral legislation which will: Encourage the successful conclusion of the Conference; recognize the basic principles underlying the Conference; allow the development of the technology necessary to develop the resources of the seabed; and insure that deep seabed resources are brought to the world market?

While few disagree that unilateral deep seabed mining legislation will have an effect on the Conference, there is widespread disagreement over the precise nature of this effect. Therefore, we must consider our actions very carefully.

Unilateral action by the United States over the exploitation of deep seabed resources will set a significant precedent in international law. Other countries are looking to our lead in the formulation of their alternatives regarding deep seabed exploitation. For example, on June 22, 1977, the legislature of the Federal Republic of Germany passed a resolution stating that:

> If the difficulties that have arisen in respect of the elaboration of a seabed regime should prove impossible to overcome the German Bundestag will examine without undue delay whether, on the basis of reciprocity, there must be found alternative or interim settlements as have already been considered by some States. The further continuous development of seabed mining technology by German enterprises and the investments already made therein must be safeguarded.

It is very likely that should the United States pursue unilateral action, the Federal Republic of Germany and other countries will quickly follow suit. In light of this possibility, we should be careful not to pass legislation which could be used against us to reduce our rights on the high seas. We must recognize that if we assert jurisdiction over deep seabed resources or attempt to regulate the activities of our nationals in an area of the high seas, we lose the ability to argue that it would be illegal

for other countries to take similar actions.

If our legislation for example, authorizes or licenses our nationals to conduct their activities in a specific area of the ocean—"site-specific"—it is likely that such provisions can touch off a series of claims by other countries over vast areas of the deep seabed, regardless of whether they currently possess the technology to mine the deep seabed. This could lead to chaos in the oceans through conflicting claims or assertions of rights. Even if it does not lead to actual conflict, unilateral action can damage our international relations, prompting possible retaliation in other area—for example, oil embargoes, coffee restrictions, expropriations, et cetera. A number of the diplomats of the group of 77 countries have privately stated this to us, and there seems little doubt, that these countries' emotional attitudes fully justify a prediction that they will take strong action against us if they can.

Another outcome of our enacting unilateral legislation could be further disruption or even termination of the negotiations themselves. The Conference deals with a host of issues of great importance to the United States ranging far beyond that of deep seabed mining; the Conference has come to agreement on many of these issues, some of which have been the subject of dispute for 30 years or more. Codification of these emerging international agreements could create a stable system of law for the oceans of great value to the United States since we are involved in virtually every conceivable ocean use.

Agreement has been reached upon the territorial sea and navigational rights within it. The concept of "innocent passage" has been tightened. The provisions of the RSNT regarding pollution control and safety of navigation have been revised to bring them closer to U.S. practice under the Ports and Waterways Act. The ICNT has been improved to the point where a treaty based upon it would satisfy our national defense requirements of unimpeded transit through and over straits as well as preserving important high seas freedoms associated with navigation and communication in the economic zone. Important changes have been made to prevent the territorialization of the economic zone. Commercial navigation has been protected through provisions for the application of uniform international standards regarding navigational safety and marine pollution beyond the territorial sea.

The ICNT marks progress on the difficult, but crucial, issue of scientific research, clearly stating the conditions under which such research will take place. The ICNT articles provide that States "shall, in normal circumstances, grant their consent" to conduct scientific research in the economic zone which is not of "direct" significance to resource exploration and exploitation. Should a State not respond within 4 months of a request to conduct scientific research, consent is "implied." While such gains are modest, in light of international trends regarding the regulation of scientific research, Ambassador Richardson has correctly stated that the ICNT is extremely helpful in "regularizing what until now has been a capricious situation."

Progress has also been made toward establishing boundary delimitation over the continental margin and between zones of adjacent and opposite states. Finally, progress has occurred in the creation of an acceptable system for peaceful settlement of disputes related to ocean uses. This final gain is of extreme importance to the United States and the world if we are to have further conflicts resolved through peaceful means rather than through confrontation and hostile action.

Therefore, the attempt to achieve a comprehensive international Law of the Sea Treaty remains of great potential value to the United States and deserves our continued support despite the very real frustration and dismay caused by apparently only a single individual, Chairman Engo.

We recommend that three courses of action be pursued. First, that we commend Ambassador Richardson and his staff for the patience and skill they have exhibited in stimulating an open and fair negotiation which restored mutual faith and trust of the negotiating participants to a degree which seemed impossible at the conclusion of the last LOS session last September.

Second, we should ask Ambassador Richardson and the State Department to seriously examine procedures under which the ICNT was negotiated, and recommend both to us and to the Conference leadership the methods which seem most appropriate for reaching final comprehensive agreement. We make this recommendation because we believe that in spite of the good faith efforts on the part of the United States, the negotiations have become heavily politicized, and we badly need to end any chance for special interest manipulation if there is to be genuine progress toward a treaty. Finally, we believe the Congress should take real care in its consideration of legislation to allow U.S.-based multinationals to continue to develop the technology necessary to mine the deep seabed. We strongly recommend that any such legislation be drafted to clearly reflect our continued commitment to successful treaty negotiations and confirmation of the principles that the deep seabed resources are the common heritage of mankind. We see no reason to abandon the principles embodied in House Resolution 330—93d Congress—and Senate Resolution 82 of the 93d Congress:

Resolved, That the House of Representatives endorses the following objectives, envisioned in the President's ocean policy statement of May 23, 1970, and now being pursued by the United States delegation to the Seabed Committee preparing for the Law of the Sea Conference—

(1) protection of (a) freedom of the seas, beyond a twelve-mile territorial sea, for navigation, commerce, transportation, communication, and scientific research, and (b) free transit through and over international straits;

(2) recognition of the following international community interests:

(a) protection from ocean pollution,

(b) assurance of the integrity of investments,

(c) substantial sharing of revenues derived from exploitation of the seabed, particularly for economic assistance to developing countries,

(d) compulsory settlement of disputes, and

(e) protection of other reasonable uses of the oceans beyond the territorial sea, including any economic intermediate zone;

(3) an effective International Seabed Authority to regulate orderly and just development of the mineral resources of the deep seabed as the common heritage of mankind, protecting the interests both of developing and of developed countries; and

(4) conservation and protection of living resources, with fisheries regulated for maximum sustainable yield, with coastal state management of coastal species and host state management of anadromous species, and international management of such migratory species as tuna.

Additionally we should reconsider the established doctrine of freedom of the seas, as expressed in the 1958 Convention on the High Seas.

In conclusion, we believe that the Congress now has a significant responsibility with regard to the question of the timing and content of deep seabed mining legislation. If we are to discharge this responsibility successfully, we should continue to press the Administration for a careful consideration and development of a new comprehensive oceans policy.

For our part, we need to understand:

(1) the Administration's foreign policy program, recognizing that seabed mining legislation is a *major* foreign policy initiative and cannot and should not be attempted by Congress alone;

(2) the problems the Administration now faces in negotiating a comprehensive Law of the Sea Treaty;

(3) the probabilities of successfully concluding the Law of the Sea negotiations;

(4) all of the substantial ocean interests of the United States which could be protected by a Treaty, a number of which have not been fully expressed to congressional committees of jurisdiction;

(5) the real needs of U.S. and world consumers for the resources to be developed from the seabed; and

(6) the true problems faced by the U.S. based consortiums which intend to exploit the resources of the seabed and which are seeking financial and military protection from the U.S. through legislation or from the international community through a Treaty.

Deep seabed mining legislation will be a history-making precedent. It will represent, for the first time, U.S. governmental exercise of statutory jurisdiction over activities conducted in specific areas of international waters beyond our continental shelf and 200 mile limit. We owe the people of the U.S. a far more thoughtful consideration of the issues outlined above than the cursory and rushed proceedings of a single House Committee which acted without giving the Administration the chance to consider and reflect on the serious consequences arising from events occurring only a few days earlier.

WHAT RATIONALE FOR CARGO PREFERENCE

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. GRADISON. Mr. Speaker, Congressman PETE MCCLOSKEY, through his work on the oil cargo preference legislation in the House Merchant Marine and

Fisheries Committee, has given Congress and the American people a rare look at how the executive branch develops the administration's position on a specific piece of legislation, and he deserves our commendation.

My Republican colleague from California obtained copies of White House memorandums which reveal President Carter's decisionmaking process on a bill to require that a certain percentage of oil imports be carried on U.S.-flag tankers. Although the President's advisers from the Defense, Treasury, and State Departments raised significant objections to the bill, the President overruled them. He decided to support the bill which will cost the American people $233–$884 million directly in higher oil prices, would contradict his pledge at the London economic summit meeting to reject trade protectionism, and would not enhance our national security—according to the Departments of State and Defense. President Carter's advisers agreed that the bill would benefit a limited group of America's working population, those in the maritime industry.

PETE MCCLOSKEY was not satisfied with the administration's justification for the cargo preference bill and wanted to investigate further. The Democratic majority on the Merchant Marine and Fisheries Committee turned him down. I would like to insert in the RECORD an editorial from the Cincinnati Post which suggests the administration's possible rationale for the cargo preference legislation. I think that Congress and the American people deserve an explanation from President Carter.

POLITICS AND SHIPPING

It had been a puzzle why a bright fellow like President Carter was backing a bad bill requiring that a fixed share of oil imports be carried in high-cost tankers flying the American flag.

Now the reason is known: Politics, sheer politics.

Somehow Rep. Paul McCloskey, R-Calif., got ahold of a stack of internal White House memoranda about the so-called cargo preference bill that is sliding through Congress, greased by the maritime lobby's campaign contributions.

The documents show that Carter's economic, diplomatic and defense advisers counseled against the measure. They warned it would jack up the price of oil, decrease employment by slowing the economy, violate the tradition of free trade, anger allies, invite retaliation and breach treaties with more than 30 countries.

However, memos by domestic adviser Stuart Eizenstat and Robert Strauss, former Democratic National Chairman, carried the day. They admitted the bill was "flawed" but said it was necessary in light of Carter's promises to the maritime industry.

"Politically, something in the way of a cargo preference is going to be hard to resist," Strauss wrote. His note and many others made clear that Carter's decision was made on political grounds alone.

In May 1976, when candidate Carter was fishing for support, he promised maritime unionists "a fair share of all types of cargo." The unions and industry promptly raised $200,000 for his primary campaign.

That may sound like a lot of money, but for the maritime lobby it isn't. According to Common Cause, just two of the seafaring unions gave $996,000 to Senate and House candidates in 1976. Now are there any questions why the industry is so lavishly subsidized by Congress?

In any event, the Administration is hard pressed to explain why it is supporting such protectionist, special-interest legislation as the cargo preference bill. So it sent Robert J. Blackwell, assistant secretary of commerce for maritime affairs, to Capitol Hill the other day where he avowed the law was required by "the national defense and national security of the United States."

Unfortunately, one of the documents Rep. McCloskey made public showed that the Defense and State Departments did not believe the bill enhanced national defense. Written by Treasury Secretary Michael Blumenthal, the memorandum states:

"Defense believes that the essential national security problem is access to, not carriage of, oil and does not support (the bill) on national security grounds. State believes that, on balance, oil cargo preference would not be beneficial to national security."

Cute. We are not only getting saddled with higher oil prices for the benefit of a small coddled industry, but we also are, as shown by Blackwell's testimony, being lied to in the process.

PUBLIC WORKS JOBS FUNDS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. GOODLING. Mr. Speaker, who says the Federal Government does not listen? It listened to the folks of Winter Park, Fla., and the Government liked what it heard so much as to give Winter Park much more than requested.

Specifically, I am speaking about the Economic Development Administration's peculiar insistence that Winter Haven accept $1.75 million more in public works jobs funds than the town needed or even wanted. Although Winter Haven is not about to give the money back willingly, neighboring communities have called for equally lavish treatment by the EDA. These pleas, however, have fallen on deaf ears.

And so have pleas from the city of York, Pa., which just happens to be in my district. York has an unemployment rate of 9.6 percent, certainly high enough to qualify for Federal funds under the public works jobs program. The catch lies in EDA's refusal to use the proper census figures which would allow this city of 50,000 to receive some of the Federal money which is being needlessly thrown at the people of Winter Park, Fla.

I could go on and on relating the rationale EDA has thrown at York, but I am sure that even today's appeal will fall on deaf ears and so for that reason, I will not take any more time here.

I do ask that a recent editorial from the Washington Star which adequately details Winter Park's windfall be reprinted in the RECORD at this point.

FOR ITS NEXT TRICK, EDA WILL—

Grit your teeth, friends—it's another of those woolly stories about the feds and your tax dollars.

Winter Park is a town of 23,000 in central Florida. It is described in the New York Times dispatch as an "affluent community." Thousands of cities, towns, villages and hamlets, of course, have come to realize that the federal Economic Development Administration is more fun than winning a lottery. So Winter Park a year ago applied for $900,000 to replace the dowdy library.

There was the usual paper procrastination at this end, but recently the joyous tidings came from Washington. Winter Park would get its $900,000—plus another $1.75 million that it neither requested nor has the faintest idea what to do with. Lovely.

The total bundle from the bureaucrats represents more than $100 for every man, woman and child in Winter Park, or more than half of the city's annual budget. Wait—the story gets better.

Six other communities in Orange County, which encompasses Orlando as well as Winter Park, also had asked the friendly Economic Development Administration for a few bucks for worthy local projects. They got nothing—despite Winter Park's unrequested windfall of $1.75 million. For some reason, the other six communities are miffed.

Well, you say, the federal computer erred or some agency operative absent-mindedly credited Winter Park with another town's request for a waterworks and community pizza parlor. Not so. The huge grant, called "a planning target for spending" in the obfuscatory dialect of government, resulted from a "formula."

Spake an agency official: "The size of someone's request on an application has nothing to do with the money that is appropriated. The money is allocated according to a formula. The EDA has the right to reject a project if it fails to meet our criteria, but under the formula Winter Park is entitled to the funds."

The formula is based on a comparison between 1970 and 1976 unemployment and labor force figures. In 1970, 6.3 per cent of the unemployed in Orange County lived in Winter Park. In 1976–77, the town's percentage of unemployed rose to 9 per cent. "This is a statistical formulation and we do not claim it is accurate," said EDA's flak-catcher, "but it is as close as we can get . . ." Close, we had always heard, counted only in horseshoes—and, now apparently, in throwing federal money at unemployment.

Winter Park, momentarily stunned by its added affluence, first thought to use the money on such civic adornments as 15 tennis courts, to complement the dozen the town already has, and extensive bicycle paths. However, after the neighboring towns murmured indignantly, Winter Park is revising its list of $1.75 million worth of projects.

This is a nutty affair.

VIEWS OF CONGRESSMEN EDGAR, AMBRO, NOWAK, AND MINETA ON WATERWAY USER FEES

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. MINETA. Mr. Speaker, during the consideration of the Navigation Development Act, H.R. 8309, in the House Committee on Public Works and Transportation, of which I am a member, the matter of waterway user fees was discussed. I supported the administration position which recommended recovery of 100 percent operations and maintenance, and 50 percent of construction, phased in over a 10-year period. The Ways and Means Committee, however approved a fuel tax which would recover less than 7 percent of the Corps expenditures for the inland waterway system. In order to advise Members of the House and Senate of our position on this matter, Congress-

men EDGAR, AMBRO, NOWAK and myself cosigned additional views to the committee report on H.R. 8309.

Regrettably, through a clerical error, my name was inadvertently omitted from the list of those cosigning the additional views. I wish at this time to call these additional views to the attention of the House, and to advise that my name should have appeared along with the names of Congressmen EDGAR, AMBRO, and NOWAK, in support of waterway user fees which would recover 100 percent of the cost of operations and maintenance and 50 percent of the cost of construction, phased in over a 10-year period.

The material follows:

ADDITIONAL VIEWS OF EDGAR, AMBRO, NOWAK, AND MINETA

The initiative of the Ways and Means Committee in recognizing that waterway users should contribute to the cost of operating, maintaining, rehabilitating, and constructing our nation's inland waterway system is commendable, on the surface. We agree with the philosophy of the Committee that an immediate 100% recovery of the nearly $400 million in annual Corps of Engineers' expenditures for this system would not be in the national interest, and would upset the balance between competing modes of commercial transportation.

The four cent fuel tax effective October 1, 1979, followed by an additional two cent tax effective October 1, 1981, is a cautious first step toward reimbursing our Treasury for expenses which provide a direct economic benefit to a narrow economic interest. Waterway user charges, in some form, have been endorsed by every Administration since 1940.

We believe that this first step is perhaps too cautious. The four cent fuel tax will recover only $35 million per year, less than 7 percent of the Corps of Engineers' expenditures for the inland waterway system. It will be more than two years before the first cent of this program is collected.

After nearly a score of studies on the economic and social impact of user charges, we have reason to believe that the waterway industry can absorb much more than provided for in this bill without adverse economic damage. The Administration has recommended recovery of 100% operations and maintenance, and 50% of construction, phased in within a ten year period. The Senate last month approved such a schedule of recovery. In the House, there appears to be little enthusiasm for recovery of this magnitude.

The user charge issue has been studied and restudied for over three decades. We feel that this House can approve a user charge or tax which will recover more than 10% of Federal costs at the end of the fifth year, as proposed in this bill.

There may be amendments offered during consideration of H.R. 8309 which will accelerate the schedule of payments under this program. We urge you to support amendments of this type which will responsibly allow our waterway users to pay their fair share without economic harm.

HAMMOND 2076 TRICENTENNIAL FUND

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. BENJAMIN. Mr. Speaker, I am delighted to inform the House of the formation of the Hammond 2076 Tricentennial Memorial Fund. The establishment of this fund marks a great accomplishment for the future of the city of Hammond, Ind.

Through the ingenuity, leadership, and guidance of John Bowlby, chairman of the Hammond, Indiana Bicentennial Committee, the Hammond 2076 Tricentennial Memorial Fund became a reality. This fund provides that the sum of $1,000 be invested for 100 years to provide the future citizens of Hammond, Ind., and their children funds for continued education. An investment of this nature will produce a legacy of over $350,000 in the year 2076.

Dr. Willard J. Congreve, superintendent of Hammond's public schools, offered the suggestion of inviting the schoolchildren of Hammond to provide the funds by donating an estimated 6 cents each to the program. This suggestion was quickly adopted for it not only enabled the children to participate in a most worthwhile endeavor but also, to contribute the two smallest coins of American currency signifying their faith in our country and their city, Hammond, Ind. The children also participated in a contest to design a scroll onto which all contributors would affix their signatures. The citywide winners of the competition were Paul Rincon of Tech High School, Teresa Gardner of Hammond High School, and Janet Peregoy of Morton High School.

The significance of this project was best expressed by the Committee for the Tricentennial Memorial Fund of Hammond, Ind. which said:

This 2076 Tricentennial Memorial Fund of Hammond, Ind., demonstrates what can happen when good people, fine Americans, adults and children, decide to work together on a project designed to help our beautiful country. Over 20,000 people were involved, all of them serving voluntarily and willingly. What better way is there to show America our appreciation for what this country means to us than to demonstrate our faith and enthusiasm by investing in its future. This we have done and we are pleased and proud.

To this I can only add that it is indeed an honor to represent the fine people of Hammond, their children, and the educators who have taught them so well.

For the benefit of my colleagues I would like to insert into this RECORD a list of the individuals and schools who participating in making this venture such an overwhelming success:

SCHOOL WINNERS—TRICENTENNIAL SCROLL DESIGN CONTEST

School, teacher, and student

Sacred Heart; Sister Gertride Marian Bauer; 1st place, Vicki Urbanski, grade 8; 2nd place, Loretta Chorba, grade 8.

St. Paul Lutheran; Mr. Paul R. Long; 1st place, June Seehausen, grade 6; 2nd place, Jennifer Peterson, grade 6.

Clark Middle; Mrs. Norabell Grych; 1st place, Karla Kortokrax, grade 8; 2nd place, Pat Fout, grade 8.

Clark High; Mrs. Norabell Grych; 1st place, Brian Wind, grade 11; 2nd place, Terri Mores, grade 12.

Edison Middle; Miss Arlene Salakar; 1st place, Linda Crosslin, grade 7; 2nd place, Dianna Forsythe, grade 8.

Eggers Middle; Mr. Harry Mech; 1st place, Richard Lippman, grade 7; 2nd place, Michelle Golden, grade 7.

Gavit Middle; Mrs. Beulah Seckinger; 1st place, Candace Chang, grade 7; 2nd place, Kelly Chapin, grade 7.

Gavit High; Mr. Regie Gilbertson; 1st place, Steve Kartz, grade 10; 2nd place, Terry Tosseng, grade 12.

Hammond High; Mrs. Karen Baumann; 1st place,* Teresa Gardner, grade 12; 2nd place, Dana Ball, grade 11.

Jefferson/Riley/Wilson—Combined; Mrs. Carol Severa—Wilson, Mr. William Kirchner—Jefferson, Miss Glenda Prusiecki—Riley; 1st place, Monica Kovach, grade 6; 2nd place, Agnes Mackiewicz, grade 6.

Morton Middle; Mr. Charles Lambersie; 1st place, Priscilla Purnik, grade 8; 2nd place, Kathy Deasy, grade 8.

Morton High; Mr. Tony Waring; 1st place, Chris De Lache, grade 11; 2nd place,* Janet Peregoy, grade 10.

Scott Middle; Mr. Robert Fischer; 1st place, Dan Leisner, grade 7; 2nd place, Sharon Jadernack, grade 7.

Spohn Middle; Mr. David Kwolek; 1st place, George Karountzos, grade 8; 2nd place, Robert Walls, grade 8.

Technical-Vocational High; Mr. Jeffrey Jacobson; 1st place,* Paul Rincon, grade 12; 2nd place, Doug Dabis, grade 10.

CITYWIDE WINNERS*

1st Place, Paul Rincon, Tech H.S., $25 Bond.

2nd Place, Teresa Gardner, Hammond H.S., $10 Award.

3rd Place, Janet Peregoy, Morton H.S., $5 Award.

CONTRIBUTIONS TO HAMMOND 2076 TRICENTENNIAL MEMORIAL FUND

School, address, and principal

St. Adalbert's; 2118 Indianapolis Blvd., Whiting; Sister Beata.

St. Catherine of Sienna; 6525 Kentucky Avenue, Hammond; Sister Margeline.

St. Paul Lutheran; 5848 Erie Avenue, Hammond; Mr. Waldemar Beckmann.

Clark Middle & High; 1921 Davis Avenue, Whiting; Mr. Dennis Burdock.

Gavit Middle & High; 1670 175th Street, Hammond; Dr. Gary Jones.

Hammond High; 5926 Calument Avenue, Hammond; Dr. Kenneth Feuerbach.

Morton High: 6915 Grand Avenue, Hammond; Dr. Winston Becker.

Technical-Vocational; 5727 Sohl Avenue, Hammond; Mr. Walter Simpson.

Eggers Middle; 5825 Blaine Avenue, Hammond; Mr. Matthew Gorsich.

Morton Middle; 7040 Marshall Avenue, Hammond; Mr. Dan Gyure.

Scott Middle; 3635 173rd Street, Hammond; Mr. Steve Stavros.

Spohn Middle; 4925 Sohl Avenue, Hammond; Mr. George Saliga.

Caldwell Elementary; 3105 173rd Street, Hammond; Mr. Jess Keltner.

Columbia Elementary; 1238 Michigan Street, Hammond; Mr. Donald Sohacki.

Edison Elem & Middle; 7025 Madison Avenue, Hammond; Mr. Ray Buell.

Franklin Elementary; 1000 116th Street, Hammond; Miss Rose Dudas.

Harding Elementary; 3211 165th Street, Hammond; Mr. William Schooler.

Irving Elementary; 4727 Pine Street, Hammond; Mr. Bernard Smitka.

Jefferson Elementary; 6940 Northcote Avenue, Hammond; Mr. Donald Robling.

Kenwood Elementary; 6416 Hohman Avenue, Hammond; Mr. Victor Goodman.

Lafayette Elementary; 856 Sibley Street, Hammond; Dr. Sue Pifer.

Lincoln Elementary; 4221 Towle Avenue, Hammond; Mr. John Sutter.

Maywood Elementary; 6040 Howard Avenue, Hammond; Mr. Milford Miller.

Miller Elementary; 6530 New Hampshire Avenue, Hammond; Mr. Ross King.

Morton Elementary; 7006 Marshall Avenue, Hammond; Mr. Dan Gyure.
Orchard Drive Elem.; 3640 Orchard Drive, Hammond; Mr. Jess Keltner.
Porter Elementary; 2321 171st Street, Hammond; Mr. Donald Robling.
Riley Elementary; 1245 N. River Drive, Hammond; Mr. Eugene Trelinski.
Riverside Elementary; 741 Michigan Street, Hammond; Mr. Donald Sohacki.
Wallace Elementary; 7235 Jefferson Street, Hammond; Mr. Edward Brock.
Washington Elementary; 41 Williams Street, Hammond; Mr. Victor Goodman.
Wilson Elementary; 1317 173rd Street, Hammond; Mr. Wm. Weyhmueller.
Bishop Noll Institute; 1519 Hoffman Street, Hammond; Father Raymond Fauerbaugh.
Total contributions: $1,169.93.

CYPRUS

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. STEERS. Mr. Speaker, it was a little over 3 years ago—on July 20, 1974—when the Turkish Armed Forces invaded the small and defenseless Republic of Cyprus. The repercussions of this act are still with us today: The southern flank of NATO lies shattered and impotent; our bases in Turkey remain under suspension; war threatens to break out at any moment in the Aegean.

But I would like to remind us today of the human aspect of this drama, the untold suffering of tens of thousands of innocent civilians who happened to be in the path of the invasion: 4,500 Cypriots killed, some 2,000 missing, 200,000 homeless refugess; one of the most blatant violations of human rights in any conflict since the end of World War II; occupation of 40 percent of the island republic by force. When viewed in the most basic terms, this operation contains the elements of what might have happened several centuries ago: a small country is invaded by a powerful neighbour; its population is uprooted through killings, rape, terror, vandalism of religious establishments, and looting of homes and properties; then, a large number of settlers is brought in to occupy most of the deserted houses and property.

The usually restrained London Times in its January 23, 1977, issue wrote a commentary on the report of the Human Rights Commission of the Council of Europe—

It amounts to a massive indictment of the Ankara government for the murder, rape, and looting by its army during and after the Turkish invasion of summer 1974.

And all of this was perpetrated by the wilful misuse of American arms supplied to Turkey for its defense as a member of NATO.

It has now been 3 years, and the occupation army is still there, the refugees are still homeless, and the remainder of the island exists under the constant threat of complete occupation by the Turkish Army. Government instability in Turkey has been used as an excuse for the perpetuation of the status quo. We, in the Congress of the United States, have taken a firm stand on this issue. Yet, we must continue to press for justice and freedom for the Cypriot people and not allow those who violated our law to continue to receive the benefits of our friendship.

OSHA

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. TEAGUE. Mr. Speaker, ever since the enactment of the Occupational Safety and Health Act which set up the Office of Occupational Safety and Health Administration, I have received complaints of the high-handed tactics utilized by the representatives and agents of this Office.

Recently I had the opportunity to speak with an attorney concerning the operation of this agency inasmuch as he had been personally dealing with a number of cases. I asked that he write me a letter, and the attached letter is his response. I have purposely deleted his name for his own protection; but it is easy for my colleagues to see that great number of cases which have been tested in the courts as a result of the activities of this Agency. I believe the entire program needs to be looked at good and hard, and some corrective action taken.

The letter follows:

Congressman OLIN TEAGUE,
U.S. Representative, House Office Building, Washington, D.C.

DEAR MR. TEAGUE: You asked for a summary of OSHA litigation. Since I am familiar with most of the Fourth Amendment challenges to warrantless OSHA inspections, I will list those cases and will also relate some of my experiences with OSHA personnel.

In January, 1976 in *Brennan* v. *Gibsons Products Inc. of Plano* a three-judge court for the Eastern District of Texas held that OSHA may not compel an objected-to inspection without a search warrant. The Court stated that to construe the law to authorize warrantless inspections would render it unconstitutional.

In April, 1976 in *Usery* v. *Rupp Forge* the Northern District of Ohio also held search warrants are constitutionally required for OSHA inspections.

On August 19, 1976 another three-judge panel in Albuquerque ruled in *Dunlop* v. *Hertzler Enterprises* that OSHA is required by the Fourth Amendment to secure a search warrant based on probable cause. In that case the OSHA Area Director had personally met with Bruce Hertzler and advised him that the law authorized warrantless inspections. When Hertzler asked "what about my constitutional rights?" the Area Director reportedly answered "I don't give a damn about your constitutional rights. As far as I'm concerned you don't have any because you are in business." Hertzler refused to be intimidated, so OSHA secured a warrant, showing as probable cause only that Hertzler was covered by the Act and would not let them in. The court threw out the warrant because it was not based on probable cause as required by the constitution.

Only a few days later the Circuit Court of Franklin, Kentucky disallowed as unconstitutional a warrantless inspection by the Kentucky state OSHA. The style of this case is *James R. Yocum, Commissioner of Labor* v. *Burnette Tractor Company Inc.*

In September a Maryland Circuit Court disallowed a warrantless boiler inspection in *Epstein* v. *Fitzwater Furniture* on Fourth Amendment grounds.

On November 1 the Oregon Circuit Court held warrantless inspections under the Oregon state OSHA unconstitutional. There the inspectors had gotten a search warrant based on a provision in the Oregon statute for "Administrative Inspection Warrants" which required only a showing that the contemplated inspection was "routine." The court held that that portion of the statute "which allows search warrants to be issued on the basis of routine inspections (instead of probable cause) is unconstitutional." The name of the case is *State of Oregon ex rel Accident Prevention Division of the Workmans Compensation Board* v. *Keith R. Foster d/b/a Keith Mfg. Co.*

Similar reasoning was employed by the three-judge federal court in *Barlow's Inc.* v. *Usery*, decided December 30, 1976. There the court reaffirmed that warrants are constitutionally required for OSHA inspections—but held that since Congress did not contemplate or provide for warrants based on probable cause, the law is unconstitutional.

The next month, on January 10, 1977, the Northern District of Georgia ruled again in *Usery* v. *The Centrif-Air Machine Co.* that warrants are required to compel objected-to OSHA inspections.

On January 19 a Utah District Court in *Baird* v. *State of Utah* et al held the entire Utah state OSHA statute unconstitutional on various constitutional grounds—including violation of the Fourth Amendment. In so ruling, the Judge stated that the unlimited scope of OSHA inspections and "the possibilities of unannounced, uninvited and compelled intrusions into the lives of all concerned staggers the imagination." Well stated. Particularly in view of the fact that OSHA purports to cover more than 6 million workplaces.

The next day a New Mexico District Court disallowed a warrantless OSHA inspection in *State, ex rel New Mexico Environmental Improvement Agency* v. *Albuquerque Publishing Company* on the same constitutional grounds.

At the same time an Alaska Superior Court held the Alaska state OSHA statute unconstitutional insofar as it "approves the concept of search without warrant of business establishments covered by the Statute." *State of Alaska, Department of Labor, Division of Occupational Safety and Health* v. *General Home Repair and Roofing, and Glenn Smart.*

On March 24, 1977 a California Court held Cal/OSHA unconstitutional in *People of the State of California* v. *Melvin Salwasser.* There—as is the burgeoning practice in many states—the state of California sought to prosecute Salwasser criminally for failure to honor an inspection warrant which was not based on probable cause. The Court held the charge "unconstitutional on its face in that the warrantless searches demanded by the statute do not comply" with the constitution.

The holding in the *Burnette Tractor Company* case referred to above was unanimously affirmed by the Court of Appeals of Kentucky on May 27, 1977.

A few days later on June 2, the Alaska Supreme Court in *Woods & Rohde, Inc. d/b/a Alaska Truss & Millwork* v. *State of Alaska* prohibited warrantless OSHA inspections. Noting that OSHA "embraces an enormous number of unrelated and disparate activities which make up private enterprise" and "reaches many commercial undertakings which have no history of regulation, let

alone a history of intensive regulation" the Court held that "without judicial review far too much discretion is lodged in the official in the field." Therefore, the Court concluded "authority to inspect and search one's business premises should be evidenced by a warrant."

Finally, on July 11 the U.S. District Court for the Southern District of California disallowed a warrantless OSHA inspection as being in violation of the Fourth Amendment. The style of the case is *Marshall* v. *Great Lakes Dredge & Dock Company.*

In just the past couple of months OSHA inspections—both with and without a warrant—have been preliminarily enjoined by courts in Montana, Michigan and North Carolina. In each case the courts have viewed OSHA inspections as having serious Fourth Amendment problems.

It is significant that in light of recent Supreme Court precedent not one court has upheld warrantless OSHA inspections! The judge in the North Carolina case asked why, in view of the overwhelming precedent, OSHA continued to insist on compelling warrantless inspections or to act without probable cause to support a warrant. Perhaps the answer to that question was stated by the Area Director in Albuquerque—that OSHA "doesn't give a damn about employers' constitutional rights; as far as they are concerned employers don't have any constitutional rights because they are in business."

This same attitude is prevalent in the day to day administration of OSHA. One case I handled involved a subcontractor on a multiple-contractor construction job. A hazard existed. My client did not create the haz rd, had no control over it, instructed his workmen to be careful, and spoke to the general contractor about the hazard. Recent court decisions have held that is all my client is required to do under the law. He is not required to pull off the job. When my client was cited I approached the OSHA Area Director about dismissing the citation, since my client had fulfilled his obligations under the law. The Area Director refused. I asked if he was familiar with the Anning-Johnson rule. (The court decisions I referred to above). He said yes, but they did not care what the courts said—they were going to enforce OSHA as *they* interpreted the law!

This same attitude was revealed by OSHA in North Carolina recently when the Commissioner of Labor indicated he was going to "nail to the wall" an employer who had the audacity to question warrantless inspections. The same type thing also occurred in the *Barlow* case.

It seems to me that employers would have more rights, and be accorded better treatment *if they were accused of being common criminals!* Which is a sad reflection on the state of our society.

Enroute to Washington recently I had the opportunity to tour Philadelphia and refresh my knowledge of the founders of our country. It is inconceivable that Thomas Jefferson, Patrick Henry, Sam or John Adams would pass a law like the Occupational Safety and Health Act of 1970. Imagine Jefferson writing ". . . endowed by our Creator with certain inalienable rights, including the right to work in a place of employment with split-end toilet seats." Or George Washington succumbing to an inspection to see whether his spittoon was emptied daily.

Two hundred years ago OSHA would not be tolerated. If it is tolerated today—in the words of the Utah Judge—our democracy is gone.

Sincerely,

———— ————.

KEMP EXPRESSES DISAPPOINTMENT AT SUPPRESSION OF JOHN COLLINS' INFORMED AND OBJECTIVE REPORT ON UNITED STATES-SOVIET MILITARY CAPABILITIES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. KEMP. Mr. Speaker, I wish to call my colleagues' attention to what I consider to be deplorable efforts by the administration and the Congressional Research Service (CRS) to suppress what qualified defense specialists have described as a balanced and informed net assessment of United States and Soviet military power.

The report was suppressed because it conflicts with the optimistic view of a Soviet-American military balance by the authors of the top secret Presidential Review Memorandum, PRM–10/NSC–10.

Mr. John M. Collins, a senior specialist at CRS and one of our Nation's foremost defense analysts, prepared the suppressed assessment as a congressional aid to help legislators make difficult defense policy decisions.

A senior member of the Senate Armed Services Committee staff requested the report but he has adamantly refused to publish it—or release it to Members of Congress.

Mr. Speaker, I am disappointed that—under an administration which has repeatedly professed dedication to open Government—a report of such importance and paid for by public funds is being withheld despite considerable efforts by colleagues and myself to make it available to the elected representatives of the people who are charged with making responsible policy for the defense of our country.

For the record, I wish to add a summary of circumstances concerning the suppression of Mr. Collins' report.

THE COLLINS REPORT

The administration and the Congressional Research Service, appear to be suppressing what U.S. defense experts who have reviewed the report consider, "one of the most thoughtful and comprehensive reports on United States/Soviet military balance."

John M. Collins, senior specialist in national defense at CRS, an arm of the Library of Congress, prepared the unclassified report, American and Soviet Military Strength Contemporary Trends Compared, 1970–1976, for the Senate Armed Services Committee, at the request of a senior staff member. The report was requested as early as July 1, 1976, but Collins did not receive official approval to begin the study until August 5, 1976.

Besides suppression of his report, Collins also faces disciplinary action by CRS, and has already been denied a within-grade increase.

The staff of SASC not only refuses to publish the report, but CRS sources close to the issue said that a May 4 CRS memorandum exists which states that a senior SASC member, "will neither print the study in its current form, nor release it for other congressional use without changes."

In their July 21 nationally syndicated column appearing in the Washington Post, "Suppressing A Gloomy Report on Defense," Evans and Novak quoted Senate staffers as saying they only asked Collins for a "bean count."

Yet as early as July 1976, Collins submitted a copy of a study plan which outlined a much more elaborate report than SASC ever received. One entire section, devoted to issues and options, was later deleted from the report so that Collins could meet a SASC deadline. The senior SASC staffer who requested the report does not even remember whether he received the study plan or not.

Collins, those close to the issue said, gave SASC periodic progress reports and did not receive any criticism of his work. Collins also sent a copy of the rough draft of the report to SASC members for their comments and criticisms. Sources disclosed that SASC failed to offer criticism of the report.

It is, however, possible that SASC failed to understand the study plan or the rough draft, and so did not know that they were going to receive a very detailed and comprehensive report with a long-term comparison of the U.S.S.R. threat versus the United States.

A SASC staffer now contends that, "As far as we're concerned, we asked for something and didn't get it, and that's the end of it." Collins wrote the report as an update to his earlier study, U.S./Soviet Military Balance, A Frame of Reference for Congress, later known as the Culver report (due to the fact that the report was requested by Senator CULVER), published by SASC in 1976. The current report augments and complements the Culver report, but stands as a separate study.

However, the Culver report never was a mere "bean count." The abstract to it says,

> Raw statistics, however, are significant only in context.

Senator CULVER praised the report, saying,

> I believe that this study is balanced, detailed and thought provoking.

CULVER also said,

> It contains the most comprehensive and current unclassified data on the relative strengths and weaknesses of the Soviet Union and the United States.

SASC maintains that the current report it refuses to release, "did not specifically update, refine, or substantiate (the Culver Report)," and thus refuses to use the study. In fact, one SASC staffer does not even consider that there is a report. However, Aviation Week and Space Technology has uncovered evidence to support that the administration is trying to suppress the report. A July 11, 1977, article says,

> The effort to suppress the document by delaying its approval is coupled with certain staff members touting a presidential review memorandum, PRM–10, a document prepared for high-level Administration officials that

sketches a much brighter picture of U.S. defense and strategic capabilities.

The Evans and Novak article said,

Some defense sources claim the National Security Council, then drafting PRM-10's cheery view of U.S.-Soviet strength, intervened to kill the Collins report. The committee's staff denies it, and there is no evidence to contradict them.

However, documented evidence exists that proves the NSC was sent a summary draft of the Collins report, then still in the rough stages, but nearing completion, as early as January 31, 1977. Evidence also shows that the NSC was given unauthorized access to parts of the completed draft February 17, the day after it was presented to SASC.

Zbigniew Brzezinski, National Security Advisor to the President, denies having seen a copy of the report. There is no conclusive proof of coordination between the National Security Council and SASC, to suppress the Collins Report, but the circumstantial evidence is strong.

However, not only does SASC refuse to publish the report, but it will not allow the report to be broken up into its component parts, one of which is a detailed analysis of NATO. The highlights to the NATO section state that,

Future U.S. force requirements for NATO will remain uncertain until current controversies concerning tactics and strategy are resolved, and that, "NATO has far more to lose from tactical nuclear warfare than satellite states or the Soviet Union.

The Evans and Novak article, "Conceding Defeat in Europe," appearing in the Washington Post, August 3, 1977, said that:

President Carter late this week will be presented by his national security advisers with a new defense strategy that secretly concedes one-third of West Germany to a Soviet invasion rather than seek increased defense spending, which these advisers say would provoke Moscow and divide Washington.

PRM-10, the Carter administration's top-secret strategic study, suggested that this policy could be made palatable to Western Europe by simply not admitting its implications.

This question needs to be answered: Why would an unclassified report, prepared for congressional use have to be harmonized with a Top Secret executive memorandum?

In the current report, Collins used DOD resources for U.S. statistics and received his figures, on the U.S.S.R. forces from the Defense Intelligence Agency. Collins also solicited interpretive materials from a wide range of sources both liberal and conservative. One estimate of total taxpayer cost for the currently unpublished report is $75,000.

Collins' previous CRS work is well known in many Government agencies, and to informed professional defense analysts throughout the United States. He is the author of the book, "Grand Strategies: Practices and Principles," which has been translated into Russian and Chinese, as well as, 15 other major LOC publications. A Pentagon official said that his CRS report on city defense, "was the best our city defender has ever seen."

A top level DOD source said that the current report is a substantial improvement over the earlier report. The Culver report used 2 isolated years a decade apart for all data and accompanying charts. In the updated document, 7 year continuous time-series data are used, a major statistical improvement. For example, it is possible to determine if any weapons system was steadily deployed, or if it peaked out and increased but at a decreasing rate, or if deployment ceased altogether in a particular year.

Collins explains the problems that occur in any statistical analysis, but with a special emphasis on the problems of the presentation of defense information. It illustrates the problem of reliable data on the Soviet Union, which normally employs cover and deception tactics to conceal its statistics on defense expenditures. For example, the Ministry of Transportation otherwise thought of as a civilian agency, handles all troop movements; these expenditures are excluded from the Soviet defense budget. Collins also addressed the difficult technical problem of determining an appropriate exchange ratio for the ruble and the dollar, in order to compare defense budgets, and relative cost of armaments.

One House staff member interviewed, criticized the Culver (1976) report for not being qualitative enough. The source said that any good assessment has to qualify the numbers.

The current report responds to this criticism, and is much qualitative, while carefully avoiding advocacy. One DOD official said the report is, "not biased at all, and is a very objective job."

SASC staff members may have misunderstood the qualitative aspects of the report. The report does not advocate a particular position with respect to the evidence assembled but cites alternative characterizations of the significance of the evidence.

Collins took our second strike strategic nuclear strategy as given. A second strike strategy is based on the concept of Mutual Assured Destruction, predicated on the ability to destroy the Soviets through retaliatory action, should they strike first.

Collins cited the concerns of many analysts about U.S. ability to retain an effective second strike capability, while the Soviets continue to increase the accuracy and yield of their MIRVed ICBMs. Aviation Week and Space Technology, July 18, 1977, quoted study highlights, saying,

The concept of Mutual Assured Destruction as a means of deterrence for both nations is less mutual than it was in 1970, the starting year for the comparison study.

The author does not argue for higher defense spending. To the contrary, he argues that higher defense spending does not insure greater defense capability.

In the introduction to a revised copy of the report, Collins said that the four purposes of the report were to: first, furnish facts; second, outline opinions; third, sharpen issues; and fourth, stimulate debate.

To correct the errors in his report, and to receive constructive criticism, Collins sent copies of the draft to about 30 offices at the Pentagon, Defense Intelligence Agency, specialists at CRS, and SASC. While he never sought concurrence, he did receive a wide variety of criticism, but reserved the right of final determination in balancing all the comments, since many of them conflicted.

Comments were returned by reviewers of which the following constitute a representative sample:

"First, DOD: Have read with interest your draft study and found it quite good. Second, DOD: This is a solidly researched, basic document—most suitable for use as a reference source and as a basis for future net assessments. Third, J-5 of the Joint Chief of Staff: You do good work. Fourth, Department of the Army: The report appears to satisfy the study objective of providing data to assist Congress in reviewing U.S. military requirements and budget request."

One DIA source said that his agency made some marginal notes to correct small errors, but that Collins did all his own research. "With his background, he knows what's outstanding," the source said. A Pentagon official who saw an early draft said, "it had a number of small errors, but was good then." The same official said the report was not biased at all, adding that, "a pure bean count is counter productive for staffers and Congressmen that are not very into it (defense)."

Technically, since CRS works under a proprietary relationship with its clients, SASC owns the report and is not obligated to publish it. Under CRS guidelines, the analyst is required to maintain client confidentiality, but may submit a substantially rewritten report to a new client, if the original client decides not to use the report.

Collins rewrote the introduction, made numerous editorial and substantive revisions, rewrote the "wrap-up," and added an annex, before submitting it to a senior House Armed Services Committee staff member, on March 17, a week after SASC told Collins that his report was inadequate for its needs. The House staff member immediately called a senior SASC member, to make sure that he would not be infringing on SASC's proprietary right by publishing the report, and was told that SASC was still interested in the report, and planned to publish it.

Two questions beg to be answered. Should a senate staff member, not an elected official, have the right to withhold from Congress one of the most objective and comprehensive reports on a very controversial issue, thus blocking its further dissemination? And, why won't SASC release the report for others use if it does not plan to publish or otherwise use it?

Perhaps the report really is being suppressed because it conflicts with view of the NSC and its own document on the subject, PRM-10. One CRS source said that the Collins report is not being used because it, "needed more consideration of PRM-10." By preparing a report that conflicts with PRM-10, Collins has become "the little boy" who asked, "Why isn't the Emperor wearing any clothes?"

While never questioning a client's proprietary right, Collins has been strug-

gling to get his important document published as a SASC report. The outrage of suppression of the document is compounded now that Collins faces disciplinary action from CRS. On June 3, 1977, the CRS warned Collins that he would be denied a within-grade increase, unless "improvement in his performance" was shown within 60 days. A CRS gave Collins an oral warning that, in order to improve his performance, he must demonstrate his understanding of and compliance with CRS guidelines about the review of and dissemination of work, and the requirements of objectivity and nonadvocacy, and the confidentiality of congressional relationships.

CRS did not state how Collins could demonstrate his "understanding," or how such improvement would be judged. On July 28, CRS issued Collins an official denial of a within-grade increase, almost a full week before the 60 days had elapsed.

CRS also subjected Collins to a CRS procedure known as a peer review, and ordered the original reviewers of the report to rereview it after a SASC staff member expressed its displeasure with the report. A CRS official insists that Collins incorporate all criticisms by his rereviewers, in order to bring the report up to CRS standards of "objectivity and nonadvocacy."

The Collins report, said a CRS source, was found to be analytically deficient, and void of alternative concepts for making net assessments. Collins apparently was also instructed to make numerous changes in the language of the paper.

However, a CRS "Official Senior Specialist Job Description," issued in May 1974, states that, "The Senior Specialist works under administrative supervision with work reviewed only from the standpoint of Library policy. Work is not review for quality of analysis or the authoritative character of its content."

CRS contends, said one CRS source, that it will not release the report in its current form, (the revised edition currently in re-review process), even if SASC wanted it. Collins must also now clear all his DOD sources with CRS before contacting them other CRS officials have said.

How the Collins report is being suppressed is quite simple. In order for Collins to issue a revised report to a new client it must first pass through re-review in CRS. However, CRS officials informed this office that the re-review process will not be completed because SASC does not want the report. The re-review process is nothing more than a "Catch-22" situation designed to insure that the Collins report is not published.

Congressman BRECKINRIDGE has been trying for several months to make the Collins report available to the Congress, and the American people. He has thus far been unsuccessful, despite the fact that he submitted a written request for the report. However, a CRS source said that at one time, CRS told BRECKINRIDGE that he could sponsor the report.

After CRS gave the go ahead, Collins sent a copy of the report to BRECKINRIDGE. The next day, CRS sources said, CRS claimed there must have been a "communication foul-up," and refused to release the report, and now threatens Collins with disciplinary action for breaking the confidentiality of his client.

CRS is now preparing a "revised" report for SASC, sources there say, and Collins has not been asked to help prepare it. Yet Collins is the most qualified senior specialist in the national defense field within CRS.

Collins is a retired Army colonel with 30 years service, who specialized in strategic and tactical planning. He was G–2 planner for the 18th Airborne Corps of the Mideast (1957), and for the 82d Airborne Division in Southeast Asia, (1958–59), a G–3 planner for the 18th Airborne Corps on Cuba, (1963–64), the largest contingency plan between WWII and Vietnam. He was Chief of Campaign Planning Group in Vietnam, (1963–64). As planner, Collins had to acquire expert knowledge of all branches of the Armed Forces, and their weaponry.

Collins was the Director of Military Strategy Studies at the National War College, from 1968–71. One DOD official said he liked Collins' work because Collins was able to write in factors of opposing views in his reports. Another Pentagon official said, "John Collins deserves the status of professional." Aviation Week and Space Technology ran his strategies arms limitation talks report, and editors there said, "it was one of the most comprehensive reports on SALT available."

TRIBUTE TO RABBI ABRAHAM FELDMAN

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. DODD. Mr. Speaker, today I would like to bring to my colleagues' attention the recent death of a great ecumenist and national spokesman for American Jews, Rabbi Abraham Feldman. The death of Rabbi Feldman was a sad event for all of us who knew and loved him.

Abraham Feldman, serving on every national reform board, was known throughout the Nation as an advocate of liberal, Reform Judaism. Among the numerous posts he has held, Rabbi Feldman headed the oldest and largest rabbinical organization in the Nation—the Central Conference of American Rabbis, as well as the Synagogue Council of America from 1955 to 1957.

Rabbi Feldman energetically searched out the Christian community for friendship and increased understanding. As stated in the Hartford Courant, he believed that his as well as all clergymen's task was "to speak the word of God and the message of religion in the hope of influencing human behavior in every sphere."

His commitment to Judaism was a part of his deep interest in all mankind. Rabbi Feldman was an ardent defender of human welfare. In a 1955 testimony before a U.S. Senate subcommittee, he supported a first come, first serve immigration policy giving preference to victims of racial, religious, or political persecution; those who possessed special skills; and relatives of American citizens and legal residents, rather than the "discriminatory and arbitrary scheme" of the national origin immigration system.

Undeterred by fear and corruption in the world, Rabbi Feldman saw good qualities in men. He lived his life according to the words he once uttered: "A rabbi is the captive of the cause and prisoner of hope."

Rabbi Feldman's life was an inspiration to many, and he will be remembered and revered by all who knew him.

BIG FOOD CHAINS CONTROL MEAT PRICES

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ALEXANDER. Mr. Speaker, the Washington Post, in its Sunday edition of July 31, 1977, carried a story on the marketing of beef in this country which was very disconcerting to me.

The American cattleman has suffered far too long from depressed prices paid to him, but the consumer has seen little reduction in retail beef prices. The market mechanism has not worked.

I am concerned by the Post report that a few large retail supermarket chains could so dominate the meat market that they may underpay the farmer and overcharge the consumer. I am inserting the article in the RECORD in the hope that these charges will be more fully investigated by the Department of Agriculture, the Antitrust Division of the Justice Department, and the Congress.

The article follows:

BIG FOOD CHAINS CONTROL MEAT PRICES, STUDY SAYS

(By Lou Cannon)

SACRAMENTO.—The beef-buying policies of a few large supermarket chains keep retail meat prices artificially high while driving down the prices paid to cattlemen for their livestock, according to an analysis presented here to a state legislative investigating committee.

University of California economist James H. Cothern said that a detailed study of beef marketing practices showed that consumer prices are 6 to 10 cents higher than they would be in an "open market," while the prices paid to livestock producers were 4 to 6 cents lower than they would be in such a market.

The analysis was praised by State Sen. John Garamendi, chairman of a subcommittee that has spent several months investigating food-pricing policies in California, the nation's leading agricultural state.

"Traditional economic notions of supply and demand no longer govern the price of beef in California," Garamendi said. "Instead, there is frightening evidence that a few large corporations are able to totally dominate the market and set the price."

Cothern's analysis focused on the policies of Safeway, the nation's leading supermarket chain, but it also discussed those of A&P, Kroger, Lucky and Winn-Dixie. He said his analysis of the price effects of supermarket policies included a study of several Eastern cities, including Washington, and that his

figures would be "roughly applicable" in Washington.

Safeway disputed Cothern's analysis and Garamendi's conclusions. Safeway is the dominant chain in the West, where it is the leading supermarket in 15 states. It has 2,438 stores nationally, including 500 in California and 130 in the Washington metropolitan area.

Because of the continuing drought the situation for cattle producers is precarious throughout the West. The cattle industry is California's leading agricultural money-maker, with 5 million cattle on 15,000 ranches. A number of smaller cattle ranchers face economic extinction unless the drought eases and wholesale beef prices increase.

Cothern said that the prices large firms are willing to pay for beef are heavily influenced by the Daily Market and News Service, known in the industry as a pricing guide. By buying certain deliveries likely to be sampled by the yellow sheet at a very low price—a practice known as "low-balling"—beef buyers can establish a low wholesale price for cattle, Cothern said.

Safeway denies using the yellow sheet to determine the price offer it will accept. The firm maintains that wholesale beef prices are low because of overproduction.

Robert Minch, a former meatpacker, told the committee earlier that Safeway's buying of choice beef set the market for other chains on the West Coast. Minch said that packers would call Safeway each Wednesday and offer to supply cattle the following week at a price they thought the supermarket would accept.

Minch said that Safeway's buying impact was so great "that the trend would be set and the word would be out before nightfall, not only to every packer, but to every feedlot." The other chains usually would follow Safeway's lead the following day, he said.

Safeway and other chains declined repeated invitations to testify before Garamendi's subcommittee. A Safeway official said the reason was that the company faces class-action lawsuits alleging that it has conspired to keep wholesale prices down and retail prices up. The plaintiffs might gain information from the testimony that they could use in court, the official said.

But W. S. Mitchell, president of Safeway, said through a spokesman that his company purchased only 2 to 3 per cent of the beef sold in markets nationally and was unable to control wholesale prices.

"It is Safeway policy to purchase beef at the prices quoted by packers without negotiating for lower prices," Mitchell said.

Garamendi said that the pattern his subcommittee has found in beef prices extends to other commodities. A study completed several months ago contended that supermarkets maintained artificially high prices on fresh fruit that had no relation to wholesale prices.

At a time that supermarkets were buying peaches for five cents a pound, Garamendi said, they were selling them for 50 cents a pound, 10 times what they paid.

THE NATIONAL ENERGY CONSERVATION CHALLENGE

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ARMSTRONG. Mr. Speaker, is government harassment the only effective means to spark energy conservation among Americans? One college group does not think so, and they are out to prove it.

More than 300 students at Western State College in Gunnison, Colo., set two goals in forming the National Energy Conservation Challenge. First, NECC encourages energy conservation on campus through new and creative voluntary initiatives. Second, NECC challenges any college, business or government unit to match its energy conservation record between October 1, 1977 and April 30, 1978.

While it remains to be seen whether NECC achieves its goals, the group has already triggered significant accomplishments. Western State this summer has saved about 20 percent over previous summer's electricity consumption. And three colleges, several high schools and retail stores have accepted the college's energy conservation challenge.

I applaud the group's initiative and creativity, and its faith in individual action to meet and solve national problems. NECC's enthusiasm is a great step toward securing our energy independence. This approach is certainly preferable to increasing mandatory government conservation programs, taxes, subsidies and regulations that never seem to work.

I wish the National Energy Conservation Challenge every success in achieving its goals.

AIR SERVICE IMPROVEMENT ACT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ANDERSON of California. Mr. Speaker, I have introduced today the Air Service Improvement Act of 1977, a bill to reform the economic regulation of the Nation's airlines. The proposed reforms are designed to provide a vehicle for further legislation that would produce improved air service and lower fares for the traveling public and provide an improved financial climate for the industry, in which efficiently managed air carriers will be able to earn reasonable profits and attract capital.

Under the existing regulatory system, which was established in 1938 and has not been substantially changed since that date, airlines are subject to public utility-type regulation by the Civil Aeronautics Board. Airline management does not have discretion over basic operational decisions, including the cities which a company will serve and the prices it will charge. Under the existing system, these and other basic management decisions are controlled by a Government agency.

In the last Congress, the Aviation Subcommittee of the Public Works Committee held extensive hearings on the need for reform of the existing system. We heard more than 50 witnesses representing such diverse parties as the administration, the academic community, CAB regulated airlines, intrastate airlines which would like to obtain CAB certificates, labor unions, and State regulatory officials. The record developed in these hearings has led me to conclude that the existing regulatory system does not produce the best results for either the industry or the traveling public. Nor is it likely that there will be substantial changes for the better if the regulatory system remains unchanged.

From the industry's standpoint, the existing regulatory system interferes with managerial efficiency by preventing airlines from making necessary adjustments in fares on a market-by-market basis. Fares cannot readily be adjusted upward to meet increasing costs, or downward to meet the public's demand for low-cost transportation. The existing system also makes it difficult for airlines to begin to serve new cities; as a result, many airlines are saddled with inefficient route systems: some airlines' route systems rely too heavily on business traffic to the exclusion of pleasure traffic; some airlines have route systems in which traffic varies widely from season to season; and some airlines have average lengths of haul which are too short for cost efficiency.

To conclude that the existing system has not been good for the airlines, one need only consider the industry's record of earnings. Since 1966, the CAB certified air carriers have approached the 12-percent rate of return, which the CAB recognizes as reasonable, in only one year. In many years the rate of return has been below 6 percent, before interest.

United Airlines, the Nation's largest carrier, believes that unless there is substantial regulatory reform, the regulatory structure is unlikely to produce reasonable returns for airlines in the future. As stated by Monte Lazarus, United's senior vice president:

> There is no way for the airlines to prosper, or perhaps even to survive under the existing regulatory regime. It's reasonable to predict that under existing economic regulation our future fortunes will vary from sizeable losses to a maximum return of about 7 to 9 percent. This earnings shortfall would inevitably produce a situation similar to that of the Northeast Railroads—and beyond that—nationalization. We do not want to be wards of the State, we do not want the public to rely on governmental whim for the quality and price of its air transportation. We do want to be free to provide the public with the finest air transportation at the lowest reasonable price, to earn a fair return for our stockholders and employees, and to purchase aircraft when necessary. Whatever the merits of economic regulation as practiced in 1938, we are not the way we were. Our country is different. We must be alive to the changing needs of a new world. Leather puttees and silk scarves and C.A.B. cases as they used to be, are great for nostalgia but as outdated as the fireman in the locomotive. We think it is clear enough that we must change. In the National Interest the status quo is simply unacceptable.

From the standpoint of the traveling public, there is considerable evidence that the existing system is not producing low fares in markets that could support them.

One indication that lower fares are possible in certain markets is that low fares have been successfully offered by intrastate airlines such as PSA and Southwest Airlines. These airlines are not regulated by the CAB and operate in State regulatory environments which leave them free to offer low fare service. In the Los Angeles-San Francisco mar-

ket, PSA charges a fare of $25 while in comparable markets served by CAB carriers, the fare is $49. In Texas intrastate markets, Southwest Airlines offers off-peak fares well below the fares in comparable markets elsewhere in the country. Similar low fares are beginning to be offered by the Florida intrastate airlines, Air Florida.

The opponents of regulatory reform have argued that the intrastate airlines operate in a unique environment and that their low fares cannot be duplicated in the interstate system. However, an in-depth analysis of the allegedly unique features of the intrastate markets was conducted by Senator KENNEDY'S Subcommittee on Administrative Practice and Procedure of the Senate Judiciary Committee. Senator KENNEDY'S subcommittee concluded:

> The basic reason why intrastate fares are lower is that intrastate airlines fly fuller planes. There is no economic or technical reason why such low fare service cannot be provided elsewhere in the country as well.

The intrastate experience shows that the Los Angeles-San Francisco market, lends to a substantial increase in the number of persons traveling by air. In the Los Angeles-San Francisco market, traffic increased 117 percent in the 5 years following introduction of PSA's low fare service. In the Los Angeles-Sacramento market, traffic increased 91 percent in the year PSA began low fare service. Thus, low fare service can lead to higher load factors and more efficient operations in addition to enabling more persons to travel by air.

Recently, a number of interstate airlines appear to agree that low fares can be successful in interstate markets. Texas International is offering discounts of 50 percent to compete with surface carriers and build traffic on underutilized flights. American Airlines is offering 45 percent discounts on transcontinental flights.

There are several arguments against the relevance of the intrastate experience to which I would like to respond. The first is that the intrastate airlines are "cream skimmers" who have been able to offer low fares because they serve only dense markets. In fact, these airlines have also offered low fare service in medium density markets and frequently have been highly successful in this endeavor. For example, in 1975, Southwest began service at Harlingen, Tex., a relatively small community which generated 100 passengers a day when served by Texas International, a CAB regulated carrier. After Southwest had served the market for a year with its low fare service, traffic had grown to 350 passengers a day.

PSA offers low fare service at small and medium sized communities, such as Fresno, Stockton, and Lake Tahoe. Of the 34 segments PSA serves with low fares, 12 generate less than 70 passengers a day each way. Thus there is considerable evidence that low fare service can be successful in markets of medium density.

A second argument which has been advanced against the intrastate carriers is that these carriers are regulated by the States which have given them monopoly rights. While this may be true so far as competition from intrastate carriers is concerned, the intrastate carriers are in heavy competition with the CAB regulated interstate carriers and their success in this competition is largely attributable to their low fare philosophy. This philosophy was well explained by Lamar Muse, president of Southwest Airlines. In his testimony before the House Aviation Subcommittee, Mr. Muse stated:

> What the [interstate carriers] say is that their problem of not making profits is because they cannot raise their fares enough, even though in the last six months they have had four fare increases.
>
> They just do not look at this world the way I do, sir, and we just cannot reconcile our differences. I say the way to make money is to cut your fare. They say the way to make money is to raise your fare. And we just do not agree.

PSA follows a similar philosophy and believes that low fare service can double traffic in 18–24 months.

It can also be argued that the intrastate airlines are successful because they pay low wages. However, those carriers are unionized and their wage scales exceed those of some certificated airlines. For example, in 1976, PSA's average annual pay for a B–727 captain was $59,000, while the average for American's 727 captains was $55,000. In the same year, PSA's average pay for a mechanic was $20,500 while United's average was $19,700.

The existing regulatory system discourages experiments with low fare service. According to the CAB's testimony, certificated air carriers have never asked the CAB for permission to lower their basic fares. Some witnesses believe that this failure is a consequence of the protected economic environment in which the industry operates, while other witnesses blame the CAB's domestic passenger fare policies. Whatever the cause, the best prospect for new low fare service would be entry into the industry by new air carriers, who would have no established market identity and who would be likely to compete by offering new and innovative fares.

The CAB has generally been hostile to new entry. Since 1939, 79 carriers have attempted to obtain trunkline certificates from CAB. None of these applications was granted. A leading case occurred in the 1960's when World Airways proposed to provide transcontinental service at a one-way fare of $75. The CAB took no action on the application for seven years, and finally dismissed it as stale.

Recently the CAB has begun to change its policies and has instituted investigations of low fare proposals by World Airways and by several new carriers wishing to serve Midway Airport. However, under existing law the process will be time consuming—for example, it recently took the CAB 7 months to issue preliminary procedural orders in the Midway case. Moreover, although these cases have been instituted, there is no assurance that CAB will finally decide in favor of new entry and low fare service.

Thus, the present regulatory system is not serving the best interests of the industry or the public. Indeed the only group which seems to benefit from the existing system is regulatory lawyers. In 1976, CAB-regulated airlines paid more than $7,000,000 to Washington, D.C. law firms.

Both the industry and the public would be better served by a system affording price flexibility and easier entry into new markets for new and established carriers. The Air Service Improvement Act would meet these needs.

Contrary to the claims of some industry witnesses, I do not believe that a more competitive airlines system would disadvantage small and middle-sized communities.

In the first place, small communities have not fared well under the existing regulatory system. In the past 16 years 179 communities have lost certificated air service.

I have not been persuaded by the evidence which has been advanced thus far, to establish that under the present system airlines "cross-subsidize" small and medium-sized community service by excess profits gained from serving larger cities. Many of the airlines serving smaller communities do not have access to lucrative routes which would yield excess profits. Additionally, the CAB's fare policies require fares to be related to costs and thereby make it difficult to achieve excess profits on any route.

Finally, there is no logical reason why the airlines should now be serving route segments including small and middle-sized communities if these segments fail to cover their incremental costs. Under their CAB certificates, the airlines have considerable flexibility to determine the route segments they will serve. Airlines are unlikely to continue serving segments which do not cover incremental costs. If, on the other hand, a route segment does cover incremental costs and makes a contribution to overhead, there is no reason for an airline to stop serving that segment solely because profits are reduced on other routes.

The absence of cross-subsidy has been confirmed by studies of the Kennedy Subcommittee which examined United Airlines' route system and concluded:

> There remain 29 route segments in United's system that might be viewed as beneficiaries of cross-subsidy. Those 29 segments average 155 miles in length; together they account for 130 million revenue passenger-miles or about one-half of one percent of United's total domestic revenue passenger-miles.

A similar conclusion was reached in a recent study by the General Accounting Office.

The Aviation Subcommittee's recent field hearings at Harrisburg and Williamsport, Pa., also confirm the absence of cross subsidy at small and medium size communities. These hearings indicated that in 1976, Allegheny operated in the Pittsburgh-Harrisburg market at a load factor of 61 percent and in the Pittsburgh-Williamsport market at a load factor of 61 percent. Allegheny's new Harrisburg-New York service with small aircraft has been operating at a 70-percent load factor. Allegheny's system break-even load factor is 53-percent. Thus, Allegheny's service at Harrisburg and Williamsport seems profitable; if anything, this service may be

cross-subsidizing other service at larger communities.

This proposal contains provisions which is intended to help improve air service at small communities. Under the bill, if a certficated airline terminates service at a small community, the CAB will be required to provide subsidy to continue air service for 10 years. The CAB will be permitted to subsidize replacement service by a commuter airline. Commuter airlines operate small aircraft well-suited to small community service and subsidization of their services should insure a continuation of needed small community services at reasonable cost levels.

In many cases, service will improve if commuter airlines serve those small communities which the certificated carriers no longer wish to serve. Because the commuters operate small aircraft, they can provide more service at a small community than a carrier using larger aircraft. The use of small aircraft also frees commuters from the economic necessity of serving several small communities on the same flight to fill empty seats, and for this reason commuters generally are able to provide service directly from a small community to a larger hub. This bill will also insure that commuters are able to offer joint fares with certificated airlines.

There have been a number of studies indicating that commuters can serve small communities at a lower subsidy cost than certificated carriers using large aircraft. As a consequence, a transfer of small community responsibilities to commuters will permit new communities to be added to the subsidized system at no increase in overall subsidy cost.

The following summarizes the act's main features:

(1) DISCRETIONARY ENTRY

Airlines holding CAB certificates including supplemental carriers and large intrastate carriers—such as Pacific Southwest Airlines—would be allowed to enter one new market each year without CAB approval.

If more than one carrier chooses the same market, CAB must select between them.

Only one new carrier may enter a particular maket in any three-year period.

After the first year the CAB may incease the allowance of one market per carrier.

This section includes a "sunset provision" providing that the section expires after five years. The expiration does not impair the effectiveness of authority granted while the section was in effect.

(2) CAB REQUIRED TO ENCOURAGE COMPETITION

The policy criteria of the Act are amended to require the CAB to encourage competition and to favor applications proposing low fare service and applications by carriers not presently holding certificates.

The bill also establishes a rebuttable presumption that an application for a certificate should be granted. The burden of proof is on those opposing the application to show that it should not be granted.

(3) DORMANT AUTHORITY

At present there are many markets in which carriers hold authority from the CAB to provide non-stop service, but do not provide this service.

The bill provides that in any market in which there is unused authority, the CAB must grant authority to any fit carrier which wishes to serve the market.

When a new carrier is authorized, the Board is required to hold an investigation of whether to revoke the unused authority.

(4) FARE FLEXIBILITY

Carriers are free to adjust their fares within a zone without CAB approval. Fares may be adjusted upwards by 10 percent a year and downwards by 25 percent in the first year and thereafter to the lower of (a) 50 percent of the fares now in effect, or (b) 110 percent of direct costs.

(5) FILL-UP RIGHTS FOR INTERNATIONAL CARRIERS

International carriers, such as Pan American, now hold authority to serve several United States cities on an international flight, but not to carry passengers between these United States cities.

For example, Pan American may operate Los Angeles-New York-London, but it may not carry Los Angeles-New York passengers.

The bill would allow the U.S. international carriers to obtain the right to carry local U.S. passengers on their international flights.

They could obtain this right (limited to one flight a day) in three markets in the first year and in two markets in subsequent years.

These fill-up rights would be substituted for the discretionary authority discussed in item 1 above.

(6) CARGO DEREGULATION

The bill deregulates all-cargo service and requires the CAB to issue cargo licenses to any fit applicant.

Under these licenses there would be no regulation of the cities served or the fares charged except that the CAB could prevent discriminatory or predatory fares.

These licenses would be available to the existing all-cargo operators (including Federal Express and Flying Tiger) in the first year, and thereafter to any fit applicant.

(7) COMMUTER AIRLINES

Commuter airlines now operate aircraft of up to 30-seat capacity exempt from most CAB regulation of fares and service. The bill raises the authority to 56 seats. The bill makes commuters eligible for subsidy for serving small communities.

It requires certificated carriers to enter into fare arrangements with commuters on the same basis as they do with other certificated carriers.

The bill also makes commuters eligible for Federal aircraft loan guarantees.

(8) EXPEDITION OF CAB PROCEDURES

The bill requires the CAB to complete its case in one year and allows CAB to act without hearings in less controversial cases.

(9) PREEMPTION OF STATE REGULATION

The bill precludes the states from regulating the fares or service of interstate carriers, including the intrastate service of these carriers.

However, there is an exception for any carrier which is now totally regulated by a state, such as PSA in California or Southwest Airlines in Texas.

If these carriers obtain CAB authority the states may continue regulating their intrastate operators so long as more than 50% of their operations are intrastate.

(10) SMALL COMMUNITY SERVICE

The bill makes commuter airlines eligible for subsidy for serving small communities.

It further provides that any city now listed on a CAB certificate is guaranteed continued air service for 10 years.

If a certificated carrier terminates its service at a community, CAB is required to subsidize a commuter replacement for 10 years.

(11) EMPLOYEE PROTECTION

The bill requires the Secretary of Transportation to prescribe regulations to protect employees who are adversely affected by the provisions of the bill permitting discretionary entry and entry in markets in which there is dormant authority. The employer of affected employees makes initial payment of all allowances and will then be reimbursed from a special account established in the United States Treasury.

CIVIL ENERGY FROM LASER FUSION; A GROWING REALITY: THE IMPORTANCE OF PRIVATE SECTOR RESEARCH AND DEVELOPMENT

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. PURSELL. Mr. Speaker, more and more Members of Congress are coming to recognize the need to make laser fusion an integral and important part of our national energy program.

I would also like to emphasize the importance of supporting a key role for private industry in the research and development of the potentially unlimited national energy resource.

I would like to share with other Members key portions of a 1975 report by the Special Laser Fusion Advisory Panel to the U.S. Atomic Energy Commission. The Panel was chaired by Dr. Lawrence R. Hafstad, and clearly recognized the vital role the private sector could play in exploring the possibilities of energy from laser fusion.

While laser fusion knowledge and technology has advanced considerably since the Hafstad report was submitted, I believe the panel's conclusions on the importance of private sector involvement are at least equally valid, and perhaps more valid, today. The report follows:

I. INTRODUCTION

In response to its charter, this Panel has considered the potential value and technical status of the laser-fusion program and the question of industrial and university participation in the national effort in laser-fusion. The role of electron-beam fusion is considered to be so closely related to laser-fusion that it is treated synonymously with laser-fusion in this report.

The laser-fusion program has potential applications to both national security and national energy problems. The role of the private sector in relationship to both of the applications has been considered by the Panel. The Panel has agreed on seven findings and recommendations which are summarized in Section II.

II. FINDINGS AND RECOMMENDATIONS

1. The laser approach to fusion power is a potential alternative to magnetic confinement and deserves broader support

In utilizing inertial, rather than magnetic confinement, the laser method obviates some of the difficulties of instabilities, synchrotron radiation, cost, and structural engineering associated with large magnetic fields. Although they are sufficiently different from those of magnetic systems, roadblocks to one route are not likely to be roadblocks to the other. Only more experimental work will tell which approach is more likely to succeed. The benefits of an early solution to the fusion problem are so great that the expense of following a second option through the research phase is amply justified.

Laser-fusion offers the possibility of a greater range of applications than is provided by the magnetic confinement fusion techniques. The promise of greater compact-

ness and simplicity of reaction chambers, combined with greater flexibility in reactor system design, suggests early possible applications even before the achievement of energy breakeven. Examples of such applications include an intense source of neutrons and x-rays useful in simulation of nuclear weapons, in medical applications, regeneration of fission reactor fuel elements, and fission-fusion hybrid reactors. Looking to the distant future, laser-fusion also offers the attractive possibility, as yet unproven, of power plants in the 100 MW range and smaller which are of greatest usefulness in power distribution systems.

2. Laser-fusion is still in a research phase: Consequently, the program should be broad and encourage contributions from all sectors

Even within the present budget levels, we believe that the overall United States laser-fusion effort can be strengthened by encouraging participation by industry, universities, and utilities for the following reasons:

a. a larger portion of the key research and development resources of the country can be tapped, including existing facilities;

b. the scientific personnel base can be expanded to generate new ideas and to produce new trainees;

c. the ability to procure new materials and specialized equipment for laser-fusion research will be enhanced;

d. the base of an industrial capacity for eventual commercialization will be established; and

e. the existence of independent efforts will, through competition, act as a catalyst to enhance the scientific output and cost effectiveness of the national laboratories.

Laser-fusion's promise is still based mainly on simplified theoretical concepts. Experiments to check these concepts have just begun. As in any research program, we should expect a mixture of progress and setbacks, including unexpected discoveries. The program needs the attention of as many competent scientists as possible with various backgrounds to generalize and explore new ideas. Stimulation of ideas by competitive interaction is essential.

3. To create a truly national program, Federal support for laser-fusion should include funding of "external" projects outside the national laboratories

For the immediate future the main drive in an expedited program should continue to be in the national laboratories, which have unique talent, experience, and facilities. We believe that the overall United States laser-fusion effort should now be supplmented by encouraging participation by industry, universities, and utilities.

The proportion of the laser-fusion budget ultimately allocated to industry and universities will necessarily depend on the quality of proposals received. To stimulate outside participation, we recommend that a minimum increment of ten percent of the present budget be so allocated initially. Much more than ten percent could probably not be effectively administered the first year; much less than ten percent would not have a serious impact on broadening the research base.

4. Private sector support not sponsored by the national laboratories should be implemented by a small, competent staff at the Energy Research and Development Administration (ERDA), which will ensure the impartiality of the review process and proper program balance

Proposals on research and civilian applications from the national laboratories and from outside organizations should be considered on an equal footing and without bias by Energy Research Development Administration/Division of Military Application. The recent establishment of ERDA gives an unparalleled opportunity to ensure that the administrators of the laser-fusion program have the scientific competence to treat proposals equitably. Although the wisdom and experience of the highly capable staff at the national laboratories should be drawn upon frequently (particularly in areas approaching the classified area), these laboratories should not be the sole reviewers of the "external" program.

5. The major obstacles to the practical production of power by laser-fusion should be identified at an early date by detailed studies of power systems

Although it is too soon to start detailed engineering design work, one can, and should, begin now to identify critical engineering problem areas and to develop concepts which would give promise of solutions. Examples of areas requiring emphasis are:

a. reactor systems design studies in sufficient detail to give data on parametric dependences and cost of repair and replacement;

b. development of high-efficiency, short wavelength lasers;

c. achievement of high repetition rate, with adequate cleanup and minimum loading time between pulses; and

d. development of materials capable of withstanding the high photon and neutron fluxes, as well as the blast wave stresses.

If there were only one fusion program, concern for engineering problems could logically be left until after the essential preliminary of a successful breakeven experiment. It is recognized that the choice among competing fusion schemes will ultimately rest on the tractability of the problems of engineering design and cost. To avoid entering long development periods for all schemes, these problems must not be left to the distant future.

6. Recent declassification action has effectively removed barriers to adequate exchange of laser-fusion research information

The small amount of weapons related information can (and should) remain so without jeopardizing a strong, broad based unclassified program. Advantage should be taken of the possibility of utilizing university laser-fusion centers as a liaison between unclassified work on laser-fusion for commercial power and classified research on national security applications of laser-fusion concepts. This can be done by using a few suitably qualified professors in such centers as consultants in the classified work areas. This is currently being done in the University of Rochester operation. If the laser-fusion program continues to show promise, a need for several such centers can be visualized.

The ERDA should not encourage privately financed research in work impinging on classified topics. Research in unclassified areas, on the other hand, should be encouraged. Although private organizations may initiate work leading into classified areas without exchange of information with ERDA laboratories, they run the unavoidable risk of having their work put under classification at some later time.

7. ERDA should facilitate industrial and university participation by liberalizing its administration of patents taking full advantage of flexibility in overall Government patent policy

The traditionally restrictive patent policy of the AEC, which may have been adopted for good reasons nearly three decades ago, has long been a serious handicap in getting effective industrial participation in programs intended for civilian use. The transfer of responsibility of the laser-fusion work to ERDA should provide a unique opportunity to change this traditional policy to meet the needs of the new emphasis on energy which will require encouragement of industrial participation.

It is important to realize that in the engineering development phase of a major project, the ingenuity and cost-cutting incentives of private industry can be tapped only by enlightened administration of patent policy permitting return on investment in both development costs and the use of the previously developed know-how in the private sector.

ELECTRIC TAXIS AND BUSES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. OTTINGER. Mr. Speaker, in a press conference on August 4, 1977, Congressman CHARLES A. VANIK and I advocated a series of measures that should be taken to avoid the catastrophic imports of oil that will be taking place by 1985—9.6 million barrels a day, even with the conservation measures incorporated in the national energy plan.

One of the measures we advocate is the Federal purchase and use of electric vehicles and other vehicles that are powered with alternatives to oil. This same kind of switch should be made by local communities, particularly in large cities, where the air pollution problem is severe and the need for transportation acute.

"Watt's Watt in Public Transport," an article by Edwin F. Shelley which appeared in the July 14, 1977, issue of the New York Times, proposes that New York City should carry out a municipal program to demonstrate the benefits of operating electric taxis and buses instead of the traditional polluting, petroleum-consuming vehicles now in use. I commend this article to the attention of my colleagues.

[From the New York Times, July 14, 1977]

WATT'S WATT IN PUBLIC TRANSPORT

(By Edwin F. Shelley)

New York City and its inhabitants suffer much of the time from an unacceptable level of air pollution, yet no practical course of action has been set forth to solve this increasingly crucial problem.

Most of the pollution is traceable to emissions from internal-combustion engines in automobiles, trucks and buses. Federal Environmental Protection Agency proposals to reduce vehicular traffic by imposing tolls on the East River bridges and by increasing parking limitations in midtown Manhattan are widely considered to be economically damaging to the city and of doubtful effectiveness in any event.

Meanwhile, the physical and mental health of New Yorkers continues to be attacked by the insidious depredations of continual air pollution, and the economic health of the city is further eroded by the unsatisfactory climate thus created.

A solution to the problem is available, and it is both practical and economically advantageous to all concerned. While commuter automobiles emit pollutants when operating, they are actually parked for most of the day: and while many large trucks come into the city, they normally discharge their cargo and leave the city with a minimum of driving time. Taxis and buses, however, operate almost continuously, and account for a major share of the pollution caused by internal-combustion vehicles traveling in the city.

The substitution of electric taxis and buses for the present polluting, petroleum-consuming vehicles would dramatically reduce the

air pollution in the city, and would reduce the operating cost of taxicabs and buses. Substantial operating experience with electric vehicles in this country and abroad provides ample evidence of the cost-effectiveness, reliability and practicality of electric vehicles for intracity operation.

Present battery technology limits practical electric vehicles to speeds of 40 to 50 miles per hour and a cruising radius of approximately 50 miles per battery charge. These limitations make present electric vehicles unsatisfactory for many ordinary uses. City taxis, however, can operate quite satisfactorily without exceeding a speed of 50 miles per hour, and a network of automatic, unattended battery-substitution taxi stands throughout the city would permit the insertion of a fully-charged battery pack into any taxi in place of a depleted battery in approximately one minute.

The cost of electric-taxi operation would be lower than that of gasoline taxis, and intelligent design could increase rider comfort while decreasing overall size. Pollution of the air by taxis would be entirely eliminated.

Electric buses have been operating successfully in West Germany for more than three years. These are not old-fashioned trolley buses, but modern motor coaches operating on electric batteries with a network of battery-substitution stations where a fully-charged battery pack can be slid into the bus in place of a depleted pack. A higher first cost is more than offset by lower operating and maintenance costs, and German oil consumption is reduced while air pollution by buses is eliminated.

Examination of the extensive information now available on electric vehicles and their operation in the United States and abroad will permit an accurate determination of the cost of taxi-fleet replacement and bus modification, as well as a determination of operating savings in dollars and in barrels of oil for New York City and its taxi industry.

The substantial market for electric taxis to replace the gasoline fleets in New York and other major cities would provide a new economic incentive to the manufacture of comfortable, efficient, low-cost electric vehicles and would popularize the use of these nonpolluting, energy-efficient vehicles in other sectors of the economy.

Through Public Law 94-313 (The Electric and Hybrid Vehicle Research, Development and Demonstration Act of 1976) Congress has authorized the establishment of a variety of programs to demonstrate the commercial feasibility of electric vehicles. Substantial funds will be available from the Federal Government under this act in fiscal 1978. A municipal program to demonstrate the feasibility of operating electric taxis and buses in New York City should qualify for Federal support under this law.

The unquestioned reduction in air pollution which would be accomplished under such a program should satisfy the Environmental Protection Agency—as well as the inhabitants of New York—that the city has at last found a practical way to achieve the improvement in air quality mandated by present Federal law and required for the survival for a healthy populace and a viable economy.

PROPOSED AGENCY OF CONSUMER PROTECTION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. WEISS. Mr. Speaker, some Members of Congress believe that the public does not want the proposed Agency for Consumer Protection, but a recent public opinion poll contradicts that assertion.

A July 11, 1977, Lou Harris poll found that 55 percent of the American people favor the proposed agency, and only 28 percent oppose it. Moreover, 65 percent believe that "such an agency is long overdue, for the individual consumer needs help in making his complaints heard and in getting better quality and safer products and services." Twenty-one percent disagreed with this statement.

By an even larger margin, 67 to 16, a majority believes that "big business has so much power with Government that unless the consumer has someone in Government to argue his case and make business give better quality, the consumer will continue to be shortchanged on products and services."

I hope a majority of my colleagues will concur with this majority sentiment and support H.R. 6805.

A STUDY IN SUPPRESSION

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. BRECKINRIDGE. Mr. Speaker, I call your attention at this time to recent actions on Capitol Hill that have a disturbing influence on national defense.

John M. Collins, with whom I have had a close professional relationship since I first came to the Congress, after he joined the Library of Congress as senior specialist in national defense 5 years ago, is a respected analyst of military affairs. His study entitled "The United States/Soviet Military Balance," published by the Senate Armed Services Committee—SASC—in January 1976, is still widely used as a reference.

Collins used his original survey as a tool to create a net assessment of American and Soviet military strength, which was designed to assist Congress in reviewing fiscal year 1978 defense programs and budget requests. That second-generation effort was suppressed by a small group of SASC staffers from March until August 1977, when Senator JESSE HELMS inserted the entire text in the CONGRESSIONAL RECORD.

The complete rationale is still unknown, but I have pieced together the following partial course of events from sources in the Pentagon, SASC, the House, the Library of Congress, and my own unsuccessful attempts to publish Collins' document over a period of several months.

The story began in June 1976, when Francis J. Sullivan, now SASC's staff director, first contacted Collins concerning a follow-on study of the United States/Soviet balance for publication by that committee. In anticipation, Collins prepared a detailed outline and study plan, which he submitted to 26 specialists for comment on July 1. Sullivan, who was on top of the list, filed a tentative request with the Congressional Research Service—CRS—on July 7, and confirmed it with Collins on August 5. No written communications were involved. Both transmissions were by telephone, a common practice.

The study plan expressed a fourfold purpose: "Revise quantitative/qualitative comparisons; refine original analyses; review resultant issues; reconnoiter corrective courses of action." The intent was to fashion "a new format that strives to substitute dynamic trends for the rather static impressions conveyed by the (1976) study." Statistics, if possible, were to cover the period from 1965 to the present, with "a projected balance 10 years in the future if straight-line trends persist." The assessment was to culminate with a section on U.S. shortcomings and 10 associated issues, each accompanied by three corrective courses of action. No "straw men" were to be allowed. "Every option (was to be) credible and worth serious consideration. Pros and cons (were to) accompany each course."

Sullivan and Collins met in October, 1976 to review the nascent report. Louise Hoppe, who Sullivan had appointed as his routine point of contact in SASC, was present. Collins had already scaled back statistical goals, which were unattainable. Sullivan suggested that the section on issues be cut from 10 to 5. Problems connected with assembling compatible United States and Soviet manpower data were discussed. There were no points of contention.

Work proceeded at a feverish pace through the Christmas holidays, as Collins strained to satisfy Sullivan's request for a finished product that SASC could use during the authorization process, which ignited in February.

Collins submitted a periodic progress report to Louise Hoppe, including completed chapters. Three copies of the full first draft were hand-carried to her office on February 16, 1977, when it floated for comment by more than 30 addressees. At no time did Sullivan indicate that either the structure or contents of the study were unsatisfactory. In fact, Collins received no reaction of any kind.

Collins personally delivered three copies of the finished report to Ms. Hoppe on March 9, fully coordinated and ready for publication. There was still no response. He reached Sullivan by phone 5 days later. The conversation was short, but not sweet. Conclusions, Frank contended, were not supported by the text. In any case, the request had been just for a "bean count." He obviously had not even read the report at that time, because he asked who had reviewed. Key reviewers were cited in the cover letter. He complained that statistical sources were not identified. They were designated or page 2. He was too busy to discuss disagreements in detail, and did not know when an opportunity would arise. Collins then asked him to release the report for publication by the Library of Congress or another congressional sponsor. Sullivan declined.

Pressure to release the report, however, soon began to build. It was advertised as forthcoming in a footnote to a strategic nuclear weapons study published by the CRS in March 1977. An undetermined number of first draft

copies, including some reproduced locally by action addressees, were retained by various reviewers. Some SASC staffers who favored publication passed the word around.

A representative of Aviation Week and Space Technology reportedly confronted Frank Sullivan in late March or early April, and was told that no new CRS study on the United States/Soviet military balance existed—an assertion the caller knew was false. John Ticer, a SASC staff member, repeated that fairy tale to the same inquisitor the following day. Aerospace Daily apparently had a similar experience about the same time. So did others. In each instance, Collins told members of the media to, "Lay off. You'll lose me my job," when queried about the matter.

Just why the Collins study was suppressed is still uncertain. None of Sullivan's criticism ever made much sense. He approved the plan, and clearly knew how the study was developing at every stage.

Suspicions that publication was blocked to prevent a collision with Presidential Review Memorandum (PRM)–10, as suggested by Aviation Week on July 11 and 18, therefore assumed considerable credibility in the eyes of many. If confirmed, that could indicate collusion between a cabal of SASC staffers and highly placed parties in the National Security Council—NSC.

The means were available.

Collins deliberately refrained from forwarding a copy of his draft to that highly politicized body for review, but a former member of CRS, described by associates as "a loose cannonball rolling around the deck," furnished Col. William Odom a summary of the unfinished study as early as January 31, 1977. His letter says,

> I "stole" this in the belief you ought to know what is coming up—John does not know that I have done this.

Evidence intimates that he also mailed parts of the finished first draft to Odom on February 17, the day after Collins distributed the document for comment, and sent a complete copy 6 days later.

There may also have been motive.

The PRM–10 directive assigns the improbable task of developing a net assessment and U.S. responses concurrently, although no reasoned response could be devised until assessment was complete. That inconsistency encourages speculation, current in some quarters, that the Carter administration had made up its mind shortly after the inauguration, and simply used PRM–10 as an ex post facto paper exercises to simulate support. If so, the Collins study could constitute dangerous competition.

Suppression, however, is a chancy game in our open society.

The two Aviation Week articles and a syndicated column by Evans and Novak in the Washington Post on July 21, 1977, created a stir in Congress, even though few other newsmen picked up the prospects of scandal. Items began to appear in the CONGRESSIONAL RECORD. I personally wrote letters to the White House, Defense Secretary Brown, and SASC Chairman JOHN C. STENNIS, and ranking minority member JOHN TOWER, urging their assistance in affecting the release of the report, then sought added influence from 360 other Congressmen through a "Dear Colleague" letter.

Still, committee and party politics played powerful roles. It would appear that no coalition in the Senate Armed Services Committee, much less one with bipartisan character, ever stood up to be counted. JESSE HELMS, a conservative Republican from North Carolina, emerged as Collins' only champion in SASC who was willing to "go to the wall."

When it became apparent that no decision could be reached before Congress recessed for a month beginning August 5—and a favorable decision was doubtful thereafter, HELMS read the entire report into the CONGRESSIONAL RECORD, which placed it in the public domain, open for reproduction by private publishers.

Meanwhile, Collins has been, and still is, experiencing strong pressures on a second front.

Gilbert Gude, newly appointed Director of the CRS, initially seemed sympathetic, because he authorized Collins to submit his study to a second prospective sponsor in mid-March, after making minor modifications. When that proved unproductive for protocol reasons, Gude met with Frank Sullivan, who reiterated his rejection and refused to print the report in its present form or release it for other congressional use without substantial changes.

Gude shaped his subsequent actions after consulting John P. Hardt, CRS Associate Director for Senior Specialists and William W. Whitson, Chief of the Foreign Affairs and National Defense Division—FAND. The three then met with Collins on April 8.

As that trio explained it, the client's study requirement was for facts and figures, not analysis. Collins contended that a task of that sort could be better undertaken by 3½ GS–5's than a GS–17. The client further found the study biased. DOD statistics were deemed especially undesirable, according to Gude, Hardt, and Whitson, although there is no other primary source in most instances. The client allegedly refused to accept any study that portrayed a balance between United States and Soviet armed forces or excluded a wide range of non-Soviet considerations that condition U.S. defense demands.

Gude and his consorts concluded that the scope of Collins' assessment was unmanageable for one man in any case. Future efforts should be undertaken by Whitson's division, with contract support if necessary. Collins perhaps could write a foreword. A major study on the subject, responding to a new Sullivan request, already is in progress without Collins' participation. Researchers are starting from scratch, at considerable cost to taxpayers.

Five days after that meeting, on April 13, Gude appointed three "peers" to recommend alterations, so that Collins' study would "better * * * maintain the standard of individual and collective performance that CRS is charged with." One was James W. Robinson, who handles CRS policy review. The others were Dr. Hardt and Dr. Whitson. Robinson had already reviewed the first draft in detail. Hardt has critiqued sections pertaining to his specialty, which is Soviet economics, and had scanned the rest. Whitson had equal opportunity to review the original product, but returned it unread. None of the three is a recognized authority on American and Soviet military strength.

Their determination, in a two-page memorandum dated May 4, 1977, was not delivered to Collins until I inadvertently smoked it out 23 days later. The last lines indicated that "many specific changes in language are recommended in the attached copy of the study," but those actually were not ready until June 3, a full month after the memo was written. The implication: Gude and his associates never expected to pursue the matter further.

CRS guidelines, established in 1974 and still in effect, stipulate that Senior Specalist products are "reviewed only from the standpoint of Library policy. Work is not reviewed for quality of analysis or the authentic character of its content."

A special exception, however, was made in Collins' case. Correspondence signed by Gude on June 3 stipulates that "revisions to your draft indicated in the May 4 memorandum from Dr. Hardt, Dr. Whitson, and Mr. Robinson are necessary in order to meet CRS standards, regardles of the willingness of—blank—or any other congressional client to accept the draft." I had been pressing hard to publish the study as a House Document, but was denied permission even if I printed component chapters separately in a different sequence, unless each segment was revised and rerouted through the hand-picked "peer" reviewers.

In short, CRS leadership not only reserved the right to designate who Collins' professional peers were for review purposes in a very specialized field, but required him to accept their recommendations, whether he agreed or not. Intellectual freedom within time-tested CRS policy guidelines, which comprises the foundation of the Senior Specialist system, was absent. Since the only official court of appeals was confined to Hardt, a member of the "peer" review panel, and Gude, who appointed him, no impartial arbiter was available.

Gude also initiated adverse personnel actions against Collins at that time. A notice filed on June 3, 1977 concluded that hs "work is not of an acceptable level of competence for purposes of—perfunctory—within-grade increases" as a civil servant.

It was accompanied by the threat of "possible disciplinary action," and was followed by an oral warning, which constitutes a preliminary step in the process of ousting offensive employees.

Some of the charges centered on Collins' efforts to encourage publication of the study. "An additional area of concern," however, "relates to—his—apparent failure to adhere to CRS standards of objectivity and nonadvocacy." On advice of Dr. Whitson, Gude specifically accused him of "unbalanced" views and sharp criticism of "particular—

executive branch—agencies and officials" when he participated as a panelist at a Senate symposium chaired by Senator CULVER on May 11–12, 1977.

The full text of Collins' troublesome comments will soon be published, along with those of other speakers. Suffice it to say here that part of the objectionable substance had previously been included in approved CRS documents. Other elements were featured in two banner headlines, front page articles by Henry Bradsher, printed in the Washington Star on December 29–30, 1976. The remainder were contained in a lecture on U.S. strategy, delivered at the Library of Congress during a conference sponsored by Dr. Whitson. No one on Capitol Hill or anywhere else complained to CRS leadership or suggested that those statements brought discredit. On the contrary, a wide range of critics, liberal and conservative alike, cite Collins for his commonsense approach to national defense and refusal to promote special interests.

Harassment nonetheless continues. Dr. Whitson, for example, failed earlier this year to evict Collins from his cubicle, which is collocated with Whitson's division, so that the space could be assigned to an arms control specialist brought in on contract for 2 weeks. If present CRS plans are put in effect, Whitson soon will succeed in separating Collins from the division, effectively isolating him from research materials, incoming distribution, and defense analysts with whom Collins has worked closely and reciprocally for the last 5 years. That action seems especially counterproductive, since Director Gude, in a memorandum of oral warning on July 28, 1977, cautioned Collins "to strengthen—his—working relationships, including peer review, with—the Foreign Affairs and National Defense Division."

From all this, several issues arise that concern U.S. national security and CRS abilities to serve Congress effectively in any field.

Top priority most certainly involves suspicion that important parties in SASC and the NSC conspired to suppress an objective study that deals with U.S. survival and other crucial interests. That subject calls for complete investigation by a competent, trustworthy team, followed by corrective action if foul play is confirmed.

Collins summarized secondary and tertiary issues in correspondence to Gude on May 28:

a. Should a committee staffer be permitted to suppress a CRS study, and refuse to release it for use by other segments of Congress unless it is altered to suit his personal specifications? I contend he should not. That prerogative should pertain solely to senators and members of Congress, if at all.

b. Should peers be permitted to prescribe not only what a Senior Specialist should say, but how he should say it? I contend they should not. The Senior Specialist system will cease to exist if others are confronted with constraints such as those in the proposition presented to me.

Some Senators and Representatives already express interest in exploration of such fundamental issues by the Joint Committee on the Library, the Committees on Government Operation, and the Rules Committees. I support that position and am directing communications to the interested committees and others in a position of responsibility accordingly.

In the course of this controversy, Collins has consciously put his job on the line. One cynic in the CRS front office seriously questions whether Collins is doing so as a dedicated public servant or simply for publicity. As he paints the picture,

It's easy to put principles before job security if you're a "double dipper".

Collins' answer to that charge was low key. He said:

I had these principles long before I had an Army colonel's retirement paycheck. That's why I never amounted to anything.

U.S. LOANS AND CREDITS TO FOREIGN GOVERNMENTS

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ALEXANDER. Mr. Speaker, I would like to share with my colleagues the latest update from the Department of the Treasury on the principal and interest due and unpaid 90 days or more as of March 31, 1977, on U.S. loans and credits to foreign governments.

I am pleased to report that, since Treasury's last report, arrearages have been reduced by $284,171,152, from the $1,027,871,357 level on December 31, 1976. March 31, 1977, delinquencies totaled $743,700,205.

A number of nations and international organizations have made substantial improvement in their standing on these debts including Angola, Denmark, Switzerland, Greece, Tunisia, Venezuela, Ireland, Netherlands, Spain, United Kingdom, Yugoslavia, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Turkey, Bangladesh, Algeria, Central African Republic, Gabon, Morocco, Sudan, Zaire, People's Republic of China, Indonesia, Japan, Singapore, Bahamas, Brazil, Dominican Republic, El Salvador, Honduras, Jamaica, and Mexico.

The March 31, 1977, foreign debt arrearage table follows:

Principal and interest due and unpaid 90 days or more on U.S. loans and credits to foreign countries and international organizations

Area/country	*Dec. 31, 1976*	*March 31, 1977*
Total, all countries and international organizations	$1,027,871,357	$743,700,205
Western Europe (excluding Greece and Turkey):		
Austria	33,274	57,718
Belgium	62	78,439
Denmark	229,048	177,948
Finland	----	----
France	21,863	73,806
Germany, Federal Republic of	2,205,594	2,589,958
Iceland	488	488
Ireland	422,341	257,756
Italy	580,773	895,791
Luxembourg	3,324	61
Malta	----	----
Monaco	----	----
Netherlands	290,082	211,562
Norway	7,082	10,940
Portugal	90,657	4,437,935
Spain	664,901	364,569
Sweden	----	200,221
Switzerland	665,487	----
United Kingdom	3,952,155	2,559,674
Vatican City	46,123	222,503
Yugoslavia	403,284	14,865
European Atomic Energy Community	$29,698	$2,152,663
European coal and steel community	----	----
North Atlantic Treaty Organization	865	---
Total Western Europe	9,647,085	14,306,897
Eastern Europe:		
Czechoslovakia	7,764,565	7,764,565
Germany, Soviet Union	135,582	165,342
Hungary	----	----
Poland	69,083	----
Romania	3,993	----
Union of Soviet Socialist Republic (excluding lend lease)	8,499	----
Total Eastern Europe	7,981,722	7,929,907
Near East (including Greece, Turkey, and Egypt):		
Cyprus	6,180	----
Egypt, Arab Republic of	2,224,854	1,184,740
Greece	140,502,353	18,892,896
Iran	35,107,624	33,796,756
Iraq	288,008	2,500
Israel	73,084	58,562
Jordan	72,876,595	1,346
Kuwait	61,127,432	1,135
Lebanon	3,452,689	3,015,236
Muscat and Oman	$159,140	$10,940
Qatar	487	----
Saudi Arabia	12,995	222,090
Syria	2,207	139
Turkey	100,168,008	87,902,413
United Arab Emirates	4,876	5,008
Yemen Arab Republic	1,395	----
Total Near East	416,007,927	87,907,421

Area/country	Dec. 31, 1976	March 31, 1977
South Asia:		
Afghanistan	2,452	2,452
Bangladesh	149,615	3,493
India	5,578,943	6,730,152
Nepal	----	----
Pakistan	1,011,421	1,000,000
Sri Lanka	248	248
South Asia—Regional	65,315	----
Total South Asia	6,807,994	7,736,345
Africa (excluding Egypt):		
Algeria	64,014	305
Angola	50,151	----
Botswana	----	----
Cameroon	----	663
Central African Republic	204,250	4,346
Chad	----	----
Dahomey	----	----
Ethiopia	14,510,765	14,512,200
Gabon	137,508	69,386
Gambia	8,027	7,057
Ghana	890	9,128
Guinea	2,232,385	2,964,221
Ivory Coast	27,940	36,045
Kenya	8,606	101,541
Liberia	198,469	1,033,601
Libya	6,007	132,333
Malagasy Republic	----	----
Malawi	----	----
Mali	----	16,827
Mauritania	----	----
Morocco	58,185	54,103
Niger	----	----
Nigeria	1,481,067	4,437,935
Rhodesia	43,579	43,579
St. Helena	566	565
Senegal	775	----
Sierra Leone	----	----
Somali Republic	298	----
South Africa	65,315	64,503
Sudan	61,150	3,446
Swaziland	----	----
Tanzania	----	----
Togo	----	----
Tunisia	6,890,424	1,329,169
Uganda	377,941	421,025
Upper Volta	----	----
Zaire	20,666,759	17,254,029
Zambia	----	71,242
Council of Entente States	----	----
East African Common Services Organization	59,930	----
University of East Africa	1,245	1,873
West Africa Development Bank	----	----
Africa—Regional	1,627,984	1,627,984
Total Africa	48,784,230	44,197,106
Eastern Asia and Pacific:		
Australia	7,236	703,070
British Solomon Islands	----	----
Brunei	----	----
Burma	----	----
China, Peoples Republic of	441,456	424,888
China, Republic of	107,011,835	107,372,828
Fiji Islands	----	----
Gilbert and Ellice Islands	227	227
Hong Kong	178,229	375,733
Indonesia	130,035	105,000
Japan	597,819	87,946
Khmer Republic (Cambodia)	193,311,993	193,312,173
Korea, Republic of	30,070	36,902
Korea, North	----	----
Korea, South	324	434
Macao	3,324	3,123
Malaysia	148,840	276,386
Nauru	463	85
New Calendonia	----	----
New Guinea (Papua)	825	825
New Zealand	140	97,881
Philippines	47,802,232	47,621,584
Pitcairn Island	1,656	1,825
Singapore	10,868	489
Thailand	19,966,856	19,990,783
Tonga	----	----
Trust Territory of Pacific	----	----
Viet Nam, Republic of	43,574,689	45,018,732
Western Samoa	5,188	891
Total Eastern Asia and Pacific	413,224,305	405,431,805
Western Hemisphere:		
Antigua	245,030	244,974
Argentina	2,985,623	3,348,874
Bahamas	35,472	6,427
Barbados	70	70
Belize	10,697	428
Bermuda	----	2,349
Bolivia	423,449	424,335
Brazil	53,904	28,343
British Virgin Islands	29,001	28,905
Canada	64,686	80,467
Cayman Islands	44,168	98,809
Chile	----	38,445
Colombia	12,629,937	13,878,432
Costa Rica	559,752	713,384
Cuba	72,831,966	73,152,051
Dominica	----	----
Dominican Republic	2,960,703	2,160,240
Ecuador	495	17,190
El Salvador	171,886	110,875
French Guiana	1,886	29
Grenada	9,875	8,609
Guadeloupe	183	----
Guatemala	279,554	319,496
Guyana	----	----
Haiti	----	828,223
Honduras	812,405	253,825
Jamaica	17,897	6,110
Martinique	5,770	4,449
Mexico	699,202	664,364
Montserrat	789	----
Netherlands Antilles	----	----
Nicaragua	----	73,324
Panama	8,189,272	8,588,091
Paraguay	1,232	326,951
Peru	3,074	250,439
St. Christopher-Nevis-Anguilla	48	----
St. Lucia	----	----
St. Pierre and Miquelon	----	----
St. Vincent	3,834	----
Surinam	----	8,940
Trinidad and Tobago	4,053	----
Turks and Caicos Islands	38,724	4,458
Uruguay	152,006	36,300
Venezuela	17,227,763	222,503
Caribbean Development Bank	----	902,689
Central American Bank for Economic Integration	----	----
Integration	----	----
Western Hemisphere—Regional	----	----
Western Hemisphere—Unspecified	494,399	494,399
Total Western Hemisphere	120,988,805	107,327,847
International organizations and unspecified countries:		
International Finance Corporation	----	----
United Nations	3,945,539	3,796,190
Unspecified countries	----	----
International Atomic Energy Agency	14,417	14,264
Total unspecified countries and official international institutions	3,959,956	3,810,454

Source: Department of the Treasury, Office of the Assistant Secretary for Economic Policy, June 1977.

NOTE.—A credit with an amount overdue is not necessarily in default. The arrearages reported are frequently technical, pending conclusion of discussions or negotiations between the borrower and the collecting agency.

CIVIL ENERGY FROM LASER FUSION; A GROWING REALITY: LASER FUSION ESSENTIAL TO ENERGY INDEPENDENCE

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. PURSELL. Mr. Speaker, when Congress returns this fall the continued formulation of a comprehensive national energy policy will still occupy a prime spot on our agenda.

I am particularly concerned with joining with other members to stimulate an all-out research and development effort on alternative energy sources, which I view as the only permanent solution to our very real energy problems.

It is my belief that laser fusion offers one of the most promising alternative energy sources. A research and development effort devoted to following all avenues of promising research in this field is essential to any energy policy which is truly comprehensive in scope and serious in intent.

I am indebted to Science and Technology Chairman OLIN TEAGUE, as well as Representatives JOHN DINGELL, MATTHEW RINALDO and LEO J. RYAN for the excellent material they have recently inserted in the RECORD or distributed to members to help increase congressional knowledge and awareness of the potential of laser fusion.

The establishment of the new Department of Energy is a hopeful sign that we will have a serious effort to bring alternative energy sources on line as soon as possible. The people who are likely to be running that department appear highly competent and seem to have a genuine interest in constructing a really effective energy policy. I sincerely hope my impressions in this regard are borne out by their performance. I have already communicated to them my personal belief that laser fusion must have a key role in meeting our future energy needs.

In regard to pursuing all promising avenues of laser fusion research, I think it is crucial that Congress support both a Government program and a private industry R. & D. program. This method, in my opinion, will yield the best and quickest results for the benefit of all our citizens. That, after all, should be our only concern.

I recognize that our national laboratories are doing important work in laser fusion research, and they should be encouraged to continue to develop the energy potential of laser fusion. They also should welcome and support other efforts to achieve the same goal, and to cooperate fully with a multifaceted approach to solving the scientific and industrial hurdles to full utilization of laser fusion energy.

I also recognize that there are legitimate military aspects of the laser fusion program. I am not concerned with detracting from that work in any way. I ask only that the civilian energy potential of this program receive equal attention, as befits a program with such significance to our national priority of energy independence. I believe energy independence is one of the best defense systems this country could possibly produce.

I hope my colleagues on the Armed Services Committee will find it possible to support the civilian aspects of laser fusion, just as I am willing to support legitimate military applications. We all have the same goal of preserving the future of our country, and I think a great deal of that future depends on the decisions we make concerning the energy potential of laser fusion.

I am concerned that the attitude of some Government officials toward an aggressive laser fusion energy program by a private research organization has not been as open and receptive as it might have been.

I make particular reference to KMS Fusion, Inc., whose program has been repeatedly supported by the Congress, and whose brilliant scientists have accomplished much of the pioneering work that has brought laser fusion to its present position of promise as a means to unleash a clean, safe and virtually unlimited supply of energy for our future.

Yet there are indications that this organization has not received the support throughout the Government that their excellent efforts would seem to deserve.

The following memorandum, written about 1 year ago to Dr. Robert Seamans, then Administrator of ERDA, from his science adviser, Chalmer G. Kirkbride, makes a penetrating objective analysis of the KMS–Government relationship. I think this is an interesting historical document which is relevant to the current efforts by myself and other members to stimulate additional funding for civilian aspects of laser fusion, and for the KMS program in particular.

The contents of this memorandum have been approved for release by the executive branch under the freedom of information statute; its use has been authorized by Chalmer Kirkbride; the contents of the memorandum have been published by at least two newspapers.

I insert the memorandum at this point:

To: Robert C. Seamans, Jr., Administrator.
From: Chalmer G. Kirkbride.
Subject: KMS Fusion contracts with ERDA and the National Laboratories.

On June 30, 1976, you referred to me a letter of June 29, 1976 to you from the Director of the Division of Laser Fusion with an attached assessment of the KMS Fusion Research Program. You asked for my comments.

Before getting into my critique, I want to confess that I have become somewhat biased on this project. I cannot tolerate a game in which I think the deck of cards is "stacked" or the "dice are loaded."

I am attaching a detailed critique of the assessment. I have done this in much the same way that I would as an expert witness in a patent lawsuit. I have examined the document, paragraph by paragraph, and often sentence by sentence.

There are several general observations also that I think you should consider in your deliberations. I am presenting these in this letter of transmittal.

When I carried out my investigation that led to my report to you of April 7, 1975, the National Laboratories (NL) and the Division of Military Applications (DMA) wanted to fund KMSF at a $500,000/year level. I emphasized at the time that this was a good way to liquidate KMSF and that unless full funding were done, we should save our pennies. I have told you of the pressures put on me, including the bugging of my telephone, and I believe also my office to pressure me to recommend no funding for the KMSF proposal of January 1975.

The recommendation by DLF in their letter to you of June 29, 1976 to terminate funding all KMSF work with the exception of pellet manufacture is yet another disguised way to liquidate KMSF. Unless ERDA can justify full funding, we should not fund at all; but, in my opinion, it would be a serious national mistake not to fund KMSF. It stands out as the only real competition the National Laboratories have in laser fusion. It represents the private sector. It keeps the NL honest. Pertinent to this point, I am attaching a copy of a letter dated June 21, 1976 from C. E. Thomas to J. F. Clayton that I got from Dr. Henry Gomberg.

Unfortunately, there seems to be deep resentment on the part of the NL against KMSF. I suspect this stems from the fact that the NL were embarrassed when KMSF was the first to achieve thermonuclear neutrons by laser implosion. Before that, little or no experimental work had been performed at the NL on laser fusion. Prior to the time KMSF announced to the world that they had produced thermonuclear neutrons by laser fusion, NL had not conducted any laser-pellet interaction experimental work in this field. Their work had been confined entirely to mathematical theory that proved to them that fusion by lasers could not be achieved except at very high incident energy. So it was indeed an embarrassment to the NL when the small insignificant KMSF private company showed to the world how to do it without any cost to the U.S. Government. The KMSF achievement was recognized by the Russians and by many other prominent scientists throughout the world before the NL finally (after about a year) were willing to admit that they were wrong and that KMSF indeed had achieved laser fusion.

At the time of my report to you of April 7, 1975, I did not realize how deep the resentment is from the NL toward KMSF, or I would never have recommended a close working relationship between Los Alamos and KMSF. I now think this is impossible. Also, I think any arrangement that allows for utilization of the NL and/or the DMA in the ERDA contractual administration would be detrimental to the program and not for the best interests of the country. Indeed I think it was disastrous in the last ERDA/KMSF contract.

I recommended orally to you in April 1975 that this contract be administered by Dr. Hirsch's organization, and I still think this was a sound recommendation. I feel stronger about it today than I did in April 1975. The decision was made to put the administration under Dr. Hirsch, and I prepared a proposed announcement of this. But this decision was reversed at the last moment.

Throughout the administration of the EIDA/KMSF contract, the NL and DMA kept KMSF in a contractual strait-jacket. They wanted KMSF liquidated in April 1975, and if anything, they want this more today than in 1975. I strongly advise against your continuation of the present methods of contractual administration within National Security and the NL.

I am advised by well-informed people that the administration of the KMSF contract really was handled by DMA rather than by DLF. It has been emphasized to me that Dr. Stickley came from ARPA and consequently the DLF is nothing but a disguised extension of the military fraternity. Whether this is so or not, many key people in ERDA and many men of substantial scientific stature outside ERDA think it is so. Hence, I urge that this be corrected.

I am making the three following key recommendations:

(1) KMSF should be funded through Phase IIa of the original proposal of January 1975, (about $14 x 10^6). Also, the program presented in their proposal of March 1976 for a 10 Kj iodine laser should be funded (about 33 million for 1 kilojoule).

(2) The administration of the KMSF contract should be moved from National Security, the National Laboratories, DMA and DLF to the administration of Dr. Robert Hirsch. There is no question in my mind but that the benefits from the ERDA/KMSF contract could have been substantial to the USA had the contract been administered by Dr. Hirsch.

(3) On Page 16 of my report to you of April 7, 1975, I recommended that the question of how the NL should be managed should be referred to the GAC for study and recommendation. At present, the NL are a law unto themselves. They account to no one. They submit proposals (with requests for huge funding) directly to the Congress, and they get pretty much what they request. For example they were not held accountable for missing their projections on Argus and Shiva in the same harsh way they propose to hold KMSF accountable for missing their projection of laser power delivery. I think it would be to the best interests of the nation if the NL were held accountable to hard nosed review panels of industrialists and university scientists who do not have conflicts of interest.

Many people feel that there are built in conflicts of interest in the J.C.A.E. which together with the way the NL are administered are responsible for the failure of the Atomic Energy Commission. Many people to whom I have talked feel that the productivity of the NL will be no better under ERDA management than it was with the AEC. They feel that there must be some way devised to manage the NL so they are held accountable for the monies appropriated to them from the Congress, so that their productivity is commensurate with the taxpayers' money they spend.

I do not have any well thought out system of management, but somehow I think if the NL can be held accountable to hard nosed panels of industrialists and university scientists, a drastic improvement in management might be achieved. Also wherever possible, I think the scrutiny of the press would be a powerful tool in holding the NL accountable for their major underestimations of costs of their proposed research projects. As I said, I do not have a well thought out plan, but I think this would be a splendid assignment for the GAC and your Panel of Consultants.

I have been amazed at the large number of people who are critical of the lack of accountability to which the NL are held. Also these people think that too often the poor performances of the NL are shielded and covered up under the guise of national security without justification.

Whether this is so or not, the fact remains that the suspicions are there and if the GAC could devise an acceptable plan, it would go a long way toward bringing about a better feeling in the scientific and technical communities. I urge that this problem be assigned to the GAC.

Mr. Speaker and Members, the importance of the development of new energy sources for our Nation's future requires prompt and cooperative action from all concerned. The importance of this program demands that we set aside any internal disputes and work as one to fully develop every avenue for laser fusion and other promising energy-producing techniques.

I will be looking for a commitment from our new Department of Energy to give laser fusion proper recognition as an ever-more-promising alternative energy source.

When Congress reconvenes in the fall I hope that all Members will resolve to put the national interest first, and give appropriate support and direction to programs that promise to help us fulfill that national interest.

REMARKS BY GEN. NET RAFAEL NIVAR SEIJAS, NATIONAL CHIEF OF POLICE OF SANTO DOMINGO

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. BADILLO. Mr. Speaker, at the June 22 convention of the Chiefs of Police in Atlantic City, Gen. Net Rafael Nivar Seijas, National Chief of Police of Santo Domingo, made some interesting remarks that I would like to share with my colleagues. For their information, I am inserting them into the RECORD in their entirety.

REMARKS OF GEN. NET RAFAEL NIVAR SEIJAS

Honorable Attorney General; Honorable Representative of the Governor of the State of New Jersey; President of the New Jersey Police Chiefs Association; Members of the Convention; Ladies and Gentlemen:

It is my privilege to address the Convention of the New Jersey Chiefs of Police Association on this memorable occasion of its Annual Convention Banquet.

The International Association of Chiefs of Police reflects the marked universal trend of these times to unite common efforts in a world where the conquests of science and the achievements of civilization force its inhabitants to an increased sense of unity, of brotherhood, and of the growing knowledge that is at their reach. It forces the inhabitants of this world to increase their mutual cooperation in their efforts to help in finding a favorable solution to the complex and acute problems facing mankind throughout.

If this is so for mankind in general, it is even more so for the Chiefs of Police in particular, whose delicate function and enormous responsibilities require, to an even greater degree, a frequent exchange of information and experience with each other, for the good of the communities they serve. Their aim is to apply the required measures and foresight, if and when it is deemed necessary, effective, and constructive.

We know full well that there is a set of specific police objectives that are common to all peoples of the world, significantly those concerning people's safety and guarantee of property, and the continuous battle with organized crime, drug trafficking, national and international terrorism.

My country has achieved a highly favorable balance in its efforts to eradicate these two latter serious and terrifying aspects of crime, so characteristic of the times we live in. It can be stated that terrorism has been reduced to such an extent that I am not boasting nor exaggerating in saying that we practically have attained its total disappearance. Insofar as drug addiction in general and drug traffic in particular is concerned, we are pleased to say that our untiring and head-on attack has had positive and definite results. So much that, to the greatly reduced extent in which we suffer from it, we must emphasize that it comes from foreign sources. Since we are aware that it is the outside from where the threat comes, it makes it easier for us to control, and to avoid and sanction the soulless drug pusher and his willing victim, the drug addict.

We are also very much aware of the specific problems certain countries face, especially in the political and social arena; problems which ought to be handled with utmost care. The function of the police ought to be interpreted with the necessary force to have law and order respected, and the right to peace within the communities; but also with special sensitivity and with regard to the nature and features of these problems. The economic conditions created by the divergence of development reveal varied kinds of phenomena and disturbances, the handling of which is very much the task of the police.

I must point out at this opportunity that there are great similarities in the concepts and interests of both Mr. Carter, President of the U.S., and Dr. Joaquin Balaguer, President of the Dominican Republic. They share a concern for and strict adherence to human rights, and the scrupulous way of defending and guaranteeing them equally for all human beings. We know that—without exception—the Police Force in every nation is one that regards as its major task and its most direct responsibility the safekeeping of human rights, without which life would lack a fundamental characteristic—human dignity.

Of course, regarding this risky and polemic question of human rights, we maintain the belief that the violation of these rights is not the sin of the authorities alone. For even though it is true that there are repressive governments whose officials violate these rights, it is also true that such an objectionable aggression is also frequently shown by individual delinquents who raise their flags of assumed injuries or false ideals, and who recur to threats, kidnapping, extortion and assassination, and who are without a doubt undisputedly delinquent figures seriously and reprehensibly violating human rights.

The police must be watchful and alert to this reality and carry out its duty to safeguard the rights of our citizens. In the Dominican Republic, we have a democratic government, legitimately elected by the people through polls that are above suspicion. Elections are called within the constitutional framework and are carried out with full integrity. We have a judicial system that guarantees the freedom and the rights of our citizens. And our illustrious statesman presiding over the nation, Dr. Joaquin Balaguer, is a jealous guardian of these human rights, and, in keeping with it, he has instructed those of us accordingly, who in one way or another hold public office.

That is the reason we try daily to instill in our police force the highest sense of its responsibility, and to achieve within our police force an outstanding degree of technical and scientific excellence, and, at the same time, to be a police force fully conscious of its civic duties.

I wish to close my remarks by extending a cordial greeting to all attending this Convention, and assuring them that in the Dominican Republic and in its national police force, they have fellow policemen who steadfastly dedicate themselves to their work and regard you with a spirit of friendship and cooperation.

I also wish to express my heartfelt gratitude for the honor it means to me to have been named a member of the renowned International Association of Chiefs of Police. On behalf of my wife and myself, I want to thank you for the invitation and the many courtesies we received from everyone; especially from the civil and police authorities of beautiful and hospitable Atlantic City. We shall retain the fondest memories of your hospitality. Thank you very much.

HUMAN RIGHTS IN THE SOVIET UNION

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. STOCKMAN. Mr. Speaker, I wish to share with the Congress an example of the senseless and inhumane disregard for human rights which the Soviet Union continues to inflict upon its Jewish citizens. Thirteen years ago, a good friend and constituent of mine found that his brother had not, in fact, been a victim of a Nazi concentration camp and that he was alive in the Soviet Union.

For many years, this Soviet Jew has been attempting to obtain a travel visa to visit his brother. Despite many appeals and countless letters from interested parties, the Soviet's decision remains unchanged. I believe that my friend's recent letter from his brother—translated from Hebrew—should serve as a message to us all that this sort of senseless oppression must be opposed with any means at our disposal:

FRUNZE, *June 1, 1977.*

MY BELOVED BROTHER AND DEAR MERY: Every day for the last two weeks I am trying to write a letter to you but my hands are trembling and I have to lay down the pen. Today I decided to put on strength to report to you the evil news.

Two weeks ago I went again to the office of the intern ministerial to inquire about my visiting visa. After insisting that I must be given a reply they finally called me in. On the desk was my file with all the letters written by your congressman and other dignitaries. But, it was stamped with a big NJET! The denial had been made already on October 6, 1976! How I felt, and the bitterness and anger in the depth of my heart and soul, nobody in the world but you alone will understand.

To begin with I was numb and speechless. Then slowly I regained enough guts to say a lot of things. Why they let me, for so many days and weeks and months, stay behind closed doors when they already knew the verdict? Where is human dignity? Why let me run time after time with false hope? I asked, why the irony and plain ironic sadism? If they think that their verdict and decision is right, then why be ashamed of telling me? Or, are they aware that the *Njet* is not human! It is contradictive to the constant publicity they are making daily, of bureaus all over the land through which every Friday on radio and television they are reading names of separated families as a result of the Second World War. When a family is being reunited they spend a lot of place in the papers and other public media instruments emphasizing the tragedy of the Hitler Era. What a hypocrisy I told them, is your handling of my case. Here I find a brother after 23 years and time after time without any explanation you deny my request. Tell me, what crimes have I committed that you with such a cool frozen irony you say NJET! NJET! NJET! No answer, talking to them is like talking to the bare wall. In the end the bureaucrat in charge blamed everything on his secretary, and said, well maybe you should try again.

My dear beloved brother, now that two weeks passed by I say on the other hand I am not so disappointed. I am practically aware of the "high morality" and sense of "humanity" and of this kind of results we always have to be ready. I've never lost hope and believe that maybe someplace somewhere the flame of dignity rightfully is still burning. I see a lot of good wearing with pride the honors and medals they earned through their struggle with Hitler. They are true believers that they fought for a human cause and it was worth it.

The germs of Fascism penetrated and poisoned a lot of people in the high areas of decision making and they are playing recklessly with the destinies of human lives.

I know you my dear brother are aware of the struggles and blood you give in fighting for human rights and freedom and I believe that you are still stubborn like ever not to give in to mediocrity and inhumanity. This gives me strength and hope to try again. Send me please an application for a visa and I will try again for the fourth time.

Meanwhile keep on writing your encouraging letters and stay healthy and strong. Give my regards to Mery and to your good friends who are also mine even though I do not know them physically but I feel I've known them for a long time.

YOUR BROTHER.

THE NATIONAL CLIMATE PROGRAM ACT OF 1977

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. BROWN of California. Mr. Speaker, pending on the House calendar is a fairly minor bill, H.R. 6669, the National Climate Program Act of 1977. As the author of this legislation, I am understandably convinced of its value to the Nation, but I am also encouraged by the interest and support this legislation has received from my colleagues in both this House and the other body. It is clear from even casual observation that we are going through a period of climatic fluctuation, with severe consequences to our economy. Professional observers have called for a major Federal effort in this area, such as that represented in H.R. 6669.

Mr. Speaker, I wish to urge expeditious consideration of this bill so that we can complete action on the national climate program during this session of Congress. Our constituents might not immediately recognize the value of such foresighted action on our part, but they would receive the benefits of improved information nevertheless.

Among the many sources of support I have had in developing this legislation has been Ken Weaver, who spent a year in my office, thanks to the sponsorship of the Institute of Ecology. His description of this bill, while flattering to myself, should help demonstrate to my colleagues the importance of The National Climate Program Act of 1977.

The article from the August issue of BioScience follows:

ROLE FOR BIOLOGISTS IN CLIMATE PROGRAM

(By Ken Weaver)

The National Climate Program Act of 1977, H.R. 6669, has been the prime result of a broadening review of environmental R&D by Rep. George E. Brown's (D-Calif.) Subcommittee on Environment and the Atmosphere, a unit of the House Science and Technology Committee. The bill is scheduled for a floor vote soon.

Climate has been called the long-term average of weather and is largely the province of atmospheric sciences and physical oceanography. For biologists, the House climate bill implies a novel departure. With the present ignorance of the agents of potential climatic change very much in mind, such as the biotic sources and sinks for carbon dioxide from fossil fuel combustion, climate research under the bill is enlarged to examine the "relationship of atmospheric, hydrospheric, and biospheric processes and their effects on the climate" (emphasis added). Also expressly directed is inquiry into the integrity of agricultural and other ecosystems under varying climatic regimes. The bill calls for "continuing assessments, on a global, national, and regional basis," of the impacts of fluctuations and change in climate "on crop production, energy demand and supply, land and water resources, biological productivity and diversity, transportation, and demography."

Another feature of the bill is its heavy emphasis on data management, quality assurance, and information transfer. According to testimony before the Environment Subcommittee, U.S. and global climate data sets are now too expensive and difficult for scientists and others to obtain. With basic data more readily available, new statistical research and analysis could begin. H.R. 6669 authorizes an additional $50 million annually on top of the current federal base of $38 million, to strengthen climate research and monitoring.

Under the proposed legislation, the President will designate a lead agency to administer the climate program. NOAA, which is responsible for a major portion of current federally funded meteorological research, is a prime candidate. One role of the director of the Climate Program Office within the lead agency will be to encourage participating agencies to provide the climate services mandated by the law. With the program director serving as chairperson, a multiagency Management Council will recommend research priorities and budgetary requirements and advise in the preparation of a five-year plan. Regular reports, including impact assessments and climate predictions or "outlooks," are to be produced for "specific user groups" on a time schedule most useful to them.

Two bills are under consideration in the Senate: S-421, similar to an early version of the House bill, was introduced by Senators James B. Pearson (R-Kans.) and Harrison Schmitt (R-N. Mex.), and S-1652, identical to the present House bill, was entered by Sen. Hubert Humphrey (D-Minn.) and nine others. Senate consideration began with hearings in Washington early in June and field hearings last month. Further action is expected in September.

On the opening day of hearings, Sen. Adlai Stevenson's (D-Ill.) Subcommittee on Science, Technology and Space appropriately staged a television video-conference using the telecommunications capability that will be necessary for effective global climate monitoring and data exchange. The Capitol Hill hearing room was linked by the new U.S.-Canadian Communications Technology Satellite (CTS) to a Springfield, Illinois, courtroom, where witnesses presented their testimony.

During the hearings, Rep. Brown urged his Senate counterparts to hasten enactment of a climate bill. According to Brown; "During the last decades of unusually favorable climate, we have been developing in this country a technology-based economy and social organization with increased vulnerability to climatic fluctuations and potential climate change. Most climatologists believe we cannot expect this unusually favorable climate period to continue. Instead, more serious fluctuations are likely to occur, and unless we monitor and prepare for them, we will face more and more serious disruptions."

The congressional intent to begin anticipating impacts concurrently with advancing research on basic climatic phenomena goes beyond a draft National Climate Program Plan, prepared by the Interagency Committee on Atmospheric Sciences (ICAS), which primarily advocates increasing atmospheric and oceanographic research and modeling. Brown believes a firmer program to transfer data to user communities must begin right away. "The costs of our vulnerability will only increase if we wait longer to assess and plan for climatic contingencies," he has stated.

For biologists, the bill may offer opportunities to attempt relating climate variables to knowledge of agricultural and other land- and water-use patterns, including some extensive studies on ecosystems stability and sensitivity.

The House Environment Subcommittee began in July 1975 to examine environmental research areas in which longer term and highly problematical issues arise. In May 1976 the committee heard testimony on the need for and nature of climate research. Testimony on particular issues has suggested generic problems in federal management of environmental research, so that the focus now is shifting to broad questions, such as how best to implement a national environmental monitoring strategy, encourage regional environmental research centers, develop research reserve networks, and sustain long-term R&D.

President Carter's recent environmental message may well have opened the way for concerted action on several long latent environmental research management and organizational innovations. Climate has been the first on the agenda, and this session of Congress may well see the beginning of a national climate program.

THE ROAD TO RACIAL QUOTAS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. SYMMS. Mr. Speaker, a recent editorial in the Wall Street Journal, August 11, addresses the unconscionable situation of "reverse discrimination." The editorial is written by Mr. Laurence Silberman, former Under Secretary of Labor. Mr. Silberman centers his remarks around the Bakke case which will be heard by the Supreme Court this fall.

As I pointed out in the RECORD of July 28, this case is an extremely important one for the future of our republican form of government. As Mr. Silberman states, " * * * it is now up to the Supreme Court to insure the survival of the fundamental principles of American democracy." He seems to be crying out for the Supreme Court to terminate the Frankenstein which he unwittingly helped create in the infernal laboratories of the bureaucracy.

I seriously recommend the editorial to all my colleagues:

THE ROAD TO RACIAL QUOTAS

(By Laurence H. Silberman)

In the Bakke case, the Supreme Court has agreed to consider the merits of what is popularly referred to as "reverse discrimination." At issue is the fact that the University of California Medical School (Davis) twice rejected Allan Bakke, a white male, while admitting a specific number of blacks and Chicanos whose objective qualifications did not match Bakke's.

If the Supreme Court reverses the Supreme Court of California—the latter decided 8-to-1 that the preferential admissions policy for minorities was unconstitutional—it is hard to conceive of any "affirmative action" plan that would be forbidden. The only remaining issue will be the size of each minority group's share of education or employment slots.

That we should have come to such a pass—that the constitutionality of this scheme could seriously be argued (as the administration apparently intends to do)—is particularly troubling to me. While serving in the Labor Department, I helped devise minority employment goals for government contractors.

I now realize that the distinction we saw between goals and timetables on the one hand, and unconstitutional quotas on the other, was not valid. Our use of numerical standards in pursuit of equal opportunity has led ineluctably to the very quotas, guaranteeing equal results, that we initially wished to avoid.

The Labor Department had (and still has) responsibility for implementation of the presidential executive order requiring "affirmative action" by government contractors to redress past employment discrimination. Prior to 1969, affirmative action was defined in ambiguous procedural terms. Contractors were continually pressed to do more minority hiring. But fearing legal and political objections to quotas, the Office of Federal Contract Compliance had always refused to say how much more.

Appalled by the resulting confusion, troubled by the assertion of government power without specified standards, uncomfortable with the image the party of Abraham Lincoln had developed, and most of all because the GOP was anxious to expand employment opportunities for blacks, we launched what I have come to see as a fundamentally unsound policy. Its maiden voyage, the Philadelphia Plan, required construction contractors in that city to hire minorities in accordance with numerical goals developed by the Labor Department.

RATIO OF WHITES TO BLACKS

To be sure, we were not solely responsible. Federal courts already had begun to fashion orders in employment discrimination cases which went beyond relief for those specifically discriminated against. The orders required employers found guilty of discrimination to hire in accordance with a set ratio of whites to blacks, whether or not new black applicants had suffered discrimination. Thus was introduced a group rights concept antithetical to traditional American notions of individual merit and responsibility.

It was on that developing legal authority that the Philadelphia Plan was defended when challenged by the Comptroller General. We have been careful to find that the Philadelphia construction unions had engaged in discrimination, therefore we were able to justify the plan as a remedy of discrimination. This was also decisive in persuading a doubtful assistant attorney general—now Supreme Court Justice Rehnquist—and several judges as to its constitutionality.

With that battle won, we went on to spread construction plans across the country like Johnny Appleseed. The next year Labor Department Order #4 required all manufacturers who "underutilized" minority employes to fashion numerical goals for minority hiring and timetables to meet them.

We no longer even purported to base these orders on findings of discrimination—except insofar as we invoked 200 years of American history. But since we conceded that quotas were unconstitutional, we required only "good faith efforts" to reach the goals in accordance with set timetables.

Theoretically, at least, this loose formulation avoided forcing employers to discriminate against a clearly better qualified white applicant for a given opening. Instead, we hoped they would be induced to recruit qualified minorities more aggressively, so as to broaden the applicant pool.

This distinction between goals and quotas, perhaps more metaphysical than real, was never truly understandable; recently it baffled even so sophisticated a lawyer as HEW Secretary Califano.

In practice, employers anxious to avoid inquiry from government officials concerned only with results (rather than merely with efforts) often earmarked jobs for minorities without regard to qualifications. Influenced by government policy—this was happening, after all, under a Republican administration, unopposed on this issue by Democrats—some universities abandoned all pretense and adopted outright quotas for minority applicants.

In hindsight, one can see this was predictable. We wished to create a generalized, firm but gentle pressure to balance the residue of discrimination. Unfortunately, the pressure numerical standards generate cannot be generalized or gentle; it inevitably causes injustice.

Incredible as it now seems, our policy was not designed to foster proportional representation—the dangerous notion that ethnic, racial or religious groups are entitled to proportional representation in all occupations, fostering the Balkanization of America. Admittedly, it should have been clear that no other theory supports the formulation of numerical goals.

Initially the hiring goals of the Philadelphia Plan were significantly below the minority representation in the labor market. That was because black representation in skilled construction trades was so low that any goal represented significant progress. But the plan's numbers had no real conceptual base, and so eventually all plans and orders were directed towards proportionate minority representation in a given labor market. Indeed, the very word "underutilization" necessarily implied that objective.

There were some thoughtful objections to our policy, but since it initially affected only blue-collar jobs, academic support for the Philadelphia Plan was overwhelming. The AFL–CIO assertion that the plan undermined legitimate job qualifications was discounted—in part because apprenticeship standards had been misused by some skilled trades in an effort to keep out blacks, but also because many people in and out of government did not take blue-collar qualifications all that seriously.

THE INTELLECTUALS REACT

However, when HEW, following Labor Department policy, required goals and timetables for university faculty hiring, the intellectuals reacted sharply. I remember my own special shock when three deans came to complain about HEW's decree that in meeting its goals a university department could not hold minorities to a standard higher than the least qualified faculty member. I was asked whether I could identify, for example, the least qualified member of the economics faculty at Harvard. (I could, although admittedly based more on philosophic preference than objective standards.)

Paradoxically, at the very time many universities were complaining vigorously about governmental efforts to impose numerical goals on faculty hiring, they were embarked on admissions policies which have led to the Bakke case.

The University of California's argument that quotas were necessary in order to ensure an appropriate percentage of minority doctors to serve minority patients can also be applied to faculty hiring: An appropriate percentage of minority faculty is needed in order to convert the appropriate percentage

of minority students into the appropriate percentage of minority doctors, and so on. There is no stopping point. Which, of course, is the reason why it is so important for Bakke to prevail in the Supreme Court.

Are the consequences of a Bakke victory as socially intolerable as universities predict (most recently the Association of American Law Schools)? If the court prohibits quotas and even goals, because they discriminate against non-minorities, will the gains blacks have made over the last 10 years be wiped out?

I don't believe so. There is sufficient flexibility in the selection process of all institutions, including universities, to permit consideration of the disadvantages minorities face in competition, without recourse to quotas and separate substantive standards. I am convinced that institutions will generally exercise that flexibility, in part because they will be influenced by the prowess of minorities brought into the mainstream of business and academia in the last decade.

The major discriminatory barriers have been broken and can never be rebuilt. But it is now up to the Supreme Court to ensure the survival of the fundamental principles of American democracy.

JUST A START ON ENERGY

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. STEERS. Mr. Speaker, as a member of the Ad Hoc Committee on Energy, I had the privilege of examining the President's energy plan, H.R. 8444, at the time of introduction and after the standing committees of the House had completed their work. I supported and support much of the plan to conserve energy resources, reduce imports and convert to coal. However, the President's plan as approved by this House is not enough.

It has been called a national energy plan, but it fails to cover important areas like atomic energy and leaves more to be done even in the areas covered.

There is much more to do in the energy field both to reduce future energy consumption and increase future energy sources. Coal transportation systems, off-shore drilling, nuclear energy and increased use of geothermal, wind and solar technologies are only some of the major energy issues inadequately covered by the President's energy plan and the work of the ad hoc committee.

The leadership of the Congress, both Democrat and Republican, agrees that H.R. 8444 is a "starting point" of energy legislation. There will be more work done in this field and I look forward to contributing what I can to additional energy legislation.

AMENDMENTS OFFERED

During consideration of H.R. 8444, I offered two amendments to the ad hoc committee during mark-up. The first would have allowed those utility companies that currently offer insulation to continue to do so. This amendment was supported by both utility companies and many environmental groups. Many of these companies that currently help homeowners to insulate and weatherize their homes provide an important service to their customers. These companies are, for the most part, regulated by State agencies and as such would be more responsive to consumer problems and complaints. In addition, their involvement would preclude "fly by night" operations that could do poor quality work and charge too much for that work. Another amendment which had a similar effect was adopted by the ad hoc committee.

My second amendment requires utility companies to provide customers with a list of suggestions of energy-saving techniques developed by the Secretary of the Department of Energy. These suggestions would include the use of energy-efficient lighting and other modifications of household activities that do not require the purchase of energy-saving devices. I feel it is important to encourage voluntary energy conservation. Each of the four research agencies affiliated with the Congress have indicated that the President's energy goals will not be met by the measures included in H.R. 8444. These reports point to the need for voluntary conservation by all citizens, and I feel that my amendment will be a step in the right direction. This amendment was incorporated into the bill as passed by the House.

KEY ISSUES

During consideration of the bill by the House, there were several measures and amendments that generated a great deal of debate. Among these proposals was the deregulation of natural gas. In my earlier statement, I had indicated that I would support some form of deregulation as a means for developing new natural gas supplies. In discussions with many people, including gas drillers and suppliers, it was clear that the regulated price of $1.75 per thousand cubic feet would provide a good rate of return for their investment and would be an attractive incentive for future drilling. Should this not hold true, I will reexamine the question of deregulation to insure adequate gas supplies for our citizens. The President has indicated that the $1.75 price is the first step toward deregulation, and I will be watching developments in this area very carefully.

GASOLINE TAX

A second area of debate was the proposed tax on gasoline. The President had originally requested a standby authority to increase the tax on gasoline as tied to consumption. This measure was defeated in the House Ways and Means Committee. The ad hoc committee voted for an increase in the Federal excise tax on gasoline by $.04. Finally, there was a substitute to that proposal to increase the tax by $.05.

I voted against both of these measures. Supporters of these amendments freely admitted that they were not designed to curb consumption, but to increase revenue for highway construction and improvement as well as mass transit systems. While I support the construction of mass transit systems such as Metro, I could not support encouragement of more driving at a time we should be driving less. I have instructed my staff to explore widening the use of trust funds for construction and operation of energy-saving mass transit systems. If feasible, I will introduce that proposal as legislation at an early date.

CRUDE OIL TAX

I voted against the proposal of the Crude Oil Equalization Tax (COET). This measure would have also increased the price of gasoline by 5 to 7 cents per gallon. Although this is a fairer tax than the proposed gasoline tax, I voted against it because this tax is not a sufficient incentive to conserve gasoline. In addition, it again would have placed a burden on too many people who are already severely strained financially due to the energy crisis and its accompanying inflation. Unlike the gasoline tax, which was defeated, the COET passed the House.

ADDITIONAL FEATURES

I supported: the $400 tax credit for home insulation and a program of low interest loans tied to existing Federal housing programs for weatherization; tax credit for the installation of solar energy technologies and an extension of that tax credit for 2 additional years; a tax on "gas guzzlers" (that is, an automobile that is inefficient in its burning of gasoline); a van pooling program for Federal employees; a study on the potential use of bicycles as an energy savings option; greater use of coal, particularly by the industrial and utility sectors of the economy.

The coal program would be encouraged by tax credits for conversion to coal, and by increased taxes, with certain exemptions, for failure to convert. This use of coal is tempered by certain environmental restrictions which will not be threatened by this conversion program. Also in the bill is a program of appliance standards for more efficient use of energy and a program of utility rate reform that would have each class of customer pay a rate based on the cost of the energy used by that class. This reform is similar to one that I cosponsored in separate legislation here in the House, and one that I introduced in the Maryland State Senate which passed that body.

In general, I feel that the bill proposed by the President is an improvement over present law. The bill passed by the House is an improvement over what the President proposed. I believe it to be a good start on what we need. There remains however, much more to do about energy.

OUR NATION SALUTES THE GREENWOOD FOREST CAVALIERS OF WEST MILFORD, N.J., 1977 WORLD CHAMPION JUNIOR TWIRLING PARADE CORPS

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ROE. Mr. Speaker, on Saturday, August 20, residents of the Township of Wayne, my congressional district, State of New Jersey. will honor the Greenwood Forest Cavaliers who returned from the National Baton Twirling Association's National Championship World Open Competition at the University of Notre Dame, South Bend, Ind., as the world

champion team in the junior advanced parade corps division. The Greenwood Forest Cavaliers, ranging in age from 8 to 18, and averaging less than 13 years of age, have again reached the summit of excellence in the twirling world, bring great honor to the Township of West Milford, the State of New Jersey, and America.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to the members of this world championship corps: the leaders, the honor guard, the baton twirlers, the rifle twirlers, the flag twirlers, and the drummers; the esteemed instructor-director, managers, parents, and sponsoring organizations of the Greenwoood Forest Cavaliers whose standards of excellence in achieving this most prestigious world championship award and other record performances have brought great pride, recreation, and refreshment of spirit to the people of our community, State, and Nation. I commend to you Philip D'Angelo, instructor-director; Doris and Lyle Gillow, business managers; Louis Finnegan, president of the parents group; Dan Raymond, drum instructor; Maria Geingero; Robert Ketterer, publicity chairman; and the following team members:

Ruth Bakker, Flag.
Jeff Bakker, Drummer.
Fran Beach, Twirling Rifle.
Chris Beach, Main Guard.
Jenifer Bien, Featured Twirler.
Colleen Brennan, Twirling Rifle.
Anthony Cantillo, Drummer.
Enrico Cantillo, Drummer.
Lynn Cooper, Main Guard.
Dawn D'Angelo, Twirler.
Sherry D'Angelo, Featured Twirler.
Judy Dutcher, Twirler.
Susan Dutcher, Flag.
Jacqueline Enfinger, Main Guard.
Carol Finnegan, Main Guard.
Pattie Finnegan, Leader.
Sue Fitzpatrick, Leader.
Gary Foy, Drummer.
Paul Frueh, Drummer.
Karen Gillow, Twirler.
Bobby Gillow, Drummer.
Billy Gillow, Drummer.
Sue Hargash, Corps Captain.
Emma Harper, Twirler.
Gloria Harper, Flag.
Willie Hojnacki, Twirler.
Katie Ketterer, Flag.
Beth McVeigh, Twirler.
Jack Miller, Drummer.
Jack Mullin, Drummer.
Karen Nicol, Flag.
Julian Noonan, Twirler.
Donna Oorbeek, Featured Twirler.
Kim Oorbeek, Main Guard.
Dawn Rammler, Twirler.
Denise Rooney, Flag.
Kelly Seiler, Leader.
Kim Smith, Twirler.
Mary Jo Smith, Twirler.
Eddie Smith, Drummer.
Ricky Smith, Drummer.
Andrea Sobota, Twirler.
Lisa Stephan, Main Guard.
Sharon Taggart, Twirling Rifle.
Doug Thurston, Drummer.
Harold Thurston, Drummer.
Vincent Thurston, Drummer.
Robin Wagner, Twirler.

Mr. Speaker, the Cavaliers were organized as the Greenwood Forest Twirling Team—now known as the Greenwood Forest Cavaliers—under the sponsorship of the Greenwood Forest Volunteer Fire Company and have achieved State, national, and world honors since their organization in 1960. These first-place-winning performances, on more than one occasion in many instances, include the New Jersey State, the New York Open, and the Connecticut Open Championships, with many blue ribbon titles to their credit, such as:

Grand National Parade Corps Division.
Overall for Senior, Junior, and Juvenile Champions.
National Junior Parade Corps Division.
World Competition: United States and Canada.
National Color Guard.

Mr. Speaker, 18 Corps from Canada and the United States performed in this year's national junior parade corps competition. Winning this first place trophy gave the Cavaliers the opportunity to perform in the grand national parade corps competition. The grand national matches the senior, junior, and juvenile national champions in a run-off competition. This first place trophy ranked the Greenwood Forest Cavaliers No. 1 in the world. The color guard received an overall first-place trophy. Finally, the corps was awarded the South Bend Mayor's trophy in honor of their exceptional accomplishments.

The Cavaliers consist of five basic units plus the leaders. The units are the honor guard, the baton twirlers, the rifle twirlers, the flag twirlers, and the drummers. Although each unit is independent, the precision drill choreography produces a single exciting and spectacular show that defies comparison. It is impossible to comprehend the entire show in just one sitting.

This successful national championship drive began last September with the corps annual reorganization. It had proceeded smoothly accumulating almost 800 hours of instruction by the Corps Director Philip D'Angelo, the drum instructor, Dan Raymond, the rifle instructor, Marian Geingero, aided by the highly capable administrative assistance of Lyle and Doris Gillow, the business managers, and Lou Finnegan, president of the parents auxiliary. The quality of the instruction is easily measured when you realize that most of the children were not on the 1974 national champion corps and some started this season.

Mr. Speaker, we in New Jersey take great pride in the quality of their performance which certainly serves as a fine tribute to each of the members and the preparation, training, personal effort and hard work that they have devoted to attain this worldwide victorious achievement. I am indeed pleased to extend heartiest congratulations to each of the members and seek, through our historical journal of Congress, this national recognition of their good deeds. As they celebrate their latest victory ribbon of national renown in "Greenwood Forest Cavalier Day" in West Milford that our people are planning for them on August 20, it is indeed my great pleasure to join with their family and friends in extending this congressional salute to the Cavaliers for their distinguished contribution to the recreational and cultural enrichment of our community, State, and Nation. We wholeheartedly salute the Greenwood Forest Cavaliers, world champions.

YEARLONG BICENTENNIAL CELEBRATION

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. CONTE. Mr. Speaker, it is a great pleasure to call the attention of the House to the upcoming climax of the yearlong bicentennial celebration in the town of Lee, Mass., in my congressional district.

Just as our Nation's Bicentennial last year rekindled interest in our heritage and bolstered pride in our accomplishments, so too, the marking of the 200th anniversary of the town of Lee has captured the spirit and enthusiasm of the townspeople.

Their pride in their community is certainly well justified. Settled in 1760, the town, located in the southern portion of Berkshire County, flourished, first through an influx of persons, many from coastal Cape Cod, seeking fertile farmland, and whose descendants are still numbered among the population; then with the arrival of persons of Irish heritage, whose work building the Housatonic Railroad led them to settle in Lee; and then by a large number of Italian Americans, whose work as stone carvers brought them to Lee's famous marble quarries. Through the years, Lee has served as a veritable melting pot for highly skilled persons from several ethnic backgrounds.

BUSINESS AND INDUSTRY

The industries located in Lee throughout these 200 years have amply demonstrated the talents of the townspeople.

Because of its location on the Housatonic River, Lee early became known for its fine papermaking concerns. In fact, it gained fame as the site, in 1867, of the first U.S. demonstration of a revolutionary process whereby paper was made from wood pulp rather than rags. Today, still, Lee is known for its papermaking with the established firms now engaged in specialty lines.

Those of us who labor within this magnificent Capitol Building here in Washington see the artistry of the people of the community of Lee every day, probably without realizing it. When, in 1851, construction began on the extension of the Capitol, the exterior of the House and Senate wings were fashioned from the strong marble taken from Lee marble quarries. Across the Potomac at Arlington National Cemetery, and across the globe, a great many of the simple, somber headstones marking the graves of our deceased veterans were made from Lee marble.

The Lee marble quarries, for the most part idle for the past four decades, recently were reactivated. Additionally, an off product of the marble quarrying activity, lime has proved a continuous industrial base for the town.

Machine manufacturing has also expanded in the town and its location, since 1956, on an interchange of the Massachusetts Turnpike, has offered easy access to the town to business and industry as well as the tourists who travel to Lee and other Berkshire communities seeking a respite from city hustle and bustle.

CONCERNED CITIZENS

A sense of patriotism was demonstrated early by the citizens of Lee. The town, named after Revolutionary War Maj. Gen. Charles Lee, contributed both men and material to the colonial cause. Lee also figured prominently in Shay's Rebellion, the citizen revolt in the late 1780's.

Citizen activism and involvement remain a hallmark of this small community. A new dam for the municipal water works; a new high school; a new Catholic parochial school; an addition to the First Congregational Church, whose lofty steeple identifies the town of Lee for miles around; a new post office and a well-equipped home for the elderly are just a few of the construction activities in this concerned community over the past 15 years that should be noted. Having in recent years reached the requisite 6,000 population to enable it to change from the town meeting form of government it had maintained since its incorporation in October 1777, to a representative system, its citizens are no less committed to community improvement. The town is also concerned with preserving the beauty of its surroundings with environmental activities currently ranking high in public priority.

CELEBRATION

I regret that time does not permit me to expand on this brief history of this delightful community. The town's history has been well chronicled and as a part of the celebration of the Bicentennial the history of the last 100 years of the town is being compiled. Publication date is planned to coincide, next March, with the date 100 years ago of the publication of the first 100-year town history.

During this year, the Lee Bicentennial Committee has coordinated Bicentennial activities, which, among other events, has included a well-attended Bicentennial costume ball sponsored by the Kwani-annes. The climax of the celebration will come on September 4 with a gigantic Bicentennial parade organized by the Veterans of Foreign Wars, a fireman's muster, and fireworks display.

I know that my colleagues join me at this time in extending a hearty "Happy 200th Birthday" to the town of Lee, Mass., and its citizenry.

EATING OUT WITH EILEEN

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. THOMPSON. Mr. Speaker, although it pains me to say so, there are those of our colleagues more fortunate than you and I who will not necessarily be confined to their respective districts during the August recess by lack of wherewithal for travel. Indeed, some of them may well find themselves in the Caribbean and, therefore, will find of great interest the following article from the Virgin Islander should they at midnight be overcome with an overpowering desire for lox and, perhaps, who knows, even a bagel. In short, the delights of the "deli" are now to be found in St. Croix. The Major Domo of the Strand Street Deli, Mr. George "Sailboat" Sutch, will make the visiting politician feel completely at home having retired himself from the political scene in my home county of Mercer.

EATING OUT WITH EILEEN

You and I normally eat out at one of the many noteworthy resturants which populate the United States and British Virgin Islands. But it's summertime and the livin' is easy. Residents have more leisure time and can be seen scampering off to picnics, going off on sailing trips and there seems to be a rash of fishing tournaments.

But there is, of course, the negative aspect of summer in the V.I.—the drying up of the cash flow. A tourist oriented community, we tend to hi-roll it in season, to wine and dine like the best of tourists, but in the summer it's called tighten the belt.

For both of the aforementioned reasons I have decided to feature take out places, where to go when you want it put in a traveler. Pizza places, Barbequed ribs and chicken to go and as for "brown bagging it," in St. Croix we have recently been blessed with a "new" concept called the delicatessen.

Those of us from America or those who have spent any time in that country are familiar with the term, but it came to my attention the other day that to many islanders it is a foreign statement. I had been looking for the Intercontinental Delicatessen. I heard it was past Sunny Isle near Super Foods, yet I couldn't find it. There was a group of local boys on bicycles in the supermarket parking lot and I stopped and asked them.

"Intercontinental Delicatessen?" I drew a complete blank. Then the spokesman asked, "But what is it?"

"You mean what is a delicatessen?" and he nodded his head.

"Oh, well a delicatessen is a . . ." and I realized it was going to be difficult to explain. "Ah, it is a place where they sell cheeses and cold meats and sandwiches to go . . ."

"Oh it's right up there next to the Bank of America."

I was empathetic to their lack of exposure. I remember when I was first exposed to delis. It was when I was a child and we would go to Brooklyn to visit my grandmother. In the display cooler there would be all sorts of cold cuts and cheeses and I always wanted a bologna sandwich with cole slaw and potato salad on the side. There was a huge wooden pickle barrel, beer on tap and sausages suspended by strings from the ceilings. Grandma told me that the man who owned the store was Jewish and that the reason I didn't recognize many of the different items was that it was Jewish food. I was 17 before I realized that that wasn't necessarily the case, and that as a matter of fact you didn't even have to be Jewish to own a delicatessen.

Mrs. Mickey Reed, owner of the Strand Street Deli in Christiansted, says that delicatessen is a foreign word, that delikatesse in German means a delicacy. In her native Germany a delicatessen is a store that handles special gourmet items like truffles, which a regular store would not carry. Unlike Stateside delis, they do not have sandwiches to go because Germans are not a "take out people." They have their main meal at lunchtime and although they might have a sandwich in the evening they would tend to make them in their own kitchen.

Yes, a delicatessen has some Jewish foods such as Kosher hot dogs and kosher salami. Yes, there are many Jewish delicatessen owners especially in New York. Most had been shopkeepers in Germany before leaving their home country during the time of the Second World War.

The Strand Street Deli is the closest thing to a New York Delicatessen this side of Brooklyn. But the twist is that the place positively exudes Los Angeles—Hollywood to be exact. Sandwiches are named such things as Liza with a Z(that's egg salad with Westphalian ham), Mutiny on the Bounty (an excellent combination of rare roast beef, chicken liver and Bermuda onion on rye) and Tyrone Power which is pastrami and melted cheese. These movie star specials are $2.50 with straight sandwiches $1.95.

I had thought that all this could be attributed to the past presence on St. Croix of the film company for the Burt Lancaster movie, *The Island of Dr. Moreau*. During the shooting, "George George" (that's George Sutch, the Deli's chief hauncho) was really in his element. Everything was "Here Comes Hollywood" and everyone was either a movie star or a producer. But he says no, that he was always a movie buff, especially a fan of the old stars. George can sometimes be seen at Frank's restaurant next to the piano player, gripping the mike and belting out a song and dance.

I like to stop by Strand Street and pick up some goodies, like a Mitzi Gaynor hard boiled egg ($.25), some authentically Danish herring in wine sauce ($3.00 for half a pound) or lox (that's Nova Scotia salmon) and bagel with cream cheese and Bermuda onion and tomato. Dessert to go? Sure. A best seller is Mickey's homemade carrot cake with cream cheese frosting for $.75 a slice.

Now, as is typical, the Strand St. Deli carries homemade salads, potato, macaroni and cole slaw, as examples, and a large assortment of fresh cheeses and cold meats which are flown in fresh either from New York or in the case of the Dutch cheeses, St. Maarten. Swiss cheese is the best selling cheese because, Mickey Reed explained, there are many people who still don't know the other cheeses. The same holds true with the meats, roast beef being the most popular item. The Deli, though, tries to educate the people to different kinds of meats by offering specials like Polish Kielbasa with horseradish sauce. For those unfamiliar, why not stop by someday and ask George to give you a taste of a mild Leicester cheese from England or a Dutch Jarisberg.

Anyone going on a sail can call the Deli the night before and they will pack up a picnic for you. Many businessmen keep a menu tacked to their office wall and "call in" so their sandwich is ready for them when they come. For those who want to cook strange and exotic things in their home, check out some of their other products such as an entire new Dutch Indonesian line or some Oriental delicacies . . . "a package of black fungus if you please."

It is a jolt to find an old world deli on Miracle Mile, that strip along the north shore road which has a multiplicity of gas stations and quickly constructed store fronts.

As you open the front door of Rheinhard's Delicatessen, a little overhead bell jingles in a most homey fashion. Just like in those childhood delis there are hanging bloodwurst and Braunscheiger sausages and a dearth of hard rolls and pumpernickel bread. Cold meats by the quarter pound show

through the glass display counter, there are homemade doughnuts. Fruit rolls (dried fruits pressed and rolled into a cylinder) stand up in apricot and raspberry rows and there are oversized Swiss chocolate bars with lovely technicolor scenes depicting alpine Hansel and Gretel scenes, boxes of fancy cookies dance on strings suspended from the ceiling and there are paper mobiles which say 'specialities from Germany'.

Also German born, Rheinhard has a round face, slight sideburns, a moustache and wears a long white apron. He stands behind a counter which has a spigot that dispenses Courage draft beer for $.75 a glass. Above the counter hang paper pennants—a series of American and German flags interspersed by a fancy food flag.

"Delicatessens in Germany", Rheinhard will tell you, "basically are shops which carry fancy foods, although now more and more they are having separate stores for each category of food, like fish stores and butcher shops."

His deli happens to include select frozen meats, top drawer speciality meats such as sweetbreads, veal for scallopine and country style spare ribs. But the shop is filled with all the other usual fascinating deli foodstuffs such as bristling sardines in curry sauce, pickled quails' eggs and Romanoff lumpfish caviar. It also includes a sandwich take out service with a price range from $1.80 to $2.40.

Rheinhard admits that his supply of cheeses is down but says that he cannot keep the usual amount of fancy cheeses in stock during the summer when the snowbirds (parttime island residents) who are his best customers, are gone. And maybe you actually have to be German in order to have German potato salad taste as good as his.

The Intercontinental Deli started out as a Vimark Cash and Carry, added a deli in July, a health food center just this May and has always been a grocery store. It is an excellent place to buy accouterments, those plastic and paper goods which eliminate the dirty dish syndrome from picnics. At the front of the store is a supermarket basket filled with plastic freezer containers for $.30 a piece. Down the middle aisle you will find "travelers", those 14 oz. plastic party glasses that local bars will give you if you want "to walk with it" (15 glasses for $1.59). On the same shelf, find paper plates, napkins, plastic spoons and flexible straws. There are always bags of ice and even bigger bags of charcoal.

John and Agnes Keagan have recently added a Health Valley line which means you can nibble away on healthy munchies rather than trash food. This concept seems to becoming increasingly popular and you feel like you're doing yourself a favor by snacking on Health Valley Corn Chips and potato chips ($.50), bags of raisins, natural nuts, almonds and on up and down the nut spectrum, pumpkin seeds and party mix.

As I scanned their selection of potables, Agnes said, "Speaking of boat trips, how about a sail in the moonlight with a bottle of cold Moet Chandon?"

"Sounds excellent as long as I have my choice of skippers. Why then I'd even settle for the Great Western Champaigne ($4.50 versus Moet at $8.00)."

Intercontinentals selection also includes a fairly good range of wines from the locally popular Boones Farm Apple Wine ($1.10) to Sichel Chablis ($5.10). Beer is sold by the bottle or the case and runs the gamut from Guinness and Double Diamond on through to all varieties of American beer. And lest we forget, just like its other deli-cousins, they will make up sandwiches and will cater to parties or whatever or whomever.

PIZZA

Davey Jones' Locker is not an easy place to stumble upon. It is located in Gallows Bay, a commercial and light industrial park which is as deserted at nights as it is busy during the day. The restaurant is right behind one of the red doors which line the outside of a concrete building that also incorporates a tonsorial, several warehouses and other commercial enterprises. The only clue that there is a "pizza place" inside is a rather inconspicuous sign which in brief and with no detail, gives its name. Normally, when a restaurant chooses to keep such a low profile it is either a matter of snob appeal or the fact that they cater to a word of mouth crowd.

The latter is true in this case and residents and workers in the area have been coming to Davey Jones' Locker for years. They used to come for coffee in the morning, a serve yourself operation with truck stopper mugs. Others remember it as a pool hall. It is presently very active at lunchtime due to the popularity of the specials, both native and American. In the evening they serve both sandwiches and Italian dishes including a fine antipasto tray. But our major concern is its pizza, its excellence and the fact that since the early 50's, when Dean Martin used to sing *When the Moon Hits Your Eye Like a Big Pizza Pie*, pizza has been one of America's foremost take out items.

Although they have a long itemized list of individual pizzas, most everyone seems to opt for the DJ (and that does not refer to a radio announcer) Special Combo which includes pepperoni, ground beef and mushrooms. On any of the pizzas it is $.75 a shot for any additions, so for $1.50 more I find extra cheese and green peppers a justifiable expenditure. Another big decision is whether to order a regular or large pie, but a scrutinizing look shows that the standard size is $6.25 and an extra large one is only $.75 more, so it is good economics to go for the $7.00 one. It is $.25 extra to take it out and it travels in a large white proper pizza box.

Served in the correct manner, on paper plates and with a jar of dried hot peppers, Davey Jones' is as good as any pizza you might find in a Stateside Italian neighborhood pizzeria. And that is just what Renee Rela's place reminds me of. It has knotty pine walls, continuous black leatherette seating against the walls and reproductions of seascapes.

Families bring the kids in on Friday nights and on Sundays "the guys" stop in for a beer after fishing or playing softball. The juke box plays anything from the Beatles to C&W or in other words, it's my type of place.

RIBS

Vince's Place has become so popular this year and all because one friend told another who told me and now I'm telling you. If I go there one night and find a Maitre d' handing out table numbers, I'll know it's partially my fault. As it is now, St. Kittian Vince Murray says he can't cook the chicken and ribs fast enough.

On Queen Street in Christiansted, just down from the Hummingbird Laundromat, Vince's is housed in a West Indian bungalow, complete with the traditional shutters, overhead fans in tray ceilings and a front gallery which runs the length of the building. Diners can sit back in the outdoor patio if they choose or in the front room and watch the tele while they eat. Red checkered tablecloths, captain's chairs and a dinner menu spelled out in black moveable type on a white plastic board. But many, many customers choose to bring it home, to take away large platefuls of barbecued ribs, corn on the cob, potato salad and garlic bread. At $3.50 a pop they can afford to take out a stack of dinners up to their chin, for the mama bird and all the little sparrows.

The ribs are the thick meaty kind and are knuckle deep in a gorgeous red BBQ sauce which Vince will tell you is homemade but he won't tell you how he makes it. I don't blame him.

The chicken is just as fine as barbequed chicken can be and wades in the same good sauce, only $3.00, including the corn and potato salad or as with all of the dinners one can opt for macaroni salad, macaroni and cheese and in addition there is usually a green vegetable of some kind. If you have trouble making the big decision, there is a combination plate of chicken and ribs for $6.50. The other big sellers that just walk out of there are the broiled lobster ($8.50) and fish ($6.00). The fish steak is always local and fresh and is covered with a homemade onion sauce. Vince is proud of his luncheon specials which are often fish, saltfish and sweet potato and dumpling, or fried fish and johnny cake.

I find it impossible to resist ending a meal without one of Vince's homemade pies, maybe a lemon or chocolate or coconut cream. Why I've been known to take one home in a brown paper bag and have it as breakfast.

ICE CREAM

Probably the original all-American "walk with it," is the ice cream cone. Although it may not have the bizarre excesses of Baskin-Robbins, The Taste Place on King's Wharf boasts of 32 flavors, mas or menos, not all of which even make it to the menu.

A woman commented favorably on the lavendar ice cream cone she was licking. Owner Dave Farlow smiles, "Wait 'till you taste it, it will change your life."

REMOVE GEN. GEORGE BROWN AND YOU REMOVE THE STENCH OF VILE PREJUDICE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. KOCH. Mr. Speaker, I am distressed that President Carter has not seen fit to fire Gen. George Brown. Through his own words, General Brown has shown himself to be antidemocratic and anti-Semitic and has demonstrated an appalling lack of discretion and judgment. On May 9 of this year, 17 Members of Congress joined me in writing to President Carter, asking that he relieve Gen. George Brown as Chairman of the Joint Chiefs of Staff. Regrettably, I have not received a response from the President.

I am certain that we all recognize the danger that this top-ranking military man poses to the values we hold dear. Let me recount some of the horrifying remarks that General Brown has made. In 1974, General Brown in a speech at Duke University in which he said:

> The Jewish influence in this country. . . . It is so strong you would not believe . . . They own, you know, the banks in this country, the newspapers, you just look at where the Jewish money is in this country.

In April of 1976, Ranan Lurie, the syndicated columnist and journalist, secured an interview with General Brown, in which General Brown referred to Britain as militarily "pathetic"; to Israel as a "burden"; and questioned the ability of the United States to stand up to the Russians. Then in May of 1976, General Brown made the most frightening statements. He warmed up by criticizing Congress for interfering in foreign policy "like the man who is kibitzing a chess

game and occasionally reaches in and moves a piece and thereby screws it all up." Far and away the most unnerving statement was the anti-democratic statement which makes it clear why the Ku Klux Klan nominated General Brown as their candidate for President:

If any citizen in this country is so concerned about his mail being read or is concerned about his presence in a meeting being noted, I'd say we ought to read his mail and we ought to know what the hell he has done.

While these statements are now famous, I would like to bring to the attention of my colleagues several incidents surrounding this episode which are shocking and must be investigated more closely. First, there is the fact that the Pentagon actually doctored the tape recording of the Lurie-Brown interview in an attempt to soften the impact of the general's vile words. In maneuvers which call to mind recent acts of secrecy, deception, and abuse of power, General Brown first denied ever meeting Lurie. Then Newsweek International was somehow pressured into delaying and then "killing" the publication of the Lurie-Brown interview. Ranan Lurie was able to overcome all of these activities, and was even able to get the Pentagon to admit that its version of the transcribed interview was false, although the Pentagon attributed it to "clerical errors." Ranan Lurie has written to me about this whole incident and I want to append his letter to me for the information of my colleagues. The letter appears at the end of my statement.

In his letter to me, Lurie makes the point, and I agree with him, that General Brown has so destroyed his credibility and demonstrated his incompetence that he no longer serves any useful military purpose, if indeed he ever did. No one—not the President, nor the Congress, nor the intelligence community—puts any stock in his judgment. Fearful of further alienating himself from the President and being fired, General Brown has now been reduced to a fawning, servile puppet who does not and cannot make independent evaluations of security issues. The Chairman of the Joint Chiefs of Staff should be a person who can skillfully articulate legitimate military concerns on important issues. General Brown is neither skillful nor articulate, although even if he were, he appears to be so prejudiced and ignorant that the damage he has done might have been greater.

General Brown has done a great disservice to himself, his country, and the position of the Chairman of the Joint Chiefs of Staff. If he has any respect for himself or his office, he will resign immediately. President Carter has pledged to restore decency and integrity to Government. He can go far in meeting this pledge by removing General Brown from the scene. Removing General Brown will have the added advantage of restoring the proper functioning of the Chairman of the Joint Chiefs of Staff.

Until President Carter removes General Brown, the stench of vile prejudice, totalitarianism, and servility will pervade the upper reaches of our Military Establishment.

The letter follows:

JULY 28, 1977.

Congressman EDWARD I. KOCH,
New York, N.Y.

DEAR CONGRESSMAN KOCH: Following our good conversation in my club yesterday, I am sending you, as you suggested, some of the points in my forthcoming book that will question the capacity of General George Brown, Chairman of the Joint Chiefs of Staff, to originate sound military judgments, so important to our country. This is due to a lack of personal integrity, poor judgment, political and racial prejudices, and to his incapacity to face the President of the United States to defend legitimate Pentagon frustrations—as is happening right now, for instance, on the subject of our planned troop withdrawals from South Korea.

The combination of his poor personal performances also serves as a very bad example for other Generals who can see what they can get away with. The mere fact that he was not fired immediately creates the most dangerous precedent for future generations, as we have already seen happening with General Singlaub and General Starry.

However, I would like to zero in on some short, specific points, such as the irrational behavior of General Brown that led to the ridiculing of his position all over the world. On April 12, 1976, he gave me an interview that, among other things, disclosed the military impotence of Great Britain, his opinion that Israel is a "burden" to the U.S., raised "the puzzling question" why Iran buys all these arms, disclosed that Greece and Italy were out of the confidence of NATO, emphasized the total dependence of the U. S. on Saudi Arabian oil, and revealed that the U. S. will not allow any war in the Middle East since such a war might endanger the oil flow of the U. S.

The dramatic consequence of such an open interview, which was published by my 250 newpaper clients and almost simultaneously by every paper in the world, was a disclosure of U. S. military and political evaluations that castrated some of our most important allies and even the U. S. itself. It exposed to the opponents of NATO—the Warsaw Pact countries—the poor status of the British fighting forces, and the distrust of the Pentagon in their capacity. Such an official statement coming out of the mouth of our Number One Soldier, probably helped open the eyes of some Soviet generals who never had it so good and such convenient information.

Then, since the good General promised to tie the hands of the Israelis from fighting another war, he certainly helped eliminate their deterring power at a possible peace negotiating table. If the Chairman of the Joint Chiefs of Staff promises "not to allow war in the Middle East," why should the Arabs worry about crowding the Israelis, slowly but surely, with petty terrorism, infiltrations, and economic pressures? As a matter of fact, why should the Arabs sit with the Israelis at all after General Brown proclaimed the Israelis will stand no chance within a short time anyhow? How can we sell billions' worth of weaponry to Iran and at the same time challenge the integrity of Iran's desire to buy these weapons?

And the most important of all: General Brown challenges our own moral capacity to face the Soviets. Answering a British admiral's question whether the U. S. would have the stomach to face the Soviets, he spoke directly into my tape, for publicity, and said: "I must admit it is one whale of a problem!"

The reason for all these catastrophies is the General's ambition to overcome Congress and to "reach" the people of the U.S. by frightening them, worrying them, and having the people "help" the Pentagon with its ever growing budget.

Once the interview came out, a series of manipulations of the media, personal harassment, personal pressures, official lies, misinformation delivered to the Secretary of Defense and to the President of the U.S. started to take place. For instance, General Brown, at the beginning, simply denied ever meeting with me . . . To the Secretary of Defense he did not deliver the whole truth: General Brown told him later that he was interviewed by me on April 12 but did not disclose that he was also interviewed by me in August and September. As a result, misinformed President Ford gave the country the impression that it was a "postponed" interview (part of it, indeed, was unfortunately postponed by the media—however, General Brown himself was responsible for part of that postponement, which political analysts claim helped topple Ford from the presidency.)

In the General's pathetic efforts to explain his own catastrophies, the Pentagon did not hesitate to release to the media doctored transcripts which contained so-called disclosures by the General that were totally opposite to what he really said in his interview with me. Only after I had involved U.S. Senators did the Pentagon release a statement confirming every accusation that I had made about the doctored transcripts. The Pentagon called them "clerical mistakes" (the Pentagon's confirmation to Senator Weicker of May 12, 1977, is attached).

On May 21, 1976, General Brown delivered in a lecture to about three hundred generals, admirals, and high ranking State Department intelligence officials his personal political beliefs that can be summed up in one headline: "I think it is terribly important to continue to woo Egypt . . ." (by selling her sophisticated weapons). This reflects General Brown's personal lobbying in very specific pro-Arab directions over a long period. Combining these facts (again confirmed in the attached letter of May 12 to Senator Weicker) with his declared anti-Jewish and anti-Israeli previous statements, adding the fact that the Ku Klux Klan nominated him as their candidate for the presidency—a regular American taxpayer must have to start wondering what kind of objective services the Chairman of the Joint Chiefs of Staff performs here?

At the same lecture at Ft. McNair, the General also proposed opening the mail of American citizens and registering citizens' appearances in public meetings—some kind of KGB tactics. Although it was widely exposed in the media, beginning in March 27, 1977, in the Chicago Sun Times and in numerous editorials all over the country—I believe that until today we have not heard any apology by General Brown for such comments. My book will establish the fact that the General sticks to his guns and yet maintains his very high position with the blessing of the President. Should we assume that the General continues to think this way and perhaps is creating the framework for such violations? (Just today I learned that private mail is continuing to be opened and delivered for the inspection of military intelligence!)

However, the even more dramatic conclusion that the book is going to draw will be the fact that President Carter maintains General Brown in his position since he has found the Chairman a most convenient General to handle. Worrying about his personal position, General Brown offers almost no resistance to the President as he should when it concerns pure military evaluations: since the General is most eager not to anger the President anymore, he fails to present legitimate U.S. military objectives and evaluations that are contrary to the President's policy. Such is the case with the South Korean-U.S. troops withdrawal—which my sources say that General Brown is very much opposed to, yet does not dare put on record because of his flimsy performance in the past. The Detroit Free Press of May 30, 1977, says: "The

Joint Chiefs of Staff accepted President Carter's decision to withdraw U.S. ground forces from South Korea, but did not display 'any exuberant enthusiasm' Pentagon sources say. The man who was in a position to rally official opposition to the plan, General George Brown, is believed to have backed off a stronger stand for personal reasons. His outspokeness in the past, especially some anti-Semetic remarks, have made him less than eager to go up against the President."

So, Congressman Koch, the real question is: How much is this great nation of ours and every individual citizen sacrificing in dignity, efficiency, and security to maintain the position for General Brown?

Respectfully yours,

(RAN).

MAY 12, 1977.

Hon. LOWELL P. WEICKER,
U.S. Senate, Washington, D.C.

DEAR SENATOR: Following up on our meeting today in your office, I would like to confirm that:

(1) Upon listening to a tape recording of the remarks of General George Brown, Chairman of the Joint Chiefs of Staff, at the National Defense University on May 21, 1976. I distributed to the press, radio and television the following quotes of what General Brown said:

"Perhaps the most dramatic thing that has happened in the past couple or three years has been the inclination of the Congress, the Legislative Branch, and I may sound very cruel here and I'm sure they are well motivated and have only the interest of the country at heart, but the propensity of those people who seem to me very much like the man who is kibitzing a chess game and occasionally reaches in and moves a piece and thereby screws it all up."

"If any citizen of this country is so concerned about his mail being read or is concerned about his presence in a meeting being noted, I'd say we ought to read his mail and we ought to know what the hell he has done."

"The Congress with their Constitutional responsibility can tell you to take it from point A to B, don't drive it over 20 miles an hour or 55. But that doesn't mean every damn hand has to be on the steering wheel. That causes a wreck. And that is what happened."

"Let me say that I acknowledge that the legislature has the Constitutional responsibility in the overall management of the objectives of the country and the programs in support of those objectives."

"The Israelis are well armed. I think the number now is nine or ten armored divisions. Just think about that. That's more than we have. (Laughter) So that I don't think that the area of balance has changed dramatically by this. I think it is a very worrisome thing because it lets the Soviets in there and all that it may bring. But it happened in Egypt and some of the Egyptians got a belly full and they asked them to go home and they went. And we had a big debate about whether to sell 6 C–130s."

"I think we ought to sell it to them. I don't think it would pose any serious threat to the Israelis. We are selling them F–15s and F–16s and I don't think anyone in their right mind would try and fly an F–5 against either of them. They have had MIG 21s. It's not an improvement. It is really a sustaining element of their force. The F–5 is roughly equivalent to the MIG 21. Same functions. So I personally think we ought to do it. I think it is terribly important to continue to woo Egypt and keep her away from Soviet Union. But we have one whale of a debate in this country. I sat with the Jewish National Leadership yesterday as strange as that may sound (laughter) for about an hour and I tell you I would hate to have mentioned I wanted to sell Egypt F–5s. No I just don't think the country is ready to do that. Congress just wouldn't face up to it. They wouldn't even sell Hawks to Jordon. And the big debate about 6 C–130s and they made big statements about this isn't an offensive armament. What would they say about F–5s? I don't think it will happen."

(2) The original Department of Defense transcript of General Brown's interview with Ranan Lurie on April 12, 1976, should be corrected to read:

In the first answer, sixth line: "have us moving in that direction" instead of "are misleading in their appearances."

In the sixth answer, eleventh line: "(inaudible) we didn't. Congress prohibited" instead of "and no one involved in Congress is prohibiting."

In the eighteenth answer, first line: "there really is Iran and the puzzling question" instead of "there is Iran and there wasn't any question."

As I have publicly stated before, I conducted an extensive, personal investigation of the way in which the tape of the April 12, 1976 interview was transcribed. I concluded that the inaccuracies were the result of clerical transcription mistakes, resulting from the fact that, as the transcript noted, the original tape was "imperfect."

Sincerely,

THOMAS B. ROSS.

THE FEDERATION OF IDEAS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. KEMP. Mr. Speaker, there are some changes in society which occur so subtley that they go unperceived by the bulk of policymakers, even when they had something to do with the change.

This is what has occurred with respect to idea generation in the United States. Through Government funding of programs, especially in the basic research area, and its sponsorship of various institutions, the creativity of the Nation's principal resource people, has been bent toward Government. The innovation we need to preserve our technological lead and assure its future successes has been recast into a framework established by Government interests and needs.

In no place has this occurrence been more observable in recent years than in energy. The Federal Government is coopting the entire subject field, and in my opinion that will result in substantially less innovation. It is a problem of serious magnitude, one which is going virtually unnoticed in the current national debate on energy. Yet it is not for lack of a paper of seminal importance that this has gone unnoticed and unmentioned.

There is such a paper. It is authored by David G. Soergel, whom I regard as one of the singular authorities on creativity, Government and private research and procurement policy in this capital city. He knows of what he speaks.

The Heritage Foundation of Washington, D.C., published one of its "Backgrounders", one authored by Mr. Soergel, on this subject. It follows, and I commend it to the attention of all my colleagues, particularly those in the Senate now debating the President's proposed energy program, those on the Committee on Science and Technology, and those in the Office of Technology Assessment:

THE FEDERALIZATION OF IDEAS: A NATIONAL ENERGY DEPARTMENT

(By D. G. Soergel)

INTRODUCTION

President Carter has characterized our national energy situation as the "moral equivalent of war." Naturally, he has proposed to win this "equivalent war" by creating an "organizational equivalent of the Pentagon"—the National Energy Department.

Most Congressional debates have focused on federal tax and price mechanisms to conserve current energy supplies and regulate its use. We are all familiar with protracted debate on such matters as gas-guzzler taxes, natural gas wellhead price controls, nuclear power issues and the like. Some new technologies, such as geothermal and solar, have also hit the news and been the subject of congressional debate. But what about other new technologies, products and processess—the kind of technologies and approaches which reside in the minds of inventors and innovators across America, ones which have not been "invented" in Washington and are not likely to be? The Administration has a position about those "unkown" technologies and inventors. It requires that unknown inventor to come to this new department. It will decide what is worth financing and what is not.

This proposed statutory approach to the introduction of "things that are new"—innovation—is the same as the Defense Department's. However, as will be shown, Congress has paid little attention to large-scale economic distortions which this approach will cause.

Whether we are truly in a situation which is the "moral equivalent of war," makes no difference—the innovation of new products, supplies, services, and processes cannot be centrally financed, managed and controlled from Washington. The reasons for this are found in important differences between energy and weapons markets, where the federalization of ideas is legitimately practiced. What will be shown is that energy innovations require the democratization of ideas rather than the federalization of ideas.

MARKETPLACE DIFFERENCES

When the Defense Department implements its innovation policies, it creates choices for the government's eventual investment and use. On the other hand, the choices that the Energy Department proposes to innovate will not be for the Department's investment and use but for nonfederal purchase and use by city and state governments and private energy users and producers.

The National Aeronautics and Space Administration's (NASA) marketplace is the same as the Defense Department's. Both NASA and the Defense Department assess their capabilities to responsibly perform in the future—and both will, from time to time, create a demand for the innovation of new weapons, space systems, products, and services. The Defense Department along with NASA legitimately practice the federalization of ideas—they motivate and select ideas and provide risk capital financing to create future investment choices. But the Administration proposes that the new National Enenergy Department do exactly the same—it will also federalize ideas.

COMMON INNOVATION POLICIES WILL NOT WORK

The difference in the end-use marketplace for innovation (federal versus nonfederal buyers) means that common innovation policy simply will not work in the taxpayer's interest. Here is why:

Nonfederal energy buyers and users must learn about new innovations along with developers. If not, they will be inferior buyers. The Defense Department and NASA technical personnel learn along with developers so that what they eventually invest in and operate is a consequence of learning about possible choices from their beginnings. While there may be arguments about how efficiently the Pentagon procurement policy operates, there is little argument about its need to perceive the demand for innovation, to manage it, and to finance the process which supplies it.

Energy must be delivered within a local framework of price, capability, and availability goals, in a context of local operating conditions. Each locality has a different framework from the next, and an innovation suitable for one locality is not necesarily suitable for another. Thus, the local demand for energy delivery may be common for several localities, but the constraints placed on innovation be uniquely different. Different alternatives must be explored to deliver a common capability.

The decision to use and control "seed" or "startup" risk capital which is required to start proving new ideas must be decentralized. If it is centralized, small firms and individuals will not be able to afford the cost to create and propose their ideas for consideration, and a sizable share of the nation's inventive and innovative resources will remain untapped. Small firms and individuals simply cannot afford the cost of proposing new ideas and waiting for decisions according to federal procurement rules. These elaborate rules have been instituted to control the large costs of large companies. They total more than 4,000 procurement-related statutes and 3,000 pages of implementing regulations.

INNOVATION REQUIRES ADAPTIVE-LEARNING

Why should federal engineers and scientists learn about new energy innovations when they are not part of eventual using organizations? Transferring what they learn to state and local governments, or to private buyers is certainly less effective and efficient than directly engaging eventual buyers and users from the beginning. This practice of engaging buyers and users at the beginning of innovation works well for Defense and NASA and should work equally well for nonfederal buyers and users. So, why statutorily install the "federalization of ideas" where what is learned must go through an additional costly step of transference? Also, coercive measures may be applied to force the use of whatever the Department has created. Localities and other nonfederal and private buyers will have no choice but to invest in what the federal level comes up with, even if it does not match what is needed locally.

DEMOCRATIZATION OF IDEAS

If the selection and control authority is vested in one centralized public group, a group which also has the "seed" capital to commence innovation, too many of the nation's future energy decisions will rest on the wisdom of that group's arbitrary choices made within this a noncompetitive bureaucratic environment. Ideas competitive to those selected by the centralized authorities may be simply "buried" and never heard about.

Centralized public selection authority is a key feature in the "federalization of ideas"—in stark contrast to the "democratization of ideas" characterized by many private idea investors, selectors, and risk-takers, each in competition with others.

Competition between several "idea sponsors" is needed to drive prices down in the delivery of a common local capability.

Friederich Hayek, the 1975 Nobel Prize winner in economics, had this to say about centralized or decentralized government functions:

"While it has always been characteristic of those favoring an increase in governmental powers to support maximum concentration of those powers, those mainly concerned with individual liberty have generally advocated decentralization. There are strong reasons why action by local authorities generally offer the next-best solution when private initiative cannot be relied upon to provide certain services and where some sort of collective action is needed; for it has many advantages of private enterprise and fewer of the dangers of the coercive action of government. Competition between local authorities or between larger units within an area where there is freedom of movement provides . . . that opportunity for experimentation with alternative methods which will secure most of the advantages of free growth.

"It is usually the authoritarian planner who, in the interest of uniformity, governmental efficiency, and administrative convenience, supports the centralists' tendencies. . . ." (*The Constitution of Liberty*, F. A. Hayek, pages 263–264.)

"LARGE" AND "SMALL" TECHNOLOGIES

Most innovations which have benefited private consumers—where we find the energy market—have not come from current producers and do not involve large-scale technologies. To name a few: Xerox was not invented by an office equipment manufacturer; the transistor was not invented by a vacuum tube producer; the ballpoint pen was not invented by a pen producer; the hydromatic auto shifting mechanism was not invented by Detroit car manufacturers. There are many other examples. Each of these privately created and financed ideas has pumped millions of dollars into our private enterprise economy.

Another example of this is electric motor energy conservation of up to 50%. This invention, which is now well into the innovation stage, is of particular interest not only because an electric motor producer did not invent the approach but also because government research and development had nothing to do with it. The engineer/inventor mortgaged his home and borrowed money to finance his idea; he did not spend his resources trying to penetrate the federal bureaucracy.

The ability to create new and beneficial ideas is independent of corporate size. Large firms tend to improve what they are currently producing. All firms, large or small, which are not producing for a particular market but wish to enter it tend to create ideas which deliver similar capability but with products made up of different, competitive technologies.

This is not to be construed as an argument that "bigness is bad" and "smallness is good." Large federal contractors have contributed significantly to attaining national goals in the past and will continue to do so in the future. Rather, these questions must be addressed: Do our federal innovation policies foster equal economic opportunity to create and propose ideas to nonfederal and federal sponsors alike? Do they foster corporate growth based on competitive merit?

The answers to these questions are of critical importance to the health and vitality of our private enterprise economy. If federal innovation policies give unequal economic treatment favoring corporate largeness, they may be identified with the growth of economic concentration and oligopoly. This would head us dangerously close to the nationalization process such as has been occurring in Britain. The "means of production" will be transferred from private to public ownership where unequal economic opportunity exists.

WHERE THREE DECADES OF FEDERALIZATION OF IDEAS HAVE LED

There is another problem—other than marketplace difference by unchallenged adoption of Defense's innovation policies by the new department. Current federal innovation policy, procedure, and practice is largely an outcome of the Defense Department's need for new weapons since World War II. Understandably, private risk capital has shied away from what may be characterized as a monopsonistic and highly uncertain marketplace. Three decades of federally sponsored innovation to primarily meet the Defense Department's needs have led to serious domestic economic distortions. These distortions continue to be promulgated by other civil agencies and are proposed to be continued by the new Energy Department.

Here is where we are today. The federal government is now the "risk-taker of last resort" and finances more R&D risk capital than all private industry combined. Civil agencies have adopted the Defense Department's innovation policies and their sponsorship of risk capital research and development funding has been on the rise. In constant dollars, civil agencies have shown real growth while Defense and NASA research and development funding has been in decline. The 1967–1977 rise in civil research and development, in constant 1967 dollars, has been 50 percent, from $3.2 to $4.8 billion, while Defense Department/NASA research and development funding has dropped 40 percent, from $13.3 to $8.3 billion.

Individuals and small firms must go to private capital markets to get "seed" money in order to challenge established federal contractors. However, privately-sponsored risk capital is in decline and small technical firms are finding private risk capital increasingly more difficult to obtain. A Department of Commerce report shows that small, technical firms' public stock offerings declined from $1.16 billion in 1969 to $16 million in 1974—a reduction of more than 10 to 1 over five years when inflation is taken into account. No small, technical-firm public offerings were made between March 1974 and August 1975. The earliest risk capital expenditure, "seed" or "start-up" money, is almost impossible to get through new offerings.

In contrast, during 1975, the federal government controlled and distributed $20.8 billion of taxpayer-supplied risk capital for R&D activities. Fifty-four percent of the money went to organizations which do not pay federal taxes, the not-for-profit organizations; the remainder went to profit organizations. This means that most of the critical beginnings of innovation, the selection of technologies to configure into new products, is not performed within a price competitive supplier's marketplace.

FEDERAL RISK CAPITAL MECHANISMS

How does government spend our money for R&D purposes? Government uses two mechanisms in the distribution of R&D risk capital: indirect payments by federal contract price markups and direct payments by research and development contracts, grants, and agency budget allocations for in-house scientific and technical work.

Eighty-five percent of the federal equivalent to private "seed" or "start-up" capital was indirectly paid to ninety-nine of the largest defense contractors out of 23,875 defense suppliers. The amount the ninety-nine received was slightly less than $1 billion while the 23,776 remaining suppliers received only an estimated $100 million.

This "start-up" risk capital is indirectly distributed according to the amount of federal contracts a contractor has or expects in the next year—the more federal contracts,

the more "start-up" risk capital allowed in federal contract price mark-ups.

Obviously, it is beneficial to be "big" in federal contracting because "start-up" capital is more readily obtanied from the federal Treasury. The corollary, however, is that individuals and firms without federal contracts will not receive "start-up" capital indirectly from government and, very likely, not from private sources either.

Federal government also makes direct risk capital payments to support innovation after indirectly paid "start-up" capital has been spent. These direct payments are called "applied research" expenditures in the scientific and technical community. In 1975, out of $5 billion directly spent, $3.5 billion went to not-for-profit organizations, the remainder to profit companies—a distribution of over 2 to 1 favoring organizations not obligated to pay federal taxes or perform work competitively with a profit objective.

THE NET OUTCOME

The net outcome of three decades of the federalization of ideas, as legitimately practiced by the Defense Department and NASA is that their federal innovation policies foster an unequal economic opportunity to participate in federally sponsored innovation markets. Hard-to-get seed capital is mainly distributed to the largest defense suppliers. Follow-on-money for applied research is mainly distributed to not-for-profit organizations; privately supplied risk capital is increasingly difficult to come by.

This has serious long-term economic consequences. The essential economic role of individuals and small firms is to challenge economically-concentrated large firms and their economy-of-scale marketplace advantages.

Equal economic opportunity to create and propose ideas should be an essential feature of federal innovation policy and practice, but the opposite has been the case.

CONCLUSION

Two important considerations should have provided the framework for the new Energy Department:

A recognition that the Defense Department/NASA innovation policies and practices have led to serious distortions to our domestic economy. These distortions should not be adopted by the new Department.

A recognition that the Energy Department's demand for innovation should open choices for nonfederal buyers, not federal buyers, and that nonfederal buyers must learn along with developers before investment decisions are made. This means that the selection and financing of ideas must be spread wider. rather than concentrated.

It is not in the nation's interest that the federalization of ideas be applied to civil markets. Where it is legitimately applied, such as the Defense Department and NASA, extremely important changes are still to be made.

THE PROBLEM OF ILLEGAL ALIENS: THE PRESIDENT'S PROPOSAL

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. STEERS. Mr. Speaker, our country is currently faced with problems with which we must cope to insure an economically and socially healthy America. However, while the United States does not enjoy full employment and, in fact, many able Americans are on welfare, we are still viewed as a haven to many millions of people throughout the world.

This lure of the promise of success has been one of America's greatest assets in its first 200 years of development, because it attracted a wide variety of nationalities seeking a bright future in a new land. However, times have changed, and America can no longer assimilate new immigrants to the same extent as we once could.

In fact, new illegal aliens are now aggravating the already difficult situation. Estimates of the numbers of illegal aliens in the United States range from 4 to 12 million. In addition to violating the Immigration and Nationality Act, illegal aliens are believed to contribute to a number of social and economic problems, including unemployment and the overburdening of Federal and State public assistance and social service programs.

Last week, President Carter presented to the Congress and the Nation his proposal for coming to grips with this severe problem. I commend his recognition of the need for a comprehensive plan, but I must say that I have serious reservations about some of its provisions.

EMPLOYER SANCTIONS

Without a doubt, the problem of illegal immigration is fostered by employers seeking a cheap source of labor. I favor stiff civil penalties for those employers who consistently hire illegal aliens. However, it is important that a system be devised whereby the employer can determine reliably whether or not the prospective employee is legally entitled to employment in the United States. If this is not done, employer sanctions will not be equitable or enforceable.

BORDER ENFORCEMENT

One of the greatest obstacles to reducing the flow of illegal immigrants is the large and underpatrolled perimeter of our country. I feel that border enforcement should be increased, especially where it has been shown that the greatest problems exist.

ADJUSTMENT OF STATUS

In his proposal, President Carter placed illegal aliens in three categories: Those who arrived during 1969 or earlier, those who arrived in the period 1970 to 1976 inclusive, and those who arrived after January 1, 1977.

I find it strange that only those in the last group will now be subject to existing immigration laws. Is this not a defeatist attitude that implies our immigration laws are impossible to enforce?

Illegal aliens who arrived before January 1, 1970 will receive permanent resident status. This may be acceptable, since those aliens have established, in many cases, strong community ties and it would be inhumane to deport them.

I do not see the merits, however, of providing temporary resident alien status to those who entered the country from 1970 to 1977. The administration claims this will enable the Immigration and Naturalization Service, INS, to compile statistics regarding the scope and severity of the overall problem. The temporary resident status will be granted for 5 years, at which time a decision on their final status will be made.

It would appear to me that, in 5 years, strong arguments could and would be made to provide these aliens with permanent resident status, as with those now who immigrated before 1970. In fact, I view this part of the whole program with the greatest skepticism. Those who arrived in the United States as late as December 1976 should not be given this tacit permission to remain.

We are fortunate to be a country that is appealing to millions of people throughout the world. However, if we do not find the strength to say "No" to many people wishing to immigrate, we might find our basic socioeconomic system weakened and endangered.

There is also a great inequity created for those people who came to this country legally and cannot change their status to that of permanent resident. The real irony that is created with President Carter's proposal is that, had these people entered the country illegally, they would be allowed to remain whereas now they will be forced to leave when their visas expire.

COOPERATION WITH THE SOURCE COUNTRIES

If prospective illegal aliens find their home economies are improving, their desire to enter the United States will obviously decrease. I agree with President Carter in principle that the United States should give special attention to aid programs in the source countries. However, I think this approach will work only in the long run, and the potential for less-than-effective results is great.

ENERGY CONSERVATION BY TAXATION

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. YOUNG of Florida. Mr. Speaker, when President Carter first challenged the Congress to develop an energy program, I applauded his determination to meet our energy problems head on. Although finding some initial fault with a few of the President's recommendations, I pledged my every effort to work toward a workable and coherent energy policy. I regret to say, however, that the Energy Policy Act approved by the House does not meet this goal, and I am seriously concerned over the negative impact some of its provisions will have on our Nation, the State of Florida, and especially the residents of the Sixth Congressional District. In my opinion, the bill is laden with flaws and inconsistencies, and I would like to take this opportunity to discuss just a few of these defects.

The basic approach of this legislation is to rely upon increased taxes to discourage energy consumption—increased taxes which, in the long run, will have to be borne by the already overburdened consumer. Fortunately, we eliminated the proposed gasoline tax increase, but this legislation imposes a crude oil equalization tax—COET—which affects al-

most every aspect of the American way of life. Over a 3-year period, it is predicted that this $39 billion crude oil equalization tax will drastically increase production costs for American goods and services. It will increase by some 7 cents a gallon the price of gasoline, diesel fuel, residential fuel oil, home heating oil, and jet fuel. Higher fuel costs will result in increased transportation costs, which obviously will be passed on to the consumer via higher prices for goods and materials; increased costs in manufacturing synthetics which range from the clothes we wear to the foods we buy wrapped in plastic will be passed on to the consumer; and the list goes on and on. Do any of my colleagues seriously believe that industry will—as a measure of good faith—sacrifice its profit margin to absorb these increased costs?

Supposedly, in an effort to lessen the burden imposed on the individual taxpayer, part of the money received from COET will be rebated to the public through various tax credits. Let us examine this so-called rebate proposal: Only 6.5 percent of total revenues received from this tax are rebated directly; only 12.3 percent is to be rebated through residential tax credits; only 1.75 percent is rebated through business tax credits; and only 6.3 percent will be rebated through home heating oil tax credits—52 percent is not rebated at all. Where does it go? There is some speculation that a large portion of this tax revenue will be reallocated toward the implementation of President Carter's proposed welfare reform package. None of this money will be used to provide for the production of new quantities and sources of energy. It is interesting to note that, in response to my recent congressional questionnaire, not only were the vast majority of my constituents opposed to the use of increased taxes as a means of achieving energy conservation, but 68.9 percent indicated that should such additional taxes be imposed, they would prefer that the extra revenue be used to develop more energy. Only 20.8 percent opposed earmarking revenues for energy development and 10.3 percent expressed no opinion.

The bill passed by the House offers no means by which the revenue received from the imposition of the crude oil equalization tax would be used to seek out new energy sources. We attempted to amend this section of the bill to redirect the revenue received from COET to provide additional incentives for the investment in oil exploration, to build mass transit systems, and to encourage the development of synthetic fuels. Unfortunately, we lost on each count. I have consistently maintained that we cannot tax away our energy problems, and that while energy conservation is good and necessary, it is only part of the solution. Much more emphasis must be placed on increased exploration of existing untapped supplies and on developing alternative sources of energy.

Another principal provision of this bill imposes tax penalties which force new and existing powerplants and major industrial facilities to convert from oil and gas to coal. While I support conversion to coal whenever and wherever possible, forced conversion within a specified time frame places an unfair burden on States such as Florida. There is simply just no coal reserve reasonably close to most of Florida's powerplants. Instead of long lines at the gas stations like we experienced during the last energy crisis, I envision long lines at the railroad crossings as the thousands of gondola cars pass by loaded with coal on the way into our peninsular State and with sludge on the way out. It has been estimated that the cost to convert from oil and gas to coal for a State like Florida will range somewhere between $10 to $14 billion—another cost which will be passed on to the consumer.

Furthermore, the coal conversion program conflicts with current air quality requirements since the goal of using 400 million tons of new coal by 1985 cannot be met under the 1977 Clean Air Act until coal can be converted cleanly into low- and medium-Btu gas that can be burned in an environmentally acceptable manner. The problems associated with developing this technology are not even addressed in the bill except to levy an additional financial burden on those unable to convert to coal.

Mr. Speaker, months of committee time was spent on drafting this legislation and 5 days of heated debate took place on the House floor. It saddens me to know that the end result of all that time and effort is nothing more than another tax revenue bill. The National Energy Act passed by the House raises revenues for the Federal Government, but lacks any incentive to provide for increased production and exploration of alternative energy sources by private industry; it raises consumer costs for all Americans, but does nothing to solve our long-range energy problems; and the overall energy savings purported in the bill are minimal. I am greatly disappointed in the House's failure to enact a comprehensive and workable energy program which addresses both present and future energy demands.

INTRODUCTION OF H.R. 8897, ELECTRIC UTILITY TAX REFORM ACT OF 1977

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. STARK. Mr. Speaker, on August 5, 1977, I introduced H.R. 8897, the Electric Utility Tax Reform Act of 1977. I would like to take this opportunity to insert my statement, the bill, and an excellent article on this issue by the Honorable Robert Batinovich, president of the California Public Utilities Commission that appeared in the July 21, 1977, issue of the Public Utilities Fortnightly. The referred to material follows:

Mr. Speaker, today in conjunction with Senator METCALF, I am introducing the Electric Utility Tax Reform Act of 1977. This legislation is presented because current Federal tax laws that apply to utilities are harmful to both utilities and to consumers, and act to undermine the credibility and integrity of the entire regulatory process.

This legislation, which exempts electric utilities from the payment of Federal corporate income taxes and establishes a usage tax on electrical consumption, will restore to the States complete authority to regulate their utilities. In addition, this bill will lead to a considerable simplification of company financing and will neither increase rates to consumers, nor decrease revenues to the Treasury.

In 1975, the Nation's privately owned electric utilities computed a tax liability of over $3 billion, which was considered a legitimate expense by State regulatory authorities and passed on to the customers in the form of higher rates. Through the use of liberal tax write-offs, such as Accelerated Depreciation and the Investment Tax Credit, these companies actually paid taxes of only $833 million, which is less than 2 percent of their total revenues of $45.6 billion. The customers of these utilities, while paying for the estimated taxes in higher rates, rarely benefit from these tax credits. Federal law prohibits the State regulatory bodies, in a majority of the States, from mandating that the companies pass the credits on to the customers. Furthermore, section 46(e) of the 1971 Tax Reform Act, requires State utility commissions to permit the private utilities to earn a return on the value of the Investment Credits just as if the credits were privately raised capital rather than monies provided by the customer ostensibly for meeting Federal tax burdens.

The timing of this legislation is ideal in the sense that we are in the midst of developing a coherent energy policy. Many provisions of the energy bill underscore the fact that reliance on electricity in this country will continue to grow, and it is just this growth that has contributed to the egregious situation that the legislation seeks to address. As long as utilities continue their growth, the taxes that have been deferred through the tax credits will never be paid to the Government. In essence, we are giving electric companies an interest-free loan, that probably never will be paid to the Government, while individuals are forced to borrow money at interest rates that range up to 18 percent. This is a prime example of an injustice that is built into the tax code, and it is no wonder that people have lost faith in the regulatory process, and in the fairness of our laws.

A recent Library of Congress analysis concluded that if tax benefits were flowed-through to the customer, rather than amortized by the companies over the life of an asset, customers would be paying lower rates in the long run, even when higher financing costs are taken into account. Even when companies stop growing and exhaust their tax deferrals, rates remain artificially high. These companies must ask for 50 percent more than they actually need in rate increases. The additional 50 percent is necessary to pay to Federal taxes, and the state commissions must allow the increase.

The present system provides no mechanism to promote the conservation of electrical energy. According to the Edison Electric Institute, growth in electrical consumption has once again reached the pre-oil embargo level of 7 percent annually, and our energy program will, if anything, increase this rate of growth. While my legislation imposes a usage charge to equal the tax revenues paid by the utilities, it will provide us with a future means to induce conservation by scaling the tax according to consumption.

With the elimination of the complex Federal tax regulations covering the Investment Tax Credit and Accelerated Depreciation, state regulatory authorities will be freed from the conflict between their responsibilities to ratepayers and the dictates

of Federal law. They will be able to conduct rate-setting proceedings in a simple, straight forward manner, and they will be able to readily ascertain the effects of their decisions on both the companies and the consumers. The regulatory lag, the delay between the time a rate change petition is filed and when it is finally acted upon, will be diminished, and, most importantly, the process will be more understandable which should dispel the prevalent belief that the companies are scalping the public.

This legislation will also greatly simplify the accounting procedures of the companies. They will no longer have to worry about an impending tax liability in the event that they stop growing. Instead, the companies will be relieved of all future tax liabilities, which should lead them to base decisions to expand on true needs rather than tax preferences. To be sure, there may be an increased cost to companies trying to raise construction capital. This increase, however, will be offset by the elimination of tax liabilities and by the higher rates of return that will be allowed by the state commissions to compensate for the decreased cash flow. Savings will also be achieved because companies' operating expenses will no longer be subsidized by the government through the tax code. This should lead to a reduction in overall operating expenses, and greater cost-consciousness by company managers which will decrease the need for regulatory oversight. Further, the companies will no longer require the armies of accountants and attorneys that they have needed in the past to conduct rate proceedings.

For ratepayers, this legislation will not, on the average, produce any immediate change in the cost of electricity. The usage tax is constructed so that rates will remain at present levels, and to insure that the Treasury receives an amount of revenues equivalent to that lost through the exemption to the utilities. Ratepayers are already paying the Federal income tax of the companies, as it is included in the rates. Their bill will simply show the customer what portion of the bill is going for Federal income taxes, and it will be collected by the companies in much the same way that the telephone company collects the U.S. tax from its customers. The major benefit to consumers in this bill is that they will be assured that they are paying the actual taxes owed to the government, instead of the present method where companies collect taxes that are never paid.

The usage tax, while in its present form will lead to no significant change in either consumption or rates, will provide an effective method for future conservation efforts. Passage of this bill will allow us to base the tax on consumption, should that become necessary in future years to discourage the use of electricity. As a mechanism for promoting conservation, the usage tax is not a new idea. In 1975, S. David Freeman, who was recently appointed Administrator of the Tennessee Valley Authority, proposed just such a system as a way to promote conservation.

I have discussed this proposal with many people, both in the industry and on the state regulatory boards. In general, the reaction has been very positive. Robert Batinovich, President of the California Public Utilities Commission, recently published an article outlining legislation similar to this in a journal called, Public Utilities Fortnightly, which is an independent publication monitoring developments in the field of public utilities. The journal called Mr. Batinovich's proposal, "A more uniform taxation of utility services to replace the current confused impact of Federal income taxation on utilities with a more equitable and certain result". Mr. Batinovich, in the two and one-half years that he has served on the California P.U.C., has earned a national reputation as a leader in regulatory reform and simplification. A copy of his article follows.

In sum, this legislation will be more beneficial to the companies, consumers, and to the State regulatory commissions. The proposal is founded upon simplicity in the ratemaking process, and fairness in our tax system. I urge you all to support H.R. 8897, the Electric Utility Tax Reform Act of 1977.

H.R. 8897

A bill to amend the Internal Revenue Code of 1954 to provide that income derived from the regulated sale of electrical energy will be exempt from income taxes, to impose an excise tax on the purchase of electrical energy from a public utility, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Electric Utility Tax Reform Act of 1977".

SEC. 2. (a) Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as 125 and by inserting after section 123 the following new section:

"SEC. 124. EXCLUSION OF AMOUNTS DERIVED FROM REGULATED SALE OF ELECTRICAL ENERGY.

"(a) IN GENERAL.—In the case of a regulated public utility, gross income does not include any amount derived by such utility from a regulated electric trade or business.

"(b) REGULATED ELECTRIC TRADE OR BUSINESS.—For purposes of subsection (a), the term 'regulated electric trade or business' means a trade or business of the sale or furnishing of electrical energy if the rates for such sale or furnishing, as the case may be, have been established or approved by a State or political subdivision thereof, by an agency or instrumentality of the United States, or by a public service or public utility commisison or other similar body of any State or political subdivision thereof.

"(c) GAIN FROM SALE OF PROPERTY.—For purposes of this section, gain from the sale or exchange by any regulated public utility of any property shall be treated as derived from a regulated electric trade or business only if such property was used predominantly by such utility in a regulated electric trade or business.

"(d) CROSS REFERENCES.—

"(1) For denial of deduction for amounts allocable to income excluded under this section, see section 265.

"(2) For definition of regulated public utility, see section 7701(a)(33)."

(b) Subsection (a) of section 48 of such Code (defining section 38 property) is amended by adding at the end thereof the following new paragraph:

"(10) PROPERTY USED IN A REGULATED ELECTRIC TRADE OR BUSINESS.—Any property which is used predominantly in a regulated electric trade or business (as defined in section 124(b)) shall not be treated as section 38 property."

(c) Paragraph (33) of section 7701(a) of such Code (defining regulated public utility) is amended by inserting "and without regard to section 124" after "capital gains and losses" in the first sentence following subparagraph (H).

(d)(1) The amendments made by subsections (a) and (c) shall apply to amounts received or accrued after December 31, 1978, in taxable years ending after such date.

(2) The amendment made by subsection (b) shall apply to property placed in service after December 31, 1978.

SEC. 3. (a) Chapter 33 of the Internal Revenue Code of 1954 (relating to tax on facilities and services) is amended by inserting after subchapter C the following new subchapter:

"Subchapter D—Electrical Energy

"Sec. 4285. Imposition of tax.
"Sec. 4286. Definitions.
"Sec. 4287. Exemptions.

"SEC. 4285. IMPOSITION OF TAX.

"(a) GENERAL RULE.—There is hereby imposed a tax on any taxable purchase of electrical energy in an amount equal to 0.04 of a cent for each kilowatt hour of electrical energy so purchased.

"(b) BY WHOM PAID.—The tax imposed by subsection (a) shall be paid by the person purchasing electrical energy from a public utility.

"SEC. 4286. DEFINITIONS.

"(a) TAXABLE PURCHASE.—For purposes of this subchapter, the term 'taxable purchase' means any purchase of electrical energy from a public utility.

"(b) PUBLIC UTILITY.—For purposes of this subchapter, the term 'public utility' means any entity which is engaged in the sale or furnishing of electrical energy—

"(1) if such entity is a State or political subdivision thereof, the United States, or an agency or instrumentality of any of the foregoing, or

"(2) if the rates at which such entity furnishes or sells electrical energy have been established or approved by a State or political subdivision thereof, by an agency or instrumentality of the United States, or by a public service or public utility commission or other similar body of any State or political subdivision thereof.

"SEC. 4287. EXEMPTIONS.

"(a) STATE AND LOCAL GOVERNMENTS.—Under regulations prescribed by the Secretary, no tax shall be imposed by section 4285 on any purchase of electrical energy by a State or political subdivision thereof.

"(b) PURCHASES BY PUBLIC UTILITIES.—Under regulations prescribed by the Secretary, no tax shall be imposed by section 4285 on the purchase of electrical energy by a public utility."

(b) The table of subchapters of chapter 33 of such Code is amended by inserting after the item relating to subchapter C the following new item:

"SUBCHAPTER D. Electrical energy".

(c) The amendments made by this section shall apply with respect to electrical energy furnished after December 31, 1978.

[From the Public Utilities Fortnightly, July 21, 1977]

A SENSIBLE SUBSTITUTE FOR THE FEDERAL INCOME TAX ON UTILITIES

(By Robert Batinovich)

Congress should immediately enact legislation to exempt utilities from federal income taxation and to substitute a gross usage or gross revenues tax in lieu of the federal income tax.

Elimination of the federal income tax for investor-owned utilities would accomplish the following objectives:

(1) Simplify the rate-making process and mitigate "regulatory lag." Regulatory commissions presently expend an inordinate amount of time litigating allowable tax expenses under existing federal tax laws. For example, the necessity for a regulatory commission to evaluate the election by a utility of "flow-through" versus normalization accounting of tax savings in light of the utility's particular financial circumstances is often very time consuming. In addition, the resultant determination is often subject to prolonged judicial review.

Elimination of the federal income tax and its resulting tax accounting problems, would allow utility management and the regulatory commissions to focus on important issues in rate-making proceedings, such as rates of depreciation and growth, in an expeditious manner and with a view toward

guaranteeing adequacy of service rather than promoting tax benefits.

(2) Restore credibility in the regulatory process. Unfortunately, the burden of "regulatory lag" is not outweighed by any benefit from the existing tax laws. On the contrary, the present tax structure leads consumers to believe that utilities are reaping profits from "phantom taxes."

The ostensible purpose of the income tax is to raise revenues. A secondary purpose, as applied to corporations, is to reach corporate profits so as to prevent the undue accumulation of wealth within the corporate entity. Existing tax laws are ill-designed to accomplish either objective.

Several highly publicized studies have shown that public utilities generally have either avoided taxes entirely or have paid a relatively low effective tax rate due to legislative policy, particularly accelerated depreciation and the investment tax credit.

As applied to public utilities, the attempt to reach corporate profits via the federal income tax duplicates the efforts of regulatory commissions to regulate utilities' earnings as well as service. Also existing provisions for normalization and deferred tax reserves result in the accumulation of substantial internally generated funds. At the same time such tax provisions erode aftertax interest coverage, one of the fundamental indicators of a utility's financial standing.

(3) Eliminate tax incentives to construct unnecessary utility plant. The present tax laws are being used to implement policies which are inconsistent with responsible regulation or with the present and future need to conserve resources.

Prudency is the watchword of both utility management and regulation. However, under existing tax laws, management's duty to be prudent may be inconsistent with its duty to the shareholders to maximize profits by utilizing all available tax credits or deductions. Also, the investment tax credit and accelerated depreciation provisions give utilities monetary incentives to promote growth. The desire for tax credits often undermines the responsibility of prudent utility management to determine whether growth is reasonable in light of foreseeable customer requirements. The present tax laws stimulate growth regardless of need within a particular service territory. No attempt is made to couple supply with demand.

The need to provide a tax incentive for conservation, instead of unchecked growth, is long overdue. Conservation will be a cornerstone of President Carter's national energy plan. The continuing drought in the western United States highlights the need to conserve water as well as energy. However, consumers must be given a direct incentive to conserve. A gross usage or revenues tax would provide such an incentive.

The gross usage or revenues tax would be based on units of energy or water consumed, or revenues, for telephone service. The utilities, both privately owned and municipally owned, would collect these taxes on behalf of the federal government.

THE PROPOSED SUBSTITUTE

Substitution of a gross usage or gross revenues tax for the federal income tax would serve the following purposes:

(1) Provide revenues to the federal government. Legislation aimed only at exempting investor-owned utilities from federal income taxation would not provide the federal government with any substitute revenues. A reasonably structured gross usage or gross revenues tax would provide revenues to the federal government far in excess of what the government has actually collected from the utilities as a result of the federal income tax. At the same time, a gross usage or revenues tax would not interfere with the responsibilities of the regulatory commission to regulate a utility's earnings.

(2) Reward conservation-oriented consumers. A gross usage or revenues tax would provide an incentive to conserve because of the direct correlation between energy, water, and telephone service used and taxes paid. The conservation incentive resulting from a gross usage tax is diametrically opposed to the growth stimulation inherent in the present tax system. By eliminating tax incentives for the construction of unnecessary utility plant, capital would be available to other segments of the economy.

(3) Provide a national lifeline rate. Certain mechanisms might be built into the gross usage tax structure so that those residential customers who use less than a specified amount of energy, water, or communication service would not be taxed. This approach would not preclude state regulatory commissions from implementing additional rate design programs to further encourage conservation.

Also, low-income residential consumers might be allowed an income tax credit for taxes paid as a result of the gross usage tax. This process would in effect relieve low-income people of payment of the gross usage tax without creating another bureaucracy inherent in other "means test" proposals, such as fuel stamps.

(4) Remove the "phantom tax" income. The existing disparity between the rates incurred by consumers where utilities use normalization as opposed to "flow-through" accounting for rate-making purposes cannot be adequately explained in terms of public policy. A gross usage tax would erase the enormous disparity among utilities with respect to their effective tax rates.

(5) Eliminate two-for-one payments by consumers. Under the present tax structure consumers in effect pay $2 in rates for every dollar of additional revenue required by the utility, the other dollar being applied to taxes (often phantom taxes). This effect compounds the problems of financing major energy supply projects. A gross usage tax would eliminate this problem.

(6) Finance new energy supply projects. The revenues from a gross usage tax could be dedicated to the financing of the technologically risky and highly capital-intensive energy supply projects, either directly or by Federal Deposit Insurance Corporation-type guaranties.

The merits of a gross usage or gross revenues tax charged directly to the consumer and collected by the utility as a conduit for the federal government, as here described, provide more than ample justification for eliminating the federal income tax presently levied against utilities.

MORE ON PIGGYBACK SERVICE TO THE NORTHEAST

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. KOCH. Mr. Speaker, I am pleased that the conference committee on the Department of Transportation appropriations bill agreed to language which I proposed in the House version calling for an assessment by the Federal Railroad Administration to determine whether a new class of low-profile, lightweight flat cars might not overcome the low tunnel and overhead bridge clearances in the Northeast. These low clearances, which are prevalent throughout the region, prevent the passage of full-size trailers on standard flat cars and, therefore, obstruct direct, efficient, and high-speed intermodal freight service. If the assessment shows that a low-profile flatcar would be a feasible solution, the FRA is further directed to build and test three prototype cars, at a total cost not to exceed $500,000 from unused funds leftover from other FRA projects.

Movement of freight by trailer-on-flat-car—TOFC—service is attractive because of its energy efficiency and its low pollution compared to individually hauling trailers long distances over the highways. In congested areas like the Northeast, TOFC also offers reduced traffic congestion, lower noise levels, and less damage to the roads. Because of both physical and institutional obstructions to TOFC service in the Northeast, however, the amount of freight that moves to and from the region by railroad is insignificant compared to the volume moving by truck over the highways. An effective low-profile car coupled with aggressive marketing and convenient scheduling could reverse this imbalance because the vast majority of goods produced in the Northeast is high-value merchandise, which is particularly suited to intermodal shipment. Shippers are willing to pay premium rates in return for reliable, high-speed and damage-free delivery. Truckers are currently more able to meet this demand than the railroads are.

Bringing excellent piggyback service to the Northeast and capturing a significant share of the freight traffic back from the trucks will, of course, require much more than just the development of a new railcar. The FRA's ongoing intermodal demonstration project is vital in determining the kind of service and marketing required to make TOFC competitive with trucking. In addition, planners and other interested parties must continually evaluate the unique requirements of specific regions. It is with this idea in mind that I have engaged in a series of correspondence with James A. Hagen, senior vice president for marketing and sales at ConRail, concerning piggyback service in the Northeast. I am appending our latest exchange of letters, which discuss a number of issues that must be resolved if competitive TOFC is to be brought to the region.

The two letters follow:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 21, 1977.

JAMES A. HAGEN,
Senior Vice President, Marketing, Conrail, Six Penn Center Plaza, Philadelphia, Pa.

DEAR MR. HAGEN: I have enclosed a copy of the section of the Department of Transportation Report, passed by the House on June 2, containing the language which provides for an assessment and, if appropriate, demonstration of three low-profit intermodal rail cars to overcome clearance restrictions in the Northeast.

It has come to my attention that two points I made in my *Record* statements and press release on the subject were not entirely accurate. Whereas it was my understanding that no piggyback trains could travel north of Washington, D.C., because of clearance restrictions, apparently some piggyback service is routed around the existing obstacles.

Similarly, I believed that no intermodal traffic could travel into New England, north of the Hudson. Apparently some traffic is routed by way of Selkirk to the southern part of New York and New England, and some piggyback trains from the Mideast are able to take a northern route to upper New England (to Springfield, Mass. for example).

At the same time, I have been assured that this intermodal service, while possible, is limited because most shippers wish to avoid the delays caused by the roundabout routes required to overcome the clearance restrictions. I would like to know exactly what the facts are. Could you provide me with the routes, schedules, and approximate usage of piggyback service offered by Conrail north of Washington, D.C., and north of the Hudson River?

On a related matter, I would be interested in your thoughts on the concept of routing freight trains with light-weight, as opposed to bulk, loads through the Amtrak tunnels under the Hudson during off hours. This would seem to be a natural route for dedicated intermodal trains using advanced low-profile cars (when they're available).

Because of the energy-saving and environmental advantages inherent in railroads, and because I would like to see the congestion caused by trucks in the New York-New England area relieved and the economic climate of the region improved, I would be interested in any suggestions you might have as to how I could be helpful in improving freight rail service in the Northeast.

I look forward to hearing from you and appreciate your assistance.

All the best.

Sincerely,

EDWARD I. KOCH.

CONRAIL,
Philadelphia, Pa., July 5, 1977.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR SIR: This refers to your letter of June 21, 1977 with regard to Conrail's piggyback operations in the Northeast.

Conrail operates piggyback service between Potomac Yard, south of Washington, D.C. and South Kearney, New Jersey near New York City. Connections are made at Potomac Yard with the Southern, R. F. & P., and SCL railroads which serve the South and Southeast. The Conrail trains, TV–23 southbound and TV–24 northbound, operate via a route through Baltimore, Maryland, Wilmington, Delaware, Philadelphia, Pa., Trenton, New Jersey, Newark, New Jersey, with trackage rights over the Amtrak Northeast Corridor. TV–24 is scheduled to depart Potomac Yard at 8:30 P.M. daily and arrive South Kearney, New Jersey at 4:00 A.M. the following morning. TV–23 is scheduled to depart South Kearney, New Jersey at 12:01 A.M. daily except Monday and arrive Potomac Yard at 6:45 A.M. the same morning.

There are clearance restrictions on this route through the tunnels in Washington, D.C. and Baltimore, Maryland. A loaded height of 16' 2" can be accommodated. All trailers 12' 6" high can be moved on standard height (3' 8") piggyback cars. Trailers that are 13' 0" or 13' 6" high must be moved on low deck cars, which are available in the Trailer Train Company fleet.

Piggyback traffic moving between Potomac Yard and New England cities, such as New Haven, Connecticut, Springfield, Mass., and Boston, Mass. is handled in freight trains moving on the Amtrak Northeast Corridor between Washington, D.C. and Newark, New Jersey and on the west shore of the Hudson River to Selkirk Yard near Albany, New York. Traffic is then moved over former Penn Central lines between Selkirk Yard and various New England cities. Typical schedules are shown below:

			Time	Day
Northbound:				
LV	Potomac Yard	NE–2	5:30 p.m.	1
AR	Selkirk Yard	NE–2	3:00 p.m.	2
LV	Selkirk Yard	BA–2	11:00 p.m.	2
AR	Boston	BA–2	10:30 a.m.	3
LV	Selkirk Yard	BA–4	1:00 p.m.	3
AR	Springfield	BA–4	6:00 p.m.	3
LV	Selkirk Yard	CH–4	1:00 a.m.	3
AR	New Haven	CH–4	11:15 a.m.	3
Southbound:				
LV	Boston	BV–3	4:00 a.m.	1
LV	Selkirk Yard	BV–3	3:00 p.m.	1
LV	Do	MW–1	7:00 p.m.	2
AR	Potomac Yard	MW–1	6:15 p.m.	3
LV	Springfield	NS–3	3:30 a.m.	1
AR	Selkirk Yard	NS–3	8:00 a.m.	1
LV	New Haven	NS–3	11:00 p.m.	0
AR	Selkirk Yard	NS–3	8:00 a.m.	1
LV	Selkirk Yard	MW–1	7:00 p.m.	1
AR	Potomac Yard	MW–1	6:15 p.m.	2

The same clearance restrictions exist in the Washington-Baltimore area for traffic moving between Potomac Yard and New England cities as was explained in a prior paragraph.

Piggyback service is also provided between New England cities and the West or Southwest by connection with other railroads at such major gateways as Cincinnati, St. Louis, Chicago or Streator, Illinois. Service is also available between New England Conrail piggyback ramps at Albany, Springfield, Worcester, Boston, and New Haven and Conrail piggyback ramps located in various cities, among others, such as Chicago, St. Louis, Indianapolis, Columbus, Detroit, Louisville, and Cincinnati. Typical service schedules between Chicago and Indianapolis on the one end and Boston is as follows:

			Time	Day
Eastbound:				
LV	Indianapolis	TV–6	7:30 a.m.	1
AR	Boston	TV–6	5:30 p.m.	2
LV	Chicago	TV–14	11:30 p.m.	1
AR	Boston	TV–14	8:45 a.m.	3
Westbound:				
LV	Boston	TV–5	8:30 p.m.	1
AR	Indianapolis	TV–5	4:30 a.m.	3
LV	Boston	TV–13	11:45 p.m.	1
AR	Chicago	TV–13	6:05 a.m.	3

Numerous piggyback trains operate in the New England area serving various routes to the West and Southwest on the Conrail system. These trains are specifically TV–5, TV–6, TV–7, TV–8, TV–9, TV–9S, TV–10, TV–10S, TV–13 and TV–14. These trains travel over former New York Central routes via Albany-Cleveland, etc. There are no clearance restrictions over these routes which prohibit moving 13'6" trailers on standard height piggyback cars.

Conrail is now handling substantial volumes of piggyback traffic via all of these routes. However, this volume is rather insignificant when compared with the volume of traffic moving on the highway.

The concept of routing freight trains with lightweight traffic through the Amtrak tunnels under the Hudson River during off hours is an interesting proposal. Many facts would have to be developed, however, before this can be seriously considered. Included, would be a marketing survey to determine traffic potential, engineering studies to determine the capability of the Hudson tunnels to withstand freight train operations, determination that freight operations would not unduly hamper passenger operations and track maintenance in the Penn Station Complex, and development of a low deck car capable of carrying a 13'6" trailer without exceeding the allowable clearance of 14'8". This would have to be done with the cooperation of Amtrak. The ultimate decision of whether to allow freight operations in the Penn Station Complex would rest with Amtrak. All of this would have to be compared with service that will be available over rehabilitated routes which avoid the Hudson tunnels. I have an open mind with regard to this proposal, but must point out its complexity.

I appreciate your assistance and interest in improving rail service.

Sincerely,

J. A. HAGEN,
Senior Vice President,
Marketing and Sales.

CONGRESSIONAL SALUTE TO THE HONORABLE EDWARD B. HAINES, PUBLISHER-EMERITUS OF THE NEWS, PATERSON, N.J., DISTINGUISHED JOURNALIST, ESTEEMED COMMUNITY LEADER, AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1977

Mr. ROE. Mr. Speaker, on Saturday, August 20, the residents of my congressional district, State of New Jersey will assemble at the Wayne Manor in testimony to the outstanding newspaper career of my good friend, exemplary community leader, and distinguished citizen, the Honorable Edward B. Haines, publisher-emeritus of the News, whose richness of wisdom and lifetime of professional expertise in reporting the news with distinction and dedication to our people deserves our highest commendation.

As Publisher Haines retires from his illustrious daily pursuits as publisher, editor, and president of the News, I am pleased to join with his many, many friends in deep appreciation of all of his good works and share great pride in the success of his achievements with his wife Florence and their two children, Diane and Harry.

Mr. Speaker, Ed Haines commenced his career in journalism at the age of 14 with the News. As he forged ahead with ever-increasing knowledge, training, hard work, and personal commitment to rise from office boy to publisher, the quality of his leadership and excellence of his expertise evolved and merged with the renown and acclaim of the News as the most prestigious all-day, morning, and evening, newspaper in Paterson, N.J.

As a reporter, ad salesman, circulation district manager, business manager, vice president and, finally, president and publisher, he guided the News through some of its most difficult and glorious years as a free investigative press, opening the doors of enlightenment in its public information endeavors of bringing local, State, national and world news to our people. Under his direction and leadership, the newspaper has flourished, achieving record high precedents in advertising, circulation and revenue in 1972.

Mr. Speaker, the news media, universally known as the fourth estate of our people, perform a most vital function in our Nation involving the very texture and fiber of the kind of society to which we aspire. Ed Haines is the third genera-

tion of the Haines family to be publisher of The News, succeeding his father, the most distinguished editor-publisher, Honorable Harry B. Haines, who went to his eternal rest in 1972. Ed's grandfather, the Honorable Edward B. Haines, who founded the News, in 1890 had served as editor and publisher prior to his passing in 1912.

The Haines family has been "reporting the news" to our people and contributing to the quality of life in our community for over 87 years. They have earned the highest esteem and respect of all of us who have had the good fortune to know them and, most assuredly, have always achieved the fullest confidence and strongest support of all of our people.

Ed Haines married Florence Horcher 37 years ago and along with their two children are carrying on the journalistic traditions and community leadership of the Haines family. Their son, Harry B. Haines is executive editor; and their daughter, Diane Haines, is the supreme court reporter for the News.

Mr. Speaker, Ed Haines has excelled in his profession and, through his writings and by his example, has truly inspired the youth of America, serving as a shining example of the vast intricate fiber that has been woven by our people throughout the centuries to make our world a better place to live in and maintain our Nation's preeminence and leadership in global affairs.

Ed graduated from Columbia University in 1932 with the highest honors in journalism and currently serves on the Board of Trustees, St. Joseph's Hospital; Board of Directors, Suburban Savings and Loan Association; Honorary Life Member, Policemen's Benevolent Association—PBA. He is founder, first president and has served as State president of the Paterson Jaycees and is an honorary life member of Rotary. The Boy Scouts honored him with their highest award—the Silver Beaver, and he is a lifetime member of the Passaic Valley Boy Scout Council.

Mr. Speaker, I appreciate the opportunity to call to the attention of you and our colleagues here in the Congress the lifetime of outstanding public service of Ed Haines and seek this national recognition of all of his good works. His standards of excellence, professional expertise and sincerity of purpose in gathering, writing, editing, disseminating and reporting the news of local, national, and international significance with the highest ideals of principle and service to our people have truly enriched our community, State and Nation. We do indeed salute the Honorable Edward B. Haines, publisher-emeritus of the News, Paterson, N.J.

SENATE—*Wednesday, September 7, 1977*

The Senate met at 12 noon and was called to order by Hon. DENNIS DECONCINI, a Senator from the State of Arizona.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Mr. President, responding to a resolution of the First Continental Congress, on this day September 7, 1774, the Reverend Jacob Duche of Christ Church, Philadelphia, appeared in ecclesiastical vestments, read the 35th Psalm and followed it with "a fervent prayer." Since that day, the daily sessions of the Congress have been convened with prayer. It is fitting that our prayer on this anniversary should be a portion of the prayer on that day—nearly 2 years before the Declaration of Independence.

Let us pray:

"O Lord, our Heavenly Father, High and Mighty King of Kings, and Lord of Lords, who dost from Thy throne behold all the dwellers on Earth and reignest with power supreme and uncontrolled over all the Kingdoms, Empires, and Governments; look down in mercy we beseech Thee; on these American States, who have fled to Thee from the rod of the oppressor, and thrown themselves on Thy gracious protection, desiring henceforth to be dependent only on Thee; to Thee, they have appealed for the righteousness of their cause, to Thee do they now look up for that countenance and support which Thou alone canst give; take them, therefore Heavenly Father, under Thy nurturing care; give them wisdom in council and valor in the field; . . .

"Be Thou present, O God of wisdom, and direct the councils of this honorable assembly; enable them to settle things on the best and surest foundation, that the scene of blood may be speedily closed; that order, harmony and peace may be effectually restored, and truth and justice, religion and piety prevail and flourish among Thy people. Preserve the health of their bodies and vigor of their minds; shower down on them, and the millions they here represent, such temporal blessings as Thou seest expedient for them in this world, and crown them with everlasting glory in the world to come.

"All this we ask in the name and through the merits of Jesus Christ, Thy Son, our Saviour. Amen."

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 7, 1977.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DENNIS DECONCINI, a Senator from the State of Arizona, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. DECONCINI thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, August 5, 1977, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Research and Development Subcommittee of the Armed Services Committee be permitted to meet during the session of the Senate today, to consider S. 1863, supplemental authorization for the cruise missile.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period, not to exceed 10 minutes, following the recognition of the two leaders under the standing order, for the transaction of routine morning business, for the purpose of the offering of statements, resolutions, bills, petitions, and memorials into the RECORD, and that there be a limitation on statements by Senators of 2 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CURRENT DELIBERATIONS WITH FUTURE RAMIFICATIONS

Mr. ROBERT C. BYRD. Mr. President, during the first 7 months of the 95th Congress, the Senate established an enviable record of accomplishments. Among our actions, we adopted a tough code of conduct, as well as enacting environmental legislation, establishing a new Department of Energy, granting the President authority to reorganize executive branch agencies, and passing the President's economic stimulus program, to name only a few pieces of legislation that we considered and passed.

All Senators are to be commended for their determination to cover as much legislative ground as possible before we resumed our work today.

In this regard, I express my deep appreciation to the distinguished minority leader and members of the minority party, the distinguished chairmen of the committees, and the ranking members of committees, as well as my colleagues on this side of the aisle, for the splendid cooperation, understanding, forbearance, and patience that have marked the ac-

tions of the Senate during the session thus far.

In the next few weeks, it will be our responsibility to make some of the most important and far-reaching decisions that we shall be called on to make in the 95th Congress. We shall have before us the President's energy program. Our actions on this matter will have a potential to affect every American for decades to come.

For several years, experts in the field of energy have predicted that many of the readily available fossil fuels on which contemporary civilization is dependent—especially oil and natural gas—are being depleted at rapid rates. Our habitual dependence on the internal combustion engine for transportation, and oil and gas for heat and the generation of electricity have pushed our rates of consumption of fossil fuels to higher and higher levels each year.

The oil embargo of 1973 and the severe seige of cold weather experienced by much of the country last winter combined to provide the citizens of this Nation with but a mild foretaste of the impact that a genuine energy famine could have on us. Without responsible actions to assure the wise use of our available energy resources in the immediate future and the development of alternative energy supplies in coming generations, the economy of the United States, the welfare and health of our people, and the very security of this country are in jeopardy.

The Senate has already passed 21 energy-related bills in this session, 10 of which have been enacted into law. The actions that we have thus far taken on the energy crisis, coupled with the decisions we shall make in the weeks ahead, are but the beginnings of a counterattack against an impending "energy doomsday." By our deliberations on energy, we are laying the groundwork for future possible solutions to the energy dilemma and providing time in which to search for and discover the energy supplies of the centuries to come. To paraphrase the poet Wordsworth, in our work in these autumn days, we serve the future hours. Some of us may not live so long as to witness and enjoy the full fruits of our labor and wisdom, but I hope that we shall work in such a fashion that our posterity will acknowledge that we acted responsibly in the Senate of the 95th Congress to insure that our sons and daughters were enabled better to enjoy the continued prosperity and privileges of life in the United States.

Mr. BAKER. Mr. President, this is, of course, the first day of the reconvening of the Senate following the break in our legislative schedule sanctioned and required by statute.

I take this opportunity to extend my congratulations to the majority leader for his statement just given. I offer to him my congratulations for the work of the Senate in this session to date. I express to him my appreciation for his remarks directed toward the minority and its participation in moving the workload of this body.

Also, I say to my friend the majority leader and to all our colleagues that it is good to be back, refreshed by the statutory break, with, I trust, the wisdom given us by the collective judgment of our constituents on a range of issues, and fully prepared to meet and come to terms with the matters that will be before the Senate.

There are important issues—indeed, issues, as the majority leader has said, of transcendent importance—issues that not only the Senate but also the committees of the Senate must consider carefully.

I note the presence on the floor now of the distinguished chairman of the Committee on Foreign Relations. It is no surprise to him, I am sure, to know that in my travels in Tennessee, the issue most often mentioned was the proposal for two new treaties and other agreements and undertakings with the Republic of Panama.

I also see on the floor the distinguished chairman of the Environment and Public Works Committee, and we know that the matter before the Senate now is within the jurisdiction of that committee. I would mention also that during those travels in Tennessee the issue probably second most often mentioned was the question of energy and alternative fuels.

The only observation I would offer in these brief remarks, Mr. President, is that the country is fully aware of the nature, the importance, and the urgency of the great issues that confront us. In some ways the country may be ahead of us in deciding what we ought to do about it, but that is not infrequently the case.

As I have remarked on the floor of the Senate on previous occasions, I have a great confidence, indeed, a veneration, for the collective judgment of the people of the United States. It is our business as public servants to try to harvest that judgment and translate it into effective governmental policy.

So as we approach these serious issues, the Panama Canal, our general foreign policy situation, the energy program of the Government of the United States, and other issues, I would assume my friend the majority leader, as I believe he already knows, that we will approach them in good spirit and good conscience.

We will work together. We will agree, and on occasions we will disagree, but it is my fervent hope that the Senate and the country will be better served in both cases for the sustained effort.

Mr. President, I think the Senate is fully prepared to come to terms with the important issues, and we are ready to proceed.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader for his eloquent, cogent, and very appropriate remarks.

Mr President, I yield back the remainder of my time.

Mr. BAKER. Mr. President, will the majority leader withhold that?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I have a request from the distinguished Senator from South Carolina (Mr. THURMOND) for part of my time remaining under the standing order. I see he is coming through the door now.

Mr. President, if I may, I yield the remainder of my time under the standing order to the distinguished Senator from South Carolina.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business, with a time limitation on statements therein of 2 minutes.

The Senator from South Carolina is recognized.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished Senator from South Carolina will yield to me briefly——

The ACTING PRESIDENT pro tempore. Will the Senator from South Carolina yield?

Mr. THURMOND. Mr. President, I am pleased to yield.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Thursday, September 8, at 2 p.m. to consider social security legislation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PANAMA CANAL TREATIES

Mr. THURMOND. Mr. President, after careful consideration and study over a number of years, I have concluded that the Panama Canal is of such vital importance to the United States that it would be a serious error to cede it to the Republic of Panama as contemplated in the treaties which will be signed later today.

I have made several trips to Panama to view firsthand the situation there. As recently as August 19–21 of this year, I traveled with Senator HELMS of North Carolina and Senator HATCH of Utah on an inspection trip to view the canal. The more I learn about the situation there, and the more I am able to find out about the treaty to cede the territory and the neutrality treaty and their implications, the more convinced I am that the Senate should reject them.

There are a number of considerations I would like to discuss, among them the defense, political, economic, and legal reasons to oppose ratification of the treaties.

First, I will discuss national defense considerations.

The canal permits a quick two-ocean response by our naval forces to any military emergency. As you are probably aware, four former Chiefs of Naval Operations have so attested in a personal letter to the President. These four great naval strategists, Admirals Anderson, Burke, Carney, and Moorer, have retired from the active service and speak with a free mind uninhibited by political considerations. Their assessment of a canal giveaway, as reflected in the warning to the President, is sobering to say the

least. In their letter to the President they warned:

Loss of the Panama Canal, which would be a serious setback in war, would contribute to the encirclement of the U.S. by hostile naval forces, and threaten our ability to survive.

Approximately 98 percent of our naval fleet can transit the canal. Only our larger aircraft carriers are unable to use it. It is well to bear in mind that the 8,000-mile journey around the Horn adds 3 weeks to interocean transit time and costs 10 times as much as passage through the canal. Clearly, movement of troops or supplies around the Horn is hardly an acceptable alternative to use of the canal. As long as the United States retains sovereignty over and title to the canal, our Government maintains practical control. Under the neutrality arrangement proposed in the treaty, we lose practical control. Not only that, but according to members of the State Department negotiating team who briefed me, we oblige ourselves to guarantee access to our enemies in time of war. For this reason alone, Mr. President, I would urge my colleagues to reject this treaty. Control of territory and access routes is one of the most important elements of successful military strategy. Unless we maintain control, we will be at the mercy of the government which controls Panama.

Now, Mr. President, I shall turn to the question of the political importance of the canal and to foreign policy considerations.

Closely related to the military importance of the canal is the strategic deterrence which our presence in the canal area provides against Communist initiatives in that part of the world. As our treaty negotiators were reaching the agreement in principle on ceding American ownership and control, the ink was barely dry on a new economic and commercial agreement between Panama and the Soviet Union. Apparently, as our Government prepares to evacuate that part of the world pursuant to the proposed treaty, the Soviets are preparing to move in.

As might be expected, a canal giveaway has other implications as well for our foreign policy. Whether this means a further diminishing of U.S. influence throughout the world is of great concern to me. Is it part of a pattern of retreat which we have established in Southeast Asia, South Korea, Western Europe, and possibly Taiwan? This misguided direction of our foreign policy engenders consternation on the part of our allies and audacity on the part of our adversaries.

Mr. President, we cannot hope to deal effectively with other nations, and certainly not to play a leadership role, if we yield to blackmail. That is the only way to describe the threats of violence in Panama and in the Canal Zone, and threats of sabotage to the canal, which treaty proponents are broadcasting far and wide, and using as their chief argument for ratification. If the Senate were to ratify a treaty in the face of such threats, it would show the world a craven attitude which is entirely alien to our national character and our history and which would invite further exploitation by others.

Moreover, the present government in Panama is unstable and ill-prepared to run the canal. Panama has had 59 chief executives in 74 years. Under General Torrijos, who has ruled as dictator since 1968, public indebtedness has increased ten-fold, from $167 million to $1.5 billion. It is my prediction that, if the Torrijos regime gains control, such economic ineptitude will bankrupt the canal operation and oblige Panama to call upon other nations to take it over.

Furthermore, the current government there has violated the present treaty 11 times within the past 2 years.

This is not a record which inspires confidence in those of us who are being asked to approve a new, more generous treaty. The aspect of the Torrijos government though, which may be most significant for our purposes, is that it is a repressive dictatorship. Freedom House, the respected organization which ranks countries on the basis of human rights, gives Panama the lowest rating in Latin America. Panama received the same 1977 rating on political and civil liberties as the Soviet Union, and was rated even lower than Cuba.

Freedom House is a nonpartisan organization which the State Department cites in its report to Congress pursuant to the provisions of the Foreign Assistance Act. At the time of its last report on January 30, 1977, Freedom House listed as members of its board such eminent citizens as Mr. Zbigniew Brzezinski, now Director of the National Security Council; former Senator Gale McGee, now Ambassador to the OAS; Senator JACOB JAVITS; Mr. Roy Wilkins, former executive director of the NAACP; and other notable Americans.

Mr. President, I ask unanimous consent that the Freedom House table of nations that sets out the comparative survey of freedom among the nations of the world be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARATIVE SURVEY OF FREEDOM—TABLE OF NATIONS

	Political rights [1]	Civil rights [1]	Status of freedom [2]	Outlook [3]
Afghanistan	7	6	NF	0
Albania	7	7	NF	0
Algeria	*6	6	NF	0
Andorra	4	4	PF	0
Angola	6	6	NF	0
Argentina	6	5	NF—	+
Australia	1	1	F	0
Austria	1	1	F	0
Bahamas	1	2	F	0
Bahrain	6	4	PF	0
Bangladesh	7	4?	PF+	0
Barbados	1	1	F	0
Belgium	1	1	F	0
Benin [4]	7	7	NF	0
Bhutan	4	4	PF	0
Bolivia	6	*4	PF*	0
Botswana	2	3	F	0
Brazil	4	5	PF	0
Brunei	6	5	F	0
Bulgaria	*7	7	NF	0
Burma	6	6	NF	0
Burundi	7	6	NF	0
Cambodia [4]	7	7	NF	0
Cameroon	*7	*5	NF*	0
Canada	1	1	F	0
Cape Verde Islands	*6	*6	NF*	0
Central African Republic	7	7	NF	+
Chad	7	6	NF	0
Chile	7	5	NF	+
China (Communist)	7	7	NF	0
China (National)	*5	5	PF*	0
Colombia	2	3	F	0
Comoro Islands	5	*3	PF	0
Congo Republic	5	6	PF	0
Costa Rica	1	1	F	0
Cuba	7	*6	NF	+
Cyprus	3+	4	PF	0
Czechoslovakia	7	6	NF	0
Denmark	1	1	F	0
Dominican Republic	4	*3	PF	0
Ecuador	*6	4	PF	0
Egypt	5+	4	PF	+
El Salvador	3—	3	PF—	0
Equatorial Guinea	6	7	NF	0
Ethiopia	7	6	NF	0
Fiji	2	2	F	0
Finland	2	2	F	0
France	1	*1	F	0
Gabon	6	6	NF	0
Gambia	2	2	F	0
Germany (East)	7	7	NF	+
Germany (West)	1	1	F	0
Ghana	7	5	NF	0
Greece	2	2	F	0
Grenada	2	4	PF	0
Guatemala	4	3	PF	0
Guinea	7	7	NF	0
Guinea-Bissau	6	6	NF	0
Guyana	3+	3	PF	0
Haiti	6	6	NF	0
Honduras	6	3	PF	0
Hungary	6	6	NF	0
Iceland	1	1	F	0
India	3—	5	PF	0
Indonesia	5	5	PF	0
Iran	6	6	NF	0
Iraq	7	7	NF	0
Ireland	1	*1	F	0
Israel	2	3	F	0
Italy	*2	*1	F	0
Ivory Coast	6	5	NF	0
Jamaica	1	3—	F	0
Japan	2	1	F	0
Jordan	6	6	NF	0
Kenya	5	5	PF	0
Korea (North)	7	7	NF	0
Korea (South)	5	6—	PF?	0
Kuwait	6—	5—	NF—	0
Laos	7—	7—	NF—	0
Lebanon	4	4	PF	0
Lesotho	5	4	PF	0
Liberia	6	4	PF	0
Libya	7	6	NF	0
Liechtenstein	4	2	PF	0
Luxembourg	2	1	F	0
Malagasy Republic	6—	5	NF—	0
Malawi	7	6	NF	0
Malaysia	3	4	PF	0
Maldives	4	4	PF	0
Mali	7	7	NF	0
Malta	1	2—	F	0
Mauritania	6	6	NF	0
Mauritius	3	2	F	0
Mexico	4	4—	PF	0
Monaco	4	2	PF	0
Mongolia	7	7	NF	0
Morocco	5	5	PF	+
Mozambique	7—	7—	NF	0
Nauru	2	2	F	0
Nepal	6	5	NF	0
Netherlands	1	1	F	0
New Zealand	1	1	F	0
Nicaragua	5	*5	PF	0
Niger	7	6	NF	0
Nigeria	6	*4	PF	+
Norway	1	1	F	0
Oman	*6	6	NF	0
Pakistan	*4	5	PF	0
Panama	7	6	NF	0
Papua-New Guinea	*2	2	F*	0
Paraguay	2	6—	NF—	0
Peru	6	4	PF	+
Philippines	5	5	PF	0
Poland	6	6	NF	+
Portugal	2+	2+	F+	0
Qatar	*5	5	PF*	0
Rhodesia	6	5	NF	0
Rumania	7	6	NF	+
Rwanda	7	5	NF	0
San Marino	2	2	F	0
Sao Tome and Principe	5	5	PF?	0
Saudi Arabia	6	6	NF	0
Senegal	6	4	PF	+
Seychelles	1+	2	F	0
Sierra Leone	6	5	PF	0
Singapore	5	5	PF	0
Somalia	7	*7	NF	0
South Africa	4	5	PF	+
Spain	5	3+	PF	+
Sri Lanka	2	*3	F*	0
Sudan	6	6	NF	0
Surinam	2	2	F	0
Swaziland	6	4	PF	0
Sweden	1+	1	F	0
Switzerland	1	1	F	0
Syria	6	*6	NF	0
Tanzania	6	6	NF	0
Thailand	6—	6—	NF—	+
Togo	7	6	NF	0
Tonga	5	3	PF	0
Transkei	6	5	NF?	0
Trinidad and Tobago	2	2	F	+
Tunisia	6	5	NF	0
Turkey	2	3	F	0
Uganda	7	7	NF	0
U.S.S.R.	7	6	NF	0
United Arab Emirates	*5	5	PF*	0

	Political rights [1]	Civil rights [1]	Status of freedom [2]	Outlook [3]
United Kingdom	1	1	F	0
United States	1	1	F	0
Upper Volta	5+	5−	PF	+
Uruguay	6−	*6−	NF−	+
Venezuela	*1	2	F	0
Vietnam	7	7	NF	0
Western Samoa	4	2	PF	+
Yemen (North)	6	5	NF	0
Yemen (South)	7	7	NF	0
Yugoslavia	6	6	NF	0
Zaire	7	6+	NF	0
Zambia	5	5	PF	0

[1] The scales use the numbers 1–7, with 1 comparatively offering the highest level of political or civil rights, and 7 the lowest. A plus or minus following a rating indicates an improvement or decline in the rating since the last survey. A rating marked with an asterisk (*) has been changed since the last survey due to reevaluation by the author. This does not imply any change in the country. For further information on the scale and survey see "Freedom at Issue," Jan.–Feb. 1973, p. 2ff.

[2] A free state is designated by F, a partly free state by PF, and a nof free state by NF.

[3] A positive outlook for freedom is indicated by a plus sign, a negative outlook, by a minus, and relative stability of ratings by a zero. The outlook for freedom is based on the problems the country is facing, the way the government and people are reacting to these problems and the longer run political traditions of the society. A judgment of outlook may also reflect an imminent change, such as the expected adoption of a meaningful new constitution.

[4] The name of Dahomey has been changed to Benin. Cambodia is now officially Kampachea.

Mr. THURMOND. In fact, we are about to legitimize the regime of General Torrijos by awarding him the triumph of concluding this treaty.

If the administration were serious about human rights, it would not even negotiate with this man until he held free, open, and honest elections. This is selective morality at its worst.

Now, Mr. President, I shall turn to the economic considerations involved in the current debate. The economic interest which the United States has in the canal, like our defense interest, is so vital to us that we can ill-afford to gamble with it.

In 1975, approximately 14,000 ships transited the canal; 45 percent of which originated in the United States, and 23 percent of which were bound for the United States. No other nation has an equal economic stake in the canal. The canal, though, is important to all of the world's commercial nations, since 96 percent of the world's ocean-going vessels can transit it.

The canal is just this year assuming an additional commercial importance to the United States as Alaskan oil begins to flow. When the Alaskan pipeline reaches its full capacity, it will yield 1.2 million barrels of oil a day. The west coast of the United States can accommodate only 700,000 barrels a day. This means that approximately 500,000 barrels a day cannot be used on the west coast, and must be transported to the east. No pipeline has yet been constructed across the United States, and the trip around the Horn, as has been demonstrated, is not economically feasible. Unhindered use of the Panama Canal is critical until an adequate pipeline can be constructed.

At the present time, the United States has an overall investment in Panama of $7 billion. By the year of our total evacuation under the terms of the treaty, that interest will have grown to $9.3 billion.

Contrary to popular argument, control of the canal by the United States serves the best economic interests of the people of Panama. In 1976, U.S. agencies purchased over $29 million worth of goods in Panama, and we paid over $108 million in wages to non-U.S. citizens. U.S. private investments amount to 50 percent of the capital investment in Panama. And U.S. employees spent $39 million there.

If we retain sovereignty and control over the canal, it is my suggestion that we propose a modernization which will mutually benefit the people of the United States and the citizens of Panama. In the past, I have supported the Terminal Lake Third Lock plan. This would provide for approximately $2.5 billion in capital investments over a 5- to 10-year period. In this effort, many Panamanian nationals would be used as subcontractors and the result would be an infusion of American capital into the Panamanian economy. As the canal is modernized, any unneeded land in the zone can be ceded to Panama. It would also be appropriate to make a realistic adjustment in the annuity.

With the foregoing considerations in mind, Mr. President, I turn now to the legal question posed by the current debate.

Article IV, section III, clause 2 of the Constitution unequivocally gives Congress the "power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States."

Congress enacted the Spooner Act in 1902 to provide for the construction and defense of an interocean canal, and pursuant to this act the United States acquired its property rights in the Canal Zone in perpetuity. It is thus my belief that a treaty to cede property rights in the Canal Zone to the Republic of Panama requires prior authorization by Congress.

On the other hand, the State Department contends that under the treaty power clause contained in article II, section 2, the President holds concurrent authority to dispose of U.S. property. The counterargument is that the property clause in article IV limits the treaty power clause where the disposition of property is concerned. That seems to me to be obvious.

Since the Executive claimed the authority, however, to dispose of U.S. property without first seeking prior authorization from Congress, and actually proceeded to do so, I joined with a number of other Senators and Congressmen to seek a declaratory judgment on this significant separation of powers question.

Both the District Court for the District of Columbia and the Court of Appeals in the District refused to consider the merits of the case on the basis that the issue was premature. At that time, they said, we did not know the specifics of any proposed treaty. In June, the Supreme Court declined to grant certiorari.

Now, Mr. President, we do know the specifics of the treaties. We know, too, that the State Department continues to ignore the questions of prior authorization and the role of the House of Representatives in disposition of property by treaty.

The only way to settle the questions is to seek a determination by the courts. I am pleased, therefore, to inform the Senate that Senators JESSE HELMS, JAMES A. MCCLURE, and I, together with Congressmen DANIEL J. FLOOD, LAWRENCE P. MCDONALD and M. GENE SNYDER, and William R. Drummond, a resident of the Canal Zone, will again file suit as soon as the President formally sends the treaties to the Senate.

I am further pleased to inform the Senate that five States will join as parties to the action, and that because of the importance and timeliness of the issue, we will seek original jurisdiction in the U.S. Supreme Court. We will be represented by the distinguished attorney, George S. Leonard, of the District of Columbia, who has so ably testified before the Subcommittee on Separation of Powers of the Senate Judiciary Committee on the legal problems raised in respect to the Panama Canal negotiations.

It is not the function of our courts to enforce public opinion. Nevertheless, it is worth noting that public opinion is strongly against a giveaway of the Panama Canal. The margin was 3 to 1 in a nationwide poll by Opinion Research Corp., and 9 to 1 in my own poll of South Carolinians.

Its individual members are also charged with the responsibility of responding to the public will. In this matter, the two responsibilities converge. The disposition of the Panama Canal under the proposed treaty is unwise, unwanted and unconstitutional. I urge the Senate to do all it can to prevent it.

This Senate is charged with the responsibility of protecting the interests of the legislative branch and of monitoring the separation of powers between the three coordinate branches of our Government.

Mr. President, I wish to thank the distinguished Senators who yielded time to me. I now yield the floor.

EXTENSION OF TIME FOR MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The time for the transaction of routine morning business has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be an extension of time of an additional 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SEPTEMBER GOLDEN FLEECE GOES TO NATIONAL ENDOWMENT FOR THE ARTS

Mr. PROXMIRE. Mr. President, today I am giving the Golden Fleece of the Month Award for September to the National Endowment for the Arts for making a $6,025 grant to an artist to film the throwing of crepe paper and burning gases out of high-flying airplanes.

The National Endowment for the Arts, which will spend $123.5 million of Federal money in the coming year, made this grant in order to "document on film an event designed to alter an audience's immediate environment for a short period

of time," according to Mrs. Nancy Hanks, the Endowment Chairman.

The audience's immediate environment is altered when four 1-mile-long, 20 inch wide crepe paper rolls were thrown out of two small planes flying over El Paso, Tex. The crepe paper rolls were accompanied by two sky divers who reeled out the crepe paper as they—the paper and skydivers—fell toward the ground.

Another taxpayer-sponsored drop involved a team of skydivers parachuting down to Earth in Pennsylvania wearing backpacks of glowing gases.

According to Mrs. Hanks' letter to me, funding for this project was based on the review of past work of the artist by a panel of experts. Some of the earlier work of this artist, none of which was paid for with Federal funds, include a film of crepe paper drops in New Mexico, Pennsylvania, and Texas. In addition to crepe paper drops the artist has dropped bouquets of plastic streamers, tire rubber, and even 35 rolls of toilet paper out of airplanes. The artist told my staff that the toilet paper made lovely patterns as it dropped from the sky, but crepe paper is even better.

While the taxpayer was not charged for the toilet paper fling, the crepe paper extravaganza is just about as outrageous.

In explaining the nature of her work to my staff the artist said that her work calls attention to the higher spirit of mankind and the coming era of peace and harmony on Earth.

MONEY SPENT TO FILM IN CARIBBEAN AND SOUTHWEST

Based upon documents submitted to the Endowment by the Pittsburgh artist, here is how some of the $6,025 in grant money were spent:

The amount of $1,424.28 for air fare and lodging for the artist and her husband, who served as cameraman, for a week's stay in February of 1976 on the Caribbean island of St. Maarten. The artist told my staff it was necessary to go to this exclusive resort island in order to film one of the environments which had influenced her development as an artist. She also explained that she needed the unique combination of beach, sky, flowers and wall paintings found in that part of the world for her movie.

A total of $1,713.32 for travel expenses, including air fare, meals, care rental, and airport parking to the Southwest in August 1976, for the artist, her cameraman husband, a sky diver, and two of her children, who were the ground crew assigned to retrieve the dropped crepe paper.

The movie, which runs about 20 minutes, was received by the Endowment only after my staff asked to see it last month. The film, to which the artist retains the copyright, only contains brief glimpses of the crepe paper and light drops. Much of the film shows various scenes of the artist posing in St. Maarten. The artist says the movie documents those places and elements which influenced her artistic development and has been well received by her peers.

PRIVATE SECTOR, NOT HARD WORKING TAXPAYERS, SHOULD SUPPORT PROJECT

While I strongly support the idea of free expression by all creative artists and believe that the crepe paper dropping artist sincerely believes in the importance of her work, I see no reason for the Federal Government to support these activities.

The money to pay for this outrage comes from taxpayers. The worker who trudges through the factory gates at 7 every morning to spend a grueling day on the assembly line pays. So does the cleaning woman who ekes out a living scouring the floor in a Madison office building all night. The dairy farmer in Marathon County, Wis., who rises at 5:30 to milk his cows and puts in an endless day of work until he harvests his hay crop by the dim light of his tractor long after sunset also pays for this artistic fling.

While the $6,025 in the grant is relatively very small, it is the sum total of the taxes paid by three typical taxpayers of the kind I have listed here.

The Federal Government simply must stop spending hard-earned tax money for this kind of artistic froufrou.

This artist has been successful in carrying out her work without Federal funds in the past, and I wish her the best of luck in her future creations as long as these artistic works are paid for by private sources.

Mr. President, I yield the floor.

CLARIFICATION OF UNANIMOUS-CONSENT AGREEMENT—S. 977

Mr. TOWER. Mr. President, I wonder if I might pose a question to the distinguished majority leader.

I note that in order No. 336 pertaining to S. 977, as printed in the calendar, it is provided that no other amendment dealing with divestiture shall be in order. I do not know whether it was intended to include in the order or not the fact that it would include no present or prospective divestiture or directly or indirectly relating to the divestiture in the colloquy between the Senator from West Virginia and the Senator from Tennessee. I would like to ask the distinguished majority leader if that legislative history is binding on the order to the extent that it is just as binding as if it had appeared in the order.

Mr. ROBERT C. BYRD. Will the Senator restate his question? I beg his pardon. I was distracted in my efforts to find the agreement on the calendar.

Mr. TOWER. In the "Provided further, that no other amendment dealing with divestiture shall be in order," not included in the printed order is the further caveat that the amendment shall not be either present or prospective in terms of divestiture, nor shall it relate directly or indirectly to divestiture. The distinguished Senator from West Virginia in posing the consent agreement engaged in a colloquy with the Senator from Tennessee, the distinguished minority leader, in the CONGRESSIONAL RECORD of August 5, page 27369.

Mr. ROBERT C. BYRD. There would be no time limitation on that amendment; provided further that no other amendment dealing with divestiture indirectly or directly be in order——

Mr. BAKER. Present or prospective.

Mr. ROBERT C. BYRD. Present or prospective—be in order.

Mr. BAKER. With that understanding, I have no objection.

I wanted to clarify with the distinguished majority leader that that is as binding as if it had appeared in the order as printed in the calendar.

Mr. ROBERT C. BYRD. Yes, Mr. President, that was the understanding of the intent of the request, the understanding on the part of both Mr. BAKER and myself, and with that understanding no objection was entered. If the intent had been otherwise, or understood to be otherwise, I am sure there would have been an objection.

Mr. TOWER. I thank the distinguished majority leader for the clarification. I was reasonably certain that was the case. But inasmuch as it was not printed in the order as it appeared in the calendar, I did want to make that clarification.

Mr. ROBERT C. BYRD. I thank the Senator. He has rendered a service by bringing up the matter at this time.

I should think—and there has been no discussion of this contingency that could arise—that there could be an amendment to the Kennedy amendment in the natural course of things, but that any such amendment to the Kennedy amendment would have to be included timewise in the overall 4-hour limitation.

Mr. TOWER. That would be included in the 4-hour limitation, and then, if the tabling motion did not bring down the amendment to the amendment along with the amendment, the time would be unlimited.

Mr. ROBERT C. BYRD. Exactly.

Mr. TOWER. I thank the distinguished majority leader.

Mr. ROBERT C. BYRD. The Senator has stated the situation precisely.

Mr. President, I would ask the Chair if he sees anything in the agreement which would rule out an amendment to the amendment by Mr. KENNEDY as long as such amendment were germane to that amendment, and that if such an amendment were offered the 4 hours would be running on such an amendment as well as on the amendment in the first degree.

The ACTING PRESIDENT pro tempore. If the intent is clear, if that is the intent, to allow other amendments to the Kennedy amendment within 4 hours, that would be proper, if that is the intent. Otherwise, the amendment would not be in order until the 4 hours had been completed.

Mr. ROBERT C. BYRD. The intent was that there be a 30-minute time limit on second degree amendments.

I am glad the Chair responded in such fashion. I think the question I really want to ask is this: Under the precedents, this language in the agreement would not rule out a germane amendment to the Kennedy amendment, with the understanding that under the agreement there would be 30 minutes additional time on such amendment to the amendment.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. TOWER. In further clarification, if the distinguished majority leader will yield further——

The ACTING PRESIDENT pro tempore. If that amendment were offered before the motion to table were made.

Mr. TOWER. The motion to table would take precedence at the expiration of time over another amendment; would it not?

Mr. ROBERT C. BYRD. Yes, it would.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. TOWER. If, however, an amendment is offered prior to the motion to table, would the order that provided for unlimited debate in the event of the failure of a tabling motion still obtain?

Mr. ROBERT C. BYRD. Yes, it would as to the Kennedy amendment itself.

Mr. TOWER. Even if the amendment to the Kennedy amendment tended to ameliorate or in some way change or modify that amendment to the extent that it did not apply to divestiture?

Mr. ROBERT C. BYRD. It would still obtain unless otherwise changed by the Senate.

The ACTING PRESIDENT pro tempore. Is that a question to the Chair?

Mr. TOWER. It is a question of the majority leader. If he answers in the affirmative, I assume that that is the legislative history on the unanimous-consent agreement.

Mr. ROBERT C. BYRD. What I am saying is, so it will be perfectly clear, if I understood the Senator's question, in the event an amendment is offered to the Kennedy amendment, the effect of which amendment in the second degree would be to modify the Kennedy amendment to make it either more palatable or less palatable, depending upon one's viewpoint, that if a motion to table the Kennedy amendment as amended, if amended, fails, then the time agreement on the Kennedy amendment is off.

Mr. TOWER. Regardless of how the amendment to the Kennedy amendment might alter the Kennedy amendment?

Mr. ROBERT C. BYRD. Yes.

The ACTING PRESIDENT pro tempore. The majority leader is correct.

The Chair would like to clarify one point: If the amendment to the Kennedy amendment is made before the tabling motion at the end of the 4 hours, as an amendment in the second degree, it would be allowed 30 minutes under the agreement.

Mr. TOWER. I thank the distinguished majority leader.

Mr. ROBERT C. BYRD. I thank the Chair. The Chair is correct.

I thank the Senator from Texas.

(Routine morning business transacted and additional statements submitted are printed later in today's RECORD.)

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The time for morning business having expired, morning business is closed.

NATURAL GAS AND PETROLEUM CONSERVATION AND COAL UTILIZATION POLICY ACT OF 1977

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 977, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 977) to require that new and, to the extent practicable, existing electric powerplants and major fuel-burning installations, in categories to be determined, utilize other than natural gas or petroleum as their primary energy source in compliance with applicable environmental requirements, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Natural Gas and Petroleum Conservation and Coal Utilization Policy Act of 1977".

CONFORMING AMENDMENTS

SEC. 2. The Energy Supply and Environmental Coordination Act of 1974, as amended, is amended by striking out the table of contents and sections 1 (a) and (b), and inserting in lieu thereof, following the enacting clause, the following: "That this Act may be cited as the 'Natural Gas and Petroleum Conservation and Coal Utilization Policy Act'.

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"FINDINGS AND PURPOSES

"SEC. 2. (a) FINDINGS.—(1) The Congress finds that the protection of public welfare and the preservation of national security require—

"(A) the furtherance of national energy self-sufficiency consistent with applicable environmental requirements;

"(B) the capability to use indigenous energy resources of the United States in lieu of imported or scarce energy supplies by the substitution of coal and other fuels in lieu of natural gas and petroleum as the primary energy sources for certain new electric powerplants and major fuel-burning installations and for certain existing electric powerplants and major fuel-burning installations; and

"(C) the conservation of natural gas and petroleum for uses for which there are no feasible alternative fuels or raw material substitutes.

"(2) The Congress finds that any electric powerplant or any major fuel-burning installation shall be deemed in compliance with the purposes of this Act if such powerplant or installation utilizes coal or other fuel in lieu of natural gas or petroleum as its primary energy source in conformance with applicable environmental requirements.

"(b) PURPOSES.—The purposes of this Act are—

"(1) to provide for a means to assist in meeting the essential needs of the United States for energy in a manner which is consistent, to the fullest extent practicable, with Federal and State commitments to protect the environment;

"(2) to foster the greater use of coal, fuels derived from coal, and other fuels in lieu of natural gas and petroleum as the primary energy sources for certain electric powerplants and major fuel-burning installations;

"(3) to require that new electric powerplants and major fuel-burning installations which propose to use fossil energy resources as a primary energy source use coal or other fuel in lieu of natural gas or petroleum except in those circumstances provided for herein;

"(4) to foster, in those instances where the use of coal or other fuel is not feasible, the replacement or modernization of existing electric powerplants or major fuel-burning installations to improve their energy efficiency;

"(5) to reduce the United States' vulnerability to energy supply interruptions; and

"(6) to regulate interstate commerce and for other purposes.

"DEFINITIONS

"SEC. 3. For the purposes of this Act:

"(1) The term 'Administrator' means the Administrator of the Federal Energy Administration established by the Federal Energy Administration Act of 1974, as amended; except that if such Administration ceases to exist such term means any officer of the United States designated as Federal Energy

Administrator by the President for the purposes of this Act.

"(2) The term 'person' includes (A) any person or individual; (B) any corporation, company, partnership, association, firm, society, trust, joint venture, or joint stock company; (C) the Federal Government, including corporations, departments, Federal agencies, and other instrumentalities thereof; and (D) any State or political subdivision thereof (including the District of Columbia), or any agency or instrumentality of either.

"(3) The term 'natural gas'—

"(A) includes—

"(i) natural gas,

"(ii) liquid petroleum gas,

"(iii) dry natural gas and casing-head gas,

"(iv) synthetic gas derived from petroleum and natural gas liquids, and

"(v) synthetic gas derived from coal, except as provided in (B)(ii) of this paragraph; "(B) but does not include—

"(i) natural gas produced from a well on land owned by the user, in commercially unmarketable quantities (by reason of quality or quantity) as determined by the Administrator,

"(ii) synthetic natural gas which is derived from coal where such gas is owned by the user when it enters a pipeline for transportation to the user, and

"(iii) synthetic gas which is derived from coal where such gas has a heat content below six hundred British thermal units per standard cubic foot at 14.73 psia. and 60 degrees Fahrenheit.

"(4) The term 'petroleum' includes crude oil, residual fuel oil, and refined petroleum products, but does not include such substances as (A) liquid petroleum gas, (B) process waste gases, and (C) waste gas, liquid and solid byproducts of refinery operations within the United States, where such fuels are of a quality or quantity as to be commercially unmarketable, as determined by the Administrator.

"(5) The term 'coal or other fuel' means coal and any fuel other than natural gas or petroleum, including, without limitation, (A) coal derivatives, including synthetic liquid or solid fuels which are derived from coal; (B) nuclear fuels; (C) solar energy; (D) geothermal energy; (E) petroleum coke; (F) combustible municipal, industrial, or agricultural waste; (G) wood or other biomass, (H) process waste gases; but does not include coal derivatives where such derivatives are produced by a person for the primary purpose of use as other than a fuel.

"(6) The term 'electric powerplant' means a fossil-fuel-fired electric generating unit, including a gas turbine unit or a combined cycle unit, that produces electric power for the purpose of sale or exchange.

"(7) The term 'peakload' when used to modify electric powerplant means a powerplant which operates the equivalent of less than one thousand five hundred full-load hours per calendar year; *Provided*, however, that hours operated by a peakload unit in an emergency situation shall not be counted against the one thousand five hundred full-load hours per calendar year limitation on peakload operation.

"(8) The term 'intermediate load' when used to modify electric powerplant means a powerplant which operates the equivalent of one thousand five hundred to three thousand five hundred full-load hours per calendar year.

"(9) The term 'base load' when used to modify electric powerplant means a powerplant which operates in excess of the equivalent of three thousand five hundred full-load hours per calendar year.

"(10) The term 'major fuel-burning installation' means a major industrial installation, which is a fossil-fired boiler, a gas turbine unit, combined cycle unit, indirect-fired unit, or internal combustion engine, but does not include (A) an electric powerplant, or (B) a pipeline where natural gas or petroleum is used in the production, gathering, transmission, storage, and distribution of gases and liquids.

"(11) The term 'indirect-fired use' means a use of fuel where the flame or the products of combustion do not come into direct contact with the material being processed.

"(12) The term 'cogeneration facility' means an electric powerplant or a major fuel-burning installation which produces—

"(A) electric energy and

"(B) other forms of useful energy (such as steam, gas or heat) which is, or will be, used for industrial, commercial, or space heating purposes."

"(13) The term 'primary energy source' means the fuel or combination of fuels used simultaneously by an electric powerplant or a major fuel-burning installation for normal operation, but does not include the minimum amounts of fuel required for startup, testing, flame stabilization, or control uses.

"(14) The term 'fuel' means natural gas, petroleum, coal or any other substance which is utilized to produce heat, but does not include natural gas, petroleum, coal or other substance which is used as a raw material or feedstock for production of other materials.

"(15) The term 'applicable environmental requirements' includes the governmental standards, limitations, or other requirements promulgated pursuant to Federal or State law applicable to emissions of environmental pollutants (including air and water pollutants) or disposal of solid waste or residues resulting from the combustion of coal or other fuels or the operation of air pollution control equipment, and includes, without limitation, any standard, limitation, or other requirement established pursuant to the Clean Air Act, as amended, the Federal Water Pollution Control Act, as amended, or the Solid Waste Disposal Act, as amended: Provided, That the term 'applicable environmental requirements' does not include any local governmental standard, limitation, or other requirement applicable to emissions of air pollutants (including any such standard, limitation, or other requirement or prohibition respecting the use of coal) that is more stringent than a State or Federal standard, limitation, or other requirement promulgated pursuant to section 110 of the Clean Air Act (42 U.S.C. 1857c-5).

"(16) The term 'cost' means total costs (both operating and capital) incurred over the estimated useful life of an electric powerplant or major fuel-burning installation, discounted the present value, as determined by the Administrator. In the case of an electric powerplant, cost shall take into account any change in the utilization of such powerplant in the relevant dispatching system and other economic factors that are included in planning for the production, transmission, and distribution of electric power within such system.

"(17) The term 'legal factors' includes all applicable Federal, State, or local governmental laws or other legal requirements but does not include any local governmental standard, limitation, or other requirement applicable to emissions of air pollutants or any local governmental standard, limitation, or other legal prohibition or requirement respecting the use of coal that is more stringent than a State or Federal standard, limitation, or other requirement promulgated pursuant to section 110 of the Clean Air Act.

"TITLE I—NATURAL GAS AND PETROLEUM CONSERVATION BY NEW FACILITIES

DEFINITIONS

"SEC. 101. For the purposes of this title:

"(1) The term 'new electric powerplant' means any electric powerplant—

"(A)(i) with respect to which an order was issued pursuant to section 2(c) of the Energy Supply and Environmental Coordination Act of 1974, as amended, prior to the effective date of this title, or

"(ii) which, as of ninety days after the effective date of regulations implementing section 103 of this title, has not commenced the driving of the foundation piling, or other appropriate on-site structural event, as determined by the Administrator, in accordance with an approved design document for the facility; or

"(iii) which, as of the date of enactment of this title, has not been contracted for in whole or in part or can be canceled, redesigned, or rescheduled without adversely affecting electric system reliability; and

"(B) which (i) is by design capable of consuming fuel at a fuel heat input rate of one hundred million British thermal units per hour or greater, or

"(ii) in a combination of more than one such powerplant at the same site or facility which in the aggregate is by design capable of consuming fuel at a fuel heat input rate of two hundred fifty million British thermal units per hour or greater.

"(2) The term 'planning process' means that period ending when the major fuel-burning installation can no longer reasonably be designed and constructed so as to be capable of using coal or other fuel as its primary energy source without incurring significant financial or operational detriment, as determined by rule by the Administrator.

"(3) The term 'new major fuel-burning installation' means a major fuel-burning installation—

"(A)(i) with respect to which an order was issued pursuant to section 2(c) of the Energy Supply and Environmental Coordination Act of 1974, as amended, prior to the effective date of this title, or

"(ii) which, as of the effective date of regulations implementing section 104, is not beyond the planning process; and

"(B)(i) by design is capable of consuming fuel at a fuel heat input rate of one hundred million British thermal units per hour or greater, or

"(ii) is a combination of more than one such installation at the same site or facility which in the aggregate is by design capable of consuming fuel at a fuel input rate of two hundred and fifty million British thermal units per hour or greater.

"(4) The term 'capability to use coal or other fuel' means that a new electric powerplant or new major fuel-burning installation is designed (including the necessary equipment and facilities) to use coal or other fuel as its primary energy source.

"TERRITORIAL APPLICATION

"SEC. 102. The provisions of this title shall apply to the contiguous forty-eight States, Alaska, and the District of Columbia.

"NEW ELECTRIC POWERPLANTS

"SEC. 103. Except as provided for in sections 105, 106, and 107, any new electric powerplant shall be constructed with the capability to use, and shall use, coal or other fuel in lieu of natural gas or petroleum as its primary energy source in compliance with applicable environmental requirements.

"NEW MAJOR FUEL-BURNING INSTALLATIONS

"SEC. 104. Except as provided for in sections 105, 106, and 108, any new major fuel-burning installation shall be constructed with the capability to use, and shall use, coal or other

fuel in lieu of natural gas or petroleum as its primary energy source in compliance with applicable environmental requirements.

"TEMPORARY EXCEPTIONS

"SEC. 105. (a) GENERAL TEMPORARY EXCEPTION.—The Administrator, upon application of the person owning, constructing, or proposing to construct or operate a new electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 103 or 104 of this title proposing to use petroleum as its primary energy source, shall grant a temporary exception with respect to the use of petroleum from such requirements and prohibitions and the penalties of section 303 of this Act for up to five years, if—

"(1) such person, prior to the effective date of any such requirement or prohibition, has submitted a compliance plan to the Administrator containing a compliance schedule for such powerplant or such installation which the Administrator has approved pursuant to subsection (d); and

"(2) such person has demonstrated that during the proposed period of the temporary exception, despite diligent good faith efforts,

"(A) (i) an adequate and reliable supply of coal or other fuel allowable as a primary energy source pursuant to sections 103 and 104 of this title and of the quality necessary to achieve compliance with applicable environmental requirements or conformance with design requirements is not expected to be available; or

"(ii) adequate transportation facilities for such coal or other fuel are not expected to be available; or

"(iii) pollution control abatement equipment or devices, including flue gas desulfurization equipment and electrostatic precipitators, necessary to assure compliance with applicable environmental requirements are not expected to be available; or

"(iv) other equipment or other facilities necessary for the reliable operation of such powerplant or installation are not expected to be available; and

"(B) in the case of a new electric powerplant, there is no alternative supply of electric power which can be obtained from another source for the length of the temporary exception without impairing reliability of service.

"(b) SYNTHETIC FUELS EXCEPTION.—(1) The Administrator, upon application by a person owning, constructing, or proposing to construct a new electric powerplant or new major fuel-burning installation subject to the requirements and prohibitions of section 103 or 104 of this title, proposing to use natural gas or petroleum as a primary energy source, shall grant a temporary exception from such requirements and prohibitions and the penalties of section 303 of this Act if—

"(A) such person has submitted a compliance plan to the Administrator containing a compliance schedule for such powerplant or such installation which the Administrator has approved pursuant to subsection (d) of this section and

"(B) such person has demonstrated—

"(i) that such powerplant or installation will comply with such requirements and prohibitions within five years of their effective date by the use of synthetic fuels derived from coal or other fuel; and

"(ii) that the intention so to comply with the prohibition and the anticipated compliance date is evidenced by the existence of binding contracts for fuels or facilities that would enable the applicant to comply with the prohibition.

"(2) Temporary exceptions under this subsection may be granted for up to five years beyond the effective date of such prohibition, but not beyond the anticipated compliance date. The Administrator shall renew the exception for up to five years if the circumstances justifying the initial exception are likely to persist.

"(c) PUBLIC HEALTH EXCEPTION.—The Administrator, upon application by a person owning, constructing, or proposing to construct a new electric powerplant or new major fuel-burning installation subject to the requirements and prohibitions of section 103 or 104 of this title proposing to use natural gas as a primary energy source, shall grant a temporary exception from such requirements and prohibitions and the penalties of section 303 of this Act if—

"(1) (A) the Environmental Protection Agency or the appropriate State certifies to the Administrator that such use of natural gas is necessary to permit such powerplant or installation to comply with the applicable implementation plan, as defined in section 110(d) of the Clean Air Act, and

"(B) such person demonstrates why such powerplant or installation cannot comply with the applicable implementation plan without the temporary exception and establishes the probable duration of its need for such natural gas to comply with such plan.

"(2) a temporary exception under this subsection may be granted for a period up to five years and may be extended for additional periods of up to five years if the Environmental Protection Agency or the appropriate State certifies to the Administrator that the use of such natural gas is necessary to permit the air quality control region to attain the national primary ambient air quality standards.

"(d) COMPLIANCE PLAN.—(1) The Administrator shall approve a compliance plan submitted pursuant to this section only if the compliance plan sets forth—

"(A) a schedule for compliance with the applicable prohibition pursuant to this title; and

"(B) evidence of binding contracts or other commitments, for fuels or facilities that would enable the applicant to comply with such prohibition.

"(2) The compliance plan approved pursuant to this subsection shall be revised annually as required by the Administrator to reflect appropriate changing circumstances.

"(3) Failure to comply with the compliance plan approved pursuant to this subsection may result in termination or modification of the terms of the temporary exception granted under this section.

"(e) TERMS AND CONDITIONS.—Any temporary exception granted pursuant to this section shall be upon such terms and conditions as may be reasonable and necessary to carry out the purposes of this Act.

"(f) ENVIRONMENTAL COMPLIANCE.—In no event may the action of the Administrator on a request for a temporary exception under this section result in any delay in compliance with any applicable environmental requirement.

"PERMANENT EXEMPTIONS

"SEC. 106. (a) GENERAL EXEMPTION.—The Administrator, upon application by a person owning, constructing, or proposing to construct or operate a new electric powerplant or new major fuel-burning installation subject to the requirements and prohibitions of section 103 or 104 of this title utilizing or proposing to utilize petroleum as its primary energy source shall grant a permanent exemption with respect to petroleum from such requirements and prohibitions and the penalties of section 303 of this Act, if such person has demonstrated that—

"(1) (A) despite good faith efforts an adequate and reliable supply of coal or other fuel allowable as a primary energy source pursuant to sections 103 and 104 of this title and of the quality necessary to achieve compliance with the applicable environmental requirements or conformance with design requirements is not expected to be available for use during a majority of the useful life of such powerplant or installation, or

"(B) the cost of using coal or other fuel substantially exceeds the cost of using imported petroleum; or

"(C) other physical, environmental, and legal factors (including, but not limited to, applicable environmental requirements) exist which cannot reasonably be expected to be overcome by diligent good faith efforts by the applicant and which preclude compliance with the requirements of section 103 or 104 of this title; and

"(2) in the case of a new electric powerplant, despite good faith efforts, there is—

"(A) no reasonable alternative site (i) at which an adequate and reliable supply of coal or other fuel allowable as a primary energy source pursuant to section 103 of this title is or would be available for use during a majority of the useful life of such powerplant;

"(ii) at which the other resources or facilities necessary for operation of a powerplant using coal or other allowable fuel are expected to be reasonably available during a majority of the useful life of such powerplant; and

"(iii) at which a powerplant can be constructed and operated in compliance with applicable environmental requirements; and

"(B) no alternative supply of electric power which can be obtained without impairing reliability of service.

"(b) MIXTURES OF COAL AND PETROLEUM.—The Administrator, upon application by a person owning, constructing, or proposing to construct or operate a new electric powerplant or new major fuel-burning installation subject to the requirements and prohibitions of section 103 or 104 of this title proposing to utilize a mixtue of coal and petroleum as its primary energy source shall grant a permanent exemption with respect to the use of such mixture from such requirements and prohibitions, and the penalties of section 303 of this Act, if the applicant has demonstrated that he would otherwise be entitled to a permanent exemption from the requirements and prohibition of this title. Such exemption shall be conditioned on the use of petroleum in amounts no greater than necessary to maintain reliability of operation.

"(c) PUBLIC INTEREST EXEMPTION.—Any person owning, constructing, or proposing to construct a new electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of 103 or 104 of this title, may apply to the Administrator for a permanent exemption under this section from such requirements and prohibitions and the Administrator may grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act upon a finding that—

"(1) compliance with applicable environmental standards and legal factors pursuant to Federal or State law would be feasible, but compliance with local environmental and legal requirements would not be feasible; and

"(2) compliance with the requirements and prohibitions of this title would not be in the public interest or would not be of significant value in serving the purposes of this Act.

"(d) STANDBY OPERATION EXEMPTION.—The Administrator, upon application by a person owning, constructing, or proposing to construct or operate a new electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of sections 103 and 104 of this Act, proposing to use petroleum or natural gas as a primary energy source, shall grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act if such person demonstrates that such powerplant or installation shall be operated only for standby or emergency pur-

poses when the normal sources of fuel are not available.

"(e) MIXTURES OF COAL AND OTHER FUELS.—Except for peakload exemptions pursuant to section 107(a) of this title, before granting a permanent exemption pursuant to this section 108 of this title from the requirement to use coal or other fuel in lieu of natural gas or petroleum, the Administrator shall require the applicant for a permanent exemption to prove that the use of a mixture of coal or other fuel, and petroleum, or fluidized bed combustion of coal, is not feasible.

"(f) EXCLUSION.—Any new electric powerplant or new major fuel-burning installation that has had a construction order issued pursuant to section 2(c) of the Energy Supply and Environmental Coordination Act, as amended, or section 203 of this Act reversed on the merits by judicial review or withdrawn or rescinded by the Administrator shall not thereafter be subject to the requirements and prohibitions of sections 103 and 104 of this Act.

"SPECIAL EXEMPTIONS FOR NEW ELECTRIC POWERPLANTS

"SEC. 107. (a) PEAKLOAD POWERPLANTS.—The Administrator, upon application by a person owning, constructing, or proposing to construct or operate a new electric powerplant subject to the requirements and prohibitions of section 103 of this title—

"(1) proposing to use petroleum as its primary energy source, shall grant a permanent exemption for such powerplant from such requirements and prohibitions, and the penalties of section 303 of this Act, if such person has demonstrated to the satisfaction of the Administrator that such powerplant is to be constructed or operated as a peakload powerplant; or

"(2) proposing to use natural gas as its primary energy source at sites which the Administrator of the Environmental Protection Agency or the appropriate State agency certifies to the Administrator are in air quality control regions where any national primary ambient air quality standard has not been attained or is not expected to be attained or maintained shall grant a permanent exemption for such powerplant from such requirements and prohibitions and the penalties of section 303 of this Act if such person has demonstrated that such powerplant is to be operated solely as a peakload powerplant.

"(b)(1) INTERMEDIATE LOAD POWERPLANTS.—The Administrator, upon application by a person owning, or proposing to operate a new electric powerplant subject to the requirements and prohibitions of section 103 of this title, proposing to use petroleum as its primary energy source, may grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act, if the applicant demonstrates that—

"(A) such powerplant is to be operated as an intermediate load powerplant;

"(B) such powerplant is to be constructed or operated to replace no more than the equivalent capacity of existing natural gas or petroleum fired electric powerplants in air quality control regions which the Administrator of the Environmental Protection Agency or the appropriate State agency certifies to the Administrator is in an area where any national primary ambient air quality standard has not been attained or is not expected to be attained or maintained;

"(C) the net heat input rate for the new electric powerplant will be maintained at nine thousand five hundred British thermal units per kilowatt hour or less during the useful life of such powerplant;

"(D) such powerplant is to be constructed with the capability to use synthetic fuels derived from coal; and

"(E) the applicant in good faith intends to convert to the use of synthetic fuels derived from coal or other fuels at the earliest practicable time.

"(2) The Administrator shall review, from time to time, exemptions granted pursuant to this subsection. When he finds that a supply of synthetic fuels derived from coal suitable for use by a powerplant previously granted an exemption under paragraph (1) is available he shall terminate the exemption.

"(c) COGENERATION.—The Administrator, upon application by a person owning, constructing, or proposing to construct or operate a new cogeneration facility requesting an exemption or temporary exception from any requirements and prohibitions of section 103 or 104 of this title, may grant a permanent exemption or temporary exception from such requirements and prohibitions and the penalties of section 303 of this Act if the Administrator finds that the applicant has fully evaluated the feasibility of utilizing coal or other fuel in such cogeneration facility and has demonstrated that the economic and other benefits of cogeneration are unobtainable unless petroleum may be used in such facility.

"(d) EXEMPTION FOR RELIABILITY.—The Administrator, upon application by a person owning, constructing, or proposing to construct or operate a new electric powerplant subject to the requirements and prohibitions of section 103 proposing to use petroleum as a primary energy source, shall grant a permanent exemption with respect to the use of petroleum from such requirements and prohibitions and the penalties of section 303 of this Act if such person demonstrates that the permanent exemption is necessary to prevent impairment of reliability of service.

"SPECIAL EXEMPTION FOR NEW MAJOR FUEL-BURNING INSTALLATIONS

"SEC. 108. PRODUCT QUALITY EXEMPTION.—The Administrator, upon application by a person owning, constructing, or proposing to construct a new major fuel-burning installation subject to the requirements and prohibitions of section 104 of this title, proposing to use natural gas or petroleum as its primary energy source, shall grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act if such person demonstrates that—

"(a) the use of an energy source other than natural gas or petroleum is technically infeasible in indirect firing use due to the necessity to maintain satisfactory control of product quality; and

"(b) substitution of steam for indirect heat is not possible due to process requirements.

"TITLE II—RECONVERSION AND CONVERSION OF EXISTING FACILITIES

"DEFINITIONS

"SEC. 201. For the purposes of this title:

"(1) The term 'existing electric powerplant' means an electric powerplant—

"(A)(i) which is not a new electric powerplant as defined in section 101(1); or

"(ii) with respect to which an order was issued, prior to the effective date of this section, pursuant to section 2(a) of the Energy Supply and Environmental Coordination Act of 1974, as amended; and

"(B) which—

"(i) is by design capable of consuming coal or other fuel in lieu of natural gas or petroleum as its primary energy source at a fuel heat input rate of one hundred million British thermal units per hour or greater, or

"(ii) except as provided in (i) of this paragraph, is by design not capable of consuming coal or other fuels as its primary energy source at a fuel heat input rate of two hundred and fifty million British thermal units per hour or greater; or

"(iii) is a combination of more than one powerplant at the same site or facility which in the aggregate is by design capable of consuming coal or other fuel in lieu of natural gas or petroleum as its primary energy source at a fuel heat input rate of two hundred and fifty million British thermal units per hour or greater.

"(2) The term 'existing major fuel-burning installation' means a major fuel-burning installation—

"(A)(i) which is not a new major fuel-burning installation as defined in section 102(2); or

"(ii) with respect to which an order was issued, prior to the effective date of the Coal Utilization Act of 1977, pursuant to section 2(a) of the Energy Supply and Environmental Coordination Act of 1974, as amended; and

"(B) which—

"(i) is by design capable of consuming coal or other fuel in lieu of natural gas or petroleum as its primary energy source at a fuel heat input rate of one hundred million British thermal units per hour or greater, or

"(ii) except as provided in (i) of this paragraph, is by design not capable of consuming coal or other fuel as its primary energy source at a fuel heat input rate of two hundred and fifty million British thermal units per hour or greater; or

"(iii) is a combination of more than one such installation at the same site or facility which in the aggregate is by design capable of consuming coal or other fuel in lieu of natural gas or petroleum as its primary energy source at a fuel heat input rate of two hundred and fifty million British thermal units per hour or greater, but—

"(C) does not include an existing major fuel-burning installation for the extraction of mineral resources located (A) on or above the Continental Shelf of the United States or (B) on wetland areas adjacent to the Continental Shelf of the United States where coal storage is not practicable or would produce adverse effects on environmental quality.

"(3) The term 'capable of consuming coal or other fuel' means that an existing electric powerplant or major fuel burning installation was designed and constructed to use coal or other fuel in lieu of natural gas or petroleum as its primary energy source, but excludes an existing electric powerplant or major fuel-burning installation which (A) would require substantial modifications to any boiler or nonboiler unit in order to utilize coal or other fuel in lieu of natural gas or petroleum as its primary energy source in that unit or (B) would suffer a substantial downgrading of the rated capacity of such unit in order to utilize coal or other fuel in lieu of natural gas or petroleum as its primary energy source.

"(4) The term 'small electric powerplant' means a fossil-fuel fired electric generating unit, which by design is not capable of consuming fuel at a fuel heat input rate of greater than two hundred and fifty million British thermal units per hour.

"(5) The term 'small industrial installation' means a fuel-burning installation that by design is not capable of being operated at a total fuel heat input rate in excess of two hundred and fifty million British thermal units per hour.

"(6) The term 'air pollution control device' means equipment designed to reduce the quantity of atmospheric emissions by any electric powerplant or major fuel-burning installation using coal or other fuel as its primary energy source.

"(7) The term 'electric utility system' means a person and its affiliates which individually or in combination own, lease, operate, or control any electric powerplant subject to the requirements and prohibitions of this title.

"(8) The term 'affiliate', when used in relation to a person, means another person

which controls, is controlled by, or is under common control with such person.

"TERRITORIAL APPLICATION

"SEC. 202. The provisions of this title shall apply to the contiguous forty-eight States and the District of Columbia.

"EXISTING ELECTRIC POWERPLANTS AND MAJOR FUEL-BURNING INSTALLATIONS

"SEC. 204. (a) NATURAL GAS PROHIBITION.—(1) Except as provided for in section 206, 207, 208, and 209 of this title, effective January 1, 1990, no existing electric powerplant shall utilize natural gas as its primary energy source: *Provided, however,* That any existing electric powerplant with the capability to use either natural gas or petroleum as its primary energy source shall be usbject to the requirements and prohibitions of paragraph (3) of this subsection.

"(2) Except as provided in sections 206, 207, 208, and 209 of this title, no existing electric powerplant using petroleum as its primary energy source on April 20, 1977, may thereafter convert to the use of natural gas as its primary energy source.

"(3) Except as provided in sections 206, 207, 208, and 209 of this title, no existing electric powerplant shall use natural gas in greater proportions than—

"(A) the average yearly proportion of natural gas that it used as a primary energy source in calendar years 1974 through 1976, or

"(B) in the case of an electric powerplant beginning operation after January 1, 1974, the average yearly proportion of natural gas that is used as a primary energy source during the first two calendar years of its operation.

"(b) MIXTURES AND COMBINATIONS OF FUELS.—Subject to the provisions of sections 206, 207, 208, and 209 of this title, the Administrator may, by order, prohibit an existing electric powerplant or major fuel-burning installation in which it is feasible to use a combination of coal or other fuel and natural gas or petroleum as a primary energy source from using natural gas or petroleum, or both, in amounts greater than is necessary to maintain reliability of service or operation.

"(c) PERMIT TO USE PETROLEUM.—The Administrator shall by rule require that no existing electric powerplant or major fuel-burning installation which, on or after April 20, 1977, uses coal as a primary energy source may increase its use of petroleum as a primary energy source unless it first obtains a permit which authorizes such increased use of petroleum. Such a permit shall be issued only if the appropriate State certifies to the Administrator that the increased use of petroleum by such powerplant or installation is necessary to permit such powerplant or installation—

"(1) to comply with the applicable implementation plan, as defined in section 110(d) of the Clean Air Act, and

"(2) if such person (A) demonstrates to the satisfaction of the Administrator that it cannot comply with the applicable implementation plan without the issuance of a permit and (B) documents the expected duration of its need for increased use of natural gas or petroleum to comply with such plan.

"COMPLIANCE REPORT

"SEC. 205. Any person owning, operating, or proposing to operate one or more existing electric powerplants or major fuel-burning installations required to come into compliance with the requirements and prohibitions of this title shall on or before January 1, 1980, and annually thereafter, submit to the Administrator a report identifying all such existing electric powerplants or major fuel-burning installations owned or operated by such person. Such report shall—

"(a) set forth the anticipated schedule for compliance with the applicable requirements and prohibitions by each such electric powerplant or major fuel-burning installation;

"(b) indicate proposed or existing contracts or other commitments or good faith negotiations for such contracts or commitments for coal and other fuels or equipment that would enable such powerplant or installation to attain compliance with such requirements and prohibitions; and

"(c) identify those electric powerplants or major fuel-burning installations, if any, for which application for temporary exceptions or permanent exemption from the requirements and prohibitions of this title may be filed.

"TEMPORARY EXCEPTIONS

"SEC. 206. (a) GENERAL TEMPORARY EXCEPTION.—(1) The Administrator, upon application of a person owning, operating or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of sections 203 and 204 of this title proposing to use petroleum as a primary energy source, shall grant temporary exceptions with respect to petroleum from such requirements and prohibitions and the penalties of section 303 of this Act for a period of up to five years, if—

"(A) such person, prior to the effective date of any such requirement or prohibition, has submitted a compliance plan to the Administrator which the Administrator has approved pursuant to subsection (g) of this section; and

"(B) such person has demonstrated that, prior to the applicable compliance date, despite diligent good faith efforts—

"(i) an adequate and reliable supply of coal or other fuel allowable as a primary energy source and of the quality necessary to achieve compliance with applicable environmental requirements and to meet design and operation requirements is not expected to be available; or

"(ii) adequate transportation facilities for such coal or other fuel are not expected to be available; or

"(iii) pollution control equipment or devices, including the flue gas desulfurization equipment and electrostatic precipitators, necessary to assure compliance with applicable environmental requirements are not expected to be available; or

"(iv) the cost of using coal or other fuel substantially exceeds the cost of using imported petroleum; or

"(v) other equipment or other facilities necessary for the reliable operation of such powerplant or installation are not expected to be available.

"(b) SYNTHETIC FUELS EXCEPTION.—(1) The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 203 or 204 of this title, proposing to use natural gas or petroleum as a primary energy source, shall grant a temporary exception from such requirements and prohibitions and the penalties of section 303 of this Act if—

"(A) such person has submitted a compliance plan to the Administrator containing a compliance schedule for such powerplant or such installation: which the Administrator has approved pursuant to subsection (g) of this section; and

"(B) such person has demonstrated—

"(i) that such powerplant or installation will comply with such requirements and prohibitions within five years of their effective date by the use of synthetic fuels derived from coal or other fuel; and

"(ii) that the intention so to comply with the requirements and prohibitions and the anticipated compliance date are evidenced by the existence of binding contracts or commitments for fuels or facilities that would enable the applicant to comply with the prohibition.

"(2) Temporary exceptions under this subsection may be granted for periods of up to five years beyond the effective date of such prohibition, but not beyond the anticipated compliance date. The Administrator shall renew the exception for up to five years if the circumstances justifying the initial exception are likely to persist.

"(c) INNOVATIVE TECHNOLOGY EXCEPTION.—(1) The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 203 or 204 of this title proposing to use natural gas or petroleum as a primary energy source, shall grant a temporary exception from such requirements and prohibitions and the penalties of section 303 of the Act, if—

"(A) such person has submitted a compliance plan to the Administrator containing a compliance schedule for such powerplant or such installation which the Administrator has approved pursuant to subsection (g) of this section; and

"(B) such person has demonstrated—

"(i) that such powerplant or installation will comply with such requirements and prohibitions within five years of their effective date by innovative techniques for using coal or other fuel; and

"(ii) that the intention so to comply with the prohibition and the anticipated compliance date are evidenced by the existence of binding contracts or commitments for fuels or facilities that would enable the applicant to comply with such prohibition.

"(2) Temporary exceptions under this subsection may be granted for up to five years each beyond the effective date of the requirement or prohibition, but not beyond the anticipated compliance date. The Administrator shall renew the exception for up to five years if the circumstances justifying the initial exception are likely to persist.

"(d) PUBLIC HEALTH EXCEPTION.—(1) The Administrator, upon application by a person owning, operating, or proposing to operate an electric powerplant or existing major fuel-burning installation subject to the requirements and prohibition of section 203 or 204 of this title proposing to use natural gas as a primary energy source, shall grant a temporary exception from such requirements and prohibition and the penalties of section 303 of this Act if—

"(A) the Environmental Protection Agency or the appropriate State certifies to the Administrator that such use of natural gas is necessary to permit such powerplant or installation to comply with the applicable implementation plan, as defined in section 110 (d) of the Clean Air Act, and

"(B) such person demonstrates why such powerplant or installation cannot comply with the applicable implementation plan without the temporary exception and establishes the probable duration of its need for such natural gas to comply with such plan.

"(2) A temporary exception under this subsection may be granted for a period up to five years and may be extended for additional periods of up to five years if the Environmental Protection Agency or the appropriate State certifies to the Administrator that the use of such natural gas is necessary to permit the air quality control region to attain the national primary ambient air quality standard.

"(e) RETIREMENT EXCEPTION.—(1) The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant or a major fuel-burning installation subject to the requirements and prohibitions of section 203

or 204 of this title, proposing to use petroleum or natural gas as a primary energy source, shall grant a temporary exception from such requirements and prohibitions and the penalties of section 303 of this Act for periods of up to five years each from the effective date of such requirements and prohibitions if such person, prior to the effectiv date of the applicable requirements and prohibitions, has submitted a retirement plan to the Administrator setting forth a retirement schedule for such facility and demonstrates that such powerplant or installation

"(A) shall be retired from service and shall permanently cease operation within five years from the effective date of such requirements or prohibitions or

"(B) shall thereafter be maintained only for standby or emergency purposes and operated only intermittently during interruptions in normal energy supplies.

"(2) Any installation with respect to which a temporary exception is granted under this subsection is no longer eligible for, and cannot be granted, any further permanent exemption or temporary exception under this title.

"(f) Any temporary exception granted pursuant to this section shall be upon such terms and conditions as may be reasonable and necessary to carry out the purposes of this Act.

"(g) COMPLIANCE PLAN.—(1) The Administrator shall approve any compliance plan submitted pursuant to this section only if the compliance plan sets forth—

"(A) a schedule for compliance with the applicable requirements or prohibitions imposed pursuant to this title; and

"(B) evidence of binding contracts or other commitments or good faith negotiation for such contracts or commitments for fuels or facilities that would enable the applicant to comply with such requirements and prohibitions.

"(2) The compliance plan approved pursuant to this section shall be revised annually as required by the Administrator to reflect changing circumstances.

"(3) Failure to comply with a compliance plan approved pursuant to this section may result in termination or modification of the terms of the temporary exception granted under this section.

"PERMANENT EXEMPTIONS

"SEC. 207. (a) GENERAL PERMANENT EXEMPTION.—The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 203 or 204 of this title utilizing or proposing to utilize petroleum as its primary energy source shall grant a permanent exemption with respect to petroleum from such requirements and prohibitions, and the penalties of section 303 of this Act, if such person has demonstrated that—

"(1) despite good faith efforts an adequate and reliable supply of coal or other fuel allowable as a primary energy source pursuant to sections 203 and 204 of this title and of the quality necessary to achieve compliance with the applicable environmental requirements or conformance with design requirements is not expected to be available for use during a majority of the remaining useful of such powerplant or installation, or

"(2) the cost of using coal or other fuel substantially exceeds the cost of using imported petroleum; or

"(3) other physical, environmental, and legal factors (including, but not limited to, applicable environmental requirements) exist which cannot reasonably be expected to be overcome by diligent good faith efforts by the applicant and which preclude compliance with the requirements of section 203 or 204 of this title.

"(b) MIXTURES OF COAL AND PETROLEUM.—The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 203 or 204 of this title utilizing or proposing to utilize a mixture of coal and petroleum as its primary energy source shall grant a permanent exemption with respect to the use of such mixture from such requirements and prohibitions, and the penalties of section 303 of this Act, if the applicant demonstrates that he would otherwise be entitled to a permanent exemption under other provisions of this title. Such exemption shall be conditioned on the use of petroleum in amounts no greater than necessary to maintain reliability of operation.

"(c) PUBLIC INTEREST EXEMPTION.—Any person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 203 or 204 of this title, may apply to the Administrator for a permanent exemption under this section from such requirements and prohibitions and the Administrator may grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act upon a finding that—

"(1) compliance with applicable environmental standards and legal factors pursuant to Federal or State law would be feasible, but compliance with local environmental requirements and legal factors would not be feasible; and

"(2) compliance with the requirements and prohibitions of this title would not be in the public interest or would not be of significant value in serving the purposes of this Act.

"(d) SPECIAL EXEMPTION.—Any person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of 203 or 204 of this title may apply to the Administrator for a permanent exemption under this subsection from such requirements and prohibitions. The Administrator shall grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act if the applicant for such exemption demonstrates that—

"(1) the natural gas or petroleum is being obtained by the applicant under an existing contractual commitment, which the applicant has no right to terminate without financial penalties;

"(2) the prohibition of burning such natural gas or petroleum will not make it available for other uses in the United States; and

"(3) the revenues derived from the sale or transportation tariffs of such natural gas are essential to the economic viability of the pipeline system in which it is delivered to the applicant.

"(e) STANDBY OPERATION EXEMPTION.—The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of this title, proposing to use petroleum or natural gas as a primary energy source, shall grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act if such person, prior to the effective date of any applicable requirements and prohibitions, demonstrates that such powerplant or installation will be maintained only for standby or emergency purposes and will be operated only for such purposes when the normal sources of energy supply are not available.

"(f) CONSIDERATION OF ALTERNATIVES.—Except for peakload exemptions pursuant to section 208(a) of this title, before granting a permanent exemption pursuant to this section and section 208 of this title from the requirement to use coal or other fuel in lieu of natural gas or petroleum, the Administrator shall require the applicant for a permament exemption to prove that the use of a mixture of coal or other fuel, and petroleum, or fluidized bed combustion of coal, is not feasible.

"(g) EXCLUSION.—Any existing electric powerplant or major fuel-furning installation that has had a prohibition order issued pursuant to the Energy Supply and Environmental Coordination Act of 1974, as amended, or section 203 of this Act reversed on the merits by judicial review or withdrawn or rescinded by the Administrator shall not thereafter be subject to the requirements and prohibitions of title II of this Act.

"SPECIAL EXEMPTIONS FOR EXISTING ELECTRIC POWERPLANTS

"SEC. 208. (a) PEAKLOAD POWERPLANTS.—The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant subject to the requirements and prohibitions of section 203 or 204 of this title, proposing to use natural gas or petroleum as its primary energy source, shall grant a permanent exemption for such powerplant from such requirements and prohibitions and the penalties of section 303 of this Act, if such person has demonstrated that—

"(1) the powerplant is operated solely as a peakload powerplant; and

"(2)(A) a denial of the application for exemption is likely to result in an impairment of reliability or adequacy of service; or

"(B) modification of the powerplant to permit compliance with such requirements and prohibitions is technically infeasible; or

"(C) such modification would result in an unreasonable cost to the applicant's customers.

"(b) INTERMEDIATE LOAD POWERPLANTS.—(1) The Administator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant subject to the requirements and prohibitions of section 203 of 204 of this title, proposing to use petroleum as its primary energy source, may grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act, if the applicant demonstrates that—

"(A) such powerplant is to be operated solely as an intermediate load powerplant;

"(B) such powerplant is to be operated at a site which the Administrator of the Environmental Protection Agency or the appropriate State agency certifies to the Administrator is in an air quality control region where any national primary ambient air quality standard has not been attained or is not expected to be attained or maintained;

"(C) the net fuel heat input rate for the existing electric powerplant will be maintained at nine thousand five hundred British thermal units per kilowatt hour or less during the useful life of such powerplant;

"(D) such powerplant is constructed with the capability to use synthetic fuels derived from coal; and

"(E) the applicant in good faith intends to convert to the use of synthetic fuels derived from coal or other fuels at the earliest practicable time.

"(2) The Administrator shall review, from time to time, exemptions granted pursuant to this subsection. When he finds that a supply of synthetic fuels derived from coal suitable for use by a powerplant previously granted an exemption under paragraph (1) is available he shall terminate the exemption.

"(c) EXEMPTION FOR RELIABILITY.—The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant subject to the requirements and prohibitions of section

203 proposing to use petroleum as a primary energy source, shall grant a permanent exemption with respect to the use of petroleum from such requirements and prohibitions, and the penalties of section 303 of this Act if such person demonstrates that the permanent exemption is necessary to prevent impairment of reliability of service.

"SPECIAL EXEMPTIONS FOR EXISTING MAJOR FUEL-BURNING INSTALLATIONS

"SEC. 209. PRODUCT QUALITY EXEMPTION.—(a) The Administrator, upon application by a person owning, operating, or proposing to operate an existing major fuel-burning installation subject to the requirements and prohibitions of section 203 or 204 of this title, proposing to use natural gas or petroleum as its primary energy source, shall grant a permanent exemption from such requirements and prohibitions and penalties of section 303 of this Act if such person demonstrates to the satisfaction of the Administrator that—

"(1) the use of a primary energy source other than natural gas or petroleum is technically infeasible in indirect firing due to the necessity to maintain satisfactory control of product quality; and

"(2) substitution of steam for indirect heat is not possible due to process requirements.

"(b) COGENERATION EXEMPTION.—The Administrator, upon application by a person owning or operating a cogeneration facility requesting an exemption or temporary exception from any requirements and prohibitions of this title, may grant an exemption or temporary exception from such requirements and prohibitions and the penalties of section 303 of this Act if the Administrator finds that the applicant has fully evaluated the feasibility of utilizing coal or other fuel in such cogeneration facility and has demonstrated that the economic and other benefits of cogeneration are unobtainable unless petroleum may be used in such facility.

"COAL CONVERSION COMPENSATION

"SEC. 210. (a) The Administrator is authorized, in accordance with such rules and regulations as the Administrator may prescribe, to compensate or to make commitments to compensate any person who owns, leases, operates or controls any existing electric powerplant or major fuel-burning installation which in the absence of such compensation would otherwise be issued an order granting a permanent exemption pursuant to sections 207, 208, or 209 of this title. Such compensation shall be no greater than necessary to compensate such person for the differential capital and operating cost, if any, to such person between complying with the applicable requirements and prohibitions of section 203 or 204 of this title and the granting of such exemption.

"(b) A person receiving compensation pursuant to this section shall provide evidence in writing to the Administrator in such form and with such content and other submissions as the Administrator by rule requires to protect the interests of the United States.

"(c) There are hereby authorized to be appropriated to the Administrator such sums as shall be sufficient for the purposes of this title.

"COAL CONVERSION LOANS

"SEC. 211. (a)(1) The Administrator is authorized, in accordance with the provisions of this section and such rules and regulations as he shall prescribe, and after consultation with the Secretary of the Treasury, to make loans and to make commitments to loan to any person who owns, leases, operates, or controls any existing electric powerplant, or major fuel-burning installation which converts to coal or other fuel in lieu of natural gas or petroleum as its primary energy source subsequent to June 22, 1974, for the specific purpose of financing the purchase and installation of air pollution control devices at such electric powerplants or installations. The aggregate amount of loans outstanding under this section may at no time exceed $1,000,000,000. No loan or commitment to loan shall be made under this section after January 1, 1985.

"(2) An applicant for a loan under this section shall provide evidence in writing to the administrator in such form and with such content and other submissions as the Administrator shall by rule require to protect the interests of the United States.

"(3) Each loan shall be extended in such form, under such conditions and terms, and pursuant to such regulations as the Administrator deems appropriate.

"(4) The Administrator shall, from time to time as he deems appropriate and on advice of the Secretary of the Treasury, establish the interest rate or rates at which loans shall be made under this section at the current rate being paid by the Secretary of the Treasury on bonds, notes, and other obligations of comparable duration issued on behalf of the Federal Government, plus such fees and other charges as the Administrator may specify pursuant to subsection (c) of this section, not to exceed 1 per centum per annum.

"(b) The Administrator shall loan or make a commitment to loan sums under subsection (a) of this section with respect to the purchase and installation of air pollution control devices only if he finds that—

"(1) the financial assistance applied for is not otherwise available from other Federal agencies and that assistance as provided in section 212 of this title has not been obtained for such air pollution control devices; and

"(2) the acquisition of such air pollution control devices would not occur in the absence of a loan.

"(c) Loans made pursuant to this section shall not (1) exceed two-thirds of the cost of acquiring and installing such air pollution control devices; and (2) have a maturity date in excess of ten years.

"(c)(1) The Administrator shall charge and collect such amounts as he may deem reasonable for the investigations for a loan, for the appraisal of properties offered as security for a loan, or for the issuance of a commitment: *Provided*, That such amounts shall not exceed one-half of one per centum of the loan amount authorized pursuant to subsection (a) of this section.

"(2) The Administrator shall charge and collect an insurance fee designed to avoid a Federal revenue loss in the event of a default of a loan made pursuant to this section.

"(d)(1) If there is a default in any payment by the obligor of interest or principal due under a loan entered into by the Administrator under this section and such default has continued for ninety days, the Administrator has the right to demand payment of such unpaid amount, unless the Administrator finds that such default has been remedied, or a satisfactory plan to remedy such default by the obligor has been accepted by the Administrator.

"(2) In demanding payment of unpaid interest or principal by the obligor, the Administrator has all rights specified in the loan-related agreements with respect to any security which he held with respect to the loan, including, but not limited to, the authority to complete, maintain, operate, lease, sell, or otherwise dispose of any property acquired pursuant to such loan or related agreements.

"(3) If there is a default under any loan or commitment to loan, the Administrator shall notify the Attorney General who shall take such action against the obligor or other parties liable thereunder as is, in his discretion, necessary to protect the interests of the United States. The holder of such loan shall make available to the United States all records and evidence necessary to prosecute any such suit.

"(e) There are hereby authorized to be appropriated to the Administrator such sums as shall be sufficient for the purposes of this title, but which shall not exceed the sum of $200,000,000 for each fiscal year 1978 through 1982.

"LOAN GUARANTEES

"SEC. 212. (a)(1) The Administrator is authorized, in accordance with the provisions of this section and such rules and regulations as he shall prescribe, and after consultation with the Secretary of the Treasury, to guarantee and to make commitments to guarantee the bonds, debentures, notes, and other obligations issued by or on behalf of any person who owns, operates, or controls any existing electric powerplant or major fuel-burning installation, which converts from natural gas or petroleum to coal or other fuels after June 22, 1974, for the specific purpose of financing the purchase and installation of air pollution control devices at such electric powerplants or major fuel-burning installations. The aggregate amount of outstanding indebtedness guaranteed under this section may at no time exceed $5,000,000,000. No guarantee or commitment to guarantee shall be undertaken under this section after January 1, 1985.

"(2) An applicant for a guarantee under this section shall provide evidence in writing to the Administrator in such form and with such content and other submissions as the Administrator may require to protect the interest of the United States. Each guarantee and commitment to guarantee shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Administrator deems appropriate.

"(b) The Administrator may guarantee or make a commitment under subsection (a) of this section, with respect to air pollution control devices, subject to conditions and priorities pursuant to section 213 of this title, and if he finds that—

"(1) the guarantee will significantly reduce the borrowing costs associated with acquisition of capital for the purchase of air pollution control devices; and

"(2) the acquisition of such air pollution control devices would be significantly delayed in the absence of a loan guarantee; and

"(3) the financial assistance applied for is not otherwise available from other Federal agencies and that assistance as provided in section 211 of this title has not been obtained for such air pollution control devices; and

"(c) The amount of any guarantee under this section shall not exceed two-thirds of such air pollution control acquisition costs; and

"(d) The bonds, debentures, notes, or other obligations for which guarantees are made shall not have redemption dates or a maturity in excess of ten years from date of issuance.

"(e)(1) The Administrator shall charge and collect such amounts as he may deem reasonable for the investigations for a guarantee, for the appraisal of properties offered as security for a guarantee, or for the issuance of commitments for a loan or other obligation guaranteed under this section, but such charge shall not exceed one-quarter of 1 per centum of the amount of the loan or other obligation.

"(2) The Administrator shall charge and collect an insurance fee designed to avoid a Federal revenue loss in the event of a default of a loan or other obligation guaranteed under this section.

"(f)(1) If there is a default in any payment by the obligor of interest or principal due under an obligation guaranteed by the Administrator under this section and such default has continued for ninety days, the

holder of such obligation or his agents has the right to demand payment by the Administrator of such unpaid amount. Within such period as may be specified in the guarantee or related agreements, but not later than forty-five days from the date of such demand, the Administrator shall promptly pay to the obligee or his agent the unpaid interest on and unpaid principal of the obligation guaranteed by the Administrator as to which the obligor has defaulted, using funds collected for such purpose as insurance fees pursuant to subsection (e), unless the Administrator finds that there was no fault by the obligor in the payment of interest or principal or that such default has been remedied.

"(2) If the Administrator makes a payment under paragraph (1) of this subsection, he shall have all rights specified in the guarantee or related agreements with respect to any security which he held with respect to the guarantee of such obligation, including, but not limited to, the authority to complete, maintain, operate, lease, sell, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements.

"(3) If there is a default under any guarantee or commitment to guarantee an obligation, the Administrator shall notify the Attorney General who shall take such action against the obligor or any other parties liable thereunder as is, in his discretion, necessary to protect the interests of the United States. The holder of such obligation shall make available to the United States all records and evidence necessary to prosecute any such suit.

"CONDITIONS AND PRIORITIES

"SEC. 213. (a) The Administrator shall guarantee or make a commitment to guarantee as authorized in section 211 of this title, or loan or make a commitment to loan as authorized in section 211 of this title, only when conditions set forth in such sections are satisfied, and if—

"(1) air pollution control devices to be acquired pursuant to this title shall satisfy any applicable environmental requirements;

"(2) the Administrator, in consultation with the Administrator of the Environmental Protection Agency, is satisfied that such air pollution control device does not duplicate or displace existing air pollution control devices with a remaining useful economic life in excess of two years; or

"(3) the Administrator has determined that there will be a continued reasonable assurance of full repayment of a loan, or that a realistic plan exists for redeeming all bonds, debentures, notes, or other obligations for which a guarantee is requested; and

"(4) the Administrator is satisfied that competition among private entities for the provision of air pollution control devices for any electric powerplant or major fuel-burning installations using coal as their primary energy source to be assisted under this title will be in no way limited or precluded.

"(b) In making guarantees or commitments to guarantee pursuant to section 212 of this title, or in making loans or commitments to loan pursuant to section 211 of this title, the Administrator is directed to—

"(1) allocate 25 per centum of available financial assistance, to the extent feasible and practicable, to existing small electric powerplants, and to existing small industrial installations; and

"(2) give priority consideration to requests for financial assistance by existing major fuel-burning installations and electric powerplants subject to, and in receipt of, a coal conversion order issued by the Administrator pursuant to section 203 of this Act.

"(c)(1) The Administrator shall require all persons receiving financial assistance or guarantees under this title whether in the form of loans, obligation guarantees, or other arrangements, to keep such records as the Administrator shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after completion of the project or undertaking referred to in subsection (a) of this section or full repayment of interest and principal on a loan made or guaranteed pursuant to provisions of this title, have access for the purposes of audit and examination to any books, documents, papers, and records of such receipts which in the opinion of the Administrator or the Comptroller General may be related or pertinent to the loans, obligation guarantees, or other arrangements referred to in such subsection.

"SYSTEM COMPLIANCE OPTION

"SEC. 214. (a) The Administrator, upon application by an electric utility company owning or operating any existing electric powerplants subject to the requirements and prohibitions of section 204 of this title and using intrastate natural gas owned or under contract to, such company prior to the date of enactment of this section, shall approve in lieu of any other provision of this Act a system compliance plan if such plan meets the following conditions:

"(1) Contains a commitment that no new base load electric powerplant constructed by the electric utility company after the date of enactment of this Act will utilize natural gas or petroleum as its primary energy source;

"(2) Provides (A) by 1990 for the reduction of the use of such intrastate natural gas to less than 20 per centum of the quantities used by the company's system during calendar year 1976; and (B) by 1995 for the elimination of the use of such intrastate natural gas;

"(3) Provides that subsequent to 1990 the use of such intrastate natural gas as the primary energy source will only be for the company's system peakload operation, defined as the total kilowatt hours generated annually by natural gas on the system of the applicant electric utility company system divided by the aggregate capacity of all the electric powerplants in such system, but not to exceed one thousand five hundred full-load hours per year;

"(4) Provides that subsequent to the date of enactment of this section that the natural gas utilized by electric powerplants on such electric utility company system will come only from existing natural gas contracts and renewals or extensions thereof under normal escalation clauses or other clauses which sets forth an objective basis on which price can be determined at or before renewal of such contracts;

"(5) Provides for an orderly progression of phasing such electric powerplants into intermediate load operation and for the construction of coal or other fuel electric powerplants for base load use; and

"(6) Contains a ten-year forecast of demand for electricity, a ten-year construction forecast, and a ten-year financial plan which provide a reasonable basis for concluding that the commitments in such plan will be carried out.

"(b) The approval of a system's compliance plan pursuant to subsection (a) of this section shall suspend the application of the requirements of section 204 of this title to the utility system submitting the plan for as long as such approval is in effect.

"(c) The Administrator shall require the utility system to reaffirm the commitments and update the information in the system compliance plan at such intervals as he shall specify, not less frequently than every two years and not more frequently than every year, and the utility system may from time to time supplement or update the information in such plan.

"(d) The Administrator may extend the deadline in paragraph (a)(2) of this section for periods of up to five years if the applicant demonstrates that despite good faith efforts to comply with such deadlines because of delays in the construction of new electric powerplants by such electric utility company is not feasible to comply with such deadlines without impairing reliability of service.

"(e) The Administrator may extend the deadline in paragraph (a)(3) of this section if he finds that it is not feasible to use any fuel other than natural gas or that such extension is in the national interest.

"TITLE III—GENERAL

"ADMINISTRATIVE RULES AND REGULATIONS

"SEC. 301. (a) Except to the extent otherwise provided in this section rules prescribed under this Act shall be made in accordance with the procedures set forth in section 553 of title 5, United States Code.

"(b) Any application filed under this Act for a permit, or a permanent exemption or temporary exception from the requirements and prohibitions of sections 103, 104, 203, and 204 of this Act shall be in such form and contain such information as the Administrator shall require by rule promulgated within one hundred and eighty days after the date of the enactment of this section. The Administrator, upon receipt of such application, shall publish a notice thereof in the Federal Register together with a detailed summary of the reasons set forth in such application for requesting such exemption, and provide a minimum of forty-five days for written comments thereon.

"(c) When an application for a permit, or temporary exception or a permanent exemption from any requirement or prohibition of this Act is based on an alleged inability to comply with applicable environmental requirements, a copy of the application shall also be filed with the Administrator of the Environmental Protection Agency and, pursuant to the requirements of section 304 of this Act, the Administrator shall request the Environmental Protection Agency to comment thereon within the period provided to the public.

"(d) Except as otherwise provided in this section, all determinations by the Administrator on such applications shall be determined on the record, subject to the procedures of section 554 of title 5, United States Code.

"(e) The Administrator, within six months after the filing of a completed application, shall issue an order granting or denying the application for a permit, or a permanent exemption or temporary exception, except that in the case of a permanent exemption, or if necessary to provide time for compliance with the National Environmental Policy Act of 1969, the Administrator may publish a notice in the Federal Register extending such period to a date certain but in no event greater than twelve months after the filing of the completed application. Such notice shall include the reasons for such an extension. Before promulgating any order granting or denying a permanent exemption or temporary exception or permit under this section, the Administrator shall publish such proposed order in the Federal Register, together with a statement of the reasons for such order. The Administrator shall include in the published statement of the reasons for such rule or order the Administrator's findings with respect to each such factor.

"(f) If the Administrator does not issue an order within the time limits stated in

subsection (e), any party to the proceeding may file a motion demanding action by the Administrator. If the Administrator does not issue an order within thirty days after the filing of such motion, the application shall be granted.

"(g) The Administrator may by rule establish criteria by which the Administrator will approve or deny an application for a permanent exemption, a temporary exception, or permit, or a stay for an electric powerplant or a major fuel-burning installation from the requirements and prohibitions of this Act.

"JUDICIAL REVIEW

"SEC. 302. (a) Judicial review of any action by the Administrator pursuant to section 301(e) of this Act shall be in accordance with the provisions of chapter 7, title 5, United States Code. At any time before the sixtieth day after the date an order is published in the Federal Register, a person entitled under such chapter may file a petition to review any such order with the United States court of appeals for the circuit wherein such person resides or has his principal place of business, or the United States Court of Appeals for the District of Columbia.

"(b) Subject to the direction and control of the Attorney General, as provided in section 519 of title 28, United States Code, attorneys appointed by the Administrator may appear for and represent the Administrator in any proceeding instituted under this section.

"ENFORCEMENT AND PENALTIES

"SEC. 303. (a) It shall be unlawful for any person to violate any provision of this Act or to violate any rule, regulation, requirement, or order issued pursuant to this Act.

"(b)(1) Whenever, on the basis of any information available, the Administrator finds that any person is in violation of any provision of this Act or any rule, regulation, requirement, or order issued pursuant to this Act, the Administrator shall issue notice of such violation and may issue an order requiring compliance with such provision, rule, regulation, requirement, or order.

"(2) Any notice issued under this section shall be in writing and shall state with reasonable specificity the nature of the violation and any order shall specify a time for compliance which the Administrator determines is reasonable, taking into account the seriousness of the violation and any good faith efforts to comply with applicable prohibitions and requirements of this Act.

"(c)(1) Any person who violates any provision of this Act, or rule or order issued thereunder, shall be subject to a civil penalty of not more than $25,000 for each violation. Each day a violation continues shall constitute a separate violation.

"(2) Any person who willfully violates any provision of this Act, or rule or order issued thereunder, shall be subject to a fine of not more than $50,000 or to imprisonment for not more than one year, or both, for each violation. Each day a violation continues shall constitute a separate violation.

"(3) Any individual director, officer, or agent of a corporation who knowingly and willfully authorizes, orders, or performs any of the acts or practices constituting in whole or in part a violation described in paragraphs (1) and (2) of this subsection, shall be subject to penalties under this subsection without regard to any penalties to which the corporation may be subject under paragraphs (1) and (2) except that no such individual director, officer, or agent shall be subject to imprisonment under paragraphs (1) and (2), unless he also knows of noncompliance by the corporation, or has received actual notice from the Administrator of such noncompliance.

"(4) Whenever it appears to the Administrator that any person has engaged, is engaged, or is about to engage in acts or practices constituting a violation of the provisions of this Act or any rule or order issued thereunder, the Administrator may request the Attorney General to bring a civil action to enjoin such acts or practices, and upon a proper showing, a temporary restraining order or a preliminary or pemanent injunction shall be ganted without bond. In such action, the court may also issue mandatory injunctions commanding any person to comply with any provision of this Act or any rule or order issued thereunder.

"(d) Any person owning or operating an electric powerplant granted a permanent exemption under section 107 or 208 of this Act as a peakload electric powerplant which, for any calendar year operates in excess of one thousand five hundred full-load hours, shall be liable for a civil penalty of up to $10 per barrel of oil or $3 per thousand cubic feet of natural gas used in excess of one thousand five hundred full-load hours, except where such person can demonstrate that operation in excess of one thousand five hundred full-load hours was necessary to meet peakload demand and that other peakload electric powerplants within the system were unavailable for service due to unit or system outages or were also exceeding the one thousand five hundred full-load hours per calendar year limitation on peakload operation.

"(e) For purposes of subsections (c) (1), (2), and (3) of this section, the term 'person' shall not include the Federal Government, including corporations, departments, Federal agencies, and other instrumentalities.

"ENVIRONMENTAL REQUIREMENTS

"SEC. 304 (a) CONSULTATION.—For the purposes of this Act, in order to ascertain environmental control equipment and fuel requirements necessary to comply with applicable environmental requirements, the Administrator shall consult, as appropriate, with the Administrator of the Environmental Protection Agency or appropriate State authorities.

"(b) APPLICABILITY OF NATIONAL ENVIRONMENTAL POLICY ACT.—The grant or denial of an application for a permit, or a temporary exception or permanent exemption or permit from the requirements and prohibitions of sections 103, 104, 203, and 204 of this Act shall not be deemed to be a major Federal action for purposes of section 102 of the National Environmental Policy Act of 1969, except when such application relates to a new electric powerplant or new major fuel-burning installation which otherwise involves a major Federal action. In such cases the environmental impact statement otherwise prepared for such action shall be deemed a sufficient statement for the Administrator's action on the application, if such statement adequately considers the fuel uses involved in the grant or denial of the application.

"ENERGY EFFICIENCY AND INNOVATIVE TECHNOLGY REQUIREMENTS

"SEC. 305. For the purposes of this Act, in order to ascertain appropriate efficiency requirements and technological feasibility of converting any electric powerplant, or any major fuel-burning installation, subject to the requirements or prohibitions of this Act, the Administrator shall consult, as appropriate, with the Administrator of the Energy Research and Development Administration.

"ASSISTANCE TO REGIONS IMPACTED BY EXPANDED COAL PRODUCTION

"SEC. 306. (a) When the Governor of any State or chairman of any Indian tribe determines that coal production will expand above 1976 production levels in an area which will require the provision of additional public facilities and services or housing, the Governor or chairman may designate such an area within his jurisdiction as an 'energy-impacted region.' The Governor or chairman shall notify the Administrator of this designation, setting forth the boundaries of the impacted region and describing existing and anticipated socioeconomic impact.

"(b) Upon designation of an energy impacted region by a Governor or chairman, the Administrator shall—

"(1) make available from available appropriations one hundred per centum federally funded planning grants for such regions for the purpose of developing a growth management and housing plan for the impacted region. Such plan shall identify anticipated levels of coal development within the region, the nature and extent of projected socioeconomic impacts and the need for temporary and permanent housing sites and facilities. If the Governor concurs, such grants may be made directly to counties or other appropriae political subdivisions. If the Administrator finds in writing after consultation with the Governor and local officials that particular grants are unnecessary, the Administrator may veto grants on a case-by-case basis;

"(2) transfer funds authorized for this section to the Farmers Home Administration to—

"(A) subject to the approval of the Governor or chairman, acquire land by purchase, donation, or condemnation, and develop and transfer acquired land to any State or to a political subdivision thereof, or to any qualified housing contractor if he determines that such transfer is an integral and necessary element of an economically feasible plan for the development of housing in the energy impacted region. Such activities shall be accomplished under such terms and conditions as the Administrator shall require, which may include transfer of land with or without monetary consideration: *Provided*, That, after completion of the housing project, the recipient of the transferred land shall pay to the Administrator the fair market value of the land prior to development. Land development shall be limited to site preparation work and construction of access roads and off-site improvements such as sewers and water extensions which the Governor or chairman determines are necessary or appropriate to the economic feasibility of a project; and

"(B) provide technical assistance to any State or political subdivision thereof for the development of housing, sewers, water systems, and other public facilities.

"(c) In selecting land pursuant to paragraph (b)(2)(A) of this section for acquisition and development, the Administrator shall give priority to acquiring tracts of land which were uninhabited or which were previously mined prior to the date of enactment of this Act. No part of the funds provided under this section may be used to pay the actual construction costs of housing.

"(d) The Administrator of the Farmers Home Administration may carry out the purposes of subsection (b) of this section directly or may make grants and commitments for grants and may advance money under such terms and conditions as he may require to any State, or any department, agency, or instrumentality of a State, or any public body or nonprofit organization designated by a State.

"(e) To expedite the construction or rehabilitation of housing in designated energy-impacted regions, the Administrator of the Farmers Home Administration or his designee shall convene a strike force in each designated energy-impacted region made up of representatives of the Governor or chairman, local political subdivisions, and each of the Federal agencies or departments which have existing programs relating to housing, public facilities, reclamation of abandoned mined lands, flood insurance, and such other programs as the Administrator deems relevant. The strike force shall be

empowered to waive eligibility requirements for assistance under such programs on a case-by-case basis for applicants from the energy-impacted regions: *Provided*, That, no eligibility requirements relating to civil rights or to protection of the environment may be waived. The Administrator of the Farmers Home Administration or his designee shall serve as the Chairman of the strike force and shall prescribe the terms and conditions under which waivers are approved.

"(f) Within three months of designation of an energy-impacted region, all coal-related companies operating within the region or transporting large quantities of coal through the region, shall prepare a report to the Administrator. Such report shall include projected employment demand over the life of the operations, annual projected influx of employees from outside the region, and projected annual coal production. Copies of the report shall be filed with the Governor or Indian tribe, the Administrator of the Farmers Home Administration or his designee, and appropriate county or local officials and shall be available for public review at each county courthouse within the energy-impacted region.

"(g) There is authorized to be appropriated annually for eight years to the Administrator the sum of $150.000,000, beginning with fiscal year 1978, which shall remain available until expended for the purposes of this section.

DISRUPTION OF NATURAL GAS SUPPLY CONTRACTS

"SEC. 307. (a) RETENTION OF TITLE.—Whenever the application of any of the provisions of this Act to any electric powerplant or any major fuel-burning installation would result in prohibiting the use of natural gas or petroleum under contract, as of the date of enactment of this section, by any facility as its primary energy source, the sale, exchange, or other transfer of such natural gas or petroleum by any such powerplant or installation shall not be prevented or otherwise impaired by the force majeure or other clauses of such a contract.

"(b) COMPENSATION.—(1) Whenever the application of the requirements and prohibitions of sections 103 and 104 of this Act to any new electric powerplant or any new major fuel-burning installation would result in prohibiting any person from utilizing natural gas for which such person contracted prior to the date of enactment of this section, then such person shall be eligible for just compensation from the person or persons to whom such gas is sold. The person or persons to whom such natural gas is delivered shall make payment of just compensation to the person to whom the prohibition applies and to any person who but for such prohibition would have transported such natural gas to such facility. The person or persons who pay such just compensation shall, upon payment thereof, be entitled to assume any contractual rights which the person to whom the prohibition applies may have with respect to such natural gas. If the charges for transportation or sale of natural gas delivered pursuant to such a contract were not regulated under the Natural Gas Act prior to its assumption under this subsection, the assumption of such contract under this subsection and transportation or sale of such natural gas under such contract after its assumption shall not be subject to the Natural Gas Act.

"(2) For purposes of this subsection, the term 'just compensation' means compensation for—

"(A) increased fuel costs, if any, including transportation and handling costs, incurred by the electric powerplant or major fuel-burning installation to which the prohibition applies; and

"(B) loss of revenue, if any, incurred by the person who transported gas to such powerplant, to the extent such loss would not have occurred but for such prohibition.

"(3) In the event of a dispute between or among the parties, the amount of such compensation, as between those parties disagreeing, shall be determined on the record after agency hearing by the Administrator. A prohibition on the use of natural gas under this Act may take effect before the amount of such compensation is finally determined by the Administrator. The Administrator may order any person to pay the amount of compensation established by the Administrator or to adjust rates of payment to reflect underpayment or overpayments.

"(c) No action taken pursuant to this section and no permanent exemption granted pursuant to any other section of this Act shall be construed to—

"(1) permit a person to receive more natural gas from a pipeline company or distribution company than the maximum quantities permitted such person under the curtailment plan in effect for such pipeline company or distribution company; or

"(2) require suppliers of natural gas which is subsequently sold, exchanged, or otherwise transferred by electric powerplants or major fuel-burning installations as provided under subsection (a) to supply an annual amount exceeding the lesser of (A) the volume specified in the contract, or (B) the volume which would actually have been delivered to the electric powerplant or major fuel-burning installation but for the application of section 103, 104, 203, or 204 of this title; or

"(3) limit in any way the power of the Federal Power Commission or of the States to regulate the allocation of natural gas.

"EMERGENCY POWERS

"SEC. 308. (a)(1) In the event the President declares a severe energy interruption, as defined in section 3(8) of the Energy Policy and Conservation Act, as amended, the Administrator may, by order, prohibit an electric powerplant or major fuel-burning installation using natural gas or petroleum as a primary energy source from so using natural gas or petroleum for the duration of such interruption, notwithstanding applicable implementation plans as defined in section 110(b) of the Clean Air Act or other State or local government standard, limitation, or other requirement, so long as such prohibition are not likely to result in a violation of any national primary ambient air quality standard.

"(2) In the event the President determines that such supply interruption is likely to be of sufficiently grave scope and duration that, in his judgment, it is necessary to issue orders under paragraph (1) of this subsection which are likely to result in a violation of any national primary ambient air quality standard, the President my issue such orders but may not delegate the authority to do so.

"(b) A person operating a peakload electric powerplant for the purposes of supplying power in an emergency situation shall notify the Administrator within twenty-four hours of startup of such operation. The Administrator may order the cessation of the operations of such powerplant at any time if in his judgment the emergency does not justify such operation. Hours of operation accumulated after such order shall be included in the peakload powerplant's operating hours for the purposes of the penalties in section 303(d).

"(c) The Administrator may stay or otherwise exempt for such period as the Administrator deems appropriate, the application of the requirements, prohibitions, and penalties of section 103, 104, 203, or 303 of this Act—

(1) in the event of national, regional, or systemwide shortages of coal or other fuel supplies or of coal transportation facilities or other necessary facilities which may or will affect reliability of service of new electric powerplants subject to such requirements and prohibitions; or

"(2) otherwise as necessary to alleviate or prevent any emergencies directly affecting the public health, safety, or welfare, which would result from electric power outages.

"(d) The Administrator shall stay the application of the requirements, prohibitions, and penalties of section 103, 104, 203, 204, or 303 of this Act for such periods as necessary to implement enforceable air pollution requirements.

"(e) Any allocation of coal or coal transportation facilities or equipment must be documented and a report stating the need, justification, and results of such allocation must be filed with the Administrator and available as public information.

"(f) Persons experiencing temporary emergency conditions which render it infeasible to use coal or other fuel or which require immediate action to forestall injury to life or property may commence the use of fuels other than coal or other fuel, notwithstanding any order or obligation otherwise imposed by or pursuant to this Act, but must notify the Administrator within twenty-four hours of such use. Such use of fuels may continue for the duration of the temporary emergency condition unless the Administrator, by order, directs that the use of such replacement fuels halt. Within one hundred eighty days after the enactment of this section, the Administrator shall by rule issue regulations prescribing the form and content of such notices and specifying the conditions which may constitute a temporary emergency, which shall include:

"(1) temporary unavailability of sufficient supplies of coal or other fuel;

"(2) disruption in transportation facilities needed to deliver sufficient quantities of coal or other fuel to users; and

"(3) severe weather conditions which render the use of coal or other fuel infeasible.".

CONFORMING AMENDMENTS

SEC. 3. (a) Sections 2 (a), (b), (c), (e), and (f) of the Energy Supply and Environmental Coordination Act of 1974, as amended, are hereby designated as sections 203 (a), (b), (c), (d), and (e), respectively, of this Act.

(b) Section 2(d) of the Energy Supply and Environmental Coordination Act of 1974, as amended, is hereby designated as section 309 of this Act.

(c) Insert following the redesignated section 203(e) the following:

"(f) OTHER PROVISIONS.—(1) Orders outstanding under the Energy Supply and Environmental Coordination Act of 1974, as amended, as of the effective date of this Act shall remain in effect. Any proceedings in process pursuant to any such orders shall continue under the provisions of the Energy Supply and Environmental Coordination Act of 1974, as amended, and as in effect immediately prior to the passage of this Act: Provided, however, That the Administrator, on his own initiative or on motion of any interested person, shall rescind or modify any order, including any order issued pursuant to section 2(a) of the Energy Supply and Environmental Coordination Act of 1974, as amended, issued prior to the effective date of this Act, if the order is inconsistent with any provision of title II of this Act so that such order, as rescinded or modified, complies with this Act.

"(2) Before modifying or rescinding any such order the Administrator shall give notice to the public and the recipient of the order and afford interested parties an opportunity for a public hearing with appropriate procedural rights including oral and written presentation of data, views, and arguments.

"(3) No provision of any such order (or modification thereof) that prohibits the utilization of petroleum or natural gas shall

become effective until the date which the Administrator of the Environmental Protection Agency has certified pursuant to section 119(d)(1)(B) of the Clean Air Act is the earliest date that such powerplant or installation will be able to utilize coal or other fuel in lieu of petroleum or natural gas and comply with all applicable environmental requirements. The Administrator of the Environmental Protection Agency shall give the Administrator the notice described herein within two hundred and seventy days of the date on which the notice under paragraph (2) of this subsection was issued.

CONFORMING AMENDMENTS

SEC. 4. The Energy Supply and Environmental Coordination Act is further amended by inserting following redesignated section 309 of this Act, the following:

"DISCLOSURE

"SEC. 310. The Administrator shall require the disclosure of the extent, characteristics, and productive capacity of coal reserves held by any private, corporate, public, or Government owner, or interest-holder in such reserves, as necessary, pursuant to section 409 of this Act, and shall publish a summary of such information: Provided, That the Administrator may exempt small reserves from the requirements of this section where the Administrator finds that the imposition of the requirements of this section would impose an unreasonable economic burden on the owner or would not be of significant aid to achievement of the purposes of this Act.

"FEDERAL FACILITIES

"SEC. 311. (a) Each department, agency, and instrumentality of the executive, legislative, and judicial branches of the Federal Government having jurisdiction over any electric powerplant, or major fuel-burning installation subject to the requirements and prohibitions of this Act, shall comply with the requirements and prohibitions of this Act.

"(b) The President may exempt from the requirements of subsection (a) any electric powerplant or major fuel-burning installation of any department, agency, or instrumentality in the executive branch from compliance with such requirement or prohibition, if the President determines it to be in the paramount interest of the United States to do so. No such exemption shall be granted due to lack of appropriation unless the President shall have specifically requested such appropriations as a part of the budgetary process and the Congress shall have failed to make available such requested appropriation.

(c) The President shall report each January to the Congress all exemptions granted under this section from the requirements and prohibitions of this Act during the preceding calendar year, together with his reason for granting each such exemption.

"COAL PRICE MONITORING

"SEC. 312. (a) The Administrator is directed to make a study of the costs of mining coal in various regions of the country by various mining techniques. The Administrator shall submit his study to the Congress no later than twelve months after enactment.

"(b) The Administrator is authorized and directed to monitor the price of significant amounts of coal committed to contract after enactment of this section and to provide the Congress with semiannual reports summarizing the data collected under this subsection and analyzing the factors influencing changes in coal prices, including but not limited to the impact of the provisions of this Act.

"REPORT

"SEC. 313. Beginning one year after the date of enactment of this title, the Administrator shall report annually to the Congress on the implementation of this title. Such report shall identify the permanent exemptions granted or denied pursuant to sections 107(b) and 208(b) of this Act.".

CONFORMING AMENDMENTS

SEC. 5. (a) The Energy Supply and Environmental Coordination Act of 1974 is amended—

(1) by redesignating sections 3 through 14 (and all references thereto) as sections 401 through 412, respectively, of this Act, and

(2) by inserting before section 401 (as to redesignated) of this Act, the following:

"TITLE IV—OTHER PROVISIONS"

(b) The Energy Supply and Environmental Coordination Act of 1974 is amended in section 412 (as redesignated) by inserting before the word "Act" wherever it appears "section 203, 309, and 401 through 412 of this".

TRANSITIONAL PROVISIONS

SEC. 6. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, by any Federal department or agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this Act, and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by the President, the Administrator, other authorized officials, a court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not affect suits commenced prior to the date this Act takes effect, and in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

EFFECTIVE DATE

SEC. 7. The amendments to the Energy Supply and Environmental Coordination Act of 1974 made by this Act shall take effect one hundred eighty days after enactment except that the Administrator is authorized to issue rules pursuant to this Act at any time after enactment of this Act, which rules may take effect no earlier than one hundred eighty days after enactment of this Act.

The ACTING PRESIDENT pro tempore. The time for debate on this bill is limited to 2 hours, to be equally divided and controlled by the Senator from Washington (Mr. JACKSON) and the Senator from Wyoming (Mr. HANSEN), with 1 hour on any amendment in the first degree, except a Kennedy amendment, on which there shall be 4 hours; provided that, if a motion to table the Kennedy amendment fails, there shall be no time limitation on the Kennedy amendment; provided further, that no other amendment dealing with divestiture shall be in order; with 30 minutes on any amendment in the second degree, and with 20 minutes on any debatable motion, appeal, or point of order.

Who yields time?

Mr. HASKELL. Mr. President, I suggest the absence of a quorum to be charged to the time on the bill and equally divided between the two sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HASKELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, during Senate consideration of S. 1977, the Natural Gas and Petroleum Conservation and Coal Utilization Policy Act of 1977, I ask unanimous consent that members of the staff of the Committee on Energy and Natural Resources be granted privilege of the floor: Grenville Garside, Mike Harvey, Dan Dreyfus, Richard Grundy, Thomas Laughlin, and Doris Winkler; and that Mr. Rob Liberatore of my personal staff be granted privilege of the floor during the debate and vote on this measure.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the following members of my staff and the staff of the Committee on Environment and Public Works be granted privilege of the floor during the debate and votes on S. 977: Phil McGance, John Yago, Ric Fenton, Richard Harris, and Phil Cummings.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, I ask unanimous consent that Fred Craft, Ted Orf, and Carol Sacchi of the Senate Energy and Natural Resources Committee be granted privilege of the floor during debate and all votes on S. 977; and on behalf of Senator SCHMITT I ask unanimous consent that the privilege of the floor be accorded Dick Burdett and Hayden Bryan of his staff.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, the Natural Gas and Petroleum Conservation and Coal Utilization Policy Act of 1977 is a cornerstone for a national energy policy for the United States of America. Other cornerstones are energy conservation, energy research and development, and energy production.

Greater utilization of coal in lieu of natural gas and oil must play a significant role in our country's quest for greater energy self-sufficiency.

Energy conservation can significantly reduce the rate of growth in our consumption of energy. Energy conservation also can foster more efficient use of our Nation's nonrenewable energy sources, such as natural gas and petroleum. But until such renewable energy sources as solar and geothermal energy are able to achieve their promise for the future, greater coal utilization will remain our principal alternative to oil imports. Nuclear power is available for the generation of electricity, but industry as well as utilities must rely on coal for the production of steam. For this reason, it is essential that we assure, and indeed insist on, the environmentally acceptable production and utilization of coal. This is a statutory requirement of S. 977.

Experience with the Energy Supply and Environmental Coordination Act of 1974—ESECA—has shown that, in many cases, significant consumer cost savings can be achieved through the reconversion of existing facilities from petroleum back to coal. However, as Federal Energy Administrator, John O'Leary, outlined for the committee on March 21,

1977, under the present Federal coal conversion program:

From the beginning of the current process until coal is actually burned, it could take from two to eight years.

Mr. O'Leary added that—

Nearly three years of operation with this program have led us to conclude that there are many problems . . .

Precisely for this reason, the committee and the administration support "the strengthening and expansion of current authorities and the establishment of clear guidelines and ground rules to all current and potential new users of oil and gas." These policies are set forth in S. 977.

This measure is the product of a legislative effort begun in 1973 by the Senate's National Fuels and Energy Policy Study.

Legislative initiatives in the Senate to foster greater coal utilization date to the 93d Congress, to S. 2589 and S. 2652. During the 94th Congress features of these measures were eventually incorporated in the Energy Supply and Environmental Coordination Act of 1974 (Public Law 93–319), which was further refined in S. 622, the Energy Policy and Conservation Act of 1975 (Public Law 94–163).

Legislative proposals before the Subcommittee on Energy Production and Supply during this Congress are S. 977, the Coal Utilization Act of 1977, as introduced by Senator JACKSON and cosponsored by Senators FORD, HUDDLESTON, HUMPHREY, and RANDOLPH; and S. 273, the Natural Gas and Petroleum Conservation and Coal Utilization Act of 1977, and S. 272 as introduced by Senator RANDOLPH and cosponsored by Senators HUMPHREY, HUDDLESTON, and JACKSON.

Four days of hearings were held on these measures by the subcommittee. Subsequently, the coal conversion proposals contained in President Carter's national energy plan were received by the committee and additional hearings convened.

Mr. President, the measure before us has been refined and perfected over a period of 4 years. S. 977 sets forth a revised and more simplified regulatory program, than the present ESECA program, to foster greater coal utilization by certain new and existing electric powerplants and major fuel-burning installations.

This measure, Mr. President, represents a bipartisan effort by the committee, being reported by a vote of 15 to 1.

I wish to take this opportunity to express my appreciation to my chairman, the Senator from Washington (Mr. JACKSON), to our ranking minority member, and the Senator from Wyoming (Mr. HANSEN), as well as my other colleagues on the committee who have contributed their ideas and energies to the formulation of this comprehensive and rational national coal utilization policy.

Mr. President, I ask unanimous consent that a summary of the committee's action on S. 977 be printed in the RECORD at this point in my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY

MAJOR PROVISIONS

(Natural Gas and Petroleum Conservation and Coal Utilization Policy Act of 1977 (S. 977, S. Rept. No. 95–361))

PURPOSE

The Natural Gas and Petroleum Conservation and Coal Utilization Policy Act of 1977 (S. 977) is an amendment to the Energy Supply and Environmental Coordination Act of 1974, as amended. The purpose of this Act is to foster greater national energy self-sufficiency, consistent with applicable environmental requirements, by requiring certain new and existing electric powerplants and major fuel-burning installations, including Federal facilities, use indigenous coal and other fuel resources in lieu of natural gas or petroleum.

NEW FACILITIES—TITLE I

Certain new electric powerplants (Sec. 103) and new major fuel-burning installations (Sec. 104) are prohibited, with specified temporary exceptions and permanent exemptions, from using natural gas or petroleum as their primary energy source. These prohibitions apply to boilers, gas turbines, and combined cycle units, but the restrictions do not include the fuel required for start-up, testing, and flame stabilization.

In the case of industrial facilities (referred to as major fuel-burning installations) these prohibitions apply to the generation of steam or electricity, as well as indirect-fired uses, but the rstrictions do not apply to certain process and feedstock uses or to direct-fired uses (See S. Rept. 95–361, p. 43).

The prohibitions apply to new electric powerplants and new major fuel-burning installations that by design are capable of a fuel heat rate input of 100 million Btu's per hour (roughly) equivalent to one 10 megawatt boiler), or an aggregation of units which together are capable of a fuel heat rate input of 250 million Btu's per hour.

Temporary Exceptions—Section 105

Temporary exceptions (up to five years) from these prohibitions permitting the use of petroleum by new electric powerplants and major fuel-burning installations are to be granted by the FEA Administrator (a) if coal or other fuels than natural gas or petroleum are not available, or (b) if adequate fuel transportation facilities are not available, or (c) if the necessary air pollution control equipment and other equipment and facilities are not available. Temporary exceptions permitting the use of petroleum and natural gas are to be granted if synthetic fuels derived from coal will be employed by the facility. Such exceptions are conditioned on an approved compliance plan.

Temporary exceptions also are to be granted new facilities permitting the use of natural gas where a national primary (health) ambient air quality standard cannot be attained or maintained without the express use of natural gas.

No exception can result in delays in compliance with applicable environmental requirements.

Permanent exemptions—Sections 106, 107, and 108

Permanent exemptions from these prohibitions permitting the use of petroleum by new facilities are to be granted by the FEA Administrator if (a) coal or other fuels than petroleum or natural gas are not available; or (b) if the cost of using coal or other fuels substantially exceeds the cost of using imported oil, or (c) if physical, environmental or legal factors preclude compliance with the statute. In the case of new electric powerplants, the applicant for a permanent exemption to use petroleum also must consider (a) construction at an alternative site where coal or other fuels could be used and (b) must consider the purchase of electric power as an alternative to using petroleum.

In the case of new electric powerplants, peak-load powerplants are to be granted permanent exemptions (a) from the petroleum prohibition if the facility will be operated only for peak-load purposes, or (b) from the natural gas prohibition if located in an area where a national primary (health) ambient air quality standard has not been attained or will not be attained. Intermediate-load powerplants may be exempted from the petroleum prohibition if constructed in non-attainment areas, if greater than 36 percent efficient, and if convertible to coal derived fuels when available.

Permanent exemptions to permit the use of petroleum may be granted for certain cogeneration facilities where its economic and other benefits cannot be obtained if coal or other fuels are used. Authority is provided for permanent exemptions to facilities constructed for only standby or emergency operation.

Permanent exemptions also may be granted to permit the use of natural gas or petroleum where such use would not be allowed except for consideration of the public interest.

New major fuel-burning installations are to be granted permanent exemptions to use petroleum where satisfactory control of product quality or process requirements cannot be met with the use of coal or other fuels in in-direct firing.

Before a new electric powerplant or major fuel-burning installation, other than a peak-load electric powerplant, can obtain a permanent exemption from the statutory requirement to use coal or other fuel, the applicant must demonstrate that the use of a mixture of coal or other fuel, and petroleum, or fluidized bed combustion of coal, is not feasible. Permanent exemptions are available for the use of mixtures of coal and other fuels, and petroleum, where the use of only coal and other fuels is not feasible.

EXISTING FACILITIES—TITLE II

Existing electric powerplants and major fuel-burning installations are defined to include units capable of a fuel heat input rate of 100 million British thermal units per hour or greater or aggregations of coal capable units of fuel heat input rates of 250 million British thermal units per hour or greater. Individual non-coal capable units must be capable of fuel heat input rates of 250 million British thermal units per hour or greater.

Requirements and Prohibitions—Section 204

Under S. 977, existing electric powerplants are prohibited from using natural gas as their primary energy source after January 1, 1990.

Existing electric powerplants also are prohibited from increasing their proportional use of natural gas compared to the base period set forth in S. 977.

Discretionary authority is provided to order existing electric powerplants or major fuel-burning installations which are capable of using mixtures or combinations of coal or other fuel, natural gas or petroleum, to use the minimum amounts of natural gas or petroleum in combination with coal necessary to maintain reliability of operation. In addition, existing electric powerplants or major fuel-burning installations using coal on April 20, 1977, would be required to obtain a Federal permit to increase their use of petroleum.

In addition, the coal conversion provisions of the Energy Supply and Environmental Coordination Act of 1974, are extended. Under these provisions from existing law electric powerplants and major fuel-burning installations capable of using coal may be ordered (with the burden of proof on the Administrator) to cease using natural gas or petroleum. (The basis for temporary exceptions and permanent exemptions contained in S.

977 shall apply to such orders and outstanding orders may be conformed, accordingly.)

Compliance reports are required annually beginning with January 1, 1980, from those existing electric powerplants and major fuel-burning installations which must act to come into compliance with the requirements and prohibitions of S. 977.

Temporary Exceptions and Permanent Exemptions—Sections 206, 207, 208, and 209

Existing electric powerplants and major fuel-burning installations are eligible for similiar temporary exceptions and permanent exemptions as those available to new facilities.

In addition, temporary exceptions are to be granted to existing electric powerplants or major fuel-burning installations which need additional time to employ synthetic fuels or innovative technologies, such as fluidized bed combustion of coal, to comply with the requirements of S. 977.

Provision is made for retirement of facilities as an option to compliance with the statutory requirements and prohibitions.

OTHER PROVISIONS

Systems Compliance Option—Section 214

S. 977 provides that electric utility systems using intrastate natural gas may submit a system's compliance plan to the Administrator, rather than submitting individual plans or other applications for each existing electric powerplant on the system.

Coal Conversion Compensation—Section 210

Under S. 977 the Administrator is empowered to compensate existing facilities for the differential costs necessary for the Administrator to deny applications for permanent exemptions from the requirement to use coal or other fuel.

Loans and Loan Guarantees—Sections 211 and 212

S. 977 authorizes loan and loan guarantees for existing electric powerplants or major fuel-burning installations unable through normal financing means to finance the necessary air pollution control equipment to use coal in compliance with applicable environmental requirements.

Disruption of natural gas contracts—Section 307

The bill provides that a new electric powerplant or major fuel-burning installation unable to use natural gas under contract may sell its rights at a price to be determined, including an amount to compensate a pipeline or distribution company entitled under the contract to transport the gas.

Emergency powers—Section 308

In certain emergency situations, S. 977 authorizes temporary use of petroleum by certain electric powerplants and major fuel-burning installations, as well as stays of the prohibitions of the statute in order to permit the use of natural gas and petroleum to deal with supply interruptions and shortages.

Regional impact assistance—Section 306

Assistance is authorized for additional public facilities, services, and housing in regions impacted by expansion of coal production.

Coal price monitoring—Section 312

The Administrator is directed to monitor coal prices and report annually to the Congress on trends in coal prices.

Administrative and judicial review provisions—Sections 201 and 302

Administrative and judicial review provisions are included to assure timely action on applications for temporary exceptions (within 6 months) and permanent exemptions (within one year).

Effective date

The provisions of the Natural Gas and Petroleum Conservation and Coal Utilization Policy Act of 1977 take effect 180 days after the date of enactment. Prior to that time, the Federal Energy Administration is empowered to promulgate regulations to S. 977.

Mr. HASKELL. Mr. President, S. 977 sets forth a regulatory program to foster greater utilization of coal and other fuels in lieu of natural gas and petroleum by electric utilities and major industrial installations. The bill emphasizes construction of new facilities which rely on coal and other fuels, such as biomass, geothermal energy, and solar energy.

The provisions affecting existing facilities emphasize electric powerplants. Existing major fuel-burning installations are affected only if they propose to increase their proportional use of natural gas, with respect to petroleum, or propose to switch from coal to petroleum. As long as existing industrial installations continue their current fuel uses they are not affected by S. 977.

Before reviewing the potential for conversion of natural gas and petroleum under S. 977, it is appropriate that I outline the coal conversion provisions of the President's National Energy Act. It includes regulatory provisions, oil and gas consumption taxes, and the tax refunds for construction of new coal-fired facilities. According to the administration, this will save some 3.3 million barrels of oil equivalent—oil plus gas—per day in 1985, 1.1 million of which will be saved in the utility sector and 2.2 million of which will be saved in the industrial sector.

In the utility sector, the regulatory program is designed to insure that current utility construction programs, which emphasize nonoil and nongas facilities, are actually carried out.

In the industrial sector, the regulatory program will, according to the administration, save 770,000 barrels of oil equivalent per day, 700,000 of which will be the result of requiring new facilities to burn coal or other nonoil or nongas fuels.

Both the Congressional Budget Office and the Congressional Research Service have questioned whether the administration's proposed coal program will achieve the target levels of oil and gas savings. Their concerns are based on judgments about future levels of economic activity and on the economics of coal use, however, and not on the effectiveness of the administration's proposed regulatory mechanisms.

Mr. President, the provisions of S. 977 differ from the administration's proposed regulatory mechanisms. These differences are expected to slightly reduce the natural gas and petroleum savings under S. 977 compared to the administration proposal. This is the case regardless of the assumptions used with respect to economic activity levels and coal use economics.

In the utility sector, S. 977 provides a mechanism by which intermediate-load generating facilities may be granted permanent exemptions to use petroleum provided such units are constructed to replace existing oil- or gas-fired units located in areas that are nonattainment areas from the standpoint of air pollution standards based on the protection of public health. But such facilities must be capable of using coal derived fuels when available.

This provision could reduce the oil and gas savings under S. 977 by as much as 160,000 barrels of oil per day in 1985, compared to Part F of S. 1469. This discretionary authority is provided to allow utilities some degree of flexibility in meeting their required reliability of service.

In the industrial sector, S. 977 excludes direct-fired combustors, whereas S. 1469 provided discretionary authority for the Administrator to include any industry process use of natural gas and petroleum. By the exclusion of new direct-fired combustors, petroleum consumption could be 70,000 barrels of oil per day greater in 1985 than might occur under S. 1469 if implemented.

Other exclusions of major fuel-burning installations could reduce oil and gas savings by up to 40,000 barrels of oil equivalent per day.

These exclusions were provided in order to significantly reduce the administrative burden of this program.

For this reason among others, the committee deferred consideration of a comprehensive coal conversion program for existing major fuel-burning installations. In the future, however, the committee will review these exclusions and other uses of natural gas and petroleum which are not covered by S. 977.

Mr. President, at this time I would like to point out an error in the committee report. The presentation of committee views on rail rehabilitation on page 40 should read:

The Committee believes that any plan for coal conversion must include considerations of the problems of coal transportation. Railroads have always been and will in the immediate future continue to be a major carrier of coal in this country. While main rail lines close to the source of coal (mines) may have sufficient volume to attract private financing to upgrade lines, main and branch lines in more remote consuming areas of the country may not have the volume of coal traffic needed to attract private improvement funding. Nevertheless, these areas will have the majority of the nation's utilities and factories which would be expected to convert to coal. In order for coal conversion to be meaningful, these existing plants and new facilities to be built to use coal throughout the country must be serviceable by rail. In practical effect, this will mean rail lines to bring the coal to the users. These lines are presently in deteriorated condition and will need financing help from the government in order to upgrade to carry the coal.

The Title V program of the 1976 Railroad Act was specifically enacted to finance and support rail rehabilitation upgrading where it is in the public interest to do so. Clearly, in the presence of a coal conversion act, it is in the public interest to upgrade rail to carry this coal. The linking up of a coal conversion program and improved rails to carry this coal is a natural one. The Committee thus looks favorably on proposals to encourage a rail rehabilitation program as part of its comprehensive coal conversion bill.

Mr. President, I will mention a few items on this particular bill that I think are important.

First, I stress that this coal utilization bill goes back to a recommendation made by the Senate's national fuels and energy policy study in 1973. I further call to the attention of my colleagues who may

be here or may have staff persons here that this also builds upon a provision of the Energy Supply and Environmental Coordination Act of 1974 as well as on the Energy Policy and Conservation Act of 1975.

In other words, Mr. President, we are not talking about something new. We have recognized for many years in our Nation that there is a shortfall of oil and gas, that there is an abundance of coal in the Nation, and we have recognized that we must use coal basically as a bridge from an oil and gas to geothermal, solar, and other new resources which will keep the Nation going, as far as energy goes, in future generations.

Mr. President, this bill basically says that new plants, that is, whether they be utility or whether they be industrial plants, absent a very high showing, a very stringent burden of proof, will not use oil and gas.

This, however, applies to the boiler fuel aspect of the plants. It does not apply to nonboiler uses.

The bill also builds on previous legislation which required conversion of existing plants that have a standby capability of using coal and it builds on the legislation passed in 1975.

Mr. President, I should state that the administration wanted the authority to convert all existing plants, be they utility or be they industrial plants, from natural gas and oil to coal and, in my view and in the view of the committee, the basic information upon which to make a determination did not exist and, to my knowledge, does not at the present time.

The basic information, of course, is how much savings there would be by such a conversion, the cost of such a conversion, and the environmental impact of such a conversion on a region-by-region basis.

When such information is forthcoming, I am sure that my subcommittee and I feel that the Energy Committee as a whole, would clearly be very pleased to build and expand upon this particular piece of legislation.

With that. Mr. President, I yield to our distinguished colleague, the Senator from Wyoming.

Mr. HANSEN. Mr. President, I thank my distinguished colleague, the floor manager of the bill, the Senator from Colorado, for yielding to me. I have appreciated working with him on this piece of legislation.

Mr. President, S. 977, the coal conversion bill, is before the Senate. In a day when we are faced with dwindling supplies of the resources that we have used for energy over the past half century we must look for continued economic survival to those sources of energy that we have in abundance.

The statistics on energy supply speak for themselves. The severe curtailments that the Nation's gas users faced last winter will be repeated in the next cold snap. The effect on balance of payments of increasing imports of oil as well as the adverse effect on our national security make it imperative that we somehow decrease our imports of oil.

S. 977 as reported by the committee will go a long way toward meeting these problems. It will mandate what is already occurring in industry, that is a switch to the greater use of coal and a greater use of our nuclear resources.

The bill as reported by the committee takes a balanced approach to the problem. We will not force conversions on existing facilities that do not have the capability to utilize coal. This will protect the economy from the dislocations that will surely follow from an attempt to replace most of the basic industrial plant in this country. We have enough economic problems without forcing more industry into bankruptcy.

We will require utilities to phase out their gas burning equipment over a gradual period. This will allow these utilities to convert with minimal disruptions, and increases in the prices that the consumers must pay for a basic commodity: electricity.

The committee has chosen to place most of its emphasis on future installations where the most benefits can be achieved for the expenditure of a dollar in capital funds. All industrial plants and all electric utilities that are constructed after the date of this act will be required to utilize coal wherever possible. The exemptions that can be obtained from this requirement are minimal and we fully expect that new facilities will be granted few extentions.

Existing electric powerplants are forbidden to use gas after 1990. Unless they come under the provisions of the systems compliance option. The existing industrial installations will come under the current provisions of epeca and the secretary can force conversion of these utilities to coal where such conversion is practical.

There are those of my colleagues who feel that this act is not strong enough and does not force conversions quickly enough. The committee very carefully considered each of these points. We have a three-volume hearing record full of problems, many insolvable, relating to the effects of quick conversions, or attempted conversions where insufficient study has been made. We feel that this bill is balanced and that a drastic increase in the scope of the bill would cause economic dislocations that would be too high a price to pay for the limited supplies of gas and oil that would be made available to other sectors of the economy.

An amendment to be offered by Senator HASKELL will study the effect of forced conversions on major industrial installations. If this study is completed we will have a better idea of the economic effect of such forced conversions. Until that time I cannot support regulations of these industries.

By the same token, earlier application of the natural gas prohibition would cause severe economic dislocation, and bring but a small amount of gas upon the market. I cannot support an amendment to accelerate this deadline.

This bill as reported by the committee will provide a balanced approach toward conversion of our industrial plant from oil and gas to coal and other fuels.

Mr. President, it is unfortunate, in my opinion, that we are forced to present to the Senate for its consideration this kind of legislation.

I call attention to the fact that when the Federal Government, as a consequence of a court decision and further action by the FPC, started controlling the price of natural gas at the wellhead, we then set the stage that makes necessary the action we are considering today.

In my opinion, the utilities of the United States would be taking on their own the actions that we contemplate taking here if we had permitted the marketplace to perform the function that historically it has been performing. Because we have interfered with the operation of the marketplace, because we arbitrarily held down the price of natural gas, as was done by the FPC for some 20-odd years, and because well-intentioned environmentalists insisted that we should clean up the air overnight, we were, not many years ago, converting coal-fired plants.

I took an action a few years ago to prevent the veterans hospital in Sheridan, Wyo., from being converted from a coal-fired operation to a gas-fired operation, because it did not take very much foresight to anticipate that very shortly we were going to have inadequate supplies of natural gas to perform all the functions that we are asking natural gas to perform. It took me more than half a year, as I recall, finally to persuade the Veterans' Administration, with some assistance from the White House, that they were moving in the wrong direction. Yet, that is precisely what was happening in major cities, one after another, and towns throughout the United States, in our efforts to clean up the air.

We all support the efforts to clean up the air, but it simply underscores the fallacy in having Government step in to do some of the things we have gotten ourselves into, because of an interference with the marketplace.

I make these observations, because it seems to me to underscore the realism in deregulating the prices of natural gas and oil. If we take those actions which I think we should take, which are long overdue, we will not have to admonish industry about the need to convert to coal wherever it can.

On the other hand, where and if investment has been made in a gas-fired plant where new equipment has been installed, I do not think it makes sense to say to such an operation, "You have to junk all that equipment right now and convert to coal."

I say that, because I think that all public utilities will make the right decisions if they can have the benefit of the right signals from the marketplace.

Mr. SCHMITT. Mr. President, will the Senator yield

Mr. HANSEN. I yield.

Mr. SCHMITT. Mr. President, I compliment the Senator on expressing his concerns about this legislation at this time. I do not know the answer, and I hope that in the course of the debate, some of the issues can be resolved. It is clear that we are dealing with an extremely distorted market with respect to the energy industry. It has been dis-

torted, as the Senator from Wyoming has said, for 25 years. The major distortion occurred with the Permian basin decision in the early 1960's, and that related to natural gas.

The question is, is this bill going to resolve some of those distortions or is it going to perpetuate and enhance the distortions? I am tremendously concerned that we may be doing something that is unnecessary.

In my part of the country, the conversion to coal is already taking place. The market forces that are there now, the undistorted market forces, are forcing that conversion from natural gas to coal—at least in the construction of new plants.

I think we must find an answer to the question, in the course of this debate, as to whether or not the natural forces that still remain within the marketplace are going to result in the same thing that this bill is attempting to do. If, in fact, the natural forces will result in this conversion proceeding at a reasonable pace, then I see no need for this type of legislation at this time.

I think those are some of the questions that must be answered, and I compliment the Senator for raising them at this point. I hope that in the course of the next day or 2 or 3, we will find a resolution of those questions.

Mr. HANSEN. Mr. President, I thank my distinguished colleague from New Mexico for his very perceptive observations. Among his many qualifications, of course, is the fact that he is a distinguished geologist. He knows far better than most of us what the finite limits are of the various kinds of fossil energies we have in this country, how quickly we can move from one source of energy to another, and the important role that the marketplace should play in making those conversions or in making those changes.

I compliment him for his perception, for his interest, and for his leadership.

(Mr. SASSER assumed the chair.)

Mr. DECONCINI. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HASKELL. I yield.

Mr. DECONCINI. Mr. President, I ask unanimous consent that Jim Magner, of my staff, have the privilege of the floor during the debate and votes on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask unanimous consent that Jim Fleming, of my staff, have the privilege of the floor during the debate and votes on S. 977.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, I ask unanimous consent that Dick Getzinger, of Senator DOMENICI'S staff, and Mike Crisp, of Senator BAKER'S staff, have the privilege of the floor during the consideration of and votes on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, before I offer some technical amendments to the bill, I should like to yield to my distinguished friend from West Virginia, Senator RANDOLPH, who long has been active in this field and was a member of the original Senate study group on energy.

Mr. RANDOLPH. Mr. President, I am appreciative of the thoughtful reference just made by the able Senator from Colorado (Mr. HASKELL) who is managing this important coal conversion bill, with the cooperation of the diligent Senator from Wyoming (Mr. HANSEN).

Mr. President, the measure before us today, the Natural Gas and Petroleum Conservation and Coal Utilization Act of 1977 emphasizes coal conversion. Utilization of coal in large industrial and utility plants is the single most effective method that can be used in an effort to conserve other fossil fuels now rapidly being depleted.

S. 977 is legislation that will establish part of the policy necessary to make widespread coal use a reality and establishes coal as the direct successor to oil and natural gas. It incorporates, I believe, about 80 percent of the provisions included in S. 273 which I introduced on January 14, 1977.

On October 18, 1973, Senators JACKSON, MAGNUSON, and I introduced S. 2589, of which many provisions were eventually incorporated into the Energy Supply and Environmental Coordination Act of 1974. On May 20, 1975, I introduced S. 1777 after conducting extensive hearings to determine the feasibility of substituting coal for oil and gas in a broader range of utility and industrial boilers than required under ESECA.

As a further effort to establish a national coal policy using domestically produced coal to the greatest extent possible, introduced S. 273. As mentioned earlier many of the provisions of that bill are included in this coal conversion legislation. We have been at work on these issues for many years, and I applaud the administration for its recognition and support of increased coal utilization policy and this legislation.

I believe that Senators HASKELL and JACKSON have developed this coal utilization measure, mindful of the historical constraints to increased coal substitution. Coal production development has always been an investment subject to fluctuations, but more recently this development has been hampered by major uncertainties about Government policies. Uncertainties about future regulations, in the past have deterred development of new mines, and caused passthrough of certain costs to certain segments in coal industry complex, especially equipment manufacturers and transportation concerns.

Earlier this year the Senate took action establishing new mining and restoration practices, as well as adopting new requirements related to health and safety in the mining environment. These measures should aid those in industry responsible for production of coal in making decisions and defining problems associated with assured coal markets of specific dimensions.

The Coal Utilization Act begins to clarify Federal policy for those who will consume the coal from the mine. It sets forth a revised and simplified regulatory program for converting certain existing electric powerplants and major fuel burning legislation. Requirements that certain new electric powerplants and major industrial installations be built with the capacity to use coal and other fuel are also spelled out. The act clearly establishes the Federal position on a fuel utilization policy, and thus answers a question which had to be resolved before definite markets for coal could become clear.

Of course, the measure that most affects coal substitution is the Clean Air Act Amendments of 1977 signed into law by the President on August 7. I believe the policies adopted with regard to coal conversion in this conference are consistent with the President's coal use program. The conference position provides the flexibility necessary in allowing conversion to coal and the building of new coal-burning facilities. Specifically:

First. Incorporates, in the delayed compliance order, an extension—December 31, 1980—for any source that cannot meet State implementation plan requirements because of an order to convert to coal, with authority for additional delay of up to 5 years, if needed.

Second. Allows sources ordered to convert to actually begin to burn coal only when they can do so without causing or contributing to concentrations of any pollutant in excess of primary air quality standards.

Third. Requires the Administration of EPA to certify the date on which the primary standard condition can be met, subject to disapproval by the State.

Fourth. Eliminates special showing that conversion will not pose a significant risk to public health from noncriteria pollutants.

Fifth. Makes the current law's limitation on conversion in any part of an air quality control region in which an air quality standard is violated—the "regional limitation"—a rebuttable presumption rather than an absolute.

In conjunction with this I, also, wish to commend the members of the Subcommittee on Energy Production and Supply for inclusion of provisions which may provide loan guarantees, loans, and/or compensation for the purchase of scrubbers and other devices which will enable utilities and industries converting to coal with financial abilities to do it cleanly.

There are those who will contend that increased coal use it incompatible with Clean Air Act requirements and will affect the health and safety of our citizens.

In discussing the provisions for converting existing powerplant facilities to coal, a question was raised with regard to an article of July 4 on the front page of the Washington Post. Its headline read: "Premature Deaths Linked to Coal and Oil Burning." The story, by staff writer Thomas O'Toole, said that 21,000 people died prematurely each year east of the Mississippi River because of pollutants exhausted by powerplants burning coal and oil. Citing findings allegedly concluded from a study by the Brookhaven National Laboratory in New York and Carnegie-Mellon University of Pittsburgh, the article warned that conversion to coal to produce electricity

would result in as many as 35,000 premature deaths annually from power-plant pollution by the year 2010.

The question was properly raised during the Energy Committee's meeting: "Why has no one bothered to refute these findings?"

Mr. President, I did not accept the figures reported by the Post. Immediately after it appeared, I asked officials of the Energy Research and Development Administration to arrange a meeting with me and the Brookhaven researchers, with representatives of the President's Energy Policy and Planning Office.

On Friday, July 8, we received a briefing on the preliminary results of the Brookhaven study, which is still underway. I asked for a report on the methodology applied to obtain estimates of the energy impacts of the national energy plan. This report was delivered on Tuesday, July 12, and promptly delivered to the news media. I regret that our efforts to convey this information did not result in local media atteniton. I fear that the 35,000 mortality figure, which is subject to wide variance with the final impact results, will be "set in concrete" unless it is publicly questioned.

For this reason, I ask unanimous consent that the original Post article, together with the press release issued from my office following the July 8 meeting with Brookhaven officials, and the report from the Office of Energy Policy and Planning, be printed again in the RECORD.

There being no objection, the article and report were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 4, 1977]

PREMATURE DEATHS LINKED TO COAL AND OIL BURNING

(By Thomas O'Toole)

As many as 21,000 people die prematurely east of the Mississippi River every year because of pollutants exhausted into the air by power plants burning coal and oil.

These people die at least one and as many as 15 years short of their expected lifespans, due mostly to heart and lung failure brought on by chronic respiratory diseases such as bronchitis and emphysema. The lung diseases are believed caused by sulfur dioxide gas and microscopic sulfate particles, combustion products of coal and oil that settle in the lungs of people inhaling them.

These are some of the conclusions of scientists at the Brookhaven National Laboratory in New York and the Carnegie-Mellon University in Pittsburgh, who have been at work for two years on a portion of a still-secret energy study for the National Academy of Sciences.

Financed by a $3 million grant from the Energy Research and Development Administration, the study was designed to take a long and comprehensive look at the pros and cons of nuclear power and the alternatives to it. The study has involved the work of more than 200 scientists and economists and more than 50 institutions coast to coast.

The Brookhaven and Carnegie-Mellon findings warn that if the nation turns to coal as its principal alternate source of electricity, it can expect as many as 35,000 premature deaths by the year 2010 instead of the estimated 21,000 taking place right now. The study predicts the 35,000 deaths from lung disease even if electric power plants install expensive devices to scrub out 80 per cent of the sulfur exhausted by their smokestacks.

One of the most striking findings of the study is that the stack gases exhausted by power plants in the Midwest are roughly 10 times more harmful to people on the East Coast than to Midwesterners living within 50 miles of the power plants.

The main reason is that the tall (up to 900 feet) smokestacks built in the last 10 years to carry air pollutants away from the power plants discharge them so high they're caught by prevailing westerly winds and brought to the East Coast. The study identifies power plants in Ohio, Illinois and western Pennsylvania as polluters of New York and New Jersey.

Another reason is that the sulfur dioxide that makes up most of the sulfur exhaust coming out of the tall stacks stays in the atmosphere a longer time. This gives the sulfur dioxide more opportunity to combine with moisture, aerosols and dust to form sulfates, which scientists now believe are more toxic than the sulfur dioxide.

"When somebody breathes in a sulfate it would be in the form of something like sulfuric acid," Brookhaven's Ronald Meyers said in a telephone interview. "Humans have a chance to exhale the sulfur dioxide gas. Things like sulfuric acid stick to the lungs and cause more damage."

The Brookhaven-Carnegie-Mellon part of the study discusses the pollutants exhausted into the air by 266 power plants in the eastern half of the United States because they burn more sulfur-bearing fuels and because the population is denser than it is in the west.

The study says that the 266 power plants polluted the air in a year as recent as 1973 with 17 million tons of sulfur dioxide. About 75 per cent of the sulfur pollutant came from coal-burning plants, the rest from oil burners. The plants most responsible for the pollution are in Illinois, Indiana, Michigan, Wisconsin and Ohio.

The study emphasizes that its figure of 21,000 premature deaths from sulfur pollutants is nothing more than an estimate. The study says it can only infer that the deaths were due to air pollution and not some unexplained cause.

But scientists involved insist it is the most careful study done so far on the health effects of air pollution. They say they have analyzed death rates and air pollution in more than 100 Eastern U.S. cities where they have identified increases in the death rate with increases in air pollution.

Scientists said they have also monitored weather and wind patterns in the same cities and have shown that increases in death rate came at the same time that winds carried more air pollution to the cities suffering higher death rates.

The study will recommend that if U.S. power plants are ordered to switch to coal, as President Carter has suggested, they be ordered to burn coal with the lowest sulfur content. The study will also recommend that the Environmental Protection Agency insist that all power plants burning coal be equipped with scrubbers to take out at least 80 per cent and as much as 90 per cent of the sulfur before it leaves the smokestack.

"The implications for the increased use of coal are grim," the study states. "We recommend that these implications be viewed and studied at the highest levels of government."

FROM THE OFFICE OF SENATOR JENNINGS RANDOLPH

WASHINGTON.—Senator Jennings Randolph has charged that a premature news report of results of a long-term study of health hazards in burning fossil fuels is "incomplete, inaccurate, and selectively slanted."

Randolph, chairman of the Senate Environment and Public Works Committee, said the conclusions drawn from the study "apparently were leaked by some one involved in the study who seeks to discredit coal and favors greater emphasis on nuclear production of electricity."

The West Virginia senator vigorously supports the Carter energy program's focus on increased utilization of coal. The committee he heads acquired jurisdiction over nuclear regulatory matters in the Congressional reorganization earlier this year.

"Even though the study involves the utilization of all fossil fuels," Randolph commented, "the news reports emphasized only coal as a potential pollution hazard to public health."

He noted further that the study will not be completed for several more months. A summary leaked last week uses as its base, Randolph said, "the worst case of pollution by coal burning." He explained that the study centers on sulfur oxides and sulfates emissions from power plants in the state of Ohio. "Air pollution control requirements in Ohio," he added, "are far below those currently imposed in West Virginia, or under existing Federal law."

Randolph, whose state is a major coal producer, said he feels the preliminary results as reported "are neither scientifically accurate nor environmentally helpful."

One of the keystones of the Carter energy program is the increased use of coal for the production of electricity. His long-range plan involves the doubling of current coal consumption to 1.2 billion tons by 1985, and to 2 billion tons by the year 2000.

Environmental concerns prompted the Energy Research and Development Administration to commission, in 1975, a scientific study of the health impact of burning fossil fuels. The study, being conducted under the auspices of the National Academy of Sciences, receives technical support from Brookhaven National Laboratory, of Upton, New York.

The $3 million study, funded by ERDA, reportedly points to the possibility of increased pollution-related deaths resulting from the increased use of fossil fuels. Stories appearing last week cited a preliminary projection of up to 35,000 annual pollution-related deaths by the year 2010, compared to the present 21,000 deaths attributed to environmental pollution. The study covers only the Eastern half of the United States.

"As chairman of the committee concerned with environmental pollution," Randolph said, "I feel these figures—if substantiated by scientific analysis—would have a great bearing on our efforts to effect the Carter energy program and on our upcoming consideration of coal-conversion legislation."

Questioning the projected mortality assumptions, Randolph called a meeting last Friday of Brookhaven officials, ERDA administrators and Administration experts representing energy chief, Dr. James Schlesinger.

"I learned that the projections which were published are premature and inaccurate," Randolph said. "I was told that they are based on existing laws and do not reflect the additional air pollution standards resulting from the Administration's energy proposals." New air quality standards are now being worked out by House-Senate conferees considering the Clean Air Amendments of 1977.

"I believe that the preliminary findings were leaked to the press in an effort to make a convincing case for the proliferation of nuclear power plants," Randolph asserted. "The facts of the complete study will show, I hope, conclusively, that the burning of fossil fuels can be conducted with greater safety and the protection of public health in the future."

Randolph criticized the preliminary report as being based on an assumption that, by the year 2010, only 80 percent of the airborne pollutants from power plants would be controlled. "Even a 10 percent increase in pollution control efficiency over the next 30 years would reduce the study's assumption on pol-

lution-related mortality to 18,000 annually," the Senator declared. "That's less than two percent of all deaths. Cigarette smoking contributes to 17 percent of all deaths each year."

Randolph also noted that the present mortality rate of pollution-related deaths would continue whether or not utilities burned coal, oil, natural gas, or any fossil fuel. "That is the purpose of our clean air legislation, to insure that whatever fuel is burned we will reduce the hazards to public health," he added.

He announced that a more objective analysis of the ongoing air pollution study can be expected this week, when the Senate Committee on Energy and Natural Resources begins marking up its coal-conversion legislation.

"I can understand the motives of the pronuclear people in leaking a report that is, on its face, highly critical to fossil fuels," said Randolph. "But I think that such a vital subject must be explored on a rational basis, not subject to the emotional slanting of statistics which ignore any pretense of responsible scientific evaluation."

EXECUTIVE OFFICE OF THE PRESIDENT, ENERGY POLICY AND PLANNING,

Washington, D.C., July 12, 1977.

DEAR SENATOR RANDOLPH: Last Friday, July 8, 1977, you hosted a group from Brookhaven National Laboratory to discuss some preliminary estimates derived from some of Brookhaven's "research-in-progress" on the health effects attributable to sulfates produced by increased electric generation using fossil fuels. You posed several questions that the Brookhaven analysts promised to analyze and provide answers. The note that they prepared is enclosed.

We are pleased to respond to your request to apply the Brookhaven methodology to estimates of the energy impacts of the National Energy Plan, but I emphasize that the methodology used by the Brookhaven analysts is not necessarily endorsed by this office. There are major uncertainties associated with predicting air quality concentrations of sulfates because neither the chemical interactions in the atmosphere nor the mechanisms for long-range transport of sulfates are well understood. In addition, the damage functions that the Brookhaven analysts used to calculate health impacts from sulfates have been questioned by some authorities. Because of these uncertainties and because the Brookhaven model has not undergone official review, any results from this model should be utilized with extreme care and regarded as preliminary.

Thank you for this opportunity to provide information about Brookhaven's research-in-progress. If I can be of any further assistance, please contact me.

Sincerely,

ALVIN L. ALM.

THE HEALTH COSTS OF POLLUTION FROM FOSSIL FUEL POWER PLANTS [1]

This note responds to inquiries Senator Randolph, Chairman of the Committee on Environment and Public Works, and a joint letter from Senator Henry M. Jackson, Chairman of the Committee on Energy and Natural Resources and Senator Floyd K. Haskell, Chairman of the Subcommittee on Energy Production and Supply. The Senators asked about the work of Brookhaven scientists on the health effects of increased fossil fuel use in electric power generation and particularly about work in progress on the long-range transport of air pollutants and its effect on health. The Senators' inquiries were generated by a July 4, 1977 Washington Post article "Premature Deaths Linked to Coal and Oil Burning," which quoted specific estimates of premature deaths (1 to 15 years earlier than expected) due to atmospheric sulfur pollution from fossil-fuel burning power plants. The Post article was apparently drawn from a preliminary draft working paper on the long-range transport of pollution. This draft was submitted by Brookhaven meteorologists (Myers) for consideration by the Risk Impact Panel of the National Academy of Sciences—National Research Council Committee on Nuclear and Alternative Energy Sources (the CONARS Study).[2]

Although the Washington Post article made it clear that the draft emphasized that the figures of deaths from pollutants were estimates, it gave no feeling of the uncertainties surrounding the present long-range pollution transport work or the uncertainties in the health damage functions. This left the reader to infer much greater scientific accuracy in the estimates than actually exists. The draft used by the Post has not been released to the public and will not be available until the study is finished and all professional reviews are completed. Until a final version is released, all estimates are subject to change and revision.

This note now addresses four specific questions posed by Senator Randolph.

Q1: If the Brookhaven meteorology model and health effects assessment methods were applied to the National Energy Plan, what would be the impact in 1985?

A: The estimate is that the NEP would reduce the number of premature deaths due to the generation of energy by fossil fuels by about 2,000 persons per year.

The uncertainties associated with these calculations are so large that one must question the significance of any specific number; however, the Brookhaven long-range transport air quality model was used to estimate the health impacts of sulfur air pollution from fossil fueled power plants. The long-range transport air quality model estimates the atmospheric concentration of pollutants. These concentrations are then multiplied by the population exposed and by a dose/response health effects damage function to estimate deaths associated with pollution.

The results of the model calculation for 1975 in the population east of the Mississippi (131 million) were approximately 21,000 deaths. These estimates reflect the number of people that died prematurely due to exposure to air pollutants. Because of uncertainties associated with the model, the actual number could have ranged from 0 to about 50,000.

Using the same methodology, the model predicts approximately the same level of effects associated with the 1985 base case for fossil fuel power plants in this region. This is due to a 10 percent increase in population in 1985 (144 million) that outweighs the projected decrease in SO_2 emissions in this region over 1975–1985. The model projects a decrease of 2,000 deaths under the President's program as compared to the base case in 1985.

Q2: How do the deaths that Brookhaven attributes to using fossil fuels compare to deaths from other causes?

A: Approximately one percent of the population dies each year. Thus, in 1975 there were approximately 1.3 million deaths east of the Mississippi. The premature 21,000 deaths associated with the sulfur air pollutants of fossil fuel power plants would thus have constituted 1.6 percent of total deaths.

The 19,500 deaths associated with sulfur air pollutants from fossil fuel power plants predicted under the President's program would constitute 1.4 percent of the total 1.4 million deaths expected in 1985 in this region. One may compare these figures with the 17 percent of total deaths which are associated with smoking and the 5 percent of total deaths which are a result of car accidents, half of which were due to drunken drivers.

Q3: What difference would it make if oil were burned rather than coal?

A: Substitution of coal for oil would not necessarily increase mortality rates and could conceivably decrease them.

The health effect depends primarily on sulfur dioxide sulfates which are directly related to emissions as determined by the sulfur content of the fuel and control technology. Current standards allow 50 percent more sulfur dioxide emissions from coal than oil for equivalent heat content of the fuel. There is some evidence that oil has a higher rate of primary sulfate emissions from the stack and a higher rate of conversion of sulfur dioxide to sulfate in the plume close to the power plant. Therefore, there is the possibility that for the same sulfur emission rate the oil-fired plant could produce greater effects. It is unclear how much these considerations would affect the results in the long-range transport model. This has yet to be evaluated in the long-range air quality model, and indeed, present lack of understanding of the relevant atmospheric processes precludes this further analysis at this time.

Q4: The "premature death" statistics in the Washington Post article were quite specific. How confident are you that these are accurate predictions of premature deaths due to sulfur pollutants from fossil-fuel power plants?

A: The uncertainties are large. The method for estimating premature deaths assumes a direct relationship between the amount of sulfates in the atmosphere and the number of premature deaths. This is reasonable when one is estimating the effects of small additions in amounts of sulfate to a substantial background level of ambient sulfates.

However, when one is estimating the effects of a large increase in the amount of sulfates in circumstances where this addition is itself a substantial part of the ambient sulfate concentration (as was done in the preliminary working draft for fossil fuel plants in the eastern United States), there is great uncertainty associated with estimates produced by the use of this method.

It is a matter of common sense that the further from the source of pollution, the greater the uncertainty in estimating its effects. But if one addresses oneself to estimates of effects that can be made within a 50 mile radius of a fossil-fuel power plant, there is a 10 percent possibility that the effects may be zero and a similar possibility that they may be as much as five times greater. Obviously, there is an increasing possibility that the effects from a particular source are zero as one goes from distance of 50 to 1,500 miles and a similarly decreasing possibility that the health effects are greater than those calculated. Thus, the uncertainties in these numbers are very high. The interrelationship of the health damage func-

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[1] Note by L. D. Hamilton, M.D., Ph. D., Biomedical and Environmental Assessment Division, National Center for Analysis of Energy Systems and R. E. Meyers, B.S. Atmospheric Sciences Division, Department of Applied Science, Brookhaven National Laboratory, Upton, New York 11973.

[2] This study was commissioned by ERDA in 1975; its report is expected late this August. The health damage functions used were derived by Brookhaven's health effects assessment group (Hamilton) from reanalysis of epidemiological data published in the open literature. The research on the long-range transport of pollutants has been in progress for about two years and requires several years more work. The assessment of the health effects of alternative energy sources has been in progress for four years, and will be a continuing activity, designed to remove the uncertainties in the assessments as gaps in knowledge are filled and estimates improved.

tion and the long-range transport air quality model in going from individual plant impacts to multistate impacts is under further examination.

Mr. RANDOLPH. I have also seen articles talking about the levels of carbon monoxide and carbon dioxide being increased because of direct utilization of coal. What all fails to take into consideration is that in another 6 to 10 years synthetic fuels derived from coal will be well advanced. These technologies along with solar, nuclear, and other energy forms will assure that coal can be utilized while still maintaining a clean and healthy environment. However, I feel these allegations might want to be examined more thoroughly, perhaps as a subject of hearings for public record. I will also, at a later point in this debate, offer an amendment asking for a coal policy study to address these questions.

Resolution of air quality requirements combined with the provisions of this act assures that the market will exist for coal and demands a continuing supply must be maintained because of the needs of utilities and industries in both the short and long term.

Other actions involving energy pricing policy, conservation, incentives, and transportation will have to be dealt with principally by the Energy and Natural Resources Committee and the Finance Committee in the near future to solidify a complete national policy on energy for the United States. On the issue of transportation, I have mentioned on several occasions that the administration's energy plan neglects the problems of coal transportation. Therefore, I will cosponsor Senator DURKIN's amendment to add $100 million to title V of the 1976 Railroad Act for rehabilitation of branch and weaker rail lines to carry coal and coal products.

The Natural Gas and Oil Petroleum Conservation and Coal Utilization Act of 1977 is a first step in the Senate consideration of an effective energy package which recognizes that decisions must be made now if the Nation is to rely on increased coal use in the future. Also, as Senator JACKSON stated at sessions during the markup of the act, further investigation requiring existing industries to switch to coal will be necessary once the data to make these decisions is collected by the Federal Energy Administration, and accurate projections of gas and oil reserves are more than guesstimates.

Mr. President, the answers given today by my colleagues in the Senate to the issues raised by S. 977, and financial incentives involving coal-related programs at a later date, will do much to determine the use of the coal substitution option in the next decade.

So I am very appreciative for the opportunity of speaking in this way at the very opening of the discussion, realizing as I have realized and other Senators have well understood that this legislation being considered here this week will have a very definite answer to the American people at least in a very substantial degree as to what they can expect in connection with the use of coal, the abundant fuel, ready for many markets. And I just hope as the legislation moves with possible amendments being added—and I shall offer an amendment that has to do with a further study—that we will pass hopefully within the 2-day period set for debate on amendments a measure that will do the job, a job that needs to be done and in fact is long overdue.

I thank my chairman.

Mr. HASKELL. Mr. President, I congratulate the distinguished Senator from West Virginia on his statement. He was, as I mentioned in my opening statement, in at the birth of this legislation some 4 years ago, and it is a great pleasure and honor to have him speak to us today.

UP AMENDMENT NO. 752

Mr. President, I send to the desk an unprinted committee amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL), for himself and Mr. HANSEN, proposes unprinted amendment No. 752.

Mr. HASKELL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 55, line 19, for "CONFORMING AMENDMENTS" substitute "SHORT TITLE".

On page 56, Section 204, substitute "installations" for "installation".

On page 56, Section 214 should be entitled "Systems compliance option."

On page 56, Section 301 should read "Administrative rules and regulations."

On page 56, Section 304 should be entitled "Environmental requirements."

On page 57, Section 411, should be entitled "Extension of Clean Air Act authorization."

On page 58, line 8, strike "to provide for a means".

On page 58, line 20, after "petroleum" insert a comma.

On page 58, line 24, after "of" insert "certain".

On page 59, line 7, before "DEFINITIONS" insert "GENERAL".

On page 60, strike lines 10 through 13, insert in lieu thereof, "(i) natural gas which is commercially unmarketable (either by reason of quality or quantity) as determined under rules prescribed by the Administrator,"

On page 61, line 10, after "bio-mass," insert "and".

On page 64, line 5, delete "1857c-5" and insert "7410".

On page 64, line 21, strike "prohibition or".

On page 64, line 22, after "ment" insert "applicable to emissions of air pollutants".

On page 66, line 20, after "(B)" insert "which", and on line 20, move "is" in front of "by".

On page 67, line 20, make "section" plural.

On page 68, line 15, strike the second "such".

On page 69, line 1, after "design" insert "and operation".

On page 69, line 6, strike "abatement".

On page 69, line 8, delete "electrostatic precipitators" and insert in lieu thereof "particulate control equipment".

On page 69, line 22, strike "new".

On page 70, line 5, strike the second "such".

On page 70, line 24, insert "(1)" before "The".

On page 71, line 2, strike "new".

On page 71, line 7, strike "(1)".

On page 71, line 18, capitalize "a".

On page 72, line 4, after "applicable" insert "requirements and".

On page 72, line 5, make "prohibition" plural.

On page 72, line 8, after "such" insert "requirements and" and make "prohibition" plural.

On page 73, line 2, after "GENERAL" insert "PERMANENT".

On page 73, line 5, strike "new".

On page 73, line 14 between "103" and "104" delete "and" and insert "or".

On page 75, line 3, strike "new".

On page 75, line 6, after "source" insert a comma.

On page 75, line 8, strike the comma.

On page 75, line 11, make "prohibition" plural.

On page 75, line 17, strike the comma.

On page 76, lines 12 and 13, strike "and 104 of this Act" and insert "or 104 of this title".

On page 82, line 13, strike "and".

On page 76, line 18, for "fuel" substitute "energy supply".

On page 76, line 23, delete "this section or section" and insert "section 106, 107, or".

On page 77, line 4, strike the second "new".

On page 77, line 13, before "PEAKLOAD" insert "NEW" and before "POWERPLANTS" insert "ELECTRIC".

On page 77, line 21, strike the first comma and on lines 22 and 23, strike "to the satisfaction of the Administrator".

On page 78, line 1, substitute "a site" for "sites".

On page 78, line 6, after "maintained" insert a comma.

On page 78, line 12, move the "(1)" to before the "The".

On page 79, line 3, for "an area" substitute "a region".

On page 82, strike lines 3 through 7, and insert in lieu thereof:

"(ii) is by design not capable of consuming coal or other fuel as its primary energy source but is capable of consuming natural gas or petroleum at a fuel heat input rate of two hundred fifty million British thermal units per hour or greater; or".

On page 83, line 15, strike "and".

On page 83, strike lines 5 through 9, and insert in lieu thereof:

"(ii) is by design not capable of consuming coal or other fuel as its primary energy source but is capable of consuming natural gas or petroleum at a fuel heat input rate of two hundred fifty million British thermal units per hour or greater; or".

On page 84, line 15, strike "and".

On page 84, line 20, strike "and".

On page 89, line 22, delete "electrostatic precipitators" and insert in lieu thereof "particulate control equipment".

On page 90, line 17, for the semicolon substitute a comma.

On page 92, line 12, strike "each".

On page 92, line 19, after "an" insert "existing" and strike the "existing" in the line currently.

On page 92, line 21, make "prohibition" plural.

On page 92, lines 23 and 24, make "prohibition" plural.

On page 93, line 17, make "standard" plural.

On page 94, line 1, after "for" insert "a", make "periods" singular, and strike "each".

On page 96, line 3, make "sections" singular and substitute "or" for "and".

On page 97, line 1, strike the comma.

On page 99, line 14, strike "this section and section 208" and insert in lieu thereof "sections 207, 208, and 209".

On page 102, line 23, strike "203 or".

On page 103, line 2, strike "to the satisfaction of the Administrator".

On page 103, line 22, strike "The" and in-

sert in lieu thereof, "To the extent provided in appropriations acts, the".

On page 103, line 25, strike out ", leases," and ", or controls" and after the word "owns" insert "or".

On page 104, lines 23 and 24, strike out the ", leases," and ", or controls" and after the word "owns" insert "or".

On page 108, line 12, strike out after the word "owns" and ", and insert "or", and strike out ", or controls".

On page 114, line 11, after "owned" insert "by,".

On page 114, line 14, strike "meets the following conditions".

On page 117, line 6, and page 118, line 8, capitalize "title".

On page 117, line 8, strike "or".

On page 117, line 12, strike "and".

On page 118, line 5, strike "Except as otherwise provided in this section," and capitalize "all".

On page 118, line 6, strike "such applications" and substitute in lieu thereof "those applications submitted in accordance with Section 301(b) of this Title".

On page 118, line 23, strike "The" and insert in lieu thereof "Whenever the Administrator is required to take into account certain factors prior to issuing any rule or order, the".

On page 118, line 11, substitute "such" for "the" and on lines 11 and 12, strike "for a permit, or a permanent exemption or temporary exception".

On page 118, line 20, insert a comma for the second "or" and insert a comma after "exception".

On page 119, line 12, strike "an".

On page 119, line 18, capitalize "chapter" and "title".

On page 121, line 19, make "paragraphs" singular and strike "(1) and".

On page 122, line 11, strike "which" and the comma; strike line 12; and on line 13 strike "hundred full-load hours", and insert in lieu thereof a comma and the following: "under section 107(b) or 208(b) as an intermediate-load electric powerplant, under section 106(d) or 207(e) for standby operation, or temporary exception under section 206(e) under a retirement plan, which operates in violation of the terms and conditions of such exception or exemption,".

On page 122, lines 15 and 16, strike out the words "one thousand five hundred full-load hours, except" and insert in lieu thereof "such terms and conditions. In the case of a peakload electric powerplant, the civil penalties shall not apply."

On page 123, line 12, after "application" insert "filed under this Act".

On page 123, line 12, after "for" insert "(1)"; on line 13 after "permit, or" insert "(2)"; and on line 14, strike "or permit."

On page 125, line 22, insert a "dash" between "energy" and "impacted".

On page 132, line 11, for "startup" substitute "commencement".

On page 133, line 21, after "or" insert "issued".

On page 135, line 8, for the comma before "including" substitute an open parenthesis and on line 11, substitute a closed parenthesis for the comma.

On page 136, line 5, strike the "and".

On page 136, line 10, after "Act" insert "of 1974, as amended,".

On page 139, line 5, after "1974" insert ", as amended,".

Mr. HASKELL. Mr. President, this is a technical amendment, restricted to technical matters of a nonsubstantive basis, clarifying language in the committee reported bill.

It is my understanding that the distinguished Senator from Wyoming concurs in this amendment.

Mr. HANSEN. Mr. President, that is an accurate statement.

I wish to yield such time as the Senator from New Mexico may require. Does he wish to speak on this amendment?

Mr. SCHMITT. Not on this amendment. Why do we not proceed with the amendment and then I will speak?

Mr. HANSEN. Fine.

Mr. HASKELL. Mr. President, I ask unanimous consent that the amendment be adopted.

The PRESIDING OFFICER. Do the Senators yield back their time on the amendment?

Mr. HASKELL. I yield back the remainder of my time.

Mr. HANSEN. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HANSEN. Mr. President, I yield such time as may be required to the distinguished Senator from New Mexico.

Mr. SCHMITT. Mr. President, I thank the Senator from Wyoming.

This will not take a great deal of time, but I think it is important at this early stage in our debate of a measure that will have a great impact if passed on the future of coal and coal utilization in this country to recognize that there are still large quantities of crude oil and natural gas yet to be found. It is available to our domestic sector from deep zones within the contiguous United States, from offshore and from Alaska. We should not forget that our problem is a problem of supply, not really a question of the potential availability of resources of oil and gas.

In the real world of regulation it may be well to consider more rapid conversion to coal utilization by the facilities covered by S. 977.

However, I think it is important for our colleagues to realize that there is a very great potential for future production of oil and natural gas. That is not to justify its use as a fuel. I have been one among many who feel that even though there are large potential resources of crude oil and natural gas it is a crime to be burning this unique natural chemical as a fuel. Unfortunately, the technology that we use today in our energy intensive society requires oil and natural gas and their byproducts in order to operate.

The amount of crude oil, for example, that is potentially available can be illustrated by some very simple, very broad geological arguments. In the volume of rock from which we have found and produced crude oil to date we have identified and largely produced 300 billion barrels of crude oil.

That means that we probably have identified a total amount of oil in rocks of about 900 billion barrels. With present technology and past technology we have produced about one-third of that. With additional technology and secondary and tertiary recovery, we can expect to produce a fairly large quantity, maybe another 300 billion barrels of this oil we have already identified.

Mr. HANSEN. Will the Senator yield for one question?

Mr. SCHMITT. I yield.

Mr. HANSEN. Just for the edification of Senators, does the Senator from New Mexico refer to the total that has been produced worldwide?

Mr. SCHMITT. No. I am only referring to domestic oil. I appreciate the clarification. That is a very important clarification. I am only speaking of oil produced from domestic sources which are in the contiguous or underlie the contiguous United States.

From that volume of rock, then, we have, without large degree of secondary and tertiary recovery being applied, identified, and produced about 300 billion barrels of crude oil. The volume of rock that is left and yet to be explored, in the deep portions of the contiguous United States, offshore, and in Alaska, constitute approximately the same volume as that from which we have produced 300 billion barrels. These are favorable rocks. They are favorable zones where we can expect to have oil and gas in abundance.

I believe it is important to realize that we have a great deal left to do in the identification and potential production of crude oil. This is also true for natural gas, because the same arguments would apply; maybe even to a greater extent for natural gas. As we go deeper into the Earth's crust, natural gas tends to be generated in greater abundance because of the heat involved. Also, as we go offshore there tends to be more natural gas because leakage does not occur to the same extent as onshore.

We could imagine with a great deal of confidence that if the proper economic incentives existed, we would fairly rapidly identify about 300 billion barrels of crude oil in rock to be yet explored, and very possibly as much as 1,500 trillion cubic feet of natural gas in these same rocks.

As we debate this measure that would attempt, at least, to accelerate conversion from natural gas to coal, and hopefully from oil to coal, let us remember we are not debating the issue of how much oil and natural gas is yet to be found. We probably should be, but that is not the issue being debated here. The remaining quantities of oil and natural gas are the foundation on which we stand to solve our temporary energy supply problem. We do have these vast, as yet undiscovered, potential resources of oil and natural gas that we must remember are there. We must also consider very strongly providing the economic incentive to actually find these resources. I thank the Senator.

Mr. HANSEN. Mr. President, I yield myself such time as I may require. Let me compliment the distinguished Senator from New Mexico for the comments he has just offered. I think if there is one subject matter upon which greater misunderstanding exists than the one he has just discussed, I fail to realize it.

I believe it is extremely helpful to get things into perspective that we understand what professionals believe the situation is regarding energy supplies in the United States. If we have the facts before us, and certainly no one I know is more competent to outline the parameters of

the quantities of oil and gas yet to be discovered than is my friend from New Mexico, we certainly are going to come up with better answers to these top priority problems we are grappling with now.

I compliment the distinguished Senator from New Mexico for the observations he has just made.

Mr. SCHMITT. Will the Senator yield further?

Mr. HANSEN. I yield.

Mr. SCHMITT. To reemphasize what I said in the beginning, I do not think anybody in his right mind feels that we should use petroleum products, oil and natural gas, any longer than we absolutely have to. But also I do not think anybody in his right mind will deny that we are going to have to use them, not only to buttress our economy but to buttress our national defense, for a fairly extended period of time into the future. Our main points of discussion in the legislation before the Senate today, and which will be before the Senate in future weeks, is how do we solve the problem of transition; how do we get from the time of a crisis of inadequate domestic supply to the time when we have alternative energy being produced from coal, from uranium, solar, geothermal, fusion, or whatever process we can foresee in the future?

I believe it is unwise, however, to underestimate our ability to buy time in order to make this transition with the least impact to the consumer, and with the greatest preservation of that unique free enterprise system which has made this country great up until now and I think can, in fact, perpetuate the system for many, many decades if not hundreds of years into the future.

Let us make sure that point is clear, that we should not be wasting this unique natural chemical any longer than we have to, but we should take advantage of it so long as we can in order to ease this transition period. I thank the Senator for his time and his comments.

Mr. FORD. Will the Senator from Colorado yield?

Mr. HASKELL. I have a couple of committee amendments which I would like to offer. We had informed the Senator from New Hampshire (Mr. DURKIN) that he would then follow. Could the Senator follow the Senator from New Hampshire?

Mr. FORD. I would be glad to, if the Senator can give me some sort of time schedule.

Mr. HASKELL. The amendments that I have should not take more than 15 minutes in the aggregate. I cannot speak for the Senator from New Hampshire.

The Senator's amendments are acceptable, as I understand it.

Mr. FORD. Both amendments have been accepted by the majority and minority floor leaders and would require not over 5 minutes.

Mr. HASKELL. Then I will put in my three amendments, which I hope will meet the same fate, and then yield to the Senator from Kentucky.

Mr. FORD. I appreciate that.

UP AMENDMENT NO. 753

Mr. HASKELL. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL), for himself and Mr. HANSEN, proposes unprinted amendment No. 753.

Mr. HASKELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 138, after line 19, insert the following new section:

"STUDY

"SEC. 314. (a) The Administrator shall conduct a detailed study of the uses of petroleum and natural gas by major fuel-burning installations. Such study shall—

"(1) identify those categories of major fuel-burning installations, including the specific process, in which the substitution of coal or other fuels for petroleum and natural gas is economically and technically feasible;

"(2) distinguish between in-direct and direct-fired uses of natural gas and petroleum;

"(3) distinguish between new and existing major fuel-burning installations; and

"(4) include estimates of the savings of natural gas and petroleum expected from such substitution.

"(b) The results of such study shall be transmitted to the Congress within one year of enactment of this section, together with any recommendations for legislation the Administrator may consider appropriate."

Mr. HASKELL. Mr. President, this amendment authorizes a 1-year study of nonboiler uses of natural gas and petroleum by major fuel-burning installations.

S. 977 concentrates on those fuel uses with the greatest immediate potential for natural gas savings and reduction in oil imports; these are new and existing electric powerplants and new major fuel-burning installations.

EXISTING MFBI'S

One of the most important aspects of greater coal utilization is its potential effect of conversion on air quality. The administration has estimated that on a gross national basis increased air pollution from coal conversion will be offset by decreased air pollution from the conservation measures proposed by the administration.

But gross figures do not give us an intelligent basis from which to legislate. Rather it is necessary to know within a given air quality control region what the potential effect would be, for example, how much of what type of pollutants would be added to the air by coal. And how much can we expect pollution to decrease from conservation in the same area?

Unfortunately, the EPA does not yet have these figures available on the increase in pollutants on the basis of air quality control regions nor apparently does the FEA yet have the figures on the effects of energy conservation within a given air quality area. At least those figures were not available at our last hearing or during markup.

Ms. Barbara Blum, Deputy Administrator of the EPA, revealed that the EPA would need several more weeks, 6 to 8 weeks as of 4 weeks ago, to finish its work on those figures. We do not have the information base upon which to intelligently legislate.

The EPA has said that they do not yet have an analysis of emission effects by air quality control area. That analysis in my view is essential before we could proceed. It is all well and good to say that on a national basis we could convert, but we might find that in New Orleans, Cleveland, Denver, or Albuquerque, you can only convert half of the plants because of clean air requirements.

In my view, the administration has not yet provided us with the necessary information base upon which to legislate regarding existing industrial installations. For example, there have been several studies and articles on the potential increases in air pollution that can result from greater coal utilization. I asked the administration how they were going to offset that, so that there would not be wide-scale pollution.

The answer that I received was that on a national basis they estimated that the increased pollution from coal would be offset by the decrease in pollution resulting from their other conservation efforts.

I then asked do you have this on an air quality basis so that we know in Chicago we can convert an existing plant and we will make up the additional pollution by savings. The answer was "No." This hearing was approximately 4 weeks ago and at that time the Deputy Administrator of EPA said she would have this information in 6 to 8 weeks.

It is my view that until we know whether this can be done, all we are doing by legislating is forcing a tremendous paperwork burden on Government and really expensive burden on industry, without knowing if we are getting anything out of it.

As chairman of the Subcommittee on Energy Production and Supply, I thus could not recommend legislation forcing replacement of existing gas- and oil-fired burners with coal without knowing the impact.

Although S. 977 specifically grants exemptions in the event of a potential adverse environmental impact, I do not think exemptions are an adequate substitute for legislating from firm knowledge in the first instance.

If in fact only a few or no existing plants can be converted to coal without adverse environmental effects, then it would seem that we would be imposing a needless burden on industry to come forward on a case-by-case basis to prove an exemption. This would only add further to bureaucratic confusion and redtape.

The legislation thus does not deal with conversion of existing major industrial installations from one fuel to another. It is not possible at this time to deal with existing industrial facilities on the basis of presently available information.

This is not to say that when we finally get the information we should not legislate. My point is that at this particular stage of the game, it is not appropriate to legislate.

There are potential energy savings for nonboiler uses by major fuel burning installations; however, these savings are poorly understood. In order to affect the substitution of coal or coal-derived fuels for these uses would require consideration of indiviudal industrial processes or manufactured products.

The National Energy Plan proposes that the Administrator of the Federal Energy Administration be provided discretionary authority to regulate such process uses. However, S. 977 does not contain such authority. The reasons for this omission, at this time, are set forth in the committee report. I ask unanimous consent that the relevant discussion be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Non-boiler use of oil and gas represents a substantial portion of the potential impacts for coal conversion. The potential natural gas and petroleum savings by 1985 are the equivalent of 4.1 million barrels of oil per day. Approximately 58 percent of the potential savings (out of 9.5 million barrels per day) in the industrial sector are from non-boiler uses.

Some convertible non-boiler uses can be defined currently, while others will require individual process studies to identify. The non-boiler combustion uses of and gas (use of fuels for burning rather than as a feedstock) can be divided into three categories:

(1) Uses where coal is now used or has been used historically (cement kilns, lime kilns, etc.).

(2) Uses where coal probably cannot be used directly due to technical infeasibility (such as product specifications, temperature control requirements, etc.), but where coal derivatives could be used.

(3) Uses where coal can be used, but where technical modifications will be necessary.

The first category can be fairly well defined at the present time. The second and third groups cannot be neatly distinguished; specific process engineering studies would be needed to differentiate coal potential within industries. Thus, the restrictions of this measure as reported, while extending to non-boiler use, only include indirect-firing uses, as opposed to direct firing uses.

A direct-fired fuel use involves direct contact between the flame or products of combustion and the material being processed. Such fuel uses require a clean-burning fuel, such as natural gas, in order to avoid contamination of the material with carbon monoxide, and other products of incomplete combustion. In addition, these direct-fired processes often require precise flame control which can only be obtained with a gaseous fuel. Examples of direct-fired process uses include:

Heat treating—for metallurgical products;
Metal forming, shaping or bending;
Forging—hammer or press shaping of hot metals;
Paint Ovens—paint baking or drying;
Brazing and Soldering;
Supply Air—for paint spray booths and exhausts;
Plastic and Rubber Forming;
Non-Ferrous Metals Forming—copper, aluminum;
Foundry Operations—metals casting;
Glass Forming and Annealing; and
Oven Fume Incineration (afterburners).

In contrast to direct-fired process uses, indirect flame applications are generally, although not always, susceptible to coal conversion since a medium separates the flame and the products of combustion from the material being processed; for example, "process heaters" in the chemical industry indirectly heat liquids or gases as they pass through tubes in a furnance.

By concentrating coal conversion efforts on indirect fired uses, the program would focus the regulatory effort upon the category of fuel use with the greatest immediate potential for coal conversion and the optimum opportunity for conservation of scarce energy resources. This will provide additional time for the Committee to evaluate appropriate measures to encourage the use of coal and other fuels in lieu of natural gas and petroleum for direct fired uses by industry.

Mr. HASKELL. Mr. President, according to information furnished the committee, before such potential uses of coal can be accurately defined process specific engineering studies will be needed. For this reason, at this time, it is difficult to formulate appropriate legislation without simply giving the Administrator unlimited discretion.

Also because of concern for the apparent administrative complexity required for regulation of individual industrial processes the committee has deferred action. However, because of the significant quantities of natural gas and petroleum consumed by industrial processes the committee proposes that a study be authorized by this amendment. This would be the first comprehensive analysis on the potential substitution of coal, including coal-derived fuels, for natural gas and petroleum in industrial process uses.

When the results are available the committee will examine further the appropriateness of and need for Federal regulation of process uses of natural gas and petroleum.

Mr. HANSEN. Mr. President, if the distinguished Senator from Colorado will yield to me so that I can speak on my time, let me say that we decided in the committee not to regulate direct-fired uses of natural gas by existing facilities. I believe the hearing record indicated that to do so would cause economic chaos.

This study proposed by the distinguished Senator from Colorado would help to determine if it is possible to regulate these industries and the cost of doing so. I would support this study in lieu of an amendment to the bill to regulate those industries. I think the amendment offered by the Senator from Colorado is very meritorious and I support it.

Mr. HASKELL. Mr. President, I thank the distinguished Senator from Wyoming. I yield back the remainder of my time on this amendment.

Mr. HANSEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT 754

Mr. HASKELL. Mr. President, I propose and send to the desk an unprinted committee amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL), for himself and Mr. HANSEN, proposes unprinted amendment No. 754.

Mr. HASKELL. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 71, revise lines 9 through 12 to read: "such use of natural gas is necessary—

"(1) to enable the air quality control region to attain or maintain compliance with a national primary ambient air quality standard, and

"(11) to permit such powerplant or installation to comply with the applicable implementation plan, as defined in section 110 (d) of the Clean Air Act, as amended; and"

On page 93, revise lines 2 through 5 to read: "such use of natural gas is necessary—

"(1) to enable the air quality control region to attain or maintain compliance with a national primary ambient air quality standard, and

"(11) to permit such powerplant or installation to comply with the applicable implementation plan, as defined in section 110 (d) of the Clean Air Act, as amended; and"

Mr. HASKELL. Mr. President, this amendment will clarify the basis of public health exemptions from the requirement to use coal to permit the use of natural gas. The appropriate State air pollution control agency or the Environmental Protection Agency would have to certify that the use of such gas is necessary to enable the air quality control region to attain or maintain compliance with applicable public health standards.

The Clean Air Act defines such standards as a national primary ambient air quality standards.

The requirements for similar certification regarding compliance with applicable implementation plans is contained in the committee reported bill. Because the implementation plan could contain requirements more stringent than necessary to protect public health, this amendment would restrict the public health exemption to permit the use of natural gas to those air quality control regions where public health is at risk.

Mr. President, it is my understanding that the distinguished Senator from Wyoming concurs in this amendment.

Mr. SCHMITT. Yes, he does. We yield back the remainder of our time.

Mr. HASKELL. I yield back the remainder of my time and ask that the amendment be accepted.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT 755

Mr. HASKELL. Mr. President, I propose and send to the desk an unprinted amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL) proposes unprinted amendment 755.

Mr. HASKELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 61, line 10, after "waste:" insert "(G) oil extracted from shale or products derived from such oil;" and redesignate "(G)" and "(H)" as "(H)" and "(I)", respectively.

Mr. HASKELL. Mr. President, it is my understanding that the distinguished Senator from Wyoming concurs in this amendment. I think I should describe it to the Senate.

The bill provides that on new plants and, to a limited extent, on plants that have standby coal burning facilities, oil and gas not be used, but that coal or other fuels be used. The basic purpose of the bill, of course, is to take the country off the conventional petroleum and natural gas base. This amendment states that oil shale would be included in the definition of coal or other fuels. It is my reading of the bill that this was the intent. However, in view of the fact that I come from Colorado where there is a considerable amount of shale, I wanted to call this particularly to the Senate's attention.

I yield to my friend from Wyoming.

Mr. HANSEN. Mr. President, I support the amendment offered by the Senator from Colorado.

Mr. HASKELL. Mr. President, I yield back the remainder of my time.

Mr. HANSEN. I yield back the remainder of my time.

Mr. HASKELL. Mr. President, I ask unanimous consent that the amendment be agreed to.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 756

Mr. HASKELL. Mr. President, under the previous agreement, I yield to the distinguished Senator from Kentucky.

Mr. FORD. I thank the distinguished Senator from Colorado.

I call up an unprinted amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. FORD) proposes an unprinted amendment No. 756.

On page 125, line 9, insert the following: before the period "including areawide councils of local government and designated substate planning and development clearinghouses".

Mr. FORD. Mr. President, this amendment has been cleared on both sides of the aisle. The amendment would fill what I believe is a gap in direct aid. Many of our coal communities are small. Many of them are unincorporated. Impacted areas cross county lines. My amendment would simply allow, under the provisions of the bill, aid to go to areawide councils of local governments.

If there are no questions or objections, I yield back the remainder of my time.

Mr. HASKELL. Mr. President, this amendment is acceptable to the majority.

Mr. HANSEN. The amendment is acceptable to the minority manager.

Mr. HASKELL. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 757

Mr. FORD. Mr. President, I call up an unprinted amendment and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. FORD), for himself, Mr. HUDDLESTON, and Mr. ROBERT C. BYRD, proposes unprinted amendment No. 757.

Mr. FORD. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 139, between lines 7 and 8 insert the following:

"SEC. 6. The Energy Policy and Conservation Act of 1975 in Section 102 by adding at the end of subsection (c) the following new paragraph:

(4) The term 'developing new underground coal mine' includes construction of a coal preparation plant which is designed to reduce the sulfur content of coal produced from any coal mine."

And on page 139, line 9, and page 140, line 7, by renumbering "Sec. 6" to read "Sec. 7" and "Sec. 7" to read "Sec. 8".

Mr. FORD. Mr. President, I ask unanimous consent that the distinguished Senator from West Virginia (Mr. RANDOLPH) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. The omnibus energy bill, Public Law 94–163, adopted on December 22, 1975, included a very important coal loan guarantee program. It is a highly directed Federal effort to encourage the production of environmentally acceptable low-sulfur coal using underground mining methods by providing financial incentives to small coal producers. Since its enactment, regulations have been printed and the period for public comment has passed. Slowly, the program is being implemented and applications for loans will soon be processed. I do not have to point out the critical need for such a program. At a time when clean air regulations are being enforced, thus requiring greater amounts of low-sulfur coal, many small coal producers in my State and in central Appalachia, in general, are unable to secure the needed capital to open new or expand existing coal mines.

Bureau of Mines data indicate that over 5.2 billion tons of low-sulfur coal reserves eligible for this program lie east of the Mississippi River. Eighty percent of this coal is located in States where small producers predominate. Much of this coal could be mined by producers eligible for this program.

While the coal industry as a whole may be attractive from an investor's point of view, the sector addressed by the coal loan guarantee program is not. Development of small underground mines is considered an extremely risky area and very few banks will provide the type of loans which this program will guarantee. Typical financing for small producers is restricted to equipment and accounts receivable financing. Loans are more readily available to large and/or surface mine operators.

Some small producers can obtain financing from equity investors by giving up control of the company or trading away substantial equity. The increased concentration of large companies in the coal industry occurred partly because small producers, who could not obtain capital to expand, sold out. In some areas, the number of small operators has declined drastically because large producers have acquired them.

Because of the geography of Appalachia, much of the low sulfur coal reserves are available in small blocks, which can be mined economically only by small operators. A larger producer's higher capital and operating costs will not permit sufficient return on capital investment, making the project uncompetitive with larger alternative project investments. Without adequate financing for small producers, much of these coal reserves may never be mined.

The amount of coal produced under the loan guarantee program is estimated at between 20 and 40 million tons per year by 1982. Despite this new amount of compliance coal by that time, there will still exist a very substantial "clean fuels" gap. Even greater utilization of scrubbers will not eliminate this need for the clean coal.

My amendment seeks to expand that amount of "clean fuels" by giving financial assistance to companies that intend to construct coal cleaning plants. As you know, the pyritic sulfur which attaches itself to the surface of coal can be removed by mechanical means. This sulfur could comprise about 40 percent of the total amount of sulfur content of that coal. Therefor, coal with a 2 percent sulfur content could be washed down to 1.2 percent, a very favorable coal from an environmental perspective.

I am aware of several companies who want to open such cleaning plants but are unable to secure the necessary financing. My amendment would assist them in overcoming this impediment and, in doing so, provide more of the essential clean coal for utilities and industrial demands.

The qualified candidates for loans under my amendment will be the same as those under the coal mine loan guarantee program. The parameters will not change and the same focus on small operators will prevail. Only the list of qualified projects will be expanded by this amendment.

I urge my colleagues to adopt this amendment so that we can get on with the essential task of providing this Nation with the tremendous abundance of energy represented in our coal reserves.

I understand that the amendment is acceptable on both sides.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. FORD. I am glad to yield.

Mr. ROBERT C. BYRD. Section 102 of the Energy Policy and Conservation Act provides loan guarantees for the purpose of developing low-sulfur underground coal mines. Congress, in the bill, recognized the importance of coal as a major component of our national energy supply. While strengthening this emphasis on coal as a major resource, S. 977 does not provide loan guarantees for the treatment of high-sulfur coal to make it environmentally acceptable.

The amendment that has just been introduced by our distinguished friend from Kentucky (Mr. FORD), supported and cosponsored by his distinguished colleague (Mr. HUDDLESTON) and the two West Virginia Senators (Mr. RANDOLPH and myself), would provide loan guarrantee eligibility for those mining companies which are willing to prepare high-sulfur coal to make it conform to the environmental standards of the Clean Air Act. From the earliest days of coal mining, some degree of attention has been given to the cleaning and preparation of coal to remove impurities. Over the past several years, a large amount of research has gone into the problem of removing sulfur from coal. Today, there are processes which do this satisfactorily, but which have not yet been proven economically viable. This amendment would provide the needed incentive to assure that we maximize our overall coal production while, at the same time, assuring compliance with clean air standards.

Mr. President, meeting our goals of additional coal production will indeed be a difficult task. Without the incentive I propose, we limit our opportunities for greater coal production; this is a loss we can ill afford.

I urge the Senate to adopt the amendment as it has been called up.

Mr. RANDOLPH. Mr. President, I am gratified to join with my colleagues from Kentucky (Mr. FORD and Mr. HUDDLESTON) and the Senator from West Virginia (Mr. BYRD) in offering this amendment. It is important that an adequate supply of coal be available if S. 977 is to be implemented to the fullest extent possible. This amendment aids in assuring that supply.

As the able Senator from Kentucky (Mr. FORD) stated, the bill being considered provides loan guarantees for the purchase of scrubber devices for coal-burning installations. This allows for the burning of coal with a higher sulfur content. It is also necessary to provide similar authority for coal-cleaning plants which wash coal to reduce the sulfur content. Loan guarantees for both of these purposes will assure that larger quantities of high-sulfur coal are available so that applicable environmental requirements can be met even with the increased use of coal mandated by this legislation.

Mr. President, this amendment is intended to insure that coal from all regions of the country will be used. I urge the adoption of this amendment.

Mr. DURKIN. Will the Senator yield for a question?

Mr. FORD. Yes.

Mr. DURKIN. Will this in any way preclude mine operators from entering into joint ventures with people involved in removing sulfur in the refined coal process, or does this, in fact, make it easier for mine operators to—

Mr. FORD. This gives the ability for the expansion of cleaning coal. Whatever is available to one or more, they get into the loan guarantee area and it helps insure that we are going to get a lower sulfur content of our coal simply by installing the washing procedures and that we are extending to them the loan guarantee provisions of the bill. It broadens it rather than reduces it.

Mr. DURKIN. As the Senator knows, we have a New Hampshire concern that is involved in the State of Kentucky in a refined solid coal process for taking sulfur out of the coal at the mine site.

Mr. FORD. And returning it to solid form to be shipped. Yes, I am very aware of it.

Mr. DURKIN. Am I correct in my understanding that this would provide loan guarantees for that type of operation as well?

Mr. FORD. I am not sure. I am not qualified, I think, to answer that question. This is a removal of sulfur from the coal. It turns it into a liquid form and then it becomes solid. Then it is shipped in solid form to be used at a later date. The loan guarantee provision, as I understand it, will be applied to this process.

What I am trying to do is extend it to the small operator here, which would not interfere with the Senator's concern at all, where he can build and go ahead with his washing process, to eliminate the sulfur on the outside of the coal and reduce it by 40 percent.

Mr. HASKELL. Will the Senator yield?

Mr. FORD. Yes.

Mr. HASKELL. It is my understanding that the provision of the existing bill which he is seeking to amend applies to loans only to small operators who are not affiliates.

Mr. FORD. That is correct. It does not interfere with any other provision under the bill.

Mr. SCHMITT. Will the Senator yield for another question?

Mr. FORD. I will do my best.

Mr. SCHMITT. I am sure he can yield. The other question is whether he can find an answer to the question.

Has the Senator looked at any impact of possible distortions of the competitive market of eastern coal versus western coal?

Mr. FORD. I have looked at the difference in the competition. I did not know that we are getting into the competition between East and West. I was trying to help a small operator to be able to put in the type of equipment that is necessary to keep him in business so he can remove the sulfur from the coal through this process. Through this process, we get a cleaner burning fuel, which is important not only to the Senator and me, but is very much the concern of environmentalists.

I am very hopeful we will not get into East-West conflict. If it is good in the East, it ought to be good in the West. If it is good in the West, it ought to be good in the East. We should cooperate to see that both of us flourish.

Mr. SCHMITT. I agree completely with everything the Senator has said. I am just asking if the economic impact of this has been examined on those operators in the West that would not be able to benefit from such a proposal, such a guarantee, because the sulfur content——

Mr. FORD. I say to the Senator from New Mexico, if he would look at the latest report from the coal industry, there is more money made on the less than $6 per ton coal in the West than there is on a $14 ton of coal in the East. And if we get down to it, there is no really small operator in the West. They are all big operators.

Mr. SCHMITT. I thank the Senator.

Mr. FORD. Are there any other questions?

Mr. HASKELL. I am prepared to yield back my time.

Mr. FORD. Mr. President, I yield to the Senator from West Virginia (Mr. RANDOLPH) for a comment.

Mr. RANDOLPH. Mr. President, what the able Senator is saying is that by the provisions, this would be applicable to all coal?

Mr. FORD. That is correct.

Mr. RANDOLPH. That is exactly what we are doing.

Mr. FORD. But primarily to the small.

Mr. RANDOLPH. I understand, but it goes to the coal of the West, the East, the South, the North. It is inclusive.

Mr. FORD. The Senator is absolutely correct.

Is the Senator from Colorado ready to yield back his time?

Mr. HASKELL. Yes.

Mr. FORD. If there are no further questions, I am ready to yield back the remainder of my time and call for the question, Mr. President.

The PRESIDING OFICER. The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment was agreed to.

Mr. HASKELL. Does the Senator from Kentucky have anything further?

Mr. FORD. No, it has been taken care of. The Senator from New Hampshire is to follow me.

AMENDMENT NO. 770

Mr. DURKIN. Mr. President, I ask unanimous consent that Reid Ashinoff and Ed Tanzman of my staff be granted privilege of the floor during consideration and voting on the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURKIN. Mr. President, I call up my amendment No. 770.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Hampshire (Mr. DURKIN), for himself and others, proposes amendment No. 770.

Mr. DURKIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 58, line 22, change (4) to (5).

On page 58, insert between lines 21 and 22 a new subsection to read as follows:

"(4) to encourage the full utilization of coal and energy sources derived from coal through the rehabilitation and upgrading of railroad service and equipment necessary to transport coal or coal products to regions or States which can use these resources in greater quantities.".

On page 59, lines 3 and 5, change "(5) and (6)" to "(6) and (7)", respectively.

On page 138, after section 313, and in the table of contents add a new section 314 which would read as follows:

"RAILROAD REHABILITATION FOR CARRIAGE OF COAL

"SEC. 314. (a) AUTHORIZATION.—In order to facilitate and encourage the use of and conversion to coal as an energy resource in regions and States which can use coal in greater quantity as a substitute for imported oil and depleted domestic fuel supplies, there is hereby authorized to be appropriated, for deposit in the Railroad Rehabilitation and Improvement Fund established under section 502 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 882), not more than $100,000,000.

"(b) PURPOSES.—The money authorized to be appropriated to the Railroad Rehabilitation and Improvement Fund by subsection (a) shall be expended by the Secretary of Transportation, in the same manner as other money in such Fund, to provide financial assistance to railroads for maintenance, rehabilitation, improvements, and acquisition of equipment and facilities (1) designed generally but which will be used for, or (2) designed specifically for, the rail transportation of coal or coal products to regions or States which can use coal in greater quantity as a substitute for imported oil and depleted domestic fuel supplies.

"(c) CONFORMING AMENDMENTS.—Title V of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 821 et seq.), as amended, is amended as follows:

"(1) Section 501(2) of such Act (45 U.S.C. 821(2)) is amended by inserting '(except as provided in section 314 of the Natural Gas and Petroleum Conservation and Coal Utilization Policy Act).' immediately after 'or other features.'

"(ii) Section 502(b) of such Act (45 U.S.C. 822(b)) is amended by inserting at the end thereof the following: 'Money deposited in the Fund as authorized in section 314 of the Natural Gas and Petroleum Conservation and Coal Utilization Policy Act shall be used to provide assistance necessary for the purposes of facilitating and encouraging the rail transportation of coal and coal products to regions or States which can use coal in greater quantity as a substitute for imported oil or depleted domestic fuel supplies, as specified in section 314 of such Act.'.

"(iii) Section 502(f) of such Act (45 U.S.C. 822(f)) is amended by: (1) striking out 'and' at the end of clause (5) thereof; (2) inserting between clauses (5) and (6) the following new clause: '(6) funds as may hereafter be appropriated to the Fund as authorized under section 314 of the Natural Gas and Petroleum Conservation and Coal Utilization Policy Act; and'; and (3) renumbering clause (6) to '(7)'.

"(iv) Section 502(1) of such Act (45 U.S.C. 822(1)) is amended by (1) striking out 'and' at the end of clause (4) thereof; (2) striking out 'Treasury.' at the end of clause (5) thereof and inserting in lieu thereof the language 'Treasury, and'; and (3) adding at the end thereof the following new clause: '(6) to carry out the purposes of section 314 of the Natural Gas and Petroleum Conservation and Coal Utilization Policy Act.'

"(v) Section 505(b)(2) of such Act (45 U.S.C. 825) is amended by inserting between the fourth and fifth sentences thereof the following new sentence: 'With respect to funds appropriated for financial assistance under this section which were authorized pursuant to section 314 of the Natural Gas and Petroleum Conservation and Coal Utilization Policy Act, applications for such funds for the purpose of coal transportation shall be deemed to be for the provision of essential freight services.'

"(vi) Section 505(d)(3) is amended by changing the figure in the first sentence from $600,000,000 to '$700,000,000.', and the figure in the second sentence from $100,000,000 to $150,000,000.".

Mr. DURKIN. Mr. President, I point out that the amendment I offer at the present time is cosponsored by Mr. JACKSON, Mr. MAGNUSON, Mr. RANDOLPH, Mr. HASKELL, Mr. FORD, Mr. MATSUNAGA, Mr. ABOUREZK, Mr. HATHAWAY, Mr. WEICKER, and Mr. MCINTYRE, and, since being printed, by Mr. PELL, Mr. BAYH, and Mr. LEAHY.

Mr. President, I am pleased to call up at this time my amendment to the coal utilization bill, amendment No. 770, for consideration by my colleagues. This amendment has been submitted for printing and I understand copies are available. In addition, I have taken the liberty of distributing to each of my colleagues on the Senate floor a short letter explaining the basic thrust of this amendment.

The purpose of this amendment is to authorize an additional $100 million for rehabilitation of branch and weaker rail lines to carry coal and coal products.

We are not talking about main lines, but about branch lines.

The manner in which the amendment accomplishes this is to add this authorization directly to the title V railroad rehabilitation program established under the 1976 Railroad Revitalization and Regulatory Reform Act (4 R Act). Thus, the funds would be able to be made available to railroads applying for them without any additional bureaucratic creation or delay. The amendment as drafted fits comfortably into the administrative program set up at the Federal Railroad Administration, and would not require any additional bureaucracy.

In addition to my 11 esteemed colleagues listed in the dear colleague letter you have each received, I have been able to add as further cosponsors to this amendment today Senators CLAIBORNE PELL and BIRCH BAYH, the chairman of the Transportation Subcommittee of the Senate Appropriations Committee.

This amendment has been considered and endorsed by the full Energy and Natural Resources Committee during its markup of the coal conversion bill. Specific committee report language was adopted at that time, and well expresses my sentiments on the issue of providing adequate transportation to required users of coal. I have been informed that the committee report as printed contained typographical errors, and therefore I would like to read the committee report language as adopted, which I believe argues strongly for this amendment.

Mr. President, I ask unanimous consent that the report language be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE REPORT LANGUAGE SUPPORTING RAIL REHABILITATION PROPOSAL

The Committee believes that any plan for coal conversion must include considerations of the problems of coal transportation. Railroads have always been and will in the immediate future continue to be a major carrier of coal in this country. While main rail lines close to the source of coal (mines) may have sufficient volume to attract private financing to upgrade lines, main and branch lines in more remote consuming areas of the country may not have the volume of coal traffic needed to attract private improvement funding. Nevertheless, these areas will have the majority of the nation's utilities and factories which would be expected to convert to coal. In order for coal conversion to be meaningful, these existing plants and new facilities to be built to use coal throughout the country must be serviceable by rail. In practical effect, this will mean rail lines to bring the coal to the users. These lines are presently in deteriorated condition and will need financing help from the government in order to upgrade to carry the coal.

The Title V program of the 1976 Railroad Act was specifically enacted to finance and support rail rehabilitation upgrading where it is in the public interest to do so. Clearly, in the presence of a coal conversion act, it is in the public interest to upgrade rail to carry this coal. The linking up of a coal conversion program and improved rails to carry this coal is a natural one. The Committee thus looks favorably on proposals to encourage a rail rehabilitation program as part of its comprehensive coal conversion bill.

Mr. DURKIN. Mr. President, I would like to paraphrase the statement of the committee.

The committee believes that any plan for coal conversion must include considerations of the problems of coal transportation. Railroads have always been and will in the immediate future continue to be a major carrier of coal in this country. While main rail lines close to the source of coal (mines) may have sufficient volume to attract private financing to upgrade lines, main and branch lines in more remote consuming areas of the country may not have the volume of coal traffic needed to attract private improvement funding. Nevertheless, these areas will have the majority of the nation's utilities and factories which would be expected to convert to coal. In order for coal conversion to be meaningful, these existing plants and new facilities to be built to use coal throughout this country must be serviceable by rail. In practical effect, this will mean rail lines to bring the coal to the users. These lines are presently in deteriorated condition and will need financing help from the Government in order to upgrade to carry the coal.

For example, in many areas of New England, and in my own State, the rail lines are presently inadequate to get the coal, and most coal would have to come by sea, or some other means.

The title V program of the 1976 Railroad Act was specifically enacted to fi-

nance and support rail rehabilitation upgrading where it is in the public interest to do so. Clearly, in the presence of a Coal Conversion Act, it is in the public interest to upgrade rail to carry this coal—which is part of the President's national energy program. The linking up of a coal conversion program and improved rails to carry this coal is a natural one. The committee thus looks favorably on proposals to encourage a rail rehabilitation program as part of its comprehensive coal conversion bill.

There is little I can add to the force of the committee's very cogent language. I would point out, however, that this amendment is not a wholesale shot in the arm for the railroad industry, which is quite confident of its ability to make massive coal movements from one region of the country to another. The thrust of this amendment is rather to make Federal funding available to smaller main and branch lines which are marginally profitable, and which otherwise would not be able to obtain financing needed to carry coal to the numerous factories and other users throughout this country. Also, they would not be able to carry the coal which is going to be needed to implement any coal conversion programs.

Significantly, a June 1977 Congressional Budget Office analysis of the President's energy plan took note of "Problems that may arise with transporting coal to the factory." (Chapter V—Coal Conversion, p. 39.) Similarly, an internal Federal Energy Administration report done in the spring of this year, entitled "the role of transportation in achieving the national energy plan—coal" stated that,

> The general conclusion . . . that the railroads can handle the increased coal traffic . . . has largely been based on a macro look of the railroad system, and is, in the main, based on information provided by the railroads themselves. Such a view tends to overlook the problems of individual railroads. . . .

It is vitally important that the Senate make clear its intention to provide adequate transportation for the coal which it is going to require businesses to use with this bill. I believe, as do my colleagues cosponsoring this amendment, that it is better to spend money on rails to carry coal, than on a bloated FEA bureaucracy to process streams of exemption applications from facilities which have no way to get coal transported to them.

As a final note, I would add that this amendment has the endorsement of the distinguished Senator from Washington, Senator MAGNUSON, the chairman of the Committee on Commerce, Science, and Transportation. Senator MAGNUSON has provided a statement of support which he wishes to insert in this debate, and I will submit this statement for the RECORD. As Mr. MAGNUSON notes in his statement, a focus of this amendment is to fulfill the potential need at the consuming end of coal transportation. The Northeast particularly can use this help as can various smaller rail lines scattered throughout the country.

Mr. President, I request that this amendment be accepted as a friendly amendment by the Energy Committee floor managers, and I move its adoption. At this point, I will be glad to answer any questions which my colleagues might have on this amendment.

Mr. RANDOLPH. Mr. President, will the able Senator from New Hampshire yield?

Mr. DURKIN. I am happy to yield.

Mr. RANDOLPH. Mr. President, this is a very important amendment. I am pleased to cosponsor Senator DURKIN'S amendment providing $100 million of additional funds under title V of the 1976 Railroad Act. By providing this type of aid many permanent exemptions can be avoided while putting people to work to rehabilitate rail lines to carry coal and coal products.

Transportation at the present time represents a significant constraint to the achievement of at least a twofold in coal production. There is no question that a national policy concerning the domestic use of coal will have to be aided by a national transportation policy.

In recent years, because of conversion by electric utilities and industrial plants away from coal to other boiler fuels, domestic coal movements have varied considerably, especially in the Eastern States. This trend away from coal has caused a reluctance by rail and water carriers, especially, to commit their resources to a major expansion in fleets and equipment for moving coal. It has also led to the disuse of many branch lines that have subsequently fallen into disrepair. In West Virginia, it has brought about the disuse of many branch lines, and repairs that should be made are long overdue.

Mr. President, the Nation's railroads will play a central role in determining our ability to achieve the President's coal production goals. Presently, the great bulk of coal transportation in the United States is by rail. Therefore, we must first concern ourselves with the ability of our rail system to respond to a large-scale increase in coal demand. Among the factors to be considered are the line-haul capacity for moving coal. We must also look at the need for line expansion in the West and in the traditional Eastern and Midwestern mining areas, and the need in those areas for improved track and signal systems. To reduce the possibility of a shortage of hopper car fleets we must also consider more coordination and planning in movement of rail cars. We must assure more rail equipment is allocated for coal loading, and we must see to it that there is reduced free time on cars so as to assure minimum turnaround time.

The most important issue in rail transportation is the one to which this amendment addresses itself—to provide for rehabilitation and then better maintenance of roadbeds.

As Secretary of Transportation stated before the House Committee on Interstate and Foreign Commerce last May.

> To the extent that constraints on the shipment of coal by rail do emerge, they are likely to involve the inability of financially marginal railroads to secure the financing required to make the necessary investments.

As Senator DURKIN has pointed out this $100 million increase in authorizations for replacing tracks and roadbeds will help weaker lines which cannot privately finance the rehabilitation needed to serve customers.

Mr. SCHMITT. Mr. President, will the Senator from West Virginia yield?

Mr. RANDOLPH. I yield.

Mr. SCHMITT. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER (Mr. ZORINSKY). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SCHMITT. I thank the Senator.

Mr. RANDOLPH. I think the yeas and nays are important.

Mr. President, I commend to all our colleagues the importance and the support of this amendment, and I congratulate the Senator from New Hampshire (Mr. DURKIN), for offering this valuable amendment.

Mr. HASKELL. Mr. President, the distinguished Senator from New Hampshire brought up this amendment in committee, and at that time it was decided not to vote on it in committee because it fell within the jurisdiction of the Commerce Committee. However, I support the amendment; I am a cosponsor of the amendment. I agree with the statements of the Senator from New Hampshire and the Senator from West Virginia.

It is my recollection that the amendment had a very favorable reception overall within the Energy Committee; that the sole reason it was not adopted was because of the jurisdictional problem.

I notice that Senator MAGNUSON is a consponor, so I merely wish to express myself in support of the amendment.

Mr. SCHMITT. Mr. President, will the Senator from Wyoming yield me 3 or 4 minutes?

Mr. HANSEN. I am happy to yield.

Mr. SCHMITT. Mr. President, I requested the yeas and nays on this amendment because of the issue raised by the Senator from Colorado, and that is one of jurisdiction.

I have no doubt that there is need, in branch lines, for example, for assistance in carrying out the intentions of this act.

However, I do think that the amount of dollars involved, $100 million, as well as the complexities of the coal transportation issue would be better served if this were considered by the Commerce Committee and the Transportation Subcommittee of that committee, of which I am a member.

Mr. DURKIN. Mr. President, will the Senator yield?

Mr. SCHMITT. I yield.

Mr. DURKIN. As a member of the Commerce Committee and a member of the Surface Transportation Subcommittee, I say that the reason we proceeded the way we did in getting the endorsement of the Energy Committee was because of the jurisdictional conflict to which the Senator has referred. That is why we worked very closely with Senator MAGNUSON.

The Senator will note that Senator

MAGNUSON not only has joined as a cosponsor but also has given me a statement to submit in the RECORD, indicating his appreciation of the jurisdictional problem and his support for the amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD at this time Senator MAGNUSON's statement. I apologize for not giving the Senator from New Mexico a copy sooner.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR MAGNUSON

The Committee on Commerce, Science and Transportation endorses this amendment. Because we have jurisdiction over transportation matters, it might be helpful for the Senate to have my views with respect to the purposes and needs for the amendment and its significance.

It is important that the Senate realize that the purpose of this amendment is not to give assistance to the rail carriers who are the important haulers of coal. These railroads are in relatively healthy financial condition today, and will have no trouble financing in the private sector whatever plant improvements or equipment are needed to carry all of the coal that is predicted to move under even the most optimistic estimates that have been put forward. Their mainlines are in many instances in good condition today, and the railroad supply industry is completely capable of producing more than enough equipment to adequately move all of the coal that will be transported. The only possible area where financial assistance might be needed in the future would be for a national program relating to railroad electrification.

The need for this amendment is therefore not for the rail transportation of coal by the major lines that haul the bulk of the coal traffic today; instead, it is to fulfill a potential need at the consuming end of the trip, particularly in the Northeast. In the Northeast, many light density "branch" lines exist which are not in good condition because they have not had sufficient traffic over them to justify adequate maintenance or because of the depressed financial condition of the Northeastern railroads. In other words, the need for this amendment might arise in areas where the carriers are in poor financial health and the right of way has deteriorated over time. This need is particularly pronounced in areas outside of the Conrail system.

As most of my colleagues in the Senate are aware, Conrail is in the middle of a massive rehabilitation program in the Northeast right now, which is partially funded by Federal loans. But there are several carriers which are in this region and which are not part of the Conrail system and which may not be able to obtain private sector financing for necessary rehabilitation of lines needed to actually deliver the coal to its ultimate destination. This may also be true outside of the Conrail system in the South and West in a few instances.

Conrail is presently receiving financial assistance in the form of loans pursuant to the Regional Rail Reorganization Act of 1973 as amended and under terms set forth in the Financing Agreement between Conrail and the United States Railway Association. Accordingly, Conrail, while eligible for funds pursuant to Title V, Railroad Revitalization and Regulatory Reform Act of 1976, has made no attempt to avail itself of this additional assistance. Because Conrail has not sought funds under Title V there has been some confusion as to its eligibility for those funds.

I am raising this issue because I want to make clear that the funds provided under this amendment be available to Conrail as well as other railroads to improve coal hauling facilities. I do not believe that the coal hauling capacity which may now be required by our coal-oriented energy policy was anticipated in the Final System Plan setting forth Conrail's financial needs. Thus, the funds which would be made available under my amendment should be also made available to Conrail to the extent that it determines that investments in additional coal hauling facilities and equipment would warrant seeking aid beyond that now presently provided pursuant to the Regional Rail Reorganization Act.

One further point should be made. Because this amendment really is not part of any program to deliver coal from source to user by the rail mode except at the delivery end—that is, it is not a program that the major coal hauling railroads of the United States will be able to take advantage of—it is likewise not a precedent to consider any amendments which relate to coal slurry pipelines. There are better reasons not to consider coal slurry pipelines at this time. For one thing, we have not yet had the benefit of the comprehensive study now underway by the Office of Technology Assessment on coal slurry pipeline transportation. For another thing, coal slurry pipelines have not yet had the benefit of consideration by the Committees with jurisdiction.

The Committee on Commerce, Science and Transportation, for instance, intends to hold hearings on this issue at an appropriate time which will focus on the important transportation issues that are involved in this new mode of transportation. Obviously, the use of water also has to receive serious consideration by the appropriate Committee. Approval of this amendment will not affect the fact that it is inappropriate to consider coal slurry pipelines as part of this bill. With the qualifications and explanation I have offered, I am prepared to support the amendment as Chairman of the Commerce Committee. It could help solve a possible need, and I urge my colleagues to support it, also.

Mr. SCHMITT. Mr. President, I appreciate the inclinations of the distinguished chairman of the Commerce Committee in this matter. However, it is not a matter that has been discussed within the Transportation Subcommittee. It is one of considerable impact on at least a portion of the rail system under that subcommittee's jurisdiction, and I feel very strongly that it is one that would be well served by additional debate and consideration within that subcommittee.

So I will have to vote in opposition to the amendment of the Senator from New Hampshire, not necessarily because, in the long run, it would not turn out to be the right thing to do, but because we have not examined fully the issues involved in this matter. I hope that other Senators also will vote to defeat the amendment, so that the Commerce Committee, at some later time, can examine fully the implications of not only the numbers of dollars involved, $100 million, but also the implications of this particular proposal on the entire rail industry and on the transportation of coal.

Obviously, it would possibly compete, under other circumstances, with coal slurry pipelines, an issue that is yet to come before the Commerce Committee, but will. I think it is a broad enough issue that we must defer action on it until some later time.

Mr. HANSEN. Mr. President, I yield myself such time as I may require.

Let me observe that the amendment offered by the distinguished Senator from New Hampshire is another recognition of the recurring problems Congress encounters as it seeks to ameliorate problems it has been guilty of creating.

The railroads have been regulated more or less greatly or to a smaller extent, however one wishes to characterize it, for more than 100 years. I know when we have discussed changes in work rules, when we have discussed the whole gamut of regulation of the railroads, we have been witness to for a long time—we cannot help but be aware of the fact—that we have made it terribly difficult, almost impossible, for the railroads, among other industries in this country, to take those steps that would have resulted in their continuing ability to survive.

I have supported on occasion legislation that made possible loans to railroads in the East in order that they could continue to be part of a system that I think is vital to the United States.

I make these observations simply to say it would not be a bad idea if the Congress of the United States were to take recognition of the fact that it not only solves some problems but it also creates a lot of problems.

I think what was said earlier by the distinguished Senator from New Mexico with respect to the oil and gas industry could be said with respect to the rail industry. We have regulated them to death.

The reason why it is necessary in the opinion of the distinguished Senator from New Hampshire to help them out in order that the smaller lines can carry coal to communities that otherwise might have extreme difficulty in getting coal results from the fact that we have imposed rules, regulations, and laws that have made it nearly impossible for this one very vital and important segment of our transportation system which, I think, it still should be and, indeed, I believe it still is, to operate in a fashion that is self-supporting.

I say this, because it just seems to me we ought to recognize that the free marketplace and the business decisions industry can and would make on its own might be a better answer for solving our problems than those answers we improvise here on the floor of the Congress from time to time.

Mr. HASKELL. I would be willing to yield back the remainder of my time if the Senator from New Hampshire would.

Mr. DURKIN. I would only like to make one or two comments very, very quickly. I ask unanimous consent that Senator PELL, Senator BAYH, and Senator LEAHY be added as cosponsors, if I have not already done so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURKIN. Furthermore, I think I ought to stress very, very clearly that this has no connection with the slurry. The slurry is a definite, distinct, clearly separated issue, and this amendment in no way impacts on the question the Senate will have to decide at some time with respect to the coal slurry.

As the Senator from West Virginia so aptly put it, the coal-producing States can produce the coal. But if we are going

to convert to coal, if we are going to shift utilization, if we are going to reduce our dependence on that expensive OPEC, imported oil, then we are going to have to have some way to get coal from the mine to the factory.

In talking to the utility people in the State of New Hampshire, you can now get coal by sea, you can bring it in by collier and, quite possibly, the C–5A can be adapted to haul coal. Other than that there is very little way to get coal to the factories and to the utilities, and without this amendment and without the rehabilitation of those coal lines, the Coal Conversion Act in many respects will be an exercise in futility.

I thank the distinguished manager of the bill, and I thank him for his support.

Again, I would point out to this body that Senator JACKSON, the chairman of the Energy Committee, is a cosponsor, as well as Senator MAGNUSON, the chairman of the Commerce Committee, who is also a cosponsor. Both are fully cognizant and fully appreciative of the nuances of the jurisdictional problem.

Mr. President, at this time I would be willing to yield back the remainder of my time, assuming there is no further debate.

Mr. HASKELL. I yield back the remainder of my time.

Mr. SCHMITT. The minority yields back the remainder of its time.

ADDITIONAL STATEMENT SUBMITTED

Mr. ANDERSON. Mr. President, I believe that the coal utilization requirements being discussed today illustrate America's recognition that we are going to have to make better use of our own natural resources in order to continue to grow and prosper. Only then can we begin to alleviate the problems we face, because of the energy shortage. We must use caution, however, not to create new problems for our citizens in our efforts to solve the existing ones.

Senator DURKIN's amendment to provide funds to upgrade rail lines and equipment where needed to facilitate coal transport is a good one. It recognizes that the increased mining of coal resulting from the Natural Gas and Petroleum and Coal Utilization Act of 1977 will place additional burdens on America's rail system and that many of these systems do not have the financial ability to prepare to meet that burden.

But there is a serious additional problem resulting from the increase in coal-carrying railcars which should, at least, be recognized here today. I refer to the rail-highway grade crossing conflicts aggravated by the increased production of Western coal.

The economics of rail transport necessitate the use of exceptionally long trains to carry coal from the mines in the West to the markets in the East. These trains often reach 1 or 2 miles in length. Rural communities which once prospered as they grew adjacent to mainline tracks now find their highway traffic severely disrupted by unit coal trains. Population centers dependent upon one major highway in the countryside are severed from emergency services and medical assistance. The county engineer in Lancaster County, Nebr., reports that some rural Nebraska communities are suddenly exposed to 80 trains traveling at 60 miles per hour each day.

In Minnesota, rural communities are especially burdened by the unit coal train problem. If we continue to neglect the problem, it will only worsen. The city of Moorhead, Minn., provides an excellent, albeit unfortunate, illustration of the trouble I refer to.

Moorhead has recently completed a successful urban renewal project in which $30 million of capital was reinvested in the city from many levels of funding—private and public. However, instead of experiencing the anticipated growth from the renewal plan, the city is watching its central business district slowly suffocate. Why? Because train traffic, increasing, because of the shipment of western coal from west to east, runs through the middle of town, ties up vehicular traffic for the better part of an hour at a time, and encourages shoppers to avoid the central business district and go elsewhere.

According to Mr. Donald Richards, the Clay County engineer, Moorhead city officials conducted a study to determine the cost of an adequate grade separation. They found that it would cost at least $11 million for one grade separation, far beyond the financial means of the city and county. Furthermore, building the separation would necessitate the dislocation of several key tax base businesses. One alternative would be to build a rail bypass of the city. That option, however, would cost an estimated $25 to $30 million.

Something must be done. In 1975, Burlington Northern, whose trains use the tracks through Moorhead, estimated that there would be a 5-percent rate of growth in rail traffic per year for 5 years. Burlington Northern is now predicting a 40-percent growth rate over the next 4 years. Even these figures are conservative, according to Moorhead's community development director, because Burlington Northern only estimates on the basis of existing contracts when talking about growth projections.

Attempts are being made on the State level to address the problem of unit coal train traffic, but it is becoming obvious that Federal assistance must be forthcoming. For example, Moorhead is a member of the rail-traffic task force, an alinement of communities from Bismarck, N. Dak., to St. Cloud, Minn. The task force is investigating various ways that the railroad traffic problem can be solved. But in this one corridor alone, it is estimated that it would cost in excess of $100 million just to alleviate the existing rail-traffic problem. When you consider that there are about 220,000 public highway-rail grade crossings in these United States the scope of the problem becomes apparent.

The U.S. Department of Transportation has just completed a task force study of the unit coal train problem. I understand that it will be available by the end of the month. The report should assist the Congress in understanding the full scope of the coal trains' impact and to determine what steps we in Congress can effectively take to alleviate the problem. Until then, however, we must realize that the actions we take today to encourage coal utilization will have serious consequences outside the realm of energy production which must be addressed.

We need to encourage coal utilization. We need to decrease our dependence on petroleum and natural gas. We need to do these things to assure the prosperity of America's future generations. But we must not rush to achieve our goals without considering the needs of rural Americans being asked to sacrifice their ready access to the hospitals, police, fire protection, and markets for agricultural products upon which the public safety and economic health of their communities depend.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Alaska (Mr. GRAVEL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Washington (Mr. MAGNUSON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), the Senator from New York (Mr. MOYNIHAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Ohio (Mr. GLENN) would each vote "yea."

Mr. BAKER. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. BROOKE) would vote "yea."

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Alaska (Mr. STEVENS). If present and voting, the Senator from Oregon would vote "yea" and the Senator from Alaska would vote "nay."

The result was announced—yeas 60, nays 21, as follows:

[Rollcall Vote No. 347 Leg.]

YEAS—60

Allen	Cranston	Jackson
Anderson	Culver	Kennedy
Baker	DeConcini	Leahy
Bayh	Dole	Long
Bentsen	Durkin	Mathias
Biden	Eastland	Matsunaga
Bumpers	Ford	McGovern
Burdick	Hart	McIntyre
Byrd, Robert C.	Haskell	Melcher
Cannon	Hathaway	Metzenbaum
Case	Heinz	Morgan
Chiles	Hollings	Muskie
Church	Huddleston	Nelson
Clark	Inouye	Nunn

Pell	Sarbanes	Stevenson
Percy	Sasser	Stone
Randolph	Schweiker	Talmadge
Ribicoff	Sparkman	Wallop
Riegle	Stafford	Weicker
Roth	Stennis	Zorinsky

NAYS—21

Bartlett	Hansen	Proxmire
Bellmon	Hatch	Schmitt
Byrd, Harry F., Jr.	Hayakawa	Scott
	Helms	Thurmond
Danforth	Laxalt	Tower
Domenici	Lugar	Young
Garn	McClure	
Griffin	Pearson	

NOT VOTING—19

Abourezk	Gravel	Metcalf
Brooke	Hatfield	Moynihan
Chafee	Humphrey	Packwood
Curtis	Javits	Stevens
Eagleton	Johnston	Williams
Glenn	Magnuson	
Goldwater	McClellan	

So Mr. DURKIN's amendment was agreed to.

Mr. DURKIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HASKELL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The following Senators requested and, by unanimous consent, the privilege of the floor was granted in behalf of the following staff members: Mr. HANSEN: Perry Pendley and Nolan McKean; Mr. WALLOP: Rob Wallace; Mr. BARTLETT: Erich Evered; Mr. LEAHY: Judy Heffner; Mr. HARRY F. BYRD, Jr.: John I. Brooks; Mr. HEINZ: Bill Reinsch; Mr. HATCH: Mary Ann Hanson.

UP AMENDMENT NO. 758

Mr. RANDOLPH. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) proposes unprinted amendment No. 758.

The PRESIDING OFFICER. The Senate is not in order. Will Senators please take their seats.

The amendment will be stated.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 140, line 6, insert the following and renumber subsequent sections accordingly:

"NATIONAL COAL POLICY STUDY

"SEC. 7. (a) The President is hereby requested to make a full and complete investigation and study of the alternative national uses of coal available in the United States to meet the Nation's energy requirements consistent with national policies for the protection and enhancement of the quality of the environment and for economic recovery and full employment. In particular the study should evaluate—

(1) current and prospective coal requirements of the United States;

(2) current and prospective voluntary and energy conservation measures and their potential for reduction of the United States coal requirements;

(3) current and prospective coal resource production, transportation, conversion, and utilization requirements;

(4) the adequacy of coal research, development, and demonstration programs being carried out by Federal, State, local, and nongovernmental entities, including the ability (including financial resources, manpower, and statutory authority) of such Federal, State, local and nongovernmental entities to implement such programs;

(5) programs for the development of all new coal mining technologies which increase coal production and utilization;

(6) alternative strategies for meeting anticipated United States coal requirements, consistent with achieving other national goals, inculding national security and environmental protection;

(7) existing and prospective governmental policies and laws affecting the coal industry with the view of determining what, if any, changes in and implementation of such policies and laws may be advisable in order to consolidate, coordinate, and provide an effective and equitable national energy policy, and

(8) the most efficient use of the nation's coal resources considering economic (including capital and consumer costs, and balance of payments), social (including employment), environmental, technological, national defense and other aspects.

(b) Within one year of enactment, the President shall submit to the Congress a report with respect to the studies and investigations, together with findings and recommendations in order that the Congress may have such information in a timely fashion. Such report shall include the President's determinations with respect to—

(1) the Nation's projected coal needs, broken down into regional areas, for the next two decades with particular reference to electric power;

(2) the coal resources available or which must be developed to meet those needs, including, as applicable, the programs for research, development, and demonstration necessary to provide those major technological advances which may greatly enhance the Nation's ability to efficiently and economically utilize its fuel resources;

(3) the air, water and other pollution created by coal requirements, including any programs to overcome promptly and efficiently any technological or economic barriers to the elimination of such pollution; and

(4) the existing policies and programs of the Federal Government and of State and local governments, which have any significant impact on the availability, produciton or efficient and economic utilization of coal resources and on the ability to meet the Nation's energy needs and environmental requirements, including proposals, policies, and programs for reconciling the Nation's environmental quality requirements with energy needs.

(c) There is hereby authorized to be appropriated for use in carrying out the purpose of this section not to exceed $18,000,000.

Mr. RANDOLPH. Mr. President, we are now engaged in deliberations which respond to a crisis situation. A majority of us recognize that action is crucial. The problem is not synthetic. It is not one which has been fabricated and has developed with the growth of our complex society.

The attitude of the administration with respect to the Nation's critical fuels and energy is now encouraging. The newly created Department of Energy, this legislation, and the total energy package developed by the Congress will bring into sharper focus our energy needs thus making decisions more compatible with current, and hopefully, future events.

The administration's proposal is a start toward this urgently needed balance between a coordinated, comprehensive national energy policy, and national economic and environmental policies. These proposals on energy conservation, energy contingency planning, Federal leasing policies, and energy research and development will add to, delete, and in some cases combine with some 71 measures affecting energy policy that have been enacted into law over the last 5 years. The President's plan, however, does not include clearcut goals to increase coal production, and advance the utilization of coal for the production of synthetic fuels to supplant oil and natural gas.

To assure that the National Energy Policy to be enacted later this year does indeed expedite the creation of a nonfragmented and comprehensive coal use policy, I wish to see the President, Mr. Carter, conduct a complete investigation of how we as a nation will go about implementing a national coal policy for efficient and economic utilization, full employment and for the protection and enhancement of the quality of the environment.

This study would make a detailed investigation of the national energy requirements on coal and policies of the United States with respect to coal. A report to the Congress is mandated and would focus on several factors. First, the Nation's projected coal needs for the next two decades with particular reference to electric power. Second, the coal available or to be developed to meet those needs, including, as applicable, the programs for research, development, and demonstration necessary to provide major technological advances to enhance the Nation's ability to efficiently and economically utilize its coal resources. Third, the air, water, and other pollution created by coal requirements, including programs necessary to overcome promptly and efficiently any technological or economic barriers to the elimination of such pollution.

I emphasize that this proposal is not a call for the establishment of a commission as when I introduced S. 4092 on July 16, 1970, to establish a Commission on Fuels and Energy, and reintroduced on March 15 of this year as S. 1007. Establishment of a Commission on Fuels and Energy is still an issue with merit, which I will continue to pursue. There is a need for prompt and careful attention to coal policy and the short- and long-term role it can safely play in our emerging energy doctrine. We must be convinced the objectives set for coal in assuring national security and economics as an individual fossil fuel are also policies which are consistent with total energy policy, or with those of our national policy on the environment. I would recommend an authorization of $18 million for the study and report.

I do not want energy industries in this Nation to continue to be unsure of how the production, utilization of coal resources, and environmental requirements associated with this fuel will affect supplies of coal which they can rely on. Coal is the cornerstone of the energy proposal we have before us, and I want to see that there will be no hesitation or questions

that remain concerning its viability and versatility as our greatest natural resource.

That is the reason, Mr. President, for this study of 1 year, which is mandated in the amendment pending.

The PRESIDING OFFICER. Who yields time?

Mr. FORD. Mr. President, I have no objections on this side of the aisle to the Senator's amendment. I have no questions. I am ready to yield back the remainder of my time.

Mr. HANSEN. Mr. President, I am unaware of any objections on this side of the aisle. If there are none, I shall be happy to yield back my time.

Mr. FORD. Mr. President, I yield back the remainder of my time.

Mr. HANSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 759

Mr. RANDOLPH. Mr. President, I send to the desk a second amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) proposes unprinted amendment No. 759.

On page 124, line 13, strike all after the word "determines" through the word "area" on line 14 and insert the following: "that employment in the coal-mining industry and in coal-related industries in an area has increased by 8 percent or more over the 1976 level of employment in coal mining and coal-related industries in that area".

Mr. RANDOLPH. Mr. President, we have had a rash of wildcat strikes that have taken place in several States; perhaps most notably in West Virginia and Kentucky. The 1977 production levels, because of these wildcat strikes and other causes as well—the very cold winter last year, the floods in the areas where this mining takes place—will be well below our 1976 level.

Under the bill as it comes from the committee, aid to areas impacted by expanded coal development is triggered by increases in annual production levels over the 1976 level. This amendment which I offer provides aid based instead on increases of 8 percent or more in employment in the coal and coal-related industry in an area.

There are four major advantages to the approach which I offer. First, tying assistance to coal production levels fails to recognize the fact that impact is caused by expansion of the workforce and related service employment rather than by increases in coal production per se. It is this increased demand on limited community facilities that creates the need for Federal impact assistance. Wildcat strikes create a problem in this regard in that they curtail production but do not curtail the impact on communities. An employment related trigger will reflect the real increase in impact caused by coal development.

A second advantage of the amendment that I believe is inherent is that it is a better indicator of when the impact will strike a community. Relating aid to changes in production will mean that communities which have been impacted by the influx of constructon crews laying rail spurs, constructing draglines, and carrying out other site development work for new mines would not be eligible for aid until later when production levels rise. The employment-related trigger will allow funding and aid to be brought to bear at an earlier stage than would be the case with the production-related trigger.

Third, in the eastern and midwestern coal fields, production is shifting from surface mining to deep mining which requires nearly four times the number of workers to produce the same amount of coal as surface mining. While production may not change dramatically, the impact on communities is substantial. The amendment will insure that areas facing this kind of change will be eligible for aid.

Finally, the committee language is, I believe, perhaps too broad, allowing virtually any coal producing area to eventually qualify for impact aid. Since funds for such activities are lmited, aid should be targeted to those areas facing the greatest impacts. A shift to an employment-related basis for aid will narrow the number of areas eligible for aid and thereby target the aid more effectively.

Mr. President, the 8-percent increase in employment figure was developed as a result of examining coal employment data for the States of West Virginia, Colorado, and New Mexico.

I wish to state for the record that it was my privilege and responsibility to join with Senator DOMENICI during the recess in a 1-day hearing in Albuquerque starting early and continuing uninterrupted for many hours. The problem there is as in other areas, development of new mines with no community facilities to take care of the people that are attracted to the area for employment opportunities.

I was struck by the fact that New Mexico is first in the production of uranium and ranks high in the other categories such as oil and gas. A large amount of coal is also produced in that Western State.

This 8-percent level of increase will insure that aid is funneled to those areas which have the greatest need for assistance. I ask unanimous consent that this data compiled by the State of West Virginia used in arriving at the 8-percent figure be made part of the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WEST VIRGINIA COAL PRODUCTION AND EMPLOYMENT, BY COUNTY

County	Production	Percent change	Employment	Percent change
1976				
Barbour	2,997,290	−19	1,433	+9
Boone	10,468,042	+8	5,729	+15
Braxton	177,435	+101	114	−4
Brooke	875,166	+18	375	+20
Clay	62,731	−9	34	−33
Fayette	3,186,924	+11	2,151	+9
Gilmer	44,670	−63	38	−22
Grant	1,600,887	−12	842	+10
Greenbrier	1,029,437	+18	731	+22
Harrison	5,161,463	+16	1,666	+28
Kanawha	7,684,902	−2	3,932	+5
Lewis	382,252	−47	166	−29
Lincoln	172,414	+418	91	−46
Logan	8,612,153	+5	5,042	+22
McDowell	10,463,144	−4	7,325	+5
Marion	5,701,851	+3	2,867	+9
Marshall	5,131,175	−3	2,362	+4
Mason	45,550	−85	49	−76
Mercer	805,521	−18	583	+9
Mineral	358,638	+9	99	+9
Mingo	4,434,673	−3	2,295	+17
Monongalia	10,575,252	−4	3,416	+.2
Nicholas	5,230,669	−7	3,013	+11
Ohio	1,501,590	+6	939	+5
Pleasants	778	(*)	1	(*)
Preston	2,479,950	−3	749	−8
Raleigh	6,827,818	+9	5,295	+14
Randolph	1,077,093	+21	514	+15
Summers	3,531	−96	5	−82
Taylor	227,227	+31	93	−40
Tucker	364,706	+2	56	+10
Upshur	1,402,719	−30	662	+16
Wayne	494,250	−10	189	−6
Webster	516,294	+16	296	+12
Wyoming	8,695,399	−1	6,650	+13
Total 1976	108,793,594	−.3	59,802	+8
1975				
Barbour	3,700,585	−1	1,319	19
Boone	9,658,411	5	4,999	16
Braxton	88,337	684	119	1,090
Brooke	739,344	6	312	25
Clay	69,176	−11	44	10
Fayette	2,860,193	5	1,973	21
Gilmer	119,385	81	49	96
Grant	1,819,954	18	763	21
Greenbrier	870,061	49	598	89
Harrison	4,433,803	14	1,412	42
Kanawha	7,809,762	−1	3,758	12
Lewis	714,396	21	223	83
Lincoln	33,313	583	59	48
Logan	8,225,662	6	4,933	30
Marion	5,517,651	51	2,624	65
Marshall	5,265,921	7	2,259	15
Mason	294,927	102	207	4
McDowell	10,857,370	7	6,961	13
Mercer	976,222	−7	536	6
Mineral	329,044	−29	91	−11
Mingo	4,567,088	22	1,958	31
Monongalia	11,056,023	−4	3,407	−7
Nicholas	5,606,802	−3	2,706	15
Ohio	1,411,824	−11	892	7
Pleasants				
Preston	2,548,080	−10	812	21
Raleigh	6,264,283	21	4,662	24
Randolph	888,439	−5	446	19

County	Production	Percent change	Employment	Percent change
Summers	80,386	162	27	−10
Taylor	173,023	78	154	340
Tucker	357,040	17	51	13
Upshur	1,999,222	21	573	59
Wayne	547,886	22	201	4
Webster	443,209	26	265	73
Wyoming	8,722,076	9	5,863	16
Total 1975	109,048,898	7	55,256	20
1974				
Barbour	3,708,904	−19	1,113	+15
Boone	9,189,326	−17	4,327	−4
Braxton	11,268	1,140	10	−23
Brooke	700,526	−10	249	−12
Clay	77,702	120	40	−37
Fayette	2,719,635	−22	1,630	+4
Gilmer	65,705	(*)	25	
Grant	1,536,131	−5	632	+6
Greenbrier	584,376	45	316	+84
Harrison	3,904,719	−2	998	+8
Kanawha	7,917,012	−12	3,347	−9
Lewis	591,934	114	122	−5
Lincoln	4,880	(*)	40	
Logan	7,769,059	−9	3,787	+10
McDowell	10,176,305	−20	6,157	+3
Marion	3,643,866	−41	1,588	−40
Marshall	4,934,560	−19	1,973	+2
Mason	146,422	−59	200	+17
Mercer	1,045,757	−11	508	−3
Mineral	466,060	18	102	−43
Mingo	3,730,201	14	1,497	+9
Monongalia	11,559,272	91	3,670	+21
Nicholas	5,778,309	−5	2,352	−1
Ohio	1,580,740	−20	835	−1
Pleasants		0	0	0
Preston	2,822,038	69	670	+61
Raleigh	5,191,534	−16	3,758	+7
Randolph	935,345	3	375	−21
Summers	30,666	(*)	30	
Taylor	97,368	−37	35	−37
Tucker	306,198	70	45	+100
Upshur	1,656,898	32	361	+18
Wayne	449,137	−23	193	+7
Webster	352,913	21	153	−6
Wyoming	8,028,814	−23	5,044	−1
Total 1974	101,713,580	−12	46,182	+3
1973				
Barbour	4,563,828		968	
Boone	11,132,184		4,514	
Braxton	909		13	
Brooke	781,065		222	
Clay	35,288		55	
Fayette	3,487,341		1,571	
Gilmer				
Grant	1,611,055		594	
Greenbrier	402,852		171	
Harrison	3,984,777		925	
Kanawha	8,994,281		3,645	
Lewis	276,203		128	
Lincoln				
Logan	8,556,696		3,601	
Marion	6,219,832		2,222	
Marshall	6,106,513		1,941	
Mason	354,927		167	
McDowell	12,676,999		6,000	
Mercer	1,172,103		522	
Mineral	395,313		146	
Mingo	3,285,915		1,365	
Monongalia	11,562,227		2,895	
Nicholas	6,055,021		2,370	
Ohio	1,967,104		846	
Pleasants				
Preston	1,666,572		408	
Raleigh	6,187,471		3,506	
Randolph	912,812		429	
Summers				
Taylor	154,816		48	
Tucker	179,709		22	
Upshur	1,251,874		297	
Wayne	582,319		180	
Webster	292,404		162	
Wyoming	10,388,736		5,071	
Total 1973	115,239,146		45,004	

Mr. RANDOLPH. I emphasize again, Mr. President, that we worked in the States of Colorado, New Mexico and West Virginia to develop the figure of 8 percent and know that this amendment will address all areas of the country in the same manner.

Mr. BARTLETT. Mr. President, I know of no objection to the amendment. In fact, I think it is a good amendment. It might hold down the number of areas eligible and I think it confines the definition in comparison to the definition already in the bill to make an improvement in impact aid.

So, Mr. President, I do support the amendment. I know of no objection on this side.

Mr. FORD. Mr. President, I agree with my distinguished colleague from Oklahoma. The majority has no objection. We feel this will pinpoint the problem and see that the amendment goes to the areas in which it is needed most.

We have no objection and I know of no objection on this side. I am ready to yield back the remainder of my time and proceed with other amendments.

Mr. BARTLETT. I yield back the remainder of my time.

Mr. FORD. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 636

Mr. HEINZ. Mr. President, I call up my amendment No. 636.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) proposes amendment No. 636:

On page 85, line 16, strike "January 1, 1990" and insert in lieu thereof "January 1, 1985".

Mr. HEINZ. Mr. President, last winter, hundreds of thousands of Americans were laid off as a result of widespread shortages of natural gas.

I am offering an amendment that will prevent the waste of nearly 4 trillion cubic feet of that irreplaceable commodity, natural gas. That is enough natural gas to meet the needs of the northeastern quarter of the United States for an entire year.

To give some idea of the extent to which that much gas could be valuable in preserving American jobs, last winter's unemployment, which struck particularly heavily in the Eastern United States, included at the end of the week of January 27 some 50,000 people in western Pennsylvania alone, unemployed as a direct result of natural gas shortages which resulted in 43 plants being shut down at that time. Had there been available just a small fraction of the natural gas which would be provided by the amendment I am offering, we could have avoided untold personal hardships on the part of hundreds of thousands of Americans during that very tight January and February period.

Mr. President, the specifics of my amendment are quite simple. I seek to amend the pending bill by advancing the effective date of the prohibition on the combustion of natural gas in electrical generation plants from January 1, 1990, to January 1, 1985. This provision does not alter the categories of plants covered and does not affect recourse to the temporary exceptions and permanent exemptions provided in the bill now.

I believe that the most immediate and pressing energy problem that confronts this Nation is the growing shortage of natural gas supplies to meet our peak residential and industrial needs in the winter. We should not need to be reminded of the personal and economic hardships, suffered only 7 months ago, that were aggravated by the combination of harsh weather and inadequate gas supplies. The Federal Power Commission has estimated that natural gas curtailments during those exceptional months totaled 1.53 trillion cubic feet or 21 percent of industrial requirements over that period. By comparison, assuming only normal meteorological conditions this winter, the FPC has projected an increase in curtailments to 1.66 trillion cubic feet or 23 percent of total industrial requirements. While these shortages are exacerbated and the prospect of repeated industrial work stoppages becomes more certain each winter, the risk of losing supplies for essential uses in residences and social institutions grows as well. In the long run, changes

in the pricing of natural gas will shift the economics of fuel combustion in favor of alternative energy sources. This may make available additional supplies for these important uses. But the shortages we now face require a stronger and more expeditious approach to natural gas conservation.

The administration's program to conserve natural gas is built upon three interdependent provisions: a fuel tax on industrial gas use; tax credits and rebates for investment in alternative energy systems; and regulatory prohibitions. These provisions focus on reducing the inappropriate and indiscriminate use of natural gas in both utility and industrial facilities.

Great emphasis has been placed on the fuel tax to be added incrementally to the cost of natural gas to major utility and industrial customers. This tax, in theory, will induce the major customers to either convert to alternative fuels in existing facilities or accelerate their retirement and the construction of new alternative fuel-burning plants. The investment tax credit or rebate of the fuel tax liability will be made available for assisting in the investments in necessary alternative facilities.

For the utilities, however, the fuel tax/rebate program will not become effective until 1983. The taxes are scheduled to rise to a maximum level by 1988. The House, in the version of the energy program passed in August, weakened these taxes on gas combustion in electrical generation by setting a flat rate that levels off at $0.75 per million Btu in 1985. The Senate Committee on Finance, in hearings conducted during the recess, expressed its fundamental concerns with fuel taxes and suggested that the administration's proposals will be significantly rewritten.

In many respects, the actual structure and level of fuel taxation are moot issues with regard to fuel conservation. I believe that any reasonable level of utility fuel tax will be inadequate alone to meet the need for conservation of domestic gas supplies. It appears likely that the utilities will, instead of converting to alternative fuels in existing plants, incur whatever tax liability is legislated here and pass the additional cost through to electricity customers in fuel rate adjustments. Further, rebates will be banked until the utility is ready to build new coal or nuclear base load plants rather than employed to convert existing gas boilers. The net effect of the tax/rebate scheme on existing plants and current utility rates will be more inflationary than conserving.

The purpose of this amendment, then, is to expedite the conservation of natural gas in existing utility plants by mandating a stronger and more immediate prohibition on its use in generation. The Federal Energy Administration has inventoried 660 plants that could be affected by this amendment. They burn nearly 3.2 trillion cubic feet of gas per year amounting to 15 percent of national gas use. Many of these plants will properly be exempted from the prohibition for environmental reasons. But even if only one-half of the plants could be shifted from gas in the nearer term, and those supplies redistributed to superior uses, the current specter of winter curtailments and work stoppages could be completely dispelled. Rather than defer this potential for gas conservation in electric utilities to 1990, we should legislate a more urgent agenda for the conversion of these facilities and incur the costs now. The alternative is the uncertain and bleak prospect of repeated energy shortages and seasonal economic hardships that we have already suffered too many times.

Mr. President, I ask unanimous consent that the name of the Senator from North Dakota (Mr. YOUNG) be added as a cosponsor of both this amendment and amendment 637, which I will offer subsequently.

The PRESIDING OFFICER (Mr. RIEGLE). Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I reserve the remainder of my time.

Mr. BARTLETT. Mr. President, does the Senator from Colorado desire recognition?

Mr. HASKELL. Yes. If the Senator from Oklahoma is going to speak for the amendment, could he speak on the time of the Senator from Pennsylvania?

Mr. BARTLETT. The Senator from Oklahoma will speak against the amendment.

Mr. HASKELL. Then, the Senator from Colorado is delighted to yield time to the Senator from Oklahoma.

Mr. BARTLETT. I thank the distinguished Senator from Colorado.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized. Is there any time agreement?

Mr. HASKELL. I yield 10 minutes to the Senator.

Mr. BARTLETT. I thank the distinguished Senator from Colorado.

Mr. President, the major thrust of this bill with respect to existing facilities is against electric generating plants which burn natural gas as their primary fuel. The bill flatly prohibits the use of gas for this purpose beyond the year 1990. There is no similar provision with respect to the burning of petroleum.

Existing natural gas fired electrical generating facilities cannot be physically converted to the use of coal. If diverted from the use of natural gas, these plants can only burn oil. But in doing so, their capacity to generate electricity is seriously and significantly reduced.

First, oil furnishes a much lower heat output than does gas. Second, due to the soot and sludge buildup that oil produces and gas does not, the plant must be shut down often for cleanup. The net result is less electricity and impaired system reliability.

Electric utilities in the Southwest are already hard pressed just to meet construction requirements for expanding electrical demand. It will simply not be possible for many of them to meet the 1990 prohibition on the burning of natural gas and at the same time furnish electricity to meet the demand of consumers in that region.

These utilities are doing everything in their power to bring on new capacity fired by coal or nuclear energy. Construction delays, similar to those experienced elsewhere in the country, have repeatedly pushed back the scheduled startup of new coal and nuclear plants. Just as important, this construction has stretched the financial capacity of the utilities to the limit.

I point out that there are no plans for new starts of major plants fired by natural gas, nor have there been for 2 years.

Burdening these utilities with the requirement of switching to fuels other than natural gas by 1990 is an excessive and unfair demand.

Accelerating that date to 1985 is just out of the question. It is trying to force on the energy industry the impossible, being totally unfair in the process.

Requiring utilities to be off natural gas by 1985 just leaves them 7 years, and that is less than the amount of time it takes to build a new coal-fired plant, and half the time required to build a nuclear one.

The Southwestern States and, in particular, the utility companies are very much aware of the unemployment problems of Pennsylvania and other Northwestern States. In fact, they are so well acquainted with it because they helped relieve the problem last year. They provided considerable gas to the northeastern part of the country, all they could legally and physically provide, in order to relieve the dire situation there.

The companies in the Southwest and the individual citizens there have been urging the people in the Northeast for quite a number of years to support the deregulation of natural gas, so that consumers in non-producing States would pay the same price for gas as is paid by the consumers in the Southwest. In doing so, they would have increased the amount of gas available to them, so there would not have been the shortage of natural gas this last winter in the northeastern part of the country.

The proposal by the distinguished Senator from Pennsylvania hits hardest, of course, the consumers in the producing States who have paid an extra price for gas for quite a number of years in order to have an adequate supply. Now to come along and say, "The only fair and just thing is to take this gas away from you southwestern consumers and to provide it to us; we who have done nothing to eliminate the shortage, in fact, we who have created the shortage, should benefit from your generosity." Well, this kind of legislative pressure is unjust, unfair, and certainly is not in the interest of solving the problem of sufficient energy.

There are programs that can reach effectively the problem of insufficient natural gas, but it is not to be found in the proposal by the Senator from Pennsylvania. The Senator from Pennsylvania, I think, knows that there is going to be great difficulty on the part of the utility companies to make the conversion by 1990 for several reasons. One, is the immense cost of this switchover. Secondly, it is just the time it takes to build a new plant and to make the conversion.

If his amendment were successful it

would then create in the producing States a real shortage of energy. These producing States are those which have been increasing their output from year to year because of expanding demand, and it would be very unfair forcing down the throats of the producing States this kind of obligation they would be unable to fulfill.

It is my understanding that this amendment is opposed by the Administration, I assume for reasons similar to those which I have expressed.

I say to the Senator from Pennsylvania I do have concern over shortages of energy in any State, and I have spoken on the subject many, many times, encouraging steps to be taken which would increase the amount of domestic energy available in this country. But to transfer energy from one area of the country to an area of shortage and create a shortage in the area from which that is transferred is not a solution to the problem.

Certainly there is no debt owed by the Southwest to the Northeast as far as energy is concerned. If there is a debt owed, it is in the other direction.

I am sorry the Senator has picked a date that would be impossible to achieve, and which would provide very, very great hardship on another part of the country.

I thank the distinguished Senator from Colorado for giving me the time to speak, and I appreciate this opportunity to speak in opposition to the amendment.

Mr. HASKELL. I thank the Senator from Oklahoma.

Briefly, Mr. President, what we are talking about, it seems to me, is the following: The bill specifies that existing plants may not use gas after the year 1990. They could use oil or they could use any other form of fuel.

The Senator from Pennsylvania would like to accelerate that date 5 years; he would like to make it 1985.

This was discussed in committee, and it is clearly a matter of judgment. The administration favored the 1990 date, saying that any earlier date would bring a flood of applications for special exemptions because of the great difficulty and the financial burden of converting 5 years earlier, that is, 1985.

Based upon the testimony in the hearing record, the statements that were made, I support the position of 1990 because I think it is a practical, workable, attainable date, and, for that reason, I would oppose the amendment proposed by the distinguished Senator from Pennsylvania.

I would be glad to yield back my time. I do not know whether the Senator from Pennsylvania will or will not yield back his time.

Mr. HEINZ. Mr. President, I am almost prepared to yield back the remainder of my time.

I listened very carefully to what the Senator from Colorado said and what my distinguished colleague, the Senator from Oklahoma, said. I will just take a moment of the Senate's time to attempt to reassure my colleagues that there was nothing unjust or unfair intended in this amendment.

What is unjust and unfair to everybody in the United States is a national energy policy that does not do the job, that does not conserve energy and does not produce more energy. Indeed, I think the administration itself would admit that where natural gas is concerned its energy plan does not contemplate any increase in supplies. In fact, just about everyone agrees that the contrary is going to happen, that supplies are going to get shorter and shorter.

I have to disagree with the contention that by conserving natural gas in a particular electric utility regardless of where that utility is located—and not all of them are located in Oklahoma, by any means—a shortage of energy is going to be created. I am mindful that the committee was concerned about whether the required conversions could be met by 1985 or by 1990. But I am also mindful that the original bill introduced on March 10 by Senators JACKSON, FORD, HUDDLESTON, HUMPHREY, and RANDOLPH provided for a conversion date not of 1990, not of 1985, but of January 1979; 2 very short years from now.

So I respectfully observe that what we are talking about here is certainly a compromise between the original bill introduced in the committee and what the committee has decided on. Nothwithstanding that, Mr. President, I want to assure my colleague from Oklahoma—and if I am wrong in this I hope he will correct me—that were a powerplant required by 1985 under my amendment to convert from natural gas; first of all, it would not be forced to convert to a particular fuel. It would have freedom of choice, and it would have the freedom to convert to another very plentiful fuel throughout the United States, petroleum, oil. And from what I understand, based on studies that I have received, it is not a difficult, expensive, or time-consuming process to achieve a gas to oil conversion. One study that I have with me indicates that most gas-fired boilers can be readily converted to oil at reasonable cost. It is true that changes must be made to fuel-burning equipment and controls and that some modification of internal boiler pressure parts may be required, and some oil storage facilities and handling equipment and perhaps cleaning equipment such as soot removers and additional heat transfer service may have to be installed in some cases, but those are relatively modest in terms of cost and in terms of engineering requirements. Further, there is little or no derating required in terms of the unit's steam generating capacity.

That, it seems to me, is a very moderate, modest requirement to impose over what amounts to an 8-year period. I hope that we recognize that if we fail to take this action we really will see the combustion of some 4 trillion cubic feet of natural gas which simply will not be created in any way, shape, or form ever again and that is a lot of natural gas, as I indicated at the outset.

It is for that reason, Mr. President, that I hope my colleagues will be understanding of my amendment and will support it.

I am prepared to yield back the remainder of my time, if there is no further interest in it.

Mr. BARTLETT. Mr. President, will the Senator yield me what time I require?

Mr. HASKELL. How much time is remaining on our side?

The PRESIDING OFFICER. The Chair will advise the Senator from Colorado has 18 minutes remaining.

Mr. HASKELL. Eighteen?

The PRESIDING OFFICER. Eighteen, the Senator from Colorado. And the Senator from Pennsylvania, I may say, has 14 minutes remaining.

Mr. HASKELL. I yield 5 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. BARTLETT. Mr. President, I say to the Senator from Pennsylvania, my good friend, as to the point he made about the deadline for conversion from gas being roughly 2 years, or by January 1, 1979, in the original bill. The original bill was subjected to very lengthy and thorough hearings, and it was clearly brought out in those hearings that it would be impossible to make any appreciable conversion by that time for several reasons. One, the cost, of course, would be greatly amplified because there would be double conversion required: First a conversion to oil and then an ultimate conversion to coal. So this would create a bigger burden. But also it was brought out that it was impossible to achieve it in anywhere near 1½ or 2 years. It would be more in the neighborhood of 8 to 10 or 12 years, roughly the same as conversion to coal.

The conversion to oil is not as easy as the Senator implies. He mentioned that oil is plentiful. It is not plentiful, of course. In the first 6 months of this year this country imported 47 percent of its oil consumption. That level is increasing. So, any conversion to oil means a larger increase in imports of that costly fuel from other countries and specifically from the Middle East.

My good friend from Pennsylvania said he did not want to be unfair to another State. I am sure that that is his intention. It was brought out clearly in the testimony before the committee on the original bill that the utilities in our State, and this was true of the other producing States, would require the full length of time to 1990 and then would probably not quite be completely converted. This is testimony that I believe is correct and not exaggerated at all to favor their own position because we had testimony from manufacturers of equipment as well who testified that there would not be the equipment available in time to make the conversions earlier even if there were financing and the ability of the utility companies to do it.

So if the Senator will assume that our utility companies cannot make the conversion, and I can assure him that they cannot by 1985, and the utility companies were required to divorce themselves of gas at that time to the extent of the amount that they were requiring, obviously they would have to shut down virtually all of their present capacity and in the process would not be able to produce electricity to take care of their customers in Oklahoma. So it would be im-

pacting very unjustly and unfairly on people in another part of the country.

It would, to the extent it freed additional gas, provide relief to the citizens of Pennsylvania and other people in the Northeast. But it would play havoc with those in the Southwest, and certainly in our State.

So I do not think that the Senator from Pennsylvania wants to do what his proposal would actually do, because it would mean that for 5 years there would not be sufficient electricity in the producing States, which have been providing the bulk of the energy for this Nation for many decades.

I feel that this amendment is grossly unfair. I assure the Senator from Pennsylvania, and I think the Senator from Colorado would back me up, that the hearings were very lengthy, very intense, and very serious, and that if the testimony had been such as to support the provisions of the original bill——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. BARTLETT. The provisions of the bill would have been left intact.

Mr. HASKELL. I yield the Senator 1 additional minute.

The PRESIDING OFFICER. One additional minute is yielded by the Senator from Colorado.

Mr. BARTLETT. But it was because of the testimony being most convincing that the bill was changed drastically to its present form, and of course in my estimation has been greatly improved.

I thank the distinguished Senator from Colorado.

Mr. HASKELL. I thank the Senator from Oklahoma. As I mentioned earlier, it is not merely a matter of judgment based upon the record. We felt that 1990 was the practical and proper date, and for that reason, obviously, the bill as originally introduced was amended.

I am prepared to yield back the remainder of my time, and I do yield it back.

Mr. HEINZ. I thank my distinguished colleagues for the very well-informed debate. I state to the Senator from Colorado that I think his suggestion is true, and I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time has been yielded back.

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, after consulting with the Senator from Colorado and the Senator from Oklahoma, I ask unanimous consent that the yeas and nays be ordered on the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the yeas and nays are ordered.

Is all remaining time yielded back?

Mr. HEINZ. Yes.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Pennsylvania. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Alaska (Mr. GRAVEL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. MAGNUSON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. GLENN), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Washington (Mr. MAGNUSON) would each vote "nay."

Mr. BAKER. I announce that the Senator from Rhode Island (Mr. CHAFEE), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from California (Mr. HAYAKAWA), the Senator from Oregon (Mr. PACKWOOD), the Senator from Alaska (Mr. STEVENS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) and the Senator from Alaska (Mr. STEVENS) would each vote "nay."

The result was announced—yeas 12, nays 71, as follows:

[Rollcall Vote No. 348 Leg.]

YEAS—12

Brooke	Heinz	Proxmire
Bumpers	Mathias	Ribicoff
Church	Nelson	Riegle
Hart	Percy	Schweiker

NAYS—71

Allen	Ford	Metzenbaum
Anderson	Garn	Morgan
Baker	Griffin	Muskie
Bartlett	Hansen	Nunn
Bayh	Haskell	Pearson
Bellmon	Hatch	Pell
Bentsen	Hathaway	Randolph
Biden	Helms	Roth
Burdick	Hollings	Sarbanes
Byrd, Harry F., Jr.	Huddleston	Sasser
	Inouye	Schmitt
Byrd, Robert C.	Jackson	Scott
Cannon	Javits	Sparkman
Case	Johnston	Stafford
Chiles	Kennedy	Stennis
Clark	Laxalt	Stevenson
Cranston	Leahy	Stone
Culver	Long	Talmadge
Danforth	Lugar	Thurmond
DeConcini	Matsunaga	Tower
Dole	McClure	Wallop
Domenici	McGovern	Weicker
Durkin	McIntyre	Williams
Eastland	Melcher	Zorinsky

NOT VOTING—17

Abourezk	Gravel	Metcalf
Chafee	Hatfield	Moynihan
Curtis	Hayakawa	Packwood
Eagleton	Humphrey	Stevens
Glenn	Magnuson	Young
Goldwater	McClellan	

So the amendment (No. 636) was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Ark Monroe of my staff be granted the privilege of the floor during debate on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. I move to reconsider the vote by which the amendment was rejected.

Mr. MATSUNAGA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open at this point to further amendment.

UP AMENDMENT NO. 760

Mr. BARTLETT. Mr. President, I offer two unprinted amendments I would like to have considered at the same time.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, the amendments will be considered en bloc.

The amendments will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT) proposes unprinted amendment No. 760.

On p. 114, strike lines 20 through 24, and insert in lieu thereof:

"(2) Provides by 1990 for the reduction of the use of such intrastate natural gas to less than 20 per centum of (A) the quantities used in calendar year 1976 by those power plants in the company's system which began operation on or before January 1, 1976, and (B) one half the quantities used as the primary energy source during the first twenty-four months of operation of power plants which began operation after January 1, 1976 but before the effective date of this section;"

On page 116, after line 23, add the following new section:

"(f) After January 1, 1995, any power plant covered by a plan approved pursuant to this section and using natural gas as its primary energy source shall be eligible for an exemption pursuant to sections 207(e) or 208(a) of this Act."

Mr. BARTLETT. Mr. President, the first amendment is of a technical nature. It strengthens the language of section 214 of the bill to include in the base level calculation of natural gas consumption the amount required by new plants coming onstream after January 1, 1976. It is totally consistent with the purposes of section 214 of the bill.

The second amendment would simply allow individual plants to qualify for the exemptions provided in the bill for peak load and standby operation upon termination of a system compliance plan, or after 1995, at their option.

As I said, it is my understanding that these amendments are acceptable to the manager of the bill.

The PRESIDING OFFICER. If the Senator will suspend just for a moment, I ask again if we can have order in the Chamber so that the Senator from Oklahoma can be heard.

The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I reserve the balance of my time.

Mr. HASKELL. Mr. President, the Senator from Oklahoma has a second amendment; is that not correct?

Mr. BARTLETT. Yes. I introduced two amendments at the same time.

Mr. HASKELL. I know both of them are acceptable, but have we officially acted on both of them?

The PRESIDING OFFICER. The Chair advises that we have not acted on either. The titles have been read, the Senator from Oklahoma described the essence of the amendments, and that is how it stands.

Mr. HASKELL. I say to the Senator from Oklahoma that the first amendment is acceptable and, as I understand it, it is acceptable to the Senator from Wyoming. We can yield back our time on that and then adopt it and go to the second.

The PRESIDING OFFICER. I might say that we previously agreed to consider the two amendments en bloc. So I assume the Senator from Oklahoma is about to proceed with the second.

Mr. BARTLETT. Let me elaborate, if I may, on the first amendment.

Western Farmers Electric Cooperative is a generation and transmission cooperative located at Anadarko, Okla. It is owned by and provides wholesale power to the rural electric cooperatives which serve the southern and western three-quarters of Oklahoma. Despite the large area served, in 1976 Western Farmers accounted for less than 5 percent of the thermal power generated in Oklahoma.

The total generating capacity of Western Farmers is now 678,400 kW. Of that, 435,000 kW—63 percent—has been in service for 2 years or less. All of this generating plant currently relies on intrastate natural gas as its primary energy source.

Western Farmers is now planning the construction of 400,000 kW of coal-fired generation and it is committed to purchase 400,000 kW of nuclear capacity. This is necessary in addition to its present plant to meet its needs by 1985. Because of technical limitations, site limitations, and the threatened impairment of service reliability it is impossible for Western Farmers to convert any of the existing units to the use of coal.

What S. 977, particularly section 214, means to Western Farmers in its present form is that by 1990 its use of natural gas must be reduced to 20 percent of the amount it used in 1976—a use period before 300,000 kW of its capacity went into service.

What this amendment would do is simply incorporate the average annual gas consumption for the first 2 years of operation of any plants coming onstream after the beginning of 1976, as a part of the base consumption level against which the 20-percent limitation is applied.

Let me restate that.

The bill presently prohibits the use of natural gas for electrical generation beyond the year 1990. Utility systems dependent on intrastate natural gas may submit a system compliance plan, and if approved, continue to burn some gas beyond 1990 in amounts not to exceed 20 percent of their systemwide 1976 consumption level.

Western Farmers Electric Cooperative, and perhaps others as well, had a gas-fired plant come on stream this year. This new plant, while small by anyone's standards, nevertheless constitutes 45 percent of Western Farmers' generating capacity. It is only fair that such plants be taken into account in calculating the base level of gas consumption for the purpose of the system compliance option which was adopted as an amendment and is a part of the bill in its present form. This amendment that I am offering will do just that.

Mr. HASKELL. Mr. President, both amendments by the distinguished Senator from Oklahoma, on this side of the aisle, are in conformance with the general overall scheme of the bill. For that reason, they are acceptable.

Mr. HANSEN. Mr. President, the statement made by the distinguished floor manager of the bill reflects the thinking of the minority side. I agree that they seem reasonable and I yield back the remainder of my time.

Mr. HASKELL. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. CULVER). All time having been yielded back, the question is on agreeing to the amendments of the Senator from Oklahoma.

The amendments were agreed to.

AMENDMENT NO. 637

Mr. HEINZ. Mr. President, I call up amendment No. 637 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) for himself and Mr. Young, proposes an amendment numbered 637:

On page 86, after line 22 insert the following new subsection:

"(c) Except as provided for in sections 206, 207, 208, and 209 of this title, effective January 1, 1982, no existing electric powerplant, or existing major fuel-burning installation, with the capability to utilize coal or other fuel as its primary energy source shall utilize natural gas or petroleum as its primary energy source.".

Mr. HEINZ. Mr. President, this second amendment that I offer would restore a prohibition on the use of scarce oil and natural gas by major plants which now have the capability to burn coal.

This provision would apply to utility and industrial installations and become effective January 1, 1982. It is not in my judgment an unnecessarily stringent measure, but a reasonable approach to conserving additional supplies of these fuels.

I am particularly concerned that the current language of the bill does not make a clear and strong commitment to the development of abundant domestic coal resources. This, frankly, surprises me in view of our long-standing and unwavering support of national policies to achieve energy independence. In my view, title II, the provisions for operation of existing plants, provides only a weak prohibition on the use of natural gas and the substitution of oil in those plants. In fact, the administration has estimated that utilities will actually be increasing their use of oil from 1.3 million barrels per day to 2.2 in 1985: A 70-percent increase when our alleged objective has long been to reduce oil consumption and dependence on foreign imports. So it seems to me, clearly we must accede to short-term conversions to oil where necessary to conserve natural gas since many boilers canot be converted to coal or other fuels without major investments in new boilers and other equipment. But while we shift temporarily from gas to oil in these facilities, we should take fullest advantage of opportunities to convert to coal use those plants that are capable of being converted without significant added cost.

The Federal Energy Administration has identified a total of 350 generating and 2,000 industrial plants that currently have the capability to burn coal. The current bill would leave the responsibility for ordering these facilities to convert with the existing regulatory program mandated in the Energy Supply and Environmental Coordination Act of 1974. The FEA, which administers the ESECA program, estimates that only 20 percent of these coal-capable plants will actually receive orders to make conversions by 1985. The major obstacle to more comprehensive program coverage is the substantial burden of proof which must be overcome by the FEA in issuing conversion orders. By restoring to the bill a prohibition on oil and gas use in these plants, the burden of proof would be shifted to the utilities and industries to demonstrate that conversion is not feasible. In these cases, the Administrator of the program could grant, as appropriate, a temporary exception or permanent exemption. The net effect of the amendment in additional oil equivalent savings, above and beyond the savings anticipated in the ESECA program, could amount to well over 300,000 barrels per day by 1985.

I fully recognize that the conversions required by this prohibition would not be without some additional cost in the short run to the industries affected and their customers. But I do believe, equally, that we can ameliorate this because it is appropriate that the Government can and should share in part of the costs of capital formation to stimulate the investments as required by compliance with the bill. Title II already provides various forms of financial assistance, including direct grants, loans, and loan guarantees, to ease the capital burden.

In addition, I am proposing legislation which would allow investments in pollution control and coal conversion equipment to be expensed in the first year of the investment. I am not proposing to add that to this bill. It would be nongermane. But it is a legislative priority that I hope we can take up. In my judgment, such a provision could further expedite compliance with the Clean Air and pending Coal Utilization Acts. Rapid amortization of essentially nonproductive plant improvements would involve the Government integrally in the achievement of these national environmental and energy objectives.

But even more important, a bill so amended would create a more certain economic environment for coal and its related industries. The conversion to

coal in existing coal-capable plants affected by this amendment could increase production 40 to 50 million tons per year by 1985. By putting more pressure on utilities and industries to find and develop new sources of coal, upgrade necessary transportation facilities, and purchase the best available pollution control technology, the bill would stimulate growth in domestic energy markets needed to accommodate the national objective of energy independence. Finally, this shift in energy production would bring renewed economic vitality to depressed mining areas in Appalachia and the Midwest and accelerate new developments in the West.

Mr. President, I reserve the remainder of my time.

Mr. BUMPERS. Mr. President, this amendment would prohibit existing powerplants and existing major fuel-burning installations with the capability of using coal from using natural gas or petroleum after January 1, 1982.

This provision was considered by the committee, and it was not adopted in the final reported bill for two reasons.

First, under existing law, the Federal Government has the authority to order such units to convert to coal now. The burden of proof under present law would be on the Administrator to prove that such reconversion is practicable. This amendment would reverse that burden of proof while many orders, under existing law, are still outstanding.

Second, the January 1, 1982, deadline in the amendment was found by the committee as creating an unreasonable regulatory burden on FEA and the affected industry, associated with requests for temporary exemptions and permanent exemptions with respect to prohibition.

For all these reasons, Mr. President, the committee opposes this amendment.

I reserve the remainder of my time.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. BUMPERS. I am happy to yield to the Senator from Oklahoma.

Mr. BARTLETT. Would the Senator sum up his remarks this way, or would he feel that this would be a fair way to sum them up: This amendment is not needed because the matter is being dealt with administratively.

Mr. BUMPERS. The Senator is correct.

In other words, the Administrator of FEA has the authority to do this now, and he can do it if he finds that it is practicable for that particular company or utility to convert. But the burden of proof is on him. The amendment of the Senator from Pennsylvania would create a rather arbitrary burden on the user to convert, whether it is practicable or not.

Mr. BARTLETT. I thank the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, I am prepared to yield back the remainder of my time if the Senator from Pennsylvania is.

Mr. HEINZ. Mr. President, I am prepared to yield back the remainder of my time, after one final comment.

I simply wish to draw the attention of my colleagues to page 83 of the bill, section 201, the definition of the term "capable of consuming coal or other fuel."

So that there is no misunderstanding, I think it is important to put on the record the fact that the powerplants that would be required to convert under this amendment are carefully described by the language of pages 83 and 84. Specifically, what is meant by a powerplant or industrial plant capable of consuming coal or other fuel is that that plant was designed and constructed to use coal or another fuel in lieu of natural gas or petroleum.

That language also goes on to point out that even if a plant were designed and constructed to use coal or another fuel instead of natural gas or oil, it would not be included in my definition and the definition of the bill if either of the following were the case: One, if "substantial modifications" to any boiler or nonboiler unit in order to utilize coal or other fuel instead of gas or petroleum were necessary, it would not be included. Second, if, alternatively, the energy user would suffer a substantial downgrading of rated capacity of such unit in order to utilize coal or other fuel instead of gas or petroleum, it, too, would not fit the definition.

I put that on the record not because there is any argument with any of my colleagues here on that point. I think they all have been more than fair. But I did want to get on the record the fact that I think this is a reasonable and modest amendment, even though disagreements about it have been expressed quite fairly by my colleagues.

I am now prepared to yield back the remainder of my time.

Mr. BUMPERS. Mr. President, I shall take 60 seconds to respond to the Senator.

First of all, my personal feelings are very closely akin to those of the Senator from Pennsylvania. I think I was one of the nine brave souls who just voted for his amendment.

Mr. HEINZ. The Senator from Arkansas was one of 12 brave souls.

Mr. BUMPERS. But I was also voting for the same position I took in committee.

I wish the Senator's amendment on conversion from natural gas had set a deadline of 1987 rather than 1985. That would have given everybody 10 years to convert.

I think there is no higher purpose that this body could serve than to mandate the quickest possible conversion of all boiler use of natural gas as quickly as possible.

I agree with the thrust of the amendment. But the FEA says there are now 2,350 existing utility and industrial facilities that are coal-capable as defined in the bill.

Of these FEA estimated that approximately 500 could economically, technically, and environmentally convert to coal. But if this amendment passed, either of two situations would exist. FEA would have to issue 1,850 exemptions to all of those which were not going to convert or allow severe economic dislocations to occur on the affected companies or the ratepayers.

I intend to vote against the Senator's amendment although I personally agree with the thrust of the amendment. FEA would do a better job of using the authority they now have in mandating the conversion of a lot of these companies that could convert.

But one thing could occur. If FEA suddenly mandated 500 companies in this country to convert to coal, it could put a lot of utilities virtually out of business because it is a massive capital-intensive requirement to convert to coal. I also doubt that the equipment could be manufactured and installed in the time limit the Senator's amendment provides.

Mr. STONE. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HEINZ. May I just respond briefly to the Senator and then I would be happy to yield to the Senator from Florida on my time.

Mr. STONE. This is merely for a unanimous-consent request.

Mr. HEINZ. I would be happy to yield.

Mr. STONE. I ask unanimous consent that Bill Pursley of my staff be granted the privileges of the floor during the votes on and consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. I make a similar request for Aubrey Sarvis of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, let me say to my very good friend I do appreciate his act of courage on the last vote and his support for the concept behind what I am doing here on this, and I do appreciate the Senator's responsibility to the committee.

I might also add I respect his integrity on the last vote in voting consistently with the way he did in committee. But it would be my hope and, indeed, it is my understanding, that it would not be for these powerplants or other plants a costly exercise to convert away from oil and gas specifically because these are plants that have been designed and constructed to burn coal. So I would hope, and it would be my intention to see, that the bill is sufficiently well-drafted so that that problem is mitigated and, indeed, eliminated.

I do agree that we are talking about a lot of plants and we are talking about a lot of orders. I would certainly agree, too, and wish that FEA would be willing to take the bull by the horns and act much more aggressively and effectively.

But what concerns me, I suppose, is that we all want—and I am no exception—an easy answer to the energy question, and we keep looking, understandably, for the top 100 powerplants, so that if we convert them to coal or away from natural gas that it is going to solve 50, 70, 80 percent of our energy problem.

When we improve the energy conservation in a building we first take the easy step of turning off every other light, as we have done in some of the halls of the Senate, and we achieve thereby a 50-percent saving in the consumption of electricity.

But what we are dealing with here, it seems to me, is a law of some diminishing returns, and if we are going to get the energy conservation that President Carter wants we are going to have to understand that the solutions are no longer

easy, and we are going to have to look at the next 500 or 1,000 or 2,000 energy consumers in order to achieve the conservation we all would like to achieve, and that is why I feel this amendment is necessary.

I do candidly acknowledge that, yes, this is an additional burden on FEA. It happens to be a responsibility that I think they should be fulfilling right now, but they are not, and they say they cannot and they will not. We should all understand, however, that we are talking about a substantial amount of energy conservation, 300,000 barrels a day oil equivalent. That is a substantial amount. The Alaska pipeline will only bring us—in spite of the fact it has taken 4½ years to build and complete, and the field even longer to drill up—1 million barrels a day. Here we have one-third of what that monumental effort to build the Alaska pipeline is going to bring us.

Therefore, I suggest to all my colleagues that this is indeed something we should not overlook. We should not say that because there is some work involved here for the utilities and for FEA that we should, as a result, turn a blind eye to it.

Mr. President, I am prepared to yield back the remainder of my time if there are no other requests.

Mr. LONG. Mr. President, will the Senator yield me a moment?

Mr. HASKELL. I yield to the Senator from Louisiana.

ORDER PLACING H.R. 5146 ON THE CALENDAR

Mr. LONG. Mr. President, during this afternoon there was a meeting held both on the motion of the majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD) and the leadership on the other side represented by Mr. BAKER, the Senator from Tennessee, and we discussed the parliamentary situation and the problems that may be involved in getting out this bill that is before us, as well as other parts of the energy proposal that came over in one package, but which will be passed in separate bills in the conference, and it was decided that it might serve a purpose to take a House bill that could be passed without amendment and simply add the Senate language in this bill, together with the language in the House bill to it in such a fashion that the whole thing would be in conference between the two Houses. That technique has been used by the Committee on Finance from time to time in order to get into conference both the House and the Senate version of something, and in order that that approach might be available to the Senate if the Senate chose to do business in that fashion.

So I would suggest that the Committee on Finance be discharged from considering a noncontroversial bill which we would recommend be passed without amendment. It is H.R. 5146, relating to duty-free entry of competition bobsleds and luges. None of these is manufactured in the United States. I have with me the committee report, and I ask unanimous consent that an excerpt from it be printed in the RECORD at this point, and I am speaking of the report of the Committee on Ways and Means.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS, JUSTIFICATION, COMPARISON WITH PRESENT LAW, AND EFFECT ON REVENUE

Analysis

Section 1 of H.R. 5146 amends subpart D of part 5 of schedule 7 of the Tariff Schedules of the United States by striking out item 734.97 and inserting new items number 734.98 and 734.99 which provide for the duty-free entry of competition bobsleds and luges.

Section 2 applies the duty-free entry to articles entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

Justification

Legislation to remove the duty on sleds is one of the recommendations of the recently concluded study of amateur sports by the President's Commission on Olympic Sports. The Commission agrees that a major impediment to participation in these sports is the high cost of equipment. There are no American bobsled or luge manufacturers and this legislation would not adversely affect any United States industry.

A favorable report was received from the Department of Commerce. Reports with no objections were received from the Department of the Treasury and Labor while the Department of State and the Office of the Special Representative for Trade Negotiations deferred to the other agencies.

Public hearings were held by the Subcommittee on Trade of the Committee on Ways and Means on April 26, 27, and 28, 1977 on duty-free entry and duty suspension bills. During these hearings favorable testimony was received on H.R. 5146. No objections to this legislation have been received by the Committee from any source.

A technical amendment was made to the proposed Tariff Schedules of the United States (TSUS) items 734.97 and 734.98 in order that the indentation of the article description follow the form used in the TSUS.

Your committee believes H.R. 5146, as amended, to be meritorious and unanimously urges its approval.

EFFECT OF THE BILL ON THE REVENUES AND VOTE OF THE COMMITTEE IN REPORTING THE BILL

In compliance with clause 7 of rule XIII of the Rules of the House of Representatives, the following statements are made relative to the effect on the revenues of this bill. The committee estimates that enactment of this bill would result in a loss of customs revenue of a negligible amount.

In compliance with clause 2(l)(2)(B) of rule XI of the Rules of the House of Representatives, the following statement is made relative to the vote by the committee on the motion to report the bill. This bill, as amended, was unanimously ordered reported by the committee.

OTHER MATTERS REQUIRED TO BE DISCUSSED UNDER HOUSE RULES

In compliance with clauses 2(l)(3) and 2(l)(4) of rule XI of the Rules of the House of Representatives, the following statements are made.

With regard to subdivision (A) of clause 3 relating to oversight findings, your committee advises that in its review of the special circumstances with respect to the bobsleds and luges involved, it concluded it would be desirable to enact legislation to remove the duties on imports of bobsleds and luges, by reason of the considerations outlined above in the general statement.

With regard to subdivision (B) of clause 3 and after consultation with the Director of the Congressional Budget Office, the committee states that the changes made by this bill involve no new budgetary authority, or new or increased tax expenditures.

In compliance with subdivision (C) of clause 3, the committee advises that the Director of the Congressional Budget Office has examined the committee's revenue estimate and agrees with the methodology used and in the resulting dollar estimate.

With respect to subdivision (D) of clause 3, no oversight findings or recommendations have been submitted to the committee by the Committee on Government Operations concerning this subject matter.

In compliance with clause 2(l)(4) of rule XI, the committee states that the temporary suspension of duties under this bill would not have an inflationary impact on prices and costs in the operation of the general economy.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TARIFF SCHEDULES OF THE UNITED STATES

* * * * *

SCHEDULE 7.—SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS

* * * * *

Item	Articles	Rates of duty 1	2
	PART 5.—ARMS AND AMMUNITION; FISHING TACKLE; WHEEL GOODS; SPORTING GOODS, GAMES AND TOYS		
*	* * *	*	*
	Subpart D.—Games and Sporting Goods		
*	* * *	*	*
[A 734.97	Other	95% ad val.	45% ad val.]
734.98	Bobsleds and luges of a kind used in international competition.	Free	Free.
734.99	Other	9% ad val.	45% ad val.
*	* * *	*	*

Mr. LONG. Mr. President, it has been recommended in the Committee on Finance that this particular proposal be added to another tariff bill so that this number could be cleared just for expediting the flow of legislation. That being the case, Mr. President, I ask unanimous consent that the Committee on Finance be discharged from consideration of H.R. 5146 and that it be referred to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I would be glad to yield back the remainder of my time in just one moment.

I would point out on this amendment by the Senator from Pennsylvania, the difference between the position of the committee and that of the Senator from Pennsylvania is again a matter of judgment. There are a great many orders pending under existing law. Testimony has been submitted and is under consideration that reversing the burden of

proof, as the Senator would do, would cause administrative difficulties.

The committee discussed this problem and considered the proposition of the Senator from Pennsylvania, but decided as it did. Again it is a matter of judgment. I intend to vote, of course, with the committee against the Senator from Pennsylvania.

I yield back the remainder of my time.

Mr. HEINZ. Mr. President, I yield back the remainder of my time and ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the question now occurs on agreeing to the amendment of the Senator from Pennsylvania. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Missouri (Mr. EAGLETON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. MAGNUSON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), the Senator from New York (Mr. MOYNIHAN), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) and the Senator from Minnesota (Mr. HUMPHREY) would each vote "nay."

Mr. BAKER. I announce that the Senator from Rhode Island (Mr. CHAFEE), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senators from Oregon (Mr. HATFIELD and Mr. PACKWOOD), the Senator from Alaska (Mr. STEVENS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) and the Senator from Alaska (Mr. STEVENS) would each vote "nay."

The result was announced—yeas 14, nays 71, as follows:

[Rollcall Vote No. 349 Leg.]

YEAS—14

Bellmon	Javits	Proxmire
Brooke	Mathias	Ribicoff
Hart	McIntyre	Riegle
Heinz	Pell	Schweiker
Huddleston	Percy	

NAYS—71

Allen	Culver	Hollings
Anderson	Danforth	Inouye
Baker	DeConcini	Jackson
Bartlett	Dole	Johnston
Bayh	Domenici	Kennedy
Bentsen	Durkin	Laxalt
Biden	Eastland	Leahy
Bumpers	Ford	Long
Burdick	Garn	Lugar
Byrd, Harry F., Jr.	Glenn	Matsunaga
	Gravel	McClure
Byrd, Robert C.	Griffin	McGovern
Cannon	Hansen	Melcher
Case	Haskell	Metzenbaum
Chiles	Hatch	Morgan
Church	Hathaway	Muskie
Clark	Hayakawa	Nelson
Cranston	Helms	Nunn
Pearson	Scott	Thurmond
Randolph	Stafford	Tower
Roth	Stennis	Wallop
Sarbanes	Stevenson	Weicker
Sasser	Stone	Williams
Schmitt	Talmadge	Zorinsky

NOT VOTING—15

Abourezk	Hatfield	Moynihan
Chafee	Humphrey	Packwood
Curtis	Magnuson	Sparkman
Eagleton	McClellan	Stevens
Goldwater	Metcalf	Young

So Mr. HEINZ' amendment was rejected.

Mr. HASKELL. Mr. President, I move to reconsider the vote.

The PRESIDING OFFICER. The Senate is not in order. The Senator will suspend until order is restored.

Mr. WALLOP. Mr. President, will the Senator yield for a unanimous consent request?

The PRESIDING OFFICER. The Senate is not in order. Senators will kindly suspend their conversations or retire to the cloakrooms.

The Senator from Colorado may proceed.

Mr. HASKELL. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Mr. President, I ask unanimous consent that Kathryne Bruner of Senator HAYAKAWA's staff may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. I ask unanimous consent that Steve Bell be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I make the same request in behalf of Gary Klein.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senate will be in order.

Mr. RIBICOFF. Mr. President——

The PRESIDING OFFICER. The Senate is not in order, and the business of the Senate will not continue until the Senate is in order.

The Senator from Connecticut may proceed.

Mr. RIBICOFF. Mr. President, I make the same request for Stuart Brahs.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. I make the same request, Mr. President, for Deming Cowles, of Senator GRAVEL's staff.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

UP AMENDMENT NO. 761

Mr. HEINZ. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) proposes an unprinted amendment No. 761.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 69, line 13, strike "and" and insert in lieu thereof "or".

On page 69, between lines 13 and 14, insert the following:

"(v) the cost of using coal or other fuel substantially exceeds the cost of using imported petroleum; and".

On page 70, between lines 23 and 24, insert the following:

"(3) The Administrator shall renew any exception under subsection (a) of this section for additional periods of up to five years if the circumstances justifying the initial exception are likely to persist.".

Beginning on page 73, line 2, strike out all through line 7 on page 76.

On page 76, line 8, strike "(d)" and insert in lieu thereof "Sec. 160 (a)".

On page 76, line 20, strike all through line 3 on page 77.

On page 77, line 4, strike "(f)"and insert in lieu thereof "(b)".

Mr. HEINZ. Mr. President, this amendment deals with the title I provisions for permanent exemption of new utility and industrial plants from the requirement to be constructed with the capability to burn coal or some fuel other than oil or natural gas. The amendment deletes the provisions for permanent exemptions and substitutes instead an expanded and long-termed temporary exemption. The expanded temporary exemption will provide needed flexibility and the capability to adjust requirements to changing conditions. By deleting the provisions for general permanent exemption of new plants, we can significantly broaden the initiative for long-term oil and gas conservation and increased coal utilization.

Under the present bill, the Administrator is authorized to grant a permanent exemption from the requirement to build a coal-burning plant. To qualify, the applicant company must demonstrate that the use of coal will not be feasible for the majority of the life of the plant due to various economic, environmental, and other limitations. While it may seem reasonable to exempt plants where compliance would create serious hardships, these broad loopholes will have the effect of committing us to another generation of oil- and gas-dependent combustion facilities. I do not believe that that should be our intention in this legislation.

The grounds for a permanent exemption include the inability to secure a reliable supply of coal, inadequate coal transportation facilities, a significant fuel cost differential, and the impossibility of burning coal in compliance with environmental standards. The difficulty with these provisions is that the conditions which may qualify a plant for a permanent exemption in the planning stages today are not likely to be sustained over the life of the plant. For utilities and major fuel-burning installations, this can extend as long as 30 to 45 years. Why should we allow these plants to be built without even the capability to use coal when conditions will change over time?

The effect of my amendment would be

to require new plants to build with the capability to use other fuels. The temporary exceptions now in the bill would still be available to relieve the plant operator of temporary obstacles to coal combustion. As an alternative, the operator could select a different and more economical location for his plant that would insure compliance with the act and allow coal combustion without the temporary exception. This might involve location in a coal-producing area, adjacent to adequate rail facilities, or beyond an environmental nonattainment area. The operator might also participate in the production of new coal supplies, the upgrading of necessary transportation routes, or the development of more efficient and reliable pollution control technologies in order to protect this new plant in compliance with these provisions.

The primary impact of this amendment will be on industrial facilities. The utilities have already trended toward the construction of new coal and nuclear steam generators instead of oil and gas fired plants. Only 10 to 15 percent of newly ordered industrial plants have been designed for coal combustion. The remainder will operate on oil predominantly and do not have the capability to burn coal. By requiring these plants to have coal capability and to burn coal at the earliest feasible time, this amendment could increase oil and gas savings significantly by 1985—150,000 to 200,000 barrels per day oil; 0.2 to 0.3 trillion cubic feet gas and enhance coal production—19 to 28 million tons per year.

To the extent that this amendment forces a radical reconsideration of industrial location, this bill could impose a considerable short-term burden on those constructing new plants. But this is the type of systemwide adaptation that is needed if this Nation is to achieve a meaningful shift from an economy fired by scarce fuels to one dependent upon reliable and abundant domestic fuels.

I have discussed this amendment with the Senator from Colorado (Mr. HASKELL). This was a subject, as I understand it, that the committee explicitly looked at but did not hold hearings on. The committee, I further understand, feels that there may be an opportunity to do more work on the existing legislation.

Further, the committee would be quite willing, at a further time when they take up any additional amendments to these statutes, to look at this idea. I believe it is fair to say there are many, including myself, who have been looking for a way to recognize, in this act and in similar legislation, a way to take into account the fact that what creates an exemption today or for the next 5 years, what circumstances make such an exemption necessary today, or even 5 years from now—may not apply 10 years from now. The intent of the amendment I have offered would be to find a way around that very problem.

It is not my intention, since the committee has not held hearings on this provision as they did on the other two amendments, to press for a vote on this amendment. Indeed, with the luck I had on the last two amendments, I believe I would be ill-advised to press for a vote on any amendment today. That is really a testament to the effective leadership of the Senator from Colorado and the Senator from Oklahoma, whose word today clearly is law. I would be happy to yield.

Mr. HASKELL. I will advise the Senator from Pennsylvania that he cannot lose them all. That is my viewpoint.

Mr. President, seriously, I think the Senator from Pennsylvania has an excellent thought. The issue basically is this: If there is a new plant, the plant has to do its financing. Of course, I would object to the 5-year temporary exception of the Senator from Pennsylvania, because the facility could not do its financing. On the other hand, the committee bill says a permanent exemption. It seems to me that a permanent exemption probably is not warranted. There might be somewhere in between where it would be possible to do the financing of a new plant but we would not give them a "forever" exemption in the bill.

The Senator from Pennsylvania is quite right, that we do expect to consider other aspects of this subject when we get more information, more factual information. I will assure the Senator from Pennsylvania that when that takes place, we will consider this problem.

Mr. HEINZ. I thank the Senator from Colorado for his comments. If some approach similar to the sequestrial temporary exemptions could be worked out, I calculate we could substantially increase coal production, because of the increased demand, by some 19 to 28 million tons per year. That means we could save some 150,000 to 200,000 barrels of oil per day, or oil equivalents. In addition, we could save some 200 to 300 billion cubic feet of natural gas per year. Clearly, those are savings worth trying to achieve in view of our dedication to trying to achieve energy conservation. I do thank the Senator from Colorado for his thoughtful remarks and observations on the amendment.

I am prepared to withdraw the amendment and yield back the remainder of my time.

Mr. BARTLETT. Will the Senator yield?

Mr. HEINZ. I am happy to yield.

Mr. BARTLETT. I would point out to my good friend from Pennsylvania that I could not agree with him more, that it is impossible for a legislative body or any body to project into the future events which are going to take place. It is impossible to know what is going to happen 5 or 10 years from now.

Just as the 10-year or 12-year projection could be unfair to those wanting more rapid conversion, it could be just as unfair to those who have to bring it about if that 12-year period is not sufficient. This is one of the great concerns I have with this kind of legislation. Right now, the trend in the energy industry is toward gas conversion, to nuclear energy or coal. This is taking place. There have not been any new major gas-fired plants started in many years. Some plants have been completed recently, but it took them several years to be constructed.

The economics of the energy industry today are such that conversions are taking place for a very good reason: because the cost of coal or the cost of nuclear energy is cheaper than that of natural gas in the States which are producing the natural gas.

I feel the Senator has a good point, but I believe the error is as apt to be in one direction as it is in the other. For this reason, I believe it makes no sense to have bills written with shorter periods of time in them because there can be a lot of unfairness result from them.

Doing it the way the Senator suggests would be favoring one side over the other in this matter, and I think both sides might suffer.

Mr. HEINZ. I am conscious that neither the committee nor I have gone into this particular approach, nor have any of the experts. I do not feel it would be appropriate to put my colleagues in an unjustifiable position to take a position on something where we do not have an effective hearing record and where other people have not had the chance to think the problem through. I agree with the comments of my good friend.

Unless there is someone else who wishes time, I am prepared to yield back the remainder of my time and withdraw the amendment.

Mr. HASKELL. Mr. President, I thank the Senator from Pennsylvania for his thoughtful presentation, and I would hope he would appear before the committee when the subject comes up again.

The PRESIDING OFFICER. The amendment is withdrawn. Who yields time?

UP AMENDMENT NO. 762

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes unprinted amendment No. 762.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 139, insert the following: SEC. 314. Section 27 of the Interstate Commerce Act is amended by striking "and" at the end of section 24(4)(d), striking the period at the end of section 27(4)(e) and inserting in lieu thereof a semicolon and the word "and", and by inserting after such section the following:

"(f) shall present the views of communities and users and providers of rail services in proceedings of Federal agencies whenever the Director determines that it is in the public interest that transportation policy be implemented in a manner consistent with national energy policy."

Mr. ROBERT C. BYRD. Mr. President, although S. 977 would strengthen substantially the Nation's coal conversion approach to oil and gas conservation, conversion is limited by a number of

factors, including the adequacy of transportation services.

Under the bill as reported, major fuel-burning facilities, both new and existing, are exempted temporarily or permanently upon a showing that transportation of alternative fuels is not adequate. Most of those installations which will be required to convert will shift to coal, and most coal is transported by rail. Given the close link between rail transportation and the effectiveness of the coal conversion policy in the National Energy Act, it seems imperative that Federal rail transportation policy be implemented in harmony with national energy policy.

The amendment I propose would direct the Office of Rail Public Counsel to exercise its authority in rail matters when a decision by a Federal transportation agency is inconsistent with the national energy policy. The jurisdiction of the office places it in a unique position. Surveying implementation of national rail policy on a direct and continuing basis, the office is well situated to identify and represent the public interest in cases where rail policy may deter realization of national energy goals.

There are currently three major agencies with rulemaking authority in rail matters, the Interstate Commerce Commission, the Federal Railroad Administration, and the Department of Transportation. Each administers the laws over which it has jurisdiction in accordance with the purposes of each respective law. In this situation, where a multitude of administrators pursue varying objectives, conflicts between transportation decisions and energy policy are likely to arise.

The jurisdiction of the Office of Rail Public Counsel cuts across every layer of this Federal rail bureaucracy. Although it is affiliated with the ICC, the office is legally independent of the Commission. The objectivity of the Rail Public Counsel is further assured because the primary responsibility of the office is to represent the public, particularly in rail regulatory proceedings where the public's views might not be represented. In Federal proceedings, the outcome of which might have meant or did mean the loss of jobs and rail services, the record of the prototype of the Office of Rail Public Counsel is exemplary.

The Office of Rail Public Counsel would not be the ultimate decisionmaker. The amendment only makes mandatory the exercise of the office's authority to represent the views of communities as well as users and providers of rail services where the director determines it is in the public interest that transportation policy be implemented in accordance with national energy policy. The purpose of the mandate is to reaffirm the importance of implementing transportation policy in a manner consistent with national energy policy.

This amendment has been discussed with the managers of the bill, Mr. President. I hope they will accept the amendment.

Mr. HASKELL. Mr. President, this amendment is very satisfactory to the majority. I relinquish the remainder of my time.

Mr. HANSEN. Mr. President, I know of no objections on this side of the aisle to the amendment. I yield back my time.

Mr. ROBERT C. BYRD. Mr. President, I thank both of the managers of the bill.

I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. MATSUNAGA). All time having expired, the question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HASKELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there further amendments?

Mr. HASKELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HASKELL. To be equally divided on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 757

Mr. JAVITS. Mr. President, I call up my amendment No. 757 and ask that it be considered.

The PRESIDING OFFICER The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) proposes amendment No. 757.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 108, line 16, insert the following after the word "devices": "and any auxiliary equipment and facilities which the Administrator determines is necessary to burn coal".

On page 108, line 20, delete "$5,000,000,000" and insert in lieu thereof "$10,000,000,000".

On page 109. lines 7, 12, 14, and 19, after the word "devices" insert the following: "or any auxiliary equipment and facilities which the Administrator determines are necessary to burn coal".

On page 109, line 21, after the word "control" insert the following: "or auxiliary equipment and facilities".

Mr. JAVITS. Mr. President, these amendments are simply designed. I have submitted one; I shall submit a parallel one, assuming that this one is taken to conference.

These amendments are designed to expand the potential uses of the loan guarantee section of the bill. The bill currently provides for a loan program, section 211, as well as a loan guarantee program, section 212. Each authorizes the Administrator to provide assistance only for the specific purpose of financing the purchase and installation of air pollution control devices.

There is provided an available fund of $1 billion for the loan section, and $5 billion for the loan guarantee program. The amendments would add to this single allowable purpose, "any other auxiliary equipment which the Administrator determines is necessary to burn coal". In addition, the amendment would double the allowable authorizations.

As reported, I believe the loan and loan guarantee sections of the bill are not adequate incentives to conversion. Although these provisions will, to some degree, facilitate utility and industrial borrowing in order to finance conversions from oil or gas to coal, the limitation on the financing assistance to "air pollution control devices" will seriously hamper a potential converter's use of the assistance.

Air pollution control equipment may be a substantial portion of the cost of coal conversion. But it is not the only major capital cost. Nor is it more difficult to borrow capital for the addition of air pollution control equipment than for any other portion of the cost of coal conversion. There is little justification for limiting this important program of Federal assistance to the purchase of such pollution control equipment. If we really wish to provide adequate incentives, to utility and industrial energy users to pursue early retirement of existing gas- and oil-fired boilers, it seems to me desirable that we provide these businesses with the means to make the conversions without financial sacrifice. If we do not, there simply will not be the inducement for these major energy users to convert to coal.

The reported bill does not require the conversion of existing facilities; it merely prohibits the burning of natural gas in electric utility powerplants by 1990. The bill does not mandate that electric utilities cease burning oil by any date certain, nor does it require that industrial users—major fuel burning installations—cease using oil or gas by any date. In other words, the bill as framed is essentially, insofar as existing facilities are concerned, a voluntary conversion program. It is one that requires adequate incentives to industry if it is to be of real use. To implement a loan or loan guarantee program that is limited in its terms to a part of the capital costs of conversion is to deny the very incentives necessary to make the program function effectively.

There are additional reasons for expanding the loan and loan guarantee provisions of the bill, one of which is especially significant from the perspective of the Northeast but important to the Nation as well. The bill does not, as I have said, require the conversion of gas and oil plants to coal. But it does prohibit the burning of natural gas in an electric powerplants after 1990. One possible effect of this combination is that electric

powerplants will convert, but they will convert from gas to oil. I can think of no more unintended and damaging effect upon our national program than such conversions.

These are the reasons, Mr. President, why I believe, and I hope very much the committee will agree with me, that we should expand the loan guarantee provisions of the bill.

From the perspective of the Northeast, which is my particular area of the country, Mr. President, I believe that this will make the bill very much more effective and very much more attractive.

Although we must limit, indeed prohibit, the burning of natural gas under utility boilers, it would be counterproductive to our national energy policy if those conversions were simply to oil. The prime objective of the entire national energy plan is to limit our imports of petroleum. And yet, Mr. President, there is nothing in this bill that would prevent conversion to imported oil. It is therefore imperative that we provide incentives for utilities to burn coal, and not oil, once the natural gas prohibition goes into effect. One such incentive is one I described, an expansion of both the nature and amount available for loans and loan guarantees, where necessary, to facilitate that conversion to coal.

Mr. President, we must bear in mind that these are loans and loan guarantees, not subsidies, and that in these particular cases which we are discussing we are dealing on the whole with perfectly proper and solvent debtors and that, therefore, it is best to serve truly the full basis and reason why we are enacting this legislation.

So long as we are doing it, let us do it amply enough to have the necessary result.

The need for such assistance to industrial users other than utilities is even more compelling. Many of these businesses are hard pressed for capital in today's market, and when capital can be obtained on reasonable terms, it will be used for other, less nationally necessary, uses. Moreover, these are the businesses that must provide the largest part of the conversion program, since utilities are unlikely to convert existing plants in lieu of building new plant capacity.

It is not possible to obtain precise estimates of the cost of conversion to coal, since these costs will vary from plant to plant. But it is clear that the cost of the environmental control equipment is not nearly the total capital cost for such conversion. Many other related costs will be necessary.

Estimates from the President's Office of Energy Policy and Planning indicate that, for a small 25 MW boiler unit using coal—the size that would be needed by a moderate size industrial user—of a total cost of approximately $9.9 million, the cost of the environmental system would be about $1.9 million. The largest single cost would be the new boiler, and it is unlikely that any industrial user would convert voluntarily unless it already has a boiler capable of burning coal. But there are many other capital costs incurred in such a conversion, which would amount to expenditures probably equal to the cost of the environmental equipment. The rule of thumb for capital costs is one-third for boiler, one-third for environmental equipment, and one-third for other auxiliary equipment.

For that reason, the amendment would double the authorizations available from $1 billion to $2 billion on loans, and from $5 billion to $10 billion on loan guarantees.

Examples of the equipment that would be necessary, aside form the environmental equipment and the direct boiler construction costs, are: costs related to the boiler such as site preparation; fuel handling and storage equipment; ash handling and disposal system; and powerhouse equipment. Typical forms of coal handling equipment might be a bucket elevator type, with a hopper unloading-dumping system. There could be a need for additional access roads, or a rail spur to the track hopper. There will have to be storage facilities, including the preparation of a coal yard, a reclaim system and drainage controls. These are just examples of the kind of equipment that may be necessarily incurred by a utility or an industrial user before it can convert to coal. Under the amendment, the Administrator would determine which equipment is necessary.

The administration estimates that costs associated with a new boiler capable of burning coal, both direct and indirect, are approximately $3.75 million for a 25 MW unit. For that same plant, fuel handling equipment would cost about $0.55 million; ash handling $0.4 million; and powerhouse equipment about $90,000. These substantial costs should be included in the loan and loan guarantee program initiated in the bill. Without such inclusion, it will be difficult for capital-pressed businesses to make these conversions.

Finally, it is likely that the businesses most in need of this Federal loan and loan guarantee assistance will be the smaller industrial users, not the corporate giants which have relatively easy access to the capital markets. Yet these smaller users will probably not even need the expensive environmental equipment, such as a custom-made scrubber, that the loan and loan guarantee provision as written is designed to aid them in obtaining. Thus, for those most in need of assistance, the assistance available may not even be needed.

For these reasons, Mr. President, we feel the amendment needs to be expanded in respect of these guarantees.

I hope that this may find favor with the committee as, in my judgment, it goes directly along the lines of the purpose of the bill.

Mr. HASKELL. Mr. President, I concur with the Senator from New York. I think this is a useful addition to the bill and, for my part, I am prepared to accept it.

Mr. HANSEN. Mr. President, I know of no one on the minority side who opposes the amendment of the distinguished Senator from New York. I support the amendment.

Mr. President, I yield back the remainder of my time.

Mr. HASKELL. I yield back the remander of my time.

Mr. JAVITS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. JAVITS. Mr. President. I move to reconsider the vote by which the amendment was agreed to.

Mr. HASKELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 758

Mr. JAVITS. Mr. President, I send a parallel amendment numbered 758 to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) proposes an amendment numbered 758.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 105, line 5, insert the following after the word "installation": "and any auxiliary equipment and facilities which the Administrator determines are necessary to burn coal".

On page 105, line 6, delete "$1,000,000,000" and insert in lieu thereof "$2,000,000,000".

On page 106, line 4, insert the following after the word "devices": "and any auxiliary equipment and facilities which the Administrator determines are necessary to burn coal".

On page 106, line 9, insert the following after the word "devices": "and any auxiliary equipment and facilities which the Administrator determines are necessary to burn coal".

On page 106, line 10, delete subparagraph (2) and insert in lieu thereof the following: "(2) the applicant is unable to obtain sufficient funds on reasonable terms and conditions from any other source,".

On page 106, line 14, insert the following after the word "devices": "and any auxiliary equipment and facilities which the Administrator determines are necessary to burn coal".

On page 108, line 4, delete "$200,000,000" and insert in lieu thereof "$400,000,000".

Mr. JAVITS. Mr. President, this one deals with loan guarantees in a parallel amendment to which I referred.

Mr. President, I am ready to yield back my time.

Mr. HASKELL. Mr. President, I favor this amendment and yield back my time.

Mr. HANSEN. Mr. President, I support the amendment and yield back the time on this side.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HASKELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HASKELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that my staff members, Hargrave McElroy and Robert Lyon, be granted privilege of the floor during debate on S. 977 and the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HANSEN. Equally.

The PRESIDING OFFICER. Without objection, it is so ordered. Time will be charged equally.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may proceed for 5 minutes, as in morning business, with the time not to be charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

IN THE MATTER OF BERT LANCE

Mr. ALLEN. Mr. President, when Hon. Bert Lance was named as Director of the Office of Management and Budget by President Carter, it was generally felt that he was an excellent choice to head this important work.

His performance in office has been outstanding. If he had done nothing other than encourage President Carter to withdraw his $50 tax refund proposal, his record in office would be highly creditable.

Furthermore, Mr. Lance is the architect of the administration's goal of balancing the Federal budget by 1981 and is the administration's figure who most inspires the confidence of the business community.

Despite the laxity of his personal business affairs, I regard him as a man of honor and integrity.

I admire President Carter for not caving in to demands that he fire Mr. Lance, and I support Mr. Lance's determination to stay on and to seek to rebut charges against him in a public hearing. There is too much of an air of "hush, hush, Bert's gotta go" to suit me.

I urge Mr. Lance to lay all his cards on the table at the hearing and let decisions be made on the basis of facts and not rumors.

In the meantime, I hope that the President and Mr. Lance will stand firm until a hearing develops all the pertinent facts. The success of the entire Carter administration can well hinge on the eventual outcome of the Lance matter. I think it may well determine the direction in which the administration goes, whether it shall adopt a spend and tax and elect policy or shall continue with a sound fiscal policy.

It is anomalous that a man who has been depicted as a wheeler-dealer in his personal affairs stands officially for sound governmental policies; whereas, many who are clamoring for his scalp are backers of big spending programs.

It is no accident, then, that backers of big spending programs, in many cases, are the very ones who are seeking to have Mr. Lance discharged from his position.

I think of Rudyard Kipling, who, in his poem "If," in describing a real man, wrote:

> If you can keep your head when all about you are losing theirs and blaming it on you.

In many cases, that is the situation here.

Mr. President, I am going to reserve judgment on this matter, which means much to the Nation, much to Mr. Lance, to the President, and to all of us. I hope that others in Government and others in the Nation also will reserve their opinion and their judgment in this very critical matter.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. THURMOND. Mr. President, I should like to be associated with the remarks of the distinguished and able Senator from Alabama.

I do not have the facts about Mr. Lance or any of his dealings. I have heard talk both ways. I understand that Mr. Lance stands for a balanced budget and that he has been a strong man in the Carter administration in trying to help bring this about. I was impressed by his position on the $50 refund to which the distinguished Senator referred. So he must have a lot of good in him.

If information develops later that would tarnish his reputation or his record of service in this administration, that can be considered at that time. But I think it would be well for the public and the Members of Congress to reserve judgment until all the facts are on the table. After all, any man is due this consideration, especially one who is in the Cabinet of the President of the United States.

It is my hope that we can reserve judgment until we learn the true facts in this case. I have been impressed with the work Mr. Lance has done in the administration. It is my hope that the matter can be cleared up with fairness and justice to all.

Mr. ALLEN. I thank the distinguished Senator for his comments.

Mr. President, I yield the floor.

NATURAL GAS AND PETROLEUM CONSERVATION AND COAL UTILIZATION POLICY ACT OF 1977

UP AMENDMENT NO. 763

Mr. DOMENICI. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

> The Senator from New Mexico (Mr. DOMENICI) proposes unprinted amendment No. 763.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> Page 124, line 10, insert after the word "coal", the words "or uranium".
>
> Page 124, strike all after the word "determines" through the word "area" on line 14, and insert the following: "That employment in the coal- or uranium-mining industries, and in coal- or uranium-related industries in an area has increased by 8 percent or more over the 1976 level of employment in coal or uranium mining and coal- or uranium-related industries in the area".
>
> Page 125, line 4, insert after the word "coal", the words "or uranium".
>
> Page 127, line 23, insert after the word "coal-", "or uranium-".
>
> Page 127, line 24, insert after the word "coal", the words "or uranium".
>
> Page 128, line 3, insert after the word "coal", the words "or uranium".

Mr. DOMENICI. Mr. President, although this amendment is rather lengthy, it is lengthy only because in that section of the bill where we speak of impact aid for land acquisition for residential development the bill as offered uses the word "coal" as the new energy source that causes this impact. I have substituted or added, I should say, wherever that word appears "or uranium," so that all I am doing is saying in a couple of States where there is a mix of growth caused by—impact type growth caused by—new coal mining or uranium, which is certainly going to take the place to some extent of natural gas which we are trying to emphasize here in terms of getting off natural gas and onto another energy source, I have just made it so that if a community has this 8-percent employment growth, as amended by Senator RANDOLPH today to make that trigger, that it can be from either coal employment growth or uranium growth.

I would say, Mr. President, that the distinguished Senator from West Virginia (Mr. RANDOLPH), who has been one of the strong proponents of this and who caused the 8-percent employment trigger to be put into the bill, has been consulted with and he agrees this would be a good idea.

I also say, Mr. President, that the Subcommittee on Economic Development of the Committee on Environment and Public Works held field hearings in my State, held hearings here in Washington on the impact on small communities in terms of their ability to cope with this new growth. We had such hearings, as the good Senator from West Virginia (Mr. RANDOLPH) indicated here today, in my State, and it is quite obvious anything we can do to help them accommodate to new growth would be helpful.

In my State and, I think, in perhaps Colorado, and certainly I would yield to the floor manager shortly, if we should broaden it where it is either coal or uranium we would be doing a service to the main thrust of this bill in emphasizing just a little more the partner-

ship we have been talking about between our States and the National Government in terms of energy development, resource development, within those States.

Having said that, I want to thank the senior Senator from West Virginia who, this morning, amended this same section to make a very new objective determinator of when there was impact growth that would trigger assistance under this bill, and I thank him for the support for that approach and for his support for including uranium as I intend in this amendment.

Mr. HASKELL. Mr. President, the distinguished Senator from New Mexico mentioned this amendment to me a moment ago. My first inclination was to accept it. However, Mr. President, I have told several Senators already that there would be no further floor action today on this particular bill and, presumably, they and possibly members of their staff have left the floor. For that reason, I would hope the Senator would not press the amendment at this particular time.

Mr. DOMENICI. I would be delighted to agree to that. Before I agree to that and agree to some approach for either getting acceptance of it or a vote. I want to say that the floor manager of this bill, the senior Senator from Colorado, has been a leader in an effort to try to find some reasonable way to help, in particular, small communities, those in his State, in mine and in much of the Rocky Mountain West, and certainly in Appalachia, that are suffering the growth problems that they cannot cope with.

The basic part of this bill is his to which I have been referring at this point, and I commend him for it.

I have no objection to waiting until tomorrow and seeing if others want to look at the amendment. I do understand the Senator from Colorado as to this point would have no serious objection to it, is that correct?

Mr. HASKELL. Yes.

First, I want to thank the Senator for his very kind remarks. My inclination, as I said to the Senator from New Mexico, is that this is an excellent idea, and my inclination would be to now accept it. But in view of my statement to other Senators I just do not feel I can at this time.

Mr. ROBERT C. BYRD. Mr. President, would both Senators listen to this suggestion so that the time taken at this point will not have been wasted. Could we get consent that if any Senator wishes to vitiate action on this amendment he may have that privilege of doing so tomorrow, and that the Senator would have the privilege in that event of reoffering his amendment?

Mr. DOMENICI. Could we ask then, I ask the distinguished majority leader, that any Senator who would want to do that would do it at what point in time? I did not quite understand what the Senator had in mind with respect to the time they could do this.

Mr. ROBERT C. BYRD. I did not put a time limit on it, but we could do that if the Senator wishes. If any Senator wishes to abrogate the action of the Senate in adopting the amendment of the Senator from New Mexico that—I am trying to avoid a motion to reconsider—it would simply be up to that Senator to stand up and ask the Chair that the action on this amendment be vitiated. If that be the case, the Senator from New Mexico would, under this request, have the authority and the privilege to offer his amendment anew.

Mr. DOMENICI. Could I just ask one further question for the Senator's consideration? I would think that the leader is going to establish a time when we are going to once again take up this bill, and it would appear to me that anyone who wants to exercise his right we are going to agree to here ought to do so before the next amendment is offered or before the next act occurs on this bill or, say, within a time after the leader has agreed that we are going to start again.

I do not think we ought to leave it open all day tomorrow. Could the Senator have a suggestion on how we might solve that problem?

Mr. ROBERT C. BYRD. Yes. Inasmuch as this is the last amendment to be acted on tonight, if it is agreeable with the distinguished minority leader and other Senators here, we could provide that any such vitiation of this action would occur at the beginning of action on this measure tomorrow when it is resumed and prior to the calling up of any other amendment.

Mr. HASKELL. Mr. President, I would like to say both to the distinguished majority leader and to the Senator from New Mexico that this right to vitiate includes the right of people now on the floor. I cannot imagine myself doing it, but there may be something I have not comprehended.

Mr. DOMENICI. Absolutely, I understand that.

Mr. BAKER. Mr. President, if the Senator will yield to me, I think it is a good suggestion and a good utilization of the time we spent on it, so I certainly hope the parties will agree.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

Has my request been made clear, I ask the Chair and the Parliamentarian? If so, I ask unanimous consent that it be so ordered.

The PRESIDING OFFICER. The question has been put clearly, it appears. So, without objection, it is so ordered. The amendment is agreed to.

Mr. HANSEN and Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. HANSEN. Mr. President, in order that I may clearly understand what we have done, I gather that the amendment offered by the Senator from New Mexico now has been approved and agreed to.

Mr. HASKELL. Subject to what the majority leader said.

Mr. HANSEN. Subject to the possibility of an objection being raised tomorrow.

Mr. ROBERT C. BYRD. Yes.

Mr. DOMENICI. Mr. President, I wonder if I might now move to reconsider and complete that action so that if no one moves to vitiate it we will have firmly tied it down as an amendment.

I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. With the understanding that the order just entered still holds notwithstanding the tabling of the motion to reconsider.

Mr. HANSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADDITIONAL STATEMENTS SUBMITTED

Mr. JACKSON. Mr. President, the measure before us will foster the conservation of increasingly scarce domestic natural gas and imported petroleum, through greater utilization of our most plentiful domestic energy resource—coal. Such legislation is essential if we are to reverse the present trend toward increased use of imported oil and in the future achieve greater energy self-sufficiency.

Our challenge will be to negotiate an orderly transition from our present primary reliance on natural gas and petroleum to a future reliance on domestic coal supplies and, eventually, renewable energy sources, such as geothermal and solar energy. This could take well into the 21st century. Therefore, it is important that the Congress provide direction and the necessary certainty to our national energy policies.

S. 977 will upgrade the present coal conversion program of the Federal Energy Administration. We are all familiar with the shortcomings of that program. But precisely because the Energy Supply and Environmental Coordination Act has been unsuccessful in stimulating greater coal usage than already planned, the program must be strengthened.

The goals of coal conversion are conservation of natural gas for higher priority uses than steam or electric generation and the assurance of natural gas and petroleum supplies to meet the process and feedstock needs of our manufacturing industries—we are all familiar with the painful economic and unemployment impacts resulting from last winter's natural gas shortages—by placing phased restrictions on natural gas uses between now and 1990, we can assure its conservation by 1995.

Reconversion of existing boiler facilities back to coal must be a priority. The 2 to 8 years required to affect reconversion under the present program must be accelerated.

Boiler uses of natural gas must be minimized. With our country facing further natural gas curtailments, conservation of this resource for feedstock and process uses may necessitate short-term conversions from natural gas to oil.

Excessive environmental restrictions on potential coal users must not be permitted to frustrate essential national energy policies, such as coal conversion. We must insure that coal will be used in compliance with applicable environmental standards, but an equitable balance between energy and environmental policies also must be assured. Environmental overkill must be avoided.

However, greater coal utilization must be consistent with Federal and State environmental requirements, or our total national energy program will be jeopardized.

S. 977 is the product of a legislative program begun in 1973 by the Senate's national fuels and energy policy study. The measure reflects hearings begun this March by the Subcommittee on Energy Production and Supply, which continued through June. Considerable attention also was given to the proposals set forth in the National Energy Act which was proposed on April 20, 1977, as well as S. 977.

The senior Senator from Colorado (Mr. HASKELL), chairman of the subcommittee, is to be commended for the dispatch with which he has brought this comprehensive measure to the floor. The legislation represents a truly bipartisan effort, being reported by a committee vote of 15 to 1. This cooperative effort has been possible because of the statesmanship of our ranking minority member, the Senator from Wyoming (Mr. HANSEN).

The committee recommends that the Senate approve this legislation.

Mr. HUDDLESTON. Mr. President, for the purpose of clarification, I would like to address a question to the floor manager of the bill. Under section 207, paragraph (e), which provides for temporary exceptions, would this language cover a plant which ordinarily uses coal, but in an emergency, such as an air pollution alert or an unanticipated equipment outage, would need to use natural gas for a short time?

Mr. HASKELL. The purpose of this section is to permit the use of natural gas or petroleum for only emergency purposes, when the normal sources of supply are not available. It would be our intent that the section would also cover the situation that is described. If the owner of the plant you described applied to the administrator, and outlined that the plant would meet the criteria of the section, then I would expect the administrator to grant an exception.

Mr. PERCY. Mr. President, I add my support to the Coal Utilization Act of 1977. We have at most another decade or so during which oil will be available at prices comparable to today's—if indeed it is available at any price. This legislation is a necessary and important step toward securing safe future energy supplies for American industry.

Coal is our most plentiful but least used domestic fossil fuel. For the next few years coal is the only fuel to which we can convert rapidly. Coal is a vital fuel for the transition period between today's oil age and tomorrow's age of solar and other renewable resources.

Analyses of the coal industry show its use is demand-constrained. That is, coal companies could eventually supply far greater amounts of coal. But the demand for coal from industry has just not expanded. In the last two decades several primary uses of coal—to power railroad locomotives, to heat homes and to make acetylene for the chemical industry—have all but vanished. This bill will cure the lack of demand by stimulating other uses of coal: To generate electricity and to fuel large industrial boilers and furnaces.

Mr. President, as you know, my State of Illinois is one of the Nation's leading coal producers. On December 10 of this year I will host a conference on coal at Southern Illinois University-Carbondale. I hope that by then the Congress will have established a Federal coal policy that settles uncertainties once and for all. The Congress has settled the strip mine question this summer. I hope we can expedite consideration of the coal use questions before us today.

Opponents of this bill raise several objections. I wish to deal with them one by one.

First, some claim that industry already is planning to use coal, as evidenced by inquiries to boiler manufacturers. But Congressional Research Service and Combustion Engineering, a boiler manufacturer, say orders are not being placed. Firms ask about coal, but they still buy oil or gas.

Second, opponents point to the oil and gas taxes in the tax portion of the administration's energy package, and claim these price incentives will be sufficient stimulus. But again, CRS says these taxes will not be adequate. CRS notes the breakeven point in a choice between coal or oil is now around 300 million Btu per hour in size. This bill will provide stimulus for firms which own individual installations down to 100 million Btu per hour in size.

Third, some point out cases where hardships will be forced upon individual firms as a result of conversion orders. But this bill prescribes exemptions for all cases in which conversion to coal should take second priority to other considerations. They include size, air quality, and economics.

The bill also provides numerous carrots to accompany its stick. It includes loans, loan guarantees, and outright grants to firms unable to finance conversion. It allows for use of innovative technologies, such as cogeneration of process steam and electricity, or fluidized-bed combustion. Standby burners and boilers, plants slated for early retirement, and electric utility peaking plants are exempted. I feel we should worry more about tightening up those exemptions than about creating new ones.

Fourth, electric companies in gas-producing areas are today heavily dependent upon gas for electric generation. They and their customers would be particularly affected by the utility provisions of this bill. But there is a so-called "systems compliance option" which would allow special compliance schedules for these companies.

Finally, some argue it is unfair to place the burden of proof upon industry when industry applies for exemptions. These persons overlook the fact that FEA's coal conversion program, in which FEA has the burden of proof, has to date produced no significant results. Reduction of oil imports is so vital to our economic health and national security that we cannot allow that situation to continue. I therefore urge my colleagues to join me in support of S. 977 today.

Mr. BENTSEN. Mr. President, on April 20, when President Carter outlined his blueprint for a national energy plan, it was apparent that energy conservation and increased utilization of coal were the twin pillars of this program. The importance of both these concepts is indisputable. The plan lacks a very important additional element that of increased production incentives. I nevertheless praised the President for facing up to the energy issue with a major energy program. I do not agree with some aspects of the President's program, but I commend him for offering it and I shall work to improve it.

Today, the Senate begins its consideration of the President's plan, with its review of the Coal Utilization Act of 1977. I am pleased to see that we have established realistic, obtainable legislative goals. I think we are moving in the right direction.

Mr. President, coal is the 19th century workhorse that was put out to pasture by what appeared, at that time, to be limitless supplies of oil and natural gas reserves in this country. As we have come to realize that our oil and gas resources are finite, as we have come to depend increasingly on imported sources of energy, we have turned again to coal which our Nation does possess in abundance.

The problem, of course, is that our 20th century energy requirements differ quantitatively and qualitatively from our 19th standards. Today, readily available energy is not enough: We demand energy that is easy to transport, easy to utilize, easy on the environment, and easy on the pocketbook. Unfortunately, the resource we possess in abundance, coal, meets some of these standards.

The conversion to coal is neither an easy nor an ideal solution to our energy problems. Rather, it is a pragmatic solution, forced on us by necessity. If we are to rely increasingly on coal, we must be prepared to sacrifice.

Our task is to minimize the price extracted from the American public; to insure our environment is protected to the maximum possible extent, and to insure that the consumer is protected, wherever possible, from the increased costs and inflation that can result from this massive shift to alternative energy sources.

Mr. President, this process is underway in Texas and I believe we can extrapolate from the Texas experience to provide some useful insights on national policy.

Texas has begun an orderly transition from natural gas to alternative fuels. Natural gas has always been readily available in Texas because we pay a fair market price for the product while the interstate market is regulated by the Federal Power Commission. But we have realized that while natural gas is plentiful in the State, this premium fuel should be conserved in order to meet the essential needs of the Nation as a whole.

The working document governing this shift away from gas to alternative energy sources in Texas is Railroad Commission docket 600 which requires a 25 percent reduction in electric utility use of natural gas by 1985.

The Public Utility Commission is supporting the Railroad Commission in this undertaking by refusing to certify any new natural gas generating facilities.

The Commission is, however, certifying new coal, lignite, and nuclear facilities to allow the phasing out of natural gas generating capacity. These State programs, which combined with con-

servation efforts of the utilities themselves, provide the strongest possible coal utilization program for Texas. It is an excellent example of the public and private sectors of our economy working in concert—rather than at loggerheads as is so frequently the case—to achieve an important national objective.

The systems compliance option of the 1977 coal conservation bill will permit this program to proceed. It will enable an electric utility company utilizing intrastate natural gas to comply with the requirements of the Coal Utilization Act by limiting its 1990 use of natural gas to 20 percent of 1976 consumption.

This is not going to be an easy objective to achieve. We are talking about a 25-percent decrease in the 1977–1985 period. To reduce natural gas use by an additional 55 percent in the ensuing 5 years will be difficult and costly, but I believe it can be done if we can build on the momentum and learn from the experience of the initial 8-year period. If we can keep the public and private sectors of our economy working in tandem rather than at cross purposes.

I mentioned earlier that we will have to sacrifice in order to convert to alternative sources of energy. I am anxiously awaiting the results of the EPA study, requested by Senator HASKELL, that will analyze the regional environmental impact of massive plant switchovers. But in terms of economic cost to the consumer, I would point out that the customers of the Houston Lighting & Power Co., who have seen their utility bills go up by 60 percent in the past 5 years, will have to contend with a further 160 percent rate increase in electric service costs just to meet the 1985 conversion replacement program dictated by regional needs and State regulations.

This pattern of escalating utility costs is being repeated across the State. The residents of Austin, Tex., recently had the dubious distinction of paying the highest price in the Nation for a kilowatt hour of electricity. And this trend is found throughout the State. For instance, San Antonio is presently paying at least 50 percent more for their electricity than the consumers in Chicago or Washington. The people are paying for conversion, and they will continue to pay for conversion; the job cannot be done easily or painlessly. However, in the absence of a systems compliance option, the people of Texas and the Southwest would encounter a precipitous, discriminatory, unfair, and unrealistic increase in their utility costs.

Mr. President, the systems compliance option recognizes that there are certain historical, geographical, and supply factors at work in our energy consumption patterns. It provides the means to reconcile these factors with the requirements of a comprehensive national energy policy. It will allow an electric utility company using intrastate natural gas to fulfill the requirements of the Coal Utilization Act by limiting its 1990 use of natural gas to one-fifth of 1976 consumption, which remaining gas utilization limited to peakload operations. To insure orderly compliance, the utility will be carefully monitored to insure that it is following its natural gas phaseout schedule.

Mr. President, this is a sensible, workable approach to a difficult problem. It demonstrates at the outset that we can draft a comprehensive energy policy that is both tough and fair.

FURTHER ROUTINE MORNING BUSINESS

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under authority of the order of August 5, 1977, the following messages from the President were received and referred during the adjournment of the Senate:

THE WELFARE SYSTEM—PM 105

The following message from the President of the United States was received on August 6, 1977, and referred jointly to the Committee on Finance, the Committee on Human Resources, and the Committee on Agriculture, Nutrition, and Forestry, pursuant to the order of August 5, 1977:

To the Congress of the United States:

As I pledged during my campaign for the Presidency I am asking the Congress to abolish our existing welfare system, and replace it with a job-oriented program for those able to work a simplified, uniform, equitable cash assistance program for those in need who are unable to work by virtue of disability, age or family circumstance. The Program for Better Jobs and Income I am proposing will transform the manner in which the Federal government deals with the income needs of the poor, and begin to break the welfare cycle.

The program I propose will provide:

—Job opportunities for those who need work.

—A Work Benefit for those who work but whose incomes are inadequate to support their families.

—Income Support for those able to work part-time or who are unable to work due to age, physical disability or the need to care for children six years of age or younger.

This new program will accomplish the following:

—Dramatically reduce reliance on welfare payments by doubling the number of single-parent family heads who support their families primarily through earnings from work.

—Ensure that work will always be more profitable than welfare, and that a private or non-subsidized public job will always be more profitable than a special federally-funded public service job.

—Combine effective work requirements and strong work incentives with improved private sector placement services, and create up to 1.4 million public service jobs. Forty-two percent of those jobs may be taken by current AFDC recipients. Those who can work will work, and every family with a full-time worker will have an income susbtantially above the poverty line.

—Provide increased benefits and more sensitive treatment to those most in need.

—Reduce complexity by consolidating the current AFDC, Supplemental Security Income (SSI), and Food Stamp programs, all of which have differing eligibilty requirements, into a single cash assistance program, providing for the first time a uniform minimum Federal payment for the poor.

—Provide strong incentives to keep families together rather than tear them apart, by offering the dignity of useful work to family heads and by ending rules which prohibit assistance when the father of a family remains within the household.

—Reduce fraud and error and accelerate efforts to assure that deserting fathers meet their obligations to their families.

—Give significant financial relief to hard-pressed State and local governments.

THE NEED FOR REFORM

In May, after almost four months of study, I said that the welfare system was worse than I expected. I stand by that conclusion. Each program has a high purpose and serves many needy people; but taken as a whole the system is neither rational nor fair. The welfare system is anti-work, anti-family, inequitable in its treatment of the poor and wasteful of taxpayers' dollars. The defects of the current system are clear:

—It treats people with similar needs in different fashion with separate eligibility requirements for each program.

—It creates exaggerated differences in benefits based on state of residence. Current combined state and Federal AFDC benefits for a family of four with no income vary from $720 per year in Mississippi to $5,954 in Hawaii.

—It provides incentives for family breakup. In most cases two-parent families are not eligible for cash assistance and, therefore, a working father often can increase his family's income by leaving home. In Michigan a two-parent family with the father working at the minimum wage has a total income, including tax credits and food stamps, of $5,922. But if the father leaves, the family will be eligible for benefits totalling $7,076.

—It discourages work. In one Midwestern state, for example, a father who leaves part-time employment paying $2,400 for a full-time job paying $4,800 reduces his family's income by $1,250.

—Efforts to find jobs for current recipients have floundered.

—The complexity of current programs leads to waste, fraud, red tape, and errors. HEW has recently discovered even government workers unlawfully receiving benefits, and numbers of people receive benefits in more than one jurisdiction at the same time.

The solutions to these problems are not easy—and no solution can be perfect; but it is time to begin. The welfare

system is too hopeless to be cured by minor modifications. We must make a complete and clean break with the past.

People in poverty want to work, and most of them do. This program is intended to give them the opportunity for self-support by providing jobs for those who need them, and by increasing the rewards from working for those who earn low wages.

PROGRAM SUMMARY

The Program for Better Jobs and Income has the following major elements:

—Strengthened services through the employment and training system for placement in the private sector jobs.

—Creation of up to 1.4 million public service and training positions for principal earners in families with children, at or slightly above the minimum wage through state and local government and non-profit sponsors.

—An expansion of the Earned Income Tax Credit to provide an income supplement of up to a maximum of well over $600 for a family of four through the tax system, by a 10 percent credit for earnings up to $4,000, a 5 percent credit for earnings from $4,000 to the entry point of the positive tax system, and a declining 10 percent credit thereafter until phase-out. A major share of the benefit will accrue to hard-pressed workers with modest incomes struggling successfully to avoid welfare.

—Strong work requirements applying to single persons, childless couples and family heads, with work requirements of a more flexible nature for single-parent family heads with children aged 7 to 14. Single-parent family heads with pre-school aged children are not required to work.

—A Work Benefit for two-parent families, single-parent families with older children, singles and childless couples. The Federal benefit for a family of four would be a maximum of $2,300 and, after $3,800 of earnings, would be reduced fifty cents for each dollar of earnings.

—Income Support for single-parent families with younger children and aged, blind or disabled persons. The Federal benefit would be a base of $4,200 for a family of four and would be reduced fifty cents for each dollar of earnings.

—New eligibility requirements for cash assistance which insure that benefits go to those most in need.

—Fiscal relief to States and localities of $2 billion in the first year, growing in subsequent years.

—Simple rules for State supplements to the basic program, in which the Federal government will bear a share of the cost.

COSTS

In my May 2, 1977 statement I established as a goal that the new reformed system involve no higher initial cost than the present system. It was my belief that fundamental reform was possible within the confines of current expenditures if the system were made more rational and efficient. That belief has been borne out in our planning. Thereafter, Secretary Califano outlined a tentative no cost plan which embodied the major reform we have been seeking:

—Consolidation of programs.

—Incentives to work.

—Provision of jobs.

—Establishment of a national minimum payment.

—Streamlined administration.

—Incentives to keep families together.

—Some fiscal relief for State and local governments.

Subsequently, we have consulted with State and local officials and others who are knowledgeable in this area. As a result of those consultations we have gone beyond the no cost plan to one with modest additional cost in order to provide more jobs, particularly for current AFDC family heads, additional work incentives, broader coverage for needy families and greater fiscal relief for States and localities.

The Programs For Better Jobs and Income will replace $26.3 billion in current programs which provide income assistance to low-income people. In addition, the program will produce savings in other programs amounting to $1.6 billion. The total amount available from replaced programs and savings is $27.9 billion.

Current Federal expenditures and savings (1978 dollars)

Expenditures	*Billions*
AFDC	$6.4
SSI	5.7
Food stamps	5.0
Earned income tax credit	1.3
Stimulus portion of CETA public jobs	5.5
WIN program	0.4
Extended unemployment insurance benefits (27–39 weeks)	0.7
Rebates of per capita share of wellhead tax revenues to low-income people if passed by Congress [1]	1.3
Subtotal	26.3
Savings	
Decreased unemployment insurance expenditures	0.4
HEW program to reduce fraud and abuse	0.4
Decreases in required housing subsidies due to increased income [2]	0.5
Increases in social security contributions [3]	0.3
Subtotal	1.6
Total	27.9

[1] The National Energy plan calls for rebate of the wellhead tax revenues to taxpayers through the income tax system and to "the poor who do not pay taxes" in effect through income maintenance programs.

[2] This does not decrease housing programs nor reduce the amount of cash assistance paid to residents of subsidized housing. It is merely an estimate of the savings to the Department of Housing and Urban Development's housing subsidy programs on account of higher incomes going to tenants under the new program.

[3] This does *not* increase anyone's Social Security Tax, nor does it take any money out of the Social Security Trust Funds. It merely recognizes that the millions of people taken off of dependence on welfare and given a job will become contributors to the Social Security System.

The new Program for Better Jobs and Income will have a total cost of $30.7 billion. The additional cost of the program above existing costs is $2.8 billion in spending. In addition, $3.3 billion of tax relief is given to working low and moderate income taxpayers through an expanded income tax credit.

Cost of new program

	Billions
Work benefit and income support	$20.4
Earned income tax credit [4]	1.5
Employment and training	8.8
Total	30.7

[4] This is the cost of the portion of the expanded EITC which will be received by those who do not pay income taxes. Income taxpayers with families will receive benefits totalling $3.3 billion.

The additional cost above current expenditures has been used to make important improvements in our original plan:

—Increased fiscal relief has been provided for states and localities, particularly for those which have borne the greatest financial burdens.

—Incentives which strengthen family ties have been improved by adopting a broader definition of eligible applicants to permit more generous payment than in the earlier plan to older persons and young mothers with children who live in extended families.

—Work incentives for low wage workers have been increased by expanding the Earned Income Tax Credit for those in private and non-subsidized public work to cover and supplement approximately twice the income covered by the existing EITC.

—A deduction for child care will permit and encourage single parents to take work which will lift them out of poverty.

—Up to 300,000 additional part-time jobs have been added for single parent families with school age children (if adequate day care is available, such parents will be expected to accept full-time jobs).

With these improvements the Program for Better Jobs and Income will help turn low income Americans away from welfare dependence with a system that is fair, and fundamentally based on work for those who can and should work.

PROGRAM DETAIL

EMPLOYMENT SERVICES AND JOB SEARCH

A central element of this proposal is a new effort to match low-income persons with available work in the private and public sector. It will be the responsibility of State and local officials to assure an unbroken sequence of employment and training services, including job search, training, and placement. Prime sponsors under the Comprehensive Employment and Training Act, state employment service agencies, and community-based organizations will play major roles in this effort.

JOBS FOR FAMILIES

A major component of the program is a national effort to secure jobs for the principal wage earners in low income families with children. The majority of

poor families—including many who are on welfare for brief periods of time—depend upon earnings from work for most of their income. People want to support themselves and we should help them do so. I propose that the Federal Government assist workers from low income families to find regular employment in the private and public sectors. When such employment cannot be found I propose to provide up to 1.4 million public service jobs (including part-time jobs and training) paying at the minimum wage, or slightly above where States supplement the basic Federal program.

This program represents a commitment by my Administration to ensure that families will have both the skills and the opportunity for self-support.

This new Public Service Employment Program is carefully designed to avoid disruptive effects to the regular economy:

—Applicants will be required to engage in an intensive 5-week search for regular employment before becoming eligible for a public service job. Those working in public service employment will be required to engage in a period of intensive job search every 12 months.

—In order to encourage participants to seek employment in the regular economy, the basic wage rate will be kept at, or where states supplement, slightly above, the minimum wage.

—Every effort will be made to emphasize job activities which lead to the acquisition of useful skills by participants, to help them obtain employment in the regular economy. Training activities will be a regular component of most job placements.

The development of this job program is clearly a substantial undertaking requiring close cooperation of all levels of government. I am confident it will succeed. Thousands of unmet needs for public goods and services exist in our country. Through an imaginative program of job creation we can insure that the goals of human development and community development are approached simultaneously. Public service jobs will be created in areas such as public safety, recreational facilities and programs, facilities for the handicapped, environmental monitoring, child care, waste treatment and recycling, clean-up, pest and insect control, home services for the elderly and ill, weatherization of homes and buildings and other energy-saving activities, teachers' aides and other paraprofessionals in schools, school facilities improvements, and cultural arts activities.

EARNED INCOME TAX CREDIT

The current Earned Income Tax Credit (EITC) is an excellent mechanism to provide tax relief to the working poor. I propose to expand this concept to provide benefits to more families and provide relief to low and modest income working people hard hit by payroll tax increases, improve work incentives, and integrate the Program for Better Jobs and Income with the income tax system. The expanded EITC, which will apply to private and non-subsidized public employment, will have the following features:

—A 10 percent credit on earnings up to $4,000 per year as under current law.

—A 5 percent credit on earnings between $4,000 and approximately $9,000 for a family of four (the point at which the family will become liable for Federal income taxes).

—A phase-out of the credit beyond roughly $9,000 of earnings at ten percent. The credit will provide benefits to a family of four up to $15,600 of income.

—The credit will be paid by the Treasury Department and the maximum credit for a family of four would be well over $600.

WORK BENEFIT AND INCOME SUPPORT

I propose to scrap and completely overhaul the current public assistance programs, combining them into a simplified, uniform, integrated system of cash assistance. AFDC, SSI and Food Stamps will be abolished. In their place will be a new program providing: (1) a Work Benefit for two-parent families, single people, childless couples and single parents with no child under 14, all of whom are expected to work full-time and required to accept available work; and (2) Income Support for those who are aged, blind, or disabled, and for single parents of children under age 14. Single parents with children aged 7 to 14 will be required to accept part-time work which does not interfere with caring for the children, and will be expected to accept full-time work where appropriate day care is available. These two levels of assistance are coordinated parts of a unified system which maintains incentives to work and simplifies administration.

—For those qualifying for income support the basic benefit for a family of four with no other income will be $4,200 in 1978 dollars. Benefits will be reduced fifty cents for each dollar of earnings, phasing out completely at $8,400 of earnings. Added benefits would accrue to those in regular private or public employment through the Earned Income Tax Credit.

—An aged, blind, or disabled individual would receive a Federal benefit of $2,500 and a couple would receive $3,750—more than they are now receiving. That is higher than the projected SSI benefit for either group—about $100 higher for a couple and $120 higher for a single person.

—For those persons required to work who receive a Work Benefit, the basic benefit for a family of four with no other income will be $2,300. To encourage continued work, benefits will not be reduced at all for the first $3,800 of earnings and will thereafter be reduced by fifty cents for each dollar earned up to $8,400. Again, the Earned Income Tax Credit will provide added benefits to persons in regular private or public employment.

—We are committed to assure that inflation will not erode the value of the benefits, and that real benefits will be increased over time as Federal resources grow. To preserve flexibility in the initial transition period, however, we do not at this time propose automatic indexing of benefits or automatic increases in their real value. (The figures contained in this message expressed in 1978 dollars will be adjusted to retain their real purchasing power at the time of implementation).

—Single parent family heads will be able to deduct up to 20 percent of earned income, up to an amount of $150 per month to pay for child care expenses required for the parent to go to work.

—No limits are placed on the right of states to supplement these basic benefits. However, only if states adopt supplements which complement the structure and incentives of the Federal program will the Federal government share in the cost.

Eligibility rules for the Work Benefit and Income Support will be tightened to insure that the assistance goes to those who are most in need.

—To reduce error and direct assistance to those most in need, benefits will be calculated based on a retrospective accounting period, rather than on the prospective accounting period used in existing programs. The income of the applicant over the previous six-month period will determine the amount of benefits.

—The value of assets will be reviewed to insure that those with substantial bank accounts or other resources do not receive benefits. The value of certain assets will be imputed as income to the family in determining the amount of benefits.

—Eligibility has been tightened in cases where related individuals share the same household, while preserving the ability of the aged, disabled and young mothers to file for benefits separately.

STATE ROLE AND FISCAL RELIEF FOR STATES AND LOCAL COMMUNITIES

Public assistance has been a shared Federal and State responsibility for forty years. The program I propose will significantly increase Federal participation but maintain an important role for the states.

—Every State will be assured that it will save at least ten percent of its current welfare expenses in the first year of the program, with substantially increased fiscal relief thereafter.

—Every State is required to pay ten percent of the basic Federal income benefits provided to its residents except where it will exceed 90 percent of its prior welfare expenditures.

—Every State is free to supplement the basic benefits, and is eligible for Federal matching payments for supplements structured to complement and maintain the incentives of the Federal program. The Federal government will pay 75 percent of the first $500 supplement and 25 percent of any additional supplement up to the

poverty line. These State supplements will be required to follow Federal eligibility criteria to help achieve nation-wide uniformity.

—Where States supplement the income support they must also proportionally supplement the work benefit and the public service wage.

—There will be a 3-year period during which states will be required to maintain a share of their current effort in order to ease the transition of those now receiving benefits. These resources must be directed to payment of the State's 10 percent share of the basic benefit, to supplements complementary to the basic program, and to grandfathering of existing SSI and partially grandfathering AFDC beneficiaries. The Federal government will guarantee a State that its total cost for these expenditures will not exceed 90 percent of current welfare costs. States can retain any amounts under the 90 percent requirement not actually needed for the mandated expenditures. In the second year of the program states will be *required* to maintain only 60 percent of current expenditures, in the third year, only 30 percent. In the fourth year, they will only be required to spend enough to meet their 10 percent share of the basic benefit.

—States will have the option to assist in the administration of the program. They will be able to operate the crucial intake function serving applicants, making possible effective coordination with social service programs. The Federal government will operate the data processing system, calculate benefits, and issue payments.

—The Federal government will provide a $600 million block grant to the states to provide for emergency needs. These grants will assist the states in responding to sudden and drastic changes in family circumstances.

—The Federal government will provide 30% above the basic wage for fringe benefits and administrative costs of the jobs program, and will reimburse the states for costs of administration of the work benefit and income support program.

In the first year of this program, states and localities would receive $2 billion in fiscal relief, while at the same time ensuring that no current SSI beneficiary receives a reduced benefit and that over 90 percent of current AFDC beneficiaries receive similar protection.

In subsequent years as current recipients leave the rolls and as the maintenance of State effort requirement declines from 90 percent to zero within 3 years, the opportunities for increased fiscal relief will grow.

Under our program for fiscal relief, states will be required to pass through their fiscal relief to municipal and county governments in full proportion to their contributions. Thus, for example, in New York State, where New York City pays 33% of the State's share, New York City would receive 33% of the State's fiscal relief or $174 million.

REDUCTION OF FRAUD AND ABUSE

The few providers and recipients guilty of fraud and abuse in our welfare programs not only rob the taxpayers but cheat the vast majority of honest recipients. One of the most significant benefits of consolidation of existing cash assistance programs is the opportunity to apply sophisticated management techniques to improve their operation. The use of a central computer facility will permit more efficient processing of claims, reduce the incidence of error in calculating benefits, and facilitate the detection of fraud. No longer will people easily claim benefits in more than one jurisdiction.

We will strongly enforce current programs directed at assisting local officials in obtaining child support payments from run-away parents, as determined by judicial proceedings.

We will ensure that the Department of Health, Education, and Welfare will vigorously root out abuses and fraud in our social programs.

We will work for passage of current legislation designed to crack down on fraud and abuse in our medicaid and medicare program. The administration of these programs will be a major challenge for Federal and State officials. It provides a valuable opportunity to demonstrate that government can be made to work, particularly in its operation of programs which serve those in our society most in need.

IMPLEMENTATION

Because of the complexity of integrating the different welfare systems of the 50 States and the District of Columbia into a more unified national system, we estimate that this program will be effective in Fiscal Year 1981. Moreover, we recognize that the National Health Insurance plan which will be submitted next year must contain fundamental reform and rationalization of the medicaid program, carefully coordinated with the structure of this proposal. However, we are anxious to achieve the swiftest implementation possible and will work with the Congress and State and local governments to accelerate this timetable if at all possible.

Given the present complex system, welfare reform inevitably involves difficult choices. Simplicity and uniformity and improved benefits for the great majority inevitably require reduction of special benefits for some who receive favored treatment now. Providing the dignity of a job to those who at present are denied work opportunities will require all the creativity and ingenuity that private business and government at all levels can bring to bear. But the effort will be worthwhile both for the individual and for the country. The Program for Better Jobs and Income stresses the fundamental American commitment to work, strengthens the family, respects the less advantaged in our society, and makes a far more efficient and effective use of our hard-earned tax dollars.

I hope the Congress will move expeditiously and pass this program early next year.

JIMMY CARTER.

THE WHITE HOUSE, *August 6, 1977.*

RAILROAD SAFETY ACT—PM 106

The following message from the President of the United States was received on August 12, 1977, and referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the Sixth Annual Report on administration of the Railroad Safety Act of 1970 (84 Stat. 971, 45 U.S.C. 421 et seq.) as required by that Act. This report has been prepared in accordance with Section 211 of the Act, and covers the period January 1, 1976, through December 31, 1976.

This Report was prepared based upon activities of the Department of Transportation and the Federal Railroad Administration prior to my term of office.

JIMMY CARTER.

THE WHITE HOUSE, *August 12, 1977.*

NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES ACT—PM 107

The following message from the President of the United States was received on August 12, 1977, and referred to the Committee on Human Resources:

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and Humanities Act of 1965, as amended, I transmit herewith the eleventh annual report of the National Endowment for the Humanities for fiscal year 1976. This Report covers events prior to the beginning of my Administration.

JIMMY CARTER.

THE WHITE HOUSE, *August 12, 1977.*

SPACE AND AERONAUTICS—PM 108

The following message from the President of the United States was received on August 15, 1977, and referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith this report on the Nation's progress in space and aeronautics during 1976. This report is provided in accordance with Section 206 of the National Aeronautics and Space Act of 1958 as amended (42 U.S.C. 2476). The activities described in it occurred before I became President.

In the interest of efficiency and clarity, the report next year will be simplified and shortened.

JIMMY CARTER.

THE WHITE HOUSE, *August 15, 1977.*

NATIONAL SCIENCE FOUNDATION—PM 109

The following message from the President of the United States was received on

August 15, 1977, and referred to the Committee on Commerce, Science, and Transportation (subsequently the referral was changed to the Committee on Human Resources):

To the Congress of the United States:

I am pleased to submit to the Congress the Twenty-Sixth Annual Report of the National Science Foundation, covering fiscal year 1976. This Report covers events prior to the beginning of my Administration.

The growth of scientific knowledge and its use in the service of mankind is an important concern of our times. The strength of our Nation depends in large part on the ideas and technologies that have emerged from our pursuit of questions at the frontiers of science. We must continue to invest in the development of fundamental knowledge to help meet the challenges and opportunities of the future. My 1978 Budget, now before the Congress, reflects the high order of importance this Administration gives to basic scientific research.

We are aware that the technological advances which result from scientific inquiry represent a mixed blessing, often creating strains upon the environment, our natural resources, and our ability to wisely manage progress. The remedy is not to retreat from new knowledge but to progress further in our understanding of the processes that underlie our universe, drawing upon the inventiveness of our people and keeping alive the political freedom that guarantees our scientists the right of free and open intellectual inquiry.

This annual Report of the National Science Foundation expresses in concrete terms the achievements of scientists and engineers supported by the Foundation's programs during the past fiscal year.

JIMMY CARTER.

THE WHITE HOUSE, *August 15, 1977.*

DEFERRAL AND REVISION OF PREVIOUS DEFERRAL—PM 110

The following message from the President of the United States was received on August 16, 1977, and referred jointly to the Committees on Appropriations, the Budget, Energy and Natural Resources, and Finance, pursuant to the order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report one new deferral of budget authority amounting to $11.3 million for the Energy Research and Development Administration's Intense Neutron Source Facility. In addition, I am reporting a revision to a previously transmitted deferral for the antirecession financial assistance fund in the Office of the Secretary of the Treasury.

The details of each deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *August 16, 1977.*

HAZARDOUS MATERIALS CONTROL—PM 111

The following message from the President of the United States was received on August 18, 1977, and referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the Seventh Annual Report on Hazardous Materials Control, as required by the Hazardous Materials Transportation Act, Title I of Public Law 93–633. This report has been prepared in accordance with Section 109 of the Act and covers calendar year 1976, prior to the time I became President.

JIMMY CARTER.

THE WHITE HOUSE, *August 18, 1977.*

NEGOTIATIONS ON THE CYPRUS PROBLEM—PM 112

The following message from the President of the United States was received on August 25, 1977, and referred to the Committee on Foreign Relations:

To the Congress of the United States:

As required by Public Law 94–104, this report describes our efforts over the past sixty days to bring about a negotiated settlement of the Cyprus problem.

My last report, submitted to the Congress on June 22, noted that talks between the two Cypriot communities during the preceding sixty days had accomplished little. Regrettably, there has been no substantial change in the general situation.

The efforts of U.N. Secretary General Kurt Waldheim's Special Representative to Cyprus, Ambassador Perez de Cuellar, to persuade the two communities to hold a new round of talks in Nicosia in July and early August have proven unsuccessful.

Despite the failure of these efforts, however, the Administration has persisted in its efforts to bring the parties together in an effort to promote a settlement. In meetings in Washington with Ambassador de Cuellar and with House of Representatives President Kyprianou (now Acting President of Cyprus), Administration officials continually reiterated our view that the intercommunal forum should serve as the basis for substantive talks, and that they should be resumed as quickly as circumstances warranted. Moreover, we took the position that no time should be lost in pursuing a settlement once a new Turkish Government was formally installed.

The death of President Makarios on August 3 was an unfortunate development. The precise implications of his death for the future of the intercommunal negotiations are, as of this writing, difficult to assess.

Nonetheless, we see no reason to change course. As Clark Clifford stressed in his press conference in Nicosia on August 9, this Administration is as dedicated today to helping find a solution to the problems of Cyprus as it was last January, when he was appointed as my Special Representative. We are prepared at any time to offer guidance and counsel to assist in the negotiating process, should the parties to the dispute so desire. It is my strong hope that constructive talks will be resumed and that the two Cypriot communities will again focus, with renewed energy, on the goal of achieving a just and lasting settlement which will enable everyone on the island to live in peace, harmony, and freedom.

JIMMY CARTER.

THE WHITE HOUSE, *August 25, 1977.*

MESSAGE FROM THE HOUSE DURING ADJOURNMENT

Under authority of the order of August 5, 1977, a message from the House of Representatives was received on August 6, 1977, during the adjournment of the Senate, announcing that:

The Speaker has appointed as members of the U.S. group of the North Atlantic Assembly the following members on the part of the House: Mr. PHILLIP BURTON, chairman, Mr. HAMILTON, vice chairman, Mr. RODINO, Mr. BROOKS, Mr. ANNUNZIO, Mr. ROSE, Mr. IRELAND, Ms. OAKAR, Mr. BOB WILSON, Mr. BROOMFIELD, Mr. FINDLEY, and Mr. EDWARDS of Alabama.

The Speaker has appointed Mr. PREYER as a member of the National Historical Publications and Records Commission.

ENROLLED BILLS SIGNED

The Speaker has signed the following enrolled bills:

H.R. 2563. An act for the relief of Velzora Carr.

H.R. 6161. An act to amend the Clean Air Act, and for other purposes.

H.R. 7589. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes.

S. 1153. An act to abolish the Joint Committee on Atomic Energy and to reassign certain functions and authorities thereof, and for other purposes.

S. 1935. An act to amend Public Law 95–18, providing for emergency drought relief measures.

The enrolled bills were signed on August 6, 1977, by the Acting President pro tempore (Mr. METCALF).

REPORTS OF COMMITTEES DURING ADJOURNMENT

Under authority of the order of August 5, 1977, the following reports of committees were submitted during the adjournment of the Senate:

On August 18, 1977:

By Mr. McINTYRE, from the Committee on Banking, Housing, and Urban Affairs:

Without amendment:

S. 2055. An original to provide improved consumer deposit services, to promote competitive balance among financial institutions, and to enhance the effectiveness of the Federal Reserve System (Rept. No. 95–407).

Without amendment:

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

S. 2056. An original bill to amend the Council on Wage and Price Stability Act (Rept. No. 95–408).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources:

Without amendment:

S. 2057. An original bill to establish a comprehensive National Energy Conservation Policy (Rept. No. 95–409).

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

With an amendment:

S. 1724. A bill to establish a Neighborhood Reinvestment Corporation (Rept. No. 95–410).

By Mr. STENNIS, from the Committee on Armed Services:

With an amendment:

S. 274. A bill to amend chapter 49 of title 10, United States Code, to prohibit union organization in the armed forces, and for other purposes (Rept. No. 95–411).

On August 29, 1977:

By Mr. CRANSTON, from the Committee on Veterans' Affairs:

With an amendment:

H.R. 1862. An act to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes (Rept. No. 95–412).

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER laid before the Senate a message from the President of the United States submitting the nomination of Frank J. Devine, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to El Salvador, which was referred to the Committee on Foreign Relations.

APPROVAL OF BILLS

A message from the President of the United States announced that he has approved and signed the following bills:

August 15, 1977:

S. 1235, An Act to authorize appropriations for the Peace Corps for fiscal year 1978.

S. 1377, An Act to amend the statute of limitations provisions in section 2415 of title 28, United States Code, relating to claims by the United States on behalf of Indians.

S. 1765, An Act for the relief of the Federal Life and Casualty Company of Battle Creek, Michigan.

S. 2001. An Act authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, water conservation, recreation, hydroelectric power and other purposes.

August 17, 1977:

S. 1935, An Act to amend Public Law 95–18, providing for emergency drought relief measures.

MESSAGES FROM THE HOUSE

At 12:13 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that the House has passed the following bill in which it requests the concurrence of the Senate:

H.R. 8444. An act to establish a comprehensive national energy policy.

At 4:11 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House has agreed to the concurrent resolution (H. Con. Res. 342) to correct technical errors in the enrollment of the bill (S. 1153), in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–1810. A letter from the Assistant Secretary for Economic Business Affairs of the Department of State transmitting, pursuant to law, a report summarizing the trade controls of COCOM countries, current to February 1, 1977.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Executive Communication 1810, concerning trade controls of COCOM countries be jointly referred to the Committee on Foreign Relations and the Committee on Armed Services.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC–1811. A letter from the Comptroller General of the United States transmitting, pursuant to law, GAO comments on the President's 14th and 15th Special Messages for fiscal year 1977 (with accompanying papers); jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, the Budget, Armed Services, Foreign Relations, and Environment and Public Works, and ordered to be printed.

EC–1812. A letter from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals for August, 1977 (with an accompanying report); jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, the Budget, Agriculture, Nutrition, and Forestry, Armed Services, Commerce, Science, and Transportation, Energy and Natural Resources, Environment and Public Works, Finance, Foreign Relations, Governmental Affairs, Human Resources, the Judiciary, Banking, Housing, and Urban Affairs, and the Select Committee on Small Business, and ordered to be printed.

EC–1813. A letter from the Deputy Secretary of Agriculture transmitting a draft of proposed legislation to authorize civil penalties for violations of various laws for preventing the introduction and dissemination of livestock and poultry diseases, plant diseases, and plant pests (with accompanying papers); to the Committee on Agriculture, Nutrition, and Forestry.

EC–1814. A letter from the Assistant Secretary of Defense transmitting, pursuant to law, a report of the value of property, supplies, and commodities provided by the Berling Magistrate, and under the German Offset Agreement, for the quarter April 1, 1977; to the Committee on Appropriations.

EC–1815. A letter from the Secretary of Agriculture transmitting, pursuant to law, a report on a violation concerning overobligation of an administratively subdivided apportionment by an officer of the Soil Conservation Service, Department of Agriculture (with accompanying papers); to the Committee on Appropriations.

EC–1816. A letter from the Assistant Secretary of the Air Force, Research, Development and Logistics, transmitting, pursuant to law, a report on experimental, developmental and research contracts of $50,000 or more, by company, for the period January 1, 1977 through June 30, 1977 (with an accompanying report); to the Committee on Armed Services.

EC–1817. A letter from the Acting Secretary of the Army transmitting, pursuant to law, notice of transportation of chemical agents and munitions located at Tooele Army Depot (North Area), Utah and Dugway Proving Ground, Utah to Tooele Army Depot (South Area), Utah; to the Committee on Armed Services.

EC–1818. A letter from the Director of the Defense Mapping Agency transmitting, pursuant to law, a decision to consolidate the Defense Mapping Agency's Hydrographic Center and the Topographic Center; to the Committee on Armed Services.

EC–1819. A letter from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in 1,249 cases in which the authority contained in section 213(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens (with accompanying papers); to the Committee on the Judiciary.

EC–1820. A letter from the Chairman of the Securities and Exchange Commission transmitting, for the information of the Senate, a staff report on transactions in securities of the City of New York, New York, (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC–1821. A letter from the Secretary of Transportation transmitting a draft of proposed legislation to amend the Railroad Revitalization and Regulatory Reform Act of 1976 (with accompanying papers); to the Committee on Commerce, Science, and Transportation.

EC–1822. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report entitled "Other Storage Reserves" (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1823. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, the third annual report on the activities of the FEA during the 1976–1977 period (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1824. A letter from the Deputy Assistant Secretary of the Interior transmitting a draft of proposed legislation to amend the Great Lakes Fishery Act of 1956 (with accompanying papers); to the Committee on Environment and Public Works.

EC–1825. A letter from the Administrator of the General Services Administration transmitting, pursuant to law, a report of building project survey for the consolidation of the Nuclear Regulatory Commission (with an accompanying report); to the Committee on Environment and Public Works.

EC–1826. A letter from the Special Representative for Trade Negotiations transmitting, pursuant to law, a report on reviews and hearings conducted under subsection 301(d)(2), title III, chapter I of the Trade Act of 1974, concerning relief from unfair trade practices for the six month period ending June 30, 1977 (with accompanying papers); to the Committee on Finance.

EC–1827. A letter from the Chairman of the United States Advisory Commission on International Educational and Cultural Affairs transmitting, pursuant to law, the thirteenth annual report to Congress summarizing the Commission's activities during the period May 1, 1976 through July 1, 1977 (with an accompanying report); to the Committee on Foreign Relations.

EC–1828. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Examination of the Government National Mortgage Association's Financial Statements for the 15-Month Period ended September 30, 1976" (FOD–77–11) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1829. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Shipbuilders Claims—Problems and Solutions" (PSAD–77–135) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1830. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Civil Defense: Are Federal, State, and Local Governments Prepared for Nuclear Attack?" (LCD–76–464) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1831. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Convincing the Public to Buy the More Fuel-Efficient Cars: An Urgent National Need" (CED–77–107) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1832. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Improvements in Charges and Settlements of International Mail Accounts" (ID–77–38) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1833. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Progress in Improving Program and Budget Information for Congressional Use" (PAD–77–73) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1834. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Supplement to Comptroller General's Report to the Congress, 'The Food Stamp Program—Overissued Benefits Not Recovered and Fraud Not Punished'" (CED–77–112) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1835. A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a document concerning final regulations for the Indochinese Refugee Children Assistance Act of 1976 which has been transmitted to the Federal Register for scheduled publication (with accompanying papers); to the Committee on Human Resources.

EC–1836. A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a document concerning final regulations for assistance to States for education of handicapped children which has been transmitting to the Federal Register for scheduled publication (with accompanying papers); to the Committee on Human Resources.

EC–1837. A letter from the Secretary of Transportation transmitting a draft of proposed legislation to amend Public Law 84–445 to authorize and request the President to proclaim annually the seven day period beginning June 1 as "National Safe Boating Week" (with accompanying papers); to the Committee on the Judiciary.

EC–1838. A letter from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, 757 reports covering the period August 1 through August 15, 1977 concerning visa petitions which the Service has approved according the beneficiaries of such petitions third- and sixth-preference classication (with accompanving papers); to the Committee on the Judiciary.

EC–1839. A letter from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, 1,007 reports covering the period July 1 through July 29, 1977 concerning visa petitions which the Service has approved according the beneficiaries of such petitions third- and sixth-preference classification (with accompanving papers); to the Committee on the Judiciary.

EXECUTIVE MESSAGES RECEIVED DURING ADJOURNMENT REFERRED

Under authority of the order of August 5, 1977, messages from the President of the United States submitting sundry nominations were received on August 15, 16, 22, 25, 26, 29, 31, and September 2, 1977, and referred to the appropriate committees.

(The nominations submitted during the adjournment are printed at the end of today's Senate proceedings.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

With an amendment:

S. 695. A bill to amend the Defense Production Act of 1950, as amended (Rept. No. 95–413).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Robert E. Raiche, of New Hampshire, to be U.S. marshall for the district of New Hampshire.

Hugh Salter, of North Carolina, to be U.S. marshall for the eastern district of North Carolina.

Juan G. Blas, of Guam, to be U.S. marshal for the district of Guam.

Donald D. Forsht, of Florida, to be U.S. marshal for the southern district of Florida.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

BILL PLACED ON THE CALENDAR

The bill (H.R. 5146) to amend the Tariff Schedules of the United States to provide for the duty-free entry of competition bobsleds and luges was ordered placed on the calendar.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on August 6, 1977, he presented to the President of the United States the enrolled bill (S. 1935) to amend Public Law 95–18 providing for emergency drought relief measures.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

On August 18, 1977:

By Mr. McINTYRE, from the Committee on Banking, Housing and Urban Affairs:

S. 2055. An original bill to provide improved consumer deposit services, to promote competitive balance among financial institutions, and to enhance the effectiveness of the Federal Reserve System. Placed on the Calendar.

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

S. 2056. An original bill to amend the Council on Wage and Price Stability Act. Placed on the Calendar.

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources:

S. 2057. An original bill to establish a comprehensive National Energy Conservation Policy. Placed on the Calendar.

Today:

By Mr. CHURCH:

S. 2058. A bill to amend the Age Discrimination in Employment Act of 1967 to improve enforcement procedures under that Act, and for other purposes; to the Committee on Human Resources.

By Mr. WEICKER:

S. 2059. A bill to establish a comprehensive energy stamp program which will provide assistance to certain low-income and fixed-income households to help meet residential energy costs incurred by such households; to the Committee on Human Resouces.

By Mr. ZORINSKY:

S. 2060. A bill for the relief of Mario Di Dio; and

S. 2061. A bill for the relief of Dr. Dela Cruz; to the Committee on the Judiciary.

By Mr. BURDICK:

S. 2062. A bill designating the park established pursuant to the Act of April 25, 1947 (61 Stat. 52) as the "Theodore Roosevelt National Park"; to the Committee on Energy and Natural Resources.

By Mr. JAVITS:

S. 2063. A bill for the relief of Charles M. Metott; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 2064. A bill to authorize Federal financial assistance if a site in the United States is selected for the 1984 Olympic summer games; to the Committee on Commerce, Science, and Transportation.

By Mr. RIEGLE:

S. 2065. A bill to amend the Consumer Credit Protection Act to provide consumer rights and remedies in electronic fund transfer systems; to the Committee on Banking, Housing and Urban Affairs.

By Mr. MATHIAS (for himself, Mr. BROOKE, Mr. HEINZ, and Mr. JACKSON):

S. 2066. A bill to amend the National Trails System Act; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHURCH:

S. 2058. A bill to amend the Age Discrimination in Employment Act of 1967 to improve enforcement procedures under that Act, and for other purposes; to the Committee on Human Resources.

Mr. CHURCH. Mr. President, I introduce for appropriate reference a bill to extend the notice of intent to sue requirement for employees and job applicants to 60 days before the 2-year statute of limitations for most cases under the Age Discrimination in Employment Act.

After receiving notice of an individual's intent to sue, the Department of Labor would still be able to engage in conciliation efforts—as it can now under existing law—to work out a settlement or agreement between the parties.

The Age Discrimination in Employment Act was enacted 10 years ago to protect workers 40 to 64 from discrimination in employment because of age concerning hiring, firing, and other conditions of employment.

The act requires an older person to give notice to the Secretary of Labor, and, where appropriate, a State agency, before filing a lawsuit.

This notice must be given within 180 days after the alleged violation.

Quite often, this requirement has proved to be a trap for the unwary or the unsophisticated.

The Department of Labor estimates that the courts have dismissed nearly two-thirds of all private age-discrimination suits, without a hearing on the merits, because an individual failed to comply with the act's procedural requirements.

One of the most troublesome is the 180-day notice of intent to sue provision.

The Congress passed the antiage discrimination law to:

First. Promote employment of older persons based on their ability, rather than age;

Second. Prohibit arbitrary age discrimination in employment; and

Third. Help employers and workers find ways to resolve problems related to the impact of age concerning employment.

These purposes, it seems to me, are not well served if disputes are decided on procedural technicalities, instead of substantive issues. The policy of the act, I strongly believe, should be to encourage decisions on the merits of the claims.

This can be achieved without compromising the rights or interests of employers, labor unions, or employment agencies. Most tort claims acts have a 2-year statute of limitations or longer period for bringing a suit. In many instances, plaintiffs notify the defendants of a law suit after 180 days. This has been achieved without prejudicing the interests of the defendants.

A plaintiff may need more than 180 days in order to:

Obtain an informed opinion from an attorney about the likelihood for success if a lawsuit is filed;

Obtain essential information to initiate a cause of action;

Make a good-faith effort to conciliate the dispute or work out a compromise; and

Become aware that age was a factor in an adverse employment decision.

For these reasons, I urge prompt and favorable action on my proposal.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2058

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7(d) of the Age Discrimination in Employment Act of 1967 is amended to read as follows:

"(d) No civil action may be commenced by any individual under this section until the individual has given the Secretary not less than sixty days notice of an intent to file such action. Upon receiving a notice of intent to sue, the Secretary shall promptly notify all persons named therein as prospective defendants in the action and shall promptly seek to eliminate any alleged unlawful practice by informal methods of conciliation, conference, and persuasion."

SEC. 2. The amendment made by the first section of this Act shall take effect with respect to civil actions brought after the date of enactment of this Act.

By Mr. WEICKER:

S. 2059. A bill to establish a comprehensive energy stamp program which will provide assistance to certain low-income and fixed-income households to help meet residential energy costs incurred by such households; to the Committee on Human Resources.

Mr. WEICKER. Mr. President, I am today introducing the Energy Stamp Act of 1977, legislation which is designed to provide assistance to low-income and fixed-income households in helping them meet residential energy costs.

During the last few years, all Americans have been hard hit by the ever-increasing costs of utility bills. The impact of the 1973 Arab oil embargo and subsequent OPEC price boosts have been felt in the pockets of the U.S. consumer, particularly the poor and the elderly. Mr. President, we must recognize the fact that there are a significant number of poor people in this country who have been severely affected by such runaway energy costs. Based upon figures compiled by the 1970 U.S. census, 11 percent of all families nationwide live in poverty and 23 percent of all inner-city families are poor. Added to this is the startling fact that 57 percent of elderly unrelated individuals live in poverty. What's more, according to a 1973 report by the Senate Select Committee on Nutrition and Human Needs, rent or mortgage payments take up 50 percent or more of the income of our Nation's poor.

The Federal Government has been slow to respond to the needs of the elderly and the poor in coping with inflationary fuel costs. On February 25, 1974, Senator JAVITS introduced S. 3051, a bill which would have provided $100 million to the Office of Economic Opportunity for the funding of special energy-crisis-related programs. The bill died in committee. Since that time, the Senate has not significantly addressed itself to this problem. I, therefore, introduce my bill to demonstrate to the American poor and elderly that the Congress does indeed have a great deal of concern for their welfare. With the implementation of an energy stamp program, which is designed to complement weatherization plans, these citizens will not be forced to freeze in their homes, as was the case with many during the winter of 1976.

Mr. President, it is my belief that energy stamps will help alleviate the substantial economic hardships which are borne by our Nation's poor and elderly citizens in meeting their fuel costs. The time to act is now.

Mr. President, I ask unanimous consent that a section by section analysis and a copy of the Energy Stamp Act of 1977 be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2059

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; FINDINGS; PURPOSES

That (a) this Act may be cited as the "Energy Stamp Act of 1977".

(b) The Congress finds and declares that because of the rise in the cost of heating fuels and because low-income and fixed-income households must devote a major portion of their income for the purchase of utility services, many of these households are experiencing substantial economic hardships which may seriously affect their health and well-being. It is the purpose of this Act to help alleviate this burden by providing assistance to these households in the form of energy stamps.

DEFINITIONS

SEC. 2. As used in this Act:

(1) The term "heating fuel" means electricity, oil, gas, coal, or any other fuel if used by a household as the primary source of heat for a dwelling.

(2) The term "Director" means the Director of the Community Services Administration.

(3) The term "local agency" means the community action agencies, and State Economic Opportunity Offices which are established pursuant to the Economic Opportunity Act of 1964.

(4) The term "household" means—

(A) any group of related individuals who are living as one economic unit and for whom heating fuel is customarily purchased in common, directly, or indirectly by undesignated payments in the form of rent; or

(B) any individual living alone who purchases heating fuel, directly, or by undesignated payments in the form of rent.

(5) The terms "coupon" and "stamp" mean any coupon, stamp, or certificate issued pursuant to the provisions of this Act.

(6) The term "retail heating fuel outlet" means any establishment, including a recognized department thereof, which sells heating fuel for consumption by households.

(7) The term "wholesale heating fuel outlet" means any establishment, including a recognized department thereof, which sells heating fuel to retail heating fuel outlets for resale for consumption by households.

(8) The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

(9) The term "bank" means any member or nonmember bank of the Federal Reserve System.

(10) The term "landlord" means any person who rents a dwelling which is the principal residence of the tenant and who normally includes the cost of heating fuel in the rental charge to the tenant.

ESTABLISHMENT OF PROGRAM

SEC. 3. (a) If the local agency plan described in section 7 is approved by the Director, the Director shall establish and maintain an energy stamp program, under which households deemed eligible pursuant to section 4 will be provided with assistance to defray heating fuel costs. The method in which this assistance is provided shall be through energy stamps.

(b)(1) Any eligible household may receive heating fuel coupon assistance—

(A) if such household purchases heating fuels; or

(B) if such household makes undesignated payments for heating fuel in the form of rent, and the landlord to whom such rent is due consents to the making of such payments in coupons.

(2)(A) Coupons received by any eligible household described in paragraph (1)(A) shall be used to purchase heating fuel only from a retail heating fuel outlet participating in the energy stamp program.

(B) Coupons received by any eligible household described in paragraph (1)(B) shall be used only for payment of the appropriate portion of such household's rent related to heating fuel costs.

ELIGIBILITY REQUIREMENTS

SEC. 4. (a) The Director shall establish uniform national standards of eligibility for

participation by households in the energy stamp program. Participation in the program shall be limited to households whose income and other financial resources are determined by the Director to be substantial limiting factors in permitting such households to purchase heating fuel or to make undesignated payments for such fuel.

(b) As a minimum, the standards of eligibility shall provide that any household is eligible if such household—

(1) is eligible for benefits under title IV or XVI of the Social Security Act; or

(2) is eligible for benefits under the Food Stamp Act of 1964.

(c) In lieu of, or in addition to, the criteria described in subsection (a) or (b), the Director shall consider any criteria submitted by a local agency to the Director for determining the eligibility of households in the area serviced by such local agency.

ENERGY STAMPS

SEC. 5. (a) Energy stamps shall be printed in $5 denominations and shall be issued by a local agency only to households which have been duly certified as eligible to participate in the energy stamp program.

(b) Each coupon shall—

(1) bear the name of the local agency from where it was issued;

(2) stipulate that its monetary value is $5; and

(3) include any words or illustrations that are required to explain its purpose and use.

(c) The Director shall establish standards for determining the number of energy stamps to be issued to an eligible household.

(d) In establishing standards under subsection (c), the Director shall consider—

(1) any criteria submitted by a local agency that is deemed to be important for the evaluation of energy stamp assistance in the area serviced by such local agency;

(2) the income of households within the area serviced by such local agency;

(3) the number of individuals in such households;

(4) the temperature and other climate conditions in the area in which such households reside;

(5) the type of heating fuel used by such households; and

(6) the extent to which such households have participated in weatherization programs.

(e) Prior to receiving the energy stamps, each participating household must pay to the local agency 33⅓ percent of the total value of the coupons to be received by such household.

(f) The value of the energy stamp assistance provided to an eligible household under this Act shall not be considered to be income or resources for any purpose under any Federal or State law, including any law relating to taxation, welfare, or public assistance programs.

REDEMPTION OF COUPONS

SEC. 6. (a) Coupons accepted by any retail heating fuel outlet or any person described in section 3(b)(1)(B) shall be redeemed through wholesale heating fuel outlets or banks, with the cooperation of the Treasury Department.

(b) Coupons issued and used in accordance with the provisions of this Act shall be redeemable at face value by the Director through the facilities of the Treasury of the United States.

ADMINISTRATION AND FINANCING OF PROGRAM

SEC. 7. (a) Each local agency desiring to participate in the energy stamp program shall submit to the Director for approval a plan of operation specifying the manner in which and the effective dates of participation during which such program shall be conducted within the area serviced by such local agency. In addition, the local agency may provide information regarding weatherization programs which have been or are now being conducted in the area.

(b) The Director shall approve any local agency plan of operation which satisfies the provisions of subsection (a) and which provides—

(1) that the local agency shall undertake the certification of applicant households in accordance with the eligibility requirements established by the Director under section 4;

(2) safeguards which restrict the use or disclosure of information obtained from applicant households to persons directly connected with the administration or enforcement of the provisions or regulations of this Act;

(3) that the local agency shall undertake extensive outreach action to inform eligible households and heating fuel outlets as to the availability, rules, regulations, and benefits of the energy stamp program;

(4) for the granting of a fair hearing and a prompt determination thereof to any household aggrieved by the actions of a local agency under any provision of its plan of operation as it affects the participation of such household in the energy stamp program;

(5) that the local agency keep a strict and accurate accounting of all transactions made pursuant to this Act;

(6) a requirement that landlords submit certification that any increase in rent charged to a household is not based solely upon actual or anticipated receipt by that household of energy stamps; and

(7) that the local agency shall coordinate the energy stamp program with weatherization projects.

(c) If the Director determines that in the administration of the program there is substantial failure by a local agency to comply with provisions of this Act or with the plan of operation submitted by such agency, he or she shall inform such local agency of the failure and shall allow the local agency a reasonable period of time for the correction of the failure. Upon the expiration of such period, the Director shall order that there be no further distribution of energy stamp assistance in the area serviced by such agency until such time as satisfactory corrective action has been taken.

(d) The Director shall reimburse a local agency for the costs it incurs in administering the energy stamp program. Such reimbursement would be made upon terms and conditions prescribed by rule of the Director. In addition, the United States—

(1) shall finance the printing of energy stamps and the issuing of such coupons to local agencies; and

(2) shall be obliged for payment of the face value of energy stamps to persons redeeming such coupons in accordance with the provisions of this Act.

PENALTIES AND ENFORCEMENT

SEC. 8. (a) Whoever knowingly uses, transfers, acquires, alters, or possesses energy stamps in any manner not authorized by this Act—

(1) shall, if the total value of such coupons is $100 or more, be fined not more than $10,000 or imprisoned for not more than five years, or both; or

(2) shall, if the total value of such coupons is less than $100, be fined not more than $5,000 or imprisoned for not more than one year, or both.

(b) If a local agency administering the energy stamp program finds (in accordance with the process described in section 7(b)(6) of this Act) that a landlord has increased rent to a household based solely upon actual or anticipated receipt by that household of energy stamps, then the landlord may be fined an amount not more than twelve times the amount of the household's rent increase.

REGULATIONS

SEC. 9. The Director shall issue such regulations as he or she deems necessary or appropriate for carrying out the provisions of this Act.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 10. For the purpose of carrying out the provisions of this Act, there are authorized to be appropriated, for the fiscal year ending September 30, 1978, the sum of $100,000,000, for the fiscal year ending September 30, 1979, the sum of $100,000,000, for the fiscal year ending September 30, 1980, the sum of $100,000,000 and for each fiscal year thereafter, such sum as may be necessary.

SECTION-BY-SECTION SUMMARY OF ENERGY STAMP BILL BY SENATOR LOWELL WEICKER, JR.

Section 1 notes that the "energy stamp act of 1977" will help alleviate the burden borne by poor and elderly citizens in meeting their fuel costs.

Section 2 defines terms used in the act. The director of the community services administration, local community action agencies, and state economic opportunity offices will all be involved in the coupon program.

Section 3 states that both homeowners and apartment dwellers are eligible for energy stamp assistance.

Section 4 states eligibility requirements. Any household may receive energy coupons if it is eligible for benefits under title IV or XVI of the social security act or if it is eligible for benefits under the good stamp act of 1964. In addition to, or in lieu of, these criteria, local agencies may suggest eligibility guidelines.

Section 5 states that energy stamps should be printed in $5 denominations and shall include explanatory words or illustrations as to their usage. In establishing standards for determining the number of coupons to be issued to eligible households, the director shall consider household income, area climate conditions, the extent to which such households have participated in weatherization programs, and other noted factors. Each participating household must pay to the local agency 33⅓% of the total value of the stamps it will receive.

Section 6 provides for the redemption of coupons by retail fuel outlets, landlords, and the director.

Section 7 states that each local agency desiring to participate in the energy stamp program must submit to the director a plan of operation as to how it will carry out the assistance measures. Local agencies shall be held responsible for dutifully certifying applicant households, for undertaking extensive outreach publicity action, and for keeping a strict and accurate accounting of all transactions made pursuant to this act. The Federal Government shall reimburse local agencies for the cost of administering the program and shall also finance the printing and issuing of the energy stamps.

Section 8 outlines the penalties for unlawful actions with regard to the energy stamp program.

Section 9 states that the director shall issue necessary and appropriate regulations for carrying out the provisions of this act.

Section 10 authorizes $100 million to be appropriated for each of the next three fiscal years. For subsequent years, such sums as may be necessary for the energy stamp program are to be appropriated.

By Mr. MATSUNAGA:

S. 2064. A bill to authorize Federal financial assistance if a site in the United States is selected for the 1984 Olympic summer games; to the Committee on Commerce, Science, and Transportation.

UNITED STATES SHOULD ASSIST OLYMPICS HOST CITY

Mr. MATSUNAGA. Mr. President, I am introducing today a bill which would authorize the Secretary of Commerce to provide Federal assistance to any U.S. city selected to be the site of the 1984 summer Olympics.

To date, a site for the summer Olympic games has not been selected. However, the U.S. Olympics Committee has recently issued its guidelines and request for presentations from cities interested in hosting the Olympics. A preliminary review of the guidelines indicates that no U.S. city will be able to host the Olympics without substantial Federal assistance. Enactment of my bill would assure such aid in the event that a U.S. site is selected, and would encourage U.S. cities to compete for selection.

Mr. President, it would be a sorry state of affairs indeed if the United States were unable to offer the hospitality, for which our Nation is well known, to outstanding amateur athletes from all over the world. Amateur athletics have contributed to the health and fitness of Americans since our Nation was founded more than 200 years ago. Moreover, amateur athletic competition promotes the development of character, self-discipline, and good sportsmanship. Amateur athletics are enjoyed by a vast spectrum of the American public, regardless of economic circumstances or racial and ethnic background. As a former amateur boxer, judoist, and football player, I can personally attest to the benefits of amateur sports.

In addition to the character-building benefits of amateur sports competition, the city selected to host the summer Olympics will reap substantial economic benefits. Indeed, our entire country will benefit from the influx of tourists from other parts of the world. During the recent Bicentennial celebration, we learned that the judicious promotion of tourism can increase job opportunities and lower our balance-of-payments deficit. I am confident that the same thing would occur in 1984 if a U.S. city is selected to be the site of the summer Olympics. Other nations—most notably Canada and Japan—have recognized this and have provided national subsidies for local jurisdictions which host international competitions.

My bill provides that the Secretary of Commerce, under the provisions of the Public Works and Economic Development Act of 1965, could provide grants of up to $150 million to the Olympics host city for planning, design, and construction of facilities for the games. An additional $1 million would be authorized for administration of the new law.

The bill provides that the host city could also apply for and receive other forms of Federal aid—such as transportation and housing grants, through other Federal departments and agencies.

The Federal Government would be able to recoup the cost of the program under the provisions of my bill. Any revenues generated by the Olympic games in excess of actual costs would revert to the Federal Treasury—up to the amount appropriated under the provisions of my bill.

Finally, the bill provides for the maintenance of adequate records and reports so that the Federal Government and the local and State governments involved can have an accurate accounting of all funds.

Mr. President, I expect that this bill will receive broad support at the State and local levels and I believe it merits the support of my colleagues. Already, some cities have expressed reluctance to bid for the Olympics, because of the overwhelming cost. The prompt enactment of my bill would assure the participation of more cities in the site selection process. I urge, therefore, that early action be taken on the measure.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2064

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Olympic Summer Games Authorization Act of 1977".

FINDINGS

SEC. 2. (a) The Congress finds and declares that—

(1) it is desirable for Americans of present and future generations to be assured adequate recreational resources and facilities;

(2) the selection of a site in the United States for the 1984 Olympic summer games would further an awareness and appreciation of recreational activities;

(3) amateur athletics and amateur athletic competition have contributed to the health and well-being of the Nation and, if a site in the United States is selected for the 1984 Olympic summer games, the United States will have a unique opportunity to encourage participation in such activities by furnishing limited financial assistance to assure the availability of adequate facilities, resources, and support for the Olympic summer games;

(4) if a site in the United States is selected for the 1984 Olympic summer games, the Congress pledges its cooperation and support in the successful fulfillment of the Olympic summer games; and

(5) the Federal financial assistance authorized by this Act should not be considered as establishing a precedent for any future Federal financial assistance for international athletic competitions.

(b) The following provisions of this Act shall take effect only if a site in the United States is selected for the 1984 Olympic summer games.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "Olympic summer games" means the 1984 international Olympic summer games;

(2) the term "Secretary" means the Secretary of Commerce; and

(3) the term "summer games facility" means existing or proposed summer sports and supporting facilities which are necessary to carry out the Olympic summer games.

FINANCIAL ASSISTANCE

SEC. 4. (a) GRANTS.—The Secretary shall provide financial assistance in the form of grants to State, local, or other governmental agencies for purposes of assisting in the planning, design, and construction or improvement of summer games facilities, and for purposes of land acquisition and legal and fiscal fees in connection with the Olympic summer games. Subject to the provisions of subsection (b) of this section, such grants shall be provided in such sums, at such times, and under such conditions as the Secretary considers necessary and appropriate.

(b) CONDITIONS.—The amount of any grant for a summer games facility under subsection (a) of this section shall be based initially on the estimated cost of such facility. If the actual cost of any summer games facility is less than such estimated cost, the difference may be applied to meet the excess cost of any other summer games facility. If the actual cost of any summer games facility exceeds such estimated cost, plus any amounts applied to the excess cost under the preceding sentence, the Secretary shall not provide any grant for more than 50 percent of the remaining excess cost of such facility.

(c) REVERSION.—All revenues generated by the Olympic summer games in excess of actual costs shall revert to the Treasury of the United States in an amount not to exceed the total amount of funds appropriated under the authority of section 7 of this Act.

(d) ASSISTANCE UNDER THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965.—The Secretary may provide financial assistance for projects related to the Olympic summer games under the authority contained in title I of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3131–3136). Any such assistance (1) shall not be subject to the requirements for a non-Federal matching share set forth in section 101(c) of such title, and (2) shall be excluded from the limitation on the amount available to any one State set forth in section 103 of such title.

(e) OTHER ASSISTANCE.—Nothing contained in this Act shall be construed to preclude financial assistance by the United States for planning, designing, and constructing, or improving facilities for the Olympic summer games and related projects under any other law.

REPORTS

SEC. 5. (a) INTERIM REPORTS.—The Secretary shall submit interim reports to the Congress and to the President on the progress of the planning, design, and construction or improvement of summer games facilities under this Act. Each such report shall summarize and evaluate the progress made in preparing for the Olympic summer games, and include any recommendations for any further Federal involvement which the Secretary considers necessary or appropriate.

(b) FINAL REPORT.—The Secretary shall, within 3 months after the conclusion of the Olympic summer games, submit a final report to the Congress and to the President containing a summary of all actions taken under this Act.

RECORDS AND AUDIT

SEC. 6. (a) RECORDS.—Each recipient of Federal financial assistance under this Act, whether directly or indirectly, shall keep such records as the Secretary shall prescribe, including—

(1) records which fully disclose (A) the amount and the disposition by such recipient of the proceeds of such assistance, (B) the total cost of the summer games facility or related project for which such assistance is given or used, (C) the amount of that portion of the cost of such facility or project supplies by other sources, and (D) an identification of such other sources; and

(2) such other records as will facilitate an effective financial audit.

(b) AUDIT.—Until the expiration of 3 years after the completion of the summer games facility or related project referred to in

subsection (a) of this section, the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for purposes of audit and examination, to any books, documents, papers, and records of each recipient of Federal financial assistance under this Act which the Secretary or the Comptroller General considers relevant to such Federal financial assistance.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. (a) GENERAL.—There is authorized to be appropriated to the Secretary the sum of $150,000,000 for purposes of providing grants under section 4(a) of this Act for the Olympic summer games.

(b) ADMINISTRATION.—There is authorized to be appropriated to the Secretary the sum of $1,000,000 for the administration of this Act.

(c) AVAILABILITY.—Sums appropriated under this section are authorized to remain available until expended.

By Mr. RIEGLE:

S. 2065. A bill to amend the Consumer Credit Protection Act to provide consumer rights and remedies in electronic fund transfer systems; to the Committee on Banking, Housing, and Urban Affairs.

ELECTRONIC FUND TRANSFER CONSUMER PROTECTION ACT

Mr. RIEGLE. Mr. President, I am today introducing legislation to amend the Consumer Credit Protection Act to provide for consumer rights and remedies in electronic fund transfers.

Electronic fund transfer systems represent the application of recent electronic technology to consumer banking transactions. The most visible example of this new phenomenon is the automated teller machine. By inserting a specially coded card and a secret identification number, a consumer can perform several common banking transactions, like withdrawing or depositing cash or transferring funds from one account to another. Another recent EFT system is known as pay-by-phone. Under this system, a consumer, after identifying himself by a personal code, may order payments to third parties over the phone. In most cases the consumer never speaks to a bank employee, but to a computer instead. In some instances, the consumer's commands are relayed to the computer by depressing buttons on a touch-tone phone.

But these systems are merely precursors of more sophisticated payment systems. In the near future we will see widespread implementation of point-of-sale systems in which a consumer will utilize a computer terminal located in a store to instruct his bank to transfer funds from his account to the merchant's. The transfer will be instantaneous—a debit to the consumer's account, a credit to the merchant's.

While all of these systems have great potential to benefit consumers, the evidence indicates that consumers have not enthusiastically embraced them. There are several reasons for this. First, consumers are wary of entrusting important personal financial matters to computers which, no matter how sophisticated, too often break down or go awry. In addition, there is the very real fear that these systems, with data from millions of transfers located in computer memories, create the potential for massive invasions of privacy. By accessing these memories, a person could assemble a complete record of every financial transaction completed by a consumer. Consumers also fear that they will lose control over the timing and amount of payments from their accounts to third persons. And finally, consumers quite justifiably worry about the prospect of massive computer theft. A consumer could awake one morning and find that his or her entire savings has disappeared by virtue of a surreptitious computer manipulation.

These apprehensions flourish primarily because no law currently governs consumer rights in EFT transactions. Existing Federal consumer laws, like truth in lending and the Fair Credit Billing Act, apply to credit transactions, not to cash transfers. Thus, because of EFT's new technology, these systems are operating outside the law. The consumer has no protection from unauthorized transfers, as he does for unauthorized credit card uses, even though the consequences—immediate loss of cash—are far more severe in the EFT context. No law exists which requires banks to promptly investigate and correct EFT computer errors. And many other protections which apply to credit cards—like disclosure of important account terms and receipt of periodic statements—also are inapplicable to electronic fund transfers.

The National Commission on Electronic Fund Transfers, established by Congress in 1974, has recognized that the lack of consumer protection legislation in this area is a serious problem and has called on Congress to act.

The legislation I am introducing today establishes a comprehensive framework of consumer rights, remedies, and responsibilities in EFT systems. It will limit a consumer's liability for unauthorized electronic fund transfers and protect the consumer's right to privacy by placing strict limitations on who may receive account activity data.

The nightmare of never-ending computer errors is also addressed by requiring a financial institution to investigate and correct account errors promptly. In addition, a consumer must receive full disclosure of all terms governing an EFT account, as well as receipts for all transfers and periodic account statements.

This legislation also takes into account the unique character of EFT. Because consumers will not have canceled checks as evidence of payment, the bill provides that EFT receipts constitute proof of payment. And, as in check payment, the consumer is given the right to reverse a transfer within 3 business days—an important protection for consumers who receive shoddy goods or inadequate service.

Finally, because EFT transactions are instantaneous cash transfers, this legislation requires that financial institutions which offer these services be held to a strict fiduciary duty to establish secure, accurate, and confidential systems. Except in the case of a technical malfunction, a financial institution will be strictly liable for improper or erroneous transfers from a consumer's account.

While the legislation I am introducing today is comprehensive in scope, it is not overly complex. In fact, every effort has been made to avoid unnecessary restrictions. Wherever possible, general principles are enunciated rather than specific requirements, thereby permitting financial institutions to modify services easily or offer new EFT systems as technology evolves.

As we begin to debate the rights of consumers, financial institutions, and retailers in EFT systems, we must keep in mind that EFT has been aggressively marketed as a great benefit to consumers. For this to become reality, the legal framework governing EFT must regard the needs of the consumer as the primary consideration. EFT systems must be designed to meet these needs, with the convenience of banks and retailers a secondary consideration. This was the key recommendation of the National Commission on EFT:

> The Commission believes that the consumer has the primary interest in all regulatory, legislative, and policy decisions affecting EFT and that such decisions must take into account, first, the needs of the consumer and, second, the needs of other participating parties . . .

The Consumer Affairs Subcommittee, of which I am chairman, will conduct hearings on this legislation October 3, 4, and 5.

Mr. President, I ask unanimous consent that the text of the bill together with a section-by-section analysis be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2065

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by adding at the end thereof the following new title:

"TITLE VIII—ELECTRONIC FUND TRANSFERS

"§ 801. Short title

"This title may be cited as the 'Electronic Fund Transfer Consumer Protection Act'.

"§ 802. Findings and purpose

"(a) The Congress finds that the use of electronic systems to transfer funds provides the potential for substantial benefits to consumers. However, due to the unique characteristics of such systems, existing consumer protection legislation is inapplicable, leaving the interests of consumers unprotected and the rights and liabilities of consumers, financial institutions, and intermediaries in electronic fund transfers undefined.

"(b) It is the purpose of this title to provide a basic framework establishing the rights, liabilities, and responsibilities of all participants in electronic fund transfer systems. The primary objective of this title, however, is the protection of individual consumer rights.

"§ 803. Definitions

"As used in this title—

"(1) the term 'accepted card or other means of access to a consumer's account for the purpose of initiating electronic fund

transfers when the person to whom such card or other means was issued has requested and received or has signed or has used, or authorized another to use, such card or other means for the purpose of obtaining money, property, or services;

"(2) the term 'account' means an account established or a deposit made for personal, family, or household purposes;

"(3) the term 'Board' means the Board of Governors of the Federal Reserve System;

"(4) the term 'consumer' means a natural person;

"(5) the term 'electronic fund transfer' means, any transfer of funds the effectuation of which is dependent in whole or substantial part on electronic means, and such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, direct deposit of funds, transfers initiated by telephone, transfers between a consumer's accounts, and other banking transactions performed in whole or substantial part electronically through remote terminals;

"(6) the term 'financial institution' means a State or national bank, a State or Federal savings and loan association, a mutual savings bank, a State or Federal credit union, or any other person who, directly or indirectly, holds an account belonging to a consumer;

"(7) the term 'preauthorized electronic fund transfer' means an electronic fund transfer authorized more than twelve hours prior to the scheduled occurrence of such transfer;

"(8) the term 'State' means any State, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any political subdivision of any of the foregoing;

"(9) the term 'unauthorized electronic fund transfer' means an electronic fund transfer from a consumer's account initiated by a person other than the consumer without actual authority to initiate such transfer and from which the consumer receives no benefit.

"§ 804. Regulations

"(a) The Board shall prescribe regulations to carry out the purposes of this title. In prescribing such regulations, the Board shall take into account, and allow for, the continuing evolution of the technology utilized in electronic fund transfers.

"(b) Regulations prescribed hereunder may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this title, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.

"§ 805. Terms and conditions of transfers

"(a) A financial institution shall clearly disclose in writing to the consumer all terms and conditions governing electronic fund transfers involving the consumer's account prior to the first time access to such account by means of an electrnic fund transfer is permitted, and at semiannual intervals thereafter as long as the account is active and such transfers may be permitted. Such disclosures shall include, to the extent applicable—

"(1) the consumer's liability for unauthorized electronic fund transfers;

"(2) the telephone number and address of the person or department to be notified in the event the consumer believes that an unauthorized electronic fund transfer has been or may be effected;

"(3) the type and nature of electronic fund transfers which the consumer may initiate, including any limitations on the frequency or dollar amount of such transfers;

"(4) any charges for account maintenance or for electronic fund transfers;

"(5) the fact that a preauthorized electronic fund transfer is revokable by the consumer at any time up to the business day preceding the scheduled day of transfer;

"(6) the consumer's right to reverse an electronic fund transfer and the procedure to initiate a reversal;

"(7) the consumer's right to receive documentation of each electronic fund transfer under section 806;

"(8) a summary of the error resolution provisions of section 809 and the consumer's rights thereunder;

"(9) the financial institution's liability to the consumer under section 811; and

"(10) the financial institution's fiduciary duty to protect the consumer's right to privacy and assure the integrity, accuracy, and security of the consumer's account under section 816.

"(b) A financial institution shall notify a consumer in writing at least sixty days prior to the effective date of any change in any term or condition of the consumer's account required to be disclosed under subsection (a).

"(c) For any account of a consumer made accessible to electronic fund transfers involving such account prior to the effective date of this title, the information required to be disclosed to the consumer under subsection (a) shall be disclosed not later than—

"(1) in the first periodic statement required by section 806(b) after the effective date of this title; or

"(2) thirty days after the effective date of this title.

"§ 806. Documentation of transfers

"(a) A financial institution shall provide a consumer with written documentation of each electronic fund transfer affecting the account of such consumer. The documentation shall be provided at the time of the transfer whenever feasible, but in any event not later than five days after the transfer. The documentation shall clearly set forth—

"(1) the amount, date, and nature of the transfer;

"(2) the identity of the consumer's account with the financial institution from which or to which funds are transferred;

"(3) the identity of any third party to whom or from whom funds are transferred;

"(4) a brief description of any goods or services which are the subject of the transfer; and

"(5) a transfer identification number which provides an audit trail.

"(b) A financial institution shall provide each consumer with a periodic statement of each account of such consumer that may be accessed by means of an electronic fund transfer. Such statement shall be provided at least monthly for each monthly or shorter cycle in which an electronic fund transfer affecting the account has occurred, or every three months, whichever is more frequent. The statement, which may include information regarding transactions other than electronic fund transfers, shall clearly set forth—

"(1) with regard to each electronic fund transfer during the period, the information required to be disclosed under subsection (a);

"(2) the amount of any fees or charges assessed by the financial institution during the period for electronic fund transfers or for account maintenance; and

"(3) the balance remaining in the consumer's account at the close of the period.

"(c) In the case of a consumer's account which may be accessed only by electronic fund transfers which regularly credit such account, a financial institution may, in lieu of complying with the requirements of subsections (a) and (b), provide prompt notice to the consumer, in accordance with regulations of the Board, when such a transfer is not completed on the day or in the amount regularly scheduled. Such means of notice shall be clearly disclosed to the consumer under section 805.

"(d) In any action involving a consumer and a third person, any documentation or statement required by this section to be given to the consumer which indicates that an electronic fund transfer was made to the third person shall be admissible by the consumer as evidence of such transfer and shall be presumptive proof that such transfer was made. Thereafter, the burden of proof is upon the third person to show that the electronic fund transfer was not made.

"§ 807. Preauthorized transfers

"A preauthorized electronic fund transfer from a consumer's account may be so authorized by the consumer only in writing, a copy of which must be provided to the consumer at the time of his signing. Such authorization may be revoked by the consumer at any time up to the business day preceding the scheduled date of such transfer. No authorization under this section may remain in effect without explicit written renewal for more than one hundred and eighty days.

"§ 808. Reversal of transfers

"(a) A financial institution shall reverse an electronic fund transfer initiated by a consumer to a third party and recredit the consumer's account for the amount of the transfer upon oral or written direction by the consumer made within three business days after the transfer.

"(b) A consumer's right to reverse an electronic fund transfer under subsection (a) may be exercised regardless of whether the consumer's reason for initiating a reversal constitutes an account error under section 809.

"§ 809. Error resolution

"(a) If a consumer notifies a financial institution orally or in writing that an error affecting the consumer's account with the financial institution has occurred, the financial institution shall investigate the alleged error and report the results of such investigation to the consumer within three business days where the consumer has notified the financial institution of the alleged error within forty-five days of the occurrence of such error, or within ten business days where the consumer has notified the financial institution more than forty-five days after the occurrence of such error.

"(b) If the financial institution maintains after such investigation that such error did not occur, it shall provide to the consumer reproductions of all documentation which the financial institution utilized to conclude that such error did not occur within three business days after its report to the consumer under subsection (a).

"(c) If the financial institution determines that an error did occur, it shall promptly, but in no event more than twenty-four hours after such determination, correct the error, subject to section 810, including the crediting of interest where applicable.

"(d) If in any action under section 818, the court finds that a financial institution knowingly and willfully notified the consumer under subsection (b) that the consumer's account was not in error when such conclusion could not reasonably be drawn from the preponderance of the evidence available to the financial institution at the time of its investigation, the consumer shall be entitled to treble damages under section 818(a)(1) in such action.

"(e) For the purpose of this section, an error consists of—

"(1) an unauthorized electronic fund transfer or other transfer from the con-

sumer's account not initiated by the consumer;

"(2) an incorrect electronic fund transfer from or to the consumer's account;

"(3) the omission from a periodic statement of an electronic fund transfer affecting the consumer's account which should have been included;

"(4) a computational error by the financial institution;

"(5) the failure to reverse an electronic fund transfer when properly instructed to do so; or

"(6) any other error described in regulations of the Board.

§ 810. Consumer liability for unauthorized transfers

"(a) A consumer shall not be liable for any unauthorized electronic fund transfer involving the account of such consumer unless the card or other means of access utilized for such transfer was an accepted card or means of access. In no event, however, shall a consumer's liability for an unauthorized transfer exceed the lesser of—

"(1) $25; or

"(2) the amount of money or value of property or services obtained in such unauthorized electronic fund transfer prior to the time the financial institution is notified of, or otherwise becomes aware of, circumtances which lead to the reasonable belief that an unauthorized electronic fund transfer involving the consumer's account has been or may be effected. Notice under this paragraph is sufficient when the consumer takes such steps as may be reasonably required in the ordinary course of business to provide the financial institution with the pertinent information whether or not any particular officer, employee, or agent of the financial institution does in fact receive such information.

"(b) In any action which involves a consumer's liability for an unauthorized electronic fund transfer, the burden of proof is upon the financial institution to show that the electronic fund transfer was authorized or, if the electronic fund transfer was unauthorized, then the burden of proof is upon the financial institution to establish that the disclosures required to be made to the consumer under section 805 regarding the consumer's liability for an unauthorized electronic fund transfer were in fact made in accordance with such section.

"(c) In the event of an unauthorized electronic fund transfer which involves both an extension of credit as defined in section 103(e) of this Act and a transfer of funds from a consumer's account, the consumer's liability for such unauthorized electronic fund transfer shall be determined solely in accordance with this section.

"(d) Except as provided in this section, a consumer incurs no liability from an unauthorized electronic fund transfer.

"§ 811. Liability of financial institutions

"(a) Subject to subsection (b), a financial institution shall be solely liable, and shall hold a consumer harmless, for any damages suffered by a consumer arising out of—

"(1) the failure of the financial institution to make an electronic fund transfer in the correct amount or manner when properly instructed to do so by the consumer, except where the consumer's account has insufficient funds;

"(2) an electronic fund transfer from the consumer's account, other than an unauthorized electronic fund transfer, not initiated by the consumer;

"(3) the failure of the financial institution to reverse an electronic fund transfer when instructed to do so by the consumer in accordance with section 808; and

"(4) an unauthorized electronic fund transfer, subject to section 810.

"(b) A financial institution shall not be liable for damages under subsection (a) (1) or (2) if the financial institution shows by a preponderance of the evidence that its action or failure to act resulted from a technical malfunction which was—

"(1) caused by an act of God or other circumstance substantially beyond the control of the financial institution; or

"(2) made known to the consumer at the time he attempted to initiate an electronic fund transfer or, in the case of a preauthorized transfer, at the time such transfer should have occurred.

"§ 812. Issuance of cards or other means of access

"No person may issue to a consumer any card or other means of access to such consumer's account for the purpose of initiating an electronic fund transfer other than—

"(1) in response to a request or application therefor; or

"(2) as a renewal of, or in substitution for, an accepted card or other means of access, whether issued by the initial issuer or a successor.

"§ 813. Suspension of obligations

"In the event a technical malfunction prevents the effectuation of an electronic fund transfer initiated by a consumer to another person, and such other person has agreed to accept payment by such means, the consumer's obligation to the other person shall be suspended until the malfunction is corrected and the electronic fund transfer may be completed.

"§ 814. Compulsory use of electronic fund transfers

"No person may—

"(1) require as a condition of employment, receipt of Government benefits, or the extension of credit the use of or participation in any electronic fund transfer by a consumer. Any direct deposit of payroll shall, in the absence of a voluntary written authorization by an employee, create a presumptive violation of this section. This paragraph does not apply to the use of or participation in electronic fund transfers by an employee when such transfers are initiated by a consumer other than such employee; or

"(2) condition the receipt of payment by a consumer through an electronic fund transfer on such consumer's participation in any other electronic fund transfer.

"§ 815. Exemption of wages from attachment

In any account in which a consumer deposits his wages by means of an electronic fund transfer, there shall be exempt from any levy, attachment, garnishment, or other process the sum of $1,500 for each such consumer.

"§ 816. Fiduciary duty of financial institutions

"A financial institution shall be deemed to have a fiduciary duty to each consumer for whom it effects electronic funds transfers to ensure the security, integrity, accuracy, and confidentiality of each account of the consumer accessible by means of such transfers. This duty includes—

"(1) notifying the consumer as soon as possible of any action against the consumer's account;

"(2) designing all mechanisms, means, and systems employed in effectuating electronic fund transfers to prevent unauthorized electronic fund transfers and to detect and correct such transfers;

"(3) preventing information regarding any electronic fund transfer from being disclosed to any person other than—

"(A) the consumer making the transaction;

"(B) any other person who is a party to the transfer or is necessary to effectuate the transfer, but only to the extent that the information disclosed is necessary to effectuate the transfer;

"(C) those persons authorized by law to have access to the records of the financial institution or of the parties to the transaction; and

"(D) any other person specifically authorized in writing by the consumer to receive such information; and

"(4) meeting any other duty of a fiduciary nature recognized or imposed by State law.

"§ 817. Waiver of rights

"No writing or other agreement between a consumer and a financial institution or between a consumer and a provider of goods or services at retail may contain any provision which constitutes a waiver of any right conferred or cause of action created by this title. Nothing in this section prohibits, however, any writing or other agreement which grants to a consumer a more extensive right or greater protection than contained in this title.

"§ 818. Civil liability

"(a) Except as otherwise provided by this section, any person who fails to comply with any provision of this title with respect to any consumer is liable to such consumer in an amount equal to the sum of—

"(1) any actual damage sustained by such consumer as a result of such failure;

"(2) (A) in the case of an individual action, under this subparagraph, an amount not less than $100 nor greater than $1,000; or

"(B) in the case of a class action, such amount as the court may allow, except that (i) as to each member of the class no minimum recovery shall be applicable, and (ii) the total recovery under this subparagraph in such action shall not be more than the lesser of $500,000 or 1 per centum of the net worth of the defendant; and

"(3) in the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee as determined by the court.

"(b) In determining the amount of award in any class action under subsection (a) (2) (B), the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of failures of compliance by the defendant, the resources of the defendant, the number of persons adversely affected, and the extent to which the defendant's failure of compliance was intentional.

"(c) Except as provided in section 811, a person may not be held liable in any action brought under this section for a violation of this title if the person shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

"(d) No provision of this section or section 819 imposing any liability shall apply to any act done or omitted in good faith in conformity with any interpretation thereof by the Board, notwithstanding that after such act or omission has occurred, such interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"(e) Without regard to the amount in controversy, any action under this section may be brought in any United States district court, or in any other court of competent jurisdiction, within one year from the date of the occurrence of the violation.

"§ 819. Criminal liability

"Whoever knowingly and willfully—

"(1) gives false or inaccurate information or fails to provide information which he is required to disclose by this title; or

"(2) otherwise fails to comply with any provision of this title;

shall be fined not more than $5,000 or imprisoned not more than one year, or both.

"§ 820. Administrative enforcement

"(a) Compliance with the requirements imposed under this title shall be enforced under—

"(1) section 8 of the Federal Deposit Insurance Act, in the case of—

"(A) national banks, by the Comptroller of the Currency;

"(B) member banks of the Federal Reserve System (other than national banks), by the Board;

"(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), by the Board of Directors of the Federal Deposit Insurance Corporation;

"(2) section 5(d) of the Home Owners' Loan Act of 1933, section 407 of the National Housing Act, and sections 6(i) and 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions; and

"(3) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal credit union.

"(b) For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

"(c) Except to the extent that enforcement of the requirements imposed under this title is specifically committed to some other Government agency under subsection (a), the Federal Trade Commission shall enforce such requirements. For purpose of the exercise by the Commission of its functions and powers under the Federal Trade Commission Act, a violation of this title shall be deemed an unfair or deceptive act or practice in violation of that Act. All of the functions and powers of the Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person with this title, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act, including the power to enforce the provisions of this title in the same manner as if the violation had been a violation of a Federal Trade Commission trade regulation rule.

"§ 821. Reports to Congress

"(a) Not later than twelve months after the effective date of this title and at one-year intervals thereafter, the Board and the Attorney General shall, respectively, make reports to the Congress concerning the administration of their functions under this title, including such recommendations as the Board and the Attorney General, respectively, deem necessary or appropriate. In addition, each report of the Board shall include its assessment of the extent to which compliance with this title is being achieved, and a summary of the enforcement actions taken under section 820 of this title.

"(b) In the exercise of its functions under this title, the Board may obtain upon request the views of any other Federal agency which, in the judgment of the Board, exercises regulatory or supervisory functions with respect to any class of persons subject to this title.

"§ 822. Relation to State laws

"This title does not annul, alter, or affect, or exempt any person subject to the provisions of this title from complying with the laws of any State with respect to electronic fund transfers except to the extent that those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. For purposes of this section, a State law is not inconsistent with this title if the protection such law affords any consumer is greater than the protection provided by this title.

"§ 823. Exemption for State regulation

"The Board shall by regulation exempt from the requirements of this title any class of electronic fund transfers within any State if the Board determines that under the law of that State that class of electronic fund transfers is subject to requirements substantially similar to those imposed by this title, and that there is adequate provision for enforcement.

"§ 824. Effective date

"This title takes effect upon the expiration of one year after the date of its enactment, except that section 810 takes effect upon the date of its enactment.".

SECTION-BY-SECTION ANALYSIS—EFT CONSUMER PROTECTION ACT

SEC. 801. *Short title*—The title may be called the "Electronic Fund Transfer Consumer Protection Act."

SEC. 802. *Findings and purpose*—The Congress finds that EFT provides the potential for substantial benefits to consumers, but under existing consumer protection laws the interests of consumers are unprotected.

The Purpose of the title is to establish a framework of rights, remedies, and responsibilities for all parties in EFT transactions.

SEC. 803. *Definitions*—The term "electronic fund transfer" means any transfer of funds dependent on electronic means. It includes automated teller machine transactions, point-of-sale transfers, pay-by-phone transactions, and direct deposit of funds.

The term "financial institution" is defined to mean traditional depository institutions as well as any other entity who holds a consumer's account. This would include mutual funds or brokerage houses who hold a consumer's account or line of credit and make it accessible by means of electronic fund transfers.

SEC. 804. *Regulations*—The Federal Reserve Board shall enact regulations to carry out the purposes of the title. These regulations shall take into account the evolving nature of EFT technology.

SEC. 805. *Terms and conditions of transfers*—Before a consumer's account may be accessed by means of an EFT, the financial institution holding the account must clearly disclose to the consumer all terms and conditions governing such transfers. The disclosures shall include: the consumer's liability for unauthorized electronic fund transfers; the person to notify if a debit card is lost or stolen; the type of transfers the consumer may make; any applicable charges; the fact that a preauthorized transfer is revoked by the consumer at any time up to the business day preceding the transfer; the consumer's right to reverse a transfer; a summary of the error resolution procedure; the financial institution's liability for improper transfers; the financial institution's duty to maintain a secure, accurate, and confidential system; and the consumer's right to receive EFT receipts and account statements.

These disclosures parallel those of the Truth in Lending Act, which applies to revolving credit accounts. If the financial institution is to change any of the above terms, the consumer must be given 60 days prior notice.

Sec. 806. Documentation of transfers—A consumer must receive a receipt for each transfer affecting the consumer's account. The receipt shall include: the amount, date and nature of the transfer; the consumer's account number; the third party involved; where applicable, the goods or services involved; and a transfer identification number. Whenever feasible, the receipt should be provided at the time of the transfer, but in no event more than 5 days after the transfer.

A financial institution must also provide a consumer with a periodic statement for each EFT account. In addition to the information above, the statement must disclose any charges or fees for the period and the consumer's closing balance.

These provisions assure that adequate records are given to the consumer. This is particularly necessary because traditional proofs of payment, like cancelled checks, will not exist in EFT transactions.

For any account which is accessed solely by transfers which regularly credit the account, the financial institution may, in lieu of providing separate receipts for each transfer, notify the consumer in the event the transfer does not occur at the time or in the amount scheduled. This will apply primarily to savings accounts which do not have a debit aspect but which receive regular EFT credits, such as Social Security benefits. This exception will eliminate the cost of individual mailings by the financial institution for each credit received, but will still assure proper notice to the consumer if such credits are not received as scheduled.

The receipt and statement required by this section are to constitute presumptive proof of an EFT payment to a third party. The EFT receipt will therefore resemble the cancelled check as proof of payment.

Sec. 807. Preauthorized transfers—A preauthorized transfer may be made only by written authorization from the consumer which shall be revokable at will at any time up to the business day preceding the scheduled transfer. An authorization must be renewed after 180 days.

Preauthorized payments are often arranged for recurring expenses like mortgage payments, utility bills, and insurance premiums. This section assures that automatic debits to a consumer's account be effected only on written authorization which the consumer may readily revoke.

Sec. 808. Reversal of transfers.—A consumer may reverse a transfer to a third party upon oral or written notice to the financial institution within 3 business days of the transfer.

This provision parallels traditional "stop payment" authority for check payments, an important protection for consumers who receive defective goods or services. The right to reverse transfer has repeatedly been cited by consumer groups as essential for consumer acceptance of EFT.

A consumer may reverse a transfer within the 3-day period even if his reason for doing so is an account error which could be pursued under the error resolution procedure of section 809.

This enhances the consumer's ability to correct errors affecting his account when they are readily apparent. This will result in quicker corrections than under the provisions of section 809.

Sec. 809. Error resolution—If a consumer notifies a financial institution of an EFT account error, the financial institution must promptly investigate the alleged error and report its findings to the consumer within 3 business days if the consumer's notice is within 45 days of the error, or within 10 business days when the consumer's notice is received more than 45 days after the error's occurrence. If the financial institution discovers an error, it must make the necessary correction within 24 hours. If the financial institution maintains that no error has occurred, it must provide the consumer with written documentation supporting its determination within 3 business days after its report.

This procedure is similar to that of the Fair Credit Billing Act, which applies to errors in revolving credit accounts. The time periods for bank action, however, have been substantially shortened in view of the more

severe effects on the consumer of an EFT error. With revolving charge accounts, an improper entry is not cause for alarm; the consumer can withhold payment while the bank investigates. In the EFT context, however, an improper entry represents cash already debited from a consumer's account. As a result, the consumer has been deprived of his money and may be unable to meet important expenses. These time periods protect the consumer from severe hardship computer data.

If a court finds that a financial institution willfully reported to a consumer that his account was correct when such a conclusion could not reasonably be drawn, the bank is liable for treble damages.

This provision recognizes the severe hardship which an erroneous EFT debit can cause. It will cause financial institutions to exercise great care when investigating allegations of EFT errors.

Sec. 810. Consumer liability for unauthorized transfers—In the event of an unauthorized electronic fund transfer, a consumer's liability is limited to the lesser of $25 or the amount of money obtained.

This provision parallels the Truth in Lending Act, which limits consumer liability for unauthorized use of a credit card to $50. The lower $25 limit is in recognition of the more severe consequences to the consumer of an immediate unauthorized transfer from his account. The limit is high enough, however, to deter negligent use of debit cards.

If an unauthorized transfer constitutes both a cash transfer and an extension of credit, the consumer's liability is to be determined under this section.

Some unauthorized electronic fund transfers will involve both a cash transfer and a credit (overdraft) extension. For the purpose of determining the consumer's liability such a transfer would be regarded as a cash transfer and subject to the $25 limitation.

Sec. 811. Liability of financial institutions—A financial institution is held strictly liable to a consumer for any improper or incorrect transfer, the failure to make a transfer when properly instructed, and for the failure to reverse a transfer. In the case of an improper or incorrect transfer, or the failure to make a transfer, the financial institution is excused from this liability if the error was caused by a technical malfunction beyond the financial institution's control or if the malfunction was made known to the consumer at the time he attempted to initiate a transfer.

This standard of strict liability is similar to a financial institution's liability under the Uniform Commercial Code for check transactions. In the case of an improper payment or wrongful dishonor of a check, a financial institution is strictly liable to its account holder. This section makes provision, however, for technical malfunctions beyond the institution's control.

As in check transactions, a strict liability standard is essential because of the severe consequences which could flow from a bank's wrongful failure to transfer funds. Such an error could render a mortgage in default, cause an insurance policy to lapse, or result in the transfer of a consumer's funds against his wishes.

Sec. 812. Issuance of cards or other means of access—A financial institution may issue EFT debit cards or account access codes only in response to an application or in renewal of an existing accepted card.

This provision parallels the Truth in Lending Act's prohibition on unsolicited credit cards. It assures that only those consumers who request debit cards will receive them. In addition to protecting consumers from unwanted cards, this section will eliminate losses resulting from the theft of unsolicited debit cards.

Sec. 813. Suspension of obligations—If a technical malfunction prevents the transfer of funds to a third party and the third person has agreed to accept payment by means of an electronic fund transfer, the consumer's obligation is suspended until the malfunction is corrected and the transfer can be completed.

This section will prevent hardships to consumer's (such as the lapsing of an insurance policy) stemming from technical malfunctions which prevent transfers when the payee has agreed to accept payment by an electronic fund transfer.

Sec. 814. Compulsory use of electronic fund transfers—This section prohibits conditioning employment, government benefits, or the extension of credit on a consumer's use of electronic fund transfers. It also prohibits a financial institution from refusing to accept a transfer for a consumer on the ground that the consumer does not participate in other EFT services.

This section maintains a consumer's freedom of choice. A consumer may not be forced to use EFT or purchase other services in order to transact EFT's.

Sec. 815. Exemption of wages from attachment—This section provides that for any account in which a consumer deposits his wages by means of an electronic fund transfer, $1,500 of such account is exempt from garnishment or other process.

Under current federal law, not more than 25% of a consumer's wages may be attached by a creditor. But the issue of when wages lose their protected status and become commingled with other funds of the consumer is a perplexing problem. The problem will become more acute, however, if direct deposit of payroll becomes widespread. There is a significant danger that Congress' intention to protect 75% of a worker's wages could be thwarted and all of a worker's wages be lost if the consumer's EFT account were attached.

Rather than impose complex formulae to determine when wages lose their protected status, this section provides a blanket exemption of $1,500 for each consumer depositing his wages by means of electronic fund transfers. This is the same approach adopted by several States, including California and Massachusetts.

Sec. 816. Fiduciary duty of financial institutions—This section imposes a fiduciary duty on financial institutions which effect electronic fund transfers to establish systems which are secure, accurate, and confidential. A financial institution is required to notify a consumer in the event of a legal action against the consumer's account. Information regarding electronic fund transfers can be disclosed only to the consumer, another party in the transfer, persons authorized by law to see the information, and any other person specifically authorized by the consumer.

These standards will require that a financial institution use utmost care in establishing an EFT system to be sure it is secure and accurate. The privacy of consumers will also be protected by requiring that account information be kept confidential. This is an extremely important consideration in view of the vast amounts of personal data which will be stored in computer memory banks.

Sec. 817. *Waiver of rights*—This section prohibits any agreement which would deprive a consumer of any right granted under this title. Agreements may, however, provide greater rights or protections to consumers.

Sec. 818. *Civil liability*—Subject to defenses discussed below, any person who violates this title is liable to a consumer for actual damages, additional damages of $100–$1,000, and reasonable attorney's fees and costs. A suit may be brought in federal or state court within one year of the alleged violation.

Two defenses are available to a defendant: Bona fide error notwithstanding the maintenance of procedures to avoid such an error; and good faith reliance on an interpretation of the Board.

These provisions parallel those of the Truth in Lending, Fair Credit Billing, and Consumer Leasing Acts.

Sec. 819. *Criminal liability*—Any person who knowingly and willfully gives false or inaccurate information, or fails to provide required information, or otherwise violates the Act, may be fined not more than $5,000 or imprisoned not more than one year, or both.

Sec. 820. *Administrative enforcement*—The Act is enforced by the bank regulatory agencies in the case of banks, and by the Federal Trade Commission in all other instances. The agencies may use all their powers and functions to enforce compliance.

This section parallels other federal consumer protection legislation.

Sec. 821. *Reports to Congress*—The Board and Attorney General are to report to the Congress annually on their enforcement activities under the Act.

Sec. 822. *Relation to State laws*—This title does not annul or void State EFT laws unless they are inconsistent. A State law is not considered inconsistent if it provides greater protection than this title.

Sec. 823. *Exemption for State regulation*—The Board may by regulation exempt a State from this title's coverage if the law of such State is substantially similar.

Sec. 824. *Effective date*—The Act takes effect one year after enactment, except for Section 810 (unauthorized electronic fund transfers) which takes effect on the date of enactment.

By Mr. MATHIAS (for himself, Mr. BROOKE, Mr. HEINZ, and Mr. JACKSON):

S. 2066. A bill to amend the National Trails System Act; to the Committee on Energy and Natural Resources.

PROTECTING THE APPALACHIAN TRAIL

Mr. MATHIAS. Mr. President, the Appalachian Trail is the country's most famous long distance hiking trail extending 2,000 miles through the Appalachian Mountain chain. Those mountains are among the oldest in the country and contain unique geologic features.

The hiker traveling the trail can follow the footpath through some of the most primitive and scenic areas of 14 States from Mt. Katahdin, Maine, to Springer Mountain, Ga.

The original concept for the trail was put forth in 1921 by the late Benton MacKaye, a pioneer of regional planning. Mr. MacKaye foresaw a trail linking wilderness areas along the Atlantic seaboard that would be easily accessible to the people living in nearby metropolitan areas. The trail was intended as a "back to nature" respite for the many urban dwellers who wanted to find mental peace and time to think, away from the hurried pace and noise of city life.

In that regard, the trail must be deemed an unqualified success. The large number of hikers on the trail every day of the year attest to that success. An estimated 4 million hikers use the trail each year.

At present, 40 percent of the Appalachian Trail is within national parks and forests; 10 percent is on State-owned land; 10 percent is on roads; and

40 percent crosses privately owned land in easements.

The problem is this: The press of the Atlantic seaboard megalopolis is threatening parts of the trail with development which would be incompatible with the greenbelt corridor the trail provides. Parts of the trail are fragmented and need to be reestablished where and when land is available. Several States in which the trail is located have not been able to provide the money to acquire and maintain the trail right-of-way. As a result, many property owners have unfairly suffered uncompensated loss. And the original National Trails System Act of 1968, which established the trail, was interpreted to limit the width of right-of-way acquisition to not more than 200 feet. This limitation has resulted in title problems, partial land takings, and excessive land speculation on property abutting the trail. It has also resulted in incompatible development within sight and earshot of the trail.

My bill attempts to redress some of these problems. First, it increases the present $5 million authorization level for trail right-of-way acquisition to $89 million. This figure is the best estimate the National Park Service has for projected mapping, surveying, title searches, acquisition, and payment in lieu of taxes for those portions of the trail most threatened by encroachment.

The bill would increase the amount of property that could be acquired through eminent domain from 25 acres in any one mile to 125 acres. This would permit the acquisition or acquired easement of a flexible and much wider trail right-of-way depending on the surrounding land uses.

Finally, my bill would reconstitute the Appalachian Trail Advisory Council to conform to requirements of the Federal Advisory Committee Act. It would also make administration of the advisory committee consistent with most other national parks advisory committees in the payment of travel and attendant expenses, term of appointment of members, and termination date. At present, the 14 State representatives of the Advisory Council are not reimbursed for expenses when they travel out of State to attend the council's meetings.

I believe these amendments to the National Trails System Act will insure the protection of the Appalachian Trail as a continuous footpath for present and future generations to enjoy. Areas now unprotected and threatened by development can be acquired. Once acquired, the costs of operation and maintenance are minimal. Trail construction and maintenance would be the responsibility, as it has been historically, of member trail clubs of the Appalachian Trail Conference. This is, perhaps, the most unique feature of the development and operation of the trail. The Appalachian Trail Conference is a federation of 63 trail clubs which voluntarily devote hours to clearing the trail, rebuilding it when necessary, and marking it. Without the work of those outdoor enthusiasts, the Appalachian Trail simply would not exist. They have worked over the years in a voluntary capacity to maintain the trail in cooperation with the States and Federal Government. And they have performed the yeoman's part of the job without cost to the Government.

In fact, the cost of maintaining the trail has been minimal. And, it is important to note here, that the Federal Government makes a payment in lieu of taxes to those State and local jurisdictions in which the property it owns is located.

Today there are only two designated national scenic trails—the Appalachian and the Pacific coast. Only the Appalachian Trail has a 50-year tradition of volunteer maintenance. But there is a renewed interest in scenic and historic trails, as evidenced by the President's environmental message in May of this year. In that message the President proposed establishing three new national scenic trails.

Last year, the Interior Department appointed a Project Manager for the Appalachian Trail for the first time in its 9-year history. His job is to oversee the trail's development and maintenance. The appointment of this manager indicates to me that the Interior Department is also taking a renewed interest in the trail.

The time for action to protect the trail is now, while there is still the opportunity to reroute parts of the trail, estimated at about 675 miles, to desirable locations without causing relocation of homes or businesses.

And I should emphasize that these amendments are not intended to take any land out of active farming or timbering. Both uses are compatible with the trail and help to enhance the trail experience.

Benton MacKaye foresaw the trends toward urban sprawl and increased leisure time. His proposal for an Appalachian Trail was meant to check the sprawl of east coast cities while simultaneously serving as a rest and relaxation source for those city dwellers at little cost. He recognized that cities function as organic communities only when they are in a harmonious relationship with their surrounding region.

And MacKaye recognized the restorative powers of time spent in the wilderness of the mountains:

> Next there would be perspective. Life for two weeks on the mountain top would show up many things about life during the other fifty weeks down below. The latter could be viewed as a whole . . . away from the heat, and sweat, and irritations. There would be a chance to catch a breath, to study the dynamic forces of nature and the possibilities of shifting to them the burdens now carried on the backs of men. The reposeful study of these forces should provide a broad gauged enlightened approach to the problems of industry. Industry would come to be seen in its true perspective—as a means in life and not as an end in itself.

Continued preservation of the Appalachian Trail as a natural resource is the responsibility of that partnership of volunteers, State, and Federal Government. The simplicity of the concept, its low cost of operation, and the history of private trail club maintenance make the Appalachian Trail a cause worth fighting for.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2066

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) that part of paragraph (3) of subsection (a) of section 5 of the National Trails System Act which precedes the colon in the third sentence thereof is amended to read as follows:

"(3) The Secretary of Agriculture shall establish an advisory council for the Pacific Crest National Scenic Trail. The Secretary of Agriculture shall consult with such council from time to time with respect to matters relating to the trail, including the selection of rights-of-way, standards of the erection and maintenance of markers along the trail, and the administration of the trail. The members of such council, which shall not exceed thirty-five in number, shall serve without compensation or expense to the Federal Government for a term of five years and shall be appointed by the Secretary of Agriculture as follows:".

(b) Subparagraph (iii) of paragraph (3) of section 5 of such Act is amended by deleting the following: ": *Provided,* That the Appalachian Trail Conference shall be represented by a sufficient number of persons to represent the various sections of the country through which the Appalachian Trail passes".

(c) Subsection (a) of section 5 of such Act is amended by adding at the end thereof the following new paragraph:

"(4) There is hereby established an advisory council for the Appalachian National Scenic Trail which shall terminate one hundred and twenty months from date of the enactment of this paragraph. The Secretary of the Interior shall consult with such council from time to time with respect to matters relating to the trail, including the selection of rights-of-way, standards for the erection and maintenance of markers along the trail, and the administration of the trail. The members of the Advisory Council, which shall not exceed thirty-five in number, shall serve without compensation, shall serve for a term of two years, and shall be appointed by the Secretary of the Interior in the manner set forth in subparagraphs (i) through (iv) of paragraph (3) of this subsection.".

(d) Subsection (d) of section 7 of such Act is amended by adding at the end thereof the following: "Notwithstanding the foregoing provisions of this subsection, the provisions of subsection (g), or any other law, the heads of Federal agencies, in connection with the Appalachian National Scenic Trail, may acquire up to one hundred and twenty-five acres in any one mile without the consent of the owner thereof.".

(e) Section 10 of such Act is amended by deleting "$5,000,000" and inserting in lieu thereof "$89,000,000."

ADDITIONAL COSPONSORS

S. 961

At the request of Mr. CRANSTON, the Senator from Colorado (Mr. HART), the Senator from Colorado (Mr. HASKELL), and the Senator from Hawaii (Mr. MATSUNAGA) were added as cosponsors of S. 961, to promote the healthy development of children.

S. 1487

At the request of Mr. BELLMON, the Senator from Oklahoma (Mr. BARTLETT)

was added as a cosponsor of S. 1487, to eliminate racketeering in the sale of cigarettes.

S. 1692

At the request of Mr. MELCHER, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 1692, to reform the Postal Service.

S. 1773

At the request of Mr. JAVITS, the Senator from Iowa (Mr. CLARK) was added as a cosponsor of S. 1773, the age discrimination amendments.

S. 1766

At the request of Mr. RIBICOFF, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 1766, the Federal Computer Systems Protection Act.

S. 1819

At the request of Mr. DECONCINI, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 1819, the Federal Criminal Diversion Act.

S. 1981

At the request of Mr. DOLE, the Senator from Montana (Mr. MELCHER) and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 1981, to provide for automatic adjustment to individual retirement accounts.

SENATE RESOLUTION 238

At the request of Mr. CHURCH, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of Senate Resolution 238, calling for a World Assembly on Aging and a World Year on Aging.

SENATE RESOLUTION 242

At the request of Mr. HATCH, the Senator from Texas (Mr. TOWER) was added as a cosponsor of Senate Resolution 242, relating to certain policies of the IRS.

SENATE JOINT RESOLUTION 65

At the request of Mr. KENNEDY, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of Senate Joint Resolution 65, to provide representation in Congress of the District of Columbia.

SENATE RESOLUTION 257—ORIGINAL RESOLUTION REPORTED DURING THE ADJOURNMENT

Under authority of the order of August 5, 1977, Mr. JOHNSTON, from the Committee on Energy and Natural Resources, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 257

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of . Such waiver is necessary because S. , containing parts A, B, and G, as amended, of title I of S. 1469, the National Energy Act, authorizes the Administration of the Federal Energy Administration to expend funds and to guarantee loans for certain energy conservation programs in fiscal year 1978.

The authorizations contained in S. , are consistent with the Energy and Natural Resources Committee's March 15, 1977, report to the Committee on the Budget. However, compliance with section 402(a) of the Congressional Budget Act of 1974 with respect to these authorizations was not possible because of—

(1) the extensive hearings and markups necessary for the full consideration of the President's national energy plan proposals submitted to the Congress on April 20, 1977, and

(2) the large number of other matters considered and reported by the Committee on Energy and Natural Resources during the past three months.

AMENDMENTS SUBMITTED FOR PRINTING

REDWOOD NATIONAL PARK—S. 1976

AMENDMENTS NOS. 827, 828, AND 829

(Ordered to be printed and referred to the Committee on Energy and Natural Resources:)

Mr. CRANSTON submitted three amendments intended to be proposed by him to the bill (S. 1976) to add certain lands to the Redwood National Park in the State of California, to strengthen the economic base of the affected region, and for other purposes.

CIVIL RIGHTS ACT AMENDMENTS—S. 995

AMENDMENTS NOS. 830, 831, AND 832

(Ordered to be printed and to lie on the table.)

Mr. HATCH (for himself and Mr. HELMS) submitted three amendments intended to be proposed by them jointly to the bill (S. 995) to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy.

NATIONAL ENERGY POLICY—S. 1469

AMENDMENT NO. 833

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. HART submitted an amendment intended to be proposed by him to the bill (S. 1469) to establish a comprehensive national energy policy.

SACCHARIN STUDY—S. 1750

AMENDMENT NO. 834

(Ordered to be printed and to lie on the table.)

Mr. CANNON (for himself, Mr. CRANSTON, Mr. DOMENICI, Mr. GOLDWATER, Mr. HAYAKAWA, Mr. STEVENS, Mr. STONE, Mr. THURMOND, Mr. TOWER, Mr. WALLOP, and Mr. ZORINSKY) submitted an amendment intended to be proposed by them jointly to the bill (S. 1750) to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act, as amended, to conduct studies concerning toxic and carcinogenic substances in foods, to conduct studies concerning saccharin, its impurities and toxicity and the health benefits, if any, resulting from the use of nonnutritive sweeteners including saccharin; to ban the Secretary of Health, Education, and Welfare from taking action with regard to saccharin for 18 months, and to add additional provisions to section 403 of the Federal Food, Drug, and Cosmetic Act, as amended, concerning misbranded foods.

ENERGY CONSERVATION—S. 977

AMENDMENT NO. 835

(Ordered to be printed and to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill (S. 977) to require the new and, to the extent practicable, existing electric powerplants and major fuel-burning installations, in categories to be determined, utilize other than natural gas or petroleum as their primary energy source in compliance with applicable environmental requirements, and for other purposes.

AMENDMENT NO. 836

(Ordered to be printed and to lie on the table.)

Mr. HANSEN (for himself, Mr. WALLOP, Mr. SCHMITT, Mr. GARN, Mr. HATCH, Mr. MCCLURE, Mr. LAXALT, Mr. DOMENICI, Mr. HAYAKAWA, Mr. BENTSEN, and Mr. HELMS) submitted an amendment intended to be proposed by them jointly to the bill (S. 977), supra.

AMENDMENT NO. 837

(Ordered to be printed and to lie on the table.)

Mr. ROTH submitted an amendment intended to be proposed by him to the bill (S. 977), supra.

AMENDMENT NO. 838

(Ordered to be printed and to lie on the table.)

PREVENTING FURTHER OIL COMPANY ACQUISITIONS OF COAL AND URANIUM RESOURCES

Mr. KENNEDY. Mr. President, tomorrow I will be calling up an amendment to prohibit major oil and gas producers from acquiring any further interests in coal and uranium assets. It is not a divestiture amendment, and would not affect the ability of any firms presently holding coal and uranium resources to move forward with development of those resources. Nor would it affect any corporate structure or relationship presently existing.

Moreover, where an exception to this ban would not lessen competition and would substantially promote increased production, the Secretary of Energy and the Secretary of the Interior can certify an exception or exemption from the prohibition.

So that my colleagues can have the opportunity to review this amendment in its entirety—which will be considered tomorrow—I ask unanimous consent that the amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 838

On page 139, between lines 7 and 8, insert the following new section:

PROTECTION OF COMPETITION

SEC. 6. (a) The Energy Supply and Environmental Coordination Act of 1974, as amended by this Act, is further amended by adding at the end thereof the following new title:

"TITLE V—PROTECTION OF COMPETITION

"DEFINITIONS

"SEC. 501. As used in this title the term—

"(1) 'person' means an individual, corporation, partnership, joint venture, joint stock

company, trust, trustee in bankruptcy, receiver in reorganization, association, or any organized group, whether or not incorporated, but does not include any authority of the United States or of the several States;

"(2) 'control' means a direct or indirect legal or beneficial interest in, or direct or indirect legal power or influence over, another person or asset arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or officers, or contractual relations which substantially impair the independent business behavior of another person;

"(3) 'affiliate' means a person controlled by, controlling, or under or subject to common control with respect to any other person;

"(4) 'Outer Continental Shelf' has the same meaning as provided for such term in section 2(a) of the Outer Continental Shelf Lands Act (67 Stat. 462);

"(5) 'major petroleum producer' means any person (including all affiliates of such person) who, during the calendar year 1976, or in any subsequent calendar year, produced within the United States (including the Outer Continental Shelf) a total of fifty five million barrels of crude oil and condensate and natural gas liquids, or whose interest in crude oil and condensate and natural gas liquid production within the United States totalled fifty-five million barrels, or who produced within the United States (including the Outer Continental Shelf) one hundred billion cubic feet of natural gas, or whose interest in natural gas production within the United States totalled one hundred billion cubic feet;

"(6) 'Commission' means the Federal Trade Commission;

"(7) 'coal asset' means natural deposits of coal in recoverable quantities;

"(8) 'uranium asset' means natural deposits of uranium in recoverable quantities; and

"(9) 'antitrust law' means the Sherman Act, the Clayton Act, or the Federal Trade Commission Act.

"UNLAWFUL ACQUISITIONS

"SEC. 502. Notwithstanding any other provision of law, it is unlawful for any major petroleum producer to acquire any interest in or control over any coal asset or uranium asset after the date of enactment of this Act.

"EXEMPTION AUTHORITY

"SEC. 503. Upon the recommendation of the Secretary of Energy and the Secretary of the Interior, the Commission may, after consultation with the Attorney General of the United States, exempt specific persons otherwise subject to the provisions of section 502 of this Act with respect to a specific acquisition of a coal asset or uranium asset if the Commission finds that such acquisition—

"(1) would significantly enhance energy resource production; and

"(2) would not create or maintain a situation inconsistent with the antitrust laws.

"REPORTS

"SEC. 504. Not later than thirty days after the date of enactment of this Act, each major petroleum producer who owns or controls any interest in any coal asset or uranium asset shall file with the Commission and the Attorney General of the United States a report listing and describing its interests in such assets. Each major petroleum producer shall also file a report with the Commission and the Attorney General of the United States listing and describing any coal asset or uranium asset hereafter acquired within 30 days of the date of acquisition thereof and any coal asset or uranium asset held or controlled, but not previously reported, within 30 days of the date such major petroleum producer learns of the existence of such coal or uranium asset. The Commission or the Attorney General of the United States may order such major petroleum producers to file additional reports and may order any other person to file reports as it deems necessary to carry out the purposes of this Act.

"SANCTIONS

"SEC. 505. (a) Any person, or any officer, director, or partner thereof, who violates any provision of this Act shall be subject to a civil penalty of not more than $100,000, in the case of an individual, or not more than $1,000,000, in the case of a corporation. Such penalties shall accrue to the United States.

"(b) Any person, or any officer, director, or partner thereof, who violates a lawful order of the Commission issued pursuant to this Act shall be subject to a civil penalty of not more than $5,000 for each such violation which shall accrue to the United States. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey an order of the Commission, each day that such failure or neglect continues shall be deemed a separate offense.

"(c) The Commission may enter such order as may be appropriate and the Attorney General may obtain in the courts of the United States such equitable relief as may be appropriate, to accomplish the purposes of this Act.

"REPORT ON SOLAR ENERGY

'SEC. 506. Not later than one year after the date of enactment of this Act, the Commission shall report to the Congress the extent to which the control of solar energy technology by major petroleum producers may be retarding the production of solar energy and the extent to which such control may limit the competition of solar energy with petroleum and other more conventional energy sources.

"APPLICATION OF ANTITRUST LAWS

"SEC. 507. Nothing in this title shall be deemed to convey to any person immunity from civil or criminal liability, or to create any defenses to actions, under any antitrust law."

(b) Notwithstanding the provisions of section 7 of this Act the amendment made by this section shall become effective on the date of enactment of this Act.

Mr. KENNEDY. Mr. President, I also ask unanimous consent that a factsheet containing background on the amendment be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FACTSHEET—AMENDMENT TO PROTECT INTERFUEL COMPETITION

I. This is not a divestiture amendment;

Major oil and gas producers would not be required to give up coal or uranium properties they now hold.

But, major oil and gas producers would not be allowed to acquire additional interests.

Interfuel competition would be preserved and enhanced by ensuring that future entrants into the coal and uranium industry have no conflicting interests in oil and gas.

II. Why should we limit oil company entry into other fields?

Concentration has been growing within the crude oil producing industry itself: In 1955 the eight largest producers had 36 percent of domestic production; in 1975, it was more that 54 percent—the eight largest producers in 1975 had just about the same market share as the 20 largest of 1955.

Oil companies accounted for 25 percent of the country's uranium output in 1970—and for 49 percent by 1975. Today, according to an Exxon statement, oil companies hold 60 percent of the nation's privately-held uranium reserves.

In 1966 two major oil companies accounted for 11 percent of the nation's coal output; in 1976, eight oil companies produced more than 20 percent of the country's coal. But a number of other oil companies are holding coal properties for speculation of future coal prices or future development of coal liquefaction or gasification technology. As a result, roughly two dozen oil and gas companies own more than 40 percent of the nation's privately-held coal reserves.

In other words, a handful of major companies not only control domestic crude oil production, but they are rapidly expanding their control over the principal competitive energy resources.

III. How will this amendment help preserve competition?

Major oil and gas producers (the top 16 oil companies and 6 large gas producers) will no longer be able to acquire coal or uranium production companies.

Even more important is the disposal of unleased reserves. Today, well over 100 billion tons of economically-recoverable coal is found on properties which have not yet been leased. An unknown, but large, volume of potential uranium reserves is yet to be found and exploited. What this amendment will do is ensure that these reserves will go to producers who have no interests in oil and gas, and, indeed, have every reason to compete vigorously against the oil and gas companies to market their own fuels, and to petroleum producers too small to control oil and gas prices.

IV. Can this amendment hurt the oil and gas industry?

No. No present holder of coal or uranium interests will be required to divest them. Basically, we simply warn major oil and gas companies not to make such investments in the future.

Of the 16 major oil companies, at least 15 have coal interests. Most of these are substantial—

Exxon, for example, has announced a 1985 production target of 40 million tons/year. At this rate of production the company's present coal reserves would last more than 200 years;

Continental Oil—the country's second-largest coal producer—had 56 million tons' output last year. Should Continental raise its production rate to 100 million tons/year, its reserves would last for more than a century.

Sohio has much smaller reserves—less than a billion tons. At last year's production rate, Sohio will run out of coal in about 85 years.

Companies like Phillips, Mobil, Shell, Arco, and Sun Oil are all in the multi-billion ton coal reserve class, without ever having mined a single ton. The biggest risk they face in becoming major producers is that coal may become technologically obsolete before they could exhaust their reserves.

Much the same situation appears in uranium. Of the sixteen major oil companies, ten have reported holding uranium reserves. Others are engaged in exploration and may well hold reserves which have not been publicly reported.

In short, major oil and gas companies hold important positions in the coal and uranium industries, and are in a position to profit from their investments in these industries.

The amendment does not restrict any company's ability to exploit the investments which it has already made. It says only that major oil and gas producers cannot continue to acquire an ever-increasing share of these alternative fuel industries.

V. What about the smaller oil and gas companies?

The major oil and gas producers have clearly demonstrated their ability to control the petroleum industry to their own benefit.

There is not one of them which is not engaged in a web of joint ventures with its so-called competitors, a world-wide web which cannot help but be anticompetitive and which would never be tolerated in any other industry by the antitrust authorities.

This is the danger which we hope to avoid in competitive energy industries.

The smaller oil and gas producers are often large enough to finance coal and uranium production. At the same time they are small enough petroleum producers to lack any market power in that industry. Kerr-McGee, for example, is the largest uranium producer in the world. While it is an "oil company," its domestic production is less than 0.2 percent of the domestic industry's. Clearly, Kerr-McGee has no influence over oil prices which could create a conflict with its uranium interests.

If there is any merit to the major oil company argument that oil industry technological skills can be transferred to the search for alternative fuels, the smaller companies are fully equipped to accomplish this. Nearly all onshore exploration and development of oil resources in recent years has been carried out by companies other than the sixteen majors.

VI. What's wrong with the major oil companies owning all the coal and uranium resources they can get hold of?

Coal and uranium are naturally competitive with oil and gas in important markets. If coal and uranium markets are themselves competitive, they exert downward pressures on oil and gas prices. Obviously it makes no sense to permit those companies which have vested interests in high oil and gas prices—and the market power to achieve those prices—to also control the very substitutes which are competitive.

To date, the record of oil company development of their coal resources is remarkably unimpressive. Five oil companies had coal production in 1970 (Gulf, Continental, Sun, Sohio, and Exxon). Their coal production between 1970 and 1976 went down by 17 percent. Meanwhile, in response to rising coal prices, the rest of the industry expanded production by 17 percent. Exxon, which began producing coal during 1970, was the only one of the five to increase output.

In the long run there is another problem. The future market for coal may be in liquefaction or gasification, which would greatly widen the area of competition with conventional oil and gas. There is at least the temptation for a company with large oil and gas reserves to avoid risking any drop in the value of those reserves which would result from aggressive technological development of efficient, economic methods of utilizing coal.

Finally, the international commitments of the majors could tempt them, at least, to go slow on coal and uranium development. For example, the United States is now a major market for Saudi Arabian oil. The Aramco owners' existing and planned investments in Saudi Arabia come to billions of dollars. Would these investments be jeopardized if the Aramco owners developed their coal and uranium resources in a manner which threatened to eliminate the U.S. market for Saudi oil? Would the present favored position of the Aramco owners as virtually exclusive agents for the worldwide marketing of Saudi oil be threatened if they are pushing substitute fuels to a degree which threatens to reduce the market for Saudi oil? These are the types of conflict which inevitably arise when major international oil companies gain a position of influence over supplies of competitive fuels.

VII. Would this amendment reduce the availability of capital to the coal and uranium industries?

Of course not. Again, the major companies nearly all have large reserves of coal and uranium—reserves which will absorb huge sums of capital if they are diligently developed. The most obvious reason for such companies to acquire still more reserves is not to develop them, but to foreclose any potential competitor from developing them.

The failure of oil companies to develop their coal reserves in recent years is not surprising. While competitive coal prices were low, the rate of return on coal investments was less than what the oil companies were used to or would accept. Now that coal prices are much higher than they were—and the industry has become very profitable—the oil companies are starting to develop their reserves.

In other words, if coal production is not profitable enough to attract investment funds from the banking community, the oil companies won't put money in either. If the industry is profitable enough to persuade oil owners of coal reserves to spend money on development, the coal industry itself can attract non-oil company funds.

To summarize: coal and uranium should be profitable enough over the next decades to attract ample financing, even if there were no oil company involvement in these industries. But the amendment does not push anyone out of coal or uranium. The major companies, subject to the amendment, already have ample reserves which they are free to develop. Smaller oil and gas producers are still welcome to enter these other industries.

Mr. KENNEDY. Finally, Mr. President, I think that my colleagues will be interested in the conclusions and recommendations of the Tennessee Valley Authority, in a major report which was transmitted this morning to the President and the Congress. These conclusions and recommendations from the report's last chapter are brief, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONCLUSIONS AND RECOMMENDATIONS

In this final chapter, we have again summarized our conclusions concerning the structure of the coal and uranium markets and have set out our recommendations for TVA actions to maintain and improve competition in those markets.

A. CONCLUSIONS

The major conclusions of this report may be summarized as follows.

1. *The steam coal markets*—

a. Bituminous and lignite coal form a distinct product market. Steam coal is traded in a national market and four important regional markets including the Midwest, Appalachia, Northern Great Plains, and Southwest.

b. The national steam coal market is concentrated and increasing in concentration. The market is dominated by a small group of energy companies.

c. Concentration in three of the four principal regional markets (Midwest, Northern Great Plains, and Southwest) is even higher than in the national market.

d. The Midwest coal market is an oligopoly, and all but one of its principal competitors are energy companies who have entered the market since the early 1960's. The concentration in the Midwest is of particular concern to TVA since that market supplies us with 70 percent of our coal receipts.

e. The Northern Great Plains and the Southwest coal markets are important to TVA as potential sources of low sulphur coal. Each of those fields is highly concentrated and tending toward increased concentration.

f. Two recent mergers may have substantial adverse effects on the western coal markets. Socal's acquisition of a substantial minority interest in AMAX Coal Company tied one of the Northern Great Plains' largest coal producers to the Nation's fourth largest energy company. General Electric's merger with Utah International will give GE control of the second largest coal producer in the Southwest.

g. At the same time the energy companies were acquiring the coal companies and concentration in the coal markets was increasing, the price of coal increased drastically. After TVA's average cost per ton of coal remained relatively constant from 1963 through 1969, it increased steadily from 1970 to 1974, and thereafter rose so sharply that by 1976, coal cost four times more than in 1969.

h. The changes in the competitive structure of the coal industry during the last 13 years and the major increase in the price of coal were instrumental in forcing TVA to nearly double average residential electric rates between 1970 and 1975.

2. *The uranium market*—

a. There is a distinct national uranium market.

b. Concentration in the uranium industry is high and has been high for at least the last 10 years. In addition, the uranium market is dominated by the same small group of energy companies which dominate the coal markets.

c. Skyrocketing like coal and petroleum prices, the price of uranium concentrate has tripled in the last three years.

3. *The coal and uranium market*—

a. Although coal and uranium are traded in distinct markets, the fuels are substitutes for power generation and together they form a third distinct market.

b. The markets for coal and uranium are dominated by the same group of energy companies, all of whom have entered the coal and uranium industries in the last 10 or 15 years.

c. The energy companies exercise sufficient control over the coal and uranium markets to be able to hamper interfuel price competition.

B. RECOMMENDATIONS

The major recommendations of this report may be summarized as follows:

1. *Solutions involving litigation*—

a. The coal and uranium markets are so concentrated that any further mergers of large coal companies, uranium companies, or energy companies, will noticeably increase concentration and the likelihood of uncompetitive pricing and practices. Therefore, we recommend that TVA establish procedures to constantly monitor the energy markets, and upon finding mergers, to make our opposition known to the appropriate officials at the FTC or the Department of Justice.

The procedures for monitoring the energy markets need not be particularly expensive or time consuming. One person (preferably a lawyer or economist) can easily stay current with the coal and uranium markets by following the financial pages of a major newspaper in addition to several coal and uranium trade publications.

In addition, we need to maintain our contacts at the FTC and Justice Department to have effective means of presenting our opposition to particular mergers or other anticompetitive conditions.

b. We recommend that we make our opposition to particular mergers known to the public. We think one of the things merging companies watch for, and the enforcement agencies react to, is adverse public opinion and potential opposition.

For example, the Mapco/Falcon merger in the fall of 1975 was dropped shortly after it became publicly known that TVA was actively assisting the FTC in its investigation. Perhaps that was a coincidence.

In any event, TVA is a giant in both the coal and the uranium markets. When a merger or other occurrence threatens to hurt us, we think we should complain, loudly.

c. If the FTC or the Department of Justice will not bring suit, if necessary, to prevent an energy company merger, we recommend that TVA be prepared to bring the suit itself.

It is not clear that TVA can bring a suit for divestiture. While the Fifth Circuit and others have held that divestiture is a remedy available to private litigants, such as TVA (*Dailey* v. *Quality School Plan, Inc.*, 380 F.2d 484 (5th Cir. 1967); *Carlson Cos.* v. *Sperry & Hutchinson Co.*, 507 F.2d 959 (8th Cir. 1974); *Gottesman* v. *General Motors Corp.*, 414 F.2d 956 (2d Cir. 1969)), other courts have held to the contrary (*Utah Gas Pipelines Corp.* v. *El Paso Natural Gas Co.*, 233 F. Supp. 955 (D. Utah 1964)). Therefore, if we want to prevent the merger altogether, we probably should seek an injunction blocking the consummation of the merger, rather than bringing suit after the merger is complete.

d. If we are going to spur the enforcement agencies to action, we think we should be prepared to back them up with whatever assistance (at whatever cost) we can reasonably provide. While we certainly know more about the energy markets in which we compete, the FTC and Justice Department are much better equipped, staffed, and funded to pursue antitrust litigation.

e. We recommend that TVA not challenge any completed energy company mergers at this time. No matter how compelling a suit might have been brought at the time of the merger, most of the mergers are now over five years old and there are substantial questions as to TVA's laches and the statute of limitations which would likely bar relief.

2. *Solutions involving legislation*—

a. We recommend that TVA actively support legislation to prevent energy company formation and growth from further acquisitions. Competition in both the coal market and the uranium market would be helped if those two markets had to compete with each other.

We think reasonable legislation would include the following provisions:

1. No large firm shall be allowed to acquire by merger or de novo any interests in more than one fuel of the three primary fuels—petroleum, coal, and uranium. That is, oil companies would not be allowed to purchase interests in either coal or uranium; but

ii. To avoid massive dislocation in the fuel markets, existing energy companies would not be required to divest themselves of their current multiple fuel interests, but they would be prohibited from further acquisitions.

b. Uncertainty about Government energy policies makes investment in energy ventures a rather risky business. Some of that risk can be eliminated by an energy company diversifying into multiple energy fields. A small company with a single fuel interest, on the other hand, cannot achieve that diversity and is subject to the full risk of changes in energy policy. Therefore, one way to improve energy market competition is for the Government to adopt a stable, rational long-range energy policy on which all energy firms can reply. TVA Board Chairman, Aubrey J. Wagner, called for such an energy policy in a speech to the Mississippi Public Power Association in October of 1976. ("Guidelines to Prevent Disaster," *TVPPA News* 2 (Oct. 1976)). We hardly need to recommend that TVA continue to push for such an energy policy.

NOTICES OF HEARINGS

FEDERAL CRIMINAL DIVERSION ACT

Mr. DECONCINI. Mr. President, I wish to announce that the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary will hold another open public hearing on S. 1819, the proposed Federal Criminal Diversion Act of 1977.

The hearing will be held on September 19, 1977, commencing at 9 a.m., in room 2228, Dirksen Senate Office Building.

Persons who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with Tim McPike of the subcommittee staff, 6306 Dirksen Senate Office Building, Washington, D.C. 20510; telephone 224–3605.

JUDICIAL TENURE ACT

Mr. DECONCINI. Mr. President, I wish to announce that an open public hearing will be held by the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary on September 14, 1977, on S. 1423, the proposed Judicial Tenure Act.

The hearing will be held in room 2228, Dirksen Senate Office Building, commencing at 9 a.m.

Persons who wish to testify or submit a statement for inclusion in the record should communicate, as soon as possible, with the subcommittee office, 6306 Dirksen Senate Office Building, Washington, D.C. 20510; telephone 224–3618.

HEARINGS ON THE IMPLEMENTATION OF THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

Mr. CULVER. Mr. President, on September 27 and 28 the Subcommittee to Investigate Juvenile Delinquency will hold hearings on the Implementation of the Juvenile Justice and Delinquency Prevention Act of 1974. The hearings will focus on the extent to which States have made progress toward the goal of removing juveniles who have engaged in noncriminal misbehavior from detention and correctional facilities in accordance with the mandate of the act.

The hearings will begin at 9:30 a.m. in room 4200 of the Dirksen Senate Office Building, Washington, D.C. Any questions regarding the hearings should be directed to Josephine Gittler, chief counsel for the subcommittee.

SUBCOMMITTEE ON PARKS AND RECREATION

Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Parks and Recreation Subcommittee of the Senate Energy and Natural Resources Committee.

The hearing is scheduled for September 23, 1977, beginning at 9 a.m., in room 3110 of the Dirksen Senate Office Building. Testimony is invited regarding the following bills:

S. 1156—To authorize the establishment of the San Antonio Missions National Historical Park in the State of Texas, and for other purposes.

S. 1671—To designate the Absaroka-Beartooth Wilderness, Custer and Gallatin National Forests, in the State of Montana.

S. 1791—To authorize the establishment of the Chattahoochee River National Recreation Area in the State of Georgia, and for other purposes.

For further information regarding the hearings you may wish to contact Mr. Thomas Williams of the subcommittee staff on extension 47145. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Parks and Recreation Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

JUDICIAL NOMINATIONS

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, September 15, 1977, at 10 a.m., in room 2228 Dirksen Senate Office Building, on the following nominations:

Procter R. Hug, Jr., of Nevada, to be U.S. circuit judge for the ninth circuit vice Ben Cushing Duniway, retired.

Alvin B. Rubin, of Louisiana, to be U.S. circuit judge for the fifth circuit vice John Minor Wisdom, retired.

Harry H. MacLaughlin, of Minnesota, to be U.S. district judge for the district of Minnesota vice Earl R. Larson, retired.

Any persons desiring to offer testimony in regard to these nominations, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

This hearing will be before the full Judiciary Committee.

FREEDOM OF INFORMATION ACT

Mr. ABOUREZK. Mr. President, I wish to announce that the Subcommittee on Administrative Practice and Procedure of the Senate Judiciary Committee will hold hearings on the Freedom of Information Act. The hearings are scheduled for September 15 and 16 and October 6, 1977. The September 15 hearing will be in room S–126, the Capitol, the September 16 hearing will be in room 2228, Dirksen Senate Office Building, and the October 6 hearing will be in room 1202, Dirksen Senate Office Building, at 10 a.m. each day.

Any person wishing to appear and testify or to submit a statement should contact the subcommittee staff in room 162, Russell Senate Office Building, telephone 224–5617.

ADDITIONAL STATEMENTS

EIGHTEEN YEARS AFTER STATEHOOD, HAWAII IS STILL MORE THAN A PRETTY PLACE

Mr. MATSUNAGA. Mr. President, while the Senate was in its nonlegislative work period, the people of Hawaii celebrated its 18th anniversary of statehood. It was on August 23, 1959, that the bill granting statehood to Hawaii was signed into law by President Dwight D. Eisenhower.

The final enactment of the statehood bill was the culmination of more than 50 years of persistent appeal. The first petition calling for statehood was presented

to Congress by the people of Hawaii in 1903—only 3 years after Hawaii became a U.S. Territory. Beginning in 1919, every single territorial delegate to Congress offered resolutions providing for Hawaii's admission to the Union.

In 1959, I was a member of the Territorial legislature and I well remember the day in March when the statehood bill finally passed Congress. The U.S. Senate acted first, passing the bill on March 11. On March 12, we all gathered in the throne room of the Iolani Palace in Honolulu—the Territory's capital building at that time—to await word on the House action. Our Territorial delegate, John A. Burns, had promised to call us long distance as soon as the vote was taken. His announcement of the favorable vote was greeted with a deafening cheer, followed immediately by an almost mystical silence. It was as if all those present had joined in silent prayer, to thank God for the great blessing bestowed on the people of Hawaii, and to ask for His guidance in their new and heavier responsibilities.

After 18 years of statehood, Hawaii remains, in the words of Mark Twain:

The loveliest fleet of islands anchored in any ocean.

Unique because of its location in the mid-Pacific, Hawaii nevertheless shares the hopes, dreams, aspirations, and problems of its 49 sister States. It is "more than a pretty place," as the Hawaii Visitors Bureau said in a recent promotional campaign.

The island State was selected by President John F. Kennedy as the site of his first major civil rights address in June 1963 because, he said:

Hawaii is what the United States is striving to be.

With its multiethnic, multiracial, and multicultural population, Hawaii still is the embodiment of the American dream which our forefathers had in mind when they founded this Nation more than 200 years ago. Moreover, Hawaii was the first State to ratify the equal rights amendment to the U.S. Constitution, acting only a few hours after its passage by the U.S. Congress. Hawaii was among the first to give the right to vote to the 18-year-old.

In selecting Honolulu to be the site of the Center for Cultural and Technical Interchange Between East and West—the East-West Center—President Lyndon Baines Johnson recognized Hawaii's crucial importance as a bridge between Asia and the nations of the Western World. Every succeeding President, right up to President Jimmy Carter, has endorsed the concept that the United States should remain a "Pacific power" through the means of peaceful, cultural, scientific, and educational exchange. Every President has recognized the vital role of the East-West Center in connection with this effort. Every Congress has strongly supported its continuance since the center was created.

A pioneer in the fields of tropical agricultural research and tropical medicine, Hawaii will probably pave the way to solving the problems of world hunger and disease, particularly in the developing nations of the Third World.

The 50th State is also a leader in the search for innovative new sources of energy and, in recent years, has made tremendous progress in its efforts to harness solar, geothermal, ocean thermal, and wind power.

The clean air and clear atmosphere atop Mauna Kea, one of the world's tallest mountains, led scientists from France, Canada, and the University of Hawaii to select that spot for the world's second-largest telescope. The Mauna Kea Observatory will also play a major role in our future space explorations.

Hawaii's ideal geographic location, its favorable climate, and its progressive government have also attracted the attention of business leaders here at home and abroad. With the rapid advancement of communications technology, it is becoming a Pacific center of trade, commerce, finance, and research and development.

These changes have not occurred without some cost, of course. That the people of Hawaii have managed to retain their unique aloha spirit, their cultural diversity, their beautiful scenery, clean air, and fine beaches, is the real miracle of the island State and one which is appreciated by resident and visitor alike. Their many friends in Congress who worked long and hard to make the people of Hawaii full citizens of this great Nation can be truly proud of them.

THE HUMANITIES AND THE ARTS FOR URBAN SURVIVAL

Mr. MATHIAS. Mr. President, so much has been written about our cities in the past several years that it is hard to conceive that there is still something fresh to say. But Kent Mullikin, Jr., staff associate of the National Humanities Center in Research Triangle Park, N.C., gave a talk which seems to me to analyze the significance of our cities to our civilization with unusual clarity and freshness.

Speaking at a symposium sponsored by Far Rockaway High School in Far Rockaway, N.Y., in May, Mr. Mullikin deftly and cogently outlined the interrelationships of cities and civilization. He defined the humanities within the context of our cities and he measured our cities to the size of man. There is no doubletalk in Mr. Mullikin's lecture; it is direct, sensible and, to my mind, important. I commend his words to the attention of my colleagues and ask unanimous consent that the full text of his talk, entitled "The Humanities and the Arts for Urban Survival," be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE HUMANITIES AND THE ARTS FOR URBAN SURVIVAL

(By Kent Mullikin)

It is a privilege to take part in the Humanities Enrichment Program here at Far Rockaway. I do so gladly but humbly, realizing that the obvious success of this program is owing in part to the National Humanities Faculty Members who have been here before me, but is owing most of all to the energies and imagination of the Far Rockaway teachers and students, who have been here all along. I congratulate Max Schrier and his colleagues and I congratulate Vicki, Laura, Fern, Hank, and their fellow students in the Humanities and Arts Program.

To give you a sense of where I'm from I grew up in Annapolis, the capital of Maryland—a city in which everything was in walking distance. I have studied in Baltimore and Dublin, both of which are cities with strong personalities. I have taught in Beirut, Lebanon, a city now in ruins, and Washington, D.C.—which some people would also classify a disaster area (for different reasons). I'm still a young man (you might not think so, but I am) but even I have seen the city change. I also know the changes my father has seen. He was born in 1899. His first visit to Annapolis was in a horse-drawn buggy in 1908. One of his earliest memories is being taken outside one night in 1904 to see the glow in the sky from the great Baltimore fire, twenty-five miles away. I, too, have seen Baltimore in flames—not as the result of a careless accident as in 1904 but as a result of frustration, poverty, and rage—in 1968 after the murder of Martin Luther King. As I said, I have a sense of change.

Today I want to talk about the central role of the city in human civilization, to say something about the humanities, to look at some past and present attacks on the city, and to try to look toward the future.

Recently I was reading a best-selling book. It begins in a peaceful rural environment but ends in the city. It got me thinking about the ancient human pattern of movement from country to city. According to the Greek and Roman myths, man began as a solitary creature living in the forest. Eventually, great legendary leaders used the art of rhetoric to persuade their fellow men to co-operate in the building of cities.

The name of that best-selling book I mentioned is the Bible. It begins in the Garden of Eden and ends in the ideal city, the New Jerusalem. Unfortunately, human life takes place somewhere between these two perfect places—you might say in a temporal suburbia. Nevertheless, I want to stress that ancient pattern of movement to the city as one which is very deeply etched in the Judaic and Christian, Greek and Roman, in the European imagination—that is to say, in the mainstream of Western culture. The touchstones of our culture are cities: in the religious tradition in the holy cities of Zion, Rome (or to shift from our exclusive focus on the West, Byzantium, Mecca, Delhi); in the philosophical tradition, Athens; musical, artistic and in the literary traditions, Vienna, Florence, Paris, London, etc. All are integral parts of the human experience. Man is a city-builder. The city is a work of human art. Our word civilization is linked to the Latin word for city; our word politics is linked to the Greek word for city.

But let me interrupt this around-the-world-in-80-days grand tour of great cities and climb down from my beautiful balloon to take a closer look, to zoom in for a close-up. The gerat cities of the past were not all shining marble palaces and refined civilization. One about which I have read is eighteenth-century London. In the early 1700's, London had its full share of urban poverty, disease, vice, and squalor. It's worth remembering that Daniel Defoe not only wrote the famous book about Robinson Crusoe's life on a desert island; he also wrote an account of the year when the plague swept through the city; he wrote about Moll Flanders, a London prostitute; and he wrote about a character called Colonel Jack, who started out in life as a pickpocket. The high crime rate in London evidently was not affected by the fact that criminals—men, women, and even children—were hanged in public,

to the great entertainment of the London crowds, who went to executions with something of the same spirit that we go to picnics or carnivals.

Violence, crime, and let's not forget squalor, for London was a mess. Here is Jonathan Swift's description of a London street after a sudden shower of rain:

"Sweepings from butchers' stalls,
dung, guts, and blood,
"Drowned puppies, stinking sprats,
all drenched in mud,
"Dead cats and turnip-tops come
tumbling down the flood."

When you walked through those streets you risked having a basin or bucket of something emptied on your head from a second-story window—and in the days before indoor plumbing, you can guess what that something might be.

Such were the sights and smells of the *real* London of 200 years ago: not too sweet. And yet, Samuel Johnson, one of the greatest Londoners of that day and of that time, a man who came to the city poor and was well acquainted with its back-streets and misery before he succeeded, would not tolerate anyone's saying that life in the country was preferable. Johnson declared "When a man is tired of London, he is tired of life; for there is in London all that life can afford." It has been said [by Joseph Wood Krutch] that—

"London was to Johnson first and foremost not London's filth or suffering or degradation. For him London was above all the center of learning. . . . Cities were the characteristic product of man's effort to raise himself above the animal level, to create a world of thoughts and aims and institutions human rather than natural . . . [cities were] the greatest of man's achievements."

These resources of the city sustained Johnson, and they still sustain people today. You may have seen the article in the *Times* not long ago that presented the statistical evidence of a psychological survey which concluded that mental health was better in New York City than in the countryside. (Now I can assure all my friends in New York, "You only *think* it's driving you nuts." One of them replied, "You see, we're like cockroaches. We develop immunities to any poison.") Seriously, the point of the article in the *Times* was that the varied cultural riches of New York supplied things that people really need.

Samuel Johnson also argued that: "No wise man will go to live in the country. A great city is proper school for studying life" and repeated a favorite line by Alexander Pope: "The proper study of mankind is man." (Today, Pope might have to write "The proper study of person-kind is person.") However you take it, Pope's line brings me to the other aspect on my topic—I've been talking about the city and now I want to say something of the humanities.

In the first place I am not sure what the term "humanities" means. If you are unsure too, don't worry. The National Endowment for the Humanities, the Federal Agency charged directly with their support, states that "there are few concepts in our language as imprecisely defined as the humanities." Having made my excuses, I'll offer something like a definition. The humanities have as their special province certain large areas of human effort and imagination, including not only works of art and music, literature, philosophy, history, and theology but also more generalized creations such as social structures and codes of law. The humanities extend the boundaries of our sympathy and understanding as well as our knowledge by locating us in the contexts of human history and human diversity. The humanities have to do with the things that endure in human experience, both its possibilities and its limitations.

As the focal points of human civilization, the cities of the world have traditionally generated the stuff of the humanities. The question we face today is whether or not we are slowly losing a humanistic conception of the word "city." At the same time, there is concern about the state of the humanities. Not long ago a young humanist scholar was confronted with the proposition that the humanities are going to hell. He thought a minute and replied, "Why that's impossible; we've got all the good books." What do we say to those who claim the cities are going to hell?

There have always been critics of the city—from the prophet Jeremiah who wept over Jerusalem, to the patriot Thomas Jefferson who hoped for a rural and agricultural America. There have been those to whom the city was not Zion but Babylon, and there are plenty of folks today who'd say that New York is a whole lot closer to Sodom and Gomorrah than to the heavenly Jerusalem. In addition, we face a special case in the United States because of a strong tendency in our national background to associate the new world, America, with a new beginning, in fact with a new Garden of Eden. The seventeenth-century promoters of colonization never tired of comparing the virgin land with Eden, and to many immigrants the possibility of a new beginning was real and compelling. So, in a way, the migration to the new world reversed the pattern of garden to city in that it was a move from civilized (and corrupt) Europe to untouched (and pure) America. It's not surprising then that this country has always had a current of thought exalting the "natural" life away from the city. James Fenimore Cooper's unforgettable novels, The Pathfinder, The Deerslayer, The Last of the Mohicans portray a hero of solitary rugged independence in the wilderness; the descendants of these novels are cowboy movies, in which "city-slickers" are dishonest or stupid.

Probably the best-known enemy of city life in American literature is Henry David Thoreau, who went to live alone in the woods by Walden Pond to commune with nature and himself. Of course what is almost always overlooked is the fact that Thoreau carried with him to the woods a head full of learning acquired in the city of Boston, a crate full of books printed in the cities of Boston, New York, London, and elsewhere, and he spent his time writing a book to be published in Boston, New York, London, and elsewhere. But, nevertheless, there he lived, cut off from the city; and there he stayed, for two whole years, producing such wonderfully quotable lines as "The mass of men lead lives of quiet desperation." (Of course I am being a little unfair to Thoreau. He never insisted that we all live in the woods any more than I would insist that we all should live in the city. He repeatedly described his own life there as "an experiment." I believe that he was wise enough to know that he was overstating the case for isolation; he had his reasons, and he has his uses; so it's too bad that he is so often quoted as the gospel.) My real point about Thoreau is that the reason I can stand here and talk about him today is that there were people in urban centers who cared deeply for the interchange of ideas and who took the trouble to see that books were printed, that schools, colleges, and universities were founded or continued and who generally kept the traditions of the humanities going.

Today, however, it is seriously asked whether cities continue to serve this function as the nerve-centers of civilization. After all, the cities of the past were built, (in the words of a French writer) "to the measure of man; that is to say, to the measure of his footstep." People walked, met, talked, exchanged ideas. The automobile, modern communication, and formless urban sprawl have changed things a great deal—according to some, beyond the hope of recovery. One bleak science-fictional projection of the future I have read [Kenneth Boulding, "The Death of the City"] visualizes human society spread evenly over the face of the globe in self-sufficient households, recycling their water, communicating through personalized television powered by solar energy, while the sites of former cities are mere radioactive holes in the ground. Such is the imagination of a post-civilized world, and a post-human race.

Let me say that without being foolishly optimistic we should reject doomsday visions. I believe that our cities in the future must be different. If possible they should be restored to the measure of man. Given the energy crisis, we may see in our lifetime a new emphasis on the concentration urban center as a dwelling-place, a place for human communication.

In conclusion, let me try to express why I think the humanities have something vital to do with the survival of the city. I do not pretend to be an urban planner, a behavioral scientist, an expert on the future of the city. I believe that we will need the technical expertise of these and other specialists if we are to have habitable cities in the future. I also am committed to the belief that we need something else, something more basic, something to give purpose to all our specialized and technologically sophisticated efforts. We need the strength of understanding that proceeds from a grasp of the complexity of human life. I do not mean facile optimism—the too easy belief in progress. I mean something quite different. The humanities do not offer easy solutions—it has been said that the proper understanding of Shakespeare's great tragedies does not free us from evil, but it frees us from being deceived by it [Hazlitt]. I believe then that the fruit of humanistic learning is knowledge of ourselves, of our traditions, of our purposes, of our civilization, of our cities.

PRESIDENT CARTER'S STATEMENT ON NORTHERN IRELAND

Mr. KENNEDY. Mr. President, the statement by President Carter on August 30, 1977, on Northern Ireland is the most important and constructive initiative ever taken by an American President on the Irish issue. Coming at this time, it is a significant step toward peace that should be welcomed by all Irish-Americans and by all persons of good will on both sides in Northern Ireland.

While properly avoiding any specific U.S. involvement in the details of a settlement, the President has unequivocally endorsed a solution involving a form of government in Northern Ireland broadly acceptable to both the Protestant and Catholic communities. By endorsing this concept of partnership between the two communities, the President has given strong and much needed support to moderate political leaders on both sides in their continuing negotiations to achieve a peaceful settlement.

Even more important, the President has made a new and far reaching contribution to the cause of peace by suggesting the possibility of substantial U.S. aid for jobs and investment in Northern Ireland, once a settlement of the present conflict is achieved. My hope is that this bold and generous offer by President Carter will be a significant new catalyst for peace, and will encourage the parties, including the British and Irish govern-

ments, to make a greater effort to negotiate a settlement.

American assistance could take a variety of forms, including not only direct appropriations by Congress under the foreign aid program, but also loans, loan guarantees, and other incentives and subsidies for U.S. firms to invest in Northern Ireland and to provide desperately needed jobs for the people there.

My hope is that once a peaceful settlement is reached, the United States would undertake a Marshall-type program of assistance to heal the wounds of the present conflict and to benefit all the people of Northern Ireland, Protestants and Catholic alike. I believe there would be broad support in Congress for such a program of jobs and other assistance, linked to a peaceful settlement.

Finally, by strongly denouncing the violence on both sides and by calling for vigorous Federal law enforcement efforts against those who violate U.S. laws, the President has taken the strongest possible step to insure that American guns and dollars will not be used to support those engaged in violence.

President Carter deserves great credit for the initiative he has taken. I commend him for this valuable and hopeful step toward peace.

Mr. President, I ask unanimous consent that the text of President Carter's statement, the welcoming responses by the British and Irish Governments, and a series of recent newspaper editorials commending the President's initiative be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY PRESIDENT CARTER ON NORTHERN IRELAND, AUGUST 30, 1977

Throughout our history, Americans have rightly recalled the contributions men and women from many countries have made to the development of the United States. Among the greatest contributions have been those of the British and Irish people, Protestant and Catholic alike. We have close ties of friendship with both parts of Ireland, and with Great Britain.

It is natural that Americans are deeply concerned about the continuing conflict and violence in Northern Ireland. We know the overwhelming majority of the people there reject the bomb and the bullet. The United States wholeheartedly supports peaceful means for finding a just solution that involves both parts of the community of Northern Ireland and protects human rights and guarantees freedom from discrimination—a solution that the people in Northern Ireland, as well as the governments of Great Britain and Ireland can support. Violence cannot resolve Northern Ireland's problems; it only increases them, and solves nothing.

We hope that all those engaged in violence will renounce this course and commit themselves to peaceful pursuit of legitimate goals. The path of reconciliation, cooperation and peace is the only course that can end the human suffering and lead to a better future for all the people of Northern Ireland. I ask all Americans to refrain from supporting, with financial or other aid, organizations whose involvement, direct or indirect, in this violence delays the day when the people of Northern Ireland can live and work together in harmony, free from fear. Federal law enforcement agencies will continue to apprehend and prosecute any who violate U.S. laws in this regard.

U.S. Government policy on the Northern Ireland issue has long been one of impartiality, and that is how it will remain. We support the establishment of a form of government in Northern Ireland which will command widespread acceptance throughout both parts of the community. However, we have no intention of telling the parties how this might be achieved. The only permanent solution will come from the people who live there. There are no solutions that outsiders can impose.

At the same time, the people of Northern Ireland should know that they have our complete support in their quest for a peaceful and just society. It is a tribute to Northern Ireland's hardworking people that the area has continued to attract investment, despite the violence committed by a small minority. This is to be welcomed, since investment and other programs to create jobs will assist in ensuring a healthy economy and combating unemployment.

It is still true that a peaceful settlement would contribute immeasurably to stability in Northern Ireland and so enhance the prospects for increased investment. In the event of such a settlement, the U.S. Government would be prepared to join with others to see how additional job-creating investment could be encouraged, to the benefit of all the people of Northern Ireland.

I admire the many true friends of Northern Ireland in this country who speak out for peace. Emotions run high on this subject and the easiest course is not to stand up for conciliation. I place myself firmly on the side of those who seek peace and reject violence in Northern Ireland.

STATEMENT BY PRIME MINISTER CALLAGHAN OF GREAT BRITAIN, AUGUST 30, 1977

I welcome President Carter's statement. It shows a very real human concern for the people of Northern Ireland and an understanding of the reality of the situation, in saying that a permanent solution to the problem can come only from the people who live there.

I am glad to have his support for the establishment of a Government there which will command widespread acceptance throughout both parts of the community.

I welcome especially the President's rejection of violence and his support for peaceful means to find a solution. The overwhelming majority in Northern Ireland have also rejected violence. Violence will not achieve its purpose. It simply postpones the time when better days can return.

I welcome too the President's willingness to support continued investment which will provide jobs for the long-suffering people of the province. We will continue to work together with the United States and our other major trading partners to attract new investment, and Mr. Roy Mason, the Secretary of State for Northern Ireland, will visit the United States in October for this purpose.

STATEMENT ON BEHALF OF THE GOVERNMENT OF IRELAND, AUGUST 30, 1977

President Carter today made a statement on the situation in Northern Ireland in which he called for a just solution involving both sections of the community and supported by the Irish and British governments. The President understood that in the event of such a settlement the U.S. government will be prepared to join with others to see how additional job creating investments could be encouraged.

President Carter's statement is a constructive development in American relations with Ireland and Britain and reflects the traditional generosity of the American government and people and their interest in Ireland. The President has placed himself firmly on the side of very distinguished American leaders who in the President's words seek peace and reject violence.

It is particularly useful to emphasize that the problems of Northern Ireland have many dimensions, of which any effective and realistic solution must take account. President Carter rightly underlines the importance of finding a just solution by peaceful means, which protects human rights, in which both parts of the community in Northern Ireland as well as the Irish and British government will be involved.

The Irish Government also welcomes the renewed American commitment to continue vigorously to apprehend and prosecute those who violate U.S. law in the respect of supporting with financial or other aid organizations involved directly or indirectly in violence in Northern Ireland, irrespective of the political or religious sympathies of those involved.

President Carter's statement is a welcome indication of the interest of the United States government in Irish affairs. He has once again made clear the good will of the American people to a land to which many Americans have a special affection. He has offered to help. It is for the people of Ireland, North and South, together with the British and Irish Governments, to insure that his offer is transformed into political and economic progress.

[From the Baltimore Sun, Aug. 31, 1977]

CARTER ON ULSTER

President Carter's initiative on Northern Ireland, which his press secretary denied was coming, will seem mild to Americans. Yet it will have a constructive impact in Ulster, where in a vacuum of politics and hope, much is always read into very little.

What Mr. Carter had to offer was carefully balanced and beneficial within the confining limits of the possible. To interpret the codewords: His firm stand against violence was to disarm the suspicions of the Protestant majority, his call for establishment of a government "which will command widespread acceptance throughout both parts of the community," was something for the Catholics, modestly phrased; his vague offer of encouragement for investment in the wake of such a settlement was a tantalizing incentive for peace to people who should hardly require any.

The Carter gesture owes much to the political importance of concerned Irish-Americans, notably Speaker of the House Thomas P. O'Neill, Jr., and Senator Edward M. Kennedy, who are both doing what they can with humane understanding to alleviate the Irish trauma.

Of course this gesture cannot by itself still the violent organizations, convert the Protestant politicians to power-sharing or the Catholic ones to collaboration. Were there momentum in that direction, however, the Carter initiative would add to it.

It is up to the British government, which for two years has let Ulstermen stew in their own juice, to try again to prod a political settlement. The British secretary for Northern Ireland, Roy Mason, is coming to Washington in October to discuss ways to flesh out the Carter investment notion. There ought to be a British-sponsored political initiative in Northern Ireland before that visit to make it worthwhile.

[From the New York Times, Sept. 1, 1977]

FIFTH HORSEMAN FOR PEACE IN ULSTER

With heartening courage, four leading American Catholic politicians have dared in recent months to speak out against the violence in Northern Ireland. On the eve of St. Patrick's Day, Governor Carey, Senators Moynihan and Kennedy and Speaker O'Neill urged Irish-Americans to stop sending money and arms to the Irish Republican

Army. In April, from a platform in Dublin, Governor Carey went even further, denouncing one wing of the I.R.A. as nothing more than "the Irish killers" and the other wing as "the Irish Marxists." All four have been subjected to strident criticism from those who remain passionate about a long history of oppression and discrimination; to some American supporters of the I.R.A., they are "the four ignorant horsemen." But they are hardly ignorant, and now they have recruited a fifth to their side, a Baptist Sunday school teacher named Carter.

Why the President now chooses to venture into this bog of ancient hatreds is not clear. Perhaps the explanation has as much to do with his relations with Speaker O'Neill as with torment over Ulster. Nor is his new statement on Northern Ireland provocative. In it, Mr. Carter also urges that Americans not support violence in Ulster (and makes a reference to Federal laws against gun-running). He reaffirms American impartiality. He offers a vague pledge of American help, once a settlement is achieved, to try to alleviate Northern Ireland's crippling unemployment.

But it is not the specifics that make the President's statement noteworthy. It is the fact that he made such a statement at all. His expression of American support for peace may sound bland; but compare it with the silence of past Presidents. Perhaps the most important factor is that the statement comes from *this* President. Officials like Governor Carey can speak to Catholics. But if there is ever to be a settlement in Ulster, moderation must be preached to Protestants as well. And if there is any American voice that could encourage moderation among Northern Ireland's Protestants, it is that of Jimmy Carter.

The President's statement on Northern Ireland is a modest step; but to all who yearn for an end to the killing it is a welcome one.

[From the Boston Globe, Sept. 1, 1977]

BALM FOR BELFAST

While President Carter's statement on Northern Ireland was studiously neutral in the long-standing conflict between Protestants and Catholics there, it broke important new ground by linking U.S. assistance to a peaceful political settlement and by pledging stern treatment of Americans who break the law through illegal aid to one side or the other.

The measure of Carter's evenhandedness may be gauged by the prompt expressions of support from both London and Dublin government leaders. It is also an indicator of the depth of the problem facing all sides.

Violence in Northern Ireland has been singularly frustrating. Reprisals and counter-reprisals have gone on in an endless chain that has become their own justification for still further killing. Worse, much of the violence has been in the form of random bombings aimed at no one in particular. Streets, stores, restaurants have been the scene of mindless murder on both sides, food for fanatic retaliation.

There is more to the Carter package, of course. Most important, Carter pledged official encouragement of additional investment in Northern Ireland to improve economic conditions in the region of highest unemployment in the United Kingdom. This encouragement should be productive because American money already knows the way. The United States is the largest foreign investor in Northern Ireland, with holdings of about a quarter billion dollars.

Furthermore, the American step might serve as a model for the European Common Market, to which both Great Britain and Ireland belong. That organization has a real interest in halting the only open violence in its boundaries. If the remote American President can pledge aid, so should the Common Market. Everyone involved would gain.

[From The Christian Science Monitor, Sept. 1, 1977]

CARTER APPEAL FOR ULSTER PEACE

President Carter has steered a carefully impartial course in his statement on Northern Ireland, for plainly it would only exacerbate the situation if the U.S. leader were to appear to lean one way or another. Thus, he called for a peaceful settlement of Ulster's strife, he pledged continued prosecution of those Americans who support violence in violation of U.S. laws, and he said the U.S. would join with others to provide economic assistance in the form of "job-creating investments."

It was an unprecedented step—the first time an American chief executive had issued a formal statement on Northern Ireland's troubles. And Mr. Carter had to guard against any implication the United States was interfering in the internal affairs of another nation, Britain. But thus far, the response from London, Belfast, and Dublin has been cautiously favorable, with considerable praise and little criticism.

Four leading American politicians of Irish background—Senators Kennedy and Moynihan, New York Governor Carey, and House majority leader O'Neill—also supported the presidential action. Senator Kennedy termed it "the most important and constructive initiative ever taken by an American president on the Irish issue."

Welcome though the Carter verbal intervention was as an indication of American interest and concern, it does not of itself solve anything. The promise of economic aid from the United States and its associates is contingent on a negotiated settlement of the long-standing dispute between the Roman Catholics and Protestants of Northern Ireland. It offered a new and desirable incentive for peace, but it necessarily and rightly left the working out of a solution to those directly involved in the struggle.

This is as it should be. There is a point beyond which direct American involvement in the thorny Irish problem is not welcome and should not be offered. But Mr. Carter's concern for human rights made it appropriate for him to speak out on the subject and to indicate in no uncertain terms that no American involvement in violence would be tolerated.

It now will be up to the people of Northern Ireland, the British Government, and the Irish Government as well, to follow up the White House appeal with a fresh determination to achieve that elusive peaceful solution which will end the years of bloodshed in Ulster.

[From the Washington Post, Sept. 2, 1977]

THE PRICE OF PEACE IN IRELAND

It's exceedingly risky for an American President to get involved in the religious wars of Northern Ireland, but at least Mr. Carter seems to see the danger. His statement, issued on Tuesday after weeks of rumor and speculation, is a model of caution. The trouble is that not all of the people reading it are going to be as cautious as he is. He will have to guard against the inevitable attempts to draw him into a mediator's role and to make him weaken the one essential condition for his aid.

The justification for this initiative is that the guerrilla warfare in Northern Ireland is now in its eighth year, with no end in sight. A lot of Americans worry about it—particularly those whose families came here from Ireland. The administration can argue with some justice that there will always be a lot of American interest and involvement in Irish affairs, and Mr. Carter's statement is only an attempt to preempt the wrong kind with the right kind.

The wrong kind is, of course, the flow of contributions to buy arms for the Irish Republican Army. That flow has dropped sharply over the past year or two, as Americans have come to realize that the money goes to a terrorist organization whose victims have predominantly been not British soldiers, but Irish civilians, including small children. A strong appeal to cut off the money for the gunmen was launched last St. Patrick's Day by House Speaker Thomas O'Neill, Sens. Edward M. Kennedy and Daniel Patrick Moynihan, and Gov. Hugh Carey of New York. It was a statesmanlike gesture, but it was followed by a ripple of anxiety among other Irish-Americans that it addressed only the Catholic side of this covert war. The Protestants of Northern Ireland are, after all, the majority, and their irregular military organizations are at least as heavily armed, and as quick to violence, as the IRA.

In June the four politicians met with Secretary of State Cyrus Vance to ask what further might be done. The State Department talked at length with Britain, to which Northern Ireland belongs, and the Irish Republic, which it adjoins. The result was the President's statement promising aid—but only if there is peace.

Peace requires a political settlement between the Protestant majority and the Catholic minority, with the minority getting a genuine share of power. The Northern Irish are going to have to work that out among themselves, the President said. But if they can do it, the United States will "see how additional job-creating investment could be encouraged," a powerful inducement in a province where the unemployment rate is now double Britain's average.

Sen. Kennedy immediately added a suggestion that this aid could take on the dimensions of a small Marshall Plan with grants, loans "and other incentives and subsidies for U.S. firms to invest in Northern Ireland." The Senator may well be pushing the administration a bit further than it cares to go just yet. But, having gotten into this affair, Mr. Carter ought not to be excessively vague about the nature of the promise he is making. It is worth something to Americans to see peace in that battered province, and the United States is now putting up a cash prize for the peacemakers.

[From the Washington Star, Sept. 3, 1977]

A HELPING HAND FOR ULSTER

President Carter's call for peace and political moderation in Northern Ireland was cautious enough to avoid American embroilment in that long-insoluble mess. His offer of economic help, in the form of incentives for "job-creating investment," was unspecific. It was made conditional on a long-sought political settlement backed by both Protestant and Catholic communities in the troubled province. The expression of presidential interest in the Ulster affair thus cannot be expected to have an enormous effect on the prospect for reconciliation there.

For all that, the gesture, in consultation with the closely involved governments of Britain and Ireland, was worth making. The beleaguered forces of moderation among the Ulster factions need any encouragement they can get in a situation often dominated by extremism and violence. The British, ruling directly in the absence of a provincial parliament, can use moral support for whatever new power-sharing efforts they sponsor.

The President also put himself personally behind the commendable campaign of several leading Irish-American politicans—Senators Kennedy and Moynihan, Speaker O'Neill and Governor Carey—against fund-raising and gun-running by IRA supporters in the United States. (The same four were instrumental in bringing about the White House

"initiative.") And it should not be lost on Ulster Protestants that the new appeal for Protestant-Catholic reconciliation in the Six Counties comes from a prominent American Protestant.

The walls of bigotry that bar a humane settlement in Ulster will not fall, perhaps, to such a gentle nudge by President Carter. But if for a combination of reasons some new momentum toward peace should develop, the expression of friendly, impartial interest from the White House could prove to be of help.

PRM–10 AND THE KOREAN PULLOUT

Mr. HATCH. Mr. President, today we read again about Presidential Review Memorandum 10, more commonly known as PRM–10. Last month it was brought to the attention of the American public that the Carter administration was willing to concede one-third of West Germany to a Soviet invasion rather than seek increased defense spending. It now appears that the same memorandum indicates that the United States would have great difficulty protecting and holding Seoul, the capital of South Korea if attacked by North Korea.

As reported by Evans and Novak in Wednesday's edition of the Washington Post, the United States according to PRM–10 would, by withdrawal of all ground troops from South Korea, have the luxury of sitting back and deciding whether or not to honor its commitment to South Korea. In the last 6 weeks, two of our country's strongest allies have had good reason to question the strength of our commitment to the defense of their national borders in time of war.

In the realm of foreign policy, mutual trust among allies is a necessity, as is the assurance that each will honor the agreements and commitments that have been made to each other. History has shown that national security is a vital interest of all nations, an interest which motivates relationships among countries. The United States has long been the bastion of freedom in the world, offering that security to all nations seeking freedom. PRM–10 indicates we are now retreating from that position in the world.

In the past 10 years we have seen increased efforts by the Soviet Union to develop ties with Western bloc countries. The Republic of Korea stands alone in Southeast Asia, and without the support of the United States would not be able to deter an attack by North Korea and prevent its capital city from falling. Once the Communists become entrenched in Seoul, how much more difficult will it be to win back this territory in a war? Mr. President, I deplore even considering such an action. The treaties that this country has entered into demand our full commitment.

Apparently, the current administration feels that renegotiation of treaties is popular this season. Tonight the President will sign a new treaty with Panama, one that will have to come before this body for ratification. What will be next? Is the next step to renegotiate mutual defense treaties so that we will only be required to give support when we feel that we want to do so? Mr. President I ask unanimous consent that this morning's column by Mr. Evans and Mr. Novak be printed in the RECORD so that my colleagues in the Senate may properly evaluate the course the administration is taking.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

PRM–10 AND THE KOREAN PULLOUT

(By Rowland Evans and Robert Novak)

The same Carter administration document that contemplates losing one-third of West Germany to a Soviet attack contends that removing U.S. troops from South Korea gives Washington "flexibility" to determine whether or not to intervene against Communist invasion from the north.

PRM (Presidential Review Memorandum) 10, a top secret inter-agency study of U.S. force structures, also is gloomy about holding the South Korean capital of Seoul if North Koreans invaded today. Even with U.S. air and naval intervention and U.S. troops still stationed in South Korea, the study suggests Seoul could not be held.

All this contradicts President Carter's assurances that his decision to remove the 2nd U.S. infantry division does not undercut the U.S. commitment to South Korea. It also undermines current military doctrine based on the retention of Seoul as a necessity. Thus South Koreans face the same problem as the West Germans. Shall they believe public pronouncements of U.S. leaders or private documents of their staff experts?

The administration's claim that PRM–10 merely discusses options is simply untrue. Just as PRM–10 states that present allied forces could not hold one-third of Germany, its disturbing comments on Korea are based on conditions before and after the U.S. troop pullout, not on any option.

"Once the U.S. land forces are out of Korea," says PRM–10, "the U.S. has transformed its presence in Asia from a land-based posture to an off-shore posture. This . . . provides the U.S. flexibility to determine at the time whether it should or should not get involved in a local war."

The document goes on to reveal an unpublicized reason for removing the 2nd division: to give Washington the choice of whether or not to intervene. With the troops gone, says PRM–10, "the risk of automatic involvement (which was a major factor in removing land forces from Korea) is minimized. However, should the U.S. decide to intervene, military forces would be readily available."

Even with the 2nd division still on station and the U.S. supplying "initial air and naval support at D-Day," PRM–10 spins a grim scenario: "If the North Koreans were to achieve tactical surprise, it is possible that they could at least temporarily attain their most likely major objective—the capture of Seoul."

While predicting North Korea could not win "a substantial combat," it predicates this on major U.S. help. "With the U.S. contributions of land and carrier-based tactical air assets and materiel support, it would appear that the U.S. and ROK [Republic of Korea] would prevail against North Korea in the longer term, but with possible initial setbacks—including perhaps the fall of Seoul."

Without U.S. help, the situation is desperate, according to PRM–10: "The level of forces which could be brought to bear at the front on D Day would generally favor North Korea over the ROK in all categories. . . . The ROK has widely spread infantry forces with limited mobility and vulnerable stocks of war materiel."

The document implies a return to the old U.S. strategy of keeping allied troops away from the DMZ and instead falling back on Seoul. Now-retired Lt. Gen. James Hollingsworth changed that when he took command nearly four years ago, contending the North Koreans wanted to capture Seoul quickly and then start debilitating peace negotiations. So, allied strategy changed to a forward defense of Seoul.

Such a defense requires Korean confidence in U.S. readiness to supply indispensable air power. South Korea long has worried that its defense pact with Washington provides a less automatic U.S. response to invasion than does the NATO treaty. President Carter's July 25 letter sought to reassure President Park Chung Hee that the U.S. troop pullout does not mean "any change whatsoever in our commitment."

PRM–10 undercuts all of South Korea's expectations. While emphasizing that only U.S. air and naval intervention could stop an invasion, it now makes that intervention a matter of choice rather than automatic response.

After our column reported the PRM–10 assessment of a Soviet attack in Central Europe, a senior West German army officer secretly visited Washington to find the truth. Interviews with 30 people, the general said, left "not the shadow of a doubt in my mind" that the column was accurate despite White House denials. South Korea's generals may now begin in a similar process with hopes that the answer will be more reassuring than the findings of their German counterpart.

TRIBUTE TO SENATOR HUMPHREY

Mr. PELL. Mr. President, it gives me the greatest pleasure to bring to the attention of the Senate a singular honor bestowed on our friend and colleague, the senior Senator from Minnesota, HUBERT HUMPHREY. On August 4 he was presented with the Freedom Award of the International Rescue Committee.

As one who has long worked with the International Rescue Committee, I was particularly delighted to have the opportunity of participating in this ceremony.

Leonard H. Marks, the distinguished president of the IRC, presided. The award was presented by Leo Cherne who has served as chairman of the committee for the past 26 years. Leading Members of the Congress, White House officials, Cabinet members, foreign Ambassadors and many other prominent individuals were part of the audience which shared in this tribute to a great American, who has won the hearts of our Nation's people as few in our history.

Zbigniew Brzezinski, President Carter's Assistant for National Security Affairs, eloquently represented the President and read a special letter from him.

The citation on the Freedom Award plaque presented to Senator HUMPHREY reads: "For Distinguished and Courageous Service in the Cause of Freedom." There is no one more deserving of those words. Senator HUMPHREY's abiding courage is an inspiration to all of us; his service, which we so applaud, is not only to freedom but to all the best hopes our country cherishes.

Mr. President, I ask unanimous consent that the presentation ceremonies, as recorded in transcript, be printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

PRESENTATION OF THE FREEDOM AWARD OF THE INTERNATIONAL RESCU' COMMITTEE TO SENATOR HUBERT H. HUMPHREY: THURSDAY, AUGUST 4, IN THE CAUCUS ROOM OF THE SENATE OFFICE BUILDING

LEONARD H. MARKS (President of IRC). Let me welcome all of you to this very significant occasion as the International Rescue Committee presents its Freedom Award to one of our great Americans and our good friend, Senator Hubert Humphrey. We have a time problem, as is customary in the closing days of the session, and there's going to be a roll call very shortly. So we're going to abbreviate our ceremony, depart from the regular order of procedure and call on Mr. Zbigniew Brzezinski, the President's Assistant for National Security Affairs, who has a letter which he would like to read to us today.

ZBIGNIEW BRZEZINSKI. Mr. Marks, and ladies and gentlemen. The President asked me to join you here today and to read a message which he has addressed to Hubert Humphrey. Before reading it, if I may just say a word on my own to Hubert: it's been my privilege to know him for a number of years. I worked with him in the 1968 campaign, more accurately, I worked for him. I am very pleased to see Henry Kissinger here, because I remember that on the day in which the outcome of that election was announced, he performed an act of friendship and chivalry by calling me from California to tell me he knows how I feel. He said how sorry he was that such an outstanding statesman had not become, on that day, the President of the United States.

I just want to say this. Hubert Humphrey to me epitomizes the real meaning of the word statesman. A statesman is a person who is not just dedicated to his state, but above all, to the society and the people that make it up. All of his life, he has worked for people of this country, and indeed, for the people of this world. And this is why he has earned the affection and the respect that all of us here today are demonstrating. I'm very, very proud that I am one of the legion of people who have been associated with him, in his toils and his successes, and I am doubly proud, that I have been asked to read this letter to him from the President:

THE WHITE HOUSE,
Washington, D.C., August 3, 1977.

Hon. HUBERT H. HUMPHREY,
U.S. Senate, Washington, D.C.

TO SENATOR HUMPHREY: I am happy to join with so many of your friends today in honoring you as you receive the Freedom Award of the International Rescue Committee. Your support for aid to refugees and other victims of oppression is one facet of a career that, from the beginning, has been dedicated to a broad conception of human rights.

Freedom, as you have always understood, is fundamental to the nourishment of the human spirit. It can never be a frozen state of affairs; to survive, it must be a vibrant, living reality that is the basis for the building of a better world and a more just, more humane society. In the words of your friend Reinhold Niebuhr, who was a founder of the International Rescue Committee and long its chairman, the efforts of a free government must comprehend both "the mystery of the individual's freedom and dignity" and "the social substance of human existence."

Few men in our history have embraced this view of freedom with more imagination and zest than you have and few have done more to make it a reality.

JIMMY CARTER.

Mr. MARKS. Thank you very much, Dr. Brzezinski. There are many who have served the International Rescue Committee valiantly over its 44 years of existence. Some of them are in the audience, and we have one on the dais. Senator Claiborne Pell of Rhode Island.

Senator PELL. Thank you, Leonard Marks and distinguished colleagues, including the majority leader (Senator Robert Byrd) and friends of Hubert Humphrey. If ever there was an individual who was the epitome of the happy warrior who combined the instincts of searching for the good, as Don Quixote did, with a hard practicality and the necessity of accepting on many occasions half a window instead of the whole, it is Hubert Horatio Humphrey. With his warm heart and his desire to help, he has always been in the forefront, helping those who suffer at home or abroad, black or white, rich or poor. In this regard, I remember 21 years ago, when we at the International Rescue Committee asked Hubert Humphrey if he would deliver the keynote speech for the Hungarian Freedom Fighters—and he did it. And he did a wonderful job, and raised a lot of money for us that evening. And through the years, we've been free to call on him—not only for the International Rescue Committee but for many of those of our fellow Americans and other citizens of the world. He is constantly aware of the needs of mitigating the suffering of fellow human beings in various regimes around the world. He has a world view—and it's a rare man who has this view as well as the consciousness of the individual's plight and problems. So I, for one, am very honored to be in this group.

Mr. MARKS. Thank you very much, Senator Pell. You've heard the reference that President Carter made to the founding of the International Rescue Committee by Dr. Reinhold Niebuhr, who occupied the position of IRC Chairman for many years. He was succeeded by Mr. Leo Cherne who for 26 years has been our Chairman and the inspiration for the activities of IRC. Mr. Cherne will make the presentation of the Freedom Award to Senator Humphrey on behalf of IRC. But before he does, let me just say that we agreed this Award as one of the most significant that we at IRC, a group of private individuals engaged in a humanitarian cause, can confer on any individual. It has been given to Winston Churchill, to Willy Brandt, to Bruno Kreisky, the Chancellor of Austria, to George Meany, to Senator Javits, to General Lucius Clay and others who have established their credentials in the case of human freedom and the field of humanitarianism. Today, we add a very proud name—and this is a very significant occasion for us—by honoring Senator Humphrey. And the presentation will be made by the Chairman of the International Rescue Committee, Mr. Leo Cherne.

LEO CHERNE. Mr. Marks, Senator Pell, Senator Humphrey, our honoree, distinguished members of the audience: there is simply no limit to Hubert Humphrey's efforts to enable others to nourish hope, health, peace and freedom. His very first days in this Capitol left an indelible mark on this century's most vital striving for freedom in our own country. Civil rights is the phrase which so poorly captures the clarity and stubbornness of his conviction: that so long as there were those who for reasons of color are denied the equal opportunity to shape their lives, their society, their future and their institutions, then all of us were living abbreviated, lives, in a partially free society, falsifving our past and limiting our own futures. That same vision—not only of the possibilities but of the urgencies—Hubert Humphrey addressed to the world, beyond these shores, seeing earlier than most, that where humanity starves then the larger purposes of which man is capable are beyond reach and vision. The role he has played in advancing the Food for Peace Program, the Foreign Assistance Program, the Peace Corps, were all rooted in his awareness that where children die of starvation, and their elders never shake the enervating presence of hunger, freedom is a fragile possibility, if it exists at all. His efforts to advance arms control and disarmament are anchors in his conviction that where aggression, fear and tyranny prevail, safety not liberty is the urgent preoccupation. But even as his heart is harnessed to his effort to bring humanitarian assistance where it is most needed abroad, his mind has always understood that the opportunity for freedom must be nourished and defended as well. Human rights is a phrase and a preference which has been given new momentum this year. But it must be said that this man has pursued that vision relentlessly, during all his nearly thirty years in Washington, and in virtually all that he has sought and everything he has fought for.

Let me say, having just returned from Zaire and Kenya, in an effort to extend the IRC's help to the refugees who have fled Angola and Uganda, that the food which is now keeping them alive, the medicine which will hopefully make the children who are desperately sick well again, owes much to the vision and the program Hubert Humphrey has fought for. Now whether a refugee fleeing terror is Ugandan or Cambodian, South African or Angolan, Chilean, Russian or one of the Vietnamese boat people, the vision before him is hope for freedom. But the immediate need is for food, safety and shelter, the needs on the very threshhold of life or death. But I've not caught the essence of this man and I will make an effort to do that. I think it is this. In a generation, if we are fortunate, there is a person who, whatever the specifics of his ideas, his actions reflect something larger. That person mirrors the best in all our purposes, the most compassionate in all our faiths, the brightness in all our hopes. He becomes more than the sum total of all his efforts. He is Hubert Humphrey.

It is with the deepest sense of our collective debt and pride that I am privileged to present Hubert Humphrey the International Rescue Committee's Freedom Award. The Committee was brought into existence one week after Hitler came to power in 1933. In the 44 years since then, we of the IRC have had no brighter moment than this, and not a more honored place in which to share it, than in this room.

Senator HUMPHREY. Leo, my very good friend, longtime friend, thank you very much for your splendid statement and remarks that come not only from a brilliant mind but also from a generous and warm heart. I've known Leo for many years. I've read many of writings, have shared in his counsel and I know at times, he's been disappointed in my performance. But tonight, he has forgiven me and may I say, there is no greater quality of character than to forgive an unrepenting sinner. So, you've done that. There are so many friends here and I've just heard the buzzer to return to the Senate floor telling those of us here who are members of the Senate to be mindful of our responsibilities. I don't know whether my esteemed and beloved friend, our able Majority Leader (Robert Byrd) timed it this way, knowing that Hubert has the propensity for extended remarks. Bob, stand up, please, our Leader.

One of the more delightful and happy things in my life was the privilege in recent months and years to become a close friend of Bob Byrd, and in these days, since January, we have worked together as never before and I salute him as one of the truly great leaders of the United States Senate for all of its history. And I think that the years ahead will show even greater accomplish-

ments. Now, this room is filled with dear and wonderful friends. Leonard Marks—you and I go back together so long that I shouldn't start talking about it. I just want you to know that you and Dorothy (Mrs. Marks) have been very close and dear to us. Henry, my friend, Henry Kissinger, truly a great public servant, a great man—Henry, stand up. I had the joy of working with him during the time he was Secretary of State, but more importantly, I have had the privilege of his personal friendship and that's a precious gift. Here is my Cabinet Officer here, Ray Marshall (Secretary of Labor). Ray, the Department of Labor is always close to my heart and you being here as a very distinguished representative of our administration, it warms my heart and I want to thank you very, very much. And my old buddy Orville Freeman. Orville and I started out this morning with a press conference which I had to run away from but it's all his fault. Because he was once Secretary of Agriculture and I've been in Conference Committee on Agricultural Legislation for three solid days.

And I've got to go back tonight—it's an incredible ordeal that we're going through. But Freeman knows it better than anybody else, and I didn't give him much sympathy this morning and I had to walk out on him. But Orville and Jane are going to share some of this evening with Muriel and myself. And I want to thank the Mayor of our city (Walter Washington) and his wife Bonita for coming here. Mayor Washington, you're always so nice to be with us. I see members of my staff here and former members of my staff. I see our Ambassador to the United Nations, Pat. (Senator Patrick Moynihan) What a beautiful Irish face! And I can see so many more around my dear sister, Frances, who is always present, and Annie. It means so much to me. They fill in for me so many times. I haven't been on the social circuit as much as I would like to be, so I assign Frances and she knows more Ambassadors than the Chief of Protocol. Now, I speak of the Rescue Committee because Muriel rescued me. That's the first rescue. Then she rescued me from the dust storms in the depression of South Dakota. If there were two events in my life that really changed my whole life, it was these two. Meeting Muriel and marrying her, and secondly, the University of Minnesota. Those two events changed my life and I hope for the good. The University tried to do something with my mind and Muriel has tried to do something with my character. Both of them had difficulty but both of them have been persistent.

Claiborne Pell—there he is. Claiborne Pell, Member of the Foreign Relations Committee, is one of the first people I knew at the International Rescue Committee. You and Angie Biddle Duke and Edgar Berman were a part of it at the time. What I especially like about Claiborne is that he lives every day of his life for humanity. He's Chairman of our Senate Subcommittee on Arms Control on which I serve. He's been the leader in the field of humanities and the arts. He's a man of tremendous intellect and compassion. And it's just a joy to have you here, with me tonight, and hear your remarks, Claiborne.

And, of course, I am very honored that the President of the United States saw fit to send such a beautiful letter and to have Dr. Brzezinski come here to present it and to read it. These are wonderful honors. This is what makes public life all worthwhile. This is it—when you're tired, fatigued, when you get to the point where you wonder if it's all worth it. Then there is a gathering like this. And all at once you know that it's not only worth it, it's what it's all about.

Jennings (Senator Jennings Randolph), it is always good to see you, bless your heart. Well, I've got to be careful because I've missed some of my colleagues and I wouldn't want a single one of them to think that I've forgotten them for a moment. The name of Dr. Reinhold Niebuhr was mentioned. I knew Reiny. I knew him well. We worked together. We worked together in A.D.A. in the beginning. One of the great theologians of our time, but more importantly, or as important, one of the great democrats, with a small "d." His writings were magnificent and his spirit is immortal. It lived on. I think that possibly one of the great gifts that has come to me is to be able to say, publicly, that I knew Dr. Reinhold Niebuhr. Just to share in that friendship. And then to know that this great Freedom Award of the International Rescue Committee, which I will cherish, will be in our home, not in my office, it will be in my home, to know that this Award has been presented to men of such quality and such greatness as Winston Churchill and Willy Brandt, who's been really a friend of mine for almost thirty years. And Chancellor Kreisky, whom I've had the privilege of knowing, and his Ambassador. And the great Labor Leader who is really a stalwart in the battle for freedom, George Meany. Let me tell you, he's something. And then, of course, Jacob Javits, my colleague, who is a brilliant man.

Now, I've got some marvelous things here that the "five minute rule" is not going to permit me to say. But I want to say this. That the International Rescue Committee came into being at a time when rescue was desperately needed. At a time, in human civilization, that's almost impossible for us to even comprehend. The ugliness, the inhumanity, the brutality of the period of Nazism and Fascism and the worst days of Stalinism. Yet the International Rescue Committee still has a vital role to fill because there are really more refugees today, I believe, than almost any other time. In different parts of the world, to be sure, but they're God's people. And the International Rescue Committee is there to help. We have maintained fidelity to the hope and pride of one of our greatest symbols of freedom and sanctuary here in America—in the being of this International Rescue Committee. I still am enough of a sentimental patriot to get a thrill out of seeing the Statue of Liberty and I always have tried to remember the words that Emma Lazarus had to say. I hope that we'll remember it now—because this is really what the IRC stands for: "Give me your tired, your poor, your huddled masses yearning to breathe free, the wretched refuse of your teeming shore. Send these, the homeless, tempest-tost to me, I lift my lamp beside the golden door!"

Now, at a time when so many people are cynical about this country, if it were possible that we could just open our gates totally, this country would be flooded with hundreds of millions of people who would come here. Because they know that what America stands for and what America means, above all, is freedom. It doesn't mean atom bombs, even though we have them. It doesn't mean the largest banks in the world, even though we have them. It doesn't mean gross national profit, even though we have that. It means one thing, above all, and that is freedom. And that's why I say that the International Rescue Committee is so relevant to our times and as people continue to come to our shores, as they continue to become assimilated in our society, I'm one of those that happens to believe that America's strength grows. I believe that we gain, all the time. Our foundation of liberty and human dignity and individual rights are strengthened as people come to us that we call refugees. Our life's work as a nation is renewed. Some of our most recent refugees are from Vietnam, and I'm happy to tell you that in the State of Minnesota, we have a very large number of them, and they've brought a whole new spirit to our state. They've added to the beauty of our state, to the cultural diversity and variety of our state and they've added to its productivity.

I want to thank IRC (I almost said I.R.S.—I wouldn't want to do that). I want to thank the International Rescue Committee. I want to thank all of you who are the pioneers. And I now must say that it is time for Hubert Humphrey to go vote, and I hope you'll forgive me. God bless you. Thank you very much.

Mr. MARKS. After Hubert Humphrey, anything else that might be said would be anticlimactic. I just want to thank all of you for coming, and I want to say that these arrangements would not have been possible if not for Jeanne MacDaniels of the IRC staff and Ray Nelson of the Senate staff. Thank you for putting this all together.

FITNESS TRAILS AND JOBS

Mr. MATHIAS. Mr. President, on May 26, 1977, we passed S. 1242, the Youth Employment and Training Act of 1977. The provisions of that bill were essentially those I called for on January 10, 1977, when I introduced Senate bill No. 1, the first bill introduced in this Congress.

I hope that this legislation will enable our young people to participate in a large-scale effort to improve and beautify America. By developing our urban and rural areas through rehabilitation and environmental projects, these young people will have meaningful jobs which will provide a legacy to those who will come after them.

I hope that some of the projects in this program will be fitness trails. I have long been a suporter of the bike trails systems in this country. We need to expand that system to include fitness trails in our national parks and in local and State areas.

Management Science for Health, a nonprofit institution in Cambridge, Mass., has developed this idea and is seeking to apply it around the country. I think they deserve the encouragement and support of the Congress. I ask unanimous consent that their statement on fitness trails be printed in the RECORD and trust that my colleagues will use this material to spread the good word about an important and useful program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FITNESS TRAILS: AN IDEA WHOSE TIME HAS ARRIVED

Many Americans who have been to Europe in the past ten years have become aware that in Scandinavia, Switzerland, and West Germany, the landscape is dotted with running and exercise trails. There trails offer an intelligent commitment of land to serious recreational and health purposes. They are fun to use, inexpensive, and immensely popular and it is encouraging to see such exercise paths now emerging on the American scene.

The prime reason for an exercise path is to encourage a sedentary, physically-unfit citizenry into a more active life. Since the trails emphasize the outdoors, are inexpensive and durable, and make running and exercising an enjoyable experience, the possibility of success is greater than with the usual indoor or brief "tone-up" approaches used by many in the exercise field. The trail concept is being promoted by health professionals, urban and regional planners, physical educators, and

recreation officials. It provides a new stimulus for physical activity and places it in the community, where it is accessible to neighborhoods; in a time of continuing energy shortages, Americans will be forced to look increasingly to their own neighborhoods for recreational outlets. To be able to walk, or bike, or ride on public transportation to such a place, as opposed to driving great distances to reach a recreation setting, would be highly advantageous to a majority of Americans.

Many professionals have recommended the establishment of these exercise paths across the United States. The President's Council on Physical Fitness and Sports, endorsing their use, urges every community to build one; Dr. Samuel Fox, past President of the American College of Cardiology, has endorsed their development here. The National Blue Shield organization has recently distributed a film, "You Can't Buy Health", which features the Life Course, one version of this idea. More than a hundred such courses now exist in the United States, some built by commercial companies, some established by schools and colleges using their own design, some in summer camps, and some developed by the nonprofit Life Course Resource Center of Cambridge, Massachusetts. However, one hundred trails in a country of over two hundred million is not exactly a neighborhood facilities program; Switzerland, with a population of about ten million, has over four hundred trails, and is building more. By this standard, we could well use eight to ten thousand here.

A logical question to ask is whether there is a way to hasten the establishment of a national system of fitness trails. In a population so unfit as ours, the potential benefits are enormous. One way to do this, and do it soon, is through the use of CETA and other jobs legislation-supported labor. Like the CCC of the 1930's, one way to provide jobs and useful conservation experience for young persons is to employ them in trail construction and fitness path building. Linked with a nationwide system of bicycle paths, this complex of fitness-oriented trails could make Americans once again among the healthiest, fittest people in the world. Local communities could thus take advantage of the presence of jobs programs in such a way as to bring this important fitness program to their citizens. We recommend the development of these programs, and urge that any jobs legislation be written in such a way as to encourage their rapid establishment.

CITIZENS AGAINST NOISE (CAN), CRUSADES AGAINST NOISE POLLUTION

Mr. MATSUNAGA. Mr. President, Citizens Against Noise—CAN—was organized in Hawaii nearly 7 years ago to inform citizens of the dangers of noise pollution. During the past 7 years, CAN, under the able direction of its board chairman, Joan Hayes, has demonstrated on many occasions the effectiveness of ordinary citizens in reducing noise and improving the quality of life in the Nation's cities. Its efforts have been so successful that it now has a sister organization in Los Angeles known as Citizens Against Noise Trespass—or CANT.

Among other things, CAN has sponsored educational programs in the public schools of Hawaii, waged campaigns against barking dogs, noisy vehicles and noisy industries, and, perhaps most importantly, has lobbied successfully for stronger, more effective noise control ordinances at the State and local levels. I am proud to be a member of CAN, an organization dedicated to the restoration of two of our most invaluable rights—peace and quiet.

With the thought that my colleagues in the Senate may find CAN's work of interest, I am submitting for inclusion in the CONGRESSIONAL RECORD CAN's latest information leaflet on the Economic and Social Costs of Noise. I hope that CAN's success will encourage other citizens to organize and do battle against crippling noise.

I ask unanimous consent that the material referred to above be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ECONOMIC AND SOCIAL COSTS OF NOISE
CITIZENS AGAINST NOISE, HONOLULU, HAWAII

Sixteen million Americans already suffer noise-induced hearing impairment; 140 million others are at risk. The Department of Health, Education and Welfare[1] says that "risk with regard to noise-induced hearing loss may be greater than any other hazard in the work environment."

The effect is cumulative. "Daily encounters with workplace noise may degrade hearing, mask reception of desired sounds, heighten emotions and psycho-allergic activity, disrupt concentration, or otherwise hinder job safety. The collective impact of these noise effects clearly poses a significant challenge to the employee's health productivity and well-being."[2]

Obviously, noise is just as damaging outside the workplace as in it.

Crisis in the Workplace, a 1976 Ford Foundation study, links noise to absenteeism, high labor turnover, and high error and accident rates, probably due to the loss of visual acuity which accompanies an excessively noisy environment.

The Ford Foundation report quotes a National Institute of Occupational Safety and Health study as finding that "the rate of seemingly non-occupationally related medical complaints is higher in plants with hazardous (e.g. noisy) working conditions, with the result that the costs of equipping and staffing the plant dispensary are higher than they would otherwise be."[3]

Despite research going back at least fifteen years and still being expanded on, the link between noise and such conditions as ulcers, high blood pressure, heart trouble, mental illness, cholesterol imbalance, miscarriage, fetal deformity . . . in short, all the stress-related ills, Crisis in the Workplace charges that "The issue of noise as a stressor and co-causative factor of disease is of little if any interest to the safety professional . . . each professional chooses not to deal with some aspect of the total problem, and words like 'noise' mean different things to different people."[4]

Both work-related and recreation-related noise exposure will cause a gradual, undetected-by-the-victim, "slow accident"—no less limiting in terms of future earning power or in enjoyment of life than a sudden loss of limb or sight in an industrial or recreational accident. Yet this is largely unnoticed by insurers, compensation boards, safety engineers, health education specialists, and even physicians.

[1] Occupational Exposure to Noise, 1972, p. IV–7.
[2] Ibid, p. IV–16.
[3] Crisis in the Workplace, Ford Foundation, 1976, p. 349.
[4] Crisis in the Workplace, supra, Sec. 2.1.5, p. 24.

HUBERT HUMPHREY

Mr. HATCH. Mr. President, everyone in this body, and indeed, probably everyone who reads a newspaper, knows that the senior Senator from Minnesota and I differ on many issues the Senate considers. As Senators from our respective States and political parties, this might be expected. But I would like to step out of my role as a legislative advocate for just a moment and share with you a poignant, personal experience I was privileged to have with HUBERT HUMPHREY.

Back in May, a 12-year-old constituent of mine stopped by my office. This youngster had been a patient at the National Institutes of Health being treated for terminal cancer. Before leaving Washington, his mother decided to tour the Nation's Capital and pay visits to Utah's congressional delegation. My staff escorted them down to the Joint Economic Committee where we were hearing testimony from Treasury Secretary Michael Blumenthal. I invited Bill to come with me up to the dais and listen for a few minutes to the proceedings, which at that point were the Secretary's responses to Vice Chairman HUMPHREY's questions.

After concluding his questioning of the witness, Senator HUMPHREY graciously joined my constituent and me in the anteroom and offered this young boy and his mother real, genuine encouragement for what they would face ahead. I was touched by his warm words. Here was a public figure who had served as Vice President of the United States, was a leader in the Senate; campaigned for the highest elected office in America, and had met with kings, queens, and heads of state from the world over, talking gently and unhurriedly with a 12-year-old boy from Utah who shared the same dread disease.

It has now been released that our colleague's disease has worsened, a fact which saddens me greatly. But I know that my friend HUBERT HUMPHREY will not allow himself to be defeated in spirit. He wrote it himself in a recent article for the August issue of Reader's Digest entitled, "You Can't Quit!" I ask unanimous consent that the text of this article be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH, Mr. President, Senator HUMPHREY's lifetime of accomplishments and service to his country will become history, but it is the character of HUBERT HUMPHREY that is now and will remain inspiring to each of us. I wish him a speedy return to participation in the Senate—I have my arguments all ready!

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"YOU CAN'T QUIT"

(The distinguished Senator from Minnesota tells how he has coped with cancer—and lives life to the fullest)

(By HUBERT H. HUMPHREY)

The worst moment in my life was when I discovered that I had cancer. I know what this dread disease can do to a person and what the chances for survival are. But if

you think of yourself as a statistic, then you're really in trouble. You have to believe that somehow you can win this fight. You have to gear yourself to the continuity of the struggle, knowing that there will be days when you won't feel too good.

My faith and hope get me from day to day. A favorite verse in the Bible is from St. Matthew: "If ye have faith as a grain of mustard seed, ye shall say unto this mountain, Remove hence to yonder place, and it shall remove; and nothing shall be impossible unto you." Deep down, I believe in miracles. They have happened to a lot of people who were given up to die and then were restored to health.

But there are days when I get discouraged. I look at myself in the mirror and say, "Humphrey, you look like a sad sack." Because of the chemotherapy, I've lost a lot of hair, and got much thinner. My trousers don't fit; my shirt collar is the wrong size. When I start feeling sorry for myself, I tell myself: "The doctors told you this would happen. You can't do anything about it, so get on with living." Then I go and have my clothes altered.

The Will to Hang On. If you don't overcome self-pity, the game's all over. My father taught us there was no time for self-pity in life. You had work to do. On the plains of South Dakota, adversity was part of daily life. I remember the dust storms, the blizzards, the summer heat and droughts. Yet when the crops failed, you always thought, *There's another year coming. I'll prepare the soil and pray.* You were always future-oriented.

My family lost a lot, especially during the Depression. One of my saddest memories is of my mother crying and my dad with tears in his eyes because they had to sell our home to pay the bills. But in life it isn't what you've lost, it's what you've got left that counts. We had a lot left. We had ourselves, our family, our store. It was only a question of time before things would get better. The important thing was who would be the survivors. Who had the will to hang on for a better day.

I think the biggest mistake people make is giving up. Adversity is an experience, not a final act. Some people look upon any setback as the end. They're always looking for the benediction rather than the invocation. Most of us have enough problems so that almost any day we could fold up and say, "I've had it." But you can't quit. That isn't the way our country was built.

Life's always a struggle. If anything's easy, it's not likely to be worthwhile. I made up my mind very early that I would have to improve myself. I went back to the University of Minnesota after a six-year absence and, let me tell you, it wasn't easy. My wife, Muriel, had a job, earning something like $45 a month. She used to make sandwiches that we could sell to earn extra money. I was carrying a heavy academic load, but I worked six hours every night in a neighborhood drugstore. I never felt I couldn't make it.

One of my hardest battles was running for the Presidency in 1968. I had been given the chance I dreamed about, to be the standard-bearer of my party, but there were moments when we were so far behind that I got discouraged. Our party was broke. I remember saying to Muriel, "If we can't afford an airplane, we'll get in a car or a bus because, damn it, we're not going to give up, we're not going to quit."

To come as close as we finally did to winning the highest office in this land and then to lose it was hard. But in writing my concession speech, I told myself, "This has to be done right because it is the *opening* speech of your next campaign!" I was already looking ahead.

I've often thought of how we could have handled things differently. But I don't have any bitterness. Bitterness takes too much energy and accomplishes nothing. It doesn't hurt the other person. You think you're sending out the rays of bitterness like laser beams, but they stay inside of you—consuming *you*. As Lyndon Johnson often said, you can tell a fellow to go to hell, but it's hard to make him go.

SOURCES OF STRENGTH

The important thing in any setback is whether you can pick yourself up. That helps me with my illness. I keep thinking, "Well, tomorrow is another day." There may be people who'll say, "It's all right for you to talk about tomorrow being another day, but if you knew how much pain I suffer . . ." I do know. When I had to take X-ray treatments, I used to get up in the middle of the night with bladder spasms. One time I was in such agony that I honestly wanted to give it all up. But even in the deepest despair you have to look up—keep your eyes on the mountaintop. I believe, I know, that a positive outlook can influence your physical well-being, that it can help you fight something like cancer. If you have the will to live, it can help the process of recovery. Medical experience has supported this.

But I feel, also, that not all of my life is in my own hands. There is a power beyond man—Divine Providence, the will of God. It is a powerful source of strength if you can get in tune with it. Like anybody else's, my faith is sometimes rocked. When I'm feeling low, I draw strength from the prayer of St. Francis of Assisi. Part of it says, "Where there is doubt, let me sow faith; where there is despair, hope; where there is darkness, light; and where there is sadness, joy." I think it is the perfect prayer.

One of the greatest sources of strength throughout my illness has been my family, especially Muriel. We've been married more than 40 years, and she's put up with an awful lot from me. When I found out I had to have surgery, we decided to tell the children in a family gathering. Muriel fixed a brunch at our home in Waverly, Minnesota, and they all came. Then I called them to attention and told them: "You've just got to have faith with me that this is going to come out all right. Because if you doubt whether I'm going to make it, that's ten points off my chance."

I would be dishonest if I didn't say that there were some bad moments. At one point, when I was in the hospital, Muriel said, "Last night I was so angry that I cried. I keep asking, why you?" I told her I had felt that way, too. I don't know the answer. Looks like I always win the little elections and lose the big ones. But it *is* me, so why spend time trying to figure out why?

During those inevitable periods of depression and anger, another thing that kept me going was the great outpouring of love in telegrams, cards and letters from all over the world. I tell you they had a real healing effect on me. The greatest gift that has come to me is the affection of so many—far more important than people feeling sorry for me. In fact, feeling sorry for someone is simply to give him a little pain reliever. Love is a healing force.

When I was in the hospital, people marveled that I was up so quickly, visiting other patients. Can you imagine Hubert Humphrey strapped to a hospital bed? By the third day after surgery, I was walking around saying hello to people I knew were in worse shape than I was. I was doing it for them and for me.

Let me tell you something. What you give, you receive back a thousandfold. After World War II, this country was magnanimous and magnificent. We shared with all and the more we gave, the more we had. If you have a well and draw water from it, it fills. If you don't draw water, it gets stagnant. You have to learn to give yourself.

LIFE TO THE FULLEST

One reason I can keep going is that I enjoy living. I have a great inquisitiveness about the future. I see so many people younger than I who have no interest in tomorrow. But I want to live to the year 2000, to be around to see what's going to happen.

When you're older, you're bound to think about how many more days or years you have left. It certainly goes through my mind. Then I think, well, Humphrey, there's not much you can do about that, is there? Except live life to the fullest.

I must say it doesn't help when someone comes up and says, "Gee, you look bad." Back in January when the Senate opened for the new session, I had just had major surgery. Then I got the flu. I looked and felt pretty bad. But I came for the opening of the Senate because I was in the contest for Majority Leader.

Well, seems that day every camera in the United States was focused on me. The press kept running those picture, and they stressed how drawn and haggard I looked. I said to one reporter, "Don't bury me prematurely. I'm apt to get right out of the coffin."

Anyone who has experienced what I have knows damn well how bad he looks. I got so tired of hearing people talk about it that Muriel and I went to the Virgin Islands to rest and relax. When I got back, looking better, I thought, "Take my picture *now*."

It helps in life to have a sense of humor. If not, you start taking yourself too seriously and lose perspective. While in the Virgin Islands, I liked to tell my friends, "What a wonderful place this is! They've got Greta Garbo down here who doesn't talk to anybody and Hubert Humphrey who'll talk to everybody."

I hope I can demonstrate for others that you don't have to throw in the towel when you have something like cancer. Be grateful for every day of life. Be buoyant with it and do the best you can with what you have.

My goodness, there are people who live their lives with physical defects—doing marvelous things. Ray Charles is blind and he's one of our great musicians. Look at Max Cleland who is a dynamic director of the Veterans Administration. He came from Vietnam minus two legs and a right arm. Franklin Roosevelt was crippled by polio and needed steel braces to stand; but the pain never showed on his face as he conveyed to the nation his message of confidence and moving "forward with a strong and active faith."

A month after my surgery, I went back to work. There's nothing worse for a person with something like cancer to have nothing to do. If a person can't work, there are other things to do. It's important to be involved with people and activities.

My staff tells me I ought to cut down on my schedule. There are days when I wonder if I'm really making the best use of my time. But I enjoy being a Senator. When I'm in committee meetings, handling foreign affairs, economic and social problems, agriculture issues, I feel that I'm part of the life of this country. I feel vital.

The day after I withdrew from the Majority Leader race last January, my colleagues made me "Deputy President Pro Tempore of the Senate." It provided me with such things as extra salary and a special office. But far more important I would be included in the Senate leadership meetings at the White House. It showed that my colleagues recognized that I had given a lifetime of service to my party and that I still had more to give. They bestowed a great honor on me. They also gave me something more to live for.

I m sure many people think my odds against cancer are not very good. But it's a race I'm in, and I can't get off the pony. I've got to ride it and hope that I'm going to win. How long should a person live? I don't

know. What's more important is how you live and what you live for. As long as I have a breath of life I'm going to try to live actively and be a part of the daily life of my family and friends, my job, neighborhood, community and country. I'm not changing my life because I have had cancer. With the help of the good Lord, my wife and family, the love and affection of so many friends, the care of my doctors, and my own love of life, I expect to be around for quite a while.

PREVENTING POLLUTION PAYS

Mr. ANDERSON. Mr. President, Minnesotans take special pride in the leadership role both our private and corporate citizens have assumed in the fight to reduce pollution and conserve energy.

While I was Governor of Minnesota, I had the opportunity in 1973 to participate in 3M's 25th anniversary of its chemolite plant in Cottage Grove, Minn., and the dedication of its advanced incinerator that disposes of chemical and hazardous wastes without creating pollution problems.

Four years have passed since the anniversary celebration and incinerator dedication. Today, to an even greater extent, Americans recognize the urgency of pollution control and energy conservation. Today, 3M continues to symbolize environmental corporate responsibility, and once again has demonstrated its leadership role in finding environmentally acceptable solutions to pollution problems.

I refer to 3M's pollution prevention pays, or 3P program. This program, which I believe can serve as a model for other companies, is designed to reduce the necessity for cleaning up polluting wastes at the end of the manufacturing process, by using technology to keep pollutants from entering into the manufacturing process.

The philosophy behind this concept was expressed recently by Raymond H. Herzog, board chairman of 3M. He said,

> Systems for controlling pollution after it becomes a problem may not be the best or the most efficient solution in terms of materials and energy use. By preventing pollution from occurring in the first place—at the source—rather than at the end of the production process, we can improve the environment and conserve materials, and save energy at the same time. This is what the 3P Program is about.

I wish to share with my colleagues a description of the 3P program, taken from an article which appeared in the May 1977 issue of Pollution Engineering magazine. The article was written by Dr. Joseph T. Ling, vice president of environmental engineering and pollution control at 3M.

Dr. Ling is an internationally recognized authority in the field of industrial pollution control, and Minnesota is fortunate to have a scientist of his caliber working to preserve the quality of life in our State.

I ask unanimous consent to have printed in the RECORD an adaption of Dr. Ling's article.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POLLUTION PREVENTION PAYS: 3M RESOURCE CONSERVATION PROGRAM ATTACKS POLLUTION AT ITS SOURCES

(By Dr. Joseph T. Ling)

The little man on the cover of this issue symbolizes what 3M Company believes to be a necessary new approach to pollution abatement: *resource conservation technology*. As the name indicates, its purpose is to conserve resources and lower the cost of pollution abatement by working to eliminate the sources of pollution in processes and products before waste is created.

The concept is also referred to as nonwaste technology, which is literally unattainable. In practical terms, by either name, the goal is to apply knowledge, methods and means to provide the most rational use of natural resources and energy and to protect the environment. This approach avoids wastefulness which is "the irrational use of more than necessary resources to fulfill human needs and objectives." If this broad definition of waste is accepted, then "resource conservation becomes a positive image for the application of technology to fulfill human needs and aspirations without destructive impact on the environment." These definitions are from a seminar on "Principles and Creation of Nonwaste Technology and Production." The program was sponsored by the United Nations Commission for Europe and held in November 1976, in Paris. Representatives of some 30 nations attended, indicative of a considerable interest in conservation approaches to technology.

Our cover character also represents a unique and continuing program at 3M intended to accomplish this goal as far as practicable. It is called Pollution Prevention Pays (3P).

In the first 2 years of the program, 46 projects were submitted for recognition, 36 were reviewed, 19 were approved, 8 were held for additional information, 8 were rejected as not meeting 3P criteria, 7 were under initial review, and 3 were ready for presentation but delayed for patent protection or other proprietary requirements. The 19 approved projects, which have been presented with awards, have eliminated the equivalent of 73,000 tons of air pollutants, 500 million gal of polluted wastewater and 2800 tons of sludge annually. These 19 projects have produced a total estimated savings to 3M of $11 million in actual or deferred pollution costs and, in at least one instance, sale of a product which might have met user resistance in the future or have been forced off the market. (Projects are listed in Table 1: "Sales retained" refers to the previously mentioned product, mercury catalyst removed from electrical insulating resin.)

The 3P program was established in response to an inquiry from Raymond H. Herzog, 3M board chairman and chief executive officer, who became particularly aware of the cost of pollution control during the economic slowdown of 1974. Herzog asked the 3M Environmental Engineering and Pollution Control Department (EE&PC) the same question he had raised with other staff and line groups: "Isn't there anything else you can do to trim costs?" "Not if it means failure to comply with (Federal and state) regulations," EE&PC replied. It was explained, however, that certain cost savings could be achieved by promoting development of resource conservation technology, and Herzog gave the concept his enthusiastic blessing. This support was reflected throughout top management.

A program was developed for providing an orderly transition from conventional pollution removal technology to conservation oriented technology. The focus of the effort was to interest the company's technical employees in finding ways to prevent pollution through:

1. Product reformulation.
2. Process modification.
3. Equipment redesign, or
4. Recovery of waste materials for reuse.

The name "Pollution Prevention Pays" was selected for the program after considerable debate over whether the word "pays" should be associated with the concept of pollution prevention. Four valid payoffs were defined: better environment, conserved resources, improved technologies and reduced costs. Therefore, it was concluded, payoff not only should be equated with pollution prevention but was an essential motivating factor.

Four criteria were established for judging:

1. The project, through any means, must eliminate or reduce a pollutant that is a problem or that has the potential to become a 3M problem.

2. The project should exhibit, in addition to reduced pollution, environmental benefit through reduction in energy consumption, more efficient use of raw materials, or improvement in the use of other natural resources.

3. It should incorporate a technical accomplishment, innovative approach or unique design in meeting its objective.

4. The accomplishment must have some monetary benefit to 3M. This may be through reduced or deferred pollution control or deferred pollution control or manufacturing costs, increased sales of existing or new products, or other reduction in capital or expenses.

Plans then were made to introduce the concept throughout 3M, which has about 80,000 employees in 40 countries. Priorities were established and presentations prepared for each of several groups:

1. Corporate officers and managers of operating divisions, who set policy and provide an example. Support from this level of management is a necessary ingredient in the recipe for success of companywide programs.

2. Division engineering departments, which supervise the design and construction of all 3M manufacturing facilities.

3. 3M division laboratories in St. Paul, where a majority of product research and development occurs.

Table 1. The 19 Pollution Prevention Pays (3P) projects cited for awards by 3M Company. Included for each project are: estimated dollar savings to 3M; type of pollution eliminated; and the amount of pollution eliminated.

POLLUTION PREVENTION PAYS AWARD PROJECTS

Project	Estimated benefit	Pollution eliminated	Amount eliminated
Reactive coating	*$2,000,000	Hydrocarbon	25,000 tons/yr.
High-conversion polymer	*1,000,000	Odor	80 percent reduction.
100 percent solids coating	*3,000,000	Hydrocarbon	35,000 tons/yr.
Cr^{+6} elimination	*80,000	Chromium	2,000 lb/yr.
Cooling water recycle	*200,000	Water	1.5 mm gal/day.
Chemical process reformulation	*1,150,000	Dissolved solids, hydrocarbons.	450 tons/yr.
Incinerator improvement	†175,000	SO_2 and particulate	21 tons/yr.
Zinc salt reuse	†50,000	Zinc salts	20 tons/yr.
Polymerized coating	†100,000	Hydrocarbons	100 tons/yr.
Spray booth redesign	†125,000	Wet scrap	250 tons/yr.
Process modification	†35,000	Alcohol	350 tons/yr.
Product reuse	†500,000	Incinerated scrap	100 tons/yr.
Whitewater recycle	†56,000	Wastewater sludge	6 tons/day.
Degreaser solvent change	†24,000	Photo-reactive HC	360 lb/day.

Project	Estimated benefit	Pollution eliminated	Amount eliminated
Freon replacement	†100,000	Freon propellants	625,000 lb/yr.
Mixer reflux system	†8,000	Hydrocarbons	100,000 lb/yr.
High-solids coating	†250,000	Hydrocarbons	1.1 mm lb/yr.
Modified polymer coating	†800,000	Hydrocarbons	4.5 mm lb/yr.
Resin reformulation	‡330,000	Mercury	5,000 g/yr.

*Pollution control eliminated.
†Operating cost savings.
‡Sales retained.

4. Manufacturing personnel, both at headquarters and at plant locations.

Presentations to 3M management groups were first. Management was informed of objectives and organization of the 3P program. Next, presentations were made to the various division engineering departments which are housed conveniently in the same building as EE&PC. Reaching the engineers was a top priority, as they are responsible for designing and building all 3M research and manufacturing facilities. Then, meetings were held with laboratory groups in St. Paul and with manufacturing personnel at plant sites visited in conjunction with other environmental business.

We have also presented the 3P program to 14 3M International subsidiary companies. Of these, eight have formed their own programs, and two in Canada and Australia have designed their own recognition certificates. It is 3M policy to allow each subsidiary to establish, organize and implement its own 3P program. EE&PC gives them the guidelines under which the U.S. program is operating and assists as needed.

It is only a matter of time before the program is spread further throughout the company. Success breeds support, and the 3P concept is advancing as fast as possible within the limits of human, mechanical and fiscal resources. We are not impatient, because the program is continuous; it is not a one-time promotional effort designed to ring up immediate results and then to be forgotten.

Initial efforts have been successful largely because of cooperation from operating units, because the program is run by and for them and not forced on the unwilling by the unknowing and uncaring—as staff groups, unfortunately, sometimes are regarded by line organizations.

There is a four-part sequence to a 3P award:

1. The EE&PC representative to a division prepares nominations of likely candidates, which usually result from suggestions from the division.

2. The nomination is reviewed by the 3P Coordinating Committee, composed of representatives of 3M's Manufacturing Council, Technical Council, Engineering Council and the Environmental Engineering and Pollution Control Department.

3. If the project is approved by the Coordinating Committee, division management is contacted to determine whether recognition is appropriate and who should be selected for the award. Only persons who have made a direct, measurable contribution are eligible. Project managers are not eligible, unless they meet the criteria for personal, not supervisory, involvement. No members of EE&PC are eligible for citations, no matter how significant their contributions, because these efforts constitute their job.

4. Division management presents the awards. Frequently, the division general manager calls the recipients before the management operating committee to honor them. The award itself is a framed plaque signed by the chairman of the board, division general manager and the Vice President of the EE&PC. Other awards or incentives may be provided by individual divisions. The awards also help management to pinpoint who can solve problems creatively. Being recognized for this certainly does not hinder advancement.

The Coordinating Committee has been a significant factor in our efforts to build the 3P concept, which does require a certain faith in the program, particularly when things are working well already. Consider the manufacturing director who has solved a water pollution problem by black-box treatment at the end of the pipeline. Environmental Protection Agency and/or state standards for discharge are being met. Then somebody in the technical structure develops a plan to eliminate the source of the pollutant by drastically changing the process or product. The manufacturing director must decide between what is familiar and works and that which should work but is unproven. There is also the sales manager who is concerned about the wisdom of changing a product which has been performing well for customers.

Benefits or potential benefits must be evident and sufficiently important to the operating unit personnel, and there must be an atmosphere of corporate support and encouragement for participation. At 3M, this atmosphere is unclouded by doubts; the program was established with the firm support of top management.

Necessity, the cliche goes, is the mother of invention. This may be an overworked phrase, but that makes it no less true—particularly in reference to pollution abatement. 3M's attention was directed toward pollution control initially because of necessity. Now it is directed toward elimination of pollution sources for the same valid reason—it is necessary. The cost of relying entirely on pollution removal technology—the little black box at the end of the pipe—simply is becoming too great, considering the myriad other demands on our financial resources.

Removal technology consumes resources, and the rate of consumption and costs accelerate exponentially as removal percentages rise to the last few points. Removal also produces residue which, itself, is becoming an increasing disposal problem. Within management, the primary objective of pollution control is to achieve the most reduction in waste with the least use of human, material and financial resources. Pollution elimination technology apepars to be the best means of meeting this objective.

The problem is that resource conservation technology has not yet received much recognition by government or the general public. Emphasis has been on the traditional removal type of pollution control. This is indicated by the fact that legislation and regulations usually provide neither the time nor the flexibility a company needs to develop products and processes which eliminate or reduce pollution at the source; the rules are directed primarily toward achieving pollution removal. Some regulations limit the percentage of pollutants rather than the total amount. This restricts using techniques that reduce the amount of pollutants, and total volume of discharge, because they may increase the concentration.

3M's efforts in resource conservation technology are no panacea or substitute for pollution control; they represent an attempt to reduce the difficulty of abatement by eliminating as much pollution as possible before it occurs. Nobody is under the illusion that this concept can be adopted 100 percent; there always will be a certain amount of pollution removal technology required.

At times, certain product manufacturing situations cannot employ resource conservation technology, because none exists. In other instances, the cost/benefit ratio may indicate use of pollution removal technology. However, achieving some benefit to the environment and cost savings through resource conservation technology is better than no savings and no benefit. Our task is to reach as high a percentage of pollution elimination as possible.

Advocating different technological approaches in a controversial and tightly regulated field such as pollution abatement is analogous to surfing. To succeed in either, you have to ride the crest of a good wave. Too early, and there's no wave; too late, and you're swamped. The message of the little man on the cover is: "Surf's up!"

3M "Down Under" Is on Top in Pollution Prevention

3M Australia's Pollution Prevention Pays (3P) Program involves seven active programs, of which three are being considered for recognition. Recognition for the other four programs will be considered when they are in operation. 3M Australia is a leader among the 14 3M subsidiaries instituting the 3P program.

All three of 3M Australia's 3P awards were to the Abrasives Laboratory for making process changes. The award projects included:

1. Reduction of formaldehyde fumes by modifying a process for making coated abrasives. A $35,000 savings was achieved by eliminating the installation of ventilating equipment. A possible respiratory health hazard to employees during coating and converting operations was reduced, and cleaner air was achieved in and around the factory.

2. Replacement of solvent by a water-base system of applying zinc stearate to abrasive products. Savings of $45,000 were reported from reduced waste due to increased stability of coating rolls. Environmental benefit was cleaner air and less wet scrap.

3. Replacement of solvent by water in the production of pressure-sensitive paper-backed abrasives. Savings of $27,000 resulted from cheaper adhesives and reduced production waste. Cleaner air and less wet scrap were the environmental advantages.

3M Environmental Engineering Stresses Problem Management

Environmental Engineering and Pollution Control at 3M is organized by function rather than according to engineering disciplines. Its engineers are problem managers and not just technicians. There are four abatement functions at 3M, three within EE&PC and one that is part of 3M's Central (corporate) Engineering, but with a strong dotted-line relationship to EE&PC.

1. Environmental Laboratory develops information on the environmental impact of new and existing 3M products, and communicates product environmental information to outside organizations. It is the primary contact between EE&PC and division product development laboratories. It conducts analytical and field laboratory work and applied environmental research.

2. Environmental Process Technology is responsible for environmental assessment of 3M research and manufacturing processes. It is the contact with Division Engineering groups and reviews and approves pollution

facility projects. This department also conducts basic and applied research into pollution control technology and develops disposal methods for hazardous wastes.

3. Environmental Affairs is responsible for dealing with regulatory agencies and monitoring legislation and plant compliance. It obtains permits and variances, files compliance plans, environmental impact statements and related documents required by regulatory agencies or 3M, and handles noncompliance complaints and problems.

4. Pollution Control Facilities Engineering is responsible for hardware design of pollution control installations, including design engineering, scheduling and costs. Because it deals with facility design and construction, this department administratively is part of 3M's Central Engineering and functionally responsible to EE&PC.

Originally, EE&PC was structured vertically, with engineers specializing in air, water or noise pollution problems or waste control. The changeover to problem management came as the company's abatements grew increasingly sophisticated to cope with more stringent and complex regulations.

Coordination of pollution abatement activities and technical expertise to carry them out were centralized at 3M headquarters at St. Paul, because the company's manufacturing facilities tend to be small and diversified, and because this organization provides excellent channels of communications throughout the company. One telephone call from a plant with a pollution problem can set into motion all four abatement functions.

LONG ISLAND SOUND HERITAGE GAINS FURTHER SUPPORT

Mr. RIBICOFF. Mr. President, over the past month public support for my bill to establish the Long Island Sound Heritage in Connecticut and New York (S. 1968) has continued to grow. One newspaper after another has echoed my deep concern over the future of this precious natural resource and has endorsed the Heritage proposal.

Commenting editorially on the unique heritage of the Long Island Sound, the Waterbury Republican commented that—

Retention and preservation would seem to be most imperative for the generations that have inherited what nature carved out for us in pre-civilization years.

The Bristol Press very perceptively noted that—

The preservation and protection of Long Island Sound from the harmful effects of overdevelopment and urban pollution is a key ingredient in improving the quality of life for the people and wildlife of the areas which surround it.

In urging support for the Long Island Sound Heritage, the Willimantic Chronicle stated that—

It seems to us that the preservation move and setup of the Heritage is a most timely and worthy effort to insure that both Connecticut and New York will work to retain the Sound as a great mutual resource.

Mr. President, I ask unanimous consent that various newspaper editorials, as well as the endorsement of radio station WICC be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Chronicle, Willimantic, Conn., July 29, 1977]

WORTHWHILE AND TIMELY

Connecticut and New York officials, many local administrations, environmental and conservation groups in the two states are joining in an initiative by Senator Ribicoff to take congressional action to set up a "Long Island Sound Heritage"—an expanded system of parks, beaches and wildlife areas in this state and New York—to preserve a massive public domain within the Sound area.

Concern has been lodged that the long Island Sound littoral and adjacent lands face ultimate over-development; the Heritage preservation is intended to combine and extend public holdings in perpetuity, with cooperation of both states facing the Sound.

It seems to us that the preservation move and setup of the Heritage is a most timely and worthy effort to insure that both Connecticut and New York will work to retain the Sound as a great mutual resource. Administration would become a federal responsibility, perhaps with some recompense to the states for lands included in the new preservation system.

Reportedly, about 15 sites would be included in it initially, such as Bluff Point State Park in Groton; Ram, Dodges, and Andres Islands in the Mystic Island Group in Stonington; Rocky Neck State Park in East Lyme; Stony Creek Quarry and Faulkner's Island in Guilford; Lighthouse Point Park in New Haven; Silver Sands State Park in Milford; Pleasure Beach in Bridgeport; Long Island in Stratford; and the Great Meadow wetland complex.

Also, Sheffield Island and Chimon Island in Norwalk; Sherwood Island State Park in Westport; David's Island in New Rochelle; Fort Totten in Queens; Hen Island in Rye; Port Washington Sand Pits in Nassau County; Caumsett State Park in Nassau County; and, Roanoke Point in Suffolk County.

One hopes that the intention can be successfully worked out, and that the systematic protection of values along the Sound shore, for the general public, will follow.

[From the Bridgeport Post, Aug. 2, 1977]

LONG ISLAND SOUND HERITAGE

Once again Senator Abraham Ribicoff has stepped forward with a creative design to restore and preserve Long Island Sound. Yesterday, Senator Ribicoff officially introduced a bill calling for the establishment of the Long Island Sound Heritage. This would be a system of parks, beaches, and wildlife areas in Connecticut and New York. In his original plan, the senior Senator suggests inclusion of 15 sites in the two states.

To idealists it is a dream.

To pragmatists the Ribicoff proposal is something else again. Communities, whether they be located in Connecticut or New York, demand their autonomy. Regional cooperation can bring progress toward the solution of many problems, but many times officials and residents of one or two municipalities insist on holding tightly to their rights.

No one should know this better than Senator Ribicoff. Several years ago he proposed the Connecticut River Parkway. He maintained, and rightfully so, that nearly the entire length of the Connectitcut River should be a national park. People of vision saw the worth of his thinking, but petty bickering prevented the parkway from becoming reality. The most that came of it was the establishment by the General Assembly of a conservation zone.

As for the Long Island Sound Heritage program, it is an outgrowth of the study of Long Island Sound, which was initiated by Mr. Ribicoff. Nothing has been done to establish a commission consisting of Connecticut and New York people. Everyone, the governors, the legislatures, and the cities and towns are avoiding action, though no one disputes the worth of the blueprint the committee drew.

As for the Long Island Sound Heritage, Mr. Ribicoff believes in a close working arrangement involving the federal government, the governments of Connecticut and New York, and the municipalities.

He is absolutely correct in his contention that no additional time should be lost in cleaning Long Island Sound and guaranteeing that sites such as Pleasure Beach in Bridgeport, Silver Sands in Milford, the Great Meadows in Stratford and Sherwood Island State Park in Westport, among others, must be protected against an invasion by commercialism.

Senator Ribicoff, in shaping this program, has dramatically demonstrated his interest in one of the finest recreational areas in the country, which is being seriously threatened by private interests seeking to make money, the indifferent attitude of some cities and towns, and the failure of people to appreciate the beauty of nature.

If Long Island Sound Heritage can be put together, Senator Ribicoff will have made a contribution to the public good for many generations to come. May the other governmental officials who will be taking part in discussions and people, in general, realize that cooperation is essential.

[From the Danbury (Conn.) News-Times, Aug. 2, 1977]

LONG ISLAND SOUND HERITAGE PLAN

Senator Abraham Ribicoff yesterday introduced, as he promised he would over the weekend, a measure to create Long Island Sound Heritage, which would incorporate beaches, parks and wildlife areas in Connecticut and New York to enable more people to enjoy the pleasures of the sound.

The new measure carries out recommendations of the Long Island Sound Study, which the New England Rivers Basins Commission conducted in response to a federal act based on a bill which Senator Ribicoff had introduced in 1969.

When and if the new bill is finally approved by Congress and the President, close cooperation on the part of federal, state and local agencies and interested members of the general public will be required if the heritage program is to be developed to its full potential.

Several facilities on the Connecticut side of the sound, all of them somewhat convenient to those driving from the Danbury area, would be brought under the heritage plan if it is carried through in its present form.

Among them would be Sherwood Island State Park in Westport, the Sheffield and Chimon Islands in Norwalk, Pleasure Beach in Bridgeport and the Great Meadow wetland complex in Stratford, Silver Sands State Park and several other parks between New Haven and Groton.

As Senator Ribicoff pointed out to fellow senators Monday, the usefulness of Long Island Sound and its shoreline has been threatened by water pollution, shoreline erosion, the destruction of rich marshlands and the loss of open spaces.

Because of what might be described as urban blight, the southern shore along Connecticut and the northern shore along Long Island are not as useful and as valuable to the citizens as they should be.

The federal-state-local cooperation envisioned by the Ribicoff bill would do much to reverse the destructive trends which have been so evident for so long, to restore Long Island Sound to a high degree of usefulness for recreational and other people-oriented uses, and to preserve this rich natural resource for decades to come.

It is a measure whose time has come. The Senate should approve it and the House should do likewise. More people reside in close proximity to Long Island Sound than to any similar body of water on the Atlantic, Gulf or Pacific coasts. That is why its preservation is so important to all America.

[From the Middletown (Conn.) Press, Aug. 2, 1977]

THE LONG ISLAND SOUND PLAN

It is an ambitious plan—the Long Island Sound Heritage—but Senator Abraham Ribicoff has sparkplugged other conservation efforts in the past, and once again he may have touched a chord in proposing that an expanded system of parks, beaches, and wildlife be set up along the reaches of Long Island Sound.

It was back in June of 1969 that Ribicoff introduced legislation which authorized a comprehensive study of the sound and its shoreline. As the Senator reports: "In August 1971 the New England River Basins Commission initiated the Long Island Sound study. The goal of this study was to produce a plan of action which balanced the needs to protect, conserve, and wisely develop the Sound and its related shoreline as a major economic and life-enriching resource for the more than 12 million people who live near it. After almost four years of effort, the expenditure of $3 million, numerous hearings and on-site studies, the NERBC completed its work. The final report contained more than 600 recommendations for guiding shoreline development, reversing the trend in pollution and enhancing the Sound's economic, recreational, and esthetic potential. The proposals suggest action by the Federal, State and local governments."

"One of the key recommendations," the Senator said, "was the creation of the Long Island Sound Heritage—an expanded system of parks and beaches in Connecticut and New York. Fifteen different locations in Connecticut and New York were specifically nominated for acquisition and expansion."

The bill which Ribicoff has introduced seeks to carry out many of the recommendations of the study, and it directs the Secretary of the Interior to come up with a program that would delineate the uses, and the resulting legislation would provide 75 per cent of the cost for acquisition and development, which would be administered in partnership with the federal government.

While many of the details have to be filled in, in general, the Ribicoff bill has had extensive study in terms of its objectives, pinpoints 15 sites that should be preserved and in general could be attained, and further more creates a system to which other locations could be added.

The basic objectives hardly need underlining. The Sound provides too little in the way of recreation, and public beaches; it is unduly polluted; it needs far greater care and nurturing than it has been getting. It is in danger. While this one bill will not solve every problem, it focuses attention on the total problem.

In a day when Long Island Sound is under more and more pressure from more and more use by an expanding population, there must be counter-prevailing measures. Long Island Sound is a heritage, but at the present rate it will not stay that way for long. The signs of deterioration and decay are all about us.

[From Groton (Conn.) News, Aug. 2, 1977]

THE HERITAGE BILL—A VALUABLE TOOL

It was inevitable that Senator Abraham Ribicoff's Long Island Sound Heritage Bill would stimulate a new round of debate about the future of Bluff Point State Park. It is a debate that will have to be settled in the only manner possible—by accommodating both the needs of the people of the state who want access to the water sports potential of the point and of those who want to see maximum practical protection of a comparatively unspoiled area. It was the latter group that pushed through the state legislature a bill to establish a nature preserve on the point, virtually excluding those who foresaw a magnificent potential for recreational use.

Sen. Ribicoff's bill does not specifically address the fate of Bluff Point State Park. It calls for a combined state, federal and local effort to plan for the preservation of scenic, recreational, natural and cultural resources, initially at fifteen sites along Long Island Sound in New York and Connecticut. Bluff Point is one of those sites.

The basis for the planning would be the guidelines drawn up after a four year study by the New England River Basins Commission. The ideas put forth in that study are not final recommendations. They could not be, since the Commission called for both local and regional participation in a coordinated plan for the shoreline area. That presupposes the injection into planning of ideas that the Commission may have considered only incidentally or not at all.

Similarly, Ribicoff's bill calls for examination of each of the sites by local, state and federal officials to determine whether they should be included in the Long Island Sound Heritage system at all.

The focal point of the bill, however, is that it empowers the Secretary of the Interior to act on implementation of whatever plans are developed to, as Ribicoff said, "enable more people to enjoy the pleasures of the Sound." Presumably, even if the final word on Bluff Point were a recommendation for maximum preservation of natural features, there would be federal money available to make that come topass—including the most vital funds, those for administration and maintenance. A lack of that kind of money is, at present, crippling the entire system of state parks in Connecticut. Only by patchwork application of short term federal work programs has the state been able to fill in any part of that gap.

Thus, the Long Island Sound Heritage Bill will provide an exceptional tool to carry out the wishes, and provide for the needs of the populace with relation to shoreline areas.

There need be neither fear nor suspicion that any element of the program will be carried out without maximum public debate—which will be joined eagerly by the outspoken groups that forced the concept of the coastal reserve through the legislature.

Opposition to the bill, based on fears that it will override the wishes of the people, is ill founded. The bill is a tool that can be used well to carry out those wishes provided they are in the interests of most of the population of the state. This is not the time for new debate to begin.

[From New Britain (Conn.) Herald, Aug. 4, 1977]

A SOUND MODEL

Sen. Abraham Ribicoff's proposal to create an extended system of parks and beaches under federal protection along the Long Island Sound in Connecticut and New York is a model piece of environmental protection; the type of legislation which is in tune with times, with administration policy and with the drumbeat of environmentalists and vacationers.

But in even the best laid plans there may be a hitch. In this case the question of how Bluff Point State Park—which is included with 14 other sites in the Ribicoff package—will be affected should be resolved. Stanley J. Pac, state environmental commissioner, who generally applauds the Long Island Sound Heritage bill, has expressed reservations that the Heritage plan for a ferry from Bluff Point to neighboring Ram Island might lead to development of the naturally scenic park.

Such fears are well taken. Any change, well intentioned or not, which might threaten the natural state of the most scenic resources also threatens the thrust of the Heritage bill which is to preserve Bluff Point. The four year study of Sound beaches and parks, which was initiated by Senator Ribicoff and which he used to base his Heritage bill, recommended that a portion of Bluff Point become a public beach and another portion a nature area.

Hopefully, this hitch or question mark in the Heritage bill will be resolved to the satisfaction of the Connecticut Department of Environmental Protection so that the legislation may receive the unqualified support it, as a whole, deserves from this state.

Few would argue that the Connecticut and New York shorelines which Senator Ribicoff has noted as a "unique study in contradictions" between beauty and the effects of urban waste is worthy of this bill. The shore areas are a natural resource and asset which are of value beyond the borders of shore communities.

[From the Waterbury Republican, Aug. 23, 1977]

SOUND CONSERVATION

Creation of a Long Island Sound Heritage, as proposed by Sen. Ribicoff is long overdue in some form or another. The Sound has always been one of Connecticut's richest heritages—natural, of course. Retention and preservation would seem to be most imperative for the generations that have inherited what nature carved out for us in pre-civilization years.

It would almost seem as if there should be no cause for alarm over the future of the Sound, so valuable an asset is the 90-mile-long body of water separating Connecticut from New York's Long Island. But all our natural bodies of water—lakes, rivers, seacoasts, etc.—are taken so much for granted by most of us that we don't see the abuses that creep in until it's too late to curb or avert them.

With Sen. Ribicoff's premise that " . . . the area's scenic, recreational, natural and cultural resources are threatened by growth and development pressures . . ." no one can disagree. Whether or not such recognition is followed by such corrective measures as are proposed in the Long Island Sound Heritage is beside the point. What has to follow the seven-year study and recommendations is action to retain and maintain a Long Island Sound that will provide Connecticut and New York with a salt-water body, once described by Daniel Webster as the "American Mediterranean."

Urban sprawl and urban wastes are taking their toll along the Connecticut shoreline; will continue to do so until some sort of a barrier, like the Long Island Sound Heritage, is erected. Hopefully the Ribicoff legislation will fit into President Carter's views on environmental protection and preservation

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[From the Westport News, Aug. 26, 1977]

IT SHORE MAKES SENSE

Two proposals to safeguard the state's threatened shoreline and diminished coastal resources are moving toward the legislative hopper—one in Hartford, the other in Washington, D.C.

One important program, which has received little public attention, is reaching the end of its planning stage for presentation to the General Assembly during its 1978 session. Right now, citizens in coastal towns like Westport have a chance to tell the Coastal Management Program (CAM) how they would like to see the fragile and valuable Connecticut shoreline used in the future.

The coastal homeowner, developer, sailor, fisherman, petroleum dealer, shipyard owner, presumably, the person who wants to fill a salt-marsh can all have their say as proposals are made for a more rational and coordinated system of coastal management and protection.

For those who missed the CAM workshops held in Fairfield County recently, "A Citizen's Handbook to Coastal Area Manage-

ment" is available from CAM, 71 Capitol Avenue, Hartford 06115. It contains a questionnaire on program recommendations and asks respondents what town they live in and why they are interested in the coastal area.

Not that there are simple answers to complicated questions.

Guidelines of the Federal Coastal Zone Management Act, which provides the planning funds, must be followed as a complex and multi-use coastline is studied. One requirement asks that the boundary of a coastal zone be determined as a condition of further federal funding. The coastal zone would then be subject to the special controls of the management program. The federal act also requires "genuine public participation in every phase of development" of a coastal management program and it provides quite a degree of flexibility in the kinds of programs which may be established.

Just understanding the language of CAM proposals and sorting out the government jurisdictions in charge may prove difficult for the average politician or citizen. Yet new evidence appears daily of the need to use our shoreline more wisely, particularly in this crowded part of Long Island Sound.

Let the CAM handbook state the problem: "The coastal municipalities, the state and the federal government have all become involved in coastal problems through activities such as planning and zoning, road construction, wetlands regulation, fish management, harbor development, and channel dredging. Too often, though, their efforts have been poorly coordinated. Many programs deal with only one of a large number of interrelated issues; others are concerned with a limited geographic area when problems cross town lines. Their sheer numbers are staggering; as many as 500 individual administrative and regulatory agencies in Connecticut coastal areas are presently making independent decisions which affect the coast.

The second proposal is that advanced by U.S. Sen. Abraham Ribicoff for a "Long Island Sound Heritage." The plan would incorporate 15 areas in Connecticut and New York state into a federally-supervised conservation-recreation complex. Basically, the proposal aims to provide funding to insure preservation of existing beach and shoreline refuge areas along the Sound. Another laudable goal that with proper coordination with state and local representatives should prove beneficial to citizen and ecology alike.

We hope both proposals pass swimmingly through their legislative inspections.

[From the Bristol (Conn.) Press, Aug. 2, 1977]

PRESERVING LONG ISLAND SOUND

Legislation introduced Monday by Senator Abraham A. Ribicoff to establish the Long Island Sound Heritage represents an important step in preserving what is left of Long Island Sound's unique but fragile ecosystem. The bill would create an expanded system of parks, beaches and wildlife areas at locations all around the Sound. Fifteen sites in Connecticut and New York State are proposed for inclusion in the system.

The legislative proposal comes as a result of recommendations from the Long Island Sound Study conducted by the New England River Basins Commission. The goal of the study, said Senator Ribicoff, was "to produce a plan of action which balanced the needs to protect, conserve and wisely develop the Sound and its related shoreline as a major economic and life-enriching resource for the more than 12 million people who live near it."

Upon introducing the bill Senator Ribicoff noted Long Island Sound represents a study in contrasts between beautiful expanses of undeveloped beach and marsh lands and blighted, decaying industrial harbors and waterfronts. Without coordinated planning the waters of the Sound are threatened by increasing pollution from urban and industrial use, and the remaining open spaces along its shores are threatened by over development.

Particularly important is the preservation of dwindling salt marsh and tidal wetland areas. The filling in of such areas for shoreline development, which has occurred at an alarming rate, has a direct impact on wildlife and shellfish populations. The salt marshes which ring Long Island Sound provide nesting areas for numerous species of birds.

Another problem the legislation addresses is that of public accessibility to the Sound. Most of the shoreline all around Long Island Sound is in private ownership. The existing shoreline parks are inadequate to handle the demand for recreational use. Long Island Sound represents the largest protected area of salt water available anywhere in the country, and it is situated in the midst of North America's greatest population center, noted the Senator.

The proposed legislation would create an instrument through which the Federal Government, the states of New York and Connecticut, and appropriate local agencies would work closely together. There would also be ample opportunity for such concerned groups as natural scientists, conservation, recreation and environmental organizations as well as individual citizens to have a role in the planning of the Heritage.

The Long Island Sound Heritage Bill has designated 15 sites in Connecticut and New York to be examined for inclusion in the Heritage. Among those located in Connecticut are Bluff Island Group in Stonington, Rocky Neck State Park in East Lyme, Stony Creek Quarry and Faulkner's Island in Guilford, Silver Sands State Park in Milford, Pleasure Beach in Bridgeport, Long Island and the Great Meadow wetland complex in Stratford, Sheffield Island and Chimon Island in Norwalk, and Sherwood Island State Park in Westport.

Fifty million dollars would be appropriated to provide up to 75 per cent assistance to the states and local communities in acquiring, developing and administering the sites. A series of on-site public hearings would be held to determine the type and scope of development or management the individual site would require.

The preservation and protection of Long Island Sound from the harmful effects of overdevelopment and urban pollution is a key ingredient in improving the quality of life for the people and wildlife of the areas which surround it. The Long Island Sound Heritage Bill which comes after a lengthy process of solid homework, represents a positive response to the need, and it deserves the thoughtful attention not only of the Congress but of all the individuals and agencies concerned about our natural resources.

[From WICC Radio 60]

LONG ISLAND SOUND HERITAGE

This is Vince Cremona, vice president and general manager, with a WICC editorial. Senator Abraham Ribicoff is introducing legislation in Washington which we think will go a long way to preserve one of our greatest natural resources, Long Island Sound. Under his legislation, called the Long Island Sound Heritage, an expanded system of parks, beaches and wildlife areas would be created and preserved for our use and that of future generations. Some of the areas included are, Light House Point Park in New Haven, Silver Sands State Park in Milford, Pleasure Beach in Bridgeport, Long Beach and the Great Meadows Marsh Land in Stratford, Sherwood Island State Park in Westport and Sheffield Island in Norwalk. The bill would authorize 50 million dollars to provide up to 75 percent assistance to the States and local communities to aid them in acquiring, administering and maintaining the sites. We agree with Senator Ribicoff when he says his legislation would protect the areas' resources from "growth and development pressures, as well as focus on the serious shortages of public conservation, recreation and open lands along the shores of the Sound." We hope local communities will go along with the plan to preserve this precious resource for future generations. We urge all interested citizens to listen for announcements of onsite hearings and to render in-person support for the Senator's worthwhile project.

Mr. RIBICOFF. Mr. President, I have also been gratified by the support my legislation has received from various officials in the Northeast. The very able chairman of the New England River Basins Commission, Frank Gregg, has written to advise me of his support of S. 1968. In addition, Lee Koppelman, executive director of the Nassau-Suffolk Regional Planning Board and one of the region's leading planners, has indicated that my bill "merits the support of every person interested in the Long Island Sound region." Both of these public servants have long been involved with programs to preserve and protect the Long Island Sound and I am especially gratified by their support. I ask unanimous consent that their letters also be printed in the RECORD.

There being no objection, the letters with attachment were ordered to be printed in the RECORD, as follows:

NEW ENGLAND RIVER
BASINS COMMISSION,
Boston, Mass., August 5, 1977.

Hon. ABRAHAM A. RIBICOFF,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR RIBICOFF: Congratulations on your introduction of the Long Island Sound Heritage Bill. I know you and your staff have worked very hard to develop a vehicle that will preserve the extraordinary recreational and natural heritage of the Sound.

I look forward to working with you and with administration officials to make the concept a reality, and I hope that those who love the Sound appreciate the tenacity with which you have pursued its preservation and restoration.

Cordially yours,

FRANK GREGG,
Chairman.

NASSAU-SUFFOLK REGIONAL
PLANNING BOARD,
Hauppauge, L.I., N.Y., August 8, 1977.

Hon. ABRAHAM RIBICOFF,
U.S. Senator,
Committee on Governmental Affairs,
Washington, D.C.

DEAR SENATOR RIBICOFF: I have carefully read the draft of S. 1968 and feel that it merits the support of every person interested in the Long Island Sound region. I would appreciate being informed as to the date of the public hearing so that I may present some detailed views as they relate to Nassau and Suffolk counties.

I have enclosed a copy of my study of the Sound. In particular, Chapter 7, pages 157 through 161 discuss the heritage concept. Your leadership on this most important segment of the Sound study is most appreciated.

Very truly yours,

LEE E. KOPPELMAN,
Executive Director.

COASTAL ZONE MANAGEMENT: A PLANNED APPROACH

INTRODUCTION

The preceding chapters have shown an exciting potential for expanding and developing Long Island Sound marine activities. But much of this potential is being dissipated through outright waste and negligence. Preservation and wise management of wetlands areas are vital to commercial and sport fishing and shellfishing, recreation, and tourism, but thermal, bacteriologic, and chemical contamination continues to have adverse effects. The consequences of dredging, the significance of the wetlands, and the various kinds and degrees of contamination are just some of the things that must be thoroughly understood if a planned marine economy is to evolve from a series of unrelated, uncoordinated, unregulated, and generally exploitative ventures.

Urbanization on Long Island Sound, as in other suburban coastal zones of the country, is destroying land and water resources. Open spaces that once provided aesthetic enjoyment, wildlife protection, and recreational opportunities are being lost to the homes, schools, factories, highways, commercial centers, and other manifestations of an urban society. This has been the pattern on Long Island Sound in the past decades; it will surely continue if growth is left solely to the workings of the market. What is economically best for the community does not equal maximum economic efficiency in real estate terms. To act in the public interest, a third party, the government, must intervene between buyer and seller.

But how can government decide what is in the public interest better than the private citizen can? How can government provide for long-term development without ignoring immediate needs? Planning deals with these questions.

Planning is a process. It starts with knowledge already available, and then determines needs or desired goals, develops an answer or set of alternative answers, describes the consequences of each, and finally, offers a means of implementation for the selected solution. The aim of planning is balanced, orderly community growth. The planner attempts to structure governmental action to help meet this aim. His philosophy is that the "good life" can be achieved through proper ordering of land uses, community facilities, and transportation networks in an aesthetic setting.

In the first stage, or information period, the planner gathers all relevant data about existing conditions and past trends in the area, and he projects population growth to estimate future spatial and service needs. He also formulates general goals and objectives.

In the next phase, he draws up alternative proposals, each showing projected growth, development of policies and programs necessary for its implementation, and its own set of end objectives and consequences.

In the third stage, the planner chooses the alternative that reflects the overall objectives most closely. Physical and economic data are relatively easy to measure and, in *realpolitik* terms, easy to use in defining goals. The major obstacles to comprehensive planning, however, are the more abstract social and environmental components, which lack a methodological base and are not as widely accepted at the firing line.

Often, the planner has to act as a surrogate for the "people." How accurate the planners have been to date is perhaps epitomized in the brief plea, "Dear Lord, help us to help the people by making them want what we know they need."

Goal formulation is one of the weak links in the planning process; a selected goal is supposed to reflect the general consensus of the people, but it cannot help but be a value judgment. Even where an apparent consensus exists, there is always a discrepancy between general goals and more specific plans of attack. General goals can best be characterized as "motherhood" issues: there *should* be a program of park acquisition, there *should* be strict conservation of Long Island Sound, there *should* be an efficient transportation network, there *should* be full employment.

Just as data are converted into information, and information converted into plan alternatives, there is also a transformation of goals from the general to the specific. When one or more workable comprehensive plans evolve, and the consequences of each plan are fully enunciated, then the plan or plans are ready for implementation. It is at this stage that the issue of goals again becomes of paramount interest. As each alternative is developed and detailed, and the end objectives become less abstract. In place of "There should be an efficient transportation network," the planner may now say, "A six-lane, grade-eliminated highway is required to cut diagonally through the towns of X, Y, and Z."

We then pass very quickly from motherhood to oxgoring, and from the safety of technical seclusion to the political arena. This juncture usually marks the end of the planning process. Technical responsibilities end with the transmittal of the plan to the official decision-makers. The planner retires from the ring, so that elected representatives can assume the role of matador, since final decisions based on planning objectives are truly political.

There are two types of constraints on the implementation of planning objectives: inner-oriented and outer-oriented. Inner-oriented indicates planner-to-planner relationships; outer-oriented refers to planner-to-politician-to-public relationships. In the former category, implementing objectives has been limited by planning deficiencies. These include technical failings, such as the lack of operational theories and the uneven quality of information input—partially due to inadequate funding, but more often to a varied sophistication in data on urban and ecological systems. Other inner-oriented constraints are deficiencies in methodology and differing goals among planning agencies that share responsibilities for the same area.

Among the outer-oriented deficiencies is the short-sightedness of many planners, who do not view planning in socio-political-economic-ecological terms. There is a great need for communication between the planner and the politician. It is all too easy to rationalize the ineffectiveness of planning by blaming the politician for being unresponsive. Until the planner recognizes that all public agency programs must be politically acceptable as well as technically sound, it is doubtful that planning objectives will become political realities. Impaired communication between planner and politician is not the story of the good guys v. the bad guys but a generation gap. The planner often fails to realize that while his generation may be the next two to four decades, the generation of the elected official is his current term of office. While the planner talks of the year 2000, the politician wants to discuss and solve what are yesterday's problems—from the planner's point of view. And the politician's constituency is very real—particularly at the polling booths. Any proposals that cannot stand testing in the crucible of political heat are almost assured of defeat, decline, or impotence:

Finally, any act of management of the environment, any intervention in the relationship between man and his surrounding milieu . . . implies decisions of a political nature. . . . Environmental decisions are, hence, ineluctably political . . . and, thus, whoever wishes to pursue the achievement of a sound environment must be prepared to deal with the relevant political factors.

If the politician realizes that the planner is not attuned to the crisis issues of the day, he relies on input from other sources, especially in the field of social planning. The new concept of "advocacy planning"—in which planners stand outside the power structure—means that the politician hears from segments of the constituency that the institutionalized planning office has not dealt with. Therefore, the need for dialogue between planner and politician has become more important to the planner than to the politician.

Planning objectives can only become political realities when the planner does the following:

(1) Addresses the public and not just fellow planners.

(2) Considers the problems that face the politician.

(3) Educates the public.

(4) Establishes a working liaison with the array of decision-makers who effect any degree of control over planning.

Communication obstacles can be overcome. The prime impetus must come from the planner. But there are obstacles to implementation beyond the planner's reach. These arise out of governmental inertia resulting from structural and functional limitations. Control spread among multiple governmental units—a manifestation of home rule—is a major barrier to attaining regional planning objectives. Many problems and solutions apply to fiscal or legal jurisdictions broader than the municipalities involved. Little can be done unless the general public and their elected representatives are willing to support shared or regional controls by relinquishing some local powers. Of course, inertia can also be the result of unwillingness of elected officials to exercise leadership, or in some cases, just plain venality. Such deficiencies are rarely addressed, let alone rectified, in American domestic affairs except in response to a real or perceived crisis.

Fortunately for Long Island Sound, increasing public attention has been focused on potential threats like growing pollution, proposed bridges, fuel desulfurization plants. Strong constituencies have emerged in the last decade. In striving to prevent real crises, these groups have lobbied for and supported regional planning efforts. In fact, the relatively untrained but committed citizens have often shown more courage and vision than have the professional planners. Until recently, with few exceptions, the planning efforts undertaken in the Long Island Sound region have been based on general trend analyses with predetermined objectives. Such efforts result in highly constrained, almost deterministic views of the future. Considering growth a "given" reduces the planning process to a holding action at best, or a charade in most cases. Sops to citizen requests for reform and rationality in governmental decision-making no longer suffice. Increased citizen interest and action have given birth to increased sophistication—both in technical knowledge and in political astuteness.

The Nassau-Suffolk Regional Planning Board and the New England River Basins Commission (NERBC) have been working towards developing a comprehensive and multidisciplinary management plan. Their efforts have not yet produced a final acceptable plan, but two key factors have emerged: an understanding of 1) the process and methodologies used in planning, and 2) the administrative mechanisms necessary to implement the recommendations of a plan. The techniques used and standards derived from developing a management plan for Long Island Sound will un-

doubtedly serve as models for other areas with similar concerns.

THE LONG ISLAND SOUND STUDY

The Long Island Sound Study, begun in August 1971, was released for public scrutiny and comment at the end of 1974. NERBC staff then reedited the various drafts during the spring of 1975. The final report is an amalgam of ten broad interest areas that are meant to make up the plan for Long Island Sound. Each area—land use, water management, shoreline appearance and design, erosion and sedimentation, flood damage reduction, recreation, fish and wildlife, marine transportation, minerals, and power and the environment—is essentially a miniplan. (See Appendix F for an annotated bibliography of selected functional studies.) Intensive inventories were prepared, problems identified, short-term and long-term projections of need made, goals chosen, alternative solutions developed, and finally, a set of recommendations drawn up.

A 30-member Citizen Advisory Committee (CAC) was appointed by the chairman of the NERBC and the governors of New York and Connecticut. The CAC was specifically assigned the task of deciding the broad goals of the program. They also participated in the various technical work groups set up to carry out the individual functional studies. A similar 30-member Research/Planning Advisory Committee was appointed from the academic and scientific communities to provide the technical equivalent of the CAC.

The general goal of the study was "to produce a plan of action by the Spring of 1975 which balances the needs to protect, conserve and wisely develop the Sound and its related shorelands as a major economic and life-enriching resource for the 12 million people who live near it."

Unfortunately, the Long Island Sound Study did not achieve its stated goal. Yet even its failures are a contribution, in the sense that latent pitfalls were revealed in planning for a system as complex as the Sound and its surroundings. Current efforts to complete the planning process for the Sound region, discussed later in this chapter, were able to avoid the shortcomings and build on the strengths instead. For example, it is now obvious in retrospect that the CAC did not succeed in the important and elusive task of becoming the intermediary between the planners and the citizenry. If it had, much of the criticism of the plan could have been avoided. Perhaps the absence of broad support at the public hearings—which clearly demonstrated that the NERBC failed to capture the imagination of the person in the street—was due in part to the manner of selecting members of the CAC. An official appointment tends to taint the designee as being part of the government. The NERBC could have taken its cue from the War on Poverty legislation, requiring that citizens organize and select their own representatives.

One other general observation is in order. It appears that the NERBC promised much more than it could reasonably have been expected to produce, given the time and money constraints set by the federal government. Although some of the planners, economists, and environmental scientists and engineers recognized these limitations, it was never made clear to the public that the overall goals were too high. "Promise less but deliver more" is a motto that should be stressed in planning schools as vigorously as the classic saw, "Planning is a continuous process."

Despite the shortcomings of the Long Island Sound Study, several aspects of the plan are innovative and should be given serious consideration. These include the Long Island Sound Heritage proposal, the segment on shoreline appearance and design, and the proposals for administrative agencies to implement the management programs.

Long Island Sound Heritage

The aim of the work group on recreation was to enable more people to enjoy the pleasures of the Sound. But most of the shoreline and the access to it are either privately owned or controlled by municipalities that restrict use to its residents. The Long Island Sound Heritage proposal strongly urged that New York and Connecticut create an expanded system of public beaches and parks, and specifically nominated 16 sites for acquisition or expansion. The proposal also recommended removing restrictions on bus transportation to state parks, instituting a recreational ferry service to link the various parks, and opening beach fronts now inaccessible to vehicular traffic.

Shoreline appearance and design

Aided by a consultant landscape architect, the work group on shoreline appearance and design concentrated on scenic preservation, removal of debris, and public education programs on visual pollution. Despite some criticism that there was too much emphasis on this segment of the plan, the work group produced a valuable and professional assessment of the aesthetic problems and solutions to them. Their recommendations could lead to a new sense of public awareness, an appreciation not only of the many and varied beauties in the coastal zone but also of the importance of proper management.

The more valid criticisms of the Long Island Sound Study relate to its organization. Most of the almost $3 million invested in the program went to the 20 federal agencies that conducted the bulk of the work. The CAC's staff had virtually no quality control over the agencies. This fragmentation carried over to the final package, more an aggregation of pieces than a coherent plan. The Long Island Sound Task Force noted that the most significant issues of growth policies for the region were avoided:

Any plan for managing growth around the Sound which leaves the question of limiting growth up to the Federal government, which discusses transportation only as marine transport and recreational access, and energy only in terms of power generation, is clearly suffering from a failure of nerve. This report handles the easy questions in many cases very well; it does not tackle the really hard ones at all.

Once committed to the limited, subject-by-subject approach, the CAC planning staff also missed an opportunity to utilize ongoing or prior work of other agencies until the end of the project. In a sense the Long Island Sound Study was administered in a partial vacuum: a decade of planning and research experience on the Long Island side of the Sound was largely ignored—until public criticism prodded the CAC to cooperative action.

TAX EXPENDITURES IN THE ENERGY TAX BILL

Mr. KENNEDY. Mr. President, one of the major issues the Senate will deal with in the forthcoming energy legislation is the questionable use of tax expenditures. Yesterday, I submitted a statement to the Committee on Finance opposing a number of these tax expenditures and urging the committee and the Senate to delete them from the bill, on the ground that they are wasteful and inequitable methods of achieving our national energy goals.

Mr. President, all of us must give careful attention to these Federal subsidies. Each of them is no less of a Federal subsidy because it is being implemented through the tax laws, although frequently tax subsidies receive less scrutiny from Congress than direct subsidies. Large amounts are involved in the energy tax subsidies—taken together, the provisions will cost the Treasury a total of $8 billion over the life of the bill.

Mr. President, my statement to the Finance Committee summarizes a number of my objections to these tax subsidies, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR EDWARD M. KENNEDY ON TAX EXPENDITURES IN THE ENERGY TAX BILL, SEPTEMBER 6, 1977

The House-passed version of H.R. 8444, the National Energy Act, represents an important step in the efforts of President Carter and Congress to develop a rational and effective national energy policy. There is much in the bill to commend it and I support many of its provisions.

However, the House bill includes a number of provisions that are undesirable and should be rejected by the Senate. These provisions involve a series of new or expanded tax subsidies for individuals and businesses, including the following:

A. Individual Tax Subsidies:

1. Residential insulation tax credit.
2. Residential solar energy equipment tax credit.
3. Residential wind energy equipment tax credit.
4. Tax credit for electric automobiles.

B. Business Tax Subsidies:

1. Business energy tax credits.
2. Tax credit for waste recycling equipment.
3. Intangible drilling and development cost deduction and percentage depletion deduction for geothermal resources.

These tax expenditures will cost the Treasury a total of $8 billion by the end of 1984, or over $1 billion a year over the life of the bill. The enactment of such large tax subsidies is directly contrary to the tax simplification efforts that will constitute a major element of the tax reform legislation to be submitted shortly to Congress by the President. The proposed tax expenditures are also deficient as spending programs from the standpoint of need, efficiency, and fairness. Therefore, these tax expenditure provisions of the energy bill should be deleted by the Senate.

From the standpoint of tax reform and tax simplification, the new individual tax credits created by the House bill will have to be included on all individual tax return forms, including the short form 1040–A. This means new lines on the tax return form for every taxpayer in the country. Taxpayers will have to fill out supporting schedules for each of the new credits, and the IRS will have to issue detailed regulations to implement the credits. This new complexity is clearly contrary to the goals that Congress and the Administration are trying to achieve in the tax simplification effort.

For business taxpayers, the number of new tax credits and deductions—both personal and business—will be even larger. Still more complex forms and regulations will be the inevitable result.

It is unfortunate that the Administration and Congress are taking up consideration of the energy tax bill separately from tax reform. If the energy tax expenditures were being taken up in conjunction with the tax reform bill, it is likely that they would have all been rejected, on the ground that they would make the tax system more complex. The Senate, however, can resolve this procedural issue by eliminating all of the tax expenditures from the energy bill and de-

ferring consideration of them until we take up the tax reform bill next year. I commend this step to the Committee on Finance, and I hope that it will be followed by the Senate.

In addition, analysis of the tax subsidy provisions indicates that they are seriously deficient as Federal spending programs. Since they are tax expenditures, it is appropriate to ask the same questions that we would ask of direct spending programs:

1. Is there a need for the new or expanded federal subsidies?

2. Is the tax subsidy structured efficiently to avoid making windfall payments to individuals or businesses for doing what they would have done anyway?

3. Is the value of the benefits equal to the costs of the tax expenditure?

4. Are the benefits available to individuals or businesses who, for other reasons, do not have tax liability?

5. Are the benefits of the tax subsidies distributed fairly among individuals by income and among businesses by size?

6. What are the effects of the tax subsidies on inflation?

7. What are the effects of the tax subsidy on competition within an industry?

8. How are the benefits of the tax subsidy allocated among regions of the country?

9. How does the tax subsidy affect the allocation of capital resources—that is, if capital is to be attracted to energy-related investments, what other areas of investment may suffer a capital loss?

These are crucial questions which I hope the Administration and the Senate Finance Committee will address and answer for the Senate before we begin floor debate on the energy bill. Failure to answer these questions means that the Senate will be voting in the dark on the expenditure of federal funds that ultimately will total in the billions of dollars. The Senate simply cannot perform its responsibilities to the taxpayers in such a fashion.

The accompanying pages analyze these tax expenditures and address some of the questions that should be raised. My hope is that this analysis will encourage more extensive debate on these and similar tax expenditures in the energy bill. The tax expenditures in the energy bill raise important issues of tax simplification and efficiency and fairness in the expenditure of federal funds. In my view, these tax expenditures should be deleted from the energy bill, because they are sources of increased tax complexity, and because they constitute wasteful and inequitable uses of limited federal funds. It would be a travesty of responsible action on the energy crisis to allow the crisis to become the pretext for adding a large number of new tax loopholes to the already loophole-ridden Internal Revenue Code.

THE TAX CREDIT FOR RESIDENTIAL INSULATION*

At first glance, it may be asked why anyone should oppose a Federal tax credit for home insulation. But when carefully examined, this seemingly generous gesture toward homeowners actually raises many serious questions, and turns out to be a costly and wasteful method of achieving the desired goal of residential insulation.

The insulation tax credit in the House-passed National Energy Act, H.R. 8444, has five fatal defects that should lead Congress to reject it:

It is inefficient, because the credit will not encourage many people to insulate their homes who would not insulate them anyway;

It is inflationary, because the supply of insulation is limited, and increased demand will only push up the price;

It is inequitable, because well-to-do homeowners will receive far greater benefits than low-income homeowners;

It is complex, because the tax return and the IRS audit process will become even more confusing and more complicated than before; and

It is expensive, because the Treasury will lose $500 million a year as a result of the proposed tax credit, with no corresponding public benefit.

H.R. 8444 provides an individual income tax credit for "qualified" residential energy conservation expenditures. The credit is equal to 20 percent of the first $2,000 of such expenditures, with a maximum credit of $400. The credit applies to expenditures made between April 20, 1977 and the end of 1984. Items qualifying for the credit include: insulation, storm doors and windows, clock thermostats, caulking or weatherstripping, and various devices for making furnaces and water heaters more efficient. The credit is available only for insulation of an individual's principal residence, not for vacation homes or other residences.

The idea of an insulation tax credit was born out of the energy crisis and the concern for energy conservation. Conservation is important, but so are other goals, such as the efficient use of Treasury funds, the need to keep the federal deficit under control, and the avoidance of complexity in the tax laws. Tax equity and fiscal responsibility require that Congress ask whether the home insulation tax credit is an appropriate and effective means of encouraging energy conservation.

There are five major objections to the credit as it was approved by the House of Representatives in H.R. 8444:

1. The insulation credit is inefficient. The credit is premised on the belief that people will buy more insulation if the federal government make it cheaper by granting a tax credit of 20 percent to purchasers. The tax credit philosophy also presumes that high energy prices in the marketplace will not be a sufficient incentive to get people to insulate. In addition, there is an implicit assumption that the supply of insulation substantially exceeds the current demand. All of the assumptions are in error.

In 1975, 9.1 million, or 22%, of the occupied, single-family, detached houses added some form of insulation or weatherstripping. All of this insulation was installed in the absence of any tax incentive. The number of people insulating their homes has been rapidly increasing. The number of storm windows installed in 1975 was 11.1% higher than the number added in 1974.[1]

People are already stampeding to install insulation, and they are doing so because it makes economic sense. Price is the only incentive needed for action. The high price of energy in the market place has sent a clear signal to citizens about the importance of conservation. Two recent studies demonstrate the point:

—According to a study by the National Bureau of Standards, the owner of a small (1,200 square feet), single-story house with wall insulation and weatherstripping in Washington, D.C. could economically invest between $461 and $731 in storm windows and attic and floor insulation depending on the price of energy ($0.45 per BTU for cooling and between $0.15 and $0.45 for heating).[2]

—A Congressional Budget Office study estimates that the energy dollars saved by consumers will exceed insulation costs by a benefit-cost ratio of about 3:1. In other words, the fuel savings are three times the insulation costs.[3] With such substantial savings already coming from insulation, the sensible and obvious step for taxpayers to take is to insulate their homes.

Defenders of the tax credit argue, however, that some people are so slow to recognize this logic that they need a tax credit to awaken them to the importance of insulation. This is a "Rip Van Winkle" argument for the credit, and it is nonsense. If a taxpayer is smart enough to know about the tax credit, if he is smart enough to keep records so that he can benefit from the credit, if he is smart enough to fill out the tax form, then he will also be smart enough to know that his energy bill is going up and that he had better do something about it. It is difficult to believe that significant numbers of people likely to use the credit are unaware of the savings from insulation, when, as noted, so many people are already insulating their homes without the benefit of the credit.

One of the most complex issues in evaluating the insulation credit is estimating how many additional people will insulate their homes because of the credit who would not have insulated their homes otherwise. The Congressional Budget Office estimated that the President's proposed insulation credit[4] would increase the $6.3 billion that would be spent without the credit on insulation and related materials over the next 7 years by $2.9 billion. The study estimated that 7.8 million of the 23.8 million households expected to make insulation improvements over this period would be induced to do so by the proposed credit; 16 million of these households would make the improvements by 1985 in any event.[5]

The CBO estimate may be reliable, but it is not much more than an intelligent guess. My own guess would be much lower, because I would attribute future increases in insulation more to higher energy prices than to the tax credit.

In addition, in the case of fiberglass insulation, any increase in demand is immediately confronted with supply shortages. Three firms manufacture 85 percent of the fiberglass insulation: Owens-Corning, Johns Manville and Certain-Teed. According to a recent study by the Council on Wage and Price Stability, these firms are already working at peak capacity.[6] The Council states that prospects for increasing imports or switching to other forms of home insulation are not good. While there is less of a supply problem with storm windows, the demand is already high here as well.

It is therefore impossible to predict with any accuracy how many additional people will insulate their homes because of the tax credit. Since we cannot predict how much more insulation will be installed, we also cannot predict how much energy will be saved by the tax credit.

2. The insulation credit is inflationary. As pointed out in the preceding section, the Administration's Council on Wage and Price Stability has criticized the insulation tax credit because the three firms which make most of the insulation in this country are already working at capacity. As a result, the Council said, the credit would simply increase demand for the same supply, and thus force prices up. Much of the value of the credit to taxpayers would thus be eaten up in higher prices.

The Council concluded that "the chief beneficiaries of the tax credit this year would be the manufacturers of fiberglass insulation."[7] Although the Council felt that plant additions planned by the fiberglass industry might be able to accommodate the increased demand within 18 months, in the meantime, prices would be pushed higher. Once prices go up, it is difficult to believe that they will ever come back down, especially since demand has been growing steadily. The net result of the credit may simply be to encourage the dominant firms in the industry to raise their prices even more rapidly, in effect "capturing" the value of the credit from the average citizen.

3. The insulation credit is inequitable. Although tax credits are more equitable than deductions, many homeowners will not be able to spend the full $2,000 on insulation, even if they know they will get $400 back from the federal government; they will still be out of pocket $1,600. As a result, only

Footnotes at end of article.

those who can afford $1,600 of insulation expenses will get the full advantage of the credit.

In addition, low income homeowners will receive little or no benefits, since the credit is not refundable—i.e. it is not available to taxpayers unless they have tax liability.[8] Thus those who need the most help to insulate their homes will get the least aid—and wealthier families, who have less need for the aid, will get the full value of the credit.

Statistics show that the amount of insulation installed by upper income groups is far greater than the amount installed by lower income groups.[9] The tax credit will increase this discrepancy by subsidizing the rich excessively, while discriminating against those too poor to pay significant taxes. The poor will also suffer from the fact that the price of insulation will be forced up by any increased demand stimulated by the credit among the more affluent.

Finally, millions of persons who have already insulated their homes will receive no benefit from the credit. Yet their neighbors who procrastinated about insulating, will enjoy the benefit of the Treasury subsidy. Why should citizens who practiced sensible energy conservation at the right time get nothing, while those who delayed get the credit?

4. The insulation tax credit is complex. Many people mistakenly think that a tax credit is less complex than a direct expenditure program. But an insulation tax credit is not less complex. Either revenue agents or officials from another agency will be climbing stairs to determine whether a claimed Federal subsidy is being used for insulation or for a new attic playroom. Moreover, use of the tax expenditure route will actually increase the bureaucracy involved in the subsidy. The tax credit will require bureaucratic negotiations between the Internal Revenue Service and the departments of Treasury, Energy, and Housing and Urban Development. In a direct expenditure program, the Treasury and the IRS would have no part to play in the program, thus simplifying its administration.

Supporters of the insulation credit argue that there will be less red tape with a credit than with a direct expenditure. This is only true if there is less supervision under a tax credit than under a direct expenditure program. As has been pointed out: [10]

"Not only is the myth about 'less read tape' untrue, but the utilization of the tax system to implement socio-economic goals places on the Internal Revenue Service responsibility for implementing and enforcing regulations dealing with a highly technical area in which that agency has little or no expertise. It is simply illogical to assign to the Internal Revenue Service matters more properly suited to the Federal Energy Administration, the Department of Housing and Urban Development and the Energy Research and Development Administration. But IRS jurisdiction over these areas of administration is the inevitable result of an attempt to fuse social or economic programs onto the tax system.

"Similarly, the argument that tax credit programs are simpler and easier to administer than direct appropriations is likewise untrue. The relative simplicity or complexity of the program depends more on the particular characteristics of the goal to be achieved, and the means by which it is to be achieved, than on the form of the program (tax credit versus direct appropriations). In regard to the home insulation and residential solar energy equipment credits, the basic contours of the program would be the same if a direct subsidy were used instead of a tax credit program. The proposal could be as complex or as simple as deemed necessary to achieve the goal, whichever form were utilized. It thus appears that this alleged advantage of tax credits is not inherent in a tax expenditure program any more than in a direct expenditure approach."

Finally, the irony should be noted that at a time when simplification is a basic goal of tax reform, the insulation tax credit will make the system more confusing and complex. Many taxpayers will be unaware of the credit itself or of the requirements for qualifying for the credit. As a result, they will not keep the necessary records that the IRS will demand for substantiating the credit. It will cost the IRS millions of dollars to thoroughly audit this new item on the tax form. If the IRS chooses not to audit the item thoroughly, many more millions of dollars will be lost to taxpayers claiming the credit who do not deserve it—one more burden on the IRS in the increasingly serious problem it faces of "audit roulette."

5. The insulation credit is expensive. The credit is not cheap. It will cost the Treasury a total of $4.1 billion by 1985, or approximately $500 million a year over the life of the credit. This $4.1 billion will increase the federal deficit and impair the goals of balancing the budget, providing across-the-board tax relief, and meeting other urgent domestic needs. If Congress wishes to spend money on energy conservation, there are many less expensive and more effective ways of doing so than by enacting a wasteful and inefficient insulation tax credit.

In sum, the home insulation tax credit should be rejected by the Senate. Increased oil prices have already made clear to consumers that they should insulate their homes. Because they can save money on their fuel bill by insulation, the market mechanism already provides a strong incentive to insulate. Average home insulation costs can be recovered in a few years, through the resulting savings in heating and cooling costs. There is no need for government subsidies in the form of tax expenditures—and certainly not through a tax credit that is grossly inefficient, inequitable, inflationary, complex and expensive.

THE SOLAR AND WIND ENERGY TAX CREDITS FOR RESIDENCES

As in the case of insulation, advocates of tax reform do not oppose the sun and the wind. But the popularity of tax credit proposals for solar and wind energy equipment borders on a superstitious belief in the efficacy of the tax code for accomplishing the impossible.

THE SOLAR ENERGY TAX CREDIT

The proposed solar energy tax credit for residences is a mistake for several reasons:

The technological problems blocking solar energy development cannot be solved by tax credits for purchasers of home equipment.

Solar energy heating is currently much more expensive than alternative sources of energy.

Only well-off individuals are likely to benefit from the credit.

Tax returns and the IRS audit process will be further complicated by the credit.

The credit will cost over $100 million a year by 1983.

H.R. 8444 provides a tax credit equal to 30% of the first $1,500 of "qualified" solar energy expenditures and 20% of the next $8,500 in such expenditures. Thus, the maximum tax credit is $2,150 on the first $10,000 of expenditures. As in the case of insulation, the credit is available for expenditures between April 28, 1977 and the end of 1984.

There are five major objections to the credit:

1. The solar energy credit is ineffective. Solar energy today is not an economical source of energy in most parts of the United States. The technological problems involved in recovering solar energy at reasonable cost have not been solved. If the Federal Government is to become involved in the effort to develop solar energy, it should do so through direct appropriations that can be focused on the search for answers to these technological problems, which now block the recovery and use of solar energy.

Granting tax credits for the installation of home solar energy equipment is not an effective way to spur the needed research and development effort. Most of the benefit of the credit will be wasted on individuals who are fortunate enough to live in areas with a large number of sunny days each year, and who already find the use of solar energy to be practical. They will get a government tax subsidy for doing what they would already have done in any event. Meanwhile, the research and development programs that are needed to make solar energy practical in the rest of the United States are less likely to be undertaken, or may be undertaken with inadequate funds.

The best way to develop solar energy is to concentrate on the technical problems that actually block its use. The proposed tax credit is ineffective because it fails to do so.

2. The solar energy credit is inefficient. Use of solar energy is a worthy goal, but it should be pursued in an efficient manner. Before the invention of small electric motors and the incandescent lamp, it would have made little sense to grant government incentives to encourage people to put electricity in their homes. The comparable statement on solar energy is equally cogent today.

The Treasury Department has examined the cost effectiveness of various heating systems and has found solar energy to be the least efficient. See Table 1. Among other things, solar energy requires installation of an alternative heating system for use as a backup, when the sun does not shine.

For a homeowner in a 20% marginal tax bracket, the total costs over a 20-year period of heating an average home are shown by the Treasury study to be $12,907 for a solar system, $3,659 for an oil system, and $2,582 for a gas system. Thus, the solar system is from three and a half to five times as expensive as alternative systems. Since the benefits of each system are similar, the solar system is one-fifth as cost-effective as gas heat and less than one-third as cost-effective as oil heat.

TABLE 1. *Cost of heating an 1,850 square foot house over a 20-year period* [11]

Type of heating system	20 percent	50 percent
Solar	$12,907	$12,068
Electric furnace	5,440	5,363
Electric resistance	4,968	4,906
Oil	3,659	3,546
Gas	2,582	2,525

Percentages listed are homeowner's marginal tax rate.

Assuming a solar system with an electric baseboard backup system, a 20 percent marginal tax bracket homeowner would need a 69 percent credit to make solar heat competitive with oil, and a 77 percent credit to make it competitive with gas. If a credit were allowed only on the solar system (and not on the backup system as well), the corresponding figure jumps to 83 percent for a 20 percent bracket taxpayer considering gas heat as an alternative. The need for such absurdly high tax credits shows clearly the costly and inefficient character of a solar heating system. There is no justification for federal subsidies for such costly and inefficient systems.

3. The solar energy credit is inequitable. To take ful advantage of the proposed solar energy credit, a homeowner must spend $10,000 under the House-passed bill. It is true that a taxpayer with sufficient tax liability is eligible to receive $2,150 of this cost back from the government as a result of the tax credit.[12] But who except the upper income homeowner can generally afford to spend nearly $8,000 for solar equipment? The credit

Footnotes at end of article.

clearly becomes a subsidy for the well-off homeowner, who is likely to install the equipment even without the credit. The benefit of the credit will be confined to a relatively small group of homeowners in the upper income brackets. The credit is thus an "upside down" subsidy that favors higher income taxpayers and discriminates against lower income taxpayers.

4. The solar energy credit is complex. Taxpayers are having more difficulties every year filling out the tax return form, and the Internal Revenue Service is having greater difficulty auditing returns. Enactment of the solar energy credit will require more lines on the tax return, even if the credit is claimed by only a few individuals, causing confusion for most taxpayers. Tax returns need to be simplified, not made more complex.

All of the arguments given above against the insulation credit also apply to the solar energy tax credit. In particular, the "bureaucratic inefficiency" argument applies to both the insulation and the solar energy credits.[13]

5. The solar energy credit is expensive. The revenue loss from the solar and wind energy credits will amount to over $150 million a year by the end of 1984, and the total cost to the Treasury over the entire seven-year period is estimated at $720 million. Moreover, as the technical problems of solar energy are solved, more people will purchase solar energy equipment, and the cost to the Treasury of the tax credit will rise. Thus, although the credit fails to spur energy research now when we face difficult technological problems, it constitutes a fiscal time bomb set to go off in future years when those problems are solved and government help is no longer needed. Such "wedge" provisions are presenting increasingly serious problems for the Federal budget process, since they enter the budget with low costs in their early years, then mushroom in later years.

Technically, the House bill scheduled the credit to expire at the end of 1984. But any tax benefit creates a special interest constituency, which works to prevent the termination of the tax subsidy to which it has become addicted. There is no reason to think that a solar energy credit would be different. The industry will become dependent on the tax subsidy and argue that to take the credit away will cause withdrawal pains which will kill the patient.

For these reasons, the solar energy credit should be rejected. By failing to concentrate on the problems that demand a solution if the sun is to become a practical source of energy, the credit wastes government funds. It is inefficient, because it spurs a form of heating that is currently much more expensive than other forms. And it is inequitable, because it will benefit only homeowners who can afford the high cost of solar energy equipment.

If energy conservation and development measures are needed, they should be funded through direct appropriations. As the Manhattan Project and the Apollo Program demonstrate, projects funded through direct appropriations show results, and outlays are cut when the project has achieved its objective.

In contrast, programs funded through the tax system go on and on, and there is rarely any effective review of the results, or any end to the costs and the drain on the Treasury. The proposed credit for solar energy equipment should be rejected.

THE WIND ENERGY TAX CREDIT

Advocates of tax reform have sometimes been compared with Don Quixote, dreaming his impossible dream.[14] The House-passed bill promotes the image by giving them an actual windmill to tilt against. Long ago, persons learned to harness the wind through windmills, and they have been doing so ever since, whenever it was an economical source of energy. The windmill was invented and used for centuries without a tax credit subsidy, and it will continue to be used if the credit is not enacted.

Like the insulation and solar energy tax credits discussed above, the wind energy tax credit[15] is inefficient, inequitable, expensive, and complex. The defects that impair the other credits also apply to the wind energy credit.

The credit is a windfall for windmills. The tax benefits will go largely to those who would install windmills in any event. Only the very wealthy will have enough money to buy such equipment, and will have enough tax liability to benefit from the credit. The money spent on this credit could be much better used on serious programs. The wind energy credit is extravagant, and will create complicated regulations, forms and instructions which will only confuse taxpayers, and it should not be included in the energy legislation enacted by Congress.

ELECTRIC CAR CREDIT

The House-passed bill also contains a tax credit of $300 for the purchase of new electric motor cars. Currently, electric cars are being purchased as fast as they are built; consequently, there is no need for a credit to stimulate demand. In addition, electric cars are energy inefficient. Rather than burning energy directly, they must obtain electricity from a utility, which must first burn fuel (oil, gas, nuclear material, or coal), heat water, turn turbines, create electricity, and transport it by wire to the consumer. Each of these stages loses energy. The electricity must then be stored in the car batteries which by their nature also lose energy. A logical energy program would not give a tax credit to electric cars. It would put an excise tax on them like the one put on inefficient automobiles powered by gasoline.

BUSINESS ENERGY TAX CREDITS

Another measure in the House bill that unwisely expands the use of tax expenditures is the so-called "business energy tax credit"—an extra tax credit of 10% proposed for a wide variety of business investments which are thought to promote a rational energy policy. The revenue loss estimated from the credit is about $500 million a year.

The kinds of items eligible for the new credit are:

Investments to use fuels other than oil and gas;

Investments to expand cogenerative capacity;

Investments in business insulation;

Investments in equipment to use advanced technologies (solar, geothermal and wind) in connection with existing buildings or plants;

Investments in equipment to use energy more efficiently when installed in connection with existing industrial or commercial facilities; and

Investments in pollution control equipment required for shifting from oil or gas to a substitute material.

From an economic standpoint, there is some support for the idea of subsidizing equipment that reduces the use of oil and natural gas, because we are continuing a price policy which results in users paying less than the marginal cost for fuel. Using more oil means that we increase our imports; in effect, the import price is the marginal cost.

The main point at issue is whether it makes sense to carry out this subsidy policy through the tax law, by making it a new investment credit.

A major problem of the tax expenditure approach is that it adds considerably to the complexity of the tax law. Investments qualifying for the new credit must meet performance and quality standards prescribed in consultation with the Secretary of Energy. The tax accountants and the Internal Revenue Service auditors will have difficulty deciding if a regenerator or a recuperator meets an esoteric test stated in BTU's per hour. They will also have to determine whether the new equipment is used in connection with a process which was being carried on as of April 20, 1977. We already have tax lawyers and tax accountants. Now we will need tax engineers.

It is in areas like these that the error inherent in using the tax law to implement a Federal subsidy stands out most clearly. The basic policy that is being implemented is a remarkably complex one that involves highly sophisticated technology. The policy is being implemented through a structure, the tax system, in which the people involved, including the administrators, are not familiar in any detail with what is involved.

Moreover, one subsidy rate—a 10% tax credit—is being established for a variety of very different conservation investments. The credit applies to replacement equipment in a plant that has been burning fuel for years. The same credit applies to a firm that makes a highly innovative investment in solar energy to replace natural gas. In effect, in spite of wide differences and circumstances, the tax credit asks every business to wear a size 10 shoe.

In addition, there is no coordination between other subsidy efforts in the energy area and the new tax credit. In recent years, the Federal Government has been heavily engaged in subsidizing research and pilot operations in new energy technologies. The new tax credit applies at the flat 10% rate, whether the installation is of a type already being subsidized or a type which is now standard.

Again, the tax subsidy is applicable only to old buildings and existing processes. If subsidizing industrial energy conservation were a sensible step to take it would certainly be sensible to apply it for new buildings and new processes. The reason for the distinction is that, applied to new buildings, the provision would be too complicated. It would involve a highly specialized calculation to guess how the new plant would have been built, and then how this hypothetical design was moderated to introduce more energy efficiency.

Another aspect of the basic inefficiency that arises from the effort to implement a complex energy policy through the tax law is that it leaves little opportunity for government to learn from the process. If the Department of Energy were subsidizing the use of equipment to conserve oil and gas, particular efforts would be made to develop pilot projects for equipment that showed promise of further development. Evidence could be accumulated on the performance of various types of equipment, and this information could be fed into a long run program for energy research and development. But no such planning and follow-up is likely under a subsidy program administered by the IRS.

Finally, the tax approach to energy subsidies will introduce a new layer of eligibility conditions that have nothing to do with energy. The investment credit for energy related investments will only be available to a taxpayer who has sufficient income to utilize the full investment credit.

In 1971, over one-quarter of the corporations that had earned the regular investment credit did not have sufficient tax liability to use all of their investment credit. Out of 381,000 corporate tax returns with tentative investment credits, 103,000 finished the year with unused credits. At that time the investment credit rate was 7%. It has since been raised to 10%, and the new credit will be on top of the credits presently available.

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The House bill attempts to deal with this problem in some cases by allowing a "100% fill-up" against tax liability for the new credit.[16] But this device does not help many small firms, new firms, rapidly growing firms, firms hurt by the recession, and other firms which have no tax liability and which will therefore obtain no benefit at all from the credit. This situation clearly illustrates one of the basic defects of tax subsidies—such subsidies disqualify many potential recipients on the basis of their specialized tax circumstances, although such circumstances have nothing to do with any proper qualifications for the Federal subsidy. In fact, the hit-and-miss effect of the tax subsidy will put many firms at a competitive disadvantage—energy conservation equipment will cost them 100 cents on the dollar, whereas their competitors can use the credit to purchase the same equipment for 80 cents on the dollar, as a result of the 10% discount available through the investment credit in current law and the additional 10% credit proposed under the House bill.

If some additional governmental encouragement for installing energy conservation equipment will advance the country's energy program, the purpose is not served by structuring the incentive in a way that disqualifies a large proportion of firms from participating in the subsidy and puts them at a substantial disadvantage with their competitors.

In summary, the proposed business energy tax credit, like the other proposed tax expenditures, is a wasteful and complex approach to an important national problem. If we are serious about bringing order to the Federal budget process, we must analyze our subsidy policy with a critical eye and eliminate subsidies that are not designated to give us our money's worth. A new investment credit for a melange of so-called energy conservation investments is not an appropriate answer.

THE RECYCLING INVESTMENT CREDIT

The House bill revives a proposal that the Senate wisely rejected in the Tax Reform Act of 1976, an additional investment credit for waste recycling equipment.[17]

This proposal continues to show signs of life, because the tax law already provides large subsidies for the production of new materials through provisions such as the percentage depletion deduction, the current "intangible" deduction for oil and gas well drilling and mine development expenses, and the allowance of capital gains treatment for some of the gain from growing and cutting timber.

These tax benefits for producing new materials will to some extent stimulate their production, which means an increased supply and a lower price.

Recycling used iron, aluminum, paper, or other materials are expensive processes which will only be undertaken to the extent they successfully compete with new production. While the tax law is responsible for artificially reducing the price of new materials, it is simultaneously creating a competitive handicap for recycling.

In this situation, a recycling credit purports to restore a competitive balance. Although the diagnosis may be valid the remedy is an improper cure. The technique of balancing loopholes by spreading them to more producers can only further undermine the tax system. Moreover, the concept of recycling is extremely vague and broad, since it covers in principle any by-product recovery process.

One of the most harmful aspects of our present tax law is the pervasive across-the-board inducement for business to use up scarce materials.

If two products are in competition, and one is made from a valuable resource while the other is made from a cheap, almost valueless resource, our tax law, through percentage depletion, reduces the tax on the valuable resource-using process. In effect, the tax code penalizes processes that conserve valuable resources by using substitutes.

The fact that the percentage depletion subsidy applies to producing natural resources but not to recycling scrap is only one aspect of this basically unsound anti-conservation penalty. In effect, because percentage depletion applies only to the value added in extracting minerals, it penalizes the value added in manufacturing. It favors the income of owners of natural resources and penalizes income generated by manufacturing.

The recycling credit partially offsets a small part of this pattern of tax subsidies, but it does not deal with the basic problem. As a practical matter, the thrust of the recycling credit is to bring another group of lobbyists on board the depletion bandwagon. A new tax benefit would exist, available to those whose closest competitors enjoy the percentage depletion subsidy. Still another set of opponents to repeal of percentage depletion would be created.

The average citizen should be concerned over a bill that blithely creates new tax loopholes, when the public is indignant about the loopholes that already exist. An important source of President Carter's commitment to tax reform is his opposition to existing tax loopholes. To use existing loopholes to justify new loopholes is simply to compound the serious problem that already exists.

The House bill is also extremely vague in its recycling provisions. It devotes four lines to the definition of recycling equipment as "any equipment which is used exclusively in the recycling of solid waste or to sort and prepare solid waste for recycling."

Any manufacturing or mining process which has a primary product will have some refuse which, unless it were "recycled" to become a by-product, would be solid waste. In such cases, many businesses already have highly profitable operations to create by-products from what otherwise would have been waste.

How would the new credit for reprocessing "waste" apply in practical cases?

If a firm has been producing the by-product for years and replaces its by-product machinery, does it obtain a credit?

If a firm stops its by-product production for a month and has solid waste and then goes back to recycling the "waste," does it obtain a credit?

If a firm undertakes a new manufacturing process and tells the revenue agent it will throw away its waste unless it is allowed a tax credit for equipment to recycle the waste into a by-product, as its competitors are doing, does it obtain a credit?

The basic problem underlying these examples is that there is already a large number of business activities which are appropriately described as "recycling waste." Most of these are profitable by-product lines of business, and there is no case to justify a tax subsidy for processing that is going to take place anyway.

In addition, there are situations where, under present conditions, recycling waste is not efficient. This inefficiency may be artificial, such as in cases where a firm is not charged the full cost for disposal of solid waste, or where recycled materials compete against materials whose price has been pushed down by percentage depletion.

The most sensible government strategy with respect to recycling is to provide encouragement for recycling efforts that are efficient. It does not make sense to spend—in real resources plus tax expenditures—$10 to recover $2 of material. It also does not make sense to subsidize recycling that will take place in any event.

One way to eliminate artificial inefficiencies is to charge the full cost for business waste disposal. Another way is to eliminate the tax subsidies for percentage depletion and deductible development costs which push down the price of virgin materials. If we do go the subsidy route for recycling, the vagueness of the concept makes it indefensible to place this subsidy in the tax laws, where it will be up to revenue agents to decide what recycling is to be subsidized. The only efficient way to handle a subsidy is to assign it to an agency with expertise in the waste disposal area. Such an agency would at least be able to make informed judgments about what types of recycling should be subsidized. This direct subsidy approach would also make it possible to subsidize new technology in the area and develop cost breakthroughs that could reduce the national problem of waste disposal.

TAX INCENTIVES FOR GEOTHERMAL ENERGY PRODUCERS

The tax provisions of H.R. 8444 also expand some longstanding tax loopholes on the pretext of "encouraging" producers of energy from geothermal steam.

Specifically, the House-passed bill extends to this relatively new energy source the advantage now given oil and gas producers to deduct currently most of their capital costs—the so-called deduction for intangible drilling expenses. In addition the House bill extends percentage depletion, at a 10% rate, to geothermal steam, though on a restrictive basis, since the total amount of depletion may not exceed the cost basis of the property. The estimated revenue loss from the provisions is $192 million through the end of 1984.

Three points should be made about the new deductions proposed for geothermal energy:

Because the new tax benefit is in the form of a deduction, its benefits will go primarily to very rich investors.

The form of the new tax benefit makes it very unlikely that it will lead to any increase in available geothermal energy resources.

While taking significant steps toward market incentives for currently important energy resources—oil, natural gas, and coal—the bill takes no action to eliminate the unnecessary and unwise tax incentives now provided for these resources; instead it uses these existing loopholes as models for new loopholes for geothermal energy.

1. *The geothermal tax benefit primarily helps rich investors.* The technique that the House bill adopts to encourage geothermal energy development is an enhanced tax deduction. As a deduction, it becomes more valuable as the tax rate increases on the income against which the deduction is taken. As a result, the new deduction primarily benefits rich investors in the upper income brackets.

In recent years, Congress has made increasing use of the tax credit device, as opposed to a tax deduction, when it is desired to provide special tax incentives for various activities. In the 1960's the investment credit was enacted to promote business investment in equipment and machinery. In other provisions of H.R. 8444, tax credits are used to encourage home insulation and solar energy. The major advantage of the credit approach is that it provides an essentially uniform benefit for taxpayers in each bracket.

However, the technique that the House bill adopts for geothermal wells is a form of highly accelerated depreciation deduction for capital costs. The thrust of the bill is brought out by comparing an investment in a geothermal well with a 20 year life to investment in a machine with a 20 year life:

Using the double declining balance method of depreciation, the annual depreci-

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ation deductions on the machine are worth 54% of the value of the same deductions taken entirely in the first year.[18] By providing a 100% deduction in the first year for the costs of geothermal wells, the House bill allows, in effect, an extra deduction of 46% of the cost of such wells.

Put another way, under the 48% corporate tax rate, the accelerated deduction for geothermal wells in the House bill is equivalent to a tax credit of 22%.[19] For a taxpayer in the 70% bracket, the equivalent tax credit is 32%. For a taxpayer in the 20% bracket, the equivalent credit is only 9%.

The House bill will have the effect of expanding into a new area the sort of investment tax shelter abuses that have come to be associated with oil and gas well-drilling expenses. These shelters are a special preserve for wealthy investors. Ironically, the bill applies the minimum tax to this new tax preference. The minimum tax is a modest 15% tax on income from tax loopholes. This House action itself shows that the provision on geothermal wells would simply open up a new tax loophole, which will be subject to all of the tax shelter manipulations of the present intangible drilling deduction for oil and gas. But coverage under the minimum tax does not cure the basic defect of a new tax preference for wealthy investors. It is only a 15% slap on the wrist for such investors whose income from tax loopholes is so large that it triggers the minimum tax.

2. The geothermal tax benefit is an inefficient subsidy. The new allowance for deducting intangible drilling expenses on geothermal wells will make very little contribution to finding new sources of geothermal energy. This result is clear from the experience with intangible drilling expenses for oil and gas.

Oil and gas industry representatives constantly stress the risk involved in exploratory drilling for new deposits. Numerous scientific techniques are used to indicate the existence of underground rock structures that may contain oil and gas, but only drilling will prove the existence of such resources. It is commonly said that only 1 in 10 "wildcat" wells discovers oil, and that only 1 in 30 such wells finds oil in commercially profitable amounts.

Under normal tax principles the full cost of a dry well is deductible in the year it occurs as a normal business loss. So far as exploratory drilling for oil and gas is concerned, therefore, almost all of the drilling expenses would be deducted in the first year in any event. Thus, the allowance of a current deduction for all intangible drilling expenses does very little to improve the tax treatment of wildcat drilling.

With respect to oil and gas, the intangible drilling expense loophole is primarily a subsidy for development wells. Three out of four development wells are successful. Except for the unjustified deduction provided by present tax rules, costs of these wells would have to be deducted gradually over the life of the wells. In fact, under proper accounting theory, even the cost of unsuccessful development wells should be spread over the life of the particular field in which they were drilled, since the one-in-four development wells that are dry represent one of the normal costs of exploiting the entire oil or gas field.

The tax subsidy for development wells is especially bizarre, because if left to themselves oil and gas producers would ordinarily drill too many development wells. Under the usual patchwork of land claims, there is an economic incentive for each land owner to drill more wells and draw out his oil and gas, before neighboring landowners do the same thing. As a result of this "market" incentive for excessive drilling, States have developed conservative laws to limit the amount of development drilling, such as by requirements of minimum spacing between wells. In effect, States are trying to limit activities for which Congress is providing a special subsidy.

At this time we know little about the technology of geothermal deposits. We can say confidently, however, that drilling to find new deposits will involve far more risks than drilling to exploit a discovered field. It follows that the proposed new deduction for intangible drilling will do little to improve the tax treatment of exploratory drilling, while providing a tax bonanza for producing wells in fields already discovered.

If Congress desires to provide a serious incentive for geothermal energy, it should design a direct subsidy to pay bonuses for exploratory drilling. It certainly should not create a tax windfall for rich investors to conduct more development drilling.

Further, since the deduction technique makes the new tax benefit attractive to rich investors, the House bill is placing this new geothermal shelter into competition with other tax shelter devices in areas like oil and gas, real estate and farming as well as with capital gains, tax exempt interest, etc. This piling up of attractive investments for a limited class of rich investors is a further indication that the bill will have little effect on developing a new energy source that could be important to the nation.

3. A percentage depletion deduction for geothermal energy is unjustified. The House bill extends the percentage depletion allowance to geothermal energy sources in an unusual way. Geothermal energy is to receive a 10% depletion allowance, but the amount of depletion taken by a taxpayer under this provision is not permitted to exceed the cost basis of the property.

This "basis" rule represents a modest step to curb the well-known abuses of percentage depletion. The mischief in the customary percentage depletion allowance is that a producer of minerals can write off, as intangible development expenses, most of the capital costs, and then use the depletion allowance to subtract from his income a continuing annual percentage of gross receipts which is not limited to the remaining unrecovered cost.

For example, the cost of developing an oil field might be $1 million, of which $800,000 could be deducted currently, through the intangible drilling deduction. The percentage depletion deductions could well amount to $2,000,000 or more over the life of the deposit. The total capital costs allowed to be deducted would be three times the actual amount of the capital costs. The example is not unrealistic. Past Treasury studies have suggested that in the aggregate, such deduction exceeded capital costs by about 3 to 1.

If the House-passed provision for percentage depletion for geothermal energy is applied to this example, the percentage depletion deduction would be limited to the amount of the unrecovered capital cost of $200,000. The total deductions would be limited to $1 million, the amount of the capital costs. The defect in the new proposed percentage depletion deduction is that it allows an additional acceleration of the capital cost deduction, which is the same type of loophole involved in the proposed intangible drilling deduction discussed above.

EXISTING ENERGY TAX LOOPHOLES

The House bill is designed to deal in a major way with the entire energy area. It can be seriously faulted, therefore, for failing to deal with the major existing tax loopholes involving energy.

From a long range standpoint, a significant part of the bill is that the price of new oil and gas will be allowed to rise ultimately to market levels. Higher market prices constitute a strong economic incentive both for energy production and for energy conservation. At a time when the nation is moving down the road of higher price incentives, we should be taking the related step eliminating the intangible drilling deduction and the percentage depletion allowance for oil and gas and other minerals.

The hard part of the energy bill is the burden of higher energy prices that is being imposed on American citizens. These citizens are being asked to accept higher prices which will simultaneously enrich some producers and stimulate new production. At a minimum the average citizen should demand in return that Congress eliminate existing and proposed tax loopholes that enrich some producers without stimulating new production.

FOOTNOTES

* The discussions of the residential insulation tax credit and the solar energy tax credit are revised and updated from the analyses in *Federal Tax Reform for 1976*, a compendium of papers prepared by Stanley S. Surrey, Paul McDaniel, and Joseph A. Pechman at the request of myself and other Senators for use in the Senate debate on the Tax Reform Act of 1976.

[1] "Energy Program 7, Energy Tax Proposals Relating to Residential Conservation," pamphlet prepared for the Committee on Ways and Means by the Staff of the Joint Committee on Taxation, June 3, 1977, p. 9. Henceforth this pamphlet will be referred to as "Energy Program 7."

[2] "Energy Program 7," p. 4; S. R. Peterson, "Retrofitting Existing Housing for Energy Conservation: An Economic Analysis" (National Bureau of Standards, Department of Commerce, 1974), pp. 28–40.

[3] "Energy Program 7," pp. 16–17 and "President Carter's Energy Proposals: A Perspective," by the Congressional Budget Office, May 31, 1977.

[4] In his Message to Congress on April 20, 1977, President Carter proposed a two-tiered tax credit equal to 25% of the first $800 of expenses for residential insulation and 15% of the next $1,400 of expenses, for a total credit of $410. The House-passed bill dropped the two-tiered concept.

[5] See footnote 3.

[6] Council on Wage and Price Stability, "Council Fears Price Increase in Fiberglass Insulation," June 14, 1977.

[7] *Id.*

[8] As a result of the Tax Reduction and Simplification Act of 1977, a family consisting of a married couple with two children does not incur a tax liability of $400 until its adjusted gross income reaches about $10,000. If the credit were refundable, a family with tax liability of, say, $100 could receive a Treasury refund of $300 if it qualified for the full $400 credit; under the House-passed bill, the family would get only $100 of benefit from the credit. Families with no tax liability (those with adjusted gross income of about $7,000 or less) will get no benefit at all from the credit.

[9] "Energy Program 7," pp. 10–11.

[10] Steven D. Moore, "A Critique of Insulation and Solar Energy Tax Credit Proposals," *Tax Notes*, April 18, 1977, pp. 15–20.

[11] "Solar Heating," Office of Tax Analysis, U.S. Department of Treasury, April 8, 1976. Figures are based on the present value of installation and operating costs, assuming that the investor's after-tax rate of return is 10%, and that 80% of the cost is financed by an 8% loan, the interest on which is deductible.

[12] A married couple with two children does not incur a tax liability of $2,150 until its adjusted gross income reaches about $20,000. Since the credit is not refundable, low income taxpayers will not receive any benefits from the credit, and many middle income taxpayers will not receive the full benefit of the credit. See footnote 8.

[13] See footnote 10 and the accompanying text.

[14] George F. Break and Joseph Pechman, *Tax Reform: The Impossible Dream* (Washington, D.C., The Brookings Institution, 1975).

[15] The amount of the tax credit in H.R. 8444 for residential wind energy equipment is the same as for solar energy equipment—30% of the first $1,500 spent and 20% of the next $8,500, for a maximum credit of $2,150.

[16] The maximum offset allowed for the 10% investment tax credit under present law is $25,000 plus 50% of tax liability over $25,000. The House bill allows the new credit to offset 100% of tax liability in certain cases.

[17] The bill provides a 10% investment tax credit, in addition to the 10% credit already available under existing law, for the purchase of equipment to recycle solid waste and to sort and prepare such waste of recycling. The cost of the credit is estimated at approximately $30 million a year.

[18] Speeding up the taking of a deduction is equivalent to increasing its amount, and postponing a deduction reduces its amount. The calculation assumes a discount rate of 10%, since a normal equity investment rate of return is 20% before tax and 10% after tax. The present value of the accumulated future-year deductions for depreciation of the machine under the double declining balance method of depreciation is worth only 54% of the cost of the machine.

[19] Calculated as (100% — 54%) × 48% = 22%.

MINNESOTA OPINION POLLING

Mr. ANDERSON. Mr. President, in July I sent out a comprehensive questionnaire to over 300,000 people in Minnesota. The results of the questionnaire have now been tabulated and I would like to share the results with my colleagues.

Mr. President, I ask unanimous consent that the results of the questionnaire be printed in the RECORD.

There being no objection, the questionnaire results were ordered to be printed in the RECORD, as follows:

QUESTIONNAIRE RESULTS

ARMED SERVICES

1. Are you in favor of returning to a military draft? Yes, 46 percent, no, 54 percent.

2. Do you think the U.S. should buy the B–1 bomber? Yes, 20 percent, no, 80 percent.

3. Should military retirees, so called "double-dippers," be permitted to receive both a military retirement pension and a full check from a government job? Yes, 17 percent; no, 83 percent.

4. Are you in favor of removing all U.S. forces from Korea? Yes, 42 percent; no, 56 percent.

5. In regards to the Strategic Arms Limitation talks (SALT II), do you feel we should push for a substantial reduction in nuclear weapons? Yes, 78 percent; no, 22 percent.

6. Also in regards to the SALT talks, should the U.S. reject Soviet demands to limit development of the Cruise missile? Yes, 67 percent; no, 33 percent.

7. Should the U.S. limit sale of large quantities of conventional weapons to Third World developing nations? Yes, 86 percent; no, 14 percent.

BUDGET ISSUES

1. Do you think that the United States should have national health insurance? Yes, 60 percent; no, 40 percent.

2. Unemployment is one of the most urgent problems that this Congress must address. Here are some of the major proposals which have been suggested for putting Americans back to work. Please indicate whether you support or oppose the proposals.

a. A large personal and business income tax reduction. Yes, 56 percent; no 44 percent.

b. Action by the government to ease credit for mortgages and loans so that interest will come down. Yes, 77 percent; no 23 percent.

c. One million or more government financed public service jobs. Yes, 41 percent; no, 59 percent.

d. Increased price supports for farmers to improve farm purchasing power. Yes, 55 percent; no, 45 percent.

e. Special work programs and comprehensive job counseling and placement services for young people during periods of high unemployment. Yes, 77 percent; no, 23 percent.

f. Regulating imports of foreign manufactured goods that are competing with American goods. Yes, 68 percent; no, 32 percent.

3. Do you support a proposal to make college tuition costs tax deductible? Yes, 65 percent; no, 35 percent.

4. President Carter has proposed that the nation's hospitals hold their average annual increase in charges to 9 percent. Do you approve or disapprove of this proposal? Yes, 87 percent; no, 13 percent.

ENVIRONMENT AND PUBLIC WORKS ISSUES

1. The following proposals are being considered as a means of protecting and enhancing our natural resources. Please check to indicate whether you favor or oppose the proposal becoming national policy.

a. A national law providing for deposits on beverage containers. Favor, 76 percent; oppose, 24 percent.

b. A moratorium on new construction of nuclear power plants. Favor, 45 percent; oppose, 55 percent.

c. Tougher controls on water and air pollution from industries. Favor, 79 percent; oppose, 21 percent.

d. A national ban on fluorocarbons and propellants in aercsol products. Favor, 87 percent; oppose, 13 percent

e. Regulation of the phosphorous content in detergents. Favor, 88 percent; oppose, 60 percent.

f. Federal regulations for state land use planning. Favor, 40 percent; oppose 60 percent.

2. Which of the following statements most closely approximates your feelings about the best future of the Boundary Waters Canoe Area? (Check only one)

a. The entire BWCA should be designated a wilderness area and no lumbering or use of motorized vehicles permitted. 36 percent.

b. The BWCA should be split into two jurisdictions, one of which would be wilderness and the other a multi-use recreational area which permits motorized vehicles, timber cutting and other usages. 15 percent.

c. The BWCA should remain a designated wilderness area with several specific areas set aside for controlled harvesting of nonvirgin timber and with several designated motorized uses. 48 percent.

GENERAL ISSUES

1. Do you think that the Hatch Act should be amended to allow employees of the federal government to participate in political activities that are now permitted Minnesota state employees? Yes, 46 percent; no, 54 percent.

2. Would you support legislation that limits the amount of personal funds that a candidate may contribute to his/her own political campaign? Yes, 65 percent; no, 35 percent.

3. Most experts feel that the Social Security Trust Fund has been depleted to the point that future social security payments are endangered. In order to replenish this fund, would you prefer to:

A. Increase social security taxes; 28 percent.

B. Transfer funds from general revenues; 72 percent.

TRADITIONAL AMERICAN PRINCIPLES REQUIRE RATIFICATION OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, from the very beginnings of our history, the people of this Nation have been dedicated to preserving the basic rights of man. I need hardly remind this body of the first lines of the Declaration of Independence which declare that "all Men are created equal, that they are endowed by their Creator with certain inalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness."

I would like to point out, however, that these words apply not only to Americans. The noble principles of the Declaration apply to all peoples. As President Abraham Lincoln stated more than 100 years ago, the Declaration of Independence gave liberty "not alone to the people of this country, but the hope for all the world for all future time." Our adherence to the ideals of liberty and equality, as well as to all human rights, is in other words a powerful signal to the world. All nations listen to what we say. We have a responsibility, therefore, to proclaim, on every appropriate occasion, our dedication to the high principles in which we believe.

Thus I believe we must ratify the International Convention on the Prevention and Punishment of the Crime of Genocide. It is time that we declare to all the world, loudly and clearly, that we condemn this terrible crime. It has been 28 long years since the General Assembly of the United Nations unanimously adopted the convention. During these years, more than 80 nations have endorsed its principles. The one nation that all the world might have expected to have been the first to act, however, has never acted at all. In fact, this body, whose role it is to vote on all treaties, has not even considered it.

It is time that we face up to our responsibility. I dare say that the authors of the Declaration would expect no less.

SUPPORT FOR THE AIR BAG STANDARD

Mr. RIBICOFF. Mr. President, every day of the year throughout this Nation men, women, and children are killed or permanently maimed in automobile accidents. These tragedies are such commonplace occurrences of our daily life that they are hardly noted except by the families of the victims. Only on holidays such as this last Labor Day weekend, where 469 people were killed in automobile accidents do the cumulative numbers reach a level where they receive much public comment.

The stark facts, however, are that automobile accidents are the fifth leading cause of death in this country and the No. 1 killer of our young people. Fortunately, the Congress can now take a major step to drastically reduce this carnage by supporting the recent safety standard proposed by the Department of Transportation on June 30 of this year. This safety standard would require that automatic crash protection de-

vices—most likely air bags or passive belts—be phased into the front seating positions of all new automobiles during model years 1982 through 1984.

It is very gratifying to note that over 95 percent of all insurance companies support this standard. Insurance representatives have estimated that full utilization of these devices would lead to potential insurance savings of as much as $2.5 billion a year. The Department of Transportation also estimates that once these devices are fully deployed they will save 9,000 lives and prevent over 100,000 injuries annually. Opponents of this safety standard have argued that the Federal Government should not mandate these safety requirements. The New York Times in a perceptive editorial entitled "Don't Deflate the Air Bag," on July 24 responded to this argument as follows:

Some opponents of passive restraints argue that drivers ought to be allowed to risk their necks without interference from a paternalistic government. But it is hard to see how, in principle, passive restraints differ from safety devices already mandated by the government such as shatterproof glass, energy absorbing steering columns, padded dashboards, strengthened bumpers and seatbelts. In any event, those who purchase an automobile are seldom the only persons at risk. Teenage drivers, young children and others who have had no voice in choosing safety options may find their lives in danger. Nor are drivers who get hurt needlessly harming only themselves. Their fellow citizens pick up the tab for police officers, ambulances, hospital care, insurance payments and government benefits.

It has been suggested by certain other citizens that mandatory seatbelt laws could more effectively and inexpensively resolve these safety problems. Such an approach resting necessarily on the active enforcement by the police is clearly more intrusive Government action than the placing of air bags in automobiles. A recent Gallup poll demonstrated that the public by a 4-to-1 margin opposed mandatory seatbelt laws, while this same poll showed public support for mandatory air bag requirements.

Mr. President, under the provisions of the National Traffic and Motor Vehicle Safety Act of 1966, the Congress is provided an opportunity to review the Department of Transportation's passive restraint standard for a period of 60 calendar days, excluding recesses of more than 3 days. I urge my colleagues to join me in strong support of this standard, it is unlikely that any other single action that we may take during this Congress could save as many American lives or prevent so much unnecessary tragedy.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD at this point the 10 notifications I have just received.

There being no objection, the 10 notifications were ordered to be printed in the RECORD, as follows:

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE). OASD/ISA,
Washington, D.C., August 25, 1977.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 77-78, concerning the Department of the Navy's proposed Letter of Offer to Australia for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $14.5 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF Director, Defense Security Assistance Agency, and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL NO. 77-78

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act—

(i) Prospective Purchaser: Australia.

(ii) Total Estimated Value:
Major Defense Equipment [1]—$14.5 million.
Other—0.0 million.
Total—$14.5 million.

(iii) Description of Articles or Services Offered: Twelve (12) MK48 mod 3 torpedoes, six (6) exercise heads, two (2) dummy torpedoes, initial spare parts and two years support.

(iv) Military Department: Navy.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: August 25, 1977.

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA,
Washington, D.C., August 25, 1977.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 77-79, concerning the Department of the Army's proposed Letter of Offer to The Netherlands for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $37.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

[1] As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

TRANSMITTAL NO. 77-79(a)

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act—

(i) Prospective Purchaser: Netherlands.

(ii) Total Estimated Value:
Major Defense Equipment [1]—$37.0 million.
Other—$0.0 million.
Total—$37.0 million.

(iii) Description of Articles or Services Offered: Two-thousand three-hundred (2,300) Dragon missiles, three-hundred fifty (350) trackers and support equipment.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: August 25, 1977.

TRANSMITTAL NO. 77-79(b)

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act—

(i) Prospective Purchaser: Netherlands.

(ii) Total Estimated Value:
Major Defense Equipment [1]—$37.0 million.
Other—$0.0 million.
Total—$37.0 million.

(iii) Description of Articles or Services Offered: Two-thousand five-hundred and seventy (2,570) Dragon missiles, three-hundred and thirty-five (335) trackers and support equipment.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: August 25, 1977.

TRANSMITTAL NO. 77-79(c)

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act—

(i) Prospective Purchaser: Netherlands.

(ii) Total Estimated Value:
Major Defense Equipment [1]—$37.0 million.
Other—$0.0 million.
Total—$37.0 million.

(iii) Description of Articles or Services Offered: Two-thousand eight-hundred and forty (2,840) Dragon missiles, three-hundred and twenty (320) trackers and support equipment.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: August 25, 1977.

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA,
Washington, D.C., August 25, 1977.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 77-64, concerning the Department of the Army's proposed Letter of Offer to Iran, not major defense equipment as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $167.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL NO. 77-64

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act—

(i) Prospective Purchaser: Iran.
(ii) Total Estimated Value:
Major Defense Equipment [1]—$0.0 million.
Other—$167.0 million.
Total—$167.0 million.
(iii) Description of Articles or Services Offered: Contractor continuation of establishment and operation of helicopter training center for pilots (1,550) and mechanics (4,500) to accomplish flight and technical training for Iranian personnel and to train Iranian personnel to operate the training center. Program extends through August 1981.
(iv) Military Department: Army.
(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.
(vi) Date Report Delivered to Congress: August 25, 1977.

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA,
Washington, D.C., August 25, 1977.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 77-67, concerning the Department of the Army's proposed Letter of Offer to Iran, not major defense equipment as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $183.7 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL No. 77-67

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act—
(i) Prospective Purchaser: Iran.
(ii) Total Estimated Value:
Major Defense Equipment [1]—$0.0 million.
Other—$183.7 million.
Total—$183.7 million.
(iii) Description of Articles or Services Offered: Provide contractor on-the-job training (OJT) over a two-year period to support the deployed Iranian I-HAWK air defense system in two phases. The initial phase (an LOA of $2.7 million) will provide for the recruitment and training of 73 contractor personnel. The second phase (LOA value of $181 million) will provide for training in Iran.
(iv) Military Department: Army.
(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.
(vi) Date Report Delivered to Congress: August 25, 1977.

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE) OASD/ISA,
Washington, D.C. August 25, 1977.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 77-63, concerning the Department of the Army's proposed Letter of Offer to Sweden for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $44.9 million and support costs of $5.8 million for a total estimated cost of $50.7 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL No. 77-63

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act—
(i) Prospective Purchaser: Sweden.
(ii) Total Estimated Value:
Major Defense Equipment [1]—$44.9 million.
Other—$5.8 million.
Total—$50.7 million.
(iii) Description of Articles or Services Offered: Three-hundred and forty (340) TOW launchers, six-thousand and seven-hundred (6,700) TOW missiles, technicial training, depot engineering support and support equipment.
(iv) Military Department: Army.
(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.
(vi) Date Report Delivered to Congress: August 25, 1977.

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA
Washington, D C., August 25, 1977.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 77-76, concerning the Department of the Navy's proposed Letter of Offer to Australia for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $179.9 million and support costs of $3.6 million for a total estimated cost of $183.5 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL No. 77-76

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act—
(i) Prospective Purchaser: Australia.
(ii) Total Estimated Value:
Major Defense Equipment [1] $179.9 million.
Other—$3.6 million.
Total—$183.5 million.
(iii) Description of Articles or Services Offered: One (1) guided missile frigate (FFG-7).
(iv) Military Department: Navy.
(v) Sales Commission. Fee, etc. Paid, Offered or Agreed to be Paid: None.
(vi) Date Report Delivered to Congress: August 25, 1977.

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA,
Washington, D.C., August 25, 1977.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 77-77, concerning the Department of the Navy's proposed Letter of Offer to Germany for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $25 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretray (ISA), Security Assistance.

TRANSMITTAL No. 77-77

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act—
(i) Prospective Purchaser: Federal Republic of Germany.
(ii) Total Estimated Value:
Major Defense Equipment [1]—$25.0 million.
Other—$0.0 million.
Total—$25.0 million.
(iii) Description of Articles or Services Offered: Modernization of three (3) guided missile destroyers. This modernization includes improvement of search radars, SQS-23G sonar, missile fire control system, electronic warfare capability and improved command and control systems.
(iv) Military Department: Navy.
(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.
(vi) Date Report Delivered to Congress: August 25, 1977.

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE) OASD/ISA,
Washington, D.C., August 25, 1977.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Seante, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 77-66, concerning the Department of the Army's proposed Letter of Offer to Iran not major defense equipment as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $250 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL No. 77-66

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act—
(i) Prospective Purchaser: Iran.
(ii) Total Estimated Value:
Major Defense Equipment [1] $0.0 million.
Other—$250.0 million.
Total—$250.0 million.
(iii) Description of Articles or Services Offered: Contractor continuation of the establishment and operation of four (4) helicopter area support centers and to train Iranian personnel to operate these centers through 1981.
(iv) Military Department: Army.
(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.
(vi) Date Report Delivered to Congress: August 25, 1977.

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[1] As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA,
Washington, D.C., August 25, 1977.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 77–62, concerning the Department of the Navy's proposed Letter of Offer to Iran, not major defense equipment as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $57 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL NO. 77–62

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act—

(i) Prospective Purchaser: Iran.

(ii) Total Estimated Value:
Major Defense Equipment [1]—$0.0 million.
Other—$57.0 million.
Total—$57.0 million.

(iii) Description of Articles or Services Offered: Logistics support services for AH–1J helicopters through Calendar Year 1982.

(iv) Military Department: Navy.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: August 25, 1977.

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA,
Washington, D.C., August 25, 1977.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 77–65, concerning the Department of the Army's proposed Letter of Offer to Iran, not major defense equipment as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $139 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL NO. 77–65

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act—

(i) Prospective Purchaser: Iran.

(ii) Total Estimated Value:
Major Defense Equipment [1]—$0.0 million.
Other—$139.0 million.
Total—$139.0 million.

(iii) Description of Articles or Services Offered: Contractor continuation of the establishment and operation of a helicopter logistics support organization and depot system for the Iranian helicopter program and to train Iranian personnel to operate this system through 1981.

[1] As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: August 25, 1977.

CONSTITUTIONALITY OF DISCLOSURE REQUIREMENTS INVOLVING LOBBYING ORGANIZATIONS

Mr. KENNEDY. Mr. President, one of the current issues in S. 1785, the lobbying reform legislation that Senator CLARK, Senator STAFFORD, and I introduced earlier this year, concerns the constitutionality of the provisions in the bill which require public disclosure of major contributions to lobbying organizations and of grassroots lobbying activities.

During the recess, I asked the American Law Division of the Library of Congress to analyze these constitutional issues. Last week, I received the Library's report, which I believe provides strong support for the constitutionality of disclosure requirements in these two important areas of lobbying reform. As the report states in the case of disclosure of contributors:

Thus, a strong argument, based on the Supreme Court precedents discussed, may be made for the constitutionality of required disclosures of the major contributors to organizations which qualify as "lobbying organizations."

Mr. President, I believe that the Library of Congress report will be of interest to all of us concerned with this important aspect of lobbying reform. I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CONSTITUTIONALITY OF CERTAIN REQUIRED DISCLOSURES UNDER PROPOSED LOBBYING ACT REFORMS

This report discusses the constitutionality of requiring the reporting and disclosure of the names of the major contributors to a "lobbying organization," and discusses the constitutional issues involved in requiring reporting and disclosure of so called "grass roots" lobbying activities, that is, activities aimed at the general public which are intended to encourage the public to contact members of the legislature to influence such members on various issues.

DISCLOSURE OF CONTRIBUTORS TO LOBBYING ORGANIZATIONS

Requiring the disclosure of contributors to organizations which petition the Congress and which engage in advocacy or debate concerning political, social or economic issues, raises questions as to possible infringements upon guaranteed First Amendment rights such as the freedoms of speech, expression, association, and petition. Although provisions which merely require certain disclosures regarding advocacy activities do not directly prohibit or limit the exercise of those enumerated rights, the Supreme Court of the United States has recognized the "deterrent effects on the exercise of First Amendment rights . . ." which may arise "as an unintended but inevitable result of the government's conduct in requiring disclosure" (*Buckley* v. *Valeo*, 424 U.S. 1, 65 [1976]).

In the case of *NAACP* v. *Alabama*, 357 U.S. 449 (1958), the Supreme Court overturned a state court contempt citation against the NAACP for that organization's failure to disclose its local membership list. Recognizing that "(e)ffective advocacy of both public and private points of view, particularly controversial ones, is undeniably enhanced by group association" and that, based upon the First Amendment rights of freedom of speech, petition and assembly, the Constitution guarantees the "freedom to engage in association for the advancement of beliefs and ideas," the Court noted the chilling effect that certain state actions, such as requiring the disclosure of membership lists, may have upon the exercise of those rights:

"Of course, it is immaterial whether the beliefs sought to be advanced by association pertain to political, economic, religious or cultural matters; any State action which may have the effect of curtailing the freedom to associate is subject to the closest scrutiny.

"The fact that [the State] . . . has taken no direct action, (citations omitted), to restrict the right of petitioner's members to associate freely, does not end the inquiry into the effect of the production order. (citations omitted). *In the domain of these indispensable liberties, whether of speech, press, or association, the decisions of this Court recognize that abridgment of such rights, even though unintended, may inevitably follow from varied forms of governmental action,*" (357 U.S. at 460–461) (Emphasis added).

Similarly, the Supreme Court in the case of *Gibson* v. *Florida Legislative Investigation Committee*, 372 U.S. 539 [1963], examined a State's investigatory authority and its authority to compel the disclosure of membership lists from issue oriented or advocacy organizations such as the NAACP. Citing its decision in *NAACP* v. *Alabama*, supra, the Court explained:

"It is hardly a novel perception that compelled disclosure of affiliation with groups engaged in advocacy may constitute [an] . . . effective . . . restraint on freedom of association. . . . This Court has recognized the vital relationship between freedom to associate and privacy in one's association. . . . Inviolability of privacy in group association may in many circumstances be indispensable to preservation of freedom of association, particularly where a group espouses dissident beliefs." (372 U.S. at 544, citing 357 U.S. at 46).

In the recent Supreme Court case of *Buckley* v. *Valeo*, supra, the Court in examining campaign disclosure laws stated:

". . . [W]e have repeatedly found that compelled disclosure, in itself, can seriously infringe on privacy of association and belief guaranteed by the First Amendment." (424 U.S. at 64).

Additionally, the Court in the *Buckley* case noted that this right of privacy in association which extends to individuals who become members of organizations, extends as well to individuals who contribute funds to organizations:

"The right to join together 'for the advancement of beliefs and ideas,' [*NAACP* v. *Alabama*, supra, at 460], is diluted if it does not include the right to pool money through contributions, for funds are often essential if 'advocacy' is to be truly or optimally 'effective.'" (424 U.S. at 66).

Thus, the Supreme Court has recognized a potentially serious threat to First Amendment rights in statutes which require the disclosure of member/contributors to advocacy or issue oriented organizations which engage in public debate and persuasion concerning issues of public interest. Although such a potential threat to First Amendment rights may exist as a result of mandatory disclosures, the Supreme Court has upheld the constitutionality of disclosure requirements concerning contributors to political parties, committees and candidates in the case of *Buckley* v. *Valeo*, supra, and concerning the disclosures required by the Federal Regulation of Lobbying Act of 1946 in the case of *United States* v. *Harriss*, 347 U.S. 612

(1954). In these two cases, the Supreme Court employed a "balancing" test, finding that there may be sufficiently important governmental interests in the required disclosures which will outweigh the possibility of infringement of the rights claimed.

The Court in the *Buckley* case, noting that disclosure requirements generally "appear to be the least restrictive means of curbing the evils" of unwarranted influence and corruption concerning basic governmental processes (Supra, at 68), noted the principle that certain governmental interests will outweigh the possible chilling effect of disclosure statutes on First Amendment rights:

"The strict test established by *Alabama* [*NAACP* v. *Alabama*, 357 U.S. 449 (1958)] is necessary because compelled disclosure has the potential for substantially infringing the exercise of First Amendment rights. But we have acknowledged that there are governmental interests sufficiently important to outweigh the possibility of infringement, particularly when the 'free functioning of our national institutions' is involved; *Communist Party* v. *Subversive Activities Control Bd.*," 367 U.S. 1, 97 (1961). (424 U.S. at 66).

The interest of the government in requiring disclosures relating to activities concerning "lobbying," as defined by the Court, was found to be sufficient to outweigh possible infringements on, or chilling of, associational or other First Amendment rights in the case of *United States* v. *Harriss*, supra. In the *Harriss* case, the Supreme Court, construing narrowly the provisions of the Federal Regulation of Lobbying Act (2 U.S.C. § 261 et seq.) upheld the constitutionality of that Act. As to the governmental interest involved in requiring the reports and disclosures from those who engage in "lobbying," as that term was defined by the Court, the Court stated:

"Present-day legislative complexities are such that individual members of Congress cannot be expected to explore the myriad pressures to which they are regularly subjected. Yet full realization of the American ideal of government by elected representatives depends to no small extent on their ability to properly evaluate such pressures. Otherwise the voice of the people may all too easily be drowned out by the voice of special interest groups seeking favored treatment while masquerading as proponents of the public weal. This is the evil which the Lobbying Act was designed to help prevent.

"Toward that end, Congress has not sought to prohibit these pressures. It has merely provided for a modicum of information from those who for hire attempt to influence legislation or who collect or spend funds for that purpose. It wants only to know who is being hired, who is putting up the money, and how much. It acted in the same spirit and for a similar purpose in passing the Federal Corrupt Practices Act—to maintain the integrity of a basic governmental process. See *Burroughs and Cannon* v. *United States*, 290 U.S. 534, 545.

"Under these circumstances, we believe that Congress, *at least within the bounds of the Act as we have construed it*, is not constitutionally forbidden to require the disclosure of lobbying activities. To do so would be to deny Congress in large measure the power to self-protection. And here Congress has used that power in a manner restricted to its appropriate end. We conclude that [the registration and reporting sections of the Act], as applied to persons defined in § 307 [those covered by the Act], do not offend the First Amendment." (347 U.S. at 611–612). (Emphasis added.)

The recognized governmental interest in requiring the reporting and disclosure by groups, individuals and organizations engaged in "lobbying" in the *Harriss* case was to preserve the integrity of the lawmaking process by eliminating secrecy in, and exposing and identifying pressures and influences upon the legislative process. Thus, this recognized governmental purpose has been, and apparently would be, considered a "compelling" interest in regulating what has traditionally and narrowly been defined as "lobbying." As noted, in narrowly interpreting the provisions of the Act, the Supreme Court found that the lobbying statute "sought the disclosure of . . . *direct pressures* [upon Congress] exerted by the lobbyists themselves or through their hirelings or through an artificially stimulated letter campaign" (347 U.S. at 620, emphasis added), implying that the statute would not entail "a broader application to organizations seeking only to propagandize the general public" (347 U.S. at 621). Interpreting the term "lobbying," the Court in the *Harriss* case stated the following:

"As in *United States* v. *Rumely*, 345 U.S. 41, 47, which involved the interpretation of similar language, we believe this language should be construed to refer only to 'lobbying in its commonly accepted sense'—*to direct communication with Members of Congress* on pending or proposed federal legislation. The legislative history of the Act makes clear that, at the very least, Congress sought disclosure of such direct pressures, exerted by the lobbyists themselves or through their hirelings or through an artificially stimulated letter campaign." (347 U.S. at 620) (Emphasis added).

Thus, a strong argument, based on the Supreme Court precedents discussed, may be made for the constitutionality of required disclosures of the major contributors to organizations which qualify as "lobbying organizations" because they substantially engage in what might be called traditional "lobbying," that is, direct communications with Members of Congress either through lobbyists themselves or through artificially stimulated letter campaigns. In requiring such disclosure Congress would arguably be advancing the recognized governmental interest of disclosing and identifying the "direct pressures" that are exerted upon Members of Congress (see: *Harriss* and *Rumely*, supra). The precedents discussed, however, provide less support for requiring the disclosure of contributors to organizations which merely engage in general advocacy and public debate, and do not engage in direct communications with Members of Congress. The issues concerning disclosures by such groups are discussed in the following section relating to "grass roots" lobbying organizations.

In should be noted that although the Supreme Court in the *Buckley* case did suggest that disclosure provisions generally "appear to be the least restrictive means of curbing the evils" of unwarranted influence and corruption concerning governmental processes (*Buckley*, supra at 68), the Court did note that the "balance" may be tipped in favor of non-disclosure of contributors of a group where such group may show that disclosure would result in harrassment or threats of reprisal to contributors such that First Amendment rights of association and expression would seriously be infringed by the disclosures. The Court stated:

"There could well be a case, similar to those before the Court in *Alabama* and *Bates*, where the threat to the exercise of First Amendment rights is so serious and the state interest furthered by disclosure so insubstantial that the Act's requirements cannot be constitutionally applied. But no appellant in this case has tendered record evidence of the sort proffered in *Alabama*." (424 U.S. at 71)

As to the evidence which may be necessary to be shown by a minor political party to exclude such a group from the disclosure requirements of the campaign Act, the Court in *Buckley* stated:

"The evidence offered need show only a reasonable probability that the compelled disclosure of a party's contributors' names will subject them to threats, harassment or reprisals from either government officials or private parties. The proof may include, for example, specific evidence of past or present harassment of members due to their associational ties, or of harassment directed against the organization itself. A pattern of threats or specific manifestations of public hostility may be sufficient." (424 U.S. at 74)

DISCLOSURE OF GRASS ROOTS LOBBYING ACTIVITIES

Although a compelling or subordinating governmental interest may be shown in enacting a disclosure statute, such disclosure provisions may not be so broad as to "invade the area of protected freedoms" (*NAACP* v. *Alabama*, supra at 307). This standard has required that the information is to be disclosed under a statute bear "a reasonable relationship to the achievement of the governmental purpose asserted as [the statute's] justification" (*Bates* v. *Little Rock*, 361 U.S. 516, 525 [1960]), that is, there must "be a 'relevant correlation' or 'substantial relation' between the governmental interest and the information required to be disclosed" (*Buckley*, supra at 59).

In the context of lobbying disclosure provisions, as in the case of the campaign disclosure provisions, this overbreadth doctrine may arguably necessitate that the activities which are subject to disclosure requirements be narrowly defined to exclude required dis closures relating to activities of individuals or groups that "do no more than discuss issues of public interest" (*Buckley* v. *Valeo*, 519 F. 2d 817, 872 [D.C. Cir. 1975], Appeals Court decision overturning former 2 U.S.C. Sec. 437a, not appealed to Supreme Court) or activities by "groups engaged purely in issue discussion" (*Buckley* v. *Valeo*, 424 U.S. 1, 79). Thus, constitutional questions may arise as to provisions of a lobbying bill being susceptible to an overly broad sweep requiring the disclosure by issue oriented or advocacy groups which do no more than publicly discuss or advocate stands on public issues. Such disclosure may arguably be too remote and not have a "substantial connection" to the governmental interest in lobbying regulation recognized in the *Harriss* case, that is, the revelation of "direct pressures" upon Congress in order to "maintain the integrity of a basic governmental process" (*Harriss*, supra at 625).

In the case of *United States* v. *Rumely*, supra, the Supreme Court, in upholding a resolution authorizing a House committee to investigate into "lobbying activities" which the Court narrowly defined, stated the following:

"Surely it cannot be denied that giving the scope to the resolution for which the Government contends, that is, deriving from it the power to inquire into all efforts of private individuals to influence public opinion through books and periodicals, however remote the radiations of influence which they may exert upon the ultimate legislative process, raises doubts of constitutionality in view of the prohibition of the First Amendment." (345 U.S. at 46)

It should be noted that the decision of the lower court in *Buckley* v. *Valeo*, 519 F. 2d 817 (D.C. Cir. 1975), overturning the specific provision of the Campaign Act previously codified at 2 U.S.C. §437a, which required reporting and disclosure from certain issue groups, was *not* appealed to the Supreme Court. Thus, the Appeals Court decision finding former §437a an overbroad intrusion into protected First Amendment rights was not directly affected by the recent Supreme Court *Buckley* decision. Briefly, the Court of Appeals found that the wording of the statute which required disclosure from groups expending funds "for the purpose of influ-

encing the outcome of an election" or publishing material "designed to influence individuals to cast their votes for or against" particular candidates, was so broad that the statute may encompass "groups that do no more than discuss issues of public interest on a wholly non-partisan basis" (519 F. 2d at 872). The Court of Appeals found that since such groups have at best a remote effect upon the purity of elections, and since the statute could not be narrowly constructed to exclude such groups, the regulation in question did not bear a sufficient connection to the stated governmental interest which would overcome the intrusion into associational rights that a required disclosure of member/contributors may have upon such an organization's membership. The Court of Appeals cited to the Supreme Court decision in *Rumley* in distinguishing between those persons having a direct and intimate relation to the political process and those who merely attempt to advance discussion of public issues or influence the general public:

"The Supreme Court has indicated quite plainly that groups seeking only to advance discussion of public issues or to influence public opinion cannot be equated to groups whose relation to political processes is direct and intimate. In *United States* v. *Rumely*, 345 U.S. 41 (1953), the Court upheld a resolution authorizing a House committee to inquire into lobbying activities after construing it narrowly to apply only to representations made directly to Congress, and not to indirect efforts to influence legislation by changing the climate of public opinion." (519 F. 2d at 873)

As noted, the Supreme Court upheld provisions of the Campaign Act in the *Buckley* case which required disclosures, including the identity of contributors, from those who it may be said have a "direct and intimate" relation to the political process, that is, candidates, political parties and political committees. The Court also, however, upheld the reporting requirements now codified at 2 U.S.C. §434(e) which require reporting and certain disclosures from persons *other* than candidates, political committees and political parties, who make independent political contributions or expenditures aggregating over $100 in a calendar year. The Court noted as to the disclosure provisions concerning such persons, however, that:

"Unlike the other disclosure provision, this section does not seek the contribution list of any association. Instead, it requires direct disclosure of what an individual or group contributes or spends."

Thus, it appears that the Supreme Court in the *Buckley* case made the distinction between those directly and intimately involved in the political process such as candidates, committees and parties, and those only indirectly involved such as other persons making independent political expenditures. In the case of those making independent political expenditures, contributors need not be disclosed. However, even though this distinction was made, some disclosure was required of those indirectly involved in the political process, and therefore the Court looked to determine if that provision suffered from overbreadth, that is, the Court looked to determine if there were a substantial connection between the disclosures required of those "indirectly" involved in the political process and the asserted governmental interest.

In upholding those provisions of section 434(e) requiring disclosure from persons and groups making independent political contributions or expenditures of over $100 against the overbreadth challenge, the Court narrowly construed the terms political "contribution" and "expenditure" to insure that the provision would not be "interpreted to reach groups engaged purely in issue discussion" (*Buckley*, at 79) so that the "relation of the information sought to the purposes of the Act" would not be "too remote" (Supra at 79–80).

Narrowing the term "expenditure" to include "only funds used for communications that expressly advocate the election or defeat of a clearly identified candidate" (424 U.S. at 80), the Court concluded that this provision, as narrowed, "does not reach all partisan discussion for it only requires disclosure of those expenditures that expressly advocate a particular election result" (424 U.S. at 80). Thus, distinguishing the present provisions from those regulations overturned in *Talley* v. *California*, 362 U.S. 60 (1960) and *Thomas* v. *Collins*, 323 U.S. 516 (1945), the Court concluded:

"Here, as we have seen, the disclosure requirement is narrowly limited to those situations where the information sought has a substantial connection with the governmental interests sought to be advanced. . . . The burden imposed by § 434(e) is no prior restraint, but a reasonable and minimally restrictive method of furthering First Amendment values by opening the basic processes of our federal election system to public view." (424 U.S. at 81–82).

Two observations concerning disclosure of grass roots lobbying activities may arguably be drawn from analogies with the *Buckley* campaign disclosure cases and from the previous disclosure cases discussed. Initially, it does *not* appear that strong arguments could be drawn from *Buckley* or the previous disclosure cases to support a provision which requires the revelation of member/contributors of organizations which do not engage in "lobbying in its commonly accepted sense," that is, organizations which are not "directly or intimately" involved in the political process by making direct communications to, or exerting direct pressures upon, Members of Congress, but rather merely engage in discussion and public persuasion concerning issues of public importance and interest. Secondly, although such disclosures of member/contributors may arguably not be supported from those organizations merely engaged in public persuasion, some disclosures relating to grass roots lobbying activities may arguably be supported under an analogy with the Supreme Court *Buckley* case. As noted, the Court in *Buckley* upheld disclosures of amounts spent on independent expenditures by persons who are not candidates, political committees, or political parties as long as the disclosure of such expenditures do not reach expenditures for all partisan discussion but reach only those which are for communications which expressly advocate the election or defeat of a clearly identified candidate. The Court found that the revelation of such expenditures, thus narrowly defined, would be "substantially relevant" to the governmental goal of purity in Federal elections. Similar to this reasoning, arguments could possibly be made to support the disclosure of "grass root" lobbying expenditures which are narrowly construed so as not to reach activities concerning all issue discussion, public persuasions, or general advocacy, but to reach only expenditures for communications which expressly urge, request, or advocate that one communicate with a Member of Congress to support or oppose a specifically identified issue or piece of legislation. Just as the Court in the *Buckley* decision found that, as narrowed, certain expenditures by those "indirectly" involved in the governmental process were sufficiently related to the governmental goal of purity in elections, it would be argued that the revelation of the amount of funds expended by a group on such narrowly defined "indirect" or "grass roots" lobbying campaigns is relevant to the governmental interest of revealing and analyzing direct pressures upon Members of Congress to preserve the integrity of the legislative process.

It may be noted that the Supreme Court of the State of Washington upheld lobbying disclosure provisions of State law concerning required disclosures of "grass roots" lobbying. The Court narrowly construed the Act so that an organization engaged in such a "lobbying" campaign need not disclose its member/contributor list. The Court found, however, that some disclosures regarding "grass roots" lobbying campaigns, such as amounts expended, were necessary to fill possible loopholes in lobbying regulation, and provided an interpretation of the statute which would even require the revelation of certain contributors who specifically contributed to a specific lobbying campaign of the organization. The particular section in question in the case of *Young Americans for Freedom, Inc.* v. *Gorton*, 522 P.2d 189 (1974), is R.C.W. § 41.17.200, entitled "Grass roots lobbying campaigns" and concerns, as characterized by the Washington Supreme Court, "indirect" lobbying, that is, a program addressed to the public, a substantial portion of which is intended, designed or calculated primarily to influence legislation. . . ." The sponsor of such a "program," if such person has expended over the threshold amounts designated, must register and report certain items including "[t]he names and addresses of all persons contributing to the campaign, and the amount contributed by each contributor" (R.C.W. § 42.17.200(2)(c)).

The plaintiff organization, which engages in public campaigns designed to urge people to contact their representatives in order to influence the passage or defeat of legislation, argues that this section would require the disclosure of its membership list and thus violate the membership's First Amendment rights of association. If the statute actually did require such a disclosure, the Supreme Court of Washington would have agreed with the plaintiff organization:

"We can agree with the contention of YAF that a required disclosure of its membership would be an impermissible and unconstitutional intrusion upon its members' associational freedoms and the right to privacy. *N.A.A.C.P.* v. *Alabama*, 357 U.S. 449, 78 S. Ct. 1163, 2 L. Ed. 2d 1488 (1958)." (522 P. 2d at 191)

To avoid this constitutional infirmity, however, the Supreme Court of Washington narrowly construed the section in question to apply only to funds expended by the organization concerning a *specific* campaign directed at a *specific* piece of pending or proposed legislation, and to require the disclosure only of those persons who had either contributed directly to that *specific* campaign or who had "earmarked" funds for that specific campaign. Such an interpretation would eliminate the necessity for disclosure of an organization's general membership list when that organization engages in indirect, grass roots lobbying. As stated by the Washington court:

"If a member or non-member contributes to a past, present or future YAF campaign which has as its objective the passage or failure of *specific* legislation, then the reporting of the contribution and its donor is required. If, however, the YAF does not receive funds earmarked for a *specific* campaign, but expends reportable amounts from its general funds, then there is no need to divulge the names and addresses of the membership. In this instance, the members have only contributed dues to the organization, but not to a *specific* campaign." (522 P.2d at 191)

Under this interpretation, the Supreme Court upheld the provision in question:

"To strike down this portion of the initiative would leave a loophole for indirect lobbying without allowing or providing the public with information and knowledge

re the sponsorship of the lobbying and its financial magnitude . . . "Thus, it seems abundantly clear, and we are convinced, that the right of the public to be informed is paramount to any inconvenience that reporting under section 20 [RCW § 42.17.200] may cause respondent." (522 P. 2d at 192)

JACK MASKELL,
Legislative Attorney, American Law Division, August 30, 1977.

STATEMENT ON THE 100TH BIRTHDAY OF THE LUSSIER BROTHERS

Mr. PELL. Mr. President, it gives me great pleasure indeed to bring to the attention of my distinguished colleagues an historic and happy event that occurred in Rhode Island during the month of August. The oldest living male twins in North America, Samuel and Emmanuel Lussier, celebrated their 100th birthday.

Born August 11, 1877, in St. Ann of Stuckley, Canada, the Lussier brothers have been officially certified by the Guinness World Book of Records as the oldest living male twins in North America.

Having lived and worked in Rhode Island and Massachusetts for most of their lives, the Lussiers were feted by hundreds of friends, family, and well-wishers on the occasion of their 100th birthday in Mendon, R.I.

Among their many honors and accomplishments, Samuel and Emmanuel Lussier are the only surviving founders of Rhode Island's Manville Fire Department, established in 1898. In addition to their part-time volunteer service, they spent 47 years of 60 hour weeks working in northern Rhode Island textile mills as hand-twisters—jobs they began at 12 years of age. And also to their credit, a distinction I find particularly commendable, is the fact that they have voted Democratic in every national election beginning with William Jennings Bryan's bid for the Presidency in 1900.

It gives me great pleasure to join with so many others, including Pope Paul VI, President Carter, and Rhode Island's Governor Garrahy, in paying respect to these two remarkable men who have attained such a distinguished landmark in their lives.

MINNESOTA'S WATER RESOURCES

Mr. ANDERSON. Mr. President, Minnesotans have historically considered themselves living in a state blessed with water resources. Recently the Minneapolis Star, in a series researched and written by Jane Sims Podesta, published a comprehensive and most informative series of articles entitled "Is land of lakes really water rich?" This series details the experiences of individuals and businesses around our State the past year as shortages of surface and groundwater for agricultural, municipal and industrial uses, as a result of reduced rainfall, have caused problems for local government, farmers, businesses, and homeowners.

Mr. President, the Star series make abundantly clear how absolutely dependent our society is on the availability of clean water. I ask unanimous consent that the articles in the series, "Is land of lakes really water rich?" be printed in the RECORD so that my colleagues may benefit from the research by Ms. Podesta.

There being no objection, the series of articles was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Star, July 25, 1977]

ILLNESS, LOSS FLOW FROM STATE'S ACID WATER

(By Jane Sims Podesta)

CANBY, MINN.—Lawrence Traen sometimes wonders if he is drinking poison.

He's watched calves suffer from severe diarrhea and die of dehydration and neighbor children become chronically ill after drinking something we all take for granted—water.

In the hay-covered barnyard at Traen's Canby farm is a grim reminder of his troubles. Eight sickly dairy cows with pus-covered lumps on their throats and heads remain locked up after drinking iron-flecked water from a nearby pond.

"A steel fence post in that pond was disintegrated by the water. It's almost like acid," said Traen, 57, his lean face wrinkling at the thought. "We are living on something you might say is poisonous. But it's the only thing we've had for 17 years.

"Finally, I put the calves on rain water after the vet told me the water was extremely high in sulfate. It would cost me $6,000 to clean this water up so it's fit to drink, and I just don't have that kind of money."

Tales of water troubles may seem unbelievable this year, after a wet spring and an early summer. But in this water-rich land of lakes, there are thousands of people who routinely truck home tankfuls of water every day because their dry wells have still not recovered from the drought.

Throughout Minnesota there are scattered pockets of land—particularly in the southwest—where mineralized water is so potent that it corrodes water pipes and kills weaned animals.

Most Minnesotans are accustomed to quality water on demand. They use the supply as though it were limitless—about 1.5 to 2 trillion gallons last year alone, enough to cover the entire state with at least an inch of water.

"People in the cities never expect shortages or problems because they have never known shortages like rural people have," Traen's wife, Rose Adelle, 53, said, after pouring a glass of sour-smelling rusty water. "We are closer to nature here. You have to carry water by pails to appreciate every drop."

Like their neighbors, the Traen's underground water contains such heavy concentrations of iron and sulfate that area doctors advise that infants and unweaned animals be fed cistern water instead. The well water smells bad in this southwest Minnesota farming community, but most residents can't afford expensive water treatment and refuse to move from their homesteads.

"After a while, you sort of learn to live with this water," Traen said. "The vet's treating my cows now and says they'll get better if I keep them on cistern water. But then I have to worry about my supply running low when it doesn't rain."

The prospect of Minnesota's water supply running low is a subject that was rarely taken seriously in Minnesota until last year. That's what long-time weather observers such as state climatologist Earl Kuehnast say. "We worried about water at the peak of the drought, but I wonder if we are going to forget about it after we get wet again."

Already, many have forgotten. City lawns are emerald green and farmers are posing for family album pictures in front of headhigh corn. But water experts know that this portrait may not last forever.

"Right now the Minnesota Department of Natural Resources (DNR)—the agency more directly concerned with managing the state's water resources than any other at any level of government—can say very little with certainty about the likely condition of Minnesota's water resources in the year 2000," said Gerald Seinwill DNR's director of waters.

Those words are troubling to a state in which each resident consumes about 115 gallons of water a day, 25 percent more than five years ago.

In the Twin Cities area, studies have shown that dependence on the Mississippi River could lead to shortages in the future. Even with short-term emergency conservation, by the year 2000 Minneapolis and St. Paul will be withdrawing so much water from the Mississippi that it will equal the river's low-flow record of 380 million gallons a day.

Despite heavy rainfall early this summer, the Mississippi River has been running 60 percent below normal, according to John Seemann, U.S. Army Corps of Engineers chief of reservoir regulation.

"After the rains, the river rises a little. But it doesn't stay up, because the lakes and swamps are still low," Seemann said. "The rains can fool you into thinking we are back to normal. Then you look at the river and it's been running about 3,000 cubic feet per second this summer when the level should be around 7,500 cubic feet per second."

Minnesota is struggling to come up with a statewide water plan that will tell, for one thing, how much water is in the ground. What bothers most hydrologists is that there is detailed information about ground water supplies for only about 10 percent of the state.

"Heck, we are just in the infancy of having enough data to regulate and manage the use of water in most of the state," said Matt Walton, director of the Minnesota Geological Survey, which studies geology for the state. "We want to know how much water is in the ground if they install a well here or there and usually we can't tell them."

From what the state knows, ground water is limited in heavily developed northern and western areas of the state, especially where municipal systems need large concentrations of water. In the future major conflicts over distribution of water supplies in these areas may occur, a multiagency state report on water resources noted this year.

Most of the state's known ground water supplies are in southeastern Minnesota, said Edwin Ross, senior hydrologist for the Minnesota Health Department.

Based on limited geological information, he estimates there is about 300 cubic miles of ground water in Minnesota. That's greater than the total amount of water flowing at one time in all of the world's lakes and streams, except in the Great Lakes.

But nobody knows precisely how much water lies beneath the surface. So a drought-worried Minnesota Legislature last session gave the state geological survey $270,000 to go in the field and examine well drillers' logs for geologic information to plot the state's ground water resources. In addition, the DNR, water planning board and soil and water conservation board got $716,000 to gather ground water information.

However, in Koochiching, Lake of Woods and Lake Counties there is less than one well record for every 20 miles—meaning any ground water survey must be a limited one, at least in those areas. Only in the more heavily developed areas of the state are there well-drilling records at least every three miles.

Concern over a future water-shortage emergency also stirred up Minneapolis water planners, who have begun figuring out how the city can come up with $7 million to drill three or four city wells. Now Minneapolis is totally dependent on the Mississippi for its water.

The biggest drains on state water supplies are industries, which consume 38.6 percent of the water, DNR figures show. Next come rural domestic and livestock users, which consume 22.7 percent; electric power generation, 15.9 percent; irrigation, 12.8 percent, and municipalities, 10 percent.

Those statistics may change after this year's rush of irrigation permits submitted by Minnesota farmers who must deal with a lack of water There were 2,000 irrigation applications at last count in April, compared with 783 applications in the peak dry year of 1976.

As a result, the Legislature has tightened controls on permit applications, which will force irrigators through a lengthy review process.

Across the nation, irrigators generally are the heaviest water supply users. The U.S. Department of Agriculture estimates that by the year 2000, irrigation consumption will climb to 90 billion gallons a day, compared with 65 billion gallons daily in 1965. During that same time, municipal use is expected to rise from 5 to 17 billion gallons a day.

The thorny question of who manages the state's water supply has been dealt with only recently in Minnesota. The last session of the Legislature created a water planning board to begin drafting the state's first comprehensive water plan and to recommend changes to avoid duplication among more than a dozen state and federal agencies dealing in water management.

"There have been studies on studies on the state's water system. But there is precious little in these studies. Every time the question is raised, everybody says let's write a report," Walton said. "They gather together all the old studies and write papers without a solid factual data base. We need to buckle down and go out in the field for four or five years and get the data base."

In addition, there never has been a central clearinghouse for conflicting studies—often duplicating past efforts—in the state. So gathering information about water is a bit like chasing after a tumbleweed in a tornado.

"We are trying to catch up at this point," said Seinwill. "In the past we have been able to make mistakes in Minnesota because there didn't seem to be much concern about our water supply. We've had haphazard management because everything has been divided up between the states, county, watershed districts, everywhere. People shopped around until they got the right answer somewhere."

Although Minnesota is generally thought of as a water-wealthy state, its geographic position at the head of three of the continent's major watersheds means that essentially all of the state's surface waters originate as rain falling on the land. Instead of placing Minnesota at an advantage, its location is viewed by some hydrologists as a weakness.

"Minnesota is a headwater state. We have no major streams beginning in other states that flow through Minnesota," Ross noted. "With the exception of our boundary streams, rivers and lakes, Minnesota does not receive water in appreciable amounts from beyond her boundaries."

Only 12 states in the continental U.S. receive less annual precipitation than Minnesota, which averages about 25 inches a year, Ross said. Hydrologists point out that six of these 12, like Minnesota, receive only small amounts of stream flow from beyond their borders.

"In only one of these six, Nevada, do major streams receive less runoff than in Minnesota," Ross said. "With the exception of the northeastern part of the state and the Rainy River, most surplus water of Minnesota is in the Mississippi River below the Twin Cities.

"We should not necessarily believe that we are water rich in Minnesota because of our numerous lakes," he continued. "The majority of these lakes lose more to evaporation than they gain from precipitation in a year's time."

For every 25 inches of precipitation that fall on the state in a normal year, only five remain. Twenty inches either evaporate or are put back into the atmosphere by plants. So last year, when there was an average of 16 inches of precipitation across Minnesota, farmers suffered and many cities faced water cutbacks.

But the distribution of precipitation—rain and snow—varies markedly across the state. For example, it varies from an average of 19 inches in some western regions to about 12 inches in eastern regions.

If Minnesota somehow managed to contain this 25 inches of precipitation, in a year the state's land would be covered with about 2 feet of water. However, most of the water is lost through runoff, evaporation and seepage into ground water reservoirs.

"Imagine if we could contain all this precipitation," said Donald Baker, a University of Minnesota soil scientist. "People think of this as the land of lakes. But that can fool you. So what if you can't use the water. The water is not evenly distributed across the state."

In the backdrop of Minnesota's dry spell, the state departments of natural resources, agriculture, economic development, health and the energy agency joined together last fall in a water planning study. But in their first of a series of reports recently written, the team noted:

"Despite the very real current concerns over water shortages, it should not be forgotten that precipitation appears to come in cycles and problems of flooding and other water excess issues are likely to once again become more important in years to come."

After analyzing the climate trends of the mid-1930s, John Graff, chief meteorologist for the National Weather Service in Minneapolis-St. Paul, predicted: "1978 is the year of threat. If we get beyond that we are out of this five-year drought pattern." In his view, "We may be like the prize fighter who gets hit in the stomach in '76, takes a breather in '77 and then gets a blow to the chin in '78 if we have extreme dryness."

In dry years, the land acts as a giant blotter sucking up water and refusing to give it up in runoff to the lakes and streams. This happened in Minnesota early this spring when the levels of some northern lakes dropped 5 feet. At Kabetogama and Crane lakes, for instance, the water levels just began inching up to normal in recent months.

"The low level of the state's lakes and rivers could persist for one to three years, even with normal rain," Baker said. "In some areas the soil has been recharged by rain, but we are expecting below-normal precipitation and warmer weather this season.

"Water is the one big problem facing Minnesota and the country that has been overlooked the last 15 years," he continued. "There's an apparent low-precipitation period every 20 to 25 years and water becomes a stylish subject," he continued. "But we leap from crisis to crisis. We forget the past."

TOWN WITHERING IN WATERLESS OASIS

(By Jane Sims Podesta)

ARCO, MINN.—Rising from this dusty prairie farmland like an oasis, Arco ironically is one of Minnesota's thirstiest towns.

It has weathered the century without a city water system.

Town folks here routinely measure water the way some big city types pour a glass of aged cellar wine.

The signposts of a water-poor town are barely noticeable. But the old-timers recognize that without a water system this place may become a ghost town.

Slowly, during the past 35 years, Arco's population fell from 243 to 95. Businesses left and the town school closed. The year-old sign at Arco's borders showing 101 residents is already outdated.

"Without water, we are dead ducks," said Arco Councilman Erling Pedersen, usually the town's most optimistic forecaster. "People keep running to other nearby towns because they don't want to worry about where the next drop of water is coming from. I don't blame them."

For the past two years this southwestern Minnesota town has applied for federal Housing and Urban Development (HUD) money to build a $132,000 municipal water system. But both times its applications have been rejected because the average income in Arco is too high.

"I can't figure it out," puzzled Dennis Whitney, Lincoln County's planner. "It doesn't make sense when you consider that Arco's average family income is $4,800. How poor do the people have to be?"

But Charles Kreiman, Minneapolis-St. Paul area HUD field representative, explained: "Last year Arco asked for $132,000 for a city water system, and this year it asked for $269,000 for water and housing rehabilitation. But we could finance only 25 out of 180 projects. Arco didn't score high enough partly because everyone in town would have benefited from a water system, not just the low- and moderate-income families. That average income figure doesn't tell the whole story."

Arco Mayor Walter Gacke stared at his greased mechanic's hands and shrugged, "Last summer we got a $13,500 state grant for city parks, but not one cent for water. No wonder people are cynical about government."

For the past 25 years Gacke and his wife, Mary, have captured their water in a cistern, as most Arco residents have done. The Gackes always rationed themselves to 60 gallons of water a day, but last fall they started trucking in water from 25 miles away when the cloudless sky failed them.

"I had to laugh when I read these stories about California rationing water," said Mrs. Gacke, an English-born housewife occasionally seen pumping gasoline at the family station. "We have always used a half-glass of water to brush our teeth and don't flush the toilet except a few times a day.

"I'm constantly thinking of water. I have to stop and think, 'I can't do this or I can't do that,'" she continued. "And last year when it was real bad, I was saving my dish rinse water for the garden."

Across the street from the Gackes' stone-studded gasoline station and home, Annette Madsen, 81, can be seen walking to the town well every few days. She carries pails of milky-looking water back to her one-bedroom home a block away.

"She's a tough old bird," Mrs. Gacke said. But town folks occasionally worry about stubborn Mrs. Madsen when they watch her tromping through knee-high snow with a half-full bucket of water in the winter.

"I've always worried about water," said Mrs. Madsen, fingering a white hairnet. "Never known anything different. Lived on a farm most of my life until three years ago. Now I have a tea kettle I keep full of water to last a few days. I go up the street to the cafe for water whenever the city well goes dry."

But Councilman Pedersen, the town grocer, fumed, "I wonder how many of those city people have even seen a 70- or 80-year-old woman or man up to his butt in snow carrying drinking water from a well? They aren't strong enough to carry much so they fill it one-quarter full and keep going back. This gets to me. We need a water system."

Arco's water-scarce legacy may never end for the city's poor. But in two years Arco families who can scrape together $4,700 and $10 in monthly fees can hook up with the

494-mile water system planned in Lincoln County.

"It sounds good, but only about half of Arco's residents will be able to afford the system," Whitney said. In addition, the city will have to chip in about $18,000 to join the rural water pipeline system and this "could upset some people," he said.

"The trouble with these rural water system set-ups is that whenever they start running in the hole, they want more money. They have you over the barrel," Stan Ostergaard, the city postmaster, said. "If we controlled our own system, we could set the rates so that older people here could afford it."

In this roadside town 12 blocks wide, the Ostergaards and the Gackes sometimes sit around at the town "watering hole," the Brick Manor, and dream of tomorrow. They talk about water the way miners probably once fantasized about gold during boom-town days.

"I think Arco will die if we don't get water soon," said Mrs. Gacke. "We need something to draw people here. The retired people like the town, but they don't feel like hauling water. And the young ones just don't want to bother with it."

Arco, a fiercely protective working community, shows all the signs of a town suffering from its forefathers' mistakes. Long before water systems became standard plumbing in most homes, Arco's city fathers decided that a water system was a "frill" that farm country residents could ill afford.

Even today a few retired farmers in town, who still swear by their shallow private wells and cisterns, claim that a city water system is a waste of money. But most Arco families agree that the city's fire insurance rates are outrageously expensive.

"I spend $1,500 a year just on fire insurance here," complained Alfred "Babe" Dressen, the owner of the Brick Manor restaurant-bar. It's all because there's no water system."

In Arco's fire station, a cramped garage smelling of gasoline, sit the town's pride and joy: A pair of early-1940s fire trucks. These antiques are regularly filled with fishy-smelling water from Lake Stay, which lost so much water last fall farmers planted winter wheat in the lakebed.

The only time most of the townsfolks see these relics is when the city council meets in the fire house garage on cold winter evenings. A few years ago—nobody remembers exactly when—there was a brush fire in town and women were seen stomping sparks out with their shoes. The big red engines cranked up for the occasion and a few neighboring volunteer stations were called to the scene to squirt out flames that threatened the city's two-block main street. The town suffered little damage, but one woman said "it was more fun than the Fourth of July, watching those sparks."

Outsiders driving through Arco today often wonder why the two-story school house is now taken over by a TV repair shop and dry cleaner. Mayor Gacke will tell you that six years ago the town sold the building to the highest bidder—$500—to bring in more business. He said, "There won't ever be a school again here. We lost too much population."

"That really gets to me," chimed in Pedersen. "The towns around here just keep gnawing at us. First they got our creamery years back, then our lumberyard, then our school. Now they want our church. Maybe if we get some water in here things will change."

QUENCHING STATE'S THIRST NOT EASY

(EDITOR'S NOTE.—This is the second of a week-long series of articles that began yesterday examining Minnesota's water supplies.)

(By Jane Sims Podesta)

Deep in a deserted Iron Range ore pit, Chisholm has discovered a gold mine.

At the bottom of this man-made canyon just outside of town is a spring-fed lake that has suddenly become Chisholm's major source of water for at least the next decade.

"We've got enough water here to feed the whole Iron Range," said Chisholm Water Supt. George Hakala, surveying the narrow pipeline at the canyon bottom.

Until seven months ago, Chisholm—like many other Minnesota towns—seldom worried about the next year's water supply. But last year's dry spell robbed its shallow wells, dropping them to a dangerously low level.

By early May, a pipeline was linked over 1½ miles from the rust-colored canyon bottom to Chisholm's water treatment plant. The city is using 500 gallons of water a minute from the deserted pit-bottom lake owned by U.S. Steel, which is charging Chisholm only $1 for a five-year renewable lease.

But not every city has an unlimited supply of water. So Minnesota Health Department officials have been urging single-well communities to drill back-up wells. Partially in response to this, plans for 15 new municipal wells have been sent to the state this year.

During the past 10 years, Minnesota's municipal water consumption increased by nearly 100 million gallons a day, climbing to 356 million gallons a day this year, according to the state's health department.

However, about 800,000 persons have private wells that are not connected to one of the 658 ground-water or 47 surface-water municipal supply systems.

Six counties in Minnesota—Cook, Cass, Kanabec, Meeker, Rock and Waseca—are using at least twice as much water per person as the rest of Minnesota. In these areas, the average per capita consumption is more than 200 gallons a day, compared to a state average of 115.

Within these high water-consuming counties, there are 13 communities using an average of 300 gallons a person every day. State health officials questioned officials in those cities and found that in most of them, industry consumed 50 to 80 percent of the water every day.

The southwestern corner of Minnesota is plagued with some of the lowest-quality water in the state. In this area, the water is filled with heavy concentrations of sulfates, which have a laxative effect, and strong concentrations of nitrate nitrogen, which occasionally has poisoned infants who drank large amounts of it.

Although there are five communities in southern Minnesota that have high nitrate nitrogen concentrations, the state health department points out that in several cases poor water is being blended with quality water before it is distributed for public use.

State health department testing of wells in some southwestern Minnesota communities has disclosed that the highest concentration of nitrate nitrogen is in the town of Ihlen in Pipestone County. Recent tests show Ihlen's water supply is filled with 20 milligrams of nitrate nitrogen per liter—twice the health department's recommended concentration. Other cities that have high nitrate nitrogen counts are Jasper, 11 milligrams per liter; Edgerton, 12; Leota, 12; and Richmond, 12 and 9.3.

The water system in those cities will be watched closely this year by the state health department, which is expected by fall to become Minnesota's enforcer of new federal water-quality rules. The federal government now requires states to meet safe-drinking-water standards and have their water analyzed regularly for excessive nitrate nitrogen, bacteria, inorganic chemicals, pesticides, radioactivity or turbidity.

However, said Gary Englund, head of the state health department's water supply section, "Before taking someone to court, we will try to go in and negotiate."

But what price are people willing to pay for pure water in Minnesota? Would people be satisfied drinking polluted water if it was the only way to keep local industry?

A University of Minnesota survey of residents in five cities found that about one-third of 916 persons questioned believe that people may have to drink water that is not completely pure because of the cost of pollution control.

But these same residents in Duluth, Rochester, Grand Rapids, Fairmont and Alexandria overwhelmingly agree that drinking water should be free of any industrial waste or household sewage by-products. More than 95 percent of the persons polled held this view.

The water-quality survey, by university Profs. R. E. Rickson and Peter J. Nowak, asked residents in mid-1976 whether they agree or disagree that "some lakes and rivers around (the area) should be given up as lost because it is simply too costly to stop all pollution." In Duluth, 10 percent said they agree or strongly agree; in Rochester, 19.3 percent hold the same views; in Grand Rapids, 10.8 percent; in Fairmont, 23.4 percent, and in Alexandria, 20.9 percent.

"I'm not one bit surprised," Nowak said. "We saw the highest environmental consciousness in 1974. Now economic issues take precedence."

Then the pollsters randomly asked residents whether they agree or disagree with the statement: "If it is a question of losing jobs in the community, we may have to use water that is not completely pure." In Duluth, where sentiment about Reserve Mining Co. is high, 29.4 percent agreed or strongly agreed with the statement, as did 32.1 percent in Rochester, 31.6 percent in Grand Rapids, 29.7 percent in Fairmont and 31.5 percent in Alexandria.

Like most persons in the country, residents polled believe there should be a low price tag on water. In fact, two-thirds of them think it should be "free to all people."

"It's doubtful we will run out of water, but it should not be treated as a free good," said John J. Waelti, acting director of the University of Minnesota Water Resources Research Center, a clearinghouse for state water research. "But one thing we are going to have to realize is that we can't always have as much water as we want. And that's going to be hard convincing people to believe."

But when they were asked if they would pay special fees for excessive water use to "partially control environmental pollution" (caused by producing water), 50 percent in Duluth said yes, as did 65 percent in Rochester, 62.7 percent in Grand Rapids, 44.3 percent in Fairmont and 44.9 percent in Alexandria.

PIPELINES REVIVING DROUGHT-STUNNED HOPES

(By Jane Sims Podesta)

Throughout vast stretches of rural Minnesota, people are convinced it is as revolutionary as the invention of the light bulb.

For thousands of back-road towns and isolated farmsteads, rural water systems are becoming the biggest improvement in daily life since rural electrification.

"This could change our lives," said Albert Jorgensen, 45, a former southwestern Minnesota livestock farmer. "Twenty wells have been dug on this land and there's still no water."

Jorgensen is one of thousands of drought-plagued Minnesota farmers who called it quits last year. He cleared $309,000 for 440 acres of land in Lincoln County and got $51,000 for 300 hogs and cattle.

"Running out of water was probably the best damn thing that ever happened to me," said Jorgensen, a thick-framed man who now works part-time as a handy man. "But I want to keep living here, so I realize how important the rural water system is to the community."

By early next summer, construction is to begin on a 494-mile Lincoln-Pipestone County rural water system. When the $5-million

system is completed by the summer of 1980, it will pump water from four well sites to 725 families in Lincoln and Pipestone Counties and in portions of Nobles, Murray, Rock, Lyon and Yellow Medicine Counties.

It will cost the average family about $4,700 to hook up to the system, with a fee of $10 a month for 5,000 gallons of water.

From southwestern Minnesota to the northwestern tip, rural water systems are being organized by communities where poor water supplies have stifled development. The systems are being financed through the Farmers Home Administration.

"I strongly believe that the rural water system is the greatest thing to happen to this area since rural electricity," said Sen. Jim Nichols, DFL-Lake Benton. "There is some opposition in different areas, but mainly because people don't want that water line crossing their land."

Minnesota's first rural water system, costing $1.6 million, started pumping water to 330 customers in Kittson and Marshall Counties in November. Organization for the water system in this area—where some folks say wells are as scarce as cactus—began five years ago.

"The water seems to be getting worse" in Lincoln County, said Etler Jensen, 42, a Tyler farmer. "Been here 20 years. And the last two years the water has started eating through my pipes every 14 months. I cleaned out my well pipe, and it was covered with black soot that stunk like sin."

Jensen, chairman of the Lincoln-Pipestone water system, abandoned his hog farming business three years ago because young pigs were dying after they drank the water. He now has a 291-acre dairy farm, which netted $9,000 last year. But, he added: "Water pipe repairs are eating us out of house and home this year."

The situation is even worse for Francis Engles, 26, of Minnesota, whose children are frequently sick and blames the water for it. The water is so bad, Engels said, "an Alka-Seltzer won't fizz."

One Lincoln County farmer, Larry Johnson, 36, had another problem. He couldn't find water on his 200-acre farm. Finally, Johnson and his brother, Gerald, located water—at the bottom of a 1,015-foot well on their property. But tests of the water show a high mineral concentration—125 grains of hardness, 25 grains more than that recommended by the American Water Works Association.

"Maybe we have cast-iron stomachs drinking this stuff," said another Lincoln County farmer, Lyle Trautman, 53. "But I'll tell you one thing, that rural water system is going to be the greatest thing that ever happened here. It won't be the same place."

LOW LAKES LEAVE 'EM HIGH AND DRY

(EDITOR'S NOTE.—This is the third of a week-long series of articles examining Minnesota's water supplies.)

(By Jane Sims Podesta)

INTERNATIONAL FALLS.—On the water's edge—500 feet from the dock—fishing boats are stranded in the weed-covered sand in front of Kec's Kove resort.

On summer nights the long stretch of wooden planks at this northern Minnesota resort could easily pass for the Atlantic City boardwalk.

Fishermen often take one look at the knee-high weeds and pull their campers out of this lake Kabetogama resort, about 30 miles southeast of International Falls. They have abruptly canceled reservations, leaving behind $4,000 in unrented cabins, owner Al Kec said.

Those who stay frequently curse under their breaths as they drag their boats along the muddy beach to a makeshift floating dock.

This is among the more disastrous scenes at Minnesota resorts this summer—after the dry weather last year lowered Lake Kabetogama by 5 feet—the lowest level since the mid-1930s.

Every morning this summer, Lake Kabetogama resort owner Thor Herseth has climbed on his mud-caked tractor and pulled motorboats out to his narrow floating dock, 150 feet beyond the breakwater. And his resort-owner neighbor, Marty Narbo, has loaded up a shaky wheelbarrow with motors and fuel for boats moored hundreds of feet from shore.

"I'm worried," sighed Herseth, owner of Tomahawk Resort. "This is going to hurt us for years to come. Even the fishing is not what it was before because with the low water and bugs, fish have above-normal feed. You can't get into the shallow water in a boat to catch them."

Across the state, hundreds of shallow lake beds now resemble green-ringed swimming pools turned stagnant by the drought. The June rains replenished many lakes, but hydrologists predict that some will not return to their 1974 levels until 1980.

"A lake is not a bathtub with a tap and a plug. All the things that happen to the ground happen to a lake," said Gordon Morrison, environmental planner for the Minneapolis Parks and Recreation Board. "What determines the water in the lake is the ground water and rainfall."

The effects of thirsty land drinking up soil moisture are clear at Cedar Lake in Minneapolis, where the water level in early July measured 4½ feet lower than in mid-1974. Morrison said Cedar Lake's level is expected to rise gradually as the ground water is replenished.

At Crane Lake, south of Kabetogama, in northern Minnesota, fishermen at Nelson's Resort were playing badminton this summer on a sand bar that once was covered by water in front of the dock. A children's slide that normally dipped into the lake was 100 feet from the water's edge, and resort owner Gloria Pohlman was pulling out 1910 lake pictures that look as though they were taken yesterday.

"You kind of get the feeling that things are against you after a while," said Mrs. Pohlman, whose German ancestors settled what is now an expensive fishing resort. "You get disgusted, then mad and finally decide it's not gonna get to me. But I don't think things will improve unti 1978. The water level is 4 feet low now."

As if things weren't bad enough, north-central area forester Robin Nelson said he is worried that 70-year-old Jack pines lining the rock ridges are dying near Echo Trail, south of Crane Lake, because the timber is starved for subsoil moisture.

But what's even more disturbing is that the young forest stock in that area has been killed by dry soil conditions. The past five years' seedlings—1.5 million trees—are dead, Nelson said. Aerial surveys of the parched land are being taken to spot the dying trees, often barely visible from the road.

In Duluth-area state forests, about 170,000 seedlings have died this summer, according to asistant area forester Fred Wintermatter. He is concerned that by late this summer there could be "severe fire danger, unless there is above-normal precipitation" at the northeastern tip of the state.

Kec's Kove is still among the more tragic tales of the year at Lake Kabetogama. Kec, a Chicago railroad brakeman living on a pension, is sitting on lake front property that looks more like a golf course than a fishing dock.

"Tell the Vikings to come up here for summer training," Kec said jokingly. "How can I expect people on vacation to walk all the way down that boardwalk and then through the mud and water? It's a pain."

In desperation, Kec appealed to the state for a dredging permit to clear weeds and mud off his shallow lakefront property. But, he said, "The DNR (Department of Natural Resources) would only let me clear a strip 25 by 100 feet wide because this is supposed to be a spawning ground for northerns. How can fish spawn on land?"

Kec and several Lake Kabetogama resort owners are strongly critical of the 8- to 9-foot fluctuations allowed at the dam-controlled lake. The dry weather lowered the level even further and, Kec claimed, "They just let us go dry here."

But John Seemann, U.S. Army Corps of Engineers chief of reservoir regulation, responded; "The Kettle Falls Dam has always been a point of conflict between Rainy Lake and Lake Kabetogama. But with the drought and bad winter there were heavy demands for electric power and water is needed for that. We have done the best we can."

Resort owners in some hard-hit northern Minnesota areas worry that long after lake levels rise again their businesses will suffer because vacationers will remember ramming their boats on barely covered reefs in shallow water.

One morning, veteran fisherman Frank Forest, of Salem, Ill., rammed his motorboat into a reef that was once deep in the middle of Lake Kabetogama. He broke off the lower unit of his motor and talked of heading home. But he decided to stay, after paying $175 in boat repairs.

The same thing is happening to lake guides on other northern lakes, according to Don Cann, a salesman at Totem Pole sporting goods store in International Falls. He pointed to a pile of chipped boat propellers and said, "We've had to fix a half-dozen of them this week. Even local people fishing these lakes for 30 years are hitting rocks."

Next year, the same thing will happen all over again, DNR lake hydrologist John Clausen believes. It will take two to four years for the state's lakes to come out of debt because they have been receding for three years. This isn't something that will improve overnight."

That's bad news for Oveson Bait and Tackle near Kabetogama, where business has dropped 50 percent because of low lake levels. Owner Richard Oveson shook his head, "It's gonna get worse. It's a combination of poor fishing, low water and the fact people can't bring their big boats up here."

Throughout the nation, fishing equipment sales are slumping. And Dan Gapen of Gapen's World of Fishing Inc. at Big Lake has a theory about it.

"People think the fish have all dried up because of the drought, but they're wrong," he said. "Our sales are down 20 percent. Anticipation is half of fishing. People won't buy a new lure or go out if they haven't been dreaming of fishing. People seem pessimistic."

And fishermen can be fickle. Just ask Dean Litwiller of Voyager Park Lodge at Kabetogama, who is still fuming because a fishing group canceled at the last minute this summer and cost him $1,200 in food and lodging. "Next year," he said, "they may wait until the last minute to make reservations."

But at Rainy Lake in International Falls, Thunderbird resort owner Del Siewert painted a different picture. "We haven't had anyone cancel out on us this summer," he said. "Sure, the lake levels were low. But they are coming back up fast. And most of the fishing out of our lodge is guided so we know where to go."

Northernaire Houseboat owner Charles Levene of International Falls had similar comments. "All our 21 houseboats are rented. We are getting by OK, but I guess other areas might be having trouble."

Uel Blank, a University of Minnesota extension economist, hopes the industry learns

a lesson before it forgets the dry spell's effects.

"Resorts are living in the past, promoting this meat-fishing image," he said. Blank contends resort owners and tourists are still living with 1930s ideas about recreational water use.

Water-based recreational interests have "depended upon the abundant water to attract tourists, and they exploited the situation because they need to eat and sleep," said Blank, who believes resorts should move into land-based recreational activity.

In 20 years, Blank fears, the Minnesota resort industry may be dead. In the past 10 years the number of resorts in the state has dropped from 3,007 to 2,000.

During the past year, Minnesota has lost about 100 small lakes to dry weather. In fact, Minnesota's image as the land of 10,000 lakes is incorrect. There are actually 15,291 lake basins in the state, but 3,257 of them are dry.

"I can't figure out who started calling us the land of 10,000 lakes," said DNR water division chief Gerald D. Seinwill. "But there's one thing for sure: people just can't imagine them ever disappearing. And we've lost 3,000 lakes in the last 75 years."

STATE'S DROUGHT SCARS ARE SLOW TO HEAL

(By Jane Sims Podesta)

(EDITOR'S NOTE.—This is the fourth of a week-long series of articles examining Minnesota's water supplies.)

The drought-scarred land has come alive again.

Yet memories of last year's devastating drought come back when Minnesota farmers look at their bank accounts.

"You bet we are suffering," Westbrook farmer Morris Mitchell said. "We are still spending $400 a day on corn and protein because we didn't raise any last year for 1,800 cattle."

And it will take years for Mitchell to recover his $100,000 loss suffered last year when cattle prices slumped to 28 cents a pound and he started trucking in hay from Wyoming.

On his 1,100-acre southern Minnesota farm there are bumper crops this year. However, the rains still have not replenished his low wells.

Mitchell managed to survive the worst of Minnesota's four-year dry spell. Others weren't so lucky. In the past year, 1,000 of the state's 118,000 farms folded and 3,000 of the state's 34,000 dairy farmers quit farming or switched to meat or grain production.

Despite the relatively heavy rainfall this year, the state may not be out of the five-year "drought" pattern yet, according to John Graff, chief meteorologist for the Twin Cities office of the National Weather Service. He believes 1977 may be just a breather before another bout of dry weather next year, if the state follows the weather trend of the 1930s.

Because water is vital to agriculture, the whims of the weather seem to leave deeper and slower-to-heal scars on the face of Minnesota's farms than on other state industries.

Minnesota agribusiness—livestock and production and food processing—consumed 84.9 billion gallons of water last year alone. More than any other industry in the state, agribusiness consumes nearly all the water it withdraws from our supplies.

Aside from agriculture, the state's heaviest water-using industry is forest-product manufacturing, which last year consumed 59 billion gallons. Next comes iron mining, which drank 11.3 billion gallons of water last year, and petroleum refining, which consumed 2.3 billion gallons, Minnesota Energy Agency figures show.

Electrical utilities in Minnesota withdrew a whopping 665 billion gallons of water from state supplies last year. But they consumed only 7.5 billion gallons, returning the rest to local supplies.

On a hot July day, seven Northern States Power Co. (NSP) plants consume about 75 million gallons of water. That's the same amount used to water Twin Cities lawns in all July and August, according to William Seeley, NSP assistant administrator of government activities.

Until this year, Minnesota's thirsty industries routinely withdrew as much water as they needed with no close watch on their appetites by state government. But within the past few months, the Minnesota Department of Economic Development has started taking a closer look at heavy water-using industries to try to figure out how consumption can be reduced.

"Right now, we are trying to come up with a paper on generally how the state should allocate water to industry if there is a water shortage," said Norman Fox, department of economic development research analyst. "Should the cost of water reflect the cost of supplying it or should water be selectively allocated?"

At the same time, Fox is working fulltime to pull together figures on how much it would cost major state industries to convert to water-saving production systems. This, he has discovered, is an almost impossible job.

"A lot of this information industry is reluctant to give, because we need to know sales and purchases to see the primary and secondary effects. They (the firms) are afraid of tipping off competitors," Fox said. "So a lot of our information will be based on studies. That's really a lousy way to do things, but we don't have much choice."

Throughout the state, industries such as Hoerner Waldorf Corp. have started conserving by recycling water within their plants. At Hoerner Waldorf's two packaging mills in St. Paul, water withdrawal has been cut from 10.9 million gallons a day in 1969 to 6.7 million today by recycling 46 percent of the water used in both plants.

"Industries are finding that it's cheaper to conserve than use water as if there were no tomorrow," said Ted Shields, environmental affairs director for the Minnesota Association of Commerce and Industry. "There is a tremendous amount of voluntary conservation going on in the state, but it is impossible to guess exactly how much money has been spent on this."

State energy agency figures show that in 1976 industrial and commercial interests in Minnesota withdrew more than 13 times as much water as residential users. In that year, residential water withdrawal was 72.1 billion gallons and industrial and commercial users withdrew 993.4 billion gallons.

However, there is so much guessing involved in estimating water use that there are differences between agencies about exactly how much water was used in Minnesota last year. The state energy agency estimated 1.06 trillion gallons of water was withdrawn in Minnesota last year, but the Department of Natural Resources (DNR) estimated that 2 trillion gallons was withdrawn.

"You don't know which figure is right. It is just part of the game. Their methodology is different from ours," said Roger Hellebuyck, an energy agency research analyst. "Sounds like one is quite a ways off from the other, but I am sure there are limitations on both methodologies. This is one thing we have to deal with in the state, but we are trying to change it."

"We discovered our figures were wrong so we updated them from 1.5 trillion to 2 trillion (gallons of water withdrawn a year in Minnesota)," said John Clausen, a DNR hydrologist. "At this point, everybody is guessing. We have no way of knowing who is right."

In any case, the big push for water conservation in Minnesota will probably soon be aimed at the heavy water users—agricultural, industrial and commercial interests. A statewide government study of water resources is expected to result in several legislative proposals in 1979 aimed at making these water-draining interests cut back on the amount of water they use.

The Minnesota Department of Agriculture, for example, is examining how the state's agribusiness operations could conserve water and where irrigators could safely draw ground water without contaminating or draining underground supplies.

"There are about 2 million acres of land in the state that could be used for irrigation," said Jack Ditmore, state agriculture department planning director. "We are only irrigating about 250,000 acres—could go to 300,000 by the end of the year—in Minnesota and that is only about 1 percent of the state's total cropland."

Most of Minnesota's irrigated land is in five counties: Hubbard, Wadena, Pope, Sherburne and Dakota. In Sherburne County, for example, about 31 percent of the land is irrigated. But in Redwood County only two-tenths of 1 percent is irrigated. In large stretches of the northern one-third and the southern one-third of the state, less than 1 percent of the land is irrigated.

Crops drank 38.3 billion gallons of water in Minnesota last year alone, consuming every drop they withdrew, the energy agency estimated. Livestock consumed 21.3 billion gallons and processors of food and kindred products used 25.2 billion gallons last year.

In the aftermath of the long, dry spell, some Minnesota farmers planted crops this year that required less water, the Minnesota Crop and Livestock Reporting Service found. Planting of sunflowers doubled this year, climbing from 214,000 acres to 460,000 acres in a year, while corn planting dropped from 7.2 million acres to 6.9 million acres.

"Each year the farmers look at the moisture situation and price prospects when planting," said Sy Phillippi, field crop statistician for the reporting service. "We saw farmers looking for alternatives to wheat because of the drought and economics. Wheat acreage dropped 18 percent from 4.1 million acres (last year) to 3.4 million acres this year."

In the forest-products industry—the industry consuming the second-highest amount of water—pulp and paper-producing firms consumed 46.6 billion gallons of Minnesota water last year. And lumber and furniture industries consumed 12.4 billion gallons of water last year.

The wood pulp industry, in particular, has come under strict water-pollution standards in the past few decades, forcing it to adopt water-saving technology. The amount of water used to make a ton of paper has dropped from a national average of 100,000 gallons in 1935 to 35,000 gallons in 1965.

At Boise Cascade in International Falls, the paper and insulite plant is using 22 percent less water today than it was seven years ago. In 1970, before the plant installed a money-saving water recycling system and improved mill production designs, it used 53.2 million gallons a day. Today Boise Cascade uses 41.5 million gallons a day and production has increased by 23 percent.

In the future, iron mining probably will have an edge over many Minnesota interests, if the state ever decides to allocate water based on an industry's contribution to the economy. One percent of the 1.46 million industrial employees in Minnesota work in this heavy-water-using industry, the state department of economic development said.

"The heavy use of water by Minnesota's iron mining industry is more than justified by the importance of this industry to the economic well-being of the entire state," reported a recent economic development department study. The iron mining industry generated $190 million in personal income in 1974, when the state's total personal income was $21.2 billion, the study said.

But state administrators looking at industrial water conservation admit that they probably would have a difficult time convincing business officials that Minnesota is not necessarily water wealthy. As one researcher said, "It's like trying to tell someone in the middle of the Pacific that there is a water shortage."

STATE DRIFTS CLOSER TO WATER-SHORT FUTURE

(By Jane Sims Podesta)

Your morning shower will be shorter, your toilet smellier and your back-yard garden drier in the future.

Instead of brushing your teeth to the sound of running water, you will settle for a mouthful.

On the farm, you may watch rows of wilting corn and wonder why the state started making you pay for every drop of water used to irrigate your land.

And you may dream of the good old days.

Neighboring states, looking across the border at Minnesota, may start making noises about importing water—just like oil—and state officials will make speeches telling you to conserve water.

This is not a water-scarce state's nightmare. It's the forecast of some of Minnesota's most learned water experts, who generally agree that the good old days could become memories by the year 2000 unless we start conserving water today.

"Some day we could very well have shortages down the line," said state climatologist Earl Kuehnast. "California will probably be the leader in solving this water problem. But it's apparent that water will eventually be a factor in growth so that people will be living in one location instead of another because of water."

This certainly is not a new pattern. Half of Minnesota's population is clustered around the Twin Cities metropolitan region near the junction of three large rivers.

But only in recent years have we started worrying about how long our seemingly endless supply of water will quench the area's thirst in the future. Now we are only guessing about tomorrow.

"In a state like Minnesota, where you can drive two blocks to a stream or a lake, this (a future water shortage) is hard for people to grasp," said Sen. Gerald Willet, DFL–Park Rapids, chairman of the Minnesota Senate Agriculture and Natural Resources Committee. "A lot of people think that if there was water for my grandfather, there will be water for me. But we don't know enough about our water supply in Minnesota. We are just beginning to learn."

Before too long, Willet said, "North and South Dakota may start looking to Minnesota for water as their water tables go down. They could start talking about piping water there. We should be aware of how much water there is in Minnesota before that happens."

With this partly in mind, Willet helped push through the last legislature an omnibus water bill that included wording that "diversions of water from the state for use in other states or regions of the United States or Canada shall be discouraged, subject to the jurisdiction of the U.S. government."

At the same time, a collection of four state departments and the energy agency began last fall taking a two-year look at where future water supply shortages could occur in Minnesota. The departments of natural resources, agriculture, economic development and health and the energy agency—for the first time—are trying to figure out how everyone from industry to agriculture could begin conserving water.

Early this year, the Upper Mississippi River Basin Commission pinpointed where Minnesota's future water-supply problems could occur. The problem spots are the Minneapolis-St. Paul area, the Minnesota River Basin at Granite Falls, Mankato and New Ulm and around the Minnesota portion of the Cedar River Basin at Austin and Albert Lea.

By the year 2000, water demand in the seven-county Twin Cities area, which was 306 million gallons a day in 1970, will climb to between 599 and 679 million gallons a day unless conservation policies are established, the commission found. If water is conserved, the demand in the year 2000 would drop to between 362 and 414 million gallons daily.

Although limited studies have shown that the Twin Cities ground water supply would last beyond the year 2000, concentrated pumping in downtown Minneapolis and St. Paul has become excessive, the commission said. And the area is too heavily dependent on the Mississippi River, which often can't supply enough water for the Twin Cities in extreme low-flow periods, the commission found.

In the lower Minnesota River Basin, New Ulm and Mankato could have future supply problems during times of low river flow, the commission said. There also are "deficiencies in surface water" at Granite Falls, and the ground water has high concentrations of sulfates, iron and manganese.

It's the same story in the Cedar River Basin around Austin and Albert Lea. In these cities, ground water supplies are filled with high concentrations of iron and dissolved solids, and there could be problems with supply systems during annual peak demand periods, the commission said.

Long before last year's dry spell, the state water resources coordinating committee in 1971 warned that water supply problems would occur in Minneapolis-St. Paul, Worthington and the Iron Range by 1980; New Ulm by 2000 and Marshall by 2020. These areas were cited because limited groundwater studies and low-stream flow information show that they are vulnerable to shortages unless new water-supply sources are developed.

"Generally, it is pretty hard for the average person to think about water shortages," said Jim Ruone, water resource specialist at the Upper Mississippi River Basin Commission. "Water is just a given in the state. We usually don't talk about conserving until water is hard to come by."

But the problem is that there is little incentive for most people to conserve water. That's the view of Gerald Seinwill, the DNR director of waters.

"The person who forgoes watering his lawn, just as the person who turns down his thermostat for energy conservation, is basically saving resources so others may use them," Seinwill said. But he said, "People respond very quickly to something when they feel it in the billfolds."

Water pricing is one of the most controversial issues the state's newly formed water planning board will be looking at in the next two years, if Seinwill has his way. The board, established by the Legislature last session, will be formulating the first coordinated statewide water plan.

Among 334 water systems in the state, a University of Minnesota study found that water is priced the highest in Madison, where it is $17.37 for 10,000 gallons a month. And water is priced lowest in Marble, where it costs only 50 cents for any amount used a month, according to the study. The statewide average water bill is $5.54 a month, the study said.

"Water prices appear to be too low to place much of a constraint on water consumption," said Richard Gardner, a university research assistant who completed the study. He proposed a seasonal pricing system so that water would cost more during summer peak demand periods.

Climbing water prices would hit the state's agricultural interests with a one-two punch. Minnesota agribusiness industries—livestock, crops and food processors—consumed 84.9 billion gallons of water last year alone.

Water used for irrigation alone could increase from 47.3 billion gallons to 267.3 billion gallons annually by 1990, according to a recent Minnesota Department of Agriculture report.

This has brought calls for metering irrigation systems from such people as John Waelti, acting director of the University of Minnesota Water Resources Center.

"There certainly will be discussions in the future about metering irrigators," said Darryl Anderson, assistant state agriculture commissioner. "But I don't know if it will come to that. There is very little evidence that irrigators have lowered water levels in communities."

If water shortages occur, the Legislature stressed last session, water will be allocated first to residential users. Then water will be distributed to those consuming less than 10,000 gallons a day and, finally, to irrigators and power plants consuming more than that.

"What is going to happen in the future is businesses that need a lot of water may not locate in areas where the supplies are limited," said John Clausen, a department of natural resources hydrologist. "Water could become more important than local labor or taxes. And cities would have to prove they have enough water before attracting industry."

To prevent water shortages some state administrators have considered building giant reservoirs to capture the state's average 25 inches of rainfall every year.

"We are only using 3 percent of the 36.2 trillion gallons of rain in Minnesota every year," said Roger Hellebuyck, an energy agency research analyst. "If we could somehow capture this, it would be an enormous supply."

But Minnesota doesn't have the deep canyons of the west to store water, and reservoirs would be too costly or controversial, Seinwill said.

"We don't need any reservoirs right now, if people start thinking of conservation," he said. "Generally, there is plenty of water in Minnesota but not a drop to waste."

PANAMA CANAL GIVEAWAY VIOLATES CONSTITUTION

Mr. GARN. Mr. President, during the recess, President Carter announced the completion of negotiations with the Government of Panama over new treaties governing the management of the Panama Canal. Early indications were that the President would press for early ratification of the treaties by the Senate. In my opinion, that would be most unwise, Mr. President, and would lead to almost certain rejection by this body. More recently, the President appears to have moderated his haste, and seems ready to accept the fact that he has a big selling job to do if the American people are ever to accept these treaties.

Since his announcement, I have heard it argued that most Americans do not care very much about the Panama Canal, and are reacting emotionally to an issue which has little real significance.

In my opinion, that is both true and not true.

Arguments can be made that our defense is not affected by the canal, though equally good arguments can be made on the other side. Arguments can also be made that the loss of the canal would not have serious impacts on the economy of the United States, though again, there are some serious arguments to be made on the other side, particularly in view of the need to move petroleum from one coast to the other.

But if we call those questions even, there is still a sense in which the American people are quite correct in calling the Panama Canal an important issue. The American people have a surer sense than the State Department does of the importance of psychological factors in international relations. In fact, as far as the State Department is concerned, Panama appears to be a riddle, wrapped in an enigma, stuffed in a burrito. The people recognize instinctively what is at play in Panama. It is a clear-cut case of international blackmail, and the American people do not like it.

It may very well be that the present state of affairs is less than fair to the Panamanians, though it must be said that the original treaty was not negotiated under duress. It may very well be that Panamanians should take a larger role in the operation of the canal itself. It may also be said that there should be less insulation of the American community from the local Panamanian economy and society. But saying all that is quite different from saying that the United States should turn over effective control of the canal to Panama, whatever language is used to disguise what is happening, and allow itself to be pushed out of an area of arguably critical importance to the rest of the world.

Some time ago, I published an article exploring the difference that a positive attitude in foreign policy might make in Panama, and in some other critical areas around the world. I will not now repeat the arguments, except to say that even at this date, if we would stop beating our breasts over the injustice and inequity that abounds in the world, stop accepting responsibility for evils for which we are not responsible, and start asserting ourselves as practically the only example of freedom and justice in the world, we would find it easier to deal with dictators like Omar Torrijos.

I have no doubt that, even now, the Senate can operate on this proposed treaty to make it acceptable to the American people. As it stands, its terms are not advantageous to the United States, and no amount of talking by the President can make them seem so. Unless it is made advantageous to the United States, and acceptable to our employers, the American people, it will fail, and I will be glad to help it fail.

Mr. President, there is one more aspect of the Panama Canal argument that needs to be made, and since I am not a lawyer, I will turn to my colleague from Utah, Senator HATCH. Senator HATCH has written, in the current issue of the Conservative Digest, an excellent analysis of the constitutional arguments against the proposed treaty. As Senator HATCH points out in his article, the proposed treaties will set precedents with implications far beyond the simple foreign policy defeat they will constitute. Ratification will constitute acquiescence in yet another usurpation of power by the executive. We must think twice before condoning this usurpation.

Mr. President, Senator HATCH's analysis should be read by every Senator prior to the vote. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

PANAMA CANAL GIVEAWAY VIOLATES CONSTITUTION

(By Senator Orrin G. Hatch)

Our venerable octogenarian, Ellsworth Bunker, veteran of more than 25 years service to the State Department, and Ambassador-at-Large directing negotiations with Panama for a new treaty, says that "the United States does not own the Panama Canal Zone." His assistant, Ambassador Sol Linowitz, claims that "the Panama Canal is a colonial enclave carried over from the early part of this century and which has caused bitter resentment and indeed hostility."

The story of the Panama Canal, as they tell it, is rather like the leftist folklore surrounding the history of capitalism. They would have us believe that "Yankee Imperialists" descended upon a helpless people, wrongfully took possession of the isthmus of Panama under the guise of a fraudulent treaty, and built a canal to exploit the Panamanians in the selfish interests of commerce and militarism.

Like the Greeks, Bunker and Linowitz now come bearing gifts. And what are these wondrous gifts? They are the gift of redemption for past crimes and sins against the people of Panama, and the prospect of better relations with our Latin American neighbors. To get them, we need only make a gift of the Panama Canal. Besides, America doesn't really need this Canal, we are told. What we really need, so far as the Canal is concerned, is a clear conscience, a cleansing of the American soul, a real purging of guilt and shame. What better way to do this than by simply giving the Panama Canal away? Just so there are no hard feelings, we'll even go so far as to pay the Panamanians for taking it off our hands.

And so, negotiations begun under Secretary Kissinger in 1974 for a new treaty with Panama are now in their final stages. On July 29, President Carter met with American and Panamanian negotiators in the White House, and stated that he was pleased with the progress of negotiations and with "Panama's very constructive attitude." Expressing hope that the accord could be signed in time to bring it to the Senate before the Fall recess, Carter declared that the United States "will cooperate to the fullest degree to rapidly conclude an agreement for a treaty."

The last remaining obstacle, it appears, is the question of "conscience money." In addition to the territory of the Canal Zone and the canal itself, which are valued at approximately $7 billion, the Panamanians demand $5 billion for our continued use of the canal and the rental of military bases. Forget, if you will, that we already own all of this free and clear, and that the Panamanians already enjoy the highest per capita income of any people in Central America because of the annuities and other benefits derived from our Canal. But $5 billion is apparently too much even for our "hard-headed" diplomats, who have indicated that "more realistic amounts" will have to be agreed upon before the treaty is concluded.

In anticipation of the ratification struggle that lies ahead, the negotiators have been preparing the American people for acquiescence by attempting to discredit the treaty of 1903. One device relied upon rather extensively is the familiar one of rewriting history. The object of this ploy is to lay a moral foundation for the surrender of the Canal by creating guilt feelings and redefining the terms of the original treaty.

Thus the advocates of a new treaty have come up with the novel idea that we don't really own the Canal after all, and must return it to its "rightful owners." The original treaty, they say, simply transferred "rights" in the Canal Zone rather than full sovereign control—even though such an interpretation flatly contradicts the expressed intent of the 1903 negotiators and the terms of the treaty itself.

They have also expressed the curious view that the Canal Zone is "leased" territory and that the United States pays a "rental" for its use. In truth, of course, the Canal Zone is not a leased area but a "grant in perpetuity" for the perpetual maintenance, operation and protection of the canal. What Panama actually receives is an annunity, not a rental.

Article II of the 1903 treaty grants to the United States "in perpetuity" the use, occupation, and control of the Zone—meaning ownership. The word "lease" does not appear in the treaty with reference to the Canal Zone; but the word "grant" makes nineteen appearances. The phrase "in perpetuity" occurs seven times. The treaty, unlike a lease agreement, contains no provision for renegotiation and no terminal date for the obvious reason that it was intended to be a final and absolute transfer of sovereignty in perpetuity. Though an embarrassment to the negotiators, these are facts which they can easily manipulate, if not ignore; for once the treaty is signed, the question of U.S. sovereignty over the Canal will become moot.

What the supporters of the treaty cannot ignore, however, are the political, military and legal realities of the situation. For one thing, General Omar Torrijos of Panama, who will take possession of the canal, is a dictator. His administration is riddled with Marxists. These realities not only cast a cloud of suspicion on his intentions, but raise the issue of whether the Canal can be insulated against the harsh winds of ideology and political instability which so often sweep across Latin America. If the Canal were in the hands of this petty tyrant, the United States would surely find itself increasingly embroiled in Panama's internal affairs in order to maintain the Canal's security and protect the flow of Commerce.

For another, the American people are overwhelmingly against the giveaway of the Panama Canal. The drumming insistence of the negotiators that we must lie down and be sheared like sheep in the name of Latin American "justice" has not been convincing. More persuasive are American military leaders such as Admiral Thomas Moorer, former Chairman of the Joint Chiefs of Staff, and three former Chiefs of Naval Operations, who recently informed President Carter that "under the control of a potential adversary the Panama Canal would become an immediate crucial problem and prove to be a serious weakness in the overall U.S. defense with enormous potential consequences for evil." Little wonder that recent public opinion polls show that the American people oppose a new treaty by a ratio of 5 to 1. They understand the realities of the situation, even if Bunker and Linowitz do not.

We may be thankful that many of our representatives in Congress are already antagonized by the Administration's methods

and procedures. Resentment is widespread because the members have neither been informed of the substance of negotiations nor asked to authorize them—as is customary. Laboring at their self-appointed task in secrecy, the negotiators have defied our constitutional process, realizing that they lack congressional support and constitutional authority for their actions.

Though largely ignored by the press, constitutional issues of major proportions have recently surfaced in the Senate concerning the new treaty with Panama, adding another wrinkle to the controversy. One issue involves the economic assistance provisions of the treaty. The negotiators have not told Congress how much money will be given to Panama, or whether it will come in the form of a cash grant or loan package. But one matter is clear: a treaty cannot appropriate funds. The Constitution expressly provides that "No money shall be drawn from the Treasury but in consequence of Appropriations made by law." This means that the approval of both houses of Congress, and not just the Senate, must be given in order to validate this type of treaty. The Administration, however, has given no assurances to Congress that it will definitely seek implementing legislation regarding the economic and financial arrangements contained in the treaty.

The other issue is whether the President has the constitutional authority to transfer U.S. territory in the Canal Zone to the Republic of Panama by treaty and by-pass the House of Representatives. In hearings before the Separation of Powers Subcommittee of the Senate Judiciary Committee which I attended, legal advisors to the State Department argued that the President may make such a treaty because he possesses "concurrent" authority with Congress to give away U.S. property. Ratification of the treaty by the Senate, they stated, was all that was necessary. Under cross-examination, however, the witnesses were unable to give me a single valid judicial precedent for this extraordinary and unconstitutional view of the President's power.

My own studies lead me to the conclusion that the proposed treaty with Panama is unconstitutional, unless both Houses of Congress enact accompanying legislation authorizing the transfer of Canal territory. Article IV of the Constitution states, "The Congress shall have the power to *dispose* of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States." The courts have repeatedly ruled that this is an exclusive power of the full Congress. Any authority of the Executive to dispose of U.S. property, therefore, must first be derived from authority given by an Act of Congress.

In light of these considerations, a constitutional crisis is about to erupt between Congress and the President. There is no precedent in American history, to be sure, for the disposal by treaty, and without congressional authorization, of U.S. territory that has been acquired by purchase. Likewise, there is no precedent for the broad and sweeping exercise of the treatymaking power which the President is now claiming.

If he persists, and the Senate ratifies the treaty, Americans will lose more than the Canal, more than an important American territory, and more than a vital link in our strategic defenses and international trade. They will have lost another restraint on the powers of the President. "If the Executive is permitted to sidestep the House of Representatives on this vital constitutional issue of disposal of Canal property," John Murphy, Chairman of the House Merchant Marine Fisheries Committee recently observed, "it will try to sidestep the Senate on another issue, and the Judiciary on still another. The very fundamental precepts of the Constitution are at stake and we have already had one instance in which the Executive Branch attempted to expand its powers, resulting in the worst scandal in our nation's history—Watergate."

PERCEPTION OF GOVERNMENT AND GOALS OF EDUCATION

Mr. THURMOND. Mr. President, one of the most succinct and perceptive comments on current government and the goals of education was enunciated recently by one of our Nation's most outstanding educators, Dr. Robert C. Edwards, president of Clemson University.

Dr. Edwards comments were well summarized in an editorial written by Sam Woodring, editor of the North Augusta Star, which appeared in the August 25 issue of that newspaper in North Augusta, S.C., under the heading "Words of Wisdom."

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the North Augusta Star, Aug. 25, 1977]

WORDS OF WISDOM

Clemson University President Robert C. Edwards, addressing the graduating class of that university on August 6, made some penetrating observations into the realms of politics and education.

His comment on politics, worthy of consideration by anyone interested in our system, was:

"Someone has observed that one of the most tragic moments in recent American history was that moment when the phrase 'We the people' became 'They the government.' The growing belief in this country that the government is something over and beyond and different from the people who elect it and support it is one of the sad commentaries on our times. If local, state, and federal bureaucracies need to be controlled, reshaped, or eliminated then we the people must undertake to do what is needed. If governmental policy appears to be in error, what better method for correcting it is there than the expressed will of the electorate."

Then, after commenting on the fact that higher education has somehow come to be equated primarily in terms of improved income, he concluded his address with these observations:

"In this larger and I think much more rewarding view of education we can move beyond the fact that education does equip the individual to earn a better living and consider that it significantly helps a person to live a better life. The quality of life involves much more than improved living standards. It is related to the contribution which each of us can make to the improvement of the society in which we are living. It means carefully defining our concepts of justice and compassion.

"The educated person who withdraws from civic responsibility and involvement in the affairs of governing is failing to meet the responsibility which his education has conferred upon him. To create in our third century of existence as a nation the kind of just and peaceful world which we want will require the talents and the skills of our most highly educated citizens."

ERIC SEVEREID PUTS CASTRO IN PERSPECTIVE

Mr. GARN. Mr. President, the conduct of some American officials, who ought to know better, over the status of relations between the United States and Cuba, is little short of nauseating. I can understand people thinking that we ought to have diplomatic relations with Cuba. I can understand arguments, even though I do not agree with them, that we ought to mitigate the isolation in which Cuba is presently held. Farfetched as I think they are, I can even comprehend arguments that Cuban troops are in Africa only to keep the peace and promote better hygiene.

What I cannot understand is this pusillanimous fawning over Fidel Castro personally, treating him as Socrates, Abraham Lincoln, and Mahatma Ghandi all rolled into one. We see reporters doing it, elected officials, and representatives of the State Department.

Apparently I am not the only one adversely affected by the sight. In his commentary for August 16, Eric Severeid introduces a much-needed perspective into the question, and I commend it to the attention of every Senator. I ask unanimous consent that Mr. Severeid's commentary be printed in the RECORD.

There being no objection, the commentary was ordered to be printed in the RECORD, as follows:

CBS EVENING NEWS WITH WALTER CRONKITE

(ROGER MUDD SUBSTITUTING)

ROGER MUDD. Cuba's recent efforts to improve relations with the United States and some of the reasons behind them are the subject of Eric Sevareid's commentary.

ERIC SEVAREID. We're all watching an artist at work these days, an artist at public relations. Fidel Castro is systematically repainting his own image on the great canvas of the American press. He spends endless hours charming American writers, broadcasters, businessmen, senators. Not that he loves the United States; after all, he still teaches millions of five-year-olds to hate Yankeedom, though, clearly he, himself, feels a sneaking respect and fascination for this country. He doesn't love the U.S.; he needs it. He is finally forced to face the truth. No small country so close to the U.S. can thrive outside the American economic orbit, certainly not a one-crop country only skimpily industrialized. The billions in Soviet subsidies cannot do the trick for Castro. In fact, not even the great Soviet headquarters of Communism, itself, can succeed in the twentieth century without the technologies and expertise bought, borrowed or stolen from the great industrial engines of the West, the true source of spreading world prosperity these last 25 years.

So there will be a sub-diplomatic Cuban mission in Washington and one of ours in Havana. But we can take our time about all this. Since Cuba is a supplicant, we can ask quite a few quids for our quo, as we ought to be asking of the North Koreans in return for our troop withdrawals from South Korea. Castro gives a bit at a time. He will now let some 84 Americans bring their Cuban families out of Cuba. From every such gesture, he will wring every drop of favorable imagery. "How humane of him!" his new American admirers exclaim. But how inhumane to have kept those harmless people there so many years. And no doubt he will release from prison a few of his domestic political opponents, old men now, sick, exhausted, long incapable of doing him any harm, but left in jail to rot all these years.

Castro completely gutted what was a steadily growing Cuban professional and business middle class without which free institutions and stability are not possible. It used to be said around here that while we can do busi-

ness with Latin America's right-wing military dictators, we don't have to pin medals on them. The same operating principle should apply toward this dictator. Senator Church may have, as he said, found a friend in Castro. Human freedom has not.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Charles M. Adkins, Jr., of West Virginia, to be U.S. marshal for the southern district of West Virginia for the term of 4 years vice Irvin W. Humphreys.

Richard J. Dunn, of Nevada, to be U.S. marshal for the district of Nevada for the term of 4 years vice Denny L. Sampson.

William J. Evins, Jr., of Tennessee, to be U.S. marshal for the middle district of Tennessee for the term of 4 years vice Leon T. Campbell.

James I. Hartigan, of Massachusetts, to be U.S. marshal for the district of Massachusetts for the term of 4 years vice John A. Birknes, Jr., resigned.

Bennie A. Martinez, of New Mexico, to be U.S. marshal for the district of New Mexico for the term of 4 years vice Doroteo R. Baca.

Paul J. Puckett, of Virginia, to be U.S. marshal for the western district of Virginia for the term of 4 years vice William A. Quick, Jr.

Edward D. Schaeffer, of Pennsylvania, to be U.S. marshal for the eastern district of Pennsylvania for the term of 4 years vice Charles S. Guy.

Howard J. Turner, Jr., of Pennsylvania, to be U.S. marshal for the western district of Pennsylvania for the term of 4 years vice Charles W. Koval, deceased.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Wednesday, September 14, 1977, any representations or objections they may wish to present concerning the above nominations with a further statement whether it is their intention to appear at any hearing which may be scheduled.

64TH CONFERENCE OF THE INTERPARLIAMENTARY UNION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. SPARKMAN be appointed chairman and Mr. STAFFORD be appointed vice chairman of the Senate delegation to the 64th Conference of the Interparliamentary Union to be held at Sofia, Bulgaria, September 21 through September 30, 1977.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—this request having been cleared with the distinguished minority leader, with Mr. MUSKIE, Mr. BELLMON, with the managers of the pending measure, and with other Senators whose amendments will be specified—that at the hour of 9:30 a.m. tomorrow morning the pending measure be temporarily set aside and that the Senate proceed to the consideration of Calendar Order No. 363, Senate Concurrent Resolution 43, which is the second concurrent resolution on the budget; that there be a time limitation overall on the concurrent resolution on the budget of 6 hours to be equally divided between Mr. BELLMON and Mr. MUSKIE; that there be a time limitation on an amendment by Mr. Talmadge of not to exceed 2 hours, a time limitation on an amendment by Mr. HATCH, a time limitation on an amendment by Mr. ROTH, and a time limitation on an amendment by Mr. HAYAKAWA of not to exceed 1 hour each on such amendments to be equally divided in accordance with the usual form, that there be a time limitation on any amendment to any amendment of 20 minutes; that there be the same time limitation on any debatable motion or appeal, or point of order, if the Chair entertains such discussion on a point of order; that there be a time limitation on any other amendment in the first degree of 30 minutes; that the agreement be in the usual form, as to the division and control of time.

Provided further that time on amendments, debatable motions, appeals, or points of order if such are submitted to the Senate for its discussion come out of the overall 6-hour time limitation on the resolution; provided further that if the resolution is not disposed of by no later than 12:30 p.m. tomorrow the resolution be temporarily set aside and the Senate proceed to resume its consideration of the coal conversion bill, which at the moment is the pending business, provided further that in any event Mr. HATCH, Mr. ROTH, and Mr. HAYAKAWA will be protected with respect to their liberty to offer their amendments, and with respect to the time that has been specified on each of those amendments in the event that they cannot present themselves on the floor to offer their amendments prior to 12:30 p.m., it being understood that they will be necessarily away from the floor attending committee hearings during the morning of tomorrow; provided further that when the Senate resumes consideration of the coal conversion bill if it is at the hour of 12:30 p.m. tomorrow, or in any event no later than the hour of 1 p.m. tomorrow, Mr. KENNEDY be recognized to call up his amendment to the coal conservation bill. I believe that about sums it up.

Mr. BAKER. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Tennessee reserves the right to object.

Mr. TALMADGE. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield to the distinguished minority leader.

Mr. TALMADGE. Certainly.

Mr. BAKER. Mr. President, I make two inquiries, if I may. First, will the majority leader give me some indication of what time he intends to suggest the convening of the Senate tomorrow? I notice that his request suggested that we resume consideration of the budget resolution at 9:30 a.m.

Mr. ROBERT C. BYRD. Yes.

I would suggest, and I am prepared to offer a unanimous-consent request at this point—but before responding to that will the distinguished Senator from Georgia be ready to proceed with his amendment at 9:30 a.m. tomorrow?

Mr. TALMADGE. I think so.

The time limitation agreement on the amendment is 1 hour on each side, or 2 hours on the amendment; is that correct?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. TALMADGE. That is agreeable to the Senator from Georgia. The amendment will be offered on behalf of the Committee on Agriculture, Nutrition and Forestry and also a number of members of the Budget Committee will be cosponsors thereof.

Mr. ROBERT C. BYRD. Very well. I thank the distinguished Senator from Georgia.

ORDER FOR ADJOURNMENT UNTIL 9:15 A.M. TOMORROW

Mr. President, I ask unanimous consent, in response to the query by the distinguished minority leader, that when the Senate completes its business today it stand in adjournment until the hour of 9:15 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER addressed the Chair.

ORDER TO PROCEED TO CONSIDERATION OF SENATE CONCURRENT RESOLUTION 43 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, if my friend will allow me, that on tomorrow, after the two leaders or their designees have been recognized under the standing order, the Senate proceed to the consideration of the second concurrent resolution on the budget, Senate Concurrent Resolution 43.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the distinguished majority leader yield to me?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. On the proviso for returning to the coal conversion bill at 12:30 p.m., does the Senator from Tennessee correctly understand the request that at 12:30 p.m., but in no event later than 1 p.m., the Kennedy amendment will become the pending business?

Mr. ROBERT C. BYRD. Yes. The Senator is correct in his understanding, and I phrased it as I did for this reason: It is entirely possible that once the amendment by Mr. TALMADGE and others to the second concurrent resolution on the budget is disposed of there would be no other amendments to the resolution at that point by Senators who could be present on the floor. Conceivably, therefore, the Senate could complete action on the Talmadge amendment with a vote thereon if all the time were taken by both

sides. That action could be completed by 11:45 a.m., which would include a roll-call vote.

So, in that event, I would like for it to be possible if Mr. KENNEDY were ready, for him to call up his amendment then, but at no later than 1 p.m. tomorrow he be authorized to call up his amendment.

Mr. BAKER. I thank the majority leader.

If he will yield for one additional question, I assume that the time for roll-call votes is not charged against the total of 6 hours set aside for consideration of the resolution. Is that correct?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. BAKER. I thank the majority leader.

There is no objection, Mr. President, from me.

The PRESIDING OFFICER. Is there objection?

Mr. HANSEN. Mr. President, reserving the right to object, and I do not intend to object.

The PRESIDING OFFICER. The Senator from Wyoming reserves the right to object.

Mr. HANSEN. There are amendments pending that have not yet been disposed of. The proposal and request for a unanimous-consent agreement by the distinguished majority leader does not preclude in any way the consideration of those other amendments.

Mr. ROBERT C. BYRD. To the coal conversion bill?

Mr. HANSEN. Yes.

Mr. ROBERT C. BYRD. It does not.

Mr. HANSEN. I have no objection.

Mr. BAKER. I shall ask the same thing. If the Senator will yield to me one more moment, I assume further that the amendment to the agreement on the coal conversion measure does not vitiate or change any of the other provisions of the agreement entered into previously. I am thinking particularly of the proviso that, if the Kennedy amendment is not tabled, then there would be no further time limitation on the bill itself.

Mr. ROBERT C. BYRD. No. I believe the agreement was that if the Kennedy amendment is not tabled, there will be no further time limitation on that amendment. That was the original agreement.

Mr. BAKER. That is correct.

I am sorry I misstated it. But that portion of the previous unanimous-consent agreement is not changed by the present request. Is that correct?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. BAKER. I thank the Senator.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. MUSKIE. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Maine reserves the right to object.

Mr. MUSKIE. I am not sure the Senator indicated what time limitation will apply to amendments to the amendment. I think it is 20 minutes.

Mr. ROBERT C. BYRD. Yes, I did.

Mr. MUSKIE. It was a long, involved sentence at that point and I did not catch the 20 minutes. I wanted to be sure that the 20-minute time limitation was included.

Mr. ROBERT C. BYRD. May I ask the Chair if that is part of the agreement?

The PRESIDING OFFICER. That is part of the agreement.

Mr. ROBERT C. BYRD. All right.

The PRESIDING OFFICER. Is there objection?

The Chair hears none.

Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That when the Senate proceeds to the consideration of S. Con. Res. 43 (Order No. 363), a concurrent resolution revising the Congressional Budget for the United States Government for the fiscal year 1978, time for debate on any amendment in the first degree (except an amendment to be offered by the Senator from Georgia (Mr. TALMADGE), on which there shall be 2 hours; and amendments to be offered by the Senator from Utah (Mr. HATCH), the Senator from Delaware (Mr. ROTH), and the Senator from California (Mr. HAYAKAWA), on each of which there shall be 1 hour) shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution, and time for debate on any amendment in the second degree, debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution: *Provided*, That in the event the manager of the resolution is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said resolution shall be received.

Ordered further, That on the question of agreeing to the said resolution, debate shall be limited to 6 hours, to be equally divided and controlled by the Senator from Maine (Mr. MUSKIE) and the Senator from Oklahoma (Mr. BELLMON): *Provided*, That the said Senators, or either of them, may from the time under their control on agreeing to the said resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order: Provided further, That time used on amendments, debatable motions, appeal, or points of order shall come out of the 6 hours on the resolution and that the Senators from Utah, Delaware, and California be guaranteed the 1 hour each on their respective amendments in any event, if offered.

TIME LIMITATION AGREEMENT—S. 1307

Mr. ROBERT C. BYRD. Mr. President, I further ask unanimous consent that upon the disposition—and this may slightly modify the agreement that has just been entered into—of the amendment by Mr. TALMADGE, and others, tomorrow, to Senate Concurrent Resolution 43, the Senate proceed to the consideration of S. 1307, with the following time limitation agreement thereon:

That there be a time limitation of 20 minutes on the bill, to be equally divided between Mr. THURMOND and Mr. CRANSTON, with the understanding that if there be an amendment thereto, the time on it be limited to not to exceed 10 minutes, to be equally divided, and that the time for such amendment or amendments come out of the time on the bill, S. 1307;

Provided further, that should there be a sufficient number of amendments—and it is not anticipated at this time that there will be—to require additional time beyond the 20 minutes on the measure, the distinguished minority leader and the majority leader be recognized to set the bill aside or to obtain sufficient additional time, not to exceed 10 minutes, if that would be sufficient, to provide for final disposition of the bill.

Mr. HASKELL. Mr. President, reserving the right to object, and I certainly do not intend to, I assume that the majority leader's present request in no way affects the scheduling of the pending business tomorrow at 12:30.

Mr. ROBERT C. BYRD. With this modification, which I see as a possibility: In the event the distinguished minority leader and the majority leader feel, under the circumstances prevailing at that time, that a limited amount of time is necessary to complete action on S. 1307—and I do not foresee that at all; I am just trying to provide for any contingency—that in any event not later than 1 o'clock p.m. tomorrow the Senate would resume consideration of the coal conversion bill, with Mr. KENNEDY recognized at that point to call up his amendment.

Mr. BAKER. Mr. President, reserving the right to object, will the Senator permit me to comment?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I would say to the distinguished Senator from Colorado as well that an agreement on this subject has been in the mill for some time before we had our statutory break in August. I do not anticipate that the arrangement just made would take over 5 or 10 minutes, or that it would interfere with the schedule the majority leader has described; but I think it is an appropriate thing to do, and I am glad there is no objection to the request.

Mr. HASKELL. Mr. President, I have no objection. I assume we will try to resume action on the President's pending measure at 12:30 on tomorrow, but in any event not later than 1 p.m. tomorrow.

Mr. ROBERT C. BYRD. Mr. President, just to prevent any unanticipated problems in scheduling, I ask unanimous consent that the time on any debatable motion, appeal, or point of order in respect to S. 1307 likewise be limited to 10 minutes, to be equally divided in accordance with the usual form, such time to come out of the overall time on that bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, may I ask the Chair, if under the requests that

have been propounded and agreed to, is my understanding correct that upon the disposition of S. 1307 tomorrow, the Senate will resume consideration of the coal conversion bill?

The PRESIDING OFFICER. The Chair's understanding is that that is so.

Mr. ROBERT C. BYRD. Is my further understanding to this extent correct: That in any event the Senate will resume consideration of the coal conversion bill tomorrow not later than 1 o'clock p.m.?

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. ROBERT C. BYRD. I believe that 1 o'clock p.m. modified the previous 12:30 p.m. request.

The PRESIDING OFFICER. That is correct. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today, Mr. President. There will be no further business transacted today, except there is one bill on the Unanimous Consent Calendar which has been cleared since before the statutory break. There are certain measures at the desk which I understand have been cleared for action by unanimous consent. Other than those measures, there will be no further votes, by voice or otherwise, today. The Senate will proceed very shortly with consideration of the concurrent budget resolution. Mr. MUSKIE will call that up. Opening statements will be made today, but no votes or further action will be taken thereon.

UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, if I may at this time, if the distinguished Senator from Maine will allow me, I ask unanimous consent that the Senate proceed to the consideration of one measure on the Unanimous Consent Calendar, S. 1752.

The PRESIDING OFFICER (Mr. METZENBAUM). Without objection, it is so ordered.

EXTENSION OF CERTAIN PROGRAMS UNDER THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

The bill (S. 1752) to extend certain programs under the Elementary and Secondary Act of 1965 for 1 year, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Educational Amendments of 1977".

EXTENSION OF CERTAIN PROGRAMS UNDER THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SEC. 2. (a)(1) Section 102 of the Elementary and Secondary Education Act of 1935 (hereafter in this section referred to as the "Act") is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1979".

(2) Section 125 of the Act is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1979".

(3) Section 148(c) of the Act is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1979".

(b)(1) Section 201(b) of the Act is amended by striking out "each of the five succeeding fiscal years" and inserting in lieu thereof "for each succeeding fiscal year ending prior to October 1, 1979".

(2) Section 204(b) of the Act is amended by striking out "July 1, 1978" and inserting in lieu thereof "October 1, 1979".

(c)(1)(A) Section 301(b) of the Act is amended by striking out "each of the five succeeding fiscal years" and inserting in lieu thereof "for each succeeding fiscal year ending prior to October 1, 1979".

(B) The second sentence of such section 301(b) is amended by striking out "each of the five succeeding fiscal years" and inserting in lieu thereof "for each succeeding fiscal year ending prior to October 1, 1979".

(2) Section 305(c) of the Act is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1979".

(3) Section 309(c) of the Act is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1979".

(d)(1) Section 401(a)(1) of the Act is amended by striking out "each of the two succeeding fiscal years" and inserting in lieu thereof "each succeeding year ending prior to October 1, 1979".

(2) Section 401(b)(1) of the Act is amended by striking out "each of the two succeeding fiscal years" and inserting in lieu thereof "each succeeding fiscal year ending prior to October 1, 1979".

(3) Section 401(d) of the Act is amended by striking out "the fiscal year ending September 30, 1978" and inserting in lieu thereof "each fiscal year ending prior to October 1, 1979".

(e)(1) Section 501(b) of the Act is amended by striking out "each of the five succeeding fiscal years" and inserting in lieu thereof "each succeeding fiscal year ending prior to October 1, 1979".

(2) Section 521(b) of the Act is amended by striking out "each of the five succeeding fiscal years" and inserting in lieu thereof "each succeeding fiscal year ending prior to October 1, 1979".

(3) Section 531(b) of the Act is amended by striking out "each of the five succeeding fiscal years" and inserting in lieu thereof "each succeeding fiscal year ending prior to October 1, 1979".

(4) Section 541 of the Act is amended by inserting the following new subsection:

"(c)(1) Notwithstanding any other provision of law the National Council established by subsection (a) of this section shall continue to exist until October 1, 1979.

"(2) Notwithstanding the provisions of section 401(b) there are authorized to be appropriated such sums as may be necessary to carry out the provisions of subsection (a) of this section.".

(f)(1) Section 807(c) of the Act is amended by striking out "each of the five succeeding fiscal years" and inserting in lieu thereof "each succeeding fiscal year ending prior to October 1, 1979".

(2) Section 808(d) of the Act is amended by striking out "each of the five suceeding fiscal years" and inserting in lieu thereof "each succeeding fiscal year ending prior to October 1, 1979".

(3) Section 811(d) of the Act is amended by striking out "July 1, 1978" and inserting in lieu thereof "October 1, 1979".

EXTENSION OF ADULT EDUCATION ACT

SEC. 3. (a)(1) Section 310(b) of the Adult Education Act is amended by striking out "1978" and inserting in lieu thereof "1979".

(2) Section 311(b) of such Act is amended by striking out "1978" and inserting in lieu thereof "1979".

(b) Section 313 (a) of such Act is amended by striking out "for each of the fiscal years ending June 30, 1977, and June 30, 1978" and inserting in lieu thereof "for the fiscal year ending September 30, 1977, and for each of the succeeding fiscal years ending prior to October 1, 1979".

(c) Section 314(d) of such Act is amended by striking out "July 1, 1978" and inserting in lieu thereof "October 1, 1979".

EXTENSION OF TITLE III OF THE NATIONAL DEFENSE EDUCATION ACT OF 1958

SEC. 4. The first sentence of section 301 of the National Defense Education Act of 1958 is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1979".

EXTENSION OF APPROPRIATIONS PROVISION

SEC. 5. Section 412(b) of the General Education Provisions Act is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1979".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-392), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

BRIEF SUMMARY AND PURPOSE OF THE COMMITTEE BILL

S. 1752 extends for 1 year, through fiscal year 1979, certain programs of Federal aid to elementary and secondary education. These programs include the following titles of the Elementary and Secondary Education Act of 1965:

Title I (Financial Assistance to Local Educational Agencies for the Education of Children of Low-Income Families;

Title II (School Library Resources, Textbooks, and Other Instructional Materials);

Title III (Supplementary Educational Centers and Services; Guidance, Counseling, and Testing):

Title IV (Libraries, Learning Resources, Educational Innovation, and Support);

Title V (Strengthening State and Local Educational Agencies);

Section 807 (Dropout Prevention Projects);

Section 808 (Grants for Demonstration Projects to Improve School Nutrition and Health Services for Children from Low-Income Families); and

Section 811 (Consumers' Education Programs).

In addition, S. 1752 extends the Adult Education Act, title III of the National Defense Education Act of 1958 (Financial Assistance for Strengthening Instruction in Science, Mathematics, Modern Foreign Languages, and Other Critical Subjects), and the carryover authority contained in section 412(b) of the General Education Provisions Act through fiscal year 1979.

Under current law, these programs expire at the end of fiscal year 1978. However, under section 414 of the General Education Provisions Act, if the Congress fails to act

on their extension prior to their expiration date, the authorizations of appropriations and provisions affecting program duration are contingently extended for 1 fiscal year. This contingent extension authority would extend these programs through fiscal year 1979.

It would appear at first glance that S. 1752 was unnecessary, given this contingent extension authority. However, the programs contained in S. 1752 are advance-funded. This means that the appropriations for the programs contained in S. 1752 which are included in the fiscal year 1978 Labor/HEW Appropriations Act are for fiscal year 1979, and are already taking advantage of the contingent authority. Unless the 1-year extension of authorizations contained in S. 1752 is enacted by Congress in this session, there will be no authorization of appropriations for these titles for the Congress to act upon next year.

Advance funding of these programs is of utmost importance to State and local educators. School calendars do not match the Federal fiscal year. Many State laws require that teachers and other educational personnel be notified of the renewal of their contracts in the Spring before the upcoming school year. In the past, late appropriations for education programs have forced school boards and school administrators to guess what Federal funds might be forthcoming. This is not only disruptive to good personnel practices, but also destroys any attempt to plan educational programs.

Advance funding has meant that educators know in advance how much Federal money will be available in their school district in the next school year. Decisions on personnel hiring and retention can reflect fiscal realities, and programs can be planned to make most efficient and efficacious use of funds.

As the purpose of this legislation is to eliminate uncertainty and preserve forward funding, the committee wishes to stress that this bill will not alter the timetable for review and multiyear extension of the programs affected by this 1-year extension. Rather, the committee expects to begin hearings in the Subcommittee on Education, Arts, and Humanities this fall, so that the regular Human Resources Committee procedure will be followed for reconsideration of major education legislation which is expiring. It is not expected that the passage of S. 1752 will put back the completion date of a new education law reauthorizing these programs.

However, it is unlikely that final action on such major legislation will be completed in time for the beginning of the appropriations cycle next year. Therefore, unless S. 1752 is enacted in this session, advance funding for these essential programs may be lost. This must not happen.

S. 1752 was requested by the administration, in the following communication to the chairman of the Subcommittee on Education, Arts, and Humanities:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, OFFICE OF THE SECRETARY,
Washington, D.C., May 6, 1977.

Hon. CLAIBORNE PELL,
Chairman, Subcommittee on Education, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The administration is in the process of reviewing existing education authorities with a view toward making recommendations for possible legislative changes. We have therefore sought a 1-year extension of expiring authorities to allow us time to make our recommendations.

In our view of expiring authorities, we have determined that certain education programs which are forward-funded risk losing forward funding if action by at least one of the authorizing committees is not taken by May 15, 1978. Since there appears to be some question whether either the House Education and Labor or Senate Human Resources Committee will be able to act by May 15th on reauthorization of ESEA, we are requesting that a 1-year extension of those programs which are forward-funded be introduced.

We have worked with your staff in compiling a list of those authorities which authorize programs which are either forward-funded or affect the forward-funding aspect of those programs. It is my understanding that a bill is being drafted by your staff which would include the following agreed upon elements:

ESEA

Title I—Disadvantaged

Title II—School Library Resources, Textbooks and Other Instructional Materials

Title III—Guidance, Counseling, and Testing; Supplemental Education Centers

Title IV—Consolidation

Title V—Strengthening State and Local Educational Agencies Part A, B, C, D

Section 807—Dropout Prevention Projects

Section 808—School Nutrition and Health Services

Section 811—Consumers' Education Program

Adult Education Act

General Education Provisions Act: Sec. 412 (b)—Carry over authority for obligations and expenditures for additional fiscal year by educational institutions and agencies

NDEA

Title III financial assistance for strengthening instruction in certain critical subjects

We feel that such a bill would be in keeping with the Administration's policy of seeking 1-year extensions on expiring legislation and would prevent jeopardizing forward funding for these programs.

DICK WARDEN,
Assistant Secretary for Legislation.

Speedy enactment of the legislation is also supported by six major education organizations in the following letter:

MAY 31, 1977.

Hon. CLAIBORNE PELL,
Committee on Human Resources, U.S. Senate, Washington, D.C.

DEAR SENATOR PELL: The Big Six education organizations—the American Association of School Administrators, the Council of Chief State School Officers, the National Association of State Boards of Education, the National Education Association, the National Parent Teachers Association, and the National School Boards Association—strongly endorse the educational programs of the Elementary and Secondary Education Act. We agree it is imperative that attention be focused upon ESEA in order for it to continue to deliver quality educational services as it has done in the past. Our concern is focused upon the priority given to this necessary educational porgram.

Seldom has there been more unanimity among educators than the concensus over the need for forward funding of federal educational programs. The fairly recent accomplishment of this milestone was widely applauded by various educational constituents. And yet, despite the widespread support of this concept, forward funding may very well be lost in the upcoming reauthorization of the Elementary and Secondary Education Act.

Both House and Senate will hold extensive hearings on ESEA. No one expects passage before mid-1978 with numerous attempts to revise various programs. With such controversial subjects as the title I formula, floor fights are likely.

Unfortunately, budget and appropriations committees cannot wait on reauthorization but must proceed according to rather strict time deadlines with budget ceilings and funding for programs which are authorized.

Consequently, with no programs authorized for 1980 under ESEA, advanced funding cannot be provided during the regular 1979 appropriation process.

The only possible solution other than completion of reauthorization during 1977 (which is improbable) is a simple 1-year extension of forward funded programs with absolutely no changes in any of them. Such a procedure will allow for advanced funding for 1980 with plenty of opportunity for debate of all substantive issues on ESEA during late 1977 and early 1978. Regional and philosophical differences can be aired after a 1-year extension is authorized without jeopardizing forward funding.

Therefore, the member organizations of the Big Six endorse and support a 1-year extension of forward funded programs of the Elementary and Secondary Education Act. We look forward to working with you to move a bill through the legislative process.

Sincerely,

———— ————,
President, AASA.
———— ————,
President, CCSSO.
GRANT L. ANDERSON,
President, NASBE.
JOHN RYAR,
President, NEA.
GRACE I. BOISINGER,
President, NPTA.
WILL D. DAVIS,
President, NSBA.

In proposing this 1-year extension of advance-funded programs, the committee does not intend to render nugatory the provisions of section 418 of the General Education Provisions Act, relating to renewal evaluation reports. This section requires a comprehensive report from the Assistant Secretary for Education on an expiring program, not later than 1 year prior to the date of such expiration. A literal reading of this provision would make it never apply to advance-funded programs, since their authorization must always be 2 years from expiration to sustain appropriations actions. The committee hopes that the Department of Health, Education, and Welfare will provide renewal evaluation reports for the programs contained in S. 1752, as well as for the rest of those elementary and secondary education programs which are not advance funded, so that the Congress will have the benefit of the Department's recommendations when it considers the extension and amendment of all such programs later in this Congress.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., August 1, 1977.

Hon. HARRISON A. WILLIAMS,
Chairman, Human Resources Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 1752, Education Amendments of 1977.

Should the committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

Enclosure.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill No.: S. 1752.

2. Bill title: Education Amendments of 1977.

3. Purpose of bill: The purpose of this bill is to extend certain programs under the Elementary and Secondary Education Act of 1965 for 1 year.

4. Cost estimate:

[Fiscal years; in millions of dollars]

	1978	1979	1980	1981	1982
Authorization levels:					
Support and innovation grants	198	----	----	----	----
School libraries	168	----	----	----	----
Certain adult education programs	(1)	----	----	----	----
Salaries and expenses		----	----	----	----
Certain advisory councils	(1)	----	----	----	----
Total	366	----	----	----	----
Projected total outlays:					
Support and innovation grant	17	139	30	10	
School libraries	15	110	34	9	
Adult education	(1)	(1)	----	----	
Salaries and expenses, advisory councils	(1)	(1)	----	----	
Total	32	249	64	19	

[1] Less than $500,000.

5. Basis for estimate: It has been concluded by CBO that no additional cost over that presently authorized by law would be incurred by the Government in fiscal year 1978 as a result of enactment of this bill. The education programs included in S. 1752 are advance funded programs with current authorization through fiscal year 1978 under the Elementary and Secondary Education Act (ESA) of 1965.[1] In addition, these programs are covered by section 414 of the General Education Provisions Act (GEPA), which automatically extends their authorization for 1 additional fiscal year if during the terminal year Congress has not taken legislative action.

The House, Senate, and Conference fiscal year 1978 L/HEW appropriation bills assumed the 1 year authorization extension under the GEPA by including in the bills the fiscal year 1979 advance appropriation for these programs. If S. 1752 becomes law before the end of this fiscal year, the 1 year extension under the ESA of 1965 as amended would supersede the extension clause in the GEPA; however, the costs would still be those associated with the fiscal year 1978 appropriations. S. 1752 would, however, allow the automatic 1 year extension under GEPA to apply to fiscal year 1980.

Assuming, then, no further legislative action by Congress, there would be a cost to the Government in fiscal year 1979 resulting from the automatic extension. Since the GEPA extension clause authorizes the additional year at the current appropriation level, this estimate assumes the fiscal year 1978 L/HEW Conference advance appropriation level to be the fiscal year 1980 authorized level to be appropriated in fiscal year 1979. Both the adult education programs and the advisory councils are small pieces of larger programs with no specific appropriated dollar amounts but totaling less than $500 thousand. The outlays reflect the spendouts of the regularly appropriated Elementary and Secondary and Library Resources accounts.

6. Estimate comparison: Not applicable.

7. Previous CBO estimate: None.

8. Estimate prepared by: Deborah Kalcevic (225-7766).

9. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

[1] Advance funds are appropriated in the fiscal year prior to the year in which the funds are used and become available on the July 1st preceding the fiscal year in which they are used.

REGULATORY IMPACT

In accordance with paragraph V of rule XXIX of the Standing Rules of the Senate, the following statement of the regulatory impact of the bill is made.

S. 1752 extends for 1 fiscal year those programs in the Education Division of the Department of Health, Education, and Welfare dealing with elementary and secondary education which are advance funded. It makes no changes in the substance of those programs. Therefore, the committee does not anticipate that any additional individuals or businesses would be regulated as a result of the bill's enactment. Since existing program regulations would be continued, there should be no additional economic impact imposed on individuals, consumers, or businesses affected by the legislation. Similarly, no additional paperwork will result from continuation of the program regulations, as the bill does not change their content or requirements. Finally, enactment of S. 1752 would not affect the personal privacy of the individuals affected by the programs it extends, since their provisions would remain unchanged.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CORRECTIONS IN THE ENROLLMENT OF S. 1153

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 342.

The PRESIDING OFICER (Mr. METZENBAUM) laid before the Senate, House Concurrent Resolution 342, to correct technical errors in the enrollment of the bill S. 1153.

The PRESIDING OFFICER. The question is on agreeing to the Concurrent Resolution (H. Con. Res. 342).

The concurrent resolution (H. Con. Res. 342) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMITTEE REPORT ON S. 957

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to have until September 21 to report on S. 957, the consumer controversies bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD H.R. 8444 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 8444 be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. ALLEN, that the Subcommittee on Separation of Powers of the Judiciary Committee be authorized to meet during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I reluctantly make that request because I do not like to have committees meeting tomorrow. In view of the fact that the towering giant from Alabama stands near me, I submit in this instance.

Mr. ALLEN. Mr. President, I thank the distinguished majority leader.

ORDER TO RESUME CONSIDERATION OF S. 977 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Maine yield briefly for a further request?

Mr. MUSKIE. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that notwithstanding the orders which have been entered into with respect to the program for tomorrow, the coal conversion bill will be considered the unfinished business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. That concludes today's business.

Mr. President, I thank all Senators for their patience, and particularly Mr. MUSKIE and Mr. BELLMON, who have been waiting to begin on the budget resolution.

SECOND CONGRESSIONAL BUDGET RESOLUTION, 1978

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 363, Senate Concurrent Resolution 43.

The PRESIDING OFFICER. The clerk will state the concurrent resolution.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 43) revising the congressional budget for the United States Government for the fiscal year 1978.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on the Budget be allowed to remain on the floor during the consideration of and votes on Senate Concurrent Resolution 43:

John McEvoy, Karen Williams, Sid Brown, Van Ooms, Jim Storey, Dan Twomey, Tom Dine, Jacques Cook, Elizabeth Tankersley, Bob Sneed, Charles Flickner, Terry Finn, John Giles, Roger Schlickeisen, Don Campbell, Tony Carvevale, George Merrill, Becky Beauregard, Mike West, Ira Tannenbaum, and Ann Kelley.

Also, Mike Joy, on behalf of Senator Hollings; Hal Gross, on behalf of Senator Cranston; Rick Brandon, on behalf of Senator Chiles; Alan Chvotkin, on behalf of Senator Abourezk, Dick Andrews, on behalf of Senator Biden; Alan Yuspeh and Wayne Neveau, on behalf of Senator Johnston; John Haynes, on behalf of Senator Anderson; and Paul Clark, on behalf of Senator Sasser.

Mr. BELLMON. Mr. President, will the Senator yield for a similar unanimous consent request?

Mr. MUSKIE. I yield.

Mr. BELLMON. Mr. President, I make the same request for the minority members of the committee staff. They are as follows:

Robert S. Boyd, Charles McQuillen, William Stringer, Letitia Chambers, Gary Kuzina, Barry Kinsey, Robert Fulton, and Becky Davies.

Also, Charles Gentry of Senator Domenici's staff, Jan Olson of Senator Hayakawa's staff, Gary Dickinson of Senator Dole's staff, and Mark Bisnow of Senator Heinz's staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I repeat the unanimous consent request that I find rather ridiculous, that the presence and use of small electronic calculators be permitted on the floor during the consideration of Senate Concurrent Resolution 43.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MUSKIE. Without that request, we have to do our calculating on our fingers.

Mr. President, the Senate today begins debate on Senate Concurrent Resolution 43, the second concurrent resolution on the Federal budget for fiscal year 1978.

SUMMARY

The principal policies embodied in this budget resolution include:

Spending levels very close to the first budget resolution targets due to congressional restraint in spending decisions this summer. No change in national or international conditions has occurred since the first budget resolution which warrants significant changes in these amounts. They are adequate to meet the legislation already enacted or reasonably foreseeable in this Congress for fiscal year 1978.

A lower deficit than projected by the first resolution due to a slightly lower estimate of outlays and significant appropriations restraint.

Significantly increased spending and provision for tax reductions to implement energy legislation.

Support for legislative action to meet the financial problems of the social security system, provided that no new social security legislation take effect in this budget year.

An instruction to the Committee on Agriculture and Forestry to report legislation to reduce spending within its jurisdiction to the generous levels provided for agriculture in the second budget resolution.

BACKGROUND

Last spring, Congress adopted the first concurrent resolution which set targets to be implemented by subsequent congressional action. The Senate Authorizing and Appropriations Committees are to be commended for their substantial restraint in holding to the targets of the first budget resolution. I wish to commend especially Chairman McCLELLAN and the entire Appropriations Committee for their diligence in holding to the spending levels of the first resolution.

This second resolution is designed to revise the spending and tax decisions in the first budget resolution insofar as changed circumstances require. The spending and revenue amounts set forth in this second budget resolution set limits on further congressional fiscal action. After adoption, which must occur by September 15, a point of order lies against any legislation which exceeds the aggregate limits of the second budget resolution.

In sum, Mr. President, the committee now recommends the following aggregate ceilings for fiscal year 1978:

Total budget authority of $501.2 billion;

Total budget outlays of $459.0 billion; and

Total revenues of $395.0 billion.

These result in:

A deficit of $64.0 billion and a public debt level of $778.2 billion.

THE DEFICIT

Mr. President, the continuing national budget deficit in the second concurrent resolution is largely a result of low levels of economic activity—well below the productive capacity of the economy—and intolerably high levels of unemployment.

The first budget resolution estimated a deficit for fiscal year 1978 of $64.65 billion. The second budget resolution would reduce the deficit to $64.0 billion. This deficit would be even lower—over $4 billion lower—were it not for the following factors:

The sum of $2.2 billion for energy legislation; $1.25 billion for increased Agriculture spending; and $0.7 billion for on-budgeting funding of the housing for the elderly program.

No doubt should linger, Mr. President, as to the commitment of the Budget Committee to a balanced budget and full employment at the earliest possible date. Of course, the committee is disappointed that a more rapid economic recovery has not occurred which could produce more revenues for fiscal year 1978. However, the news of the current economic slowdown is no surprise to the committee. The committee recognized this possibility early last spring and has recommended in the second budget resolution a fiscal policy which will continue a moderate recovery. Indeed, the economy is following the moderate path predicted for it by the committee in the adoption of both the first and second budget resolutions. The fiscal policy of the second budget resolution is moderation.

Progress toward a balanced budget will be gradual. It will depend upon steady fiscal and monetary policies which maintain the recovery. Budget surpluses in future years can be a reality. But, increase in private sector demand is essential as Government spending must be complemented by strong business investment to achieve a balanced budget.

BUDGET DISCIPLINE

Mr. President, the need for fiscal restraint in congressional initiatives is all too clear. In its report on the first budget resolution last spring, the committee noted that holding to the tight budget targets contained in that budget would prove more difficult this year than ever before, since the temptation to relax the disciplines of the budget process would be stronger as the condition of the economy improved. The committee warned that a breach of the congressional budget could lower public confidence in the budget process, increase inflationary expectations, and retard the recovery. It stressed that an increase over the budget target in one function meant fewer resources available for meeting important competing goals.

The second budget resolution the committee has reported does not leave any room for excess spending in any functional category. It also assumes that significant savings will be made in health and income security programs within fiscal year 1978. Spending on any program in excess of the budget resolution or the failure to achieve the savings assumed means inadequate funds will be available for anticipated supplemental appropriations requirements during the next year. Programs overfunded now mean programs underfunded later.

The Budget Act provides that the limits contained in the second budget resolution are binding on the Congress. Any legislation which exceeds these limits will not be in order. The Budget Committee will meet its responsibilities to the Congress to see that these limits, once adopted by the Congress, are not exceeded.

Mr. President, I ask unanimous consent that a table showing the limits recommended by the committee in the second budget resolution be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—FISCAL YEAR 1978 BUDGET SUMMARY

[In billions of dollars]

	Function	1st budget resolution target		2d budget resolution recommended ceiling	
		Budget authority	Outlays	Budget authority	Outlays
050	National defense	118.5	111.0	116.6	110.1
150	International affairs	9.3	7.3	8.3	6.6
250	General science, space, and technology	4.9	4.7	4.9	4.7
300	Natural resources, environment, and energy	20.7	20.0	24.9	20.8
350	Agriculture	2.2	4.35	2.1	5.6
400	Commerce and transportation	20.0	19.4	20.5	19.6
450	Community and regional development	8.2	10.8	8.0	10.4
500	Education, training, employment, and social services	26.8	27.2	26.1	26.4
550	Health	47.9	44.3	47.7	44.2
600	Income security	179.9	146.7	178.8	146.6
700	Veterans benefits and services	20.25	20.2	19.9	20.2
750	Law enforcement and justice	3.7	3.85	3.8	4.0
800	General government	3.8	3.85	3.8	3.8
850	Revenue sharing and general purpose fiscal assistance	9.8	9.7	9.6	9.7
900	Interest	43.0	43.0	41.7	41.7
920	Allowances	.8	.9	.9	1.0
950	Undistributed offsetting receipts	−16.3	−16.3	−16.4	−16.4
	Total	503.45	460.95	501.2	459.0
	Revenues		396.3		395.0
	Deficit		64.65		64.0
	Public debt		784.9		778.2

Mr. MUSKIE. With regard to fiscal policy and economic recovery, Mr. President, let me repeat: this budget is designed to achieve a balanced budget and full employment at the earliest possible date.

The Budget Committee anticipated the slowdown in economic growth now being reported in the media. Indeed, last spring and again this summer, the Senate Budget Committee has adopted a fiscal policy which provides significant tax and spending stimulus spending, but does not allow unrestrained Federal expenditures.

The short-term goal of this resolution is to maintain steady economic recovery for the remainder of 1977 and for 1978.

The long-term goal is to help trigger increased business investment by the private sector required for full employment and a balanced budget.

GNP is presently about 5 percent below potential while at this stage in previous recoveries, it has averaged 1.9 percent below potential.

Substantial economic growth by the private sector is needed to increase productivity and generate additional revenues to move the budget into balance. Without adequate tax collections, a balanced budget cannot be achieved. In a recession, business investment is traditionally low. The fiscal policy of the second budget resolution is aimed at invigorating the private sector so that it will move with the Federal sector toward total economic recovery.

The Budget Committee believes that this recovery will continue and urges support of its fiscal policy to accomplish that goal.

ECONOMIC ASSUMPTIONS

The economic outlook is very similar to that of the first budget resolution. The committee's economic assumptions continue to be less optimistic than those of the administration for 1978, because they are based on a more conservative view of the likely growth of business investment and Federal outlays during the next year and a half.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table which shows the economic assumptions underlying the committee's recommendations in comparison with those of the administration's current budget estimates for fiscal year 1978.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARISON OF SENATE BUDGET COMMITTEE AND ADMINISTRATION ECONOMIC ASSUMPTIONS[1]

[Calendar year; dollar amounts in billions]

	1977		1978	
	Senate Budget Committee	Administration	Senate Budget Committee	Administration
Gross national product:				
Current dollars	1.896	1.894	2.100	2.120
Constant (1972) dollars	1.338	1.339	1.399	1.409
Rate of growth	5.0	5.1	4.6	5.3
Consumer Price Index (percent change)	6.5	6.5	5.6	6.0
Unemployment rate (4th quarter, percent)	6.9	6.6	6.4	6.1
Interest rate 91-day Treasury bills (percent)	5.6	[2]4.9	5.8	[2]5.0

[1] Senate Budget Committee assumptions are based on a revision of the CBO/SBC staff forecast of June 14 to take account of the July 21 revision of the national income and product accounts data. The administration "Mid-Session Review" assumptions have been adjusted by SBC staff on the same basis to take account of the revisions.

[2] The administration assumes a continuation of market rates current at the time of the forecast.

Mr. MUSKIE. Mr. President, the Budget Committee believes that the administration has made unrealistic and overly optimistic assumptions about the growth of the private sector and the collection of revenues. On the other hand, the committee has maintained its moderate course in establishing the economic assumptions which underlie this resolution. We believe that the latest indicators which reflect a softening of the economy justify our more cautious approach.

JOBS

Under the fiscal policy of the fiscal year 1977 budget, the unemployment rate has fallen from 7.9 percent in the fourth quarter of 1976 to 7 percent in the second quarter of 1977. This decline has taken place in spite of an exceptionally rapid increase in the labor force. Nevertheless, because of the high levels of unemployment and unused productive capacity at the beginning of the recovery, unemployment remains much higher, and production much further below capacity, than at a similar position in previous recoveries.

The steady economic recovery made possible by the proposed budget will continue to increase employment and lower the unemployment rate. The expansion of the economy and the jobs programs provided in this and previous budgets will create about 3 million additional jobs during fiscal year 1978, and unemployment should fall below 6½ percent by the end of the year.

Mr. President, the fiscal policy in this resolution is designed to achieve moderate growth. By holding down unemployment and inflation and sanctioning moderate Federal spending, the committee hopes to trigger increased private investment. Undoubtedly, some tradeoffs must be made. While the committee might like to believe unemployment could miraculously drop to less than 5 percent during fiscal year 1978, and the production will increase significantly with a changed fiscal policy, these objectives cannot be achieved now without enormous costs.

The very heavy cost to our society of the recession is shown by the gap between actual output and that which the economy could produce with high utilization of labor and capital. This lost production and income is very large. At present it amounts to about $100 billion per year, or nearly $500 per year for each American. It is still over one-half as large as it was at the bottom of the recession. This lost output could be used to meet private and public needs in our society. The importance of continuing the recovery, and bringing this unused capacity into production cannot be overemphasized.

INFLATION

Mr. President, the present recession and recovery have been characterized by the persistence of extraordinary inflation. The rate of increase in consumer prices during the recovery has been about twice that experienced during the decade ending in 1972.

The present inflation results primarily from inflationary momentum in the economy. Wage demands reflect previous increases in prices, and prices are increased to cover higher wages. It is extremely difficult to squeeze this underlying inflationary momentum out of the economy.

Deflationary policies which drastically reduce output and raise unemployment are excessively costly remedies for inflation. Only a continuing recovery will provide the increases in investment and productivity required to hold down costs and

prices, while allowing inflation to slowly decrease. The proposed budget will provide for moderate growth in demand and will therefore be consistent with a continuing reduction in the rate of inflation.

REVENUES

The committee has recommended a revenue floor of $395 billion. This revenue figure assumes a reduction of $0.9 billion to accommodate the significant energy tax legislation soon to be considered by the Senate. This substantial reduction will provide sufficient flexibility for the Senate to modify if necessary the energy tax measures recently approved by the House.

With respect to a very different area of revenue policy, the committee has not recommended any additional fiscal year 1978 revenues from social security tax increases. While the committee is concerned over the long-term solvency of the social security trust funds, the committee believes it would be imprudent to enact new tax legislation for fiscal 1978 since this could retard significantly the continuing economic recovery. The committee encourages the Finance Committee to take future action to solve the social security dilemma.

The recommended revenue floor reflects the continued practice of the committee to treat the entire cost of the earned income credit as a revenue reduction. The committee welcomes the recent decision of the administration reflected in the July 1 mid-session review also to treat these payments as a revenue reduction, and would hope that the House will agree to a similar rule which would result in a uniform budgetary accounting practice.

COORDINATION OF FISCAL AND MONETARY POLICY

Mr. President, the strength of the recovery will depend in part on the monetary policy of the Federal Reserve in the rest of 1977 and 1978.

Over the past year, the money supply has grown at about the top of the FED's target range. Short-term interest rates have remained relatively low, although some upward movement has occurred in the last few weeks in response to tighter monetary policy by the Federal Reserve. One trusts this indicates only a short-term adjustment and not a change in longer term policy and monetary growth targets. A permanent tightening of monetary policy would weaken investment and increase unemployment in 1978 without significantly reducing inflation. Continued monetary accommodation will be essential to support the fiscal policy contained in this budget.

The attainment of full employment with a balanced budget also depends critically upon monetary policy. To generate the private investment needed to attain this goal, monetary policy must remain accommodative enough to support the recovery while the level of fiscal stimulus is being reduced through declining budget deficits. This will require strong fiscal discipline by the Congress and administration, but it will also require a monetary policy expansive enough to allow for vigorous growth in private sector demand.

Now, Mr. President, let me summarize the major thrusts of the Committee's recommendations.

NATIONAL DEFENSE

The committee recommendation for national defense is $116.6 billion in budget authority and $110.1 billion in outlays. The recommendation reflects Senate action to date in the national defense function, assumes congressional acceptance of much of the proposed Presidential actions on the B–1 and cruise missile programs, and takes into account certain financial adjustments in the function which both branches will be making.

The proposed second budget resolution target by $1.9 billion in budget authority and $0.9 billion in outlays. The major reasons for these differences are Senate reductions in the Defense appropriation bill and Senate approval of the B–1 budget amendment.

The national defense ceiling allows for significant real growth in defense programs, aimed at modernizing our strategic and general purpose forces and insuring the readiness of our equipment.

Mr. President, the committee's recommendation also assumes that at least 15 percent of any October pay raise will be absorbed through savings in Department of Defense activities which is consistent with previous experience; for fiscal year 1977, the DOD is absorbing nearly 30 percent of the pay raise amount estimated in the fiscal year 1977 budget submission.

Mr. President, let me commend the Appropriations Committee, under the able leadership of Senator McCLELLAN, and the Armed Services Committee, under the distinguished guidance of Senator STENNIS, for their diligence in establishing and adhering to the spending targets of the first budget resolution. The spending levels here are consistent with the actions they have endorsed in the course of Senate deliberation on defense legislation.

INTERNATIONAL AFFAIRS

Mr. President, the committee recommendation for international affairs is $8.3 billion in budget authority and $6.6 billion in outlays, the recommended ceiling is consistent with congressional policy supporting our commitment to fulfill our international obligations and to support the dignity of human rights throughout the world. It includes appropriation actions completed or underway and supplemental funding for foreign economic assistance programs.

The proposed second budget resolution ceiling is less than the first budget resolution target by $1 billion in budget authority and $0.7 billion in outlays. The principal reason for the decrease is reduced activity by the Export-Import Bank. Lower estimates for spending by several other international programs contributed to the reduction in outlays.

The committee continues to believe that this country's stake in the economic well-being of its allies and friends is increasing, and multilateral and bilateral assistance should reflect this stake.

Mr. President, almost 10 percent of our gross national product is attributable to exports of goods and services. One quarter of those exports—nearly $50 billion—go to developing countries whose economies have been hard hit by the recession and the high cost of energy. Without strong financial supoprt from the United States and other industrial nations, international trade and U.S. markets will be severely handicapped. Without U.S. leadership, the multilateral development banks which administer much of this assistance are less likely to obtain larger contributions from other industrial countries and richer OPEC nations.

PHYSICAL RESOURCES

Mr. President, the committee's recommendations in the physical resources areas reflect the policy decisions made by the Congress at the time of the first resolution as well as a significant increase for a national energy program. The recommended ceilings will accommodate congressional action to date as well as those known supplementals which are consistent with the first resolution, including a continuation of the Federal grants for construction of municipal waste water treatment facilities.

The committee is sensitive to the plight of American agriculture and the American farmers, and has consistently provided the full amount requested by the Agriculture, Nutrition and Forestry Committee, including a significant increase in agriculture spending in this resolution designed to accommodate the cost of the Senate-passed farm bill.

Indeed, the ceiling for agriculture in this resolution is $1.25 billion in outlays higher than that contained in the first budget resolution. While this was designed to accommodate the Senate version of the farm bill, S. 275, it will not cover the more expensive conference agreement. Therefore, the committee has also recommended action to insure that the conference agreement will be consistent with this budget resolution.

The Budget Act provides that if spending or revenue decisions inconsistent with the provisions of the second budget resolution have already occurred, that resolution is to contain a "reconciliation instruction" directing the committee with jurisdiction over such legislation to report further legislation promptly to conform the inconsistent tax or spending legislation to the congressional budget resolution.

Mr. President, this congressional budget resolution contains, for the first time in the course of the budget process, such a reconciliation instruction, directing the Committee on Agriculture, Nutrition, and Forestry to reduce agriculture outlays to $4.1 billion which is that committee's share of $5.6 billion in total outlays set forth in this resolution for function 350: Agriculture.

The Budget Committee and its staff have worked very closely with the Agriculture Committee to inform them of our concerns and to assist them in efforts to reduce the conference agreement to be consistent with the Senate budget resolution. We are disappointed by the fact that no reduction has been achieved.

I will address this matter at greater length later in the debate.

Consistent with congressional action earlier this year, this resolution now includes, as an on-budget funding item, the housing for the elderly or handicapped program which accounts for $750 million in budget authority and $738 million in outlays.

Under the committee's recommendations, grants to State and local government for environment, transportation, community and regional development, and revenue sharing, as well as for human resources programs, are about at the same level as those in the first budget resolution. This will provide an increase of more than 15 percent over the level this fiscal year and will continue congressional support for the capital infrastructure of our Nation.

HUMAN RESOURCES

Mr. President, the committee recommendations in the human resources area reflect, by and large, a continuation of the policies Congress adopted in the first budget resolution last May. These policies include a major expansion of youth employment programs, forward funding of CETA public service jobs into fiscal 1979, substantial increases for education grants and for appropriated health programs, benefit increases for veterans, and improvements in veterans' medical care.

The committee addressed one major issue that has arisen since adoption of the first resolution—the question of new social security financing. While the Budget Committee shares the widespread concern that Congress must shore up the trust funds in a timely manner, there is no compelling need for new taxes for fiscal 1978. Added payroll taxes would be inflationary and would act as a brake on the economic recovery that must continue if we are to return to full employment as rapidly as possible. Therefore, the second budget resolution reported by the Budget Committee assumes no new social security funding will be effective for fiscal 1978. However, the committee encourages the Finance Committee to take further action to resolve the social security financing issue.

The Budget Committee and the Congress must be disappointed that for the third consecutive year committees charged with responsibility for health and income security programs have failed to achieve savings through the adoption of needed efficiencies in these programs.

As in previous years, the first budget resolution assumed enactment of savings legislation to control health costs and to achieve benefit reforms in income security programs. While such legislation has not yet been passed by the Senate, bills are presently under consideration by the Human Resources and Finance Committees which would achieve significant savings. The Budget Committee urges Senate passage of legislation to obtain net savings of at least $600 million in health and income security programs, and to avoid wasteful expenditure of tax dollars. Higher savings would, of course, permit cost increases for other program improvements now being considered.

RECONCILIATION PROCESS

Mr. President, let me take a few minutes to explain the reconciliation instruction and the process which it triggers. A reconciliation instruction is the procedure prescribed in section 310(a) of the Budget Act for enforcing the aggregate functional totals contained in the second concurrent resolution. Such instruction is appropriate where the second concurrent resolution is exceeded by spending, revenue or debt appropriations actions legislation contained in laws, bills, or resolutions within a committee's jurisdiction.

The second concurrent resolution and its reconciliation mechanism were designed to provide Congress with the opportunity to reaffirm or revise its judgment about budget aggregates and their allocations in light of enacted—and pending—spending and revenue legislation.

Hence, a reconciliation instruction from the committee is appropriate to reduce outlays within the jurisdiction of the Agriculture, Nutrition, and Forestry Committee so that the second concurrent resolution is not violated. The Budget Committee is disturbed that the conference agreement on the Food and Agriculture Act provides for outlays in the agriculture function which exceed the second budget resolution. Since the recommended ceiling of $5.6 billion is already $1.25 billion over the first budget resolution, the addition of further spending is wholly unjustified and would violate every principle of sound fiscal policy and budgetary restraint.

Therefore the committee reluctantly recommends a reduction in the spending of the Agriculture Committee to comply with the second budget resolution.

Under section 310(c) of the Budget Act, reconciliation legislation must be reported recommending changes in new budget authority initially provided for prior fiscal years, and new spending authority for fiscal year 1978 contained in laws, bills and resolutions within the jurisdiction of the Agriculture Committee so that the total outlays therefrom do not exceed $12.660 billion. This level of outlays reflects all spending which would be reflected in the crosswalk of the Agriculture Committee—including nonagriculture programs and programs within the spending jurisdiction of both the Agriculture and the Appropriations Committees. It should then produce total outlays for the agriculture function of $5.6 billion in fiscal year 1978. The committee reluctantly recommends that any reductions necessary to achieve consistency with the second budget resolution be made in the agriculture price support program.

DEBATING THE RESOLUTION

Mr. President, let me conclude with a word of caution about debating priorities.

As my Budget Committee colleagues know well, it is easy to drift into a discussion of individual programs or line items in a budget discussion. Favorite programs or areas of expertise are prime candidates for programmatic debate.

The Budget Committee has successfully avoided this pitfall. We recognize that program jurisdiction belongs to the authorizing and appropriations committees. We have focused our attention, instead, on aiding Congress in establishing its broad national priorities.

Of course, we discuss individual programs and utilize the special expertise of our members. But we do not vote to include or exclude a given program or even an amount for such a program except in rare cases where the program is of such magnitude as to constitute itself a significant national commitment.

AMENDMENTS

The Budget Act does contemplate the possibility of amendments to this resolution, which is the Budget Committee's considered recommendation to the Senate. The purpose of this debate is to allow the Senate to work its will in creation of an appropriate and comprehensive congressional budget.

The Budget Act provides a few important changes in Senate procedure affecting this debate. As you know, in creating the Budget Act, we limited debate on this second budget resolution to 15 hours, with no more than 2 hours allowable to each amendment and no more than 1 hour to amendments, debatable motions or appeals.

There are also several special rules affecting amendments. Amendments must be germane. In addition, amendments will be in order, even to sections of the legislation which have already been amended, as long as those further amendments propose to change a figure or figures then contained in the resolution so as to make the resolution mathematically consistent or to maintain such consistency.

Mr. President, as I have done often since the Budget Committee began its work 18 months ago. I commend my fellow committee members for their diligence, for their hard and successful work in a new field, and for their political courage in coming to grips with the conflicting demands that budgeting always entails.

I particularly commend and thank Senator HENRY BELLMON, whose bipartisan objectivity and support, more than any other single ingredient, have guaranteed our success to date. His courageous and consistent support of the budget process in the face of tremendous external pressures is indeed extraordinary.

Finally, I commend the staff of the Budget Committee for their highly professional support to the members of this committee in the preparation of the second concurrent resolution and in the operation of the budget process.

Through constructive, informed debate, I am convinced that we can produce a congressional fiscal policy and a congressional budget addressed to national needs.

Mr. President, I called attention in these remarks to problems associated with the agriculture function, which we shall discuss more fully tomorrow, when the Talmadge amendment is presented to the Senate. I urge Senators to give attention to those issues in connection with that amendment in the agriculture

function, because I think they carry serious implications for the future of the budget process.

Mr. President, with that, I am happy to yield the floor to my good friend from Oklahoma, the ranking Republican on the committee (Mr. BELLMON), who has been such a staunch supporter, as any colleague, in the process of making this budget discipline take hold.

Mr. BELLMON. I thank our distinguished chairman.

Mr. President, I call attention to the job which Senator MUSKIE has done as chairman of the Committee on the Budget, particularly making possible the discussion of the resolution in this timely manner. It has taken a considerable amount of negotiation and diplomacy to bring us to this matter. It is the leadership of Senator MUSKIE that is going to make it possible for us to deal with the budget resolution in a timely way.

Mr. President, our distinguished chairman, Senator MUSKIE, in his opening remarks, has discussed the aggregate and functional totals which are certainly the most visible aspects of the second concurrent resolution. I will not reiterate these same points. Instead, I choose to deal with some of the less obvious but no less important elements of this resolution.

A budget, any budget, is simply a plan expressed in financial terms. Like any plan, it shows us where we are, it instructs us with respect to where we are going, in what manner and at what cost. In addition, this budget reflects preceding budgets and sets the course of the budgets which will follow. Thus, it is more than a set of numbers or a series of constraints. It is a creative document and, at the margin, commits us to a series of priorities with which, for better or for worse, we and the Nation will have to live in the years to come. In this extended context, I intend to focus the attention of the Senate on a few of the more important elements of the second concurrent resolution.

The Budget Committee has recommended a level of revenues for fiscal year 1978 of $395 billion. Thus it permits the Federal Government to command, through taxes and borrowing, more than 21 percent of the national income. The figure assumes a cautious but realistic assessment of the resources which a recovering economy can make available to the Federal sector. This recommendation is stated in terms of a revenue floor. However, I view it to be a ceiling in that it precludes the diversion of additional resources from the private sector to support any funding of additional Federal programs.

The revenue figure, inasmuch as it extends current law, provides the flexibility which the Congress will require if it is to deal with fundamental tax reform within the context of a fixed share of GNP available to the Federal sector. In short, it challenges our creativity, as any budget must. It says that there is this much and no more. Within this constraint, Government must meet its commitments efficiently and effectively.

In function 300, energy and natural resources, budget authority has been increased by $4.2 billion and the outlay ceiling has been raised by $800 million. These generous allowances serve two purposes. First, they indicate that conservation and alternative fuel development are not without cost, budgetary and otherwise. Second, they encourage the Congress to avoid budgetary gimmicks such as loan guarantees or tax expenditures which disguise or remove from budgetary control the true cost of responsive energy legislation.

Any Federal energy plan is inherently limited by the level of resources which can be made available and effectively put to use. We are, therefore, put on notice that final energy solutions must be found in the private sector and that current energy plans can at best create an environment in which available supplies are not only conserved but also augmented through increased incentives for production, substitution, and exploration.

This budget resolution is sensitive to human needs as outlay levels for education, income security and health care demonstrate. However, in these same areas, the budget also provides a warning which I believe the Congress should and must heed. It places a heavy burden on those committees which are charged with the authorization and oversight of our now numerous social welfare programs. The constraints on spending and the savings anticipated in such programs will challenge this Congress.

That challenge, if it is to be met with success, will require each of us to abandon our old habit of incremental funding and "hold harmless" budgeting. If, for example, we desire welfare reform, we must become aware that such new programs cannot be added to those which already exist and that new initiatives must pass a stern test in which their true costs are related to their potential benefits. In this spirit, I make specific reference to a number of worthy initiatives which have been undertaken without adequate consideration of their final costs or their ultimate pragmatic efficiency. For example, the medicaid program enacted in 1965, with an estimated Federal cost of $268 million, now involves Federal outlays of $12 billion. Thus, the program costs 50 times the original estimate. Likewise, the social services program has within a decade grown to exceed original cost estimates by 100 times.

Those who project maximum benefits and minimum costs for welfare reform and national health insurance should be acutely aware of the above lessons of history.

Mr. President, this resolution anticipates, as did its predecessors, legislative action to achieve savings in income security and health care. Thus, it directs our attention, once again, to the painful but necessary task of increasing the efficiency of Federal programs. I am dismayed by our continued inability or unwillingness to effect recommended savings of $300 million in social security and $400 million in medicaid and medicare. Our words regarding such savings and efficiencies certainly come easier than our actions. However, words are idle. Effective action in both areas is overdue.

As we consider the merits of the second concurrent resolution, we should be aware that the significant changes are small and reflect the fact that priorities and their associated outlays change slowly over many budgets. The vast bulk of this particular budget has been committed by prior administrations and Congresses. In like manner, our actions today will determine the size, scope, and composition of future budgets. If we look carefully at the marginal commitments which this resolution contains, we can see in some manner the ultimate shape of things to come. Our defense commitment remains strong but more sophisticated and less manpower intensive. The Federal role in energy conservation and production will be an expanding one in terms of both regulation and cost. Likewise, natural resource and environmental programs will command ever larger budgetary resources.

Our commitments to developing nations are increased and made less political as demonstrated by our growing commitment to international financial institutions. Commitments to human needs remain high, but this budget encourages greater efficiency in the administration of key programs. The budget also initiates a new Federal policy for agriculture.

Finally, let me reaffirm my commitment to achieve a balanced budget in the context of a limitation of the Federal share of national income. This budget shows a higher deficit than the anticipated fiscal year 1977 deficit. Some believe this puts a balanced budget further away. Let me point out that the fiscal year 1978 numbers: first, include substantial spending resulting from stimulative programs put in place in fiscal year 1977; second, include spending for energy not included in fiscal year 1977; and third, have not yet been adjusted as 1977 numbers have for the phenomenon known as "shortfall." These are the primary reasons that the deficit appears higher in 1978.

I recognize that the level and the scope of this budget and what its enactment portends for the future will not satisfy the Senate in all respects. However, I judge it to be a fair compromise of competing views and a balancing of priorities which I can support.

I support the budget resolution which our chairman has just laid down. I congratulate him again on his work.

Mr. MUSKIE. Mr. President, I thank my good friend from Oklahoma and congratulate him for the record he has made in supporting the committee and myself over the years.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators. I anticipate that the vote on the amendment to the budget resolution by Mr. TALMADGE tomorrow will occur at not later than 11:30 a.m., depending upon whether or not all of the full time of 2 hours is taken, and it could occur earlier.

I also would say that upon the disposition of the Talmadge amendment, the Senate will proceed to the considera-

tion of S. 1307. I do not anticipate a rollcall vote on that bill; would the distinguished minority leader care to make a statement on that point?

Mr. BAKER. Mr. President, I have no request for any rollcall, and I would anticipate there would not be one.

Mr. ROBERT C. BYRD. Mr. President, upon the resumption of action on the coal conversion bill, the Senator from Massachusetts (Mr. KENNEDY) will be recognized to call up his amendment, upon which there is a 4-hour time limitation; and, depending on whether or not all that time is taken, a vote would occur on that amendment at the end of that 4 hours unless an amendment is offered to the amendment, in which case I believe that under the previous agreement there would be a time limitation on any amendment to an amendment of 30 minutes.

So there will be rollcall votes throughout the afternoon tomorrow.

It is the intent of the leadership to try, if at all possible to complete action on the coal conversion bill tomorrow. Upon the disposition of the coal conversion bill the Senate will resume consideration of the second budget resolution. There is a time limit on that measure, and presumably at that point Mr. HATCH, Mr. ROTH, and Mr. HAYAKAWA, but not necessarily in that order, will call up their amendments, on each of which there is a 1-hour time limitation. There may be other amendments, though none is known of at the moment. If such are offered, there will be a time limitation of 30 minutes on any other amendment in the first degree.

A rollcall vote would undoubtedly then occur upon the adoption of Senate Concurrent Resolution 43.

Tomorrow being Thursday, I would suggest to my distinguished and very close friend, the minority leader, that we alert our respective colleagues to the great likelihood that the Senate will be in to a reasonably late hour tomorrow. If action is not completed on the concurrent resolution on the budget tomorrow, and that is entirely conceivable, then the Senate on Friday will resume consideration of that measure and will complete action on it.

It would be my thought that if the distinguished chairman of the Committee on Agriculture and Forestry then is so disposed and wishes to, he would probably want to call up his conference report on the farm bill. There may be some debate thereon, and maybe a vote thereon. I would believe it safe to predict that that action would proceed.

On the disposition of that measure, the leadership would hope to proceed to the consideration of the second energy bill which is on the Calendar, the energy conservation bill.

Of course, conference reports, being privileged matters, may be called up any time. It may be that Mr. PROXMIRE would want to call up his HUD appropriation conference report by Friday.

Mr. HANSEN. Will the distinguished majority leader yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. HANSEN. If I understood the legislative possibilities for the remainder of this week, the distinguished majority leader said there might be action on the energy conservation measure?

Mr. ROBERT C. BYRD. Yes. My statement, of necessity, has to be nebulous at this point. I am trying to say that it is entirely conceivable and hopeful that if the Senate would complete action on the coal conservation bill, the second budget resolution, the conference report on the farm bill, and any other conference reports, that action can at least begin on Friday.

Mr. HANSEN. On the energy conservation bill?

Mr. ROBERT C. BYRD. Yes.

Mr. HANSEN. I thank the distinguished majority leader.

ADJOURNMENT TO 9:15 A.M. TOMORROW

Mr. MUSKIE. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:15 a.m. tomorrow.

The motion was agreed to; and at 6:25 p.m., the Senate adjourned until tomorrow, Thursday, September 8, 1977, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate August 15, 1977, pursuant to the order of August 5, 1977:

DEPARTMENT OF STATE

Maurice Darrow Bean, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Socialist Republic of the Union of Burma.

Mari-Luci Jaramillo, of New Mexico, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Honduras.

William B. Schwartz, Jr., of Georgia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to The Commonwealth of The Bahamas.

NATIONAL SCIENCE FOUNDATION

George Claure Pimentel, of California, to be Deputy Director of the National Science Foundation, vice Richard C. Atkinson, elevated.

Floyd James Rutherford, of New York, to be an Assistant Director of the National Science Foundation, vice Harvey Allan Averch, resigned.

IN THE COAST GUARD

The following Reserve officers of the U.S. Coast Guard to be permanent commissioned officers in the Regular Coast Guard in the grades indicated:

Lieutenant

Timothy M. Armstrong	Joseph P. MacDonald
Leonard G. Bosma	Hugh M. O'Doherty
Roger G. Evans	Gerald O. Pando
Dale E. Goodreau	James M. Sherman
	Adolph E. Zimmer, II

Lieutenant (junior grade)

James E. Hatfield
Frank L. Whipple

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Richard Ray Taylor, (age 54), [redacted] Army of the United States (major general, U.S. Army).

IN THE NAVY

The following-named commanders of the U.S. Navy for temporary promotion to the grade of captain in the line, pursuant to title 10, United States Code, section 5769, subject to qualification therefor as provided by law:

Adams, Thomas C.
Adgent, Robert B.
Albero, Carl M.
Allen, George S.
Alves, Arcenio, Jr.
Arnold, Thomas F.
Bacon, Roger F.
Baker, Donald A.
Baldwin, Edwin M.
Baldwin, Oa F.
Baril, Robert F.
Barton, Robert L.
Bauschka, Patrick F.
Beamon, Joseph E., II
Belto, Meryl A.
Bertrand, Jon S.
Bess, George D.
Best, Albert H., III
Bishop, Larry D.
Blackburn, Harry L., Jr.
Bone, John S., Jr.
Boyle, Ronald R.
Breland, Edgar A.
Brooks, Dennis M.
Brooks, Otis M.
Brown, Ralph E., Jr.
Bryans, Brian K.
Buchwald, Robert D.
Bump, Stanley E.
Burke, Thomas J., Jr.
Burpo, James H.
Caine, Paul E.
Camp, Joe D.
Campbell, Carl E.
Campbell, John R.
Campbell, Norman D.
Carder, Denny M.
Cargill, Denny B.
Carlson, Robert G.
Carlson, Walter G.
Carson, James T.
Castle, Ronald G.
Chamberlain, John D.
Chandler, David F.
Chauncey, Arvin R.
Christensen, Cyrus R.
Cleary, Patrick R.
Cloud, Bruce L.
Coffey, Robert C.
Colgan, John G.
Combs, Robert L.
Conner, Eugene D.
Cornell, John P.
Cornett, Charles S., Jr.
Cox, Duane A.
Cracknell, William H., Jr.
Curtis, Wayne
Cust, Harlan R.
Daly, John S.
Davis, Jimmy W.
Davis, Thomas A.
Debode, Donald G.
Dewey, Richard F.
Domingue, William A.
Donahue, John F.
Dougherty, William A., Jr.
Dwyer, William L.
Egan, Robert W.
Ellingson, Norman D.
Ellingwood, Arthur R., Jr.
Endo, Norio B.
Ermis, Leroy C.
Evans, Philip R.
Fahey, William F.
Fantry, William T., Jr.
Featherston, Rex W.
Feingersch, Allen
Feuerhelm, Duane L.
Fish, Benjamin L., Jr.
Fitzgerald, John F.
Florko, Donald J.
Flynn, John J.
Flynn, Samuel C., Jr.
Flyum, James K.
Fogarty, William M.
Forster, Johann R.
Fournier, Paul R.
Fox, George R.
Fox, John F. J.
Fox, Thomas R.
Franklin, William P.
French, Douglas E.
Funderburk, Jeryl D.
Gallion, Lawrence B.
Gardella, John K.
Garland, Keith P.
Garrett, Roger D.
Gebrig, Jerome C.
George, Troy H., Jr.
Gilbert, Robert L.
Gilkison, Edward R., Jr.
Golder, Thomas V.
Grady, Roger D.
Greene, George C.
Greene, William H., Jr.
Grewe, Webster
Griffith, Dwaine O.
Guttery, Thomas H.
Hagen, Dale N.
Hall, Harley H.
Hall, John O.
Hall, Michael R.
Hall, Robert A.
Hannah, Elmore K., Jr.
Hart, Raymond J.
Hawkins, Charles D., Jr.
Hay, Donald G.
Hayes, Michael F.
Hegeman, Joey W.
Heiland, Charles E.
Hellman, John S.
Henderson, Mark D., Jr.
Hendrickson, Claude F., Jr.
Hewitt, Paul E.
Higginson, John J.
Hoover, Cameron L.
Horsley, George W., Jr.
Hunter, Wallace R.
Hutchinson, Charles K.
Hyde, Ronald P.
Ilg, Raymond P.
Jackson, Lester T., Jr.
Johnson, James E.
Johnson, Phillip S.
Johnson, Ronald J.
Keathley, James W.
Kelly, Robert J.
Kemper, Ralph C.
Kennelly, Bernard J.
Kent, Ronald H.
Keough, Robert J.
Kersting, William H.
Kesteloot, Robert W.
Kihune, Robert K. U.
Kilpatrick, Thomas E.
King, Charles C.
Kinney, Ben J.
Knapp, Ralph E.
Knowles, Russell, Jr.
Koehler, Norman E., III

Koenig, John W.
Korthe, James D.
Kvederis, James P.
Lambert, Raymond A.
Lamberth, Billy C.
Laux, Arno H.
Leban, Carl
Lee, Bobby C.
Lee, Kenneth C.
Less, Anthony A.
Leuschner, Robert L. Jr.
MacNichol, Malcolm S.
MacVean, Charles R.
Mangol, Frederick N.
Markley, Wade E.
Marriott, Michael J.
Marthinson, Detlow M., Jr.
Matteson, Kelvin L.
Maurer, Earl T.
Maxwell, Matthew T., III
May, Robert C.
McCormick, Bruce A.
McCutchan, Milton L.
McDivitt, Ronald M.
McDonald, Richard R.
McDonough, Vincent P.
McEnaney, Thomas J., Jr.
McIndoe, James E.
McKamey, John B.
Melcher, Roland O.
Mercer, William C.
Meyer, Richard E.
Miceli, Joseph D.
Miefert, Milton D., Jr.
Miller, George
Mills, Thad W.
Mirise, Kerry W.
Monroe, Vincent D.
Morris, Jesse B., Jr.
Mouser, Hugh P.
Munsey, William D.
Myers, Dale P.
Nelson, Robert E.
Neuhaus, Charles F.
Newcomb, Zeanious L.
Noggle, George A., Jr.
O'Connor, Neil F.
O'Donovan, James P.
Ogle, Peter W.
O'Keefe, Timothy R.
Olmer, Lionel H.
O'Neil, William E.
Oppedahl, Phillip
Ore, William E.
Owen, William L., Jr.
Owens, Darrel D.
Page, Arthur M.
Pakradooni, Haig H., III
Pappas, Jimmy
Parker, Donald F.
Parker, Ronald H.
Parsons, Marland W., Jr.
Patterson, Dale K.
Pearigen, Jare M.
Peebles, Baker L.
Pellock, Lyle E.
Pendley, William T.
Perrella, Albert J., Jr.
Peterson, Laurel C.
Petrich, Horst A.
Pickett, Ronald B.
Piersall, Charles H., Jr.
Pocklington, William D.
Prien Richard K.
Promersberger, Edward S.
Quast, Harry S.
Ragan, Charles P.
Reich, Merrill D.
Repass, Donald E.
Reynolds, James G.
Riedemann, Walter J., Jr.
Riggs, Donald E.
Roach, John C.
Roundtree, Jack L.
Russ, William M., Jr.
Ryan, Patrick F.
Sabine, Frederick R.
Sale, William L.
Schaible, David L.
Schulz, Paul H.
Schussler, Gerald A.
Schwaab, Denis T.
Scoffield, Gary A.
Scott, George W.
Sears, Johnny M.
Shaw, John F.
Shirley, Vernon D.
Shores, Howard V.
Siegrist, Edward A., Jr.
Simpson, James H.
Simpson, John E., II
Sims, Robert B.
Smith, Lee O.
Smith, Phillip D.
Smith, Vernon C.
Smith, William C.
Somers, David W., Jr.
Spero, Joseph R.
Stechmann, Donald H.
Stewart, George W.
Stoeckel, Anthony W.
Stowell, Marshall A.
Sullivan, Eugene J., Jr.
Sylvester, Vincent
Taylor, Gaylen D.
Taylor, James E.
Taylor Jeremy D.
Teter, Eugene V.
Thaubald, Edward J.
Theodorelos, Pete J.
Thibault, George E., Jr
Toehlke, Walter A.
Vescelius, Milton J., Jr
Vezina, George R.
Vollmer, William E., Jr
Ward, Sibley L., III
Webb, Kenneth H.
Weber, Gerald M.
Weichman, Denis R.
Werenskjold, Gary W.
Weseleskey, Allen E.
Westerman, William R
Westfall, Van F.
Whelan, Mathew J., Jr.
Whiting, Donald W.
Wieschhoff, Kenneth H.
Wiley, Byron A.
Winchester, Morton S.
Wingarter, Edward W., Jr.
Wolfe, Roderic L.
Wood, Sidney E., Jr.
Woods, Brian D.
Wylie, Clayton R.
Young, Edward B.
Zackowski, Terrence L.
Zaludek, George M.
Zwick, John T.

The following-named women commanders of the U.S. Navy for permanent promotion to the grade of captain in the line, pursuant to title 10, United States Code, section 5771, subject to qualification therefor as provided by law:

Adsit, Carol A.
Burman, Rita M.
Higgins, Maria S.
Steenburgen, Anna L.
Zierdt, Lucy E.

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line officers) and 5773 (staff corps officers), subject to qualification therefor as provided by law:

LINE

Bisgrove, Michael
Elk, John C.
Harris, Victor J. II
Lyon, Preston V.

SUPPLY CORPS

Hannum, Charles R.

CIVIL ENGINEER CORPS

Daignault, Stephen W.

NURSE CORPS

Edgar, Marilyn A.

Executive nominations received by the Senate on August 16, 1977, pursuant to the order of August 5, 1977:

THE JUDICIARY

Alvin B. Rubin, of Louisiana, to be U.S. circuit judge for the fifth circuit, vice John Minor Wisdom, retired.

Eugene H. Nickerson, of New York, to be U.S. district judge for the eastern district of New York, vice Orrin G. Judd, deceased.

Charles P. Sifton, of New York, to be U.S. district judge for the eastern district of New York, vice John F. Dooling, Jr., retired.

DEPARTMENT OF JUSTICE

Richard J. Dunn, of Nevada, to be U.S. marshal for the district of Nevada for the term of 4 years, vice Denny L. Simpson.

Franklin Payne, of Missouri, to be U.S. marshal for the eastern district of Missouri for the term of 4 years, vice Kenneth M. Link, Sr.

Paul J. Puckett, of Virginia, to be U.S. marshal for the western district of Virginia for the term of 4 years, vice William A. Quick, Jr.

Howard J. Turner, Jr., of Pennsylvania, to be U.S. marshal for the western district of Pennsylvania for the term of 4 years, vice Charles W. Koval, deceased.

IN THE AIR FORCE

The following-named officers for promotion as a Reserve of the Air Force, under the appropriate provisions of chapters 35 and 837, title 10, United States Code.

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Bates, William D., [redacted]
Brown, Fred, [redacted]
Cardwell, Robert D., Jr., [redacted]
Carroll, William F. Jr., [redacted]
Churchill, Winston H., [redacted]
Clark, Nelson C., [redacted]
Davis, William J., [redacted]
Dowd, George J., [redacted]
Evers, Charles K., [redacted]
Facelle, Thomas A., Jr., [redacted]
Garn, Edwin J., [redacted]
Gibson, William J., [redacted]
Gordon, Robert J., [redacted]
Hansen, Thomas E., [redacted]
Herber, Ervin C., [redacted]
Johnson, Richard S., [redacted]
Kellam, Frank M., Jr., [redacted]
Korzenik, Armand A., [redacted]
Kramer, Karl K., [redacted]
Laufert, Richard C., [redacted]
Lednak, John P., [redacted]
Lemmond, William P., Jr., [redacted]
Leonard, Ralph E., [redacted]
Matthews, John L., [redacted]
McDonald, Robert W., [redacted]
McLaran, Robert L., [redacted]
Misterly, John, [redacted]
Montgomery, James D., [redacted]
Norman, Thomas H., [redacted]
Olson, John T., [redacted]
Perkins, John B., [redacted]
Power, Edward J., [redacted]
Pyle, Grant S., III, [redacted]
Ripley, Grover C., [redacted]
Roberts, James R., [redacted]
Rodgers, Dennis M., [redacted]
Salas, Reynaldo T., Jr., [redacted]
Shearer, John F., [redacted]
Webb, Thomas P., III, [redacted]
Wolfe, Keith H., [redacted]
Zito, John J., [redacted]

MEDICAL CORPS

Greenlee, Joseph A., Jr., [redacted]
McCullough, William F., [redacted]
Rivera-Cintron, Francisco J., [redacted]
Titus, Charles O., [redacted]

IN THE AIR FORCE

The following-named officers for promotion as a Reserve of the Air Force, under the appropriate provisions of chapter 35 and 837, title 10, United States Code.

LINE OF AIR FORCE

Major to lieutenant colonel

Abbatiello, Alfred R., [redacted]
Abbott, Lewis E., [redacted]
Abney, James A., [redacted]
Abrams, Frank J., [redacted]
Acheson, Herbert H., [redacted]
Acres, William R., [redacted]
Adams, John T., [redacted]
Adams, Joseph G. C., [redacted]
Adams, Marcel C., [redacted]
Adams, William E., [redacted]
Aguirre, Federico, [redacted]
Alexander, Donald D., [redacted]
Allen, Floyd W., [redacted]
Allen, Julian H., [redacted]
Allen, William L., Jr., [redacted]
Allison, David R., [redacted]
Allison, Raynor J., [redacted]
Almquist, John A., Jr., [redacted]
Alsmeyer, William L., [redacted]
Anderson, Emmett D., [redacted]
Anderson, Ronald C., [redacted]
Anderson, Vernon E., [redacted]
Andrews, David W., [redacted]
Angell, Tilden M., [redacted]
Anton, Robert E., [redacted]
Aranda, Thomas, Jr., [redacted]
Archer, Stuart H., [redacted]
Arlen, Jack B., Jr., [redacted]
Arndt, Fredirick W., [redacted]
Arotta, John R., [redacted]
Auen, Eugene G., [redacted]
Auger, Ronald W., [redacted]
Bacon, Barbara J., [redacted]
Bail, Jimmy O., [redacted]
Baker, Leonard R., [redacted]
Baldwin, Donald J., [redacted]
Ballard, Thurman A., [redacted]
Barley, Thomas A., [redacted]
Barmore, Gaston C., Jr., [redacted]
Barrow, Thomas L., [redacted]
Bartels, Roger D., [redacted]
Bashaw, John M., Jr., [redacted]
Bates, James M., [redacted]
Battle, Leonard C., [redacted]
Baudendistel, Richard H., [redacted]
Bauman, Richard A., [redacted]
Baumer, Gerald C., [redacted]
Beaudreau, Arnold D., [redacted]
Beier, Robert J., [redacted]
Bell, William F., [redacted]
Benkin, Isaac D., [redacted]
Benner, Kenneth D., [redacted]
Bennett, Jimmie D., [redacted]
Benson, Dwight M., [redacted]
Bentson, Rodney E., [redacted]
Berg, John P., [redacted]
Bernasconi, Ronald P., [redacted]
Bernhardt, Everett A., [redacted]
Berry, Fred T., Jr., [redacted]
Bertie, Margie M., [redacted]
Bertz, Richard C., [redacted]
Bessinger, James M., [redacted]
Biava, James E., [redacted]
Bibelheimer, Henry F., [redacted]
Bierek, Maximillian J., [redacted]
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Simmons, Charles J., Jr., xxx-xx-xxxx.
Simonitsch, James M., xxx-xx-xxxx.
Simpson, Michael A., xxx-xx-xxxx.
Sims, John G., xxx-xx-xxxx.
Sims, William J., III, xxx-xx-xxxx.
Siniscalchi, Joseph W., Jr., xxx-xx-xxxx.
Skalko, James P., xxx-xx-xxxx.
Skattum, Mark H., xxx-xx-xxxx.
Skillman, Thomas C., xxx-xx-xxxx.
Skinner, Scott R., xxx-xx-xxxx.
Slaton, James F., xxx-xx-xxxx.
Smith, Bruce G., xxx-xx-xxxx.
Smith, Clarence D., Jr., xxx-xx-xxxx.
Smith, Dale C., xxx-xx-xxxx.
Smith, Gregor D., xxx-xx-xxxx.
Smith, James B., xxx-xx-xxxx.
Smith, John C., xxx-xx-xxxx.
Smith, Kenneth P., xxx-xx-xxxx.
Smith, Kevin W., xxx-xx-xxxx.
Smith, Mark E., xxx-xx-xxxx.
Smith, Scott L., xxx-xx-xxxx.
Smith, Scott M., xxx-xx-xxxx.
Smith, Thomas D., xxx-xx-xxxx.
Smura, Thomas E., xxx-xx-xxxx.
Snedeker, Michael J., xxx-xx-xxxx.
Snelgrove, Donald N., xxx-xx-xxxx.
Solan, John B., xxx-xx-xxxx.
Solt, Russell M., xxx-xx-xxxx.
Soto, Christopher C., xxx-xx-xxxx.
Speer, Danial W., xxx-xx-xxxx.
Spencer, James W., xxx-xx-xxxx.
Spendley, Paul K., xxx-xx-xxxx.
Spraggins, Dean C., xxx-xx-xxxx.
Spray, James M., xxx-xx-xxxx.
Sprenkle, David A., xxx-xx-xxxx.
Spring. Scott H., xxx-xx-xxxx.
Spry, Phillip L., xxx-xx-xxxx.
Stafford, Robert W., xxx-xx-xxxx.
Stallone, Theodore G., xxx-xx-xxxx.
Stangl, Kip K., xxx-xx-xxxx.
Stant, Kirk E., xxx-xx-xxxx.
Stanton, Lawrence A., xxx-xx-xxxx.
Stapley, Jonathan S., xxx-xx-xxxx.
Steadman, Michael J., xxx-xx-xxxx.
Stearman, Ricky T., xxx-xx-xxxx.
Steeby, Kurt R., xxx-xx-xxxx.
Stefaniuk, Oleh I., xxx-xx-xxxx.
Stein, Joseph P., xxx-xx-xxxx.
Steinhilpert, Gregg P., xxx-xx-xxxx.
Stephan, Billy W., Jr., xxx-xx-xxxx.
Stephens, Tracy G., xxx-xx-xxxx.
Stephenson, David P., xxx-xx-xxxx.
Sterne, Stephen A., xxx-xx-xxxx.
Stevens, Charles A., xxx-xx-xxxx.
Stevens, Riley R., xxx-xx-xxxx.
Steward, John M., xxx-xx-xxxx.
Stewart, Charles G., xxx-xx-xxxx.
Stewart, Robert C., xxx-xx-xxxx.
Stewart, William P., Jr., xxx-xx-xxxx.
Stich, Steven A., xxx-xx-xxxx.
Stickney, Mark W., xxx-xx-xxxx.
Stiffler, Donald R., xxx-xx-xxxx.
Stinson, David R., xxx-xx-xxxx.
Stinson, Kelly D., Jr., xxx-xx-xxxx.
Stockert, Dennis M., xxx-xx-xxxx.
Stockstad, Alan C., xxx-xx-xxxx.
Stoddard, Albert, III, xxx-xx-xxxx.
Stone, David H., xxx-xx-xxxx.
Stone, Frederick W., Jr., xxx-xx-xxxx.
Storch, Donn M., xxx-xx-xxxx.
Storer, John W., xxx-xx-xxxx.
Strack, Stephen M., xxx-xx-xxxx.
Straight, Gregory E., xxx-xx-xxxx.
Straight, Michael L., xxx-xx-xxxx.
Strang, Lawrence L., xxx-xx-xxxx.
Striegel, Edward A., xxx-xx-xxxx.
Strong, Howard P., xxx-xx-xxxx.
Struble, James D., Jr., xxx-xx-xxxx.
Strunk, Peter P., xxx-xx-xxxx.
Stults, John C., Jr., xxx-xx-xxxx.
Stumpp, Frederick G., Jr., xxx-xx-xxxx.
Sturdevant, Harold L., Jr., xxx-xx-xxxx.
Sturdivant, Willis A., xxx-xx-xxxx.
Stytz, Martin R., xxx-xx-xxxx.
Sullivan, Donald J., xxx-xx-xxxx.
Sullivan, John V., xxx-xx-xxxx.
Sullivan, John F., xxx-xx-xxxx.
Sumida, Michael K., xxx-xx-xxxx.
Summers, Thomas S., xxx-xx-xxxx.
Surber, Dan C., xxx-xx-xxxx.
Sutley, Robert A., xxx-xx-xxxx.
Sutton, John R., xxx-xx-xxxx.
Swallom, Donald W., xxx-xx-xxxx.
Sweda, John C., xxx-xx-xxxx.
Sweeney, John D., xxx-xx-xxxx.
Swiderek, William M., xxx-xx-xxxx.
Takacs, Richard A., xxx-xx-xxxx.
Tamkun, John E., xxx-xx-xxxx.
Tasker, Frederick L., xxx-xx-xxxx.
Tate, Ralph H., III, xxx-xx-xxxx.
Taylor, Mark J., xxx-xx-xxxx.
Taylor, William H., xxx-xx-xxxx.
Teigeler, Edward F., III, xxx-xx-xxxx.
Terpolilli, Ralph N., xxx-xx-xxxx.
Terry, Michael R., xxx-xx-xxxx.
Terry, Sanford S., xxx-xx-xxxx.
Thaller, Gary P., xxx-xx-xxxx.
Thisted, Blair J., xxx-xx-xxxx.
Thomas, Jeffrey S., xxx-xx-xxxx.
Thomas, Nicholas, xxx-xx-xxxx.
Thompsen, David W., xxx-xx-xxxx.
Thompson, Frederick H., xxx-xx-xxxx.
Thompson, Robert G., xxx-xx-xxxx.
Thompson, William F., xxx-xx-xxxx.
Thurgood, Steven R., xxx-xx-xxxx.
Tietjen, James G., xxx-xx-xxxx.
Tillotson, David, III, xxx-xx-xxxx.
Timberlake, Marion A., Jr., xxx-xx-xxxx.
Toich, Anthony M., xxx-xx-xxxx.
Tomich, John J., xxx-xx-xxxx.
Topolski, Thomas J., Jr., xxx-xx-xxxx.
Townsend, Richard B., xxx-xx-xxxx.
Traficanti, Joseph J., xxx-xx-xxxx.
Trautman, Robert S., xxx-xx-xxxx.
Traxler, John M., xxx-xx-xxxx.
Traylor, Robert K., xxx-xx-xxxx.
Trinter, Russell D., xxx-xx-xxxx.
Trovillion, Gary H., xxx-xx-xxxx.
Trumbull, Keith R., xxx-xx-xxxx.
Tucker, Charles W., xxx-xx-xxxx.
Tupper, Kenneth W., xxx-xx-xxxx.
Turner, Jon R., xxx-xx-xxxx.
Turner, Robert W., xxx-xx-xxxx.
Udall, Thomas H., xxx-xx-xxxx.
Ufford, John C., xxx-xx-xxxx.
Urdahl, Russell J., xxx-xx-xxxx.
Utermoehlen, Clifford M., xxx-xx-xxxx.
Vandendries, John E., Jr., xxx-xx-xxxx.
Vanepps, Alan R., xxx-xx-xxxx.
Vanhorn, William H., xxx-xx-xxxx.
Vanney, Mark S., xxx-xx-xxxx.

Vanpelt, Carl E., xxx-xx-xxxx.
Vanscoyk, Randy G., xxx-xx-xxxx.
Vargo, Stephen A., xxx-xx-xxxx.
Vaughn, Gregg L., xxx-xx-xxxx.
Vechik, Kenneth W., xxx-xx-xxxx.
Venable, John R., xxx-xx-xxxx.
Vereb, John M., xxx-xx-xxxx.
Verling, John D., xxx-xx-xxxx.
Vieweg, Christian S., xxx-xx-xxxx.
Vivian, Talbot N., xxx-xx-xxxx.
Vliet, Laurence C., xxx-xx-xxxx.
Volcheff, Mark A., xxx-xx-xxxx.
Vollink, Dennis J., xxx-xx-xxxx.
Vosburgh, Gary D., xxx-xx-xxxx.
Voss, John R., xxx-xx-xxxx.
Vreeland, Steven J., xxx-xx-xxxx.
Wahl, Walter E., xxx-xx-xxxx.
Walden, Robert S., xxx-xx-xxxx.
Walker, Philip E., xxx-xx-xxxx.
Walker, Ronald D., xxx-xx-xxxx.
Wall, Edward C., Jr., xxx-xx-xxxx.
Wallace, David G., xxx-xx-xxxx.
Wallace, Gerald L., Jr., xxx-xx-xxxx.
Wallace, Jay R., II, xxx-xx-xxxx.
Waller, James P., xxx-xx-xxxx.
Wallingford, Stephen H., xxx-xx-xxxx.
Walrond, George E., xxx-xx-xxxx.
Waltman, Glenn C., xxx-xx-xxxx.
Walton, James R., xxx-xx-xxxx.
Ward, John R., xxx-xx-xxxx.
Waters, Dale C., xxx-xx-xxxx.
Watson, Steven M., xxx-xx-xxxx.
Watson, Thomas F., xxx-xx-xxxx.
Wayne, Robert H., Jr., xxx-xx-xxxx.
Weaver, John W., xxx-xx-xxxx.
Webber, Richard E., xxx-xx-xxxx.
Wedell, Steven P., xxx-xx-xxxx.
Weems, Frederick L., xxx-xx-xxxx.
Weidner, Michael L., xxx-xx-xxxx.
Weilbrenner, Steven D., xxx-xx-xxxx.
Weininger, Michael J., xxx-xx-xxxx.
Weiss, Steven W., xxx-xx-xxxx.
Weiss, Thomas R., xxx-xx-xxxx.
Weller, William C., xxx-xx-xxxx.
Wells, George M., xxx-xx-xxxx.
Wells, Mark K., xxx-xx-xxxx.
Wells, Michael E., xxx-xx-xxxx.
Wenzel, Jeffrey H., xxx-xx-xxxx.
Wesley, David J., xxx-xx-xxxx.
Westenhoff, Charles M., xxx-xx-xxxx.
Whalen, Edward M., xxx-xx-xxxx.
White, David G., xxx-xx-xxxx.
Whitefield, Gary W., Jr., xxx-xx-xxxx.
Whitican, Frederick L., xxx-xx-xxxx.
Whitley, Kenneth L., xxx-xx-xxxx.
Whitney, Lynn H., xxx-xx-xxxx.
Whitton, Robert S., xxx-xx-xxxx.
Widmer, Robert J., Jr., xxx-xx-xxxx.
Wilbeck, James S., xxx-xx-xxxx.
Wilcock, Edward T., xxx-xx-xxxx.
Wilde, Linn E., III, xxx-xx-xxxx.
Wildman, David M., xxx-xx-xxxx.
Williams, Alan P., xxx-xx-xxxx.
Williams, Douglas L., II, xxx-xx-xxxx.
Williams, Forest D., xxx-xx-xxxx.
Williams, James C., xxx-xx-xxxx.
Williams, Paul, xxx-xx-xxxx.
Williams, Robert L., xxx-xx-xxxx.
Williams, Richard, xxx-xx-xxxx.
Williams, Robert L., xxx-xx-xxxx.
Williamson, David, xxx-xx-xxxx.
Willis, Roy W., Jr., xxx-xx-xxxx.
Wilson, Barry S., xxx-xx-xxxx.
Wilson, David S., xxx-xx-xxxx.
Wilson, Richard L., xxx-xx-xxxx.
Wilson, Teddy, xxx-xx-xxxx.
Winstead, Charles J., Jr., xxx-xx-xxxx.
Wintermeyer, Charles A., Jr., xxx-xx-xxxx.
Wissman, John P., xxx-xx-xxxx.
Witherspoon, Michael R., xxx-xx-xxxx.
Wohlman, Richard A., xxx-xx-xxxx.
Wojcicki, Stephen A., xxx-xx-xxxx.
Wolfert, Michael L., xxx-xx-xxxx.
Wolter, John T., xxx-xx-xxxx.
Woock, Daniel D., xxx-xx-xxxx.
Woods, Charles M., xxx-xx-xxxx.
Woodward, John S., xxx-xx-xxxx.
Wooten, Marc A., xxx-xx-xxxx.
Worth, Brian D., xxx-xx-xxxx.
Wright, Donald O., xxx-xx-xxxx.
Wright, Michael N., xxx-xx-xxxx.
Wright, Richard H., xxx-xx-xxxx.
Wrighton, Timothy J., xxx-xx-xxxx.
Yaap, Henry R., xxx-xx-xxxx.
Yeilding, James H., xxx-xx-xxxx.
Yochmowitz, Michael G., xxx-xx-xxxx.
Young, Alan H., xxx-xx-xxxx.
Young, David D., Jr., xxx-xx-xxxx.
Young, Terrence J., xxx-xx-xxxx.
Yucuis, William A., xxx-xx-xxxx.
Yurko, Richard M., Jr., xxx-xx-xxxx.
Zdanuk, Anthony F., Jr., xxx-xx-xxxx.
Zejdlik, Todd N., xxx-xx-xxxx.
Zerambo, Edward S., xxx-xx-xxxx.
Zimmerman, John A., xxx-xx-xxxx.
Zimmerman, John C., xxx-xx-xxxx.

JUDGE ADVOCATE

Anderson, Robert C., xxx-xx-xxxx.

MEDICAL SERVICE CORPS

Budinger, Kris M., xxx-xx-xxxx.
Harper, Martin L., xxx-xx-xxxx.
Walker, Douglas A., xxx-xx-xxxx.

BIOMEDICAL SCIENCES CORPS

Farmwald, Jay A., xxx-xx-xxxx.
Fink, Patrick T., xxx-xx-xxxx.
Garrett, James L., xxx-xx-xxxx.
Shotton, Neil O., xxx-xx-xxxx.
Siefke, Richard W., xxx-xx-xxxx.

Executive nominations received by the Senate on August 22, 1977, pursuant to the order of August 5, 1977:

DEPARTMENT OF STATE

Raul H. Castro, of Arizona, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

Frank H. Perez, of Virginia, for the rank of Minister during the tenure of his assignment as the State Department SALT Representative at Geneva, Switzerland.

Executive nominations received by the Senate on August 25, 1977, pursuant to the order of August 5, 1977:

INTERNATIONAL ATOMIC ENERGY AGENCY CONFERENCE REPRESENTATIVES

The following-named persons to be the Representative and Alternate Representatives of the United States of America to the Twenty-first Session of the General Conference of the International Atomic Energy Agency:

Representative:

Robert W. Fri, of Maryland.

Alternate Representatives:

Richard T. Kennedy, of the District of Columbia.

Louis V. Nosenzo, of Virginia.

Joseph S. Nye, Jr., of Massachusetts.

Nelson F. Sievering, Jr., of Maryland.

Gerard C. Smith, of the District of Columbia.

Galen L. Stone, of the District of Columbia.

Robert D. Thorne, of California.

THE JUDICIARY

Gilbert S. Merritt, of Tennessee, to be U.S. circuit judge for the sixth circuit, vice William E. Miller, deceased.

Edward H. Johnstone, of Kentucky, to be U.S. district judge for the western district of Kentucky, vice James F. Gordon, retired.

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the National Oceanic and Atmospheric Administration:

To be lieutenants

Michael R. Johnson
Frank B. Arbusto, Jr.

To be lieutenants (junior grade)

Jay P. Unwin

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Abner B. Martin, (50), xxx-xx-x... FR (major general, Regular Air Force), U.S. Air Force.

Executive nomination received by the Senate August 26, 1977, pursuant to the order of August 5, 1977:

DEPARTMENT OF STATE

Paul H. Boeker, of Ohio, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bolivia.

Executive nominations received by the Senate August 29, 1977, pursuant to the order of August 5, 1977:

THE JUDICIARY

Procter R. Hug, Jr., of Nevada, to be U.S. circuit judge for the ninth circuit, vice Ben Cushing Duniway, retired.

Thomas Tang, of Arizona, to be U.S. circuit judge for the ninth circuit, vice Richard H. Chambers, retired.

DEPARTMENT OF JUSTICE

Ronald E. Angel, of Georgia, to be U.S. marshal for the northern district of Georgia for the term of 4 years, vice James H. Henson.

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 3370 and 3383:

ARMY PROMOTION LIST

To be colonel

Baylor, James B., xxx-xx-xxxx.
Benson, Ted, xxx-xx-xxxx.
Bishof, Wilbur C., xxx-xx-xxxx.
Brenner, Robert, xxx-xx-xxxx.
Falcone, Ernani C., xxx-xx-xxxx.
Ferguson, James T., xxx-xx-xxxx.
Fragale, Philip J., xxx-xx-xxxx.
Henderson, Jefferson, xxx-xx-xxxx.
Herrick, Leroy C., xxx-xx-xxxx.
Hope, Robert C., xxx-xx-xxxx.
Lunz, James H., xxx-xx-xxxx.
Parks, John R., xxx-xx-xxxx.
Passalacqua, Dominick F., xxx-xx-xxxx.
Pottenger, Harold P., xxx-xx-xxxx.
Simons, Charles J., xxx-xx-xxxx.
Weggeland, Gordon G., xxx-xx-xxxx.
Williams, Howard L., xxx-xx-xxxx.

MEDICAL CORPS

To be colonel

Bachman, Richard K., xxx-xx-xxxx.
Swan, Kenneth G., xxx-xx-xxxx.

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 3370 and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Adamson, Davis M., xxx-xx-xxxx.
Allen, Riley N., Jr., xxx-xx-xxxx.
Auman, Richard H., xxx-xx-xxxx.
Austin, Ralph A., Jr., xxx-xx-xxxx.
Austin, William H., xxx-xx-xxxx.
Baker, James E., xxx-xx-xxxx.
Beachy, Donald K., xxx-xx-xxxx.
Beard, James L., xxx-xx-xxxx.
Bennett, Louis G., xxx-xx-xxxx.
Berry, James C., xxx-xx-xxxx.
Bowen, Frank S., III, xxx-xx-xxxx.
Bowling, Jimmy V., xxx-xx-xxxx.
Bowman, James B., xxx-xx-xxxx.
Boyd, Donald G., xxx-xx-xxxx.
Brown, Emmett L., Jr., xxx-xx-xxxx.
Brown, Jerry H., xxx-xx-xxxx.
Brown, Joe B., xxx-xx-xxxx.
Brutscher, Baldwin L., xxx-xx-xxxx.
Butler, Joseph H., xxx-xx-xxxx.
Carter, Ralph L., xxx-xx-xxxx.

Cavender, Frank W., xxx-xx-xxxx
Chong, Paul P., xxx-xx-xxxx
Cole, Richard I., xxx-xx-xxxx
Corbitt, Bradley G., xxx-xx-xxxx
Criss, Carl K., xxx-xx-xxxx
Cronhardt, Lane H., xxx-xx-xxxx
Crow, Nathan H., xxx-xx-xxxx
Crozier, Leroy K., xxx-xx-xxxx
Curtis, Daniel B., xxx-xx-xxxx
Dahlstedt, Carle E., xxx-xx-xxxx
Damour, Alfred D., xxx-xx-xxxx
Daniels, James P., xxx-xx-xxxx
Dennison, John C., xxx-xx-xxxx
Denoncourt, Gerard, xxx-xx-xxxx
Desmarais, Michael P., xxx-xx-xxxx
Devaughn, Louis E., xxx-xx-xxxx
Dobreniecki, Robert M., xxx-xx-xxxx
Donaldson, Wilbert J., xxx-xx-xxxx
Dow, Robert G., xxx-xx-xxxx
Dyson, John O., xxx-xx-xxxx
Efremoff, Donald, xxx-xx-xxxx
Filosa, Kenneth J., xxx-xx-xxxx
Fiser, David J., xxx-xx-xxxx
Foster, Wilfred J. D., xxx-xx-xxxx
Flood, Robert, Jr., xxx-xx-xxxx
Gay, Robert W., Jr., xxx-xx-xxxx
Gibson, Donald A., xxx-xx-xxxx
Goldstrohm, William R., xxx-xx-xxxx
Goulet, Bernard T., xxx-xx-xxxx
Griffin, James M., xxx-xx-xxxx
Hancock, Romie W., Jr., xxx-xx-xxxx
Harper, Clements L., xxx-xx-xxxx
Harris, Chester R., Jr., xxx-xx-xxxx
Harrison, Charles R., xxx-xx-xxxx
Hein, Klaus P., xxx-xx-xxxx
Herring, Gene, xxx-xx-xxxx
Herring, James H., xxx-xx-xxxx
Hill, Leo, xxx-xx-xxxx
Himler, Arthur, xxx-xx-xxxx
Hollabaugh, James T., xxx-xx-xxxx
Hooker, William V., Jr., xxx-xx-xxxx
Horvet, Richard A., xxx-xx-xxxx
Hubbard, Garfield E., xxx-xx-xxxx
Humbert, Richard P., xxx-xx-xxxx
Hummell, Richard, xxx-xx-xxxx
Hutson, Kyle E., xxx-xx-xxxx
Ishikawa, Norman T., xxx-xx-xxxx
Ison, Wade H., III, xxx-xx-xxxx
Jackson, Herman E., xxx-xx-xxxx
Jaimes, Daniel R., xxx-xx-xxxx
Jones, Ordie R., xxx-xx-xxxx
Jones, Thomas E., xxx-xx-xxxx
Jones, Thomas P., xxx-xx-xxxx
Kane, Michael J., xxx-xx-xxxx
Kazin, John R., xxx-xx-xxxx
Kho, Franklin Y. C., xxx-xx-xxxx
Kirst, Daniel T., xxx-xx-xxxx
Kirt, Jerry R., xxx-xx-xxxx
Kubicz, William C., xxx-xx-xxxx
Kulas, Julian E., xxx-xx-xxxx
Lauer, Paul H., xxx-xx-xxxx
Laughlin, Robert S., xxx-xx-xxxx
Little, Ruby D., xxx-xx-xxxx
Lord, Alexander E., xxx-xx-xxxx
Love, Dana W., Jr., xxx-xx-xxxx
Lower, Walter J., xxx-xx-xxxx
Mahony, Robert G., xxx-xx-xxxx
Margotta, Frank A., xxx-xx-xxxx
Martin, Don, Jr., xxx-xx-xxxx
Martin, Irvin L., Jr., xxx-xx-xxxx
Martin, Ralph S., Jr., xxx-xx-xxxx
Mazza, Gary E., xxx-xx-xxxx
McClary, James, xxx-xx-xxxx
McGurk, Terrence J., xxx-xx-xxxx
Nix, John U., xxx-xx-xxxx
Norman, Richard M., xxx-xx-xxxx
O'Dowd, James B., xxx-xx-xxxx
Olds, Jack R., xxx-xx-xxxx
Pearson, Edward A., xxx-xx-xxxx
Pendleton, Edmund, Jr., xxx-xx-xxxx
Pershing, David J., xxx-xx-xxxx
Poplawski, Vincent J., xxx-xx-xxxx
Posey, John M., Jr., xxx-xx-xxxx
Roach, George A., xxx-xx-xxxx
Robinson, Jerry L., xxx-xx-xxxx
Sachs, Clifford W., xxx-xx-xxxx
Salyer, James R., xxx-xx-xxxx
Sanders, Joe V., xxx-xx-xxxx
Scott, George C., xxx-xx-xxxx
Scheuchzer, Larry L., xxx-xx-xxxx
Schottler, Guy L., xxx-xx-xxxx
Shuckra, Leslie R., xxx-xx-xxxx
Sills, Jackie L., xxx-xx-xxxx
Skelly, James G., xxx-xx-xxxx
Skipper, Curtis R., xxx-xx-xxxx
Smith, Calvin A., xxx-xx-xxxx
Smith, Harvey T., xxx-xx-xxxx
Snodgrass, William D., xxx-xx-xxxx
Sones, John A., xxx-xx-xxxx
Sosby, Earl B., xxx-xx-xxxx
Sudenfield, Edward, xxx-xx-xxxx
Sutcliffe, George H., xxx-xx-xxxx
Thieman, Frederick K., xxx-xx-xxxx
Todd, James C., Jr., xxx-xx-xxxx
Todd, Terry J., xxx-xx-xxxx
Trombley, Donald D., xxx-xx-xxxx
Velasco, Herman J., Jr., xxx-xx-xxxx
Vruble, Benedict M., xxx-xx-xxxx
Walker, Richard G., xxx-xx-xxxx
Ward, Frank J., xxx-xx-xxxx
Watson, George T., Jr., xxx-xx-xxxx
Westmoreland, Maurice D., xxx-xx-xxxx
Workman, William D., xxx-xx-xxxx
Yonamine, Kenneth T., xxx-xx-xxxx
Young, Bobby G., xxx-xx-xxxx
Zettler, William J., xxx-xx-xxxx

CHAPLAIN

Hendrick, Kenneth E., xxx-xx-xxxx
Lawrence, Stewart B., xxx-xx-xxxx
Swerdlow, Paul, xxx-xx-xxxx

WOMEN'S ARMY CORPS

To be lieutenant colonel

Cadwell, Jacqueline L., xxx-xx-xxxx

ARMY NURSE CORPS

To be lieutenant colonel

Brunson, Esther L., xxx-xx-xxxx
Cowen, Omer W., Jr., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Geher, Martin E., xxx-xx-xxxx
Rivard, Richard M., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Drynan, John J., xxx-xx-xxxx
Johns, Calvin R., Jr., xxx-xx-xxxx
Kim, Andrew T., xxx-xx-xxxx
Kunschner, Alan J., xxx-xx-xxxx
Lazarini, Jose A., xxx-xx-xxxx
Mutchler, Bradford E., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be lieutenant colonel

Cohen, Abraham J., xxx-xx-xxxx
Fries, Donald D., xxx-xx-xxxx
Fuller, William P., Jr., xxx-xx-xxxx
Joos, Richard D., xxx-xx-xxxx
Kubisty, John J., xxx-xx-xxxx
McClafin, Donald E., xxx-xx-xxxx
Raynor, Robert A., xxx-xx-xxxx
Titard, Pierre L., xxx-xx-xxxx
Williams, Sherman C., xxx-xx-xxxx

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of Title 10, U.S.C., Sections 591, 593, and 594:

DENTAL CORPS

To be lieutenant colonel

Body, Charles D., xxx-xx-xxxx
Cochran, Martin K., xxx-xx-xxxx
Peterson, Iver A., xxx-xx-xxxx
Tognotti, William J., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Dybedal, Paul W., xxx-xx-xxxx
Harper, Neville W., xxx-xx-xxxx
Inness-Brown, Hugh A., xxx-xx-xxxx
Roe, Robert D., xxx-xx-xxxx
Sanders, Harold L., xxx-xx-xxxx
Swift, John W., xxx-xx-xxxx

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

Marshall, Anna J., xxx-xx-xxxx

VETERINARY CORPS

To be lieutenant colonel

Anderson, Carsten D., xxx-xx-xxxx
Vosdingh, Ralph A., xxx-xx-xxxx

The following-named officers for appointment in the Army of the United States under the provisions of Title 10, U.S.C., Section 3494:

MEDICAL CORPS

To be lieutenant colonel

Aaronson, Lewis C., xxx-xx-xxxx
Aydt, Victor A., xxx-xx-xxxx
Black, Kenneth E., xxx-xx-xxxx
Carmick, Edward S., xxx-xx-xxxx
Faith, Glenn C., xxx-xx-xxxx
Manayan, Ben A., xxx-xx-xxxx
Milgram, Kenneth K., xxx-xx-xxxx

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of Title 10, U.S.C., Section 3385:

ARMY PROMOTION LIST

To be colonel

Blattner, Charles F., xxx-xx-xxxx
Boll, James C., xxx-xx-xxxx
Bradley, Clarence E., xxx-xx-xxxx
Canals-Vidal, Jose A., xxx-xx-xxxx
Conva, Gerald P., xxx-xx-xxxx
Cook, James M., Jr., xxx-xx-xxxx
Duckworth, Norman E., xxx-xx-xxxx
Gourley, John D., xxx-xx-xxxx
Hildebrandt, Eugene F., xxx-xx-xxxx
Hoyt, John V., xxx-xx-xxxx
Kenney, James J., xxx-xx-xxxx
Kuba, William F., xxx-xx-xxxx
Kuntz, Richard A., xxx-xx-xxxx
McMullan, John J. J., xxx-xx-xxxx
Navas-Davila, Luis S., xxx-xx-xxxx
Palmieri, Frank, xxx-xx-xxxx
Quick, Buren, Jr., xxx-xx-xxxx
Randle, William J., Jr., xxx-xx-xxxx
Shackelford, William H., xxx-xx-xxxx
Sylvain, Richard D. xxx-xx-xxxx
Talbott, William F., xxx-xx-xxxx
Varn, Jasper B., Jr., xxx-xx-xxxx
Walker, Holman J., xxx-xx-xxxx

MEDICAL CORPS

To be colonel

Szymonski, Zdzislaw, xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be colonel

Boland, Ernest P., xxx-xx-xxxx

ARMY PROMOTION LIST

To be lieutenant colonel

Anderson, Benny P., xxx-xx-xxxx
Archer, Wright R., xxx-xx-xxxx
Beesley, Fred W., Jr., xxx-xx-xxxx
Berard, Jerome J., xxx-xx-xxxx
Bookout, Jerry P., xxx-xx-xxxx
Bowdy, James B., xxx-xx-xxxx
Brinkley, Lehman M., xxx-xx-xxxx
Brown, Gerald V., xxx-xx-xxxx
Bryant, Asa, Jr., xxx-xx-xxxx
Bunn, Gary L., xxx-xx-xxxx
Canon,Val H., Jr., xxx-xx-xxxx
Carter, Donald R., xxx-xx-xxxx
Chapin, Glen R., xxx-xx-xxxx
Coman, Herbert W., xxx-xx-xxxx
Coyle, Charles J., xxx-xx-xxxx
Dawson, Raymond M., xxx-xx-xxxx
Dempsey, John M. L., xxx-xx-xxxx
DeRosier, Roy W., xxx-xx-xxxx
Dougherty, Alonzo D., xxx-xx-xxxx
Ecker, Eugene F., xxx-xx-xxxx
Elam, Ruoy T., xxx-xx-xxxx
Erickson, Kenneth P., xxx-xx-xxxx
Fantauzzi-Ruiz, Rafael, xxx-xx-xxxx
Fletcher, Robert G., xxx-xx-xxxx
Garner, James B., Sr., xxx-xx-xxxx
Harris, Robert A., xxx-xx-xxxx
Hawkins, Billy W., xxx-xx-xxxx
Hildebrand, Dean C., xxx-xx-xxxx
Jones, Larry R., xxx-xx-xxxx
Kondi, Albert J., xxx-xx-xxxx

Larson, John D., xxx-xx-xxxx
Lorman, Walter E., xxx-xx-xxxx
Lundquist, Ronald W., xxx-xx-xxxx
Mack, Douglas F., xxx-xx-xxxx
Magana, Raymond, Jr., xxx-xx-xxxx
Martin, Allen L., xxx-xx-xxxx
Martin, Clyde E., xxx-xx-xxxx
Martin, Paul D., xxx-xx-xxxx
McNamara, Michael P., xxx-xx-xxxx
McNeil, Rodney W., xxx-xx-xxxx
Meek, James G., xxx-xx-xxxx
Miller, Charles L., xxx-xx-xxxx
Morgan, Edmund H., III, xxx-xx-xxxx
Murphy, James H., xxx-xx-xxxx
Nichols, Thomas D., xxx-xx-xxxx
Nornberg, John T., xxx-xx-xxxx
O'Neal, Paul B., xxx-xx-xxxx
Orten, Gary W., xxx-xx-xxxx
Palmer, Leonard N., xxx-xx-xxxx
Parker, Julius L., Jr., xxx-xx-xxxx
Peeler, Clarence E., xxx-xx-xxxx
Peoples, Kerney A., Jr., xxx-xx-xxxx
Phillips, Billy M., xxx-xx-xxxx
Powell, Norman L., xxx-xx-xxxx
Robertson, Darrell D., xxx-xx-xxxx
Rubenstein, Howard A., xxx-xx-xxxx
Russ, George T., xxx-xx-xxxx
Scheid, Gordon E., xxx-xx-xxxx
Sessoms, Charlie C., Jr., xxx-xx-xxxx
Shipley, A. L., xxx-xx-xxxx
Slayton, Richard A., xxx-xx-xxxx
Sullivan, Daniel J., xxx-xx-xxxx
Talburt, Dale C., xxx-xx-xxxx
Thomas, Paul J., xxx-xx-xxxx
Uselton, Sammie R., xxx-xx-xxxx
Wagner, Wayne F., xxx-xx-xxxx
Warner, Clarence E., xxx-xx-xxxx
Whitford, Jerry V., xxx-xx-xxxx
Williams, Ray W., xxx-xx-xxxx
Winklepleck, Harry E., xxx-xx-xxxx

CHAPLAIN

To be lieutenant colonel

Jessop, Sylmar W., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Brown, Norman G., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Alban, Seymour L., xxx-xx-xxxx
Engeler, James E., Jr., xxx-xx-xxxx
Harris, Burton H., xxx-xx-xxxx
Heath, Alfred O., xxx-xx-xxxx
Ingle, Larry T., xxx-xx-xxxx
Klein, Gershon A., xxx-xx-xxxx
Lubin, Joseph D., xxx-xx-xxxx
Miller, William W., xxx-xx-xxxx
Pagan-Saez, Heriberto, xxx-xx-xxxx
Truex, Gary R., xxx-xx-xxxx
Watts, Alan L., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be lieutenant colonel

Cassady, Walter R., xxx-xx-xxxx
Cummins, Robert T., xxx-xx-xxxx

Executive nominations received by the Senate on August 31, 1977, pursuant to the order of August 5, 1977:

NATIONAL SCIENCE FOUNDATION

John B. Slaughter, of Washington, to be an Assistant Director of the National Science Foundation, vice Robert E. Hughes, resigned.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Charles N. Van Doren, of the District of Columbia, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency, vice Amrom H. Katz, resigned.

IN THE AIR FORCE

Brig. Gen. Walter D. Reed, xxx-xx-xxxx FR (brigadier general, Regular Air Force), U.S. Air Force for promotion to the grade of major general and for appointment as the Judge Advocate General, U.S. Air Force, under the provisions of chapter 839 and section 8072, title 10 of the United States Code.

Lt. Gen. John F. Gonge, U.S. Air Force, (age 55), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Executive nominations received by the Senate on September 2, 1977, pursuant to the order of August 5, 1977:

ENVIRONMENTAL PROTECTION AGENCY

Marvin B. Durning, of Washington, to be an Assistant Administrator of the Environmental Protection Agency, vice Stanley W. Legro, resigned.

David G. Hawkins, of the District of Columbia, to be an Assistant Administrator of the Environmental Protection Agency, vice Roger Strelow

Steven D. Jellinek, of Maryland, to be Assistant Administrator for Toxic Substances of the Environmental Protection Agency (new position).

Executive nominations received by the Senate September 7, 1977:

DEPARTMENT OF STATE

Frank J. Devine, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to El Salvador.

HOUSE OF REPRESENTATIVES—*Wednesday, September 7, 1977*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

He that would love life and see good days, let him turn away from evil and do right; let him seek peace and pursue it.—I Peter 3: 10, 11.

Eternal God, returning to our tasks on Capitol Hill, we pray for guidance from Thee for strength for each day and for wisdom to be wise in the decisions we make. May Thy blessing rest upon our President, our Speaker, our Congress, and our new Representative now to take the oath of office. May Thy spirit move in all our hearts as we endeavor to promote justice in our land, good will among our people, and cooperation between the nations of our Earth. Crown our efforts with success that peace may come to our planet, freedom to all people, and human rights prevail everywhere for everyone.

God bless America and make her a blessing to all the world. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceeding and announces to the House his approval thereof.

Is there objection to the approval of the Journal?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder if the Chair would entertain a point of order of no quorum under the new rules, prior to swearing in the new Member from the State of Louisiana.

The SPEAKER. The Chair intends to do that.

Mr. BAUMAN. I thank the Chair, and I withdraw my reservation of objection.

The SPEAKER. Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendment of the House with amendments to a bill of the Senate of the following title:

S. 1528. An act to amend section 2 of the Safe Drinking Water Act (Public Law 93-523) to extend and increase authorization provided for public water systems.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 3199. An act to amend the Federal Water Pollution Control Act to provide for additional authorizations, and for other purposes;

H.R. 5294. An act to amend the Consumer Credit Protection Act to prohibit abusive practices by debt collectors; and

H.R. 7797. An act making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1978, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 3199) entitled "An act to amend the Federal Water Pollution Control Act to provide for additional authorizations, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RANDOLPH, Mr. MUSKIE, Mr. GRAVEL, Mr. BURDICK, Mr. CULVER, Mr. HART, Mr. ANDERSON, Mr. STAFFORD, Mr. CHAFEE, Mr. WALLOP, Mr. MCCLURE, Mr. DOMENICI, and Mr. BAKER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 7797) entitled "An act making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1978, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. INOUYE, Mr. PROXMIRE, Mr. CHILES, Mr. JOHNSTON, Mr. LEAHY, Mr. DE CONCINI, Mr. SCHWEIKER, Mr. BROOKE, Mr. HATFIELD, and Mr. MATHIAS to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 71. An act to strengthen the supervisory authority of Federal agencies which regulate depositary institutions, to prohibit interlocking management and director relationships between depositary institutions, to amend the Federal Deposit Insurance Act, and to encourage officials of Federal agencies responsible for the supervision of financial institutions to complete their terms of office, and for other purposes;

S. 972. An act to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to

provide small businesses with advice and counseling on management development, technical information, product planning and development, and for other purposes;

S. 1462. An act to authorize the Secretary of Agriculture to undertake an emergency runoff retardation and soil-erosion prevention program, and to establish an emergency fund to carry out the program;

S. 1526. An act to establish an Associate Administrator for Women's Business Enterprise within the Small Business Administration; and

S. 1866. An act to amend section 222 of the Communications Act of 1934 in order to include Hawaii in the same category as other States for the purposes of such section.

The message also announced that the Vice President, pursuant to Public Law 95-45, appointed Mr. STAFFORD as a member of the Senate delegation to the 64th Fall Conference of the Interparliamentary Union, to be held in Sofia, Bulgaria, September 20-30, 1977.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 5, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted on August 5, 1977, the Clerk has received this date the following message from the Secretary of the Senate:

That the Senate agreed to the amendment of the House of Representatives to the bill (S. 1935) entitled "An Act to amend Public Law 95-18, providing for emergency drought relief measures."

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 6, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted on August 5, 1977, the Clerk has received this date the following messages from the Secretary of the Senate:

That the Senate passed H.R. 2563, an act for the relief of Velzora Carr;

That the Senate passed without amendment House Concurrent Resolution 330, a concurrent resolution relating to the adjournment of the Senate until September 7, 1977;

That the Senate agreed to the amendment of the House of Representatives to the bill S. 1153; and

That the Senate agreed to the amendment of the House of Representatives to the amendment of the Senate numbered 5 to the bill H.R. 7589.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Friday, August 5, 1977, he did on Saturday, August 6, 1977, sign the following enrolled bills:

H.R. 2563. An act for the relief of Velzora Carr;

H.R. 6161. An act to amend the Clean Air Act, and for other purposes;

H.R. 7589. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes;

S. 1153. An act to abolish the Joint Committee on Atomic Energy and to reassign certain functions and authorities thereof, and for other purposes; and

S. 1935. An act to amend Public Law 95-18, providing for emergency drought relief measures.

CALL OF THE HOUSE

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 514]

Addabbo	Fascell	Mottl
Alexander	Fish	Myers, Michael
Andrews, N.C.	Flynt	O'Brien
Applegate	Foley	Patten
Archer	Ford, Tenn.	Pepper
Armstrong	Fowler	Pettis
Badillo	Fraser	Pritchard
Baucus	Frey	Pursell
Biaggi	Gephardt	Quillen
Boland	Gibbons	Rangel
Bolling	Hanley	Rodino
Bonker	Hansen	Roe
Brademas	Harrington	Rostenkowski
Burton, John	Holtzman	Roybal
Chappell	Johnson, Calif.	Scheuer
Chisholm	Jones, Okla.	Sebelius
Clausen, Don H.	Jordan	Sisk
Clay	Ketchum	Skelton
Cleveland	Kindness	Solarz
Coleman	Koch	St Germain
Collins, Ill.	Krueger	Stangeland
Collins, Tex.	Lent	Steers
Conyers	Long, La.	Symms
Cornwell	Long, Md.	Tucker
Crane	Lujan	Vanik
Cunningham	Luken	Weiss
Dent	Lundine	Wiggins
Derrick	McEwen	Wilson, Bob
Dicks	Markey	Wydler
Early	Marlenee	Young, Alaska
Eckhardt	Moakley	Young, Tex.
Edgar	Mollohan	Zeferetti
Edwards, Okla.	Moorhead, Pa.	
	Moss	

The SPEAKER. On this rollcall 334 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HON. ROBERT L. "BOB" LIVINGSTON

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
September 7, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I am enclosing herewith a copy of the Certificate of Election, as issued by Governor Edwin W. Edwards, for the Honorable Robert L. "Bob" Livingston, who was duly elected Representative in Congress, First Congressional District, State of Louisiana, in a Special Election held on August 27, 1977, to fill the unexpired term of the Honorable Richard Tonry.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

The SPEAKER. The Representative-elect will present himself at the bar of the House for the purpose of having the oath of office administered to him.

Mr. LIVINGSTON appeared at the bar of the House and took the oath of office.

HON. ROBERT L. LIVINGSTON

(Mr. TREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TREEN. Mr. Speaker, the Speaker has just administered the oath of office to ROBERT L. LIVINGSTON, elected on August 27 to fill the vacancy in Louisiana's First Congressional District. This is an historic occasion, especially for Louisianians, as BOB is the first Republican in 102 years to represent Louisiana's First District.

The efforts of many are responsible for BOB's victory, and a large number of those people, including BOB's wife, Bonnie, and his three sons, are here today to witness this great day in BOB's career.

While we Republicans take pride in the political significance of this event, I am confident that all of us, on both sides of the aisle, who are privileged to serve in this, the world's greatest representative assembly, will be proud of the contribution which this outstanding young man will make to the work of the Congress and to the security, progress, and well-being of the American people.

BOB is 34 years old and served in the U.S. Navy prior to attending college at Tulane University in New Orleans. BOB has a B.A. degree in economics and a law degree from Tulane. I first met BOB in 1968 when, following his graduation from Tulane, he joined the law firm of Beard, Blue, Schmitt & Treen. From 1970 to 1973, BOB served as an assistant U.S. attorney, and was awarded a citation for outstanding achievement. He then served as chief special prosecutor and chief, Armed Robbery Division, Orleans Parish District Attorney's Office. In 1975, he became chief prosecutor, Organized Crime Unit, Louisiana Attorney General's Office.

BOB's work experience, his academic background and his personal attributes of diligence, integrity, and high moral purpose will add to the quality of the Congress.

CLOUD HANGING OVER CONGRESS MUST BE DISPELLED—COOPERATION OF KOREA IS REQUESTED

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, each of us who serves here knows that a cloud hangs over Congress. Allegations, rumors and innuendos of wrongdoing involving Members of Congress and representa-

tives of the Republic of Korea threaten to erode public confidence in the legislative branch of Government. And that public confidence is essential to the operation of our system of government. The cloud must be removed. Our Nation's mental and economic health depends on it.

For our own part, the House has directed the Committee on Standards of Official Conduct to pursue a thorough investigation of possible wrongdoing by House Members. The special counsel to the committee has been granted complete independence to proceed as he sees fit. Let the chips fall where they may, let no stone remain unturned in order that we may remove any cloud of suspicion.

Unfortunately, the Republic of Korea does not seem to share our desire to put this matter to an end. Today the individual alleged to have been the central figure in Korean influence peddling—a man who has been indicted on 36 felony counts, remains at large in that nation. Records of obvious relevance to the investigation and the important knowledge of Korean nationals are being withheld.

The attitude being taken by the Republic of Korea can only strain its relations with the United States. Doubts as to the continued advisability of our partnership with the Republic of Korea are being expressed all across America. Our alliance cannot thrive under these conditions.

Whatever the facts may be, they will ultimately come out. The American people will not tolerate suppression and coverup. I have no desire to embarrass or to infringe upon the sovereignty of the Republic of Korea. Rather, I ask for the help of a great ally. Cooperation has always been the hallmark of our relations with Korea. Let cooperation in this investigation be a symbol of the continued flourishing of our alliance.

Mr. CAPUTO. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. If I have any time left, I will be glad to yield.

Mr. CAPUTO. Mr. Speaker, I was going to inquire if the gentleman had any thoughts about legislative remedies for the problem that the gentleman identifies; namely, the lack of cooperation by the Korean Government. For example, is there something we can do with the budget resolution before the House this week?

Mr. O'NEILL. My personal feeling is that there is nothing we can do with regard to the budget resolution. Any restrictions added to that resolution would not technically hold up any money.

No. 1, Korea has always been an ally of America.

Thousands of our boys offered their lives over there. Many more were wounded. I have forgotten the exact figure, but throughout the years we have expended about $30 billion in various programs over there. For what purpose? Why? To maintain the peace in Northeast Asia. We are going to remove most of our troops from there. There have been conferences with our State Department people, Mr. Vance and others, with the South Koreans. We know that negotiations have taken place. We know that Japan is deeply concerned about the entire situation as an ally of ours in that section of the world.

I think taking precipitous action now to cut programs to South Korea would be the wrong thing to do. As Speaker of the House, I have taken the well today to ask the South Koreans to turn over relevant documents and any other information the man himself who has been alleged to be the person that was involved might contribute to a full airing of this matter.

I think we ought to wait for a response from South Korea. I surely would hope that they would respond favorably, because I am sure that I express the tenor and the will of all of the Members of this Congress when I make this appeal.

Mr. CAPUTO. Mr. Speaker, if the gentleman will yield further, I would like to explore the possibility of legislative treatment. I share the gentleman's view that the national security interests of the United States and its allies in Northeast Asia need not be reconsidered at this time. Those issues can be raised in other contexts. So apart from defense issues, we know we spend about $110 million a year in preferential Publice Law 480 support of wheat, cotton, and rice programs for South Korea. South Korea is a country with a robust economy, a relatively high per capita income, and relatively little starvation. Does the gentleman think we could consider suspending budget authority to them?

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

(By unanimous consent, Mr. O'NEILL was allowed to proceed for 1 additional minute.)

Mr. O'NEILL. Mr. Speaker, I would be happy to follow the recommendations developed by the appropriate committee. I am not able now to give a response to a question of that nature. It never even occurred to me.

Mr. CAPUTO. Mr. Speaker, if the gentleman will yield further, then the gentleman has an open mind about the possibility of adjusting budget authority for nondefense South Korea programs?

Mr. O'NEILL. I have an open mind and would be happy to follow the thoughts and desires and the intelligence and the report of our committee.

Mr. CAPUTO. Mr. Speaker, if the gentleman will yield further, might I ask one last question. Would the gentleman's remarks about——

Mr. O'NEILL. I would be glad to give the gentleman a copy.

Mr. CAPUTO. I was merely asking, were the gentleman's opening comments instigated in any way by the indictment that was unsealed yesterday citing several high-level Korean officials as unindicted coconspirators for 36 separate offenses?

Mr. O'NEILL. Before I had known the indictment had taken place, it was my intent to take the floor.

The SPEAKER pro tempore. The time of the distinguished gentleman from Massachusetts has again expired.

(By unanimous consent, Mr. O'NEILL was allowed to proceed for 1 additional minute.)

Mr. CAPUTO. Mr. Speaker, if the gentleman will yield further, the alleged complicity of some high-level Korean officials in crimes against the United States substantially changes our attitude on what to do about inadequate Korean cooperation with our investigation. Does not the indictment of Korean officials make a material difference? What we have just learned in the last 24 hours——

Mr. O'NEILL. Would that change it? I would say we would have to obtain the moral judgment of that from our State Department. Nobody is more upset about the Korean situation than I am.

I am sure the gentleman, more than anybody else, is aware of the unfair stories that appeared in the paper about me in the last couple of weeks. I want to assure him—and he was the interrogator—that regardless of who the witness was, that never, never was Tongsun Park ever using my office. I only recall seeing him once myself in my office. My staff has told me that he was probably there two or three times. The gentleman can be assured that we have asked all of them.

When the gentleman went into this and asked so many questions, as I understand it—and I only understand it, because I have not seen any document, and I only know what has been leaked to the press, so that I have not got any knowledge of it except secondhand—the gentleman was there; he was the questioner. I do not know whether he questioned whether JOHN RHODES was at a party or JOHN RHODES' office was used, or BOB MICHEL's office was used, or whether any of the old leadership was involved.

I do know that the gentleman asked about Carl Albert and he asked about TIP O'NEILL. I could ask, why did the gentleman not go into others? Why was he partisan about it?

Mr. CAPUTO. I think we have wandered off my point.

Mr. O'NEILL. I just want the gentleman to know that I was the victim of a terrific smear. All I have is my reputation. I have been in public life for 43 years, and the only one thing I want to leave with is the satisfaction that I have done a good job; that I leave a heritage to my family, and I do not want anybody tearing my reputation apart.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WRIGHT). The Chair will announce that it intends to receive unanimous-consent requests for remarks at this time. Then, the Chair will lay before the House certain messages and communications. Thereafter, we will go to unanimous-consent requests for business before proceeding to the budget resolution.

THE CONGRESSIONAL BUDGET FOR FISCAL YEAR 1977

(Mr. GIAIMO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GIAIMO. Mr. Speaker, on behalf of the Committee on the Budget and as called for in the Congressional Budget Act, I am reporting to the House on the status of the fiscal year 1977 congressional budget under the resolution adopted by the House on May 17, 1977.

Since my last report to the House, the President has submitted his mid-session review of the budget. As a result, a number of reestimates for fiscal year 1977 have been incorporated into the current level of spending. The current level for revenues has been increased by $900 million mostly because of upward adjustments for corporate income taxes and social insurance taxes and contributions. The current level has increased $418 million for budget authority and decreased $5,758 million for outlays. A summary of the major reestimates which have been incorporated into the current level since the mid-session review of the budget is printed in the eighth scorekeeping report for fiscal year 1977 prepared by the Congressional Budget Office.

In addition, three fiscal year 1978 appropriations changed fiscal year 1977 amounts which have an effect on the current level for the budget year. The current level has been increased $71 million in budget authority and $46 million in outlays as a result of these fiscal year 1977 supplemental appropriations contained in the legislative branch and agriculture appropriations. The public works appropriation for fiscal year 1978 contains a rescission for fiscal 1977 in the amount of $12 million in budget authority and $3 million in outlays. The chart following details these changes:

CHANGES TO THE PARLIAMENTARIAN STATUS REPORT SINCE JULY 22, 1977

[In millions of dollars]

	Budget authority	Outlays	Revenues
Current level as of July 22, 1977	462,723	408,355	356,700
Changes due to subsequent legislative action:			
Legislative Branch, 1978	21	21	
Agriculture, 1978	50	25	
Public Works, 1978	−12	−3	
Changes due to reestimates	418	−5,758	900
Current level as of Aug. 5, 1977	463,200	402,640	357,600
3d budget resolution revised	470,200	409,200	356,600
Amount remaining	7,000	6,560	1,000

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 7, 1977.

Hon. THOMAS P. O'NEILL, JR.,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedures which it had adopted in connection with its responsibilities under Sec. 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending. I am herewith transmitting the status report under S. Con. Res. 19, the Third Budget Resolution revised for FY 1977. This report reflects the amended resolution of May 17, 1977 and estimates of budget authority, outlays, and revenues based on all completed action on spending and revenue measures as of close of legislative business, Friday, August 5, 1977.

Sincerely yours,

ROBERT N. GIAIMO,
Chairman.

REPORT TO THE SPEAKER OF THE HOUSE FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1977 CONGRESSIONAL BUDGET ADOPTED IN S. CON. RES. 19

REFLECTING COMPLETED ACTION AS OF AUG. 5, 1977

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	470,200	409,200	356,600
Current level	463,200	492,640	357,600
Amount remaining	7,000	6,560	1,000

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $7,000 million for fiscal year 1977, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in S. Con. Res. 19 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $6,560 million for fiscal year 1977, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in S. Con. Res. 19 to be exceeded.

REVENUES

Any measure that would result in a revenue loss exceeding $1,000 million for fiscal year 1977, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in S. Con. Res. 19.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., September 2, 1977.

Hon. ROBERT N. GIAIMO,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority estimated outlays and estimated revenues in comparison with the appropriate levels for these items contained in the most recently agreed to concurrent resolution of the 1977 budget. The current level estimates are as of close of business August 5, 1977.

Since my last report, the President has signed the Legislative Branch, Public Works, and Agriculture Appropriation Bills making them public laws. In addition, a number of budget reestimates have been incorporated which reflect analysis of the July Mid-session Budget Review and having the net effect of increasing budget authority $418 million, decreasing outlays $5,758 million and increasing revenues $900 million.

[In millions of dollars]

	Budget authority	Outlays	Revenues
1. Enacted	463,200	402,640	357,600
2. Entitlement authority and other mandatory items requiring further appropriation action			
3. Continuing resolution authority			
4. Conference agreements ratified by both Houses			
Current level	463,200	402,640	357,600
Concurrent resolution of May 17, 1977	470,200	409,200	356,600
Amount remaining:			
Under ceiling	7,000	6,560	
Over floor			1,000

Sincerely,

ALICE M. RIVLIN,
Director.

PARLIAMENTARIAN STATUS REPORT, SUPPORTING DETAIL, FISCAL YEAR 1977, AS OF CLOSE OF BUSINESS AUG. 5, 1977—Continued

[In millions of dollars]

	Budget authority	Outlays
I. Enacted:		
Permanent appropriations and trust funds	210,018	192,340
Offsetting receipts	−54,020	−54,020
Previously enacted (94th Cong., 2d sess.)	265,488	254,439
Enacted this session:		
Urgent power supplemental (Public Law 95-3)	6	6
Energy research and development deferrals (H. Res. 305, 306, and 307)		18
Budget rescission bill, 1977 (Public Law 95-10)	−48	
Urgent supplemental appropriation for disaster relief (Public Law 95-13)	200	200
2d budget rescission for fiscal year 1977 (Public Law 95-15)	−664	−47
Extension of Federal supplemental unemployment benefits (Public Law 95-19)		528
Spring supplemental appropriation (Public Law 95-26)	26,826	6,400
Economic stimulus supplemental appropriation (Public Law 95-29)	15,110	2,588
State, Justice, Commerce, and the Judiciary appropriation, 1978 (Public Law 95-86)	212	132
Transportation and related agencies appropriation, 1978 (Public Law 95-85)	12	12
Agriculture and related agencies appropriation, 1978 (Public Law 95-97)	50	25
Legislative branch appropriation, 1978 (Public Law 95-94)	21	21
Public Works appropriation, 1978 [1] (Public Law 95-96)	−12	−3
Total, enacted	463,200	402,640
II. Entitlement authority and other mandatory items requiring further appropriation action		
III. Continuing resolution authority		
IV. Conference agreements ratified by both Houses		
Total current level, as of Aug. 5, 1977	463,200	402,640
Concurrent resolution of May 17, 1977	470,200	409,200
Amount remaining:		
Over ceiling		
Under ceiling	7,000	6,560

[1] Rescissions.

Note: Detail may not add due to rounding.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 12, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:32 p.m. on Friday, August 12, 1977, and said to contain a message from the

President wherein he transmits the sixth annual report on the administration of the Railroad Safety Act of 1970.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

SIXTH ANNUAL REPORT ON ADMINISTRATION OF RAILROAD SAFETY ACT OF 1970—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith the Sixth Annual Report on administration of the Railroad Safety Act of 1970 (84 Stat. 971, 45 U.S.C. 421 et seq.) as required by that act. This report has been prepared in accordance with section 211 of the act, and covers the period January 1, 1976, through December 31, 1976.

This report was prepared based upon activities of the Department of Transportation and the Federal Railroad Administration prior to my term of office.

JIMMY CARTER.

THE WHITE HOUSE, *August 12, 1977.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 12, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:32 p.m. on Friday, August 12, 1977, and said to contain a message from the President wherein he transmits the eleventh annual report of the National Endowment for the Humanities for fiscal year 1976.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

ELEVENTH ANNUAL REPORT OF NATIONAL ENDOWMENT FOR THE HUMANITIES FOR FISCAL YEAR 1976—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and Humanities Act of 1965, as amended, I transmit herewith the eleventh annual report of the National Endowment for the Humanities for fiscal year 1976. This Report covers events prior to the beginning of my Administration.

JIMMY CARTER.

THE WHITE HOUSE, *August 12, 1977.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 8, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:30 a.m. on Saturday, August 6, 1977, and said to contain a message from the President concerning welfare reform.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

WELFARE REFORM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–205)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means, the Committee on Education and Labor, and the Committee on Agriculture, and ordered to be printed:

To the Congress of the United States:

As I pledged during my campaign for the Presidency I am asking the Congress to abolish our existing welfare system, and replace it with a job-oriented program for those able to work and a simplified, uniform, equitable cash assistance program for those in need who are unable to work by virtue of disability, age or family circumstance. The Program for Better Jobs and Income I am proposing will transform the manner in which the Federal government deals with the income needs of the poor, and begin to break the welfare cycle.

The program I propose will provide:

—Job opportunities for those who need work.

—A Work Benefit for those who work but whose incomes are inadequate to support their families.

—Income Support for those able to work part-time or who are unable to work due to age, physical disability or the need to care for children six years of age or younger.

This new program will accomplish the following:

—Dramatically reduce reliance on welfare payments by doubling the number of single-parent family heads who support their families primarily through earnings from work.

—Ensure that work will always be more profitable than welfare, and that a private or non-subsidized public job will always be more profitable than a special federally-funded public service job.

—Combine effective work requirements and strong work incentives with improved private sector placement services, and create up to 1.4 million public service jobs. Forty-two percent of those jobs may be taken by current AFDC recipients. Those who can work will work, and every family with a full-time worker will have an income substantially above the poverty line.

—Provide increased benefits and more sensitive treatment to those most in need.

—Reduce complexity by consolidating the current AFDC, Supplemental Security Income (SSI), and Food Stamp programs, all of which have differing eligibility requirements, into a single cash assistance program, providing for the first time a uniform minimum Federal payment for the poor.

—Provide strong incentives to keep families together rather than tear them apart, by offering the dignity of useful work to family heads and by ending rules which prohibit assistance when the father of a family remains within the household.

—Reduce fraud and error and accelerate efforts to assure that deserting fathers meet their obligations to their families.

—Give significant financial relief to hard-pressed State and local governments.

THE NEED FOR REFORM

In May, after almost four months of study, I said that the welfare system was worse than I expected. I stand by that conclusion. Each program has a high purpose and serves many needy people; but taken as a whole the system is neither rational nor fair. The welfare system is anti-work, anti-family, inequitable in its treatment of the poor and wasteful of taxpayers' dollars. The defects of the current system are clear:

—It treats people with similar needs in different fashion with separate eligibility requirements for each program.

—It creates exaggerated differences in benefits based on state of residence. Current combined state and Federal AFDC benefits for a family of four with no income vary from $720 per year in Mississippi to $5,954 in Hawaii.

—It provides incentives for family breakup. In most cases two-parent families are not eligible for cash assistance and, therefore, a working father often can increase his family's income by leaving home. In Michigan a two-parent family with the father working at the minimum wage has a total income, including tax credits and food stamps, of $5,922. But if the father leaves,

the family will be eligible for benefits totalling $7,076.

—It discourages work. In one Midwestern state, for example, a father who leaves part-time employment paying $2,400 for a full-time job paying $4,800 reduces his family's income by $1,250.

—Efforts to find jobs for current recipients have floundered.

—The complexity of current programs leads to waste, fraud, red tape, and errors. HEW has recently discovered even government workers unlawfully receiving benefits, and numbers of people receive benefits in more than one jurisdiction at the same time.

The solutions to these problems are not easy—and no solution can be perfect; but it is time to begin. The welfare system is too hopeless to be cured by minor modifications. We must make a complete and clean break with the past.

People in poverty want to work, and most of them do. This program is intended to give them the opportunity for self-support by providing jobs for those who need them, and by increasing the rewards from working for those who earn low wages.

PROGRAM SUMMARY

The Program for Better Jobs and Income has the following major elements:

—Strengthened services through the employment and training system for placement in the private sector jobs.

—Creation of up to 1.4 million public service and training positions for principal earners in families with children, at or slightly above the minimum wage through state and local government and non-profit sponsors.

—An expansion of the Earned Income Tax Credit to provide an income supplement of up to a maximum of well over $600 for a family of four through the tax system, by a 10% credit for earnings up to $4,000, a 5% credit for earnings from $4,000 to the entry point of the positive tax system, and a declining 10% credit thereafter until phase-out. A major share of the benefit will accrue to hard-pressed workers with modest incomes struggling successfully to avoid welfare.

—Strong work requirements applying to single persons, childless couples and family heads, with work requirements of a more flexible nature for single-parent family heads with children aged 7 to 14. Single-parent family heads with pre-school aged children are not required to work.

—A Work Benefit for two-parent families, single-parent families with older children, singles and childless couples. The Federal benefit for a family of four would be a maximum of $2,300 and, after $3,800 of earnings, would be reduced fifty cents for each dollar of earnings.

—Income Support for single-parent families with younger children and aged, blind or disabled persons. The Federal benefit would be a base of $4,200 for a family of four and would be reduced fifty cents for each dollar of earnings.

—New eligibility requirements for cash assistance which insure that benefits go to those most in need.

—Fiscal relief to States and localities of $2 billion in the first year, growing in subsequent years.

—Simple rules for state supplements to the basic program, in which the Federal government will bear a share of the cost.

COSTS

In my May 2, 1977 statement I established as a goal that the new reformed system involve no higher initial cost than the present system. It was my belief that fundamental reform was possible within the confines of current expenditures if the system were made more rational and efficient. That belief has been borne out in our planning. Thereafter, Secretary Califano outlined a tentative no cost plan which embodied the major reform we have been seeking:

—Consolidation of programs.

—Incentives to work.

—Provision of jobs.

—Establishment of a national minimum payment.

—Streamlined administration.

—Incentives to keep families together.

—Some fiscal relief for State and local governments.

Subsequently, we have consulted with State and local officials and others who are knowledgeable in this area. As a result of those consultations we have gone beyond the no cost plan to one with modest additional cost in order to provide more jobs, particularly for current AFDC family heads, additional work incentives, broader coverage for needy families and greater fiscal relief for States and localities.

The Programs For Better Jobs and Income will replace $26.3 billion in current programs which provide income assistance to low-income people. In addition, the program will produce savings in other programs amounting to $1.6 billion. The total amount available from replaced programs and savings is $27.9 billion.

CURRENT FEDERAL EXPENDITURES AND SAVINGS
(1978 DOLLARS)

Expenditures

	Billions
AFDC	$6.4
SSI	5.7
Food Stamps	5.0
Earned Income Tax Credit	1.3
Stimulus Portion of CETA Public Jobs	5.5
WIN Program	.4
Extended Unemployment Insurance Benefits (27–39 weeks)	.7
Rebates of per capita share of Wellhead Tax Revenues to Low-Income People if Passed by Congress [1]	1.3
Subtotal	26.3

Savings (1978 Dollars)

Decreased Unemployment Insurance Expenditures	$0.4
HEW Program to Reduce Fraud and Abuse	.4
Decreased in Required Housing Subsidies Due to Increased Income [2]	.5
Increases in Social Security Contributions [3]	.3
Subtotal	1.6
Total	27.9

[1] The National Energy plan calls for rebate of the wellhead tax revenues to taxpayers through the income tax system and to "the poor who do not pay taxes" in effect through income maintenance programs.

[2] This does not decrease housing programs nor reduce the amount of cash assistance paid to residents of the subsidized housing. It is merely an estimate of the savings to the Department of Housing and Urban Development's housing subsidy programs on account of higher incomes going to tenants under the new program.

[3] This does *not* increase anyone's Social Security Tax, nor does it take any money out of the Social Security Trust Funds. It merely recognizes that the millions of people taken off of dependence on welfare and given a job will become contributors to the Social Security System.

The new Program for Better Jobs and Income will have a total cost of $30.7 billion. The additional cost of the program above existing costs is $2.8 billion in spending. In addition, $3.3 billion of tax relief is given to working low and moderate income taxpayers through an expanded income tax credit.

COST OF NEW PROGRAM

	Billions
Work Benefit and Income Support	$20.4
Earned Income Tax Credit [4]	1.5
Employment and Training	8.8
Total	30.7

[4] This is the cost of the portion of the expanded EITC which will be received by those who do not pay income taxes. Income taxpayers with families will receive benefits totalling $3.3 billion.

The additional cost above current expenditures has been used to make important improvements in our original plan:

—Increased fiscal relief has been provided for states and localities, particularly for those which have borne the greatest financial burdens.

—Incentives which strengthen family ties have been improved by adopting a broader definition of eligible applicants to permit more generous payment than in the earlier plan to older persons and young mothers with children who live in extended families.

—Work incentives for low wage workers have been increased by expanding the Earned Income Tax Credit for those in private and non-subsidized public work to cover and supplement approximately twice the income covered by the existing EITC.

—A deduction for child care will permit and encourage single parents to take work which will lift them out of poverty.

—Up to 300,000 additional part-time jobs have been added for single parent families with school age children (if adequate day care is available, such parents will be expected to accept full-time jobs).

With these improvements the Program for Better Jobs and Income will help turn low income Americans away from welfare dependence with a system that is fair, and fundamentally based on work for those who can and should work.

PROGRAM DETAIL

EMPLOYMENT SERVICES AND JOB SEARCH

A central element of this proposal is a new effort to match low-income persons with available work in the private and public sector. It will be the responsibility of State and local officials to assure an unbroken sequence of employment and training services, including job search, training, and placement. Prime sponsors under the Comprehensive Employment and Training Act, state employment service agencies, and community-based organizations will play major roles in this effort.

JOBS FOR FAMILIES

A major component of the program is a national effort to secure jobs for the principal wage earners in low income families with children. The majority of poor families—including many who are on welfare for brief periods of time—depend upon earnings from work for most of their income. People want to support themselves and we should help them do so. I propose that the Federal government assist workers from low income families to find regular employment in the private and public sectors. When such employment cannot be found I propose to provide up to 1.4 million public service jobs (including part-time jobs and training paying at the minimum wage, or slightly above where states supplement the basic Federal program.

This program represents a commitment by my Administration to ensure that families will have both the skills and the opportunity for self-support.

This new Public Service Employment Program is carefully designed to avoid disruptive effects to the regular economy:

—Applicants will be required to engage in an intensive 5-week search for regular employment before becoming eligible for a public service job. Those working in public service employment will be required to engage in a period of intensive job search every 12 months.

—In order to encourage participants to seek employment in the regular economy, the basic wage rate will be kept at, or where states supplement, slightly above, the minimum wage.

—Every effort will be made to emphasize job activities which lead to the acquisition of useful skills by participants, to help them obtain employment in the regular economy. Training activities will be a regular component of most job placements.

The development of this job program is clearly a substantial undertaking requiring close cooperation of all levels of government. I am confident it will succeed. Thousands of unmet needs for public goods and services exist in our country. Through an imaginative program of job creation we can insure that the goals of human development and community development are approached simultaneously. Public service jobs will be created in areas such as public safety, recreational facilities and programs, facilities for the handicapped, environmental monitoring, child care, waste treatment and recycling, clean-up, pest and insect control, home services for the elderly and ill, weatherization of homes and buildings and other energy-saving activities, teachers' aides and other paraprofessionals in schools, school facilities improvements, and cultural arts activities.

EARNED INCOME TAX CREDIT

The current Earned Income Tax Credit (EITC) is an excellent mechanism to provide tax relief to the working poor. I propose to expand this concept to provide benefits to more families and provide relief to low and modest income working people hard hit by payroll tax increases, improve work incentives, and integrate the Program for Better Jobs and Income with the income tax system. The expanded EITC, which will apply to private and non-subsidized public employment, will have the following features:

—A 10 percent credit on earnings up to $4,000 per year as under currrent law.

—A 5 percent credit on earnings between $4,000 and approximately $9,000 for a family of four (the point at which the family will become liable for Federal income taxes).

—A phase-out of the credit beyond roughly $9,000 of earnings at 10 percent. The credit will provide benefits to a family of four up to $15,600 of income.

—The credit will be paid by the Treasury Department and the maximum credit for a family of four would be well over $600.

WORK BENEFIT AND INCOME SUPPORT

I propose to scrap and completely overhaul the current public assistance programs, combining them into a simplified, uniform, integrated system of cash assistance. AFDC, SSI and Food Stamps will be abolished. In their place will be a new program providing: (1) a Work Benefit for two-parent families, single people, childless couples and single parents with no child under 14, all of whom are expected to work full-time and required to accept available work; and (2) Income Support for those who are aged, blind or disabled, and for single parents of children under age 14. Single parents with children aged 7 to 14 will be required to accept part-time work which does not interefere with caring for the children, and will be expected to accept full-time work where appropriate day care is available. These two levels of assistance are coordinated parts of a unified system which maintains incentives to work and simplifies administration.

—For those qualifying for income support the basic benefit for a family of four with no other income will be $4,200 in 1978 dollars. Benefits will be reduced fifty cents for each dollar of earnings, phasing out completely at $8,400 of earnings. Added benefits would accrue to those in regular private or public employment through the Earned Income Tax Credit.

—An aged, blind, or disabled individual would receive a Federal benefit of $2,500 and a couple would receive $3,750—more than they are now receiving. That is higher than the projected SSI benefit for either group—about $100 higher for a couple and $120 higher for a single person.

—For those persons required to work who receive a Work Benefit, the basic benefit for a family of four with no other income will be $2,300. To encourage continued work, benefits will not be reduced at all for the first $3,800 of earnings and will thereafter be reduced by fifty cents for each dollar earned up to $8,400. Again, the Earned Income Tax Credit will provide added benefits to persons in regular private or public employment.

—We are committed to assure that inflation will not erode the value of the benefits, and that real benefits will be increased over time as federal resources grow. To preserve flexibility in the initial transition period, however, we do not at this time propose automatic indexing of benefits or automatic increases in their real value. (The figures contained in this message expressed in 1978 dollars will be adjusted to retain their real purchasing power at the time of implementation).

—Single parent family heads will be able to deduct up to 20% of earned income, up to an amount of $150 per month to pay for child care expenses required for the parent to go to work.

—No limits are placed on the right of states to supplement these basic benefits. However, only if states adopt supplements which complement the structure and incentives of the Federal program will the Federal government share in the cost.

Eligibility rules for the Work Benefit and Income Support will be tightened to insure that the assistance goes to those who are most in need.

—To reduce error and direct assistance to those most in need, benefits will be calculated based on a retrospective accounting period, rather than on the prospective accounting period used in existing programs. The income of the applicant over the previous six-month period will determine the amount of benefits.

—The value of assets will be reviewed to insure that those with substantial bank accounts or other resources do not receive benefits. The value of certain assets will be imputed as income to the family in determining the amount of benefits.

—Eligibility has been tightened in cases where related individuals share the same household, while preserving the ability of the aged, disabled and young mothers to file for benefits separately.

STATE ROLE AND FISCAL RELIEF FOR STATES AND LOCAL COMMUNITIES

Public assistance has been a shared Federal and State responsibility for forty years. The program I propose will sig-

nificantly increase Federal participation but maintain an important role for the states.

—Every State will be assured that it will save at least ten percent of its current welfare expenses in the first year of the program, with substantially increased fiscal relief hereafter.

—Every State is required to pay ten percent of the basic Federal income benefits provided to its residents except where it will exceed 90 percent of its prior welfare expenditures.

—Every State is free to supplement the basic benefits, and is eligible for Federal matching payments for supplements structured to complement and maintain the incentives of the Federal program. The Federal government will pay 75% of the first $500 supplement and 25% of any additional supplement up to the poverty line. These State supplements will be required to follow Federal eligibility criteria to help achieve nation-wide uniformity.

—Where States supplement the income support they must also proportionally supplement the work benefit and the public service wage.

—There will be a three-year period during which states will be required to maintain a share of their current effort in order to ease the transition of those now receiving benefits. These resources must be directed to payment of the State's 10% share of the basic benefit, to supplements complementary to the basic program, and to grandfathering of existing SSI and partially grandfathering AFDC beneficiaries. The Federal government will guarantee a State that its total cost for these expenditures will not exceed 90% of current welfare costs. States can retain any amounts under the 90% requirement not actually needed for the mandated expenditures. In the second year of the program states will be *required* to maintain only 60% of current expenditures, in the third year, only 30%. In the fourth year, they will only be required to spend enough to meet their 10% share of the basic benefit.

—States will have the option to assist in the administration of the program. They will be able to operate the crucial intake function serving applicants, making possible effective coordination with social service programs. The Federal government will operate the data processing system, calculate benefits, and issue payments.

—The Federal government will provide a $600 million block grant to the states to provide for emergency needs. These grants will assist the states in responding to sudden and drastic changes in family circumstances.

—The Federal government will provide 30% above the basic wage for fringe benefits and administrative costs of the jobs program, and will reimburse the states for costs of administration of the work benefit and income support program.

In the first year of this program, states and localities would receive $2 billion in fiscal relief, while at the same time ensuring that no current SSI beneficiary receives a reduced benefit and that over 90 percent of current AFDC beneficiaries receive similar protection.

In subsequent years as current recipients leave the rolls and as the maintenance of State effort requirement declines from 90 percent to zero within 3 years, the opportunities for increased fiscal relief will grow.

Under our program for fiscal relief, States will be required to pass through their fiscal relief to municipal and county governments in full proportion to their contributions. Thus, for example, in New York State, where New York City pays 33 percent of the State's share, New York City would receive 33 percent of the State's fiscal relief or $174 million.

REDUCTION OF FRAUD AND ABUSE

The few providers and recipients guilty of fraud and abuse in our welfare programs not only rob the taxpayers but cheat the vast majority of honest recipients. One of the most significant benefits of consolidation of existing cash assistance programs is the opportunity to apply sophisticated management techniques to improve their operation. The use of a central computer facility will permit more efficient processing of claims, reduce the incidence of error in calculating benefits, and facilitate the detection of fraud. No longer will people easily claim benefits in more than one jurisdiction.

We will strongly enforce current programs directed at assisting local officials in obtaining child support payments from run-away parents, as determined by judicial proceedings.

We will ensure that the Department of Health, Education, and Welfare will vigorously root out abuses and fraud in our social programs.

We will work for passage of current legislation designed to crack down on fraud and abuse in our Medicaid and Medicare Program. The administration of these programs will be a major challenge for Federal and State officials. It provides a valuable opportunity to demonstrate that government can be made to work, particularly in its operation of programs which serve those in our society most in need.

IMPLEMENTATION

Because of the complexity of integrating the different welfare systems of the 50 States and the District of Columbia into a more unified national system, we estimate that this program will be effective in Fiscal Year 1981. Moreover, we recognize that the National Health Insurance plan which will be submitted next year must contain fundamental reform and rationalization of the Medicaid program, carefully coordinated with the structure of this proposal. However, we are anxious to achieve the swiftest implementation possible and will work with the Congress and State and local governments to accelerate this timetable if at all possible.

Given the present complex system, welfare reform inevitably involves difficult choices. Simplicity and uniformity and improved benefits for the great majority inevitably require reduction of special benefits for some who receive favored treatment now. Providing the dignity of a job to those who at present are denied work opportunities will require all the creativity and ingenuity that private business and government at all levels can bring to bear. But the effort will be worthwhile both for the individual and for the country. The Program for Better Jobs and Income stresses the fundamental American commitment to work, strengthens the family, respects the less advantaged in our society, and makes a far more efficient and effective use of our hard-earned tax dollars.

I hope the Congress will move expeditiously and pass this program early next year.

JIMMY CARTER.

THE WHITE HOUSE, *August 6, 1977.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 15, 1977.

HON. THOMAS P. O'NEILL, JR.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:25 p.m. on Monday, August 15, 1977, and said to contain a message from the President wherein he transmits a report on the Nation's progress in space and aeronautics during 1976.

With kind regards, I am,
Sincerely,

EDMUND L. HENSHAW, JR.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

REPORT ON NATION'S PROGRESS IN SPACE AND AERONAUTICS DURING 1976—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Science and Technology:

To the Congress of the United States:

I transmit herewith this report on the Nation's progress in space and aeronautics during 1976. This report is provided in accordance with Section 206 of the National Aeronautics and Space Act of 1958 as amended (42 U.S.C. 2476). The activities described in it occurred before I became President.

In the interest of efficiency and clarity,

the report next year will be simplified and shortened.

JIMMY CARTER.

THE WHITE HOUSE, *August 15, 1977.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 15, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:25 p.m. on Monday, August 15, 1977, and said to contain a message from the President wherein he transmits the Twenty-Sixth Annual Report of the National Science Foundation, covering fiscal year 1976.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, JR.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

TWENTY-SIXTH ANNUAL REPORT OF NATIONAL SCIENCE FOUNDATION, FISCAL YEAR 1976—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Science and Technology:

To the Congress of the United States:

I am pleased to submit to the Congress the Twenty-Sixth Annual Report of the National Science Foundation, covering fiscal year 1976. This Report covers events prior to the beginning of my Administration.

The growth of scientific knowledge and its use in the service of mankind is an important concern of our times. The strength of our Nation depends in large part on the ideas and technologies that have emerged from our pursuit of questions at the frontiers of science. We must continue to invest in the development of fundamental knowledge to help meet the challenges and opportunities of the future. My 1978 Budget, now before the Congress, reflects the high order of importance this Administration gives to basic scientific research.

We are aware that the technological advances which result from scientific inquiry represent a mixed blessing, often creating strains upon the environment, our natural resources, and our ability to wisely manage progress. The remedy is not to retreat from new knowledge but to progress further in our understanding of the processes that underlie our universe, drawing upon the inventiveness of our people and keeping alive the political freedom that guarantees our scientists the right of free and open intellectual inquiry.

This annual Report of the National Science Foundation expresses in concrete terms the achievements of scientists and engineers supported by the Foundation's programs during the past fiscal year.

JIMMY CARTER.

THE WHITE HOUSE, *August 15, 1977.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 16, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:57 a.m. on Tuesday, August 16, 1977, and said to contain a message from the President wherein he transmits the eighteenth special message for fiscal year 1977 in accordance with the Impoundment Control Act of 1974.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

ONE NEW DEFERRAL AND ONE DEFERRAL REVISION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–206)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report one new deferral of budget authority amounting to $11.3 million for the Energy Research and Development Administration's Intense Neutron Source Facility. In addition, I am reporting a revision to a previously transmitted deferral for the antirecession financial assistance fund in the Office of the Secretary of the Treasury.

The details of each deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *August 16, 1977.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 18, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:38 p.m. on Thursday, August 18, 1977, and said to contain a message from the President wherein he transmits the seventh annual report on Hazardous Materials Control which covers calendar year 1976.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

SEVENTH ANNUAL REPORT ON HAZARDOUS MATERIALS CONTROL, CALENDAR YEAR 1976—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committees on Interstate and Foreign Commerce, Merchant Marine and Fisheries, and Public Works and Transportation:

To the Congress of the United States:

I transmit herewith the Seventh Annual Report on Hazardous Materials Control, as required by the Hazardous Materials Transportation Act, Title I of Public Law 93–633. This report has been prepared in accordance with Section 109 of the Act and covers calendar year 1976, prior to the time I became President.

JIMMY CARTER.

THE WHITE HOUSE, *August 18, 1977.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 25, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:50 a.m. on Thursday, August 25, 1977, and said to contain a message from the President wherein he transmits the eleventh periodic report on efforts to negotiate settlement of the Cyprus problems as required by P.L. 94–104.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

REPORT ON SETTLEMENT OF CYPRUS PROBLEM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–207)

The SPEAKER pro tempore. (Mr. MIKVA) laid before the House the following message from the President of the United States; which was read, and, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

As required by Public Law 94–104, this report describes our efforts over the past sixty days to bring about a negotiated settlement of the Cyprus problem.

My last report, submitted to the Congress on June 22, noted that talks between the two Cypriot communities during the preceding sixty days had accomplished little. Regrettably, there has been no substantial change in the general situation.

The efforts of U.N. Secretary General Kurt Waldheim's Special Representative to Cyprus, Ambassador Perez de Cuellar, to persuade the two communities to hold a new round of talks in Nicosia in July and early August have proven unsuccessful.

Despite the failure of these efforts, however, the Administration has persisted in its efforts to bring the parties together in an effort to promote a settlement. In meetings in Washington with Ambassador de Cuellar and with House of Representatives President Kyprianou (now Acting President of Cyprus), Administration officials continually reiterated our view that the intercommunal forum should serve as the basis for substantive talks, and that they should be resumed as quickly as circumstances warranted. Moreover, we took the position that no time should be lost in pursuing a settlement once a new Turkish Government was formally installed.

The death of President Makarios on August 3 was an unforunate development. The precise implications of his death for the future of the intercommunal negotiations are, as of this writing, difficult to assess.

Nonetheless, we see no reason to change course. As Clark Clifford stressed in his press conference in Nicosia on August 9, this Administration is as dedicated today to helping find a solution to the problems of Cyprus as it was last January, when he was appointed as my Special Representative. We are prepared at any time to offer guidance and counsel to assist in the negotiating process, should the parties to the dispute so desire. It is my strong hope that constructive talks will be resumed and that the two Cypriot communities will again focus, with renewed energy, on the goal of achieving a just and lasting settlement which will enable everyone on the island to live in peace, harmony, and freedom.

JIMMY CARTER.

THE WHITE HOUSE, *August 25, 1977.*

CORRECTING TECHNICAL ERRORS IN ENROLLMENT OF S. 1153, ABOLISHING JOINT COMMITTEE ON ATOMIC ENERGY

Mr. PRICE. Mr. Speaker, I send to the desk a concurrent resolution (H. Con. Res. 342) to correct technical errors in the enrollment of the Senate bill (S. 1153) to abolish the Joint Committee on Atomic Energy and to reassign certain functions and authorities thereof, and for other purposes, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the concurrent resolution, as follows:

HOUSE CONCURRENT RESOLUTION 342

Resolved by the House of Representatives (the Senate concurring), That the action of the Speaker of the House of Representatives and the Acting President Pro Tempore of the Senate in signing the bill (S. 1153) to abolish the Joint Committee on Atomic Energy and to reassign certain functions and authorities thereof, and for other purposes, is rescinded, and the Secretary of the Senate shall, in the reenrollment of such bill, make the following corrections:

(1) Strike out "to read as follows" and insert in lieu thereof "by adding at the end thereof the following new chapter".

(2) In subsection b. of section 301 of the Atomic Energy Act of 1954 (as proposed to be added by the bill), strike out "effective date of this Act" and insert in lieu thereof "date of enactment of this section".

(3) In subsection a. of section 302 of the Atomic Energy Act of 1954 (as proposed to be added by the bill), strike out "Sections 201, 202, 203, 204, 205, 206, and 207 of the Atomic Energy Act of 1954, as amended, are repealed." and insert in lieu thereof "Effective on the date of enactment of this section, chapter 17 of this Act is repealed.".

(4) In section 302 c. of the Atomic Energy Act of 1954 (as proposed to be added by the bill) strike out "the Congressional Budget Act of 1974" and insert in lieu thereof "the Congressional Budget and Impoundment Control Act of 1974".

(5) In section 303 a. of the Atomic Energy Act of 1954 (as proposed to be added by the bill)—

(A) strike out "Energy Research and Development Administration" and insert in lieu thereof "Secretary of Energy"; and

(B) strike out "the Administration" both places it occurs and insert in lieu thereof "the Secretary".

(6) In chapter 20 of the Atomic Energy Act of 1954 (as proposed to be added by the bill) strike out "SEC. 304." and insert in lieu thereof "d.".

(7) At the end of the bill, add the following new section:

SEC. 2. (a) The table of contents of the Atomic Energy Act of 1954 is amended—

(1) by striking out the items relating to chapter 17; and

(2) by adding at the end thereof the following:

"Chapter 20. Joint Committee on Atomic Energy Abolished; Functions and Responsibilities Reassigned

"Sec. 301. Joint Committee on Atomic Energy Abolished.

"Sec. 302. Transfer of Certain Functions of the Joint Committee on Atomic Energy and Conforming Amendings to Certain Others Laws.

"Sec. 303. Information and Assistance to Congressional Committees.".

(b) The table of contents of the Atomic Energy Community Act of 1955 is amended by striking out the item relating to section 103.

Mr. PRICE (during the reading). Mr. Speaker, I ask unanimous consent that the concurrent resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORT ON S. 275, FOOD AND AGRICULTURE ACT OF 1977

Mr. POAGE. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the Senate bill (S. 275) to provide price and income protection for farmers and assure consumers of an abundance of food and fiber at reasonable prices, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SECOND CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1978

Mr. GIAIMO. Mr. Speaker, pursuant to section 305(a), title 3, Public Law 93–344 of the Congressional Budget Act of 1974, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 341) revising the congressional budget for the U.S. Government for the fiscal year 1978.

GENERAL LEAVE

Mr. Speaker, pending that motion, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter during the consideration of House Concurrent Resolution 341.

The SPEAKER pro tempore (Mr. WRIGHT). Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 341) with Mr. NEDZI in the chair.

The Clerk read the title of the concurrent resolution.

By unanimous consent, the first reading of the concurrent resolution was dispensed with.

The CHAIRMAN. Pursuant to section 305(a), title 3, of Public Law 93–344, the Congressional Budget Act of 1974, the gentleman from Connecticut (Mr. GIAIMO) will be recognized for 5 hours, and the gentleman from Ohio (Mr. LATTA) will be recognized for 5 hours.

The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of House Concurrent Resolution 341, the second budget resolution for fiscal year 1978. I urge all Members to support the resolution so that we can

set in place the revenue floor and spending ceilings which are key parts of our system of budget control.

Adoption of this resolution will bring to an end a very hectic year of activity on the budget. We started this year with an unprecedented third budget resolution for fiscal year 1977, designed to stimulate a lagging economy. Before we actually completed work on that resolution, our committee began work on the fiscal year 1978 budget, the last budget submitted by President Ford, subsequently revised by President Carter.

Our first budget resolution, as Members recall, was defeated overwhelmingly because of the House's inability to agree upon a proper set of budget priorities. Yet a week later we passed a resolution by a substantial margin, and now the House has nearly completed action on all of its spending decisions for the fiscal year ahead in substantial compliance with those targets.

MAJOR FEATURES OF THE RESOLUTION

The resolution recommended by the Budget Committee, as modified by a committee amendment to be offered tomorrow, proposes the following budget totals for fiscal year 1978:

[In billions]

Revenues	$398.1
Outlays	458.7
Deficit	60.6

The deficit proposed is $4.1 billion below the amount targeted in the first resolution this spring. This reduction is due to higher revenues of $1.8 billion, which result from slightly more optimistic economic assumptions for 1978 than we had made earlier, and lower outlays of $2.3 billion, which result from various spending reestimates and appropriations actions below the amounts targeted in the first resolution.

The deficit is, of course, still too high. However, higher than normal rates of unemployment continue to dampen revenue levels and drive Federal spending upward. If the economy were operating at a 5-percent unemployment rate, revenues would be approximately $30 billion higher and spending $5 billion lower. The deficit would be at least $35 billion lower.

In addition, new spending needs continue to arise. This year the real problems in agriculture will increase spending for commodity supports very sharply. And the new energy legislation recommended by the President will mean substantially higher spending for a wide range of energy conservation and research and development activities.

I cannot stress too strongly the urgent need to accelerate our rate of economic growth. As has been stated many times over the past 3 years, strong economic growth is the surest and quickest way to reduce the budget deficit and to provide the resources for new program initiatives.

During the first 6 months of 1977, the economy rebounded strongly from the severe slump of 1976, with real growth in GNP reaching an annual rate of 7 percent. The committee expects a modest slowdown in real growth to about 5 percent during the second half of 1977 and 1978, which should reduce the unemployment rate to about 6.2 percent by the end of 1978.

Although the deficit projected in this resolution is substantially lower than we expected this spring, it should be noted that total budget authority has increased since adoption of the first resolution. The increase—$6.9 billion over the target set in the first resolution—is due primarily to two factors:

First, the energy bill recently passed by the House authorizes appropriations in fiscal year 1978 of $6.1 billion, which are included in this resolution; and

Second, the resolution includes $6.1 billion in budget authority to accommodate House consideration of the President's proposals to restore the financial solvency of the social security system. As Members know, in May the President proposed legislation to assure the financing of the social security trust funds over the next 5 years, including a $14 billion general revenue subsidy. The amount included in this resolution represents the fiscal year 1978 impact of those proposals.

The committee anticipates that the Congress will modify the administration's proposals in this area. At the same time, however, it recognizes that any financing action with respect to social security will increase the budget authority for the social security program.

These two proposals are thus responsible for the increase in the budget authority amount set in the first resolution. On all other budget authority actions targeted in the first resolution, the House has stayed well within the targeted amount.

I also want to call to the attention of the House the importance the Budget Committee attaches to enactment of the legislative reforms targeted in the first resolution.

The first resolution targeted a series of legislative reforms designed to achieve substantial budget savings in fiscal year 1978 and future fiscal years. Adoption of these reforms—such as control of hospital costs, reform of the wage board pay system, and the setting of higher rates for enrichment uranium services provided at Government-owned facilities—prior to October, would have saved approximately $740 million in budget authority and $1.9 billion in outlays during the coming fiscal year. More importantly, during a 5-year period, approximately $26.4 billion in outlays would have been saved.

However, because many House committees have been occupied this year with work on the President's energy proposals, we are now assuming later enactment of these reforms. Through these reforms, savings of $466 million in budget authority and about $1 billion in outlays can be achieved in fiscal year 1978.

On behalf of the members of the Budget Committee, I urge all House committees to move promptly to consider and pass these proposals (which are explained fully in appendix G of the committee report on this resolution). The 5-year savings that would result are substantial—approximately $7 billion in budget authority and $21.7 billion in outlays.

THE 5-YEAR IMPLICATIONS OF HOUSE CONCURRENT RESOLUTION 341

In this connection, I want to call Members' attention to material in our committee report that is becoming increasingly crucial with each passing year.

Appendix B of the report is entitled "the 5-year implications of fiscal year 1978 budget decisions." It presents information which is required by the Budget Act and which has been carried in each of our committee reports since the budget process was fully implemented in 1976.

Given President Carter's strong commitment to achieve a balanced budget by the end of his first term—in fiscal year 1981—it is more important than ever that the Congress analyze the 5-year impact of its annual budget decisions. This will be particularly true next year when we get the first real Carter budget—the fiscal year 1979 budget—which, I believe, will challenge the Congress to act with great restraint on new spending proposals.

The report sets forth two projections of this budget resolution, based on different assumptions with respect to the rate of economic growth and the level of Federal spending during the 5-year period, fiscal year 1978 through fiscal year 1982. I would like to summarize one of these projections, which is based on these assumptions:

First, that during the 5-year period the economy will grow in real terms at a 5.3 percent annual rate; and

Second, that during the same period Federal spending will increase only to the extent needed to adjust for inflation (that is, all Federal spending—not only those programs and activities which must by law be adjusted for inflation).

This projection shows the following in fiscal year 1982:

[In billions]

Revenues	$698
Outlays	590
Surplus	108

If economic growth is not as strong, however, and real growth in GNP during this period averages only 4 percent, rather than slightly more than 5 percent, the result would be as follows:

[In billions]

Revenues	$647
Outlays	592
Surplus	55

Obviously, the rate of economic growth is the key variable. The higher growth rate would produce higher revenues in fiscal year 1982 alone of $51 billion.

Clearly, we must work hard during the next several years to achieve the highest possible rate of economic growth. However, we cannot neglect the spending side.

During the 5-year period I am discussing, Federal spending will increase—merely through adjustments for inflation—from approximately $460 billion in fiscal year 1978 to $590 billion in fiscal year 1982, an increase of $130 billion. And that increase will occur with no new program initiatives whatever or any allowances for the inevitable emergencies that arise and make demands on our resources.

This is the reason why the Budget Committee, for the second consecutive year, has emphasized the need to reevaluate existing programs and activities and to weed out lower priority

spending. Last year, House committees saved $625 million in spending for fiscal year 1977 and $6.9 billion over a 5-year period by enacting reforms targeted in our first budget resolution. The best known of those reforms was repeal of the "1-percent kicker" legislation, which saved $81 million in fiscal year 1977 and $2.9 billion over a 5-year period.

The Budget Committee believes the Congress must continue the difficult task of reevaluating current programs and changing existing law to free dollars for other, higher priority needs. This task must go hand in hand with the development of more effective fiscal policies to achieve strong and lasting economic growth.

Finally, I want to express my appreciation to all of the members of the Budget Committee for their full cooperation during this budget year. In particular, I want to thank the ranking minority member of the committee (Mr. LATTA) for his full support, despite our often differing views, in working to achieve the goals of the budget reform act.

Mr. Chairman, I urge support of the resolution.

Mr. LATTA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I wholeheartedly agree with the statements just made by the gentleman from Connecticut (Mr. GIAIMO), the chairman of our committee, that we do disagree philosophically, but we disagree agreeably, and there are many points of disagreement in a budget resolution of this size.

I might say we were working on this resolution this morning and that some committee amendments will be offered tomorrow which will make the deficit for fiscal year 1977 even larger than anticipated by the resolution that we now have before us. The anticipated deficit with the amendments will be $60,568,000,000 for the fiscal year 1978.

This resolution was reported out of the Committee on the Budget on July 27 by a party line vote of 16 to 8. The minority members opposed the resolution for the following reasons. The resolution provides for a budget deficit of more than $58 billion, and I have just indicated it is going to go to a $60 billion deficit, which will be $12 billion higher than the deficit expected for fiscal year 1977, in the face of improving economic conditions.

Also, much of this $10 billion increase, soon to be $12 billion increase, is accounted for by the so-called stimulus programs, public works and public service jobs, which in our opinion are an ineffective and an inefficient way of stimulating the economy and creating new jobs quickly.

Large deficits are only one big problem with this budget. Another problem is the tax program laid out in this resolution. Not only does it not call for an across-the-board tax cut, it makes room for new taxes totaling approximately $110 billion over the next 5 years. Thus in the short 4-month time since we considered the first budget resolution, the majority has worked up a plan to saddle every American taxpayer with $1,000 in additional taxes in each of the next 5 years. The majority's 5-year economic projections, as contained in this budget resolution, make it clear that the Federal Government's tax burden on the American people and private business will be increased to record highs over that period. Make no mistake about it: We are talking record highs. For example, from 1954 through 1976 the total tax burden on the American economy averaged 18.6 percent when you measure the ratio of tax revenues to gross national product; under President Carter and the Democratic Congress, it is projected to rise to 22 percent. Worse yet, the Democrats plan to increase the personal income tax burden by almost 50 percent over the same period. Only by increasing this tax burden can the majority show on paper a balanced budget by 1981. But this increased tax burden will take its toll in terms of reduced incentives to work and to invest.

The resolution does not address itself to the darkest clouds on the economic horizon: increasing inflation and the resulting lack or lag in capital investment. Increased capital investment is the only way we can provide the permanent and productive jobs we need to reduce unemployment to acceptable levels.

Mr. Chairman, we in the minority were sad to realize that this second budget resolution for fiscal year 1978 was based on a double-barreled program to simultaneously add new taxes and also raise the tax burden by allowing the rate of inflation to drive taxpayers into higher tax brackets.

I might stop at this point and emphasize the fact that our chairman has recently pointed this fact out and, as if that were not enough, it will impose additional taxes of $110 billion over the next 5 years. And make no mistake about it. This budget resolution makes provision for this $110 billion of new taxes.

Those new taxes provide the means whereby President Carter might succeed, and I emphasize "might succeed," in balancing his budget for 1981; however, it will be a budget balanced only by an increase in the Federal Government's control over the income and resources of the American people.

We would rather see the budget balanced according to the Republican principle of reducing the tax burden and at the same time returning to the American taxpayer more control over his and her hard-earned income. In fact, this budget resolution increases next year's deficit by some $12 billion when we include funds for the majority's "emergency" stimulus programs which do not work.

I might at this point state what is happening over in Baltimore with some of the programs which the majority has been telling us that we just have to have in order to increase employment and economic growth. The recent experience in the Baltimore case is a case in point showing how pitifully little stimulus these programs provide. When Baltimore received their $5.7 million share of the $2 billion public works funds appropriated by the Congress last fall, it was anticipated that the public works plan would instantly provide new jobs and economic stimulus to the lagging economy. The actual experience has been the opposite. Even though almost a year has gone by since Congress appropriated the money, few jobless workers have been added to the payroll. At the last count, less than 10 percent of the 420 workers hired in Baltimore had been jobless. Less than 15 percent of Baltimore's $5.7 million share has been injected into the economy. Moreover, the cost per job is running about $36,000 for each on-the-site job.

I might say that similar tales are being reported around the country, and with the same bottom line in every case: as a nation, we are spending a fortune and getting near zero bang for our buck. Certainly we want to take a look at how these other projects are working and how much they are costing the taxpayer per man job.

A recent General Accounting Office review of the Public Works job program revealed that many local governments qualifying for and receiving aid were suffering not from recession-related problems, but from the long-term erosion of the community's tax base and of the effects of inflation on local budgets.

On the other hand, other communities not affected by the recent recession have qualified and received windfall assistance under so-called emergency economic stimulus assistance programs. In short, these stimulus programs are an inefficient and costly means of stimulating the economy and creating new jobs. In Baltimore's case, stimulus costs over $36,000 per man job.

As the minority members of this committee, we must again remind our colleagues of the prevailing economic conditions and future economic projections and again ask, are these programs appropriate for an economy that grew at an annual rate of 7 percent for the first half of the year and created more than 3 million jobs? We think not. Thus, we urge the administration to reject the huge unspent residue of the emergency stimulus package and request a formal rescission of these programs' moneys which the economy cannot absorb in the near term. This is hardly an unrealistic proposal when one realizes that the Democratic administration, which just had to have an additional $4 billion in public works stimulus back in January or the economy would founder, now tells us that they will spend less than $40 million of the $4 billion this year, or less than 1 percent of what Congress provided.

As Republicans, we are deeply troubled that the Democratic majority and the Democratic administration have closed ranks behind a fiscal strategy of trying to balance the budget by 1981 by allowing the effective tax burden to reach record heights. We believe and repeatedly have proposed tax cuts, instead of tax increases, and believe that permanent tax reductions are the best way to stimulate increased capital investment and create lasting jobs.

Last May when Congress was considering the first budget resolution we proposed a 10-percent across-the-board tax cut. We said then that a permanent tax cut constituted the fiscal policy most appropriate to our economic needs and we

pointed out, according to a recent study of the Congressional Budget Office, that a 10-percent tax cut would create 1 million new jobs in 1978 and stimulate $8 billion in new capital investment. Today, as we did in May, we believe that this is the course to follow and we advocate that we follow that course, rather than go $60 billion further in debt.

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, first of all I want to praise the work of the chairman, of the members of the committee, and of the staff. It has been a real privilege to be a member of this committee and to see effective leadership, effective staff work, and members who show up. Certainly a higher percentage of members show up for Budget Committee hearings than in any other committee I have had a chance to serve on.

I jotted down just a few fundamental questions that I think we have to face as we make a decision on the second budget resolution. The first question is, is this a prudent budget? Is this a prudent resolution? I believe the answer to that is that it is.

Now, if we assume the accuracy of everything that was just said by the gentleman from Ohio (Mr. LATTA) on the job stimulus aspect of tax cuts, then I assume we would probably come to the conclusion that it is not prudent. But, if we recognize that Government has to play a role in creating jobs, I think we must come to the conclusion that it is a prudent resolution. It was not too long ago that we were talking about a $70 billion budget deficit for fiscal year 1978. We are now down to about $58 billion. Yes, we do have a prudent second budget resolution here.

The second question: is it adequate in view of the most recent statistics on unemployment, in view of some of the statistics on the economy, some of which are not too encouraging? Is this adequate? In that area we do not know for sure whether it is, but it would appear that this can help move us in the right direction. If, 3 months from now or 6 months from now, a greater stimulus is needed in the economy, we can make modifications at that point. But, it would appear that this will represent prudence and adequacy here in a reasonable fashion.

The third question is, are we guiding priorities adequately? The function of the Budget Committee is to act not only as a restraining force, but to help move us in the direction we want to go. Here, the answers are not quite as clear. If we could see where we are going 5 years from now—and somehow I would like to see us do a little more of that—we might have a little better sense of that, but we are putting a little more money into jobs and a little less money on defense, cutting back on some of the fat.

I think the fat—and my colleague from Maryland (Mrs. HOLT) might disagree with me—some of the fat is taken from the defense budget; we are going in the right direction as far as priorities.

Then, finally, are there problems? Yes, there are problems, but they are not problems intrinsic to this second budget resolution. Instead, they have to do with other things. A few minutes ago my colleague from Illinois (Mr. FINDLEY) was on the floor. I supported him in his attempt to limit any agricultural expenditure to any one farmer to $20,000. We were not successful, so this budget resolution reflects a little higher expenditure in the agricultural area for that than I would like to see. The problem is not the second budget resolution, but other action taken by this House.

This is a sensible second budget resolution. We have had effective leadership by the chairman of our committee in moving us in this direction. I strongly support the second budget resolution, and I hope my colleagues will do the same.

Mr. CONABLE. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, inflation continues to race at a rapid clip, devouring the earnings and savings of the people. Capital investment continues to lag. Unemployment remains unacceptably high. Neither the people nor industry are confident in the future of the economy.

House Concurrent Resolution 341, the second concurrent budget resolution for the 1978 fiscal year, utterly fails to address those problems, but seems certain to aggravate the problems. It is a blueprint for excessive Government spending, meaning more inflation and continuing economic sluggishness.

The two foremost needs of the economy are these: One, fiscal restraint to reduce inflation; and two, general tax reductions to compensate for inflation and to release capital for job-creating investments. This budget resolution ignores the need for fiscal restraint and drains more capital away from productive and job-creating investments.

Before the House went into the August recess, it passed a large energy tax program that will have a heavy impact on industry and increase the prices consumers pay for most products. I consider the energy tax program to be a tremendous economic blunder and oppose it. We can only hope that the Senate will act to correct the grievous errors of the House majority.

And today we face a budget resolution which is another economic blunder of the kind Congress has been repeating for many years. Government spending will continue to grow faster than revenues. The Government will need to borrow $60 billion from the capital resources of the Nation to finance the deficit estimated for fiscal 1978.

This budget continues the erroneous strategy of attempting to pump up consumer demand with loose spending that penalizes the private, productive sector with inflation and heavy taxation. It is the road the country has been traveling for many years. It is the downhill slide toward the British condition.

We spend our time debating the macroeconomic consequences, but I want to focus your attention on the microeconomic matter of a youth without a job. Whether he is entering the job market with only limited education or a college degree, the policies we are pursuing will deprive him of economic opportunity.

The principal problem is not a mystery: The more Government takes from the private, productive sector of the economy, the sicker our economy will become. We cannot cure the unemployment problem by creating public jobs, because the consequence is to prevent the creation of jobs in the private sector. We cannot cure the inflation problem with more government borrowing and spending, because the sure consequence of free spending and lagging production is more inflation.

The costs of inflation, taxation, and suffocating regulation of private enterprise have prevented our economy from creating sufficient numbers of productive jobs for a rapidly growing labor force. The record of corporate profits over the past 30 years is mostly a downhill trend, and I believe we have reached a critical stage at which revitalization of private industry must be our priority.

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Chairman, as our budget debate continues we become accustomed to an articulate seesaw operation—we give a little here, get a little there, and push our weight around till our aggregates may be a bit higher; our deficit a bit lower. It is these final figures in the second resolution, as compared to the first, that people will remember.

But this seesaw game with budget figures is just that—a game. If we talk about balancing the budget and just isolate the second resolution totals as compared to the first for fiscal year 1978, we are kidding ourselves and the public. We must look at all the totals in relation to an overall budget direction, not in and of themselves for fiscal year 1978.

It is then evident that if the budget is balanced by 1981, it will not be out of improved Federal management and reduced Government spending. It will be by the side door technique of increasing revenues by taxing the purchasing power of Americans—primarily middle-class working Americans—as they are squeezed into higher tax brackets in the next 5 years.

Let us look at the budget trend we are setting with this resolution. For example, the touting of the $58 billion deficit being $6 billion less than our first resolution is a case of premature enthusiasm by my colleagues. It is $6 billion less than we projected 3 months ago; but it is a $10 billion increase over that for fiscal year 1977. This is no example of the way to gradually keep a lid on spending. I cannot think of any business where you would increase your deficit 20 percent in order to become solvent. I hardly see that this approach can make sense to the Federal Government.

The same superficial progress is evidenced in the outlay figures. The second resolution totals $458.5 billion in outlays, a $2.4 billion decrease from the first resolution. But, compared to fiscal year 1977, outlays actually will rise by $12 billion. Each spending function in this

resolution constitutes an increase over fiscal year 1977.

These facts demonstrate that we are not exercising discipline in the process of setting floors and ceilings. Rather, we are designing what should be known as the Great Federal Sieve; with resolutions such as the one before us, spending smoothly shakes through at a constant increasing pace.

What then does this resolution present to us in terms of balancing the budget—since it will not be through reduced spending? It unveils the well-worn scheme of raising the tax burden by pushing people into higher tax brackets; and instituting $110 billion worth of new taxes within the next 5 years.

This resolution will be advertised throughout every district in the country. But no one will say we will balance the budget through increasing the tax burden. Congressmen will tell their constituents it will be balanced by reducing the deficit or decreasing spending, as this second resolution does compared to the first. Yet, we have just seen this is false. It is a shame the Federal Government is not required to practice truth in advertising. It would then have to admit that it is those taxes that will balance the budget if it is to be done at all in this administration; and not the improved management of Federal spending. From 1978 to 1982 there will be a cumulative tax increase of $275 billion produced under current tax law, real growth, and inflation. Under this resolution, there will be additional tax receipts of $97 billion in the next 5 years resulting from the President's energy program and the social security program. There will however, be no offsetting permanent income tax reductions.

From the variety of testimony received by the Budget Committee it can be surmised that the economy will continue to recover from the 1974 recession, although at a slower rate than the 7 percent of the first two quarters of 1977. This restrained recovery affords the possibility of achieving a balanced budget. However, it should not be attempted through the vehicles offered in this resolution before us. We should resort, instead, to a permanent tax reduction for Americans and a restraint on spending.

If this is not done, I suggest we add a new word to our glossary of budget terms. Immediately following the term "budget resolution," we should insert the word "euphemism," for this budget resolution will be nothing more than a euphemism for vandalizing the public of its tax dollars.

Mr. CONABLE. Mr. Chairman, I yield myself 9 minutes.

Mr. Chairman, one virtue of the Budget Control and Impoundment Act is its requirement that the administration submit its revenue projections for the coming 5 years. It forces any administration to "lay its budgetary cards on the table." The "cards" which this administration has shown us reveal how the deck is to be stacked against the American taxpayer.

The tax revenue-to-GNP ratio represents the effective Federal tax burden on the public and has been at the 18.6 percent level from the post-Korean war period through the Ford administration. The Carter administration's plan is to raise this figure to 21.9 percent by 1982. This will result in a tax increase of at least $275 billion over and above that which would be imposed if the 18.6 percent level were maintained. Put in different terms if the $275 billion tax increase were evenly distributed for the 1978 to 1982 time period, it would amount to over $1,000 in additional taxes annually for each taxable return.

This second budget resolution is a blueprint for sanctioning higher taxes. It increases the Federal deficit by $10 billion over the 1977 deficit; it imposes $110 billion in additional taxes over the next 5 years, but without any accompanying reductions in the income tax rate.

The ominous tax message contained in the revenue-to-GNP projections is convincingly reinforced in the projections of the personal tax burden through 1982. The ratio of personal income taxes-to-taxable personal income has averaged 11.3 percent from 1954 to 1976. The new projections call for it to rise to almost 16 percent by 1982. It will not require an extensive budgetary background for the average citizen to conclude that taxes are going up and by a large amount. The human effects are aggravated by the reality that as the tax burden increases the average American cannot maintain his standard of living because of the progressive nature of our tax rates and inflation. The taxpayer is trapped in a losing battle. The budgetary figures I have just outlined are not an isolated item in the administration's economic game plan but rather entirely consistent with the promises in the Democratic platform, with the President's campaign pledges and his proposals since taking office.

My purpose here is to show the impact of his taxing policies to date and place before the House the facts relating to where such policies will take us in the future.

The Democratic platform in its "contract with the people" endorsed 62 new Federal programs. Five of these proposals alone, including welfare reform and national health insurance, will add over $100 billion to the cost of Government. The platform also calls for a "tax reform at all levels" and the President has promised to balance the Federal budget by 1981.

The bottom line question is: How can these seemingly mutually exclusive and contradictory goals be achieved?

The answer is: By raising taxes—mainly on middle income workers.

Let us look at the record.

Earlier this year, the administration proposed an economic stimulus package with the ill-fated $50 rebate. During markup of that bill in the Ways and Means Committee, the administration actively supported an amendment to phase out the rebate for taxpayers earning more than $25,000 per year. I suppose the rationale was that journeymen carpenters, many of whom make $25,000 or more, are not as good as other workers in stimulating the economy. Republican efforts to effect a general tax cut, weighted to the lower and middle income brackets, were rejected. The legislation which finally passed Congress froze the standard deduction for single individuals at a flat $2,200. This is $200 below the $2,400 ceiling in the preceding tax law. This tax reform cost every unmarried taxpayer up to $58 if his income exceeded $13,750.

Next came the President's energy proposal which sought to tax America into conservation by imposing $100 billion in new levies on an already overtaxed populace. The national energy plan will cost the average four-member family $2,000 a year in tax increases when fully implemented.

Here again, Republicans stood for tax reduction but our efforts to return to the public much of the new energy tax revenue by a general tax cut were beaten back by the Democratic leadership. A general tax cut would assure the public of higher paychecks for the months and years to come. The Democratic leadership is committed to a limited 1-year tax rebate. Their objective is to divert the energy tax revenue in subsequent years to finance other programs.

The administration has not confined its tax raising compulsion to the income tax. Democratic plans for the social security tax will require everyone to dig deeper into their pockets. Their plan includes lifting the wage base for employers and employees as well as transferring $14 billion from general revenues to the social security trust fund. Estimates are that this will increase 1978 taxes by $6.1 billion, or a cumulative increase of $50.3 billion through 1982.

Another example of the administration's approach to raising taxes can be found in the "waterway user's tax" legislation, H.R. 8309, the Navigation Development Act. The act would impose for the first time a 4-cent-per-gallon tax on fuel used in commercial waterway transportation; it would rise to 6 cents per gallon beginning October 1, 1981. The ultimate goal is to tax waterway users at a level adequate to cover the entire cost of operating and maintaining the inland waterways and to provide one-half of the construction funds for new projects. The tax would have to be increased to about 42 cents per gallon to meet this objective, based on current waterway expenditures. The $350 million in waterway taxes raised by a 42-cent tax rate would certainly be passed along to the consuming public.

The approach is thus to impose new taxes at a relatively modest level with the expectation of increasnig it significantly in coming years. The pattern is to start out small and then increase the tax. Unfortunately, this approach may also be followed in matters concerning individual taxpayers.

This is the administration's tax hike record to date. The President's tax reform proposals are expected shortly. Will they be consistent with the record of tax increases or will they adopt the notion that the ultimate tax reform is tax reduction? We Republicans hope he takes the latter course, but we are aware that the tax reduction and balancing the

budget can only be achieved by reductions in spending.

Our record in this Congress is consistent with the philosophy that reductions in taxes must be accompanied by reductions in spending. In the first budget resolution we sought to reduce spending and proposed an across the board tax cut for all individual taxpayers. In the economic stimulus bill and the energy bill we proposed amendments to provide tax cuts. These were rejected by the administration and the Democratic majority. Despite our setbacks to date we shall continue our tax reduction efforts because they are consistent with what the American people want. The recent Roper poll indicating that the majority of taxpayers favor tax reduction over tax reform merely confirms what we have been advocating.

The second budget resolution before us today ought to serve as a vehicle for controlling spending and thereby enabling us to reduce taxes. Unfortunately, this resolution moves in the opposite direction as do the 5-year budgetary projections supplied by the administration. As I stated at the outset, they would increase the effective tax burden on the public enormously.

Now is the time to reverse this trend and to reorient our priorities toward tax reduction. Rejection of this resolution will be a step in the right direction.

Mr. GIAIMO. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I rise in continued support of the budget process and also in general support of this second budget resolution which establishes a fixed ceiling on overall spending and places a firm floor under revenues for fiscal year 1978.

I rise also to commend the chairman for bringing this resolution to the floor in such a timely fashion.

In addition, I intend to endorse the committee amendment tomorrow which takes into account subsequent action by the House impacting on revenues and the conference agreement on the defense appropriations bill.

I would now like to review for a moment the performance to date of our new budget process. As most of you recall, we inaugurated the budget process at a time of great economic difficulty. Unemployment had reached almost 9 percent. The real gross national product had dropped by over $9 billion. When our Budget Act was adopted late in 1974, the annualized inflation rate hovered around 12 percent.

Since that time, we have adopted three target resolutions, two ceiling resolutions, and one "third budget resolution" specifically devoted to economic stimulus. We have recommended, passed, and implemented tax reductions and economic stimulus measures such as public service employment, youth employment, accelerated pubic works, and countercyclical assistance to our cities. Since 1975, we in the Congress, have approved over $25 billion worth of programs and tax measures specifically designed for economic stimulus purposes.

We would all like to create jobs cheaper than at the rate of $10,000 or $25,000 per job, and we are speculating on various kinds of tax credits and job credits which I hope will lead us to some more cost-effective remedies.

And what, might we ask, have all of these resolutions and stimulus measures done for us? Although we cannot ascertain with certainty the full extent of the impact our new budget process and stimulus measures have had on the overall performance of the economy, it is an acknowledged fact that we have recovered from our Nation's worst economic recession since the Great Depression; that the growth rate in real GNP has gone from −1.4 percent in 1974 to 7.5 percent and 6.1 percent in the first and second quarters respectively in calendar year 1977; that inflation as measured by the percent change in the CPI has moderated from an annual rate of 115 percent in 1974 to a seasonably adjusted annualized rate of just under 5 percent for July of 1977; that the trend in unemployment viewed over time has been downward from a high of 8.7 percent in the second quarter of 1975 to a still too high 7.1 percent in the second quarter of 1977; and that housing starts are continuing to advance strongly reaching a seasonally adjusted annual rate of 2.06 million units in July which is the second highest housing starts figure since July of 1973 topped only by March's rate of 2.09 million units.

In addition, during this period a major reordering of priorities has evolved. We have moved from 29.1 percent of our total Federal budget in 1974 to about 24 percent today in national defense. In the areas of education, training, employment, and social services, we have accelerated from 4.3 percent in 1974 to 5.9 percent today. Health expenditures have gone up, perhaps in large part due to inflation, but they are up from 8.2 percent to 9.6 percent today.

Mr. Chairman, I applaud such apparent progress to date and endorse the attendant shift in priorities and the striking of a reasonable balance between our national defense and international responsibilities, on the one hand, and our domestic and social commitments on the other.

Unfortunately, lest we pat ourselves on the back too much, let me remind the Members that we have not yet regained Camelot. We have a number of problems. We have some scattered bad omens on the horizon. We know we have had to readjust downward our expected growth rate in the second quarter of this year from 6.4 percent to 6.1 percent. We know that durable goods sales are not as they perhaps should be. They leveled off in July and in June. We have some weakness in food store sales, which has already been alluded to. Our car sales have degenerated from 12.2 million units in March down to 10.8 million units. Also, we have a shortfall that has been reviewed in some other committees in Congress which is now somewhere at the $12 million to $14 million level, so we do not really know what we have stimulated and what we have appropriated for and what is really just window dressing on the part of sitting bureaucrats downtown.

Some economists feel that such trends represent a welcome cooling of an overly hot growth rate. I do not subscribe to this view, and feel that we must keep alert to such early signs of a faltering or sputtering economy.

Far more damaging, of course, are the unemployment statistics that we have. We are all well aware of the fact that teenage unemployment is still over 18 percent.

Minority unemployment is an alarming 40.4 percent. Basically what this means is that for teenagers who are counted in the statistical examples under the system under which we were currently operating, this system simply is not working since we have 2.4 times as many minority unemployed as majority unemployed. These are not good signs, and we are going to have to do something in the basic committees themselves; it cannot be done just in the Committee on the Budget, it has to be done in the Committee on Education and Labor and the Committee on Appropriations in order to attack structural unemployment. Exactly how we can do that I am not positive, but I would hope the administration might make for formidable efforts to specify and promote the job credit program that was recently enacted by the Congress and signed by the President. I see no word whatsoever in the statistics or in the propaganda put out by the Government as to what the job credit program is doing.

I spoke to several business groups in California and advised them that on the first $4,200 of wages paid to teenagers and others, over and above their 1976 base, they can get a 50-percent credit. They do not really have to pay $2.50 as a minimum wage in California, they can really pay an effective $1.50 to hire new employees under the job credit program.

So, Mr. Chairman, I am very much concerned that we do something in the structural unemployment area.

Secondly, I am concerned about the passivity with which we have constructed the second budget resolution. There ought to be more people here on the floor, and there should have been, perhaps, a more vigorous debate in the Congress, but we have just come back now from our districts. As a practical matter, we are ratifying spending actions that have already been taken elsewhere with little or no thought to disciplining our collective actions as evidenced by some of the more inflationary energy package pricing initiatives and farm bill support payments and benefits assumed in this resolution. Lest we be accused of being mere scorekeepers, I feel that we should take a more activist and disciplined stance in setting future expenditure ceilings.

One final point, Mr. Chairman, and that is that I express some concern, and perhaps this would require an amendment at a later time, with respect to the budget process at some future date. This concern is the very real lack of Member continuity we have imposed upon the membership of the Budget Committee here in the House as a result of the limitations contained in our Budget Act. As you are all well aware, no Member of the House may serve on the Budget Committee more than 4 out

of every 10 years. Although this insures a high degree of participation in the budget process over time, it is becoming apparent to those of us genuinely concerned with the overall effectiveness and continued viability of our new process, that the practicality of this restriction can no longer be taken for granted. For instance, a 4-year tenure is merely long enough to become extremely knowledgeable about and proficient with the highly complex process we enacted back in 1974. It seems that as soon as Members master the process it is time for them to retire from the committee. The end result of such a lack of continuity is a continually expanded gap between the quality of the knowledge of the professional staff and the Members coming on the committee. So I believe this is a matter that we ought to look at and determine whether or not this is an item that we ought to continue with in this process.

The fact of the matter is that the members on the Senate committee are constantly and continually gaining in stature and posture and in aggressiveness, and this makes it extremely difficult for us to bargain with them when we are junior members and they have this high degree of seniority which they are continually gaining.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague, the gentleman from California (Mr. LEGGETT) yielding to me and I join with the gentleman in saying that I think it is important to support this process.

So I do not think we have offered enough discipline to the system as I think we should. But the gentleman is right that it is important to preserve the process and to force the Congress to review the budget on an overall basis instead of piecemeal as we did in the past.

I was interested in the gentleman's comments about a shortfall on the spending side—I would call it savings.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIAIMO. Mr. Chairman, I yield 2 additional minutes to the gentleman from California (Mr. LEGGETT).

Mr. ROUSSELOT. If the gentleman will yield further, regardless of the terminology applied, this morning in committee when we were discussing some of the overall figures, I was told that it is really hard to get a definitive figure for the end of this fiscal year ending October 1 for the 1977 budget as to whether the amount of savings—or shortfall, whichever one wants to call it—would be $9 billion, $10 billion, or $12 billion. I notice the gentleman mentioned $14 billion.

Mr. LEGGETT. That is what I read.

Mr. ROUSSELOT. The gentleman just read that in the paper. It is nothing fixed. But is not part of the reason for that that this administration has stated that they have had some difficulty in moving the money out as fast as Congress would like it to?

Mr. LEGGETT. I think the gentleman is exactly right. We do have a problem in moving funds.

Mr. ROUSSELOT. The gentleman means they cannot spend it as fast as they would like.

Mr. LEGGETT. As fast as appropriated. The thing is we do not want them to spend it foolishly.

Mr. ROUSSELOT. No. Certainly we have been seeing that for years.

Mr. LEGGETT. We may have a general plan, and that general plan just does not seem to work out sometimes in practice, so the money is not being spent out. I think we ought to be frank with ourselves in not saying we have stimulated the economy by $6 million, as an example, if only $3 million is spent out. So this is a method by which we have to be honest with ourselves, I think, in accounting for what is going on, and if there is a conscientious effort by the administration in fact to save money because they do not want to go into the market to borrow, or various and sundry other kinds of things.

Mr. ROUSSELOT. Those are all good things, by the way.

Mr. LEGGETT. Sometimes they may be, and sometimes they may intend to thwart the will of Congress. If there is an intent to circumvent the Impoundment Act, then I think that that is a matter we have to address ourselves to, but if this is merely an action under the so-called 1921 antideficiency legislation, then that is something else again.

Mr. ROUSSELOT. I agree with the gentleman that we should encourage them to save money wherever they can and that they should do it.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, first of all, I commend those who labor on the Budget Committee. They undertake a very vital task, I am sure with very little applause at any point during the year, and it is one that I think is underrated in importance by most of their colleagues. I salute them for their endeavors.

I have a couple of questions to raise about function 350 which is agriculture, and perhaps someone on the committee can respond to my questions. I notice, for example, that the budget outlay for agriculture for the fiscal year is $6.1 billion and the latest data I have seen from CBO puts the best educated guess at $6.3 billion. President Carter and Secretary Bergland have announced what they intend to do in the way of target prices, loan rates, and other policies, assuming the bill that is now in conference does become law. This CBO estimate of $6.3 billion is based on the assumptions that follow from the announcements by the President and by the Secretary. The question I raise for any response that may be made is would it be proper for the committee to increase the item for agriculture from $6.1 billion to $6.3 billion?

I will be glad to yield to my friend, the gentleman from Connecticut (Mr. GIAIMO), the chairman, for a response.

Mr. GIAIMO. Mr. Chairman, if the gentleman will yield, I do not think we should adjust that figure at this time. Bear in mind we are talking about estimates only. It is now $6.1 billion, and whether it should be $6.1 billion or $6.3 billion is a little uncertain at this time. The Administration is reviewing these estimates. The 20-percent set-aside which was recently announced, instead of the anticipated 30 percent, played a role in that. It means about $200 million in additional spending, so we have to restore that $200 million at some point. But there are reestimates for the feed grain programs still to be made and reestimates on sugar price supports and so forth.

So until we have a better handle on what these reestimates will show, and I suspect we will have that in a few days and undoubtedly by the conference, I would hesitate to add or subtract $100 million or $200 million to or from these budget estimates, which were the best we could possibly come up with at this time without additional and harder evidence.

Mr. FINDLEY. I thank the gentleman for that comment. I assume the gentleman will agree with me that the budget resolution when it is adopted by the House should however reflect the best estimates of expenditure that can be provided through official sources at that time.

Mr. GIAIMO. Even if we are unhappy with it, I think it should reflect the best estimates.

Mr. FINDLEY. And I am sure the gentleman is unhappy with many aspects of this resolution. For example, even if we assume the budget outlay for agriculture is $6.1 billion, it is an all-time record high for agriculture in the history of the country.

Mr. GIAIMO. It may well be and I would not be surprised if it is, but do not have the estimates.

Mr. FINDLEY. I understand 1969 was the closest to this figure and it was $5.8 billion, so this is $300 million above that, and probably even higher.

And I believe I am correct and I hope the gentleman will correct me if I am not correct, this estimate of $6.1 billion as the cost to the American people of the agricultural programs does not include the cost which is represented by the new sugar program which will increase costs to the American people as consumers. Am I correct on that, Mr. Chairman? It does not include an estimate of increased consumer costs as a result of the legislation.

Mr. GIAIMO. The gentleman is absolutely right. In addition to what the Government may spend there is the question of consumer costs in agricultural products, particularly in sugar.

Mr. FINDLEY. Yes. And this legislation which is now in conference will mandate a price on sugar which will increase costs to users of sugar. Some estimates have put that as high as $1 billion in increased costs for the year. If that is accepted as an accurate estimate, then the price tag to the American people of the agricultural programs for the coming fiscal year is closer to $7 billion than it is to $6 billion.

I have a suggestion which I hope my colleagues in the committee, those on the Budget Committee and off the Budget Committee, will give consideration to. I was heartened to see the an-

nouncement by the chairman of the Budget Committee in the other body, the gentleman from Maine, to the effect that he intends to offer language to the budget resolution which will direct the Senate Committee on Agriculture and Forestry to go back to the drawing board to cut back on the budget outlays for agriculture, to bring them in line with a level of $5.6 billion. I find that very heartening that the chairman of the Senate Budget Committee would seek to bring about this discipline which seems to me a logical procedure if we are going to make the Budget Act really function.

I would raise the question to any of the Budget Committee members if they would support language to the House resolution which would direct the House Agriculture Committee to go back to the drawing boards to redesign the farm programs so that in the budget outlay for the coming fiscal year there is a cutback to $5.6 billion. I would be heartened if my friend, the gentleman from Connecticut, will support the idea.

Mr. GIAIMO. Mr. Chairman, if the gentleman from Illinois will assure me of the chances of passing that, I might go along with the gentleman in trying to get that kind of reconciliation language passed.

Mr. FINDLEY. We have stood almost alone on other occasions, maybe we can do it again.

Mr. GIAIMO. I recall one vote where there were only three; the gentleman from Illinois, myself, and I think the gentlewoman from New Jersey.

Mr. FINDLEY. And we were right.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. CONABLE. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois.

Mr. GIAIMO. Mr. Chairman, if the gentleman will yield further, we fought that problem and, frankly, the House clearly expressed its will on the question of agriculture quite forcefully. We did not think we ought to resume that struggle. Therefore, I do not think we should go down the reconciliation road in this instance.

Mr. FINDLEY. I can understand the gentleman's feelings. Certainly, the President has not put his weight behind budget restraints. Back in March he talked about a $2 billion ceiling for agricultural outlays. Now he is on the verge of signing a bill that is over $6 billion.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the gentleman from Illinois.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. CONABLE. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois.

Mr. FINDLEY. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, my colleague from Illinois touched on one point that is part of this fundamental problem in the budget and in the agricultural field, that is, some of the expenditures we make in the agricultural field in fact twice tax people, because they call for subsidies and at the same time raise prices which cost the consumer something. I hope my colleagues and some others on the Committee on Agriculture will take a good, hard look at target prices more and more as the answer in this area, so the consumer can get that product at a lower price that is deflationary and we do not impose in a double way, as we do on too many things right now.

I commend my colleague for his leadership.

Mr. FINDLEY. Mr. Chairman, in view of the professed concern of the Carter administration over the need to curtail Federal spending, it is instructive to see just how this same administration has performed on its promises to hold the line on Federal farm program costs in the new farm bill.

Things are not always what they appear to be in Washington, and words in this town often don't mean what they seem to say. But in this case it looks as though someone has really been taken down the primrose path. Originally, President Carter set a $2-billion ceiling on spending for agriculture programs. A few months later, he changed his mind and said he would accept a farm bill that would raise the cost of agriculture programs to $4 billion. Now, he is about to sign a farm bill that will up the first-year cost of farm programs to a whopping $6.3 billion—a threefold increase over what he said he would accept just 6 months ago.

Surely the administration is not following a premeditated policy of deliberate misstatements and false positions on the farm spending issue. More likely, the President, who has been characterized as a "guy" who "is going to be brutal on spending," seems inclined to yield easily to pressure groups.

Back in April, Secretary Bergland was quoted as saying the President had warned him of his determination to hold the line on farm spending, and had given the warning while "he gazed at me with those big blue eyes." "This guy is going to be brutal on spending," the Secretary is reported to have said.

It looks like those big blue eyes blinked.

The following chronology traces the course of the farm bill, and the administration's constantly shifting positions on it, from the first Carter/Bergland proposal to the House and Senate Agriculture Committees back in March to the present crisis over the budget resolution. It consists of excerpts from the public media, from USDA press releases and from the testimony of Agriculture Secretary Bergland before the Congress, which outline the numerous policy shifts of the administration as the farm bill moved through the legislative process.

"THIS GUY IS GOING TO BE BRUTAL ON SPENDING!"

March 23–24, 1977: Agriculture Secretary Bergland appeared before Senate and House Agriculture Committees with Administration's farm program proposals. He said, "The fact is that we are going to do all we can to curtail Federal spending. The program we are offering today will have very modest costs to the Treasury—estimated, variably, between $500 million and $1 billion, depending on weather." (House Hrgs. p. 160)

April 19: President Carter approved changes in farm program proposal costing an estimated $1 billion over the Administration's original proposal. Secretary Bergland warns that the estimated $2 billion total cost of the program is "dangerously close to the administration's spending limit" and that a program with higher total costs "faces a serious threat of veto." (USDA Press Release)

April 26: (Associated Press) The Secretary of Agriculture, Bob S. Bergland, said yesterday that any Congressional increases in President Carter's proposals for major crop support levels "will increase the possibility of veto."

"I have delivered the message in terms no one can misunderstand, publicly and privately," he told a group of newspaper and farm editors. . . .

(New York Times News Service) The Secretary said he was convinced of the President's determination to hold the line on farm spending at the newly proposed level after Carter, at a White House meeting Monday, gave the warning while "he gazed at me with those big blue eyes."

"This guy is going to be brutal on spending," Bergland said privately to a few reporters after his speech. . . .

May 4: (Commodity News Service) Agriculture Secretary Bob Bergland told CNS today President Jimmy Carter would veto the farm bill approved by the Senate Agriculture Committee this morning. The Senate's bill costs an average of $3.9 billion a year for its commodity programs, and the President has set a ceiling of $2 billion. Bergland said there is not a chance the President would approve the bill. He said, "I have never been more sure of anything in my life."

May 10: (UPI) President Carter has offered to accept a proposal by House farm leaders to raise support targets for this year's wheat and corn crops if the lawmakers will scale down their proposals for target rates in 1978 and future years, Agriculture Secretary Bob Bergland disclosed yesterday.

The potential 1977 increases would not result in any payments to corn growers but would put about $360 million into the pockets of hard-pressed wheat farmers, the Secretary estimated.

May 13: (Washington Farmletter) Legislation taking national farm policy into the 1980's has been in the making since last year and still travels a rocky, uphill road. If the initial versions win approval a House-Senate Conference rewrite job will be required, and after that there is a veto hazard.

No one is sure where the White House will draw the line—so far it has made 3 "final offers." The latest was to trade off an increase in 1977 target prices for lower 1978 guarantees than the Committees favor.

May 24: (Washington Post) In an atmosphere of confrontation backed by veto threats the Senate took up the multi-billion dollar farm bill yesterday and President Carter promptly held out a $446 million olive branch.

Spokesmen for the White House offered to boost the price-support ante by $446 million for wheat farmers on this year's crop if the Senate, in exchange, would reduce its proposed future wheat and corn supports by up to $1.8 billion a year from 1978 to 1982. It was not immediately clear whether the President would have any takers.

May 26: (Washington Star) President Carter is inclined to veto legislation raising farm supports far higher than requested by the administration, and he may also veto a bill funding 17 water projects, according to a White House official. . . .

"The President is concerned about overspending," Press Secretary Jody Powell said yesterday. . . .

Administration officials have complained that the Senate version would cost at least $2 billion a year more than under Carter's plan and would threaten the President's effort to balance the budget by fiscal year 1981. . . .

July 14: (UPI) President Carter would approve a pending farm support bill even if a final Senate-House compromise on the measure is slightly more costly than the House version which Agriculture Secretary Bob Bergland endorses, a congressional leader predicted Wednesday. "I think the bill . . . is going to have to come closer to the ($2.2 billion) House version than the ($3.8 billion) Senate version to get Administration approval, but I think there is some room for adjustment," Chairman Thomas Foley, D–Wash., of the House Agriculture Committee said in an interview.

July 18: (CNS) After discussing the farm bill for over two hours Thursday with U.S. Agriculture Secretary Bob Bergland, President Jimmy Carter has decided to continue to stand by the House Agriculture Committee's wheat and corn target and loan figures, according to Administration sources. . . . the Office of Management and the Budget stressed that accepting the Senate 1977 corn and wheat rates would mean a $1.5 billion budget exposure which is unacceptable.

July 21: (Wall Street Journal) The Carter administration has abandoned efforts to head off sharp increases in farm price supports expected to easily clear the House today, and has quietly promised no veto. . . .

"There's no way we can win now, so why fight and make everyone mad?" said one administration official. . . .

If the House approves the higher farm price supports with presidential acquiescence, it will be the third boost to win Mr. Carter's grudging support. The administration unveiled its farm price recommendation in March, only to raise price support levels a few weeks later. Then last week the administration agreed to go along with the even higher support prices in the House Committee farm bill and now is surrendering to the still more generous levels expected to be adopted by the House today.

"There's been total mismanagement of this farm bill from the very beginning," said a key House Agriculture Committee official. "The administration never got its act together."

July 22: (Wall Street Journal) Confident of White House acceptance, the House adopted without any apparent dissent costly increases in farm price supports for the 1977 corn and wheat crops. . . . For months, supporters of the higher prices had privately conceded they had little chance of success.

But all that changed early this week when Agriculture Secretary Bob Bergland, at a private meeting with House Democrats, declined to promise a presidential veto. . . .

The only Congressman to seriously oppose the increases during the quick debate was House Budget Committee Chairman Robert Giaimo (D., Conn.). Mr. Giaimo said the higher prices would push the cost of the farm bill above $5 billion in fiscal 1978, which begins Oct. 1. That spending level, he said, is double what his Budget Committee had hoped the farm bill would cost. . . .

Mr. Foley said the higher wheat support prices will cost the Treasury $470 million in fiscal 1978, when the payments are made on the 1977 corn and wheat crops. . . .

Mr. Foley said that by making the target price and loan rate identical, the government won't make any direct payments to corn farmers, thereby saving the Treasury $300 million. But the amount of loans to farmers is expected to increase $170 million, he said. Mr. Giaimo disputed Rep. Foley's figures.

August 4: (Washington Post) House and Senate conferees yesterday reached a compromise agreement on a major farm bill giving wheat and corn growers higher price supports and payments, but at levels which congressional sources said should prevent a presidential veto.

Administration officials had warned that President Carter would probably veto the measure if it contained the farm payments approved by the Senate. Agriculture Secretary Bob Bergland visited the conferees to stress that the administration was adamantly opposed to the higher Senate levels. . . .

The heated, five-hour debate in yesterday's conference centered on the level of direct payments to farmers to cover their costs. The Senate had sought a $3.10 a bushel guarantee, but the House had approved only $3 a bushel. . . .

The conferees compromised on $3.05 a bushel, but that would drop to $3 a bushel if the 1978 wheat crop exceeds 1.8 billion bushels. . . .

Administration economists had warned that the extra 10 cents sought by the Senate would cost $100 million in direct payments to farmers.

(Journal of Commerce) How politics creates strange voting alliances at times has seldom been better illustrated than by the treatment this year's farm bill has been given on Capitol Hill. Unless this measure is vetoed by the President, a doubtful possibility at this point, it is certain to prove a costly affair and pose another big threat to whatever remains of Mr. Carter's budget. . . .

August 13: (Des Moines Register) Agriculture Secretary Bob Bergland surprised a luncheon audience here Friday by refusing to rule out the possibility that President Carter might veto Congress' new farm bill. . . .

A Bergland aide said later that the secretary was being cagey "because we haven't finished adding up the figures on what the exact cost of the bill will be." . . .

In Iowa earlier this week, the agriculture secretary predicted flatly that "President Carter will sign what is the best farm program ever written." . . .

August 14: (Washington Post) Remember last spring? The Congress wrestled mightily and long with its preliminary spending plan for fiscal 1978, but nearly collapsed in disagreement over how much money to spend on defense. . . . Congress now must write a binding budget for the fiscal (or federal spending) year that starts Oct. 1.

Congress has spent more than it planned to last spring in several areas. There could be at least one more nasty battle on the Senate floor as budget committee chairman Edmund S. Muskie (D-Me.) tries to pare agriculture spending. . . .

Congress hewed to the budget tenets it set down in the spring with the exception of agriculture—where farm bloc legislators horse-traded their support for some urban social programs such as food stamps in return for urban votes for higher price supports for crops.

In the resolution it sent to the floor, the Senate committee held farm spending to $5.6 billion and directed the Senate to redraw the spending levels set in the farm bill if it exceeds $5.6 billion. The process is called reconciliation. It is an avenue that Giaimo rejected on the House side, arguing that if the House knowingly votes to spend $6.1 billion or $6.2 billion on agriculture, it is a waste of time to lean against the will of the House when drafting a budget ceiling.

Senate observers expect the reconciliation directive to be taken out of the budget on the floor of the Senate, if the costs of the Senate budget contains for agriculture farm bill exceed $5.6 billion in outlays the spending. In the first budget target, the House and Senate provided $4.35 billion for agriculture. . . .

August 15: (Chicago Tribune) Despite threats of a veto and disagreement regarding some parts of the proposed farm bill, spokesmen for leading farm organizations believe it is virtually certain President Carter will sign the measure when it reaches his desk in September.

The bill, agreed to last week by a Senate-House conference committee, is expected to inject at least $4 billion into the lagging farm economy in the next year through subsidies and loans to producers of grains, tobacco, and sugar.

Chairmen of congressional budget committees have warned that the bill could cost at least $6 billion in the next year, about three times more than Carter has asked for. . . .

In discussing the likelihood that Carter will sign the bill, a Washington spokesman for one of the leading farm organizations said: "I don't know anyone on the House or Senate Agriculture committees who seriously thinks that Carter will veto this bill. If he did veto it, Congress would either have to pass a one-year stopgap law or go back to basic laws written as far back as 1938 with wheat acreage allotments and marketing quotas, and nobody wants or expects that.

"If he did veto it, Congress just might pass it over the veto. When was the last time a Democrat vetoed a farm bill?"

August 17: (Reuters) Skidding prices for farm commodities and congressional largesse have combined to send the likely cost of government farm programmes next year spiralling to the highest level in at least a decade.

The combination also sets up a credibility test for President Carter, who first sought to hold costs below a billion dollars a year. then warned as late as mid-April that he would veto any bill lifting commodity programme costs to much over two billion dollars.

Now, just four months later, the President appears ready to sign a bill which congressional budget experts estimate will cost perhaps twice that much in the first year alone.

Both the House and Senate still must take final action on the four year farm bill when Congress returns from its summer recess after Labor Day.

But approval is seen as a foregone conclusion, even though Senator Edmund Muskie and others are incensed over a bill they consider so excessive as to undermine Congress' new overall budgeting procedure.

When Secretary of Agriculture Bob Bergland reported Mr. Carter's veto threat in April, he said that the President delivered the warning while "he gazed at me with those big blue eyes.

"This guy is going to be brutal on spending," Mr. Bergland opined.

But after a series of "compromises" upward as the bill worked its way through the legislative process, Mr. Carter sent word through Mr. Bergland and other spokesmen that he probably would accept the final product. Says one congressional critic, "it looks like those big blue eyes blinked." . . .

House budget committee staff estimate that basic wheat, feedgrain and cotton programs covered in the bill will cost almost $3.5 billion in fiscal year 1978, starting in October.

When disaster payments, supports for producers of food, soybeans, peanuts and dairy products, and other agriculture programs are figured in, they say, the expected outlays rise to between $5.8 and $6.1 billion.

The last time farm programs cost as much as $5.8 billion was in 1969.

Even the $5.8 to $6.1 billion figure does not include such other programmes as food for peace overseas food assistance and the domestic food stamp plan. Adding those brings the grand total to over $13 billion. . . .

Aides to Senator Muskie, chairman of the Senate budget committee, say he plans a confrontation on what he sees as the budget-breaking nature of the farm bill almost immediately after congress returns.

Toward that end, he has included in the overall budget resolution on which congress must act by September 15 an unprecedented requirement for the agriculture committee to trim back its total 1978 spending to $12.6 billion.

The committee would have to detail by September 22 how it planned to achieve the cut—as much as $500 million.

An aide says Muskie is "very serious about this. He's not undertaking the effort lightly." But he admits chances of success are limited, in view of congressional action to date.

Both Mr. Muskie and House budget committee chairman Robert Giaimo have raised the issue of Mr. Carter's credibility in relation to the farm bill.

Even before final action by the conference committee, an angry Senator Muskie said he was "disappointed that the administration has capitulated to those advocating ever higher farm income supports.

"One wonders what further surprises from the President are in store for those of us who believe that this administration is trying to control spending," he declared.

September 2: (NAWG Newsletter) The 1977 Agriculture Act, which was approved by a House-Senate conference committee early last month, faces delay and deep cuts in program levels before finally clearing the Congress. If cuts come, increased 1977 target price payments to wheat producers will almost certainly be eliminated.

The first challenge is set to occur on September 8 when the Senate is scheduled to act on the Second Budget Resolution (S. Con. Res. 43) which places binding limits on Congressional spending. The Resolution provides only for $5.6 billion in outlays for agriculture, or $700 million less than the Senate Budget Committee estimates is needed to fund the new farm bill in FY 78. It also requires that the farm bill be sent back to the Senate Agriculture Committee where program levels are to be cut back to fall within the budget limit. Elimination of higher 1977 crop benefits is the only means of complying with the $5.6 billion spending restriction.

The situation in the House is much the same, but to a lesser degree. The House budget resolution provides a ceiling of $6.1 billion for agriculture, $200 million less than that estimated to be needed to cover provisions of the conference bill.

Edmund Muskie (Maine), Chairman of the Budget Committee will lead in the effort to reduce the FY 78 cost of the farm bill. . . .

Mr. GIAIMO. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Chairman, I rise in strong support of House Concurrent Resolution 341, the second concurrent resolution on the 1978 Federal budget. The revenue floor and the outlay ceilings imposed by this resolution reflect both congressional actions on spending and the best economic assumptions available to Congress at this time. They also provide for an appropriate level of Federal activity aimed at continuing our economic recovery, and moving toward full employment and a balanced budget. This is no small achievement for a process only just completing its second full year of operation.

Of course, by this time in the budget year, we have already set congressional budget priorities in the first resolution. In addition, we have the benefit of House and conference actions on spending measures and a fairly good idea of what is still to come, as we arrive at the second resolution's binding revenue floor and spending ceilings. The major question, then, is the state and direction of the Nation's economy.

It is abundantly clear, from economic data recently made available, that the rate of our economic recovery has slowed. However, this development was expected and was accounted for in the Budget Committee's economic assumptions. Indeed, in our committee report, you may read on page 9, and I quote:

The committee expects a slowdown in real growth during the balance of 1977 and 1978, to a 5 percent annual rate. It does not expect a repetition of the sharp slowdown that the Nation's economy experienced in mid-1976.

This was written before the most recent figures became available, but the committee does not believe the latest data require any change in our assumptions.

The question, then, is how much of a slowdown we will experience and how long it will last. Most discouraging is the increase in unemployment rates and, particularly, in unemployment among blacks, but it should be noted that total employment has increased faster than the growth of the labor force in the year since last August.

There are favorable signs, as well, including business investment, housing starts, and personal income. Finally, the stimulus programs designed last spring are now ready to spend out this fall and on into next year. Where an estimated $3.3 billion was spent for economic stimulus in the last 6 months, it is expected that nearly $9 billion will be spent during the 6 months beginning October 1.

Again, Mr. Chairman, I strongly support this resolution and the congressional budget it establishes for fiscal year 1978. I believe the process has worked well and the Congress has responded admirably to the disciplines it imposes. It is only with discipline, and a balance of the competing demands on the Federal Treasury, that we in Congress will be able to keep our control of the purse strings and keep moving toward such goals as full employment, a balanced budget, and a decent life for all our citizens.

Mr. Chairman, I urge all my colleagues to join me in voting for House Concurrent Resolution 341.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. TREEN).

Mr. TREEN. Mr. Chairman, I thank the gentleman for yielding.

I have asked for this time so that I could ask the chairman of the committee a question with regard to the sugar support program that was part of the farm bill as it passed the House.

I understand that the House and the Senate conferees on H.R. 7171 have agreed to put sugarbeets and sugarcane in the Agriculture Act as basic commodities that the administration must support at a price no less than 52½ percent of parity.

On page 32 of the report on the budget resolution, in the middle of the first paragraph, there is reference made to a $0.2 billion—that is $200 million—for the sugar program recently initiated by the administration.

Then, in the next paragraph, it is indicated that the resolution includes an increase in outlays of $1.4 billion over the first budget resolution. That adjustment is made to accommodate provisions in the farm bill related to support payments for 1977 crops. As I understand it, the administration has abandoned its initial program of support payments which it proposed to make under existing law. If that is the case, of course, the $200 million for that would not be required. My main purpose in rising and asking this question is to make sure that we have in the budget resolution sufficient budget authority and outlay authority to accommodate the sugar support program mandated in the farm bill.

Of course, I do not know that anyone knows what that will cost, because we do not know which method the administration will adopt to support the price of sugar. We do not know whether the administration will adopt import quotas or tariffs or some other method. My concern is to make sure that, whatever program is adopted by the administration, pursuant to the farm bill, it is taken care of in this budget resolution.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. CONABLE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Louisiana.

Mr. GIAIMO. Will the gentleman yield?

Mr. TREEN. Yes.

Mr. GIAIMO. The gentleman knows that, as a result of the actions taken in the House on the agriculture bill, we had to increase substantially the agriculture outlays in the second budget resolution. We increased them about $1.7 billion over the first budget resolution to take care of the increased requirements brought about by the passage of the agriculture bill.

Included in that was an estimate of what would be required to take care of payments on sugar. Now, remember that at the time we worked this out, it was based upon the arguments made by the members of the Agriculture Committee as to their best estimates of what would be required. What we do not know yet are the exact dollar amounts. They are still estimated amounts. It is still rather early.

In addition to that, it is highly questionable whether the administration approves of going down that road of payments in regard to sugar. They may well want to approach it via the import-tariff route. So, that would have an effect on costs also, but it is very difficult to say precisely to what extent.

The best statement I can give to the gentleman is that we have tried our best. We believe that we have provided for either eventuality in agriculture with respect to sugar. We think that there will be enough in the budget resolution, as it will be adopted, to provide for the gentleman's concern.

Mr. TREEN. I thank the gentleman very much.

Mr. GIAIMO. Mr. Chairman, I yield such time as he may require to the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. I thank my distinguished friend for yielding to me.

Mr. Chairman, it has been the good fortune of the Congress and the American people that a budget process is now firmly in place. This is the seventh budget resolution to come before the House of Representatives. It brings to a close the second full year of implementation of our new budget process. I am proud to

say that I support this ceiling resolution as yet another example of Congress capacity to appraise the economy realistically, establish reasonable national priorities, and control excessive spending.

I must admit that the deficit, as high as it is in this resolution, remains a cause for grave concern. I am equally disturbed by the increasing unemployment rate, particularly among our black teenagers, where unemployment has increased to the horrendous rate of 40.4 percent. At the same time, however, the stimulus program we provided for earlier this year will reach its full impact in fiscal year 1978.

It is also encouraging to note that the economy has shown some substantial improvements in business investment, in housing starts—up to 2.1 million annualized—and in real income. I firmly believe that had it not been for the budget process, our economy would be in far greater difficulty than it is at present. This is not to say that the Budget Committee does not have a heavy responsibility next year. Although the current slowdown was expected, Congress must continue to provide the necessary stimulus for sustained recovery.

I again applaud the work of Chairman BOB GIAIMO, the members of his committee, and the staff for the fine work they have done. I want to make special note of the close cooperation on sensitive program issues that has emerged between the standing committees and the Budget Committee. I urge all Members to support these expenditure ceilings and revenue floor for fiscal year 1978.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I, too, as my colleagues have previously stated, believe that the budget process that we now go through forces the various committees in Congress to coordinate in a better manner the overall budget responsibility which we share with the executive branch, particularly in trying to do a better job on a more responsible basis explaining and coordinating the various appropriations and authorizations from the various committees.

If I may, I would like to ask the chairman of my committee a couple of questions relating to social security, the statement made in the committee report on page 64 and on page 59 relating to Function 600: Income Security. Under the portion on page 59 entitled "Social Security," there is a request in here for additional budget authority of $6.4 billion. I notice that there is a statement that this is to potentially accommodate some of the proposals that have been made relating to social security.

Again on page 64 there is a statement, "Inclusion of this budget authority does not imply an endorsement of the administration's financing proposals; instead, it simply retains the option for the House to approve additional financing within the budget authority ceiling which will be imposed under the Second Budget Resolution."

That language is very clear that this is merely to give us the option to adopt some of those proposals.

Does it also include a proposal for a tax increase to cover that, as the administration has recommended?

Mr. GIAIMO. If the gentleman will yield, it is not intended to provide for a tax increase. It is not intended to endorse fully the administration's financing proposals. What it does do is recognize that there is a problem with the social security fund which has to be addressed by the Congress, which the administration has addressed in its proposals.

We know that these proposals will have a difficult and rocky road through the Congress. But we do think it is a priority item. We think it is one which has to be addressed by the Congress.

Therefore, we are highlighting this as a priority. We are making provision for $6.4 billion in budget authority for however the Congress decides to address the problem. Whether it is from general revenue, from transfer from one fund to another, or from whatever source, we are making that amount of budget authority available because we think it is a crucial issue.

I hope there will be action this year, although I am not in a position to say how quickly Congress will act.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the comments of the committee chairman, and I share with him the concern that something has to be done in the social security area. I testified before the subcommittee of the Committee on Ways and Means that held hearings and is still holding hearings on this subject.

The committee chairman can assure us that there is no inclusion of tax increases in this resolution or there is not contemplated to be included any tax increases on the revenue side?

Mr. GIAIMO. Mr. Chairman. I can assure the gentleman of that.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's comment, and I thank him for that clarification.

Additionally, I might make the comment that we had some discussion in committee this morning, and I would like to ask the gentleman another question.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

Mr. CONABLE. Mr. Chairman, I yield 3 additional minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, my question is this:

What does this resolution contemplate in the way of producing or creating new jobs?

There is always a great emphasis in budget resolution discussions as to the amount of "stimulus" that we are providing by spending on the part of the Federal Government.

How many new jobs are provided on a proposal basis in this resolution?

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, this budget resolution provides jobs in nearly every category. It is difficult to determine which are new jobs and which are jobs that are part of the economic stimulus.

Mr. ROUSSELOT. Mr. Chairman, let me say to the gentleman that this is always a big argument for substantial amounts of deficit financing, and it is given as the reason our Treasury has to go out and borrow money, because we are creating all kinds of jobs, primarily through the Federal Government.

I was just wondering if we have some kind of an overall figure or target so we can answer our constituents when they ask us how many jobs we are producing by this resolution.

Mr. GIAIMO. Mr. Chairman, if the gentleman will yield further, I will try to respond to his question. I would like to insert a table at this point to summarize the CETA job and training programs.

EMPLOYMENT AND TRAINING OPPORTUNITIES, FISCAL YEAR 1978

Program:	(1)	(2)
Comprehensive Employ- and Training Act:		
Title I	441,800	$1.880
Title II	125,000	1.000
Title III and VIII (exclusive of summer youth)	485,500	1.180
Title III summer youth	1,165,000*	.690
Title IV	44,000	.300
Title VI	600,000	4.400
Community Service Employment for Older Americans Act	47,500	.150

[1] Estimated end-of-fiscal year enrollment.
[2] Second resolution estimated outlays.
*Represents summer enrollment rather than end-of-year enrollment.

In the Comprehensive Employment Training Act (CETA), under title I employment and training there is included in this budget a provision for an end-of-year enrollment of 441,800.

Mr. ROUSSELOT. What is the cost of those jobs under title I? The gentleman says there is provision for 441,800 jobs, and what will the cost of that be?

Mr. GIAIMO. For title I, it is $1.88 billion.

Mr. ROUSSELOT. $1.88 billion?

Mr. GIAIMO. That is for 441,800 jobs and training slots.

Mr. ROUSSELOT. All right. And the next item is what?

Mr. GIAIMO. Under title II there is provision for reaching 125,000 jobs.

Mr. ROUSSELOT. Are those new jobs, are those full-time jobs, and how much will that cost?

Mr. GIAIMO. The gentleman is asking for a good bit of technical information which I can get for him and put in the RECORD.

Mr. ROUSSELOT. Let us talk about it now.

Mr. GIAIMO. If the gentleman wants to talk it out now, I can get the information for him.

Mr. ROUSSELOT. We are always talking about how many new jobs are provided, and I would like to have the information.

Mr. GIAIMO. Under the title II CETA jobs included in the budget, the outlay estimate is $1 billion.

Mr. ROUSSELOT. $1 billion for 125,000 jobs?

Mr. GIAIMO. Then we have title III jobs and training, and the new title VIII which includes a portion of the new youth initiative. The anticipated end-of-fiscal-year enrollment in these programs is 485,500.

Mr. ROUSSELOT. And that costs how much?

Mr. GIAIMO. I might add that title III also includes the summer youth program.

Mr. ROUSSELOT. And how many jobs is that?

Mr. GIAIMO. That is 1,165,000 jobs.

Mr. ROUSSELOT. Does the gentleman wish to give us the figure for title III as one item?

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

Mr. GIAIMO. Mr. Chairman, I yield 3 additional minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. Chairman, if the gentleman will yield further, the total cost of title III jobs and training plus the title VIII youth program is estimated in the resolution at approximately $1,870 million.

Mr. ROUSSELOT. That is $1,870 million for those 1,165,000 jobs that are estimated to be produced.

Are those jobs all full-time, or are they part-time or are they seasonal?

Mr. GIAIMO. They are mixed.

Mr. ROUSSELOT. They are mixed?

Mr. GIAIMO. The 1,165,000 summer youth jobs are part-time summer jobs. The other title III and title VIII slots represent job and training opportunities which may be filled by several persons over the course of a year in individually tailored situations.

The chart describes the programs in terms of the enrollment projections for the end of fiscal year 1978 which are anticipated in the Second Resolution. For some programs, such as those established under the new Youth Employment Demonstration and Projects Act, included in the titles III and VIII chart line, it is somewhat speculative as to when prior to the end of the fiscal year those enrollment levels will be reached. I present this information with the caveat that dividing the end-of-year enrollment figures into the estimated outlay figures will not give you annualized slot costs. Nor do these figures reflect the number of actual individuals to be served by these programs, as several people may move through the same training or job slot over the course of the year. For example, the Department of Labor estimates that over 2 million individuals will be served under title I of CETA in fiscal year 1978. However, I believe the figures in this chart will answer your question.

Mr. ROUSSELOT. All right. With respect to title IV what do we have there?

Mr. GIAIMO. Under title IV, Job Corps, we have an estimated end-of-year enrollment of 44,000.

Mr. ROUSSELOT. What does that cost?

Mr. GIAIMO. The estimated outlay is $300 million.

Mr. ROUSSELOT. Only $300 million for 44,000 jobs? Those are bargain-basement rates.

What about title VI?

Mr. GIAIMO. We anticipate that a level of 600,000 jobs will be reached in mid-1978, and sustained throughout the fiscal year.

Mr. ROUSSELOT. Roughly 600,000 jobs?

Mr. GIAIMO. Roughly 600,000 jobs.

Mr. ROUSSELOT. What does that cost?

Mr. GIAIMO. That is $4.4 billion.

Mr. ROUSSELOT. $4.4 billion?

Mr. GIAIMO. $4.4 billion.

Mr. ROUSSELOT. And that is for 600,000 jobs.

What about the Community Service Employment for Older Americans?

Mr. GIAIMO. We anticipate an end-of-year enrollment of 47,500.

Mr. ROUSSELOT. How much does that cost?

Mr. GIAIMO. About $150 million.

Mr. ROUSSELOT. About $150 million for 47,500 jobs?

Mr. GIAIMO. That is the Community Service Employment for Older Americans program.

Mr. ROUSSELOT. How many jobs are included in the public works section; do we know that? How many are produced there?

Mr. GIAIMO. Accelerated public works construction.

Mr. ROUSSELOT. The gentleman can take it all together or separately, whichever way he wants.

Mr. GIAIMO. The outlays for the accelerated public works program are estimated at $2.9 billion, and will create approximately 116,000 man-years of employment.

Mr. ROUSSELOT. That is $2.9 billion?

Mr. GIAIMO. That is $2.9 billion.

Mr. ROUSSELOT. How many jobs do we get out of that?

Mr. GIAIMO. That will fund 116,000 man-years of employment.

Mr. ROUSSELOT. That is 116,000 man-years, and that is roughly how many jobs?

Mr. GIAIMO. Again, we are talking of man-years and jobs, so the total number of people employed on such projects for some period of the year is something more than that. This is because of job turnover.

Mr. ROUSSELOT. As I understand it, the formula is almost twice of what is it exactly?

Mr. GIAIMO. We are not going to get into breaking down man-years into jobs.

Mr. ROUSSELOT. I will state to my Chairman that that is one of the big things we always hold up to the American public, that by spending all of this extra money we are producing jobs, and we should begin to pin down what they cost.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

Mr. GIAIMO. Mr. Chairman, I yield 2 additional minutes to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for yielding me this additional time.

To continue, I think we should pinpoint what we are producing or what we think we are going to produce in numbers of jobs so that the American people know what to expect for this money we are spending.

Mr. GIAIMO. I think the American public is fully cognizant of the high unemployment rate in this country. In fact, the rate just increased in the last week, to 7.1 percent.

Mr. ROUSSELOT. Yes. I noticed that, and I thought deficit financing was going to solve that problem.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield further?

Mr. ROUSSELOT. Absolutely.

Mr. GIAIMO. This issue is of extreme importance to the American people and to the Government. We have to do something to get the unemployment rate down below the 7.1-percent figure, down into the 6-percent range at least. The only means that we in Government have is through these various job programs, whether they are public service jobs or whether they are accelerated public works jobs. Admittedly these jobs take time to develop and implement, but they are beginning to come on stream now; and it is estimated that in 1978 they are going to be coming on strongly.

The same is true with respect to our stimulus package jobs, provided for in the legislation we passed this spring. The effect will be felt in 1978, so we are spending a great deal of money.

Mr. ROUSSELOT. Yes, that is certainly true.

Mr. GIAIMO. We are providing for 7 million jobs or more, and I think we have to do this sort of thing. Even this is not enough.

If the gentleman will look at the latest statistics, he will see that regardless of what we do in the private sector, regardless of what we do in the public sector, regardless of how well the economy moves upward and onward to a higher level of production, the fact is that there are many people in this country, whom we call structurally unemployed, who are not being employed and will not be employed under the normal course of events.

We are going to have to do something about this because they are not going to find jobs easily, if at all, in the private sector.

Mr. ROUSSELOT. Mr. Chairman, I could not agree with my colleague more. The thing is, what do we do to put those people back to work? For instance, I wonder if we have compensated for the President's action to terminate the B–1 bomber?

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CONABLE. Mr. Chairman, I yield 2 additional minutes to the gentleman from California.

Mr. ROUSSELOT. We certainly felt the impact of that in California, as I can tell my colleague.

Mr. GIAIMO. I can well imagine.

Mr. ROUSSELOT. Also the administration was going to help all of the people who were on the unemployment rolls, but it would appear that they went in the opposite direction on the B–1 bomber where in California, alone it is estimated that approximately 1,000 jobs will be lost. Of course, I know that that is a minor item to the gentleman from Connecticut (Mr. GIAIMO) who probably

does not have as many people affected as we do in California.

But, as I say, the administration went the other way.

I wonder, what does the gentleman have to recommend, or the leadership of his party, in the way of putting these people to work who were put into the unemployment field as a result of terminating the B–1 bomber?

Mr. GIAIMO. I am delighted the gentleman has brought in the matter of unemployment from the B–1 bomber controversy, but that only magnifies and adds to an already intolerable situation. I would hope that my friend, the gentleman from California (Mr. ROUSSELOT), would join with me in doing even more in the area of finding work for more Americans who are unemployed, whether they are unemployed because of the B–1 bomber layoffs or whether they are unemployed because of the fact that there are not enough jobs for the youth in America, or for the minorities in America, or for whatever reason. We have to find jobs for them. This is one approach, and perhaps we could offer a newer approach and a better approach. But certainly the answer is not to cut back on Government job-creation efforts. We have to encourage our unemployed until they can be absorbed into the private sector. Until we can do something with structural unemployment either through training or otherwise, we simply have to find jobs for them. But certainly the answer is that no government, and certainly not the Government of the United States, should turn its back on the needs of unemployed in this country.

Mr. ROUSSELOT. Of course it cannot do so, and certainly we must continue to find ways to lead them to new jobs, not only with the Government but also with the private sector where most of the jobs are, in fact, created.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CONABLE. I yield 2 additional minutes to the gentleman from California.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my distinguished colleague, the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Chairman, I thank the gentleman from California for yielding to me.

Mr. Chairman, one of the great mysteries to the American people is that when we come out with figures such as showing a jump from 6.9 percent to 7.1 percent unemployed, is that if we look at the newspapers across the country, for example, take my own district, in Columbus, Ohio, where our rate of unemployment is 5.7 percent, that if you look at the papers you will find six or eight pages—not six or eight columns, but six or eight pages of help wanted ads.

And that goes also for the Washington Post here in the Nation's Capital where you will find 8 or 10 pages of help wanted ads.

The gentleman from Connecticut (Mr. GIAIMO) says that all we have to do is have more governmental aid. It seems to me that the more jobs we produce out of more and more governmental aid, through the millions that we pour into it the more jobs that are needed, I am talking about the literally billions of dollars we put into such programs to find more people more jobs, and it just seems that the more millions and millions of dollars we pour into job creation that there seems to be more and more unemployment. Perhaps that approach is wrong. I do not know if the gentleman is in position to respond as to why there are 6 to 8 to 10 pages of help wanted ads and unemployment continues to go up? Can the gentleman tell me why that is so?

Mr. ROUSSELOT. I will say to my colleague, the gentleman from Ohio, that the problem of structural unemployment, those people who remain continually unemployed, as we know through studies conducted by our committee, the Committee on the Budget, and the Joint Economic Committee, show that something like 80 percent of the people who are listed as unemployed in any one month are people who are unemployed for anywhere from 20 weeks to less. So that we can tell you, as I think the gentleman from Connecticut has done so, it is not those who are in transition, that is, moving from one job to another, or those who have been terminated and who will find another job within a given period of time. Those people seem to be flexible enough to be able to go on to another job, find another job eventually.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CONABLE. Mr. Chairman, I yield three additional minutes to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for yielding me the additional time. I think that this is an important issue. Those people who have the capability to move on to other jobs will seek out and find a way to move to another job, whether they are in the government or in the private sector as the overwhelming majority are. What the gentleman from Connecticut is addressing is what has become known as the structurally unemployed, those who are more permanent, who find it more difficult to find either permanent jobs or long-term jobs and do not have the skills or the capability or the know-how to find those advertisements in the paper of which the gentleman from Ohio speaks. But there is a surplus of jobs constantly being advertised, and many employers will tell us, as they have in my district in southern California, that they have more jobs available than there are people to fill them.

Mr. DEVINE. The gentleman is right. The Bureau of Labor Statistics traditionally has held that 4 percent unemployment is considered by them as full employment. So I presume that the 4 percent are those structurally unemployed or unemployable, as the gentleman pointed out. But we are talking about that segment above. There are many who are qualified for unemployment benefits who go on and collect them until they run out, and they are out in the market. I suppose they are included in the statistics.

Mr. ROUSSELOT. I think that is true, but none of us likes to talk about that segment or that percentage of people who have great difficulty becoming employed or who do not know how to find jobs, or who do not have skills for jobs other than what they have been working in the past, or who do not have the understanding of how to look for something new or different. But the point I was trying to make in this discussion is that I do not think the billions we poured into many of these so-called emergency programs or accelerated job programs really have solved the problem of finding ways to employ these people in that unfortunate category of what we have come to term—and I think it is a bad term—the structurally unemployed. We really are not solving it in some of these cases by just pouring these billions of dollars into these programs.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

Of course, public service jobs have not solved the problem of unemployment. But the fact is that these jobs contribute to the solution. Perhaps we are not doing enough. Perhaps we have to adopt other means. I would not want the gentleman to think that the public service jobs are all filled by people who are structurally unemployed.

Mr. ROUSSELOT. Some of them are.

Mr. GIAIMO. Some are, but many are not. Many are not. There are many skilled people who are working in public service jobs.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIAIMO. I yield 2 additional minutes to the gentleman from California.

If the gentleman will yield further, I was back home in Connecticut last week, and many people came into my office asking me to help them find jobs. I had great difficulty. I could not find them anything. I do not even know where to recommend they look, there are so many jobseekers. We have to find some answers, and until we do, until we can absorb most of them into the private sector, we are going to have to use this type of approach. We may have to try new approaches.

Now to get to the question of unemployment in general, the fact of the matter is that new jobs are being created in the private sector each month, but the other part of the equation is that the labor force increases each month.

Mr. ROUSSELOT. More rapidly than the number of jobs.

Mr. GIAIMO. More rapidly, so we have to find more jobs than we are finding in the private sector.

Mr. ROUSSELOT. Some of us in this House believe that one of the ways to stimulate that is to give an across-the-board tax reduction to all taxpayers because individual Americans do have ways of investing in new job opportunities. They may put their money into a savings and loan, and that will help the housing field. If they are individual small businessmen, they may put their money into

expanding their own businesses, and that will create jobs.

We believe in, and many of us have tried to advocate, the concept of an across-the-board tax reduction because that will give the stimulus to the private sector in many cases. We do not say it is the only answer but we say we ought to try it.

Mr. GIAIMO. There are many ways of stimulating the private sector and I think the new administration under President Carter is making great strides in that direction, in giving encouragement and incentives in tax legislation, and in many ways giving this stimulus to the private sector to develop greater participation and greater activity and greater expansion in private investment to bring us out of the recession and to better economic conditions. We think it is working but I think we have to allow some time for the effects of these efforts to be felt.

Mr. ROUSSELOT. We hope the gentleman can persuade the Ways and Means Committee leadership to come up with a tax reform package that will in fact give an across-the-board tax reduction to all the people in this country.

Mr. GIAIMO. I do not want to leave the gentleman under a false impression. I did not endorse any specific type of stimulus to the private sector. I do not think the gentleman's across-the-board tax cut, which has been tried in the past, has sufficient validity to warrant its adoption. There are many other ways to stimulate the private sector.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

Mr. GIAIMO. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. MINETA).

Mr. MINETA. Mr. Chairman, I rise in support of House Concurrent Resolution 341, the second budget resolution for fiscal year 1978.

First, I want to thank the distinguished gentleman from Connecticut, BOB GIAIMO, for the tremendous amount of effort he has put into his assignment as chairman of the Budget Committee. His dedication and hard work over the past year have been an important element in the continued success of the congressional budget process.

Mr. Chairman, it is with considerable enthusiasm that I urge my colleagues to vote in favor of this resolution. For it is with this measure that we will complete the second year of full implementation of our new budget process. One of the significant contributions which this process has made, one which is often overlooked, is the timeliness with which spending bills have been considered in the past 2 years. The deadlines in the Budget Act are effective and for the second year nearly all spending bills have been completed before September. Appropriations bills voted on halfway through the fiscal year and continuing resolutions are fast becoming a thing of the past. If this process did nothing more than that, I believe it would still be viewed as one of the most important legislative developments in the past decade.

As you all know, when this second budget resolution is adopted it will set a binding ceiling on spending and a binding floor on revenues, and no legislation which will breach those limits may be considered. For only the second year in its history, the Congress is voting on the Federal budget in its entirety. This resolution stands as a testament to the ability of Congress to assume an active and responsible role in establishing budgetary priorities.

While many individuals might easily find something to bicker with in the figures which we on the Budget Committee are recommending, it is important to cast off personal desires and to support the budget process during the vote on final passage. Rising above special interests, saying no to parochial concerns in order to view the Federal budget in its entirety is the nature of the game when we try to establish priorities with limited resources. As we saw during consideration of the first budget resolution in May, without such a willingness to compromise, the budget process can break down. Such a failure is something I am sure none of us want to see.

Mr. Chairman, this second resolution recommends a budget that deserves the support of a substantial majority of the membership of this House. It reflects the actions taken over this past summer and for the most part, is within the guidelines established by the first budget resolution. Outlays were reduced from the first resolution in 10 functional categories, and increased in 6. The major reductions were in national defense, international affairs, and interest. The major increase in outlays was in the agriculture function.

Compared with the targets set in the first budget resolution, this second resolution shows considerable progress in reducing the deficit projected for fiscal year 1978. The figure included here is some $4 billion below the first resolution target. That reduction is due to higher revenues of $1.8 billion, attributable to more optimistic economic assumptions, and to lower outlays of $2.2 billion, the result of lower than expected appropriations actions and program reestimates.

While the deficit is still considerably higher than we would like it to be, I believe it is necessary and prudent if we are to have a fiscal policy that can sustain our current recovery through 1978.

Indeed, if the disappointing economic news of last week continues, we may be faced with the necessity of even more fiscal stimulus before fiscal year 1978 is completed.

For the present, however, I still believe there is good reason to be optimistic about economic prospects for the coming year. While indicators of prospective business conditions do not point to booming growth, neither do they indicate any significant weakening in the months ahead.

For example, housing starts continued to show remarkable strength in July—rising at a seasonally adjusted rate of 2.06 million units; the second highest level since July of 1973. In addition, savings and loan associations still hold unusually large deposits—thus insuring an adequate flow of mortgage money in the future.

Another encouraging development is the continued strength in capital spending: contract awards for commercial and industrial building are advancing sharply, capital appropriations for manufacturers is high and rising, and machine tool orders continue to be strong.

To me, this strength in capital goods spending is one of the most promising economic developments of the last year. I think it is a pretty good indication that we can expect good growth in the foreseeable future.

Finally, the stimulus package which we voted on last spring is just starting to get into full swing. The most recent estimates show that the impact will be $3.3 billion in the fourth quarter this year, and about $5.3 billion each in the first and second quarter of next year.

All of this leads me to believe that economic prospects are still good and that it is premature to say we are headed for another slowdown like we had last year. The fiscal policy implicit in this budget recommendation remains the most prudent course to follow.

A considerable amount of the stimulus included in the budget recommendation is in the form of Federal grant outlays to State and local governments. The committee recommendations amount to slightly more than $78 billion in total—a 16-percent increase over the current estimate for the 1977 fiscal year. Almost $24 billion of that sum is for programs providing income security and minimum services to needy individuals. The remaining outlays support ongoing public services, demonstration projects, and capital development efforts. Such aid to State and local governments represents one of our most important antirecession tools. When the economy turns down, State and local governments are especially hard hit, and their actions can be a further drag on the economy, working to counter other Federal stimulus plans.

Thus, the recommendations in House Concurrent Resolution 341 provide for important and substantial support to State and local governments. This is an essential element of the fiscal policy projected for fiscal year 1978.

Mr. Chairman, I would also like to point out the legislative savings included in this resolution. The budget resolution recommended assumes the enactment of program reforms that would save over $460 million in budget authority and $1 billion in outlays in the coming fiscal year. In 5 years we would realize cumulative savings of $21.7 billion in outlays. These savings would result in areas such as the control of hospital costs, reform of the wage board pay system, and revision of certain social security benefits.

To me this is one of the most important functions the budget process can serve—it points the way toward more efficient Government programs. The successful implementation of these reforms would mean the fulfillment of many campaign promises I am sure many of us made during the last election to cut down on waste and improve ineffective programs. I would urge my colleagues to vote for this second budget resolution, and to support the program reforms we have suggested.

While the overall recommendations

made here are excellent and deserve the support of all my colleagues, there is one major budgetary development which cannot be accommodated by the congressional budget process—and that is the continued Federal budget shortfall. Current projections show that the shortfall will be between $12 and $14 billion in fiscal year 1977. The 1976 shortfall of $11 billion has been cited by many economists as one of the reasons for the slowdown in the economy in the second half of last year. If another shortfall occurs in 1978, it will be an additional drag on the economy—one which the already weakening economic signals indicate we can ill afford. Spending shortfall is a problem that is not peculiar to any one program, but rather is apparently an across-the-board bias in the executive branch which overestimates outlays at an early point in the budget process.

Mr. Chairman, I believe such shortfalls are one of the major shortcomings of Federal budget process—it makes effective planning impossible, and can wreak havoc with our congressional attempts at budget control. Inasmuch as this is an across-the-board failing, I hope that over the coming year all of us can work to resolve the problem. It certainly will be one of my priority items on the Budget Committee.

Mr. Chairman, final passage of this concurrent resolution will mean the end of the second full year of implementation of the congressional budget process. It will show that Congress is determined to make this experiment in fiscal responsibility work.

As I said earlier, this resolution will not please everyone. All of us hold strong beliefs in the value of some programs and the wastefulness of others—many of you will continue to believe that the wrong programs have been emphasized. I, for one, feel that considerably more progress could be made in reducing spending in the defense category and improving the effectiveness of many of our social programs. But I am going to vote "yes" on final passage, and I am going to work hard to convince each of you to do the same—because it is the process that holds the real hope for better government and because it is the process that makes constitutional power over the purse more than an empty phrase. And it is the discipline of the second budget resolution which invigorates that phrase with renewed substance. I urge all my colleagues to vote yes on House Concurrent Resolution 341.

Mr. ROUSSELOT. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. MILLER), a distinguished member of the Committee on Appropriations.

Mr. MILLER of Ohio. Mr. Chairman, I thank the gentleman from California for yielding. I would like to ask the gentleman from Connecticut, the chairman of the committee, how can we rationalize the fact that we would have a $58.6 billion deficit, which amounts to approximately $160 million a day that we will be spending in this coming year that we will not be taking in? We will be going in debt $160 million a day.

I heard the discussion concerning the public works jobs, but I also know the problem we have when we spend more than we take in, and the inflation that this will create, and the higher interest rates that will result. How can we rationalize spending $160 million a day more than what we will be taking in?

Mr. GIAIMO. Well, if the gentleman had listened to my opening remarks when we began the debate on this budget resolution, the gentleman would have heard the comments that I made, based upon the fact that most of this deficit is caused by the high unemployment rate. Unemployment means two things, both of them bad.

It means that we have to pay out more in governmental expenditures to take care of people who do not have the wherewithal to take care of themselves, because they are unemployed. Second, it means that we do not take in revenues which they would be paying in taxes if they were employed. If we could get the unemployment rate down from 7.2 percent to about 5.2 percent, I think we would cut the deficit by about $35 billion.

It is this kind of effort that Government is going to have to make to stimulate the private economy and the private sector so that we have a better rate of economic development to get unemployment down. Once we do that, we are going to get our deficits down, and then we are going to be able to meet some of our many problems that beg for solution, which have been waiting and which Government has not been able to address itself to, because of these high deficits.

I do not like these high deficits any more than the gentleman does, and I do not like them any more than former President Ford did, who sent up budgets year after year with high deficits; not because he wanted them, but because that was the state of the economy. It is something that none of us like, but it is a fact of life; it is a reality, and we have to address ourselves to it. We have to meet the necessary needs of Government and we have to take those steps which will encourage the economy, both in the private sector and in the public sector, to do a better job so that we will have less unemployment and controlled inflation, and therefore an absence of deficit.

Mr. MILLER of Ohio. I thank the gentleman for those remarks but let me clarify that. I did hear that unemployment was the problem, and I understand that unemployment is a problem. But, I also understand, in the remarks that the gentleman just made, that if we reduced our unemployment from 7.2 to 5.2 percent, we would reduce our deficit some $35 billion.

Incidentally, that would leave a $23.6 billion deficit. How can we justify and rationalize, then, that part of the deficit?

Mr. GIAIMO. By reducing unemployment even further.

Mr. MILLER of Ohio. By reducing unemployment we have only taken the deficit down $35 billion. There is still $23 billion left, and we have been told that it is not practical to go very far below 5.2 percent. Remarks not long ago made here in the Chamber, stated that a 4-percent unemployment rate is practically zero. So, does the gentleman have any other words that could help enlighten us as to how we can rationalize that last $23 billion deficit?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. ROUSSELOT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio.

Mr GIAIMO. Will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Most, if not all, of the deficit is made up of the unemployment problem—not all of it, but most of it. I pointed out to the gentleman $35 billion that we could reduce the deficit by, which translates itself to a reduction of approximately 2 percentage points. I think that if we got the unemployment rate down to about 4 percent, we would have a very minimal deficit, if any at all. Part of that deficit is brought about by other requirements, and by very necessary requirements, which translates itself into areas of defense, areas of foreign relations. We have just got $6.1 billion in this bill to take care of the agricultural problems.

We have all kinds of other requirements in this legislation. I think that by encouraging the private sector, creating the climate which will give us a better rate of economic growth and therefore will get unemployment down, by prudence in governmental spending, including the areas in agriculture, I will submit to the gentleman, if we do that, then I think we can have a balanced budget. I think we can get there, and I know that President Carter is determined to get there, and that this Congress is going to do all that it can to see to it that we can arrive at that point.

Mr. MILLER of Ohio. I thank the gentleman.

I understand that the gentleman does not have an easy job to attempt to balance the budget. And, theoretically, I guess if we carry it far enough down the road, that is what the gentleman's responsibility ultimately would be. Because of the spending in the past and because of the people who would not want to cut the various programs and not want to increase the taxes for the programs, it is not an easy task the gentleman has.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. MILLER) has expired.

Mr. ROUSSELOT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio.

Mr. MILLER of Ohio. But what disturbs me about this budget process is undoubtedly something that is out of hand and out of control as far as the chairman of the Budget Committee is concerned. When the Budget Committee requests the various committees to present the amount of money they need to cover the various agencies, departments, commissions, and committees, most respond with whatever is in the budget that was presented to them by OMB for that particular year. They carry that figure over to the gentleman's Budget Committee. Then when it is added up, and it does not

match the amount of revenue that we would have forthcoming, it is necessary to put in a red figure. Now, as has just been witnessed, we go back and blame it on unemployment, which is certainly true to a great degree, at least about 50 percent on unemployment. But I believe that we have to find a better way if we are going to truly balance the budget in the future.

Mr. ROUSSELOT. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding.

Mr. Chairman, I, too, would like to congratulate our chairman of the Budget Committee for his hard work.

I wonder, sometimes, in this House how we are going to make out. How serious are these deficits, piled up year after year? Is it perhaps true that Congress has developed an addiction to spending? How, otherwise, is it true that just a month ago three of us stood here on the floor to defend President Carter's efforts at restraint—the chairman of the Committee on the Budget, the gentleman from Connecticut (Mr. GIAIMO), the gentleman from Illinois (Mr. FINDLEY), and myself—and 81 Members, on a division, rose against it.

This indicates something very interesting about the Members of this House. Are we wrong? Is the President mistaken when he feels that a balanced budget is necessary for the economic health of this country?

Unless we have economic health, we are not going to have jobs—and we all know it.

Is the President mistaken? Or are the people who feel that throwing more money against this terrible tragedy of unemployment are somehow right and that is the first consideration, and that any thought about prudence or a balanced budget is somehow inappropriate to the time, and unnecessary in the face of the problem?

In stating my 2 cents worth—and I am not on the Budget Committee— I think we have to examine what works and what does not work. We have to question sometime or other whether we are approaching these tragedies in a useful and constructive way.

We should never be indifferent to them, but we should question whether or not we are addressing them properly.

During this recess, when I have had a little time, I have been reading Dr. Kenneth Clark's "The Pathos of Power." There is so much there that we all need to know.

What do human beings need? We throw this money into these great agencies, and they take a great deal of money. What happens before the money gets down to the people? Are we doing anything useful at all?

Anyway, Mr. Chairman, I know the chairman of this committee has struggled, and I do respect him for that and I thank him for his efforts.

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, as we move to consider the second budget resolution for fiscal year 1978, I suggest we keep clearly in mind the current unemployment picture.

The Bureau of Labor Statistics has reported these August figures: Overall unemployment, 7.1 percent, as high as the average since the new administration and Congress took office; unemployment rate among black Americans, 14.5 percent—and that, incidentally, is the highest unemployment rate since World War II—and black teenage unemployment rate. 40.4 percent. The disparity between black and white joblessness, which is growing, now is of the ratio of 2.4 to 1. And these figures, bad as they are, under report the true dimensions of unemployment, including those who have dropped out of the labor force out of discouragement and those who are forced to work less than full time.

The question is this: How has the economic stimulus package of the President and the Congress and the other budgetary tinkering helped to ameliorate this unemployment crisis? Has it done anything? I do not think that it has.

The Congressional Budget Office projects an unemployment rate of 7 percent for the remainder of this year, and looking toward next year, it does not see much improvement. Our own Committee on the Budget projects a 6.8 percent unemployment rate in the 4th quarter which means for black Americans 14 percent or more into the indefinite future.

Ironically, even with these high unemployment rates, which the previous administration justified as the means to combat inflation, inflation still remains at its consistently high level. Despite the failure of the economic stimulus program and the budget to make a significant dent in unemployment, this, the second budget resolution, calls for cuts in training, employment, social services, and community and regional development. From the levels established in the first resolution, while at the same time recommending increases in budget authority and outlays for defense.

The question to be answered is this: What happened to section 2 of the Budget Act which mandated establishment by Congress of national budget priorities in the light of national needs? Two years ago, in creating an independent congressional budget process, we fashioned a tool that not only would enable us to relate overall spending to revenue, but, equally important, to relate Federal spending and taxes to overall economic needs.

I have watched closely this budget process unfold over the past 2 years, and rarely have I seen us come to grips with its purpose of setting budget priorities in the context of national needs, which to me is the source and the crux of the problem. We have evaded our obligation to utilize the budget process to set priorities.

Economic issues have always been central to the public life of the country but, I submit, today the economy itself is the issue. I think this body is failing to own up to the issue of putting a stop to the terrible waste of people and of resources, of redirecting the economy to decent and adequate investment in our own people, in the communities in which they live, and in the well-being of future generations. I submit that is not being accomplished in our budgetary process now, though I have not lost hope in its future course.

Recent opinion polls report that the American people are deeply disturbed about the economy. They are disturbed both about the massive unemployment and the unrelieved inflation, which are our twin sources of concern. They are pessimistic about economic recovery, significantly reducing unemployment and restraining inflation, given current assumptions and policies.

This budget resolution, it seems to me, offers the American people little ground for optimism. It is testimony to our collective complacency over the state of the economy, and not to our inventiveness and wisdom in fashioning a better economy, which I understood to be a principal goal of the congressional budget process.

Under the circumstances, then, I cannot support the budget resolution because it fails to seize the opportunity we surely have to allocate the resources of this country in a more decent and just way, so as to give hope to the millions of Americans who are excluded from wholesome economic life.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to my colleague, the gentleman from Illinois (Mr. SIMON), a member of the Committee on the Budget.

Mr. SIMON. Mr. Chairman, I thank the gentleman from Michigan (Mr. CONYERS) for yielding.

I have just a couple of points. I come to a different conclusion than the gentleman does on what we do with the second budget resolution. I think, in fact, the second budget resolution reflects the action taken by the House with respect to the agricultural bill and other bills, for example. However, the fundamental point that the gentleman makes that we have not aggressively enough tackled the problems of employment or unemployment I do not think anyone can gainsay.

The statistics the gentleman cites, for example, the 7.1 percent unemployment rate, do not count; these Bureau of Labor Statistics figures do not count discouraged workers, the persons who are not even seeking a job because they have given up.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. CONYERS) has expired.

Mr. GIAIMO. Mr. Chairman, I yield 2 additional minutes to the gentleman from Michigan (Mr. CONYERS).

Mr. SIMON. Mr. Chairman, will the gentleman yield further?

Mr. CONYERS. I yield to the gentleman from Illinois.

Mr. SIMON. Incidentally, let us take youth statistics. I saw the New York Times story in which they cite an 84 percent unemployment figure among black teenagers in New York City. That is just incredible.

I have one final point: We talk about inflation and how deficits speed inflation;

and to some extent they do, unfortunately; but our inflation has been least when we have had high employment because people have a chance to be productive. It is inflationary to pay people to do nothing.

Mr. CONYERS. Mr. Chairman, has my colleague, the gentleman from Illinois, seen the study recently released by Gar Alperovitz of the Economic Alternatives Institute?

Mr. SIMON. I have not.

Mr. CONYERS. It made a very fundamental point that I would like to bring to the attention of our colleagues, and perhaps I will put a summary of it in the record. In that study he points out that the major inflationary consequences occur in four sectors of our economy: housing, energy, health, and food, which, of course, are the most critical. He points out, therefore, that workers as well as the unemployed are the victims of an economic policy that neither creates an adequate supply of jobs nor relieves the inflationary pressure.

Mr. Chairman, let me get to the point of our friendly difference, because I certainly respect my colleague, the gentleman from Illinois (Mr. SIMON), and his service on the committee.

The way in which I am trying to get us to address these points that we have failed to address is to vote against the budget resolution and send it back for reconsideration. It is not out of any disrespect for the chairman of this committee. I support the budgetary process; but I submit to my colleague, the gentleman from Illinois, that it has become a tool of evasion. We are now back in the same position in which we were before there was a budgetary process. It is being used to lock us into huge defense expenditures, and only the slightest incremental adjustments in spending for human resources. There is no way under these circumstances in which we can deal forcefully with the pressing need for full employment.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. CONYERS) has expired.

Mr. GIAIMO. Mr. Chairman, I yield 2 additional minutes to the gentleman from Michigan.

Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Connecticut (Mr. GIAIMO), our chairman.

Mr. GIAIMO. Mr. Chairman, I thank the gentleman for yielding.

I have to disagree with the gentleman when he says that the Committee on the Budget is the tool or a force designed not to address these problems which confront us.

I would submit to the gentleman that I think the Committee on the Budget has been in the forefront of this whole concern this year for, one, the necessary stimulation of the economy, and, two, jobs.

The gentleman will recall that in the spring it was the Committee on the Budget, with the great assistance of the leadership, that concerned itself with this problem and addressed itself to this problem as the No. 1 national priority. We have been consistently concerned with this problem.

Mr. CONYERS. The gentleman himself has been consistently concerned with jobs. But I submit that a budget resolution, such as the one under consideraiton, that countenances 7 percent overall unemployment at present and admits of little relief in the coming year is a resolution that fails to come to terms with solving unemployment as the No. 1 priority.

Mr. GIAIMO. The committee has, too. We can do certain things in the Budget Act, such as making jobs a priority; and we have done that consistently, both in the third budget resolution and in this one, but this has to be translated into action.

There is a great deal of money that has been made available by this Congress that still has not been utilized to employ people because it takes time, for one reason or another, to get people on board, or for whatever reason. Perhaps many of our programs are not as good as we should like them to be and perhaps we have to do more. But I would not lay the blame at the doorstep of the Committee on the Budget, and perhaps we will have to blame everyone in the Government.

Mr. CONYERS. I want to make it clear that the person I come to to get these additional several hundred thousand jobs, and to get the extra few hundred million dollars, has been the chairman of the committee.

The point that I must make is that for me to go back to Detroit, Mich. and tell the citizens, those who are working and those who are unemployed, that this resolution actually represents the goals of the Government that I want them to follow, would be an absolute travesty.

And so I believe my colleague fully understands the reasons that I must reluctantly vote against this resolution.

Mr. ROUSSELOT. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. Mr. Chairman, I thank my distinguished colleague, the gentleman from California (Mr. ROUSSELOT) for yielding me this time so that I am permitted to address this "packed" House.

Mr. Chairman, I would like to go back a few minutes, if I may, and try to answer the question posed by the gentlewoman from New Jersey (Mrs. FENWICK) to the chairman of the Committee on the Budget, the gentleman from Connecticut (Mr. GIAIMO).

I know that this is a very difficult issue and a very complex problem, but the gentlewoman from New Jersey raises a very important question. She asked if President Carter was right in placing as a goal the balancing of our budget by 1981, or if others were right in perhaps trying to throw more money at our unemployment problem.

First of all, let me say that I know the gentlewomen from New Jersey (Mrs. FENWICK) was very sincere in her question. This is an area in which I have been involved myself. I am very concerned with and very cognizant of what jobs do for an individual in terms of self-esteem and in terms of what a job does toward reducing the crime rate. But I believe that throwing too much more money at the problem is not the answer. I think if that was the case, then New York and Great Britain would be in great shape today. But I do not think Great Britain is in great shape today. In fact, I think we are in danger of "Britainizing" our country.

I believe that the answer is to try to achieve the goal of a balanced budget by 1981 and in trying to provide jobs for our people in the private sector.

I think it is high time for all of us in the Congress of the United States, and especially in this body, the U.S. House of Representatives, to start making the means to achieve the goal of reaching a balanced budget by 1981. I think we could pick this time and this place in which to start.

Mr. ROUSSELOT. Mr. Chairman, I want to compliment my colleague, the gentleman from Delaware (Mr. EVANS), for his excellent perception of what we have not done in this House of Representatives and that is to make sure that the money we spend and save goes to solve unemployment. We really have not tested some of the reasons in order to find out if it produces the results that we say it does.

I am not claiming that some of these programs have not had a beneficial effect. I am sure some of them have. But I further believe that President Carter and his administrative peoples have had to face up to the fact that they could not possibly spend as much money as this Congress has appropriated for some of these programs that were supposed to lead to jobs.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CONABLE. I yield 2 additional minutes to the gentleman from California.

Mr. ROUSSELOT. They have found that they cannot even distribute the money fast enough. The Carter administration realizes that it has the responsibility not just to spend the money in a way that will not be productive, so they have had to exercise more care and judgment than I am afraid sometimes the Congress exercises in appropriating a lot of that money in the honest belief that it is going to produce jobs, but which does not.

My good colleague, the gentleman from Michigan—and I am sorry that he is not here—has mentioned the problem of the underemployment and lack of employment for minorities. We are probably going to take up the issue of the minimum wage that according to a black economist, who produced a report for our Joint Economic Committee, will have a very serious effect on minority groups, on youth, and on the elderly who want to work on a part-time basis.

The gentleman from Delaware has properly raised the issue here in this budget resolution that is before us that this body, this House, Congress as a whole, has not accepted its responsibility in analyzing to see if this money we are spending really produces all of these jobs,

or if the Federal money we are spending improperly competes with the private sector that would like to go ahead and expand their plants, and would like to go ahead and produce new jobs in the private sector, but cannot because of the way this tremendous Federal machine spends money, which in this resolution talks about spending $460 billion in this coming fiscal year. I compliment my colleague for his comments.

Mr. GIAIMO. Mr. Chairman, I reserve the remainder of my time.

Mr. ROUSSELOT. Mr. Chairman, I yield 3 minutes to my distinguished colleague, the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. I thought perhaps someone on the Budget Committee could answer a question I have. I have not been able to receive an answer up until now. We are presently on the fiscal year 1977 budget. October 1 we move into the fiscal year 1978 budget. The 1977 budget has a deficit of more than $60 billion, and we have a deficit built into the 1978 budget of $58 billion. It so happens that right now the Office of Management and Budget is working on the 1979 budget. That means that as far as the President is concerned, who stated that he would balance the budget, he only has 1 year left in his term, and then it will go into the 1981 budget where it is supposed to be balanced.

My question is, Do we really believe that we are going to have a balanced budget by 1981? Can anyone on the Budget Committee give his views on this?

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I would be glad to yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

First of all, I would like to correct the gentleman's statement of the deficit for fiscal year 1977. The fiscal year 1977 deficit for the year which will end September 30 is estimated to be a deficit now in the high forties.

Mr. ROUSSELOT. If the gentleman will yield, 48.

Mr. GIAIMO. Forty-eight, but it keeps coming down from month to month, so when the figures will be finally added up, which will be sometime after the end of the fiscal year, it probably will be in the middle of the forties someplace.

In response to the gentleman's other question, the President is working on the 1979 budget, but the President's goal is to balance the budget in fiscal year 1981.

We have fiscal years 1979, 1980, and 1981—3 years. If we do our best, if we try to exercise discipline better than we have, better than we did, in my opinion, when we took up the agriculture bill here a month ago, if we do that in many areas and if we can give the kind of encouragement to the private sector that the President is trying to give to encourage greater capital investment, greater activity in the private sector, if we do that the unemployment will drop, there will be greater activity in the private sector, there will be a greater economic growth rate in those years, and it will be very possible to balance the fiscal budget by 1981.

Mr. MILLER. Is it possible we will not have that $60 billion deficit in 1977 because it is impossible for the bureaucracies to spend that much money that quickly?

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I will answer. The answer to the gentleman's question, according to testimony we received in the Budget Committee, is, in many instances—not all—that the administration stated they did not see how they could spend much of the money we were appropriating in this House for many of these programs as fast and put it in place effectively, and so they just have not spent it, or in some cases, such as the food stamp program, the demands were not quite as great as the House had anticipated. There were some defense programs that were not completed or negotiated. Of course, as the gentleman knows, the President rescinded or stopped production of the B–1 bomber.

So all of those things have created a saving on the expenditure side, and it is still not finalized as to what it will be by September 30, of anywhere from $9 billion to $12 billion. So the answer to the question of the gentleman is "Yes." Even this administration was not able to spend the money as fast as Congress appropriated it.

Mr. MILLER of Ohio. I have one other question. We had an opportunity to have before our Appropriations Committee the Director of the Office of Management and Budget, Mr. Lance. I asked a question at the time. If we are going to balance the budget by 1981, as we do not seem to be able to right now, are we going to be reducing expenditures or are we going to have to increase taxes? Are we going to hold the line on expenditures, and if so where will the push come from?

We have Members on the floor that vote for many spending measures and who go back and tell their people in their districts what nice things the Members are doing for the people. We also understand that by all possibilities the President would like to run for the second term. As we know we have been operating fiscally in this way for so long until we have built up these deficits we have been discussing today. Where will the push come from to balance the budget? Will the gentleman from Connecticut answer the question?

Mr. GIAIMO. Mr. Chairman, if the gentleman will yield, I think I have answered the gentleman's question before. The push will come from many directions: prudent spending; increasing revenues, which means getting our economy on a better footing. Those are basically the two areas that we are going to have to address ourselves to in order to get a balanced budget.

Mr. MILLER of Ohio. I thank the gentleman.

Mr. BAUMAN. Mr. Chairman, I address myself to the matter of a balanced budget. Certainly if the avowed purposes expressed by the Budget Committee in reporting this legislation could be accepted at face value, there would be no problem. In fact, we would probably see a unanimous vote for passage by all of us here on the House floor. We could then move on to other business.

We all favor these stated purposes. We all favor reducing the unemployment rate and limiting the rate of inflation. We all favor so-called "tighter target estimates to reduce overall spending outlays." And certainly, we favor the grandly expressed goal of a balanced budget.

The resolution which has been reported, however, and which we are here to consider makes all of this impossible. The committee's majority, perhaps influenced by President Carter's earlier and identical position, has locked itself into balancing the budget by 1981. Making this budgetary goal an end in itself, and irrespective of other economic factors, it would do this; it would balance the budget, but do so through greatly increased taxes. And by increasing taxes, we court a policy of zero economic growth at a time when we need such growth as our primary weapon in the fight against unemployment. Retard this growth, increase taxes as the second budget resolution would require, and we will greatly weaken America. We will have effectively "kissed off" already fledgling capital investment, while increasing the rate of inflation to the detriment of all of us. Especially hard hit would be the elderly the handicapped and all citizens living on fixed incomes.

The sad irony in all of this, of course, is the matter of the balanced budget itself. Still, we will not have one. The increased taxes President Carter recommends parallel almost proportionate increases in Federal spending. The latest Congressional Budget Office report explodes the myth that the President can have a balanced budget by 1981. One cannot reduce the size of our standing deficits merely by increasing the size of the budget authority, as this bill clearly does.

In fact, the bill increases the Federal deficit for fiscal year 1978 over last year by $10 billion. This is a 22-percent increase in the deficit. It is an increase which does not have to be, yet an increase we will encourage if we vote for the proposed budget resolution in its recommended form as blessed by the Budget Committee and the White House.

Somewhere between the time candidate Carter became President Carter, the earlier idea he expressed which coupled balanced budgets with limited spending and decreased taxes to encourage productivity got lost in the shuffle. No matter when or how this happened, it is clear by reading the provisions of the resolution before us that what the White House is recommending is that room be made for nearly $110 billion of new taxes over the next 5 years. This reflects an average tax burden for every American of 21 percent or a $67 billion tax increase in 1981. Simply put, this boils down to an added Federal tax burden of almost $300 for every man, woman, and child in our country.

In short, a balanced budget is a laudable policy and it can be done without retarding growth and imprisoning our economy in the process. A balanced budget is a realizable goal without having to raise taxes and increase the deficits fashioned by the legislation before us. The way to do this; the way to balance the budget without making life ruinous for every American is by following the course of action many of us have been advocating from this side of the aisle. And we have been advocating this with the introduction of every budget resolution proposed during this session.

This recommended policy, of course, is a minimum 10 percent across-the-board tax cut as well as cuts in spending. Cut taxes and you stimulate supply and encourage capital growth. Cut taxes, as the CBO study concluded earlier this past summer, and you can create 1 million new jobs and $8 billion worth of new capital investment. Cut taxes and provide real relief for the individual taxpayers on whom the burdens of what is done in this room are greatest. At the same time we should cut Federal spending.

Mr. Chairman, all of us are constantly being told by the professional economists and watchful businessmen who follow such things that we are in the second year of a so-called business recovery. But even to less seasoned market watchers, it is evident that this business recovery is not inevitable. Already the signs are beginning to appear. Unemployment according to last Monday's released figures is increasing again. Capital growth investment remains unimpressive. All of this is set against a $170 billion national debt and a crippling inflation which some people seem to take for granted.

We are facing a period which promises to see, according to CBO figures, the highest tax rates since the Korean war. Americans see no relief and have ever-decreasing confidence in their fiscal future.

I am not talking here about "projected figures" or anticipated conditions. I am talking about the way it is now, the way it is for a majority of average Americans who want and desperately need tax relief. To talk tax relief and yet include an incremental program for higher taxes as this bill does is simply cruel. It is certainly no solution, and it ought to be rejected. This is why I cannot support this legislation.

I have always supported the concept of a balanced budget. A balanced budget can be one of many considered means by which we make life better and freer for every citizen. Taxing our citizens out of existence, recklessly reinforcing the rate of inflation and polluting the fiscal environment with big spending programs are not answers. The pending resolution embodies the near total bankruptcy of the majority party's economic policy. I cannot support it.

Mr. GRASSLEY. Mr. Chairman, the record should, at this point, reflect my opposition to the second concurrent budget resolution for the upcoming fiscal year. As you know, this legislation places a floor on Federal revenues and a ceiling on spending by the Federal Government for fiscal year 1978.

This resolution contains very little, if any, good news for the American people—and especially the taxpayers of this country. On the plus side there is a small reduction in Federal outlays, as well as a $6 billion decrease in the deficit, from the first budget resolution which cleared the House on May 17. However, House Concurrent Resolution 341 still provides for budget authority of $458.5 billion and a projected deficit of $58.6 billion. Even more ominous, to my perhaps outmoded way of thinking, is that this measure contains the following language regarding the national debt:

* * * the appropriate level of the public debt is $778,900,000,000, and the amount by which the statutory limit should accordingly be increased is $78,900,000,000.

I, for the life of me, cannot fathom how anyone could believe that the "appropriate" level of public debt for this, or any other nation, should be in the hundreds of billions of dollars.

As we consider this matter, it is worth noting that in 1968 the budget authority was approximately $180 billion. The deficit was $25.2 billion. Within only 10 years, we, and by this I refer to the Congress of the United States, have more than doubled Federal spending and the annual deficit. The only break in this alarming trend came in 1969 when the Federal Government—believe it or not—actually operated in the black. Then we had a surplus of $2.7 billion.

The point must be made again and again that when we, as a nation, live on borrowed money, we are living on borrowed time. Unless and until we see to it that Federal revenues equal expenditures, then we are sentencing our children, and their children, to debtors' prison in perpetuity. Our descendants will become little more than indentured servants working to pay off the debts incurred by their profligate ancestors.

Members of the House will have the opportunity to demonstrate their commitment toward achieving a balanced budget when the gentleman from California (Mr. ROUSSELOT) offers his traditional amendment. His is the voice of sweet reason and commonsense crying out in a wilderness of fiscal recklessness. The gentleman's amendment, as I understand it, would return Federal spending to last year's level—approximately $410 billion—and also provide for a permanent tax cut.

Let me conclude by saying that the first budget resolution, which is intended to be a target for appropriations planning, missed the mark. If House concurrent resolution is passed without the Rousselot amendment, then we will have strayed even farther from the mark. A vote against the resolution in its present form is a vote against fiscal integrity and contrary to commonsense.

Mr. KEMP. Mr. Chairman, tomorrow the House will vote on the second budget resolution for fiscal year 1978. This resolution demonstrates once again that the Democratic Party is determined to increase taxes and Government spending. This can only result in further economic stagnation and high unemployment.

America is never going to create the jobs it needs or restore a high level of economic growth until government reduces the disincentives to work, production, and investment resulting from high taxes. Yet President Carter has proposed—and the House has passed—the greatest tax increases in American history under the guise of an energy program. This morning's Wall Street Journal goes into detail about the increased tax burden which will result from passage of the President's energy bill. I would like to include it with my remarks at this point and I urge my colleagues to read it before voting on the second budget resolution.

The article follows:

[From the Wall Street Journal, Sept. 7, 1977]

THE CARTER TAX INCREASE

As the Senate returns from its recess, it finds on its desk the largest peacetime tax increase in the nation's history. Mr. Carter calls his tax boost an "energy program," but in fact it is a cleverly disguised grab for the nation's paychecks.

A great deal of pettifoggery has been devoted to camouflaging the enormity of the tax implications in the energy package. The Treasury, the House Ways and Means Committee and the staff of the Joint Committee on Taxation have made estimates of its revenue effects based on a common set of figures. The estimates vary depending on how the figures are stacked up, but the most common result is a finding that the House-passed bill would produce "net" revenues of $52.9 billion between now and 1985. This is a tax increase averaging $6.6 billion a year, not inconsiderable in itself. But the estimate is so loaded with gimmicks it borders on fraud.

First, by "net" revenues the estimate means what's left over after various rebates. In other words, the $6.6 billion a year is what's left over in receipts after the bill's expenditures. Second, the period chosen is the time over which the taxes are phased in, thus underestimating their ultimate impact. Third, because the House bill extends the crude oil tax only until 1981, the $52.9 billion estimate assumes this tax will expire halfway through the period studied, though it is both a huge money raiser and the guts of the Carter energy program. And of course, this estimate entirely excludes the administration's 50-cents-a-gallon standby gasoline tax, which was not included in the House package.

A somewhat more realistic picture can be developed by sorting out the gross figures in the Joint Committee tables, isolating its 1981 estimates to avoid the distortion of assuming the expiration of the crude oil tax. This reveals a tax boost of $18.5 billion a year. But by 1981 the bill's taxes would not yet be fully applied. In 1983, for example, there would be a new tax of $1.50 a barrel on all oil used to generate electricity, surely not a small item. Even on the official numbers, the Carter tax increase ultimately exceeds $20 billion a year.

Watching the pea-and-nutshell shuffling being done with these official figures, though, one wonders what other games were played in generating them in the first place. The estimates of revenue effect depend heavily on assumptions about how fast the economy will respond to conservation incentives. Will people pay the gas guzzler tax, or simply stop buying cars? Will industry actually be able to convert to coal, or will it get stuck with the tax?

An independent estimate by the U.S. Chamber of Commerce came up with con-

siderably higher revenues from both the gas guzzler and industrial use taxes. The Chamber also calculated the higher taxes the program would cause by generating inflation and pushing taxpayers into higher personal income tax brackets. The Chamber points out that as originally proposed the energy package would increase the federal government share of GNP to 25% from 21%.

To grasp the general magnitude of the program, it's also useful to go through a few back-of-the-envelope calculations of what the ultimate tax rates would do if applied to the 1977 economy. At current consumption levels, for example, a penny-a-gallon tax on gasoline would yield a billion dollars, so 50 cents is worth $50 billion. Based on current production of "old" and "new" oil, the crude oil tax would yield something like $15 billion.

The gas guzzler tax is more complicated. This year the auto industry will sell about 10 million cars with fuel economy averaging 16 to 17 miles a gallon. By 1985 such a car would be taxed about $2,000, so the tax is worth $20 billion. If you can cajole someone in the auto business to do a more exact calculation applying the 1985 rates to present auto models, you get a figure of about $12 billion. Even without the new tax, of course, auto sales over the next few years will tilt toward high-mileage models. But will the adjustment be enormous enough to justify estimating the gas guzzler tax receipts at only $100 million?

If you look at the tax on industrial use of oil and gas, finally, you realize that a good prediction of its revenue effect is impossbile. No one has more than the fuzziest notion what this part of the bill means. Burning the light bulbs of the accountants and lawyers as they work through that monster will take enough oil to keep the sheiks in business for at least a decade.

In all, the Carter program would increase taxes by well over $20 billion, and perhaps more than $100 billion if the administration succeeds in its attempts to revive the gasoline tax. To judge the resulting jolt, note that $100 billion is the total after-tax profit of all U.S. corporations. Somehow the economy would have to adjust, either by paying the new taxes or by avoiding them, for example, by closing down Detroit for a year or two.

Now, conventional Keynesian economics holds that taxes won't hurt output so long as government expenditures at least keep pace. If this were true, the world's top economic performer over the last decade would have been Great Britain. The general Western economic problems today are that governments route too much of income away from productive private uses, that high tax rates destroy the rewards for production and capricious economic policies and tenacious inflation destroy the climate for investment to produce jobs and income. No matter how the receipts were spent or rebated, the energy taxes would be a massive new dose of precisely these kinds of poison.

And for what? There is no danger that the earth will run out of energy in any time span the mind can comprehend. Even the government is not truly serious about an "energy crisis"; if it were its programs would include production incentives. Dependence on imported oil is a legitimate national security problem, but the answer lies in the ongoing oil storage program and not in a huge tax increase. The real energy problem, and the real chance for a crisis, is the government refusing to let market pricing mechanisms work.

The Carter tax increase would do nothing whatever to solve any of our real energy problems, but it would run terrible risks with the economy on which we all depend. If Congress does pass this bill, it will be the most ill-conceived piece of economic legislation since the Smoot-Hawley Tariff of 1930.

THE CARTER TAX INCREASE

[Billions of 1977 dollars]

	Joint committee staff, 1981	Chamber of commerce, 1985	Final rates applied to, 1977
Gas guzzler	0.1	2	12
Crude oil	14.6	12	15
Industrial use	2.8	8	God knows
Miscellaneous	1.0		1
Subtotal	18.5	22	28+
Gasoline tax		35	50
Subtotal	18.5	57	78
Inflation impact		16	Sigh!
Grand total	18.5	73	78+

Mr. ROUSSELOT. Mr. Chairman, today I am introducing in the House an amendment in the nature of a substitute to House Concurrent Resolution 341, the second concurrent resolution on the budget for fiscal year 1978. This substitute resolution is necessary because the majority has failed to create the kind of Federal budget atmosphere that will either stimulate the economy or encourage the American people as a whole to produce the right end results of jobs and appropriate economic growth.

The minority views on the second budget resolution of fiscal year 1978 show the administration's plan for what it is—a plan to "tax and tax, and spend and spend, and create and create." The minority views show quite well that the American people will have cause to "protest and protest" at the resulting role of government in their lives. There is one further point, however, which ought to be stressed: This formula does not work. High Federal taxes, which high Federal spending requires, will destroy the very jobs and economic growth the administration is seeking to create.

Some examples of the administration's new taxes, and their effects, are in order.

First. The administration has projected a $40 billion rise in tax revenues over a 5-year period because of the effect of inflation on income taxes. Each year, millions of Americans find themselves pushed into higher tax brackets by inflation, even if their incomes have only risen to keep pace with prices. But it is upon the value of take-home pay, after taxes, that an individual decides whether his work effort is worth the sacrifice. Higher tax brackets, higher marginal tax rates, make work less rewarding relative to leisure. Employees find overtime less attractive. Professionals and self-employed vacation more and produce less. the Nation's labor force works less, output diminishes, and after-tax earnings decrease. There is less money saved, interest rates go up, borrowing goes down, and this reduced level of investment creates fewer jobs. It is clear that $40 billion in additional real taxes over a 5-year period will crimp economic growth.

Second. The administration has also recommended new social security taxes. Part of these will be assessed against employers, thus raising the cost of employing workers. But of course, when labor is made more expensive business uses less of it, firing those who are newly uneconomical, and replacing them with what used to be a higher priced machine. These higher costs clearly result in lost production, lost wages, lost savings, and lost investment. The rest of the new social security taxes the administration is planning to raise will come from increasing the taxable wage base. Unfortunately, studies have shown that, at the income levels affected, a substantial portion of the increase in taxes will not come from reduced consumption, but from savings. Reducing the Nation's already low savings rate will raise interest rates and discourage new investment. High marginal tax rates and low savings rates will create unemployment and low economic growth.

Third. The administration has recommended a complex energy plan which, it has been estimated will cost the American consumer an additional $500 billion by 1985. Even if every penny of the direct taxes is rebated, this complicated series of direct and indirect taxes will affect the prices and take-home pay that employees and employers will face.

Mandating the use of coal, for example, will raise the cost of electricity. Businesses, instead of investing in new productive capacity, will invest in electricity-saving devices just to maintain the same or lower rate of production. This will divert scarce savings from investment in new capacity and real growth. Consumers, in turn, will spend more of their paychecks on electricity, and will have less to save and invest for future growth.

The continued regulation of natural gas is another example. The price of natural gas, by administrative decree, is going to be kept artificially low to household consumers, thus signaling them that natural gas is relatively cheap. They will therefore be encouraged to use a great deal of it, while substitutes for home heating are in fact readily available. Industry uses natural gas in processes for which substitutes are not readily available; but the administration would limit their use of natural gas. They will have to spend a great deal to use alternative fuels—just to maintain the same or lower rate of production—if in fact they can convert at all. Some plants are going to close and jobs will be eliminated. Others will invest in conversion with money that would have gone into expanding capacity. Output will be immediately reduced, prices of finished products will go up. Consumers will spend more to get less, savings and investment will go down, and economic growth will decrease. Furthermore, because natural gas is a substitute of imported energy, the price of which is set by a cartel, OPEC will find it easier to jack up the price of oil—adding further to inflation.

The administration has also planned other indirect tax increases.

Fourth. The administration, for example, has recommended a maritime preference bill which will require a fixed percentage of imported oil to be shipped in American tankers with American crews—even though shipping rates in those tankers are three times those of competitors. By 1985, it has been estimated, $7 billion will be levied upon American consumers (and, incidentally,

put into the pockets of maritime businesses and unions). Again, the price will be passed on. Businesses will have to spend more to produce less, while the American public will spend more for a lower standard of living. The economy as a whole will lose output, jobs, wages, and future growth.

Fifth. The Administration has recommended that import quotas be negotiated with foreign countries in an attempt to force Americans to buy higher priced shoes. The nonshoe producing part of the American economy will have to compete with a subsidized industry for investment capital, thus diminishfor their future output. Americans who buy shoes will pay higher prices, and have less money for savings and investment. Again, future economic growth will suffer.

It is possible to list many more direct and indirect taxes that the Administration is contemplating. After all, government regulations, from mandatory airbags to stripmining reclamation, are in effect indirect taxes. Even if the Federal Government initiates no new spending programs our regulatory system may impose record high tax levels.

High taxes distort and hinder economic growth. One way or another, if we want the economy to grow, we must cut taxes and restore adequate rewards to those who labor and save. I have said it before, and I will say it again, our first step should be a permanent across-the-board personal income tax reduction for the 90 million working people of this country.

This substitute resolution provides for an across-the-board tax cut of 10 percent off the personal income tax. It further requires the Federal Government to provide a restraint on expenditures by spending no more than we will in the current fiscal year of 1977. The resolution is as follows:

SUBSTITUTE AMENDMENT TO HOUSE CONCURRENT RESOLUTION 341

(Amendment in the nature of a substitute.)

Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1977—

(1) the recommended level of Federal revenues is $406,571,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $18,000,000,000;

(2) the appropriate level of total new budget authority is $446,824,000,000;

(3) the appropriate level of total budget outlays is $406,571,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0,000,000; and

(5) the appropriate level of the public debt is $710,000,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310 (a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1977, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $116,324,000,000.
(B) Outlays, $110,338,000,000.
(2) International Affairs (150):
(A) New budget authority, $7,000,000,000.
(B) Outlays, $3,800,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $4,600,000,000.
(B) Outlays, $4,400,000,000.
(4) Natural Resources, Environment, and Energy (300):
(A) New budget authority, $20,000,000,000.
(B) Outlays, $16,500,000,000.
(5) Agriculture (350):
(A) New budget authority, $2,100,000,000.
(B) Outlays, $2,333,000,000.
(6) Commerce and Transportation (400):
(A) New budget authority, $18,000,000,000.
(B) Outlays, $16,000,000,000.
(7) Community and Regional Development (450):
(A) New budget authority, $6,200,000,000.
(B) Outlays, $7,200,000,000.
(8) Education, Training, Employment, and Social Services (500):
(A) New budget authority, $17,900,000,000.
(B) Outlays, $19,000,000,000.
(9) Health (550):
(A) New budget authority, $41,000,000,000.
(B) Outlays, $39,500,000,000.
(10) Income Security (600):
(A) New budget authority, $159,000,000,000.
(B) Outlays, $134,000,000,000.
(11) Veterans Benefits and Services (700):
(A) New budget authority, $19,600,000,000.
(B) Outlays, $19,600,000,000.
(12) Law Enforcement and Justice (750):
(A) New budget authority, $3,100,000,000.
(B) Outlays, $3,000,000,000.
(13) General Government (800):
(A) New budget authority, $3,000,000,000.
(B) Outlays, $2,900,000,000.
(14) Revenue Sharing and General Purpose Fiscal Assistance (850).
(A) New budget authority, $7,000,000,000.
(B) Outlays, $6,000,000,000.
(15) Interest (900):
(A) New budget authority, $37,000,000,000.
(B) Outlays, $37,000,000,000.
(16) Allowances:
(A) New budget authority, $1,000,000,000.
(B) Outlays, $1,000,000,000.
(17) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$16,000,000,000.
(B) Outlays, —$16,000,000,000.

SEC. 3. Pursuant to section 310 of the Congressional Budget and Impoundment Control Act of 1974, the House Committee on Ways and Means and the Senate Committee on Finance shall submit promptly to the Budget Committee in their respective Houses reconciliation legislation to decrease Federal revenues by approximately $18 billion; the Appropriations Committee of both Houses shall submit promptly to the Budget Committee in their respective Houses, reconciliation legislation to decrease budget authority by approximately $32.18 billion and outlays by approximately $43.635 billion.

Mr. ROUSSELOT. Mr. Chairman, we yield back the balance of our time.

Mr. GIAIMO. Mr. Chairman, I yield back the balance of my time.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MIKVA) having assumed the chair, Mr. NEDZI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 341) revising the congressional budget for the U.S. Government for the fiscal year 1978, had come to no resolution thereon.

THE TANGLED ENERGY BILL

(Mr. JOHNSON of Colorado asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. JOHNSON of Colorado. Mr. Speaker, just prior to the August recess, the House passed H.R. 8444, the National Energy Policy Act, and sent it on to the Senate for consideration. There are indications the Senate may make an effort to modify the House passed bill to make it more responsive to the needs of the Nation.

Many of us are of the opinion that the House passed legislation does not provide an acceptable response to our critical energy supply situation. Indeed, the House version of the legislation is more of a revenue raising bill than a comprehensive program designed to free this Nation from the hold of foreign energy sources.

The energy supply problems are especially important to the Rocky Mountain States and other areas of the West where much of our domestic energy supplies are produced. The importance of the current congressional debate on national energy policy is well detailed in a recent editorial in the Denver Post. The editorial points out the need for legislation which removes excessive Government controls from the private market to allow the marketplace to determine the price and allocation of our energy products. The editorial also states the feeling of many of us, that while energy conservation is certainly important and should be encouraged, a national energy program must also focus equal attention on increased development of our conventional energy supplies as well as the development of synthetic fuels and other alternate energy sources. The way to accomplish that is for the Government to remove existing roadblocks and allow adequate incentives for private industry to do its job.

Mr. Speaker, I offer the Denver Post editorial to my colleagues for their serious consideration as the Congress continues in its efforts to develop realistic, reasonable and reliable energy policy goals.

THE TANGLED ENERGY BILL

The Rocky Mountain region has a major stake in deliberations on energy legislation beginning in Congress Wednesday. As its actions affect coal, oil, natural gas and possibly oil shale, Congress will take steps of fateful importance to this energy-rich area.

In addition, we are—like all Americans—consumers of huge quantities of energy. Our pocketbooks are on the line.

Before leaving for summer vacation the House of Representatives passed a significant share of President Carter's energy bill and sent it to the Senate.

The month intervening has provided an opportunity for study and discussion of the House's handiwork. Much dissatisfaction has emerged. This newspaper joins in some of

these concerns and urges as number of alterations when the Senate takes up the bill.

What stands before the Senate is a legislative hodge-podge which, increasingly, is serving more to baffle Americans than to assist them in accepting a clear and equitable policy on energy.

Symbolic of the tangled web of legislation, which is complicated by misplaced attempts at social engineering, is the administration's monolithic tax on crude oil at the wellhead.

This is what is left of the plan for discouraging consumption.

The wellhead tax would hit every user of petroleum products, and not just the automobile driver with optional uses for his income. The farmer buying petroleum-based fertilizer would feel the impact just as would the automobile driver (who will get nicked for seven cents a gallon) when the levy is imposed.

The levy is expected to amount to $14 billion each year. Much of this—minus a bureaucratic handling fee—is earmarked to go back to all taxpayers, although the details are still vague.

Many aren't buying. Some see the wellhead tax more as a revenue-raising bill than a conservation measure. A broad-based coalition is asking the levy's defeat. Among them is the Oil, Chemical nad Atomic Workers Union (OCAW) based in Denver. No friend of the oil industry, OCAW nevertheless rejects the thinking behind the wellhead tax. Says a spokesman:

"We feel this heavy increase per gallon would be a terrible burden on the average person who has to have a car. We're wary of bureaucracies which want to equalize things. We've learned the rich will still ride when the poor are walking."

That's the popular case against the wellhead levy.

The economic thrust may be more significant. The tax seems to symbolize Washington's surrender to shortages.

Throughout the Carter package little attention is given to encouraging the oil industry to increase U.S. production. Rather than giving the industry incentives, the administration seems to be saying: "The way to meet the shortage is to tax the oil companies and give the money to the people."

The only way this proposal makes sense to the law of supply and demand is that it would increase the cost of gasoline and force the driver to dig deeper at the pump. Eventually the poor would be reimbursed for some of the price increases which will weigh most heavily on them. But the average rebate would be only $22 a year.

The effect of the wellhead tax would be to raise the price of domestic crude to the international level. But domestic producers would get no benefit from the price increase; the added costs paid by the consumer would be siphoned off by the tax.

Put another way, the tax would have the effect of denying oil and gas producers the extra income necessary to step up exploration for new sources of gas and oil. Congress should increase the dollars allocated to exploration and drilling.

There is still a lot of oil to be found in this country. One major source is the outer continental shelf areas which are 95 per cent unexplored. Advanced technology has made production from these fields feasible, but it costs a great deal of money to find and bring these fields into production.

The oil industry needs encouragement to increase the supply. That approach should get at least equal billing with conservation.

In general, history shows the market function is a better allocator of resources than governmental planning. In the present instance, providing a means whereby the domestic oil supply can be increased makes more sense than binding the nation's energy industry into a cocoon of federal controls.

Is there a danger of industry profiteering with price deregulation? Yet. But that danger can be eliminated with a windfall profits tax. The industry would be urged to plow back earnings into more drilling. But if a firm failed to do this, then taxes would be applied to the obvious windfall profits. There's a 200-year record that says such an approach works more creatively than state planning.

In its other details the Carter package has both strengths and weaknesses.

Few can disagree with its provisions for tax writeoffs for homeowners and businessmen who opt for solar energy or save energy through insulation and other conservation measures.

The coal portions of the package are troublesome. The provision aimed at forcing utilities to scrub clean Western coal as thoroughly as they do the sulfur-ridden Eastern coal is bad legislation. It feeds the suspicion the administration is paying off its Eastern coal union supporters (Western strip mines are largely non-United Mine Workers) with a gimmick.

The Carter program is right in pushing research into alternative sources of energy. Federal grants, prudently administered, are necessary to speed discovery of cheaper and better energy sources.

But the administration is wrong in trying to use the energy crisis, serious as it is, to nationalize the oil industry. Such a step would not help supply. And it might needlessly damage a critical component of the national wellbeing.

DICKEY-LINCOLN SCHOOL LAKES HYDROELECTRIC PROJECT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. COHEN) is recognized for 20 minutes.

Mr. COHEN. Mr. Speaker, the Dickey-Lincoln hydroelectric project proposed for my congressional district in Maine has now advanced to a critical stage with the release of the draft environmental impact statement (EIS) on August 31.

After nearly 3 years of intensive study, the Army Corps of Engineers has provided the citizens of Maine and New England with the requisite information upon which to base a rational and responsible decision on this controversial project. Refined to its basics, the report clearly indicates that we must choose between the advantages of an additional 1.2 billion kilowatt-hours of peaking power annually, and the "irreversible and irretrievable loss of all the resources identified with the impoundment areas."

For me, the choice is now clear. The environmental, economic, and social costs of the Dickey-Lincoln project are too severe to justify its construction. A partial list of the project's adverse effects emphatically underscores this fact:

Flooding caused by the project would totally destroy over 88,000 acres of terrestrial habitat and its associated aquatic ecosystem.

Impoundment would raise the local ground water levels. This is expected to lead to localized ponding by altering drainage patterns and the creation of new springs. Wells and septic systems downstream of the Dickey reservoir would be adversely affected by this action.

At least 161 households would have to be uprooted and relocated if Dickey-Lincoln is built. Unavoidable economic, physical, psychological, and social hardships would inevitably occur, and destroy the sense of community which now exists in the affected areas.

According to the EIS the influx of construction workers to the area could spawn a series of social problems such as prostitution, alcoholism, and increased levels of crime.

The project would have a deleterious effect on the timber industry in the region. Current management plans would be seriously and permanently disrupted. Costs due to timber lost would range between $206 and $311 million in direct and indirect costs over the projected 100-year life of the project.

Tax revenues which currently accrue to the townships and the State on lands which would be destroyed would be lost. The estimated losses would be $97,000 annually for forest lands, and $40,000 for the town of Allagash. Additionally, it is possible that municipalities which expand services to meet short-term needs during construction would not be fully compensated for these efforts. This could spell a tax increase for the permanent residents of the area.

Whitewater canoeing would be eliminated.

Inundation would result in the direct loss of over 268 miles of free-flowing streams and rivers within the Dickey impoundment. These waterways provide habitat for native brook trout and other important species.

Wildlife population in the planned reservoir area would be adversely affected in varying degrees. Approximately 80,455 acres of terrestrial habitat would be permanently lost. Inundation would destroy 36,893 acres of deer wintering habitat, with the resulting loss of approximately 50 percent of the deer herd and those species dependent upon it for survival.

The cultural resources of the region would be adversely affected. Salvage of known archaeological and historical sites would be required to mitigate a total loss of these irreplaceable resources.

Construction of Dickey-Lincoln would have several major effects on the esthetics of the region. The greatest impact would result from the flooding of nearly 66 miles of the St. John River. As the report points out, the visual quality of this portion of a scenic river valley would be lost foreover. The effects of construction would scar the region permanently.

An increase in seismic activity as a result of reservoir loading and water fluctuation is likely to occur.

Some price inflation is likely to occur in the area due to the large infusion of funds into the economy during construction.

Further environmental damage and loss of land would certainly occur as a result of the construction of transmission facilities for the project.

Critical as these findings are, there are additional factors which lead me to conclude that we should pursue other less costly and less damaging alternatives than the Dickey-Lincoln project.

Not the least of these factors is the changing attitude in Congress and the executive branch toward Federal water resource projects.

To his credit, President Carter has put Congress on notice that the era of public works politics is over. It must be replaced by a process which establishes rational criteria for judging future projects solely in terms of economic, environmental, and social costs. These factors, in turn, must be carefully balanced against the projected benefits of the project, whether they be power, irrigation, flood control, or recreation.

I believe that it is highly probable that the Dickey-Lincoln project would eventually fall victim to this reform climate should construction funds be sought. In addition to the devastating environmental impact of the project, Dickey-Lincoln's questionable economics make it an easy target for extinction. This will become more true as pressures to balance the Federal budget increase, as they certainly will and must.

Indeed it would be a tragedy of immense proportions if Dickey-Lincoln were to gain initial approval and later be abandoned in mid-construction due to budgetary pressures or protracted litigation, which is another very real possibility. If this situation were to eventuate, Maine would be left with a massive concrete monument to misjudgment, and untold thousands of acres of despoiled wilderness. Those who doubt the possibility of this scenario need only consult with the Members of Congress who have partially constructed public works projects in their districts which fell victims to recent budget-cutting actions. Another important factor which prompts me to oppose this project is my belief that it is incompatible with the energy conservation ethic we must embrace as a society.

I am not suggesting that conservation and the more efficient use of energy can alone mitigate the need for additional generating facilities in New England, whether they be baseload or peaking units. What I am suggesting, however, is that it is absolutely imperative that we find smaller, less costly ways to meet our future energy needs beyond 1990. Moreover, we must pursue alternatives which respect, not destroy, the power and natural resource options of future generations, rather than paying sole allegiance to the energy needs of today's society.

One of the most critical challenges facing elected officials is to look beyond the possible short-term gains in any situation and fully consider the long-term consequences. I have tried to do this in arriving at my decision to oppose further funds for the Dickey-Lincoln project.

Energy policymaking inevitably involves difficult choices and painful tradeoffs, and Dickey-Lincoln is certainly no exception. Just as there are costs involved in building the project, so too are there penalties for failing to do so. Increased dependence on imported energy or a greater use of coal, possible supply interruptions during peak demand periods, and the likelihood of somewhat higher energy prices are direct costs associated with not building Dickey-Lincoln, and each of us should be fully aware of these consequences. The severity of these costs will be largely determined by the energy habits of all the citizens of New England. In a very real sense, each of us has the power to determine our own energy density as well as the environmental legacy we pass on to our children and grandchildren.

The draft environmental impact statement does identify several alternative methods of energy generation and storage which are termed potentially viable substitutes for Dickey-Lincoln. Included among the alternatives are further hydroelectric development other than Dickey-Lincoln, solar and wind energy, and the use of fuel cells. New technologies will inevitably be developed in the coming years which could assist in meeting the peaking energy needs of New England. And, of course, the Passamaquoddy tidal power project must also be viewed as a possible alternative to Dickey-Lincoln, along with load management strategies and conservation.

As I have in the past, I will continue to work for appropriations which will insure that every alternative source of energy is examined carefully. Similarly, I will work for funding of construction projects which will provide full flood protection not only to Fort Kent, but also to other downstream areas which would have been aided by Dickey-Lincoln.

As a final thought, I would like to comment briefly on the decisionmaking process which has brought us to this point in our deliberation on Dickey-Lincoln. I have always felt that it was important that Dickey-Lincoln receive a fair and objective hearing, particularly in view of the project's long and controversial history. In support of this view, I have fought hard in the House of Representatives to insure that this project received its day in court. I am now satisfied that this is the case and that, once again, the public interest has been well-served by the mandates of the National Environmental Policy Act of 1969.

I am confident that others who have reviewed the environmental impact statement and participated in the workshops leading to the development of the report share this view. Copies of the draft EIS and its appendixes are available for review at the following repositories in Maine and New England, and I strongly urge as many citizens as possible to avail themselves of the opportunity to review and comment on this important document. It will be time well spent.

The list of repositories follows:

CONNECTICUT

Connecticut State Library—Hartford, Conn
University of Connecticut—Storrs, Conn.

MAINE

Maine State Library—Augusta, Maine.
Natural Resources Council of Maine—Augusta, Maine.
Bowdoin College—Brunswick, Maine.
Portland Public Library—Portland, Maine.
University of Maine—Portland, Maine.
Nasson College Library—Springvale, Maine.
Colby College Library—Waterville, Maine.
Bangor Public Library—Bangor, Maine.
Maine Maritime Academy—Castine, Maine.
University of Maine—Orono, Maine.
Unity College—Unity, Maine
Town Hall—Allagash, Maine.
Selectmen—Madawaska, Maine.
Chamber of Commerce—Fort Kent, Maine.
Selectmen—St. Francis, Maine.
Northern Maine Regional Planning Commission—Caribou, Maine.
Town Council—Ashland, Maine.

MASSACHUSETTS

University of Massachusetts—Amherst, Mass.
Boston College—Chestnut Hill, Mass.
Brandeis University—Waltham, Mass.
Lowell Technical Institute—Lowell, Mass.
Harvard College University—Cambridge, Mass.
Massachusetts Institute of Technology—Cambridge, Mass.
Boston Public Library—Boston, Mass.

NEW HAMPSHIRE

University of New Hampshire—Durham, N.H.
Manachester City Library—Manchester, N.H.
New Hampshire State Library—Concord, N.H.
Dartmouth College—Hanover, N.H.

RHODE ISLAND

University of Rhode Island—Kingston, R.I.
Brown University Library—Providence, R.I.
Rhode Island State Library—Providence, R.I.

VERMONT

University of Vermont—Burlington, Vt.
Vermont State Library—Montpelier, Vt.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. COHEN. I am happy to yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I rise to congratulate my distinguished friend, and colleague from Maine (Mr. COHEN), for the courageous stand he has taken today on the Dickey-Lincoln School Lakes project.

It is no secret that I have opposed this project from the moment of its conception many years ago. Time and again over the years I have addresed this Chamber to express my strong opposition to the project in the various forms it has taken as its proponents attempted to modify and alter it in misguided attempts to make it palatable. It has always been my firm position that the disadvantages of the proposals far outweighed their purported advantages.

In recent years the gentleman from Maine (Mr. COHEN), has argued just as strenuously in favor of the project. The gentleman argued convincingly for funding for an environmental impact statement on the proposal in the belief that the statement would justify construction of the project.

I was just as convinced that the environmental impact statement would verify my contention—that the project represented an environmental catastrophe and an economic monstrosity.

The draft environmental impact statement recently released by the Corps of Engineers, while purporting to justify the proposal, effectively endorses my long-standing position. It verifies my belief that the project would permanently destroy much of the wildlife habitat of the area. The corps' statement estimates that the project would destroy some 80,000 acres of terrestrial habitat, including 36,893 acres of land critical to the survival of the white-tail

deer. The loss of this habitat would permanently reduce the numbers of these white-tail deer.

The figures on the timber loss that would result from the project are conservative, compared to other studies, but they do testify to the permanent damage that would result from this wasteful project. The proposed dam would destroy timber production worth between $206 and $311 million over the projected 100-year life of the dam.

The draft statement is weak in two principle areas: First, the statement briefly discusses the potential contributions from energy conservation but fails to come to grips with the options available. For example, the statement does not mention the recent study of the Massachusetts Audubon Society which cites energy savings for 43 times the output of the proposed dam, through the installation of residential attic insulation.

Second, the statement fails to fully discuss the long-term impact of the proposal. Instead, it dwells on the short-term conversion impact. In particular, the statement does not fully consider the uniqueness of this area, and the natural resources that would be permanently destroyed, even after the projected 100-year life of the dam.

The report also alludes to, but does not fully discuss the potential jobs impact of this proposal. From the statement of the corps, it appears that the dam construction activities would create 1,900 jobs, of which all but 200 would be of a short-term nature. This compares to the potential increase of 5,000 jobs in the timber industry, which would be eliminated by this project. Thus, the area will experience the adverse impact of a "boom-and-bust" economy, where there is a dramatic increase of temporary jobs, followed by a dramatic loss in permanent jobs. This "boom-and-bust" cycle would also have a permanent, damaging effect on the local economy.

This wasteful and unwise proposal is not deserving of the support of the taxpayers. Its cost is currently estimated to be $691 million, and is expected to exceed $1 billion in the foreseeable future. I will redouble my efforts to see that this boondoggle is not funded.

When the interest of his constituents, his State, and the environment are at stake, the gentleman from Maine is obviously not afraid to admit that he would rather be correct than consistent. He is one of the ablest Members of the House of Representatives.

Mr. COHEN. Mr. Speaker, I thank the gentleman from Massachusetts.

As the gentleman has indicated, during the course of the long debates on this project since I have been in this Congress, I have indicated to the gentleman from Massachusetts that I always favored the completion of all the environmental studies, and I stated that once those studies were completed I would make a decision based on the evidence. That is what I have done today.

Mr. Speaker, I thank the gentleman from Massachusetts (Mr. CONTE) for his very generous and complimentary remarks.

IN MEMORY OF CLIFFARD CARLSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

Mr. CORCORAN of Illinois. Mr. Speaker, it is my sad task today to inform you that one of our former colleagues has died. Cliff Carlson did not serve long in this House. It is typical of him that he stepped aside following Illinois' last reapportionment to allow Les Arends to remain in the House after only 8 months.

In addition to being a most successful businessman, he was a man deeply conscious of his responsibility to his community, his country, and to his fellow man. He was a delegate to three Republican conventions, and he held several other party offices. He served his country in the Navy and in Congress, where he was an advisor to the UNESCO General Conference.

He served the community as a director of the Marmion Academy and as a trustee of the Delnor Hospital in St. Charles, Ill. He was active in seeking the continued development of the Fox River Valley.

Cliff Carlson's time in this House was short, but in that time he served his district to the best of his ability. No matter how long we may be part of this House, none of us can hope to do more.

A BILL TO REDUCE THE TRADEOFF BETWEEN JOBS AND A CLEANER ENVIRONMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, in recent weeks one of the most important employers in western New York, the Bethlehem Steel Co., announced that it was cutting back production and permanently laying off 3,500 workers at its Lackawanna N.Y. plant. Among the reasons cited for this action, which will have disastrous economic effects on the entire region, was the tremendous cost of complying with Federal environmental protection standards, about $60 millions in the next 5 years.

No one denies the importance of cleaning up our environment. For too many years we have all treated common access goods, like air and water, as costless when in fact they are not. The use of clean air and water has a cost associated with it just like the cost of using any other natural resource and must be paid.

We simply cannot ignore the fact that it is going to take tremendous amounts of capital to achieve the twin goals of a clean environment and a high rate of economic growth in the years ahead.

One vital step would be to recognize that it is unfair to impose the entire cost of financing pollution control equipment onto the private sector all at once. The economic cost of complying with environmental regulations just since 1972 is already more than the cost of the OPEC oil cartel. The magnitude of this cost may be illustrated by the following examples:

United States Steel has just signed a 7-year agreement with Federal, State, and local environmental agencies that will require it to spend $600 million over that period to eliminate air pollution from its Clairton Coke Works in Pittsburgh.

The steel industry as a whole will be spending well over $1 billion annually on pollution controls—and that is a conservative estimate. This expenditure amounts to over one-quarter of the industry's total annual capital investment.

Meeting EPA's 1983 water pollution standards will cost all of American industry, over the next 7 years, about $60 billion for capital equipment and another $12 billion annually in operating and maintenance costs.

Meeting noise pollution standards, as mandated by Congress and enforced by the Occupational Safety and Health Administration—OSHA—will involve expenditures of over $15 billion in capital costs and $2 billion to $3 billion in operating costs in the years immediately ahead. If these noise standards are raised to the level recommended by the U.S. National Institute for Occupational Safety and Health—a recommendation endorsed by EPA—that capital costs will climb to over $30 billion.

The Wall Street Journal recently reported that new health regulations in the cotton industry will cost some $3 billion over the next 7 years. It has been estimated by Prof. Murray Weidenbaum that American industry's costs to meet OSHA safety standards this year will be over $4 billion.

EPA is on record—for what that is worth—as calculating that industry's total capital investment requirements for all kinds of pollution control equipment will, in the decade 1972–81, add up to $112 billion.

The cost of installing pollution equipment is exactly the same as if a tax were imposed on American industry for the same purpose. It raises the firm's cost of doing business while doing nothing to increase production, and may even reduce production. The people who will ultimately pay this cost are consumers and the firm's employees and stockholders.

Yet pollution control equipment is usually thought of as a capital investment, and is considered so for tax purposes. The result is that if one deducts the cost of complying with environmental protection regulations from the total capital expenditures of American industry over the past several years, and factor out inflation, there is virtually no real capital investment taking place in this country at all.

Therefore, the first thing we must do is to encourage capital formation, because only by enlarging and modernizing America's industrial plant can we hope to afford the cost of meeting our goal of clean air and water without increasing unemployment or reducing economic growth. Second, we must help American industry finance the cost of installing pollution control equipment.

I have spoken out on the necessity for capital formation for years and have offered my Jobs Creation Act as the means to achieve this goal. Now I am offering a bill to allow firms to write off the cost of pollution control equipment in 1 year, as a normal business expense, rather than over 5 years as provided by the Tax Reform Act of 1969.

This may seem like a relatively small change to make, but it will be of great benefit to companies like Bethlehem, which have invested hundreds of millions of dollars on pollution control equipment over the past several years, by improving their cash flow and offsetting the impact of inflation on recovered costs.

I originally introduced this legislation as part of my Jobs Creation Act over 2 years ago. Had it been enacted at that time there is no doubt that companies like Bethlehem Steel would be in a better financial condition to expand jobs and productivity than they are today. Therefore, I hope Congress will act quickly to enact such legislation lest we achieve our goal of cleaning up the environment only at the cost of destroying jobs and our free enterprise economy.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN) is recognized for 5 minutes.

Mr. SARASIN. Mr. Speaker, on August 5, 1977, I was absent from part of the legislative session of the House as I was attending a bill signing ceremony at the White House regarding the Youth Employment and Demonstration Projects Act of 1977. Had I been present, I would have voted in the following fashion:

Rollcall No. 507: House Resolution 729: Committee funds. The House agreed to the resolution to provide funds for the expenses of investigations and studies to be conducted by the House Permanent Committee on Intelligence, "yea."

MILITARY'S VOCATIONAL TESTING PROGRAM COMES UNDER FIRE AGAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 10 minutes.

Mr. WHALEN. Mr. Speaker, as we return to the Congress now, after the Labor Day holiday, so, too, do millions of young people across the country return to the classroom. As has been the case in each of the past several years, over 1 million teenagers in our schools will take the armed services vocational aptitude battery—ASVAB—during this school year.

I was one of many Members of Congress who followed with considerable interest the recent controversy over ASVAB. That is, of course, the vocational aptitude test that is given to high school students by Armed Forces recruiting command personnel, in cooperation with local school officials.

Our former colleague, Charles Mosher, in the last Congress raised a number of substantive questions about the way in which ASVAB was administered. His almost singlehanded efforts led to an agreement from the Pentagon that ASVAB procedures and materials would be changed so that unsubstantiated claims would be eliminated from the "sales pitch" and fuller disclosure of relevant information would be made to students and parents—see the CONGRESSIONAL RECORD for May 6, 1976, page 12929.

Those changes were made in good faith and have been fully implemented, and there now appears to be little criticism of ASVAB on procedural grounds. However, a new, and in some ways more troubling, criticism has been raised. As children across the country are now returning to school, I think this is a good time to examine again ASVAB.

Mr. Speaker, Lee J. Cronbach is the Vida Jacks professor of education at Stanford University. Many regard him as one of this Nation's leading authorities on the subject of aptitude testing. In a soon-to-be-published review, Dr. Cronbach says very bluntly, "I advise school officials to stop ASVAB testing."

Professor Cronbach recounts the congressional criticisms of ASVAB and notes the agreement negotiated between Chuck Mosher and the Department of Defense. But he goes on to say that even after those procedural difficulties were resolved we still are left with a test that does not meet the needs of educators and guidance counselors—and students—in our high schools. He seems to think that the test itself may do more harm than good.

These observations are contained in an article Dr. Cronbach wrote for publication in the eighth mental measurements yearbook, a prestigious publication that is concerned with questions pertaining to standardized testing and related issues.

An excellent and easily understood summary of Dr. Cronbach's somewhat technical article was written by a staff reporter in the APA Monitor, a publication of the American Psychological Association. At this point in the RECORD, I am inserting the full text of Dr. Cronbach's critique of ASVAB as well as Ms. Pam Moore's summary which appeared in the APA Monitor:

[From the APA Monitor]

NADER TAKE NOTE . . .

The Defense Department is taking its lumps these days for promoting use of a vocational aptitude test—the Armed Services Vocational Aptitude Battery (ASVAB) to be exact—which reportedly is administered to over a million high school students a year. The ASVAB has run into congressional opposition in the past, largely on the grounds that it is a recruiting device sold to schools for free and, until recently, was given to students under the guise of vocational guidance without filling them in on the whole story.

Current concern, however, has extended to the issue of quality, and according to a draft review of the ASVAB by Stanford's Lee Cronbach for *The Eighth Mental Measurements Yearbook*, it's not worth even its nonexistent price. In a commentary that may score a new high for not mincing words, Cronbach runs through the test's questionable past, evaluates its problematic present and simply advises school officials to stop ASVAB testing, at least unless and until the military cleans up the test. Among its noteworthy technical flaws, Cronbach mentions that test items are badly edited, some "are loaded with detail to the point of tedium," and some are sufficiently incomprehensible as to require reading the tester's mind.

Cronbach notes that "no worthwhile" validity studies relating to civilian careers have been reported and those currently available "are amateurish." He also states that many of the subtests are "unreasonably difficult" and on at least one, fully one third of the examinees—both males and females—score no better than chance. "ASVAB is designed to cream off and recruit above-average young people, not to assess the lower half," he continues, a scheme that might have been appropriate "in the good old days for a hire-and-fire-at-will employer who had an oversupply of applicants." But, he adds, the Armed Services "cannot rely solely on well-prepared young people."

"Especially," he says, "they must face up to sex differences. The inability of the typical high school girl to recognize a pipecutter or to say what a thermocouple does indicates nothing about the career she could be trained for. The military ought to be encouraging more women to go into technical specialties, not using ASVAB to rule them out."

And, according to Cronbach, when it comes to interpretation of test scores, matters are even worse. "ASVAB's student report form is to be condemned" for several reasons, he states, not the least of which is its garish red, yellow and green striped profile sheet (for "go," "caution" and "stop"). "For all its hypocritical prose saying that scores 'should not be considered good or bad', such a report signals to many students that their vocational prospects are discouraging," says Cronbach.

Delivering his *coup de grace*, Cronbach notes that there are other low-cost batteries which are far more useful for guidance than ASVAB and he also points out that schools are facing a major policy issue. "I doubt," he offers, "that schools can defend allowing one employer—even a large and public one—to administer its selection tests in the schools" without offering the same courtesy to others. "At a time when the charge of 'too much testing' is raised, even against tests designed to serve the schools' purposes, the case for administering ASVAB in the schools is flimsy."

Sources in the Office of the Secretary of Defense, Manpower and Reserve Affairs branch report that the ASVAB is currently undergoing some revision to be completed before the next school term begins, but there's little information about how far the changes will go.

REVIEW OF ASVAB ARMED SERVICES VOCATIONAL APTITUDE BATTERY

(By Lee J. Cronbach)

Perhaps more young people take ASVAB than any other differential aptitude battery—over a million students each year. The reason is simple: The Armed Services provide and score the tests at no cost to the school; moreover, they go to some lengths to persuade school officials to allow ASVAB testing.

The battery as recruiting aid. Aptitude information is needed to classify recruits. Mass testing of tenth- through twelfth-graders makes this information immediately available when some of them enlist as seniors; more to the point for the military, the scores identify able adolescents to be recruited. The services agreed in 1966 to develop a single basic battery for all branches. The initial package was made up of sections drawn from

the existing service tests; the content of the package has been revised several times since.

The test is advertised to schools as a resource for career guidance. If a local school decides to give ASVAB, a military office supplies a tester. ASVAB is budgeted at over three million dollars, which pays for test development and research, testing operations, and promotional activities. This far exceeds the resources available to such competing batteries as DAT and GATB.

The ASVAB program came under severe Congressional scrutiny in 1975. Although the initial impetus was a letter to Congressman Charles Mosher from a teacher who saw ASVAB as a duplication of what the government supported in GATB, larger issues surfaced. The Friends Peace Committee and the ACLU questioned the role of students as a captive audience for recruiting. The criticism was especially concerned with the probity of orienting material supplied the examinee and his parents. An agreement negotiated in 1976 cleared the air and seems to have ended the conflict.

The agreement included the following terms. (1) The revised material states frankly that the test is used to guide recruiting as well as in the school's guidance program. Now, when the student signs up to take the test, his consent is "informed". (2) In previous years, strong assertions were made about the relevance of ASVAB to civilian career planning. The new leaflet says: "ASVAB's ability for determining civilian job skills has not been proven. . . . ASVAB scores . . . do indicate the areas of vocational training within the military services within which they are most likely to suceed. . . . [E]ducators believe that many military specialties are related to civilian occupations." (The second sentence quoted remains dubious; see below.) (3) The individual scores, it is said, are distributed to the recruiting units of the services. After two years "all personal identifying information is erased," but the scores will be retained for research.

Test form and quality. Forms 5, 6, and 7 of ASVAB are essentially equivalent. Each consists of 12 subtests; the typical subtest consists of 20 four-choice items. Of the available technical information, over half comes from Form 2; most of the information seems to fit the current form and where necessary it is used in this review without special identification. Five of the subtests in current forms ask for recall of information—about automotive mechanics, for example, or general science. There are other subtests for verbal, numerical, clerical perception, and spatial aptitudes. Subtest raw scores are added to form six "composites". For example, the Communications (C) composite (said to be pertinent to operation of communication equipment) combines Arithmetic Reasoning, Mechanical Comprehension, and Space Perception subtests. Two subtests enter none of the composites, though perhaps some military selection rule uses them.

For purposes of civilian guidance the content is not well distributed. Allocating half the battery to technical information is a fault. A few simple questions on experience would provide adequate cues to the counselor; guidance is concerned more with routing the student into proper training than with assessing what he has already learned. The battery lacks the measures of manipulative skills that some batteries have, and has no dierct measure of Abstract or Nonverbal reasoning.

ASVAB items have not been edited well. The Clerical and Spatial items are loaded with detail to the point of tedium. In subtests not intended to measure verbal comprehension, many items are worded more complexly than necessary. Reading the tester's mind is required at times. The solutions to some mechanical-comprehension items rest on mechanical features of equipment that are not directly visible in the drawings. In one item the right answer is reached by realizing that when the tester says "Theoretically, the raft would move . . ." he means, "If water did not offer resistance, ..."

Validity studies in the military. Diverse studies have validated ASVAB composites against grades in military technical schools. One of the best reports is a 1976 draft report (unsigned) on concurrent correlations of ASVAB with Final School Grades given in each of 25 Navy Class-A schools. The training of Operations Specialists may be taken as an example. The GT composite was thought to be the appropriate selection measure; after correction for restriction of range, its validity was 0.50. In that school, the validities of the three other composites examined ranged from 0.43 to 0.50. Typically, ASVAB does about as well as a test can be expected to do in identifying those in the eligible population who are good risks for admission to a school. ASVAB has little or no differential validity; subtests and composites that on their face are irrelevant to a particular course often are among the best predictors. One reason for the lack of differential validity is the overlay of composites; Arithmetic Reasoning, for example, is added into three of the four composites on which the Navy study reported. It was psychologists in the Personnel Research Branch of the Army who did the most, thirty years ago, to prove how important for classification differential measurement is. Hence it is surprising to find ASVAB adopting a design that reduces differential validity.

The formula applied to correct validities for restriction of range may not give a proper adjustment. Overcorrection is to be suspected both in the Navy data and in the validities reported from Air Force Technical schools. There, many of the composites are said to have corrected validities of 0.80 and above, with grades as the criterion.

Other technical qualities. No worthwhile validity studies relating to civilian careers have been reported, though some are promised. The studies now at hand are amateurish, the most horrible example being a substudy that correlates a general ASVAB composite with overall grade average on a sample of five students in one high school. Much about validity can be inferred from other facts, however.

Many subtests are unreasonably difficult; among both males and females one finds a third of the population scoring no better than chance on Space Perception, for example. On the mechanical-information subtests, only a few females get half the items right. ASVAB is designed to cream off and recruit above-average young people, not to assess the lower half. This would have been appropriate in the good old days, for a hire-and-fire-at-will employer who had an oversupply of applicants. But the Armed Services cannot rely solely on well-prepared young people. Especially they must face up to sex differences. The inability of the typical high-school girl to recognize a pipecutter or to say what a thermocouple does indicates nothing about the careers she could be trained for. The military ought to be encouraging more women to go into technical specialties, not using ASVAB to rule them out.

The subtest reliability coefficients from independent testings have a median of 0.80 in an enlistment-station sample, 0.64 in a high-school sample. The figures must be discounted for the sex-sensitive tests; within-sex reliabilities would be still lower. Many subtest intercorrelations exceed 0.60. The composites have good reliabilities (around 0.90), but they intercorrelate highly; the six composites measure one factor. Only the Clerical-Administrative composite (CL) and the General Technical (GT) have a modest amount of reliable variance after the first principal component is removed. Difference scores involving one of these have reliabilities around 0.60–0.70. Differences for the six remaining pairs have reliabilities ranging from 0.53 to 0.00. (The counselor's manual gives no explicit psychometric information on the composites, even though these make up the student profile. I am indebted to Gary Schaeffer and Tom Sachse for working up usable statistics from information scattered through the manual.)

From these calculations and from the high-school validity data, I just that the ASVAB general factor predicts grades as well as other lengthy tests would, but that the composites have negligible differential validity and negligible use for guidance. The differential reliability of the short subtests is poor.

Interpretative information. ASVAB's student report form is to be condemned. In the first place, it reports the six capricious composites and not the 12 subtest scores; the subtests are more interpretable than the composites, though they are poor measuring instruments. The interpretations offered for the composites are not justified by any research, and some are absurd. Recall that CO is an arithmetic-mechanical-spatial composite. The adolescent high in CO is encouraged to consider some jobs that may indeed depend on this aptitude mix: photogrammetrist and audiovideo technician, for example. But what reasoning adds translator or fashion designer or cable splicer to the list? Worse yet, the student who scores high on the GM composite—which measures the same individual differences as CO except for errors of measurement—is told to become a bricklayer or miner. The report form makes no mention of careers that require a college degree. This attempt to suggest vocational interpretations is irresponsible. The extensive counselor's manual has similar deficiencies.

Much else is wrong with the student report form. It is laid out with percentiles as equal intervals, thus exaggerating differences near the median. The ASVAB computer prints out only a profile relative to norms from a grab sample that pools grades 10–12 and pools males and females. Space is allowed for the student to plot a second profile after having the school counselor look up the pertinent within-grade-within-sex percentiles in the manual. The margin for errors in this unnecessary do-it-yourself process is unacceptable. The profile sheet is dramatized with red, yellow, and green stripes; a score in the green area is supposed to mean "all signals go!" The foremost fault of this scheme is that a great many students are going to have all their scores in the yellow ("caution") and red ("Stop!") areas. For all its hypocritical prose saying that scores "should not be considered good or bad," such a report signals to many students that their vocational prospects are discouraging.

I advise school officials to stop ASVAB testing, at least until the student report form, and preferably the whole battery, is drastically revised. The scores now offered are of much less worth for guidance than those offered by the low-cost GATB and by commercially published batteries. Moreover, schools face a large issue of policy. I doubt that schools can defend allowing one employer—even a larger and public one—to administer its selection tests in the schools unless they are prepared to offer the same courtesy to IBM or the leading local industry. At a time when the charge of "too much testing" is raised even against tests designed to serve the schools' purposes, the case for administering ASVAB in the schools is flimsy.

THE OBEY TASK FORCE RECOMMENDATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANDERSON) is recognized for 60 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, tomorrow the House Commission on Administrative Review, chaired by our colleague from Wisconsin (Mr. OBEY), is scheduled to take up the recommendations made by its task forces on administrative units and work management. All of us received a copy of these recommendations during the August recess and were asked to review them and comment on them. I took advantage of this opportunity and today would like to summarize for my colleagues the comments which I submitted to the Commission for its consideration.

HOUSE ADMINISTRATOR

The principal recommendation of the Task Force on Administrative Units was that an Office of House Administrator be established to direct, plan and coordinate the day-to-day administrative support operations of the House. The Administrator would be nominated by the Speaker, subject to House approval, and would serve a 2-year term, subject to removal only by the Speaker, with the approval of the House Administration Committee.

I think the task force makes a convincing case that our present administrative support activities are widely scattered among various House officers and administrative units and thus are poorly planned, directed and coordinated. The examples cited by the task force on financial mismanagement, and delays and backlogs in processing voucher payments are especially disturbing. Obviously, strong and competent new central direction is called for.

I think the task force report could have been more useful in explaining the present system and justifying the proposed reorganization if it had included detailed, comparative organizational charts of the two systems, including what existing supervisory offices will be abolished and retained under the consolidation. For example, will the proposed new House Comptroller replace the existing Chief Finance Officer of the House or simply be layered on top of him? How many additional personnel—or fewer personnel—are anticipated under the consolidation, and at what additional—or less—cost? Could the consolidation be accomplished under an existing officer of the House, such as the Clerk, or must we establish a new Office of House Administrator? In short, do we need to build a new wing onto the House when a remodeling and Housecleaning might do the same job as efficiently and at less expense?

If the Commission should decide to endorse the proposal for a House Administrator, I would strongly object to exempting him from removal by the House. All other officers of the House are subject to removal by the House by privileged resolution—see House manual, section 315. I do not accept the task force's argument that the professionalism of the Administrator will be jeopardized if he is subject to removal by the House. Surely, someone as powerful and important as the proposed Administrator must be accountable to the full House as an institution, and not just to the Speaker and the House Administration Committee. The proposed exemption from removal by the House also puts him beyond the reach of discipline by the Committee on Standards of Official Conduct in terms of its authority to recommend removal by the House for alleged wrongdoing. No Member, officer or employee should be immune from the regular disciplinary processes of the House. And finally, I would point out that, just as the Administrator should be accountable to the full House and subject to removal by it, he should also enjoy this protection against arbitrary removal by any one person. It is conceivable that under the proposed removal procedure, the Speaker, with the consent of the House Administration Committee, could dismiss an Administrator for less than justifiable reasons. An Administrator should have his day in court, so to speak, just as any other officer would now have under House precedents and procedures.

HOUSE AUDITOR

The Task Force on Administrative Units has proposed the creation of a House Auditor in the Office of the House Administrator, subject to appointment and removal by the Administrator, with the approval of the House Administration Committee. The House Administration Committee would form an Audit Subcommittee to provide policy guidance to the Auditor. The Auditor would be responsible for assuring adequate financial audits of all House accounts, and periodic operational audits to assess the effectiveness of expenditures in meeting the administrative and legislative support needs of the House.

I applaud this proposal for a House Auditor, something we on this side of the aisle have been pressing for for some time. I do question whether the Auditor should be subsumed under the office of the Administrator since, among other things, the Auditor would presumably be auditing the operations of the Administrator in connection with his financial responsibilities. If the Auditor is chosen by the Administrator and may be removed by him, it is questionable whether the Auditor can be as thorough or as objective as he should be regarding the financial operations of the Administrator.

It seems to me it might be preferable to have the Auditor chosen by the Speaker or House Administration Committee, perhaps subject to House approval, operating outside the Office of the Administrator and reporting directly to the House Administration Committee's Audit Subcommittee. I think it is important that the Auditor's findings and activities be above any suspicion that they have been tailored to please a superior to insure job security.

LEGISLATIVE SUPPORT ACTIVITIES

Both tack forces have made recommendations regarding our various legislative support units—the Congressional Research Service —CRS—the Congressional Budget Office—CBO—the Office of Technology Assessment—OTA—and the General Accounting Office—GAO—which I consider to be ill-advised. The Task Force on Administrative Units has proposed that the Clerk of the House "should play a significant role in alleviating the mission and competition problems that are developing in connection with" these units, and in taking "the initiative in searching for an arrangement or mechanism that can serve as a means of enhancing congressional coordination and communication with these support organizations." The Task Force on Work Management has proposed that the "legislative support agencies should be specifically directed to assist the Speaker and minority leader," including at least two meetings a year with those leaders.

I object to the first proposal on the grounds that the Clerk cannot be expected to have a sufficient grasp of substantive issues or research techniques to be an effective mediator between these units; and moreover he cannot unilaterally assume this kind of supervisory or coordinaing role since these are all services which are shared with the Senate. I object to the second proposal because, as the report itself points out, the Speaker and minority leader already have access to these agencies for long-range analyses, and the agencies already meet together on a monthly basis to coordinate and discuss their activities. I am therefore suspicious of any further attempt to specify a special obligation or relationship between these agencies and the party leaders in the House because, whether intended or not, this smacks too much of politicizing the agencies by bringing them under greater partisan direction and control. Taken together with giving the Clerk, an elected officer of the majority party, a greater role in "coordinating" the activities of these agencies and in "alleviating the mission and competition problems" between them, I fear we would be running the real risk here of compromising and jeopardizing their credibility, integrity, objectivity and independence.

I further think that some competition between these support agencies is healthy in terms of giving the House a fuller range of analyses and options. I would be highly suspicious if they all began to crank out the same findings and conclusions, especially if they were under greater control from the Speaker and Clerk. It is a matter of public knowledge that there is some dissatisfaction on the part of the leadership and some Members with these agencies because they have sometimes produced studies unfavorable to congressional majority or administration proposals, in both this and the previous administration. The most recent example of this was the various studies which questioned whether the administration's energy proposals were capable of meeting its announced goals.

I think we must recognize that these offices were established for the express purpose of giving us the type of independent and expert opinions that would enable us to analyze certain problems without being totally dependent on data supplied to us by the executive branch. I think this continues to be necessary if

we are to regain our stature as a strong, coequal branch of government, regardless of which party is in control of which branch. I would hope, just because a Democratic administration is now in power, that the leadership does not revert to a reliance on the executive branch for information and analyses and undermine the mission of these legislative support agencies by subjecting them to partisan control and considerations.

HOUSE ADMINISTRATION COMMITTEE

The Task Force on Administrative Units has recommended that both parties consider giving their respective House leaders the role of nominating to the House the party members who would serve on the Committee on House Administration. The task force reasons that if House leaders are accountable for the administrative affairs of the House, and if the House Administration Committee is to have an expanded role in this regard, then the leaders should have a greater role in determining the makeup of the committee.

I object to this proposed procedure for naming Members to the House Administration Committee because our committees are supposed to be creatures of the House and not of one or two leaders. As things now stand, nominations to committees are proposed by party caucus nominating committees which are chaired by the respective party leaders, subject to ratification by the full caucus and finally the House. The leaders thus already have substantial influence in this process.

Any greater control over this process by the leadership would be a very dangerous concentration of power and could reduce members on the affected committee to mere rubber stamps of the leadership. While some Members might be willing to swallow their pride and independent judgment and subordinate these to the wishes of the leadership for a seat on a prized committee, for example, the Rules Committee, it is questionable whether they would be as willing to serve on the House Administration Committee if they were expected to be little more than proxies for their party leaders. It should also be emphasized that the House Administration Committee is concerned with more than just the administrative operations of the House. Under clause 1.(i)(11) of House rule X, the House Administration Committee also has jurisdiction over "measures relating to the election of the President, Vice President, or Members of Congress; corrupt practices; contested elections; credentials and qualifications; and Federal elections generally." Thus, the proposed control of House Administration Committee members by the leadership has much broader implications than accountability for the administrative affairs of the House. It could even raise a serious conflict of interest question if either of the leaders were involved in a contested election.

HOUSE INFORMATION OFFICE

It is noted at the end of the report of the Task Force on Administrative Units that—

> The staff is also preparing a recommendation of the establishment of a House Information Office . . . to provide information of an institutional nature to the general public, press and Capitol visitors.

Variations on this proposal were suggested back in 1974 in a report entitled, "Congress and Mass Communications: An Institutional Perspective," prepared for the Joint Committee on Congressional Operations by John G. Stewart on contract to CRS. That report offered such options as: A congressional news service that would provide detailed stories on a daily basis to newspapers, television and radio stations and other interested subscribers; a Federal information network that each day would broadcast the activities of the executive, legislative and judicial branches on an FM frequency; a congressional information service organized by the Library of Congress to provide the news media, schools and colleges, civic groups, and private individuals with more detailed information on the duties and activities of Congress; a series of instructional films on aspects of the legislative process to be produced by the Joint Committee on Congressional Operations; and a Congressional Broadcasting Systems that would operate on a local FM frequency whenever Congress was in session.

In reacting to such proposals in my testimony before the Joint Committee on Congressional Operations on February 20, 1974, I said the following:

> . . . I do not think the Congress as an institution should be engaged in news dissemination or the production of educational materials. Such proposals as a congressional news service, federal information network, and congressional information and film services smack a little too much of news management and government propaganda for my comfort.

I went on to say the following:

> I think news dissemination is best left to the news media and the production of instructional materials is best left to the educators. The best news service the Congress can perform is to make news by newsworthy actions, not to manufacture news by slick devices. The best educational service the Congress can perform is to demonstrate that our constitutional system can function in the real world, not to fabricate instructional materials on how it is supposed to work.

My sentiments remain the same today as they were 3½ years ago when I delivered that testimony. We do not need a public relations office to tell others what to think or write about this institution. I think the public would be justifiably outraged at any expenditure of their funds for the purpose of polishing our image.

The August 12, 1977, issue of Congressional Insight, which is published by the prestigious Congressional Quarterly Publications, perhaps summed it up best, and I quote:

> The Obey Commission has revived talk of a House public relations office. It's the old complaint: the press doesn't understand us, therefore the public doesn't appreciate us. Somehow, the thought is that if more information were available, the people would have a higher regard for Congress. But the idea is too ticklish politically to work. Who would the information czar speak for? The entire House? The Speaker? (Tip O'Neill is emphatically his own spokesperson.) The proposal probably won't make it into the final Obey report, which will be finished just after Labor Day.

I sincerely hope that prediction is correct with regard to this ill-conceived and ill-advised proposal.

SELECT COMMITTEE ON COMMITTEES

The Task Force on Work Management led off its report with the recommendation that we establish a Select Committee on Committees for the purpose of making recommendations on modernizing the House committee system, including such matters as committee jurisdictions, size, numbers of committees and subcommittees, rules, staff, space and equipment. The Task Force recommends that the select committee be created before the end of this session and report back by July 1, 1978. As a staunch supporter of such a select committee in the 93d Congress, whose work was eventually undone by a Democratic Caucus substitute resolution, I strongly endorse another attempt in this Congress.

It seems to me with the newer membership we have around here, and therefore less vested interest in seniority and turf, we might be able to bring about a rational realignment of our committee jurisdictions. In addition, many of the more senior Members of this House have since expressed regrets that they did not support the proposals of the so-called Bolling-Martin committee because they have become acutely aware of the drag our current jurisdictional hodgepodge has had on the progress of legislation. Those of us who serve on the Rules Committee are confronted weekly with jurisdictional disputes and the leadership has had to rely more and more on ad hoc and select committees to bring some order out of all this chaos. I hope the House will move early on this proposal of the task force and that the select committee will meet the deadline set by the task force without interference and delays from the Democratic Caucus.

HEARING SUMMARIES

The task force has proposed that all committee hearings be indexed and abstracted by committee staff and be made available to the public in the offices of the committees. I think this would be very useful and would take the proposal one step further by suggesting that committees be required to keep a verbatim transcript of all hearings and meetings, and that these, along with the indexes and summaries, be available to the public unless the information is of a confidential or national security nature, and so protected by law or House rules. This is in essence the thrust of my House Resolution 163 which would amend clause 2(e)(1) of rule XI to this effect.

OTHER COMMITTEE PROPOSALS

The task force has proposed that committees experiment with different formats for their hearings, and I see nothing in the House rules whieh now prevents this. I think panels of witnesses, even those having opposing views, can be very useful to a committee providing sufficient time for questioning is allowed. I do take issue with the proposed rule

that written testimony be presented 48 hours in advance to the staff, and that witnesses be confined to a 10-minute oral summary when they appear. I think committees can now operate under such procedures if they wish since the House rule speaks generally to advance submission of testimony and oral summaries. The most troublesome aspect of the proposed rule is that only the chairman of the commitee, in consultation with the ranking minority Member, be allowed to waive the 10-minute rule. This is fraught with great potential for abuse since it is not inconceivable that a chairman would waive the requirement for witnesses favorable to his position and not for those holding contrary views. This could obviously result in a great abuse of minority rights.

As for the proposal that committees publish a weekly summary of their actions in the Daily Calendar, and a monthly schedule of upcoming activities, I think the present daily summary of committee activities in the "Daily Digest" in the back of the CONGRESSIONAL RECORD is sufficient, and that the weekly schedule of committee hearings published in the same Digest could easily be expanded one a month to a monthly preview. I do not think it is necessary to duplicate this information in the Daily Calendar.

CONGRESSIONAL RECORD

I fully agree with the proposal that words actually spoken in the House be distinguishable in the CONGRESSIONAL RECORD from those remarks which are simply inserted. This is long overdue and something which my colleague from Wisconsin (Mr. STEIGER) has been plugging for years. I also have introduced a resolution (H. Res. 175) which would implement this proposal through an amendment to the House rules.

COMMITTEE STAFF

I applaud the attempts of the task force to put a cap on the growth of committee staff. I am not convinced from the data presented that there is justification for permitting even a 3-percent growth rate in committee staff in each Congress, particularly when you consider that this would not include the proposed committee staff assistants for individual members. That proposal alone should reduce the need for additional committee staff. Moreover, while the workload of Members' offices has grown with each Congress, we are held to a constant staff ceiling of 18 slots.

Mr. Speaker, as any Member who has reviewed this 93-page document of the task forces is aware, my comments do not cover all the recommendations. I have commented here primarily on those with which I either take some issue or strongly agree. There are numerous other recommendations which are commendable and necessary. I think the task forces have done an excellent job in presenting a wide array of options to the Commission. I hope the comments which I have offered are taken in the constructive sense they were intended and that the Commission will consider them during their deliberations.

THE 38TH ANNIVERSARY COMMEMORATION OF THE INVASION OF POLAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, September 1, 1939, was a day of infamy. It was a day of infamy because it was on this day 38 years ago that the military forces of the Nazis invaded Poland and set off a series of events that led to World War II.

Poland was the victim in September 1939; she was the sacrificial lamb; for it was the sacrifice of Poland that led all free nations of the world to make that final decision to stop Hitler from the conquest of all Europe.

Within a very short time, a matter of days, the Nazi war machine destroyed Poland. The heroic, courageous, patriotic Polish people fought desperately to turn back the mighty enemy, but the power of Hitler's army was too much for the Poles.

When victory became certain for the Nazis, the Soviet Union decided to seize its share of the war booty and its military forces, on September 17, crossed the Polish frontier and joined in the final destruction of the Polish state.

It is, of course, one of the tragedies of history that the victim too must pay the price of the enemy's miscalculation. For Poland and her people endured the worst of World War II only to find that a new enemy had taken control of the country's destiny once liberation became a reality. Communism quickly filled the void created by the destruction of Nazi power in Poland, and ever since the people of Poland have been subjected to a new and all-consuming tyranny.

A cruel fate had befallen the Polish in the first few years after the end of the war. Once effective opposition was destroyed, the Communist regime leaders set out to create in Poland a Communist state modeled after that of the Soviet Union. Freedom of religion no longer existed. Political freedom was narrowly limited by the Communist Party. The economic sector, particularly industry, was organized along Communist lines. In the cutural realm Communist control was total. No longer could the Polish artist, the playwright, the composer create his art freely as his inner soul demanded.

In this anniversary of the beginning of World War II, our hearts go out to the Polish people. Their lives have been too full of tragedy, misery, and suffering. These fearless, lovable, hard-working, courageous people deserve a far better fate than what has befallen them since September 1, 1939. And it is our hope that one day they shall have better times, and that they will be a part of the whole European community of nations enjoying fully the fruits of democracy and freedom.

As we again commemorate these sad events in the House of Representatives, I am proud to join the Polish-Americans in the 11th District of Illinois, whom I am honored to represent, and all over this Nation in their hopes and prayers for the reentry of Poland in the community of free nations. Freedom-loving people the world over are watching and the Communists must never be allowed to forget this or to ignore the yearning for liberty in the hearts of the Polish people.

TRUTH IN DEFENSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. DOWNEY) is recognized for 15 minutes.

Mr. DOWNEY. Mr. Speaker, in the 94th Congress, I began a series of what I call "Truth in Defense" bulletins. The purpose of these bulletins is to rectify what I regard as factually incorrect statements on issues of national defense. Four such bulletins were issued in the 94th Congress; this will be the first to be issued in the 95th.

My purpose is not to pick a quarrel with anyone, but to provide all of us with a factually and conceptually sound framework upon which to base our decisions on questions of national defense. In an effort to provide fair opportunity for all sides to be heard, I observe the followlowing procedures:

First. Each "Truth in Defense" bulletin will be circulated in the form of a Dear Colleague letter. One legislative day after the letter is circulated, I will discuss its contents on the floor in a special order. Thus, any Member of Congress whose statements are criticized in a bulletin will have the opportunity to engage in public debate. I might add that the more comments I can elicit the happier I will be, whether the comments agree or disagree with me.

Second. I expect a substantial number of my bulletins to take issue with persons who are not Members of Congress. In such cases, I will send them advance copies of my comments and will offer to circulate their replies together with my own statements.

TRUTH IN DEFENSE—PART V

In the course of the Senate debate on the defense appropriations bills, Senator JAKE GARN made a number of statements on the B–1 and related matters of strategic deterrence. They can be found in the RECORD of July 18, 1977, pages 23502–23503. These statements and my comments follow:

I

Statement: If we upgrade a B–52 to be a standoff cruise missile carrier, as some have indicated, the cost is estimated at $16 billion. The whole B–1 fleet could be built for approximately $25 billion—$7 billion more.

Comment: The cost of upgrading the entire B–52D/G/H to be a standoff cruise missile carrier is estimated at about one quarter of a billion dollars, or one sixty-fourth of the figure suggested. $16 billion is the cost of completely redoing the B–52 to be a penetrating bomber, called the B–52X. The standoff bomber conversion is relatively cheap and simple.

II

Statement: The point is that an upgraded B–52, it . . . does not have the electronic countermeasures capability.

Comment: The B–52X, at the cost specified by Senator Garn, has the full B–1 electronic

countermeasures capability. Every piece of B–1 electronic countermeasures equipment can be installed and operating in every B–52G and B–52H for a total cost of approximately $1 billion. (Note: This is a contractor estimate, which is all that is available at this time. It is true that contractor estimates tend to be low, but any cost overruns in the electronic countermeasures would affect the B–1 and the B–52 equally.)

III

Statement: When we complain about a B–1 costing $100 million, which I am sure it would, if you want to buy a 747 . . . it could cost upward to $100 million too, and what do we have? We still do not have a B–1.

Comment: As a standoff cruise missile launcher, the 747 is superior to the B–1 in several key respects. It carries more than three times as many cruise missiles; its endurance aloft is longer; its operating cost per missile carried is much lower; it has more space and weight capacity for self-defense systems if these are judged desirable. While it is correct that the unit cost of the B–1 and the 747 cruise missile launcher will be comparable, with the B–1 we would be paying for speed and terrain-following capability which are not needed for the standoff mission, and we would be denying ourselves the payload and endurance which are needed.

IV

Statement: For a long, long time, Congress and Presidents . . . have pushed consistently the triad system of defense, that the greatest deterrent we could have would be to have this three-legged stool composed of manned bombers, intercontinental land-based ballistic missiles, and sea-launched ballistic missiles. It is important to look at the context in which the President made his decision to cut off one of the legs of the triad. . . .

Comment: We should try first to look at the objective of a military program, and we should recognize that the question of the hardware needed to achieve that objective is a subsidiary issue. We have a multi-legged nuclear deterrent because each leg is strong where the other two have inherent weaknesses, and because each provides a hedge against a possible Soviet defensive breakthrough which might neutralize the other two. Specifically, manned bombers have been useful because, unlike ballistic missiles, they can be launched in time of danger, held safely aloft for hours while the President negotiates, and ultimately recalled or sent on to target as he chooses. In addition, bombers are not vulnerable to anti-ballistic missile defenses as we now conceive them.

The standoff cruise missile launcher does all these things, and does them better. Because of its longer loiter time, it provides better useful recallability (the critical measure here is time from launch, not time to target) and its ability to penetrate advanced anti-aircraft defenses is superior to that of the B–1.

Thus, while the President has changed its name and, if you will, painted it a different color, he has not cut off the third leg of the triad; he has made it stronger.

V

Statement: The other two legs (of the triad) are weak. The Trident submarine system will not be fully operational until the mid-1980s at the earliest. So we have an older weapons system there, in contrast to the Soviet Union, which has its new class submarine in operation today to replace the Yankee class.

Comment: While the Delta submarine, which is replacing the older Yankee, is newer than our Polaris/Poseidon, this should not obscure the fact that our "old" submarines are better than the Soviet "new" ones. Our ships are far quieter, and we are able to keep more than 50 percent of them at sea at any given time, whereas the Soviets can keep only about 11 percent at sea. On this basis alone, one of ours is worth five of theirs. When one considers additional factors such as navigation capability, reliability of missile, accuracy of missile, number of targets addressable per ship, and severity of anti-submarine threat faced, our superior position is multiplied many times. Soviet submarine-based systems are superior only in that a small number of their missiles have longer range than ours, but this is of no military significance at the present time, since the quality of Soviet anti-submarine warfare is not high enough to require a longer-range missile on our part.

I should emphasize, however, that both Senator Garn and I are making mere academic debating points here. The relative merits of submarine-launched missiles are of no military significance since they do not engage each other.

VI

Statement: We have not deployed an ICBM in more than 10 years.

Comment: Within the past ten years we have deployed 550 Minuteman III ICBMs, plus a number of Minuteman IIs. We are now engaged in an upgrading of the Minuteman III which will give it more than six times as much hard target kill capability, thus making it a "new missile" in terms of capability.

A copy of the above was sent to Senator GARN on August 24, together with an offer to circulate his response, in full and without comment. He has not responded.

U.S. CANAL ZONE AND PANAMA CANAL SHOULD NOT BE GIVEN AWAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, as is widely known, the United States is now the scene of a major propaganda blitzkrieg apparently aimed at conditioning the people of our country and their Congress into approving a long predetermined surrender to Panama of U.S. sovereign control over the U.S. Canal Zone territory and, eventually, of the Panama Canal itself. This drive is not of spontaneous character based upon realistic merits but directed from the executive branch, especially the Department of State.

In spite of the most active press campaign that I have ever followed in my entire career, the sovereign people of the United States have not been hoodwinked and their opposition to the proposed giveaway treaties has mounted tremendously. Polls over several years have shown a steadily mounting resistance to the projected surrenders and Members of the Congress, especially Senators, are now being deluged with letters of strong protest from all parts of the Nation. As of July 11, 1977, my correspondence count, in the form of letters and petitions, was in overwhelming opposition to the projected surrenders: 9,520 favorable to my position and 18 opposed to it. This is a ratio of 528.88 to 1 in support of retention by the United States of its undiluted sovereignty over both the U.S. Canal Zone and Panama Canal.

Among recently published articles dealing with the situation in realistic manner was one by Allan C. Brownfeld, an unusually well-informed Washington correspondent who for many years has closely followed the canal situation. In this article, he makes a number of important points, including the danger to the Monroe Doctrine, an emphasis of the fact that the United States is sovereign of the Canal Zone, the serious threat of a take over by Soviet imperialism of the Panama Canal, and a call for the Senate to reject the "strange giveaway" treaty.

Mr. Speaker, in order that the Congress and the Nation may have the indicated article by Alan C. Brownfeld easily available, I quote it along with my press release of August 11, 1977, concerning the "agreement in principle" of August 10, for a new Panama Canal treaty:

[Lima (Ohio) News, Aug. 25, 1977]

CANAL SHOULD NOT BE GIVEN AWAY

(By Allan C. Brownfeld)

President Carter has called on Congress and the American people to accept new treaties governing the Panama Canal and predicted that, if ratified, they would form "the foundation for a new era in our relations with all of Latin America."

The President stressed that the agreements would "fully preserve" American interests and national security requirements in the canal area. At the same time, he said, they would satisfy Panama's aspiration for ultimate control of the canal.

If the U.S. Senate does not ratify the agreement, Ambassador Sol Linowitz, one of those who negotiated it with the Panamanians, declared, it "would not bode well for future relations between the U.S. and Panama and the U.S. and Latin America. The danger of an explosive situation developing there if they are not ratified is there."

Looking carefully at the arguments presented by President Carter, Ambassador Linowitz, and other advocates of giving the Panama Canal to the Panamanians, one quickly discovers that the only real reason they offer for taking this action is that the Panamanians want the canal—and if they don't get it there may be an "explosive situation." This sounds very much like blackmail.

The fact is that there is no good reason, from the U.S. viewpoint, to give the canal, which is legally ours, to the Panamanian government, an unstable dictatorship which has close ties with Fidel Castro and is being wooed at the present time by the Soviet Union. Quite to the contrary, there is every reason to keep the canal firmly in American hands.

In an important book, "Hands Off The Panama Canal," Isaac Don Levine, a longtime student of communism, declares, "What is at stake in the controversy over the Panama Canal is the existing Soviet springboard for a leap to the canal—and not the question of replacing the outmoded 1903 treaty with a new, pact. That is a matter which can be solved by agreements providing enhanced emoluments and benefits for the great majority of the Panamanian people. The real challenge in the combustible issue is to the vital national interests of the U.S. in a critical strategic area—the Caribbean."

Concerning the notion that the Panama Canal is somehow not sovereign U.S. territory, Levine declares that ". . . nowhere in all the 26 articles of the convention . . . is there any clause reserving sovereignty or affirming it for the Republic of Panama over the areas granted by it to the U.S. On the contrary, the stipulations of the convention on the point are clear."

Beyond all of this, Levine, whose understanding of communism goes back to the Russian Revolution, which he covered as a journalist for the Chicago Daily News, de-

clares that the Monroe Doctrine would be seriously challenged by a giveaway of the canal.

Levine writes that the Monroe Doctrine "was fashioned by leaders who were convinced that appeasement invites aggression, that a bully cannot be stopped with diplomatic syrup . . . The Soviet leap to Angola with the aid of a Caribbean expeditionary force marks a new departure in the strategy of the Kremlin. It sets a precedent of aggression by proxy which cannot be allowed to stand. It must be reversed and it can be done without firing a shot. Unless that is achieved, the Soviet-Cuban dagger threatening the Panama Canal portends the coming of a catastrophe . . . The real choice before the U.S. in Panama is between unimpaired American control of the canal and a threatening takeover by the Soviet imperialists.

In July, at the very moment when U.S. and Panamanian negotiators were conferring, the Soviet Union was in the process of negotiating a potentially major trade and economic agreement with the Panamanian government. This deal could significantly enhance the Soviet presence not only in Panama but in other Latin American countries as well. It is significant, as well, to note that Panama does not even maintain diplomatic relations with the Soviet Union at the present time.

The visit to Panama by a high level Soviet delegation from July 11–19 received front-page treatment in Panama, but was unreported in the U.S. until Rep. Eldon Rudd, R-Ariz., disclosed the details in a House floor speech Aug. 4. Later, a spokesman for the State Department acknowledged that the U.S. "takes a dim view" of such Soviet overtures but tried to minimize the significance of the Soviet-Panama agreement, pointing out that "the deal is only in the discussion stage."

One element of the proposed agreement is the purchase of 50,000 metric tons of crude sugar from Panama by the U.S.S.R. at a price higher than the world market rate. Rep. Rudd declared that "The possible Soviet purchase is highly significant because Panama currently has a glut of sugar and cannot sell it. . . . Such an agreement with the Soviets . . . will result in the Soviets being taken to the cleaners by paying substantially more than the world market price . . . a concession that raises serious questions about the Soviet motive in making these agreements at this time of a new U.S.-Panama accord."

The Senate would do well to reject this strange giveaway of U.S. territory and sacrifice of U.S. interests.

A New Panama Canal Treaty

Congressman Daniel J. Flood of Pennsylvania, a nationally recognized authority on Panama Canal history and interoceanic canal problems, made the following statement concerning the August 10, 1977, "agreement in principle" for a new Panama Canal Treaty announced in the major news media on August 11:

The "agreement in principle" between representatives of the United States and the Republic of Panama made on August 10, 1977 and announced in the major news media of the United States on August 11 comes as no surprise to informed students of the canal question, which include many members of the Congress. It is a high point of a plan long in preparation to present the Nation and the Congress with a fait accompli.

The issues involved are not local Isthmian ones but global in their significance, involving the changing of the strategic Caribbean Sea and Gulf of Mexico into Red Lakes. As such, they are non-partisan in character and must be decided on the highest plane of statesmanship if our course is to be sound and our future protected.

To be valid any agreement signed by U.S. representatives must be ratified by the Senate and, if it includes provisions for the disposal of U.S. territory and property in the Canal Zone, such disposal must be authorized by the entire Congress, which includes the House of Representatives.

When the Congress reconvenes and has the text of the agreement it will receive due scrutiny. I shall oppose any giveaway of the Panama Canal or any dilution of U.S. sovereign control over the Canal's indispensable protective frame of the Canal Zone.

FAMILY VIOLENCE AND TREATMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Ms. Mikulski) is recognized for 10 minutes.

Ms. MIKULSKI. Mr. Speaker, today I am introducing the Family Violence and Treatment Act. This is my response to the growing problem of violence in the American home. Although there have been recent articles in the press dealing with this matter, it is still, for the most part, an invisible problem. I would like to use this opportunity to bring the severity of the situation to the attention of my colleagues. It is important for us to comprehend the crisis and act quickly.

Police reports, studies by social scientists, court records, and data from battered women shelters confirm:

First. One-fourth of all murders in the United States occur within the family and half of these are husband-wife killings.

Second. Twenty-five percent of couples in the United States have a violent episode during their relationship; 16 percent occur each year; 10 percent admitted extreme physical abuse. Other studies indicate the numbers could be as high as 60 percent of some form of violence occurring each year.

Third. At least 10 percent of the children who witness parental violence become adult batterers themselves.

Fourth. Police suffer directly. More of them die answering domestic violence calls than any other single category. One out of every five officers who lost his life in 1974 did so trying to break up a family fight.

Fifth. Only 2 percent of battering males are ever prosecuted. In most States, police cannot arrest a battering husband unless they witness the crime or have a warrant issued by a judge. Police often refuse to make an arrest even when they witness the crime, and women often find magistrates reluctant to issue warrants.

Sixth. Spouse beating is widespread, cutting across class, ethnic, racial, and economic lines. Family violence occurs as often in upper middle class families as it does in lower-class families.

Seventh. The expression "A man's home is his castle" explains in part the reason for domestic violence. First, there is the implication that the man owns the home more than the woman. Second, the imagery of the castle implies that it is shut off from outside interference, such as the police and the courts, until the violence reaches extremes.

Eighth. Violent acts are committed by women almost as frequently as they are committed by men. The implications for women, however, are more severe. Women are not as physically strong as men. In addition, women were raised to be subservient to men and, in some cases, believe that they deserve to be beaten. Finally, women often lack the financial independence to leave a violent environment.

Based on these facts, the problems of family violence should be a top priority for congressional legislation. Action must be taken by Congress to begin to solve this problem. My legislation addresses the problem of the battered spouse in a crisis situation, as well as the complex and deepseated phenomenon of family violence.

THE BATTERED SPOUSE

Because I am convinced that the programs that work best are those initiated by citizens of the community, my legislation proposes stipends so that local volunteers can work in their neighborhoods. The volunteers, trained by ACTION professionals, would establish and operate programs for battered spouses through the use of shelters, hotlines, and support services. My legislation builds on the innovative programs establishing a National Center for Community Action Against Family Violence with the ACTION agency. The center will: Train and support the volunteers; operate an informational clearinghouse and a national hotline; and will run a national media campaign to educate the public about family violence. By using the existing administrative structure of ACTION, we avoid creating a new Federal bureaucracy.

I talked to the Director of ACTION and he is excited about the program. Many activist organizations have told me that they like the grassroots approach. The program does not build dependence on Federal Government, but emphasizes the most promising approach to the delivery of human services—supported volunteers at the local level. The service program is decentralized and no Federal design is imposed. Local programs can be responsive to the needs of their communities which share the racial, class, or ethnic characteristics of the neighborhoods.

FAMILY VIOLENCE

The problem of the battered spouse is more critical and needs to be solved immediately, as the health and safety of peoples' lives depend on it. It is imperative, however, that we focus on the causes of family violence. My bill proposes the following initiatives to begin the work:

One. The establishment of an interdepartmental network of Federal agencies to coordinate all programs dealing with family violence.

Two. A reporting system to collect data on the incidences of family violence.

Three. A HEW-directed evaluation of the Federal programs dealing with family violence.

The Family Violence Prevention and Treatment Act offers a new approach, which can stand by itself or work in combination with other ideas. At a time of fiscal restraint and disenchantment with massive Federal spending programs to solve social problems, I believe my

approach can have a large impact on this situation for a modest amount of money. I urge your support for immediate action to tackle this important issue.

A TRIBUTE TO EDWARD CLARK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, tonight, Mr. Edward Clark, who serves as the town clerk and treasurer for the town of Randolph, Mass., will be honored by his fellow townspeople for 23 years of dedicated service. Ed's many friends will assemble at Lantana's to pay tribute to him as he enters his well-deserved retirement years. A more dedicated public servant could not be found. However, it would be uncharacteristic of Ed to discontinue his strong affiliation with the town and its needs. I think we can be assured of his continued involvement in activities in behalf of the Randolph community for many years to come.

Ed served in the 313th Infantry, 79th Division during World War II. He served his country well and was decorated. As a member of the 77th Infantry, myself, during World War II and as a public official as well, I felt a special kinship with Ed, and I am sure that he would agree that life in the trenches is rather good training for life as a public official. He further served his country as a member of the Selective Service System—Local Board No. 125, as well as in the Veterans' Administration and Labor Department. On the local level, his contributions were as a member of the Randolph School Committee, Democratic Town Committee, and for the last 23 years, as Randolph's town clerk and treasurer.

I want to join with the townspeople of Randolph, his friends, and public officials in thanking him for his dedication, and with them, extend my very best wishes, for his long and happy retirement.

INTRODUCTION OF BILL AUTHORIZING PANAMA CANAL REFERENDUM

(Mr. HANSEN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HANSEN. Mr. Speaker, this morning I have introduced a bill to authorize an advisory referendum on the question of the Panama Canal to be held during the general election of 1978. I am well aware that Congress cannot, constitutionally, delegate its legislative functions to anyone including the very people from whom all of our Government authority comes. My bill would not do that; it would simply seek their advice.

Is that too much to ask in a democracy?

President Ford has stated that he delayed the treaty negotiations last year precisely because of the effect such a proposal would have had on the 1976 election. President Carter has indicated his concern for the timing of Senate ratification because of electoral implications. Both of these leaders seem to be aware of the popular resistance to their direction on this question, at least. My bill would let the people know that we, their representatives, in the Congress and Senate of the United States, not only hear their voices but want to heed their words.

Is that too much to ask in a democracy?

Mail in my office has been running overwhelmingly against the proposed treaty, and the same is true in every office of which I have any knowledge, and by public admission at the White House. Apparently to some, this voluntary outpouring of sentiment is not worthy of cognizance—after all, they contend our leaders know what is right!

I, for one, think that the people know what is right, and that listening and responding to their voice is not too much to ask in a self-governing nation.

In fact, that is what democracy is all about.

I invite all of my colleagues in the name of the public's interest to cosponsor this bill and urge your support for this simple "hearing aid" so that we may better understand the voice of the people.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ZEFERETTI (at the request of Mr. WRIGHT), for September 7 and 8, 1977, on account of illness in the family.

Mr. STANGELAND (at the request of Mr. RHODES), for today and the balance of the week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EVANS of Delaware) and to revise and extend their remarks and include extraneous matter:)

Mr. COHEN, for 20 minutes, today.

Mr. MCKINNEY, for 20 minutes, today.

Mr. CORCORAN of Illinois, for 5 minutes, today.

Mr. JEFFORDS, for 20 minutes, today.

Mr. KEMP, for 10 minutes, today.

Mr. SARASIN, for 5 minutes, today.

Mr. WHALEN, for 10 minutes, today.

Mr. ANDERSON of Illinois, for 1 hour, today.

Mr. WHALEN, for 10 minutes, on Thursday, September 8.

Mr. WHALEN, for 10 minutes, on Friday, September 9.

(The following Members (at the request of Mr. VOLKMER) to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. DOWNEY, for 15 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Ms. MIKULSKI, for 10 minutes, today.

Mr. BURKE of Massachusetts, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. EVANS of Delaware) and to include extraneous matter:)

Mr. MCKINNEY.

Mr. YOUNG of Florida in five instances.

Mr. ARCHER in five instances.

Mr. DICKINSON.

Mr. FINDLEY.

Mr. DERWINSKI in three instances.

Mr. RINALDO.

Mr. CRANE in two instances.

Mr. MCCLORY.

Mr. STEERS in five instances.

Mr. KASTEN in two instances.

Mr. RUPPE.

Mr. RUDD.

Mr. COLLINS of Texas in four instances.

Mr. LENT in two instances.

Mr. COHEN in two instances.

Mr. CARTER.

Mr. WINN.

Mr. WHALEN.

Mr. SHUSTER.

Mr. MICHEL in three instances.

(The following Members (at the request of Mr. VOLKMER), and to include extraneous matter:)

Mr. EILBERG in 10 instances.

Mr. DE LA GARZA in 10 instances.

Mr. KILDEE.

Mr. BRODHEAD in two instances.

Mr. BYRON in 10 instances.

Mr. ROSENTHAL in 10 instances.

Mr. SISK.

Mrs. LLOYD of Tennessee in five instances.

Mr. ANNUNZIO in six instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. BROWN of California in 10 instances.

Mr. HAMILTON in 10 instances.

Mr. SIMON in four instances.

Mr. BRINKLEY in two instances.

Mr. FAUNTROY.

Mr. CLAY in three instances.

Mr. FRASER in 10 instances.

Mr. VENTO in two instances.

Ms. MIKULSKI.

Mr. BLOUIN.

Mr. ASPIN in 10 instances.

Mr. MOAKLEY in 10 instances.

Mr. WAXMAN in two instances.

Mr. ROGERS in five instances.

Mr. COTTER in five instances.

Mr. YOUNG of Missouri.

Mr. OTTINGER in two instances.

Mr. OBERSTAR in two instances.

Mr. EDWARDS of California.

Mr. ROE.

Mr. DRINAN.

Mr. MURPHY of Illinois.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 71. An act to strengthen the supervisory authority of Federal agencies which regulate depositary institutions, to prohibit interlocking management and director relationships between depositary institutions, to amend the Federal Deposit Insurance Act,

and to encourage officials of Federal agencies responsible for the supervision of financial institutions to complete their terms of office, and for other purposes; to the Committee on Banking, Finance and Urban Affairs;

S. 972. An act to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small businesses with advice and counseling on management development, technical information, product planning and development, and for other purposes; to the Committee on Small Business;

S. 1462. An act to authorize the Secretary of Agriculture to undertake an emergency runoff retardation and soil erosion prevention program, and to establish an emergency fund to carry out the program; to the Committee on Agriculture;

S. 1526. An act to establish an Associate Administrator for Women's Business Enterprise within the Small Business Administration; to the Committee on Small Business; and

S. 1866. An act to amend section 222 of the Communications Act of 1934 in order to include Hawaii in the same category as other States for the purposes of such section; to the Committee on Interstate and Foreign Commerce.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1153. An act to abolish the Joint Committee on Atomic Energy and to reassign certain functions and authorities thereof, and for other purposes; and

S. 1935. An act to amend Public Law 95–18, providing for emergency drought relief measures.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2563. An act for the relief of Velzora Carr;

H.R. 6161. An act to amend the Clean Air Act, and for other purposes; and

H.R. 7589. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, chairman of the Committee on House Administration, reported that that committee did on August 6, 1977, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 7589. A bill making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes;

H.R. 2563. A bill for the relief of Velzora Carr;

H.R. 6161. A bill to amend the Clean Air Act, and for other purposes;

H.R. 6370. A bill to authorize appropriations to the United States International Trade Commission, to provide for greater efficiency in the administration of the Commission, and for other purposes;

H.R. 1952. A bill to amend the corporate name of AMVETS (American Veterans of World War II), and for other purposes;

H.R. 6179. A bill to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1978, and for other purposes;

H.R. 4991. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes; and

H.J. Res. 372. A joint resolution to authorize the President to issue a proclamation designating the week beginning on November 20, 1977, as "National Family Week."

ADJOURNMENT

Mr. VOLKMER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 26 minutes p.m.) the House adjourned until tomorrow, Thursday, September 8, 1977, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2104. A communication from the President of the United States, transmitting a proposed supplemental appropriation for fiscal year 1978 for the Department of Commerce (H. Doc. No. 95–208); to the Committee on Appropriations and ordered to be printed.

2105. A communication from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1978 for the Environmental Protection Agency (H. Doc. No. 95–209); to the Committee on Appropriations and ordered to be printed.

2106. A communication from the President of the United States, transmitting notice of his intention to delay making a decision on a transportation system for Alaska natural gas, pursuant to section 7(a)(2) of Public Law 94–586 (H. Doc. No. 95–210); jointly, to the Committees on Interstate and Foreign Commerce, and Interior and Insular Affairs, and ordered to be printed.

2107. A letter from the Deputy Secretary, Department of Agriculture, transmitting a draft of proposed legislation to authorize civil penalties for violations of various laws for preventing the introduction and dissemination of livestock and poultry diseases, plant diseases, and plant pests; to the Committee on Agriculture.

2108. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of August 1, 1977, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 95–211); to the Committee on Appropriations and ordered to be printed.

2109. A letter from the Deputy Secretary of Defense, transmitting seven reports of violations of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

2110. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report of the value of property, supplies, and commodities provided by the Berlin Magistrate for the quarter April 1–June 30, 1977, pursuant to section 719 of Public Law 94–419; to the Committee on Appropriations.

2111. A letter from the Assistant Secretary of Defense (Comptroller), transmitting certification that during the period October 1, 1976–March 31, 1977, no use was made of funds appropriated in the Defense Appropriation Act, 1977, or the Military Construction Appropriation Act, 1977, to make payments under contracts in a foreign currency except where it was determined that the use of foreign currencies was not feasible, pursuant to sections 734 and 109 of the respective acts; to the Committee on Appropriations.

2112. A letter from the Secretary of Agriculture, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

2113. A letter from the Comptroller General of the United States, transmitting his review of the proposed rescissions and deferral of budget authority contained in the messages from the President dated July 19, 1977 (H. Doc. Nos. 95–187 and 95–188), pursuant to section 1014(b) of Public Law 93–344 (H. Doc. 95–212); to the Committee on Appropriations and ordered to be printed.

2114. A letter from the Comptroller General of the United States, transmitting his review of the proposed rescission and deferral and the revised deferral contained in the messages from the President dated July 26, 1977 (H. Doc. Nos. 95–197 and 95–198), pursuant to section 1014 of Public Law 93–344 (H. Doc. 95–213); to the Committee on Appropriations and ordered to be printed.

2115. A letter from the Assistant Secretary of Defense (Comptroller), transmitting an addition to the list of contract award dates for the period July 15–October 15, 1977, submitted to the Congress on July 22 (Executive Communication No. 1991), pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

2116. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a further addition to the list of contract award dates for the period July 15-October 15, 1977, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

2117. A letter from the Assistant Secretary of Defense (Comptroller), transmitting the selected acquisition reports and SAR summary tables for the quarter ended June 30, 1977, pursuant to section 811(a) of Public Law 94–106; to the Committee on Armed Services.

2118. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend titles 10 and 37, United States Code, relating to the appointment, promotion, separation, and retirement of members of the Armed Forces, and for other purposes; to the Committee on Armed Services.

2119. A letter from the Acting Secretary of the Army, transmitting notice of the Secretary's determination that transportation of chemical agents and munitions located at Tooele Army Depot, Utah, is necessary in the interests of national security, pursuant to 409(b)(4) of Public Law 91–121; to the Committee on Armed Services.

2120. A letter from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting a report covering the period January 1 through June 30, 1977, on Air Force experimental, developmental, and research contracts of $50,000 and over, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

2121. A letter from the Director, Office of Legislative Affairs, Department of the Navy, transmitting notice of the Navy's intention to sell a naval vessel to the Government of Italy, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

2122. A letter from the Director, Office of Legislative Affairs, Department of the Navy, transmitting notice of the intention of the Department of the Navy to donate certain surplus property to the Hawaiian Railway Society of Honolulu, Hawaii, pursuant to 10 U.S.C. 7545(c); to the Committee on Armed Services.

2123. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be under-

taken by the Army Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

2124. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Army National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

2125. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects to be undertaken by the Army National Guard, pursuant to 10 U.S.C. 2233a (1); to the Committee on Armed Services.

2126. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of construction projects to be undertaken by the Army National Guard and the Naval and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

2127. A letter from the Administrator of General Services, transmitting a report on the strategic and critical materials stockpiling program for the 6 months ended March 31, 1977, pursuant to section 4 of the Strategic and Critical Materials Stockpiling Act (50 U.S.C. 98c); to the Committee on Armed Services.

2128. A letter from the Acting Secretary of the Treasury, transmitting a report on the operations of the Exchange Stabilization Fund for fiscal year 1976 and the transition quarter, pursuant to 31 U.S.C. 822a; to the Committee on Banking, Finance and Urban Affairs.

2129. A letter from the Secretary of Housing and Urban Development, transmitting the 13th report on the implementation of the Emergency Homeowners' Relief Act of 1975, pursuant to section 111 of the act (Public Law 94–50); to the Committee on Banking, Finance and Urban Affairs.

2130. A letter from the Chairman, Cost Accounting Standards Board, transmitting proposed new and revised cost accounting standards, rules, and regulations exempting small business concerns and reducing the requirements that certain other companies must meet, pursuant to section 719(h)(3) of the Defense Production Act of 1950, as amended; to the Committee on Banking, Finance and Urban Affairs.

2131. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee, and insurance transactions supported by Eximbank during June 1977, to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

2132. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during July 1977 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

2133. A letter from the Mayor of the District of Columbia, transmitting his response to the Comptroller General's report on unexpended capital outlay fund balances of the District of Columbia Department of Recreation, pursuant to section 736(b)(3) of Public Law 93–198; to the Committee on the District of Columbia.

2134. A letter from the Deputy Auditor of the District of Columbia, transmitting a copy of the Department's report entitled "Timeliness in Enforcement of Human Rights Law and the Effect of the Council Transfer of Equal Opportunity Personnel," pursuant to section 455 of Public Law 93–198; to the Committee on the District of Columbia.

2135. A letter from the Director, District of Columbia Bail Agency, transmitting a report on the Agency's operations from the period January 1, 1976 to December 31, 1976, pursuant to 23 D.C.C. 1307; to the Committee on the District of Columbia.

2136. A letter from the Executive Secretary to the Department of Health, Education and Welfare, transmitting proposed final regulations for guidance and counseling programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2137. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations for title II, section 201–208—the Indochinese Refugee Children Assistance Act of 1976, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2138. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations for the Community Service and Continuing Education special programs and projects, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2139. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations for the Assistance to States for the education of handicapped children program and the incentive grants program for handicapped children ages 3 through 5, pursuant to section 431(d) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2140. A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations for the State student financial assistance training program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2141. A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations governing libraries and learning resources, pursuant to section 431 (d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2142. A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations for the emergency adult education program for Indochina refugees under section 315 of the Adult Education Act, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2143. A letter from the Director, Community Service Administration, transmitting a draft of proposed legislation to amend the proposed Economic Opportunity Amendments of 1977; to the Committee on Education and Labor.

2144. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on actions taken on recommendations contained in the report of the President's Committee on Mental Retardation (March 1976), pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

2145. A letter from the Chairman, Foreign Claims Settlement Commission, transmitting notice of a proposed new system of records for the Commission, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2146. A letter from the Administrator of General Services, transmitting the annual report on the investigations of the cost of travel and the operation of privately owned vehicles to Federal employees while engaged on official business, pursuant to 5 U.S.C. 5707 (b)(1), and the determinations of the average actual cost per mile for the use of a privately owned motorcycle, automobile, and airplane pursuant to 5 U.S.C. 5707(b)(2); to the Committee on Government Operations.

2147. A letter from the Secretary of Agriculture, transmitting notice of proposed changes in the Department's system of records, pursuant to 5 U.S.C. 55a(o); to the Commtitee on Government Operations.

2148. A letter from the Secretary of Housing and Urban Development, transmitting notice of proposed changes in the Department's system of records, pursuant to 5 U.S.C. 552 a(o); to the Committee in Government Operations.

2149. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of proposed changes in the Department's system of records, pursuant to 5 U.S.C. 552a (o); to the Committee on Government Operations

2150. A letter from the Secretary, Federal Trade Commission, transmitting notice of five new proposed systems of records established by the Commission, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2151. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during July 1977, pursuant to section 234 of Public Law 91–510; to the Committee on Government Operations.

2152. A letter from the Comptroller General of the United States, transmitting a report on the status of the Federal agency accounting systems during the 15 months ending September 30, 1976 (FGMSD–77–21, August 24, 1977); to the Committee on Government Operations.

2153. A letter from the Comptroller General of the United States, transmitting the annual report on progress and results of the continuing program to improve the usefulness of fiscal, budgetary, and program-related information to Congress (PAD–77–73, August 30, 1977) pursuant to section 202(e) of the Legislative Reorganization Act of 1970, as amended; to the Committee on Government Operations.

2154. A letter from the Clerk, U.S. House of Representatives, transmitting his semiannual report of receipts and expenditures for the period January 1 through June 30, 1977, pursuant to section 105(a) of Public Law 88–454 [2 USC 104a] (H. Doc No. 95–204); to the Committee on House Administration and ordered to be printed.

2155. A letter from Secretary of the Interior, transmitting a proposed plan for the use and distribution of the judgment funds awarded to the Saginaw Chippewa Indians in docket 57 before the Indian Claims Commission, pursuant to 87 Stat. 466; to the Committee on Interior and Insular Affairs.

2156. A letter from the Assistant Secretary of the Interior, transmitting a copy of the proposed rules for the initial regulatory program and coal production fee required by the Surface Mining Control and Reclamation Act of 1977; to the Committee on Interior and Insular Affairs.

2157. A letter from Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend section 317(c)(1) of the Federal Land Policy and Management Act of 1976 to conform the interest rate therein to the yield on certain U.S. obligations and for other purposes; to the Committee on Interior and Insular Affairs.

2158. A letter from the Chairman, Pennsylvania Avenue Development Corporation, transmitting the annual report of the Corporation for 1977, pursuant to section 11 of Public Law 92–578, as amended; to the Committee on Interior and Insular Affairs.

2159. A letter from the Acting Secretary of State, transmitting a report on an unauthorized transfer of U.S.-origin military equipment, pursuant to subsections 3(c)(2)

and 3(e) of the Arms Export Control Act; to the Committee on International Relations.

2160. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 77–15, finding that it is in the national interest of the United States to waive the exclusion of Morocco from sales under title I of the Agricultural Trade Development and Assistance Act of 1954, pursuant to section 103(d)(3) of the act; to the Committee on International Relations.

2161. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 77–18, finding that it is in the national interest of the United States to waive the exclusion of Portugal from sales under title I of the Agricultural Trade Development and Assistance Act of 1954, pursuant to section 103(d)(3) of the act; to the Committee on International Relations.

2162. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the Department of State's intention to consent to a request by the Government of Israel for permission to transfer certain U.S.-origin military equipment to the Government of Honduras, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

2163. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the Department of State's intention to consent to a request by the Government of Australia for permission to sell certain U.S.-origin military equipment to the Government of Canada, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

2164. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the Department of State's intention to consent to a request by the Government of the Netherlands for permission to sell certain U.S.-origin military equipment to the Government of Italy, pursuant to section 3(a) of the Arts Export Control Act; to the Committee on International Relations.

2165. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of proposed licenses for the export of defense equipment sold commercially to Iran (transmittal No. MC–48–77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

2166. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notification of a proposed license for the export of major defense equipment to the Republic of Singapore (transmittal No. MC–49–77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

2167. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of proposed licenses for the export of defense equipment sold commercially to Iran (transmittal No. MC–51–77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

2168. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of proposed licenses for the export of defense equipment sold commercially to Iran (transmittal No. MC–52–77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

2169. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of a proposed license for the export of defense articles sold commercially to the Philippines (transmittal No. MC–53–77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

2170. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of proposed licenses for the export of defense equipment sold commercially to Iran (transmittal No. MC–54–77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

2171. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notification of a proposed manufacturing license and technical assistance agreement with the Republic of Korea for defense weapons (transmittal No. MC–50–77), pursuant to section 36(d) of the Arms Export Control Act; to the Committee on International Relations.

2172. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on deliveries of excess defense articles to foreign governments during the second quarter of fiscal year 1977, pursuant to section 8(d) of the Foreign Military Sales Act Amendments of 1971, as amended; to the Committee on International Relations.

2173. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designates Mari-Luci Jaramillo, Maurice Darrow Bean, William B. Schwartz, Jr., and Edward Marks, and their families, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

2174. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Marshall Darrow Shulman and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

2175. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Raul H. Castro and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

2176. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a copy of the British proposals for ending conflict and establishing majority rule in Rhodesia; to the Committee on International Relations.

2177. A letter from the Administrator, Agency for International Development, Department of State, transmitting the annual report for fiscal year 1976 and the transition quarter on foreign assistance and related transactions, pursuant to section 657 of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

2178. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of an increase in the funding level of the Agency's proposed fiscal year 1977 program in Tunisia, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

2179. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of an increase in the funding level of the Agency's proposed fiscal year 1977 program in Afghanistan, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

2180. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on International Relations.

2181. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on International Relations.

2182. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on International Relations.

2183. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on International Relations.

2184. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting a report on the inventory of nonpurchased foreign currencies as of March 31, 1977, pursuant to section 613(c) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

2185. A letter from the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting notice of an increase in the War Reserve for Allies stockpile in the Republic of Korea, pursuant to section 514(e) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

2186. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense services to Iran (transmittal No. 77–62), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2187. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Sweden (transmittal No. 77–63), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2188. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense services to Iran (transmittal No. 77–64), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2189. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Iran (Transmittal No. 77–65), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2190. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Iran (Transmittal No. 77–66), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2191. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense services to Iran (Transmittal No. 77–67), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2192. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Australia (Transmittal No. 77–76), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2193. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to Federal Republic of Germany (Transmittal

No. 77–77), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2194. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to Australia (Transmittal No. 77–78), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2195. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to the Netherlands (Transmittal No. 77–79(a)–(c)), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2196. A letter from the Staff Secretary, National Security Council, transmitting a report on the arms control impact of the administration's amended fiscal year 1978 cruise missile budget request, pursuant to section 36(b) of the Arms Control and Disarmament Act, as amended (89 Stat. 758); to the Committee on International Relations.

2197. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Railroad Revitalization and Regulatory Reform Act of 1976; to the Committee on Interstate and Foreign Commerce.

2198. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting a copy of correspondence with the Office of Management and Budget submitting the Commission's legislative program for the second session of the 95th Congress, pursuant to section 27(k)(2) of Public Law 92–573; to the Committee on Interstate and Foreign Commerce.

2199. A letter from the Administrator, Environmental Protection Agency, transmitting the annual report for calendar year 1976 on progress in the prevention and control of air pollution, pursuant to section 313 of the Class Air Act, as amended; to the Committee on Interstate and Foreign Commerce.

2200. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of April 30, 1977, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

2201. A letter from the Administrator, Federal Energy Administration, transmitting the agency's third annual report, pursuant to section 15(c) of the Federal Energy Administration Act of 1974; to the Committee on Interstate and Foreign Commerce.

2202. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in market shares of sales of refined petroleum products during the month of April 1977, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

2203. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in market shares of sales of refined petroleum products during the month of May 1977, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

2204. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in gasoline service station market shares during April 1977, pursuant to section 4(c)(2)(A) of the Energy Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

2205. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in gasoline service station market shares May 1977, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

2206. A letter from the Acting Assistant General Counsel, International, Conservation, and Resource Development programs, Federal Energy Administration, transmitting notice of a meeting relating to the International Energy program held on August 23 and 24, 1977, in New York, N.Y.; to the Committee on Interstate and Foreign Commerce.

2207. A letter from the Acting Assistant General Counsel, International, Conservation, and Resource Development programs, Federal Energy Administration transmitting notice of a meeting relating to the International Energy program to be held September 8, 1977 in Paris, France; to the Committee on Interstate and Foreign Commerce.

2208. A letter from the Acting Assistant General Counsel, International, Conservation, and Resource Development programs, Federal Energy Administration, transmitting notice of a meeting relating to the International Energy program to be held on September 9, 1977 in Paris, France; to the Committee on Interstate and Foreign Commerce.

2209. A letter from the Acting Secretary, Interstate Commerce Commission, transmitting notice of the Commission's determination to extend the time period for acting upon the section 5b application No. 8, "Railroads Per Diem and Mileage Rates for Trailers and Containers—Agreement," pursuant to section 17(p) of the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

2210. A letter from the Chairman, Securities and Exchange Commission, transmitting a staff report on transactions in securities by the city of New York; to the Committee on Interstate and Foreign Commerce.

2211. A letter from the vice president for Government Affairs, National Railroad Passenger Corp., transmitting the financial report of the corporation for the month of April 1977, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2212. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 17 of the act of July 5, 1946, as amended, entitled "An Act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes"; to the Committee on the Judiciary.

2213. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended (79 Stat. 915); to the Committee on the Judiciary.

2214. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act (66 Stat. 182); to the Committee on the Judiciary.

2215. A letter from the executive director, American Historical Association, transmitting the audit report for the organization for the year ended June 30, 1977, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

2216. A letter from the adjutant general, Military Order of the Purple Heart, transmitting the audit report of the organization for the year ended June 30, 1977, pursuant to section 14 of Public Law 85–761; to the Committee on the Judiciary.

2217. A letter from the national secretary-treasurer, Sons of Union Veterans of the Civil War transmitting the annual report and audit of the organization for the year ended June 30, 1977, pursuant to sections 15(a) and 16 of Public Law 83–605; to the Committee on the Judiciary.

2218. A letter from the Secretary of Commerce, transmitting the annual report on the relative cost of shipbuilding in the various coastal districts of the United States, pursuant to section 213(c) of the Merchant Marine Act, 1936; to the Committee on Merchant Marine and Fisheries.

2219. A letter from the Secretary of Commerce, transmitting the annual report of the National Marine Fisheries Service for calendar year 1976, pursuant to section 9(a) of the Fish and Wildlife Act of 1956, as amended; to the Committee on Merchant Marine and Fisheries.

2220. A letter from the Secretary of Commerce, transmitting a report on the Central, Western, and South Pacific Fisheries Development program for calendar year 1976, pursuant to section 4 of Public Law 92–444; to the Committee on Merchant Marine and Fisheries.

2221. A letter from the Deputy Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Great Lakes Fishery Act of 1956; to the Committee on Merchant Marine and Fisheries.

2222. A letter from the Secretary of Commerce, transmitting a report on the affirmative action program for Americans of Spanish origin or descent, pursuant to section 6 of Public Law 94–311; to the Committee on Post Office and Civil Service.

2223. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend Public Law 85–445 to authorize and request the President to proclaim annually the 7-day period beginning June 1 as National Safe Boating Week; to the Committee on Post Office and Civil Service.

2224. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to amend subchapter III of chapter 83 of title 5, United States Code, to repeal the provisions therein requiring mandatory separation of employees who reach age 70; to the Committee on Post Office and Civil Service.

2225. A letter from the Secretary of Transportation, transmitting a report on land banking for airport development, pursuant to section 26(1) of Public Law 94–353; to the Committee on Public Works and Transportation.

2226. A letter from the Secretary of Transportation, transmitting a report on the need for establishing new major public airports in the United States, pursuant to section 26(2) of Public Law 94–353; to the Committee on Public Works and Transportation.

2227. A letter from the Acting Assistant Secretary of the Army (Civil Works) transmitting a Corps of Engineers report on City Island and vicinity, New York, requested by a resolution of the House Committee on Public Works adopted April 14, 1964; to the Committee on Public Works and Transportation.

2228. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the Klamath River Basin, California and Oregon, in response to a resolution of the House Committee on Public Works adopted June 13, 1956 and an item in section 5 of the Flood Control Act of 1937, and in partial response to section 209 of the Flood Control Act of 1962; to the Committee on Public Works and Transportation.

2229. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the Connecticut River—Hartford, Conn. to Holyoke, Mass., requested by a resolution of the House Committee on Public Works adopted June 23, 1964; to the Committee on Public Works and Transportation.

2230. A letter from the Acting Assistant Secretary of the Army (Civil Works), trans-

mitting a Corps of Engineers report on the Nanticoke River and tributaries, Maryland and Delaware (Marshyhope Creek at Federalsburg, Md.), requested by a resolution of the House Committee on Public Works adopted October 19, 1967; to the Committee on Public Works and Transportation.

2231. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on streams flowing into Richardson Bay, Marin County, Calif., pursuant to section 208 of the Flood Control Act of 1960; to the Committee on Public Works and Transportation.

2232. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the Altamaha, Oconee, and Ocmulgee Rivers, Ga., pursuant to section 6 of the Flood Control Act of 1936, and in partial response of a resolution of the Senate Public Works Committee adopted January 6, 1954; to the Committee on Public Works and Transportation.

2233. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on Bolinas Channel and Lagoon, Calif., requested by a resolution of the House Committee on Public Works adopted June 27, 1956; to the Committee on Public Works and Transportation.

2234. A letter from the Administrator of General Services, transmitting a report of a building project survey for the consolidation of the Nuclear Regulatory Commission in the Washington, D.C., metropolitan area, requested by a resolution of the Senate Committee on Environment and Public Works adopted May 12, 1977; to the Committee on Public Works and Transportation.

2235. A letter from the Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space presently occupied at 707 North Calvert Street, Baltimore, Md., pursuant to section 7(a) of the Public Buildings Act of 1959; to the Committee on Public Works and Transportation.

2236. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Tallahassee, Fla., U.S. Post Office and Courthouse, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2237. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the St. Louis, Mo., U.S. Customhouse (old post office), 815 Olive Street, pursuant to section 7(a) of the Public Buildings Act of 1959; to the Committee on Public Works and Transportation.

2238. A letter from the Director of Defense Research and Engineering, transmitting the report of Department of Defense procurement from small and other business firms for October 1976 to March 1977, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

2239. A letter from the Special Representative for Trade Negotiations, Executive Office of the President, transmitting a report covering the 6 months ended June 30, 1977, on reviews and hearings arising from complaints of unfair trade practices by foreign governments, pursuant to section 301(d)(2) of the Trade Act of 1974; to the Committee on Ways and Means .

2240. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's fiscal year 1979 budget request, pursuant to section 27(k)(1) of Public Law 92-573; jointly, to the Committees on Appropriations, and Interstate and Foreign Commerce.

2241. A letter from the Comptroller General of the United States, transmitting a supplemental report on the need for better techniques to identify and recover over issuances of food stamp benefits and punishment for cases of fraud (CED-77-112, July 18, 1977); jointly, to the Committees on Government Operations, and Agriculture.

2242. A letter from the Comptroller General of the United States, transmitting a report on the U.S. civil defense program and the need for a more defined national policy for improving the program's effectiveness (LCD-76-464, August 8, 1977); jointly, to the Committees on Government Operations, and Armed Services.

2243. A letter from the Comptroller General of the United States, transmitting a report on the shipbuilders' submission of four contract claims against the Navy and the reasonableness of the settlements (PSAD-77-135, August 9, 1977); jointly, to the Committees on Government Operations, and Armed Services.

2244. A letter from the Comptroller General of the United States, transmitting a report on the progress made in implementing the multinational F-16 aircraft program (PSAD-77-40, August 15, 1977); jointly to the Committees on Government Operations, and Armed Services.

2245. A letter from the Comptroller General of the United States, transmitting a report on the need for closer integration of the U.S. and NATO military organizations (LCD-77-419, August 26, 1977); jointly, to the Committees on Government Operations, and Armed Services.

2246. A letter from the Comptroller General of the United States, transmitting a report on the examination of the Government National Mortgage Association's financial statements for the 15-month period ended September 30, 1976, pursuant to section 106 of the Government Corporation Control Act (FOD-77-11, August 9, 1977) (H. Doc. No. 95-214); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

2247. A letter from the Comptroller General of the United States, transmitting a report on the unnecessary environmental reviews being made by communities receiving community development block grants (CED-77-123, September 1, 1977); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

2248. A letter from the Comptroller General of the United States, transmitting a report on problems in billing and collecting mortgage insurance premiums for military personnel on home mortgages guaranteed under section 222 of the National Housing Act of 1954 and on the need for the program; jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

2249. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statements of the Inter-American Foundation for the 15-month period ended September 30, 1976 (ID-77-43, August 12, 1977), pursuant to section 106 of the Government Corporation Control Act, as amended (H. Doc. No. 95-215); jointly, to the Committees on Government Operations, and International Relations, and ordered to be printed.

2250. A letter from the Comptroller General of the United States, transmitting a report on the efforts of the Federal agencies responsible for the conservation of energy resources to convince the public to buy more fuel-efficient cars (CED-77-107, August 10, 1977); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

2251 A letter from the Comptroller General of the United States, transmitting a report on improvements in charges and settlements of international mail accounts (ID-77-38, August 30, 1977); jointly, to the Committees on Government Operations, and Post Office and Civil Service.

2252. A letter from the Comptroller General of the United States, transmitting a report on conservation programs to save aviation fuel (CED-77-98, August 15, 1977); jointly, to the Committees on Government Operations, and Public Works and Transportation.

2253. A letter from the Comptroller General of the United States, transmitting a report on the need to improve the Federal airline subsidy program (CED-77-114, August 19, 1977); jointly, to the Committees on Government Operations, and Public Works and Transportation.

2254. A letter from the Comptroller General of the United States. transmitting a report on the opportunities to better administer the Federal programs providing the funds for improving irrigation delivery systems and to promote more efficient use of our available water resources (CED-77-117. September 2, 1977); jointly. to the Committees on Government Operations, Agriculture, and Interior and Insular Affairs.

2255. A letter from the Comptroller General of the United States, transmitting a report on the foreign military sales program and the impacts that occur in the United States readiness defense posture (LCD-77-440, September 2, 1977); jointly, to the Committees on Government Operations, Armed Services, and International Relations.

2256. A letter from the Comptroller General of the United States, transmitting a report on evaluation of the financial disclosure system of the Board of Governors of the Federal Reserve System (FPCD-77-46, August 12, 1977); jointly, to the Committees on Government Operations, Banking, Finance and Urban Affairs, and the Judiciary.

2257. A letter from the Comptroller General of the United States, transmitting a report on construction, technical, and environmental matters on the trans-Alaska oil pipeline through the Spring of 1977 (EMD-77-44, August 23, 1977); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Interstate and Foreign Commerce.

2258. A letter from the Comptroller General of the United States, transmitting a report on reducing supplemental security income overpayments to medicaid nursing home residents (HRD-77-131, August 23, 1977); jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Ways and Means.

2259. A letter from the Administrator, Federal Energy Administration, transmitting a report on the necessity and feasibility of establishing utility reserves of coal and oil, Federal coal reserves, and Remore Oil and Natural Gas Reserves, pursuant to section 158 of the Energy Policy and Conservation Act; jointly, to the Committees on Interstate and Foreign Commerce, and Interior and Insular Affairs.

2260. A letter from the Chairman, National Transportation Safety Board, transmitting the Board's budget request for fiscal year 1979, pursuant to section 304(b)(7) of Public Law 93-633; jointly, to the Committees on Interstate and Foreign Commerce, Public Works and Transportation, and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on Aug. 5, 1977, the following report was filed on Aug. 9, 1977*]

Mr. MURPHY of New York: Ad Hoc Committee on Outer Continental Shelf. H.R. 3350. A bill to promote the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime

relating thereto; with amendment (Rept. No. 95–588, pt. I). Ordered to be printed.

[*Pursuant to the order of the House on Aug. 5, 1977, the following report was filed on Aug. 26, 1977*]

Mr. MURPHY of New York: Ad Hoc Select Committee on Outer Continental Shelf. H.R. 1037. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels; with amendment (Rept. No. 95–589). Referred to the Committee of the Whole House on the State of the Union.

[*Pursuant to the order of the House on Aug. 5, 1977, the following report was filed on Aug. 29, 1977*]

Mr. MURPHY of New York: Ad Hoc Committee on Outer Continental Shelf. H.R. 1614. A bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes; with amendment (Rept. No. 95–590). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted September 7, 1977*]

Mr. STAGGERS: Committee on Interstate and Foreign Commerce Report on allocation of budget totals to subcommittees under Third Concurrent Budget Resolution revised for fiscal year 1977 and under First Concurrent Budget Resolution for fiscal year 1978 (Rept. No. 95–591). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLFF: Select Committee on Narcotics Abuse and Control. Report on opium production, narcotics financing and trafficking in Southeast Asia (Rept. No. 95–592). Referred to the Committee of the Whole House on the State of the Union.

Mr. CLAY: Committee on Post Office and Civil Service. H.R. 5054. A bill to repeal section 3306 of title 5, United States Code, to eliminate the requirement of apportionments of appointments in the departmental service in the District of Columbia. (Rept. No. 95–593). Referred to the Committee of the Whole House on the State of the Union.

Mr. CLAY: Committee on Post Office and Civil Service. H.R. 8342. A bill to amend title 5, United States Code, to provide for the application of local withholding taxes to Federal employees who are residents of such locality. (Rept. No. 95–594). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Dakota for himself, Mr. AUCOIN, Mr. ABDNOR, Mr. BAUCUS, Mr. BUTLER, Mr. CARTER, Mr. FINDLEY, Mr. HOLLAND, Mr. JENRETTE, Mr. JOHNSON of Colorado, Mr. MARLENEE, Mr. NEAL, Mr. NOLAN, Mr. POAGE, Mr. QUIE, Mr. ROBINSON, Mr. ROSE, Mr. SIMON, and Mr. WHITTEN):

H.R. 8934. A bill to amend the Internal Revenue Code of 1954 to provide that certain income from a nonmember telephone company is not taken into account in determining whether any mutual or cooperative telephone company is exempt from income tax; to the Committee on Ways and Means.

By Mr. ARCHER:

H.R. 8935. A bill to amend title II of the Social Security Act to phase out the earnings limitation on beneficiaries, by increasing the limitation to $5,000 in 1978 and to $7,500 in 1979, and to eliminate it in 1980; to the Committee on Ways and Means.

By Mr. BRINKLEY:

H.R. 8936. A bill to provide a voluntary self-help program which is designed to assist producers of agricultural products to protect themselves against loss of cost of production when natural or uncontrollable conditions adversely affect production and which will assure consumers that producers will be able to continue to produce food and fiber; to the Committee on Agriculture.

By Mr. COHEN:

H.R. 8937. A bill to amend the Internal Revenue Code of 1954 to provide that the Federal excise tax on telephone service does not apply to amounts paid as State tax on the same service; to the Committee on Ways and Means.

By Mr. CONABLE:

H.R. 8938. A bill to amend the Employee Retirement Income Security Act of 1974 to provide additional time to study salary reduction and cash and deferred option profit-sharing plans; to the Committee on Ways and Means.

By Mr. DELANEY (for himself and Mr. CARR):

H.R. 8939. A bill to eliminate racketeering in the sale and distribution of cigarettes and to assist State and local governments in the enforcement of cigarette taxes; to the Committee on the Judiciary.

By Mr. FINDLEY:

H.R. 8940. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for amounts paid by speech-impaired or hearing-impaired individuals for use of toll telephone service by means of teletype-writers; to the Committee on Ways and Means.

By Mr. JEFFORDS (for himself, Mr. QUIE, Mr. NOLAN, Mr. CONTE, Mr. PEPPER, Mr. PURSELL, Mr. MARKEY, Mr. BADILLO, Mr. HARRINGTON, Mr. MURPHY of Pennsylvania, Ms. OAKAR, Mr. EILBERG, Mr. DOWNEY, and Mr. FAUNTROY):

H.R. 8941. A bill to amend section 504 of the Vocational Rehabilitation Act of 1973; to the Committee on Education and Labor.

By Mr. KEMP:

H.R. 8942. A bill to provide for the issuance of a commemorative postage stamp in honor and memory of the Jews persecuted and killed in the Soviet Union during the past 60 years; to the Committee on Post Office and Civil Service.

H.R. 8943. A bill to provide for the issuance of a commemorative postage stamp in honor and memory of the Jews persecuted and killed by Nazi Germany before and during the Second World War; to the Committee on Post Office and Civil Service.

H.R. 8944. A bill to provide for an alternative amortization period for pollution control facilities; to the Committee on Ways and Means.

By Mr. McCORMACK:

H.R. 8945. A bill to authorize the Secretary of the Interior to further consider the Liberty Townsite petition; to the Committee on Interior and Insular Affairs.

H.R. 8946. A bill to provide for conveyance of certain lands in the Wenatchee National Forest, Washington, by the Secretary of Agriculture; to the Committee on Interior and Insular Affairs.

By Mr. McKINNEY:

H.R. 8947. A bill to require the Federal Trade Commission to monitor the industries which produce supplies from, and hold reserves of, energy sources and, under certain circumstances, to take action to prevent noncompetitive market situations from evolving or continuing, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Ms. MIKULSKI (for herself, Mr. BYRON, Mrs. CHISHOLM, Mrs. HECKLER, Ms. KEYS, Mrs. MEYNER, and Mrs. SPELLMAN):

H.R. 8948. A bill to establish programs for the prevention and treatment of family violence; to the Committee on Education and Labor.

By Mr. NEDZI:

H.R. 8949. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. OBERSTAR:

H.R. 8950. A bill to establish an arbitration board to settle disputes between organizations of supervisors and other managerial personnel and the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. PREYER:

H.R. 8951. A bill to amend the Federal Advisory Committee Act to abolish certain specified advisory committees; to the Committee on Government Operations.

By Mr. RUPPE:

H.R. 8952. A bill to amend the Federal Meat Inspection Act to permit States to impose inspection, marking, labeling, packaging, and ingredient requirements that are more stringent than Federal standards; to the Committee on Agriculture.

By Mr. STEERS:

H.R. 8953. A bill to provide for the expansion of the Antietam National Battlefield Site in the State of Maryland, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. THONE (for himself, Mr. ENGLISH, and Mr. WAMPLER):

H.R. 8954. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended; to the Committee on Agriculture.

By Mr. WHITEHURST (for himself and Mr. MIKVA):

H.R. 8955. A bill to protect predators from indiscriminate slaughter; to the Committee on Merchant Marine and Fisheries.

By Mr. WINN (for himself and Mr. GEPHARDT):

H.R. 8956. A bill to amend the Natural Gas Act to provide certain limitations on gas curtailment plans; to the Committee on Interstate and Foreign Commerce.

By Mr. ARCHER:

H.R. 8957. A bill to require that any transfer by the United States to any nation, individual, or entity of title to or other interest in real property located in the Canal Zone be specifically authorized by a law enacted by the Congress; to the Committee on Merchant Marine and Fisheries.

By Mr. HANSEN:

H.R. 8958. A bill relating to a national referendum on the Panama Canal; to the Committee on House Administration.

By Mr. DERWINSKI (for himself, Mr. McDONALD, Mr. MILFORD, and Mr. TREEN):

H.J. Res. 584. Joint resolution to authorize the construction and maintenance of a monument to Gen. Draza Mihailovich in the District of Columbia, in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

241. By the SPEAKER: Memorial of the Legislature of the State of California, relative to retaining Fort MacArthur as an active military installation; to the Committee on Armed Services.

242. Also, memorial of the Legislature of the State of Texas, relative to the Taft-

Hartley Act; to the Committee on Education and Labor.

243. Also, memorial of the Legislature of the State of Ohio, relative to proposed legislation establishing a water conservation program; to the Committee on Interior and Insular Affairs.

244. Also, memorial of the Legislature of the Territory of Guam, relative to improving the political and economic condition of the Island of Guam; to the Committee on Interior and Insular Affairs.

245. Also, memorial of the Legislature of the State of Oregon, relative to the lack of Federal funding to assist the States in meeting the standards contained in the Safe Drinking Water Act of 1974; to the Committee on Interstate and Foreign Commerce.

246. Also, memorial of the Legislature of the State of Texas, relative to establishing a national energy program; to the Committee on Interstate and Foreign Commerce.

247. Also, memorial of the Legislature of the State of Texas, relative to establishing a Post Office in Klein, Tex.; to the Committee on Post Office and Civil Service.

248. Also, memorial of the Legislature of the State of California, relative to the Sacramento-San Joaquin Delta levees; to the Committee on Public Works and Transportation.

249. Also, memorial of the Legislature of the State of Oregon, relative to the social security system; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MITCHELL of New York:

H.R. 8959. A bill for the relief of Arun Chandra Das; to the Committee on the Judiciary.

By Mr. SNYDER:

H.R. 8960. A bill for the relief of Yang Chong Chun; to the Committee on the Judiciary.

By Mr. VENTO:

H.R. 8961. A bill for the relief of Anwar; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

178. By Mr. BRINKLEY: Petition of the Retired Earned Benefits Organization (REMBO), Columbus, Ga., requesting Congress to remove the "as Available" clause from title 10 of the United States Code, to insure that, upon retirement, military retirees and their dependents receive full medical care to which they have been historically permitted and allowed; to the Committee on Armed Services.

179. By the SPEAKER: Petition of 80th Division Veterans Association, Pittsburgh, Pa., relative to their opposition to unionization of the Armed Forces and support for the reinstatement of the draft; to the Committee on Armed Services.

180. Also, petition of the Military Order of the World Wars, Washington, D.C., relative to the state of American Armed Forces; to the Committee on Armed Services.

181. Also, petition of the New York State Association of Renewal and Housing Officials, Inc., Albany, N.Y. relative to their opposition to welfare reform programs that affect the HUD assisted housing program; to the Committee on Banking, Finance and Urban Affairs.

182. Also petition of the Military Order of the World Wars, Washington, D.C., relative to Federal aid to education; to the Committee on Education and Labor.

183. Also, petition of the Military Order of the World Wars, Washington, D.C., relative to establishing certain course work criteria for school districts receiving Federal educational aid; to the Committee on Education and Labor.

184. Also, petition of the Daytona Beach Area Young Republicans, Ormond Beach, Fla., relative to instant voter registration; to the Committee on House Administration.

185. Also, petition of the National Federation of Democratic Women, Nashville, Tenn., relative to protecting U.S. water resources; to the Committee on Interior and Insular Affairs.

186. Also, petition of the Board of County Commissioners, Palm Beach County, Fla., relative to urging consideration of including the Loxahatchee River in the National Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

187. Also, petition of the Village Council, Empire, Mich., relative to proposed expansion of the Sleeping Bear Dune National Lakeshore Park; to the Committee on Interior and Insular Affairs.

188. Also, petition of the Parliamentarians of the Warsaw Treaty Member-States, The Kremlin, Moscow, Russia, relative to strengthening peace in Europe; to the Committee on International Relations.

189. Also, petition of the 80th Division Veterans Association, Pittsburgh, Pa., relative to the Panama Canal; to the Committee on International Relations.

190. Also, petition of the Military Order of the World Wars, Washington, D.C., relative to maintaining U.S. military presence in Panama and South Korea; to the Committee on International Relations.

191. Also, petition of National Federation of Democratic Women, Nashville, Tenn., relative to support of the administration's energy plan; to the Committee on Interstate and Foreign Commerce.

192. Also, petition of the Great Lakes Conference of Public Utilities Commissioners, Richmond, Va., relative to supporting consumer communication reform and opposing changes in public utility regulatory policies as proposed in the national energy plan; to the Committee on Interstate and Foreign Commerce.

193. Also, petition of Robert J. Muller, Brookline, Mass., relative to psychosurgery for behavior modification; to the Committee on Interstate and Foreign Commerce.

194. Also, petition of Eugene Bart, Savannah, Ga., relative to redress of grievances; to the Committee on Interstate and Foreign Commerce.

195. Also, petition of the National Federation of Democratic Women, Nashville, Tenn., relative to protecting the rights of victims of sexual assault; to the Committee on the Judiciary.

196. Also, petition of the Daytona Beach Area Young Republicans, Ormond Beach, Fla., relative to investigating charges involving payoffs to Members of Congress; to the Committee on the Judiciary.

197. Also, petition of the Florida State Officers of the Knights of Columbus, North Miami, Fla., relative to the indictment of former FBI Special Agent John J. Kearney; to the Committee on the Judiciary.

198. Also, petition of Clifford Barrister, New York, N.Y., relative to redress of grievances; to the Committee on the Judiciary.

199. Also, petition of Puerto Rico and Virgin Islands Chapter, National Association of Postmasters, Frederiksted, St. Croix Virgin Islands, relative to support of the Postal Service Act of 1977; to the Committee on Post Office and Civil Service.

200. Also, petition of the Union County Board of Chosen Freeholders, Elizabeth, N.J., relative to commemorating Thomas Alva Edison; to the Committee on Post Office and Civil Service.

201. Also, petition of the city council of New York, N.Y., relative to increasing Federal aid to public mass transportation; to the Committee on Public Works and Transportation.

202. Also, petition of the Military Order of the World Wars, Washington, D.C., relative to reestablishing the House Committee on Internal Security; to the Committee on Rules.

203. Also, petition of the National Association of Brick Distributors, McLean, Va., relative to requesting a White House Conference on Small Business; to the Committee on Small Business.

204. Also, petition of the Puerto Rican Delegation to the White House Conference on Handicapped Individuals, Hato Rey, Puerto Rico, relative to extending supplemental security income to the citizens of Puerto Rico; to the Committee on Ways and Means.

205. Also, petition of the Interim Joint Commitee on Highways and Traffic Safety of the Kentucky General Assembly, Frankfort, Ky., relative to the proposed Federal gasoline excise taxes; to the Committee on Ways and Means.

206. Also, petition of the National Federation of Democratic Women, Nashville, Tenn., relative to the Bonnie plan; to the Committee on Ways and Means.

207. Also, petition of the Group Health Association of America, Inc., Washington, D.C., relative to supporting national health insurance; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

208. Also, petition of the council of the city of New York, N.Y., relative to welfare reform; jointly, to the Committees on Ways and Means, Education and Labor, and Agriculture.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

By Mr. ANDERSON of California: H. Con. Res. 341.

Page 4, line 6, strike out "$19,655,000,000" and insert in lieu thereof "$20,355,000,000".

Page 4, line 7, strike out "$19,667,000,000" and insert in lieu thereof "$20,367,000,000".

By Mr. ROUSSELOT:

(Amendment in the nature of a substitute.)

Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1977—

(1) the recommended level of Federal revenues is $404,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $17,700,000,000;

(2) the appropriate level of total new budget authority is $448,700,000,000;

(3) the appropriate level of total budget outlays is $404,000,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0; and

(5) the appropriate level of the public debt is $726,331,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310 (a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1977, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $119,000,000,000.

(B) Outlays, $111,000,000,000.

(2) International Affairs (150):
(A) New budget authority, $7,000,000,000.
(B) Outlays, $3,800,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority $4,600,000,000.
(B) Outlays, $4,400,000,000.
(4) Natural Resources, Environment, and Energy (300):
(A) New budget authority, $20,000,000,000.
(B) Outlays, $16,500,000,000.
(5) Agriculture (350):
(A) New budget authority, $2,700,000,000.
(B) Outlays, $2,200,000,000.
(6) Commerce and Transportation (400):
(A) New budget authority, $18,000,000,000.
(B) Outlays, $15,500,000,000.
(7) Community and Regional Development (450):
(A) New budget authority, $6,200,000,000.
(B) Outlays, $7,000,000,000.
(8) Education, Training, Employment, and Social Services (500):
(A) New budget authority, $17,900,000,000.
(B) Outlays, $19,000,000,000.
(9) Health (550):
(A) New budget authority, $41,000,000,000.
(B) Outlays, $39,500,000,000.
(10) Income Security (600):
(A) New budget authority, $159,000,000,000.
(B) Outlays, $133,000,000,000.
(11) Veterans Benefits and Services (700):
(A) New budget authority, $18,700,000,000.
(B) Outlays, $18,700,000,000.
(12) Law Enforcement and Justice (750):
(A) New budget authority, $3,100,000,000.
(B) Outlays, $3,000,000,000.
(13) General Government (800):
(A) New budget authority, $3,000,000,000.
(B) Outlays, $2,900,000,000.
(14) Revenue Sharing and General Purpose Fiscal Assistance (850):
(A) New budget authority, $7,000,000,000.
(B) Outlays, $6,000,000,000.
(15) Interest (900):
(A) New budget authority, $37,000,000,000.
(B) Outlays, $37,000,000,000.
(16) Allowances:
(A) New budget authority, $500,000,000.
(B) Outlays, $500,000,000.
(17) Undistributed Offsetting Receipts (950):
(A) New budget authority, $16,000,000,000.
(B) Outlays, $16,000,000,000.

SEC. 3. Pursuant to section 310 of the Congressional Budget and Impoundment Control Act of 1974, the House Committee on Ways and Means and the Senate Committee on Finance shall submit promptly to the Budget Committee in their respective Houses reconciliation legislation to decrease Federal revenues by approximately $17.7 billion; the Appropriations Committee of both Houses shall submit promptly to the Budget Committee in their respective Houses, reconciliation legislation to decrease budget authority by approximately $30.304 billion and outlays by approximately $46.206 billion.

EXTENSIONS OF REMARKS

WAUKEGAN SWEDISH GLEE CLUB AT THE KENNEDY CENTER

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. McCLORY. Mr. Speaker, many of us will have the great pleasure of listening to an outstanding men's singing group headquartered in Waukegan, Ill., in my 13th Congressional District, when it performs at the Kennedy Center this Saturday evening, September 10.

The Waukegan Swedish Glee Club and its members have performed throughout this country as well as in Sweden where some were on a 3-week tour this summer. I am proud for them and proud of them because those of us who spend a lot of time here know that the Kennedy Center has become an artistic and cultural success, which some say now rivals New York.

The Waukegan Swedish Glee Club, of which I am an associate, or nonsinging and—as you may have surmised—a non-Swedish member, will be part of a gala program at which the Honorable Count Wilhelm Wachtmeister, the Swedish Ambassador to the United States, and Mrs. Wachtmeister will represent King Carl Gustaf and Queen Silvia of Sweden under whose patronage the evening will be held.

Swedish Conductor Ulf Bjorlin of Sweden will conduct our own National Symphony Orchestra, and the program, called "A Swedish Musical Odyssey," honors the Swedish challenge in the America's Cup Races at Newport, R.I.

I know the Waukegan Swedish Glee Club will do honor to the patronage, the setting, and the occasion, and I look forward to their presentation. Although they have performed in scores of cities, this is their first appearance in Washington.

I salute them, and because this is a memorable occasion for them and for me, I am listing the names of the 41 men between the ages of 21 and 76 who with their woman accompanist are coming to represent the 52-member singing contingent of the Waukegan Swedish Glee Club:

Dr. Frank Mueller, director; Donna Fortney, accompanist, and Axel Anderson, Walton Anderson, Clarence Axelson, Yngve Carlson, Boyer Clauson, Oke Clauson, Harold Dahl, William Dewey, Karl Edman, and Ray Erickson.

Also, Frederic Fortney, Raoul Geary, Bert Hagglund, Karl Bertil Hagglund, Roland Hagglund, Richard Hopkins, Eskil Janson, Carl Johnson, Eric Johnson, Fred Johnson, Gerald Johnson, and Vincent R. Johnson.

Others include Warren Johnson, Ray Johnson, Sven Kristensen, Roger Lauret, Eric Lindberg, Olov Lindberg, Linee Gust, Gerhard Lorentzen, Gilbert Lundholm, Charley Marcussen, William Marshall, Clarence Olson, George Olson, Ruben Olson, Rolland Peterson, Ray Steeples, Richard Vojtko, and Wayne Zeleski.

Arrangements for the Washington visit of the Swedish Glee Club are being handled in Waukegan by my friend Dick Vojtko, and transportation and accommodation expenses are being defrayed by the well-known Swedish industrial firm ASEA, which also sponsored the Swedish entry in the America's Cup Races.

Mr. Speaker, I know that my colleagues in this House join in welcoming to Washington and to the Kennedy Center Dr. Mueller and all of the members of the Waukegan Swedish Glee Club who will be visiting and performing here this Saturday.

SHOULD THE CONGRESS ENDORSE THE NUCLEAR POLICIES OF THE 1950'S OR DEVELOP NEW POLICIES FOR THE 1970'S AND 1980'S?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. BROWN of California. Mr. Speaker, as the House moves toward the enactment of legislation to control nuclear exports and nuclear weapons proliferation, it is also confronted with the dilemma that some of the past policies of the old Atomic Energy Commission are now counterproductive to our Nation's nonproliferation goals. This dilemma is dramatized in the proposal, initiated by the old Atomic Energy Commission, to move toward early commercialization of the plutonium fuel cycle by pressing for the early commercialization of the liquid metal fast breeder reactor. The centerpiece of this early commercialization program is the proposed Clinch River breeder reactor demonstration project. Unfortunately, the Congress will have to act on the Clinch River breeder reactor before it acts on a new nonproliferation policy. However, there can be no doubt that the two issues are closely interrelated.

It is interesting to note how we got to where we are today in international nuclear matters. Two recent articles give an excellent review of the evolutionary process that has led us to the brink of the plutonium age and partly over the brink in our sincere efforts to limit the spread of nuclear weapons. The common conclusion of both articles is that military and civilian nuclear activities are more closely related than we knew or expected in the 1950's, and the difficulties of safeguarding nuclear materials, especially in the plutonium economy, are greater than was anticipated by policymakers of the 1950's.

Now, in the late 1970's President Carter is following up on the initiatives of the Ford administration to update our nuclear nonproliferation policies. He has run directly into the opposition of the nuclear industries the U.S. helped form, and the nuclear bureaucrats from abroad that the United States helped train. As the National Journal said—

> Jimmy Carter's crusade to delay—or halt—development of the breeder reactor has run into three formidable adversaries: fear, greed, and envy.

How did we get to where we are today? I think the best way to answer this question is to excerpt a portion of the July 30 issue of the National Journal

article entitled, "Pulling the Plug on Plutonium":

[Excerpt from "Pulling the Plug on Plutonium"]

PAST POLICIES

In part, the United States is now suffering from the consequences of its past policies. One reason for the widespread availability of nuclear technology is the long-standing Atoms for Peace program, begun in 1954, which permitted the transfer of nuclear technology in return for safeguards on the use of nuclear materials for weapons.

"You created this enormous interest group"—government agencies and commercial manufacturers—"for spreading this stuff all over," said NRC member Gilinsky, a critic of past U.S. nuclear policies. The United States has never sold a reprocessing plant abroad, but it did declassify the technology and did not object to its adoption by other countries. "I have gone around the world and talked to these plutonium guys, and they all know each other," said Gilinsky. "They all had adjoining offices at Hanford," the government reprocessing plant in the state of Washington where the old Atomic Energy Commission trained foreign technicians. From 1955–77, the government trained more than 5,000 foreign technicians, according to a recent tabulation by Rep. Clarence D. Long, D-Md. In addition, the Export-Import Bank of the United States has backed more than $3.7 billion in loans to finance U S. reactor sales abroad. (See table, p. 1181.)

Although Atoms for Peace may have hastened the spread of nuclear technology, much of it would have occurred anyway. Britain, France and Germany, among others, embarked on their own nuclear research programs in the early 1950s, and, with the United States having demonstrated the feasibility of certain processes, it was only a matter of time before they were duplicated elsewhere. What happened in the early 1970s, however, is that the Indian explosion and the sales of reprocessing plants to Brazil and Pakistan forced American officials to acknowledge the changing realities of nuclear politics. In particular, it forced them to recognize that the Non-Proliferation Treaty, the centerpiece of American policy to prevent the spread of weapons, was both naive and contradictory.

On paper, the treaty represented an idealistic accommodation between nuclear weapons states and non-weapons states. The non-weapons states agreed to forgo atomic weapons, and, in return, they received a pledge from the weapons states of nondiscriminatory, open sharing of nuclear technology for peaceful purposes.

In practice, however, the treaty amounts to little more than a pledge of good faith, though, under it, all non-weapons signatories do agree to submit their nuclear facilities to the safeguard and inspection provisions of the International Atomic Energy Agency. But potential loopholes make the treaty a tissue-paper shield against proliferation. The most conspicuous weakness is the long list of countries that have not signed, including France and Spain. Significantly, many of the other non-signatories are precisely the states with either the technological capability or the potential political motivation to develop weapons: Argentina, Brazil, India, Pakistan, South Africa and Israel.

But, even if all countries had signed the treaty, stockpiles of reprocessed plutonium would rob the safeguards of their credibility. Those safeguards are intended to assure that no plutonium—existing primarily in spent fuel rods of light-water reactors—has been diverted for secret reprocessing and use in weapons programs. There is some doubt about whether the existing safeguards can even perform this limited job of accounting and supervision, but, even if they could, their usefulness fades if plutonium stockpiles exist and can be diverted at the last moment.

Safeguards, Nye said in a June 30 speech, presumed that once diversions were discovered, time would exist for "diplomacy to work" in pressuring a country to halt its weapons program. "The new plutonium technology threatens to empty safeguards of their central political meaning," he said.

These problems revealed the fundamental contradiction in the Non-Proliferation Treaty. Article I of the treaty barred non-weapons states from acquiring weapons, but Article IV guaranteed their use of peaceful nuclear technology on a nondiscriminatory basis. That guarantee implies access to reprocessing and enrichment technology, but such access, in turn, could easily make them weapons states and destroy the credibility of safeguards.

U.S. IDEAS

What Carter is attempting to do is find a way around this dilemma. The Administration has proposed an international consultation called, somewhat awkwardly, International Fuel Cycle Evaluation.

Though the conference's organization remains in an embryonic state, the basic ideas espoused by the United States seem clear. If an alternative fuel to plutonium cannot be found—and the prospects seem slim—then all plutonium should be made highly radioactive to increase the difficulty of handling it. Despite its potency as a weapons material, pure plutonium is not very radioactive: that is, it doesn't emit deadly gamma rays with high penetration; therefore, handling plutonium requires only minimal shielding. However, incomplete reprocessing—or exposing the plutonium to a nuclear reaction—would increase its radioactivity. Before using it in a bomb, further reprocessing would be necessary. The increased costs and hazards would presumably decrease the chance of diversion by international terrorists.

Governments with reprocessing plants, however, would still have the ability to complete the reprocessing and use plutonium for weapons. To limit those risks, the United States wants reprocessing plants under multinational ownership and international supervision. No one country, the argument goes, could seize control of the plant or divert plutonium without risking political or economic retaliation from other members of the group.

"Those other governments would object strongly if their equity investment is being jeopardized (by plant seizure)," Nye said in an interview. He contrasts such a venture with "fig leaf" proposals for international control that would "take an international flag and hoist it over an existing national plant." The inherent checks under that approach, he argues, would be much smaller. Nye also mentions the possibility of similar arrangements for enrichment plants and, ultimately, breeder reactors—if there are breeder reactors.

Whether other countries would buy the joint ownership scheme remains to be seen. The proposals themselves remain vague, and they still involve a large amount of discrimination between weapons and non-weapons states, which would be allowed to have their own reprocessing and enrichment facilities. Advanced and semi-advanced non-weapons states, such as Germany, Japan, India, Brazil and Italy, might fight such discrimination. And, once the line is broken for one non-weapons state, how can it be held for others?

Such questions explain Carter's determination to slow the momentum towards plutonium technology: the more countries that make commitments—both of money and national prestige—to reprocessing, enrichment and breeder facilities, the more complicated the job of negotiating future limitations.

In the bargaining, the Administration can do more than talk about what it wants. Despite the erosion of America's political leverage, formidable powers still remain. The United States can guarantee supplies of enriched uranium and can offer to make available sites in the United States, for the long-term storage of nuclear wastes. But there is also the stick, the threat of denying the supply of enriched fuel under existing agreements.

Even if other countries build more enrichment facilities, the United States will remain a large supplier for the world's reactors well into the 1990s. Under its existing bilateral agreements that cover nuclear exchanges, the United States has retained an effective veto power over the reprocessing of U.S.-supplied fuel, though the agreement with the European Community countries contains no such veto as long as the reprocessing is confined to the community. Various congressional proposals would insist that the United States use its control over fuel supplies to prevent or limit reprocessing. Under the congressional proposals, if other countries did not agree to give the United States control over the reprocessing of *all* spent nuclear fuel (not just U.S. supplies), the United States would automatically cut off its fuel supplies. The Administration has proposed a milder, more flexible approach that would require only approval over U.S. fuel or fuel that goes through U.S.-built reactors.

The final legislation is likely to be some place in between, reflecting not only Administration pressure but also a growing belief in Congress that the United States cannot effectively wield its ultimate weapons without doing more harm than good.

An early test case may come over the Tokai Mura reprocessing plant in Japan. For months, the Administration and the Japanese have been locked in negotiations over the plant, with the Japanese resisting U.S. efforts to prevent it from opening. "We don't think our leverage is sufficient to bully them into that," says one congressional aide. The State Department is now searching for a formula that would not make Tokai a precedent for other countries' plants—an impossible search, according to some specialists.

"A decision to approve reprocessing . . . at Tokai Mura will set an important international precedent. It will make it more difficult, if not impossible, to dissuade other non-weapons states from acquiring similar capabilities," the National Resources Defense Council Inc. said in a letter to Nye on July 1. The letter contained veiled hints of a lawsuit if the government sanctions opening the plant.

The Tokai plant dramatizes the dilemmas of U.S. foreign nuclear policy. A similar case now exists in India, which has a small reprocessing plant ready to open and reprocess U.S.-supplied fuel, and others are bound to arise. As a practical matter, both these plants probably could not have been undertaken without tacit U.S. approval. Now, however, the United States has reversed its previous favorable attitude towards reprocessing and wants other countries not only to sacrifice their investments, but also to disavow two decades of thinking about their nuclear futures. That other nations regard this as highhanded should not be surprising.

But if the United States insists on using its remaining leverage over supplies of enriched fuel to compel compliance with its new attitudes, the victory could be short-lived and, possibly, harmful. Countries could retaliate by refusing to cooperate with the United States in other areas—trade, economic policy, or relations with developing nations. In the long run, countries would try to eliminate their dependence on U.S.-enriched fuel and reactors.

In short, Carter is playing a very risky game, and—after dangling all his carrots and sticks before other countries—probably must

rely primarily on persuasion. And he must hope that he can quietly fan fears of proliferation and convert other countries to the straightforward and dour logic of the U.S. position, if a weapon exists, it may be used; the more places it exists, the more likely it will be used.

There are other reasons, besides the proliferation ones, for reconsidering the breeder option. This point has been made quite forcefully to the Congress by the administration, which considers the Clinch River breeder reactor demonstration project in particular to be an economic "turkey." Another perspective on this question can be found in an article published in the December 5, 1976, issue of the New York Times Magazine, entitled, "How 'Atoms for Peace' Became Bombs for Sale."

[Excerpt from "How 'Atoms for Peace' Became Bombs for Sale"]

In economic terms, plutonium recycling has become so expensive that it no longer makes much sense, and the American breeder project, years behind schedule and a fortune above estimates, has so far bred more skepticism than plutonium. But the real basis for our plutonium decision should have more to do with avoiding a nuclear war than with cost overruns or schedule setbacks. The breeder reactor could ultimately prove economic. But a world of hostile states and versatile terrorists cannot conceivably be made safe for plutonium. An American decision to develop the breeder can only imply deepest pessimism about alternate energy sources and a heroic faith in international law.

As to the question of American sales abroad, continued promotion of reactor exports would multiply the risk of weapons proliferation even if other nuclear supplies stopped selling reprocessing plants. Nuclear reactors, no matter how "safeguarded" through international inspection, are plutonium factories. India built its own reprocessing facilities; so could others.

Finally, as to what kind of leverage we have with other countries these days, the answer may depend on economic facts no less than on common interest pressure and force of example.

The French have their own breeder program as part of their own vision of energy independence, and they are not about to renounce it simply because of America's proliferation worries. But they might be willing to agree to stop exporting reprocessing plants. Even the nuclear industry agrees that a reprocessing plant makes no economic sense for countries with fewer than 50 reactors. No one, says an American official, "believes that the export of reprocessing plants is a particularly attractive economic market."

The same economic process that has made reprocessing plants unattractive may eventually kill off the breeder. The commercial reprocessing plant in West Valley, N.Y., was shut down in 1972 because radiation hazards were increasing above predicted levels and it would have been prohibitively expensive to meet the Government's rising standards. While the radiation and safety problems of the breeder are different from those of current nuclear facilities, they may be even more severe. The French breeder doesn't breed very fast. Speeding it up may mean compromising safety or multiplying costs. In either case, France might be stuck with another Concorde—a technological accomplishment but an economic dud.

Already, other countries are rethinking their breeder programs. The British have been warned by Sir Brian Flowers, chairman of the Royal Commission on Environmental Pollution and a founder of Britain's nuclear power program, that the breeder is "a billion-pound step down a technological path which may later prove unacceptable or even catastrophic." Carter has proposed slowing down our breeder development program and converting it into a "long-term, possibly multinational, effort."

There is good reason to think, then, that a worldwide plutonium economy is not inevitable. The decision is not ours alone to make, but it can be greatly influenced both by our unilateral actions and by the kinds of agreements we seek with foreign suppliers.

Mr. Speaker, I hope this Congress can put away the outdated and outmoded policies of the past, resist the economic pressures of the present, and adopt a nuclear nonproliferation policy that is consistent and fair in an international as well as a national context. To do so, we will have to support President Carter's call to defer the Clinch River breeder reactor project. As Leonard Ross, the author of "How 'Atoms for Peace' Became Bombs for Sale" stated—

What is needed above all is a clearheaded understanding that the path to plutonium is paved with "demonstration" projects, billion-dollar trial runs, self-serving explanations that everyone else is doing it, and self-fulfilling prophecies that proliferation is inevitable.

DONALD R. LARRABEE

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. COHEN. Mr. Speaker, this week Donald R. Larrabee ended more than a quarter century of service to the people of Maine as the principal Washington correspondent for Maine newspapers. Don has left his desk in the Senate Press Gallery to assume a new role. He will serve as the head of a State of Maine office in Washington which will seek to attract new, nonpolluting small industries to our State.

Last month, as he prepared to shift jobs, Don Larrabee wrote a column for the Maine Sunday Telegram in which he looked back on his many years in journalism. The column was a moving valedictory for an exceptional career, and I insert it at this point in the RECORD so that all my colleagues who have come to know and respect Don Larrabee over the years may share in his insights.

The article follows:

GOODNIGHT! AFTER 30 YEARS THIS VETERAN MAKES A CHANGE

(By Don Larrabee)

WASHINGTON.—How does one say goodbye—or even goodnight—to 31 summers of newspapering in Washington?

The words do not come easily. It is unsettling to shift desks and to type on a different keyboard—but it is also good to settle in a different chair and communicate from a different perspective.

At the end of this month, I will take a sabbatical as a Washington journalist because I think it is time for a repotting and because I can be a catalyst for responsible growth in Maine

The Governor has asked me to help him explore what can be done to bring nonpolluting small industries and technologies to the state. The goal is to attract enterprises which will make the wisest and best use of Maine's resources, its labor and its capital.

It is not an easy assignment but it is appealing to a native son who has watched at a distance for three decades while other parts of the nation have prospered and his home State has struggled to compete.

This is not said out of any sense of despair. Maine has a glorious past and I have faith in its future. It has cleanliness and beauty, the best people in the world and some of the finest minds. It has the stuff of greatness. But for a variety of reasons the state has not fully accommodated to the jet-age, or vice versa.

I do not pretend to have the magic answers. I doubt that anything I can do will transform Maine into an economic paradise overnight. But I intend to give it a very good try with many of the people in Washington whose paths have crossed mine over the years.

Some of them have been my news sources. Now, I hope they will listen to what I have to say and consider the horizons that Maine offers

My work will not be competitive with that of the congressional delegation. I hope it will be complementary, extending into areas where it is neither practical nor appropriate for the congressmen to be involved.

Most states now have Washington offices of varying sizes. Maine, New Hampshire and Vermont are among the few exemptions. The offices perform distinctive roles but most of them devote a great deal of their time to chasing down government grants and contracts. This was a major function of an earlier Washington office for Maine but grantmanship is not what Governor Longley has in mind.

I expect to confer regularly with the congressional delegation to coordinate their efforts to boost Maine's economy. I will act as the Governor's representative in matters involving federal legislation. Not unlike the working reporter, I will also monitor congressional hearings where the subject matter has a potential impact for the state.

I expect to be a trouble shooter, a conduit for information and a source of economic intelligence. I hope I can save the Governor some trips to Washington and save the state some money.

The world, the country and, of course, Washington have all changed enormously since I arrived in town in the summer of 1946 with $40 in my pocket. The federal budget that summer, as I recall, was around $40 billion. Now it is close to $460 billion.

Being a journalist in Washington is a combination of explorer, informer, reporter, and, in a very real sense, public servant. There is a sense of satisfaction in being a watchman, in keeping track of a bill or in keeping our elected officials accountable.

This was not meant to be a memoir but I cannot put down my journalist's pen without a recollection or two. Maine stories, like the brook, go on forever it seems. I have been writing about the ebb and flow of the Passamaquoddy Tidal Power Project for 30 years. It still lives in the dreams of energy planners—and tidal power is making as much news now as it did in those early years.

I remember when the Air Force came to the late Sen. Owen Brewster and revealed that it wanted a huge bomber base in northern Maine where our planes could take off to engage the enemy, with every expectation of returning to the same runway without a refueling stop. That was in 1947 and now, 30 years and $170 million later, the Air Force is trying to dismantle the base at Limestone.

In Washington, people live on promises and words. They also eat them, and they are often indigestible—but time is an Alka Seltzer.

Maine has sent some fascinating people to Washington. A reporter remembers that Brewster was a power in his time but also

that he was unable to handle the great power that came to him. He recalls that Margaret Chase Smith carried her independence and her feminism nobly. She was always lively copy because she was unpredictable to the press and her colleagues.

He cannot forget watching Edmund Muskie rise to the top, grasp for the Presidency and slip and fall. Brewster, Smith, Muskie and others made history for Maine and the country and it was worth reporting. And since 1946, I have also seen seven Presidents take the oath of office, for good or bad, and 15 congresses. They all did their damnedest, as Harry Truman used to say.

For some reason, one memory that haunts me is of a night in late August of 1967 when Lyndon B. Johnson sat in anguish in the White House. The cities were aflame with riots and the country was at war with itself over Vietnam. I accepted an invitation to have a drink with the President in his upstairs sitting room. Half a dozen of us shared a bit of history as Johnson spent four hours defending his decisions and his record.

I came to believe in the fall of 1973 that Richard Nixon would eventually give up the office he had won so handsomely in 1972. As president of the National Press Club that year, I presided at luncheons addressed by 13 heads of state. They had come to Washington to determine how much staying-power Nixon had. Most of them have themselves since fallen from power.

Then there was Jimmy Carter, governor of Georgia, who came to the Press Club that year to tell us what he thought was wrong with Washington. Carter the outsider, is now on the inside and he is beginning to realize that it isn't as easy to create as to criticize. This year, the heads of state are parading to Washington again, this time to determine how much staying-power Jimmy Carter has.

Washington is a transient place but so is the world. It has been a fabulous place to visit these past 30 years but, like most of those who have visited in my time, I have developed Potomac Fever.

I don't want to leave—but I still look homeward and I love the view.

PASSENGER TRAFFIC THROUGH PHILADELPHIA INTERNATIONAL AIRPORT SETS NEW RECORD

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. EILBERG. Mr. Speaker, I am pleased to be able to announce that passenger traffic through Philadelphia International Airport through the fiscal year which ended June 30 reached a record-breaking 8.2 million—a 3.7-percent increase over the previous year.

The new peak is especially gratifying to the city, Mr. Speaker, since it was reached while the $200 million airport modernization and expansion program was still underway.

According to Director of Commerce Albert V. Gaudiosi, the city fully expects passenger traffic to continue to increase as a result of the completion of this massive construction project, because we now have one of the finest airports in the Nation.

Domestic passengers accounted for 7,550,217 of the total and international passengers accounted for 651,356.

The number of plane movements was 324,337, an increase of 7.8 percent over the previous year.

Air freight traffic showed an increase of 2.3 percent, rising to a total of 122,294 tons.

The 8.2 million passengers broke the previous record of 7.9 million passengers set in fiscal 1974.

OPTIMISM FOR GREAT LAKES SHIPPING

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. OBERSTAR. Mr. Speaker, the Merchant Marine Act of 1970 has proved to be a commercial Magna Carta for the Great Lakes. The incentives to Great Lakes shipping made possible by status and a variety of Federal programs have combined with a general economic upswing throughout the Lakes States to stimulate renewed optimism about the future of the Great Lakes region.

The economic problems of Great Lakes shipping, the effect of the Merchant Marine Act of 1970, and the prospective outlook for the future were recently analyzed in a very thoughtful and thought-provoking address by John J. Dwyer, president of the Ogelbay-Norton Co., at the annual meeting of the Council of Lake Erie Ports. Mr. Dwyer's remarks about the competitive position of the Great Lakes fleet as compared to rail transportation, the rapidly growing importance of fuel transportation on the lakes, and the possible adverse effects of waterway user charges are matters that deserve the thoughtful consideration of my colleagues not only from the Great Lakes region but from throughout the United States.

I congratulate Mr. Dwyer on this perceptive analysis of the recent history and development of Great Lakes shipping and commend his message to the attention of my colleagues:

PROGRESS IN GREAT LAKES SHIPPING

(Remarks of John J. Dwyer)

It is a particular pleasure to meet once again with friends of the Lake Erie ports. It was about eight years ago that I last discussed with you lake ports and lake transportation and their significance for the economic health of the region.

At that time I asked the question: Will there be a re-discovery of the significance of Great Lakes transportation? I pointed out that there had been no new construction of lake vessels in a decade and that rate discrimination against Great Lakes ports by the railroads was taking a heavy toll of domestic lake traffic, particularly traffic in coal. I also said railroads were themselves in serious trouble.

I pointed out that there was evidence that the competitive position of the Great Lakes region in the nation was eroding. Based on "value added by manufacture," the Great Lakes states are steadily losing out to the rest of the country. That means loss of jobs and payrolls. While there are certainly many reasons for the erosion of the competitive position of the Great Lakes region, efficiency of transportation is a crucial factor. Our regional economy depends on heavy industry and heavy industry depends on the cheap movement of millions of tons of raw materials and semi-finished products. These movements can best be accomplished by the low cost-modes—railroads and water carriers. At that time, little new investment was going into lake transportation, and the financial condition of the railroads was a continuing cause for alarm.

In the transportation field, a number of things have happened since the summer of 1969, when I last addressed you. There is greater recognition of the importance of lake and Seaway transportation. This area has even been designated as a fourth seacoast to help encourage foreign trade directly to Great Lakes ports.

Our Maritime Administration has taken a constructive interest in the development and improvement of lake shipping.

The energy crisis has resulted in new priorities for the development of our coal resources. Low sulphur western coal is particularly valued, and millions of tons of western coal are now moving over distances in excess of 1500 miles from Montana by rail to Duluth-Superior and by vessel to the electric utilities on the Great Lakes. Expansion of this movement is expected to be quite rapid in the next few years.

Uncertainties abroad have been part of the reason for heavy new investment in the development of our iron ore and taconite resources in the upper lakes region. In turn, this development of coal and ore resources has stimulated welcome new investment in expansion and improvement of the lake fleet. The opening of the new 1200-foot lock at the Soo has permitted new efficiencies in bulk vessel design. Every Great Lakes fleet is showing improvement in productivity.

As the nation responds to the urgent necessities for energy conservation, it will turn more and more to those modes which are the most efficient in the use of fuel. Of the major studies comparing energy efficiency of the different modes, rail and water have been found to be far and away the most efficient, with water transportation having a considerable edge over rail.

The most widely-quoted study shows rail consuming 750 BTU's per ton mile and water transport consuming 500 BTU's per ton mile. Rail unit train does better than rail average, of course, just as special water movements would do better than water average. Our own fleet last year averaged 419 BTU's per ton mile.

The coordination of energy efficient and low cost water service with energy efficient and low cost rail where possible provides the country with its best use of energy for transportation.

In this area of coordination, there has also been significant progress since I last addressed you. Water carriers and ports have complained for years of the rail rate discrimination which has squeezed out connecting water carriers and denied the public the efficiencies of water-rail service.

The classic example involved coal from southeastern Ohio mines via Great Lakes ports to electric utilities in Michigan. Unit train service was provided all-rail, but arbitrarily denied in connection with water carriers at lower Lake Erie ports. The rail rate from the mine to the Lake Erie port for a distance of 150 miles equalled the unit train rate for the all-rail service of 300 miles. This discrimination effectively suppressed rail-like competition.

In a landmark lawsuit, the ICC found for the railroads, but was reversed by a Cleveland federal court in such unequivocal terms that neither the ICC nor the railroads appealed.

As a result, the Commission now appears willing to use its powers to prescribe rail rates on the rail segments connecting with water carriers which are comparable with

the competitive all-rail alternative. It has even endorsed a precise formula for determining comparability.

The formula is simplicity itself. The variable costs of the rail service from origin to destination are determined. So are the variable costs of the movement to or from the connecting water point. The ratio of revenues to variable costs must be the same in both situations. Rates which provide comparable contributions over variable cost on both services would be reasonable and fair to the railroad, the Commission says.

It would be interesting to try this formula in situations in which the railroads discriminate in favor of Atlantic ports against Great Lakes ports on foreign trade items.

On the bulk traffic, we are also watching with interest a case involving the New England Governors' Conference and feed grains. Here the ICC concluded that it is willing to prescribe 10-car volume rates on demand for New England feed grain shippers—a precedent for any shipper and any port willing to meet the usual restrictions and terms for 10-car, 20-car or unit train service. This decision has been appealed by the railroads. The New England interests have logic and good sense with them. There is no possible justification for offering volume rates to some and not to all.

Among the most significant developments contributing to the efficiency of production in our region has been the success of the campaign to bring substantial government aid to the northeastern railroads.

This began as a cooperative effort in 1970 of the Water Transport Association, the American Trucking Associations and the Association of American Railroads with the Surface Transportation Act. That effort evolved into the Railroad Rehabilitation and Regulatory Reform Act of 1976. The cooperative climate of water carriers, truckers and railroads had much to do with the success of this major national drive to provide billions in new aid to railroads.

While we supported these measures to aid railroads, we knew, of course, that the aid would be used to improve rail productivity. This would make the railroads more formidable competitors. But we do not rely for success in water transportation on the inefficiences of our competitors. We believe the national economy and the regional economy is best served—and in the long run our interests are best served—by improving the efficiency of all transport modes.

The assumptions behind this cooperative effort were often stated. The economy would continue its traditional long-term growth rate, a doubling of the GNP every 17 to 20 years. All modes would have to grow and improve their services to meet expanding demand. The chief problems would be raising the funds for investments in expanded capacity.

It is widely recognized that no industry is more inportant than transportation to the efficient functioning of the economy. In a fundamental and crucial way, transportation enters into the cost of every economic transaction. Since earliest times, therefore, the government has played an important role in assuring adequate transport facilities at reasonable cost. To this end, it has established a variety of direct and indirect aids—including tax incentives, relief from money-losing activities, loans and loan guarantees, the underwriting of such items as railroad retirement and the provision of facilities that cannot be financed privately.

There has never been a comprehensive review of all the different aid programs to determine how much they amount to and whether one code is favored over another. Nor is there any "combined transport account" anywhere in the government to facilitate control of what the government spends each year in its direct and indirect aid programs for transportation.

A comprehensive study of the aid programs and the establishment of a "combined transport account" are favored by the water industry. Nor is there any opposition to opening up the question of which method of financing the various aid programs is the most equitable to the public.

But the recent passage in the Senate of a proposal to impose use taxes on the inland rivers without any preliminary examination of the government's total role in transportation or of the impact of such taxes on agricultural and industrial interests served by these rivers seems shockingly premature and unwise.

Though the proposal presently excludes the Great Lakes and Seaport harbors, the Department of Transportation and the Office of Management and Budget have left no doubts that they eventually intend to tax all navigation functions.

The Senate bill would recover costs on a segment-by-segment basis up to 1% of the value of the freight plus transport charges.

Certain segments of the inland rivers cost more to maintain and are due for replacement of locks and dams. These would be particularly adversely affected, as would short-haul traffic. Experts have testified that one of the regions most adversely affected might well be the upper Ohio River, including the Pittsburgh steel district which is served by rail connection from the lower Lake Erie ports. Thus, the Great Lakes may be excluded from this proposal temporarily. But if the Pittsburgh steel district is adversely affected, the Great Lakes and Lake Erie ports will be too. The House has yet to act.

One of the main reasons the sponsors gave for the measure was the alleged inequity in the use of federal funds as between water and rail modes. And yet, rails enjoy a variety of federal aid programs which dwarf aids to navigation.

Tax subsidies amount to hundreds of millions annually. The multi-billion grants and loans under the 4R Act, and Federal aid which relieves railroads of loss operations, are relevant. The $7 billion rescue of the railroad retirement fund is also relevant. Together they all represent a massive influx of federal funds to the railroad industry. If anything, the advantage is on the rail side rather than the navigation side.

Great strides have been made in the past eight years in improving regional transport efficiency. Better recognition for Great Lakes services has been achieved, aid to faltering railroads has been made available, the ICC is at least neutral on intermodal coordination disputes, and new investment is going into lake shipping. But the new uncertainty of navigation taxes hangs over us.

How would such taxes affect the struggle to maintain the region's competitive position in the country? Will navigation taxes on the rivers serving our region—and eventually spreading to the Great Lakes—accelerated the erosion of payrolls and jobs to other regions?

One recommendation made in that earlier speech of eight years ago bore fruit. There is now heightened awareness among our political representatives in the Senate and the House of the need for action on the federal level to promote the economic interests of the Great Lakes region and the Northeast.

This newly aroused political leadership should be aware that a struggle over taxing navigation could well result in handicapping one of the chief economic advantages of the region—the efficiency of its transport capability. And if we are talking, as we should be, about reviving our regional economy—of attracting new industrial payrolls and jobs—maintaining our advantages in efficiency of transport is a crucial consideration.

A VOICE FOR CONSUMERS IN WASHINGTON

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. MURPHY of Illinois. Mr. Speaker, on July 19 I announced that I would vote for the creation of a Federal Consumer Protection Agency. I made the announcement after receiving assurances from President Carter's chief consumer advisor, Esther Peterson, that Carter intends to fulfill his campaign pledge to curb Government growth.

The Carter administration appears to be keeping its promise. On August 1, the administration announced that 26 consumer affairs offices now scattered throughout the Federal Government could be consolidated into the proposed Agency for Consumer Protection—ACP. As a result of Carter's reorganization, no new money would have to be appropriated for ACP.

Carter's reorganization plan answers my concern that ACP would add to our already bloated bureaucracy. I am now convinced that the new agency would streamline, rather than add to, the Federal Government.

The question remains: Do consumers really need an agency to protect their interests? I believe the need for ACP is well illustrated by a recent Senate committee report. The study, prepared by the Senate Government Operations Committee, points out how consumers are greatly outspent and outnumbered by private industry in proceedings before regulatory agencies.

The Senate study clearly shows why consumers need a voice before Federal agencies and in the courts. Fortunately, the Carter administration has drawn up a plan to create a Consumer Protection Agency without adding to the Federal bureaucracy. I hope the President's reorganization plan will win new supporters for the agency so it will pass Congress this year.

Mr. Speaker, I would like to draw my colleagues' attention to an article I have written on the ACP. The article appeared in the Southtown Economist on August 28, 1977:

A VOICE FOR CONSUMERS IN WASHINGTON

(By Representative MORGAN F. MURPHY)

On July 19, I announced my intention to vote for the creation of a federal consumer protection agency.

I made the announcement after receiving assurances from President Carter's chief consumer advisor, Esther Peterson, that Carter intends to fulfill his campaign pledge to curb government growth.

Carter appears to be making good on his promise. In an Aug. 1 letter to the House of Representatives and Senate, Bert Lance, director of the Office of Management and Budget, said that 26 consumer offices now scattered throughout the federal government

could be consolidated into the proposed consumer agency.

These offices employ more than 200 persons and have a combined annual budget of $10.6 million. As a result of Carter's reorganization, no new money would have to be appropriated for the consumer protection agency. The funds would simply be transferred from existing programs.

Lance said that $11.6 million would be saved by consolidation and $8.5 million by rescinding former President Ford's plan to put consumer representatives in various government agencies.

Among the offices whose functions would be absorbed by the consumer protection agency are the consumer affairs offices of the Departments of Transportation, State, Commerce, Treasury, Labor and Health, Education, and Welfare.

Carter's reorganization plan answers my concern that the consumer protection agency would add to our already bloated bureaucracy. I am now convinced that the new agency would streamline, rather than add to, the federal government.

The Agency for Consumer Protection (ACP) would not be a regulatory agency but would represent consumers in the courts and before federal agencies. The agency would publish and distribute information on consumer protection and would serve as a clearinghouse for consumer complaints.

ACP would be empowered to request information from businesses to protect the health and safety of consumers and to discover consumer fraud. While this provision has drawn criticism from some businessmen as creating more red tape, some 90 per cent of all firms (mainly small businesses) would be exempt from ACP's interrogatories.

To make sure that the agency performs satisfactorily, the House has required that ACP be terminated in 1982 unless appropriate congressional committees recommend its extension. This "sunset" provision will force Congress to carefully monitor ACP's effectiveness and efficiency in representing consumers' interests.

Do consumers really need a consumer protection agency? I believe the need for such an agency is well illustrated by a Senate committee report released Aug. 8. The study documents how consumers are greatly outspent and outnumbered by private industry in proceedings before regulatory agencies.

The report, unanimously approved by the Senate Government Operations committee, says that administrative barriers and the high cost of agency proceedings exclude participation by most consumer interest groups from the start.

The report states: "At agency after agency, participation by the regulated industry predominates—often overwhelmingly. Organized public interest representation accounts for a very small percentage of participation before federal regulatory agencies. In more than half of the formal proceedings, there appears to be no such participation whatsoever, and virtually none at informal agency proceedings."

The study cited cases where industry spent 50 to 100 times as much money on participation at regulatory proceedings as did public interest groups.

Sen. Abraham Ribicoff (D-Conn.) summed up the committee's report this way: "The public's interest versus the private interests before federal regulatory agencies can be likened to the Biblical battle of David versus Goliath—except that David rarely wins."

The Senate study clearly shows why consumers need a voice before federal agencies and in the courts. Fortunately, the Carter administration has drawn up a plan to create a consumer protection agency without adding to the federal bureaucracy. I hope the President's reorganization plan will win new supporters for the ACP so it will pass Congress this year.

SAVING ENERGY IN SWEDEN WITHOUT BIG SACRIFICES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. OTTINGER. Mr. Speaker, a constituent of mine, Mr. John Klaesges, recently sent me a copy of an article which appeared during July in the Minneapolis, Minn., Tribune. The article, entitled "Saving Energy in Sweden Without Big Sacrifices," bears the attention of all Members of the House.

I have long thought that Sweden provides America with a superb example of what can be done in the area of energy conservation—without any severe hardships or undue sacrifices. It is clear that the possibility of maintaining a high standard of living—as the Swedes do—is a very real one, even while using much smaller amounts of energy in all sectors than we Americans use.

I would like at this point to insert in the RECORD the text of the article by Goran Albinsson:

SAVING ENERGY IN SWEDEN WITHOUT BIG SACRIFICES

(By Goran Albinsson)

STOCKHOLM.—The standard of living in Sweden roughly equals that of the United States, yet the rate of energy consumption here is appreciably lower. A key question worth raising, therefore, is whether Americans currently concerned with saving energy can learn from the Swedish model.

This is not to suggest, of course, that precisely the same approach that has worked in Sweden can be exported to the United States. The two countries are different in their national character, geographical dimensions, population size and political systems.

But the United States and Sweden are also alike in many respects, and, given their similarities, it may be worth examining why the Swedes consume nearly half as much energy as Americans without substantially sacrificing comparable comforts.

At the core of the energy policy here is the fact that Sweden depends almost entirely on imported oil, and has consequently been forced to devise effective conservation methods. Under a new government program, even more drastic than that proposed by President Carter, energy use is going to be further curbed.

The sector in which energy here is most efficiently conserved is transporttaion. In the first place, Swedish cars burn significantly less fuel than American automobiles because they are lighter in weight and not equipped with such gasoline-guzzling paraphernalia as power brakes, automatic transmissions and air conditioners.

The Swedes, moreover, consume dramatically less gasoline than Americans by usifng their cars mainly for long-distance journeys and relying for short trips on buses, bicycles or their own two feet.

The use of cars is discouraged by heavy taxes on both automobiles and gasoline, and also by severe restrictions on city parking. Here in Stockholm, for example, round-the-clock street parking is illegal and fines for breaking the law are high.

On the other hand, the mass-transit system is cheap and smooth. Buses operate frequently during peak hours, and they also run far into the suburbs, thereby providing commuters with an alternative to the automobile. In contrast to U.S. railways, passenger-train service here is excellent.

Living as they do in a cold climate, meanwhile, the Swedes consume a good deal of energy in heating their homes. But here again, their energy consumption is demonstrably more efficient than that of the United States.

For one thing, Swedish building codes and housing loans are designed to make energy conservation in construction economically attractive. Thus contractors are sensitive to the need for proper insulation and fewer outside walls. As a result, heat loss in Swedish apartments and private dwellings is half what it is in the United States.

Energy is conserved here as well through a reliance on central stations that produce both space heat and hot water. Close to 20 percent of all Swedish homes receive their heat from these district plants, which are less expensive and more efficient than individual units.

Swedes are also less dependent than Americans on large electric appliances like air conditioners, though the percentage of households here with refrigerators and vacuum cleaners is about the same as it is in the United States.

In Swedish industry, too, the accent is on energy conservation. The paper industry, for instance, obtains 60 percent of its fuel from waste forest products, and sectors such as steel and cement production are ahead of those in the United States in their use of energy derived from waste.

The government contributes to these measures by granting subsidies to companies that save energy or make investments in the development of conservation techniques.

Nuclear power now supplies 20 percent of Sweden's electricity, compared to 8 percent in the United States. And the expansion of nuclear-energy facilities is scheduled to continue. Though Sweden lacks oil and natural gas, its uranium reserves are considerable.

Here, as in the United States and elsewhere, the nuclear issue has been a subject of controversy. Prime Minister Thorbjorn Falldin is on record as opposing nuclear energy because of the problem of disposing of radioactive waste. But the other parties in his ruling coalition disagree with him, and they are likely to debate the question for some time to come.

In general, then, Sweden's endeavors in the energy field have been successful. The challenge for the future is to assure further success so that another upheaval, like the Arab oil embargo of 1973, is not too disruptive.

REV. CURTIS H. FAULKNER

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. CLAY. Mr. Speaker, I would like to take this occasion to honor a great St. Louisan, who is an educator, a religious light, and a civic leader, the Reverend Curtis H. Faulkner.

Born in DeSoto, Miss., Reverend Faulkner and his lovely wife Ruth have been instrumental in showing the youngsters of our community the right direction to go and then helping them fol-

low that path. Reverend Faulkner is currently the executive director of the St. Louis Baptist Missionary Fellowship and an instructor at the Western Baptist Bible College. He is a member of the Baptist Pastors Conference of Greater St. Louis, Gamma Tau Religious Fraternity, NAACP, Pleasant Green Baptist Church, and the Missionary Baptist Ministers' Union of Greater St. Louis.

Prior to his current positions, Reverend Faulkner served as the dean of men at Western Baptist Bible College in Kansas City, Mo., the dean of the Missouri State Sunday School and Baptist Training Union Congress; the president of the United Ministers Conference, National and Southern Baptists; the chairman of the Clergy Support Committee, St. Louis Opportunities Industrialization Center; a member of the Steering Committee of the Midwest Lower Invitational Committee, Billy Graham 1973 Revival Crusade; and a member of the ad hoc committee of the welfare recipients program. This list is but a few of the many organizations with which he has been involved.

Reverend Faulkner holds bachelor of science and bachelor of theology degrees from Western Baptist Bible College in Kansas City, Mo., and a master of religious education degree from the Drake University Bible College in Des Moines, Iowa.

For his exemplary work for our God and for the people of our community, I commend Rev. Curtis H. Faulkner, a luminary of St. Louis.

THOMAS DORGAN

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. BURKE of Massachusetts. Mr. Speaker, a long and illustrious career, spanning almost five decades, has come to a close with the death of my good friend Thomas Dorgan.

Tom and I were friends for 40 years, and during that time, I always knew him to be a highly dedicated, efficient public official; his lifetime was spent in service to his country, local community, county, and State, and his was a lifetime of achievement.

While Tom Dorgan has left our midst, he has left behind a record of public service which is an example to all who follow.

Tom Dorgan was a compassionate, generous, and decent person. He showed a lifetime of compassion for his fellowman. Tom Dorgan was one of those who first recognized the cruelty and discrimination shown against minority groups as early as 1935. He was a great patriot who loved his country and in his sincere way, tried to combat those forces that sought to rend apart our democracy. His was a powerful voice, and he shall be greatly missed.

I am submitting for the RECORD, an article from the Boston Globe which marks Tom's many accomplishments in his long and dedicated career:

THOMAS DORGAN, FOR 35 YEARS CLERK OF SUFFOLK COURT; AT 87

(By Edgar J. Driscoll)

Thomas Dorgan, 87, clerk of Suffolk Court for Civil Business for 35 years and father of the once highly controversial Teachers' Oath Bill in Massachusetts, died Friday night in Carney Hospital after a brief illness. He lived at 45 Driscoll Drive, Dorchester.

During his long and efficient service as clerk, he was opposed only once for re-election.

Mr. Dorgan first ran for the post in 1936, but didn't quite make it. He came in second in a field of 12. That same year he was appointed legislative representative for the City of Boston and during his three years at the State House brought about much legislation beneficial to the city.

He stepped down to run again for clerk of the court in 1940, this time winning easily. He was sworn in Jan. 2, 1941 At the time of his retirement he supervised 120 employees and administered an annual budget of almost $2 million. His office handled the largest number of civil cases in Superior Court.

Before becoming legislative representative for the city during Mayor Maurice J. Tobin's administration, Mr. Dorgan had served two terms in the General Court as representative from Dorchester, 1933–1936.

Shortly after his election to the Legislature in 1933, the United States gave diplomatic recognition to the Soviet Union. To him this "proved a gateway for the Communist conspiracy to infiltrate America."

And so he filed a bill in the Legislature requiring teachers and professors in both public and private schools and colleges to take a loyalty oath to defend and protect the Constitution of the United States and of the commonwealth of Massachusetts.

The bill was enacted into law the following year and put into effect in 1935. It raised a belated hue and cry with prominent educators, clergymen, civic leaders, parent-teacher and student groups attacking the oath as Fascist-like, un-American, unconstitutional and a threat to education as a whole. Its proponents, including leading veterans organizations and patriotic groups, hailed it as a bulwark of patriotism.

In 1967 the mandatory teachers loyalty oath law was finally struck down by the Massachusetts Supreme Judicial Court. During the 32 years it was on the books, at least four attempts to repeal it were made to no avail.

During his two terms on Beacon Hill, for example, he created a minor international episode in the legislature with a 1935 resolve condemning Nazi persecution of Jews and other religious faiths in Germany; sponsored a bill, which was defeated, to abolish all the statuary powers of the Governor's Council, which he termed a "one-ring Barnum & Bailey Circus"; sponsored a censorship bill to do away with "moral perversion" on stage, which, had it passed, would, as one opponent put it, "kill the legitimate theater in Massachusetts and outlaw much of Shakespeare."

As clerk of the Suffolk Superior Court, he remained active in cosponsoring or plumping for legislation dear to his heart. In the 1940s he fought for legislation to effect a Metropolitan Boston; establishment of a West Point for diplomats where young men could be trained in international affairs; cosponsored a bill in 1953 to put teeth in his Teachers' Oath law by requiring the heads of all Massachusetts schools and colleges to fire Communists or "Communist sympathizers" from their teaching staffs under penalty of losing their charter (it failed); cosponsored a bill, which was approved, outlawing the Communist Party in the Bay State; and, in 1969, went all out for a bill to enlarge the Superior Court Bench, declaring the state's judicial system was "archaic."

During his frequent outbursts on issues that concerned him, either at the State House, as after-dinner speaker on the banquet circuit or in "Letters to the Editor," someone coined the word "Dorganism," meaning a doctrine of interference in matters which should not be interfered with. But he was sincere in the irritations he inflicted on the community. As an observer put it: "He measured society by the yardstick of his own mental and moral processes and would legally press society into his own mould."

For Mr. Dorgan, the road to success was a long one. Born in Cloakilty, Ireland, he came to this country in 1912—a lad of 17 summers without a dime to his name, an infectious smile and the determination to make his way, as they say.

Twenty-four hours after landing here, he had a job rolling huge barrels in a Charlestown sugar plant, went on to rustling iron and steel in a South Boston manufacturing company, worked in a wholesale liquor firm in Charlestown and in 1915 became a conductor on the old Boston Elevated Railway. Each was a step up the ladder.

During World War I he served in the Navy and after the Armistice went "back on the cars." While supporting himself as a conductor and later bus driver for "The El," he also got himself an education. He went to Berkeley Preparatory School in 1921, Boston University from 1922–1925 and later to Boston University Law School.

Mr. Dorgan leaves his wife, Margaret M. (Crehan); a son, William J. Dorgan of Scituate; two brothers, Michael and Robert Dorgan of Mattapan, and five grandchildren.

A funeral Mass will be said at 10 a.m. Tuesday in St. Gregory's Church, Dorchester. Burial will be in Blue Hill Cemetery, Braintree.

AMTRAK CURTAILMENT WILL INCREASE U.S. DEPENDENCE ON FOREIGN OIL

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. MOAKLEY. Mr. Speaker, I am sure most of my colleagues share my concern over the announcement last week by Amtrak that it will curtail service and increase prices on intercity rail routes—primarily on the Washington-Boston corridor.

The importance of mass transit and intercity rail transit has had a very low priority in relation to the enormous impact it can have on this Nation's energy consumption.

In an article in the New York Times on September 2, columnist Tom Wicker presents a compelling review of the interrelationship of the two issues which I am inserting in the RECORD:

ENERGY OFF THE RAILS

(By Tom Wicker)

When the Senate gets back to work after its summer recess, it will take up an Administration energy program that the American people apparently do not believe is necessary. That's the sad conclusion to be drawn from a New York Times/CBS poll in which 57 percent of the respondents said they did not believe the energy situation was as bad as President Carter said it was, and 49 percent suggested that the "crisis" was only a plot to get higher prices for oil and gas companies.

So much wishful thinking suggests that neither Mr. Carter's leadership nor the program he has put forward has as yet made the kind of demands on the citizenry that would force them to realize the seriousness of the energy situation.

He did call the other day for enforcement of the 55-m.p.h. speed limit as a gasoline-saving measure. Combined with the gradual elimination of gas-guzzlers, that would make a considerable difference in the nation's profligate consumption of gasoline in private automobiles.

But the Carter energy program offers no incentives or penalties designed to get people out of automobiles altogether and into mass transit or longer-haul rail facilities. To top this failure, Amtrak—the quasi-governmental National Rail Passenger Corporation, which runs such intercity trains as there are—has announced extensive cuts in service and a rise in fares. Obviously, the left hand knoweth not what the right hand doth.

Cutting service and raising fares is the classic pattern by which ridership on any transit system is inevitably reduced. Those were the steps the private railroad companies took when they were trying to kill off passenger service, an effort in which they mostly succeeded; so it's ironic in the extreme to see Amtrak, which Congress established to rescue passenger service, embarking on the same course.

It's even more ironic in the midst of the energy crisis—which so many erroneously believe is not a crisis at all—that this energy-saving mode of transportation is being cut back instead of extended. Why should anyone believe the crisis is real when such contradictions are permitted?

Worse, Amtrak has not been failing; in fact, it has been extending its passenger train network, improving its equipment and schedules, and attracting increased ridership (up from 16.6 to 18.6 million annually). But the revenues do not as yet cover expenses, making Federal subsidy necessary. And for fiscal 1978, beginning next month, Congress inexplicably reduced Amtrak's fund request from $534.1 to $488.5 million.

Since Amtrak had added major routes this year, the 1978 fiscal year appropriation is, in effect, a cut from the $482.6 million subsidy for 1977. How the deep thinkers in Congress reconcile that with the new taxes and restrictions that will be decreed in the energy program will be painful to watch.

The announced service cuts will affect 26 states but appear to be concentrated on the Boston-Washington line, along which to complete the absurdity, the Federal Government is spending hundreds of million to rebuild the so-called Northeast Corridor roadbed. These cuts "may well destroy what's left" of Connecticut's passenger service, Gov. Ella Grasso said; they will also reduce weekend runs on one of Amtrak's most successful projects, the Metroliner between New York and Washington.

Even so, the announced cutbacks will account for only $28 million of the shortfall in subsidies and revenues that Amtrak faces in 1978. Other cuts may have to be made and Amtrak says a prime candidate is the Floridian, which now provides service—albeit not very good—between Chicago and Miami.

The Floridian loses about $9.5 million a year, illustrating another of Amtrak's problems—the private railroads. The train could pick up major additional ridership and revenue if it were routed through Atlanta, the traditional Southern transportation hub. But the Louisville & Nashville won't let Amtrak use its line from Chattanooga to Atlanta, owing to heavy freight traffic, and the Southern Railway would permit the use of tracks it controls only if Amtrak puts about $20 million into upgrading the line. Amtrak obviously doesn't have the money.

In the West, for another example, Amtrak may sue the Missouri Pacific Railroad to force decent service and schedules on the Inter-American, which Mo-Pac runs on much of the important route from Chicago through St. Louis and north-south across Texas to Laredo on the Mexican border. Mo-Pac operation has made the Inter-American legendary for lateness, slowness and surliness.

On top of such problems, the reduced Federal subsidy, forcing service cuts and fare increases, is nothing less than weird. How do Mr. Carter and Congress expect ever to convince the public that there's an energy crisis—much less that they know how to cope with it?

CURB ON THE GRAND JURY

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. CLAY. Mr. Speaker, there is increasing evidence that the grand jury system has strayed far from its original purpose. More and more of our citizens are intimidated by a system that was set up for their protection against unjust charges.

The Missouri Supreme Court has come to fully recognize the flaws in the present grand jury system and has made a ruling that I believe is worth sharing with my colleagues.

Below is the text of an editorial taken from the St. Louis Post on July 19, 1977:

CURB ON THE GRAND JURY

The Missouri Supreme Court has ruled that grand juries cannot accuse public officials of wrongdoing without indicting them. This is entirely in accord with the State Constitution, and with any sense of fair play and justice. It is also a limited curb on the kind of abuses that can arise in the grand jury system.

Under the State Constitution, grand juries "have power to investigate and return indictments." Nothing in the Constitution, however, says that free-wheeling grand juries can accuse anyone without making the accusations official through indictments.

This was the basis of the case brought to the Supreme Court by a Clay County planning director, who wanted his name expunged from a critical grand jury report. The high court concurred that "a grand jury should either indict or be quiet." It made the point that an indicted person has an opportunity in court to refute the charge, but a person accused only by report has no real redress.

To a degree, what the court has done here is to bring the grand jury back into the judicial system of which it is supposed to be a part. It is not part of the executive branch as is the prosecutor. In ancient England, and according to our Founding Fathers, the grand jury was a citizen's defense by fellow citizens in the grand jury against improper or unfounded charges by the state. Even today, defenders of the system argue that the grand jury places criminal justice in the hands of the community.

But the system has not been working that way. Far too often, the grand jury has become a rubber stamp for the prosecutor. The jurors hear what the prosecutor wants them to hear. A prospective defendant has no right to appear as a witness or to produce witnesses on his own behalf. In short, exculpatory testimony can be excluded. And if, with all these advantages, a prosecutor cannot justify an indictment, the grand jury report may still criticize the target of the investigation.

The misuse of grand juries by the Nixon Administration's prosecutors led federal judges repeatedly to order restrictions on their work. Last year, a group of lawyers, politicians and church groups called the "Coalition to End Grand Jury Abuse" sought federal legislation to let lawyers assist witnesses and to require prosecutors to present exculpatory evidence as well as evidence of crime.

It might be objected that the grand jury was never meant to be a trial jury, limited in its investigatory power. But since the direction of the grand jury has changed, legislation may be required to put it back on its original track. The Missouri court decision offers the individual some protection that a responsible grand jury itself should be willing to provide.

THE STORY OF MOTHER HEN

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. KASTEN. Mr. Speaker, intrusion of the Federal Government into the day-to-day lives of the American people is one of the most alarming, yet elusive, problems facing our Nation.

Often at the expense of personal freedoms, Federal regulatory agencies—and Congress itself—have developed an insatiable appetite for "saving us from oursleves" through costly, confusing, conflicting controls on our lives.

The story of the Federal Government's efforts to pervade our lives is told in a recent issue of Newsweek.

Written by Philip M. Sellinger, former director of the Wisconsin State Chamber of Commerce, "Mother Hen" describes the Government crusade "to create a socially engineered, homogenized utopia."

As Mr. Sellinger says, "The Wonder of It All is how we ever managed to come as far as we have—or live as long—Before Mother Hen took us under her wing."

The article follows:

MOTHER HEN

(By Philip M. Sellinger)

Surely we Americans are thrice-blessed—with a Mother Hen Congress and ever-growing Federal bureaucracy dedicated to saving us from ourselves. Rest easy (if you can find anything noncarcinogenic to wear, eat, sit or lie on). Mother Hen is determined to create for us the safest, most sterile and most orderly of all possible worlds—even if she is forced (reluctantly, of course) to "modify" our personal freedoms, one by one.

Think of it! Eventually, we will be relieved of all personal responsibilities—including thinking for ourselves—and the need to make any personal decisions. The Great White Chicken in Washington, after all, knows far better than we what is best for us.

In fact, the list of Her efforts in our behalf is so extensive and those efforts so pervade our daily lives that it boggles all but Her own imagination. A few examples, however, will illustrate their multiplicity and diversity.

Already we have child-proof (and, often, adult-proof) containers for virtually everything. Tricycles have been studied, wheel by wheel, to determine why our children sometimes fall off. Our Protectors have decreed seat-belt buzzers for our cars—with airbags next. They have removed edges, buttons and "squeakers" from our children's toys, remixed our paints and redesigned our cribs.

Ceaselessly, they overdose rats to expose a constantly expanding list of carcinogens in our environment and everything we use, wear or eat—including mothers' milk!

COMMON SENSE

Fear not! Federal legislators, bureaucrats, scientists, regulators and social engineers strive night and day to relieve us of the need to exert common sense—or teach our children the rudiments of safety and self-discipline.

Their thoroughness is wondrous to behold. One day, a Federal Guardian decrees the fabric of children's sleepwear shall be treated with a flame-retardant chemical. (Since, in residential fires, most children die from smoke-inhalation, presumably this edict was intended to protect children who play with matches in their sleep.)

The next day another Guardian approves the chemical. Finally, a Chicken declares the chemical carcinogenic. (It was not reported whether the test rats were fed pajamas or injected with nightgowns, but a lot of sleepwear manufacturers were "caught with the goods.")

The littel beggars could sleep "in the buff," but before you finish telling them a bedtime story, another Chicken will find that sheets and blankets "are dangerous to their health."

But be of good cheer! Our self-appointed Federal Custodians leave no door unopened—nor spare any cost (to you)—in their Crusade to create a socially engineered, homogenized utopia.

For example, although it is not clear whether concern for "safety" or "health" was involved, not long ago the Sages of OSHA (Occupational Safety and Health Administration) ordered a small "Mom and Pop" business—which does not deal directly with the public—to install a second lavatory, *even though Mom and Pop regularly share the same sanitary facility in their home.*

These Custodians of Life and Limb ordered that construction workers be provided with ear plugs (to prevent impairment of hearing)—and decreed that mobile equipment be equipped with bells to warn the workers (whose ear-plugs block out the sound).

TV "CHANNEL LOCKS"

Recently, the Mother Hen surpassed even herself. She petitioned the FCC to require "channel locks" on all new television sets. This will enable parents to prevent pollution of juvenile minds by "locking out" all TV programs tainted with violence or other socially unacceptable behavior.

This has to be regarded as the Finest Hour of the Great White Chicken in Washington. In a society where self-discipline already is in exceedingly short supply—especially in our schools—our youngsters will be spared the traumatic experience of parental guidance and discipline in their homes. It will be much easier simply to lock them out.

However, this latest brainchick of Mother Hen could revolutionize the Institution of Marriage. Wives will discover that just before kickoff time they can lock out the football games of the week— and throw away the key.

Although there may be some merit in locking out Howard Cosell on Monday night, this is bound to drive husbands to spending the weekend afternoons in the nearest friendly neighborhood inn—where the key was thrown away with all the channels "locked in." Obviously this will increase the potential for alcoholism, drunk driving, and poker-induced bankruptcy.

In retaliation, husbands will use a duplicate key to lock their wives out of daytime soap operas and giveaway shows—thereby driving them out on budget-busting shopping binges. With no one at home to watch the kids, now deprived of their vicarious experience of violence, they will go out to vandalize their schools—or start smoking marihuana to create their own fantasies. To accommodate them, possession of grass will be universally "decriminalized"—thus relieving parents of the necessity to bail them out of juvenile court.

CONGRATULATIONS

Meanwhile, the Great White Chicken will be congratulating herself for rescuing our children from exposure to violence (and/or the kind of hostility, and occasional physical assaults, they can see on the picket line around their school every time their teachers "walk out" in illegal strikes).

The future never seemed brighter, safer or less complicated by the need for personal decisions or responsibility. We can look forward to the day when the Federales will issue each of us an air-conditioned, vacuum-sealed, shatter-proof, sterile, noncarcinogenic plastic bubble—to insulate us from each other and all the Rigors of Life.

Thenceforth, we will be able to roll (or bounce) through life—listening only to television/radio programs that have been pasteurized and homogenized by the Great White Chicken to exorcise all mental and temperamental pollutants.

The Wonder of It All is how we ever managed to come as far as we have—or live as long—before Mother Hen took us under her wing.

FULL EMPLOYMENT WEEK

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. SIMON. Mr. Speaker, this week millions of people throughout the Nation will be participating in activities of Full Employment Week. Rallies will be held in more than 50 cities. Full Employment Week is being sponsored by the Full Employment Action Council—headed by Coretta Scott King and Murray Einley, an old friend who is president of the Amalgamated Clothing and Textile Workers' Union. The events during the week of September 4–10 will highlight the Nation's prolonged unemployment crisis and the need for corrective action.

I want to associate myself with these activities. It is both an economic and human tragedy for us to allow unemployment to continue to hover around 7 percent. While the unemployment rate has been reduced during the 8 months of the Carter administration, there are still more than 6½ million people out of work who are actively seeking jobs. Even more have dropped out of the labor force altogether; they have just given up.

It is time for the Government—in a close partnership with the private sector—to undertake a coordinated effort to alleviate our intolerably high unemployment rate. I have been a consistent supporter of the Humphrey-Hawkins approach. There has been a great deal of criticism and misunderstanding about this approach, but it is clear that we must move in the direction of a full employment policy.

In order to provide a realistic test of a full employment policy, I have introduced H.R. 7193, the Pilot Guaranteed Employment Opportunities Act. This legislation would establish a pilot full employment program that would allow us to see—at a low cost—the implications of a full employment policy.

Specifically, H.R. 7193 would direct the Secretary of Labor to establish guaranteed employment plans in 20 counties throughout the country. A three-tiered system would be set up, with the primary emphasis on encouraging employment in the private sector. If the private sector could not meet the demands for employment, emphasis would be placed on State and local government jobs. Only as a last resort would the Federal Government provide jobs.

Mr. Speaker, it is satisfying for those of us who have been pushing for a full employment policy to see the increased commitment to this goal that is evident in the administration's welfare proposal.

President Carter's "Program for Better Jobs and Income" would expand public service jobs under CETA from 725,000 to 1.4 million. This is a doubly significant increase when seen in the context that there were only 285,000 CETA positions when the President took office.

The administration's welfare plan seeks to guarantee access to work or training for one adult in every family with children. These public service positions will provide both the work experience and training to allow people to move into regular public and private sector jobs.

While this proposal may not be as comprehensive a policy as some full employment proponents would desire, it is nevertheless a major step in the right direction. The administration's commitment to full employment has been concisely stated by Secretary of Labor Ray Marshall:

> I think that we should not be satisfied until we get to full employment and that we need to move as rapidly and as prudently towards full employment as we possibly can. A lot of people have difficulty understanding what full employment means. To me it's a fairly simple concept, and that is that everybody who wants to work can find a job without having to look too long.

From my perspective as a member of the Budget Committee, one of the most encouraging aspects of the administration's proposal is that the Department of Labor will institute about 10 demonstration projects to test the employment aspects of the welfare plan. These demonstration projects are consistent with the pilot program I proposed in H.R. 7193. They should provide us with a much firmer base from which to evaluate and implement full employment policies as well as to consider the specifics of the administration's welfare proposal.

The Labor Department's demonstration projects will be operated by CETA prime sponsors, and will last for 1 year. The projects will begin this fall, so that information and conclusions will be available as the Congress considers welfare reform next year.

The welfare reform demonstration projects will test three critical aspects of the administration's proposal. First, the projects will test the capability of the Department of Labor and related institutions to create public jobs on a large scale that are appropriate for welfare recipients and pay at or near the minimum wage.

Second, the demonstration projects will test variations in delivery systems

or linkages between CETA, the Employment Service, the Work Incentive program, and welfare offices. The projects will also demonstrate the comparative costs of job creation as opposed to income maintenance.

Several other aspects of the employment section of the administration's welfare proposal will be tested by the demonstration projects. They include: First, the actual employment readiness of groups judged to be "employable;" second, the public employment expansion potential of various kinds of institutions; third, the feasibility of various innovative approaches to developing work projects or public job positions for welfare recipients; fourth, the feasibility of various ways of applying work requirements; and fifth, the extent to which welfare recipients who are not required to work volunteer for public jobs.

Not every project will demonstrate each of these factors. But variations in geographic area, labor market characteristics, level of welfare payments and kind of CETA sponsors will provide a balanced mix of useful information.

Mr. Speaker, one of the most serious unemployment problems in this country is among our young people. Unemployment among teenagers is well over 15 percent. This summer, Congress passed H.R. 6138. This legislation was based partly on the Comprehensive Youth Employment Act of 1977 introduced by Senator HUMPHREY and myself, and will have a significant impact on youth unemployment. But because of fiscal restraints on public employment programs such as this one, it will not be enough to alleviate the problem.

As a member of the Budget Committee, I am especially sensitive to the need for programs to increase youth employment in the private sector without a great infusion of Federal money. One such program that will work is a youth opportunity wage.

When the minimum wage bill, H.R. 3744, comes to the floor this fall, Representative CORNELL and I will offer an amendment to establish a youth opportunity wage at 85 percent of the present minimum wage. This provision would apply to youths 18 and under during their first 6 months of their employment. Penalties are provided for employer violations.

There is strong evidence that such a youth opportunity wage would encourage employers to hire young people and provide them with the training necessary to enter the labor force. This can be done without adverse effects on adult employment.

A variety of studies have indicated that a youth differential is likely to be successful. In drafting our proposal, we gathered supportive evidence from studies of the Congressional Budget Office, the Congressional Research Service, the Bureau of Labor Statistics, the Brookings Institution, and a variety of economists. Attached are two fact sheets on the youth opportunity wage amendment.

Mr. Speaker, I want to reiterate my support for the activities taking place during Full Employment Week. We can no longer stand by idly and watch the future of our country dwindle on unemployment lines and welfare rolls. I only hope that someday we will achieve full employment and activities and statements such as these will no longer be necessary:

FACT SHEET ON YOUTH OPPORTUNITY WAGE AMENDMENT TO H.R. 3744

DESCRIPTION

Encourages youth employment by establishing a youth opportunity wage at 85% of the regular minimum wage;

Special youth rate applies to youths through the age of 18, for a training period of six months after they are hired;

Simplifies the current student rate provisions to make them consistent with the youth opportunity wage;

Provides penalties against laying off older workers to hire youths, firing youths as soon as their six month training period expires, or lowering the wages of any youth currently employed.

EVIDENCE

A 1970 study by the Bureau of Labor Statistics found that lower minimum wages for youth in Britain, Japan and the Netherlands increased youth employment with no evidence of displacement of older workers: "Results from abroad do not indicate that adult employment has been affected adversely by lower minimum wage rates for teenagers."

The BLS study also found that youth differentials were successful in many states: "Youth differentials are common in most State laws with no apparent evidence of adverse effects."

A BLS survey of employers and employment agencies found that more teenagers would be hired at a lower minimum wage;

A 1976 Congressional Budget Office paper summarized existing statistical studies by noting that an increase in the minimum wage of 25% lowers teenage employment by 3–6%;

A 1976 study by Edward Gramlich of the Brookings Institution found that minimum wage increases cause shifts from full-time teenage employment to part-time employment;

A 1977 study by Finis Welch of UCLA and James Cunningham of the Rand Corporation found that minimum wage increases reduce employment of 14–15 year olds by 46%, 16–17 year olds by 27%, and 18–19 year olds by 15%;

Just before he died, the late D.C. Councilman Julius Hobson introduced the "Youth Employment Act of 1977," which established a special minimum wage for youth at 75% of the regular minimum wage;

In response to a proposed increase in the minimum wage to $1.60 in 1971, Paul Samuelson of MIT commented: "What good does it do a black youth to know that an employer must pay him $1.60 an hour if the fact that he must be paid that amount is what keeps him from getting a job."

COMMENTARY RESPONDING TO ARGUMENTS AGAINST THE YOUTH OPPORTUNITY WAGE AMENDMENT

1. Opponents argue that a youth differential wouldn't work because "the full-time student exception to the minimum wage has been underutilized by those industries it was designed to benefit." Most Members who have spoken with employers in their districts realize that the main reason the student differential isn't used more is because it is so complicated. The youth opportunity wage amendment encourages use by simplifying the administrative machinery and expanding its coverage.

2. Opponents argue that the cause of youth unemployment is not the minimum wage, but rather the "reluctance on the part of many employers to hire young, inexperienced workers with low productivity and marginal labor force attachment." This makes our point precisely. We do not contend that the minimum wage is the primary cause of youth unemployment. But it does exacerbate it. If the minimum wage for youth were lowered, employers would be more willing to hire youths with little experience and low productivity.

3. Opponents argue that the youth differential would be administratively complex because it would require employers to keep track of how long each of their employees had worked for them. Any employer who doesn't do this already is clearly violating income tax and payroll tax laws.

Once a youth has worked six months for a particular employer, he will have developed skills and work habits that will make him a worthwhile employee for either the same employer or a new one.

4. Opponents argue that our amendment is unnecessary because many youths work part-time rather than full-time. But certainly it is worthwhile to encourage both sorts of employment. The point is to help youths find jobs.

5. Opponents argue that the administrative burdens will be increased because we replace prior certification with a system of penalties for employer violations, particularly for the practice of substituting older workers with younger workers. It is immeasurably simpler and more efficient, however, to bring to court instances where employees have complained of substitution and other violations than to require employers to get prior approval from the Labor Department for every employment decision.

6. Opponents say that youths could circumvent the law by moving to a new area and working longer at the youth opportunity wage. First, since our amendment only applies to each employer, this point is irrelevant. But really it strengthens our argument. If a youth needs a job so badly that he's willing to move in order to keep receiving a wage lower than the regular minimum wage, then our amendment must be something youths need.

7. Opponents argue that evidence from abroad does not provide a "clear" test of how a youth differential would fare in this country. Obviously there can be no perfect test until a youth differential is tried in this country. It is worthwhile to note, however, that according to the Bureau of Labor Statistics study, youth differentials abroad did not result in the displacement of adult workers. Furthermore, the BLS study found that state youth differentials have had no adverse effects. There is also no evidence that the current youth differential has caused displacement of adults.

8. Opponents argue that a BLS survey showing that a significant number of employers and employment service offices believe more youths would be hired at a lower minimum wage is irrelevant because it is opinion, not fact. But the fact that employers and employment service offices share a particular opinion is important. As the BLS study says "The evidence suggests, therefore, that some employers would be willing to hire more teenagers at lower wage rates."

9. Opponents argue that the statistical studies discussed in the fact sheet are misleading because of methodological problems. There are numerous other studies, however, done from a variety of perspectives, pointing to the same results as the Gramlich and Welch and Cunningham studies mentioned in the fact sheet.

A Congressional Research Service paper states that "Empirical evidence has traced an adverse impact between minimum wage requirements and teenage employment." It then cites studies by Adie and Chapie, Brozen, Burns, Easley and Fearn, Hashimoto and Mincer, Kosters and Welch, Moore, and Peter-

son and Stewart. None of these were mentioned in the original fact sheet, but all point to similar results.

Opponents say that Gramlich pulled back from his study findings in testimony to the Education and Labor Committee. Yet Gramlich concluded his commentary on teenagers by saying to the Committee: "The upshot of these results is that while higher minimum wages may be good for adults, they work to the detriment of low wage teenagers."

The Congressional Budget Office paper, "Policy Options for the Teenage Unemployment Problem" reports that . . .

There is a general consensus that the minimum wage reduces employment somewhat below what it would otherwise be . . . Several recent studies have reported statistically significant findings that an increase in the minimum wage, other things being equal, reduces teenage employment. These studies, which cover the period between 1954 and the late 1960's, indicate that an increase in the minimum wage of 25 percent would have lowered the level of teenage employment by something like 3 to 6 percent.

10. In testimony before a Senate Committee on July 28, 1977, Secretary of Labor, Ray Marshall, admitted that the scheduled minimum wage increase could result in increased unemployment of 90,000 people. The evidence indicates that a large portion of these lost jobs would be held by youths. The government should not be working at cross purposes. A conclusion in the BLS study, which the CRS study calls "ironic and even pathetic" is instructive in this regard:

There is some basis for the inference that the effect of Federal manpower programs and the Federal minimum wage have tended to offset each other. The analysis of quarterly data indicates that increase in employment attributed to the manpower programs have been offset, to some degree, by decreases in employment attributed to the minimum wage.

11. Opponents argue that our amendment will not help Black youths since it gives them no special preference for jobs. But to the degree that this program benefits all youths, it will especially help Black youths, since they make up a disproportionate percentage of the pool of unemployed youths. The statement by M.I.T. Professor Paul Samuelson is worth repeating in this regard: "What good does it do a black youth to know that an employer must pay him [the minimum wage] if the fact that he must be paid that amount is what keeps him from getting a job."

GERSHON CANAAN

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. COLLINS of Texas. Mr. Speaker, the Senate of the State of Texas recognized Gershon Canaan with a special resolution submitted by Texas Senator Bill Braecklein. Attached are key summary sections of the resolution which is signed by W. P. Hobby, president of the senate. Gershon Canaan is a dedicated, patriotic American. I have always been impressed to have in our community this spirited citizen of Jewish heritage who today represents West Germany as her enthusiastic Consul.

Whereas, Texas' reputation as a great state is based in large measure on the actions of exceptional citizens such as Gershon Canaan, noted architect and Honorary Consul of the Federal Republic of Germany; and

Whereas, Mr. Canaan, born in Berlin in 1917, moved with his family to Palestine in 1933 and was graduated from the Technion in Haifa with a bachelor's degree in architecture in 1938; and

Whereas, During World War II, he volunteered for the British Army, advancing to the rank of captain in the course of valiant campaigns in Palestine, Africa, and Italy; and

Whereas, After the war, he travelled to the United States to become an apprentice with the Frank Lloyd Wright Foundation, but left in 1948 to join the Army of Israel in the struggle for independence; and

Whereas, When he returned to the United States, he briefly taught design at The University of Texas and furthered his education by earning a master's degree in architecture and a bachelor's degree in city planning; and

Whereas, In 1958 Mr. Canaan became a United States citizen and established a private practice in Dallas;

Whereas, Mr. Canaan has served Dallas as Honorary Consul of the Federal Republic of Germany since 1962 and was instrumental in establishing in 1963 the annual celebration of "German Day in Texas"; and

Whereas, In 1964 he founded the Dallas Goethe Center, serving as its president until 1971, and devoted much effort to bringing about the President's "Von Steuben Day" proclamation which brought national recognition to the outstanding German hero of the American Revolution; and

Whereas, In addition to his other activities, Mr. Canaan authored a book entitled "Rebuilding the Land of Israel" and coauthored "German Days in Texas"; and

Whereas, Among the many honors which he has received over the years are a Presidential Citation for his work for the Public Housing Administration, the Officers Cross of Merit of the Federal Republic of Germany, the Medal of Merit of the Institute of Foreign Relations, the Honor Plaque of the City of Frankfurt, the Americanism Medal of the Daughters of the American Revolution, the first Gold Medal of German Day in Texas, and a Texas Bicentennial medallion for his interest and involvement in the bicentennial celebration; and

Whereas, Mr. Canaan was named Ambassador of Good Will by Governor John Connally in 1965 and again by Governor Dolph Briscoe in 1976 and is an honorary citizen of Texas and the cities of Dallas, Fort Worth, San Antonio, Houston, and Fredericksburg; and

Resolved, That the Senate of the 65th Legislature, 1st Called Session, hereby commend Gershon Canaan for his many years of service to the people of Texas, for his contributions to a growing understanding of the state's strong German heritage, and for his efforts to build strong ties of friendship between the State of Texas and the Federal Republic of Germany.

W. P. HOBBY,
President of the Texas Senate.

CONSUMER PROTECTION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. CRANE. Mr. Speaker, in recent years, we have watched the structure of our Federal Government expand like an overblown balloon. Agencies such as the Consumer Product Safety Commission, Environmental Protection Agency, and Occupational Safety and Health Administration have added thousands of regulations to the books and costs for these agencies has increased to a whopping $121 million.

With such a large budget for these and other agencies, one would think enough is enough. But then again, we must remember who we are dealing with: a Congress that believes all problems are solved by more Government interference. At the same time Congress is trying to push more Government on the American people, such as a new Consumer Protection Agency, the citizens of this country are saying no! The main reason for this outcry is that people are finally beginning to realize that burdensome rules and regulations increase prices and in many instances, create situations where small businesses are forced to close because of expensive compliance orders.

The Washington Monthly Magazine recently published an article entitled, "The Protection Consumers Don't Want" which further explains why public opinion of Government regulation has gone down. I would like to insert this article into the RECORD at this time:

THE PROTECTION CONSUMERS DON'T WANT

(By Marjorie Boyd)

Congress' reluctance to pass legislation creating a Consumer Protection Agency has been widely denounced. President Carter led the bill's supporters in blaming the delays on the lobbying of powerful special interests, and some editorialists have followed suit. But that is a distorted view; this is not just another case of members of Congress dancing to any tune played by the U.S. Chamber of Commerce. Many congressmen who previously supported the idea of a Consumer Protection Agency were surprised earlier this year to find opposition to the bill growing among their constituents—congressmen are increasingly hearing from the advisers and friends who serve as political barometers in their districts that people are not so keen on consumer legislation as they once were. The bill suffered a severe blow when a recent convention of the Federated American Women's Clubs passed a resolution opposing the consumer agency. What has happened to make consumers leery of the government's protection? Is it a general unease growing out of an anti-Washington mood? Or is it something more specific?

It was in the mid-1960s that Congress discovered the consumer. Polls showed that Ralph Nader was held in the highest public esteem, and his various organizations, staffed with bright young men and women, were producing a multitude of proposals to help consumers. Congress, in its excitement at finding a sizable constituency that posed no political risks, quickly passed Nader-inspired laws with names like the Fair Labeling and Packaging Act, the Truth in Lending Act, the Fammable Fabrics Act, the Poison Prevention Packaging Act, the Refrigerator Safety Act, the National Traffic and Motor Vehicle Safety Act, the Federal Caustic Poison Act, and the Hazardous Substances Act. The Consumer Product Safety Commission was set up and given broad powers to ban unsafe products from the market. Also, other laws designed by the Nader groups to protect workers were passed—for instance, the Occupational Safety and Health Act and the Employee Retirement Income Security Act, which reformed private pension plans. Each of these laws, while meeting real needs, pushed government a step closer to the day-to-day lives of businessmen and consumers.

As a result of the congressional interest in the consumer, there are now 33 federal

agencies and approximately 400 bureaus and sub-agencies operating more than 1,000 consumer-oriented programs. If there is indeed a declining public confidence in the government's ability to protect the consumer, it stands to reason that it is in some way connected with the operation of these programs. An examination of how the consumer laws really work shows why the government's bear-hug of protection, which was at first so warmly received by all consumers, now seems stifling.

SOMETHING HAS GONE AWRY

One of the first consumer laws passed was the Truth in Lending Act in 1968. It was heralded as a great breakthrough. Creditors would be required to disclose the true cost of credit, and, congressional sponsors and consumer advocates pointed out, once the true cost of credit was known, consumers would choose to buy from businesses offering the lowest interest rates, thus helping to fight inflation.

Now eight years later, it is clear that something has gone awry—so far awry that the Senate Banking Committee has called the law in for an overhaul. The original idea for a Truth in Lending Act was simply to require a creditor to disclose the true annual rate of interest he was charging. But as the bill went through Congress other disclosure requirements were added, and when the Act got to tht Federal Reserve Board, the bureaucrats there, charged with writing regulations for the new law, quickly added many more requirements, some so complicated as to be unintelligible.

Now banks and businesses seeking to meet the law's requirements send out lengthy and confusing statements to consumers, who are more puzzled than ever about exactly how much interest they are paying.

Some of the Nader-inspired laws have created problems because they were designed with big corporations in mind and had unanticipated effects on medium-sized and small businesses. For instance, the Employee Retirement Income Security Act (ERISA), which reformed private pension plans, is perhaps the most complicated piece of regulatory legislation ever devised—the annual reports required by the law arrive at the Labor Department in packing crates.

The major impetus behind the reform of private pensions was Studebaker's bankruptcy, which left 8,500 workers without pensions. There were no representatives of small or medium-sized businesses present at hearings on the legislation, and when the law went into effect a huge outcry arose from these businessmen, who complained they could neither understand nor comply with ERISA. Senator Gaylord Nelson's Small Business Committee held hearings for which planeloads of angry businessmen descended on Washington, all testifying that complying with the law would cost them enormous legal and clerical fees in a few cases higher than their companies' annual contributions to their pension plans. Several senators threatened to try to repeal the law, or at least to exempt small business from it. As this was going on, it was learned that since the bill's passage, four times as many companies as usual had terminated their pension plans because they could not afford the legal fees and clerical personnel necessary to assure compliance. The Labor Department finally responded with shorter, simplified forms for small businesses, and private consulting firms sprang up to help the smaller companies bring their pension plan into conformance at prices lower than lawyers would charge.

Confrontation was avoided. But by this time, two years after the Act's passage, more than 10,000 companies had dropped their pension plans and 320,000 workers had lost their pensions.

So while the costs of complying with the consumer laws are a nuisance to General Motors and Nabisco, they are a real burden for small businesses—and their employees. Of course, businesses eventually pass legal and clerical costs on to consumers through higher prices. But this takes time, during which legal bills must be paid and payrolls met. For the businessman with a narrow margin of profit, the cumulative expenses of complying with several different government regulatory programs can change ink from black to red.

And we forget that America is still a land of small and medium-sized businesses. According to the Small Business Administration, 55 per cent of all jobs in the private sector are in small businesses. These businesses produce 48 per cent of our output of goods and services and account for almost 43 per cent of the GNP. There are actually more businessmen working for small businesses than for large corporations.

ARTHRITIC FINGERS

Other consumer laws have had unfortunate side effects that have annoyed or angered various groups of the consumers they were supposed to help.

The Poison Prevention Packaging Act, passed in 1970, required, among other things, that aspirin bottles have caps that could not be opened by a child under five years old. The law provided that aspirin could be sold for use by the old and handicapped in bottles without safety caps, as long as it was labeled "This package for households without young children." But retailers cannot always keep on hand a supply of the aspirin without safety caps, so many senior citizens have been forced to try to manipulate the "child-guard" caps with arthritic fingers as they struggle to get their dosage of aspirin every four hours.

The banning of hazardous substances is provoking increasing skepticism among consumers. Of course, no one has questioned the advisability of banning extremely toxic chemicals, but there are a large number of substances that fall somewhere between safe and unsafe because acceptable levels of exposure cannot be precisely determined. Public reaction to the saccharin ban has been fully explored in the press, and there are other less well-known cases that illustrate the various facets of this problem.

In October 1973, the Consumer Product Safety Commission banned certain brands of spray adhesives because of a researcher's work that concluded that the sprays, when used by pregnant women, would cause birth defects in their unborn children. Seven months later, the Commission lifted the ban. Doctors across the country were horrified because on the basis of the ban they had advised pregnant women who had used the spray adhesives to undergo abortions.

Consumer advocates themselves are sometimes sharply divided over a particular products safety. Some groups have been working to have smoke detectors made mandatory, and several local ordinances requiring them have been passed. At the same time, other consumer advocates, including Ralph Nader, are working to have smoke detectors banned because they believe they emit cancer-causing radiation.

One consumer-protection law that totally backfired involved childrens' sleepwear. In 1972 the Consumer Product Safety Commission, in the course of carrying out the Flammable Fabrics Act, required that all children's sleepwear under size 6-X be treated with a flame retardant chemical (sizes 7 through 14 were added in 1975). Millions of parents, already hard-pressed to keep their growing children in pajamas and nightgowns, watched prices jump by 20 per cent overnight. Some manufacturers attached labels explaining that the flame-retardant chemicals and the processes necessary to apply them were responsible for the price hike, and stores posted signs to the same effect. Then, this spring, when the Consumer Product Safety Commission banned the chemical Tris, which had been used to treat over 40 per cent of children's sleepware, parents were understandably shocked to learn that they had been paying a higher price in order to expose their children to a cancer-causing agent.

The Flammable Fabrics Act has left an incredible imbroglio in its wake. Incensed fabric makers and sleepwear manufacturers have gone to court to try to get the government to make up their losses. Spring Mills, one of the country's largest fabric companies, announced it was ceasing production of fabrics for children's sleepwear because of "unpredictable governmental policies," a development expected to drive up further the prices of children's pajamas and nightgowns, at least temporarily. To bring the fiasco full circle, a federal judge enjoined the Consumer Product Safety Commission from enforcing its ban on Tris because it didn't follow its own regulations in issuing the ban. And a group of scientists is warning that the other chemicals used to make fabrics flame retardant are almost as dangerous as Tris.

Sometimes the Consumer Products Safety Commission seems to be *trying* to make consumerism look bad. For instance, it recently announced plans to require all manufacturers of power lawnmowers to equip each of their machines with a safety device that will automatically shut off the motor every time the mower stops. This means that when you pause to move a tool or toys out of the way or even to answer a question from a passing neighbor, you have to tug at the inevitably balky cord starter. And manufacturers say the device will add an average of $60 to the price of a new lawnmower. Granted, Americans suffered 160,000 cut fingers and toes and other injuries while mowing lawns last year, but the Commission admits that the device "might have prevented only about half of those." No figures are available to show how many of these accidents were caused by carelessness. Some sense of perspective should be brought to bear on this problem, since there are over 40 million power mowers in this country, most of which are used about once a week in the summer months.

THE ISSUE OF INTERFERING

It's clear that a large part of the problem is that consumers define their problems differently from the consumer advocates. For instance, consumers tend instinctively to resent intrusions even if they're for their own good—seatbelts that had to be buckled in order for cars to start were extremely unpopular. Consumer advocates are blithely unconcerned with the issue of interfering in people's lives, and don't mind the government acting *in loco parentis*. Also, Ralph Nader and other consumer advocates who played major roles in designing consumer legislation have always focused primarily on safety. But many people simply do not see safety as the most important consumer problem. To them, consumer problems are the new electric frying pan that fails to work after only two uses; or the unbelievably high price of coffee; or the television set that always seems to be in the repair shop; or the house paint that peels after three months. Laws that restrict their personal freedom for what the government has determined to be their own good are not what they had in mind.

Besides the annoyances they cause, it is possible that the consumer laws are producing detrimental effects that are not so readily apparent. *The Wall Street Journal, Business Week*, and other business organs have long warned editorially that the laws are actually hurting consumers instead of helping them

because the expense of meeting their myriad regulations is added on to the prices consumers pay. But the cost of the government regulatory process is a subject that most consumer advocates, government officials, and liberals would prefer to avoid. When I asked an expert on inflation at the Brookings Institution if he had done any studies on the cost of the consumer laws or their effect on inflation, I was told curtly, "We don't do that sort of thing."

One of the largest costs of government regulation in the consumer field, legal expenses, is rarely mentioned. One does not have to be a statistician or an economist to see how this works. The consumer laws are heavily weighted toward the use of the legal system. Government investigators search out violators of the various regulations and when they find one, the accused business can either pay the assigned penalty or challenge it in court. Businesses must also hire lawyers to represent them at government hearings on ever-changing rules and regulations and to interpret the flood of new rules that pour out of Washington. Wronged consumers are also encouraged to go into court—some of the laws provide for the payment of legal fees by either business or the government. The proposed Consumer Protection Agency would add a new dimension to this legal round robin because it would be permitted to sue all other government agencies.

From the standpoint of the legal enthusiast who is convinced there is no human problem the adversary system can't solve, these laws offer the wondrous opportunity for government, business, and consumer to have the full extent of each and every right and responsibility defined in court.

While a system that assures everyone's day in court makes uplifting reading in a legal textbook, litigation is an expensive and time-consuming process, usually viewed as a last resort. Who is paying for all these lawyers? When you ask consumer advocates this question, you hear such soothing phrases as "negligible expense" and "absorbed by business." But this fails to mollify anyone who has had recent experience with lawyers. "Negligible expense" is not a term associated with that profession's work, and since business is not a charitable activity, it does not "absorb" substantial new costs but passes them along to consumers.

Now it's true that most consumer legislation has a point and that some of it is eminently worthwhile. American businessmen too often confirm the most vulgar Marxist's view of free enterprise, so the public does need protection against fraud, against products that endanger health, or, as Nadar put it, are "unsafe at any speed." The magazine *Mother Jones* has, for example, just revealed that Ford was knowingly producing Pintos with gas tanks that, if the car were hit from the rear, had an excellent chance of incinerating the cars' occupants. Action was needed. But every action taken by government, whether it succeeds or fails in achieving its stated purpose will inevitably produce unintended effects. The more lengthy and complicated the legislation—and consumer legislation is very lengthy and complicated—the more unintended effects there are.

And it is these unintended effects, which range from the laughable to the horrendous, that eat away at the confidence of citizens in their government. The cumulative effect of 720,000 workers telling how a program designed to protect pensions wiped theirs out; of thousands of businessmen complaining about what consumer laws cost them; of women recounting how a faulty government decision led them to have abortions; of the elderly talking about aspirin bottles and parents about Tris; and all the other word-of-mouth about the failings of consumer laws—it all adds up to a disillusionment that's quite widespread. The way to combat the disillusionment is to attack it at its source, by either accepting limited goals or devising laws that are not maddeningly complicated and whose effects have been well thought out in advance. This would be in sharp contrast to our present system of writing laws whose goals are understood fully only by their authors. And the system heaps confusion upon confusion as each law is loaded down with pages of regulations written by bureaucrats who speak a different language from the rest of us.

Senator William Proxmire, chairman of the Senate Banking Committee, which is currently studying the problems of the Truth in Lending Act, has announced his intention to try to strip down the law so that all a creditor is required to send out is a statement with the true credit charge on it—and nothing more. If he could get such a law through Congress and then find some way to protect it from the regulation-writers, it would be a noble experiment in government. Others like it could have a profound effect on the way our government works in the future.

CONGRESS MUST REVERSE AIR BAG ORDER

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. KASTEN. Mr. Speaker, quick action by Congress is needed to reverse orders by the Department of Transportation to install air bags in all cars.

While the air bag order was made in the interest of safety, studies show that safety belts are five and a half times as effective in saving lives as air bags, and almost two and a half times better at preventing serious accidents.

But the issue is not only safety. It is freedom.

The air bag order is an infringement on our individual freedom of choice.

This issue is discussed in a well-written article by Dr. Robert Ulrich that appeared in the Daily Jefferson County Union, an outstanding Wisconsin newspaper. For the benefit of my colleagues and the general public, I would like to insert it in the RECORD:

SEAT BAGS

(By Dr. Robert J. Ulrich)

At first blush it appears entirely proper that Secretary of Transportation Brock Adams should order us to use air bags or automatic seat restraints in our autos in a few years. After all, claims Adams, the devices could save as many as 9,000 lives each year. He is supposed to know. After all, he is the secretary of transportation. His decision to require the new safety equipment on all bigger cars by model year 1982, and on all smaller cars by 1984 (Big Brother Year, according to George Orwell) will automatically go into effect unless the Congress stops him by the end of August.

A number of points should be considered here. First, is Adams' decision founded on facts, or a reasonable interpretation of the facts? Or is it more Ralph Nader? The second is, who will pay for the Adams decision? And the third is, should Mr. Adams have such power over us as he has now exercised? Should a bureaucrat, especially one brand-new to office, have such power?

As to the factual situation, we must be as cautious as is Adams, who will only speculate that his devices "could" save as many as 9,000 lives. He does not guarantee anything, and rightly so, for he doesn't know the truth of his claim. He is guessing, on the basis of information given him by his help and others either for or against the equipment. The testimony has been plentiful on both sides, as emotion-charged as has been the nuclear power plant discussion, and about as sensible.

But since no one can prove that the air bags will not save 9,000 lives, Adams made the obvious choice for them. Someone who doesn't want to save lives is as bad as one who doesn't love Mom, apple pie and baseball.

Who will pay for the experiment? The consumer and the taxpayer, of course. Auto prices will climb even more and taxes will go up even more to pay for more inspectors, more enforcers, more complicated equipment and more Big Government, more of everything needed to carry out an unproved, indeed, unprovable, assumption that seat belts and air bags save lives. We agree with the spokesman for the American Motors Corp., who called the Adams decision "a multi-billion-dollar gamble with consumers' money." If a private person or a private business made these kinds of decisions, they would have to pay for them if they went sour. But not so with Adams' decision. If his idea goes sour, the only penalty paid will be by the auto buyer and the taxpayer and not by anyone in Washington.

Finally, should a secretary of transportation, as typical of the big bureaucrats, have this much power over us? We think not. We assume Mr. Adams to be doing his best, but even if he proves to be completely correct about seat belts and air bags we don't think the Congress should give him the power to act as taxman over all of us and overlord of the automobile industry. We don't think any government servant should have that kind of clout over the people who pay his wages. Yet, little by little, and with a bureaucratic stealth as silent as the stars, the high apostles of Big Government encroach upon our every freedom and our every choice.

Always with the best of intentions, they act only for our own good, to protect us from the ravages of the marketplace, to protect us from the unscrupulous and the swindling, to protect us from ourselves, to protect, protect, protect.

Whence came they to be so wise? How know they so much of what is good for all of us? We frankly don't think the Big Government people really do know very much more than the common man does. We think it would be best for all of them if they were to back off for a long look at the bureaucratic mess already in existence and to cut it down to size so that it will work for the people, rather than for itself. Before they create any more, they could at least control what they already have.

GULF DRILLING

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. ARCHER. Mr. Speaker, the topic of offshore drilling is certainly one of current interest to the Congress and the Nation. On July 26, 1977, the Houston Post published a column by Lynn Ashby which provides an interesting insight into drilling operations in the Gulf of Mexico. I urge all of my colleagues in the Congress to read this excellent commentary:

GULF DRILLING

(By Lynn Ashby)

Platform A-370—Wilburn Kervin, a drilling specialist from Thicket, Tex., looks out the window at the huge drilling derrick

towering over this offshore platform. Then he looks down at his ledger and sighs.

"I've spent $109,000 on pipe in that well, and have another $131,000 worth out there on the deck, waiting to be used. Today alone it's costing $11,589 for the use of the platform and the men, which is not as much as it can be. It can easily run $23,000 to $25,000 a day. For the 19 days we've been drilling this well, it has cost $650,000 and we haven't made a cent. And now this."

Kervin looks at a receipt: "100 nails—$200."

"How can it cost two dollars a nail?" he wonders. Actually, they are drilling pins about six inches long with an eyehole at one end, and look as though they should run all of a dime each. "That's why it's so expensive to get oil out of the gulf," he says, and leaves to inspect his two-dollar nails.

Indeed, it is expensive to get oil and/or gas out of the gulf. As a general rule, it costs from $1 to $1.5 million just to drill and case a well out here, about 120 miles off High Island and two miles from the Louisiana state line. That figure doesn't include the cost of the lease, the discovery or production.

Figures such as these are often trotted out by oilmen, who are rather resentful of what they feel is a failure by the general public to appreciate the high cost and high risk of their jobs. From geologist to roustabout, anyone out here is quick to defend the oil game, and the mere mention of "obscene profits" sends them into orbit.

To make maximum use of their time and trouble, drilling rigs such as this one, contracted by Sunoco and owned by Loffland, are in operation around the clock, every day. The men work seven days on and seven days off. While on the platform, most of them work 12-hour shifts, changing at noon and at midnight. A shift consists of three roughnecks, one derrick man who works high atop the rig, one driller, a motorman to take care of the machinery, a crane operator and four roustabouts. The toolpusher is the top sergeant, on duty—or at least on call—24 hours a day.

Others on board include welders, electricians, cooks and galley hands, and assorted specialists who come and go, depending upon what is needed. There are, on average, about 30 persons on board at any given time, and at least half of them are working.

They are a surprisingly young lot particularly the drillers. Muddy, greasy, encased in hard hats and rubber boots, living and working together in this rough and occasionally dangerous calling. The need for teamwork and level-headedness out here is the reason there are two absolute and immediate grounds for dismissal: drinking and fighting.

"You can't have a rummy out here," one roughneck explains. "He's going to get himself, or someone else, killed. As for fighting, same thing. If you can't get along with the rest, you make it dangerous for us all. We had two guys get into a scrap just recently. They hadn't even really started before they were packed up and out of here. For good."

The pay for such stress and strain is pretty good. They work 40 hours straight pay then the remaining 44 hours is time and a half. A floorhand gets $5.35 an hour, annual base pay for a roughneck is $14,642. A tool pusher will get about $24,000 a year base. One man is in charge of the directional drilling, that is, snaking the bit around to hit a specific point which the geologists think is productive. Right now he is trying to hit a 200-foot-square area in the earth's innards, 7,147 feet down and 6,721 feet away.

He continually studies his charts and maps, feeding 10,574 feet of pipe toward a point more than a mile down and a mile away, drilling at a 69-degree angle. For this, his company gets $1,000 a day, and last year he got $44,400 plus a car and expense account. He rarely gets to use the latter two—he's been on this platform for 21 straight days.

The platform itself is an interesting bit of technology, vanilla stuff to those who work on them, but rather interesting to others. It sits on eight legs in 345 feet of water—water far clearer and bluer than the gulf looks closer to shore. You can see parts of the platform 40 feet below the waterline. They set it up out here, then used huge cranes to place the equipment and living quarters up on top in only seven loads.

From this point out in the ocean, the drillers have 24 openings in the deck through which to drill. They don't always use all of them, but that's the number available. The holes are drilled down into the seabed, this way and that, looking for oil and gas. Right now, this unit is drilling hole number 11 (called Well 13A for some reason). The first 10 are termed "potentially profitable."

"What people don't understand," one Sunoco official says, "is that just because you hit oil or gas, there may not be enough down there to pay for itself. Generally speaking, in the U.S., both offshore and onshore, one out of every 40 or 50 wildcat wells drilled is a commercial success."

No one seems to know just how much this particular rig will make for Sunoco, since—thus far—not a gallon of oil or cubic foot of gas has been sent to market. (Indeed, from the time an oil company gets an offshore lease until the first oil or gas goes ashore is about five years—if there's anything to send.) Right now the goodies just stay down there until the drilling is finished. Then the derrick is taken down, the equipment is hauled away and this becomes a production platform, sending to shore oil or gas or both. That way, they are able to buy 100 nails for $200.

GEORGE BALL GIVES NATION SOUND ADVICE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. SIMON. Mr. Speaker, from 1961 to 1966, George Ball was the Undersecretary of State for the United States. During that time, he warned about excessive involvement in Vietnam and was one of the few sources of some sensible thinking on what was taking place in Asia.

In the New York Times of Wednesday, August 24, he had an item on the editorial page about our relationships with the government on Taiwan that makes eminent good sense. I hope my colleagues will read it, and I hope those in charge of policymaking in the administration will read it.

We should make clear our willingness to recognize the government that exists on the mainland of China and should have done that a long time ago. In the same way, we should be willing to recognize the governments in Vietnam and in Cuba. But it is especially important that we not turn our backs on the government in Taiwan when it clearly has a better record in the area of human liberties than does the government of mainland China and when it clearly has done an effective job economically for the people of that nation and is a viable entity.

Of no small significance is the fact that the people of Taiwan, whether Chinese or Taiwanese by background, have no desire to be gobbled up by the large nation only a few miles away. Is it of no importance to us what the people of Taiwan want? The morality of the Taiwan situation is not simply a treaty that we have, but an obligation that we clearly have not to sacrifice the future of the people of Taiwan on the altar of our political expediency.

One of the suggestions that Mr. Ball makes, recognizing both Taiwan and the Peoples Republic of China, would make clear that we believe the government of Taiwan is a viable entity and should govern Taiwan, but we also recognize that they are not the legitimate government of mainland China.

We should show a little strength and firmness, and that our friends in Peking will respect.

It is interesting that the same edition of the New York Times, which has the George Ball piece, has a special to the Times, without a byline, from Peking, noting the August 23 edition of the Chinese Communist Party newspaper, Jenmin Jih Pao, in which the text of Chairman Hua's report to the Eleventh Communist Party Congress was published in full. It contained a highly unflattering reference to the United States. In explaining why China should consider working with the United States in opposition to the Soviet Union, Chairman Hua quoted Lenin that a country should take advantage "of every, even the smallest opportunity of gaining a mass ally, even though this ally be temporary, vacillating, unstable, unreliable, and conditional."

What Mr. Ball is suggesting is that we should be less "temporary, vacillating, unstable, and unreliable."

The article follows:

[From the New York Times, Aug. 24, 1977]

AGAINST "CRAVENLY YIELDING" TO PEKING

(By George W. Ball)

Were Secretary of State Cyrus R. Vance to agree in Peking that the United States would break relations with the Nationalist Government in Taiwan in return for de jure relations with the People's Republic, he would make nonsense of the Carter Administration's commitment to morality in foreign policy. Yet some academic China-watchers, amateurs of realpolitik, now advocate that cynical course on the ground that the "normalization" of relations with Peking (which involves the "de-normalization" of relations with Taiwan) is necessary to sustain a Peking-Washington counter to Soviet expansionism.

Throughout history our views about China have often been distorted by fantasy, and this argument is no exception. The Peking Government does not love us for our beautiful eyes, nor would it respect us for cravenly yielding to its wishes; it is interested in conducting limited diplomatic business for one reason only—that we are an enemy of its enemy, the Soviet Union.

So it is fatuous to argue, as some China specialists do, that because we are making the leaders in Peking "impatient" by frustrating their designs on Taiwan, they will run frantically into the embrace of Moscow. In fact, they will maintain whatever relations with us best serve their interests, and it matters little whether those relations are technically defined as de facto or de jure.

What difference does it make if our outpost in Peking is a liaison mission with little official access or an embassy with little official access—as is true of all foreign embassies to the People's Republic?

But if we would gain little from pushing Taiwan overboard, what would we lose? Well,

self-respect for one thing. We would be acting out of character in pursuing the sordid diplomacy of the 18th century when the reversal of alliances was standard procedure.

Nor could we repudiate our security treaty with the Nationalist Government without critically diminishing the confidence of Japan, Korea and other Asian countries in our other commitments.

The time-honored standards for diplomatic recognition require that a government have control of its territory, the support of its people, and meet its international obligations. The Taiwan Government unquestionably controls Formosa and the Pescadores. It has kept its commitments; and, if it is not a model of democracy, the 17 million people of Taiwan would certainly prefer the mildly authoritarian system of the Nationalist Government to the totalitarian anthill of the People's Republic and absorption by a country with a standard of living only one-third their own.

Thus, the honest course is to reaffirm our recognition of the Nationalist Government as having sovereignty over Formosa and the Pescadores, explicitly stating that we do not recognize its claims to the mainland. Moreover, we should make clear that we will continue to support the Taiwan Government only if it stops discriminating against the Formosans who settled there centuries before the advent of Chiang Kai-shek in 1949. If—as seems unlikely—this qualified position would lead Taiwan to sever its relations with us, so be it.

At the same time, while disregarding the "one-China" or "two-China" theology and the studied ambiguities of the Shanghai Communique, which President Nixon signed in 1972, we should assert that the Government of the People's Republic meets the test of recognition with regard to the mainland but not Formosa or the Pescadores, and offer recognition on that basis. That Peking would reject this should not deter us. Our policy would accord with the facts and established diplomatic practice and we would be true to our announced principles.

All of this should be undertaken in the context of a total policy—to regain the "face" we have lost by a demeaning posture of kowtowing.

During the last five years, in addition to the current Vance trip, there were nine visits by Henry A. Kissinger to Peking, while two American Presidents also made the arduous pilgrimage to that far-off capital. Meanwhile, not one Chinese official of any standing has deigned to visit us barbarians in Washington. Are we, or are we not, vassals of the Middle Kingdom? We certainly act as though we were.

HELP FOR HANDICAPPED CHILDREN

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. MOAKLEY. Mr. Speaker, I rise today in order to bring to the attention of my colleagues of the House a most notable and praiseworthy undertaking recently completed by the Northeastern University Student Chapter of the American Society of Civil Engineers in conjunction with the Boston Center for Blind Children. This enterprise consisted of the design and construction of an outdoor coordination and sensitivity development area for visually impaired and handicapped children. The addition of this facility has significantly increased the effectiveness of the program already available at the Boston Center by allowing the physical skills and sensory perception of these children to be developed to their full potential. The design of this outdoor area had to meet four major criteria: the enhancement of the child's coordination; the stimulation of an awareness of the environment; a flexibility which would allow each child to independently control his or her surroundings; and the apparatus to be used had to be safe but not overprotective. Now that these challenges have been met, the students of Northeastern University have provided the Boston community and its visually impaired children with an outstanding new facility.

The coordination and sensitivity area includes many individual components including a swing area, a picnic area, net hammock, water sensation area, fun house, obstacle course, space trolley, basketball track, and a pottery and planting area. Perhaps the cornerstone of this new addition to the center and the best example of its innovative nature is the figure eight asphalt track which allows the children to develop their strength and coordination through tricycling and rollerskating. The shape and construction of the track lends itself to giving the children an awareness of environment while promoting their independence. In the construction of this splendid area, the members of the Northeastern University Chapter of ASCE, through the use of their fine talents in a most unselfish effort, were able to finish the project at a savings of $15,000 under cost estimates.

Founded in 1901 as the Boston Nursery for Blind Babies, the Boston Center for Blind Children has had a long history of exemplary service to multihandicapped, visually impaired children. It maintains a three-pronged program of educational treatment, diagnostic study, and community aid to families who have preschool children with visual impairments. With the addition of this outdoor coordination and sensitivity development area, the center will be all the more effective in serving these children and helping them to attain their maximum potential.

The Northeastern University Chapter of the American Society of Civil Engineers started in 1940 and has since grown to presently include over 200 members. It attempts to supplement classroom education by promoting professionalism among the civil engineering student body by building dedication to the practice of civil engineering and performing service to society. This campus organiaztion has an outstanding record including many regular activities run for the benefit of its student members, and several successful community projects.

It has thus given me a great pleasure to bring the endeavors of two fine institutions to public attention. I congratulate Northeastern University on the professional excellence and considerable generosity of its students. This group of young people has done something which should make the entire city of Boston proud. I hail their singular efforts and selfless achievements.

ALCOHOL ABUSE AND EDUCATION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. BROWN of California. Mr. Speaker, recently the States Task Force on Responsible Decisions About Alcohol completed its report and presented it to the President. This report concentrates on education and the development of drinking "skills," certainly important factors in curbing alcohol abuse, but fails to deal with the magnitude of this major public health problem. The legislation I have offered in this area is a start toward Federal realization of this problem, but until federally funded studies begin to address the entire problem of alcohol abuse, little will be accomplished.

William N. Plymat, Jr., son of former Iowa State Senator Plymat, a leader in the movement for responsible government policy on alcohol, has written a critique of the task force's study. The article from the American Issue, the publication of the American Council on Alcohol Problems, points out some of the shortcomings of our thinking on the alcohol problem:

WHO'S RESPONSIBLE?

(By William N. Plymat, Jr.)

The Education Commission of the States Task Force on Responsible Decisions About Alcohol was organized in 1973 with a $1,626,674.00 grant from the National Institute on Alcohol Abuse and Alcoholism, a tax-supported federal agency. The purpose of the Task Force was to ". . . determine how the nation's educational system might help reduce one of America's greatest health and social problems—alcohol abuse and alcoholism."

The Introduction to the Task Force's Interim Report No. 4 states:

"There are two distinct approaches to the prevention of alcohol abuse and alcoholism. The approach our society has most often relied on is the use of controls such as laws and regulations governing the sale, cost and availability of alcoholic beverages. The objective of this approach is to make the purchase of alcoholic beverages more difficult and therefore to discourage consumption. A second prevention approach is to develop broad-based educational programs that will help people to develop the attitudes and skills necessary to make and exercise responsible decisions about alcohol."

As the name implies, the Education Commission of the States is primarily concerned with education. A properly designed and implemented educational "delivery system", they say, will lead to responsible decision making, which in turn should lead to prevention of alcohol problems. At first glance, there would seem to be nothing wrong with this concept, but unfortunately, the use of the word "responsible" is a serious mistake.

The difficulty with the concept of responsible drinking is that no agreed upon definition exists as to what constitutes responsible behavior, and additionally, people may be misled into thinking that alcoholics and problem drinkers are merely irresponsible people. The truth is that persons addicted to alcohol are no more lacking in responsibility than in will-power—both are circumvented by the addiction process. The typical alcoholic individual started out drinking socially and later succumbed to one of the half-dozen or more physical and psychological causes of alcoholism. The goal

of teaching people to drink responsibly is hopelessly illusive.

Education is certainly needed. Traditionally, in the area of "drug abuse", educators have relied on scare tactics, the painting of lurid pictures of addiction and death, brain damage, splintered chromosomes, and the like. More recently, sophistication and subtlety of technique has become the panacea, what with "values clarification" exercises. The term "delivery system" has given the impression that problem prevention is something that can be packaged and marketed!

There are many facts, figures, and concepts that need to be gotten across to the public, because, for the most part, Americans drink in almost total ignorance of the potential consequences. How many are aware that alcohol contributes to cancer and heart disease? How many have been told that two ounces of distilled spirits or two beers can reduce driving ability by up to 30%?

The Task Force did not concern itself with filling this awareness vacuum, in fact, the Report contains no presentation of facts that might contribute to responsible decision making. This rather curious omission is explained by the fact that the Task Force was only interested in the process of prevention, not the substance. The only behavior recommendations contained in the Report are those that are more or less obvious, and which should not have cost a million dollars to document. For example, the Report suggests that cocktail hours be kept to a reasonable length, that drinks be carefully measured, that contingency plans be made for those who become intoxicated, that attractive non-alcoholic beverages be made available by hosts who serve liquor, and so on. These recommendations are hardly dramatic revelations.

One recommendation of the Task Force is rather disturbing. The recommendation was made that food be served with drinks. The supposed rationale is that food in the stomach slows the absorption of alcohol into the blood stream, and that the level of intoxication resulting from a given quantity of alcohol will be diminished somewhat. This idea seems harmless enough; however, it is worthwhile to note that the liquor industry, the manufacturers and sellers of alcoholic beverages, support this concept as a prevention tool. In reality, the association of alcohol with eating, which is a pleasant and emotionally positive experience, is calculated to compensate for those negative feelings associated with drinking. Creating an association in people's minds between eating and drinking can have a dual effect. While it may suggest that people should eat while drinking, it could also suggest that people should drink while eating.

Another dubious recommendation is in the form of a full page photograph in the Final Report. It shows a man handing the car keys to his wife with the caption "Know your own safe limits" This implies that there is a safe consumption limit, so far as drinking and driving is concerned. The question is, what's the limit? In most states, .10% of alcohol in the blood stream is considered the measure of drunk driving. Laboratory and field tests have shown that .03%, the result of roughly one mixed drink or beer, is sufficient to affect driving ability. If that is the case, then one is too many, and there is no such thing as a safe limit.

In addition to making these kinds of counter-productive statements, the Task Force seems to imply that education is somehow more democratic than legalistic controls on alcohol sales. The Report attempts to shift emphasis away from laws that limit consumption and towards education as the primary prevention measure. If the Task Force were truly unbiased, it should have acknowledged that every conceivable tool that can ameliorate alcohol problems should be utilized without equivocation.

Yes, education is important. Well-informed decision making through education is a worthwhile goal. But if education and responsible decision making do not result in reduced consumption of alcohol, problems will continue unabated. There is a direct statistical correlation between total consumption and alcohol problems of all kinds. Insofar as the Task Force failed to come to grips with this crucial point, it failed to a substantial degree.

The alcoholic beverage industry, spending an estimated $400 million a year to promote the increased sales of its products, is in effect increasing the size of the alcohol problem. Brand preference is not the only goal of advertising, increased total consumption is another. The level of alcohol sales is not a pre-determined figure that is merely divided up between companies on the basis of advertising competition. Advertising affects total consumption, and for that reason, the liquor industry has a vested interest in creating more and heavier drinkers, not just in meeting the demand of those that already exist. The manufacturers and dispensers of alcohol products can be expected to oppose all measures that will truly reduce alcohol consumption and prevent alcohol problems. The industry does not oppose the Report of the Task Force, giving rise to the question, how much input and influence did the industry have in the drafting of this report?

It is significant that the Report fails to recommend increased governmental control over the promotion and advertising of alcohol products. The Task Force could argue that since it set out to concern itself with education and responsible decision making by individuals, such considerations of public policy are outside its domain. That in itself would constitute a failure to address the real problem, but it would have served as an acceptable explanation of the Report's content had the Task Force chosen to simply ignore legislation aimed at controlling consumption.

The fact is, they did address themselves to such issues, including advertising, in such a way that the recommendations as formulated are distinctly counter-productive. The following is from the Summary of Interim Report No. 4.

"The Task Force reached no consensus regarding what action should be taken on the age limit issue by states."

"Current laws and regulations tend to focus on the legal responsibilities of the serving and selling of alcohol beverages; e.g., liability of purveyors for damage related to alcohol consumption, and hours of sale. The task force recognizes that, of itself, this does not prevent alcohol-related problems."

"Hours of sale alone . . . do not serve as a reliable prevention technique."

"The task force finds no evidence that warning labels, such as those required of cigarette manufacturers, will prevent alcohol-related problems."

"Does putting a ceiling on the number of places to be licensed to serve alcoholic beverages significantly contribute to the reduction of alcohol-related problems? . . . evidence relating to this issue is so meager it would be impossible . . . to determine this issue's contribution to prevention."

"Would higher taxes and prices be an effective prevention tool? The task force agrees that this is a complex and controversial issue. At this time, studies are conflicting and very inconclusive."

"Does testing a person to determine his or her blood alcohol content (with breathalyzer machines in public places) contribute to prevention? . . . The task force is not prepared to recommend this as a routine practice."

The Final Report of the Task Force, released in April 1977, covers these same points in slightly different language. In fact, the straightforward statements quoted above seem to have been softened somewhat in the Final Report. If anything, the final recommendations are more nebulous and non-specific, with more frequent calls for "further study." However, none of the previous statements appearing in the four Interim Reports were specifically disavowed, and since they were distributed to the same 20,000 people as the Final Report, we must assume that the Task Force meant what it said.

This series of positions was supposedly arrived at after due deliberation by impartial members of a fact-finding body. They might just as well have been written by a public relations agent for the liquor industry. Ordinary common sense should be sufficient to show that hours of sale, age limits, dram shop laws, license limitations, taxation and price control, and warning labels all have some potential for reducing consumption. Each item may in and of itself have only modest value on a relative scale of preventive measures, but what rationale can there be for refusing to give them whole-hearted endorsement as prevention tools when collectively they have considerable value.

Every state that has liberalized the liquor control laws has shown a dramatic increase in consumption. Where wine has been put into grocery stores, or where the drinking age has been lowered, increased consumption has followed, and with the jump in sales, has come increases in alcohol problems that are readily provable by even a casual glance at the statistics. What does the Task Force mean when it says, repeatedly, ". . . there is no evidence . . ."?

The ultimate travesty in this series of indefensible positions is the conclusion of the Task Force relative to liquor advertising: ". . . there is insufficient data to indicate that the advertising of alcoholic beverages has either positive or negative effects on drinking behavior."

What does the Task Force mean by "drinking behavior"? Obviously, it would be impossible to correlate advertising with the drinking behavior of any one person, but projected to the entire population, the fortunes spent on advertising by brewers and distillers has a profound effect on collective drinking behavior.

No industry spends nearly a half-billion dollars a year on advertising without a good idea of the value received. Liquor ads are so lucrative to magazines, newspapers, and broadcasters that the liquor industry has been able to exert substantial control over the media's reporting of news related to alcohol problems. In the case of one major distiller, should the publisher of a newspaper place a news item about any alcohol problem on the same page with an ad, a second free placement is requested. This is obvious intimidation The threatened loss of revenue, even covertly implied, is enough to exert tremendous pressure on all media, with the result that the American people erroneously believe alcohol problems to be less significant now than in previous decades. Public attention has not been focused on alcohol problems in proportion to their importance, and advertising by the liquor industry is partly responsible for that state of affairs. The fact that the Report did not document these well known facts suggests that the Task Force was either manipulated by the liquor industry or simply failed to meet its responsibility.

Freedom to advertise is commonly limited by law for the protection of the consumer, and should be in those cases where the product being merchandised has the potential to be manifestly destructive. There is no democratic precept that requires the freedom to portray dangerous materials as wholesome and beneficial products.

Congressman George E. Brown of California has introduced legislation in the U.S. House of Representatives to make liquor advertising a non-deductible business expense for tax purposes. The bill is designated H.R. 6293. Congressman Brown has said, ". . . this legislation would not ban alcohol advertising, it simply removes the Federal Government from the position of providing an incentive for it."

The average businessman, faced with an operating expense, will often rationalize the expenditure by thinking, "The corporation income tax is 48%. If we spend money as an expense of doing business, it reduces our taxable income. The government shares our investment to the tune of 48%." Given this understanding of the corporate decision making, it is clear that the average taxpayer is subsidizing the advertisement of alcohol products.

Were the Federal Government to ban liquor advertising outright, the ban could only apply to advertising in interstate commerce. National media would be discriminated against in favor of local and purely intrastate advertising media. The problem would not be solved unless each state adopted its own legislation. Federal income taxes, however, apply regardless of advertising placement, and eliminating the tax deductibility of liquor advertising would have the net effect of either raising liquor prices or reducing advertising expenditures. Either result would have some impact on total consumption, in the long run if not the short, with a corresponding reduction in alcohol problems. The benefit to society is so clear and obvious that were it not for vested interests, such legislation would be instantly adopted. How can the public be expected to make responsible decisions when its government hesitates to do so.

Responsibility is what it's all about! There is a dichotomy in human behavior about the cause of drug problems. Is the villain the drug itself, or is it some flaw in the makeup of the individual? The word "responsible" connotes not only intelligent decision making, but also the assumption of guilt. The liquor industry wants the individual to assume responsibility, not exercise it. To suggest that alcohol is an inherently destructive substance is not an acceptable concept to those who manufacture it, therefore the liquor industry with its army of advertising and public relations talent will lend support to any effort that tends to diminish their own culpability and responsibility for alcohol problems. The notion that people are making irresponsible decisions takes the industry off the hook. The Report of the ECS Task Force serves to foster that idea, and has therefore received the approval of the industry.

As a rule, any research or fact-findings effort in the area of alcohol problems is welcomed by everyone, if for no other reason than that the issue is once again brought before the public for scrutiny. But in a very real way, the Report of the ECS Task Force on Responsible Decisions About Alcohol constitutes a public relations vehicle for the liquor industry. As such, the decision to publish its findings was not a responsible decision.

ISRAEL, THE PLO, AND THE SEARCH FOR PEACE

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. WAXMAN. Mr. Speaker, when Secretary of State Vance visited Jerusalem during his recent diplomatic mission to the Middle East, he was honored at a dinner hosted by Prime Minister Begin. The Prime Minister's toast recounted, in both historical and allegorical terms, the compelling moral and legal justifications of Israel's right to exist and live in peace. He clearly and simply described Israel's position on the Palestine Liberation Organization and why it cannot—by virtue of its actions and avowed aims—be a partner to negotiations to conclude peace treaties. I am pleased to insert a text of Mr. Begin's remarks in the RECORD, so that my colleagues may more fully understand Israel's unequivocal views on this matter:

EMBASSY OF ISRAEL,
Washington, D.C., August 15, 1977.

DOCUMENT

The toast given by the Prime Minister, Mr. Menachem Begin at a dinner tendered in honor of U.S. Secretary of State Cyrus Vance in the Knesset, August 9th, 1977.

WORDS OF WELCOME

President of the Supreme Court, Your Excellencies, Members of the Cabinet, Members of the Knesset, the Commander of our Army, Chief of the General Staff, my friend and predecessor Mr. Rabin, and Mrs. Rabin, my friend the Leader of the Opposition Mr. Peres, and Mrs. Peres, Professor Yigale Yadin, ladies and gentlemen.

Mr. Secretary, I welcome you on behalf of the Government and the People of Israel, to our land, to its capital Jerusalem, and to the Knesset, the center of our democracy in which recently certain topographical changes took place. It took some time and some patience too, and now we can say that democracy is a matter both of geography and topography. We greet you with all our heart.

I apologize to Mrs. Vance on behalf of my wife who couldn't be here tonight because of her illness. She will not be able to accompany you, our dear friend Mrs. Vance, as agreed between you in Washington. But I know from my personal experience that Mrs. Dayan is a gracious hostess, and you will go to see the country with her. It is a fine country, and worthwhile seeing. As we always say, it's a small country with never a dull moment.

A GREAT ACHIEVEMENT OF THE SECRETARY

Mr. Secretary, we are grateful to you for undertaking this journey to the Middle East, and for meeting the Arab rulers around us. You did this, together with your colleagues, associates, and advisors, in the cause and the service of peace. It is not easy, it's a physical and intellectual effort, and therefore we thank you for undertaking this journey. Following our talk earlier in the evening I can now say with a full knowledge of the facts that the Secretary of State can already note a very serious, indeed great, achievement in the cause of peace. We congratulate you on that achievement. We shall all continue to search for any road, any avenue, any way to promote peace.

ISRAEL'S CONTINUING SEARCH FOR PEACE

When I was in Washington at the invitation of the President we brought on behalf of our government certain proposals to feed the momentum towards the peace-making process. I think this was a positive initiative and we will continue constantly to think of how to promote the momentum towards the peacemaking process. I think I speak on behalf of every citizen—of every woman and man in this country—when I say that we yearn and pray for peace. In this room, Mr. Secretary, there are men who fought for the liberation of our people, risked their lives, led armies, and won victories. On behalf of all those men I am entitled and duty bound to say that now we have one ambition: to bring peace to our land, to our people, and to the region in which we live. And we do hope that peace will come.

We had earlier in the evening a very good, and very helpful discussion, and may I say—I believe the Secretary will bear me out—the reality is not as dark as the press has been for the last 24 hours. I think we shall make progress.

Foreign Ministers will visit your great country next month, you will meet with them, the momentum will go on, and of course, we all hope that the peace conference in Geneva will be made possible with proper representation. We shall start serious negotiations between Israel and the Arab countries, our neighbors, regarding the conclusion and signing of peace treaties.

THE ALLEGORY OF HUNLAND

There is one problem I will shortly dwell on which is now of international significance and interest. It is my duty to raise it. In order to clarify our atttiude I will use an allegorical story. Let us assume that in a certain corner of the globe there is now a country called Hunland, the Land of the Hun, and the basic philosophy of its government is in a book called "Mein-Kampf". It may happen in our time. What would we do, the Jewish State, the State of Israel? Surely we would call upon all free nations to be watchful, to have no rapport with Hunland. We have already had one experience. All mankind paid the price. All nations, because of a basic mistake in the 1930's made the most horrible sacrifices to be rid of that evil. We paid the highest price.

When I use the word "tertiated" I mean to clarify that we do not accept the known term of "decimation". The Jewish people were not decimated because that term stems from an old custom in the Roman legions that when a breach of discipline happened every tenth legionnaire was executed. Our people lost every third one of its sons and daughters and therefore we use the word "tertiated". It is phantasmagoric—it would mean eighteen million Britons wiped out, or ninety million Russians, or two hundred and eighty million Chinese, or eighty million Americans. Many phantasmagoric figures have been worked out by scientists dealing with megatons, but the megatons, although produced, will never be used. We, however, have to live with such phantasmagoric figures, both in our generation, and for generations to come. So, we have had that experience and therefore we would call upon all free nations to be watchful. But then perhaps some would give us the advice "don't take it seriously, it is not as it is written in the book". If that were to happen we would respectfully say to everyone in the world, "Gentlemen, forgive us, but we cannot accept such advice. We heard it forty years ago". Domestic propaganda would be written, "they don't mean it, don't believe them", but then we know what happened. Then perhaps somebody would say, "there is a certain resolution of the Security Council of the United Nations—we have heard that Hunland is ready to accept that resolution". What would be your reaction? I have no doubt we would say, again, "But, we have already had one experience". Nobody paid attention to what was written in that infamous book, yet every word was brought to realization. There may be some people who learn only how to repeat the mistakes of history. Our generation, with its experience, should learn how to avoid the mistakes of history.

Now, ladies and gentlemen, perhaps some of my honored listeners tonight may have a suspicion that when I spoke about the imaginary Hunland and "Mein Kampf" I actually meant the organization known as the P.L.O. I would like to reassure them—I meant it.

THE P.L.O. AIMS TO DESTROY THE JEWS AS A NATION

And now I will read to you a very short document. "Palestine is the homeland of the

Palestinian Arab people and an integral part of the great Arab homeland, and the people of Palestine is a part of the Arab nation". No room for the Jew. "Jews who were living permanently in Palestine until the beginning of the Zionist invasion will be considered Palestinians". (NOTE: the Prime Minister is quoting Articles 1 and 6 of the 1968 Palestinian National Covenant). In other words, Jews who lived permanently in our land, called by foreigners Palestine, until the Balfour Declaration of 1917, will be considered Palestinians. All the others have to leave. The numbers: fifty or sixty thousand to stay—approximately two million nine hundred and fifty thousand to go. "The establishment of Israel is fundamentally null and void . . . The Balfour Declaration, the Mandate Document and what has been based upon them are considered null and void. The claim to a historical and spiritual tie between Jews and Palestine does not express the historical realities nor the constituents of statehood in the true sense." (Articles 19 and 20)

I remember San Remo. In 1922 Britain was given the Mandate to make possible the reconstitution of a national home for the Jewish people. The characteristic of that document is 're'. A thing which has already existed can be reconstituted. In the preamble to the Mandate the words are used "recognition having been given to the historical connection between the Jewish people and Palestine". Woodrow Wilson, the great president who gave to the world the concept of national self-determination, appointed a committee for the Middle East which recommended that it would be just for Palestine to become a Jewish State. The connection between Palestine and the Jewish people was reconstituted.

And now, after recognition by all the civilized nations of that historical connection, we hear that the claim of a historical and spiritual tie between Jews and Palestine is non-existent. Judaism, and its character as a religion of revelation is no longer recognized as a nationality. Now we are only a religion. But we, at least, know when that recognition was given to us and where and when it was denied.

Now may I also inform you, ladies and gentlemen, that since January 1 many attacks have been carried out by that organization, all of them against civilians. Two have been killed, 120 wounded. But when we say wounded, we don't describe the reality. We should say legless, armless, eyeless, handless people, maimed for a life-time; all of them civilians, men, women, and children. The P.L.O. made the civilian population the targets of their attacks. They aimed to destroy a people, to annihilate a people, to renew the unheard of wrong done to the Jewish people for centuries: to turn them again into defenceless and homeless people. That wrong was redresed by the proclamation of our independence, by the creation of our State. Demented genocide killed man, woman, and child. It is a very serious matter to us, dear friend, Mr. Secretary. Some may say that we are sensitive about it. We are—as a result of our experience. But perhaps sensitivity is not the proper word. I think the proper word is rather, logic.

THE P.L.O. CANNOT BE A PARTNER TO PEACE

To learn from experience is the duty of a man who bears responsibility for the future of his nation, and therefore our stand is clear. We want peace, we want to negotiate peace treaties. We brought proposals, and alternative proposals. We have looked, and we shall continue to look, for any avenue to bring about such negotiations to conclude peace treaties. But the P.L.O., the philosophy of which is based on an Arabic "Mein Kampf" is no partner whatsoever, and never would be a partner for us to hold any talks with, because such is their philosophy, such their design, and such their methods. I believe all free mankind should accept and share this attitude. The P.L.O. is a danger to all free nations, and to the free world.

THE HOPE FOR SHARED DECISIONS WITH THE U.S.

Ladies and gentlemen, we believe that our great friend, the United States of America, will comprehend the attitude of Israel toward this special moral issue. We will share the same decision as far as participation in the Geneva Conference is concerned. We believe in the moral greatness of the United States; we hope we shall make progress and achieve peace.

We are grateful to you, Mr. Secretary, for your efforts. We will do whatever we can to make your stay, and that of your gracious lady, in our country, an enjoyable one.

In this spirit of hope, optimism, and faith in the future of our nations, and indeed of human liberty and justice, I raise my glass to the President of the United States of America, to our guest, the Secretary of State, and to the everlasting friendship between the United States and Israel. Thank you very much.

WASHINGTON, D.C., AT FIRST GLANCE

HON. MICHAEL T. BLOUIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. BLOUIN. Mr. Speaker, I would like to bring to the attention of my colleagues in the Congress the following article from the Marion, Ind., Chronicle-Tribune which I recently came across.

I feel the story does an excellent job of capturing and portraying both this body and the entire city of Washington, D.C.:

[From the Marion (Ind.) Chronicle-Tribune, July 4, 1977]

WASHINGTON, D.C., AT FIRST GLANCE

(By Ed Breen)

The pretty young lady chomped on her egg salad sandwich, glancing out occasionally at the landscape 27,000 feet below.

"Those are mountains, aren't they?"

"Yes, they are. The Appalachians."

Left unsaid in this conversation aboard TWA Flight 404 from Indianapolis to Washington: "Yes, sweetheart, those are mountains, and it took a whole generation of Americans to climb and cross them. You're whipping over them in less time than it takes to down an egg salad sandwich."

The majestic Washington Monument slid into view through the porthole window of the 727 jetliner as the plane made its approach to Washington National Airport.

Across the aisle, a man, obviously jaded by time and unimpressed by history, continued reading his paperback novel by Jacqueline Susann.

Left unsaid: "Aren't you capable of getting excited, dummy? Don't you care that the Washington Monument is right outside your window? And there, there's the Capitol!"

The wisdom of growing up in the Midwest dictates a lot of beliefs in our lives. Among them: That Washington, D.C., is a big city and is, therefore, evil; and that the federal government is giant, faceless, unresponsive monolith and is, therefore, evil.

The first sight of the Washington Monument strips away those beliefs, at least temporarily—and even the most cynical among us becomes a sixth-grader all over again, remembering the pictures in the history book.

Those old pictures come alive. They acquire a third dimension, they take on a sense of reality. There are, in fact, people who live and work and play in the shadow of history. Why, you wonder, didn't the people who made the sixth-grade civics books include people in their pictures of the Lincoln Memorial.

Take, for example, the little man who conducts the tours at the Lincoln Memorial. He wears the Smokey-the-Bear uniform hat of the National Park Service. He must be beyond retirement age, but he stays on because he enjoys his job. To him, explaining the Lincoln Memorial is a grave responsibility.

He addresses clusters of tourists as though he were Lincoln at Gettysburg. Each line of the famed statue of Lincoln carries meaning for him, and he peers over his glasses to watch the tourists, just to be sure they understand the meaning he has given them.

And off to the left, several blocks down the street, is the State Department building, that grand structure where diplomacy and the fate of nations are weighed.

The people inside, our Midwest wisdom tells us, must be stern, icy, detached minds that ponder the fate of the world.

Well, that may be. But there is an exception. Up there in a third floor window ledge is a geranium in full bloom. Someone in that third floor office takes time from global diplomacy to water a geranium each day.

Somehow, that's reassuring.

On down the street, at 1600 Pennsylvania Avenue, is the grandest building of them all: The White House.

It is in here, we are told, that great issues are decided. It is in here that a man can lose his sense of perspective. It is in here that he becomes isolated and insulated from the real America.

Well, if he does it's his own fault. There's no reason for it, other than his lack of willingness to walk half a block.

The White House is surounded by city and people. Less than 100 yards from the most powerful man in the world is a fence, and leaning on that fence on this particular warm spring day is a not-so-powerful man munching on a bag of popcorn.

Across the street—five minutes walk from the Oval Office—is a neighborhood bar. If the President wants to know what America thinks, all he needs to do is stroll across the street from home and buy a beer for the boys.

Then there's the bureaucracy, that swarm of federal job-holders that we have been taught exists only to complicate and befuddle our lives.

They are housed in the dozens of federal government buildings along Pennsylvania and Connecticut avenues.

They do, contrary to what we are told, have faces—and arms and legs and eyes and brains. They drive cars to work, just like the rest of us, and lunch room discussion leans toward talk of the traffic jam on I-95, and getting to a Little League ballgame in the evening, and those other things that we all must cope with.

There is office talk of programs and projects, but it doesn't focus on frustrating the public. Indeed, they talk of solving problems and dealing with the daily issues that confuse Americans—issues like hustling out a passport to a man in Iowa who must make an emergency trip overseas.

The finest, most stately building is the Supreme Court—a building which, incidentally, cost $70,000 less than the $10 million that had been alloted by Congress.

Inside these marble-walled halls there is a greater sense of history and dignity than at any other place in Washington.

Regardless of your opinion of the court's verdicts through the years, the solemnity of the place creates a new reverence for the American legal system. It was in this room that Brown vs. Board of Education forever changed the face of America; it was in this room that President Nixon was ordered to

surrender his treasured tapes; it was in this room that the government and the press fought over the Pentagon Papers.

People talk in hushed voices and the ever-present building guards are more formal than anywhere else. Yet, when the court chamber is open to the public, youngsters in blue jeans and tank tops from around the nation snap pictures of the hallowed room with their Instamatics

In the basement hall, beneath the oil portrait of a Marion native, Mr. Justice Willis Van Devanter, the senior class from Albuquerque, N.M., waits in line for lunch in the cafeteria. And behind them waits Fred Graham, the much-seen court reporter for CBS television news.

And out on the lawn, a squirrel scampers up a chestnut tree. Watching this little performance from a window above is Potter Stewart, Associate Justice of the Supreme Court of the United States.

Like the geranium in the State Department window, this too is reassuring in some way.

Across the street is the center of the government: The Capitol of the United States and the Senate and House office buildings.

And inside, if you are looking for a carefully-planned plot to browbeat Americans, you will be disappointed. If you are looking for people who sit back in overstuffed chairs and work four-hour days, you will be disappointed. If you are looking for grand statements on the future of the republic, you will be disappointed.

You will find, instead, hundreds of men and women working in overcrowded offices, staying at their desks until well past sunset. You will find Representatives and Senators who get jostled in the crowds of tourists. You will find aides to Congressmen being polite to a lunatic who prowls the halls of Congress handing out pennies because he firmly believes himself to be Abraham Lincoln.

You will find a large dog leashed to the ornate, heavy wood door at a Pennsylvania Congressman's office. The dog belongs to a visitor from back home who has come to Washington on his vacation and has stopped to talk with his Congressman.

You will find the administrative assistant to a Congressman who is worried about the high price of coffee. His office staff is consuming too much coffee and the cost is making too large a dent in the coffee fund contributed by the office workers.

Across the hall, in a committee room, you will find Muncie Congressman Phil Sharp and a half-dozen other Representatives listening as the new energy czar, James Schlesinger, testifies on the future of America's natural gas supply. All this goes on under the glare of banks of TV lights and the whir of motor-driven Nikon cameras carried by the press corps.

In the back of the room, far away from the TV cameras and the celebrities, you find a family from Arizona. Dad, wearing Bermuda shorts, is holding his five-year-old son on his shoulders so he can see the notables in the front of the room.

On the floor of the House of Representatives clusters of Congressmen display varying degrees of interest as debate goes on on a bill to limit the nation's tuna fish catch because of the harm it is doing to the porpoise population in the Pacific.

In the gallery around the floor, a Congressman from the Midwest confides his position on the issue: "I'm voting for the porpoises because fifth grade children in my district like porpoises better than tuna fish."

And so goes government.

The members of the House see a clear distinction between themselves and the more select body of 100 Senators on the other side of the building

"The Senators are different than we are," says a Congressman. "I have the idea that each of them has a news release all typed up in his desk drawer announcing his candidacy for President of the United States. All he has to do is fill in the date. You see members of the House who get elected to the Senate. Right away they get all cleaned up in a Brooks Brothers suit and start combing their hair more neatly because they're going to be on TV."

Two Senators, who fit the Congressman's description, walk in conversation up the long flight of steps to the Capitol. They walk past a bus load of Girl Scouts from Michigan who are having their picture taken on the Capitol steps.

The conversation of the Senators is drowned out by the Girl Scout leader. "Be sure your knee socks are pulled up evenly, girls," she says, "because we want the picture to look nice."

The Senators continue on, picking up the thread of their conversation, and head into the grand national debating society where public policy is determined—sometimes on a judgment of what fifth graders like, but more often on a judgment of what is possible for agreement among 435 Representatives and 100 Senators.

And the Girl Scouts break ranks and head down Capitol Hill, screaming with glee at the prospect of their next stop: Seeing Lindbergh's airplane in the Smithsonian Air and Space Museum—and, oh yes, the Declaration of Independence across the street at the National Archives.

Such is a day in Washington, D.C., and the Republic endures.

PRESIDENT'S WELFARE REFORM DRIVE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. CLAY. Mr. Speaker, I wish to take this opportunity to share with my colleagues a statement made by the illustrious Margaret Bush Wilson, chairperson of the NAACP national board of directors, concerning the President's welfare reform drive:

NAACP OFFERS CARTER HELP FOR WELFARE REFORM DRIVE

NEW YORK.—Mrs. Margaret Bush Wilson, chairman of the NAACP National Board of Directors, said that the Better Jobs and Income program outlined by President Carter on Saturday, August 6, was "encouraging" and pledged the support of the NAACP in working to achieve the enactment of a meaningful bill in Congress. In a statement, Mrs. Wilson said:

The proposed program for Better Jobs and Income outlined by President Carter on Saturday, August 6, seeks to eliminate the negative aspects of the present welfare system while striving to provide a minimum income for the poor. The proposal is encouraging in that it seeks to provide:

(1) Jobs for those in need and who are able to work;

(2) Income support, such as part-time jobs for those unable to work full-time;

(3) Earned Income tax credits as incentives for the working poor.

Clearly, in a program of this complexity, President Carter sought to stress the positive aspects of his proposals. He also sought to blunt the attacks of those who are adamantly opposed to any form of public assistance programs.

The NAACP, however, perceives a real danger in just such an approach. The danger is that, in attempting to scrap the old system, Congress will devise one that increases the burden of poverty on the most disadvantaged segments of society.

Work incentives, therefore, should not penalize the poor. They should instead relieve the burden of poverty while providing meaningful jobs for those able to work. The need for readily available daycare centers for mothers wanting to work should be adequately met.

The proposal to reduce the burden on local governments is praiseworthy. But it does not go far enough. It should completely relieve local governments of the responsibility for income support payments. The states should be made to assume this obligation.

There is also the danger of robbing Peter to pay Paul. Income support benefits in one area of the country should not be reduced just so that assistance to the poor in other regions can be increased. The essential benefits of the present food stamp program should also be maintained within the Better Jobs and Income program.

The NAACP especially wishes to commend the President for recognizing the stigma that is attached to welfare and for seeking to eliminate this negative aspect of the program. We also commend the President for wanting to strengthen the family structure.

The NAACP is prepared to work with the President to achieve the enactment of a meaningful Better Jobs and Income program.

ENLISTING OURSELVES IN THE WAR ON CRIME

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. CONYERS. Mr. Speaker, more than 9 months has passed since the President signed the Crime Control Act of 1976, which extended for 3 years the authorization of the Law Enforcement Assistance Administration in the Department of Justice, and, among other changes, established the community anticrime program in LEAA. This program, which I authored and sponsored, authorizes a modest appropriation—$15 million per year for 3 years—to support citizen and neighborhood participation in community anticrime efforts. I sponsored such legislation because, although a high of almost $1 billion a year was being handed out by LEAA, the most important link of all in crime reduction—the citizens themselves—was being neglected and shortchanged in the belief that the fight against crime was the private domain of the criminal justice professionals.

I am sorry to report, Mr. Speaker, that although less than 1 month remains in fiscal year 1977, not 1 cent of the money authorized and appropriated for this program this fiscal year has been given out in a grant or contract to any community or neighborhood organizations. The Subcommittee on Crime, which I chair, has been required to expend an inordinate amount of time and efforts to prod LEAA to get this program off the ground. If LEAA's handling of this small program can be considered a microcosm of the agency's approach to the entire three-quarter-billion-dollar-per-year program, it is not hard to understand why even the Department of Justice itself has de-

cided it is time to make some drastic changes in LEAA.

The value of the community anticrime program, unrealized so far, is excellently illustrated in a feature article which appeared in the Washington Post on July 24. Authored by John Hollister Stein and entitled "Enlisting Ourselves in the War on Crime," the article stands in contradistinction to most of the history of LEAA in that its thesis, in Mr. Stein's words, is that—

Experience shows that the contest with criminality is basically the private citizen's to win or lose. not the public servant's.

Mr. Stein's article is a thoughtful examination of not only the value of community anticrime efforts, but of the difficulty of organizing and sustaining such efforts. I commend it to you, Mr. Speaker, and to all Members, and suggest that it is an excellent reference point from which to consider not only the future of the community anticrime program itself, but the broader question of the proper direction of Federal assistance in the fight against crime.

ENLISTING OURSELVES IN THE WAR ON CRIME

(By John Hollister Stein)

Americans persist in believing that crime control is and, indeed, should be the exclusive responsibility of state and local government. It is a costly concept which prevents us from using the most cogent forces of crime control at our command—ourselves.

For experience shows that the contest with criminality is basically the private citizen's to win or lose, not the public servant's.

Police officers like the public to think that arrests are the product of police acumen, though in fact most are the result of citizens' timely emergency calls or their identification of suspects with whom they are acquainted. Prosecutors take pride in their legal skills, but some, at least, recognize that prosecution success is usually attributable to the strength of "civilian" testimony, actual or potential.

Citizens rarely get credit for their contributions to the system's effectiveness; nor do they get the blame when the system fails (which is most of the time). Yet research findings tend to underline how crucial the private citizen's role is:

Surveys conducted by the Census Bureau show that, of every three crimes, only one is reported to the police.

A study in Kansas City, attempting to determine how long it takes the police to respond to crime calls, discovered that police "response time" was not the problem: the common practice of victims was to wait 15 to 20 minutes or longer before calling the police and it was this which made on-scene arrests unlikely.

Most prosecutions in most jurisdictions fail to convict anyone. Studies in Washington, using the computer-based Prosecutor's Management Information System, show that the chief cause of prosecution failure is that crucial witnesses stop cooperating with the authorities in mid-course.

Put bluntly, the average citizen, functioning as the principal custodian of his neighbor's security, is a sorry incompetent. It is not difficult to discern why—not, at least, where the injustice of crime is most acute, in big-city neighborhoods.

Urban dwellers don't look out for their neighbors for the simple reason that they frequently don't know their neighbors. Instead, they tend to live in isolation, somewhat rootlessly. A disturbance in the street or in the adjoining apartment, a group of unknown teenagers in the hall, all are disconcerting but outside the shrunken space the urban alien calls his own.

And when, as can so easily happen, his space is violated—when he, too, becomes a robbery, burglary or assault victim—he fears retaliation if he seeks legal redress. He is, after all, more or less on his own, and manifestly vulnerable. Though he may have a wide circle of friends, they are not centered in his immediate environs. For him, neighborhoods are no longer a social organism.

CITIZENS FIGHT BACK

Compounding the problem are the public agencies of criminal justice. For when the crime victim or witness meets his civic duty, he often encounters police, prosecutors and other officials who are no more consumer-oriented than other public bureaucrats. When he stops cooperating with them, they will classify him as another drop-out, though in fact he may well have been pushed out.

On occasion, however, urban residents shake off their paralysis, often with surprising success. In the past several years, three instructive case histories of collective citizens' action in response to crime, with mixed results, occurred in Adams-Morgan, a racially and socially Northwest Washington neighborhood that has changed from an urban backwater to the archetypical "back to the cities" area. Many blacks and Spanish-speaking residents, once three-fourths of the mix, are being exiled in the process, with possible bitter social repercussions.

Adams-Morgan's crime rates have been relatively high but steady for years. According to the police, reports of serious felonies numbered around 1,000 for 1974, 1975 and 1976—fairly high for a neighborhood of some 20,000 people. But in 1977, 1,005 such reports were filed in the first six months alone.

If those reported rates reflect a major increase in actual crime, they may impel a collective citizens' reaction of the kind that gripped one block of Adams-Morgan eight years ago.

"It was a modest effort, really, a mundane, American thing, like raising a barn," Tedson Meyers has said about the project he and other residents of the 1800 block of Wyoming Avenue instituted in 1969.

That effort was in response to a rash of violent crimes on the block. Once, months earlier, Meyers himself had rushed outside at the sound of an "explosion," a shotgun blast, he discovered, which wounded a neighbor. The young man couldn't talk and, as Meyers knelt beside him, "he looked at me, and I looked at him" until, a few minutes later, the victim died.

When neighbors began threatening to move away, Meyers hosted a meeting of about 20 Wyoming Avenue residents, some black but mostly white. "Did we take matters into our own hands?" he asks rhetorically. "We certainly did."

The project involved trimming the shrubs bordering the street so that they could no longer conceal a waiting mugger. The neighbors also trimmed a few boughs off the city's trees, to improve the illumination of the streetlights, and installed their own floodlights on the exterior walls of 22 rowhouses and apartment buildings along the block.

VANISHING CRIME

The visible changes helped to draw other neighbors to the group's monthly meetings. Residents began knowing each other by name and pausing to chat as they met each other on the block. Night-time motorists who chanced down the block drove slowly, baffled by the extraordinary brightness of it all.

Not so the criminals, who recognized what the block residents were up to. Crime didn't diminish—for a time it vanished. From as many as three muggings a week, Meyers recalled, the block experienced none for 18 months, and relatively few in the years afterwards.

A newspaper article described the enlightenment of Wyoming Avenue—local and national TV reports followed, as did Meyers' appointment to the City Council and the installation of sodium vapor lights on most of Washington's residential streets. Ironically, despite local objections, the sodium vapor lights were also installed on Wyoming Avenue, which all but ended the floodlighting.

Yet only two or three distant blocks, less preyed-upon than Wyoming Avenue, followed its example. And militants attacked Meyers and his neighbors as racists, on the theory, perhaps, that resisting street crime camouflages racial antipathy toward its perpetrators, thought to be exclusively black.

That common impression is misleading. The Community Release Organization (CRO) which worked with Adams-Morgan adults arrested on criminal charges from 1972 to mid-1976, found that 11 per cent of these defendants were white and another 8 per cent were Spanish or "other."

Robert Walsh, who directed CRO, moved to the 1800 block of Wyoming Avenue in 1975. His impression is that, in recent years, the block has been relatively safe, if not exactly crime-free. He had heard about the earlier crime-prevention program—something to do with shrub trimming and Tedson Meyers, he recently told a visitor. He did not, however, know the historical significance of the floodlights attached just outside his third-floor apartment windows; he had never turned them on.

He and the visitor sought to analyze why community endeavors like Wyoming Avenue's seem so transitory. One major reason, they believed, was the mobility of Americans generally, which also affects neighborhood activists like Walsh himself (in fact, the conversatior was interrupting his packing to move to a new job in Charlottesville). He regrets these breaks in the social ties of Adams-Morgan, especially the involuntary displacement of working-class families who often have stronger social roots in the neighborhood than their more affluent neighbors.

Another reason for the demobilization of the Wyoming Avenue effort, they supposed, was its success—the crisis brought on by several odious crimes had passed. Regrettably, neighborhoods which respond only to the most frightening crimes seldom show interest or concern over the much more common lawbreakers in the community, whose crimes are usually less serious and who are rarely banished to prison for their misdeeds.

Programs like CRO, which can attract volunteers to work constructively with neighbors who are accused or convicted of such crimes, generally need a paid staff to recruit, train and supervise those volunteers. When CRO's funding ended, so did that neighborhood effort to deal humanely with the effects of crime.

THE LACK OF PERSISTENCE

The protagonist of the second story is a young man who, over several weeks in 1976, surreptitiously followed three lone women to their doorways, forced them inside and raped them. One such victim, though stabbed repeatedly and twice shot in the face, survived and gave the police an excellent description of her assailant.

Such informal block associations as existed in the immediate area of the crimes sprang to life under these attacks. The same thing had occurred a few months earlier, when another series of rapes had prompted a special meeting of the Lanier Heights Association. The attendance was unprecedented both in size and composition—black participants, for once, outnumbered whites. The new outbreak of rapes induced a similar sharing of fear.

One encountered it not only in meetings among neighbors, but in the composite drawing of the rapist, which was soon posted on neighborhood trees. A few of the white neighbors, still angry over the first series of rapes, then volunteered to investigate

other neighborhoods' crime prevention methods.

At last, a person who worked in a store on Columbia Road connected the police drawing to a regular customer. Within hours, the suspect, William Edward Thomas, was in custody; he confessed and last week he was sentenced by a Superior Court judge to serve at least 37 years in prison.

Meanwhile, the crime prevention investigators had contacted the Citizens Local Alliance for a Safer Philadelphia (CLASP) and had talked to members of a similar group on Capitol Hill. Although interested in both programs, the Adams-Morgan volunteers could find neither the time to attend CLASP training sessions in Philadelphia nor the energy to start a prevention program of their own. Two months after Thomas' arrest, all remnants of their mobilization had disappeared.

There is certainly nothing un-American in that relapse toward private lifestyles. But in this case, it was hastened by the intricacies of race and class in Adams-Morgan. Despite evidence that the neighborhood's repugnance to violent crime crossed social divides, the self-appointed volunteers—all white, mostly homeowners—found no allies among black and Spanish residents of the neighborhood. As one of them said, "We looked for some spontaneous action among our black neighbors and, when we didn't see it, we took that to be a signal."

DISCOMFORTING CHOICE

The natural forum for such a dialogue would have been either the Adams-Morgan Organization (AMO) or the Advisory Neighborhood Commission (ANC). The integrated leadership of both bodies is similar in outlook, and both are chaired by Frank Smith, Jr.

Smith is a veteran of the civil rights movement, from which he still carries a certain skepticism toward the privileged classes. His most persistent campaign in Adams-Morgan is to preserve the economic balance of the neighborhood—which translates into slowing down the influx of wealthier homeowners, mostly white, and the departure of low-income tenants, mostly black and Spanish.

When Smith was approached during the period of crisis over the rapist, he was reluctant to put crime control on the AMO/ANC agenda. He estimated that a publicized anti-crime program in Adams-Morgan would achieve its greatest effects as a free source of advertising for the real estate interests seeking middle-class settlers in the area.

Smith's choice, as he saw it, was between the preservation of neighborhood diversity and the restoration of neighborhood tranquility. Elsewhere, in fact, successful crime prevention efforts have led to increased real estate values and the very change Smith feared.

And yet, Smith's choice was discomforting. Like other blacks from the South, Smith is appalled at the contempt many youngsters in the city show toward their elders. "The social fiber that has bound black families has broken down," Smith says. Crime is only one manifestation of the breakdown and he hopes it can be alleviated by helping low-income tenants get a stake in the community through home ownership and by improving economic and recreational opportunities for their children.

Elsewhere, black politicians, once known for their abhorrence of "law and order" politics, have been turned around through constituent pressure. Atlanta's black public safety commissioner, Reginald Eaves, expressed this new impatience in what he called Eaves' Law: "No matter how poor you are, there is no excuse for knocking a lady in the head or stealing her purse."

There are other problems.

One summer night in 1974, four black teenagers from a distant part of the city were walking along the 1800 block of Kalorama Road (paralleling Wyoming Avenue) when they noticed an open window on the first floor of a townhouse. They were soon inside that apartment and had tied up the two occupants at gunpoint. As the gang members collected the victims' valuables, they berated them for being white. After leaving, the gang knocked on the door of the second-floor apartment and, when it was opened, barged in and attacked that couple in just the same manner—only this time they also gang-raped and sodomized the woman resident.

Detective Tom Kelly of the Sex Investigation Division was assigned to investigate both Kalorama Road cases. His first intuition was to connect these home invasions to three others involving rape which had occurred in the preceding month around Adams-Morgan. The gang's size had varied from case to case, and a black couple had been among the victims. Yet Kelly suspected that it was all the work of a single confederation.

Ten days later, Kelly was called by 3d District Det. Peter Banks. Banks had just been interviewing a burglary suspect, Charles Isaac Kirkland, who had almost bragged of his burglaries of unoccupied homes, but had been suspiciously adamant in denying involvement in any crimes of violence.

Kelly got a copy of Kirkland's photograph, assembled it with pictures of eight other young men of similar appearance and showed his "photo lineup" to the Kalorama Road victims. Independently, all picked Kirkland out as one of the assailants, indeed the apparent ringleader.

So Charlie Kirkland was rearrested and, with his prospects looking miserable, began to talk. Four others soon joined him behind bars; a fifth, involved in only one of the cases, was arrested weeks later.

As the months passed, the 12 victims of the home invasions were brought together to observe police lineups, to give grand jury testimony and to identify their belongings from property taken from the defendants. Each trip strengthened the victims' chance alliance.

Whenever the proceedings began to wear excessively on one member, others would band around with comfort and support. Two, who worked for a local justice agency, began to monitor the case for the group. Two others became the victims' emissaries to the U.S. attorney's office.

As Assistant U.S. Attorney John F. Evans later told a reporter, the group was unusual "in the amount of contact and cooperation they offered us." Evans added, "I'm sorry we disappointed them."

What "disappointed" the victims ("infuriated" is the word they used) were the effects of the plea bargains agreed to by the prosecutors. (Despite what they thought were assurances to the contrary, the victims were not fully consulted in these negotiations.)

Kirkland, for example, was offered a plea of guilty to one armed rape, two armed robberies and a burglary—a heavy dose of culpability, claimed the prosecutors. The victims disagreed.

VICTIMS EXCLUDED

Their fears of relatively lenient sentences were not groundless. In a hearing before Judge Leonard Braman, Kirkland's lawyer seemed to get the judge's agreement to sentence Kirkland and the others under the Youth Corrections Act, which is designed to rehabilitate young first offenders.

In reaction, one victim sent Detective Kelly a note saying, "We've sent letters to Judge Braman and have contacted the Post re: publicity—what else can we do????" As it turned out, the group did not need Kelly's help, since their initial efforts proved successful.

Judge Braman withdrew the Youth Corrections Act possibility (and in doing so, allowed two defendants to withdraw their guilty pleas). And by the time each of the gang members faced a sentencing judge (the two holdouts having been convicted on practically all counts), their violent rampage through Adams-Morgan had been well publicized in the press. For the five principal offenders, the sentences ranged from a low of 10 years in prison up to Kirkland's sentence of 144 years.

The victims' alliance had affected the course of justice, and they were satisfied. And yet, what makes this "consumers' revolt" most memorable is that it was exceptional, perhaps unique, and achieved only accommodation, not reform.

Take, for example, the question of whether crime victims should be consulted when prosecutors enter plea negotiations. Unlike many others, Washington's prosecutors generally make these private arrangements with defense counsel alone, sometimes on grounds of principle, not convenience—"justice" should not be swayed by the vindictive motives of victims.

This is one of the more regrettable by-products of the latitude given American prosecutors, judges and parole boards in punishing offenders. In order to temper the harshness in this overly discretionary system, one of the two parties who have a legitimate stake on the outcome—the victim—is simply excluded.

For all its unique qualities, Adams-Morgan has two characteristics which make it comparable to certain neighborhoods in other cities. First, it suffers from a high rate of crime—not as high as many depressed neighborhoods, but certainly high enough.

And second, it is a thoroughly integrated community; its crime victims come from all strata, while its victimizers are mostly from the poor, who in this case are mostly black. As Adams-Morgan has demonstrated, that circumstance can inhibit a sustained, collective response to crime, lest the motives be considered bigoted.

Therefore, it is worth examining one integrated neighborhood which has overcome that inhibition, to see what lessons it has for others which have not.

The Citizens Local Alliance for a Safer Philadelphia is an outgrowth of a crisis which afflicted a section of West Philadelphia in 1971. When Ellie Wegener's neighbor was raped—the third such attack in a few weeks—she and her husband, a Lutheran pastor, invited a few neighbors in to discuss the crime situation. Instead, about 30 showed up.

They mapped out several approaches to the problem. One was to seek more police protection (on the popular misconception that saturation patrols appreciably reduce crime). Within a few days, their petition contained nearly 800 signatures. When this got a chilly reception from the police, the group returned to its alternative strategy of self-help.

The technique hit upon was "block organizing." Working with Ross Flannagan, a member of a Quaker-rooted community in West Philadelphia, Mrs. Wegener encouraged neighbors to have meetings to which every block resident was invited.

The monthly meetings involved a mix of discussions about crime—from victimization stories to reports on crime prevention techniques—plus an equally long period of socializing, so that newly acquainted neighbors could get to know one another not just as victims but also as parents, basketball fans, house painters, whatever.

Many of the crime prevention measures which the block clubs adopted were of their own invention—like the use of a small freon horn which neighbors sounded whenever they were attacked or as soon thereafter as they could. To a person on an organized block, that signal means to call the police and then to sound your own horn. More than

one would-be criminal has been forced to flee from a cacaphony of these devices.

While crime was the medium of organizing, the Wegener-Flannagan message involved something larger. To Wegener, "People can't live together without taking responsibility for each other."

VULNERABILITY REDUCED

That viewpoint suffuses the entire program. Organized blocks sponsor flea markets, summer-long volleyball tournaments in the streets, programs for exoffenders and many other social and civic activities. Teams of neighbors regularly tour their streets in the evenings, armed only with freon horns, to chat with other neighbors and to indicate that they have reclaimed their neighborhood turf.

On integrated blocks, blacks and whites got to know each other, often to their mutual relief. Residents of primarily black streets also began showing interest in the program, but more in terms of "block building," not "crime prevention"; they were relatively unenthusiastic about techniques to secure their houses and apartments, over the freon horn device or over other crime prevention concepts.

And yet, just as crime prevention on Wyoming Avenue "accidentally" produced a network of friendships on the block, so the restored social networks on certain black blocks in Philadelphia reduced their vulnerability to crime. From this, Flannagan concludes, "the restored fabric of community in a neighborhood is the real basis for protecting its streets."

The block organizing led to the formation of the West Philadelphia Block Association, from which CLASP drew its citywide (now statewide) program ideas and its original co-directors. Wegener and Flannagan. Over 900 blocks in Philadelphia have been organized in this fashion and perhaps half of them continue to hold regular meetings, even long after crime and fear have gone down. (The figures are Mrs. Wegener's best estimates; the CLASP program has not been carefully evaluated.)

One offshoot of the CLASP model was "Friends in Need," a project which trained volunteers to serve as "crisis intervenors" for people left traumatized by crime. The service was effective for a time, but eventually succumbed to a case of too many demands and too few resources.

Flannagan is discouraged over the demise of "Friends in Need" and not just because crime victims who experience psychological crisis can be, but rarely are, helped. "If you leave that victim upset and unattended," he reasons, "he or she is likely to poison all the neighbors' confidence you've tried to build."

The program uncovered racial tensions which still concern Flannagan. Once, after a black youth murdered a young white man, the group fanned out to canvass the entire neighborhood, to dispel rumors and fearfulness. Another time, in helping track down a rapist, the picture of a black suspect was posted around the neighborhood with an inscription, "This brother needs help."

If, as Flannagan believes, CLASP got much of its initial momentum from white fear, it seems to be past that now. Mrs. Wegener describes the "absolutely extraordinary" success the program has had in low-income, high-crime sections of North Philadelphia over the past 1½ years—in neighborhoods which are virtually all black.

CLASP's ability to achieve what the Wyoming Avenue neighbors could not—to establish and sustain block organizations—is by no means unique. There are dozens, perhaps hundreds, of community crime prevention programs around the country, and many have found ways to endure long after the crises which spawned them.

The instinct to get involved in the prosecution and sentencing of offenders—which motivated the Kirkland gang's victims—has also been institutionalized in some neighborhood justice programs. Two examples:

In Chicago, activists in the Organization of the North East (ONE) lobbied successfully to get two assistant prosecutors moved from headquarters to their area. These "community prosecutors" handle, from arrest through appeals, the most fearsome crime cases referred to them by neighborhood groups. Recently, ONE convinced the branch office prosecutors, probation workers and police to concentrate efforts on certain high-crime "hot spots" in the area. ONE volunteers will work closely with both the victims and the offenders in these target areas.

Trained volunteers who live in Boston's Dorchester section serve on two panels. One panel hears cases involving family or neighborhood strife and seeks to work out a mediated settlement between the disputants. The other hears cases of convicted minor offenders and fashions recommendations which are accepted by sentencing judges in over 90 per cent of the cases. These neighborhood advisers have almost never recommended jail terms, but they often recommend that offenders make restitution to their victims.

These programs and many others offer a variety of techniques by which neighborhoods can resist crime. Together, they add up to a nascent "neighborhood justice" concept which has a comprehensive panoply of reforms to offer:

The organization of block residents to prevent crime and help the police apprehend suspected offenders.

The decentralization of criminal justice agencies into urban neighborhoods in order to make them more accountable to an organized citizenry and to encourage a compassionate response to the worst casualties of crime.

The adoption of reforms which recognize the legitimate status of victims in criminal prosecutions and which seek to involve neighbors in devising just sentences for local offenders.

Even without scientific findings, sponsors of the new neighborhood justice programs have ample impressionistic evidence that the programs work; that organized neighborhoods actually reduce crime; that they often become an effective social force of much broader scope, and that, far from exhibiting repressive instincts, such programs are usually civil and caring.

Those encouraging reports must be tempered with four reservations:

First, for every organized West Philadelphia neighborhood, there may be 50 Adams-Morgans, mobilized only fitfully, if at all.

Second, despite the impressive voluntary energies these programs inspire, virtually all of them have, and need, at least some financial support to stay alive.

Third, without alternatives, some neighborhoods still rise up in arms over crime—literally.

Finally, even though neighborhood justice programs can instill a degree of harmony in integrated neighborhoods, their economic effects, intended or not, are to "upgrade" the neighborhood and, at times, to displace many of its poorer residents—a harsh problem which calls for stabilization programs to complement the anticrime efforts.

THE NEED FOR STABILITY

The idea of organized neighborhood involvement in crime control is very promising but equally fragile. As the Adams-Morgan experience shows, the concept requires more than citizen anger and mutual goodwill to survive. Inescapably, its fate is largely dependent on governmental support. As the Philadelphia experience demonstrates, such programs require a core of full-time staff people to sustain the effort once the emotional drive provoked by the immediate crisis is dissipated.

Most of the pioneer neighborhood justice programs were started by indigenous organizations with modest funding from state and local agencies receiving grant money from the Law Enforcement Assistance Administration (LEAA).

Recently, however, Congress required the national LEAA office to begin supporting such projects directly. The $15-million Community Anti-Crime Program will begin making grants to neighborhood organizations this fall. The program is designed to minimize bureaucratic red tape. It encourages applicants to devise crime-prevention programs which also take on other elements of the neighborhood justice concept, such as services to crime victims and neighborhood participation in the sentencing and rehabilitation of offenders.

The federal government's involvement in this novel approach to crime control is salutary. Even if crime rates have leveled off, as seems to be the case, that plateau is very high: criminals victimize about 40 million Americans, or 1 in every 6, each year. These figures add up to a terrible volume of suffering. They mandate remedial inventiveness at every level of public responsibility, including the federal level. The neighborhood justice concept is an excellent candidate for that kind of experimentation.

UNITED STATES MUST KEEP PANAMA CANAL

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. COLLINS of Texas. Mr. Speaker, the Carter administration has recently made public their intention to relinquish U.S. control of the Panama Canal. This would be a disastrous mistake and would seriously threaten the security of our Nation. Let us look at the background and history of the Panama Canal and weigh the facts.

In 1903, at the insistence of the Panamanian Government, the United States agreed to the Hay-Bunau-Varilla Treaty. That official Treaty stated:

ARTICLE II

The Republic of Panama grants to the United States in perpetuity the use, occupation, and control of a zone of land under water for the construction, maintenance, operation, sanitation and protection of said Canal of the width of ten miles extending to the distance of five miles on each side of the center line of the route of the Canal to be constructed.

ARTICLE III

The Republic of Panama grants to the United States all the rights, power and authority within the zone mentioned . . . which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority.

Under the terms of the 1903 Treaty, the United States paid Panama $35 Million for the right to build the canal and another $160 Million for title to the Canal Zone. We also agreed to pay $250,000 per year to Panama to compensate for revenues that the railroad would lose because of the canal. We have voluntarily raised those payments to $2 Million per year. The canal itself cost $366 Million to construct.

The 1904 Constitution of the Republic of Panama, the 1904 and 1914 United States-Panama Boundary Agreements, and the 1936

and 1955 Treaties of Friendship and Cooperation between the U.S. and Panama all clearly define a role of total sovereignty over the canal by the United States.

In addition to our annual payments, our presence in Panama has created countless jobs for Panamanians and a standard of living higher than any other Latin-American country. One-third of all jobs in Panama are related to the canal. Our record of running the Panama Canal has been superior. Accidents have been rare and the tolls have only been increased twice during the entire period that we have been running it. We should not place our security and the economic security of the world in the hands of an unstable, communist leaning government.

As if giving away our canal isn't bad enough. the proposed Carter treaty also calls upon the U.S. to make some $2.3 Billion in payments to Panama. Since Panama would be getting U.S. property and a U.S.-built canal, it is beyond my understanding why the Carter plan suggests that we give them billions of American dollars to boot. Keeping the Canal has become the rallying cry of all Americans who are standing up against the Washington bureaucracy. During my speaking tour through Texas, I have found overwhelming opposition among the solid American citizens in every town and city I've been in. While a national poll showed 78% of the American people nationwide are opposed to this new treaty, the percentage in Texas is undoubtedly much higher. It is high time the big government people in Washington gave up the idea that they know what's good for us better than we do ourselves. It's time for the Administration to start reflecting the views of the common people of America.

To surrender the Canal to a communist line government in Panama that has established close ties with both Russia and Cuba and then pay Panama astronomical yearly fees would be submitting ourselves to absolute robbery. If you remember the Marines' Hymn, "From the Halls of Montezuma to the Shores of Tripoli", the Barbary Pirates of Tripoli were robbing all ships off the North African coast. Our American Marines stood strong against them, and as a young nation we defended our interests, rather than give in to a petty local tyrant in the Mediterranean. Similarly, when the French were boarding American merchant ships, and Talleyrand attempted to exact payments from the U.S. Ambassadors, the cry went up, "Millions for Defense—Not One Cent for Tribute". I think it is time to stand strong again, and, as Teddy Roosevelt often stated, to "speak softly but carry a big stick".

We paid for the Panama Canal just as we paid for Alaska and the Louisiana Purchase. We bought it. We built it. We own it. I believe it is in the best interest of our country to keep it.

THE FAMILY VIOLENCE PREVENTION AND TREATMENT ACT AND THE DOMESTIC VIOLENCE PREVENTION AND TREATMENT ACT OF 1977: LEGISLATION TO HELP BATTERED WIVES

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. STEERS. Mr. Speaker, today my distinguished Maryland colleague, Congresswoman BARBARA MIKULSKI, will introduce the Family Violence Prevention and Treatment Act. This follows introduction by Congresswoman LINDY BOGGS and me of the Domestic Violence Prevention and Treatment Act of 1977 on June 21. Both measures seek to provide solutions to the tragedies of family violence particularly that between spouses.

I want to commend Ms. MIKULSKI on introduction of her bill which proposes stipends for local volunteers who want to work in their neighborhoods to establish and operate programs for battered spouses through the use of shelters, hotlines and other supportive services.

As a former social worker, Congresswoman MIKULSKI is convinced that programs work best when initiated by citizens of the community they serve. Following this belief, the Mikulski Family Violence Prevention and Treatment Act would be administered within the ACTION Agency.

The Domestic Violence Prevention and Treatment Act of 1977, jointly introduced by Congresswoman BOGGS and me grants demonstration funds in the amounts of $9 million in 1972, $12 million in 1980 and $15 million in 1981 to groups working with battered spouses to test out ways of preventing and treating family assaults.

Among a number of other provisions, our bill further authorizes $750,000 in 1979, $1,000,000 in 1980 and $1,250,000 in 1981 to provide technical assistance to those nonprofit organizations which do not possess the resources and expertise necessary to develop and transmit an application for grant money.

Both the Mikulski and Steers-Boggs bills are designed to help the nearly 100 local nonprofit shelters for battered women, their children and husbands across the Nation.

My own study shows that a majority of these shelters are operating at 150 percent to 250 percent above authorized capacity: This despite the sad fact that about 50 percent of applicants to the shelters are being turned down for lack of space.

Thus, it is evident that both the volunteer component of the Mikulski bill and the grant money provided in the Steers-Boggs bill are needed not only to help these shelters survive, but also to help expand their facilities and services to accommodate all victims of such abuse.

By introducing these measures, it is our hope to bring nationwide recognition to the deadly serious tragedies of violence within the home—violence that extends well beyond the horrors of child abuse.

MEDICAL CARE FOR MILITARY RETIREES

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. BRINKLEY. Mr. Speaker, much attention has been given in recent months to the serious problem facing our military retirees in obtaining adequate medical care for themselves and their dependents. I submit for the RECORD a copy of my letter to you today concerning this urgent situation:

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 7, 1977.

Hon. THOMAS P. O'NEILL,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Today I have submitted to the Bill Clerk of the House of Representatives petitions in support of my legislation to remove the "as available" clause from Title 10 of the U.S. Code. These petitions have been provided me by the Retired Earned Military Benefits Organization (REMBO) headquartered in Columbus, Georgia.

This is demonstrative evidence that military retirees do not believe they are receiving the medical care historically permitted and allowed. Upon enlisting, they were led to believe these benefits would be available to them and their dependents upon fulfilling their contracted service in the Armed Forces. Generally, these retirees have served their country in two or more military conflicts and are at that point in their life when medical services are most needed. In all too many instances, they are unable to obtain or afford adequate medical care.

The petitions being submitted today are symbolic of the many thousands sent to other Members of Congress from throughout the Nation. Therefore, I respectfully request they be referred to the Armed Services Committee where my legislation is pending so they may be made a part of the Committees' official record. I urge favorable consideration.

With thanks for your attention and cooperation, I am

Sincerely,

JACK BRINKLEY,
Member of Congress.

SILENT MINORITY SHOULD BE HEARD

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. FINDLEY. Mr. Speaker, today I am introducing legislation to provide an income tax credit to deaf individuals and others requiring the use of a teletypewriter for communication. A TTY, as it is called, is a typewriter attached to a phone and capable of transmitting a message over telephone lines to any other teletypewriter in the country.

The cost to the deaf of using a teletypewriter can be as much as three times higher than the charge paid by people with normal hearing. The reason is the vastly longer time it takes the deaf to communicate by phone.

Those who speak well and fairly rapidly can complete an average conversation in 1½ to 2 minutes. The same call made with a TTY can take as long as 5 minutes, or even longer depending upon the typist. The cost for a long distance call can be prohibitive. With the cooperation of Gallaudet College, the Nation's only liberal arts college for the deaf, I timed a phone call requesting information on President Carter's recent press conference. The caller wanted to know what time the conference would be, on what television channel, and whether a deaf interpreter would be present. This conversation by TTY took

4½ minutes. We talked it in 1½ minutes. Under the current reduced daytime rates, the cost of a call from Washington, D.C., to San Francisco, similar to the one made at Gallaudet would cost, if spoken, 92 cents. If it were made by TTY, however, it would cost $2.06 plus tax. Of course, the speed of the typist is an important factor. In this case, a competent typist was at the keyboard. If the user has never been trained in typing the time required would be even more expensive.

The average deaf family cannot afford the expense. The median income of a family of four headed by a deaf person is only 84 percent of the hearing family's income. While the average hearing family's income was $9,902 in 1971, the latest year for which comparable figures are available, the average deaf family's income was only $7,338.

The telephone is without question one of the most important items in any household. It is a family's connection to the outside world, vital in emergencies and in virtually every aspect of daily life. The deaf, and others who cannot communicate by phone through the normal speaking process, should not be required to pay an extraordinary amount for this vital necessity or forego its use completely. It is time for this silent minority to be heard. That is what the bill I am introducing today will help to accomplish.

RAUTA FAMILY SEPARATED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. CRANE. Mr. Speaker, the tragic plight of the Rauta family was brought to my attention during the August recess, and I would like to share, today, with my colleagues, yet another inhumane example of the Communist world's attitude toward human rights. I insert in the RECORD an article written about the Rauta family, a family separated by the obvious unfulfilled obligations of Rumania, in accordance to the Helsinki agreement.

The article follows:

RUMANIA IGNORES HELSINKI PACT

(By Dumitru Danielopol)

The man spent hours on the transatlantic telephone trying to reach his son who was celebrating his fourth birthday. He never got through. Bucharest's Communists refused to complete the call—for "political reasons."

If this had happened during the Hitler or Stalin era, it would have been understandable. Those people's callous disregard of human behavior has gone into history.

But this happened on the last weekend in July 1977 in this era of "detente," in the glow of "open" communications between the peoples decreed by the Helsinki agreement of 1975.

The father is Constantin Rauta, a 35-year-old Rumanian electronics engineer.

Three and a half years ago, on a visit to the United States he sought, and was granted, political asylum. His wife and son, six months old, were home in Rumania. Ever since, he has tried in vain to get permission for his family to join him.

On direct orders from Rumania's Red Cross boss Nicolae Ceausescu, exit permits for the Rauta family have been forbidden. In recent weeks even telephone conversations have been denied.

Rauta, a former member of the Communist party, had had enough of Red tyranny when he decided to defect. In an open letter to former President Gerald Ford, dated Nov. 25, 1975, Rauta explained: "I love my country and I respect my people, but I reject the tyranny in which the Rumanian people are forced to live and the Communist society in which the individual is considered and treated as a slave who must be exploited in his work and denied his rights."

He went on to explain that because he left his country, "Ceausescu ordered that my family be destroyed as an example to other Rumanians who are seeking human rights and freedom."

Rauta is now employed as an engineer by the Computer Sciences Technicolor Association, which is under contract with NASA.

After 60 years of observing communism, starting in the streets of Moscow as a child in the fall of 1917, I have learned that rabid Communists of the Ceausescu type are ruthless, cruel and often seem totally bereft of humanity.

The Rauta case wouldn't be so scandalous did it not happen in "year one" of President Carter's era of "human rights," and at the same time when the Ceausescu regime is knocking at the doors of the White House and the U.S. Congress to renew the benefits of the "most favored nation" trade agreement.

It also happens at a time when Rumania is spending a $20-million gift from the American taxpayers—a gift to ease the damage caused by the Bucharest earthquake.

Later this year, 32 nations will gather in Belgrade to study how Iron Curtain countries have fulfilled their obligations deriving from the Helsinki agreement.

According to the terms of that document, Rauta has all the rights to be reunited with his family.

"The participating states," says the Helsinki agreement, "will deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family . . . as expeditiously as possible."

It also stipulates that "until members of the same family are reunited, meetings and contacts between them may take place. . . ."

Thus, Ceausescu is in flagrant violation of his obligations under the Helsinki agreement.

Both the Administration and Congress have the right to demand a change of attitude of the Red boss of Rumania.

President Carter has a good reason to intervene. It would be consistent with his "human rights" campaign.

The argument that the United States cannot interfere in the affairs of other countries simply doesn't hold water. Helsinki says we have the right to demand that wrongs be righted.

It's up to you, Mr. President.

And what a perfect opportunity for Ceausescu to prove that he was not cast in the same mold as Hitler and Stalin.

KLEIN, TEX.—A HISTORICAL COMMUNITY

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. ARCHER. Mr. Speaker, the Senate and House of Representatives of the State of Texas have called upon the Federal Government to prevent the disappearance of the historical identity of the community of Klein, Tex. Senate Concurrent Resolution No. 91, as introduced by State Senator Walter H. Mengden, Jr., is a plea on behalf of this community and others throughout the Nation for assistance in preserving our cultural heritage:

SENATE CONCURRENT RESOLUTION NO. 91

Whereas, The richness of American culture is due in large measure to the diverse backgrounds of this country's early settlers; and

Whereas, Because of expanding urbanization and the centralization of governmental services, a number of old settlements are in danger of losing their ethnic identity and cultural uniqueness; and

Whereas, Klein, Texas, settled in the 1850's by German immigrants, is a historical community which may soon disappear except from the pages of obscure local histories; and

Whereas, The residents of this unincorporated Harris County community are proud of their heritage and wish to preserve the name of Klein in tribute to the area's early German pioneers; and

Whereas, These descendants of Klein's founders and the Klein Independent School District now receive their mail from Houston, Tomball, and Spring, Texas; and

Whereas, A major goal of this nation's bicentennial celebration was to reacquaint the American people with their cultural and anthropological heritage and to foster the appreciation and preservation of its diversity; now, therefore, be it

Resolved by the Senate of the State of Texas, the House of Representatives concurring, That the 65th Leegislature hereby respectfully memorialize the Congress of the United States to seek the establishment of a post office in Klein, Texas, to aid in the preservation of this historical community's identity; and, be it further

Resolved, That copies of this resolution be prepared and forwarded to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and all members of the Texas delegation to the United States Congress with the request that this resolution be officially entered into the Congressional Record as a memorial to the Congress of the United States of America.

AFTER THE BLACKOUT: THE HUMAN FAILURES . . .

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. FAUNTROY. Mr. Speaker, following the recent blackout in New York City, Mr. M. Carl Holman, president of the National Urban Coalition, sent a letter to the editor of the New York Times.

Mr. Holman's letter, which was published by the editor, I believe, capsulizes an important aspect of that blackout which most news accounts overlooked.

I wish to share Mr. Holman's letter with my colleagues. The letter follows:

AFTER THE BLACKOUT THE HUMAN FAILURES . . .

To the Editor:

It does not excuse one single act of looting or burning or injury to insist that something more is required than calling the per-

petrators animals or demanding higher bail and longer jail sentences. It is not enough to express sympathy for the merchants who had no insurance—though it turns out that some of them were eligible for insurance that they did not know existed. As one who happened to be in blacked-out New York City that night, I don't find it necessary even to wonder at how few accounts have appeared about those blacks and Hispanics and poor people who also directed traffic, protected others, did not loot or burn.

It is not even worth going through the ceremonial apportioning of guilt among those who were or were not present. Because by now we must know that there are problems we have deferred too long and will defer again, work that is too hard to do, personal and group sacrifices we find beyond our capacities, corrective action which must be sustained over a period too long for a people too impatient, too easily diverted to stay the course

Meanwhile, those who customarily clean up afterwards will do so. The reports will be duly written and filed. Those who were already in a bad way will be worse off. Those who had little sympathy for them will probably have less. And those who go on tugging at one end or another of the tangled skein will persist—knowing that only the toughest of the sparse converts to their causes will stay around long enough to see the broken glass ground into powder. Because we have not yet found the lightning that will fuse enough of us into a force that can use the ordinary political, economic, social and moral instruments at our disposal to make changes of the scale, depth and duration required before the lights go out again.

M. CARL HOLMAN,
President, National Urban Coalition.

MUDD CASE NOW UP TO PRESIDENT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. SIMON. Mr. Speaker, Senator CHARLES MATHIAS, of Maryland, and I have been joined by 26 of our colleagues in the House and Senate urging that Dr. Samuel Mudd, a physician who treated John Wilkes Booth following the assassination of President Lincoln, be officially declared innocent. Historians have made that judgment, and now his family would like to see that it be officially rectified.

We have the phrase in common usage now, "His name is mud." That, unfortunately, stems from the humanitarian act of a physician who, in the hysteria of the moment, was found guilty of being part of the conspiracy to kill Lincoln.

We hope that President Carter will take this step, which historians and people interested in justice would welcome.

I thought my colleagues would be interested in the editorial which appeared in the Washington Star on the question.

The article follows:

[From the Washington Star, August 25, 1977]

MUD? MUDD

There are longings for justice, or, maybe, just vindication, that know no time limits. Call it truth, call it obsession—and it doesn't seem to matter which it is—something cries out for the present to settle with the grievances of the past.

We've seen efforts to rehabilitate Lillian Hellman, Alger Hiss, the Rosenbergs and the Hollywood writers who got in trouble over communism in the Fifties. We're seeing the innocence of Sacco and Vanzetti asserted as passionately as it was when the two anarchists were on trial for murder 50 years ago.

And now another figure out of the past has come forward, in the person of a grandson, to ask that his reputation be restored. This time it's Dr. Samuel Mudd, the man whose destiny enriched American idiom with the expression "His name is mud." The man whose name was mud as well as Mudd because he set John Wilkes Booth's broken ankle after the assassination of Abraham Lincoln.

Dr. Mudd had met the assassin before the historic melodrama in Ford's Theater. Furthermore, he was a Marylander of Confederate sympathies. But John Wilkes Booth was wearing a false beard when he brought his broken leg for treatment and the doctor did not learn of the assassination until after he had set the bone. Then, becoming suspicious, he reported the incident to the authorities.

Such were the emotions of the time that none of it seemed to count. Dr. Mudd was arrested, convicted by a military tribunal and sentenced to life imprisonment as part of the conspiracy to kill President Lincoln. He was pardoned four years later, because of his heroism in fighting a yellow fever epidemic.

But, as any observer of recent events knows, a pardon is by no means the same thing as exoneration. And exoneration is what Dr. Mudd's descendants want for him and for their family name. His grandson, now an elderly man himself, has been appealing to president of the United States about the matter for 50 years. Roger Mudd, the TV commentator, and another descendant of the unfortunate doctor, is also convinced an injustice was done.

President Carter, whose Southern background makes him particularly sensitive to the dark places in 19th Century American history, has every reason to judge Dr. Mudd's case sympathetically. Here's one old wound that could be healed without either moral default or political penalties. The name of Mudd should be mud no longer.

VALLEY OF NORTHERN NEW JERSEY ANCIENT ACCEPTED SCOTTISH RITE RAISE OVER $6 MILLION FOR MENTAL HEALTH

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. RINALDO. Mr. Speaker, I wish to call to the attention of my colleagues the commendable efforts of the Valley of Northern New Jersey Ancient Accepted Scottish Rite. Since 1934, the Scottish Rite in the northern jurisdiction has directed and financed the first coordinated research program into the cause of schizophrenia, the most widespread and serious form of mental illness. This research activity, of benefit to all mankind, is carried on with the cooperation of an advisory committee composed of leading medical scientists, psychriatrists, and psychologists. To date the Scottish Rite has raised more than $6 million.

The critical need to provide mental health care for our country's citizens cannot be minimized. The annual cost of mental illness to the economy has been estimated to be $36.8 billion. Mental and emotional illness does not differentiate between economic class or race. It strikes children, youth, the middle-aged, and the elderly, creating great economic and emotional hardships.

In addition to its outstanding fundraising achievement, the rite has performed notably in educating the public on the problems of the mentally ill. There are approximately 20 million Americans who suffer from mental and emotional illness. Less than one-third receive some minimal type of help, and 14 of the 20 million go totally untreated.

It is reassuring to know that the fundraising and educational achievements of the rite will aid those who are presently in need of help, as well as enlighten others in understanding the needs of the mentally ill, and inspire them to work toward the attainment of a viable national mental health policy.

CONGRESSIONAL SALUTE TO THE HONORABLE STELLA MADAY OF CLIFTON, N.J., UPON HER ELECTION AS PRESIDENT, DEPARTMENT OF NEW JERSEY, AMERICAN LEGION AUXILIARY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. ROE. Mr. Speaker, on Friday, September 9, a good friend and most distinguished citizen of my Eighth Congressional District, State of New Jersey, the Honorable Stella Maday of Clifton, N.J., will be installed as president, Department of New Jersey, American Legion Auxiliary, and I know that you and our colleagues here in the Congress will want to join with me in sending our warmest greetings and felicitations to this wonderful lady whose standards of excellence and untiring efforts on behalf of our veterans and their families has truly enriched our community, State, and Nation.

Stella Maday is an outstanding individual who throughout her lifetime has earned the respect and esteem of all of us who have had the good fortune to know her. She will be honored this week in Wildwood, N.J., at the American Legion installation ceremony of the New Jersey Department's convention for her exemplary service of over three decades with the American Legion Auxiliary. Her outstanding record of service with this prestigious veterans organization is a credit to her lifetime of dedication, sincerity of purpose and personal commitment to the needs of our people.

Mr. Speaker, Stella joined the Rosol-Dul Memorial Post No. 359, Passaic, N.J., as a charter member in 1946. She has served in all offices as well as chairman of all major committees of this most important veterans auxiliary unit and attained the presidency of post No. 359 in 1960.

She was subsequently endorsed by the membership for office on the Passaic County level and after serving in all of-

fices on the county level became Passaic County president in 1965–66.

In testimony to her many achievements in service to the veterans and their families, in 1971 Stella was endorsed by the Passaic County American Legion Auxiliary for induction into the auxiliary's Department of New Jersey where the richness of her wisdom and quality of her leadership were fully recognized. She served in all offices and major chairmanships of the department's committees and has now been endorsed by the Passaic County American Legion Auxiliary for the office of department president for the year 1977–78.

Mr. Speaker, in her daily career pursuits Stella is the principal bookkeeping machine operator in the office of the treasurer of the city of Clifton. Throughout her lifetime she has constantly sought the highest standards of excellence in everything she has set out to do and the veterans and their families can be deeply appreciative—as we all are—of her championship endeavors on their behalf.

We share the pride of her husband Stanley, who served our country with distinction as a member of the U.S. Army infantry, 77th Division in World War II, other family members and her many, many friends in this most noteworthy achievement with the American Legion Auxiliary which brings great honor to the city of Clifton, county of Passaic, my congressional district, and State of New Jersey.

Mr. Speaker, it is a pleasure and privilege to seek this national recognition of Stella Maday and all of her good works. Her compassion, benevolence, and continuing faith, hope, and charity in working toward a better way of life for all of our people is applauded by all of us. We do, indeed, salute a distinguished citizen, community leader, and great American, the Honorable Stella Maday, president, Department of New Jersey, American Legion Auxiliary.

MR. EILBERG CRITICAL OF IMMIGRATION SERVICE "REPORT" ON NAZI WAR CRIMINALS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. EILBERG. Mr. Speaker, the former Commissioner of the Immigration and Naturalization Service, Gen. Leonard F. Chapman, issued a contract a few months ago to James J. Carey, a retired Immigration officer, to make an independent investigation of the Service's handling of allegations regarding Nazi war criminals in the United States.

The ostensible purpose of the investigation was to reconstruct for the Commission the activities of INS in this field, especially with regard to allegations received prior to 1973, the year in which we, in the Congress, focused attention on the inaction and procrastination of the Immigration and Naturalization Service in actively pursuing alleged Nazi war criminal cases.

The report compiled by Mr. Carey in March, 1977, may be judged by INS to be an adequate defense of its role in these cases over the years. I characterize it as a weak, inconclusive, superficial document which speaks louder for what has been left unsaid than for what it says.

I can only conclude that during the period when these Nazi war criminals were permitted to enter the United States, the Immigration and Naturalization Service, in fact the entire U.S. Government, was completely preoccupied with communism. Nazi Germany had been obliterated and the new enemy, the Soviet Union, had emerged. That is not to say that the Communist element should not have been controlled. But to do so, at the expense of allowing war criminals responsible for the slaughter of 25 million people go unpunished was and is unconscionable.

The rationale was easy, palatable, and reflective of the mood of the times.

We may never know, for certain, whether top officials of INS gave direct orders to "go slow" on pursuing Nazis. Perhaps the go slow directive was given by means of a "wink and a nod." The Carey report sheds no light on this.

It does make abundantly clear that INS kept no real records on Nazi cases for years, gave no central supervision to the active prosecution of or specific attention to the investigations in these cases, to the point that even now, we have no assurance that whole files may not have been destroyed.

One fact emerges clearly—INS was more concerned about possible Communist propaganda and political alliance with postwar Germany, than it was with bringing to justice criminals who participated in genocide on a scale unknown to mankind throughout history.

The Carey report clearly demonstrates that INS was concerned that the United States would be branded by the Soviet Union as a "haven for Nazis" were it to be known that Nazis were, in fact, in the country.

Also, in spite of clear evidence in recent years of the cooperation by the Soviets in finding witnesses and furnishing affidavits to INS in cases referred to them, INS still questions this Soviet action on the basis of an expressed uncertainty that the Soviet Union will continue this cooperation.

I am completely convinced that had we in the Congress not taken the lead, these criminals would have been able to mask their culpability and succeed in their plan to make a mockery of the principles of international and social justice.

The American people would have been better served had the Carey report rejected the premise of self-service and exposed the true facts, letting the blame fall on the guilty parties, whoever they may be.

The report in its present form contains a number of deletions. It is also "sanitized" as to third agency documents. Our true final assessment of this document will only be possible when all of the information is made available.

CONSUMER-ORIENTED MEAT LAWS

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. RUPPE. Mr. Speaker, today I am introducing legislation that would undo a recent Supreme Court decision that set back the American consumer protection movement by as much as 20 years.

The Supreme Court decision I refer to is the case of Jones against Rath Packing Co., handed down on March 29, 1977. In that case, 39 States filed in support of the California petitioner arguing in part that stricter State laws governing meat standards were not preempted by Federal law. However, the Court determined that the language of section 408 of the Wholesome Meat Act of 1967 preempted stricter State meat standard laws. Thus, in my own State of Michigan, the court delivered a death blow to Michigan consumer-oriented meat laws that have been in effect since 1952, 15 years before the Wholesome Meat Act was passed.

What does this decision mean to the average consumer? It means that States can no longer require meat standards that afford the consumer more protection than the Federal law now permits. It means that comminuted—pulverized—meats like bologna, sausage, and hot dogs may contain such ingredients as snouts, goat tripe, spleens, hearts, salivary glands, and tongues permitted under the Federal law.

Further it means that States can no longer restrict the fat and bone in these meats. Indeed, I understand that the Department of Agriculture is planning to again propose regulations on the use of mechanically deboned meat, which will mean more bone and fat in the meat we eat. Previous interim agriculture regulations on this issue were enjoined last year by U.S. District Court Judge William Bryant in a suit brought by a number of consumer groups.

It would be a step backward in our attempts to provide the American consumer with safe, wholesome, and nutritious food if we allow section 408 of the Federal Wholesome Meat Act to continue to preempt stricter State meat laws, as the Supreme Court has ruled. Indeed, legislative history on this act would indicate that, in fact, the goal was to raise State meat laws to a Federal minimum, not establish a Federal maximum standard for meat ingredients labeling, packaging, and inspection.

To the contrary, we should allow States such as Michigan and California to retain their high standard meat laws, which were in effect long before the Federal Wholesome Meat Act was ever passed.

With 39 States supporting this California position in the Jones case, this issue is indeed of importance to consumers nationwide. The States participating in this suit included:

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Delaware, Florida, Georgia, Hawaii.

Idaho, Illinois, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi.

Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York (filed own brief), North Carolina, North Dakota, Texas.

Oklahoma, Oregon, South Carolina, South Dakota, Texas, Utah, Virginia, Washington, West Virginia, and Wyoming.

Because of the pressing need to resolve this issue in light of this recent Court decision, I will seek the immediate support of my colleagues to see that the legislation I am introducing receives prompt attention. Hopefully, action can be taken this Congress to revise the present law and continue our progress in improving the quality of the food we consume.

PHILADELPHIA CITY COUNCIL URGES UNITED STATES TO GRANT LANDING RIGHTS TO EL AL ISRAEL AIRLINES

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. EILBERG. Mr. Speaker, the city of Philadelphia, the fourth largest city in the United States, is currently engaged in serious efforts to win landing rights for El Al Israel Airlines at Philadelphia International Airport.

As part of that endeavor, the city council of the city of Philadelphia has adopted a resolution in support of these landing rights, and calling on the Department of State, the Department of Transportation, and the Civil Aeronautics Board to approve this arrangement.

Mr. Speaker, it gives me great pleasure to place in the RECORD the full text of the resolution adopted by the city council on this important issue:

RESOLUTION No. 216

(Council of the City of Philadelphia)

Memorializing the Honorable Cyrus R. Vance, Secretary of State of the United States, the Honorable Brock Adams, Secretary of Transportation of the United States, and the Honorable Alfred E. Kahn, Chairman of the Civil Aeronautics Board of the United States, to aid in granting landing rights to El Al Israel Airlines at Philadelphia International Airport and other major cities.

Whereas, Many thousands of citizens in Philadelphia and the Delaware Valley are desirous of visiting Israel and the Holy Land as tourists, pilgrims, or on economic missions, but are greatly inconvenienced, as are people in other parts of the United States, because the El Al Israel Airlines may land only in New York City; and

Whereas, Philadelphia, the fourth largest city in the United States, with the third largest Jewish population in the nation, is deserving of a direct air link with the State of Israel; and

Whereas, Philadelphia, a great cultural and historic area, steeped in the traditions of democracy, would attract and serve many visitors and tourists to the United States with a direct air link to Israel and the Holy Land, foster democratic values, stimulate trade and commerce; and

Whereas, Granting El Al Israel Airlines direct landing rights to Philadelphia International Airport with its modern large-scale improvements, would help establish Philadelphia as a major metropolitan gateway for world air travel, add to its growing reputation as one of the best overall airports, and increase the nation's ability to provide convenient and efficient air travel to and from the United States; therefore

Resolved, By the Council of the City of Philadelphia, That we hereby memorialize the Honorable Cyrus R. Vance, Secretary of State of the United States, the Honorable Brock Adams, Secretary of Transportation of the United States and the Honorable Alfred E. Kahn, Chairman of the Civil Aeronautics Board of the United States, to aid in granting landing rights to El Al Israel Airlines.

Resolved, That certified copies be sent to the Secretary of State of the United States, the Secretary of Transportation of the United States, the Chairman of the Civil Aeronautics Board of the United States, the Congressional Delegation representing Philadelphia and the Delaware Valley area, and to the City Representative and Director of Commerce of the City of Philadelphia.

Resolved, That an engrossed copy of this resolution be presented to the Honorable Asher Naim, Counsul-General of Israel in Philadelphia, as evidence of the sincere sentiments of this legislative body.

FEDERAL YOUTH EMPLOYMENT PROGRAMS MUST BE IMPLEMENTED FAIRLY: SUBURBAN AND INNER-CITY TEENAGERS ALL SHARE COMMON PROBLEMS

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. STEERS. Mr. Speaker, youth unemployment is becoming increasingly recognized as one of the most intractable problems our country has had to solve. The issues involved in dealing with out-of-work teenagers present many hard choices to our country's legislators and administrators.

Mr. Rudolph P. Savage, Jr., of Kensington, Md., is presently coordinator of the employment program of the Mental Health Association of Montgomery County, Md. He has gained a detailed, first-hand knowledge of the problems associated with helping unemployed teenagers. His expertise in the field has led him to conclude that all out-of-work teenagers deserve Federal aid in becoming gainful members of society no matter where they live—whether in old cities or in affluent suburbs. I am inserting in the CONGRESSIONAL RECORD an eloquent letter which Mr. Savage recently sent me. His comments will, in my opinion, inject some much-needed commonsense in the debate on how to eliminate the scourge of youth unemployment.

Mr. Savage's expertise in the area of youth unemployment confirms my strong feeling that all teenagers must receive equal opportunity and equal access to Federal programs to aid the unemployed youth. An out-of-work teenager's eligibility to participate in an employment program should not be based solely on the unemployment rate of the locality or State in which he or she happens to reside. Neither should the income level of a region be used as the sole criterion in deciding which unemployed youths to aid. Instead, the problem of unemployment should be viewed as a universal one, hitting middle-class and poor people alike.

This is the problem which I hope the Federal Government, and especially the Labor Department, will keep in mind as it implements the recently passed Youth Employment and Training Act—Public Law 95–93. Only when we eliminate the idleness of teenagers who linger in suburban shopping centers for lack of jobs—as well as unemployment among teenagers in the inner cities—will the entire problem of youth unemployment be truly solved.

Following is Mr. Savage's letter:

MENTAL HEALTH ASSOCIATION OF MONTGOMERY COUNTY, MD., INC.,
Kensington, Md., August 22, 1977

Hon. NEWTON I. STEERS,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN STEERS: I am again corresponding with you concerning the youth employment issue and the recently passed legislation in this area. I would like to continue my efforts, that began with the testimony before the subcommittee on Employment Opportunities, to provide input that hopefully will lead to the implementation of an effective nationwide youth employment program. At this point, my focus will be upon the guidelines for the allocation monies rather than upon the component programs.

When I attended the hearings I heard much discussion about the low income youths and how urgently funds were needed to meet the problems in this area. As I listened I was very much in agreement with many of the statements. However, as I listened, I began to wonder whether the discussion centered around a welfare issue or an employment issue. More and more the bill was talked about in terms of a program to meet the needs of low income people rather than a bill to meet the needs of unemployed youth.

My goal and the goal of any input I can provide is to meet the needs of all unemployed youth whether their parents are poor or rich. I think that we are discussing areas that are much more crucial to the country than just economics. Youths of all income levels need the opportunities available to obtain training, career counseling and to work to gain maturity and a sense of responsibility. If middle and upper income youths are deprived of these opportunities by funding that is targeted only at the poor, we may be creating problems that will effect this nation for years to come.

The point is that in areas that have a high income base such as Montgomery County, the problem of youth unemployment will persist, unless funding for these kinds of areas is made available. People have responded to this statement with replies such as, "The upper income level areas attract retail business which in turn provides employment for youth." My experiences have shown that this is a misconception bred by a lack of knowledge about the hard realities in the job market. Take a trip to the large retail area within Montgomery County and survey the employees, my guess would be that about nine out of ten times the employer will not hire the youth until they turn eighteen. Rationalizations such as high income is equal to no youth employment problems are faulty.

A part of my concern is how the lack of funding will effect middle income youths.

What messages is it that we will send to him, whether it is conscious or unconscious, about society's desire for him to work. Let's pretend for a minute that you are a fourteen-seventeen year old who is motivated to go out and earn money for yourself. You begin your search by talking to various retailers with high expectations of going to work. These are quickly squelched when you are constantly told that you must be sixteen or eighteen to work at this place. But, you can't give up easily. A few weeks later, after repeated attempts to find work, you decide to check on your local employment program. You begin to talk to a counselor and find out that you can't be helped because your parents make too much money! You ask, "What does that have to do with me, I still don't have a job and want to work?" Your counselor says, "I'm sorry there is nothing we can do for you." Hypothetical? Maybe, but very much a part of every day life for many middle class youths who turn to government funded sources for aid. What is it that we have said to them! I think it is go home and live off of your parents income until age sixteen or eighteen and then go to work. That is the beginning of a habit and set of values that will effect the youth of America's middle class many times until they become settled. I wonder if this is really how an employment bill should function in our society.

Therefore, I would urge you to advocate for guidelines that tackle the youth unemployment problem head on rather than by dealing with side issues. Two options that might be considered, out of many, would be the establishment of guidelines based upon the per centum of unemployed youth within various jurisdictions or the establishment of guidelines allowing each jurisdiction to assess its own needs and implement programs to meet these needs. In an effort to truly be fair and meet the unemployment problem squarely I would lean towards the establishment of a youth unemployment index and an allocation of funds to jurisdictions based upon the needs indicated by the index. This type of solution would then target the legislation directly at those for whom it was designed to serve.

I would hope these thoughts are of some help to you in this area. I have other thoughts and if at any time you or others might desire input within this area I would be willing to work with you on this matter.

Sincerely,

RUDOLPH P. SAVAGE, Jr.,
Employment Program Coordinator,
Middle Earth Youth Services.

HANNA-BARBERA PRODUCTIONS: 20 YEARS YOUNG

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. WAXMAN. Mr. Speaker, this year Hanna-Barbera Productions celebrates its 20th anniversary. An entire generation of television viewers—many of them now with children of their own—cherishes the memories of the enormous cast of characters which continue to generate the laughter of our children.

In addition, Hanna-Barbera's 20 years of technical achievements in the field of animation have become both a benchmark for the industry and an integrated part of our popular culture.

"Tom and Jerry," "The Flintstones," and "Yogi Bear," among many other animated creations of William Hanna and Joseph Barbera, have just been honored at the 11th Annual International Animation Film Festival in Annecy, France. The honors they received reflect not only the continuing resiliency of this industry, but also international recognition of that special breed of creative genius—the animators—and their contribution to the entertainment of audiences in the United States and throughout the world.

The contribution of William Hanna and Joseph Barbera to greater appreciation and understanding between our citizens and the peoples of the world deserves our wholehearted recognition and gratitude. I am pleased to mark Hanna-Barbera Production's 20th anniversary with my colleagues.

ALCOHOL FUELS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. OTTINGER. Mr. Speaker, European countries have for decades conserved scarce petroleum by running their vehicles on what we now call gasohol—a blend of alcohol and gasoline. The United States, however, still has not taken any serious steps toward making alcohol from agricultural surpluses, timber waste, municipal garbage, wastepaper and coal. Of the 103-page national energy program presented by the administration this spring, only a single sentence was devoted to the potential of using alcohol as a substitute for the scarce fuels that we increasingly import from the OPEC nations.

On Tuesday, August 9, 1977, Jack Anderson and Les Whitten summarized the need for action in their column, titled "Alcohol Fuels May Be the Wave of the Future," which I include for the RECORD:

[From the White Plains (N.Y.) Reporter Dispatch, Aug. 9, 1977]

ALCOHOL FUELS MAY BE THE WAVE OF THE FUTURE

(By Jack Anderson and Les Whitten)

WASHINGTON.—A grim President Carter told the American people on April 18 that they should brace for the equivalent of war to overcome the energy shortage. He called for smaller cars, better insulation, simpler lifestyles.

Last week, the Senate Energy Committee responded dramatically by outlawing automobiles that get less than 16 miles per gallon, beginning with the 1980 models.

Some energy experts have told us that Americans may not have to change their way of life It may not be necessary for them to junk their big cars, give up their weekend drives to the beach and move back into the city from the outlying communities.

Before the nation runs out of gas, these experts say, much of the fuel that is needed can be distilled from agricultural surpluses, timber waste, municipal garbage, wastepaper and coal.

These plentiful products can be converted into alcohol fuels, which can be blended into gasoline without even changing the engines. In fact, with slight modifications, automobile engines can be adjusted to run entirely on alcohol.

Already, Brazil and Germany have made commitments to start the switch to alcohol fuels. Brazil seriously is considering a plan to draw 75 per cent of its liquid fuel from alcohol by the year 2000.

Neither the idea nor the technology is new. European producers have sold alcohol blended with gasoline for decades. In the 1930s, Chrysler Motors modified some cars slightly to accommodate alcohol fuels and shipped them to oil-short New Zealand.

International Harvester used to advertise in the Philippines that its motor trucks were "powered with engines especially designed to burn alcohol." Today, many race-car drivers prefer alcohol fuels to gasoline.

We have spent several weeks investigating the dramatic possibility that alcohol could end our immediate dependence upon overseas oil. Alcohol fuels don't have to be pumped out of foreign fields but can be produced right here in the United States This would stimulate the U.S. economy and reduce the massive flow of dollars to the oil potentates.

For the amount it will cost to transport Middle East oil across the ocean and store it in our strategic reserves, experts insist the government could build dozens of alcohol fuel plants throughout the nation.

These plants are far cheaper to construct than gasoline refineries. They can also utilize waste products, thus producing vital fuel and cleaning up America at the same time. Experts told us, for example, that most of the garbage and trash New York City now dumps into the ocean could be transformed into alcohol fuels. The benefits to the beaches, which now are awash with pollution, would be worth the cost of the project, one authority suggested.

Speaking of pollution, the use of alcohol fuels would reduce the noxious exhaust fumes that now choke our cities. Comprehensive studies by Volkswagen, General Motors and even Exxon indicate that pure alcohol fuels cut down dramatically on auto pollution.

Yet the Carter administration, despite the high stakes involved, has failed to pay much attention to alcohol fuels. The 103-page National Energy Program devotes only a single sentence to the alcohol potential.

The Energy Research and Development Administration has devoted a few dollars to alcohol fuel research. The experiments have yielded promising results but, strangely, have been virtually ignored by higher-ups.

The all-powerful oil industry, of course, opposes developing rival alcohol fuels. This not only would threaten oil profits but could break the industry's monopoly. A city government could produce fuel from its garbage, a timber state from its wastewood, a farm state from its surplus grain. Then the big oil companies might be left with a lot of unused crude on their hands.

The oil operators, for example, quietly have tried to block the state of Nebraska from producing and marketing a 10 per cent blend of grain alcohol and gasoline. This product, known by the nickname "gas-o-hol," could be used in existing engines.

Suddenly, Nebraska congressmen began receiving quiet calls from representatives of the Nebraska Petroleum Marketers, urging them to oppose the gas-o-hol project. They cooly predicted that Nebraska's Gov. James Exon would withdraw his previous support of the project.

The governor denied he was opposed to gas-o-hol, but he called for further study. This was interpreted inside the statehouse as a political stall. Disillusioned legislators are convinced he caved in to oil pressure, a charge he vigorously denies.

Alcohol blends would cost a few cents per gallon more than gasoline, at the current prices. But insiders expect that gas prices

not only will catch up but surpass what it would cost to produce alcohol fuels.

The benefits in reducing pollution, improving the economy and reducing the dependence on oil imports should also be cranked into the economics. Favorable tax incentives could help make alcohol fuels competitive.

SBA RECOGNIZES IMPORTANCE OF WOMEN'S CONTRIBUTIONS IN BUSINESS

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Ms. MIKULSKI. Mr. Speaker, I would like to bring to my colleague's attention an important press release issued by the Small Business Administration during our district work period. The action detailed in the release is an important step forward for women who are already involved in business or for those who are planning on entering the business world but have hesitated to because of lack of funds. It is my hope that other agencies will take similar steps in the future to help women in their goal to gain equality.

The press release follows:

SBA WILL TARGET $100 MILLION FOR BUSINESS LOANS TO WOMEN

WASHINGTON, D.C.—The U.S. Small Business Administration will target $100 million for guaranteed business loans to women during the first quarter of Fiscal Year 1978 as a part of the Agency's National Women's Business Ownership Campaign, SBA Administrator A. Vernon Weaver announced today.

"The first increment in our Financial Assistance program to encourage women's business ownership will be an initial targeting of $100 million for guaranteed business loans to women in the first quarter of FY 1978," he said.

For the remainder of FY 1977, the Agency will provide whatever is necessary and needed to accelerate the campaign, he added.

The National Campaign was announced Wednesday at the White House by Ms. Margaret Costanza, Special Assistant to the President for Public Liaison, SBA Administrator A. Vernon Weaver, and Ms. Pat Cloherty, SBA Deputy Administrator-Designate.

"This campaign will begin immediately and is keyed to short-term goals designed to reorient SBA priorities, and a longer term strategy geared to developing specific programs," Ms. Cloherty said.

"The key elements of the campaign are based on a maximum utilization of existing resources at SBA coupled with a reorientation and much sharper focus on women," she said.

The National Women's Business Ownership Campaign will be funded to the maximum extent necessary from the resources of the Agency, Mr. Weaver said today. "But I want to make it clear that we do indeed have the financial resources to see this program through on a practical basis," he added.

Current SBA programs to be used in this campaign include:

Advocacy—This SBA office represents the small business community at all levels of government, and with business, professional and trade associations. The office will mount a series of some 110 seminars and conferences designed to inform women about SBA programs; about how to get into business; and how to expand an existing business.

Financial Assistance—SBA offers a broad range of loan programs for small businesses needing money that cannot be borrowed from conventional lenders. Field-level loan officers are being encouraged to seek out opportunities to involve women in business through the lending programs.

Management Assistance—This program is extensive and diversified. It includes Pre-Business Workshops, Problem Clinics, free individual counseling by retired and active business executives (SCORE/ACE), and for the socially or economically disadvantaged, the Call Contract program, which provides management and technical assistance from professional counseling firms under contract to SBA. SBA is devoting more resources in this area specifically to women.

Assistance in Securing Contracts—Specialists in this field counsel small businesses on how to prepare bids and obtain prime contracts and subcontracts. A systematic and deliberate search is being instituted to locate and add to source files the names of eligible women-owned small businesses. They will also be assisted in the mechanics of securing Federal contracts for goods and services.

ANNIVERSARY OF JEFFERSON DAVIS

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. DICKINSON. Mr. Speaker, each year the Sophie Bibb Chapter of the United Daughters of the Confederacy in Montgomery, Ala., pauses in commemoration of the anniversary of the birth of the first and only president of the Confederate States of America, Jefferson Davis. The ceremonies include the placing of a wreath on the brass star on the west portico of the Alabama State Capitol which marks the spot where Jefferson Davis took the oath of office and assumed the reins of the new nation.

This year's ceremonies in the Alabama Capitol included an address by Mr. Thomas B. Hill, Jr., a noted attorney in Montgomery and one of Alabama's most outstanding citizens. I am taking the liberty of inserting his address in the RECORD to share it with other Members of the House.

ADDRESS BY THOMAS B. HILL, JR.

Madam Chairman, ladies and gentlemen, we are assembled here this afternoon to commemorate the 169th anniversary of the birth of the great civilian chieftain of the South, the first and only President of our beloved Southern Confederacy, Jefferson Davis. I am deeply honored and profoundly grateful for the invitation to participate in the program on this occasion, to honor the memory of President Davis, whom I have, since earliest childhood, held in reverent veneration as one of the truly great statesmen and heroes in the history of our country.

Truly the brightest and most cherished page in my book of golden memories is the privilege that was mine to portray President Davis on the occasion of the Centennial Celebration on February 18, 1961, of his inauguration as President of the Confederate States; and, as I stand today upon this golden star which marks the hallowed spot on which he took the Oath of Office; and, as I stood here on that occasion and redelivered his inaugural address, there came to my mind the admonition of the Captain of the Lord's Hosts to Joshua, upon the Plains of Jericho: "Remove thy shoe from off thy foot, for the place whereon thou standeth is Holy Ground."

As we gather here this afternoon, on the portico of the building within whose walls the new nation was born on that eventful day, February 18, 1861, just a stone's throw from that consecrated structure, the First White House of the Confederacy in which he lived and moved, and adjacent to the monument to the bravery and valor of the Confederate Soldiers and Sailors, the cornerstone of which he laid on April 28, 1881, I seem somehow to have the feeling that he is with us; that his valiant and venerated spirit has returned from his home beyond the River to linger here for a few fleeting moments this afternoon with us, his people, in his earthly home. And, I seem to hear him whisper: "Well done, Sons and Daughters of the Confederacy! From the ashes to which your grandfathers returned from Appomattox in 1865, you have builded a grand and glorious Southland, an enduring monument to the sacrifices they made and to the ideals and the principles for which they fought and bled and died."

As we think of President Davis on this his natal day, the episodes in his eventful career pass in panoramic view before us, can we not picture him in our minds as the young and spirited cavalier, returning from his father's plantation in Mississippi to old Transylvania College in Kentucky, his native state? Can we not see him as he graduates from the Military Academy at West Point, and becomes the magnanimous captor of Chief Black Hawk? And then we see him like an archangel of war, leading his Mississippi Rifles at Buena Vista, wringing victory from defeat, and glorifying American Arms in the war with Mexico.

And next in our panoramic view of his life, we see him as he stands in the halls of Congress, representing his proud Southern constituency; and, then we see him adorning the Federal Senate Chamber, espousing the cause of the South, the contemporary of Webster and Clay, of Benton and Calhoun. We see him adding lustre to the Cabinet of President Franklin Pierce, as Secretary of War.

When the storm clouds are gathering, we see him as he stands on this hallowed spot, and takes the oath of office as President of our revered Confederacy, and pledges his loyalty and devotion to our people and to our cause; and, then, as the lightning of fratricidal strife flashes from every hilltop, we see him as the tall, suncrowned leader of the South, standing four square while the tempest rages about him.

We see him as the President of the Confederate States, directing the civi destinies of the new-born government at Richmond. And then, when all save love and honor is lost, we see him in irons confined in a prison casemate at Fortress Monroe, his proud spirit unconquered and unconquerable, preferring to endure chains and indignity rather than sacrifice principle and honor.

For two long years, he was incarcerated in that living tomb within the impregnable walls of that prison; most of that time being manacled and fettered on hands and feet in the fashion of a common criminal, upon instructions of Charles A. Dana, Secretary of War, and with the consent and approval of then President Andrew Johnson, turncoat Southerner from Tennessee. Indicted upon a charge of treason, he implored the Government to give him a trial, which they refused to do for two long years, realizing full well that no charge of treason could be sustained in any fair and impartial court of justice

And, finally, when those years of suffering and privation were at an end, and when broken in health and frail of body, away from the storm of the "bloody shirts," away from the forum that was striking at the South as she lay prostrate and bleeding, away from the ranchor and with his great heart broken, Jefferson Davis sat himself down at

Beauvoir, to write for you a true history of our Southland, that we should not be ashamed of its history. Of all the pictures that hang on memory's wall, none to me is so tragic, so pathetic, as Jefferson Davis, sitting there writing, while his enemies without sought in every way to compass the destruction of his name.

Almost eighty-eight years have passed since he received God's summons, and his spirit was wafted across the Great Divide to walk once more with his Captains. We may say of him, as was said of another distinguished Southerner, Henry W. Grady, who died literally loving a nation into peace:

"I have seen the light that gleamed at midnight from the headlight of some giant locomotive rushing onward through the darkness, heedless of opposition, fearless of danger, and I thought it was grand.

"I have seen the light come over the Eastern Hills in glory, driving the lazy darkness like mist before a seaborne gale, until leaf and tree and blade of grass glittered in the myriad diamonds of the morning rays, and I thought it was grand.

"I have seen the light that leaped at midnight athwart the storm-swept sky, shivering over chaotic clouds mid howling winds, until cloud and darkness and the shadow-haunted earth flashed into midday splendor, and I knew it was grand!

"But the grandest thing, next to the radiance that flows from the Almighty Throne, is the light of a noble and beautiful life, wrapping itself in benediction 'round the destinies of men, and finding its home at last in the Blessed Bosom of the Everlasting God. That man is great who has the strength to serve, the patience to suffer, who seeks not to conquer the world but, mastering himself, spends his life and energies in unselfish service for his fellow man."

Such a man was Jefferson Davis, and we shall revere his memory 'til time shall be no more.

BERTEL VOTED TO SOCCER HALL OF FAME

HON ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. YOUNG of Missouri. Mr. Speaker, I would like to take this opportunity to congratulate Gene Bertel of Berkeley, Mo., on being voted into the St. Louis Oldtimers Soccer Hall of Fame.

Gene Bertel began playing soccer when he was 16. In 1927, at age 19, he played with a team that joined the St. Louis Muny League and he was the only one on his team to turn professional.

A goalie, Gene played for several local teams until 1947 and became well known for his ability to "punch" the ball with his fist as far as most players could kick it.

Soccer is not the only achievement Gene has been recognized for. He was a supervisor for the St. Louis Post Office for 22 years, and he served as president of the Post Office Junior Drum and Bugle Corps, leading them to several city and county championships.

Now retired, Gene is active in church and civic affairs, and serves as vice president of the Airport Township Democratic Club. He will be inducted into the Hall of Fame in November.

He has 5 children and 26 grandchildren.

Mr. Bertel is truly an outstanding athlete and I wish to take this time to commend his achievements.

THE CASE AGAINST RATIFYING THE NEW U.S.-PANAMA TREATY

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. RUDD. Mr. Speaker, when President Carter affixes his signature today to the administration's proposed new treaty with Panama, he will be repudiating his solemn campaign pledge to the American people that he would never give up complete or practical control of the Panama Canal, if elected President of the United States.

This is one of the best reasons why the U.S. Senate should refuse to ratify this unfortunate treaty, and the U.S. House of Representatives should defeat the necessary legislation to implement its provisions.

It is not so long since October 6, 1976, that the American people have forgotten this pledge by Presidential candidate Jimmy Carter during his televised foreign affairs debate with President Ford:

I would never give up complete control or practical control of the Panama Canal Zone, but I would continue to negotiate with the Panamanians. . . . I believe that we could share more fully responsibilities for the Panama Canal Zone with Panama. I would be willing to continue to raise the payment for shipment of goods through the Panama Canal Zone. I might even be willing to reduce to some degree our military emplacements in the Panama Canal Zone, but I would not relinquish practical control of the Panama Canal Zone any time in the foreseeable future.

Mr. Speaker, just 11 months since that promise—without which, given the closeness of his election, it is certain that Mr. Carter would not today be President of the United States—President Carter is joining Panama's dictator Omar Torrijos in signing a proposed new treaty to turn over to Panama complete sovereignty, ownership, and control of the Panama Canal.

The proposed treaty, which was delivered to my office just yesterday afternoon despite numerous previous efforts to obtain the final text, totally abrogates legitimate American ownership and operation of the canal since its construction by the United States with these opening phrases:

The United States of America and the Republic of Panama, . . . *Acknowledging* the Republic of Panama's sovereignty over its territory, *Have Decided* to terminate the prior Treaties pertaining to the Panama Canal and to conclude a new Treaty to serve as the basis for a new relationship between them. . . .

Turnover of the canal and the Canal Zone to Panama would be immediate under terms of the proposed treaty, not gradual as the administration and the media have led us to believe. The opening gesture—an insult to our people—would be the immediate hauling down of the American flag in the Canal Zone.

Article VII of the proposed treaty states:

ARTICLE VII

FLAGS

1. The entire territory of the Republic of Panama, including the areas the use of which the Republic of Panama makes available to the United States of America pursuant to this Treaty and related agreements, shall be under the flag of the Republic of Panama, and consequently such flag shall always occupy the position of honor.

Mr. Speaker, under these proposed treaty provisions, the American people would be subjected to the unnecessary indignity of seeing their flag hauled down over American property, and the flag of Panama hoisted in its place.

Our American flag would be permitted to fly only in a subservient position to Panama's flag, at the headquarters of the new Panama Canal Commission during the transition period while American canal technicians teach Panamanians how to operate and maintain the canal, and at the site of the Combined Board where defense and protection of the canal would be continued under U.S. direction at our expense.

In other words, the treaty requires the United States to give up ownership and operation of the canal right away, and to provide the necessary expertise at American taxpayer expense for Panama to learn how to keep it open.

Mr. Speaker, I continue to be outraged by the sub-rosa manner in which the President has attempted to impose this proposed new Panama treaty upon the American people. First, he waited until Congress had adjourned and we had dispersed for the August recess before announcing that a new agreement had been made by his representatives and Panama's dictator government. This prevented any organized discussion or questioning of the treaty terms by the people's elected representatives, until after the treaty had been signed at today's carefully orchestrated media event.

Despite the announcement of a new agreement, no one had a copy of the treaty terms until yesterday. The 61 pages of treaty text, annexes, and protocol were delivered to congressional offices yesterday afternoon—and no one has had the opportunity to study them carefully before the signing ceremony.

Even the treaty material does not tell the full story of what the President is attempting to commit us to. A printed letter to all Members of Congress accompanying our copies of the proposal yesterday, signed by Frank Moore, the President's assistant for congressional liaison, stated that:

There are a number of maps, implementing agreements and other supplementary documents that are not enclosed here.

"We will be happy to provide these to you promptly upon request", Moore assured us in his letter.

But this was not true, since these supplementary materials have not been prepared yet. I had my staff call Mr. Moore's office to request these maps, implementing agreements, and other documents 5 minutes after I received the pro-

posed treaty texts. After being referred to the State Department, where no one seemed sure who was handling distribution of this material, my staff was finally told to call Mr. Curt Cutter in the State Department's Congressional Liaison Office.

After several calls, I was finally informed that the materials which Mr. Moore stated would be provided promptly upon request were nonexistent, and would not be printed until at least the end of the week or more likely next week. I was told we would have to wait, which gives the administration another week or 10 days of propaganda time to promote this treaty before the full facts of what he is getting us into start reaching the people and their representatives in Congress.

I don't believe that the American people will allow themselves to be railroaded by such devious tactics. This is an appeasement treaty that is an insult to all Americans. Even the President himself has stated that we need a new treaty only to placate General Torrijos and other Latin American rulers, and to avoid the chance that some extremists goaded on by Torrijos and his henchmen might resort to violence or sabotage unless the United States backs down and gives away the Panama Canal.

Mr. Speaker, there are many solid reasons why the U.S. Senate should refuse to ratify this bad proposed treaty with Panama.

Not the least of them is that Panama's dictator Omar Torrijos has alined himself with the most repressive pro-Communist regimes in this hemisphere—those of Cuba's Fidel Castro, Jamaica's Michael Manley, and Guiana's Forbes Burnham.

According to the U.S. Information Agency, Torrijos issued a communique last April with pro-Arab terrorist dictator Col. Moammar Khadafy of Libya, denouncing what they called "Zionist aggression" by Israel. The communique was issued at the end of a week-long visit by Torrijos to Libya, for the purpose of creating close economic and political ties between the two countries.

Columnists Jack Anderson and Les Whitten stated in their nationally syndicated column on June 16 that they had evidence that this Torrijos-Khadafy meeting had also resulted in a secret deal between Libya and Panama to give Arab extremists a foothold in the Americas and to cooperate with the Arab boycott against Jews.

Torrijos has also busied himself with making closer political and commercial ties with the Soviet Union and its Communist Party international leadership. Again, according to the U.S. Information Agency, top officials from the Soviet Politburo and Central Committee of the Soviet Communist Party visited Panama last June.

The Soviet delegation, which met with Panamanian Government officials and Communist leaders, was headed by Aleksei Romanov, a leader of the Central Committee's ideological department, whose work includes maintaining the discipline of foreign Communist parties and making sure that they are correctly implementing plans for subversion and world domination.

Almost immediately after the Soviet Politburo team left Panama, a Soviet commercial delegation headed by Nikolai Zinoviev arrived and concluded a major Soviet-Panama commercial agreement with the Torrijos regime.

This agreement, according to news reports in the Torrijos-controlled newspaper Critica, could result in the opening of a Soviet bank to run Soviet commercial activities throughout Latin America, as well as a series of other multimillion-dollar-trade and construction projects with Panama.

Mr. Speaker, these are only some of the most disturbing reasons why the Senate should refuse to ratify the proposed treaty relinquishing U.S. sovereignty, ownership, and control of the canal and the Canal Zone to Panama.

The only argument that I have heard in favor of the treaty is that it is necessary to prevent anti-U.S. feeling in Latin America and possible sabotage of the canal by Panamanians.

The sabotage argument is without merit, because to allow such destruction of the Panama Canal would be economic suicide by the Panama Government.

This is the view of all Latin American experts with whom I discussed this issue during the August congressional recess, including Harold K. Milks, managing editor of the Arizona Republic, who served on antisabotage military duty at the canal during World War II and as the Associated Press bureau chief in Havana just prior to Castro's takeover of Cuba in 1959.

Milks writes a regular column in the Republic entitled "Latin American Memo," and is well informed on political and economic conditions through his sources in all hemispheric nations.

His column on August 31 was entitled, "Panama To Invite Ruin if Canal Is Sabotaged." I would like to include Mr. Milks' throughtful comments on this subject in their entirety at this point in the RECORD:

[From the Arizona Republic, Aug. 31, 1977]

PANAMA TO INVITE RUIN IF CANAL IS SABOTAGED

(By Harold K. Milks)

One of the big clubs used by the Carter administration to swing support behind its controversial Panama Canal treaty campaign was the threat of major sabotage against the canal unless Panama was given control of the "big ditch."

This club is swinging back on its wielders today with the growing knowledge that the last thing Panama strong man General Omar Torrijos wants or can afford is any destruction or interruption of the canal.

"The economy of the Republic of Panama is inseparably linked to the safe operation of the canal," said a senior U.S. official recently returned from Panama. "Gen. Torrijos knows that if the canal runs dry from any act of sabotage his country's economy will dry up with it. Panama without the canal is nothing."

Torrijos and his supporters made open threats of attacks on the Canal Zone and sabotage to the canal during early discussions of the new treaties. According to news releases from the White House, these threats—and the danger of "alienating the friendship of other Latin American nations" were among the strongest planks in President Carter's drive for the new pacts.

As a wartime military officer once assigned to antisabotage tasks in the Canal Zone, this writer is fully aware that protection of vital areas there is virtually impossible. Gatun Lake, the huge reservoir from which water is drawn to operate the multiple sets of canal locks, would be especially vulnerable to saboteurs. Destruction of retention dams there would leave the canal high and dry for many months.

But, say those who have recently visited Panama, the best defense against sabotage is Torrijos' knowledge that neither he nor his country can afford it.

TEXAS STATE SENATE RESOLUTION NO. 758—A NATIONAL ENERGY PLAN

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. ARCHER. Mr. Speaker, the Senate of the State of Texas has passed a resolution expressing its concerns with regard to the energy policy debate currently underway in the Congress. The resolution, introduced by State Senator Walter H. Mengden, Jr., reflects a commonsense approach that should be adopted by the Congress.

The resolution follows:

SENATE RESOLUTION NO. 758

Whereas, President Carter's national energy plan places primary emphasis on conservation, essentially through special taxes, to solve this nation's energy problems; and

Whereas, While conservation should be a major part of the national energy program, overemphasis in this area will have a disastrous impact on the country's economy; and

Whereas, A strong economy must be a goal of the energy program, and this can be achieved if the program is based on the free enterprise system, involves a minimum of government control, and fosters the maximum development of all energy sources on a nationwide scale; and

Whereas, Federal policy should encourage the production of domestic oil, natural gas, and coal and should promote the development of new energy sources, for example, synthetic fuels, nuclear fission and fusion, and gasified and liquefied coal; and

Whereas, Texans are acutely aware that this country's future well-being is greatly dependent on the implementation of an effective national energy program and, therefore, earnestly seek the formulation by congress of a comprehensive, balanced program which is consistent with the principles of American democracy; now, therefore, be it

Resolved, That the Senate of the 65th Legislature of the State of Texas hereby respectfully memorialize the Congress of the United States to adopt a national energy program which, while promoting energy conservation, equally encourages the development and production of all energy sources throughout the nation; and, be it further

Resolved, That copies of this Resolution be prepared and forwarded to the President of the Senate and Speaker of the House of Representatives of the United States Congress, the Honorable Thomas Ashley, chairman of the Ad Hoc Committee on Energy of the United States House of Representatives, the Honorable Henry Jackson, chairman of the Energy Committee of the United States Senate, and all members of the Texas delegation to the Congress with the request that this Resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

MR. CARTER: MEET BEN LEVICH

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. LENT. Mr. Speaker, the cause of Soviet Jewry continues to be of concern to freedom-loving peoples everywhere. "Northern Virginia People" recently carried an article by William Steif concerning the plight of one Soviet Jew who wishes to emigrate to Israel, Ben Levich. Dr. Levich is a distinguished physicist who lost his job because of his desire to leave the Soviet Union, not unlike thousands of other members of religious and ethnic minorities within that country. I commend Mr. Steif's article to my colleagues:

MR. CARTER: MEET BEN LEVICH—SOVIET JEWRY AND HUMAN RIGHTS

(By William Steif)

Every time I hear or read the words human rights, I think of Ben Levich.

He is a short, stocky Soviet Jew with a halo of gray hair and the air of a man who's just stepped out of a road company of "Fiddler on the Roof."

He is also a distinguished theoretical physicist who's been a member of the Soviet Academy of Science, the most illustrious scientific body in the USSR, for 35 years. He has published a four-volume physics text, has held a chair at the Electrochemistry Institute in Moscow 25 years, has founded his own seminar, and in the last two years has had invitations to teach at 15 American universities, including MIT and Cal Tech, and six Western European universities, including Oxford. He's made more money—above 1,000 rubles (1,350 dollars) monthly—than all but the most highly paid Soviet citizens.

In February 1972, Benjamin G. Levich, now 60, and his wife, Tanya, applied to the Soviet authorities to emigrate to Israel.

"The next month," he recalled at his Moscow apartment last winter, "I was fired and my chair was abolished."

The reason: His "disgraceful behavior."

This is the reality of President Carter's human rights campaign, a campaign that is being nit-picked to death by State Department bureaucrats, deep-dish columnists like David Broder and Joseph Kraft, and Capitol Hill types who worry more over snagging a dam for their local construction company than over the freedom of worthy people.

Even Carter has pulled in his horns. He pays lip-service to the human rights pledged by the Soviet Union, the U.S., Canada and 32 European nations at Helsinki on Aug. 1, 1975, but there is precious little pressure. It is as if the U.S. fears the Soviets will start a shooting war over a few thousand miserable people who want to leave the USSR.

I may be wrong in one aspect of this, however: There probably are more than a few thousand who want to leave—the numbers may be in the hundreds of thousands. I am surely right in another aspect: They are miserable.

In the course of a reporting journey through the Soviet Union last winter I searched out and found about 15 families of Soviet Jews who had applied for emigration visas in Leningrad, Moscow, Kiev and Odessa and had been refused. Some had been waiting two years, some as many as seven years. They had lost their jobs. They had been harassed. They had been arrested and jailed numerous times. They were trapped in a system they understood all too well.

They were not, of course, alone. There are thousands of Baptists, Pentecostalists, ethnic Germans, Armenians and other minorities who would like to leave. And there are hundreds—perhaps thousands—who, "infected" by western ideas, would like to stay, like to reform the system from within. Andrei Sakharov, the physicist, is only the tip of the "dissidenti" iceberg.

But Levich's story, in many ways, is the most poignant.

He and his family were refused visas and harassed, and he was demoted from the academy's highest rank to "researcher, my status of 35 years ago." He was forbidden to teach or to hold the seminar he'd founded. He was barred from every scientific board and every scientific journal to which he'd contributed.

Tanya Levich was equally affected.

"I was a translator of American and English fiction," she said. "My work was canceled immediately. A new and very hard life started."

With a rueful smile, she added: "Only the dog was not fired."

On May 16, 1973, their younger son, Yevgeny, also a physicist, was seized in the street and disappeared.

"He was missing seven days," said Levich. "Then we heard he'd been drafted into a military unit. Later we learned he was at a punitive camp on the Arctic shore, a very severe camp for deserters, Baptists, religious dissenters and the like. He had a stomach disease, but he was sent there anyway, against every rule. We were told he would not leave."

A year later the son was released "in very poor condition," the father said. "There are ups and downs, depending on pressures from the west."

In late December 1973, Levich said, "Something changed for the better"—he's not sure what.

After his son's return, Levich was told a commission had been formed to see if he still knew any "state secrets." A month later he was told his "secrets" were "obsolete."

In June 1974, he said, "I was invited to the office of the Moscow emigration service's chief, who said that 'because we now have evidence that you're now secret-less, your case is solved. Your sons will leave within a half-year and you'll receive permission in the year after they depart.' It was the day before your President Nixon's visit here."

On the second day of the 1974 Nixon visit to Moscow, Levich was interviewed on American TV and reported the emigration chief's statement. No Soviet official disputed him.

His two sons and their wives left April 1, 1975. Alexander, 32, is in business in Tel Aviv; Yevgeny, 28, is a scientist at Israel's Weizmann Institute.

"We have grandchildren we've never seen," said Tanya Levich.

The months passed. Nothing happened.

"Finally I sent a letter," Levich said, "and asked, 'how about me?' "

The reply was oral.

Levich was told he had "misinterpreted our words." The emigration chief told Levich, "The institute director and another person of high rank have given us assurances about you. We have evidence from the academic side that you know secrets."

Levich sighed, gazing woefully around the barren little apartment on Leninsky Prospekt.

"It was the rebirth of secrets," he said. That was in October 1975, and "ever since, my secrets grow and grow."

He is barred from speaking at meetings. One time colleagues cut him off cold. His correspondence is stopped. His state stipend was slashed by more than half and at one point held up for nine months on various pretexts. Fearful relatives snub the couple.

Why did the Leviches—people who had everything Soviet society could offer—apply to leave?

"It was emotional, of course," said Levich. "But it involved principles, too. I'm absolutely an unorthodox Jew in every sense of the word. But in this five years my view of religion has improved. Very often, pious people are better than others. They have moral standards, feel more responsible"—he cited a Catholic nun in Chicago who'd taken an interest in his case.

The Leviches had no contact with religion in the USSR, "but we never stopped being Jewish," he said. "We never tried to assimilate, as so many try to do. Long ago, any Jew could answer, 'I'm Russian,' and just fill out a form. That isn't true today." On his internal passport, every Jew must write "Jewish" today in the space reserved for "nationality."

"Then there was all the cruelty to Jews during our lives," Levich continued. "First the extermination in Germany, then the growth of anti-Semitism in this country. These made different impressions on different minds. Some tried to lay low. Others wanted to protest."

In recent years, Levich saw "lots of frightening examples. . . . I couldn't hire a bright Jewish boy, younger Jews couldn't enter the university or had less opportunity to be promoted."

Tanya said: "The authorities felt the older Jews who'd achieved positions would just die out."

Israel's 1967 Six-Day War "encouraged our feelings," said Levich. "The authorities took such an unjust attitude. Ever since, the newspapers have been filled with stories about Israeli fascists, the Jewish military threat, Jewish tentacles and so on. I suppose applying to leave was an expression of self-dignity."

Western reporters—"especially American"—have "saved our lives," he said. "We are eternally grateful," and he urged that the spotlight continue to be shown on the Soviet system's brutality. In this, he was not alone: Every Jew, every dissident to whom I spoke urged the same thing. It is the only tactic that works, they all agreed, and they have only scorn for the half-hearted bureaucrats who would soft-pedal the Soviet abuse of human rights in order to reach "agreement" with the Kremlin's rulers.

These are the people who know, who have dealt with the Soviets close-up, in the jails and in the streets, not over the green baize of negotiating tables. And if they say to continue to spotlight the Soviet brutality, I for one will believe them. They are the people who, in a sense, are paying for our freedom.

Ben Levich and his wife are still cooped up in that apartment. I shall never forget him, looking out the window at the gray Moscow sky and the dirty piles of snow below him and saying:

"I thought my children and maybe myself could be really free, say what we want. We are cut off from this country. It is as if we are in some kind of a railway station, waiting."

That is what the human rights campaign is all about, really.

THE OIL COMPANIES AND THE GOVERNMENT: A CITIZEN'S VIEW

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. ARCHER. Mr. Speaker, the Houston Post recently printed a letter to the editor by one of my constituents, Grayson L. Moss of Houston, Tex. The comments of Mr. Moss reflect a widely held feeling in this country that does not often receive the attention of many elected officials and it is for this reason that I

commend it to my colleagues in the Congress for their reading:

LETTER TO THE EDITOR

One writer defends the oil companies while another defends the government. One believes the oil companies will rip off the public, another believes the government will waste a lot of money (another form of rip-off).

My question is: How does the ordinary citizen decide who is going to "rip" whom?

I am confident of the following:

The oil companies pay taxes when they make a profit, the government does not.

The oil companies do not benefit from my income taxes, the government does.

When the oil companies make a mistake, they and the stockholders lose; my taxes do not go up to offset the loss.

When the government makes a mistake, the loss is paid for out of income taxes and the deficit goes up and my income taxes go up.

When the oil company loses money long enough, it goes out of business.

When the government loses money long enough, it simply increases the government debt and my taxes continue to rise.

I am tired of supporting the federal government to the extent required. I have not been forced to support the oil companies; in fact I haven't even been asked . . .

YOUNG ISRAEL EMPLOYMENT BUREAU

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. MURPHY of New York. Mr. Speaker, many times it seems that we hear only criticism of Federal Government programs, but today I wish to insert into the RECORD a commendation by the Council of Jewish Organizations in Civil Service, Inc., of the Department of Labor, the CETA program, and the Young Israel Employment Bureau, a CETA contractor. I commend it to your reading:

YOUNG ISRAEL EMPLOYMENT BUREAU

In times when critics arise to find fault with government sponsored programs designed to alleviate unemployment, it is incumbent upon us to state for the record those exemplary achievements that give credit to the United States Department of Labor. As an example of a viable outstanding program, we submit the record of the Young Israel Employment Bureau, a non-sectarian undertaking sponsored by the National Council of Young Israel with its national headquarters in New York City and branch operations in 17 states. It operates employment bureaus in six states: New York, Ohio, Michigan, Missouri, California, and Florida.

In 1929, it established its first Employment Bureau designed to find jobs for all people regardless of ethnic background. During and immediately after the war years, it added a Veterans Division to the Employment Bureau with the particular concern with the unique problems of the returning veterans, in the field of education, employment, and social adjustment. In 1966, the Employment Bureau applied to the United States Department of Labor and received its first federally funded On-The-Job Training Program (OJT). Subsequently, it has successfully executed 12 employment contracts under Ephraim H. Sturm, the founder and director of the program.

With the advent of CETA, they spun off their national programs in Los Angeles and in Dade County, Florida as independent CETA operations. Albeit, the records will clearly indicate that the local CETA programs are far more costly than the same operation when administrated as part of the national program.

This program called for placing 70 people in each of the above cities with reimbursement for training costs to be given for 35 slots in each area and the additional 35 slots in each area for non-reimbursable OJT. Each area was serviced by one job developer at $9,816.00 annual salary or $188.76 per week, and a secretary with the annual salary of $6,165.00 or $118.55 per week. This is far lower than the normal amount of $15,000 for a job developer and $8,500 for a secretary. In addition there are the normal fringe benefits which amount to approximately 9 percent.

Reimbursement averages $600 per trainee. On a matching one to one basis this means actually that the reimbursement cost is only $300 per trainee. The normal amount of reimbursement nationally and under CETA is well over $1,500.

The National Program was continued with Detroit, Cleveland, and St. Louis as basis. On July 14, 1977 they completed the program with 120 percent record.

The entrance rate ranged from the $3 minimum requirement to $6 for reimbursable trainees and from $2.90 to $4 for non-reimbursable ones.

The trainees were placed in the type of program which will lead to the learning of a particular skill and talent. The following are examples of the type of positions in which trainees are placed: office machines mechanics, carpet cutters, clerk-typists, orthopedic shoe fitters, auto-mechanics, secretaries, bookkeepers, metal fabricators, butchers, machinists, medical assistants, geriatric nurses, jewelers, store managers, security officers, etc. We note that in the foreseeable future these areas will need workers.

This OJT Program including the reimbursable funds costs only $185,656,00.

One can't judge statistics without yardsticks. Let's, therefore, suggest the following: the average retention rate is approximately 60 percent, 70 percent is considered good. Their retention rate is over 90 percent.

The mean cost for reimbursement for training is $1,500, theirs is $300 with the training period being equal. CETA programs are happy with an 80 percent performance and theirs is over 100 percent, normally 120 percent.

On July 15, 1977, the United States Department of Labor once again recycled the Young Israel Employment Bureau National Program for the above mentioned three cities. It is to the credit of the United States Department of Labor for recognizing the Young Israel's national program service as a yardstick in evaluating the efficacy of the local CETA sponsored programs. We wish to acknowledge the astuteness of the Honorable Ernest Green, the Assistant Secretary for Employment and Training, and his staff for recognizing the uniqueness of dedication and achievements of the Young Israel National OJT Programs.

DEDICATION OF THE NAPOLEON J. LAVOIE FIELDHOUSE

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. KILDEE. Mr. Speaker, on September 11 the Flint, Mich., community schools system will extend a rare honor to one of its great former athletic directors, the late Napoleon J. LaVoie, with the dedication of its newest athletic facility named in his honor.

Mr. LaVoie devoted 38 years to Flint education as a teacher, coach, and director of athletics—all but one semester of it at Central High School, where the new fieldhouse is located. It was also at Central High School that as a student he was an excellent athlete in both basketball and football, leading his teammates to State championships in both soprts. He was director of athletics at Central for nearly three decades, retiring in 1968.

As a former teacher at Central High School, I had the honor of becoming a colleague and friend of "Nap" LaVoie, and I cherish my memories of this remarkable, humble, and talented man. The Flint Board of Education, in its resolution naming the structure as the Napoleon J. LaVoie Fieldhouse, said:

It is a name borrowed from a man whose own accomplishments and proportions befit the Flint Community Schools' newest athletic facility.

It is with pleasure that I bring to the attention of the Members of the U.S. House of Representatives the honor being extended to Mr. LaVoie.

HATCH ACT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. DERWINSKI. Mr. Speaker, one of the points I tried to make during the House debate on H.R. 10, was that rank and file Federal employees have expressed very little interest in this legislative proposal.

A succinct editorial, appearing in the Federal Times of August 22, very properly states this viewpoint, and I wish to insert it at this time:

HATCH, AGAIN

Two weeks ago in this small newspaper more than four pages were turned over to Hatch Act Reform debate, complete with a large "plug" for the debate on Page One. We had two strong pro views, two strong con views.

And at this writing, despite all the letters we receive from readers each week on a wide range of federal problems, we have yet to receive a single letter of comment on anything said about the Hatch Act in this paper two weeks ago. In fact, we haven't received a Hatch Act letter, pro or con, for some time.

We think this bears out what we said in a June 20 editorial opposing present legislation to water down the Hatch Act so that federal workers could run for political office and participate actively in political campaigns.

As we said then: We talk to countless numbers of federal workers in the course of a year and we have found few federal workers concerned about Hatch Act restrictions. There is no groundswell of resentment against the Hatch Act from federal workers.

Since publication of still more on the Hatch Act two weeks ago we find no reason to change our mind.

Union leadership is indeed fighting for Hatch Act reform. But we think federal workers, by and large, are not.

We think most federal employees agree with us: There is too much politics in the federal government now and we don't need any more.

"GIVEAWAY" OF THE PANAMA CANAL

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. CARTER. Mr. Speaker, during the August recess, I held county meetings throughout my district in Kentucky. I listened to hundreds of my constituents voice their viewpoints and concerns. One frequently mentioned concern was the proposed "giveaway" of the Panama Canal. And let me say that a "giveaway" is exactly how the fine people I represent describe the proposed treaty. The people with whom I met rightly believe that the Panama Canal belongs to the United States in perpetuity, every lock, stock, and barrel of it.

Do the people want to give the canal away? Let me just say that the following letter to the editor of the Richmond Daily Register by Mr. Robert E. Lanter of Richmond, Ky., exemplifies what many people in the United States and in my congressional district are saying about the canal treaty. It is a shame that this administration has not been listening to the people or else we might not now have the treaty.

The letter follows:

RICHMOND, KY.,
August 16, 1977.

The EDITOR,
Richmond Daily Register,
Richmond, Ky.

DEAR SIR: We Americans are being taken for a bunch of fools. O.K., so you've heard that old song before, but does it ever shock or alarm you? It should. Sad to say, most people couldn't care less. But let me explain.

As we all know, it is against the law of the land to give or sell secrets or anything which is vital to the security of America, especially to those who are openly hostile to our way of life and way of government. And don't ever let yourself be led to believe for a moment that there are not those in the great scheme of world politics who are not working night and day to bury U.S. As a matter of fact, they are right on schedule in their program.

But back to the subject at hand. It concerns the pack of lies the American people are being fed concerning our ownership of the Panama Canal. The treaty drawn up between Panama and the United States in 1904 is as clear as any document can be. The treaty plainly states the ten-mile wide canal zone and the canal itself are to be United States property "in perpetuity" or as the dictionary defines it, "lasting for eternity." Any fool knows that doesn't mean the year 2000.

Now there was no great clamor for us to give up the Canal until the present, unelected, viciously criminal, Communist dictator, Omar Torrijos, overthrew the former government in a military coup about ten years ago. Torrijos is not only a Communist, he has time and time again shown his utter contempt for the United States in his remarks about us. We owe him less than nothing. There is no reason we should even deal with him. For the most part, the people of Panama realize the great advantage of the United States presence in the "Zone" and they let that fact be known.

I mentioned the Communist program earlier. Latin America is very much a part of that program. This program as set forth well over fifty years ago was summarized and paraphrased into the following famous outline: "First, we will take Eastern Europe. Next, the masses of Asia. Then we shall encircle that last bastion of capitalism, the United States of America. We shall not have to attack; it will fall like overripe fruit into our hands." Who said this? That's right. Lenin wrote it over fifty years ago.

Now our man in the White House is making it come true.

As I said earlier, giving or selling things which are vital to our security is against the law. They call it treason.

Are we really stupid enough to fall into such a trap? I would hope not.

ROBERT E. LANTER.

EXPANSION OF ANTIETAM NATIONAL BATTLEFIELD AND NATIONAL CEMETERY IN WASHINGTON COUNTY, MD.

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. STEERS. Mr. Speaker, I am today introducing legislation designed to provide for the expansion of the Antietam National Battlefield and National Cemetery in Washington County, Md.

Identical legislation is being introduced in the other body by Senator Charles McC. Mathias, Jr.

The confrontation at Sharpsburg, Md., between the Grand Army of the Potomac, commanded by Gen. George B. McClellan, and the Army of Northern Virginia, led by Gen. Robert E. Lee, is of great historical significance. September 17, 1862, was the bloodiest day in our Nation's history, with over 23,000 Union and Confederate casualties. September 17 will mark the 115th anniversary of the Battle of Antietam and the battlefields stand as a reminder of the horror of war and a monument to human courage.

Many of the important battlegrounds are outside the present Federal holdings. These include the West Woods behind the Dunkard Church, the probable site of Clara Barton's field hospital; the locations of much of the Union lines opposite the sunken road, now called Bloody Lane; and much of the fields south and east of Sharpsburg where A. P. Hill's forces rebuffed the afternoon advance of the Union troops under General Burnside to end the battle.

This legislation would authorize expansion of the Antietam National Battlefield to a maximum of 3,300 acres. This additional land would include 400 acres to be set aside for the expansion of the Antietam National Cemetery in an appropriate location, and an expansion to 1,440 acres of the actual battlegrounds.

For over a century, these battlefields have been preserved by private citizens who appreciate their significance and have a commitment to conservation and historic preservation. This area is vulnerable to incompatible use and development and should be preserved and protected as a part of our national heritage.

This legislation is important. I encourage the House of Representatives to enact this legislation during the 95th Congress.

THE VOICE OF MAINE FISHERMEN

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. COHEN. Mr. Speaker, there are few industries more important to Maine and more closely identified with Maine's heritage than the fishing industry.

But these are difficult times for Maine fishermen. The depletion of Maine fisheries by foreign fishing vessels continues despite enactment of the 200-mile limit. Economic pressures and Government regulations put great strain on Maine's independent-minded fishermen.

If there is one publication that gives voice to the concerns of Maine fishermen, it is Maine Commercial Fisheries. It is a subscriber-owned publication produced in Stonington by Nat Barrows, an energetic journalist vitally concerned about the future of fishing in Maine.

This month's edition of Down East magazine contains a story by David Jay which recounts the career of Nat Barrows and the effect of Maine Commercial Fisheries on our State's fishing industry. The article will be interesting reading for all who are concerned about the U.S. fishing industry, and I urge my colleagues to take the time to read it:

NAT BARROWS—A LANDLUBBER EDITOR WHO FISHES IN TROUBLED WATERS

(By David Jay)

Walking through the fishing village of Stonington, you'd never suspect that the island it's on is connected by bridge to the mainland. Located at the tip of Deer Isle, the community is as tightly knit and closed to outsiders as if it were miles at sea. The white clapboard houses and weathered storefronts have remained largely unchanged since the turn of the century, and on the main street, all the buildings seem to turn inward, away from the harbor. The sea is a fact of life here, a means of livelihood, and while the harbor is magnificently scenic, punctuated with jutting rock ledges and moored lobster boats, no one in Stonington seems to take special notice of it. Relatively few tourists visit the town, even at the height of the summer, and that seems to suit most of the residents just fine.

Ironically, in this ingrown fishing community, the fellow who publishes the local paper, *Island Ad-Vantages*, is neither a native nor a fisherman. He's a thirty-one-year-old journalist from Connecticut who still looks more like a college student on vacation than a busy editor and publisher. But, nine years after arriving in Stonington, Nat Barrows is emerging as one of the leading spokesmen for Maine's fishing industry. Founder, publisher, and managing editor of the monthly *Maine Commercial Fisheries*, he is reaching a significant segment of the state's fishermen with a pragmatic blend of information and common sense.

How does an outsider who spends more time in his office or his garden than on a fishing boat explain such a paradox? "I'm a journalist," he says. "You don't hire a fisherman to run a newspaper. And you don't hire a journalist to run a fishing boat. Fishing is a life you have to be born into to be

good. Journalism you can learn. I'm comfortable here."

If Barrows' present life is comfortable, it can also be hectic. He launched *Maine Commercial Fisheries* just in time to chart the long legislative journey of the 200-mile fishing limit law which went into effect early this year restricting the activities of foreign fishing vessels in U.S. waters. Today he finds himself at the helm of the paper at a time when the Maine fishing industry has an opportunity for substantial expansion.

"There will definitely be more fish if—and it's a big if—the fishery is managed more efciently under the 200-mile limit legislation," Barrows declares. "The most energy-efficient way to fish is inshore with 50- to 100-foot boats, not with the big factory ships like those that the foreigners use. Happily, this is just where Maine fishing is at." Barrows strongly supported the 200-mile limit and claims that the legislation has already had a strong psychological effect. Small fleets like that at Stonington are benefiting from a general feeling of optimism. New boats are being built, many of them equipped for multiple uses: lobstering in season, shrimping, scalloping or tub-trawling when the conditions are right. More young fishermen are entering the industry by choice instead of default, adding to the slow growth of the fleet in Stonington's island-sheltered harbor.

According to Barrows, however, the 200-mile limit may not prove to be an unmitigated boon. "In order to get rid of the foreign fleets, fishermen had to get in bed with the feds," Barrows observes. "As a result, there will be more federal involvement than most people are expecting.

"All you have to do is to look at agriculture in this country to see what might be in store for the fisheries. There's a vast bureaucratic tangle in agriculture. The traditional independence of fishermen will surely be curtailed by bureaucratic restraints." Indeed, among some observers, the agriculture parallel conjures up visions of fishermen being paid not to fish and of price supports that would end forever the traditional reliance on an open market, something neither Barrows nor his readers would favor.

Maine fishermen got a taste of federal involvement several years ago when the Internal Revenue Service reclassified sternmen on fishing boats as employees of the boatowners instead of independent entrepreneurs as they had traditionally been considered. The change vastly increased paperwork and altered the time-honored relationship between a captain and his crew. After a strenuous editorial campaign, *Commercial Fisheries* was able to arrange a meeting between representatives of the IRS and Maine fishermen. The IRS later rescinded its ruling.

Long before he ever envisioned fighting battles with the federal bureaucracy on behalf of Maine fishermen, Barrows had set himself a goal of settling in Maine. He had spent his childhood summers in a big old house in Gorham that was built by his great-great-grandfather. "Those summers," he recalls, "made a distinct impression on me. I wanted to return to Maine and work the land. I looked for years, mostly inland because I couldn't afford to buy along the coast, but I never made connections.

"Then, during the summer of 1968, I was home in Connecticut recovering from a knee operation and a neighbor brought over a copy of Down East Magazine with some real estate ads circled. One said something like, 'Do you want to move to Maine and run a small weekly?" The ad carried a Stonington address. "I'd never been there," Barrows admits. "I looked for it on a map and read a guidebook, but I couldn't learn much. I thought, 'Gee, it must be great.' "

Just graduated from the University of Denver, he had taken some journalism courses and spent some time as copyboy for a Denver paper. When he responded to the real estate ad, he learned by return mail that the paper had been sold. "Three weeks later, the lady—Mrs. Helen MacKay—called and said that the deal had fallen through. I came right up and bought it."

"For a lot less than the price of a new car," Barrows got the subscription list, two presses and a quick lesson in journalism. *Island Ad-Vantages* was—and is—a small weekly tabloid covering Stonington, Deer Isle, Isle au Haut, Swan's Island and a bit of the mainland. It was printed in a room behind the drugstore on equipment less than modern. The first few issues that Barrows put out were a one-man operation. He did it all: writing, typesetting, and printing on a small sheet-fed press. Soon he was able to farm out the printing to a Belfast shop and, in time, began hiring editors and staff personnel.

The new owner had taken over the paper during the riotous Chicago Democratic Convention of 1968, a time when youthful newcomers to the state were suspect. Barrows studiously avoided controversy for a number of months, but finally was drawn into an argument over long hair in the local schools. Next, the paper became involved in a bitterly contested school districting issue. But by 1970, Barrows was well enough regarded to be appointed to a three-year term on the Planning Board, and in 1973 he was elected to the Stonington Board of Selectmen. "I like to think it was because I had gained a reputation for getting things done," Barrows says. He helped push through a shoreland zoning ordinance and has been a forceful spokesman for preserving the area's natural resources.

Although he has never owned a boat and his experience with fishing has been limited to occasional day trips with members of the Stonington fleet, Barrows has a number of good friends among the fishermen and "probably some enemies, too." Energetic, enthusiastic, he is happily putting down deep roots in Stonington. His mother is an artist. His father was a writer for the Boston Globe and a foreign correspondent for the Chicago Daily News before being killed in a 1949 plane crash in India. Although people occasionally allude to his "family money," he says that a bank is "by far the majority owner" of his small five-room house and twenty-seven acres located a few winding miles out of Stonington. Unmarried, Barrows has been keeping company with a local nurse for the last several years. When not putting in a typical twelve-hour day at his office, he's apt to be found tending his fine organic garden. Save for the books that cram his home, Barrows allows himself few luxuries. "I don't spend my money on snowmobiles or outboards. I like to travel and that's where what money I have goes." Since coming to Maine, he's taken three long trips outside the state, most recently a month-long sail from Gibraltar to Grenada with friends last fall.

Although he came to Stonington to be a writer, over the years Barrows has come to spend increasing amounts of time as a businessman, personnel man, bureaucracy-fighter, and billpayer. In the last four years, he admits that he's become "philosophically removed" from Ad-Vantages.

The major reason is his brainchild, Maine Commercial Fisheries. Launched in 1973 with the aid of cofounder Robin Peters, now a Sea Grant program employee, and Peter van der Kieft, who has since left to join his family business, the monthly paper has two basic purposes. The first, Barrows says, is to improve communication among the fishermen along the Maine coast, to help them organize and make their voices heard on fishing matters. The second is to relay the findings of university and fishery agency research programs. The paper regularly carries the newsletter of the Maine Department of Marine Resources and the Maine Lobstermen's Association, and occasionally prints similar releases from the Massachusetts Lobstermen's Association and the University of Rhode Island fisheries program.

Maine Commercial Fisheries is owned by some 1,500 member-subscribers who elect a board of directors to chart policy for the paper and is published by the non-profit Fisheries Communications, Inc. Barrows serves as chairman of the board, president of the company, and publisher. A staff of more than twenty full- and part-time writers, editors, advertising and production people are employed in getting out Fisheries and Ad-Vantages and in operating Penobscot Bay Press, a job-printing business that handles town reports and contract design work. Fisheries has sailed some rough seas in its short history. Originally it was sent free to all holders of Maine commercial fishing licenses, a diverse group that includes seafood restaurant owners and part-time clammers as well as lobstermen, draggers, and trawlers. That policy had to be scrapped when the post office refused to grant a nonprofit mailing permit. After four years of arguing, Fisheries finally won its permit this summer, but only after the involvement of Washington lawyers, the Maine Congressional delegation, and the expenditure of nearly $8,000 in as-yet-unpaid legal fees.

Now available on newsstands as well as by mail, Fisheries regularly features in-depth analyses of a particular aspect of the industry, rundowns on recent and pending legislative action, stories on practical improvements in fishing gear, tide and fish-landing statistics, and even ideas for cooking with fish. The paper boasts a current circulation of 3,000 and is beginning to challenge the older, better-established National Fisherman as a Maine fisheries news medium.

What interests Nat Barrows even more than the success of his publishing ventures, he says, is the future of the Maine fishing industry. "If there's money coming in from the sea, then there'll be less incentive to build factories along the ocean. A prosperous, well-functioning fishing industry is the key to keeping Maine Maine."

DR. BILL JACOTT, MINNESOTA ACADEMY OF FAMILY PHYSICIANS TEACHER OF THE YEAR

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. OBERSTAR. Mr. Speaker, I would like to take this opportunity to commend a fellow Minnesotan, Dr. Bill Jacott, who was named Teacher of the Year by the Minnesota Academy of Family Physicians.

In an age where family practice is rapidly giving way to increased specialization, it is refreshing to see that Minnesota is attempting to improve its long-standing tradition of producing high quality family practioners.

I congratulate Dr. Jacott for his excellent performance in the field of medical education. I would also like to include in the RECORD the following article which appeared in the April 19 edition of the Duluth Herald:

DR. JACOTT HONORED BY PHYSICIANS

Dr. William Jacott, director of the Duluth Family Practice Residency Program, has been given an Outstanding Teacher Award by the Minnesota Academy of Family Physicians.

He is the third person to receive the award since it was instituted in 1973. It was pre-

sented last week at the annual meeting of the 1,500-member organization.

Jacott has been involved with medical education since 1971 when he began part-time with the UMD School of Medicine, principally involved in coordination of family practice experiences for first year medical students He has directed the Duluth Family Practice Residency Program since it began in 1975.

The Family Practice Residency is a three-year program of graduate studies and experience that lead to a certificate as a family practice specialist. It is affiliated with the UMD and University of Minnesota medical schools.

Jacott expressed pleasure at the award, not only for personal recognition but for the recognition of the Duluth program.

"It really says the family doctors are recognizing us as doing something right here in Duluth when you consider there are eight family practice residencies in the Twin Cities plus instructors at the medical schools in Minneapolis and the Twin Cities," he said.

FUN CITY POLITICS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. DERWINSKI. Mr. Speaker, this coming Thursday is the mayoral primary in New York City. There is more attention being given to this race than any other political event in the country at this time, and it is only natural that newspaper columnists throughout the country and for that matter, around the world, concentrate on Fun City politics.

Columnist Michael Kilian of the Chicago Tribune, turns his imaginative eye toward the race in his column of September 6:

NINE RUN FOR MAYOR IN NEW YORK—FOR, NOT FROM

(By Michael Kilian)

NEW YORK.—Nine presumably rational and reasonable people are actually trying to get themselves elected mayor of New York City.

The only job less appealing would have to be something along the lines of neutron bomb assembler or leper colony masseuse. Idi Amin's press secretary has easier work.

But they come forth anyway, kicking/biting/scratching to be in the presiding officer's chair at the ultimate failure of urban civilization. This week, like someone looking for literature at a comic book stand, New York voters will begin the process of choosing between them.

Symbolic of the comic nature of this election—and symptomatic of New York's malady—is the fact that one of the front-runners is the man who presided over the last four years of New York's glory, Mayor Abraham Beame.

Now 71, seemingly 2 feet tall, and an exponent of the buy-now, pay-sometime school of economics, Beame can only be seeking another term because his retirement fund is all in New York municipal bonds and he needs the money. Yet, as the primary approaches, he remains right at the top of the popularity polls.

It is to be remembered that New Yorkers re-elected former Mayor John Lindsay, who would have called Dante's Hades "a fun inferno."

Lindsay had the election-eve triumph of the New York Mets. Beame has the capture of Son of Sam [though thousands of less celebrated fiends still prowl the streets] and the fact that he came out against the recent New York blackout.

Beame has campaigned as the man who made "the tough decisions"—such as whether to prosecute the human fly who scaled the World Trade Center and how much money to beg from the federal government. A clumsy attempt to knock him out of the race by accusing him of swindling New York out of bankruptcy naturally failed. New Yorkers could only ask, "What other way?"

If Beame is the least rational of the nine, the least reasonable is Battling Bella Abzug, also at the top of the popularity polls. Late of the Congress—which still echoes from her complaints about the coffee and from other oratory—she is campaigning on the theme that she is really quite reasonable after all.

In fact, she is attempting to present herself as coy, sweet, and gentle—not at all the sort of person who would terrify soft-spoken Georgia peanut farmers and other benefactors with her screeching. Because of frequent lapses, her lovableness tactic has been exposed as a fraud, which probably accounts for her popularity.

Another possible winner is the extremely rational and reasonable Mario Cuomo, whose chief political advantage, and disadvantage, is that he seems to be a wholly-owned subsidiary of New York Gov. Hugh Carey. Many New Yorkers resent the idea of being ruled by a stooge of Albany. However, they are fearful that, if Cuomo loses, an enraged Carey will cut off New York's water and electricity and sell Manhattan to New Jersey.

The liberals' favorite is Congressman Edward Koch, who represents what used to be called Manhattan's "silk stocking" district until it got runs. His campaign theme is that he is not really all that liberal. The New York Times gave each candidate space on its op-ed page to present views, but accompanied each presentation with a scurrilous cartoon representative of the candidate. In his cartoon, Koch came across as a bemused penguin.

The other candidates, all trailing badly, include Manhattan Borough President Percy Sutton, who is running as a black; Congressman Herman Badillo, who is running as a Latino; and Joel Harnett, who is just sort of running. There is also a Conservative Party candidate, whatever that is, and a Republican one.

The Republican represents the sanest constituency of all. Most Republican voters moved out of the city years ago.

ILLEGAL IMMIGRANTS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. EDWARDS of California. Mr. Speaker, the problem of undocumented aliens entering the United States from Mexico has been the subject of much debate here in Congress and throughout the country. It seems evident that so long as the economic situation in Mexico remains the same, illegal immigrants will continue to find their way into the United States in search of an improved standard of living.

During the recent district work period, an excellent editorial appeared in the Los Angeles Times which examines the relationship between the illegal immigration situation and Mexico's economic woes. I commend the article to the attention of my colleagues.

[From the Los Angeles Times, Aug. 11, 1977]

THE OTHER SIDE OF THE BORDER

Jerry Brown has been wondering aloud why it is that the United States, so involved in Europe, Asia, the Middle East and Africa, pays so little attention to one of its potentially biggest foreign-policy challenges right next door: Mexico. The governor has an excellent point, and we commend it to the Carter Administration.

Brown's taking-off point is the illegal-alien problem, which, to be solved, must be treated at its source: the chronic, worsening inability of the Mexican economy to produce enough jobs to keep pace with Mexico's rapidly growing population.

Steps taken on this side of the border can alleviate but cannot cure the trouble; the massive inflow of work-hungry illegals will continue as long as millions of Mexicans have no hope of a decent life for themselves or their children in their country.

Mexico, blessed with an abundance of natural resources, is an inherently rich country. It is in an economic slump now, but in past years it enjoyed one of the world's highest economic growth rates. In the process it developed a relatively large, prosperous middle class of businessmen and technocrats.

Unfortunately, a large percentage of Mexicans have not shared in the growing abundance. Close to 40% of the working-age population is either unemployed or underemployed in such marginal occupations as street vending. An estimated 17% of the population exists on incomes of less than $75 a year.

Even among those who have jobs, the maldistribution of wealth is shameful for a country whose government still takes pride in its revolutionary origins. According to some estimates, for example, the average Mexican business executive earns 40% to 50% more than his counterpart in Argentina, while the average factory worker earns 50% less than his Argentinean counterpart.

Because Mexico has one of the world's highest rates of population growth, the economy would have to produce over 750,000 new jobs per year just to absorb new entrants into the labor force. Ambassador Hugo Margain told newsmen Wednesday that in the coming year his government expects to do just that. In view of the fact that job creation usually runs at less than half that level, however, this claim cannot be accepted at face value.

Part of the chronic labor surplus is exported to the United States as illegal aliens. The rest gathers in festering poverty in the shantytown barrios ringing Mexico City and other large urban centers.

The problem threatens to get worse, much worse, as Mexico's population—already estimated at 63 million—grows to a probable 100 million by 1990, and to 130 million by the turn of the century.

In effect, the Mexican government uses the export of illegal aliens to the United States as a safety valve; the U.S. economy becomes an employer of last resort for a large and populous country that cannot provide jobs for its own people.

This is an unsatisfactory arrangement from the U.S. viewpoint. This country, which has unemployment problems of its own, cannot absorb a huge, never-ending stream of illegal immigrants—no matter how much we sympathize with their plight as human beings—without peril to America's own social and economic fabric.

It is easier to say this than to figure out a workable solution. Maybe it would be physically possible, though repugnant, to build a veritable Berlin wall along the most accessible stretches of the border. But there is danger that applying the brakes suddenly and harshly would create violent chaos in Mexico and ethnic conflict in the United States.

Although Mexico has the fundamental responsibility for coping with the problem—and U.S. diplomacy should make that plain—it is in the self-interest of the United States to do what it can to help.

Mexicans are a proud people. They don't seek U.S. foreign aid as such, nor do they especially welcome American advice. What they do want, they say, is easier access to U.S. markets for their manufactured goods, and a large, continuing flow of American investment, technology and free-spending tourists.

There is talk of raising to $200 the amount of duty-free purchases an American can bring back from Mexico. The Carter Administration plans to use its influence within the World Bank and other multilateral lending institutions to help Mexico get the credits it needs to climb out of the present slump and to exploit its huge oil and gas reserves.

Washington should also do what it responsibly can to lower barriers to imports from Mexico.

All this should help. What will help more is the oil and gas bonanza, which may be producing export earnings near $7 billion by the mid-1980s. In terms of economic growth and bringing the now-huge external debt under control, the long-term outlook for the Mexican economy is reasonably good.

But it is hard to see how any of this will make much of a dent in what concerns the United States—the army of job-hungry Mexicans posing the illegal-alien problem. Though progress is being made on slowing population growth, the effects won't show up in the job market for at least 20 years.

Meanwhile, much of the oil money will have to be plowed back into development of the oil and gas industry. As for what's left over, Mexico's investment strategy appears to emphasize capital-intensive industries that will not produce all that many jobs.

Mexico's ability to compete in world markets is hampered less by other countries' trade restrictions than by the deeply ingrained attitudes of its own businessmen and bureaucrats.

Mexican businessmen typically expect to make two to three times as much profit as their U.S. counterparts. And all too frequently the profits are not plowed back into job-creating expansion but deposited safely in U.S. banks or spent ostentatiously.

Bribery (*La Mordida*) is a large and inescapable cost of doing business. Tax evasion is rampant.

The government of Mexico is not especially receptive to accept American advice on how it should invest its money to produce the maximum number of jobs, or on how to reform Mexican business and society. Yet if the illegal-alien problem is to be kept from reaching unacceptable proportions, Washington has no choice but to try, as tactfully as it can, to nudge Mexican policymakers in the right direction.

WORLD HUNGER

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. DRINAN. Mr. Speaker, there has been increasing global recognition of and a call for accountability concerning the lack of progress made in dealing with the world hunger situation. The United States, by its own action, or inaction, has made itself vulnerable to such questions.

On August 30, the administration announced its commitment to the establishment of a 30- to 35-million-ton grain reserve by October, 1978. This announcement was made concurrently with a 20 percent acreage set-aside plan. It is essential for reasons which Mr. Brennon Jones, an issues analyst for Bread for the World, states in the following article which was published in the New York Times on August 29, that the administration monitor progress toward the fulfillment of its commitment and that the administration has congressional support.

Mr. Jones has presented a practical and concise argument for the immediate necessity of building a domestic grain reserve. We are all familiar with the legislative activity of Bread for the World and again find this organization, through this article, drawing upon our sense of logic and foresight. I commend Mr. Jones' article to the attention of my colleagues.

OF FAT YEARS AND LEAN YEARS—AND FOOD RESERVES

(By Brennon Jones)

The Carter Administration should build a sizable domestic grain reserve now. A reserve of at least 25 million tons of wheat and feed grains is in the United States' self-interest and that of world food security. To delay may mean to miss the opportunity completely to build stocks, and could spawn another round of skyrocketing food prices.

In early August, Congress gave the Administration a mandate to build a farmer-held reserve of 8 million to 19 million tons of wheat and as much feed grain as deemed necessary. But to date, the Administration has announced only that it intends to put 8 million tons of wheat in reserve—hardly a dent in the surplus on hand.

Administration reluctance to build a larger reserve is based primarily on a desire not to tie its hands before difficult international negotiations on a world food reserve system. Those negotiations are to begin in late September in the International Wheat Council, with a number of nations, including the United States, expected to offer reserve proposals. But June 1978 is estimated to be the earliest that an agreement might be reached—an optimistic schedule given the complexity of the task. And no guarantee exists that by the time international agreement is reached sufficient world surpluses will still be available to stock such a reserve system.

Consider wheat, the chief grain in world surplus. At present, the world has 40 million to 50 million metric tons more on hand than are needed in the coming year. But this surplus is the result of two exceptionally good harvests worldwide, a situation unlikely to occur often because of the unpredictability of weather and political and economic disruptions.

Without a reserve, another large-scale shortfall, in the Soviet Union, a combination of shortfalls in South Asia or Africa, or extended drought in major grain-producing areas of the United States, as has threatened in each of the last two years, could leave the world with no stocks, and prices that lock the poor out of the market.

A substantial reserve serves the interests of United States producers, who are holding 30 million of the 40-to-50-million-ton world wheat surplus. With limited export markets and depressed prices, they are aggressively seeking markets to dispose of their surplus. Much of the wheat is being fed to livestock, because high-protein wheat is now priced about the same as corn in many areas. Some farm groups are even exploring alternative markets including the use of wheat as fuel and wall insulation. And United States farm groups are urging cheap sales and gifts of United States grain to the developing countries—a step that, under present circumstances, would only glut those countries' markets and destroy the incentive of their farmers to produce their own food.

All such solutions squander precious food that eventually will be needed. And, ironically, none of them affords the farmer his cost of production. A reserve, however, becomes an alternative market where he can place his surplus in lieu of marketing it now at a loss. His short-term cash needs are met through a Government loan on his crop until market prices rise sufficiently for him to sell his crop at a price that will assure him his cost of production.

Establishing a domestic reserve also enhances the climate for international agreement. Negotiations under the Nixon and Ford Administrations were blocked primarily by America's unwillingness to commit itself, other than rhetorically, to a reserve of any kind, either domestic or internationally coordinated. The Carter Administration and Congress have now reversed this stand, and a clearly defined domestic reserve would signal American commitment to the rest of the world.

And should our explicit price levels for accumulation and release of grain under the reserve conflict with what might subsequently be deemed necessary for United States participation in an internationally coordinated system, the Farm Act can simply be amended. This is done routinely—for example, on international trade and tariff agreements.

A large United States reserve does not make the United States the stockpiler of the world at our expense. A reserve of a minimum of 25 million tons of wheat and feed grains is based on domestic necessity: the amounts needed to bring relief to United States farmers. Moreover, it is realistic in terms of the quantities the United States might be expected to carry in any subsequent international agreement.

For example, all serious United States and international studies suggest that the minimum quantities of grain needed in an international reserve system to bring sufficient food security and price stabilization are 60 million to 80 million tons. Given the major United States role in production and international trade in grain, the amount is modest.

More important, the reserves are ultimately financed by the purchaser. United States grain is put into reserve and held until market prices reach the defined higher release point. It is then sold on the commercial market at the higher price, with the profits realized by the United States farmer. The cash loan that allowed him to hold his grain off the market is repaid to the Government. Surprisingly, the Agriculture Department estimates that such a plan would result in substantial savings because direct Government support payments to the farmer decrease when the market price the farmer receives for his crop increases, as it would under such a sizable reserve.

A substantial reserve of his design turns price-depressing surpluses into needed reserves, and could prevent a recurrence of the kinds of extreme production controls and stock cutbacks that began in the late 1960's and set the stage for the deadly shortfalls of 1973–74.

WASHINGTON: BEHIND CLOSED DOORS INACCURATE

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. STEERS. Mr. Speaker, the portrayal of Washington, D.C., in the ongoing television special, "Washington: Behind Closed Doors" being shown

across the Nation is grossly inaccurate, because you can hear the dialogs in the outside scenes. As a Representative from a district in suburban Washington, I would like to say that the dialogs of individuals outside buildings in Washington are almost drowned out by the sound of a jet plane winging its way over the District of Columbia and Montgomery County. However, in the glamorous, high-powered world of television, these realities of life are sometimes overlooked.

The realities are droning jets. That is why I have sent a letter to the Federal Aviation Administration suggesting changes in various cockpit procedures which can have a significant impact on reducing noise from jet planes over residential areas.

THE ECONOMY AND INFLATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for September 7, 1977, into the CONGRESSIONAL RECORD:

THE ECONOMY AND INFLATION

There is not much doubt but that the economy has begun to move again.

In the first six months of this year the nation's economy grew at a rate of 7%, faster than even the most optimistic forecasters had predicted and in spite of a devastating winter that crippled production and kept consumers at home. During the same period 2.2 million jobs were added to the economy, reducing unemployment to almost a full percentage point below what it was late last year. The first six months of this year have also seen upward trends in housing and business investment, and recently there has been a decline in wholesale prices. So the economy this year has fared surprisingly well.

Moreover, the economic projections for the balance of the year, if not rosy, are nevertheless upbeat. Unemployment should drift slowly downward, the rate of inflation is expected to slow considerably later this year, the growth rate of the next year should be healthy, and corporate profits should climb.

Hopefully, the economic upswing is settling into a sustainable advance. The experts agree that the last half of this year should be encouraging, with growth declining only modestly, and they are quite optimistic about prospects for next year. Of course, there are always worries. Can the recovery be sustained? Will the political pressures to get the economy moving more vigorously be irresistible? Unemployment remains very high, and the inflation rate thus far in 1977 has been disappointing, largely due to food and fuel price increases. The nation's huge foreign trade deficit, now approaching $20 to $25 billion for this year, is worrisome, and the gap between the economy's actual and potential output remains very large with the economy still performing, by conservative estimates, 6–7% below its capacity.

In this setting the Carter Administration has laid out an ambitious array of economic targets to be achieved by the end of its term of office. Unemployment is to be cut from today's 7% to a goal of 4¾%. Inflation is to be reduced from the current range of 7–8% to about 4½%. The federal budget is to be balanced. In the meantime the President seeks major reforms in the tax, welfare, and health care systems. Many people question whether all these objectives for the economy, the budget and social policy can be met. To do so will require job creation at an unprecedented rate year after year, while reducing inflation and moving to balance the federal government's budget. It will require business expansion to remain steady and strong through 1981, even though many experts talk of a business expansion that is already middle-aged and may soon run out of steam. If all these things cannot be achieved, priorities will have to be established and certain objectives will have to be modified.

So, despite the promising outlook for 1978, the nation is a long way from achieving its goals for the economy. From my perspective, inflation remains the most serious long-term problem. My expectation is that we will likely live in an inflationary economy for some years. Bringing down the rate of inflation will be a long difficult task. There is no inexpensive way to reduce inflation quickly. A tough fiscal policy, restrictive enough to take one percentage point off the rate of inflation in three years, is estimated by the Congressional Budget Office to cost 1.2 percentage points in the unemployment rate or an addition of more than one million unemployed workers.

In the past wage and price guidelines and controls while in effect, have worked to reduce inflation. However, this economic gain has usually been temporary and accompanied by problems of evasion, inefficiency and inequity. Policies directed toward individual economic sectors, like holding down medical costs, are strongly resisted by the groups affected. A number of tax incentive schemes to penalize inflation and reward wage stability are uncertain and untried.

Government economic policy must continue, then, to wrestle with its anti-inflationary policy and our hopes must not rise too high. The truth of the matter is that nations just do not know how to control inflation and maintain high employment at the same time. A multifaceted approach is necessary, using several mild approaches simultaneously, including 1) preventing excessive aggregate demand, 2) accelerating the growth of supply, 3) increasing consultation by government, labor and industry to restrain price and wage increases, 4) reforming government practices that encourage inflation, 5) using tax incentives for increased investment, and 6) furthering research and experimentation in the use of tax incentives to encourage moderate price behavior.

Government must strive to set economic policies that inspire confidence of businessmen and consumers in the future of the economy. The limitations of government economic policy, however, must also be recognized. Government alone cannot achieve economic objectives. Moderation of wage and price demands by labor and businesses is essential. A real question is whether it is possible to get the kind of restraint in the decisions of labor and management.

TEXAS SUPPORT FOR SECTION 14(b) OF THE TAFT-HARTLEY ACT

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. ARCHER. Mr. Speaker, the Senate and House of Representatives of the State of Texas recently adopted Senate Concurrent Resolution No. 4 as introduced by State Senators Walter H. Mengden, Jr., and Kent Hance. It expresses the strong, grassroots support that exists in Texas and throughout the Nation for the retention of section 14(b) of the Taft-Hartley Act of 1947. This demonstration of support for the right of States to enact right-to-work laws should be a clear indication to the Congress of public sentiment on this issue:

SENATE CONCURRENT RESOLUTION

Whereas, During the recent session, the State of Texas consistently maintained an unemployment rate at a level one-third below the national average, while new jobs in private business and industry in Texas increased at a rate two and one-half times greater than that of the nation; and

Whereas, During the first 11 months of last year approximately 135 industries established new plants in Texas, and another 200 existing plants were expanded; and

Whereas, During the second half of 1976 more Texans were gainfully employed than at any time in our history; and

Whereas, This outstanding economic performance and posture can be directly attributed to the absence of any form of the economically crippling union shop or agency shop arrangements which restrict productive output and serve as a gross infringement upon the labor markets of 31 states; and

Whereas, One of the basic principles of the Constitution of the State of Texas and the United States Constitution is the freedom to choose one's livelihood; and

Whereas, Neither constitution in any form or fashion requires that a citizen must by contractual mandate join or financially support any union organization in order to be employed; and

Whereas, Any form of compulsory unionism or nonunionism is completely repugnant to the freedom of choice, as every working man should decide for himself if he wants to join a union or not; and

Whereas, No one should ever lose his job because he declined to join a labor union, a church, a civic club, a political party, or any other private organization; and

Whereas, Section 14(b) of the Taft-Hartley Act of 1947 permits individual states to enact right-to-work laws that prohibit union shop and agency shop arrangements; and

Whereas, Texas and 19 other states have passed such laws; and

Whereas, Serious attempts will be made in the United States Congress to repeal Section 14(b) of the Taft-Hartley Act of 1947 in order to void all of the state right-to-work laws and thus result in the emergence of an economically stifling compulsory unionism in Texas; now, therefore, be it

Resolved by the Senate of the State of Texas, the House of Representatives concurring, That the 65th Legislature of the State of Texas hereby memorialize the Congress of the United State to oppose repeal of Section 14(b) of the Taft-Hartley Act of 1947; and, be it further

Resolved, That copies of this resolution be prepared and forwarded to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and to all members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

IMPROVING CHILDREN'S HEALTH

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. MAGUIRE. Mr. Speaker, I am introducing today a bill to provide for a major improvement of the health care provided to many of our Nation's children.

Protecting the health of our children must be a national priority. Child health care is a long-term investment in the future productivity and creativity of our country and its people. It is of crucial importance in enabling each of our children to develop his or her full potential.

And yet, many of the children from our poorer families do not have access to the most basic facilities for identification and treatment of potentially serious health problems. Congress recognized this problem 10 years ago, and created a program intended to alleviate the problem—the early and periodic screening, diagnosis, and treatment program—EPSDT.

However, that program has never lived up to the expectations held out for it. The definition of the children to be served was too limited. Inadequate attention was given to coordination with similar programs. Little thought was given to how best to get children involved in the health programs theoretically available to them. As a result, even among eligible children, awareness of and participation in the program have been unacceptably low.

While EPSDT has been moderately successful in bringing children in for screenings its record for successful treatment of discovered problems has been weaker. Telling a parent that a child is anemic, or has vision problems, or dental disease, or lead poisoning is pointless, and even cruel, if the child is not given the necessary followup care.

In effect, we have not made much of a dent in the child health problems afflicting our less well-off families. Congress must now develop a comprehensive program that provides all of our children an opportunity for uniformly high quality health care. For many of these children, the success or failure of this program will make the difference between an active and productive life, or one limited by chronic or disabling illness.

Congress can choose to simply add pieces to a program with a dismal record or to strengthen it at its foundations by developing a child health assurance program that can serve as a model for future comprehensive health programs. My bill, the Child Health Assurance Act of 1977, seeks to strengthen the foundation and remedy the flaws in the existing legislation.

This bill will encourage the Federal Government to provide not only the financial means to carry out Federal directives, but leadership and positive incentives to promote the delivery of health care services. It rewards effective ways to reach eligible children and to provide the necessary followup and treatment.

Research has shown that the most effective way to involve poor people, who have traditionally been outside the health care system, in preventive health programs is through direct, personal contact with other members of their community. My bill encourages the States to use community-based organizations to perform outreach and followup services by providing a 90-percent Federal reimbursement of the costs of these services. An example of a community organization that does this well is the Tri-City Citizens Union for Progress in Newark, N.J. The union operates a successful child health program by linking its clinic with a thorough outreach effort. The clinic serves a 12-block neighborhood in a most depressed urban area. But innovative programs such as the Tri-City Union are not reimbursed either under the current EPSDT program of the administration's proposed child health program.

The bill I am introducing establishes a uniform age eligibility limit of 21 years for both children who are covered by aid to families with dependent children—AFDC—and for children from intact families who meet the income requirements of AFDC. We should encourage the family to remain a viable institution among our Nation's poor. Children from intact, but poor, families have the same health needs as do children who qualify for AFDC. Quality preventive health services must be available to all indigent children.

Prevention is the key. It is through early intervention that many childhood diseases can be avoided. Early treatment will be encouraged under this legislation with 90 percent Federal reimbursement for screening, diagnosis, and treatment of all conditions discovered in an assessment. In exchange for these funds, the States will be required to coordinate the various programs provided health services to children, to offer contracts with reasonable terms to all qualified health care providers, and to reach an acceptable percentage of eligible children.

If prevention is truly our intention and if meeting the greatest needs of these children is really our purpose, then we must include the dental needs of children. Dental disease is often so virulent in these children that it is physically and mentally debilitating. But dental disease is preventable. My bill provides necessary dental care for these children—an area unfortunately left uncovered in the administration's proposal.

A program such as the one I propose may involve some higher short-term costs than the present program. But these costs are slight compared to the long-term cost of treating unchecked disease.

Our long-term goal should be a national health insurance program that insures access and quality health care for all Americans; however, this goal is somewhat down the road. In the meantime, we must design a child health program that meets the present needs of our Nation's poor children. We must act quickly, but diligently, before we lose more children to crippling, chronic, disabling, and avoidable conditions.

STATEMENT BY CONGRESSMAN WILLIAM R. COTTER ON THE NATIONAL ENERGY BILL

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. COTTER. Mr. Speaker, on August 24, the Mobil Oil Corp., took out a full page ad in the Hartford Courant to detail its position on the national energy bill, H.R. 8444. Many of my constituents used the coupons provided in the advertisement to give me their views on this legislation. I would like to take this opportunity to explain the major provisions of the bill and to address some of the issues raised by the Mobil Oil Corp. statement.

As a member of the House Ways and Means Committee, I had an active role in developing the tax-related provisions of this legislation, which the House passed in August.

The bill is a response to two indisputable facts: The dwindling worldwide oil supply—that is intensified by increased world demand—and the growing dependence of the United States on foreign oil imports to meet its energy needs.

Since oil is a finite resource, it inevitably will cost more as its supply becomes scarcer. Therefore, efforts must be made not only to conserve, but also to encourage development and usage of alternative energy sources. The national energy bill basically is a conservation measure, designed to encourage usage of other, more abundant fuel sources and to equalize the price of oil with its replacement cost.

The Mobil Oil ad does not make clear that under either its proposal or the Carter program, energy prices will increase dramatically in the future. In my opinion, the virtue of the House bill is that it returns most of the price increase to the consumer in the form of rebates, thereby cushioning the economic repercussions and insuring continued economic growth.

I disagree with the oil industry's claim that without deregulation, it will be impossible to generate the necessary capital to expand exploration and drilling operations. Figures released by the oil industry's own American Petroleum Institute show that the industry's investment in exploratory operations is now at a record level without deregulation. It is important to remember that all newly discovered oil is totally exempt from Federal price controls.

The tax on the industrial use of oil and natural gas is aimed at discouraging their use as boiler fuels. The bill provides relief to industries for coal conversion costs through an additional 10 percent investment tax credit. Industries which use oil and natural gas as part of the manufacturing process, or which would be unable to convert to coal because of conflicting environmental restrictions, are exempt from the tax.

One other point must be stressed. While this bill does not address energy research and development needs, efforts are being intensified in this area. Approximately $4 billion has been appropriated for fiscal year 1978 for R. & D. efforts in such areas as nuclear, solar, geothermal, wind, and fossil fuel power.

The Carter/House program is not a cure-all for our energy problems, but I think it is a good beginning in the establishment of a realistic national energy policy.

I expect the energy debate to continue for many years and sincerely appreciate my constituents taking the time to share their views with me.

THE SLAUGHTER MUST NOT BE IGNORED

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. BAUMAN. Mr. Speaker, a distinguished Italian journalist recently had one of the only interviews ever given by Cambodia's new de facto ruler, Khieu Samphan. I ask you to carefully listen to this final exchange between the two:

SAMPHAN. In five years of war, more than a million Cambodians died. The present population of the country is five million.

JOURNALIST. What happened to the other million?

SAMPHAN. (visibly annoyed) It's incredible the way you Westerners worry about war criminals.

(From *El Bourghese*) March 1977.

The irony of this is, of course, that the West is not worrying about them. There is a lot of talk about human rights in many circles. There is also a conspicuous lack of expressed concern or action to do anything to preserve or recover the human rights of many groups of people, particularly those millions of Cambodians who have been systematically murdered over the past several years.

Cambodia's new Communist regime has succeeded within a period of less than 2 years in murdering close to a third of its people, destroying the country's institutions, economy, culture and every last vestige of liberal thought or difference of opinion. It has done this in the face of contemptible silence by the United Nations, and forceless protests by the U.S. State Department. It is a crime of the East, but it is also the shame of the West.

I talked and spent time with three Cambodian refugees last month. It is a depressing thought to consider how sensitive, decent people are being reduced to the level of concentration camp victims in a fashion reminiscent of Nazi horrors earlier in this century. It is depressing to realize how little is being said, and nothing being done to stop the slaughter. Alerting those of us unaware of the present situation is a first step, and in this spirit I am inserting into the RECORD a motion by Cambodian refugees and residents of the United States and Canada. It is preceded by a short statement prepared by Messrs. Prum Horn, Vanary Prom and Pna Chhay Norin. I urge you to read it. I urge you to spread the word in order that the veil of silence be lifted.

CAMBODIAN SITUATION

Two years have passed since we, Cambodian refugees (an estimated number is about 6,000 people) have been resettling in the United States. We faced many difficulties on the way to start the new life here and also to adjust into the American Society. Due to difference of living status, in particular the English language, we struggle in different ways to accept employment regardless of our previous occupational level. As you are confident that the Cambodian refugees followed and will follow in the tradition of other refugee groups by becoming an overwhelmingly self-supporting, tax paying, contributing group whose cultural backgrounds will add to the enrichment of American Society.

After the fall of Cambodia, our country into Communist enclave, we suffer deeply from the atrocities, genocide committed by the Cambodian communist rulers to the innocent Cambodian populace. We support Carter administration officials on July 26, 1977 blamed Cambodia's communist rulers for one of the world's worst continuing tragedies of disease and hunger. Based on all the evidence available to us, we have concluded that Cambodian communist rulers have flagrantly and systematically violated the most basic human rights. They have forcibly relocated the urban population, brutally treated supporters of the previous government and suppressed personal and political freedoms. The present Cambodia lacks a school system as such. The nation is also reported to have no money system. As all other intelligence channels had been effectively cut off, the U.S. intelligence agencies were hesitant to accept the word of refugees who escaped daily to the Thai border.

The government of Democratic Cambodia has destroyed our cultural heritage. Customs and tradition are completely uprooted, religion is not permitted; books and documents have been burned. The remaining people are living a miserable life—little food, no medicine, lack of adequate shelter and clothing, no fundamental human rights and no concern from the outside world. Families are still kept separated. Marriages are now permitted, but a love affair can be a capital offense. Most reports are that genocide in Cambodia is still going on. Beautiful words are still written and spoken about peace, harmony and humanity, but the Cambodians who are being enslaved by the communist rulers have been left to die.

Based on all information, reports and or accounts stressed by Cambodian refugees in Thailand, we have sent motions to the United Nations to help us stopping genocide, atrocities committed by the Khmer Rouge in Cambodia. In a nation of 7 million people, an estimated 2 million have already died from mistreatment and executions. To date no positive result to our appeal.

During the five year war the Cambodian people had a good discipline; their morale was high to defend their country, culture, religion and traditions. At the time the United States cut off aid to Cambodia in 1975, the Cambodian communist government was aided by other communist countries to take over our gentle land, Cambodia.

We hope your congressmen, senators, government could immediately put an end to the genocide and to restore the basic Human Rights and fundamental freedom of the Cambodian people. We plead for your help to come to the assistance of the Cambodian people, the victims of a brutal policy of genocide by Cambodian communists called Khmer Rouge.

MOTION OF CAMBODIAN REFUGEES AND RESIDENTS IN THE UNITED STATES AND CANADA

We, Cambodian refugees and residents in the United States of America and Canada,

Considering that one year and five months after the Khmer Rouge took power in Cambodia, on April 17, 1975, streams of Cambodian refugees of all ages and social classes are still fleeing their home country daily, in spite of obstacles and dangers to life along the way;

Considering that accounts of refugees, reports by the international press and the statement made by Swedish Ambassador to Peking, His Excellency Kaj Bjork after his visit to Cambodia recently, confirm that the Khmer Rouge have been conducting a policy of terror in the country, massacring no less than 800,000 Cambodians; have created a situation in which only death, hunger, disease, forced slave labor and trembling fear of "Angkar" reign; and have eliminated the educated class, and forcing the repeated evacuations of people from one area to another, and back again;

Considering that the Khmer Rouge have pronounced their intention to keep only one million Cambodian people from a nation of seven million inhabitants to build their "new" Democratic Kampuchea; and that aside from the loss of human lives, everything which relates closely or remotely to the civilization of the Khmer people, to its culture and to its history—arts, literature, worship, schools, monasteries, national archives, morals, traditional customs etc.—has been ridiculed or destroyed so that the two-thousand year old Khmer cultural heritage is in danger of extinction;

Considering that the policies and acts of the Khmer Rouge are, in every respect, contrary to all basic principles of international law and agreement on human rights, including the principles and Charter of the United Nations, and are contrary to principles of human decency; and that these policies and acts fall squarely under the definition of genocide as adopted by the United Nations General Assembly on December 9, 1948 as a crime under international law;

Considering that in its Preamble, the United Nations, of which Democratic Cambodia is a member, is determined "to reaffirm faith in fundamental human rights, in the dignity and worth of the human person . . ."; and that in its purposes, the United Nations is to promote and encourage "respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion";

Be it unanimously resolved:

To condemn with the greatest vigor the crime of genocide committed by the Khmer Rouge, new rulers of Cambodia, against the innocent and helpless Cambodian people;

To appeal to His Excellency Kurt Waldheim, General-Secretary of the United Nations, the highest world body, to use his power and influence within the international organization to put a halt to the most blatant violation of human rights and fundamental freedoms of the Cambodian people by the Khmer Rouge;

To urgently request the United Nations to send a neutral investigating team to Democratic Kampuchea under the Khmer Rouge to verify the charges to genocide by the Khmer Rouge and to immediately put an end to it, and to restore the basic human rights and fundamental freedom of the Cambodian people;

To appeal to the conscience of all government and religious leaders in the world, to all international and humanitarian organizations, and to all people of good-will everywhere to come to the assistance of the Cambodian people, the victims of a brutal policy of genocide by the Khmer Rouge, by using all means and possibilities to put an end to needless atrocities which have already cost nearly one million Cambodian lives.

Done in Washington, D.C., August 17, 1976.

We, Cambodian refugees & residents in the United States and Canada.

MOTION

Khmer refugees and residents in Washington DC and its metropolitan area,

Referring to:

The living testimony from victims: men, women, children taking refuge in Thailand and in USA,

The articles appearing in the international press (including the weekly TIME of April 19, 1976, PARIS MATCH of April 24, 1976, the daily LE MONDE of the 17 and 18 of February 1976, of April 6, 1976, the New York Times,

the Washington Post and the Washington Star of April and May 1976, to cite only a few of the recent publications),

The public declaration of March 7, 1976, in Pekin by the Swedish Ambassador Mr. Kaj Bjork upon return from his two weeks visit to Cambodia,

Whereas since April 17, 1975, the date of the takeover of power in Phnom Penh by the "Khmer Rouge" leaders, the new regime in Cambodia has engaged in various methods including daily massacres among the innocent and helpless population. Victims at the present time are estimated to number at least 800,000, whereas during the 5 years that the war lasted imposed by Foreigners, there have been at most 600,000 killed,

Whereas the Khmer rouge themselves admit to their odious crimes perpetrated in cold blood and go to the point of hinting that they would spare only a million men out of the seven millions who existed for the purpose of building their new "Khmer Society" having no need of help any intellectual elite in this plan of national reconstruction. And in addition, a foreign observer having been able to visit Cambodia recently, the Swedish Ambassador Mr. Kaj Bjork, who cannot be suspected of hostility to the new Cambodia regime, could not help but to publicly confirm the suffering the Khmer population is undergoing and who continue to suffer much.

Whereas in consequence of these crimes entire families have been wiped out or deported to unsanitary places in the interior of the country or scattered throughout the world, for want of not being able to live in security in their own country,

Whereas aside from the loss of human lives, all that which relates closely or remotely to the civilisation of the Khmer people, to its culture and to its history: arts, literature, worship, schools, monasteries, national archives, morals and popular customs etc. . . have been ridiculed, destroyed or handed over dirt cheap to neighboring countries to such an extent that the two-thousand year old cultural heritage of the Khmer nation is gravely in danger of extinction,

Therefore:

Denounce with the greatest vigor these crimes of genocide that the Khmers have never known in the past,

Solemnly appeal to conscience and to the international organizations: the United Nations, UNESCO. the League of the Right of Man, the International Amnesty and all humanitarian organizations in order to help the Khmer Population, member of the United Nations to survive as a genuinely free nation, peaceful, democratic, independent and sovereign in the international community,

And urgently ask the United Nations, whose charter is recognized by the new regime of Cambodia, to please send an on-the-spot neutral commission entrusted with the duty of investigating these enumerated barbarous crimes and to find all means and all possibilities to stop these needless atrocities and genocide.

Prepared in Washington, DC, May 23, 1976.

Encl: List of signatures.

SMALL BUSINESS CONTRACTING: "A GROWING ABSURDITY"

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. DRINAN. Mr. Speaker, I suspect that few of my colleagues fully appreciate either the degree to which existing Federal procurement policy discriminates against small business participation, or the almost insurmountable obstacles which small firms must overcome in order to do business with the Federal Government.

I have recently authored and introduced the Small Business Government Contracting Reform Act, H.R. 8262, which would greatly simplify the contracting process for small businesses, grant procedural rights—such as adequate bidding periods and full access to bidding materials, and enable genuine competition with large firms for Government procurements. In this context, I highly recommend the following article from Government Executive which discusses the small business contracting issues toward which H.R. 8262 was specifically addressed:

A GROWING FEDERAL ABSURDITY

(By Ernest Baynard)

When the average small businessman first signs a Government supply contract, he probably has no idea of the nature and extent of the liabilities he has assumed—nor is there any easy way for him to find out.

The most honest businessman, fully capable of delivering the supplies called for in the contract, could end up bankrupt, investigated, audited or having his contract canceled through no fault of his own. He might even go to jail.

For decades, the Congress has been concerned about the vitality of the Nation's small business community. There is a Small Business Act creating a Small Business Administration that has a variety of programs designed to assist the small businessman. Small business committees in the House and Senate "watchdog" the interests of small business on a day-by-day basis.

Federal Access.—A prime objective of both the Congress and the President is fair and reasonable small business participation in the Government's multi-billion-dollar procurement program. In this arena, there are Certificates of Eligibility, contract preferences, procurement set-asides and unlimited free advice.

Unfortunately, no one in the Federal Government, concerned with the interests of small business, seems to have read the Government procurement contract—the General Services Administration (GSA) Federal supply contract used to acquire thousands of items obviously within the scope of small businesses to produce. It is the contract the small businessman must perform before he goes to the bank with his reward for doing business with the Government.

The big trouble is that no single document is identifiable as a Federal Supply contract. The GSA has, instead, a maze of material containing terms and conditions binding on a contractor. Some of these documents are difficult, to say the least, for the average small businessman to obtain. Much of what all of them contain is difficult, if not impossible, to understand.

Policy Extension.—As a result, the prudent businessman has no reasonable way to readily determine the nature and scope of the contingent liabilities he assumes incident to doing business with the Government. Today's Government contract contains many provisions that directly obligate the contractor to carry out Federal policy in social and economic areas. He also is made subject to the Federal Privacy Act under certain conditions.

Provisions of the Clean Air and Water Pollution Acts affect his eligibility for and performance of Government contracts. He may also have to cope with the Cost Accounting Standards the Government has adopted. A reasonably wise small businessman would realize his efforts to sell to the Government may not succeed. But if his efforts may do him no good, he at least wants to be sure they do him no harm.

That, in turn, becomes a question of what the contract will require of him—not only in substantive terms but in the submission of reports and data concerning his operations to GSA and the other Government agencies referred to in the Federal Supply contract documents. What those reports have to be and for whom are, indeed, difficult determinations to make.

The primary document the small business man must contend with is the Solicitation, otherwise known as Form 33. This is a random listing of terms, conditions and instructions together with the forms the prospective contractor must fill out, quoting his price and other essential product data.

Mazy Route.—Among the clauses in the Solicitation—which are not numbered consecutively and do not appear in any logical form—are references to other contract forms. At one point, Form 33A is incorporated by reference. Forms 1126, 1426, 1790 and 2984, referenced elsewhere, are also part of the contract. Adding these terms and conditions to the Solicitation means, in effect, the Federal Supply "contract" has 176 clauses. In them are cited 35 Federal statutes, half a dozen Executive Orders and almost countless regulations of the GSA, Department of Labor and other Federal agencies. In addition, there are other forms the contractor may have to fill out and file with GSA and/or other agencies during performance of the contract.

GSA has "Business Service Offices" throughout the country. But they do not have copies of the references made in the Solicitation. Collecting this material requires direct contact with a number of Federal agencies such as Defense, Labor, Justice and the Environmental Protection Agency.

Legal Grouping.—What small businessmen have either the time or the resources to undertake this tiresome, frustrating task? As a result of this overwhelming maze, businessmen trying to sell something to GSA fall into three categories.

A majority which probably fills out the forms, quotes a price and ignores the jungle of redundant, ambiguous and often meaningless language which makes up such a large part of Government's contract terms and conditions.

The cautious businessmen who are repelled by the terms and conditions and decide doing business with the Government is not worth the effort.

Lastly, there may be some who take the time to attempt to extract some meaning from the terms and conditions, trying thereby to gain some understanding of their commitments and liabilities under the contract.

With some luck, that last businessman obtains copies of the four basic contract documents, the Solicitation, Form 33A, Form 1426 and Form 32, from the Business Service Office. He looks over the material in the "Procurement Kit" given him—and soon tosses it aside as of little help.

After a few days hard work with scissors and paste, he probably can reassemble all the clauses in the four forms so that those dealing with the same subject are together. He then spends several days on the telephone, collecting material referred to in the terms and conditions. At this point, he's ready to begin reading the contract.

What's A Lawyer?—It takes just a few minutes for him to realize that an understanding of the contract will require expert legal advice. But, as he is about to call his lawyer or possibly some procurement specialist in Washington, he notices Section 3 in the Solicitation.

Titled Contingent Fee, it requires that he state whether he ". . . ( ) has, ( ) has not, employed or retained any company or person (other than a fulltime bona fide employee working solely for the offeror) to solicit or secure this contract, and he ( ) has ( ) has not paid or agreed to pay any company or person . . . any fee, commission, percentage, or brokerage fee contingent upon or resulting from the award of this contract, and

agrees to furnish information relating to (the above) as requested by the Contracting Officer."

What that seems to tell the small businessman is that he should check the "has" box at the beginning of the clause if he retains a lawyer or any type of procurement specialist on a non-contingent basis. (It is non-contingent because one can solicit unsuccessfully.) Thus, any activity by a retained agent on his behalf would seem to fall within the intent of the first part of Section 3.

He also sees that he must check the second "has" in the section if he ". . . has agreed to pay . . . any person . . . any fee resulting from the award of this contract . . ." The problem here is that "resulting from" does not mean the same thing and has a broader significance than "contingent upon."

Multiple Meanings.—He becomes annoyed. Why should the law prohibiting payment of contingent fees also rule out the payment of non-contingent fees? Finally, he calls the GSA General Counsel's office and asks why he is prohibited from paying "any fee."

They understand his question, they say, but that is not what the clause really means. He gets the same opinion from the Office of the Comptroller General. Our businessman gets a copy of the Federal statute requiring the contingent fee clause in contracts. He finds that Congress did not prohibit the payment of "any fee."

Apparently, GSA just added this unlimited, non-contingent category to commissions, percentages and brokerages set forth in the statute.

The addition of the phrase "any fee," used in conjunction with the term "solicit," alters the meaning of the Congressional prohibition. Our prudent small businessman, recalling procurement scandals and Congressional investigations in the past, is reluctant to ask for expert assistance because he doesn't know what the law prohibits him from doing—especially after reading the contract language.

That's hardly his only problem. On the front of the Solicitation is an additional sheet containing amendments to the original. It contains a clause: "The following clauses on the cover-sheet are deleted." The "coversheet," he thinks, is apparently advice to prospective contractors on modifications and additions to the contract of the prior year.

Wrong Again.—Among the clauses the coversheet contains is one which requires the listing of job openings with the local office of the State unemployment service. He turns to this provision in the contract and is about to draw a red line through it when he pauses. Why would the GSA delete such an obvious labor-oriented clause?

Out of curiosity, he calls GSA. Sometime later, his call is returned and he learns the clause was not deleted from the contract at all. What GSA intended was simply to announce that the *reference* to the clause on the "coversheet" be deleted. Nor can anybody explain why the formal contract amendment process is used to remove the reference to a contract provision from the "coversheet."

The Solicitation and the supplemental provisions of the Federal supply contract contain a number of clauses relating to small business. Studying them is of little help to the small businessman. Government efforts to develop a viable small business program have always amounted to an uphill fight.

All the program does is offer free advice, loans and loan guarantees (provided the small businessman has not succeeded because, if he has, he's not eligible for a small business loan guarantee because he can get a loan from a commercial bank), Certificates of Competency, and finally, procurement set-asides and preferences. But he finds that set-asides are limited to some specified types of supplies and his product don't fit those categories. And "preferences," he finds, apply only in case of equal bids.

While he might dismiss these provisions as being of no concern to him, he realizes that the contract says he must "agree to accomplish the maximum amount of subcontracting to small business concerns that (he) finds consistent with the efficient performance of (the) contract." A comparable provision requires he favor labor surplus areas in his subcontracting.

Now What?—By this time he has begun to realize there is no distinction under the Federal supply contract between subcontractors and suppliers. "Just what am I to do to show reasonable and honest effort to comply with these provisions?" he asks. What does he say if he's investigated for "failure to comply?"

Every paper clip and cotter pin in his office and plant become suspect. What is the source of his materials in this context and are other sources available and, if so, at what cost and effort to find?

He can just hear the legislator in committee hearing or the judge: "You mean to say you ignored these important provisions that Congress directed be placed in every Government contract expressly to help small businessmen such as yourself?

Section 33A provides that "General information concerning the requirements of the Walsh-Healey Public Contracts Act, the Contract Work Hours Standards Act and the Service Contract Act of 1965 may be obtained from the Department of Labor." A call to the Department ends up in a day-long hassle with telephone operators and hair a dozen different offices.

More Inapplicables.—(The Department's telephone system is being "improved" and many of those he must talk to are not at the numbers listed in the telephone book nor, at times, known through the information operator.) Finally, copies of the statutes arrive in the mail. After hours reading them, he learns that none apply to supply contracts for items sold commercially. With just one line in the Solicitation contract, GSA could have saved the small businessman a week of work.

Often, it seems these days, nothing is more important than "equal opportunity." In favor of the idea, anyway, he hunts for days to see if any special or unique requirements for complete compliance arise from being a Government contractor. Several days study of Executive Orders, which are the basis for "equal opportunity" clauses in the contract eventually lead to the realization that they require essentially the same conditions as already apply to everyone under provisions of the Equal Opportunity Act.

But, he reads that he must file an annual "Affirmative Action" program report with Labor. This does not concern him—assuming he has some idea what a report of this type has to contain. When he asks Labor, he learns, after some hemming and hawing, that "If you have less than 50 employees you don't have to file."

Non-Standard Standards.—The Solicitation also contains several pages of complex language relating to the application of the Government's cost accounting standards. The meaning of these clauses lies beyond the comprehension of mortal man—even of those officials who drafted the clauses in the first place. However, because of the emphasis placed on the subject, a small businessman could easily conclude he is in some way bound by them.

Rather than this mass of language, the contract could simply point out that the sale of supplies sold in substantial quantities to the general public as well as annual sales to the Government in amounts of less than $500,000 are not subject to the cost accounting standards. It would also help to note, in the contract, that copies of the standards, themselves, can be bought from the Government Printing Office.

One additional comment would help: tell businessmen not to try to read and understand the cost accounting provisions unless they are trained accountants. To the uninitiated, the standards will not make sense.

Clean Everything.—When a small businessman reaches the Clean Air and Water provisions, his problem with the contract will become intense. First, he must agree to comply with all requirements of these two Acts and insert comparable provisions in all his subcontracts. He must agree that no portion of the work, either his or his subcontractors, will be performed in facilities listed in the Environmental Protection Agency's (EPA) "List of Violating Facilities."

He must adhere to all: ". . . enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted pursuant to the Air Act or Executive Order 11738, an applicable implementation plan described in Section 100(d) of the Clean Air Act, an approved implementation procedure or plan under Section 111(c) or Section 111(d), respectively, of the Air Act or an approved implementation procedure under Section 112 (d) of the Air Act."

Empty Lists.—If that doesn't confuse the businessman enough about his responsibilities and liabilities regarding the environment, reading the Clean Air and Water Pollution Acts, themselves, will. Although ordinary English-speaking people don't understand either, they can at least check the EPA "List of Violating Facilities."

After calling EPA and going through another long shuffle from one office to another, he finally reaches "the keeper" of the list. He is told it has been twice published in the *Federal Register* and he will be sent a copy. What he receives is a "list" that starts with a lengthy introduction—and has no facilities listed on it.

The Privacy Act is supposed to apply only to activities of the Federal Government, itself. However, the GSA Federal supply contract applies it to the small businessman as well. Few persons not already familiar with the Privacy Act could understand the Privacy clauses in the contract.

Whose Privacy?—Apparently, the provisions say, in effect, that if a contractor performs what otherwise would be an internally handled function—and if includes the development and/or maintenance of data on individuals—the contractor is bound by the same policies as if the work were being done in-house. But this is not evident in the contract language—except, as in the case of other provisions—the businessman is warned that violation of this Privacy provision could result in criminal sanctions.

The potential contractor also will be apprehensive when he learns, if he gets some Government work, that he must permit both the GSA and the Comptroller General the right to audit his books and records for three years following completion of the contract. In practical terms, these provisions don't mean much because the number of such audited contracts is small, and the audit is supposed to be limited to books and records pertinent to the contract.

However, to the small business unfamiliar with the ways of Government, the possibility of confidential data on his costs and overall operation being blown open to the public has to sound very unattractive. And, besides wondering why two arms of Government need that auditing right, he probably has the fear that an "audit" will be confused in the Press with an "investigation." How could such potential bad Press be good for his business?

Predicting Markets.—And then there is the "Price Reduction Clause." Under it, the businessman must agree to an automatic reduction in the price he quoted in the supply contract by a percentage equivalent to any general reduction in his commercial price during the contract period.

Example: a small businessman sells his product commercially for $500. In his Federal supply contract, he agrees to give the Government a 20% "quantity" or otherwise discount to $400 a unit. But, during the contract year, competition forces him to reduce his commercial price to $450—a 10% cut. Under the Price Reduction Clause, he must then give the Government a 10% further discount on top of the one already negotiated—or a price of $360.

Obviously, the contractors who give GSA the best initial discount below their commercial prices are the ones most grievously affected. In essence, the Government hurts most those that treat the Government best. The clause also is against public policy in that it may inhibit reduction of commercial prices during a period of inflation.

It also is against the best interests of the Government because it creates a contingency—which also is contrary to established Government procurement policy. And it discourages contractors from initially quoting the lowest possible price.

Varied Translations.—After two or three weeks, a careful, astute small businessman can begin to gain control over the most glaring deficiencies in the Federal supply contract as discussed above. This leaves him with almost 170 other contract clauses to read and understand. They are a mixed bag. Many are well drafted and easily understood.

But a substantial number do not say what they mean nor mean what they say. Invariably, when he seeks help from procurement specialists, in or out of Government, he is advised, "Yes, I know it does not say that, but that is what it means." He begins to realize he is in a curious dilemma. Suppose a question on one of the clauses he does not understand to begin with comes up during contract performance.

The Federal supply contract has a clear, unambiguous answer in a clause of Section 33A:

"Any explanation desired by the offer or regarding the meaning or interpretation of the solicitations, drawings, specifications, etc. must be requested in writing . . . Oral explanations or instructions given before the award of the contract will not be binding . . ."

In short, he is on his own in trying to understand the nature and extent of his liabilities and obligations should he win an award. It is a puzzlement. Several things appear to have contributed to the problem of how the Federal supply contract got to where it is today. For one, many legal documents seem written more to be interpreted by the courts than to be easily understood by those who use them. The Federal supply contract suffers from excessive reliance on legalistic language.

No Operational Control.—Another factor is the structure of Government. Operating personnel of the Federal Supply Service evidently have little control over the substantive provisions of the contract. Policy personnel in GSA and other agencies draft the clauses and stick them in the contract. The drafters do not come in routine contact with the businessmen who must try to understand what they mean.

Lacking the pressure of having to explain their use of language, policy development personnel are free to use complex and often excessive language to close every possible loophole—no matter how remote—without considering the "readability" of the contract. Another factor is that the present contract has evolved over many years.

Present experts, in and out of Government, have refined their understanding of the contract on a gradual basis. They did not acquire their comprehensive knowledge overnight nor necessarily from reading its terms and conditions. In contrast, the small businessman, initially seeking a Federal contract, is plunged instantly into an unfathomable sea of gobbledygook.

An Epidemic.—The Federal Supply Service is not the only producer of complex, ambiguous prose others find difficult to understand. American businessmen, large and small, have been known on occasion to confront the Public with contract "fine print." (Anyone read their automobile insurance policy lately?)

Even Congress has passed legislation—such as some tax laws and the aforementioned Clean Air Act—few people can understand. In government, business and industry, there must be countless poorly drafted, excessively legalistic documents that are far worse than the Federal supply contract.

So businessmen may have to ask for mercy rather than justice in urging the Federal Supply Service to make its contracts more readily understandable. Simply because others may do worse, however, is no reason why FSS should not try to do better.

An easily understood contract would lead to increased competition, and presumably lower prices, on a broader array of Government-purchased items. A clearer statement of contractor obligations in a broad stretch of Congress-enacted social and economic programs, e.g. clean air and water, labor surplus, aid to small businesses, might significantly improve compliance with the laws and result in greater progress toward these difficult goals.

One reasonable way to build clarity into the contract would be to consolidate all the clauses into one document. At the same time, arrange them in some logical format; carefully edited to remove redundant material indicate applicability and improve readability. The entire document could be republished (on less expensive paper) every year.

Fight For Simplicity.—Amendments during the year would only be made under the most pressing circumstances. GSA should also discard the present hand-outs businessmen are given when they visit Business Service Offices. all of the forms as well as copies of all the material cited in the contract document should be available at the Business Service Office, including the forms and materials that originate in other departments and agencies.

Until the GSA takes effective action in dealing with these problems, the prudent and responsible small businessman will continue to find doing business with the Federal Supply Service a frustrating—and even dangerous—experience.

ENERGY AND CLIMATE: A NEED TO ASSESS BOTH

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. BROWN of California. Mr. Speaker, now that the House has completed action on the National Energy Act, and is nearing completion on other major bills, such as the Farm Act, some Members may be wondering why we have so many minor bills still pending on the House calendar. There are many reasons for this, obviously, but one of the most overlooked reasons is that many of these bills are not minor at all, but simply are less complicated and controversial than the so-called major bills.

Among these bills is one that I believe is very important, not only in its own right but because of its relationship to such major issues such as farm and energy policy. I speak of H.R. 6669, the National Climate Program Act of 1977, which has been pending on the House calendar since May. While there have been many reasons why this bill has not yet been considered by the full House, the lateness of the session clearly calls for expeditious consideration of this bill. There are few minor bills before this body which have such a major purpose as does the National Climate Act.

The need for this legislation has been very thoroughly documented in the hearings before the Subcommittee on Environment and the Atmosphere of the Science and Technology Committee. A recent major report by the National Academy of Sciences urgently called for the type of action this bill authorizes and numerous other prestigious groups have endorsed such action. Those most deeply involved with the issue are quite concerned that we may act too late to prepare for the climatic fluctuations that most expect. Enactment of H.R. 6669 would allay these fears, and give us the resources to prepare for the future.

A recent editorial in Science Magazine described the relationship between energy and climate, and called for the enactment of the pending legislation. I urge my colleagues to consider these views as you consider this bill.

The article follows:

[From Science, Sept. 2, 1977]

ENERGY AND CLIMATE

Whenever the weather in a region departs from norms for a few weeks or more, anxious queries arise. Is the world's climate changing? When leading meteorologists are questioned they usually equivocate. At one time considerable optimism was voiced that new insights would be gained soon from modeling calculations. In the past decade much time on some of the most powerful computers has been devoted to such calculations. But success has been elusive. The best performance on weather seems to be in short-range prediction—that is, the next day or two. Even then surprises occur. In predicting weather, meteorologists can take as a point of departure current conditions, but in attempting to estimate climate change there is little guidance. Some cyclical patterns related to the 11-year sunspot activity have been noted, and a 2- to 3-year cycle also seems to persist.

Meteorologists still hold out global modeling as the best hope for achieving climate prediction. However, optimism has been replaced by a sober realization that the problem is enormously complex. In a recent report* Verner E. Suomi listed 27 variables that must be monitored to obtain data needed for studies of climate dynamics. These include total solar flux, cloudiness, surface albedo, sea and surface temperature, thickness of polar ice sheets, water vapor, CO_2, and tropospheric aerosols. Human activity has been changing at least three of the variables—albedo, aerosols, and CO_2. The report emphasizes potential effects of increasing and long-term use of fossil fuels.

One fact about CO_2 that is known with certainty is that the concentration in the atmosphere is increasing. Charles Keeling has been conducting precise measurements of atmospheric CO_2 since 1957. In two decades the concentration at the south pole has increased from 314 to 331 parts per million. It is estimated that since the beginning of the industrial revolution the change has been about 13 percent. Roger Revelle has analyzed cogent factors. Part of the increase is due to deforestation. About half of the CO_2 that has

Energy and Climate (prepublication version. National Research Council. Washington, D.C., July 1977).

been produced remains in the atmosphere, and the rest has been absorbed in the ocean or removed by increased photosynthesis.

What are the likely future trends? For the remainer of this century the clearing of land will continue and the use of fossil fuel will increase. As a result, by the year 2000 the CO_2 concentration will exceed preindustrial levels by about 25 percent. Ultimately, other forms of energy such as solar may come to play a more substantial role. However, humanity's appetite for energy use seems insatiable.

What will be the climatic consequences of increased CO_2? S. Manabe and R. T. Wetherald have calculated that a doubling of CO_2 would lead to an average global increase in temperature of 2.5°C. Their model was necessarily oversimplified, but it seems plausible on the basis of a greenhouse effect. However, a few scientists can be found who privately suggest that because of complex feedback phenomena the net effect of increased CO_2 might be global cooling.

The most likely trend appears to be warming, with effects considerably greater in the polar regions than at mid-latitudes. In the polar regions CO_2 can have a relatively large greenhouse effect. Changes in global circulation would also contribute to the increase.

Humanity is in the process of conducting a great global experiment. If unpleasant effects are encountered they cannot be quickly reversed. Although a comprehensive understanding of what is going on may be difficult to attain, prudence requires at least a determined and sustained effort. Congress is considering bills aimed at improving climate monitoring, augmenting climate research, improving services related to the climate, and identifying the domestic and international impacts of changes in the climate. Such legislation should be enacted.—PHILIP H. ABELSON.

MODERN HONDURAS: A REPORT FROM A RETURNING AMBASSADOR

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. DE LA GARZA. Mr. Speaker, as a member of the International Relations Subcommittee on Inter-American Affairs, I have recently had the opportunity to visit with the returning Ambassador of the United States to Honduras who has completed a 9½-month tour of duty. Ralph E. Becker, an internationally known Washington attorney who has devoted much of his professional life to public service, has detailed some of the Embassy's activities and made some interesting observations concerning the Central American post to which he was assigned. But before I report Ambassador Becker's comments, I would like to mention that the Honduras chief of state, Gen. Juan Alberto Melgar Castro, is in the United States today with the heads of state from the other sister states of this hemisphere.

The following are Ambassador Becker's comments and observations:

The Republic of Honduras is a microcosm of the potential as well as the difficult problems that confront the relatively small developing country in the modern world. It faces monumental challenges in meeting the needs and aspirations of its people.

Without the background of a landed aristocracy, this nation of warm and genuine people is taking significant steps with the needed assistance of the United States to develop a middle class which will enable it to move forward as a nation.

In rights, Honduras has a good record. There is a respect for human rights, with no violations of these rights, no political prisoners, no exiles and no torture. In general, the Honduran people enjoy freedom of opinion, religion, expression and association. The press is free to criticize the government and does so. The news media and people have a right to dissent without retaliation or retribution. Finally, the judicial system continues to function as it did under previous regimes. There is reason to believe that there will be elections in 1979, which will advance the constitutional processes of the country. Thus, in this regard, Honduras should be individually considered as a country of domestic tranquility.

The U.S. has long enjoyed close and friendly relations with Honduras, based on geographic, economic and social factors. While other countries of Central America are oriented physically to the Pacific, Honduras is oriented to the Atlantic. Rich farmland, forests, natural ports and rivers to the north early invited U.S. investment. Rugged mountains fragmented most of the remainder of the country. Until 1970, U.S. investment in agribusiness, forestry and mining accounted for half or more of the exports and led economic growth. Half of Honduras' total trade is with the U.S. Maintenance of good relations requires an awareness also of Honduras' present difficult conditions: low incomes, malnutrition, illiteracy, underdevelopment, vulnerability to weather, social and agrarian unrest, and tension with El Salvador.

Honduras is the geographical heart of Central America. It borders Guatemala, El Salvador and Nicaragua—with coastlines on both the Pacific Ocean and the Caribbean Sea. Its Pacific coastline consists of a 90-mile arc along the Gulf of Fonseca and its Caribbean coastline is 400 miles long. The country's three and one-third million citizens live in a 43,277 square mile mountain and tropical paradise (roughly the size of Pennsylvania). About 90 percent of the Honduran population is a mixture of Caucasian and Indian (mestizo). There are small minorities of Caucasians, Indians and Blacks.

Tegucigalpa, the proud capital of Honduras, traces its heritage to 1578 when the Spaniards founded a gold and silver mining settlement. Its 3,500 feet altitude guarantees reliable climate. Fast developing San Pedro Sula is the industrial and commercial center of the booming North Coast area. It is the distribution center for banana, sugar and manufacturing for the entire north coast. The Bay Islands, located close to the north coast, have an active multimillion dollar lobster and shrimp industry and a growing tourist industry. The Honduran Government is attempting to tie the Bay Islands, (Roatan, Gunaja and Utila) to the mainland through the implementation of several programs. For the most part, the islanders are English-speaking.

Honduras needs to expand its industry—67 percent of its labor force are involved in agriculture, forestry and fisheries; 90 percent of the children under five years of age suffer from malnutrition; 40 percent of the population earn an annual per capita income of $75 or less; and 50 percent of the population over 10 years of age are illiterate.

The North Coast of Honduras is the backbone of the country's economy due to its agricultural, industrial and commercial activities. Puerto Cortes is, by nature, the shipping and commercial center of Honduras and has the advantages of a sheltered, natural deep water harbor. Therefore, since 1965 it has been the object of various development programs that have greatly contributed to its modernization by the creation of an autonomous institution named the National Port Authority (ENP). It is managed under an experienced, seasoned Director, Antonio Coello, who has business administration experience in both the academic and private sector. He has a highly skilled, sophisticated, computerized, modernized operation. This port is being expanded into a major container port to serve Honduras and is now ranked as the largest, most efficient and inexpensive port in Central America. Also, it has now developed a large free zone for investment and business opportunities.

Puerto Castilla on the Bay of Trujillo is three times larger than Puerto Cortes (it was formerly a United States submarine base). This port (for which finances are committed) will be important commercially because it will be the open door for productions from the Aguan River Valley where there is large scale farming and stockbreeding. A new paper and pulp industry is being established there. In addition, its potential forests can be utilized in various ways. The Trujillo port will also serve the Olancho area, which has the largest pine forest reserve in Latin America. Several sawmills are being built and hundreds of millions of dollars will be spent in building the roads, setting up the communication system and maintaining the forests.

These forests come under the jurisdiction of the semi-autonomous Honduras Corporation for Forestry Development (COHDEFOR). It has only been in existence a little over three years; the organization has grown from zero into a $50 million operation and is growing in its scope and activities. The manager of this organization, Lic. Ricardo Reyes, was formerly the manager of ENP. Lic. Reyes runs a computerized, businesslike management which is developing and growing.

Another new investment and financial vehicle is Conadi, a new and fast-growing entity. It is well capitalized to fill an important vacuum; to wit, taking equity positions in diverse business, industrial and tourist projects. Here again is an illustration, under the direction of a well-educated and experienced managing director, Juan Marinakys, who has come from the private sector. With ENP, Cohedifors and Conadi, there is a new stimulus to the fast-growing development of economic potential with the help of financial institutions such as the World Bank, the Inter-American Bank and OPIC.

One of the problems that threatens its stability and whose solution would increase the economic growth of Honduras and have a beneficial impact in Central America would be the settlement of the boundary dispute between Honduras and El Salvador, which erupted into war in 1969. Last year, the Foreign Ministers of both countries signed an agreement to mediate this dispute. Immediately thereafter, Honduras ratified the agreement, but to this date. El Salvador has not done so for various reasons. The uneasy detente is monitored by an OAS Commission consisting of officials of Central and South America. In addition, OAS has helicopter observer teams and a Commission representing Central and South American countries. This is merely a deterrent or stopgap. It would be to the benefit of both countries, the other Central American countries and the U.S. to take immediate appropriate steps to remove this tension. This issue should be given a top priority before October 15, the date when the extension of the OAS observer team terminates. A settlement will reestablish peace and the regional common market which existed prior to the 1969 war, with its attendant economic and social benefits.

During my tenure, I was deeply impressed and involved with many U.S.-sponsored economic assistance programs.

In a country where over three-quarters of all rural children under 5 years old are malnourished, the importance of Honduras' efforts to improve nutrition cannot be overemphasized. Following an A.I.D.-assisted assessment of the nutrition situation, the Government of Honduras decided to undertake a broad national initiative to confront malnutrition. A national planning and coordi-

nation body was established known as SAPLAN (The System for the Analysis and Planning for Food and Nutrition) together with and supported by Mrs. Juan Melgar, the First Lady who heads up the social welfare organization, and the U.S. Government undertook to support this important national program.

In November 2, 1976, the Minister of Finance and I signed the far-reaching Nutrition Loan ($3.5 million) which, along with complementary grant assistance ($750,000), provides funds to support Honduran programs including nutrition education; rural potable water supply and sanitation in the form of wells and latrines; pilot activities to introduce new and more nutritious foods; a nutrition status vigilance system to identify and monitor malnutrition by area and groups; and national nutrition planning. If properly implemented, in three years it will serve 300,000 people.

Honduras is a rural country. Agriculture employs two-thirds of the population, many of them at a bare subsistence level. In September, 1974, Hurricane Fifi struck northern Honduras leaving in its watery wake widespread devastation and human suffering. Agriculture and national agricultural development programs were particularly hard hit. On November 2, 1976, the Minister of Finance, Porfirio Zavala, and I signed the $9.5 million Rural Reconstruction II Loan Agreement to continue support for recovery from the effects of the hurricane and to enable the Government to maintain the momentum of its development programs. The loan contains three elements, two of which focused on the needs of agriculture and especially small farmer groups. Five million dollars in loan funds were directed to credit for small farmer groups who were severely affected by the hurricane. In order to provide access to credit, other services and markets, $2.5 million in loan funds were provided to put in access roads and, thus, to enable year-round vehicular access to up to 125 small farm communities, especially those in the hurricane zone.

The third element ($2.0 million) of the loan is destined to support Rural Primary Education, especially the Government program of Central/Satellite Schools which stresses greater relevancy and thus improved learning for rural children. About 335 classrooms will be constructed, equipped and furnished, and teacher training will be substantially improved.

While in Honduras, we were involved in numerous projects of the U.S. Government which related to the poorest campesinos. Shortly after our arrival, a check for L 4,500 ($2,250) was presented to the Mayor of the town of Ojojona to be used for the construction of an all-weather foottrail from Ojojona to San José de Jicaro and Santa Cruz. This trail will enable the people to increase the amount of food and cottage industry goods they can market, to increase commerce in general and to increase their access to schools, health care and other public services.

We met with students, teachers and parents in the small village of El Carrizal at the inauguration of the primary school which was built by the community itself with materials financed in part by A.I.D. The people of the same community later requested A.I.D. assistance to install a potable water system in the community. Subsequently, A.I.D. granted L 1,600 for materials and the people of the community installed a spring fed, gravity flow water system. For the first time, the people of the village have a central source of potable water which, aside from the obvious health implications, will free the women of the community from the drudgery of spending hours carrying water from several kilometers away.

The southern community of Agua Caliente de Linaca has completed a bridge over the nearby River Istoca which will enable people and vehicles to cross the river yearround. I delivered the first part of the U.S. donation to the bridge project. It was recently completed.

We also inaugurated a low and middle income housing project in San Pedro Sula (La Aurora). This is a $4 million A.I.D. loan to FINAVI for a housing program for people with low to middle incomes in San Pedro Sula known as La Aurora. By means of this program, A.I.D. has contributed to the establishment of FINAVI, whose role in the development, improvement and alleviation of the housing problem in this country will be of great importance to the low and middle income population of this country. FINAVI is a national housing finance institution created during the last two years. This program assists the construction industry and related industries while it increases employment in the construction field. A.I.D. reimburses FINAVI for the interim financing of housing contractors whose mortgages will later be discounted for by FINAVI. This arrangement of interim financing and the establishment of an institution like FINAVI will resolve in large measure the problem of lack of working capital which constrains contractors and promoters of housing projects.

Another AID program is ParamedicAID and nursing programs. On June 9, 1977, two checks were presented representing the first contribution to the Ministry of Health's program for providing basic health services to rural areas (the total amount of the program is $3,000,000). One check is for $35,000 to assist in the payment of stipends for auxiliary nurses and other paramedic personnel. The other check is $3,000 which will provide equipment for the three paramedic and auxiliary training centers.

It is such U.S. programs that reach to the people in the rural areas, and the hearts of the people are filled with gratitude.

While in Honduras, I spent approximately 60 percent of my time in the field visiting practically all parts of the country, meeting and working with AID, Peace Corps, and other American personnel on various projects as well as the Patronatos and Campesinos, Government officials, military leaders, leaders of business, industry and community. I found that substantially all those with whom I had the pleasure of working were dedicated and committed to doing the job required, both for the benefit of the Honduran people and of this country. There is a new day dawning in Honduras; a middle class is beginning to appear, which is a good sign of a growing prosperity, notwithstanding its social problems and needs. The Government is realistically facing up to their problems with the assistance of the United States, for which aid the Honduran people are most grateful. It is my opinion that this new image of Honduras is quietly emerging and its future is limitless in the areas of agribusiness, education, economics, industry, culture and in every other sector of Honduran life. This is modern Honduras.

THE IMPORTANCE OF COMPETITION IN TELECOMMUNICATIONS

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. WHALEN. Mr. Speaker, the North American Telephone Association, NATA, the trade association for the companies that manufacture, sell, lease, install and maintain telephone terminal equipment in competition with the regulated—monopoly—telephone companies, will be holding its annual convention at the Hyatt Regency Hotel in Washington from September 8–10. I would like to welcome the members of NATA to our Nation's Capital.

I understand that the NATA convention will include many displays and exhibits that will illustrate the contributions the nonmonopoly telecommunications companies have made to enhance the standard of living we enjoy in this country. I encourage my colleagues and other interested persons to take advantage of this opportunity to see the communications systems of tomorrow on view today.

Mr. Speaker, in the coming weeks and months, one of the key issues before the Congress will be the debate over, and the determination of, our future national communications policies. With the exception of energy, probably no other area of deliberation will have a more profound effect on the conduct of daily business by future generations.

Our society is quickly being transformed from an industrial-oriented one to one whose economic base is information. The technological breakthroughs in the communications and computer industries have been the vehicles for this change, and the recent marriage of these technologies can only serve to accelerate the speed at which this transformation takes place.

Things that we take for granted today, which are already in their third and fourth generations of development—like computers, and microwave voice transmissions and data transmission via satellite—were considered farfetched scientific fantasies only 20 or 30 years ago. Information-related industries accounted for less than 20 percent of our gross national product in 1950, while today they account for close to 50 percent.

Developments like electronic funds transfer, electronic mail, information utility banks, and home and office information centers are no longer distant dreams. The technology is here today, and continued technological breakthroughs will make these services not only possible, but also affordable to most Americans in the very near future.

Congress has an obligation to insure that the transformation of our society does not result in a severe case of future shock. The innovation process that is leading us toward the 21st century must be encouraged, but not at the expense of any abridgement of our basic rights. For this reason, Members must become educated in the issues surrounding the contemplated rewriting of the Communications Act of 1934, an effort which is being very ably directed by Representative LIONEL VAN DEERLIN, chairman of the House Subcommittee on Communications.

The issues are tremendously complex, and are growing ever more so as technology blurs long-standing lines of differentiation between modes and means of communication. As the technological lines have become blurred, so too have the lines of differentiation among the providers of service and equipment in the information industries. Our old standards for regulating or overseeing the activities of information industry companies are being called into question.

The question of regulation goes to the heart of our debate over what our future policies should be for the communications industry. The regulatory process defines the parameters of industry infrastructure, and it is questions of infrastructure which will determine whether we speed into the future in an organized manner.

High on our agenda should be a look at whether our allowance of the growth and practice of monopoly in large sectors of our information economy is in the public interest. Monopolies may have served us well in the establishment and provision of basic communications services, but it is certainly a debatable question as to whether it is wise for a society based on information and communication to allow one or two corporations to have pervasive control.

I, along with many of my colleagues who have also studied this issue, believe that in areas where natural monopolies do not exist then there should be open competition. Yes, even in the communications industry. This is not a statement of abstract philosophy, but rather is a statement of economic fact.

In an age when all levels of government are constantly under attack for interfering too much in our daily lives, the Federal Communications Commission, properly anticipating the revolution in communications technologies, has taken the bold step of introducing and encouraging competition in two limited areas of telecommunications. The FCC's 1969 Carterfone decision brought competition to the telephone terminal equipment market, and their 1971 specialized common carrier decision extended competition to private line communications; both decisions should be hailed as examples of enlightened regulation.

Time has affirmed the wisdom of those decisions. Regulatory and judicial bodies have consistently found that:

First. Competition has led to the introduction of new products and services that are often superior to those being provided by monopoly suppliers, when measured on the basis of costs, features, reliability, and flexibility.

Second. Competition has caused the monopolists to accelerate their own processes of innovation.

Third. Competition has filled certain consumer needs which were not being met by monopolists, and these new services will be even more helpful in the future as our information needs become even more complex.

Fourth. Competition has caused no impairment of the preexisting communications network, but rather has served to enhance it.

Fifth. Competition has been of significant economic benefit to many communications service consumers and has been of economic benefit to the general public.

The counterattack that has been launched against the FCC by the monopoly interests speaks directly to my concern about pervasive control of the marketplace in the future. Despite all the data that support the preceding five findings, the monoplists will still argue, without any hard facts, that the absolute opposite is true.

In fact, in the face of our entire free enterprise tradition and philosophy, which tells us that competition is the best way to stimulate innovation and to insure the proper pricing of products and services, the American Telephone & Telegraph Co. and the independent telephone companies are promoting legislation to protect their monopoly positions. Their legislation, labeled the Consumer Communications Reform Act, but more commonly referred to as the Bell bill, would not only put the present competition out of business, but would make it virtually impossible for anyone to compete in the future. A careful reading of this bill makes it clear that it has nothing to do either with consumers or with reform.

As I stated previously, Mr. Speaker, the questions Congress will have to decide can alter our way of life dramatically. Thus, they deserve full and open hearings.

The Senate Communications Subcommittee already has conducted a preliminary airing of the issue of competition in telecommunications. I understand that later this month the House subcommittee will take up the same issue, giving it a detailed examination. I trust that they will carry out this difficult task with their usual care and concern, and I encourage my colleagues to follow this debate closely. Its outcome will help determine the shape of our daily lives in years to come.

LET SHCHARANSKY GO

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. LENT. Mr. Speaker, I would like to call to the attention of my colleagues an editorial broadcast on WOR–TV, Channel 9, New York City, August 18 to 24. I found the editorial a succinct and pointed commentary, not only on the plight of Anatoly Shcharansky, whose situation is typical of far too many Soviet Jews, but also on the need for the free world to focus on the Helsinki Accords as a means of curbing the very serious abuses the Soviets have inflicted on their citizens who want only the freedom to practice their religion and to emigrate to Israel. I commend WOR–TV and its editorial spokesman, Robert J. Williamson, vice president and general manager, for this commentary:

LET SHCHARANSKY GO

Anatoly Shcharansky is a 29-year old computer specialist in the Soviet Union. He hasn't seen his wife since the day after they were married *three years* ago. That's because she was then given an ultimatum by Soviet authorities: leave the country now or never.

Shcharansky is Jewish and a key leader and spokesman in the activist movement. The Soviets have refused to let him emigrate to Israel, and now, have charged him with the very serious Soviet crime of treason.

Some people believe that human rights are strictly internal matters for nations to decide themselves. But human rights in the Soviet Union is no longer an internal issue, if it ever was. The Helsinki Accords, which both the United States and the U.S.S.R. signed, guarantee free emigration, the right to practice one's own religion and culture, and even free expression. So the Soviets are committed, on paper, to *exactly* what Shcharansky is demanding.

But to allow Shcharansky to leave might cause the Soviets to lose face, according to the Communist mentality. And face-saving almost always comes before human rights in Moscow. There *have* been exceptions, notably when world opinion becomes too embarrassing for the Soviets to bear

We hope the United States and other free nations make Shcharansky just such an exception. Then he can emigrate to Israel. And then the Soviets will be setting two precedents: one, by fully living up to the Helsinki agreement; and two, for free emigration for many of its suffering citizens.

And that's our opinion. I'm Bob Williamson.

CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. DERWINSKI. Mr. Speaker, I wish to insert the following speech by the chairman of the Captive Nations Week Committee of the Republic of China, Dr. Ku Cheng-kang, given before more than 3,000 people attending the annual Captive Nations Week rally held in Taipei, Taiwan on July 22, 1977.

The following guests also spoke at this rally: U.S. Congressman William L. Dickinson; Senator Orlando Montenegro of Nicaragua; Dr. Tran Van Do—former Foreign Minister of the Republic of Vietnam; Dr. Jeno Platthy of Hungary, who was President of the Third World Congress of Poets; and Mr. Felipe Sin Garciga, Secretary of Foreign Relations of Cubanos Unidos en la Batalla Anticomunista.

As an original supporter of Captive Nations Week, which was dramatically and very effectively observed in the United States, I wish to bring the attention of the Members to the significance of Dr. Ku's address:

ELIMINATE COMMUNISM AND SLAVERY! ASSURE FREEDOM AND HUMAN RIGHTS

(By Dr. Ku Cheng-kang)

Distinguished Guests, Ladies and Gentlemen: The "Captive Nations Week" Movement calls for free world support to the subjugated peoples' endeavor for freedom and human rights. As the freedom of mankind remains exposed to serious threats of Communist expansion, and as the United States of America is promoting a human rights campaign but at the same time seeking "full normalization of relations" with the tyrannical Chinese Communist regime, we the representatives of various circles of the Republic of China are gathered here to intensify the "Captive Nations Week" Movement. Our purpose is to provide support to the struggle for freedom and human rights waged by our 800 million enslaved compatriots on the Chinese mainland and by all the other captive masses of people behind the Iron Curtain of the East and the West. We are here to issue calls that all the human beings rise and jointly undertake this loftiest mission of mankind.

COMMUNISM VS. FREEDOM AND RIGHTS

U.S. Congress initiated the "Captive Nations Week" Movement, thus fully reflecting the great American spirit—love of freedom and respect for justice. President Carter is now promoting a human rights campaign.

We at this moment must emphasize that human rights and freedom are inseparable and that human rights are not possible in the absence of freedom. We must further note that efforts to win and assure freedom and human rights cannot be separated from endeavors against Communism and slavery. We would be contradicting ourselves if we were to allow Communist systems of enslavement to continue as we entertain hopes that human rights will prevail behind the Iron Curtain. Our present major goal of support to the captive Iron Curtain masses is to put the human rights campaign together with anti-Communist and anti-slavery struggles and powerfully promote this combination in all areas under Communist rule.

HISTORIC FREE WORLD RESPONSIBILITY

Free nations should have a keen sense of responsibility for the captive peoples. Assistance for their effort to win freedom and human rights is the action free nations must take. More than a billion subjugated individuals are now striving for freedom and human rights. They have not yet attained their goal. This does not mean that Communist tyranny cannot be overthrown but is because free nations are soft and tolerant and, instead of providing necessary aid to the captive masses, have even been conducting negotiation and taking compromissary steps to let the Communists tighten their control of the oppressed people.

The United States is presently exploring ways to move toward so-called full normalization of relations with the Chinese Communists, but it must be pointed out that such steps contradict the principle of assistance to the captive peoples, are not in line with the wishes of the majority of Americans, and will doom the future of those now suffering under the Communists. The U.S. must not commit such a blunder in the face of history.

DANGER OF RAPPORT WITH PEIPING

At this seriously critical moment of history, we at this assembly must raise our voices and point out that if Washintgon were really to have full relationship with Peiping, the action would be tantamount to condonation of that regime's infringement upon the freedom and human rights of the 800 million Chinese mainland people. We must state that if the U.S. were to continue treating relations with the Chinese Communists as a central part of her foreign policy, America would be negating her own transitional national stand for justice and freedom. The U.S. must not entertain the idea that normalized relations with the Chinese Communists would contribute to the maintenance of world peace and global equilibrium, for such steps would, quite on the contrary, stimulate the Moscow-Peiping race for aggression and expansion and also serve as a pat on the shoulder for the Communists elsewhere who are likewise eager to stretch out. World peace would be seriously threatened and global equilibrium irreparably destroyed.

In America's search for the solution of global issues, great importance must be attached to the restoration of a fourth of mankind to freedom. We therefore must make it clear that by normalizing so-called relations with the Chinese Communists, the United States would help Peiping keep a fourth of mankind deprived of freedom and human rights and let the regime use that much manpower for slave labor. Very obviously this would gravely damage Asian security and global peace and equilibrium.

We must particularly emphasize that there exists only the China issue, not a Taiwan question, and that there is only one China—the Republic of China that upholds freedom and democracy. The United States must understand that the only solution to the China issue lies in the return of the 800 million Chinese mainland people to freedom and human rights, and in the rebuilding of the mainland under freedom and democracy so that China as a whole can contribute importantly to the security, peace and equilibrium of Asia and the world.

Secretary of State Cyrus Vance is scheduled to visit the Chinese mainland late in August. We earnestly hope that he will clearly see the tyrannical regime's unchanged goal of world communization and human enslavement. We sincerely hope that he will attach importance to the voices raised in so many U.S. and foreign quarters against American recognition of Peiping and to the determination of the 800 million Chinese mainland people to win freedom and human rights. Our hopes are ardent that Mr. Vance will refrain from taking any step that will harm America's glory and prestige. If the U.S. were to depart from treaty obligations and defense commitments for the Republic of China, the trust held in America by the other free nations would be shattered. Consequences would be truly serious.

CAPTIVE PEOPLES' CORRECT ENDEAVORS

Ladies and Gentlemen: The Captive Nations Week was started by U.S. Congress in 1959. But the Communists still are keeping more than a billion people in chains and threatening the freedom and security of the free world. This cruel reality testifies that if freedom and human rights are to be assured, opposition to Communism and the Communists must be thorough. At this stage, the "Captive Nations Week" Movement demands that appeasement and compromise in the face of Communist forces must be immediately abandoned.

We must first urge the Carter Administration to cast aside the so-called Shanghai Communique and stop moving in the direction of so-called normalization of relations with the Chinese Communists who have committed the most atrocious crimes against human rights. This concrete action is necessary if the U.S. is to uphold human rights. Washington furthermore should understand that any attempt to win Peiping over as a checkmate against Moscow would irritate the Russians and bolster the possibility of a nuclear war. The U.S. therefore should bring together the anti-Communist strength of free nations and captive peoples and adopt a strategy and foreign policy for joint dealing of heavy blows at the Communist forces of enslavement. The U.S. public and mass media should now fully exert influence to make Washington adopt a foreign policy more in line with the popular American wishes that are characterized by love of freedom and respect for justice.

We must expose the scheme behind Peiping's anxiety to decoy the U.S. into the trap of diplomatic recognition. It must be understood by all that the Chinese Communists want formal American ties so as to isolate the Republic of China, save their tyrannical rule from falling apart, secure sophisticated American facilities and weapons for better confrontation against Russians and further bellicose expansionist moves, and furthermore use diplomatic relations as a cover for stepped-up united front maneuvers to destroy the American stronghold from within.

We also must call the attention of all the free nations to the fact that unity of freedom forces is a must if freedom and security are to be safeguarded. Through regional security systems, we should greatly enhance the unity and cooperation of free nations so that the strength thus consolidated can effectively promote efforts for self-help and mutual help in the face of the Communists who are attempting to divide and conquer free countries one by one.

We must unequivocally tell the world that the national policy of the Republic of China is one of staunch anti-Communism for the sake of freedom and human rights. We of the Republic of China will never talk or compromise with the Chinese Communists who think nothing of humanity and are bent on destroying freedom and human rights. We strongly request the United States to abide by her treaty obligations and defense commitments for the Republic of China. We are vehemently opposed to America's intention to normalize relations with the Chinese Communists. All the people of this nation, military and civilian alike, understand that we hold the key to our future and will with self-respect continue our revoluntary effort to make ourselves stronger. With firmness, calmness, unity, and unmatched spirit of endeavor, we will further effect social mobilization and help our Government attain the national recovery and reconstruction goal. We will pool the strength of all the patriotic Chinese at home and abroad and unite with all the other freedom-loving people of the world for joint endeavor to win freedom and human rights for the enslaved 800 million Chinese mainland people and others similarly held in captivity by the Communists.

Power struggle of the Chinese Communists has reached a stage of serious internal rift, thus providing opportune moments for the 800 million captive Chinese mainland people to rise against tyranny. We assure our mainland compatriots that we will continue to assist their anti-Communist struggle for freedom and human rights until the goal is fully attained. We passionately urge all our compatriots behind the Bamboo Curtain, including all the disgruntled cadres and military personnel, to emulate the gallant step taken by MIG Pilot Fan Yuan-yen and rush out of the Iron Curtain for freedom or take advantage of the widespread mainland confusion and launch an all-out anti-Communist revolution.

Ladies and Gentlemen: Man's determination to have freedom is indomitable and Communist rule can never be stable. Because of the Communist failure to make their totalitarian rule work the way they want, internal struggle is now interminable and the whole Communist forces are divided and disintegrating. This is the time for the free world to provide every possible assistance to the captive peoples struggle for freedom and human rights. We are firmly confident that once the Bamboo Curtain is brought down, the entire Iron Curtain will fall apart. We assertively believe that the pooled will power and strength of all the Chinese people here, abroad and on the Chinese mainland rising together for freedom and human rights can never be undermined. Our anti-Communist endeavor for freedom and human rights will be victorious. With supreme confidence we will steadily move toward this ultimate goal. We will strive indomitably to the very end.

DECLARATION—CAPTIVE NATIONS WEEK RALLY OF THE REPUBLIC OF CHINA

As the world is now boiling with a human rights campaign and flames against enslavement and for freedom are being spread by people everywhere behind the Iron Curtain, representatives of various circles of the Republic of China have gathered in Taipei today for a Captive Nations Week Rally to issue calls for the winning and promotion of freedom and human rights.

Together with freedom-fighter guests from throughout the world, including those representing subjugated peoples, we the rally participants have hoisted high the torch of "Anti-Communism for Freedom and Human Rights" and raised our voices to condemn all the Communist regimes for their totalitarian tyranny and enslavement of people in total disregard of human rights. We have resolved to further unite the world's freedom forces, step up assistance to the enslaved 800 million Chinese mainland people's struggle to win freedom and human rights, and strive on for the elimination of the ignoble phe-

nomenon of the world being half slave and only half free.

The world situation remains changeable and threats of Communist expansion are serious, but we are absolutely confident that our anti-Communist national recovery mission will succeed. We are certain that the sustained endeavor of all the people of this nation, united under the Three Principles of the People, will ultimately bring attainment of the goal of national survival and independence with freedom for all.

We are very much concerned about our 800 million compatriots who are chained and suffering under Communist tyranny on the Chinese mainland. We will punish the Chinese Communists for their oppression and enslavement of the mainland working masses, for the harm they have done to the bodies and minds of mainland intellectuals and youths through rustication and reform through labor, and for their crimes of massacre, terrorism and armed suppression as part of their power seizure struggle. We swear that we will thoroughly settle this blood debt with the group of fanatic rebels that are occupying the mainland.

We also are deeply concerned about all the other enslaved masses of people behind the Iron Curtain. Human sentiments are just as closely interrelated as flesh and blood. When a group of people in an area are subjected to Communist persecution, all the free world people similarly feel the pain and burn with anger.

We respect President Carter for his human rights campaign, but we also are disappointed by the regrettable fact that the United States is not promoting thorough human rights diplomacy and has been using different yardsticks in interpreting human rights.

We are confident that the ceaseless Communist oppression and slavery rule will ignite wide-spread opposition and fight to overthrow Red tyranny.

We are confident that even though the world still is confused, clarity and calmness will return, and that although Communist forces are now rampant, they will ultimately fall apart. We therefore must pool all the freedom forces and make the rule that "tyranny cannot last" ascertain itself before long.

The Rally therefore solemnly declares the following points to all the free nations and the subjugated peoples behind the Iron Curtain:

The Rally urges President Carter to see clearly that the Communist goal of world communization and human enslavement will never change, that the Chinese Communist regime is the source of most troubles in Asia, that America must abandon attempts to use Peiping as a checkmate against Moscow, that Washington should halt all moves toward so-called normalization of relations with Peiping, and that the U.S. ought to firmly abide by her treaty obligations and defense commitments for her allies and positively act at the head of free nations to assure free world security.

The Rally urges all the free nations to grasp the truth that peace is not possible in the absence of security, freedom and justice, and understand unequivocally that attempts to have "peaceful coexistence" with the Communists will only lead to the deplorable result of infiltration and subversion by the Communists. Free nations, therefore, must cast aside any hope to have peace through declaration of neutrality because such peace can only be precarious. Instead, unity must be enhanced for self-help through mutual assistance and for the safeguarding of freedom and human rights through application of strength.

The Rally urges all the captive masses of people behind the Iron Curtain to perceive the fact that all the Communist regimes are receiving blows from human rights promoters and that Communist rule is now shaky from its very foundation as a result of opposition by the people. Our hopes are earnest that the enslaved Iron Curtain people will pool their strength and will power for the overthrow of evil Communist rule so as to end slavery and win freedom.

All the rally participants extend their hearty welcome and sincere respect to Mr. Fan Yuan-yen who recently defected to freedom by flying a jet plane in response to Chairman Chiang Chiang-kuo's call for "spiritual alliance and active return" (to the Republic of China's fighting units). The gallant step taken by Freedom-Fighter Fan demonstrates that the mainland people view this island as a beacon of hope. The step furthermore has generated great encouragement for the free world and sharp impacts against the Chinese Communists. We the rally participants earnestly hope that all the disgruntled cadres and military personnel on the Chinese mainland will stop serving as tools of Peiping's power struggle, that the working masses will cast off the yokes, that the intellectuals will reject ideological persecution, and that the rusticated youths will take no more humiliation by the Communists. Through all-out emulation of Mr. Fan Yuan-yen's heroic move, our compatriots can launch a mainland-wide anti-Communist revolution to destroy the tyrannical Peiping regime.

Anti-Communism for freedom and human rights is now a mighty driving force for the march of man's history. The "Captive Nations Week" Movement is now a powerful call for the winning and promotion of freedom and human rights. All the freedom-loving people of the world must now unite ever more strongly and, taking advantage of opportune moments, move ahead decisively for the restoration of the captive masses to freedom and for the hewing of a bright future for man's society.

CABLE MESSAGE TO PRESIDENT JIMMY CARTER

JULY 22, 1977.

President JIMMY CARTER,
White House Washington (DC):

Representatives of the Republic of China's various circles and freedom-fighter leaders from throughout the world, including those representing subjugated peoples, have gathered in Taipei today for a Captive Nations Week Rally in response to the movement initiated by the United States and resolved to express sincere respect for your lofty human rights ideal.

Tyrannical Communist regimes have not changed their goal of world communization and human enslavement. Masses of people behind the Iron Curtain remain oppressed and the free world is exposed to serious threats. All lovers of freedom should jointly oppose Communist enslavement and win and promote freedom and human rights.

Secretary of State Vance spoke before the Asia Society in New York June 29 and said America would move toward full normalization of relations with the Chinese Communists. This contradicts your human rights principle and serves only to help the Chinese Communists perpetuate their dark rule of the 800 million Chinese mainland people in complete disregard of human rights, thus bringing further serious damage to world peace.

The United States should not entertain the mistaken idea that the Chinese Communists can be won over as a checkmate against Russia. The Chinese Communists are backward and confused and have no such ability. American rapport with them will stimulate expansionist Russian moves and make America face the danger of nuclear holocaust.

If America as free world leader were to depart from her treaty obligations and defense commitments for the Republic of China, her international prestige would be impaired and the trust held in her by other free nations would be lost. The Communist scheme is to thus isolate America.

At this crucial moment, we the rally participants, respectfully urge your Excellency to see clearly that the China issue urgently demands strengthened friendship and mutual defense of America and the Republic of China for the assurance of the security and peace of the Taiwan area and for support to the struggle for freedom and human rights waged by one-fourth of mankind.

We sincerely hope that your Excellency will uphold America's traditional spirit and moral stand and write a brilliant page of American history by making important contribution to man's struggle against slavery and for freedom.

DR. KU CHENG-KANG,
Chairman, Captive Nations Week Rally of the Republic of China, Honorary Chairman, World Anti-Communist League, President, China Chapter of World Anti-Communist League and Asian Peoples Anti-Communist League.

COMPETITIVE ENERGY DEVELOPMENT ACT

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. McKINNEY. Mr. Speaker, today I am introducing a bill which will enhance the effectiveness of the national energy plan, recently passed in the House, and which will insure that our alternative energy sources, so essential to the economic well-being of our country, are developed in a competitive environment.

I am pleased with much of that which was included in the House version of the energy program and I congratulate my colleagues on their efforts in successfully accomplishing so arduous a task. However, Mr. Speaker, the national energy plan, with its emphasis on the rapid development of alternative energy sources, is not totally void of inadequacies. Both the General Accounting Office has criticized the program for its omission of milestones or thresholds by which we can monitor the progress—or lack of success—of our efforts to produce alternative energy supplies.

The omission of these indices to measure competition in alternative resource production—and the intentionally rapid production mandated by the energy program—intensifies both the potential for and severity of the problems we will confront in implementing this program. The potential dangers of artificially induced market conditions, such as a legislated time for production, have precedent in antitrust case law. In *United States* v. *Reading Co.* (253 U.S. 62), before the Supreme Court in 1920, the court found that when market power is not obtained by the normal expansion of enterprising management, but by deliberate, calculated purchase for control, regardless of its subsequent use, that power constitutes a menace and undue restraint upon interstate commerce. As such, it violates the antitrust laws. There is justifiable fear that the legislated rapidity of alternate energy production may further limit

the effectiveness of both monitoring activities and of antitrust enforcement procedures by amassing dangerous market power in the name of our new national energy production goals. Already, Mr. Speaker, suspicion abounds regarding the possible effects of horizontal integration in alternate fuel production. In short, and however necessary, the enforced, rapid development of alternate fuels creates a dangerous uncertainty about the future competitive integrity of our energy markets.

Mr. Speaker, as a result of these concerns a substantial number of Members in both Houses have proposed or supported divestiture of horizontally integrated energy producers. While I can appreciate their concerns, I do not see legislative divestiture as the most constructive solution to present or potential problems of excessive concentration. There are many variables and potentially dangerous implications associated with direct legislative divestiture. In fact, the same nagging uncertainties which confront our future alternative energy production plague the future of legislative divestiture.

However, Mr. Speaker, there is a way to maximize the advantages which can be accrued from the participation of oil firms in the development of alternative fuels, while simultaneously assuring that these sources are developed in a competitive environment. And, I think my bill can accomplish that.

The Competitive Energy Development Act is essentially divided into three parts: The development of criteria to measure competition, the continuous monitoring and enforcement of competitive practices in alternative energy development, and the annual evaluation and reporting of the state of competition within local, regional, and national energy markets.

Specifically, Mr. Speaker, the bill establishes the following:

CRITERIA

The Federal Trade Commission in consultation with the Department of Energy will develop criteria to measure the level of competition in alternative energy source markets and will schedule a public hearing to provide for widespread input into criteria formulation. The process of criteria development will be completed within 18 months after enactment of the bill.

The bill stipulates that the criteria will be based on both structural aspects of alternative energy production industries—including concentration, barriers to entry, reserve ownership, and distribution—and on performance aspects—including profitability, rates of production, and investment and expenditures for research and development. In addition the criteria will be designed to identify cross-subsidization of integrated energy segments, and will consider the similarities and differences of each regional market, industrial segment, and individual producing firm. Finally, the criteria will be revised at the end of every 5-year period in order to make it applicable to the changing market conditions mandated in the national energy plan.

MONITORING AND ENFORCEMENT

Based on information supplied by the Department of Energy and on data accumulated through its own jurisdictions, the FTC will continuously monitor competition in the markets to determine if the aforementioned criteria has been violated and by whom. If such violations exist, the FTC will then convene a hearing and issue an "order to show cause" why the violator should not be held responsible for anticompetitive behavior. At the conclusion of the hearing, the FTC will issue a final report and make recommendations to remedy the anticompetitive situation within the affected market. These recommendations could include requests for action to be taken by any agency or department of Government, including the FTC, and would not exclude divesting the violator of its holdings in that market. The FTC will naturally base its recommendation on a complete assessment of each possible option to remedy the violation.

ANNUAL REPORT

A report will be issued by the FTC on the state of competition—based on the aforementioned criteria—within the alternative energy source market and will explain changing trends in each market with respect to the state of competition. From these reports the FTC can and should make recommendations, legislative or otherwise, aimed at correcting any regressive trends within the industry.

Finally, the bill requires the Department of Energy to supply the FTC with any requested materials which would assist them in carrying out the provisions of this act. No information provided shall lose any confidentiality, which it had by law, when in the possession of the Department of Energy.

Mr. Speaker, I am proud of this bill because it represents a reasonable and effective way to assist in the development of the badly needed alternative energy sources and maintains the competition essential to the best interests of this country. I would urge my colleagues, all of them, on each side of the divestiture issue, to join with me in supporting this reasonable and fair approach.

A TRAGIC GENOCIDAL ANNIVERSARY

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. BRODHEAD. Mr. Speaker, on August 12, 1952, at the height of Stalinist terror against Soviet Jews, 24 leading Jewish writers and intellectuals in Moscow were executed for being "enemies of the U.S.S.R., agents of American imperialism and bourgeois nationalist Zionists." This tragic event, which occurred only 25 years ago, was only one of a long list of atrocities committed by the Soviet Union against its Jewish citizens.

Today, as Soviet Jewry continues to struggle for basic human rights, we can ill afford to forget the history of this movement for civil rights in the Soviet Union or the sacrifices that have been made by thousands of Soviet citizens. The Detroit Jewish News recently commented on this matter and I would like to share this editorial with my colleagues:

A TRAGIC GENOCIDAL ANNIVERSARY

This is a tragic day on the Jewish calendar and in human relations.

In a sense Aug. 12 is a genocidal day. It was 25 years ago on this date that the most distinguished Jewish writers were massacred in Russia as part of the Stalinist madness.

Only the death of Stalin in 1953 brought respite to a decade of killings from 1946 to 1955, during which everything religious and cultural was under attack and the very lives of those engaged in them were in jeopardy. The period of 1946 to 1953 was labeled "the Black Years." The 431 eminent Jews who were murdered at that time included 217 writers, 103 actors, 87 painters and sculptors and 10 musicians. They were imprisoned in labor camps and many were tortured. A chronology of the horrors of these "Black Years," compiled by the National Conference on Soviet Jewry, reveals the following tragedies:

1946—The Soviet Yiddish writer Vasili Grossman, in the city of Berdichev, was refused permission to publish his "Black Book" of Nazi crimes against Soviet Jews.

1947—Rabbi Lev of Kharkov was arrested, after refusing to become an informer, later dying in a labor camp. The Kharkov synagogue was closed in 1948.

1948—The Jewish writer Solomon Mikhoels was killed by the KGB in Minsk.

1949—The Olevsk synagogue was closed and its building confiscated. That same year the Jewish Anti-Fascist Committee was dissolved, its leaders arrested. Many Jewish writers were accused of Zionism and of links with "American Imperialism."

1951—Rabbi Labanov of Leningrad was sentenced to five years in prison, while Rabbi Epshtein was sentenced to 10 years. Seven houses of worship were closed in Leningrad.

1952—On Aug. 12, 24 of the leading Jewish writers and intellectuals in Moscow were executed at the Lubianka prison as a climax of Stalin's terror campaign to wipe out all vestiges of Soviet Yiddish culture. The execution took place less than one month after they had been accused of being "enemies of the USSR, agents of American imperialism and bourgeois nationalist Zionists."

January, 1953—Prominent doctors, many of them Jewish accused of conspiring to kill Soviet leaders were arrested. A wave of government inspired anti-Semitism swept through the USSR.

1953—The Communist magazine Krokodil attacks, in the same article, "American and British bankers, colonialist's, armament rings, Nazi generals, the Vatican and the Zionist conspiracy."

1956—Several hundred Jews arrested for 'economic crimes' and sentenced to long prison terms in labor camps. Seventy-five percent of those arrested were executed.

In the process of the confrontation with the Soviet Union that escalated from President Carter's emphasis on human rights, it is of the utmost importance that the recollections of what had occurred under Stalinism should not be dimmed, that the rights of Jews should not be ignored, that the elementary principle that people have a right, often a duty, to emigrate when they live under oppression, should not be abused.

A serious duty devolves upon all free men not to reduce the efforts in behalf of Russian Jewry and to carry on the battle in their behalf without uncalled for intermissions. The tasks ahead were notably outlined by Eugene Gold, the chairman of the National

Conference on Soviet Jewry, who declared, memorializing the 24 Jewish poets, writers and intellectuals who were murdered on Aug. 12, 1952:

"Those cruel and senseless series of executions, which demolished the remnants of Jewish culture in the USSR, have been commemorated in the best possible way—hundreds of thousands of Soviet Jews have declared their Jewish consciousness, refused to be intimidated by Soviet agents and tactics, and applied to emigrate to Israel and elsewhere. Soviet officials must realize that while it executed the finest of Soviet Jewish intellectuals, it will not eradicate Jewish culture, as shown by last year's symposium on Jewish culture in Moscow, and it cannot destroy Jewish will or subvert Jewish consciousness.

"Once again, there will be events nationwide commemorating those murdered 25 years ago. We call upon the Soviet Union to let those Jews who wish to emigrate to do so, without further harassment. We call upon them to rehabilitate the names of those murdered, acknowledge their grave sites so that they may be taken out of historical oblivion and properly memorialized and we call upon the USSR to cease the pattern of anti-Semitism which has tragically become so prevalent in publications and the media, and end the persecution of Soviet Jews seeking their basic human rights."

The American concern is especially heartening on this sad day. Not only the President, but leading members of Congress, including members of the Michigan congressional delegation, consistently exert their energies in behalf of the rescue and emigration efforts for the Jews of Russia. Many have been aided in emigrating, others are being assisted. With such continuing support as a basic American policy of succor for the oppressed, and with the tragic Russian occurrences during the "Black Years" as reminders, there is hope that what had happened then will not recur.

FOLLY IN THE AIRBAG EDICT

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. SHUSTER. Mr. Speaker, James J. Kilpatrick wrote a thoughtful column in the September 6 Washington Star entitled "Folly in the Airbag Edict." I commend it to my colleagues for their consideration as the Congress moves toward a decision to accept or reject the recent airbag/passive restraint mandate by the National Highway Traffic Safety Administration.

FOLLY IN THE AIRBAG EDICT

(By James J. Kilpatrick)

Marshall Wright, president of the Eaton Corp., testified last spring during the course of hearings on whether airbags should be made mandatory on passenger cars sold in this country. He made a whole lot of sense.

The Eaton Corp. is deeply involved in the controversy. Eaton has produced and helped to install more than 4,000 airbags in automobiles made by Ford, General Motors and Volvo. The company has invested 12 years and $20 million in developing an airbag to protect motorists in head-on collisions.

You might expect that Eaton would have been out in front, begging Transportation Secretary Brock Adams for an order mandating the universal and immediate installation of these devices.

Not so. Wright spoke in opposition. His testimony recently was reprinted by *Car and Driver* magazine, from which I pass along these excerpts. They constitute the best argument I have read against Secretary Adams' order.

"The worst thing that ever happened to airbags," said Wright, "was their premature mandate in 1970. If the DOT had played a more restrained role in encouraging this product, the airbag would by now be commonplace on the highway. When the mandate was issued, we had an active program of cooperation with the manufacturers of 80 per cent of U.S. automobiles.

"Much has been said about the hostility of the auto makers to the airbag. Let me make it clear. We did not find them hostile to the airbag, but rather to the prospect of having it rammed down their throats.

"The renunciation of the test program proposed by former Transportation Secretary William Coleman (a pilot project involving 225,000 GM and Ford cars) fills us with what I can only describe as a sense of moral outrage. At long last, after all the false starts, the DOT had a program in cooperation with the industry by which hundreds of thousands of airbags would actually reach the public. They would get a chance to judge its value for themselves. Manufacturers of both components and automobiles would get invaluable experience with the problems inherent in volume production of this product.

"After its recent experience with mandates, Eaton finds it incredible that the DOT should now be contemplating the across-the-board mandate of the airbag. Nothing is so surely calculated to kill the airbag as a mandate. No one has the necessary experience and knowledge to go from zero to 10 million airbags a year. And if government forces that kind of irrationality upon industry, the result is certain. There will be an unacceptable number of malfunctions, and public attention will focus on them. The public will lose confidence in airbags and become hostile to the mandate. And the DOT will reverse its decision, as it was forced to do with the ignition interlock.

"But huge investments will already have been made. And who will pay the cost for this folly? If you mandate airbags now, you are trying to repeal by fiat what is a natural law of product development. . .

"One final point, and it is the heart of the matter: If you truly want to improve highway safety, you must find a means to work with industry to develop, to test, to refine, to manufacture on a limited scale, to refine again, and on a phased basis to seek public acceptance of new safety products. Where possible, do not mandate. Do not presume that the government is the repository of all virtue and wisdom in the automotive industry. Trust, stimulate and use the capacity of American industry and the judgment of the American people. And if it does not coincide with your own, then go and re-examine your own.

"And if, as you have suggested, the law as it is currently written does not enable the DOT to behave in that manner, then concentrate your efforts and your talents on getting the law changed."

Sad to say, Secretary Adams paid no attention to that sound advice. He ordered passive restraints installed on all cars by 1985.

Congress has power to kill the mandate, to turn away from needless compulsion, and to let a free marketplace do its job.

WHAT WAS IT MADE GORDY BENSON RUN?

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. VENTO. Mr. Speaker, from time to time I have inserted into the RECORD the columns by one Oliver Towne—Gary Hiebert—which appear in the St. Paul, Minn., Dispatch Pioneer Press on a regular basis. Of course, Mr. Hiebert writes with unusual sensitivity and often seems to go to great lengths to tell stories that need telling; such as his article, "What Was It Made Gordy Benson Run?"

Gordy and his wife, Betty, have a small neighborhood tavern, which is equally well known for its fine food and sociability. As part of the neighborhood scene, they participated in activities of the area; especially kids' teams. As is indicated below, their generosity knew no bounds and it was always based on complete anonymity. In addition, Gordy dearly loved to fish and he was a proficient fisherman. He always tried to save a great part of his catch for some of the old folks who frequented Benson's place. Gordy often observed that good, fresh fish were mighty expensive and those on fixed incomes would enjoy such a treat.

Things haven't changed too much at Benson's since Gordy passed away, and Betty promised that the atmosphere and menu would stay the same—including their justly famous porkchop sandwich. As long as that is the case, we will always have Gordy there in a sense, smiling his little smile, asking his questions with just a hint of a twinkle, and doing his good works without fanfare or public notice; except, of course, for those of us who know him well:

[From the St. Paul Dispatch, Aug. 9, 1977]

WHAT WAS IT MADE GORDY BENSON RUN?

(By Oliver Towne)

After they're gone through the "stadium tax" on drinks, argued the energy crisis and prospects for a cold winter, the talk in Benson's bar inevitably gets around to Gordy Benson.

Just up the block from the bar, at Hazel and Stillwater Aves., on Hazel Park playground, when, the evening's games are finished, they sit around talking about Gordy Benson.

As they pack up their gear at the Little League field, the name Gordy Benson pops up, as it does when the business sessions in Hazel Park Commercial Club are over and the coffee is poured. And when the Hazel Park Boosters meet.

Not a few echo the obviously awed person who whispered to Betty Benson the afternoon of Gordy's funeral on Payne Avenue last June:

"Did anybody realize he knew all these people?"

Was the reference to the 57 floral pieces, the 983 "thank you" letters she sent to those who cared, or the longest funeral cortege in recent memory which moved up Payne Avenue that afternoon to Roselawn Cemetery?

It was much more than that and some of them in Benson's tried to explain to me how the aura and magnetism of Gordon Benson still fills the bar he ran these last eight years.

"I wonder how many playground football, softball, baseball and hockey teams that Big Swede sponsored nobody ever knew about?" said his widow.

"What I know it was a dozen and more . . . but that doesn't count the jackets he paid for, the buses he chartered to take the teams and parents places, the way he'd reach into the till and hand over a $50 bill when the kids came in with something that needed doing."

Mrs. Helen Emeott was talking. Waitress and member of the "family all these years at Benson's. Mother, too, of some who were touched by Gordy's munificence.

"He never let his name be used on anything he paid for . . . never on the jackets or the teams he sponsored," she said.

"I think he was a little sensitive about a bar owner doing all these things for kids," said one of the regulars, who had sidled over.

"He always said: 'How would it look to have playground teams wearing Benson's liquors on their jackets or shirts?"

But Gordon Benson wasn't shy. He was big and affable and liked to clown; but there was this other side to him that nobody knew. Well, those who were on the receiving end knew, but they never realized he was multiplying their help a thousandfold all over the Hazel Park neighborhood of the city.

"Like the visits he made, the cards he sent when customers got sick or were in trouble," said Helen. "Some days he spent most of his time going from hospital to hospital, cheering up customers or people in the area; he always left more than a good wish and a card . . ."

"Let's talk about those cards," said Betty Benson.

"He spent hours picking out exactly the cards that had the right message."

"You know of the Blue Knights Drum and Bugle Corps . . . the former Boy Scout A Corps . . . well, Gordy was one of the biggest silent, financial boosters they had," Helen remembered.

"And our playground hockey team went to the regionals in Faribault and we couldn't get a dime from the city for entry fees, even. Know who paid it all, hired the buses, got us there and back, Gordon Benson."

"But he would never let anybody know all that. He never wanted it mentioned," said Betty. "I didn't even know."

Gordy died in his role as Good Neighbor.

One minute he was smiling, talking, laughing at a high school graduation reception for a friend's daughter and the next moment he was dead from a heart attack at 58 on the floor of the Northwestern State Bank social rooms.

People come into Benson's and worry that Betty is going to change things. They want it like it was when Gordy was there.

"Listen," Betty said, "during the days before the funeral, we closed up here. And every morning there were two bunches of flowers pinned to the door.

"Do you think I'm going to change that feeling?"

"NEED FOR ACTION ON CLIMATE BILL"

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. WINN. Mr. Speaker, at the present time there is legislation on the Union Calendar, H.R. 6669, for establishing a national climate program. The Committee on Science and Technology unanimously voted the bill out of committee on May 6, 1977. Since that time the bill has languished. I bring this point up now because of two related issues. (1) the National Academy of Sciences study on carbon dioxide buildup in the atmosphere; and (2) President's Carter's energy plan to increase coal usage.

Regarding the first issue, the National Academy of Sciences (NAS) released the results of a 2-year study on the effects of a carbon dioxide buildup in the atmosphere. As you know, the carbon dioxide buildup is a result of the combustion of any kind of fossil fuel—coal, oil, or gas. This is important. In fact, it is terribly important because the carbon dioxide buildup, if it continues, will cause a major warming of the global climate; this is the so-called "greenhouse effect." The NAS study described how this warming in turn will have major impacts on several important aspects of our life: First, agriculture: Deserts may expand, replacing marginal cropland. The warming may move the "Corn Belt" north (for example, into Canada) away from the fertile soils of our Great Plains into poorer yielding subarctic soils. Second, fisheries: Such major changes in global temperature will change ocean circulation, probably generally reducing the amount of upwelling and thus the nutrients on which the marine food chain depends. Third, sealevel: Melting of polar ice will cause a rise in sealevel of as much as 15 feet which will have major impacts in many areas.

The arguments and predictions of the NAS study are corroborated in an article by C. F. Baes, Jr., H. E. Goeller, J. S. Olson, and R. M. Rotty entitled "Carbon Dioxide and Climate: The Uncontrolled Experiment," which appeared in the May/June 1977 issue of the American Scientist. As the title suggests, by burning fossil fuels and injecting CO_2 into the atmosphere, we are essentially conducting an uncontrolled experiment on ourselves. We are going to put the CO_2 into the air and see what happens. And what happens could be very bad if, for example, we should lose much of our food-growing capacity. Clearly, it is not wise to proceed blindly to carry out this experiment. The climate bill, H.R. 6669, will address this specific problem, the "greenhouse effect," and point out ways to mitigate its impact.

The second issue is the President's energy policy. As you know, President Carter has recommended that we burn more coal, and we are beginning to move down that path. But both the NAS study and the article by Baes, argue that we had better be very careful before we commit to such a path. We still have time because the expected impacts will not occur for 70 years. But we need to begin our studies now to confirm whether or not we can afford to burn coal for another 70 years. In other words, we need harder data and more data before we make such a major decision as deciding not to utilize our coal and oil reserves as fuels. If we find we really must not continue to burn fossil fuels, it will take decades first to develop and then to convert to alternate energy sources. And the conversion will have to be completed in much less than 70 years or we will have already begun to suffer most of the impacts. By looking at the necessary leadtimes, we see we really need to begin now to try to understand the "uncontrolled experiment" we are doing, and to get some control of it.

To make these long-term policy decisions, the Congress needs the legislation contained in H.R. 6669. Mr. Speaker, I know you recognize the importance of this bill, and I urge you to do all you can to expedite its consideration.

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extension of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, September 8, 1977, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 9

8:00 a.m.
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings on part E, utility rate reform of S. 1469, National Energy Policy Act.
3110 Dirksen Building

8:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on automatic auto crash protection devices.
5110 Dirksen Building

9:00 a.m.
Human Resources
To hold hearings on the nominations of Joseph D. Duffy, of the District of Columbia, to be Chairman of the National Endowment of the Humanities, and Frank Jones, of Virginia, to be an Assistant Director of the Community Services Administration.
4232 Dirksen Building

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue hearings on S. 1874, to allow recovery for damages by direct or indirect purchasers of goods.
2228 Dirksen Building

SEPTEMBER 9

10:00 a.m.

Appropriations
District of Columbia Subcommittee
To mark up proposed appropriations for fiscal year 1978 for the District of Columbia.
S-146, Capitol

Banking, Housing, and Urban Affairs
To hold oversight hearings on the relationships between welfare reform and public housing programs.
5302 Dirksen Building

Energy and Natural Resources
To mark up part D, natural gas pricing, of S. 1469, National Energy Policy Act.
3110 Dirksen Building

Finance
To hold hearings on H.R. 9444, proposed Energy Tax Act of 1977
2221 Dirksen Building

Select Indian Affairs
To hold hearings on the nomination of Forrest J. Gerard, of Maryland, to be an Assistant Secretary of the Interior.
6202 Dirksen Building

SEPTEMBER 12

9:00 a.m.

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To hold hearings on S. 418, to establish Multipurpose Service Centers for displaced homemakers.
Until 12:30 p.m.
4232 Dirksen Building

9:30 a.m.

Banking, Housing, and Urban Affairs
To hold hearings on S. 1710, proposed Federal Insurance Act of 1977.
5302 Dirksen Building

10:00 a.m.

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To resume hearings on H.R. 8444, proposed Energy Tax Act of 1977.
2221 Dirksen Building

Select Indian Affairs
To continue hearings on the nomination of Forrest J. Gerard, of Maryland, to be an Assistant Secretary of the Interior.
6202 Dirksen Building

SEPTEMBER 13

8:00 a.m.

Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 897 and S. 1432, to strengthen U.S. policies on nuclear nonproliferation, and to reorganize certain nuclear export functions.
3110 Dirksen Building

9:00 a.m.

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue hearings on S. 418, to establish Multipurpose Service Centers for displaced homemakers.
Until 11:00 a.m.
1318 Dirksen Building

9:30 a.m.

Banking, Housing, and Urban Affairs
To continue hearings on S. 1710, proposed Federal Insurance Act of 1977.
5302 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
To hold hearings on the nomination of Donald L. Tucker, of Florida, to be a member of the Civil Aeronautics Board.

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To continue hearings on H.R. 8444, proposed Energy Tax Act of 1977.
2221 Dirksen Building

Foreign Relations
To hold hearings on and to consider numerous pending nominations.
4221 Dirksen Building

Governmental Affairs
Reports, Accounting, and Management Subcommittee
To hold hearings on problems involved in the use of Federal consultants and contractors by the Federal Government.
6226 Dirksen Building

Governmental Affairs
Civil Service and General Services Subcommittee
To hold hearings on S. 1133, S. 386, and S. 865, bills to repeal the apportionment requirements for employment with the civil service system.
457 Russell Building

Select Indian Affairs
To continue hearings on the nomination of Forrest J. Gerard, of Maryland, to be an Assistant Secretary of the Interior.
6202 Dirksen Building

SEPTEMBER 14

8:00 a.m.

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on S. 897 and S. 1432, to strengthen U.S. policies on nuclear non-proliferation, and to reorganize certain nuclear export functions.
3110 Dirksen Building

9:00 a.m.

Commerce, Science, and Transportation
To hold hearings on S. 1868, the National Crude Oil Supply and Transportation Act of 1977.
1224 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To resume hearings on S. 1423, to establish a Council on Judicial Tenure in the judicial branch of the Government.
235 Russell Building

Judiciary
Constitution Subcommittee
To hold oversight hearings on activities of the Civil Rights Commission.
2228 Dirksen Building

Banking, Housing, and Urban Affairs
To continue hearings on S. 1710, proposed Federal Insurance Act of 1977.
5302 Dirksen Building

Human Resources
To mark up S. 1871, to increase the Federal minimum wage, and S. 481, 1583, 1768, 1773, and 1784, to amend the Age Discrimination in Employment Act so as to protect the employment rights of older workers.
4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To continue hearings on H.R. 8444, proposed Energy Tax Act of 1977.
2221 Dirksen Building

Governmental Affairs
Civil Service and General Services Subcommitttee
To hold hearings on H.R. 2931, to establish uniformity in Federal employee health benefits and coverage provided pursuant to contracts made under chapter 89 of title 5, U.S. Code.
1202 Dirksen Building

Select Intelligence
Closed business meeting.
S-407, Capitol

Select Committee on Indian Affairs
To hold hearings on the concept of creating an independent Indian Agency.
6202 Dirksen Building

SEPTEMBER 15

9:00 a.m.

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on consumer protection and education in the energy conservation area.
5110 Dirksen Building

Judiciary
Constitution Subcommittee
To continue oversight hearings on activities of the Civil Rights Commission.
2228 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 1423, to establish a Council on Judicial Tenure in the judicial branch of the Government.
235 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To mark up S. 1594, to revise and extend the Renegotiation Act, and H.R. 7738, to revise the President's power to place emergency controls on international economic transactions.
5320 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To continue hearings on H.R. 8444, proposed Energy Tax Act of 1977.
2221 Dirksen Building

Governmental Affairs
To hold hearings to receive testimony from Bert Lance, Director of the Office of Management and Budget concerning his appointment and personal financial arrangements.
3302 Dirksen Building

Governmental Affairs
Civil Service and General Services Subcommittee
To hold hearings on S. 666, to provide early retirement benefits for non-Indian employees of the Bureau of Indian Affairs and the Indian Health Service.
6202 Dirksen Building

Governmental Affairs
Reports, Accounting, and Management Subcommittee
To resume hearings on problems involved in the use of Federal consultants and contractors by the Federal Government.
1224 Dirksen Building

SEPTEMBER 16

9:00 a.m.

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on consumer protection and education in the energy conservation area.
5110 Dirksen Building

9:30 a.m.

Banking, Housing, and Urban Affairs
To hold hearings on the nominations of Roberta S. Karmel, of New York, to be a Member of the Securities and Exchange Commission, and Eloise A. Woods, of Georgia, to be Chairman of the National Credit Union Board.
5302 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To resume hearings on biomedical research programs.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 684 and S. 711, relating to the reorganization of the bank regulatory agencies.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings on the high cost of energy bills by consumers.
3302 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To hold oversight hearings on the Freedom of Information Act.
2228 Dirksen Building

SEPTEMBER 19

8:00 a.m.
Energy and Natural Resources
To hold hearings on the crude oil equalization tax.
3110 Dirksen Building

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To resume hearings on S. 1819, proposed Federal Criminal Diversion Act (voluntary use of intensive supervision at the time of arrest or soon thereafter).
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 684 and S. 711, relating to the reorganization of the bank regulatory agencies.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings jointly with the Public Lands and Resources Subcommittee of the Committee on Energy and Natural Resources on S. 2053, proposed deep seabed mining legislation.
3110 Dirksen Building

Finance
Business meeting, to mark up H.R. 8444, proposed Energy Tax Act of 1977.
2221 Dirksen Building

Governmental Affairs
To hold hearings on S. 80, S. 980, and H.R. 10, bills to amend the Hatch Act.
3302 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To continue oversight hearings on the high cost of energy bills by consumers.
Room to be announced

Human Resources
Health and Scientific Research Subcommittee
To mark up S. 1893, to establish a commission for the protection of human subjects of biomedical and behavioral research.
Until 12:30 p.m. 4232 Dirksen Building

SEPTEMBER 20

8:00 a.m.
Energy and Natural Resources
To continue hearings on the crude oil equalization tax.
3110 Dirksen Building

9:30 a.m.
Human Resources
Handicapped Subcommittee
To hold hearings to review the reorganization of the Office of Human Development in HEW and its impact on programs for the handicapped.
Until 1:00 p.m. 1114 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 1893, to establish a commission for the protection of human subjects of biomedical and behavioral research.
Until 12:30 p.m. 318 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on the relationships between welfare reform and public housing programs.
5302 Dirksen Building

Commerce, Science, and Transportation
To continue hearings jointly with the Public Lands and Resources Subcommittee of the Committee on Energy and Natural Resources on S. 2053, proposed deep seabed mining legislation.
3110 Dirksen Building

Finance
Business meeting, to mark up H.R. 8444, proposed Energy Tax Act of 1977.
2221 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To hold hearings on H.R. 7792, to establish certain limitations on the use of franking privileges, and on simplifying mailing procedures.
6226 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To continue oversight hearings on the high cost of energy bills by consumers.
3302 Dirksen Building

Judiciary
Constitution Subcommittee
To hold hearings on S. 35, the Civil Rights Improvements Act of 1977.
2228 Dirksen Building

SEPTEMBER 21

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To continue hearings on S. 1893, to establish a commission for the protection of human subjects of biomedical and behavioral research.
Until 12:30 p.m.
235 Russell Building

Veterans' Affairs
To resume hearings on S. 364, proposed Veterans' Administration Administrative Procedure and Judicial Review Act.
Until 1 p.m. 6202 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up Truth in Lending Simplification legislation, including S. 1312, S. 1501, S. 1653, and S. 1846.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
Business meeting, to mark up H.R. 8444, proposed Energy Tax Act of 1977.
2221 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To continue oversight hearings on the high cost of energy bills by consumers.
3302 Dirksen Building

Judiciary
Constitution Subcommittee
To continue hearings on S. 35, the Civil Rights Improvements Act of 1977.
2228 Dirksen Building

10:30 a.m.
Human Resources
Education, Arts, and the Humanities Subcommittee
To hold hearings on S. 1753, to extend the Elementary and Secondary Education Act of 1965.
318 Russell Building

SEPTEMBER 22

10:00 a.m.
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 473, 533, 624, 688, 824, 917, 920, 1000, 1318, 1403, 1744, 2033, 2041, H.R. 1403, 2501, 2527, and H.R. 4974; various land conveyance bills.
3110 Dirksen Building

Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on the proposed increase in the temporary debt limit (as embodied in H.R. 8655).

Governmental Affairs
To resume hearings on S. 80, S. 980, and H.R. 10, bills to amend the Hatch Act.
3302 Dirksen Building

Human Resources
Education, Arts, and the Humanities Subcommittee
To continue hearings on S. 1753, to extend the Elementary and Secondary Education Act of 1965.
5202 Dirksen Building

SEPTEMBER 23

9:00 a.m.
Energy and Natural Resources
Parks and Recreation Subcommittee
To hold hearings on S. 1791, to establish the Chattahooche River National Recreation Area; S. 1156, to establish the San Antonio Mission National Historical Park; and S. 1671, to designate the Absaroka-Beartooth as a wilderness area.
3110 Dirksen Building

Select Nutrition and Human Needs
To hold hearings on the role that nutrition plays in the needs of the elderly.
Until 1:00 p.m. 457 Russell Building

10:00 a.m.
Finance
Business meeting, to mark up H.R. 8444, proposed Energy Tax Act of 1977.
2221 Dirksen Building

SEPTEMBER 26

8:00 a.m.
Energy and Natural Resources
To hold hearings on the proposed Alaska Natural Gas pipeline route.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on bank regulatory issues arising from the Comptroller of the Currency's report on OMB Director Lance.
5302 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2016, to establish fees for services performed by U.S. marshals, and S. 2049, to allow per diem and mileage expenses for witnesses before U.S. courts.
2228 Dirksen Building

SEPTEMBER 27

8:00 a.m.
Energy and Natural Resources
To continue hearings on the proposed Alaska Natural Gas pipeline route.
3110 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on the activities of the Consumer Product Safety Commission.
5110 Dirksen Building

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To hold hearings on S. 533, the Human Resources Development Act of 1977.
Until 1:00 p.m. 1224 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on bank regulatory issues arising from the Comptroller of the currency's report on OMB Director Lance.
5302 Dirksen Building
Human Resources
Education, Arts, and the Humanities Subcommittee
To resume hearings on S. 1753, to extend the Elementary and Secondary Education Act of 1965.
318 Russell Building
Judiciary
Constitution Subcommittee
To hold hearings on S. 1845, the Polygraph Control and Civil Liberties Protection Act of 1977.
2228 Dirksen Building

SEPTEMBER 28

8:00 a.m.
Energy and Natural Resources
To continue hearings on the proposed Alaska Natural Gas pipeline route.
3110 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue oversight hearings on the activities of the Consumer Product Safety Commission.
5110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on bank regulatory issues arising from the Comptroller of the currency's report on OMB Director Lance.
5302 Dirksen Building
Human Resources
Education, Arts, and the Humanities Subcommittee
To continue hearings on S. 1753, to extend the Elementary and Secondary Education Act of 1965.
318 Russell Building
Judiciary
Constitution Subcommittee
To continue hearings on S. 1845, the Polygraph Control and Civil Liberties Protection Act of 1977.
2228 Dirksen Building
Veterans' Affairs
To receive legislative recommendations from representatives of the American Legion.
412 Russell Building

SEPTEMBER 29

8:00 a.m.
Energy and Natural Resources
To continue hearings on the proposed Alaska Natural Gas pipeline route.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold oversight hearings on the activities of the Exchange Stabilization Fund.
5302 Dirksen Building
Human Resources
Education, Arts, and the Humanities Subcommittee
To continue hearings on S. 1753, to extend the Elementary and Secondary Education Act of 1965.
318 Russell Building
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 1430, to improve the judicial machinery in customs courts.
2228 Dirksen Building

SEPTEMBER 30

8:00 a.m.
Energy and Natural Resources
To continue hearings on the proposed Alaska Natural Gas pipeline route.
3110 Dirksen Building

OCTOBER 3

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To hold hearings on proposed legislation dealing with the consumer protection aspect of the electronic fund transfers systems.
5302 Dirksen Building

OCTOBER 4

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on proposed legislation dealing with the consumer protection aspect of the electronic fund transfers systems.
5302 Dirksen Building

OCTOBER 5

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on proposed legislation dealing with the consumer protection aspect of the electronic fund transfers systems.
5302 Dirksen Building

OCTOBER 11

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the pricing of Federal Reserve services.
5302 Dirksen Building

OCTOBER 12

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on the pricing of Federal Reserve services.
5302 Dirksen Building

OCTOBER 26

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the role of the FHA in home financing.
5302 Dirksen Building

OCTOBER 27

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on the role of the FHA in home financing.
5302 Dirksen Building

OCTOBER 28

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on the role of the FHA in home financing.
5302 Dirksen Building

NOVEMBER 9

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on U.S. monetary policy.
5302 Dirksen Building

NOVEMBER 10

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on U.S. monetary policy.
5302 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, September 8, 1977*

The House met at 10 o'clock a.m.

Dr. William R. Hintze, president, Grand Canyon College, Phoenix, Ariz., offered the following prayer:

Father God—

We praise Your holy name in deep gratitude for the creation and preservation of our world, and our Nation, and our Government.

We thank You for an abundant life with personal liberty and the promise that You hear and answer our prayers.

We ask that You would keep our country free, that You would help us to hold high the worth and dignity of each citizen and visitor in our blessed America.

We humbly request that Your Holy Spirit be present in this session of the House of Representatives, that Your Holy Spirit guide each deliberation and empower each correct decision so that beneficial government will be fact for the citizens of our dear land.

In Jesus' blessed name I pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 342. Concurrent resolution to correct technical errors in the enrollment of the bill S. 1153.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1752. An act to extend certain programs under the Elementary and Secondary Education Act of 1965 for one year, and for other purposes.

DEBT COLLECTION PRACTICES ACT

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5294) to amend the Consumer Credit Protection Act to prohibit abusive practices by debt collectors, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by adding at the end thereof the following new title:

"TITLE VIII—DEBT COLLECTION PRACTICES

"Sec.
"801. Short title.
"802. Findings and purpose.
"803. Definitions.
"804. Acquisition of location information.
"805. Communication in connection with debt collection.
"806. Harassment or abuse.
"807. False or misleading representations.

"808. Unfair practices.
"809. Validation of debts.
"810. Multiple debts.
"811. Legal actions by debt collectors.
"812. Furnishing certain deceptive forms.
"813. Civil liability.
"814. Administrative enforcement.
"815. Reports to Congress by the Commission.
"816. Relation to State laws.
"817. Exemption for State regulation.
"818. Effective date.

"§ 801. Short title

"This title may be cited as the 'Fair Debt Collection Practices Act'.

"§ 802. Findings and purpose

"(a) There is abundant evidence of the use of abusive, deceptive, and unfair debt collection practices by many debt collectors. Abusive debt collection practices contribute to the number of personal bankruptcies, to marital instability, to the loss of jobs, and to invasions of individual privacy.

"(b) Existing laws and procedures for redressing these injuries are inadequate to protect consumers.

"(c) Means other than misrepresentation or other abusive debt collection practices are available for the effective collection of debts.

"(d) Abusive debt collection practices are carried on to a substantial extent in interstate commerce and through means and instrumentalities of such commerce. Even where abusive debt collection practices are purely intrastate in character, they nevertheless directly affect interstate commerce.

"(e) It is the purpose of this title to eliminate abusive debt collection practices by debt collectors, to insure that those debt collectors who refrain from using abusive debt collection practices are not competitively disadvantaged, and to promote consistent State action to protect consumers against debt collection abuses.

"§ 803. Definitions

"As used in this title—

"(1) The term 'Commission' means the Federal Trade Commission.

"(2) The term 'communication' means the conveying of information regarding a debt directly or indirectly to any person through any medium.

"(3) The term 'consumer' means any natural person obligated or allegedly obligated to pay any debt.

"(4) The term 'creditor' means any person who offers or extends credit creating a debt or to whom a debt is owed, but such term does not include any person to the extent that he receives an assignment or transfer of a debt in default solely for the purpose of facilitating collection of such debt for another.

"(5) The term 'debt' means any obligation or alleged obligation of a consumer to pay money arising out of a transaction in which the money, property, insurance, or services which are the subject of the transaction are primarily for personal, family, or household purposes, whether or not such obligation has been reduced to judgment.

"(6) The term 'debt collector' means any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the collection of any debts, or who regularly collects or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due another. Notwithstanding the exclusion provided by clause (G) of the last sentence of this paragraph, the term includes any creditor who, in the process of collecting his own debts, uses any name other than his own which would indicate that a third person is collecting or attempting to collect such debts. For the purpose of section 808 (6), such term also includes any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the enforcement of security interests. The term does not include—

"(A) any officer or employee of a creditor while, in the name of the creditor, collecting debts for such creditor;

"(B) any person while acting as a debt collector for another person, both of whom are related by common ownership or affiliated by corporate control, if the person acting as a debt collector does so only for persons to whom it is so related or affiliated and if the principal business of such person is not the collection of debts;

"(C) any officer or employee of the United States or any State to the extent that collecting or attempting to collect any debt is in the performance of his official duties;

"(D) any person while serving or attempting to serve legal process on any other person in connection with the judicial enforcement of any debt;

"(E) any nonprofit organization which, at the request of consumers, performs bona fide consumer credit counseling and assists consumers in the liquidation of their debts by receiving payments from such consumers and distributing such amounts to creditors;

"(F) any attorney-at-law collecting a debt as an attorney on behalf of and in the name of a client; and

"(G) any person collecting or attempting to collect any debt owed or due or asserted to be owed or due another to the extent such activity (i) is incidental to a bona fide fiduciary obligation or a bona fide escrow arrangement; (ii) concerns a debt which was originated by such person; (iii) concerns a debt which was not in default at the time it was obtained by such person; or (iv) concerns a debt obtained by such person as a secured party in a commercial credit transaction involving the creditor.

"(7) The term 'location information' means a consumer's place of abode and his telephone number at such place, or his place of employment.

"(8) The term 'State' means any State, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any political subdivision of any of the foregoing.

"§ 804. Acquisition of location information

"Any debt collector communicating with any person other than the consumer for the purpose of acquiring location information about the consumer shall—

"(1) identify himself, state that he is confirming or correcting location information concerning the consumer, and, only if expressly requested, identify his employer;

"(2) not state that such consumer owes any debt;

"(3) not communicate with any such person more than once unless requested to do so by such person or unless the debt collector reasonably believes that the earlier response of such person is erroneous or incomplete and that such person now has correct or complete location information;

"(4) not communicate by post card;

"(5) not use any language or symbol on any envelope or in the contents of any communication effected by the mails or telegram that indicates that the debt collector is in the debt collection business or that the communication relates to the collection of a debt; and

"(6) after the debt collector knows the consumer is represented by an attorney with regard to the subject debt and has knowledge of, or can readily ascertain, such attorney's name and address, not communicate with any person other than that attorney, unless the attorney fails to respond within a reasonable period of time to communication from the debt collector.

"§ 805. Communication in connection with debt collection

"(a) COMMUNICATION WITH THE CONSUMER GENERALLY.—Without the prior consent of the consumer given directly to the debt collector or the express permission of a court of competent jurisdiction, a debt collector may not communicate with a consumer in connection with the collection of any debt—

"(1) at any unusual time or place or a time or place known or which should be known to be inconvenient to the consumer. In the absence of knowledge of circumstances to the contrary, a debt collector shall assume that the convenient time for communicating with a consumer is after 8 o'clock antemeridian and before 9 o'clock postmeridian, local time at the consumer's location;

"(2) if the debt collector knows the consumer is represented by an attorney with respect to such debt and has knowledge of, or can readily ascertain, such attorney's name and address, unless the attorney fails to respond within a reasonable period of time to a communication from the debt collector or unless the attorney consents to direct communication with the consumer; or

"(3) at the consumer's place of employment if the debt collector knows or has reason to know that the consumer's employer prohibits the consumer from receiving such communication.

"(b) COMMUNICATIONS WITH THIRD PARTIES.—Except as provided in section 804, without the prior consent of the consumer given directly to the debt collector, or the express permission of a court of competent jurisdiction, or as reasonably necessary to effectuate a post judgment judicial remedy, a debt collector may not communicate, in connection with the collection of any debt, with any person other than the consumer, his attorney, a consumer reporting agency if otherwise permitted by law, the creditor, the attorney of the creditor, or the attorney of the debt collector.

"(c) CEASING COMMUNICATION.—If a consumer notifies a debt collector in writing that the consumer refuses to pay a debt or that the consumer wishes the debt collector to cease further communication with the consumer, the debt collector shall not communicate further with the consumer with respect to such debt, except—

"(1) to advise the consumer that the debt collector's further efforts are being terminated;

"(2) to notify the consumer that the debt collector or creditor may invoke specified remedies which are ordinarily invoked by such debt collector or creditor; or

"(3) where applicable, to notify the consumer that the debt collector or creditor intends to invoke a specified remedy.

If such notice from the consumer is made by mail, notification shall be complete upon receipt.

"(d) For the purpose of this section, the term 'consumer' includes the consumer's spouse, parent (if the consumer is a minor), guardian, executor, or administrator.

"§ 806. Harassment or abuse

"A debt collector may not engage in any conduct the natural consequence of which is to harass, oppress, or abuse any person in connection with the collection of a debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section:

"(1) The use or threat of use of violence or other criminal means to harm the physical person, reputation, or property of any person.

"(2) The use of obscene or profane language or language the natural consequence of which is to abuse the hearer or reader.

"(3) The publication of a list of consumers who allegedly refuse to pay debts, except to a consumer reporting agency or to persons meeting the requirements of section 603(f) or 604(3) of this Act.

"(4) The advertisement for sale of any debt to coerce payment of the debt.

"(5) Causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass any person at the called number.

"(6) Except as provided in section 804, the placement of telephone calls without meaningful disclosure of the caller's identity.

"§ 807. False or misleading representations

"A debt collector may not use any false, deceptive, or misleading representation or means in connection with the collection of any debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section:

"(1) The false representation or implication that the debt collector is vouched for, bonded by, or affiliated with the United States or any State, including the use of any badge, uniform, or facsimile thereof.

"(2) The false representation of—

"(A) the character, amount, or legal status of any debt; or

"(B) any services rendered or compensation which may be lawfully received by any debt collector for the collection of a debt.

"(3) The false representation or implication that any individual is an attorney or that any communication is from an attorney.

"(4) The representation or implication that nonpayment of any debt will result in the arrest or imprisonment of any person or the seizure, garnishment, attachment, or sale of any property or wages of any person unless such action is lawful and the debt collector or creditor intends to take such action.

"(5) The threat to take any action that cannot legally be taken or that is not intended to be taken.

"(6) The false representation or implication that a sale, referral, or other transfer of any interest in a debt shall cause the consumer to—

"(A) lose any claim or defense to payment of the debt; or

"(B) become subject to any practice prohibited by this title.

"(7) The false representation or implication that the consumer committed any crime or other conduct in order to disgrace the consumer.

"(8) Communicating or threatening to communicate to any person credit information which is known or which should be known to be false, including the failure to communicate that a disputed debt is disputed.

"(9) The use or distribution of any written communication which simulates or is falsely represented to be a document authorized, issued, or approved by any court, official, or agency of the United States or any State, or which creates a false impression as to its source, authorization, or approval.

"(10) The use of any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a consumer.

"(11) Except as otherwise provided for communications to acquire location information under section 804, the failure to disclose clearly in all communications made to collect a debt or to obtain information about a consumer, that the debt collector is attempting to collect a debt and that any information obtained will be used for that purpose.

"(12) The false representation or implication that accounts have been turned over to innocent purchasers for value.

"(13) The false representation or implication that documents are legal process.

"(14) The use of any business, company, or organization name other than the true name of the debt collector's business, company, or organization.

"(15) The false representation or implication that documents are not legal process forms or do not require action by the consumer.

"(16) The false representation or implication that a debt collector operates or is employed by a consumer reporting agency as defined by section 603(f) of this Act.

"§ 808. Unfair practices

"A debt collector may not use unfair or unconscionable means to collect or attempt to collect any debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section:

"(1) The collection of any amount (including any interest, fee, charge, or expense incidental to the principal obligation) unless such amount is expressly authorized by the agreement creating the debt or permitted by law.

"(2) The acceptance by a debt collector from any person of a check or other payment instrument postdated by more than five days unless such person is notified in writing of the debt collector's intent to deposit such check or instrument not more than ten nor less than three business days prior to such deposit.

"(3) The solicitation by a debt collector of any postdated check or other postdated payment instrument for the purpose of threatening or instituting criminal prosecution.

"(4) Depositing or threatening to deposit any postdated check or other postdated payment instrument prior to the date on such check or instrument.

"(5) Causing charges to be made to any person for communications by concealment of the true purpose of the communication. Such charges include, but are not limited to, collect telephone calls and telegram fees.

"(6) Taking or threatening to take any nonjudicial action to effect dispossession or disablement of property if—

"(A) there is no present right to possession of the property claimed as collateral through an enforceable security interest;

"(B) there is no present intention to take possession of the property; or

"(C) the property is exempt by law from such dispossession or disablement.

"(7) Communicating with a consumer regarding a debt by post card.

"(8) Using any language or symbol, other than the debt collector's address, on any envelope when communicating with a consumer by use of the mails or by telegram, except that a debt collector may use his business name if such name does not indicate that he is in the debt collection business.

"§ 809. Validation of debts

"(a) Within five days after the initial communication with a consumer in connection with the collection of any debt, a debt collector shall, unless the following information is contained in the initial communication or the consumer has paid the debt, send the consumer a written notice containing—

"(1) the amount of the debt;

"(2) the name of the creditor to whom the debt is owed;

"(3) a statement that unless the consumer, within thirty days after receipt of the notice, disputes the validity of the debt, or any portion thereof, the debt will be assumed to be valid by the debt collector;

"(4) a statement that if the consumer notifies the debt collector in writing within the thirty-day period that the debt, or any portion thereof, is disputed, the debt collector will obtain verification of the debt or a copy of a judgment against the consumer and a copy of such verification or judgment will be mailed to the consumer by the debt collector; and

"(5) a statement that, upon the consumer's written request within the thirty-day preiod, the debt collector will provide the consumer with the name and address of the original creditor, if different from the current creditor.

"(b) If the consumer notifies the debt collector in writing within the thirty-day period described in subsection (a) that the debt, or any portion thereof, is disputed, or that the consumer requests the name and address of the original creditor, the debt collector shall cease collection of the debt, or any disputed portion thereof, until the debt collector obtains verification of the debt or a copy of a judgment, or the name and address of the original creditor, and a copy of such verification or judgment, or name and address of the original creditor, is mailed to the consumer by the debt collector.

"(c) The failure of a consumer to dispute the validity of a debt under this section may not be construed by any court as an admission of liability by the consumer.

"§ 810. Multiple debts

"If any consumer owes multiple debts and makes any single payment to any debt collector with respect to such debts, such debt collector may not apply such payment to any debt which is disputed by the consumer and, where applicable, shall apply such payment in accordance with the consumer's directions.

"§ 811. Legal actions by debt collectors

"(a) Any debt collector who brings any legal action on a debt against any consumer shall—

"(1) in the case of an action to enforce an interest in real property securing the consumer's obligation, bring such action only in a judicial district or similar legal entity in which such real property is located; or

"(2) in the case of an action not described in paragraph (1), bring such action only in the judicial district or similar legal entity—

"(A) in which such consumer signed the contract sued upon; or

"(B) in which such consumer resides at the commencement of the action.

"(b) Nothing in this title shall be construed to authorize the bringing of legal actions by debt collectors.

"§ 812. Furnishing certain deceptive forms

"(a) It is unlawful to design, compile, and furnish any form knowing that such form would be used to create the false belief in a consumer that a person other than the creditor of such consumer is participating in the collection of or in an attempt to collect a debt such consumer allegedly owes such creditor, when in fact such person is not so participating.

"(b) Any person who violates this section shall be liable to the same extent and in the same manner as a debt collector is liable under section 813 for failure to comply with a provision of this title.

"§ 813. Civil liability

"(a) Except as otherwise provided by this section, any debt collector who fails to comply with any provision of this title with respect to any person is liable to such person in an amount equal to the sum of—

"(1) any actual damage sustained by such person as a result of such failure;

"(2)(A) in the case of any action by an individual, such additional damages as the court may allow, but not exceeding $1,000; or

"(B) in the case of a class action, (i) such amount for each named plaintiff as could be recovered under subparagraph (A), and (ii) such amount as the court may allow for all other class members, without regard to a minimum individual recovery, not to exceed the lesser of $500,000 or 1 per centum of the net worth of the debt collector; and

"(3) in the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee as determined by the court. On a finding by the court that an action under this section was brought in bad faith and for the purpose of harassment, the court may award to the defendant attorney's fees reasonable in relation to the work expended and costs.

"(b) In determining the amount of liability in any action under subsection (a), the court shall consider, among other relevant factors—

"(1) in any individual action under subsection (a)(2)(A), the frequency and persistence of noncompliance by the debt collector, the nature of such noncompliance, and the extent to which such noncompliance was intentional; or

"(2) in any class action under subsection (a)(2)(B), the frequency and persistence of noncompliance by the debt collector, the nature of such noncompliance, the resources of the debt collector, the number of persons adversely affected, and the extent to which the debt collector's noncompliance was intentional.

"(c) A debt collector may not be held liable in any action brought under this title if the debt collector shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

"(d) An action to enforce any liability created by this title may be brought in any appropriate United States district court without regard to the amount in controversy, or in any other court of competent jurisdiction, within one year from the date on which the violation occurs.

"(e) No provision of this section imposing any liability shall apply to any act done or omitted in good faith in conformity with any advisory opinion of the Commission, notwithstanding that after such act or omission has occurred, such opinion is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"§ 814. Administrative enforcement

"(a) Compliance with this title shall be enforced by the Commission, except to the extent that enforcement of the requirements imposed under this title is specifically committed to another agency under subsection (b). For purpose of the exercise by the Commission of its functions and powers under the Federal Trade Commission Act, a violation of this title shall be deemed an unfair or deceptive act or practice in violation of that Act. All of the functions and powers of the Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person with this title, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act, including the power to enforce the provisions of this title in the same manner as if the violation had been a violation of a Federal Trade Commission trade regulation rule.

"(b) Compliance with any requirements imposed under this title shall be enforced under—

"(1) section 8 of the Federal Deposit Insurance Act, in the case of—

"(A) national banks, by the Comptroller of the Currency;

"(B) member banks of the Federal Reserve System (other than national banks), by the Federal Reserve Board; and

"(C) banks the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), by the Board of Directors of the Federal Deposit Insurance Corporation;

"(2) section 5(d) of the Home Owners Loan Act of 1933, section 407 of the National Housing Act, and section 6(1) and 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions;

"(3) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal credit union;

"(4) the Acts to regulate commerce, by the Interstate Commerce Commission with respect to any common carrier subject to those Acts;

"(5) the Federal Aviation Act of 1958, by the Civil Aeronautics Board with respect to any air carrier or any foreign air carrier subject to that Act; and

"(6) the Packers and Stockyards Act, 1921 (except as provided in section 406 of that Act), by the Secretary of Agriculture with respect to any activities subject to that Act.

"(c) For the purpose of the exercise by any agency referred to in subsection (b) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (b), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title any other authority conferred on it by law, except as provided in subsection (d).

"(d) Neither the Commission nor any other agency referred to in subsection (b) may promulgate trade regulation rules or other regulations with respect to the collection of debts by debt collectors as defined in this title.

"§ 815. Reports to Congress by the Commission

"(a) Not later than one year after the effective date of this title and at one-year intervals thereafter, the Commission shall make reports to the Congress concerning the administration of its functions under this title, including such recommendations as the Commission deems necessary or appropriate. In addition, each report of the Commission shall include its assessment of the extent to which compliance with this title is being achieved and a summary of the enforcement actions taken by the Commission under section 814 of this title.

"(b) In the exercise of its functions under this title, the Commission may obtain upon request the views of any other Federal agency which exercises enforcement functions under section 814 of this title.

"§ 816. Relation to State laws

"This title does not annul, alter, or affect, or exempt any person subject to the provisions of this title from complying with the laws of any State with respect to debt collection practices, except to the extent that those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. For purposes of this section, a State law is not inconsistent with this title if the protection such law affords any consumer is greater than the protection provided by this title.

"§ 817. Exemption for State regulation

"The Commission shall by regulation exempt from the requirements of this title any class of debt collection practices within any State if the Commission determines that under the law of that State that class of debt collection practices is subject to requirements substantially similar to those imposed by this title, and that there is adequate provision for enforcement.

"§ 818. Effective date

"This title takes effect upon the expiration of six months after the date of its enactment, but section 809 shall apply only with respect to debts for which the initial attempt to collect occurs after such effective date.".

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the reading of the Senate amendment be dispensed with and that it be printed in the record.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. WYLIE. Mr. Speaker, reserving the right to object, and I do not intend to object, but I do so for the purpose of engaging the gentleman from Illinois (Mr. ANNUNZIO) in a colloquy in order to explain the bill before us today and how the Senate version differs from that which passed the House.

As I understand it, the bill, as it passed the House, provided for only two contacts at the home with the debtor during the week, and in this respect the Senate bill has no specific provision; is that correct?

Mr. ANNUNZIO. The gentleman is absolutely correct.

Mr. WYLIE. Further, the House bill provided for three contacts per month at the place of employment and the Senate bill has no provision in this regard except that it has to be with the permission of the employer, or with his knowledge. The employer could, in effect, say no. Is that correct?

Mr. ANNUNZIO. The gentleman is absolutely correct.

Mr. WYLIE. Mr. Speaker, I believe the most important provision of this bill which came over from the Senate is that there are no criminal sanctions in the debt collection bill, which was the provision that raised most of the objections in the House. As I say, the Senate version does not provide for criminal penalties, is that correct?

Mr. ANNUNZIO. The gentleman is correct, the section on criminal liability for violation of the act has been removed.

Mr. WYLIE. Also, the Senate version before us now permits the collection of postdated checks while the House bill barred the collection of such checks.

Mr. ANNUNZIO. That is absolutely correct.

Mr. WYLIE. Mr. Speaker, I would yield to the gentleman from Illinois (Mr. ANNUNZIO) for any further explanation that he would like to make.

Mr. ANNUNZIO. Mr. Speaker, I appreciate the gentleman from Ohio (Mr. WYLIE) yielding to me, and I want to commend him as the ranking Republican member of the subcommittee for the hard work he has done in bringing this legislation before the House.

Mr. Speaker, on August 5, 1977, the Senate unanimously passed with amendment H.R. 5294, the Fair Debt Collection Practices Act. This bill prohibits harassment, deception, and unfair practices by debt collectors in the collection of debts and is meant to assure that every individual, whether or not he actually owes a debt, is treated in a reasonable manner by debt collectors. I would like to congratulate the Senate, and in particular the chairman and members of the Senate Banking Subcommittee on Consumer Affairs, for the prompt and effective action which has been taken on this important piece of legislation.

The Senate amendment to H.R. 5294 closely follows the bill as passed by this body and contains only two changes of major significance. First, the section on criminal liability for violation of the act has been removed. When this legislation was considered by this body, one of the major objections to its passage was the inclusion in the bill of the section providing for criminal liability. It was felt by some that including criminal liability in this type of bill was extending criminal liability in the Federal area too far. Given that the chief means of obtaining compliance with the act has always been meant to be by way of the civil liability section, that is, by enabling the consumer to sue whenever there has been a viola-

tion of the act, I find no difficulty with the absence of criminal liability from the bill. The consumer's private cause of action, together with administrative enforcement of the act, will result in a well-enforced and effective law.

The second significant change contained in the Senate amendment is a modification of the section of civil liability dealing with the amount of statutory damages which may be awarded. H.R. 5294 as passed by the House required an award of statutory damages of between $100 and $1,000, while the Senate amendment would permit damages, in addition to actual damages, in an amount as the court may allow, up to a maximum of $1,000. In both cases, a consumer would be able to recover any actual damages he had suffered. Without weakening the substantive provisions of the bill, this modification by the Senate should help to meet the objections of those Members of this body who believed that setting a minimum of $100 on the amount of statutory damages to be awarded would encourage nuisance lawsuits by consumers. This modification is also an improvement in the bill.

Mr. Speaker, H.R. 5294 has had the express support of the two major debt collection trade associations, the Associated Credit Bureaus, Inc., and the American Collectors Association, while it was being considered by the House and by the Senate. Moreover, this bill has received the strong support of consumer groups, labor unions, and State and Federal law enforcement officials. Since H.R. 5294 was voted on by the Senate, the House Banking Subcommittee on Consumer Affairs has not received a single letter or telephone call objecting to the bill as passed by the Senate.

Mr. Speaker, H.R. 5294, the Fair Debt Collection Practices Act, is important consumer protection legislation. In view of the noncontroversial nature of the amendment of the Senate to H.R. 5294, I urge passage of this legislation.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I wish to thank the gentleman for yielding to me.

Mr. Speaker, I would like to thank the gentleman from Illinois (Mr. ANNUNZIO) for postponing the consideration of this bill from yesterday to today so that the gentleman from Ohio (Mr. ASHBROOK) and I could both have time to look into the provisions of the legislation. Let me say that I do not think the legislation is necessary. I believe it is an intrusion on State's rights. I would also like to remind the Members that this bill originally passed the House by only 1 vote with nearly 400 Members voting.

Mr. Speaker, the only reason I do not object to the immediate consideration is that an objection would only force the bill to go to conference and it would probably pass eventually in some modified form and I do not think the delay is worth it. But again I would like to point out that there are still a great number of Members of the House who do not think this legislation is necessary.

Mr. ANNUNZIO. Mr. Speaker, if the gentleman will yield still further.

Mr. WYLIE. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Let me say that I appreciate the cooperation of the gentleman from Maryland (Mr. BAUMAN).

I would like to inform the Members also that in section 817 of the bill there is an exemption for State regulation. If a State has a debt collection law whose requirements are substantially similar to those imposed by this bill that then there is adequate provision for enforcement and an exemption will be granted.

I do appreciate the gentleman's efforts in helping us secure the passage of this legislation.

Mr. WYLIE. Mr. Speaker, I withdraw my reservation and urge passage of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5294.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks and include extraneous matter and tabulations on the conference report on H.R. 7933, making appropriations for the Department of Defense for the fiscal year 1978 ending September 30, 1978, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CALL OF THE HOUSE

Mr. CEDERBERG. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 515]

Ambro	Crane	Koch
Anderson, Ill.	Dent	Lederer
Applegate	Dicks	Leggett
Archer	Dingell	Long, Md.
Ashley	Dodd	McCloskey
Aspin	Eckhardt	McEwen
Badillo	Erlenborn	Madigan
Bellenson	Evans, Colo.	Moss
Biaggi	Evans, Del.	Pettis
Boiling	Fascell	Pritchard
Bonker	Fish	Quillen
Brademas	Fithian	Rangel
Brinkley	Ford, Mich.	Rhodes
Brown, Ohio	Fraser	Roncalio
Burton, John	Gibbons	Rosenthal
Byron	Hamilton	Rostenkowski
Chappell	Harris	Roybal
Chisholm	Harsha	Scheuer
Clay	Heftel	Seiberling
Collins, Ill.	Johnson, Calif.	Shuster
Conable	Kemp	Simon
Cornwell	Ketchum	Sisk
St Germain	Udall	Young, Tex.
Stangeland	Ullman	Zeferetti
Thompson	Vanik	
Tucker	Young, Alaska	

The SPEAKER. On this rollcall 358 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONGRESS SHOULD DELIBERATE

Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. HOLT. Mr. Speaker, there is a petition being circulated to Speaker O'NEILL to keep Congress in session beyond the scheduled October adjournment until the Christmas holidays.

Upon reflection, I believe this is a very poor idea. It is an unfortunate fact of our times that the taxpayers are safer when the Congress is not in session.

It is an old axiom that work expands in proportion to the time allotted for it, and I hate to think of what new ways to regulate and tax the people would emerge from an extended session of this Congress.

The Congress should be a deliberative body, not legislating for the sake of legislating, but only after thorough research and study and consultation with constitutents. We should not be perpetually in session. We need more time for study and hearing our constituents.

I appeal to Members of this House not to sign the petition being circulated to extend the session.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the District of Columbia appropriation bill for fiscal year 1978.

Mr. BURGENER reserved a point of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO FILE CONFERENCE REPORT ON S. 275, FOOD AND AGRICULTURE ACT OF 1977

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a conference report on the bill S. 275, to provide price and income protection for farmers and assure consumers of an abundance of food and fiber at reasonable prices, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

CONFERENCE REPORT ON H.R. 7933, DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1978

Mr. MAHON. Mr. Speaker, I call up the conference report on the bill (H.R. 7933) making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. BROWN of California). Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 4, 1977.)

Mr. MAHON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. MAHON) will be recognized for 30 minutes, and the gentleman from Alabama (Mr. EDWARDS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have disposed of in the House all of the appropriation bills except a general supplemental bill which will be required a little later, and a pay supplemental scheduled for early next year. There is also pending the appropriation bill for the District of Columbia which will be reported out later today. We move today to consider the conference report on the defense appropriation bill. Today we take an important step for this session of Congress, in that we will approve the conference report, I am sure, on the defense appropriation bill, which was sent to conference on July 21, of this year, and which had been settled after a very extended conference and is brought back to the Members today.

The agreement on the bill for fiscal year 1978, which is soon to begin, provides for $111,400,000,000. This figure includes about $1.4 billion for the production of five B–1 bombers.

The conference amount is $2.4 billion below the budget estimate. It is $1.1 billion above the House-passed bill and $1.4 billion more than the Senate-passed bill.

The conference resolved differences on several hundred individual line items. There were agreements in many areas. About 400 line items had to be settled in conference. It was a difficult conference, but the Senate conferees worked with the House conferees in a spirit of compromise, and I believe reasonably acceptable agreements have been reached. No Member of the House, in my judgment, will agree with every decision made, but overall we feel that the bill, as reflected in this conference report, will substantially increase the military strength of the Nation. Therefore, I urge adoption of the conference report.

MILITARY PERSONNEL

There were few substantive differences of opinion between the House and Senate in the military personnel areas. Most involved the level of funding rather than any policy differences.

The major difference the committee of conference addressed in the military personnel area involved the amount of training time that selected categories of reservists and guardsmen received annually to maintain their readiness. The conferees agreed with the Senate position that there be no change in reserve component training requirements. The conferees, however, required the Secretary of Defense to review reserve training and readiness needs and report to Congress at the time of the submission of the next budget.

OPERATION AND MAINTENANCE

The largest single issue in the operation and maintenance account in terms of dollars concerned the appropriation of funds for inflation that is expected to occur during fiscal year 1978. Current law requires the Department of Defense to budget for inflation in the operating accounts. Defense appropriation requests have included amounts for inflation on major procurement items for many years. Most other agencies of the Government are prohibited from budgeting for inflation.

The operation and maintenance request included over $1.2 billion for inflation. The House reduced this portion of the request by $47.3 million which was requested to provide funds to cover inflation on the inflation estimate. The Senate made a reduction of $498.6 million stipulating that inflation was not provided for items that did not impact on military readiness. Unfortunately, there is no easy way to distinguish these programs where not providing for inflation would not impact readiness. For example, the Senate position provided inflation for ships being overhauled at Navy—public—yards but did not provide inflation for ships being overhauled at private yards. Thus, the House conferees were successful in restoring $250.4 million of the Senate reduction in the O. & M. appropriations. In addition, the House conferees agreed to the establishment of a $100 million defense readiness fund which will ultimately be transferred back to the O. & M. appropriation for readiness items. Therefore, the total reduction to the $1.2 billion requested for inflation was less than $150 million.

The conferees also agreed to a civilian man-year reduction of 12,100 as proposed by the House. This reduction was made by the House to conform with the authorizing legislation. The Senate had proposed reductions in civilian man-years of nearly 15,000 most of which were allocated to base operating support.

The House bill proposed specific amounts for each of the various defense agencies funded from the appropriation operation and maintenance, defense agencies. The Senate bill made one lump sum appropriation for all of the defense agencies. The conferees agreed to a lump sum appropriation for all of the defense agencies except for the Defense Logistics Agency and the civilian health and medical program of the uniformed services, CHAMPUS.

In allocating some of the general reductions agreed to by the conference committee, the reduction for the defense agencies was allocated against the overall total with no specific amount allocated to the Defense Logistics Agency or the CHAMPUS program. I want to make it clear that the conferees did not intend to exclude the Defense Logistics Agency or the CHAMPUS program from any general reductions if the Secretary of Defense believes such reductions are appropriate.

PROCUREMENT

The conference agreement provides $31.3 billion in new budget authority for the procurement title of the bill. In addition, the agreement includes $258.5 million in transfers of prior year unobligated balances in lieu of new appropriations. Thus, the total funding available is $31.5 billion. This total is about $840 million less than the budget estimate, but $3.5 billion greater than the amount provided for fiscal year 1977.

The total funding available includes $1.4 billion for the B–1 program, which has been brought back in disagreement and which I shall discuss later.

Included in the Army portion of the bill is $461.6 million for about 780 M60A3 tanks and over $158 million in advance procurement funding for the new XM–1 tank.

The conferees agreed to provide initial construction funding of $8 million for the proposed Mississippi Army ammunition plant. This facility will be built to produce a new class of 155-millimeter artillery ammunition. The conferees agreed to delete without prejudice the $44,500,000 budgeted for the proposed RDX/HMX explosive manufacturing facility. The Department of Defense has not yet decided whether such a facility will be required and the Army currently has the capacity to meet peacetime requirements.

The conferees agreed to delete the requested appropriation of $14,500,000 for initial procurement of the ground laser locator designator, GLLD, but provided $16,800,000 for procurement of the less costly and less sophisticated target designator laser. The House report expressed concern over the weight and vulnerability of the GLLD and the proliferation of laser designators being developed by the Department of Defense. It concluded that procurement was not justified at this time.

With respect to the Navy, the conferees agreed to delete the unbudgeted $81,600,000 advance procurement funding proposed by the Senate for long leadtime components for a fourth CVN *Nimitz* class nuclear-powered aircraft carrier. The conferees also agreed to provide $310 million, above the budget, to fully fund the construction of one DD–96 class destroyer. The Senate had recommended $614 million for two DD–963 "air capable" ships, which would utilize the basic DD–963 design but provide additional

helicopter capability. The conferees agreed to give the Navy the option to buy an air capable DD–863 ship if it could be designed and built with the $310 million provided.

Two Trident submarines and 96 Trident I missiles were fully funded. In all, 18 new ships were funded at a total cost of about $5.8 billion.

For the Air Force, the conferees agreed to $1.5 billion for 97 F–15 aircraft, or nine more than the President had requested. We also agreed to $7.5 million for the Civil Reserve Airlift Fleet, CRAF, modification program. These funds will be used to modify one widebodied passenger aircraft owned by a commercial passenger air carrier to serve as a pilot model for this program.

We also agreed to fully fund the air launched cruise missile, the satellite data system, and the backup Titan III–D booster programs. The Navstar global positioning system was not funded.

In all, the conference agreement funds a total of 159 aircraft for the Army, 177 aircraft for the Navy, and 357 aircraft for the Air Force, excluding the five B–1 bombers on which we failed to agree.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

The conference report provides a total of $11.1 billion for the research, development, test, and evaluation activities of the Department of Defense. This amount is $198 million more than the House bill and $61.7 million less than the Senate bill. The total recommended is $663 million more than that provided in fiscal year 1977.

Major items in conference for which the total amount requested was provided include the surface effects ship, ballistic missile defense technology, hispeed armament missile, and the defense satellite communications system. No funds were provided for the advanced concepts lab, interim scout helicopter, tactical airborne exploitation system, and the Satin IV Strategic Air Command communications system. Pages 41 through 49 of the statement of managers contain detailed schedules showing all conference actions.

COMMUNICATIONS, INTELLIGENCE AND INTELLIGENCE-RELATED ACTIVITIES

The conferees resolved many differences in communications, intelligence and intelligence-related activities. The conference agreement for these programs provides a sufficient level of activity while achieving significant savings.

The House proposed reductions of $299,055,000 in communications programs. The Senate proposed reductions of $62,258,000. The conferees agreed to reductions of $156,199,000. Among the more significant decisions in conference were the following:

Agreed to the House position providing for a single secure voice system, rather than a dual system as proposed by the budget and the Senate.

Agreed to provide $15 million to continue development of the Navy's Seafarer extremely low frequency communications system, rather than canceling the system as proposed by the House and providing $20,141,000 as proposed by the Senate. Agreement to continue the system was based upon assurances in writing by the President that he would personally review any request to locate Seafarer in Michigan.

Agreed to cancel the Fleetsat Navy communications program as proposed by the House.

Agreed to cancel the Satin IV communications program of the Strategic Air Command as proposed by the House.

Agreed to fully fund the Air Force defense satellite communications system III as proposed by the budget and the Senate instead of canceling the program as proposed by the House.

Agreed to a reduction of $6,340,000 from consolidation of communications centers as proposed by the Senate instead of a reduction of $9,055,000 as proposed by the House.

For intelligence and intelligence related activities, the conferees agreed to reductions of $222,038,000 instead of reductions of $422,216,000 as proposed by the House and reductions of $158,764,000 as proposed by the Senate. These reductions were the result of a very thorough review of intelligence and intelligence-related activities. The details of these reductions are explained in a classified annex to the conference report.

B–1 PROGRAM

Mr. Speaker, we did not reach agreement on the funding for the production of the B–1. I will discuss that in some more detail in a few moments. On amendment No. 41 we will have further discussion of this program and the funds at issue—the $1.4 billion for production of five B–1 bombers.

The House passed the bill prior to the President's decision to terminate B–1 production, and, we included the $1.4 billion for five production models of the B–1. The Senate acted after the President's action and decided to eliminate the funds for the B–1. Neither group of conferees felt that they could recede on this matter without further action by their respective Houses, and so we bring back the B–1 issue in disagreement, as had been promised by me as chairman of the committee when we sent the bill to conference on July 21. So after the adoption of the conference report, we will then proceed to consider the various issues in disagreement, principally the one involving the B–1.

I think it might be in order as a preliminary statement to make reference to the basic facts involving the B–1. The B–1 bomber has been on the drawing board or in production in one form or another over a period of years. Tremendous sums of money have been committed and expended for this purpose.

The B–1 is scheduled to cost, according to the latest estimates submitted earlier in the year, about $102 million a copy. Three prototype versions of these bombers are now flying, and the fourth prototype is about half completed. There are funds available in this bill for further research and development including fabrication of the fourth prototype bomber, and that, according to the plan of the administration, will be the end of the line since a rescission is pending affecting the three production models funded by Congress in fiscal year 1977. But it is not assumed that this will be the end of the B–1 program. The President has promised that we will continue to have a very aggressive research and development program for the B–1.

In the conference report on this bill, which we hope will soon become law, there is an item which is not in disagreement amounting to $442 million for continuation of research and development on the B–1 bomber. Just what the future holds with respect to the B–1 will no doubt be determined by international affairs and events of the future. This issue will be discussed in some additional detail when we get to amendment No. 41.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield so that he may respond to a question on that matter at this time, or would he prefer to wait until the end of his presentation?

Mr. MAHON. I will be glad to yield to my friend, the gentleman from California, at this time.

Mr. CHARLES H. WILSON of California. Mr. Speaker, the gentleman mentioned there were funds to complete the fourth B–1. Is there not sufficient R. & D. money to complete planes Nos. 5 and 6?

Mr. MAHON. There are not sufficient research and development funds to complete planes Nos. 5 and 6. Procurement funds were appropriated in 1977 for planes Nos. 5, 6, and 7, but a rescission is pending with respect to a large portion of the funds that have been appropriated for the additional three B–1 bombers.

Mr. CHARLES H. WILSON of California. The problem, of course, is that we talk about keeping research and development and waiting for future decisions on this. But, as the gentleman well knows, because of what happened to the FB–111, unless the line is kept open, it is pretty hard to do much of anything about any further testing.

There have been about 700 hours of testing already. Would it not seem reasonable that the production of planes 5 and 6 might guarantee keeping the line open so that we do have that option in the event of an emergency or in the event the SALT talks fall apart?

Mr. MAHON. There is a rescission pending in that regard.

Mr. CHARLES H. WILSON of California. Again, if the gentleman would prefer waiting until later, I would defer to him.

Mr. MAHON. No, that is all right. There is a rescission pending affecting the three fiscal year 1977 B–1 production models. The Committee on Appropriations of the House has not taken action on the rescission. It is the plan of the administration, as my friend, the gentleman from California, knows, that we will complete the fourth aircraft, and that will be the end of the line for the time being.

I realize that this is a very controversial matter, and that particular issue is really not involved in the conference report or in the amendment involving the B–1 bomber, which will come up later.

Mr. CHARLES H. WILSON of Cali-

fornia. If it is going to cost more to terminate the program than to complete the two planes or as much to terminate the program as it will to complete the two planes, I think that is something which the House should take into consideration.

I am sure that the chairman will let us know what the status of that is as the debate continues on this conference report.

Mr. MAHON. That is an issue which will be explored.

Mr. Speaker, I reserve the balance of my time.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the very distinguished chairman of the Defense Subcommittee and of the full Committee on Appropriations, the gentleman from Texas, has presented an excellent and complete review of the conference agreement on the Department of Defense appropriation bill for fiscal year 1978. I will therefore restrict my comments here on the floor today to just a few items and a few thoughts and will place some additional information in the record that will be helpful to the Members.

The bill before you is the product of 4 days of meetings with our Senate counterparts. Behind the able leadership of our chairman, we resolved some very complex and controversial issues in a most satisfactory manner.

There was give and take all the way through the conference, and I feel as though we reached an agreement that constitutes a good compromise. It is a long way from being perfect, and I have some concerns of my own but, overall, it was the best we could do under the circumstances.

We yielded on several controversial issues, such as the consolidation of undergraduate helicopter pilot training and the transfer of certain reserves to pay category D. On others, such as the assignment of military personnel to nonappropriated fund activities, Air Force data processing programs, Army tank programs, we succeeded in reaching a compromise agreement. Regardless of the outcome on some of these questions, however, we will, in all probability, be looking at them again next year.

Mr. Speaker, the $111.2 billion provided in this bill is adequate to fulfill our military commitments abroad and to maintain a strong national defense posture.

While the conferees agreed to cuts totaling $2.7 billion from the budget request, the amount provided is $6.1 billion more than we provided last year. That is a very substantial increase. As compared to last year's appropriation, the increases are distributed as follows: retired military personnel—$771.9 million; operation and maintenance—$1.4 billion; procurement—$3.3 billion; R.D.T. & E.—$663.3 million.

With the overall amount and the distribution of funds in this bill, I think we are headed down the road in the right direction. On the one hand, we are supporting force modernization by providing significant increases in funding for R. & D. and procurement of new weapons and equipment, and at the same time, we are trying to improve force readiness—an area neglected in the past—by providing additional O. & M. dollars. Those are the areas of emphasis in this bill.

The conference agreement contains a total of $42.4 billion for the acquisition of advanced weapons systems—$31.3 billion for procurement and $11.1 billion for R.D.T. & E. We went into the conference with some substantial dollar differences in these two accounts. Of greatest significance was the agreement to provide: First, $310 million for one DD–963 destroyer instead of the $614 million for two "air-capable" DD–963's as proposed by the Senate because design work on the latter was incomplete; and second, to delete $81.6 million proposed by the Senate to buy long leadtime components for a CVN *Nimitz*-class nuclear-powered aircraft carrier. We must proceed instead with the design and development of a smaller conventionally-powered carrier, known as the CVV.

Major weapons programs are funded as follows:

PROCUREMENT

Seven hundred and eighty M60A3 tanks—$461.6 million,

Eighteen ships—$5.8 billion,

Forty F–14 aircraft—$623.4 million,

Ninety-six Trident I missiles—$889.1 million,

Five B–1 bombers—$1.4 billion—reported in disagreement—subject to vote,

One hundred and forty-four A–10 aircraft—$741.8 million.

Ninety-seven F–15 aircraft—$1.5 billion,

One hundred and five F–16 aircraft—$1.3 billion.

RESEARCH AND DEVELOPMENT

Advanced attack helicopter—$165 million,

Patriot—SAM–D—missile—$214.6 million,

Ballistic missile defense—$213.5 million,

XM–1 tank—$117.7 million,

Trident missile—$332.7 million.

Strategic cruise missile, Navy—$210.3 million,

F–18 aircraft—$626.4 million,

Advanced ICBM technology (MX)—$134.4 million,

B–1 bomber—$442.5 million,

Air launched cruise missile—$120 million,

F–16 aircraft—$192.8 million.

These programs will ensure that our military forces are equipped with modern weapons for many years to come.

The conferees also agreed to provide an additional $250 million in O. & M. funds over-and-above the budget request to help eliminate the backlog of weapons, equipment, and ships awaiting overhaul and repair and to generally improve military readiness. These funds, in combination with the $4.3 billion provided for flying and steaming hours and near full funding of active duty military personnel levels and forces, should beef up our Armed Forces and provide greater force readiness than in years past.

The Soviet Union is continuing to expand and modernize its armed forces—air, ground, naval—across the board. That is the reason we are here talking in terms of $111.2 billion to support the Department of Defense for just 1 year.

I wish it were otherwise. I wish we could take this money and spend it on programs that would be more productive and benefit all Americans. But this cannot be because of the world we live in. Until some kind of peace and order is brought to this world, we must remain militarily strong. It is as simple as that.

We could argue all day long whether or not $111.2 billion is enough. I am quite sure if, in the scheme of things, we had more money, we would have appropriated it, but considering the priorities and available resources, we have brought you a conference agreement that we can justify and support.

Mr. Speaker, there are two issues that give me some concern. One is the decision taken by President Carter to terminate the B–1 production program. Since there will be more debate on this later, I will withhold further comment on that subject at this time.

The other is the refusal of the conference to support the consolidation of undergraduate helicopter pilot training.

For 2 years I have fought hard to bring this proposal to fruition. My position has been based on hard, cold facts. These facts were derived from study, after study, after study, showing that consolidation would yield equally effective or better training at much less cost.

This is a clear-cut case where money can be saved, and the Defense Department should be allowed to proceed with the plan.

Although the House has consistently supported the proposal, the House conferees made no effort to defend the House position on this controversial issue. The same thing happened last year. It was obvious from the start of both conferences that it would not be otherwise.

Now I have heard that the Department is giving serious consideration to offering up the proposal again next year in the fiscal year 1979 budget. I have no intention of leading the fight again next year unless I am given some assurance that the Senate would support the proposal. If the Senate cannot be persuaded to do so, then I think the plan should be dropped immediately so that steps can be taken to improve helicopter training at Pensacola. If we learned anything from this fight, it was that there are serious deficiencies in the helicopter training now given at Pensacola.

Mr. Speaker, although I am sorry that the House conferees failed to follow the direction of the House on the question of helicopter pilot training and while I am concerned over the President's decision to cancel B–1 production, I think on balance we have brought you a good conference report, and I strongly urge its adoption.

Mr. MAHON. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Speaker, the conference report on the Defense appropriations bill which is now before the House, represents a distinct improvement over the bills which passed the House and the Senate. The work of the conferees resolved in a reasonably satisfactory way many of the differences which had existed in the bills which were approved by the respective bodies of Congress. However, the bill in its entirety reflects a reduction below the budget submitted by President Carter and considerable lower than the budget submitted by President Ford. This is unfortunate. Cuts in Defense cannot be called sound economy. Stretch outs or cutbacks in procurement simply widen the lead which the Russians already enjoy in every field of modern weaponry. This bill does not provide a major improvement in national defense. The prospect that the Carter administration will propose even further cuts in Defense expenditures for fiscal 1979 is not a happy one.

One of the principal accomplishments of the conference was the partial restoration of O. & M. funds which had been severely reduced in the Senate version of the bill. Adequate operations and maintenance funding is essential for an effective military force. Year after year these funds have been reduced by Congress and the result in too many instances has been inadequate maintenance of weapons and equipment. This results in deadlining of ships, aircraft, and other essential elements of the defense forces. It means too many needed weapons are not available in an emergency. It is unfortunate that the zeal of Congress for Defense cuts so often zeroes in on this sensitive area.

There are a number of areas of significant importance in the conference report which I wish to discuss at this time.

This year the House committee recommended the transfer of many members of the Army, Navy, and Air Force Reserve who serve in chaplain, public affairs, civil affairs, law/legal, and research and development into pay category D from their present status in categories A and B. This would mean that these citizen-soldiers would then transfer from drilling and being paid for drills at either the 48- or 24-drills-per-year status, to that of drilling for only 2 weeks a year.

I opposed this action, for I am convinced the result would be to severely cripple and, in fact, virtually destroy the effectiveness of the programs affected.

While there may be a fraction of present Reservists who might be appropriately transferred into the D category, most of these particular functions contribute significantly to unit and mission effectiveness.

Proposals such as this one tend to undermine the essential support which our Reserve Forces provide, and generally to destroy the esprit de corps of these units. We should continue to give these Reservists and the Reserve Forces our full support.

I am very pleased to support the action of the conferees in refusing to approve consolidation of Navy undergraduate helicopter pilot training with the Army. For the second year now, the conferees have determined that the Congress should reject the Defense Department proposal to consolidate Navy undergraduate helicopter pilot training with the Army. The claims for savings advanced by the Department of Defense simply do not stand up under scrutiny. They are the product of think tank experts in the Pentagon; not supported by the experts in the field who conduct the programs. It is now clear that it is time for the Defense Department to move on to more pressing issues. The amount of time and effort expended by the Department on this issue is completely unwarranted.

In addition to the rejection of the consolidation proposal, the conferees agreed that the Department of the Navy should now move to expend previously appropriated funds for the enhancement of the Navy's helicopter training flight simulator capability. Such a recommendation is certainly in order. The only criticism directed at Navy helicopter training is the result of the lack of modern simulators. The blame for any deficiency in training rests squarely on the Department of Defense which has refused to allow funds to be expended to update simulator capabilities for the Navy.

Congressional action on this issue insures that the Navy and Marine Corps will continue to have the best and most effective helicopter pilot training available if we can have full cooperation from the Department of Defense.

The conferees have agreed to provide the necessary funding for the continuation of the Navy airlift capability for the upcoming fiscal year. Such action is consistent with the views of the House that there remains uncertainty as to the capability of the Military Airlift Command to meet the Navy's specific needs, as well as uncertainty on whether realistic savings could result from MAC providing such service to the Navy.

Hearings are scheduled by the House Armed Services Committee during September to fully discuss and assess the many nuances of this question. Until we have the results of that committee's findings, we should provide the Navy with this vital capability. This will insure that any decisions regarding the Navy airlift capability be made only after a complete review of the pertinent facts. To do less may hamstring an important link in the Navy's ability to respond to a challenge of any major proportion.

This bill provides for the procurement of the final increment of the Navy's new single-engine primary training aircraft, the Beechcraft T-34C. This increment is for 34 aircraft.

This turbo prop trainer is an excellent aircraft which has many advantages over the T-28 which it is replacing in the Naval Air Training Command. First, it saves a lot of fuel—1,300 gallons per student over the T-28. Fully integrated into the Navy's present pilot output this could account for a savings of 1.8 million gallons of fuel.

Second, this is a fully instrument training aircraft, and the result will be greater training efficiency and reduced maintenance costs.

We have already purchased 150 T-34C and the proposed buy of 34 additional aircraft will complete the buy. It is somewhat ironic that the Navy has not been allowed to procure an earlier replacement for the T-28, particularly since these aircraft are older than most of the students who train in them.

There was considerable discussion within the Congress this year concerning the program to equip the F-14 fighter aircraft with an engine of greater thrust. Finally, it was decided that $8.8 million would be provided for this program under research and development funds.

This is a vital program if we want the F-14 to maintain its superiority over the threat postulated for the late 1980's and 1990's. It has been the intent of the Navy since the inception of the F-14 to eventually replace the present thrust limited engine with one of higher thrust. Increasing costs and delays in development of a satisfactory engine have caused the Navy to place its reliance primarily on the improvements in the present engine. This, however, is contrary to the best interests of the Nation's defense. With a new engine the F-14 will be a better aircraft and we should proceed without further delay to develop the engine of the future.

The inclusion of this program in this bill, if implemented, will insure continued development of a superior fighter aircraft for the 1980's.

The conferees agreed on the House recommended amount for the procurement of 144 A-10 attack aircraft. The amount is $741.8 million. This is an outstanding aircraft that provides our military with much needed close air support for ground forces. It operates without a finished runway for takeoffs and landings if such a situation is necessary in warfare.

The Secretary of Defense, Mr. Brown, has recently described the A-10 in this way—

> The most important job for the A-10 is to destroy armored fighting vehicles in a WARSAW PACT versus NATO conventional war. Operational tests and analyses indicate the A-10 can do this job effectively and with tolerable loss rates.

This aircraft has demonstrated a survivability and effectiveness exceeded by none in the present inventory designed for the purpose of close air support.

This bill appropriates funds for 105 F-16 fighter aircraft. This is the number recommended by the House. The F-16 is considered one of the most advanced fighter aircraft in the world.

This aircraft has a background of more than 1,200 hours of successful flight and is a multinational aircraft. It is currently within the European participating governments—NATO program under the Air Force.

I am sure that we are all aware of the capabilities which this aircraft brings to the Air Force; and provides to our NATO arm at a time when improved capability for NATO is so vitally needed.

This bill provides $3.9 million for the R.D.T. & E. for the Navy's shipboard intermediate range combat system. This will continue the development of the SIRCS equipment which is intended to provide an advanced shipboard close-in air defense and fire control system for the 1980's and beyond. This system is intended to be a balanced and systematically engineered combat system, utilizing elements of current programs when they will meet the systems' needs, and with new development subsystems where there is a clear benefit therefrom.

As the Secretary of Defense stated in a July 20, 1977, letter to the chairman of the Appropriations Committee—

SIRCS represents a significant Navy long-term combat system development program.

This appropriation represents the House recommended level and should have your support.

The bill provides $15.7 million for the U.S. share of a possible R.D.T. & E. program for NATO required enhancements to the airborne warning and control system aircraft. The appropriation has the caveat that these funds are to be expended by the Air Force only in conjunction with a NATO purchase of this highly sophisticated and strategically valuable aircraft.

It is very proper that the Congress provides these funds at this time. By doing so, we clearly indicate to our allies that we will support their decision to purchase this aircraft. The E–3A AWACS aircraft an all-seeing airborne radar system which can track airborne targets at high and low altitudes over any terrain. It gives military commanders the ability to see beyond an adversary's borders and to view the battlefield "from above."

Our support of this program will encourage our allies to acquire the NATO AWACS aircraft with its greatly enhanced capability.

For many years now—actually since about 1972—the Congress has been steadily decreasing the number of enlisted aides for officers in the upper grades of the Armed Forces. In 1972 there were 1,722 aides assgined to such duties, presently there are some 300 or a little less who now volunteer for these duties of supporting officers in these high grades. The Congress has thus directed a decrease of 83 percent in the last 5 years.

Now, however, it is apparent that we have reduced these positions as far as it can properly be done. We have insured that these aides perform essential functions and that their assignment and allocation is at the discretion of the Secretary of Defense. We should not reduce this program further.

Under amendment 67, section 852 of the general provisions of this bill the House approved a general provision which limited funds available for contracting out. The conferees to the bill adopted subsection (a) of the House proposal without change. This subsection restricted the conversion of base operating support functions to contract operations.

Subsection (b), which covers weapons system engineering and logistical support, intermediate, and depot level maintenance and R.D.T. & E. was modified in conference. As a result of this modification, the maintenance of current civil service force levels is insured, as is the current staff level at affected facilities.

This is a sound modification of the former language of the subsection and deserves our support. The Department of Defense will now be able to place additional contract work in weapons systems, maintenance management, and R.D.T. & E., where this is the proper procedure, while at the same time we protect the continuation of our valuable civil service expertise in these areas.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I would like to call to the attention of the House a problem that is rather obvious in the Budget Control Act with which we have been concerned to some extent in our committee this year. I refer the House to a letter from our colleague, the gentleman from Connecticut, Mr. ROBERT N. GIAIMO, chairman of the House Committee on the Budget, dated August 26. I would like to read, Mr. Speaker, the paragraph on page 2 of that letter that I think puts this to some extent in perspective. He says:

The Administration has, in effect, terminated production of the B–1 bomber, Scram-B, and Minuteman III missiles by issuing stop-work and termination orders prior to the expiration of the authorized 45-day congressional review period. Such preemptive actions, while not direct violations of the Impoundment Control Act, may, nonetheless, compromise Congressional prerogatives and seriously jeopardize the possibility of restarting production should the Congress fail to approve the proposed rescissions. The General Accounting Office recently proposed discussions with the Office of Management and Budget with a view toward resolving the matter through appropriate administrative procedures.

Mr. Speaker, we find ourselves with some concern on this committee where the administration—and I am not arguing that they are violating the law—proceeds to terminate a program, issue stop-work orders, and then sends rescission proposals over to the Congress. If the Congress should in the case of the Minuteman III reverse the decision of the administration, then we find ourselves in the position of having to expend large additional sums of the taxpayers' money to restart the program.

So I think that the Congress needs to look closely at the Budget Control Act to determine whether in fact we should allow this action to take place in the future because we then are the ones who end up being the spenders if in fact we should reverse the decision of the administration. It would seem to me that the administration could very simply send its rescission proposal over, continue the program until the Congress acts, and then there is no waste of the taxpayers' money in the event the Congress should reverse that decision.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Speaker, I trust the Members of the House were listening carefully to the comments of the distinguished gentleman from Alabama. What he has said is one of the most significant things that has been brought to the House today. This is an important matter. I concur fully with the gentleman from Alabama in this matter.

Mr. EDWARDS of Alabama. I thank the gentleman from Florida.

Mr. MAHON. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. FLYNT).

Mr. FLYNT. Mr. Speaker, in the beginning let me say I want to associate myself with the remarks of the chairman of the committee (Mr. MAHON) and the remarks of the gentleman from Alabama (Mr. EDWARDS) and the remarks of the gentleman from Florida (Mr. SIKES).

Naturally there are elements in this conference report about which I have reservations. On the other hand I think on balance the conference report which the managers on the part of the House have brought in is an excellent report, if I may say so an outstanding conference report on the bill making appropriations for the Department of Defense and related agencies.

Mr. Speaker, at the appropriate time I am informed the gentleman from Texas, the chairman of the committee, will offer a motion which will have the effect of funding the procurement of five aircraft of the B–1 category. At that time I will expand on the statement that I make now.

I support this motion. I think that it is imperative, I think that it is essential, I believe that it is mandatory that we proceed with the procurement of the B–1 aircraft, the objections of the executive branch notwithstanding.

In the area of manned aircraft, the Soviet Union appears to be ahead or at least on parity with the United States. I would certainly hope that as we look forward into the decades of the 1980's and 1990's and beyond, the House of Representatives at least will have the determination and the foresight to provide for a modern follow-on manned bomber aircraft to take the place of the aging and outdated B–52 fleet.

At the proper time I will expand my remarks upon this subject when the motion is made by the chairman of the committee.

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Speaker, there is a matter in amendment No. 5 in the conference report which I would like to ask clarification of.

As I understand the language in the conference report concerning the recruiting incentives to be tested by the Reserves under the authority provided in this year's defense authorization bill, the conferees have agreed only to permit the $5 million appropriated to be used to test the reenlistment bonus, and this only in the Army Reserve and Army National Guard, but not permit any test of the educational assistance program which was to be used to assist in enlistments.

I do not intend to oppose the conference report on this point even though I feel strongly that a test of this educational assistance program—which was initiated in the Armed Services Subcommittee which I chair—should be permitted. However, I would like at this time to ask the distinguished chairman of the committee to comment after my remarks whether he will consider a reprograming request from the Department of Defense to use part of this $5 million to test the educational assistance concept in fiscal year 1978.

I would hope the chairman will indicate a willingness to consider such a request because a substantial amount of evidence appears to be accumulating to the effect that such an educational assistance program will be successful.

Specifically, I am advised that the Department of Defense is currently evaluating the results of a major survey intended to permit insight into how to resolve the recruiting difficulties which now exist in the Reserves. Some very early indications seem to suggest that an educational assistance program would be successful. During the past recess, the staff of the Military Personnel Subcommittee traveled to many military installations where Reserves were training and found that most of the Reserve personnel they spoke with, including personnel in all grades, believed that an educational assistance program would be the best incentive possible to assist in Reserve recruiting.

I am aware of the existing problem of retention in the Reserves and for this reason the reenlistment bonus should be tested. But, in my view, it is most important at this time to find a means of assisting in the enlistment of nonprior service personnel so that we can maintain a young, vigorous Reserve force.

I would appreciate the distinguished chairman's comments on this matter.

We have sent out by committee staff during the recess to various Reserve units and through their interrogations of the men on many aspects they have determined in fact that educational benefits would aid greatly in filling the ranks that are now depleted by the failure to attract young men for a vigorous Reserve.

Mr. Speaker, I would appreciate whatever comments the gentleman from Texas may have.

Mr. MAHON. Mr. Speaker, I would say to my friend that the conference report before us provides all the funds that are authorized for the reenlistment bonus. The $5 million ceiling imposed by the authorization action precluded our providing funding for the educational assistance program. Naturally, should the Secretary of Defense choose to submit a reprograming request for this program, the committee would consider it, but some modification of the authorizing legislation might first be required. We are aware of the problems of the Reserves and sympathetic to their problems and seek to be as helpful as possible in that connection.

Mr. WHITE. Mr. Speaker, I thank the chairman.

Mr. MAHON. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Speaker, I rise in support of the conference report. I have taken exception to certain amendments. I thought in certain instances the conferees had made a Public Works bill out of the defense appropriation. I hope that in the future we can cut out some of the "do good" amendments to help districts and look more at national defense.

I will speak more to the B–1 question when we get into the following this debate. At that point there will be a procedural move by the chairman to recede and concur and include the production money for the B–1. It will be my intention to offer a substitute amendment which would delete only the production money for the B–1, retaining all the R. & D. money for the B–1, as requested by the administration.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield such time as he may consume to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Speaker, I would like to point out an area of some concern to me in this DOD appropriations bill, not only because it relates to the interests of some of my constituents, but also to me personally as a longtime Navy reservist.

The Navy requested some $5.402 million in fiscal year 1978 for the Naval photo center, and it was cut by $.450 million. The money which was cut was targeted for research into matters in the field of high photographic technology, for examples low light level photography and extremely high resolution recording. The House accepted the request for full funding, but the Senate made the cuts which the conference committee ultimately accepted.

The rationale for this cut, which no doubt the Senate made to conform to the dictates of the Budget Committee, was that, according to the Senate report, these functions are "routinely part of the commercial photographic industry's development program." I fail to understand what market would be met, outside the official community, for such sophisticated technology to take a routine place in the commercial sector. It is impossible to accept this reasoning.

It is true that there is no objection by the Senate for these funds to be reprogrammed by the Navy into its research and development account, as opposed to the operations and maintenance account from which it was removed. The Senate report—95–325—so much as says so on page 162. Nevertheless, the Navy has indicated to me that it does not intend to reprogram these funds. I assume the functions cut are not, therefore, of a critical nature. I therefore do not intend to press my point further, given the intent of the Navy not to pursue reprograming.

On the other hand, we all know that there are severe restraints on the reprogramming process, and only very high priority items will survive this process. I therefore still feel it necessary to register my concern on the rationale provided for the cut in these important photographic functions. I would hope that a more satisfactory explanation for such cuts would be made in future reports.

Mr. CEDERBERG. Mr. Speaker, section 852 of the House-passed version of H.R. 7933 contained in my view an unnecessarily restrictive approach to private contracts entered into by the Department of Defense. The conference agreement remedies this problem. Specifically, the bill earlier passed by the House would have prohibited DOD from converting certain base-operated functions to contractor operation and would have severely limited the use of certain commercial contracts to be physically performed at a Government installation.

In the form earlier passed by the House, section 852 was inconsistent with a policy which the Congress as a whole enunciated several weeks ago in the context of section 809 of the Defense authorization bill and would have introduced uncertainty and resulted in delays in necessary DOD maintenance. It could severely have hampered DOD's efforts to maintain its equipment in an emergency situation where adequate Government personnel were unavailable.

The conferees on H.R. 7933 substantially reduced the impact of section 852 by limiting the application of subsection (b) to those instances where a private contract would result in a reduction in force; that is, the dismissal of Government employees. Moreover, the statement of the managers on this bill makes clear that it applies only to conversions to private contract and does not have any practical effect on the letting of new private contracts for research and development.

I am hopeful that in the months ahead, the entire range of problems regarding the contracting out of Government services will be resolved to the satisfaction of the House and the Senate. In the meantime, I do not believe that section 852 will pose any insoluble problems for the administration.

I therefore support the conferees and I urge final passage of H.R. 7933.

Mr. GIAIMO. Mr. Speaker, on July 21, the House voted unanimously to have an open conference except when classified national security information was discussed. In the 4 days of meetings, we closed the session only once—for less than a half hour.

In spite of this unprecedented open conference committee, the American people learned little about what occurred during our sessions because with the exception of a brief period or two the press was conspicuously absent. I found this situation unfortunate for several reasons. First of all, the Defense appropriation bill is the largest appropriation bill that we consider. The American people have a right to know how we decide to spend their money in this area. Second the people lost the opportunity to learn an invaluable lesson on the operations of one of the least known but most important institutions of Government—the conference committee.

Perhaps the situation will improve next year.

Mr. Speaker, there were a number of amendments to which I took exception in the conference report, and I owe my colleagues an explanation of why I could not accept the decision of the conference committee on these items.

The House originally agreed to transfer from pay groups A and B to D about 11,000 reservists in the chaplain, legal, public, and civil affairs, and research and development categories. This would have meant reducing annual training from 48 and 24 paid drills respectively to only 2 weeks active duty annually. This recommendation would have saved about $20 million.

It is important to understand the rationale behind the House's original position. The Defense Appropriation Subcommittee found that these skills are not combat or combat-support requirements; that the personnel are not needed at mobilization; that programs exist to integrate rapidly civilians with similar skills into the armed forces in the event of a national emergency. On the basis of this examination, the committee believed that these reservists did not need the amount of training that combat troops require and that training could be given during annual active duty.

During the conference, we were advised that these reservists actually fall in two categories. Some of them are assigned to combat or support reserve units; lawyers spend their weekend drills on routine legal matters within the unit and chaplains provide needed counseling to other reservists. Others, however, are assigned to chaplain, legal, public, or civil affairs units. These latter units provide no useful service to other reserve units, and the Government is paying them to do nothing more than meet with their colleagues and talk shop.

Two possible compromises were discussed briefly. One would have transferred all of these slots of pay group B with its 24 paid drills annually. This would have been sufficient for both retirement credit and promotion points. The other alternative would have put into pay group D with 2 weeks active duty a year those reservists assigned to units composed exclusively of similar reservists, whether lawyers, chaplains, et cetera. Unfortunately, the position of the House was not supported in this area, and I took exception to those amendments which included these particular reservists.

Amendment No. 17 includes $18.5 million to continue the perimeter acquisition radar, PAR, system. Those of you who remember our debates on the old Safeguard ABM system will remember PAR. Each year the House deletes the funds, the other body restores them, and the House conferees recede.

The arguments in support of continued funding for PAR are not persuasive. PAR's supporters contend that it will provide us with warning of where incoming strategic reentry vehicles will hit. Yet, we already have sufficient early warning capability to advise us that ICBM's may be flying over the Pole. Besides, any additional warning that PAR might provide would be minimal. If we have already decided how we will respond to an attack when we learn that missiles are heading our way, the information that PAR might provide will be of little consolation. At best, PAR duplicates existing systems, and it is not worth its cost.

The conference committee also accepted $107.4 million for 12 A–7E's for the Navy. The budget had recommended only $21 million, but the House conferees receded to the higher figure of the other body. In this instance, some of the blame must fall on the Department of Defense. Its appeal sought the higher figure that the other body had appropriated. If the Department really wanted these aircraft, it should have pushed for them originally rather than waiting for its reclama.

In amendment No. 39, the conference committee included $310 million and told the Navy to use it to build a new destroyer. The conferees agreed that this money could build a new DD–963 *Spruance*-class destroyer, but the Navy was given an option to build something called an "air capable ship."

Many of you may not be familiar with the air capable ship. That is understandable, since the ship has not been designed. We were told that it would be a *Spruance* class destroyer with an extended hangar to accommodate three or maybe four LAMPS III helicopters.

I was shocked at the decision of the other body to include $600 million in the bill for two of these ships. In addition to the lack of a design, the ship was not requested by the Navy or DOD and was not included in the 5-year shipbuilding program. The Navy has not estimated the cost of this new ship, and no tradeoff studies on what additional capability it would provide were conducted. The difference between this ship and the DD–963 would be one or maybe two additional helicopters.

The inclusion of funds for these two ships would have thrown the Navy's shipbuilding budget into chaos. We should have zeroed the unbudgeted funds for the unrequested ships. Instead, we gave the Navy more than half of these funds and told it to build a new destroyer. Mr. Speaker, I know that the Navy needs ships, but this money will compound the current problems by budgeting construction funds before a decision has been made on what type of destroyer to build.

Next we come to amendment No. 41, aircraft procurement, Air Force. I opposed the decision of the House conferees to bring this amendment back in total disagreement. We should have eliminated the funds for the B–1 bomber in conference.

I have other objections to the action of the conferees, and they concern the Big 3 aircraft systems: A–10, F–15, and F–16. The budget had requested $3.34 billion for 327 of these planes, and the House appropriated approximately that amount. The other body, however, reduced the A–10 and F–16 funds and increased the number of F–15's. In the end, the conference adopted the higher figure in each instance. In other words, $3.54 billion was appropriated for 346 airplanes—$741.8 million for 144 A–10 attack aircraft, $1.5 billion for 97 F–15 attack aircraft, and $1.25 billion for 105 F–16's.

The House is being asked to accept a figure of $7.69 billion for Air Force aircraft—$1.35 billion more that DOD's appeal. If we eliminate the $1.4 billion for the B–1 bomber—as I hope we will—we will be below the Department's appeal. But, that is not the point. We must exercise some restraint, even insofar as the defense budget is concerned. Amendment No. 41 shows a lack of budgetary restraint or consideration.

Now we come to amendment No. 77. The House bill stated:

> None of the funds appropriated in this act may be obligated for the purpose of planning or executing any assassinations plots against any officials of any foreign governments or political parties of countries not at war with the United States.

The conference was told that this language should be eliminated and any further consideration of it left to the respective intelligence committees which are or will be working on charters for the CIA. I have a great deal of respect for the new chairman of the House Select Committee on Intelligence, the gentleman from Massachusetts (Mr. BOLAND), and the other members of that committee. But, I know that the drafting of a charter for the CIA will take time. In the interim, this bill is the only vehicle that we have for making our views on subjects such as this known to the world.

Critics of the amendment stated that its purpose would be misinterpreted. It might give the impression that the CIA currently is engaged in these activities. As a member of the old Select Intelligence Committee, I want the world to know emphatically that the Congress does not and will not tolerate such activities in the future. This amendment was a statement of policy—the only time we will have the opportunity to express ourselves on this subject until a charter for the CIA is considered by the House. Some of my colleagues may have found this language uncomfortable, but the subject of assassination plots in peacetime is uncomfortable, and the language of amendment No. 77 should have been left in the bill to show the world that we can face up to uncomfortable subjects.

Finally, Mr. Speaker, we come to amendment No. 79—nonappropriated fund activities. The GAO recently issued a lengthy report on these activities, and I hope that each of my colleagues will look at it.

Over the years, the military has established and operated recreational and entertainment facilities for its employees. The morale, welfare and recreation, MWR, programs include movie theaters, clubs, golf courses, and other recreational facilities. Each year they do over $5 billion in business.

We already hire about 189,000 civilians to help operate these programs. I wonder, however, how many of our constituents know that we have military personnel operating golf course pro-shops and military clubs? Well, about 12,000 do it on a full-time basis and another 2,800 do it part time. Some of these personnel even make a career of operating these clubs and programs around the world. The other body suggested transferring nearly all of these billets to regular combat and support activities and hiring civilians for these jobs.

The GAO report supports this proposal. A longstanding DOD directive states that civilians should be used to staff these activities to the maximum extent possible. Military personnel may be used, however, first, when civilians are not available; second, for executive control and essential command supervision; and, third, for purposes of military rotation, training, and career progression that cannot be provided elsewhere. This directive has resulted in the widespread assignment of military personnel to these activities. I know, because I have seen them on a number of bases.

The GAO noted that the Army and Air Force Exchange Service—the largest and probably the most sophisticated of all of them—operates very successfully with far fewer military members than the other services. The ratio of military to civilian employees is 1 to 460, while the other programs have ratios of from 1 to 5 to 1 to 58.

The better part of an hour was spent arguing the merits of this amendment, which the Senator from Missouri (Mr. EAGLETON) ably defended. Opponents of the amendment stated that its adoption would harm military morale, that the hiring of up to 15,000 additional civilians would cost too much, or that the military would consider this the elimination of another "perk." With great reluctance the conferees finally agreed to a reduction of 2,000 military personnel and directed DOD to emphasize the maximum use of civilians instead of military personnel in these programs.

This action, however, did not go far enough. Twenty years ago, it might have made sense to have military personnel operate these clubs and programs. It makes no sense today. Military pay is generally competitive with civilian pay, and military personnel can afford to assume the costs of these programs. More importantly, we need—and the American people expect us to have—fighting men and women in the Armed Forces. They do not expect—and they should not be forced to support—professional entrepreneurs in uniform.

I was pleased to learn that the GAO agrees with my conclusions, and I hope that the appropriate committees will accept GAO's recommendations on nonappropriated funds activities.

Mr. CEDERBERG. Mr. Speaker, the Department of Defense appropriations bill for fiscal year 1978 includes funds to complete the procurement of nonnuclear Lance missiles.

The administration, unwisely in my view, had neglected to request funds for this procurement, but the House included $65 million and the Senate $77.5 million for Lance missiles. The conference agreement reached is at the Senate figure.

Nonnuclear Lance missiles provided in this bill will enhance the war readiness of the United States in Europe where NATO forces face numerically superior Warsaw Pact forces.

The nonnuclear Lance has the range to reach essential targets. It is said by U.S. military commanders in Europe to be an extremely valuable weapon system and one which is needed by our forces if we are to hope to halt and turn back Communist aggression there.

The Congress has demonstrated its wisdom by including nonnuclear Lance funding to complete the procurement. The Department of Defense should now move forward with the procurement and deployment of the system.

Mr. MAHON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 361, nays 36, not voting 37, as follows:

[Roll No. 516]

YEAS—361

Abdnor	Corman	Gudger
Addabbo	Cornwell	Guyer
Akaka	Cotter	Hagedorn
Alexander	Coughlin	Hall
Allen	Cunningham	Hamilton
Ambro	D'Amours	Hammer-
Ammerman	Daniel, Dan	schmidt
Anderson, Calif.	Daniel, R. W.	Hanley
Anderson, Ill.	Danielson	Hannaford
Andrews, N.C.	Davis	Hansen
Andrews, N. Dak.	de la Garza	Harkin
Annunzio	Delaney	Harris
Archer	Derrick	Harsha
Armstrong	Derwinski	Hawkins
Ashbrook	Devine	Heckler
Ashley	Dickinson	Hefner
AuCoin	Diggs	Heftel
Badham	Dingell	Hightower
Bafalis	Dodd	Hillis
Barnard	Dornan	Holland
Baucus	Downey	Hollenbeck
Bauman	Duncan, Oreg.	Holt
Beard, R.I.	Duncan, Tenn.	Horton
Beard, Tenn.	Eckhardt	Howard
Bellenson	Edgar	Hubbard
Benjamin	Edwards, Ala.	Huckaby
Bennett	Edwards, Okla.	Hughes
Bevill	Eilberg	Hyde
Bingham	Emery	Ichord
Blanchard	English	Ireland
Boggs	Erlenborn	Jacobs
Boland	Ertel	Jeffords
Bowen	Evans, Colo.	Jenkins
Brademas	Evans, Ga.	Jenrette
Breaux	Evans, Ind.	Johnson, Colo.
Breckinridge	Fary	Jones, N.C.
Brodhead	Fenwick	Jones, Okla.
Brooks	Findley	Jones, Tenn.
Broomfield	Fish	Jordan
Brown, Calif.	Fisher	Kasten
Brown, Mich.	Fithian	Kazen
Brown, Ohio	Flippo	Kelly
Broyhill	Flood	Keys
Buchanan	Florio	Kildee
Burke, Calif.	Flowers	Kindness
Burke, Fla.	Flynt	Krebs
Burke, Mass.	Foley	Krueger
Burleson, Tex.	Ford, Mich.	LaFalce
Burlison, Mo.	Ford, Tenn.	Lagomarsino
Butler	Fountain	Latta
Byron	Fowler	Le Fante
Caputo	Fraser	Leach
Carney	Frenzel	Leggett
Carter	Frey	Lehman
Cavanaugh	Fuqua	Lent
Cederberg	Gammage	Levitas
Clausen, Don H.	Gaydos	Livingston
Clawson, Del	Gephardt	Lloyd, Calif.
Cleveland	Giaimo	Lloyd, Tenn.
Cochran	Gibbons	Long, La.
Cohen	Gilman	Long, Md.
Coleman	Ginn	Lott
Collins, Ill.	Glickman	Lujan
Collins, Tex.	Goldwater	Luken
Conte	Gonzalez	Lundine
Corcoran	Goodling	McClory
	Gore	McCloskey
	Gradison	McCormack
	Grassley	McDade
	McDonald	Pattison
	McEwen	Pease
	McFall	Pepper
	McHugh	Perkins
	McKay	Pickle
	McKinney	Pike
	Madigan	Poage
	Mahon	Pressler
	Mann	Preyer
	Markey	Price
	Marks	Pursell
	Marlenee	Quayle
	Marriott	Quie
	Martin	Rahall
	Mathis	Railsback
	Mattox	Regula
	Mazzoli	Rhodes
	Meeds	Rinaldo
	Metcalfe	Risenhoover
	Meyner	Roberts
	Michel	Robinson
	Mikulski	Rodino
	Mikva	Roe
	Milford	Rogers
	Miller, Ohio	Roncalio
	Mineta	Rooney
	Minish	Rose
	Mitchell, N.Y.	Rousselot
	Moakley	Rudd
	Moliohan	Runnels
	Montgomery	Ruppe
	Moore	Russo
	Moorhead, Calif.	Ryan
	Moorhead, Pa.	Santini
	Mottl	Sarasin
	Murphy, Ill.	Satterfield
	Murphy, Pa.	Sawyer
	Murtha	Scheuer
	Myers, Gary	Schroeder
	Myers, John	Schulze
	Myers, Michael	Sebelius
	Natcher	Seiberling
	Neal	Sharp
	Nedzi	Shipley
	Nichols	Shuster
	Nix	Sikes
	Nowak	Simon
	O'Brien	Skelton
	Oakar	Skubitz
	Panetta	Slack
	Patten	Smith, Iowa
	Patterson	Smith, Nebr.
		Snyder
		Solarz
		Spellman
		Spence
		Staggers
		Stanton
		Steed
		Steers
		Steiger
		Stockman
		Stratton
		Stump
		Symms
		Taylor
		Thone
		Thornton
		Traxler
		Treen
		Trible
		Tsongas
		Tucker
		Udall
		Ullman
		Van Deerlin
		Vander Jagt
		Vento
		Waggonner
		Walgren
		Walker
		Walsh
		Wampler
		Watkins
		Waxman
		Whalen
		White
		Whitehurst
		Whitley
		Whitten
		Wiggins
		Wilson, Bob
		Wilson, C. H.
		Wilson, Tex.
		Winn
		Wirth
		Wolff
		Wright
		Wydler
		Wylie
		Yates
		Yatron
		Young, Fla.
		Young, Mo.
		Young, Tex.
		Zablocki

NAYS—36

Baldus	Early	Oberstar
Bedell	Edwards, Calif.	Obey
Blouin	Forsythe	Ottinger
Bonior	Harrington	Reuss
Burton, John	Holtzman	Richmond
Burton, Phillip	Kastenmeier	Stark
Carr	Kostmayer	Stokes
Chisholm	Maguire	Studds
Conyers	Miller, Calif.	Thompson
Cornell	Mitchell, Md.	Volkmer
Dellums	Moffett	Weaver
Drinan	Nolan	Weiss

NOT VOTING—37

Applegate	Dicks	Rangel
Aspin	Evans, Del.	Rosenthal
Badillo	Fascell	Rostenkowski
Biaggi	Johnson, Calif.	Roybal
Bolling	Kemp	Sisk
Bonker	Ketchum	St Germain
Brinkley	Koch	Stangeland
Burgener	Lederer	Teague
Chappell	Moss	Vanik
Clay	Murphy, N.Y.	Young, Alaska
Conable	Pettis	Zeferetti
Crane	Pritchard	
Dent	Quillen	

The Clerk announced the following pairs:

On this vote:

Mr. Chappell for, with Mr. Rangel against.
Mr. Teague for, with Mr. Badillo against.
Mr. Murphy of New York for, with Mr. Clay against.
Mr. Zeferetti for, with Mr. Koch against.
Mr. Rostenkowski for, with Mr. Roybal against.

Until further notice:

Mr. Dicks with Mr. Kemp.
Mr. Fascell with Mr. Aspin.
Mr. Sisk with Mr. Bonker.
Mr. St Germain with Mr. Ketchum.
Mr. Biaggi with Mrs. Pettis.
Mr. Brinkley with Mr. Young of Alaska.
Mr. Dent with Mr. Stangeland.
Mr. Johnson of California with Mr. Evans of Delaware.

Mr. Moss with Mr. Pritchard.
Mr. Vanik with Mr. Quillen.
Mr. Rosenthal with Mr. Crane.
Mr. Lederer with Mr. Conable.
Mr. Applegate with Mr. Burgener.

Mr. MILLER of California and Mr. STOKES changed their vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 20: Page 8, line 22, strike out: "*Provided further*, That the Secretary of Defense may transfer up to 3 per centum of the amount of any subdivision of this appropriation to any other subdivision of this appropriation, but no subdivision may hereby be increased by more than 5 per centum and the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority" and insert: *Provided further*, That of this appropriation, not more than $350,000 may be obligated to support the personnel and activities of the Assistant Secretary of Defense for Health Affairs prior to February 1, 1978.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendments of the Senate numbered 20 and concur therein with an amendment, as follows: in lieu of the matter stricken, insert the following:

"*Provided further*, That $845,662,000 shall be available only for the Defense Logistics Agency and $614,583,000 shall be available only for the Civilian Health and Medical Program of the Uniformed Services: *Provided further*, That during fiscal year 1978 the Department of Defense may guarantee loans pursuant to Title III of the Defense Production Act of 1950 as amended (50 U.S.C., Appendix 2091, 64 Stat. 800) in an amount not to exced $5,000,000: *Provided further*, That of this appropriation, not more than $350,000 may be obligated to support the personnel and activities of the Assistant Secretary of Defense for Health Affairs prior to February 1, 1978."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 30: Page 13, line 21, insert:

SECRETARY OF DEFENSE READINESS FUND

For transfer by the Secretary of Defense to any appropriation contained in title III of this Act, to be merged with and to be available for the same purpose as the appropriation to which transferred upon determination by the Secretary of Defense that funds are necessary for high priority items directly associated with maintaining or improving military readiness of the active forces or reserve components of the Department of Defense, and in no case for items or programs for which funds have been denied or reduced by the Congress; $300,000,000: *Provided*, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority: *Provided further*, That transfer authority provided herein shall be in addition to that provided in section 833 of this Act.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 30 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert: "$100,000,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 40: Page 24, line 3, strike out "$2,141,471,000" and insert "$2,150,600,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 40 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$2,176,410,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 41: Page 25, line 12, strike out "$7,417,705,000" and insert "$6,111,600,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 41 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "$7,693,400,000".

The SPEAKER pro tempore. The gentleman from Texas (Mr. MAHON) is recognized for 30 minutes, and the gentleman from Alabama (Mr. EDWARDS) is recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, this is amendment No. 41 and it relates to the B–1 bomber program. This is a very controversial program as the Members of the House know. As the Members also know, we will have a maximum of 1 hour of debate which will be equally divided between the gentleman from Alabama (Mr. EDWARDS) and myself, for the discussion of this motion. For a time I shall yield for debate only but at a later moment I will yield to the gentleman from New York (Mr. ADDABBO) to propose a substitute motion. I shall do that because I promised the House on July 21 when we sent the defense bill to conference that I would make sure, insofar as possible, that the House had an opportunity for an up or down vote on B–1 bomber production. I stated that we would not make an agreement with the Senate and wrap it up in the conference report but that the House would have a further say with regard to the B–1. We will have that clear-cut issue on the Addabbo motion.

The motion which I have made provides for $1.4 billion for the five additional B–1 bombers. It is a program that the House approved at an earlier date when we passed the defense bill. It will be recalled that on that vote in the House those favoring B–1 bomber production were 243 and those opposed were 178. There was a 65–vote margin.

Following the consideration by the House of the measure, the President, as the Members know, proposed the cancellation of B–1 bomber production. It was after that time that the other body took action with respect to the measure. The other body by a vote of 59 to 36 supported the President's recommendation that the B–1 bomber production program for fiscal year 1978 be canceled.

I think it important that Members understand what has been done with regard to the B–1 and what the status is. As I said earlier in the debate on the conference report, we have flying today three prototype B–1's and a fourth is about half completed and will be completed. It is the plan of the administration to use these four research and development aircraft for further testing. That is the administration's proposal. As mentioned in debate today, a rescission is pending which has been sent to the House and Senate with respect to the funds which have been previously provided for B–1 production in the fiscal year 1977 appropriation bill. It is the proposal of the administration, which I am sure most of us understand, that there will be an aggressive research and development program continued.

In the conference report which we have already voted on there were $442 million provided for continued research and development of the B–1. So the President would have the option at a later date to restart the production, which, of course, would be a very expensive operation.

It is also the proposal of the administration that we provide in a special supplemental appropriation bill this month or next month the sum of about $400 million associated with a plan to accelerate the cruise missile program and for other strategic force enhancements. In the conference report which has already been adopted there is about $400 million provided for the cruise missile program. And as I have indicated, under the supplemental request made by the President there is an additional $400 million, or a total of about $800 million, roughly speaking, for the cruise missile program and related projects involving the cruise missile. So that is where we stand today with respect to this matter. I take the position that I have always supported the B–1 myself and I shall continue to support the B–1. I recognize that there are two sides to the issue. I recognize that plans are being considered to use other aircraft as a vehicle to carry the cruise missile. I recognize the fact that considerable funds are being requested to further improve and modernize the B–52 for the purpose of employing the cruise missile. This seems to be about the situation, and Members of the House, of course, have the option of taking whatever steps they feel necessary in regard to the proposal.

It is true that the B–1 has cost us far more than we ever estimated it would cost. It is true that there are various reasons for differences of opinion, and every Member has the responsibility of casting his own vote on this issue. As for myself I support the production of the B–1.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the distinguished chairman for yielding.

I rise in support of the B–1 bomber, but I would like to refer back to June 28, 1977, when the gentleman now in the well said, and I quote:

I personally feel, as I know many of my colleagues do, that we must, in the interest of the security of this country, in the interest of having a well-balanced defense program, and in the interest of helping the President and others who are working toward some sort of accommodation with the Soviet Union with respect to the arms race, approve this amount for the B–1. I am convinced that we need to continue this program. I shall, as in previous years, vote to continue it, as I believe a majority of the Members of this House will.

I would like to ask the distinguished chairman of the Committee on Appropriations if that is still his position as I understand it is.

Mr. MAHON. That is still the position which I take.

Mr. WYLIE. Apparently, then, there was some misunderstanding with the President back on June 28, because it seems to me from the remarks of the gentleman from Texas that there was a clear signal to the gentleman from the White House at that time that the President would support continued funding of the B–1.

Mr. MAHON. Different Members had different views as to what the President would actually do about the B–1. I must agree I had originally thought the President would support the B–1 bomber. I was one of those who went to the White House and discussed the matter with the President and stated my continued support for the B–1.

Mr. WYLIE. So, apparently, as far as your understanding, the President had a change of mind shortly after the statement of the gentleman from Texas on June 28 and then 2 days later made his announcement that he would discontinue production of the B–1. Is that a fair appraisal or not?

Mr. MAHON. I am not clear as to what the gentleman is driving at.

Mr. WYLIE. On June 28 the gentleman from Texas indicated he was supporting the President in that he would favor the continuation of the B–1 program. That was on June 28. Two days thereafter the President announced he favored discontinuation of the B–1 program, so apparently the President changed his mind between June 28 and June 30. Is that a fair analysis of the situation?

Mr. MAHON. The President never did say that he would support the B–1. He had indicated he would not support the B–1 at an earlier date, as I understand it, but I was one of those who thought he would go along with the B–1 program at that time. He did not. But the important point is that my position has nothing to do with the position of the President. My point is I am in support of the B–1 program.

Mr. WYLIE. That was not my understanding. I thank the gentleman.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield myself such time as I may consume.

Mr. FLYNT. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER pro tempore (Mr. BROWN of California). That point of order is not in order in the House at this time.

The gentleman from Alabama is recognized.

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BAUMAN. Mr. Speaker, the Constitution of the United States requires that a quorum be present at all times to conduct business in the House of Representatives. We are sitting in the House and at this time there is a pending motion on an appropriations conference report being debated, and I can count. Obviously there are not 218 Members present. We have no quorum. I make a point of order that under the Constitution, article I, section 5, the House cannot continue to conduct its business in this way without a quorum and I move a call of the House.

The SPEAKER pro tempore. The Chair has discretion to entertain a motion for a call of the House but he cannot entertain a point of order at this time.

Mr. BAUMAN. A parliamentary inquiry. Under what authority does the Chair not entertain a point of no quorum when a quorum is not present?

CALL OF THE HOUSE

Mr. BRADEMAS. Mr. Chairman, I move a call of the House.

The SPEAKER pro tempore. The gentleman from Indiana moves a call of the House.

Under rule XV clause 6(e) the Chair cannot entertain a point of no quorum at this time.

Mr. BAUMAN. A parliamentary inquiry. Does rule XV allow discretion in the Chair whether or not a point of no quorum will be permitted? There is not a quorum present.

The SPEAKER pro tempore. The only discretion the Chair would have under clause 6(e)(2) of rule XV is whether to entertain a motion for a call of the House. The Chair has entertained such a motion.

Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 517]

Archer	English	Murphy, N.Y.
Armstrong	Erlenborn	Pepper
Ashley	Evans, Del.	Pettis
Aspin	Evans, Ga.	Pritchard
Badillo	Fascell	Quillen
Biaggi	Fish	Rahall
Bolling	Flood	Rangel
Bonker	Flowers	Rosenthal
Brinkley	Ford, Mich.	Rostenkowski
Brown, Mich.	Frey	Roybal
Burgener	Gibbons	Santini
Burton, John	Hagedorn	Scheuer
Burton, Phillip	Harsha	Simon
Cederberg	Heckler	Sisk
Chappell	Ichord	St Germain
Clay	Johnson, Calif.	Stangeland
Cleveland	Kemp	Teague
Conable	Ketchum	Thompson
Conyers	Koch	Tucker
Coughlin	Lehman	Udall
Crane	Mathis	Ullman
Davis	Michel	Vanik
Dent	Miller, Calif.	Vento
Dicks	Mitchell, Md.	Waxman
Diggs	Moffett	Wiggins
Drinan	Montgomery	Young, Alaska
Eckhardt	Moss	Zeferetti

The SPEAKER pro tempore. On this rollcall 353 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

The Chair wishes to clarify the point which was raised by the gentleman from Maryland (Mr. BAUMAN) prior to the quorum call, and since the gentleman is perhaps much more familiar with the rules than is the Chair, the Chair wishes to quote clause 6 of rule XV which deals with quorum calls in the House. The provision of the rules which the Chair wishes to cite is specifically clause 6(e)(1), which reads as follows:

Except as provided by subparagraph (2), it shall not be in order to make or entertain a point of order that a quorum is not present unless the Speaker has put the pending motion or proposition to a vote.

In this instance the Speaker pro tempore had not put the pending motion or proposition to a vote to make it possible for a quorum call to qualify under the rules. It is, of course, imperative that the Chair follow the rules in a matter of this sort.

This point has been further stressed by Speaker O'NEILL when the matter has been brought up on previous occasions.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, not that I wish to belabor the point, but the Constitution of the United States, article I, section 5, requires that at all times a majority of the House be present for the conduct of business. The point that I made prior to the quorum call was that there was not a majority of the House present, and in the absence of a majority, any business that would be conducted would not be legally or constitutionally conducted, the rules of the House notwithstanding.

The SPEAKER pro tempore. The gentleman from Maryland (Mr. BAUMAN) is perhaps more familiar with the Constitution than is the Chair, who is not in a position to rule upon the constitutionality of the rule, but the new rule

does not anticipate, according to the understanding of the Chair, that the mere conduct of debate would constitute business in the sense as contemplated by the Constitution, and the rule does provide that a point of order is in order if a question has been put to a vote.

CONFERENCE REPORT ON H.R. 7933, DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1978

The SPEAKER pro tempore. The Chair recognizes the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, President Carter's decision to terminate the production of the B–1 bomber was a mistake.

It just makes no sense whatsoever to cancel production of the B–1 at this particular time—a time when we are involved in sensitive SALT negotiations with the Soviet Union and at a time when most would agree that we need to maintain some kind of strategic bomber force. This program is now pretty far down the road. In the 7 years since the program's inception, we have spent more than $3 billion.

From this perspective, I would say that this was the wrong decision at the wrong time.

The controversy over the B–1 bomber has raged for many years, and I think it is most unfortunate that we now find ourselves actually debating the demise of this much needed weapons system.

The President's decision, according to many, was based primarily on economic considerations. While I am just as concerned as he is about Federal spending, I do not believe that such considerations should be paramount in decisions affecting national security.

The need for the B–1 is clear and simple. We must continue to maintain the strategic triad, consisting of manned bombers, land-based ICBM's, and submarine-launched ballistic missiles. The time has come to replace the aging B–52's if we are to maintain the triad, the foundation of our nuclear strategy.

President Carter is going to place increasing emphasis on the cruise missile in our strategic force planning. The present plan is to improve the B–52's and equip them with air launched cruise missiles. Some of these aircraft would be designated to penetrate Soviet defenses while the remainder of the force would "standoff" outside Soviet defenses and launch their cruise missiles from there. This kind of posture could force the Soviet Union to reorient its massive air defense system, as it is presently structured to cope with penetrating bombers.

This decision is certainly not the end of the world so far as our defenses are concerned. The cruise missile could prove to be very effective in defeating Soviet air defenses and could be the precursor of a new age in strategic systems. But I still believe the President was wrong in terminating the B–1 production, and by doing so, he is seriously shortchanging our defense effort.

Mr. LATTA. Mr. Speaker, will the gentleman yield at this point?

Mr. EDWARDS of Alabama. Yes, I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I thank the gentleman for yielding.

It seems to me that there has been some misinformation supplied the American people by the White House on this issue or, at least, contrary to the information that was given to me as a member of the Committee on the Budget during the last few years.

Mr. Speaker, during this time we had voluminous testimony from the people in the Pentagon who know something about the need for both the cruise missile and the B–1 bomber. We are now being led to believe that these are alternative weapons systems and that we have a choice between the B–1 bomber and the cruise missile. We were informed, when we were studying this matter the past couple of years, that one system would complement the other and that both were essential to our defenses.

I wonder whether the gentleman would address himself to this matter or does he intend to address himself to this matter.

Mr. EDWARDS of Alabama. Mr. Speaker, I think most assuredly that the B–1 bomber and the cruise missile complement each other. There is no question in my mind about that.

The President has obviously made this choice of the cruise missile instead of the B–1 bomber; and he has made it on the basis of upgrading the B–52 at a tremendous cost.

Thinking that we are going to save $20 billion by terminating the B–1 bomber is sheer folly. The money we are going to spend on upgrading the B–52 to try to make it do, at least in part, the job the B–1 would have done is going to be massive.

I do not think that anybody fully knows how much will be spent to upgrade the B–52, but it will be many billions of dollars. Therefore, we are kidding ourselves if we think we are necessarily saving these great amounts of money by terminating the B–1 bomber.

Mr. LATTA. Mr. Speaker, I want to thank the gentleman for clarifying this point because I think it needs clarifying. It needs reemphasizing to the American people that these are not alternative weapon systems but one complements the other and both of them are needed.

If the gentleman will yield further, another matter which is now surfacing in the press in the discussions on these two systems that scares me no end is the fact that we may end up with neither.

Mr. Speaker, may we have order?

The SPEAKER pro tempore. The House will be in order.

Mr. EDWARDS of Alabama. Mr. Speaker, may I say that I appreciate the Speaker getting order. Members have been coming up to me all day long asking when the B–1 issue was going to come up, because they want to hear the debate, then we have the B–1 issue up on the floor and the Members seem to want to enter into little private conversations instead of listening to the debate.

Mr. Speaker, this is an extremely important issue. Whether the Members agree with my position or disagree with it, they need to hear what is being said about the B–1 because we are being literally asked to preside over the demise of the B–1. That is the issue facing us right now.

Mr. LATTA. Mr. Speaker, if the gentleman will yield further, I was about to say that I have heard and read various statements about the matters to be taken up during the SALT II talks and that the cruise missile may now be on the table or will be on the table for negotiation. If this is true, a little further down the road I can see the United States of America not having either of these weapons systems as a result of the administration's unilateral action on the B–1 and the SALT II negotiations. It would be tragic to lose the cruise missile in the SALT II talks and lose the B–1 bomber by a decision of a new, uninformed administration. I do not believe this ought to happen.

Mr. EDWARDS of Alabama. I want to agree with the gentleman from Ohio (Mr. LATTA).

The most distressing thing of all is that the President just unilaterally terminated the B–1 right in the middle of the SALT negotiations. It was the old theory that if we would do that we would be showing such good faith to the Russians that they would also be good guys as well. Mr. Speaker, the Russians just do not play the game that way.

With the SALT talks going on, we had a marvelous opportunity to receive some concessions from the Russians in exchange for termination of the B–1 program.

Mr. Speaker, in my opinion, President Carter really dropped the ball on this one. I urge the House to vote against the termination of the B–1 bomber program.

The primary vote will come on an amendment to be offered by the gentleman from New York (Mr. ADDABBO) and I urge a no vote on the Addabbo amendment.

The B–1 bomber should not be terminated, but even if you believe it should be terminated, we should get something for it at the SALT talks and not do it unilaterally.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague, the gentleman from Alabama (Mr. EDWARDS), yielding to me.

Mr. Speaker, when we had the debate on this issue originally in the House, and then when the President announced that he was going to terminate the production of the B–1 bomber, he indicated at that time that the B–52 could be upgraded and serve as a substitute weapon vehicle. The President then suggested that the B–52 would then be the delivery vehicle for delivering the cruise missiles, is that correct?

Mr. EDWARDS of Alabama. That is correct.

Mr. ROUSSELOT. Is the gentleman telling us today that the cost of upgrading the B–52 is far more expensive than we have been led to believe and that it, in fact, may not be available to provide the total delivery capability if the B–52 is not upgraded?

Mr. EDWARDS of Alabama. I think the B–52 is available to deliver the cruise missile. I would not make an argument that it is not. But, in order to do the job it is going to have to be redesigned, a number of them will have to be redesigned for the purpose of penetrating Soviet Union space and others will be redesigned to stand off and handle the cruise missiles. That is going to be a massive expenditure. As I said earlier, I do not think anybody really knows what the cost will be.

Mr. ROUSSELOT. What estimates have been given to you as to what would be the cost of upgrading the B–52's?

Mr. EDWARDS of Alabama. I have heard numbers up to $13 billion, but I cannot give the gentleman any number. We have not been given any number.

Mr. ROUSSELOT. So the committee has not had a chance to review what the costs will really be?

Mr. EDWARDS of Alabama. The answer to that is "no."

Mr. Speaker, I yield back the remainder of my time.

Mr. MAHON. Mr. Speaker, I yield 4 minutes for purposes of debate only to the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Speaker, by this date, it is apparent that most, if not all, of the pros and cons concerning the production of and the need for the B–1 bomber has been discussed in this Chamber. The need for development of a replacement for the 20-year-old B–52 has been recognized for a long time. It has been a great aircraft, but it has achieved the maximum possible in modernization. As defense weapons improve, the B–52 will have diminishing value as an attack weapon. Unfortunately, the cost of the replacement for the B–52 has escalated to the point that it has been under heavy attack in and out of Congress. Nevertheless, the need has been so obvious that the Ford administration recommended the procurement of eight of the B–1 aircraft in the fiscal year 1978 budget.

Upon assuming office, Mr. Carter proposed a cutback to five production models in the first procurement buy of the B–1.

Recognizing the essentiality of the aircraft, the Congress consistently voted for the B–1 during its developmental stages and the House approved the proposed buy of five aircraft in this year's Defense Appropriations bill by a margin of 65 votes. Almost immediately thereafter, the President cancelled the procurement plans for the B–1. The Senate accepted the President's proposed cancellation but the Conferees voted to bring the item back in disagreement. The House today will decide whether or not there is to be any possibility of procurement of this important aircraft in the foreseeable future.

There is not on the drawing boards another weapons systems to replace the aging B–52. We are told that the cruise missiles can provide a satisfactory alternative, but not a replacement. The promise of an alternative is, at least for the time being, illusory. The cruise missile on which we place such great hopes should prove to be a superior weapon for its purposes when available, but it is not yet in production. It may be years before we have cruise missiles in adequate numbers to be effective. We need both, and we need them as quickly as they can be made available.

I think it is unsound to cancel the B–1 procurement. Undoubtedly, it would be an important deterrent to war. It would provide another needed program for maintaining equivalence between the U.S. and Soviet military strength. I think it folly to say to the American people that we cannot afford five B–1 bombers a year, when the Soviets are building five Backfire bombers a month. The Backfire is a more modern bomber than the B–52. It does not possess the capabilities of the B–1, but the number of Backfires to be procured provide the Soviets with additional security in a major area in which we will be lacking. It should now be clear that the Soviets are not merely seeking parity, but outright "strategic superiority." This is within their reach.

The B–1 should continue to have the support of Congress before the scales are irreparably tipped against us in defense. The proper vote for the B–1 is No on the Addabbo substitute which would strike the B–1 funds.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield 3 minutes to the minority leader for the purpose of debate only.

Mr. RHODES. Mr. Speaker, the B–1 bomber should be built. I do not think that there is any doubt—at least, there is no doubt in my mind—about it. In the first place, I think the concept that we can take a B–52 and modify it and put a cruise missile anywhere near a target is erroneous. The B–52 is a subsonic bomber. It is 25 years old. A cruise missile is only as good as its capability of getting to a target.

In order to get to a target, it has to have a vehicle from which it can be launched. Launching this from a B–52 in my opinion would be just about as effective as trying to launch the latest, most sophisticated surface-to-surface missile from a horse and buggy.

In order to make sure a cruise missile can get to its target we need an airplane which can stand far enough off the borders of the hostile nation and launch missiles which have enough range to get to the target. This just cannot be done in my opinion with the B–52, no matter how we modify it.

So the idea that we have a cruise missile—and we do not have it yet—which is a sufficient substitute for the B–1 is a misconception. We have to have the B–1 and the cruise missile. We cannot have the effectiveness of one without the effectiveness of the other.

Also it is important for us to understand that the 707 aircraft, which is still the work horse of our commercial fleet, was a direct outgrowth of the construction of the KC–135, which was an air tanker. It was a maximum move forward in the construction of fast jet airplanes.

Some years ago the House voted—and I joined in that vote—to kill the SST. I think we were right at that time, but I think the time is coming when we are going to know what it is like to have a big supersonic aircraft. This is just one of the things which a B–1 will give us.

So on balance and for every reason I can think of it is important for us to go ahead with this right now.

Certainly it is also important to understand that we have given it up without any quid pro quo. And the gentleman from Alabama made a very important point when he said that the Russians just do not understand that kind of thing. They do not understand why anyone would give up something without getting something in return. Well, I do not understand it either. It seems to me if we are going to give up the B–1 we ought to do it only in connection with the SALT talk negotiations in which they give up something too. Here we are, giving up the garrison of the 2d Infantry Division in Korea without getting anything back and we are giving up the B–1 bomber without getting anything back in the hope that the Russians will be good guys and understand that maybe they ought to give up something too. Anyone who believes that just does not understand the Russians. They do not understand this type of thing. They do not play by our rule book. I wish they did. If they would play by our rule book maybe they would understand this and some day maybe we would get peace, but they do not.

We want to have a SALT agreement. In order to get some SALT agreement we have to have some bargaining power. So if we do not fund the B–1 for any other reason than to have a trading chip—and I suggest there are many other good reasons—that would be a good enough reason to go ahead with the B–1 bomber.

So I hope we vote against the Addabbo substitute and vote for the motion offered by the gentleman from Texas (Mr. MAHON), my good and longtime friend.

Mr. MAHON. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia (Mr. FLYNT) for purposes of debate only.

Mr. FLYNT. Mr. Speaker, I rise in strong support of the motion offered by the chairman of the Appropriations Committee. I rise in equally strong opposition to the substitute amendment which will be offered to strike all funds for production of the B–1 bomber.

Mr. Speaker, we have put hundreds of millions of dollars into this program, over $3 billion to date. In my opinion we have developed the finest bomber aircraft ever devised by the brain and power of man. We need the B–1. We need the B–1 as the follow-on to the magnificent B–52, but the B–52 is an older aircraft and it cannot serve the defense of this country adequately. Indeed it can not serve the interest of the free world in the out years, the decades which lie ahead of us. It cannot adequately serve the needs of the Air Force, nor can it provide the necessary safety and protection to the men who fly.

Let me briefly in the time allowed try to bring into perspective where we are and where we stand regarding the B–1. First of all, the House of Representatives has consistently, on every occasion on which the issue has arisen, struck down amendments offered to destroy the B–1 program. Beginning in 1971 we defeated an amendment to H.R. 8687, Defense procurement authorization, which proposed to strike $370.2 million for the B–1 long-range bomber by a recorded vote of 97 yeas to 307 nays. In 1972 by a vote of 94 yeas to 279 nays, the House again defeated an amendment to the Defense

procurement authorization bill which proposed to delete the entire $445 million recommended in the bill for research and development of the B–1 bomber. In 1973 an amendment to H.R. 9286 was defeated by a vote of 96 to 313 which proposed to delete $473.5 million for research and development of the B–1. Again in 1974, the House rejected an amendment to the Defense procurement authorization bill, H.R. 14592, which would have deleted $499 million for the continued development of the B–1 manned bomber.

From the period 1975 to 1977, there were four amendments offered to Defense bills to destory the B–1 program which were rejected by the House of Representatives. The amendment to H.R. 6674, Defense procurement authorization, which proposed to delete a $1.89 billion authorization in the bill for initial procurement of the B–1 bomber, was defeated on the floor on May 19, 1975, by a vote of 164 yeas to 227 nays. Last year, we defeated two amendments—to defer expenditure of $960 million recommended in the bill for purchase of three B–1 bombers until the President certified that the purchase was in the national interest and Congress approved the purchase by concurrent resolution, and an amendment to H.R. 14262—Defense appropriations fiscal year 1977—to defer until February 1, 1977, the obligation of funds appropriated for procurement of the first three regular-production B–1 bombers.

That brings us up to the 95th Congress when on June 28, 1977, the House again defeated the amendment to H.R. 7933 which proposed to delete $1.5 billion for the procurement of five B–1 bombers. The Congress thus far in what I believe is its wisdom has funded three B–1 R. & D. aircraft, Nos. 1, 2, and 3. These three are in the flight test stage at the present time. Aircraft No. 4, an additional research and development aircraft, has not only been funded, but is half completed.

Preparation for the B–1 production program began in fiscal year 1976 with the procurement of long lead materials and production engineering. On December 2, 1976, after an intensive review of the need for the B–1, the development program and the production readiness status by senior officials of the Secretary of Defense, Air Force and outside experts, the Secretary of Defense authorized the Air Force to begin production of the first three production aircraft, Nos. 5, 6, and 7.

In February 1977, the Secretary of Defense changed the planned fiscal year 1978 B–1 procurement quantity from eight to five aircraft and reduced procurement quantities in fiscal years 1979 through 1981.

The fiscal year 1978 bill with which we are concerned here today has funds for these five production B–1 aircraft, which we refer to as aircraft Nos. 8, 9, 10, 11, and 12. These are the ones which are primarily involved in the debate here now and in the motion offered by the chairman of the Committee on Appropriations. The first three production aircraft, Nos. 5, 6, and 7 are at the present time subject to a rescission which has been pending since July 19, 1977, and will be addressed by the House of Representatives later this month.

Mr. Speaker, it will cost, according to the best figures that I have, over $790 million to terminate the B–1 program, due to the fact that a lot of the money which has heretofore been appropriated and obligated is for long leadtime requirements for components. Without exaggerating too much, it would take nearly all the storage facility at a large Air Force base to store these aircraft component parts which are already in production and which are going to be paid for regardless of the outcome of this vote which will come up shortly.

Mr. Speaker, I think that it would be the most shortsighted act that this House could participate in to kill this program in its entirety. All of the opponents of the B–1 program say we are going to keep R. & D. alive, but do not be misled, Mr. Speaker, by any such facetious argument as that.

The B–1 was designed to provide the needed modernization for the strategic bomber forces of the United States. Deletion of production funds would eventually serve to eliminate the bomber as an effective element of our TRIAD of deterrent forces. Failure to maintain a bomber force would simplify the enemy targeting problem should he attempt a disarming first strike blow against our strategic forces, simplify his defensive problem against the low altitude penetrating threat, release some of the resources currently committed to bomber defense for the solution of the antisubmarine and ballistic missile defensive problem, remove half of the strategic megatonnage from our force, remove the only recoverable and reuseable strategic weapon from our inventory and remove the unique non-nuclear options provided by the strategic bomber; for example, conventional bombing, ocean surveillance, mining and antishipping.

The B–52, our current heavy strategic bomber, was first flown in the early 1950's and became operational in 1955. The newest B–52 will be 20 years old at the time of the planned B–1 Initial Operational Capability. The Air Force has maintained the B–52 effectiveness through modification; however, further modification efforts are constrained by the B–52 physical age and by technological constraints in its basic aircraft design. Against the increasingly capable and sophisticated defensive system of the Soviet Union, the B–52 is becoming less effective. We have not built a B–52 since 1962.

The B–52 in combination with the cruise missile cannot penetrate Russian defenses. Operationally, against the Russians, the B–52 must launch the cruise missiles at high altitudes. The Russians can easily detect the launching of the cruise missiles at high altitude and defend themselves by destroying them miles before they reach their target. Russian high speed fighters have the capability to intercept our cruise missiles. They can overtake, track, and destroy the subsonic cruise missile launched at altitude.

The B–1 will overcome the projected defenses through higher speed, lower altitude penetration; a lower radar cross section with better electronic countermeasures; additional payload capacity; increased flexibility; hardening against nuclear effects; and a higher alert rate. Without the B–1, the capability and credibility of our bomber force and thus its deterrent value against nuclear war, would be seriously reduced.

Continued funding of the B–1 program is essential to maintaining our strategic forces at the current level of effectiveness. No other bomber modernization alternative provides the capability, flexibility, and growth potential to maintain bomber force effectiveness into the 21st century.

Vote down the Addabbo substitute and vote for the motion offered by the chairman of the Committee on Appropriations.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Speaker, I do not think there are very many of us in this body that would go home to our districts and say, "Let's clean out the firehouses, get rid of our firefighting equipment, because maybe we won't have any more fires."

It is a lot better to have the fire equipment, just as it is with the B–1 bomber, to have it and not need it, than to need it and not have it.

I do not have any sons, I have three daughters, but those of you with sons if you are going to have them drive in the Indianapolis 500, you would not want them to drive a model T Ford; but you are asking the people in the Air Force to fly the old B–52 bomber and junk the B–1. Those B–52 bombers were designed 30 years ago. The last one came off the production line in 1962. We talk about carrying the cruise missile on the B–52 bombers. They are not equipped to do so. They have to build them up to take care of the stress and it will cost millions of dollars.

What about the B–52's? They were shot down like flies in Vietnam. We had 750. I guess we have about 260 left. It is not equipped to handle the problems that we are facing today.

The President's decision to discontinue the B–1 bomber, I think, did great violence to our traditional concept in America of peace through strength. We hope to heaven we will never have to use the B–1 bomber, but if we need it, we ought to have it.

The B–1 is about a third smaller than the B–52. The configuration is such that they can approach a target without being readily detected on radar, contrary to the B–52 which when it comes over the horizon looks like a hangar coming in. They can easily pick it up on radar. That is what we are talking about today.

So, it seems to me that the Addabbo amendment is begging the question that we put just a little money in for R. & D., for research and development. Many of us were at the White House about 4 weeks ago and asked the President specifically, when he said he was not going to discontinue R. & D. but discontinue the B–1 program—I asked him specifically, "Does that mean that we are going to produce planes 5, 6 and 7?"

The answer was, no, just R. & D. for plane 4. That will not do the job. And

at the same time the Soviets are producing Backfire bombers at the rate of four or five per month.

Worse than this, President Carter got absolutely nothing in return from the Russians. It looks like unilateral disarmament when the Commander in Chief wipes out the B–1, cancels Minuteman III as well as SRAM—so, let us keep the B–1 in our inventory and have a posture of peace through strength.

Another area not mentioned is the fact President Carter is compounding unemployment by his ill-advised decision. Rockwell in my district laid off 1,000 persons and at least 10,000 across the Nation. You just cannot break up a team of experts and readily put it back together at some remote time in the future.

Vote for the B–1 and against the Addabbo amendment.

Mr. MAHON. Mr. Speaker, I yield 4 minutes for debate only to the gentleman from New York (Mr. ADDABBO).

Mr. EDWARDS of Alabama. Mr. Speaker, I yield 5 additional minutes to the gentleman from New York (Mr. ADDABBO) for purposes of debate only.

The SPEAKER pro tempore. The gentleman from New York is recognized for 9 minutes.

Mr. ADDABBO. I thank the gentleman from Alabama.

Mr. Speaker, with regard to begging the question of the ineffectiveness of the B–1, as far as I am concerned this Congress, or the last Congress actually, in the 1977 appropriation bill saw the possible cost in effectiveness of the B–1, because when we appropriated $1 billion in the 1977 appropriation bill for three B–1's, we also said that the President, whoever the President shall be in January 1977, will make the decision as to whether to go ahead with the B–1 or not. That was the decision of the Congress. That was in the conference report adopted by the Congress.

The President of the United States, during the campaign, said that the B–1 was not an effective weapon. All he has done has been to reaffirm that by his decision of last July. He has stopped the production; the contract is cancelled.

If we reverse that action by voting against my amendment, this conference report will have to go back to conference with the Senate. They have already approved a production stop. They have cut out the $1 billion for production and have used a good part of that billion dollars to purchase other weapons; more planes, more money for cruise missiles and ships. They have done that, and we have by adoption of the conference report today accepted that fact. We will use that $1 billion for other, more cost effective, weapons.

If we vote down my amendment, we are adding an additional $1 billion, and that $1 billion more could possibly come out of other domestic programs. That is because the figure we are trying to save, or that $1 billion, as I said, has already been used. We would have to have an additional $1 billion if we are to recommence the construction or production of the B–1 bomber.

Today, we have heard talk about the fifth and sixth and seventh B–1 bombers. Those planes, the fifth, the sixth, and the seventh planes, have already been funded in this 1977 appropriation bill. If those funds are to be rescinded, the Congress will have to act again. That is not at issue today. The issue today is whether or not we shall continue with the research and development on the B–1 and support the President's position in the cancellation, which has already been done, in the cancellation of the B–1 bomber contract.

Mr. BURLISON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Speaker, I appreciate the gentleman yielding to me. I would like to commend the gentleman on his statement. As the gentleman knows, I have been a supporter in recent years of the B–1 bomber, but I have never felt that all of the truth was on that side of the issue.

I think that the President has taken a reasonable position in building a rationale around the cruise missile. It will be counterproductive, in my mind, for the House to try to take a position in opposition to what the President has decided and what the Senate has decided on this issue. It is not realistic to contend that the decision can now be turned around.

So I expect to support the gentleman's amendment.

Mr. ADDABBO. I thank the gentleman for his support.

Mr. RYAN. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from California.

Mr. RYAN. I thank the gentleman for yielding.

Mr. Speaker, I would like to support the Addabbo amendment for a reason, perhaps, which is a little bit different from what I have heard here so far.

We are in the process, apparently, of debating whether or not we should have the B–1 bomber. In fact, the Commander in Chief of the Armed Services of the United States of America has said that we will not spend money in this particular direction any longer. That is his judgment. I recognize that this House has a sovereign right, and I would defend that right to the last, to defend any particular Member who chose to debate. But it seems to me we are somewhat futile in our efforts to debate a decision which has already been made. It seems to me that the only thing this House has to do is to decide in what manner we will conclude the debate on the B–1 bomber, and I would suggest to the Members that the only logical place to go with that kind of conclusion is to support the Addabbo amendment.

Mr. ADDABBO. Mr. Speaker, I thank the gentleman for his remarks.

Mr. DOWNEY. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York.

Mr. DOWNEY. I thank the gentleman for yielding.

Mr. Speaker, I do not think there is anybody in this Chamber who has not made up his or her mind on this particular issue. I would like to go over a little history, if I might, on this decision which the President has already made. I was as surprised as anyone, being an opponent of the B–1 bomber by the President's action. But the President really did not do anything that historically has not been done before. In the 1960's, in the mid-1960's, when the Air Force was worried that the B–52's were getting old, they said that what we needed was a plane that flew higher and faster. They proposed that the B–70 be built. The gentleman from New York (Mr. STRATTON), and some other Members thought a high-flying aircraft would not be able to penetrate the Soviet air defenses. It was wisely scrapped by the President and Congress. Low-level penetration became the tactic for the manned bomber, as wisely it should have been. During that period of time, in the late 1960's and early 1970's, when we debated to build the low-level penetrator that improved upon the B–52, we did not know about the future of the cruise missile.

We knew about it historically. The Germans had it first; it was called the buzz bomb. But we really did not know until TERCOM, with the miniaturization of engines and new fuel mixtures, exactly how strong, useful, and capable a cruise missile could be. The advances of the cruise missile is what allowed the President to halt the B–1 bomber. The President does not want to scrap the Triad because the bomber wing is necessary—but there is a more cost-effective alternative and a better military alternative. With the B–52 and the F–111, with cruise missiles, you can have a standoff capability even with some of the range limitations that have been talked about. And, by the way, no range limitation has been at issue formally at the SALT talks. There has been some talk about a 2,500-kilometer-range limitation, but even if that is agreed to, we will find that we have more than sufficient target coverage with the 2,500-kilometer range with our present cruise missile, the Tomahawk.

The President has decided that this is more effective militarily, that the cruise missile, when we talk about radar cross sections, is infinitely smaller than the B–1, and that it would be definitely more effective, not only now but in the future. That is the issue on which the President based his decision.

So when we talk about the Triad system of nuclear defense, the fact is that we are keeping that system and improving it with the cruise missile. When we talk about our having an adequate deterrent that will be not only effective but in the force early, we will have that because we will have an updated system with the cruise missile. The cruise missile will be ready before the B–1's would be operational.

The B–52's are getting old, no one quarrels with that statement, but the requirements for the B–52's through the 1980's and possibly the 1990's will be such that they will be able to do the job. We will have a penetrating capability with the B–52, and a standoff capability.

The President made a wise decision, and it is justified. The President has made his decision, the Senate concurred with it, and the House should not try and negate their decisions now that we know what is going on with these systems.

Mr. Speaker, I think the President has made a wise decision and that the Addabbo amendment should be supported.

Mr. ADDABBO. Mr. Speaker, I thank the gentleman for his comments.

Mr. Speaker, let us review this matter again and reflect on what the B–1 will cost. One of the main reasons the President has decided against the B–1 is that the B–1 is over $100 million a copy.

Not only that, but the B–1 is not coming into the inventory today or tomorrow; it is due to come into the inventory perhaps in 8, 9, or 10 years. We know what the state of the art in defense is in our defense system, and the Russians have one which is just as good. Which makes the B–1 almost obsolete before it is even put into inventory. What is needed is a platform for our missiles and bombs and that platform can be provided by more cost-effective means.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield 1 minute to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Speaker, I rise in strong support of the B–1 bomber and in opposition to the proposed amendment.

I wish to compliment the distinguished gentleman from Florida (Mr. SIKES) for making the telling arguments he presented with regard to the B–1 bomber and the cruise missile. I wish also to compliment the minority leader for the statements he made.

We should be aware of one thing, and that is that the cruise missile as designed is still on the drawing board. It is still in an experimental stage and will not be ready for at least 5 years. The B–1 bomber is the only instrument we may have in our arsenal to protect ourselves and in defense against the comparable Backfire bomber.

The Russians have 250 Backfire bombers which are in operation today. That is a comparable bomber to the B–1. We have only 3 experimental B–1 bombers.

The subsonic, 400-knot cruise missile when developed will need a supersonic near ground level penetration platform for its delivery. A platform which has a nuclear hardened hull to guard it against heat, after blast and ray penetration which would destroy its avionics. This is the B–1 bomber. The obsolete B–52 cannot meet these vital needs.

Mr. Speaker, we need the B–1 for our defense, and I urge we fund the B–1 bomber and vote down the Addabbo amendment.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Speaker. I rise in support of the amendment to delete $1,431 million in budget authority for production of the B–1 bomber. This amendment supports the President's decision to cancel production of the B–1 bomber. The Senate has already taken action to support the President and has deleted production funding for the B–1.

I will not dwell on the pros and cons of the capabilities of the B–1 bomber. This issue has been discussed ad nauseam over the last few years. Rather I would like to concentrate on what the real production situation is today.

The fact is production of the B–1 bomber has stopped. On July 6, 1977 the Air Force issued a termination of work order to the contractors carrying out the President's decision. Restarting at this time would be very expensive. In fact the Air Force indicates that to restart work on aircraft 5, 6, and 7 funded in the fiscal year 1977 program would cost $1,350 million as compared to the $1,073 million which was funded in fiscal year 1977, an increase of $277 million. While no estimate of the cost of producing the five aircraft funded in fiscal year 1978 is available, you can be sure it would be a greater increase than the additional $277 million which would be required in fiscal year 1977.

The President canceled the production of this aircraft because it was too expensive for the improvement in capability provided. To restart production at this time would be even more expensive.

I think we all should remember that the President only canceled production of the B–1 bomber. He did not curtail the research and development funding or program.

Three R. & D. aircraft have been built and are flying. As of August 15, 1977, aircraft No. 1 had flown over 288 hours; aircraft No. 2 had flown over 134 hours; aircraft No. 3 had flown over 275 hours. Aircraft No. 4 is over 50 percent complete, is starting major assembly and is on schedule for a first flight in February, 1979; $442 million in R. & D. funding is approved in this bill for the B–1 program.

My purpose in citing these facts is to emphasize that while production has stopped, a major research and development program goes on and the so-called "B–1 technology" is not being lost or dissipated. The action of the President when confirmed by this amendment, will in fact "keep our options open" to reconsider our action if there is a dramatic change in our need for the B–1 bomber.

In making the decision, the President requested an additional $449 million to accelerate research and development on cruise missiles including a new cruise missile carrier airplane and to modify existing B–52 bombers to enhance their capabilities to meet the projected threat well into the 1980's. This request is now being carefully considered by the Armed Services Committee and is expected to be reported out soon.

I think that this combination of efforts will utlimately provide us with a much stronger defense at a much lower cost.

I urge adoption of the amendment.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield 2 minutes for purposes of debate only to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Speaker, I rise against the Addabbo amendment. Particularly because of what I have learned in the last few weeks. It is frustrating to deal with this problem of secrecy and classified information because of what is kept from the American people but is not kept from us or the Soviets through their excellent intelligence. What reaches the Soviets on a regular basis through our technical journals and leaks takes care of about 90 percent of their intelligence-collecting problem. But how do we share properly with our free, intelligent citizens information that they need as voters to make intelligent decisions.

Over this last district work period I used my particularly valuable congressional district as a base for assimilating as much defense knowledge as I could. My district is a research base in the defense field unlike any other in this country. In it are foundations such as RAND Inc., Research & Development Associates, TRW, Rockwell, Systems Development Corp., Hughes Space & Communication Division, and other incredibly staffed organizations entrusted with our Nation's defense.

I visited many of these places last month. I also visited Los Alamos Nuclear Laboratory, Sandia Laboratories, Lawrence-Livermore Laboratory, Kirkland Air Force Base, and other critically important scientific locations.

Mr. Speaker and my colleagues, those of us who are sick at what is happening to the defense structure of our United States of America are not alone in our fears. The scientific community has been shaken to its very foundations with respect to lack of planning by this administration especially with a decision such as the cancellation of the B–1.

Mr. Speaker, I wish to quote a brilliant scientist—and I will not name him or even his firm because some scientists fear the vengeance of the White House, particularly in California—they fear the cutting of other necessary contracts. Further, people who used to work in the Pentagon are afraid to speak out and express their concern about what is being done to our defense structure, because ugly attacks using buzz words like "military-industrial complex," military mentality, et cetera. But I quote a man who spent almost a decade in one of the top scientist/engineer positions in the Defense Department.

He said:

I do not care if they want to go cruising.

I had never heard that clever expression before.

He said:

But what basing structure are we going to use? How in blazes are we going to base these cruise missiles? What are we talking about in real dollars to convert a C–5 or a 747 or a DC–10, this will definitely cost as much as a B–1 before we are through, particularly with the inflation that this House insists on causing year in and year out.

He added:

I do not care whether the B–1 is dumped if * * * if Carter has a plan. But what is the plan for canceling it? There is no plan expressed by the White House. None. Nothing.

He said:

We are probing in the dark here and the Soviets laugh at us.

My colleagues, I wish we had the time to really discuss this critical matter in the frame of just what has come to my attention during the last 30 days.

But I just do not have the time. I am sick over what is happening to our defenses. The B–1 disaster decision is a disgrace. No master plan at all. Everybody just winning it. Please vote no on this amendment.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Speaker, since June I have taken the time to look behind the President's decision, and I am not persuaded that our Nation has the technical capability that would successfully substitute an air-launched cruise missile for a manned bomber. A case has not been made. I have heard the arguments here in this chamber. I have heard the arguments within the defense industry. I have talked with the experts; but until a case is made that we do have these capabilities, I will support production of a new manned bomber that will give us the defensive capability that is designed to meet current and future needs.

Mr. Speaker, on Armed Forces Day I had the opportunity to visit a SAC base in my district and to climb aboard a B–52. On the panel of the B–52, on the copilot side, was written in pencil, "Manufactured by Krupp Iron Works, 1939."

This, I think, illustrates the low morale of our pilots and crews who have the job of flying this obsolete aircraft. The B–52 was grand in its day but it is 20 years old.

I am very disturbed about the remarks by the gentleman from New York that we are going to try not only to modernize the B–52, but we are going to try to resurrect the TFX. I imagine that if the TFX is resurrected, the copilots will write on the panel, "Manufactured by McNamara Iron Works, 1962."

Mr. Speaker, I cannot vote for a made over bomber for American pilots and crews nor am I willing to gamble our defense on the hope that a cruise missile will be developed.

The current combination of bombers, land-based missiles, and submarine-based missiles is a proven credible deterrent and should remain so. It is successful because it cannot be destroyed, not even by a surprise attack; it can penetrate against the most sophisticated defenses known today; it maintains a hedge against uncertainties or temporary weaknesses in individual weapon system performance; and it denies an adversary the opportunity to concentrate his defensive resources against any one type of system.

If these diverse capabilities are to continue to underwrite our national security strategy, then new weapon systems must be developed—within the framework of current and future arms limitations. The B–1 is such a weapon system.

It is the product of over 10 years of thought, study, design and testing. It embodies all the lessons learned from past weapons programs. The B–1 is designed to survive the enemy's future defenses and has designed-in-growth to cope with the unknowns of the future.

The strength of this Nation's strategic deterrence is in the combination of forces that constitute the Triad. We cannot defend the freedom of Americans on the hope of developing a weapon system that does not exist. We need a new offensive manned bomber. I support the Mahon motion to insist on the House position for production of the B–1 bomber, and oppose the Addabbo substitute.

Mr. EDWARDS of Alabama. Mr. Speaker, for the purpose of debate only, I yield 2 minutes to the gentleman from California (Mr. BADHAM).

Mr. BADHAM. Mr. Speaker and Members of the House, article I, section 8 of the U.S. Constitution makes it very clear as to congressional responsibility to provide for the common defense, to raise and maintain armies, etc.—not the President of the United States, not the Commander in Chief. So we must ask ourselves: Why not the best? And I repeat, why not the best weapons system? The paradox in defensive weapons facing us today is simply this: That the very best weapons system is the best if you never have to use it. That is what we are talking about when we talk about the B–1 bomber. With the B–1 bomber we have the best. We have the best technology available to mankind anywhere on earth today.

The name of the game that no one has brought up today is targeting. With the Soviet Union's buildup, that we all know about, we have a situation of expanding numbers of targets, and with the strategic arms limitations we have a relatively declining number of warheads. The question is, How do we use the warheads that we have and can produce within the limitations, and target them to where we want them to go to our best advantage?

My good friend and colleague, the gentleman from New York (Mr. DOWNEY) made the comment about 2,500 nautical miles as a guideline figure for the distance limitation of cruise missile, but it is not; it is 2,500 kilometers—1,500 nautical miles—and that is critical.

The B–52, if you have visited SAC—and I am sure the gentleman has—is scheduled as a penetrator for delivery of strategic nuclear weapons. Friends, the B–52 as a penetrator delivery system does not have it now and will not have any kind of capability after the mid-1980's because it will be dying of old age.

With strategic arms limits on warheads, the President apparently wants to substitute cruise missile for B–1. This cannot be done, and it was never the argument or the intent until the "post justification" by Secretary of Defense Brown; but look at the record: B–52-delivered SRAM A—short-range attack missile—has been discontinued; B–1-carried SRAM B has been terminated; Minuteman III—with multiple warheads—has been terminated.

And, as a matter of fact, cruise missile is not on line; it is not operational, and the tests thus far are not even very good. We have more available racks to carry SRAM A than we have SRAM A inventory, and we are not building any more.

We have nothing to follow, and there is no strategic bomber production line anywhere in the free world. We have not made the best use of targetable warheads or penetrator technology. I must ask the Commander in Chief when it comes to targeting: Why not the best, Mr. Carter? And in aircraft systems technology: Why not the best, Mr. Carter?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield 1 additional minute to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BADHAM. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, what the gentleman in the well is saying, then, is that we do need the B–1 delivery system and that we cannot rely, as has been implied, upon the B–52 or the upgrading of it, and that it will be very expensive to even try to bring it up to speed. So this is an essential part of our weapons systems and we need it now.

Mr. BADHAM. I thank the gentleman from California (Mr. ROUSSELOT) for his question. To put it very simply, we have targets that, in a defensive exchange, we cannot hit unless we have a follow on delivery system capable of both stand-off and penetration and the B–52 does not have that capability.

Mr. ROUSSELOT. So our vote today is for a highly essential and needed weapons system for the protection of this country?

Mr. BADHAM. For the protection of this country, its citizens and the people that we send out to fly our weapons systems.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. STRATTON) for the purpose of debate only.

(Mr. STRATTON asked and was given permission to revise and extend his remarks.)

Mr. STRATTON. Mr. Speaker, the administration has tried to confuse the issue that is before us by suggesting that we have to make a choice between the cruise missile or the B–1. But that, as the gentleman from Florida (Mr. SIKES) has pointed out, is a non sequitur. The real issue has never been between the B–1 and the cruise missile. We have always counted on a cruise missile sooner or later. That was even part of the Vladivostok discussions. The real question is whether we are going to use the cruise missile in the B–1 or in the B–52.

Secretary Brown has been suggesting that we ought to go to the B–52; but back in 1966 he told the Air Force Association a different story:

> But an even more effective bomber would be needed to replace the B–52 . . . in the mid-1966 mid-1970's if a replacement is needed, and I think it is.

And testifying before our Armed Services Committee in 1966 Secretary Brown said:

> I also want to emphasize that I personally believe that the B–52 G and H when it becomes obsolescent sometime in the mid-1970's ought probably to be replaced by some other bomber, such as the AMSA.

So that is what he thought about the B–52 when he was Secretary of the Air Force.

And once again, here is what the President was told by his own experts when he was considering the B–1 matter, speaking of the B–52:

> The growth potential [of the B–52] to economically and effectively offset future threats is constrained by a physically and technologically aging airframe. Additionally, there is uncertainty in the confidence we would place in the continued safe and efficient operation of an airframe * * * over 25 years old.

And that is the plane that we would have to put our cruise missiles in if we accept the Addabbo substitute.

Members of our committee went out to Strategic Air Command headquarters

the other day, and the commander of the Strategic Air Command made it clear to us that if he has to operate with B–52's and cruise missiles we are going to degrade very substantially our capability to retaliate against the Soviet Union, and would not be able to do as much as we would need to do.

So let us vote down the Addabbo substitute.

Mr. EDWARDS of Alabama. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Pennsylvania (Mr. GARY A. MYERS).

Mr. GARY A. MYERS. Mr. Speaker, I rise in support of the continued funding of the B–1 bomber. I would like to bring to the floor a concern that I have. I read a press account not too long ago that much of the President's decision was swayed by two young Congressmen, the gentleman from New York (Mr. DOWNEY) and the gentleman from Michigan (Mr. CARR) by the fact that they went to the President with some highly secret information that the two obtained in a private briefing on the cruise missile, and the President made his decision on the B–1 bomber on the basis of that information which they brought to light.

I would like to ask the two gentlemen if they feel the press account was accurate and if they feel that the information was so swaying that we should now have a closed session of Congress and have this same information given to us so that we can make our decision in the same light that the President did.

Mr. DOWNEY. Mr. Speaker, will the gentleman yield?

Mr. GARY A. MYERS. I yield to the gentleman from New York.

Mr. DOWNEY. I thank the gentleman for yielding.

Let me respond to the gentleman by simply saying that we have learned something in the committee which was privy to all members of the House Committee on Armed Services that we thought should be brought to the attention of the administration, and that is all we did. We did not speak to the President; we spoke to Secretary Brzezinski.

Mr. GARY A. MYERS. Then the gentleman will not agree with the accuracy of the press account. He appears to say that there was no highly specialized information given to the President which other members of the committee did not have.

Mr. GLICKMAN. Mr. Speaker, I would like to take this opportunity to explain to my colleagues here in the House my decision to vote for the substitute motion to eliminate funds for production of five B–1 bombers which had been included in the earlier House-passed version of this legislation.

Both during floor consideration of the Department of Defense authorization bill and initial House action on the B–1 measure I supported funding for five B–1's. This was in accord with President Carter's advocacy at that time of reducing the B–1 development program to serve research purposes and also was made pending his decision regarding the building of the B–1 bomber.

Though I have always had serious reservations about B–1 production both in terms of principle and the sizable expense involved, for several reasons I felt, and still do that the President's lead should be followed on this sensitive matter. I am very concerned that nothing hinder progress in reducing the amount of arms, particularly nuclear, in the ongoing SALT talks. Coupled with the fact that the President and I share the same basic view on the B–1, I feel that support for his position could be instrumental in assuring the success of those arms control efforts. Hence, I feel that my decision to support him in opposition to continuation of the B–1 program, after he has clearly indicated his own position, is in the national interest, is sound in economic terms, and is defensible in terms of our national security.

Mr. CUNNINGHAM. Mr. Speaker, since the President's decision to unilaterally terminate the B–1 bomber program, I have examined the facts and my conscience. I have talked to the people at home. And I remain convinced that both the decision and the reasons for making it are wrong.

This administration, Mr. Speaker, has been characterized by an apparent willingness to upbraid and insult allies while coddling traditional opponents in the international field, particularly the Soviet Union. The list of such actions is long and I will mention only a few things. The President announced that he was holding up the sale of AWACS surveillance aircraft to Iran because a House subcommittee narrowly voted for a disapproval resolution. He then claimed that the A–7E light attack aircraft was obsolete for our own Navy but too dangerous to sell to Pakistan. Later, he terminated the Minuteman III program—again without getting a thing from the Soviets. And then the B–1 was scrapped.

The Soviets, in the meantime, maintain a tough private and public stance. They can afford to—considering the huge sums that are being poured into the production and research and development of very sophisticated and deadly Soviet weapons systems, many of which have no American opposite number.

Mr. Speaker, during the consideration of the Department of Defense appropriations bill, many careful people argued against the B–1. They voted their conscience, but the House overwhelmingly approved continued B–1 funding.

Two days later, our President who had moralized about never being imperial, slammed that congressional intent down by canceling the B–1. His reason: It cost too much. His secondary reason: A retrofitting of B–52's would cause the Soviets more terror than the B–1, would be more effective, and would cost less. At the same time, the President refused to request significant sums to retrofit the B–52's or to counter statements of the Secretary of Defense that he did not want and would not use retrofitted B–52's.

I cannot appeal to the B–1 opponents.

I can only ask those of you who supported the B–1 earlier not to cave in to the President's whim. This House must be independent of the White House. That is the message that the people have sent to us as a mandate.

To those of you thinking of changing positions, the President offers a promise. That is all—just words. He says that he knows best and that we should trust his judgment in giving up this major weapons system in trade for nothing from the Soviets.

To those of you concerned about our economy, of course, there is another benefit for continuing to support the House's earlier resounding endorsement of the B–1.

The issue is jobs. We now have an unemployment rate of more than 7 percent. The President's actions on the B–1, AWACS, and A–7E and other retreats from defense and technology are costing or promise to cost at least 100,000 jobs to American workers.

Mr. Speaker, to cancel existing bomber contracts will cost nearly as much, in dollars, as building these presently proposed aircraft.

The best defense is ownership of a strong capability. Weapons are only a part of that capability.

For the United States to continue to submit to second class citizenship in international affairs is absolutely abhorrent to all of the things that America has traditionally stood for—and on which our continuing capacity to lead the Western World depends.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, if we believe in the TRIAD, then the B–52 in my humble opinion cannot uphold its part of that strategy. This plane is old. It is not going to make it, in my view, without the expenditure of billions of dollars, into the 1990's and the year 2000. I believe we need a last manned bomber, and I believe that if we build the B–1, it will in fact be the last manned bomber, because I think out in the years 2000 and beyond we will in fact be looking at entirely different systems. I think we need a manned bomber to take us into the year 2000, and the B–1 is the one.

As I stated in my earlier remarks, even if we believe that it ought to be terminated, do not, for goodness sake, take away from us this one tremendous bargaining chip that we have got in SALT. It ought not to be terminated unilaterally. We ought to get something for it, if we are in fact going to terminate the B–1. We can throw that on the table and get some thing for it, but if we kiss it off unilaterally, then we have not gained one thing by giving up the B–1. So I urge the Members to vote against the Addabbo amendment and support the chairman's motion.

Mr. MAHON. Mr. Speaker, I hope we have had a fair debate on the issues. My motion provides for the continuation of the B–1 program, and I rise in further support of my motion and in opposition to the Addabbo amendment.

By previous arrangement, in order to be absolutely fair with the House and give the House an opportunity to work its will, I yield to the gentleman from New York (Mr. ADDABBO) for the purpose of offering an amendment.

AMENDMENT OFFERED BY MR. ADDABBO TO THE MOTION OFFERED BY MR. MAHON

Mr. ADDABBO. Mr. Speaker, I offer an amendment to the motion offered by the gentleman from Texas (Mr. MAHON).

The Clerk read as follows:

Amendment offered by Mr. ADDABBO to the motion offered by Mr. MAHON: In lieu of the sum proposed to be inserted by said motion insert: "$6,262,000,000".

Mr. ADDABBO. Mr. Speaker, I will not take the hour. By previous arrangement and agreement with the chairman of the full committee, the gentleman from Texas (Mr. MAHON), who has been kind enough to recognize me at this time for the purpose of offering this amendment, the agreement was that I would after offering the substitute move the previous question so that we would have a clear vote on the question of whether or not to fund the B–1.

My amendment reduces the figure to the Senate figure. It includes additional funds for the A–10 and includes additional funds for the F–15 and many other planes. In other words, the Senate has taken the $1 billion and has used part of those funds in this amendment to build other needed weapons. My amendment strikes only the production funds in the 1978 defense appropriation bill for the B–1. It continues all the R. & D. funds.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Connecticut (Mr. GIAIMO) for purposes of debate only.

Mr. GIAIMO. Mr. Speaker, I rise in support of the amendment offered by the gentleman from New York (Mr. ADDABBO).

I speak as one who until this year has supported the B–1 bomber. This year I have changed my mind and, let me note quickly, I changed my mind before I knew what the President was going to do: I now oppose the B–1 bomber because of its excessive cost and because new technology for the cruise missile has been developed.

We are talking about a $100 million airplane, $100 million a plane to deliver nuclear weapons including SRAM missiles for strategic nuclear warfare.

The cruise missile, which can do the job much better, has now been successfully developed. Also now look-down-type radar has been developed and installed in our operating aircraft. Undoubtedly other adversary nations will soon have the same capability. In my opinion and in the opinion of many others look-down radar will destroy the capability of the low-flying B–1 airplane to penetrate enemy airspace and to deliver its bomb on target.

I think that the President has acted wisely and courageously in making his decision.

His decision is: "Do not go into production. Continue research and development of the technology for a new low-flying bomber, but hold up on production particularly when we are talking about such an expensive piece of hardware as the B–1 bomber. It is a $100 million airplane with a highly questionable capability as to whether it will be able to do the job."

I submit that the security of the United States is not jeopardized. The Triad concept is still in existence. We will have B–52 aircraft into the 1980's. What will replace the B–52 which is the third portion of the Triad? We can continue our research and development on that. We can continue developing and improving our cruise missile. But let us hold up on this very expensive and probably wasteful airplane known as the B–1.

That is what the President of the United States is saying. That is what caused me to change my mind this year after voting for several years for the B–1 bomber. If I thought it was absolutely necessary to the security of this country I would still be supporting it. But I think it is not, and I have confidence that the President's decision will not adversely affect our national security.

Let us hold up on wasteful spending on armaments that will not accomplish the job we want them to do. Our security will be preserved.

I commend the gentleman from New York for his courage in offering the amendment, and I urge its adoption.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield for one question?

Mr. ADDABBO. Yes.

Mr. ALEXANDER. I would like to ask the gentleman from Connecticut (Mr. GIAIMO) one question, if I may.

First, let me pay my respects for the gentleman's judgment that I value. The gentleman made the statement that along has come the cruise missile. The question is, Is the gentleman from Connecticut convinced in the gentleman's own mind that we have the present technological capability to substitute a cruise missile with a guidance system that will target an offensive weapon to its designed destination that will effectively replace a manned bomber?

Mr. GIAIMO. Mr. Speaker, if the gentleman will yield, first of all, we are talking about two weapons systems, neither of which is in production. However, we have had great success in the development of the cruise missile. As a matter of fact, by checking with people on the Committee on Armed Services, on the Committee on Appropriations, and elsewhere, I am informed that we do have the technology now, that we can develop it further, and that we can have that cruise missile capability before we would have the B–1 bomber capability.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman and I urge every Member to examine the question carefully.

Mr. ADDABBO. Mr. Speaker, I move the previous question on the amendment to the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from New York (Mr. ADDABBO) to the motion offered by the gentleman from Texas (Mr. MAHON).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. ADDABBO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 202, nays 199, not voting 33, as follows:

[Roll No. 518]

YEAS—202

Addabbo	Ford, Tenn.	Neal
Akaka	Forsythe	Nedzi
Allen	Fowler	Nix
Ammerman	Fraser	Nolan
Anderson, Ill.	Frenzel	Nowak
Andrews, N.C.	Gaydos	Oberstar
Ashley	Gephardt	Obey
Baldus	Giaimo	Ottinger
Baucus	Gibbons	Panetta
Beard, R.I.	Glickman	Patten
Bedell	Gore	Pattison
Bellenson	Grassley	Pease
Benjamin	Hamilton	Pepper
Bingham	Hanley	Perkins
Blanchard	Harkin	Pike
Blouin	Harrington	Pressler
Boland	Harris	Preyer
Bonior	Heckler	Pursell
Brademas	Hefner	Quayle
Brodhead	Heftel	Quie
Brooks	Holtzman	Railsback
Broomfield	Horton	Reuss
Brown, Calif.	Howard	Richmond
Buchanan	Hughes	Rodino
Burke, Mass.	Ireland	Roe
Burlison, Mo.	Jacobs	Rogers
Burton, John	Jeffords	Roncalio
Burton, Phillip	Johnson, Colo.	Rooney
Caputo	Jordan	Rosenthal
Carr	Kastenmeier	Russo
Cavanaugh	Keys	Ryan
Chisholm	Kildee	Santini
Cohen	Kostmayer	Sarasin
Collins, Ill.	Krebs	Sawyer
Conte	LaFalce	Scheuer
Conyers	LeFante	Schroeder
Corman	Leach	Seiberling
Cornell	Lederer	Sharp
Cornwell	Leggett	Shipley
Cotter	Lehman	Simon
Coughlin	Long, Md.	Smith, Iowa
D'Amours	Lundine	Solarz
Delaney	McCloskey	Spellman
Dellums	McCormack	St Germain
Diggs	McDade	Stark
Dingell	McHugh	Steers
Dodd	McKinney	Steiger
Downey	Maguire	Stokes
Drinan	Markey	Studds
Duncan, Oreg.	Marks	Thompson
Early	Mattox	Traxler
Eckhardt	Mazzoli	Tsongas
Edgar	Meeds	Tucker
Edwards, Calif.	Metcalfe	Udall
Eilberg	Meyner	Ullman
Emery	Mikulski	Van Deerlin
Ertel	Mikva	Vento
Evans, Colo.	Miller, Calif.	Volkmer
Evans, Del.	Mineta	Walgren
Evans, Ind.	Minish	Waxman
Fenwick	Mitchell, Md.	Weaver
Findley	Moakley	Weiss
Fisher	Moffett	Whalen
Fithian	Moorhead, Pa.	Wirth
Flippo	Mottl	Wright
Florio	Murphy, Ill.	Yates
Foley	Murphy, Pa.	
Ford, Mich.	Myers, Michael	

NAYS—199

Abdnor	Applegate	Bauman
Alexander	Archer	Beard, Tenn.
Anderson, Calif.	Armstrong	Bennett
	Ashbrook	Bevill
Andrews, N. Dak.	Badham	Boggs
	Bafalis	Bowen
Annunzio	Barnard	Breaux

Breckinridge	Hansen	Patterson
Brinkley	Harsha	Pickle
Brown, Mich.	Hawkins	Poage
Brown, Ohio	Hightower	Price
Broyhill	Hillis	Rahall
Burgener	Holland	Regula
Burke, Calif.	Hollenbeck	Rhodes
Burke, Fla.	Holt	Rinaldo
Burleson, Tex.	Hubbard	Risenhoover
Butler	Huckaby	Roberts
Byron	Hyde	Robinson
Carney	Ichord	Rose
Carter	Jenkins	Rousselot
Cederberg	Jenrette	Rudd
Clausen, Don H.	Jones, N.C.	Runnels
	Jones, Okla.	Ruppe
Clawson, Del	Jones, Tenn.	Satterfield
Cleveland	Kasten	Schulze
Cochran	Kazen	Sebelius
Coleman	Kelly	Shuster
Collins, Tex.	Kindness	Sikes
Corcoran	Krueger	Skelton
Crane	Lagomarsino	Skubitz
Cunningham	Latta	Slack
Daniel, Dan	Lent	Smith, Nebr.
Daniel, R. W.	Levitas	Snyder
Danielson	Livingston	Spence
Davis	Lloyd, Calif.	Staggers
de la Garza	Lloyd, Tenn.	Stanton
Derrick	Long, La.	Steed
Derwinski	Lott	Stockman
Devine	Lujan	Stratton
Dickinson	Luken	Stump
Dornan	McClory	Taylor
Duncan, Tenn.	McDonald	Teague
Edwards, Ala.	McEwen	Thone
Edwards, Okla.	McFall	Thornton
English	McKay	Treen
Evans, Ga.	Madigan	Trible
Fary	Mahon	Vander Jagt
Fish	Mann	Waggonner
Flood	Marlenee	Walker
Flowers	Marriott	Walsh
Flynt	Martin	Wampler
Fountain	Mathis	Watkins
Frey	Michel	White
Fuqua	Milford	Whitehurst
Gammage	Miller, Ohio	Whitley
Gilman	Mitchell, N.Y.	Whitten
Ginn	Mollohan	Wiggins
Goldwater	Montgomery	Wilson, Bob
Gonzalez	Moore	Wilson, C. H.
Goodling	Moorhead, Calif.	Wilson, Tex.
Gradison		Winn
Gudger	Murtha	Wydler
Guyer	Myers, Gary	Wylie
Hagedorn	Myers, John	Yatron
Hall	Natcher	Young, Fla.
Hammer-schmidt	Nichols	Young, Mo.
	O'Brien	Young, Tex.
Hannaford	Oakar	Zablocki

NOT VOTING—33

Ambro	Dicks	Quillen
Aspin	Erlenborn	Rangel
AuCoin	Fascell	Rostenkowski
Badillo	Johnson, Calif.	Roybal
Biaggi	Kemp	Sisk
Bolling	Ketchum	Stangeland
Bonker	Koch	Symms
Chappell	Moss	Vanik
Clay	Murphy, N.Y.	Wolff
Conable	Pettis	Young, Alaska
Dent	Pritchard	Zeferetti

The Clerk announced the following pairs:

On this vote:

Mr. Biaggi for, with Mr. Chappell against.

Mr. Dicks for, with Mr. Murphy of New York against.

Mr. Badillo for, with Mr. Kemp against.

Mr. Pitchard for, with Mr. Sisk against.

Mr. Koch for, with Mr. Stangeland against.

Mr. Clay for, with Mr. Symms against.

Mr. Wolff for, with Mr. Quillen against.

Mr. Rangel for, with Mr. Zeferetti against.

Mr. AuCoin for, with Mr. Young of Alaska against.

Mr. Bonker for, with Mr. Erlenborn against.

Mr. Vanik for, with Mr. Rostenkowski against.

Mr. Ambro for, with Mr. Johnson of California against.

Until further notice:

Mr. Fascell with Mr. Roybal.

Mr. Aspin with Mr. Moss.

Mr. MINISH and Mr. PEPPER changed their vote from "nay" to "yea."

Mr. YOUNG of Missouri changed his vote from "yea" to "nay."

So the amendment to the motion was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. MAHON), as amended.

The motion, as amended, was agreed to.

PERSONAL EXPLANATION

Mr. AMBRO. Mr. Speaker, at 1:04 p.m. this afternoon, the bells rang for a vote on the Addabbo amendment to the conference report on H.R. 7933, the Department of Defense appropriation bill. Four minutes earlier, I had entered a shielded, soundproof room in the House recording studio to make a radio tape with my colleague from Long Island, LESTER WOLFF.

Unfortunately, neither the bells which the House recording studio director admits failed nor my backup page system penetrated the shielding of this room, and neither Representative WOLFF nor I had any awareness that this vote was in progress. We both missed the vote. If I had been present, I would have voted with the majority to approve the Addabbo amendment to delete funds for production of the B–1 bomber, and I appreciate the courtesy of a live pair.

Mr. Speaker, I am appending hereto a letter from William C. Moody, Director of House Recording Studio, which further attests to the comedy of errors.

The letter follows:

OFFICE OF THE CLERK,
Washington, D.C., September 9, 1977.

Honorable JEROME A. AMBRO,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN AMBRO: In response to your request of yesterday, this letter is to explain the circumstances which caused you to miss the vote on the Amendment to the Conference Report which would have struck funding for the B–1 Bomber.

As you know, yesterday, Thursday, September 8, 1977, between approximately 1:00 and 1:30 p.m., you were in the Studio recording a radio program. During this period of time, the above mentioned vote was taken.

Whenever a vote is in progress, it is Studio procedure to notify a Representative who is recording. Through human error, we failed to so notify you yesterday.

I sincerely regret any inconvenience this may have caused you and fully accept the responsibility. I would like to assure you that our notification system is now under review so that this situation may never again recur.

Sincerely,

WILLIAM C. MOODY,
Studio Director.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 46: Page 28, line 9, strike out "$2,394,108,000" and insert "$2,402,758,000,".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 46 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$2,417,882,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 47: Page 25, line 17, strike out "$3,895,517,000" and insert "$4,032,214,000,".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 47 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$3,991,791,000: *Provided*, That none of the funds appropriated for the Shipboard Intermediate Range Combat System program shall be available unless extended in compliance with existing acquisition policies and procedures prescribed in Office of Management and Budget Circular A–109".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 54: Page 51, line 5, insert:

SEC. 836. (a) The Secretary of Defense shall require all prime contractors receiving contract awards of $10,000 or more from the Department of Defense to file a report with the Secretary at the end of the year showing the amount of Department of Defense work (in terms of dollars) each such contractor had performed by subcontractors during such year and to identify the State or States in which each subcontractor performed the work subcontracted to it.

(b) The Secretary of Defense shall submit a report annually to the Congress showing, on a State-by-State basis, the total amount of Department of Defense funds paid to subcontractors, during the year for which the report is submitted, by the prime contractors described in subsection (a).

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 54 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert: "$500,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 63: Page 54, line 12, insert: "changes; (f) reimbursement of any physician or other authorized individual provider of medical care in excess of the seventy-fifth percentile of the customary charges made for similar services in the same locality where the medical care was furnished; (g) payment of any type of health service (other than emergency physician or emergency hospital service) unless—

(1) it is authorized to be made on the basis of reasonable charge, the amount of the payment therefor is established on the basis of reasonable charge, as determined in accordance with the criteria employed under title XVIII of the Social Security Act, or

(2) it is authorized to be made on the basis of reasonable cost, the amount of the payment therefor is established on the basis of reasonable cost, as determined in accordance with the criteria employed under title XVIII of the Social Security Act:

Provided, That, notwithstanding any other provision of law, medical facilities participating in Medicare programs under title XVIII and title XIX of the Social Security Act, except medical facilities with annual CHAMPUS payments of under $50,000, shall be required to accept CHAMPUS payments under the charge described in this paragraph as payment in full for services rendered; (h) payment to a provider or to reimburse a sponsor or beneficiary for the first $60 of the charges for each admission as an inpatient in a hospital, other than a hospital operated by the Uniformed Services, for the care provided dependents of active duty members: *Provided*, That in connection with this section multiple admissions during the course of a pregnancy shall be deemed to be a single admission; or (i) any service or supply which is not medically necessary to diagnose and treat a mental or physical illness, injury, or bodily malfunction as diagnosed by a physician, dentist, or a clinical psychologist, as appropriate.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 63 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment insert: "changes; (f) reimbursement of any physician or other authorized individual provider of medical care in excess of the seventy-fifth percentile of the customary charges made for similar services in the same locality where the medical care was furnished; or (g) any service or supply which is not medically or psychologically necessary to diagnose and treat a mental or physical illness, injury, or bodily malfunction as diagnosed by a physician, dentist, or a clinical psychologist, as appropriate, except as authorized by section 1079(a)(4) of title 10, United States Code."

The SPEAKER pro tempore. The gentleman from Texas (Mr. MAHON) and the gentleman from Alabama (Mr. EDWARDS) are recognized for 30 minutes each.

The Chair recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Speaker, on July 29, 1977 I introduced H.R. 8647, a bill which would establish a ceiling for payments to physicians under CHAMPUS not in excess of the 90th percentile. In essence, that means that reimbursement for physicians or other authorized providers of medical care could be paid to a limit of the 90th percentile of the customary charges for those services in the locality where the medical care was furnished.

Further, that measure would require updating the fee schedules on a yearly basis.

As a member of the Military Personnel Subcommittee of the House Armed Services Committee, I became convinced during recent hearings on health care for military personnel and their dependents that the basic problem among physicians and among beneficiaries rested with outdated fee schedules and payments to physicians below what was considered to be a fair and reasonable fee in the geographical area where the service was rendered.

Time after time the representatives of service organizations and individuals who communicated with the Armed Services Committee made it abundantly clear that CHAMPUS was much more effective and responsive to health care needs where fee schedules were set at the 90th percentile and were updated more frequently than every 18 months or 2 years.

Accordingly, Mr. Speaker, while I oppose the provision of amendment No. 63 which would set a limit on schedules at the 75th percentile, I will not attempt to block approval of the conference report, knowing the necessity to have the fiscal year 1978 defense appropriations bill enacted into law. But, I will press vigorously for the enactment of H.R. 8647 with regard to the 90th percentile and urge my colleagues on the Appropriations Committee to recognize the practicalities of the situation and the absolute need to improve the responsiveness of CHAMPUS. This urgent need comes at a time when health care delivery in military facilities requires that beneficiaries, particularly in the retired community, must depend more and more on CHAMPUS, even though their ability to finance civilian health care is increasingly restrained by spiraling costs. Your support of H.R. 8647 at such time as it reaches the floor will be appreciated.

I might in closing say to the Chairman of the Appropriations Committee that it seems to me that as we stress and strain to make the volunteer system work, the more we take back and hold back what used to be accepted such as the 90 percentile by regulation—that was in place previously by regulation of DOD—the harder it becomes to attract and keep people in the service.

The other thing that is going on is there is a shortage of physicians in the armed services, and because of this, hospitals are being closed at various bases. In the last 18 months or 2 years the last two remaining military hospitals in the State of Indiana have been converted or down-phased to more or less outpatient emergency facilities. This places the military dependents, and retirees for most of their medical care on the civilian community and upon reliance on CHAMPUS. If CHAMPUS is going to be outdated or down-phased where many physicians in some States will not even accept payment from them, telling the dependents or the military family, "You pay my bill; you file for a refund," we just are not doing the job that should be done. For our people in service.

I know that this has been a very hard fought issue in the conference, and I salute the House Members of the conferees for standing firm because I know the Senate version was considerably more short shrift than this. But I did want my colleagues to be aware of the problem and the fact that there is legislation pending, and I hope hearings will be forthcoming soon when authorization legislation can come forward to raise this appropriation bill from the 75 percentile to the 90 percentile for payments to physicians and other authorized providers of medical care to members of the armed services, their dependents and to eligible retirees from the uniform services.

Mr. MAHON. Mr. Speaker, I yield such time as he may require to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Speaker, amendment No. 63 to the defense appropriations bill for fiscal year 1978 is reported in technical disagreement but with a motion to recede to concur in the Senate amendment with an amendment which would include a prohibition against providing payments for medical care to physicians on a scale in excess of the 75th percentile of the customary charges made for similar services in the same locality. There are other provisions of the amendment which are not pertinent to my comments.

Mr. Speaker, I strongly oppose the language of the amendment regarding the 75th percentile, since the problems created by such a restraint lie at the root of the difficulties thousands of patients are having in receiving care under CHAMPUS. For those who may be strangers to that acronym, CHAMPUS stands for the civilian health and medical program of the uniformed services.

That program is intended to be an extension of military medical care through services in the civilian community on a cost-sharing basis. It is not a health insurance program. The restriction of payments to health care providers at the 75th percentile has caused a large number of responsible physicians to abandon the program and to require patients to pay an additional amount not intended by the Congress.

Current hearings in the Armed Services Military Personnel Subcommittee, of which I am chairman, have convinced me beyond reasonable doubt that setting payments at the 90th percentile and to require upgraded physicians fee schedules at least on a 12-month basis would cure most of the ills regarding health care delivery under CHAMPUS. The subcommittee is currently conducting an inquiry into the entire question of military health care, including CHAMPUS, and among other bills, has before it H.R. 8647, which would limit customary charges at the 90th percentile and provide for upgraded fee schedules every 12 months.

We expect to report favorably on H.R. 8647 and obviously oppose the provision of Senate amendment No. 63 with the amendment which would set the fee schedule limit at the 75th percentile. However, Mr. Speaker, in the interest of not obstructing enactment of the appropriations bill, I will not oppose the report, but wish to make it clear on the record that the Military Personnel Subcommittee will be moving forward on CHAMPUS matters, and we trust that the membership will support these initiatives in the interest of improving medical care for the hundreds of thousands of eligible CHAMPUS beneficiaries.

I might say in addition to that, one of the big problems in military hospitals is the inability to get the doctors we need in many of the specialties. This is forcing military personnel dependents to go into the CHAMPUS programs. Because they are forced by lack of doctors to go into the CHAMPUS programs and because of the 75th percentile now under

the program, these people are now unable to afford proper medical care.

It is important that we up this percentile to the 90th percentile, especially since this Congress and the services of this Nation have been unable to provide adequate, necessary medical care for retirees and military personnel dependents.

Mr. EDWARDS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Speaker, is the gentleman saying in substance he supports the Hillis bill or the Hillis approach to this matter?

Mr. WHITE. I just walked in from the telephones. If the gentleman from Alabama will give me a brief résumé of the Hillis approach, I will be glad to answer.

Mr. EDWARDS of Alabama. If the gentleman will yield to the gentleman from Indiana (Mr. HILLIS), perhaps he can answer.

Mr. HILLIS. Mr. Speaker, if the gentleman will yield, my bill is the bill which the gentleman referred to in his statement—H.R. 8647.

Mr. WHITE. That is H.R. 8647. That is the bill we support. Absolutely. I hope soon we will get this bill out. Perhaps in the next 3 weeks we can have adequate hearings and then report this bill out for the House to consider at the appropriate time under the rules.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Texas (Mr. KAZEN).

Mr. KAZEN. Mr. Speaker, I associate myself with the remarks of the gentleman from Texas (Mr. WHITE). I ask the gentleman whether or not when our bill is presented, the bill the gentleman from Texas has been talking about and in which the gentleman from Indiana (Mr. HILLIS) has an interest, when that comes out of our subcommittee, will the situation be cured?

Mr. WHITE. I think in great measure the situation will be cured. But there is one other adjunct we have to have and that is to bring the fees of the doctors to a more current level. Now they are tied to a social security lag which of course makes their fee schedule unrealistic. That upgrading plus the 90 percentile I think will cure a great many of our present problems.

Mr. KAZEN. I agree with the gentleman. I do not think there is a single Member of this House who has not heard from his constituents about the hardships they are going through under this CHAMPUS program at this time. Certainly we do not want to reduce medical care to those people to whom we promised to give it.

Mr. WHITE. We cannot if we want the volunteer program to continue to be a viable factor in our defense.

Mr. MAHON. Mr. Speaker, a large number of items related to the CHAMPUS program had to be resolved by the conferees. The Senate added provisions to section 843 of the bill that established in law the 75th percentile as the highest rate that CHAMPUS will reimburse a physician. This means that CHAMPUS will not pay more than what 75 percent of the physicians in the same locality charge for a similar type of health service. This rate has already been established by the DOD through administrative directives.

The Senate version also would have required that hospital costs be reimbursed at the same rates as established for medicare programs under titles XVIII and XIX of the Social Security Act. Hospital payments for CHAMPUS users are currently higher than those allowed under medicare.

The Senate version of the bill would also have required that the beneficiary pay the first $60 of each hospital admission instead of the current $25 charge.

While the majority of the House conferees were not in favor of any of these provisions, it was necessary to recede to the Senate on the 75 percentile payment for physician services. This was the least controversial of the items since the DOD already uses the 75 percentile criteria. The Senate in return receded with respect to using medicare rates for reimbursement to hospitals and to the $60 admission charge.

In addition, the Senate report suggested that CHAMPUS pay for medical related services such as "biofeedback," clinical psychologists, and nurse midwives. The conferees agreed to allow payments for clinical psychologists and nurse midwives provided that a physician has determined the services to be medically necessary. Payments for biofeedback procedures and diagnosis are not permitted.

Mr. MAHON. Mr. Speaker, I ask for a vote on the motion.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. MAHON).

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 67, page 57, line 18, strike out:

SEC. 852. (a) None of the funds appropriated by this Act may be used to (1) convert base operating support functions, excluding real property maintenance and repair, to commercial contract during the period October 1, 1977, through September 30, 1978, or (2) to fund continued performance during fiscal year 1978 of base operating support contracts, excluding real property maintenance and repair, awarded between the date of enactment of this Act and September 30, 1977, which convert base operating support activities performed by employees of the Government of the United States to commercial contract.

(b) None of the funds appropriated by this Act may be obligated for commercial contracts to be physically performed at an installation or facility including leased facilities for the following types of work: (1) weapons system engineering and logistical support; (2) ship, aircraft, missile, automotive and tracked vehicle intermediate level maintenance or depot maintenance; or (3) research, development, test, and evaluation, if the percentage of such type of work to be physically performed at an installation or facility during fiscal year 1978 by commercial contract would exceed the percentage of such type of work physically performed at that installation or facility by commercial contract during fiscal year 1977.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 67 and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert:

"SEC. 852. (a) None of the funds appropriated by this Act may be used to (1) convert base operating support functions, excluding real property maintenance and repair, to commercial contract during the period October 1, 1977, through September 30, 1978, or (2) to fund continued performance during fiscal year 1978 of base operating support contracts, excluding real property maintenance and repair, awarded between the date of enactment of this Act and September 30, 1977, which convert base operating support activities performed by employees of the Government of the United States to commercial contract.

(b) None of the funds appropriated by this Act may be obligated for commercial contracts to be physically performed at an installation or facility including leased facilities for the following types of work: (1) weapons system engineering and logistical support; (2) ship, aircraft, missile, automotive and tracked vehicle intermediate level maintenance or depot maintenance; or (3) research, development, test, and evaluation, if the work to be physically performed at an installation or facility during fiscal year 1978 by commercial contracts would result in a reduction of employees of the Government of the United States at that installation or facility."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 71: Page 59, line 22, insert:

SEC. 855. Effective October 1, 1977, no appropriation contained in this Act shall be available to fund any costs of a Senior Reserve Officers' Training Corps unit—except to complete training of personnel enrolled in Military Science 4—which in its junior year class (Military Science 3) has for the four preceding academic years, and as of September 30, 1977, enrolled less than (a) seventeen students where the institution prescribes a four-year or a combination four- and two-year program; or (b) twelve students where the institution prescribes a two-year program: *Provided*, That, notwithstanding the foregoing limitation, funds shall be available to maintain one Senator Reserve Officers' Training Corps unit in each State.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 71 and concur therein with an amendment, as follows:

Restore the matter stricken, delete the period at the end of the section and insert the following: "and at each State-operated maritime academy: *Provided further*, That units under the consortium system shall be considered as a single unit for purposes of evaluation of productivity under this provision."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 76: Page 62, line 12, insert:

SEC. 856. The appropriation, "Shipbuilding and Conversion, Navy", which would expire for obligation on September 30, 1977, shall remain available for obligation until September 30, 1979.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 76 and concur therein with an amendment, as follows: In lieu of the section number proposed in said number, insert: "860".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 82: Page 64, line 12, insert:

OFFICE OF FEDERAL PROCUREMENT POLICY

For expenses of the Office of Federal Procurement Policy, $2,000,000: *Provided*, That upon enactment of this Act, this amount shall be transferred to and merged with appropriations provided under the same head in the Treasury, Postal Service and General Government Appropriations Act, 1978.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 82 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert: "$1,000,000".

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks in regard to the conference report just considered and the various amendments which have been before the House this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SECOND CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1978

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 341) revising the congressional budget for the U.S. Government for the fiscal year 1978.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 341), with Mr. NEDZI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Wednesday, September 7, 1977, all time for general debate on the concurrent resolution had expired.

Pursuant to clause 8 of rule XXIII, the concurrent resolution is considered as having been read for amendment and open to amendment at any point.

Are there any amendments?

AMENDMENT OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GIAIMO: In the matter relating to the recommended level of Federal revenues strike out "$399,900,000,000" and insert in lieu thereof "$398,108,000,000";

In the matter relating to the amount by which the aggregate level of Federal revenues should be increased strike out the word "increased" and insert in lieu thereof "decreased" and strike out "$891,000,000" and insert in lieu thereof "$901,000,000";

In the matter relating to the appropriate level of total new budget authority strike out "$509,806,000,000" and insert in lieu thereof "$507,343,000,000";

In the matter relating to the appropriate level of total budget outlays strike out "$458,503,000,000" and insert in lieu thereof "$458,676,000,000";

In the matter relating to the amount of the deficit strike out "$58,603,000,000" and insert in lieu thereof "$60,568,000,000";

In the matter relating to the appropriate level of the public debt strike out "$778,900,000,000" and insert in lieu thereof "$780,865,000,000";

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, strike out "$78,900,000,000" and insert in lieu thereof "$80,865,000,000".

In the matter relating to function 050: National Defense strike out "$115,787,000,000" in budget authority and insert in lieu thereof "$116,324,000,000"; and strike out "$110,165,000,000" in outlays and insert in lieu thereof "$110,338,000,000".

In the matter relating to function 400: Commerce and Transportation strike out "$25,445,000,000" in budget authority and insert in lieu thereof "$22,445,000,000".

Mr. GIAIMO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GIAIMO. Mr. Chairman, on behalf of the Budget Committee, I offer a committee amendment which revises House Concurrent Resolution 341 in three respects:

First, it reduces revenues by approximately $1.8 billion to reflect the House's action on the National Energy Act to eliminate proposed increases in the gasoline tax and the general aviation fuel tax;

Second, it increases budget authority by $537 million and outlays by $173 million in the national defense function to conform the amount in the resolution to the conference agreement on the defense appropriation bill just adopted by the House; and

Third, it reduces budget authority by $3 billion in the commerce and transportation function to reduce the amount of Government National Mortgage Association purchases of weatherization loans in fiscal year 1978 from $5 billion to $2 billion.

The first two of these amendments are made necessary by the House's actions on energy and defense legislation after the Budget Committee marked up the budget resolution. With respect to GNMA weatherization loans, after reconsideration the committee believes that there is little likelihood the $3 billion in loan purchase authority, designed for market-rate loans, will be needed in the coming fiscal year.

The result of the amendment is to establish the following new budget aggregates:

(In billions)

Revenues	$398.180
Budget authority	$507.343
Outlays	$458.676
Deficit	$ 60.568

Despite the $2-billion increase in the deficit resulting from the committee amendment, however, the deficit is still approximately $4 billion below the amount projected in the first budget resolution.

I urge adoption of the committee amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. GIAIMO).

The amendment was agreed to.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. ROUSSELOT: Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1977—

(1) the recommended level of Federal revenues is $406,571,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $18,000,000,000;

(2) the appropriate level of total new budget authority is $446,824,000,000;

(3) the appropriate level of total budget outlays is $406,571,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0; and

(5) the appropriate level of the public debt is $700,000,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1977, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $116,324,000,000.

(B) Outlays, $110,338,000,000.

(2) International Affairs (150):

(A) New budget authority, $7,000,000,000.

(B) Outlays, $3,800,000,000.

(3) General Science, Space, and Technology (250):
(A) New budget authority, $4,600,000,000.
(B) Outlays, $4,400,000,000.
(4) Natural Resources, Environment, and Energy (300):
(A) New budget authority, $20,000,000,000.
(B) Outlays, $16,500,000,000.
(5) Agriculture (350):
(A) New budget authority, $2,100,000,000.
(B) Outlays, $2,333,000,000.
(6) Commerce and Transportation (400):
(A) New budget authority, $18,000,000,000.
(B) Outlays, $16,000,000,000.
(7) Community and Regional Development (450):
(A) New budget authority, $6,200,000,000.
(B) Outlays, $7,200,000,000.
(8) Education, Training, Employment, and Social Services (500):
(A) New budget authority, $17,900,000,000.
(B) Outlays, $19,000,000,000.
(9) Health (550):
(A) New budget authority, $41,000,000,000.
(B) Outlays, $39,500,000,000.
(10) Income Security (600):
(A) New budget authority, $159,000,000,000.
(B) Outlays, $134,000,000,000.
(11) Veterans Benefits and Services (700):
(A) New budget authority, $19,600,000,000.
(B) Outlays, $19,600,000,000.
(12) Law Enforcement and Justice (750):
(A) New budget authority, $3,100,000,000.
(B) Outlays, $3,000,000,000.
(13) General Government (800):
(A) New budget authority, $3,000,000,000.
(B) Outlays, $2,900,000,000.
(14) Revenue Sharing and General Purpose Fiscal Assistance (850):
(A) New budget authority, $7,000,000,000.
(B) Outlays, $6,000,000,000.
(15) Interest (900):
(A) New budget authority, $37,000,000,000.
(B) Outlays, $37,000,000,000.
(16) Allowances:
(A) New budget authority, $1,000,000,000.
(B) Outlays, $1,000,000,000.
(17) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$16,000,000,000.
(B) Outlays, —$16,000,000,000.

SEC. 3. Pursuant to section 310 of the Congressional Budget and Impoundment Control Act of 1974, the House Committee on Ways and Means and the Senate Committee on Finance shall submit promptly to the Budget Committee in their respective Houses reconciliation legislation to decrease Federal revenues by approximately $18 billion; the Appropriations Committee of both Houses shall submit promptly to the Budget Committee in their respective Houses, reconciliation legislation to decrease budget authority by approximately $32.18 billion and outlays by approximately $43.635 billion.

Mr. ROUSSELOT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 5 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, this amendment is similar to a substitute resolution I offered when we discussed the first budget resolution in the spring, except that we have tried to update the figures on the basis of what the Treasury has told us in relation to expenditures so far in 1977. I tried to update the substitute resolution calculations on the basis of the changes that the Budget Committee itself has made in some instances.

The substitute resolution has two basic concepts. It basically includes the idea of a 10-percent across-the-board tax cut for all Federal income tax payers, which would mean a reduction in the estimated committee revenues of about $18 billion.

The purpose of the 10-percent across-the-board tax cut is to reduce the tax bias against work, saving and investment; that is to increase the reward to work, save and invest and to make it more desirable for people to invest and to hire the unemployed and produce real long-term jobs. All of these activities will serve to greatly boost growth and GNP. It is my belief that a 10-percent reduction in personal income tax rates—given the high level at which rates presently are in the United States—will actually increase Government revenues by expanding the tax base. Lower tax rates on a larger base can generate more tax revenue than higher tax rates on a smaller base. This has been established conclusively many times in the last 50 years, most notably in the early 1960's when the Kennedy tax cuts were put in place. Many were concerned that the large tax reductions which Kennedy proposed would result in massive revenue losses. The U.S. Treasury, for example, argued that 6-year revenue losses would total $89 billion. In fact, there were revenue gains of $54 billion realized for a 6-year period as the following table, which many of my colleagues have already seen, illustrates:

EFFECT OF 1962-64 TAX CUTS ON REVENUES, 1963-68

[In billions of dollars]

	1963	1964	1965	1966	1967	1968	Total
Revenue losses estimated in 1963 by U.S. Treasury	2.4	5.2	13.3	20	29.7	24.4	89
Actual revenue gains	7.0	6.0	4.0	14	19.0	4.0	54
Difference in estimates	9.4	11.2	17.3	34	48.7	28.4	143

Source: U.S. Department of Treasury.

There can be little doubt, then, that reductions in taxable income rates do not result in higher deficits, but rather they expand the tax base, increase revenues, boost GNP, increase employment, reduce unemployment, stimulate housing, and increase available funds for capital expansion.

The amendment which I am proposing today gives the Members of this House the opportunity to not only vote for a balanced budget—a goal which is commonly held by all of us—but also to give the 90 million working people of this country a tax break by permitting them to keep a greater amount of the income they earn. I urge my colleagues to reject bigger government, higher deficits, and less economic freedom of choice by joining me in restoring fiscal sanity to our Government and hard-earned tax dollars to American citizens.

In addition, this amendment contemplates a balanced Federal budget for fiscal 1978 by having the Congress recommend, through this resolution, that we live within our means of $406 billion; that is, the expenditures will be $406 billion and the anticipated revenues would be $406 billion.

The arguments that were made in the spring are similar, except we now have a longer time frame of experience with which to judge the present administration's desire to trim expenditures since even with the moneys that the Congress has appropriated for some of the so-called emergency programs, has not been spent, especially where not needed. Therefore, it was my feeling that we should carry this administrative practice over into the 1978 budget resolution for the coming fiscal year beginning October 1.

There is some concern that we would not be able to regenerate the revenues on the basis of a 10 percent across-the-board tax cut. I do not believe that is true, on the basis of the information we received from the Congressional Budget Office. I am not saying that the E.B.O. endorsed that concept. I am saying that when these assumptions of a 10-percent across-the-board tax cut and a balanced budget where introduced into various economistric models. The end-results show that these actions generate more stimulus than the method that is contemplated in the committee resolution where we are going into heavy deficit financing and high Federal spending to generate various sectors of the economy.

Housing starts for instance would go up substantially more under our plan than under the majority plan. The revenues for the Federal Government would be improved in many respects, including receipts from Federal income tax, on the basis that the individual citizen taxpayer would have more money to spend on his own and would probably generate more sales, more purchases, more investment et cetera. Consequently, I think it can be shown that this resolution would give us better targets for generating and stimulating the economy than would the one contemplated by the committee.

In testimony last year before the Senate Subcomittee on Employment, Dr. Arthur Laffer, professor of economics at the University of Southern California, made the following observation:

> By increasing spending during a recession, the government reduces the incentive to produce and work. Far from stabilizing the economy, such counter-cyclical spending will, in fact, accentuate the cyclical aspects of the economy. The greater government spending is, and the more closely tied to the level of unemployment it is, the more cyclical will be the economy . . . I doubt very much whether the United States can maintain peacetime full employment without a substantial reduction in the level of government spending as a share of GNP.

It is clear to see, then, that rather than boosting Federal spending to reduce unemployment, which is a rationale for the majority of the Budget Committee, Gov-

ernment expenditures should actually be reduced in order to provide the private sector the capital resources it needs to expand and create jobs.

Deficits, which need to be financed in the private marketplace, do not aid in creating such an atmosphere. Over the last 10 years, the Federal Government will have borrowed in the private capital markets a total of nearly one-third of a trillion dollars on a net basis. In 1976 alone, the U.S. Treasury was responsible for absorbing over 70 percent of all moneys in the securities market, while government at all levels claimed in the neighborhood of 80 percent. The private sector clearly cannot survive in an atmosphere which is so dominated by the Federal Government.

The now familiar argument that this substitute resolution requires a drastic change is no longer valid. The Rousselot resolution calls for an expenditure level about the same as fiscal year 1977—$406 billion. Rather than drastically meat-axing many areas of the budget, the resolution merely requires a restraint on increases for fiscal year 1978.

As I have mentioned before on previous occasions before this body, there is precedence available for reducing Federal expenditures by large amounts on the part of the Federal Government.

As the following chart shows, between 1945 and 1948, during the Truman administration and while we had a Republican Congress, Federal spending dropped over $60 billion—the current equivalent of $250 billion—yet national income charged ahead.

Federal receipts and outlays from 1945–48

[In billions]

Year	Receipts	Outlays	Surplus or deficit
1945	45.2	92.7	−47.8
1946	39.3	55.2	−15.8
1947	38.4	34.5	+3.9
1948	41.8	29.8	+12.0

The private sector smoothly converted from a wartime to a peacetime economy, provided jobs for millions of veterans, while defying the warnings of the Keynesians who said that unemployment would hit the 10 million mark unless Government jobs programs were increased. This remarkable transition took place because the Federal Government did not preempt the needs of the private sector, and the free market system was left to operate without massive Government interference. Adequate money was available in the capital markets to supply the expansion needs of private industry because the Treasury was not crowding out the private sector and confiscating the lifeblood of free enterprise.

I have accepted under the functional categories (for instance, national defense) many of the same targets that we set in the regular committee resolution. But in most cases, especially as it relates to functional outlays, what I have done is this: I have merely said, "Let us spend for outlays only what we did in 1977." I have tried to put a restraint on the substantial increases in expenditures that are contemplated by the Committee on the Budget or by some of the authorizing committees. I have tried not to increase the expenditures to the excessive degree that the Congress has already authorized in many cases.

So my belief is—and some of the Members share my belief—that we could achieve a balanced budget in 1978 by living within contemplated revenues of $406 billion. Additionally we believe a tremendous stimulus would occur in the private sector as well as the Federal sector, and that the Federal Government would not need to be spending any more in some cases than we did in fiscal year 1977, which ends at the end of September (this month).

Mr. ASHBROOK. Mr. Chairman, will my colleague yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I certainly want to commend my colleague, the gentleman from California (Mr. ROUSSELOT), for introducing this amendment.

I travel over this country quite a bit, and I feel that I can probably say without fear of equivocation that in at least 400 of the 435 districts, at one time or another during the past 2 years either candidates for Congress or incumbent Congressmen have made speeches about holding the line, cutting the growth of Government, and balancing the budget. They have supplied all the rhetoric that the beleaguered taxpayer back home listens to and believes.

Now we have a kind of an accounting where some of those 400 Members from those districts can cast a vote. Clearly there are several on the other side who do not think we should balance the budget, but clearly a majority of those 400 Members of whom I speak now have an opportunity, while they are out of sight of their constituents, to put themselves on record. Their constituents have been subjected to the rhetoric that has been escalated increasingly over the years as balanced budgets seem to get more popular. Now we have a vote, and I am very glad the gentleman from California has given us this opportunity.

I hope the American people will look at this vote and determine how many Members are committed to the concept of a balanced budget.

As I understand it, the gentleman is only talking about a cut of less than 5 percent; is that not true?

Mr. ROUSSELOT. That depends on the functional categories concerned. In foreign aid cut of outlays it is more substantial than that of the committee's.

Mr. ASHBROOK. My guess would be that the American people would agree to that also.

Mr. ROUSSELOT. In the amendment we have cut that item back to $3.8 billion. The reason I believe that is possible is because there is more than enough in what we call uncommitted funds or so-called in-the-pipeline funds for that purpose. I believe there is roughly $12 billion in that category. So there is more than enough already appropriated to cover any so-called emergencies or contingencies that might suddenly come up.

Mr. ASHBROOK. Mr. Chairman, I thank the gentleman for offering this amendment, and I certainly will support it. I hope the majority of the 400 Members who talk about cutting the growth of Government and holding the line will vote for the amendment.

Mr. ROUSSELOT. Mr. Chairman, I thank my friend, the gentleman from Ohio (Mr. ASHBROOK).

I think there are some Members who doubt that a balanced budget can be achieved in fiscal year 1978. I believe it can be achieved, on the basis of the vast amount of testimony we have had before both the Committee on the Budget and the Joint Economic Committee. I believe that this time has arrived. I believe that this is a rational approach and a goal that can be achieved this coming fiscal year of 1978 beginning in October.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the substitute amendment of the gentleman from California is a familiar one, following along the lines of previous amendments that he and other Members of the minority have offered on other budget resolutions. It would—

First. Reduce taxes by $18 billion, and

Second. Reduce spending by $60.5 billion in budget authority and $52.1 billion in outlays.

The result, according to the amendment, would be to reduce the deficit from the $60.6 billion projected in the resolution to zero; in other words, a balanced budget.

This substitute amendment should be rejected on several grounds:

First, it is extremely unrealistic to expect an $18 billion tax cut to be considered and agreed upon by the House and Senate by September 25, the deadline for reconciliation actions set by the Budget Act. The Senate Finance Committee will be fully occupied this month with energy legislation, and our own Ways and Means Committee has a full agenda, which includes hospital cost control and social security financing, both very high priorities.

Furthermore, it is unrealistic to expect a major tax reduction before the President submits his tax reform legislation next month. That legislation is expected to involve major reforms in many areas, including capital investment, which I am sure no one would want to jeopardize. An $18 billion tax cut now would end chances of any major tax reform during the 95th Congress.

Second, the substitute amendment proposes a spending policy which the Congress has rejected during the summer months in its actions on appropriations legislation, and which would reverse the spending priorities agreed to in the first budget resolution.

Income security would be cut $27.8 billion, making it necessary to reduce entitlements under the unemployment compensation, food stamps, AFDC, and perhaps social security programs as well.

Health would be cut $6.7 billion, making it necessary to eliminate funding for such Public Health Service programs as biomedical research, manpower training, mental health services, and services to Indians, migrants, moth-

ers, and young children. Or, medicare and medicaid payments would have to be reduced.

Education and manpower programs would be cut $8.8 billion in B.A., reducing funds for various aid to education programs, jobs and job training programs, and social services grants to States.

And community and regional development and general revenue sharing programs would be cut by $4.4 billion, sharply curtailing funding for countercyclical assistance, community development funding, EDA and Farmers' Home Administration development programs, and the general revenue sharing program.

At the same time, national defense funding would remain intact, at $116.3 billion.

These cuts in spending would completely reverse the priorities agreed to in the first budget resolution and nullify the work of the Appropriations Committees which have nearly completed action on the fiscal year 1978 budget. It is simply inconceivable that the House would undo in 2 weeks the patient and careful work of several months.

And finally, the substitute amendment assumes an economic result which is simply impossible.

Just as the economy would suffer severely if private sector spending were cut back by more than $50 billion, a cut in Federal spending of similar dimensions would produce the same result. In fact, the result may well be even more disastrous, since a great deal of Federal spending requires State and local government contributions. According to the DRI economic model used by the Budget Committee, a $52.1 billion reduction in spending would result in:

Real growth during 1978 of 2 percent, rather than 5 percent;

A rise in the unemployment rate to 7.5 percent, rather than a decline to 6.2 percent by the end of 1978; and

A loss in revenues of $13 billion, rather than an increase of $6 billion.

I want to point out also the fallacy in thinking that his amendment is similar to the 1964 Kennedy tax cuts. It is not, for one basic reason: Those tax cuts were accompanied by steady increases in Federal spending through the early and mid-1960's; this amendment proposes only a modest tax cut—$18 billion—when we consider it as a percentage of total GNP, accompanied by the largest spending cuts in history—$52.1 billion.

I urge defeat of this amendment.

Mr. LEGGETT. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment in the nature of a substitute.

Mr. Chairman, certainly the amendment in the nature of a substitute offered by my colleague, the gentleman from California (Mr. ROUSSELOT), is extremely ambitious in that it would cut some $52 billion in outlays and would cut income taxes by $17 billion. Mr. ROUSSELOT expects that that would stimulate new and additional income in the very year that income tax is cut. If I understand, the gentleman from California (Mr. ROUSSELOT) would reduce budget authority by $27.8 billion in function 600, income security and outlays by $13.9 billion below the levels assumed by our resolution.

If we close down entirely the civil service retirement system, we could save $18 billion in budget authority and $11.2 billion in outlays. This would come within about $2 billion of the target of my colleague.

Additionally, we could totally close down the unemployment compensation system and that would save $14.6 billion in budget authority and $11.5 billion in outlays. Again, that would not get down to the target of my colleague.

A third approach would be to terminate the food stamp and AFDC programs. This would yield savings of about $12.2 billion in budget authority and $11.6 billion in outlays, but we would have 10.8 million recipients of AFDC benefits that we have to feed in some way. Under the civil service alternative, we would have 1.6 million Federal annuitants that we would have to feed in some way. Obviously the targets that are suggested could not be achieved.

In addition, it is suggested that we cut interest by $4.7 billion in fiscal year 1978. We could do that only if by some magic way we could cut the national debt by $160 billion. Again, there is no readily available way for us to achieve this goal.

While the objective is certainly laudable—to achieve a balanced budget—which I certainly support, I think we would have to search even further for vehicles and methodology to reach this conclusion. I do not think the numbers that are currently under review will achieve the desired result.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, let me take the last item first, and that is the interest charge.

The reason the interest would be reduced that much is because we would not be increasing the deficit as we do under the position of the majority when the Government does not go into the private money market to borrow funds to pay for its deficit, the demand for money goes down and so does the interest rate. That is the way we would have an interest charge of $37 billion. I remind my colleague that at an average cost of 5.3 percent the total interest on a debt of $700 billion is around $37 billion.

Mr. LEGGETT. I understand that 5.8 percent is the number we have to use.

Mr. ROUSSELOT. It is not, as the gentleman knows, because the Treasury would not be required to go out and look for new debt securities, the present debt securities would stay in place. And, assuming they would turn some of those over at new interest rates, the belief is that you can achieve the $37 billion.

What I want to tell the gentleman is that it would not require, as the gentleman suggests, a reduction in the present debt of $160 billion. That is just the gentleman's assumption, and it is certainly not mine.

Mr. LEGGETT. If possible, I would like to recapture a portion of my time.

I would like to stay on that one thing, the interest rate the gentleman uses of 5.3 percent whereas the realistic interest rate we are currently using is not that rate.

Mr. ROUSSELOT. It is for short-term debts.

Mr. LEGGETT. Our information is that the average interest rate which is used is that taken on the average.

Mr. ROUSSELOT. I do not follow that, and that is not what they stated to us when we tried to pull the information out of the Treasury as to a reasonable average interest, if we have no new debt. Under the committee resolution we are calling for an add-on deficit of almost $60 billion. That is a lot of add-on. But what the difference is is that the marketplace would not be as flooded and would not increase demand for money as would be required under the committee resolution.

Let me also suggest in reference to the other reductions, as the gentleman calls them, in outlays, it is not a reduction, in most cases it is a restraint on increases. That is the issue that I have tried to draw for the House on previous occasions. We are basically in this resolution, except in a few cases—income security is one where this does not apply—going on the expenditures made in fiscal year 1977. So what I am trying to say is that if we try to live on the same expenditure level that we lived on in 1977, the fiscal year that will be concluded at the end of September, I believe we could achieve the purposes and goals outlined in this resolution.

Mr. BAUMAN. Mr. Crairman, I rise in support of the amendment.

Mr. Chairman, I want to commend the gentleman from California for offering this balanced budget amendment. It shows his basic revolutionary character, because, obviously, what he is proposing is revolutionary in this day and age. Heavens, how could we ever balance the Federal budget? What is the gentleman asking of this Congress? This is just absolutely unheard of, that any Member would stand up and say that the U.S. Government has to live within its means. That is all right for the average wage earner. The wife and husband have to go out and both work. Maybe they work two shifts. They have got the kid working at a minimum wage so they can cover the price of groceries. We all, as individuals, have to live within our personal budgets, but to ask the U.S. Government to face the probability that it would have either to raise taxes to cover its expenses or reduce those expenses and live within its means is truly revolutionary. I would say that the gentleman from California is acting in the spirit of our Founding Fathers who also revolted against those who would have eaten our substance and taken our wealth—but, of course, in those quaint days, they used force and violence. I am not sure whether the American taxpayers have quite risen to that level of forceful resistance, although after a month at home during the in-district work period, not on a junket abroad, I found that my people are close to that

breaking point. So I commend the gentleman.

If a balanced budget is so good for 1981, as the President says and Mr. Lance says—and we all know Mr. Lance is a great authority on money—then we ought to balance it right here and now. Who knows, a balanced budget might even bring a return to the basic prosperity that once this country knew, in lieu of the funny-money policies of the liberals who control this House.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to my distinguished colleague, the gentleman from California, a revolutionary.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

I appreciate my colleague's comments. I felt, as a member of the Committee on the Budget, that we—the Federal Government—ought to be able to make ends meet on a cash flow of $406 billion. That certainly ought to be a reasonable amount to get along on.

Mr. BAUMAN. Billion, did the gentleman say?

Mr. ROUSSELOT. Four hundred six billion dollars.

Mr. BAUMAN. Billion, not million.

Mr. ROUSSELOT. That is what the committee resolution proposes, so I appreciate my colleague's clarification. It is true that the overwhelming majority of the American people, especially the 90 million working people of this country, believe that Congress should be more responsible, balance the budget, and get the Federal Government to live within its means. But, of course, we were awfully anxious to get that pay increase this year.

Mr. BAUMAN. Many Members do not think we should bring that subject up. It makes many Members nervous, though the gentleman from Maryland would be glad to oppose the pay raise again.

Mr. ROUSSELOT. I know mentioning our pay raise makes many Members uncomfortable. But there should not be any great difficulty in making ends meet on $406 billion.

I would like to make this point, if the gentleman will yield further.

Mr. BAUMAN. I have a few more pearls of wisdom, but I will yield to the gentleman since his wisdom exceeds mine.

Mr. ROUSSELOT. A provision of this resolution mandates a 10-percent cut across the board for the Federal income tax. I feel that, if suddenly the 90 million working Americans found this reduced Federal income tax bite in their paychecks, they would spend it and the economy would grow.

Mr. BAUMAN. The gentleman means to say he actually is advocating that the American people should be permitted to retain their own money and spend it the way they want, rather than paying out 40 percent of their incomes in State, local, and Federal taxes so that some bureaucrat, who does not even know their names, to whom they are only numbers, can spend it for them?

Mr. ROUSSELOT. Yes. I think that is a fair position.

Mr. BAUMAN. Again, that is a revolutionary concept in this age.

Mr. ROUSSELOT. I suppose it is to some, especially those who continually advocate deficit financing.

Mr. BAUMAN. A majority of this House would find it very repulsive to let the American people spend their own money.

Mr. ROUSSELOT. I would just like to see us try. Of course, a portion of my proposed resolution would be an admonition to the Committee on Ways and Means and to the Committee on Appropriations to comply with this resolution.

It would require a little effort on their part to return a portion of the earnings to the American workingman.

Mr. BAUMAN. I compliment the gentleman on the approach he is taking. But he shows a basic misunderstanding of the congressional budget system by offering this amendment, just as I had a misunderstanding. When this budget process was adopted a few years ago, and I voted for it, I remember my colleague from Iowa, H. R. Gross said:

> Don't let them fool you. They do not mean what they are saying.

I actually thought the budget process was to allow us to reduce the national debt, to hold down spending, to allow tax reductions instead of increases. That is what the budget process was supposed to do. But no, the process has become a license to spend. Now the Congress can know just how much it is ripping off the taxpayers. You can take glory and credit for taxing the people. How much did the gentleman say was the total of the national debt?

Mr. ROUSSELOT. The add-on would be roughly $60 billion, making the total national debt $761 billion.

Mr. BAUMAN. Is that not just great? My goodness, you liberals spill a billion each day sometimes when you are legislating and now you can take credit for the biggest national debt in history. Whoopee. I urge the passage of the pending amendment.

Mr. LAGOMARSINO. I rise in support of the amendment offered by my colleague from California (Mr. ROUSSELOT) as a substitute for House Concurrent Resolution 341, the second concurrent budget resolution.

This substitute proposes $448.6 billion in budget authority for 1978, with actual outlays, and estimated revenues, both set at $406.6 billion—in other words. It calls for a balanced budget.

I think it is important that we set the stage for what is happening here today. The budget proposed by the majority calls for outlays of $458.7 billion, paid for out of revenues estimated at $398.1 billion. That would create a deficit of $60.6 billion. This is on top of a deficit for the current year estimated at about $48 billion.

There has been a lot of talk today about the need to stimulate the economy. Mr. Chairman, I would ask how a 2-year deficit of $100 billion, and climbing, can be viewed by anyone as a rational way to stimulate the economy. One of the reasons for the high spending figures proposed by the majority is inflation. Yet what is this budget resolution but a blueprint for even more inflation? Deficit spending, the underlying cause of inflation, is a two-edged sword. Not only does it cut into the real income of the taxpayer by increasing the cost of living, but whenever he gets a raise to make up for the difference, he finds himself in a higher tax bracket. This hidden tax increase, which amounts to a windfall for the Federal Government, is what the budget planners on the majority side are counting on to finance their goal of a "balanced" budget by 1982. They balance the budget, not by reducing spending or even by holding the line, but by the very simple expedient of raising taxes.

In contrast, the substitute resolution now before us, provides for an across-the-board tax cut of 10 percent in personal income taxes. It also proposes to hold the line on Federal spending to current year levels. How can this be done? I believe that by leaving more money in the pockets of the people, we will stimulate the economy more effectively and more directly than by increased Government spending. Part of the reason, in fact, for the $12 billion increase in the deficit proposed for next year over the current year, is due to the so-called stimulus programs, public works and public service jobs, enacted by Congress at the end of the last session and the beginning of this session. In contrast, studies by the Congressional Budget Office show that a 10 percent tax cut would create 1 million new jobs in 1978, and stimulate $8 billion in new—private—capital investment. This is a much more rational, and simple, way to cure our economic ills than by simply throwing money at the problem, as we have done for the past decade. Certainly, it is worth a try, in view of the total failure of the current effort.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 519]

Andrews, N.C.	Diggs	Quillen
Archer	Dingell	Rangel
Armstrong	Drinan	Rodino
Ashley	Fascell	Roncalio
Aspin	Gammage	Rostenkowski
Badillo	Gephardt	Roybal
Biaggi	Harsha	Santini
Blouin	Horton	Scheuer
Bolling	Johnson, Calif.	Seiberling
Bonker	Kastenmeier	Shuster
Brademas	Kemp	Sisk
Butler	Ketchum	Stangeland
Carney	Koch	Steiger
Cederberg	Mathis	Stokes
Chappell	Mikva	Symms
Clay	Moakley	Teague
Collins, Ill.	Moss	Tucker
Conyers	Murphy, N.Y.	Udall
Cornwell	Nowak	Vanik
D'Amours	Oakar	Wiggins
Dent	Pepper	Young, Alaska
Dickinson	Pettis	Zeferetti
Dicks	Pritchard	
	Quie	

Accordingly the Committee rose; and the Speaker pro tempore, Mr. WRIGHT, having assumed the Chair, Mr. NEDZI, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the concurrent resolution (H. Con. Res. 341), and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 365 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from California (Mr. ROUSSELOT) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 169, noes 230, not voting 35, as follows:

[Roll No. 520]

AYES—169

Abdnor	Devine	Johnson, Colo.
Andrews, N. Dak.	Dornan	Jones, N.C.
Archer	Duncan, Tenn.	Jones, Okla.
Armstrong	Early	Kasten
Ashbroook	Edwards, Ala.	Kelly
Badham	Edwards, Okla.	Kindness
Bafalis	English	Kostmayer
Barnard	Erlenborn	Lagomarsino
Bauman	Ertel	Latta
Beard, Tenn.	Evans, Del.	Leach
Bennett	Evans, Ga.	Lent
Brinkley	Evans, Ind.	Levitas
Broomfield	Findley	Livingston
Brown, Mich.	Fish	Lloyd, Calif.
Brown, Ohio	Fithian	Lott
Broyhilll	Flynt	Lujan
Buchanan	Forsythe	McClory
Burgener	Fountain	McCloskey
Burke, Fla.	Fowler	McDonald
Burton, John	Frey	McEwen
Butler	Fuqua	Madigan
Byron	Gilman	Marks
Caputo	Ginn	Marlenee
Carter	Goldwater	Marriott
Cederberg	Gradison	Martin
Clausen, Don H.	Grassley	Mathis
Clawson, Del	Gudger	Mattox
Cleveland	Guyer	Michel
Cochran	Hagedorn	Milford
Coleman	Hall	Miller, Ohio
Collins, Tex.	Hannaford	Mitchell, N.Y.
Corcoran	Hansen	Montgomery
Coughlin	Harsha	Moore
Crane	Hefner	Moorhead, Calif.
Cunningham	Hillis	Mottl
Daniel, Dan	Holt	Murphy, Pa.
Daniel, R. W.	Horton	Myers, Gary
Davis	Hubbard	Myers, John
de la Garza	Hyde	Neal
Derwinski	Ichord	Nichols
	Jenkins	O'Brien
	Jenrette	
Panetta	Schroeder	Vander Jagt
Patterson	Schulze	Walker
Pressler	Sebelius	Walsh
Quayle	Sikes	Wampler
Railsback	Skelton	Watkins
Regula	Skubitz	Whitehurst
Rhodes	Smith, Nebr.	Whitley
Risenhoover	Snyder	Wiggins
Robinson	Spence	Wilson, Bob
Rose	Stanton	Winn
Rousselot	Stockman	Wydler
Rudd	Stump	Wylie
Runnels	Taylor	Yatron
Ruppe	Thone	Young, Fla.
Satterfield	Treen	
Sawyer	Trible	

NOES—230

Addabbo	Fraser	Oakar
Akaka	Frenzel	Oberstar
Alexander	Gaydos	Obey
Allen	Gephardt	Ottinger
Ambro	Giaimo	Patten
Ammerman	Gibbons	Pattison
Anderson, Calif.	Glickman	Pease
Anderson, Ill.	Gonzalez	Pepper
Annunzio	Goodling	Perkins
Applegate	Gore	Pickle
Ashley	Hamilton	Pike
AuCoin	Hanley	Poage
Baldus	Harkin	Preyer
Baucus	Harrington	Price
Beard, R.I.	Harris	Pursell
Bedell	Hawkins	Quie
Bellenson	Heckler	Rahall
Benjamin	Heftel	Reuss
Bevill	Hightower	Richmond
Bingham	Holland	Rinaldo
Blanchard	Hollenbeck	Roberts
Blouin	Holtzman	Rodino
Boggs	Howard	Roe
Boland	Huckaby	Rogers
Bonior	Hughes	Roncalio
Bowen	Ireland	Rooney
Brademas	Jacobs	Rosenthal
Breaux	Jeffords	Russo
Breckinridge	Jones, Tenn.	Ryan
Brodhead	Jordan	Santini
Brooks	Kastenmeier	Sarasin
Brown, Calif.	Kazen	Scheuer
Burke, Calif.	Keys	Seiberling
Burke, Mass.	Kildee	Sharp
Burleson, Tex.	Krebs	Shipley
Burlison, Mo.	Krueger	Shuster
Burton, Phillip	LaFalce	Simon
Carney	Le Fante	Slack
Carr	Lederer	Smith, Iowa
Cavanaugh	Leggett	Solarz
Chisholm	Lehman	Spellman
Cohen	Lloyd, Tenn.	St Germain
Collins, Ill.	Long, La.	Staggers
Conable	Long, Md.	Stark
Conte	Luken	Steed
Conyers	Lundine	Steers
Corman	McCormack	Steiger
Cornell	McDade	Stokes
Cornwell	McFall	Stratton
Cotter	McHugh	Studds
D'Amours	McKay	Thompson
Danielson	McKinney	Thornton
Delaney	Maguire	Traxler
Dellums	Mahon	Tsongas
Derrick	Mann	Tucker
Dingell	Markey	Udall
Dodd	Mazzoli	Ullman
Downey	Meeds	Van Deerlin
Drinan	Metcalfe	Vento
Duncan, Oreg.	Meyner	Volkmer
Eckhardt	Mikulski	Waggonner
Edgar	Mikva	Walgren
Edwards, Calif.	Miller, Calif.	Waxman
Eilberg	Mineta	Weaver
Emery	Minish	Weiss
Evans, Colo.	Mitchell, Md.	Whalen
Fary	Moakley	White
Fenwick	Moffett	Whitten
Fisher	Mollohan	Wilson, C. H.
Flippo	Moorhead, Pa.	Wilson, Tex.
Flood	Murphy, Ill.	Wirth
Florio	Murtha	Wolff
Flowers	Myers, Michael	Wright
Foley	Natcher	Yates
Ford, Mich.	Nedzi	Young, Mo.
Ford, Tenn.	Nix	Young, Tex.
	Nolan	Zablocki

NOT VOTING—35

Andrews, N.C.	Dent	Johnson, Calif.
Aspin	Dickinson	Kemp
Badillo	Dicks	Ketchum
Biaggi	Diggs	Koch
Bolling	Fascell	Moss
Bonker	Gammage	Murphy, N.Y.
Chappell	Hammer-schmidt	Nowak
Clay		Pettis
Pritchard	Roybal	Teague
Quillen	Sisk	Vanik
Rangel	Stangeland	Young, Alaska
Rostenkowski	Symms	Zeferetti

The Clerk announced the following pairs:

On this vote:

Mr. Chappell for, with Mr. Zeferetti against.

Mr. Dickinson for, with Mr. Dicks against.

Mr. Kemp for, with Mr. Rangel against.

Mr. Quillen for, with Mr. Rostenkowski against.

Mr. Stangeland for, with Mr. Murphy of New York against.

Mr. Symms for, with Mr. Biaggi against.

Mr. Young of Alaska for, with Mr. Teague against.

Mr. ASHLEY changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. HOWARD. Mr. Chairman, I rise in strong support of House Concurrent Resolution 341, the second budget resolution for fiscal year 1978, which establishes expenditure ceilings and a revenue floor.

Since the inception of the budget process, a matter of major concern to many Members of Congress, including myself, has been how we could balance the difficult roles of the Budget Committtee, on the one hand, which is charged with the overall responsibility for establishing budget priorities and expenditure ceilings, and the program decisionmaking responsibilities of the Authorizing and Appropriations Committees. No one ever assumed that it would be possible to set national priorities without incurring differences of opinion among those charged with making program decisions. Under the able leadership of Chairman GIAIMO, however, we can see in this budget resolution that it is possible for all of us to reconcile a realistic appraisal of our total economy with individual program decisions.

Specifically, I note that in areas of concern to me, the allocations for surface and air transportation programs, within the overall expenditure ceilings, are consistent with the recommendations made by the Public Works Committee. The resolution also provides for a level of activity for highway programs—obligations—consistent with the limitations set in House Concurrent Resolution 282, which establishes a $7.5 billion limitation; and includes the necessary flexibility for anticipated supplemental appropriations in the general transportation area in the amount of $100 million.

With regard to the Public Works Committee, I am pleased to note that accelerated public works programs are fully funded, with $6 billion in budget authority and outlays of approximately $2.9 billion. With unemployment going up to approximately 7.1 percent, it is crucial that we fund programs such as this because this program alone is estimated to create over 225,000 individual jobs and 116,000 man-years of employment.

The evidence is substantial that the Budget Committee, when it set its target resolution this spring, was cognizant of

the program responsibilities of the standing committees. And I am pleased to note, as I examine the entire resolution, that the spending decisions of other committees are in basic conformity with the target resolution.

This is the way the process is supposed to work. It gives the Congress the capacity to establish national priorities that take into account current economic conditions, such as the unemployment rate, while preserving the individual program review and assessment responsibilities of the other committees. I commend Chairman GIAIMO and the members of the Budget Committee for the outstanding job they have done this year. I urge my colleagues to support this resolution.

AMENDMENT OFFERED BY MR. ANDERSON OF CALIFORNIA

Mr. ANDERSON of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of California: On page 4, line 6, strike out "$19,655 million" and insert in lieu thereof "$20,355 million".

On page 4, line 7, strike out "$19,667 million" and insert in lieu thereof "$20,367 million".

Mr. ANDERSON of California. Mr. Chairman, I am today introducing an amendment to the veterans section of this budget resolution which provides for an increased budget authority and outlay of $700 million. It is my strong hope that this increase will allow our Veterans' Affairs Committee to pass authorizing legislation for a pension for veterans of World War I.

Nearly 190 Members of this House and several of the other body have joined in cosponsorship of a bill to provide this much needed pension.

The original bill, H.R. 55, calls for a $150 monthly pension to veterans of World War I, their widows, and surviving children. The chairman of our Veterans' Affairs Committee (RAY ROBERTS), requested the comments of the Veterans' Administration on the cost of this bill. We were informed that the first-year cost would be $2.4 billion.

In recognition of the severe fiscal condition of the budget, I have redrafted this H.R. 55 and hope that the cost will now be more in line with this amendment I offer today.

In all my years in public service, I have never seen a year in which the budget was in good shape. This revised bill has been fine-tuned to provide pension to those in need with no fat and no waste.

I am pleased to report that 13 of the 28 members of the Veterans' Affairs Committee have joined in cosponsorship as have 5 of our full committee chairmen and 3 of our distinguished senior members of the Rules Committee. Chairman ROBERTS has assured me that he will hold hearings on this bill in January.

H.R. 55—REVISED

This revised version calls for a $150 monthly pension for veterans of World War I, for any minor/dependent children, and for certain widows. This fine-tuning that was done will save $1.4 billion.

Also, I would like to point out to the Members that this amendment is similar to one we passed during the consideration of the first budget resolution in which 329 Members voted "aye" and only 73 voted "nay."

Both the bill and this amendment have the support of the National Veterans of World War I, the National Veterans of Foreign Wars—VFW—and 23 of the individual States that comprise the American Legion.

When we note that nearly 190 Members have sponsored this legislation and that it enjoys such support among the various veterans groups, it becomes adamantly clear that we must act with all deliberate speed to set up the mechanism to get this pension working.

THE WORLD WAR I VETERAN

Let me spend a minute refreshing our memories on who we are talking about when we use the term "veteran of World War I."

We are talking about 600,000 men and women who are in their eighties.

We are talking about 400,000 senior citizens with incomes of less than $5,000 a year,

About 300,000 veterans who cannot qualify for any monthly assistance from the VA.

About men and women who served their country in its time of need and of whom many are now forced to eat dog food to survive,

About veterans who did not qualify for home loan mortgage guarantees and GI educational assistance and veterans preferences, because at that time there were not any.

THE PLIGHT OF THE WORLD WAR I VETERAN

I wonder how many of us can imagine what it was like in 1917 when these men and women marched off to war. They did not know when or if they would ever return.

Nevertheless, they answered their nation's call and on November 11, 1918, they were our triumphant heroes. They had saved the free world from outside aggression.

What did a grateful Nation provide these valient men and women? On the day of discharge we provided them with $60 cash and train fare home!

We veterans of World War II, Korea, and Vietnam were treated somewhat differently than those of World War I. We came back to educational assistance, home loan mortgage guarantees, and veterans' hospitals.

We came back to an economy that was not about to fall into one of the worst depressions in history. Those of us who were wounded were able to receive assistance aimed at helping us back to recovery. Many of the veterans of World War I had no one to come back to.

THE ECONOMIC STATUS OF WORLD WAR I VETERANS

Over 400,000 of these veterans make less than $5,000 annually.

Another 231,000 make from $5,000 to $10,000 and only 64,000 make over $10,000. Yet less than 300,000 can qualify for any veterans monthly payment.

Please do not misunderstand me. I realize how much our Veterans' Affairs Committee has done to improve the plight of these veterans.

Under the leadership of the chairman from Texas, my distinguished friend RAY ROBERTS, much fine legislation has been enacted into law.

But when the committee speaks of percentage increases passed for veterans, I hope the members present realize that any percentage, be it 5, 10, or even 50, when multiplied by zero must equal zero.

And if increases in social security have eliminated a veteran's monthly VA payment or reduced it to $5 monthly, then even a 50-percent increase times zero is of no help. And as I said earlier, less than 300,000 of the 600,000 World War I veterans are receiving any monthly VA payment, even though over 400,000 earn less than $5,000 annually.

SUMMARY

The last time this amendment came to the floor, 329 Members supported our efforts to answer the urgent need of these men and women; 190 Members have sponsored the legislation that this amendment today seeks to fund.

The membership of the American Legion in 23 States have gone on record as favoring this pension—I will gladly tell a Member if his was one of the States.

Let us help these senior citizens pay for their medicines, their bills, and their homes and then allow them to go shopping in the "human food" aisles of our supermarkets for a change.

They deserve no less and ask for only equity. Each year we delay, over 100,000 more veterans die. Of the nearly 4,750,000 men and women who served in World War I, less than 600,000 remain.

How many more must die thinking that no one cares?

If any Member here can justify accepting an increase in his salary of nearly $250 per week and then deny these senior citizen veterans an assurance of an income of at least $37.50 a week, then he should vote against this amendment.

I urge my colleagues to join with me in support of this urgently needed amendment.

Mr. HAGEDORN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to commend the gentleman from California (Mr. ANDERSON) for offering this amendment. I think this gives us the opportunity to indicate to the Veterans' Committee that we want to eliminate the practice of taking away with the left hand what the right hand has given to pensioners and widows of the First World War.

Mr. Chairman, I urge the House to adopt this amendment.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California (Mr. ANDERSON).

Mr. Chairman, I do so in full awareness of the sentiments in this House for this amendment. The amendment passed in the springtime when we took up the first budget resolution. At that time the amendment offered by the gentleman from California (Mr. ANDERSON) provided for $300 million.

We went to conference with the other body, and that $300 million remained in the first budget resolution, which means that that money could have been used for whatever purposes the legislating committees and the Appropriations Committee determined. It could have been used for a pension for the World War I veterans, as the gentleman from California (Mr. ANDERSON) still would like. It could have been used for general pension reform, as some other Members have suggested.

The fact of the matter is that this is the Committee on the Budget. We do not prescribe what the money is going to be used for. That is not our function. By adopting this amendment today we are not going to be mandating this money for the World War I veterans, and we are not going to be fooling anyone. All we can do is make a budget provision for a sufficient amount of money which could be used for World War I veterans, for general pension reform, or for anything else, provided we could get the legislation through the Congress. I submit that the Members have not been able to do that, nor is it likely that they are going to be able to do that this year.

The gentleman from California (Mr. ANDERSON) suggests he is going to get hearings held by the committee after the first of the year. That means we are not going to get this entitlement legislation enacted in time to be effective before October 1, 1978, which is for fiscal year 1979, not the fiscal year we are discussing here today.

So we are going through a charade here, albeit one that I am sure will be successful. If we want to make the people back home think we are getting them a bonus for World War I veterans, we should vote for this amendment, but we should also tell them that this vote will not get them that bonus, because we will have to get that legislation through the Committee on Veterans' Affairs, which committee has not seen fit to pass this legislation. If that legislation were brought out of the committee, it would have to go through the Committee on Appropriations thereafter.

So what will we have accomplished? Let me tell the Members what we will have done. We will have added $700 million, which will not be spent and which will not be appropriated, and our action will have resulted in adding $700 million to a $60 billion deficit, which is already too high. And we will have done that in what I consider to be an irresponsible fashion, because we will, in fact, be saying to the American people that we have made a provision for increasing the deficit by $700 million, even though the legislative committee has the good sense not to come out with this legislation.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I thank the gentleman for yielding.

The gentleman in the well is a cosponsor of one of the many bills to provide a World War I pension, and I appreciate the gentleman's comments. I think, however, the gentleman would recognize and admit that this is the very process by which we are setting a budget, and if in fact we are to set a budget and budget priorities, we in the House ought to have this opportunity. On the authorizing committee, as the gentleman is aware, more than half the members of that committee are cosigners of legislation to do this very thing.

I believe it is important that we recognize the need for World War pensions, that we move by placing the money in the budget at this time, and that we nudge the authorizing committee to move not only expeditiously in having hearings but in reporting out legislation.

Mr. Chairman, I feel that as we wait—and we have waited for many years for this type of legislation—more and more World War I pensioners die and pass on. It seems to me it is only fitting, since so many Members here support this legislation, that we move as quickly as possible in this matter.

Mr. GIAIMO. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. EDGAR).

I will say that I have cosponsored that legislation in the past, but since those days we have done a great deal for the older veterans, the veterans of World War I and their widows and dependents. The gentleman from Mississippi (Mr. MONTGOMERY), who is an outstanding spokesman for veterans at all times, will explain, I am sure, some of the things that we have done in lieu of a bonus for World War I veterans.

Mr. HANNAFORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by my colleague from California. The overwhelming majority of the Members of this House recognized the need for a pension for the veterans of World War I in the first budget resolution earlier this year. Unfortunately, the estimated cost of the legislation at that time was unrealistically high. Thus, the final amount allocated in the Budget for this pension was a mere $300 million—a figure more symbolic than useful.

On July 12 the Veterans' Administration reported its opposition to H.R. 55, the World War I Pension Act of 1977. This report estimated that implementation of H.R. 55 would amount to almost $2.5 billion in the first year. The VA also charged that this kind of pension would be "discriminatory towards veterans of later wars," and that World War I veterans already receive practically all the benefits accorded other veterans.

Consequently, a new World War I Pension was drafted with more rigid eigibiity requirements. This bill will be introduced today. The cost of this bill is estimated to be $1 billion for its first year of implementation, a considerably more realistic figure than that of H.R. 55.

The VA's claim that World War I veterans' benefits are commensurate to those received by veterans of later wars is illusory. Veterans of World War I did not receive the readjustment benefits that we extended to veterans of later wars. They received no housing assistance and they received no educational entitlement—perhaps the single greatest assistance we have provided our veterans. What is more, our World War I veterans now entitled to a pension because of need or service-connected injuries frequently have their benefits reduced to a ridiculous amount because the VA deducts their social security entitlement from their VA pension entitlement. As a result, many World War I veterans receive monthly checks of $10 or less from the VA, and many of them are rightfully insulted.

Mr. Chairman, Mr. ANDERSON and I represent an area of California that enjoys a large veteran constituency and an especially high concentration of World War I veterans. I have received literally hundreds of letters over the last few months from World War I vets and their spouses who are angry, distressed, and almost driven to the wall by their financial straits—despite the fact that they are supposed to be receiving a veteran's pension. When these checks do not amount to more than a few dollars each month, it appears to be much less an entitlement or even assistance and much more like charity. These older patriots should not be made to feel like beggars; they should not be forsaken.

Mr. Chairman, the need for a World War I veterans' pension is real and urgent. I hope all of the Members of this House will agree and will take this opportunity to demonstrate their support for these deserving veterans.

Mrs. HECKLER. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong support of the Anderson amendment.

Mr. MONTGOMERY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

As chairman of the Subcommittee on Compensation, Pension, and Insurance of the Committee on Veterans' Affairs, I will state that this legislation will go through our veterans committee. As chairman of that subcommittee, I do think I have some knowledge of the situation in which we find ourselves today. The chairman of the Committee on the Budget has explained the procedure that would take place, and I would like to mention what we have tried to do for the veterans of World War I and their dependents.

The Anderson amendment says that without regard to other income, a veteran of World War I or his dependents would receive $150 a month if he or she received an income of less than $15,000 a year. This is much better than the legislation that the gentleman from California (Mr. ANDERSON) offered last year, which had no ceiling on income.

On the Anderson amendment I wish we could give $300 a month to the veterans of World War I; but we have financial restraints on us.

Mr. Chairman, what this legislation would be is special legislation for one set of veterans and their dependents.

We on the Veterans' Affairs Committee try to represent all the veterans; we would like to have special legislation for the paralyzed veterans of this country or other special groups; but on the committee we have tried to do the best we could for all veterans within the restraints of our allotted budget.

Again, Mr. Chairman, this amendment is special legislation, and it will cost over $1 billion to implement the amendment which the gentleman from California (Mr. ANDERSON) has put before us.

We have a number of veterans who do not get anything like $15,000 a year or anything near it who fought in other wars. Some are near or at the poverty level drawing veterans pension checks. Whether they served in the Vietnam War, the Korean war, or in World War II or World War I, we would like to bring those limits up with respect to those veterans.

Our committee has done something for the World War I veteran and his dependents. Last year everyone in this room voted for a 7-percent cost-of-living increase for veterans of World War I who reached the age of 78. We voted 7 percent plus a 25-percent add-on, a 32-percent increase for veterans who still are alive and over 78 years of age. That gave them a 32-percent increase starting in 1977.

Widows of World War I veterans who reach the age of 78 on January 1, 1978, will receive a 7-percent cost-of-living increase plus a 25-percent add-on, which is a 32-percent increase on their pension checks starting in 1978. This legislation was passed by this House less than 2 months ago and by a unanimous vote.

Again, Mr. Chairman, we have done the best we could within the restraints of the funds that we have had.

By the direction of this Congress, on October 1 the Director of the Veterans' Administration will submit to the Congress proposals and recommendations to improve the veterans pension programs, which includes what we are talking about today. This will be submitted on October 1.

The veterans organizations, including the American Legion, the Paralyzed Veterans, the DAV, the Amvets, and also the VFW, have said, in effect, that before we start enacting special legislation for different groups, we should see what this October report says.

In that report we think we can come back and clear up some of the problems of the veteran plan the Members of the Congress have had by veterans, and/or their dependents coming into them and saying:

I draw a pension check and I received a Social Security raise. Then on January 1st I also will draw a veteran's pension cost of living increase. But when I get the Social Security check my veteran's check will be reduced because my income limitation was reached and I will be over the income limitation.

In effect, what we have been doing is give the raise in social security and then take it away in the veteran's check.

We are going to try to correct that through recommendations by the Veteran's Administration. This is going to cost a lot of money but it should be done and it should take priority over the Anderson amendment.

So I would hope that we would go slow in adopting these amendments.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. MONTGOMERY was allowed to proceed for 2 additional minutes.)

Mr. MONTGOMERY. Mr. Chairman, I would like to point out that we have many matters that face us in the Veterans' Administration and in the Congress. We have the World War II boys and girls coming along now and we are going to have to make provision for the World War II veterans.

We have over 2 million World War II veterans who have reached the ages between 60 and 64 who are going to start drawing more pension checks. They are going to be using the Veterans' Administration hospital facilities more.

We have 1 million veterans who fought in World War II who are between the ages of 65 and 69. We have 300,000 World War II veterans who have reached the ages of 70 to 74. We have 100,000 veterans who fought in World War II who have reached the ages of 75 to 79 and we have 12,000 veterans of World War II who are over 80 years of age.

So I would point out that we have many problems before us. Our committee is doing the best job we can.

I hope the Members will vote down the amendment.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from California.

Mr. ANDERSON of California. Mr. Chairman, I want to make it clear that I agree that the Committee on Veterans' Affairs has done a great job in many of these across-the-board benefits for veterns. I have supported them.

But, is it not true that today there are almost 400,000 World War I veterans who are not getting any payments at all? And is it not also true that of the 300,000 who are receiving veterans assistance, that some are getting as little as $5 a month? If they receive a 25-percent increase, they will only be receiving an increase of $1.25 a month.

Mr. MONTGOMERY. I also could add on to that of the World War II and Korean veterans we probably have 3 or 4 million who are drawing that same amount that the gentleman mentioned.

Also as to the World War I veterans, the gentleman's figures are correct. About 270,000 World War I veterans out of the 760,000 World War I veterans who are still alive, are drawing some type of nonservice-connected pension.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. EDGAR, and by unanimous consent, Mr. MONTGOMERY was allowed to proceed for 2 additional minutes.)

Mr. MONTGOMERY. Mr. Chairman, I thank the gentleman for securing me the additional time and I would just like to finish my statement.

What I am saying is that we have a number of World War I veterans who have reasonably good incomes, and are not eligible for veterans pensions. I am glad they have enough money to take care of themselves in their later years.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I thank the gentleman for yielding to me.

The first thing I would like to do is to commend the gentleman in the well, Mr. MONTGOMERY, from Mississippi, who is the chairman of the subcommittee on which I serve, for his statement about the differences in social security and veterans pensions. I think this is a situation that we must look into very carefully. I hope after the commencement of the next session of this Congress, after we receive the report of the Veterans' Administration, that we may act expeditiously on that issue.

Mr. MONTGOMERY. I would like to commend the gentleman from Pennsylvania (Mr. EDGAR) who, as a member of the subcommittee, has been pushing for legislation such as this, and I hope that we will be able to correct the situation and solve the problem.

Mr. EDGAR. Mr. Chairman, if the gentleman will yield just briefly, let me say that I support the amendment offered by the gentleman from California (Mr. ANDERSON) in large part because it does set a limit of $15,000.

It takes out of the category of compensation for pensions those persons who would be making excessive sums. I think we have got to focus our attention on those World War I veterans who have not been given those benefits and who are in desperate need, who have to go to the grocery store and buy their goods and services and keep themselves alive in an economy that is very difficult.

I would hope that while the gentleman in the well disagrees with the approach that is taken, he will join with us in the development of this legislation once the amendment is accepted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ANDERSON).

The amendment was agreed to.

TECHNICAL AMENDMENT OFFERED BY MR. ANDERSON OF CALIFORNIA

Mr. ANDERSON of California. Mr. Chairman, I offer a technical amendment. Mr. Chairman, I offer this as a substitute for my amendment, which the committee has asked me to do. It is the same as mine with different words. It is a technical amendment.

The Clerk read as follows:

Technical amendment offered by Mr. ANDERSON of California: In the matter relating to the appropriate level of total new budget authority strike out "$507,343,000,000" and insert in lieu their "$508,043,000,000";

In the matter relating to the appropriate level of total budget outlays strike out "$458,676,000,000" and insert in lieu thereof "$459,376,000,000";

In the matter relating to the amount of the deficit strike out "$60,568,000,000" and insert in lieu thereof "$61,268,000,000";

In the matter relating to the appropriate level of the public debt strike out "$780,865,000,000" and insert in lieu thereof "$781,565,000,000";

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, strike out "$80,865,000,000" and insert in lieu thereof "$81,565,000,000".

In the matter relating to Veterans' Affairs strike out "$19,655,000,000" in budget authority and insert in lieu thereof "$20,355,000,000"; and strike out "$19,667,000,000" in outlays and insert in lieu thereof "$20,367,000,000".

Mr. ANDERSON of California (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ANDERSON of California. Mr. Chairman, I am informed by the staff of the committee that this is a technical, conforming amendment so that they will not have to do a lot of revising. Perhaps the chairman of the committee can substantiate that. At this time I yield to the chairman of the committee, the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I urge that the gentleman's request be granted. What this does is it perfects the original amendment which he had sent to the desk, which merely had the dollar change. This includes the aggregates as required under the act and conforms the amendment to the requirements of the Budget Act, and this will eliminate the need for a perfecting amendment later on.

The CHAIRMAN. The question is on the technical amendment offered by the gentleman from California (Mr. ANDERSON).

The technical amendment was agreed to.

AMENDMENT OFFERED BY MR. FOLEY

Mr. FOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOLEY: In the matter relating to the appropriate level of total budget outlays strike out "$458,676,000,000" and insert in lieu thereof "$458,876,000,000";

In the matter relating to the amount of the deficit strike out "$60,568,000,000" and insert in lieu thereof "$60,768,000,000";

In the matter relating to the appropriate level of the public debt strike out "$780,865,000,000" and insert in lieu thereof "$781,065,000,000";

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, strike out "$80,865,000,000" and insert in lieu thereof "$81,065,000,000".

In the matter relating to Function 350: Agriculture strike out "$6,102,000,000" in outlays and insert in lieu thereof "$6,302,000,000".

Mr. CONTE. Mr. Chairman, I rise in opposition to the committee amendment now before us, which will result in a giveaway of $200 million of the taxpayers money for another boondoggle. This payment to farmers, whether it goes by the name of critical lands resource conservation program, or the wheat set-aside program is still the payment-not-to-grow program that we finally rejected several years ago. This proposal is nothing more than a ripoff of the taxpayer and the consumer. The effect of this program is to reward farmers for not being productive—for not providing the essential elements of the human diet.

The program calls for the Government to pay farmers for setting aside a portion of their lands rather than to plant wheat. However, the program does not take into consideration the fact that farmers already voluntarily place less productive lands aside. Thus, the taxpayer will be rewarding the farmer for the actions he has already taken over the past years. The figures for this boondoggle are also appalling. The estimates for the first year alone, are $200 million, which is expected to increase in the future as farmers get smart and sit back, not plant, and just pick up their Government check. However, the taxpayer is not the only one who will be forced to carry the heavy financial burden. The diminished supplies of this staple will be reflected in increased consumer costs for every product utilizing wheat. This too, will increase over the years as the production decreases. With these odds, one must ask who is left to benefit? The answer is the select farmers, who will receive a double financial reward.

First, they are paid by the Government not to grow wheat. Second, the wheat they do produce will receive a higher price on the market, due to the diminished supply. Thus, this amounts to another boondoggle for the farmer, at the expense of the American taxpayer and the consumer.

I submit the taxpayer and consumers are sick and tired of supporting such ridiculous schemes of nonproductivity which coincidentally seem to benefit a select few. With the high demand for this nutritious commodity throughout the country, I submit that we should devise a better program. I, therefore, urge my colleagues to defeat this special interest amendment.

Thank you, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. FOLEY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. COUGHLIN

Mr. COUGHLIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COUGHLIN: In the matter relating to the recommended level of Federal revenues, decrease the amount by $175,000,000;

In the matter relating to the amount by which the aggregate level of Federal revenues should be decreased, increase the amount by $175,000,000;

In the matter relating to the amount of the deficit, increase the amount by $175,000,000;

In the matter relating to the appropriate level of the public debt, increase the amount by $175,000,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, increase the amount by $175,000,000.

Mr. COUGHLIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. COUGHLIN. Mr. Chairman, this amendment is intended to assure the availability of $175 million for tax credits for higher education and vocational education. The $175 million is the amount estimated by the Joint Committee on Taxation to be needed for the first year's cost of a tax credit program. That program would permit each full-time college or vocational education student a credit of $250 in the first year and that would be graduated up to maximum of $500 when the program is fully phased in.

This tax credit for higher education has had a very interesting history. It has passed the Senate in four out of the last five Congresses. Four times has it been passed by the Senate. But we in this House of Representatives have never been permitted a vote on this program. We were promised at the end of the last term of Congress that this would be brought for a vote in this House. It has yet to come in.

At the same time, 209 Members—209 Members—of this House of Representatives have sponsored some form of tax credit for education legislation. Almost half the entire House are cosponsors of legislation that has yet to be brought before this House for a vote.

I think all of us know the circumstances in which low- and middle-income families find themselves when they attempt to send children to college. In fact, with the increase in inflation and the increase in higher education costs many people are finding the higher education simply unaffordable. It is forcing schools to increase tuitions and fees while they have dwindling resources for loans and scholarships. If this trend is allowed to continue, our institutions of higher learning will be comprised only of the very rich and the very poor, who can either afford the education or who are the prime beneficiaries of our financial aid programs as presently constructed.

Such a state of affairs would be a tragedy to the majority of American taxpayers and to our Nation itself.

I point out that this kind of a credit is for a limited period of time. It helps the family in that period of time in their lives when they are the most strapped financially and when they are in the most need of some consideration and some relief in the tax field.

It is interesting to me that we allow tax advantages to businesses, and financially support the advanced training of their employees. While that is recognized by Congress as a sound investment, and businesses can get a tax credit, the individual family trying to send a young person to college or vocational school cannot get the same benefit. The family

cannot get that same writeoff against their taxes.

Some will say this is going to produce a revenue loss, but it is a fraction of one percent of our budget.

Even more interesting is the fact that college graduates earn an average of over $5,000 per year more in taxable income than noncollege graduates. It may actually pay off in the long run and not result in a revenue loss.

The average college graduate has over $200,000 more in lifetime earnings than those who have only a high school education. The taxes paid on those earnings all contribute to the revenue of the United States.

Mr. Chairman, I hope that we will support this amendment so that provision will be made in the budget and I also hope that this kind of credit will be voted on soon by the House of Representatives.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think clearly this is not the proper vehicle for new legislation such as a college tuition tax credit.

We can stay here all afternoon and merrily add to the Federal budget and the Federal deficit. In the last half hour we have added $700 million to the veterans functions and $200 million in outlays for agriculture. This is $900 million that we have added in estimated outlays; that means $900 million added to the deficit, which is already at $60 billion.

That may not bother some people, but it surely bothers me, and it bothers many others in this chamber and in the country at large.

Now, here is a piece of legislation, a proposed college tuition tax credit. It may or may not have merit; but it certainly ought to go through the proper committee, which is the Committee on Ways and Means—the tax-writing committee. It certainly ought not to be added here today when we have no idea as to whether or not it is a high priority item, whether there is great support for it, or what the pros and cons of it are.

I know it sounds good. I know there is nothing finer than for a Member of Congress to go back home and tell middle-income taxpayers, "I know the troubles you are having paying tuition for your children, putting them through college, and I voted for a tax benefit for you," without taking into consideration the effectiveness of it, without taking into consideration the cost of it, without comparing it with so many of the other good programs that we have to take care of the needs of college students.

Instead of that, what happens? We are not able to get this type of legislation through the Committee on Ways and Means or through the Senate Finance Committee. We are not able to get it through any of the other committees of the House, but some think it is a good idea to tack it on to the budget of the United States. As I said, we have already increased the budget by $900 million this afternoon on legislation involving World War I veterans, which most likely will not be passed by the Congress, and by $200 million more on agricultural estimates.

We already had put $6.1 billion in this budget for price supports to agriculture, and now we are told that the estimates show that we will need an additional $200 million.

We are talking about next year's crops. I submit to the Members that if we are that good at estimating what price support payments are going to be next year, we all ought to go out and play the futures market. I submit that we do not have any exact idea as to what will happen, what the prices of commodities will be, and yet we put in the high figures when we get to the budget. The result is that we will be creating havoc with the budget of this country. I think all of us should concern ourselves with that.

Getting back to college tuition tax credit, it should be taken to the proper legislating committees of the Congress. If it passes there, then it can be included in the budget. But we should not start in the reverse manner of getting it passed through the budget with the hope that putting it in this budget will act as some sort of priority incentive toward getting those committees to act on it. They have been aware of the tax credits for tuition for years, and they do not need incentive from the Budget Committee to get them to move.

Mr. Chairman, I urge the defeat of this amendment.

Mr. CORCORAN of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Coughlin amendment to House Concurrent Resolution 341, the second concurrent resolution on the budget for fiscal year 1978.

First of all I want to express my disagreement with the gentleman from Connecticut (Mr. GIAIMO) regarding the timing of the consideration of this amendment. We are not—in this pending amendment—trying to enact a specific legislative program of tax credits for college education. That, hopefully, will come later when the appropriate standing committees of the House take up this legislation.

This, I submit, is the appropriate time and place to consider this matter because what we are trying to do in the budget process under which Congress now operates is to make allowance for the fiscal impact of the college tax credit bill.

The Carter administration has already announced its intention to send Congress its tax reform proposals later this year. The Ways and Means Committee will be holding hearings and in the course of the normal legislative process I believe the tax credit idea will be seriously, and I hope favorably, considered by the House. And according to our budget process now is precisely the time to make allowance for the fiscal impact of this legislation.

As the prime sponsor of H.R. 5313, the College Tuition Tax Relief Act of 1977, I have been concerned for a long time with the costs of a college education which have been rising at a terrifying rate. Many able and eager young students are being priced out of school. They are being denied what most Americans have always considered a basic right—the right to better themselves through education.

The idea of tax credits for higher and vocational educational expenses is not a new one. Twice during 1976, the Senate passed such legislation. The House has never permitted a vote on a tax credit for higher educational expenses. During this Congress, nearly 210 Members have either sponsored or cosponsored legislation which calls for tax credits and/or deductions for educational expenses.

Consider for a moment these facts, supplied to me by the House Education and Labor Committee. The cost of 1 year in a public college will be 4-percent higher in the 1977–78 school year than it was in the 1976–77 school year. At private schools, the increase will be 5.2 percent. This is not an isolated case. The trend of higher and higher college costs is persistent. In the years between 1970 and 1977, the cost of tuition alone increased 57.2 percent at public colleges. If you have an 18-year-old child who plans to enter college next year, it will cost you, on the average, $17,500 for 4 years at a public university. If, on the other hand, your child is in the first grade this year, you can plan to spend $35,420 for his or her bachelor's degree. Finally, if your child is born this year, college costs will be $47,330 for 4 years when the child enters college. In addition, if you want your child to attend a private college, and about one-fourth of our college students do go to private institutions, the cost for a baby today will be $82,830 by the time he or she reaches college age.

The Coughlin amendment to House Concurrent Resolution 341 contains a similar formula for tax credits to that embodied in my bill, H.R. 5313 and its counterpart in the other body, S. 311, which is sponsored by Senators ROTH and RIBICOFF. The formula calls for a tax credit for each full-time college or vocational student of $250 for the first year, graduated to a maximum of $500 when fully phased in by 1980.

Finally, the income tax credit concept has three basic advantages. First and foremost, it is aid directly to those who bear the brunt of college costs, especially the middle class, which has financed most student aid programs while being denied the benefits of those programs. Every student or the parent of a student who is not self-supporting can take advantage of the credit. It is a form of aid with few strings attached. Second, the tax credit is simple and inexpensive from an administrative point of view. Finally, the cost of the program would not be prohibitive.

I believe that it is time, Mr. Chairman, for the House to go on record in support of this indirect assistance program for higher education. A vote for this amendment would make provisions in the budget resolution for this tax credit legislation which I believe should be enacted by this Congress.

Mr. FISHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not so much concerned with the substance of this particular amendment as I am with what it

seems to be doing with the budget process. Comes along a worthy program—education, World War I veterans, agriculture, whatever it is—and it has not gone through the process of the budget resolution properly, and, therefore, the item is not accommodated in the budget ceiling for authorizations and outlays. But the champions of these particular programs, each one of which may be quite worthy, want there to be a reserved space inside the budget tent for the program or for the expansion of the program. And this is a terrible upward pressure on the outlay ceilings or the authorization ceilings, or both. It is a one-way kind of pressure, and it pushes that ceiling up, up, up, until practically anybody, however tall he is, can fit in that room and not bump his head on the ceiling.

See what this does. It brings us forward with a budget resolution, this time binding, mind you, with very, very, high ceilings, made high to accommodate the unprepared, unprocessed requests, however worthy, of lots of different Members.

We then find ourselves saying to the country, "We give you a budget ceiling for next year very, very high, to accommodate almost any worthy cause that a Member can think of and can generate a little support for."

This means our deficit is going to be very, very high. And we come before the country then with an inflated budget ceiling, an inflated deficit, and we deserve to suffer the consequences of public criticism if we do that. And believe me, we will get it.

The whole thing is made so obvious in yet another sense. Just recently some reestimates of the amount of spending for this fiscal year indicate that the spending is going to fall short by $4 billion of what we thought a few months ago it would be. Four months ago the same story was told, to the extent of $3 billion. This is what happens later on in a fiscal year when ambitions that people have cannot be fulfilled.

The whole thing makes a mockery, at least to some extent, of our budget process. I hate to be cast in the role of opposing this, that, or the other program, which might be quite good if it were properly brought forward through relevant committees and then into the budget, but to have it come in in this way seems to me to be quite the wrong way to do it.

That only makes us look—I will not say it makes us look ridiculous, but it does make us look irresponsible in the eyes of the citizens to come in with these great, high figures for outlays and great, high figures for deficits and then later on next year, in the reestimating, bring them back down again.

Maybe we would be better off, Mr. Chairman, to deflate some of these things here and now since we know they are not all going to go through and actually result in higher outlays.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Chairman, I thank the gentleman for yielding.

I simply want to associate myself with the criticism the gentleman from Virginia (Mr. FISHER) has made with respect to this amendment, because we would really, in agreeing to this amendment, be holding out a false promise, in that neither of the committees with policymaking responsibilities for higher education legislation—the Committee on Ways and Means, with respect to this particular proposal, and the Committee on Education and Labor, with respect to student financial assistance legislation—has considered or has acted on proposals of this nature.

We would simply be misleading the American people were we to agree to this amendment, and it seems to me to be a corruption of the purpose of the budget process.

Moreover, President Carter and his economic advisers are presently shaping a major tax reform proposal, and it would seem to me to be more responsible to direct this particular proposal to the attention of those who are shaping that measure. That is the appropriate place for it to be considered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. COUGHLIN).

The question was taken; and on a division (demanded by Mr. COUGHLIN) there were—ayes 15, noes 26.

Mr. COUGHLIN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-eight Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 521]

Andrews, N.C.	Diggs	Mitchell, Md.
Archer	Dingell	Moakley
Ashley	Dornan	Moss
Aspin	Drinan	Murphy, N.Y.
Badillo	Edwards, Calif.	Myers, Michael
Biaggi	Fascell	Patterson
Blanchard	Fish	Pettis
Bolling	Ford, Mich.	Pritchard
Bonior	Fountain	Quillen
Bonker	Fraser	Railsback
Burke, Calif.	Gibbons	Rangel
Burke, Fla.	Harris	Rodino
Burton, John	Harsha	Rose
Byron	Hefner	Rosenthal
Carney	Johnson, Calif.	Rostenkowski
Cederberg	Kemp	Roybal
Chappell	Ketchum	Ryan
Clay	Koch	Santini
Conyers	McCormack	Scheuer
Cornwell	McDonald	Selberling
Dellums	McKinney	Shuster
Dent	Mathis	Simon
Dickinson	Mikulski	Sisk
Dicks	Mikva	Smith, Iowa
Stangeland	Udall	Wirth
Steed	Ullman	Yatron
Stokes	Vanik	Young, Alaska
Symms	Waxman	Zeferetti
Tucker	Wiggins	

Accordingly the Committee rose; and the Speaker pro tempore, Mr. WRIGHT, having assumed the chair, Mr. NEDZI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 341), and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 348 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Pennsylvania (Mr. COUGHLIN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 311, noes 76, answered "present" 1, not voting 46, as follows:

[Roll No. 522]

AYES—311

Abdnor	Conte	Gudger
Addabbo	Corcoran	Guyer
Akaka	Cornell	Hagedorn
Alexander	Cornwell	Hall
Allen	Cotter	Hamilton
Ambro	Coughlin	Hammer-schmidt
Anderson, Calif.	Crane	Hanley
Anderson, Ill.	Cunningham	Hannaford
Andrews, N. Dak.	D'Amours	Hansen
Annunzio	Daniel, Dan	Harkin
Applegate	Daniel, R. W.	Harrington
Archer	Davis	Harsha
Armstrong	de la Garza	Hawkins
Ashbrook	Delaney	Hefner
Badham	Dellums	Heftel
Bafalis	Derrick	Hightower
Barnard	Derwinski	Hillis
Baucus	Devine	Holland
Bauman	Diggs	Hollenbeck
Beard, R.I.	Dodd	Holt
Beard, Tenn.	Downey	Horton
Bedell	Drinan	Howard
Benjamin	Duncan, Oreg.	Hubbard
Bevill	Duncan, Tenn.	Huckaby
Blanchard	Early	Hughes
Blouin	Edgar	Hyde
Boggs	Edwards, Ala.	Ichord
Boland	Edwards, Okla.	Jeffords
Bonior	Eilberg	Jenrette
Bowen	Emery	Johnson, Colo.
Breaux	English	Jones, N.C.
Breckinridge	Erlenborn	Jones, Tenn.
Brinkley	Ertel	Kasten
Brooks	Evans, Del.	Kazen
Broomfield	Evans, Ga.	Kelly
Brown, Mich.	Evans, Ind.	Kildee
Brown, Ohio	Fary	Kindness
Broyhill	Fenwick	Kostmayer
Buchanan	Findley	Krebs
Burgener	Fish	Krueger
Burke, Calif.	Fithian	LaFalce
Burke, Fla.	Flippo	Lagomarsino
Burke, Mass.	Flood	Latta
Byron	Florio	Le Fante
Caputo	Flowers	Leach
Carney	Flynt	Lederer
Carr	Ford, Tenn.	Lent
Carter	Forsythe	Levitas
Cavanaugh	Fowler	Livingston
Cederberg	Frenzel	Lloyd, Calif.
Clausen, Don H.	Frey	Lloyd, Tenn.
Clawson, Del	Fuqua	Long, Md.
Cleveland	Gammage	Lott
Cochran	Gaydos	Lujan
Cohen	Gilman	Luken
Coleman	Ginn	Lundine
Collins, Ill.	Glickman	McClory
Collins, Tex.	Goldwater	McDade
Conable	Goodling	McDonald
	Gore	McEwen
	Gradison	McHugh
	Grassley	

McKay	Pease	Spellman
McKinney	Pepper	Spence
Madigan	Perkins	St Germain
Mahon	Pressler	Staggers
Markey	Preyer	Stanton
Marks	Pursell	Steed
Marlenee	Quayle	Steers
Marriott	Quie	Stockman
Martin	Rahall	Stratton
Mathis	Railsback	Studds
Mazzoli	Regula	Taylor
Meyner	Rhodes	Thompson
Michel	Rinaldo	Thone
Milford	Risenhoover	Thornton
Miller, Calif.	Roberts	Traxler
Miller, Ohio	Robinson	Treen
Minish	Rodino	Trible
Mitchell, N.Y.	Roe	Tsongas
Moakley	Rogers	Tucker
Moffett	Rooney	Udall
Mollohan	Rudd	Vander Jagt
Montgomery	Runnels	Vento
Moore	Ruppe	Walgren
Moorhead, Calif.	Russo	Walker
	Ryan	Walsh
Moorhead, Pa.	Santini	Wampler
Mottl	Sarasin	Watkins
Murphy, Ill.	Satterfield	Weiss
Murphy, Pa.	Sawyer	White
Murtha	Scheuer	Whitehurst
Myers, John	Schroeder	Whitley
Myers, Michael	Schulze	Whitten
Natcher	Sebelius	Wilson, C. H.
Neal	Sharp	Winn
Nedzi	Shipley	Wolff
Nichols	Shuster	Wydler
Nix	Sikes	Wylie
Nolan	Skelton	Yatron
Nowak	Skubitz	Young, Fla.
O'Brien	Slack	Young, Mo.
Oakar	Smith, Iowa	Young, Tex.
Oberstar	Smith, Nebr.	Zablocki
Ottinger	Snyder	
Panetta	Solarz	

NOES—76

Ammerman	Gibbons	Pickle
Ashley	Gonzalez	Pike
AuCoin	Holtzman	Poage
Baldus	Jacobs	Price
Beilenson	Jenkins	Reuss
Bennett	Jones, Okla.	Richmond
Bingham	Jordan	Roncalio
Brademas	Kastenmeier	Rosenthal
Brodhead	Keys	Rousselot
Brown, Calif.	Lehman	Seiberling
Burleson, Tex.	Long, La.	Stark
Burlison, Mo.	McCloskey	Steiger
Burton, Phillip	McCormack	Stokes
Butler	McFall	Stump
Chisholm	Maguire	Ullman
Conyers	Mann	Van Deerlin
Corman	Mattox	Volkmer
Danielson	Meeds	Waggonner
Eckhardt	Metcalfe	Waxman
Edwards, Calif.	Mikva	Weaver
Evans, Colo.	Mineta	Whalen
Fisher	Mitchell, Md.	Wiggins
Ford, Mich.	Myers, Gary	Wright
Fraser	Obey	Yates
Gephardt	Patten	
Giaimo	Pattison	

ANSWERED "PRESENT"—1

Ireland

NOT VOTING—46

Andrews, N.C.	Fountain	Rose
Aspin	Harris	Rostenkowski
Badillo	Heckler	Roybal
Biaggi	Johnson, Calif.	Simon
Bolling	Kemp	Sisk
Bonker	Ketchum	Stangeland
Burton, John	Koch	Symms
Chappell	Leggett	Teague
Clay	Mikulski	Vanik
Dent	Moss	Wilson, Bob
Dickinson	Murphy, N.Y.	Wilson, Tex.
Dicks	Patterson	Wirth
Dingell	Pettis	Young, Alaska
Dornan	Pritchard	Zeferetti
Fascell	Quillen	
Foley	Rangel	

So the amendment was agreed to.

The result of the vote was announced as above recorded:

AMENDMENT OFFERED BY MR. CAPUTO

Mr. CAPUTO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CAPUTO: On page 1, line 11, strike out "$507,343,000,000" and insert in lieu thereof "$507,233,700,000";

On page 2, line 2, strike out "$458,676,000,000" and insert in lieu thereof "$458,568,000,000";

On page 2, line 5, strike out "$60,568,000,000" and insert in lieu thereof "$60,460,000,000";

On page 2, line 7, strike out "$780,865,000,000" and insert in lieu thereof "$780,757,000,000";

On page 2, line 9, strike out "$80,865,000,000" and insert in lieu thereof "80,757,000,000";

On page 2, line 23, strike out "$7,933,000,000" and insert in lieu thereof "$7,823,700,000";

On page 2, line 24, strike out "$6,579,000,000" and insert in lieu thereof "$6,471,000,000".

Mr. CAPUTO (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CAPUTO. Mr. Chairman, in order to induce reasonable cooperation from the Korean Government with the ongoing investigations of the House and the Department of Justice, I am proposing to reduce budget authority by approximately $110 billion with the guidance and recommendation that those reductions be made in Korean commodity support programs run by the U.S. Government.

I want to emphasize that there is no change in the military spending under this proposal such as the $750 million in this budget for support of the U.S. Air Force and Army combat and combat support forces in Korea. These would not be affected.

The $275 million in military credit sales would not be affected, nor would the $4 million in the military assistance program grants and the $1.4 million in military training, they would not be affected, nor would troop withdrawals be raised by this proposal. This is concentrated specifically on commodities, wheat, rice, and cotton. I want to share with the Members my reasons for concentrating solely on this form of aid to Korea as a way to try to induce reasonable cooperation from the Korean Government in all of our investigations.

First, the Korean economy is robust. Korea is now one of the most wealthy countries per capita in Southeast Asia. Their per capita GNP was $600 in 1975, double that of the Philippines, and about four times that of India. In the scheme of things, Korea is no longer a poor country. Its GNP is growing rapidly, about 15 percent a year in real terms, more rapidly than ours. In short, their formerly acute need for our commodity assistance has been sharply reduced, if not eliminated. Indeed, Korea set a target for kilograms of rice consumption per capita in Korea, and that target was 102 kilograms for the year 1975. Their actual consumption in that year was 113 kilograms, meaning their diet and nutrition has reached desired levels. For wheat Korea is within 5 percent of the desired per capita consumption per year. Again, their diet and nutrition seems to have reached adequate levels. Production and demand for rice in Korea is about in balance, so that Korea is really self-sufficient in rice, raising questions in my mind why we have to use U.S. taxpayers' dollars to support Korea in this particular dimension.

The South Koreans' need for commodity assistance is minor in a worldwide spectrum. South Korean nutrition and diet is adequate. They have a high per capita income. They are self-sufficient in these very commodities.

It seems to me extraordinary that we use U.S. taxpayers' dollars to help this country when there are so many others far more needy in this respect. The Koreans continue to have, depending on one's point of view, military requirements that we need to meet, but it seems to me we can all agree that with respect to these particular commodities Korea has met its own requirements, and that there are other more needy countries.

More importantly, there is a second reason to single out commodities. It was through this commodity program that Tongsun Park perpetrated his frauds against this very Congress. That is not my conclusion; that is the conclusion of a U.S. grand jury pursuant to an indictment brought by the U.S. Department of Justice. Let me read selectively from that indictment, which was unsealed 3 days ago.

The Korean Government did cause the Office of Supply of the Republic of Korea Government to designate Tongsun Park as the seller's agent for the purchase of all rice by the Republic of Korea from the U.S. Government, and then as compensation for acting as that seller's agent, Mr. Tongsun Park received substantial compensation.

The indictment stipulates it was part of the conspiracy that the defendant, Tongsun Park, with the knowledge and under the direction of the Korean Government, would corruptly provide a part of the commissions on the sale of that rice to various Congressmen and Senators.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. CAPUTO was allowed to proceed for 2 additional minutes.)

Mr. CAPUTO. The program I am seeking to delete with respect to this particular country was precisely the program that according to the Department of Justice and the U.S. grand jury was the vehicle for defrauding this body and, hence, the U.S. Government. I encourage the Members to think about the wisdom of continuing that program another year in the light of this statement, not by CAPUTO but by the Department of Justice. As the Members have undoubtedly read, nearly everyone connected with either the Justice or the Ethics Committee investigations considers Tongsun Park critical in this investigation. There is a trail of currency, U.S. currency, leading to Tonsun Park's control. Only he is likely to be able to tell us what was done with that cash. As the Department

of Justice claims, that was the source of bribery, of corruption of U.S. policy, and of corruption of this Government. As the Members know and as has been explained in the context of other amendments this evening, this amendment would not directly cut spending to Korea. It is merely advisory and a guidance to the administrative agency.

The State Department could choose to reject our advice, and that is in my mind an advantage. If there are overriding circumstances that I do not understand and that other Members of the House who choose to vote for this do not understand, the State Department could continue the program. We are not mandating or forcing a change in diplomacy. Instead we are rendering an opinion, an opinion that this country was abused by the Korean Government, and that this particular form of aid ought to stop for this year, to this one country, in these amounts for those commodities.

I am mindful that there are ongoing efforts by the State Department, by the Office of the President, by the Ethics Committee and indeed by our own Speaker who addressed this question only yesterday.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. CAPUTO was allowed to proceed for 2 additional minutes.)

Mr. CAPUTO. Mr. Chairman, I considered carefully whether this would frustrate those efforts. My decision to go ahead with this amendment was fortified by reading today's accounts of the statements by a Minister of the Republic of Korea sharply rejecting any suggestion that his Government was at fault. He said there was no reason for Korea to cooperate in this investigation. He said it was none of our business. Now, that is a translation and maybe an unfair one, but that is the one that came out. He said the Korean Government was not connected with this scandal.

I would say the overtures by the President and by the State Department and by others have been firmly rejected, and there are few cards left to play, and this is one of them. We could act tonight.

Let me say that as a member of the Ethics Committee I have had several opportunities to register my displeasure with the failure of the Korean Government to cooperate in this investigation, but most of the Members here are not members of that committee and have had few opportunities to register themselves in any way on this important matter.

The House voted unanimously to start the investigation. This is another opportunity, and one of the few the full membership will have, to indicate how it feels about the progress of the investigation and about the importance of cooperation by the Korean Government.

Let me close with one final thought. I considered carefully whether this amendment would hold an innocent country responsible for the unauthorized acts of an outrageous felon who happens to be a national of that country. I would not move this amendment if I thought that. I think the Justice Department indictment makes it absolutely clear that the Korean Government launched a specific plan to subvert our independence and our integrity. They cooperated, indeed they directed the commission of these felonies. The Korean Government is not an innocent bystander. I am holding them responsible because they are indeed responsible.

I hope I can find some support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. CAPUTO).

The question was taken; and on a division (demanded by CAPUTO) there were—ayes 50, noes 56.

RECORDED VOTE

Mr. CAPUTO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 181, noes 205, not voting 48, as follows:

[Roll No. 523]

AYES—181

Allen	Forsythe	Moffett
Ambro	Frenzel	Moorhead, Calif.
Anderson, Calif.	Frey	Motti
Anderson, Ill.	Gaydos	Murphy, Pa.
Andrews, N.C.	Gibbons	Myers, John
Archer	Ginn	Neal
AuCoin	Glickman	Nolan
Bafalis	Goldwater	O'Brien
Barnard	Goodling	Oakar
Baucus	Gore	Ottinger
Beard, R.I.	Gudger	Panetta
Beard, Tenn.	Guyer	Pressler
Bedell	Hannaford	Pursell
Bennett	Harkin	Quie
Blanchard	Harrington	Railsback
Blouin	Harsha	Regula
Bonior	Heckler	Reuss
Brademas	Hefner	Rhodes
Brinkley	Hillis	Richmond
Brodhead	Hollenbeck	Rinaldo
Brown, Calif.	Holtzman	Roe
Brown, Ohio	Horton	Rogers
Broyhill	Hughes	Runnels
Buchanan	Ireland	Ruppe
Burke, Calif.	Jacobs	Russo
Burton, Phillip	Jeffords	Sawyer
Butler	Jenkins	Schroeder
Caputo	Johnson, Colo.	Schulze
Carr	Jones, N.C.	Seiberling
Carter	Jones, Tenn.	Sharp
Chisholm	Kasten	Shuster
Clausen, Don H.	Kastenmeier	Skubitz
Clawson, Del	Kazen	Smith, Nebr.
Cleveland	Kelly	Solarz
Cohen	Keys	Spellman
Coleman	Kildee	St Germain
Collins, Ill.	Kindness	Stark
Collins, Tex.	Kostmayer	Steers
Conable	Krebs	Stockman
Conyers	Krueger	Studds
Corcoran	Lagomarsino	Thompson
Cornell	Latta	Thone
Coughlin	Leach	Trible
Cunningham	Lent	Tsongas
D'Amours	Lloyd, Tenn.	Tucker
de la Garza	Lott	Udall
Dellums	Lujan	Vander Jagt
Devine	McClory	Vento
Downey	McCloskey	Volkmer
Drinan	McDade	Walker
Duncan, Tenn.	McEwen	Walsh
Edgar	McFall	Waxman
Edwards, Okla.	McKinney	Weaver
Ellberg	Madigan	Weiss
Emery	Maguire	Whitley
Ertel	Markey	Wydler
Evans, Del.	Marlenee	Wylie
Evans, Ind.	Mazzoli	Yatron
Fish	Mikva	Young, Fla.
Fithian	Miller, Calif.	
	Miller, Ohio	
	Minish	

NOES—205

Abdnor	Annunzio	Bauman
Addabbo	Applegate	Beilenson
Akaka	Armstrong	Benjamin
Alexander	Ashbrook	Bevill
Ammerman	Ashley	Bingham
Andrews, N. Dak.	Badham	Boggs
	Baldus	Boland
Bowen	Hamilton	Obey
Breaux	Hammer-schmidt	Patten
Breckinridge		Pattison
Brooks	Hanley	Pease
Broomfield	Hansen	Pepper
Brown, Mich.	Hawkins	Perkins
Burgener	Heftel	Pickle
Burke, Fla.	Hightower	Pike
Burke, Mass.	Holland	Poage
Burleson, Tex.	Holt	Preyer
Burlison, Mo.	Hubbard	Price
Byron	Huckaby	Quayle
Carney	Hyde	Rahall
Cavanaugh	Ichord	Risenhoover
Cederberg	Jenrette	Roberts
Cochran	Jones, Okla.	Robinson
Conte	Jordan	Rodino
Corman	LaFalce	Roncalio
Cornwell	Le Fante	Rooney
Cotter	Lederer	Rosenthal
Crane	Lehman	Rousselot
Daniel, Dan	Levitas	Rudd
Daniel, R. W.	Livingston	Ryan
Danielson	Lloyd, Calif.	Santini
Davis	Long, La.	Satterfield
Derrick	Long, Md.	Scheuer
Derwinski	Luken	Sebelius
Dingell	Lundine	Shipley
Dodd	McCormack	Sikes
Duncan, Oreg.	McDonald	Skelton
Early	McHugh	Slack
Eckhardt	McKay	Smith, Iowa
Edwards, Ala.	Mahon	Snyder
Edwards, Calif.	Mann	Spence
English	Marks	Staggers
Erlenborn	Marriott	Stanton
Evans, Colo.	Martin	Steed
Evans, Ga.	Mathis	Steiger
Fary	Mattox	Stokes
Fenwick	Meeds	Stratton
Findley	Metcalfe	Stump
Fisher	Meyner	Taylor
Flippo	Michel	Thornton
Flood	Milford	Treen
Florio	Mineta	Van Deerlin
Flowers	Mitchell, Md.	Waggonner
Flynt	Mitchell, N.Y.	Walgren
Foley	Moakley	Wampler
Ford, Mich.	Mollohan	Watkins
Ford, Tenn.	Montgomery	Whalen
Fowler	Moore	White
Fraser	Moorhead, Pa.	Whitehurst
Fuqua	Murphy, Ill.	Whitten
Gammage	Murtha	Wiggins
Gephardt	Myers, Gary	Wilson, Bob
Giaimo	Myers, Michael	Wilson, C. H.
Gilman	Natcher	Winn
Gonzalez	Nedzi	Wolff
Gradison	Nichols	Wright
Grassley	Nix	Yates
Hagedorn	Nowak	Young, Tex.
Hall	Oberstar	Zablocki

NOT VOTING—48

Aspin	Harris	Rostenkowski
Badillo	Howard	Roybal
Biaggi	Johnson, Calif.	Sarasin
Boiling	Kemp	Simon
Bonker	Ketchum	Sisk
Burton, John	Koch	Stangeland
Chappell	Leggett	Symms
Clay	Mikulski	Teague
Delaney	Moss	Traxler
Dent	Murphy, N.Y.	Ullman
Dickinson	Patterson	Vanik
Dicks	Pettis	Wilson, Tex.
Diggs	Pritchard	Wirth
Dornan	Quillen	Young, Alaska
Fascell	Rangel	Young, Mo.
Fountain	Rose	Zeferetti

The Clerk announced the following pairs:

On this vote:

Mr. Fountain for, with Ms. Mikulski against.

Mr. Wirth for, with Mr. Dicks against.

Mr. Symms for, with Mr. Teague against.

Mr. Dornan for, with Mr. Chappell against.

Mr. Sarasin for, with Mr. Rangel against.

Mr. Badillo for, with Mr. Young of Missouri against.

Mr. Stangeland for, with Mr. Zeferetti against.

Mr. Young of Alaska for, with Mr. Rostenkowski against.

Messrs. BURKE of Florida, MOLLOHAN, MARRIOTT, and LUNDINE changed their vote from "aye" to "no."

Mr. ARCHER, Mrs. LLOYD of Tennessee, and Messrs. BLANCHARD, JONES of Tennessee, and WAXMAN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. JACOBS

Mr. JACOBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACOBS: On page 2, line 20, strike out "$115,787,000,000" and insert in lieu thereof "$115,754,000,000";

On page 2, line 23, strike out "$7,933,000,000" and insert in lieu thereof "$7,822,000,000";

On page 2, line 24, strike out "$6,579,000,000" and insert in lieu thereof "$6,469,000,000."

Mr. JACOBS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. JACOBS. Mr. Chairman, this amendment is the same as the previous amendment. The only difference is that rather than just striking out some funds for the State of Korea, it strikes out all funds for the State of Korea if they do not return this fugitive from justice from the United States.

Mr. Chairman, I might add that I am just as puzzled as some of the other Members in this Chamber as to why we never had an extradition treaty with South Korea in the first place.

They got 10 percent of my leg over there, and I do not think they deserve anything more from us if they do not at least return a person charged with a serious crime in this country.

Mr. Chairman, I hope my amendment is approved.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. JACOBS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. JACOBS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 120, noes 268, not voting 46, as follows:

[Roll No. 524]

AYES—120

Allen	Chisholm	Gaydos
Ambro	Cleveland	Gibbons
Anderson, Ill	Collins, Tex.	Glickman
Armstrong	Conyers	Goodling
AuCoin	Corcoran	Gore
Baucus	Cornell	Hall
Beard, R.I.	Cornwell	Hannaford
Bedell	D'Amours	Harkin
Bennett	de la Garza	Harrington
Blanchard	Dellums	Harsha
Blouin	Downey	Hawkins
Bonior	Duncan, Tenn.	Heckler
Brademas	Eilberg	Hillis
Brodhead	Emery	Hollenbeck
Brown, Calif.	English	Holtzman
Burke, Calif.	Ertel	Hughes
Burton, John	Evans, Ind.	Ireland
Burton, Phillip	Fithian	Jacobs
Carr	Ford, Mich.	Jeffords
Carter	Ford, Tenn.	Johnson, Colo.
Cavanaugh	Forsythe	Kasten
Kastenmeier	Murphy, Pa.	Sharp
Keys	Natcher	Shuster
Kildee	Nolan	Smith, Nebr.
Kindness	Oakar	Spellman
Kostmayer	Ottinger	Stark
Krebs	Panetta	Studds
Leach	Perkins	Thompson
McCloskey	Pressler	Thone
McDade	Pursell	Tsongas
McKinney	Reuss	Tucker
Madigan	Richmond	Udall
Maguire	Rinaldo	Vento
Markey	Risenhoover	Volkmer
Marlenee	Roe	Walgren
Mazzoli	Runnels	Watkins
Mikva	Russo	Waxman
Miller, Calif.	Ryan	Weaver
Minish	Schroeder	Weiss
Moffett	Seiberling	Yatron

NOES—268

Abdnor	Fish	Milford
Addabbo	Fisher	Miller, Ohio
Akaka	Flippo	Mineta
Alexander	Flood	Mitchell, Md.
Ammerman	Florio	Mitchell, N.Y.
Anderson, Calif.	Flowers	Moakley
Andrews, N.C.	Flynt	Mollohan
Andrews, N. Dak.	Foley	Montgomery
Annunzio	Fowler	Moore
Applegate	Fraser	Moorhead, Calif.
Archer	Frenzel	Moorhead, Pa.
Ashbrook	Frey	Mottl
Ashley	Fuqua	Murphy, Ill.
Badham	Gammage	Murtha
Bafalis	Gephardt	Myers, Gary
Baldus	Giaimo	Myers, John
Barnard	Gilman	Myers, Michael
Bauman	Ginn	Neal
Beard, Tenn.	Goldwater	Nedzi
Bellenson	Gonzalez	Nichols
Benjamin	Gradison	Nix
Bevill	Grassley	Nowak
Bingham	Gudger	O'Brien
Boggs	Guyer	Oberstar
Boland	Hagedorn	Obey
Bowen	Hamilton	Patten
Breaux	Hammer-schmidt	Pattison
Breckinridge	Hanley	Pease
Brinkley	Hansen	Pepper
Brooks	Hefner	Pickle
Broomfield	Heftel	Pike
Brown, Mich.	Hightower	Poage
Brown, Ohio	Holland	Preyer
Broyhill	Holt	Price
Buchanan	Horton	Quayle
Burgener	Hubbard	Quie
Burke, Fla.	Huckaby	Rahall
Burke, Mass.	Hyde	Railsback
Burleson, Tex.	Ichord	Regula
Burlison, Mo.	Jenkins	Rhodes
Butler	Jenrette	Roberts
Byron	Jones, N.C.	Robinson
Caputo	Jones, Okla.	Rodino
Carney	Jones, Tenn.	Rogers
Cederberg	Jordan	Roncalio
Clausen, Don H.	Kazen	Rooney
Clawson, Del	Kelly	Rosenthal
Cochran	Krueger	Rousselot
Coleman	LaFalce	Rudd
Collins, Ill.	Lagomarsino	Ruppe
Conable	Latta	Santini
Conte	Le Fante	Satterfield
Corman	Lederer	Sawyer
Cotter	Lehman	Scheuer
Coughlin	Lent	Schulze
Crane	Levitas	Sebelius
Cunningham	Livingston	Shipley
Daniel, Dan	Lloyd, Calif.	Sikes
Daniel, R. W.	Lloyd, Tenn.	Skelton
Danielson	Long, La.	Skubitz
Davis	Long, Md.	Slack
Derrick	Lott	Smith, Iowa
Derwinski	Lujan	Snyder
Devine	Luken	Solarz
Diggs	Lundine	Spence
Dingell	McClory	St Germain
Dodd	McCormack	Staggers
Drinan	McDonald	Stanton
Duncan, Oreg.	McEwen	Steed
Early	McFall	Steers
Eckhardt	McHugh	Steiger
Edwards, Ala.	McKay	Stockman
Edwards, Calif.	Mahon	Stokes
Edwards, Okla.	Mann	Stratton
Erlenborn	Marks	Stump
Evans, Colo.	Marriott	Taylor
Evans, Del.	Martin	Thornton
Evans, Ga.	Mathis	Traxler
Fary	Mattox	Treen
Fenwick	Meeds	Trible
Findley	Metcalfe	Ullman
	Meyner	Van Deerlin
	Michel	Vander Jagt
Waggonner	Whitley	Wright
Walker	Whitten	Wydler
Walsh	Wiggins	Wylie
Wampler	Wilson, Bob	Yates
Whalen	Wilson, C. H.	Young, Fla.
White	Winn	Young, Tex.
Whitehurst	Wolff	Zablocki

NOT VOTING—46

Aspin	Harris	Rostenkowski
Badillo	Howard	Roybal
Biaggi	Johnson, Calif.	Sarasin
Bolling	Kemp	Simon
Bonker	Ketchum	Sisk
Chappell	Koch	Stangeland
Clay	Leggett	Symms
Cohen	Mikulski	Teague
Delaney	Moss	Vanik
Dent	Murphy, N.Y.	Wilson, Tex.
Dickinson	Patterson	Wirth
Dicks	Pettis	Young, Alaska
Dornan	Pritchard	Young, Mo.
Edgar	Quillen	Zeferetti
Fascell	Rangel	
Fountain	Rose	

Mr. MOTTL and Mr. BRINKLEY changed their vote from "aye" to "no."

Mrs. SPELLMAN and Mr. PRESSLER changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GIAIMO: In the matter relating to the recommended level of Federal revenues strike out "the amounts" and insert in lieu thereof "$397,933,000,000";

In the matter relating to the amount by which the aggregate level of Federal revenues should be decreased strike out "the amounts" and insert in lieu thereof "$1,076,000,000";

In the matter relating to the appropriate level of total new budget authority strike out "the amounts" and insert in lieu thereof "$508,043,000,000";

In the matter relating to the appropriate level of total budget outlays strike out "the amounts" and insert in lieu thereof "$459,576,000,000";

In the matter relating to the amount of the deficit strike out "the amounts" and insert in lieu thereof "$61,643,000,000";

In the matter relating to the appropriate level of the public debt strike out "the amounts" and insert in lieu thereof "$781,940,000,000";

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, strike out "the amounts" and insert in lieu thereof "$81,940,000,000".

Mr. GIAIMO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD. It is an amendment merely technical in nature.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GIAIMO. Mr. Chairman, this is merely a conforming amendment making in order the changes that have been taking place in adopting the amendments. It will conform the various figures accurately and we will have mathematical accuracy.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr GIAIMO I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, how much is the deficit up now?

Mr. GIAIMO. The deficit is up $1,065 million to $61 billion.

Mr. ROUSSELOT. $61 billion added on to the deficit?

Mr. GIAIMO. Mr. Chairman, I urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to House Concurrent Resolution 341, the second concurrent resolution on the budget. I am deeply disturbed by the tremendous spending and deficit levels proposed in this resolution. Such irresponsible budgetary practices will fan the fires of inflation, drive up interest rates and result in higher taxes.

Perhaps the hardest thing for me to understand is the astronomical deficit figure. The committee recommends that we approve a budget deficit in excess of $58.6 billion. I repeat, $58.6 billion.

In a time of economic recovery such as we are experiencing, one would naturally expect the deficit to decrease. This is not the case, however. It now looks like the deficit for fiscal year 1978 will be $10 to $15 billion higher than for fiscal year 1977.

This is bad news for our Nation. If we cannot start reducing the size of the deficit during a time when our economy is improving, how are we ever going to achieve a balanced budget? The dismal prospect for the future is continued high deficits in both good years and bad.

Such a deficit does not square with the feelings of the American people. The vast majority understand the importance of balancing the Federal budget. According to a recent Gallup poll, almost 2 in every 3 Americans, 65 percent, believe that it is very important to balance the budget. Another 24 percent think it is fairly important. Only 7 percent view it as not so important.

Nor is this a partisan issue. Fully 61 percent of the Democrats and 67 percent of the Independents joined 7 percent of the Republicans in stating their belief in the importance of a balanced budget.

The chief cause of the higher deficit for fiscal year 1978 is the majoritys' stimulus programs. Billions and billions of dollars are allocated for public works projects and public service jobs. This is very difficult to justify.

It is ridiculous to be spending billions of dollars to stimulate the economy when our Nation is experiencing an economic upsurge. During the first two quarters of this fiscal year the gross national product grew at a 7-percent rate. Millions of meaningful jobs have been created in the private sector without the aid of governmental funds.

Further stimulus at a time of economic recovery is inappropriate and should be brought to an immediate halt. This would allow for a substantial reduction in Federal spending and move us a step closer to a balanced budget.

I am also deeply concerned over the tremendous tax burden that this resolution places on the shoulders of the average American citizen. The increased burden will be the result of primarily two factors, an inflation tax and additional new taxes.

Inflation, created and fueled by massive deficit spending, pushes people into higher tax brackets. It results in a hidden tax. Although salaries and wages rise, the Government walks away with a bigger and bigger slice of the paycheck. An individual may well find that he or she is making more money but is in a worse economic position than before. Only the Government is coming out ahead.

The second concurrent resolution on the budget will continue this trend. The excessive spending and huge deficit will add to the inflationary pressures in our economy and ultimately raise the tax burden by driving workers into higher tax brackets. As much as $20 billion of tax revenues in fiscal year 1978 will be the result of the inflation tax.

In addition, the second concurrent resolution provides for billions of dollars in new taxes. The amount of these taxes is estimated to be around $100 billion over the next 5 years. The Carter energy package alone could reach a cumulative total of $59.6 billion in new taxes through 1982.

Our citizens are already carrying a crushing tax burden. They should not have an even heavier load thrust upon them. They desperately need tax relief. Congress should be working on ways to provide them with some relief rather than adding to the burden.

I strongly urge the defeat of this ill-conceived resolution. Let us give the taxpayers of our Nation a break for a change.

Mr. SARASIN. Mr. Chairman, I strongly support the effort that was made to convey to the Government of South Korea the seriousness with which we view the tampering with our Government by agents of the Korean Central Intelligence Agency.

If anyone had any doubts about the need for a thorough and objective investigation of all aspects of the allegations of influence buying and other improprieties, I would hope they were dispelled by the Justice Department's actions indicting Tongsun Park earlier this week.

That indictment, however, will do little more than raise additional questions unless we can confront Tongsun Park directly. Under the circumstances, only the Government of the Republic of Korea seems to be in a position to compel Mr. Park's cooperation. I certainly have no desire to see the Korean people suffer for the misdeeds of some in their government, but there is a very important principle involved here, the integrity of the U.S. Government.

The amendment offered by Mr. CAPUTO offered us the opportunity to impress upon the South Korean Government the importance of cooperating in this matter and I would hope that every Member of this body concerned with a full investigation would support this amendment.

Mr. ICHORD. Mr. Chairman, on May 5 during the debate on the first budget resolution, I introduced an amendment making adjustments to increase the amount of revenue, to raise the target for national defense to the level requested by the President, and to lower the amount of interest on the national debt.

On that occasion, I was admonished in Latin by my esteemed colleague, the distinguished chairman of the Budget Committee for abusing the patience of this body. I was told that the figures signified real estimates by the competent staff of the Budget Committee, that interest on the national debt was needed and was not even subject to debate. The gentlemen concluded by categorizing my amendment as capricious.

Today as we consider the second budget resolution, I would like to reflect on the adjustments being recommended by the Budget Committee in relation to those I proposed on the 5th of May.

First on the subject of revenue it should be noted that my amended level of $401.4 billion is closer to that now recommended by the Budget Committee than was their original estimate of $398.1 billion.

Second, in the case of interest you will note that this item, not subject to debate, has been adjusted downward to $41.7 billion and is now closer to my recommended level of $40 billion than to the committee's recommended $43 billion.

Likewise, my amended figures for budget authority, for outlays, for the deficit and for the public debt are all closer to the current recommendation of the Budget Committee than their own estimates at the time of the first budget resolution.

Regrettably, the only area where I am far from the mark is in national defense where the recommended figures are now $5.1 billion below the original Carter request and even $1.4 below the amount recommended by the Budget Committee. It is of course interesting to note that while defense was being reduced, the remainder of the budget increased by $9.1 billion in budget authority. Whatever happened to our overwhelming concern for deficit spending that kept us from restoring the target for national defense to the level requested?

I make these points today to show the arbitrary manner in which these figures can be juggled, juggled to the detriment of our national security it would seem. I would only add that it is readily apparent that the estimates of a one time accountant can be as valid and in some instances even more valid than those proposed by our Budget Committee.

Mr. MICHEL. Mr. Chairman, there are several noteworthy items which the majority members on the Budget Committee have discussed and have omitted in their report which warrant mention.

For instance, the report states that:

> The task of providing jobs to seven million unemployed is exacerbated by two factors: First, the extraordinary number of new entrants into the labor force, particularly youth and women; and second, the widespread problem of structural unemployment.

This of course is something many of us have been talking about for quite some time, but this is the first time I can recall the majority party blaming unemployment on anything other than a slug-

gish economy. I am sure this has nothing to do with the change in administration.

More significantly, this altered view of unemployment seems to imply that solving the unemployment problem is not going to be solved by major Federal stimulants to the economy. Yet, in the next breath, the report turns around and says that Federal budget policy "must apply fiscal stimulus as needed on a continuing basis." This leaves one perplexed as to where the majority really stands in this regard.

I also find it interesting that the substantial economic growth we have experienced during the first half of this year has occurred during a year in which the budget deficit has declined by $18 billion from the level during the previous year. This seems to indicate that economic growth is not directly related to the size of the budget deficit and so-called Federal stimulants. Yet the majority turns around and approves a deficit for 1978 that is some $10 billion higher than the current figure. Why? I asked myself that question and then looked for an explanation in the committee report, but could find none. Perhaps the chairman of the Budget Committee could provide us with an answer?

I also have to ask the question as to whether the majority party in this body believes there is ever a point where we should balance the budget, or whether our budget policy ought to be one of perpetual deficits? President Carter has called for a balanced budget by 1981 and the committee report makes a fleeting reference to it. But I cannot imagine how that end is to be achieved when this resolution heads in exactly the opposite direction and provides for a substantial increase in the deficit during a time of significant economic growth. It leads me to believe that the majority is simply paying lipservice to the idea of a balanced budget in an effort to please their President, but without any conviction in their hearts.

Finally, Mr. Chairman, it should be pointed out that the $58.6 billion deficit in this resolution would be substantially higher were it not for the increased tax burden being imposed on the American people. If that burden were to remain at the current level of 19 percent of GNP, rather than increase to a projected 19.4 percent next year, the deficit would be $66 billion. Furthrmore, the deficit would zoom upward another $8 billion, to $74 billion, if the tax burden were to stay at the 1976 level of 18.6 percent.

What this tells us is that the majority is relying on tax increases, rather than spending reductions, to keep the deficit even as low as $58 billion, which, of course is not a low figure at all, but a shockingly high amount, particularly with a prosperous economy.

A Gallup poll last week revealed that 65 percent of the American people favor a balanced Federal budget. I suspect that the percentage would be substantially higher if the people realized that nearly 25 percent of their individual income tax payments is being used solely to pay the interest on the national debt.

The problem with massive and persistant deficit spending is not so much the principle of it as it is the burden being placed on the American people simply to pay the interest. Yet this resolution would continue that burden onward and upward.

The essential problem is that this resolution, like the first one, makes no effort to place any significant limitations on Federal expenditures. The resolution provides nearly a 13-percent increase in spending in 1978 over the current level, at a time when the projected inflation rate is about 6 percent. Expenditures are climbing at a rate over twice that of inflation, and when an increase of that size takes place, you know very little effort is being made to control expenditures. The only concern the report expresses over excessive spending is aimed at agriculture. It is, of course, easy for those living in the urban Northeast to pick on our Nation's farmers, but I would suggest that their concern would have a more honest ring to it if it also addressed the excesses in the Labor, HEW, and housing fields.

The real losers in this failure to limit spending are the American people, who are paying the bill in the form of higher taxes, higher inflation, and the ever-increasing use of their hard-earned tax dollars simply to pay the interest obligations of the Federal Government.

It is time we start thinking of the burdens we are imposing on our people, and I suggest that a good first step in this regard would be the development of a leaner, less burdensome budget resolution.

Mr. PEPPER. Mr. Chairman, as a member of the Rules Committee, which helped to shape the congressional budget process, I am pleased to express my support for House Concurrent Resolution 341, the second concurrent budget resolution for fiscal year 1978.

This resolution embodies the willingness of the legislative branch to come to grips with the hard decisions on aggregate Federal spending and revenues, and to set priorities among the various categories of expenditures.

The Budget Committee is to be commended for its continued efforts to bring a rational, timely resolution before the House.

At the same time, Mr. Chairman, in my role as chairman of the Select Committee on Aging, I believe it is important to view the Federal budget outlined in the pending resolution in light of its probable impact on those for whom Congress professes special concern—among them, the 23 million senior citizens of this Nation.

I fully understand that the resolution before us represents more a review of decisions taken by Congress over the past few months, than it does a new policy initiative in itself. The resolution, for example, assumes a $100-million higher total for the budget category including social services, reflecting the decision by Congress in the Labor-HEW appropriations bill to provide that much more funding for aging and vocational rehabilitation programs.

However, I believe that now is an appropriate time for all of us in the House to consider what the first budget resolution for fiscal year 1979 ought to look like for America's elderly.

Improvements are desperately needed in health care for older Americans. I will be proposing next year, as this, a greater emphasis on home health care, to prevent costly, demoralizing, and often avoidable institutionalization.

Immediate improvements are necessary in the coverage under medicare, particularly in the area of medical appliances and prescription drugs.

Greater recognition must be given to the need for productive employment for older workers. Both authorizing and appropriations committees should factor into their plans next year the need for greatly expanded job opportunities for these men and women, for many of whom a decent job means avoiding indignity, infirmity and loss of self-respect. In this connection, volunteer opportunities need to be greatly expanded.

Social services programs under the Older Americans Act should be funded at levels more closely alined with authorization levels. The section 202 housing program for the elderly and handicapped is funded at grossly inadequate levels to meet current needs.

The tangible, realistic goal of the Select Committee on Aging under my chairmanship will be to assure that these needs are met in the coming year's budget.

Congress is already performing the difficult task of setting budget priorities. I trust that, with assistance from my committee and other concerned Members, Congress will include, within those priorities, resources sufficient to assure a measure of decency and security to older Americans.

Mr. FRASER. Mr. Chairman, we are now debating the second concurrent resolution for fiscal 1978. The Congressional Budget and Impoundment Control Act does not go into great detail with respect to the nature of the second budget resolution. To my reading of the act it appears that there may be, roughly speaking, two kinds of second resolution.

The first kind of resolution is basically a summary of what the Congress has already decided. It does not lay out new national priorities or new fiscal policies. Coming after we have completed work on most of the appropriations bills, it reveals to us the policy and priority decisions that we have already made. The resolution before us is of this sort. It is a messenger which carries the news of what we have done. It gives us an opportunity to look at the total picture that we have constructed through our separate actions on appropriation and revenue measures. While it does not endorse everything the Congress has done, it puts its general stamp of approval on the broad fiscal policies and priorities that have evolved during the session.

The second kind of resolution represents a rejection of what the Congress has implicitly decided. Drawing on section 310 of the Congressional Budget Act, it directs appropriate committees to report legislation changing budget authority or revenue levels for the fiscal year

in question. The resolution might call for an increased appropriation in one function and a decrease in another function. A resolution of this sort is Congress's way of saying to itself that it has made an important mistake or oversight, or that there has been a sudden change in conditions which necessitates special action.

As I have indicated, the resolution before us is of the first sort. However, it should not be thought that it represents a complacent congressional pat on the back. While I supported the resolution in committee, and support it here on the floor, I am greatly concerned that we are not doing enough to solve our No. 1 national problem: inequality and unemployment.

I speak of these two issues: inequality and unemployment as a single problem because they are inextricably tied together. Our unemployment pattern reflects the past inequalities and inequities of American life. Our present unemployment creates and perpetuates our social inequalities. The statistics speak for themselves:

The overall unemployment rate for August was 7.1 percent. However, the rate for white collar workers was 4.2 percent, broken down as follows:

[In percent]

Professional and technical	3.0
Managers and administrators, except farm	2.5
Sales workers	5.3
Clerical workers	5.8

On the other hand, blue collar unemployment was 8.4 percent, for black males over 20 years the rate was 11.7 percent.

While we had on overall teenage unemployment rate of 17.5 percent, for white teenagers the rate was 14.7 percent. This contrasts with the phenomenal 40.4 percent unemployment rate among black teenagers.

Similarly, for white adult males the unemployment rate was 4.5 percent. For black adult males the rate was 11.7 percent. For adult men the unemployment rate was 5.2 percent; for adult women the rate was 7.1 percent.

The implications of these statistics are clear. It does not make sense to speak of unemployment in the United States as a homogenous concept. There are groups of occupations, those of a professional, technical, or managerial sort where the unemployment level is well below the rate some would define as "full employment." Whenever we look at a group, be they blacks, women, or blue collar workers, which has not had the advantages, education, or absence of discrimination that characterizes white middle class life, we find high unemployment rates. The unpleasant truth is that our unemployment statistics suggest a society with deep social inequalities. The longer we allow these patterns to continue, the more totally will we perpetuate these inequalities to succeeding generations.

While the second budget resolution does not contain enough to do the job, it does make an appreciable start at attacking our unemployment/inequality problems. The resolution contains funding for a variety of jobs programs including the CETA titles, the new youth programs, and counter cyclical fiscal assistance. In addition, it contains outlays for accelerated public works programs whose budget authority was contained in the third resolution for fiscal 1977. In total, the resolution contains $14.6 billion in job creating or training outlays for fiscal 1978. This is $6.7 billion more in outlays for the coming fiscal year than is estimated for similar programs in the current fiscal year.

As I have said, it will not do the job, but it is a beginning. In a few months the Budget Committee will be marking up the first resolution for fiscal 1979. The important thing is to carry through on our efforts to eliminate this problem of unemployment and inequality. In that regard, I should note that the current resolution contains budget authority for the forward funding of the CETA public service jobs into fiscal 1979. In addition, the committee report notes that some governmental actions, such as the new energy legislation, may cause increased unemployment and that it may be necessary to expand our job creation programs merely to offset Government induced unemployment. It is my expectation that our first resolution for 1979 will reflect this determination to follow through on our efforts to eliminate unemployment. We have no higher priority, and we will not be meeting our responsibility for setting national priorities if we fail to do so.

Mr. DON H. CLAUSEN. Mr. Chairman, I want to associate myself with the gentleman from California (Mr. ANDERSON) and rise in support of his amendment to the budget resolution which provides for an increase in budget authority and outlay of $700 million. The amendment will clear the way for passage of our bill which authorizes the creation of a World War I pension program.

I am a cosponsor of the original legislation and am joining with my colleague (Mr. ANDERSON) in cosponsoring his bill. I commend my colleague for his diligent work in perfecting the proposal and I am pleased to learn that the chairman of the House Veterans Affairs Committee, our distinguished colleague from Texas (Mr. ROBERTS), has agreed to hold hearings on the new bill.

I am hopeful that we can move ahead quickly on our legislation. It is imperative that we avoid any unnecessary delay. There are currently less than 600,000 veterans of World War I most of whom are in their eighties. Approximately 82,000 live in California and a great many in my congressional district. Unfortunately, their ranks are thinning at a rate of 10 percent a year.

Inflation is continuing to erode their existing benefits and medical costs, housing costs and food prices are rising sharply. A pension of approximately $150 a month will provide the recognition these men and women deserve for their service to the country and will also provide them with the additional purchasing power they need to live a meaningful life.

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise and report the concurrent resolution back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the concurrent resolution, as amended, be agreed to.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. NEDZI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 341) revising the congressional budget for the U.S. Government for the fiscal year 1978, had directed him to report the concurrent resolution back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the concurrent resolution, as amended, be agreed to.

The SPEAKER. Under the statute, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the concurrent resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LATTA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 199, nays 188, not voting 47, as follows:

[Roll No. 525]

YEAS—199

Addabbo	Dingell	Kildee
Akaka	Dodd	Krebs
Alexander	Downey	Krueger
Ambro	Drinan	LaFalce
Ammerman	Duncan, Oreg.	Le Fante
Anderson, Calif.	Edwards, Calif.	Lederer
	Eilberg	Lehman
Annunzio	Emery	Lloyd, Calif.
Applegate	English	Long, La.
Ashley	Ertel	Long, Md.
Baldus	Evans, Colo.	McCloskey
Barnard	Evans, Ga.	McCormack
Baucus	Fary	McFall
Beard, R.I.	Fisher	McHugh
Bedell	Flippo	McKay
Bellenson	Flood	Maguire
Benjamin	Florio	Mahon
Bevill	Flowers	Markey
Bingham	Foley	Mathis
Blanchard	Ford, Mich.	Mattox
Blouin	Ford, Tenn.	Mazzoli
Boggs	Fraser	Meeds
Boland	Fuqua	Metcalfe
Bonior	Gaydos	Meyner
Bowen	Gephardt	Mikva
Brademas	Giaimo	Miller, Calif.
Breaux	Gibbons	Mineta
Breckinridge	Ginn	Minish
Brinkley	Gore	Mitchell, Md.
Brodhead	Gudger	Moakley
Brooks	Hamilton	Moffett
Brown, Calif.	Hanley	Mollohan
Burke, Calif.	Hannaford	Moorhead, Pa.
Burke, Mass.	Harkin	Murphy, Ill.
Burleson, Tex.	Hawkins	Murtha
Burlison, Mo.	Heftel	Myers, Michael
Burton, Phillip	Hightower	Natcher
Carney	Holland	Nedzi
Chisholm	Holtzman	Nichols
Collins, Ill.	Hubbard	Nix
Corman	Huckaby	Nolan
Cornell	Jenkins	Nowak
Cornwell	Jenrette	Oakar
Cotter	Jones, Okla.	Oberstar
D'Amours	Jones, Tenn.	Obey
Danielson	Jordan	Panetta
Derrick	Kastenmeier	Patten
Diggs	Kazen	Pattison

Pease	Scheuer	Tsongas
Pepper	Selberling	Tucker
Perkins	Shipley	Udall
Pickle	Sikes	Ullman
Pike	Skelton	Van Deerlin
Poage	Slack	Vento
Preyer	Smith, Iowa	Walgren
Price	Solarz	Waxman
Rahall	St Germain	Weaver
Reuss	Staggers	Whalen
Richmond	Stark	White
Roberts	Steed	Whitten
Rodino	Steers	Wolff
Roe	Stokes	Wright
Rogers	Stratton	Yates
Roncalio	Studds	Yatron
Rooney	Thompson	Young, Tex.
Rosenthal	Thornton	Zablocki
Ryan	Traxler	

NAYS—188

Abdnor	Forsythe	Mitchell, N.Y.
Allen	Fowler	Montgomery
Anderson, Ill.	Frenzel	Moore
Andrews, N.C.	Frey	Moorhead, Calif.
Andrews, N. Dak.	Gammage	Mottl
Archer	Gilman	Murphy, Pa.
Armstrong	Glickman	Myers, Gary
Ashbrook	Goldwater	Myers, John
AuCoin	Gonzalez	Neal
Badham	Goodling	O'Brien
Bafalis	Gradison	Ottinger
Bauman	Grassley	Pressler
Beard, Tenn.	Guyer	Pursell
Bennett	Hagedorn	Quayle
Broomfield	Hall	Quie
Brown, Mich.	Hammer-schmidt	Railsback
Brown, Ohio	Hansen	Regula
Broyhill	Harrington	Rhodes
Buchanan	Harsha	Rinaldo
Burgener	Heckler	Risenhoover
Burke, Fla.	Hefner	Robinson
Burton, John	Hillis	Rousselot
Butler	Hollenbeck	Rudd
Byron	Holt	Runnels
Caputo	Horton	Ruppe
Carr	Hughes	Russo
Carter	Hyde	Santini
Cavanaugh	Ichord	Satterfield
Cederberg	Ireland	Sawyer
Clausen, Don H.	Jacobs	Schroeder
Clawson, Del	Jeffords	Schulze
Cleveland	Johnson, Colo.	Sebelius
Cochran	Jones, N.C.	Sharp
Coleman	Kasten	Shuster
Collins, Tex.	Kelly	Skubitz
Conable	Keys	Smith, Nebr.
Conte	Kindness	Snyder
Conyers	Kostmayer	Spellman
Corcoran	Lagomarsino	Spence
Coughlin	Latta	Stanton
Crane	Leach	Steiger
Cunningham	Lent	Stockman
Daniel, Dan	Levitas	Stump
Daniel, R. W.	Livingston	Taylor
Davis	Lloyd, Tenn.	Thone
de la Garza	Lott	Treen
Dellums	Lujan	Trible
Derwinski	Luken	Volkmer
Devine	Lundine	Waggonner
Duncan, Tenn.	McClory	Walker
Early	McDade	Walsh
Eckhardt	McDonald	Wampler
Edwards, Ala.	McEwen	Watkins
Edwards, Okla.	McKinney	Weiss
Erlenborn	Madigan	Whitehurst
Evans, Del.	Mann	Whitley
Evans, Ind.	Marks	Wiggins
Fenwick	Marlenee	Wilson, Bob
Findley	Marriott	Wilson, C. H.
Fish	Martin	Winn
Fithian	Michel	Wydler
Flynt	Milford	Wylie
	Miller, Ohio	Young, Fla.

NOT VOTING—47

Aspin	Harris	Rostenkowski
Badillo	Howard	Roybal
Biaggi	Johnson, Calif.	Sarasin
Bolling	Kemp	Simon
Bonker	Ketchum	Sisk
Chappell	Koch	Stangeland
Clay	Leggett	Symms
Cohen	Mikulski	Teague
Delaney	Moss	Vander Jagt
Dent	Murphy, N.Y.	Vanik
Dickinson	Patterson	Wilson, Tex.
Dicks	Pettis	Wirth
Dornan	Pritchard	Young, Alaska
Edgar	Quillen	Young, Mo.
Fascell	Rangel	Zeferetti
Fountain	Rose	

The Clerk announced the following pairs:

On this vote:

Mr. Delaney for, with Mr. Chappell against.

Mr. Young of Missouri for, with Mr. Fountain against.

Mr. Zeferetti for, with Mr. Dickinson against.

Mr. Biaggi for, with Mr. Dornan against.

Mr. Murphy of New York for, with Mr. Kemp against.

Mr. Dicks for, with Mr. Quillen against.

Ms. Mikulski for, with Mr. Sarasin against.

Mr. Rostenkowski for, with Mr. Stangeland against.

Mr. Leggett for, with Mr. Symms against.

Mr. Rangel for, with Mr. Vander Jagt against.

Mr. Wirth for, with Mr. Young of Alaska against.

Until further notice:

Mr. Aspin with Mr. Bonker.

Mr. Clay with Mr. Dent.

Mr. Edgar with Mr. Harris.

Mr. Fascell with Mr. Johnson of California.

Mr. Howard with Mr. Patterson of California.

Mr. Moss with Mr. Rose.

Mr. Roybal with Mr. Simon.

Mr. Sisk with Mr. Vanik.

Mr. Badillo with Mr. Charles Wilson of Texas.

Mr. Koch with Mr. Teague.

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

RE-REFERRAL OF H.R. 4066 TO COMMITTEE ON ARMED SERVICES

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from the further consideration of the bill H.R. 4066, to entitle veterans with service-connected disabilities rated as total to domestic and overseas travel on military aircraft on a space-available basis, and that the bill be re-referred to the Committee on Armed Services.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

JUSTICE DEPARTMENT SAYS THE BELL SYSTEM USES UNFAIR TRADE PRACTICES

The SPEAKER pro tempore (Mr. ROBERTS). Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 10 minutes.

Mr. WHALEN. Mr. Speaker, you may recall that on March 24 I placed a statement in the CONGRESSIONAL RECORD, entitled "Rebutting deButts." The purpose of that article was to compensate for what I called "several examples of questionable reasoning" contained in statements made by Mr. John D. deButts, the chairman of the board of the American Telephone & Telegraph Co., in testimony before the Senate Subcommittee on Communications.

Today I would like to return to a further discussion of statements made at the Senate hearings, which were ably chaired by Senator ERNEST F. HOLLINGS.

Testimony was heard from Mr. Herbert N. Jasper, executive vice president of the Ad Hoc Committee for Competitive Telecommunications—ACCT. That organization represents a number of firms which provide commercial and data communications services. ACCT is part of a broad coalition representing the various companies that have been struggling to gain entrance into the telecommunications marketplace, which has been an almost exclusive preserve of A.T. & T. and the independent telephone companies until quite recently.

A portion of Mr. Jasper's remarks dealt with the fact that many ACCT contributors feel threatened by Bell and believe that the telephone company has taken unfair advantage of its unique position in the telecommunications marketplace. He asserted that Bell's competitors have a far different view of the Bell Telephone corporate image than that which is projected to the public.

Specifically, Jasper told the Senate Subcommittee on Communications:

> The modern A.T. & T. has achieved a somewhat benevolent reputation. However, another image is slowly emerging.

Jasper also told the panel that this change in attitude toward Bell is not unique to Bell's competitors but is shared by the Justice Department.

In response to an inquiry from Subcommittee Chairman HOLLINGS, ACCT went to work compiling a brief sampling of relevant comments contained in a massive statement filed with the U.S. district court by the Justice Department in connection with the Government's antitrust suit against A.T. & T. Here is how Herb Jasper summarizes the Justice Department's position:

> The Justice Department asserts that Bell employs a vast program of propaganda and an extensive lobbying effort, as well as contributions to political campaigns and political pressures, and that it exploits its immense purchasing power and that of Bell employees to make consumers hesitate before buying from anyone other than the Bell System. The Department says that the Bell System controls Yellow Page advertising to create barriers to competitive entry.
>
> Justice also contends that A.T. & T. and its codefendants have engaged in surreptitious intelligence gathering in order to improve their competitive position. Furthermore, the Department alleges that A. T. & T. abused its monopoly status by making anti-competitive use of information which it acquired thereby. Justice also states that A. T. & T., Western Electric, and Bell Laboratories have made use of numerous anti-competitive practices, such as exclusionary market practices, predatory pricing schedules, interconnection restrictions, and the use of the regulatory process to delay entry of competitors and create federal-state conflicts.
>
> Bell has also pressured its employees by telling them that competition could cost them their jobs, and has threatened firms wishing to do business with competitors with the loss of Bell business and with boycotts by Bell employees. Finally, Justice believes that Bell has caused delays in providing service to competitors in order to give itself time to formulate a competitive response and to restrict the competitors' ability to obtain financing or customers.

Mr. Speaker, at this point in the RECORD, I wish to insert the contents of a new brochure published by ACCT, pre-

senting quotations excerpted from the submission of the Justice Department in its case against A. T. & T. The text follows:

HERE'S WHAT THE JUSTICE DEPARTMENT SAYS ABOUT THE BELL SYSTEM

The following quotes are excerpted from the United States Department of Justice Response to Defendants' First Set of Interrogatories in the case of the United States of America, Plaintiff, vs. American Telephone and Telegraph Company; Western Electric Company, Inc.; Bell Telephone Laboratories, Inc., Defendants, dated December 15, 1976. [Civil Action No. 74–1968 before the United States District Court for the District of Columbia]

AT&T, Western Electric, Bell Labs and the Bell operating companies repeatedly extol the virtues of one system, universal service and the advantages of vertical integration, while emphasizing their collective abhorrence of competition in telecommunications. Extensive lobbying activities, contributions to political campaigns, the actual and potential use of their purchasing power and that of their employees are employed both directly and indirectly to make consumers hesitate before purchasing from competitors. All such activities serve as barriers to entry and competition. Page 46.

Plaintiff [United States of America] believes that defendants and co-conspirators [American Telephone and Telegraph Company; Western Electric Company, Inc.; and Bell Telephone Laboratories, Inc.] have engaged in extensive lobbying, participation in legislative hearings and other legislative activity at the federal, state and local levels as part of their combination and conspiracy to monopolize, attempt to monopolize and monopolization of telecommunications services and equipment. These activities were intended to protect defendants' private ownership, rates, profits, and other elements of their business. Defendants have sought to prevent the introduction and passage of legislation adversely affecting their interests and to encourage the introduction and passage of legislation designed to affirmatively protect their current monopolies and to overturn administrative and judicial decisions adverse to them.

Plaintiff believes that the campaign to influence legislative activity includes political pressure on legislative bodies and municipalities, entertainment of public officials and systematic political contributions. Page 257.

Plaintiff [U.S.A.] also believes that defendants and co-conspirators [AT&T, Western Electric and Bell Labs] to protect their interests, have engaged in extensive lobbying of state utility commissions. The campaign to influence these bodies has included, in part, political pressure and contributions, entertainment of public officials, and free telephone service. Page 256.

Plaintiff [U.S.A.] further contends that defendants and co-conspirators [AT&T, Western Electric and Bell Labs] use their public relations activities to affect indirectly the activities of the Federal Communications Commission, even where they have already lost issues in that forum, and to indoctrinate the public to their point of view. Page 251.

Plaintiff [U.S.A.] contends that defendants and co-conspirators [AT&T, Western Electric and Bell Labs] have engaged in extensive advertising and public relations activities in furtherance of their conspiracy to monopolize, monopolization and attempt to monopolize telecommunications service and telecommunications equipment. These activities are intended to cultivate public sympathy and diminish public criticism and thereby increase the social, economic and political stability of defendants and co-conspirators. These activities also serve to protect their investment, increase their revenues, and foreclose and impair competition. Plaintiff believes that the campaign to sell defendants and co-conspirators to the public has been based on a vast program of propaganda directed to dissemination of the idea that the organization of AT&T, Western Electric, Bell Labs and the Bell operating companies gives the most efficient and inexpensive service in the world. Plaintiff believes this propaganda campaign has been conducted to reinforce, secure and expand their monopolies by cultivating, on an ongoing and national basis, public support for their structure and conduct and subvert those who threaten them. This proselytizing is pervasive and is directed to all institutions and individuals having responsibility for and interest in any phase of the telecommunications industry. Page 250.

Defendants' and co-conspirators' [AT&T, Western Electric and Bell Labs] control over Yellow Page advertising has created further barriers to entry and competition where they have refused to accept advertising from competitors, or where accepted, have refused to place it under the headings requested. Page 47.

Plaintiff [U.S.A.] further contends that defendants and co-conspirators [AT&T, Western Electric and Bell Labs] have controlled, or exercised a significant influence over, the terms and conditions under which independent telephone companies provide service to their subscribers. This is done by determining the term under which such independent telephone companies will be allowed the status of concurring or connecting carrier, necessary for such companies to provide access for their subscribers to the nationwide toll network.

In addition, plaintiff believes that defendants and coconspirators refuse to compete with independent telephone companies and use their control over the division of revenues process with independent telephone companies to influence the activities of these companies. Pages 261–262.

AT&T and its co-conspirators engaged in extensive and surreptitious intelligence gathering and analysis directed at improving their competitive position vis a vis their common carrier competitors. Although part of the intelligence was gathered from public sources, critical elements were obtained from internal records, available only because defendant AT&T and the co-conspirators had pre-existing monopolies. Plaintiff [U.S.A.] alleges this use of internal information constitutes an abuse of AT&T's monopoly position because it regularly provided its own Long Lines Department with information not available to other intercity carriers, and thus put them at a severe competitive disadvantage. The Bell operating companies obtained such information as non-competing local franchise holders. They regularly forwarded it to AT&T and Long Lines for its competitive import.

From 1970 through 1973 several refinements and additions were made to the program at the direction of AT&T, but the basic thrust of the program remained the same. By using data available only to them as holders of monopolies in local service and providers of intercity private line, WATS, and MTS services, AT&T and the co-conspirators sought an advantage over their common carrier competitors. Page 141.

As these new competitors [common carriers] began service, AT&T began a comprehensive and expensive program of surveillance, tracking the activities of its competitors and surreptitiously interviewing each and every customer of the new private line companies. It established a competitive information center and directed the operating companies to forward lists of all private line customers potentially vulnerable to competition. All WATS customers and customers with message toll billings above a certain amount between the cities where the new entrants proposed to offer private line service were identified. Thus defendants abused their knowledge of local loop interconnections and customer billing, information obtained only as a result of their monopoly over local exchange service, to protect their monopoly of intercity service. Page 18.

Plaintiff [U.S.A.] contends that the general methods employed by defendants and co-conspirators [AT&T, Western Electric and Bell Labs] designed to further their attempt to prevent, restrict and eliminate competition include: (1) restrictions on interconnection with these carriers; (2) restricting the manner in which interconnected circuits could be used; (3) exclusionary unfair marketing practices, including preannouncement of new prices and services well before their availability; (4) predatory and exclusionary pricing schedules; and (5) use of the regulatory process to both delay entry of competitors and create and exploit the conflict between state and federal jurisdiction to harass them.

. . . plaintiff believes that AT&T and the Bell operating companies engaged in unjustified delays in affording their unique facilities to these other common carriers. Plaintiff contends these delays were designed to afford defendants and co-conspirators an opportunity to formulate their competitive response while developing competitive products and services, restrict their competitors' ability to obtain financing and inhibit market acceptance of their competitors' service offerings. Plaintiff contends that these restrictive and anticompetitive actions were imposed with the knowledge and intent of AT&T and the Bell operating companies that continuation of such practices would prevent, restrict and eliminate competition from these other common carriers. Page 73.

. . . defendants AT&T. Western Electric and Bell Labs have engaged in a systematic effort to exclude, restrict and eliminate competition for intercity data transmission. Page 125.

. . . AT&T invoked a number of pricing schemes for its own private line services to exclude, restrict and eliminate competition from other common carriers for private line services. Plaintiff [U.S.A.] believes that these various pricing plans were predatory and exclusionary. They were hurried into use without adequate knowledge by defendants [AT&T, Western Electric and Bell Labs] of true costs, and were therefore underpriced to the detriment of the competition. Page 120.

Defendants' and co-conspirators' [AT&T, Western Electric and Bell Labs] requirement that only they supply the connecting arrangement for customer provided terminal equipment provided further opportunity for abuse of their monopoly of local distribution facilities. Plaintiff [U.S.A.] believes that orders or inquiries for these devices were transmitted to the marketing departments of the Bell operating companies, immediately alerting salesmen to the existence of competitive activity. Salesmen then contacted these customers in an attempt to sell Bell services. Page 226b.

Throughout the Bell System, management briefed all employees on the possible effects of competition. In no uncertain terms, employees have been told, and retold, that the loss in sales and revenues by the companies could result in the loss of jobs to employees. Page 229.

Pennsylvania Bell began a Bulletin Board Poster campaign to "relate effects of the erosion of the Common Carrier Principle on individual employees." Charles Brown, then President of Illinois Bell, urged employees to

use even their social contacts to let their "marketing people know about anything that smells like competition." And IBT employees were informed of the identity of firms which had purchased interconnect equipment from competitors.

. . . The purchasing power of other parts of the Bell System was enlisted. Western Electric cumulates, alphabetically by cities for each state served by the Bell operating companies, lists of its suppliers and the dollar amounts of Western's purchases from them each year. These lists are distribtued to AT&T and the Bell operating companies. The suppliers are virtually all customers of the Bell operating companies and potential customers of the interconnect industry.

Plaintiff [U.S.A.] believes this information is used to pressure customers into purchasing service from defendants and coconspirators [AT&T, Western Electric and Bell Labs], or at least remind them of the business they get from defendants and co-conspirators. Pages 229–230.

. . . Plaintiff [U.S.A.] believes that firms considering purchasing their own terminal equipment from interconnect companies have been threatened with the loss of Bell business or with boycotts by Bell employees. Page 230.

Defendants and co-conspirators [AT&T, Western Electric and Bell Labs] have also attempted to create and have created conflicts between state and federal regulatory jurisdictions as a barrier to entry and competition. AT&T and the Bell operating companies have deliberately attempted to channel regulatory disputes with competitors to the numerous state forums, as opposed to the single federal forum, in part to obtain more sympathetic decision makers and in part to cause would-be competitors the additional expense of lengthy and expensive legal proceedings in many places at once. Page 45.

In 1971, AT&T and the Bell operating companies recognized the value of competition generally . . . admitting that competition had "triggered creativity" and "dramatic new approaches" to services . . . But on April 1, 1972, a new management team was elected to head the Bell System. John D. deButts became Chairman of the Board of AT&T. . . . Page 217.

Prepared by the Ad Hoc Committee for Competitive Telecommunications (ACCT), 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001, (202) 347–8424.

VOTING RECORD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 20 minutes.

Mr. McKINNEY. Mr. Speaker, due to my recent absence, I was unable to cast my vote with the House on many important issues. In order that my positions on these vital legislative matters will be a part of the public record, I insert the following voting record in today's RECORD.

The voting record follows:

VOTING RECORD

Recorded vote number, description, and McKinney vote

293. H.R. 6970, Tuna-Dolphin Protection. Amendment by Mr. McCloskey as amended by Mr. Bonker to reduce to 69,910 the total number of dolphins which could be taken during fishing operations in 1977 and to further reduce the quota after 1977. Passed 244–109.

Yes. A reduction in the kill quota is essential to protect the dolphin, particularly the Eastern Spinner.

294. H.R. 6970, Tuna-Dolphin Protection. Amendment by Mr. Pritchard to levy a $32 fee for each dolphin killed incidental to commercial fishing operations. Rejected 158–194.

Yes. This amendment provides a greater incentive for individual fishing boats to lower their "take" of dolphins and increases the penalties for failing to do so.

295. Final passage of H.R. 6970, the Marine Mammal Protection Act Amendments. Passed 334–20.

Yes. I strongly support this compromise legislation because it provides essential protection for the dolphin without being overly harsh to the commercial tuna industry.

296. Passage of H.R. 6967, authorizing $81 million in FY 78 for activities of the Peace Corps. Passed 305–43.

Yes. This increase in appropriations is the first step toward the President's goal to "revitalize" the Peace Corps. Along with providing employment for our youth, this funding will help in restoring the Peace Corps' role as an aggressive and innovative part of U.S. development programs abroad.

298. H.R. 6804, Federal Energy Department. Amendment by Mr. Conyers to establish an independent regulatory board, the National Energy Board, to assume the functions and powers of the FPC, FEA, and ERDA, as a substitute for the Committee-endorsed Federal Energy Regulatory Commission within the Department of Energy. Rejected 83–277.

No. The purpose of the Department of Energy is to coordinate and centralize the fragmented and overlapping jurisdictions of our resource regulators. This amendment, in my view, is not consistent with that purpose.

299. H.R. 6804, Federal Energy Department. Amendment by Mr. Moss to strike the Secretary of Energy's authority to regulate the wellhead price of natural gas and to give that power to the Federal Energy Regulatory Commission. Also, to limit the Secretary's power to issue regulations of general applicability. Passed 236–119.

Yes. Despite the need for centralized regulatory authority, too much power has been vested by the bill in one individual—the Secretary of Energy. With a keen eye to the future, the bill should contain general regulatory authorities within a singular but representative body.

300. H.R. 6804, Federal Energy Department. Amendment by Mr. Udall to delete the language giving the Secretary veto power over the economic terms of leasing energy resources on federal lands. Rejected 170–180.

No. The amendment would perpetuate an old problem by fragmenting the authority for control and operation of federal leases between the Department of Energy and the Department of Interior. I believe the result of this amendment would prove contrary to the general purpose of the bill.

301. H.R. 6804, Federal Energy Department. Amendment by Mr. Levitas to provide that any rule or regulation promulgated by the Secretary of the Department of Energy or an independent regulatory commission would be subject to 90 day Congressional disapproval. Passed 200–125.

Yes. Such provisions are a logical and necessary extension of Congressional oversight responsibilities and should be applicable to the regulations of any federal agency or Department.

303. H.R. 6804, Federal Energy Department. Amendment by Mr. Hughes to prohibit high-level regulatory officials in the new Department from accepting jobs or compensation for two years after leaving the agency from any person or company regulated by the agency. Rejected 146–184.

Yes. This amendment, recognizing the important decision-making powers of non-supergrade personnel within the D.O.E., would bring such personnel under the scope of the conflict-of-interest provisions in the bill. Such provisions are designed to insure that regulatory decisions and rule-making are in no way influenced by the potential personal gain of a Department employee.

304. H.R. 6804, Federal Energy Department. Amendment by Mr. Broyhill to make the authorities of D.O.E. subject to sunset provisions, whereby they would expire December 31, 1982, unless extended by Congress. Passed 202–126.

Yes. A period of assessment for each federal agency should be undertaken both to rate its past performance and to elicit a continuing responsiveness from its operation.

305. Final passage of H.R. 6804, a bill creating a cabinet level Department of Energy combining the regulatory functions and rule-making powers of the FPC, FEA and ERDA and other agencies with authority over energy matters. Passed 310–20.

Yes. The creation of a centralized department, to coordinate and regulate the development of this country's energy resources, is essential if we are to achieve a successful national energy plan.

306. A motion by Mr. Jones to suspend the rules and pass S 955, a bill to raise the capital stock of the Federal Crop Insurance Corporation to $150 million from $100 million. Passed 377–5.

Yes. Due to generally unfavorable weather conditions, including the severe drought being experienced in the farm belt states this year, and the increasing petroleum related costs of farming I support this measure.

307. A motion by Mr. Jones to suspend the rules and pass H.R. 75, a bill requiring the Secretary of Agriculture to appraise the nation's soil, water and related resources every five years and to develop a national soil and water conservation program. Passed 365–16.

Yes. Greater demands on our soil and water resources have highlighted the need for long-term, comprehensive resource planning. I am committed to new efforts in the areas of soil and water conservation, and this bill's mechanism for appraising our present and future resource needs will provide us with the information we need to make wise and effective decisions.

308. A motion by Mr. Dingell to suspend the rules and pass H.R. 6794, a bill to extend the Federal Energy Administration through FY 1978. Passed 272–111.

Yes. The extension of the F.E.A. is necessary to insure the smooth transition of the agency's power and personnel to the new Department of Energy, a transition that should be completed before the end of FY 1978.

309. A motion by Mr. Danielson to suspend the rules and pass H.R. 6893, a bill to exempt members of Congress from any state income taxation except that of their home states. Passed 294–83.

No. I firmly believe in the principle that all who draw on public services, despite their reason for doing so, should in some measure pay for those services. Inasmuch as this bill abrogates that principle by carving out one classification of taxpayer who uses state and urban services but is exempt from taxation to pay for those same services, I oppose it.

311. H.R. 6990, Military Construction Authorization. Amendment by Mr. Hagedorn to exempt certain Defense Department construction contracts authorized in the bill from the provisions of the Davis-Bacon Act. Rejected 76–298.

No. The Hagedorn amendment is "the wrong fight in the wrong place at the wrong time". Rather than totally abandon the philosophy of the Davis-Bacon Act, we should

seek to improve the Secretary of Labor's method of establishing wage standards.

312. Passage of H.R. 6990, a bill to authorize $3.5 billion for military construction projects of the Defense Department for FY 1978. Passed 351–24.

Yes. This bill not only will provide necessary military construction at home and abroad, but it also will stimulate local economic recovery by providing construction jobs. Moreover, it recognizes the need to reduce the Federal Budget, reducing by nearly $68 million the amount requested by the Department of Defense. This legislation also establishes a comprehensive energy conservation program for military family housing and upgrades security systems at chemical weapons storage sites in the United States.

314. H.R. 10, Hatch Act Amendments. Amendment by Mr. Rousselot to delete language from the Clay amendment so that union activities previously lawful could now be unlawful. Rejected 131–277.

Yes. I voted for the Rousselot amendment during initial House consideration of H.R. 10 and I remain opposed to a politicized federal work force.

315. H.R. 10, Hatch Act Amendments. Amendment by Mr. Clay to clarify the Rousselot amendment. Passed 266–139.

No. The Rousselot amendment for which I voted during the House's first consideration of H.R. 10 needs no clarification.

316. H.R. 10, Hatch Act Amendments. Amendment by Mr. Allen to eliminate the exceptions under which certain restricted government personnel might run for political office. Rejected 56–344.

No. While I strongly support restrictions on the political activity of certain government personnel, such as FBI agents, these exceptions do not violate that principle.

317. H.R. 10, Hatch Act Amendments. Amendment by Mr. Kindness to expand the definition of "extortion" in the bill. Rejected 190–219.

Yes. I believe federal employees will be subject to new pressures without the protections of the present law. This amendment offers added protection by more broadly defining prohibited activity.

318. H.R. 10, Hatch Act Amendments. Amendment by Mr. Bauman to prohibit federal employees from soliciting political contributions from any other federal employee regardless of relative rank. Rejected 156–251.

Yes. Pressure, even when not from a supervisor, can be subtle yet undeniable. I think federal employees should be free from such pressure.

319. Final passage of H.R. 10, the Hatch Act Amendments. Passed 244–164.

No. I remain opposed to legislation which removes longstanding and employee-supported protections from politicization in the federal workforce.

320. Pasage of S. 521, authorizing $4.7 million to repair and renovate the Kennedy Center to correct leaks in the building. Passed 291–90.

Yes. As in the past, I feel it is essential that the Kennedy Center repairs be made as expeditiously as possible. The monies provided for in this conference report will arrest further deterioration and correct existing damage. In addition, it allows for better oversight on the contracts that are executed.

321. Passage of H.R. 7552, a bill to appropriate $7.5 billion for the operations of the Treasury Department, Postal Service, Executive Office of the President and eleven other independent agencies. Passed 359–45.

Yes. Careful consideration was given by the committee regarding the number of permanent employee positions that should be funded under this bill. Where possible, reductions were made, resulting in an appropriation approximately $21 million below the Administration's request.

322. H.R. 7557. Transportation Appropriations. Amendment by Mr. Koch to prohibit the use of funds for air traffic control of supersonic aircraft at JFK unless the aircraft comply with FAR noise standards for subsonic aircraft. Rejected 128–274.

No. This amendment clearly discriminates arbitrarily against the Concorde. It would apply the FAR 36 noise standard to the Concorde despite the fact that as of last January, fully 74 percent of the U.S. commercial fleet did not meet this standard. I would consider supporting such an amendment only if subsonic noise standards were presently met by a majority of the U.S. commercial fleet.

323. Final Passage of H.R. 7557, a bill appropriating $14 billion for the operation and programs of the Department of Transportation and related agencies. Passed 391–11.

Yes. The total funding in this bill, used for such programs as Urban Mass Transit, the Rail Service Administration, and the Federal Highway Administration, represents a reduction in the FY 1977 appropriations of approximately $700 million. The essential cuts were made in AMTRACK expenditures and in the F.A.A. budget authority.

326. H.R. 7636, Interior Department Appropriations. An amendment by Mr. McCormack to add $38.8 million for research and development relating to energy conservation programs of the E.R.D.A. Rejected 145–251.

Yes. The increase contained in this amendment will assist E.R.D.A. in meeting financial obligations for R&D of many technologies promoted in the Carter energy program. The additional funding will assist in the development of cogeneration technology and energy-conserving transportation systems. My colleague, Rep. Barry Goldwater, has submitted a more detailed analysis of the expenditures and I wish to be associated with his remarks.

327. Final Passage of H.R. 7636, a bill to appropriate $9,545 million for FY 1978 for the Interior Department. Passed 395–7.

Yes. While this authorization is $485 million below the budget request, it contains a significant improvement in funding for the Forest Service, and provides $60 million for the Youth Conservation Corps, an amount which will provide some 40,000 summer jobs for youth next year.

329. H.R. 6666, Legal Services Corporation. Amendment by Mr. Butler to prohibit legal services attorneys from taking active part in either partisan or nonpartisan political activities. Rejected 178–198.

No. One of the reasons for the establishment of this independent corporation was to de-politicize the process of dispensing legal assistance, not to de-politicize the individual legal services attorneys.

331. Adoption of the conference report to accompany H.R. 5840, a bill which extends the 1969 Export Administration Act and prohibits American firms from complying with the Arab trade embargo against Israel. Passed 306–41.

Yes. Although displeased with the conference committee's "compromise" on my amendment to ban the export of Alaskan oil, I support adoption of this report, not wishing to jeopordize the anti-embargo provisions.

332. H.R. 7556 State, Justice, Commerce and Judiciary Appropriations Amendment by Mr. Burgener to prohibit the use of any funds for salaries or expenses of any diplomatic personnel assigned to Cuba. Rejected 139–206.

No. Since 1973, I have supported the gradual normalization of relations with Cuba. I felt then and still believe that its time for a more positive foreign policy toward that country.

334. H.R. 7556, State, Justice, Commerce and Judiciary Appropriations Amendment by Ms. Holtzman to increase the appropriation for the LEAA by $104.5 million. Rejected 172–210.

Yes. While we are all aware of incidents of misuse and abuse of LEAA funds, there are communities that have demonstrated a high degree of success in combating crime with the help of LEAA-financed programs. This pattern of success cannot be continued if, for the third consecutive year, the LEAA budget is cut.

335. Final passage of H.R. 7556, a bill to appropriate funds for the State, Justice, and Commerce Departments and the Judiciary for FY 1978. Passed 353–42.

Yes. While this appropriation is less than the previous year's, there is an increase in funding for controlling the entry of illegal aliens, and for the Coastal Zone Management and the Coastal Energy Impact Fund.

336. A motion by Mr. Bolling to suspend the rules and adopt H. Con. Res. 248, to authorize $900,000 for the Joint Economic Committee to undertake a study of employment and economic policy toward a comprehensive economic policy for the Congress. Passed 324–79.

Yes. To date, Congressional economic and fiscal policy lacks depth. This study will provide the data necessary to add scope and vision to our economic legislation to more ably deal with inflation and unemployment concurrently.

337. A motion by Mr. Corman to suspend the rules and pass H.R. 7200, a bill to amend the Social Security Act to make changes in the programs of SSI benefits, AFDC, child welfare services and day care services. Passed 335–64.

Yes. Although I generally oppose major legislation being considered under suspension, I support this bill because it initiates vital changes in SSI, child welfare and protective services, and social services programs. Administrative nightmares would ensue if certain deadlines were not extended and any delay in passage would cause serious problems for our constituencies.

338. H.R. 7553, Public Works-ERDA Appropriations. Amendment by Messrs. Conte and Derrick to delete funding for 16 water projects and reduce funding for one more project. Rejected 194–218.

Yes. Many of the projects were started over 30 years ago, are less than half completed, and no longer reflect our realistic attitudes and pragmatic priorities. Others are of dubious need, or are environmentally and economically questionable. Also, for many of these projects there is a sound, sensible alternative plan for the project area which would protect the environment for this and future generations and which would cost far less while providing water.

339. Final passage of H.R. 7553, the Public Works-ERDA Appropriations bill. Passed 356–54.

Yes. While I oppose the funding for some of the water resources projects, several hundred beneficial projects are given funding. In addition the bill provides $9 million for federal agencies to relocate endangered species, in response to cases in which they have blocked or delayed construction of water projects, and responds to our present energy crisis by containing the largest appropriation for energy research ($6 billion) that the Congress has ever appropriated.

342. H.R. 7554, HUD, Independent Agencies Appropriations. Amendment by Mr. Coughlin to earmark 75% of the public housing funded in the bill for the elderly and handicapped. Rejected 183–214.

No. While intended to address the severe lack of elderly and handicapped housing, this amendment in effect damages an existing program contained in the HUD appropriations which would provide funding for that very purpose. As my colleague Mr. Boland pointed

out in the debate, Section 202 of the bill provides a comprehensive program of housing for both the elderly and handicapped and provides for 26,000 additional housing units in 1978. The well-intentioned amendment by Mr. Coughlin would not only duplicate the efforts of Sec. 202 but would severely hinder the success of that program.

343. H.R. 7554, HUD, Independent Agencies Appropriations. An amendment by Ms. Burke to restore comprehensive planning grant funds for cities over 50,000 and for urban counties. Rejected 156–248.

Yes. Funds for comprehensive planning will insure that urban community development complements transportation, energy and other socio-economic needs of the community. This money should not be drawn from the already obligated community development block grants intended for low and moderate income housing.

344. H.R. 7554, HUD, Independent Agencies Appropriations. Amendment by Mr. Beard to withhold veterans benefits from Vietnam era servicemen who received upgraded discharges from President Carter's review program. Passed 273–136.

No. The purpose of both the amnesty and discharge review programs is to put the pains and injustices of the Vietnam war behind us. The upgraded discharges of Vietnam servicemen entitle those vets to the benefits of their service and I intend to see that they receive them.

345. H.R. 7554, HUD, Independent Agencies Appropriations. Amendment by Mr. Miller to withhold 1% of the non-mandatory spending in the bill from obligation and expenditure. Rejected 169–237.

No. This amendment would reduce community development block grant funds by nearly $40 million and veterans medical care by nearly $50 million. In light of the dramatic rise in veterans medical costs and the defeat of Ms. Burke's amendment to restore comprehensive planning funds, which now must come from community development block grants, the measure offered by Mr. Miller is inadvisable.

346. Final passage of H.R. 7554, bill to appropriate $70 billion for FY 1978 operations and programs of the Department of HUD and various independent agencies, including the Veterans Administration. Passed 374–32.

Yes. Although I would have preferred to retain funds for comprehensive community planning, I feel the bill strikes a sound balance between the needs of the elderly, handicapped and indigent as well as the struggling communities of the Northeast.

348. H.R. 7555, Labor/HEW Appropriations. Amendment by Mr. Symms to reduce the appropriations for the Occupational Safety and Health Administration (OSHA) in the Department of Labor by $6.3 million. Rejected 162–231.

No. OSHA has been the whipping boy of many criticizing the incompetence of the federal bureaucracy—a role which is unfortunately sometimes deserved. Reducing OSHA's appropriation, however, will preclude the agency from successfully carrying out its work, thereby jeopardizing the safety of employees and employers.

349. H.R. 7555, Labor/HEW Appropriations. Amendment by Mr. Michel to reduce total appropriations by $563.3 million affecting all health, education and elderly programs. Rejected 72–334.

No. I vigorously oppose cuts in these vital educational and social programs. The result would be a severe curtailment of compensatory programs for educationally and economically disadvantaged school children and reductions in student assistance programs for higher education. Our goal of fiscal economy should not and will not be accomplished by reducing educational and social programs assisting those persons most in need and who suffered the most from rising costs and spiraling inflation.

350. H.R. 7555, Labor/HEW Appropriations. Amendment by Mr. Mottl to prohibit the use of federal funds for busing students beyond the schools nearest to their homes and to prevent HEW from requiring local school districts to merge, pair or cluster schools to foster integration. Passed 255–157.

No. Busing is the least desirable means to accomplish the important goal of providing equal educational opportunity for all. Yet, I oppose this amendment because it effectively denies HEW the power to enforce the Civil Rights Act. Tying HEW's hands in its enforcement of civil rights will not only lead to the further deterioration of education programs for disadvantaged and minority groups but will also lead inevitably to an increase in court-ordered busing plans and a redistricting of schools in the most volatile neighborhoods.

351. A motion by Mr. Rousselot to instruct conferees on H.R. 5262, the International Lending Institutions bill, to insist on the human rights provision. Rejected 161–200.

No. In that the sponsor of the amendment, Mr. Badillo, is a member of the conference, I'm sure the House will receive proper representation in conference, without the House having to reaffirm its strong feelings about this provision.

352. H.R. 7555, Labor/HEW Appropriations. Amendment by Mr. Hyde prohibiting the use of federal funds to finance or encourage abortions. Passed 201–155.

No. The strength of my personal opposition to the practice of abortion is equalled only by my total opposition to the involvement of the State in the personal moral decisions of individuals throughout the country. To deny women in this country a readily available and legal medical service merely because they cannot afford it constitutes an invidious discrimination against the poor—denying them equal protection of the law.

354. H.R. 7559, Agriculture Department Appropriations. Amendment by Mr. Michel to prohibit the use of funds to pay the salaries of any employee who formulated or carried out a program to make payments to sugar processors. Rejected 119–272.

Yes. The payment of subsidies to processors of sugar is an inadvisable expenditure. Not only would this subsidy cost the federal government $240 million, but the recipients of the funds would be in large part corporations. Further, it is the processors themselves who would retain 38% of the payments. While I am concerned about the possibility of a foreign sugar cartel being created, I don't believe the American taxpayer should pay approximately $50 million to each of the five largest sugar processors in the country.

355. Preferential motion by Mr. Broyhill that the House conferees on S. 826, a bill to create a new Federal Energy Department, insist on sunset provisions which would require the expiration of the new Department on Dec. 31, 1982 unless extended by Congress. Passed 228–179.

Yes. As I said in the explanation of my support for the sunset provisions in H.R. 6804, I am in total support of such provisions regarding each federal agency.

356. H.R. 7558, Agriculture Department Appropriations. Amendment by Mr. Rousselot to reduce the appropriation for the food stamp program to $5 billion from $5.7 billion. Rejected 154–262.

No. Major committees have spent weeks in hearings on food stamp funding and reform. When these committees offer comprehensive legislation addressing reform of the program, we can then consider Mr. Rousselot's proposal. It would be unwise to attempt to reconstruct a major program through manipulation of the appropriations process.

357. Final passage of H.R. 7558, a bill to appropriate $12.6 billion for the operation of the Department of Agriculture and related agencies. Passed 380–35.

Yes. While I disagree with parts of this appropriation, such as the subsidy payments to sugar producers, the bill strikes a reasonable balance between the need to reduce the federal budget and concern for the uncertain future of American agriculture. While this $12.7 billion appropriation is $258 million less than the administration's budget request, there is an increase in funding for conservation, research and nutrition programs and increased levels for loans available through the Farmers Home Administration.

359. Passage of H.R. 7589, a bill to appropriate $2.8 billion for FY 1978 military construction programs of the Department of Defense. Passed 391–16.

Yes. This legislation funds essential projects and facilities which are of major importance to the defense preparedness of our nation. It also represents a reasonable budget request, a significant reduction in expenditures as compared to past years.

361. H.R. 7797, Foreign Aid Appropriations. Amendment by Mr. Young to cut $31 million from the UN Development Program Rejected 182–232.

No. I support President Carter's decision to renew our commitment to the United Nations as a major vehicle for attacking a multitude of global political, economic, and social problems. Emphasizing multilateral programs reduces the U.S. annual contribution substantially and encourages contributions from other nations.

362. H.R. 7797, Foreign Aid Appropriations. Amendment by Mr. Young to delete the entire $50 million for development aid in the Sahel region of Africa. Rejected 160–255.

No. The Sahel region, a drought-stricken area covering eight northwest African countries, presently lacks long-term development programs to deal with the region's fundamental problems. The Club des Amis du Sahel, a multilateral organization formed to develop such a program, needs our support, which would be limited to a 15% share of the total contribution. Having initiated the creation of this group, the U.S. should continue to contribute to its support, especially in view of the need to ameliorate the drought conditions.

363. H.R. 7797, Foreign Aid Appropriations. Amendment by Mr. Ichord to delete the $100 million for the Southern African Special Requirements Fund. Rejected 199–209.

No. I support the new emphasis the Carter Administration is placing on developing favorable relations with the African nations. For too long an aggressive African policy has not been pursued, even though the continent of Africa is of increasing significance to the U.S. Adoption of this amendment would signal a retreat from this policy.

364. H.R. 7797, Foreign Aid Appropriations. Amendment by Mr. Roybal to prohibit the use of $700,000 for training military forces in Argentina. Passed 223–180.

Yes. Unfortunately, military education and training programs sometimes contribute to a politicized, institutionalized and oppressive military force. Such is the case in Argentina.

365. H.R. 7797, Foreign Aid Appropriations. Amendment by Mr. Young to prohibit funds from being used directly or indirectly through multilateral lending institutions in Uganda, Cambodia, Laos, or Vietnam. Passed 295–115.

No. The charters of multilateral lending institutions prohibit unilateral restrictions so as to prevent the chaos that would result from attaching political conditions to con-

tributions. If we take the lead in violating these charters, we are inviting other countries to make similar restrictions, thus destroying the ability of these institutions to function.

366. H.R. 7797, Foreign Aid Appropriations. Amendment by Mr. Wolff to prohibit the payment of reparations to Vietnam. Passed 359–33.

Yes. As a result of President Nixon's fateful letter to the Vietnamese in 1973, that country anticipated a postwar reconstruction contribution in the range of $3.25 billion over five years. This amendment will put to rest expectations for such a sum and serve as a warning that such pledges are subject to Congressional approval.

369. H.R. 7797, Foreign Aid Appropriations. Amendment by Mr. Young to reduce the U.S. contribution to the International Development Association by $477 million. Rejected 175–233.

No. The $950 million appropriation for the International Development Association is $250 million less than the President's request but $520 million over FY 1977. While this amount may appear excessive, we are behind in our past contributions and have committed ourselves to provide at least $800 million to meet our new obligation. An important point to remember is that we have continued to reduce the percentage of our contribution to this Association, and the additional $520 million still keeps our percentage lower than last year.

371. H.R. 7797, Foreign Aid Appropriations. Amendment by Mr. Wilson to reinstate funds for military assistance, military training and education or for military credit sales to Nicaragua. Passed 225–180.

No. There is ample documentation to support the charge that the Nicaraguan National Guard, helped by U.S. military assistance, has brutally mistreated citizens of their country. The State Department has communicated its concern to the Nicaraguan Government, and is withholding FY 1977 military assistance funds until there is an improvement in the human rights situation.

372. H.R. 7797, Foreign Aid Appropriations. Amendment by Mr. Moore to prohibit any funds from being used for loans establishing or expanding production of sugar, palm oil or citrus crops if the U.S. is a producer of the same or similar commodities. Passed 209–179.

No. As I stated previously, we should not place political restrictions on our contributions to multilateral lending institutions. This amendment deals with commerce of the most ordinary type, and clearly sets a dangerous precedent.

373. H.R. 7797, Foreign Aid Appropriations. Amendment by Mr. Ashbrook to prohibit the use of any appropriations from being used for any form of trade or assistance to Cuba through international financial institutions. Passed 274–112.

No. As with the previous amendment offered by Mr. Young and Mr. Moore, this provision attaches political conditions to contributions in direct violation of the charters of multilateral lending institutions.

374. H.R. 7797, Foreign Aid Appropriations. Amendment by Mr. Miller to cut 5% overall from the $7 billion recommended by the Appropriations Committee. Passed 214–168.

No. The Appropriations Committee has already cut the Administration request by 7%. In view of the importance of our foreign aid programs, any further reductions should be carefully pinpointed rather than having the total indiscriminately slashed.

375. Final passage of H.R. 7797, the Foreign Aid Appropriations. Passed 208–174.

Yes. I continue my support of foreign aid as a vital component of our foreign policy. However, I am disappointed in some of the provisions in this year's bill: human rights is handled in an inconsistent manner; unilateral restrictions are placed upon international lending institutions; and the recommended funding has been cut without proper deliberation.

378. H.R. 7933, Defense Department Appropriations. Amendment by Mr. Addabbo to delete funds for the purchase of the nonnuclear-armed Lance missile. Rejected 123–226.

Yes. I believe the nonnuclear-armed Lance missile is of questionable value. Other missile systems under development are far better buys while doing the job as well, or even better, than the Lance. The Lance should be used for the purpose for which it was originally developed, the nuclear role.

380. H.R. 6666, Legal Services Corporation. Amendment by Mr. Kindness to maintain the authorization at the existing $175 million level for both fiscal years 1978 and 1979 pending a July 1977 report to the Congress assessing the corporation. Rejected 158–221.

No. Such authorization reductions would prevent LSC from achieving its goal of providing legal assistance to the poor who have been denied access to justice because of their poverty.

381. H.R. 6666, Legal Services Corporation. Amendment by Mr. Kindness to require all Legal Services Corporation (LSC) funding requests to be submitted for approval by the Office of Management and Budget (OMB) prior to submission to Congress. Rejected 160–223.

No. This amendment is unnecessary and undermines the basic purpose of the Legal Services Corporation Act and the statutory scheme for the delivery of legal assistance to the poor. The OMB already has the authority to and does comment on the LSC budget through the regular budgetary process.

382. H.R. 6666, Legal Services Corporation. Amendment by Mr. Wylie restricting the use of LSC funds to pay for legal assistance in cases involving school desegregation. Passed 208–174.

No. The Legal Services Corporation was established to provide legal assistance to those in need and I strongly oppose restrictions on the type of legal assistance available. Such restrictions hamper the quality of legal assistance LSC offers and are inimical to the exercise of independent professional judgment by program attorneys.

383. H.R. 6666, Legal Services Corporation. Amendment by Mr. Ashbrook to terminate the Legal Services Corporation on September 30, 1979. Rejected 166–214.

No. To quote my colleague, Mr. Kastenmeier, this amendment would make the legislation "The Legal Services Liquidation Act of 1977."

384. H.R. 6666, Legal Services Corporation. Amendment by Mr. McDonald to prohibit legal assistance in cases arising over the issue of homosexuality or gay rights. Passed 230–133.

No. As with the previous amendments offered by Mr. Wylie, I oppose restricting the type of legal assistance available to the poor. Moreover, this amendment effectively denies individuals legal assistance because of their sexual preference.

385. A motion by Mr. Kindness to recommit H.R. 6666 to the Judiciary Committee with instructions to report it back to the House with an amendment restoring a prohibition on grants or contracts to outside "backup" support centers for research and training. Rejected 154–213.

No. The "backup" support centers for the Legal Services program provide the necessary research and training for an analysis of the legal problems of the poor and facilitates a comprehensive and unified approach to dispensing justice to all.

386. Final passage of H.R. 6666, to extend the Legal Services Corporation for two years with authorization of $217 for fiscal year 1978 and $275 for fiscal year 1979. Passed 267–103.

Yes. Since its inception in 1974, the Legal Services Corporation has been effective in making justice accessible to those disadvantaged persons who are unable to absorb the customary legal fees. I am confident LSC will continue its success in placing our legal system within the reach of all.

388. A motion by Mr. Solarz to suspend the rules and pass S. 964, to deny October cost-of-living raises to federal supergrades. Passed 397–20.

Yes. The recently enacted pay raise is enough. There is no need to have federal judges, executives and congressmen participate in a cost-of-living increase. Such indexing should be provided to those on a fixed income whose real buying power is diminished by inflation.

389. H.R. 7933, Defense Department Appropriations. Amendment by Mr. Addabbo to delete $1.5 billion for production of five B–1 bombers. Rejected 178–243.

Yes. The B–1 is of dubious military value while being so excessively expensive as to reduce the Air Force's ability to procure the planes and equipment it will need the most for many years to come. Moreover, its production would necessitate trade-offs in other spending areas, diminishing our capacity to meet other important national requirements. Research and development on the B–1 can go forward satisfactorily with the planes already built.

390. H.R. 7933, Defense Department Appropriations. Amendment by Mr. Lloyd to procure 96 rather than the 144 A–10 attack planes recommended by the administration and approved by the Appropriations Committee. Rejected 122–299.

No. While the desirability of the total A–10 program remains questionable, there is no way to make a final determination of its feasibility at this time and the amendment would slow A–10 production to a most uneconomical rate, significantly increasing the unit flyaway cost of each aircraft.

393. H.R. 7932, Legislative Branch Appropriations. Amendment by Mr. Grassley to prohibit the use of legislative appropriations to fund the 29% pay increase to Members of Congress. Rejected 181–241.

No. My position on the pay raise is well known. The new ethics code reduces the possibility of abuses while the first pay raise in years allows rich and poor alike to seek public office. The pay should be, and now is, commensurate with the responsibilities of the job.

394. H.R. 7932, Legislative Branch Appropriations. Amendment by Mr. Mitchell to authorize and appropriate $225,000 to operate the Joint Committee on Defense Production. Rejected 172–244.

No. Despite the potential for such a committee, its past record does not justify further funding. Defense production and procurement issues need attention but that needed oversight, it appears, must be performed by the standing committee(s) with proper jurisdiction in each house.

395. H.R. 7932, Legislative Branch Appropriations. Amendment by Mr. Stratton to delete $55 million for the 22 ft. extension of the Capitol West Front. Rejected 204–212.

Yes. The original West Front should be restored, not housed in any new structure for only office-workers to see.

396. Final passage of H.R. 7932, the Legislative Branch Appropriations. Passed 250–166.

Yes. It must be remembered that this seemingly excessive sum covers not only congressional operations but the Library of Congress, the Botanical Gardens, and other important government functions.

398. H.R. 7933, Defense Department Appropriations. Amendment by Mr. Edwards to delete $26 million for the development of a new engine for the Navy's F–14 fighter plane. Rejected 122–282.

No. Modernization of all weapons systems is an ongoing process. I believe the F–14 has a proven capability and it would be false economy to abandon this weapons system when the technology of a new engine not only would save the plane but also could be utilized in other aircraft.

399. H.R. 7933, Defense Department Appropriations. Amendment by Mr. Jenrette to delete language phasing out the use of Civil Service technicians in military reserve units. Passed 288–119.

No. Dual-status technicians perform no unique tasks, are more expensive, and introduce unionization into the military. Moreover, the bill follows the recommendations of the Defense Manpower Commission and has no effect on current technicians.

400. H.R. 7933, Defense Department Appropriations. Amendment by Mr. Gilman to prohibit use of funds appropriated in the bill to conduct a review of the status of those U.S. military personnel still missing-in-action in Southeast Asia. Rejected 160–246.

No. I believe it is cruel to require the families of MIAs to continue to live in a limbo or to have to "execute a death warrant" by requesting a status-change review. Moreover, the law is now being properly administered; we are not terminating the status by resuming with a case-by-case review.

401. H.R. 7933, Defense Department Appropriations. Amendment by Mr. Wilson to delete the language requiring military retirees to forfeit their military pensions if they were hired during FY 1978 to work for the federal government. Passed 219–174.

No. While I generally concur that an appropriations bill is no place to legislate on a complicated and controversial issue and indeed this bill's language does not fully address the dual compensation complexities, I oppose the amendment in view of my concern over rising costs of military retirement. Prompt comprehensive Congressional review of the program is essential.

402. Final passage of H.R. 7933, a bill to appropriate $113 billion for programs and operations of the Defense Department for FY 1978. Passed 333–54.

Yes. On balance, it is a responsible measure, nearly $3.8 billion less than the amended Administration request.

AGE DISCRIMINATION IN EMPLOYMENT ENDS AT CONNECTICUT GENERAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, legislation reported by the Education and Labor Committee would raise the age prior to which mandatory retirement would be illegal from 65 to 70. I am happy to report that at least one corporation is not waiting for the law to be changed. Connecticut General Insurance Corp. has voluntarily eliminated mandatory retirement for all employees who are not officers or field managers. I would like to insert into the CONGRESSIOAL RECORD a letter I received from Robert D. Kilpatrick, president of Connecticut General, explaining why.

JULY 29, 1977.

HON. PAUL FINDLEY,
Rayburn House Office Building,
Washington, D.C.

In light of your leadership in the Congress on legislation dealing with the inequities of mandatory retirement, Congressman Findley, I'm pleased to tell you about the decisive step Connecticut General Insurance Corporation has taken on the issue.

Beginning August 1, we are eliminating mandatory retirement for all of our employees who are not officers or field managers. This move affects some 7,600 salaried and hourly employees of Connecticut General Life Insurance Company around the nation and 4,300 employees of the Aetna Insurance Company, our property and casualty affiliate.

The trend toward liberalized retirement has generally emphasized leaving a career at earlier ages. We feel that emphasis overlooks a very important group of people: the employees who want to continue working beyond age 65. Some of our employees want to continue their careers with the company beyond what used to be considered "normal" retirement age and we recognize what a valuable resource they are.

Hence, our retirement range continues to begin at age 55, but now extends for as long as the employee wants to continue working and maintains fully satisfactory performance. By eliminating mandatory retirement I believe we offer the individual employee a greater freedom of career choice . . . because other career opportunities are always open, irrespective of age. At the same time we retain experience and knowledge that would otherwise be lost. We strengthen our organization and ourselves as individuals when the interests of employees and the corporation work in support of each other. In this case, as long as performance is satisfactory, retirement is open-ended and the choice is entirely the employee's.

Knowing of your special interest in this area, I wanted to personally acquaint you with this major shift in our company's retirement policy.

R. D. KILPATRICK,
President.

PANAMA CANAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 10 minutes.

Mr. BURKE of Florida. Mr. Speaker, the matter of revising our treaty with Panama concerning the canal is extremely complicated, but not beyond understanding. Let me say that I am unhappy that we are in essence being blackmailed into revising a situation which has been constructive and mutually beneficial to the United States, Panama, and most world users, for decades. Our presence in Panama has been in the main a constructive presence.

Consider the question of operating the canal. We have done that efficiently and honestly, seeing millions of tons of shipping transit the isthmus without incident and very few accidents. At the same time we have not attempted to run the affairs of the Republic of Panama. They came up with General Torrijos themselves.

There are those who remember how we obtained rights to an isthmian canal route and in the same sort of spirit which says we should give North America back to the Indians, say we should turn the canal back to the Panamanians. By the same sort of reasoning, the Panamanians should abrogate their independence and rejoin Colombia. I have not noticed many Panamanians insisting on this step.

The United States, in my opinion, has a vital interest in seeing stability and order in the Caribbean, and in view of our hemispheric responsibilities, we have an enduring need to be present in the isthmus. Even if we could safely believe that we have a two-ocean Navy, we would need to have immediate and quick access to the isthmian area. In one sense, the canal is less important than that point—that we need to retain our interest in and responsibility for the security of the Caribbean. I am not advocating an argument which justifies interference in internal affairs of our Central or Latin American neighbors. The United States by its nature as a great power retains a vital concern for the security of the isthmian area and the Caribbean as vital to its own security.

Mr. Speaker, a treaty revision may be necessary at this point, in order to pursue this concern. But Congress is not obliged to approve either a treaty or associated legislation without very careful and painstaking consideration. The administration unfortunately has omitted to mention, the House has a responsibility to pass on transfer of land title. I hope we in the House will get all the facts so as to look at any such arrangements very thoroughly.

Finally, Mr. Speaker, there are those who say that after all the Panamanians are entitled to exercise their sovereign rights as a nation. Even if I favored the President's position on the treaty it still seems to me that the Panamanians are acting as if their sovereign rights are more like newly discovered mineral rights. Now that they have discovered them, all they have to do is mine them from what you can bet will be the American taxpayers' pockets. In this case they do so by saying to the United States, "You have something that is really ours by virtue of its location on our soil. Therefore either you give it back or we will destroy it."

Of course, not only are we giving it back but we are paying the Panamanians for our ability in building the canal in the first place. I am willing to bet that we will watch the tolls go up as the Government of Panama from time to time needs more income, and we will watch the adjoining nations come to say to us, "give us a concession for the use of the canal," since much of the shipping which transits the canal is vital to the economies of Brazil, Argentina, and others.

The United States cannot abrogate its interests in the security of the Caribbean simply because the Third World nations say it is no longer acceptable for the United States to have an interest in world stability. We may well revise our position in the Caribbean, but if we continue to apologize for the good we have done then the threat of violence will become a way of diplomacy for other pro-Communist or left wing dictators to use on us.

Mr. Speaker, the thing that bothers me most about President Carter's foreign policy is his voiced concern for human rights and self-determination of people which contradict his actions. The first

initiatives in our hemisphere by the Carter administration have been toward governments headed by unelected leaders who achieved their status by force. Castro took over Cuba in a coup and has since become the greatest dictator in the Western Hemisphere. General Torrijos also came to power in Panama by a coup. Neither of these leaders with whom Carter is dealing are governing with the consent of the people under their power. It would seem to me that if Carter is serious about extending human rights throughout the world that he would seek to deal with elected leaders rather than those who achieve their office through force and who threaten force against us if we refuse to come to terms with them.

OPPOSING THE DISMANTLING OF THE OFFICE OF DRUG ABUSE POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 60 minutes.

Mr. GILMAN. Mr. Speaker, the President's recent proposal to reorganize his Executive Office under the Reorganization Plan No. 1 of 1977—July 15, 1977—calls for the dismantling of the Office of Drug Abuse Policy, ODAP, the principal unit within the Executive Office of the President, EOP, responsible for formulating a comprehensive national drug strategy and for coordinating the functions of the more than 50 departments, bureaus, agencies, and administrations having jurisdiction over narcotics programs.

Unless the President amends his reorganization plans by Thursday, September 15, or unless either the House or the Senate disapproves the proposal, Reorganization Plan No. 1 will become effective on October 15, 1977.

Nearly 100 Members have joined with me and my distinguished colleague, the gentleman from New York (Mr. RANGEL) in urging you, Mr. Speaker, to use your good office to request the President to reconsider his decision to abolish ODAP. Many colleagues from the House and the Senate have joined with me in writing to the President to restore ODAP to its original objectives when Congress created ODAP in 1976; namely, to provide highly visible, Federal leadership in formulating and executing a comprehensive, coordinated national drug abuse program.

Many of our colleagues regard the President's decision to abolish ODAP—a decision that was recommended by the Office of Management and Budget, OMB, without consulting Members of Congress or with the administration's top narcotic policymakers—as an ill-advised and regrettable decision.

Mr. Speaker, it became apparent from testimony of the administration's narcotic experts before the House Select Committee on Narcotics Abuse and Control, of which I am a member, that these experts, Dr. Bourne of ODAP, Mathea Falco, Narcotics Adviser to the Secretary of State, Dr. Robert DuPont of NIDA, and Peter Bensinger of DEA, were unaware that ODAP was about to be dismantled. The select committee heard from these narcotic administrators on July 12 and 13, literally hours before the President issued his July 15 reorganization plan abolishing ODAP.

As recent as March of this year, the President activated ODAP. Under the leadership of Dr. Bourne, this office was beginning to fulfill its congressional mandate when, this past July, the President changed his position and abruptly decided to abolish this unit from his Executive Office and redelegate some drug abuse functions to OMB. Under the President's reorganization proposal, the redelegation of drug abuse functions to OMB is contrary to ODAP's charter as stipulated in Public Law 94–237, for it creates in OMB a policymaking role in the drug abuse field for this managerial consulting agency.

Today, I, along with the distinguished chairman of the House Select Committee on Narcotics Abuse and Control, testified before the Subcommittee on Legislation and National Security which is holding hearings on the President's reorganization proposal.

Mr. Speaker, in the interest of stressing to my colleagues the September 15 deadline and alerting them to the importance and urgency for the President to reconsider his decision scrapping ODAP, I include the full text of my statement, together with appendix A, at this point in the RECORD and will welcome the support of my colleagues on this vital issue:

STATEMENT BY REPRESENTATIVE BENJAMIN A. GILMAN BEFORE THE SUBCOMMITTEE ON LEGISLATION AND NATIONAL SECURITY OF THE HOUSE COMMITTEE ON GOVERNMENT OPERATIONS ON SEPTEMBER 8, 1977

Mr. Chairman, I commend you and the distinguished members of the Subcommittee on Legislation and National Security for so expeditiously holding these hearings on the President's proposal to reorganize his Executive Office and for affording me this opportunity to testify before you on Reorganization Plan No. 1 of 1977 (July 15, 1977).

I shall confine my remarks to the President's decision to abolish the Office of Drug Abuse Policy (ODAP), the principal unit within the Executive Office of the President (EOP) responsible for formulating a comprehensive national drug strategy program and for coordinating the functions of more than 50 departments, bureaus, agencies and administrations having jurisdiction over drug abuse prevention and control programs.

ODAP was created last year under Public Law 94–237 (March 19, 1976) to provide "for effective, ongoing, and a highly visible Federal leadership in the formulation and execution of a comprehensive, coordinated drug abuse policy." On March 14th of this year, President Carter activated ODAP, which was dormant under the previous administration, and revitalized the Strategy Council, which was created under the Drug Abuse Office and Treatment Act of 1972. This past May, the Senate confirmed Dr. Peter Bourne and Lee Dogoloff as Director and Deputy Director, respectively, of ODAP. ODAP's authorized appropriations expire next year, on September 30th, 1978.

In activating ODAP and revitalizing the Strategy Council, the President, on March 14th, stated: "Drug abuse continues to drain human resources, especially from our youth, with no end in sight. I am determined that we make every effort to reverse this trend . . ." On July 15th, four months after its activation and without consulting Congress or his narcotic administrators, the President abruptly terminated the one unit within EOP that has begun to fulfill its Congressional mandate, namely: to provide highly visible Federal leadership in formulating and executing a comprehensive, coordinated national drug abuse policy.

Mr. Chairman, along with many of my colleagues in both the House and the Senate, I oppose the President's decision to terminate ODAP. Nearly 100 members have joined with me and my distinguished colleague, the gentleman from New York (Mr. Rangel) in urging the Speaker to use his good office in opposition to this matter. Many colleagues from the House and the Senate have joined with me in writing to the President urging him to reconsider his decision abolishing ODAP.

As the distinguished committee members are aware, unless the President amends his proposal within the permitted 30 days, ODAP will be scrapped and the momentum developed during its brief tenure will soon be terminated. ODAP's expiration date is September 15, one week from today. Unless the House or the Senate disapproves Reorganization Plan No. 1 within 60 days, the plan takes effect on October 15th.

The President's efforts to cut governmental costs by abolishing numerous Federal advisory boards and commissions that have outlived their usefulness in the Executive Branch is commendable and I fully support that endeavor.

I also support the President's thesis that "Drug abuse continues to drain our human resources, especially from our youth, with no end in sight" and his "effort to reverse this trend." But as a member of the House Select Committee on Narcotics Abuse and Control, I cannot support any decentralized approach toward managing our nation's drug abuse problems . . . a critical problem requiring a concerted national effort if this Nation is to effectively wage "war" on narcotics and if we are to develop a comprehensive, coordinated national drug strategy. In my opinion, the President has been ill-advised in his decision to scrap ODAP . . . a setback in formulating an urgently needed national drug strategy out of the fragmented, leaderless Federal drug programs.

Under the President's reorganization proposal (pursuant to the testimony of Bert Lance, Director of the Office of Management and Budget (OMB) before this subcommittee on August 3rd and other OMB statements) not only would ODAP be abolished but its functions would be performed by "a small staff reporting to a Presidential advisor in the EOP," the Domestic Policy Staff (formerly the Domestic Council), the OMB President's Reorganization Project, and a revitalized Strategy Council on Drug Abuse. ODAP's functions and its Director would be transferred to the President for redelegation. But redelegated to whom? To the OMB President's Reorganization Project? To an undisclosed entity in the EOP? The details of this subsequent redelegation are not stated in the Reorganization Plan, the transmittal message or the White House press release.

Redelegation of drug-related functions would constitute nearly unlimited authority to restructure the drug abuse field in the EOP without any review or approval by the Congress, thereby impairing and probably eliminating all Congressional oversight. The President's Redelegation plan is contrary to the intent of P.L. 94–237, which created ODAP and provided that its Director and Deputy Director be appointed by the President, by and with the advice and consent of the Senate. It is also contrary to the statutory directive that ODAP be the Executive

Agency for formulating and recommending to the President policies, objectives, and priorities for Federal drug abuse functions and for coordinating the performance of drug related Federal agencies.

On March 14th of this year, when the President activated ODAP to carry out "the Congressional mandate specified in the law," and when he revitalized the Strategy Council and directed the Director of ODAP to serve as the Executive Director of the Council, the President directed the ODAP Director to assume the following responsibilities "to the maximum extent permitted by law":

(1) "Recommend government-wide improvements in the organization and management of Federal drug abuse prevention and control functions, and recommend a plan to implement the recommended changes;

(2) "Study and recommend changes in the resource and program priorities among all agencies concerned with drug abuse prevention and control;

(3) "Assume the lead role in studying and proposing changes in the organization and management of Federal drug abuse prevention and control functions, as part of my promise to reorganize and strengthen government operations; and

(4) "Provide policy direction and coordination among the law enforcement, international and treatment/prevention programs to assure a cohesive and effective strategy that both responds to immediate issues and provides a framework for longer term resolution of problems."

Mr. Chairman, why has the President, in these few months, changed his mind and now seeks to abolish ODAP without first giving it a fair chance to fulfill the Congressional mandate specified in P.L. 94–237 as well as his directive?

Since its activation last March, under the leadership of Dr. Peter Bourne, ODAP has initiated a series of comprehensive policy review studies in the areas of drug law enforcement, narcotics intelligence, and drug treatment and rehabilitation. A draft of its border management study was circulated recently to the appropriate Federal agencies for their comments.

With this significant work under way, it is difficult to comprehend why the President is now seeking to dismantle a unit that has just started to fulfill its mission in providing Federal leadership in formulating a comprehensive national drug strategy and in coordinating our Nation's efforts in interdicting narcotics trafficking and in eradicating narcotics supply at its source. Why must this Nation start from scratch once again in formulating a mechanism to develop a comprehensive, coordinated drug strategy program? Mr. Chairman, Congress and the American people are in the dark with regard to the rationale for the President's decision to abolish ODAP and the need to start all over again in finding a vehicle for fulfilling ODAP's mission.

On July 12th and 13th of this year, literally hours before the President issued his July 15th Reorganization Plan abolishing ODAP, the House Select Committee on Narcotics Abuse and Controls heard testimony from the Administration's top narcotic administrators who informed us that a "Working Group" consisting of Dr. Bourne of ODAP, Peter Bensinger, Administrator of the Drug Enforcement Administration, Mathea Falco, Senior Advisor to the Secretary of State and Coordinator for International Narcotics matters, and Dr. Robert DuPont, Director of the National Institute of Drug Abuse, met "periodically and informally" in the absence of the Strategy Council, which has yet to hold its first meeting. From their testimony it became apparent that this group constituted the Presidential narcotic policy making and yet none of these narcotic administrators were aware that ODAP was about to be dismantled.

Further revelations indicate that OMB, which was instrumental in recommending the dismantling of ODAP, neither consulted the President's narcotic policymakers before recommending the termination of ODAP nor did OMB approach these experts for their opinions concerning the possibility of eliminating ODAP.

At an OMB briefing on August 24th, it became obvious that this office was acting as a policymaker in the drug abuse field, rather than as a management consulting agency. A Question and Answer sheet prepared by the President's OMB Reorganization Project, a copy of which is attached to this statement as "Appendix A" for your review, suggests that, under the reorganization proposal, OMB would become a policymaker in the drug abuse field by acquiring functions presently authorized to ODAP under P.L. 94–237. For example, on page 6 of the Question and Answer sheet, OMB would "review regulations, guidelines, requirements, criteria and procedures regarding above functions within Federal agencies," a function currently being performed by ODAP under Public Law 94–237. The four "above functions" referred to on page 6, and subject to OMB's review, would include (1) strategy regarding policy direction and coordination of the law enforcement, international and treatment/prevention programs, (2) coordinating the interagency/interdepartmental performance of drug abuse functions and the implementation of Presidentially approved drug abuse strategies, (3) recommending to the President certain changes in organization, management, and personnel of relevant Federal agencies, and (4) representing the United States in international negotiations related to drug abuse functions. The President's OMB Reorganization Project and the National Institute on Drug Administration (NIDA) would also evaluate the performance of Federal drug abuse programs.

Mr. Chairman, what happens after OMB reviews these regulations, guidelines, requirements, criteria and procedures? Will it recommend policy changes to the President? The power to evaluate the performance of programs includes the power to recommend policy changes. Did Congress intend OMB to fulfill this role when it created ODAP and stipulated in Section 221 of P.L. 94–237 the responsibility of ODAP's Director:

"(a) The Director shall make recommendations to the President with respect to policies for, objectives of, and establishment of priorities for, Federal drug abuse functions and shall coordinate the performance of such functions by Federal departments and agencies. Recommendations under this subsection shall include recommendations for changes in the organization, management, and personnel of Federal departments and agencies performing drug abuse functions to implement the policies, priorities, and objectives recommended under this subsection."

Mr. Chairman, I submit that OMB has arbitrarily arrived at its recommendation to abolish ODAP. It failed to consult Members of Congress, it failed to confer with narcotics administrators and it failed to provide the President with options derived from experts involved in the narcotics abuse and control effort. Only two options were offered to the President: either (1) eliminate ODAP entirely or (2) allow it to continue until its funding expires on September 30, 1978, or until its projects begun this past May are completed.

According to OMB's Question and Answer sheet, under the reorganization proposal, Dr. Bourne would advise the President on drug-related matters. His staff would be reduced to two individuals, and he would also be responsible for health issues. "At least four individuals on the Domestic Policy Staff (DPS)," a proposed unit within the EOP that would be responsible primarily for domestic and some economic policy, would also work on drug-related matters. Dr. Bourne, his "staff", the DPS, the revitalized Strategy Council, and the OMB Reorganization Project would be responsible for formulating and coordinating this Nation's drug strategy program.

Obviously, the visibility and Federal leadership that Congress sought when it created ODAP last year will be lost in this reorganization shuffle. Dr. Bourne, whose unit in the EOP would be dismantled, can not even be located on the President's reorganization chart. With a two-person staff and additional responsibilities, how much time will Dr. Bourne have to devote to the pressing problems of narcotics abuse and control? How much time will he have to develop any comprehensive, coordinated national drug strategy? The answer is obvious. He will not have the time nor the staff to devote extensive effort to the pressing problems of drug abuse.

Drug abuse in this nation and throughout the world is much too important to be left to any part time drug advisor with a minuscule staff. Between 700,000 and 800,000 hard core addicts support the illicit drug traffickers and this does not include those individuals who are emotionally dependent upon prescribed and over-the-counter drugs and who suffer from the debilitating effects of stimulants, depressants and hallucinogens. Nearly 5,000 of our Nation's young people last year succumbed to heroin overdosages. Drug-related crimes cost our nation over $20 billion annually.

More than 50 departments, bureaus, agencies and administrations have jurisdiction over drug abuse programs. It is unrealistic to expect that the Strategy Council would be able to coordinate the activity of the fragmented agencies. The Strategy Council, composed of Cabinet-level departments in the drug abuse field, can only advise; it can not provide the necessary day-to-day coordination to develop a comprehensive national drug policy. And there is no assurance that the Strategy Council will ever meet. President Carter revitalized the Council last March, but the Council has yet to hold its first meeting. Will the "revitalized" Strategy Council suffer the same fate as ODAP, being activated only to be abolished a few months later?

An underlying premise of the President's reorganization proposal is that the drug abuse problem is a specialized problem that does not require any permanent office in the EOP. Yet, under the reorganization proposal, the Office of Wage and Price Stability and the Bureau of Environmental Quality will be retained in the President's Executive Office. At a recent briefing conducted by OMB representatives, there was not any clear rationale expressed as to why these agencies merited retention while ODAP was being abolished. I am not opposed to retaining these units in the EOP, but there was no indication that the tasks of these agencies could not be performed by the Domestic Policy Staff. The Office of the Special Representative for Trade Negotiations, a specialized field, is also being retained in the EOP. The President's proposal to abolish ODAP and establish a part time Presidential drug advisor, with a two-person staff, working with a few members from the Domestic Policy Staff, an uncertain "revitalized" Strategy Council, and with OMB acting as a drug policymaker constitutes a serious disruption of the forces waging "war" on narcotics. It is a setback for the Congress, for law enforcement officers and for the narcotics administrators who have sought to develop a coordinated national drug policy.

The President's decentralized approach towards managing drug abuse programs within the EOP is the antithesis of the attempt by Congress to create a leadership role within the Executive Office. It further embraces and endorses the fragmentation that now exists among the Federal agencies. This proposal is contrary to any of the President's statements asserting his deep commitment to fighting drug abuse. Under the reorganization proposal, there is every reason to believe that drug-related issues will be downgraded among the President's priorities and within the decision making process of the EOP.

The estimated $300,000 that may be saved by dismantling ODAP is minuscule compared to the savings that could result . . . and the momentum that would otherwise be lost . . . from restoring this unit to the role that Congress intended when it initially created ODAP.

At a time when other nations are intensifying their efforts to interdict narcotics trafficking and to eradicate the illicit supply of opium production, the proposed dismantling of ODAP could be perceived by the world as a deliberate deemphasis of our Nation's commitment in waging "war" on this scourge of mankind.

Mr. Chairman, I urge this distinguished subcommittee to take a close, hard look at the President's inconsistent proposal to dismantle ODAP. I hope that the President will amend his reorganization proposal by restoring ODAP to its original purpose of providing strong Federal leadership in formulating and coordinating a comprehensive drug abuse policy. In the event that the President does not amend this proposal, then I urge my colleagues to support H. Res. 688, disapproving Reorganization Plan No. 1 of 1977.

Thank you, Mr. Chairman, for focusing the Committee's attention on this vital issue.

APPENDIX A

PRESIDENT'S REORGANIZATION PROJECT

(Questions and answers about ODAP and the EOP Reorganization Study)

1. Conduct of the Executive Office Reorganization Study—

Question: How was this study conducted?

Answer: Soon after assuming office, the President requested OMB to perform a comprehensive management assessment of the White House and the Executive Office of the President (EOP). This study would be built on preliminary work performed during transition. On March 7, 1977, the Director of OMB sent a memorandum to the President outlining such a management study with the following goals:

Improve advisory, decisionmaking, management, coordinating and follow-up capabilities.

Streamline the advisory, coordinating and administrative support functions.

Minimize duplication and overlap of mission by combining or eliminating functions and improving processes.

Install zero-based budgeting.

An advisory committee of senior Presidential advisers was established to provide overall guidance. A. D. Frazier, Jr. was named project leader with the ability to form study teams and use outside resource people. A work plan was prepared as a guide to managing a comprehensive study.

The President approved the plan and work began to recruit an interdisciplinary team of analysts. We also asked each office to detail a professional staff member to work with us to assist in the fact-finding, to review our work and to serve as a daily contact point to provide substantive input on policy matters handled by each office.

Our work was divided into three major studies:

a. A fact-finding and functional analysis of each EOP office.

b. A study of the decisionmaking process in the EOP.

c. A study of EOP administrative support services.

In addition, plans for discussions with Congress and public awareness were developed and administered.

The study was conducted from March 22 through July 1, 1977, when a report was presented to the President. Background information included: the legislative history and related congressional testimony; previous drug strategy reports, other agency reports; information on planned ODAP studies; program and budget information; information on the purpose and objectives of ODAP; its organization and structure; functions and activities; decisionmaking role and requirements; external and internal relationships; and results of interviews with ODAP professional staff then on-board; and other cognizant agency and congressional staff was reviewed. This information was weighed against the general findings for other EOP offices, the results of our decision analysis and administrative support studies.

The study was conducted with the full knowledge and cooperation of Dr. Peter Bourne of ODAP and his staff. They provided useful comment to the team at regular intervals and on the results of the study.

2. Presidential Decisionmaking—

Question: How did the President make his decision on ODAP?

Answer: On July 1, 1977, the President received our final report on the EOP reorganization study. The report covered major structural options for reorganization of the EOP, options for each office, options for improving the decision process and channels by which the President receives advice and implements decisions, and options for integrating administrative support functions. Because of concern of the President and the Congress for the drug issue, all information developed on ODAP was provided to him.

The President reviewed the information over the July 4th holiday. On July 7 we met with the President for an hour and-a-half to discuss the report. He requested that the Vice President review the report and provide him with his assessment. He asked his staff and EOP office heads to provide him with final comments which they did. He received and reviewed communications from several Members of Congress on various aspects of the reorganization.

We met again with the President on July 11 for an hour to further discuss EOP reorganization proposals.

It was his view that:

A forthcoming message on drug abuse demonstrated his commitment to act.

Significant work by ODAP could be completed by the end of the year.

The retention of a high visibility Adviser to the President on drug matters was important and that the Adviser should be made available to Congress as the Administration's chief drug abuse spokesperson.

The policy management system be adopted and the Strategy Council on Drug Abuse be revitalized to handle policy and strategy development and interagency coordinating problems. The Strategy Council on Drug Abuse is a working group composed of government agencies and other units with interest in drug abuse.

The President's staff would act quickly on forthcoming reorganization studies in the drug area.

The President's Reorganization Project should handle additional drug abuse reorganization issue problems.

Operational functions should be handled in line agencies and agency officials should participate in policy development and be held accountable for acting.

3. Change of Priority on Drug Abuse—

Question: In view of the seriousness of the drug problem and the commensurate high level of public and congressional concern, does elimination of ODAP at this time signal the Carter Administration's disinterest in this problem?

Answer:

a. When the President activated ODAP, he did not have the benefit of a comprehensive study of his office with alternate means of handling important issues like drug abuse. With the adoption of the policy management system there is a better means for handling such issues rather than creating a separate office for every serious problem.

b. Significant work of ODAP will be completed by the end of the year and the President has indicated he will act quickly on its recommendations.

c. The President's commitment to fighting drug abuse can hardly be doubted. His message to the Congress of August 2, 1977, and the establishment of an Adviser to the President on drug matters will signal the Administration's continued commitment to resolution of drug abuse problems. Replacing ODAP with an Adviser to the President plus support from the President's Domestic Policy Staff, OMB's President's Reorganization Project and a revitalized Strategy Council on Drug Abuse reflects a different process approach rather than a change in objectives. We think this approach can be more effective.

d. The presence of an Assistant and a revitalized Strategy Council on Drug Abuse provides the visible focus for the national drug abuse effort. Plus, the comprehensive reorganization effort will, we believe, result in a renewed organizational commitment within the Federal Government to combat drug abuse. It cannot be assumed that in order to focus attention on a problem and mobilize resources, an EOP office must be established. Alternative ways of solving problems can be found and we feel that enlisting the resources of the agencies and departments involved is the best way. We feel a separate office is not necessary to do this.

e. The discontinuation of ODAP will not result in other resource reductions or program reallocations. The President's August 2 message provides additional priorities and direction.

Additional reorganization work can best be handled by the President's Reorganization Project which has the resources to do an effective job. Leadership, policy development and resolution of interagency disputes and coordination problems can best be handled by Dr. Bourne and the Domestic Policy Staff working together with the agencies through a Strategy Council on Drug Abuse. Unless a Federal drug abuse strategy is developed with the participation of the agencies charged with its implementation, it will be difficult to carry out. This cooperation and participation can be gained through the policy management system, the Strategy Council and interagency mechanisms.

4. Functions of ODAP—

Question: What functions does ODAP currently perform and who will carry them out after reorganization?

ANSWER

Current function

a. Recommend to the President, policies, objectives, and priorities of Federal drug abuse functions.

After reorganization disposition

Special Assistant to the President and Domestic Policy Staff.

Comment

The Special Assistant will also handle international health matters.

Current function

b. Provide strategy in terms of policy direction and coordination of the law enforcement, international and treatment/prevention programs (written strategy).

After reorganization disposition

Special Assistant, Domestic Policy Staff and Strategy Council on Drug Abuse.

Comment

None.

Current function

c. Coordinate the interagency/interdepartmental performance of drug abuse functions and the implementation of Presidentially approved drug abuse strategies.

After reorganization disposition

Special Assistant working with the Domestic Policy Staff through the Strategy Council on Drug Abuse.

Comment

None.

Current function

d. Recommend to the President changes in organization, management, and personnel of relevant Federal agencies as necessary to implement Function 1.

After reorganization disposition

OMB's President's Reorganization Project.

Comment

Part of normal reorganization responsibility of OMB. Several reorganization studies are nearly complete in this area.

Current function

e. Represent the United States, at the President's discretion, in international discussions and negotiations related to drug abuse functions.

After reorganization disposition

Department of State.

Comment

No formal transfer of functions nor positions to State required since this is their normal responsibility.

Current function

f. Review regulations, guidelines, requirements, criteria and procedures regarding above functions within Federal agencies.

After reorganization disposition

OMB President's Reorganization Project.

Comment

None.

Current function

g. Evaluate performance and results of drug abuse programs in Federal agencies.

After reorganization disposition

OMB President's Reorganization Project and NIDA.

Comment

This must be done as part of the reorganization but ongoing work should be done in an agency.

5. Establishing Policy—

Question: How will drug abuse prevention policy be set in the absence of ODAP?

Answer: Drug abuse policy should be set with the responsible agencies. The President has asked Dr. Bourne to begin formulating a comprehensive drug abuse policy. This will be done in cooperation with the Domestic Policy Staff and with relevant agencies through the Strategy Council on Drug Abuse. The President will expect his Adivser on drug-related matters to advise him if the responsible agencies' policies are deficient in any way. The Domestic Policy Staff, through any necessary Cabinet working groups, will bring the President's perspective to bear upon agency program information to maintain needed, ongoing drug abuse prevention policy for the several Federal agencies involved.

6. Interagency Coordination and Reorganization—

a. Question: You have stressed that the policy formulation functions will be retained in the EOP but how about the coordination function? With many Federal entities involved in drug abuse, how can they be effectively coordinated without an ODAP in the Executive Office?

Answer: Even for serious and complicated national problems such as drug abuse, the Carter Administration expects appropriate Cabinet Secretaries or agency heads working with the Domestic Policy Staff to assume full responsibility. The Drug Adviser working with the Domestic Policy Staff through the Strategy Council will be the main mechanism for coordination. Since drug abuse prevention programs are so fragmented as to preclude effective assignment of responsibility to Federal executives, the appropriate course of action is reorganization of the drug abuse programs rather than maintenance of ODAP. Several reorganization studies will be submitted to the President shortly that will deal with organization of the Federal effort to combat drug abuse. The OMB reorganization effort will continue thereafter as needed to examine the fragmentation of drug abuse prevention programs. Indeed, the legislative history (Senate Report No. 94–218) shows that the Labor and Public Welfare Committee recognized that ODAP's functions might be effectively carried out in other parts of the executive branch. That Committee anticipated Reorganization Plan as the vehicle for any such changes. We agree with their general assessment.

b. Question: Reorganization has been tried on previous occasions as a solution to the drug abuse coordination problem. What if it fails again?

Answer: Several reorganization studies are nearly complete. In addition, no previous governmental reorganization efforts have been as comprehensive as the ones currently under way. We are optimistic that this time real improvement will be made. However, to the degree that coordination (beyond the policy development already discussed) is required, the Strategy Council and sub-Cabinet working groups will be used by the Drug Adviser and the Domestic Policy Staff.

c. Question: How can the proper budgetary balance in the various Federal drug abuse prevention programs be maintained without ODAP?

Answer: Examination of program budgets for similar functions across organizational lines for compliance with overall Administration priorities and policy is a normal Office of Management and Budget function. Uusing zero-based program information, we have every reason to believe OMB will effectively carry out this responsibility.

7. Staffing of Drug Issues in the Executive Office—

a. Question: What Executive Office staff will work specifically on drug abuse problems?

Answer: Two persons on Dr. Bourne's staff and at least four people on the Domestic Policy Staff will work on drug-related matters. Personnel from the Office of Management and Budget's President's Reorganization Project will be assigned to work on any unfinished reorganization efforts and any new drug agency projects. On the budget side, OMB examiners, using zero-based program information, will be able to provide better program data for decisionmaking. Experts from the agencies will be used in the policy management system and as representatives on ad hoc interagency working groups to solve specific problems as they arise. This is more effective and economical than maintaining a full-time office staff.

b. Question: Why eliminate ODAP to achieve a mere $500,000 saving?

Answer: Cost savings were secondary to the goal of an improved capability within the bureaucracy to address drug problems.

8. Continuation of a Specialized Office—

Question: Only last March ODAP was established by the President in recognition of the seriousness of the drug problem. Now you are abolishing it. What has changed in such a short time to cause this reversal?

Answer: Three things have changed. First, we think that through the Domestic Policy Staff and the new policy management system, Presidential level policy development and interagency coordination can be better handled than through separate organizational entities like ODAP. Second, we have gotten an OMB reorganization staff up and running to address the excessive fragmentation of drug abuse programs that has led to a need for an ODAP-like approach. This OMB reorganization effort will pick up where ODAP leaves off using results of ODAP's reorganization studies. Third, ODAP has already achieved momentum in studying drug abuse problems; sustaining that momentum can be done by Dr. Bourne as Presidential adviser and by the Domestic Policy Staff.

The new policy management process is one in which Domestic Policy Staff personnel function as facilitators in bringing agency expertise to bear on a coordination or policy development problem. That is, the Domestic Policy staffer's role is to bring experts together in addressing a problem. Our studies have shown that agency and departmental personnel do provide sound, expert analysis and input if only that input is properly coordinated. That coordination is the Domestic Policy Staff's role in domestic issues.

Coincidentally, ODAP has been functioning in this mode. They have set up working groups of agency and departmental personnel which have efficiently carried out several studies in just a few months. Therefore, we feel confident that Dr. Bourne and the Domestic Policy Staff will be very successful in maintaining this momentum through this new policy management process.

Finally, we have indicated in testimony, that ODAP will not be precipitously terminated. Its present agenda can be complete by January 1978. The ongoing concerns should be phased into the management system described above between the time Congress approves Plan No. 1 and that time so that there will be no loss in continuity.

9. Congressional Testimony and Access of Congress to Information—

Question: In years prior to ODAP's existence, Congress experienced problems in getting testimony from the Administration on drug abuse problems. That is, testimony from the many agencies involved in drug programs resulted in duplicative testimony in some areas, and gaps in others—all at a cost in hearing time. Aren't we right back where we started from with the abolition of ODAP?

Answer: Dr. Peter Bourne will continue to serve as the Administration's chief spokesperson on drug abuse issues. The President has indicated that Dr. Bourne will be available to the Congress for testimony.

Furthermore, a comprehensive drug abuse policy and strategy will be maintained by Dr. Bourne and the Domestic Policy Staff through the Strategy Council, unlike the pre-ODAP era. This policy will serve to focus testimony of the agency personnel and alleviate the problems you have cited.

Additional reorganization studies will be carried out by OMB. Other studies will be carried out by interagency working groups and the cognizant agencies as is essentially the case now. Results of these studies will be made available through regular channels and discussions with congressional staff.

10. Effectiveness of This Arrangement—

Question: How about the adequacy of this arrangement, the ability of Dr. Bourne to continue to provide leadership in the drug abuse area, and the adequacy of staff to support his ability to respond to Congress and other entities?

Answer: Plan No. 1 and the other actions the President has taken are an attempt to find meaningful ways to carry out his and your mutual policy concerns in this and other important problem areas. It is not necessarily a corollary that every significant problem requires an additional specialized office and more staff resources to resolve the problem. Improvement of the processes by which policy is made and carried out, placing the burden of resolving such problems in the mainstream of the President's work through such processes, a more active role for the Cabinet and line agencies, and the use of specialist expertise that exists in the agencies represents a unique approach to problem-solving.

It is the base on which this plan is founded and is responsive to the President's desire to involve his Cabinet and line agencies and to hold them responsible for acting. The proposed staffing arrangement after the work of ODAP is completed is in concert with the plan and the President's desire to have a lean, effective staff. We believe it is sufficient to meet your concerns and will be an effective arrangement.

Once again, the important point is the backing the President gives to Dr. Bourne. The effectiveness of any Adviser or Office Director in the Executive Office is directly related to both access to the President and the confidence the President has in the individual. Dr. Bourne clearly has both. The President has given him sufficient authority to maintain continuity in policy formulation and interagency coordination.

Mr. WOLFF. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman from New York (Mr. GILMAN) for yielding and I wish to associate myself with his remarks.

Along with several members of the Select Committee on Narcotics Abuse and Control, of which I am privileged to be the chairman, my distinguished colleague from New York has been instrumental in focusing attention on the urgency for the President to reconsider his decision to abolish the Office of Drug Abuse Policy, ODAP, and I commend him for his efforts.

Today, I, along with the gentleman from New York, testified before the House Subcommittee on Legislation and National Security which is holding hearings on the President's proposal to reorganize his Executive Office—Reorganization Plan No. 1 of 1977, July 15, 1977— and I stated·

Our select committee has undertaken a most difficult and far-reaching assignment—the development of a rational drug abuse policy for the United States. Without a focal office in the White House to give flesh to the policy recommended by Congress, we will find it difficult indeed to provide the kind of innovative items that are required to make a dent in drug abuse.

Mr. Speaker, in the interest of bringing to the attention of my colleagues the importance of the President's reorganization plan, I include at this point in the RECORD the full text of my statement.

STATEMENT BY REP. LESTER L. WOLFF (6TH DIST., N.Y.) BEFORE THE SUBCOMMITTEE ON LEGISLATION AND NATIONAL SECURITY OF THE HOUSE COMMITTEE ON GOVERNMENT OPERATIONS ON SEPTEMBER 8, 1977

Mr. Chairman, I appreciate the opportunity you have given me to testify here today and also want to express the thanks of the Members of the Select Committee on Narcotics Abuse and Control for the Opportunity you gave them to participate in this important hearing.

As you and your colleagues know, on July 15, 1977, the President submitted a message transmitting his Reorganization Plan No. 1 recommending reorganizaion of the Executive Office of the President, pursuant to Title V of the U.S. Code, Chapter 9. I wish to address myself to the effect of that message on a specific office, the Office of Drug Abuse Policy. The President's message states the functions of the Office of Drug Abuse Policy (ODAP) can be performed by a smaller staff reporting to a presidential adviser in the Executive Office of the President. The office itself will be discontinued.

Unless either house of Congress acts to reverse the President's recommendation, the Office of Drug Abuse Policy will terminate at the end of the year and the recommendation will become effective September 5, 1977.

While various White House officials have been quick to say that the demise of ODAP does not signal a lack of interest in the drug abuse problems by either the President or Dr. Bourne, it does seem to some of us in Congress that there are some serious consequences to be faced as a result of this action.

As you will recall, Mr. Chairman, the creation of ODAP was a legislative "first" organized largely through the efforts of Chairman Rodino and Chairman Rogers. The former President of the United States, Mr. Ford, declined to activate this office in response to many demands for a policy organism in the White House that would direct drug abuse programs and stop the fragmentation caused by the extensive number of executive agencies that were involved in the problem, both on the demand and the supply side. Mr. Carter came to office and worked very hard to create ODAP. All of us remember the difficult job faced by the White House in securing confirmation for the Director and the Deputy Director only three short months ago. Moreover, as Dr. Bourne and Mathea Falco, the Senior Narcotics Adviser to the Secretary of State, have often testified before my Committee, ODAP not only represented the determination of President Carter to give direction to the drug abuse policy effort, but also constituted a central policy-making * * *

Mr. GILMAN. Mr. Speaker, I thank the gentleman from New York for his comments and for having taken the time in stressing the adverse effect of the President's reorganization plan on this Nation's efforts to develop a comprehensive coordinated national drug abuse policy.

THE IMPACT OF A WATERWAY USER TAX ON THE PITTSBURGH AREA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MURPHY) is recognized for 15 minutes.

Mr. MURPHY of Pennsylvania. Mr. Speaker, soon the House will consider H.R. 8309, which will impose a waterway user tax for the first time in the history of our country. This action will alter the practice set out in the Northwest ordinance, that our Nation's waterways would remain free. I am presenting to my colleagues today, my testimony before the Ways and Means Committee concerning the impact of these fees on the Pittsburgh area, so that they will consider the full impact of this issue before making a final decision.

Mr. Speaker, in the Northeastern and Midwestern parts of this country our industries have been greatly distressed in recent years. This story is not new to members of this committee. The imposition of a waterway user tax would only add to this decline.

As you know, river transportation is extremely slow. If we add the burden of an increase in costs to this already slow method of transportation, I fear many industries may revert to shipping by a more expeditious manner on highways and by rail. This is an undesirable alternative for transporting bulk goods when river transportation is accessible.

In this time of energy shortages and crisis it would behoove us to do everything we can to increase river transportation rather than decrease it. I would like to point out that 20 percent of the Nation's coal is shipped by river, almost 20 percent of the Nation's petroleum is shipped by river, and 4 percent of the Nation's basic minerals are shipped by river. Imposition of a user fee may severely hamper the distribution of these energy resources.

The 22d district of Pennsylvania, which I represent, relies heavily upon the Monongahela, the Ohio, and the Allegheny Rivers for transporting both the raw materials and the finshed products which keep our industries operating. In fact, the Monongahela River, along which I reside and into which I can throw a stone from my home, has a greater gross tonnage of commerce each year than the Panama Canal. Some of us in the United States seem almost willing to fight a war over the Panama Canal. All I am saying is let us save the Monongahela River. All through the history of this country we have seen the wisdom of aiding water projects: dams, irrigation, recreation, flood control, and I think it would be a total lack of wisdom if we would now turn our backs on the inland waterways and start charging for their use.

As you know, the Pittsburgh area is one of the Nation's leading steel producing areas, producing in excess of 20 million tons annually. The steel industry directly provides more than 70,000 jobs in the area and tens of thousands more in support and related industries. The steel industry grew up in this area because of the available river transportation and remains totally dependent on it. Coal, one of the basic materials in the steel process, moves up the Monongahela River from West Virginia and the 22d district at a rate of almost 50,000 tons per year.

The Army Corps of Engineers Study estimated that there would be an average cost increase near 18 percent on the Monongahela River. The same study estimates diversion of 98 percent of river traffic on the nearby Allegheny River. A cost increase such as this would be

devastating to the steel industry which is already in a depressed state.

Besides the increase in costs, the steel industry would face the burden of the user fee when they ship their finished products. Approximately 3 million tons of steel from the Pittsburgh area is shipped to the South and Southwest via the inland waterway system. The majority of this steel is in direct competition in the gulf coast area with imported steel.

Steel imports now make up 14 percent of all U.S. steel consumption. The imposition of user fees could by some estimates raise this to 30 percent by 1980. Due to Pittsburgh's location at the end of the inland system, the majority of losses would be suffered there.

In effect by imposing waterway user fees the Congress will be imposing a tariff on domestic products and subsidizing foreign steel imports because the deep water facilities they use are not subject to these fees. This would increase our dependence on foreign steel as one of the basic materials in our economy, a situation which proved unhealthy in the case of oil.

In conclusion, I urge this committee, or if this committee would recommend, I would urge Congress or the Departments of Commerce and Transportation to undertake an economic feasibility study to determine the effects of a user charge on industry as well as the regions most affected by the charge.

LEGISLATION TO AMEND FEDERAL ADVISORY COMMITTEE ACT TO ABOLISH CERTAIN COMMITTEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PREYER) is recognized for 5 minutes.

Mr. PREYER. Mr. Speaker, last February the President ordered a government-wide, zero-based review of all advisory committees, which at that time numbered 1,189. Subsequent announcements on May 25 and August 22 proposed eliminations and consolidations which would result in a 40 percent reduction in the number of such committees.

Among those advisory committees for which the President proposed elimination are a number whose existence is mandated by statute. The bill I am introducing today would rescind the authorization for these committees through an amendment to the Federal Advisory Committee Act.

H.R. 8979

A bill to amend the Federal Advisory Committee Act to abolish certain specified advisory committees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Advisory Committee Act is amended by adding at the end thereof the following new section:

"Abolition of Specified Advisory Committees

SEC. 16. (a) The following advisory committees are hereby abolished:

(1) the Advisory Council on Environmental Education, authorized by section 3(c) of the Environmental Education Act (84 Stat. 1312, 20 U.S.C. 1532(c));

(2) the Board of Tea Experts, authorized by the Tea Importation Act (29 Stat. 605, 21 U.S.C. 42);

(3) the Federal Hospital Council, authorized by section 641 of the Public Health Service Act (84 Stat. 344, 42 U.S.C. 1320a-1(1));

(4) the Health Insurance Benefits Advisory Council, authorized by section 1867 of the Social Security Act (79 Stat. 329, 42 U.S.C. 1395dd);

(5) the National Advisory Council on Nurse Training, authorized by section 851 of the Public Health Service Act (89 Stat. 366, 42 U.S.C. 298);

(6) the Program Review Teams for the States of Arkansas, California, Florida, Kansas, Massachusetts, Michigan, New York, Pennsylvania, Utah, and Washington, authorized by section 1862(d)(4) of the Social Security Act (66 Stat. 1408, 1409; 42 U.S.C. 1395y(d)(4));

(7) the Rape Prevention and Control Advisory Committee, authorized by section 231 (c) of the Public Health Service Act (89 Stat. 328; 42 U.S.C. 2689q(c));

(8) the National Insurance Development Program Advisory Board, authorized by section 1202(a) of the National Housing Act (81 Stat. 556; 12 U.S.C. 1749bbb-1);

(9) the Advisory Committee to the Export-Import Bank of the United States, authorized by section 3(d) of the Export-Import Bank Act of 1945, as amended (59 Stat. 527, 12 U.S.C. 635a(d));

(10) the Advisory Committee on Cemeteries and Memorials, authorized by section 2(a) of the National Cemeteries Act of 1973 (87 Stat. 75, 38 U.S.C. 1001);

(11) the Federal Advisory Council on Employment Services, authorized by section 11 of the Wagner-Peyser Act of 1933 (48 Stat. 113, 29 U.S.C. 49j); and

(12) the Technical Pipeline Safety Standards Committee, authorized by section 4 of the Natural Gas Act of 1938 (82 Stat. 722, 49 U.S.C. 1673(a)).

(b) The head of each agency concerned shall take such action as may be appropriate to terminate the activities of the advisory committees specified in subsection (a). Funds appropriated for the expenses of such committees may be expended for purposes of terminating their activities. Unobligated balances of appropriated funds for such committees remaining after termination are hereby rescinded."

HEARING BEFORE THE SUBCOMMITTEE ON CRIME OF THE HOUSE COMMITTEE ON THE JUDICIARY ON THE SEXUAL EXPLOITATION OF CHILDREN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

Mr. CONYERS. Mr. Speaker, I am pleased to announce that the Subcommittee on Crime, which I chair, of the House Committee on the Judiciary will hold a further hearing on the sexual exploitation of children. The subcommittee has before it H.R. 3913 and other bills which would provide criminal penalties for the taking of sexually explicit photographs of children and the transportation of the photographs or films through interstate commerce.

We have already held hearings on May 23 and 25, 1977, and have held a joint hearing on June 10 with the Select Education Subcommittee of the House Education and Labor Committee on the issue. The latest hearing will convene at 1 p.m. in room 2237, Rayburn House Office Building, on September 20, 1977. We will examine closely the present state of the law and the need for Federal legislation in this area. To that end, we will hear from members of State and Federal prosecutorial offices who must bring cases under present law. We will receive testimony also from defense attorneys familiar with State and Federal obscenity law and from members of Federal investigating agencies empowered to investigate contravention of the laws. Finally, a national public interest association will present its study of individual State statutes on child abuse and child pornography. Witness lists will be available in the subcommittee office.

Those wishing to testify or to submit a statement for the record should address their requests to the House Committee on the Judiciary, 2137 Rayburn House Office Building, Washington, D.C. 20515.

UNIONIZATION OF THE ARMED FORCES FOUND UNDESIRABLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SIKES) is recognized for 5 mintues.

Mr. SIKES. Mr. Speaker, I congratulate the members of the American Federation of Government Employees on their rejection of the proposal to organize a union of servicemen, and the leadership of AFGE on their decision to support the outcome of the vote. It is significant that the vote was 38,754 for and 151,582 against.

The possibility of a move to unionize the military has stirred considerable opposition in Congress. The Senate Armed Services Committee has approved a bill to bar the unionization of the Armed Forces and it is expected that congressional approval will be given to such a bill.

Military command must establish discipline through training, foster esprit de corps, build morale, develop confidence, and inspire willingness for execution of the mission. Any organization that acts to diminish these attributes can be calamitous. Undivided authority vested solely in the commander is essential to military leadership and only leadership can bring about combat readiness, a prerequisite on the battlefield. If the chain of command is weakened and abridged by superimposing an alien organization upon it, the whole structure of the Armed Forces is in jeopardy.

Unionism in the military system will create divisiveness between a commander and those in his command with predictable results. Union issues, whether they are right or wrong, are divisive. Union leaders, if they are to be effective, must impose themselves between the commander and his unit at some level in the chain of command. Finally, the ultimate weapon of a union is the strike to break an impasse in negotiations, irrespective of its legality.

Union proponents claim that in order to halt erosion of military benefits, to improve grievance procedures, to repre-

sent military men and women against further inequities in pay, promotion standards, customs and rights, it will be necessary for the Armed Forces to unionize. I do not agree. Although efforts consistently are being made to erode benefits enjoyed by the military it has been possible in the main for these benefits to be preserved.

Active and retired members of the Armed Forces should rightfully expect, as part of their compensation a continuation of these benefits, but it is well to remember that the Constitution of the United States entrusts to the Congress the responsibility of providing protection for our country, including organizing and maintaining an adequate Armed Forces. The advocate for members of the Armed Forces is the Congress. To permit military unionism is a denegation of congressional function and responsibility. It is the responsibility of the Congress to act decisively and constructively against proposals which would erode command authority and degrade military rights and benefits.

To represent Armed Forces personnel, the presence of a union would alter the constitutional relationship between the Congress and the Armed Forces and the constitutional chain of command between the President and the Armed Forces. Moreover, since union demands and negotiations ultimately would have to be acted upon by the Congress; legislation probably would be required to rectify alleged inequities.

It would be unrealistic to cite "successful experiments" with unionized Armed Forces in Europe. None of the armies which have been unionized have been tested in combat and, based on available evidence, their ability to withstand the stress and hardship of combat would be severely strained. We cannot afford experiments which could seriously undermine discipline and morale in the Armed Forces.

PANAMA CANAL TREATY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. MEYNER) is recognized for 5 minutes.

Mrs. MEYNER. Mr. Speaker, our Nation has reached a critical historical moment in our relations with Latin America and our self-conception as the most powerful nation in the world. In the next few months, the U.S. Congress will be called upon to consider the question of whether the new Panama Canal treaties will be approved and implemented.

After examining the details of the new treaty, I have concluded that it would be in the best interests of the United States to approve these treaties.

The historical and legal background of the Panama Canal has been discussed exhaustively. Essentially, the facts are these: The basis of the American claim for the Panama Canal is the Hay-Bunau-Varilla Treaty of 1903. This treaty, signed by an American and a Frenchman, granted the United States certain rights "as if it were sovereign." Obviously, these words would not have been necessary if the United States were, in fact, sovereign. In the words of Mr. Bunau-Varilla—

> The United States, *without becoming the sovereign*, received the *exclusive use* of the rights of sovereignty, while respecting the sovereignty itself of the Panama Republic. (emphasis in original)

In recognition of this fact, the United States has continued to pay rent to Panama ever since for the use of the Canal Zone. In the words of Ambassador Ellsworth Bunker:

> We bought Louisiana; we bought Alaska. In Panama, we bought not territory but rights.

Panama and other Latin American countries have long pressed for a change in what they view as a colonial enclave in the Isthmus of Panama. Even John Hay, the American negotiator of the original treaty, admitted that "you and I know too well how many points there are in this treaty to which a Panamanian patriot could object." The last four American Presidents have recognized the need for a treaty and carried out painstaking negotiations to that end. The two treaties now before the Congress are the culmination of those negotiations.

The basic Panama Canal treaty provides that the United States will have primary responsibility for the operation and defense of the canal until the year 2000, with increasing participation by Panamanians over time. After December 31, 1999, Panama will be given control over the canal's operations and defense. The treaty also provides that all payments to Panama will come from canal revenues and that the Panama Canal Company and the Canal Zone Government will be replaced by a Panama Canal Commission, composed of five Americans and four Panamanians appointed by the United States, and a Panama Canal Consultative Committee, composed of an equal number of high-level representatives of the United States and Panama.

The second treaty provides that the canal "as an international transit waterway, shall be permanently neutral * * * in order that both in time of peace and in time of war it shall remain secure and open to peaceful transit by the vessels of all nations on terms of entire equality." It also provides that "the United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty." In addition, the neutrality treaty states that American warships will be guaranteed expeditious transit through the canal without regard to propulsion or cargo.

I believe that there are three major reasons why these treaties should be approved:

First. The Panama Canal is no longer vital to American trade or defense. While 50 percent of the tonnage transiting the canal in 1924 was U.S. intercoastal trade, it is now under 4 percent. Less than 1 percent of our gross national product is affected by the Canal. Nine Latin American nations are more dependent on the canal in terms of the ocean cargo transported through it than is the United States.

The advent of supertankers and other large vessels has steadily reduced the level of traffic going through the canal, from an average of 39 ships a day in 1973 to 33 ships a day in 1976. During that time, the canal lost about $29 million. A deficit of $24 million projected for this fiscal year forced President Ford to increase tolls for the third time since 1974, when the rates were raised for the first time since the canal was opened in 1914. In the words of the Wall Street Journal—

> The canal's importance is declining steadily, and canal expansion no longer seems economically feasible to many experts.

The increasing size of our naval warships has also reduced the security value of the canal to the United States, which maintains a two-ocean navy in any case. From 1971 through 1975, only 12 small U.S. warships passed through the canal. If the world's navies are ranked on the basis of displacement tonnage of their warships moving through the waterway during those years, the United States comes out tied for 19th place with Communist China, well behind the navies of Sweden, Turkey, Spain, and Japan.

Second. To the extent that the canal is still useful economically and militarily, the interests of the United States in the canal are best guaranteed by passage of the new treaties. As the formal position paper of the Joint Chiefs of Staff states:

> U.S. military interests in the Panama Canal are its use, not its ownership * * * In a hostile environment, even under the current treaty, continued operation of the canal cannot be guaranteed. * * * The preferred protection and defense of the canal would be in conjunction with a friendly Panama.

I am convinced that an indefinite continuation of the status quo would present a greater threat to the operations of the canal and the security of the United States than approval of these treaties. A 1976 report by the Ford administration to Senator CLARK of Iowa indicated that upwards of 100,000 U.S. troops might be needed to adequately defend the canal area against a determined military attack from Panama with outside support. However, the canal is also extremely vulnerable to sabotage, even by a handful of hostile forces.

The neutrality treaty, as I stated above, specifically includes provisions for a continued American defense role with respect to the canal. Frankly, however, paper rights would mean little in the case of a real military conflict. As William F. Buckley, Jr., has written:

> In a wartime situation, we would calmly decide whether to permit the Canal to act as a waterway for enemy traffic, and if we decided negatively, who would say us nay? * * * The notion that in wartime our juridical standing in the Panama Canal Zone means anything at all is quite simply naive. * * * If we are saddled, in time of war, with a president of the United States who declines to stop enemy ships from gamboling through the Canal the better to bomb or blockade our cities, we're going to lose that war whatever happens to the Panama Canal.

Third. Failure to approve these treaties would have grave implications for our relations with Latin America and the rest of the Third World.

Earlier this summer, President Carlos Andres Perez, the President of Venezuela and the leader of the Latin American democracies, met with a small group of Members of Congress. He states that he would be "profoundly disturbed" if Congress failed to approve a new treaty with Panama. He went on to say:

If the present situation is allowed to remain unresolved for any considerable period of time, or if the United States Congress were to interpose itself against a settlement, this would undoubtedly result in a strategic advance for the enemies of the United States—and by that, of course, I mean the forces of international communism. The greatest potential danger to democracy throughout Latin America and to United States relations with Latin America countries would be the failure or long delay to consummate a treaty with Panama.

There are those who claim that giving up land and facilities currently under American control would be a sign of weakness. I would assert that it can also signify strength and greatness. Of course we could stay in Panama. Of course we could defend it against attack. But at what cost and for what reason? The canal is of limited value to us. Access to it can best be assured by agreeing to these treaties. Our relations with Latin America hang in the balance. Why should we indulge in a foolish toughness that would only jeopardize our security and tarnish our name?

LEGISLATION NEEDED TO CORRECT NATIONAL CRISIS IN ADULT CARE HOMES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

Mr. PEPPER. Mr. Speaker, the Select Committee on Aging, which I am privileged to chair, has been looking into the development of the so-called adult care home industry. What we have found are gross deficiencies and outrageous abuses, and I am today introducing legislation to establish a joint Federal-State policy to begin to deal with the problems we have uncovered.

Let there be no doubt, there is today a national crisis in adult care homes that affects hundreds of thousands of Americans. It is a crisis that threatens to expand and engulf thousands more. It is a crisis that often forces elderly and handicapped to surrender their only income—a small supplemental security income—SSI—check—in return for inadequate food, overcrowded conditions, and vermin-infested quarters that do not meet the most minimum fire and safety standards. It is a crisis of such magnitude and complexity that both State and Federal resources will be needed to correct it.

Mr. Speaker, one of the largest obstacles to dealing with the adult care home controversy is the obscurity in people's minds about these relatively new institutions. In order to properly consider various proposals affecting adult care homes, we must first identify certain basic facts about them. The following questions and answers are based upon our committee's intensive work on this subject which has included research, staff investigations and testimony received at a recent hearing entitled, "The National Crisis in Adult Care Homes."

WHAT IS AN ADULT CARE HOME?

Adult care homes are referred to in various jurisdiction as boarding homes, unlicensed nursing homes, sheltered care homes, and the like. In general, these homes provide room, board and personal assistance to their residents. The level of service provided is less than that provided in an intermediate nursing care facility, and more than one would routinely have available in a private residence. Adult care homes occupy a unique position in the health care—housing—social services continuum. It is a type of long term care that can be differentiated from nursing homes on the one hand and from home health and social services on the other.

Some adult care homes operate out of what were formerly private residences, some were failing and abandoned resort hotels converted to a profitable use, while others are new, large, multi-million-dollar affairs built especially to capture this market.

WHO LIVES IN ADULT CARE HOMES?

Elderly Americans and an untold number of younger people with physical and emotional handicaps seek refuge in adult care homes. Many of these individuals neither need nor want the highly institutionalized life style and medically oriented services available in nursing homes. Yet many of them are not capable of living in a totally independent environment. They are often vulnerable people who need a protected environment, where assistance is available along with appropriate social services. For these, the adult care home represents a logical, necessary alternative.

Some of those living in adult care homes have private assets and are capable of paying their own way. The overwhelming share of adult care home residents, however, appear to be poor and either partially or totaly dependent upon local, State or Federal assistance of one form or another. Payments such as SSI and its State supplements are made directly to individuals who then use this money to purchase adult home care. Although indirect, it is the Government which is the primary financer of adult care homes.

The people who live in adult care homes are often vulnerable and in need of protective services. Many are recent discharges from mental institutions. Others are elderly, too healthy to qualify for nursing home care, and too infirm to stay at home alone.

HOW MANY LIVE IN ADULT CARE HOMES?

Local, State and Federal figures on the number of adult care home residents are, at best, estimates. In hearings before the House Select Committee on Aging, Charles Hynes, Deputy Attorney General for the State of New York stated that—

In New York, we have some 500 of these places housing approximately 23,000 residents. . . . I should point out that this figure does not include the thousands of individuals residing in unlicensed facilities. . . .

Daniel J. Schulder, special assistant to the Governor, State of Pennsylvania, reported that—

The Commonwealth of Pennsylvania has from 75 to 90,000 residents who live in up to 7,000 'boarding' or 'personal care' homes.

Martin Dukler of the Texas Department of Public Welfare said that—

Conservatively some 11,000 elderly recipients of SSI in Texas fall within this group.

Ben C. Crim, director of medicaid administration for the Tennessee Department of Public Health indicated that a study completed several years ago found that "approximately 6,500 people 65 years of age or older" were living in these types of facilities. Once again, these figures are only estimates.

To better assess the presence of adult care homes, one New Jersey jurisdiction, shaken by the fire deaths of four residents, ordered building department officials to make a door to door survey of every suspect boarding home. Their search uncovered many previously unknown and unregulated boarding home operations.

At the national level, the Congressional Budget Office, in its recent issue paper entitled, "Long Term Care for the Elderly and Disabled" attempted to quantify this industry. The report stated:

Based upon the number of domiciliary and foster home residents receiving supplemental SSI payments, it is estimated that perhaps a total of 75,000 to 635,000 people are in sheltered living arrangements . . .

From all this one fact remains clearly agreed upon. The fact is that there are a substantial number of people dependent upon care provided in adult care homes.

Yet, this may represent only a small faction of the need. Studies indicate that thousands are inappropriately placed in nursing homes and could be more effectively served in adult care homes. At the same time, thousands more are not living in sheltered environments and could benefit from this type of care. The CBO report goes on to say that—

C.B.O. estimates that a total of 75,000 to 635,000 (individual) units of congregate housing or rooms in foster homes exist, whereas an estimated 1.3 to 1.7 million persons could conceivably benefit from such living arrangements.

WHY THE CONCERN ABOUT ADULT CARE HOMES?

It is clearly in the public interest for government to act to protect those who, because of infirmity or other disability, are unable to do so for themselves. Further, horror stories detailing financial ripoffs, deprivation of civil rights, physical abuse and neglect, unnecessary deaths due to preventable fire hazards, starvation and mismanagement of medications are emerging. Their frequency and intensity rival those heard from the fledgling nursing home industry not so long ago.

Because Federal SSI, veterans, and other payments are being used to buy those services, the Government is essentially supporting a rapidly developing

industry which has the earmarks, if left unregulated, of becoming a tragedy greater than that which the people of this country experienced with nursing homes.

ARE ADULT CARE HOMES REGULATED NOW?

The answer is yes and no. Some local governments regulate some varieties of adult care homes. Some State governments have taken steps to regulate some types of adult care homes. In both instances, officials admit that where they exist, current regulations are not adequate, nor are these regulations adequately enforced to protect the well-being of the individuals involved. Testimony received by our committee indicates that local and State units of government do not have sufficient resources to do this job alone.

Current Federal law is limited to those institutions, which, in the judgments of individual States, have "substantial" numbers of residents receiving SSI payments. States must publish by October 1, 1977, regulations covering such matters as admissions policies, safety, sanitation and protection of civil rights.

As of today, HEW has not yet published its own regulations to implement this law, first enacted in October 1976. Many States, therefore, will not be able to comply with the October 1977 deadline.

The only sanction available to punish violations of this law, incredibly, is to reduce the SSI checks of residents of homes not in compliance with State regulations, including all those in States with no regulations at all.

NEW LEGISLATION NEEDED

It is in this setting, Mr. Speaker, that I am proposing new legislation. Briefly, my bill would accomplish the following objectives:

Eliminate the SSI reduction for noncompliance, so that the adult care home resident, for whose protection the law was designed, would not be penalized.

Widen the scope of possible matters to be covered by State regulations, to include appropriate items now guaranteed by regulation to nursing home residents.

Offer 100-percent Federal financing to train and pay State inspectors of adult care homes, to assure compliance with new regulations—in order to receive this funding, States would have to satisfy the Secretary of HEW that the State regulations "will assure a reasonable standard of well-being for residents" of adult care homes.

Delay imposition of the new regulations until October 1, 1978.

Require publication of HEW's final implementing regulations within 6 months of enactment.

Mr. Speaker, I believe my bill is a major step forward toward responsible action to alleviate the plight of hundreds of thousands of citizens in adult care homes, most of whom are elderly. I trust that the Ways and Means Committee will consider this legislation with an urgency commensurate with the urgency of the problem.

I insert at this point the text of the bill:

H.R. 8999

A bill to eliminate the recently enacted benefit reduction which is provided for SSI recipients in certain long-term care institutions when such institutions do not meet the standards established by States under section 1616(e) of the Social Security Act, to authorize payments to States to cover the cost of training and compensating personnel to inspect such institutions, and to postpone for one year (until October 1, 1978) the effective date of such section 1616(e)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 505(d) of the Unemployment Compensation Amendments of 1976 is amended by striking out "Effective October 1, 1977" and inserting in lieu thereof "Effective October 1, 1978".

SEC. 2. Section 1616(e) of the Social Security Act (as added by section 505(d) of the Unemployment Compensation Amendments of 1976, and made effective as provided in the first section of this Act) is amended—

(1) by striking out the second sentence of paragraph (1) and inserting in lieu thereof the following: "The Secretary shall furnish to the States such information about the residences of such recipients as is necessary for the States to establish, maintain, and enforce such standards. Such standards shall be appropriate to the needs of such recipients and the character of the facilities involved, and shall govern such matters as admission and discharge policies, transfer policies, life safety, sanitation, nutrition, access to health and social services, emergency services, medications policies, civil and religious liberties, handling of personal funds, use of patients as workers, freedom of communications, grievance procedures, resident privacy, and records confidentiality."; and

(2) by striking out paragraph (4) and inserting in lieu thereof the following new paragraph:

"(4) The Secretary, upon finding on the basis of a State's certification under paragraph (3) with respect to any services program year (and on the basis of such other evidence as may be available) that the standards established by the appropriate authority or authorities in such State under paragraph (1) will assure a reasonable standard of well-being for residents of institutions described in such paragraph, shall pay to such State, in advance on the basis of estimates (adjusted to take account of any previous overpayments or underpayments) or by way of reimbursement, amounts equal to any sums expended by the State in such year for costs attributable to the compensation or training of personnel (of the appropriate State authority or authorities or of any other public agency or agencies) responsible for inspecting public or private institutions of the type described in paragraph (1) to determine whether they comply with such standards.".

SEC. 3. Notwithstanding any other provision of law, the Secretary of Health, Education, and Welfare, shall issue proposed regulations for the purpose of implementing section 1616(e) of the Social Security Act (as added by section 505(d) of the Unemployment Compensation Act of 1976 and amended by section 2 of this Act) within 90 days after the date of the enactment of this Act, and shall issue final regulations for such purpose within 180 days after such date.

RESOLUTION TO REQUIRE THE TIMELY PRINTING OF CERTAIN AMENDMENTS IN THE CONGRESSIONAL RECORD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 15 minutes.

Mr. HAMILTON. Mr. Speaker, the legislative deliberations of the House of Representatives have always taken place in accordance with a set of strict rules. Under the able guidance of the Committee on Rules, the membership of the House has wisely maintained and improved the rules in order to promote the smooth and careful consideration of legislation. Members' concern for a fair and well-informed legislative process has led to the curtailment of many suspect tactics and procedures which have been characteristic of many other national legislatures. The present rules provide for a balanced contribution by both experts and laymen alike. We rely for the most part on a comprehensive system of committees which hear, mark up, and report legislation, but we permit the full House to work its will on the products of the committees through various sorts of amendments. None of us argues that the scheme is perfect, but we can take justifiable pride in the rules which govern our lawmaking activities today.

Although the various sorts of amendments are indispensable tools in any democratic legislature, there is one sort of amendment which is not sufficiently controlled in the House of Representatives. I am referring to the amendment of appropriations bills on the floor. The practice of attaching "riders" to such bills—a practice tolerated in earlier Congresses only when committees were deadlocked on an issue and alternative courses of action were closed—is all too common today. We more and more frequently resort to the practice even when no legislative crisis is imminent. We all know that years of service on a committee makes Members very conversant with the issues in the jurisdiction of the committee. Such expertise is not to be quickly set aside. Too heavy a reliance on amendments to appropriations bills, however, bypasses the Members who have become expert and creates an imbalance in the way we make our laws. Members must decide for themselves whether a few legislative victories justify the institutional damage.

Although this change in the character of the legislative process concerns me on account of the actual consequences it has and the underlying attitudes it reflects, the real problem before us is not that some Members are eager to amend appropriations bills on the floor. It is rather that such amendments are being introduced and adopted in spite of the fact that they have not been announced to or noticed by other Members. The problem is serious because such amendments are often quite important. They typically restrict the disbursement of funds being appropriated, thus rendering ineffective some previously established policy or program. We would all do well to think about the implications of allowing unannounced or unnoticed amendments.

Whether or not one generally votes in favor of unannounced or unnoticed amendments to appropriations bills, it must be conceded that there are strong arguments against their admissibility. Because such amendments may not be expected, their introduction may take many Members by surprise. Members may be acutely embarrassed if they are

inadequately briefed on an issue which has been raised all of a sudden. Worse still, since many Members may be uninformed about such amendments the meaningfulness of the debate and the validity of the final vote are seriously compromised. Consider yet another reason why this method of legislating is suspect: Given the nature of surprise amendments, more often than not committee hearings have not been held and committee reports have not been filed. If the amendments are adopted and the appropriations bills passed, what will the ramifications of the laws be and who will determine the precise intent of Congress in enacting them? Obviously, these questions are not easy to answer. The upshot is an inexcusable uncertainty in the statute books. At a time when many Members are calling for increased efficiency and effectiveness in Government programs and for increased diligence and accountability on the part of public officials, unannounced or unnoticed amendments must cause concern. Congress has no standing to criticize others' failings if it does not put its own house in order.

I am introducing today a resolution amending the Rules of the House of Representatives. The resolution would preserve a longstanding custom of conscientious deliberation in the House. Briefly, it would provide that an amendment to any bill or joint resolution making appropriations may not be considered in the Committee of the Whole House unless the amendment is printed in the CONGRESSIONAL RECORD at least 2 days before the day the amendment is considered and unless at least 25 copies of the amendment are available to the Clerk of the House before the amendment is offered for distribution to Members. To my mind, the 2-day period prior to consideration would give Members a chance to familiarize themselves with the more important potential consequences of such amendments. In the absence of committee hearings and reports, this is the least that can be asked.

Mr. Speaker, I do not favor the elimination of amendments to appropriations bills. The option should remain available to us. However, I believe that the legislative process would be greatly enhanced by guaranteeing advance notice to Members of such amendments. In an attempt to solve a worrisome problem and to secure the integrity of the House of Representatives, I urge support for the resolution which I am introducing.

SECURITY CLASSIFICATION

(Mr. PREYER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PREYER. Mr. Speaker, in several weeks President Carter will issue a new Executive order on security classification. The Subcommittee on Government Information and Individual Rights, which I chair, will hold hearings on this order shortly thereafter.

With this in mind, I asked the subcommittee staff prior to the August recess, to prepare a memorandum regarding the experience we have had under the old order—Executive Order 11652—and suggest ways in which the present system might be improved.

The staff has now concluded its study, and has incorporated its recommendations to me in a detailed memorandum. In view of the order about to be issued, I think this memorandum is particularly timely, and provides some valuable suggestions for reform. Due to the length of the memorandum, I will place in today's RECORD only the portion dealing with the executive branch performance under the order. The staff's recommendations with respect to improvement of the classification system will appear the following day.

I might add that there is a lengthy appendix to this study, consisting of statistical data, which I will not include here, but which may be obtained from the subcommittee staff.

The memorandum follows:

GOVERNMENT INFORMATION AND INDIVIDUAL RIGHTS SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C., September 6, 1977.

MEMORANDUM

Re Security classification: The experience under Executive Order 11652 from 1973 to 1976.
To: Honorable Richardson Preyer, Chairman.
From: Staff of the Subcommittee on Government Information and Individual Rights.

In response to your request, we have prepared the following memorandum regarding the experience under the Nixon Executive order on security classification. We have also suggested, at your urging, a number of modifications in the order which we feel would result in a system less weighted in favor of secrecy.

BACKGROUND

On March 8, 1972, President Richard M. Nixon issued Executive Order 11652 which provided a system for classifying and declassifying information held by the Executive Branch, the disclosure of which could prove harmful to the interests of the United States. In general, the order was viewed as permitting greater public access to information than had been possible under the previous executive order.

According to the interagency committee charged with oversight of its implementation, the new order was drafted to "classify less, to declassify more and sooner, and to better safeguard that information which truly requires protection against unauthorized disclosure in the interests of national security."[1]

EXPLANATION OF EXECUTIVE ORDER 11652

In general

Executive Order 11652 authorizes officials in certain Executive agencies and departments to classify information in their possession if the disclosure of such information, in the judgment of such official, could result in damage to the national security. Whether particular information requires a "Top Secret", "Secret", or "Confidential" classification depends upon the amount of damage the official reasonably expects such information to cause to the United States if it were disclosed.

At the same time an official places a classification marking on a document, the Executive order requires that he make a judgment regarding its declassification. The official may specify a particular date on which such information will be declassified, or he may specify that declassification will occur pursuant to the general declassification schedule set out in the order, or, if he has "Top Secret" classification authority and the information pertains to certain categories set out in the order, he may exempt such information from declassification at any specified time.

All classified information whose declassification is subject to the General Declassification Schedule is declassified no later than 10 years from the date of original classification.

Information which is exempted from declassification may, after 10 years, be reviewed at the request of a department or member of the public for the purpose of determining whether continued classification protection is warranted. Any such request which is denied by the classifying authority may be appealed within the department and then to an interagency committee.

All classified information is automatically declassified under the order after thirty years, unless the head of the originating department determines that additional classification is warranted, in which case, he must specify a particular date for declassification.

The National Security Council is charged with monitoring the implementation of the executive order, and an interagency committee, the Interagency Classification Review Committee, is established to oversee its operation.

Specific provisions

1. Classification Authority. The Executive order, as amended, provides that the heads of the departments listed below, and designated "senior principal deputies and assistants", shall have authority to classify information as "Top Secret":

Executive Office of the President[2]
Central Intelligence Agency
Department of State
Department of the Treasury
Department of Defense[3]
U.S. Arms Control & Disarmament Agency
Department of Justice
National Aeronautics & Space Administration
Agency for International Development
Energy Research and Development Administration
Department of Commerce
Department of Labor
Department of Agriculture
Interstate Commerce Commission

These same officials have the authority to employ the lesser classifications of "Secret" and "Confidential". In addition, the application of these lesser classifications is authorized to the heads of the following departments, as well as designated "senior principal deputies and assistants":

Department of Transportation
Federal Communications Commission
Export-Import Bank of the U.S.
U.S. Civil Service Commission
U.S. Information Agency
General Services Administration
Department of Health, Education & Welfare
Civil Aeronautics Board
Federal Power Commission
National Science Foundation
Overseas Private Investment Corporation
Nuclear Regulatory Commission
Office of Micronesian Status Negotiations
Panama Canal Company

2. Authority to Declassify and Downgrade. A classified document may be declassified or downgraded by the official who was responsible for the original classification, his successor in office, or by an official who is designated by departmental regulation to carry out such actions. Classified information which has been transferred to the National Archives may be declassified by the Archivist after consultation with the de-

Footnotes at end of article.

partment or agency having an interest in the subject matter.

3. Declassification and Downgrading. Declassifying and downgrading of a classification may be performed at any time by the official responsible for the original classification.

Declassification and downgrading may also occur pursuant to the General Declassification Schedule (GDS) set out in the order. This schedule provides: (1) "Top Secret" documents will be downgraded in two years to "Secret", in four years to "Confidential", and declassified entirely ten years from the date of original classification; (2) "Secret" documents will be downgraded to "Confidential in two years, and be declassified entirely eight years from the date of original classification; (3) "Confidential" documents will be declassified 6 years from the date of original classification.

Classified documents may also be exempted from downgrading and declassification until a date later than that prescribed by the GDS, or they may be exempted without specifying a date for declassification, providing (1) that the classifier has "Top Secret" classification authority[4] and (2) the document contains information furnished by foreign governments or international organizations under a pledge of confidentiality, or pertains to cryptography; or discloses intelligence sources and methods, or discloses a system, plan, installation, project or specific foreign relations matter essential to the national security; or contains information that would place a person in immediate jeopardy.

The order further specifies that exemption authority will be "kept to an absolute minimum consistent with national security requirements."

All classified information, including that which has been exempted from declassification, is automatically declassified after thirty years from the date of original classification, unless the head of the originating agency specifies that such document requires further protection. If such determination is made, a declassification date must be assigned. All documents classified before the effective date of the order and more than 30 years old shall be declassified by the Archivist of the United States subject to the authority of an agency head to continue the protection of such document.

4. Improper and Unnecessary Classification. The order provides that "in no case shall information be classified in order to conceal inefficiency or administrative error, to prevent embarrassment to a person or department, to restrain competition or independent initiative, or to prevent for any other reason the release of information which does not require protection in the interest of national security."

The order further provides that any holder of classified information who thinks the classification of a particular document is unnecessary or improper, shall inform the originator of the classification, who shall reexamine it.

The order also contemplates having the Interagency Classification Review Committee act as a "watchdog" over the classification system by requiring it to report to the Agency concerned any unnecessary classification or overclassification which it discovers.

5. The Interagency Classification Review Committee. The order establishes this interagency committee, composed of representatives of State, Defense, Justice, ERDA, CIA, National Security Council, and the National Archives and Records Service. The order provides two functions for the committee: (1) to oversee the implementation of the order within the Exectuive branch, and (2) receive complaints and suggestions with respect to the administration of the order, and take appropriate action regarding them. This latter function has been interpreted as hearing appeals from the various departments with respect to mandatory review requests for classified documents over 10 years old which have been denied.

Footnotes at end of article.

PERFORMANCE UNDER THE EXECUTIVE ORDER

Introduction

The Interagency Classification Review Committee (ICRC), referred to above, carries out its oversight function primarily through a series of quarterly reports required of each agency with classification authority. It also makes on-site inspections of each agency to determine the degree of compliance with the order.

The subcommittee staff, in making the following analysis, has relied entirely upon figures furnished by the ICRC. A summary of this data with respect to all Executive agencies with classification authority is shown at Appendix A. An agency-by-agency summary of the experience under Executive Order 11652 is shown at Appendix B.

Authority to Classify

Twenty-eight Executive agencies currently have the authority to classify information (see p. 3). Within these agencies, in 1976, 13,977 persons were designated as individuals who may exercise classification authority. Of these, 1,487 had the authority to classify information "Top Secret"; 8,557 had the authority to classify information "Secret"; and 3,933 could classify information "Confidential".

These figures represent a considerable reduction in the number of officials authorized to classify information under the previous Executive order. Under the old order, 59,316 persons exercised such authority in 1971. Since the issuance of Executive Order 11652, gradual reductions have taken place each year.

By far, the Department of Defense (with 4,265 authorized classifiers) and the Energy Research and Development Administration (with 4,796 classifiers) have the greatest numbers of persons with classification authority. Together with the CIA (with 1,864) and the State Department (with 1,633), these agencies employ over 85 percent of the Executive branch employees with classification authority.

Frequency of classification actions

Despite the substantial reduction in the number of officials authorized to classify information, there has been no substantial reduction in the number of classification actions undertaken each year under the order. In fact, the number of classification actions in 1976 rose about 800,000 over the previous year.

In 1976, the Executive Branch classified approximately 4.5 million documents. Of this number, approximately 37,000 were classified "Top Secret", 1.3 million were classified "Secret", and 3.2 million were classified "Confidential".

The Department of Defense, with 3,678,145 classification actions in 1976, classified more documents than the remainder of the Executive Branch combined. Other executive agencies with a significant number of classification actions included the CIA (with 574,091), the State Department (with 125,620) and the Energy Research and Development Agency (with 118,551).[5]

In contrast, four agencies with classification authority—the Department of Agriculture, the Civil Aeronautics Board, the Civil Service Commission and the Interstate Commerce Commission—have not classified a single document since 1972. Two other agencies with classification authority—the Federal Power Commission and the National Science Foundation—have only classified 4 documents and 2 documents, respectively, since 1972.

Declassification policies

The Department of Defense—the most prolific classifier—did not report to the ICRC the numbers of documents it had scheduled for declassification in advance of the General Declassification Schedule, or the number which it had exempted from it.[6] Without these figures, a meaningful analysis of declassification policy on a government-wide basis is not possible. There are identifiable trends, however, that emerge from the data reported by the other Executive agencies to the ICRC.[7]

First, it is clear while the Executive order provides that the original classifier may schedule a document for declassification "at any time" in advance of the General Declassification Schedule, this authority is seldom used. In 1976, less than 1% of the classification actions reported to the ICRC (by agencies other than the Department of Defense) were marked for declassification in advance of the General Declassification schedule. This rather negligible percentage has remained constant throughout the history of the order.

Second, it is apparent that, although the General Declassification Schedule is intended by the order to be the normal standard for setting deadlines for declassification, it is being applied in practice to a relatively small percentage of documents that are classified. Excluding the Department of Defense and the Executive Office of the President, which have not reported figures in this manner to the ICRC, approximately 40 percent of the documents classified in 1976 were assigned to the General Declassification Schedule.[8]

Third, despite the language in the Executive order which states that "use of the exemption authority will be kept to an absolute minimum consistent with national security requirements", there is a discernible tendency on the part of some Executive departments and agencies which have the authority to exempt classified materials from the General Declassification Schedule to exempt most of the documents they classify. The CIA, for example, in a sampling of classification actions reported to the ICRC in 1976, exempted all but 366 documents out of 23,494 reported actions from the General Declassification Schedule. Presumably, the Agency's rationale for such a high exemption rate is that such documents revealed "intelligence sources and methods". Similarly, ERDA, in taking 118,551 classification actions in 1976, exempted all but 1,615 documents from the General Declassification Schedule. The Justice Department followed a similar course, exempting all but 1,105 documents out of 13,744 from the General Declassification Schedule.

The notable exception to this general tendency is the Department of State which assigned 104,434 classification actions—out of 125,619 actions taken—in 1976 to the General Declassification Schedule. Although the Executive Order permits exemptions if the documents are received in confidence from a foreign government or if they disclose a "specific foreign relations matter", the State Department has apparently not applied this exemption authority as a matter of routine to the documents which it originates.

Fourth, it is apparent that although the Executive Order provides that only agency heads with "Top Secret" classification authority may exempt classified documents from the General Declassification Schedule, agency heads without "Top Secret" classification authority have exempted classified documents from declassification presumably on the grounds that they relate to documents classified and exempted by other agencies with whom they have dealings. This "de-

rivative exemption authority" is evidenced by the following examples. In 1976, the FCC exempted all 42 of its classification actions for the year from the General Declassification Schedule. The Department of Health, Education and Welfare exempted 79 out of its 82 classification actions in 1976 from the General Declassification Schedule. The Department of Transportation exempted 304 of its 651 classification actions in 1976 from the General Schedule. None of these departments has explicit authority under the Executive order to exempt classified documents from the General Schedule.

Handling declassification requests

The order provides that any person or department may request declassification of any exempted documents at any time after 10 years from the date of original classification. Until 1976, however, the number of requests for declassification under this procedure was extremely small; 621 such requests were made in 1973; 1,017 in 1974; and 1,993 in 1975. In 1976, the number rose to 3,791, but when considered in proportion to the millions of exempted classified documents held by the Executive branch, even this figure appears small. It is, furthermore, noteworthy that many of these requests originate with presidential libraries, which have been requested by historians and researchers to initiate declassification review requests.[9]

Although difficult to document the reasons for the relatively small use of the declassification procedure provided for in the order are apparent. First, private individuals can obtain a similar declassification review at any time (not simply after 10 years) by filing a request under the Freedom of Information Act (5 U.S.C. 552(b)). If such a request is denied by the department concerned, the requestor has the option of seeking judicial relief, an option not available under the Executive order. Second, the procedure for declassification review under the order is not well-known to the public. Finally, the fact that this procedure is available only for documents which are more than 10 years old, necessarily limits its use, for the most part, to persons with an academic interest in the subject. The procedure would not ordinarily be useful, for instance, to the press or other institutions concerned with contemporary decisionmaking.

Agencies to which declassification requests have been made have, for the most part, complied in whole or in part with such requests. Out of the 5,477 declassification review requests received and acted upon by Executive agencies from 1973–1976, 53 percent were granted in full and 33 percent were granted in part. Only 14 percent of the requests were denied. Of the requests which were denied, either in whole or in part, 191 were appealed within the agencies concerned to special departmental committees. Of those requests appealed, 28 were granted in full, and 83 were granted in part.

Of those requests which were denied in whole or in part by the departmental committees, 43 were appealed to the Interagency Classification Review Committee (ICRC). The ICRC resolved these appeals by granting 7 in full and 16 in part; 13 appeals were denied.

It should furthermore be noted that beginning in 1976, the ICRC began hearing appeals of Freedom of Information Act requests for documents over 10 years old which had been denied by an Executive agency. Although the Executive order does not explicitly give the ICRC this authority, these appeals were heard on the theory that the requestor, being denied a request under the FOIA procedures, could begin anew under the Executive order procedures and request declassification. Since the department's response would be presumed to be the same, the requestor was permitted to "shortcut" this procedure and appeal directly to the ICRC under the Executive order. Since May 1976, the ICRC has heard 6 appeals of this nature, 1 of which was granted in full, 4 were granted in part, and 1 was denied.

Declassifying old records

The Executive order provides that the original classification authority may declassify a document "at any time". It further mandates the declassification of any document over thirty years old, unless the original classifying authority decides to continue the classification as being essential to national security.

To a limited degree, several executive agencies subject to the order have instituted on their own declassification programs to eliminate or reduce their classified inventories. For the most part, these declassification efforts have been limited to very old records held by these agencies. For example, ERDA reviewed 250,109 documents in its classified inventory in 1976 and declassified 71 percent of these documents. In the case of the Department of Defense, this effort has been even more significant. Since 1970, DOD has reviewed over 200 million classified documents, and has declassified approximately 98 percent of those records reviewed.

Responsibility for declassifying documents over thirty years old rests with the Archivist of the United States. Since 1972, over 200 million documents have been declassified under this program.

Correcting classification abuses

The Order contains specific prohibitions concerning improper use of the classification system. Furthermore, it requires anyone in possession of a classified document who is of the opinion that the document is overclassified or unnecessarily classified to inform the original classification authority of his views. Finally, the Order implicitly directs the ICRC to monitor the system for unnecessary classification or overclassification since it instructs the ICRC to report to each agency and the individual responsible any improprieties it discovers with respect to such misuse.

The ICRC requires each agency with classification authority to submit a quarterly report of "classification abuses". While the ICRC does ask each agency to report the instances of "overclassification" and "unnecessary classification" it has discovered each quarter, the bulk of the "classification abuses" reported to the ICRC concern administrative shortcomings in implementing the technical provisions of the Order, e.g., failure to downgrade on schedule, failure to identify the classification authority or exemption category, failure to mark the documents correctly.

From 1973–76, only 7 of the 28 agencies with classification authority have reported any instances of unnecessary classification. In all, 131 such instances have been reported to the IRCR during this period.

Insofar as overclassification is concerned, only 8 of the 28 agencies have reported abuses of this nature. In all, 88 instances of overclassification were reported during the four-year period.

The ICRC requires no report of the instances in which persons in possession of classified information have challenged the classification, as is contemplated in the Executive order.

While the ICRC does require a report of the agency's corrective action when an instance of over-classification or unnecessary classification is discovered, it does not seek to determine the circumstances of the abuse, nor whether the corrective action taken was appropriate.

Finally, the ICRC does not, as a practical matter, seek out such abuses during its on-site inspections of agency records. If such abuse were evident, the ICRC would presumably include it in its inspection report, but the ICRC itself does not ordinarily attempt to pass judgment on the propriety of agency classifications.

Preventing unauthorized disclosures

One purpose of the Executive Order is to prevent disclosures of information which could be harmful to the national security. The number of unauthorized disclosures, therefore, is often viewed as a measure of the Order's effectiveness. The ICRC requires a quarterly report of such violations.

During the period from 1973–76, only 6 of the 28 agencies with classification authority reported any unauthorized disclosures. In all, 47 unauthorized disclosures were reported to the ICRC during this four-year period.

The ICRC does not require that it be informed of the circumstances of each unauthorized disclosure, nor does it ask for a report of how such violation was treated by the agency, e.g. whether an investigation took place, whether criminal charges were brought, or whether it was ignored.

FOOTNOTES

[1] Interagency Classification Review Committee, *1975 Progress Report*, p. 1.

[2] The Executive Office of the President includes eleven offices: Council of Economic Advisers, Council on International Economic Policy, Domestic Council, Intelligence Oversight Board, National Security Council, Office of Management and Budget, Office of Science and Technology Policy, Office of the Special Representative for Trade Negotiations, Office of Telecommunications Policy, the President's Foreign Intelligence Advisory Board (abolished in 1977), and the White House Office.

[3] Includes the Departments of the Army, Navy, and Air Force, the National Security Agency and the Defense Intelligence Agency.

[4] The only agency with "Secret" classification authority which is permitted to exempt documents from the General Declassification Schedule is the U.S. Information Agency. Conversely, one agency with "Top Secret" classification authority, the Department of Labor, is not authorized to exempt documents from declassification. Both exceptions to the general policy contained in Executive Order 11652 were made in an amendment dated September 30, 1972.

[5] While DoD and ERDA have a similar number of officials authorized to classify information (4,265 and 4,796 respectively), DoD officials took 31 times as many classification actions in 1976.

[6] Presumably, due to the enormous volume of classification actions, DoD was unable to categorize such actions according to declassification requirement.

[7] In addition to DoD, the Executive Office of the President also failed to categorize its classification actions according to declassification requirement, and CIA reported only a sampling of such actions. All other agencies with classification authority reported these figures to the ICRC.

[8] This figure must be weighed in view of the fact that two of the agencies which are the most prolific classifiers, CIA and ERDA, also have the highest exemption rates among government agencies.

[9] Since the Freedom of Information Act has not been applied to presidential papers, the procedures set forth in the Executive order constitute the only avenue through which declassification of presidential documents may be sought.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. FOUNTAIN (at the request of Mr. WRIGHT), after 3:45 p.m. today and for Friday, September 9, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. JEFFORDS), to revise and extend their remarks, and to include extraneous matter to:)

Mr. MCKINNEY, for 20 minutes, today.
Mr. FINDLEY, for 5 minutes, today.
Mr. BOB WILSON, for 5 minutes, today.
Mr. SARASIN, for 5 minutes, today.
Mr. BURKE of Florida, for 10 minutes, today.
Mr. GILMAN, for 60 minutes, today.

(The following Members (at the request of Mr. CAVANAUGH) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. MURPHY of Pennsylvania, for 15 minutes, today.
Mr. PREYER, for 5 minutes, today.
Mr. CONYERS, for 5 minutes, today.
Mr. SIKES, for 5 minutes, today.
Mrs. MEYNER, for 5 minutes, today.
Mr. PEPPER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PREYER, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,127.

Mr. HOWARD, following the debate and vote on the amendment in the nature of a substitute offered by Mr. ROUSSELOT on House Concurrent Resolution 341.

Mr. CONTE, to revise and extend his remarks immediately prior to the vote on the Foley amendment in the Committee of the Whole today.

Mr. LAGOMARSINO, to revise and extend his remarks immediately prior to the vote on the Rousselot amendment in the Committee of the Whole today.

Mr. AMBRO, immediately after the vote on the Addabbo amendment to the Mahon motion on Senate amendment No. 41 to H.R. 7933 in the House today.

(The following Members (at the request of Mr. JEFFORDS) and to include extraneous matter:)

Mr. HILLIS.
Mr. BURGENER.
Mr. MCCLORY.
Mr. STEERS.
Mr. SYMMS.
Mr. RINALDO.
Mr. ABDNOR in three instances.
Mr. BAFALIS.
Mr. DORNAN in two instances.
Mr. MCKINNEY.
Mr. DERWINSKI in three instances.
Mr. QUIE.
Mr. CRANE.
Mr. ASHBROOK in three instances.
Mr. LENT.
Mr. DEVINE.
Mr. ANDERSON of Illinois.
Mr. BURKE of Florida.
Mr. MICHEL.
Mr. ROBERT W. DANIEL, JR.
Mr. WHALEN in two instances.

(The following Members (at the request of Mr. CAVANAUGH) and to include extraneous matter:)

Mr. EDGAR in two instances.
Mr. FRASER in three instances.
Mr. RICHMOND.
Mr. MCDONALD in five instances.
Mr. WOLFF in three instances.
Mr. MURPHY of Illinois.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. BOLAND.
Mr. CLAY in two instances.
Mr. FORD of Michigan.
Mr. FORD of Tennessee.
Mr. EILBERG in three instances.
Mr. UDALL in five instances.
Mr. OBERSTAR.
Mrs. SCHROEDER in three instances.
Mr. TEAGUE in 10 instances.
Mr. HANNAFORD.
Mr. KREBS.
Mr. LEGGETT.
Ms. OAKAR in two instances.
Mr. BLOUIN.
Mr. STUMP in two instances.
Mr. MILFORD.
Mr. PHILLIP BURTON.
Mr. NIX.
Mr. PEPPER.
Mr. KILDEE.
Mr. DOWNEY.
Mr. OTTINGER.
Mr. JACOBS.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1752. An act to extend certain programs under the Elementary and Secondary Education Act of 1965 for one year, and for other purposes; to the Committee on Education and Labor.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1153. An act to abolish the Joint Committee on Atomic Energy and to reassign certain functions and authorities thereof, and for other purposes.

ADJOURNMENT

Mr. CAVANAUGH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 5 minutes p.m.), the House adjourned until tomorrow, Friday, September 9, 1977, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2261. A communication from the President of the United States, transmitting a statement in support of the administration's proposal to sell Iran seven Airborne Warning and Control Systems (AWACS) (H. Doc. No. 95–216); to the Committee on International Relations and ordered to be printed.

2262. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report covering the first quarter of fiscal year 1977 on receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, and material, and for expenses involving the production of lumber and timber products, pursuant to section 712 of Public Law 94–212; to the Committee on Appropriations.

2263. A letter from the Director, Defense Security Assistance Agency transmitting a report on the impact on U.S. readiness of the proposed sale by the Air Force of certain defense articles and services to Egypt (transmittal No. 77–80), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2264. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the proposed sale by the Air Force of certain defense articles and services to Egypt (transmittal No. 77–83), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2265. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement desccribing a proposed transaction exceeding $60 million with the Bank of Tokyo, Ltd., Japan, pursuant to section 2(b)(3) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

2266. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–61, "To authorize variable periods for the issuanse and expiration of licenses, registrations and permits," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2267. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–63, "To provide for the elimination of lead in public property frequented by children," pursuant to section 602(a) of Public Law 93–198; to the Committee on the District of Columbia.

2268. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–64, "To provide standards for definition by the Board of Appeals and Review and to provide for an expedited procedure in cases involving certification of certain persons with prior criminal convictions as security officers, and for other purposes," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2269. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–67, "To provide for additional notice requirements to Advisory Neighborhood Commissions from certain governmental agencies," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2270. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–77, "To provide Spanish language versions of certain forms, brochures, and other materials published by the government of the District of Columbia," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2271. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–78. "To select private financial institutions to be deposi-

tories for District funds; to maximize earnings on public funds in a manner to benefit District citizens who traditionally have not had access to conventional credit; and to stimulate the economy of the District," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2272. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–79, "To establish standards and procedures to protect users of hearing aids," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2273. A letter from the Acting Secretary of the Interior, transmitting a proposed plan for the use and distribution of the judgment funds awarded to the Fort Mohave Tribe of Arizona, California, and Nevada by the Indian Claims Commission in docket No. 295–A, pursuant to sections 2 and 4 of Public Law 93–134; to the Committee on Interior and Insular Affairs.

2274. A letter from the Director, Bureau of Outdoor Recreation, Department of the Interior, transmitting the final report and environmental impact statement on the proposal to designate portions of the Upper Mississippi River, Minn., as a component of the National Wild and Scenic Rivers System, pursuant to section 4(a) of the Wild and Scenic Rivers Act, as amended (H. Doc. No. 95–217); to the Committee on Interior and Insular Affairs and ordered to be printed.

2275. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of an increase in the funding level of the Agency's fiscal year 1977 program for the United Nations Fund for Population Activities, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

2276. A letter from the Director, Defense Security Assistance Agency, transmitting the quarterly report as of June 30, 1977, on foreign military sales letters of offer, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on International Relations.

2277. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense articles and services to Iran (transmittal No. 77–46A), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International relations.

2278. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense articles and services to Egypt (transmittal No. 77–80), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2279. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to sell certain defense articles and services to Egypt (transmittal No. 77–83), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2280. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Indochina Migration and Refugee Assistance Act of 1975 to extend the period during which refugee assistance may be provided, and for other purposes; to the Committee on the Judiciary.

2281. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Boston, Mass., U.S. Appraisers Stores, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2282. A letter from the Chairman, Tennessee Valley Authority, transmitting a report on the Authority's continuing study of competition in the coal and uranium markets, pursuant to sections 14 and 22 of the Tennessee Valley Authority Act, as amended; to the Committee on Public Works and Transportation.

2283. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statements of the Overseas Private Investment Corporation for fiscal years 1976 and 1975 (ID–77–24, September 7, 1977), pursuant to section 106 of the Government Corporation Control Act (H. Doc. No. 95–218); jointly, to the Committees on Government Operations, and International Relations, and ordered to be printed.

2284. A letter from the Comptroller General of the United States, transmitting a report on agency programs for Federal civilian employees with alcohol-related problems (HRD–77–75, September 7, 1977); jointly, to the Committees on Government Operations, Interstate and Foreign Commerce and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EDWARDS of California: Committee on the Judiciary. H.R. 8200. A bill to establish a uniform Law on the subject of bankruptcies; with amendment (Rept No. 95–595). Referred to the Committee of the Whole House on the State of the Union.

Mr. NATCHER: Committee on Appropriations. H.R. 9005. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1978, and for other purposes (Rept. No. 95–596). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 3377. A bill to authorize the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes (Rept. No. 95–597). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL. Committee on Interior and Insular Affairs. H.R. 8336. A bill to enhance the outdoor recreation opportunities for the people of the United States by expanding the national park system, by providing access to and within areas of the national park system, and for other purposes; with amendment (Rept. No. 95–598). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILL SEQUENTIALLY REFERRED

[Omitted from the Record of September 7, 1977]

Under clause 5 of rule X, the bill to amend the act of October 2, 1968, an act to establish a Redwood National Park in the State of California, and for other purposes (H.R. 3813), as reported on August 5, 1977, was referred by the Speaker, as follows:

The Committee of the Whole House on the State of the Union discharged, and referred to the Committee on Appropriations for a period not to exceed fifteen legislative days with instructions to report back to the House as provided in section 401(b) of Public Law 93–344.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BONIOR:

H.R. 8962. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act for the purpose of prohibiting the use of the chemical dibromochloropropane; to the Committee on Agriculture.

H.R. 8963. A bill to amend section 491 of the Higher Education Act of 1965 with respect to the eligibility of proprietary schools; to the Committee on Education and Labor.

By Mr. PHILLIP BURTON:

H.R. 8964. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy; to the Committee on Education and Labor.

By Mr. DRINAN (for himself, Mr. BAUCUS, Mr. CONYERS, Mr. FAUNTROY, Mrs. HECKLER, Mr. LAFALCE, Mr. MAGUIRE, Mrs. MEYNER, Mr. MINETA, Mr. MOAKLEY, Mr. OTTINGER, Mr. PATTERSON of California, Mr. RICHMOND, Mrs. SPELLMAN, Mr. STEERS, and Mr. WALGREN):

H.R. 8965. A bill to amend the Wagner-Peyser Act to provide more effective job placement services, improved administration and management planning, review of policy alternatives, innovative employment services, and for other purposes; to the Committee on Education and Labor.

By Mr. DRINAN (for himself, Mr. CORNWELL, Mr. HARRIS, and Mr. MCKINNEY):

H.R. 8966. A bill to provide for certain research and demonstration respecting the disposal of sludge, the reclamation of waters damaged by sludge and sewage, assistance to State and local governments for the removal of sludge and other solid waste from waters and shoreline areas, and to provide that grants for waste treatment works shall be made only if such works provide for environmentally sound sludge management; to the Committee on Public Works and Transportation.

By Mr. EDGAR (for himself, Mr. BAUCUS, Mr. CONTE, Mrs. HECKLER, Mr. HOLLENBECK, Mr. LUKEN, Mr. NOLAN, Mr. ROE, Mr. SKELTON, Mr. STARK):

H.R. 8967. A bill to authorize in the Environmental Protection Agency a Federal program of research, development, and demonstration designed to advance the technology of removing oil spills; to the Committee on Science and Technology.

By Mr. EVANS of Georgia:

H.R. 8968. A bill to amend the Consolidated Farm and Rural Development Act for the purposes of increasing the maximum amounts of real estate and operating loans; to the Committee on Agriculture.

H.R. 8969. A bill revising repayment schedules and eligibility requirements for emergency loans; to the Committee on Agriculture.

H.R. 8970. A bill to amend the Federal Food, Drug, and Cosmetic Act to permit the marketing of certain food additives if the Secretary determines that their probable carcinogenic effect on humans is extremely small; to the Committee on Interstate and Foreign Commerce.

H.R. 8971. A bill to provide for the payment of losses incurred as a result of the ban on the use of the chemical Tris in apparel, fabric, yarn or fiber and for other purposes; to the Committee on the Judiciary.

H.R. 8972. A bill to amend XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mrs. FENWICK (for herself, Mr. STEERS, Mr. EILBERG, Mr. WHITEHURST, Mr. BEDELL, Mr. VAN DEERLIN, Mr. CLEVELAND, Mr. DOWNEY, Mr. WHITLEY, Mr. HARRIS, Mr. EDWARDS of Oklahoma, Ms. MEYNER, Mr. FRASER, Ms. SPELLMAN, Mr. FISH, Mr. MITCHELL of Maryland, and Mr. STOCKMAN):

H.R. 8973. A bill to amend the Interstate Commerce Act to liberalize entry into motor carrier and contract carrier operations, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MAGUIRE:

H.R. 8974. A bill to strengthen and improve the early and periodic screening, diagnosis, and treatment program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MONTGOMERY (for himself, Mr. BOWEN, Mr. GUYER, Mr. COCHRAN of Mississippi, and Mr. LOTT):

H.R. 8975. A bill to amend section 1448 of title 10, United States Code, to provide survivor benefits in case of death of certain members or former members of the Armed Forces who die before becoming entitled to retired pay for non-Regular service, and for other purposes; to the Committee on Armed Services.

By Mr. MILLER of Ohio:

H.R. 8976. A bill to amend title 38 of the United States Code to extend to 45 days the period between semesters, terms, or quarters during which the Administrator of Veterans' Affairs may continue to pay educational assistance or subsistence allowances to eligible veterans and eligible persons if the educational institution is closed during such period for more than one full calendar month as part of an energy conservation program or as a result of a fuel curtailment; to the Committee on Veterans' Affairs.

By Mr. MOSS (for himself, Mr. OTTINGER, Mr. DICKS, Mr. SCHEUER, Ms. SPELLMAN, Mr. CONYERS, and Mr. SANTINI):

H.R. 8977. A bill to amend title XIX of the Social Security Act to improve the early and periodic screening, diagosis, and treatment program; to the Committee on Interstate and Foreign Commerce.

By Mr. NIX:

H.R. 8978. A bill to provide for congressional review of proposed changes in postal services; jointly, to the Committees on Post Office and Civil Service, and Rules.

By Mr. PREYER (for himself and Mr. MCCLOSKEY):

H.R. 8979. A bill to improve the operation and extend the scope of the Federal Advisory Committee Act; to the Committee on Government Operations.

By Mr. ROSTENKOWSKI (for himself, Mr. ROGERS and Mr. WHITEHURST):

H.R. 8980. A bill to strengthen the capability of the Government to detect, prosecute, and punish fraudulent activities under the medicare and medicaid programs, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ST GERMAIN:

H.R. 8981. A bill to provide improved consumer deposit services, to promote competitive balance among financial institutions, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. TRAXLER:

H.R. 8982. A bill to amend title II of the Social Security Act to provide cost-of-living increases in benefits computed under the special minimum primary insurance amount formula, the same as in the case of other monthly benefits payable under such title; to the Committee on Ways and Means.

By Mr. BURKE of Florida:

H.R. 8983. A bill to provide for the construction of a Veterans' Administration hospital in Broward County, Fla.; to the Committee on Veterans' Affairs.

By Mr. ROBERT W. DANIEL, JR.:

H.R. 8984. A bill to amend the Securities Exchange Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. DINGELL:

H.R. 8985. A bill to amend the Energy Policy and Conservation Act to provide for the establishment of energy efficiency standards for electric motors and pumps, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FINDLEY:

H.R. 8986. A bill to authorize a program to alleviate siltation problems at Quincy Bay and Broad and Triangle Lake areas, Illinois; to the Committee on Public Works and Transportation.

H.R. 8987. A bill to provide for timely payment under medicare of certain physicians' fees on account of services furnished on a deceased individual; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. FUQUA:

H.R. 8988. A bill to amend the Miller Act to authorize the payment of attorney fees and litigation cost to a prevailing plaintiff from performance bonds furnished by Federal contractors; to the Committee on the Judiciary.

H.R. 8989. A bill to provide for the issuance of a commemorative postage stamp in honor of the 50th anniversary of the creation of the Future Farmers of America; to the Committee on Post Office and Civil Service.

By Mr. HAMMERSCHMIDT (for himself, Mr. ANDERSON of California, Mr. HARSHA, Mr. KRUEGER, Mr. MARRIOTT, Mr. ANDREWS of North Dakota, Mr. AKAKA, Mr. MOORE, Mr. BONKER, Mr. THORNTON, Mr. BAUCUS, Mr. TREEN, Mr. MURPHY of Pennsylvania, Mr. SCHULZE, Mr. BADHAM, Mr. LUJAN, Mr. JENRETTE, Mrs. SPELLMAN, and Mr. YOUNG of Missouri):

H.R. 8990. A bill to amend the Airport and Airway Development Act of 1970 to require the establishment of a system of automated flight service stations; to the Committee on Public Works and Transportation.

By Mr. JOHNSON of California:

H.R. 8991. A bill to amend Public Law 94–98 to authorize the Smithsonian Institution to construct museum support facilities; to the Committee on Public Works and Transportation.

By Mr. JOHNSON of California (for himself, Mr. HARSHA, Mr. MINETA, and Mr. WALSH):

H.R. 8992. A bill to amend title 3 of the United States Code to change the name of the Executive Protective Service; to the Committee on Public Works and Transportation.

By Mr. JOHNSON of California (for himself, Mr. HARSHA, Mr. MINETA, and Mr. WALSH):

H.R. 8993. A bill to designate the Secret Service Training Center as the "James J. Rowley Secret Service Training Center"; to the Committee on Public Works and Transportation.

By Mr. LEHMAN:

H.R. 8994. A bill to amend the Land and Water Conservation Fund Act of 1965, relating to the issuance to certain disabled individuals of lifetime admission permits to certain areas within the National Park System and national recreation areas; to the Committee on Interior and Insular Affairs.

By Mr. McDADE:

H.R. 8995. A bill to amend title II of the Social Security Act to eliminate the present inequity that prevents self-employed individuals with maximum earnings, in a year in which the earnings base increases, from ever receiving full credit for such earnings; to the Committee on Ways and Means.

By Mr. MOAKLEY:

H.R. 8996. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for the cutting and removal of corns, warts, and calluses and the reduction of club nails; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. NEAL (for himself, Mr. WHALEN, Mr. BEDELL, Mr. CORNWELL, Mr. EDGAR, Mr. GILMAN, Mr. GUDGER, Mr. HARRINGTON, Mrs. HOLT, Mr. KOSTMAYER, Mr. McDADE, Mrs. SPELLMAN, Mr. WALGREN, and Mr. YOUNG of Missouri):

H.R. 8997. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide that rescue squad members are entitled to death benefits made available under such act; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 8998. A bill to amend the Older Americans Act of 1965 to authorize the Commissioner on Aging to make grants for the establishment of internship programs for secondary school students in the field of aging; to the Committee on Education and Labor.

H.R. 8999. A bill to eliminate the recently enacted benefit reduction which is provided for SSI recipients in certain long-term care institutions when such institutions do not meet the standards established by States under section 1616(e) of the Social Security Act, to authorize payments to States to cover the cost of training and compensating personnel to inspect such institutions, and to postpone for 1 year (until October 1, 1978) the effective date of such section 1616(e); to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, Mr. ALLEN, Mr. APPLEGATE, Mr. BEARD of Rhode Island, Mr. CARNEY, Mr. CORNELL, Mr. CORMAN, Mr. EDGAR, Mr. GUYER, Mr. HANNAFORD, Mrs. HECKLER, Ms. HOLT, Mr. JOHNSON of California, Mr. MOTTL, Mr. MURPHY of New York, Mr. PERKINS, Mr. PEPPER, Mr. QUILLEN, Mr. ROYBAL, Mr. SAWYER, Mr. SISK, Mr. STAGGERS, Mr. WALSH, Mr. WOLFF, and Mr. ZABLOCKI):

H.R. 9000. A bill to amend title 38 of the United States Code in order to provide for the payment of service pensions to veterans of World War I and for certain surviving spouses and certain children; to the Committee on Veterans' Affairs.

By Mr. SMITH of Iowa (for himself, Mr. CONTE, Mr. ST GERMAIN, Mr. NOWAK, Mr. LE FANTE, Mr. ADDABBO, and Mr. McDADE):

H.R. 9001. A bill to amend the Small Business Act to facilitate the administration of the Small Business Administration's disaster loan program; to the Committee on Small Business.

By Mr. WOLFF (for himself, Mr. BEDELL, Mr. CAPUTO, Mr. CLEVELAND, Mr. COLLINS of Texas, Mr. DAN DANIEL, Mr. EDWARDS of Oklahoma, Mr. EILBERG, Mr. ERTEL, Mr. FISH, Mr. GILMAN, Mr. HYDE, Mr. KINDNESS, Mr. MANN, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY of New York, Mr. MURPHY of Pennsylvania, Mr. NOLAN, Mr. O'BRIEN, Mr. PATTISON of New York, Mr. SEIBERLING, Mr. STEERS, Mr. TREEN, and Mr. VENTO):

H.R. 9002. A bill to amend the Internal Revenue Code of 1954 to allow certain indi-

viduals whose employers make contributions to pension plans a deduction for their contributions to employer pension funds and to allow certain individuals to establish modified individual retirement plans when the employer-employee pension contributions are small; to the Committee on Ways and Means.

By Mr. NATCHER:

H.R. 9005. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1978, and for other purposes.

By Mr. ASHBROOK (for himself, Mr. DEVINE, Mr. WHITEHURST, Mr. QUILLEN, Mr. KEMP, Mr. DORNAN, Mr. KINDNESS, Mr. DAN DANIEL, Mr. GUYER, Mr. LENT, Mr. WALSH, Mr. NIX, Mr. GAYDOS, Mr. BOB WILSON, Mr. BAUMAN, Mr. JOHN T. MYERS, Mr. BOWEN, Mr. TREEN, Mr. MOLLOHAN, Mr. WATKINS, Mr. MILLER of Ohio, Mr. FISH, Mr. FITHIAN, Mr. HYDE, and Mr. MITCHELL of New York):

H.J. Res. 585. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. WOLFF (for himself, Mr. BADILLO, Mr. BEDELL, Mr. BENJAMIN, Mr. BEVILL, Mr. BRECKINRIDGE, Mr. BURKE of Massachusetts, Mr. DOWNEY, Mr. ERTEL, Mr.. FISH, Mr. GEPHARDT, Mr. GILMAN, and Mr. GUYER):

H.J. Res. 586. Joint resolution to authorize the President to call a White House Conference on Families in 1979, and for other purposes; to the Committee on Education and Labor.

By Mr. WOLFF (for himself, Mr. HARRINGTON, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. MCHUGH, Mr. MCKAY, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. PANETTA, Mr. QUIE, Mr. ROYBAL, Mr. VENTO, and Mr. WINN):

H.J. Res. 587. Joint resolution to authorize the President to call a White House Conference on Families in 1979, and for other purposes; to the Committee on Education and Labor.

By Mr. COHEN:

H. Con. Res. 343. Concurrent resolution expressing the sense of the Congress concerning the collection and publication of census and other information pertaining to Americans age 65 and older; jointly, to the Committees on Education and Labor, and Post Office and Civil Service.

By Mr. MOTTL:

H. Con. Res. 344. Concurrent resolution expressing the sense of the Congress that the proposed toll increases on the St. Lawrence Seaway are excessive and should not be adopted; to the Committee on Public Works and Transportation.

By Mr. COTTER:

H. Res. 751. Resolution relative to committee hearings on the Nation's future telecommunications policy; to the Committee on Interstate and Foreign Commerce.

By Mr. FLYNT (for himself and Mr. SPENCE):

H. Res. 752. Resolution to allow any attorney employed or retained by the Committee on Standards of Official Conduct to take the deposition of any person for the purpose of conducting any inquiry or investigation pursuant to House Resolution 252; to the Committee on Rules.

By Mr. HAMILTON:

H. Res. 753. Resolution to amend the Rules of the House of Representatives to provide that an amendment to any bill or joint resolution making appropriations may not be considered in the Committee of the Whole House unless the amendment has been printed in the Congressional Record at least 2 days before its consideration, and for other purposes; to the Committee on Rules.

By Mr. PATTISON of New York (for himself, Mr. BEILENSON, Mr. CARNEY, Ms. CHISHOLM, Ms. COLLINS of Illinois, Mr. EDWARDS of Oklahoma, Mr. GILMAN, Mr. GUDGER, Mr. KRUEGER, Mr. PEPPER, and Mr. RAHALL):

H. Res. 754. Resolution to authorize each Member of the House of Representatives to hire two additional Lyndon Baines Johnson congressional interns and to authorize payment of additional compensation for such interns from the clerk hire allowance; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

250. By the SPEAKER: Memorial of the Senate of the Commonwealth of Massachusetts, relative to the freedom and the security of the Republic of China; to the Committee on International Relations.

251. Also, memorial of the Legislature of the Territory of Guam, relative to abolishing the Electoral College; to the Committee on the Judiciary.

252. Also, memorial of the Legislature of the Territory of Guam, relative to the development of Little League Baseball in Guam; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN:

H.R. 9003. A bill for the relief of Field C. McCord and Willie Mae McCord of Nashville, Tenn.; to the Committee on the Judiciary.

By Mr. BEDELL:

H.R. 9004. A bill for the relief of Munnie Surface; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

209. By the SPEAKER: Petition of the Legislature of the Northern Mariana Islands, Susupe, Saipan, relative to completion of the payment of claims awarded under the Micronesian Claims Act of 1971; to the Committee on Interior and Insular Affairs.

210. Also, petition of Richard Eaton, President, United Broadcasting Co., Bethesda, Md., relative to the denial by the Federal Communications Commission of the license renewal application of station WFAB, Miami, Fla.; to the Committee on Interstate and Foreign Commerce.

211. Also, petition of the Allapattah Lions Club, Miami, Fla., relative to the indictment of former FBI Special Agent John J. Kearney; to the Committee on the Judiciary.

212. Also, petition of Lester C. Wilhelm, North Miami, Fla., relative to the indictment of former FBI Special Agent John J. Kearney; to the Committee on the Judiciary.

213. Also, petition of Herbert D. Brewer, Mayor, Oneida, N.Y., relative to resolution of Oneida Indian claims in Oneida and Madison Counties, N.Y.; to the Committee on Rules.

SENATE — *Thursday, September 8, 1977*

The Senate met at 9:15 a.m. and was called to order by WILLIAM PROXMIRE, a Senator from the State of Wisconsin.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

"All work is prayer, if it be wrought
As Thou would'st have it done,
And prayer, by the inspired and taught,
Itself with work is one."

—John Ellerton, 1826–93

Grant us grace, O God, that we may worship while we work. May the time of prayer and the time of work be indistinguishable since both are offered to Thee. However crowded the hours or tense the time of debate, may we never lose touch with Thee. Keep us ever mindful of those whom we represent and for whom we work.

Through Christ who walked the toilsome way before us in perfect union with His Heavenly Father. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 8, 1977.

To the Senate:

Under the provisions of Rule I, Section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WILLIAM PROXMIRE, a Senator from the State of Wisconsin, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. PROXMIRE thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of yesterday, Wednesday, September 7, 1977, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Parks and Recreation Subcommittee of the Energy and Natural Resources Committee be authorized to meet, beginning at 7 p.m. during the sessions of the Senate, on the evenings of September 19 and 20, to consider S. 1180, the Endangered American Wilderness Act.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce be permitted to meet during the session of the Senate today, to consider air bag legislation, on which there is a time limitation within which Congress must act; the time limitation being the expiration on the date of October 19.

Mr. BAKER. Mr. President, reserving the right to object, the majority leader very kindly brought to my attention the fact that he would make this request today, and I previously and privately indicated to him that I would find it necessary to object, which I shall do in a moment.

I want it clearly understood, however, that it is not because I object to legislation dealing with the air bag—I happen to feel that that proposal has much merit—but, rather, because the Senate is involved in a matter of great importance at this moment, and I do not want to interfere with the activities and conduct of Members on the floor, as distinguished from their careful attention to committee work.

It does not signal that I will object to the Commerce Committee considering this matter next week, for example, but I must on that basis object today, and I do now object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, on my time.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—S. 995

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 995, a bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy, is called up and made the pending business before the Senate there be a time limit thereon of 3 hours on the bill, to be equally divided between Mr. WILLIAMS and Mr. JAVITS; that there be a time limitation on any amendment of 2 hours; a time limitation on any amendment to an amendment of 30 minutes; and a time limitation on any debatable motion, appeal or point of order, if such point of order is submitted to the Senate for discussion, of 20 minutes, and that the agreement be in the usual form.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when S. 977, the coal conversion bill, has been advanced to third reading the manager of that bill be authorized to proceed, without debate or intervening motion, point of order or appeal, to call up H.R. 5146, that that bill be considered at that time as having had its first and second readings, and that the manager of the bill be authorized to add to that bill two amendments, one amendment being the text of S. 977, as amended, if amended, and without further debate, intervening motion, amendment, appeal or point of order; the second amendment being the text of S. 701 as passed recently by the Senate, and two additional amendments, to wit, the text of H.R. 8444 dealing with the contents of S. 977, and the text of H.R. 8444 dealing with the relevant subject matter of S. 701, all without intervening debate, motions, further amendments, or points of order or appeals; and that H.R. 5146, as thus amended, be, without further intervening debate, amendment, motion, point of order, or appeal, passed, and the motion to reconsider laid on the table.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I have listened carefully to the unanimous-consent request made by the distinguished majority leader, and I have previously indicated that I shall not object to it, but I take this opportunity to explain a little.

Yesterday, the distinguished majority leader and I, together with representatives of the jurisdictional committees on both sides, discussed the question of how we were going to proceed in an orderly manner on the Senate side to consider the several energy bills and then take them to conference with the House of Representatives, which passed a single bill.

To make a long story short, Mr. President, the procedure just outlined by the majority leader does, we believe, permit the Senate to act in the traditional, ordinary, and appropriate way to consider these measures separately and to transmit them to the other body with requests for conference.

I might say for my colleagues that I have apprised the minority leadership of the House of our intentions in this respect. I believe I am correct in saying that the majority leadership is aware of this procedure as well. I believe it is a good procedure, that no rights on behalf of any Senator are transgressed or diminished, and that it will permit us to work the will of the Senate in an appropriate way.

Mr. ROBERT C. BYRD. Mr. President, I think I should add for the record my own comments, and I appreciate the statement that has been made by the distinguished minority leader. It is an accurate statement.

From the beginning, in consideration of the present rules of the Senate, it was obvious, and I so informed the leadership of the House of Representatives, that the Senate could not pass the President's energy package in a single bill for numerous reasons.

First, a single bill would undoubtedly engender the kind of filibuster in the Senate that could not be broken by cloture.

Second, it is not within the authority of the majority leader in this body to appoint an ad hoc committee and give it authority to report legislation. Only the Senate can do that.

Third, there is no way under Senate rules in which a bill can be brought to the floor, except by unanimous consent, limiting the number of amendments thereto or specifying the Members who will be allowed to offer amendments.

Consequently, the Senate, by necessity, has to deal with the energy package, as the distinguished minority leader has stated, in segments, thereupon running into the problem of getting these various measures into conference.

The House of Representatives has already passed an energy bill. The only way that a measure can be gotten into conference is for that particular measure to have been acted upon by both Houses, disagreements having resulted therefrom, and the Houses agreeing to go to conference thereon. This requires a single number for the bill. The House bill on energy is over here. If the Senate sends various Senate bills dealing with energy to the House of Representatives, their paths will have crossed midway between the Senate and the House of Representatives. The House of Representatives will have Senate bills. The Senate has a House bill. There is no way to get to conference unless one of the Houses acts on the other House's bill.

It is for this reason that the leadership in the Senate has decided to use House numbers as vehicles on which to place Senate energy-passed text, thus making it possible for conferences to be held on a bill which carries a number of the other body.

So it is for the purpose of facilitating conference action that we have asked this morning, as we shall continue to do from time to time, to place the Senate-passed energy text on a House numbered bill. In this way, we think that the conferences will not only be made possible but can be expedited.

If it were possible for the Senate to act on the entire House bill, which constitutes something like 500 pages, and then go to conference, this would also mean that the conference on that measure would not be conducted until the Senate had completed its action on the entire bill, which would be mid-October. Under the procedure that has been devised by the Senate leadership, conferences can be going forward immediately on energy legislations as each such House bill is used as a vehicles to carry the energy legislation passed by the Senate.

I thank the minority leader and all Senators for their cooperation in the matter.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object, and I shall not object, I think the majority leader has outlined the proper procedure. The House of Representatives, in fact, did have separate committees dealing with the matter before it went to a consolidated committee.

I would raise just one query, not really as a warning but an inquiry: Are we

going to be certain that the bill that is selected for the vehicle for each particular section is in fact a bill that would be properly referred to the original committee in the House that dealt with the subject before it went to their joint committee? I mean, are we going to have some liaison with the House of Representatives to make certain we are not sending apples to orange committees? That would not be too good, I do not think.

Mr. ROBERT C. BYRD. The Senator has raised a pertinent question, and I am glad that he has raised it, because the response needs to be on the record.

The Senate has selected House bills, and will continue to do so, on which there is no differing opinion in the Senate. There is no controversy, for example, in regard to the particular House bill that has been selected in this instance. That bill would have been brought up in the Senate, passed without any amendment, and sent to the President. It would never have gone to conference. Consequently, that portion of the bill is left intact. There is not a single semicolon, period, or hyphen changed in that bill. Thus, when that portion goes back to the House, there is nothing in disagreement between the two Houses on that portion of the bill.

The only disagreement is with regard to the energy parts of the bill, and consequently the leadership in this body feels that the leadership on the other side, having the authority that it has to appoint any conference committee members it wishes, can appoint the members of its ad hoc Energy Committee, as it would in the case of sending the whole House energy bill back to the House. So, the potential problem which the able Senator from Alaska foresees, will not arise.

Mr. STEVENS. I thank the Senator.

The ACTING PRESIDENT pro tempore. Without objection, the unanimous-consent request is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I have no further time, and I assume we have consumed all the time of the minority leader also.

The ACTING PRESIDENT pro tempore. The Senator is correct.

PRIVILEGES OF THE FLOOR

Mr. CRANSTON. Mr. President, I ask unanimous consent that the following staff members of the Committee on Veterans' Affairs be granted the privilege of the floor during consideration of S. 1307: Jon Steinberg, Ed Scott, Garner Shriver, Gary Crawford, and Lamar Lyons.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture, Nutrition, and Forestry be allowed the privilege of the floor during consideration of Senate Concurrent Resolution 43, including all rollcall votes thereon: Michael R. McLeod, Henry J. Casso, Carl P. Rose, Karen Schubeck, James Giltmier, Dale L. Stansbury, Nelson Denlinger, Brad Gungoll, Bill Taggart, and Dale Sherwin.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SECOND CONGRESSIONAL BUDGET RESOLUTION, 1978

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Senate Concurrent Resolution 43, which the clerk will state.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 43) revising the congressional budget for the United States Government for the fiscal year 1978.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. MUSKIE. Mr. President, I understand that under the order previously entered, the subject before the Senate is the Talmadge amendment. Am I correct?

Mr. TALMADGE. Mr. President, will the Senator use his microphone? I cannot hear him.

The ACTING PRESIDENT pro tempore. The Talmadge amendment has not been called up.

UP AMENDMENT NO. 764

Mr. TALMADGE. Mr. President, I send to the desk an amendment for myself, the ranking minority member of the Committee on Agriculture, Nutrition, and Forestry, and over 30 other cosponsors, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Georgia (Mr. TALMADGE), for himself and Senators DOLE, ABOUREZK, ALLEN, BURDICK, CLARK, DOMENICI, EAGLETON, EASTLAND, FORD, HAYAKAWA, HUDDLESTON, HUMPHREY, LUGAR, MCCLURE, MCGOVERN, MELCHER, METCALF, MORGAN, STONE, TOWER, YOUNG, ANDERSON, THURMOND, LEAHY, MATSUNAGA, CULVER, NELSON, WALLOP, CHURCH, PACKWOOD, HASKELL, INOUYE, PEARSON, STEVENS, HART, BENTSEN, and BARTLETT, proposes an unprinted amendment numbered 764.

Mr. TALMADGE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and I will explain it in some detail.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 2, strike "$459,000,000,000" and insert in lieu thereof "$459,700,000,000".

On page 2, line 5, strike "$64,000,000,000" and insert in lieu thereof "$64,700,000,000".

On page 2, line 7, strike "$778,200,000,000" and insert in lieu thereof "$778,900,000,000".

On page 2, line 9, strike "$78,200,000,000" and insert in lieu thereof "$78,900,000,000".

On page 3, line 11, strike "$5,600,000,000" and insert in lieu thereof "$6,300,000,000".

On page 5, strike section 3 in its entirety.

Mr. TALMADGE. Mr. President, yesterday the distinguished chairman of the Committee on the Budget and the ranking minority member of his committee, the Senator from Oklahoma (Mr. BELLMON), the ranking minority member of the Senate Committee on Agriculture, Nutrition, and Forestry, the Senator from Kansas (Mr. DOLE), and I had a conference——

The ACTING PRESIDENT pro tempore. Will the Senator from Georgia yield himself time?

Mr. TALMADGE. I yield myself such time as I may consume.

We had a conference to determine the procedure as to how we would proceed on the second concurrent resolution on the budget for fiscal year 1978, and the conference report of the Committee on Agriculture, Nutrition, and Forestry on S. 275.

Since an agreement was made on procedure late yesterday afternoon with the chairman of the Budget Committee, more than 30 Senators have agreed to cosponsor the amendment at the desk. Of that number, 14 cosponsors are members of the Committee on Agriculture, Nutrition, and Forestry, and 6 are members of the Budget Committee. In other words, we have received expressions of support from more than half the Senate. I am proud that we could get such a strong expression of support in such a short period of time.

Mr. President, the Food and Agriculture Act of 1977 (S. 275), which has been reported out of conference, represents an extended legislative effort that began over a year ago. Both House and Senate committees held extensive hearings and markup sessions. The conferees met during the week of August 1–5 with both day and night conference sessions.

I was pleased that President Carter called both Representative FOLEY and myself to offer his congratulations on the outstanding work of the conference.

While the administration has not officially commented on the bill, we have every indication that the President will sign the measure.

While no bill can satisfy everyone, this measure goes far in meeting the needs of our farmers and consumers. Without doubt, it is the most comprehensive Food and Agricultural Act ever undertaken by Congress. This complex measure was drafted to maintain a viable agriculture for the benefit of all of our people and to assure a sound economy.

There has been concern on the part of the Congressional Budget Office over the budgetary implications of this legislation. I have always been a strong believer in a balanced budget and the budget process itself. I have worked to support balanced budgets during my 20-plus years in the Senate.

We felt that we had strong support in the Senate for the conference report, but out of respect for Senator MUSKIE, and the budget process, we decided to postpone the conference report.

During our committee's 8 a.m. markup sessions, extensive consideration was given to the budgetary impact of the legislation. We considered the cost implications of different weather conditions as well as different support levels. I consistently reminded the committee of the cost implications of the legislation being developed, and I had some reservations over the bill as passed by the Senate.

CONFERENCE ACTION

In spite of our efforts to hold the budget outlays for the agriculture function to the $5.6 billion limit established by the Budget Committee, there is a possibility that agricultural outlays will exceed this amount.

In conference, the Senate conferees made numerous concessions and were particularly sensitive to the issue of program costs. However, supply forecasts—both in the United States and abroad—have increased since passage of the Senate bill in May. In addition, market prices have dropped sharply. These developments are increasing the probable costs of the programs.

For this reason, I and other Senators are offering an amendment to raise the function 350 level to $6.3 billion. I firmly believe that this full increase will not be required, but it is necessary to cover that contingency.

There was no difference between the Senate and House on the $2.90 per bushel wheat target level for 1977. The Senate conferees accepted the House $2 per bushel target and loan levels for corn in 1977 in response to the worsening financial condition of our farmers. I might add that the administration also recognized this need by establishing identical corn loan levels.

For 1978 and in future years, supports were set largely on the basis of the lower House numbers. The target price adjustments are to be based on a moving 2 year cost of production figure which would rise less rapidly than the Senate committee formula. The Secretary is authorized to reduce loan levels by up to 10 percent annually in order to remain competitive on the world markets. Also, loan levels are not tied to the target prices, as had been the case in the Senate bill.

Mr. President, it is important to point out that the conference report is significantly less costly than the bill passed by the Senate.

One of the several major cost reductions was wheat. As passed by the Senate, the wheat target price for 1978 was set at $3.10 per bushel. For 1979 and beyond, the target price was set at cost of production, but not less than $3.10 per bushel.

The House bill, on the other hand, provided for a target price of $3 per bushel in 1978, adjusted for 1979 and beyond by changes in the cost of production.

The conferees accepted the House version, except that in 1978 the target price would be set at $3.05 if production was less than 1.8 billion bushels.

By lowering the wheat target for 1978, program payment costs are cut by $90 million to $180 million from the Senate-passed bill. This adjustment means a potential Federal savings of $630 million for the 1978–81 period just on the wheat program.

A similar situation exists for feed grains. The Senate bill set the target price for corn at $2.28 per bushel for the 1978 crop, adjusted thereafter by changes in cost of production.

The House version provided for a target price of $2.10 per bushel in 1978, adjusted thereafter for cost of production changes.

The conferees accepted the House version.

The 18-cent reduction in the target price means we reduced potential deficiency payments by $990 million annually.

The Senate conferees felt that they had acted responsibly and gone far in conference to meet the concerns of the Senate Budget Committee concerning the cost of the pending legislation. Farm programs, after all, will cost money during adverse times for farmers. That is why they are needed. However, there should be little if any cost when markets are in balance.

We felt that, with the major reductions made in conference, we were about on target in terms of meeting the $5.6 billion Senate budget resolution outlay figure for fiscal year 1978. Since the House budget resolution provided $6.1 billion for agricultural outlays, we felt that the cost issue had been resolved.

NEW CBO COST ESTIMATES

The Congressional Budget Office, however, has since done a further cost estimate based on later crop conditions and the administration's recently announced set-aside plans. This estimate adds $0.7 billion to the program costs for the commodities sections of the bill, thereby increasing the potential fiscal year 1978 outlays to $6.3 billion.

I am disappointed that the Senate Budget Committee has taken this approach of revising its cost estimate after the conference committee completed its work. I also am distressed that CBO has used the worst possible cost assumption—the July crop report rather than later crop conditions. And there has been some indication that the Senate Budget Committee wants to make an example of the agriculture budget.

(Mr. ANDERSON assumed the chair.)

Mr. MUSKIE. Will the Senator yield?

Mr. TALMADGE. I yield.

Mr. MUSKIE. I simply want to make the point that the estimate to which the Senator refers is not the Senate Budget Committee's estimate but that of the Congressional Budget Office, an independent institution created by the Congress for the purpose of providing objective information and data on the cost of the programs. The estimate was not mandated by the Senate Budget Committee. We did not set the timing. This is CBO's estimate. I take it we have some obligation to pay attention to it.

Mr. TALMADGE. I appreciate the clarification of the Senator from Maine on that point.

There are people who question the significance of agriculture—representing under 4 percent of our population—even if agriculture accounts for a quarter of the Nation's GNP.

The latest upward revisions of the Congressional Budget Office reflect depressed prices and the administration's announced increase in the 1977 corn loan level from $1.75 to $2.

Net lending for feed grains is estimated by CBO to increase by $700 million—$300 million because of the market and $400 million because of the increase in loan level to $2.

In other words, we face a budgetary problem because of depressed markets and decisions reached by the conferees and implemented by the administration.

At the same time, no recognition is given for savings resulting from the sugar amendment adopted by the conference. The CBO had earlier established a level of $185 million as needed to cover the administration's direct payments to sugar producers.

That program was declared illegal by the Justice Department but this decision came after the conference had concluded and also after the conferees had mandated the establishment of a sugar support program to be implemented at no cost to the Treasury.

The CBO cost estimate on sugar is now zero, but there is no indication as to what was done with the $185 million which was a 350 function item.

The problem of estimating costs for agricultural programs is best demonstrated by the changes in the cost of the various programs in the agriculture function made by the Congressional Budget Office. In the past 6 weeks we have had three separate reestimates for outlays for agricultural programs under current law. Originally, the estimate for outlays for agriculture was $4.7 billion, then it was increased to $4.8 billion and the latest estimate is $5.4 billion—these figures represent costs with no additional benefits under the farm bill, S. 275. The base cost alone of commodity programs has been reestimated up by $700 million—a 15 percent increase. This was not due to any action taken by the Congress—it is an estimating problem caused by the weather.

Agriculture is also subject to sharp swings in demand because of uncertainties in our export markets.

Two years ago, the Soviet Union harvested a 140 million-ton grain crop. Last year, their crop was around 225 million tons. This year's crop is expected to be about the same level. The Soviet Union alone has a major influence on our export markets, and an influence that we cannot predict.

It should further be noted that the cost estimate now being used for the agriculture function is likely to go down. Congressional Budget Office technicians agree that their estimate of $6.3 billion is probably high because of more recent downward trends in crop conditions for August and September. These trends were pointed out to CBO, but they preferred to maintain their earlier, higher cost estimates.

I should also point out that these budgetary considerations are distressing not just to our farmers but also because of the impending economic distress of our rural communities and the agricultural sector.

We in the United States are faced with a constant uphill battle against unemployment. The latest estimates are 7.1 percent of the labor force. In the past 2 years alone, the Congress has appropriated $17.4 billion specifically for job development. This budget action against agricultural programs seems to be in direct conflict with this objective of low unemployment. The farm legislation provides farm income security in a way that will maintain and create jobs in our rural communities and the agricul-

tural sector of the economy while not stimulating inflation.

The estimated additional $700 million which may be needed to carry out the farm programs will be more effective than the billions per year being spent on creating jobs.

It should also be remembered that much of the initial outlays of the farm programs are really investments in food stocks that will meet future shortfalls in supply at home and abroad. It is surprising that people have so quickly forgotten the doomsday prophecies of world starvation of just a few years ago in an effort to meet arbitrary budget targets.

I am as dedicated as any Senator to fiscal responsibility and a balanced budget, but we cannot forfeit the welfare of the Nation's farmers and consumers in an attempt to comply with an arbitrary directive of the budget resolution. Hard-pressed wheat and corn farmers around the Nation are depending on the additional benefits provided by the farm bill to meet production costs, mortgage payments, and living expenses. To suddenly deny these benefits would be a cruel blow.

Many responsible farm producers feel that the measure is, if anything, inadequate. On August 26, the Department indicated that net farm income would drop 12 percent, to $19.3 billion, in 1977.

This compares with $29.9 billion in 1973, $27.8 billion in 1974, $22.7 billion in 1975, and about $22 billion in 1976.

How many people have faced not only a 12-percent reduction in income in 1 year but a 35-percent reduction since 1973? At the same time that production costs have skyrocketed.

This increased spending is necessary to provide farmers with income support as market prices for commodities continue to decline. The USDA reports that at only one other time in history has the severe cost-price squeeze on farmers been so severe. The average parity ratio in August 1977, was 64 percent, down from 71 percent a year ago. Only in March of 1933 were conditions worse, when the average parity ratio was 55 percent. Wheat and feed grain farmers have been particularly hard hit. Prices received last month by wheat farmers represented only 40 percent of parity; feed grains were at 48 percent of parity.

Of the $6.3 billion in function 350 outlays, 37 percent, or $2.3 billion, are loans which will be repaid, with interest. USDA experience with commodity loans indicates that 98 to 100 percent of these fiscal year 1978 loans will be recovered, with 7 percent interest. The collateral for these loans is the commodity held in bonded storage.

In my State of Georgia, we experienced a disaster this year because of the drought, while other communities have experienced distress because of low prices and unmet payments on loans.

I also should note that authorization for the food stamp program expires at the end of this month, and I would like our friends in the CBO to tell us what they would do to deal with the chaos if this program were to lapse.

I suggest that we quit posturing and playing games with numbers and raise the level in the budget resolution to meet this urgent need. We pass emergency assistance and disaster legislation for other sectors of the economy.

Our farm producers deserve no less consideration.

While I expect that the full $6.3 billion is not likely to be required, we need to pass this amendment to the budget resolution to cover these potential outlays.

I urge adoption of the amendment.

Mr. President, it is unfortunate that Senator HUMPHREY, the senior Senator from Minnesota, who contributed significantly to the formulation of the Food and Agriculture Act of 1977, is unable to be with us today to speak on this important amendment. Senator HUMPHREY, the chairman of the Foreign Agricultural Policy Subcommittee, authored several bills which are now a part of S. 275. He has asked me to share with the distinguished Members of this body his views on this amendment. I ask unanimous consent that his statement be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR HUMPHREY

The Food and Agriculture Act of 1977 is one of the most significant pieces of legislation that the Congress will enact this session. It is important to the entire nation—to consumers and farmers alike. The Senate recognized the importance of this bill by passing it by a vote of 86–19 in late May.

Today, the Committee on Agriculture, Nutrition and Forestry comes before the Senate to ask that $700 million be added to the agriculture function in the Second Budget Resolution. While I am fully supportive of the effort to increase the agriculture function by this amount, I do not believe that actual outlays for commodity support programs will ever reach the level of $6.3 billion that this account would have with the passage of this amendment. In fact, actual outlays could fall significantly short of that total. The reason I do not believe that the $6.3 billion mark will ever be reached has to do with the nature in which these particular budgetary projections are made. Projecting outlays for agricultural commodity programs is an extremely difficult task that requires a combination of superb intellectual skills with inordinate good luck.

The very uncertainty that has plagued agriculture since man became a cultivator makes these types of projections especially difficult. First of all, there is the problem with the weather. Sharp fluctuations in weather can cause sharp fluctuations in commodity prices. With bad weather, commodity prices would rise and government outlays fall. Second, there is the factor of exports. The good weather that has helped produce this year's abundance of food cannot be taken for granted. But we can expand our overseas markets. This would help us reduce outlays. With a little work we will, by this time next year, have done away with the self-imposed restrictions on trade that keep us from tapping promising markets such as the Peoples Republic of China.

The point I am making is that projecting outlays is primarily a matter of guesswork. And in guessing, our budget makers have leaned to the conservative side, which has led to projections that exceed outlays.

While it is important to be aware of the difficulties in making budget projections for agriculture, these difficulties by themselves—as important as they are—may not be reason enough to support such an amendment. There are two facts that we should keep in mind in arriving at a decision on this matter. The first is that the Conference on S. 275 was completed one day after the Second Budget Resolution was passed by the Senate. The second fact has to do with a wide variety of initiatives already taken by the Administration which have the effect of increasing spending under current law to a level of about $400 million above that provided for under the Second Budget Resolution. The importance of this second fact is that the Senate, if it defeated this amendment, would have to re-evaluate both the Farm Bill and an entire array of Administration initiatives that are important for both farmers and producers.

I have every indication that the President will sign the Food and Agriculture Act of 1977.

In closing, I point out to my distinguished colleagues that this Act is a bare bones bill that assures minimal viability to our food economy. No one will get rich from this Act. In the final analysis we must recognize that we are talking about far more than an amendment to a budget resolution. We are talking about a set of policies that are important to the welfare of this nation.

Mr. TALMADGE. Mr. President, I ask unanimous consent that Mr. Joe Kinney, Senator HUMPHREY'S assistant, be granted the privilege of the floor during debate on this amendment.

The PRESIDING OFFICER. Without objection, is is so ordered.

Mr. TALMADGE. Mr. President, I yield the floor and I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Maine is recognized.

Mr. MUSKIE. I shall reserve my time, Mr. President, until the proponents of the amendment have concluded theirs.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Perhaps the Senator from Maine should proceed now and then Senator DOLE will take some time.

Mr. MUSKIE. I shall try to divide my time so I can respond to each of my three colleagues. I suspect that I am going to find difficulty getting other voices to join mine on this side of the issue, so I shall try to reserve my energy and time so that I can respond as intelligently as possible to the arguments of my three distinguished colleagues.

First, let me state appreciation to the chairman of the Committee on Agriculture for agreeing to use this forum, debate on the second budget resolution, for the purpose of considering the issues which he has raised. I think that is in the interest of orderly procedure and I am willing to abide by the result.

Second, I am under no illusion as to what the nose count is at this point on this amendment. It is because I understand that that I have urged the distinguished chairman of the Committee on Agriculture to use this forum, in order that the Senate, as a whole, might assume the responsibility for making the changes requested in the budget resolution.

This process is not the property of the Senate Budget Committee. It is implied, from time to time, by those who are unhappy with our recommendations that

we treat it as such, but it is not our property. It is the property and also the responsibility of the Senate as a whole. If a change of this magnitude is to be made in the congressional budget, the Senate, as a whole, should make it. That is my judgment.

The distinguished chairman of the Committee on Agriculture refers to the budget resolution numbers as arbitrary numbers. I take issue with that very vigorously. He says that as though there had been no chance for anybody, including the Agriculture Committee, to influence the numbers in the budget resolution. Let me remind the Senator, for the purpose of this record, of these facts:

No. 1, under the budget process, the Agriculture Committee is required to submit its recommendations to the Budget Committee by March 15. Those recommendations were received. They were debated at length. Many of the Senators who are cosponsors of the Senator's amendment are members of the Budget Committee, as Senator TALMADGE, himself, has emphasized today. They are just as articulate and just as vigorous at pressing the interests of the farmers in the Budget Committee as they will be on the floor of the Senate today. To suggest, therefore, that some outside force, presumably the Senator from Maine, has arbitrarily established these numbers for the agriculture function simply is not a reflection of reality. I vigorously take issue with that.

It is the Senator's prerogative, of course, to make his case for his amendment. I always assume that the distinguished Senator from Georgia acts responsibly. I do not think there is a Member of this Senate who takes his duties, either as a chairman or a member of a Senate committee or as a Senator on the floor, with a greater sense of responsibility than the Senator from Georgia.

Mr. TALMADGE. If the Senator will yield, let me express my great appreciation for the generosity of the Senator's remarks. The difficulty with trying to set budget targets for agricultural programs, of course, as the Senator knows, is that no one can predict the weather, therefore no one can predict what market prices will be. That is the cause for the $700 additional outlays that we are requesting here today—the weather and market prices. In addition the administration has increased the loan level for corn to $2 a bushel. That increase in the loan level adds an additional cost of $400 on to the agriculture function—350.

Mr. MUSKIE. I understand the peculiar factors that influence the agriculture budget. I would point out to the Senator that there are estimating difficulties involved in virtually every function of the budget.

That is one of the reasons we have two budget resolutions—a first and a second.

Mr. President, I ask that there be printed in the RECORD at this point a table which identifies the changes that have been made since the first concurrent resolution by the second budget resolution that reflects that fact.

There being no obligation, the table was ordered to be printed in the RECORD, as follows:

FISCAL YEAR 1978 BUDGET SUMMARY

[In billions of dollars]

	Function	1st budget resolution target		2d budget resolution recommended ceiling		Recommended ceiling compared to target	
		Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
050	National defense	118.5	111.0	116.6	110.1	−1.9	−0.9
150	International affairs	9.3	7.3	8.3	6.6	−1.0	−.7
250	General science, space, and technology	4.9	4.7	4.9	4.7		
300	Natural resources, environment, and energy	20.7	20.0	24.9	20.8	+4.2	+.8
350	Agriculture	2.2	4.35	2.1	5.6	−.1	+1.25
400	Commerce and transportation	20.0	19.4	20.5	19.6	+.5	+.2
450	Community and regional development	8.2	10.8	8.0	10.4	−.2	−.4
500	Education, training and social services	26.8	27.2	26.1	26.4	−.7	−.8
550	Health	47.9	44.3	47.7	44.2	−.2	−.1
600	Income security	179.9	146.7	178.8	146.6	−1.1	−.1
700	Veterans benefits and services	20.25	20.2	19.9	20.2	−.35	
750	Law enforcement and justice	3.7	3.85	3.8	4.0	+.1	+.15
800	General government	3.8	3.85	3.8	3.8		−.05
850	Revenue sharing and general purpose fiscal assistance	9.8	9.7	9.6	9.7	−.2	
900	Interest	43.0	43.0	41.7	41.7	−1.3	−1.3
920	Allowances	.8	.9	.9	1.0	+.1	+.1
950	Undistributed offsetting receipts	−16.3	−16.3	−16.4	−16.4	−.1	−.1
	Total	503.45	460.95	501.2	459.0	−2.25	−1.95
	Revenues		396.3		395.0		−1.3
	Deficit		64.65		64.0		−.65
	Public debt		784.9		778.2		−6.7

Mr. MUSKIE. Mr. President, there are estimating difficulties. The fact that we have had shortfalls in Federal spending in each of the last 2 fiscal years of billions of dollars supports the problem of estimating. Is that to say, therefore, that we should have no budget numbers for any program as to which there are estimating difficulties or that every program that has estimating difficulties should establish its own number?

If we are to do that, then we will be back to the budgetary chaos of previous years.

Notwithstanding these difficulties, which I acknowledge, we have a budget responsibility to estimate those numbers and that is the responsibility we have tried to discharge.

With respect to commodity price supports on this question of the arbitrariness of numbers, price supports in the Carter budget were listed at $900 million. In the first concurrent resolution, they were assumed at $2.8 billion. Under current policy, they would be $3.2 billion, taking into account the weather and other problems of that kind to which the Senator refers. The second concurrent resolution sets them at $4.1 billion.

Now, the Talmadge amendment would set them at $4.8 billion. That is a pretty wide range in a period of a few months—an increase from $900 million to $4.8 billion. It is a five-fold increase. If we compare the second concurrent resolution number of $4.1 billion with the Carter budget request of $0.9 billion that is a four-fold increase.

I do not consider that arbitrary. I consider that adjustment as an attempt on the part of the Budget Committee to respond to some of the uncertainties to which the Senator from Georgia referred. I think it was a good faith attempt to do so.

The next point I would like to make is that budgeting is not a matter of choosing between obviously good programs and obviously bad programs. If we were to define budget-making in those terms, the budget would be several tens of billions of dollars higher than it is.

Budget-making imposes on us the responsibility of choosing between good programs and programs that may be equally good, or choosing between one number and another number that is larger. It is choosing between the good and the good, or the good and just less good.

So anybody who attempts to pitch this debate on the basis of who wears a black hat and who wears a white hat is arbitrarily ignoring the nature of the budget process to serve his own political ends, or he does not understand it.

The Senator from Maine fully understands, because I have supported farm programs over the last 19 years, the problems that our farmers, including my own farmers, face.

But I am going to be asked to justify the total outlay numbers here to Members of Congress who would like to spend more money for other worthwhile objectives, including job-making.

I just heard a news report this morning that the Black Caucus had visited President Carter yesterday, urging more funds to deal with the unemployment problems of the central cities, which have risen according to the most recent statistics.

Now, is that a bad request? Are the people who are advocating that budget busters? Is their case less meritorious than this one?

Well, who is to make those judgments? The Senate as a whole, the Congress as a whole, acting as it may wish on the recommendations of the members of the Budget Committee.

I do not suggest that however a Member votes that his vote is arbitrary, but every Member under the budget process has a responsibility shared by the Budget Committee, a responsibility for evaluating that vote in the context of the overall.

The PRESIDING OFFICER. The 10 minutes have expired.

Mr. MUSKIE. I will take another 5 minutes, and then I shall yield. I have not gotten to my full statement and maybe I will reserve that for after the next one.

Mr. President, I would like to call my colleagues' attention to what precisely this does, because this is why I pleaded for this debate to take place on the floor in the context of the second concurrent budget resolution.

I think Members who vote on this amendment, or any other amendment proposed today, must do so with the recognition of the consequences in terms of the numbers that are included in this amendment.

This amendment proposes striking the total outlay figure in the second concurrent budget resolution. That figure is $459 billion. This amendment proposes to raise that by $700 million. It proposes to strike the deficit number, which is $64 billion. It proposes to raise that deficit number by $700 million. It proposes to strike the estimate of the public debt which is stated in the budget resolution at $778.2 billion and to raise it to $778.9 billion.

It proposes to strike the figure which represents this year's increase in the national debt. This year's increase in the national debt, absent this amendment, would be $78,200,000,000 and it would be raised to $78,900,000,000.

It would strike the total for the agriculture function which is listed in the resolution at $5.6 billion and raise it to $6.3 billion.

I understand that later today or tomorrow there will be offered to the Senate for its consideration three amendments to reduce taxes. I suggest to Senators that when they vote on this amendment they consider what they might like to do on those tax-cut amendments when they come up, because the effect of those tax-cut amendments will also be to raise the deficit number, to raise the public debt number, to raise the increase in the public debt number, and that is the kind of context in which the Budget Committee must consider its recommendations for all these worthwhile functions.

I do not know of a function in the budget that is not worthwhile. I do not know of a function in the budget that cannot make a case for more spending. I cannot think of a program in any function of the budget that does not have a case for more spending. But the Budget Committee has to worry about these numbers, and I suspect that if we had come to the floor of the Senate with a budget resolution that proposes a deficit of $75 billion, a majority of this Senate would have been outraged. Every Senator would have had suggestions as to how we could have cut that deficit. We reduced it to $64 billion. I remind Senators that that $64 billion is about $14 billion more than the deficit for 1977, the fiscal year in which we now find ourselves.

I submit that ED MUSKIE is not the only Senator who has a responsibility to consider those numbers when he votes not only on the agriculture function in the Budget Committee, but also every other one and every other program. I have to look at those numbers, and I suggest that they have a similar responsibility.

I am going to reserve the remainder of my time and get into my prepared statement, which goes into detail on this whole question of the agriculture function and price supports, following further discussion on the part of proponents of the amendment.

I repeat, Mr. President, that the budget process is not ED MUSKIE's process. It is not the Budget Committee's process. It is not the Senate's process alone. It is a process of the Congress of the United States. If it is to work, every Senator must exercise his discipline not only with respect to the other fellow's program and priorities, but also with respect to his own. If a process does not generate that kind of attitude on the part of Senators and Representatives, it will not survive.

That does not mean that the Senate does not have the right and even the duty to change the numbers in a budget resolution when a proper case has been made; but even then, one should bear in mind that a proper case probably could be made for other programs as well. It is more difficult for the Senate as a whole to consider add-ons one by one, because then it becomes difficult, when they all have been considered and conceivably approved, to reduce the totals back to an acceptable deficit. We can do it in the Budget Committee. We can go through the functions, vote on them individually, and if the total adds up to something more than we think is prudent, then we can go back and cut back. We cannot do that on the floor in any way that occurs to me.

This year, for example, in the committee deliberations on the functions at the end of our first round, we had a deficit that I thought was at least $2 billion too high, so I recommended to the committee that we go over the functions again. I made specific recommendations for reductions in functions, and we were able to cut $2 billion. If we could do a similar thing here in the Senate as a whole—let the Senate go to the budget function by function and exercise its own judgment on each function, and then at the end add up the total and if it is too high, cut back—that is another way of doing it. However, I suspect that if we were to do that, we would convert the Senate budget process into a Christmas tree operation of the kind that we have seen so often with respect to tax bills, and that is a dangerous business.

That is my explanation of why we are here and what we tried to do to respond to the pressures and the needs in this function.

I reserve the remainder of my time at this point.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. MUSKIE. I am happy to yield to my good friend from North Dakota.

Mr. YOUNG. I certainly agree with the objectives of the Senator from Maine to cut the budget but I believe that a special case can be made for agriculture.

When the price goes up and when we have a good foreign market—several times embargoes were imposed, so we could not sell our commodities at the then favorable prices. Wheat is a very special case. If we do sell wheat and other grain to foreign countries, the law requires that in Public Law 480 cases half of it be hauled in American bottoms. That is about the situation now if we sell wheat to Russia. One-third of such wheat has to be hauled in American bottoms, where the shipping rate is one-third more than it would be if it were hauled in ships of other countries.

So most countries which buy wheat now, if they want a cheaper price, and they do, are forced to go to some other country.

What we are doing requires that agriculture subsidize the merchant marine. I agree that we have to have a merchant marine, but I do not think agriculture alone should be required to do most of the subsidizing.

Mr. MUSKIE. I understand the difficulties to which the Senator has referred, and I do not disagree at all that they exist. But what are we to do? Do we put agriculture off budget because of those uncertainties?

May 15 to September 15 is 4 months. Do we give agriculture the prerogative of changing its numbers every 4 months as contrasted with other functions of the budget? Do we have no restraint at all? Do we give agriculture a blank check?

I know the difficulties and the uncertainties, and I sympathize. Senator BELLMON, in his discussions in the Budget Committee, has done a great deal to educate this Senator and others as to the problems of estimating agricultural costs. The whole business of the loan program costs in the long run is a question that Members of the Senate should face.

It is my impression that of the billions of dollars of loans for agricultural commodities, only a few hundred million dollars, at most, represent the ultimate cost to the Treasury. However, in the meantime, we have to provide the money. We have to fund the programs. We have to go to the marketplace to sell U.S. bonds to raise the money, and there is some budget cost. I think we should look at the real cost, not the imagined cost.

I agree with Senator BELLMON. He has some interesting ideas as to how that might be done, and I am for exploring those. But at this point—and I will make the case later—I say to the Senator from

North Dakota that from the Budget Committee's point of view—or those of the Budget Committee who are still with me—as to why we have done what we did and why we think it is justified, it seems to me that we have to raise the question for the Senate as a whole to decide what kind of discipline, if any, we should apply to this particular function, given the kinds of problems that Senator TALMADGE has articulated and that Senator DOLE, Senator YOUNG, and Senator BELLMON will discuss. I understand those difficulties fully, and I hope that somehow, in the long run, whatever we do today, we can find a better way of coming to grips with the uncertainties to which the Senator has referred.

Mr. President, I reserve the remainder of my time at this point.

Mr. TALMADGE. Mr. President, I yield 10 minutes to the distinguished Senator from Kansas, the ranking minority member of the Senate Committee on Agriculture, Nutrition, and Forestry.

Mr. DOLE. I thank the distinguished chairman.

Mr. President, I serve on both the Agriculture Committee and the Budget Committee, and I have the highest regard for both distinguished chairmen. I find myself in no conflict with either the distinguished Senator from Georgia or the distinguished Senator from Maine.

I think it has been fairly clearly explained that this Senator does not suggest that it is rural America versus ED MUSKIE or farmers against the Senator from Maine, or vice versa.

I understand the difficult position of the Senator from Maine, and I applaud him for his efforts to make the budget process work. However, as the Senator from Maine has indicated, this is an opportunity for the Senate to work its will. This is the orderly process. This is the process agreed upon yesterday as the right way to proceed, rather than some way that might appear to some to be deceptive or somehow an effort to take advantage of a Member or a committee chairman. We are proceeding in a very orderly fashion.

We have before us the second concurrent resolution on the budget; and in cooperation with the distinguished chairman of the Agriculture Committee, I understand that a total of 35 cosponsors have offered the amendment.

It would appear the amendment has a good chance of passage. We will keep working on cosponsors and, perhaps, we will have enough cosponsors before the debate ends to be sure the amendment will pass.

I will repeat briefly what the Senator from Georgia said. Without the administrative actions—and I do not criticize the administrative actions—$5.6 billion would have been adequate. But because of declining prices in the corn belt and in feed grain areas, and because of the set-aside and loan rate action taken by the administration, and because of reestimates made on more recent crop reports, unless something is done we need another $700 million. It is just as simple as that. We need to raise the figure from $5.6 billion to $6.3 billion.

Of course, that is the purpose of the amendment offered by the distinguished chairman, by myself, and by the many other Senators who have cosponsored this amendment. Republicans and Democrats, members of the Budget Committee, members of the Committee on Agriculture have offered this amendment. I would assume that there may be other cosponsors before the morning ends.

I would suggest that none of us from farm-producing areas look with any pleasure on the Federal Treasury for income. Most farmers whom I know across the country want their income from the marketplace.

I would point out that 37 percent of the $6.3 billion referred to in this amendment is for loans which are repaid by farmers. This is not a subsidy; this is not a grant. It is a loan. It is repaid with interest by the American producer. But, in any event, if prices were right there would be very little money spent for this budget function.

I would also suggest there are actions the administration could take now to reduce the cost of this function and to satisfy the statements made by the distinguished Senator from Maine and others about this particular function.

It would seem to me one thing that might be done is to program very quickly and very rapidly some of the Public Law 480 sales. It is my understanding we are lagging behind in expediting and programing for the next fiscal year.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. DOLE. Yes.

Mr. MUSKIE. I would like to make a point, because the distinguished Senator from Kansas and the distinguished chairman emphasized the point, that some of the money provided in this function is for loans. But in the Federal budget as a whole, there are outstanding about $70 billion in loans. This is the equivalent of almost a quarter of the budget, so agriculture is not the only program which might argue its justification on the basis that it is only a loan to be repaid. There is $70 billion. That $70 billion has to be provided, and that is the point I made earlier. I thought that total figure might appropriately be included in the RECORD at this point.

Mr. DOLE. I appreciate the comment, and I understand it. No one in this Chamber misunderstands it. But it is misunderstood by others. When we talk about $6.3 billion, there is a feeling out there that this is a subsidy given to the American farmer. That is not the case, as the Senator from Maine has so rightly expressed. But there are some actions that could be taken to reduce these costs, and we should look at how to reduce farm costs generally.

I suggested to Secretary Bergland that he seriously consider financing Commodity Exports under Public Law 480 and Commodity Credit Corporation programs in the following amounts for 1978:

First. Public Law 480, title I and new title III—$1 billion worth of commodities, up from $800 million in fiscal year 1977.

Second. Public Law 480, title II—$565 million worth of commodities and ocean freight. This level, if used in conformance with the pricing provisions of the new farm bill, would provide 1.7 million tons thus assuring that the legislative minimum of 1.6 million tons would be shipped.

Third. CCC credit—$1.5 billion worth of commodities, up from $1 billion in fiscal year 1977, and only a $750 million funding level recently announced by USDA for fiscal year 1978.

It seems to me we could also stimulate exports, and that could be the answer to the present farm problem. I have suggested that Secretary Blumenthal review the Eximbank's policy as it relates to agricultural exports. Instead of the relatively meager credits for farm exports ranging from only $69 to $95 million annually in recent years, I believe Eximbank should step up their financing of farm exports to $500 million annually. This would still be a very small proportion of total Eximbank resources which have been running from $6 to nearly $10 billion annually in recent years for U.S. export assistance. Farm exports which represent over 20 percent of total U.S. exports deserve considerably more attention from the Eximbank than is currently the case.

The best hope for improving farm prices is through increasing our share of export markets. A dollar spent on export stimulation may save many dollars in farm program costs.

I assume the administration is giving serious attention to how we can step up the export market to raise market prices.

It is an area that needs some attention and, if successful, then perhaps all the fears we are expressing this morning about the $700 million and the need to amend the budget will disappear.

As has been pointed out previously this morning, the fiscal year 1978 second concurrent resolution reported out of the Budget Committee on August 4, 1977, recommends a ceiling for agriculture function outlays of $5.6 billion. This ceiling was thought to be sufficient to fund commodity price support provisions under current law, plus the wheat price support provisions of the Senate-passed farm bill, S. 275. Now little more than 1 month later the same price support programs are estimated to cost $6.3 billion, or $700 million more than the previous estimate, which is the basis of the amendment offered.

Three events have occurred recently which effected these spending levels for fiscal year 1978.

First, CBO increased their estimate of the cost of commodity price support programs. Using new supply figures from USDA, CBO concluded that continuing declines in market prices for wheat and feed grains would increase outlays for loans and deficiency payments by $389 million.

Next, the administration took two discretionary actions to aid the sagging farm economy which increase fiscal year 1978 outlays. A 20-percent set-aside for 1978 crop wheat was announced by USDA last month. Since a 30-percent set-aside was assumed in previous CBO estimates, this action caused outlays to be revised upward by $200 million. Higher feed grain loan rates were also announced, increasing the expected outlays for loans by $400 million.

Finally, the Attorney General declared the administration sugar subsidy program to be illegal, eliminating outlays of $185 million.

So what we have are, in fact, some technical readjustments. These technical readjustments raise the estimated spending level for function 350 to $6.3 billion, an increase of $700 million over the level first recommended by the Budget Committee. This amendment would make these adjustments in function 350, and allow support programs to proceed as planned.

Mr. President, I ask unanimous consent to place in the RECORD at this point a table which summarizes these required adjustments to outlays for function 350.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Variation in fiscal year 1978 outlays budget function 350: agriculture

[$ billions]	Outlays
1st budget resolution target (May 1977)	=4.35
Add: Reestimates for farm support program	+.4
Senate farm bill (S. 275)	+.8
Additional agriculture research	+.1
2d budget resolution ceiling (August 1977)	=5.6
Add: Reestimates for farm support program	+.3
1978 wheat crop set-aside	+.2
Increased 1977 feed grain loan rate	+.4
Subtract: Administration sugar subsidy	−.2
Revised 2d budget resolution ceiling	=6.3

NOTE.—Totals do not add due to rounding.

Mr. DOLE. Mr. President, my colleagues in the Senate should also be aware that this adjusted fiscal year 1978 spending ceiling for function 350 provides sufficient funds for the provisions of the food and agriculture bill of 1977 as reported out of conference. It is my understanding that the Senate will take up this conference farm bill, if possible, this week and, if not, perhaps next week.

Mr. President, farmers—in Kansas and elsewhere—are acutely aware of the real causes for the substantially higher outlays for price support programs this year. The farm economy is in a state of depression. These spending increases are helping to sustain a marginally adequate income for farmers who have seen commodity prices drop well below cost of production. USDA reports that parity ratios are at a 44-year low. The average parity ratio in August was 64 percent, down 7 percent from a year ago. Wheat and feed grain farmers are particularly hard hit. Prices received by wheat farmers last month were at 40 percent of parity. Feed grain prices were 33 percent below a year ago. These farmers are counting on continuation of announced farm support programs.

It seems to this Senator and, I think, many others who represent rural constituencies, if we are talking about the American taxpayer or the American consumer or the American producer, we have got to do what may be necessary to sustain the American producer who is now on the farm and who wants to stay on the farm, not to make a profit from the Federal Government, but to at least recover his cost of production or near his cost of production.

I agree with my distinguished chairman of the Budget Committee that this is the appropriate place to debate this issue, and I hope that after full consideration we will decisively uphold the amendment offered.

I also again repeat that there has been a great deal of talk about the budget impact of the $6.3 billion. But a total of $2.3 billion, or 37 percent of the total outlays in this function are for loans. These loans are expenditures on the budget. There is no doubt about that. The Commodity Credit Corporation is not an off-budget agency. Furthermore, USDA experience with commodity loans indicates that 98 to 100 percent of these loans will be repaid, with 7-percent interest. Collateral for these loans is the commodity held in bonded storage.

This Congress has shown a great concern for jobs and for stimulating the economy. The public service jobs program is about $7 or $8 billion of the $27 billion cost in function 500, for example, providing about 1 million jobs.

I do not quarrel with the need for public service jobs. But for contrast I would point out that this amendment proposes to spend $6.3 billion—$700 million more than previously agreed—to help keep 4.3 million farmworkers on the job, and to help sustain our producers in the worst year for farmers since 1933.

There is no doubt about it that the $700 million increase we are seeking is a substantial sum of money. This amendment is estimated to increase outlays in function 350 by that amount.

But if this $700 million will help to sustain the Nation's largest and most important industry, help to maintain its $22 billion in exports, and help to retain its 4.3 million jobs, then the $700 million is money well spent.

I hope that my colleagues after full consideration will support the amendment.

Mr. President, I yield back the remainder of any time I have.

Mr. TALMADGE. Mr. President, I yield 3 minutes to the distinguished Senator from New Mexico who is a member of the Budget Committee, I might point out.

Mr. DOMENICI. Mr. President, I thank my good friend from Georgia.

Mr. President, I am not going to repeat the many facts that have been discussed here today. I am going to attempt to do just two things, first, from my standpoint and for the Senate through me to justify the need and, second, to give my rationale as to why this is not a serious departure from what the Budget Committee had in mind when it met prior to recess.

First of all, let me say, Mr. President, that in this country there are few things remaining that are really working for the benefit of the overall American economy, and among those few at the top of the list are the American farmers. Every place in this economy where you look for general macroeconomic impacts that are good farmers are at the top of the list.

While we are spending $40 billion to import oil, where would we be without the $22 billion that farmers bring into this economy by the fruits of their effort through exports?

I agree with the Senator from Kansas. We must promote that with every skill, every law on the books, and every kind of innovative international financial mechanism. The benefits to America are tremendous.

Second, with all the inflation what is the best of the necessities that Americans need? What is at the top of the list in terms of price, in terms of adequacy, and in terms of a good buy? It is food, the things that American farmers produce.

It seems to me that we as a matter of course in this Government when we find a problem with far less of an impacted community, a community that serves us well, nourishes, and feeds this great economy, with far less of a community of that type we are quick to come to their assistance. If we do not do that here for this group, it appears to me that basically we are almost being ridiculous. We find a new program for every problem in this country, and that reflects in this budget that we are concerned about. Now we find the farmers of America in one tremendous economic predicament.

It seems to me that we would not have any trouble convincing anyone as a matter of substance that the conference report that the House of Representatives and Senate will report soon is right for this country. If it is right the next thing is, do we pay for it or permit it to be paid for under the normal budget practice under our new Budget Reform Act or not? And I think the answer would be overwhelmingly yes.

So the only thing we have to concern ourselves about is the second proposition. Is this apt to destroy or water down the effectiveness of the budget process? And my answer is no. In fact, my answer is unequivocally no because if we knew the facts that we know today 6 weeks ago, just a matter of that time, then I believe we would not even be here because the orderly budget process that we are so proud of would have included it, just as we would have included between the first and second concurrent resolution readjustments in entitlement programs.

If we had figured unemployment wrong and an entitlement program was going to cost $500 million more between target in first and target in second we would put it in as a matter of fact as a matter of that is what the law is. Six weeks ago if we would have known what CBO knows now we would have added, as the Senator has indicated, over $300 million. If we would have known that the President was going to use his power with reference to the set-aside and the relationship of a need for loans, I believe we would have put it in then.

So it appears to me that the only possible thing we would have done would maybe look at the overall expenditures in this budget. But there is no doubt in my mind we are merely today doing

what we would have done and philosophically we are just putting in the numbers to comply with what we had in mind as our notion of an adequate agricultural target.

We had certain ideas. We were going to fund the conference report. It just turns out that it is going to cost more. But we intended in our target to fund that bill. The new estimates indicate that conference report will cost more. So it is very logical to add them at this point in time.

The reason I make so much of the second point is because I have the greatest respect for the budget process, and I do not think I have to repeat what I have said so many times. I have respect that is well beyond that and esteem for the distinguished chairman, the Senator from Maine, and the ranking Republican, and their efforts. I support that process and have worked hard at it. But I really believe as a matter of substance, as a matter of priority and, yes, in conclusion, as a matter of following the orderly process of the Budget Committee, that we should adopt overwhelmingly the amendment proposed by the Senator from Georgia, the Senator from Kansas, and 28 other cosponsors.

I thank the Senator from Georgia for yielding time.

Mr. TALMADGE. I thank the Senator from New Mexico.

Mr. MUSKIE. Mr. President, I yield myself 10 minutes.

First of all, may I say while the Senator from New Mexico is in the Chamber—and I wish to get the attention of the distinguished Senator from Georgia on this point—that the two speakers who have just presented their views on this amendment are members of the Budget Committee, and they are just as vigorous and just as articulate when they argue the farmer's case in the Budget Committee as they are on the Senate floor. So the Budget Committee has not been isolated from the facts, the arguments, and the philosophy that underlie the Senator's amendment.

I simply wish to make that point.

The second point I wished to make was that I am reassured by Senator DOMENICI's conviction that whatever happens to this amendment the budget process will survive. I hope that is so. There is always a risk whenever we change the numbers, but it is the Senate's prerogative to change them.

I just hope that we do not trigger, at some point, an avalanche of disrespect—or disregard, let me put it that way—for the Budget Committee's numbers. But I am reassured, and I know, from the record of his own commitment to the process in the years that we have served together on the committee, that the Senator means what he says, and I express my appreciation to him publicly, even though we disagree on this amendment.

Mr. DOMENICI. May I add just one comment?

Mr. MUSKIE. Yes.

(Mr. ZORINSKY assumed the chair.)

Mr. DOMENICI. I thank the Senator from Maine for those comments, and I would merely say, as a matter of the pragmatics of the budget process, I think the Senator would agree with me that every now and then the institution is going to make a decision that is not exactly what the Budget Committee suggested, recommended, or found. I do not think the Senator from Maine, I, or any other member of the committee would want it otherwise. That is the collective wisdom of the institution; and I think today we are going to justify this departure from accepting the committee's recommendations.

I do not think that means we will accept departures willy-nilly, lightheartedly, or in a series of irresponsible episodes.

Mr. MUSKIE. That is the way it works and is meant to work, and I hope that is the way it will work in the event this amendment prevails.

Mr. President, I would like to take the next 9 or 10 minutes, if I may, to outline tor the Senate what has happened since the early months of this year with respect to this agriculture function.

When the Senate on May 24 debated S. 275, the agriculture bill, which will be before us in a modified form today or tomorrow, a number of Senators who thought that the commodity outlays of the Senate version were too high voted for them anyway in the belief that reductions could be made in conference with the House. As a matter of fact, the Senate representatives in that conference indicated to me their belief that that is what would happen.

Forty-six Senators voted for my amendment supporting an increase in the target price for the 1977 wheat crop to $2.65 per bushel. As we all know, that amendment did not prevail and the conference agreement contains a target price of $2.90 per bushel for the 1977 wheat crop. The Senate-passed bill at the time the budget resolution was reported cost $5.6 billion. The conference version now costs $6.3 billion.

Those who voted for a costly farm bill in which they did not believe are now witnessing the consequences. Events since the Carter administration proposed its budget of $2.3 billion in agricultural outlays have made a mockery of budgetary prudence.

I am especially disappointed that the administration has capitulated to those advocating ever higher farm income supports. There were many Senators who believed the President's assurance that he would veto any farm bill if it were as expensive as the bill which passed this body a little over 3 months ago. Now the farm bill includes all of the costly features of the Senate bill insofar as fiscal 1978 is concerned, and the higher loan levels for the 1977 corn and feed grains crops, yet we hear not a whisper of opposition from the administration. Indeed, the Secretary of Agriculture by administrative action has increased loan levels for the 1977 corn crop to the amounts agreed upon by the conferees. So what began as a modest Carter administration request of $2.3 billion for agricultural outlays on February 22 has now increased nearly threefold to $6.3 billion if this amendment is accepted here today.

One wonders what other Presidential surprises are in store for those of us who believe that the administration is trying to control spending and really means what it said when it promised a balanced budget by 1981. The message is certainly clear. It is simply this—Congress must set its own spending priorities without regard to the shifting positions of the administration. I say that with regret because I know how important it is to have the administration's support in budget battles.

As chairman of the Senate Budget Committee, I want to point out some of the major policy implications of accepting this amendment and thus the conference agreement. In May and again in July, I pointed out to the Senate the possible consequences of the farm bill. In May, I expressed grave concern about some of the provisions of S. 275, particularly the proposed target price for the 1977 wheat crop of $2.90 per bushel, because the best estimates then showed that the Senate bill would cause spending for the agriculture function to exceed the first budget resolution target for fiscal 1978 by $0.8 billion; 45 of my colleagues supported my effort to reduce the cost of that bill and I think they, as well as other Members of the Senate, will be concerned with what I now have to say.

The first budget resolution provided a generous amount for farm price supports and agricultural research and services—$4.35 billion. This was $2 billion more than the Carter administration requested in its February budget message to Congress. The increase was to take care of later estimates for price supports and other agricultural needs and demonstrated that Congress was aware of the severe problems facing farmers in a time of mounting surpluses, deteriorating prices, and increased costs of production.

The second budget resolution which the Budget Committee reported on August 4 was even more generous than the first budget resolution with respect to agricultural outlays. It provided $5.6 billion for the agricultural function, and funded all appropriation actions completed and all known potential later requirements for appropriations, the July estimates by the Congressional Budget Office for price support programs under current law, and the increased costs of price support programs provided for in S. 275, as it passed the Senate. In essence, the second budget resolution agriculture outlay ceiling accommodated current law and the Senate-passed farm bill.

We responded to the mandate of the Senate at that time. May I point this out, Mr. President, with respect to the second budget resolution: The second budget resolution includes a total of five increases over the first budget resolution. The one for the agricultural function is by far the largest. Let me list the others:

Function 920, allowances, $100 million.

Law enforcement and justice, $150 million.

Commerce and transportation, $200 million.

National resources, environment, and energy—surely a high priority by any measure in this Congress—only $800 million.

Agriculture, $1.25 billion.

The Budget Committee in every other function—every other function—has reported decreases from the first concurrent resolution amounting to as much as $1.3 billion. To suggest, in the face of this record, that the Budget Committee was insensitive to the needs and problems of the farmers, is to arbitrarily ignore the record. I think I put this table in the RECORD earlier, and I simply refer to it here at this time.

The conferees on S. 275 were advised by the Senate Budget Committee of its actions during the markup so that they were aware of the amounts provided for farm price supports in the second budget resolution. The conference report on the farm bill was agreed to 1 day after the second budget resolution was reported. It included higher price support provisions for corn and feed grains which are at least $400 million higher than contemplated in the second budget resolution.

So from a budget standpoint, what we are talking about is higher target and loan support levels for wheat and corn than existed under current law at the time the budget resolution was reported. These increased supports make it impossible for the conference agreement on S. 275, when added to current law, to remain within the $5.6 billion outlay ceiling for the agriculture function under the second budget resolution.

I certainly do not mean to imply that all of the increases in agriculture outlays have occurred due to the actions of the conferees on the farm bill. Some of the increases have occurred because of two actions on the part of the administration which have altered the assumption of the Budget Committee when it recommended the $5.6 billion outlay ceiling for the agriculture function. On August 12, the Department of Agriculture altered its crop estimates of current law price support outlays and increased corn outlays by $0.3 billion and wheat outlays by $0.1 billion. These increases were offset by a reduction of previously assumed sugar outlays due to the Attorney General's opinion that the administration's sugar program was illegal. The net effect of these reestimates was an increase in agricultural outlays under current law by $0.1 billion.

A few days later, on August 29, the Secretary of Agriculture announced the administration's set-aside program for the 1978 wheat crop at 20 percent compared to the 30 percent set-aside assumed by the Budget Committee in its cost estimates, and also announced an increase in the price support level of feed grains under current law by $0.6 billion above the best estimates made by the Congressional Budget Office in late July, which was the basis for the budget resolution.

There was some discussion of that estimate by the distinguished chairman of the Committee on Agriculture and Forestry. May I make this point: we have not yet had an official estimate from USDA with which to compare the CBO estimate, but our unofficial information is that USDA is using a number of about $7.6 billion at the present time instead of the $6.3 billion that CBO has recently estimated. I do not know if that will be the final firm estimate of USDA. We did not use that number. We used the CBO estimate. By comparison CBO is more conservative than USDA appears to be trending at the present time.

The combination of new crop information and administrative actions has resulted in a net increase in outlays under current law from $4.7 billion at the time the budget resolution was reported to $5.4 billion, or $0.7 billion.

Now, if we add the increased outlays under the conference agreement on S. 275, this will require an extra $0.9 billion for wheat payments above current law, for an agricultural function total estimated by the Congressional Budget Office at $6.3 billion for fiscal 1978.

The Budget Committee anticipated that a conference agreement on S. 275 might breach the second budget resolution target for the agriculture function, and so it included language in the resolution in the nature of a reconciliation instruction directing the Agriculture Committee to limit the spending under its jurisdiction to an amount not to exceed the $5.6 billion established in the agriculture ceiling. The Budget Committee does not attempt to tell the Agriculture Committee where it should cut programs which produce outlays, but the resolution has the effect of requiring agriculture spending to conform to the budget resolution.

Faced with the consequences of enacting a farm bill that will push outlays above the ceiling of the budget resolution, it is my firm belief that there are substantial reasons to hold the budget resolution to the outlay total of $5.6 billion and to reject this amendment and the conference agreement because it will exceed the amounts set out in the budget resolution by $0.7 billion. An increase of the ceiling to $6.3 billion is unjustified for fiscal year 1978 and these policies heavily mortgage future budgets.

I say this for these reasons:

First, the amendment permits excessive outlays. The administration's action and the conference agreement working together increased projected fiscal year 1978 outlays for agriculture by more than $0.7 billion above the farm bill as it passed the Senate.

Second, the circumstances affecting agriculture are basically unchanged since the first budget resolution. No material change in agricultural policy has taken place since last spring which justifies increased farm spending which will have to be financed by more deficit spending. The American public should not be penalized by additional payments to farmers who planted with full knowledge of the level of price supports they faced.

Third, this is a major breach of a target ceiling. No other legislation except for energy, which was foreseen, has resulted in a major breach of budget targets adopted last spring.

Fourth, this amendment, by permitting the conference agreement, heavily mortgages future budgets. It provides high support levels for future years which will lead to large uncontrollable outlays in the years beyond fiscal 1978. The Congressional Budget Office estimates that fiscal 1979 costs for farm price supports will increase above the fiscal 1978 costs of $4.8 billion to $5.4 billion, and that the 4 year average cost of farm price supports under the bill will be at the high level of fiscal 1978, or $4.8 billion. So, when we add agricultural research and other farm programs, we are talking about budget costs that range between $6 and $7 billion a year over the next 5 years.

Fifth, let me simply say that increases in the agriculture function mean fewer resources for our programs. There is no inexhaustible supply of money to fund every program that we can think of in the Congress. It is irresponsible to add new programs or increase the costs of old programs two or threefold without thinking of what we are doing to the fiscal 1978 budget and later budgets. To provide for a major increase in farm price supports—and that is exactly what we are talking about—simply means fewer resources will be available for other competing goals in other functions or it means increasing the deficit.

Let me assure the Members of the Senate that the Budget Committee is not insensitive to the needs of the American farmer. As I have pointed out, we started off with a $2.3 billion request by the Carter administration and the second budget resolution more than doubled that amount to $5.6 billion. I do not think that the Budget Committee can be accused of being stingy with the American farmer. Neither do I think that the American taxpayer should bear a disproportionate burden to raise farm price supports to levels that are not in accord with fiscal prudence.

In my judgment, the second budget resolution accommodates the reasonable goals of protecting the American farmer and the American taxpayer and the consumer. We ought to defeat this amendment, and we should design a farm bill that fits within the budget resolution. I do not think we ought to do more than this for any segment of our society.

I am deeply concerned that this amendment and the conference agreement on S. 275 will have the effect of preventing a balanced budget by 1981. The level of price supports in the conference agreement on S. 275, as I have mentioned previously, will mean that we will commit at least $6 billion to $7 billion for agriculture outlays each year over the next 5 years. This compares with $2.5 billion in outlays for the agriculture function in fiscal 1976, the latest year for which we have final figures.

Let me also say that higher support levels for farm commodities mean higher food prices for the consumers and greater inflation just when we are making visible progress in the battle against inflation.

So I urge the Senators to consider all of these matters before we vote on this amendment. Now is the time to hold the line. We must apply the standard of budget discipline to agriculture programs just as we do to all other areas of the budget.

Mr. President, that is my case. That, I think, presents the situation with respect to this problem as it has evolved, from my perspective, at least, and I present it to the Senate in that spirit. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I yield myself 10 minutes on the bill.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BELLMON. Mr. President, first, let me say that I agree with the statement Senator MUSKIE has just made. The Budget Committee has attempted to deal fairly with the American farmer in the preparation of both versions of the concurrent resolution. However, the Senate is now caught up, and the Budget Committee is now caught up, by a series of events, many of which could not have been foreseen.

However, some of this dilemma regarding the cost of the agricultural program, I believe, was foreseen earlier on, because farmers who have been responding to the urging of Government to expand production have done so almost with a vengeance. This year, the 1977 crop year, the weather has been good and production has been high all across the farmbelt. It has been foreseeable that prices were going to go down and that the economic crisis in agriculture was developing.

Costs of the farm program have always been highly volatile. While they may be high one year, they may be equally low in a succeeding year. That has been the case in past years.

The farm programs have cost practically nothing during the last 3 years, while farm prices have been high, while export levels have been high, and while the marketplace has been returning a fair return to producers. But the problem of difficulty in estimating costs of the farm program is going to continue to plague Congress as long as we attempt to deal with the agricultural function on a year-to-year basis. We need to take a longer view in considering the discretionary authority which the law gives the administration to control the costs of the farm program and attempt to figure out a way of setting a ceiling, not on a year-to-year basis, but on a longer term so that we can hold the costs of the farm program in line and encourage the administration to use their discretionary authority in that way.

Mr. President, the history of the budget process is relatively short. Even so, we are noticing several common characteristics of every budget. Perhaps the most fundamental characteristic of them all has been the above-mentioned volatility of the target levels for the agricultural function. This volatility is due in great part to the fact that the administration has the tools to cause changes in agricultural spending regardless of congressional action.

Perhaps some of those tools need to be modified so that they will not be used to excess.

Second, the numbers fluctuate greatly according to weather conditions, crop conditions, and international trade developments.

As late as 1 month ago, the Senate Budget Committee agreed upon a number of $5.6 billion for agricultural outlays for fiscal year 1978. We believed at that time that this amount was sufficient to allow for expenditures under current law plus an amount sufficient for every provision of the Senate-passed farm bill (S. 275). One day later, the agriculture conference agreed upon provisions which would have resulted in a total budget of $6.1 billion in fiscal year 1978. Now we find that current law plus provisions of the conference agreement will cost $6.3 billion or, if the USDA figure is used, even more.

Much of this volatility has been caused by administrative actions over the last month: changing the loan level for feed grains, announcing a 20-percent rather than the anticipated 30 percent set-aside program, and USDA reestimates of crop yields.

Mr. President, let me point out that, in the past, the USDA has consistently overestimated crop production and there is a possibility that present estimates may prove, in the long run, to be too high. If that is the case, the cost of this program will be less. Nevertheless, it will always be true that spending requirements in this function are subject to unpredictable changes in weather, international crop and political conditions and discretionary administrative control over loan levels, set-asides, international agreements and Government sales of crop reserves. So, it will always be difficult to arrive at a solid and fixed target.

The task is made more difficult and somewhat misleading by the components of the target. The $6.3 billion can be broken into three categories:

First, $2.7 billion for deficiency and disaster payments to farmers;

Second, $1.5 billion for agricultural insurance, research and services; and

Third, $2.1 billion for loans made by the Commodity Credit Corporation to farmers with grain used as collateral for those loans.

This third category of CCC loans represents a special case of outlays. Loans are secured with good collateral and most loans are repaid. With extended resale provisions, the prospects of repayment increase. These repayments are subtracted from outlays in future years. Over this fiscal year plus the 4 years of the pending farm bill—5 years in all—CBO estimates that these loans will total $12.3 billion. Repayments again according to the CBO are expected to be $10.6 billion of that, or all but $1.6 billion. That is, 86 percent of the loans are expected to be repaid over the life of the loan. I am using the CBO figures. Others earlier, I believe, may have been using USDA figures, which indicated an even higher repayment of the loans. The 1978 fiscal year is exceptional in that 33 percent of the Agriculture function amount is for CCC direct loans. By 1982, CBO projects the CCC loan account to be only 15 percent of the Agriculture function under current law.

All parties in the Congress and administration have expressed concern over the seeming uncontrollability of the Agriculture budget target. I believe Congress should place a ceiling upon total expenditures which can be made for deficiency, disaster, and realized loan losses over the 4-year duration of the farm bill. With the policy tools available to the administration, it is possible to administer the farm program in such a way as to simultaneously benefit the American farmer and consumers while holding costs below the ceiling. I believe the administration should agree to direct its set-aside, loan level, international and food reserve policies in such a way that deficiency, disaster, and loan loss outlays amount to no more than $20 billion for the total of fiscal years 1978 through 1982—5 years. This is exactly the amount projected by CBO under current policy; $18.3 billion for deficiency and disaster payments and $1.7 billion net realized loan loss.

Mr. President, I ask unanimous consent that a chart showing the CBO estimates of the CCC loans and repayments and other costs of the farm program for the next 5 years be printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

CCC LOANS AND REPAYMENTS

[In millions of dollars]

Fiscal year	Total CCC outlays	Net lending component	Deficiency disaster and other component	Gross lending	Loan repayments (equals gross minus net lending)
1978	4,811.9	2,074.5	2,737.4	2,344.4	269.9
1979	5,374.9	1,236.4	4,138.5	2,592.8	1,356.4
1980	4,301.3	707.4	3,593.9	2,164.8	1,457.4
1981	4,915.6	825.6	4,090.0	2,645.3	1,819.7
1982	4,535.2	781.8	3,753.4	2,555.8	1,774.0
5-yr total	23,938.9	5,625.7	18,313.2	12,303.1	6,677.4

	Amount
Loans outstanding, end of 5 yr	5,625.7
Loans expect to recover next 4 yr	3,938.0
Total net realized loss expected	1,687.7

*Assume conference report of agriculture bill:

Total CCC cost:	
Deficiency and disaster	18,313.2
Total net realized loss expected	1,687.7
Total	20,000.9

Mr. BELLMON. These figures show that loans outstanding at the end of 5 years will be $5.6 billion; that loans expected to recover during the next 4 years are roughly $4 billion; so that the net loss of the loans is $1.68 billion and that the costs of the deficiency and disaster program will be $18 billion, giving a total cost of the program of $20 billion.

I believe, Mr. President, that the Budget Committee, the Agriculture Committee, the Appropriations Committee, and the full Senate should insist that the administration administer the farm program so that it does not cost more than the $20 billion that the CBO estimates, which means that the cost would be $4 billion a year. If that happens, it means that, in future years, the program will have to cost far less than the $6.3 billion which is being provided if the present amendment is adopted.

This ceiling should only impose prudence and not hardships upon those individuals administering the farm bill. This amendment, when used in concert with the discretionary authority of the farm bill, will provide producers the full entitlements that the bill mandates. The amounts for agricultural research and services are and should continue to be subject to the yearly guidance of the Appropriations Committee. Likewise, as I have explained, loan amounts which are repaid should not be counted against this ceiling. But controllability requires that we institute an accounting system such as the one I describe.

Mr. President, reluctantly, I thus accept and support the $6.3 billion target for the agriculture function. I recognize the need and, in many cases, the extreme need, for help to a depressed agriculture sector of the economy.

I would like to point out that one reason agriculture is in its present distressed state is that it has been——

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. BELLMON. I yield myself another 2 minutes.

One reason is that the food producers of this country have been responding in a magnificent way to earlier urgings by the administration for increased food production. There was a time, not too long ago, when there was concern about food shortages in this country and in the world. Farmers had been urged to plant from fence to fence so that they could meet the food demand and head off the shortage and avert starvation, which has been threatened in some countries. That policy, in my judgment, has been kept in effect too long. The huge surpluses which have now developed could have been prevented had farmers been given access to world markets. Rather, these markets were cut off by action of the Government, which imposed export embargoes. These things, together, triggered the present situation.

I feel that it is necessary now that the $6.3 billion be made available for the administration of this program to avert an economic disaster in agriculture and that if the program is administered wisely, using the discretionary authority which the Secretary has, this cost can be brought down in subsequent years and the total cost of the program, over the next 5 years, can be held to about $4 billion a year. But, I believe most strongly that a constraint of the type I propose would best satisfy the concerns of the American farmers and all of our interests as consumers and taxpayers.

Mr. President, I reserve the remainder of my time.

Mr. TALMADGE. Mr. President, I yield 2 minutes to the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. CLARK. I thank the Senator.

Mr. President, I rise in support of this amendment. Its effect would be to add some $700 million to function 350, the agricultural function of the second concurrent resolution on the budget.

The issue is clear. It is whether or not we have a Food and Agriculture Act of 1977 available to help our farmers at this very difficult time. If the amendment does not pass, and the farm bill must be recommitted, the delays and confusion that will certainly ensue will cost our farmers untold millions of dollars—this year and in 1978.

The amendment I am supporting here is necessary, not because the Senate-House conference failed to meet its responsibilities and increased the cost of the farm bill. On the contrary, that conference worked hard to reduce the 1978 cost of the farm bill and did so by cutting back the loan and target price levels below those recommended by the Senate Agriculture Committee and approved by the Senate. It is necessary because weather and markets changed since last May.

In spite of the work of the conference committee, most recent estimates of cost of the farm bill for 1978 and later years have increased compared to estimates made last spring and summer. For that reason, we are told, the farm bill should be recommitted to the Agriculture Committee so that some $700 million can be cut from the 1978 cost of that bill.

Mr. President, such an action would violate the purpose of the farm bill, and it would so greatly reduce its effectiveness that I hope this body will join with me in support of the Talmadge amendment and remove this threat to the farm bill.

The basic purpose of farm legislation is to provide producers and consumers of food and fiber essential protections against disastrous swings in price.

Our farmers cannot control the weather. Therefore, they cannot control their production. The "boom and bust" cycle is a classic characteristic of agriculture. Government programs alone have demonstrated any success in moderating this cycle.

Because we can neither control nor predict the weather, we cannot predict the need for farm programs. Our best estimates of the cost of farm programs this year or any year are merely guesses about what the weather will be.

So, I believe, the issue is that the farm bill either provides the basic protections it was designed to provide, and which are so badly needed even now, or it does not. If we are to send the farm bill back to the drawing board every time the weather causes us to use some of the protections in the bill, we cannot have an effective and equitable set of farm programs.

I support the budget process. I believe the Congress should be subject to its discipline. But the budget process is essentially a planning process. We cannot hold to any plan more exactly or specifically than our knowledge and control of future events permits.

That fact has been well recognized in the design of farm program authorities since the 1930's. The Secretary of Agriculture, through the Commodity Credit Corporation, has authority to operate programs as authorized by the Congress, and then come back to the Congress for reimbursement after the fact—after the need is known. That concept underlies a number of programs with responsibility to fill unpredictible needs. To support it, we must allow the congressional budget process to be sufficiently flexible to accommodate the genuine needs of programs with unpredictible responsibilities. We can do that by passage of the amendment now under consideration.

Mr. President, the need for the new farm bill—the Food and Agriculture Act of 1977 is great and immediate. I spent much of the past month of August walking through parts of Iowa. Many farmers there have crops ruined by dry weather. These farmers desperately need the new disaster provisions contained in S. 275—without these new provisions, many of these farmers will face bankruptcy.

But even more than the weather, low prices are on the minds of Iowa farmers. They expect to take their lumps from the weather, and they understand that, even though they dread it.

But right now corn in Iowa is selling for less than $1.50 per bushel. Mr. President, that is about 70 cents below the cost of production of a bushel of corn—about two-thirds of the cost of production standard Congress has selected as the measure of the minimum fair price.

Farmers are angry about these prices—and about the delays in making programs available to help them with these problems. Farmers planted large acreages because prices were good, but also because the Government urged them to. Now they face economic disaster because we have had two good crop years.

And, farmers are even angrier that Congress may delay a program badly needed now because of a concern over estimates of the future cost of the bill. The Senate did, in fact, debate the issue of future cost of the farm bill last May and an attempt to remove important protections from the bill was defeated. Farmers cannot understand why that issue should once again threaten the bill.

Mr. President, the costs of the farm bill are small compared to the benefits it contains. I hope the Senate will join me in support of this amendment and permit the agriculture function to be funded at the level of cost now expected.

Mr. President, because of the shortness of time, I would like to make simply one point that seems to me to be very rele-

vant to this discussion now, that agricultural policy, farm support prices, and so forth, are dependent almost entirely upon the weather and that they must be funded, these support prices, in a flexible enough way to allow for the changes in weather.

It is not unlike trying to fund disaster programs. No committee of budget appropriation can predict natural disasters and no committee can predict weather. That is what is involved here because the costs, the entire cost, of farm support prices are dependent upon unpredictable weather conditions.

Corn and wheat farmers received virtually no price supports in 1973, 1974, 1975, or 1976. Why not? Only one reason, in my judgment, and that was that the world's weather was unusually bad, our exports were high, with the result that support prices were not necessary.

So the planned expenditures in 1973 and 1974 never took place. Farm support prices were, generally speaking, not used in those years. We did not need them.

Now, this year and last, the weather has been unusually good all over the world. Prices, naturally, have come down, exports have gone down, so support prices are needed.

For more than 40 years, we have had support prices to assist farmers when surpluses did exist in these kinds of situations. The two Houses have worked their will to their best judgment on what protections are necessary and appropriate for farmers and consumers.

If the weather had been bad in the Soviet Union, China, or India these last few months, this amendment could say, "Let's lower the amounts needed for support prices in the budget."

That is not the case.

The PRESIDING OFFICER. The time has expired.

Mr. CLARK. May I have 1 more minute?

Mr. TALMADGE. Yes.

Mr. CLARK. That is not the case. Weather, in fact, has been good.

Support prices are needed. We do not need a program except on these occasions when, in fact, the weather has been particularly good and support prices are down.

I just completed walking abut 200 miles through western and central Iowa. These farmers have not received supprt prices for 5 years. They did not need support prices because of weather conditions. This year, they do.

If they are going to turn down this amendment and say for the first time in 5 years when support prices are needed, "You can't have it," it seems to me we ought not deceive farmers into thinking, or consumers, that these protections that are written into law really mean anything at any time.

So I hope that we adopt this amendment and thus make possible price supports at a meaningful level.

Mr. TALMADGE. Mr. President, I yield 2 minutes to the distinguished Senator from North Dakota who served on our committee longer than any other member.

Mr. YOUNG. I thank the Senator.

Mr. President, we seem to be talking about agriculture only as an ordinary industry today. There is more money invested in agriculture than any other segment of our economy. No other segment is as important as agriculture. It provides food and fiber, and what is more important than food and fiber to our people, as well as possible around the world?

But there are other industries closely associated with agriculture. Farm machinery dealers provide a great amount of necessary credit to farmers. This is true of the oil industry. This is true of the fertilizer industry. They have given a great amount of credit to farmers in the past year when prices dropped sharply.

In talking recently with Governor Wilkinson of the Farm Credit Administration, he recognized there would be much more credit needed for farmers this year than perhaps ever before. Farm debt now is over $100 billion. He said they were going to do all they could to carry farmers through, but he recognized that it would be utterly impossible for the Farm Credit Administration, with their vast credit resources, to give anywhere near to meet the need of farmers.

That is why this bill is so necessary. It does represent, I say again, the biggest and most important segment of our economy. If our farmers were not as efficient as they are and produced less and there was a little scarcity of food, prices would be better, we would need no farm program.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I yield 2 minutes to the distinguished Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, there is no question but what the senior Senator from Maine speaks with authority regarding the congressional budget, but the whole process is a question of priorties. What do we hold to be most important, or less than important, or moderately important? The question we are facing on these priorities is either we keep these ordinary farmers, these family farmers and ranchers, going or we lose them. They will be out of business. They will be broke. It is that tight.

The credit crunch for these operators is very tight. It is perilous for many of them.

What happens to the country if they go under?

Well, Mr. President, I refer to a column by the well-known economist, Eliot Janeway, which appeared on Sunday, April 24, in the Washington Star, where he reviewed what history has taught us. He said:

> But the main lesson bequeathed by the dire experience of the late 1920s and early 1930s is that boom conditions in the industrial economy, and in the stock market, will not be sustained if depression conditions are tolerated in the farm economy.

He goes on to say that the main lesson bequeathed by the dire experience of the late 1920's and early 1930's is that boom conditions in the industrial economy, and in the stock market, simply cannot be maintained if the farm economy goes to pot:

> This lesson, if pondered and acted on, will prevent the clear and present danger of a repeat performance of the last Depression.
>
> At that time, the one statesmanlike voice that was heard, but heeded too late, was that of the late, great Eugene Meyer, the most practical financier of his day, and, therefore the most frustrated.
>
> He was a prophetic dissenter of the Hoover years, when he served as chairman of the Federal Reserve Board.
>
> He saw clearly and warned incessantly that if a farm depression were allowed to develop, it would pull the props out from under a top heavy debt structure in the industrial economy and in the stock market.

Mr. President, we are doing this not just for farmers; we are doing it for the entire economy of this country. We need the additional outlays to protect these farmers, not just for themselves, not just for agriculture, but for all the economy of the country.

The PRESIDING OFFICER (Mr. LEAHY). Who yields time?

Mr. MUSKIE. Mr. President, I take it that neither the distinguished chairman of the Agriculture Committee nor I have further requests for time. I did not expect requests for time. I have had no requests for time. I may well be the only Senator on this side of the issue. In any case, I have no requests for time. I intend to take only 3 or 4 minutes for summation, and then I will yield back the remainder of my time, unless I unexpectedly receive a request for time.

Mr. TALMADGE. I have 3 or 4 minutes.

Mr. MUSKIE. Mr. President, I yield myself 3 minutes. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, I see no need to repeat the record of what has led to this amendment or the rationale for the numbers in the second budget resolution as presented by the Budget Committee. But I do want to make this point clear:

The second concurrent resolution was approved by the Budget Committee and reported to the Senate just prior to the August recess. The reason this amendment is pending before us is threefold. Since the Budget Committee's agreement, the following three events have occurred:

First, the conference report on S. 275 was agreed to by the Agriculture Committee 1 day after the second budget resolution was reported. It would cost $1.6 billion over existing law. The law has been changed, compared to the Budget Committee's allowance of $900 million. That is the difference of $700 million about which we are talking. It has nothing to do with weather, except insofar weather and the farmers' problems motivated the committee to do this. It was not the automatic result of current law. It was a change in current law.

Second, the administration has administratively raised price supports for

feed grains to the level provided for in the conference report and provided a setaside for wheat lower than was calculated in the formation of the budget resolution. The combination of these two administrative actions has raised the estimated cost of existing law by $600 million.

Third, the USDA has reestimated the yield of the current harvest, producing an increase in the estimated cost of price support programs under existing law of $100 million. That reestimate, of course, does reflect weather conditions that change the crop estimates. The last two of these reasons could have been accommodated by the second budget resolution.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUSKIE. I yield myself 1 additional minute.

The last two of these reasons could have been accommodated by the second budget resolution if the first event had not taken place, or the first event could have been accommodated if the last two had not taken place. However, to suggest that the reason for the increase is wholly the result of the third condition or third factor is to ignore the first two.

In summation, I think the RECORD should include that record of what has taken place since the Budget Committee reported the resolution just prior to the recess.

With that, Mr. President, I think the record is complete, from my point of view, and I will yield back the remainder of my time when the distinguished Senator from Georgia has completed his summation.

Mr. TALMADGE. Mr. President, first, I pay my respects and very high tribute to the distinguished Senator from Maine, who is chairman of the Budget Committee. In my opinion, he has done an outstanding job in that capacity.

I find myself voting with him far more often than I find myself voting against him, but in this particular instance, he happens to be wrong. [Laughter.] I hope a majority of the Senate will happen to be right.

I also pay my tribute to the distinguished ranking minority member of the Senate Committee on the Budget, the Senator from Oklahoma, who serves not only on the Budget Committee but also serves with distinction on the Committee on Agriculture, Nutrition, and Forestry. The Senator from Oklahoma is a man who farms for a living. He still farms. He knows the vagaries of farming to a very high degree. He has been an outstanding member of our Committee on Agriculture, Nutrition, and Forestry. He has been an outstanding member of the Committee on the Budget. I believe that his speech this morning on the floor of the Senate is worthy of high consideration. I hope that this will mean that we can consider the matter of agriculture on more than an annual basis.

As has been pointed out this morning by virtually every Senator who spoke in favor of the amendment pending at the desk, no one on the face of the Earth can predict the weather. The weatherman who reports the weather for today is as wrong as often as he is right. How can you expect anyone to predict the weather for the entire United States during an annual growing season? It is an utter impossibility. If they cannot predict the weather for the United States, how can they be expected to predict the weather in the Soviet Union, in Europe, in China, in Afghanistan, in Patagonia? Weather determines to a greater degree than anything else the production yields worldwide.

For 2 or 3 consecutive years, we have had favorable growing weather, not only in the United States but worldwide as well. Even Bangladesh at the present time has adequate grain reserves. India at the present time has a surplus of grain reserves.

So, what is the situation? The reserves of wheat are the highest of any time in the history of mankind. What has that done? It has driven the price of wheat down to 40 percent of parity. Wheat farmers throughout America are going broke. Many farms are being foreclosed, particularly those of young farmers who have overexpanded, without a great deal of equity in their farms or their machinery.

In the United States we have had the second largest corn crop in the history of mankind. The second largest soybean crop in the history of the United States is predicted for this year. That has driven farm prices down, while yields have gone up. The demand worldwide has gone down, and that has driven prices down. That is why we now need some legislation to protect the farmers of this country. They are in worse shape now than they have been at any time since the depression days of 1933, and we remember what happened during those years. A book was written about the Oakies migrating to the West—The Grapes of Wrath. That is a situation we see in many parts of America today.

In my State, we have had the worst drought in the history of Georgia. The estimated loss about 7 weeks ago was $700 million—in 1 year.

In other areas of the country, we have had severe drought. However, in most areas of the country we have had good weather conditions, which have caused the largest yields in the history of our Republic.

Much has been mentioned today about the budget and the sanctity of the budget.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield.

Mr. MAGNUSON. Mr. President, I am going to vote for the Senator's amendment. I have not had an opportunity to discuss this amendment, as I just returned from my home State. I see the Senator from Idaho in the Chamber.

Despite all the conditions about which the Senator from Georgia has talked, in our area I think we have had the worst drought conditions in our history, particularly with respect to wheat and pea farmers.

The crop is down by as much as 50 to 40 percent, and they are really going broke. Without a bill like this—I would like to see the bill even better, in better shape than what it is.

Mr. TALMADGE. May I say to the distinguished Senator that most farmers have complained bitterly that it is inadequate.

Mr. MAGNUSON. This is absolutely the minimum these farmers can get along with. I do not know if they will survive even with this minimum. But if we do not do this, we are going to have more young people leave the farms, more bankruptcies, machinery prices up. Just last week I was in our area, may I say to the Senator from Idaho, all through there, and I never realized how bad the situation was because of this drought. It has rained a little. One of the days I was there it rained, and I had a little joke, I took credit for it. I took credit for the rain. But it was hardly enough to plant the winter wheat. So that is why the job the Committee on Agriculture has done is very, very important.

I know the argument the Senator had on the House side, but I am glad to be here now to be able to vote for it.

Mr. TALMADGE. I thank my distinguished friend from Washington for his comment and his support.

I yield now to my distinguished friend from Idaho.

Mr. McCLURE. I thank my friend from Georgia for yielding.

I want to second what the Senator from Washington just said. Eastern Washington and northern Idaho have been in the worst shape they have been in any kind of recorded history in the memory of man.

The eastern Palouse along the edge of Idaho and Washington, in that area the crops were 30 percent of normal or below, and I wish it were possible for us to extend to them some financing——

Mr. MAGNUSON. If the wheat farmer got up to 50, he would consider himself a very lucky person out there.

Mr. McCLURE. He would be very lucky because he would have more than the normal for that area this year.

Interim financing may be more important to those farmers than any other kind of a loan program on crops produced because he has nothing to put under loan, and the result is that as important as this legislation is, there is work yet to be done for some of those people. But I certainly support the statements that have been made, and I support the amendment.

Mr. TALMADGE. I thank my distinguished friend from Idaho.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Georgia has 4 minutes remaining.

Mr. TALMADGE. I thank the Chair.

Now, Mr. President, much has been said about the budget, and I support a balanced budget. In fact, I have offered a constitutional amendment to require a balanced budget, and I wish the Senate would agree to it.

But let us see what has been happening now to the budget in recent years. I hold in my hand the budget of the Gov-

ernment of the United States for 1978. Let us look at agriculture. Farm income stabilization in 1969 cost the U.S. taxpayers $5.304 billion. It has been going down, down, down ever since. In 1976 it cost the taxpayers of the United States $1.574 billion.

I ask unanimous consent that that table (Budget Outlays by Function, 1969–79) from the budget for fiscal year 1978 be included in the RECORD at this point, Mr. President.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 19.—BUDGET OUTLAYS BY FUNCTION, 1969–79

[In millions of dollars]

Function	Actual									Estimate		
	1969	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979
050 National defense:												
051 Department of Defense—Military:												
Military personnel	21,374	23,031	22,633	23,036	23,246	23,728	24,968	25,064	6,358	26,212	26,005	26,235
Retired military personnel	2,444	2,849	3,386	3,885	4,390	5,128	6,242	7,296	1,947	8,234	9,035	9,704
Operation and maintenance	22,227	21,609	20,941	21,675	21,069	22,478	26,330	27,902	7,261	31,146	33,539	35,242
Procurement	23,988	21,584	18,858	17,131	15,654	15,241	16,042	15,964	3,766	18,710	23,786	28,840
Research and development	7,457	7,166	7,303	7,881	8,157	8,582	8,866	8,923	2,206	9,993	11,350	12,478
Military construction and other [1]	525	1,059	1,552	1,655	895	2,627	2,754	3,043	383	3,931	5,984	8,403
Deductions for offsetting receipts	−143	−148	−126	−113	−113	−159	−182	−155	5	−176	−176	−107
Subtotal, 051	77,872	77,150	74,546	75,151	73,297	77,625	85,020	88,036	21,926	98,050	109,523	120,795
052 Military assistance	789	731	999	806	531	819	999	501	183	250	577	494
053 Atomic energy defense activities	1,389	1,415	1,385	1,373	1,409	1,486	1,506	1,565	435	1,829	2,162	2,459
054 Defense-related activities	162	−8	−120	29	−162	−1,349	−936	−103	−27	−52	3	5
Deductions for offsetting receipts	−5	−3	−3	−2	−4	−13	−4	−3	1	−3	−3	−3
Total national defense	80,207	79,284	76,807	77,356	75,072	78,569	86,585	89,996	22,518	100,075	112,262	123,798
150 International affairs:												
151 Foreign economic and financial assistance	3,142	2,935	2,902	3,235	2,870	2,884	3,665	3,568	1,526	5,059	5,221	5,389
152 Conduct of foreign affairs	370	398	405	451	475	606	658	726	262	1,030	1,091	1,180
153 Foreign information and exchange activities	237	235	241	274	295	320	348	382	115	394	422	446
155 International financial programs	246	219	−184	184	498	1,178	1,454	836	253	1,179	1,074	1,191
Deductions for offsetting receipts	−211	−223	−271	−277	−634	−167	−263	−446	−160	−512	−527	−579
Total international affairs	3,784	3,564	3,093	3,868	3,504	4,821	5,862	5,067	1,997	7,150	7,281	7,627
250 General science, space, and technology:												
251 General science and basic research	938	947	1,009	978	961	1,018	1,038	1,035	292	1,077	1,216	1,328
253 Space flight	2,900	2,340	1,988	1,906	1,726	1,694	1,661	2,000	525	2,044	2,156	2,230
254 Space science, applications, and technology	794	653	830	952	1,041	947	958	980	251	960	974	1,205
255 Supporting space activities	387	370	355	338	304	322	334	358	94	354	381	441
Deductions for offsetting receipts	−4	−3	−2	−2	−1	−3	−2	−3	−1	−2	−2	−2
Total general science, space, and technology	5,016	4,508	4,180	4,174	4,030	3,977	3,989	4,370	1,161	4,434	4,725	5,202
300 Natural resources, environment, and energy:												
301 Water resources and power	1,728	1,674	2,053	2,315	2,493	2,540	3,274	3,600	981	4,790	4,895	4,743
302 Conservation and land management	567	717	855	784	725	740	1,300	1,245	477	1,464	1,370	1,352
303 Recreational resources	380	372	476	521	566	665	825	895	256	1,237	1,381	1,512
304 Pollution control and abatement	303	384	702	764	1,122	2,035	2,522	3,067	1,091	5,196	5,913	6,043
305 Energy	952	931	831	1,028	1,015	623	1,611	2,385	649	4,115	6,094	6,892
306 Other natural resources	370	432	498	571	570	673	762	897	229	1,048	1,092	1,122
Deductions for offsetting receipts	−400	−467	−475	−463	−544	−705	−756	−807	−359	−800	−997	−1,045
Total natural resources, environment, and energy	3,901	4,043	4,941	5,521	5,947	6,571	9,537	11,282	3,324	17,050	19,747	20,619
350 Agricultural:												
351 Farm income stabilization	5,304	4,589	3,651	4,553	4,099	1,458	785	1,574	343	1,773	1,188	731
352 Agricultural research and services	520	579	639	728	758	775	887	921	240	1,128	1,147	1,163
Deductions for offsetting receipts	−46	−5	−2	−2	−3	−3	−2	7	1	−2	−3	−3
Total agriculture	5,779	5,164	4,288	5,279	4,855	2,230	1,660	2,502	584	2,899	2,333	1,891
400 Commerce and transportation:												
401 Mortgage credit and thrift insurance	−624	104	−251	−42	−1,192	1,519	2,810	1,229	276	−2,090	217	−573
402 Postal Service	920	1,510	2,183	1,772	1,567	1,698	1,877	1,720	938	2,272	1,472	1,435
403 Other advancement and regulation of commerce	247	477	474	488	552	714	939	867	182	1,036	1,094	1,302
404 Ground transportation	4,443	4,678	5,180	5,353	5,640	5,583	6,501	9,305	2,284	10,119	11,298	11,307
405 Air transportation	1,220	1,422	1,824	1,925	2,177	2,236	2,408	2,557	587	2,843	3,190	3,300
406 Water transportation	874	913	1,052	1,111	1,231	1,354	1,459	1,558	417	1,885	1,964	1,836
407 Other transportation	21	26	37	36	56	57	74	65	28	83	85	91
Deductions for offsetting receipts	−36	−40	−103	−43	−101	−64	−60	−52	−12	−43	−67	−65
Total commerce and transportation	7,065	9,090	10,396	10,601	9,930	13,096	16,010	17,248	4,700	16,106	19,252	18,632
450 Community and regional development:												
451 Community development	1,631	2,328	2,613	3,110	3,088	3,045	3,149	3,527	1 139	4,892	5,112	4,854
452 Area and regional development	566	593	680	836	879	1,111	912	1,266	299	2,240	2,339	1,779
453 Disaster relief and insurance	40	257	353	396	1,580	782	398	522	111	596	457	520
Deductions for offsetting receipts	−12	−13	−14	−16	−19	−27	−27	−15	−19	−33	−39	−42
Total community and regional development	2,224	3,166	3,632	4,325	5,529	4,911	4,431	5,300	1,530	7,695	7,868	7,111
500 Education, training, employment, and social services:												
501 Elementary, secondary, and vocational education	2,728	3,107	3,544	3,962	3,745	3,771	4,634	4,690	1,207	5,225	5,494	5,389
502 Higher education	1,232	1,385	1,433	1,447	1,532	1,349	2,050	2,663	739	3,434	2,934	2,890
503 Research and general education aids	330	521	520	523	668	867	947	774	186	1,100	1,193	1,158
504 Training and employment	1,560	1,602	1,952	2,894	3,283	2,910	4,063	6,288	1,912	6,842	5,349	4,270
505 Other labor services	122	135	157	184	202	219	259	301	83	380	415	424
506 Social services	908	1,148	1,449	2,694	2,455	2,496	3,301	3,456	887	4,138	3,977	4,020
Deductions for offsetting receipts	−10	−10	−10	−11	−10	−13	−5	−5	−1	−5	−6	−5
Total education, training, employment, and social services	6,871	7,888	9,045	11,694	11,874	11,598	15,248	18,167	5,013	21,114	19,358	18,146
550 Health:												
551 Health care services	9,537	10,648	12,107	14,538	15,476	18,502	23,405	28,655	7,556	34,454	26,020	28,225
552 Health research and education	1,459	1,577	1,687	1,952	2,272	2,334	2,677	3,086	934	2,762	2,623	2,454
553 Prevention and control of health problems	348	362	459	541	638	750	883	963	251	1,096	945	947
554 Health planning and construction	415	469	465	443	449	494	687	752	−20	947	1,322	1,304
555 General health financing assistance											12,302	13,774
Deduction for offsetting receipts	−2	−6	−2	−3	−3	−6	−5	−8	−1	−8	−8	−8
Total health	11,758	13,051	14,716	17,471	18,832	22,074	27,647	33,448	8,720	39,251	43,205	46,696

Footnotes at end of table.

TABLE 19.—BUDGET OUTLAYS BY FUNCTION, 1969-79—Continued

[In millions of dollars]

Function	Actual									Estimate		
	1969	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979
600 Income security:												
601 General retirement and disability insurance	28,288	31,303	37,485	41,966	51,684	58,613	69,383	77,173	20,930	88,062	95,689	104,696
602 Federal employee retirement and disability	1,732	2,688	3,191	3,789	4,500	5,645	6,980	8,174	2,319	9,662	11,094	12,486
603 Unemployment insurance	2,583	3,364	6,169	7,076	5,356	6,065	13,549	19,452	3,994	16,380	13,861	10,977
604 Public assistance and other income supplements	4,679	5,712	8,580	11,081	11,419	14,108	18,783	22,609	5,553	24,014	23,249	24,680
Deductions for offsetting receipts	−1	−2	−2	−2	−2	−*	−1	−1	−*	*	−*	−*
Total income security	37,281	43,066	55,423	63,911	72,958	84,431	108,605	127,406	32,796	138,118	143,892	152,838
700 Veterans benefits and services:												
701 Income security for veterans	5,036	5,546	5,966	6,344	6,533	6,789	7,860	8,350	2,082	9,107	9,195	9,125
702 Veterans education, training, and rehabilitation	701	1,015	1,659	1,960	2,801	3,249	4,593	5,531	784	4,138	3,328	3,023
703 Hospital and medical care for veterans	1,564	1,800	2,036	2,425	2,711	3,006	3,665	4,046	1,039	4,851	5,135	5,441
704 Veterans housing	102	54	−179	−317	−381	−15	24	−72	−50	−271	21	−239
705 Other veterans benefits and services	239	263	296	320	350	359	458	578	110	565	603	612
Deductions for offsetting receipts	−2	−2	−2	−2	−2	−2	−2	−2	−1	−2	−2	−2
Total veterans benefits and services	7,640	8,677	9,776	10,730	12,013	13,386	16,597	18,432	3,962	18,388	18,279	17,960
750 Law enforcement and justice:												
751 Federal law enforcement and prosecution	553	672	821	971	1,168	1,291	1,593	1,852	529	2,134	2,219	2,218
752 Federal judicial activities	112	134	146	172	188	204	279	313	83	387	423	440
753 Federal correctional and rehabilitative activities	71	88	104	128	158	202	226	238	64	290	327	354
754 Law enforcement assistance	29	65	233	380	624	770	853	921	213	907	827	750
Deductions for offsetting receipts	−3	−6	−6	−2	−7	−5	−9	−4	−31	−6	−6	−6
Total law enforcement and justice	761	952	1,299	1,650	2,131	2,462	2,942	3,320	859	3,712	3,789	3,756
800 General government:												
801 Legislative functions	254	303	342	404	438	521	588	677	182	868	914	898
802 Executive direction and management	25	30	38	59	72	117	63	68	16	80	74	73
803 Central fiscal operations	808	934	1,013	1,183	1,209	1,329	1,752	1,798	429	1,983	2,124	2,139
804 General property and records management	587	616	637	719	910	1,030	418	95	67	328	358	356
805 Central personnel management	38	44	51	58	67	74	88	107	25	110	111	113
806 Other general government	88	158	218	189	221	419	472	454	228	545	500	589
Deductions for offsetting receipts	−151	−145	−141	−146	−235	−164	−292	−272	−69	−184	−152	−152
Total general government	1,649	1,940	2,159	2,466	2,682	3,327	3,089	2,927	878	3,731	3,930	4,016
850 Revenue sharing and general purpose fiscal assistance:												
851 General revenue sharing					6,636	6,106	6,130	6,240	1,588	6,782	6,819	6,860
852 Other general purpose fiscal assistance	365	451	488	531	586	640	875	879	436	2,144	1,270	1,393
Total revenue sharing and general purpose fiscal assistance	365	451	488	531	7,222	6,746	7,005	7,119	2,024	8,926	8,089	8,253
900 Interest:												
901 Interest on the public debt	16,588	19,304	20,959	21,849	24,167	29,319	32,665	37,063	8,102	42,000	44,600	47,300
902 Other interest	−796	−992	−1,350	−1,267	−1,355	−1,247	−1,691	−2,474	−856	−4,013	−4,865	−4,881
Total interest	15,793	18,312	19,609	20,582	22,813	28,072	30,974	34,589	7,246	37,987	39,735	42,419
Allowances:												
Civilian agency pay raises											1,151	2,311
Contingencies for:												
Relatively uncontrollable programs											0	0
Other requirements											1,500	2,000
Total allownaces											2,651	4,311
950 Undistributed offsetting receipts:												
951 Employer share, employee retirement	−2,018	−2,444	−2,611	−2,768	−2,927	−3,319	−3,980	−4,242	−985	−4,592	−4,670	−5,107
952 Interest received by trust funds	−3,099	−3,936	−4,765	−5,089	−5,436	−6,583	−7,667	−7,800	−270	−8,201	−8,659	−9,700
953 Rents and royalties on the Outer Continental Shelf	−428	−187	−1,051	−279	−3,956	−6,748	−2,428	−2,662	−1,311	−2,600	−3,100	−2,500
Total undistributed offsetting receipts	−5,545	−6,567	−8,427	−8,137	−12,318	−16,651	−14,075	−14,704	−2,567	−15,393	−16,429	−17,307
Total budget outlays	184,548	196,588	211,425	232,021	247,074	269,620	326,105	366,466	94,746	411,243	439,967	465,967

[1] Includes allowances for civilian and military pay raises for Department of Defense. *Less than $500,000.

Mr. TALMADGE. Now, let us look at some other functions of Government found on table 19. Let us look at function 600, income security. In 1969 that cost the taxpayers $37,281 million. By 1975, Mr. President, that had increased to $127,406 million, an increase of nearly fourfold in a period of 8 years.

Let us look at some other items now. Total health 1969. That figure was $11,758 million. By 1975, just 6 years later, it was $33,448 million, an increase of almost 300 percent in 8 years.

So while these other functions of Government, are going up, the cost of agriculture has been going down, down, down. Every other item of Government, every other expenditure of Government, has been going up, up, up.

So, Mr. President, this is one time we are asking for the expenditure for agriculture to be increased. The only reason we are asking there be an increase instead of a decrease—and I have been chairman of the Committee on Agriculture now for about 6 years, and every year under my chairmanship the cost of agriculture has been going down because we have had favorable markets overseas, and now we do not have those favorable markets. We have huge surpluses, we have price declines, we have farmers in need. We have wheat farmers at 40 percent of parity; grain farmers at 48 percent of parity; other farmers who are producing commodities below the cost of production.

So I hope, Mr. President, the Senate will agree to the amendment by an overwhelming majority.

I yield back the remainder of my time.

Mr. MUSKIE. Mr. President, I would just like to take 2 minutes to make an observation, if I may, and then I will yield back the remainder of my time.

I would like to point out to the distinguished Senator from Georgia that if his constitutional amendment requiring a balanced budget were in effect, his amendment would be out of order unless we could find a way to cut $64.7 billion from other functions of the budget. If we were to do that, we would produce other deficits which would require a mandate for other cuts.

So we have to choose between that kind of mandated budget discipline or the kind of discipline which forces upon us the responsibility of choosing between good programs. Otherwise we are going to be out of balance.

The Senator has correctly pointed to the growth in income security functions. The biggest single item is that, as the Senator knows as a member of the Committee on Finance, is social security. That presumably benefits people on the farm as well as people in the cities. So social security payments are payments made under a formula mandated by law. It is not anything we can control. We

cannot cut that to make funds available for the agriculture function.

The health function has grown largely under the leadership of the distinguished Senator from Washington (Mr. MAGNUSON) who has been one of the most articulate spokesmen for increased health expenditures in the interests of the American people, and he has made an eloquent, persuasive and justified case for those increases.

But the net result, gentlemen, is we cannot rob Peter to pay Paul. We must somehow apply the discipline across the board. It is only in that spirit that I have made the case I have tried to make today.

ADDITIONAL STATEMENTS SUBMITTED

Mr. ABOUREZK. Mr. President, I am pleased to be a cosponsor of the Talmadge amendment that would increase the outlay levels for function 350, Agriculture, from the Budget Committee's reported level of $5.6 billion to $6.3 billion.

During the Budget Committee's markup of the second concurrent resolution, I supported an amendment which would have increased the agriculture outlays above the levels assumed by the Budget Committee. Unfortunately, that amendment was rejected in committee.

However, the committee did make explicit the basis for arriving at its outlay total of $5.6 billion—namely to permit funding of the Senate-passed version of the farm bill—estimated to cost approximately $0.9 billion—plus funding of "current policy." During the month of August, however, two actions over which neither the Budget Committee nor the Agriculture Committee had any control, occurred. These two actions; namely, the President's decision to set aside 20 percent of the wheatland, plus the increases in the loan rate for feed grains, has caused the "price" of current policy to be increased by approximately $700 million, the difference between the Budget Committee's agriculture mark and the levels which the Talmadge amendment would establish.

Because of this increase in current policy, and not because of direct action by either the Budget Committee or the Agriculture Committee, the functional total for agriculture must be raised in order to accommodate the conference agreement on S. 275, the Food and Agriculture Act of 1977. I strongly support this conference agreement, and hope that the Senate will give its quick approval to it.

It must be realized that this adjustment to the Agriculture function is, in my view almost equivalent to a "technical amendment," one that makes no change in the policy assumptions adopted by the Budget Committee during its markup on the second concurrent resolution on the budget. I see no inconsistency in cosponsoring the Talmadge amendment and supporting the Budget Committee resolution.

Again, I hope that the Senate will give its approval to both the Talmadge amendment, and to the budget resolution.

BUDGET-BUSTING IN AGRICULTURE

Mr. HEINZ. Mr. President, I must oppose the amendment to increase the functional ceiling for agriculture in the second concurrent budget resolution for the simple reason that it represents a wholesale attack on fiscal responsibility and the painstaking work of the Senate Budget Committee. It would be defaulting on my obligation as a member of the committee, whose charge it is to discipline Federal spending, to permit such a shameless extravagance.

It is incredible to realize that the President—who is himself a farmer—only this year submitted a budget request for function 350, agriculture, of $2.3 billion. Following the recent House-Senate conference on the farm bill, the prospect is now $6.1 billion, and I understand that some elements in the House are even contemplating $6.3 billion.

It must be remembered that before recess, the Senate Budget Committee not only acceded to an already whopping $5.6 billion figure, but actually saw fit to take the Draconian step of including in the resolution it reported a "reconciliation instruction" to insure that the Agriculture Committee would keep under this figure. The agriculture conference cavalierly ignored our committee's work.

Mr. President, I ask unanimous consent to include in the RECORD the supplemental views of mine on this subject which appeared in the report of the Budget Committee on the second concurrent resolution.

There being no objection, the views were ordered to be printed in the RECORD, as follows:

SUPPLEMENTAL VIEWS OF SENATOR HEINZ

Under the skillful and often courageous guidance of Senators Muskie and Bellmon, the Committee has again performed its difficult but necessary duty of exerting some downward pressure on Federal spending, if not quite yet succeeding in getting it under our thumb. I don't know whether we will in fact end up achieving that celebrated balanced budget by 1981, as the President keeps promising, but at least it can be hoped that the Senate Budget Committee will be able to look back content that it did its best, consistent with the demands of fiscal policy and human compassion.

It is with regret, then, that I note the one glaring exception to this otherwise responsible record, namely, the permissiveness with which we have treated the blatant budget-busting in Function 350: Agriculture. It is hard to believe that only a few months ago, in our mark-up of the First Concurrent Resolution, we could have settled so innocently on an outlay figure of $3.7 billion—$0.7 billion above the 1977 "current policy" figure as it was—and even thought ourselves generous receding in conference to $4.35 billion.

For the fact is that, since then, we have been slapped in the face with a commodity price support welfare program $0.8 billion in excess of what the Budget Committee explicitly allowed, and a House version of it yet another $0.6 billion higher. This is not to mention somehow unforeseen technical re-estimates that range upwards of $400 million to $1.2 billion. All in all, we find ourselves faced with potential spending about double what it seems we decided just a few short months ago would be reasonable.

I am simply not convinced that these dramatic changes are all a product of brand-new meteorological or market conditions. I am afraid it is also a matter of what target price for wheat we were led time and again to believe would be acceptable—and what finally was. This experience has been no less than an insult to the Committee, and in the long-run can only act to undermine the credibility and influence we desperately need to uphold the still fragile—yet still essential—congressional budget process.

Mr. HART. Mr. President, this has been a long and frustrating year for agricultural producers in Colorado and the Nation. They have experienced in 1 year's time, some of the driest weather on record and then, at the last minute, disaster-preventing moisture. Early in the year, Colorado wheat producers were daily confronted with the possible loss of their year's income when the wind started to blow and the dust started to move. They took action to stop the precious soil from blowing away, yet millions of acres of wheat were lost to wind erosion in Colorado and the other High Plains States. Then the weather changed in the Wheat Belt and the rain started to fall, just in time to save the wheat, and continued to fall in sufficient quantities to produce a record crop. I bring this up to illustrate that farming is a business that is subject to a large number of variables, all of which can have an affect on the quantity produced and on the price the farmer will receive for his commodity. Possibly the most important variable is weather, both in this country and in commodity producing areas around the world.

Earlier this year, the Congress started the process of consideration of an act that would set our farm and food policy for a number of years to come. Although not a member of the Agriculture Committee, I have followed its consideration of this proposal with a great deal of interest, since agriculture is still a major industry in Colorado and is the economic base of most of the communities in the State. I commend my colleagues on the Agriculture Committee for their hard work on the Food and Agriculture Act of 1977 and for the attention they have given to the needs of agricultural producers. Under the budget procedure that the Congress uses, earlier this year an estimate was made of the cost of the changes proposed in the Food and Agriculture Act of 1977. But now, due to changed conditions, larger than anticipated crops at home and abroad and sharply lower market prices make it necessary to change that estimate and to raise the ceiling on expenditures for agricultural programs in the second budget resolution.

Mr. President, I strongly support the amendment to Senate Concurrent Resolution 43 as proposed by Senator TALMADGE and join as a cosponsor. This amendment represents a very important statement of support that must be made by Congress to insure the agricultural producers in this Nation that we understand their problems and are ready to lend them a helping hand.

Mr. MUSKIE. I am willing now to yield back the remainder of my time and

proceed to a vote. I think the record has been made. I think it is a good one on both sides and, hopefully, the Senate will have the material on which to base a reasoned judgment.

Mr. TALMADGE. I yield back the remainder of my time.

Mr. MUSKIE. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. MELCHER). All time having been yielded back, the question is on agreeing to the amendment of the Senator from Georgia. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that, if present, and voting, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Montana (Mr. METCALF) would vote "yea."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Oregon (Mr. HATFIELD), and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 64, nays 27, as follows:

[Rollcall Vote No. 350 Leg.]

YEAS—64

Abourezk	Glenn	Pearson
Allen	Gravel	Percy
Anderson	Griffin	Randolph
Baker	Hansen	Riegle
Bartlett	Hart	Sarbanes
Bayh	Haskell	Sasser
Bellmon	Hatch	Schmitt
Bentsen	Hayakawa	Sparkman
Bumpers	Inouye	Stafford
Burdick	Jackson	Stennis
Byrd, Robert C.	Laxalt	Stevens
Church	Leahy	Stevenson
Clark	Long	Stone
Cranston	Lugar	Talmadge
Culver	Magnuson	Thurmond
Curtis	Matsunaga	Tower
Danforth	McGovern	Wallop
Dole	Melcher	Weicker
Domenici	Morgan	Young
Eagleton	Nelson	Zorinsky
Eastland	Nunn	
Ford	Packwood	

NAYS—27

Byrd, Harry F., Jr.	Hathaway	Muskie
Cannon	Heinz	Pell
Case	Helms	Proxmire
Chafee	Hollings	Ribicoff
Chiles	Javits	Roth
DeConcini	Johnston	Schweiker
Durkin	Kennedy	Scott
Garn	Mathias	Williams
Goldwater	McIntyre	
	Metzenbaum	

NOT VOTING—9

Biden	Huddleston	McClure
Brooke	Humphrey	Metcalf
Hatfield	McClellan	Moynihan

So, Mr. TALMADGE'S amendment was agreed to.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. ZORINSKY). Will Senators please take their seats or retire to the cloakrooms with their conversations? The Senate will be in order.

ELIGIBILITY FOR VETERANS' BENEFITS PURSUANT TO VIETNAM ERA DISCHARGE UPGRADING

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1307, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1307) to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under temporarily revised standards to discharge under honorable conditions.

The Senate proceeded to consider the bill, which had been reported from the Committee on Veterans' Affairs with an amendment to strike all after the enacting clause and insert the following:

That section 3103 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(e)(1) Notwithstanding any other provision of law, no benefits under laws administered by the Veterans' Administration shall be provided on the basis of an award of an honorable or general discharge under revised standards for the review of discharges (A) as implemented on or after April 5, 1977, under the Department of Defense's special discharge review program, or (B) as implemented after January 1, 1977, and not made generally applicable.

"(2) With respect to any person who was discharged from active military, naval, or air service under less than honorable conditions and, under the revised standards described in paragraph (1) of this subsection, has been awarded a general or honorable discharge, the board of review concerned under section 1553 of title 10, United States Code, subject to review by the Secretary concerned, shall, on its own initiative and in the absence of objection by such person after being duly notified of its intention to do so, make a separate determination whether such person would have been awarded an upgraded discharge under generally applicable standards for the review of discharges under such section 1553. Any such determination that a person would have been awarded an upgraded discharge shall entitle such person to benefits under laws administered by the Veterans' Administration just as though the upgraded discharge had been awarded under generally applicable standards. In the event that such board determines that such person would not have been awarded an upgraded discharge under such generally applicable standards, such person shall be entitled to notice thereof and appearance before the board as provided in section 1553(c) of such title.".

SEC. 2. Notwithstanding any other provision of law, the Administrator of Veterans' Affairs, may, in the Administrator's discretion pursuant to such regulations as the Administrator shall prescribe, provide health care pursuant to chapter 17 of title 38, United States Code, for any disability incurred during active military, naval, or air service in line of duty by a person other than a person barred from receiving benefits by section 3103 of such title, but not, pursuant to this section, for any disability incurred during a period of service from which such person was discharged by reason of a bad conduct discharge.

SEC. 3. The Administrator of Veterans' Affairs, in promulgating, or in making any revisions of or amendments to, regulations governing the standards and procedures by which the Veterans' Administration determines whether a person was discharged or released from active military, naval, or air service under conditions other than dishonorable, shall, in keeping with the spirit and intent of this Act, not promulgate any such regulations or revise or amend any such regulations for the purpose of, or having the effect of, providing any unique or special advantage to veterans who have received upgraded discharges under the Department of Defense's special discharge review program or otherwise making any special distinction between such veterans and other veterans.

SEC. 4. Section 1 of this Act shall apply retroactively to deny entitlement to benefits, but the United States shall not make any claim to recover the value of any benefits provided prior to the date of enactment of this Act.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Ned Massee of Senator Randolph's staff may have the privilege of the floor during the consideration of this measure.

Mr. THURMOND. Mr. President, I make the same request in behalf of Gary Crawford of the staff of the Veterans' Affairs Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 765

Mr. CRANSTON. Mr. President, for the information of Senators, there will be a rollcall vote, I think, quite shortly on this measure. I now send to the desk an amendment to S. 1307 as reported, which the Senator from South Carolina and I are authorized to submit on behalf of the Committee on Veterans' Affairs, and I ask for its immediate consideration.

The PRESIDING OFFICER. The time for debate on this measure is limited to 20 minutes, to be equally divided and controlled by the Senator from California (Mr. CRANSTON) and the Senator from South Carolina (Mr. THURMOND). If there are any amendments, debatable motions, or appeals, there will be a limitation of 10 minutes on each, to be taken from the time on the bill; provided further, that should there be a sufficient number of amendments to require additional time, the minority leader and the majority leader will be recognized to obtain additional time or lay the bill aside temporarily, the agreement being in the usual form.

The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON), for himself and Mr. THURMOND, proposes an unprinted amendment numbered 765.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

Notwithstanding the first sentence of this paragraph, with respect to any person in receipt of benefits under this title on the date of enactment of this paragraph, such benefits shall not be terminated under this paragraph until such time as a final determination not favorable to the person concerned is made on an expedited basis under this paragraph or the expiration of 180 days after the date of enactment of this Act, whichever is the earlier, and the United States shall not make any claim to recover the value of any benefits provided to such person prior to the date of such final determination. The Administrator shall, as soon as administratively feasible, notify the appropriate board of review of the receipt of benefits by any person described in the preceding sentence or of the application for such benefits by any person dscribed in the first sentence of this paragraph.".

(b) The Secretary of Defense shall inform each person whose discharge was upgraded under circumstances described in section 3103(e)(2) of title 38, United States Code, as added by subsection (a) of this section of the implications of the provisions of this Act for each such person.

SEC. 2. Notwithstanding any other provision of law, the Administrator of Veterans' Affairs, may, in the Administrator's discretion pursuant to such regulations as the Administrator shall prescribe, provide the type of health care and related benefits authorized to be provided under chapter 17 of title 38, United States Code, for any disability incurred or aggravated during active military, naval, or air service in line of duty by a person other than a person barred from receiving benefits by section 3103 of such title, but not, pursuant to this section, for any disability incurred or aggravated during a period of service from which such person was discharged by reason of a bad conduct discharge.

SEC. 3. Paragraph (18) of section 101 of title 38, United States Code, is amended to read as follows:

"(18) The term 'discharge or release' includes (A) retirement from the active military, naval, or air service, and (B) the satisfactory completion of the period of active military, naval, or air service for which a person was obligated at the time of entry into such service in the case of a person who, due to enlistment or reenlistment, was not awarded a discharge or release from such period or service at the time of such completion thereof and who, at such time, would otherwise have been eligible for the award of a discharge or release under conditions other than dishonorable.". That (a) section 3103 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(e)(1) Notwithstanding any other provision of law, (A) benefits under laws administered by the Veterans' Administration for a person described in the second sentence of this paragraph shall be provided, as a result of a change in or new issuance of a discharge under section 1553 of title 10, only upon a case-by-case review by the board of review concerned, subject to review by the Secretary concerned, under such section, of all the evidence and factors in each case under uniform standards (historically consistent with criteria for determining honorable service) and procedures generally applicable to all persons so discharged who apply for such review; and (B) this paragraph shall apply, for such period of time for application (but in no event for less than one year after the date of enactment of this paragraph) as the President shall establish, to any person who, prior to the date of enactment of this paragraph, was administratively discharged under other than honorable conditions from active military, naval, or air service performed at any time if any part of such service occurred on or before March 28, 1973.

"(2) Notwithstanding any other provision of law, any person who was discharged from active military, naval, or air service under other than honorable conditions and who, under revised standards (A)(i) as implemented on or after April 5, 1977, under the Department of Defense's special discharge review program, or (ii) as implemented after January 1, 1977, and (B) not made generally applicable to all persons to whom paragraph (1) of this subsection applies, has been awarded a general or honorable discharge prior to the date of enactment of this paragraph, shall be entitled to benefits under laws administered by the Veterans' Administration only upon a case-by-case review on an expedited basis under standards meeting the requirements of paragraph (1) of this subsection applied by the board of review concerned under section 1553 of title 10, subject to review by the Secretary concerned, after notification by the Veterans' Administration to such Secretary that such person has applied for such benefits or after receiving a written request by such person for a decision regarding prospective entitlement. In the event that such board determines that such person is not entitled to the award of an ungraded discharge under standards meeting such requirements, such person shall be entitled to notice thereof and appearance before the board as provided for under section 1553(c) of such title prior to a final determination on such question.

SEC. 4. The Administrator of Veterans' Affairs, in promulgating, or in making any revisions of or amendments to, regulations governing the standards and procedures by which the Veterans' Administration determines whether a person was discharged or released from active military, naval, or air service under conditions other than dishonorable, shall, in keeping with the spirit and intent of this Act, not promulgate any such regulations or revise or amend any such regulations for the purpose of, or having the effect of, providing any unique or special advantage to veterans who have received upgraded discharges under the standards (A)(i) as implemented on or after April 5, 1977, under the Department of Defense's special discharge review program, or (ii) as implemented after January 1, 1977, and (B) not made generally applicable to persons who served at any time, or otherwise making any special distinction between such veterans and other veterans.

Mr. CRANSTON. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CRANSTON. Mr. President, today Senator THURMOND and I are submitting on behalf of the Committee on Veterans' Affairs, a committee modification to S. 1307 as reported and urging its immediate passage as a fair and equitable resolution of the many issues which have been raised about the Department of Defense's April 5, 1977, special discharge review program.

This legislation is the result of extensive discussions between myself and the distinguished Senator from South Carolina (Mr. THURMOND), a strong and valuable member of the Committee on Veterans' Affairs who originally introduced S. 1307. I wish to congratulate the Senator from South Carolina (Mr. THURMOND) on his sense of fairness, his openmindedness, and the cooperative spirit which made it possible for us to produce a measure which has gained the unanimous support of the Committee on Veterans' Affairs and which merits the support of the entire Congress. I also wish to express my appreciation for the help and cooperation of the Senator from Kansas (Mr. DOLE) who has been so interested in this measure. I also am very grateful to the Senator from South Dakota (Mr. ABOUREZK) and the Senator from Massachusetts (Mr. BROOKE) for their concern and cooperation.

INTRODUCTION

Mr. President, on April 19, 1977, the Senator from South Carolina (Mr. THURMOND) introduced S. 1307; and on June 14 I submitted, on behalf of myself and the Senator from South Carolina (Mr. THURMOND), amendment No. 414 to S. 1307.

The committee conducted a hearing on S. 1307 and amendment No. 414 on June 23, 1977. The hearing also included general oversight of the Defense Department's special discharge review program, as implemented on April 5, 1977. Submitting testimony at that time were the Secretary of the Army, other representatives of the Department of the Army, the general counsel of the Veterans' Administration, representatives of veterans' organizations, and other concerned parties.

Although opposed by the administration, the bill as it was proposed to be amended by amendment No. 414—and thus the bill as ultimately reported—was supported by the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, American Veterans of World War II, Korea, and Vietnam, the Paralyzed Veterans of America, and the Blinded Veterans Association.

On June 23, 1977, the committee unanimously voted to report favorably S. 1307 with a committee amendment derived from amendment No. 414 and a title amendment. Thus, on June 28, I reported the committee bill.

The bill as reported is cosponsored by a total of 29 Senators, including all other members of the committee—Mr. TALMADGE, Mr. RANDOLPH, Mr. STONE, Mr. DURKIN, Mr. MATSUNAGA, Mr. STAFFORD, and Mr. HANSEN—and by Mr. BYRD of Virginia, Mr. YOUNG, Mr. CURTIS, Mr. LAXALT, Mr. MCCLURE, Mr. SCOTT, Mr. HELMS, Mr. GARN, Mr. GOLDWATER, Mr. ZORINSKY, Mr. DOLE, Mr. SCHMITT, Mr. HATCH, Mr. STEVENS, Mr. HAYAKAWA, Mr. ALLEN, Mr. WALLOP, Mr. SASSER, Mr. HUDDLESTON, and Mr. CLARK.

BASIC PURPOSE OF COMMITTEE BILL

Mr. President, the basic purpose of the bill as reported, as well as of the committee amendment, is to provide a fair and equitable basis for granting veterans' benefits to former military personnel whose undesirable or clemency discharges have been or will be upgraded

to discharges under honorable conditions, that is, general or honorable discharges, under revised standards for the review of discharges, as implemented after January 1, 1977 and not made generally applicable. In two such instances since January 1, 1977, discharge review standards have been revised for special classes of former servicepersons: First, the program ordered by President Ford on January 19, 1977, for former military personnel who had applied for clemency under President Ford's clemency program for draft evaders and military-absence offenders from the Vietnam era, which President Ford defined as the period August 4, 1964, to March 28, 1973; and second, the Defense Department's special discharge review program, implemented at President Carter's direction on April 5, 1977, for former military personnel who received administrative discharges other than honorable discharges during the Vietnam era—again defined as the period August 4, 1964 through March 28, 1973—and for military deserters-at-large from the same period—except those who deserted in or from a combat zone—who return to military control and receive administrative discharges during the 180 days following April 5, 1977. The committee bill provides that no benefits may be awarded on the basis of an upgrading of a discharge under such revised special standards. However, the committee bill would insure that no individual who responded to President Ford's or President Carter's offers of assistance under a special program of discharge review would be prejudiced by having responded, in terms of opportunities for obtaining eligibility for veterans benefits that would have been granted of such special programs had never been established.

The committee bill would also provide the Administrator of Veterans' Affairs with authority to furnish health care for the treatment of service-connected illnesses and injuries incurred in line of duty by former active duty military personnel—with no restriction based on their period of service or date of discharge—who may not otherwise be entitled to such care because they have administrative discharges under less than honorable conditions.

SUMMARY OF PROVISIONS—S. 1307 AS REPORTED

Mr. President, S. 1307 as reported had four sections, three of which relate to the basis on which veterans' benefits may be granted those whose undesirable or clemency discharges are upgraded to honorable or general discharges pursuant to special programs for the review of discharges which provide for the application of discharge review standards implemented after January 1, 1977, and not made generally applicable. These provisions would:

First, preclude the granting of veterans' benefits on the basis of an upgrading under such special programs.

Second, require military Discharge Review Boards—the boards which, under section 1553 of title 10, United States Code, make upgrading decisions, subject to the review of the Secretary concerned, generally as well as for purposes of the special programs—to determine whether a discharge under less than honorable conditions—or a clemency discharge—which had been upgraded under the standards of a special discharge review program would have been upgraded under generally applicable standards; and provide that such determination, if favorable, would entitle the individual to veterans' benefits permitting the individual to retain whatever upgraded discharge—general or honorable—had been given under the special discharge review standards.

Third, place the responsibility on the Discharge Review Boards to take the initiative in making that determination under generally applicable standards in each case unless the individual, after the notification of the board's intention to make such determination, objects; and preserve, in connection with such determination, the procedural protections currently available to persons applying for discharge upgrading under ordinary circumstances, such as the right to personal appearance.

Fourth, preclude the Administrator of Veterans' Affairs—in replacing, revising, or amending regulations governing the standards and procedures by which the Veterans' Administration determines whether an individual with a less than honorable discharge was discharged "under conditions other than dishonorable"—which decision, if favorable, entitles the individual to veterans' benefits—from giving any special advantages, through "character of discharge" regulations, to veterans who may have received upgraded discharges under the special discharge review program.

Fifth, specify that the act would apply retroactively to deny entitlement to benefits; but preclude the United States from recovering the value of any benefits provided prior to the date of enactment of the act.

The remaining provisions would authorize the Administrator to provide health care, on a discretionary basis pursuant to such regulations as the Administrator shall prescribe, for the treatment of any disability incurred in line of duty during active-duty service by certain persons who might otherwise not be entitled to such treatment because they were administratively discharged under conditions less than honorable or because they hold clemency discharges.

CHANGES MADE BY COMMITTEE MODIFICATION

Mr. President, since this bill was ordered reported, we have made modifications, primarily to try to take into account certain objections which the White House had to the reported bill. We believe we have done that to the extent it could be done consistent with the principles of S. 1307 as reported—that veterans' benefits not be granted based on special standards not generally applicable to veterans of all service periods, and that these benefits not be granted based on any automatic factors but rather only after a careful case-by-case review of the entire record and all the relevant evidence and factors in each case. The modified version of the committee substitute fully—and I stress fully—carries out those principles; in fact, we believe it does so more effectively than the bill as reported.

The changes we have made generally make the tone of the language of the bill more positive than negative, and remove the requirement for a "second" review under general applicable standards in every case where benefits eligibility was granted due to an upgrading in a special program prior to enactment. Rather, this second review, by a military discharge review board, would be required under our modification only if the previously upgraded veteran actually has applied for veterans' benefits or requested that determination from the service concerned.

Mr. President, the modification also makes the reported bill identical, in one additional respect, to a similar House bill (H.R. 8698) by adding a provision included in H.R. 5027, as ordered reported on July 15 and reported on August 3 by the Committee on Veterans' Affairs. This provision deals with veterans who "re-up" before completing their originally intended periods of service.

Mr. President, the modification has been submitted to the three largest veterans' organizations—the American Legion, Veterans of Foreign Wars, and Disabled American Veterans. Certain further revisions were made after discussions with these organizations; and I am pleased to report that each of these organizations supports the committee amendment.

Mr. President, the provisions of the modification can be summarized as follows:

Subsection (a) of section 1 of the modification—like section 1 of the bill as reported—adds a new subsection (e), consisting of paragraphs (1) and (2), to section 3103 of title 38. Paragraph 1 of new subsection (e), as modified, applies prospectively and mandates certain standards and procedures for discharge review in the cases of those whose discharges would have not been upgraded by the date of enactment of this measure. Paragraph 2 applies only to those whose undesirable or clemency discharges would, by the date of enactment, have been upgraded under President Ford's January 19, 1977, discharge upgrading program or President Carter's April 5, 1977, special discharge review program.

The revision of paragraph (1) of new subsection (e) of section 3103 changes the main subject and verb from a negative form of expression—"no benefits . . . shall be provided"—to a positive form—"benefits shall be provided only". The other changes in this paragraph generally represent a tightening-up of its provisions. Whereas the version reported by the committee required—for purposes of eligibility for veterans' benefits as a result of upgrading—only that discharge-review standards for upgradings

be applicable to all former military personnel, the proposed revision requires that such discharge-review standards incorporate "case-by-case review—by the military authority concerned—of all the evidence and factors" and requires the "application of uniform standards and procedures" that are "historically consistent with criteria for determining honorable service". This paragraph would apply to any person (a) who has been administratively discharged prior to enactment, (b) who saw any service at any time prior to the withdrawal of the last U.S. troops from Vietnam (March 28, 1973), and (c) whose discharge was not upgraded prior to enactment.

This paragraph would also provide for the establishment of a new discharge review program, under which individuals would have at least 1 year to apply for upgrading, for all personnel other than those who entered active-duty service after the end of U.S. involvement in Vietnam and those who are discharged after the date of enactment. Such a program would—in order for discharge upgradings thereunder to confer entitlement to veterans' benefits—have to be based on the following principles: First, notwithstanding the limitation on review of discharges under section 1553 of title 10, United States Code, which requires the individual to apply for upgrading within 15 years from the date of discharge, the program would have to be open to all former military personnel—other than post Vietnam-involvement enlistees. This requirement would avoid the inequity to, for example, Korean conflict and World War II personnel, which the special discharge review program entailed.

Second, the program must incorporate "case-by-case review of all the evidence and factors." This requirement would eliminate the use of any criteria which would automatically result in upgrading or denial of upgrading regardless of the overall quality of the individual's service. The April 5 special program does not meet this standard.

Third, the program's standards and procedures must be "uniform." For several years, the discharge-review process has been criticized for the great disparities in the results among the services. I believe that the requirement of "uniform standards" will be very beneficial in this regard. The guidelines for discharge-review determinations have, in the past, been set forth in internal memorandums and have not been codified and published. Thus, in the case of the Army Discharge Review Board, for example, such guidelines have, at least in part, been set forth in an unpublished document from the Board's president entitled "President's Guidance, Army Discharge Review Board Standard Operating Procedure." In fact, the only published codification of discharge-review standards appears to have been the April 26, 1977, publication in the Federal Register of special discharge review program standards.

Fourth, the program's standards must be "historically consistent with criteria for determining honorable service." Thus, no radical departure from the historic standards, such as the use of automatic criteria, would be permitted. As discussed above, such discharge-review guidelines have been unpublished and have been rather vague and lacking in specificity. However, at the June 23, 1977, hearings on S. 1307, Defense Department witnesses testified that the criteria established for the special program incorporated principles which had previously been informally understood and applied in the general discharge-review process. As the Secretary of the Army testified, those "criteria . . . have been and will continue to be an aspect of discharge review in either a specific or philosophical sense." Therefore, it would appear that criteria similar to those used in the special discharge review program would be "historically consistent" if such criteria were modified as necessary to be applicable to all prior eras and to eliminate the automatically qualifying and disqualifying characteristics of certain of those criteria.

The revision of new paragraph (2) of new subsection (e) of section 3103 would continue to require, in order to determine eligibility for VA benefits, a "second" determination as to whether those persons whose undesirable or clemency discharges have been upgraded under "special" discharge-review programs would have been upgraded under generally applicable standards—as described in paragraph (1). However, based on strong White House and Defense Department objections to the conduct of a "two-tier" discharge-review program, under which two separate determinations are made—one under special standards for purposes of upgrading "bad paper" and the second under generally applicable standards as described in paragraph (1)—it can be assumed that, upon enactment of this legislation, the special discharge review program will be terminated and a subsequent review program will incorporate the principles of paragraph (1) in a "one-tier" process. Thus, one basic change from paragraph (2) in S. 1307 as reported is that, when a new discharge review program is established consistent with the principles set forth in paragraph (1), the "second" review would have to be made only for cases decided before the enactment of the bill—since everyone upgraded thereafter would be entitled to benefits only under the conditions in the new paragraph (1)—and only if the veteran either applies for benefits or specifically requests such a review in writing. Such reviews are to be made expeditiously upon prompt notification by the VA that the individual has applied for benefits. By limiting the mandatory conduct of reviews to cases where an application for benefits or a specific request is made—rather than automatically in all cases, as previously provided for in S. 1307 as reported—a proper balance has been struck between equity and administrative efficiency.

The deletion of the requirement of mandatory review in all cases, however, does not imply that the discharge review boards would not have the authority to undertake such reviews on their own initiative. Rather, the purpose has been to avoid imposing a new backlog of 12,000 or more cases immediately upon enactment. In fact, in order to avoid the possibility of such reviews being made on extremely stale records, such as when a veteran who participated in this program first applies for benefits 30 or 40 years from now upon becoming eligible for the veterans' pension program, it is strongly recommended that the review boards undertake reviews of all upgradings of undesirable and clemency discharges under the special program within the next 2 to 3 years.

The proposed revision of new paragraph (2) limits its application to only those cases, under the April 5 Department of Defense special discharge review program and the similar January 19 Ford program, which are decided prior to the date of enactment, thus making unnecessary any explicit reference to retroactivity, such as was included in section 4 of S. 1307 as reported. Also, in light of the fact that the "second" review would not, under the proposed revision, be made automatically and immediately in all cases, but would, instead, be required to be initiated only after the veteran applies for benefits—or requests a "second" review in writing—the revised version would allow benefits to continue to be paid to those in receipt of benefits on the date of enactment pending the finalization of the "second" review.

This provision recognizes that, among the 12,270 undesirable discharges upgraded as of September 1, 1977, under the April 5 special program, there is a substantial likelihood that in any given case the upgrading may be upheld at the time of the "second" review; that some veterans whose discharges were so upgraded will be receiving benefits on the date of enactment of this act; and that, in some such cases, the veteran's need for benefits may be immediate. Thus, in order to avoid possibly great disruption and confusion for such veterans already receiving benefits and whose entitlement would eventually be sustained under this legislation, benefits would generally be continued unless and until a previous special program upgrading decision is reversed. But, in order to insure that reviews in those cases are undertaken expeditiously and that benefits do not continue for an unduly prolonged period while an ambiguous entitlement situation persists, provision is made for termination of benefits pursuant to the initial upgrading decision in cases which have not been finally determined within 180 days of enactment. If the initial upgrading determination is later sustained in a "second" review, of course, the entitlement to VA benefits would be reestablished.

I also wish to make clear, Mr. President, that there is no intent in this legislation to diminish the Government's obligations—incurred prior to the date of

enactment in the cases of persons whose discharges were previously upgraded under the special program—under such provisions as the home-loan guaranty program under chapter 37 of title 38, United States Code.

New subsection (b) of the proposed revision of section 1 would require the Secretary of Defense to notify all persons whose undesirable or clemency discharges have been upgraded under the special programs of the implications of this act for them.

In section 2, a change has been made to correct the inadvertent omission in section 2 of S. 1307 as reported of the words "or aggravated" so that health care may be provided for disabilities "aggravated" as well as "incurred" during active duty in line of duty. This would correct an oversight in drafting and conform to existing title 38, United States Code, definitions of service-connection, such as the section 101(16) definition of "service-connected." Also, the words "and related benefits" have been added after "health care" to clarify the fact that coverage is intended with respect to certain benefits, such as beneficiary travel and special clothing made necessary by the wearing of prosthetic devices, authorized as part of health-care benefits under chapter 17 of title 38.

Section 3 has been revised—as it should have been previously—to conform to an earlier change in section 1 to make reference to the January 19, 1977, Ford program.

A new section 4 has been added. It is identical to section 302(a) of H.R. 5027 as reported, and to section 5 of H.R. 8698 as reported by the House Committee on Veterans' Affairs, regarding "re-upping". This provision eliminates a clear inequity in the law regarding the eligibility for veterans' benefits under certain circumstances when an individual, before completing a period of service, agrees to extend his or her period of service. It expands the definition of the term "discharge or release" in section 101(18) of title 38, United States Code, in order to assure eligibility for veterans' benefits to one who has satisfactorily completed a period of service when he or she has not received a discharge or release at the completion of that period because of having agreed to extended active-duty service.

The need for this amendment can be illustrated by comparing the situations of three individuals, "A," "B," and "C," all enlisting on the same day for the same 3-year period of active-duty service:

A

A, after 2 years of service on a 3-year enlistment, agrees to a 4-year extension. Because A's original enlistment has not yet expired, he or she is issued a "conditional" discharge at that time—a discharge conditioned on immediate reentry into active-duty service for a period of 4 years. Such a discharge is not recognized by the VA for purposes of benefits eligibility.

A satisfactorily completes 3 years of service but does not receive an honorable discharge at that time because there are 3 years of extended service remaining. During the 5th year of service, A is involved in various incidents resulting in a discharge under conditions other than honorable. Despite having completed satisfactorily the 3 years of service for which A originally enlisted, A would not have a discharge making him eligible for benefits.

B

B completes satisfactorily the original 3-year enlistment, receives an honorable discharge, and immediately reenlists for a second 3-year tour of active-duty service. Like A, B is involved in various incidents during the 5th year of service and is discharged under conditions other than honorable. Unlike A, however, B has a discharge—one received after 3 years of service—carrying with it eligibility for veterans' benefits.

C

C completes satisfactorily the original 3-year enlistment and receives an honorable discharge. C never reenters active-duty service and is eligible for veterans' benefits.

These hypothetical cases, it seems to me, lead inescapably to the conclusion that a serviceperson may be prejudiced in terms of eligibility for veterans' benefits by agreeing to extended service before the expiration of his or her first period of service. Only A—who completed his initial 3-year commitment honorably under circumstances identical to B and C—is not entitled to benefits. Ironically, such extensions generally result from encouragement by the service for the purpose of obtaining assurance of its ability to meet future personnel requirements.

BACKGROUND

Mr. President, on January 21, 1977, President Carter announced his pardon of those who had violated the draft laws during the Vietnam conflict, which he described as the period from August 4, 1964, to March 28, 1973. At that time, I felt that moral and equitable considerations required that he also extend a comparable measure of forgiveness and compassion to individuals who entered and served in military service during that same period, but who failed to complete military service successfully. In fact, in announcing the pardon, the President stated that he was referring to the Department of Defense the question of how, in light of the pardon, to deal equitably with the problems of former military personnel from the Vietnam era who had received less-than-honorable discharges during that time.

On March 2[illegible], 1977, Secretary of Defense Harold Brown announced that the President had approved a program for the review of certain administrative discharges—other than honorable discharges—received during the Vietnam era.

INEQUITIES IN SPECIAL DISCHARGE REVIEW PROGRAM

I have, and have had, a number of major concerns regarding the program which was announced on March 29 and implemented on April 5, 1977—the special discharge review program. First, as a program that is supposed to help bind up the divisions of the Vietnam era, I do not believe that it fully effectuates a measure of compassion for those with unsatisfactory military experiences similar to the forgiveness extended to those who had violated the selective service laws. In my mind, forgiveness for a former GI—comparable to the January 21, 1977, pardon—should mean wiping the slate clean in every case where it is reasonable to do so in the spirit of forgiveness and compassion, through the issuance of an honorable discharge to those who received general or undesirable administrative discharges.

In my mind, the special discharge review program fails to accomplish that objective in several important respects. For example, unlike the pardon, whereby forgiveness was extended with respect to draft law violations which occurred during the period of the Vietnam conflict, as the President defined it, the scope of the special discharge review program is tied to an administrative step taken by the military services—the issuance of an administrative discharge—rather than tied to the individual's conduct during that period. For the programs to be truly parallel, I believe that all administrative discharges based in whole or in part upon the individual's behavior during the period defined as the Vietnam conflict should have been encompassed within this program.

I also believe that this program should extend—at a minimum—to individuals who served in Vietnam after the involvement of regular military personnel in armed conflict in Vietnam but prior to the August 4, 1964, Gulf of Tonkin resolution.

Moreover, I think that the special program falls far short as an act of forgiveness, in that it seems to favor the upgrading of undesirable discharges to general discharges, which have a serious stigmatizing impact, rather than favoring upgrading to fully honorable discharges.

Mr. President, I made a lengthy statement on June 23, the day this bill was ordered reported from committee. As part of that statement, I inserted into the RECORD an extensive exchange of correspondence between late April and early June which I had with the Department of Defense, as well as my March 2 letter to President Carter. This material can be found at page 20519 of June 23.

SPECIAL STANDARDS FOR CONFERRING BENEFITS

Beginning with my March 2, 1977, letter to President Carter regarding the possible formulation of a special discharge review program, I have held and expressed a deep concern regarding the need to distinguish between the compassionate upgrading of certain "bad paper"

discharges to remove their stigmatizing effects, on the one hand, and the conferring of veterans' benefits as a consequence of such upgrading, on the other hand. Compassion and forgiveness under these circumstances properly call for the cleaning up of a bad record so that the individual can resume his or her normal civilian pursuits without the disadvantage of a stigmatizing discharge. Thus, nothing in the bill as reported or the committee modification would alter the nature of the discharge "paper" granted the individual under the special discharge review program.

However, compassion and forgiveness should not, in my view, automatically entail financial rewards in all cases. The decision regarding entitlement to benefits should be made on the basis of a careful case-by-case review in accordance with standards generally applicable to all veterans and taking into account the full record in each case. I believe that the broad and sweeping conferring of such benefits without regard to the whole record, on grounds of compassion and forgiveness, does substantial damage to the fundamental principle that veterans' benefits are entitlements to be earned through honorable military service to the Nation.

BIPARTISAN APPROACH

As I indicated earlier, the committee bill was cosponsored by each member of the Veterans' Affairs Committee and 20 other Senators, and supported by the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, the AMVETS, the Paralyzed Veterans of America, and the Blinded Veterans Association. Moreover, it is noteworthy that this approach has commanded the same bipartisan approach in the House of Representatives. On June 20, the ranking minority member of the House Veterans' Affairs Committee, JOHN PAUL HAMMERSCHMIDT, introduced H.R. 7885, legislation identical to amendment No. 414. On the following day, this legislation was endorsed by Congressman TOM DOWNEY of New York, a leader in the field of discharge review board reform legislation.

INEQUITABLE BEARD AMENDMENT ON APPROPRIATIONS ACT

On the other hand, Mr. President, it is quite disturbing that on June 14, 1977, the House passed by a vote of 273 to 136, the so-called Beard amendment to H.R. 7554, the House-passed version of the HUD-Independent Agencies Appropriations Act for fiscal year 1978.

That amendment, on its face would absolutely prohibit the expenditure of funds for veterans' benefits from fiscal year 1978 appropriations to any individual whose undesirable discharge is upgraded under the special program, even though that individual might have been entitled to an upgrading under generally applicable discharge-review standards, or to a favorable character-of-discharge determination from the VA. Thus, an individual—with an undesirable discharge—who responded to the President's invitation in the spirit of compassion and forgiveness to seek a discharge upgrading would be penalized if he received such an upgrading, by being automatically denied thereafter any benefits out of fiscal year 1978 appropriations. In contrast, another individual with identical circumstances who did not apply for upgrading in the special program would be fully eligible to apply under the regular discharge review process and, if successful, obtain benefits which the Beard amendment would deny to the former individual.

Mr. President, some very important data show just how punitive and inequitable the effects of this appropriations amendment would be. As of September 1, 1977, for the Army alone, 1,188 undesirable discharges had been upgraded to honorable under the special discharge review program. Of these 1,188 Army veterans, 890 served in Vietnam, including 155 who received the Purple Heart, 91 who were decorated for valor, and 384 who were decorated for merit. The significance of these 1,188 cases lies in the fact that the special program does not incorporate any special compassionate standards for upgrading an undesirable discharge to an honorable discharge. Thus, the decision to upgrade an undesirable discharge to honorable—even under the special program—is made in accordance with generally applicable standards, standards which were in effect before the special discharge review program was implemented. It is clear that in each of these 1,188 cases the veteran would have received an upgrading in the absence of the special program. Each served honorably and each is fully entitled to veterans' benefits. A vote for the Beard amendment would be, therefore, a vote to deny veterans' benefits to more than a thousand veterans who served honorably during a time of war, most of whom served in the combat zone.

In addition, the President of the Army Discharge Review Board testified in the June 23 hearing before the Senate Committee on Veterans' Affairs that approximately one-half of the undesirable discharges being upgraded under the special discharge review program would be upgraded under generally applicable standards. As of September 1, 12,270 undesirable discharges had been upgraded under the special program. Half of that number—about 6,000—would probably have been upgraded under ordinary review standards. A vote for the Beard amendment is, therefore, also a vote to deprive 6,000 or more deserving veterans of their rights to benefits.

Nowhere in the history of the U.S. Congress is there any precedent for legislation that would deprive wartime and combat veterans who served faithfully of their rights to benefits.

Mr. President I am very pleased that H.R. 7554, as passed by the Senate on June 24, contains no such amendment; and I am delighted that the Senate conferees refused to accept that amendment, reporting back in disagreement on that item.

However, on July 19, the House again voted in favor of that amendment by a vote of 251 to 160. I would strongly urge that all Senators reject the amendment when the conference report on H.R. 7554 comes to the floor.

Mr. President, so that all Senators and the public may have a clear understanding of the background for and the principles underlying this legislation, I ask unanimous consent that there be printed in the RECORD at this point appropriate excerpts from the committee report on S. 1307 (S. Rept. 95–305).

The PRESIDING OFFICER. Without objection, it is so ordered.

BACKGROUND

ADMINISTRATIVE SEPARATION OF ACTIVE-DUTY PERSONNEL

Through the administrative discharge system, the military services administratively effect the separation of personnel (principally enlisted personnel) from active-duty service prior to the scheduled completion of a normal tour of duty. The administrative discharge program does not include punitive discharges—Bad Conduct Discharges and Dishonorable Discharges—which are imposed only as part of a special or general court-martial sentence following conviction. During the period in question—August 4, 1964, through March 28, 1973, described by Presidents Ford and Carter as the Vietnam Era—administrative discharges were either Honorable Discharges, General Discharges (under honorable conditions), or Undesirable Discharges[1] (under less than honorable conditions).

Administratively issued Honorable and General Discharges are both considered to be issued under honorable conditions and both entitle the recipient to eligibility for benefits under laws administered by the Veterans' Administration. Thus, an individual holding an Honorable or General Discharge issued administratively is fully entitled to all veterans' benefits accruing from the period of active-duty actually served.

An Undesirable Discharge entitles an individual to no veterans' benefits based on the period of service which it terminates; and it often carries a very serious stigma in civilian activities.

The grounds for administrative discharge with an Honorable or General Discharge prior to expiration of the individual's scheduled period of service cover a wide variety of circumstances. These include, among others, the convenience of the Government, undue and genuine hardship or dependency, and unsuitability, which, in turn, includes eight categories, including inaptitude, character and behavior disorders (as determined by medical authority), enuresis, and alcohol abuse. (Department of Defense Directive 1332.14, section VII, paragraphs B–G, December 20, 1965, reissued September 30, 1975 (hereinafter referred to as "DOD Directive 1332.14").) If a discharge is based on one of the enumerated factors, the discharge must be either honorable or general and may not be undesirable.

Grounds for administrative separations which could possibly result in the issuance of an Undesirable Discharge (that term was altered recently—see footnote 1) have in-

[1] With respect to undesirable discharges, the nomenclature has been revised effective January 1, 1977; the new designation is "discharge under other than honorable conditions."

cluded security reasons, unfitness (including, among other things, frequent involvement of a discreditable nature with civil or military authorities, sexual perversion, an established pattern for shirking, and an established pattern showing dishonorable failure to pay just debts), and misconduct (including conviction by civil authorities of an offense for which the military justice penalty includes confinement for more than one year, procurement of a fraudulent enlistment, and continuous unauthorized absence of one year or more). (DOD Directive 1332.14, section VII, paragraphs H–J.) Also, on July 29, 1968, the Department of Defense specifically authorized the issuance of Undesirable Discharges on grounds of a request for discharge for the good of the service when the individual's "conduct rendered him [or her] triable by court-martial under circumstances which could lead to a punitive discharge [Bad Conduct or Dishonorable Discharge"]. (DOD Directive 1332.14, section VII, paragraph K.)

The type of discharge which an individual may receive administratively depends upon the grounds, as discussed above, and the quality of his or her military service. DOD Directive 1332.14 provides:

VI. Standards for discharge

The type and character of discharge or separation will be determined according to the following standards.

A. *Honorable Discharge.* Issuance of an Honorable Discharge will be conditioned upon proper military behavior and proficient performance of duty with due consideration for the member's age, length of service, grade, and general aptitude. A member will not necessarily be denied an Honorable Discharge solely by reason of a specific number of convictions by courts-martial or actions under Article 15 of the Uniform Code of Military Justice during his current enlistment or period of obligated service.

B. *General Discharge.* Issuance of a General Discharge is appropriate when a member's military record is not sufficiently meritorious to warrant an Honorable Discharge as prescribed by the regulations of the service concerned.

C. *Undesirable Discharge.* An Undesirable Discharge may be issued for misconduct, unfitness, or security reasons based on the approval of a recommendation of an administrative discharge board, or waiver of the right to board action, or resignation or request for discharge for the good of the service as provided for in Section VII.K. of this Directive.

D. *Special Consideration.* In any case in which an Undesirable Discharge is authorized under this Directive a member may be awarded an Honorable or General Discharge, as appropriate, if during his current enlistment, period of obligated service, or any voluntary or involuntary extensions thereof, or period of prior service he has been awarded a personal decoration as defined by his particular service, or if warranted by the particular circumstances of a specific case.

Department of Defense discharge statistics for General and Undesirable Discharges issued during the period fiscal year 1965 through fiscal year 1976 are as follows:

TABLE 1.—DEPARTMENT OF DEFENSE

	Undesirable discharges (1965–76) [1]								General discharges (1965–76) [1]							
Fiscal year	Army	Percent	Navy	Percent	Marine Corps	Percent	Air Force	Percent	Army	Percent	Navy	Percent	Marine Corps	Percent	Air Force	Percent
1965	8,561	2.9	2,854	1.7	982	2.2	781	0.4	13,925	4.8	5,425	3.3	1,720	3.8	4,407	2.0
1966	6,385	1.8	2,781	1.9	873	2.0	505	.3	9,935	2.9	6,025	4.1	1,685	3.9	3,238	1.6
1967	5,758	1.7	2,561	1.4	709	1.3	713	.7	8,865	2.5	6,267	3.5	1,951	2.4	2,479	2.4
1968	6,871	1.3	2,812	1.6	1,286	1.5	738	.8	8,378	1.6	5,361	3.0	2,080	2.5	2,441	2.7
1969	6,532	1.1	2,720	1.4	2,542	1.6	598	.4	7,865	1.4	5,562	2.8	2,246	2.3	4,180	2.9
1970	14,114	2.2	1,996	.8	4,378	3.4	423	.4	11,262	1.8	8,459	3.5	5,265	4.1	4,348	3.5
1971	19,746	3.5	1,247	.6	7,422	6.5	724	.5	14,270	2.6	13,257	6.4	7,720	6.8	5,009	3.6
1972	30,105	6.0	1,881	1.0	3,427	4.4	932	.8	20,619	4.1	11,397	6.3	6,514	8.3	6,689	5.2
1973	23,346	8.9	1,806	1.0	3,149	4.8	748	.4	18,047	6.9	10,465	5.5	4,461	6.7	7,707	3.8
1974	20,645	7.8	2,395	1.4	5,553	7.9	743	.4	19,870	7.5	14,314	8.5	5,146	7.4	6,630	3.6
1975	16,316	6.0	3,179	1.8	6,897	10.9	623	.4	22,110	8.1	17,124	9.9	6,474	9.7	3,291	1.9
	[2] (4,256)		[2](204)		[2] (987)		[2] (45)									
1976	17,099	7.0	2,736	1.8	10,383	14.1	493	.3	24,380	10.1	17,334	11.6	7,852	10.6	3,569	2.2

[1] Percentages indicate comparison to total of separations from military service.
[2] Discharges included in the total number specifically issued pursuant to the Presidential clemency program.

Source: Department of Defense, Office of Manpower and Reserve Affairs.

ADMINISTRATIVE DISCHARGE REVIEW PROGRAM—GENERAL

Pursuant to section 1553 of title 10 United States Code, each Military Department has a Discharge Review Board consisting of such number of panels as the Secretary concerned deems necessary. These boards, acting through panels consisting of five officers each, may, on their own motion or upon application by or on behalf of a former serviceperson, review and change, correct, or modify any administrative discharge, and issue a new discharge. Actions of these Boards are subject to review and modification by the Secretary concerned.

Army Regulation No. 15–180, April 11, 1977, the Department of the Army's generally applicable implementing regulation, provides that remedial action under section 1553 of title 10 "is intended primarily to ensure that no discharged or dismissed former members of the Army will be deprived unjustly of any benefit provided by law for former members of the military service by reason of a type of discharge or dismissal inequitably or improperly given."

Prior to November 1975, these review boards met only in Washington, D.C. At that time, panels were established on a regional basis, and some panels now travel to and conduct hearings at cities having large numbers of applicants.

During the period fiscal years 1965 through 1976, Army Discharge Review Boards upgraded 359 Undesirable Discharges to Honorable Discharges and 5,969 Undesirable Discharges to General Discharges, and denied upgrading in 28,523 cases involving Undesirable Discharges. Thus, in 22 percent of such cases in this 11-year period, entitlement to veterans' benefits resulted from Army Review Board action. (Comparable data is not available with respect to the Discharge Review Boards of the other Departments.)

In addition, each Military Department has a Board for the Correction of Military Records pursuant to section 1552 of title 10, United States Code, consisting of civilian employees of the Department concerned. These boards consider applications from current and former active-duty military personnel requesting the correction of "errors or injustices" in their service records, including the correction of discharges.

VETERANS' ADMINISTRATION "CHARACTER OF DISCHARGE DETERMINATIONS"

Section 101(2) of title 38, United States Code, defines "veteran" as "a person who served in the active military, naval, or air service and who was discharged or released therefrom under conditions other than dishonorable." Generally, one must qualify as a "veteran" in order to be entitled to veterans' benefits under title 38. The Veterans' Administration now accepts Honorable and General Discharges, whether originally issued in that form or later upgraded, as conclusive evidence that the individual was discharged "under conditions other than dishonorable." In cases of Undesirable Discharges (and Bad Conduct Discharges imposed by special court-martial, which discharges are not all involved in the bill as reported), the Veterans' Administration will, upon application by the individual for veterans' benefits, make its own determination whether the discharge was issued "under conditions other than dishonorable." The applicable VA regulations (paragraph (d) of section 3.12, title 38, Code of Federal Regulations) specify that:

(d) A discharge or release because of one of the offenses specified in this paragraph, is considered to have been issued under dishonorable conditions.

(1) acceptance of an undesirable discharge to escape trial by general court-martial.

(2) mutiny or spying.

(3) an offense involving moral turpitude. This includes, generally, conviction of a felony.

(4) willful and persistent misconduct. This includes a discharge under other than honorable conditions, if it is determined that it was issued because of willful and persistent misconduct. A discharge because of a minor offense will not, however, be considered willful and persistent misconduct if service was otherwise honest, faithful, and meritorious.

(5) generally, homosexual acts.

SPECIAL DISCHARGE REVIEW PROGRAMS—1977

The January 19, 1977, program—President Ford

A. Background (The September 16, 1974, Clemency Program): On September 16, 1974, President Ford issued Proclamation 4313 and Executive Order 11803 establishing a clemency program covering four categories of persons: fugitive (unconvicted) draft law offenders, fugitive (unconvicted) military-absence offenders, convicted draft offenders, and former service persons with undesirable or bad conduct discharges for unauthorized absences. Only individuals who had committed a selective service law or military offense between August 4, 1964, and March 28, 1973, were eligible. The program covered a total of 113,000 known individuals along with approximately 250,000 unidentifiable persons who had not registered for the draft. Applications for the program were received

from September 16, 1974, through March 31, 1975, a period of six and one-half months.

Under this program, fugitive draft-law offenders (not previously convicted) were able to turn themselves in at the offices of U.S. Attorneys in the districts where their alleged offenses had occurred. These individuals, by taking an oath of allegiance, waiving certain legal rights, and performing not more than 24 months of alternative service, were to become entitled to have the charges of draft law violations against them dropped. Of 4,522 known offenders and roughly 250,000 persons who had never registered for the draft, 706 draft fugitives applied, and 699 were assigned to alternate service. As of June 6, 1977, 323 had completed alternate service, 216 had been terminated from alternative service for failure to satisfactorily complete such service, 136 had been transferred to "pardon status" as a result of President Carter's January 21, 1977, pardon of draft law violators, and 24 were still performing alternative service.

Fugitive military-absence offenders—those who were absent without authority from active-duty military service, which absence commenced during the period August 4, 1964, to March 28, 1973—could return to military control, immediately be issued undesirable discharges, and be offered a chance to earn Clemency Discharges (without entitlement to veterans' benefits) by performing not more than 24 months of alternative service. Of the 10,115 fugitive military-absence offenders eligible, 5,555 applied; 4,527 were assigned to alternate service, but, as of June 6, 1977, 3,568 had been terminated from such service for failure to complete it satisfactorily, 881 had completed alternate service, and 78 were still performing their assignments.

Convicted draft offenders were eligible to apply to the Presidential Clemency Board for pardon. Of 8,800 persons eligible for pardon, 1,879 applied. Approximately 1,600 received Presidential pardons, and 136 were assigned to alternative service. As of June 6, 1977, 89 had completed alternate service, 37 had been terminated from such service for failure to complete it satisfactorily, 9 had been placed in "pardon status", and 1 was still performing his assignment.

Former military personnel with undesirable or bad conduct discharges based on absence offenses were permitted to apply to the President Clemency Board for pardon. When this program was initiated, 170 servicepersons who had been serving prison sentences as a result of court-martial proceedings were released upon making application for clemency. In total, approximately 90,000 former military personnel were eligible, 13,589 of whom applied. Pardons without an alternate service requirement were granted to 4,620 applicants, 885 were denied clemency, and 3,107 were assigned to alternative service. As of June 6, 1977, 1,181 had completed alternate service, 1,895 had been terminated from alternate service for failure to complete such service satisfactorily, and 31 were still performing their assignments.

B. Implementation: As previously indicated, 13,589 former military servicepersons who had been discharged on grounds of absence offenses and 5,555 fugitive deserters applied for clemency under President Ford's September, 1974, Clemency Program. On January 19, 1977, in memoranda to the Secretaries concerned, President Ford directed that the discharges of those who had applied for clemency and who had been "wounded in combat or who [had] received decorations for valor in combat in Vietnam . . . be reviewed on an individual basis." He further directed that those "discharges be recharacterized as under honorable conditions", in the absence of "a compelling reason to the contrary in any case". Pursuant to this program, 288 discharges have been upgraded to General or Honorable Discharges.

DEPARTMENT OF DEFENSE APRIL 5, 1977, SPECIAL DISCHARGE REVIEW PROGRAM

A. Background (President Carter's January 21, 1977, Pardon): On January 21, 1977, President Carter issued Proclamation 4483 granting pardons to all persons who had been convicted of, or may have committed, draft law offenses which occurred between August 4, 1964, and March 28, 1973, except those persons whose actual or possible offenses either involved "force or violence" or were in connection with their duties or responsibilities arising out of employment in the Selective Service System. In issuing this pardon of draft evaders, President Carter announced he was delegating to the Department of Defense responsibility for development of a program to deal "compassionately" with the approximately 430,000 former military personnel from the Vietnam era who had been issued other than Honorable Discharges.

B. Implementation: On March 28, 1977, Secretary of Defense Harold Brown announced that President Carter had approved a program for the review of certain administrative discharges received during the Vietnam era—defined as August 4, 1964, through March 28, 1973. According to a Department of Defense press release, persons with Undesirable and General Discharges received during that period were eligible to apply for upgrading in accordance with the "President's desire that these discharges be reviewed in a spirit of compassion." The concluding paragraph of the release stated: "This program is being implemented in the spirit of forgiveness and compassion in which the President has sought to bind up the divisions of the Vietnam era. Any upgrading obtained under the program will be an act of forgiveness and prospective in its effect. . . ."

On April 26, 1977, notice was published in the Federal Register (Vol. 42, pages 21308–11) regarding the establishment, by the Secretary of Defense, of a Special Discharge Review Program with an effective date of April 5, 1977. The Department of the Army was designated the Executive Agent for the conduct of the program and a plan for the Special Program was published.

The Special Discharge Review Program Plan provided for the establishment of a Joint Liaison Office in St. Louis, to which applicants are able to place toll-free telephone calls in order to apply for discharge review under the Special Program. Unless otherwise specified by the caller, it is assumed that he or she is seeking an upgrade to an Honorable Discharge under the Special Program. Following the phone call, a letter is sent to the applicant to explain the program, inform him or her of the opportunity to submit additional information, and to advise him or her that, if additional documentation is not received within thirty days from the date of the letter, an initial review by the Discharge Review Board will be undertaken based on material in the individual's military records only.

The initial review of the individual's military records and of any information submitted in writing by the individual is held in closed session by the Discharge Review Board concerned. If the initial review results in less than full relief, the individual is advised of his or her right to a *de novo* hearing, including the right to a personal appearance. Also, if after the initial, closed session review the individual does not have a discharge under honorable conditions, the Military Departments will provide counsel, without charge to the individual, to represent him or her at the *de novo* hearing.

The criteria for discharge review under the program provided:

3. *Special Considerations.* Applicants with discharges Under Other than Honorable Conditions who meet one of the following considerations will have their discharges upgraded to a general discharge under honorable conditions (or may be upgraded to an honorable discharge if the [Discharge Review Board] so determines) unless there are compelling reasons to the contrary:

a. Received a U.S. military decoration other than a service medal.

b. Was wounded in action.

c. Satisfactorily completed an assignment in Southeast Asia or in the western Pacific in support of operations in Southeast Asia.

d. Completed alternate service or was excused therefrom in accordance with Presidential Proclamation 4313 of 16 September 1974 [the Ford clemency program].

e. Received an honorable discharge from a previous tour of military service.

f. Had a record of satisfactory active military service for 24 months prior to discharge. (*Id.* at 21310.)

With regard to the "compelling reasons" not to upgrade the discharge of such an applicant, the plan stated:

(2) Applicants with discharges Under Other than Honorable Conditions who meet one of the special considerations . . . will be upgraded . . . unless there are compelling reasons to the contrary. Compelling reasons are the following:

(a) Discharge was for desertion or absence in or from the combat zone. An individual who departed the combat zone on leave, TDY, or other authorized absence basis and did not return is considered to have deserted or absented himself in or from the combat zone. Conversely, an individual who failed to report to an embarkation point for further assignment to the combat zone is not considered to have been absent in or from the combat zone.

(b) Discharge was based on an act of violence or violent conduct.

(c) Discharge was based on cowardice or misbehavior before the enemy.

(d) Discharge was based on an act or conduct that would be subject to criminal prosecution if it had taken place in a civilian environment. (*Id.* at 21309.)

The plan also identifies eight "mitigating factors" in the following fashion:

4. *Mitigating Factors.* Applicants with discharges under other than honorable conditions may also qualify for upgrading to a general discharge under honorable conditions (or an honorable discharge) when a Service Discharge Review Board finds such action is appropriate based on all of the circumstances of a particular case and on the quality of the individual's civilian record since discharge. Factors to consider in this regard include:

a. Age, general aptitude, and length of service at time of discharge.

b. Education level at the time of discharge

c. Individual entered the service from a deprived background.

d. Actions which led to the discharge were alleged at the time of discharge to have been motivated by conscience.

e. Individual entered the service upon a waiver of normally applicable entrance standards.

f. Possible personal problems which may have contributed to the acts which led to discharges.

g. Record of good citizenship since discharge. Boards are encouraged to give weight to this factor when a good record is documented.

h. Was discharged for drug or alcohol abuse and, if so, any contributing or extenuating circumstances

i. Other factors which the applicant contends warrant an upgrade in discharge. (*Id.* at 21310.)

In the case of applicants with General Discharges (under honorable conditions), the plan provides that their applications

should be considered in light of "the President's desire that discharges be reexamined in a spirit of compassion."

The plan also provides for a program for deserters at large—persons in a deserter status whose absence commenced during the Vietnam era, as defined in the plan. Such individuals are given 180 days, from April 5, 1977, to October 4, 1977, to return to military control. Upon return, if there are no other charges which were pending at the time of desertion or absence, charges for desertion and absence will be dismissed and the individuals will be discharged by reason of "prolonged unauthorized absence." Such individuals would then have the same opportunity as those who received other than Honorable Discharges during the Vietnam era to apply for upgrading under the Special Discharge Review Program.

As of June 21, 1977, initial-review decisions under the Special Program have been made in 11,345 cases involving undesirable discharges. In 8,115 cases, the discharge has been upgraded to either a General or Honorable Discharge. Thus, to date, entitlement to veterans' benefits has been granted in 72 percent of these cases.

IMPACT OF SPECIAL DISCHARGE REVIEW PROGRAMS ON STANDARDS FOR AWARDING VETERANS' BENEFITS

In correspondence with the Chairman of this Committee and in testimony at the June 23 Committee hearing, Department of the Army officials, speaking on behalf of the Department of Defense, have asserted that the April 5, 1977, special discharge review program does not amount to a substantial departure from the generally applicable standards by which discharges are reviewed and upgraded. For example, in a June 22, 1977, letter to the Chairman, the Secretary of the Army stated:

"[I]t must be borne in mind that the criteria in use for the Special Program are duplicative of the criteria that are part and parcel of the discharge review, per se, [sic], since they deal with the totality of the individual and his service. To that extent, there is similarity in consideration of cases. The essential difference is, of course, that under the Special Program, there is a requirement to upgrade under certain circumstances and this requirement would not otherwise be present under normal review."

In a similar vein, the Secretary, in his testimony before the Committee on June 23, 1977, stated:

"The [Special] Program is unique only in that it took the courage and stature of the President to shoulder the responsibility for directing this mass review. Criteria that are a part of the [Special] Program have been and will continue to be an aspect of discharge review in either a specific or philosophical sense. The one new aspect of this review, however, is that if a person meets one of the six criteria established, the discharge will be upgraded absent compelling reasons to the contrary."

A brief analysis of the two special programs, however, clearly indicates that its standards for discharge review do place former military personnel eligible for the program in a favored position relative to other former service persons. For example, the provision regarding the "special considerations" mandates the upgrading of persons who meet any one of two (in the Ford program) or six (in the Carter program) criteria unless (one of four in the Carter program) compelling reasons to the contrary exists. To illustrate, under the Carter program the Undesirable Discharge of an individual who "satisfactorily completed an assignment in the Western Pacific in support of operations in Southeast Asia" must, under the Special Program, be upgraded, unless his or her discharge was based on "desertion or absence in or from the combat zone" (a zone to which he or she may not even have been assigned), an act of violence or violent conduct, cowardice or misbehavior before the enemy (again, the individual need not have been in combat), or an act or conduct that would be subject to criminal prosecution if it had taken place in a civilian environment. Under ordinary discharge review principles, using Department of Army regulations as an example, the upgrading determination in this and all other cases would be made on the following basis:

The scope of the inquiry of the ADRB [Army Discharge Review Board] will be to determine whether the discharge received was equitably and properly given. When the ADRB determines in an individual case that the discharge was not equitably and properly given, it is authorized . . . to direct The Adjutant General to take appropriate action; that is, to change, correct, or modify any discharge . . . , and to issue a new discharge, such direction being subject to review and modification only by the Secretary of the Army. Such remedial action is intended primarily to insure that no discharged . . . former member of the Army will be deprived unjustly of any benefit provided by law for former members of the military service by reason of a type of discharge . . . inequitably or improperly given.

The Committee has also been provided with what appear to be informal guidelines for Army Discharge Review Board decisions, under ordinary circumstances, a document entitled "President's Guidance, Army Discharge Review Board Standard Operating Procedure", authored by the President of the Army Discharge Review Board. These guidelines make no reference to special considerations such as those set out in the Special Discharge Review Program plan and clearly do not single out any one class of former military personnel. Rather, the document advises Discharge Review Board members:

The greatest difficulty the panel faces . . is to strive for uniformity that is defensible and comprehensible to impartial observers who possess no expertise nor any reliable means of evaluating the way of life of the military.

* * * * *

Impartiality must be the rule for each panel member. A clear, non-jaundiced, unprejudiced evaluation must be made, which favors neither the individual nor the government but which simply tries to fairly consider whether or not the actions that took place can now be justified with the benefit of hindsight. The board must strive for uniformity in its adjudicative deliberations

In addition, although the Special Discharge Review Program plan does not so specify, in cases in which none of the six criteria identified as "special considerations" are involved, review is intended to be accomplished in a "spirit of compassion and forgiveness", pursuant to the President's wishes, and the Secretary of the Army so justified at the June 23 hearing.

While Defense Department witnesses—the Secretary of the Army and the President of the Army Discharge Review Board—stated in their testimony that the spirit of compassion and forgiveness under which discharge reviews are to be conducted in the Special Program does not distinguish that program from the ordinary discharge review process, the above-quoted Army regulations regarding discharge review and the informal guidelines of the President of the Army Discharge Review Board do not mention "forgiveness" at all and mention compassion only in the following passage from "the President's Guidance":

Points of view and expressions of compassionate concern must not be ridiculed nor must the individual expressing them be cut short in his discussion or argument as long as they are relevant to the merits of the case.

Perhaps the clearest statement of the distinction between the Special Program and the ordinary discharge review standards is the Secretary's recognition in his testimony that "It is true that some will receive benefits under this Special Program that otherwise may not have received such benefits." That statement is supported by further testimony from Department of Defense witnesses, including the Secretary, that only half of those whose discharges have been upgraded from Undesirable to General under the Special Program would receive an upgrading under the generally applicable standards.

It is likewise obvious that the January 19, 1977, program established by President Ford for the review of two categories (two of the six later adopted by President Carter in his program of April 5) of individuals who had applied for clemency under his earlier September 16, 1974, Clemency Program applies standards differing from those that are generally applicable. With regard to persons in those two categories—those "wounded in combat" and those decorated "for valor in combat in Vietnam"—President Ford, in his Memoranda to the Secretaries of the Departments concerned, stated:

"I have a continuing concern over the welfare of these people, particularly those [in the foregoing categories] * * * . * * * I am hereby directing that you take all necessary action to ensure that the discharges of these former servicemembers * * * be reviewed on an individual basis.

"I am further directing that these discharges be characterized as under honorable conditions, unless you find a compelling reason to the contrary in any case."

Thus, as the Defense Department and VA witnesses testified, the January 19 program is similar in approach and structure to—though on much smaller scale—to the April 5, 1977, Special Discharge Review Program. The only apparent distinctions are that only two of the six "special considerations" under the April 5 program are included in the January 19 program and that the April 5 program defines the term "compelling reason" for not upgrading while the January 19 program leaves that term undefined.

DISCUSSION

APPROPRIATE BASIS FOR GRANTING VETERANS' BENEFITS

The April 5, 1977, Defense Department Special Discharge Review Program constitutes a large-scale departure from fundamental, historic principles for the granting of veterans' benefits which are not being applied even-handedly to all former service personnel. Section 101(2) of title 38 provides the basic definition of the term "veteran" for purposes of benefits under laws administered by the Veterans' Administration—"a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable." Throughout title 38, that term is used to denote an individual who is entitled, by virtue of the character of his or her service, to specific benefits. This definition thus establishes a minimum standard regarding the quality of active-duty service which will result in entitlement to veterans' benefits.

The Committee recognizes that the Military Departments properly make initial determinations regarding the character of the active-duty service of individuals and have authority, under sections 1552 and 1553 of title 10, United States Code, to revise such determinations when warranted by the facts in individual cases. However, the Committee questions the conferring of veterans' benefits as a consequence of discharge upgrading on grounds which depart very substantially from the historic principles on the basis of which benefits have been and should be granted.

In addition to injecting considerations which the Committee finds to be of dubious

statutory derivation into determinations resulting in the conferring of benefits, the Special Discharge Review Program singles out a limited class of former military personnel as the beneficiaries of favored treatment. The Committee finds no provision in title 10 or title 38 which provides any Executive Branch official with the discretion to discriminate among former military personnel on the basis of period of service or date of discharge so as to afford some a peculiar advantage with regard to veterans' benefits.

The Committee believes that this unevenhanded application of standards by the Federal Government raises the most basic questions of fundamental fairness and equal treatment.

Nor does the Committee believe that such a distinction for purposes of rewarding honorable service can be justified on any acceptable basis. While this Committee has three times approved legislation (in S. 2108 in the 92nd Congress, S. 284 in the 93rd Congress, and S. 2908 in the 94th Congress) designed to deal with some of the very distinct aspects of the Vietnam war and has under active consideration at this time legislation (in S. 1693) to provide for special readjustment counseling assistance for certain Vietnam-era veterans, the Committee does not find that these distinctions warrant the fundamentaly disparate treatment afforded in the special programs for the purposes of determining when veterans' benefits have been earned by the character of a person's military service.

On a much smaller scale, the program established by President Ford on January 19, 1977, directing that certain discharges not involving entitlement to veterans' benefits be upgraded to discharges under honorable conditions (carrying entitlement to benefits) in the absence of "compelling reasons to the contrary", involved a similarly discriminatory application of special standards to a class that had been singled out for that purpose.

Because these programs involving special discharge review standards conflict with fundamental principles on which veterans' benefit are properly granted and with the evenhanded treatment which should characterize Government action, S. 1307 as reported denies entitlement to benefits on the basis of discharge upgrading through the application of such special standards.

Simply denying entitlement based on such special upgrading, however, does not provide a complete or equitable resolution of the situation created by these special programs. In the absence of specific legislative authorization and direction, persons who have received upgrading under a special program might not have the opportunity to obtain the kind of determination available to all others under ordinary circumstances regarding an upgrading carrying with it entitlement to veterans' benefits. Also, the procedures to be applied in connection with making such determinations would be uncertain, possibly leaving it to the individual to apply for a determination which, in the Committee's view, should be undertaken on the Discharge Review Board's initiative, and leaving the right to personal appearance in question.

To remedy this situation, S. 1307 provides that the Discharge Review Board concerned must—unless the individual, upon due notice, objects—make a separate determination whether, under generally applicable standards, it would grant an upgrading of the undesirable discharge. Such a determination if favorable, would entitle the individual to veterans' benefits and would leave undisturbed the upgraded discharge issued as the result of the application of Special Program standards. This provision applies to both an individual whose discharge has been upgraded under the April 5 standards prior to the date of enactment of this legislation as well as to those whose cases are pending or who apply thereafter for upgrading under the April 5 standards.

With respect to the procedures for making the separate determination, S. 1307 as reported preserves for the individual those procedural protections, such as the right to personal appearance, currently available to individuals who apply for upgrading under ordinary circumstances.

With respect to cases in which undesirable discharges have already been upgraded under either special program prior to the date of enactment of this measure, the Committee intends that the Discharge Review Board concerned provide the individual with notice of its intention to make a separate determination regarding upgrading under generally applicable standards for the purpose of resolving the issue of whether the individual should be entitled to veterans' benefits. In the absence of timely objection from the individual, the Board would proceed to make that determination on the basis of documentary evidence. If, as a result of such a "paper" review, the Board does not make a favorable determination, it would then notify the individual and proceed to afford the individual a full opportunity for a personal appearance in accordance with current procedures generally applicable.

As to cases in which an initial decision had not yet been made by the date of enactment of this legislation, the board concerned should, in the interests of efficiency and time, make two determinations simultaneously—one, as to whether an upgrading should be granted in accordance with the applicable special discharge Review Standards and the other as to whether under the generally applicable standards. If an upgrading is granted under the special standards, but would not have been under generally applicable standards, the case should proceed in accordance with existing procedures regarding personal appearance to a final determination of the latter issue. If, on the other hand, the individual's discharge is not upgradable under either standard, the case should proceed in accordance with the procedures prescribed in the Special Discharge Review Program plan, which entitle the individual to a *de novo* hearing and the provision of counsel without charge by the Military Department concerned.

According to Administration projections regarding numbers of applicants and upgradings, the undesirable discharges of approximately 20,000 to 25,000 individuals will be upgraded under the Special Discharge Review Program. If, as Department witnesses testified, half of the discharges so upgraded would not be upgraded under generally applicable discharge review standards, S. 1307 as reported would result in the denial of veterans' benefits to approximately 10,000 to 12,500 individuals who would otherwise be entitled to them.

Thus, using VA estimates of the average annual cost of benefits per veteran entitled to benefits—$1,100, $1,131, $1,060, $950, and $820 for fiscal years 1978 through 1982, respectively, S. 1307 as reported would produce a savings of approximately $11 million to $13,750,000 in fiscal year 1978 and approximately $50,610,000 to $63,262,500 in savings over the five year period in terms of benefits not paid.

The Congressional Budget Office (CBO) estimate of such cost-savings reflect the maximum potential savings, assuming all 161,000 eligible persons with Undesirable Discharges apply. Thus CBO estimates a $36.8 million cost-savings for fiscal year 1978 and a five-year (fiscal years 1978 through 1982) cost-savings of $288.4 million in terms of benefits not paid.

HEALTH CARE FOR PERSONS WITH ADMINISTRATIVE DISCHARGES UNDER LESS THAN HONORABLE CONDITIONS

S. 1307 as reported would give the Administrator of Veterans' Affairs discretionary authority, pursuant to each regulations as the Administrator shall prescribe, to provide for the furnishing of health care services to former active-duty personnel who may be precluded from treatment by virtue of an Undesirable or Clemency discharge. This authority applies only to persons other than those barred from receiving benefits under section 3103 of title 38. In addition, the services authorized to be provided are limited to the treatment of disabilities incurred during active duty in line of duty, that is, disabilities that are not the result of the individual's own willful misconduct or disabilities incurred while on unauthorized absence.

This provision recognizes the strong moral obligation of the Federal Government to provide treatment for service-connected disabilities. In the Committee's view, that general obligation becomes fixed at the time such an illness or injury occurs and is not vitiated by any circumstances short of those resulting from the sentence of a court-martial or otherwise specified in such section 3103.

This provision in S. 1307 would apply without regard to the individual's period of service or date of discharge.

"CHARACTER OF DISCHARGE" DETERMINATIONS BY THE VETERANS' ADMINISTRATION

To be eligible for veterans' benefits, an individual generally must meet the requirements of the definition of "veteran" in section 101(2) of title 38.—"A person who serves in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable." Under VA regulations (32 C.F.R., section 3.12), Honorable Discharges or General Discharges (under honorable conditions)—regardless of whether issued by a military service at the time of completion of a tour of duty or by virtue of a correction or upgrading by a Board for the Correction of Military Records or a Discharge Review Board—are generally now accepted by the Veterans' Administration as determinative of the honorable (literally "other than dishonorable") character of the individual's discharge.

Under section 3103 of title 38, on the other hand, a discharge issued imposed by a general court-martial unless set aside by a court or a Board for the Correction of Military Records is a conclusive bar to benefits. Administratively-issued discharges under less than honorable conditions (Undesirable Discharges) as well as Bad Conduct Discharges imposed by special courts-martial do not, *per se*, determine the issue whether the individual was discharged "under conditions other than dishonorable" for purposes of the section 101(2) definition of "veteran". Therefore, the Veterans' Administration has established standards and procedures, govern by regulation, by which it determines that issue.

The authority of promulgate, revise, or amend these "character of discharge" regulations should not be used to create special categories of veterans to be afforded any particular advantage relative to other former military personnel. Therefore, consistent with the sprit and intent of section 1 of S. 1307 as reported, section 3 of this measure would prohibit the Administrator from replacing, revising, or amending the VA's "character of discharge" regulations for the purpose of, or having the effect of, providing any special treatment thereunder to those who receive upgraded discharges under the Department of Defense's Special Discharge Review Program.

RETROACTIVITY

The final section of S. 1307 as reported provides that section 1 of the measure shall apply retroactively to deny entitlement to benefits to those whose entitlement is based on an upgrading of a discharge under less than honorable conditions by virtue of the application of special discharge-review standards implemented after January 1, 1977. That same provision, however, prohibits the United States from attemping to recover the value of benefits provided prior to the date of enactment of this legislation. Since there is no conceivable basis for questioning the good faith of individuals who would have been granted such upgrading under either the Ford or Carter program, no attempt should be made to recover from them the value of benefits received prior to the date of enactment of this measure.

Thus, upon enactment of this bill, those individuals whose Undesirable or Clemency discharges were upgraded prior to enactment will no longer be entitled to veterans' benefits by virtue of such upgrading, but they will have the opportunity for a determination under generally applicable discharge-review standards as to whether they should be granted such benefits.

CONCLUSION

Mr. CRANSTON. Mr. President, enactment of the committee modification of S. 1307 as reported would provide for the establishment of a discharge-review program consistent with principles on which there is broad consensus in the Senate and among veterans' organizations. This legislation also deals fairly with those who have received upgrading of their undesirable and clemency discharges under the January 19, 1977, and April 5, 1977, special programs.

There is no question that this legislation is far preferable to the Beard amendment and I, therefore, urge rapid congressional action leading to enactment of this measure and, eventually, congressional rejection of the Beard amendment.

Mr. President, although the administration has not expressed its support for the committee amendment—it has "no position" officially—there is no doubt in my mind that this modified version is far more acceptable to the White House.

Mr. President, in closing, I again want to express my personal thanks to the Senator from South Carolina (Mr. THURMOND) for his excellent work in the development of this legislation; and I wish to make note of the excellent staff work that went into the development of the committee bill and this modification. Among those to be congratulated are Gary Crawford, minority counsel for the Senator from South Carolina; Garner Shriver, minority counsel of the committee; chief counsel of the committee, Jon Steinberg; the committee's general counsel, Ed Scott; and other committee staff members, LaMar Lyons and Harold Carter.

Mr. THURMOND. Mr. President, today will be a day when the dignity of the service rendered our Nation by its 30 million veterans will be vindicated. Many of us in the Congress opposed the variety of programs instituted by the administration that had the effect of either pardoning those who ran from their duties during the Vietnam war or of forgiving those who performed it disgracefully and had to be separated from the military service. The opposition of some of the membership to these programs was strongly supported by the major veterans organizations—the American Legion, the VFW, the DAV, and AMVETS. The fervor of the opposition to such programs increased significantly, however, when it became apparent that former military personnel who had been separated from the military service with undesirable discharges could have their discharges upgraded under the administration's special discharge review program and qualify for veterans' benefits.

It was my position when I first introduced S. 1307, and it remains my position today, that the conferral of veterans' benefits upon individuals whose entitlement to them has been acquired under standards lower than that required of the remainder of our veterans' population, is not compassion at all but rather the reckless and uninhibited dishing out of benefits to those not entitled to them. The strong feeling in the Congress in opposition to automatic qualification for veterans' entitlements as a result of President Carter's discharge upgrade program affecting some 420,000 former Vietnam era service personnel was publicly dramatized on June 16. On that date an amendment to the HUD-independent agencies appropriations bill offered by Congressman ROBIN BEARD of Tennessee, which denied funds for VA programs for persons eligible by virtue of the new discharge upgrade program, passed the House by a vote of 273 to 136. Congressman BEARD is certainly to be commended for his timely and effective leadership in this effort. The House's decisive action surely must have galvanized many who were previously unaware of the implications of awarding veterans' entitlements on the basis of any special discharge review standards.

S. 1307 denies automatic entitlement to veterans benefits to those whose discharges have been upgraded under any special discharge review program. It specifies that persons applying for upgraded discharges under the administration's special discharge review program are entitled to veterans benefits only as a result of a determination by the Discharge Review Board concerned which must employ criteria for the review of discharges which applies to all veterans. Furthermore, in making this determination, the Discharge Review Boards are required to employ historically consistent standards with criteria for determining honorable service.

For persons who have already been upgraded under the administration's special program, the provision of S. 1307, as amended, would provide equitable treatment. Persons already receiving VA benefits will not be cut off automatically upon the passage of this act. Their entitlement will be determined however, employing discharge review standards made generally applicable to all veterans.

S. 1307 also provides the Administrator discretionary authority to provide health care to certain persons with less-than-honorable discharges for disabilities incurred or aggravated in line of duty. The bill also amends title 38 United States Code Section 101 to broaden the term "discharge or release" to include a person who completed a satisfactory period of military service but who did not receive a discharge because of an enlistment or reenlistment. Finally, S. 1307 prohibits the Administrator of Veterans' Affairs from publishing character of discharge regulations inconsistent with the provisions of this act.

Mr. President, S. 1307 would appear to be an eminently rational and equitable solution to the serious issues raised by the special discharge review program or under any future discharge upgrade program that employs standards not made generally applicable.

The task of reconciling diverging philosophies and of identifying the critical substantive issues for resolution by the Veterans' Affairs Committee was not easy. In this regard I commend the strong leadership exerted by the chairman of the committee, Senator CRANSTON. He and the staff of the committee are to be commended for their understanding and diligence in working with this difficult issue. I would also like to recognize the statesmanship of our colleague, BOB DOLE, who cooperated with the committee's effort to resolve these difficult issues legislatively and who has been instrumental in our being able to bring this measure before the Senate for action.

Mr. President, it is the unanimous view of the Veterans' Affairs Committee that S. 1307 is the most appropriate response for dealing timely and equitably with the granting of entitlement to veterans' benefits within the context of special standards for upgrading discharges. I urge that it receive the full support of my colleagues.

Mr. DOLE. Will the Senator from South Carolina yield?

Mr. THURMOND. I am pleased to yield.

Mr. DOLE. Mr. President, could we have order in the Senate?

The PRESIDING OFFICER. The Senate is not in order. Will Senators please retire to the cloakrooms for their conversations?

The Senator from Kansas.

Mr. DOLE. Let me say that I commend both distinguished Senators for their leadership in resolving some of the complex problems in S. 1307, in fact beyond S. 1307. In addition to any comments made in my statement, I want to point out that both the distinguished Senator from California and the distinguished Senator from South Carolina, and other committee members on the committee, deserve much credit. I know there were many meetings and numerous hours of time spent in trying to reconcile the differences.

Mr. President, the Senator from Kansas rises in support of S. 1307, a bill that prevents automatic eligibility for veterans' benefits by individuals who discharges have been upgraded as a result of the Carter special discharge program.

First of all the Senator from Kansas would like to commend the most able and distinguished Senator from South Carolina and other committee members on

their long and arduous work in developing permanent legislation regarding veterans' benefits.

LONG-TIME CONCERN

The Senator from Kansas has had a long-time concern in what might result from the Carter program to automatically upgrade discharges and one who strongly questions whether someone who failed to serve this country, deserted, or otherwise ignored his responsibility to this country, should now automatically qualify for veterans' benefits. Likewise, the Senator from Kansas has had a long-time interest in making sure we prevent this from happening.

DOLE AMENDMENT

On June 24, 1977 during the Senate consideration of the HUD appropriations bill, I offered an amendment to this bill that would have prevented funds appropriated in this act from being spent for any payment or benefit by virtue of the special review program. This measure would have provided a stop-gap to the automatic awarding of upgraded discharges and benefits while Congress could thoroughly consider and debate the question of benefits.

However, based on the assurance from the chairman of the Committee on Veterans' Affairs, the distinguished Senator from California (Mr. CRANSTON) that a bill, S. 1307, addressing this problem would be thoroughly and immediately acted upon by the committee, I withdrew my amendment.

LEGISLATION IS NEEDED NOW

As a result of a meeting I attended yesterday with the distinguished Senators THURMOND and CRANSTON, Congressman ROBIN BEARD, and several veterans' organizations, the Senator from Kansas is convinced that S. 1307 has been thoroughly considered and developed with an approach that offers responsible compromises between the Carter program and the so-called Beard amendment in the HUD conference report. S. 1307 is supported by the American Legion, Fleet Reserve Association, National Association of Concerned Veterans, Veterans of Foreign Wars, Disabled American Veterans, and Non-Commissioned Officers Association. However, in spite of broad veteran organization support and compromise language, President Carter continues to refuse to take a position on S. 1307.

In view of the fact that there is no indication from President Carter that S. 1307 would be enacted into law if passed by Congress, the retention of the Beard amendment in the HUD conference report is crucial if we are to be assured for the time being, that no individual, solely because of existing special criteria, will be entitled to veterans' benefits.

SUPPORT FOR S. 1307

It is my desire, and hopefully the desire of my distinguished colleagues, to insure, with passage of S. 1307 and the adoption of the Beard amendment in the HUD conference report, that those veterans whose military service was less than honorable are not placed on an equal footing with those men and women who served this Nation faithfully and honorably.

Mr. CRANSTON. Mr. President, I believe we are ready to act on the amendment. I yield back the remainder of my time on the amendment.

Mr. THURMOND. Mr. President, I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CRANSTON. Mr. President, in closing, I again want to express my personal thanks to the Senator from South Carolina (Mr. THURMOND) for his great cooperation on this matter. I thank also the Senator from Kansas (Mr. DOLE) and the Senator from South Dakota (Mr. ABOUREZK) and the Senator from Massachusetts (Mr. BROOKE) as well as our ranking minority committee member, the Senator from Vermont (Mr. STAFFORD).

Mr. THURMOND. Mr. President, in my earlier statement I commended the able Senator from California and the able Senator from Kansas for their parts in this matter. Again I thank the distinguished Senator from California for the fine cooperation he has extended during the consideration of this legislation.

Mr. CRANSTON. I am prepared to yield back my time, Mr. President.

Mr. THURMOND. Mr. President, I yield back the remainder of my time.

Mr. NELSON. Mr. President, S. 1307 is a carefully designed compromise, which seeks to defuse the emotionalism which surrounds the upgrading of discharges and receipt of veterans' benefits by Vietnam veterans who received "bad paper" discharges. Senators CRANSTON and THURMOND deserve great credit for their painstaking work on this bill and their willingness to accommodate the concerns of the administration and certain Senators by amending the bill significantly after it was reported from committee.

There is no doubt that this bill is a good faith effort to deal equitably with both veterans of the Vietnam war and those of earlier conflicts. There is also no doubt that S. 1307 is prompted by an understandable desire to design a viable and compassionate alternative to the amendment adopted by the House which punished Vietnam veterans who received a discharge upgrade in the President's special discharge review program—SDRP—by denying them veterans' benefits automatically, regardless of the merits of their claim.

Nevertheless, I am voting against S. 1307. Despite the moderate approach taken, S. 1307 inevitably requires the President and the Department of Defense to discard the SDRP and devise a new program in its place.

The administration's special discharge review program is not perfect. As Senator CRANSTON has pointed out, it defines the "Vietnam era" in such a way that certain veterans of the war could be rendered ineligible for an upgrade. Certain improvements of this sort might profitably be included in a successor program established if legislation like S. 1307 becomes law. But in its main thrust, the SDRP is fair and compassionate. It does not mandate the automatic upgrading of "bad paper" discharges. It still demands a case-by-case review by the same Discharge Review Boards which have statutory responsibility in all cases. 10 United States Code, sections 1552, 1553. The program does set forth written criteria which the Discharge Review Boards must follow. Under the program, veterans with discharges under other than honorable conditions will have their discharges upgraded, unless there are compelling reasons to the contrary, if they have: First, been previously decorated for military service; second, been wounded in action; third, satisfactorily completed an assignment in Southeast Asia or in the Western Pacific in support of operations in Southeast Asia; fourth, received an honorable discharge from a previous tour of military service; fifth, had a record of satisfactory active military service for 24 months prior to discharge; or, sixth, satisfactorily completed alternate service or been excused from such service under President Ford's clemency program.

Failing to meet any of those standards, an applicant may also qualify for upgrading if the Discharge Review Board "finds such action is appropriate based on all of the circumstances of a particular case and on the quality of the individual's civilian record since discharge." The program sets forth a broad range of factors to be considered in this regard.

Even if an individual would qualify for an upgrade under either of these standards, he would not be upgraded in cases where his discharge was for "desertion or absence from a combat zone," "an act of violence or violent conduct," "cowardice or misbehavior before the enemy" or an act which would be subject to criminal prosecution if it had taken place in a civilian environment.

The program was not designed to be "amnesty" and has not operated as such. To date, the SDRP has operated on a discriminating case-by-case basis; approximately 60 percent of the men who have applied have been upgraded, and 40 percent have been denied. The criteria in the first category—those which require an upgrade unless compelling reasons to the contrary exist—are the hallmarks of honorable service. The criteria in the second category are apparently considered—in varying degrees—by Discharge Review Boards in all cases, and the final decision on how to weigh these factors rests with the Discharge Review Board.

It is probably true that some of those upgraded in the SDRP would not have been upgraded otherwise, but not in most cases. In my judgment, it is not worth scrapping a viable program in an effort to identify and winnow out those veterans whose upgrade might be questioned under preexisting standards.

In the past, the process of obtaining a discharge review has been extremely difficult. For a long time, Discharge Review Boards sat only in Washington, effectively foreclosing many veterans from a realistic chance of seeking review. Even after some geographic dispersion of the review

boards was accomplished, the process still placed disheartening obstacles in the path of veterans.

One great advantage of the Carter program is that it streamlines procedures and makes rapid consideration of a veteran's discharge a realistic possibility. Under the program, the applicant could initiate the procedure through a toll free telephone call; a short 30 day filing date was established for submission of outside material; and a two-stage review process was instituted which would permit the application to be reviewed by the Board without the personal appearance of the applicant. Although the terms of the program are not simple, it is susceptible to a simple explanation, in part because if the discharges are upgraded, the veteran becomes eligible for benefits.

S. 1307 changes all that. It eliminates a program without creating one in its place. In this complex, emotional area, there is no guarantee that any program which ultimately emerges will be as equitable or compassionate as the Carter program. Even assuming the best possible outcome, thousands of veterans around the country are left in limbo for months, first while Congress considers legislation, and then while the Department of Defense devises a new program. Veterans who would have come forward to seek an upgrade of their discharge will be put off. For those who came forward in good faith and obtained an upgraded discharge under the program, S. 1307 represents a cruel disappointment: the award of veterans benefits that accompanies the upgrade is rescinded, pending another evaluation of their case under the program to be created in the future.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Maine (Mr. HATHAWAY), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "yea."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Oregon (Mr. HATFIELD), the Senator from California (Mr. HAYAKAWA), and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The vote was announced—yeas 87, nays 2, as follows:

[Rollcall Vote No. 351 Leg.]

YEAS—87

Abourezk	Garn	Nunn
Allen	Glenn	Packwood
Anderson	Goldwater	Pearson
Baker	Gravel	Pell
Bartlett	Griffin	Percy
Bayh	Hansen	Proxmire
Bellmon	Hart	Randolph
Bentsen	Haskell	Ribicoff
Bumpers	Hatch	Roth
Burdick	Heinz	Sarbanes
Byrd, Harry F., Jr.	Helms	Sasser
	Hollings	Schmitt
Byrd, Robert C.	Huddleston	Schweiker
Cannon	Inouye	Scott
Case	Jackson	Sparkman
Chafee	Javits	Stafford
Chiles	Kennedy	Stennis
Church	Laxalt	Stevens
Clark	Leahy	Stevenson
Cranston	Long	Stone
Culver	Lugar	Talmadge
Curtis	Magnuson	Thurmond
Danforth	Mathias	Tower
DeConcini	Matsunaga	Wallop
Dole	McGovern	Weicker
Domenici	McIntyre	Williams
Durkin	Melcher	Young
Eagleton	Metzenbaum	Zorinsky
Eastland	Morgan	
Ford	Muskie	

NAYS—2

Nelson	Riegle

NOT VOTING—11

Biden	Hayakawa	McClure
Brooke	Humphrey	Metcalf
Hatfield	Johnston	Moynihan
Hathaway	McClellan	

So the bill (S. 1307) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3103 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(e)(1) Notwithstanding any other provision of law, (A) benefits under laws administered by the Veterans' Administration for a person described in the second sentence of this paragraph shall be provided, as a result of a change in or new issuance of a discharge under section 1553 of title 10, only upon case-by-case review by the board of review concerned, subject to review by the Secretary concerned, under such section, of all the evidence and factors in each case under uniform standards (historically consistent with criteria for determining honorable service) and procedures generally applicable to all persons so discharged who apply for such review; and (B) this paragraph shall apply, for such period of time for application (but in no event for less than one year after the date of enactment of this paragraph) as the President shall establish, to any person who, prior to the date of enactment of this paragraph, was administratively discharged under other than honorable conditions from active military, naval, or air service performed at any time if any part of such service occurred on or before March 28, 1973.

"(2) Notwithstanding any other provision of law, any person who was discharged from active military, naval, or air service under other than honorable conditions and who, under revised standards (A)(i) as implemented on or after April 5, 1977, under the Department of Defense's special discharge review program, or (ii) as implemented after January 1, 1977, and (B) not made generally applicable to all persons to whom paragraph (1) of this subsection applies, has been awarded a general or honorable discharge prior to the date of enactment of this paragraph, shall be entitled to benefits under laws administered by the Veterans' Administration only upon a case-by-case review on an expedited basis under standards meeting the requirements of paragraph (1) of this subsection applied by the board of review concerned under section 1553 of title 10, subject to review by the Secretary concerned, after notification by the Veterans' Administration to such Secretary that such person has applied for such benefits or after receiving a written request by such person for a decision regarding prospective entitlement. In the event that such board determines that such person is not entitled to the award of an upgraded discharge under standards meeting such requirements, such person shall be entitled to notice thereof and appearance before the board as provided for under section 1553(c) of such title prior to a final determination on such question. Notwithstanding the first sentence of this paragraph, with respect to any person in receipt of benefits under this title on the date of enactment of this paragraph, such benefits shall not be terminated under this paragraph until such time as a final determination not favorable to the person concerned is made on an expedited basis under this paragraph or the expiration of one hundred and eighty days after the date of enactment of this Act, whichever is the earlier, and the United States shall not make any claim to recover the value of any benefits provided to such person prior to the date of such final determination. The Administrator shall, as soon as administratively feasible, notify the appropriate board of review of the receipt of benefits by any person described in the preceding sentence or of the application for such benefits by any person described in the first sentence of this paragraph.".

(b) The Secretary of Defense shall inform each person whose discharge was upgraded under circumstances described in section 3103(e)(2) of title 38, United States Code, as added by subsection (a) of this section of the implications of the provisions of this Act for each such person.

SEC. 2. Notwithstanding any other provision of law, the Administrator of Veterans' Affairs, may, in the Administrator's discretion pursuant to such regulations as the Administrator shall prescribe, provide the type of health care and related benefits authorized to be provided under chapter 17 of title 38, United States Code, for any disability incurred or aggravated during active military, naval, or air service in line of duty by a person other than a person barred from receiving benefits by section 3103 of such title, but not, pursuant to this section, for any disability incurred or aggravated during a period of service from which such person was discharged by reason of a bad conduct discharge.

SEC. 3. Paragraph (18) of section 101 of title 38, United States Code, is amended to read as follows:

"(18) The term 'discharge or release' includes (A) retirement from the active military, naval, or air service, and (B) the satisfactory completion of the period of active military, naval, or air service for which a person was obligated at the time of entry into such service in the case of a person who, due to enlistment or reenlistment, was not awarded a discharge or release from such period of service at the time of such completion thereof and who, at such time, would otherwise have been eligible for the award of a discharge or release under conditions other than dishonorable.".

SEC. 4. The Administrator of Veterans' Affairs, in promulgating, or in making any re-

visions of or amendments to, regulations governing the standards and procedures by which the Veterans' Administration determines whether a person was discharged or released from active military, naval, or air service under conditions other than dishonorable, shall, in keeping with the spirit and intent of this Act, not promulgate any such regulations or revise or amend any such regulations for the purpose of, or having the effect of, providing any unique or special advantage to veterans who have received upgraded discharges under the standards (A) (i) as implemented on or after April 5, 1977, under the Department of Defense's special discharge review program, or (ii) as implemented after January 1, 1977, and (B) not made generally applicable to persons who served at any time, or otherwise making any special distinction between such veterans and other veterans.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 766

Mr. CRANSTON. Mr. President, I have a title amendment at the desk and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON), proposes unprinted amendment No. 766.

The amendment is as follows:

Amend the title so as to read: "A bill to require case-by-case review under uniform, historically consistent, generally applicable standards and procedures prior to the award of veterans' benefits to persons administratively discharged under other than honorable conditions from active military, naval, or air service, and for other purposes.".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. CRANSTON. Mr. President, I ask unanimous consent that S. 1307 be printed as amended and that the Senator from North Dakota (Mr. BURDICK) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, is the distinguished Senator from Georgia (Mr. TALMADGE) a cosponsor of this bill? If not, he wanted to be added as a cosponsor. I ask unanimous consent he be added if he is not. I think he is.

The PRESIDING OFFICER. He is a cosponsor.

Mr. THURMOND. I thank the Chair.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs and the Select Committee on Aging be authorized to meet during the afternoon today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet until 1 o'clock p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATURAL GAS AND PETROLEUM CONSERVATION AND COAL UTILIZATION POLICY ACT OF 1977

The PRESIDING OFFICER. Under the previous order, following the disposition of S. 1307, the Senate will resume consideration of the unfinished business, S. 977, which the clerk will state by title.

The second assistant legislative clerk read as follows:

A bill (S. 977) to require that new and, to the extent practicable, existing electric powerplants and major fuel-burning installations, in categories to be determined, utilize other than natural gas or petroleum as their primary energy source in compliance with applicable environmental requirements, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts (Mr. KENNEDY) is recognized.

Mr. ROBERT C. BYRD. Mr. President, without prejudice to Mr. KENNEDY, under the order of yesterday, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask unanimous consent that during the consideration of the Kennedy amendment, all amendments thereto and votes thereon, that Mr. Ron Smith of my staff be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent the time consumed be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, the time not being charged against anybody on either side, and that the period be limited to not to exceed 10 minutes, with statements limited therein to 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

CANADIAN TAX PROVISIONS ON U.S. BROADCASTING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 365, which has been cleared on all sides for passage by unanimous consent and has been on the calendar since August 5.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, the majority leader and I have discussed this matter and, of course, he is correct, it has been cleared on this side and we would not object to the immediate consideration of this measure or to transfer to the Unanimous-Consent Calendar if the majority leader may wish.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader.

Under those circumstances, I, therefore, ask unanimous consent that the Senate now proceed to its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 152) expressing the sense of the Senate that the President bring to the attention of the Government of Canada the adverse effect on the United States broadcasting industry of certain provisions of the Canadian tax code.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report. (No. 95-402), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE RESOLUTION

The purpose of the resolution is to express the sense of the Senate that the President raise with the Government of Canada the question of the impact of the recent provisions of the Canadian tax code on the U.S. broadcasting industry with a view to adjusting outstanding differences.

BACKGROUND

Over 20 Canadian cities receive programs from U.S. television stations, either through a closed cable relay system or off-the-air. The American stations involved range from Seattle, Wash., to Presque Isle, Maine. To a lesser degree, signals from a number of Canadian stations are received on the northern border cities of the United States.

Border stations in both countries are governed by agreements between the two Governments and cross-border service is a result of wavelength assignments made pursuant to those agreements. Also, the regulatory agencies of both countries allow cross-border television signals to be picked up by domestic cable television systems. The Federal Communications Commission (FCC) has developed a reciprocity rule which allows foreign programs to be carried by a domestic American station where it or another station could benefit in the reverse situation, that is, its programs could be carried reciprocally by the Canadians. The Canadian Radio-Television Commission (CRTC) issues licenses specifically indicating to each cable TV sys-

tem the signals it may carry. In some cases it has allowed American signals to be picked up and transmitted by micowave relay to cable systems many miles beyond the area in which they could otherwise be received. As a result about 40 percent to 50 percent of all Canadians with TV sets are cable subscribers, making the Canadian cable TV industry one of the most extensive in the world. In neither country do cable operators have to pay stations for use of their programs. Broadcasters are expected to obtain their compensation by selling advertising to businesses interested in reaching the cable system's subscribers.

On July 26, 1971, the CRTC proposed in its "Policy Statement on Cable Television" an amendment to Canada's Income Tax Act to prevent Canadians from deducting as a business expense their advertising on foreign stations even though their purpose was to reach Canadian audiences. On January 23, 1975, the Canadian Government announced it would seek to abolish tax concessions that allow companies to deduct the cost of advertisements in American magazines or broadcasts aimed at the Canadian market. The Canadian Parliament approved a measure denying tax deductions in July 1976, effective the following September, except for certain contracts signed before the effective date. The State Department began discussions with Canadian officials on the substance and timing of the legislation, but was told that since the measure dealt with internal domestic tax matters it was not subject to international negotiation. The Department has advised the committee that it intends ". . . to keep this matter and its adverse impact on U.S. broadcast interests before the Canadian Government as opportunities to do so arise."

On May 4, 1977, the Foreign Relations Committee asked for comments by the Department of State on the resolution and received a reply on July 19, the text of which follows. After reviewing the letter, which stated that the Department had no objection from the point of view of foreign policy, the committee discussed whether the resolution would strengthen the Department's hand in negotiations of outstanding border broadcasting issues, including the provisions of the Canadian tax code. Because the Department had said it plans to keep this matter and its adverse impact on U.S. broadcasting interest before the Canadian Government as opportunities to do so arise, the committee felt it would be useful for the State Department to have this expression from the Senate during those negotiations.

During the discussion on a motion by Senator Sarbanes the committee agreed to delete the clause in the preamble, which read:

"Whereas the Senate seeks to amend certain provisions of the United States Internal Revenue Code, which provisions appear to inhibit travel by Americans to Canada;"

COMMITTEE ACTION

On April 26, 1977, Mr. Moynihan and 16 cosponsors introduced the resolution which was referred to the Committee on Foreign Relations. On May 4, 1977, it was sent to the Department of State for comment and a reply was received July 19, 1977. The Department did not object to the resolution. On August 2, 1977, the committee discussed the resolution and by voice vote and without dissent ordered it to be reported favorably, with an amendment, to the Senate.

COMMITTEE COMMENTS

The resolution speaks for itself. The preliminary clauses state that the people of the United States place "the utmost value on their enduring friendship and special relationship with the people of Canada," but that recent amendments to the Canadian tax code appear to inhibit commercial relations between Canadian businesses and American broadcasters.

VIEWS OF THE DEPARTMENT OF STATE

DEPARTMENT OF STATE,
Washington, D.C., July 19, 1977.

Hon. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: The Secretary has asked me to reply to your letter of May 4 in which you ask for the comments of the Department of State on Senate Resolution 152, "expressing the sense of the Senate that the President bring to the attention of the Government of Canada the adverse effect on the United States broadcasting industry of certain provisions of the Canadian tax code."

The Department of State has no objection, from the point of view of foreign policy, to this resolution. In fact, in the recent past the Department has conducted extensive negotiations with the Canadian Government on outstanding border broadcasting issues, including the provisions of the Canadian tax code to which Senate Resolution 152 refers. On the basis of our discussions with the Government of Canada, we consider it unlikely that it will alter the tax policy in question. Nevertheless, it is our intention to keep this matter and its adverse impact on U.S. broadcast interests before the Canadian Government as opportunities to do so arise.

The Office of Management and Budget advises that from the standpoint of the administration's program, there is no objection to the submission of this report.

Sincerely,

DOUGLAS J. BENNETT, Jr.,
Assistant Secretary for Congressional Relations.

The resolution was agreed to.

The preamble was amended.

The resolution, with its preamble, reads as follows:

Whereas the people of the United States place the utmost value on their enduring friendship and special relationship with the people of Canada;

Whereas the people of Canada and the people of the United States have established singular standards of openness and candor in discussing mutual interests and concerns; and

Whereas recent amendments to the Canadian tax code appear to inhibit commercial relations between Canadian businesses and American broadcasters: Now, therefore, be it

Resolved, That the Senate call on the President to raise with the Government of Canada the question of the impact of the recent provisions of the Canadian tax code on the United States broadcasting industry with a view to adjusting outstanding differences.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the President.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRANSFER OF MEASURES TO UNANIMOUS CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are three measures on the calendar which have been cleared for action by unanimous consent. Accordingly, I ask that the clerk transfer to the Unanimous Consent Calendar Orders numbered 364, 370, and 372.

The PRESIDING OFFICER. The measures will be so transferred.

(Routine morning business transacted and additional statements submitted are printed later in today's RECORD.)

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

NATURAL GAS AND PETROLEUM CONSERVATION AND COAL UTILIZATION POLICY ACT OF 1977

The Senate continued with the consideration of S. 977.

Mr. ROBERT C. BYRD. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The pending business before the Senate is S. 977.

Mr. ROBERT C. BYRD. I thank the Chair.

RECESS UNTIL 1 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask that no time be charged against either side for the ensuing recess, and I move that the Senate stand in recess until the hour of 1 p.m. today.

The motion was agreed to, and at 12:39 p.m., the Senate recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BURDICK).

NATURAL GAS AND PETROLEUM CONSERVATION AND COAL UTILIZATION POLICY ACT OF 1977

The Senate continued with the consideration of S. 977.

Mr. ROBERT C. BYRD. Mr. President, without prejudice to Mr. KENNEDY, under the order entered, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged against both sides on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MELCHER). Without objection, it is so ordered.

TRANSFER OF MEASURE TO UNANIMOUS CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there is a bill on the calendar which has been cleared for passage by unanimous-consent. It is Calendar Order No. 356, S. 2002, a bill to authorize the Secretary of the Interior to transfer franchise fees

received from certain concession operations at Grand Canyon Unified School District, Ariz., and for other purposes.

I ask that the clerk transfer the bill to the Unanimous Consent Calendar.

The PRESIDING OFFICER. It will be so transferred.

NATURAL GAS AND PETROLEUM CONSERVATION AND COAL UTILIZATION POLICY ACT OF 1977

The Senate continued with the consideration of S. 977.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time be charged against both sides on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 838

Mr. KENNEDY. Mr. President, I call up amendment No. 838 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY), for himself and Mr. BAYH, proposes amendment No. 838.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 139, between lines 7 and 8, insert the following new section:

PROTECTION OF COMPETITION

SEC. 6. (a) The Energy Supply and Environmental Coordination Act of 1974, as amended by this Act, is further amended by adding at the end thereof the following new title:

"TITLE V—PROTECTION OF COMPETITION

"DEFINITIONS

"SEC. 501. As used in this title the term—

"(1) 'person' means an individual, corporation, partnership, joint venture, joint stock company, trust, trustee in bankruptcy, receiver in reorganization, association, or any organized group, whether or not incorporated, but does not include any authority of the United States or of the several States;

"(2) 'control' means a direct or indirect legal or beneficial interest in, or direct or indirect legal power or influence over, another person or asset arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or officers, or contractual relations which substantially impair the independent business behavior of another person;

"(3) 'affiliate' means a person controlled by, controlling, or under or subject to common control with respect to any other person;

"(4) 'Outer Continental Shelf' has the same meaning as provided for such term in section 2(a) of the Outer Continental Shelf Lands Act (67 Stat. 462);

"(5) 'major petroleum producer' means any person (including all affiliates of such person) who, during the calendar year 1976, or in any subsequent calendar year, produced within the United States (including the Outer Continental Shelf) a total of fifty-five million barrels of crude oil and condensate and natural gas liquids, or whose interest in crude oil and condensate and natural gas liquid production within the United States totalled fifty-five million barrels, or who produced within the United States (including the Outer Continental Shelf) one hundred billion cubic feet of natural gas, or whose interest in natural gas production within the United States totalled one hundred billion cubic feet;

"(6) 'Commission' means the Federal Trade Commission;

"(7) 'coal asset' means natural deposits of coal in recoverable quantities;

"(8) 'uranium asset' means natural deposits of uranium in recoverable quantities; and

"(9) 'antitrust law' means the Sherman Act, the Clayton Act, or the Federal Trade Commission Act.

"UNLAWFUL ACQUISITIONS

"SEC. 502. Notwithstanding any other provision of law, it is unlawful for any major petroleum producer to acquire any interest in or control over any coal asset or uranium asset after the date of enactment of this Act.

"EXEMPTION AUTHORITY

"SEC. 503. Upon the recommendation of the Secretary of Energy and the Secretary of the Interior, the Commission may, after consultation with the Attorney General of the United States, exempt specific persons otherwise subject to the provisions of section 502 of this Act with repect to a specific acquisition of a coal asset or uranium asset if the Commission finds that such acquisition—

"(1) would significantly enhance energy resource production; and

"(2) would not create or maintain a situation inconsistent with the antitrust laws.

"REPORTS

"SEC. 504. Not later than thirty days after the date of enactment of this Act, each major petroleum producer who owns or controls any interest in any coal asset or uranium asset shall file with the Commission and the Attorney General of the United States a report listing and describing its interests in such assets. Each major petroleum producer shall also file a report with the Commission and the Attorney General of the United States listing and describing any coal asset or uranium asset hereafter acquired within thirty days of the date of acquisition thereof and any coal asset or uranium asset held or controlled, but not previously reported, within thirty days of the date such major petroleum producer learns of the existence of such coal or uranium asset. The Commission or the Attorney General of the United States may order such major petroleum producers to file additional reports and may order any other person to file reports as it deems necessary to carry out the purposes of this Act.

"SANCTIONS

"SEC. 505. (a) Any person or any officer, director, or partner thereof, who violates any provision of this Act shall be subject to a civil penalty of not more than $100,000, in the case of an individual, or not more than $1,000,000, in the case of a corporation. Such penalties shall accrue to the United States.

"(b) Any person, or any officer, director, or partner thereof, who violates a lawful order of the Commission issued pursuant to this Act shall be subject to a civil penalty of not more than $5,000 for each such violation which shall accrue to the United States. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey an order of the Commission, each day that such failure or neglect continues shall be deemed a separate offense.

"(c) The Commission may enter such order as may be appropriate and the Attorney General may obtain in the courts of the United States such equitable relief as may be appropriate, to accomplish the purposes of this Act.

"REPORT ON SOLAR ENERGY

"SEC. 506. Not later than one year after the date of enactment of this Act, the Commission shall report to the Congress the extent to which the control of solar energy technology by major petroleum producers may be retarding the production of solar energy and the extent to which such control may limit the competition of solar energy with petroleum and other more conventional energy sources.

"APPLICATION OF ANTITRUST LAWS

"SEC. 507. Nothing in this title shall be deemed to convey to any person immunity from civil or criminal liability, or to create any defenses to actions, under any antitrust law.".

(b) Notwithstanding the provisions of section 7 of this Act the amendment made by this section shall become effective on the date of enactment of this Act.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Mr. Susman, Walter Measday, and Hank Banta, of the Antitrust Subcommittee staff, be accorded the privilege of the floor during consideration of this amendment and remainder of the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I understand there is a time limitation on this amendment. Am I correct?

The PRESIDING OFFICER. There is a 4-hour time limitation on the amendment.

Mr. KENNEDY. That is evenly divided. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. I yield myself such time as I may use.

Mr. President, the amendment I have called up would prevent major oil and gas producers from acquiring further coal and uranium resources. It is not, contrary to some accounts, a divestiture amendment. It merely places a ban, a moratorium, a prohibition on the largest oil and gas producers against additional acquisitions of coal and uranium assets.

And even at that, the amendment is not inflexible and airtight. In appropriate circumstances—where production would be substantially increased and competition not diminished—exceptions to this prohibition can be granted to any company covered by it.

The purpose of this amendment is straightforward: To allow the rapid and orderly development of coal and uranium resources in a competitive environment. In this light, it is not only relevant to S. 977, but may even be critical to the legislation's effectiveness.

THE COMPETITIVE PROBLEM

Mr. President, the coal conversion legislation presently before the Senate is

one of the central pieces of the President's energy plan. That plan represents an attempt to move toward a more efficient use of energy resources and greater reliance on more abundant domestic resources.

Obviously, coal must play an important role in the fulfillment of these goals. It is one of our most abundant domestic resources. And on a Btu basis, it is actually cheaper than oil and gas. The President's proposals also involve greatly increased reliance on nuclear power to meet the energy gap in the years to come.

This proposed shift in reliance from oil and gas to coal and uranium raises a fundamental question: How do we insure that those firms on which we must rely will behave like aggressive competitors? If coal companies were simply coal companies, and uranium companies simply uranium companies, the question would hardly arise. Or at least it would be a far simpler question.

But a very large part of our coal and uranium producing industries has been absorbed into the major petroleum companies. Thus, at a bare minimum the potential exists for the development of truly awesome market power which would frustrate the President's national energy objectives and cost consumers billions of dollars. Our problem, then, is to insure that our energy industries can be relied on to respond to the market signals of supply and demand, rather than to the temptations—and opportunities—to restrict output and reap excess profits presented by a lack of competition.

COMPETITION IN THE PETROLEUM INDUSTRY

Central to this problem is the fact that the oil and gas industry is not competitive. The major integrated firms dominate crude oil production and refining. The control of crude oil production by the top firms has grown rapidly over the last 20 years. By 1975, the top eight firms controlled over half of the Nation's domestic crude production while the top 20 controlled over three-fourths. In refining, the top eight refiners controlled over half the industry in 1972, while the top 20 were responsible for more than four-fifths of refinery production in that year.

Numbers alone do not present a complete picture of the economic power of the big oil and gas companies. The control of the majors over the industry—through their control of farmout acreage and pipelines—extends beyond their own productions. The pervasive exchange agreement system has removed a substantial portion of crude oil from open cash markets and foreclosed the oportunities of some potential buyers. The practice inevitably involves the sharing of a great deal of information about the firms' respective production and refining operations. The bewildering maze of joint ventures and other joint arrangements which the oil and gas companies have created over the years also has enlarged the economic power of big oil.

Following a decade of study and investigation of the petroleum industry by its Antitrust Subcommittee, the Senate Judiciary Committee reported its conclusions to the Senate. Its central conclusion was that—

There is no free market for crude or product in the petroleum industry today because of the dominance of the major vertically integrated companies.

The relevance of all this to the problems of coal and uranium development is simple: there is a wholly reasonable fear that the oil and gas industry will bring to bear the same tactics in the coal and uranium industries.

THE TAKEOVER OF COAL AND URANIUM BY OIL AND GAS COMPANIES

The major petroleum companies are now in their second decade of coal company acquisition. Gulf Oil led off the invasion with its 1963 acquisition of Pittsburg Midway Coal Co. The pace then quickened. In 1966, Continental Oil took over Consolidation Coal, then the leading U.S. coal producer. In 1968, Occidental Petroleum acquired Island Creek—No. 3—and Standard Oil of Ohio acquired Old Ben—No. 10. Two years ago, Standard Oil of California acquired 20 percent of the stock of AMAX, the Nation's third largest coal producer. Many smaller oil and gas companies have been swallowing coal companies since the early 1960's. While oil and gas companies accounted for only about 11 percent of total U.S. coal production in 1967, by 1975 oil and gas companies controlled about 20 percent of the Nation's coal production. If captive production is excluded—mines owned mainly by steel and electric utility firms—the oil and gas companies' share of the Nation's marketable coal mined in 1975 amounts to about 25 percent.

Uranium is likely to be an increasingly important source of energy in the future. One gram of atomic fuel can produce the same amount of electricity as 2½ tons of coal or about 11 barrels of crude oil. Big oil has made inroads into the uranium industry. Gulf has acquired General Atomic, Getty Oil snapped up nuclear fuels and Atlantic Richfield—ARCO—bought both nuclear materials and equipment and the Anaconda Co. The last acquisition occurred last year—today Kerr-McGee, ARCO-Anaconda, and Exxon are the first, third, and fifth largest uranium producers. Sohio and Reserve Oil & Gas brought a large joint venture on stream last fall. The Getty mill is currently shut down to permit a 75 percent expansion in capacity by late this year or early next. Phillips Petroleum and Union Oil will each open large mills within the next couple of years.

Ten years ago two oil companies had 28 percent of the industry's milling capacity; 5 years ago four mills with 38 percent of the capacity were operated by oil and gas companies. According to an FTC study of capacity in operation, under construction, and announced as firm, oil and gas producers will control 59 percent of capacity in the near future. All the evidence we have shows that the share of the industry controlled by oil and gas companies is growing and will continue to grow.

Equally troubling in the present context is the fact that the oil industry's ability to restrict output has not been wholly a matter of economic power. The industry has a long record of manipulating political institutions for its purposes. State prorationing, the Connolly Act, the Oil Import Quota all testify to the industry's political skill. No less an authority than the present Federal Energy Administrator has argued that this political record alone justifies keeping the oil industry out of the development of competing fuels.

DIVESTITURE EFFORTS

Legislation to undo this tangled web of oil, gas, coal, and uranium ownership was introduced in the last Congress. And the Antitrust Subcommittee conducted 6 days of hearings on S. 489, to prohibit any oil or gas company to own or acquire "any interest in the coal business, oil shale business, uranium business, nuclear reactor business, geothermal steam business, or solar energy business."

In October of 1975, I offered an amendment to an energy bill on the floor which would require divestiture by major energy companies of any assets in other energy companies. This amendment was not adopted, however, after substantial debate on the subject.

Last month I introduced a bill which was more modest in scope than that of these two earlier proposals. My bill, S. 1927, would prohibit acquisition or ownership of coal or uranium assets by major oil or gas producers. Hearings commenced last month before the Antitrust Subcommittee on this legislation.

I am still convinced, Mr. President, based on testimony from the 1975 hearings and last month's, that divestiture is the appropriate legislative response to the problem of growing concentration of our energy industries. But I can well understand the concern of my colleagues who would like to review the subcommittee's hearings and analysis before considering a divestiture proposal. My amendment is not aimed at divestiture. It would not disturb the corporate structure of any energy company. It would maintain the present structure of the energy industry and allow the Congress and the administration more time to study and discuss the merits of divestiture.

ADMINISTRATION OFFICIALS' POSITION

This amendment is thus entirely consistent with the present position of the administration—that action on divestiture should be postponed until after it has completed a full study on the subject. I should note that the Federal Trade Commission has for over 5 years been trying to do a report on the coal industry, but has yet to receive data from Exxon and Atlantic Richfield, so any conclusions that it draws can only be tentative. So long as the administration allows oil and gas companies to continue to acquire coal and uranium while it studies the situation, ti is likely to have as little success as the FTC in obtaining all of the necessary data. Time can only work to the advantage of the oil companies.

In this respect, Mr. President, I point out provisions of the amendment, under which the Secretary would be able to permit those companies which would

otherwise be excluded under this amendment from the acquisition of coal and uranium to be able to require such assets under certain conditions. But, in effect, that would put the burden of proof on the oil companies rather than where it is at the present time, on the public, to acquire information.

If these major oil companies wanted to move ahead in terms of the acquisition of coal, or in terms of the acquisition of uranium, they would have to make that case in the Department of Interior and the Federal Trade Commission. Those two agencies would be able to require the kind of information necessary in order to make an intelligent judgment. The tragedy is, as I have just mentioned, that the Federal Trade Commission is now unable to get the basic kind of information from Exxon and from Arco to be able to make an important judgment in terms of the competitive impact of such acquisition. It seems to me that the public interest is served by putting the burden not on the public to come up with this information, but to place the burden on the oil companies to provide that information so an intelligent and informed decision could be made in the public interest and in the interest of this Nation in meeting the challenges of energy policy.

I should point out, Mr. President, that this amendment falls short of the divestiture objective supported so strongly in statements by most of the high level administration officials. President Carter himself stated on January 16, 1976:

> I support legal prohibitions against ownership of competing types of energy, oil and coal, for example.

While in the Senate, our colleague, Senator MONDALE spoke out time and again against allowing oil companies to extend their control over coal and uranium resources, and he voted in favor of my divestiture amendment in October 1975.

But the support of administration officials for divestiture does not end there. On a Face the Nation program earlier this year, Interior Secretary Andrus indicated unequivocal support for horizontal divestiture legislation. He said:

> I think that we are in the danger of having large energy companies, instead of just oil companies, and I would hate to see that. I think that we have to have competition, and between the forms of energy, if you're going to have any adequate price structure for the American people.

FEA Administrator John O'Leary also holds this view. In June he testified before my Antitrust and Monopoly Subcommittee that—

> We are into diminishing returns as a result of the spread of the oil companies into energy companies.

Mr. O'Leary reiterated his strong convictions voiced in testimony 2 years earlier that horizontal integration by oil companies was a matter to be addressed "very urgently and very sensitively."

Finally, last month in his confirmation hearings the Government's antitrust chief, John Shenefield, said:

> If I were a sitting Senator and asked to vote on a law for (horizontal) divestiture, I would vote aye. My concern in the area of horizontal integration is great enough that, in the absence of information, I would tend personally to be against it.

TVA REPORT

Of particular significance is a report released yesterday by the Tennessee Valley Authority. This massive study concluded that:

> During the last 13 years, two structural aspects of the domestic coal and uranium markets have become increasingly important. First, concentration within each industry is high and the markets are, or are tending to become, oligopolies. Second, the same huge energy companies which dominate the oil and gas industry have come to dominate both the coal and uranium markets.
>
> The uncompetitive structure of the coal and uranium markets adversely affects both fuel prices and supplies. Because the fuel markets are oligopolies and since oligopolists price their goods between competitive market price and monopoly price, the prices energy consumers pay for coal and uranium are likely to be higher than competitive prices. Worse, since the same group of energy companies which dominate the coal markets also dominate the uranium market, consumers are even deprived of the potential benefits of price and supply competition between those two substitute fuels.

CONCLUSION

Even with all of this, Mr. President, even with my own conclusion—backed up by support from these administration officials all the way up to the top—that horizontal divestiture is warranted, I did not propose a divestiture amendment to this legislation. I think that if the coal conversion legislation were on the floor next session, I might well be proposing the divestiture amendment. But I wanted to give the Senate an opportunity to take the first step this fall, in the context of this coal conversion bill. I think that this is a modest first step at that.

There is no reason to fear that this measure will in any way retard development of coal or uranium. The major oil and gas companies covered by the bill—with one exception—own considerable undeveloped reserves. Acquisitions of further reserves by these companies can serve no useful purpose for quite sometime. Exxon, for example, has announced that by 1985 it expects to be producing 40 million tons a year of coal. At this rate its reserves would last for more than two centuries. Sohio at its current rate can stay in business for about 85 years.

If there are cases where further acquisitions by these companies would genuinely increase domestic production the amendment makes provision for exemptions. If, for example, a company covered by the amendment needs to acquire an adjacent block of coal lands in order to make up a unit that can be economically mined it should have little difficulty in meeting the test for the exemption.

But, more importantly, there is no reason to believe that the development of our coal and uranium resources needs to depend on oil and gas companies. In fact, there is every reason to be suspicious of the oil industry's motivation in acquiring vast reserves of coal and uranium. Coal and uranium are in competition with oil and gas. And to the extent that they are priced competitively, they can hold down oil and gas prices. It simply defies commonsense to expect the major petroleum companies who have spent billions of dollars on developing oil and gas reserves around the world to use coal and uranium to hold down their own prices.

One should waste little time with the naive delusion that the problem of maintaining optimum levels of coal and uranium production can be met by such devices as "due diligence" requirements or even actual production quotas. A casual examination of the history of the oil industry gives ample evidence of its ability to manage output in spite of the viligance of kings, shahs, shieks, and Texas royalty owners. The belief that bureaucrats can do better should not be taken too seriously.

Our economic system is grounded on the notion that the free play of market forces is the most effective economic regulator. Unfortunately, our present energy problems have forced us to resort to massive Government intervention into the marketplace. While much of this is unavoidable, we must be constantly on guard that we go no further than is absolutely necessary. We must not let the corporate and Government bureaucrats overestimate their ability to plan our economy. Misguided schemes of regulation tend to have long lives. There is no question that competition is far easier to maintain than it is to restore. This amendment is a small reasonable step aimed at preserving what competition we have in the energy industries.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HANSEN. Mr. President, I yield to him such time as the distinguished Senator from Texas may require.

Mr. TOWER. I thank the Senator from Wyoming.

Mr. President, the language of the amendment we are debating today might well be mistaken for a sheer case of plagiarism. The words—and their meaning—are as close to George Orwell's novel, "1984," as one would expect to see in legislative form.

The thrust of the amendment, too, is far more in keeping with the "Big Brother" society of Orwell's "1984" than it is with the energy needs and economic structure of this Nation today.

It is a first step in the move toward the nationalization of America's energy industries. It is a step that need not, and must not, be taken.

Those of us who read that novel will recall how the first step was the attack on and destruction of the private enterprise system. In the words of George Orwell:

> It had long been realized that the only secure basis for oligarchy is collectivism. Wealth and privilege are most easily defended when they are possesed jointly. The so-called "abolition of private property" which took place in the middle years of the (20th) century meant, in effect, the concentration of property in far fewer hands than before; but with this difference, that

the new owners were a group instead of a mass of individuals. . . . It had always been assumed that if the capitalist class were expropriated, Socialism must follow; and unquestionably the capitalists had been expropriated. Factories, mines, land, houses, transport—everything had been taken away from them; and since these things were no longer private property, it followed that they must be public property.

Let me repeat a singular line from that quote:

It had always been assumed that if the capitalist class were expatriated, Socialism must follow, and unquestionably the capitalists had been expatriated.

That was Orwell—"1984."

Mr. METZENBAUM. Mr. President, if the Senator from Texas will excuse me, I am very much interested in what he is saying, but I cannot hear him. If it is possible, will he use the mike?

Mr. TOWER. I shall try raising my voice. I opposed putting these evil instruments in the Senate in the first place and I have no intention of using them.

Mr. METZENBAUM. Perhaps the Senator can raise his voice, then.

Mr. TOWER. I am flattered that the Senator from Ohio is so interested in what I have to say.

Mr. METZENBAUM. I am very interested.

Mr. TOWER. I shall try to project a little better.

Let's turn now to the Senator from Massachusetts—1977—and I quote from the proposal before us—which curiously, also discusses mining:

It is unlawful for any major petroleum producer to acquire any interest in or control over any coal asset or uranium asset.

And, again, in the words of this proposal, "any asset" is defined as "natural deposits of coal—and uranium—any asset used primarily in the exploration for, development of, or production of coal—and uranium—including, but not limited to, an interest in real property, whether such property is developed or undeveloped; and . . . geological and geophysical information relating to natural deposits of coal—and uranium."

Does that sound like language to promote competition in the search for alternate fuels? Does that sound like language designed to increase energy production for our energy-short economy? Does that sound like language that would redu e costs of alternate energy sources for the consumer and to expedite the time when those fuels will be available? Does that sound like America's traditional private enterprise system? It does not.

Rather, it sounds like language straight out of George Orwell—only 7 years early. It is the language of expropriation, and it should raise the hackles of every American, who believes that the private enterprise system that has made this Nation great deserves more than an unceremonious burial.

Before we accept so harsh a sentence for the private sector, it would be wise to examine its consequences on the voters who elected us to this Chamber. We must ask ourselves, "What possible benefit could this proposal have for them and for their children?" And I believe the answer is clear. The proposal has neither public benefit nor public merit—and it should be summarily rejected.

Why? Let us examine the full implications of this measure in terms of future energy supplies, and in terms of its potential toward destroying the last vestiges of the private enterprise system in the United States. First, consumer supplies.

Coal and uranium are keystones in the national energy plan—both as proposed by the administration and as adopted by the House of Representatives. By 1985—under the latter measure—coal production is expected to increase by 60 percent, to a capacity of 1,065 tons. And, under the administration's plan, nuclear capacity is expected to more than triple by that date.

That expansion will require billions of dollars in capital investment. By one estimate,[1] between 1975 and 1985, the energy industries in the United States will require nearly $1.4 trillion—not including working capital changes, or financial outlays for debt servicing and dividends. Over one-half of that amount will be needed to meet consumer demand for electrical generation—primarily through nuclear power facilities. And $69 billion will be required to expand and improve the Nation's coal productive capacity.

This money is not just money needed for the oil companies, or the coal companies, or the uranium mining and milling companies. This is money needed by the consumer, for without it the consumer will not have the energy needed to keep the factories going, goods and people transported, and homes, factories, hospitals, and schools operating. And, if for some reason—such as the shortsighted adoption of this proposal—that energy is not forthcoming, it is the people of this Nation—the workers and consumers and taxpayers—who will suffer.

But to give some indication of how utterly ridiculous, and confiscatory, this proposal is, let us examine what effect it will have on the operations of those companies listed as major oil companies now, and those which might have become major at some later date were it not for this proposal.

Technically, those major oil companies would not be able to buy a replacement shovel—hand or powered—that broke after the adoption of this measure. If one of the oil companies which "qualified" for punishment, under the "big is bad" theory fundamental to this proposal, owned two properties separated by a foot of land, it could not buy that land, even if it meant that no coal would be produced from either of the other coal tracts. And, if a non-"major" company were to expand oil or gas production to meet consumer needs—and that expansion exceeded the arbitrary and capricious limits in this proposal—it would be precluded from acquiring coal and uranium interests.

[1] Estimate by the Standard Oil Company (Indiana) in conjunction with the American Petroleum Institute seminar on capital formation, Chicago, Ill., November 11, 1975.

Even to the most callous observer and most antibusiness mind, the folly of such a proposal must be apparent. Those major oil companies having had the foresight and courage to expand into coal and uranium—for their own and their consumers' interests—would see those interests self-destruct, as equipment wore out. Millions of acres of potential coal and uranium would go undeveloped, as acreage, now uneconomical to develop, would be permanently foreclosed to economic operations. And small oil companies would be reluctant to expand petroleum production near the limit set in the proposal for fear that they would be precluded from acquiring coal and uranium interests in the future.

How many millions of tons of coal and hundreds of thousands of tons of uranium ore would never come to the marketplace because of this proposal is unknown. But, by conservative estimate, the toll on American energy supplies would be great. And every ton of coal and uranium ore not produced will be measurable in an equivalency of imported oil and imported natural or liquefied gas. And it will be measurable in increasing dependence on the foreign oil cartel for the energy essential to a healthy and growing economy.

But, what of the other aspects of this proposal, the unwarranted and ill-advised attack on the fundamental structure of the private enterprise system. I say private enterprise since, by virtue of previous assaults by Government officials free enterprise no longer exists.

Competition is the key to our economic system. Yet, the proposal before us would:

First, lessen the number of companies competing for coal and uranium acreage;

Second, drive billions of investment dollars available from the so-called major companies out of coal and uranium research, exploration, and production;

Third, reduce consumer supplies by restricting the freedom of entry in coal and uranium;

Fourth, reduce investment in oil and natural gas exploration and production by companies approaching the proposal's restrictive limits;

Fifth, preclude companies categorized as majors from acquiring new information about the coal and uranium deposits they already own, preventing further development of those critically needed resources; and

Sixth, violate the historic and constitutional rights of individuals and companies, alike, who would seek to expand their coal and uranium interests in the future.

How much closer can you come to nationalizing the energy industries without taking that final step. How much closer can you come to undermining the economic structure of this Nation, without bringing it to its knees in supplication and surrender to the foreign oil cartel? How much closer can you come to sacrificing the interests of the American consumer in an unjustifiable attempt to destroy the Nation's energy companies?

The proposal before us is "double think" 1977, and I want no part of it. It is, indeed, one could say, Big Brother 7 years early.

In conclusion, Mr. President, I note it is my understanding that similar legislation is currently under consideration in the Judiciary Committee. I think that a measure of this profound importance with considerable implications and consequences that are as yet unknown should proceed through the orderly committee process.

I note further that the bottom line, Mr. President, at a time when we are trying to expand on our domestic energy production and particularly enhance our utilization of our vast abundance of coal, is that we need companies that have the capital, that have the financial backing, that have the administrative and risk management capability, and have the technology to develop the efficient and effective and clean use of this great abundant coal supply we have in the United States.

I submit that the major oil companies do possess the resources and the expertise that will better enable us to develop this important resource.

Mr. BAYH addressed the Chair.

The PRESIDING OFFICER (Mr. METZENBAUM). The Senator from Indiana.

Mr. BAYH. Mr. President, I consider it a privilege to be able to join with our distinguished colleague from Massachusetts, the sponsor of this amendment, as a cosponsor, and also to be a member of the subcommittee that he chairs in Judiciary.

I would like at this time to send to the desk an amendment to the Kennedy amendment, if I may.

The PRESIDING OFFICER. No amendment is in order until all time has been used or yielded back.

Mr. BAYH. I ask the Chair if he would not reconsider what was said on the floor yesterday in which the leader questioned the Presiding Officer at that time and, as I read the RECORD, this kind of amendment would be appropriate.

Mr. KENNEDY. Mr. President, I will ask unanimous consent without asking for it at the present time, just yielding the time to the Senator from Indiana to be able to explain briefly his amendment, and then I will indicate support for it. I believe, basically, it is noncontroversial.

I believe a fair reading of the dialog between the leaders yesterday indicated that they wanted to have a firm time limit on the amendment which I offered. Therefore, in order to achieve that, he meant to have the time for amendments to be included within the 4 hours.

It is a brief amendment. I believe it is basically noncontroversial. He can explain it. If there is objection to it, then we will get on with the debate, and I will let the Senator from Indiana inquire of the majority leader.

I do not think that there should be any objection to it. It will just move us along more rapidly.

Mr. HANSEN. Mr. President, reserving the right to object——

Mr. KENNEDY. I have not asked for consent yet. I wanted just to explain this.

Mr. TOWER. If the Senator will yield, I had a colloquy with the leader yesterday and it is my understanding that any amendment to the amendment of the Senator from Massachusetts would be in order, but under the usual form of time having been yielded back or having expired before it could be offered.

I would object to the consent agreement if it were proposed now, but certainly I will probably not object if we follow the procedure suggested by the Senator from Massachusetts, and the Senator from Indiana be yielded time to explain his amendment, then go on from there.

Mr. KENNEDY. The only point I would make, I was on the floor at the particular time the consent request was made. I understood the nature of the agreement and it is printed in the RECORD and I believe we ought to at least follow it at that time.

I just refer to the understanding of the majority leader and I will read the appropriate provision. It says, referring to the Senator from Texas:

Mr. ROBERT C. BYRD. I thank the Senator. He has rendered a service by bringing up the matter at this time.

I should think—and there has been no discussion of this contingency that could arise—that there could be an amendment to the Kennedy amendment in the natural course of things, but that any such amendment to the Kennedy amendment would have to be included timewise in the overall 4-hour limitation.

Mr. TOWER. That would be included in the 4-hour limitation, and then, if the tabling motion did not bring down the amendment to the amendment along with the amendment, the time would be unlimited.

Mr. ROBERT C. BYRD. Exactly.

Mr. TOWER. I thank the distinguished majority leader.

Mr. ROBERT C. BYRD. The Senator has stated the situation precisely.

Mr. President, I would ask the Chair if he sees anything in the agreement which would rule out an amendment to the amendment by Mr. Kennedy as long as such amendment were germane to that amendment, and that if such an amendment were offered the 4 hours would be running on such an amendment as well as on the amendment in the first degree.

The ACTING PRESIDENT pro tempore. If the intent is clear, if that is the intent, to allow other amendments to the Kennedy amendment within 4 hours, that would be proper, if that is the intent. Otherwise, the amendment would not be in order until the 4 hours had been completed.

Mr. ROBERT C. BYRD. The intent was that there be a 30-minute time limit on second degree amendments.

Mr. BAYH. If my colleague will yield, perhaps if the Senator from Indiana will take about 3 minutes to explain what his amendment is, there would be no objection. I certainly did not want to get involved in a parliamentary discussion and take time in that manner. I thought this would be a good way to perhaps make the Kennedy amendment even more palatable, or more palatable to some who may not support it, and yet reach a worthwhile goal.

Mr. TOWER. That objective may not be possible, but I am prepared to listen to the Senator from Indiana.

Mr. BAYH. I appreciate the willingness of my friend from Texas to listen, but I have a sneaking suspicion, listening to his very passionate remarks, that although the Senator from Indiana believes in some miracles, that that is one that perhaps we will not see today. But I appreciate his willingness to listen.

Basically, I think you can argue pluses and minuses of the integration program, and reasonable men can differ. As I think the Senate knows, I have been one of those who takes issue with the position of the Senator from Texas, and I am equally concerned about free enterprise; but I am very much concerned, both vertically and horizontally, about the way in which large amounts of capital integrated together in national and multinational corporate structures really lessen competition, which is a very important element of the free enterprise system.

However, whatever the limitations might be, it seems to me that they should be placed equally and equitably on all the parties involved.

The amendment of the Senator from Indiana says that if you are going to apply a prohibition against horizontal integration, you should use the same Btu value as it is applied to gas corporations, as you apply to oil corporations. The 55-million-barrel limit and the 100-billion-cubic-feet limit in the Kennedy amendment would apply a standard that is three times as severe to gas corporations as to oil corporations.

What the Senator from Indiana would do would be to strike the 100-billion-cubic-foot requirement or description of gas companies and replace that by 302.5 billion cubic feet, which is the same. 302.5 billion cubic feet of natural gas gets the same amount of Btu's, has the same energy value, as 55 million barrels of oil.

If the Senate would accept that, then we would go ahead and let the Kennedy amendment rise or fall on its merits.

Mr. KENNEDY. Mr. President, I accept the amendment of the Senator from Indiana. He is quite correct in terms of the Btu equivalency.

It is harder for gas companies to withhold and control and coal companies would be in an anomalous position if they were to produce, by gasification a good deal of gas up to the limits of this particular provision, and then fall within the provision. Obviously that never was intended.

So the amendment is acceptable to me

The PRESIDING OFFICER (Mr. MELCHER). Does the Senator ask unanimous consent to modify his amendment?

Mr. KENNEDY. I do.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment is so modified.

The modified amendment is as follows:

UP AMENDMENT No. 767

On page 3, line 8, strike: "one hundred" and insert in lieu thereof "302.5".

On page 3, line 10, strike "one hundred" and insert in lieu thereof "302.5".

Mr. KENNEDY. Mr. President, I am prepared to yield time to the Senator from Ohio for a statement.

Mr. TOWER. Did the Senator accept the amendment of the Senator from Indiana as a modification of his own amendment?

Mr. KENNEDY. Yes.

I yield such time as the Senator from Ohio requires.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that Roger Berliner, a member of my staff, may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I am not certain as to whether the record indicates that I am a cosponsor of this amendment. However, in order that there be no question about it, I ask unanimous consent that my name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I am pleased to join the Senator from Massachusetts and the Senator from Indiana and certain other Senators as a cosponsor of this amendment to prohibit further acquisition of coal and uranium resources by the major oil and natural gas companies.

This amendment does not constitute horizontal divestiture. It does not require the oil and gas companies to divest their current coal and uranium holdings, but it does call a halt to the disturbing trend toward the concentration of ownership of energy in all its forms in a very few hands.

The national energy plan proposed by the Carter administration foresees a massive conversion over the next few years from oil and natural gas to coal and nuclear energy; and if all goes according to schedule, nuclear generating capacity will more than double by 1985. Coal production will rise in the same period to 1.2 billion tons a year, a 40 percent increase over current levels.

Although I strongly agree with President Carter that we must move away as rapidly as possible from our excessive dependence on foreign imports and decreasing supplies of domestic oil and natural gas, I am deeply concerned about what I consider to be a key weakness in the national energy plan—the failure to recognize that free market conditions do not prevail in the energy industry. Unless our national policy takes energy market conditions into account, there is good reason to doubt the capacity of this program to produce results in the public interest.

It is no secret that the major oil companies have become vast fuel conglomerates. Their interests have expanded far beyond oil and gas. With their great resources, they soon will be, if they are not already, in a position to control the price and the pace of development of virtually all forms of energy.

As the 1977 Democratic platform stated, such horizontal concentration of economic power is "dangerous both to the national interest and to the functioning of the competitive system."

Now let us consider the following: In coal, 14 of the top 20 holders of reserves are oil companies or oil company affiliates. Oil companies now control 44 percent of our total coal reserves, and their share is rising rapidly. Between 1967 and 1974, oil and gas companies increased their coal reserve holdings by 141 percent.

El Paso Natural Gas Co. increased its coal holdings in that period from zero to 11.8 billion tons; Mobil went from zero to 2.6 billion tons; Shell from zero to 5.1 billion tons; Texaco from zero to 2.5 billion tons.

The coal companies do not actually take issue with those figures. We have heard from Shell, which says they really do not have 5.1 billion tons of coal in reserve. They have something like 1.5 billions tons of coal in their resources. I have difficulty with that kind of fine distinction.

But suffice it to say there can be no argument about the fact that the oil companies have moved more and more and more into the coal industry. Whether you use the word "resources" or the word "reserves" or whether you just talk about the fact that they have continued to acquire leaseholds in companies that are presently in the coal industry, there can be no argument about the fact that the oil industry has moved literally to take over the coal industry.

In spite of the fact that the coal prices have risen by more than 300 percent since 1970, acquisition of large coal reserves by the coal interests has not led to increased production.

The argument was made before Senator KENNEDY's Antitrust Committee, on which I am privileged to serve, that when the oil companies come in, they provide the capital and they provide the resources so that the coal may be developed. Then you go and look at the facts and you look at the chart submitted by no less an impressive witness than the spokesman for Exxon Corp., and you find that he says that it takes 5 years to start production rolling after the industry moves in.

But when you look at the figures, what you find is after the oil companies moved into the coal industry, after they made their acquisitions of operating coal companies, perhaps in some instances for a year there was an increase which could be related back to the activities of the independents before they were acquired. But when you look down the road 5 years, with almost no exception the production decreased after the oil company bought the coal company.

Of the 24 petroleum companies with significant coal reserve holdings, only 8 actually produced, only 8 out of 24; and of these a majority did so because they acquired coal-producing companies in the 1960's.

El Paso, Mobil, Shell, and Texaco have produced no coal at all to date. Exxon ranks among the 5 top holders of reserves but does not fall within the top 15 producers.

Now, Exxon is sensitive about this kind of charge. The world's largest industrial company, the world's largest corporation, a corporation larger in assets than many nations of the world, a corporation larger in income than many nations of the world, and you would think when they went into the coal industry they would indeed cause production to increase.

What is the fact? I will not deny that Exxon has made some moves forward. They have indicated some progress. They have indicated they intend to do some things. But the facts are that in 1975 Exxon produced only .033 percent of its reported reserves.

You must remember they are one of the top five holders of reserves in this Nation.

By contrast, Westmoreland, a top independent, with less reserves, far less, produced at more than 20 times Exxon's reserve production percentage. Pittston, another independent, produced at 38 times the Exxon rate.

During recent hearings before the Antitrust Committee, the evidence was replete with the fact that it is a contradiction in terms: bringing in the new capital, bringing in the new wealth, bringing in the strength of the oil companies with their marketing potential has not indeed caused coal production to increase. Instead that production has declined.

In 1968, for example, Occidental Petroleum purchased Island Creek a company with nearly 26 million tons of coal production a year. Production rose in 1969 to 30.3 million tons. It dropped slightly to 29.7 million tons in 1970, and then it slumped sharply to 22.9 million tons in 1971. By 1976 production was down to only 17.6 million tons.

Similarly the Old Ben Corp. was producing 12 million tons of coal a year when it was acquired in 1969 by a company whose headquarters are in my own State, Standard Oil of Ohio. Was its record any better? I am sad to report it was not. By 1975 production had declined to 9,258,000 tons from the earlier figure of 12 million tons at the time of acquisition.

These are not isolated examples. Conoco and Gulf Coal subsidiaries show the same pattern, which repeats itself time and again across the industry. This pattern tells us something of what we can expect if we permit the process of concentration in energy ownership to proceed.

In uranium the situation is similar. Thirteen of the top 20 uranium reserve holders, 6 of which are also among the top 20 holders of coal reserves, are oil companies or oil company affiliates. Five major oil companies control 62 percent of our domestic uranium milling capacity, and 4 of those 5 firms are also among the top 20 in coal.

Mr. President, the supply projections in the national energy plan are based on the assumption that higher energy prices

will stimulate greater fuel production. That assumption is perfectly reasonable when free market conditions prevail.

But if the major oil companies attain dominance in coal and uranium there is good reason to doubt that higher prices will, in fact, bring us the supplies we need. We simply cannot afford to permit a few large companies to control all of our energy alternatives.

The amendment before us today would not restore full and free competition in the energy industry, but it would say to the major oil and gas companies that their attempt to gain control of potentially competing fuels must stop, and that it must stop now.

I suggest to my colleagues if we permit this process of acquisition to continue, we will soon confront a situation in which all fuels will be produced at levels and at prices determined by corporate profit requirements rather than by the free interplay of supply and demand in the marketplace.

I am a product of the free enterprise system. I believe that competition is the vital missing element, however, in the national energy plan, and I believe that free competition is basic to the entire free enterprise plan.

National policy must be directed toward insuring the survival of competition among independent producers of coal, uranium, oil, and natural gas. I have seen this country's oil companies spend enormous sums of money on slick television commercials, and full-page newspaper ads, magazine ads, to assure Americans that they are devoted to free enterprise principles.

Members of the Senate, I firmly believe the issue before us is a basic one. The issue is not a question of whether X oil company or Y oil company will be permitted to go into the coal or uranium business. I believe if those who shout the loudest about free enterprise truly believe what they have been telling the world, they would be here today supporting this very limited and modest amendment.

The amendment will take nothing away from the companies. In fact, it will leave them with their very powerful positions in coal and uranium.

The amendment will not curtail future coal or uranium production by the major companies. Exxon already has enough coal to last 200 years at currently projected production rates. Conoco has enough coal to last for more than a century, even assuming a production rate nearly double last year's output. Sohio has enough for 85 years. Other companies hold billions of tons of reserves and have not even begun to produce.

Finally, the amendment will not lock energy production into a straitjacket if additional involvement by the major oil companies in coal and uranium turns out to be needed.

Mr. TOWER. Mr. President, will the Senator from Ohio yield long enough to get the yeas and nays on the amendment?

Mr. METZENBAUM. I yield.

Mr. TOWER. Mr. President, I ask for the yeas and nays on the Kennedy amendment.

The PRESIDING OFFICER (Mr. CLARK). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. The amendment provides for exemptions when acquisition of additional Federal coal and uranium leases by the major companies is in the national interest and will not diminish competition.

Mr. President, Members of the Senate, competition is the heart of our economic system. I think it is time for those of us who truly believe in the free enterprise system to abandon the head-in-the-sand attitude that many in the business community often bring to change of any kind.

Take a stand in favor of the free market. This bill gives us an opportunity. It provides for no divestitures. It just says let us call a halt to this concentration all in one industry. Let us let free competitive forces work. We need the energy. And let competition have its impact upon that industry.

Mr. President, the people of this country, I believe, would vote for this amendment. I hope the Senate does.

I ask unanimous consent to have printed in the RECORD a list of recent mergers between petroleum companies and firms in other energy industries.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

RECENT MERGERS BETWEEN PETROLEUM COMPANIES AND FIRMS IN OTHER ENERGY INDUSTRIES

Date, acquiring firm, and acquired firm:

1955, Continental Oil,[1] American Coal.
1955, do.,[1] Atwater, Wm. & Co. (coal).
1955, Occidental Petroleum,[2] Pond Creek Pocahontas (coal).
1955, El Paso Natural Gas, Arrowhead Uranium.
1956, Continental Oil,[1] Little Sister Coal.
1956, do.,[1] Pocahontas Fuel Co. (coal).
1956, Occidental Petroleum,[2] Algoma Coal Coke.
1956, do.,[2] Red Jacket Coal.
1956, Phillips Petroleum, Holly Minerals (uranium).
1957, Standard Oil of Ohio,[3] Coal Processing Co.
1958, Occidental Petroleum,[2] Guyan Eagle (coal).
1959, do.,[2] Elk Creek (coal).
1960, Kerr-McGee, American Lake Uranium.
1961, do., Guyan Eagle (coal).
1961, do., Lakeview Mines (uranium).
1962, Continental Oil,[1] Truax-Traes Coal.
1962, Kerr-McGee, Ambrosia Lake Uranium.
1962, do., Spencer Chemical (uranium).
1962, El Paso Natural Gas, Rare Metals Corp. (uranium).
1963, Continental Oil,[1] Crozer Coal & Land.
1963, do., Reis Coal.
1963, Occidental Petroleum, Western Kentucky Coal.
1964, Gulf Oil, Pittsburgh & Midway Coal.
1964, Kerr-McGee, Kermac Nuclear Fuels.
1965, Standard Oil of Ohio,[3] Enos Coal.
1966, Occidental Petroleum,[2] Evans Elkhorn (coal).
1966, Continental Oil, Consolidated Coal.
1967, Standard Oil of Ohio, Mountaineer Coal.
1968, Occidental Petroleum, Island Creek Coal.
1968, Standard Oil of Ohio, Old Ben Coal.
1968, Belco Petroleum, Hawley Fuel Corp. (coal).
1969, Occidental Petroleum, Maust Coal & Coke.
1969, Western Transmission Co., Canterbury Coal Co.
1969, Getty Oil (66 percent), Nuclear Fuel Services.
1969, Diamond Shamrock, Pickand Mather & Co. (coal).
1969, Westrans Industries, Canterbury Coal.
1969, do., Kristianson & Johnson (coal).
1970, Gulf Oil,[4] C. & K. Coal.
1970, Zapata Petroleum, Boone County Coal.
1970, Falcon Seaboard Petroleum, Breathitt County Coal.
1970, do., Black Eagle Coal.
1970, do., Mt. Top Stripping & Pine Bluff Auger (coal).
1970, McCulloch Oil, Kingdom Come Coal.
1970, do., Marietta Coal.
1970, do., No. 7 Corp. (coal).
1970, U.S. Natural Resources, Twilight Industries (coal).
1970, McCulloch Oil., Big Four (coal).
1971, Marathon Oil, Mintech Corp. (coal).
1971, Ashland Oil, Arch Minerals (coal).
1971, do., Farco (coal).
1971, Crestmont Oil & Gas, Black Lode (coal).
1971, Dal Oil, Dusky Diamond (coal).
1971, Mapco, Webster County Goldsberry (coal).
1971, Dargas, River Processing (coal).
1971, Transcontinental Oil, Greer-Ellison (coal).
1972, Alco Standard, Upshur (coal).
1972, Ray Resources, Sigmon Construction (coal).
1972, General Exploration, Hardy (coal).
1973, Coastal State Gas, Southern Utah Fuel (coal).
General Exploration, Fresno (coal).
1973, Houston Natural Gas, Ziegler (coal).

Date of merger or formation not known:

Champlin Petroleum, Union Pacific Coal.
Newmont Oil, Dawn Mining (uranium).
Kerr-McGee (50 percent), KGSJV (uranium).
Getty Oil (33 percent), do.
Skelly Oil (17 percent), do.
Kerr-McGee (50 percent), Petrotronics (uranium).
Getty Oil (33 percent), do.
Skelly Oil (17 percent), do.
Atlantic Richfield, NUMEC (uranium).

The PRESIDING OFFICER. Who yields time?

Mr. HASKELL. Mr. President, I see the Senator from Massachusetts is not in the Chamber, but I wish to have 5 minutes yielded to me.

Mr. METZENBAUM. I yield 5 minutes to the Senator from Colorado.

Mr. HASKELL. Obviously, Mr. President, I cannot speak for the committee because this matter did not come before the committee, but I will give my personal view.

I think it is quite obvious, it is so obvious that it hardly needs to be stated, that if any one of us is running a company which has a huge reserve of oil and gas, huge reserve of coal and huge reserve of uranium, he is obviously not going to promote interfuel competition. I think to believe otherwise is sort of equivalent to believing in the tooth fairy.

So I think the fact of the matter that the combination of these fuels under one corporate umbrella is anticompetitive really does not need to be argued.

The question comes, however, why are not the existing antitrust laws adequate to take care of anticompetitive situations?

Mr. President, just very briefly one example, I think, will show why the existing laws by their very nature are not. Two years ago one company, I believe it was IBM, spent more in the defense of one antitrust action than the entire budget of the Antitrust Division of the Department of Justice.

What the Senator from Massachusetts and others are trying to do here—and the Senator from Massachusetts indicated that he thought it was a modest first step, and I would agree with him—is to prevent a situation of such an aggregation of economic wealth as to basically stifle competition between fuels, and for that reason he is not asking them to get rid of anything; he is just saying, please do not gobble up more of the reserves. To me it is a very modest first step, and it is my hope that the amendment is agreed to.

I thank the Senator from Ohio for yielding.

Mr. McINTYRE. Mr. President, will the Senator from Ohio yield me 10 minutes?

Mr. METZENBAUM. I yield 10 minutes to the Senator from New Hampshire.

Mr. McINTYRE. I thank my good friend.

Mr. President, the growing control over the Nation's energy resources—oil, gas, coal, uranium, oil shale, tar sands, geothermal and solar energy—by the major integrated petroleum companies gravely concerns this Senator from the northeast, from New Hampshire. Fundamental changes have taken place in the basic structure of the Nation's fuel industry over the past 15 years. Traditionally, the industry had been characterized by distinctly separate lines of control over the three basic energy forms: petroleum—oil and gas—coal, and nuclear energy. However, the expansion of petroleum companies into nonpetroleum energy has blurred the traditional lines of interfuel competition.

The potential stifling of competition in the infant solar energy industry is even greater than in coal or uranium. A patchwork of conflicting Government energy and capital policies is forcing small alternative energy companies out of business while encouraging the petroleum companies to buy them and their technologies.

I know of no statistics showing the extent to which big oil has taken over the solar energy industry. But a few examples will illustrate my point.

In recent hearings before the Select Committee on Small Business, Paul Cronin, a former congressman from Massachusetts and now president of a solar energy company in that State, testified that after investing $300,000 in manufacturing and marketing, his company needed more working capital. He approached the Small Business Administration and was turned down. He then asked the SBA if he could have gotten the loan earlier, when he had the $300,000 but no plant, no marketing and no product to sell. "Of course," they told him. "Of course, you could."

The head of another solar energy company, from my home State of New Hampshire, also testified at those hearings. This company, known as Contemporary Systems, had won two ERDA grants by competitive bidding. The company had a backlog of orders and wanted to expand its manufacturing capabilities with a new plant.

Since that hearing, Contemporary Systems has been turned down by several banks, and just this morning my office was notified that they had been turned down by SBA. The reason: they did not have enough cash of their own. The approval of one Government agency—ERDA—did not carry much weight with the other, SBA.

Let me contrast these experiences with that of a third New England solar energy company, a company known as Daystar, of Burlington, Mass. Daystar people designed a solar collector but they, too, ran out of money. They had sense enough not to go to the Federal Government for help or even for advice. They went to Exxon Corp., the world's biggest oil company, for cash.

Two years ago, Exxon bought 40 percent of Daystar. Last year, that ownership was increased to 70 percent. And in April of this year, Exxon took 100 percent ownership.

The results were great for Daystar, but they do not bode well for competition in the emerging solar energy industry.

As of today, Daystar has 30 distributors throughout the Northeast, obtained with Exxon's help. Daystar has further developed its solar energy system with the help of Exxon research and engineering. Exxon is also financing a training program for Daystar equipment installation and is doing a 3-year comparative market study to show Daystar the best sales methods.

Yet another example comes to mind, another Massachusetts firm, Solar Power Corp. This company was started back in 1970 to make and sell another kind of solar technology called photovoltaic cells. In 7 years of operation Solar Power Corp. has not yet made a profit. But it has not been going out of business, either. To the contrary, it has become one of the world's leading manufacturers and sellers of photovoltaics. Solar Power Corp. has been able to stay in business while losing money for 7 years because it, too, is owned and financed by Exxon.

An Exxon official explained that both Daystar and Solar Power Corp. are viewed as long-term investments with a 20-year payout. These subsidiary companies will have the opportunity to aggressively take over markets—while losing money—for years, with Exxon's backing. Their independent competitors, who cannot get loans or venture capital under restrictive Government policies, do not stand a chance.

Mr. President, it is not my intention to belittle the remarkable success that Daystar and Solar Power Corp. have achieved with Exxon's help.

These examples were drawn only to illustrate the point that the independent alternative energy companies are foundering, while those who have been taken into the fold of major petroleum companies are enjoying substantial financial backing.

A small business cannot even obtain a loan from SBA for a plant—although the experts at ERDA have twice endorsed its products with grant money. Another, aided by big oil, has signed up 90 distributors to sell its solar collectors.

There is something drastically wrong with our Government energy and capital policies. We are bankrupting independent companies by restricting their access to capital. At the same time, our policy of high oil prices is putting so much money in the hands of the major oil companies that they are buying up every piece of property and every technology having to do with energy.

It is for these reasons that I recently introduced legislation which will place a moratorium on the horizontal expansion of the petroleum industry and for this reason I am supporting the amendment of the distinguished Senator from Massachusetts (Mr. KENNEDY). I do not know at this time whether I agree with him that full divestiture of competing fuels by major petroleum companies is necessary to preserve competition in energy. It may be. Perhaps some altogether different action is more appropriate.

It is my understanding this moratorium and the study required by this amendment will give us the opportunity to find out what should be done, while preventing any further acquisitions which would be all the more difficult to reverse if we were to find out that some divestiture is necessary.

At the same time, this amendment does nothing to stop the major petroleum companies from developing and expanding production of their existing reserves in other kinds of energy.

Mr. President, if there is a motion to table this amendment, I urge my colleagues to defeat it; and when the opportunity comes to vote this amendment up or down, I urge Senators to vote for it.

The trend toward oil company acquisition of competing energy resources poses a serious problem as Dr. John Wil-

FOOTNOTES

[1] Acquired by Consolidation Coal.
[2] Acquired by Island Creek Coal.
[3] Acquired by Old Ben Coal.
[4] Acquired by Pittsburgh & Midway Coal.

Source: U.S. Congress. Senate. Committee on the Judiciary Subcommittee on Antitrust and Monopoly. Interfuel Competition. Hearings, 94th Congress, 1st session. June 17, 18, 19, July 14, October 21, and 22, 1975. U.S. Govt. Print. Off. Washington, D.C. 1976: p. 275.

U.S. Congress. Joint Economic Committee. Subcommittee on Energy, Horizontal Integration of the Energy Industry. Hearings 94th Congress, 1st session, November 19, and December 8, 1975. U.S. Govt. Print. Off., Washington, D.C., 1976: p. 25.

son, a noted energy expert, pointed out in testimony before the Joint Economic Committee:

The fundamental problem, from a national policy viewpoint, is that without a competitive infrastructure, market forces simply cannot be relied upon to curb inflation and unemployment or to allocate our Nation's economic resources in an equitable and efficient manner. If non-competitive circumstances persist, directly imposed and effectively administered market controls will be essential to the restoration of economic order in the energy sector. The only alternative, if we hope to establish a stable economic equilibrium within the context of an unregulated free market company, is to assure that private industry is sufficiently competitive so that market forces can function in a positive manner, consistent with the public interest.[1]

In 1975 the petroleum industry accounted for about 20 percent of domestic coal production and 30 percent of domestic uranium production. In the long run the pattern of growing control by the major integrated oil companies over the Nation's reserves of energy may be far more important than concentration in current production.

Although a great deal of the Nation's coal and uranium reserves lie outside the control of the petroleum industry, the potential for industry mischief is already evident. Gulf Oil's participation in the international uranium cartel—the cartel which is now being accused of having forced up the price of uranium from $6 a pound to more than $41 a pound, and in the process driving the Westinghouse Corporation to the brink of bankruptcy—raises the specter of similar cartel increases in coal prices just at the time President Carter's national energy program begins to stimulate the demand for coal. From this table it can be seen that in 1973, 16 of the 18 major integrated petroleum companies were involved in oil shale and uranium activities, and 10 were diversified into coal and tar sands.

According to estimates made by the American Petroleum Institute, estimates which I believe to be very conservative, as of 1975 petroleum firms owned 21 percent of the U.S. coal reserve base and 72 percent of the proven U.S. uranium reserve.[2]

This table lists the energy reserves of the top 30 oil companies. It shows that petroleum company holdings of non-petroleum energy are more significant than their holdings of petroleum energy. For example, in 1975 Exxon's reserves of crude oil and natural gas totaled about 47,000 trillion Btu's whereas its holdings of coal totaled 199,000 trillion Btu's. Continental Oil held fifty-one times the Btu equivalent amount of coal as it did oil and gas. Overall, the top twenty oil companies held a total 276,000 trillion Btu's of oil and gas, and 970,000 trillion Btu's of coal and uranium; it is strange that we still call this group of companies the "petroleum" industry rather than the "coal and uranium" industry.

A third table makes it evident that petroleum firms have shown little interest in expanding the output of the coal companies that they acquire. It is interesting to note that between 1970 and 1975 the coal output of the five coal companies owned by oil companies fell from 114 million tons to 94 million tons—an 18 percent decline—during a period in which the rest of the industry expanded production by 13 percent, from 489 million tons to 552 million tons.

I ask unanimous consent to have printed in the RECORD three tables—numbered table 1, table 2, and table 3—prepared by the Congressional Research Service.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

[1] U.S. Congress. Joint Economic Committee. Horizontal Integration of the Energy Industry. Hearings, 94th Congress, 1st Session. November 19, 1975: p. 29.

[2] Hersh, Amy. Concentration Levels in the Production and Reserve Holdings of Crude Oil, Natural Gas, Coal, and Uranium in the U.S. American Petroleum Institute discussion paper $004R. February 14, 1977: 37, 38.

TABLE 1.—DIVERSIFICATION IN THE ENERGY INDUSTRIES BY 18 MAJOR INTEGRATED PETROLEUM COMPANIES, RANKED BY ASSETS, AS OF 1973[1]

[Dollars in millions]

Petroleum company	Total assets	Rank in assets	Energy industry				
			Natural gas	Oil shale	Coal	Uranium	Tar sands
Exxon	$25,079	1	X	X	X	X	X
Texaco	13,595	2	X	X	X	X	X
Mobil	10,069	3	X	X		X	X
Gulf	10,074	4	X	X	X	X	X
Standard Oil (California)	9,082	5	X	X			X
Standard Oil (Indiana)	7,018	6	X	X		X	X
Shell[2]	5,381	7	X	X	X	X	X
Atlantic Richfield	5,109	8	X	X	X	X	X
Continental Oil	3,693	9	X	X	X	X	X
Phillips Petroleum	3,607	10	X	X		X	
Sun Oil	3,882	11	X	X	X	X	X
Union Oil	2,909	12	X	X	X	X	
Cities Service	2,660	13	X	X		X	X
Getty[3]	2,235	14	X	X		X	
Standard Oil (Ohio)[4]	1,963	15	X		X	X	
Marathon	1,572	16	X	X			
Ashland	1,437	17	X	X	X	X	
Amerada Hess	862	18	X			X	

[1] Id. at 24.
[2] Royal Dutch/Shell group has total assets of £9,816,000,000.
[3] Getty Oil owns 72.53 percent of Skelly Oil Co.
[4] British Petroleum, which owns a 25-percent interest in Standard Oil (Ohio) with the right to earn up to a 54-percent interest, has total assets of $10,403,000,0000.

Source: Hearings, Senate Interior Committee: The Market Performance and Competition in the Petroleum Industry, Dec. 5 and 6, 1973.

TABLE 2.—ENERGY RESERVES OF TOP 30 OIL COMPANIES

[In trillions of Btu's]

Company	1975 net domestic crude oil/NGL	1975 net domestic natural gas	1975 coal	1975 uranium
1. Exxon	23,374.0	23,198.7	199,332.0	7,525
2. Texaco	16,344.0	15,872.0	47,460.0	
3. Shell	10,782.2	7,101.4	23,730.0	
4. Standard of Indiana	13,003.6	10,936.3		
5. Gulf	7,424.0	6,736.9	61,698.0	34,400
6. Standard of California	10,248.6	7,341.1		1,290
7. Atlantic-Richfield	13,166.0	12,820.5	52,206.0	
8. Mobil	5,800.0	7,782.4	59,325.0	
9. Getty	9,488.8	3,449.9		8,600
10. Sun	5,115.6	4,198.4	53,890.8	
11. Union	3,543.8	7,354.4		
12. Phillips	4,036.8	5,462.0	47,640.0	5,375
13. Continental	3,010.2	3,212.3	316,795.5	10,750
14. Cities Service	4,332.6	4,710.4		
15. Marathon	4,634.2	2,345.0		
16. Amerada Hess	3,132.0	1,536.0		
17. Tenneco	1,258.6	3,843.1	40,341.0	
18. Louisiana Land & Exploration	1,084.6	1,353.7		
19. Pennzoil	852.6	1,923.1		
20. Superior	1,160.0	3,481.6		
21. Union Pacific	684.4	809.0	237,300.0	2,150
22. Santa Fe	765.6	81.2	8,780.1	
23. R. J. Reynolds	NA	NA		
24. International Paper	580.0	362.5		
25. Kerr-McGee	342.2	840.7	66,444.0	62,350
26. Standard of Ohio	26,332.0	6,425.6	18,984.0	2,150
27. General American	585.8	630.8		
28. Ashland	365.4	1,010.7	21,357.0	
29. American Petrofina	325.8	192.5		
30. Diamond Shamrock	713.4	1,126.4		

Source: Kirkland, Ellis & Rowe. "Horizontal" Oil Company Divestiture and Separation Proposals. Report to the American Petroleum Institute, Oct. 15, 1976, exhibit IV-A.

TABLE 3.—OIL FIRMS COAL PRODUCTION[1]

[In millions of tons]

Coal and parent company	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Consolidation-Continental	45.4	48.6	[2]51.4	56.5	59.9	60.9	64.1	54.8	64.9	60.5	51.8	54.9
Island Creek-Occidental	31.2	20.6	23.7	25.9	[2]25.9	30.3	29.7	22.9	22.6	22.9	20.8	19.4
Old Ben-Sohio	5.1	6.3	9.9	10.3	[2]9.9	12.0	11.7	10.5	11.2	10.8	9.5	9.3
Pittsburg & Midway-Gulf	[2]7.1	8.2	8.8	9.0	9.2	7.6	7.8	7.1	7.7	8.1	7.5	7.3
Arch Minerals-Ashland	2.3	5.1	6.8	7.5	7.0	6.8	6.3	[2]7.2	11.2	12.5	13.9	13.5
Monterey Coal-Exxon							.3	1.2	2.0	2.7	2.5	2.9
AMAX-SOCAL	8.2	8.3	3.5	8.6	9.3	11.3	14.4	13.3	16.4	16.7	19.9	[2]21.8
Valley Camp[3]-Quaker State	4.3	4.3	4.8	5.5	5.2	5.3	5.5	4.2	4.8	4.1	3.3	3.4
8 company total	93.6	101.4	113.9	123.3	126.4	134.2	139.8	121.2	140.8	138.3	129.2	125.5
Industry total	487.0	512.1	553.9	552.6	545.2	560.5	602.9	552.2	595.4	591.7	601.0	646.0
8 company output as percent of total	19.2	19.8	21.3	22.3	23.2	23.9	23.2	21.9	23.6	23.4	21.5	20.5

[1] Includes only those companies with more than 1,000,000 tons of coal production in 1975.
[2] Year acquired by oil company.
[3] Acquired in March 1976.

Source: Appears in Congressional Record, July 26, 1977: S12805.

Mr. McINTYRE. I thank my good friend from Ohio for yielding me time.

The PRESIDING OFFICER. Who yields time?

Mr. HANSEN. Mr. President, I yield 5 minutes, or whatever time he may require, to the distinguished Senator from New Mexico.

Mr. SCHMITT. I thank my friend from Wyoming.

Mr. President, I find myself, as a new Senator and one who has been involved in various ways in the mineral and energy industries for a large number of years, including being born within a copper pit, appalled that we would be wasting the time of the U.S. Senate on an amendment of this nature, particularly at a time when it is so absolutely necessary that we mobilize all of the great resources of this country—resources of imagination, capital, ingenuity, and willingness to take risks—toward a solution of what is known as our energy crisis.

I think the most telling point against an amendment of this kind, or any attempted front door or back door divestiture, is that we are dealing with an energy industry in which there is no restriction on entry. New companies are growing all the time, whether they be coal, oil, gas, or uranium companies, and therefore it is not a monopolistic industry. There are big companies, but there are also medium sized and small companies, all of which hope to be big some day, and have an opportunity to do so.

It is important to realize that the free enterprise system works on the basis of supplying a demand, and there is demand for coal, there is demand for uranium, for oil, and for gas, and there will be for many years to come, because we have allowed ourselves, for a variety of reasons, to become way behind in the energy power curve, to use the vernacular of the airplane pilots.

If we vote to accept this amendment offered by the Senator from Massachusetts, we will be doing a great disservice not only to the intent of S. 977, the purpose of which is to increase our utilization of coal, but also to the intent of everybody's energy plan, which is to increase the production of coal and its utilization as rapidly as possible in order to save the very precious natural chemicals, crude oil and natural gas. I personally think that S. 977 is the wrong way to go about this, but even if it were not, the amendment of the Senator from Massachusetts, obviously supported by the Senator from Ohio, will work in the opposite direction. It will prevent the application of the great resources—capital, cash flow, and imagination—of the oil and gas industry, which is a heavily competitive industry at this time, from being applied to this very important national problem.

I am no defender of the excesses of big business in the past, and I never will be, but I do know what it is going to take to provide the coal and uranium necessary to provide a transition to that time when there will be abundant, inexhaustible energy resources for this great country and for the world.

Having grown up in the mining business, which is closely related to the energy extraction business, I believe there is one point that is too often overlooked about what is necessary in order to see new resources turned into reserves and then developed as our own extractable energy products.

As an aside, I might say that I find it discomforting, to say the least, that the Senator from Ohio would not care about the difference between a resource and a reserve. It is a very fundamental and important difference to this country, and I hope he will take time out at some time to understand that very important difference. A reserve is something you have, that you know about, that you can get to. A resource is something you think you may have. That is a very important difference.

But more important, within the mineral extraction business it is extremely important to have a risk mentality, a philosophy within the business management of the industry of being willing to take risks.

Let me give you a case in point from my own experience. In the post World War II time, up until the mid 1950's, there was a tremendous potential in the Southwestern United States for the development of new copper mines. The traditional mining industry was sitting, in many cases, on deposit after deposit of potentially great value of copper ore. But no one would invest. The industry had become so conservative in their way of doing things, so limited in their basic capital resources, that they could not then invest; they could not find it within the purview of the industry to develop these mines that had such tremendous potential productivity.

In the mid 1950's, some companies coming from success in the oil and gas field decided that the time had come to diversify, to provide their corporate structure and their stockholders with a broader base of potential return, and they came into the Southwest and were willing to risk their capital on the development of new copper property. As a result, mine after mine after mine——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HANSEN. Mr. President, I yielded the Senator such time as the Senator might require.

The PRESIDING OFFICER. The Chair misunderstood.

Mr. SCHMITT. I thank the Senator.

In the course of the next decade or so, mine after mine bearing huge resources of copper were provided by the influx of capital and of the willingness to take risks from the oil industry into the mining industry. It showed the way how things should be done, and I think will be done in the future.

The same occurred when we finally realized that we would have an energy crisis, that we had forgotten that we needed to develop uranium resources so that we could fuel these nuclear reactors that are going to be important to at least a part of our energy future. The same thing occurred a few years ago, and what happened? The only sources of capital, the only sources of the willingness to take risks that we could find, for the most part, were those in the oil and gas industry.

They came into my home State of New Mexico in a very competitive way—you would not believe the competition that existed—and now have developed vast new resources and reserves—most importantly reserves—of uranium that, if we are going to be successful in implementing that portion of a national energy policy, are going to be absolutely vital.

If we had not had this resource in this country, this willingness on the part of the oil and gas industry to take risks, to invest their capital in hidden deposits of uranium, then we would not today have even a first approximation of the ability to fuel the light water reactors which are going to be necessary to this transition phase of our energy future.

Again, I find it extremely hard to believe that we are spending the time, the very valuable time, of the Senate this fall in debating an amendment of this kind, which will do absolutely nothing to help us solve the basic energy problems to meet the basic energy challenge of this great country and of the world.

Again, let us remember that with the antitrust laws we have properly enforced, none of the specter which has been brought before us today will be realized, the specter of monopolistic control of a very high demand for coal and uranium, monopolistic control by the oil companies. Those laws must be enforced; they can be enforced and I believe they should be enforced.

Let me also remind my colleagues that without barriers to entry, monopolistic control is impossible. And there are no barriers to entry in these energy markets today. The demand is far too high, the potential for profit is far too high, to see any barriers of entry being created within the free enterprise system itself. However, barriers for entry can be created by Government, and that is what we have to be very careful of. They are being created, they have been created, but certainly within the industry itself there are no barriers for entry.

I believe the distinguished Senator from New Hampshire in his examples may have inadvertently pointed out what Government has done to make it very difficult for the entrepreneur, the small businessman, interested in solar energy to enter the market, largely because of artificial barriers to entry which have been created by Government.

Mr. President, I hope our colleagues, as they come to the floor today prior to a vote on this amendment will take the time to reflect on just what our basic energy challenge is. That challenge, in briefest form, is to produce as much oil and gas as we possibly can from domestic sources as rapidly as we can so that we can develop coal, uranium, geothermal, and dispersed solar resources which will allow us to transition into another time, into the next century, when our solar electric technology, our fusion technology, our hydrogen energy technology, and maybe technologies yet to be discovered or invented, will allow us to have energy available at rates which are equal to the demand, and energy available from essentially inexhaustible resources.

This great country has yet to be asked to face the positive side of the challenge. That is, to do what we do best, to do new things. If, by amendments such as this amendment proposed by the Senator from Massachusetts, and by bad legislation, such as represented by S. 977, we continue to make it impossible for Americans to be positive, to go out and solve their problems, then I will have very, very grave concerns about our ability to meet this challenge and about our ability to survive in a very, very competitive world, in a world which is going to become more competitive from the standpoint of energy as every year goes by.

Mr. President, I am willing to yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SCHMITT. I would be happy to yield to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, we are presented with an amendment which can easily be misconstrued. Not only the amendment's purpose, but its effects are partially disguised by its provisions. The amendment is cloaked in the language of moderation and in provisions which promise a preservation of the status quo without actually harming anyone. The amendment would cause a future restructuring of the oil and gas, as well as the coal and uranium industries. Restructuring is what divestiture is all about.

This deceiving appearance masks a most radical measure that is a divestiture amendment regardless of the contrary contentions of its sponsors. Indeed, if it is not a divestiture amendment, then why are its sponsors offering it? The arguments used in favor of this amendment are virtually the same arguments in favor of horizontal divestiture. To the extent that this amendment does not go as far as other proposals in accomplishing divestiture, it is—to be honest—because its sponsors have decided that this body is not willing to adopt the more extreme measures they actually favor. They know we will not buy the whole camel. They are hoping the camel's nose in the tent might not be so objectionable.

Mr. President, it is disturbing to me that this particular amendment is being offered here on the Senate floor to other energy legislation. This particular route of obtaining passage of such a momentous measure clearly circumvents the committee system. Hearings are continuing on the subject of horizontal divestiture. We are collecting information on whether or not there is a need for such a bill and what the effects would be on our national energy situation. These hearings were scheduled to examine not only the subject of horizontal divestiture, but also proposals to prevent ownership of alternate energy sources by petroleum companies. While limited hearings have been held on the subject of horizontal divestiture, no hearings have been held on this measure being debated today.

Senator KENNEDY presently has a horizontal divestiture bill (S. 1927) under consideration in the Antitrust and Monopoly Subcommittee of the Judiciary Committee. Because this subject is receiving expeditious and considered treatment within the framework of the committee system it is hardly advisable to attempt to begin implementing divestiture without allowing the appropriate committees to reach a judgment on that issue.

The truth is, Mr. President, this amendment would call a halt to the most promising development in the coal industry, an essential development if this Nation is to achieve the increasing reliance on coal so necessary to a national energy plan. The movement of capital, technology, and management from the petroleum industry into the coal industry is helping to produce the coal this Nation must have to broaden our energy base. This amendment would stifle that movement.

In the first place, major oil and gas producers already into coal or uranium would be prevented from acquiring additional interests.

In the second place, oil or natural gas companies covered by this amendment who have not already moved into coal or uranium would be prevented from moving into these fuels.

Third, this amendment creates the rather grotesque spectacle of a governmentally imposed system in which some companies are permanently disadvantaged while others are permanently favored. Those companies into coal and uranium are allowed to stay there, presumably to reap the benefits of holdings they have already acquired. Companies not into coal or uranium, and covered by this amendment, would be denied the opportunity to seek these same benefits.

Fourth, if passed, this amendment will undoubtedly cause, not merely a freeze, but a shrinkage in the commitment of oil and natural gas companies to the development of coal and uranium:

Companies with coal or uranium reserves that do not constitute a mineable block would not be allowed to expand these reserves so that it would be economic to develop them. Such reserves might well be divested by the companies.

Companies with subsidiaries in coal or uranium might well find that the limits on growth imposed by this amendment would so restrict their operations that they would divest them.

Companies might well find that coal or uranium subsidiaries prevented from growing are a poor prospect for their investment funds so that the capital presently going into the development of these subsidiaries might be reduced.

Any oil or gas company—and there are many of them—involved in such research as coal liquefaction and gasification would find it foolish, if not actually illegal, to continue such research.

Oil and gas companies throughout the country will be less inclined to invest capital in any alternative energy resources, even those not covered by this amendment, because passage of this restriction would be a clear signal that this Congress is succumbing to the kind of suspicions which are hardly encouraging to a company considering any move into any alternate form of energy.

So what we have, Mr. President, is not merely some moderate and harmless amendment preserving the status quo but a clear and strong attempt to limit and even partially divest oil and gas company participation in coal and uranium. This amendment is offered in its present form, in my judgment, because it is the strongest form of divestiture its sponsors feel they can get the Senate to pass. If the amendment were not a measure designed to accomplish the aims of horizontal divestiture, the proponents of this measure would not bother to offer it.

Mr. President, the contention that this is not a divestiture amendment is a technical accuracy that misses the point of

the amendment. For in fact, while the amendment does not require any company to divest itself of any asset, it will create economic restrictions which will encourage petroleum companies to get out of coal and uranium.

It will put a legislative straitjacket on petroleum companies not presently into coal and uranium.

It will put a ceiling over the heads of oil and gas companies not covered by the bill to discourage growth which would bring a company into the threshold set by the amendment.

It will start building a wall around coal and uranium, a wall that will prevent these important fuels from receiving the full benefits of our economic system.

It will scare America's technologically advanced energy industries away from significant investment in other alternate forms of energy.

Further, it is an important first step toward horizontal divestiture. For if companies are discouraged from expanding their coal and uranium holdings, they will be discouraged from developing them and discouraged from owning them.

Mr. President, this will set the stage for other amendments next year and the year after that which will implement horizontal divestiture completely, with all its ills and implications for America's energy policy.

I wish to make two other points concerning this amendment. The first point is that a constructive national energy policy requires heavy reliance on coal. This country has a lot of coal, probably more coal reserves than any other country in the world. Development of these coal reserves is an important part of any workable national energy plan. We are talking about increasing coal production from 665 million tons to 1,065 million tons by 1985. It just does not make sense to start eliminating any segment of our economy from trying to develop coal.

Second, it is important that the Members of the Senate understand that during the last 5 years concenetration into a few firms has declined in the coal industry. In 1970 the top four coal firms accounted for 30.7 percent of coal production. By 1975 that figure had declined to 26.4 percent.

The same thing is true for the top eight firms: a decline from 41.2 percent of coal production to 36.2 percent. The top 15 firms declined from 52.2 to 45.9 percent. The top 20 firms declined from 56.5 to 50.6 percent.

All of this is a long way off from having the top four firms with 50 percent of the market which is what most economists would call the danger point.

In conclusion, Mr. President, this amendment circumvents the committee system. This amendment attempts to accomplish divestiture without saying that is what it is doing. This amendment is harmful to the goal of increased coal production. Finally, this amendment is an unnecessary restriction on the free enterprise system, with no benefit to the American people.

Thank you.

Mr. SCHMITT. Mr. President, I yield to the Senator from Montana such time as he may require.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. MELCHER. I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I ask unanimous consent that Peter Chumbris and Emory Sneeden of the Antitrust Subcommittee of the Committee on the Judiciary be accorded the privilege of the floor during consideration and voting on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, earlier in the discussion this afternoon, the Senator from Ohio (Mr. METZENBAUM) listed some of the coal reserves that have been acquired by oil and gas companies. I think it is pertinent to point out that if these reserves are in the West, there is a series of reasons why there has not been rapid development of those coal reserves.

One of those reasons causing a delay in the development of western coal has been the long time it has taken the Congress and the executive branch to enact a national strip mine reclamation bill. In my State of Montana, which has more coal reserve by far than any other State in the country, the ownership of Federal coal in a checkerboard fashion throughout most of the area of the State where there are coal reserves made it absolutely essential that, before development started that Federal coal, there be a finely drawn blueprint for development. Much of that has been taken care of with the recent enactment of the strip mine reclamation bill.

But it would be foolish to think that rapid development of that western coal could take place without that Federal law being enacted. Coal in my State, loaded on the railroad cars, costs about $5 a ton. To me, that seems like a competitive price. I think it is. Yet, to get a mining operation going, to strip the land and strip mine that coal, does indeed take 5 years, as was noted by Senator METZENBAUM.

It takes 5 years and a pretty big investment. It takes investment in machinery, and some investment in getting the permits to mine that federally owned coal.

Just having a lease on Federal coal does not open it to mining. A mining plan must be approved by the Department of the Interior and the program that the Department of the Interior has followed has been necessarily slow by the lack of firm direction from Congress, agreed to by the executive branch.

Again I say, I think the enactment of the national strip mine reclamation bill and signing by President Carter does clear many of the uncertainties involving approval of mining plans that will allow for the development of federally owned western coal.

I think that we also have to recognize that much of the energy development does hinge on securing approval by Federal agencies of Federal permits. In many instances, approval by State agencies for State permits. We have enacted a series of laws during the past decade or more that require this. Some of them are for environmental protection, most of them are, as a matter of fact, that we have enacted here in Congress in the last decade regarding these Federal permits. I think the same is true with the State permits.

But let us note that it takes time to get those permits approved—time plus investment. The large companies are in a better position financially to make those investments, both in time and in money.

I hope we have shortly before the Senate a bill that 20 of us have cosponsored that would curtail some of the time involved and limit the time involved on Federal permitting for oil pipelines from the west coast to inland States.

There is a great need for that because we will give the classic example in that bill of an independent, what we would call a small independent oil pipeline group, that wants to build a pipeline from the west coast into Minnesota to hook up with existing pipelines and to deliver the oil into the Midwest, as well as to the northern tier States, including my own State of Montana.

But let me note now that this independent group has been diligently pursuing Federal and State permits for 2 years. The group is a relatively well off group of individuals. They have been successful. They have invested their own money, but they are running out of it. They are running out of their own money to spend on securing these Federal and State permits.

If they do not obtain those permits, their $2 million, $3 million, or $4 million personal investment is down the tube. It is washed out. Their proposal is gone. It is an example, a classic example, of what it costs to get into the energy business, in this case transportation of oil, desperately needed in the northern tier and midland area States, inland States, a project that is very definitely needed.

I think we have to bring our own house in order on the Federal permits for energy companies, whether it is oil transportation or coal companies, as is the case of the discussion this afternoon.

If we really want competition, and we all do, we have to make certain that the small independent companies can stay in business, will have sufficient capital to go through this period of time to secure permits and remain viable. That is competition.

If we allow it to drift too long because we have set up too much redtape, then we, indeed, create the vacuum where the giant companies move in.

There are two other instances in the West in coal development that need a little bit of attention here today.

Mr. SCHMITT. Will the Senator yield?

Mr. MELCHER. I am delighted to yield.

Mr. SCHMITT. Before the Senator moves along in this very cogent and important statement, I would just like to associate myself with his remarks and in the situation faced by Montana, being something with many of the similar characteristics and similar situations in my State of New Mexico.

I think the Senator's point about the necessity of confidence in what Federal law is going to be, and what Federal regulations are going to be, and what the permitting process is going to be, is

extremely important because that has been a fundamental problem in the delay in the extraction of coal and uranium and other resources in the West.

I hope the Senator is correct in that with the passage of the strip mining law, we, in fact, will see some of this confidence or some of the insurance of what the process is starting to develop.

I am not quite as confident maybe as the Senator might be that it is going to happen very rapidly because the permitting process now is transferred to Washington.

For the most part, the Senator described it very well, the kind of problem that a small group of investors will run into, as well as larger investors will run into, and the Senator from New Hampshire and others have discussed today about the problems that small investors have.

I think it is important to realize that not the least of the problems is the Federal Government itself and that we have to be careful in trying to take that first modest step toward divestiture that we are not misanalyzing the problem.

The large part of that problem is the inhibitions that are put in front of small business by the Federal Government.

I appreciate the statement of the Senator and I thank the Senator for this interruption.

Mr. MELCHER. I thank the Senator for his remarks.

There are two proposals for coal development in the West that cause us great problems in Montana and other Western States because they involve the use of water. One of these is a proposal for coal slurry pipelines.

We are apprehensive in my State, and I think in other Western States, about the enactment of the law granting eminent domain that would allow coal slurry lines to be built. It is because we do not know how much water we can spare and it is because we do not know, in many instances, what individual State's prerogatives are involved with water that might be used in coal slurry lines.

So we are reluctant to endorse such legislation. Of course, that reluctance, we recognize, does cause some energy companies, which are waiting for coal slurry lines, to be just waiting.

We take note, those of us in the West that oppose coal slurry lines, that railroads are adequate now and in the next 10 or 15 years can haul all the coal that is necessary or that will be mined in our part of the West.

The second proposal involves coal gasification.

Again, all known processes take considerable amounts of water for each coal gasification plant. We have a reluctance on that, also, but our reluctance is based on whether we can give up the water that is involved.

So I think that in considering all the ramifications of rapid development of Western coal, we should not lose sight of these points.

Just owning the reserves in the form of leases on Federal coal or having ownerships of coal reserves in the West that are in these checkerboard fashion ownerships, intermingled with Federal coal in the West, does not necessarily mean there will be rapid development of those coal reserves, for the reasons I have mentioned.

Mr. President, on the facts that are available to me now and on the existing circumstances that face us in the development of Western coal, I would be extremely reluctant to vote for the pending amendment. I would prefer to do as the advocates have recommended to us, to assure competition, that we pay some attention to the smaller energy companies, see what their problems are, clear up the time-consuming, money-grabbing procedures in getting Federal permits, and allow those applicants, whether for coal development or for oil pipelines, who are sincerely and diligently trying to pursue their business without degradation to the environment, and in the truly competitive manner we advocate, to go ahead with their proposals and to assist them in making sure that they are not hamstrung for so long a time, costing so much money, that they have to abandon their proposals which would be a benefit to the country and would assure competition.

Mr. SCHMITT. Mr. President, I again thank the Senator for his moving and very important statement in this debate.

Mr. HANSEN. Mr. President, would the Senator from Massachusetts like to speak?

Mr. KENNEDY. Would the floor manager like to propound a consent request now or later?

Mr. HASKELL. Mr. President, I should like to propound one later. We are checking with one Senator.

Mr. KENNEDY. Mr. President, I yield myself such time as I may use.

The PRESIDING OFFICER (Mr. FORD). The Senator may proceed.

Mr. KENNEDY. Mr. President, I listened with great interest to the arguments of the Senator from Montana. I think there is substantial truth to the arguments with respect to the issue of competition, that the rules, the regulations, the time frames are basically anticompetitive in terms of permitting smaller units, whether in the coal industry, the oil industry, or natural gas, to compete with the majors. There is a great deal of wisdom to that pronouncement, and it is one with which I agree.

However, I daresay that as we begin to attempt to see what can be done to relieve those particular rules and regulations and that redtape, if we continue to permit the major oil companies to acquire these coal resources, the horse will be out of the barn by the time we take the steps that are recommended by the Senator from Montana.

I picked up the Wall Street Journal this morning and read that Mobil Oil has increased its domestic coal reserves by 3.5 billion tons through the recent acquisition of Mount Olive & Staunton Coal Co. That puts it in the top 10 of all the coal producers. They just announced that this morning.

Those of us who support this amendment say that by the time we are able to do something to reduce the redtape, the regulations, the licensing agreements—all the other things that work in an anticompetitive way, as the Senator from Montana carefully and eloquently and knowledgeably pointed out—there will not be the opportunities for these smaller companies, the medium-sized companies, to be able to function and to be able to work.

However, I welcome the opportunity to work with the Senator from Montana in this area, to try to see how we can best deal with that particular issue which he has identified and to which I am extremely sympathetic.

Mr. President, during the course of the afternoon a number of arguments have been made, but one that continues to be repeated is the issue of whether it is essential that we permit the major oil companies to continue to purchase the smaller or medium-sized or even larger coal companies or uranium companies because of the availability of new capital to these major oil companies.

For a number of years, during my service in the Senate, I have listened to statements about the constant problem that the major oil companies have in terms of the accumulation of new capital. They represent before our Interior Committee and the House committees that they themselves are facing serious capital problems and that is why they are against the equalization tax and the wellhead tax. They come before the committees and say, "We can't possibly form the new capital to develop the oil and natural gas in this country unless you stop the crude oil equalization tax proposed by the administration."

On the other hand, we find some Senators who are against that tax recommended by the administration saying, "Well, listen, boys, the oil companies have the only available capital to go out there and develop the coal and develop the uranium."

They cannot have it both ways. Either they have the capital that is available to go out, on the one hand, or they do not. It seems to me that they are playing both sides against the middle in this situation.

Mr. SCHMITT. Mr. President, will the Senator yield?

Mr. KENNEDY. I will yield in a few moments on this point.

The second question with regard to the capital market is this: We heard in the Finance Committee last year Mr. Eliot Janeway, one of the most distinguished economists, one of the most knowledgeable people in Wall Street, one of the most knowledgeable people in this country in terms of new capital formation, indicate that there was no capital shortage in the country at this time. He testified just last spring before the Senate Finance Committee.

Then we pick up the recent issue of Business Week magazine, in which there is a full-page ad talking about new mining opportunities: "As modern technology and industry gobble them up, man must find more." It says that Canadian Imperial Bank of Commerce, over $26 billion strong, can be helpful. What they are advertising here is, "If you have a new mine, come to the Canadian Imperial Bank of Commerce, and let's try to work out some capital formation for that

development." Here it is in Business Week magazine.

I daresay that those who oppose this amendment on the basis of capital formation have to make a stronger argument than they have made here today.

Furthermore, Mr. President, let us look at the facts and what has happened in terms of oil companies that have acquired coal companies in recent times and where the capital formation has really developed.

When Occidental Petroleum acquired Island Creek, was it the situation where Occidental was bringing tens of millions or hundreds of millions of dollars to Island Creek? Quite to the contrary. Occidental was taking tens of millions of dollars away from Island Creek to use in its North Sea oil development.

Sohio pledged the credit of Old Ben Coal Co., one of the leading coal companies in this country, for pipeline development.

Similarly, Continental Oil used resources of Consolidation Coal Co. for oil development. So, Mr. President, when we start looking at the facts, when we begin to examine both the capital market and what the oil companies have done in terms of the major coal companies they have actually acquired, we find a rather different situation from that which has been presented here during the course of the afternoon.

No one questions that the coal companies had financial difficulties over the period of the sixties, 10 years ago, 15 years ago, and were facing problems in terms of modernization or of acquiring new capital. It was basically not a very prosperous industry.

But times have changed in terms of the energy requirements of this country and throughout the world. The technology is being developed—and, I daresay it has not been developed by the major oil companies, it has been developed primarily by the coal companies of Western Europe.

We have listened to the argument about the need for bringing new management from the major oil companies into the coal companies. Well, it is interesting that the major acquisitions by the oil companies have been of those coal companies that have been the most successful in terms of managerial skills, knowledge and techniques. For the most part, they have left the management personnel in place in those particular coal companies.

So, Mr. President, I find these arguments which have been made in these particular areas still failing to be persuasive.

It seems to me that more important is massive concern by the purchasers of the coal and uranium. We heard before our Antitrust Subcommittee from Mr. Shearon Harris, who is president of the Carolina Light and Power Co., and a vice president of the U.S. Chamber of Commerce. He runs an important light and power company down in the Carolinas and he talked about the trends and the developments that he see resulting from the consolidation and acquisition of power by the oil companies. No one thinks he is for the destruction of the American free enterprise system.

Listen to what the rural electric cooperatives are saying about their problems in acquiring coal and uranium. You find those who are trying to secure reasonably priced fuel understand the problem. The ones who face the American consumer—no matter what part of this country they are in, whether it is TVA or Carolina Light and Power or the rural co-ops—they understand what is happening in the marketplace.

The only purpose of this amendment is to say, "Let us have a status quo during the time when the President and the administration and the Congress continue their comprehensive review of horizontal integration in the energy industries." Exxon and Mobil have all the coal resource that they need under their own projections to be able to meet their requirements for the foreseeable future. But let us not permit them to continue to gobble up these resources which, over a period of time, might mean a shortage of these materials, and unquestionably higher consumer prices for the average American family.

I would be glad to withhold the time. Now I yield to the Senator from New Mexico for questions.

Mr. HASKELL. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. KENNEDY. I yield.

Mr. HASKELL. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Massachusetts has 52 minutes, and the Senator from Colorado has 64 minutes.

Mr. HASKELL. Well, since the Senator from Colorado has the same position as the Senator from Massachusetts, it would be the Senator from Wyoming who has the time.

The PRESIDING OFFICER. The Chair stands corrected. It is the Senator from Wyoming who has 64 minutes.

Mr. HASKELL. I wonder if the Senator from Wyoming would agree to 30 minutes to be remaining and the Senator from Massachusetts 20 minutes in view of the disparity of time remaining?

Mr. HANSEN. Mr. President, responding to the query by the Senator from Colorado, let me say that Senators BARTLETT and WALLOP have each indicated a desire to speak. I do have a short statement that I can utter or insert in the RECORD. I would suspect that 30 minutes would be sufficient time on our side.

If I may tentatively enter into that agreement I shall do so now, provided there is an understanding that I have not yet had a chance to speak to either our colleagues WALLOP or BARTLETT to be certain as to the amount of time they require. I will not require but 10 minutes, so that would leave 20 minutes for them.

Mr. HASKELL. I suppose that is a little bit difficult. Maybe the staff could get in touch with those two Senators.

Mr. HANSEN. I think the staff has been making an effort to reach both of them, and I would suspect they will be over here very shortly.

Mr. HASKELL. Perhaps we should delay any request until we have heard from those two Senators. I think that would be appropriate.

Mr. SCHMITT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from New Mexico?

Mr. HANSEN. Yes, I do.

Mr. SCHMITT. I just wanted to say to the Senator from Massachusetts that his description of the flow of capital is a reasonably good example of what I sometimes call incomplete statistics, the best example being all of those people who are pushed to shore by porpoises which has given the porpoises a reputation for saving people from drowning. We do not hear about the people who have been pushed out to sea. So it is a good example of incomplete statistics.

In this case I think we always have to remember that capital goes where the return on the investment is going to be the greatest for the stockholders and for other investors in the particular enterprise.

At the present time, because of artificial restrictions on the price of natural gas and the threat of increased restrictions on the wellhead tax on oil and gas, capital investment in oil and gas does not represent as large a return on investment as capital investment in coal and uranium.

I just think we need to keep that in mind. There are these kinds of distortions in the energy capital picture, and those distortions are going to continue until the Government realizes what is necessary to increase the supply of energy.

One of the things that is necessary is to not further inhibit this great resource, competitive resource, we have represented by a large number of large oil and gas entities. They can invest and are investing in coal and uranium and are allowing the production rate we have today, and will, if not too greatly restricted, unreasonably restricted, provide for increased coal and uranium production in the future.

My own State of New Mexico and the Senator from Wyoming's State of Wyoming have very similar characteristics in terms of large coal and uranium resources, and they would not presently offer this country and our States the great economic potential that they do if it had not been for this availability of capital coming from the oil and gas industry, the capital that was not being invested in the production of oil and gas because of these other restrictions, these artificial restrictions, in the pricing structure of oil and gas commodities.

So I think the Senator from Massachusetts and others supporting his amendment must at least be fair and realize we have distorted the energy market by Federal intervention, unnecessary Federal intervention, and that capital is going to be where the return on the investment is the greatest.

Mr. KENNEDY. I yield myself time to respond.

I find myself in remarkable agreement with my friend from New Mexico, and he

really is making my point. I am opposed to the Federal Government's allocating capital, just as I am opposed to the board room of Exxon making the judgments in terms of capital. I think they should be made in terms of the marketplace and investors. I think those should make the judgments; that is going to be a truer reflection of what the opportunities and public needs are going to be.

For example, if you have the oil companies owning both oil and coal and it so happens that the oil aspects of that mix are a good deal more profitable to that particular company, it seems only reasonable to expect that the corporate officials are going to invest more in the oil end of the business than in the coal end. While if you had a situation, for example, where you come to the capital market in New York City or any other major city in this country, the choice is to be made by an investor. He says they either have coal or department stores to invest in, and he may very well make the decision to invest in coal.

But I just wonder why the Senator from New Mexico believes that the corporate board rooms can make more intelligent decisions in the allocation of capital than the marketplace. I am for the marketplace and the best way of insuring that the marketplace is going to make that judgment is by supporting this amendment. It will insure the opportunity for a free flow of capital, and it will not necessarily require the corporate board of directors to do so.

Obviously if the investment is going to be sound from the oil company's point of view, it would be sound from an investor's or bank's point of view. If it does not make sense for banks to invest in any mine, then an oil company is not going to make the investment because the official would otherwise be thrown out by the stockholders.

So I would agree with the Senator from New Mexico that that capital formation should be left in the hands of the marketplace, not the Federal Government, not the board rooms of the major oil companies. The best way to achieve that is support of this amendment.

Mr. SCHMITT. The Senator makes a number of points which I think warrant a little bit more discussion. From his remarks I generally would assume that he will favor the elimination of the wellhead tax when that comes up. That is a distortion imposed by the Federal Government on the disbursement of capital. So we will look forward to that kind of support when we get to that point in the energy bills that are before the Senate.

I think it is also important to realize that the board rooms, as he refers to them, are part of the marketplace, and they are going to respond to market pressures. Some of those pressures now exist on behalf of the Federal Government and that is a policy which is only incompletely defined, not very well implemented at the present time, to develop a variety of energy sources, uranium, coal, oil, gas, solar, and so forth. So, by making that a national policy, and I think an important national policy, we have created the demand in those various market sectors to which the board rooms are going to respond. And they are responding in fact. They are responding in one way by diverting capital resources from that exploration and production of oil and gas to the production of coal and uranium because the Federal Government has distorted that marketplace to where that is the most profitable place to put the board room dollar.

Mr. KENNEDY. On that point I would be interested in the Senator's authority for that particular statement, that they are diverting resources from oil and gas to coal. And, second, it seems to me that we should have a national position on that particular issue. Is that wise? Is that what we really want to do to meet our energy needs in this country—to divert capital formation from oil and gas, as the Senator from New Mexico has said, into coal? How does that meet our energy requirements? I hope that since that is what the Senator from New Mexico believes, he will try to tell us why that makes a good deal more sense than continuing to try and see the development of more oil and gas with the independent development of coal and uranium at the same time. I think he talked himself into a Catch-22.

Mr. SCHMITT. No, I do not believe so.

Mr. RANDOLPH. Mr. President, if the Senator will yield, I do not want to break the Senator's continuity, and I can ask to make a comment just a little later. But it comes naturally from what the Senator is saying.

Mr. SCHMITT. If the Senator will allow me to make one or two more short points, one is that I do not believe it is correct that capital should be diverted from the production of domestic oil and gas at this time. Unfortunately the market distortions are such that they are forcing the oil and gas industry to divert that capital from the production of domestic oil and gas. That is our most essential need right now, increased domestic oil and gas production. But with the continued regulation of oil and gas prices on the interstate market and the threat of wellhead taxes which do nothing to increase incentives for production, we are further causing the diversion of that capital investment into areas other than the production of domestic oil and gas. So, I would agree with the Senator that is the most important short-term need that we have.

In the intermediate term and as a matter of national policy, which I agree with, we must increase our production of coal. The incentives are there for the increased use of coal. That is going to happen. We will see capital going into the direction of production of coal as well as uranium. So the difficult part of it, and I sympathize with the Senator's difficulty, is looking at these various resources as a function of time. The most immediate need is oil and gas, and we are doing everything we can in this country to prevent the production of domestic oil and gas and we are going to continue to do it, unfortunately, in this Congress, in this session of Congress. The next need in the intermediate term is the production of more coal and uranium, and by the Senator's amendment we are going to further inhibit the production of coal and uranium in the intermediate term. So we are starting not only to cut off our nose but are going to put out an eye or two. In the long term we are doing almost nothing, absolutely nothing, for the development of those long-term inexhaustible energy sources such as solar, fusion and hydrogen that are going to be necessary if our children are not going to have to put up with the kind of junk that we are having to put up with in this session of Congress.

So I am sorry that the Senator from Massachusetts and I cannot agree on this point. I hope at some time in the future we will find some points we agree on but I think the basic economics of the situation, the basic needs of the country are very clear, and it is unfortunate that we are having to deal with an amendment of this kind that does not go to the heart of the basic problem.

Mr. RANDOLPH. Mr. President, will my colleague yield?

Mr. SCHMITT. I yield to the Senator.

The PRESIDING OFFICER. The Senator from Wyoming controls the time.

Mr. HANSEN. How much time does the Senator from West Virginia desire?

Mr. RANDOLPH. I really wish to be in colloquy with the Senator from New Mexico.

Mr. HANSEN. Fine. All right.

Mr. SCHMITT. I will yield.

Mr. RANDOLPH. This pertains to the comments that the able Senator has been making in reference to New Mexico focusing on uranium as well as oil, gas, and coal. New Mexico is a producer of all four products.

Mr. SCHMITT. And solar.

Mr. RANDOLPH. Yes, that is true. I have a very understandable appreciation of the problems in New Mexico and elsewhere from the standpoint of providing the housing and facilities for development of mines—not only uranium in nature but also coal.

Mr. SCHMITT. Yes.

Mr. RANDOLPH. As the discussion went back and forth between the Senator from New Mexico and the Senator from Massachusetts who take different points of view on the matter of the marketplace, I understand very well what the able Senator from Massachusetts is saying. However, I do not believe that a bill which seeks to expand coal production is the appropriate place to discuss ownership of local mines. In the coal mining industry and other industries as well the matter of weather plays an important role in the production of the fuel.

In the past spring, we have had in the State of West Virginia devastating floods in many of the counties that are our highest producers of coal. The situation, disastrous in nature, followed the very severe winter of the months just preceding the spring floods. Those two natural problems are compounded greatly by the wildcat strikes in the coal mining fields of West Virginia—as well as of Kentucky, Pennsylvania, and other States. I am perhaps being provincial for the moment and thinking just in terms of West Virginia, but our production, regardless of who owns the coal mine, oil

company, or independent is effected by these natural forces, compounded by the problem of manpower or lack of such. We must not forget—and I do not—that production is not just a function of financial capability. I placed in the RECORD on yesterday some of the production figures which are of interest—I gave the production figures for each and every county in West Virginia for coal, and also manpower and other matters that are involved. So I am not attempting to draw any support for what I am saying from either of the Senators, who are knowledgeable in this field, I simply want to say there are these other factors which we must not fail to consider in connection with the production of coal, the marketing of coal, and ultimately the pricing of coal.

Mr. SCHMITT. The Senator is absolutely correct, and I am glad he has brought this further note into the discussion. It illustrates the compexity of an industry which is a mineral extraction industry, and how a large corporation or a small company that had never been involved in this effort, or involved with only limited resources, has a very difficult time not only in getting started, but in continuing to operate, because of these kinds of restrictions.

I think we saw an example of that particularly in a State such as yours when the Federal regulations started to come into being, many of which are necessary——

Mr. RANDOLPH. Coal mine health and safety, yes.

Mr. SCHMITT. But which saw production dropping from 16 tons per day to about 11 tons per day in the small and large underground coal mines in the Senator's State. These are the factors which make this such a very difficult problem, and one which has to be dealt with.

Mr. RANDOLPH. There are these variables, and they are very real as we look at the overview of this subject matter. I do not wish to detain the Senator longer, except to say that the record might well reflect that in the operation of an independent mine in West Virginia, the costs of opening such a mine, acquiring or leasing the land for such a mine, the acquiring of rights-of-way and then the construction of the rail lines are all matters of heavy financial investment. This cost might reach $30 million, $40 million, or $50 million. These are not figures that are lightly arrived at. But there is this capital investment, which is very heavy.

There is the problem, of course, in connection with the opening of a new mine, for example in Boone County, where two mines are in the process of opening, that the costs there are compounded by a further cost of providing housing for the miners themselves. This difficult terrain which makes the housing problem a very difficult one. Miners in West Virginia, in many instances, are driving 10, 20, or 30 miles a day back and forth to work in underground mines.

All of these factors have added to the cost of opening and operating a mine. We must not forget, as we discuss this subject matter today, that these are problems which we must assess and keep in mind in connection with whatever we do as we provide coal conversion authority.

Mr. SCHMITT. The Senator is absolutely correct, and he brings to mind another problem alluded to by the Senator from Massachusetts, which is the question of how we can develop the technology by which we can utilize our vast underground coal resources. If I remember correctly, 70 percent of the coal reserves in this country are underground, and available only by underground mining techniques.

The Senator from Massachusetts was absolutely correct when he said our technology is directly derivative from what was happening in Europe 20 or 30 years ago. That prompts the question, what happened in this country to prevent the development of that technology here? The answer is simple. We fixed the price of natural gas at an artificially low level, coal users converted their equipment for gas, and the coal industry was rapidly destroyed.

Coal-producing technology development is now resuming, but it has only recently come up to where it was 25 or 30 years ago, through the development of strip mining techniques; but the underground technology has hardly changed.

There are new technologies now available that could be applied to underground coal mining: Automotive technology, fire control technologies, new communications technologies, and a wide variety of technologies to make underground mining safe for the miners by letting them operate from the surface rather than underground. If we can make use of some of these technologies, the problems will be greatly alleviated.

Mr. RANDOLPH. Mr. President, if my colleague will yield, it was my opportunity, a few weeks ago, to participate in the fourth annual conference sponsored by the University of Pittsburgh on coal gasification, liquefaction, and conversion. All of these factors were discussed, not only from the standpoint of the United States, but many other countries as well.

One of the matters that was brought before the delegates—there were 500 or 600 persons in attendance—was the cost of developing new mines. Frankly, even though they were knowledgeable, the delegates did not realize the terrific costs involved in the production of coal, the initial costs and the costs involved in the productivity and the movement of the coal itself.

We in this country are at fault, very great fault, for having failed to do what we should have done 30 years ago when we had, in a sense, substantial knowhow gained in part from the Germans, in the process that would use coal in the development of a strong energy base for the United States. Looking back, we realize it is so often easy to act after the fact, and so difficult to act before it.

Because our friend from New Mexico is a pilot, and understands not only air but space as well, I think the record might reflect that even as the Luftwaffe attempted to bomb London into submission, there was no failure of the Luftwaffe to have sufficient aviation fuel to do the job. The failure was the result of the lack of aircraft, because of the attrition that was taking place. There was enough fuel, and the fuel was being taken from coal by a process then in being.

So coal is a basic fuel in time of need, and it is a basic fuel for the next 15, 20 or 30 years in this country. I think we must be careful not to stifle the programs for production of coal and the further refinement of the development and uses of coal. I think these are matters we must take into consideration during this debate.

Mr. BARTLETT. Will the Senator yield?

Mr. SCHMITT. Let me finally say the Senator from West Virginia is usually very wise and tenacious in his remarks. I would agree with him completely. I hope as we realize the importance coal will play at least in the next 50 years of our future, until these other technology resources are available, we will start to focus on the underground coal resources of our country. Many arguments will begin to disappear, particularly environmental arguments.

About strip mining, if we can begin to mine that coal underground, then the other problems we have about the environmental penalty concerning strip mining will disappear. I thank the Senator for his remarks and yield the floor.

Mr. BARTLETT. Will the Senator from Wyoming yield?

Mr. HANSEN. How much time does the Senator from Oklahoma desire?

Mr. BARTLETT. I desire 10 minutes.

Mr. HANSEN. I yield 10 minutes.

Mr. BARTLETT. Mr. President, I thank the distinguished Senator from Wyoming. I was very interested in the colloquy between the Senator from Massachusetts and the Senator from New Mexico, because they talked about some very basic points regarding energy. They talked about the free market. They talked about governmental control. They talked about monopoly.

The way the Senator from Massachusetts stated it, I believe, was somewhat in the words:

> Do you want the Government to control the pricing mechanism, the sales, and the way in which coal is going to be developed? Do you want Exxon to do it? Or do you want the free market?

Obviously, as the Senator knows, we want the free market, and the free market happens to be, in the example he gave, Exxon. But that is not all of the free market. In fact, in the coal business, as the Senator knows, most of the companies are very small. He knows that if we formed a partnership and called it Kennedy-Bartlett and we decided to invest in the coal business, we would have an opportunity to buy, if we wanted to, or offer to buy, a small company, the Peabody Coal Co., or somebody else. If they were willing to sell, if we offered enough money, we would be in the coal business together. That is what is available today.

If we also wanted to get into the oil business and wanted to integrate and invest in other forms of energy, we would be able to do it. If we were already

operating as a company and wanted to broaden our interests and diversify, we would be able to do that.

I believe the Senator knows that what his amendment would do is to provide Government controls. It is the Government in the example he gave. It would be providing the restrictions that would not permit the free flow of ideas, the free flow of money, the free flow of capital.

The Senator was concerned that with oil companies buying coal interests, the money will go to one and not the other. We do not know how it would go in the future. I believe right now, if a company has invested both in coal and in oil and gas, they are going to move more into coal, because it offers the greater opportunities. What will be the determining factor from now on will be where the profits are.

That may sound like a bad word. It may sound like not a good reason. But, actually, that is a good word. What does it mean that they can make more profit in coal than oil and gas? What it means is that they are going to use that capital more efficiently by putting it into coal than into oil and gas, if that is where the profits are. They can turn it over more rapidly and put more money into coal and have more energy, because they have invested in coal than they would have if they had stayed in oil and gas.

I believe the Senator from Massachusetts and I some time ago talked in a rather philosophic way about energy. I was glad I heard him talk again about it in a similar way. It is important that this body approach the energy problem from the point of view of reaching the goal of how to establish an environment in which private enterprise can develop more domestic energy of all kinds.

That should be the goal of this body. I do not think it has been. We have been worried about the cost of energy, yet we cannot do anything about OPEC. We must pay OPEC prices for any energy we purchase on which we do not control the price, which today is nearly half of the petroleum energy.

I believe we have worried about monopoly. In the example the Senator from Massachusetts gave, using the word Exxon, he was implying monopolistic control.

If Exxon is guilty of monopolistic actions, they certainly should have the book thrown at them in the courts, or if the laws are not sufficient then we should write some new laws or strengthen the present laws.

Where we err is that we do not look at the problem from the point of view of how we can create an environment that is going to be more friendly to the development of more energy. We do not do that. We do not do it in natural gas, we do not do it in oil, we do not do it in nuclear, we do not do it in coal.

The Senator from Massachusetts mentioned Government controls, that we should have a free exchange. I wish he felt that way regarding deregulation of natural gas and taking the controls off of gas, controls which have so weakened the condition of the industry that it cannot produce sufficient gas.

I do not believe the Senator from Massachusetts really believes in the free market when it comes to natural gas, in which the case can clearly be shown that controls were the reason we ended up with insufficient supplies and high prices anyway.

It is very obvious, I am sure, that what we want is the free market; but what the Senator is offering is a controlled market, a restricted market, putting forth as his judgment, as the judgment of this body and as the judgment of the United States that restrictions are superior to the free economic judgment of all the people of this country.

If the people who own the small oil company want to retain it, regardless of the price offered, they may do it. If they want to accept the offer of Kennedy-Bartlett Enterprises, they can do that. If they want to accept Exxon's offer, they can do that. They are free to act as they choose. I believe there are a lot of advantages in having the free market which permits the sale of assets. It permits capital to move, and in permitting capital to move it is permitting people to try to use that capital more efficiently to make more profit. If they can make more profit in one energy than in another. Godspeed. This means we are going to have more of that energy, if they are successful.

Mr. President, the energy problems facing this Nation are severe and the President's leadership has helped convince the American people that the energy crisis is a problem, not a conspiracy. One result of the public's awakening to the severity of the energy situation is that people want actions that will bring results. The public is tired of empty rhetoric that promises but does not produce. They have had it with wild accusations motivated by politics instead of policy.

The American people want their Government—the Congress as well as the executive branch—to adopt proposals that will do more than merely stir the pot. The people want solutions: Sensible measures that will provide both meaningful conservation and a useful increase in energy production.

Horizontal divestiture is at best a nonsolution. At its worst it would disrupt America's energy industry, retard the growth of nonpetroleum fuels, increase costs of providing energy to the American people and finally worsen an already bad situation.

Mr. President, the amendment introduced by the senior Senator from Massachusetts will unfortunately stir a lot of pots but not only will it not get us any meat and potatoes, it may well put us in a stew instead.

Part of the problem with this legislation is that it is rooted in suspicions which translate progress into problems. One of the healthiest developments of the past decade in the American coal industry—a development which clearly augurs well for future coal production—has been the movement of several oil companies into the coal business. In addition to bringing much needed capital to a capital-short industry, the oil companies have brought the experience and expertise of the world's most technologically advanced energy industry into the production of coal and other alternate fuels.

This development has been applauded by the coal industry and should be regarded as a welcome step in the move to increase production of our most abundant energy source. There are those, however, whose economic thinking appears to be guided by antibusiness suspicions.

Mr. President, the truth is there is virtually no danger of monopoly in the coal industry from oil companies or anyone else. There are over 700 individual companies in the coal business in the United States and you have to combine the production of the 20 largest coal companies in order to account for as much as half of our coal output. While it is true that concentration into a smaller number of firms increased between 1955 and 1970, this trend has been reversed since 1970.

Looking to the future, there is no rational basis for fearing that a monopoly or oligopoly will develop in coal. The single greatest owner of coal reserves is the U.S. Government with 30 percent. Surely, the leverage provided by this level of ownership will be sufficient to discourage any kind of anticompetitive cartel in coal, Remaining reserves are spread out among a large number of companies and interests which will encourage a healthy, competitive business environment for coal production. The top 10 petroleum companies combined hold only about 13 percent of coal reserves—much less than the Government coal reserves at 30 percent of the total.

Mr. President, the U.S. Geological Survey, in January 1974, had this to say about monopoly in the coal industry:

> The information available on the distribution of coal and on ownership of coal rights leads convincingly to the conclusion that it would be virtually impossible for any individual, corporation, or cartel to obtain a monopoly on coal or even to significantly influence the price. The reasons for this conclusion are (1) coal is widespread and abundant in the United States; (2) ownership is broadly distributed; (3) the Federal and State Governments own substantially more than half the coal lands and coal rights in the Rocky Mountain and Northern Great Plains regions; (4) leases of Federal coal rights have practical acreage limitations for holdings in any one State; and (5) most major consumers of coal have substantial coal holdings.

Central to the argument of the proponents of this amendment is the belief that oil companies would purposely decrease coal production to lessen its competition with oil.

The facts do not bear out this charge. The truth is, coal companies owned by oil companies have annual rates of coal production to reserves almost identical to nonoil coal companies similarly situated. Those favoring putting a legislative straitjacket on America's energy industry have been adding apples and oranges in an effort to shore up their position.

Mr. President, statistics purporting to show that oil company coal production has lagged ignore two very important facts.

First, most oil company coal interests are underground mines in the East. If

their production rates are compared to Western strip mine production, the numbers of course show a discrepancy. Major strikes in 1971 and 1974, as well as wildcat strikes in 1974 and 1975, have retarded coal production since 1970. These problems have not affected western mines to a similar degree.

In addition, production in underground mines was slowed by implementation of the Federal Coal Mine Health and Safety Act.

Mr. President, the facts also indicate that oil companies will be significantly increasing coal production in the future. Currently the top six affiliated coal companies account for about 17 percent of coal production. The capacity of the new coal mines planned by the oil-related coal companies is projected to be 33 to 38 percent of new coal mine capacity. Clearly, oil companies are in the coal business to provide coal.

And why should any company not be in the business to produce coal. After many years in the doldrums, coal is becoming a fuel very much in demand. Any company deliberately sitting on coal production would merely lose business to the hundreds of other companies producing coal.

Similarly the record of expenditures on coal research and development is a clear indication of these oil-affiliated companies' commitment to coal. The fact is, because coal has traditionally been mined by smaller, low-capitalized firms, there has been very little coal research and development in this country, other than government research. In 1975, oil companies spent 40 percent as much on coal research and development as they had the previous 9 years combined. One oil-affiliated coal company—Consolidation Coal—increased its research and development effort from an average $300,000 annually before it was bought by Continental Oil to $1,200,000 since its purchase.

Mr. President there is absolutely no evidence that this amendment will produce 1 additional ton of coal, 1 additional ounce of uranium, or 1 additional barrel of oil. Nor is there any evidence that this amendment will lower the costs of the coal, uranium or oil already being produced.

What this amendment will do is limit the amount of investment capital available to coal just at the time we must increase coal production. It will also establish legal barriers to entry—in effect sheltering other firms from new competition. This amendment is not just foolish—it is harmful. Harmful to the goals of the national energy plan, harmful to the structure of our economic system, harmful to the welfare of the American people.

I strongly warn my colleagues against the adoption of this amendment.

Mr. HANSEN. Does the Senator from Oklahoma desire more time?

Mr. BARTLETT. No. I thank the distinguished Senator from Wyoming. I thank the Senators from Massachusetts, New Mexico and West Virginia for their colloquy. I believe we are sitting on very important problems, problems which need to be resolved. I wanted to amplify them a little further.

Mr. RANDOLPH. Will my colleague yield?

Mr. BARTLETT. I yield.

Mr. RANDOLPH. I appreciate the reference to items which I brought into this discussion.

In the State of West Virginia—and there, we are familiar with the figures—the production has not been less for those coal companies over which there is an umbrella of ownership. That production, very frankly, has been higher than the production under the actual ownership of independents. I am not trying to draw this out to a great degree, but the figures speak for themselves. The share of total West Virginia coal production attributable to oil company-owned firms has generally increased since oil firms became active in the industry around 1968. Our records show that production from oil company-owned mines increased from 28.5 to 36.5 percent in the first 5 years and has remained constant since that time.

Mr. BARTLETT. I appreciate that the point which the distinguished Senator from West Virginia (Mr. RANDOLPH) made is very important, because it is reported to be otherwise. The facts are that the production from the coal companies acquired by the oil companies has increased.

One other thing has happened, I bring to the attention of the Senator from West Virginia. That is that the companies have increased very greatly their research and development. This is vital today, because of the need to use coal in more and better ways.

I ask the Senator from Wyoming if I may have 1 or 2 more minutes?

Mr. RANDOLPH. Will the Senator yield?

Mr. BARTLETT. Will the Senator from Wyoming yield me 1 or 2 more minutes?

Mr. HANSEN. I do.

Mr. RANDOLPH. Will the Senator yield for 30 seconds?

Mr. BARTLETT. Yes, I do.

Mr. RANDOLPH. I take this opportunity, because of what the Senator has just discussed about production—to say that in the last 7 years in West Virginia, with regard to those deep mines of coal companies that are under the ownership of oil companies, there has been an increase in production, not a decrease. The increase has been approximately 7.5 percent.

Mr. BARTLETT. I state further on the matter of research and development that this is so important because we need to have research done so we can liquefy and gasify coal and use it in different forms. This will help replace natural gas if we decide we do not want to deregulate or do not want to produce what we have.

Also, they are doing research on mining techniques, every aspect of mining. This is new to the mining industry and it is very helpful to the mining industry. I think those in it appreciate what is being done. It is not a question of favoring one energy over the other. My position is to favor all of them, trying to develop every one to the fullest but letting the free market determine what will be developed and when; encourage and create an environment so we can produce our energy.

This body has not done that. This body has taken steps that have thwarted and kept the free market from working, that have kept people out of the oil and coal business, have put people out of the oil and coal business, have not attracted them to it.

If you have expertise in one kind of energy, chances are you have expertise in another kind, and if one wants to invest in the other kind, I think the critizens of this country are way ahead if we can encourage investment in these sources of energy by people who know what they are doing.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. KENNEDY. I yield to the Senator 5 minutes.

Mr. ABOUREZK. Mr. President, if anyone thought the oil companies would not use any argument that came into their mind to accomplish their purposes, that ought to be dispelled by the fact that they are arguing on the one hand—for example, just pertaining to oil—that they do not have enough money to develop resources, so, therefore, they need oil prices raised. On the other hand, they argue that they have so much money that they have to invest in coal and other sources of energy. I have heard both of those arguments on behalf of the oil companies.

The second thing I would like to say about this particular amendment, or this concept of horizontal divestiture, is that, in an attempt to refute the arguments that a lot of money is needed and the oil companies are the only people who can produce coal and invest in coal reserves and do whatever research it is that they are talking about to develop coal reserves, in hearings that I held in the Antitrust Committee a year or so ago, we took testimony of the Sohio Oil Co., which had bought the Old Ben Coal Co.

Their pretense was that they bought it because they were the only company that could develop Old Ben. It turned out that the Old Ben Coal Co. was bought by Sohio based on contracts that they had. They never put a penny of cash into the purchase. They went to the banks and borrowed the money based on the contracts. Then they took the assets of Old Ben Coal Co. and pledged that as collateral for their participation in the Alyeska Pipeline Co.

If anybody can tell me why it is that oil companies are needed to develop coal companies—it appears to me that they are needed to exploit the coal companies and the American consumer. I do not think anybody can refute that fact. It was testified to in the hearings that we had in the Antitrust Subcommittee.

The second aspect of this is that, during other hearings in the Antitrust Subcommittee on this particular legislation, we had the vice president of Continental Oil Co. Continental owns Consolidation Coal. I asked the vice president of Continental Oil Co., "Would you either allow

or encourage your coal subsidiary to undersell your oil subsidiary on a Btu equivalent basis?"

His answer was to the effect that, "We would be foolish to do so."

I agree with him. Of course, it would be foolish. We would not expect him to do it. But the bottom line answer of that testimony of the facts, of the reality of the situation, is that you put an end to inter-fuel competition each time you allow an oil company to buy a competing fuel source.

That may be good for the oil company, but it is not good for the American public, the people who have to shell out their money to make sure that the coffers and the bank accounts of the oil companies and their stockholders are full.

I think it is a disastrous policy that we are following. I do not really blame the oil companies for arguing any way they can to preserve themselves financially, but I do not understand why a bunch of supposedly well-informed people such as represent the American people in Congress would buy that particular argument. I think it is ridiculous on its face.

Mr. HART. Will the Senator from Massachusetts yield 3 minutes to me?

Mr. KENNEDY. I yield to the Senator from Colorado.

Mr. HART. Mr. President, I would like to try to reinforce what the Senator from South Dakota has said. Coming from an oil-producing State, I have heard a great deal from producers in the State of Colorado as well as in other States in the Union—about their need for more capital and more financial backstop to develop petroleum reserves.

If that is the case, I do not understand, why opponents of this amendment argue that all this capital the oil companies have must go into coal, because they are the only ones that can finance coal production.

As the Senator from South Dakota has said, there is a lot of money around this country looking for a place to invest and make profits. The banks have a lot of money, pension funds have a lot of money, and there is a lot of capital in various other segments of our economy outside of the petroleum companies. If you can make money marketing coal, then you can find a bank, or a pension fund, or some other investor that will lend you the money to mine that coal and put it on the market.

It is not as if the oil companies have all the available capital in the world. They have an awful lot of money but not all of it. I think they have a lot they can be putting into petroleum activities, but they are not, for a variety of reasons. But I leave that for another day.

The argument here is that the free market must prevail. There seems to be a presumption here that the free market inevitably is going to become the big market. We know differently, from various periods of our history, that the two are not necessarily the same thing. We can have a big market and not have a free market.

I think that is what this amendment is all about. It is our job to protect the free market, not to promote the big market. I do not know why we cannot make that distinction, or why—somehow, inevitably—whatever the big market wants is thought to constitute the free market. I think we must take steps here to promote genuine free market competition, to guarantee that that free market does prevail.

That is what the history of the antitrust laws is all about. If we did not have those laws, inevitably we would have a concentrated market, but I do not happen to believe that that is necessarily the same as a free market. This amendment does not, as the Senator from Oklahoma has indicated, take one more step to hamstring the energy companies of this country. If there is one thing it has done, this Government has cooperated too fully in making sure that a handful of companies have what they want.

We have to determine what is in the best interest of this country, how that interest can be promoted in a way that is compatible with competitive, free market principles and take these steps necessary to insure that the structure and operation of the marketplace reflects those principles.

That is the role of the Congress. That is our constitutional duty. I think that is what this amendment is all about and I support it.

The PRESIDING OFFICER (Mr. ZORINSKY). Who yields time?

Mr. HANSEN. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. HANSEN. Mr. President, let me first yield to my colleague from Wyoming (Mr. WALLOP).

Mr. WALLOP. I thank my colleague from Wyoming.

Mr. President, I would respond to the Senator from Colorado's remarks that I agree with him that what we are trying to do is protect free markets and not big markets.

I think too often the whole effect of the Nation's regulatory setup does just exactly that. I think that is one of the reasons why campaign contributions, generally reflect the fact that the money from the major companies of America goes to the majority party because, in effect, they are allowing the Government to use the regulatory agencies of this country to stifle the small businesses of this country, statistics generally are the sole star in the firmament of the bureaucratic agencies. They would rather have 400 instances in which they dealt with one thing than one instance where they dealt with 400, though the effect of the latter on the Nation's consumers might be much more beneficial.

In this instance I do not think that we are actually eliminating the free market or the small market.

The bind on our State by the major coal companies, exclusively coal companies, would become enormous.

The bind on our ability to deal with a broad spectrum of producers would be endlessly more difficult under the amendment as proposed by the Senator from Massachusetts than if we were to let the variety of companies that can operate within the coal-producing world operate freely.

One of the things that troubles me is if the amendment, contrary to the rather benign description of it in the Dear Colleague letter from the distinguished Senator from Massachusetts, covers far more than 22 companies, advertently or inadvertently, but if we read it, it cannot in any way be limited to just those companies because of the way in which it is drafted.

There are technical ambiguities which simply do not bear up under scrutiny.

We talk about interfuel competition. There is interfuel competition, but one of the things that is going to develop in America very shortly is that we are going to be striving for fuel of any description, not competition between fuels.

If we want to keep major oil companies out of solar, if we want to keep them out of the exotics, by all means keep them out of the exotics. I would support some kind of a horizontal divestiture that applies just to solar and exotic fuels.

Among things that will happen to us very shortly is the mixture of fuels which could become the saving grace of this Nation's energy problems.

There is right now a technical possibility to mix powdered coal, petroleum distillates, limestone and water, to achieve a fuel with a higher Btu than any of the coal or the distillate by itself, and cleaner than either burned separately and the residue product is a useful product in America. It can be used for making highways and roads.

But that product is going to require companies that have the technical ability to deal with coal and with oil at the same time. And which of those will be able to function under the terms of this amendment. Not the 22 plus 100 other companies that the amendment's technical difficulties will disallow, and not the coal companies, because they are not allowed in this field.

We have to have a third entity, and it will be an impossibility in this country to have the benefit of those fuels at any reasonable cost.

Gasification. Who is going to distribute the gasification?

Under the amendment of the Senator from Massachusetts, the major pipeline companies of this country will not be able to use gasified coal products. That is all there is to it. I do not care how we go about explaining it. If we look at the language of the amendment, they will not be able to carry gasified coal products.

Will we build new pipelines and just disband all the pipelines that exist when the natural gas is gone from this country? I think not. In the interest of the consumers, in the interest of the public it is impractical. I surely think not in the interest of a conservative conservation-minded Nation.

What about liquefied coal? Liquefaction. That is going to be the new gasoline of America when conventional gasoline products disappear. Who will manufacture that? The coal companies? To buy up the corner gas stations and refineries? Do they have the expertise? Are we going to wait and mark time while those peo-

ple learn the things that the major petroleum companies have learned? And the minors, because the minor petroleum companies come under this amendment, except the very smallest companies in this country. They come under the technical terms of this amendment.

There is only 1 year in which there is a defined limit of production. All the rest thereafter is a cumulative definition, no matter how we strike it.

The antitrust protections in the abuse of market power already exist. Treble damages exist. All kinds of things exist for the abusers of these kinds of free market demands.

But take a look, and I do not think anybody has specifically made the argument on this floor that only the major coal companies have the capital to develop leases. But to sit here and dream and suppose that somehow or other the coal reserves of this Nation can be developed by ma and pa operations is absolutely fatuous. It is looking at the Milky Way through eyes that cannot see anything but smog.

The fact is that just a dragline sufficient for a small mine in Wyoming today is $5 million and 5 years away, and not very many people in this country have that kind of capital.

To turn our State over, to turn the West over, solely to the enterprisers of the major coal companies is, I think, to do us a bigger disservice than to put us into competition with major coal companies, major energy companies, and major any other kind of companies that want to get into it.

I think we need the whole spectrum, and the Kennedy amendment would limit the spectrum too much. It would limit us where we, in our State, would have only one set of companies, essentially, to deal with, and those companies, in fact, have not been known for the grace with which they treated the land.

If the Senator would like, I would happily give him a guided tour of our State and show him those lands which have been mined by strictly coal companies, and those lands that have been mined by the major petroleum producers that have come in there.

I think he will agree with me that they are by far the most shining examples of modern mining techniques.

One thing more they have done that nobody else has done is that they have speeded the marketing of our Western coal and have addressed the human problems of impact endlessly more quickly and endlessly more willingly than those companies that strictly produced coal.

I can demonstrate that any day. We can take 12 hours in the State of Wyoming and see for any kind of specific reason that we are better off with a variety of energy companies operating—coal, oil, and other things—than we are with just being turned over to the mercies of one focused, deadlined industry.

It is important to realize the fuel situation in which this country finds itself today, the fuel situation in which this world finds itself today. To deny the ability to combine fuels and to get the largest number of miles out of each Btu of energy seems to me to be the most singular backward step we could take in Congress.

It is not a question of protecting big companies. I do not want to do it any more than anybody else here wants to do it. I think the bill should put them into competition, not take them out of it.

Take a look at the reserves held in the hands of the U.S. Government and the reserves held by coal companies. They are far in excess of the reserves held by petroleum companies.

If we really want to free up the market, and want to keep coal companies in the coal business but let other companies participate in a competitive market, I think the results the Senator seeks will be exactly the opposite of what he will get should we adopt this amendment.

I thank my colleague from Wyoming, and I yield back to him at this time.

Mr. KENNEDY. Mr. President, I yield myself 4 minutes to respond to the arguments of the Senator from Wyoming.

First of all, with regard to the technical language that concerns the Senator from Wyoming, we have taken the opportunity to examine those reservations and concerns in much greater detail; and it seems to me that any fair and reasonable reading of the language of the amendment is completely consistent with the representations of the "Dear Colleague" letter. If there are particular matters for clarification in terms of legislative history, I will be glad to make those clear.

Let us examine the merits of the arguments of the Senator from Wyoming. As I gather the thrust of at least one of his arguments, it is that unless a particular company is able to acquire a coal company, or uranium company, or others, it will not be able to mix fuels and will not be able to respond to the challenge of American energy policy. I believe that is an unrealistic statement.

The American automobile industry could not produce automobiles without steel, but that does not necessarily mean that the automobile companies own all the steel companies. As a matter of fact, they do not. It does not mean that some of our most successful chemical producing companies, such as du Pont, which depend upon hydrocarbons, coal, and oil, have to own their own coal mines or their own oil wells. They do not. They purchase these products, and they are extraordinarily successful.

The argument that we are not going to be able to develop mixed fuels, referred to by the Senator from Wyoming, without permitting oil operations and coal operations to be owned by a single huge company does not make any sense, based upon an examination of American history over the last 200 years.

The Senator also makes a point about the comparisons with respect to the way land is treated by some oil companies, some coal companies. I thought we were going to deal with that issue with the strip mining bill.

Did the Senator vote for the strip mining bill?

Mr. WALLOP. I did.

Mr. KENNEDY. I welcome that fact, because I thought one of the principal results of that particular piece of legislation would be to restore the land. I listened to those who promoted that legislation. Land reclamation is certainly an important aspect of that piece of legislation.

I deplore the ravishing of the lands, but it is not a fair conclusion to say that we can only have the land restored if we are going to permit the major oil companies to own the coal resources of this country.

Mr. President, the major oil companies already have extraordinary reserves. I read during the earlier part of the debate the Wall Street Journal report this morning that Mobil has increased its domestic coal reserves to 3.5 billion tons. In the earlier debate I pointed out what Exxon, Texaco, and other major oil companies have in terms of resources, enormous resources, at the present time.

The real question is whether we are going to effectively close off the opportunity for either the smaller companies or the coal companies themselves to develop, whether we are going to give a lock on all the energy resources of this country to the major oil companies.

Mr. WALLOP. Mr. President, will the Senator yield for a question on that point?

Mr. KENNEDY. I yield.

Mr. WALLOP. That is one of the things that concern me most about the Senator's amendment, that by moving at this point——

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. KENNEDY. I yield myself an additional 4 minutes.

Mr. WALLOP. At this time by chopping that off, it would effectively ace out, under the terms of the Senator's amendment and under the language by which it is drafted, the possibility that any other small petroleum producer might get into the coal business.

The reserves, as the Senator has pointed out, are big enough to effectively franchise those companies without the possibility of a small company such as Husky Oil Co., or Farmland Industries, or anyone else, to achieve the energy supply sufficient to deal with local markets on the mix I was mentioning. That is one of the things that concerns me most.

I think the Senator will admit that all petroleum companies in America combined, big and little, control only about 24 percent of the total reserves.

I fail to see that what we are trying to do would be accomplished under the terms of the amendment.

Mr. KENNEDY. The language seems quite clear. We are talking about oil and gas production—not reserves—in production defining major producers subject to the amendment.

I came here this morning with all kinds of tables about the concentration ratio. We can argue about coal resources, recoverable resources, lease resources, or captive resources. I expected that we would be wrestling with those charts for hours today. I expect we can get charts

that can support the Senator's position and charts that can support mine. Rather than get into this, let me refer to others who have studied the energy industries. The Federal Power Commission, the Federal Trade Commission, the Interior Department of the TVA—all have reached conclusions similar to those I stated here earlier about the situation today and prospective trends which raise enormous questions about the future of competition.

I put into the RECORD statements of some large energy purchasers, such as Carolina Light & Power Co.; represented by Shearon Harris, who is vice-president of the U.S. Chamber of Commerce. It is a good-sized utility which is very much concerned about the future competition in fuels.

No matter where we look, the fact remains that both large and small fuel users believe they are facing a real crisis situation with respect to control by the major oil companies over these alternative energy resources.

This amendment does nothing in terms of making decisions about divesting existing coal and uranium resources of any oil company. What we are saying now is that we should put a moratorium on future acquisitions. This will permit the administration to study the question and permit the Committee on the Judiciary to make a final recommendation with respect to divestiture. But let us do this before the horse gets out of the barn.

Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator has 33 minutes.

Mr. KENNEDY. I will be prepared at an early time to yield back and move toward a vote, but I will reserve the remainder of my time and wait until the manager of the bill comes to the floor.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time be equally charged.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I hope that my colleagues will take no solace out of the article that appeared in this morning's Washington Post entitled "Oil Firms' Energy Control Opposed in TVA Report." I further hope that Senators will restrain their enthusiasm concerning the TVA report as a basis for their supporting the Kennedy amendment.

A cursory glance of history will establish without doubt that TVA desires no one with financial resources to move into their area of coal purchases. I intend, in a moment, to quote from a book published in September 1976 written by Harry M. Caudill of Whitesburg, Ky. But before doing so, I should mention that Mr. Caudill dislikes "big coal," big land companies, and TVA. On pages 60 and 61 of his book "The Watches of the Night"—A New Plea for Appalachia, I quote:

> The TVA had grown like a rank weed, spreading its power and influence into counties left prostrate by the monumental coal collapse of 1948. When it first entered steam generation as a supplement to hydroelectric power, its directors made a crucial choice. The authority could have resolved at the beginning to be a constructive influence in the districts from which its coal would be drawn. It could eschew strip mining because of its environmental desecration, buying from subterranean mines at decent prices. This course would have necessitated higher power rates for its customers but would still have left those favored people paying half that required of Americans generally.
>
> The second choice was the one Chairman Aubrey Wagner and his henchmen on the authority's board of directors embraced. It disregarded all social and environmental consequences and aimed solely at achieving the lowest possible cost for the agency's electricity—and hence the lowest possible price for its customers. It used its immense leverage to drive prices relentlessly down, and by 1955 the architects of disaster over whom Wagner presided could congratulate themselves on having bought coal in eastern Kentucky for as little as $2.95 per ton FOB the cars.
>
> This catastrophe was achieved in the strongest buyer's market in the history of the American coal industry. The railroads had dieselized, coal-burning ships were a fading memory, a space heating in homes and factories was shifting to natural gas. In the resulting dearth of customers TVA could and did set its own prices.
>
> Steel and power companies demanded the same cheap coal that was going to the TVA. By the beginning of the Kennedy administration all that could be sacrificed for economy had been jettisoned. As in earlier periods of hard times, safety precautions were the first to go. Foremen caused fewer roof props and roof bolts to be set, tunnels reached deeper into the hills without the emplacement of additional ventilation fans, and mining machines ran longer with worn and dangerous parts. At the same time men were exhorted to work harder and bring out more coal. Consequently, amid the breakup of the companies there as unprecedented carnage.

Thus it appears that Chairman Wagner representing TVA has prepared this report with one motive in mind, the cheapest coal regardless of the economic consequences in the area in which TVA buys.

Mr. President, by reason of the intervention of TVA into this debate, it now becomes vital that the Kennedy amendment be tabled so that extensive hearings can be held determining the state of the coal industry in the United States, but more importantly determining TVA's motives, albeit their long history of controlling the east Kentucky and east Tennessee coal fields. They should be called to explain why they have long-term, built-in profit contracts with major coal companies, but make no provision for such contracts with small operators who wish to become a viable part of the American economic system.

Their intervention in this debate highlights the necessity for them to be called to account for the manner in which they have conducted their affairs. Their take-it-or-leave-it contracts to the small vital coal operator in the eastern coal fields should be exposed so that their vested interest in wanting to control the price of eastern coal can be exposed to the American public.

Mr. HANSEN. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. HANSEN. Mr. President, the Senate is considering legislation to increase our use of coal. While all of us may not be convinced that this legislation is the best way to achieve this end, we are all agreed that we must use more of our abundant resources and less imported oil.

This amendment will certainly have an adverse effect on our ability to produce coal. It is difficult indeed for me to discern what possible benefit we would derive from passage of this amendment. Passage of this amendment would certainly result in no decrease in the consumer costs of coal. The basic pitch for this amendment seems to be that this amendment will not do any harm, so why not pass it? Even if this were true, I maintain that that is a very poor reason for passing legislation.

This amendment raises more questions than it provides answers. No hearings have been held on this amendment and the process of committee markup has not taken place. The Senate floor is no place to undertake original debate on such a complicated issue. This matter should be referred back to the Judiciary Committee for a much greater consideration.

The legislation which we have before us would require a doubling in our production of coal by 1985. Our Nation will need well over a billion tons per year of production to meet our needs, even if President Carter's conservation efforts succeed. The Federal Energy Administration has estimated that between $17 and $22 billion of new investment will be required in the coal industry to meet this increase in production. The companies which this amendment would restrict are the very companies that could provide this increased investment. Our national energy goals can best be met by allowing all kinds of companies to enter into all kinds of energy production.

Oil and gas companies have demonstrated that they are among the best producers of coal. An analysis of four coal companies taken by major oil producers shows that in the 5 years after acquisition capital expenditures by these companies increased more than 240 percent over the 5 years previous to takeover. Such increases in capital expenditures show that the oil companies involved are trying to develop coal despite any fears of interfuel competition.

In 1975 the U.S. Geological Survey concluded that it would be impossible for any cartel to obtain a monopoly on coal or to even significantly influence the price. The proponents of this amendment have gathered no evidence to show that the USGS is incorrect in its conclusions. If that is true, what purpose does this amendment serve?

The 1975 Ford Foundation study reported that to halt further entry of oil companies into other energy fields is not economically justified. A 1974 Federal Trade Commission staff investigation concluded that they could find no posi-

tive support for keeping oil companies out of the coal or uranium business.

Mr. President, where is the evidence that this amendment is needed?

This amendment would severely interfere with the ability of our existing companies to meet our coal demands. By requiring permission before acquisition of inholdings within existing reserves, it could cause the very problem that it is purported to solve, that is companies not mining reserves. By restricting capital flow into the coal business, it could deprive our Nation of a needed expansion of its coal resources.

Mr. President, earlier this afternoon the Senator from Ohio pointed out that following acquisition of coal companies by oil companies production of the acquired companies declined. This is true. But I would like to point out that not only did coal production decline in those companies that were acquired by oil companies, but production declined in all other companies as well.

In some of the non-oil-owned companies production declined even to a greater extent. In this period of time it should be observed that we passed the Coal Mine Safety Act which cut production per man-hour in mining almost in half. We passed stringent environmental laws which inhibited mining. We had extensive flooding in the coal mining regions of the East, as has already been pointed out. We had a very sharp increase in wildcat labor stoppages, and they continue at the present time as everyone knows and then, as was pointed out by the distinguished senior Senator from West Virginia, we have had very bad weather on top of that.

All of these factors, Mr. President, combined to reduce production in all coal mines, not only those owned by the oil companies. Thus, ownership by the oil companies can certainly not be blamed for this decrease.

It has been implied that there is something sinister or wrong or bad about an oil company wanting to get into the energy business, and yet it seems surprising to me that anyone would raise this point. After all, people in the oil business basically rely upon the information that is necessary and essential for their operations upon the advice of geologists and other earth scientists. So the people who are searching for oil have at their disposal talented scientists who know something about coal and other natural energy sources as well. As a matter of fact, in western Wyoming where we have some of the biggest deposits of sodium carbonate known to exist in the world today, the presence of that soda ash, as we oftentimes refer to it, was discovered by Mountain Fuel and Supply Co. when they were drilling for natural gas. They found that these beds existed along with coal there. It seems perfectly understandable and logical that people in the energy business will look upon other sources of energy as a way of complementing their operations.

To refer and respond to the charge that it is not in the public interest to have oil companies in the coal business, let us ask ourselves as was earlier suggested by the distinguished Senator from New Mexico and by the Senator from Oklahoma what are we trying to do? Is our basic concern to see how we can minimize our dependence upon foreign sources of petroleum? Right now we import about half of the oil that we consume in the United States.

I think that no one need be reminded in this Chamber that we have a very serious and growing balance-of-payments problem because of the oil we import. We have a very serious cloud put over our national security as we reflect upon the fact that we have to buy from foreign countries about half the oil we use in this country, that our whole military machine is moved and made mobile by oil, generally speaking, so as to underscore the significance of this dependency upon uncertain foreign sources of supply.

The steps that are being taken now by domestic oil companies and their entry and interest in the production of coal has to be good news for all Americans. It insures a lessening of our dependence upon foreign sources of supply. It tends to reduce the problems that balance of payments have imposed upon Americans, and it certainly tends to give us greater latitude in trying to devise the sort of foreign relations program that will best serve the interests of America uninhibited by the dependence that we presently have to feel toward foreign oil producing countries.

I hope very much, Mr. President, that the Senate will move to table this amendment. It certainly cannot be in the interest of what is best for America.

Mr. METZENBAUM. Mr. President, the distinguished Senator from Wyoming alluded to my earlier remarks and said that in a comparable period of time the coal industry as a whole had declined in its production records, and yet the facts are not in accordance with that statement.

I point out to my friend from Wyoming that, when a representative of Exxon testified before the Antitrust Subcommittee in connection with other legislation, he presented us with an exhibit 1 having to do with oil firm coal production, and that exhibit was based upon the Keystone Coal Industry Manual published by McGraw-Hill for various years and it included only those companies with more than 1 million tons of coal production in 1976. Senator HANSEN will recollect that he stated that coal production had declined in this period. Reading from those figures in 1964, 487 million tons, in 1965, 512 million tons, 533 million tons for each of the succeeding years, 552 million tons, 545 million tons, 560 million tons, 602 million tons, 552 million tons, 595 million tons, 591 million tons, 601 million tons, 648 million tons, and 665 million tons.

So during the period from 1964 to 1976, production actually increased from 487 million tons to 665 million tons, and yet the facts are that when one looks at the individual coal companies that were acquired by oil companies, when one looks at Consolidation which was acquired by Continental, one finds that falloff after the 5-year lag period subsequent to the date of acquisition which according to the petroleum company representatives themselves is the time that it takes in order to increase production; therefore, the petroleum companies cannot be given credit for that increase. But thereafter with no exception except Arch Mineral, which was acquired by Ashland, in every other instance the coal production has declined after the petroleum company acquired the coal company. Whatever the source has been with reference to the question of the industry as a whole declining during this period and that being the reason for the petroleum companies coal companies declining, I do not think that that is supported by the facts as presented to us in the antitrust subcommittee by the representative of Exxon Corp.

Mr. HANSEN. Mr. President, let me say by way of response to my good friend from Ohio, I do not have the paper before me to which he just referred, but it is my understanding as the information is brought to me by staff that the distinguished Senator from Ohio has spoken about those coal companies which have been purchased by oil companies. I ask him does he have the comparable figures for nonowned oil companies? I was trying to make the point that during the general period of time to which my friend from Ohio earlier referred not only did this decline in production of coal by oil-acquired coal companies decline but it declined in the noncoal oil companies as well.

Is that not a fact?

Mr. METZENBAUM. I understand the Senator's point. The figures that I was using had to do with the industry totals.

Mr. HANSEN. Yes; and I think what we are talking about are conclusions that are based upon impartial facts. I should not say impartial facts; I mean only partial facts.

What I wish the Senator from Ohio had is not the total coal production, because more and more people, have become increasingly aware of the fact that we made a very bad mistake when we started regulating the price of natural gas some 25 or 30 years ago, and thereby greatly discouraged the production of coal, and there is now a broadening awareness of the fact that there is not enough natural gas to go around and serve increasing needs all the time. So there have been companies into the coal mining business which were not in the business before, which accounts, among other things, for the overall increase in coal production, and that is a fact.

My point was that when you look at individual companies, what I thought the Senator from Ohio was trying to say was that almost invariably when a coal company was purchased by an oil company, the production went down.

My point is that while that is true, it went down with non-oil-company-owned coal companies as well, and I pointed out that we have had floods, we have had wildcat labor stoppages, we have had environmental protection laws, and we have had coal mine safety laws, all of which have made it more difficult for every coal company in the United States to operate.

Mr. METZENBAUM. The Senator and I are both on the same wavelength. We are both addressing ourselves to the same question.

The question is, Is there or is there not a similar pattern in the non-oil-company-owned coal companies to that which exists with respect to the oil-company-owned coal companies?

My point is exactly that the industry as a whole has increased its production, but with the petroleum companies that own coal companies and have bought coal companies, after they bought them they went down in production. So the strikes, the floods, and all of the other problems that have occurred in the industry would certainly have caused an impact upon the entire coal industry; but when you look at the record, you find that indeed in 1968 there was a falloff of 7 million tons. When you look at the total picture you find that across the board, on the industry total, the figures have been upward, whereas the coal companies owned by the petroleum companies have had figures that have decreased.

Mr. President, I ask unanimous consent that the table may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

OIL FIRM COAL PRODUCTION [1]

[In millions of tons]

Coal company	Parent company	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
Consolidation & Affiliated Co	Continental	45.4	48.6	[2] 51.4	56.5	59.9	60.9	64.1	54.8	64.9	60.5	51.8	54.9	55.9
Island Creek	Occidental	21.2	20.6	23.7	25.9	[2] 25.9	30.3	29.7	22.9	22.6	22.9	20.8	19.4	17.6
Old Ben	Standard of Ohio	5.1	6.3	9.9	10.3	[2] 9.9	12.0	11.7	10.5	11.2	10.8	9.5	9.3	9.7
Pittsburgh & Midway	Gulf	[2] 7.1	8.2	8.8	9.0	9.2	7.6	7.8	7.1	7.7	8.1	7.5	7.3	7.9
Arch Minerals	Ashland	2.3	5.1	6.8	7.5	7.0	6.8	6.3	[3] 7.2	11.2	12.5	13.9	13.5	13.6
Monterey Coal	Exxon							.3	1.2	2.0	2.7	2.5	2.9	2.8
AMAX	SOCAL	8.2	8.3	8.5	8.6	9.3	11.3	14.4	13.3	16.4	16.7	19.9	[1] 21.8	23.1
Valley Camp	Quaker State	4.3	4.3	4.8	5.5	5.2	5.3	5.5	4.2	4.8	4.1	3.3	3.4	[2] 3.6
8 company total		93.6	101.4	113.9	123.3	126.4	13.2	139.8	121.2	140.8	138.3	129.2	132.5	134.2
Industry total		487.0	512.1	533.9	552.6	545.2	560.5	602.9	552.2	595.4	591.7	601.0	648.4	665.0
8 company output as percent of total		19.2	19.8	21.3	22.3	23.2	23.9	23.2	21.9	23.6	23.4	21.5	20.5	20.2

[1] Includes only those companies with more than 1,000,000 tons of coal production in 1976. Keystone Coal Industry Manual (McGraw-Hill), various years.
[2] Year acquired by oil company.
[3] Arch Minerals was formed in 1969, with production beginning in 1971. In 1972, Ashland acquired Southwestern Illinois Coal Corp. Southwestern's coal production is reflected in the years prior to 1971.

Mr. HANSEN. Mr. President, I do not disagree with the Senator from Ohio, but I only wish that he would look at all the facts. So far as I know, thus far he has not disclosed what happens to the production for the coal companies that were not oil company acquired in the same time.

My point is that their production went down, too. Overall, I do not disagree. Overall, we have been producing more coal generally, if you examine any period of time, and I account for that by the fact that people are becoming increasingly aware that gas is uncertain, that we have had shutoffs. As the distinguished Senator knows, in his own State of Ohio last winter there occurred a very serious natural gas shortage, in part because of the failure of the transportation delivery system. The natural gas pipelines simply were not big enough to carry the amount of gas necessary to keep all of the factories going, all of the industries going, and heat all of the homes and schools and public buildings at the same time.

My point is that when you look at the entire picture, you cannot say that the oil companies insure that their acquired coal properties will yield less coal.

The PRESIDING OFFICER. The time of the Senator from Wyoming on the amendment has expired. Who yields time?

Mr. KENNEDY. Mr. President, I am prepared to yield back the remainder of my time.

Mr. HANSEN. I am prepared to yield back the remainder of my time.

Mr. JACKSON. Mr. President, will someone yield me time?

Mr. HANSEN. Mr. President, may I reserve such time as the Senator from Washington would require?

The PRESIDING OFFICER. The time would have to come from the bill itself.

Mr. KENNEDY. Mr. President, I yield the Senator from Washington such time as he may need.

Mr. JACKSON. I thank the Senator from Massachusetts.

Mr. President, Senator KENNEDY's amendment deals with a subject which deserves serious consideration by the Senate.

It is not at all clear to me that the Congress should permit oil companies to move into alternate energy sources without considering the effects on competition and our ability to meet national energy needs.

However, I do feel that it is inappropriate to consider this issue as part of the coal utilization bill before the Senate today. The role of the oil companies in acquiring and developing other energy sources is an important subject which should be dealt with separate and apart from the coal bill and other elements of the President's program.

The President's energy package is already incredibly wideranging and complex. The House version of the measure is 300 pages in length. To add a new, major issue area which is not in the House-passed bill might well preclude final action on the package in this session.

I am not unsympathetic to Senator KENNEDY's amendment and regret that I cannot support it here today. As chairman of the Committee on Energy and Natural Resources, I will be glad to cooperate with him in assuring that the issues covered by his amendment are properly considered by the Senate later in this Congress.

ADDITIONAL STATEMENTS SUBMITTED

Mr. HART. Mr. President, I support the amendment offered by Senator KENNEDY. This measure strikes a reasonable balance between encouraging coal production and recognizing the possible damage to competition—and the threat to a secure supply of coal at reasonable cost—posed by petroluem companies further consolidating their control of coal and uranium reserves.

Oil companies in 1961 controlled minimal amounts of coal; for example, in 1975 oil companies accounted for 44 percent of noncaptive coal production. In 1961, the Tennessee Valley Authority's 10 largest suppliers of steam coal were companies principally involved in the coal business. By 1971, all but one of its major suppliers of steam coal were companies principally involved in the oil business. In 1966, oil companies owned 30 percent of our uranium reserves.

Of particular concern is the extent to which oil companies have acquired assets in coal to be used in the large-scale generation of electricity. One of the conclusions reached by a recent study released by the Tennessee Valley Authority is that changes in the competitive structure of the coal industry during the last 13 years—largely as a result of oil companies getting into the coal business—together with the coincident increase in the price of coal were instrumental in forcing TVA to nearly double average residential electric rates between 1970 and 1975.

The fact is that coal and uranium are naturally competitive with oil and gas in many regional markets. If there is genuine interfuel competition, lower coal and uranium prices exert a downward pressure on oil and gas prices. To permit firms with a vested interest in higher oil and gas prices to acquire substantial assets in coal and uranium within these markets would allow decisions about prices to be made regardless of principles of supply and demand. In other words, it would tend to create a noncompetitive marketplace.

Beyond this, Mr. President, is a concern over the extent to which international politics can influence the behavior of multinational energy conglomerates involved in coal and uranium production. Since oil and gas are competitive with coal and uranium in many in-

stances, there is the potential that integrated oil companies might not develop coal and uranium reserves as quickly as possible, in order to preserve their ready and exclusive access to Middle East oil. This would of course be inconsistent with the President's plan to expedite coal conversion.

The potential effect on our economy, should these companies follow their short-run interests rather than the long-run interests of the Nation, staggers the imagination. While we determine those markets where interfuel competition is possible, it seems most prudent to place a moratorium on further horizontal mergers of this nature while we continue to carefully study the economic impact of such actions.

This measure does not say that oil companies should never be allowed to develop coal or uranium. Neither does this measure force oil companies to divest their interests they now have in these energy fields. It simply puts a moratorium on further acquisition of coal or uranium assets by major integrated petroleum companies.

Mr. President, this proposal is consistent with a bill which I have offered, Senate bill 3888, which provides for a moratorium on all horizontal mergers pending further study.

The bill has my strong support.

Mr. DECONCINI. Mr. President, I intend to support the Kennedy amendment to S. 977, the Coal Conversion Act of 1977. However, I also want to make it clear that my support of this amendment does not necessarily imply that I favor divestiture. The two are separate.

The legislation before us today will substantially increase the economic incentives to mine and produce coal and other alternative fuels like uranium. A major expansion of coal production and usage has become a high priority national goal. It is, furthermore, a goal which I support wholeheartedly. In the short run, it is the only readily available alternative to oil and natural gas.

It seems to me quite appropriate at this moment for the Congress to address itself to the question of future ownership of this increasingly valuable and crucial natural resource. There has been a tendency over the last few years for the major oil and gas companies to move into other energy fields. At present, there is evidence which suggests that the major oil and gas companies may own up to 50 percent of our coal and uranium deposits.

The free enterprise system depends upon competition to function correctly and in a socially desirable manner. We have long understood this and, as a consequence, have enacted legislation to prevent monopolies except in those few instances where monopolies are necessary. The amendment being offered today can best be described as preventive medicine. Its purpose is to prevent or avoid monopolies in the future. Our best evidence today suggests that the trend is toward the development of energy monopolies by the major oil and gas companies.

It is not, in my estimation, socially desirable or economically wise to allow a few companies to own virtually our entire stock of fuel resources. By definition, the major oil and gas companies already own the lion's share of oil and natural gas. They are already moving toward the control of coal and uranium. I think that movement should be stopped or, at least, slowed down.

Were this amendment a divestiture amendment, I would be reluctant to support it. To force companies to divest themselves of assets acquired legally and in good faith over the years is a serious matter. I think that in such a case the burden of proof would be overwhelmingly on the side of the proponents of the amendment to demonstrate in no uncertain terms that clear and specific harm had resulted or was likely to result unless remedial action were taken.

The Kennedy amendment is preventive. It is far easier to avoid an accident than to reconstruct the victims and vehicles after the fact. By passing this amendment, we may avoid the unpleasant task of facing a future energy monopoly which may have to be broken up. I believe this amendment will encourage competition within the energy field. Many smaller companies will no longer be overwhelmed by the resources of the oil and gas giants. To insure that consumers receive the best product at the lowest price, we need to insure competition between producers of that product.

I would also add that the amendment contains a mechanism to allow exceptions to the ban. If the Secretaries of Interior and Energy agree that a waiver is in the national interest, this can be done. I would expect this procedure would be used to insure that companies with existing holdings would be provided with the additional land necessary to make their operations viable. It could also be used if there were a dearth of other developers.

In sum, I believe the amendment is a good one that serves a legitimate national purpose. I commend Senator KENNEDY for his efforts. and I urge my colleagues to support the measure.

Mr. GARN. Mr. President, I must oppose the Kennedy amendment. Its passage would be counterproductive. It would perpetuate and legitimize the idea that governments can meddle in free markets to improve their workings. It is unjustified and unneeded. It has not had sufficient hearing before the appropriate committee.

The argument that it is not a divestiture bill because it is prospective only is a fiction, designed to enlist support for a first step down that path. Any argument that can be made in support of this bill can as well be made of a divestiture bill. If this amendment is accepted, there is no logical reason not to go the whole hog, and vote for divestiture across the board.

Mr. President, I do not intend to go into a discussion of the structure of the energy industry. There are other Senators here who can do that better than I, and who have done so. Suffice it to say that, both today and over the last few years, I have listened to arguments on both sides; I have read widely on the subject; I have even participated in the debate, both as a candidate for this office when I defeated one of Senator KENNEDY'S close friends, and since coming here. I have never been persuaded that the energy industry is monopolistic, or even oligopolistic.

Certainly there are barriers to entry into this industry. Other than the legal ones erected by the Federal Government's intervention in the market, however, there are the barriers of high risk, inadequate return, and capital requirements. These factors are the precise reason this amendment is so harmful. It would not guarantee competition in the energy industry. That competition already exists, by an objective measure. It would simply guarantee that potential supplies, of the very energy resources the Nation so badly needs, would not be developed.

Mr. President, I have a sneaking suspicion that one of the motivations behind this amendment is just that, to obstruct the development of two sources of energy that are challenged most vociferously by environmentalists. Every objective study I have seen concludes that in the short run we will need to use massive amounts of coal to bridge the gap between petroleum and solar, or other exotic, energy. Every analysis indicates that only through increased use of nuclear energy will we be able to provide the Nation's needs for the next 25 to 50 years. Yet this amendment would deny to many of the very companies with the capital, the expertise, and the management skills, the right to develop those two sources of energy. And this without the slightest justification.

Senator KENNEDY has left an escape clause in the bill, one which gives the Executive one more grant of discretionary power. I had understood recent election returns as saying that the people are tired of Washington exercising arbitrary and discretionary power. It is time to stop endowing bureaucrats with the trappings of infallibility. Let us admit that they are unable to manage their own departments, and stop giving them the economy to manage. If we do not, we will end up without an economy at all. That even will make last winter look delightful by comparison.

HORIZONTAL EXPANSION IN THE COAL AND URANIUM INDUSTRIES

Mr. DOLE. Mr. President, I am particularly concerned about the amendment which has been offered by the Senator from Massachusetts to prohibit the direct or indirect acquisition of coal and uranium interests by major oil and gas companies. This new version of the horizontal divestiture concept may not require divestiture directly, but it certainly is a major step in that direction. It would, I believe, have a serious counterproductive impact on the development of necessary energy resources for this Nation.

Let me point out that the coal industry is and will continue to be a highly competitive industry. No one firm or small group of firms now have, or are likely to gain monopolistic control of the coal industry. In fact, ownership of coal reserves is widely distributed.

The Federal Government owns about 70 percent of the vast coal lands of the

West, and the Federal Coal Leasing Amendments Act of 1975 requires review by the Justice Department for any possible antitrust violations prior to coal land leasing.

None of us wants to see a monopolistic trend develop in the crucial coal and uranium markets. But it seems to me that existing antitrust laws are adequate to deal with anticompetitive behavior should it occur.

NO APPARENT THREAT

Actually, evidence in recent years tends to downplay any threat that oil and gas companies could dominate other energy fields. A 1975 Ford Foundation study reported that legislation "to halt further entry" of oil companies into other energy fields "is not economically justified." In addition, a 1976 U.S. Geological Survey report concluded:

* * * That it would be virtually impossible for any individual, corporation, or cartel to obtain a monopoly on coal or even to significantly influence the price.

A study by the Council on Wage and Price Stability, entitled "Study of Coal Prices," pointed out that coal production is less concentrated than other industry groups. The top four coal companies produced 25 percent of the coal. In manufacturing, the top four industrial companies produce 39 percent of the goods. There is also a trend away from concentration in coal production since 1970. The study concludes that the price of coal is very stable and is projected to be stable or decreasing in the future.

There is thus no a priori proof that the coal companies are engaged in monopolistic practices and no need to penalize them at this time. All evidence is that the market is working. Even Senator KENNEDY seems to predict that free competition will continue.

In his factsheet he states the failure of oil companies to develop their coal reserves in recent years is not surprising. While competitive coal prices were low, the rate of return on coal investments was less than what the oil companies were used to or would accept. Now that coal prices are much higher than they were—and the industry has become very profitable—the oil companies are starting to develop their reserves.

Even Senator KENNEDY seems not to predict that oil companies will hold on to reserves in order to drive prices up.

Existing antitrust laws—which were strengthened by the Antitrust Improvements Act of 1976—seem adequate to prevent acquisitions or mergers that would lessen competition. I do not seek to diminish the importance of preventing monopolistic trends in the coal industry or in any other market that will affect our Nation's vital energy resources in the years ahead. But I do believe that there are adequate protections already in place to prevent such developments.

COUNTERPRODUCTIVE TO RESPONSIBLE DEVELOPMENT

In fact, this amendment, if enacted, would serve only to shackle responsible development of adequate coal and uranium resources for this Nation's energy needs in the crucial days ahead.

I believe our energy needs can best be met by encouraging all kinds of companies to enter all types of energy production. Certainly, capital availability to the coal and uranium industries would be restricted. Much of the capital requirements and risks involved in these industries would be beyond the scope of smaller coal and uranium companies. Larger oil and gas firms are in a favorable capital position to undertake these types of products, and can contribute management talent to enhance the development and expansion of coal production capacity.

Because coal companies traditionally have a low return on investment, there is not much attraction for the billions of dollars that may be required in the years ahead to start or expand mining operations. Firms with large cash flows may be able to fill this short-fall of capital if they are permitted to do so.

In fact, it cannot be denied that investments from oil, gas, and other large industries have already made valuable contributions to increased coal production, to R. & D. expenditures, and to the ability of coal companies to withstand adverse effects of decreased productivity in sales.

RELATED HARMFUL ASPECTS

But there are other harmful aspects which need to be considered as we look at this amendment. First, it is entirely possible, if not likely, that the provisions of the Kennedy amendment may keep oil and gas companies which are approaching the arbitrary production limits outlined in the measure from expanding their production, in order to stay below levels that would trigger the acquisition ban. By the same token, it would "grandfather" certain oil and gas companies into the coal and uranium fields while keeping out other oil and gas companies, merely because of different rates of energy diversification.

Second, the oil companies can serve the country since they are a source of technical expertise. The oil companies have the technology to liquefy and gasify coal. If they are allowed to exploit that technology then the United States will have an alternative source of liquids and gas in the event of another Arab price increase. This will limit the size of a possible price hike for oil and gas.

If oil companies are deprived further access to the coal market, they will have less interest in developing the alternative to their own product. The country could thus be deprived of the technology it might need if another embargo occurs.

Third, coal and uranium compete with oil only in the market for electricity. Even there, oil prices are already so high that there are no new baseload oil plants on order for the future. Besides, S. 977 says that utilities will be unable to burn oil or gas in the future.

It seems that the Government is forcing utilities away from oil and gas, thus removing the interfuel competition in the only market where they now compete. The Government is offering a clear signal to these companies that there will be less use for their oil in the electrical sector. Their interest in coal can be considered as a predictable response to Government initiatives.

All of these aspects can be carefully considered and thoughtfully judged during the deliberations on S. 1927, a horizontal divestiture measure already under review by the Judiciary Committee. I share the opinion of the distinguished Senator from South Carolina that this amendment constitutes a circumvention of the normal committee system in that it has been called up prior to completion of the markup and reporting process by the Judiciary Committee.

For all of these reasons, I intend to vote against the Kennedy amendment and would encourage my colleagues to carefully consider all the implications that are involved.

Mr. HELMS. Mr. President, the distinguished Senator from Massachusetts is proposing an amendment to the bill before us which would prevent oil company ownership of coal and uranium resources. However well intentioned the amendment may be, the Senate would be well advised to consider carefully whether the able Senator is not really advancing a dangerous and counterproductive proposal.

At a time when it is imperative that we have a national energy policy to prevent further reliance on foreign imports of oil, it seems ill advised that the Senate should be asked to approve a proposal that would disrupt the development of all our domestic sources of energy.

Nearly 4 years ago, when the oil-producing nations of the Middle East, operating on political impulse, shut off the flow of oil to this country, it became apparent that something had to be done to increase the domestic supply of energy in this Nation. That stark reality has been brought home to us again and again with periodic supply shortages, the seasonal unemployment that much of the Nation endured last winter, and the discomfort of having to do without in a land of plenty.

Tragically, while the United States had the opportunity and the time since then to develop domestic sources of energy, Congress opted instead for restricting the exploratory efforts of the petroleum industry by withholding Federal leases. Congress also placed self-defeating controls on the price that producers could charge for gas and oil. Moreover, environmental legislation was enacted to make the development of alternate energy sources more costly.

The point of all this is that the results of such ill-advised efforts in the energy arena have been destructive to the national interest.

Today, the United States imports more of its oil needs than it did just prior to the imposition of the oil embargo in October 1973. At that time, imports filled 36.1 percent of our needs. The figure for 1976 was 41.8 percent. Indications this year are that it will go even higher, perhaps to 50 percent of our liquid petroleum needs.

What is more important is that the sources of our crude oil imports have changed drastically. Neither Canada—which in 1973 was our principal source of imported oil—nor Venezuela remains among the top four crude oil suppliers for the United States. Today, our leading

suppliers are Saudi Arabia and Nigeria. Both are members of the Organization of Petroleum Exporting Countries—OPEC; both are many thousands of miles from the United States.

The economic costs of this dependence on Eastern Hemisphere OPEC oil are both staggering and fearsome. According to the Department of Commerce, in 1970 the United States paid $3 billion for foreign oil. In 1974, the payment rose to $26 billion. In 1976, it rose to $35 billion. This accounted for a large part of the Nation's record trade deficit of $9.2 billion last year.

The Federal Energy Administration has estimated that the money spent by this country in 1974 for oil imports could have paid the wages of a million or more American workers, or built one-half million new homes. Accordingly more costly lost opportunities resulted in 1976. Yet, the trend continues. And if Congress embraces this untimely amendment calling for horizontal divestiture, it will only exacerbate the problem.

Preventing the oil companies from assisting in the development of this Nation's coal and uranium resources would, in all probability, lower domestic energy production of alternate energy sources. This would have the effect of widening OPEC's market and could encourage the cartel to charge even higher prices. There would then be a double cost—higher imports which would increase our vulnerability to unfriendly foreign action, and higher prices for those imports which would have a predictable negative impact on our domestic economy.

It is time to realize that an enormous job needs to be done in the energy field. The task is to develop all our energy sources as quickly as possible. Depriving oil companies, which have repeatedly demonstrated a willingness and a capability for getting the job done, from participating in the development of coal and uranium seems punitive and shortsighted. And I submit that the proposed amendment is exactly that: Punitive and shortsighted.

In his introductory statement this past July, the senior Senator from Massachusetts called for legislation to prevent oil companies from owning coal and uranium reserves. In his remarks, he said:

> The basic theory underlying the bill is not complicated or difficult to understand. It is that firms engaged in one line of business ought not to be able to hold or acquire firms engaged in a competing, or potentially competing, line of business.

The Senator was right on one point. The underlying theory is not complicated. It is simple. Too simple. Dangerously simple. If the Senate accepts such an uncomplicated theory as this, and embraces it as conventional wisdom, we shall be turning our backs on the 200-year economic history that helped make this country what it is.

If we fail to reject this uncomplicated premise, we shall, in effect, be sounding the warning bell to all industries that 1984 arrived a little early this year. Think about it. A firm "engaged in one line of business ought not to be able to hold or acquire firms engaged in a competing, or potentially competing, lines of business."

If we tell oil companies that they cannot own coal or seek to develop synthetic oil and gas from coal, then let us also be mindful of where this kind of logic—or lack of it—would take us. Shall we then tell the tire industry that it should have remained in rubber and not have gotten into synthetics? Shall we tell the publishing companies that if they are in newspapers they cannot also be in books or magazines or films? Shall we tell the brewers that if they are in beer, they must stay out of ale? Shall we tell meat packers that it is either beef or chicken, but not both? And while we are at it, shall we tell some of the big bakeries that if they make pies, they cannot make cake?

This is the kind of logic being proposed here—that we are merely following an uncomplicated underlying theory, and that Americans are no longer allowed to compete and expand. This kind of logic would compel us to make sure that colleges are no longer using Samuelson's or anyone else's basic textbook on introductory economics. We should tell them that there is now a new primer on economics.

In it they will find that the underlying theory "does not rely on regression analysis or econometric models." Instead, "it relies on commonsense." The Senator from Massachusetts charges that major oil companies have already effectively made competition a dead letter in the oil industry, and that they should not have the opportunity to work their will on other industries.

To support this allegation, the distinguished Senator points to the fact that the 8 largest oil companies in 1973 accounted for almost as big a share of crude oil production as did the 20 largest in 1955. Well, this piece of information demands that we investigate this data a little further.

In the year cited, 1973, the top eight oil companies[1] accounted for 42.1 percent of total U.S. production of crude oil, condensate, and natural gas liquids. This amounted to 4.6 million barrels per day. By comparison, the top 20 companies in 1955 accounted for 46.3 percent of total production but this amounted to only 3.5 million barrels per day. But whatever trend there may have been it seems to have reversed itself. Consider these factors:

In 1975, the top eight oil companies accounted for 53.5 percent of total refining capacity in the United States and Puerto Rico. In 1973 it was 55.9 percent.

The top eight oil companies accounted for 57.7 percent of the total U.S. refinery runs in 1975. In 1973, it was 62.3 percent.

In 1975, the top eight oil companies accounted for 49.9 percent of the national market in motor gasoline sales. In 1973, it was 52.7 percent.

In 1975, the top eight oil companies accounted for 41.2 percent of total U.S. crude oil production. In 1973, as Senator KENNEDY pointed out, it was 42.1 percent.

There are some important observations to be made regarding these figures. By far the most significant one is that such figures are by no means prima facie evidence that oil companies have stifled competition by precluding new entries into the field. Nor do the figures indicate that oil companies have attempted to withhold production. As a matter of fact, such data only shows that they have grown in concert with the rest of the U.S. economy.

Senator KENNEDY's introductory statement at the recent hearings on S. 1927 implies that the oil companies are unduly concentrated. Again, if this is the case, I feel compelled to warn the bulk of the industries which make up this U.S. economy. Someone should tell them that according to the new, simplistic economics I referred to earlier, being big is being evil. And, by the Senator's reasoning, it matters not that you deliver competitively priced, quality-controlled goods to the American consumer. Nor does it matter that you are big and efficient and provide employment for countless thousands of Americans. Apparently, these attributes become irrelevant, in the mind of the Senator from Massachusetts. Any company might still fall under the aegis of the new economics that bigness is badness, if one accepts the Senator's logic.

If concentration levels should be used to determine whether or not an industry is competitive, then a whole list of American industries will have to respond to the charge. Measured in terms of the value of shipments, the eight largest companies in a number of industrial areas far exceed the level of concentration that the Senator from Massachusetts finds so alarming in the oil industry.

According to data cited in a 1975 study sponsored by the National Science Foundation,[2] the concentration ratios of widely varied segments of the national economy are much greater than those of the oil industry. Some of them, such as motor vehicles, primary copper, and chewing gum exceed 95 percent. The study concludes that the evidence does not indicate that the energy industries are highly concentrated. To the contrary, the evidence suggests that the energy business is among the least concentrated in the United States. Based on concentration ratios alone, there is little reason to worry about the anticompetitive behaviour of the oil industry.

Senator KENNEDY's introductory statement argues strongly that price is an important consideration in the energy arena. I agree with him. However, I strongly disagree with certain statements he makes about price.

The Senator says:

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[1] See "U.S. Petroleum Market Volumes and Market Shares: 1950–1975, Individual Company Data," Jane Atwood, Discussion Paper No. 003R, American Petroleum Institute, Oct. 15, 1976, for the concentration percentages used here.

[2] *Competition in the Oil Industry*, William A. Johnson, Richard E. Messick, Samuel Van Vactor, Frank R. Wyant, The Energy Research Project: George Washington University, Washington, D.C. 1975.

The fact is that as long as this country needs to import half or more of its crude oil, the price of crude will be set by the OPEC cartel and it will be a monopoly price. Beyond this . . . the domestic petroleum industry is calling for deregulation of natural gas. They argue, we should have "Btu parity"—natural gas should sell for $2.50 Mcf because this is the energy equivalent of crude oil at the world price. The logical extension of this argument, of course, is that coal and uranium should also be priced in terms of their energy equivalence to crude oil. In other words, according to the producers, the prices of all fuels in the United States should be linked to the monopoly price established by the OPEC cartel.

I submit that my able colleague has unfortunately misinterpreted some of the facts of the matter.

In the first place, the price of natural gas has been kept at such an artificially low price since 1954, because of Government controls, that reserves of the fuel have steadily depleted to the point that spot shortages—such as occurred this past winter—threaten to become the norm rather than the exception. Moreover, for most of this decade, the price of oil has also been regulated through a complex system of fixed-pricing by the Federal Government. Oil and natural gas—if they remain at artificially low price levels such as those mandated by the Government—will continue to remain more attractive to industrial consumers than the problem-oriented coal and uranium sources. This would run directly counter to the goals of the national energy plan proposed by the administration.

As far as producers seeking to tie fuel prices to the monopoly price established by the OPEC cartel, I would refer Senator KENNEDY to the administration's national energy proposal. That proposal—and not the oil companies—advocated that energy prices should reflect replacement costs. While the crude oil equalization tax, which the House adopted, means more money for the Federal Treasury and means that crude oil prices will be somewhat tied to the "world price" set by OPEC, it is hardly a measure the oil producers sought to have established.

If the Senator from Massachusetts would like to see pressure placed on OPEC to lower the world price, it would be better achieved by phasing out price controls for oil and gas, thereby providing the petroleum industry with the incentive for finding new reserves and providing the U.S. investor with the likelihood of receiving an adequate rate of return on investment. In this way, U.S. producers would be in a far better position to deal with domestic demand. Accordingly, reliance upon OPEC sources of oil would decrease, and the possibility that OPEC would be forced to lower their price would be greatly enhanced.

There is one other important point out of the many contained in Senator KENNEDY'S introductory statement on horizontal divestiture. The Senator stated that coal companies owned by oil companies have declined in production in recent years. He neglected to point out that there have also been lower rates of production at Eastern underground coal mines not owned by oil companies. He neglected to point out that environmental regulations, which he vigorously supports, have slowed the development of both new and existing mines. He neglected to point out that labor difficulties have had a considerable impact on the production of coal, particularly in the past 4 years.[3] And he neglected to point out that the new Federal surface mining act, which he also vigorously supported, will make open pit mine development considerably more costly and, therefore, will have an impact on new mine development and production.

Mr. President, I would suggest that hearings should be held on some of the specific allegations made by Senator KENNEDY before we vote on this matter. Much is at stake. In our haste to resolve our energy problems, we have already pushed through legislation which may do far more harm than good in terms of decreasing our dependence on foreign suppliers. For this reason and because of the points I have mentioned today, I urge that this body table the proposed amendment for horizontal divestiture, at such time as the motion is made.

Mr. BURDICK. Mr. President, I rise in support of a motion to table the Kennedy amendment. This is not to be construed to mean that there is no merit in the amendment. It simply means that in view of the energy crisis facing this Nation, we should not act upon an amendment that comes from the floor, and which was not offered or considered by the Committee on Energy and Natural Resources which reported the bill. This amendment could have far-reaching consequences not contemplated at this time.

Further, the amendment does not deal with the substance of the legislation before us—which is coal conversion—but with legal limitations, which are properly in the jurisdiction of the Judiciary Committee. A subject of this importance should have full hearings, in the appropriate committee, before being brought to the Senate floor for action.

Mr. JACKSON. Mr. President, if no other Senator wishes to be heard, I shall move that the amendment be laid on the table, unless someone wishes to comment further.

Mr. President, I move that the Kennedy amendment be laid on the table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield back the remainder of his time?

Mr. KENNEDY. I yield back the remainder of my time.

Mr. HANSEN. I yield back my time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table. The yeas and nays have been ordered, and the clerk will call the roll.

[3] See "Coal Production Shortfall Due to Strike Predicted," The Washington Post, August 17, 1977.

The legislative clerk called the roll.

Mr. SPARKMAN (after having voted in the affirmative). Mr. President, I have voted aye on this measure. I have a pair with the distinguished Senator from Minnesota (Mr. HUMPHREY). If he were present and voting, he would vote "nay." Therefore, I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Montana (Mr. METCALF) are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas (Mr. MCCLELLAN) would vote "yea."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Oregon (Mr. HATFIELD), the Senator from Maryland (Mr. MATHIAS), and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 62, nays 30, as follows:

[Rollcall Vote No. 352 Leg.]

YEAS—62

Allen	Garn	Nunn
Baker	Glenn	Packwood
Bartlett	Goldwater	Pearson
Bellmon	Gravel	Percy
Bentsen	Griffin	Randolph
Burdick	Hansen	Roth
Byrd, Harry F., Jr.	Hatch	Schmitt
	Hayakawa	Schweiker
Byrd, Robert C.	Heinz	Scott
Cannon	Helms	Stafford
Case	Huddleston	Stennis
Chafee	Inouye	Stevens
Chiles	Jackson	Stone
Church	Javits	Talmadge
Curtis	Johnston	Thurmond
Danforth	Laxalt	Tower
Dole	Long	Wallop
Domenici	Lugar	Weicker
Eagleton	Magnuson	Williams
Eastland	Melcher	Young
Ford	Moynihan	Zorinsky

NAYS—30

Abourezk	Hart	Morgan
Anderson	Haskell	Muskie
Bayh	Hathaway	Nelson
Biden	Hollings	Pell
Bumpers	Kennedy	Proxmire
Clark	Leahy	Ribicoff
Cranston	Matsunaga	Riegle
Culver	McGovern	Sarbanes
DeConcini	McIntyre	Sasser
Durkin	Metzenbaum	Stevenson

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Sparkman, for.

NOT VOTING—7

Brooke	Mathias	Metcalf
Hatfield	McClellan	
Humphrey	McClure	

So the motion to lay Mr. KENNEDY'S amendment on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HASKELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 824

Mr. BARTLETT. Mr. President, I call up my amendment 824 and ask that it be considered.

The PRESIDING OFFICER (Mr. STONE). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT), for himself and Mr. DOMENICI, proposes amendment No. 824.

Mr. BARTLETT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 115, line 11, strike out "existing natural gas contracts and" and all that follows down through line 15, and insert after line 11 the following:

"(i) existing natural gas contracts;

"(ii) renewals or extensions thereof under normal escalation clauses or other clauses which set forth an objective basis on which price can be determined at or before renewal of such contracts; or

"(iii) such new contracts or other renewals or extensions of existing contracts as the Administrator determines are necessary to meet the system compliance plan or are necessary to maintain reliability of service.".

The PRESIDING OFFICER. The Senate will be in order. Will those Senators conversing kindly withdraw to the cloakrooms?

Mr. BARTLETT. Mr. President, I yield to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on this amendment be reduced in half—to wit, 30 minutes—to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. BARTLETT. Yes, I do.

Mr. HASKELL. Mr. President, I ask unanimous consent that William Donovan, of Senator MCINTYRE's staff, and Jared Cohon of Senator MOYNIHAN's staff, may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that Barry Direnfeld, of my staff, may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the distinguished Senator from Louisiana (Mr. JOHNSTON) be added as a cosponsor to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, this is a perfecting amendment to section 214 of S. 977. This section deals with the so-called system compliance option which provides a method for those electric utility companies, primarily in the South and Southwest, now almost totally dependent on natural gas for the generation of electricity to make some use of existing gas-fired plants after the date when the legislation would otherwise prohibit the use of natural gas in those plants.

When we adopted this section in the committee, we sought to restrict the companies from entering into new contracts for natural gas as well as to impose a number of other conditions which would limit the use of natural gas in those existing plants to peaking purposes after 1990. Unfortunately, we failed to provide for those cases where existing contracts and those limited renewals and extensions which we allowed might not provide a sufficient quantity of natural gas for even the limited peaking uses that we provided for.

The purpose of this amendment, which I understand is acceptable to the administration and to the majority manager of the bill, is to provide a mechanism consistent with the restrictions of the section, for limited exceptions to allow those new contracts that would be necessary to furnish enough natural gas to permit peaking use of plants if existing contracts did not do so.

The system compliance option would allow an electric utility company now dependent for most of its generating capacity on existing plants designed to burn natural gas to make some use of those plants after 1990, when they would otherwise under the terms of the bill have to stop burning natural gas to generate electricity. The electric companies affected are mostly in the South and Southwest part of the country. These plants cannot reasonably be converted to burning coal, and they can be converted to burn oil only at great expense and at a substantial loss in capacity. Because of economic considerations these companies have already embarked on extensive construction programs which will result in practically the entire systems being shifted to coal and nuclear power.

The net effect of the legislation is to add on top of these construction programs—which already strain their financial capacity to the maximum—a requirement for the conversion of the existing plants to oil or their abandonment and the construction of new oil-fired peaking plants. The extra financial burden of the premature retirement of these plants will fall unfairly on the citizens and ratepayers in this region without any special relief such as the home heating oil users in the Northeast are receiving under the President's energy program.

The net effect of the section is to allow a limited and carefully constrained use of the existing plants for peaking purposes. This, in a way, is a conservation program since the construction of new plants for peaking purposes will take energy and the premature abandonment of good plants would waste the energy it took to build them in the first place. Moreover, every barrel of oil burned for peaking purposes is a barrel of oil, in effect, imported from abroad; whereas the gas would be developed domestically from high priced, intrastate reserves.

The purpose of the amendment is simply to insure that enough gas can be obtained to meet this very limited objective. In case existing contracts and already permitted renewals and extensions are not sufficient, it would allow the administrator to permit a new contract.

This amendment is fair and reasonable, and I urge its favorable consideration by my colleagues.

It has been said that this amendment was defeated in committee. Well, that can hardly be true, since it was never proposed. The matter was briefly discussed during a hasty and confused committee markup. However, the transcript is ambiguous and lends itself to a variety of interpretations.

In truth the committee itself formulated no position on this issue. Had the members been made aware of its importance, they would doubtless have supported this amendment.

In a sense, what the amendment does is make the bill consistent with itself, particularly the section that deals with the so-called system compliance option.

This provides a method for those utility companies, primarily in the South and Southwest, now almost totally dependent on natural gas for the generation of electricity, to make some use of existing gas-fired plants after the date when the legislation would otherwise prohibit the use of natural gas in those plants. This is done under certain conditions in which the Administrator finds that it is in the best interests of the public generally to make this exception. Also, it limits the amount used to 20 percent of the amount of gas that the company used in 1976.

At the same time that this system compliance option was adopted in committee by an amendment sponsored by the distinguished Senator from Louisiana (Mr. JOHNSTON) and myself, an administration suggestion was apparently accepted which negated the amendment that we were adopting. So this is a corrective amendment that will permit a utility to negotiate a new natural gas contract or extend an existing one. If this were not done, many utilities would not have sufficient gas to get to 1990, much less ask for an extension for peaking power use beyond that date.

I have discussed this amendment with the floor manager of the bill on the majority and minority sides. I see the Senator from New Hampshire is replacing the majority floor manager. I understand that this amendment is acceptable and I will withhold further remarks.

Mr. DURKIN. Mr. President, the floor manager has informed me he is willing to accept this amendment and move its adoption.

Mr. BARTLETT. Before we do that, there was a matter we wanted to correct in dialog, a very small part of the bill, and if the distinguished Senator from New Hampshire is prepared to do this, I will proceed.

Mr. President, I would like to ask the distinguished majority floor manager of the bill to help clarify the language of section 214, paragraph (d), appearing on lines 13 through 19 of pages 116 of the bill. The language reads as follows:

The Administrator may extend the deadlines in paragraph (a)(2) of this section for periods of up to five years * * *

If certain limited conditions are met. Would the Senator please confirm that the intent of this paragraph is to authorize the Administrator to grant multiple extensions of up to 5 years each?

Mr. HASKELL. Yes, that is correct. That is, if at the end of, say, a 4- or 5-year extension the appropriate conditions can be met, the Administrator may grant another extension under the terms of the system compliance option.

Mr. BARTLETT. I thank the distinguished Senator from Colorado.

Mr. DOMENICI. Will the Senator yield?

Mr. BARTLETT. I yield to the Senator from New Mexico.

Mr. HASKELL. Mr. President, if I may inquire, what is the status of amendment No. 824 of the Senator from Oklahoma?

The PRESIDING OFFICER. It is pending. There has been no action on it.

Mr. BARTLETT. I say to the Senator from Colorado, we are ready to have a vote right away. The Senator from New Hampshire indicated that the floor manager of the bill found it acceptable, and as soon as we hear from the Senator from New Mexico, we will have a vote.

Mr. HASKELL. I would like to hear from the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I shall take only a few moments.

The system compliance option provides a means whereby large utilities in the Southwest that are heavily dependent on natural gas from intrastate supplies can convert to coal on a system-wide basis, rather than by a plant-by-plant conversion. It is a reasonable and fair means of addressing the conversion under circumstances where enormous capital expenditures are required. Unfortunately the option, as detailed in this legislation, will be of little or no benefit to many of the utilities it was intended to assist. This situation can be rectified by a relatively minor addition, namely a provision that allows the use of new natural gas contracts to carry out the SCO.

Let me provide a specific example relating to application of the SCO. The Southwestern Public Service Co., of Amarillo, Tex., has developed a program of conversion to coal on a time scale that is as short as practicable. SWPSC is located in Amarillo, Tex., and serves a substantial portion of New Mexico. Under what might quite fairly be called an aggressive program of conversion, SWPSC, which until a year ago was based 100 percent on the use of natural gas, will construct more than 3,000 megawatts of coal-fired capability over a 12-year period. By 1990, 86 percent of the utility's generating capacity will be coal-fired. Natural gas would be used for peaking purposes only after 1990, and would be phased out entirely by 1993. This is a financially-feasible program that provides for reasonable phase-out or conversion of gas-fired capacity.

The principal obstacle to this program is the fact that natural gas available to SWPSC under existing contracts will provide only 39 percent of the need in 1991, and some 63 percent in 1992, as the phase-out of natural gas use continues. To carry out this plan, and not unduly penalize SWPSC's customers, new gas contracts are necessary.

As a final point, let me note that SWPSC's total gas-use tax liability under the administration's energy tax legislation will amount to $423 million. None of this will be offset by new construction. However, SWPSC's plan does provide for conversion of 1,188 megawatts of existing gas-fired capacity to coal at a cost of $422 million. As a result the net user tax liability to be faced by SWPSC will actually amount to $175 million. This will, of course, have to be passed along to the utility's customers via additional rate increases. Thus, in spite of good-faith efforts by SWPSC to move aggressively from 100-percent dependence on natural gas to complete dependence on other fuels in a little over 12 years, SWPSC's customers will be penalized $175 million in unnecessary rate increases.

I would urge my Senate colleagues to support amendment No. 824 to Senate bill 977.

Mr. President, I commend the Energy and Natural Resources Committee and, in particular, Senators BARTLETT and JOHNSTON for coming up with this approach to the system compliance option and, further, for the amendment that is pending which will make it operative and workable.

I want everyone to know that all we are trying to do is to create a fair situation for the utilities that serve our consumers in the Southwest who have been in the past using natural gas and are more than willing to make the conversion, just that the reality of economics and the supply of natural gas require that they be permitted to do it as prescribed by the system compliance option, and the Bartlett-Domenici amendment would let the Secretary make some decisions as to the use of natural gas for the peaking periods that are permitted by the system compliance option.

It just appears to me this is eminently fair. We will end up getting off natural gas. Our consumers will obviously be paying more eventually, but this just permits some reasonable economic management of this conversion while forcing it as rapidly as possible.

I commend in particular the Senator from Oklahoma for his genuine concern and diligence in this regard.

Mr. HASKELL. Mr. President, I would like to state my understanding of this amendment so that I am sure we are clear.

Mr. President, there are two dates of accountability, one of 1990 and the other of 1995, beyond which we cannot use gas except for peaking purposes.

It is my understanding that this amendment provides the utility a right to enter into a new gas contract, but not to build additional facilities or new facilities?

Mr. BARTLETT. The Senator from Colorado is entirely correct.

Mr. HASKELL. With that understanding, I find the amendment completely acceptable and I yield back the remainder of my time.

Mr. HANSEN. Mr. President, I would like to add emphasis to the statement made by Senator BARTLETT. We feel that his amendment is necessary for the proper functioning of this bill.

If Senator BARTLETT's amendment passes, there will not be excess gas burned under electric boilers. The Administrator is authorized to allow the signing of new gas contracts only to the extent that they are necessary to insure reliability of service under an approved plan. This provides protection both for the gas consumers in States that face shortage as well as for the consumers of electric power.

It was agreed by all sides, including the administration, that the utilities in the four States affected by the gas ban are in a unique position. They depend on gas for the generation of most, if not all, of their electricity. If we cut them off prematurely, it is the small homeowners and small businesses that will be affected—the same people we are trying to help by imposing the gas burning ban in the first place.

The utilities affected by this bill are moving as rapidly as possible to convert to other sources of fuel. Conversion to oil, which is what will necessarily happen unless Senator BARTLETT's amendment is adopted, will cause a loss of from 75 to 50 percent of the system's capacity. It will also cause an increase in oil imports. Oklahoma consumers will face a doubling of their electric bills.

Administration spokesmen have assured us that they favor this amendment; indeed, they assisted in drafting it. With the safeguards inserted in the amendment, no one need suffer.

The PRESIDING OFFICER. Is all time yielded back?

All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. HASKELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BARTLETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 836

Mr. HANSEN. Mr. President, I call up my amendment No. 836.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wyoming (Mr. HANSEN) for himself, Mr. WALLOP, Mr. SCHMITT, Mr. GARN, Mr. HATCH, Mr. MCCLURE, Mr. LAXALT, Mr. DOMENICI, Mr. HAYAKAWA, Mr. BENTSEN, and Mr. HELMS, proposes an amendment No. 836:

On page 134, between lines 13 and 14, insert a new section as follows:

SEC. 309. Part A of title I of the Clean Air Act is hereby amended by striking section 125.

Mr. HANSEN. Mr. President, this amendment would repeal section 125 of part A of title I of the Clean Air Act.

Mr. President, I wonder if Senator METZENBAUM might be brought to the floor since this deals with his amendment that he earlier had offered and which was accepted. I would be pleased if he could be here.

Mr. HASKELL. Mr. President, I would like to state to the distinguished Senator from Wyoming that somebody has been sent for Senator METZENBAUM. He is in the very near vicinity, so he should be in

shortly. He has been informed and he is here.

Mr. HANSEN. Mr. President, for the benefit of my good friend, the distinguished Senator from Ohio, I have just called up my amendment No. 836 which would repeal section 125 of part A of title I of the Clean Air Act.

Under section 125, the President, the Administrator of the Environmental Protection Agency, or a Governor acting with the written consent of the President or his designee, in order to prevent local or regional economic disruption or unemployment, is authorized to require any major fuel burning stationary source not in compliance with an implementation plan or under a coal conservation order to use local or regional coal, petroleum products, or natural gas or a combination.

Each source, under such an order, is required to enter into long-term contracts of at least 10 years in duration for local or regional energy sources.

It is my belief, Mr. President, that this provision suffers from a number of deficiencies. First, its application and interpretation are unclear and imprecise. Second, it is unnecessary, given the dramatic increases in coal production which are forecast for the years ahead. Third, as the Senator from Maine stated during debate, it is the first step toward economic Balkanization, the same sort of economic Balkanization which nearly destroyed a very young America. Fourth, it will cause severe distortions to the national economy, an economy already suffering from deficiencies of investment capital.

For these reasons, I opposed the adoption of this section when it came before the Senate in early June and now move to repeal it. I urge my colleagues to join me in repealing this section.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HANSEN. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, would the offerer of the amendment be agreeable to a time limitation on his amendment of 30 minutes, to be equally divided?

Mr. HANSEN. I would be.

Mr. ROBERT C. BYRD. I thank the distinguished author of the amendment.

Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. I reserve the remainder of my time.

The PRESIDING OFFICER. The time limit is 30 minutes, equally divided.

Who yields time?

Mr. METZENBAUM. Mr. President, let us put this amendment in its proper perspective. However, prior to doing so, I ask that Senator JENNINGS RANDOLPH, who was a coauthor of the amendment, Senator BAYH, and Senator HEINZ be summoned to the floor, because they were parties to the adoption of the original amendment.

It is important that the Senate understand what is before us. On June 10, the amendment to which the distinguished Senator from Wyoming refers was considered by the Senate. There was lengthy debate. The debate included an amendment by the Senator from New Mexico (Mr. DOMENICI) that modified the amendment to a considerable extent. The matter was discussed. The same claim of Balkanization was made at that time. The Senate, in its good wisdom and judgment, saw fit to adopt the amendment by a vote of 45 to 44.

Thereafter, the usual motion was made to lay on the table after reconsideration. At that time, the Presiding Officer ruled that the motion was agreed to. It was at that point that the Senator from Wyoming took the floor to say that he had been asking for a rollcall vote. The Presiding Officer indicated that he had not heard the request for a rollcall vote.

The leader of the Senate then asked me, as the principal author of the amendment, whether or not I would agree, by unanimous consent, that we could go forward with a rollcall vote. That we did, and I agreed to it. The motion to lay on the table was adopted by a vote of 43 to 44.

There was extensive debate on this subject. The law has only become effective as of approximately 30 days ago, August 6.

I say to the Members of the Senate that there is a real question before us, regardless of the merits of this issue, as to how many times we rehash the same issue over and over and over again. It is a matter of law at the present time. It was adopted. There was a second vote with respect to tabling of the motion to reconsider, which came about after the full discussion with reference to whether or not it actually had been laid to rest once. So it was up once, it was up twice, and then by unanimous consent it went to a rollcall vote. Then it went to a conference committee, and the conference committee had some disagreement between the House measure and the Senate measure, and that was agreed upon.

Are we again to rehash the same piece of legislation over and over and over again, before it has had an opportunity to work? I say to the Members of the Senate that I do not think that is a proper legislative approach, regardless of the merits of the subject, and I still believe it has great merit.

However, rather than discussing the merits, I believe that this measure has been considered enough. The law should be given a fair chance to work. I certainly do not think that 1 month after its effectiveness could be considered a fair chance to work.

I hope the Senate will not see fit, in the Coal Conversion Act, to repeal a measure that was adopted just a few months earlier in the Clean Air Act.

Mr. HANSEN. Mr. President, the Senator from Ohio has pointed out that this measure was adopted by a one-vote margin. I have talked to at least one Senator who told me that he had misunderstood the application of the amendment, and had he known what was implicit in it, he would have voted differently.

My concern certainly is not to beat a dead horse or to pound on an issue that I think is unimportant, but I do think that in a day, a time, and a year when the President of the United States has called for expanded use of coal, when everyone is concerned about the rising costs of power, when we are looking forward to a winter with no little apprehension, realizing that imported oil is very expensive, realizing that production of domestic gas could very well be insufficient to fulfill the energy demands of this country expected of natural gas in the coming winter, we cannot be oblivious to any action that this Nation may have taken that is improvident or inadvisable.

As a consequence, I seek this opportunity to point out what I think are some very serious problems with this amendment which was adopted by a one vote margin.

In effect, we are telling the major users of coal in the United States that it may be of little value to them to try to see where they can buy coal the cheapest; that it may be an exercise in futility for them to try to be discerning in choosing the one coal, whether it is a low-sulfur coal or whether it has a higher Btu characteristic than another. Because of these actions, which normally would be taken by responsible management in companies, whether they are public utility operators who are supplying electricity, whether they are in manufacturing, or whatever it may be, we are in effect, if we leave this law on the books, telling them that they very well could be overruled.

I cannot think of anything more destructive of the continuing inclination on the part of management to try to do the best job it can do. We are saying to them that all that is necessary to be frustrated in their efforts to economize, to provide power at the very lowest possible rate, is to be overruled, as this law now on the books provides for, so that their actions, well-intentioned, in the public interest, could all go for naught.

I know my friend from Ohio is concerned about insuring that the coal producers in his State have a little better than an even break with everybody else, and I would be misunderstood if it were to be inferred from my remarks that I am trying to promote the consumption of Wyoming coal. There are people in Wyoming who think we may be producing more than we should be already, but there are other factors that make this sort of concern of no concern.

One of those factors is the cost of transportation. Coal is expensive to move around. After all, the problem this Nation faces is not going to be the unemployment or the economic hardship that could result because industry or a utility was trying to make the best possible buy it could, but rather the real crunch is going to come, and will turn, on the availability of coal to do the job it can and must do if we are going to decrease our dependency upon foreign sources of oil.

What this amendment can do, Mr. President, is to vitiate the bad effects that could come from coal that would be higher-priced or have other attributes that would make it less acceptable to use, such as the amount of pollution that is discharged in the air as compared to what might otherwise be available. These

are the considerations, along with reducing our dependency upon uncertain foreign supplies of petroleum products, that cause me to arise today and to offer this amendment which, I think, clearly is in the public interest.

It will be too bad if we beguile ourselves into believing, as we could easily do, that we are going to protect home industry. I have heard that argument before, and the European nations know it all too well. They know what happens when you try to set up a little fence around an area of the country and say to one's sister States, "We won't let your products come into Ohio or into Wyoming," or wherever else, "because you may hurt employment in our State."

A long time ago in this country, in the United States, we decided that that clearly was not in the national interest.

It is this growing conviction and growing realization on the part of more than one Member of Congress what has resulted in their saying to me, "I did not understand what was contained in this amendment, and were I given a second opportunity I would vote differently than I did the first time."

I appeal to Members of the Senate to respond to the clear logic of recognizing that we have got to stand together or fall separately. We cannot build little fences around each State or each region saying, "We won't let somebody else in another part of the country compete for the markets there, whether they be public utility markets or whether they be industry markets." If we start down that course of action, Mr. President, I say in all honesty and in some sadness that it will be a very unfortunate day indeed for America.

The PRESIDING OFFICER. Who yields time? The Senator from Indiana is recognized.

Mr. BAYH. Mr. President, I would like to have just a minute or two from my colleague from Ohio. I am anxious to hear what our distinguished colleague from West Virginia has to say on this matter because this is not a new issue.

I appreciate the position of our distinguished friend and colleague from Wyoming. Frankly, I look at this from a different perspective, I suppose. I do not look at this as regionalization or trying to Balkanize the United States.

The way I look at this is whether we are really going to try to use energy as efficiently as we can, and whether we are going to require industries at all levels, in all areas, of our country to use the latest environmental protection equipment to stop pollution, instead of buying their way out and going out West and buying all different kinds of coals, instead of using the latest technology for stopping pollution and, in the process of doing that, of course, they put a lot of people out of work.

It seems to me that is how simple that is, whether you are going to shift this burden, put people out of work who are now working.

If this law continues to be on the books—and I am proud to have played a small role just as one cosponsor—we are not putting a lot of people out of work, but what we are saying is the raiding is going to take place the other way around.

Let us say if you are going to cause significant economic dislocation and high unemployment in certain areas, then let us look at the standard, and let us make sure that before that happens the latest environmental protection equipment is used, and let us build into this system what the actual cost is of transporting that coal.

That may be an oversimplification, but I appreciate the Senator from Ohio permitting me to have a chance to just say a word.

Mr. METZENBAUM. Mr. President, do I have approximately 7 minutes remaining?

The PRESIDING OFFICER. That is correct.

Mr. METZENBAUM. Would the Senator from West Virginia care for 5 minutes?

Mr. RANDOLPH. Yes.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I think it is understandable that our knowledgeable friend and colleague from Wyoming (Mr. HANSEN) would on the pending measure move to strike the provision that was a part of the Clean Air Amendments of 1977. An amendment on locally available coal was included in that bill which, of course, went to conference with the House and the conference report has been voted on favorably both in the Senate and in the House on that important measure.

I do not fault the Senator from Wyoming in this matter, because when a loss is by only one vote as in the clean air amendments, it is very understandable to me that within the rules of this body a Member will attempt to come back and debate the subject matter as we are having it debated here this afternoon. I am fully understanding of that situation.

I would remind us that the debate was very, very substantial during the Clean Air Act amendments, when the principal sponsor. Senator METZENBAUM, the Senator from Indiana (Mr. BAYH), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from West Virginia now speaking, debated the issue.

I do not know if there were Members present or not present on the floor. I will not argue that point. But that happens on every measure, on every amendment that is offered here. There are times when we, in proposing something, believe in it so strongly we want every seat occupied.

But that does not happen.

The effort being made by Senator HANSEN would strike from the Clean Air Act a provision of considerable importance, and that action in the Senate was just a little more than 30 days ago. This authority which is sought to be repealed was included, as I have said and I underscore, in both Senate and House versions of our clean air amendments and contained in the final bill signed by President Carter on August 7 of this year. It was an amendment to the Senate bill that we believed was important.

I do not believe that this important authority to protect locally available coal and assure compliance with environmental standards should be repealed and certainly not without a period of trial and evaluation. It was adopted into law for what I believe to be sound policy reasons. Nothing has changed in the last month to alter those compelling reasons.

The provision that Senator HANSEN and his amendment would strike from the act has often been, I think, characterized in really an unfair way. This provision does not contribute to any balkanization. I said so during the debate in the Senate when it was originally a matter of concern. It will not create, as Senator BAYH has indicated, regional economic barriers. In fact, the locally available coal authority will do just the opposite. The careful use of that authority will serve to prevent economic competition between sections of the Nation in reference to the use of coal.

The provision in question allows the President, or in certain circumstances a Governor, or the designee of the President, to order the use of locally or regionally available coal, if a loss of jobs or other local or regional economic disruption would occur with the use of nonlocal coal or other fuel.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. RANDOLPH. May I have 1 additional minute?

Mr. METZENBAUM. There are 2 minutes remaining?

The PRESIDING OFFICER. The Senator is correct.

The Senator from West Virginia is recognized for 1 additional minute.

Mr. RANDOLPH. Additional requirements I think are very important because they are necessary to comply with the Clean Air Act. They may also be imposed on a source ordered to burn locally available coal.

We have said it often in this debate and before, and I for one have said it many, many times personally. The energy concerns of America can be substantially alleviated by the expanded use of coal. That is what we are doing here in the bill that is now before us. When we talk of the use of coal, it must be the profitable use of coal, profitable for small companies, as well as for large companies. I firmly believe that this greater use of coal must not be undertaken at the expense of a clean environment. Coal can be mined and burned environmentally in sound and clean ways. And the Clean Air Act requires this in the facilitation of the increased use of coal.

The technology exists to permit the burning of coal without environmental damage. Such continuous controls are required by the Clean Air Act. In certain instances, installations that use coal are attempting to meet air quality standards by using low sulfur coal. That can be a correct and practical approach. But it can cause hardship and local economic disruption.

There have been instances when users have chosen to import coal from other States or regions, even when an ample supply of coal was close at hand. In

some cases the local coal had a higher sulfur content and burning it would require installation of pollution control equipment—a step some users are, frankly, unwilling to take.

Such instances, Mr. President, have occurred in my own State of West Virginia. Coal companies within the State have been bypassed in favor of lower sulfur coal from outside West Virginia. This has taken place even when low sulfur West Virginia coal was available. In one county alone in West Virginia, a loss of perhaps 1,400 miners' jobs was possible because of the importation of coal rather than using that available nearby.

We should not allow a situation to exist where there is conflict and competition between eastern and western coal. There will be ample need for coal from all areas of the Nation as we expand our total use of this fuel. Users of coal should take advantage of the supplies which are most readily available, and also avoid the energy costs of long-distance transportation of coal.

The language of the Clean Air Act which Senator HANSEN's amendment seeks to repeal, allows a directive to burn locally available coal only after a finding that economic hardship would result locally from the use of coal from other areas or other fuels.

There were some Members of the Senate who originally opposed this provision because they felt it should not be included among clean air amendments. That it more properly belonged in an energy bill. But it was added to that clean air bill, and is now part of the clean air law. It does not make any sense to use an energy bill to try to remove it from existing law.

The purpose of the Metzenbaum-Randolph amendment is to support the structure of the Clean Air Act, adjusting it to meet energy and related economic needs. It has the obvious benefit of encouraging the use of locally available coal. At the same time, this authority reduces the pressure to weaken the requirements of the Clean Air Act for those who would resist the installation of emission control equipment.

This aspect of existing law is a balanced approach to the problem, and I urge the rejection of the amendment which would repeal it.

Mr. METZENBAUM. Mr. President, I wish to point out to the distinguished Senator from Wyoming that from the standpoint of pollution, this amendment when it was originally considered, as I pointed out, had the support of the National Clean Air Coalition, the Environmental Policy Center, and the Sierra Club, and beyond that it has the support of all of the workers, the United Mine Workers, AFL–CIO, United Steel Workers, and the United Transportation Union; and it also has the support of ConRail.

I believe that we have rehashed this matter enough. Mr. President, my time I think has expired, and I think the time of the Senator from Wyoming has expired, if I understand correctly.

The PRESIDING OFFICER. The Senator from Wyoming has 4 minutes remaining.

Mr. METZENBAUM. At the appropriate time I wish to make a motion to lay the proposed amendment on the table, and I understand it can only be made after the time has all expired; is that correct?

The PRESIDING OFFICER. That is correct, or yielded back.

Mr. METZENBAUM. I thank the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. HANSEN. Mr. President, I point out what could very well happen under the law as it is presently drafted. Let us assume that the State of Ohio or West Virginia is determined to be an area where unemployment is a problem. So the Governor, acting under the authority contained now in the Clean Air Act, says, "You cannot bring coal in from any other part of the country." That is clearly an action that could be taken.

Then let us assume that a wildcat strike breaks out. That is exactly the situation now in Appalachia. That is what is happening today. Are we as a result of the Clean Air Act as it now stands, going to tie our Nation's hands and deny to the utilities in the area of the country that would be served by those mines shut down by a wildcat strike the coal that they need for survival? I would hope that we would not be so naive as to think that that is good national policy. Yet that is precisely what can happen today under the Metzenbaum amendment. It can happen now.

I think that this amendment deserves an up and down vote. I would hope that when the motion is made by the distinguished Senator from Ohio to table this amendment that that tabling motion not prevail and that Senators will have an opportunity to vote on this amendment on its merits. It seems to me to be in the national interest not to take such a foolhardy action as would result from leaving this law unchanged.

I yield back the remainder of my time in order that my friend from Ohio may move to table my motion.

Mr. METZENBAUM. Mr. President, I move to table.

Mr. HANSEN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays are ordered on the motion to table. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. HANSEN. Regular order, Mr. President.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. HUMPHREY), the Senator from Alaska (Mr. GRAVEL), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Montana (Mr. METCALF) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), would vote "yea."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Michigan (Mr. GRIFFIN), the Senator from Oregon (Mr. HATFIELD), the Senator from Maryland (Mr. MATHIAS), and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea".

The result was announced—yeas 44, nays 47, as follows:

[Rollcall Vote No. 353 Leg.]

YEAS—44

Abourezk	Heinz	Nelson
Anderson	Hollings	Pell
Bayh	Huddleston	Percy
Biden	Inouye	Proxmire
Byrd, Robert C.	Jackson	Randolph
Clark	Johnston	Ribicoff
Cranston	Kennedy	Riegle
Culver	Lugar	Sarbanes
DeConcini	Magnuson	Sasser
Durkin	Matsunaga	Schweiker
Eagleton	McGovern	Sparkman
Ford	McIntyre	Stone
Glenn	Metzenbaum	Williams
Hart	Morgan	Zorinsky
Haskell	Moynihan	

NAYS—47

Allen	Dole	Nunn
Baker	Domenici	Packwood
Bartlett	Eastland	Pearson
Bellmon	Garn	Roth
Bentsen	Goldwater	Schmitt
Bumpers	Hansen	Scott
Burdick	Hatch	Stafford
Byrd, Harry F., Jr.	Hathaway	Stennis
Cannon	Hayakawa	Stevens
Case	Helms	Stevenson
Chafee	Javits	Talmadge
Chiles	Laxalt	Thurmond
Church	Leahy	Tower
Curtis	Long	Wallop
Danforth	Melcher	Weicker
	Muskie	Young

NOT VOTING—9

Brooke	Hatfield	McClellan
Gravel	Humphrey	McClure
Griffin	Mathias	Metcalf

So the motion to lay Mr. HANSEN's amendment on the table was rejected.

Mr. HANSEN. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment.

Mr. HANSEN. Mr. President, I am willing to yield back any remaining time on the amendment, if the Senator from Ohio is also willing. I believe the issue has been adequately debated.

The PRESIDING OFFICER (Mr. LEAHY). There is no time remaining on the amendment.

Mr. METZENBAUM. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. METZENBAUM. The amendment is not germane to the pending legislation. The unanimous-consent order provides that it must be germane.

The PRESIDING OFFICER. The unanimous-consent agreement under which the bill is being considered requires germaneness of amendments. The amendment deals with a different subject, the Clean Air Act. The point of order is well taken.

Mr. METZENBAUM. I thank the Chair.

The PRESIDING OFFICER. The bill is open to further amendment.

Does the Senator from Louisiana seek recognition?

Mr. JOHNSTON. Yes, Mr. President.

Mr. ROBERT C. BYRD. Will the Senator yield to me?

Mr. JOHNSTON. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on any remaining amendments today be limited to 30 minutes, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

[Several Senators addressed the Chair.]

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. DOLE. Mr. President, the point of order is debatable.

The PRESIDING OFFICER. The point of order is not debatable unless it is submitted to the Senate, and this one was not. An appeal from the ruling of the Chair would be debatable.

Mr. HANSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HANSEN. Mr. President, I appeal the ruling of the Chair.

Mr. JOHNSTON. Mr. President——

Mr. HANSEN. Mr. President——

The PRESIDING OFFICER. The Chair had recognized the Senator from Louisiana, who yielded to the Senator from West Virginia. The Senator from West Virginia had finished and the Chair had again recognized the Senator from Louisiana. Does the Senator from Louisiana yield for the purposes of an appeal to be made from the ruling of the Chair?

Mr. JOHNSTON. Mr. President, who is making the request?

The PRESIDING OFFICER. The Senator from Wyoming is making the request.

Mr. JOHNSTON. I have a brief amendment. I do not want to deny the Senator his right to have a vote at this time, but I wonder if he would let me go ahead and finish this amendment.

The PRESIDING OFFICER. The Chair will advise the Senator from Louisiana if the Senator moves onto other business with another amendment, the question of an appeal would then be too late.

Mr. ROBERT C. BYRD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield?

Mr. JOHNSTON. I yield to the distinguished majority leader.

Mr. METZENBAUM. Mr. President, a parliamentary inquiry.

Mr. ROBERT C. BYRD. Mr. President, the Senator has yielded to me.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Will the Senate be in order so that the majority leader can be heard. The Chair notes that a number of conferences are going on among the staffs and other Senators. The Chair asks that the Senate be in order. The Chair is having an extremely difficult time hearing the majority leader or any other Senator.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, business has been transacted subsequent to the vote.

The PRESIDING OFFICER. The amendment was not laid down. There has been debate, however.

Mr. ROBERT C. BYRD. But business has been transacted.

I asked unanimous consent on a matter and the Senate agreed to it. Business has been transacted. Does not the point of order come too late?

The PRESIDING OFFICER. Does the Senator mean the appeal on the point of order?

Mr. ROBERT C. BYRD. Yes, the appeal.

The PRESIDING OFFICER. The Senator is correct. The Senator did make a unanimous-consent request and the Chair did rule on the unanimous-consent request. The Senator is correct that business has been transacted.

Mr. ROBERT C. BYRD. So the appeal comes too late.

The PRESIDING OFFICER. The Chair agrees with the Senator from West Virginia on that point.

Mr. ROBERT C. BYRD. I thank the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. ROBERT C. BYRD. Will the Senator yield further?

Mr. JOHNSTON. Yes, I shall yield further.

Mr. ROBERT C. BYRD. I hope that my friend from Wyoming takes no umbrage at my calling the attention of the Chair and the Senate to the procedure which has to be followed under the rules. Had the shoe been on the other foot, as the Senator well knows, I would have risen to protect his rights, as I did on a previous matter.

Mr. HANSEN. Mr. President, if the distinguished Senator from Louisiana will yield further, let me say that I appreciate very much the fairness that has been demonstrated by the majority leader. I am a great admirer of his and respect the evenhandedness which he has just displayed. I knew at the time that I could have appealed the ruling of the Chair. It seems to me that, on that issue, I would have had a difficult time trying to make the case.

I think the case has been made. I think the public and the Nation at large will understand very clearly that the Senate recognizes the wisdom of the amendment that I offered. It is clear from the vote of this body today that the Senate recognizes that the sort of scenario that I last spoke of could well take place. In such a case a Governor, acting under the authority that could be granted him by the President of the United States, could say to my good friend from Ohio, "We will not let coal from any other State come into Ohio."

Or a Governor could say to my good friend from West Virginia, "We will not let any coal from any other source come into this State because it may bring about economic disruption or unemployment."

Then we could have break out precisely the kind of situation I depicted. We could have a wildcat strike.

In such a case, it would not be a case of the absence of the resource but a matter of the inability of that State to produce coal to satisfy its needs. At that time, my good friend from West Virginia would be on this floor, saying:

> For heaven's sake, let us lay aside this rule or let us do something to get the Governor to reverse the decision. Because, despite the fact that we have coal in West Virginia, and despite the fact that competition from other coal producing states may bring about unemployment, that is not what happened. A wildcat strike broke out, and we have no coal to heat our houses or run our factories.

We may indeed be sorry that we did not amend this law, because that could well happen.

If we were dependent upon the coal that might be mined today in this great part of the country, a part of the country for which I have the highest respect, a part of the country represented by two very able and dear friends of mine, I can see that we would be in a real tough situation.

My good friend from Ohio says, let us not worry about that, let us give the law a chance to operate. However, it is clearly because I understand, and I think a majority of the Members of the Senate understand, what could happen that we voted to repeal that law. It has not been repealed.

I shall not further impose on the time of my good friend from Louisiana, but I do appreciate this opportunity to call attention to the fact that a majority of the Senate, right now, saw the wisdom in repealing a law that sooner or later will be repealed.

I thank my friend from Louisiana. I say again to my good friend, the majority leader, that he certainly earns the high regard in which he is held by all of us.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the colloquy just ended not be counted against the time of the Senator from Louisiana.

The PRESIDING OFFICER. Without objection, it is so orederd.

UP AMENDMENT NO. 768

Mr. JOHNSTON. Mr. President, I have an amendment in behalf of myself and Senator Stone which I ask to have considered immediately.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Louisiana (Mr. JOHNSTON) for himself and Mr. STONE, proposes Unprinted Amendment 768.

Mr. JOHNSTON. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 67, after line 25, delete the period and insert the following:
>
> ", *Provided*, that a new major fuel burning installation which is by design not capable of consuming fuel at a fuel heat input rate of three hundred million British thermal units per hour or more shall not be subject to the prohibition set forth in this section with respect to petroleum."

Mr. JOHNSTON Mr. President, I shall be very brief. This is a very simple

amendment. I hope the manager of the bill listens carefully, because I think he can accept it, and I hope my colleagues will listen carefully because it is simple and it is important.

Under the bill as presently written, a major fuel burning installation which would be required to burn coal is one which burns 100 million Btu's per day or less. My amendment says that a major fuel burning installation is one which burns 300 million Btu's or less, provided they burn petroleum.

The reason for this is very simple, Mr. President. We ought to discourage—fuel-burning installations from burning natural gas. They ought to be required to switch to coal. That is not true with respect to residual fuel oil. In other words, what this amendment would do is allow a single fuel-burning installation to burn residual fuel oil up to 300 million Btu's per day. They would not be stuck with the problem of having to convert to coal

Why should we allow the burning of residual fuel oil? First, there is the very obvious environmental question. That is, the burning of coal produces not only the fly ash but the SO_2 in rather great quantities. This amendment, by allowing the burning of petroleum, particularly residual fuel oil, would be an environmental plus. But, frankly, that is not the biggest reason. The biggest reason is that we have a glut of residual fuel oil in this country and we are going to have to find a market for that residual fuel oil. This applies only to new facilities.

Mr. President, right at the present time, there is an oversupply in this country of heavy sour crude. All of the Alaskan pipeline crude that is coming in is heavy gravity sour crude. There is now no market for that heavy gravity sour crude.

I say there is no market for it. There are at least 500,000 barrels today for which there is no market and for which there is no refining capacity. The same thing is true of our domestic supply other than Alaskan crude. Our percentage of sweet crude reserves in this country has fallen to 42 percent. The other 58 percent is heavy gravity sour crude—with no refining capacity, no market for the sour crude.

The same thing is true in the Middle East, Mr. President. OPEC's supply of heavy gravity sour crude is 5.5 times greater than its supply of low-gravity sweet crude.

What are we going to do with the sour crude—with the Alaskan crude, for example—in this country? They wanted to send it to Japan on exchange, because Japan has some refining capacity and they can burn residual in Japan. The President said, No, we want to keep our heavy gravity sour crude in this country. Well, what are we going to do with it? We do not have a use for it; we do not have refining capacity.

We are presently working, in the Energy Committee, on a bill to encourage the building of refining capacity that will refine this heavy gravity sour crude and that will have some refineries that can handle it. At present, we do not. But we can build all the refineries in the world and if we do not have a market for it, then we cannot use it.

The final reason, Mr. President, is that when we burn fuel oil, when we burn residual fuel oil, we are not taking that oil from another customer in the same way we do with natural gas.

I strongly agree that we should not allow the natural gas to be used in major fuel burning installations because if we burn the natural gas in my State, for example, it takes away from the supply somewhere else.

That is not so with heavy resid because it is in oversupply right now. We just do not have the market for that Alaskan crude right now.

One final reason, Mr. President. The technology for burning coal is evolving right now. We are working on new technology of fluidized bed. It is a proven technology, but not fully demonstrated. We are working on MHD. We are working on combined power fuels, ways of burning coal that may make it environmentally safe to burn.

The scrubber, the technology to which we are now married, is, first of all, extremely expensive, and second, environmentally a long way from what it should be. It does not take care of any of the SO_2 completely. It does not do anything for the sulfates and it produces a sludge, and we do not have a place to do away with the sludge.

What this amendment would do is give us a chance to take this resid, which is going to be in oversupply for a long time to come, to be able to use that and keep the environment cleaner in the process and yet not take any fuel, any precious fuel like natural gas, away from somebody else.

I hope the committee can accept this. I know we had discussion about an amendment similar to this in committee, but that amendment in committee also involved natural gas.

I ask the distinguished chairman to consider that this involves residual fuel oil which is in oversupply at this time.

Mr. HASKELL. Mr. President, I say to the distinguished Senator from Louisiana that he is quite correct, that the discussion in committee revolved around both gas and oil.

I also know that the committee turned that particular item down.

However, there was considerable discussion, when we get in this category between 100 and 300, of whether or not the majority of people might not be exempted under the act.

I am inclined, Mr. President, speaking for the majority, to accept this amendment, but with a proviso. If the Senator from Louisiana could amend his amendment so that the study which we adopted yesterday, it was amendment No. 753, a 1-year study with a report, would cover this particular situation. In other words, in 1 year we could be informed by the FEA as to the effect, the scope of the Senator's amendment, how many people does it let out, is the Senator well informed when he says there is a glut of residual fuel, how much oil we might be saving if we did not adopt the Senator's amendment.

If we could put this situation under that study so that in a year we would really know where we stand, I would accept the Senator's amendment.

Mr. JOHNSTON. Could we allow the amendment to take effect, have it studied? I submit to the Senator, it is very clear what I said about a glut of resid. That is beyond question, I submit. I think the figures already exist.

The market condition on the west coast is in very difficult condition. In other words, if we could allow this to proceed for the year pending the study and then if the study should, for some unknown reason, come in unfavorably, we could come in and change it.

Mr. HASKELL. Mr. President, I should mention to the——

Mr. JOHNSTON. Does the Senator mean to exempt it now and then put it back in?

Mr. HASKELL. Yes. My thought is to accept the Senator's amendment, but instruct the FEA to come back, analyzing the effect of the Senator's amendment within a 1-year period, and then if the FEA decides that the effect is very adverse and if the committee similarly decides, then we would repeal the Senator's amendment.

But I think it is essential that in some parliamentary form we be sure that the study covers this situation.

In order to give the staff a little time to work this out, I am going to suggest the absence of a quorum if that would seem in order.

Mr. JOHNSTON. Yes, that would be agreeable.

Mr. HASKELL. Mr. President, I suggest the absence of a quorum.

Mr. HANSEN. Will the Senator withhold that for a moment?

Mr. HASKELL. Yes, I withhold it.

Mr. HANSEN. Mr. President, I think this is a good amendment. I hope it will be accepted.

It seems to me, to state as succinctly as I can the reasons for my supporting it. It will help small industrial facilities by eliminating redtape. It will get these facilities off gas.

The size of these facilities does not lend them to the easy use of coal, and the savings of residential oil that would result if this amendment fails is significant.

I hope that the Senate will accept the amendment.

Mr. HASKELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HASKELL. Equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I amend my amendment by striking the quotation marks and the period at the end of the amendment and a semicolon and adding the following language:

Provided further, That the Federal Energy Administration shall study the effect of this provision and report the results of said study to the Committee on Energy and Natural Resources of the Senate and the Interstate and Foreign Commerce Committee of the House not later than September 15, 1978.

The PRESIDING OFFICER. Will the Senator send the modification to the desk?

Mr. JOHNSTON. Yes.

The PRESIDING OFFICER. The amendment is so modified.

The modified amendment is as follows:

On Page 67, after line 25, delete the period and insert the following:

", *Provided*, That a new major fuel burning installation which is by design not capable of consuming fuel at a fuel heat input rate of three hundred million British thermal units per hour or more shall not be subject to the prohibition set forth in this section with respect to petroleum; provided further, that the Federal Energy Administration shall study the effect of this provision and report the results of said study to the Committee on Energy and Natural Resources of the Senate and the Interstate and Foreign Commerce Committee of the House not later than September 15, 1978."

Mr. HASKELL. Mr. President, the Senator's amendment as modified is acceptable to me, and I assume it is acceptable to the Senator from Wyoming.

Mr. JOHNSTON. I yield back the remainder of my time. I believe the Senator from Wyoming already has spoken on that.

Mr. HASKELL. The Senator from Wyoming was satisfied with the amendment prior to the modification, so I presume he is satisfied with it now.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, without objection the amendment, as modified, is agreed to.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HASKELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 769

Mr. HUDDLESTON. Mr. President, on behalf of myself and Mr. FORD, I send to the desk an unprinted amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON), for himself and Mr. FORD, proposes an unprinted amendment numbered 769.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 139, after line 2, insert the following section:

SEC. 314 (a) The Secretary of Commerce shall immediately convene a federal-state task force composed of representatives of the Department of Housing and Urban Development, the Department of Health, Education, and Welfare, the Environmental Protection Agency, the Appalachian Regional Commission, the Farmers' Home Administration, the Department of Energy, the Department of the Interior, the Office of Management and Budget, the Department of Transportation, and the National Governors' Conference as well as such other federal agencies as the Secretary shall designate. To develop the basis for comprehensive new federal initiatives in impact assistance, the task force shall conduct an intensive review and evaluation of existing federal programs which provide assistance to states and local communities in alleviating the socioeconomic impacts of rapid energy development.

(b) The task force shall gather data and information on—

(1) the level of assistance provided under existing programs related to impact assistance.

(2) the timeliness of assistance in meeting impacts caused by federal decisions on energy policy as well as private sector decisions, and

(3) the obstacles to effective assistance contained in regulations of eixsting programs related to impact assistance.

(c) The task force shall recommend—

(1) techniques to improve coordination between existing programs,

(2) options for new comprehensive federal initiatives (in addition to those specified in Section 306 of this Act) including but not limited to new grant and loan programs to deal with financing and providing housing, sewer and water systems, transportation, health care services, schools, and other public infrastructure needs in energy development impacted areas, and

(3) selection of a lead agency responsible for the centralized delivery of federal impact assistance.

(d) No later than three months after the date of enactment of this Act, the Secretary of Commerce shall deliver to the President and to both Houses of Congress a comprehensive report detailing the findings and recommendations of the task force pursuant to subsections (a), (b), and (c) of this section.

Mr. HUDDLESTON. Mr. President, this bill signifies a major step toward our commitment to placing coal in the forefront of our efforts to meet the energy shortage head on and achieve the maximum possible energy self-sufficiency. It will mean that coal production will have to expand dramatically—to as much as 1.1 billion tons by 1985. And, in turn, this rapid expansion will mean extensive socioeconomic impacts in the areas where this development will take place. To be sure, many of the effects will be beneficial. Expanded coal production can mean jobs and a new level of prosperity in some of the most economically depressed parts of our country.

But it will also put new strains on the entire spectrum of services and facilities in those areas—many of which already are strained beyond reasonable limits. It will increase demands on housing, sewer and water systems, transportation, health care, schools, law enforcement and all other public and private infrastructures in energy-impacted areas.

The bill reported by the Energy Committee recognizes this and wisely provides for planning grants to study impacts in such areas of the development boom and to determine housing and service needs. There is no doubt in my mind that this assistance for planning at the local level is needed immediately so that State and local governments can intelligently deal with the boomtown situations already developing.

At the same time, however, we need to get a national grip on the problem to determine how adverse impacts can be alleviated and what the Federal role properly should be.

For example, nowhere is there a clear statement of what the Federal role should be in the maintenance of an adequate transportation system for energy supplies from place of origin to place of use. A national resource demands the attention of the national Government.

Thus, the amendment which I am proposing today directs the Secretary of Commerce to convene a Federal-State task force composed of the representatives of HUD, HEW, EPA, ARC, FmHA, DOE, DOI, OMB, DOT, the National Governors Conferences as well as such others as the Secretary shall designate to evaluate existing Federal programs and develop the basis for comprehensive new Federal initiatives to provide assistance to States and local communities in alleviating the socioeconomic impacts of rapid energy development. The task force would be directed to report to the President and the Congress on its findings and recommendations within 3 months after the date of enactment of this act.

Mr. President, I believe that this amendment has been scrutinized by both sides of the aisle and has been found to be acceptable. I yield to the distinguished floor manager of the bill.

Mr. HASKELL. The Senator from Kentucky is right. The microscope has been applied. Speaking for myself, I consider it a meritorious amendment on which no flyspecks were found.

Mr. HUDDLESTON. I thank the Senator.

Mr. HASKELL. I believe I can speak for the Senator from Wyoming, that he would be willing to accept this amendment.

Mr. RANDOLPH. Mr. President, I am pleased to join with my distinguished colleagues from Kentucky (Mr. HUDDLESTON and Mr. FORD) in establishing a task force under the direction of the Secretary of Commerce to review all Federal efforts providing impact assistance to States and local communities undergoing rapid energy development.

These Senators know, as I do, that it will take intensive national efforts to increase coal production. This cannot be accomplished without substantial increases in employment. The influx of employees into these impacted areas will strain community facilities, housing, and services.

The Energy and Natural Resources Committee recognized this need in section 306 of the Coal Conversion Act, just as I did in amending that section earlier to assure impact assistance was granted on significant increases in employment.

I think the administration must attempt to coordinate all Federal efforts to assure communities of the type and kind of aid they can expect to receive.

Mr. HANSEN. Mr. President, the Senator from Wyoming is impressed with the amendment offered by the distinguished Senator from Kentucky. I am happy to support it. I yield back the remainder of my time.

Mr. HASKELL. I yield back the remainder of my time.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the Senator from West Virginia (Mr. RANDOLPH) be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

All time having been yielded back, without objection, the amendment is agreed to.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HASKELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 770

Mr. GLENN. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an unprinted amendment numbered 770.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 118, at the end of line 8, add the following new sentence: "Notwithstanding section 402(d)(1) of the Department of Energy Organization Act, after the effective date of such section, the Secretary of Energy shall have jurisdiction to hear and determine matters required by this subsection to be determined on the record. The Federal Energy Regulatory Commission shall have no jurisdiction to hear and determine any such matter unless such matter is assigned to such Commission pursuant to section 402(e) of such Act."

Mr. GLENN. Mr. President, I ask unanimous consent that Lyle Morris and Leonard Bickwit be granted the privilege of the floor during the consideration of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, this will take just a couple of minutes. We have agreement on both sides of the aisle. I will state briefly the purpose of this amendment, which I regard as basically technical in nature. It is designed to avoid an unfortunate result of the meshing of this bill with the recently passed Department of Energy Organization Act—a result which I believe is not intended by the sponsors of either piece of legislation.

The problem is this. Section 402(d)(1) of the Department of Energy Organization Act specifies that all matters required by law to be determined on the record after an opportunity for an agency hearing shall be under the jurisdiction of the Federal Energy Regulatory Commission as opposed to the Secretary of the new Department of Energy. Since on the record proceedings involve trial type adjudicatory procedures and since the Commission was intended to function in part as the adjudicatory arm of the new Department, this provision was appropriately included in the law.

It was understood by the sponsors, however, that certain significant energy policy determinations—even if arrived at by on the record proceedings—logically should be left to the jurisdiction of the Nation's chief energy policymaker, the Secretary of Energy. Accordingly, specific exemptions from section 402(d)(1) were provided to allow the Secretary to continue to make certain leasing decisions under the Energy Policy and Conservation Act of 1975, even though such decisions are required by law to be made on the record.

The coal conversion legislation we are now considering requires that certain important policy decisions essential to the administration of the law will be made through the use of formal on-the-record procedures. Section 301(d) of the bill provides that applications for exemptions from the basic requirements of the act shall be submitted to the Federal Energy Administration which shall determine after on-the-record hearings whether such exemptions should be granted. If not amended, section 301 thus would require that, once the FEA's functions were transferred to the new Department of Energy, decisions on these exemptions, because of their formal adjudicatory nature, would be required to be made by the Federal Energy Regulatory Commission and not the Secretary of Energy. In other words, without an amendment, it would be the Commission which would be making many of the most important policy decisions under the coal conversion legislation we are considering.

Mr. President, I do not believe that was the intention of the Energy Committee; nor do I believe it is the intent of those on the Senate Governmental Affairs Committee who were most instrumental in moving the Department of Energy Organization Act through the Congress. In none of our discussions involving the DOE Act was it ever suggested that significant policy decisions in the coal conversion area should be assigned to the new Federal Energy Regulatory Commission.

My amendment would avoid that result. It would simply specify that, notwithstanding the on-the-record nature of the determinations regarding exceptions and exemptions under the act, the Secretary of Energy would be responsible for such determinations. The Secretary, of course, could assign these functions to the Commission but would be under no obligation to do so. This amendment is supported by the administration, and I do not anticipate that it will cause anyone in the Chamber any problems. If I am right in that assessment, I would hope that we could move quickly to adopt the amendment by voice vote.

Mr. HASKELL. Mr. President, I would like to ask the Senator from Ohio if my understanding is correct. This bill, this coal conservation bill, obviously provides for hearings for exemptions, for example, permanent exemptions and temporary exemptions. My understanding is that the Senator is saying under the Department of Energy bill this type of hearing is normally held at the secretarial level, with appeal to the three-man or woman or mixed administrative board; is that correct?

Mr. GLENN. I am not sure that was exactly correct.

Mr. HASKELL. What I was understanding we were trying to do was to make the procedures under this coal conversion bill conform to the procedures provided for in the Department of Energy bill.

Mr. GLENN. That is absolutely correct.

Mr. HASKELL. And my understanding is that under the Department of Energy the type of hearing prescribed in this coal conversion bill would normally not go directly to the three-person board; am I correct in that?

Mr. GLENN. Well, yes, I think that is correct. Under the DOE bill anything that is on the record must go to the Federal Energy Regulatory Commission.

Under this bill we are considering now any exemptions would also have to be on-the-record proceedings, so it would mean unless we had this amendment anything done under this bill would automatically go to that Federal Energy Regulatory Commission, and that would bog them down completely if there were a number of exemptions. So this would give the flexibility of the Department of Energy Secretary being able to take care of these in his own shop or refer it to the Federal Energy Regulatory Commission if he felt it was appropriate to do so.

Mr. HASKELL. I will say to my friend from Ohio what I am trying to do is to be sure that by accepting the amendment the hearings prescribed in here, let us say they involve something that is now in the Department of Energy, would normally take place not on-the-record at the secretarial level.

Mr. GLENN. That is correct.

Mr. HASKELL. Well, with that understanding then I would be pleased to accept the Senator's amendment.

Mr. DOMENICI. Mr. President, on behalf of the minority we concur that the Senator from Ohio has added to the bill in that it will be more expeditious and probably the kind of exemptions that are being asked for are in the nature of those that should be made by the executive rather than a board, and we have no objection to the amendment.

Mr. GLENN. I thank the distinguished Senator, and I yield back my time.

Mr. HASKELL. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

UP AMENDMENT NO. 771

Mr. HASKELL. Mr. President, I have an amendment on behalf of the distinguished Senator from Maine (Mr. MUSKIE). This amendment I understand has been cleared with the minority, and I send this to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL) for the Senator from Maine (Mr. MUSKIE) proposes unprinted amendment No. 771.

Mr. HASKELL. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, further reading is dispensed with.

The amendment is as follows:

On page 131, line 14, after the period strike all that follows through page 132, line 7, and insert the following:

"(a) In the event the President declares a severe energy supply interruption, as defined in section 3(8) of the Energy Policy and Conservation Act, as amended, the Administrator may, by order, prohibit an electric power plant or major fuel-burning installation using natural gas or petroleum as a primary energy source from so using natural gas or petroleum for the duration of such interruption. Any suspension of emission limitations or other requirments of applicable implementation plans as defined in section 110(d) of the Clean Air Act required by such prohibition shall be issued only in accordance with section 110(f) of the Clean Air Act."

ENERGY EMERGENCY AUTHORITY

Mr. MUSKIE. Mr. President, since the time when S. 977 was reported by the Committee on Energy and Natural Resources, the Clean Air Act Amendments of 1977 have cleared the House-Senate conference and became Public Law 95–95. That law contains a new section 110 (f) of the Clear Air Act providing authority to deal with energy emergencies such as blackouts, natural gas curtailments or oil embargoes. Therefore, an amendment would be appropriate to section 308(a), the emergency powers section of this bill, to bring it into conformity with the Clean Air Act, as amended.

Thus, if the President declares a "severe energy supply interruption" in accordance with the Energy Policy and Conservation Act, then the Administrator of FEA—or the successor—may prohibit use of natural gas or petroleum as a primary energy source by any powerplant or major fuel burning installation for the duration of such interruption, just as in the committee bill. However, if that prohibition makes necessary a suspension of an air quality requirement, the procedures of the Clean Air Act—section 110(f)—will be used in issuing such a suspension.

Section 110(f) of the Clean Air Act allows the Governor of a State to issue a temporary emergency suspension of any part of the applicable implementation plan for air quality if the President has determined that a national—or regional—energy emergency exists of such severity that the suspension may be necessary. If the emergency appears likely to persist the State has recourse to measures authorized by the Clean Air Act; for example, the issuance of delayed compliance orders or the revision of the State's plan.

I understand that this approach is acceptable to the distinguished floor manager of the bill, and I trust that other Members will agree.

Mr. HASKELL. Mr. President, this amendment is satisfactory to me as the floor manager. It is my understanding it is acceptable to the minority and, therefore, I yield back my time.

Mr. DOMENICI. The minority concurs that the amendment is appropriate, and we have no objection. I yield back our time.

The PRESIDING OFFICER. All time being yielded back, the question is on agreeing to the amendment of the Senator from Maine.

The amendment was agreed to.

UP AMENDMENT NO. 772

Mr. HASKELL. Mr. President, I again send another amendment to the desk on behalf of Mr. MUSKIE.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL), for the Senator from Maine (Mr. MUSKIE), proposes unprinted amendment No. 772.

Mr. HASKELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

On page 63, line 14, strike "or" and insert after the word "State" the following: 'or local".

On page 63, line 22, insert a period before the colon and strike all through page 64, line 5.

At the appropriate place in Title III, insert the following new section:

"SEC. . No temporary exception or permanent exemption shall be granted pursuant to sections 105(a)(2)(A), 106(a)(1)(A), 206(a)(1)(B), and 207(a)(1) of this Act if the Administrator determines that such exception or exemption would be required because of the adoption of a local government standard, limitation or requirement applicable to environmental pollutants or disposal of solid waste or residues resulting from the combination of coal or other fuels or the operation of air pollution control equipment."

Mr. MUSKIE. Mr. President, I would like to seek clarification of some of the provisions of S. 977 as they relate to environmental requirements. If a locality has adopted a requirement for sources which is more stringent than Federal or State requirements or adopted a more stringent air quality standard, it is the intent of S. 977 that such requirements must be met by any facility affected by this bill; is that correct?

Mr. HASKELL. That is correct. Local requirements are not preempted under this legislation. However, a source may not get an exemption from the requirement to burn coal as a result of local environmental requirements. The owner has the choice of using fuel other than petroleum or natural gas and meeting the standard or moving to a different site. The source does not have the choice of seeking an exemption which would allow the use of oil or natural gas.

Mr. MUSKIE. So the intent of sections 103 and 104 is not to preempt local requirements. The intent is to disallow an exemption under sections 105, 106, 206, and 207 to be based on such local requirements. Therefore, if a source could not burn coal and meet local standards, the facility would have to be moved to a site where all standards and requirements could be met. The source could not argue that the definition on page 63 preempted the local requirements and only left the Federal and State requirements as binding on the source.

Mr. HASKELL. That is correct.

Mr. MUSKIE. In order to clarify the question, I understand the committee intends to accept a technical amendment which carries out the discussion of intent we have just concluded. Is that correct?

Mr. HASKELL. That is correct.

The Clean Air Act presently sets forth certain Federal requirements. The State then must establish standards which have to be federally approved.

And under some State laws, like New York and California, local governments can establish standards, but they have to be approved by the State.

Under State law the local requirement in effect becomes a part of the State standards as they pretain to that area.

For example, a local government may undertake to set standards that are in conflict with, whether higher or lower, than State law. The procedure is for the local government to submit their proposal to the State agency. After appropriate hearings and findings, then the State agency in effect can make the local ordinance a part of State law. Such actions by local government would not be excluded.

Under S. 977 before an air pollution requirement can be considered in an applicable environmental requirement it must be contained in the State implementation plan which has been federally approved pursuant to the Clean Air Act. To the extent that local requirements are contained in that plan, they are considered applicable environmental requirements.

But to the extent that local requirements are not contained in the State plan or have not been approved by the State government, they do not fall within the definition.

Therefore, other local restrictions would not be grounds for a waiver except in the discretion of the administration under sections 106(c) and 207(c). If no waiver were granted, then the local restriction would result in a prohibition of construction of any powerplant.

Mr. President, this amendment has been examined by myself and found satisfactory. It is my understanding it has been examined by the minority and found satisfactory.

Mr. DOMENICI. We have no objection. I yield back our time.

Mr. HASKELL. I yield back the remainder of my time and request that the amendment be adopted.

The PRESIDING OFFICER. All time being yielded back, the question is on agreeing to the amendment of the Senator from Maine.

The amendment was agreed to.

AMENDMENT NO. 835

Mr. DOMENICI. Mr. President, I call up my printed amendment number 835 and ask the clerk to report.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes printed amendment number 835.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 116, line 24, insert the following:

STUDY OF COMPLIANCE PROBLEM

SEC. 215. The Administrator shall conduct a study of the problems of compliance with this Act experienced by those electric utility systems which have a total system generating capacity of less than two thousand megawatts. The Administrator shall report his findings and his recommendations to the Congress not later than two years after the enactment of this Act.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I think the floor manager is familiar with this amendment. It is the study we require that the administration do on small utility systems, 2,000 megawatts or less.

We have been asked especially by the REA to have this evaluated rather quickly. It prescribes the study and indicates when a report should be made.

I believe the floor manager has indicated his approval and acceptance. If that is the case, I would yield back the remainder of my time.

Mr. HASKELL. Mr. President, I have examined amendment No. 835 proposed by the distinguished Senator from New Mexico and I concur that it is a meritorious amendment, and I would be perfectly willing to accept it, and I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open for further amendment. Are there further amendments?

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. METZENBAUM. I suggest it be equally divided. The purpose of doing it, Mr. President, is I have an amendment I wish to call up, but Senator JACKSON and Senator KENNEDY are both cosponsors of it, and I sent word for them to be on the floor. There is a limited——

Mr. FORD. Mr. President, reserving the right to object, I talked to the distinguished Senator from Washington, and he told me he did not intend to speak on the amendment.

Mr. METZENBAUM. Is that right?

Mr. FORD. That is what he told me. I do not know that it is necessary—I hope we will have 10 minutes each anyhow.

Mr. METZENBAUM. How much time is allowed on each of these amendments?

The PRESIDING OFFICER. Thirty minutes are allowed.

Mr. FORD. The unanimous-consent agreement gotten by the majority leader a few moments ago reduced all amendments to 20 minutes, 10 minutes to each side.

The PRESIDING OFFICER. The Chair's understanding is it is reduced to 30 minutes total. The Senator from Ohio has asked, as the Chair understands, that there be a quorum call of relatively short duration without the time being charged to either side; is that correct?

Mr. METZENBAUM. That is correct. I would just like to ascertain—I am certain the Senator from Kentucky states the fact correctly—but——

The PRESIDING OFFICER. Without objection, it is so ordered, and under those circumstances, the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator STONE from Florida be shown as an original cosponsor of the Domenici amendment that was just agreed to, the last agreed-to amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. DOMENICI. I am just putting back the quorum that the Senator from Ohio had on.

Mr. METZENBAUM. I am sorry.

Mr. DOMENICI. I obtained a unanimous-consent request and I was going to have the quorum call back on in behalf of the Senator from Ohio with the same request that he had as to whose time it be charged to.

Mr. METZENBAUM. I think I had proposed that it be split equallly between both sides.

Mr. DOMENICI. And that the time come off the bill.

Mr. METZENBAUM. Yes, off the bill, and now I am going to make two calls and I shall be right back.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. The Senator from Tennessee was seeking recognition.

Mr. SASSER. Mr. President, will the Senator withhold the request for a quorum call?

Mr. DOMENICI. I am delighted to.

The PRESIDING OFFICER. The request is withdrawn.

Who yields time?

Mr. SASSER. I send an amendment to the desk.

The PRESIDING OFFICER. Does the Senator from Colorado yield time?

Mr. SASSER. Will the Senator from Colorado yield me 5 minutes?

Mr. HASKELL. I believe that if the Senator from Tennessee has an amendment he can send it to the desk and then he has 15 minutes of his own time. I think I know what the amendment is and I think it is meritorious.

The PRESIDING OFFICER. The Senator from Colorado is correct.

Does the Senator from Tennessee send to the desk an amendment?

UP AMENDMENT NO. 773

Mr. SASSER. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. SASSER) proposes unprinted amendment No. 773.

Mr. SASSER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 140, between lines 5 and 6, insert the following and renumber subsequent sections accordingly.

COAL INDUSTRY PERFORMANCE AND COMPETITION STUDY

SEC. 7. (a) The President is hereby requested to make a complete investigation of the performance and competition of the coal industry. The study should be an interagency effort which shall include, but not be limited to, participation by—

(1) Federal Trade Commission,
(2) Department of Justice,
(3) Department of Energy,
(4) Department of Transportation,
(5) Department of Commerce,
(6) Council on Wage and Price Stability,
(7) Tennessee Valley Authority, and
(8) Appalachian Regional Commission.

(b) In particular the study shall consider the following elements relating to competition:

(1) interests in, ownership or production of coal reserves by firms which—

(A) own or have an interest in commodity transportation systems by rail, water or pipeline,

(B) own or produce oil, natural gas or uranium, and

(C) use significant amounts of coal in their processes, including electrical generation and steelmaking,

(2) prices, profitability, and levels of concentration in sales of various identifiable submarket structures in the coal industry, including but not limited to the market for—

(A) steam and metallurgical coal,

(B) low-sulfur coal,

(C) lignite, anthracite, bituminous and subbituminous coal,

(D) spot sales and long-term delivery contracts, and

(E) exports,

(3) overall profitability of coal operations,

(4) capital requirements, sources and uses of funds,

(5) vertical integration of production, cleaning, processing, gasification, liquefaction, transportation, marketing, distribution, combustion and other phases of the coal fuel cycle,

(6) the effect of interfuel ownership, vertical integration and market concentration upon innovation, efficiency, prices and profits,

(7) costs of production, transportation, processing and other components of coal prices for different regions and different types of mines,

(8) responsiveness of coal supply to market demand,

(9) productive capacity,

(10) productivity,

(11) economies and diseconomies of scale,

(12) distribution and flow of executive, managerial and technical personnel between the various coal producers,

(13) management and directorate interlocks,

(14) relationships to financial institutions,

(15) government-industry relationships, including lease bidding, technology, research, development, demonstration and transfer, and personnel movement,

(16) joint ventures, consortia and cross-ownership,

(17) identification of the major owners of coal industry stock,

(18) control of patents and technologies,

(19) barriers to greater competition in the market for coal, and

(20) Federal income tax policies.

(c) The study shall evaluate the economic and social impacts upon coal-producing counties and States of present and prospective land ownership patterns and levels of income, property, severance and other taxes paid by coal producers.

(d) The study shall evaluate public policies toward the export of metallurgical coal as they relate to—

(1) national security,

(2) national energy goals,

(3) balance of payments,

(4) comparative advantage in world trade,

(5) materials policy,

(6) United States and international reserves and resources, or

(7) likely future metallurgical technologies.

(e) Pursuant to the provisions of the preceding subsections of this section, the President shall submit to the Congress such interim reports as he deems advisable and, not later than twenty-four months following the date of the enactment of the Natural Gas and Petroleum Conservation and Coal Utilization Policy Act of 1977, a comprehensive and final report to the Congress containing the findings and recommendations of the President with respect to such study and investigation. Such recommendations may include such legislative and administrative actions as the President deems advisable.

(f) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for not to exceed 15 minutes.

Mr. SASSER. Mr. President, the amendment that I am offering is a very simple one. It simply requires the President to submit to Congress within 2 years a comprehensive study of the nature and performance of the coal industry.

There has been a great deal of discussion here this afternoon and on previous occasions about the growing concentration of coal resources in the hands of large energy industries. I think we owe it to the consumers of the Nation to examine this issue more carefully, and I urge this amendment be adopted to enable us to gain a more complete understanding of this complex problem.

Mr. President, yesterday the Tennessee Valley Authority released a study on the relationships which exist between the coal and oil industries. As it was reported in the Washington Post this morning, Chairman Aubrey Wagner was properly angry at what the study revealed: that the interlocking ownerships of oil and coal interests lead to less competition and unjustly higher prices for consumers.

I deplore this lack of competition and I think that we must take action to correct it.

The amendment I propose is designed to provide us with the information we need to put a stop to the increasing anticompetitive nature of the coal industry. It directs the President to submit to Congress within 2 years a comprehensive report on the nature and performance of the coal industry, with recommendations to insure that consumers may enjoy the full benefits of a vigorously competitive and productive coal industry. The study will draw on the resources of several Federal agencies, and will not be confined to an investigation of the state of the industry alone. It will also examine areas such as export and tax policy, as well as the far-reaching social and economic impacts which this coal conversion program will undoubtedly have.

The people of my State depend heavily on coal for their energy needs. The TVA, as a matter of record, is the Nation's largest single coal consumer. And it is alarming to be told in its report that TVA buys 67 percent of its coal from only eight companies, five of which are owned by large petroleum companies. Most of the oil and gas companies acquired their coal interests in the last 5 years, during which time the price of coal to TVA has jumped by about 400 percent.

Profits in the coal business today are no less impressive. While the average rate of return on common equity is 12 percent, return on investment for some coal companies reaches up to 50 percent. It is no wonder that consumers now pay higher prices for their electricity.

Mr. President, the price on coal is borne by each and every American consumer, whether through the direct costs of home electricity, or through the industrial uses of coal to produce goods. And the consumer also pays the price when prices are inflated in times of national trial, such as now.

We must acquire information. There is not enough information available for the Government of the United States to frame a coherent and rational policy to insure that the goals of coal conversion are met. We do not know basic information about coal company profits. We do not know about the sources and uses of funds in the coal industry. We do not know the full strength and extent of the coal industry's market power. We do not know enough about capital investment requirements. We do not know to what extent the coal producers control transportation. We do not know what the economies and diseconomies of scale are, or what it costs to mine coal in different places and using different coal-mining technologies.

Mr. President, I believe we owe it to the consumers of this Nation to include provisions in this energy legislation to prevent the heavily concentrated energy industry from gaining excessive, lavish profits by it. I believe this amendment is a step in that direction.

I agree that this program is essential to reduce our dependency on foreign sources of energy. Coal conversion will be a significant milestone in the history of this industrial democracy. But I think we must take prudent and positive steps to keep this chapter in American history from being recorded as one about "how to profit from an energy crisis."

I urge adoption of this amendment.

Mr. President, I ask unanimous consent that an article appearing in the Washington Post this morning on the TVA study of noncompetitive nature of the coal industry be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TVA OPPOSES ENERGY FUEL CONTROL BY OIL COMPANIES

(By J. P. Smith)

The Tennessee Valley Authority said yesterday that the spiraling rise in coal and uranium prices in recent years is due, in part to oil company ownership of coal and uranium interests.

"When one company owns all the sources of energy, you don't have competition," TVA head Aubrey J. Wagner said after releasing a report highly critical of integrated oil companies acquiring other fuel holdings.

Wagner said release of the three-volume report was timed to congressional debate today over a floor amendment Sen. Edward Kennedy (D-Mass.) will offer to prevent large oil and natural gas producers from buying up coal and uranium.

The report cites the four-fold rise in coal prices the last five years, and the three-fold jump in uranium prices since 1974. Some of the price boost the report says, "is accounted for by the uncompetitive structure of the coal and uranium markets."

The agency scores the trend since the late '60s and early '70s when many major oil companies moved into coal and uranium markets.

"Since the same group of energy companies which dominate the coal markets also dominate the uranium market, consumers are even deprived of the potential benefits of price and supply competition between those two substitute fuels," the study said.

TVA is the nation's largest coal user, consuming about 5 per cent of U.S. production, and expects to have 17 nuclear power plants in operation by 1986. The federal agency was created by Congress during the Depression and is the nation's largest utility, serving seven Southeastern states. The TVA's fuel costs have risen from $455 million in 1975 to over $730 million last year.

"The coal and uranium markets are so concentrated that any further mergers of large coal companies, uranium companies or energy companies will noticeably increase concentration and the likelihood of uncompetitive practices," the report said.

The report called for legislation preventing further acquisitions by large oil and other energy companies. "We are now endorsing legislation that would put a stop to further mergers for two or three years to determine whether it is in the public interest or not," Wagner said.

TVA also says it will take legal action to try to bar major acquisitions it considers to have anti-competitive implications even if the Federal Trade Commission and Justice Department do not file suits against such acquisitions.

The report is the result of an investigation of coal and uranium interests the agency undertook in April, 1976, but does not call for immediate legal action against mergers which have been completed.

Ironically, the TVA considered purchasing Peabody Coal Co., the agency's largest coal supplier, after Kennecott Copper Corp. was ordered to sell Peabody by the FTC three years ago. TVA later ruled out buying the coal company after widespread criticism that the purchase would have given a government agency a major role in the U.S. coal market.

S. David Freeman, recently named by President Carter to TVA's three-member board, said the report documents that "TVA has been facing a steadily more concentrated market structure. The price it has to pay do not reflect the kind of competition before the oil company takeovers."

Between 1970 and 1975, TVA residential customer's electrical rates nearly doubled.

The report details concentration of larger energy company holdings in the Midwest, Northern Great Plains, and Southwestern states. Concentration is not as heavy, the report said, in the Appalachian coal states, which now supply 30 per cent of TVA's coal needs.

Mr. SASSER. Mr. President, at this time I move passage of this amendment. It is my understanding that the amendment will be accepted by the distinguished manager of the bill and also by the ranking minority member.

Mr. HASKELL. Mr. President, the amendment is very satisfactory to me and I believe the same is true of the minority.

Mr. DOMENICI. The minority has no objection.

The PRESIDING OFFICER. Is all time yielded back?

Mr. HASKELL. I yield back my time.

Mr. SASSER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

UP AMENDMENT NO. 774

Mr. KENNEDY. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) on behalf of himself and Senators LEAHY and BROOKE proposes unprinted amendment No. 774.

On page 80, line 17, after "service." insert the following:

"In the case of a new electric powerplant which, as of April 20, 1977, has received a final decision from an appropriate State energy agency authorizing construction of such powerplant, certification by the appropriate State energy agency that such powerplant is necessary to prevent impairment of reliability of service shall be conclusive that a permanent exemption pursuant to this subsection is necessary to prevent impairment of reliability of service and require the granting of a permanent exemption by the Administrator pursuant to this subsection from the requirements and prohibitions of section 103 of this Act and the penalties of section 303 of this Act."

Mr. KENNEDY. Mr. President, I have talked to the manager of the bill and I believe the minority has also been informed.

The intent of this amendment is to speed the process of exemption from the conversion requirements of the act for those intermediate load powerplants which, prior to the announcement of the President's energy legislation on April 20, have received approval from a State regulatory agency for the construction of such a plant. The amendment says that where an appropriate State agency has, prior to April 20, approved a powerplant for construction and the State agency certifies to the FEA Administrator that the powerplant is necessary to maintain reliability of service, the Administrator shall consider the State determination to be conclusive evidence that the reliability requirement has been fulfilled and shall issue a permanent exemption within 30 days. In other words, this amendment supercedes any requirement that the FEA itself determine reliability. In this narrow case that determination is left to the State.

The virtue of this amendment is that it respects the action of State regulatory agencies and suppliers of electricity to the public who have agreed to construction of an intermediate load powerplant using oil or gas, where such an agreement was reached prior to April 20, 1977. In my opinion, such a criteria, when limited in its scope, is fully as appropriate as the act's requirement that construction has begun, as evidenced by the sinking of pilings or other evidence of construction as required in section 101.

It is completely consistent with the provisions of the bill.

I offer it and I have talked to the members of the staff as well as the manager of the bill and I believe it is acceptable.

Mr. FORD. Mr. President, representing the floor manager of the bill, I discussed the amendment of the Senator from Massachusetts with him, and he says it is perfectly agreeable with him and would suggest that it be agreed to by voice vote, and hopefully the other side of the aisle will agree to it also.

Mr. DOMENICI. We have no objection and yield back the remainder of our time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. FORD. I yield back the remainder of my time.

Mr. KENNEDY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

UP AMENDMENT NO. 775

Mr. KENNEDY. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes unprinted amendment No. 775.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 138, between lines 19 and 20, insert the following new section:

"ENERGY INFORMATION

"SEC. 314. Any energy information acquired, collected, or held by the Department of Energy shall be subject to the requirements of section 11(d) of the Energy Supply and Environmental Coordination Act of 1974, Public Law 93-319.".

The Table of Contents of the Energy Supply and Environmental Coordination Act of 1974, as amended by this Act, is further amended by adding immediately after

"Sec. 313. Reports."

the following:

"Sec. 314. Energy information.".

Mr. KENNEDY. Mr. President, in 1974 the Energy Supply and Environmental Coordination Act spelled out in very careful detail the powers of the Federal Energy Administration to acquire information. It also, in section 11(d), spelled out how that information was to be protected, how trade secrets were to be held as confidential, how there would be availability of information to those agencies of Government like the FTC and Justice Department that had a need for that information, and how Congress could gain access.

That is a very brief description. But those provisions were very important, and the bill containing them passed overwhelmingly in the House of Representatives and in the Senate.

This amendment insures that all energy information gathered by the Energy Department, whether obtained voluntarily or not, and whether obtained under the Energy Supply Act or under some other authority, will be subject to the provisions of that legislation we passed in 1975. At the current time FEA collects information under different statutes; therefore, it has different regulations and procedures dealing with such information. The result has been denial of some energy data held by FEA to the Attorney General and the FTC.

All this amendment is meant to do is provide a uniform application of laws to energy information. This will effectively reduce the burdens on business because they will not then have to respond to separate and overlapping requests by the different agencies of Government. It also reduces dramatically the potential for duplication of agency action which otherwise may be necessary if each agency wants to acquire particular information for its own purposes.

I think most of us would have assumed that this result was achieved under section 11 of the Energy Supply and Environmental Coordination Act because that really is what Congress intended, I believe. This will simply insure that all energy information in DOE will conform to that particular provision. My concern, unfortunately, is not academic.

Recent hearings before the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary have disclosed that the Department of Justice and the Federal Trade Commission are being denied the use of data and other information which lies in the files of their sister departments and agencies. Frankly, I am appalled at this situation and I am concerned that the problem will be perpetuated under the new Department of Energy.

The time is ripe for the Congress to correct the situation. The vigorous enforcement of the antitrust laws in the energy industries is crucial to the people of this country. With my proposed amendment we can make it abundantly clear that the Department of Energy does not have the authority to deny the Justice Department and the Federal Trade Commission information which those agencies believe they need to do their jobs and which is already stored or may be collected by or on behalf of the Department of Energy.

This is, after all, one Government. The departments and agencies of the Government must work closely together and share information if the people are to be served well. It is ludicrous to me that the giant energy companies seem to be able to treat each agency concerned with energy competition as separate governments whose files of company-provided energy data are immune from common analysis.

The problem is worse at the Interstate Commerce Commission where the FTC staff has been attempting to assist the ICC in its investigation of whether the ownership of common carrier pipelines by major vertically integrated petroleum companies is in violation of section 7 of the Clayton Antitrust Act. ICC Ex Parte 308 (Sub-No. 1). That section of the Clayton Act relates primarily to mergers and acquisitions; it is a provision with which the ICC has essentially no experience whereas the FTC and the Justice Department deal with it all the time. Despite the FTC's experience with section 7, its superior expertise in antitrust matters, and its long experience with petroleum problems, the ICC officer presiding over the proceeding concluded that the FTC staff could not have access to or make any analysis of the individual company data being provided to the ICC by the petroleum companies.

Now that the energy functions of agencies such as ERDA and the ICC, as well as FEA, are being transferred to the Department of Energy, it is incumbent upon Congress to make clear to DOE the importance we attach to the full participation of the antitrust agencies in the analysis of individual energy company data submitted to DOE or its predecessors. The amendment I propose would guarantee that the FTC and the Department of Justice will have access to all DOE-collected energy data and will be able to use that information for investigations and adjudicative proceedings under the antitrust laws and the FTC Act and for meaningful participation in DOE rulemakings and other proceedings.

This amendment is directly relevant to achieving definitive answers in studies to be made under the competition aspects of the national energy plan. It also is essential if the antitrust enforcement agencies are to fulfill their responsibilities under our antitrust laws.

I have had a chance to talk to the floor manager of the bill. This relates purely to the information sharing procedure, and I can give assurance that this does nothing to affect public disclosure. It adheres to section 11 of the Energy Supply and Environmental Coordination Act, and it will assure that all information that is gathered or held by the Energy Department falls only under that particular provision.

Mr. FORD. Mr. President, will the floor manager of the bill yield for a question as it relates to this amendment?

Mr. HASKELL. Certainly.

Mr. FORD. I am trying to put my thoughts together here. I am under the opinion that when we passed the Department of Energy legislation, the Department was specifically given this direction. It seems to me that we are trying to put the same thing on this bill that we have already mandated the Department to do, to come up with this program.

I would hate to see us not give any thought to what we have already passed, and pass something else and get at cross purposes.

Mr. HASKELL. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. Yes.

Mr. HASKELL. It is my understanding, I will say to the Senator from Kentucky, that this may well be the fact. In fact, when I first saw it I thought it was. But if it is, this amendment does no harm in saying the same thing over again, and it does deal with protections afforded to confidential information taken under the act. So I think it is an excellent proposal that the Senator from Massachusetts is offering. It may be in prior law. If it is, we can take it out in conference.

Mr. FORD. I just think we are going at cross purposes. This amendment tells them specifically what to do. I think under the Department of Energy legislation, they are given the responsibility of developing a program without any restrictions or curtailment, to come back with an energy program recommendation.

As I say, I think we are at cross purposes. I hope we will find out whether I am right or wrong without having an amendment on every bill that says the same thing, which does not make a whole lot of sense to me.

Mr. KENNEDY. Mr. President, if I may have the attention of the Senator from Kentucky, those particular provisions in the 1975 act were not carried forward for all information.

What happens is that the FEA claims that it still gets information under the other legislation, and therefore, they feel they are not bound by section 11 of the 1974 act if they have gathered information under other provisions. There may well be other information provisions in other legislation passed by this body, and this would make things uniform.

All we really wanted to make sure of in this particular measure is that all information that is gathered by FEA—all information—will follow the section 11 provisions of the 1975 act. But the FEA has interpreted the law so that if they gather information under section 11, those provisions will apply, but if they gather information under other legislation, then the other legislation will apply, and they will be guided by its restrictions or guidelines.

What we are attempting to do it get uniformity, because we have had complaints from industries that have provided information under one particular provision, and then have had to provide it under other provisions, and there is a duplicative burden put on those industries, as well as on the agencies that would have the ability to gather exactly the same information under section 11.

Mr. FORD. I accept the Senator's explanation. All I want is uniformity. Rather than going first under this bill and then under that bill, I wanted to make it clear.

Mr. KENNEDY. We want to make it as clear as we can in the legislation that the clear intention is that if they gather information in the future the provisions of section 11, will be applicable generally for all information that is gathered.

Mr. FORD. I understand.

Mr. KENNEDY. That particular provision has had very extensive hearings by committees in the Senate, and we went into it with great care and detail with industry and other groups; and it seems to me that those are very valuable guidelines that are not always being adhered to.

Mr. FORD. What the Senator is trying to do and what I want are identically the same thing. I hope he will arrive at that point.

Mr. KENNEDY. I thank the Senator.

Mr. HASKELL. Mr. President, as I have stated before, the amendment is satisfactory to me.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. HASKELL. I yield back the remainder of my time.

Mr. KENNEDY. All time is yielded back, Mr. President.

Mr. HANSEN. Mr. President, may I suggest the absence of a quorum, to be charged equally against both sides?

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HANSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, there is no objection so far as I know from this side of the aisle. We are willing to accept the amendment.

Mr. HASKELL. I yield back the remainder of my time.

Mr. HANSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 776

Mr. GLENN. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an unprinted amendment numbered 776.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. CANNON). Without objection, it is so ordered.

The amendment is as follows:

On page 134, between lines 13 and 14, add a new subsection to read as follows:

"(g) (1) In the event the President—

"(A) declares a severe energy supply interruption, as defined in section 3(8) of the Energy Policy and Conservation Act or

"(B) finds that a national or regional

shortage of natural gas exists or may exist which the President determines—

"(I) is, or is likely to be, of significant scope and duration, and of an emergency nature; and

"(II) causes, or may cause, major adverse impact on public health, safety or welfare or on the economy;

the Administrator may take such action as is authorized under paragraph (2) of this subsection.

"(2) Immediately upon a declaration or finding of the President under paragraph (1) of this subsection, the Administrator may, by order, prohibit any powerplant or major fuel burning installation from burning natural gas if the Administrator, in his discretion, determines that:

"(i) such powerplant or installation had on August 1, 1977 (or at any time thereafter) the capability to burn petroleum products,

"(ii) an order under section 203(a) of this Act has not been issued, with respect to such powerplant or installation,

"(iii) significant quantities of natural gas otherwise burned by such powerplant or installation would be saved prior to the expiration of the emergency period,

"(iv) petroleum products are expected to be available during the period the order is in effect;

"(3) The Administrator may specify in any order issued under this subsection the periods of time during which the order will be in effect and the quantity (or rate of use) of natural gas that may be burned by a powerplant or major fuel burning installation during such periods, including the burning of natural gas by a powerplant to meet peak load requirements.

"(4) Conversion to petroleum products pursuant to an order issued under this subsection shall not be deemed to be a modification for the purposes of paragraphs (2) and (4) of subsection 111(a) of the Clean Air Act, as amended.

"(5) The Administrator shall exempt from any order issued pursuant to this subsection the burning of natural gas for the necessary processes of ignition, startup, testing, and flame stabilization by a facility.

"(6) The Administrator shall modify or suspend any order issued pursuant to this subsection to the extent necessary to alleviate short-term air quality emergencies or other danger to the public health, or welfare.".

Mr. GLENN. Mr. President, the experience of last winter's severe natural gas shortage with its attendant hardships of business shutdowns and school closings revealed our excessive dependence upon natural gas. Existing law as amended by S. 977 will help alleviate that dependence on natural gas through conversions to coal. This law will similarly reduce our excessive dependence on oil through conversions from oil to coal. However, neither existing law nor S. 977 provides the Administrator with what I believe to be the needed additional flexibility during times of natural gas shortage to order conversions from gas to oil. My amendment would authorize such gas to oil conversions during natural gas supply emergencies declared by the President.

Under the terms of my amendment, the Administrator's authority to require such conversions would be narrowly limited. After the President's emergency declaration, the Administrator would have to determine that the facilities to be converted have the capability to burn oil on or after August 1, 1977, and are not subject to an order to burn coal under other provisions of S. 977. The Administrator must also determine that significant amounts of gas would be freed up by the facility during the emergency period.

The House-passed National Energy Act contains a provision similar to this amendment. Moreover, another provision similar to this amendment passed the Senate in the 94th Congress as part of S. 2310, the major natural gas legislation considered by the Congress. That provision was initially proposed by the Ford administration, which consistently supported its enactment. The entire bill, however, died in the House. The Carter administration would like to have this type of authority available for emergency situations and, therefore, also supports this concept. The administration position is that authority to order conversions from natural gas to oil during a natural gas emergency is appropriate as part of S. 977 and should be included.

If the provisions of my amendment were utilized during a natural gas emergency, much-needed natural gas could be freed-up for residential and other high priority uses. Existing curtailment authority would not be adequate to fully accomplish this objective. Last winter's natural gas shortage should not be quickly forgotten. We must prepare well ahead of time for what may be another difficult winter. Providing for adequate mechanisms to assure natural gas in emergencies to those hardest hit should be one of our highest priorities.

Mr. HASKELL. Mr. President, I really believe the idea contained in the amendment obviously is meritorious. The Energy Committee today, tomorrow, and probably Monday, will be marking up the natural gas amendments. This amendment, I am told—I have not had the chance to personally examine it but I am told—goes beyond what the Congress had previously authorized. I am sure the intent is good. As far as I know, the intent is carried out well in the drafting of the amendment. However, I will have to oppose this amendment not because I do not think it is necessarily a good idea, but because it deals with a subject that the committee is right at this minute considering. It really is only on that basis that I would oppose this amendment.

Mr. GLENN. I submit to the distinguished floor manager of the bill that the Natural Gas Act before, of course, ran into trouble last year. It had a similar provision in it to this. Of course, it died. It may well be a controversial piece of legislation again this year. There is precedent for considering gas measures in this bill. We have a provision in this bill now to prohibit electric utilities from burning gas, for instance, after 1990. So we are, in a way, already dealing with gas in this particular piece of legislation.

The reason I would like to see it in this particular bill is because winter is upon us. If we get into a lengthy debate with the natural gas bill, for whatever reason it does not pass in this session of Congress, with our limited legislative days left this year, then this additional flexibility, which the Ford administration, the Carter administration, and the Senate last year passed as part of S. 2310, would not be given to the administration this year. It could be very valuable if we find ourselves in a situation similar to last year.

The administration has indicated they do want it on this bill. We have their full support on this. I would urge the floor manager of the bill to accept this. I do not want to go to a record vote, but I would hope the floor manager could see his way clear to accept this provision. The minority, I believe, indicated their support for this earlier.

Mr. HASKELL. Mr. President, all I can do is reiterate what I said before. This very matter of natural gas is before the Energy Committee. This does go, at least the one that was at the desk before, beyond what the Congress did last year. I understand that in the House energy bill, as such—which is a very large package—something comparable to this is involved. For that reason, obviously, the matter would be in conference. If we want to go to a record vote, let us go to a record vote, but I cannot accept it.

Mr. GLENN. Mr. President, in that case, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HANSEN. Mr. President, may I observe that, in the opinion of the Senator from Wyoming, section 308(a)(1) of the bill, I believe, covers substantially what is intended to be handled by the amendment offered by the Senator from Ohio. In addition to the very cogent reasons which were stated for opposing the amendment by my friend from Colorado, the floor manager of the bill, I, too, would hope that the amendment might be rejected.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. HASKELL. Mr. President, I yield back my time.

Mr. GLENN. If the Chair will wait just a moment, we are checking the section just referred to by the Senator from Wyoming.

Mr. HANSEN. Page 131.

Mr. GLENN. I would ask the Senator from Wyoming and the distinguished floor manager of the bill on this side of the aisle if on page 131, to clarify that portion which was what our amendment would have done, really, if they would accept on line 19 after the word "petroleum" adding "or both"? That would clarify it and I would be happy to withdraw my amendment, if that would be acceptable.

Mr. HASKELL. Mr. President, I would have to say to the distinguished Senator from Ohio, I am a little slow in the upstairs department and I cannot operate quite that quickly. However, if it is meritorious, it is the kind of thing I would think we could push in conference. I just cannot that quickly absorb something, I say to the distinguished Senator.

Mr. HANSEN. If the Senator from Colorado would yield to me for an observation, I would say to my friend from Ohio it seems as though, and he suggests

inserting "or both" after "petroleum" in line 19—is that right?

Mr. GLENN. That is correct.

Mr. HANSEN. To pick it up, "or major fuel-burning installation using natural gas or petroleum."

It would seem to me that if such an installation used both, clearly this language would cover it anyway. Would that not be the feeling of my friend from Ohio?

Mr. GLENN. No. The intent of that in the words "or both" being added would be to convert from one to the other. Right now, by existing law, we cannot do that. We cannot convert now from gas to oil even though there might be a natural gas shortage and oil would be available. That is what we were trying to correct. The "or both" would permit it to go either direction, as I would interpret it.

Mr. HASKELL. Mr. President, I am informed that that particular section of the bill has been amended by Senator MUSKIE. I am not quite sure how things mesh at this particular stage of the game.

I am prepared to yield back the remainder of my time.

Mr. GLENN. A record vote has been ordered, I believe. Is that correct, I will ask the Chair?

The PRESIDING OFFICER. That is correct.

Mr. GLENN. Mr. President, I am prepared to yield back the remainder of my time and go to a vote.

Mr. HASKELL. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), the Senator from South Dakota (Mr. ABOUREZK), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

On this vote, the Senator from Alabama (Mr. SPARKMAN) is paired with the Senator from Minnesota (Mr. HUMPHREY). If present and voting, the Senator from Alabama would vote "nay" and the Senator from Minnesota would vote "yea."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Oregon (Mr. HATFIELD), the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), the Senator from Oregon (Mr. PACKWOOD), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD), would vote "yea."

The result was announced—yeas 31, nays 55, as follows:

[Rollcall Vote No. 354 Leg.]

YEAS—31

Anderson	Bartlett	Bayh
Bumpers	Hollings	Percy
Byrd, Harry F., Jr.	Inouye	Ribicoff
Cannon	Javits	Riegle
Case	Leahy	Roth
Cranston	Lugar	Sarbanes
Dole	McIntyre	Schweiker
Glenn	Metzenbaum	Stevens
Hart	Morgan	Thurmond
Heinz	Moynihan	Zorinsky
	Pell	

NAYS—55

Allen	Ford	Nelson
Baker	Garn	Nunn
Bellmon	Gravel	Pearson
Bentsen	Hansen	Proxmire
Biden	Haskell	Randolph
Burdick	Hatch	Sasser
Byrd, Robert C.	Hathaway	Schmitt
Chafee	Hayakawa	Scott
Chiles	Helms	Stafford
Church	Huddleston	Stennis
Clark	Jackson	Stevenson
Culver	Johnston	Stone
Curtis	Kennedy	Talmadge
Danforth	Long	Tower
DeConcini	Magnuson	Wallop
Domenici	Matsunaga	Weicker
Durkin	McGovern	Williams
Eagleton	Melcher	
Eastland	Muskie	

NOT VOTING—14

Abourezk	Humphrey	Metcalf
Brooke	Laxalt	Packwood
Goldwater	Mathias	Sparkman
Griffin	McClellan	Young
Hatfield	McClure	

So the amendment was rejected.

Mr. HASKELL. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 777

Mr. CRANSTON. Mr. President, on behalf of myself and Senator HAYAKAWA, I send an amendment to the desk and ask for its immediate consideration. This will not require a rollcall.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) proposes an unprinted amendment Number 777:

On page 117, line 18, after "thereon." insert the following:

"The Administrator, upon receipt of such application, shall consult with the appropriate State energy agencies having primary authority to permit or regulate the construction or operation of the electric powerplant or, where appropriate, major fuel-burning installation which is the subject of such application."

Mr. CRANSTON. Mr. President, I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I ask unanimous consent that time on any remaining rollcall votes tonight be limited to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, this amendment is to clarify S. 977, the Natural Gas and Petroleum Conservation and Coal Utilization Act of 1977, with respect to the role of State energy agencies.

The bill implies that State energy agencies—those agencies that are responsible for permitting or regulating the construction or operation of electric powerplants—are not to be denied their important role in the exemption process. The committee has recognized the meaningful contribution that can be made to energy decisionmaking by the State agencies that have been established to oversee powerplant siting in their areas. However, I believe that the matter is of enough importance to merit clarifying language.

Too often in energy—as well as other matters—decisions have been made in Washington without first taking into consideration their potential impacts on regional or local areas. The Senate has tried to come to grips with this problem. For example, the Senate recently approved legislation which will, if enacted, bring affected coastal States into the program for developing our offshore oil and gas reserves. By providing for the input of the coastal areas, we hope to avoid many of the environmental problems and procedural delays that have long plagued our Nation's search for oil and gas along the Outer Continental Shelf.

In much the same way, the Federal Government has an obligation, I believe, to insure that State concerns are fully considered before applications for powerplant exemptions are decided in Washington.

This amendment simply makes it clear that the Administrator of the Federal Energy Administration—or the President's designee for the purposes of this act—shall consult with State energy agencies in exemption matters.

I understand that this amendment is acceptable to the majority and minority on the committee. I trust this is the case and that the amendment can be adopted.

Mr. HASKELL. Mr. President, it seems to me to be a very meritorious amendment and is acceptable to the majority.

Mr. DOMENICI. Mr. President, the minority has no objection. I yield back the remainder of my time.

Mr. HASKELL. I yield back the remainder of my time.

Mr. CRANSTON. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

UP AMENDMENT NO. 778

Mr. CRANSTON. Mr. President, on the previously adopted Kennedy amendment (UP 774) I would like to ask unanimous consent to offer an amendment to that amendment. It will have no effect on the substance of the Kennedy amendment. It is something affecting a powerplant in California, as his amendment affected a powerplant in Massachusetts.

The language has been worked out with the committee. It is acceptable to them. While we were doing that, the Kennedy amendment went through without my being aware of the fact.

Therefore, I ask unanimous consent that I may offer an amendment to the Kennedy amendment.

The PRESIDING OFFICER. Is there objection?

Mr. HASKELL. Reserving the right to object, I think we have a lack of communication in staff. I do not know whether I have seen this.

Mr. CRANSTON. This is an amendment that I discussed with the Senator from Colorado which affects a single powerplant in California which has an application pending. We have written an amendment, pursuant to the discussions that the Senator and I had, which makes very plain that it is only this one plant that would be affected. It does not open the barn door.

Mr. HASKELL. I do not object to offering it. I want to hear it before I accept it.

Mr. CRANSTON. I am just asking consent to offer it.

Mr. HASKELL. I have no objection.

The PRESIDING OFFICER. Without objection, the amendment is in order.

Mr. CRANSTON. It amends amendment No. 774. I will read the amendment to the Senator, and then I will send it to the desk:

On the previously adopted Kennedy amendment on the fourth line after the word, *"powerplant,"* insert the following: or in the case of an electric powerplant consisting of one or more combined cycle units in an electric utility system serving at least two million customers for which an application has been filed for at least one year prior to the date of enactment of this section with the appropriate State energy agency for authorization to construct such powerplant,".

That is the language.

Mr. HASKELL. I say to the distinguished Senator from California that I have no objection.

Mr. CRANSTON. I send the amendment to the desk at this point, and I thank the Senator very much.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 779

Mr. METZENBAUM. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM), for himself, Mr. JACKSON, and Mr. KENNEDY, proposes an unprinted amendment numbered 779.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Insert at an appropriate point in title III:

"SEC. . If the Administrator determines that during any 12-month period, computed on a quarterly basis, the rate of increase in the weighted average price of coal committed to contract is 10 percent, or more, greater than the rate of inflation as measured by the adjusted GNP deflator, the Administrator shall, within 60 days of such determination, make such recommendations to the Congress in connection therewith as he deems appropriate."

Mr. METZENBAUM. Mr. President, I believe Senators will find this amendment on their desks. It is a very simple amendment, an uncomplicated amendment. It directs itself to the problem that I think this Nation faces in the coming years. It has to do with the fact that if the Administrator determines that during any 12-month period the rate of increase of the price of coal has gone up 10 percent greater than the rate of inflation, as measured by the adjusted gross national product deflator, the Administrator is called upon to perform a responsibility. That responsibility is that within 6 days he is to make such recommendations to Congress as he deems appropriate.

This amendment was considered by the Energy Committee. It was not adopted by the Energy Committee. It lost by a vote of 9 to 9.

When we talk about this amendment, I want to make it very clear from the inception that this is nct an amendment to provide for price control. Some persons have suggested that it may be. On the other hand, I am frank enough to say to the Members of the Senate that that could be one of the recommendations of the Administrator, but there could be many others.

The fact is, that no matter what the Administrator's recommendation might be, all this amendment would do would be to require the Administrator to come forth with a recommendation to Congress.

I think we have to concern ourselves about this subject for the following reason:

We have to concern ourselves about it because the administration program provides for a doubling of consumption of coal within the next 7 or 8 years. It is anticipated that the utilities will increase their consumption of coal from 459 million tons in 1976 to 777 million tons in 1985; that industrial users will increase their consumption from 156 million tons to 360 million tons.

Mr. President, I believe that if that occurs and if no attention is given to this subject, if we do not provide an alerting mechanism to the coal companies that Congress has a concern about this subject, we are going to see skyrocketing coal prices. I will state why I believe that.

First, I believe it because informed sources in the industry are talking about a $60-a-ton price. Not all of them; some say it will be less. But it is a fact that prices went from $9.91 in January of 1973, in the spot market, to $17.02 by January of 1974, almost double, and by November of 1974 they had gone up to $31.95. The average price for coal was $8.41 in January of 1973. By January of 1974, it had gone up to $11.32. By November of 1974, the average price had gone up to $19.23, more than double the price it was in January of the year previous. Then it receded a bit. But it is now $19.42.

I say to the Members of the Senate that I am personally familiar with situations during 1974 when utility companies in Ohio were required to pay $50 and $55 and $60 a ton.

I want Senators to understand that I expect the price of coal to go up. The amendment I have proposed, in conjunction with Senators JACKSON and KENNEDY, anticipates that prices will go up. They are permitted to go up 10 percent, plus the inflation factor. That would mean approximately 16 percent. Using the present price of approximately $20, that would mean something like $3 a ton.

As a matter of fact, it is fair to point out that the Federal Power Commission, in 1976, indicated in their projections that by 1980 coal would only be $22 a ton, $24 by 1982, and $26.80 by 1985. If that were to be the case, this amendment would not have any impact.

I should point out that the director of the TVA was talking about this subject of increased coal prices in a report he made just yesterday. The report cites the fourfold increase in coal prices in the last 5 years and the threefold jump in uranium prices since 1974.

I hope that coal prices will not go up, but when demand is great, as is anticipated, I believe that Congress should in some way give an indication to the coal companies that if that occurs, we will be interested in legislative proposals that might have some impact, that could have some impact, in holding down prices.

It is fair to point out that I believe there will be additional costs in the mining of coal by reason of the new contract with mine workers. I believe there will be additional cost by reason of the Strip Mining Act. I believe there will be additional cost by reason of the Environmental Protection Act.

That would be taken into consideration by the Administrator; and if he concluded that by reason of those increased costs the only recommendation he should make to Congress would be that it take no action in connection with coal prices, that would be highly appropriate.

However, we now have prices that are limited and regulated with respect to natural gas; we now have limitations with respect to the price of oil. But with respect to coal, which we are urging people to use, which we want industries to use, which we want utilities to use, there is no way of providing for any regulation, any concern on the part of our Government as pertains to those prices which could rapidly soar.

So I urge upon the Senate that it adopt this amendment and at least give us an opportunity to place the responsibility on the Administrator to come forward with some program, if there need be one; and if there need not be one, then I would not expect that he would do so.

Mr. HANSEN. Mr. President, I yield such time as may be required to the distinguished Senator from Kentucky.

Mr. FORD. I thank the distinguished Senator from Wyoming.

I rise in opposition, Mr. President, to the amendment by the Senator from Ohio. He says in his "Dear Colleague" letter sent to the Senators—and I suppose all get it—that this amendment does not establish price controls.

But if he was not interested in price controls, if it did not mandate some type

of legislation as to price controls, there would be no need for this amendment, so price control is the base for his amendment.

He has just said that the price of coal is going up because this Congress has placed certain restrictions on the coal industry. Will they go up more than 16 percent? We have added the strip mining legislation to it, we have added water pollution control to it; payments of black lung, he forgot, we shifted to the operator, which are an additional cost; mine safety is an additional cost, and then he brought in a new factor that the new contract is going to be an additional cost.

It is strange he would bring up TVA in this statement when they own a great majority of their own coal, so it would not make much difference to them in the pricing.

It seems to me that if you go back and look at the record of the production of coal in this country that one of these things you want is increased production, and I use the Senator's figures. I start in 1968 where we produced 540 million tons; 560 million tons in 1969—and these are the Senator's figures—1970, 602 million tons; but in 1971 we went down to 552 million tons. In 1972 we came back a smidgen to 590 million tons. In 1973 we dropped again to 591 million tons. The reason we dropped was because of the Nixon administration's price controls on coal.

You cannot find where any new investment was made to extract coal because of price controls. Price controls were drying up the production of coal.

If you want to dry up the production of coal—and this administration is depending on this resource—then let us put a price control on it because a rose by any other name is called price controls, and that is exactly what you are doing in this amendment.

The problem that I want to put into the RECORD, one other additional thing I want to put into the RECORD, is that price controls in the early 1970's caused many producers to incur operating losses, and led to declining investment in the expansion of coal production capacity.

In the Senator's support, the Senator from Ohio's support, of the Kennedy amendment—that, by the way, was horizontal divestiture so-called which was defeated by better than 2 to 1—in his support of that amendment the Senator from Ohio cited figures under the decline of production of coal companies which had been purchased by oil companies. But the distinguished Senator from West Virginia said the production had increased in West Virginia 7.5 percent, not a decline.

In addition to citing figures for Island Creek and Old Ben, the Senator suggested that the same pattern was evident in other companies bought up by coal companies, which was refuted.

The Senator is correct, coal production of these companies dropped in the early 1970's. However, the Senator has identified the wrong cause, and that is the problem. Production declines in the coal industry in the early 1970's were caused by the removal of adequate incentives.

The price controls which led to the production turndown in the 1970's are not different in degree from the price controls the Senator is recommending in his amendment. Indeed, his price controls will have the same disastrous effect which he has cited himself in the figures he provided, not the figures I provided. I took his figures.

There is an unsettling development in this legislation in the energy field today. It is a slow, almost unperceivable, movement to weaken the cause for coal as a significant energy source in the medium phase of energy development for this country.

This movement began with the administration's budget figures for this year. The movement has been strengthened by increasingly restrictive legislation limiting the use of coal as a widespread energy resource.

The amendment as suggested by my colleague from Ohio threatens to accelerate that movement toward what might reasonably be called the eclipse of coal. I cannot support that, the Nation cannot tolerate it, and I hope that my colleagues will vote to reject the amendment.

Mr. RANDOLPH. Mr. President, will my colleague yield?

Mr. FORD. Yes; I will yield. I do not want to take all the time.

Mr. RANDOLPH. Just for 30 seconds.

Mr. FORD. Yes.

Mr. RANDOLPH. The trend the Senator has mentioned certainly is recognizable and has been in the last few weeks. But we do know there are instances where electric utility companies have moved forward to use coal. The Florida Power Co., not with any help from any Federal source, has committed itself to an electric generating plant fired with coal. That plant in the State of Florida will cost $310 million and produce 600 kilowatts of electricity. There obviously is a recognition in the utility industry that coal must be used.

Mr. FORD. The Senator is quite correct. In Louisville, at the L.G. & E., the Environmental Protection Agency used them as a focal point on what great things are being done to clean up the air, and I believe that if we get into this area the expense is going to be beyond the figure which the Senator points out.

I thank the distinguished Senator from Wyoming, and I yield back the remainder of the time.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. Mr. President, I again want to repeat that this proposal does not contemplate any price control. It is possible, however, that the administrator could come back with that kind of a recommendation, but there is no requirement that he do so.

I also want to say that apparently the distinguished Senator from Kentucky and I read the figures that have been submitted into the record as to production levels a bit differently.

But I am not really certain it makes a lot of difference at this point as to whether it is the coal companies that are independent or coal companies that are owned by petroleum companies because, as I see it, the question is to keep anybody from just getting the idea that this is the time to take advantage of the market.

I want to say to the distinguished Senator from Kentucky, my good friend, who serves on the Energy Committee with me, that I would be prepared if he were prepared to support this amendment, I would have no difficulty at all in putting in a proviso saying that the administrator shall disallow such additional costs as may result from increased labor costs, environmental protection costs, black lung costs, strip mining costs, or any other special factors. I have no desire to have this amendment become effective by reason of increased costs over which the coal companies have no control.

Mr. FORD. Will the Senator allow me to counter his proposal?

Mr. METZENBAUM. Certainly.

Mr. FORD. The Senator states he in no way intends his amendment to control the price of coal, and that it is just merely a monitoring of the prices and a report back on recommendations from the Secretary.

Well, the Federal Government recently conducted a major review of coal prices, and the report, which is a study of coal prices, and it is by the U.S. Council on Wage and Price Stability—now we are already doing that. The Senator's amendment, if what he says there is so, there is really no need for it because it is just duplicating what is already being done by the U.S. Council on Wage and Price Stability, and I want to read what they said.

It shows that the rapid rise and drop in spot market prices that the Senator quoted was easily explained by the then current market conditions.

The report also documented the healthy state of competition in the coal industry. It indicated:

> The outlook for coal prices in the next decade is favorable with good prospects for stable price in 1975 dollars.

If all the Senator from Ohio wants is someone to monitor and to report the U.S. Council on Wage and Price Stability is already doing it. So why does the Senator not just withdraw his amendment and allow a commission that is already in place to do that?

Mr. METZENBAUM. We need the legislative recommendation.

I believe very seriously that without permitting Congress to have a look at this subject in the event there is a need to have a look at it we would be remiss in our responsibility, and it is for that reason that I have drafted the legislation in the language as indicated.

Mr. President, I offer at this time an article from the Wall Street Journal of July 28, 1976, relative to coal company profits and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROFITS

Profits. Coal operators can no longer argue so strongly that lagging profits are crimping expansion. Many bankers and coal executives

feel that coal profits are at, or are nearing, levels that can sustain the estimated capital outlays of $15 billion to $22 billion that the industry says will be required to meet 1985's demand.

"Capital generation is becoming possible for companies that a couple of years ago couldn't generate anything", agrees the marketing vice president for a large midwestern coal producer. The reason is the Arab oil embargo, plus furious coal buying by utilities in 1974 to beat the nationwide miners' strike that year. These two events enabled most large producers, who generally sell under long-term contracts, to push up prices on new contracts, renegotiate some existing ones and keep smiling.

The average price of coal has gone up 145 percent during the past three years—to an estimated $18.75 a ton—compared with a rise of only 50 percent in the previous 25 years.

Mr. METZENBAUM. Mr. President, the hour is 8 o'clock p.m. and if the distinguished Senators from Kentucky and Wyoming—I am not sure, does the Senator have something further?

Mr. HASKELL. No.

Mr. METZENBAUM. I am prepared to yield back the remainder of my time.

Mr. FORD. The Senator made one reference that I wish clarified. It is the last reference about the profits. I also wish to point out that it is in the time frame of price and wage controls. He is talking about the new contracts going to cost more money, and he is talking about putting a cap on prices. But he has not said a word about wages.

Mr. METZENBAUM. I did say something about wages.

Mr. FORD. It is going to be involved. The Senator is only going to allow them 10 percent or 6 percent.

Mr. METZENBAUM. No, I did not say that. If the Senator will find the amendment acceptable——

Mr. FORD. This is what I tried to explain a few moments ago when the Senator from Massachusetts was trying to put on an amendment to a bill that I thought we had already in the energy bill.

What the Senator is trying to do now is put another amendment on this energy bill that is already being conducted by another commission.

It is one of the things that the Nation looks at this body and says, "You appoint another committee, you appoint another study, and it is another bureaucratic mess."

We already have a commission to do it. Why not leave them in place and not add additional cost and additional bureaucrats to something that the public does not want?

Mr. METZENBAUM. The Senator alludes to the distinguished Senator from Massachusetts who was interested in this subject. It is a fact that he is a cosponsor of this legislation.

The Senator from Kentucky is aware of the fact that the Senator from Washington, the chairman of the Energy Committee, is a cosponsor of this amendment.

I think that this is the appropriate way to do it. I am prepared to submit the matter to a vote of the Members of the Senate. I ask for a rollcall vote.

Mr. CHURCH. Vote.

Mr. FORD. I would alert the Eastern State Senators that if we have price controls on coal the same thing will happen as did under the Nixon administration and their price control, and coal could not be sold at that time. I was there, and I think I know a little something about what I am talking about.

Mr. METZENBAUM. That would be an excellent argument in the event that the Senate should consider the subject of price control at some future date. That is not the subject before the Senate today.

Mr. FORD. A rose by any other name.

Mr. METZENBAUM. I am prepared to yield back the remainder of my time if the opponents are prepared to yield back the remainder of their time.

Mr. HANSEN. Mr. President, I yield back the remainder of my time.

Mr. METZENBAUM. I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. MOYNIHAN). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Massachusetts (Mr. BROOKE), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Oregon (Mr. HATFIELD), the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), the Senator from Oregon (Mr. PACKWOOD), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER) and the Senator from Oregon (Mr. HATFIELD) would each vote "nay."

The result was announced—yeas 39, nays 44, as follows:

[Rollcall Vote No. 355 Leg.]

YEAS—39

Anderson	Haskell	Moynihan
Bayh	Hathaway	Muskie
Biden	Heinz	Nelson
Bumpers	Inouye	Pell
Cannon	Jackson	Proxmire
Case	Javits	Ribicoff
Church	Kennedy	Riegle
Clark	Leahy	Sarbanes
Cranston	Magnuson	Sasser
Culver	Matsunaga	Stevenson
DeConcini	McGovern	Stone
Eagleton	McIntyre	Williams
Gravel	Metzenbaum	Zorinsky

NAYS—44

Allen	Ford	Nunn
Bartlett	Garn	Pearson
Bellmon	Glenn	Percy
Bentsen	Hansen	Randolph
Burdick	Hart	Roth
Byrd, Harry F., Jr.	Hatch	Schmitt
	Hayakawa	Schweiker
Byrd, Robert C.	Helms	Scott
Chiles	Hollings	Stafford
Curtis	Huddleston	Stennis
Danforth	Johnston	Stevens
Dole	Long	Talmadge
Domenici	Lugar	Thurmond
Durkin	Melcher	Tower
Eastland	Morgan	Wallop

NOT VOTING—17

Abourezk	Hatfield	Metcalf
Baker	Humphrey	Packwood
Brooke	Laxalt	Sparkman
Chafee	Mathias	Weicker
Go.dwater	McClellan	Young
Griffin	McClure	

So Mr. METZENBAUM's amendment was rejected.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. RANDOLPH. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing on the motion to lay on the table.

Mr. METZENBAUM. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

The yeas and nays were not ordered.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 780

Mr. HASKELL. Mr. President, I send an unprinted amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado, (Mr. HASKELL) proposes an unprinted amendment numbered 780.

Mr. HASKELL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 136, after line 7, insert, "(g) For the purposes of this section, the provisions of sections 201(1)(B)(ii) and 201(2)(B)(ii) shall not apply."

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Colorado may proceed.

Mr. HASKELL. Mr. President, this amendment, I am told, has been cleared with the minority. The purpose of the amendment is to insure that existing facilities which do not have standby coal burning capability are not—repeat not—affected by the existing law or by the bill. As I say, it is my understanding that this has been cleared with the minority. I would appreciate hearing whether that is the case.

Mr. DOMENICI. Mr. President, the minority has no objection. In fact, we compliment the floor manager for this amendment. We think it clarifies the bill, and is consistent with the purposes

with which the committee reported the bill to the floor.

Mr. HASKELL. I yield back the remainder of my time.

Mr. DOMENICI. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

UP AMENDMENT NO. 781

Mr. HANSEN. Mr. President, I send to the desk an unprinted amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Wyoming (Mr. HANSEN) proposes an unprinted amendment numbered 781.

The amendment is as follows:

On page 134, between lines 13 and 14 insert:

"SEC. 310. The Department of Energy Organization Act is hereby amended by adding a new subsection (g) at the end of Section 503 to read as follows:

"(g) The Secretary or his delegate may not exercise discretion to maintain a civil action (other than an action for injunctive relief) or issue a remedial order against any person whose sole petroleum industry operation relates to the marketing of petroleum products, for any violation of any rules or regulation if—

"(1) such civil action or order is based upon a retroactive application of such rule or regulation or is based upon a retroactive interpretation of such rule or regulation; and

"(2) such person relied in good faith upon rules, regulations, or ruling interpreting such rules or regulations, in effect on the date of the violation.".

Mr. HANSEN. Mr. President, in the hours and days preceeding the August recess as this body sought to take action on the Department of Energy Reorganization Act, a vital provision of the Federal Energy Act of 1974 was inadvertently stricken.

Section 7(k) which limited the FEA's authority to retroactively impose rule changes on petroleum product marketers in its enforcement program was repealed by supposedly purely technical provisions of the DOE bill. Fortunately, this matter was brought to the attention of the Senate and the House and the Congress has received the assurances of both the chairman of the Senate Government Affairs Committee and the chairman of the House Government Operations Committee that it was not the intent of the conferees to repeal section 7(k) and that the concept of that section as a fundamental due process guarantee should be followed by the new Department of Energy.

As well, Secretary Schlesinger indicated both during his confirmation hearings and in a letter to the Senator from Connecticut, the intention of the Carter administration and the DOE to carry out the regulatory functions relative to section 7(k) of the FEA Act as if that subsection were still in force.

I am greatly pleased that this matter came to the attention of the Congress prior to the August recess and assurances were given concerning subsection (k). However, Mr. President, I fear that assurances alone will not be enough since it appears likely that the applicability of section 7(k) to specific factual situations will soon be tested in the courts. It is important that this measure, which was passed by the Congress, be not merely the announced policy of the administration, but a part of the law in order that those who disagree with the administration interpretation of the intent of Congress in the passage of section 7(k) may have that question resolved by the courts as our Constitution has long guaranteed.

Thus today, I bring up an amendment to the Coal Conversion Act to reinstate section 7(k) in order to guarantee that the original intent of Congress in adopting that provision will not only be administration policy but will be part of the law.

Senator JACKSON, the distinguished chairman of the new Energy and Natural Resources Committee joins me in proposing this amendment and I urge its adoption.

Mr. President, this amendment, sponsored by the Senator from Washington (Mr. JACKSON) and me, is designed to make clear what was the intention of the Senate when section 7(k), which limited the FEA's authority to retroactively impose rule changes on petroleum products marketers in its enforcement program, was repealed by supposedly purely technical provisions of the DOE bill.

It was not intended that the whole thing would be struck out. Unfortunately, this matter was brought to the attention of the Senate and the House of Representatives, and Congress has received the assurance of both the chairman of the Senate Government Affairs Committee and the chairman of the House Government Operations Committee that it was not the intent of the conferees to repeal section 7(k), and that the concept of that section as a fundamental due process guarantee should be followed by the new Department of Energy.

While there has been some legislative history put into the record to make clear what the intention of the Congress was, Senator JACKSON and I think it would be well to adopt this amendment so as to leave no doubt at all in the mind of anyone, or the court, as to what was the intention.

Unless there are further questions, I would be prepared to yield back the remainder of my time. I ask my distinguished floor manager if he would accept the amendment.

Mr. HASKELL. Mr. President, I accept the amendment, and I yield back the remainder of my time.

Mr. HANSEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. HASKELL. Mr. President, have the yeas and nays been ordered for final passage?

The PRESIDING OFFICER. They have not been ordered.

Mr. HASKELL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ADDITIONAL STATEMENTS SUBMITTED

Mr. MUSKIE. Mr. President, as the Senate considers S. 977, the coal conversion bill, it is appropriate to comment on the second budget resolution's relationship in function 300 to forthcoming energy legislation. This month will be "energy month" in the Senate, as we consider various bills that will comprise the national energy plan.

Funding for energy is classified in Function 300: Natural Resources, Environment and Energy. The ceilings for this function recommended in the second budget resolution for fiscal year 1978 are $24.9 billion in budget authority and $20.8 billion in outlays.

These amounts are sufficient to accommodate the various programs found in function 300. These programs include Federal energy activities including those in FEA, ERDA, and the Nuclear Regulatory Commission, the environmental activities of the EPA, the water resources activities of the Corps of Engineers and the Bureau of Reclamation, and various activities of the Department of Interior such as Parks and Federal Land Management.

Mr. President, the recommended ceilings for function 300 are ample. They are designed to fund the major new energy legislation that comprise the national energy plan, additional environmental programs, as well as to supplemental current funding for important natural resources programs. But the ceilings are not designed to accommodate every future spending request that may fall within function 300.

Let me outline the situation in this function. Appropriations to date total $15.5 billion in budget authority and $18.9 billion in outlays. These amounts are $9.4 billion in budget authority and $1.9 billion in outlays below the recommended ceilings of the second budget resolution as reported. While this difference is sizable, the expected requests for additional funding in this function from legislation not yet enacted are even greater.

Mr. President, I ask unanimous consent that a table showing these expected requests for additional fiscal year 1978 funding in function 300 be printed in the RECORD at this point.

The table shows that expected requests for additional funding in function 300 total at least $11.4 billion in budget authority. Together with the other expected additional funding request in this function, the amounts for energy—if all were enacted and fully funded—would bring the functional total to $26.9 billion in budget authority. This is $2 billion above the recommended ceiling of $24.9 billion. Outlay totals associated with this budget authority are within the outlay ceiling of the second budget resolution. However, one reason we are so concerned with limiting budget authority is the future year outlay implications of such authority.

What all this means is that the recommended ceiling for budget authority

in function 300 cannot accommodate every possible item that might emerge. Anyone who believes we should fund everything, who thus believes that the ceiling is too small, ought to try to amend the budget resolution when it is debated by the Senate rather than seek appropriations later that will breach the functional ceiling.

I firmly believe that the function 300 ceilings recommended by the Budget Committee are generous. Not extravagant, but generous. We are recommending, after all, a level that is $9.4 billion in budget authority and $1.9 billion in outlays above what already has been appropriated. And we are recommending ceilings that are $4.2 billion in budget authority and $0.8 billion in outlays above the function 300 targets of the first budget resolution.

But in fiscal year 1978, we are facing a budget deficit of $64 billion, and we simply cannot afford to be extravagant. We cannot afford everything that we would like to have. But we can afford—and the recommended ceilings in function 300 of the second budget resolution allow for—major new spending in fiscal year 1978 for energy, environmental, and natural resource programs.

Expected requests for additional budget authority in function 300

(In billions)

	Budget authority
Action completed and underway	15.5
Expected requests:	
EPA construction grants	4.5
Natural resources supplemental	.5
Energy:	
S. 701—weatherization grants to schools and hospitals	.2
S. 977—coal conversion, as reported	.6
S. 2057—national energy conservation policy	5.3
Indirect costs associated with energy plan	.3
Subtotal, expected requests	(11.4)
Total	26.9
Function 300 recommended ceiling	24.9
Difference	2.0

EXEMPTION OF BASE-LOAD GENERATION FOR RELIABILITY REASONS

Mr. CRANSTON. Mr. President, several possible ambiguities in the committee report have been brought to my attention which could be of great importance to consumers in my State. I would like to discuss these with the very able floor manager of this bill so that there may be no question as to the intent of the language.

Due to the enactment of the Coastal Act of 1972 and the creation of the Energy Resources and Conservation Development Commission and to that agency's requirements for siting powerplants, no new nuclear base-load plant, other than the two already under construction at Diablo Canyon, can be licensed and constructed in northern and central California before 1988 at the earliest.

Coal-fired base-load plants are also being planned in the area, but regulatory procedures for siting plants plus normal construction time means that they cannot come on line until 1984 or 1985. Remember, the use of coal is new to my State. California has no commercial coal deposits of its own and no existing transportation system to provide for coal shipment on a large scale. Thus, the problems which might arise in connection with siting such plants are unknown at this time.

As a result, there could be a gap of about 3,000 megawatts of capacity in northern and central California in the 1980 to 1986 period that must be filled to provide for service to customers and to maintain an adequate margin for reliability. The only alternative for meeting this baseload requirement may be the installation of efficient gas turbine combined cycle generators. Most, if not all will be located at the site of existing generating facilities to provide a prudent use of land. Without this capacity, a serious reliability problem is expected to develop in my State.

With these concerns in mind, can the distinguished manager of the bill tell me if the exemption in paragraph (d) "Exemption for Reliability," of section 107 "Special Exemptions for New Electric Powerplants," is a "generic" exemption that would apply to such baseload facilities—the facilities which are needed in my State to insure reliability of service? Or is the exemption in some way limited to peakload or intermediate load plants?

Mr. HASKELL. I thank the distinguished Senator from California for bringing this to my attention. There is a misplaced paragraph on page 49 of the report that might leave that impression. However, it is the intent of the committee that the 107(d) "Exemption for Reliability" be generic to all new electric powerplants including baseload capacity that is necessary to prevent impairment of reliability of service.

Mr. CRANSTON. If I understand the Senator correctly, a utility that will experience a reliability problem—and by that I mean that it will be unable to provide service to customers without curtailment while maintaining a reasonable margin for reliability—can get a permanent exemption for baseload capacity that will be necessary to meet this gap in reliability.

Mr. HASKELL. The Senator is absolutely correct. That is the intent of the committee. We recognized the "reliability gap," as you describe it, that may result from the immediate application of the prohibitions of this legislation and the long leadtime necessary to bring new coal and nuclear facilities on line. This generic exemption is necessarily a permanent one for the life of the exempted facility needed to maintain the reliability of the system recognizing the high capital costs of such capacity. Let it not be mistaken, however, that this legislation is designed to require utilities to take account of the prohibitions it contains in their normal planning processes.

Mr. STEVENS. Mr. President, there are a few questions regarding the application to new facilities in Alaska of the prohibitions against the burning of oil and gas which my colleague from Alaska and I would like to address to the manager of this bill.

Alaska has great potential reserves of coal, as well as oil and gas. But only a very minute portion of this potential has been developed. Commercial production of coal is presently underway at only one field. The rest awaits the development of transportation links, the resolution of some important land-use questions, and some other factors.

But, whether or not coal is available or other sources become practicable, communities in Alaska will continue to grow and new industries will develop; and thus the need for energy will increase. Unless utilities and firms are permitted to use petroleum to meet the growing needs in cases where coal and other sources are not available, the supply of energy in these places will be severely restricted and the economy in both Alaska and the Nation will suffer.

I ask the distinguished Senator from Colorado, does the bill accommodate situations such as this?

Mr. HASKELL. I appreciate the concern of the Senator from Alaska. Yes, the bill requires, in section 106(a), that the Administrator shall grant a permanent exemption for a facility to burn petroleum in the case where an adequate and reliable supply of coal or other fuel is not expected to be available over most of the useful life of the facility. This is intended to cover the type of situation you have mentioned where the coal mines simply are not yet developed.

Mr. STEVENS. I thank the Senator for his answer. As my colleagues are well aware, a lively debate is currently running over the disposition of some Federal lands in Alaska. The outcome will affect development of coal and other energy resources on non-Federal as well as Federal lands, since air and water quality standards are affected and some transportation corridors may be impacted. The pending nature of these questions will probably delay the development of coal and other energy resources. Does S. 977 recognize this situation?

Mr. HASKELL. Yes, the provisions in section 106 which I just mentioned would apply here and, in addition, the circumstances under which an exemption shall be granted includes "other physical, environmental, and legal factors—including, but not limited to, applicable environmental requirements—exist which cannot reasonably be expected to be overcome by diligent good faith efforts by the applicant and which preclude compliance." Transportation, and land use, air and water quality problems in Alaska are covered here.

Mr. STEVENS. I thank the Senator.

Mr. GRAVEL. I appreciate the response of the floor manager to the questions of my colleague from Alaska. I am also concerned that the bill might require the use of coal or other fuel in cases where it is inordinately uneconomic. What exemption could be obtained here?

Mr. HASKELL. I thank the Senator from Alaska for his question. An exemp-

tion shall also be granted when, and I quote from section 106(a)(1)(B):

The cost of using coal or other fuel substantially exceeds the cost of using imported petroleum.

To demonstrate that coal or other fuel is uneconomic, it is sufficient that the applicant make a good faith attempt, without success, to secure bids for the purchase of coal, or alternate fuel, which would result in a cost below that of imported petroleum.

Mr. GRAVEL. I appreciate the Senator's answer to my question.

STANDBY FUEL USE

Mr. HARRY F. BYRD, JR. Section 207 (e) of S. 977 provides for a permanent exemption from the operation of the coal conversion program for units maintained for standby or emergency purposes. One of the industrial facilities in my State plans to convert a recovery boiler—which is used to recover chemicals for reuse—to a standby basis. However, in order to prevent corrosion of the equipment, it will be necessary to burn a small amount of fuel in the boiler, although the total oil consumption at the site will not increase. The boiler would be used at full capacity only when unanticipated equipment outages occur. Would section 207 (e) authorize a company to maintain this standby equipment in this manner for that purpose?

Mr. HASKELL. Yes, S. 977 contemplates that a permanent exemption will be granted for units for standby or emergency operations including the minimum amounts of fuel necessary to maintain such units in operating condition.

NEED FOR EARLY PLANNING PROCESS REPORTS

Mr. HANSEN. Am I correct in my understanding of title I of S. 977, that a new facility is automatically subject to the prohibitions of that title unless an exception or exemption is received?

Mr. HASKELL. Yes; that is essentially the way title I would operate.

Mr. HANSEN. This would then be a significant change from existing law. Under the Energy Supply and Environmental Coordination Act of 1974, the Administrator is required to identify specific new facilities in order to issue prohibition orders. In light of this, it would appear that S. 977 would substantially reduce the paperwork burden on the new Department of Energy as well as upon the private sector, since there will no longer be a need for collection of early planning process reports.

Mr. HASKELL. Yes; one of the important goals of S. 977 was to simplify the administrative burdens of implementing a program designed to foster greater coal utilization. In view of the change from existing law made in title I of S. 977, the lengthy form FEA C-607-S-0—major fuel-burning installation early planning process identification report—would no longer appear to be required; a less burdensome reporting requirement would appear appropriate, where new installations will utilize coal or other fuels in lieu of natural gas or petroleum.

Mr. SCHMITT. Mr. President, the Energy and Natural Resources Committee has reported a bill intended to increase our utilization of coal and decrease our consumption of natural gas and petroleum. At the outset this is a difficult task. Our oil and gas industries respond to a curious and often burdensome combination of free market and governmental planning economic signals. This is becoming more and more true of our coal industry, as well. Past experience has shown that the result of Federal actions is not always what was intended by the Congress or the regulating bureaucrats. I honestly believe this is the case with S. 977.

Let us talk first about oil. We are told that this is a petroleum conservation bill in its title. This may even be the intent of the committee, but is certainly not the projected outcome of S. 977.

For all practical purposes there is no such thing as "conversion" from gas to coal; it is not feasible economically. So, those presently burning natural gas are faced with two choices: Either abandon their existing facilities and replace them with coal burning or nuclear facilities—the intent of the committee and, perhaps the long term outcome—or substitute oil for natural gas and accept the reduced plant efficiency and increased environmental costs. Our jumbled economic signals will lead to a decision to substitute oil for natural gas, at least in the short term. Thus, oil imports will increase to cover this new use.

We are told that this is a natural gas conservation bill, again in the title. On this point, however, the committee is correct.

We would conserve natural gas for residential customers, largely in the East and Far West. At what expense is natural gas conserved; who are the losers? If S. 977 passes the losers are those who followed the economic signals for the last 25 years and used the cheapest and most convenient fuel available—natural gas. Where are the losers? Or perhaps a better question, where are the industrial and utility users of natural gas? If they do not know already the burden will fall on the people of Oklahoma, Texas, Louisiana, New Mexico and many others.

Finally, we are told that this bill will increase coal utilization. In our patchwork energy economic system that may or may not be true. In order to burn more coal, more coal must be mined and transported to a user. New coal plants will not be built unless a coal supply specifically for a given plant can be guaranteed. OTA was recently told this by the largest source of financing for coal development, the Continental Bank of Chicago. The Federal Government now stands as the major holder of new coal supplies. Is the committee prepared to guarantee that these new supplies will be made available for commercial development? Without the guarantee of new coal supplies, there will be no massive building program for new coal facilities.

We, in the Senate—to the man—are deeply concerned about natural gas shortages and our vulnerability to foreign political intrigues. We all recognize the enormous potential of coal. Why is it that so many of us feel that private firms are not equally capable of understanding these basic facts? Further complication of our economic signals will not conserve gas or oil, and will not produce more coal. People do these things and they do it best with minimum Federal intervention. In principle I cannot accept S. 977, because it thwarts the basic economic signals necessary to save oil and gas, and produce more coal. The best Coal Utilization Act that this body could possibly enact is the price deregulation of oil and natural gas and the increased emphasis on research and development related to improved coal mining, cleaning, and utilization.

In practice I have stated that S. 977 will not conserve oil, will conserve gas, but at disproportionate cost to some, and may not result in more coal.

In addition, S. 977 will have great and only incompletely analyzed economic impact on business and all consumers. New sources of already scarce capital must be found. New costs must be added to the monthly energy bill. New distortions in coal transportation will occur.

Finally, and most importantly, the Washington bureaucracy will further control our energy economy without any foreseeable benefits. These and other points of importance have been well covered by Senator BARTLETT in his minority views in the committee report on S. 977.

Frankly, I think it will serve no useful purpose to continue supporting the vain hope that "Government can do it better." Very simply, Government cannot do it better. The sooner we eliminate the attitude that profits are bad, that all companies act to harm the public good, the more productive we will be as a nation.

I will vote, and urge all my colleagues to vote, against just one more layer of bureaucracy—one more phony signal.

Mr. JACKSON. Mr. President, upon final Senate action on this, the coal conversion measure, I want to commend the senior Senator from West Virginia, (Mr. RANDOLPH) for his leadership in shaping the concepts embodied in the bill.

Senator RANDOLPH has long been an advocate of increased coal use. The distinguished Senator from West Virginia has ably represented in this body, for almost two decades, one of the largest coal-producing States in our Nation. He has constantly during this service, espoused the benefits of coal as a primary energy source.

Senator RANDOLPH has continually sponsored legislation to expand the uses of coal. He has been a vigorous proponent of synthetic fuels produced from coal and liquification processes. The Senator has been a leader in developing coal conversion legislation.

As the energy crisis became a reality in 1973, Senator RANDOLPH helped develop the first legislation mandating the conversion to coal by electric utilities. His interest in furthering coal conversion has continued in recent years as evidenced by legislation introduced by the senior Senator from West Virginia (Mr. RANDOLPH).

Senator RANDOLPH is a cosponsor of the legislation which the Energy and Natural Resources Committee used to develop the pending measure. A substantial portion of Senator RANDOLPH's ideas

are retained in the bill on which the Senate is completing action today.

I commend the Senator for his foresight in recognizing the importance of coal as an energy source. His effective efforts on behalf of coal are valuable as the Senate continues to respond to the national energy problem.

Mr. President, Senator RANDOLPH has been a leader in energy policy decisions throughout his career. Even before his service in the Senate, during his years in the House of Representatives, he headed efforts to improve coal technologies and to strengthen American coal production capabilities. I cannot recall any significant energy issue in recent years in which Senator RANDOLPH was not importantly involved. His hard work and expertise have been influential in shaping every major energy measure acted upon by the Congress.

He was among the first of our national leaders to recognize the seriousness of the energy crisis. The package of proposals transmitted to the Congress by President Carter in his energy message reflects many concepts originally developed with Senator RANDOLPH's participation. This measure, the coal conversion portion of the energy package, is only one of such concepts.

UP AMENDMENT NO. 782

Mr. JACKSON. Mr. President, I send an unprinted amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) proposes unprinted amendment No. 782:

At the end of S. 977, add the following: *"Provided,"* that title III of H.R. 5146 shall not be effective so long as title II of H.R. 5146 remains law."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and read the third time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all references to S. 701 which were in the agreement entered into today be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, under the unanimous-consent agreement, H.R. 5146, as amended, in accordance with that agreement, is to be voted upon without a rollcall vote. The yeas and nays have been ordered on the Senate bill. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the yeas and nays on the Senate bill be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, I ask for the yeas and nays on H.R. 5146, as amended.

The PRESIDING OFFICER. The Chair will state that, under the previous order, the bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 5146) to amend the Tariff Schedules of the United States to provide for the duty-free entry of competition bobsleds and luges.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

UP AMENDMENT NO. 783

The PRESIDING OFFICER. Under the order previously entered certain amendments are made thereto.

The amendments are as follows:

TITLE II—NATURAL GAS AND PETROLEUM CONSERVATION AND COAL UTILIZATION POLICY ACT OF 1977

SEC. 201. This title may be cited as the "Natural Gas and Petroleum Conservation and Coal Utilization Policy Act of 1977".

SHORT TITLE

SEC. 202. The Energy Supply and Environmental Coordination Act of 1974, as amended, is amended by striking out the table of contents and sections 1 (a) and (b), and inserting in lieu thereof, following the enacting clause, the following: "That this Act may be cited as the 'Natural Gas and Petroleum Conservation and Coal Utilization Policy Act'.

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"FINDINGS AND PURPOSES

"SEC. 2. (a) FINDINGS.—(1) The Congress finds that the protection of public welfare and the preservation of national security require—

"(A) the furtherance of national energy self-sufficiency consistent with applicable environmental requirements;

"(B) the capability to use indigenous energy resources of the United States in lieu of imported or scarce energy supplies by the substitution of coal and other fuels in lieu of natural gas and petroleum as the primary energy sources for certain new electric powerplants and major fuel-burning installations and for certain existing electric powerplants and major fuel-burning installations; and

"(C) the conservation of natural gas and petroleum for uses for which there are no feasible alternative fuels or raw material substitutes.

"(2) The Congress finds that any electric powerplant or any major fuel-burning installation shall be deemed in compliance with the purposes of this Act if such powerplant or installation utilizes coal or other fuel in lieu of natural gas or petroleum as its primary energy source in conformance with applicable environmental requirements.

"(b) PURPOSES.—The purposes of this Act are—

"(1) to assist in meeting the essential needs of the United States for energy in a manner which is consistent, to the fullest extent practicable, with Federal and State commitments to protect the environment;

"(2) to foster the greater use of coal, fuels derived from coal, and other fuels in lieu of natural gas and petroleum as the primary energy sources for certain electric powerplants and major fuel-burning installations;

"(3) to require that new electric powerplants and major fuel-burning installations which propose to use fossil energy resources as a primary energy source use coal or other fuel in lieu of natural gas or petroleum, except in those circumstances provided for herein;

"(4) to encourage the full utilization of coal and energy sources derived from coal through the rehabilitation and upgrading of railroad service and equipment necessary to transport coal or coal products to regions

or States which can use these resources in greater quantities;

"(5) to foster, in those instances where the use of coal or other fuel is not feasible, the replacement or modernization of certain existing electric powerplants or major fuel-burning installations to improve their energy efficiency;

"(6) to reduce the United States' vulnerability to energy supply interruptions; and

"(7) to regulate interstate commerce and for other purposes.

"GENERAL DEFINITIONS

"SEC. 3. For the purposes of this Act:

"(1) The term 'Administrator' means the Administrator of the Federal Energy Administration established by the Federal Energy Administration Act of 1974, as amended; except that if such Administration ceases to exist such term means any officer of the United States designated as Federal Energy Administrator by the President for the purposes of this Act.

"(2) The term 'person' includes (A) any person or individual; (B) any corporation, company, partnership, association, firm, society, trust, joint venture, or joint stock company; (C) the Federal Government, including corporations, departments, Federal agencies, and other instrumentalities thereof; and (D) any State or political subdivision thereof (including the District of Columbia), or any agency or instrumentality of either.

"(3) The term 'natural gas'—

"(A) includes—

"(i) natural gas,

"(ii) liquid petroleum gas,

"(iii) dry natural gas and casing-head gas,

"(iv) synthetic gas derived from petroleum and natural gas liquids, and

"(v) synthetic gas derived from coal, except as provided in (B) (ii) and (iii) of this paragraph;

"(B) but does not include—

"(i) natural gas which is commercially unmarketable (either by reason of quality or quantity) as determined under rules prescribed by the Administrator,

"(ii) synthetic natural gas which is derived from coal where such gas is owned by the user when it enters a pipeline for transportation to the user, and

"(iii) synthetic gas which is derived from coal where such gas has a heat content below six hundred British thermal units per standard cubic foot at 14.73 psia. and 60 degrees Fahrenheit.

"(4) The term 'petroleum' includes crude oil, residual fuel oil, and refined petroleum products, but does not include such substances as (A) liquid petroleum gas, (B) process waste gases, and (C) waste gas, liquid, and solid byproducts of refinery operations within the United States, where such fuels are of a quality or quantity as to be commercially unmarketable, as determined by the Administrator.

"(5) The term 'coal or other fuel' means coal and any fuel other than natural gas or petroleum, including, without limitation, (A) coal derivatives, including synthetic liquid or solid fuels which are derived from coal; (B) nuclear fuels; (C) solar energy; (D) geothermal energy; (E) petroleum coke; (F) combustible municipal, industrial, or agricultural waste; (G) oil extracted from shale or products derived from such oil; (H) wood or other bio-mass, and (I) process waste gases; but does not include coal derivatives where such derivatives are produced by a person for the primary purpose of use as other than a fuel.

"(6) The term 'electric powerplant' means a fossil-fuel-fired electric generating unit, including a gas turbine unit or a combined cycle unit, that produces electric power for the purpose of sale or exchange.

"(7) The term 'peakload' when used to modify electric powerplant means a powerplant which operates the equivalent of less than one thousand five hundred full-load hours per calendar year: *Provided, however,* that hours operated by a peakload unit in an emergency situation shall not be counted against the one thousand five hundred full-load hours per calendar year limitation on peakload operation.

"(8) The term 'intermediate load' when used to modify electric powerplant means a powerplant which operates the equivalent of one thousand five hundred to three thousand five hundred full-load hours per calendar year.

"(9) The term 'base load' when used to modify electric powerplant means a powerplant which operates in excess of the equivalent of three thousand five hundred full-load hours per calendar year.

"(10) The term 'major fuel-burning installation' means a major industrial installation, which is a fossil fuel-fired boiler, a gas turbine unit, combined cycle unit, indirect-fired unit, or internal combustion engine, but does not include (A) an electric powerplant, or (B) a pipeline where natural gas or petroleum is used in the production, gathering, transmission, storage, and distribution of gases and liquids.

"(11) The term 'indirect-fired use' means a use of fuel where the flame or the products of combustion do not come into direct contact with the material being processed.

"(12) The term 'cogeneration facility' means an electric powerplant or a major fuel-burning installation which produces—

"(A) electric energy and

"(B) other forms of useful energy (such as steam, gas or heat) which is, or will be, used for industrial, commercial, or space heating purposes."

"(13) The term 'primary energy source' means the fuel or combination of fuels used simultaneously by an electric powerplant or a major fuel-burning installation for normal operation, but does not include the minimum amounts of fuel required for startup, testing, flame stabilization, or control uses.

"(14) The term 'fuel' means natural gas, petroleum, coal or any other substance which is utilized to produce heat, but does not include natural gas, petroleum, coal, or other substance which is used as a raw material or feedstock for production of other materials.

"(15) The term 'applicable environmental requirements' includes the governmental standards, limitations, or other requirements promulgated pursuant to Federal, State or local law applicable to emissions of environmental pollutants (including air and water polluants) or disposal of solid waste or residues resulting from the combustion of coal or other fuels or the operation of air pollution control equipment, and includes, without limitation, any standard, limitation, or other requirement established pursuant to the Clean Air Act, as amended, the Federal Water Pollution Control Act, as amended, or the Solid Waste Disposal Act, as amended.

"(16) The term 'cost' means total costs (both operating and capital) incurred over the estimated useful life of an electric powerplant or major fuel-burning installation, discounted to present value, as determined by the Administrator. In the case of an electric powerplant, cost shall take into account any change in the utilization of such powerplant in the relevant dispatching system and other economic factors that are included in planning for the production, transmission, and distribution of electric power within such system.

"(17) The term 'legal factors' includes all applicable Federal, State, or local governmental laws or other legal requirements but does not include any local governmental standard, limitation, or other requirement applicable to emissions of air pollutants or any local governmental standard, limitation, or other legal requirement applicable to emissions of air pollutants respecting the use of coal that is more stringent than a State or Federal standard, limitation, or other requirement promulgated pursuant to section 110 of the Clean Air Act.

"TITLE I—NATURAL GAS AND PETROLEUM CONSERVATION BY NEW FACILITIES

"DEFINITIONS

"SEC. 101. For the purposes of this title:

"(1) The term 'new electric powerplant' means any electric powerplant—

"(A) (i) with respect to which an order was issued pursuant to section 2(c) of the Energy Supply and Environmental Coordination Act of 1974, as amended, prior to the effective date of this title, or

"(ii) which, as of ninety days after the effective date of regulations implementing section 103 of this title, has not commenced the driving of the foundation piling, or other appropriate on-site structural event, as determined by the Administrator, in accordance with an approved design document for the facility; or

"(iii) which, as of the date of enactment of this title, has not been contracted for in whole or in part or can be canceled, redesigned, or rescheduled without adversely affecting electric system reliability; and

"(B) which (i) is by design capable of consuming fuel at a fuel heat input rate of one hundred million British thermal units per hour or greater, or

"(ii) is a combination of more than one such powerplant at the same site or facility which in the aggregate is by design capable of consuming fuel at a fuel heat input rate of two hundred fifty million British thermal units per hour or greater

"(2) The term 'planning process' means that period ending when the major fuel-burning installation can no longer reasonably be designed and constructed so as to be capable of using coal or other fuel as its primary energy source without incurring significant financial or operational detriment, as determined by rule by the Administrator.

"(3) The term 'new major fuel-burning installation' means a major fuel-burning installation—

"(A) (i) with respect to which an order was issued pursuant to section 2(c) of the Energy Supply and Environmental Coordination Act of 1974, as amended, prior to the effective date of this title, or

"(ii) which, as of the effective date of regulations implementing section 104, is not beyond the planning process; and

"(B) which (i) is by design capable of consuming fuel at a fuel heat input rate of one hundred million British thermal units per hour or greater, or

"(ii) is a combination of more than one such installation at the same site or facility which in the aggregate is by design capable of consuming fuel at a fuel heat input rate of two hundred and fifty million British thermal units per hour or greater.

"(4) The term 'capability to use coal or other fuel' means that a new electric powerplant or new major fuel-burning installation is designed (including the necessary equipment and facilities) to use coal or other fuel as its primary energy source.

"TERRITORIAL APPLICATION

"SEC. 102. The provisions of this title shall apply to the contiguous forty-eight States, Alaska, and the District of Columbia.

"NEW ELECTRIC POWERPLANTS

"SEC. 103. Except as provided for in sections 105, 106, and 107, any new electric powerplant shall be constructed with the capability to use, and shall use, coal or other fuel in lieu of natural gas or petroleum as its primary energy source in compliance with applicable environmental requirements.

"NEW MAJOR FUEL-BURNING INSTALLATIONS

"SEC. 104. Except as provided for in sections 105, 106, and 108, any new major fuel-burning installation shall be constructed with the capability to use, and shall use, coal or other fuel in lieu of natural gas or petroleum as its primary energy source in com-

pliance with applicable environmental requirements: *Provided*, That a new major fuel-burning installation which is by design not capable of consuming fuel at a fuel heat input rate of three hundred million British thermal units per hour or more shall not be subject to the prohibition set forth in this section with respect to petroleum: *Provided further*, That the Federal Energy Administration shall study the effect of this provision and report the results of said study to the Committee on Energy and Natural Resources of the Senate and the Interstate and Foreign Commerce Committee of the House not later than September 15, 1978.

"TEMPORARY EXCEPTIONS

"SEC. 105. (a) GENERAL TEMPORARY EXCEPTION.—The Administrator, upon application of the person owning, constructing, or proposing to construct or operate a new electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 103 or 104 of this title proposing to use petroleum as its primary energy source, shall grant a temporary exception with respect to the use of petroleum from such requirements and prohibitions and the penalties of section 303 of this Act for up to five years, if—

"(1) such person, prior to the effective date of any such requirement or prohibition has submitted a compliance plan to the Administrator containing a compliance schedule for such powerplant or installation which the Administrator has approved pursuant to subsection (d); and

"(2) such person has demonstrated that during the proposed period of the temporary exception, despite diligent good faith efforts,

"(A) (i) an adequate and reliable supply of coal or other fuel allowable as a primary energy source pursuant to sections 103 and 104 of this title and of the quality necessary to achieve compliance with applicable environmental requirements or conformance with design and operation requirements is not expected to be available; or

"(ii) adequate transportation facilities for such coal or other fuel are not expected to be available; or

"(iii) pollution control equipment or devices, including flue gas desulfurization equipment and particulate control equipment, necessary to assure compliance with applicable environmental requirements are not expected to be available; or

"(iv) other equipment or other facilities necessary for the reliable operation of such powerplant or installation are not expected to be available; and

"(B) in the case of a new electric powerplant, there is no alternative supply of electric power which can be obtained from another source for the length of the temporary exception without impairing reliability of service.

"(b) SYNTHETIC FUELS EXCEPTION.—(1) The Administrator, upon application by a person owning, constructing, or proposing to construct a new electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 103 or 104 of this title, proposing to use natural gas or petroleum as a primary energy source, shall grant a temporary exception from such requirements and prohibitions and the penalties of section 303 of this Act if—

"(A) such person has submitted a compliance plan to the Administrator containing a compliance schedule for such powerplant or installation which the Administrator has approved pursuant to subsection (d) of this section and

"(B) such person has demonstrated—

"(i) that such powerplant or installation will comply with such requirements and prohibitions within five years of their effective date by the use of synthetic fuels derived from coal or other fuel; and

"(ii) that the intention so to comply with the prohibition and the anticipated compliance date is evidenced by the existence of binding contracts for fuels or facilities that would enable the applicant to comply with the prohibition.

"(2) Temporary exceptions under this subsection may be granted for up to five years beyond the effective date of such prohibition, but not beyond the anticipated compliance date. The Administrator shall renew the exception for up to five years if the circumstances justifying the initial exception are likely to persist.

"(c) PUBLIC HEALTH EXCEPTION.—(1) The Administrator, upon application by a person owning, constructing, or proposing to construct a new electric powerplant or a major fuel-burning installation subject to the requirements and prohibitions of section 103 or 104 of this title proposing to use natural gas as a primary energy source, shall grant a temporary exception from such requirements and prohibitions and the penalties of section 303 of this Act if—

"(A) the Environmental Protection Agency or the appropriate State certifies to the Administrator that such use of natural gas is necessary—

"(i) to enable the air quality control region to attain or maintain compliance with a national primary ambient air quality standard, and

"(ii) to permit such powerplant installation to comply with the applicable implementation plan, as defined in section 110(d) of the Clean Air Act, as amended; and

"(B) such person demonstrates why such powerplant or installation cannot comply with the applicable implementation plan without the temporary exception and establishes the probable duration of its need for such natural gas to comply with such plan.

"(2) A temporary exception under this subsection may be granted for a period up to five years and may be extended for additional periods of up to five years if the Environmental Protection Agency or the appropriate State certifies to the Administrator that the use of such natural gas is necessary to permit the air quality control region to attain the national primary ambient air quality standards.

"(d) COMPLIANCE PLAN.—(1) The Administrator shall approve a compliance plan submitted pursuant to this section only if the compliance plan sets forth—

"(A) a schedule for compliance with the applicable requirements and prohibitions pursuant to this title; and

"(B) evidence of binding contracts or other commitments, for fuels or facilities that would enable the applicant to comply with such requirements and prohibitions.

"(2) The compliance plan approved pursuant to this subsection shall be revised annually as required by the Administrator to reflect appropriate changing circumstances.

"(3) Failure to comply with the compliance plan approved pursuant to this subsection may result in termination or modification of the terms of the temporary exception granted under this section.

"(e) TERMS AND CONDITIONS.—Any temporary exception granted pursuant to this section shall be upon such terms and conditions as may be reasonable and necessary to carry out the purposes of this Act.

"(f) ENVIRONMENTAL COMPLIANCE.—In no event may the action of the Administrator on a request for a temporary exception under this section result in any delay in compliance with any applicable environmental requirement.

"PERMANENT EXEMPTIONS

"SEC. 106. (a) GENERAL PERMANENT EXEMPTION.—The Administrator, upon application by a person owning, constructing, or proposing to construct or operate a new electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 103 or 104 of this title utilizing or proposing to utilize petroleum as its primary energy source shall grant a permanent exemption with respect to petroleum from such requirements and prohibitions and the penalties of section 303 of this Act, if such person has demonstrated that—

"(1) (A) despite good faith efforts an adequate and reliable supply of coal or other fuel allowable as a primary energy source pursuant to section 103 or 104 of this title and of the quality necessary to achieve compliance with the applicable environmental requirements or conformance with design requirements is not expected to be available for use during a majority of the useful life of such powerful or installation, or

"(B) the cost of using coal or other fuel substantially exceeds the cost of using imported petroleum; or

"(C) other physical, environmental, and legal factors (including, but not limited to, applicable environmental requirements) exist which cannot reasonably be expected to be overcome by diligent good faith efforts by the applicant and which preclude compliance with the requirements of section 103 or 104 of this title; and

"(2) in the case of a new electric powerplant, despite good faith efforts, there is—

"(A) no reasonable alternative site (i) at which an adequate and reliable supply of coal or other fuel allowable as a primary energy source pursuant to section 103 of this title is or would be available for use during a majority of the useful life of such powerplant;

"(ii) at which the other resources or facilities necessary for operation of a powerplant using coal or other allowable fuel are expected to be reasonably available during a majority of the useful life of such powerplant; and

"(iii) at which a powerplant can be constructed and operated in compliance with applicable environmental requirements; and

"(B) no alternative supply of electric power which can be obtained without impairing reliability of service.

"(b) MIXTURES OF COAL AND PETROLEUM.—The Administrator, upon application by a person owning, constructing, or proposing to construct or operate a new electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 103 or 104 of this title proposing to utilize a mixture of coal and petroleum as its primary energy source, shall grant a permanent exemption with respect to the use of such mixture from such requirements and prohibitions and the penalties of section 303 of this Act, if the applicant has demonstrated that he would otherwise be entitled to a permanent exemption from the requirements and prohibitions of this title. Such exemption shall be conditioned on the use of petroleum in amounts no greater than necessary to maintain reliability of operation.

"(c) PUBLIC INTEREST EXEMPTION.—Any person owning, constructing or proposing to construct a new electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 103 or 104 of this title may apply to the Administrator for a permanent exemption under this section from such requirements and prohibitions and the Administrator may grant a permanent exception from such requirements and prohibitions and the penalties of section 303 of this Act upon a finding that—

(1) compliance with applicable environmental standards and legal factors pursuant to Federal or State law would be feasible, but compliance with local environmental and legal requirements would not be feasible; and

(2) compliance with the requirements and prohibitions of this title would not be in the public interest or would not be of significant value in serving the purposes of this Act.

"(d) STANDBY OPERATION EXEMPTION.—The Administrator, upon application by a person owning, constructing, or proposing to construct or operate a new electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 103 or 104 of this title, proposing to use

petroleum or natural gas as a primary energy source, shall grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act if such person demonstrates that such powerplant or installation shall be operated only for standby or emergency purposes when the normal sources of energy supply are not available.

"(e) MIXTURES OF COAL AND OTHER FUELS.—Except for peakload exemptions pursuant to section 107(a) of this title, before granting a permanent exemption pursuant to section 106, 107, or 108 of this title from the requirement to use coal or other fuel in lieu of natural gas or petroleum, the Administrator shall require the applicant for a permanent exemption to prove that the use of a mixture of coal or other fuel, and petroleum, or fluidized bed combustion of coal, is not feasible.

"(f) EXCLUSION.—Any new electric powerplant or major fuel-burning installation that has had a construction order issued pursuant to section 2(c) of the Energy Supply and Environmenal Coordination Act, as amended, or section 203 of this Act reversed on the merits by judicial review or withdrawn or rescinded by the Administrator shall not thereafter be subject to the requirements and prohibitions of sections 103 and 104 of this Act.

"SPECIAL EXEMPTIONS FOR NEW ELECTRIC POWERPLANTS

"SEC. 107. (a) NEW PEAKLOAD ELECTRIC POWERPLANTS.—The Administrator, upon application by a person owning, constructing, or proposing to construct or operate a new electric powerplant subject to the requirements and prohibitions of section 103 of this title—

"(1) proposing to use petroleum as its primary energy source, shall grant a permanent exemption for such powerplant from such requirements and prohibitions and the penalties of section 303 of this Act, if such person has demonstrated that such powerplant is to be constructed or operated as a peakload powerplant; or

"(2) proposing to use natural gas as its primary energy source at a site which the Administrator of the Environmental Protection Agency or the appropriate State agency certifies to the Administrator are in air quality control regions where any national primary ambient air quality standard has not been attained or is not expected to be attained or maintained, shall grant a permanent exemption for such powerplant from such requirements and prohibitions and the penalties of section 303 of this Act if such person has demonstrated that such powerplant is to be operated solely as a peakload powerplant.

"(b) INTERMEDIATE LOAD POWERPLANTS.—(1) The Administrator, upon application by a person owning, or proposing to operate a new electric powerplant subject to the requirements and prohibitions of section 103 of this title, proposing to use petroleum as its primary energy source, may grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act, if the applicant demonstrates that—

"(A) such powerplant is to be operated as an intermediate load powerplant;

"(B) such powerplant is to be constructed or operated to replace no more than the equivalent capacity of existing natural gas or petroleum fired electric powerplants in air quality control regions which the Administrator of the Environmental Protection Agency or the appropriate State agency certifies to the Administrator is in a region were any national primary ambient air quality standard has not been attained or is not expected to be attained or maintained;

"(C) the net heat input rate for the new electric powerplant will be maintained at nine thousand five hundred British thermal units per kilowatt hour or less during the useful life of such powerplant;

"(D) such powerplant is to be constructed with the capability to use synthetic fuels derived from coal; and

"(E) the applicant in good faith intends to convert to the use of synthetic fuels derived from coal or other fuels at the earliest practicable time.

"(2) The Administrator shall review, from time to time, exemptions granted pursuant to this subsection. When he finds that a supply of synthetic fuels derived from coal suitable for use by a powerplant previously granted an exemption under paragraph (1) is available he shall terminate the exemption.

"(c) COGENERATION.—The Administrator, upon application by a person owning, constructing, or proposing to construct or operate a new cogeneration facility requesting an exemption or temporary exception from any requirements and prohibitions of section 103 or 104 of this title, may grant a permanent exemption or temporary exception from such requirements and prohibitions and the penalties of section 303 of this Act if the Administrator finds that the applicant has fully evaluated the feasibility of utilizing coal or other fuel in such cogeneration facility and has demonstrated that the economic and other benefits of cogeneration are unobtainable unless petroleum may be used in such facility.

"(d) EXEMPTION FOR RELIABILITY.—The Administrator, upon application by a person owning, constructing, or proposing to construct or operate a new electric powerplant subject to the requirements and prohibitions of section 103 proposing to use petroleum as a primary energy source, shall grant a permanent exemption with respect to the use of petroleum from such requirements and prohibitions and the penalties of section 303 of this Act if such person demonstrates that the permanent exemption is necessary to prevent impairment of reliability of service. In the case of a new electric powerplant which, as of April 20, 1977, has received a final decision from an appropriate State energy agency authorizing construction of such powerplant, or in the case of an electric powerplant consisting of one or more combined cycle units in an electric utility system serving at least two million customers for which an application has been filed for at least one year prior to the date of enactment of this section with the appropriate State energy agency for authorization to construct such powerplant, certification by the appropriate State energy agency that such powerplant is necessary to prevent impairment of reliability of service shall be conclusive that a permanent exemption pursuant to this subsection is necessary to prevent impairment of reliability of service and require the granting of a permanent exemption by the Administrator pursuant to this subsection from the requirements and prohibitions of section 103 of this Act and the penalties of section 303 of this Act.

"SPECIAL EXEMPTION FOR NEW MAJOR FUEL-BURNING INSTALLATIONS

"SEC. 108. PRODUCT QUALITY EXEMPTION.—The Administrator, upon application by a person owning, constructing, or proposing to construct a new major fuel-burning installation subject to the requirements and prohibitions of section 104 of this title, proposing to use natural gas or petroleum as its primary energy source, shall grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act if such person demonstrates that—

"(a) the use of an energy source other than natural gas or petroleum is technically infeasible in indirect firing use due to the necessity to maintain satisfactory control of product quality; and

"(b) substitution of steam for indirect heat is not possible due to process requirements.

"TITLE II—RECONSTRUCTION AND CONVERSION OF EXISTING FACILITIES

"DEFINITIONS

"SEC. 201. For the purposes of this title:

"(1) The term 'existing electric powerplant' means an electric powerplant—

"(A) (i) which is not a new electric powerplant as defined in section 101(1): or

"(ii) with respect to which an order was issued, prior to the effective date of this section, pursuant to section 2(a) of the Energy Supply and Environmental Coordination Act of 1974, as amended; and

"(B) which—

"(i) is by design capable of consuming coal or other fuel in lieu of natural gas or petroleum as its primary energy source at a fuel heat input rate of one hundred million British thermal units per hour or greater, or

"(ii) is by design not capable of consuming coal or other fuel as its primary energy source but is capable of consuming natural gas or petroleum at a fuel heat input rate of two hundred fifty million British thermal units per hour or greater; or

"(iii) is a combination of more than one powerplant at the same site or facility which in the aggregate is by design capable of consuming coal or other fuel in lieu of natural gas or petroleum as its primary energy source at a fuel heat input rate of two hundred fifty million British thermal units per hour or greater.

"(2) The term 'existing major fuel-burning installation' means a major fuel-burning installation—

"(A) (i) which is not a new major fuel-burning installation as defined in section 102(2); or

"(ii) with respect to which an order was issued, prior to the effective date of the Coal Utilization Act of 1977, pursuant to section 2(a) of the Energy Supply and Environmental Coordination Act of 1974, as amended; and

"(B) which—

"(i) is by design capable of consuming coal or other fuel in lieu of natural gas or petroleum as its primary energy source at a fuel heat input rate of one hundred million British thermal units per hour or greater, or

"(ii) is by design not capable of consuming coal or other fuel as its primary energy source but is capable of consuming natural gas or petroleum at a fuel heat input rate of two hundred fifty million British thermal units per hour or greater; or

"(iii) is a combination of more than one such installation at the same site or facility which in the aggregate is by design capable of consuming coal or other fuel in lieu of natural gas or petroleum as its primary energy source at a fuel heat input rate of two hundred fifty million British thermal units per hour or greater, but—

"(C) does not include an existing major fuel-burning installation for the extraction of mineral resources located (A) on or above the Continental Shelf of the United States or (B) on wetland areas adjacent to the Continental Shelf of the United States where coal storage is not practicable or would produce adverse effects on environmental quality.

"(3) The term 'capable of consuming coal or other fuel' means that an existing electric powerplant or major fuel burning installation was designed and constructed to use coal or other fuel in lieu of natural gas or petroleum as its primary energy source, but excludes an existing electric powerplant or major fuel-burning installation which (A) would require substantial modifications to any boiler or nonboiler unit in order to utilize coal or other fuel in lieu of natural gas or petroleum as its primary energy source in

that unit or (B) would suffer a substantial downgrading of the rated capacity of such unit in order to utilize coal or other fuel in lieu of natural gas or petroleum as its primary energy source.

"(4) The term 'small electric powerplant' means a fossil-fuel fired electric generating unit, which by design is not capable of consuming fuel at a fuel heat input rate of greater than two hundred fifty million British thermal units per hour.

"(5) The term 'small industrial installation' means a fuel-burning installation that by design is not capable of being operated at a total fuel heat input rate in excess of two hundred fifty million British thermal units per hour.

"(6) The term 'air pollution control device' means equipment designed to reduce the quantity of atmospheric emissions by any electric powerplant or major fuel-burning installation using coal or other fuel as its primary energy source.

"(7) The term 'electric utility system' means a person and its affiliates which individually or in combination own, lease, operate, or control any electric powerplant subject to the requirements and prohibitions of this title.

"(8) The term 'affiliate', when used in relation to a person, means another person which controls, is controlled by, or is under common control with such person.

"TERRITORIAL APPLICATION

"SEC. 202. The provisions of this title shall apply to the contiguous forty-eight States and the District of Columbia.

"EXISTING ELECTRIC POWERPLANTS AND MAJOR FUEL-BURNING INSTALLATIONS

"SEC. 204. (a) NATURAL GAS PROHIBITION.—(1) Except as provided for in sections 206, 207, 208, and 209 of this title, effective January 1, 1990, no existing electric powerplant shall utilize natural gas as its primary energy source: *Provided, however,* That any existing electric powerplant with the capability to use either natural gas or petroleum as its primary energy source shall be subject to the requirements and prohibitions of paragraph (3) of this subsection.

"(2) Except as provided in sections 206, 207, 208, and 209 of this title, no existing electric powerplant using petroleum as its primary energy source on April 20, 1977, may thereafter convert to the use of natural gas as its primary energy source.

"(3) Except as provided in sections 206, 207, 208, and 209 of this title, no existing electric powerplant shall use natural gas in greater proportions than—

"(A) the average yearly proportion of natural gas that it used as a primary energy source in calendar years 1974 through 1976, or

"(B) in the case of an electric powerplant beginning operation after January 1, 1974, the average yearly proportion of natural gas that is used as a primary energy source during the first two calendar years of its operation.

"(b) MIXTURES AND COMBINATIONS OF FUELS.—Subject to the provisions of sections 206, 207, 208, and 209 of this title, the Administrator may, by order, prohibit an existing electric powerplant or major fuel-burning installation in which it is feasible to use a combination of coal or other fuel and natural gas or petroleum as a primary energy source from using natural gas or petroleum, or both, in amounts greater than is necessary to maintain reliability of service or operation.

"(c) PERMIT TO USE PETROLEUM.—The Administrator shall by rule require that no existing electric powerplant or major fuel-burning installation which, on or after April 20, 1977, uses coal as a primary energy source may increase its use of petroleum as a primary energy source unless it first obtains a permit which authorizes such increased use of petroleum. Such a permit shall be issued only if the appropriate State certifies to the Administrator that the increased use of petroleum by such powerplant or installation is necessary to permit such powerplant or installation—

"(1) to comply with the applicable implementation plan, as defined in section 110(d) of the Clean Air Act, and

"(2) if such person (A) demonstrates to the satisfaction of the Administrator that it cannot comply with the applicable implementation plan without the issuance of a permit and (B) documents the expected duration of its need for increased use of natural gas or petroleum to comply with such plan.

"COMPLIANCE REPORT

"SEC. 205. Any person owning, operating, or proposing to operate one or more existing electric powerplants or major fuel-burning installations required to come into compliance with the requirements and prohibitions of this title shall on or before January 1, 1980, and annually thereafter, submit to the Administrator a report identifying all such existing electric powerplants or major fuel-burning installations owned or operated by such person. Such report shall—

"(a) set forth the anticipated schedule for compliance with the applicable requirements and prohibitions by each such electric powerplant or major fuel-burning installation;

"(b) indicate proposed or existing contracts or other commitments or good faith negotiations for such contracts or commitments for coal and other fuels or equipment that would enable such powerplant or installation to attain compliance with such requirements and prohibitions; and

"(c) identify those electric powerplants or major fuel-burning installations, if any, for which application for temporary exceptions or permanent exemption from the requirements and prohibitions of this title may be filed.

"TEMPORARY EXCEPTIONS

"SEC. 206. (a) GENERAL TEMPORARY EXCEPTION.—(1) The Administrator, upon application of a person owning, operating or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of sections 203 and 204 of this title proposing to use petroleum as a primary energy source, shall grant temporary exceptions with respect to petroleum from such requirements and prohibitions and the penalties of section 303 of this Act for a period of up to five years, if—

"(A) such person, prior to the effective date of any such requirement or prohibition, has submitted a compliance plan to the Administrator which the Administrator has approved pursuant to subsection (g) of this section; and

"(B) such person has demonstrated that, prior to the applicable compliance date, despite diligent good faith efforts—

"(i) an adequate and reliable supply of coal or other fuel allowable as a primary energy source and of the quality necessary to achieve compliance with applicable environmental requirements and to meet design and operation requirements is not expected to be available; or

"(ii) adequate transportation facilities for such coal or other fuel are not expected to be available; or

"(iii) pollution control equipment or devices, including the flue gas desulfurization equipment and particulate control equipment, necessary to assure compliance with applicable environmental requirements are not expected to be available; or

"(iv) the cost of using coal or other fuel substantially exceeds the cost of using imported petroleum; or

"(v) other equipment or other facilities necessary for the reliable operation of such powerplant or installation are not expected to be available.

"(b) SYNTHETIC FUELS EXCEPTION.—(1) The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 203 or 204 of this title, proposing to use natural gas or petroleum as a primary energy source, shall grant a temporary exception from such requirements and prohibitions and the penalties of section 303 of this Act if—

"(A) such person has submitted a compliance plan to the Administrator containing a compliance schedule for such powerplant or such installation, which the Administrator has approved pursuant to subsection (g) of this section; and

"(B) such person has demonstrated—

"(i) that such powerplant or installation will comply with such requirements and prohibitions within five years of their effective date by the use of synthetic fuels derived from coal or other fuel; and

"(ii) that the intention so to comply with the requirements and prohibitions and the anticipated compliance date are evidenced by the existence of binding contracts or commitments for fuels or facilities that would enable the applicant to comply with the prohibition.

"(2) Temporary exceptions under this subsection may be granted for periods of up to five years beyond the effective date of such prohibition, but not beyond the anticipated compliance date. The Administrator shall renew the exception for up to five years if the circumstances justifying the initial exception are likely to persist.

"(c) INNOVATIVE TECHNOLOGY EXCEPTION.—(1) The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 203 or 204 of this title proposing to use natural gas or petroleum as a primary energy source, shall grant a temporary exception from such requirments and prohibitions and the penalties of section 303 of this Act, if—

"(A) such person has submitted a compliance plan to the Administrator containing a compliance schedule for such powerplant or such installation which the Administrator has approved pursuant to subsection (g) of this section; and

"(B) such person has demonstrated—

"(i) that such powerplant or installation will comply with such requirements and prohibitions within five years of their effective date by innovative techniques for using coal or other fuel; and

"(ii) that the intention so to comply with the prohibition and the anticipated compliance date are evidenced by the existence of binding contracts or commitments for fuels or facilities that would enable the applicant to comply with such prohibition.

"(2) Temporary exceptions under this subsection may be granted for up to five years beyond the effective date of the requirement or prohibition, but not beyond the anticipated compliance date. The Administrator shall renew the exception for up to five years if the circumstances justifying the initial exception are likely to persist.

"(d) PUBLIC HEALTH EXCEPTION.—(1) The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 203 or 204 of this title proposing to use natural gas as a primary energy source, shall grant a temporary exception from such requirements and prohibitions and the penalties of section 303 of this Act if—

"(A) the Environmental Protection Agency or the appropriate State certifies to the Administrator that such use of natural gas is necessary—

"(i) to enable the air quality control region to attain or maintain compliance with a national primary ambient air quality standard, and

"(ii) to permit such powerplant or installation to comply with the applicable implementation plan, as defined in section 110 (d) of the Clean Air Act, as amended; and

"(B) such person demonstrates why such powerplant or installation cannot comply with the applicable implementation plan without the temporary exception and establishes the probable duration of its need for such natural gas to comply with such plan.

"(2) A temporary exception under this subsection may be granted for a period up to five years and may be extended for additional periods of up to five years if the Environmental Protection Agency or the appropriate State certifies to the Administrator that the use of such natural gas is necessary to permit the air quality control region to attain the national primary ambient air quality standards.

"(e) RETIREMENT EXCEPTION.—(1) The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant or a major fuel-burning installation subject to the requirements and prohibitions of section 203 or 204 of this title, proposing to use petroleum or natural gas as a primary energy source, shall grant a temporary exception from such requirements and prohibitions and the penalties of section 303 of this Act for a period of up to five years from the effective date of such requirements and prohibitions if such person, prior to the effective date of the applicable requirements and prohibitions, has submitted a retirement plan to the Administrator setting forth a retirement schedule for such facility and demonstrates that such powerplant or installation—

"(A) shall be retired from service and shall permanently cease operation within five years from the effective date of such requirements or prohibitions or

"(B) shall thereafter be maintained only for standby or emergency purposes and operated only intermittently during interruptions in normal energy supplies.

"(2) Any installation with respect to which a temporary exception is granted under this subsection is no longer eligible for, and cannot be granted, any further permanent exemption or temporary exception under this title.

"(f) Any temporary exception granted pursuant to this section shall be upon such terms and conditions as may be reasonable and necessary to carry out the purposes of this Act.

"(g) COMPLIANCE PLAN.—(1) The Administrator shall approve any compliance plan submitted pursuant to this section only if the compliance plan sets forth—

"(A) a schedule for compliance with the applicable requirements or prohibitions imposed pursuant to this title; and

"(B) evidence of binding contracts or other commitments or good faith negotiation for such contracts or commitments for fuels or facilities that would enable the applicant to comply with such requirements and prohibitions.

"(2) The compliance plan approved pursuant to this section shall be revised annually as required by the Administrator to reflect changing circumstances.

"(3) Failure to comply with a compliance plan approved pursuant to this section may result in termination or modification of the terms of the temporary exception granted under this section.

"PERMANENT EXEMPTIONS

"SEC. 207. (a) GENERAL PERMANENT EXEMPTION.—The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 203 or 204 of this title utilizing or proposing to utilize petroleum as its primary energy source shall grant a permanent exemption with respect to petroleum from such requirements and prohibitions, and the penalties of section 303 of this Act, if such person has demonstrated that—

"(1) despite good faith efforts an adequate and reliable supply of coal or other fuel allowable as a primary energy source pursuant to section 203 or 204 of this title and of the quality necessary to achieve compliance with the applicable environmental requirements or conformance with design requirements is not expetced to be available for use during a majority of the remaining useful life of such powerplant or installation, or

"(2) the cost of using coal or other fuel substantially exceeds the cost of using imported petroleum; or

"(3) other physical, environmental, and legal factors (including, but not limited to, applicable environmental requirements) exist which cannot reasonably be expected to be overcome by diligent good faith efforts by the applicant and which preclude compliance with the requirements of section 203 or 204 of this title.

"(b) MIXTURES OF COAL AND PETROLEUM.—The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 203 or 204 of this title utilizing or proposing to utilize a mixture of coal and petroleum as its primary energy source shall grant a permanent exemption with respect to the use of such mixture from such requirements and prohibitions and the penalties of section 303 of this Act, if the applicant demonstrates that he would otherwise be entitled to a permanent exemption under other provisions of this title. Such exemption shall be conditioned on the use of petroleum in amounts no greater than necessary to maintain reliability of operation.

"(c) PUBLIC INTEREST EXEMPTION.—Any person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 203 or 204 of this title, may apply to the Administrator for a permanent exemption under this section from such requirements and prohibitions and the Administrator may grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act upon a finding that—

"(1) compliance with applicable environmental standards and legal factors pursuant to Federal or State law would be feasible, but compliance with local environmental requirements and legal factors would not be feasible; and

"(2) compliance with the requirements and prohibitions of this title would not be in the public interest or would not be of significant value in serving the purposes of this Act.

"(d) SPECIAL EXEMPTION.—Any person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of section 203 or 204 of this title may apply to the Administrator for a permanent exemption under this subsection from such requirements and prohibitions. The Administrator shall grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act if the applicant for such exemption demonstrates that—

"(1) the natural gas or petroleum is being obtained by the applicant under an existing contractual commitment, which the applicant has no right to terminate without financial penalties;

"(2) the prohibition of burning such natural gas or petroleum will not make it available for other uses in the United States; and

"(3) the revenues derived from the sale or transportation tariffs of such natural gas are essential to the economic viability of the pipeline system in which it is delivered to the applicant.

"(e) STANDBY OPERATION EXEMPTION.—The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the requirements and prohibitions of this title, proposing to use petroleum or natural gas as a primary energy source, shall grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act if such person, prior to the effective date of any applicable requirements and prohibitions, demonstrates that such powerplant or installation will be maintained only for standby or emergency purposes and will be operated only for such purposes when the normal sources of energy supply are not available.

"(f) CONSIDERATION OF ALTERNATIVES.—Except for peakload exemptions pursuant to section 208(a) of this title, before granting a permanent exemption pursuant to section 207, 208, or 209 of this title from the requirement to use coal or other fuel in lieu of natural gas or petroleum, the Administrator shall require the applicant for a permanent exemption to prove that the use of a mixture of coal or other fuel, and petroleum, or fluidized bed combustion of coal, is not feasible.

"(g) EXCLUSION.—Any existing electric powerplant or major fuel-burning installation that has had a prohibition order issued pursuant to the Energy Supply and Environmental Coordination Act of 1974, as amended, or section 203 of this Act reversed on the merits by judicial review or withdrawn or rescinded by the Administrator shall not therefore be subject to the requirements and prohibitions of title II of this Act.

"SPECIAL EXEMPTIONS FOR EXISTING ELECTRIC POWERPLANTS

"SEC. 208. (a) PEAKLOAD POWERPLANTS.—The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant subject to the requirements and prohibitions of section 203 or 204 of this title, proposing to use petroleum as its primary energy source, may grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act, if the applicant demonstrates that—

"(1) the powerplant is operated solely as a peakload powerplant; and

"(2)(A) a denial of the application for exemption is likely to result in an impairment of reliability or adequacy of service; or

"(B) modification of the powerplant to permit compliance with such requirements and prohibitions is technically infeasible; or

"(C) such modification would result in an unreasonable cost to the applicant's customers.

"(b) INTERMEDIATE LOAD POWERPLANTS.—(1) The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant subject to the requirements and prohibitions of section 203 or 204 of this title, proposing to use petroleum as its primary energy source, may grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act, if the applicant demonstrates that—

"(A) such powerplant is to be operated solely as an intermediate load powerplant;

"(B) such powerplant is to be operated at a site which the Administrator of the En-

vironmental Protection Agency or the appropriate State agency certifies to the Administrator is in an air quality control region where any national primary ambient air quality standard has not been attained or is not expected to be attained or maintained;

"(C) the net fuel heat input rate for the existing electric powerplant will be maintained at nine thousand five hundred British thermal units per kilowatt hour or less during the useful life of such powerplant;

"(D) such powerplant is constructed with the capability to use synthetic fuels derived from coal; and

"(E) the applicant in good faith intends to convert to the use of synthetic fuels derived from coal or other fuels at the earliest practicable time.

"(2) The Administrator shall review, from time to time, exemptions granted pursuant to this subsection. When he finds that a supply of synthetic fuels derived from coal suitable for use by a powerplant previously granted an exemption under paragraph (1) is available he shall terminate the exemption.

"(c) EXEMPTION FOR RELIABILITY.—The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant subject to the requirements and prohibitions of section 203 proposing to use petroleum as a primary energy source, shall grant a permanent exemption with respect to the use of petroleum from such requirements and prohibitions, and the penalties of section 303 of this Act if such person demonstrates that the permanent exemption is necessary to prevent impairment of reliability of service.

"SPECIAL EXEMPTIONS FOR EXISTING MAJOR FUEL-BURNING INSTALLATIONS

"SEC. 209. PRODUCT QUALITY EXEMPTIONS.—(a) The Administrator, upon application by a person owning, operating, or proposing to operate an existing major fuel-burning installation subject to the requirements and prohibitions of section 204 of this title, proposing to use natural gas or petroleum as its primary energy source, shall grant a permanent exemption from such requirements and prohibitions and the penalties of section 303 of this Act if such person demonstrates that—

"(1) the use of a primary energy source other than natural gas or petroleum is technically infeasible in indirect firing due to the necessity to maintain satisfactory control of product quality; and

"(2) substitution of steam for indirect heat is not possible due to process requirements.

"(b) COGENERATION EXEMPTION.—The Administrator, upon application by a person owning or operating a cogeneration facility requesting an exemption or temporary exception from any requirements and prohibitions of this title, may grant an exemption or temporary exception from such requirements and prohibitions and the penalties of section 303 of this Act if the Administrator finds that the applicant has fully evaluated the feasibility of utilizing coal or other fuel in such cogeneration facility and has demonstrated that the economic and other benefits of cogeneration are unobtainable unless petroleum may be used in such facility.

"COAL CONVERSION COMPENSATION

"SEC. 210. (a) To the extent provided in Appropriations Acts, the Administrator is authorized, in accordance with such rules and regulations as the Administrator may prescribe, to compensate or to make commitments to compensate any person who owns or operates any existing electric powerplant or major fuel-burning installation which in the absence of such compensation would otherwise be issued an order granting a permanent exemption pursuant to sections 207, 208, or 209 of this title. Such compensation shall be no greater than necessary to compensate such person for the differential capital and operating cost, if any, to such person between complying with the applicable requirements and prohibitions of section 203 or 204 of this title and the granting of such exemption.

"(b) A person receiving compensation pursuant to this section shall provide evidence in writing to the Administrator in such form and with such content and other submissions as the Administrator by rule requires to protect the interests of the United States.

"(c) There are hereby authorized to be appropriated to the Administrator such sums as shall be sufficient for the purposes of this title.

"COAL CONVERSION LOANS

"SEC. 211. (a)(1) The Administrator is authorized, in accordance with the provisions of this section and such rules and regulations as he shall prescribe, and after consultation with the Secretary of the Treasury, to make loans and to make commitments to loan to any person who owns or operates any existing electric powerplant, or major fuel-burning installation which converts to coal or other fuel in lieu of natural gas or petroleum as its primary energy source subsequent to June 22, 1974, for the specific purpose of financing the purchase and installation of air pollution control devices at such electric powerplants or installations and any auxiliary equipment and facilities which the Administrator determines are necessary to burn coal. The aggregate amount of loans outstanding under this section may at no time exceed $2,000,000,000. No loan or commitment to loan shall be made under this section after January 1, 1985.

"(2) An applicant for a loan under this section shall provide evidence in writing to the Administrator in such form and with such content and other submissions as the Administrator shall by rule require to protect the interests of the United States.

"(3) Each loan shall be extended in such form, under such conditions and terms, and pursuant to such regulations as the Administrator deems appropriate.

"(4) The Administrator shall, from time to time as he deems appropriate and on advice of the Secretary of the Treasury, establish the interest rate or rates at which loans shall be made under this section at the current rate being paid by the Secretary of the Treasury on bonds, notes, and other obligations of comparable duration issued on behalf of the Federal Government, plus such fees and other charges as the Administrator may specify pursuant to subsection (c) of this section, not to exceed 1 per centum per annum.

"(b) The Administrator shall loan or make a commitment to loan sums under subsection (a) of this section with respect to the purchase and installation of air pollution control devices and any auxiliary equipment and facilities which the Administrator determines are necessary to burn coal only if he finds that—

"(1) the financial assistance applied for is not otherwise available from other Federal agencies and that assistance as provided in section 212 of this title has not been obtained for such air pollution control devices and any auxiliary equipment and facilities which the Administrator determines are necessary to burn coal; and

"(2) the applicant is unable to obtain sufficient funds on reasonable terms and conditions from any other source.

"(c) Loans made pursuant to this section shall not (1) exceed two-thirds of the cost of acquiring and installing such air pollution control devices and any auxiliary equipment and facilities which the Administrator determines are necessary to burn coal; and (2) have a maturity date in excess of ten years.

"(c)(1) The Administrator shall charge and collect such amounts as he may deem reasonable for the investigations for a loan, for the appraisal of properties offered as security for a loan, or for the issuance of a commitment: *Provided*, That such amounts shall not exceed one-half of one per centum of the loan amount authorized pursuant to subsection (a) of this section.

"(2) The Administrator shall charge and collect an insurance fee designed to avoid a Federal revenue loss in the event of a default of a loan made pursuant to this section.

"(d)(1) If there is a default in any payment by the obligor of interest or principal due under a loan entered into by the Administrator under this section and such default has continued for ninety days, the Administrator has the right to demand payment of such unpaid amount, unless the Administrator finds that such default has been remedied, or a satisfactory plan to remedy such default by the obligor has been accepted by the Administrator.

"(2) In demanding payment of unpaid interest or principal by the obligor, the Administrator has all rights specified in the loan-related agreements with respect to any security which he held with respect to the loan, including, but not limited to, the authority to complete, maintain, operate, lease, sell, or otherwise dispose of any property acquired pursuant to such loan or related agreements.

"(3) If there is a default under any loan or commitment to loan, the Administrator shall notify the Attorney General who shall take such action against the obligor or other parties liable thereunder as is, in his discretion, necessary to protect the interests of the United States. The holder of such loan shall make available to the United States all records and evidence necessary to prosecute any such suit.

"(e) There are hereby authorized to be appropriated to the Administrator such sums as shall be sufficient for the purposes of this title, but which shall not exceed the sum of $400,000,000 for each fiscal year 1978 through 1982.

"LOAN GUARANTEES

"SEC. 212. (a)(1) The Administrator is authorized, in accordance with the provisions of this section and such rules and regulations as he shall prescribe, and after consultation with the Secretary of the Treasury, to guarantee and to make commitments to guarantee the bonds, debentures, notes, and other obligations issued by or on behalf of any person who owns or operates any existing electric powerplant or major fuel-burning installation, which converts from natural gas or petroleum to coal or other fuels after June 22, 1974, for the specific purpose of financing the purchase and installation of air pollution control devices and any auxiliary equipment and facilities which the Administrator determines is necessary to burn coal at such electric powerplants or major fuel-burning installations. The aggregate amount of outstanding indebtedness guaranteed under this section may at no time exceed $10,000,000,000. No guarantee or commitment to guarantee shall be undertaken under this section after January 1, 1985.

"(2) An applicant for a guarantee under this section shall provide evidence in writing to the Administrator in such form and with such content and other submissions as the Administrator may require to protect the interest of the United States. Each guarantee and commitment to guarantee shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Administrator deems appropriate.

"(b) The Administrator may guarantee or make a commitment under subsection (a) of this section, with respect to air pollution control devices or any auxiliary equipment

and facilities which the Administrator determines are necessary to burn coal, subject to conditions and priorities pursuant to section 213 of this title, and if he finds that—

"(1) the guarantee will significantly reduce the borrowing costs associated with acquisition of capital for the purchase of air pollution control devices or any auxiliary equipment and facilities which the Administrator determines are necessary to burn coal; and

"(2) the acquisition of such air pollution control devices or any auxiliary equipment and facilities which the Administrator determines are necessary to burn coal would be significantly delayed in the absence of a loan guarantee; and

"(3) the financial assistance applied for is not otherwise available from other Federal agencies and that assistance as provided in section 211 of this title has not been obtained for such air pollution control devices or any auxiliary equipment and facilities which the Administrator determines are necessary to burn coal; and

"(c) The amount of any guarantee under this section shall not exceed two-thirds of such air pollution or auxiliary equipment and facilities control acquisition costs; and

"(d) The bonds, debentures, notes, or other obligations for which guarantees are made shall not have redemption dates or a maturity in excess of ten years from date of issuance.

"(e)(1) The Administrator shall charge and collect such amounts as he may deem reasonable for the investigations for a guarantee, for the appraisal of properties offered as security for a guarantee, or for the issuance of commitments for a loan or other obligation guaranteed under this section, but such charge shall not exceed one-quarter of 1 per centum of the amount of the loan or other obligation.

"(2) The Administrator shall charge and collect an insurance fee designed to avoid a Federal revenue loss in the event of a default of a loan or other obligation guaranteed under this section.

"(f)(1) If there is a default in any payment by the obligor of interest or principal due under an obligation guaranteed by the Administrator under this section and such default has continued for ninety days, the holder of such obligation or his agents has the right to demand payment by the Administrator of such unpaid amount. Within such period as may be specified in the guarantee or related agreements, but not later than forty-five days from the date of such demand, the Administrator shall promptly pay to the obligee or his agent the unpaid interest on and unpaid principal of the obligation guaranteed by the Administrator as to which the obligor has defaulted, using funds collected for such purpose as insurance fees pursuant to subsection (e), unless the Administrator finds that there was no fault by the obligor in the payment of interest or principal or that such default has been remedied.

"(2) If the Administrator makes a payment under paragraph (1) of this subsection, he shall have all rights specified in the guarantee or related agreements with respect to any security which he held with respect to the guarantee of such obligation, including, but not limited to, the authority to complete, maintain, operate, lease, sell, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements.

"(3) If there is a default under any guarantee or commitment to guarantee an obligation, the Administrator shall notify the Attorney General who shall take such action against the obligor or any other parties liable thereunder as is, in his discretion, necessary to protect the interests of the United States. The holder of such obligation shall make available to the United States all records and evidence necessary to prosecute any such suit.

"CONDITIONS AND PRIORITIES

"SEC. 213. (a) The Administrator shall guarantee or make a commitment to guarantee as authorized in section 212 of this title, or loan or make a commitment to loan as authorized in section 211 of this title, only when conditions set forth in such sections are satisfied, and if—

"(1) air pollution control devices to be acquired pursuant to this title shall satisfy any applicable environmental requirements;

"(2) the Administrator, in consultation with the Administrator of the Environmental Protection Agency, is satisfied that such air pollution control device does not duplicate or displace existing air pollution control devices with a remaining useful economic life in excess of two years; or

"(3) the Administrator has determined that there will be a continued reasonable assurance of full repayment of a loan, or that a realistic plan exists for redeeming all bonds, debentures, notes, or other obligations for which a guarantee is requested; and

"(4) the Administrator is satisfied that competition among private entities for the provision of air pollution control devices for any electric powerplant or major fuel-burning installations using coal as their primary energy source to be assisted under this title will be in no way limited or precluded.

"(b) In making guarantees or commitments to guarantee pursuant to section 212 of this title, or in making loans or commitments to loan pursuant to section 211 of this title, the Administrator is directed to—

"(1) allocate 25 per centum of available financial assistance, to the extent feasible and practicable, to existing small electric powerplants, and to existing small industrial installations; and

"(2) give priority consideration to requests for financial assistance by existing major fuel-burning installations and electric powerplants subject to, and in receipt of, a coal conversion order issued by the Administrator pursuant to section 203 of this Act.

"(c)(1) The Administrator shall require all persons receiving financial assistance or guarantees under this title whether in the form of loans, obligation guarantees, or other arrangements, to keep such records as the Administrator shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after completion of the project or undertaking referred to in subsection (a) of this section or full repayment of interest and principal on a loan made or guaranteed pursuant to provisions of this title, have access for the purposes of audit and examination to any books, documents, papers, and records of such receipts which in the opinion of the Administrator or the Comptroller General may be related or pertinent to the loans, obligation guarantees, or other arrangements referred to in such subsection.

"SYSTEM COMPLIANCE OPTION

"SEC. 214. (a) The Administrator, upon application by an electric utility company owning or operating any existing electric powerplants subject to the requirements and prohibitions of section 204 of this title and using intrastate natural gas owned by, or under contract to, such company prior to the date of enactment of this section, shall approve in lieu of any other provision of this Act a system compliance plan if such plan:

"(1) Contains a commitment that no new base load electric powerplant constructed by the electric utility company after the date of enactment of this Act will utilize natural gas or petroleum as its primary energy source;

"(2) Provides by 1990 for the reduction of the use of such intrastate natural gas to less than 20 per centum of (A) the quantities used in calendar year 1976 by those powerplants in the company's system which began operation on or before January 1, 1976, and (B) one half the quantities used as the primary energy source during the first twenty-four months of operation of powerplants which began operation after January 1, 1976 but before the effective date of this section;

"(3) Provides that subsequent to 1990 the use of such intrastate natural gas as the primary energy source will only be for the company's system peakload operation, defined as the total kilowatt hours generated annually by natural gas on the system of the applicant electric utility company system divided by the aggregate capacity of all the electric powerplants in such system, but not to exceed one thousand five hundred full-load hours per year;

"(4) Provides that subsequent to the date of enactment of this section that the natural gas utilized by electric powerplants on such electric utility company system will come only from—

"(i) existing natural gas contracts;

"(ii) renewals or extensions thereof under normal escalation clauses or other clauses which set forth an objective basis on which price can be determined at or before renewal of such contracts; or

"(iii) such new contracts or other renewals or extensions of existing contracts as the Administrator determines are necessary to meet the system compliance plan or are necessary to maintain reliability of service;

"(5) Provides for an orderly progression of phasing such electric powerplants into intermediate load operation and for the construction of coal or other fuel electric powerplants for base load use; and

"(6) Contains a ten-year forecast of demand for electricity, a ten-year construction forecast, and a ten-year financial plan which provides a reasonable basis for concluding that the commitments in such plan will be carried out.

"(b) The approval of a system's compliance plan pursuant to subsection (a) of this section shall suspend the application of the requirements of section 204 of this title to the utility system submitting the plan for as long as such approval is in effect.

"(c) The Administrator shall require the utility system to reaffirm the commitments and update the information in the system compliance plan at such intervals as he shall specify, not less frequently than every two years and not more frequently than every year, and the utility system may from time to time supplement or update the information in such plan.

"(d) The Administrator may extend the deadlines in paragraph (a)(2) of this section for periods of up to five years if the applicant demonstrates that despite good faith efforts to comply with such deadlines because of delays in the construction of new electric powerplants by such electric utility company is not feasible to comply with such deadlines without impairing reliability of service.

"(e) The Administrator may extend the deadline in paragraph (a)(3) of this section if he finds that it is not feasible to use any fuel other than natural gas or that such extension is in the national interest.

"(f) After January 1, 1955, any powerplant covered by a plan approved pursuant to this section and using natural gas as its primary energy source shall be eligible for an ex-

emption pursuant to section 207(e) or 208(a) of this Act.

STUDY OF COMPLIANCE PROBLEM

"SEC. 215. The Administrator shall conduct a study of the problems of compliance with this Act experienced by those electric utility systems which have a total system generating capacity of less than two thousand megawatts. The Administrator shall report his findings and his recommendations to the Congress not later than two years after the enactment of this Act.

"TITLE III—GENERAL

"ADMINISTRATIVE RULES AND REGULATIONS

"SEC. 301. (a) Except to the extent otherwise provided in this section rules prescribed under this Act shall be made in accordance with the procedures set forth in section 553 of Title 5, United States Code.

"(b) Any application filed under this Act for a permit, a permanent exemption or temporary exception from the requirements and prohibitions of sections 103, 104, 203, and 204 of this Act shall be in such form and contain such information as the Administrator shall require by rule promulgated within one hundred eighty days after the date of the enactment of this section. The Administrator, upon receipt of such application, shall publish a notice thereof in the Federal Register together with a detailed summary of the reasons set forth in such application for requesting such exemption, and provide a minimum of forty-five days for written comments thereon. The Administrator, upon receipt of such application, shall consult with the appropriate State energy agencies having primary authority to permit or regulate the construction or operation of the electric powerplant or, where appropriate, major fuel-burning installation which is the subject of such application.

"(c) When an application for a permit, or temporary exception or a permanent exemption from any requirement or prohibition of this Act is based on an alleged inability to comply with applicable environmental requirements, a copy of the application shall also be filed with the Administrator of the Environmental Protection Agency and, pursuant to the requirements of section 304 of this Act, the Administrator shall request the Environmental Protection Agency to comment thereon within the period provided to the public.

"(d) All determinations by the Administrator on those applications submitted in accordance with section 301(b) of this Title shall be determined on the record, subject to the procedures of section 554 of Title 5, United States Code. Notwithstanding section 402(d)(1) of the Department of Energy Organization Act, after the effective date of such section, the Secretary of Energy shall have jurisdiction to hear and determine matters required by this subsection to be determined on the record. The Federal Energy Regulatory Commission shall have no jurisdiction to hear and determine any such matter unless such matter is assigned to such Commission pursuant to section 402(e) of such Act.

"(e) The Administrator, within six months after the filing of a completed application, shall issue an order granting or denying such application, except that in the case of a permanent exemption, or if necessary to provide time for compliance with the National Environmental Policy Act of 1969, the Administrator may publish a notice in the Federal Register extending such period to a date certain but in no event greater than twelve months after the filing of the completed application. Such notice shall include the reasons for such an extension. Before promulgating any order granting or denying a permanent exemption, temporary exception, or permit under this section, the Administrator shall publish such proposed order in the Federal Register, together with a statement of the reasons for such order. Whenever the Administrator is required to take into account certain factors prior to issuing any rule or order, the Administrator shall include in the published statement of the reasons for such rule or order the Administrator's findings with respect to each such factor.

"(f) If the Administrator does not issue an order within the time limits stated in subsection (e), any party to the proceeding may file a motion demanding action by the Administrator. If the Administrator does not issue an order within thirty days after the filing of such motion, the application shall be granted.

"(g) The Administrator may by rule establish criteria by which the Administrator will approve or deny an application for a permanent exemption, a temporary exception, or permit, or a stay for an electric powerplant or a major fuel-burning installation from the requirements and prohibitions of this Act.

"JUDICIAL REVIEW

"SEC. 302. (a) Judicial review of any action by the Administrator pursuant to section 301(e) of this Act shall be in accordance with the provisions of Chapter 7, Title 5, United States Code. At any time before the sixtieth day after the date an order is published in the Federal Register, a person entitled under such chapter may file a petition to review any such order with the United States court of appeals for the circuit wherein such person resides or has his principal place of business, or the United States Court of Appeals for the District of Columbia.

"(b) Subject to the direction and control of the Attorney General, as provided in section 519 of title 28, United States Code, attorneys appointed by the Administrator may appear for and represent the Administrator in any proceeding instituted under this section.

"ENFORCEMENT AND PENALTIES

"SEC. 303. (a) It shall be unlawful for any person to violate any provision of this Act or to violate any rule, regulation, requirement, or order issued pursuant to this Act.

"(b)(1) Whenever, on the basis of any information available, the Administrator finds that any person is in violation of any provision of this Act or any rule, regulation, requirement, or order issued pursuant to this Act, the Administrator shall issue notice of such violation and may issue an order requiring compliance with such provision, rule, regulation, requirement, or order.

"(2) Any notice issued under this section shall be in writing and shall state with reasonable specificity the nature of the violation and any order shall specify a time for compliance which the Administrator determines is reasonable, taking into account the seriousness of the violation and any good faith efforts to comply with applicable prohibitions and requirements of this Act.

"(c)(1) Any person who violates any provision of this Act, or rule or order issued thereunder, shall be subject to a civil penalty of not more than $25,000 for each violation. Each day a violation continues shall constitute a separate violation.

"(2) Any person who willfully violates any provision of this Act, or rule or order issued thereunder, shall be subject to a fine of not more than $50,000 or to imprisonment for not more than one year, or both, for each violation. Each day a violation continues shall constitute a separate violation.

"(3) Any individual director, officer, or agent of a corporation who knowingly and willfully authorizes, orders, or performs any of the acts or practices constituting in whole or in part a violation described in paragraphs (1) and (2) of this subsection, shall be subject to penalties under this subsection without regard to any penalties to which the corporation may be subject under paragraphs (1) and (2) except that no such individual director, officer, or agent shall be subject to imprisonment under paragraph (2), unless he also knows of noncompliance by the corporation, or has received actual notice from the Administrator of such noncompliance.

"(4) Whenever it appears to the Administrator that any person has engaged, is engaged, or is about to engage in acts or practices constituting a violation of the provisions of this Act or any rule or order issued thereunder, the Administrator may request the Attorney General to bring a civil action to enjoin such acts or practices, and upon a proper showing, a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. In such action, the court may also issue mandatory injunctions commanding any person to comply with any provision of this Act or any rule or order issued thereunder.

"(d) Any person owning or operating an electric powerplant granted a permanent exemption under section 10 or 208 of this Act as a peakload electric powerplant, under section 107(b) or 208(b) as an intermediate-load electric powerplant, under section 106 (d) or 207(e) for standby operation, or temporary exception under section 206(e) under a retirement plan, which operates in violation of the terms and conditions of such exception or exemption, shall be liable for a civil penalty of up to $10 per barrel of oil or $3 per thousand cubic feet of natural gas used in excess of such terms and conditions. In the case of a peakload electric powerplant, the civil penalties shall not apply where such person can demonstrate that operation in excess of one thousand five hundred full-load hours was necessary to meet peakload demand and that other peakload electric powerplants within the system were unavailable for service due to unit or system outages or were also exceeding the one thousand five hundred full-load hours per calendar year limitation on peakload operation.

"(e) For purposes of subsections (c)(1), (2), and (3) of this section, the term 'person' shall not include the Federal Government, including corporations, departments, Federal agencies, and other instrumentalities.

"ENVIRONMENTAL REQUIREMENTS

"SEC. 304. (a) CONSULTATION.—For the purposes of this Act, in order to ascertain environmental control equipment and fuel requirements necessary to comply with applicable environmental requirements, the Administrator shall consult, as appropriate, with the Administrator of the Environmental Protection Agency or appropriate State authorities.

"(b) APPLICABILITY OF NATIONAL ENVIRONMENTAL POLICY ACT.—The grant or denial of an application filed under this Act for (1) a permit, or (2) a temporary exception or permanent exemption from the requirements and prohibitions of sections 103, 104, 203, and 204 of this Act shall not be deemed to be a major Federal action for purposes of section 102 of the National Environmental Policy Act of 1969, except when such application relates to a new electric powerplant or new major fuel-burning installation which otherwise involves a major Federal action. In such cases the environmental impact statement otherwise prepared for such action shall be deemed a sufficient statement for the Administrator's action on the application, if such statement adequately considers the fuel uses involved in the grant or denial of the application.

"ENERGY EFFICIENCY AND INNOVATIVE TECHNOLOGY REQUIREMENTS

"SEC. 305. For the purposes of this Act, in order to ascertain appropriate efficiency requirements and technological feasibility of converting any electric powerplant, or any major fuel-burning installation, subject to the requirements or prohibitions of this Act,

the Administrator shall consult, as appropriate, with the Administrator of the Energy Research and Development Administration.

"ASSISTANCE TO REGIONS IMPACTED BY EXPANDED COAL OR URANIUM PRODUCTION

"SEC. 306. (a) When the Governor of any State or chairman of any Indian tribe determines that employment in the coal- or uranium-mining industries and in coal- or uranium-related industries in an area has increased by 8 percent or more over the 1976 level of employment in coal or uranium mining and coal- or uranium-related industries in the area which will require the provision of additional public facilities and services or housing, the Governor or chairman may designate such an area within his jurisdiction as an 'energy-impacted region.' The Governor or chairman shall notify the Administrator of this designation, setting forth the boundaries of the impacted region and describing existing and anticipated socioeconomic impact.

"(b) Upon designation of an energy impacted region by a Governor or chairman, the Administrator shall—

"(1) make available from available appropriations one hundred per centum federally funded planning grants for such regions for the purpose of developing a growth management and housing plan for the impacted region. Such plan shall identify anticipated levels of coal or uranium development within the region, the nature and extent of projected socioeconomic impacts and the need for temporary and permanent housing sites and facilities. If the Governor concurs, such grants may be made directly to counties or other appropriate political subdivisions, including areawide councils of local government and designated substate planning and development clearinghouses. If the Administrator finds in writing after consultation with the Governor and local officials that particular grants are unnecessary, the Administrator may veto grants on a case-by-case basis;

"(2) transfer funds authorized for this section to the Farmers Home Administration to—

"(A) subject to the approval of the Governor or chairman, acquire land by purchase, donation, or condemnation, and develop and transfer acquired land to any State or to a political subdivision thereof, or to any qualified housing contractor if he determines that such transfer is an integral and necessary element of an economically feasible plan for the development of housing in the energy-impacted region. Such activities shall be accomplished under such terms and conditions as the Administrator shall require, which may include transfer of land with or without monetary consideration: Provided, That, after completion of the housing project, the recipient of the transferred land shall pay to the Administrator fair market value of the land prior to development. Land development shall be limited to site preparation work and construction of access roads and off-site improvements such as sewers and water extensions which the Governor or chairman determines are necessary or appropriate to the economic feasibility of a project; and

"(B) provide technical assistance to any State or political subdivision thereof for the development of housing, sewers, water systems, and other public facilities.

"(c) In selecting land pursuant to paragraph (b)(2)(A) of this section for acquisition and development, the Administrator shall give priority to acquiring tracts of land which were uninhabited or which were previously mined prior to the date of enactment of this Act. No part of the funds provided under this section may be used to pay the actual construction costs of housing.

"(d) The Administrator of the Farmers Home Administration may carry out the purposes of subsection (b) of this section directly or may make grants and commitments for grants and may advance money under such terms and conditions as he may require to any State, or any department, agency, or instrumentality of a State, or any public body or nonprofit organization designated by a State.

"(e) To expedite the construction or rehabilitation of housing in designated energy-impacted regions, the Administrator of the Farmers Home Administration or his designee shall convene a strike force in each designated energy-impacted region made up of representatives of the Governor or chairman, local political subdivisions, and each of the Federal agencies or departments which have existing programs relating to housing, public facilities, reclamation of abandoned mined lands, flood insurance, and such other programs as the Administrator deems relevant. The strike force shall be empowered to waive eligibility requirements for assistance under such programs on a case-by-case basis for applicants from the energy-impacted regions: *Provided*, That, no eligibility requirements relating to civil rights or to protection of the environment may be waived. The Administrator of the Farmers Home Administration or his designee shall serve as the Chairman of the strike force and shall prescribe the terms and conditions under which waivers are approved.

"(f) Within three months of designation of an energy-impacted region, all coal- or uranium-related companies operating within the region or transporting large quantities of coal or uranium through the region, shall prepare a report to the Administrator. Such report shall include projected employment demand over the life of the operations, annual projected influx of employees from outside the region, and projected annual coal or uranium production. Copies of the report shall be filed with the Governor or Indian tribe, the Administrator of the Farmers Home Administration or his designee, and appropriate county or local officials and shall be available for public review at each county courthouse within the energy-impacted region.

"(g) There is authorized to be appropriated annually for eight years to the Administrator the sum of $150,000,000, beginning with fiscal year 1978, which shall remain available until expended for the purposes of this section.

"DISRUPTION OF NATURAL GAS SUPPLY CONTRACTS

"SEC. 307. (a) RETENTION OF TITLE.—Whenever the application of any of the provisions of this Act to any electric powerplant of any major fuel-burning installation would result in prohibiting the use of natural gas or petroleum under contract, as of the date of enactment of this section, by any facility as its primary energy source, the sale, exchange, or other transfer of such natural gas or petroleum by any such powerplant or installation shall not be prevented or otherwise impaired by the force majeure or other clauses of such a contract.

"(b) COMPENSATION.—(1) Whenever the application of the requirements and prohibitions of sections 103 and 104 of this Act to any new electric powerplant or any new major fuel-burning installation would result in prohibiting any person from utilizing natural gas for which such person contracted prior to the date of enactment of this section, then such person shall be eligible for just compensation from the person or persons to whom such gas is sold. The person or persons to whom such natural gas is delivered shall make payment of just compensation to the person to whom the prohibition applies and to any person who but for such prohibition would have transported such natural gas to such facility. The person or persons who pay such just compensation shall, upon payment thereof, be entitled to assume any contractual rights which the person to whom the prohibition applies may have with respect to such natural gas. If the charges for transportation or sale of natural gas delivered pursuant to such a contract were not regulated under the Natural Gas Act prior to its assumption under this subsection, the assumption of such contract under this subsection and transportation or sale of such natural gas under such contract after its assumption shall not be subject to the Natural Gas Act.

"(2) For purposes of this subsection, the term 'just compensation' means compensation for—

"(A) increased fuel costs, if any, including transportation and handling costs, incurred by the electric powerplant or major fuel-burning installation to which the prohibition applies; and

"(B) loss of revenue, if any, incurred by the person who transported gas to such powerplant, to the extent such loss would not have occurred but for such prohibition.

"(3) In the event of a dispute between or among the parties, the amount of such compensation, as between those parties disagreeing, shall be determined on the record after agency hearing by the Administrator. A prohibition on the use of natural gas under this Act may take effect before the amount of such compensation is finally determined by the Administrator. The Administrator may order any person to pay the amount of compensation established by the Administrator or to adjust rates of payment to reflect underpayments or overpayments.

"(c) No action taken pursuant to this section and no permanent exemption granted pursuant to any other section of this Act shall be construed to—

"(1) permit a person to receive more natural gas from a pipeline company or distribution company than the maximum quantities permitted such person under the curtailment plan in effect for such pipeline company or distribution company; or

"(2) require suppliers of natural gas which is subsequently sold, exchanged, or otherwise transferred by electric powerplants or major fuel-burning installations as provided under subsection (a) to supply an annual amount exceeding the lesser of (A) the volume specified in the contract, or (B) the volume which would actually have been delivered to the electric powerplant or major fuel-burning installation but for the application of section 103, 104, 203, or 204 of this title; or

"(3) limit in any way the power of the Federal Power Commission or of the States to regulate the allocation of natural gas.

"EMERGENCY POWERS

"SEC. 308. (a) In the event the President declares a severe energy supply interruption, as defined in section 3(8) of the Energy Policy and Conservation Act, as amended, the Administrator may, by order, prohibit an electric powerplant or major fuel-burning installation using natural gas or petroleum as a primary energy source from so using natural gas or petroleum for the duration of such interruption. Any suspension of emission limitations or other requirements of applicable implementation plans as defined in section 110(d) of the Clean Air Act required by such prohibition shall be issued only in accordance with section 110(f) of the Clean Air Act.

"(b) A person operating a peakload electric powerplant for the purposes of supplying power in an emergency situation shall notify the Administrator within twenty-four hours of commencement of such operation. The Administrator may order the cessation of the operations of such powerplant at any time if in his judgment the emergency does not justify such operation. Hours of operation accumulated after such order shall be included in the peakload powerplant's opera-

ting hours for the purposes of the penalties in section 303(d).

"(c) The Administrator may stay or otherwise exempt for such period as the Administrator deems appropriate, the application of the requirements, prohibitions, and penalties of section 103, 104, 203, 204, or 303 of this Act—

"(1) in the event of national, regional, or systemwide shortages of coal or other fuel supplies or of coal transportation facilities or other necessary facilities which may or will affect reliability of service of new electric powerplants subject to such requirements and prohibitions; or

"(2) otherwise as necessary to alleviate or prevent any emergencies directly affecting the public health, safety, or welfare, which would result from electric power outages.

"(d) The Administrator shall stay the application of the requirements, prohibitions, and penalties of section 103, 104, 203, 204, or 303 of this Act for such periods as necessary to implement enforceable air pollution requirements.

"(e) Any allocation of coal or coal transportation facilities or equipment must be documented and a report stating the need, justification, and results of such allocation must be filed with the Administrator and available as public information.

"(f) Persons experiencing temporary emergency conditions which render it infeasible to use coal or other fuel or which require immediate action to forestall injury to life or property may commence the use of fuels other than coal or other fuel, notwithstanding any order or obligation otherwise imposed by or issued pursuant to this Act, but must notify the Administrator within twenty-four hours of such use. Such use of fuels may continue for the duration of the temporary emergency condition unless the Administrator, by order, directs that the use of such replacement fuels halt. Within one hundred eighty days after the enactment of this section, the Administrator shall by rule issue regulations prescribing the form and content of such notices and specifying the conditions which may constitute a temporary emergency, which shall include:

"(1) temporary unavailability of sufficient supplies of coal or other fuel;

"(2) disruption in transportation facilities needed to deliver sufficient quantities of coal or other fuel to users; and

"(3) severe weather conditions which render the use of coal or other fuel infeasible.

"REMEDIAL ORDER

"SEC. 310. The Department of Energy Organization Act is hereby amended by adding a new subsection (g) at the end of section 503 to read as follows:

"'(g) The Secretary or his delegate may not exercise discretion to maintain a civil action (other than an action for injunctive relief) or issue a remedial order against any person whose sole petroleum industry operation relates to the marketing of petroleum products, for any violation of any rules or regulation if—

"'(1) such civil action or order is based upon a retroactive application of such rule or regulation or is based upon a retroactive interpretation of such rule or regulation; and

"'(2) such person relied in good faith upon rules, regulations, or ruling interpreting such rules or regulations, in effect on the date of the violation.'"

CONFORMING AMENDMENTS

SEC. 203. (a) Sections 2(a), (b), (c), (e), and (f) of the Energy Supply and Environmental Coordination Act of 1974, as amended, are hereby designated as sections 203 (a), (b), (c), (d), and (e), respectively, of this title.

(b) Section 2(d) of the Energy Supply and Environmental Coordination Act of 1974, as amended, is hereby designated as section 309 of this title.

(c) Insert following the redesignated section 203(e) the following:

"(f) OTHER PROVISIONS.—(1) Orders outstanding under the Energy Supply and Environmental Coordination Act of 1974, as amended, as of the effective date of this Act shall remain in effect. Any proceedings in process pursuant to any such orders shall continue under the provisions of the Energy Supply and Environmental Coordination Act of 1974, as amended, and as in effect immediately prior to the passage of this Act: *Provided, however,* That the Administrator, on his own initiative or on motion of any interested person, shall rescind or modify any order (including any order issued pursuant to section 2(a) of the Energy Supply and Environmental Coordination Act of 1974, as amended, issued prior to the effective date of this Act) if the order is inconsistent with any provision of title II of this Act so that such order, as rescinded or modified, complies with this Act.

"(2) Before modifying or rescinding any such order the Administrator shall give notice to the public and the recipient of the order and afford interested parties an opportunity for a public hearing with appropriate procedural rights including oral and written presentation of data, views, and arguments.

"(3) No provision of any such order (or modification thereof) that prohibits the utilization of petroleum or natural gas shall become effective until the date which the Administrator of the Environmental Protection Agency has certified pursuant to section 119(d)(1)(B) of the Clean Air Act is the earliest date that such powerplant or installation will be able to utilize coal or other fuel in lieu of petroleum or natural gas and comply with all applicable environmental requirements. The Administrator of the Environmental Protection Agency shall give the Administrator the notice described herein within two hundred seventy days of the date on which the notice under paragraph (2) of this subsection was issued.

"(g) For the purposes of this section, the provisions of sections 201(1)(B)(ii) and 201(2)(B)(ii) shall not apply.".

CONFORMING AMENDMENTS

SEC. 204. The Energy Supply and Environmental Coordination Act of 1974, as amended, is further amended by inserting following new section 310 of this title, the following:

"DISCLOSURE

"SEC. 311. The Administrator shall require the disclosure of the extent, characteristics, and productive capacity of coal reserves held by any private, corporate, public, or Government owner, or interest-holder in such reserves, as necessary, pursuant to section 409 of this Act, and shall publish a summary of such information: *Provided,* That the Administrator may exempt small reserves from the requirements of this section where the Administrator finds that the imposition of the requirements of this section would impose an unreasonable economic burden on the owner or would not be of significant aid to achievement of the purposes of this Act.

"FEDERAL FACILITIES

"SEC. 312. (a) Each department, agency, and instrumentality of the executive, legislative, and judicial branches of the Federal Government having jurisdiction over any electric powerplant, or major fuel-burning installation subject to the requirements and prohibitions of this Act, shall comply with the requirements and prohibitions of this Act.

"(b) The President may exempt from the requirements of subsection (a) any electric powerplant or major fuel-burning installation of any department, agency, or instrumentality in the executive branch from compliance with such requirement or prohibition, if the President determines it to be in the paramount interest of the United States to do so. No such exemption shall be granted due to lack of appropriation unless the President shall have specifically requested such appropriations as a part of the budgetary process and the Congress shall have failed to make available such requested appropriation.

"(c) The President shall report each January to the Congress all exemptions granted under this section from the requirements and prohibitions of this Act during the preceding calendar year, together with his reason for granting each such exemption.

"COAL PRICE MONITORING

"SEC. 313. (a) The Administrator is directed to make a study of the costs of mining coal in various regions of the country by various mining techniques. The Administrator shall submit his study to the Congress no later than twelve months after enactment.

"(b) The Administrator is authorized and directed to monitor the price of significant amounts of coal committed to contract after enactment of this section and to provide the Congress with semiannual reports summarizing the data collected under this subsection and analyzing the factors influencing changes in coal prices, including but not limited to the impact of the provisions of this Act.

"REPORT

"SEC. 314. Beginning one year after the date of enactment of this title, the Administrator shall report annually to the Congress on the implementation of this title. Such report shall identify the permanent exemptions granted or denied pursuant to sections 107(b) and 208(b) of this Act.

"STUDY

"SEC. 315. (a) The Administrator shall conduct a detailed study of the uses of petroleum and natural gas by major fuel-burning installations. Such study shall—

"(1) identify those categories of major fuel-burning installations, including the specific process, in which the substitution of coal or other fuels for petroleum and natural gas is economically and technically feasible;

"(2) distinguish between in-direct and direct-fired uses of natural gas and petroleum;

"(3) distinguish between new and existing major fuel-burning installations; and

"(4) include estimates of the savings of natural gas and petroleum expected from such substitution.

"(b) The results of such study shall be transmitted to the Congress within one year of enactment of this section, together with any recommendations for legislation the Administrator may consider appropriate.

"RAILROAD REHABILITATION FOR CARRIAGE OF COAL

"SEC. 316. (a) AUTHORIZATION.—In order to facilitate and encourage the use of and conversion to coal as an energy resource in regions and States which can use coal in greater quantity as a substitute for imported oil and depleted domestic fuel supplies, there is hereby authorized to be appropriated, for deposit in the Railroad Rehabilitation and Improvement Fund established under section 502 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 882), not more than $100,000,000.

"(b) PURPOSES.—The money authorized to be appropriated to the Railroad Rehabilitation and Improvement Fund by subsection (a) shall be expended by the Secretary of Transportation, in the same manner as other money in such Fund, to provide financial assistance to railroads for maintenance, rehabilitation, improvements, and acquisition

of equipment and facilities (1) designed generally but which will be used for, or (2) designed specifically for, the rail transportation of coal or coal products to regions or States which can use coal in greater quantity as a substitute for imported oil and depleted domestic fuel supplies.

"(c) CONFORMING AMENDMENTS.—Title V of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 821 et seq.), as amended, is amended as follows:

"(i) Section 501(2) of such Act (45 U.S.C. 821(2)) is amended by inserting '(except as provided in section 314 of the Natural Gas and Petroleum Conservation and Coal Utilization Policy Act).' immediately after 'or other features.'.

"(ii) Section 502(b) of such Act (45 U.S.C. 822(b)) is amended by inserting at the end thereof the following: 'Money deposited in the Fund as authorized in section 314 of the Natural Gas and Petroleum Conservation and Coal Utilization Policy Act shall be used to provide assistance necessary for the purposes of facilitating and encouraging the rail transportation of coal and coal products to regions or States which can use coal in greater quantity as a substitute for imported oil or depleted domestic fuel supplies, as specified in section 314 of such Act.'.

"(iii) Section 502(f) of such Act (45 U.S.C. 822(f)) is amended by: (1) striking out 'and' at the end of clause (5) thereof; (2) inserting between clauses (5) and (6) the following new clause: '(6) funds as may hereafter be appropriated to the Fund as authorized under section 314 of the Natural Gas and Petroleum Conservation and Coal Utilization Policy Act; and'; and (3) renumbering clause (6) to '(7)'.

"(iv) Section 502(i) of such Act (45 U.S.C. 822(i)) is amended by (1) striking out 'and' at the end of clause (4) thereof; (2) striking out 'Treasury.' at the end of clause (5) and inserting in lieu thereof the language 'Treasury, and'; and (3) adding at the end thereof the following new clause: '(6) to carry out the purposes of section 314 of the Natural Gas and Petroleum Conservation and Coal Utilization Policy Act.'

"(v) Section 505(b)(2) of such Act (45 U.S.C. 825) is amended by inserting between the fourth and fifth sentences thereof the following new sentence: 'With respect to funds appropriated for financial assistance under this section which were authorized pursuant to section 314 of the Natural Gas and Petroleum Conservation and Coal Utilization Policy Act, applications for such funds for the purpose of coal transportation shall be deemed to be for the provision of essential freight services.'

"(vi) Section 505(d)(3) is amended by changing the figure in the first sentence from $600,000,000 to '$700,000,000.', and the figure in the second sentence from $100,000,000 to $150,000,000.".

"OFFICE OF RAIL PUBLIC COUNSEL

"SEC. 317. Section 27 of the Interstate Commerce Act is amended by striking 'and' at the end of section 24(4)(d), striking the period at the end of section 27(4)(e) and inserting in lieu thereof a semicolon and the word "and", and by inserting after such section the following:

"'(f) shall present the views of communities and users and providers of rail services in proceedings of Federal agencies whenever the Director determines that it is in the public interest that transportation policy be implemented in a manner consistent with national energy policy.'.

"FEDERAL-STATE TASK FORCE

"SEC. 318. (a) The Secretary of Commerce shall immediately convene a Federal-State task force composed of representatives of the Department of Housing and Urban Development, the Department of Health, Education, and Welfare, the Environmental Protection Agency, the Appalachian Regional Commission, the Farmers' Home Administration, the Department of Energy, the Department of the Interior, the Office of Management and Budget, the Department of Transportation, and the National Governors' Conference as well as such other Federal agencies as the Secretary shall designate. To develop the basis for comprehensive new Federal initiatives in impact assistance, the task force shall conduct an intensive review and evaluation of existing Federal programs which provide assistance to States and local communities in alleviating the socioeconomic impacts of rapid energy development.

"(b) The task force shall gather data and information on—

"(1) the level of assistance provided under existing programs related to impact assistance.

"(2) the timeliness of assistance in meeting impacts caused by Federal decisions on energy policy as well as private sector decisions, and

"(3) the obstacles to effective assistance contained in regulations of existing programs related to impact assistance.

(c) The task force shall recommend—

"(1) techniques to improve coordination between existing programs,

"(2) options for new comprehensive federal initiatives (in addition to those specified in section 306 of this Act) including but not limited to new grant and loan programs to deal with financing and providing housing, sewer and water systems, transportation, health care services, schools, and other public infrastructure needs in energy development impacted areas, and

"(3) selection of a lead agency responsible for the centralized delivery of Federal impact assistance.

"(d) No later than three months after the date of enactment of this Act, the Secretary of Commerce shall deliver to the President and to both Houses of Congress a comprehensive report detailing the findings and recommendations of the task force pursuant to subsections (a), (b), and (c) of this section.

"TEMPORARY EXCEPTIONS OR PERMANENT EXEMPTIONS

"SEC. 319. No temporary exception or permanent exemption shall be granted pursuant to sections 105(a)(2)(A), 106(a)(1)(A), 206(a)(1)(B), and 207(a)(1) of this Act if the Administrator determines that such exception or exemption would be required because of the adoption of a local government standard, limitation or requirement applicable to environmental pollutants or disposal of solid waste or residues resulting from the combination of coal or other fuels or the operation of air pollution control equipment.

"ENERGY INFORMATION

"SEC. 320. Any energy information acquired, collected, or held by the Department of Energy shall be subject to the requirements of section 11(d) of the Energy Supply and Environmental Coordination Act of 1974, Public Law 93-319.".

CONFORMING AMENDMENTS

SEC. 205. (a) The Energy Supply and Environmental Coordination Act of 1974 is amended—

(1) by redesignating sections 3 through 14 (and all references thereto) as sections 401 through 412, respectively, of this Act, and

(2) by inserting before section 401 (as so redesignated) of this Act, the following:

"TITLE IV—OTHER PROVISIONS"

(b) The Energy Supply and Environmental Coordination Act of 1974, as amended, is amended in section 412 (as redesignated) by inserting before the word "Act" wherever it appears "sections 203, 309, and 401 through 412 of this".

DEFINITION

SEC. 206. The Energy Policy and Conservation Act of 1975 in section 102 by adding at the end of subsection (c) the following new paragraph:

"(4) The term 'developing new underground coal mine' includes construction of a coal preparation plant which is designed to reduce the sulfur content of coal produced from any coal mine.".

TRANSITIONAL PROVISIONS

SEC. 207. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, by any Federal department or agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this title, and

(2) which are in effect at the time this title takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by the President, the Administrator, other authorized officials, a court of competent jurisdiction, or by operation of law.

(b) The provisions of this title shall not affect suits commenced prior to the date this title takes effect, and in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this title had not been enacted.

NATIONAL COAL POLICY STUDY

SEC. 208. (a) The President is hereby requested to make a full and complete investigation and study of the alternative national uses of coal available in the United States to meet the Nations' energy requirements consistent with national policies for the protection and enhancement of the quality of the environment and for economic recovery and full employment. In particular the study should evaluate—

(1) current and prospective coal requirements of the United States;

(2) current and prospective voluntary and energy conservation measures and their potential for reduction of the United States coal requirements;

(3) current and prospective coal resource production, transportation, conversion, and utilization requirements;

(4) the adequacy of coal research, development, and demonstration programs being carried out by Federal, State, local, and nongovernmental entities, including the ability (including financial resources, manpower, and statutory authority) of such Federal, State, local, and nongovernmental entities to implement such programs;

(5) programs for the development of all new coal mining technologies which increase coal production and utilization;

(6) alternative strategies for meeting anticipated United States coal requirements, consistent with achieving other national goals, including national security and environmental protection;

(7) existing and prospective governmental policies and laws affecting the coal industry with the view of determining what, if any, changes in and implementation of such policies and laws may be advisable in order to consolidate, coordinate, and provide an effective and equitable national energy policy, and

(8) the most efficient use of the Nation's coal resources considering economic (including capital and consumer costs, and balance of payments), social (including employment), environmental, technological, national defense, and other aspects.

(b) Within one year of enactment, the President shall submit to the Congress a report with respect to the studies and investigations, together with findings and recommendations in order that the Congress may

have such information in a timely fashion. Such report shall include the President's determinations with respect to—

(1) the Nation's projected coal needs, broken down into regional areas, for the next two decades with particular reference to electric power;

(2) the coal resources available or which must be developed to meet those needs, including, as applicable, the programs for research, development, and demonstration necessary to provide those major technological advances which may greatly enhance the Nation's ability to efficiently and economically utilize its fuel resources;

(3) the air, water, and other pollution created by coal requirements, including any programs to overcome promptly and efficiently any technological or economic barriers to the elimination of such pollution; and

(4) the existing policies and programs of the Federal Government and of State and local governments, which have any significant impact on the availability, production or efficient and economic utilization of coal resources and on the ability to meet the Nation's energy needs and environmental requirements, including proposals, policies, and programs for reconciling the Nation's environmental quality requirements with energy needs.

(c) There is hereby authorized to be appropriated for use in carrying out the purpose of this section not to exceed $18,000,000.

COAL INDUSTRY PERFORMANCE AND COMPETITION STUDY

SEC. 209. (a) The President is hereby requested to make a complete investigation of the performance and competition of the coal industry. The study should be an interagency effort which shall include, but not be limited to, participation by—

(1) Federal Trade Commission,
(2) Department of Justice,
(3) Department of Energy,
(4) Department of Transportation,
(5) Department of Commerce,
(6) Council on Wage and Price Stability,
(7) Tennessee Valley Authority, and
(8) Appalachian Regional Commission.

(b) In particular the study shall consider following elements relating to competition:

(1) interests in, ownership or production of coal reserves by firms which—

(A) own or have an interest in commodity transportation systems by rail, water or pipeline,

(B) own or produce oil, natural gas or uranium, and

(C) use significant amounts of coal in their processes, including electrical generation and steelmaking,

(2) prices, profitability, and levels of concentration in sales of various identifiable submarket structures in the coal industry, including but not limited to the market for—

(A) steam and metallurgical coal,

(B) low-sulfur coal,

(C) lignite, anthracite, bituminous and subbituminous coal,

(D) spot sales and long-term delivery contracts, and

(E) exports,

(3) overall profitability of coal operations,

(4) capital requirements, sources and uses of funds,

(5) vertical integration of production, cleaning, processing, gasification, liquefaction, transportation, marketing, distribution, combustion and other phases of the coal fuel cycle,

(6) the effect of interfuel ownership, vertical integration and market concentration upon innovation, efficiency, prices and profits,

(7) costs of production, transportation, processing and other components of coal prices for different regions and different types of mines,

(8) responsiveness of coal supply to market demand,

(9) productive capacity,

(10) productivity,

(11) economies and diseconomies of scale,

(12) distribution and flow of executive, managerial and technical personnel between the various coal producers,

(13) management and directorate interlocks,

(14) relationships to financial institutions,

(15) government-industry relationships, including lease bidding, technology, research, development, demonstration and transfer, and personnel movement,

(16) joint ventures, consortia and cross-ownership,

(17) identification of the major owners of coal industry stock,

(18) control of patents and technologies,

(19) barriers to greater competition in the market for coal, and

(20) Federal income tax policies.

(c) The study shall evaluate the economic and social impacts upon coal-producing counties and States of present and prospective land ownership patterns and levels of income, property, severance and other taxes paid by coal producers.

(d) The study shall evaluate public policies toward the export of metallurgical coal as they relate to—

(1) national security,
(2) national energy goals,
(3) balance of payments,
(4) comparative advantage in world trade,
(5) materials policy,
(6) United States and international reserves and resources, or
(7) likely future metallurgical technologies.

(e) Pursuant to the provisions of the preceding subsections of this section, the President shall submit to the Congress such interim reports as he deems advisable and, not later than twenty-four months following the date of the enactment of the Natural Gas and Petroleum Conservation and Coal Utilization Policy Act of 1977, a comprehensive and final report to the Congress containing the findings and recommendations of the President with respect to such study and investigation. Such recommendations may include such legislative and administrative actions as the President deems advisable.

(f) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

EFFECTIVE DATE

SEC. 10. The amendments to the Energy Supply and Environmental Coordination Act of 1974 made by this title shall take effect one hundred eighty days after enactment except that the Administrator is authorized to issue rules pursuant to this title at any time after enactment of this title, which rules may take effect no earlier than one hundred eighty days after enactment of this title: *Provided*, That title III of H.R. 5146 shall not be effective so long as title II of H.R. 5146 remains law.

TITLE III—CONVERSION FROM NATURAL GAS AND PETROLEUM TO COAL AND OTHER FUEL RESOURCES

SUBPART A—GENERAL PROVISIONS

FINDINGS AND STATEMENT OF PURPOSES

SEC. 301. (a) The Congress finds that the protection of public health and welfare, the preservation of natural security, and the regulation of interstate commerce require the establishment of a program for the expanded use, consistent with applicable environmental requirements, of coal and other fuels as primary energy sources for existing and new electric powerplants and major fuel-burning installations.

(b) The purposes of this part, which shall be carried out in a manner consistent with applicable environmental requirements, are—

(1) to reduce the importation of petroleum and increase the Nation's capability to use indigenous energy resources of the United States to the extent such reduction and use are in the best interests of the United States;

(2) to conserve natural gas and petroleum for uses other than as a boiler fuel or for the generation of electricity and to conserve such resources for the benefit of present and future generations;

(3) to encourage and foster the greater use of coal and other fuels, in lieu of natural gas and petroleum as a primary energy source for existing and new electric powerplants and major fuel-burning installations, and for other purposes;

(4) to encouarge the use of synthetic gas derived from coal and, to the extent permitted by this part, to encourage the use of synthetic gas derived from coal mixed with natural gas;

(5) to prohibit or, as appropriate, minimize the use of natural gas and petroleum as a primary energy source for existing and new electric powerplants, major fuel-burning installations, and for other purposes;

(6) to require the improvement or modernization of existing and new electric powerplants and major fuel-burning installations, which utilize natural gas or petroleum as a primary energy source and which cannot utilize coal or other fuels, in order to conserve natural gas and petroleum;

(7) to require that existing and new electric powerplants and major fuel-burning installations which utilize petroleum, coal, or other fuels pursuant to this part comply with applicable environmental requirements;

(8) to insure that all Federal agencies utilize their authorities fully in furtherance of the purposes of this part by carrying out programs designed to prohibit or discourage the use of natural gas and petroleum as a primary energy source and by taking such action as lies within their authorities to maximize the efficient use of energy and conserve natural gas and petroleum in programs funded or carried out by such agencies;

(9) to insure that adequate supplies of natural gas are available for essential agricultural uses, including crop drying, seed drying, irrigation, fertilizer production, and production of essential fertilizer ingredients for such uses; and

(10) to reduce the United States' vulnerability to energy supply interruptions.

DEFINITIONS

SEC. 302. For the purposes of this part—

(1) The term "Administrator" means the Administrator of the Federal Energy Administration.

(2) The term "person" means any individual, corporation, company, partnership, association, firm, institution, society, trust, joint venture, or joint stock company, or any State, the District of Columbia, Puerto Rico, and any territory or possession of the United States, or any agency or instrumentality thereof.

(3) The term "natural gas" means—

(A) natural gas, as defined in section 2(5) of the Natural Gas Act, other than—

(i) natural gas which is commercially unmarketable (either by reason of quality or quantity) as determined under rules prescribed by the Administrator; and

(ii) natural gas which is produced by the user from a well the maximum efficient production rate of which is less than 250 million Btu's per day;

(B) liquid petroleum gas; and

(C) synthetic gas derived from crude oil.

(4) The term "petroleum" means crude oil, residual fuel oil, and products derived from crude oil other than—

(A) synthetic gas derived from crude oil;
(B) liquid petroleum gas; and
(C) liquid, solid, or gaseous waste by-products of refinery operations which are commercially unmarketable, as determined under rules prescribed by the Administrator.

(5) The term "coal" means anthracite and bituminous coal and lignite.

(6) The term "other fuels" means electricity or any fuel (other than coat, natural gas, or petroleum) and includes—

(A) petroleum coke, uranium, biomass, wood, and renewable and geothermal energy sources;

(B) synthetic gas derived from coal; and

(C) liquid, solid, or gaseous waste byproducts of refinery operations which are commercially unmarketable, as determined under rules prescribed by the Administrator.

(7) The terms "electric powerplant" and "powerplant" mean any electric generating unit, including a gas turbine or a combined cycle unit, which produces electric power for purposes of sale or exchange and—

(A) has the design capability of consuming any fuel (or mixture or combination thereof) at a fuel heat input rate of 100 million Btu's per hour or greater; or

(B) is a combination, of two or more electric generating units (excluding, if determined appropriate by rule by the Administrator, any such unit not having a design capability to consume any fuel (or mixture or combination thereof) at a fuel heat input rate of less than 100 million Btu's per hour) which are located at the same site and which in the aggregate have a design capability of consuming any fuel (or mixture or combination thereof) at a fuel heat input rate of 250 Btu's per hour or greater.

Such terms do not include any such unit subject to the licensing jurisdiction of the Nuclear Regulatory Commission.

(8) The term "new electric powerplant" means—

(A) any electric powerplant (other than a peakload powerplant) the onsite construction or replacement of which, in accordance with final drawings or an equivalent design document approved by the State regulatory authority, had not commenced on or before April 20, 1977; or

(B) a peakload powerplant (i) the construction or acquisition of which, in whole or in part, had not been contracted for on or before April 20, 1977, or (ii) if contracted for on or before such date, the construction or acquisition of which could be canceled, rescheduled, or modified without—

(I) adversely affecting electric system reliability (as determined by the Administrator after consultation with the Federal Power Commission and the appropriate State regulatory authority), or

(II) incurring significant financial penalty (as determined under rules prescribed by the Administrator).

(9) The term "existing electric powerplant" means any electric powerplant other than a new electric powerplant.

(10) The terms "major fuel-burning installation" and "installation" mean a unit, other than an electric powerplant, consisting of a boiler, gas turbine unit, combined cycle unit, or internal combustion engine which—

(A) has a design capability of consuming any fuel (or mixture or combination thereof) at a fuel heat input rate of 100 million Btu's per hour or greater; or

(B) is a combination, of two or more such units (excluding, if determined appropriate by the Administrator, any such unit having a design capability to consume any fuel (or mixture or combination thereof) at a fuel heat input rate of less than 100 million Btu's per hour) which are located at the same site and which in the aggregate have a design capability of consuming such fuel at a fuel heat input rate of 250 million Btu's per hour or greater.

(11) The term "new major fuel-burning installation" means any major fuel-burning installation—

(A) the construction or acquisition of which, in whole or in part, had not been contracted for, on or before April 20, 1977; or

(B) if contracted for on or before such date, the construction or acquisition of which could be canceled, rescheduled, or modified without incurring significant financial penalty (as determined under rules prescribed by the Administrator).

(12) The term "existing major fuel-burning installation" means any installation—

(A) which is not a new major fuel-burning installation, and

(B) which has the design capability of consuming any fuel (or mixture or combination thereof) at a fuel heat input rate of 300 million Btu's per hour or greater.

The provisions of subparagraph (B) shall not apply to exclude any installation from being considered an existing major fuel-burning installation if the Administrator finds, by order, that it is technically and financially feasible (as determined under rules prescribed by the Administrator), in view of the remaining useful life of such installation, for such installation to comply with the prohibitions to which such installation would be subject if it were treated as an existing major fuel-burning installation.

(13) The term "primary energy source" means the fuel or fuels used by any existing or new electric powerplant or major fuel-burning installation or the use of which by such powerplant or installation is technically feasible, except it does not include, as determined under rules prescribed by the Administrator—

(A) the minimum amounts of fuel required for boiler startup, testing, flame stabilization, and control uses, and

(B) the minimum amounts of fuel required to alleviate or prevent unanticipated equipment outages and emergencies directly affecting the health, safety, or welfare which would result from electric power outages.

(14) The term "site limitations" means, when used with respect to any powerplant or installation, specific limitations associated with a particular site which relate to the use of coal or other fuels as a primary energy source for such powerplant or installation, such as—

(A) inaccessibility to coal or other fuels;

(B) lack of transportation facilities for coal or other fuels;

(C) lack of adequate facilities for the handling and storage of coal or other fuels;

(D) lack of adequate means for the disposal of wastes from such powerplant or installation; and

(E) lack of an adequate and reliable supply of water for use in compliance with applicable environmental requirements.

(15) The term "applicable environmental requirements" includes—

(A) any Federal, State, or local government law, standard, limitation, or other requirement (including any final order of any Federal or State court) applicable to emissions of environmental pollutants (including air and water pollutants) or disposal of solid waste residues resulting from the use of coal or other fuels or natural gas or petroleum as a primary energy source or from the operation of air pollution control equipment in connection with such use; and

(B) any standard, limitation, or other requirement established by, or pursuant to, the Clean Air Act, the Federal Water Pollution Control Act, the Solid Waste Disposal Act, or the National Environmental Policy Act of 1969.

(16) The term "peakload powerplant" means a powerplant the generation of which in kilowatt hours does not exceed, for any 12-month period, such powerplant's design capacity multiplied by 1,500 hours. Not later than 90 days after the date of the date of the enactment of this Act, the Federal Power Commission shall prescribe rules under which a powerplant's design capacity may be determined for purposes of this paragraph.

(17) The term "cost", unless the context indicates otherwise, means total costs (both operating and capital) incurred over the estimated useful life of an electric powerplant or major fuel-burning installation, discounted to present value, as determined by the Administrator in consultation with the State regulatory authority or other State agency, as appropriate. In the case of an electric powerplant, such costs shall take into account any change required in the use of existing and other economic factors which are included in planning for the production, transmission, and distribution of electric power within such system.

(18) The term "Btu" means British thermal unit.

(19) The term "Mcf" means, when used with respect to natural gas, 1,000 cubic feet of natural gas.

(20) The term "qualifying cogeneration facility" shall have the same meaning as given such term in section 546(b).

(21) The term "State regulatory authority" means any State agency which has ratemaking authority with respect to the sale of electricity by any electric utility.

(22) The term "electric utility" means any person or Federal agency which sells electric power.

(23) The term "Federal agency" has the same meaning as is given the term "agency" in section 551(1) of title 5, United States Code.

EFFECT ON ENVIRONMENTAL REQUIREMENTS

SEC. 303. Except as provided in section 331, nothing in this part shall be construed as permitting any existing or new electric powerplant or major fuel-burning installation to delay or avoid compliance with applicable environmental requirements.

TERRITORIAL APPLICATION

SEC. 304. The provisions of this part shall apply in all the States, Puerto Rico, and the territories and possessions of the United States, except that the provisions of sections 311, 312, and 313 shall only apply to powerplants and installations situated on lands within the contiguous 48 States, Alaska, and the District of Columbia.

SUBPART B—PROHIBITIONS; EXEMPTIONS

NEW ELECTRIC POWERPLANTS

SEC. 311. (a) No new electric powerplant shall use natural gas as a primary energy source.

(b) No new electric powerplant shall use petroleum as a primary energy source.

(c) Any person who proposes to use petroleum or natural gas, or both, as a primary energy source for a new electric powerplant may file a petition with the Administrator requesting an exemption for such powerplant from the prohibition of such use under subsections (a) and (b).

(d) The Administrator, after consideration of a petition filed under subsection (c) for a temporary exemption and any comments thereon, shall grant such exemption, by order, for such period as the Administrator determines appropriate if he finds that the petitioner has demonstrated that for the period of the proposed exemption—

(1) despite diligent good faith efforts to obtain a contract or other arrangements for an adequate and reliable supply of coal or other fuels as a primary energy source, it is likely such supply will not be available to such powerplant;

(2) despite diligent good faith efforts, site limitations exist which cannot reasonably be expected to be overcome;

(3) the prohibitions of subsections (a) and (b) could not be satisfied without violating applicable environmental requirements; or

(4) the issuance of such exemption furthers the purposes of this part.

No exemption under this subsection, including any extensions or renewals thereof, may exceed a period of 5 years' duration.

(e) After consideration of a petition filed under subsection (c) requesting a permanent exemption and any comments thereon, the Administrator shall grant such permanent exemption, by order, if he finds that the petitioner has demonstrated that—

(1) there is no site at which—

(A) despite diligent good faith efforts to obtain a contract or other arrangements for an adequate and reliable supply of coal or other fuels as a primary energy source, it is likely that such supply will be available at a cost (taking into account associated facilities for the transportation and utilization of such fuel) which, based upon the best practicable estimates, does not substantially exceed the costs, as determined by rule by the Administrator, of using petroleum derived from imported crude oil as a primary energy source during the useful life of the powerplant;

(B) despite diligent good faith efforts, site limitations would permit the location of a powerplant using coal or other fuel as a primary energy source;

(C) the prohibitions of subsections (a) and (b) could be satisfied without violating applicable environmental requirements; and

(D) the required use of coal or other fuels would allow the petitioner to obtain adequate capital for the financing of such powerplant; or

(2) the issuance of such exemption furthers the purposes of this part.

(f) Before the Administrator grants any petition for any exemption under subsection (d) or (e), the Administrator shall submit a copy of the petition to the Federal Power Commission for the purpose of the Commission's certifying that there is no alternative supply of electric power which can be obtained without impairing reliability of service.

(g) In the case of any petition for a permanent exemption from the prohibitions of subsection (b) applicable to a new electric powerplant, the Administrator shall grant such exemption, by order, if the petitioner certifies that such powerplant is to be constructed and operated solely as a peakload powerplant.

(h) If the appropriate State regulatory authority has not approved a powerplant for which a petition for an exemption has been filed under subsection (c), such exemption may not take effect until the Administrator has determined that approval by such State regulatory authority has occurred.

(i) Any new electric powerplant issued an order before the effective date of this part pursuant to section 2(c) of the Energy Supply and Environmental Coordination Act of 1974 shall, notwithstanding the provisions of such section (c), be subject to the provisions of this part, except that if such order became final before such date, the preceding provisions of this section shall not apply to such powerplant. Nothing in this subsection shall be construed to affect the validity of any such final order or to require the Administration to reissue any such order.

NEW MAJOR FUEL-BURNING INSTALLATIONS

SEC. 312. (a)(1) No new major fuel-burning installation which is a boiler shall use natural gas or petroleum, or both, as a primary energy source.

(2)(A) The Administrator may, by rule, prohibit categories (identified in such rule) of new major fuel-burning installations, other than boilers, from using natural gas or petroleum, or both, as a primary energy source. In identifying categories of new major fuel-burning installations pursuant to this subparagraph, the Administrator shall take into account any special circumstances or characteristics of each category of such installations (such as the technical feasibility of burning coal or other fuels and the size or location of such installations). Any such rule shall not apply in the case of any new major fuel-burning installation subject to such rule pending a resolution of any petition for an exemption for such installation which may be filed with the Administrator not later than 60 days after such rule is published under section 321(g).

(B) The Administrator may, by order, prohibit any new major fuel-burning installation, other than a boiler, from using natural gas or petroleum, or both, as a primary energy source if such installation is not, at the time of the issuance of such order, in a category identified in a rule prescribed under subparagraph (A). The Administrator shall not issue an order under this subparagraph to any installation if it is demonstrated that such installation would have been granted an exemption, if such prohibition had been established by rule pursuant to subparagraph (A) rather than by order pursuant to this subparagraph.

(b) Any person who proposes to use petroleum or natural gas, or both, as a primary energy source for any new major fuel-burning installation may file a petition with the Administrator requesting an exemption for such installation from the prohibitions of subsection (a)(1) or (2)(A).

(c)(1) The Administrator, after consideration of a petition for a temporary exemption from the prohibitions of subsection (a)(1) or (2)(A) and any comments thereon, shall grant such exemption, by order, for such period as the Administrator determines appropriate, if he finds that the petitioner has demonstrated that for the period of the proposed exemption—

(A) despite diligent good faith efforts to obtain a contract or other arrangements for an adequate and reliable supply of coal or other fuels, it is likely such supply will not be available to such installation;

(B) despite diligent good faith efforts, site limitations exist which cannot reasonably be expected to be overcome;

(C) the prohibitions of subsection (a)(1) or (2)(A) could not be satisfied without violating applicable environmental requirements;

(D)(i) such installation is not technically capable of using coal; and

(ii) despite diligent good faith efforts to obtain a contract or other arrangements for an adequate and reliable supply of synthetic fuels derived from coal, such supply will not be available to such installation and the petitioner has a contract or other similar arrangement binding on the petitioner and the supplier of such fuels to provide such a supply at the end of the period of the proposed exemption; or

(E) the issuance of such exemption furthers the purposes of this part.

(2) No exemption under paragraph (1), including any extensions or renewals thereof, may exceed a period of 5 years' duration, except that any exemption based on subparagraph (1)(D) may, upon petition, be extended an additional period of 5 years. Notwithstanding the preceding provisions, any exemption based on subparagraph (1)(D) may not be effective after December 31, 1994.

(d)(1) After consideration of a petition requesting a permanent exemption from the prohibitions of subsection (a)(1) or (2)(A) and any comments thereon, the Administrator shall grant such permanent exemption, by order, if he finds that the petitioner has demonstrated that—

(A) there is no site proposed by the petitioner at which—

(i) despite diligent good faith efforts to obtain a contract or other arrangements for an adequate and reliable supply of coal or other fuel, it is likely that such supply will be available at a cost (taking into account associated facilities for the transportation and utilization of such fuel) which, based upon the best practicable estimates, does not substantially exceed the costs, as determined by rule by the Administrator, of using petroleum derived from imported crude oil as a primary energy source during the useful life of the installation;

(ii) despite diligent good faith efforts, site limitations would permit the location of an installation using coal or other fuels as a primary energy source;

(iii) the prohibitions of subsection (a)(1) or (2)(A) could be satisfied without violating applicable environmental requirements; and

(iv) the required use of coal or other fuels would allow the petitioner to obtain adequate capital for the financing of such installation;

(B) the issuance of such exemption furthers the purposes of this part; or

(C) in the case of any installation other than a boiler—

(i) the use of a primary energy source, other than natural gas or petroleum, is technically infeasible; and

(ii) a substitute heat source is not possible due to process requirements.

(2) The Administrator, upon the filing of a petition, may, by order, grant a permanent exemption from any prohibition under subsection (a)(1) or (2)(A) applicable to a new major fuel-burning installation, if the petitioner certifies that—

(A) such installation uses, or proposes to use, a mixture or combination of petroleum or natural gas and other fuels as a primary energy source, and

(B) the petroleum or natural gas used in such combination or mixture will not exceed, during any 12-calendar-month period, 25 percent of the total Btu heat input of the primary energy sources of such installation or a greater percentage which is the minimum percentage needed to maintain fuel efficiency of such mixture or combination, as determined under rules prescribed by the Administrator.

(e) Any new major fuel-burning installation issued an order before the effective date of this part pursuant to section 2(c) of the Energy Supply and Environmental Coordination Act of 1974 shall, notwithstanding the provisions of such 2(c), be subject to the provisions of this part, except that if such order became final before such date, the preceding provisions of this section shall not apply to such installation. Nothing in this subsection shall be construed to affect the validity of any such order or to require the Administrator to reissue any such order.

EXISTING ELECTRIC POWERPLANTS AND EXISTING MAJOR FUEL-BURNING INSTALLATIONS

SEC. 313. (a)(1) No existing electric powerplant—

(A) shall use natural gas as a primary energy source on or after January 1, 1990;

(B) if such powerplant used petroleum as a primary energy source on or before April 20, 1977, shall convert to the use of natural gas as a primary energy source; or

(C) shall use natural gas as a primary energy source in greater proportions than the average yearly proportion of natual gas which—

(i) such powerplant used as a primary energy source in calendar years 1974 through 1976, or

(ii) if such powerplant began operations on or after January 1, 1974, such powerplant used as a primary energy source during the first two calendar years of its operation.

(2) The Administrator may prohibit any existing electric powerplant from using

petroleum or natural gas, or both, as a primary energy source, if—

(A) such powerplant had on April 20, 1977, or thereafter acquires, the technical capability to use coal or other fuels as a primary energy source; and

(B) the use by such powerplant of coal or other fuels as a primary energy source is financially feasible (as determined under rules prescribed by the Administrator).

(3) In the case of any existing electric powerplant in which it is technically and financially feasible (as determined under rules prescribed by the Administrator) to use—

(A) a mixture of coal or other fuels and petroleum as a primary energy source, or

(B) a combination of coal or other fuels and petroleum or natural gas as primary energy sources,

the Administrator may prohibit, by order, such powerplant from using petroleum or natural gas, or both, in amounts in excess of the minimum amount necessary to maintain fuel efficiency of such mixture or such combination.

(b)(1) The Administrator may prohibit any existing major fuel-burning installation from using petroleum or natural gas, or both, as a primary energy source, if—

(A) such installation had, on April 20, 1977, or thereafter acquires, the technical capability to use coal or other fuels as a primary energy source; and

(B) the use by such installation of coal or other fuels as a primary energy source is financially feasible (as determined under rules prescribed by the Administrator).

(2) In the case of any major fuel-burning installation in which it is technically and financially feasible (as determined under rules prescribed by the Administrator) to use—

(A) a mixture of coal or other fuels and petroleum as a primary energy source, or

(B) a combination of coal or other fuels and petroleum or natural gas as primary energy sources,

the Administrator may prohibit, by order, such installation from using petroleum or natural gas, or both, in amounts in excess of the minimum amounts necessary to maintain fuel efficiency of such mixture or such combination.

(c)(1) The prohibitions under subsection (a)(2) and subsection (b)(1) shall be established—

(A) by rule, in the case of powerplants or installations in a category of powerplants or installations, respectively, identified by the Administrator in such rule, or

(B) by order, in the case of any powerplant or installation which is not, at the time the proposed order is issued, within any such category.

(2) In prescribing any rule under paragraph (1)(A), the Administrator shall take into account any special circumstances or characteristics of each category of powerplants or installations (such as the technical feasibility of burning coal or other fuels and the size, age, or location of such powerplants or installations). Any such rule shall not apply in the case of any existing electric powerplant or major fuel-burning installation subject to such rule pending a resolution of any petition for any exemption for such powerplant or installation which may be filed with the Administrator not later than 60 days after such rule is published under section 321(g).

(d)(1) Any person who proposes to use natural gas or petroleum as a primary energy source for any existing powerplant or major fuel-burning installation, and such use would be prohibited under subsection (a)(1) or under any rule prescribed under subsection (a)(2) or subsection (b)(1), may file a petition with the Administrator requesting a temporary or permanent exemption for such powerplant or installation from such prohibition. The prohibition of subsection (a)(1)(A) shall be stayed with respect to any existing powerplant, pending a resolution of any petition for any exemption from such prohibition which is filed at any time after the effective date of this part, but at least one year before the date such prohibition first takes effect.

(2) The Administrator, after consideration of a petition for an exemption from a prohibition under subsection (a)(1) or (2) or subsection (b)(1) and any comments thereon, shall grant such exemption, by order, for such period as the Administrator determines appropriate if he finds that the petitioner has demonstrated that for the period of the proposed exemption—

(A) despite diligent good faith efforts to obtain a contract or other arrangements for an adequate and reliable supply of coal or other fuels as a primary energy source, it is likely such supply will not be available to such powerplant or installation at a cost (taking into account associated facilities for the transportation and utilization of such fuel) which, based upon the best practicable estimates, does not substantially exceed the costs, as determined by rule by the Administrator, of using petroleum derived from imported crude oil as a primary energy source during the useful life of the powerplant or installation;

(B) natural gas will be used as a primary energy source by the petitioner in a powerplant which is a peak-load powerplant (determined only with regard to its usage of natural gas);

(C) despite diligent good faith efforts, site limitations exist which cannot reasonably be expected to be overcome;

(D) such prohibition could not be satisfied without violating applicable environmental requirements;

(E) in the case of an existing major fuel-burning installation—

(i) such installation is not technically capable of using coal; and

(ii) despite diligent good faith efforts to obtain a contract or other arrangements for an adequate and reliable supply of synthetic fuels derived from coal, such supply will not be available to such installation and the petitioner has a contract or other similar arrangement binding on the petitioner and the supplier of such fuels to provide such a supply at the end of the period of the proposed exemption;

(F) the issuance of such exemption furthers the purposes of this part;

(G) in the case of an existing major fuel-burning installation, the use of a primary energy source other than petroleum or natural gas is technically infeasible, and a substitute heat source is not possible due to process requirements; or

(H) in the case of an existing electric powerplant, the Federal Power Commission has certified that there is no alternative electric power supply which can be obtained without impairing reliability of service.

(3) The Administrator, upon the filing of a petition, may, by order, grant a permanent exemption from any prohibition under subsection (b) applicable to an existing major fuel-burning installation, if the petitioner certifies that—

(A) such installation uses, or proposes to use, a mixture or combination of petroleum or natural gas and any other fuels as a primary energy source, and

(B) the petroleum or natural gas used in such combination or mixture will not exceed, during any 12-calendar-month period, 25 percent of the total Btu heat input of the primary energy sources of such installation or a greater percentage which is the minimum percentage needed to maintain fuel efficiency of such mixture or combination, as determined under rules prescribed by the Administrator.

(4) If a petition is filed with the Administrator for a permanent exemption from the prohibitions of subsection (a)(1)(B) for the use of liquefied natural gas by a powerplant as a primary energy source, the Administrator shall grant such exemption, by order, if the Administrator of the Environmental Protection Agency has certified that the use of coal by such powerplant as a primary energy source would not comply with applicable environmental requirements.

(5) No exemption (other than a permanent exemption) under this subsection, including any extensions or renewals thereof, may exceed a period of 5 years' duration, except that—

(A) any exemption based on paragraph (2)(E) may, upon petition, be extended an additional period of 5 years, but such exemption shall not be effective after December 31, 1994; and

(B) an exemption based on paragraph (2)(B) shall not be effective after December 31, 1994.

(6) The Administrator shall not issue an order under subsections (a) and (b) to any powerplant or installation if it is demonstrated that such powerplant or installation would have been granted an exemption if such prohibition had been established by rule pursuant to subsection (c)(1)(A) rather than by order.

(e) Upon publication of any proposed order under subsection (a) or (b) in the case of any existing major fuel-burning installation or upon the receipt of any exemption under this section, the Administrator shall request the Federal Trade Commission to evaluate the impact of the proposed order or a denial of the proposed exemption on competition and provide to the Administrator, within 120 days of receipt of such request, written views and recommendations, if any, concerning such impact. Any such views or recommendations shall be available to the public. The Administrator shall consider such views and recommendations in issuing any such order or exemption.

(f)(1) Notwithstanding any other provision of law, no proposed order under subsection (a) or (b) (or modification thereof) which may result in the use of coal as a primary energy source may be issued—

(A) until the Administrator of the Environmental Protection Agency notifies the Administrator under section 119(d)(1)(B) of the Clean Air Act, or

(B) if such notification is not given, until the date which the Administrator of the Environmental Protection Agency certifies, pursuant to section 119(d)(1)(B) of such Act, is the earliest date which the powerplant or installation will be able to comply with all applicable requirements of section 119 of such Act.

(2) Such order (or modification) shall not be effective during any period certified by the Administrator of the Environmental Protection Agency under section 119(d)(3)(B) of such Act. Notice or certification pursuant to this subsection shall be provided within 270 days of the date the Administrator of the Environmental Protection Agency receives notice of such proposed order (or modification).

(g) The provisions of this section shall not apply to any powerplant or installation for which an order issued pursuant to section 2(a) of the Energy Supply and Environmental Coordination Act of 1974 before the effective date of this part is pending or final or which, on review, was held unlawful and set aside on the merits. Nothing in this subsection shall be construed to effect the

validity of any such order or be construed to require the Administrator to reissue any such order.

(h) The Administrator shall, by rule, require that existing electric powerplants which, on or after April 20, 1977, uses a mixture or combination of petroleum and coal or other fuels as a primary energy source may not increase their use of petroleum as a primary energy source unless a permit is issued by the Administrator authorizing such increased use of petroleum. Such permit shall be issued if—

(1) the Administrator finds that the petitioner has (A) demonstrated that the powerplant cannot comply with the requirements of the Clean Air Act, including any applicable implementation plan, as defined in section 110(d) of the Clean Air Act, without the issuance of a permit and (B) established the duration of the need for increased petroleum to comply with such plan; and

(2) the appropriate State regulatory authority, as determined by the Administrator, has certified to the Administrator that the increased use of petroleum by such powerplant is necessary to permit the powerplant to comply with such implementation plan. Such permit shall be issued only for such period as the Administrator determines a need exists for such increased use of petroleum.

(i) making a determination of financial feasibility under this section, the Administrator shall take into account costs, as defined in section 302(17).

SUPPLEMENTAL NATURAL GAS BOILER FUEL CONVERSION AUTHORITY

SEC. 314. (a) The Administrator may, by rule, prohibit the use of natural gas as a primary energy source in any existing boiler (other than a major fuel-burning installation) if the Administrator determines that—

(1) such boiler is used to produce steam for space heating purposes;

(2) such boiler had the capability on or before April 20, 1977, to use petroleum as a primary energy source;

(3) such boiler consumes 50 Mcf or more of natural gas per day on a peak day; and

(4) such prohibition is consistent with the purposes of this part.

(b) The Administrator may, by rule, prohibit the use of natural gas as a primary energy source in any new boiler (other than a major fuel-burning installation) if the Administrator determines that—

(1) such boiler will be used to produce steam for space heating purposes;

(2) such boiler will consume 50 Mcf or more of natural gas per day on a peak day; and

(3) such prohibition is consistent with the purposes of this part.

(c) The Administrator shall exempt any person from any rule prescribed pursuant to subsection (a) or (b) if such person demonstrates to the Administrator that an adequate and reliable source of petroleum is not likely to be available to such person during the period of the exemption.

(d) For purposes of this section—

(1) The term "new boiler" means any boiler the construction of which the Administrator determines commenced on or after the date of the enactment of this section.

(2) The term "existing boiler" means any boiler other than a new boiler.

PROHIBITION ON USE OF NATURAL GAS FOR DECORATIVE OUTDOOR LIGHTING

SEC. 315. (a) Not later than 180 days after the effective date of this part, the Administrator shall, by rule, prohibit any natural gas pipeline or local distribution company from providing natural gas service to any residential, commercial, or industrial customer for use in outdoor lighting. The Administrator shall take into account any special circumstances or characteristics in prescribing such rule.

(b) The Administrator shall, by order, exempt any natural gas pipeline or local distribution company from the rule required to be prescribed under subsection (a) concerning the continuation of such service in effect on the date of the enactment of this title upon the filing of a petition therefor by such pipeline or company, or by any interested person. Such exemption shall be for such period as, and to the extent that, the Administrator finds—

(1) such exemption is necessary to protect public safety;

(2) such exemption is necessary to permit the installation of substitute lighting where no outdoor lighting (other than that using natural gas) exists on the date of the enactment of this title;

(3) compliance with such rule would entail extraordinary expense by the petitioner and would not be cost justified; or

(4) the issuance of the exemption furthers the purposes of this part.

(c) As used in this section, the term "outdoor lighting" means lighting by any stationary source which is not located inside any building.

EXEMPTION FOR QUALIFYING COGENERATION FACILITIES

SEC. 316. The Administrator, upon the filing of a petition, may, by order, grant an exemption from any prohibition under this subpart applicable to any qualifying cogeneration facility, if—

(1) he finds that the petitioner has demonstrated that economic and other benefits of cogeneration are unobtainable unless petroleum or natural gas, or both, are used in such facility, and

(2) includes in the order a statement of the basis for such finding.

EXEMPTION FOR HIGH BTU SYNTHETIC GAS DERIVED FROM COAL

SEC. 317. (a) Any person who is prohibited by any provision of section 311, 312, 313, or 314, or any rule or order, thereunder from using natural gas as a primary energy source may petition for a permanent exemption from such prohibition pursuant to this section.

(b) The Administrator shall grant an exemption, by order, from any prohibition on the use of natural gas as a primary energy source under this part or any rule or order thereunder if the Administrator finds that the petitioner has demonstrated that—

(1) such petitioner owns, or is entitled to receive, at the point of manufacture, synthetic gas derived from coal;

(2) the Btu content of such synthetic gas is equal to, or greater than, the Btu content of the natural gas to be covered by such exemption plus the approximate Btu content of any natural gas consumed or lost in transportation;

(3) such petitioner delivers, or arranges for the delivery of, such synthetic gas to a pipeline or pipelines which by transport or displacement are capable of delivering such synthetic gas, mixed with natural gas, to such person;

(4)(A) in the case of any such transportation in interstate commerce (within the meaning of the Natural Gas Act), such transportation has been certified by the Federal Power Commission;

(B) in the case of any other transportation, such transportation has been approved by the State authority which exercises regulatory jurisdiction over the rates and charges applicable to such transportation; and

(5) all necessary permits, licenses, or approvals from appropriate Federal, State, and local agencies (including Indian tribes) have been obtained for construction or operation of the facilities for the manufacture of the synthetic gas involved.

(c) In granting any exemption under this section, the Administrator shall, after consultation with the Federal Power Commission, consider the appropriateness of the use of the synthetic gas involved for the benefit of the petitioner rather than for other possible uses, including residential and small commercial users which consume less than 50 Mcf of natural gas per day on a peak day.

(d) Nothing in this part shall be construed as affecting the use by any major fuel-burning installation of synthetic gas which is derived from coal and which is not mixed with natural gas as the primary energy source of such installation.

(e) If, at the time the Administrator makes his findings under subsection (b), the petitioner has not demonstrated that all necessary permits, licenses, and approvals from appropriate Federal, State, and local agencies (including Indian tribes) have been obtained for the construction and operation of the facilities for the manufacture of the synthetic gas with respect to which such exemption is sought under this section, such exemption, if granted, shall not be effective until the Administrator determines that such permits, licenses, and approvals have been obtained.

TERMS AND CONDITIONS OF EXEMPTIONS

SEC. 318. Any exemption from any prohibition under this subpart shall be on such terms and conditions as the Administrator determines appropriate, including, in the case of any such exemption (other than from a prohibition under section 315), terms and conditions requiring the use of effective fuel conservation measures which are practicable and consistent with the purposes of this part. The terms and conditions applicable in the case of any temporary exemption shall be designed to insure that upon the expiration of such exemption, the persons covered by such will comply with the otherwise applicable prohibitions.

SUBPART C—ENFORCEMENT; ADMINISTRATION ADMINISTRATIVE PROCEDURES

SEC. 321. (a) Except to the extent otherwise provided in this section, rules prescribed under this part shall be made in accordance with the procedures set forth in section 553 of title 5, United States Code.

(b) Before prescribing any rule or issuing any order imposing a prohibition under this part, the Administrator shall publish such proposed rule or order in the Federal Register, together with a detailed statement of the reasons for such rule or order, and in the case of a rule, a detailed statement of any special circumstances or characteristics required to be taken into account in prescribing such rule. In the case of any such order, a copy shall be transmitted to the person who operates any such powerplant or installation subject to such order.

(c) Any petition for an exemption from any prohibition under this part or for any permit under section 313(h), shall be filed at such time and shall be in such form as the Administrator shall by rule prescribe. The Administrator, upon receipt of such petition, shall publish a notice thereof in the Federal Register together with a detailed summary of the reasons set forth in such petition for requesting such exemption or permit, and provide a minimum of 45 days for written comments thereon. Rules required under this subsection shall be prescribed not later than 90 days after the date of the enactment of this title.

(d) Any denial of any petition for an exemption or a permit under this part shall be published in the Federal Register, together with the reasons for such action.

(e) In the case of any rule or order by the Administrator imposing a prohibition or granting an exemption (or permit) under this part, any interested person shall be afforded an opportunity to present oral data,

views, and arguments, including an opportunity, by means of conferences or other informal procedures, to question—

(1) other interested persons who have made oral presentations, and

(2) employees and contractors of the United States who have made written or oral presentations or who have participated in the development of the proposed rule or order,

with respect to disputed issues of material fact, but only to the extent the Administrator determines that such questioning is likely to result in a more timely and effective resolution of such issues.

(f) A transcript shall be kept of any oral presentation made in accordance with this section.

(g)(1) Any rule or order to be prescribed by the Administrator imposing a prohibition or granting an exemption (or permit) under this part shall be published in the Federal Register and shall not take effect earlier than the 60th day after such rule or order is published.

(2) Any person aggrieved by a rule or order referred to in paragraph (1) or in section 331, or by the denial of such a rule or order, may at any time before the 60th day after the date such rule or order is prescribed (or denied), file a petition with the United States court of appeals for the circuit wherein such person resides, or has his principal place of business, for judicial review thereof. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Administrator. Such agency thereupon shall file in the court the written submissions to, and transcript of, the written or oral proceedings on which the rule was based as provided in section 2112 of title 28, United States Code.

(3) Upon the filing of the petition referred to in paragraph (2), the court shall have jurisdiction to review the rule or order (or denial thereof) in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief as provided in such chapter. No rule or order (or denial thereof) may be affirmed unless supported by substantial evidence.

(4) The judgment of the court affirming or setting aside, in whole or in part, any such rule or order (or denial thereof) shall be final, subject to review by the Supreme Court of the United States upon certain certiorari or certification as provided in section 1254 of title 28, United States Code.

(5) A copy of any proposed rule or order to be prescribed or issued by the Administrator which imposes a prohibition under this part (other than under section 314, 315, or 332), or which grants an exemption, shall be transmitted by the Administrator to the Administrator of the Environmental Protection Agency and the Administrator shall request such agency to comment thereon within the period provided to the public unless a longer period as provided by the Clean Air Act. In any such case, the Administrator of the Environmental Protection Agency shall be afforded the same opportunity to comment and question as is provided other interested persons under subsection (e).

(6) The Administrator, within 6 months after the initial public comment period applicable to any petition for an exemption or permit, shall grant or deny such exemption or permit, except that the Administrator may publish a notice in the Federal Register extending such period to a specified date. Such notice shall include the reasons for such extension.

ENFORCEMENT AND PENALTIES

SEC. 322. (a)(1) Any person who violates any provision of this part, or rule or order thereunder, shall be subject to a civil penalty, which shall be assessed by the Administrator, of not more than $25,000 for each violation. Each day of violation shall constitute a separate violation.

(2) In the case of any electric powerplant granted an exemption as a peakload electric powerplant, any person who operates such powerplant during any 12-calendar-month period in excess of that authorized in such exemption, shall be liable for a civil penalty, which shall be assessed by the Administrator. The amount of such civil penalty may not exceed an amount equal to $10 per barrel of oil or $3 per Mcf of natural gas used in operation of such powerplant in excess of that authorized in such exemption.

(3) Any person operating a major fuel-burning installation granted an exemption under section 312(d)(2) or section 313(d)(3) which, for any 12-calendar-month period, uses petroleum or natural gas, or both, in excess of that use allowed by such exemption shall be liable for a civil penalty, which shall be assessed by the Administrator. The amount of such civil penalty may not exceed an amount equal to $10 per barrel of oil or $3 per Mcf of natural gas which were used in excess of such use allowed by such exemption.

(4) Before assessing against any person any civil penalty under this title, the Administrator shall provide to such person notice of the proposed penalty. The determination to assess a civil penalty after such notice shall be made on the record after an opportunity for an agency hearing pursuant to section 554 of title 5, United States Code. The order of the Administrator assessing such penalty shall state the Administrator's findings and the basis for such assessment. If the person against whom a civil penalty is assessed fails to pay the penalty within the time prescribed in such order, the Administrator shall file a petition for enforcement of such order in any appropriate district court of the United States. A copy of the petition shall promptly be sent by registered or certified mail to the person against whom such order is sought to be enforced. At the time a petition for enforcement of such an order is filed, the Administrator shall certify and file in such court the record upon which such order was issued. The court shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part, the order of the Administrator, or the court may remand the proceeding to the Administrator for such further action as the court may direct.

(b) Any person who willfully violates any provision of this part, or rule or order thereunder, shall be subject to a fine of not more than $50,000, or by imprisonment for not more than one year, or both, for each violation.

(c) Any individual director, officer, or agent of a corporation who willfully authorizes, orders, or performs any of the acts or practices constituting in whole or in part a violation of this part, or rule or order thereunder, shall be subject to penalties under this section without regard to any penalties to which the corporation may be subject, except that no such individual director, officer, or agent shall be subject to imprisonment under subsection (b), unless he also knows, or reasonably should have known, of notice of noncompliance received by the corporation from the Administrator.

(d) No person shall be subject to any penalty under this section with respect to the operation of any powerplant in excess of that allowed by an exemption granted on the basis of the operation of such powerplant as a peakload powerplant if it is demonstrated to the Administrator that such operation was necessary to meet peakload demand and that other peakload powerplants within the same system as such powerplant were unavailable for service due to unit or system outages.

(e) Whenever it appears to the Administrator that any person has engaged, is engaged, or is about to engage in acts or practices constituting a violation of this part or any rule or order thereunder, the Administrator may request the Attorney General to bring a civil action to enjoin such acts or practices, and, upon a proper showing, shall grant, without bond, mandatory or prohibitive injunctive relief, including interim equitable relief.

CITIZEN SUITS

SEC. 323. (a) Except as otherwise provided in subsection (b), any aggrieved person may commence a civil action for mandatory or prohibitive injunctive relief, including interim equitable relief, against—

(1) any person who is alleged to be in violation of any provision of this part, or any rule or order thereunder; or

(2) any Federal agency which has a responsibility under this part if there is an alleged failure of such agency to perform any act or duty under this part which is not discretionary.

The United States district courts shall have jurisdiction over actions brought under this section, without regard to the amount in controversy or the citizenship of the parties.

(b) No action may be commenced—

(1) under subsection (a)(1)—

(A) before the 6th day after the date on which the plaintiff has given notice of the violation (i) to the Administrator, and (ii) to any alleged violator of such provision, rule, or order; or

(B) if the Administrator has commenced and is diligently prosecuting a civil action to require compliance with such provision, rule, or order, but, in any such action, any person may intervene as a matter of right; or

(2) under subsection (a)(2), before the 60th day after the date on which the plaintiff has given notice of such action to the Administrator.

Notice under this subsection shall be given in such manner as the Administrator shall prescribe by rule.

(c) In any action brought under subsection (a), the Administrator, if not a party, may intervene as a matter of right.

(d) The court, in issuing any final order in any action brought under subsection (a), may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines such award is appropriate.

(e) Nothing in this section shall restrict any right which any aggrieved person (or class of aggrieved persons) may have under any statute or common law to seek enforcement of this part or any rule thereunder, or to seek any other relief (including relief against the Administrator).

(f) For purposes of this section, if a person owning, operating, or controlling any electric powerplant or major fuel-burning installation complied in good faith with a provision, rule, or order under this part, then he shall not be deemed to have violated any provision of this part by reason of the invalidity of such provision, rule, or order.

PRESERVATION OF CONTRACTUAL RIGHTS

SEC. 324. (a) The provisions of this section shall apply to any natural gas the use of which is prohibited by the provisions of section 311, 312, 313, or 314, or any rule or order thereunder.

(b)(1) Any person who receives such natural gas for such prohibited use pursuant to a firm service contract, in effect on April 20, 1977, between such person and any interstate pipeline, may transfer all or any portion of his interests under such contract to such interstate pipeline and receive in consideration therefor just compensation (as determined by the Administrator) from such pipeline.

(2)(A) Any person who receives such natural gas for such prohibited use pursuant to a contract, in effect on April 20, 1977, between such person and any person other than an interstate pipeline, may transfer his

contractual interests under such contract to any person and receive in consideration therefor just compensation (as determined by the Administrator) from the person to whom such contractual rights are transferred.

(B) Any person who would have transported or distributed the natural gas subject to a contract with respect to which contractual interests are transferred to any other person pursuant to subparagraph (A) shall be entitled to receive just compensation (as determined by the Administrator) from the person to whom contractual rights are transferred.

(c)(1) Any provision of any contract which prohibits any transfer authorized by subsection (b) or terminates such contract on the basis of such transfer shall be unenforceable in any court of the United States and in any court of any State.

(2) No State may enforce any prohibition on any transfer authorized by subsection (b).

(d) For purposes of this section—

(1) The term "just compensation" means—

(A) in the case of paragraphs (1) and (2)(A) of subsection (b), an amount not to exceed the amount by which—

(i) the reasonable costs (excluding capital costs) incurred during the remainder of the period of the contract described in subsection (b) and directly associated with the use of an alternative fuel by the applicable existing electric powerplant or major fuel-burning installation,

(ii) exceeds the price of natural gas, to which the provisions of this section apply, during such period; and

(B) in the case of subsection (b)(2)(B), an amount equal to any loss of revenue, during the remaining period of the contract with respect to which contractual interests are transferred pursuant to subsection (b)(2), to the extent such loss is directly incurred by reason of the discontinuation of the transportation or distribution of natural gas resulting from the transfer of contractual interests pursuant to subsection (b)(2) and is not offset by revenues derived from other transportation or distribution which would not have occurred if contractual interests had not been transferred.

(2) The term "interstate pipeline" means—

(A) any person who transports natural gas, the transportation of which is subject to the jurisdiction of the Federal Power Commission; and

(B) any person who receives natural gas, from a person described in subparagraph (A), for distribution to ultimate consumers.

(3) The term "contractual interests", with respect to a contract described in subsection (b)(1), includes the right to receive natural gas as affected by any applicable curtailment plan of the interstate pipeline filed with the Federal Power Commission or State regulatory authority.

(4) The term "State" means each of the several States, the District of Columbia, Puerto Rico, any territory or possession of the United States, and any political subdivision of any of the foregoing.

(e) For purposes of paragraphs (1) and (2)(A) of subsection (b), in determining the amount of just compensation the Administrator shall, to the maximum extent practicable, apply any liquidated damages provision set forth in the applicable contract, but in no event may such amount exceed the maximum prescribed in subsection (d)(1)(A).

(f) The amount paid by any interstate pipeline pursuant to any transferred contractual interests and any amount paid by such pipeline as just compensation pursuant to subsection (b) shall be deemed just and reasonable for purposes of sections 4, 5, and 7 of the Natural Gas Act. If a transfer of contractual interests pursuant to subsection (b) requires the sale of natural gas to an interstate pipeline by any person other than the person whose contractual interests are transferred, such former person and such sale shall not thereby become subject to the jurisdiction of the Federal Power Commission under the Natural Gas Act.

(g) No supplier of natural gas under any contract, with respect to which contractual interests have been transferred under this section, shall be required to supply natural gas in volume amounts which, on an annual basis, exceeds the lesser of—

(1) the annual volume determined by reference to maximum delivery obligations specified in such contract;

(2) the volume which would have been delivered or for which payment would have been made during such annual period pursuant to such contract but for the application of section 311, 312, 313, or 314 of this part; or

(3) the volume actually delivered or for which payment would have been made pursuant to such contract during the 12-calendar-month period ending immediately before such transfer of contractual interests pursuant to this section.

INFORMATION

SEC. 325. (a) For purposes of carrying out his responsibilities under this part, the Administrator may require, under the authority of this part or any other authority administered by him, any person owning, operating, or controlling any new or existing electric powerplant or major fuel-burning installation or any other person otherwise subject to this part to submit such information and reports of any kind or nature directly to the Administrator with respect to implementing the provisions of this part and insuring compliance with the provisions of this part and any rule or order thereunder. The provisions of section 11(d) of the Energy Supply and Environmental Coordination Act of 1974 shall apply with respect to information obtained under this section to the same extent and in the same manner as it applies with respect to energy information obtained under such section.

(b) In the case of responsibilities expressly given by this part to the President or the Federal Power Commission, subsection (a) shall be applied as if the references to the Administrator were references to the President or the Federal Power Commission, as the case may be.

SUBPART D—MISCELLANEOUS PROVISIONS

EMERGENCY POWERS OF THE PRESIDENT

SEC. 331. (a) If the President—

(1) declares a severe energy supply interruption, as defined in section 3(8) of the Energy Policy and Conservation Act, or

(2) finds, and publishes such finding, that a national or regional fuel supply shortage exists or may exist which the President determines—

(A) is, or is likely to be, of significant scope and duration, and of an emergency nature;

(B) causes, or may cause, major adverse impact on public health, safety, or welfare or on the economy; and

(C) results, or is likely to result, from an interruption in the supply of coal or from sabotage, or an act of God;

the President may, by order, allocate coal to any electric powerplant or major fuel-burning installation, in accordance with such terms and conditions as he may prescribe, to insure reliability of electric service or prevent unemployment, or both.

(b) In the event the President declares a severe energy supply interruption, as defined in section 3(8) of the Energy Policy and Conservation Act, the President may, by order, prohibit any new or existing electric powerplant or major fuel-burning installation from using natural gas or petroleum, or both, as a primary energy source for the period specified in the order. Any such order may authorize a waiver or modification of any Federal, State, or local law, standard limitation, or other requirement applicable to emissions of environmental pollutants or any applicable environmental requirement if the President finds, and publishes such findings in the Federal Register, that such waiver or modification is necessary by reason of the prohibitions of such order (and the supply interruption on which it is based) and that no alternative means are practicable which would result in compliance with such environmental requirements. Any such waiver or modification shall be made under such terms and conditions as the President may prescribe to insure compliance with applicable environmental requirements to the maximum extent practicable under the circumstances. Such waiver or modification may cause or contribute to a violation of a primary ambient air quality standard only to the extent the President finds and publishes his finding that no alternative means are practicable to avoid such violation.

(c) The President may, by order, stay the application of any provision of this part, or any rule or order thereunder—

(1) in the case of any provision, rule, or order applicable to any new or existing electric powerplant, if the Federal Power Commission finds, and publishes such finding, that an emergency exists, due to national, regional, or systemwide shortages of coal or other fuels, or disruption of transportation facilities, which emergency is likely to affect reliability of service of any such electric powerplant; and

(2) in any other case, to the extent the President determines is necessary to alleviate or prevent any emergency adversely affecting the public health, safety, or welfare.

(d)(1) Except as provided in paragraph (3), any order issued by the President under this section shall not be effective for longer than the duration of the interruption or emergency, or 90 days, whichever is less.

(2) Any such order may be extended by a subsequent order which the President shall transmit to the Congress in accordance with section 551 of the Energy Policy and Conservation Act. Such order shall be subject to congressional review pursuant to such section.

(3) Notwithstanding paragraph (1), any order issued under this section shall remain effective throughout the 15-calendar-day period during which any order described in paragraph (2) is subject to congressional review under section 551 of the Energy Policy and Conservation Act.

(e) The authority of the President to issue any order under this section may not be delegated. This subsection shall not be construed to prevent the President from directing any Federal agency to issue rules or regulations implementing such order.

(f) Any order issued under this section shall be published in the Federal Register. To the greatest extent practicable, the President shall, before issuing any order under this section, but in no event later than 5 days after issuing such order, report to Congress of his intention to issue such order and state his reasons therefor.

FEDERAL ACTIVITIES

SEC. 332. (a) No Federal facility (or unit thereof)—

(1) constructed by or on behalf of the United States or any agency or instrumentality thereof, after the effective date of this part, or

(2) effective beginning January 1, 1985, owned by the United States or any agency or instrumentality thereof,

shall use natural gas as the primary energy source for such facility or unit, unless the President determines in each case and in-

forms the Congress of his determination, and the reasons therefor, that such use is necessary for national security reasons or to meet other requirements of law. The President shall review each such determination every 2 years and submit a report to the Congress on the results of such review. Any such facility permitted to use natural gas by the President shall establish and carry out effective fuel conservation measures, as determined by the Administrator.

(b) In order to implement the purposes of this part, the President shall, not later than 30 days after the effective date of this part, cause to be issued an order—

(1) requiring each Federal agency which is empowered to extend Federal assistance by way of grant, loan, contract, or other form of financial assistance, to promptly effectuate the purposes of this part, particularly those relating to the conservation of petroleum and natural gas, by rule, in such contracting or assistance activities within 180 days after issuance of such order, and

(2) setting forth procedures, sanctions, penalties, and such other provisions, as the President determines necessary to carry out such requirement effectively, including procedures for each agency to annually transmit to the President, and make available to the public, a report on the actions taken and to be taken to implement such order.

(c) The President may exempt by order any specific grant, loan, contract, or other form of financial assistance from all or part of the provisions of this section if he determines such exemption is in the national interest. The President shall notify the Congress in writing of such exemption at least 60 days before it is effective.

(d) The President shall annually submit a detailed report to the Congress on the actions taken to implement this section, including the progress and problems associated with implementation of this section.

IMPACT ON EMPLOYEES

SEC. 333. (a) The Administrator shall conduct continuing evaluations of potential loss or shifts of employment which may result from the issuance of any rule or order imposing any prohibition under this part, including, if appropriate, investigating threatened plant closures or reductions in employment allegedly resulting from such rule or order. The results of such evaluations and each investigation shall promptly be made available to the public.

(b) On a written request filed with the Administrator by or on behalf of any employee who is discharged or laid off, threatened with discharge or layoff, or otherwise discriminated against, by any person because of the alleged effects of any such rule or order, the Administrator shall investigate the matter and, at the request of any party, shall hold public hearings, after not less than 30 days notice, at which the Administrator shall require the parties, including any employer involved, to present information on the actual or potential effect of such rule or order on employment and on any alleged employee discharge, layoff, or other discrimination relating to rule or order and the detailed reasons or justification therefor. At the completion of such investigation, the Administrator shall make findings of fact as to the effect of such rule or order on employment and on the alleged employee discharge, layoff, or discrimination and shall make such recommendations as he deems appropriate. Such report, findings, and recommendations shall be available to the public.

(c) Nothing in this section shall be construed to require or authorize the Administrator to modify or withdraw any rule or order under this part.

ANNUAL REPORT

SEC. 334. The Administrator shall submit to the Congress on March 1 of each year a detailed report prepared by him in conjunction with the Administrator of the Environmental Protection Agency of the actions taken under this part and under section 2 of the Energy Supply and Environmental Coordination Act of 1974 during the preceding calendar year, and the actions to be taken. Each such report shall include data on the effectiveness of this part in achieving the purposes of this part.

AUTHORIZATION OF APPROPRIATIONS

SEC. 335. (a) There is authorized to be appropriated to the Administrator for fiscal year 1978 $11,500,000, including such sums as are authorized in section 29 of the Federal Energy Administration Act of 1974, to carry out the provisions of this part (other than section 336(a)) and section 2 of the Energy Supply and Environmental Coordination Act of 1974.

(b) There is authorized to be appropriated to the Administrator of the Environmental Protection Agency $2,000,000 in fiscal year 1978 for the report required under section 336(a).

STUDIES

SEC. 336. (a) The Administrator of the Environmental Protection Agency shall conduct, on a continuing basis, a program of monitoring, to the greatest extent possible and in accordance with the applicable authorities and provisions of the Clean Air Act, the emissions from new and existing electric powerplants and major fuel-burning installations required to use coal or other fuels by reason of this part or otherwise using coal or other fuels and the effect thereof on the public health, safety, and welfare. Such Administrator shall submit an annual report to the Congress on such program. In carrying out his responsibilities under this section, the Administrator of the Environmental Protection Agency shall consult with the other Federal and State agencies concerned with the health effects of such emissions.

(b) The Administrator, in consultation with the National Governors' Conference, other Federal agencies, interested persons, and organizations, shall conduct a study of the socioeconomic impacts of expanded coal production on States, including local communities, and on the public, including the adequacy of housing and public, recreational, and cultural facilities for coal miners and their families and the effect of any Federal or State laws or regulations on providing such housing and facilities. Within 1 year after the date of the enactment of this part, the Administrator shall submit a detailed report on the results of such study to the Congress, together with any recommendations for legislation he may consider appropriate.

(c) The Administrator shall conduct a detailed study of the uses of petroleum and natural gas as a primary energy source for combustors. In conducting such study, the Administrator shall—

(1) identify those categories of major fuel-burning installations in which the substitution of coal or other fuels for petroleum and natural gas is economically and technically feasible, and

(2) determine the estimated savings of natural gas and petroleum expected from such substitution.

Within 1 year after the date of the enactment of this part, the Administrator shall submit a detailed report on the results of such study to the Congress, together with any recommendations for legislation he may consider appropriate.

EFFECTS OF OTHER LAWS ON PROCEDURES

SEC. 337. The procedures applicable under this part, or section 2 of the Energy Supply and Environmental Coordination Act of 1974, shall not—

(1) be considered to be modified or affected by any other provision of law unless such other provision specifically amends such part or section, or

(2) be considered to be superseded by any other provision of law unless such other provision does so in specific terms, referring to this part or such section, and declaring that such provision supersedes this part or such section.

CONFORMING AMENDMENTS

SEC. 338. (a) Section 11(g) of the Energy Supply and Environmental Coordination Act of 1974 is amended—

(1) by striking out paragraph (2), and

(2) in paragraph (1) by striking out "(g)(1)" and inserting in lieu thereof "(g)".

(b) The preceding provisions of this part shall not affect any order issued under subsection (a), or any final order under subsection (c), of section 2 of such Act, and the authority of the Administrator to amend, repeal, rescind, modify, or enforce any such order, or rules applicable thereto shall remain in effect notwithstanding any limitation of time otherwise applicable to such authority. Except as provided in the preceding sentence, the authority of the Administrator under such section 2 of such Act shall terminate on the effective date of this part.

EFFECTIVE DATES

SEC. 339. Unless otherwise provided in this part, the provisions of this part shall take effect 180 days after the date of the enactment of this title, except that the Administrator may issue rules pursuant to such provisions at any time after such date of enactment, which rules may take effect no earlier than 180 days after such date of enactment.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. ROBERT C. BYRD. Mr. President, has the order entered into earlier today been fully consummated?

The PRESIDING OFFICER. The order has been fully consummated and the proper amendments have been put forward.

The bill having been read the third time, the question is, Shall it pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Alabama (Mr. SPARKMAN) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Massachusetts (Mr. BROOKE), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Oregon (Mr. HATFIELD), the Senastanding job that he has done in contor from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), the Senator from Oregon (Mr. PACKWOOD), the Senator from Virginia (Mr. SCOTT),

the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER) and the Senator from Oregon (Mr. HATFIELD) would each vote "yea."

The result was announced—yeas 74, nays 8—as follows:

[Rollcall Vote No. 356 Leg.]

YEAS—74

Anderson	Glenn	Moynihan
Bayh	Gravel	Muskie
Bentsen	Hansen	Nelson
Biden	Hart	Nunn
Bumpers	Haskell	Pearson
Burdick	Hatch	Pell
Byrd, Harry F., Jr.	Hathaway	Percy
Byrd, Robert C.	Hayakawa	Proxmire
Cannon	Heinz	Randolph
Case	Hollings	Ribicoff
Chiles	Huddleston	Riegle
Church	Inouye	Roth
Clark	Jackson	Sarbanes
Cranston	Javits	Sasser
Culver	Johnston	Schweiker
Curtis	Kennedy	Stafford
Danforth	Leahy	Stevens
DeConcini	Long	Stevenson
Dole	Magnuson	Stone
Domenici	Matsunaga	Talmadge
Durkin	McGovern	Thurmond
Eagleton	McIntyre	Tower
Ford	Melcher	Wallop
Garn	Metzenbaum	Williams
	Morgan	Zorinsky

NAYS—8

Allen	Eastland	Schmitt
Bartlett	Helms	Stennis
Bellmon	Lugar	

NOT VOTING—18

Abourezk	Hatfield	Metcalf
Baker	Humphrey	Packwood
Brooke	Laxalt	Scott
Chafee	Mathias	Sparkman
Goldwater	McClellan	Weicker
Griffin	McClure	Young

So the bill (H.R. 5146), as amended, was passed.

Mr. HASKELL. Mr. President, I ask unanimous consent that H.R. 5146 be ordered printed as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make such technical and clerical corrections as may be necessary in the engrossment of the Senate amendments to H.R. 5146.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I very briefly take this occasion to compliment the members of the Energy Committee staff that worked on this bill. I particularly want to mention Richard Grundy, who has spent a great deal of time and without whose assistance this bill would not have been passed. I also mention Thomas Loughlin.

I also wish to mention Ted Orf, who is on the minority staff. They have all worked very well together and without them, this bill would never have come to the floor.

Mr. JACKSON. Will the Senator yield?

Mr. HASKELL. Yes.

Mr. JACKSON. I want to express my appreciation to the able Senator from Colorado (Mr. HASKELL) for the outstanding job that he has done in connection with the legislation just passed. It has been a long, tedious task for any Member of the U.S. Senate and he has handled it in a professional way, ably assisted by a very fine staff.

The same goes for the minority side, Senator HANSEN and his staff, who have made possible this legislation. I commend the Senators most highly for what they have accomplished.

Mr. HASKELL. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I would be remiss if I did not join in complimenting the distinguished Senator, the very distinguished Senator, from Colorado (Mr. HASKELL) on his superb managership of this difficult but important energy measure. He has demonstrated a very thorough knowledge of the subject, a superb prowess in the handling of the bill, and the Senate is justly proud of his performance.

I also compliment his comanager (Mr. HANSEN) and express appreciation to both for their cooperation and their fine craftsmanship and their patience and dedication to duty, which has eventuated in the enactment of an important segment of the President's energy package all in 1 day, several controversial amendments.

Let me also thank the staff and the Members of the Senate on both sides of the aisle for standing together during a long day and completing action on the bill at this hour of 8:41 p.m. on our second day back from the statutory recess.

Mr. HASKELL. Mr. President, I thank the majority leader.

FURTHER ROUTINE MORNING BUSINESS

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, and the withdrawal of the nomination of Peter E. Corning, of New York, to be U.S. attorney for the northern district of New York, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 3:25 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that:

The House agrees to the amendment of the Senate to the bill (H.R. 5294) to amend the Consumer Credit Protection Act to prohibit abusive practices by debt collectors.

The House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7933) making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes; that the House recedes from is disagreement to the amendments of the Senate numbered 20, 30, 40, 41, 46, 47, 54, 63, 67, 71, 76, and 82 and concurs therein, each with an amendment in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

At 6:15 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the Speaker has signed the enrolled bill (S. 1153) to abolish the Joint Committee on Atomic Energy and to reassign certain functions and authorities thereof, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communication which was referred as indicated:

EC–1840. A letter from the U.S. Consumer Product Safety Commission, the U.S. Environmental Protection Agency, the Food and Drug Administration, and the Occupational Safety and Health Administration advising that the four agencies have resolved jurisdictional problems in the regulation of chlorofluorocarbons.

Mr. CRANSTON. Mr. President, I ask unanimous consent that a communication from the U.S. Consumer Product Safety Commission and other agencies relative to coordinating agency efforts to control hazardous materials for the protection of public health, be referred jointly to the Committees on Environment and Public Works; Human Resources; and Commerce, Science, and Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ROBERT C. BYRD:

S. 2067. A bill for the relief of Cesar B. Ibanez, II, M.D.; and

S. 2068. A bill for the relief of Nelio S. Abrenica, M.D.; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 2069. A bill to amend section 312 of the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. CURTIS:

S. 2070. A bill to amend title II of the Social Security Act to provide that widow's and widower's benefits shall be based upon the amount of the monthly benefit of the deceased individual in the case of a deceased individual who delayed his retirement; to the Committee on Finance.

By Mr. HART (for himself and Mr. HATHAWAY):

S. 2071. A bill to establish a commission to study the laws and policies of the United States and major industries for their effect on competition, and for other purposes; to the Committee on the Judiciary.

By Mr. DECONCINI:

S. 2072. A bill to amend the Jury Selection and Service Act of 1968, as amended, to make the excuse of prospective jurors from Federal jury service on the grounds of dis-

tance from the place of holding court contingent upon a showing of hardship on an individual basis; to the Committee on the Judiciary.

By Mr. JOHNSTON:

S. 2073. A bill to amend the Emergency Petroleum Allocation Act of 1973 concerning domestic crude oil pricing and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DECONCINI (by request):

S. 2074. A bill to amend title 28, United States Code, to provide in civil cases for juries of six persons, to amend the Jury Selection and Service Act of 1968, as amended, with respect to the selection and qualification of jurors, and to extend the coverage of the Federal Employees Compensation Act to all jurors in U.S. district courts; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself and Mr. WALLOP):

S. 2075. A bill to amend the Jury Selection and Service Act of 1968, as amended, by revising the section on fees of jurors and by providing for a civil penalty and injunctive relief in the event of a discharge or threatened discharge of an employee by reason of such employee's Federal jury service; to the Committee on the Judiciary.

By Mr. MATHIAS:

S.J. Res. 80. A joint resolution to authorize and request the President to issue a proclamation designating November 8, 1977, as "National Law Student Recognition Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATHIAS:

S. 2069. A bill to amend section 312 of the Immigration and Naturalization Act; to the Committee on the Judiciary.

Mr. MATHIAS. Mr. President, I am today introducing a bill which would amend section 312 of the Immigration and Naturalization Act to exempt certain applicants for naturalization from the requirement of a working knowledge of the English language.

Since 1906, naturalization has been denied to any alien who could not speak the English language. At present, section 312 provides for an exemption from the English literacy requirement for anyone wishing to become a naturalized American citizen who has reached the age of 50 and has been living in the United States for periods totaling 20 years, as of 1952. As applied today, this exemption would only affect those who are over the age of 75 and have lived in the United States for at least 45 years.

My bill would bring this section up to date. It would provide that any person who is "over 50 years of age and has been living in the United States for periods totaling at least 20 years" at the time of the filing of his petition for naturalization, would be eligible for the exemption specified in section 312.

This bill presents no new policy question. Long ago the Congress decided that persons over 50 years of age with 20 years of residence, who were otherwise qualified for naturalization, should be excused from the test of their ability to read, write, and speak the English language. There is no reason this exemption should not be continued and updated to apply to all those wishing to become American citizens.

The House Judiciary Committee has before it a similar proposal, H.R. 667, introduced by Congressman PETER RODINO earlier in this session. I invite my colleagues to join with me in supporting both of these bills.

Since the founding of this great Nation, immigrants from around the world have been welcomed to our shores. This bill if enacted, will enable many long time residents of this country to realize a cherished objective—to become American citizens. We should not thwart this objective merely because they came to this country too late in life to learn a new language.

As it was so aptly put by one of my constituents:

The Congress can demonstrate its understanding and recognition of the so-called "heritage groups" or "ethnic groups" of our country by the enactment of (such) an amendment to Section 312.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2069

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the first proviso contained in paragraph (1) of section 312 of the Immigration and Nationality Act (8 U.S.C. 1423) is amended by striking out "or to any person who, on the effective date of this Act, is over fifty years of age and has been living in the United States for periods totaling at least twenty years" and by inserting in lieu thereof the following: "or to pay person who, on the date of the filing of his petition for naturalization as provided in section 334 of this Act, is over fifty years of age and has been living in the United States for periods totaling at least twenty years".

By Mr. HART (for himself and Mr. HATHAWAY):

S. 2071. A bill to establish a commission to study the laws and policies of the United States and major industries for their effect on competition, and for other purposes; to the Committee on the Judiciary.

COMPETITION REVIEW ACT

Mr. HART. Mr. President, today Senator HATHAWAY and I are introducing the Competition Review Act. This bill is patterned after a similar measure by Representative UDALL and 27 consponsors. The purpose of the bill is to promote increased competition wherever it can be shown to be economically feasible and desirable.

We have seen such an increase in concentrated economic power—and the inevitable expansion of Government regulatory power to control it—that there is a real danger free enterprise may go the way of the dinosaur. Before it is gone for good, it deserves one last, hard look. This bill, therefore, calls for a thorough examination of the degree of competition and concentration in 11 basic U.S. industries, as well as the laws and regulations which affect the operation of the marketplace. It should provide comprehensive data and recommendations for revitalizing the free enterprise system.

The bill would establish a Competition Review Commission, comprised of experts representing the academic community, labor, management, consumers, and the executive and legislative branches of Government.

The Competition Review Commission would first undertake a comprehensive study of the laws, regulatory policies, enforcement procedures, and any other governmental practices which have a significant impact on competition and concentration. The Commission would then determine the extent and nature of competition within 11 basic industries, and within any other sectors of the economy as the Commission deems necessary for a complete analysis of competition in America.

The Commission would then evaluate the effect of the current structure and operation of the marketplace on: Employment, price levels, profit levels, efficiency, innovation, the quality of goods and services produced, the ability of U.S. corporations to compete with their foreign counterparts, regional economic development, the political and social impact of industrial concentration, and the net benefit or harm of such elements to the U.S. economy.

The Commission would be required to submit a preliminary report to the President and the Congress within 3 years and its final report within 5 years following the enactment of this bill into law. The Commission would terminate within 90 days after submitting its final report.

This study would produce the first, comprehensive, scholarly and independent assessment of the state of competition in our economy. It would examine the trends toward greater economic concentration in both business and labor, and would evaluate the effectiveness of Government intervention in the marketplace. It would identify and demonstrate those areas where fair and open competition—the lifeblood of our economy—has been threatened, and why. It would establish the costs and benefits—both social and economic—of steps needed to increase competition. And it would enable intelligent decisions to be made to insure the long-term health of our economy.

Mr. President, the concentration of economic power—especially corporate power—is on the rise. By the end of 1974, the top 200 corporations listed on the "Fortune 500"—which comprises less than one-tenth of 1 percent of all manufacturing companies—accounted for two-thirds of the manufacturing assets and three-fifths of the sales, employment and net income after sales taxes. These 200 companies held a greater share of U.S. assets in 1974 than was held by the top 500 firms in 1954. If corporate power continues to grow at this rate, the top 200 corporations in the 1980's will have roughly three-fourths of all U.S. assets—about the same share as is held by the top 500 corporations today.

There is a great debate as to the significance of such statistics. While concentration is thought by many economists to mark an absence of competition,

it is considered by others to be merely a characteristic of industries with extremely high capital requirements. The data collected by the Competition Review Commission should help to resolve some of the issues raised by such competing theories of concentration, and to narrow those areas in which objective conclusions cannot be reached.

On this question and others, the information provided by the Competition Review Commission would give the Congress a basic tool which would otherwise be unavailable, but which is essential if Congress is to more fully appreciate the impact of our laws on competition generally.

The Competition Review Commission would also help delineate the proper roles of the Congress, of the executive branch and of the judicial branch in preserving our free enterprise system.

Attorney General Bell has recently noted the burden imposed on the courts by antitrust cases, and he specifically expressed concern about the power of the courts to resolve certain cases, such as those in which excessive market power that is not solely attributable to predatory or strictly anticompetitive practices is alleged. He suggested that Congress may be the better forum for determining those kinds of "political judgments"—especially where the pattern of market dominance is such that industrial reorganization may be the only practical remedy to insure sufficient competition and to curb political or social influence.

I agree with Attorney General Bell that we need to wrestle with these kinds of questions. This study will aid the Congress in developing a coherent antitrust policy which can be applied consistently in a way that makes sense and that the American people can support.

Mr. President, we should not abandon the idea of an open, competitive free market system before it has been given a fair chance. We should encourage the development of a healthy small- and medium-sized business community—threatened by neither monopolistc or oligopolistic firms on the one hand, nor a mountain of Government redtape on the other.

It is not a question of simply "busting the trusts" or removing Government from the marketplace. Deconcentration and deregulation must go hand in hand if we are to restore genuine competition to overconcentrated, overregulated industries. That is why the scope of the proposed study includes an examination of both our Government and our private sector, within the context of a global economy.

The measure we are offering today does not say, "big is bad" or, "small is beautiful." This measure says, "let's make sure we're heading in the right direction."

I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and the analysis were ordered to be printed in the RECORD, as follows:

S. 2071

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Competition Review Act".

ESTABLISHMENT

SEC. 2. There is hereby established as an independent instrumentality of the United States in the executive branch a Commission to be known as the Competition Review Commission (hereinafter referred to in this Act as the "Commission").

MEMBERS

SEC. 3. (a) The Commission shall be composed of the following individuals:

(1) The chairman and ranking minority member of the Subcommittee on Antitrust of the Committee on the Judiciary of the House of Representatives.

(2) The chairman and ranking minority member of the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary of the United States Senate.

(3) Four individuals appointed by the President of the United States, from among individuals in private life who shall be specifically qualified to serve on the Commission by virtue of their education, training, or experience, and who shall be selected from the fields of labor, business, consumer interests, and the academic community.

(4) The chairman of the Federal Trade Commission or his designate.

(5) The Assistant Attorney General of the United States in charge of the Antitrust Division of the United States Department of Justice or his designate.

(6) The Secretary of Commerce or his designate.

(b) Members shall be appointed for the duration of the activities of the Commission.

(c) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(d) The Chairman of the Commission shall be appointed by the President.

(3) The Commission shall meet at the call of the Chairman, or at the call of a majority of the Commission members, but shall meet at least every other month during the life of the Commission.

DUTIES

SEC. 4. (a) The Commission shall conduct a comprehensive study of the laws, regulations, policies, and any other governmental practices of the United States which have a significant impact on competition including, but not limited to, the antitrust laws and exemptions to the antitrust laws, the patent laws, the internal revenue laws and regulations, the National Labor Relations Act, regulatory policies, and Federal contracting and bidding practices.

(b) The Commission shall study the major industries of the United States to determine the extent and nature of competition within such industries. Such studies shall include the following industries:

(1) chemicals, pharmaceuticals, and other ethical drugs;

(2) electrical machinery and equipment;

(3) electronic computing and communications equipment;

(4) energy;

(5) iron and steel;

(6) nonferrous metals;

(7) motor vehicles;

(8) transportation;

(9) newspaper publishing and communications;

(10) financial institutions;

(11) the food industry; and

(12) such other sectors of industry or commerce as the Commission deems may be necessary or useful for comprehensive understanding of the competitive status of American industry and commerce.

(c) In the course of the studies conducted under subsections (a) and (b) of this section, the Commission shall evaluate the laws, enforcement procedures, policies, and other actions of the Federal government and the degree of concentration within the major industries considering the effect of such concentration and such laws and regulations and policies on: employment, price levels, profit levels, efficiency, innovation, the quality of goods and services produced, the ability of the United States corporations to compete with their foreign counterparts, regional economic development, the political and social impact of industrial concentration, and the net benefit or harm of such elements to the United States economy.

(d) The Commission may make such additional studies as it deems appropriate to carry out its other duties under this Act.

DIRECTOR AND STAFF

SEC. 5. (a) The Commission shall have an Executive Director who shall be appointed by the Commission and who shall be compensated as provided in section 10 of this Act.

(b) Subject to such rules as may be adopted by the Commission, with the approval of the Commission, the Director may appoint and fix the pay of such additional personnel as he deems desirable.

(c) Subject to such rules as may be adopted by the Commission, with the approval of the Commission, the Commission may procure temporary and intermitent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates for individuals not to exceed $200 per diem.

(d)(1) The President may detail to the Commission, on a nonreimbursable basis, such employees of any department, agency, or other establishment in the executive branch as he determines to be necessary to assist the Commission in carrying out its duties under this Act, with special consideration being given to the detailing of employees of the Federal Trade Commission and of the Antitrust Division of the Department of Justice who have professional training and experience in dealing with issues relating to competition and to the economic impact of regulatory activity. No individual shall be detailed to the Commission for any period in excess of ten months unless such individual volunteers to serve with the Commission for such longer period.

(2) For purposes of carrying out the study required by section 4 of this Act, the individuals detailed to the Commission pursuant to paragraph (1) of this subsection shall be organized into such task forces as the Commission determines are necessary. Each such task force shall have at least one individual assigned to it who has professional training and experience in dealing with issues relating to competition and to the economic impact of regulatory activity. Not more than half of the professional positions on any task force may be filled with individuals detailed from independent Federal regulatory agencies which are being studied by such task force.

POWERS OF COMMISSION

SEC. 6. (a) The Commission may for the purpose of carrying out this Act hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission may deem advisable. The Commission may administer oaths or affirmations to witnesses appearing before it.

(b) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(c) (1) The Commission shall have power to issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter which the Commission is empowered to study or investigate by this Act. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) If a person issued a subpoena under paragraph (1) refuses to obey such subpoena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may, upon application by the Commission, order such person to appear before the Commission to produce evidence or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) All process of any court to which application may be made under this section may be served in the judicial district wherein the person required to be served resides or may be found.

(d) The Commission may exercise all powers of the Federal Trade Commission under section 6(b) of the Federal Trade Commission Act and all powers of the Attorney General of the United States under the Antitrust Civil Process Act.

LITIGATION

SEC. 7. An action brought in any court of the United States challenging any provision of this Act or any action of the Commisison pursuant to this Act shall be filed only in the United States District Court for the District of Columbia Circuit or the United States Court of Appeals for the District of Columbia Circuit as the case may be and shall be advanced on the calendar of such courts in advance of all other matters.

REPORTS

SEC. 8. (a) Not later than six months after the last member of the Commission is appointed and qualifies the Commission shall transmit to the President and the Speaker of the House of Representatives and the President pro tempore of the Senate a specific plan for the organization, structure, and accomplishment of the studies required under section 4 of this Act.

(b) Not later than six months after the transmittal of the plan required by subsection (a) of this section the Commission shall transmit to the President and the Speaker of the House of Representatives and the President pro tempore of the Senate a specific timetable for and preliminary outline of the studies required under section 4 of this Act.

(c) The Commission shall make such interim reports as it deems advisable and shall make a preliminary report not later than three years after the date of the transmittal required under subsection (b) of this section.

(d) Not later than five years after the date of enactment of this Act the Commission shall transmit its final report and the studies required under section 4 of this Act to the President and Speaker of the House of Representatives and the President pro tempore of the Senate.

CONFIDENTIALITY

SEC. 9. Notwithstanding any other provision of law, all information obtained by the Commission shall—

(1) remain in the custody of the Commission or of the Administrator of General Services without disclosure except to the staff of the Commission while engaged in the duties of the Commission; and

(2) be held under seal by the Administrator of General S· ·vices for a period of not less than five years after the termination of the Commission pursuant to section 11 of this Act.

TECHNICAL AMENDMENT

SEC. 10. Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(141) Executive Director, Competition Review Commission.".

TERMINATION

SEC. 11. The Commisison shall cease to exist ninety days after submitting its final report pursuant to section 8 of this act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

COMPETITION REVIEW ACT OF 1977

SECTION-BY-SECTION ANALYSIS

Sec. 1. The act may be cited as the "Competition Review Act".

Sec. 2. Establishment of Study Commission—The "Competition Review Commission" is established as an independent instrumentality in the executive branch.

Sec. 3. Commission membership—(a) The Commission shall be composed of 11 voting members: (1) the Chairman and ranking minority member of the Subcommittee on Antitrust of the Committee on the Judiciary of the House of Representatives, (2) the Chairman and ranking minority member of the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary of the United States Senate, (3) four individuals appointed by the President from among individuals in private life selected from the fields of labor, business, consumer interests and the academic community, (4) the Chairman of the Federal Trade Commission or his designate, (5) the Assistant Attorney Geenral in charge of the Antitrust Division in the Department of Justice, and (6) the Secretary of Commerce or his designate. (b) Members are appointed for the life of the Commission. (c) A vacancy is filled in the same manner in which the original appointment is made. (d) the Commission Chairman will be appointed by the President. (e) The Commission will meet at the call of the Chairman or the majority of Commission members, but will meet at least every other month.

Sec. 4. Commission duties—(a) The Commission will study the laws, regulations, policies and any other governmental practices which have a significant impact on competition. This would include, but would not be limited to, the antitrust laws and exemptions to them, the patent laws, the internal revenue laws and regulations, the National Labor Relations Act, regulatory policies, and Federal contracting and bidding practices. (b) The Commission will then assess the state of competition within major industries including, but not limited to: chemicals, pharmaceuticals, and other ethical drugs; electrical machinery and equipment; electronic computing and communication equipment; energy; iron and steel; non-ferrous metals; motor vehicles; transportation; newspaper publishing and communications; financial institutions; and, the food industry. (c) The Commission will then evaluate the practices of the government and the degree of economic concentration, considering the effect of each on: employment, price levels, profit levels, efficiency, innovation, the quality of goods and services produced, the ability of American corporations to compete with their foreign counterparts, regional economic development, the political and social impact of industrial concentration, and the net benefit or harm of such elements to the United States economy. (d) The Commission may make additional studies as it deems appropriate.

Sec. 5. Commission director and staff—(a) The Commission will have an Executive Director appointed by the Commission and compensated at Executive Level V pay. (b) Subject to Commission rules, the Director may appoint and fix the pay of additional staff as he deems necessary, with the approval of the Commission. (c) The Commission may procure temporary services, but may not exceed $200 per diem as a level of compensation. (b) The President may detail to the Commission any employees of the government on a nonreimbursable basis for up to ten months. However, not more than half of the Commission staff on any task force may be filled with individuals detailed from independent Federal regulatory agencies which are being studied by that task force.

Sec. 6. Powers of Commission—(a) The Commission may hold hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission deems advisable. The Commission may administer oaths or affirmations to witnesses appearing before it. (b) The Commission may secure directly from any department or agency of the United States information it deems necessary for completing its task. (c) The Commission has the power to issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence it deems necessary to complete its task. Anyone refusing to obey a subpena issued by the Commission would be subject to a contempt of court citation. Subpenas will be served in the manner provided by a United States district court under the Federal Rules of Civil Procedure for the United States district courts. (d) The Commission may exercise all powers of the Federal Trade Commission under section 6(b) of the Federal Trade Commission Act and all powers of the Attorney General of the United States under the Antitrust Civil Process Act.

Sec. 7. Litigation—Any litigation arising from the enactment of this bill into law shall be filed only in the United States District Court of Appeals for the District of Columbia Circuit or the United States Court of Appeals for the District of Columbia as the case may be and will be advanced on the calendar of such courts in advance of all other matters.

Sec. 8. Commission reports—(a) Not later than six months after the last member of the Commission is appointed, the Commission will submit to the President, the Speaker of the House and the President pro tempore of the Senate a specific plan for the organization, structure and accomplishment of the studies required under Section 4 of the bill. (b) Not later than six months after submitting the report required by (a) above, the Commission will submit a report to the President, the Speaker of the House and the President pro tempore of the Senate a specific timetable for and preliminary outline of the studies required under Section 4 of the bill. (c) The Commission will make any interim reports it deems advisable and shall make a preliminary report not later than three years after submitting the report required by (b) above. (d) Not later than five years after the date of enactment of this bill, the Commission will submit its

final report and the studies required under Section 4 of the bill to the President, the Speaker of the House and the President pro tempore of the Senate.

Sec. 9. Confidentiality of data collected by Commission—All information obtained by the Commission will remain in the custody of the Commission or of the Administrator of General Services without disclosure except to the staff of the Commission while engaged in the duties of the Commission. The data will be held under seal by the Administrator of General Services for at least five years after the termination of the Commission.

Sec. 10. Technical amendment—Provides for pay of Executive Director of the Commission.

Sec. 11. Termination of Commission—The Commission will terminate ninety days after submitting its final report.

Sec. 12. Authorization of appropriations—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of the bill.

Mr. HATHAWAY. Mr. President, it is my pleasure to join Senator HART in introducing the Competition Review Act of 1977.

The small businessman in America is an endangered species. Large corporations dominate the industrial scene, both in this country and aboard. Their enormous resources and power enable these corporate giants to exert tremendous influence over the economic, social, and political spheres of American life.

I am deeply concerned that, unless action is taken to correct the structural imbalances of our economic system, the free enterprise system and the independent and resourceful entrepreneurs, as we have known them, will become only memories.

It is imperative that we enact this legislation.

Both Senator HART and I believe this is an essential bill, and we will both press for its immediate enactment.

For years, debate has continued on the causes and effects of economic concentration. However, complete details of corporate structure, marketing techniques, technological imperatives, et cetera, have not been available. This Review Commission is charged with obtaining and analyzing all pertinent data. Its final report shall recommend legislative changes and regulatory modifications necessary to insure a vibrant and dynamic free enterprise system for this country. American business, labor, and consumers deserve no less.

By Mr. DECONCINI:

S. 2072. A bill to amend the Jury Selection and Service Act of 1968, as amended, to make the excuse of prospective jurors from Federal jury service on the grounds of distance from the place of holding court contingent upon a showing of hardship on an individual basis; to the Committee on the Judiciary.

JURY ACT AMENDMENT

Mr. DECONCINI. Mr. President, I am today introducing a bill which would amend section 1863 of title 28, United States Code, by eliminating therefrom subsection (b)(7). The elimination of this section will alter the method by which prospective jurors shall be excused from jury service in the U.S. district courts on account of hardship resulting from the distance between their residence and the place of holding court.

The adoption of this proposed legislation and the consequent elimination from the jury selection plans of the "mileage excuse" under section 1863(b)(7) does not mean, of course, that persons may no longer be excused from jury service because of hardship in travel. Rather, such requests for excuse would have to be handled by the district judge on an individual case-by-case basis upon a showing of "undue hardship or extreme inconvenience" under 28 U.S.C. 1866 (C)(1). It is the view of the Judicial Conference that this sort of request for excuse should be handled individually, avoiding the blanket elimination from jury service of all persons residing beyond a given geographical area surrounding the place where court is held. Experience has shown that most prospective jurors eligible for such a blanket mileage excuse will exercise their right to it, with the frequent result that only a relatively small portion of the geographical area of a judicial district is represented on the jury ultimately empaneled.

Employment of blanket "mileage excuse" in the jury selection plans of juries in this manner, seem undesirable from a policy viewpoint, and perhaps on a legal or constitutional basis as well, although I am unaware of any judicial decision holding that the elimination of prospective jurors on a geographical basis in this manner is violative of the "fair cross section of the community" guarantee of section 1861 or of the sixth amendment guarantees with respect to trial by jury.

Since most places of holding court are relatively urbanized and densely populated as compared to the outlying portions of judicial districts, the implementation of a mileage excuse specifying a relatively short distance as the determinant for an excuse from service could obviously have a drastic effect on the demographic composition of the juries empaneled in that district. With the passage of this bill, the wholesale exclusion of major geographical segments of a judicial district from jury service will be avoided, particularly in those judicial districts encompassing great distances and in which grand juries (or, less commonly, petit juries) are selected on a districtwide basis, rather than from each statutory or other division of the district [see 28 U.S.C. 1863(a) and 1869(e)].

The Judicial Conference and the Department of Justice both support this legislation. No cost is involved in this legislation. I hope this bill will receive early consideration in order to eliminate present inequities that could exist in the selection of Federal juries.

By Mr. JOHNSTON:

S. 2073. A bill to amend the Emergency Petroleum Allocation Act of 1973 concerning domestic crude oil pricing and for other purposes; to the Committee on Energy and Natural Resources.

Mr. JOHNSTON. Mr. President, today I am introducing S. 2073, the Crude Oil Pricing Amendments of 1977. The purpose of this legislation is to correct a crude oil pricing system enacted in December 1975. Since December 1975 it has become painfully apparent that the mechanism enacted then has not worked.

As you will remember, Mr. President, Congress established, in the Energy Policy and Conservation Act of 1975, a composite price of $7.66 per barrel for all domestically produced crude oil. The President was given the authority to establish ceiling prices for different classifications of crude oil so long as the weighted average composite price of domestic crude oil remained at $7.66 per barrel, which was allowed to increase with inflation. Unfortunately, the legislation and initial Presidential action setting ceiling prices was predicated on certain facts and assumptions which have proven to be incorrect. The result has been a series of price freezes and price rollbacks since February 1976, which have caused the real dollars received for certain crude oil production to decrease since February 1976. The Congress did not intend this result. However, it is a result which logically follows from the establishment of a mandatory composite price level.

This legislation, Mr. President, proposes to abolish the composite pricing system, but to continue price controls on "upper tier" and "lower tier" oil. The controlled price of these two classifications of oil would be the February 1976 price established under the composite pricing system plus inflation since that date. Both "upper tier" and "lower tier" crude oil would be allowed to rise in the future with inflation, as determined by the GNP deflator.

In addition, the legislation allows the President to establish different categories of oil which may receive ceiling prices higher than those established for "upper tier" and "lower tier" crude oil if the President makes certain findings. The findings are extracted from the composite pricing system and, in general, must indicate that such classifications and higher ceiling prices are needed to encourage increased production of domestic crude oil.

Finally, this legislation proposes to exempt two classifications of crude oil from price controls. First, the legislation continues the exemption for crude oil produced from stripper wells. This exemption is the same exemption which was enacted as part of the Energy Conservation and Production Act of 1976. Second, the legislation creates a new classification referred to as "newly discovered crude oil" which is exempt from price controls. "Newly discovered crude oil" is defined as that crude oil produced from a reservoir which was first penetrated by a well the surface drilling for which commenced on or after April 20, 1977. This exemption reflects the proposal President Carter made when he announced his energy proposals on April 20. However, the President intended that this new classification of oil be made by the Federal Energy Administration through a rulemaking procedure and that the classification be subject to the existing composite pricing system.

Mr. President, I am convinced that this legislation is needed to encourage maxi-

mum domestic crude oil production. Producers should not be subject to the freezes and rollbacks the present pricing system has caused. Further, maximum price incentives should, as the President suggested, be given to newly discovered domestic crude oil. Crude oil pricing cannot be ignored in a comprehensive national energy plan. Therefore, I urge my colleagues to give serious consideration to this pricing proposal which will be fair to the consumer, while encouraging maximum domestic crude oil production.

By Mr. DECONCINI (by request):

S. 2074. A bill to amend title 28, United States Code, to provide in civil cases for juries of six persons, to amend the Jury Selection and Service Act of 1968, as amended, with respect to the selection and qualification of jurors, and to extend the coverage of the Federal Employees Compensation Act to all jurors in U.S. district courts; to the Committee on the Judiciary.

JURY ACT AMENDMENT

Mr. DECONCINI. Mr. President, I am today introducing at the request of the Judicial Conference of the United States a bill to amend title 28 of the United States Code in several respects.

The bill would make five separate changes in existing law:

First. The enactment of specific statutory authority for the use of six-person juries in civil cases in the district courts, and a reduction in the peremptory challenges available to each party in civil cases from three to two;

Second. The establishment of a statutory presumption that the use of voter lists as the source of juror names is consistent with the requirement of the Jury Selection and Service Act of 1968, 28 U.S.C. 1861, for grand and petit juries to be "selected at random from a fair cross section of the community in the district or division wherein the court convenes";

Third. The clarification of 28 U.S.C. 1865(b)(5) with respect to the qualification for jury service of persons who have been convicted of a crime and have subsequently had their civil rights restored;

Fourth. The addition to the definitional section of the Jury Selection and Service Act of 1968, 28 U.S.C. 1869, of certain definitions respecting the jury selection and summoning process, in order to clarify the authority of district courts to employ automatic data processing in the selection of their juries; and

Five. The extension of Federal Employees Compensation Act coverage to all persons serving as jurors in the United States district courts.

A hearing on this bill, and four other related bills have been scheduled for September 26, 1977.

Mr. President, I ask unanimous consent that the letter of transmittal from the Judicial Conference of the United States be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ADMINISTRATIVE OFFICE OF THE
U.S. COURTS,
Washington, D.C., March 31, 1977.

HON. WALTER F. MONDALE,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: At the direction of the Judicial Conference of the United States, I am forwarding a draft bill which would make several changes in existing law with respect to the administration of the jury system in the United States district courts. Each of the proposals contained in this bill has been previously recommended by the Judicial Conference, and each of them was submitted to the 94th Congress without being acted upon. This draft bill would make five separate changes in existing law:

1. The enactment of specific statutory authority for the use of six-person juries in civil cases in the district courts, and a reduction in the peremptory challenges available to each party in civil cases from three to two;

2. The establishment of a statutory presumption that the use of voter lists as the source of juror names is consistent with the requirement of the Jury Selection and Service Act of 1968, 28 U.S.C. § 1861, for grand and petit juries to be "selected at random from a fair cross section of the community in the district or division wherein the court convenes";

3. The clarification of 28 U.S.C. § 1865(b)(5) with respect to the qualification for jury service of persons who have been convicted of a crime and have subsequently had their civil rights restored;

4. The addition to the definitional section of the Jury Selection and Service Act of 1968, 28 U.S.C. § 1869, of certain definitions respecting the jury selection and summoning process, in order to clarify the authority of district courts to employ automatic data processing in the selection of their juries; and

5. The extension of Federal Employees Compensation Act coverage to all persons serving as jurors in the United States district courts.

The Judicial Conference at its latest session in September, 1976, directed that these legislative proposals be joined together in the form of an omnibus bill to make changes with respect to jury administration and the service of jurors in the federal courts. Accordingly, I am transmitting the enclosed draft bill. A discussion follows of each of the separate proposals which would be effected thereby.

I. SIX-PERSON JURIES IN CIVIL CASES

The Judicial Conference of the United States has since 1972 been recommending favorable consideration by the Congress for the amendment of title 28, United States Code, to provide in civil cases for juries of six persons.

A total of 82 out of the 94 federal judicial districts have by local rule adopted provisions for civil juries of less than twelve. The attached draft bill would make the use of the six-person civil jury uniform in all United States district courts. The use of juries of less than twelve persons by rule of court in civil cases has been sanctioned by the United States Supreme Court in *Colgrove* v. *Battin*, 413 U.S. 149 (1973).

Besides reducing the number of jurors sitting in civil cases to a uniform number in all Federal courts, the draft bill would also provide amending language reducing the number of peremptory challenges in civil cases from three to two per party. The bill further authorizes additional peremptory challenges and flexible treatment of peremptory challenges to cover multiple parties in light of varying circumstances.

This bill would expressly preserve the principle of unanimity of verdicts in civil cases; however, the statutory provision for unanimity would also allow for stipulation by the parties to a less than unanimous verdict.

Bills virtually identical to title I hereof were introduced in the 94th Congress as S. 237 and H.R. 6039. Earlier, two bills providing the essence of this draft bill, H.R. 8285 and S. 2057, had been introduced in the 93rd Congress. At its March, 1971 session, the Judicial Conference originally approved in principle a reduction in the size of civil juries (see the 1971 Report of the Proceedings of the Judicial Conference at page 5). Subsequently, the Conference proposed draft legislation which was introduced in the 92nd Congress and later in the 93rd Congress as H.R. 8285. Hearings were held thereon by the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice on October 9 and 10, 1973 and January 23, 1974. Following the Judicial Conference re-endorsement of H.R. 8285, a counterpart bill, S. 2057, was introduced in the Senate. After study, the Judicial Conference voted (see the 1973 Conference Proceedings at page 54) to recommend S. 2057 because of its specific provisions preserving the principle of unanimity of verdicts and a more flexible treatment of peremptory challenges in multiple party cases. Title I of the attached draft bill incorporates these features of S. 2057.

II. USE OF VOTER LISTS IN JURY SELECTION

It is presently provided by section 1863(b)(2) of title 28, United States Code, that the plan for random selection of grand and petit jurors which is required to be maintained by each United States district court shall specify that the names of prospective jurors shall be selected from the voter registration lists or lists of actual voters of the political subdivisions within the judicial district or a division thereof, and that:

"The plan shall prescribe some other source or sources of names in addition to voter lists where necessary to foster the policy and protect the rights secured by sections 1861 and 1862 of this title."

Title II of the draft bill which is being submitted to you would amend this subsection to (1) establish a presumption that those jurors selected from voter registration lists or lists of actual voters do affirmatively represent a "fair cross section of the community" in the district or division, as required by 28 U.S.C. § 1861, and (2) require the district court to find that voter lists do not represent such a fair cross section before it may prescribe any other source or sources of juror names.

Since the enactment of the Jury Selection and Service Act of 1968, an issue has emerged as to whether the selection of jurors exclusively from voter lists in each judicial district is sufficient to implement the mandate of the Act. Sections 1861 and 1862 of title 28, which were added by the Jury Selection and Service Act, provide that all litigants in federal courts are entitled to trial by grand and petit juries selected at random from a fair cross section of the community in the district or division wherein the court convenes, that all citizens shall have the opportunity to be considered for jury service, and that no one shall be excluded from such service on account of race, color, religion, sex, national origin, or economic status.

Litigants, particularly criminal defendants seeking a basis on which to challenge their indictments or convictions, have persistently contended that juries selected exclusively from voter lists do not meet these requirements because of the limited constituency of the lists in some localities and the tendency of certain groups and segments of the population not to register or vote. Accordingly,

they have asserted in numerous instances that the district courts have been derelict in not prescribing supplemental sources of juror names as authorized by 28 U.S.C. § 1863 (b)(2). These contentions have been raised with increasing frequency in recent years and in several different forms—as challenges to the jury selection process under 28 U.S.C. § 1867, as pretrial motions, as points on appeal, and as allegations in petitions for post-conviction relief.

When confronted by such challenges, the federal courts have consistently upheld the exclusive reliance on voter lists to supply the names of jurors, as sufficient on constitutional grounds and also as a permissible method of achieving the "fair cross section of the community" required by statute as the basis for jury selection. *See, e.g., United States* v. *Whitley*, 491 F. 2d 1248 (8th Cir. 1974), *cert. denied*, 416 U.S. 990, and *United States* v. *Test*, 399 F. Supp. 683 (D. Colo. 1975), affirmed, No. 73-1337 (10th Cir., decided Nov. 12, 1976). It has further been held that those persons who choose to exclude themselves from jury service by failing to register to vote do not constitute a cognizable class or group for the purpose of establishing systematic and intentional exclusion from the process of jury selection. *Camp* v. *United States*, 413 F. 2d 419, 421 (5th Cir. 1969), *cert. denied*, 396 U.S. 968, and *United States* v. *Lewis*, 472 F. 2d 252, 256 (3rd Cir. 1973).

Useful summaries of the decisional law which has developed with respect to (1) permissible disparities for jury selection purposes between the proportion a particular class bears to the population at large as against those persons registered to vote and (2) the showing required to successfully challenge a court's jury selection plan are contained in *An Analysis of Jury Selection Decisions* by Judge Walter P. Gewin, appendix to *Foster* v. *Sparks*, 506 F. 2d 805 (5th Cir. 1975), and the *Report of the District Court Panel on Jury Selection in the District of Massachusetts*, 58 F.R.D. 501 (1973).

In light of the apparent judicial consensus which has developed in support of the exclusive use of voter lists for the selection of jurors, only two United States district courts, Colorado and the District of Columbia, have seen fit to supplement the voter lists with another source of juror names. Both of these courts are now drawing names for their master jury wheels from the motor vehicle operators' license records within their jurisdictions, as well as from voter lists. The other 92 district and territorial courts, to the best of our knowledge, continue to use the voter lists exclusively for this purpose. Despite this consensus, however, challenges to the jury selection process on account of a lack of supplementation to the voter lists continue to be made and to consume substantial judicial time.

The Judicial Conference is therefore of the view that the enactment of the proposed legislation would assist the administration of justice by reducing the number of frivolous challenges made on this basis, and by providing greater certainty to the federal courts in the administration of their jury selection plans. At the present time many of the district courts, concerned by the growing number of challenges, are researching the efficacy and practicality of the various sources available to supplement voter lists. Motor vehicle operator records, automobile registration records, social security lists, welfare rolls, city directories, telephone directories and census records have, *inter alia*, been considered for this purpose.

It has proven difficult, however, to find a satisfactory supplemental list which incorporates with sufficient certainty the name, address, and age of the potential juror, is reasonably up-to-date, and provides an improvement over the voter lists in capturing some segment of the community which is under-represented in voter registration. As former Attorney General Ramsey Clark pointed out in his testimony on the legislation which became the Jury Selection and Service Act of 1968, the voter registration or actual voter lists are uniquely suited to the jury selection process, especially so because the process of registering and voting implies a certain orientation to the public interest and to public service:

"We looked at every type of list we could find. We looked at post office addresses, at Civil Service Commission lists, at social security lists, and we considered telephone books, and a city directory sort of list, and we couldn't find any list that would be across the country nearly as good as the voter list. We put a quite high priority on certainty as to where the individuals should be chosen from, and we found some relationship between the public interest that would cause a person to register to vote, and jury service." Hearings on Federal Jury Selection Before the Subcommittee on Improvements in Judicial Machinery of the Senate Committee on the Judiciary, 90th Congress, 1st Sess. 43 (1967).

Additional support for the primacy of voter lists as the source of federal juror selection is readily found in the legislative history of the Jury Selection and Service Act. The Judiciary Committees of the Senate and the House of Representatives stated in their reports on this legislation that voter lists "provide the widest community cross section of any list readily available." Senate Rep. No. 891, 90th Cong., 1st Sess. 16 (1967) and H.R. Rep. No. 1076, 90th Cong., 2d Sess. 4 (1968). These reports also manifest a Congressional view that the use of voter lists should be adequate to satisfy constitutional requirements and to comply with the cross sectional requirements of the statute:

"The voting list requirement, together with the provision for supplementation, is therefore the primary technique for implementing the cross sectional goal of this legislation. The bill uses the term 'fair cross section of the community' in order to permit minor deviations from a fully accurate cross section. The voting list need not perfectly mirror the percentage structure of the community. But any substantial percentage deviations must be corrected by the use of supplemental sources. Your committee would leave the definition of 'substantial' to the process of judicial decision." S. Rep., *supra*. at 17 and H.R. Rep., *supra*, at 5.

The Judicial Conference through its Committee on the Operation of the Jury System has attempted to follow the course of judicial decisions construing the Jury Selection and Service Act ever since its enactment in 1968. Since that time, the Conference is unaware of any court decisions holding that a master jury wheel drawn wholly from voter registration lists is on that ground inadequate to represent a fair cross section of the community in the selection process. Accordingly, the Conference believes that, with rare exceptions, the need for supplementation of the voter lists simply has not been realized in actual practice, based upon eight years of experience since the enactment of the Jury Act.

While the draft legislation which is submitted would establish a statutory presumption that the selection of jurors from names contained on voter lists meets the requirements of 28 U.S.C. § 1861, it would continue to permit district court jury selection plans to provide for other sources of names in addition to voter lists. Before prescribing such additional sources of names, however, the district court would have to expressly find that the state voter lists do not represent a fair cross section of the community.

The legislative history further indicates that the Congress very deliberately established voter lists as the source of federal jurors in full recognition that their use would narrow the universe of jury selection by eliminating from consideration persons who do not register to vote. The committee reports assert that this sort of discrimination among citizens is "not unfair," however, because "[n]o economic or social characteristics prevent one who wants to be considered for jury service from having his name placed in the pool from which jurors are selected." S. Rep. at 17 and H. R. Rep. at 5.

There is one additional compelling argument in support of this bill suggested by the legislative history. In his testimony before the Senate Subcommittee on Improvements in Judicial Machinery, Judge Irving R. Kaufman of the United States Court of Appeals for the Second Circuit, who then chaired the Conference Committee on the Operation of the Jury System, suggested that the provision now contained in section 1863(b)(2) for the supplementation of voter lists by other sources was essentially transitional in nature. Even at that time, Judge Kaufman stated, the voter lists failed to represent a fair cross section of their communities in only a "very few jurisdictions." He testified that his committee had been "advised by the Department of Justice that this situation is being corrected since the passage of the Voting Rights Act of 1965," but that "[w]here this condition still exists, our bill permits the use of other lists in addition to voter lists to obtain a representative cross-section." Hearings on Federal Jury Selection, *supra*, at 253.

Thus Judge Kaufman appeared to believe that the use of supplemental sources of juror names was primarily a stopgap measure, which would be desirable to have available until the full impact of the Voting Rights Act of 1965 had been felt and until its implementation had corrected the situation existing in a few isolated districts where the voter lists did not represent a fair cross section of the population. It is accordingly the view of the Judicial Conference that, since eleven years have now passed since the enactment of the Voting Rights Act, the primary need to resort to supplementation of voter lists for jury selection has expired, and the use of supplemental sources should be reserved for those extraordinary situations in which the district court expressly finds that the voter lists of the state do not encompass a sufficient constituency to satisfy the demands of the Jury Act.

III. JURY SERVICE BY RESTORED CONVICTS

This title would amend the Jury Selection and Service Act of 1968, as amended (28 U.S.C. §§ 1865(b)(5) and 1869(h)) to allow for a more flexible treatment of rehabilitated persons, previously convicted for crimes punishable by imprisonment for more than one year, whose qualifications are being considered for jury service in federal courts. This bill was introduced in the 93rd Congress as H. R. 17373 and in the 94th Congress as H. R. 6050.

The Jury Act presently provides in the qualification section at section 1865(b)(5), that the district courts:

". . . shall deem any person qualified to serve on grand and petit juries . . . unless he (5) has a charge pending against him for the commission of, or has been convicted in a state or Federal court of record of, a crime punishable by imprisonment for more than one year *and his civil rights have not been restored by pardon or amnesty.*" (Emphasis added.)

Since many state and federal statutes create by legislative action diverse procedures for rehabilitation and pose differing

solutions for the restoration of civil rights, the language "by pardon or amnesty" is proposed to be stricken from the qualification section of the Jury Selection and Service Act to accommodate that statute to the varied state and federal restoration procedures. Moreover, the present formula, "pardon or amnesty," is thought to be underinclusive. Under federal law, for example, there are at least two statutes which have the effect of expunging criminal records, the Youth Corrections Act (18 U.S.C. § 5021), and the Comprehensive Drug Abuse and Control Act of 1970 (21 U.S.C. § 844(b)). Moreover, the words "pardon or amnesty" may be confusing in this context. For instance, amnesty does not act to restore civil rights, since it precludes prosecution in the first instance.

In light of the proposed amendment of section 1865(b)(5), title III of the bill also amends the statutory provisions with respect to the information called for in the juror qualification form, as defined by section 1869(h).

Attached hereto is a special report on this matter submitted to the Judicial Conference Committee on the Operation of the Jury System by Honorable Harold R. Tyler, former U.S. District Judge for the Southern District of New York, which explains in detail the background of this aspect of the proposed legislation.

IV. FACILITATION OF AUTOMATED JURY SELECTION

As noted, title IV of the attached draft bill would "provide for amendment of the Jury Selection and Service Act of 1968, as amended, adding further definitions relating to jury selection by electronic data processing." This bill was originally forwarded to both houses of Congress by resolution of the Judicial Conference at its September 1973 meeting and was subsequently introduced in the 93rd Congress as H.R. 10896, and in the 94th Congress as H.R. 6051.

One purpose of this portion of the bill is to define the requirements of the public drawing called for in the Jury Act with respect to the manual and automated computer data processing of the clerical work of jury selection. The bill would add subsection "j" to section 1869 of title 28, the definitional section of the Act. The purpose of subsection "j" would be to provide that, where juror selection procedures are manual, the public drawing provided for in sections 1864 and 1866 would be held within the judicial district affected after reasonable public notice and that such public drawing would be conducted in proceedings open to the public at large and under the supervision of the clerk of court. Subsection "j" would also provide that the selection of juror names may be accomplished by automated processing under the supervision of the clerk and could take place *inside or outside of the judicial district affected*, subject to the same public notice and participation requirements pertaining to manual selection. Since the computer facilities of the General Services Administration are maintained at regional headquarters, it is necessary from a practical standpoint to perform there the computer functions relating to the automated selection of jurors in the various United States district courts within such regions. It would not be economically feasible to maintain such costly equipment at each court center.

Automated computer data processing in the selection of jurors is authorized by the Jury Act at section 1869(g), and approximately 55 districts are presently using fully or partially automated systems for the selection of jurors. Selection with the help of computerized methods offers time and cost-saving benefits, but, equally important, it helps to assure the removal from jury selection of any possibility of discriminatory human interference.

This title of the bill would also add a definition of the juror summons at new subsection "k" of section 1869 to allow the seal of the court and the clerk's signature to be affixed to the summons form by a broad range of techniques. Presently, juror summonses are commonly being issued in automated districts without the seal of the court and without a clerk's signature because there is no way to add these features manually to thousands of such documents without defeating the work-saving advantages of automation. On the other hand, some clerks spend hundreds of manhours signing and sealing such forms. The adoption of this bill will also benefit those district courts which manually process the summons forms, in that such forms could contain in preprinted form the seal and the signature of the clerk. Moreover, their preparation and handling will be facilitated by the techniques authorized by this proposed definition of the juror summons.

V. COVERAGE OF JURORS BY FEDERAL EMPLOYEES COMPENSATION ACT

In accordance with the resolution of the Judicial Conference of the United States adopted at its March 6, and 7, 1975 meeting, I am transmitting to the Congress for its consideration title V of this draft bill, which would provide Federal Employee Compensation Act coverage, not only for federal employees serving as federal jurors, but as well for all other persons performing jury duty in federal courts in fulfillment of one of their obligations of citizenship.

Although coverage for federal employees who are serving as federal jurors was provided in the Act of September 7, 1974, Public Law No. 93–416, 88 Stat. 1143, the extension of such benefits to private citizens who are injured while serving as federal jurors was not provided in that legislation. Nevertheless, Senate Report No. 93–1081 (to accompany H.R. 13871) evidenced agreement at that time with a similar resolution of the Judicial Conference adopted in March, 1974.

Serious problems can arise when federal jurors who do not happen to be employed by the United States Government are injured or disabled while in the performance of their jury service. On several occasions prior to and since the enactment of Pub. L. No. 93–416, the U.S. Department of Labor has rejected federal jurors' claims for injury compensation on the basis that jurors were not defined as "employees" of the federal government within the meaning of 5 U.S.C. § 8101(1). Since the enactment of Pub. L. No. 93–416, nothing has happened to indicate a change in this position relating to persons, not federally employed, who are serving as jurors in federal courts. The purpose of this portion of the bill is to provide remedial legislation to specify that compensation benefits shall apply to *all* persons serving as federal jurors.

Strong policy reasons exist for bringing all federal jurors within the coverage of the Federal Employees Compensation Act. Jurors provide a valuable service to the government. While in actual service as a petit or grand juror, the citizen-juror should rationally be accorded the benefit of protection in case of a "job-related" mishap. What begins as the fulfillment of a high duty of citizenship through public service to the government could be turned into an economic catastrophe for the juror in the event of an accident or injury while serving. Presently a person injured while serving as a juror cannot recover compensation unless he can bring his case under the Federal Tort Claims Act by proving negligence in the government agent, a difficult burden. Moreover, this inequity is compounded by the fact that a federal employee is now covered by these compensation acts. It would also contribute to the juror's peace of mind, especially in a protracted case or in a situation where he must be transported to make a site inspection, to know that this benefit is available. This aspect of the proposal might be especially reassuring to the head of a family or to the timorous juror sitting in a sensational criminal case. While jurors are very seldom injured, we do have a record of several such cases.

The enclosed draft bill would add a new section, section 8142a, to chapter 81 of title 5. Proposed section 8142a (a) and (b) define the protected juror to be one who is in actual attendance upon court and specify when payments can commence. Proposed section 8142a(c)(1) defines the rate of pay that a federal juror is *deemed* to be receiving for purposes of the compensation scheme provided for in chapter 81. This subsection also takes into account and specifies the compensation of the federal employee who is receiving his normal rate of pay while on court leave pursuant to 5 U.S.C. § 5537 and 6322 to be his actual rate of pay. Section 8142a(c)(2) limits and defines when the juror is deemed to be in the performance of duty, assuring that claims for compensation may not be granted except for duty-related mishaps. Federal jurors would not be made actual employees of the federal government. Nor should this amendment be construed to characterize jurors as employees for any other purpose than the compensation for injuries resulting from jury service. Section 8116(c) would make recovery under the Federal Employees' Compensation Act the exclusive remedy of the juror against the United States for such injuries.

It is the view of the Judicial Conference that the adoption of the various proposals contained in this draft bill would expedite the operation of the jury system and provide for a desirable certainty in its administration, as well as improving the conditions of service of the individual juror.

I will be pleased to provide any further information necessary in the consideration of this draft bill, and representatives of the Judiciary and of the Administrative Office will be available to testify before the committee to which the bill may be referred.

Sincerely,

ROWLAND F. KIRKS,
Director.

By Mr. DECONCINI (for himself and Mr. WALLOP):

S. 2075. A bill to amend the Jury Selection and Service Act of 1968, as amended, by revising the section on fees of jurors and by providing for a civil penalty and injunctive relief in the event of a discharge or threatened discharge of an employee by reason of such employee's Federal jury service; to the Committee on the Judiciary.

JURY FEE AND PROTECTION

Mr. DECONCINI. Mr. President, on behalf of myself and Senator WALLOP, I am today introducing a bill which would amend in its entirety the jury fee section (28 U.S.C. 1871) of the Jury Selection and Service Act of 1968, as amended. The bill would also add to title 28 provisions dealing with an employee's right to reinstatement after serving on jury duty and provides for a civil penalty against an employer who discharges or coerces an employee as a result of the employee's jury service or summons for such service.

A bill covering these same topics passed the Senate on September 30, 1975, as S. 539 (see Senate Report No. 94–400).

The proposal embodied in this bill to protect the employment rights of Federal jurors varies only slightly in form and emphasis from the version adopted by the Senate in S. 539. This bill, which I am certain will have the support of both the Judicial Conference of the United States and the Department of Justice, would permit the application of a civil penalty up to $10,000 against an employer found to be violating the statute by interfering with his employee's right under 28 U.S.C. 1861 to perform jury service. It would also give the district courts original jurisdiction, without regard to the amount in controversy, to require any private employer to comply with the provisions of section 1875 of this title, and to award damages for any loss of wages or other benefits suffered by reason of such employer's failure to comply.

In addition to the juror protection section, the bill provides needed increases in the attendance fee, subsistence allowance and travel allowance payable to Federal jurors. The bill I am introducing today increases the attendance fee for jurors in the U.S. district courts from $20 to $30, which is $5 more than S. 539 provided. These increases are required in light of the inflationary spiral since the last amendment of section 1871 in 1968, particularly the escalating cost of energy.

The Judicial Conference has long urged the changes in juror compensation which would be made by this bill, having first recommended substantially similar legislation at its session of March 1974. The bill also reorganizes the present statute on jury fees, corrects several problems in the present payment structure, clarifies several ambiguous matters and remedies certain inequities resulting under the present system.

I hope to bring this legislation to the floor of the Senate in the near future.

By Mr. MATHIAS:

S.J. Res. 80. A joint resolution to authorize and request the President to issue a proclamation designating November 8, 1977, as "National Law Student Recognition Day"; to the Committee on the Judiciary.

Mr. MATHIAS. Mr. President, today I introduce a resolution that authorizes the President to designate November 8, 1977 as "National Law Student Recognition Day."

The United States of America is now entering its third century as a nation ruled by law. The future leaders of America, if the past is any guide, will include many members of the legal profession. They are now being trained in law schools throughout the country. The Nation should take note of the dedication and the hard work required in the study of the law, and give moral support to the students' efforts. Such a showing of support will help instill in them a strong sense of professional responsibility and ethics, and encourage them to attain a high level of expertise and to put it to use in community service.

I am convinced that law students around the Nation deserve recognition both for their commitment to this honorable profession and in anticipation of their contributions toward a more perfect union. As representatives of the American public, we can show our appreciation to law students by supporting this resolution.

Mr. President, I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 80

Whereas the United States of America is entering its third century of existence as one Nation, supporting world peace through law, and committed to equal justice under law; and

Whereas we reaffirm the basic principles proclaimed in the Constitution of the United States, as amended, for the establishment of justice; for the protection of life, liberty and property under due process of law; and for the continued maintenance of equal protection of the laws; and

Whereas the future leaders of America, as in its illustrious past, will include many members of the legal profession at international, Federal, State and local levels; and

Whereas the training of these future leaders should not only be encouraged and enhanced in the law schools of the Nation, but should also be supported by the bench and bar so as to instill a strong sense of professional responsibility, high ethical standards, and a high level of qualification for private and public services; and

Whereas the law students of the Nation deserve recognition for their commitment to this honorable profession and its contributions toward a more perfect union and the pursuit of happiness: Now, therefore, be it

Resolved by the Senate and House of Representatives in the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating November 8, 1977 as "National Law Student Recognition Day" and calling upon the people of the United States and interested groups and organizations to observe that day with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS

S. 727

At the request of Mr. GRIFFIN, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 727, a bill to amend the Federal Meat Inspection Act.

S. 1245

At the request of Mr. GRIFFIN, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 1245, the Corrections Construction and Program Development Act of 1977.

S. 1587

At the request of Mr. STONE, the Senator from Minnesota (Mr. ANDERSON) and the Senator from Washington, (Mr. MAGNUSON) were added as cosponsors of S. 1587, a bill to amend the Internal Revenue Code of 1954 to exempt certain State and local government retirement systems from taxation, and for other purposes.

S. 1596

At the request of Mr. RANDOLPH, the Senator from New Mexico (Mr. DOMENICI) and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S. 1596, to establish a National Center for the Handicapped.

S. 1616

At the request of Mr. CLARK, the Senator from New Hampshire (Mr. McINTYRE) was added as a cosponsor of S. 1616, the National Agricultural, Range, and Forest Land Policy Act.

S. 1644

At the request of Mr. PACKWOOD, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of S. 1644, to give tax equity to parents without partners.

S. 1784

At the request of Mr. WILLIAMS, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of S. 1784, to amend the Age Discrimination in Employment Act.

S. 1899

At the request of Mr. JAVITS, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 1899, the Veterans Tuition Equalizer bill.

S. 1981

At the request of Mr. DOLE, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 1981, to provide for automatic adjustment for deduction to individual retirement accounts.

S. 1990

At the request of Mr. ROTH, the Senator from Michigan (Mr. RIEGLE) and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 1990, to establish a Department of International Trade and Investment.

S. 1996

At the request of Mr. STAFFORD, the Senator from Utah (Mr. GARN) and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of S. 1996, to amend title 10 of the United States Code.

S. 2012

At the request of Mr. HASKELL, the Senator from Texas (Mr. BENTSEN), the Senator from Alaska (Mr. GRAVEL), the Senator from Wyoming (Mr. HANSEN), and the Senator from Maryland (Mr. MATHIAS) were added as cosponsors of S. 2012, to amend the Trade Expansion Act.

SENATE JOINT RESOLUTION 70

At the request of Mr. RANDOLPH, the Senator from Idaho (Mr. CHURCH) was added as a cosponsor of Senate Joint Resolution 70, National Architectural Barrier Awareness Week.

SENATE CONCURRENT RESOLUTION 37

At the request of Mr. BARTLETT, the Senator from Texas (Mr. TOWER), the Senator from Wyoming (Mr. HANSEN), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of Senate Concurrent Resolution 37, disapproving Federal motor vehicle safety standard transmitted to Congress on June 30, 1977.

AMENDMENT 579 TO S. 961

At the request of Mr. CRANSTON, the Senator from California (Mr. HAYAKA-

WA) was added as a cosponsor of amendment 579 to S. 961, to promote the healthy development of children who would benefit from adoption by facilitating their placement in adoptive homes, and for other purposes.

SENATE RESOLUTION 258—SUBMISSION OF A RESOLUTION RELATING TO CONFIRMATION RESPONSIBILITY OF THE SENATE

Mr. RIBICOFF. Mr. President, I submit Senate Resolution 258 and ask unanimous consent that it be referred to the Committee on Governmental Affairs; and if and when reported from that committee, it then be referred to the Committee on Rules for not exceeding 30 days.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I am pleased to submit, along with Senators PERCY and JAVITS, a resolution to create a new Senate office to assist the Senate in the exercise of its confirmation responsibility over nominees submitted by the President.

The resolution has three principal purposes. First, it will require that nominees to major Government positions be subject to regular, systematic investigations into their background and integrity prior to Senate action. Second, it will guarantee Senate access to investigative reports prepared on nominees by executive branch agencies, such as—but not limited to—the Federal Bureau of Investigation. Finally, the resolution will for the first time establish general standards on Senate confirmation.

The present weaknesses of the confirmation process have, in my opinion, been demonstrated by the events surrounding Senate approval of Mr. Lance as Director of the Office of Management and Budget. However, the case of Mr. Lance is but one example of a much larger problem. As part of our committee's study on regulatory reform, we considered the process by which top officials are nominated and confirmed. We found major problems both with the White House selection process and with Senate confirmation procedures. Indeed, it was in that report, published this past February, that the committee first recommended the legislation we introduce today. As we pointed out in that study, there is all too often an inclination by the Senate to promptly approve nominees submitted by the President, without full and thorough inquiry into the nominee's ability and suitability. In too many cases, confirmation hearings are pro forma proceedings. The committee's study concluded that the important constitutional responsibility of advice and consent has been too frequently exercised in a casual fashion.

Yet the power to appoint is shared coequally by the President and the Senate. The Constitution is plain on that important principle: The President "shall nominate, and by and with the advice and consent of the Senate, shall appoint" public officials. In my opinion the Constitution does not envision a passive role for the Senate, merely approving what is presented to it by the President. It is the combined wisdom of the President and the Senate which places a person in a position of public trust. Both are properly held accountable to the people for the subsequent performance and fitness of that official. I believe that the public has a right to expect as much care and deliberation from the Senate in the confirmation process as it does from the President in the selection process.

And it is for that reason that I introduce this resolution.

The present process of confirmation all too often involves very little process: There are no established standards to judge nominees; there is no regular, systematic inquiry by committees into the background and integrity of nominees; and the Senate is expected to act without having access to relevant investigative reports prepared on nominees by executive branch agencies. In the case of Mr. Lance, the committee was not given access to the FBI report on his nomination, nor did it have the opportunity to review reports prepared by the Comptroller of the Currency. In hindsight, that information would have been very relevant to our consideration. Indeed, the committee was expected to act on the Lance nomination only days after receiving the finanical disclosure statement of the nominee. In that case we relied on assurances presented to the committee by the Comptroller and others on the fitness of the nominee.

The resolution we introduce today will, in my opinion, remedy a good part of the problem. It will require that Senate action on a nomination be postponed for a reasonable and limited period of time pending the results of an independent inquiry on the nominee. That inquiry will be removed from the partisan arena, and will be conducted by officers of the Senate who are selected on a bipartisan basis. This new Office shall not, however, inquire into the nominee's positions and opinions, nor shall it take any position on whether the Senate should confirm a nomination. Those responsibilities will remain with the standing committees and the Senate. Instead, the new office will assist the committees and the Senate by collecting information on the nominee, and presenting it to the Senate for its consideration.

The inquiry will include review of investigative reports prepared on nominees by executive agencies, thereby assuring the Senate that its confirmation judgment will be based on all known and available facts. Safeguards are provided to guarantee that this review will occur in a responsible fashion, with due regard for rights of individual privacy. The Senate investigation will also include careful scrutiny and verification of financial information submitted by nominees.

Most important, this inquiry will be required, as a matter of course, for all nominees to major positions of public trust. It will insure equal and consistent treatment of those potential appointees. It will be a regular requirement of confirmation, and an assurance to the public that the Senate takes its confirmation responsibility seriously.

Finally, this resolution establishes standards whereby the Senate will judge nominees of the President to be suitable and qualified. In that consideration, the Senate shall inquire into the nominee's fitness for a particular office, the personal and professional integrity of the nominee, and the nature and needs of the office to which a nomination is made. It is proper and reasonable that the Senate establish such general criteria to judge nominees presented to it.

Mr. President, this is a matter of pressing concern that should not be the subject of extensive delay. It is my hope that hearings will be held on this resolution before Congress adjourns.

Mr. President, I ask unanimous consent that the resolution, and the summary of the resolution, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. RES. 258

Whereas the duty of advice and consent is an important constitutional responsibility of the Senate;

Whereas the exercise of that duty requires the Senate to inquire into the background, fitness and qualifications of nominees;

Whereas such inquiries are important to an informed and well-reasoned judgment, based on all known facts, by the Senate; and

Whereas systematic inquiry into the background and integrity of nominees to major government positions should be a regular and routine requirement of Senate confirmation: Now, therefore, be it

Resolved, That there is established an office of the Senate to be known as the Office on Nominations (hereinafter referred to as the "Office") to assist the Senate in its confirmation of nominees for Executive Branch departments and agencies, independent regulatory commissions, United States Courts and other offices.

TITLE I—SENATE OFFICE ON NOMINATIONS

SEC. 2. (a)(1) The Office shall be headed by a Director, who shall be appointed by the President pro tempore of the Senate upon the recommendation of the Majority Leader and Minority Leader of the Senate. Provided that if no appointment to this office is made within forty five (45) days of the date of enactment of this resolution, or within 45 days of the office becoming vacant or of the date of expiration of the term of the director, then the matter shall be referred to the Senate for its decision.

(2) The Director shall be appointed without regard to political affiliation and solely on the basis of fitness to perform the duties of that office. He shall not engage in any other business, vocation, or employment during his term of service except as allowed in Rule XLI of the United States Senate. The term of office of the first Director shall expire on January 1, 1979. Thereafter the term of office of the Director shall be two years, except that any individual appointed to fill a vacancy prior to the expiration of a term shall serve only for the unexpired portion of that term. An individual serving as Director at the expiration of a term may continue to serve until his successor is appointed and qualified. A Director may be reappointed, and may be removed from office by a majority vote of the Senate.

(3) The Director shall receive compensation at an annual rate equal to the highest rate which may be paid to an employee of a standing committee of the Senate under section 105(e)(3) of the Legislative Branch Appropriation Act, 1968, as amended and modified.

(b)(1) Subject to the approval of the President pro tempore of the Senate, the Director shall appoint and fix the compensation of such personnel and make such other expenditures as may be necessary to carry out the duties and functions of the Office. All personnel of the Office shall be appointed without regard to political affiliation and solely on the basis of their fitness to perform their duties. The Director may prescribe the duties and responsibilities of the personnel of the Office, and delegate to them authority to perform any of the duties, powers, and functions imposed on the Office or on the Director except that the duties imposed on the Director under section 4(b) herein shall not be delegated to any other person.

(2) In carrying out the duties and functions of the Office, the Director may procure the temporary (not to exceed one year) or intermittent services of experts or consultants or organizations thereof by contract as independent contractors, or in the case of individual experts or consultants, by employment at daily rates of compensation not in excess of the per diem equivalent of the highest rate of compensation which may be paid to an employee of a standing committee of the Senate under section 105(e)(3) of the Legislative Branch Appropriation Act, 1968, as amended and modified. Such contract shall not be subject to the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5) or any other provision of law requiring advertising. Any such person who will be asked to review confidential information under section 4 herein shall be subject to the same provisions for security clearances as the regular staff of the Office, and shall comply with the confidential procedures of the Office.

(3) Except as otherwise provided herein, all records, papers, and other documents of the Office shall be confidential and shall not be disclosed to the public.

PROCEDURES

SEC. 3. (a)(1) The Secretary of the Senate shall notify the Director of the receipt of any nomination which requires advice and consent of the Senate, and which is subject to review by the Office. Such notice shall be given on the same day that such a nomination is referred to a committee of the Senate. The Office shall review individuals nominated, or renominated, to be—

(i) Officials listed in Executive Levels I, II, III, and IV of the Executive Schedule (5 USC 5312, 5313, 5314, and 5315);

(ii) Justices or Judges, whether to hold office during good behavior or for a term of years;

(iii) Other Judicial Officers, in accordance with a policy to be set by the Senate Committee on Judiciary within 60 days of the effective date of this resolution;

(iv) Ambassadors and Foreign Service Officers, in accordance with a policy to be set by the Senate Committee on Foreign Relations within 60 days of the effective date of this resolution;

(v) Military officers, in accordance with a policy to be set by the Senate Committee on Armed Services within 60 days of the effective date of this resolution; and

(vi) Any other Officer, which nomination is referred to the Office by a committee of the Senate with jurisdiction over the nomination.

(2) Upon notification by the Secretary of the Senate or by a Committee pursuant to section 3(a)(1)(vi), the Office thereupon shall conduct an inquiry on the nomination. That inquiry shall concern the nominee's background and integrity, but shall not involve any inquiry into the nominee's positions, opinions or beliefs on policy matters. The investigation shall include examination of any proposed blind trust agreement, any contract relating to severance from private employment, and any other document relevant to the nominee's qualifications for the office to which he has been nominated. The Office shall not have the power to issue subpoenas for documents or information. But, the Director may request the committee of the Senate with jurisdiction over the nomination to issue such subpoenas.

(b)(1) As soon as practicable, each nominee subject to this review will submit to the Office biographical and financial information on forms prepared by the Office. Such financial disclosure statement shall include information relating to the nominee's spouse (unless the nominee and his or her spouse are separated) and each member of his family who resides with him. The Director may question a nominee concerning the information provided by the nominee and shall take such steps, consistent with the provisions herein, as he considers necessary to verify the accuracy and completeness of the information. Biographical and financial disclosure statements filed by nominees shall be made available for public inspection during normal business hours. Such statements shall be maintained by the Office until one year after the nominee leaves the Office to which he is appointed, or, in the case of a nomination which is not confirmed, for one year after receipt. Thereafter such statements shall be destroyed.

(2) As soon as practicable, the Office shall review copies of any investigative reports pertaining to the nomination by any Federal, state or local agency which were submitted to the President or his designee as part of his consideration of the nomination. Such investigative information shall be kept confidential except for any notification to the appropriate committee as authorized under this section. The Director shall draft, in consultation with the Attorney General, appropriate procedures for the handling of sensitive information.

(3) As soon as practicable, the Office shall review a statement submitted by the President indicating the reasons for a particular selection and pointing out any relevant factors in the nominee's background or training that qualifies him for appointment. When a person is nominated to a collegial body, and it is the intention of the President to designate that individual as chairman of that body, the Office shall also obtain a statement submitted by the President indicating his intention to designate that individual as chairman. The Office shall forward these statements to the committee with jurisdiction over the nomination.

(c)(1) As soon as practicable, but not later than 15 days after receipt of all the information required to be reviewed by Section 3(b)(1)(2) and (3), the Director shall submit to the Committee, to which such nomination has been referred, a report of the results of his inquiry into the nominee's background and integrity. The report shall not contain any recommendation on the question of whether the Senate should advise and consent to the appointment of the nominee, but shall contain:

(i) The biographical and financial information submitted to the Office by the nominee;

(ii) Copies of any other relevant documents, except those received under section 3(b)(2);

(iii) Summary of the findings of the Office, including any indications of potential sources of conflict or disqualification uncovered by the Office's inquiry; and

(iv) Any other information considered relevant to questions concerning the nominee's background and integrity.

With the approval of the committee to which a nomination has been referred, the period within which such report must be submitted may be extended for not more than 15 additional days. However such committee may request further information from the Director at any time.

(2) All reports submitted to a committee under this subsection shall be confidential and shall not be disclosed to the public, except those portions pertaining to biographical and financial disclosure statements submitted by the nominee, unless the committee by recorded vote orders such reports (or portions thereof) to be disclosed and made available to the public.

(d) No Committee of the Senate to which a nomination subject to this review has been referred, shall take any action on such nomination (including holding hearings) until it has received the report required by this subsection on the nominee's background and integrity.

(e) The provisions of this section shall not be construed as a limitation on the prerogative of the individual committee to conduct, on their own initiative and under their own guidance, whatever investigations on the nominee they may deem to be advisable.

REVIEW OF INVESTIGATIVE REPORTS SUBMITTED BY THE PRESIDENT

SEC. 4(a). The Director shall review investigative reports submitted by the President pursuant to Section 3(b)(2). At the discretion of the Director, responsibility for that review may be delegated to Office staff: *Provided*, That the Director and any such staff must obtain any security clearance which may be required with respect to such reports.

(b) If it is determined that any information may be incriminating, such information shall be brought to the attention of the Director. The Director may require supporting evidence from the appropriate investigative agency if such information is unsubstantiated, and may make any other inquiry, consistent with the provisions herein which he deems to be advisable. If it is determined that serious questions as to the nominee's background or integrity are raised, the Director shall so inform the committee in his report on the nominee.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated to the Office for each fiscal year such sums as may be necessary to enable it to carry out its duties and functions. Until sums are first appropriated pursuant to the preceding sentence, but for a period not exceeding 12 months following the effective date of this Resolution, the expenses of the Office shall be paid from the contingent fund of the Senate, in accordance with the paragraph relating to the contingent fund of the Senate under the heading "UNDER LEGISLATIVE" in the Act of October 1, 1888 (28 Stat. 546; 2 U.S.C. 68), and upon vouchers signed by the Director, except that vouchers shall not be required for payment of salaries of employees paid at an annual rate.

TITLE II. STANDARDS FOR CONFIRMATION

SEC. 1. Rule 38 of the United States Senate is amended—

(1) by striking out "Executive Session—" from the heading;

(2) by striking out paragraph 1;

(3) by renumbering paragraphs 2, 3, 4, 5, and 6 as paragraphs 4, 5, 6, 7, and 8 respectively; and

(4) by adding at the beginning thereof the following new paragraphs:

"1. When nominations shall be made by the President of the United States to the Senate, they shall, unless otherwise ordered, be referred to appropriate committees; and in reviewing nominations the Senate shall inquire as to the nominee's positive qualifications for the position for which he is being considered.

"2. In determining whether to advise and consent to a nomination, the following general standards shall be applied by the Senate and its committees:

"(A) By reason of background, training, or experience, the nominee is affirmatively qualified for the office to which he or she has been nominated.

"(B) The personal and professional integrity of the nominee shall be taken into consideration, and whether the nominee should be disqualified due to conflicts of interest.

"(C) The nature and needs of the particular office to which the individual was nominated, the nominee's commitment to the enforcement of applicable statutes and regulations (in the case of an agency appointment) or to the administration of law be taken into consideration.

"(D) In the case of a collegial body, the existing composition of that body, and whether or not members of a single sector or group are too heavily represented, shall be taken into consideration.

"(E) The nominee meets the statutory qualifications to hold the office to which he or she has been nominated.

"3. The final question on every nomination shall be, 'Will the Senate advise and consent to the nomination?' which question shall not be put on the same day on which the nomination is received, nor on the day on which it may be reported by a committee, unless by unanimous consent."

SUMMARY

RESOLUTION ON CONFIRMATION REFORM

TITLE I. SENATE OFFICE ON NOMINATIONS

SECTION 1. This resolution creates a new Congressional organization, within the Senate, known as the Office on Nominations. (Hereafter: the "Office").

SEC. 2. Office Director and Staff—The Director will be appointed by the President pro tempore of the Senate, upon the recommendation of the Majority and Minority leaders of the Senate. The appointment will be made for a term of two years, and shall be made without regard to political affiliations and strictly on the basis of his fitness for office.

SEC. 3. Procedures—The Office shall inquire into the background and integrity of nominees to major positions requiring Senate confirmation in the executive and judicial branches, and the independent agencies. That includes cabinet members, certain subcabinet members, justices, judges, commissioners and other officials.

Upon notification by the Secretary of the Senate that a nomination has been received, the Office shall conduct an investigation on the nominee. The investigation shall concern the "background and integrity" of the nominee, but shall not involve any inquiry into the nominee's positions, opinions or beliefs on policy matters But the Office shall consider real or apparent conflicts of interests, and shall examine all documents relevant to that consideration.

The Office shall not have subpoena power, but the Director may request issuance of a subpoena for a particular purpose from the Standing Committee of the Senate with jurisdiction over the nominee.

All nominees subject to review by the Office shall submit detailed biographical and financial disclosure statements, which will be made available for public inspection. All other documents, papers, and investigative reports will remain strictly confidential and shall not be released to the public by the Office.

The Office shall review copies of any investigative reports, prepared on the nominee by any Federal agency and submitted to the President as part of his consideration of the nomination. This would include, but is not limited to, summaries of investigations conducted by the Federal Bureau of Investigation.

The Office shall also review a statement, submitted by the President, on each nomination subject to review by the Office indicating the nominee's qualifications and the reasons for his selection for that particular position.

The Office shall submit its report on the nominee to the Committee as soon as possible, but not later than fifteen days after the Office receives the above information from the nominee and the statement and reports from the President. The Office report, which shall not contain any recommendations on confirmation, shall include:

(i) Biographical and financial statements filed by the nominee, and copies of any other relevant documents;

(ii) Summary of the investigative findings;

(iii) Any other information considered relevant to questions of the nominee's background and integrity.

The contents of this report are to be held strictly confidential, and may be released to the public only by a recorded vote of the Committee with jurisdiction over the nomination.

The Senate committee with jurisdiction over the nomination shall not take any action on the nominee until it receives the report of the Office. It may however conduct its own checks and inquiries into the nominee.

SEC. 4. Review of Investigation Reports Submitted by the President to the Office.

The Director and staff of the Office shall review such investigative reports submitted by the President.

In his report to the Committee, the Director shall note any serious questions which arise from this or any other source regarding the nominee's background or integrity.

TITLE II. STANDARDS FOR CONFIRMATION

The following general standards will be applied by the Senate in its consideration of a nomination:

By reason of background, training or experience, the nominee is affirmatively qualified to hold the office to which he was nominated.

Consideration of the personal and professional integrity of the nominee, including inquiries into conflict of interest whether real or apparent.

The nature and needs of the particular position to which the person has been nominated.

In the case of nomination to a collegial body, the Senate shall also consider the existing composition of that body and whether or not members of a single sector or group are too heavily represented.

That the nominee meet the statutory qualifications to hold the position to which he was nominated.

Mr. PERCY. Mr. President, continuing allegations on the financial activities of Bert Lance raise serious questions about his position as the Director of the Office of Management and Budget. Yet this issue also raises far broader questions regarding the Senate confirmation process as a whole. The Senate's duty to advise and consent to Presidential appointments is a central feature of our constitutional system of checks and balances; this function has not been exercised effectively or consistently, however, with undue deference being accorded to Presidential preferences.

The fact that crucial information concerning Mr. Lance's past financial activities did not come to the attention of the Governmental Affairs Committee last January—information which would have regretfully caused me to vote against the confirmation—underscores the failings of the nominations process.

There are no existing Senate-wide guidelines for the review and investigation of Presidential nominees. In too many cases a "rubberstamp" endorsement follows perfunctory hearings. Only a few committees regularly evaluate nominees on the basis of detailed disclosure statements, responses to policy questions, investigative work done by the committee staff, and well prepared for public hearings—and even then temporary political considerations often overshadow longer range considerations on the nominee's positive qualifications.

In an effort to strengthen the confirmation process, Senators RIBICOFF, JAVITS, and I have introduced Senate Resolution 258 to create a Senate Office on Nominations and to amend the Senate rules to establish criteria governing the consideration of nominees. The Office on Nominations would conduct a complete inquiry on each major nominee, including a review of the investigative reports which are made available to the President. It is important to note that the resolution includes careful procedures to protect against the unauthorized disclosure of sensitive information concerning nominees, and that the office would in no way encroach upon the existing prerogatives of Senate committees. Rather it would insure that each committee would be provided with an independent, nonpartisan, thorough inquiry into the background and integrity of each Presidential appointment.

This resolution will be an important step in transforming the Senate's advise and consent function from a negative sanction invoked only in exceptional cases into a positive force to improve the quality of appointed Government officials.

AMENDMENTS SUBMITTED FOR PRINTING

VA MEDICAL SERVICES—H.R. 5027

AMENDMENT NO. 839

Ordered to be printed and to lie on the table.)

Mr. STONE. Mr. President, I am submitting an amendment to H.R. 5027, which has been reported by the Senate Committee on Veterans' Affairs. This amendment is identical to S. 1925 which I introduced with Senator CHILES on July 26, 1977, to name the Veterans' Administration Hospital in Tampa, Fla., the "James A. Haley Veterans' Hospital" in honor of former Congressman James Haley.

NOTICE OF HEARINGS

FREEDOM OF INFORMATION ACT

Mr. ABOUREZK. Mr. President, I wish to announce that the Subcommittee on Administrative Practice and Procedure of the Senate Judiciary Committee will hold hearings on the Freedom of Information Act. The hearings are sched-

uled for September 15 and 16 and October 6, 1977. The September 15 hearing will be in room S–126, the Capitol, the September 16 hearing will be in room 2228, Dirksen Senate Office Building, and the October 6 hearing will be in room 1202, Dirksen Senate Office Building, at 10 each day.

Any person wishing to appear and testify or to submit a statement should contact the subcommittee staff in room 162, Russell Senate Office Building, telephone 224–5617.

REVIEW OF THE REORGANIZATION OF THE OFFICE OF HUMAN DEVELOPMENT

Mr. RANDOLPH. Mr. President, as chairman of the Subcommittee on the Handicapped, I announce that our subcommittee has scheduled a hearing on a review of the Reorganization of the Office of Human Development in the Department of Health, Education and Welfare as it impacts on programs for the handicapped. The hearing will be held on Tuesday, September 20, 1977 in room 1114 Dirksen Senate Office Building starting at 9:30 a.m.

SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON. Mr. President, I wish to announce that the Senate Select Committee on Small Business has scheduled a hearing on the Small Business Venture Capital Act of 1977 (S. 1815) and also on the Minority Enterprise Small Business Investment Companies, MESBIC, legislation.

The hearing will be held on Tuesday, September 27 in room 424 of the Russell Senate Office Building at 10 a.m., and will be chaired by Senator NUNN.

ENERGY NEEDS OF RURAL AMERICA

Mr. CLARK. Mr. President. I wish to announce that the Subcommittee on Agriculture, Nutrition, and Forestry will continue its hearings on the energy needs of rural America on Tuesday, September 13 at 10 a.m. in room 324 Russell.

At the earlier hearings held in July, the subcommittee requested that representatives of the U.S. Department of Agriculture return in 60 days to report on any progress or improved coordination both within the Department and among the agencies with respect to meeting rural energy needs. Deputy Secretary of Agriculture John White will testify on the efforts of USDA in these areas.

Anyone wishing to submit written testimony should contact Denise Love, hearing clerk, room 324 Russell, Washington, D.C. 20510 (Ext. 40014).

SUBCOMMITTEE ON LABOR

Mr. WILLIAMS. Mr. President, I wish to announce that the Labor Subcommittee of the Committee on Human Resources will hold hearings on S. 1883 and S. 1855, bills to amend the National Labor Relations Act. Nine days of hearings are scheduled on the following dates: Tuesday, September 20, through Friday, September 23, and Monday, September 26, through Friday, September 30, 1977. The hearings will begin at 9:30 a.m. and will be held in room 4232 of the Dirksen Senate Office Building.

JUDICIAL TENURE ACT

Mr. DECONCINI. Mr. President, I wish to announce that an open public hearing will be held by the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary on September 14, 1977, on S. 1423, the proposed Judicial Tenure Act.

The hearing will be held in room 2228, Dirksen Senate Office Building, commencing at 9 a.m.

Persons who wish to testify or submit a statement for inclusion in the record should communicate, as soon as possible, with the subcommittee office, 6306 Dirksen Senate Office Building, Washington, D.C. 20510; telephone 224–3618.

FEDERAL CRIMINAL DIVERSION ACT

Mr. DECONCINI. Mr. President, I wish to announce that the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary will hold another open public hearing on S. 1819, the proposed Federal Criminal Diversion Act of 1977.

The hearing will be held on September 19, 1977, commencing at 9 a.m. in room 2228, Dirksen Senate Office Building.

Persons who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with Tim McPike of the subcommittee staff, 6306 Dirksen Senate Office Building, Washington, D.C. 20510; telephone 224–3605.

FRANKED MAIL

Mr. GLENN. Mr. President, the Subcommittee on Energy, Nuclear Proliferation and Federal Services of the Committee on Government Affairs has scheduled a public hearing for 10 a.m., Wednesday, September 21, 1977, on the bill H.R. 7792, which would establish certain limitations on the use of the frank through amendments to title 39, United States Code. The subcommittee also will take testimony on the question of permitting Senators to mail franked mail to their constituents with a simplified form of address—that is, so-called postal patron or postal customer mail.

The hearings will be held in room 6226 of the Dirksen Building. Persons desiring to present testimony or statements for inclusion in the record should contact the subcommittee staff on 224–2627.

ADDITIONAL STATEMENTS

WHAT MAKES SENATORS RUN? CAN OPERATING COSTS BE REDUCED—WITH INCREASED EFFICIENCY?

Mr. HELMS. Mr. President, I am hearing increasing expressions of concern that the traditional constituent services provided by Congressmen and Senators have so proliferated in recent years that it is becoming increasingly difficult for Members of Congress to perform their primary function—legislating. A recent article in the Wall Street Journal, which I will ask to be printed at the conclusion of my comments, quoted one senior House Democrat as saying: "It's all well and good for these guys to give first-rate service to their constituents, but their work as legislators and as educators is third-rate, and that's not well and good."

Lest there be any misunderstanding, in no way do I demean the rendering of constitutent services. The people's problems are real, and often the service we render is absolutely essential. As the bureaucracy grows, and the bureaucrats become increasingly arrogant and unrealistic, a Senator or a Congressman may be a citizen's last recourse, and his only hope of cutting red tape and receiving a fair and satisfactory solution to his problem.

Yet, however legitimate these requests for assistance may be—and the vast majority of them are—time and resources are finite. Because it is impossible, not only politically but as a matter of compassion, to refuse assistance when legitimately requested, something has to give. And too often what "gives" is the attentiveness of a Member of Congress to various duties—attendance at committee meetings, intelligent and well-attended floor debate, the study of legislation and background materials, informed votes, and even attention to one's family.

This problem was predictable, given the enormous increase in the size of the Federal Government in recent years. As I survey the mail I receive, it is interesting to note how many letters are written concerning Governmen+ agencies and programs that did not even exist 10 or 15 years ago, such as EPA, OSHA, or the FEA.

The economists have a term—"decreasing returns to scale"—which they apply to explain the downfall of many once prosperous businesses. The theory is that a business increases in efficiency through volume—up to a certain point. After that point, however, there are "decreasing returns" or lessened efficiency, because the size of the business makes adequate supervision and control increasingly difficult. For instance, we have all experienced certain private retail outlets, restaurants or amusement centers, that start out well enough and are popular; their popularity naturally leads to expansion. As the expansion continues, bred on the initial success, a point is reached where quality begins to deteriorate. The original owners of the enterprise lose control; employees of poorer quality are hired; individual attention is compromised. Finally, the quality deteriorates to such an extent that the business begins to fail. In common parlance, we say it has "over-expanded." At that point, either radical surgery is performed or the business goes bankrupt. And, in any case, it will never be quite the same.

The principle of "decreasing returns to scale" is likewise applicable to our present government. In increasing numbers, Senators and Congressmen are beginning to acknowledge that they have lost the ability to keep track of what is going on. They complain that they have been reduced to making token

gestures, "spot checks," and general oversight. It is common knowledge that, all too often many Senators and Congressmen do not really know what they are voting on when they come into the Chamber.

When I served as the administrative assistant to the late U.S. Senator Willis Smith in the early 1950's, we had a staff of seven. Period. The seven of us could answer all the mail, cover all the legislation, take care of all the constituent problems. Now, as a Senator myself, I have found it necessary to employ four times that many. Despite their hard work and long hours congressional staff members seem to be on a never-ending merry-go-round of trying to get caught up with all the work.

The obvious answer to these difficulties is to cut back on the size of Government, a move that would be much welcomed by the citizens. However, given the political realties of the makeup of the present Congress, and the power of special interest groups, this reform is not likely in the immediate future. Therefore, we must live with the situation as it now is, and attempt to increase efficiency wherever and whenever possible.

In this regard, I believe that there is much to be said for the pooling of constituent problems among members of the same congressional delegation. It is well known that many constituents often write two or more letters to their Senators and Congressmen about the same problem. Obviously, this leads to unnecessary duplications, both to the congressional offices and to the Government agency attempting to respond. The consolidation of staff concerned with many constituent problems would allow the incoming mail to be screened so as to avoid these duplications. A consolidation of services would also permit greater specialization among staff members. Additionally, the bureaucracy perhaps would be inclined to be more responsive when it is known that the entire delegation is making a request, as it is likely that at least one member of the delegation serves on the committee overseeing the particular agency involved.

There would be, I suppose, a certain personal political penalty to pay for such a plan. But what our constituents want is not politics as usual, but service, and they are entitled to receive it. It is they, after all, who pay our salaries, a fact we should never forget.

This experiment has already been implemented in several Senate offices, and I understand that the results have been most gratifying. For instance, I understand that my two distinguished colleagues from Oklahoma, Senators BELLMON and BARTLETT, have combined all constituent services, from the lost social security check to large Federal grants to communities. The entire New Mexico delegation, both Senate and House, have agreed to combine their efforts on all Federal projects for their State.

In the coming months, I plan to explore the possibilities of similar arrangements for the North Carolina delegation, and will be discussing this idea with my able colleague, Senator MORGAN, and each of the 11 North Carolina Members in the House. I believe the implementation of such a plan might not only provide better service for our constituents, but allow all of us to spend more time on legislation. I know Senator MORGAN has talked many times in this Chamber about how difficult it is to simply communicate with fellow Senators. I imagine all Senators understand his frustration.

Mr. President, I ask unanimous consent that the August 18, 1977, article appearing in the Wall Street Journal entitled "Errand Boys" by Alan L. Otten be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ERRAND BOYS

(By Alan L. Otten)

WASHINGTON.—The newer Congressmen don't care too much about shaping major government policies and programs. They seem far more interested in simply running errands for their constituents.

That, at least, is the conclusion of a good many veteran lawmakers, lobbyists and others who've watched the horde of Democrats elected to the House of Representatives in 1974 and 1976. Most of these observers, moreover, are frankly distressed by the trend.

"It's all well and good for these guys to give first-rate service to their constituents," says one senior House Democrat. "But their work as legislators and as educators is third-rate, and that's not well and good."

Congress has, of course, made it easier and easier over the years for its members to keep in touch with the folks back home and to handle a heavy load of "casework" for them. There are larger staffs, bigger mail and phone budgets, computers and other sophisticated communications equipment. Members now can marshal impressive resources to help old folks or veterans with their benefit problems, businessmen or farmers snarled in government red tape, young couples wanting advice on how to remodel a house or can vegetables.

"Members have always used service to cement themselves in office," a House leader declares, "but most have used that as a way to buy freedom to take the lead in policy areas that interest them. These newer guys see service as an end in itself. They ignore policy unless it directly affects their district."

Members of the last two congressional classes tend to admit the complaint. "We have guys who spend all their time on the phone, calling constituents at random and asking if there's anything they can do to be of help," one freshman relates, marvelling. Another Congressman, elected in 1974, recalls that he and his newly elected colleagues "at first talked about nothing but issues—what we could do about health care or tax reform or foreign policy. Now, we never do."

To some degree, this service orientation isn't all that surprising. Most newer Democrats come from Republican or marginal districts; from election night on, they were told that constituent service was their reelection security blanket. "They have to blur party or ideological lines," a Democratic strategist observes. "A high profile on issues isn't good for them."

There are also those who contend that in this day of public alienation from government, the ombudsman role—acting as buffer between the frustrated citizen and the frustrating bureaucrat—may actually be a Congressman's most important job.

Nonetheless, senior Democrats and Republicans insist that ombudsmanship can't be the entire job. Moreover, they say, not only are most of the new boys disinclined to become deeply involved in broad issues, but when they do have to vote on policy, they tend to take the safe side—to vote the majority sentiment of their districts, whether that's their own conviction or not.

"The principal purpose of politics can't be simply survival," a colleague criticizes. "The guy who is lookng at the weather vane every minute isn't doing his job properly." Another old-timer demands, "If you're not willing to march up the hill once in a while, why are you here?"

Just why should the newer Congressmen be taking this tack? There are a dozen different explanations.

Several politicians point out that civil rights, Vietnam and other burning issues of the '60s and early '70s are gone, and no new "cause" has come along to force the newcomers to get committed on major problems. Others cite the general public hostility to government and bureaucracy. "The political fear level in Congress is very high," one liberal lobbyist says. "People are anti-government, and the safest thing politicians can do is to duck issues altogether."

Finally, most new members love the job, and want to keep it. They like the prestige; the pay is good; the work's not that hard for a vigorous young person. "Let's face it," a sophomore Democrat says. "A lot of us are on a real ego trip. The direct mail, the mobile office back home, all the drudgery of casework—that's our ticket to keep on taking that trip."

Political scientist Morris P. Fiorina ties several of these explanations together. In a slender Yale University Press paperback entitled "Congress, Keystone of the Washington Establishment," he argues that the number of "safe" congressional districts is steadily increasing not because of sweetheart reappointment deals or underlying economic and socal changes but because citizens have switched the basis on which they vote.

More and more men and women, he believes, are de-emphasizing policy as the basis for voting and instead are supporting the candidate who gives good constituent service. Accordingly, the Congressman who wants to be reelected inevitably stresses service.

Congressmen, Mr. Fiorina asserts can serve their constituents by passing laws, procuring pork or doing casework. Laws can be risky, pleasing many voters but angering others. Pork—dams, courthouses and other federal projects—are usually popular, but even a new dam or highway may have some critics back home.

Casework and other constituent errands, though, are pure gold—all plus, no minuses, and with word-of-mouth advertising by happy beneficiaries multiplying the political gain. "For a reelection-oriented Congressman, the choice is obvious," he says.

If Mr. Fiorina is right, chances are that this devotion to casework and downplaying of policy will continue. Most lawmakers, new and old, are inclined to agree.

"Once you start down that road," observes a thoughtful GOP Congressman, "once you establish that kind of pattern here, you don't change very easily."

THE GENOCIDE CONVENTION: TIME TO STAND UP

Mr. PROXMIRE. Mr. President, I would like to call to my colleagues' attention an article on the Genocide Convention which appears in the September issue of the Free Trade Union News, published by the AFL–CIO.

Written by Betty Kaye Taylor, the executive secretary of the Ad Hoc Committee on the Human Rights and Genocide

Treaties, this article puts in clear perspective the current political situation surrounding this important human rights treaty.

Ms. Taylor is a keen political observer and has been in the forefront of the effort to secure ratification of this convention, working closely with Senator JAVITS and myself on behalf of 54 national organizations which support our efforts here.

She has written an extremely important article. It correctly assesses the political realities that have thwarted our efforts to obtain ratification and makes a very important point in favor of ratification this month: to strengthen the President's hand at the upcoming Belgrade Conference on Human Rights.

I urge my colleagues to review her points carefully and join with me in securing ratification before this session ends.

Mr. President, I ask unanimous consent that Ms. Taylor's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STILL IN THE SENATE'S DEEP FREEZE—THE GENOCIDE CONVENTION

(By Betty Kaye Taylor)

"I see a hopeful world," President Jimmy Carter told the United Nations General Assembly on March 17, "a world dominated by increasing demands for basic freedoms, for fundamental human rights, for higher standards of human existence. We are eager," he said, "to take part in the shaping of this world."

To demonstrate his commitment, he told the applauding delegates, he would "work closely" with Congress in seeking ratification of the UN Genocide Convention. The Genocide Convention, adopted by the UN in 1948, makes it a crime under international law to destroy any national, ethnic, racial, or religious group. It has been ratified by 83 members of the UN. The United States is the only major power that has failed to do so.

The President, it must be said, has tried to end this incongruity. In a letter to the Senate, where the Genocide Convention has been bottled up since it was submitted by President Truman in 1949, he urged ratification as a signal to the world of "our determination to advance and protect human rights." That was on May 23. The President, no doubt, was not only thinking of his UN commitment but looking forward to the Belgrade meetings in early October when the signators to the Helsinki Accords will review the progress, or lack of it, on human rights since Helsinki. The White House staff tried energetically to get the Senate to ratify the Convention during this past session. It failed. Whether it will have better luck when the Senate reconvenes early in September is difficult to say. But if the Senate fails to produce a ratification vote before Belgrade, it is clear that the credibility of our delegates on human rights issues will be seriously impaired.

It isn't that the Senate lacks the votes to condemn genocide; the votes are there. But a relatively small number of Senators, sensitive to the pressures of the Liberty Lobby and the John Birch Society, contend that, in ratifying the Genocide Convention, the United States will be undermining its rights as a sovereign nation. They have made it clear that efforts to get ratification will encounter a filibuster. In the last session, Majority Leader Robert Byrd, an astute "head counter," could not find the 60 votes required for cloture. To have gone ahead without that assurance would have risked making a shambles of the Senate schedule. This Senator Byrd was not prepared to do.

No one questions his sincerity, but the pattern has become all too familiar. In 1971, when Mike Mansfield was the Senate's Majority Leader, he refused to call the Genocide Convention up for debate because "a propitious time . . . has not arisen," he said. He wanted to be assured that it had "sufficient supporters." "There is not a single proposal that has been before the Senate as long" as this one, Senator William Proxmire reminded his colleagues.

Why couldn't the votes be found for cloture then or in 1977? Genocide in this country is a non-controversial issue. Except perhaps for a few deranged persons, no one in the United States actually favors genocide. But the ultra-rightist groups, with their habitual paranoia, profess to see in the Genocide Convention a plot to undermine human rights. Some even argue that it is anti-Christian. This view was expressed by E. Stanley Rittenhouse, legislative aide for the Liberty Lobby in Washington, at hearings before the Senate Foreign Relations Committee in May. "The ugly head of anti-Christianity is rising more and more in the last few years," he said with a blithe disregard for tense. "This treaty (the Genocide Convention) would continue that trend."

RELIGIOUS SUPPORT

Ratification, it should be noted, is supported by the United Church of Christ, the American Baptist Convention, the Methodist Church General Board of Christian Social Concerns, the National Catholic Conference for Interracial Justice, the National Conference of Christians and Jews, and a variety of other religious organizations no less sensitive to the fortunes of Christianity than the Liberty Lobby.

But the Liberty Lobby and the entire constellation of ultra-rightist groups have managed to produce a flood of letters and phone calls to wavering Senators each time the Genocide Convention has come up for ratification. This last time, as the Ad Hoc Committee on the Human Rights and Genocide Treaties informed the White House, the effort to defeat ratification began shortly after President Carter's UN address. The Ad Hoc Committee, which has been lobbying for ratification since 1964, unfortunately failed to mount a similar effort. This explains why Senator Byrd could not find his 60 votes for cloture.

The entire history of the Genocide Convention has been a tortured one. The idea for it originated with a distinguished attorney named Raphael Lemkin. Lemkin came from Poland. He and a brother were the only survivors of a large family; the others had been murdered during the Holocaust. Oddly enough, the United States was among the first to take up the idea. It was under U.S. leadership that the UN adopted the Genocide Convention. President Carter, when he urged ratification, was following the course travelled by every President since Truman. Even Richard Nixon said that it was needed to "demonstrate unequivocally our country's desire to participate in the building of international order based on law and justice." His own respect for law, as it turned out, was not unblemished, but that is beside the point.

The only respectable opposition to ratification came from the American Bar Association. But in February 1976, the ABA's House of Delegates reversed itself. It voted in favor of ratification. This left the opposition almost exclusively to the "ultras." Their influence in the Senate, judging by the last session, was sufficient.

QUINNESS BOOK

At the Senate Foreign Relations Committee hearings in May, Bruno V. Biker, chairman of the American Bar Association's Committee on International Law, said that the Genocide Convention "is eligible for the 'Guinness Book of World Records' as being the oldest treaty pending before the United States Senate."

The ABA, of course, is partly responsible for that record. Until it reversed itself last year, its opposition was frequently cited as justification by Senators who opposed ratification. The most zealous efforts by Senators Jacob Javits, William Proxmire, Frank Church, and a number of others were unavailing.

Nor were efforts by the Ad Hoc Committee sufficient. The committee represents 54 national organizations, including 10 national church groups and as many trade unions, but it was unable to muster enough "grass roots" support to sway the Senate.

Some people suggest that the furor over the Genocide Convention is largely wasted, and that, in real terms, the Convention has no significance. It has been ratified by Uganda and by the Soviet Union, they point out, and this has not prevented either General Idi Amin or the Soviet Politburo from pursuing genocidal policies.

But, as conservative columnist William Buckley Jr. noted on June 21, in endorsing ratification, "the crime of genocide is one of the most distinctively hideous crimes of the century: practiced against the Jews, against any number of African tribes, against Asiatics, against Cambodians—and, in less than a systematic way, against the Irish. The failure of the Senate to declare itself on the subject is arresting . . . "

In 1971, Justice Arthur J. Goldberg told the Senate Foreign Relations Committee that, when he was serving as our Ambassador to the United Nations, he was frequently asked to explain the Senate's failure to ratify. "Frankly," he said, "I never found a convincing answer. I doubt that anyone can."

This May, he again appeared before the Senate Foreign Relations Committee as chairman of the Ad Hoc Committee. Ratification, he told the committee, would at least "symbolize" our concern for human rights throughout the world. "We cannot minimize the value of symbols in our lives," he said. "Our flag is a symbol to which we are devoted, and it seems to me, speaking very frankly, that the time is overdue for our country to symbolize its strong feeling about the genocide by the Nazis in World War II . . . Our record during World War II, during the Holocaust, was not all that it should have been. Our immigration policies were too restrictive. We did not open our doors as we should have to those who were fleeing from barbaric persecution because of their race or religion.

TIME TO STAND UP

"It's time," he concluded, "for the Senate to stand up and be counted."

As I suggested earlier, September will be a crucial month in the Senate for the Genocide Convention. If it is not ratified, our delegates will enter the Belgrade meetings with a badly tarnished image. But experience tells us that will be the case unless we organize a "grass roots" campaign sufficient to negate the influence of the Liberty Lobby and the John Birch Society. It's time perhaps for all of us to stand up and be counted.

NANCY HANKS

Mr. DOLE. Mr. President, on behalf of many of my colleagues and myself, I would like to congratulate Nancy Hanks, who will be resigning October 2 as chairman of the National Endowment for the Arts, on a job well done.

Ms. Hanks, through hard work and impressive talents, has built a strong foundation on which American arts can grow.

Thanks to her, NEA's role in the nurturing of this Nation's cultural activities has become vast and far reaching. The endowment not only gives support to the already well-established cultural organizations but encourages ventures into yet unexplored art frontiers. NEA has also touched the artistic soul of small and rural communities, cultivating a sense of value in our American folk culture.

Mr. President, I ask unanimous consent that two excellent editorials which appeared in the Washington Star, September 3, 1977, and the Washington Post, September 5, 1977, be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD as follows:

[From the Washington Post, Sept. 5, 1977]

NANCY HANKS: A HARD ACT TO FOLLOW

It will not be easy to find another Nancy Hanks to run the National Endowment for the Arts—and that's probably as it should be, for the challenge now confronting the endowment is quite different from the one that Miss Hanks has handled with such admirable skill and energy. During her eight years on the job, Miss Hanks brought the NEA from relative obscurity to a position of great influence over a wide range of cultural activity in this country. Music, dance, drama, handcrafts, graphic art, the cinema, museums—all these have been nourished by a rising flow of federal grants awarded and administered by NEA under Miss Hanks' guiding hand. The endowment's budget has soared from little more than $12 million in 1969 to almost $114 million in 1977. The increase in the number of grants has been equally dramatic: from 711 in 1969 to more than 5,000 this year. An impressive network of state arts agencies has been developed, providing funds to thousands of local performing-arts and fine-arts groups and individuals.

As the quantity of NEA beneficiaries has increased, so has the quality—and the variety. NEA has reached beyond the better established, familiar and conventional cultural institutions to bring federal assistance to new, experimental activities and organizations, and to community-oriented projects. All this has largely been Nancy Hanks' doing, and she made it look easy, as she threaded her way through the cultural minefields in Congress and the bureaucracies with precision and sophistication. By her skill and hard work she has made the NEA a big and flourishing fixture on the American cultural landscape, and all those who are involved in or merely care for the development of the arts in this country are heavily in her debt.

But just because NEA's growth has been so considerable, and its accomplishments under Miss Hanks so impressive, her departure probably will serve, more or less, to mark the end of an era of expansion—an era that saw an explosion of federally assisted artistic activity across the country. What now lies ahead, we would suspect, is likely to be something of a breathing spell, devoted largely to the consolidation of the gains that have been made and the refinement of the endowment's programs and purposes. The obvious reason is that the amount of federal money available for subsidizing the arts is not going to expand at anything like the dizzying rate of the past eight years. And it shouldn't be expected to. Without being too arbitrary about it, it seems to us that there ought to be some cut-off point beyond which it is imprudent for the federal government to move in this field—some point at which the incentive to private patronage and support is diminished by too-easy access to the Treasury. There may well be a point, too, when excessive NEA expansion could stir damaging congressional resentment.

The demand for NEA funds, however, is not likely to slow down, with the result that Miss Hanks's successor may find the choices even harder to make and the priorities more difficult to fix than has been the case during the big expansion years. This probably puts a premium on finding new ways to encourage private support of state and local arts programs. The new chairman may also want to explore the possibility of making more readily available to local sponsors and managers of activities some of the technical and managerial expertise acquired by the endowment over the years.

The names of several candidates for the NEA chair have been floated about, and one senses that the campaigning, while restrained on the surface, is intense. Politics is no stranger to the talented, temperamental, strong-minded and passionate people that make up what is innocently referred to variously as the art world or the cultural community. So, for that reason alone, we would suspect that the administration's choice will not be an easy one. We trust that it will be taken with some considerable care—for the good of the new chairman, as well as the cause of federal support for the arts. The performance of Nancy Hanks at NEA is not going to be an easy act for anyone to follow.

[From the Washington Star, Sept. 3, 1977]

THE ONCE AND FUTURE NANCY

Nancy Hanks' coming departure from the National Endowment for the Arts is a measure of her success there. The Endowment's growth in the eight years she has run it—from a $9 million operation to one with $90 million at its disposal and prestige to match—has made her job too much of a prize for a Democratic President to leave in the hands of a holdover.

Indeed, the top spot at the Arts Endowment has been called the best job in Washington. As one politico said, it would take RFK stadium to hold the deserving Democrats who are after it.

It was several kinds of coup when, in 1969, President Nixon persuaded Nancy Hanks to leave the Rockefeller Brothers Fund and succeed Roger Stevens at NEA. The temper of the times was congenial to public support of the arts. Nancy Hanks was endowed with the energy and strategic sense to build on congressional receptivity.

In fact, in giving her the Arts post, President Nixon was handing a virtuoso her Stradivarius. In dealing with Congress, she turned out to be a genius-level persuader. The statement "Nancy got to him," was enough to explain many a change of heart in favor of more money for the arts.

Part of it was charm. Part of it was thoroughness—she visited everybody who might influence the decisions that mattered, and she was always able to point out what was in it for them politically to go her way. Part of it was simply recognizing resources ready to be tapped.

It was widely assumed that federal funding for the arts would run into trouble from snap-purse economizers among the Republicans. But, as the remains of more than one frontier opera house can testify, the tradition of prosperous American business people putting money into the arts goes back a long way. And, with both college and foreign travel taken for granted by the preponderance of a generation, there was a larger and more sophisticated audience than ever to make it seem like a good investment. Republicans turned out to be as accessible as Democrats.

Another side of Nancy Hanks' effectiveness has come out of what she didn't try to do. She never aspired to be a tastemaker. The subtle questions of esthetic direction she left to her assistant, Michael Straight, and to the peer review panels that pass on individual grants. Her role as she saw it was to get the money for whatever a consensus of leaders in the various art fields thought most worth doing.

The peer review panel is an idea adapted in this country from a British model. Grants are made after a frequently rotated group of recognized authorities pools its reactions to suggested art projects. As Andre Fortier, Canada's version of our Arts Endowment Chairperson, says of their use in his country, it's a "collective subjectivity," and probably as close as anyone can come to an informed yet impartial approach to judgment.

There are still plenty of sticky questions about what the Endowment can and should do. Doesn't the present system mean an endless perpetuating of establishment art at the expense of innovators? Can we have the excellence everybody endorses without favoring the highbrow elitists and neglecting the folk arts that speak to the commonality? Should so much money go to groups while lone artists continue to starve in their garrets? Has the politics of Endorsement financing meant channeling support to inferior artists just because of where they are and who represents them in Congress? Isn't the Endowment getting too big and starting to sink under bureaucracy's load of guidelines and official pieties? Already a certain mush of "enhancement" and talk of art as "an integral part of learning experience" can be found in its policy statements.

These are the issues that will test the new head of NEA. They suggest the need for a different sort of person than Nancy Hanks. A better administrator possibly; it would seem that even her habit of working 18 hours a day could not make up for her inability to delegate. With the Endowment as large as it has become, the next chairperson can't possibly oversee as much as she tried to unless there is willingness to let go some of the reins.

More importantly, Nancy Hanks' successor will need a touch of Andre Malraux—the role as it has developed calls for a person with cultural as well as political vision to bring to the federal presence in art. For all the genuineness of President Carter's enthusiasm for music and painting it is an enthusiasm focused on the classics. Leadership with a sure instinct for values that can accommodate the avant garde is unlikely to come out of the White House.

But to suggest that the next head of the Arts Endowment should not be another Nancy Hanks is not to downgrade the achievement of the one we've had. Quite the opposite. It's a tribute to her. It is only because she has done her work so well that the Endowment is well enough established as an American institution to be ready to move on to another phase.

MUST PEOPLE RETIRE AT 65?

Mr. CHURCH. Mr. President, House and Senate committees have already conducted hearings on proposals affecting mandatory retirement in private industry and Government.

As things now stand, the prospects are excellent that one or both Houses of Congress will vote on this legislation during the first session.

Quite clearly, issues affecting involuntary retirement are complex, far reaching, and vitally important for Americans.

Recently, the Committee on Aging, of which I am chairman, called upon Dr. Marc Rosenblum, an economic consultant, to prepare a working paper on "The Next Steps in Combating Age Discrimination in Employment: With Special Reference to Mandatory Retirement Policy."

Dr. Rosenblum analyzes objectively and concisely the major arguments for and against compulsory retirement. In addition, his working paper provides an in-depth examination of recent court decisions involving mandatory retirement and other related issues.

Another important contribution in this continuing dialog is a recent U.S. News & World Report interview with two articulate leaders.

Arthur C. Prine, Jr., a vice president for relations services for R. R. Donnelley and Sons in Chicago, maintains that mandatory retirement is "deeply ingrained in our economic system" and is necessary.

Harriet Miller, executive director for the National Retired Teachers Association-American Association of Retired Persons, challenges this notion. She supports flexible retirement policies, contending that people want to be judged on ability and not on age.

Mr. President, I commend this interview to my colleagues, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

MUST PEOPLE RETIRE AT 65?

YES—"IT'S DEEPLY INGRAINED IN OUR ECONOMIC SYSTEM"

(Interview With Arthur C. Prine, Jr., Vice President for Relations Services, R. R. Donnelley & Sons, Chicago)

Q. Mr Prine, why should there be a mandatory-retirement age for workers in industry and government?

A. The concept of retirement at 65 is something of more than 40 years' standing. By now, it's deeply ingrained in our economic system. Government, employers and unions have built up a tremendous body of law, policy and practice keyed to retirement at 65. The concept reaches into Social Security, into the design of thousands of retirement plans, into funding concepts of individual plans. I simply don't think it makes sense suddenly to tear up this fundamental basis on which all these laws and benefits and policies are based.

Q. Why shouldn't people have the legal right to stay on the job as long as they do it well?

A. As soon as you say "as long as they do it well," you raise a very big question. Today, with mandatory retirement we don't have to discriminate among workers, telling one employe that he can continue to work while telling his co-worker that he must go. Everybody retires at the same age with dignity, with pride and with the sense that his many years of service are truly appreciated.

As soon as Government imposes a system of individual judgments—many of which are necessarily subjective—we will face terrible problems. It is very easy to tell one person why he can continue. But it becomes very difficult to go to others and tell them that they have reached that point where their performance is deteriorating or that maybe even their health and safety are endangered.

The employe who wants to continue working is not in a frame of mind to accept that judgment. By definition, this is a long-service employe who has made many contributions, who is well thought of. All of a sudden, employers are placed in a position where that employe, at a time when he is extremely sensitive, is going to have his dignity and his pride undermined. This would be a terrible thing to do to people.

Q. Is mandatory retirement necessary to make jobs available to younger workers?

A. If legislation is passed to eliminate mandatory retirement, a slowdown in turnover within the work force with increased unemployment would follow automatically. And we know that the major impact of unemployment unfortunately falls on younger and minority workers. A number of companies would have to review and in many cases reduce their affirmative-action programs.

I should also point out that the potential for controversy and extended litigation is virtually endless. Each case where the employe is unwilling to accept the employer's judgment would be subject to Government review. I think we would need growing numbers of Government investigators assigned to review thousands of individual complaints, and we would have a further clogging of court dockets.

Q. Would this necessarily happen if the retirement age were simply raised from 65 to 68 or 70?

A. Yes—although the size of the problem varies by company and by industry. In some industries where jobs are physically very demanding, I believe many people see a need for earlier retirement.

By the way, one basic reason the AFL–CIO is opposed to having this proposed legislation apply to any of its contracts is because, as I understand it, they feel the need to tailor retirement policies and concepts to individual industry and company needs—and I think they're right. There is also a wide diversity of retirement practices in nonunionized companies, tailored to the particular needs of the company.

Q. Do you believe that ending mandatory retirement would hamper collective bargaining?

A. I think that would be inevitable, since many companies and unions have worked out approaches that are keyed to the particular needs of a specific industry or company. As soon as Government tries to impose a uniform rule across all industry, it is going to play havoc with those agreements.

Q. If there were no mandatory retirement how many people would prefer to stay on the job beyond age 65?

A. I just don't know. Today, most people tend to accept mandatory retirement, so that, we really don't get much expression as to how many would like to continue.

Q. Should an alternative be considered, such as allowing an employe to retire gradually, with his hours reduced over a period of years?

A. I really don't think that's a very practical solution, either in a plant or in an office.

Q. Doesn't mandatory retirement deprive an employer of an older worker's valuable experience?

A. No question about it, and there are a number of cases in which I'm sure that employers would like to see certain employes continue.

But the problem is the reverse side of the coin: It's what you do to the others that you have to ask to go.

"EVERYONE IS TREATED EQUALLY"

Q. What about some provision for waiving mandatory retirement within a company in special cases?

A. Again, I think the much better system is one where everybody is subject to the same rule. Once we try to pick and choose we're in trouble. One of the benefits of mandatory retirement is that everyone is treated equally. When you have a mandatory-retirement age, people plan for it, and they know they're going to retire at that age or earlier.

Q. Why do you think some people want to continue to work past age 65?

A. Statistics clearly indicate that more and more people want to retire earlier rather than later.

I think the two primary reasons why some people would like to continue working beyond 65 are these: First, they are concerned about inadequate funding of Social Security benefits and, second they are concerned that inflation is eroding the value of what they have created over a lifetime of work. I don't think the Government is properly responding to these problems by moving people toward later retirement.

NO—PEOPLE "WANT TO BE JUDGED ON ABILITY AND NOT ON AGE"

(Interview With Harriet Miller, Executive Director, National Retired Teachers Association and American Association of Retired Persons)

Q. Miss Miller, should workers be required to retire at 65?

A. We oppose a mandatory-retirement age. We believe that age is an inappropriate and unreasonable basis for determining whether an individual can or can't do a job. That decision ought to be made solely on the basis of a person's ability to perform the work, not on the number of birthdays.

Q. Are you against mandatory retirement at any age?

A. Yes, we oppose age discrimination in employment at any age. However, we recognize that not all changes can be expected at once.

For example, we have not opposed the legislation currently under consideration in the House of Representatives which would extend to age 70 the protections of the Age Discrimination in Employment Act to people employed in the private sector. We see that as a step forward. But the arbitrary limit perpetuates age discrimination, and so we will continue to work to have that limit removed.

Q. Would you like to see President Carter come out in favor of lifting that age barrier?

A. Yes—he has already done so. He has often referred to his mother's experience as an argument against mandatory retirement. He has pointed out that his mother's work in India for the Peace Corps took place at an age when she could not have worked for many employers in the U.S.—because she was 68.

Q. What kinds of complaints do you hear from older people about being forced out of jobs because of age?

A. Our members tell us that they aren't asking for any special privilege. They want to be able to compete in the marketplace for a job on the basis of ability. If they cannot perform the work, they are willing to accept retirement. But they want to be judged on ability and not on age.

We heard, for example, from a woman who is a shoe clerk. She lied about her age many years ago. She is now 75, and her employer is retiring her because he thinks she's 65. She is very much annoyed because she believes she can do the work as well as ever. And she realizes that she would have been fired 10 years ago if the truth were known, but clearly her performance for the past 10 years has satisfied her employer.

We receive letters from people in all kinds of occupations who want to continue to be productive and who still feel young and able at 65. Many are devastated at being forced

out of a job. Ours is a society based on the work ethic, and the job is the primary means by which people define their identity. Society values work. When people are tossed out because of the number of birthdays they've had, it can be a bitter and humiliating experience.

Q. How do you answer the argument that a mandatory-retirement age is needed to open up jobs for young people?

A. I'd ask whether it's appropriate to put one group of people out of work at the expense of another. I am not aware of any studies which show any significant relationship between job opportunities for the young and mandatory retirement.

If our economy can't create enough jobs for everyone, maybe we ought to have a lottery to decide who gets the jobs that are available. That would be as fair as throwing people out of work at age 65. Why pick on older people to try to solve the nation's employment problem?

"IMPORTANT POINT: FREEDOM OF CHOICE"—

Q. As a practical matter, don't many people elect to retire at 65 or even earlier?

A. Indeed so, and let me say that we're in favor of voluntary retirement—but we think it should be a matter of choice.

The great majority of people—provided they have enough income—may choose to retire in their 60s. One survey has indicated that only about 7 per cent of all those currently retired are both willing and able to work. Another study suggests that perhaps 1 in 3 individuals facing mandatory retirement wants to keep on working. While 1 in 3 sounds like a lot of people, we are really talking about less than one half of 1 per cent of the total work force, remembering that relatively few workers reach mandatory-retirement age in any year and many of those voluntarily choose to retire.

The important point is freedom of choice.

Q. What is your attitude toward gradual retirement—that is, employes putting in reduced hours over a period of a few years before they stop working?

A. There's much to be said for phased-in retirement. I'd go along with that idea provided it is a matter of choice and is not used by employers to force people out or as a means of discriminating against older workers. I wouldn't want to see an employe at, say, age 60 forced out of a good job and into a lesser one under the guise of phased-in retirement.

Q. Some businessmen say lack of a mandatory-retirement age would complicate collective bargaining with unions—

A. We don't believe that any labor agreement should discriminate against older people. The law prohibits job discrimination on the basis of sex and race, and the same should be true with respect to age.

Q. Is the real issue for many elderly people one of keeping busy at something after they have retired voluntarily?

A. There is no simple answer. Some retirees are very happy; others are not. One poll showed that 74 per cent of retired people missed the money they'd been earning; 62 per cent missed the work itself, and about 50 per cent felt a loss of self-esteem.

Often the older person without an adequate retirement income wants to work. But even for those who can live comfortably, some find retirement traumatic both physically and emotionally. For some, merely keeping busy is not the same as feeling useful.

Q. Is the public ahead of Congress on the retirement issue?

A. All indications point that way. A Harris Poll conducted in 1974 indicated that 86 per cent of the public believes mandatory retirement should be abolished. Certainly some State legislatures, local jurisdictions and a number of private employers have shown that they are ahead of the Congress.

AIRLINE ECONOMIC INFLUENCE

Mr. GOLDWATER. Mr. President, shortly we will be discussing the deregulation bill that has been prepared by the Aviation Subcommittee of the Committee on Commerce, Science and Transportation, and from this body it must go to the House for further discussion. I think I have sat through most of the hearings before the Aviation Subcommittee and the full committee, and I have been amazed to find that very, very little is known or understood by members of our staff Members of this Congress as to the importance of airlines to the economy of our country. Mr. William T. Seawell, chairman and chief executive officer of Pan American World Airways, delivered an address before the Commonwealth Club of San Francisco in which for the first time, I believe, a detailed study was made of the relationship of airlines to our economic system; consequently, to our economic situation in the world. There will be many things placed in the CONGRESSIONAL RECORD relative to the airlines during the coming months, but this is one that I think all Members should read, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

AIRLINE ECONOMIC INFLUENCE

(William T. Seawell, chairman and chief of Pan American World Airways, recently detailed the economic influence of U.S. airline purchases on the national economy in a speech before the Commonwealth Club of San Francisco. Because this is the first time such a detailed analysis of this subject has been presented publicly we believe it deserves a wider audience—R. B. H.):

Over the years, the airlines of the United States have brought into being huge manufacturing programs that have created jobs for millions of Americans. Through their purchases of made-in-America airplanes, foreign flag airlines have also contributed to American jobs. But the airlines of the United States are the customers the manufacturers must have in order to undertake their manufacturing and export programs.

Virtually no literature was to be found on the airlines' contribution to the economy through their vast programs of buying airplanes. So I asked Aviation Advisory Service of New York City to review the economic consequences of a single airplane program, the Boeing 747.

Since the study is the first of its kind, it may fairly be regarded as a breakthrough study. Among the points it makes are these. The Pan Am order for 747s, the order that launched the wide-body programs, was the largest order for one type of aircraft in the history of commercial aviation—$590 million.

The engine used in the 747 is 30 percent more efficient with respect to fuel than were the original jet engines on the 707. The 747 engines also operate at lower noise levels.

Various applications of the 747 have made it a national asset apart from its role as a civil airplane—the 747 serves, for example, as the airborne presidential command post and also serves as the carrier aircraft for the space shuttle orbiter.

The 747 is roughly three times as productive as the most efficient 707.

The consumer price index rose 52 percent between 1950 and 1969. The direct operating costs of the 747 are about one-third of the aircraft in service in 1950 and about one-half the comparable costs of the first 707.

The sales volume of wide-bodies—747s, DC-10s, L-1011s—has amounted to $15.3 billion to date, with more sales expected. Of that sum, about $9 billion represents payroll. The export value of the 747 alone was $4.65 billion as of February of this year.

To you as airline passengers, as men who control large air shipments, and as members of the American leadership community, it is significant that the improvement in service and economics brought about by the wide-body jets occurred because, and only because, Pan American World Airways had the financial strength to launch the 747 program. Boeing alone could not finance the program, and certainly would not have launched it on speculation. Pan Am was not only the first customer. Pan Am's credit made the program possible.

We as Americans can be proud, by and large, with what our air transport industry has accomplished. However, we cannot be satisfied with its condition today. . . .

What can be done to assure for the future the sort of national benefits that our airline industry has conferred in the past? I shall address myself principally to international air transportation, which is Pan Am's main business.

The field of international air transportation is very different from the domestic field. There is, of course, a lot of foreign competition—some 52 airlines fly the North Atlantic. Many foreign flag airlines are government owned, and virtually all are government financed or otherwise aided. Also, many governments, not just ours, exercise control over routes, fares, capacity and conditions of doing business.

In terms of today's national requirements, what should be the principal national objective with respect to the U.S. flag system? I submit that the objective should be a flag system strong enough to get new and improved aeronautical technology off the shelf and into service in order to provide American jobs, to improve the quality and the economics of air transportation and to bring about the further growth of international tourism.

Once we accept that as a national objective, we can then, rather than discussing whether the U.S. flag system should be the handmaiden of this or that economic theory, proceed to devise specific ways of making the system serve the objective.

The specific ways would include some address of competitive imbalance, increased efficiency, compensatory fares and a reform in government organization.

Competitive imbalance, where it exists, is generally created by governmental actions that impose costs or restrict the opportunity to do business. U.S. government records are replete with examples of foreign discrimination against the U.S. flag. Congress passed the International Fair Competitive Practices Act of 1974 to bring about some redress of competitive imbalance.

The first report of the Civil Aeronautics Board showed that very little has been done. The government should pursue a specific, systematic program to do more.

A second step is to achieve greater efficiency by wasting fewer seats and less fuel. It is necessary, in Pan Am's view, to offer some excess capacity in order to accommodate business, government or personal travelers who require that seats are available at the last minute. But it is not necessary to offer an empty seat for every seat that is filled. The U.S. flag airlines should work out a system of capacity regulation. We can carry more passengers per pound of fuel, and per dollar invested, than we now carry, and we should do so.

A third step is to permit international fare and rate levels high enough to cover the cost

of doing business and to provide earnings to finance the purchase of new and improved technology. In brief, it should be U.S. policy to achieve fares that are compensatory—an important requirement in a world that has a lot of subsidized airlines.

A fourth step is to organize the U.S. government so that some one person or office reporting to the President of the United States has the authority, the responsibility—and, most important of all—the accountability for developing and administering U.S. international air transport policy. Nobody now performs that function for the President, although, because it is an aspect of foreign relations, international air transportation is the province of the President. In many countries, international air transportation is handled by a powerful agency of cabinet rank reporting to the head of government. In the United States, nobody performs that function for the President. Our present method—if it can be called a method—of having nobody in charge does not work well, and must be changed. Maybe what is needed is the aeronautical equivalent of the special trade representative.

Those four specific steps are important. But even more important is to have the clear purpose that as a nation we want our flag airline system to continue to produce the benefits we have come to expect of it and to do so on a selfsustaining basis. Given that resolve, the flag system will continue to contribute to healthy economic growth, as well as to the environment and the conservation of fuel.

REGIONAL INTEREST AND THE UNION

Mr. McINTYRE. Mr. President, the Sunday, September 4, 1977, edition of one of the South's most respected newspapers, the Memphis Commercial Appeal, carried a lead editorial entitled "Roll Out the Barrel" which I believe each of us should take a few minutes to read and reflect upon. This fine editorial makes a most important point in examining national policies and goals and provides a clear insight into regional interests as opposed to "pork-barrel politics." As the editor of the Commercial Appeal so aptly points out regionalism and regional interests have a proper role in all political processes but regional interests must not be allowed to overshadow national efforts to solve major domestic problems.

Regional conditions change and problems shift among various parts of this country. The Southern region still has its share of problems, the editorial points out:

But today the South is finding its place in the Sun. It's gaining people and industry because it can provide labor and raw materials, including energy, in greater quantities and at relatively lower cost than can the older manufacturing centers in the Northeast and Midwest.

The editorial continues by taking an enlighted position that as the South continues to grow and prosper it should expect that fewer Federal dollars will be recycled southward. The article concludes that rational regional politics cannot only help the individual region but the Nation as a whole. Regionalism based on "pork-barrel politics," however, creates regional divisiveness which injures our entire system.

As a Senator from a Northeastern State I am particularly concerned that regional interests can become primary and dominate national needs. An example of this concern is the present difficulty with the Senate-House Conference on the Housing and Community Development Act of 1977. The conference has now discussed distribution of community development block grant funds for 2 months. At issue is the Senate position that older city's needs should be addressed by impacting the age of housing factor in the distribution formula. The editor of the Commercial Appeal made a fine point in discussing domestic programs when he stated:

These programs attempt to define our most pressing problems and combat them, primarily by redistributing tax money to the places that need it most for specific projects. And the reason is that Americans cannot expect national prosperity if they allow one region to be depressed while others flourish at its expense.

Mr. President, I ask unanimous consent that the Commercial Appeal editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ROLL OUT THE BARREL

Those southern governors who complain that changed federal formulas now send millions of Sunbelt dollars to subsidize programs elsewhere are confusing the purpose of national policy with pork-barrel politics. And in doing so, they've lost sight of the more important issue of whether these programs are helping solve our major domestic problems.

The reason behind programs such as revenue sharing and grants-in-aid isn't to return to every state or region the same tax dollars its residents paid in to the federal Treasury. If this were the case, there would be no reason for domestic programs other than to make work for Washington's bureaucracy.

Rather, these programs attempt to define our most pressing problems and combat them, primarily by redistributing tax money to the places that need it most for specific projects. And the reason is that Americans cannot expect national prosperity if they allow one region to be depressed while others flourish at its expense.

Traditionally, the South has been the region that needed a federal hand. But today the South is finding its place in the sun. It's gaining people and industry because it can provide labor and raw materials, including energy, in greater quantities and at relatively lower cost than can the older manufacturing centers in the Northeast and Midwest.

And while poverty remains a problem in much of the South, the Sunbelt shouldn't be surprised when fewer federal dollars are recycled southward. It's part of the increasing responsibility for any region that grows in population and wealth.

This does not mean that the Southern governors and others interested in regional development should allow federal programs and their effectiveness to go unchallenged, for there are as many disparities in these programs' performances as there are programs. When it comes to successes, the Tennessee Valley Authority—the prototype of regional-development projects—still heads the list. It showed what federal tax dollars can do for an area where private enterprise alone can see no profit.

Revenue sharing and grants programs, including community development, also have met with success. But there have been other projects that missed the target, including the Law Enforcement Assistance Administration. Too often its funds were spent too heavily in rural areas that didn't have the hard-core crime the nation was attempting to fight through the LEAA project.

The raw numbers on how much was spent where mean little in a country in which the cost of living is only one of the statistics that varies from place to place. What counts is how effective those federal dollars for specific projects are in addressing the problems of a city, state or region.

Regionalism still has its place as surely as the South still has problems that need to be solved. Its place is in helping to identify, define and solve those problems which could benefit from federal aid for specified projects.

Regional politics that is intelligent and informed can help that region as well as the nation to prosper. But pork-barrel politics that feeds on regional divisiveness can only hurt.

SENATOR WILLIAMS COMMENDED FOR CONTRIBUTION TO AGING

Mr. CHURCH. Mr. President, during the weeks of committee and floor debate on Senate reorganization earlier this year, Senator HARRISON WILLIAMS staunchly supported continuation of the Special Committee on Aging.

His position on that issue was especially significant because—as probable chairman of the Senate Committee on Human Resources and as former chairman of the Committee on Aging—he was in an excellent position to evaluate whether the people of this Nation would be better served by the special committee or by a new subcommittee to be established within the Human Resources Committee.

The Senator from New Jersey on more than one occasion made the case compellingly for a factfinding committee with the continuing mandate to look into the many issues related to aging—issues which do not fit neatly within the jurisdiction of any one committee, even one so far reaching as the Committee on Human Resources.

I was pleased indeed to have Senator WILLIAMS as a key ally in my efforts to continue the work of the Committee on Aging.

His contribution has also been recognized by the Somerset (N.J.) County Advisory Council to the Office on Aging in a resolution passed a few weeks ago. I ask unanimous consent to have that resolution printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, the senior population of this country has provided a lifetime of service to their communities and to our society as a whole; and

Whereas, our society has grown and developed in such a way that there is increasing difficulty for our seniors to find the reward of a good life in later years because of continuing inflation, decreasing mobility and increasing dependency on others; and

Whereas, it is the responsibility of this society, and especially those officials elected to represent the will of the people, to initiate changes to elevate the status of seniors equal to their past contributions; and

Whereas, the United States Senate had established a Special Committee on Aging to

study and recommend responses to these needs, and which in its lifetime this Special Committee has compiled a long list of significant accomplishments, but recently with the intention of reducing member's multiple committee responsibilities, a Senate reorganization plan proposed the elimination of the Special Committee on Aging; and

Whereas, Senator Harrison A. Williams, Jr., led the fight on the Senate floor to negate this motion and to carry on the life and role of the Special Committee on Aging and was successful in persuading the Senate to vote overwhelmingly to continue the Special Committee with its unique responsibilities; now therefore BE IT RESOLVED, that this New Jersey State Title III Advisory Committee offers its highest commendation to Senator Williams and thanks him for his dedication, determination and continuing concern for the welfare of New Jersey's senior population.

CHINA, THE ABROGATION OF TREATIES; AND THE CONSTITUTION

Mr. GOLDWATER. Mr. President, during the recess of Congress, Secretary of State Cyrus Vance made a 4-day visit to mainland China where he talked with the new rulers of that Communist society. It is unknown in public exactly what was settled or committed at those talks, but I wish to discuss today a subject which should not have been raised by Secretary Vance or anyone among his group, if it was explored at all.

The subject I have in mind is the termination of treaties, particularly the mutual defense treaty, between the United States and the Republic of China, without the approval of either the Senate or Congress. Negotiators for the U.S. Government had no authority to accept or consider this policy because the Constitution clearly requires a role for the Senate or Congress in the termination of any treaty.

Now, I am not saying that it was raised at the recent talks with Red China, but I do know that just before Secretary Vance's departure he was urged in a widely reported speech by one of our colleagues to allow the formal defense treaty with Taiwan to lapse with recognition of Peking. I hope that Secretary Vance rejected the proposal and that it never came up.

It requires close scrutiny, however, because the proposal is the latest turn in the thinking of those who are bent upon granting formal diplomatic recognition to the Chinese Communists on their own terms.

Now, the initial step of recognizing Red China is bad enough in and of itself. I have often stated the numerous reasons why I believe recognition would be harmful to the United States, with no compensating gain.

To top off this already harmful proposal with the added disgrace of treating the defense agreement as having lapsed, without even giving the 1 year's advance notice required by its terms, would represent the most callous and immoral attitude toward a friend that the U.S. Government has ever been asked to adopt.

Call it what you will, but to consider the defense treaty, and necessarily the other treaties and agreements presently in existence between the United States and the Republic of China, as automatically lapsing after recognition of Red China is to abrogate those treaties.

Since the Constitution puts the power to abrogate, or terminate, a treaty in the hands of the President and Senate together, or the Congress, the advocates of this shameful proposal are asking the President to commit an unconstitutional act.

CONSTITUTIONAL TEXT

It is true that the Constitution does not spell out in precise words how a treaty shall be terminated, but the clear import of the constitutional text, supported by the overwhelming weight of historical practice, makes it certain that a treaty cannot be nullified by action of the President alone, without the approval of the Senate or Congress. Nor can a President acting alone give valid notice on behalf of the United States of our intention to withdraw from a treaty.

Section 2 of article II of the Constitution specifies that the President "shall have power, by and with the advice and consent of the Senate, to make treaties provided two-thirds of the Senators present concur."

Thus, the role of the Senate in making treaties is beyond any doubt.

The Constitution further declares, in article VI, that "all treaties—shall be the supreme law of the land."

Since treaties are therefore legislative in nature, being made with the approval of the Senate, and having the same status as any other law, it is logical that the same authorities who make treaties, or at least one of equal competence, would be necessary to undo treaties. Just as the President alone cannot repeal a law, so he cannot "repeal" a treaty.

In other words, a treaty, being a law, can only be abrogated either by the treatymaking, or lawmaking, power.

This is indeed the way treaties generally have been terminated in actual practice. The precedents are not uniform, but far more often than not the Senate, or the whole Congress, has both exercised and asserted its power to approve the nullification of treaties, and Presidents usually have sought legislative approval before denouncing any treaty on behalf of the United States.

MADISON ON TREATIES

This is certainly the view of James Madison. On January 2, 1791, less than 4 years after the Constitutional Convention, he wrote a detailed exposition on treaties to Edmund Pendleton, explaining:

> That the Contracting powers can annul the Treaty [of Peace with Great Britain] can not, I presume, be questioned, the same authority, precisely, being exercised in annulling as in making a treaty.

Madison added to this statement his belief:

> That a breach on one side . . . discharges the other, is as little questionable; but with this reservation, that the other side is at liberty to take advantage or not of the breach as dissolving the Treaty.

Then, Madison reached the point of judging what authority has the power to annul a treaty in this particular situation, expanding on his earlier general comment that the treaty making authorities are to exercise the power:

> In case it should be advisable to take advantage of the adverse breach, a question may perhaps be started, whether the power vested by the Constitution with respect to Treaties in the President and Senate makes them the competent judges, or whether, as the Treaty is a law, the whole Legislature are to judge of its annulment, or whether, in case the President and Senate be competent in ordinary Treaties, the Legislative authority be requisite to annul a Treaty of peace, as being equivalent to a Declaration of War, to which that authority alone, by our Constitution, is competent. (See volume 1, Madison's Work's, at pages 524–25.)

Mr. President, it should be noted that, in all this analysis of the treaty abrogation power, Madison did not once consider the possibility that the President alone could terminate a treaty, even where the other side had committed a breach of it. This is a pretty good indication of what the Founding Fathers thought about the subject.

UNILATERAL PRESIDENTIAL ABROGATION OF TREATIES WITH A FRIENDLY STATE IS UNPRECEDENTED

As Madison assumed, throughout most of our history there never has been a question of the President possessing an independent power to denounce treaties. The debate has not been between the President and Congress. It has been over competing claims of the Senate vis-a-vis the House of Representatives.

To date, I am unaware of any instance when a President acting alone has ever terminated a treaty with a friendly power that has not been violated by the other party, or placed in conflict with a subsequent law, or become impossible of performance due to circumstances not of our own making.

In truth, what the proponents of accepting Red China's conditions are asking the President to do is unprecedented.

THE FIRST TREATIES ANNULLED WERE DENOUNCED BY CONGRESS, NOT BY THE PRESIDENT

In fact, if they would read their history, these advisers would learn that the first treaties ever to be declared null and void by the United States were canceled by Congress alone. These were the French-American treaties of 1778. Congress, acting through a public law, deemed these treaties to be no longer binding on this country because they had "been repeatedly violated on the part of the French Government."

This followed attacks by French warships on unarmed American merchant vessels and the infamous X, Y, Z affair in which the French sought to extract bribes from the American peace negotiators.

The abrogating act of July 7, 1798, was approved by President Adams and to that extent there was Presidential consent. However, the statute did not call upon the President to give notice of abrogation and Congress apparently assumed no further act was necessary on his part.

This early precedent represents an admission by the President of a legislative role in the abrogation of a treaty, since he signed the law. It also is a concession by the Senate that, in at least some cir-

cumstances, the power to void treaties belongs to Congress as a corporate body, and not exclusively to the President and the Senate together.

MONROE'S LETTER TO DUTCH MINISTER

A possible precedent for the termination of treaties by Presidential notice may have occurred in 1815, although the record seems to be to the contrary. This incident began with a message that year by the Dutch Minister to then Secretary of State James Monroe. The note proposed a new commercial treaty, based on the old one of 1782. Monroe wrote back mentioning that the treaties having been annulled "by causes proceeding from the state of Europe," President Madison had agreed to make the ancient treaty the basis of the new one. By "the state of Europe," Monroe was referring to the Napoleonic wars.

The question then arose whether Monroe's letter had unilaterally denounced the treaty. In 1818, Secretary of State John Quincy Adams insisted it did not. He argued the treaty was still obligatory on the Dutch. The Dutch Government was just as firm in denying the continuing force of the treaty, and we did not press the matter.

Whatever status the treaty had at the time, this is no example of an assertion of Presidential power to annul treaties. Secretary of State Monroe had apparently considered the letter to him as intimating on the Dutch side that the treaty was no longer in force. He knew Holland had been joined to France and ceased to form an independent state during the Napoleonic wars. Therefore, he may have considered intervening events already to have terminated the treaty.

The pertinent official papers relevant to this episode appear in volume 2 (1873) of Foreign Relations of the United States, starting at page 722.

AT TIMES THE PRESIDENTIAL DUTY TO FAITHFULLY EXECUTE LAWS MAY REQUIRE HIS INTERPRETATION OF WHETHER TREATY HAS BEEN VOIDED BY BREACH OF OTHER PARTY

If the above interpretation of the Monroe letter is correct, and remember Secretary Adams denied that the United States had terminated the treaty, it stands at most as an attempt by the executive to interpret a treaty pursuant to his constitutional duty under section 3 of article II to take care that the laws are faithfully executed.

Occasionally, it has seemed necessary to a President to declare a treaty void by reason of the breach of other parties. Where his interpretation receives the knowing acquiescence of the Senate and Congress, history appears to allow an exception from the general rule that the President lacks authority to denounce a treaty in the absence of legislative action.

That Madison, then President, accepted the truth of the general rule is shown in his statement on treaties described above.

FIRST USE OF PRESIDENTIAL NOTICE AT DIRECTION OF CONGRESS

The first clear-cut example known to me of the termination of a treaty by Presidential notice did not occur until 1846, some 57 years after the Constitution became operative. This action took place with the authority of Congress and only after the President had sought such legislative sanction.

As part of a bill to organize a territorial government in Oregon, the House of Representatives had passed a provision in 1845 requiring President Polk to notify the British Government of the annulment of the Convention with Great Britain relative to the joint occupation of the Oregon Territory. Following this action, President Polk recommended to Congress that he be given authority by law for giving such notice. There was considerable debate over the issue in 1846, with the majority position being that the abrogation of a treaty "is clearly a legislative duty, that cannot be performed constitutionally by any other power than the joint power of both Houses of Congress. . . ." The joint resolution concerned was enacted in April of 1846.

The legal principle which guided Congress in this instance was based on the constitutional declaration that a treaty is among the supreme law of the land. The power to terminate a treaty was equated with the power to terminate a law. Obviously, the President could not by fiat repeal a law, and so he lacked the power, on his own authority, to annul a treaty.

FIRST ABROGATION OF TREATY BY SENATE RESOLUTION

Mr. President, the first two instances discussed above in which there is no doubt that treaties were abrogated drew on the authority of an act of Congress and a joint resolution. The third such instance involved simply a resolution of the Senate unanimously adopted in 1855.

This resolution took note of a treaty with Denmark as subjecting U.S. commerce to burdensome and oppressive duties. It authorized President Pierce to give Denmark the notice required in the treaty for its termination, and it was in response to the previously expressed wish of the President to do so.

In his annual message to Congress, President Pierce informed the legislature that "in pursuance of the authority conferred" by the Senate resolution he had given the required notice. Again, a President had acted to annul a treaty only after receiving prior legislative approval.

SENATE FOREIGN RELATIONS COMMITTEE DEFENDS ROLE OF SENATE IN TREATY TERMINATION

Publicity of the method used in abrogating the treaty with Denmark aroused a protest in Congress. Doubt was even raised in the Senate itself. The controversy was not over whether or not the Senate had invaded a Presidential prerogative, but rather whether the treaty should have been annulled by the full Congress.

In response to this debate, the Foreign Relations Committee issued a report on April 7, 1856, strongly claiming for the Senate, acting together with the President, competence to terminate a treaty "without the aid or intervention of legislation" by both Houses of Congress.

The Senate Committee unequivocally stated that—

> Where the right to terminate a treaty at discretion is reserved in the treaty itself, such discretion resides in the President and Senate.

The Committee reasoned as follows:

> The whole power to bind the Government by treaty is vested in the President and Senate, two-thirds of the Senators present concurring. The treaty in question was created by the will of the treaty-making power, and it contained a reservation by which that will should be revoked or its exercise cease on a stipulated notice. It is thus the will of the treaty-making power which is the subject of revocation, and it follows that the revocation is incident to the will.

The committee did concede that in certain cases it would be wise to have the concurrence of the House of Representatives in order to make the decision to annul a treaty more impressive upon the other government. Thus, the committee took the position:

> Although it be true, as an exercise of Constitutional power, that the advice of the Senate alone is sufficient to enable the President to give the notice, it does not follow that the joint assent of the Senate and House of Representatives involves a denial of the separate power of the Senate.

In May of 1958, the Senate Foreign Relations Committee reaffirmed its position by changing a proposed joint resolution, authorizing the President to give the government of Hanover the notice required for the termination of a treaty, by striking out the word "joint" in the title, "so that the resolution should be acted upon as a Senate resolution."

CONGRESS REACTS STRONGLY TO PRESIDENT LINCOLN'S ATTEMPT TO ACT WITHOUT LEGISLATIVE APPROVAL

The first time I have discovered a President openly attempting to terminate a treaty without any prior legislative approval was in late 1864, when President Lincoln gave notice regarding the Rush-Baggot Convention with Great Britain regulating the naval force upon the Great Lakes. But this can hardly serve as a precedent for unilateral Presidential action because Congress promptly responded by passing a joint resolution based on the ground that Lincoln's conduct was invalid until ratified and confirmed by the Congress. The joint resolution, approved on February 9, 1865, soon after Lincoln's notice, expressly stated that the notice was "adopted and ratified as if the same had been authorized by Congress."

The Senate debate on the issue on January 18, 1865, was dominated by Senators who argued that the act of the President to terminate the treaty was wholly invalid until it was adopted by the Congress. As Senator Garrett Davis of Kentucky said:

> It is indispensably incumbent and necessary, in order to secure the termination of this treaty, that it shall be terminated, not by the action of the President, but by the action of Congress.

Senator Charles Sumner of Massachusetts agreed that—

> The intervention of Congress is necessary to the termination of this treaty. . . .

He explained that the joint resolution under consideration embodied the con-

clusion that since a treaty is a part of the law of the land, it is "to be repealed or set aside only as other law is repealed or set aside: That is by act of Congress."

JUSTICE STORY ON TREATY TERMINATION

Senator Sumner mustered in support of the Senate's position two impressive judicial authorities. He first quoted from one of the most highly regarded scholars ever to sit on the Supreme Court, Mr. Justice Story. In section 1838 of his Commentaries on the Constitution, Story writes:

It is, therefore, indispensable that they (treaties) should have the obligation and force of a law, that they may be executed by the judicial power and be obeyed like other laws. This will not prevent them from being canceled or abrogated by the nation upon grave and suitable occasions; for it will not be disputed that *they are subject to the legislative power, and may be repealed, like other laws, at its pleasure.*

JUSTICE IREDELL ON TREATY TERMINATION

The second authority called upon by Senator Sumner was Supreme Court Justice Iredell. In delivering his opinion with the case of *Ware* against *Hylton*, 3 U.S. (3 Dallas) 199,256 (1796), Justice Iredell twice emphasized that it is Congress alone who is entrusted with the authority of vacating a treaty.

Justice Iredell wrote:

It is a part of the law of nations that if a treaty be violated by one party, it is at the option of the other party, if innocent, to declare, in consequence of the breach, that the treaty is void. If Congress, therefore, (*who, I conceive, alone has such authority under our Government*), shall make such a declaration, in any case like the present, I shall deem it my duty to regard the treaty as void, and then to bear any share in executing it as a Judge.

Although his pronouncement is dicta to the Court's decision, it is significant as an 18th century understanding of the annulment power by one of the original members of the first Supreme Court.

ADDITIONAL LAWS ABROGATING TREATIES

The next time notice was given to terminate a treaty, it again followed prior authority granted by Congress. In the joint resolution of January 8, 1865, Congress charged President Lincoln with the duty of communicating notice of the termination of the Reciprocity Treaty of 1854 between the United States and Great Britain. The move to abrogate this treaty had started in May of 1864.

The traditional practice was adhered to again in June of 1874, when Congress enacted a law authorizing President Grant to give notice of termination of the treaty of Commerce and Navigation of 1857 with Belgium.

PRESIDENT GRANT CALLS ON CONGRESS FOR RATIFICATION OF HIS PROPOSED ACTION

Two years later, the same President sent an ambiguous message to Congress that at one and the same time appeared to acknowledge the need for a legislative role in the termination of treaties and to assert a power to decline enforcement of a treaty he thought had been abrogated by the other party.

His message of June 10, 1876, regarding the extradition article of the treaty of 1842 with Great Britain, said:

It is for the wisdom of Congress to determine whether the article of the treaty relating to extradition is to be any longer regarded obligatory on the Government of the United States or as forming part of the supreme law of the land.

He added, however:

Should the attitude of the British Government remain unchanged, I shall not, without an expression of the wish of Congress that I should do so, take any action either in making or granting requisitions for the surrender of fugitive criminals under the treaty of 1842.

At most, this is a precedent for Presidential authority to consider a breach of a treaty as having suspended it, by making enforcement impossible, subject to the correction of the President's judgment by Congress.

PRESIDENT HAYES VETOES LAW, BUT RECOGNIZES TREATY TERMINATION POWER OF CONGRESS

In 1879, President Hayes recognized the power of Congress in terminating treaties, although in the process of vetoing an act of Congress. The legislature had passed a statute seeking to require the President to abrogate two articles of the Burlingame Treaty of 1868 with China. President Hayes vetoed the legislation on the ground that it modified an existing treaty by striking out only provisions of it. This power, he said, is "not lodged by the Constitution in Congress, but in the President, by and with the consent of the Senate."

At the same time, President Hayes conceded that:

The authority of Congress to terminate a treaty with a foreign power by expressing the will of the nation no longer to adhere to it is . . . free from controversy under our Constitution.

Thus, he made no separate claim of power for the Presidency to annul a treaty without some form of legislative approval, but rather upheld the joint role of the President and the Senate together to make or modify treaties.

In 1883, Congress passed another joint resolution reaffirming the legislative role in the termination of treaties. This law, the act of February 26, 1883, flatly directed President Arthur to give notice of the termination of several articles of an 1871 Treaty with Great Britain.

PRESIDENTIAL INTERPRETATION OF TREATY AS INCONSISTENT WITH PREVAILING ACT OF CONGRESS

Mr. President, the first instance I can find where a President gave notice to terminate all or part of a treaty with a foreign government absent any prior congressional authorization, or at least prompt ratification, is the notice given to Switzerland in 1899 of the intention of the United States to terminate certain articles of the 1850 Commercial Convention with that government. This incident occurred 110 years after the Constitution went into operation, clearly repudiating the idea that there is any long-continued and well-settled practice supporting an independent power in the President to abrogate treaties.

Actually, not even the 1899 situation offers support for the power, since the President's action apparently was necessary to carry out the national policy established by Congress in the Tariff Act of 1897. This is no more than an example of the President fulfilling his constitutional duty to faithful execute the laws.

As a legal commenator noted in 1967:

Since the President cannot enforce two equally valid laws which are in conflict, he is compelled to select that which most reflects the current will of Congress. (See volume 34 University of Chicago Law Review at page 592.)

PRESIDENT TAFT SEEKS RATIFICATION OF SENATE

The next precedent I can find is the effort by President Taft to head off passage by Congress of what he considered to be an "inflammatory" resolution calling for abrogation of the Commercial Treaty of 1832 between the United States and Russia. Disputes had arisen with Russia chiefly over the treatment of Americans of Jewish faith, and on December 13, 1911, the House of Representatives passed a strongly worded joint resolution demanding termination of the treaty. In advance of the anticipated favorable action of the Senate, President Taft unilaterally gave notice to Russia on December 15 of intention to terminate the treaty.

On December 18, President Taft sent a message to the Senate, informing it of his action:

As a part of the treaty-making power of this Government, with a view to its ratification and approval.

Accordingly, he recognized the need for the Senate and the President to act together in order to end an existing treaty.

President Taft knew it was virtually certain that Congress would direct him to terminate the treaty, and he fully expected to receive ratification to validate the notice he had given. He had no claim that the notice would have any validity without legislative approval.

Both Houses of Congress passed a joint resolution, which the President signed on December 21, just 3 days after his message to the Senate. The House vote was 301 to 1, and the Senate vote was unanimous, proving that the President's advance notice to Russia was a concession to recognized congressional power, rather than a sign of independent authority of the President.

PRESIDENT WILSON CHALLENGES CONGRESSIONAL POWER TO MODIFY TREATIES, BUT CONCEDES NECESSARY ROLE OF CONGRESS IN TREATY TERMINATION

Mr. President, the next known termination of treaties was called for by Congress in the Seamen's Act of March 5, 1915. In section 16 of the act, Congress specifically directed President Wilson to give notice of the termination of all articles in treaties and conventions of the United States "in conflict with this act." The notices were given as provded for. The authority of Congress to impose this duty on the President was upheld by the Supreme Court in a case discussed below.

In the Merchant Marine Act of 1920, President Wilson was again directed by Congress to give notice to other governments of the termination of certain treaties which imposed any restrictions on the right of the United States to set different customs duties on imports, de-

pending upon whether the carrier vessels were domestic or foreign.

President Wilson rebuffed this direct effort to abrogate treaties by announcing that he was making a distinction between the power of Congress to enact a law, such as one imposing duties on imports, which is plainly inconsistent with treaties, and the power to merely legislate a policy calling for the violation of treaties. This law was treated as an effort not to terminate a treaty, but to modify it. Congress could terminate treaties, but could not modify them.

A memorandum prepared by Secretary of State Hughes for President Harding in October of 1921 also conceded the power of Congress to terminate entire treaties if it so provided in clear and unambiguous language. In the Merchant Marine Act, Secretary Hughes reasoned, Congress had called for only a partial termination, but in practice the law would have the effect of a total termination. If Congress actually intended to abrogate entire treaties, he wrote, it must say so in plain language.

Therefore, the positions taken by President Wilson and Harding were in effect a refusal to interpret a law as conveying an intention by Congress to violate numerous treaties outright. There was no Presidential denial of the power of Congress to direct the abrogation of treaties when "its intention is unequivocally expressed," nor was there a hint of any claim of power for the President to terminate a treaty without the shared responsibility of the Congress.

Evidence of the recognition by President Wilson of the essential role of the legislature in the treaty annullment process is found in the fact that he asked the advice and consent of the Senate to withdraw in 1920 from the International Sanitary Convention of 1903. Only after the Senate had resolved to "advise and consent to the denunciation of the said Convention" in May of 1921, by which time Harding had become President, did the U.S. Government give notice of its intention to withdraw.

MODERN TWENTIETH CENTURY PRACTICE PROVIDES NO SUPPORT FOR UNTRAMMELED PRESIDENTIAL ABROGATION OF TREATIES WITH FRIENDLY STATE

This brings us up to more recent 20th century practice which at first impression may appear to be a break with the almost universal prior usage of the termination of treaties, and giving notice of intent to terminate, only when following legislative approval or ratification. Starting in 1927, there are at least seven instances in which Presidents have given notice of the termination of treaties without receiving accompanying congressional approval or seeking ratification.

Upon close examination, however, one discovers that the record does not support an untrammeled power of the President to annul any treaty he wishes. In fact, in two instances the notice of termination was withdrawn, and the United States did not actually denounce the treaties. In addition, two treaties were inconsistent with more recent legislation of Congress and one was inconsistent with the obligations of the United States under a later treaty. The remaining two were annulled or suspended because it became impossible to effectively carry them out.

The following treaties are involved: In 1927, President Coolidge gave notice that the 1925 Convention for Prevention of Smuggling with Mexico was terminated. At the time, U.S. relations with Mexico were the subject of emotional debate in Congress regarding alleged religious persecution and the confiscation of American-owned private and oil lands in Mexico. In the disruptive situation of the period, it appears to have been impossible to implement the Convention.

PRESIDENT FRANKLIN ROOSEVELT AND THE TERMINATION OF TREATIES

In 1933, President Franklin Roosevelt gave notice of termination of an extradition treaty with Greece. The notice was withdrawn, however, and the treaty was not abrogated. The incident was triggered because Greece had refused to extradite an individual accused of fraud. Thus, the President could have based his action on the fact the treaty had already been voided by a breach of the other party.

Also in 1933, President Roosevelt terminated the 1927 Tariff Convention as having a restrictive effect on the National Industrial Recovery Act of 1933. Then, in 1936, he terminated the 1871 Treaty of Commerce with Italy because its provisions would limit the President's ability to carry out the Trade Agreements Act of June 1934. In both cases, the treaties were inconsistent with prevailing legislation.

In 1939, President Roosevelt notified Japan of the intention of the United States to terminate the Commercial Treaty of 1911. The Department of State advised President Roosevelt broadly that—

> The power to denounce a treaty inheres in the President of the United States in his capacity as Chief Executive of a sovereign state.

The authority to denounce was clearly based, however, upon acts of war by Japan toward allied nations.

In fact, it was persuasively argued in the Senate that the President was compelled to denounce the 1911 treaty with Japan because of our obligations under a treaty, the so-called nine power agreement, committing the United States to respect the territorial integrity of China. After the invasion of China by Japan, we would have been in violation of that obligation by continuing to comply with the 1911 Japanese treaty. Therefore, the facts of the case do not uphold an expansive view of Presidential power, but to the contrary conform to traditional practice requiring the President to base his action on some form of legislative action, in this instance a subsequent treaty invalidating the earlier one.

The next precedent occurred in August of 1941, when the International Load Line Convention was temporarily suspended by President Roosevelt. Here, he acted in reliance on the opinion of Acting Attorney General Biddle that fundamental changes in the circumstances created the impossibility of performance. Accordingly, for the duration of the war emergency, President Roosevelt suspended the convention because of the aggression then being waged by Germany, Italy, Japan, and the Soviet Union.

It is interesting that the opinion of the Acting Attorney General declared:

> It is not proposed that the United States denounce the convention . . . , nor that it be otherwise abrogated. Consequently, action by the Senate or by the Congress is not required.

From this, it is obvious the incident cannot be considered as support for independent Presidential action. To the contrary, it appears to be an admission by the Acting Attorney General that some legislative approval is normally required for the abrogation of a treaty.

CONGRESS DENOUNCES TRADE CONCESSIONS TO COMMUNIST COUNTRIES

A recent assertion of the abrogation power by Congress occurred in 1951. In that year, Congress enacted a Trade Agreements Extension Act containing a provision instructing President Truman to terminate trade concessions to Communist countries. Most of them were executive agreements, but two, those with Poland and Hungary, were treaties. The required notices, as prescribed in sections 5 and 11 of the act, were promptly given by President Truman in accordance with the terms of the respective trade agreements.

WARSAW CONVENTION

The final incident occurred in November of 1965, when the United States announced its withdrawal from the Warsaw Convention, relating to recovery of damages by international air passengers who suffer death or personal injury. One day before the effective date of the withdrawal, the United States withdrew its notice.

At least two legal commentators responded with articles concluding that the purported authority of the President to terminate the Convention was unconstitutional. One of these legal papers appeared in volume 32 of the Journal of Air Law and Commerce in 1966, and the other was published in volume 34 of the University of Chicago Law Review in 1967.

In any event, the notice was withdrawn and the termination did not actually take place.

GENERAL RULE ESTABLISHED BY PRACTICE DEMANDS ROLE FOR LEGISLATURE IN ABROGATION OF TREATIES AND IN GIVING NOTICE OF INTENTION TO TERMINATE TREATIES

In summary, historical usage overwhelmingly upholds the position asserted by Prof. Edward Corwin, one of the century's foremost authorities on the Constitution. Corwin wrote:

> (A)ll in all, it appears that legislative precedent, which moreover is generally supported by the attitude of the Executive, sanctions the proposition that the power of terminating the international compacts to which the United States is party belongs, as a prerogative of sovereignty, to Congress alone.

This quotation appears, curiously enough, in Corwin's book entitled, "The President's Control of Foreign Relations."

The only clarification I would add to the late Professor Corwin's statement is

that the abrogation of a treaty also can be made by the exercise of the treaty-making power itself, meaning the President together with two-thirds of the Senate.

Also, it may be conceded for purposes of the situation I am discussing today, which is our treaty relations with the Republic of China, that history indicates the President may, in certain circumstances, determine whether or not: First, a treaty has been superceded by a later law or treaty which is inconsistent with the earlier treaty; second, a treaty has already been abrogated because of its serious violation by another party; or third, a treaty cannot be carried out because the conditions essential to its continued effectiveness no longer exist and the change is not the result of our own action.

HISTORICAL EXCEPTIONS TO GENERAL RULE DO NOT APPLY TO TREATIES WITH ROC

Now, Mr. President, how anyone could claim from this record that the President has the power to terminate treaties whenever he wants, independent of the Senate or of both Houses of Congress, is beyond me. Not even the President's duty "to take care that the laws of the United States are faithfully executed" would provide him with any plausible authority to annul the treaties with the Republic of China, a friendly government who has not breached any treaty with us.

The proposal made by the advocates of improved relations with Communist China urges the President to consider the treaties with the Republic of China as no longer having any effect, upon derecognition. Thus, the termination of the treaties would follow, or at least be dependent upon, derecognition. In this contingency, the reason for the annulment, or whatever it is called, would be an action of the U.S. Government.

The President himself would have created the changed conditions in which he then is being asked to interpret the treaties as having lapsed, without any failure of compliance on the part of the Republic of China.

The President could certainly not determine that the treaties had been breached by the Republic of China, nor could he find that they are inconsistent with any more recent laws enacted by Congress.

INTERNATIONAL LAW BARS RAISING CHANGE OF CIRCUMSTANCES AS GROUND FOR TERMINATING TREATY WHERE CHANGE RESULTS FROM ACTION OF PARTY INVOKING IT

Nor could the President decide that the treaties are impossible of performance, since international law specifically provides in Article 61 of the 1969 Vienna Convention on the Law of Treaties:

> Impossibility of performance may not be invoked by a party as a ground for terminating, withdrawing from or suspending the operation of a treaty if the impossibility is the result of a breach by that party either of an obligation under the treaty or of any other international obligation owed to any other party to the treaty.

Article 62 of the same Convention also provides that—

> A fundamental change of circumstances may not be invoked as a ground for terminating or withdrawing from a treaty . . . if the fundamental change is the result of a breach by the party invoking it . . .

ABROGATION OF TREATIES WITH ROC WOULD DISHONOR U.S.

Thus, it would not only be dishonorable to the United States, but a clear violation of international law, for us to take an action, or failure to act, as you will, which would amount to nothing less than the breach or violation of our treaties with the Republic of China.

In the words of the Department of State press release regarding President Wilson's decision not to annul several commercial treaties:

> Such a course would be wholly irreconcilable with the historical respect which the United States has shown for its international engagements, and would falsify every profession of all belief in the binding force and the reciprocal obligation of treaties in general.

Mr. President, if honor still means anything in this country, as it obviously once did, then I believe the suggestion that we discard the treaties with the Government on Taiwan should itself be discarded to the waste heap.

COURT DECISIONS FAIL TO PROVIDE ANY SUPPORT FOR INDEPENDENT PRESIDENTIAL ACTION IN TERMINATION OF TREATIES

Now, Mr. President, I have emphasized the clear logic of the language of the Constitution itself and the lessons to be drawn from historical usage. I have not drawn upon decisions of the Supreme Court because there simply are not any court holdings squarely resolving a conflict between the President and the Senate or Congress over the treaty abrogation power.

There are a handfull of cases regarding treaties that I will briefly discuss, however, so as to remove the possibility they may be misconstrued.

The first is *Charlton* against *Kelly*, 229 U.S. 447 (1913), which some commentators interpret as endorsing the power of the President to interpret whether or not a treaty is void when the essential obligation have been violated by the other party. Actually, the language of the Court opinion usually quoted for this proposition refers to the "political branch" of Government and "the United States," both of which are collective terms not exclusively meaning the President.

Whatever the holding of the court means, it cannot possibly give any support to the theory that the President on his own initiative and without legislative approval, can abrogate a treaty which has not been violated by the other party. In fact, Charlton involved an extradition treaty with Italy which neither the Executive, nor Congress sought to terminate. Since the treaty was not abrogated in this case, it cannot stand as a decisive ruling on the subject, even in the single situation where a breach occurs.

Second, in *Van der Weyde* v. *Ocean Transport Co.*, 297 U.S. 114 (1936), the Supreme Court did decide that since the Congress had requested and directed the President to give notice of the termination of treaty provisions in conflict with the Seamen's Act of 1915, "it was incumbent upon the President" to reach a conclusion as to the inconsistency between the provisions of a treaty with Norway and the provisions of the law.

The Court expressly avoided any question "as to the authority of the executive in the absence of congressional action, or of action by the treatymaking power, to denounce a treaty. . . ." The case does appear to recognize the power of Congress to require the President to interpret whether a treaty is inconsistent with a statute.

The final case is *Clark* v. *Allen*, 331 U.S. 503 (1947), where the Supreme Court decided whether the outbreak of war necessarily suspends or abrogates treaty provisions. On its facts, the case appeared to involve a construction of national policy expressed in an act of Congress, the Trading with the Enemy Act.

Although it is dicta, the pertinent part of the opinion for our purposes today comes from the favorable use by the Court of a quote by then New York State Court Judge Cardozo:

> The President and Senate may denounce the treaty, and thus terminate its life. Congress may enact an inconsistent rule, which will control the action of the courts.

By favorably quoting this interpretation of the treaty abrogation power, the Supreme Court seems to be approving the proposition that either the Senate or Congress must participate in the annulment of a treaty.

INTERNATIONAL LAW ALLOWS TREATIES WITH NONRECOGNIZED STATES

This leaves only the question of whether or not the possible derecognition of the Republic of China, which I trust will never happen, would leave no option to the President other than the assumption that prior treaties with the Republic have lapsed. To put the question another way, can the United States have treaties with authorities or states it does not recognize?

Although we have never before withdrawn recognition from any friendly country, and it is an unusual question to consider, we can take note of situations in which the United States has in the past failed to have diplomatic relations with a particular power, but still has had dealings with it which amounted to recognizing a government as—at least temporarily—exercising de facto control over a particular territory. Mainland China itself is a case in point.

Past international experience of our own and other governments bears out the validity of this practice. For example, the Netherlands at one and the same time recognized the official Government of Spain while entering into formal treaty relations with the government of the Franco regime in 1938. In the 1950's Exypt concluded several treaties with East Germany and Communist China without recognizing those countries.

The United States not only has a liaison office in Communist China, but it has dealt with the Communist regime to negotiate the armistice in Korea and during the Geneva Conference on the reunification of Korea. In 1962, the United States concluded an international

agreement on Laos to which Red China was an official party.

Other precedents involving the United States include the Postal Conventions of 1924 and 1929 to which both we and the Soviet Union became parties, even though the United States did not then recognize the U.S.S.R. Then there is a well-known political treaty, the Briand-Kellogg pact of 1929 for the renunciation of war. Again, the United States, which did not recognize the Soviet Union, agreed to invite her to become a party. Interestingly, the United States subsequently sent Russia a diplomatic note reminding it of its obligations under the Pact, again prior to having diplomatic relations with her.

Then, too, there is the Nuclear Test Ban Treaty. One reason this treaty adopts the feature of appointing three depositories for new members is to enable both Communist China and the Republic of China, and East Germany, to become parties along with nations that do not recognize them. Once again, the United States, which does not recognize Communist China, extended an invitation to it to come into the agreement.

Thus it is that international law clearly permits dealing simultaneously with the legally recognized government of a country and with the separate authorities who are in control of a portion of that state. From this, it does not necessarily follow that, should the President take the improper step of recognizing mainland China and derecognizing the Republic of China, all prior treaties would lose their effect.

In these circumstances, the question of whether or not treaties and other international agreements would continue in effect is one that would be left up to mutual agreement between the United States and the de facto government of Taiwan.

This possibility was examined by Stanford University law professor Victor Li in a recent study sponsored by the Carnegie Endowment for International Peace. Professor Li concluded that there are no legal impediments to considering Red China as the de jure government of China, while the Taiwan authorities would be regarded as being in de facto administrative control of the territory and population of Taiwan.

If Taiwan were regarded as the de facto recognized government of an entity having international personality, Professor Li writes that international law allows for the possibility "that treaties applying to territory actually controlled by Taiwan would remain in force even after withdrawal of de jure recognition."

Professor Li concludes his paper by specifically declaring:

> International law does not require that treaties affecting only the territories controlled by the Taiwan authorities must lapse. On the contrary, there is strong support for protecting on-going relations, especially those involving commercial affairs and private rights.

In his authoritative book on the subject published in 1968, entitled "Nonrecognition and Treaty Relations," Dr. Bernard R. Bot agrees that derecognition of a government does not automatically suspend or terminate all treaties previously entered into by that government.

Quite the contrary, he argues:

> A nonrecognized state can be a party to international agreements provided that its de-facto authorities carry on, even if only as agents, the external relations and can avail themselves of the resources of the territory and control the population if necessary, for the purpose of observing treaty obligations assumed.

Moreover, in chapter III of his book, Dr. Bot reaches the conclusion "that nonrecognition of states and governments does not necessarily impede the latter's capacity to conclude bilateral treaties." He adds, in chapter IV, that—

> It becomes increasingly clear that the criterion for participation in multilateral treaties is no longer the recognition status, but the issue of political desirability.

Elsewhere in that chapter, he adds that "the view that nonrecognition is in itself not a legal impediment to participation in multilateral treaties on an equal basis, is rather widespread."

Thus, it is clear that upon the possible derecognition of the Republic of China, there would be no rule or tradition of international law calling upon the President to consider treaties with the authorities on Taiwan as having lapsed. Rather this would be strictly a political decision motivated by political reasons, not by legal theory or grounds.

THE POWER TO RECOGNIZE GOVERNMENTS DOES NOT INCLUDE THE POWER TO TERMINATE TREATIES

In view of the foregoing discussion, it is obvious that the termination of treaties would be a distinctly separate matter from the recognition or derecognition of governments. The one does not automatically follow from the other, but is a separate political decision to make.

It would be mere legal gimmickry for anyone to contend that recognition carries with it the power to abrogate treaties. It might as well be claimed that recognition brings with it the power to make treaties independently of the Senate.

To repeat, although the President is generally seen as possessing the power to recognize new states and governments, or to decline recognition, based primarily upon his express power to "receive Ambassadors and other public Ministers," this in no way entrusts the President with power to terminate treaties. The two powers are entirely separate.

THE CONCEPT OF CONSIDERING DERECOGNITION AS TERMINATING TREATIES WOULD AFFECT NUMEROUS AGREEMENTS PROTECTING PRIVATE RIGHTS OF INDIVIDUALS AND CORPORATIONS

Mr. President, at this point in my remarks, I should note that it is not only the mutual defense treaty that is involved in the proposal that would allow our treaties with the Republic of China to lapse. The Department of State publication "treaties in force" lists at least 59 treaties and other agreements now in effect between the United States and the Republic of China. If the approach should be adopted that is sought by and on behalf of the Red Chinese, every one of these agreements would fall, not just the formal treaties.

It should be observed that this group of international agreements concerns such major subjects as shoe and textile quotas, aviation landing rights, tariffs on imports and exports, guarantees of American investments of private capital in Taiwan, safeguard of nuclear materials, and protection of rights of American citizens located in Taiwan.

It would be foolhardy to take the position that each and every one of these agreements are terminated after the United States might recognize Red China. As I have indicated, many of the agreements establish rights for private individuals and businesses. Considering these agreements as having lapsed would have serious political and economic consequences and would be likely to incite a rash of litigation by private parties whose interests are adversely affected by such a policy.

THE SANCTION OF IMPEACHMENT IS A CHECK ON ABUSES OF PRESIDENTIAL POWER

In conclusion, no President acting alone can abrogate, or give notice of the intention to abrogate, existing treaties with the government on Taiwan unless he obtains the advice and consent of the Senate or the approval of Congress.

Now, I regret to raise this point, but it must be clearly understood by all, that the check of impeachment is one of the safeguards provided by the Founding Fathers against political offenses, such as an irresponsible abuse by a President of a constitutional discretion.

In fact, a study made by the Library of Congress in 1974 on the abrogation of treaties concludes by observing that in the situation where a conflict arises between the President and the Senate or Congress over the question of abrogation of a treaty, and the President acts contrary to the wishes of the Senate or Congress the President "might be impeached."

This answers the too clever reasoning of the legal adviser of the Department of State which surfaced in a 1936 memorandum to President Roosevelt. His argument contends that the failure of the Congress or the Senate to approve the action of the President in giving notice of intention to terminate a treaty would be of no avail because once the notice is given, the foreign government concerned may decline to accept a withdrawal of such a notice. What the argument fails to note is that even if the foreign government is entitled and wants to rely on such a notice without inquiring into the constitutional authority of the President, this does not change the domestic constitutional situation of the President in relation to the Senate or Congress. The President is still answerable to the Constitution and accountable to the Congress and people.

Any President who would violate the Constitution on such a major matter as breaking faith with the Nation's treaty obligations runs the risk of impeachment.

This is not a threat. It is a simple statement of fact which those who are

unwisely urging this course of action upon the President should understand. They apparently do not know the consequence of what they are asking the President to do.

"HANDICAPPED IOWAN OF THE YEAR" VISITS WASHINGTON

Mr. CULVER. Mr. President, through the generosity of his friends, a very special person is visiting Washington this week. Last April, Bill Sackter was presented with the Handicapped Iowan of the Year Award for his work in overcoming his mental handicap. Bill's story is truly a remarkable one.

Born on Friday, April 13, 1913, Bill's diagnosis as a slow learner with behavior problems led to institutionalization at the Faribault, Minnesota State School for the Feeble Minded and Epileptic at the age of 7. It was not until November of 1964 that Bill returned to the mainstream of society through community placement programs. When Bill was 61, Barry Morrow of the University of Iowa School of Social Work found a home and a job for his friend in Iowa City.

The story of Bill Sackter is a dramatic and heartening example of how the handicapped can play a full role in all our communities and how citizen concern and action can accomplish much in relieving the isolation which far too many of the handicapped suffer.

It is a pleasure to welcome Bill Sackter to Washington this week, and I ask unanimous consent that the following article entitled "Bill's Triumph" from the Des Moines Sunday Register of April 24, 1977, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Des Moines Register, Apr. 24, 1977]

BILL'S TRIUMPH

Every night for three months I saw his face peering out at me from a small window in the back of the building. It was beginning to get cold so I would sit waiting in the car with the windows up while my wife changed from her waitress uniform. It was a big, old country club and rather exclusive. I would watch the doormen run for the cars until the very last Cadillac had left the lot. Then, if my wife was a little late in coming down, I was left alone with that round, bald and toothless but smiling face in the small window. Every now and then he would wave and I would wave back. At first we were both hesitant and used small, nervous waves, but as the nights went by and the ritual developed, we waved harder and more enthusiastically.

His name was Bill, I learned, and my wife said the reason he was at the window was because the stove was right beneath it. He came in to work just before everybody else was leaving, and all night he cleaned stoves. She said he was probably the happiest, most friendly person she had ever met, which surprised me because I had sort of thought of him, in spite of all that waving, as a rather sad and lonely fellow. She also said he was retarded. It was a big, old country club. And an awfully small window.

It was not until the 1972 Staff Christmas Dinner and Dance Party that I finally got inside. Workers and their spouses were invited, drinks and all, compliments of the members. She pointed him out amidst the crowd, and there in a noisy, smoke-filled dining room, he sat alone at a table with a glass of water. I was excited to see him and not at all surprised to find that his body, round and smiling, exactly matched the face in the window that I had come to know and like. What did strike me as odd was the outrageous wig that cover his bald head. Something about me must have tickled him too, for when I finally managed to slip through the bodies and sit down at his table, the first thing we did was laugh. Then we ordered some drinks, compliments of the members, shook hands and laughed some more. And something bonded.

We tried to tell each other things about ourselves, but I had a hard time understanding him. He spoke clearly, that wasn't the problem, but about such random topics that I could barely keep pace. It was as if he had some epic tale he wanted to weave for me, but could remember none of the particulars. He kept calling me Perry, which is not my name, and that bothered me. I was beginning to feel a little uneasy when something he said excited me. In addition to some other part-time jobs and interests, I was in a rock band then, and music was something I could talk about. He said he played the harmonica, and later that night he did.

The dance was held in a huge, opulent ballroom replete with crystal chandeliers and parquet floors. Door prizes were drawn, my wife won a cooler, and then the band started. It was a good "swing band," and everybody danced politely, sitting down to talk and drink between breaks. In a short time things loosened up, and it finally got so hot and stuffy that Bill removed his wig, wadded it into his pocket, and wiped his brow. It must have been a naked feeling because he kept reaching up to pat his head. Everybody, the room itself it seemed, was drunk by then, and somebody passing by, a gardener I think it was, kidded Bill about his Beatle wig. I thought Bill was asleep, but he turned to me and in an almost whisper said, "You can't have hair and brains both." And with that he stood up and marched straight for the bandstand.

"Ladies and Gentlemen," he announced into the microphone, almost swallowing it, "She's Too Fat for Me!" His harmonica flashed and the room exploded. Everybody was up dancing and clapping. Amidst shouts and cheers for "More, More!" he encored with "Beer Barrel Polka," and even though it sounded just like "She's Too Fat for Me," the crowd loved it. It *was* a stupid wig, but it was also the 1972 Staff Christmas Dinner and Dance Party and a chill ran up my spine with his closing benediction, "God Bless You, Everybody."

William Sackter was born on the north side of Minneapolis on Friday, April 13, 1913. His father, Sam, a knitter by trade, and his mother, Mary, were Russian-born Jews. Having emigrated to the Mill City in 1899, they opened a corner grocery store, rented the apartment above it, and raised Bill and his two older sisters, Sarah and Alice. Six years later, at the age of 35, Sam died from a heart attack, leaving Mary and the three children with a store that lost money and a $15-a-week Mother's pension. The children were all in school by that time, but life was tough and Mary had a hard time coping. The store failed and Bill began to get into trouble at school. "His conduct," according to reports, ". . . was apparently good at home, but at school intolerable on account of filthy habits—bowels—which have so far been beyond ordinary control."

IN, OUT OF SCHOOL

Because of his behavior problem and other learning difficulties, Bill was "excused" from school again and again, only to have his mother send him back each time. According to a Children's Bureau document dated November 1, 1920:

"The matter was taken up with the Principal . . . and although the mother had been informed . . . that the child would not be admitted . . . (she) could see no reason why the child should not be accepted. He (the principal) wrote that he knew two very good reasons why the child should not be admitted, his subnormality and his bad habits. The latter means that William has a bad habit of not informing the teacher when he wished to go to the toilet. For awhile he seemed to be trained into doing better, but every now and then the thing would happen."

And so, ". . . it seems that it would be best for the child that he be where he might receive proper training. She insists, of course, that her child is not feeble minded, but feels that she ought to take the advice of the teacher, and friends, that he be placed in some school, since he is now excluded from Public Schools."

On November 6, 1920, at the age of seven, Bill left home for the Faribault State School for the Feeble Minded and Epileptic, never to see his family again.

The forty-four years Bill spent committed to exile at Faribault must have passed like a blur, a time-warp, for when I asked him what his recollections were of the place, he told me, "You know, buddy, I was there for so long I didn't even know I was there. Forty-four. That's a lot of years. Just imagine." The records, too, are sparse, but we do know that Bill ran errands, washed cars, did "odd jobs," went to both Jewish and Christian religious services, was ". . . friendly, considerate, willing to help, even-tempered," and ironically, ". . . well-groomed . . . (and) neat and clean in appearance." And somewhere along the line he learned to ". . . play the harmonica unusually well."

The institution documents also show what Bill *didn't* do. He didn't hear from his immediate family after 1921. Rumors have it his mother instructed the girls to leave Bill's memory behind, that being the best and most peaceful thing to do. Although he is said to have been happy and well-adjusted at the institution, Bill didn't exactly thrive, at least intellectually. Documents show that there was no attempt to measure his I.Q. until he was at least twenty years old, and after that the tests gave these results: 47, 55, 58, 34, 32.

Diagnosis: Mental Deficiency, Imbecile; cause undiagnosed."

This is a matter in which I could spend many hours of idle speculation, but as Bill would say, "Let's just forget about it, buddy. I'm just as good as downtown."

NEVER LEFT

Records indicate that Bill never left the facility, never had a day of vacation, even though in 1939 requests were made to have him placed back in the community. Somehow he kept getting shuffled back to the bottom of the paper pile.

In the early 1960s things became different at Faribault, and within a few short years the institution was headed down a path of irrevocable change. "Community Placement," perhaps created by the "new humanism" or possibly by simple economic necessity, became the hottest new program experiment within the field of protective services, and overnight made a ghost town of Faribault. Bill had a good conduct record, so in spite of a few medical problems, and although every case report written about him from the time he was six years old had recommended that he would require constant supervision and care for the rest of his life, for once Bill was in the wrong place at the right time, and in November of 1964 he took that freedom train to Minneapolis.

His placement was on the South Side, a boarding home with four or five other retarded adult males. For six years he hunted various odd jobs, yard work, snow shoveling, car washes and cleaning up at an auto body

shop. For a time he tried working in a "sheltered workshop" with other handicapped persons, but that didn't last long. He preferred to be on his own.

HEALTH PROBLEMS

At age 56 his health started to fail. He had had two operations for hernia problems in the past, but old pains were resurfacing. The ulcer in his leg was getting worse, and he developed secondary skin problems. His teeth were rotting away. In 1970, the county welfare agency placed Bill in another location with a new job and living quarters, hoping it might help relieve what had become chronic conditions. His bed and chair were in an upstairs room in the old servants quarters, and at night he came down to clean the stoves in the big, old country club.

Bill was 61, my wife had our first baby, and I had a new job offer, so in the fall of 1974 we moved to a farm at Kalona, and I started work at the University of Iowa's School of Social Work. Six months later, with a suitcase full of red tape, Bill arrived in Iowa City. The school where I worked employed him, and a kind, elderly woman named Mae took him in as a boarder. It's a comfortable place with two rooms and a private bath. His windows look out into Mae's greenhouse, and his rooms themselves are filled with plants and pictures of friends. "I found a good home," he once remarked to me, "and I've been home ever since."

Today you can usually find Bill in his coffee shop at the School of Social Work. He takes an early bus and gets there before anyone else to make sure the pots are hot. He's proud of his coffee. He also sands and refinishes old furniture, and nearly every room in the school has some beautiful piece that Bill has reclaimed from the salvage storehouse. He doesn't use his wig as often anymore, for he now sports a big, bushy, salt and pepper beard. He's proud of his beard. The little children who attend the child care center located in the same building ritually stop up at the coffee shop each day with their parents to see him and say "good morning." And although they call him "Bill," each one secretly knows that he's really Santa Claus.

We finally found and contacted Bill's sister, Sarah. She was widowed, living in Florida, and gravely ill. We called and Bill spoke to her for the first time in fifty-five years, and when he hung up he cried. Later he received a letter too personal to recite here, but it helped explain what had happened and gave them both some peace. Bill was saving his money for a plane ticket to visit her, when one day he called and a strange voice told him her heart had failed and she was dead. "She's resting now," was all Bill said.

This is the epic tale that neither Bill nor I can truly tell. Although the events may seem sad, Bill harbors no resentment and neither should we. When he was hospitalized recently for further leg treatments, his bus sent him a "get well" card! Buses won't do that for everybody. This has been the story of Everybody's Bill.

Recently, in probate court, a petition was introduced asking that legal guardianship over Bill be discharged, and an order was issued restoring him to "full capacity." In his wallet, Bill carries those papers with him everywhere, and shows them off with great pride. He also carries a worn two-dollar bill, a good luck piece issued on his last birthday. Thomas Jefferson, it seems, was also born on Friday, April 13. Not an unlucky day, all things considered.

One day, while we were riding around together in my car, I asked Bill what he would want to do if we should happen to move out of Iowa. He usually has a ready-made response for most of my questions concerning his future welfare, but this time he thought long and hard before answering. "I want to stay here," he said. "It's my home and I'm on my own now."

Later, when I dropped him off at his place, we agreed for the thousandth time that, yes, he could call me again at noon the next day—just to see how I was doing.

Thinking more about it, I guess we wouldn't take him with us anyway. He belongs and is needed where he is—playing that harmonica, sanding down tables and chairs, greeting the pre-schoolers as they start each new day, and, over a cup of coffee, teaching social work students the very essence of their profession.

Everybody, after all, needs a lucky two-dollar Bill.

BARRY MORROW
(Bill's friend).

ARE WE DEVOTED TO AND DO WE LOVE OUR COUNTRY?

Mr. GOLDWATER. Mr. President, we question, from time to time, the patriotism of our young people and their sense among our youth who are most patriotic of national pride. Probably some of those among our youth who are most patriotic are those who wear the uniform of our armed services. This past month, at MacDill Air Force Base, Fla., a young staff sergeant gave a brief speech to the graduating class of the Noncommissioned Officers Leadership School. I think his words make all of us proud of our young Noncommissioned Officer Corps and a bit more secure in our Nation's security.

S. Sgt. Jeffrey A. Mumford of the 14th Missile Warning Squadron at MacDill Air Force Base, Fla., and the honor graduate of class 77–6 of the NCO Leadership School had a significant message for his classmates and other assembled guests, and I ask unanimous consent that Sergeant Mumford's words be printed in the RECORD so that all Americans might share them.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SERGEANT MUMFORD

Distinguished Guests, Fellow Members of the Graduating Class, Ladies and Gentlemen.

Webster defines patriotism as a love for, or devotion to country.

Patriotism has effected our nation in the past, is affecting our nation now, and holds the key to our Nation's future.

Without a strong sense of patriotism in our past, we would not exist as a free and united nation today. In the late 1770's when our country was fighting for its freedom, our mightiest weapon was patriotism. Many times Continental Armies, ill equipped and fewer in number defeated British Forces. Why! Because they had patriotism. They were devoted to and loved their newly formed country. They were ready to defend and promote its interest—freedom.

Later in our history, a strong sense of patriotism kept our country united. President Lincoln, a man who despised war and killing, led our nation into what many people of today believe was our worst war. President Lincoln however, put aside his personal feelings on war and killing and allowed his sense of patriotism to rule his actions. Because of his sense of patriotism, his love and devotion to country, we enjoy a free and United States of America today.

And what about today? I look around and I see a lack of patriotism in America. I see various groups and organizations, harassing our government officials, burning our nation's flag during protests, selling defense information to our enemies—the list of offenses against our nation is practically endless. A lot of you might be thinking, that's true, but it's just a small minority within our country doing these things. You're correct, it is only a small minority, but that small minority with its lack of patriotism is like a disease, an incurable, yes incurable but not necessarily fatal disease, for like the individual with diabetes who takes his insulin and lives a full life, our nation can also live a full life, to do so we must have our insulin.

Our insulin, our cure, is a renewed sense of patriotism. At this time we don't have a war, like our founding fathers and President Lincoln had, to instill in us that needed extra sense of patriotism. We have something greater. We have a nation that, for the first time in many years, is at peace. If the future is to hold additional peace for our nation, each day we must all examine our hearts and minds and ask ourselves . . .

Are we devoted to and do we love our country?

AN APPRECIATION OF HERBERT HOOVER

Mr. CURTIS. Mr. President, every year since 1954, August 10, the date of Herbert Clark Hoover's birth, has been marked with appropriate and impressive ceremonies at Mr. Hoover's birthplace in West Branch, Iowa.

Last month, the principal address at this annual tribute to America's 31st President was delivered by our former colleague, Roman L. Hruska.

The theme of Senator Hruska's address was to find meaning for today in the 90 years of Herbert Hoover's life—as a humanitarian and as a statesman.

I commend to my colleagues the thoughtful and incisive comments of Roman Hruska, himself one of the most respected men ever to have served in the Senate, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

HERBERT CLARK HOOVER

It is a very brave man—or more likely a foolhardy one—who would undertake to speak in this setting about the 31st President of the United States.

There are unquestionably in this audience men and women far more familiar than I with the life and times of Herbert Clark Hoover. Therefore, I seek your indulgence for one who comes to you with no special qualifications to stand at this podium beyond an unbounded admiration and respect for the man whose memory we honor.

You have flattered me with your generous invitation to share with you my own perceptions on this, the 103rd anniversary of Herbert Hoover's birth in this village, a birth which virtually every Hoover biographer has remarked with the blacksmith Jesse Hoover's proud assertion that "We have another Grant at our house."

It is not my purpose this morning to "justify" Herbert Hoover's presidency. History has already restored this great humanitarian to the lofty position of respect and admiration he deserves. Indeed, Eugene Lyons, in his magnificent biography, fixes the year in which the tide of public sentiment began to turn as 1947—30 years ago.

Nor is it my intention to be overly partisan in these remarks since that would ill serve the memory of Herbert Hoover. He himself refused to engage in blind partisanship.

Many politicians assert that was to his disadvantage. As Hoover himself put it in his Inaugural Address: "The animosities of elections should have no place in our government, for government must concern itself alone with the common weal."

He enjoyed the respect and the admiration of many men and women not of his political faith. Harry S Truman once told Admiral Lewis Strauss, "As for Mr. Hoover—you may not know it but I hold him in very high regard. I think he is a great American and will someday be so recognized even by the people who have defamed him."

That day came sooner than anyone who witnessed the vicious attacks of the early 1930's could have imagined.

My purpose this morning is to pay tribute to Herbert Hoover and to explore the life of this extraordinary man to see what meaning we can find for today.

Hoover's ideals and principles were basic and timeless. They are enshrined in the gleaming library in this village of his birth. Can we do better than to examine them for their application in 1977?

Upon accepting the invitation to appear on the program of this day, I reviewed some of the tributes which were paid to Mr. Hoover in the Senate of the United States in several of its sessions specially set aside for such occasions, during my tenure in that body.

One of the most moving of these was on this day—August 10—in 1960, when Mr. Hoover was 86 years old.

My closest friend in the Senate, the late Everett McKinley Dirksen, said:

"He met the severe changes of his generation and probably they were greater than those of any time in two generations. But it was thereafter that he rose to even greater heights, because of the work he did in the relief field, and also in the field of helping to reorganize the government over which he once presided."

Lyndon Baines Johnson, then the Majority Leader of the Senate, said this about Hoover:

"He is a great man who has a great heart and a great mind, who has served all of America so unselfishly through so many years and stands ready at any time, even now, to go wherever he believes he can be of service to this country. I take pride in calling him my friend. I have had the benefit of his counsel. I have profited from it, as has our country."

There were many others of us who rose in the Senate to acknowledge our gratitude for the great service of this uncommon man.

One member of the Senate who knew Mr. Hoover especially well is Arkansas's John McClellan who was one of only three or four men who served on both Hoover Commissions. Now 81 years old, he has served in the Senate since 1943 and is junior only to James O. Eastland, the President Pro Tem.

John McClellan bears a heavy burden as chairman of the Appropriations Committee and as a senior member of the Judiciary Committee. It was my privilege to serve alongside him on both those committees. He is ill now and his doctors have ordered that he rest for two months. I ask that you join with me today in private prayer for his speedy recovery.

It is now 13 years since I came to this very place for the final services for Herbert Clark Hoover. I well recall that sad November day and the reverential hush that held the 40,000 mourners as the flag-draped coffin was borne to the open grave under pleasant Indian Summer skies.

The Reverend David Elton Trueblood's words of eulogy on that day are worth recalling now:

"This man endured," he said. "He did not speak too much, but he wrote unceasingly with care and precision that the record should be left correct . . . Now, at least, these facts have crystallized in the public mind, letting us say farewell with universal gratitude for all he did for his country and for the world."

I had a word that day with Herbert Hoover, Jr. to whom a military aide had handed the triangular folded flag.

My mind went back to a summer in 1932 when, as a young man, I attended the Republican National Convention in Chicago which nominated Herbert Clark Hoover for a second term. I was a temporary—and slightly unofficial—alternate delegate to that convention.

In 1928, my state had given the Hoover-Curtis ticket a margin of nearly 2 to 1 over Al Smith in the biggest vote ever cast by Nebraskans in a presidential election.

What can we draw upon from Mr. Hoover's 90 years of his full, rich, experience, attainments and wisdom for our use and benefit today?

May I suggest this approach. that we recall the deep, extensive sense of history which he had. He was appreciative of its essence. He was deeply committed to personal effort and action on his part to carry on and to fulfill as he best could in the traditions of that history.

He also had the conviction that each citizen's knowledge of history dictated dedication to personal action to the best of the capabilities of each one of us, to the same goal of the strengthening and improving our government.

This was clearly demonstrated in a speech at Valley Forge, on February 22, 1958, when he accepted Freedom Foundation's highest award.

With his quiet eloquence, he spoke of the hardships of Washington and his troops during that dreadful winter in Pennsylvania.

"We, too, are writing a new chapter in American history," he said. "If we weaken, as Washington did not, we shall be writing the introduction to the decline of the American character and the fall of American institutions. If we are firm and farsighted, as were Washington and his men, we shall progress. If, by the grace of God, we stand steadfast in our great traditions through this time of stress, we shall insure that we and our sons and daughters shall see these fruits increased many fold."

The words were Hoover's but the remarkable thing is that he had delivered the identical speech at the same place 27 years earlier on Memorial Day, 1931. He believed with the tenacity of his Quaker faith what he had said in 1931 was equally meaningful in 1958. And it still applies on this day in August, 1977.

Last year America celebrated the 200th anniversary of its Declaration to engage in a vast, meaningful experiment in self-government.

Twenty decades is a long time by any measure. It is a long time for continuous functioning of a nation under one written Constitution and form of government.

It is not a long time, of course, in the history of people and government since the advent of higher civilization on this earth.

The Declaration of 200 years ago is still an experiment. In the light of hundreds and even thousands of years of governments coming and going, there is no assurance nor any certainty of indefinite survival under the present form of governing our nation's affairs.

Can it come about that this nation, possessed of so much strength, so many resources, and such a proud successful tradition, can be confronted or even contemplate failure in its mission of attaining its declared goals?

If so, how will it come about? And why?

Carl Sandburg—author, citizen and philosopher of universal note, made this observation in one of his later books:

"... For we know that when a nation goes down and never comes back, when a society or civilization perishes, one condition may always be found. They forgot where they came from. They lost sight of what brought them along ..."

He went on in his thinking in this wise: The hard beginnings were forgotten, as there were the struggles further along. The people became satisfied with themselves. There had been enough unity and common understanding to overcome rot and dissolution; and enough to overcome their obstacles.

But the mockers came. Deniers were heard. Vision and hope faded.

The custom of greeting became: "Oh, what's the use?"

Later men whose forefathers would go anywhere, holding nothing impossible in the genius of man, joined the mockers and the deniers.

They forgot where they came from. They lost sight of what had brought them along.

If there should ever come such a time—or even the threat thereof—both of which God Forbid!—that indeed would be a time to repair to the history, the life, and the teachings of the man whose career we commemorate today.

He was ever mindful of whence he had come.

He ever had in mind what had brought him and his people along.

We know these things to be true, not only because he taught them, but also because of the many actions in which he engaged to perpetuate such thinking.

For we know that he clearly perceived the role of governmental jurisdiction, yet always clearly and firmly reserving on the other hand the undeniable and indispensable role of the non-governmental province in our nation's pattern of existence and progress.

Both Lincoln and Hoover believed in a limited role for the federal government. Every schoolboy knows Lincoln's assertion that government should do only what the people cannot do for themselves or do so well. Hoover put it this way: "Mastery of government cannot be extended over the daily life of a people without making it the master of their souls and thoughts."

The federal budget transmitted by the President in January of this year proposed about 440 billions of dollars in outlays.

About 38 percent of it was scheduled for payment directly to individuals as a part of the so-called Domestic Assistance Program. The Federal Catalog lists 1,044 programs identified with this over-all program.

Should we be seriously asking ourselves whether such mountainous billions by over 1,000 federal agencies and offices are the type and degree of intrusion into the daily lives of Americans so as to make the government master of their souls and thoughts?

The gross federal debt in Fiscal Year 1978 is estimated at 785 billions of dollars. At much too early a date it will reach a trillion dollars—an amount impossible to perceive clearly.

Two hundred years ago, when the Constitution was being debated, a substantial number of the Founding Fathers expressed opposition. They did not believe it would work for very long. Their opposing arguments went something like this: As soon as the people of the new nation would learn that they could vote themselves benefits without having to pay for them, the Republic's downward path of disintegration, dissolution and downfall would start.

Have we reached such a time and circumstance? Let us ponder this subject in the light of longer historical outlook.

Our system of self-government is still an experiment. Progress, improvement, or even survival, are by no means assured for an indefinite future.

It can be made to work and to survive; it

can be conditioned to the service of humankind for generations into the future;—provided there is an application and practice of sound political and economic principles provided we resolve to seek attainment of the ideals which served so well in the formation of the Republic. This would mean principles and ideals such as those articulated so clearly and applied so faithfully by Mr. Hoover.

If the annual observances of the August 10 anniversary of Mr. Hoover's birth will serve to widely inform and rekindle a reawakening and reaffirmation of his basic principles and ideals, then indeed they befit their objectives well.

Those who arrange for such observances are to be commended. Americans everywhere should be grateful to them.

Sophocles, the ancient Greek philosopher, said over 200 years ago: "One must wait till evening to see how splendid the day has been."

The birth of Herbert Hoover 103 years ago brought about one of the Republic's most outstanding "splendid" days.

May we ever cherish and honor it.

MANDATORY RETIREMENT AND ITS EFFECTS

Mr. WILLIAMS. Mr. President, the New York Times recently published an insightful article which vividly illustrates the urgent need for reform of our Nation's retirement age policies. The article is a personal account of the experiences of a college professor who was mandatorily retired solely on account of having achieved a specified arbitrary age—suffering, in her own words, "the cruelest kind of rejection."

The author's story is not unlike those of hundreds of thousands of older Americans who are wrongfully dispossessed from their jobs each year by present mandatory retirement policies. These persons are the unfortunate victims of ill-founded myths and misconceptions about the abilities and desires of the elderly which underlie the rampant age discrimination which pervades our society.

Mandatory retirement consigns vital, capable older workers to lives of private stagnation and decline. In depriving the aged of their dignity and independence, mandatory retirement not only precipitates countless personal tragedies, but robs the Nation of the active contribution and human potential of its most highly skilled and experienced citizens.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 8, 1977]

How Old Is Old?

(By Anonymous)

I have recently been retired. I use the passive voice deliberately. This retirement was no act of mine; it was forced upon me by a computer that simply threw up a name to be discarded. It was no act of an administrator who rationally considered the worker and her work. The worker, with an excellent record of attendance, responsibility and reliability, whose vigor and willingness were in no way diminished had to be dismissed. The years of experience were less than nothing.

For some time I had been uneasy, aware that however fit I might be, students, growing up in a society in which the emphasis is on youth, would think of me as diseased. After all old age is a disease in America. The aged person becomes a leper, to be put away in an institution or, if lucky, and affluent, in an expensive colony, separated from the rest of mankind.

I found myself beginning to feel apologetic for my continuing tenure. I felt that I should do as everyone said, go away and make room for a younger person, someone with little or no experience, whose chief asset would be youth, and therefore with more right to the position.

Accordingly, when that dire notice arrived, my reaction was to disappear quietly, to let no one know that I had been struck down with that dread "disease." I was no longer an active, intelligent human being, but a supernumerary to be put out of the way. I wanted no testimonials to my condition. I was ashamed.

Walking about my own neighborhood in the light of day, I would not reveal the truth to inquiries about my idleness. I was on leave, I was writing a book, I was on sabbatical. I could not confess that I was now a relic. I edged away from organizations for the retired, shunning my own kind. I refused to take advantage of the privileges for "senior citizens," continuing to pay full fares, full charges.

But some things are unavoidable, and the whole apparatus of Social Security hit me: papers to be filled out, official ukases to be interpreted, the mimeographed word to be construed, the muddy language of the computer to be painfully transmitted to the understanding, figures to be added up again and again.

Just now, when this great change in my life is taking place, and I need a structured routine, the structure is cut down under my slipping feet. I get up in the morning, just as early, or even earlier, for now I cannot sleep, then go through the household chores, and have nothing further to do.

There is not the stimulation of a shared experience with colleagues, the preoccupation with the work. There is only the lonely house and the lonelier walk. Entertainment soon palls; the freedom of one's own time, the time that stretches endlessly, is not used. But there is also the prickling awareness that that very time is limited, that it must be used at once, or it will be gone. And then one thinks, "What the hell, let it go, it doesn't matter."

Everything seems to be coming to an end anyhow. With the cut in income there is also a cut in benefits, to which I am no longer entitled. So I begin to worry about money: Should I spend it all now—there's so little future left; or should I watch every penny, I may get sick and need private nurses; there will be no one to take care of me when I'm destitute. Should I move, can I afford it, is it worth the effort?

Then there is the question of relationships with former colleagues. I have the time, but they're working, taking on new loads; they're occupied. I must proceed carefully so as not to intrude into their precious time, careful not to injure the fragile bond, careful not to become an annoyance.

Some of these colleagues have expressed envy of my freedom. I used to bewail the fact that I had not enough free time; there were so many things I wanted to do. Now I have all that time, but not the will to do anything. I used to bake bread on those Sundays when I had five sets of papers to mark. I managed to find the time and the energy. Fatigue? It was well-earned fatigue. I had a right to pamper myself. Now I have no right, I have not earned it, I cannot go on that long trip.

The doctor tells me I am "in very good shape." My mind is teeming with ideas, but no one wants them. I don't want to fill in the time before I die. I want to use the time. I need to work, not make-work, not a hobby, not volunteer work. I need a job. I want my old job back. I was good at it.

To be considered unfit for the very job for which I was trained, in which I have many years of experience, is the cruelest kind of rejection.

Then I am truly unfit, no good at anything. There is no longer any incentive to work; there is only the overwhelming fear of further rejection. Nothing else matters, nothing else affords any kind of compensation.

NOTE.—The writer, who requested anonymity, was assistant professor of English in the City University system.

POLL SHOWS CLOSE MARGIN ON PANAMA CANAL TREATY

Mr. CHAFEE. Mr. President, the Panama Canal treaties have generated the most intense interest around the country and while polls are useful tools for analysis, the complexity of the issues before us demands more careful study on our own. However, in view of the largely one-sided margin that is shown in the mail that most of us have been receiving on the Panama Canal issue, I would like to call to the attention of my colleagues the recent Gallup poll on how Americans feel about the Panama Canal treaties on a nationwide basis.

The level of support indicated by this survey might be surprising to those who have suggested that Americans are opposed to the treaties by as much as a 3-to-1 margin.

While the issues involved in these treaties may not yet be readily familiar to many Americans, I am hopeful that in in the course of our debates the American public will maintain an open mind.

Mr. President, I ask unanimous consent that this most recent Gallup poll be printed in the RECORD.

There being no objection, the Gallup poll was ordered to be printed in the RECORD, as follows:

In National Public Opinion Referendum U.S. Public Closely Divided on Panama Treaty: 39 Percent Approve; 46 Percent Disapprove

(By George Gallup)

PRINCETON, N.J.—President Jimmy Carter's decision to go to the American people to win support for the Panama treaty comes at a time when the public is closely divided on this controversial issue.

In the first nationwide survey—in effect, a national referendum—39 per cent of those who have heard or read about the treaty express approval, while 46 per cent disapprove of the proposed new treaty between the U.S. and Panama, which calls for the U.S. to turn over ownership of the canal to Panama at the end of this century but to retain protective rights and responsibilities. Fifteen per cent of the aware group are undecided.

Sharp differences are found on the basis of population groups. Persons with a college background, for example, lean 49 to 40 per cent in approval of the treaty, Republicans disapprove by a 2-to-1 margin, while Democratic voters and independents are about evenly divided.

WHAT VOTERS ARE SAYING

Among those who approve of the new treaty is a 59-year-old stock speculator in Miami, Fla.

"It is important to have more cooperation with Latin America. People in Latin America feel the canal is just another example of American colonialism," he said.

Another who approves is a 54-year-old college professor in Knoxville, Tenn.

"By the year 2000, the canal will have little strategic or economic value to us. The supertankers of tomorrow won't be able to use it. There is more emotion than logic connected with it (the treaty) and we have done very well in making this treaty," he said.

A 60-year-old retiree in Washington, D.C., opposes the treaty.

"I disapprove of the treaty for two main reasons: First, we have billions of dollars invested in it and it has been our property for three-quarters of a century: second, Panama is a dictatorship with no freedom for its citizens—how could they control the canal better than we?"

This question was asked first in the survey:

"Have you heard or read about the proposed new treaty between the U.S. and the Republic of Panama regarding the Panama Canal?"

The results show three in four nationwide saying they have heard or read about the treaty. About 9 in 10 among the college-educated group express awareness. Awareness levels are lower among women than men, and younger persons than older, as seen below:

Have heard or read about

	Percent
National	76
Men	83
Women	69
18 to 29 years	65
30 to 49 years	76
50 and over	82
College	89
High school	71
Grade school	56
Republicans	84
Democrats	73
Independents	74

All persons in the survey were next asked this question: "The proposed new treaty between the U.S. and Panama calls for the U.S. to turn over ownership of the canal to Panama at the end of this century. However, the U.S. will maintain control over the land and installations necessary to operate and defend the canal. Do you approve or disapprove of this proposed new treaty?"

Here are the findings based on those who have heard or read about the treaty:

Approve or disapprove Panama Canal Treaty?

[In percent]

	Approve	Disapprove	No opinion
Nationwide	39	46	15
College	49	40	11
High school	32	52	16
Grade school	28	46	26
18 to 29 years	44	44	12
30 to 49 years	45	43	12
50 and over	30	51	19
East	43	42	15
Midwest	37	50	13
South	35	47	18
West	38	49	13
Republicans	31	58	11
Democrats	43	41	16
Independents	41	43	16

The results reported today are based on interviews with 1,025 adults, out of a total sample of 1,356 adults, 18 and older, conducted in person in more than 300 scientifically selected localities across the nation August 18–22.

PANAMA CANAL TREATY

Mr. MUSKIE. Mr. President, because of the broad interest of my constituents and, indeed, all Americans, in the provisions of the new Panama Canal Treaties, I believe the full text of those treaties should be available to as many people as possible.

Accordingly, I ask unanimous consent that a copy of that text be printed in the RECORD.

There being no objection, the treaty was ordered to be printed in the RECORD, as follows:

PANAMA CANAL TREATY

The United States of America and the Republic of Panama.

Acting in the spirit of the Joint Declaration of April 3, 1964, by the Representatives of the Governments of the United States of America and the Republic of Panama, and of the Joint Statement of Principles of February 7, 1974, initialed by the Secretary of State of the United States of America and the Foreign Minister of the Republic of Panama, and

Acknowledging the Republic of Panama's sovereignty over its territory,

Have decided to terminate the prior Treaties pertaining to the Panama Canal and to conclude a new Treaty to serve as the basis for a new relationship between them and, accordingly, have agreed upon the following:

ARTICLE I

Abrogation of prior treaties and establishment of a new relationship

1. Upon its entry into force, this Treaty terminates and supersedes:

(a) The Isthmian Canal Convention between the United States of America and the Republic of Panama, signed at Washington, November 18, 1903;

(b) The Treaty of Friendship and Cooperation signed at Washington, March 2, 1936, and the Treaty of Mutual Understanding and Cooperation and the related Memorandum of Understandings Reached, signed at Panama, January 25, 1955, between the United States of America and the Republic of Panama;

(c) All other treaties, conventions, agreements and exchanges of notes between the United States of America and the Republic of Panama, concerning the Panama Canal which were in force prior to the entry into force of this Treaty; and

(d) Provisions concerning the Panama Canal which appear in other treaties, conventions, agreements and exchanges of notes between the United States of America and the Republic of Panama which were in force prior to the entry into force of this Treaty.

2. In accordance with the terms of this Treaty and related agreements, the Republic of Panama, as territorial sovereign, grants to the United States of America, for the duration of this Treaty, the rights necessary to regulate the transit of ships through the Panama Canal, and to manage, operate, maintain, improve, protect and defend the Canal. The Republic of Panama guarantees to the United States of America the peaceful use of the land and water areas which it has been granted the rights to use for such purposes pursuant to this Treaty and related agreements.

3. The Republic of Panama shall participate increasingly in the management and protection and defense of the Canal, as provided in this Treaty.

4. In view of the special relationship established by this Treaty, the United States of America and the Republic of Panama shall cooperate to assure the uninterrupted and efficient operation of the Panama Canal.

ARTICLE II

Ratification, entry into force, and termination

1. This Treaty shall be subject to ratification in accordance with the constitutional procedures of the two Parties. The instruments of ratification of this Treaty shall be exchanged at Panama at the same time as the instruments of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, signed this date, are exchanged. This Treaty shall enter into force, simultaneously with the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, six calendar months from the date of the exchange of the instruments of ratification.

2. This Treaty shall terminate at noon, Panama time, December 31, 1999.

ARTICLE III

Canal operation and management

1. The Republic of Panama, as territorial sovereign, grants to the United States of America the rights to manage, operate, and maintain the Panama Canal, its complementary works, installations and equipment and to provide for the orderly transit of vessels through the Panama Canal. The United States of America accepts the grant of such rights and undertakes to exercise them in accordance with this Treaty and related agreements.

2. In carrying out the foregoing responsibilities, the United States of America may:

(a) Use for the aforementioned purposes, without cost except as provided in this Treaty, the various installations and areas (including the Panama Canal) and waters, described in the Agreement in Implementation of this Article, signed this date, as well as such other areas and installations as are made available to the United States of America under this Treaty and related agreements, and take the measures necessary to ensure sanitation of such areas;

(b) Make such improvements and alterations to the aforesaid installations and areas as it deems appropriate, consistent with the terms of this Treaty;

(c) Make and enforce all rules pertaining to the passage of vessels through the Canal and other rules with respect to navigation and maritime matters, in accordance with this Treaty and related agreements. The Republic of Panama will lend its cooperation, when necessary, in the enforcement of such rules;

(d) Establish, modify, collect and retain tolls for the use of the Panama Canal, and other charges, and establish and modify methods of their assessment;

(e) Regulate relations with employees of the United States Government;

(f) Provide supporting services to facilitate the performance of its responsibilities under this Article;

(g) Issue and enforce regulations for the effective exercise of the rights and responsibilities of the United States of America under this Treaty and related agreements. The Republic of Panama will lend its cooperation, when necessary, in the enforcement of such rules; and

(h) Exercise any other right granted under this Treaty, or otherwise agreed upon between the two Parties.

3. Pursuant to the foregoing grant of rights, the United States of America shall, in accordance with the terms of this Treaty and the provisions of United States law, carry out its responsibilities by means of a United States Government agency called the Panama Canal Commission, which shall be constituted by and in conformity with the laws of the United States of America.

(a) The Panama Canal Commission shall be supervised by a Board composed of nine members, five of whom shall be nationals of the United States of America, and four of whom shall be Panamanian nationals proposed by the Republic of Panama for appointment to such positions by the United States of America in a timely manner.

(b) Should the Republic of Panama request the United States of America to remove a Panamanian national from membership on the Board, the United States of America shall agree to such a request. In that event, the Republic of Panama shall propose another Panamanian national for

appointment by the United States of America to such position in a timely manner. In case of removal of a Panamanian member of the Board at the initiative of the United States of America, both Parties will consult in advance in order to reach agreement concerning such removal, and the Republic of Panama shall propose another Panamanian national for appointment by the United States of America in his stead.

(c) The United States of America shall employ a national of the United States of America as Administrator of the Panama Canal Commission, and a Panamanian national as Deputy Administrator, through December 31, 1989. Beginning January 1, 1990, a Panamanian national shall be employed as the Administrator and a national of the United States of America shall occupy the position of Deputy Administrator. Such Panamanian nationals shall be proposed to the United States of America by the Republic of Panama for appointment to such positions by the United States of America.

(d) Should the United States of America remove the Panamanian national from his position as Deputy Administrator, or Administrator, the Republic of Panama shall propose another Panamanian national for appointment to such position by the United States of America.

4. An illustrative description of the activities the Panama Canal Commission will perform in carrying out the responsibilities and rights of the United States of America under this Article is set forth at the Annex. Also set forth in the Annex are procedures for the discontinuance or transfer of those activities performed prior to the entry into force of this Treaty by the Panama Canal Company or the Canal Zone Government which are not to be carried out by the Panama Canal Commission.

5. The Panama Canal Commission shall reimburse the Republic of Panama for the costs incurred by the Republic of Panama in providing the following public services in the Canal operating areas and in housing areas set forth in the Agreement in Implementation of Article III of this Treaty and occupied by both United States and Panamanian citizen employees of the Panama Canal Commission: police, fire protection, street maintenance, street lighting, street cleaning, traffic management and garbage collection. The Panama Canal Commission shall pay the Republic of Panama the sum of ten million United States dollars ($10,000,000) per annum for the foregoing services. It is agreed that every three years from the date that this Treaty enters into force, the costs involved in furnishing said services shall be reexamined to determine whether adjustment of the annual payment should be made because of inflation and other relevant factors affecting the cost of such services.

6. The Republic of Panama shall be responsible for providing, in all areas comprising the former Canal Zone, services of a general jurisdictional nature such as customs and immigration, postal services, courts and licensing, in accordance with this Treaty and related agreements.

7. The United States of America and the Republic of Panama shall establish a Panama Canal Consultative Committee, composed of an equal number of high-level representatives of the United States of America and the Republic of Panama, and which may appoint such subcommittees as it may deem appropriate. This Committee shall advise the United States of America and the Republic of Panama on matters of policy affecting the Canal's operation. In view of both Parties' special interest in the continuity and efficiency of the Canal operation in the future, the Committee shall advise on matters such as general tolls policy, employment and training policies to increase the participation of Panamanian nationals in the operation of the Canal, and international policies on matters concerning the Canal. The Committee's recommendations shall be transmitted to the two Governments, which shall give such recommendations full consideration in the formulation of such policy decisions.

8. In addition to the participation of Panamanian nationals at high management levels of the Panama Canal Commission, as provided for in paragraph 3 of this Article, there shall be growing participation of Panamanian nationals at all other levels and areas of employment in the aforesaid Commission, with the objective of preparing, in an orderly and efficient fashion, for the assumption by the Republic of Panama of full responsibility for the management, operation and maintenance of the Canal upon the termination of this Treaty.

9. The use of the areas, waters and installations with respect to which the United States of America is granted rights pursuant to this Article, and the rights and legal status of United States Government agencies and employees operating in the Republic of Panama pursuant to this Article, shall be governed by the Agreement in Implementation of this Article, signed this date.

10. Upon entry into force of this Treaty, the United States Government agencies known as the Panama Canal Company and the Canal Zone Government shall cease to operate within the territory of the Republic of Panama that formerly constituted the Canal Zone.

ARTICLE IV

Protection and defense

1. The United States of America and the Republic of Panama commit themselves to protect and defend the Panama Canal. Each Party shall act, in accordance with its constitutional processes, to meet the danger resulting from an armed attack or other actions which threaten the security of the Panama Canal or of ships transiting it.

2. For the duration of this Treaty, the United States of America shall have primary responsibility to protect and defend the Canal. The rights of the United States of America to station, train, and move military forces within the Republic of Panama are described in the Agreement in Implementation of this Article, signed this date. The use of areas and installations and the legal status of the armed forces of the United States of America in the Republic of Panama shall be governed by the aforesaid Agreement.

3. In order to facilitate the participation and cooperation of the armed forces of both Parties in the protection and defense of the Canal, the United States of America and the Republic of Panama shall establish a Combined Board comprised of an equal number of senior military representatives of each Party. These representatives shall be charged by their respective governments with consulting and cooperating on all matters pertaining to the protection and defense of the Canal, and with planning for actions to be taken in concert for that purpose. Such combined protection and defense arrangements shall not inhibit the identity or lines of authority of the armed forces of the United States of America or the Republic of Panama. The Combined Board shall provide for coordination and cooperation concerning such matters as:

(a) The preparation of contingency plans for the protection and defense of the Canal based upon the cooperative efforts of the armed forces of both Parties;

(b) The planning and conduct of combined military exercises; and

(c) The conduct of United States and Panamanian military operations with respect to the protection and defense of the Canal.

4. The Combined Board shall, at five-year intervals throughout the duration of this Treaty, review the resources being made available by the two Parties for the protection and defense of the Canal. Also, the Combined Board shall make appropriate recommendations to the two Governments respecting projected requirements, the efficient utilization of available resources of the two Parties, and other matters of mutual interest with respect to the protection and defense of the Canal.

5. To the extent possible consistent with its primary responsibility for the protection and defense of the Panama Canal, the United States of America will endeavor to maintain its armed forces in the Republic of Panama in normal times at a level not in excess of that of the armed forces of the United States of America in the territory of the former Canal Zone immediately prior to the entry into force of this Treaty.

ARTICLE V

Principle of non-intervention

Employees of the Panama Canal Commission, their dependents and designated contractors of the Panama Canal Commission, who are nationals of the United States of America, shall respect the laws of the Republic of Panama and shall abstain from any activity incompatible with the spirit of this Treaty. Accordingly, they shall abstain from any political activity in the Republic of Panama as well as from any intervention in the internal affairs of the Republic of Panama. The United States of America shall take all measures within its authority to ensure that the provisions of this Article are fulfilled.

ARTICLE VI

Protection of the environment

1. The United States of America and the Republic of Panama commit themselves to implement this Treaty in a manner consistent with the protection of the natural environment of the Republic of Panama. To this end, they shall consult and cooperate with each other in all appropriate ways to ensure that they shall give due regard to the protection and conservation of the environment.

2. A Joint Commission on the Environment shall be established with equal representation from the United States of America and the Republic of Panama, which shall periodically review the implementation of this Treaty and shall recommend as appropriate to the two Governments ways to avoid or, should this not be possible, to mitigate the adverse environmental impacts which might result from their respective actions pursuant to the Treaty.

3. The United States of America and the Republic of Panama shall furnish the Joint Commission on the Environment complete information on any action taken in accordance with this Treaty which, in the judgment of both, might have a significant effect on the environment. Such information shall be made available to the Commission as far in advance of the contemplated action as possible to facilitate the study by the Commission of any potential environmental problems and to allow for consideration of the recommendation of the Commission before the contemplated action is carried out.

ARTICLE VII

Flags

1. The entire territory of the Republic of Panama, including the areas the use of which the Republic of Panama makes available to the United States of America pursuant to this Treaty and related agreements, shall be under the flag of the Republic of Panama, and consequently such flag always shall occupy the position of honor.

2. The flag of the United States of America may be displayed, together with the flag of the Republic of Panama, at the headquarters of the Panal Canal Commission, at the site of the Combined Board, and as provided in the Agreement in Implementation of Article IV of this Treaty.

The flag of the United States of America also may be displayed at other places and on some occasions as agreed by both Parties.

ARTICLE VIII

Privileges and immunities

1. The installations owned or used by the agencies or instrumentalities of the United States of America operating in the Republic of Panama pursuant to this Treaty and related agreements, and their official archives and documents, shall be inviolable. The two Parties shall agree on procedures to be followed in the conduct of any criminal investigation at such locations by the Republic of Panama.

2. Agencies and instrumentalities of the Government of the United States of America operating in the Republic of Panama pursuant to this Treaty and related agreements shall be immune from the jurisdiction of the Republic of Panama.

3. In addition to such other privileges and immunities as are afforded to employees of the United States Government and their dependents pursuant to this Treaty, the United States of America may designate up to twenty officials of the Panama Canal Commission who, along with their dependents, shall enjoy the privileges and immunities accorded to diplomatic agents and their dependents under international law and practice. The United States of America shall furnish to the Republic of Panama a list of the names of said officials and their dependents, identifying the positions they occupy in the Government of the United States of America, and shall keep such list current at all times.

ARTICLE IX

Applicable laws and law enforcement

1. In accordance with the provisions of this Treaty and related agreements, the law of the Republic of Panama shall apply in the areas made available for the use of the United States of America pursuant to this Treaty. The law of the Republic of Panama shall be applied to matters or events which occurred in the former Canal Zone prior to the entry into force of this Treaty only to the extent specifically provided in prior treaties and agreements.

2. Natural or juridical persons who, on the date of entry into force of this Treaty, are engaged in business or non-profit activities at locations in the former Canal Zone may continue such business or activities at those locations under the same terms and conditions prevailing prior to the entry into force of this Treaty for a thirty-month transition period from its entry into force. The Republic of Panama shall maintain the same operating conditions as those applicable to the aforementioned enterprises prior to the entry into force of this Treaty in order that they may receive licenses to do business in the Republic of Panama subject to their compliance with the requirements of its law. Thereafter, such persons shall receive the same treatment under the law of the Republic of Panama as similar enterprises already established in the rest of the territory of the Republic of Panama without discrimination.

3. The rights of ownership, as recognized by the United States of America, enjoyed by natural or juridical private persons in buildings and other improvements to real property located in the former Canal Zone shall be recognized by the Republic of Panama in conformity with its laws.

4. With respect to buildings and other improvements to real property located in the Canal operating areas, housing areas or other areas subject to the licensing procedure established in Article IV of the Agreement in Implementation of Article III of this Treaty, the owners shall be authorized to continue using the land upon which their property is located in accordance with the procedures established in that Article.

5. With respect to buildings and other improvements to real property located in areas of the former Canal Zone to which the aforesaid licensing procedure is not applicable, or may cease to be applicable during the lifetime or upon termination of this Treaty, the owners may continue to use the land upon which their property is located, subject to the payment of a reasonable charge to the Republic of Panama. Should the Republic of Panama decide to sell such land, the owners of the buildings or other improvements located thereon shall be offered a first option to purchase such land at a reasonable cost. In the case of nonprofit enterprises, such as churches and fraternal organizations, the cost of purchase will be nominal in accordance with the prevailing practice in the rest of the territory of the Republic of Panama.

6. If any of the aforementioned persons are required by the Republic of Panama to discontinue their activities or vacate their property for public purposes, they shall be compensated at fair market value by the Republic of Panama.

7. The provisions of paragraphs 2–6 above shall apply to natural or juridical persons who have been engaged in business or nonprofit activities at locations in the former Canal Zone for at least six months prior to the date of signature of this Treaty.

8. The Republic of Panama shall not issue, adopt or enforce any law, decree, regulation, or international agreement or take any other action which purports to regulate or would otherwise interfere with the exercise on the part of the United States of America of any right granted under this Treaty or related agreements.

9. Vessels transiting the Canal, and cargo, passengers and crews carried on such vessels shall be exempt from any taxes, fees, or other charges by the Republic of Panama. However, in the event such vessels call at a Panamanian port, they may be assessed charges incident thereto, such as charges for services provided to the vessel. The Republic of Panama may also require the passengers and crew disembarking from such vessels to pay such taxes, fees and charges as are established under Panamanian law for persons entering its territory. Such taxes, fees and charges shall be assessed on a nondiscriminatory basis.

10. The United States of America and the Republic of Panama will cooperate in taking such steps as may from time to time be necessary to guarantee the security of the Panama Canal Commission, its property, its employees and their dependents, and their property, the Forces of the United States of America and the members thereof, the civilian component of the United States Forces, the dependents of members of the Forces and the civilian component, and their property, and the contractors of the Panama Canal Commission and of the United States Forces, their dependents, and their property. The Republic of Panama will seek from its Legislative Branch such legislation as may be needed to carry out the foregoing purposes and to punish any offenders.

11. The Parties shall conclude an agreement whereby nationals of either State, who are sentenced by the courts of the other State, and who are not domiciled therein, may elect to serve their sentences in their State of nationality.

ARTICLE X

Employment with the Panama Canal Commission

1. In exercising its rights and fulfilling its responsibilities as the employer, the United States of America shall establish employment and labor regulations which shall contain the terms, conditions and prerequisites for all categories of employees of the Panama Canal Commission. These regulations shall be provided to the Republic of Panama prior to their entry into force.

2. (a) The regulations shall establish a system of preference when hiring employees, for Panamanian applicants possessing the skills and qualifications required for employment by the Panama Canal Commission. The United States of America shall endeavor to ensure that the number of Panamanian nationals employed by the Panama Canal Commission in relation to the total number of its employees will conform to the proportion established for foreign enterprises under the law of the Republic of Panama.

(b) The terms and conditions of employment to be established will in general be no less favorable to persons already employed by the Panama Canal Company or Canal Zone Government prior to the entry into force of this Treaty, than those in effect immediately prior to that date.

3. (a) The United States of America shall establish an employment policy for the Panama Canal Commission that shall generally limit the recruitment of personnel outside the Republic of Panama to persons possessing requisite skills and qualifications which are not available in the Republic of Panama.

(b) The United States of America will establish training programs for Panamanian employees and apprentices in order to increase the number of Panamanian nationals qualified to assume positions with the Panama Canal Commission, as positions become available.

(c) Within five years from the entry into force of this Treaty, the number of United States nationals employed by the Panama Canal Commission who were previously employed by the Panama Canal Company shall be at least twenty percent less than the total number of United States nationals working for the Panama Canal Company immediately prior to the entry into force of this Treaty.

(d) The United States of America shall periodically inform the Republic of Panama, through the Coordinating Committee, established pursuant to the Agreement in Implementation of Article III of this Treaty, of available positions within the Panama Canal Commission. The Republic of Panama shall similarly provide the United States of America any information it may have as to the availability of Panamanian nationals claiming to have skills and qualifications that might be required by the Panama Canal Commission, in order that the United States of America may take this information into account.

4. The United States of America will establish qualification standards for skills, training and experience required by the Panama Canal Commission. In establishing such standards, to the extent they include a requirement for a professional license, the United States of America, without prejudice to its right to require additional professional skills and qualifications, shall recognize the professional licenses issued by the Republic of Panama.

5. The United States of America shall establish a policy for the periodic rotation, at a maximum of every five years, of United States citizen employees and other non-Panamanian employees, hired after the entry into force of this Treaty. It is recognized that certain exceptions to the said policy of rotation may be made for sound administrative reasons, such as in the case of employees holding positions requiring certain non-transferable or non-recruitable skills.

6. With regard to wages and fringe benefits, there shall be no discrimination on the basis of nationality, sex, or race. Payments by the Panama Canal Commission of additional remuneration, or the provision of other benefits, such as home leave benefits, to United States nationals employed prior to entry into force of this Treaty, or to persons of any nationality, including Panamanian nationals who are thereafter recruited

outside of the Republic of Panama and who change their place of residence, shall not be considered to be discrimination for the purpose of this paragraph.

7. Persons employed by the Panama Canal Company or Canal Zone Government prior to the entry into force of this Treaty, who are displaced from their employment as a result of the discontinuance by the United States of America of certain activities pursuant to this Treaty, will be placed by the United States of America, to the maximum extent feasible, in other appropriate jobs with the Government of the United States in accordance with United States Civil Service regulations. For such persons who are not United States nationals, placement efforts will be confined to United States Government activities located within the Republic of Panama. Likewise, persons previously employed in activities for which the Republic of Panama assumes responsibility as a result of this Treaty will be continued in their employment to the maximum extent feasible by the Republic of Panama. The Republic of Panama shall to the maximum extent feasible, ensure that the terms and conditions of employment applicable to personnel employed in the activities for which it assumes responsibility are no less favorable than those in effect immediately prior to the entry into force of this Treaty. Non-United States nationals employed by the Panama Canal Company or Canal Zone Government prior to the entry into force of this Treaty who are involuntarily separated from their positions because of the discontinuance of an activity by reason of this Treaty, who are not entitled to an immediate annuity under the United States Civil Service Retirement System, and for whom continued employment in the Republic of Panama by the Government of the United States of America is not practicable, will be provided special job placement assistance by the Republic of Panama for employment in positions for which they may be qualified by experience and training.

8. The Parties agree to establish a system whereby the Panama Canal Commission may, if deemed mutually convenient or desirable by the two Parties, assign certain employees of the Panama Canal Commission, for a limited period of time, to assist in the operation of activities transferred to the responsibility of the Republic of Panama as a result of this Treaty or related agreements. The salaries and other costs of employment of any such persons assigned to provide such assistance shall be reimbursed to the United States of America by the Republic of Panama.

9. (a) The right of employees to negotiate collective contracts with the Panama Canal Commission is recognized. Labor relations with employees of the Panama Canal Commission shall be conducted in accordance with forms of collective bargaining established by the United States of America after consultation with employee unions.

(b) Employee unions shall have the right to affiliate with international labor organizations.

10. The United States of America will provide an appropriate early optional retirement program for all persons employed by the Panama Canal Company or Canal Zone Government immediately prior to the entry into force of this Treaty. In this regard, taking into account the unique circumstances created by the provisions of this Treaty, including its duration, and their effect upon such employees, the United States of America shall, with respect to them:

(a) determine that conditions exist which invoke applicable United States law permitting early retirement annuities and apply such law for a substantial period of the duration of the Treaty;

(b) seek special legislation to provide more liberal entitlement to, and calculation of, retirement annuities than is currently provided for by law.

ARTICLE XI

Provisions for the transition period

1. The Republic of Panama shall reassume plenary jurisdiction over the former Canal Zone upon entry into force of this Treaty and in accordance with its terms. In order to provide for an orderly transition to the full application of the jurisdictional arrangements established by this Treaty and related agreements, the provisions of this Article shall become applicable upon the date this Treaty enters into force, and shall remain in effect for thirty calendar months. The authority granted in this Article to the United States of America for this transition period shall supplement, and is not intended to limit, the full application and effect of the rights and authority granted to the United States of America elsewhere in this Treaty and in related agreements.

2. During this transition period, the criminal and civil laws of the United States of America shall apply concurrently with those of the Republic of Panama in certain of the areas and installations made available for the use of the United States of America pursuant to this Treaty, in accordance with the following provisions:

(a) The Republic of Panama permits the authorities of the United States of America to have the primary right to exercise criminal jurisdiction over United States citizen employees of the Panama Canal Commission and their dependents, and members of the United States Forces and civilian component and their dependents, in the following cases:

(i) for any offense committed during the transition period within such areas and installations, and

(ii) for any offense committed prior to that period in the former Canal Zone.

The Republic of Panama shall have the primary right to exercise jurisdiction over all other offenses committed by such persons, except as otherwise provided in this Treaty and related agreements or as may be otherwise agreed.

(b) Either Party may waive its primary right to exercise jurisdiction in a specific case or category of cases.

3. The United States of America shall retain the right to exercise jurisdiction in criminal cases relating to offenses committed prior to the entry into force of this Treaty in violation of the laws applicable in the former Canal Zone.

4. For the transition period, the United States of America shall retain police authority and maintain a police force in the aforementioned areas and installations. In such areas, the police authorities of the United States of America may take into custody any person not subject to their primary jurisdiction if such person is believed to have committed or to be committing an offense against applicable laws or regulations, and shall promptly transfer custody to the police authorities of the Republic of Panama. The United States of America and the Republic of Panama shall establish joint police patrols in agreed areas. Any arrests conducted by a joint patrol shall be the responsibility of the patrol member or members representing the Party having primary jurisdiction over the person or persons arrested.

5. The courts of the United States of America and related personnel, functioning in the former Canal Zone immediately prior to the entry into force of this Treaty, may continue to function during the transition period for the judicial enforcement of the jurisdiction to be exercised by the United States of America in accordance with this Article.

6. In civil cases, the civilian courts of the United States of America in the Republic of Panama shall have no jurisdiction over new cases of a private civil nature, but shall retain full jurisdiction during the transition period to dispose of any civil cases, including admiralty cases, already instituted and pending before the courts prior to the entry into force of this Treaty.

7. The laws, regulations, and administrative authority of the United States of America applicable in the former Canal Zone immediately prior to the entry into force of this Treaty shall, to the extent not inconsistent with this Treaty and related agreements, continue in force for the purpose of the exercise by the United States of America of law enforcement and judicial jurisdiction only during the transition period. The United States of America may amend, repeal or otherwise change such laws, regulations and administrative authority. The two Parties shall consult concerning procedural and substantive matters relative to the implementation of this Article, including the disposition of cases pending at the end of the transition period and, in this respect, may enter into appropriate agreements by an exchange of notes or other instrument.

8. During this transition period, the United States of America may continue to incarcerate individuals in the areas and installations made available for the use of the United States of America by the Republic of Panama pursuant to this Treaty and related agreements, or to transfer them to penal facilities in the United States of America to serve their sentences.

ARTICLE XII

A sea-level canal or a third lane of locks

1. The United States of America and the Republic of Panama recognize that a sea-level canal may be important for international navigation in the future. Consequently, during the duration of this Treaty, both Parties commit themselves to study jointly the feasibility of a sea-level canal in the Republic of Panama, and in the event they determine that such a waterway is necessary, they shall negotiate terms, agreeable to both Parties, for its construction.

2. The United States of America and the Republic of Panama agree on the following:

(a) No new interoceanic canal shall be constructed in the territory of the Republic of Panama during the duration of this Treaty, except in accordance with the provisions of this Treaty, or as the two Parties may otherwise agree; and

(b) During the duration of this Treaty, the United States of America shall not negotiate with third States for the right to construct an interoceanic canal on any other route in the Western Hemisphere, except as the two Parties may otherwise agree.

3. The Republic of Panama grants to the United States of America the right to add a third lane of locks to the existing Panama Canal. This right may be exercised at any time during the duration of this Treaty, provided that the United States of America has delivered to the Republic of Panama copies of the plans for such construction.

4. In the event the United States of America exercises the right granted in paragraph 3 above, it may use for that purpose, in addition to the areas otherwise made available to the United States of America pursuant to this Treaty, such other areas as the two Parties may agree upon. The terms and conditions applicable to Canal operating areas made available by the Republic of Panama for the use of the United States of America pursuant to Article III of this Treaty shall apply in a similar manner to such additional areas.

5. In the construction of the aforesaid works, the United States of America shall not use nuclear excavation techniques without the previous consent of the Republic of Panama.

ARTICLE XIII

Property transfer and economic participation by the Republic of Panama

1. Upon termination of this Treaty, the Republic of Panama shall assume total responsibility for the management, operation, and maintenance of the Panama Canal, which shall be turned over in operating condition and free of liens and debts, except as the two Parties may otherwise agree.

2. The United States of America transfers, without charge, to the Republic of Panama all right, title and interest the United States of America may have with respect to all real property, including non-removable improvements thereon, as set forth below:

(a) Upon the entry into force of this Treaty, the Panama Railroad and such property that was located in the former Canal Zone but that is not within the land and water areas the use of which is made available to the United States of America pursuant to this Treaty. However, it is agreed that the transfer on such date shall not include buildings and other facilities, except housing, the use of which is retained by the United States of America pursuant to this Treaty and related agreements, outside such areas;

(b) Such property located in an area or a portion thereof at such time as the use by the United States of America of such area or portion thereof ceases pursuant to agreement between the two Parties.

(c) Housing units made available for occupancy by members of the Armed Forces of the Republic of Panama in accordance with paragraph 5(b) of Annex B to the Agreement in Implementation of Article IV of this Treaty at such time as such units are made available to the Republic of Panama.

(d) Upon termination of this Treaty, all real property, and non-removable improvements that were used by the United States of America for the purposes of this Treaty and related agreements, and equipment related to the management, operation and maintenance of the Canal remaining in the Republic of Panama.

3. The Republic of Panama agrees to hold the United States of America harmless with respect to any claims which may be made by third parties relating to rights, title and interest in such property.

4. The Republic of Panama shall receive, in addition, from the Panama Canal Commission a just and equitable return on the national resources which it has dedicated to the efficient management, operation, maintenance, protection and defense of the Panama Canal, in accordance with the following:

(a) An annual amount to be paid out of Canal operating revenues computed at a rate of thirty hundredths of a United States dollar ($0.30) per Panama Canal net ton, or its equivalency, for each vessel transiting the Canal, after the entry into force of this Treaty, for which tolls are charged. The rate of thirty hundredths of a United States dollar ($0.30) per Panama Canal net ton, or its equivalency, will be adjusted to reflect changes in the United States wholesale price index for total manufactured goods during biennial periods. The first adjustment shall take place five years after entry into force of this Treaty, taking into account the changes that occurred in such price index during the preceding two years. Thereafter successive adjustments shall take place at the end of each biennial period. If the United States of America should decide that another indexing method is preferable, such method shall be proposed to the Republic of Panama and applied if mutually agreed.

(b) A fixed annuity of ten million United States dollars ($10,000,000) to be paid out of Canal operating revenues. This amount shall constitute a fixed expense of the Panama Canal Commission.

(c) An annual amount of up to ten million United States dollars ($10,000,000) per year, to be paid out of Canal operating revenues to the extent that such revenues exceed expenditures of the Panama Canal Commission including amounts paid pursuant to this Treaty. In the event Canal operating revenues in any year do not produce a surplus sufficient to cover this payment, the unpaid balance shall be paid from operating surpluses in future years in a manner to be mutually agreed.

ARTICLE XIV

Settlement of disputes

In the event that any question should arise between the Parties concerning the interpretation of this Treaty or related agreements, they shall make every effort to resolve the matter through consultation in the appropriate committees established pursuant to this Treaty and related agreements, or, if appropriate, through diplomatic channels. In the event the Parties are unable to resolve a particular matter through such means, they may, in appropriate cases, agree to submit the matter to conciliation, mediation, arbitration, or such other procedure for the peaceful settlement of the dispute as they may mutually deem appropriate.

ANNEX

Procedures for the cessation or transfer of activities carried out by the Panama Canal Company and the Canal Zone Government and illustrative list of the functions that may be performed by the Panama Canal Commission

1. The laws of the Republic of Panama shall regulate the exercise of private economic activities within the areas made available by the Republic of Panama for the use of the United States of America pursuant to this Treaty. Natural or juridical persons who, at least six months prior to the date of signature of this Treaty, were legally established and engaged in the exercise of economic activities in the former Canal Zone, may continue such activities in accordance with the provisions of paragraphs 2–7 of Article IX of this Treaty.

2. The Panama Canal Commission shall not perform governmental or commercial functions as stipulated in paragraph 4 of this Annex, provided, however, that this shall not be deemed to limit in any way the right of the United States of America to perform those functions that may be necessary for the efficient management, operation and maintenance of the Canal.

3. It is understood that the Panama Canal Commission, in the exercise of the rights of the United States of America with respect to the management, operation and maintenance of the Canal, may perform functions such as are set forth below by way of illustration:

a. Management of the Canal enterprise.

b. Aids to navigation in Canal Waters and in proximity thereto.

c. Control of vessel movement.

d. Operation and maintenance of the locks.

e. Tug service for the transit of vessels and dredging for the piers and docks of the Panama Canal Commission.

f. Control of the water levels in Gatun, Alajuela (Madden) and Miraflores Lakes.

g. Non-commercial transportation services in Canal waters.

h. Meteorological and hydrographic services.

i. Admeasurement.

j. Non-commercial motor transport and maintenance.

k. Industrial security through the use of watchmen.

l. Procurement and warehousing.

m. Telecommunications.

n. Protection of the environment by preventing and controlling the spillage of oil and substances harmful to human or animal life and of the ecological equilibrium in areas used in operation of the Canal and the anchorages.

o. Non-commercial vessel repair.

p. Air conditioning services in Canal installations.

q. Industrial sanitation and health services.

r. Engineering design, construction and maintenance of Panama Canal Commission installations.

s. Dredging of the Canal channel, terminal ports and adjacent waters.

t. Control of the banks and stabilizing of the slopes of the Canal.

u. Non-commercial handling of cargo on the piers and docks of the Panama Canal Commission.

v. Maintenance of public areas of the Panama Canal Commission, such as parks and gardens.

w. Generation of electric power.

x. Purification and supply of water.

y. Marine salvage in Canal waters.

z. Such other functions as may be necessary or appropriate to carry out, in conformity with this Treaty and related agreements, the rights and responsibilities of the United States of America with respect to the management, operation and maintenance of the Panama Canal.

4. The following activities and operations carried out by the Panama Canal Company and the Canal Zone Government shall not be carried out by the Panama Canal Commission, effective upon the dates indicated herein:

(a) Upon the date of entry into force of this Treaty:

(i) Wholesale and retail sales, including those through commissaries, food stores, department stores, optical shops and pastry shops;

(ii) The production of food and drink, including milk products and bakery products;

(iii) The operation of public restaurants and cafeterias and the sale of articles through vending machines;

(iv) The operation of movie theaters, bowling alleys, pool rooms and other recreational and amusement facilities for the use of which a charge is payable;

(v) The operation of laundry and dry cleaning plants other than those operated for official use;

(vi) The repair and service of privately owned automobiles or the sale of petroleum or lubricants, including the operation of gasoline stations, repair garages and tire repair and recapping facilities, and the repair and service of other privately owned property, including appliances, electronic devices, boats, motors, and furniture;

(vii) The operation of cold storage and freezer plants other than those operated for official use;

(viii) The operation of freight houses other than those operated for official use;

(ix) Commercial services to and supply of privately owned and operated vessels, including the construction of vessels, the sale of petroleum and lubricants and the provision of water, tug services not related to the Canal or other United States Government operations, and repair of such vessels, except in situations where repairs may be necessary to remove disabled vessels from the Canal;

(x) Printing services other than for official use;

(xi) Maritime transportation for the use of the general public;

(xii) Health and medical services provided to individuals, including hospitals, leprosariums, veterinary, mortuary and cemetery services;

(xiii) Educational services not for professional training, including schools and libraries;

(xiv) Postal services;

(xv) Immigration, customs and quarantine controls, except those measures necessary to ensure the sanitation of the Canal;

(xvi) Commercial pier and dock services, such as the handling of cargo and passengers; and

(xvii) Any other commercial activity of a

similar nature, not related to the management, operation or maintenance of the Canal.

(b) Within thirty calendar months from the date of entry into force of this Treaty, governmental services such as:

(i) Police;

(ii) Courts; and

(iii) Prison system.

5. (a) With respect to those activities or functions described in paragraph 4 above, or otherwise agreed upon by the two Parties, which are to be assumed by the Government of the Republic of Panama or by private persons subject to its authority, the two Parties shall consult prior to the discontinuance of such activities or functions by the Panama Canal Commission to develop appropriate arrangements for the orderly transfer and continued efficient operation or conduct thereof.

(b) In the event that appropriate arrangements cannot be arrived at to ensure the continued performance of a particular activity or function described in paragraph 4 above which is necessary to the efficient management, operation or maintenance of the Canal, the Panama Canal Commission may, to the extent consistent with the other provisions of this Treaty and related agreements, continue to perform such activity or function until such arrangements can be made.

AGREED MINUTE TO THE PANAMA CANAL TREATY

1. With reference to paragraph 1(c) of Article I (Abrogation of Prior Treaties and Establishment of a New Relationship), it is understood that the treaties, conventions, agreements and exchanges of notes, or portions thereof, abrogated and superseded thereby include:

(a) The Agreement delimiting the Canal Zone referred to in Article II of the Interoceanic Canal Convention of November 18, 1903 signed at Panama on June 15, 1904.

(b) The Boundary Convention signed at Panama on September 2, 1914.

(c) The Convention regarding the Colon Corridor and certain other corridors through the Canal Zone signed at Panama on May 24, 1950.

(d) The Trans-Isthmian Highway Convention signed at Washington on March 2, 1936, the Agreement supplementing that Convention entered into through an exchange of notes signed at Washington on August 31 and September 6, 1940, and the arrangement between the United States of America and Panama respecting the Trans-Isthmian Joint Highway Board, entered into through an exchange of notes at Panama on October 19 and 23, 1939.

(e) The Highway Convention between the United States and Panama signed at Panama on September 14, 1950.

(f) The Convention regulating the transit of alcoholic liquors through the Canal Zone signed at Panama on March 14, 1932.

(g) The Protocol of an Agreement restricting use of Panama and Canal Zone waters by belligerents signed at Washington on October 10, 1914.

(h) The Agreement providing for the reciprocal recognition of motor vehicle license plates in Panama and the Canal Zone entered into through an exchange of notes at Panama on December 7 and December 12, 1950, and the Agreement establishing procedures for the reciprocal recognition of motor vehicle operator's licenses in the Canal Zone and Panama entered into through an exchange of notes at Panama on October 31, 1960.

(i) The General Relations Agreement entered into through an exchange of notes at Washington on May 18, 1942.

(j) Any other treaty, convention, agreement or exchange of notes between the United States and the Republic of Panama, or portions thereof, concerning the Panama Canal which was entered into prior to the entry into force of the Panama Canal Treaty.

2. It is further understood that the following treaties, conventions, agreements and exchanges of notes between the two Parties are not affected by paragraph 1 of Article I of the Panama Canal Treaty:

(a) The Agreement confirming the cooperative agreement between the Panamanian Ministry of Agriculture and Livestock and the United States Department of Agriculture for the prevention of foot-and-mouth disease and rinderpest in Panama, entered into by an exchange of notes signed at Panama on June 21 and October 5, 1972, and amended May 28 and June 12, 1974.

(b) The Loan Agreement to assist Panama in executing public marketing programs in basic grains and perishables, with annex, signed at Panama on September 10, 1975.

(c) The Agreement concerning the regulation of commercial aviation in the Republic of Panama, entered into by an exchange of notes signed at Panama on April 22, 1929.

(d) The Air Transport Agreement signed at Panama on March 31, 1949, and amended May 29 and June 3, 1952, June 5, 1967, December 23, 1974, and March 6, 1975.

(e) The Agreement relating to the establishment of headquarters in Panama for a civil aviation technical assistance group for the Latin American area, entered into by an exchange of notes signed at Panama on August 8, 1952.

(f) The Agreement relating to the furnishing by the Federal Aviation Agency of certain services and materials for air navigation aids, entered into by an exchange of notes signed at Panama on December 5, 1967 and February 22, 1968.

(g) The Declaration permitting consuls to take note in person, or by authorized representatives, of declarations of values of exports made by shippers before customs officers, entered into by an exchange of notes signed at Washington on April 17, 1913.

(h) The Agreement relating to customs priviledges for consular officers, entered into by an exchange of notes signed at Panama on January 7 and 31, 1935.

(i) The Agreement relating to the sale of military equipment, materials, and services to Panama, entered into by an exchange of notes signed at Panama on May 20, 1959.

(j) The Agreement relating to the furnishing of defense articles and services to Panama for the purpose of contributing to its internal security, entered into by an exchange of notes signed at Panama on March 26 and May 23, 1962.

(k) The Agreement relating to the deposit by Panama of ten percent of the value of grant military assistance and excess defense articles furnished by the United States, entered into by an exchange of notes signed at Panama on April 4 and May 9, 1972.

(l) The Agreement concerning payment to the United States of net proceeds from the sale of defense articles furnished under the military assistance program, entered into by an exchange of notes signed at Panama on May 20 and December 6, 1974.

(m) The General Agreement for Technical and Economic Cooperation, signed at Panama on December 11, 1961.

(n) The Loan Agreement relating to the Panama City water supply system, with annex, signed at Panama on May 6, 1969, and amended September 30, 1971.

(o) The Loan Agreement for rural municipal development in Panama, signed at Panama on November 28, 1975.

(p) The Loan Agreement relating to a project for the modernization, restructuring and reorientation of Panama's educational programs, signed at Panama on November 19, 1975.

(q) The Treaty providing for the extradition of criminals, signed at Panama on May 25, 1904.

(r) The Agreement relating to legal tender and fractional silver coinage by Panama, entered into by an exchange of notes signed at Washington and New York on June 20, 1904, and amended March 26 and April 2, 1930, May 28 and June 6, 1931, March 2, 1936, June 17, 1946, May 9 and 24, 1950, September 11 and October 22, 1953, August 23 and October 25, 1961, and September 26 and October 23, 1962.

(s) The Agreement for enlargement and use by Canal Zone of sewerage facilities in Colon Free Zone Area, entered into by an exchange of notes signed at Panama on March 8 and 25, 1954.

(t) The Agreement relating to the construction of the inter-American highway, entered into by an exchange of notes signed at Panama on May 15 and June 7, 1943.

(u) The Agreement for cooperation in the construction of the Panama segment of the Darien Gap highway, signed at Washington on May 6, 1971.

(v) The Agreement relating to investment guaranties under sec. 413(b)(4) of the Mutual Security Act of 1954, as amended, entered into by an exchange of notes signed at Washington on January 23, 1961.

(w) The Informal Arrangement relating to cooperation between the American Embassy, or Consulate, and Panamanian authorities when American merchant seamen or tourists are brought before a magistrate's court, entered into by an exchange of notes signed at Panama on September 18 and October 15, 1947.

(x) The Agreement relating to the mutual recognition of ship measurement certificates, entered into by an exchange of notes signed at Washington on August 17, 1937.

(y) The Agreement relating to the detail of a military officer to serve as adviser to the Minister of Foreign Affairs of Panama, signed at Washington on July 7, 1942, and extended and amended February 17, March 23, September 22 and November 6, 1959, March 26 and July 6, 1962, and September 20 and October 8, 1962.

(z) The Agreement relating to the exchange of official publications, entered into by an exchange of notes signed at Panama on November 27, 1941 and March 7, 1942.

(aa) The Convention for the Prevention of Smuggling of Intoxicating Liquors, signed at Washington on June 6, 1924.

(bb) The Arrangement providing for relief from double income tax on shipping profits, entered into by an exchange of notes signed at Washington on January 15, February 8, and March 28, 1941.

(cc) The Agreement for withholding of Panamanian income tax from compensation paid to Panamanians employed within Canal Zone by the canal, railroad, or auxiliary works, entered into by an exchange of notes signed at Panama on August 12 and 30, 1963.

(dd) The Agreement relating to the withholding of contributions for educational insurance from salaries paid to certain Canal Zone employees, entered into by an exchange of notes signed at Panama on September 8 and October 13, 1972.

(ee) The Agreement for radio communications between amateur stations on behalf of third parties, entered into by an exchange of notes signed at Panama on July 19 and August 1, 1956.

(ff) The Agreement relating to the granting of reciprocal authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country, entered into by an exchange of notes signed at Panama on November 16, 1966.

(gg) The Convention facilitating the work of traveling salesmen, signed at Washington on February 8, 1919.

(hh) The Reciprocal Agreement for gratis nonimmigrant visas, entered into by an exchange of notes signed at Panama on March 27 and May 22 and 25, 1956.

(ii) The Agreement modifying the Agreement of March 27 and May 22 and 25, 1956 for gratis nonimmigrant visas, entered into by

an exchange of notes signed at Panama on June 14 and 17, 1971.

(jj) Any other treaty, convention, agreement or exchange of notes, or portions thereof, which does not concern the Panama Canal and which is in force immediately prior to the entry into force of the Panama Canal Treaty.

3. With reference to paragraph 2 of Article X (Employment with the Panama Canal Commission), concerning the endeavor to ensure that the number of Panamanian nationals employed in relation to the total number of employees will conform to the proportion established under Panamanian law for foreign business enterprises, it is recognized that progress in this regard may require an extended period in consonance with the concept of a growing and orderly Panamanian participation, through training programs and otherwise, and that progress may be affected from time to time by such actions as the transfer or discontinuance of functions and activities.

4. With reference to paragraph 10(a) of Article X, it is understood that the currently applicable United States law is that contained in Section 8336 of Title 5, United States Code.

5. With reference to paragraph 2 of Article XI (Transitional Provisions), the areas and installations in which the jurisdictional arrangements therein described shall apply during the transition period are as follows:

(a) The Canal operating areas and housing areas described in Annex A to the Agreement in Implementation of Article III of the Panama Canal Treaty.

(b) The Defense Sites and Areas of Military Coordination described in the Agreement in Implementation of Article IV of the Panama Canal Treaty.

(c) The Ports of Balboa and Cristobal described in Annex B of the Agreement in Implementation of Article III of the Panama Canal Treaty.

6. With reference to paragraph 4 of Article XI, the areas in which the police authorities of the Republic of Panama may conduct joint police patrols with the police authorities of the United States of America during the transition period are as follows:

(a) Those portions of the Canal operating areas open to the general public, the housing areas and the Ports of Balboa and Cristobal.

(b) Those areas of military coordination in which joint police patrols are established pursuant to the provisions of the Agreement Treaty, signed this date. The two police authorities shall develop appropriate administrative arrangements for the scheduling and conduct of such joint police patrols.

Done at Washington, this 7th day of September, 1977, in duplicate, in the English and Spanish languages, both texts being equally authentic.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The United States of America and the Republic of Panama have agreed upon the following:

ARTICLE I

The Republic of Panama declares that the Canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this Treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama.

ARTICLE II

The Republic of Panama declares the neutrality of the Canal in order that both in time of peace and in time of war it shall remain secure and open to peaceful transit by the vessels of all nations on terms of entire equality, so that there will be no discrimination against any nation, or its citizens or subjects, concerning the conditions or charges of transit, or for any other reason, and so that the Canal, and therefore the Isthmus of Panama, shall not be the target of reprisals in any armed conflict between other nations of the world. The foregoing shall be subject to the following requirements:

(a) Payment of tolls and other charges for transit and ancillary services, provided they have been fixed in conformity with the provisions of Article III (c);

(b) Compliance with applicable rules and regulations, provided such rules and regulations are applied in conformity with the provisions of Article III;

(c) The requirement that transiting vessels commit no acts of hostility while in the Canal; and

(d) Such other conditions and restrictions as are established by this Treaty.

ARTICLE III

1. For purposes of the security, efficiency and proper maintenance of the Canal the following rules shall apply:

(a) The Canal shall be operated efficiently in accordance with conditions of transit through the Canal, and rules and regulations that shall be just, equitable and reasonable, and limited to those necessary for safe navigation and efficient, sanitary operation of the Canal;

(b) Ancillary services necessary for transit through the Canal shall be provided;

(c) Tolls and other charges for transit and ancillary services shall be just, reasonable, equitable and consistent with the principles of international law;

(d) As a pre-condition of transit, vessels may be required to establish clearly the financial responsibility and guarantees for payment of reasonable and adequate indemnification, consistent with international practice and standards, for damages resulting from acts or omissions of such vessels when passing through the Canal. In the case of vessels owned or operated by a State or for which it has acknowledged responsibility, a certification by that State that it shall observe its obligations under international law to pay for damages resulting from the act or omission of such vessels when passing through the Canal shall be deemed sufficient to establish such financial responsibility;

(e) Vessels of war and auxiliary vessels of all nations shall at all times be entitled to transit the Canal, irrespective of their internal operation, means of propulsion, origin, destination or armament, without being subjected, as a condition of transit, to inspection, search or surveillance. However, such vessels may be required to certify that they have complied with all applicable health, sanitation and quarantine regulations. In addition, such vessels shall be entitled to refuse to disclose their internal operation, origin, armament, cargo or destination. However, auxiliary vessels may be required to present written assurances, certified by an official at a high level of the government of the State requesting the exemption, that they are owned or operated by that government and in this case are being used only on government noncommercial service.

2. For the purposes of this Treaty, the terms "Canal," "vessel of war," "auxiliary vessel," "internal operation," "armament" and "inspection" shall have the meanings assigned them in Annex A to this Treaty.

ARTICLE IV

The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral, notwithstanding the termination of any other treaties entered into by the two Contracting Parties.

ARTICLE V

After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the Canal and maintain military forces, defense sites and military installations within its national territory.

ARTICLE VI

1. In recognition of the important contributions of the United States of America and of the Republic of Panama to the construction, operation, and maintenance, and protection and defense of the Canal, vessels of war and auxiliary vessels of those nations shall, notwithstanding any other provisions of this Treaty, be entitled to transit the Canal irrespective of their internal operation, means of propulsion, origin, destination, armament or cargo carried. Such vessels of war and auxiliary vessels will be entitled to transit the Canal expeditiously.

2. The United States of America, so long as it has responsibility for the operation of the Canal, may continue to provide the Republic of Colombia toll-free transit through the Canal for its troops, vessels and materials of war. Thereafter, the Republic of Panama may provide the Republic of Colombia and the Republic of Costa Rica with the right of toll-free transit.

ARTICLE VII

1. The United States of America and the Republic of Panama shall jointly sponsor a resolution in the Organization of American States opening to accession by all States of the world the Protocol to this Treaty whereby all the signatories will adhere to the objectives of this Treaty, agreeing to respect the regime of neutrality set forth herein.

2. The Organization of American States shall act as the depositary for this Treaty and related instruments.

ARTICLE VIII

This Treaty shall be subject to ratification in accordance with the constitutional procedures of the two Parties. The instruments of ratification of this Treaty shall be exchanged at Panama at the same time as the instruments of ratification of the Panama Canal Treaty, signed this date, are exchanged. This Treaty shall enter into force, simultaneously with the Panama Canal Treaty, six calendar months from the date of the exchange of the instruments of ratification.

Done at Washington, this 7th day of September, 1977, in duplicate, in the English and Spanish languages, both texts being equally authentic.

ANNEX A

1. "Canal" includes the existing Panama Canal, the entrances thereto and the territorial seas of the Republic of Panama adjacent thereto, as defined on the map annexed hereto (Annex B), and any other interoceanic waterway in which the United States of America is a participant or in which the United States of America has participated in connection with the construction or financing, that may be operated wholly or partially within the territory of the Republic of Panama, the entrances thereto and the territorial seas adjacent thereto.

2. "Vessel of war" means a ship belonging to the naval forces of a State, and bearing the external marks distinguishing warships of its nationality, under the command of an officer duly commissioned by the government and whose name appears in the Navy List, and manned by a crew which is under regular naval discipline.

3. "Auxiliary vessel" means any ship, not a vessel of war, that is owned or operated by a State and used, for the time being, exclusively on government non-commercial service.

4. "Internal operation" encompasses all machinery and propulsion systems, as well as the management and control of the vessel, including its crew. It does not include the measures necessary to transit vessels under

the control of pilots while such vesesls are in the Canal.

5. "Armament" means arms, ammunitions, implements of war and other equipment of a vessel which possesses characteristics appropriate for use for warlike purposes.

6. "Inspection" includes on-board examination of vessel structure, cargo, armament and internal operation. It does not include those measures strictly necessary for admeasurement, nor those measures strictly necessary to assure safe, sanitary transit and navigation, including examination of deck and visual navigation equipment, nor in the case of live cargoes, such as cattle or other livestock, that may carry communicable diseases, those measures necessary to assure that health and sanitation requirements are satisfied.

PROTOCOL TO THE TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

Whereas the maintenance of the neutrality of the Panama Canal is important not only to the commerce and security of the United States of America and the Republic of Panama, but to the peace and security of the Western Hemisphere and to the interests of world commerce as well;

Whereas the regime of neutrality which the United States of America and the Republic of Panama have agreed to maintain will ensure permanent access to the Canal by vessels of all nations on the basis of entire equality;

Whereas the said regime of effective neutrality shall constitute the best protection for the Canal and shall ensure the absence of any hostile act against it;

The Contracting Parties to this Protocol have agreed upon the following:

ARTICLE I

The Contracting Parties hereby acknowledge the regime of permanent neutrality for the Canal established in the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal and associate themselves with its objectives.

ARTICLE II

The Contracting Parties agree to observe and respect the regime of permanent neutrality of the Canal in time of war as in time of peace, and to ensure that vessels of their registry strictly observe the applicable rules.

ARTICLE III

This Protocol shall be open to accession by all states of the world, and shall enter into force for each State at the time of deposit of its instrument of accession with the Secretary General of the Organization of American States.

"BAD PRESS" PLAGUES CARGO PREFERENCE

Mr. GRIFFIN. Mr. President, when Robert S. Strauss, the Special Representative for Trade Negotiations, recommended to President Carter that the administration support so-called cargo preference legislation, he predicted that the decision would result in only "a day or two 'bad story' situation."

By "bad story," of course, Mr. Strauss meant "bad press."

But the flood of adverse editorial comment on cargo preference during the past month indicates that Mr. Strauss was just as wrong in predicting a brief "bad" reaction as he was in recommending support for this ill-advised legislation in the first place.

Reaction to cargo preference—the proposal to guarantee that a fixed minimum percentage of oceanborne imported oil be carried in U.S.-flag vessels—has been almost uniformly negative.

For example, on August 2, the Washington Post, in an editorial entitled "The Maritime Lobby's Triumph," summed up the shortcomings of cargo preference this way:

. . . it is 200-proof protectionism. It would violate American treaties with other nations. It would be inflationary. It would add still another layer of (maritime) subsidy, this time paid directly by consumers in the form of higher oil prices. As national policy, it's got absolutely nothing going for it but the lobbying muscle and the extensive campaign contributions of the people who wanted it.

On August 4, the Wall Street Journal editorialized:

Cargo preference is a euphemism for a shipbuilder and maritime union hijacking of American consumers. It will add another $7 billion or so to fuel bills over the next five years. East Coast consumers, who depend heavily on imported oil, will be among the hardest hit.

And, on August 6, a New York Times editorial entitled "The Great Ship Robbery," while noting that one of the stated arguments for cargo preference was to provide additional employment in the maritime industry, pointed out:

In the end, cargo preference may not even increase jobs for American workers. So blatant a protectionist measure could trigger retaliation from other countries, retaliation that would cut employment in American export industries.

These editorial comments represent but a small sample of the press reaction in recent weeks to this Carter administration proposal. Only last week, on September 1, a Washington Post editorial lambasted the cargo preference bill for a second time, and numerous articles have appeared in newspapers across the Nation pointing out the lack of justification for the measure.

Nor has the criticism come only from home; foreign opposition has been voiced vigorously as well.

The Governments of Belgium, Denmark, Finland, the Federal Republic of Germany, Greece, Italy, Japan, the Netherlands, Norway, Sweden, and the United Kingdom all have strongly protested to the State Department. These nations argue that enactment of cargo preference legislation would violate treaties with them and with approximately 20 other nations.

I think it is unfortunate that some observers have tried to portray debate on the cargo preference issue here in Congress as a partisan matter, with the Republican minority seeking to embarrass the Democratic majority and the Carter administration. While I can speak only for myself, of course, I believe this is not the case.

I am confident that after a careful examination of the issue my colleagues in Congress—on both sides of the aisle—will come to the same conclusion as the Washington Post: that on the merits, as national policy, cargo preference has "got absolutely nothing going for it."

Indeed, it is not just columnists and commentators who find fault with the concept of cargo preference. Many of President Carter's closest advisers think it is unwise—both economically and diplomatically.

Thus far, only one Carter spokesman has put forth any defense of cargo preference before the Congress. He is a third-level official, the Assistant Secretary of Commerce for Maritime Affairs, Robert J. Blackwell.

Mr. Blackwell argued the cargo preference legislation would guarantee—not create—jobs for between 2,500 and 3,600 seafarers. According to Mr. Blackwell, these jobs, plus new U.S.-flag vessels that will be built to carry the preferenced oil imports, are necessary to insure adequate U.S.-controlled shipping in the event of a national emergency. All of this can be accomplished, Mr. Blackwell estimates, at a relatively modest cost of $110 million a year.

Simple arithmetic shows, of course, that even at this highly questionable $110-million-a-year cost estimate. American consumers will pay between $44,500 and $50,000 for each of these job guarantees.

Mr. Blackwell would also like the Congress to believe that cargo preference is somehow essential to our national security. But the Defense and State Departments do not support cargo preference on national security grounds. Their concern is about access to, not carriage of, oil.

Moreover, Treasury Secretary Blumenthal has forecast increased costs, through higher oil prices, of up to $884 million a year if the cargo preference legislation were to pass. The General Accounting Office has placed the cost of the administration's cargo preference proposal at double to four times Mr. Blackwell's estimate.

Finally, the President's own Council of Economic Advisers estimates that the net impact on the economy as a whole would be a decrease in total employment and in the gross national product.

Even Mr. Blackwell seems to have offered arguments contradictory to his official position. Writing in the May 23, 1977 issue of Brandon's Shipper and Forwarder—several weeks before the administration came out for cargo preference and a month before he testified that such legislation was necessary to guarantee maritime jobs—Mr. Blackwell confidently stated:

Today U.S.-flag tankers provide one of the brightest pictures in the maritime industry. Two major programs—movement of Alaskan oil to the lower 48 states and participation in the carriage of foreign crude oil for the billion-barrel Strategic Reserve—promise to improve their employment enormously over the next few years.

Mr. Blackwell was referring to the fact that, under the Jones Act, 100 percent of the Alaskan crude oil shipments will be carried in U.S.-flag tankers and that, as Government-sponsored cargo, at least 50 percent of the oil purchased abroad for our strategic oil reserve must be carried in U.S.-flag tankers.

Significantly, in that same Brandon's article, Mr. Blackwell described the then-pending cargo preference legislation, which would have guaranteed U.S.-flag vessels carriage of up to 30 percent of our oil imports, as a "potential, but less positive," source of tanker employment.

As the press and others continue to probe the pros and cons of cargo preference, it becomes more apparent each day that very substantial questions exist as to the need for and wisdom of this legislation.

I hope my colleagues, on both sides of the aisle, will join with me to insist on a full airing of this issue by the appropriate committees of Congress.

Mr. President, I ask unanimous consent that the editorials to which I have referred and a number of other articles be printed in the RECORD.

There being no objection, the editorials and articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 2, 1977]

THE MARITIME LOBBY'S TRIUMPH

The maritime lobby, with its money bags, has scored a great political triumph. The costs will be borne over coming years by everyone who buys oil products. It's another defeat for the enlightened trade policy that President Carter keeps proclaiming but never quite manages to put into practice.

The maritime interests—ship builders, ship operators and unions together—already enjoy more different kinds of subsidy than any other American industry. Despite this torrent of aid, they have worked their freight rates up so high that nobody uses American-flag shipping unless the law requires it. The maritime lobby has now obtained President Carter's misguided support for its perennial bill to force part of this country's oil imports into those American-flag tankers. The proportion of imports affected will be small at first but it will rise steadily.

It's called a cargo preference bill, and it is 200-proof protectionism. It would violate American treaties with other nations. It would be inflationary. It would add still another layer of subsidy, this time paid directly by consumers in the form of higher oil prices. As national policy, it's got absolutely nothing going for it but the lobbying muscle and the extensive campaign contributions of the people who wanted it. But that turned out to be enough to get the President's support.

Mr. Carter's whole trade policy is rapidly deteriorating. He keeps talking in terms of the most high-minded commitments to open trade and international competition but, unfortunately, the actual record points the other way. There have been three major cases so far, and three times the administration has caved in to the protectionists.

In the case of the color television sets from Japan, Mr. Carter resorted to an Orderly Marketing Agreement. That term is a euphemism for an agreement by the exporting country to limit shipments. In the shoe case, the administration imposed another couple of Orderly Marketing Agreements on Korea and Taiwan. They will save some jobs in American shoe factories, they will also cost some jobs in American retail stores as well as increased prices to American consumers. But at least an Orderly Marketing Agreement is limited in duration and is a legal procedure under the general trade rules that this country has bound itself to. The cargo preference bill is neither.

It's a strange performance for an administration that foresaw trade troubles and staffed itself with people to meet them constructively. Those people, led by Treasury Secretary Michael Blumenthal and Under Secretary of State Richard Cooper, have been walloped in each successive test. The President has been mainly following the advice of Robert S. Strauss, currently his special trade representative and formerly chairman of the Democratic Party. Like most party managers, Mr. Strauss thinks in terms of constituencies and grievances: a factory here, a union there. He apparently does not work in terms of broader concerns, like consumer interests in general, or American productivtiy, or the future of the highly competitive American industries whose overseas markets are now threatened by foreign retaliation.

If Mr. Carter will not resist protectionist pressure, he cannot expect the fragile governments of Western Europe to do better. He may get heat from aggrieved unions—but unlike, for example, the president of France, he does not face an election next year that might bring the Communists to power. In May, at the London summit conference, Mr. Carter joined in a pledge to support firmly the principle of open trade and a growing world economy. The people who heard him must wonder what he had in mind when they now read the cargo preference bill that he has promised to support.

[From the Wall Street Journal, Aug. 4, 1977]

THE MARITIME PAYOFF

Back during the 1976 primary campaigns, Jesse Calhoon of the Marine Engineers Beneficial Association put together some $200,000 in maritime industry contributions for Jimmy Carter. Mr. Calhoon doesn't work for nothing. The payoff for his efforts is making its way through Congress, with the support of the President.

The payoff, of course, is the cargo preference bill, reported out of the House Merchant Marine Committee this week by a comfortable 31-to-5 margin. Cargo preference is a euphemism for a shipbuilder and maritime union hijacking of American consumers. It will add another $7 billion or so to fuel bills over the next five years.

East Coast consumers, who depend heavily on imported oil, will be among the hardest hit. Constituents of Merchant Marine Committee Chairman John Murphy, (D., N.Y.) can expect to pay an added $50 a year just for this bit of special interest legislation.

The way money is transferred from Mr. Murphy's constituents to well-paid merchant seamen and rich ship owners and shipbuilders is simple. The cargo preference bill requires initially that 4.5% of all oil imported into the U.S. be carried in U.S.-flag vessels. The percentage will move up to 9.5% over the next five years.

It costs about 2.3 times as much to operate a U.S. flag tanker as a foreign flag tanker currently. With the added demand legislated by the act, that cost gap is sure to widen.

U.S. flag tanker owners already are reaping a bonanza through government policies even before the cargo preference bill becomes law. Under the Jones Act, U.S. coastal shipping must move in U.S. flag vessels. Alaskan oil and the government's crude oil stockpiling program both have expanded coastal shipping, sharply increasing demand for U.S. flag tankers. The rate for chartering a U.S. flag tanker has about doubled over the last year. If you add a provision that 4.5% of imported oil must move in U.S. bottoms as well, it's hard to guess how high these tanker rates might go. Currently, they are four to five times foreign tanker rates.

The government subsidizes the operation of U.S. flag vessels to the tune of some $400 million a year, which means that most of the salaries of Mr. Calhoon's 6,000 MEBA members are paid for with tax money. The average U.S. flag seaman earns some $24,300 per year and MEBA members do considerably better than the average. While the cargo preference bill does not call for additional subsidies, they will hardly be necessary considering the charter rates the operators will command.

As the ship owners, consider this: The Federation of American Controlled Shipping estimates that the crude carrier Stuyvesant, just completed in the Brooklyn Seatrain shipyard and chartered to Sohio, will gross $30 million in three years on a $9 million equity investment. The government paid a $27 million subsidy on the $63 million ship and also insured a mortgage for the sums borrowed to build it. Not a bad deal.

An added point is raised by Lawrence C. Ford, president of Chevron Shipping Co. of San Francisco. Since Mr. Carter's energy legislation calls for wellhead taxes on domestic oil to bring its price up to the level of imported oil, any added importing costs will affect domestic fuel costs as well. So the $7 billion in direct shipping costs is only the beginning of the total cost to American consumers. Windfalls are bad if oil producers get them, good if they go to the maritime industry, so we would gather.

The maritime lobbies put up arguments that their raids on American pocketbooks serve the public interest, but they are not very convincing. National security is one such argument, but national security can hardly be said to depend on what flag a ship flies. It seems very unlikely that the U.S. will go to war with Liberia or Greece or that American oil companies would give up ships that fly Liberian or Greek flags, even in the event of war.

As to jobs created or preserved, the estimate for cargo preference is 3,500. That figures out, according to Mr. Ford, to a cost of about $440,000 per job. It might be a little cheaper to simply pay 3,500 people to do nothing.

Mr. Ford's opinion of the cargo preference act is summed up simply: "It's the worst I've ever seen." We can hardly improve on his appraisal.

[From the New York Times, Aug. 6, 1977]

THE GREAT SHIP ROBBERY

Shipping lobbyists helped elect Jimmy Carter, raising over $150,000 for his campaign. Now they have asked for and received a little help from their friend. The White House has chosen to support "cargo preference" legislation, a new way for ship owners and the maritime unions to get rich at public expense.

The bill would require at least 9.5 percent of imported oil to be transported on American-built tankers with American crews. It would violate United States trade treaty obligations. And it would cost consumers between $200 and $800 million dollars per year in higher oil prices. Why, then—other than as a payoff to political allies—would Mr. Carter stand behind the bill? About the only good thing to say about the President's position is that the lobbyists wanted more.

The American shipping industry already benefits mightily from Congressional largesse. Regular contributions to Congressional campaigns—the maritime unions alone anted up $900,000 in 1976—pay handsome dividends. This year's Federal budget allots $236 million to ship construction subsidies and another $388 million to ship operating subsidies. Still, even with such subsidies, high costs make it difficult for American ships with American crews to compete. Over 96 percent of imported oil is now transported on foreign tankers.

President Ford resisted demands of the industry for direct protection against foreign competition; he vetoed cargo preference legislation in 1974. Candidate Carter, however, committed his future Administration to cargo preference in private correspondence with the power behind the union-owner shipping lobby, the president of the Marine Engineers Beneficial Association, Jesse Calhoon. Earlier this year the shippers attempted to collect on the promise. Representative John Murphy of New York, chairman of the House Merchant Marine and Fisheries Committee and the maritime unions' best buddy in Congress, introduced a cargo preference bill calling for shipment of at least 30 percent of imported oil on American tankers. The President's economic advisors, strongly opposed to protection,

searched in vain for an alternative means of pacifying Mr. Calhoon and finally settled for a 9.5 percent preference.

Is there any rationale for cargo preference—other than satisfying the lobbyists? The Maritime Committee to Turn the Tide, sponsored by shipbuilders and aided by the President's media consultant Gerald Rafshoon, lists three arguments: "Foreign oil tankers threaten our environment, weaken our national defense, and take away U.S. jobs" reads a Rafshoon ad.

None of these arguments is very persuasive. Foreign vessels in American waters are subject to Federal inspection and can be denied access to American ports if they don't meet safety standards. The Defense and State departments are unconcerned about a shortage of United States flag ships; they cannot imagine a crisis in which the United States could not get Panamanian and Liberian tankers to bring it all the oil available for import.

The President's bill would indeed create a few thousand jobs—though at a steep price. According to the Treasury, each new job would cost consumers as much as $110,000. Unemployed sailors and ship construction laborers may deserve a break but it is difficult to justify such a generous dole. In the end, cargo preference may not even increase jobs for American workers. So blatant a protectionist measure could trigger retaliation from other countries, retaliation that would cut employment in American export industries.

The cargo preference legislation will be hard to stop. Over the objections of the ranking minority member, Pete McCloskey, Chairman Murphy pushed the bill through the Marine and Fisheries Committee without extensive hearings. The only real hope is that young House members, not yet inured to the sleazy politics of the compaign purse, will force Congress to give this tainted proposal thorough airing.

The President's deal with the shipping lobby is reminiscent of Richard Nixon's arrangement with the dairy farm co-ops. In 1971, $400,000 in political contributions bought Mr. Nixon's support for increased milk prices, in 1976, $150,000 bought Mr. Carter's support for increased oil prices. If the economic consequences of cargo preference legislation and the motives of those who support it were more widely known, public pressure might give the President the courage to defy Mr. Calhoon and his friends

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[From the Washington Post, Sept. 1, 1977]

HOW TO BUY A BILL

The maritime lobby, with the help of its many friends in the White House and Congress, has invented a different kind of revenue sharing. The system has a certain scientific interest, since it's beginning to look like the political equivalent of the perpetual-motion machine. The maritime lobby—the unions, the ship operators and the shipyards—invests wisely in certain elections. The politicians express their gratitude by extending and augmenting the enormous subsidies that go to the U.S. merchant marine. That further enriches the maritime industry, enabling it to pour still larger contributions into political campaigns the next time around. It's a delightful system for everybody except, of course, the taxpayers and consumers who supply the endless subsidies that keep the wheel turning.

To see the system busily at work, look at the cargo-preference bill. It would require a rising proportion of American oil imports to travel in ships built and registered in the United States—at freight rates several times as high as any other shipping costs. The lobby wanted that bill in the last Congress, but could not get it past President Ford. Last year, the maritime interests invested $100,000 in President Carter's primary campaign. That foresight paid off, and they now enjoy the President's endorsement.

Congressional enthusiasm for the idea is unlimited. In June the chairman of the House Merchant Marine Committee, Rep. John M. Murphy (D-N.Y.), held a fund-raising party at the Mayflower Hotel. This maritime lobby turned up in force and, as Common Cause reported, donated $9,950 to Mr. Murphy's future. It was an odd time to hold a fund-raising party, since there is no election this year. But it came in the midst of the hearings that Mr. Murphy was holding on the cargo-preference bill.

When the bill came to a vote a month ago, the committee reported it by a heartwarming majority of 31 to 5. Common Cause, which follows the maritime lobby with the fascination of a pathologist tracking the plague baccillus, observed that the maritime unions alone spent $83,263 for campaign contributions last year to 26 members of the committee. All but two of them voted for the cargo-preference bill.

All combined, the lobby spent something over $1.1 million last year on contributions to Mr. Carter and selected congressional candidates. That might sound like a lot, but it's a modest sum compared with the returns that will flow in when the bill is passed. The Government Accounting Office says that it will cost consumers at least $240 million a year in unnecessary freight charges—a figure, incidentally, more than twice as high as the dubious estimate to which the Administration testified. Costs could go much higher, the Secretary of the Treasury warned Mr. Carter in a private memo that has leaked—and he added that the bill is inflationary, would create unemployment, would invite retaliation and would violate American treaties with more than 30 countries.

That Treasury memo is right on all counts. But public policy won't have much to do with this bill's steady progress toward passage. The maritime lobby takes the straightforward view that it bought the bill at the going price, and it is entitled to prompt delivery.

[From Brandon's Shipper & Forwarder, May 23, 1977]

STANDING OF THE FLEET

(By Robert J. Blackwell)

President Carter's proclamation of May 23 as National Maritime Day calls attention to an important event in American history—the first transatlantic voyage (in 1819) by a ship powered by steam. Perhaps more significantly, it serves to underscore America's eternal romance with the sea, our seafaring heritage and traditions, and our dependence since Colonial times upon oceanborne shipping for a large measure of our commercial success and survival as a nation.

The Government role which that dependence requires remains our mandate today at the Maritime Administration (MarAd). We operate on the premise that the commercial and defense functions are irrevocably joined.

The American shipping and shipbuilding industries always have risen to the challenge in times of national emergency. However, too frequently in times of peace both industries have been allowed to decline as a result of public indifference and inadequate government policies. Measuring up to our dual maritime task has become increasingly difficult since World War II, which ended with the United States in possession of the greatest merchant fleet of all time.

In 1950 the U.S.-flag fleet transported 42 percent of our total import and export cargo tonnage. During the next two decades, however, the quality and quantity of our merchant fleet declined, and, concurrently, those of emerging foreign flags, including the Eastern bloc nations, began carrying more and more of our foreign trade. By 1960 only 11 percent of our total was transported in American-flag vessels and in 1969 we bottomed out at 4.5 percent participation.

Merchant ship deliveries from private U.S. shipyards also fluctuate with the times—down to 7 deep-draft vessels in 1955 and 1956, up to 22 deliveries in 1969, and back to 13 in 1970.

With the handwriting on the bulkhead, the Congress passed the Merchant Marine Act of 1970, the most important legislation in the maritime field since 1936. Among its major improvements were the extension of cost-differential subsidy to tankers and other bulk carriers and an expanded research and development program, now averaging about $20 million a year.

The initiatives taken under the Act have greatly revitalized the U.S. merchant fleet and shipbuilding industry and have brought forth a new generation of U.S.-flag vessels. Our intermodal fleet of containerships, barge-carrying, and Roll-On/Roll-Off vanships is the largest and most modern in the world. They are big and fast, and offer very rapid turnaround times, compared to conventional break-bulk cargo vessels. Operational competitiveness and shipyard productivity have vastly improved.

Subsidy contracts under the Act have been let for construction of 69 new vessels aggregating in excess of 6 million deadweight tons (dwt.) and valued at $3.3 billion.

In the past 10 months, MarAd has awarded contracts for 11 new ships, including the first heavy-lift and integrated tug-barge vessels, and the first exclusively break-bulk general cargo ships to be let under the 1970 Act. Orders for at least 12 more vessels are expected to be awarded by the end of 1978.

Merchant ship deliveries from U.S. yards now average about 25 annually.

On April 1, the U.S. merchant shipbuilding orderbook stood at 68 deepdraft vessels, one of the highest levels in our peacetime history.

Nevertheless, more new construction will be needed to sustain our current private shipbuilding activity into the 1980s and, at the same time, provide the ship construction mobilization base required for national defense.

Among our other concerns are the lingering national and global effects of the 1973–74 oil embargo.

The embargo resulted in quadrupled crude oil prices, a glut in the world tanker market, and economic and shipbuilding recessions, which set back our own ship construction program but was far more severe abroad. There has been no recovery in the tanker freight market or the world shipbuilding industry and, largely as a result of high oil prices, the U.S. foreign trade balance continues to suffer. In 1976 the value of U.S. oil imports rose to $35 billion, compared to $8 billion in 1973.

As we observe World Trade Week, it is apparent that we must exert a far greater American export effort if we are to overcome the growing deficit in our balance of payments.

Of great concern to the maritime industry is the fact that we depended on foreign-flag tankers to carry 97 percent of our total oil tonnage and 98 percent of our dry-bulk cargoes in our 1976 foreign trade. Programs which promise to ease both situations are underway, and the picture is somewhat better in other areas.

Preliminary figures on U.S. ocean-borne foreign trade last year indicate that records were set in total tonnage and dollar value ($159.5 billion).

Our liner cargoes for the year represented the largest volume carried by U.S. general cargo vessels in 20 years, and resulted in a U.S.-flag share of nearly 31 percent.

Our continuing comeback in this vital segment of merchant shipping can be attributed, in large part, to the National

Maritime Council's (NMC's) stabilizing influence in labor-management relations and wide acceptance of its Ship American advertising and promotion campaign.

We are extremely gratified by the unity of purpose that prevails in the industry, and fully support the NMC's efforts to generate increased shipper patronage of American-flag services.

In keeping with the mandate of the 1970 Act, MarAd has diversified into many new areas over the past few years.

At home, we have established a Great Lakes Region with headquarters in Cleveland and new marketing offices in Chicago and Detroit to promote both foreign and domestic shipping and shipbuilding on our Fourth Sea Coast. We have initiated programs to rebuild a viable U.S. drybulk fleet. And we are sponsoring a number of studies and projects to develop American ports and improve domestic shipping.

In international maritime affairs, we have taken active roles in efforts to achieve multinational accords on tanker safety and pollution control, and, in conjunction with the State Department, on a number of occasions we have interceded with foreign governments which instituted unilateral policies adverse to our carriers.

While the United States has historically opposed bilateralism because on its free market approach to world trade, the growing manifestation of developing nations and state-trading countries to enter into cargo-sharing agreements requires us to adjust to the realities of such situations when they adversely affect the competitive position of U.S.-flag carriers.

The bilateral agreement executed by the United States and the Soviet Union back in October 1972, and extended to 1981 by an accord reached in 1975, has provided very significant benefits to the American merchant marine—particularly in providing employment for a sizable portion of the tanker fleet which otherwise would have been laid up during the past 4 years.

NOT incidentally, today U.S.-flag tankers provide one of the brightest pictures in the maritime industry. Two major programs—movement of Alaskan oil to the lower 48 States and participation in the carriage of foreign crude oil for the billion-barrel Strategic Petroleum Reserve—promise to improve their employment enormously over the next few years. Our estimate is that U.S. tanker fleet capacity will be more than sufficient for both programs.

Another potential, but less positive, source of tanker employment depends on the fate of the oil cargo preference legislation pending in Congress. That is one of the major imponderables on the maritime scene as we observe National Maritime Day—1977. Whatever its outcome and whatever new uncertainties or problems may arise, in my view the American shipping and shipbuilding industries are making progress and can look forward to a good year and a better tomorrow.

[From the Christian Science Monitor, Aug. 23, 1977]

U.S. GOING PROTECTIONIST ON TANKERS?

(By John Dillin)

President Carter and Congress, prodded by maritime interests, are steering the United States toward a revolutionary change in trade policy.

Under the innocuous label of "cargo preference," the administration is steaming full speed toward some of the most strongly protectionist legislation in history.

Implications for U.S. consumers include somewhat higher prices for gasoline made from imported oil. Some White House advisers also warn the move could set a precedent leading to higher prices for other imported goods.

Focus of the current drive is H.R. 1037, a bill introduced by Rep. John M. Murphy (D) of New York, chairman of the House Committee on Merchant Marine and Fisheries. The Murphy bill, given good chances of passage, has the President's support. It eventually would require that 9½ percent of all the oil being imported into the United States be carried in American tankers.

Such a requirement for civilian cargoes would be a first for this country.

Top White House economists have fought the bill. They told the President it would lead to higher prices, add to unemployment, and reduce the nation's total output of goods and services.

One high-level source, however, says the President's options were limited. He was locked in by old campaign promises to maritime interests, and could find no way out.

"Carter was in a tough campaign in '76. He made certain promises. This is what elections are all about," said one government source.

The Murphy bill is nothing new. Congress passed similar legislation three years ago, only to have it pocket-vetoed by former President Ford. But this time, there appears to be little resistance to the measure in either the House, the Senate, or the Oval Office.

The protectionist drive reflects, in part, a growing concern in some quarters about the American merchant fleet.

Following World War II, the United States had the biggest and best merchant fleet in the world. But the years since have seen a precipitous decline, with the U.S. slipping to 10th place behind Liberia, Japan, Britain, Norway, Greece, Panama, the Soviet Union, France, and Italy.

Today, the U.S. tanker fleet has fallen to 231 ships. Many of these ships are aging and inefficient. Their total carrying capacity is 9 million deadweight tons, or just a fraction of the capacity of the fleets of several other nations.

U.S. tankers carry only 3½ percent of America's oil imports at a time when the nation has become more dependent than ever on petroleum from the Middle East.

The Carter-backed bill would require that 4½ percent of America's imported oil be carried by U.S.-flag tankers next year. That would increase to 9½ percent by 1982 or 1983.

Over the long-term, supporters of the bill argue, this mandated requirement would lead to a larger U.S. fleet, which would be an important adjunct to America's national security capabilities.

Ironically, the Department of Defense has argued against the bill. The difficulties in wartime would be access to oil—not the getting of enough tankers, Defense officials have said.

The Murphy bill already has stirred critical comment in Europe, whose ships share heavily in the U.S. oil trade. Eleven nations, led by Norway, have protested any move toward protectionism in shipping in a series of notes to the State Department.

Now, under the Carter-backed bill, subsidies would be granted in the form of higher prices to the consumer to support American shipping. Although estimates vary, one middle-ground report indicates it would cost U.S. consumers about $200 million a year in higher prices by 1985.

Would that be the end?

"Hardly," says one government official. "It's just a foot in the door."

Several White House advisers agree. Stuart Eizenstat, domestic adviser to the President, told Mr. Carter in a memo: "Many members of our administration . . . feel that even a modest cargo preference bill entails a dangerous precedent that may later be extended by Congress, or imitated by other nations."

The President overrode that advice.

[From the Christian Science Monitor, Aug. 24, 1977]

THE HIGH COST OF NEW OIL TANKERS

(By John Dillin)

WASHINGTON—Around the world today, hundreds of oil tankers stand idle, tugging at their anchors, silent testimony to the massive glut of overbuilding that has sunk the prices of ships to rock bottom.

Despite this excess capacity—estimated at 100 million tons—President Carter proposes to subsidize indirectly, at consumers' expense, the construction of even more tankers by U.S. shipbuilders.

The stated reason is national security: officials of the federal Maritime Administration argue that America needs more U.S.-built ships to meet both civilian and military needs in case of war.

Critics are pouncing on the President and his suporters in the Maritime Administration for proposing a policy that eventually will cost American consumers hundreds of millions of dollars at the gasoline pump. Further, defense officials have said U.S. companies already control enough ships to meet the cour try's needs in time of war.

PRICE COMPARISONS

Cost of the Carter policy can be illustrated with a few prices. The Maritime Administration estimates that a new, 60,000-ton capacity tanker built in American yards costs $45 million to $50 million.

The same ship, slightly used, can be picked upon the world market today for about $4.3 million—or less than one-tenth the cost.

A very large tanker of 265,000-ton capacity would cost $120 million to produce in U.S. shipyards. The same tanker can be purchased almost new for $17 million or less on the world market.

If America really needs more ships, why not just buy them at bargain prices; critics ask.

At the heart of this controversy is H.R. 1037, the so-called cargo preference bill. This measure, dear to shipping interests and supported by the President, would require that 9½ percent of all U.S. oil imports be carried in American-built tankers by 1982 or 1983. U.S. tankers now carry 3½ percent, and this is expected to drop to ½ percent next year.

Under the bill, shippers could not meet the 9½ percent quota by buying foreign-built ships and putting them under the American flag with American crews. The ships must all be built in American yards.

Ironically, the Defense Department doesn't like the plan. It has consistently resisted cargo-preference bills.

Prior to Mr. Carter's decision in July to support cargo preference, the plan was opposed on economic, security, or foreign policy grounds by a galaxy of federal powers that included the Defense Department, Department of State, National Security Council, Department of Transportation, Council of Economic Advisers, Special Assistant to the President for Energy, Department of Treasury, Federal Energy Administration, and Office of Management and Budget.

ONLY ONE WITNESS

This widespread resistance within the government may explain why the White House permitted only one government witness to testify in public hearings before Congress after the President made his decision favoring cargo preference. That witness was Robert J. Blackwell, Assistant Secretary of Commerce for Maritime Affairs.

The debate in Congress centers on the national defense issue, the crux of which involves two questions.

1. How many U.S.-flag ships are needed for national security in time of war?

2. What shipbuilding capacity must be maintained for national security purposes even at extra cost to taxpayers?

America currently has 9 million tons of U.S.-flag tankers. A report from the logistics directorate of the joint chiefs of staff indi-

cated that in case of war, the United States needs 3.3 million tons of tanker capacity for direct support of military forces. Another 10 million tons would be needed by the civilian sector.

While it might appear from those figures that U.S. shipping is inadequate, defense officials also note that U.S. companies, mostly big oil firms, own a large number of ships sailing under the flags of other nations. At present U.S.-owned foreign-flag ships number 789, of which 523 are tankers. The latter total 52.8 million tons, four times America's needs for war. Defense officials always have assumed much of this tanker capacity would be available for American needs in times of crisis.

RELIABILITY FACTOR

Speaking for the President, however, Mr. Blackwell says: U.S.-flag tankers manned by U.S. citizens are likely to be more reliable for these essential services than foreign-flag tankers manned by foreign nationals who may not necessarily be sympathetic to this nation's objectives."

Supporters of H.R. 1037 also point to shippers' experience in the 1973 Middle East war when President William R. Tolbert of Liberia issued an order that no vessel with a Liberian registry shall be permitted to carry any cargo of arms, armaments, or implements of war to countries in the Middle East involved in the conflict. . . ." About half of America's foreign-flag fleet is under Liberian registry.

After that conflict, however, Dr. John J. Bennett, Acting Assistant Secretary of Defense for Installations and Logistics, told Congress in 1975:

In assessing defense ocean shipping needs for peace and war my conclusion is that the tanker situation, while not without its problems, is not critical to national defense."

This summer, when Republican members demanded to hear public testimony from Pentagon experts on "cargo preference," the White House refused to let the military brass appear.

On the other major question, the need to maintain shipbuilding capacity, a study has been conducted by the Defense Department and the Maritime Administration. So far, the results of that study, which is still being processed, aren't available to Congress.

[From the Christian Science Monitor, Aug. 25, 1977]

WHO PAYS HOW MUCH—ESTIMATES VARY BUT THEY ALL AGREE THE CONSUMER WILL PAY

(By John Dillin)

Washington.—Reach down into your pockets, American motorists. This time you'll be contributing to the U.S. merchant fleet.

Higher prices for gasoline, heating oil, and a host of other petroleum products are expected to result from a "cargo preference" bill now speeding through Congress with the blessings of the White House.

The cargo bill, once vetoed by former President Ford, would be a boon to American shipbuilders and crewmen. Despite the higher costs of such shipping, the bill would require that a certain percentage of imported oil be carried in U.S.-flag ships.

For the average American family, struggling with nearly a decade of serious inflation, long-term implications of the cargo bill are hard to judge.

Supporters say it will mean just a couple pennies extra for a tankful of gas—a small price to pay for jobs and a strong merchant navy, they say.

But some government officials worry that the current bill, HR 1037, might be just the opening wedge of a long-term camapign to ship just about everything—at higher cost—in American ships.

Critics observe that everyone concedes cargo preference will lead to higher prices. And higher prices translate into inflation and unemployment, according to high-level government economists.

Furthermore, critics claim that the impact on prices will be several times higher than has been admitted by the Carter administration.

50 CENTS A PERSON

The U.S. Maritime Administration, which has been manning the helm for the White House on this issue, says that by 1985 the new law will cost U.S. consumers "only" $110 million a year in higher prices, or about 50 cents a person.

"We feel this is an acceptable price to pay to strengthen our merchant marine, enhance our national defense capability . . . and assure jobs for seafarers," says Robert J. Blackwell, Assistant Secretary of Commerce for Maritime Affairs.

But the American Petroleum Institute (API), representing opponents of cargo preference, estimates the bill could cost consumers as much as $1.6 billion a year.

"We estimate that the total incremental cost through 1982 to the consumer is over $5 billion, approximately ten times more than that estimated by Mr. Blackwell," says Frank N. Ikard, president of API. "Through 1985 the total cumulative cost will increase to $9.6 billion."

The General Accounting Office of Congress puts the annual price tag at about 2½ times the Blackwell estimate, but well below the API figure. GAO adds this caveat:

"Our figures do not include certain additional costs which might occur."

President Carter, after reviewing a report that included both his options and his campaign promises to maritime interests, personnally decided to move the United States toward a protectionist system in shipping.

COMPETITION CUT OUT

In a free market there is no way that highly paid American seamen, sailing in expensive American-built ships, can compete with huge, modern fleets from maritime nations like Britain and Norway, or taxhaven countries like Liberia. The petroleum business is a battle of pennies—and fractions of pennies. But the total differences in costs can be measured in thousands of dollars.

A sampling taken last year by the Maritime Administration found that a 90,000-ton capacity American tanker costs $11,300 a day to run. That included $3,577 a day for the wages of 26 U.S. crewmen at an average pay of $137 per day each.

A Liberian tanker of the same size cost $9,600 a day to operate. Its crewmen got an average pay of $26 a day. A similar Norwegian ship cost $10,800, with an average pay of $79 a day.

Such differences have a dramatic effect on the price of shipping oil. And those differences will soon grow dramatically.

By 1985 it is expected to cost $11.66 to import a ton of crude oil from the Persian Gulf to the United States on older American ships. The same ton of oil could be moved on a foreign flag ship for $8.74, according to a government study. But using newer American ships with high construction costs, the price of moving the same ton of oil will rise to $19.97.

That differential—more than double foreign costs—will be made up in higher prices at the corner gasoline pump under the Carter plan.

Those supporting cargo preference say the advantages far outweigh the higher prices.

Gerald Rafshoon, who handled campaign publicity for President Carter's election campaign, has been hired by shipping interests to push cargo preference. In the study released by Mr. Rafshoon's office, these economic benefits are cited:

1. Creation of 2,500 shipboard jobs and 2,100 shipyard jobs.

2. Creation of 15,000 additional jobs in maritime-related and supply industries.

3. Aid to areas of chronic unemployment. (Seven of ten major shipyards that would benefit are in areas of high joblessness.)

4. Help for minority workers. Thirty-one percent of shipyard workers and 17½ percent of shipboard crews belong to minority groups.

Further, the higher gasoline prices forecast by the General Accounting Office come to only two-tenths of a cent per gallon—"a small price to pay for jobs, national security, and better environmental protection," the Rafshoon study concludes.

THE BLUMENTHAL MEMO

The most damaging evidence against cargo preference was inadvertently supplied by the White House. In a confidential memo that fell into the hands of the press, Treasury Secretary Michael Blumenthal told the President.

"CEA [Council of Economic Advisers] estimates that the net impact [of cargo preference] on the economy as a whole would be a decrease in total employment and GNP [gross national product].

"[The bill] would be contrary to the London summit pledge to reject protectionism, would reverse U.S. policy favoring free competition, could trigger emulation by others, and would violate U.S. treaties with more than 30 countries."

Capitol Hill sources say the cargo-preference issue could reach the House floor in September.

If all goes well, say supporters, legislation should be on President Carter's desk by December. If he signs it—as expected—the nation's shipbuilding industry and maritime unions couldn't ask for a better Christmas present.

[From the New York Times, Aug. 26, 1977]

G.A.O. SAYS SHIP-PREFERENCE BILL WOULD ADD 240 MILLION TO OIL COST

(By Judith Miller)

WASHINGTON, Aug. 25.—The General Accounting Office has estimated that cargo-preference legislation supported by the Carter Administration would raise the nation's fuel bill by at least $240 million a year, more than double an estimate made by the Commerce Department in testimony last month.

In a letter to Representative John M. Murphy, chairman of the Merchant Marine and Fisheries Committee, Comptroller General Elmer B. Staats said the House version of the bill, which would require that 9.5 percent of imported oil be transported in United States-flag ships, could raise the nation's fuel bill by even more than the G.A.O.'s estimate of $240 million a year if additional costs were considered.

The G.A.O. estimate will undoubtedly reignite the controversy over the Administration's support of the cargo-preference measure, which leading Republicans have called "a blatant political payoff" to the maritime unions.

The G.A.O. letter to Mr. Murphy is dated July 29, 1977, four days before Mr. Murphy's committee voted at a politically charged hearing to reject a Republican bid to subpoena Carter Administration witnesses to testify about the cargo preference measure.

Mr. Murphy could not be reached for comment, but Ernest Corrado, the committee's chief counsel, said he believed the committee had received the G.A.O. estimate before the hearing.

When asked why Mr. Murphy had failed to mention the large discrepancy in the cost estimates presented by the Administration and the G.A.O., Mr. Corrado replied, "I suppose that he felt it was not a great deal of money."

The cargo preference bill has been a politically sensitive issue since late July, when Representative Pete McCloskey, Republican

of California, released internal White House briefing papers that discussed the bill.

According to the White House documents, virtually all of the President's top economic advisers opposed the protectionist measure, arguing that its effect would be to decrease employment and gross national product, reverse American policy favoring free competition, and violate United States treaties with more than 30 countries.

Robert J. Blackwell, Assistant Secretary for Maritime Affairs, consistently testified that the Administration's decision to support the measure was required by "the national defense and national security of the United States."

The White House documents, however, indicate that the State and Defense Departments did not believe the measure would strengthen national defense. Moreover, memos from Stuart Eizenstat, Mr. Carter's chief adviser on domestic policy, and Robert S. Strauss, special trade representative, indicate that support for the measure, though conceptually "flawed," was politically necessary in light of President Carter's campaign promises to maritime interests.

Last October, Mr. Carter, who reportedly received more than $100,000 toward his Presidential campaign effort from maritime interests, pledged support for a national cargo policy to assure American ships access to a "fair share of all types of cargo" in the nation's foreign waterborne commerce.

Despite repeated efforts in both House and Senate committees considering the legislation, Republicans have been unable to muster the necessary votes to extend hearings on the bill.

In July, Mr. McCloskey attempted unsuccessfully to subpoena Administration witnesses other than Mr. Blackwell, whom he charged with having a "clear conflict of interest." Mr. Blackwell has admitted that he has been negotiating for new employment with a group of nine merchant marine companies that strongly support cargo preference at a salary in excess of $100,000.

He has insisted, however, that after the industry contact, he pledged to refrain from having "any legal or personal involvement with any of the companies in matters before the Maritime Administration." The Administration refused in July to send witnesses other than Mr. Blackwell to Capitol Hill to testify.

The cargo-preference issue has been further politicized by a recent disclosure that Mr. Murphy solicited $9,950 from maritime interests in June while his committee was holding hearings on cargo preference. According to Common Cause, the public affairs lobbying group, Mr. Murphy received $16,200 from maritime interests during the 1976 campaign.

Mr. Murphy has said that the maritime interest contributions "had nothing to do with" his support of the bill and has accused Common Cause of being "used by the major oil companies and foreign-flag shipping interests" which oppose the bill.

MEASURE APPROVED BY HOUSE UNIT

The measure was approved by the House committee on Aug. 2 by a vote of 31 to 5. The committee expects to file its report on the measure tomorrow. Meanwhile, the Senate version of the bill is still in committee; a vote is expected early in September.

The G.A.O. letter is accompanied by a 25-page interim report on cost estimates of the cargo-preference measure. The report's estimates were based on an earlier version of the bill that would have required 30 percent of imported oil to be carried on American tankers.

The current bills in the House and Senate call for 9.5 percent of oil imports to be carried on United States ships by 1982. At present, less than 4 percent of imports are transported on American-flag ships.

"To translate our estimates into figures applicable to the recently proposed 9.5 percent cargo preference," Mr. Staats wrote, "we reduced them by the ratio of 9.5 to 30 percent—a factor of 32 hundredths." This adjustment produced the $240 million cost estimate, though Mr. Staats notes that "our figures do not include certain additional costs which might occur."

COST OF POTENTIAL RETALIATION

The reference to "additional costs" not included in the G.A.O. analysis refers to factors such as the cost of potential retaliation by other ocuntries, importation of more than the 10 million barrels of oil predicted by 1985 and the increased cost of oil if the price of domestic fuel is permitted to rise to the imported oil price.

"Any of these effects could—in the extreme—double the costs to consumers," Mr. Staats concluded.

Neither Mr. McCloskey nor Senator Robert P. Griffin, Republican of Michigan, who have led the fight against cargo preference in their respective committees, could be reached for comment on the G.A.O. estimate. An aide to Senator Griffin, however, said that Mr. Griffin asked the Federal Trade Commission in August to conduct an independent evaluation of cargo preference cost to American consumers. The F.T.C. is expected to report to the Senator on Sept. 6.

GREAT NEED FOR WORKING WATER STRESSED BY IRRIGATION BACKER

Mr. BURDICK. Mr. President, the following is an article by Clarence Jensen which was printed in the August 27, 1977, issue of the Minot Daily News.

Mr. Jensen has for many years been a leading advocate of water conservation and irrigation. As a nurseryman and farmer, his views are backed by practical experience with the vagueries of the weather and its effect on farm production. He also knows first-hand how cruel drought can be in the semiarid region of the Great Plains.

Mr. President, I find this article relevant to our ongoing efforts to conserve our water resources and put them to work for the benefit of all our people. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GREAT NEED FOR WORKING WATER STRESSED BY IRRIGATION BACKER

(By Clarence L. Jensen)

A recent news report stated that Robert Bergland, secretary of agriculture, speaking to a group of farm youth, made the statement that unless real generous amounts of snow falls in the Sierra Nevada mountains of California this coming winter, disaster would occur to California's agriculture. It would also be a disaster to the entire nation, he said.

How right he was. California is our greatest agricultural state. Its production in agricultural wealth is tremendous.

What Mr. Bergland could have added is that without the gigantic water development program the Californians have completed over the years, the Sierra snowfall would be of little benefit, and the state's agricultural wealth would be comparatively small.

The millions of acres of irrigation in the Golden State are responsible for its billions of dollars in agricultural production. The building of dams on its rivers, along with the many aqueducts and canals to bring this life-giving water to the thirsty farmlands, has made that state into an agricultural empire without comparison. Californians have learned to put that Sierra snowfall, and other sources of water, to work.

The good citizens of North Dakota have a dream for something similar in our state through a program of water development, the largest of which is to be the utilization of some of the waters of one of America's great rivers—the Missouri. The 250,000-acre program, authorized by Congress, is the first step in what is hoped will eventually result in our North Dakota irrigating several million acres from our rivers, our groundwater and other sources. What California has done can be duplicated to a certain extent in many areas of the Great Plains including North Dakota. We cannot grow oranges in our state, but experts tell us that we can increase our production of what we do grow threefold under irrigation. We plan to put the mighty Missouri to work in our state.

Eventually this will be done. The good people of North Dakota will not sit idly by, watching these dry years come so frequently without demanding completion of our water resources program to the limit.

Drouth or drought, no matter how you spell it, it's an ugly word.

Early in the century my father taught me to look in the west for rain, because, he said, "that is where the rainclouds come from." Now, over 75 years later, I am still, too often, looking in the west for that rain; rain that sometimes does come, all too often, it doesn't.

As one drives across this state and sees crops gasping for that life-giving water that fails to arrive, as was the case in so many areas this summer, the need for water to supplement the meager rainfall becomes so very evident.

When a series of calamity years come, as they did in the 30's, the need for water conservation becomes very clear. Young people today, and some of those who have moved here from other States, have little conception of how ugly Mother Nature can be in this semi-arid region of the Great Plains. One has to live through such a period to fully appreciate the wrath she can hand out. But those of us who lived in that period have not forgotten. We remember rainfall of less than 8 inches for the 12 months of one year of the '30's, coupled with devastating dust storms, and with temperatures of over 100 for days, culminating in an 118 degree reading at one place in the State. This brought disaster to the land of the Dakotahs.

And those who are concerned with the welfare of our wildlife today would bemoan a condition in which nearly all of our lakes and ponds had either dwindled to only a fraction of their former size, or had gone completely dry, as was the case in the thirties. Not a very desirable environment for wildlife.

Over the more than 70 years since the turn of the century, North Dakota's crops have been subjected to the ravages of many enemies. Some of these have been controlled, thanks, in many instances, to the work of the experiment stations. Black stem rust has caused almost complete failure in some years. Now the rust resistant varieties of wheat have this under control. Smut, so common in earlier years, and flax wilt, are no longer the destroyers they once were.

But the threat of drought is with us still. It is one enemy that has not been conquered.

There is no substitute for water. "Working water" is our most precious resource!

The entire western one-half of the nation is constantly threatened with a lack of rainfall. California early in its history realized that its agricultural economy was very much dependent upon the wise use of the water resources of that State, and she did something about it.

Other States are following. Irrigation is spreading throughout the West. Farmers in the humid eastern States, too, are adding sprinkler systems to supplement the rainfall and with great benefit to them.

Wouldn't it be interesting if some intelligent individual would compute the number of parched acres of this part of North Dakota that could have been supplied with 4–5 inches of moisture this year if the flood waters that came down the Mouse River through Minot to wreak destruction throughout the valley, could have been impounded to be used at a time of need? Some day—perhaps many years in the future, but surely sometime—our citizens will work for just such a program.

No one claims that irrigation will enable the entire State to obtain supplementary water. It will perhaps not deliver a complete knockout blow to the drought throughout the entire State. But it will deliver some mighty good left-and-right handed jabs. And, as it has in other States, it will have a very beneficial effect upon our entire economy.

CURRENT U.S. POPULATION

Mr. PACKWOOD. Mr. President, I wish to report that, according to U.S. Census Bureau approximations, the total population of the United States as of September 1, 1977, is 217,616,813. In spite of widely publicized reductions in our fertility levels, this represents an increase of 1,755,646 since September 1 of last year. It also represents an increase of 180,934 since August 1, 1977, that is, in just the last month.

Over the year, therefore, we have added more than enough people to fill the combined cities of Oakland, Calif., Akron, Ohio, Corpus Christi, Tex., and Indianapolis, Ind. And in just 1 short month, our population has grown enough to more than fill the city of Knoxville, Tenn.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the notification I have just received. A portion of the notification, which is classified information, has been deleted for publication, but is available to Senators in the office of the Foreign Relations Committee, room S–116 in the Capitol.

There being no objection, the notification was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
September 7, 1977.

In reply refer to: 1–8701/77 ct.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover, Transmittal No. 77–83, concerning the Department of the Air Force's proposed Letter of Offer to Egypt for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $28.7 million and support costs of $37.8 million for a total estimated cost of $66.5 million.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL NO. 77–83

(Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act)

(i) Prospective Purchaser: Egypt.

(ii) Total Estimated Value:

	Million
Major Defense Equipment*	$28.7
Other	37.8
Total	66.5

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (1TAR).

(iii) Description of Articles or Services Offered: [Deleted] Teledyne-Ryan Model 124R "Firebee" remotely piloted vehicles (RPVs), control van, launch and recovery equipment, spare parts, spare engines, ground support equipment, technical assistance and training.

(iv) Military Department: Air Force.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: September 7, 1977.

(Classified by the Department of State subject to general declassification schedule of Executive Order 11652. Automatically downgraded at two year intervals. Declassified on December 31, 1983.)

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the two notifications I have just received.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
September 7, 1977.

In reply refer to: I–9788/77.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Wasington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 77–80, concerning the Department of the Air Force's proposed Letter of Offer to Egypt for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $139.5 million and support costs of $44.9 million for a total estimated cost of $184.4 million. Shortly after this letter is delieverd to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL NO. 77–80

(Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act)

(i) Prospective Purchaser: Egypt.

(ii) Total Estiamted Value:

	Million
Major Defense Equipment*	$139.5
Other	44.9
Total	$184.4

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Fourteen (14) C–130 aircraft, spare parts and support equipment.

(iv) Military Department: Air Force.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: September 7, 1977.

WASHINGTON, *D.C., September 7, 1977.*

In reply refer to: I–6698/76ct.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: References:

(a) Defense Security Assistance Agency's letter, I–6698 of 7 July 1977.

(b) Defense Security Assistance Agency's letter, I–6698 of 2 August 1977.

Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 77–46A. Reference a forwarded the original Transmittal No. 77–46 and reference b withdrew that transmittal. This transmittal concerns the Department of the Air Force's Letter of Offer to Iran for major defense equipment as defined in the International Traffic in Arms Regulations (ITAR) estimated to cost $718.7 million and support costs of $510.2 million for a total estimated cost of $1,228.9 million.

Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency, and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL NO. 77–46A

(Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act)

(i) Prospective Purchaser: Iran.

(ii) Total Estimated Value:

	Millions
Major Defense Equipment	* $718.7
Other	510.2
Total	$1,228.9

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Seven (7) E-3 aircraft, Airborne Warning and Control System (AWACS), support equipment, spare parts, spare engines, contractor maintenance support, site survey, training equipment and training.

(iv) Military Department: Air Force.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: September 7, 1977.

THE TRANS-CANADIAN SYSTEM COULD COMPOUND A FOLLY

Mr. HELMS. Mr. President, unfortunately, the Senate will eventually be obliged to take under consideration the ratification of the Panama Canal Treaty. I hope that it will not be ratified. I have been very open in my opposition of the treaty and have expressed this opposition from the floor on several occasions.

I do not know what your feelings may be or how you intend to vote on this important issue. However, there is a second and in someways similar matter concerning this Nation's relation with a foreign power which will also be considered by this body in the very near future. I am speaking of the selection of a system to deliver natural gas from Alaska. We have two proposals for consideration—a Trans-Canadian system or an all American system. Should we adopt a delivery system requiring agreements with Canada for an overland pipeline through that Nation, we cannot overlook the comparisons with the original Panama Canal agreement and particularly the safeguards accruing to this Nation at the time the agreement was adopted.

First, as to the Panama Canal, the United States exercised sovereign rights over the entire right-of-way. If we adopt a Canadian overland route we will enjoy no rights—sovereign or otherwise over any of the right-of-way.

Second, an American company built, owned, and operated the entire canal facility. The proposed Canadian overland route would be built, owned and operated exclusively by companies which are foreign controlled.

Third, all tariffs and taxes relative to the Panama Canal were under exclusive U.S. control. Canada, on the other hand, would exercise full control over taxes and tariffs within its national boundaries. Because of the relationship between the Canadian central government and provincial authority, it is not clear how these taxes and tariffs would be levied or controlled. There is, in fact, considerable argument in favor of the right of the province to levy taxes regardless of the wording of any national agreement.

Fourth, the tariffs and all bills paid for the use of the canal by international shipping companies were paid by these international shipping companies. The U.S. consumer will pay all costs for the construction, operation, and maintenance of an overland pipeline through Canada.

Mr. President, I question the advisability of this Nation giving serious consideration to embarking on a new $10 billion project across Canada which at the outset has none of the safeguards we found so necessary in the construction, operation, and maintenance of the Panama Canal. The decision we make will affect our natural gas delivery for at least 40 years. It does not make sense to place our dependence for this vital energy fuel in the hands of a foreign power when we have an alternative. I recommend that we approve the all American alternative thereby assuring that our natural gas will remain under our control.

MARITIME CARGO PREFERENCE

Mr. LUGAR. Mr. President, the cargo preference issue and the Carter administration's dealings with the maritime industry have recently been the focal point of considerable public interest and controversy. Yet, the public is still forced to base its opinion on sketchy information. Efforts by Representative PAUL N. MCCLOSKEY and Senator ROBERT GRIFFIN to open up congressional hearings on the subject have been rebuffed by the Democratic leadership.

If the maritime industry maintains a political grip on the administration, the public has a right to know the details. If our President has made campaign promises to the maritime interests, the particulars must be revealed. And if cargo preference is indeed in the national interest, then hearings should be opened up so that the skeptical may decide for themselves.

If cargo preference does not amount to a political payoff of protectionism for the U.S. merchant marine, what is there to hide? If President Carter is not motivated by self-serving political interests, why has his administration refused to provide additional witnesses on cargo preference legislation? Why does Jody Powell, the President's press secretary, say, "We don't make it a practice of sending up—to Capitol Hill—witnesses to oppose our proposals"?

Apparently, the administration realizes that its cargo preference scheme cannot be justified on its own merits and prefers to suppress full and open debate.

I, for one, have many questions to ask. And I am anxious to get as much information as possible about the matter.

Fortunately, the Ripon Society—a group dedicated to fostering fair Government policies—has made public a series of White House memorandums that clarify the administration's self-interest in the cargo preference issue.

To make this material available to my colleagues, I ask unanimous consent that the August 15, 1977 issue of the Ripon Forum be printed in the RECORD.

There being no objection, the issue was ordered to be printed in the RECORD, as follows:

THE CARGOGATE PAPERS

Cargo preference legislation is a "blatant political payoff," according to Senate Minority Leader Howard Baker, Jr., House Minority Leader John Rhodes, and GOP National Chairman Bill Brock. The White House disagrees and says such criticism is politically motivated.

Who's playing politics? Most newspaper reports only summarize the documents involved. The Forum has departed from its usual aversion to reading other people's mail to publish the following correspondence. Cargogate is the new Carter Administration mystery game. Why did the butler . . . er, the President . . . do it? You be the judge.

Memorandum for the President
From Stu Eizenstat and Bill Johnston.
Subject Cargo preference.

BACKGROUND

At your instruction we have consulted extensively with industry and Congressional leaders trying to develop a mutually satisfactory strategy for rebuilding the American merchant marine. Unfortunately, our efforts to find generally acceptable compromise to cargo preference have not been successful.

The maritime industry, and its many Congressional supporters, supported some of our alternative proposals. But every group we talked to felt that our proposals were not acceptable substitutes for cargo preference. They were willing to accept sharp cutbacks in percentages and timetables if we would agree to some form of cargo preference. But they rejected all other compromises citing their understanding of your campaign promise. Within the last week both Senator Long personally, and Congressman Murphy by letter, have emphatically restated this to me.

On the other side many members of our Administration, including Charlie Schultze, Mike Blumenthal and Dick Cooper, feel that no version of cargo preference is acceptable. They feel that the principles involved—our commitments to free trade and to the fight against inflation—cannot be breached. They argue that the economic costs of cargo preference outweigh its benefits. Moreover, they feel that even a modest cargo preference bill entails a dangerous precedent that may later be extended by Congress or imitated by other nations.

OPTIONS

The attached decision memos from Secretaries Blumenthal and Kreps lay out two views of the alternatives. The EPG paper concludes that the options are:

(1) Cargo preference with the reserved share cut to 25 percent and with foreign built ships eligible for 2/5 of this share.

(2) A larger operating subsidy program for which all kinds of ships would be eligible, and for which the eligibility rules would be significantly relaxed.

(3) Extension of the Jones Act to the Virgin Islands for oil.

Option 2 was developed by CEA, EPG, Treasury and OMB staffs after an EPG discussion in which many EPG members expressed dissatisfaction with both cargo preference and other options.

Secretary Kreps feels that Option 2 should be rejected because it is unlikely to benefit the U.S. merchant marine and is certain to be offensive to most of the industry. She doubts that Option 3 is viable either, because it involves relatively few ships and is almost certain to be enacted with or without our support. She believes that the real choices are

(1) Cargo preference as in 1 above.

(2) A package of alternatives that would include:

(a) The Jones Act extension as in Option 3.

(b) Repeal of the U.S. income tax deferrals available to foreign subsidiaries of U.S. shipping companies. (Treasury opposes this)

(c) A legislative initiative to expand our dry bulk fleet. (already drafted)

(d) A commitment to seek additional bilateral shipping agreements on a case by case basis.

ANALYSIS

We agree with Secretary Kreps that from a political standpoint, Option 2 in the Blumenthal memo does not merit serious consideration. The proposed subsidy is a potentially expensive on-budget item with uncertain benefits. And because the proposal would tend to benefit the large oil companies, the maritime community would view it as an insult rather than as a substitute. As Secretary Kreps observes, a simple rejection of cargo preference is politically preferable to Option 2.

In our view the options boil down to accepting or rejecting cargo preference. If you reject it, a package of alternatives should be offered, even though these will not be considered acceptable by cargo preference proponents.

Accordingly we would modify the two Kreps options as follows:

(1) Cargo preference with severely reduced percentages: We feel that the percentage of oil imports reserved for our ships should be cut to 8–12 percent, with half of this available to foreign built ships reregistered under the American flag. This proposal would substantially increase the current proportion of oil moving on American ships and create some sea going and shipyard jobs, at a minimal cost to the public (estimated at $75–100 million). Both Congressman Murphy and Senator Long have indicated that a proposal along these lines would be satisfactory. It would, of course, still set the precedents considered to be undesirable [Here, a handwritten note by the President says, "Less than 10% as Strauss indicates.]

Ambassador Strauss has worked closely with us in developing this alternative. At this instance we have met with a representative of the unions who has indicated that such a severely reduced percentage would be acceptable because it would, at least, recognize the concept of cargo preference. [This paragraph is marked by hand for emphasis—presumably by the President.]

Thus, we could accurately state that we have fulfilled our campaign commitment (see attached campaign statements) but at a reasonable cost.

As under the current version of H.R. 1037, our proposal for vastly reduced cargo preference percentages would not add to maritime subsidy costs, since preference ships would not be eligible for any subsidies.

(2) A set of alternative including a-d in the Kreps Option 2 above and:

(e) Increased income taxes on both American and foreign owned foreign flag fleets. This would involve changing the definition of income sources so that half of the earnings from shipment into and out of the U.S. would be treated as U.S. earnings, (currently most of this income is treated as "earned on the high seas"). It would also involve ending the exemption from taxation that income earned by foreign flag shipping companies now enjoys. Recommendations along these lines have already been proposed by a Task Force of the House Ways and Means Committee.

RECOMMENDATION

While we feel that cargo preference is a flawed concept, it appears to be the only immediately available alternative that can significantly strengthen the maritime industry. In light of your commitment to the industry, and the likelihood that rejection of cargo preference will be seen as a broken promise, we support the limited cargo preference option outlined above.

Memorandum for the President.
From Ambassador Robert S. Strauss.
Subject: Cargo Preference Legislation.

Stu Eizenstat and I have met at length with Senator [Russell] Long on this issue. I have taken indirect soundings of the leadership of the unions, and talked with others on the Hill. [Assistant Secretary of Commerce Robert J.] Blackwell of the Maritime Administration believes our labor soundings are accurate.

Politically, something in the way of a Cargo Preference is going to be very hard to resist. Other options don't serve or satisfy the political need, and might even be counterproductive. The unions certainly feel that the Administration is committed to a Cargo Preference Policy.

The Maritime unions claim that a Cargo Preference Act is essential to the future of the U.S. Merchant Fleet and the security of the United States. Other remedies such as those proposed in the several option papers which have been circulated, in their view, do not suit this purpose and are seen either as entirely insufficient or a policy action contrary to their interests. They believe that the Cargo Preference policy will protect seafaring jobs for U.S. sailors and provide substantial on-shore employment in shipyards around America. (They point to the substantial numbers of minority employment in today's shipyards as evidence that the jobs created on-shore would go where the need is greatest.)

What we have determined is that establishing the concept of Cargo Preference is more important than the percentage. When Eizenstat and I met with Russell Long, we finally convinced him of this and left him in the political posture of "anything you fellows can satisfy Jesse Calhoun with, I will take and support." I believe we can successfully sell less than ten percent preferences stretched out over five or six years and try to get the Hill and the Union committed to this if you desire to go the Cargo Preference route. In short, what we have accomplished is determining that the concept is far more important than the percentage.

This memorandum is not an attempt to justify Cargo Preferences over other options. It is intended to provide you with a least possible option at an initial, relatively modest cost. There are other memoranda presently before you relating to inflationary and trade aspects. I would be glad to discuss these options with you personally if you desire. It is my personal opinion that we have a day or two "bad story" situation following any available option.

Memorandum for the President.
From W. Michael Blumenthal, Chairman, Economic Policy Group.
Subject Oil Cargo Preference.

In March the EPG unanimously recommended that you oppose cargo preference legislation, and suggested we might explore alternative ways of assisting the maritime industry. You then directed Commerce and White House staff to consult further on the Hill and with industry groups.

These consultations indicate that while the maritime interests would support a modified version of the cargo preference bill (H.R. 1037), they consider alternative forms of assistance inadequate and would strongly oppose them as a substitute for cargo preference.

During the campaign you made several statements about the need for a viable U.S. maritime industry, which maritime interests understand as commitments to support cargo preference. It appears that your campaign commitment was to increase the number of seagoing jobs and not to assist the shipbuilding industry.

The House Subcommittee on Merchant Marine is pressing the Administration for a decision. There is also an intensive lobbying effort underway on behalf of cargo preference by a coalition of shipbuilders, ship operators and marine supportive industries.

The EPG has reviewed this issue again and presents three alternative proposals.

1. Support a modified form of cargo preference, with a reduced preference percentage, a stretched out implementation timetable, and provision for limited foreign-built tanker participation. (Commerce and Labor support.)

Pro

This is acceptable to maritime interests. Impact on national security cuts both ways: Commerce believe U.S.-flag ships would be more reliable in emergencies; State and DOD do not see that as a benefit since foreign ports might be closed to U.S.-flag ships. It would create 2100 to 4600 new seagoing jobs, a possible 13,500 transitional shipyard jobs after 1980, plus some near-term shipyard business for reconstruction of foreign-built tankers. The U.S. balance of payments could improve by $95–150 million. Might improve tanker safety and pollution avoidance. Age limit would prevent use of obsolescent tankers in preference trade.

Con

Annual cost through higher oil prices is estimated at $233–$844 million depending on level of oil imports in 1986 and final form of the wellhead tax. If the wellhead tax exempts cargo preference oil, the annual cost per job created ranges from $23,000 to $111,000. CEA estimates the net impact on the economy as a whole would be a decrease in total employment and GNP. Would be contrary to London Summit pledge to reject protectionism, would reverse U.S. policy favoring free competition, could trigger emulation by others, and would violate U.S. treaties with more than 30 countries.

2. Expanded use of operating subsidies. (Supported by State, CEA, NSC, DOD, DOT, and the Special Assistant to the President for Energy; OMB supports without a cap on the subsidy. Treasury and FEA support option 2 or 3.)

Pro

By relaxing restrictions on eligibility for operating subsidies, and increasing operation subsidies from the current level of $400 million per year to $500 million per year, 5,000 additional seagoing jobs could be created at an annual cost per job of $20,000. Would not increase the cost of oil and, therefore, would not have the inflationary impact of cargo preference. Would not have the adverse foreign policy repercussions of cargo preference.

Con

It is strongly opposed by maritime interests as an alternative to cargo preference. They argue that independent operators will not be attracted and that the major oil companies with their company unions will be the primary beneficiaries. Shipbuilders oppose since no new shipconstruction would be generated. Further consultation and staffing are needed if you choose this approach since it would mean basic changes in long standing subsidy programs, including a budgetary ceiling for the first time. A recent OMB attempt to cap existing subsidies was strongly opposed.

3. Extend the Jones Act, which requires U.S. ships for domestic commerce, to the Virgin Islands for oil. (Treasury and FEA support option 2 or 3. State supports option 3 in conjunction with option 2 if needed.)

Pro

Could create 2,000 seagoing jobs with the cost likely to be absorbed by the refiner thereby avoiding the inflationary impact of cargo preference. After years of resisting, Amerada Hess, the only refinery in the Virgin Islands, is no longer opposing extension of the Jones Act since the oil import fee system will make it cheaper to use U.S.-flag ships.

Con

Maritime interests oppose this as a substitute for cargo preference because they believe the Congress will extend the Jones Act to their benefit in any event. There is also concern that it could serve as a precedent to complete extension of the Jones Act to the

Virgin Islands which could impact negatively on tourism, the islands' major industry.

THE MAJORITY LEADER'S PERFORMANCE

Mr. KENNEDY. Mr. President, the highlight of the August 20th issue of the National Journal is an interesting and perceptive article by Richard E. Cohen concerning the distinguished majority leader of the Senate. Entitled "Byrd of West Virginia—A New Job. A New Image," the article gives the distinguished Senator from West Virginia well-deserved high marks on his performance as majority leader and offers a detailed analysis of his competence and skill in leading the Senate. The article makes for interesting and informative reading and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BYRD OF WEST VIRGINIA—A NEW JOB, A NEW IMAGE

(By Richard E. Cohen)

As Senate Majority Leader, Robert C. Byrd does more than make the trains run on time. He also decides what tracks the trains should run on and the cargo they should carry.

No one who watched the West Virginia Democrat at work during his six years as Majority Whip had any doubt that he would operate the Senate efficiently when he replaced Mike Mansfield of Montana, who retired last January. But there were doubters, particularly among the roughly 20 Senate Democrats who supported Hubert H. Humphrey, D-Minn., for the post, who questioned whether Byrd had the capacity and desire to be more than a technician, whether he could "lead" the Senate.

Seven months do not make the full record, but the early returns are favorable. On and off Capitol Hill, the view is that Byrd has done surprisingly well. He has managed the Senate skillfully, contributed his own ideas on legislation, and so far has struck an appropriate balance between his role as the Senate's emissary to the White House and President Carter's link with the Senate. "I'm very impressed with Sen. Byrd's leadership," said Dick Clark, D-Iowa, manager of the aborted Humphrey campaign for Majority Leader. "He's fair, honest and above all, extremely hard-working. He has a healthy respect for the Senate as an institution."

"He is very forceful and an architect of the legislative process. He does this by a basic understanding of that process and an ability to work with all factions," said Ted Stevens of Alaska, the Assistant Minority Leader.

Fred Wertheimer, vice president of Common Cause, said that despite past battles his organization has had with Byrd, particularly on Senate institutional reform issues, "I think his performance as leader has been first-rate. He's done a great job."

Charles E. Walker, a prominent business lobbyist and deputy secretary of the Treasury during the Nixon Administration, said that while Byrd's big test lies with Senate consideration of the energy package, "I give him high marks from the perspective of the business community."

OVERSHADOWED

Byrd so far has been overshadowed as a congressional leader by House Speaker Thomas P. O'Neill Jr., D-Mass. This results from several factors. For one, public attention has been focused on the House because of its handling of Carter's energy package and O'Neill's role in pushing it through. (*See Vol. 9, No. 31, p. 1196.*) O'Neill's style and his mastery of personal relations (both with his colleagues and the press) have generated favorable profiles. In contrast, Byrd's reputation as a dour insider has changed little since he became Majority Leader. He is still regarded—perhaps unfairly—as a man whose principal goal is to curry favor with the other 99 Members of the Senate, who revels in the technical details of legislative procedure and who prefers to meet the press on Saturday mornings.

It may be, however, that Byrd's style and advice will be as important to Carter as O'Neill's has been, that his mastery of Senate procedures and institutional idiosyncracies may produce results the way O'Neill's more public orchestration of the House has.

Byrd recognizes that comparisons with O'Neill are inevitable, but is comfortable with his own style. "As Popeye used to say, 'I yam what I yam and that's all I yam," he said.

But he is quick to note that the House and Senate operate in different worlds and that what may work for O'Neill would backfire for Robert Byrd. The Senate operates by unanimous consent, under the constant threat of a filibuster. It is filled with men who consider themselves worthy successors or replacements for Jimmy Carter. It is a more difficult body to direct, let alone control. And without the two-to-one majority enjoyed by O'Neill, Byrd must use different tactics to move legislation.

He, of course, is not the sole Democratic leader. Alan Cranston of California, who succeeded Byrd as Whip, has a reputation as a solid vote-counter and an effective advocate of liberal causes. Byrd said he values Cranston's judgments and believes the new Whip is a dedicated member of the leadership. Other Senators, committee chairmen like Russel B. Long of Louisiana (himself a former Whip) and subcommittee chairmen like EDWARD M. KENNEDY of Massachusetts (who succeeded Long as Whip and lost the post in 1971 to Byrd) are forces to be reckoned with on various issues.

But Byrd is by far the dominant figure, and in the absence of an effective counterweight on either the left or right, has been able to put his stamp on the Senate this year, from its compromises on the neutron bomb and Korean troop withdrawals to its decision to postpone debate on such controversial measures as the consumer protection agency, political reforms and several labor bills and to its swift action on a new ethics code.

His sense of what is attainable, his compelling drive to see the Senate churn out legislation acceptable to more than a bare majority and his ability to find compromises at crucial moments may prove to be the keys to success, both for himself and for Carter's legislative program.

BYRD'S BACKGROUND

It has not always been this way for Robert Byrd. His oft-told biography wends its way through a poor West Virginia upbringing, brief membership—long since repudiated—as a young man in the Ku Klux Klan, studying for a law degree at The American University while a Member of the Senate and prominence as a prober of welfare problems in the District of Columbia during his early Senate service.

In comparison with others in the Democratic Class of 1958—Edmund S. Muskie of Maine, Howard W. Cannon of Nevada, Harrison A. Williams Jr., of New Jersey and the late Philip A. Hart of Michigan—Byrd did not stake out a position of leadership on particular committees or issues. Instead he quietly learned the ways of the Senate under the tutelage of such masters as John C. Stennis, D-Miss., and the late Richard B. Russell, D-Ga., and did his homework back in West Virginia. His official biography notes that his record includes capturing the largest percentage of votes ever obtained by a statewide candidate in that state and being the only one ever to win all 55 counties.

It was not until his upset victory over Kennedy in the 1971 contest for Majority Whip that Byrd began to receive national attention.

As Whip, he was given increasing authority by Mansfield to run the daily operations of the Senate, which principally involve the scheduling of bills and efforts to reach time limitations on debate. (For a report on Mansfield's leadership, see Vol. 8, No. 51–52, p. 1802.)

If there was one factor above all others that marked his service as Whip, it was that he drove himself from early morning to late evening to meet the personal needs of individual Senators and keep the legislative treadmill rolling. Partly because of Mansfield's relative disinterest in the mechanics of scheduling, Byrd was able to take a previously unimportant post—one without any power in statute or Senate rules—and parlay it into a position of power.

As he said in an interview with National Journal, many important bills would not have been enacted in recent years were it not for his work as a "technician." As examples of bills on which he helped advocates overcome procedural obstacles, he cited the 1975 Voting Rights Act, creation of the Senate Select Committee on Intelligence and, in the face of heated filibusters, passage of bills toughening antitrust procedures and permitting the award of attorneys fees to private parties in civil rights cases. (For a report on his role on the antitrust bill, see Vol. 8, No. 39, p. 1353.)

To some extent, Byrd's role as Majority Leader has not changed all that much from his position as Majority Whip. He exercises his authority to see that the Senate completes action on scheduled bills, even where there is fierce opposition. His grasp of complex Senate rules gives him an advantage in dealing with most Senators.

What has changed is that the mantle of being Majority Leader enables him to be more assertive in shaping the Senate schedule and in resolving controversial bills.

"Byrd is an artful mechanic at work," said an aide to a Democratic Senator who at times has battled with Byrd. "He brings together all the people working on an issue into a room, gets those of differing views to agree to bring up an issue and then sets the framework for consideration. He usually doesn't give a damn about the bill but wants to make sure all people with an interest are represented."

A common perception of Byrd in the Senate is that he is a facilitator—a term used more with admiration for its skill than in derogation of its importance.

"Nine-tenths of Byrd's role is facilitation, keeping the Senate moving," said Dick Clark. "He has to keep things moving or we'll get nothing done." Clark added that this process leaves room for affecting the substance of legislation. Assistant Minority Leader Ted Stevens said that in discussing the schedule for bills, Byrd and other members of the leadership do not discuss their own views. "Our job is to make sure the will of the Senate is expressed, that the rights of all Senators are protected and the timing is consistent with the Senate's over-all workload." But Byrd says he has had an impact on the substance of various bills and that being Majority Leader contributes to his ability to do so in the Senate.

Partly because of his concern with an image that often emphasizes form over substance, Byrd is quick to reject the label of facilitator or technician. "The Majority Leader is not a facilitator. He is the Majority Leader," Byrd said. "He facilitates, he constructs, he programs, he schedules, he takes an active part in the development of legislation, he steps in at crucial moments on the floor, offers amendments, speaks on behalf of

legislation and helps to shape the outcome of the legislation."

INSTITUTIONAL MAN

At times, Byrd acts to assure that the Senate will take action on a particular bill. The best example is his repeated declaration that essential legislation for 1977 should be passed by the August recess so that "the decks will be clear" for the Senate to spend the rest of the session on energy legislation. (For a report on the energy bill, see this issue, p. 1303.)

It has often been the case that he has expedited the resolution of controversial bills by offering a compromise between the competing sides and successfully pushing for its adoption.

Essentially, however, Byrd's primary concern is with leading and representing the Senate as an institution rather than with drafting the details of particular bills.

Max L. Friedersdorf, staff director of the Senate Republican Policy Committee and previously assistant to former President Ford for legislative affairs, compared the respective roles of O'Neill and Byrd: "The Speaker knows that the key in the House is to use the force of his personality to lean on people to get blocs into shape and ride roughshod when he has to. In the Senate, you don't whip them around. Each Senator represents his own fiefdom and won't be bullied. The leader's function is to find a consensus rather than make it as in the House."

In effect, Byrd's role has been to identify the point of consensus among his colleagues and to advance that position. Where there is no readily discernible consensus, he generally puts the matter aside.

One example is the fiscal 1978 foreign aid appropriations bill (HR 7797), approved Aug. 5. It is a perennially controversial bill and one that in recent years frequently has been enacted well after the beginning of the fiscal year. Byrd opposes many aspects of the foreign aid program and voted against final passage of the bill this year. But before doing so, he spent several hours bringing together the Senators most interested in the bill. "I saw that there were some very difficult problems to resolve," he said. In particular, James B. Allen, D-Ala., and Harry F. Byrd Jr., Ind-D-Va., had numerous amendments to restrict the foreign aid program.

Byrd said he felt it was important to finish the bill before the August recess because of his plan to concentrate the Senate's attention on energy legislation for the rest of 1977. "Well, I went to Danny (Daniel K. Inouye, D-Hawaii, chairman of the Senate Appropriations Subcommittee on Foreign Operations) . . . and to Schweiker (Richard S. Schweiker, R-Pa., ranking minority member on the subcommittee). And I went to Jim Allen, Harry Byrd, I went to Howard Baker (R-Tenn., the Senate Minority Leader) and I suggested that we have a meeting. . . . I said, 'Now, gentlemen, we need to decide if we can finish this. I need to know so I can let our colleagues know there won't be a Saturday session.'"

Facing the unhappy prospect of delaying the vacation of other Senators and their aides, the group sat for several hours and worked out their differences, Byrd said.

Byrd took a more active role in the substance of a controversial issue during debate in June and July on the neutron bomb, a weapon designed to cause widespread injury to people but little property damage. Funding for research and development was a part of the public works appropriation bill (HR 7553), even though Carter has not decided whether to deploy the bomb. Opponents led by Kennedy and Mark O. Hatfield, R-Ore., fought to kill the project or, as an alternative, to allow either chamber to veto its production following submission of an impact statement by the President. Their amendments were narrowly defeated, making it desirable for supporters to make some gesture to the neutron bomb opponents in order to expedite consideration of the bill.

With Baker's support, Byrd offered an amendment that would require votes by both chambers to block production of the bomb. In explaining his amendment on July 13, Byrd, a supporter of the neutron bomb, said, "I am convinced that there is enough sentiment in this body supporting an institutional role for Congress to keep this matter before the Senate for a while if this amendment is not adopted." He added, however, that he wanted to make clear that it should not be interpreted as "a crippling amendment." The proposal was approved, 74–19.

It is routine practice for Byrd to work closely with Baker to resolve disputes on scheduling or specific provisions of bills. Almost without exception, GOP Senators and top aides commend Byrd for respecting the rights and interests of the minority.

One idea pressed by Baker, to which Byrd has subscribed, is that the Senate should not be in session all year. Baker believes it is better for the public and Members of Congress if they spend less time in Washington and more time with their constituents. Byrd agreed at the beginning of the year to shoot for adjournment in early October. Although the energy debate may push back that deadline a few weeks, Byrd is committed to an early adjournment.

But that decision has had a ripple effect on other controversial legislation and has produced criticism of Byrd's leadership. Byrd has been reluctant to schedule bills that face the threat of a filibuster because it usually takes at least two weeks to consider such a contested bill. Critics charge that Byrd is allowing a small group of Senators to prevent consideration of important legislation.

"If there's any criticism I have, it is in his (Byrd's) determination not to bring up certain bills because of timing," said Howard M. Metzenbaum, D-Ohio. "I would have hoped we could have considered the consumer protection agency bill and national health insurance. But I recognize that anyone in a leadership role would not act 100 percent as I wish."

Republican Charles H. Percy of Illinois, who has worked closely with Byrd on some issues, also questioned "Byrd's willingness to put off anything because of the threat of a filibuster."

Andrew A. Feinstein, a lobbyist for Ralph Nader's Congress Watch, admitted that while his fear that Byrd was politically too conservative has not proved correct, he too is bothered by the fact that Byrd "stays away from controversial bills, many of which he supports. He may be, at times, too cautious."

Nader's group has been most concerned with Byrd's decision not to take up the consumer agency bill until the House passes it. (See Vol. 9, No. 26, p. 996.) But other bills have been shelved at least temporarily because of a filibuster threat, including voter registration, Hatch Act repeal, Legal Services Corporation amendments and several labor bills. Byrd did schedule debate on the bill to extend public financing to Senate elections, knowing that it would be filibustered. When the Democrats were unsuccessful in three attempts to shut off debate, the public financing sections were stripped out of the bill. (See this issue, p. 1314.)

Byrd's defense of his scheduling decisions is that he is not afraid to take up controversial bills at certain times but wants a reasonably good likelihood that the bill will be approved. Ironically, a bill (SRes 5) backed by Byrd and Allen to tighten Senate filibuster procedures following a cloture vote was considered by the Senate in May but scuttled when Byrd and other Democrats determined that Republican-backed weakening amendments gutted the bill.

Byrd's stamp as the institutional man is most evident when it comes to issues that directly involve the Senate. For example, he supported Adlai E. Stevenson, D–Ill., in his effort to abolish some Senate committees and rationalize the jurisdictions of others. (For a report on the Stevenson reorganization plan, see Vol. 9, No. 3, p. 106.)

Byrd also fought successfully for a stronger ethics code for Senators, including a cap of $8,625 on outside earnings excluding personal investments. Byrd made the ethics debate in March a test of his strength. According to a Senate aide, the debate was important because "he wanted to prove right away he was a strong leader." The code, which was prepared by the temporary Special Committee on Official Conduct, chaired by Gaylord Nelson, D–Wis., paralleled in many respects the code developed earlier by a comparable House panel. Byrd kept a close watch on the committee's progress and set a March 1 deadline to make sure there would be adequate momentum.

When the new code reached the Senate floor, it became the subject of harsh attack from several Senators, led by Muskie, who angrily asserted that the income limitation would have a serious impact on his personal finances. However, Byrd pressured many Democratic Senators—reminding them that earlier he had supported the pay raise as a quid pro quo for the tougher code. Muskie's amendment to remove the $8,625 limit was defeated, 35–62.

POLICY TILT

While such categorizations are often suspect, it appears that since being elected head of the Senate Democrats, Robert Byrd has moved his politics slightly more to the center of Democratic opinion.

Byrd acknowledged—in a limited way—a possible shift. "For me to be representative of my colleagues, keep an open mind, be fair, be reasonable, to deal evenhandedly—that is one of my responsibilities."

Cranston puts a slightly different cast on the assessment. "I think Byrd is stronger now among the liberals than he was earlier, partly because he is supporting their concerns, though he is not changing his views."

James Allen, one of the Senate's leading conservatives, sees it still differently. He said that as Whip, Byrd had to "prove himself to the liberals as willing to ram through liberal legislation." Now, said Allen, Byrd is "conciliatory" to all sides.

Whatever the validity of these assessments, it is the case that Byrd has switched his position to the liberal side on at least one major issue.

He joined the ranks this year of those who support public financing of congressional campaigns. He explained that shift by saying it was something Carter supported and, compared with other political reform proposals, stood the best chance of Senate passage.

On the consumer protection agency, another favorite liberal project, Byrd voted against the bill in 1975, the last time it was considered by the Senate, although he did vote to break the filibuster. An aide said there has been no indication that he has changed his mind.

However, Frances Zwening of Congress Watch said her organization "assumes he will support the bill" this year because Byrd has said several times that he will support the items on Carter's list of priority legislation, which includes the consumer agency bill.

Esther Peterson, special assistant to the President for consumer affairs, said she has had several "constructive" conversations with Byrd and that she thinks he is "open" on the bill. "He senses the difference between being Majority Leader and Senator from West Virginia. I think he will be very helpful in getting the bill through the Senate once it clears the House," she said.

Byrd also has played an important role on two major defense issues. He sent Carter a strongly-worded letter urging opposition to continued funding of the B–1 bomber. Carter's decision on the supersonic bomber probably had little to do with congressional pressures, but it is significant that Byrd joined the growing ranks of Senate skeptics when it comes to new defense projects. In the past, he has supported many of these projects, including the antiballistic missile in 1969.

More recently, he supported the Senate Foreign Relations Committee's efforts to delay Carter's sale of seven Airborne Warning and Control System (AWACS) airplanes to Iran. As required by a 1976 arms sale law, Carter had notified Congress of his proposed sale and Congress had until Aug. 5 to block the sale. Members of the committee had been urging Carter not to force the issue because he was likely to lose. He finally backed off July 28 after repeated entreaties from Byrd, Humphrey, and an unexpected vote against him in the House International Relations Committee. A Senate aide said Byrd was offended that Carter took so long to postpone the sale.

Whatever Byrd's personal views on the merits of the two defense issues, his outspoken public statements were accepted warmly among a majority of Senate Democrats. "He has shown a timeliness as well as good judgment in speaking for the Senate's position on the B–1 and AWACS," Metzenbaum said.

CARTER RELATIONSHIP

Neither Carter nor Byrd appears comfortable at being a wheeler-dealer or engaging in the idle political chatter and ribaldry that enlivens Washington. Each is the son of the rural South who worked his way up the political ladder to a position of great power not because of alliances with a political machine or interest group but because of personal persistence, hard work and an instinct for the public mood.

But if neither of them owes anything to anyone else, least of all each other, their fates, in fact, are inextricably tied. Carter needs Byrd to steer through the Senate his plan for reforming government programs and processes. Byrd does not need Carter to help him attain a specific policy goal so much as to prove his ability to make the legislative process respond to national needs.

So far, their relationship can best be defined as distant but proper. When Byrd says, "I'm the President's friend, I'm not the President's man," he seems to be saying he is a "friend" less in a personal sense than in the sense that he can assist the President meet his goals.

Periodically, Byrd has criticized Carter's actions. When Carter called for the termination of 30 water projects across the nation, Byrd warned that the announcement jeopardized Carter's proposed income tax rebate pending in the Senate. A few days later, Carter scrapped the rebate plan. Byrd said that this criticism and others have not been directed at the President so much as at "the methodology of achieving goals."

Some early tension between the two reportedly has dissipated as Carter has moderated his criticism of Congress and begun to work more closely with its leaders. But, as a Senate Republican aide noted, "Byrd feels he knows more about the Senate than does Carter and he won't be pushed around." Another aide commented that Byrd, in responding to the views of his Senate peers, is "not afraid to draw lines with the White House," particularly when the Administration does not cooperate or consult with Congress.

Ted Stevens said Byrd has done "an excellent job of conveying to the executive branch the feeling of this part of the legislative branch." But the relationship has not been entirely one-way. Byrd's assistance in steering through the Senate a host of Carter proposals has been invaluable. From the Korean troop pullout and the neutron bomb to the Department of Energy and clean air legislation, Byrd has expedited consideration and resolution of important Administration goals.

Fred Wertheimer of Common Cause said Byrd has been as "essential" to the White House as has O'Neill to the House. "The absence of their strong leadership would have seriously hurt Carter's program," he said. Asked whether he agreed, Byrd said, "Yes."

As Carter's top legislative goals for energy, welfare reform and tax policy make progress through Congress and eventually hit the unpredictable wind-tunnel that can be the Senate floor, the President probably will rely on Byrd more and more.

If that happens, Byrd may finally convince the public that the workhorses of the Senate outperform its show horses.

SOME 20,000 MILES ON AMTRAK

Mr. PELL. Mr. President, one of the more exemplary jobs of oversight being conducted by a Member of the U.S. Senate is that of the distinguished junior Senator from New Hampshire, Senator DURKIN. As an active and concerned member of the Senate Commerce, Science and Transportation Committee, he has traveled unannounced on over 20,000 miles of Amtrak routes in an effort to understand better the problems our Nation's rail system faces. As a strong advocate of improved rail passenger service myself, and as a frequent train traveler I commend Senator DURKIN for his initiative and interest in evaluating accurately the needs of rail passengers and the entire rail system.

I ask unanimous consent that an article appearing in the Boston Globe recently reporting on Senator DURKIN'S commendable job be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

20,000 MILES CRISSCROSSING U.S. ON AMTRAK

(By Stephen Wermiel)

In Alfred Hitchcock's thriller "North by Northwest," Cary Grant runs into Eva Marie Saint on a train. In "My Little Chickadee," W. C. Fields meets Mae West on a train. Sean Connery's portrayal of James Bond includes a battle with hit man Robert Shaw on a train in "From Russia with Love." And more recently, the clickety-clack intrigue of trains has been romanticized in Agatha Christie's "Murder on the Orient Express" and the frolics of Gene Wilder and Richard Pryor in "Silver Streak."

My journey was to include neither adventure nor romance. Nor was it based upon chance encounter. It was my mission to join up with U.S. Senator John A. Durkin, a Democrat from New Hampshire.

With trepidation I advanced on South Station, Boston, managing much to my surprise to avoid being assaulted by the myriad drunks, muggers or pickpockets one imagines lurk in train stations.

Meekly, I purchased my ticket—fortunately I had a reservation number because my name was spelled wrong—and headed for the waiting room. Having spent my childhood in New York City, the term "train" has always brought back—with a shiver—memories of that city's subway system in rush hour when the struggle is to survive more than to reach a particular location.

But the very name of the train brought a tingle of excitement, and so I found Durkin and his 9-year-old son, John, and we boarded the Lake Shore Limited bound for Chicago.

For the better part of a year, the 41-year-old Durkin has been riding the rails. Not, mind you, as a frivolous seeker of adventure and new sights. Durkin, a member of the Senate Commerce Committee, which handles rail matters, has traveled more than 20,000 miles incognito, taking notes, observing performance of schedules and personnel, and taking stock of the nation's railroads to prepare a report for the Senate and to conduct public hearings in the months and years ahead.

"Overall," says Durkin, "the jury is still out on Amtrak. They have some good days and bad days, but the jury is still out . . . Not on whether we need rail service back in this country but on whether Amtrak is meeting that need."

In the category of bad days, Durkin has had more than his share. There was, for example, the trip last December on the James Whitcomb Riley, the train which leaves Washington and heads for Chicago via Virginia and West Virginia.

"First," said Durkin, "the train collided with a truck in the community of Converse, Indiana. It was a green pick-up and it just slid right into the train at a railroad crossing." At another town in Indiana the passenger train was delayed while a freight train passed first. Traffic at the crossing was backed up for blocks, Durkin said, noting that priority for freight trains is not consistent with Federal law but is a frequent problem, just the same.

"We were due in Chicago at 2:40 p.m. and I was booked on the Southwest Limited to Los Angeles at 5 p.m. Plenty of time," Durkin said.

"Instead, I got off and had to walk to the end of the track and over three or four tracks with my bags and all, and I just made it by the skin of my teeth. The Southwest Limited pulled out just as I got on the train," he said.

Amtrak is the National Railroad Passenger Corporation created by Congress in 1970. It opened its doors in May, 1971, and now operates passenger service subsidized by the Federal government over 26,000 miles of track, serving 495 stations.

According to the company's records, Durkin's experience is not unusual. In March, Amtrak was on time only 65 percent of the time, partly due to the unusually bitter winter. In March, 1976, the on-time performance was still only 75.3 percent.

"At the airlines, if they're late they give you a drink or help you make connections," said Durkin. "Amtrak, if they're late they scowl at you."

The train to Chicago pulled out three minutes late from South Station. Only five minutes into a 25-hour trip, I was already claustrophobic in my roomette with the pull-out everything—seat, bed, sink, toilet.

The steward in the car, Raymond Kindred, was a pleasant fellow who, although he scarcely looked 30, spoke as if he had been present at the maiden run of the Orient Express in 1883.

"You're going to share the sleeping car with a gang of Navy recruits, and if they are any trouble you just let me know," he said. I moaned. "I've seen them really tear the place up," he said.

Durkin is loath to recount his experiences because he doesn't want to sound overly critical. He is a believer in rail transportation, an amateur train buff.

"I'm not adding my voice to those who want to scuttle Amtrak," he said. "I want it to succeed. I hope it succeeds.

"It started with my uncle Dave Daley, my mother's brother," explained Durkin, who was born in Brookfield, Mass. "He was a union official and worked on the old Boston-to-Albany run at Springfield.

"He would always come visit us by train, and we'd go down to the Brookfield train station to meet him. When I was a kid, trains were pretty glamorous."

During his two Senate campaigns (the 1974 election ended in a draw and when the US Senate could not resolve the dispute, a new election was held in September 1975), Durkin said he would not stay behind a desk in Washington, that he would be different. "When you're reviewing a multibillion rail authorization bill, it's hard to really know what's happening," said Durkin. "Rather than starting in the Library of Congress reading memos, I started on the rails, and I'll work my way up to hearings," he said.

He informed Commerce Committe chairman Warren Magnuson (D-Wash.) of his plans and will be reimbursed for his travel and expenses which have come largely on weekends or during recesses in Congress. He has paid out of his own pocket for members of his family to travel.

Most of his travels have been limited to Amtrak except for two trips—1154 miles on the Southern Railway from Washington to New Orleans and 2880 miles on Canada's CP Rail from Montreal to Vancouver. He has traveled under assumed names, never identifying himself as a US Senator. "You really can get a lot done on a train, reading and writing," said Durkin, "and one of the beauties is that the phone never rings."

Durkin was minding his own business on the North Coast Hiawatha which travels the 2228 miles from Seattle to Chicago when he was approached by an Amtrak civilian employee. "Are you Mr. Durkin?" the man asked. The train was passing through Montana.

"I said I was," Durkin said. "He said vice president so-and-so of Amtrak would like you to have dinner tonight in the dining car on us. I said 'No, thank you,' and paid for my own dinner," said Durkin, who has also established his independence in the Senate. "I think a girl in the dining car recognized me." Durkin recalls, "because she had worked in the Senate dining room and was now working for Amtrak."

The Lake Shore Limited sped along through Massachusetts, rocking gently in the cradle of tracks. It passed Brookfield, the station now closed and in a state of disrepair.

This 1038-mile route started up Oct. 31, 1975. When it leaves Pittsfield and passes into New York state there is a 12-mile stretch of track out of service before it reaches Albany. The Pittsfield-Albany leg of the journey (which should take much less than an hour) was to take two-and-one-half hours on this day in May. Absurd.

Before it reaches Albany, the train lurches forward, backs up, switches tracks, and then pulls into Rensselaer just across the Hudson River because Albany no longer has its own railroad station.

Finally, with the help of Rep. Silvio Conte (R-Mass.), the transportation appropriations bill for the next fiscal year (1978) includes $4.1 million to repair the 12 miles of track.

"Everybody's got an Amtrak horror story," according to Durkin. "Everybody's been on a train that didn't make it."

That also holds true for Durkin. There was the electrical storm outside Providence which knocked out all the signals on the tracks, forcing the train to stop. "You sit there thinking, 'I hope the guy in back of us knows we're stopped,' " said Durkin.

There was the afternoon of Dec. 3, 1976—the regal-sounding Statesman from Boston to Washington, leaving South Station at 11:45 a.m.

"We got to Philadelphia and the conductor came on and said, 'Sorry, we're not going any farther tonight, folks,' " said Durkin.

"There was a derailment up ahead, so they herded us into the station. It was," Durkin said, "like the Titanic as they brought buses up to the station and all the crew rushed past us to fill up the first bus.

"We were really treated like cattle. The bus stopped in Baltimore and we got to Washington at 3 a.m."

As Durkin left the bus, the driver smiled and remarked. "You know, it's a helluva lot faster if you ride with us all the way."

On another excursion along the northeast corridor between Boston and Washington, the most highly-traveled of Amtrak's routes, the train hit a railroad tie and was forced to stop for a while.

The major problems, according to Durkin's experience, are threefold. There is, first, the malfunctioning of Amtrak equipment which is being replaced steadily with more modern cars although even the new cars leave much to be desired.

Second, the railroad beds themselves are old, deteriorating and badly in need of repair. Along the northeast corridor, roadbeds include curves which cannot be negotiated at high speeds. In most cases, with the exception of the northeast corridor, Amtrak does not own the roadbeds. It travels over track owned by freight carriers.

Third, "There is no esprit de corps among employees," said Durkin. "Often they would be happier if you missed the train."

There was one near miss in El Paso, Tex., riding the Sunset Limited from New Orleans to Los Angeles.

"I got off the train to call home," said Durkin. "The phone was in the station. You have to gamble because when they are running late, they try to make up time.

"Thank God, the line was busy, because I hung up and started to walk back. Usually, you can see a whole line of red-jacketed porters standing at the doors to their respective cars.

"But as I walked back, there was only one porter and he was just picking up the stairs as the train started to move out. If the phone hadn't been busy, I would've spent the night in El Paso. I just made it," said Durkin.

We have arrived in Albany, slightly early. But we must wait for the train from New York City which carries with it the dining car.

It is now 9:30 p.m. and we have been on the train since mid-afternoon, unable to get a meal until now.

This trip is costing $112 one way, $60 without the sleeping car. For $91 I tell myself I could fly coach to Chicago and have a meal in flight.

Placing the ultimate trust in the steward, we are told we can simply board the dining car when it pulls in and find our own rooms later, in transit, once the two trains have merged.

Dinner, a 10-ounce steak, is quite good despite the constant reminders of the fact that I am on a train: water from the pitcher on the table sloshing into my wine glass as the train rocks to and fro; coffee cups filled only half way so as not to tempt fate.

Much to my surprise, the sleeping car containing my roomette is, as the steward had predicted, now at the end of the elongated train, my belongings intact.

It has not been all mishaps for Durkin. "It really is a very pleasant way to travel," said Durkin. "I can't think of a better appeal than the tourist market. You really can see the country."

Many of the sights are memorable. The glorious sunset in El Paso, for example. "There were very few clouds," he said, "and they were situated over the mountains, acting almost like a mirror. I have never seen such colors."

Coming into Los Angeles on the Sunset Limited, the train loops around for a few miles and actually faces east for a while, Durkin recalled. "The sun was rising in front of us, and it seemed for a while as though the sun were actually rising in the west," he said.

On the Broadway Limited from Washington to Chicago, there is the horseshoe curve at Altoona, Pa. In New Orleans, there is the wonder of the four-mile-long Huey Long Bridge.

One train goes soaring across the Great Salt Lake on a bridge in Utah while another winds among the volcanic caves west of Albuquerque. Still another climbs through the Cascades in Oregon and highlights the rock formations crossing the bay into San Francisco.

"Going through Texas, you begin to understand the importance of water," said Durkin. "Where there's water, there are people and prosperity and things are growing. It's that simple."

The most magnificent ride of all, however, is on CP in the Canadian Rockies, according to Durkin. The train edges along cliffs and a glance down reveals tunnels and passages the train will come to or has been through hundreds of feet below.

On many of the trains in the western United States as well as in Canada, there are dome cars with a second level topped by a glass or plastic bubble

They are not all alike. On the Canadian trains, said Durkin, the cars are washed often so the view of the mountains is that much clearer. The Amtrak cars are rarely washed and often feature plastic windows that are scratched and distort the scenery, he said.

A technician passing through my car remarks, "My time slips say Conrail, my paycheck says Amtrak." Conrail is another government corporation created to manage bankrupt freight lines. It owns much of the deteriorating track on which Amtrak runs.

Crossing upstate New York, I settle into my roomette, all but needing a slide rule to figure out how to lower the bed and still have room to stand in the compartment which has not a spare inch of space. Since the bed covers the toilet, I pray for a strong bladder during the night and nod off to sleep.

It is a remarkably good sleep, although I awake each time the train stops during the night—Syracuse, Rochester, Buffalo and Erie, Pa.

There is another stop after Erie. I am told later by the steward that a freight train crossed ahead of us. "By law," the steward said, "passenger trains go first, but the freight people don't want us. Dead sheep and cows and turnips are much less trouble. They don't need air conditioning and blankets."

"This fellow is very friendly," commented Durkin of the steward. "Often they are barely civil.

"They could, with very little expenditure of money, make the train more pleasant and more safe for senior citizens and children.

"Why not have a television car? If you can have a smoking car, or on the Broadway Limited there is a piano bar, then why not have a game room for kids, too?

"The attitude is 'We're here and if you want to jump aboard, fine, but don't expect much.' That has to change.

"On the CP and Southern, there was a difference in the jobs. Porters talked to you, were friendly. They were happy to see you. They didn't seem to be saying 'Oh, Jesus, not another one.' "

Another problem, said Durkin, "is they run out of supplies. They rarely run out of coffee, but they run out of beer and sandwiches in the club car, and it's happened on enough trains that you've got to wonder about the procurement problems in the system."

There is not much cleaning during the

trip, either, Durkin complained. Trash piles up in the club car, and "I've been on one Metroliner (Boston to Washington) that smelled like a urinal."

If the personnel are not always friendly, Durkin said, the passengers are usually a treat. "There's always some guy who takes up station in the dome car and can tell you everything—the name of every mountain, every train, every river, every spike in the road.

"In the dining car, you are usually seated with other people. They try to keep three or four at a table. They are always train buffs," Durkin said.

Scheduling is not always done for the convenience of travelers.

For example, a passenger can catch the Southwest Limited from Los Angeles to Chicago. It is scheduled to arrive at 2:35 p.m. If the passenger is traversing the country, he may want to grab another train east, to Boston or New York. He cannot. Those trains leave at 2:25, ten minutes earlier.

I have extracted myself from my roomette with the ease of a person using a shoehorn. Walking forward to the dining car for breakfast, the coach cars smell like people have been sleeping in them all night.

In the club car, the bartender is too busy to refill the coffee urn. Breakfast is again a pleasant experience.

The train is chugging along in its path, submerged between two mounds of earth like an animal furrowing a canal. The city of Cleveland pops up over one mound like a mirage, and after a brief stop, is gone just as quickly.

The Lake Shore Limited is now running one hour and 25 minutes late, but the steward is describing a corridor of straight track 133 miles known as the Elkhart (Indiana) airline. "An airline," steward Raymond Kindred explains, "is railroad parlance for straight track. Several years back, in fact, a Florida train company called the Seaboard Airline went public and investors thought they were buying into airplanes.

"We can make up an hour with a good engineer, hitting speeds of 85 to 90 miles per hour," Kindred said.

Toledo is the first stop since last night that is long enough for passengers to disembark for five minutes. The Navy recruits race for the magazine and tobacco stand, returning to report it had shut its doors as they arrived. Next stop, Chicago.

"On every train I've been on," Durkin said, "there's been one major equipment breakdown, either lights or heat or water or the engine."

On the Broadway Limited, there was no hot water in the car, said Durkin. Once the heat came on it, blasted you out of the car to the club car, he said.

"It seems when the heat goes on in the winter, it stays on until the spring, regardless of what the atmosphere is," he said.

On the James Whitcomb Riley, he had to switch cars because there was no heat at all. On the Coast Starlight between Seattle and San Francisco, "the dining car was 125 degrees first, immediately upon leaving the station. Then it continued just malfunctioning," he said. It was not caught before the train left and it did not work for the remainder of the trip.

The Zephyr from San Francisco to Denver was more than an hour late because the engine broke down outside of Cheyenne, Wyo.

"Take a coach and turn off the air conditioner in the hot sun," said Durkin, "and you turn it into a cattle car. You only need to do that once and you turn off an entire generation of travelers."

On the Southwest Limited, there was no water and the toilet would not flush. "Sometimes," Durkin said, "it just seems like the great aggravator is at work."

The only uneventful trip for Durkin was the Silver Meteor from Washington to Florida. He got off in Winter Haven and got the next train back, 1792 miles round trip. He is also fond of the Night Owl which leaves Boston at 10:30 p.m. and arrives in Washington at 8:30 the next morning. "You can," said Durkin, "read for a while, get a good night's sleep, and arrive in time for your first appointment."

The Lake Shore Limited sped along past Elkhart, stopping at South Bend, Ind. The University of Notre Dame was not visible.

"The train is pretty full," remarked Kindred, the steward. "It is not making much money, but it is not losing much either. Families are using it more and more. We had to turn 200 people away at Christmas."

The winter, he said, was devastating with delays of six hours because of snow. The largest of many Buffalo storms delayed the Boston-bound train 24 hours.

In March, the Lake Shore Limited was on time 56.5 percent of the time. For March 1976, it was 58.1 percent.

The Lake Shore Limited carried 18,636 passengers in March, down 4 percent from March 1976 (Amtrak carries 18 million in a year).

Rolling along at a swift clip, the daydream world of the Lake Shore Limited is shattered abruptly by the miles and miles of steel mills at Gary, Ind.

Chicago looms on the horizon.

"We were an hour and 25 minutes behind and we're here right on time," Kindred beamed with pride, his prediction of the Elkhart airline having held true. "How's that for good work?"

On this sunny, pleasant day in May, I left the Lake Shore Limited behind, still not a committed train buff, and headed for O'Hare Airport.

Durkin, determined to make the railroads in this country work for people, looked around Chicago's Union Station for another train to take.

TIME-LIMITATION AGREEMENT—S. 274

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 371 is called up and made the pending business before the Senate, there is a time limitation on the bill of 1 hour, the time to be equally divided between Mr. STENNIS and Mr. THURMOND; that there be a time limitation on any amendment of 30 minutes; that there be a time limitation on any debatable motion or appeal, amendment in the second degree, or point of order, if such is submitted to the Senate, of 20 minutes; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSFER OF S. 1626 TO UNANIMOUS CONSENT CALENDAR

Mr. CRANSTON. Mr. President, I ask that the clerk transfer calendar No. 366, S. 1626, to the Unanimous Consent Calendar.

The PRESIDING OFFICER. It will be so transferred.

EXTENSION OF TIME FOR FILING CONFERENCE REPORT ON S. 275

Mr. CRANSTON. Mr. President, I ask unanimous consent for authority for the Committee on Agriculture, Nutrition, and Forestry to have until midnight tonight to file the conference report on S. 275, the Agricultural Act of 1977.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate go into executive session to consider four nominations in the Department of Justice which are on the executive calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the following nominations in the Department of Justice:

Robert E. Raiche, of New Hampshire, to be U.S. marshal for the district of New Hampshire; Hugh Salter, of North Carolina, to be U.S. marshal for the eastern district of North Carolina; Juan G. Blas, of Guam, to be U.S. marshal for the District of Guam; and Donald D. Forsht, of Florida, to be U.S. marshal for the southern district of Florida.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move to reconsider the votes by which the nominations were confirmed en bloc.

The PRESIDING OFFICER. Without objection, the motion is in order.

Mr. ROBERT C. BYRD. I so move.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislation business.

There being no objection, the Senate resumed the consideration of legislative business.

TIME-LIMITATION AGREEMENT—CONFERENCE REPORT ON H.R. 7933

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the DOD conference report on H.R. 7933 and any material in relation thereto, there be a 1-hour time limitation, to be equally divided between Mr. STENNIS and Mr. YOUNG, with the understanding that this agreement may be vitiated by Mr. YOUNG.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until tomorrow morning at 9 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR STENNIS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized tomorrow morning, the distinguished Senator from Mississippi (Mr. STENNIS) be recognized to call up the DOD conference report on H.R. 7933.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF SENATE CONCURRENT RESOLUTION 43 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the DOD conference report tomorrow, the Senate resume consideration of the second concurrent resolution on the budget, Senate Concurrent Resolution 43.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF CONFERENCE REPORT ON S. 275 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the second concurrent resolution on the budget—and this consent is not required, because Mr. TALMADGE may call up his conference report on the farm bill, S. 275, it being privileged, if he wishes—I ask unanimous consent that he be recognized at that point to call up such conference report, if he wishes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF S. 2057

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition tomorrow of either the second concurrent resolution on the budget or the farm bill conference report, whichever the case may be, as the circumstances then prevail, once the disposition is consummated, the Senate then proceed to the consideration of the energy conservation bill, S. 2057, with the understanding that action on the budget waiver must precede action on that bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY TO RECEIVE BUDGET WAIVER RESOLUTIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that various budget waivers which are expected to reach the floor at any time may be received if the Senate recesses prior to their arrival, and that they may be reported as having been received today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CONVENE AT 10 A.M. MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate convenes on Monday it convene at the hour of 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the provision in the order which was previously entered with respect to the budget waiver on the energy conservation measure and the effect of which would be to waive the 3-day rule in respect of the report on the budget waiver resolution be subject to the approval and therefore the vitiation of and by respectively Mr. BELLMON.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. We have no objection to the same provision applying to H.R. 5027 subject to Senator BELLMON's concurrence.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 3-day rule be waived in connection with the budget waiver on Calendar Order No. 358, H.R. 5027, an act to amend title 38 of the United States Code to clarify the requirement that medical services be provided by the Veterans' Administration in certain cases, subject to the approval of Mr. BELLMON.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I thank the majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished assistant Republican leader.

ORDER FOR RECOGNITION OF SENATOR BARTLETT ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next, after the two leaders have been recognized under the standing order, the Senator from Oklahoma (Mr. BARTLETT) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9 A.M.

Mr. CRANSTON. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate now stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to; and at 9:06 p.m. the Senate recessed until tomorrow, Friday, September 9, 1977, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate, September 8, 1977:

DEPARTMENT OF STATE

Arthur J. Goldberg, of the District of Columbia, to be Ambassador at Large and U.S. Representative to the Conference on Security and Cooperation in Europe (CSCE) and Chairman of the U.S. Delegation to the CSCE.

Esteban Edward Torres, of Virginia, for the rank of Ambassador during the tenure of his assignment as the U.S. Permanent Representative to the United Nations Educational, Scientific, and Cultural Organization at Paris, France.

ACTION AGENCY

Carolyn R. Payton, of the District of Columbia, to be an Associate Director of the ACTION Agency, vice John Dellenback, resigned.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

Bertram R. Cottine, of the District of Columbia, to be a member of the Occupational Safety and Health Review Commission for a term expiring April 27, 1983, vice Robert D. Moran, term expired.

MISSISSIPPI RIVER COMMISSION

Brig. Gen. William Edgar Read, [redacted] U.S. Army, to be a member of the Mississippi River Commission, under the provisions of section 2 of an act of Congress,

approved 28 June 1879 (21 Stat. 37) (33 U.S.C. 642).

CONFIRMATIONS

Executive nominations received by the Senate September 8, 1977:

DEPARTMENT OF JUSTICE

Robert E. Raiche, of New Hampshire, to be U.S. marshal for the district of New Hampshire for the term of 4 years.

Hugh Salter, of North Carolina, to be U.S. marshal for the eastern district of North Carolina for the term of 4 years.

Juan G. Blas, of Guam, to be U.S. marshal for the district of Guam for the term of 4 years.

Donald D. Forsht, of Florida, to be U.S. marshal for the southern district of Florida for the term of 4 years.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

WITHDRAWAL

Executive nomination withdrawn from the Senate, September 8, 1977:

Peter E. Corning, of New York, to be U.S. attorney for the northern district of New York for the term of 4 years, vice James M. Sullivan, Jr., resigned, which was sent to the Senate on June 29, 1977.

EXTENSIONS OF REMARKS

PRAISES ARTICLE BY REPRESENTATIVE CLARENCE LONG

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 7, 1977

Mr. SIMON. Mr. Speaker, our colleague, Representative CLARENCE LONG of Maryland, had an article in the spring issue of the magazine International Security under the title, "Nuclear Proliferation: Can Congress Act in Time?"

It merits the attention of all of us, and I am taking the liberty of having it reprinted in the RECORD:

NUCLEAR PROLIFERATION: CAN CONGRESS ACT IN TIME?

(By CLARENCE D. LONG)

The threat of nuclear proliferation can scarcely be overstated. As many as forty countries, typically underdeveloped and unstable, may have nuclear weapons capabilities by 1990.[1] More likely than an all-out nuclear war beginning between superpowers is a nuclear exchange between small countries, and a nuclear war anywhere has to be assumed to risk escalation to superpower involvement whether by deliberate intervention, or by miscalculation, bluff, or panic. Even between two small nations, a nuclear war could result in unprecedented death and destruction, with the United States being called upon to supply billions of dollars for humanitarian relief, and with environmental damage that would scarcely respect borders.

Paranoia caused by nuclear weapons proliferation would complicate defense planning.[2] The United States could be compelled to prepare against a variety of threats from numerous challenges, building us a vastly increased nuclear arsenal with no clear strategic purpose. How could the United States signal in advance its determination to retaliate with unacceptable damage against a nuclear attack if there were no way of identifying the attacker against whom we would then retaliate? Such an attack could be delivered by terrorists or in bombs exploded in ships of false national registry anchored in our harbors. Indeed, the objective could be to provoke us into nuclear war with the wrong nation.

Damage to our own civil liberties could hardly be avoided. National fright typically leads to a huge and pervasive police apparatus. Who can say that our democratic traditions would survive, considering how they have caved in under less pressure in the past?

This article will show that keeping countries from nuclear power technology, with its accompanying potential for producing nuclear weapons, could save money for the United States and preserve for the poor nations opportunities to improve standards of living and of education—opportunities otherwise lost because developing nations, even aided by the United States, cannot afford both high-capital nuclear technology and better lives for their people.

Can the spread of nuclear weapons and technology be stopped—and stopped in time?

Underlying an answer to this question are three premises: (1) As far as technical knowledge is concerned, the genie is out of the bottle. (2) The countries with the ability to suppy technicians, reactor hardware, and nuclear fuel have so many conflicting and even devious interests, that any anti-proliferation agreement must be at the mercy of the lowest common proliferator, with long delays and more loopholes than anti-proliferation clauses. (3) The consequences of nuclear weapon proliferation are so fraught with peril that efforts to contain it should go full speed ahead even though the superpowers can be blamed for asking others to refrain from producing "kilotonnage" when they cannot keep themselves from piling up "megatonnage." In any case, so urgent are the problems of both small country weapon proliferation and superpower expansion of existing nuclear arsenals that the efforts to cut back either one must proceed without waiting for a successful solution of the other.

In view of the difficulties of getting cooperation between nuclear and nonnuclear weapon states, are there steps to check proliferation that the United States can take unilaterally? Do unilateral steps preclude cooperative agreements later on? What are the obstacles, political and economic, domestic and international? What is the role of Congress in United States efforts? How willing is Congress to do anything really effective? And in time?

There are four classes of action that the United States can take to discourage nuclear proliferation. First, the United States can stop promoting and subsidizing nuclear power exports, keeping in mind that a nuclear power plant is the major step to nuclear weaponry. The engineers and physicists needed for nuclear explosives would be present in a power program. So also would be the plutonium, since the standard size 1,000 megawatt power reactor of current design would produce annually spent fuel containing 200 kilograms of plutonium—or enough for forty small nuclear explosive. All that is required to separate the plutonium from the radioactive wastes is a reprocessing plant which, for a modest weapons program, would require as few as eight engineers with standard training and would cost as little as $25 million (a small fraction of a power reactor's cost).[3]

Second, the United States can move on many fronts to encourage the use of nonnuclear energy, thus providing better energy answers, economic and environmental. Nations insisting on going nuclear for military reasons could no longer wear the cloak of an energy solution.

Third, the United States can redirect its foreign aid away from nations which insist on developing nuclear explosives. Inasmuch as there can never be more than a tiny fraction of the foreign aid needed to go around, this redirection would be no more than good economics—allocating limited resources to those nations in which the aid will do the most good for the least cost. No attempt to steer foreign aid away from less developed countries (LDCs) that use it to finance nuclear technology can ignore the fact that much American foreign aid goes out through multilateral development banks to such notorous proliferators as India. These institutions should be persuaded by the United States to deny loans to nations that are using the money directly or indirectly for nuclear proliferation. If American influence fails, we can reduce our contributions.[4]

Finally, at the same time the United States can press other nuclear suppliers to agree to stop proliferation. Our bids for cooperation would, if anything, be strengthened by the above-suggested demonstrations of good faith and good example.

UNITED STATES SUBSIDY OF NUCLEAR PROLIFERATION

Most states that have achieved a nuclear weapons capability, other than the Soviet Union and the People's Republic of China, have benefited from promotion and direct and indirect subsidy by the United States Government.[5] The United States has promoted nuclear energy exports principally through the Export-Import Bank.

Since 1959, the Export-Import Bank has provided loans and guarantees for almost $4.8 billion dollars of exports of nuclear equipment and fuel through sixty-eight loans totaling $3.2 billion and thirty-four financial guarantees of $1.6 billion in commercial bank lending.

Commercial banks, with Export-Import Bank guarantees, have provided a substantial portion of the funding—generally 40 to 45 percent, and typically are first to receive any repayment. In an industry-by-industry calculation for Fiscal Year 1975, the Congressional Budget Office concluded that the Export-Import Bank loans for nuclear exports, when compared with sixteen other industries, had the longest average terms and received the second highest proportion of subsidy.[6]

The Export-Import Bank has financed fifty of the sixty nuclear reactor exports by the United States; of the ten reactors exported without Export-Import Bank financing, only three exports of small reactors for Europe in the 1960s were not accompanied by some financial subsidy.[7] Subsidy has been critical to almost all American nuclear reactor exports.

The United States had provided many other forms of financial aid to foreign nuclear programs over the last twenty years. This assistance, totalling at least $311.8 million as Table 2 shows, has been provided through the Atoms for Peace and other programs administered by the Atomic Energy Commission; through the Agency for International Development (AID); and through the International Atomic Energy Agency (IAEA).

By 1958, the Atomic Energy Commission had agreements governing American nuclear trade and cooperation in force or almost ratified with forty-three countries.[8] Under these agreements, the United States exported research reactors with nuclear fuel and training to Argentina, Brazil, Taiwan, Iran, Korea,

Footnotes at end of article.

Pakistan, Israel, and Spain—all now thought to be interested in having nuclear weapons.[9]

The cooperative research programs between the United States and the European Atomic Energy Community (EURATOM) and between the United States and Canada involved assistance to Euratom and to the Canadian development of the CANDU heavy water reactor, but the expected benefits differed with each program. The goal of the United States-EURATOM Program, which included two of the four deferred-payment nuclear fuel contracts (twenty-year loans at 4 percent interest including a ten-year grace period on principal repayments) was to persuade the Europeans to adopt American light-water reactor technology, so that American nuclear suppliers would benefit from exports; instead, it helped create the international competition which now threatens United States nuclear export markets. The goal of the United States-Canadian Program was to upgrade the quality of United States research in heavy water reactors by taking advantage of Canadian expertise.[10] Instead, the Canadian reactors also began to compete with United States exports.[11]

Most of the AID assistance to other nuclear programs has gone to India for the Tarapur nuclear power plant (92 percent of total AID nuclear assistance to India), but twenty-six countries have benefited from AID-financed nuclear training, reactor parts, nuclear material, and heavy water. The recipients have also included those reportedly near nuclear weapons: Israel, Korea, Pakistan, Spain, Taiwan, Iran, and Brazil.[12]

TABLE 1.—EXPORT-IMPORT BANK OF THE UNITED STATES: AUTHORIZATIONS FOR NUCLEAR POWERPLANTS AND TRAINING CENTER SUMMARY BY COUNTRY FROM INCEPTION THROUGH DEC. 31, 1976

[Dollar amounts in thousands]

Country	Export value			Number of plants	Eximbank direct loans [1]			Loans	Eximbank financial guarantees			Number of guarantees
	Equipment	Fuel	Total		Equipment	Fuel	Total		Equipment	Fuel	Total	
Net authorizations:												
Argentina		$18,853	$18,853	1		$13,466	$13,466	1				
Brazil	$164,162	27,572	191,734	1	$137,753	17,527	155,280	1	$4,996	$3,644	$8,640	1
France	11,220	5,030	16,250	1	11,220	5,030	16,250	1				
Germany	27,200	30,948	58,148	4	22,860	30,448	53,308	5				
Greece	3,000		3,000		1,275		1,275	1	1,275		1,275	1
Israel	650		650		485		485	2	135		135	1
Italy	75,759	26,796	102,555	2	70,851	24,849	95,700	2				
Japan	634,915	327,846	962,761	11	362,096	135,055	497,151	20	124,988	74,384	199,372	7
Korea	489,582	84,856	574,438	2	235,516	39,519	275,035	4	191,439	36,042	227,481	4
Mexico	202,663	37,000	239,663	2	111,528	24,930	136,458	4	53,145	8,370	61,515	2
Philippines	568,800	47,600	616,400	1	255,800	21,400	227,200	1	345,800	21,400	367,200	2
Romania	4,120	515	4,635		1,545	219	1,764	1	1,545	219	1,764	1
Spain	1,314,429	268,009	1,582,438	14	746,170	113,247	859,417	13	291,613	52,552	344,165	8
Taiwan	993,142	91,000	1,084,142	6	438,960	49,500	488,460	5	275,925	32,400	308,325	5
Sweden	44,700	37,935	82,635	4	20,115	20,070	40,185	4		6,570	6,570	1
Yugoslavia	173,577	22,000	195,577	1	185,692	19,800	205,492	2	29,337		29,337	1
Various European countries	90,250		90,250		90,250		90,250	1				
Total	4,798,169	1,025,960	5,824,129	50	2,692,116	515,060	3,207,176	68	1,320,198	235,581	1,555,779	34

[1] Direct Export-Import Bank loans have had the following terms: (1) Total repayment period has been about 20 yr with no principal repayment during the reactor construction period which has increased from 3–4 yr in the 1960's to 8–9 yr today; (2) interest rates have ranged from 4.5 percent in the late 1940's to 8¾ percent in 1976 with the majority of loans (37 of 63) at a 6 percent interest rate.

Source: Export-Import Bank.

TABLE 2.—OTHER U.S. AID TO NUCLEAR PROGRAMS, 1953–77

Program	Purpose	Funding/number of countries
AEC Atoms for Peace (1953–62)	Grants for research reactors	$9 million (26).
	Grants for research equipment	$2.7 million (19).
United States–Euratom, joint research program (1959–69)	To encourage Europe to adopt U.S. reactor technology	$28 million (6).
AEC deferred-payment fuel contracts (1962–65)	Part of United States-Euratom joint research program	$88.8 million (3).
United States-Canada joint research program	Share research on heavy water reactor technology	$6 million (1).
A.I.D. (1962–74)	Capital, technical, and program assistance	$83.3 million (27) (of this amount, $72 million went to India for the Tarapur reactors).
U.S. contributions to the IAEA (1958–77)	Promotion of peaceful uses of nuclear energy	$93.1 million (estimate of U.S. contributions for nonsafeguards activities—80 percent of total U.S. contributions).
Various activities (1953–present)	International nuclear training, educational programs, conferences and exhibits.	No funding data available.
Total additional U.S. contributions to other countries' nuclear programs.		$310.9 million.

Sources: "U.S. Financial Assistance in the Development of Foreign Nuclear Energy Programs," General Accounting Office, May 28, 1975; Bureau of International Organizations, Department of State; Division of International Affairs, Energy Research and Development Administration.

United States support for the IAEA has helped substantially to spread nuclear technology, in spite of the supposed safeguards. Although the IAEA was conceived by President Eisenhower as a repository of all the world's nuclear weapon material in order to reduce pressure for proliferation,[13] most of its budget and activities since 1958 have gone to promote nuclear activities; its safeguard function is understaffed and underfunded.[14]

Furthermore, the United States has trained almost 13,500 foreign nationals since 1945 in nuclear physics and related fields. As part of our contribution toward creating the world's newest nuclear power, since 1955 the United States has trained 1,367 Indian technicians.[15]

Between 1970 and 1975, the United States trained nearly 1,500 nationals of forty-one countries in nuclear reactor technology, plutonium recycle/reprocessing, uranium enrichment, and related crucial disciplines, the overwhelming majority (1,300) for nations with sophisticated nuclear programs and therefore technically near nuclear explosive capability. Table 3 provides a breakdown by country and category (showing proximity to explosive capabilities) of the numbers receiving training:

Particularly significant for weapons development is that the United States trained scientists for seven nations in plutonium recycling/reprocessing, including Taiwan, Spain, and India.

TABLE 3. Training of Foreign Personnel in the United States (1970–75)

[In reactor technology, plutonium recycle/reprocessing uranium enrichment and related disciplines]

National	Number of nationals trained
Category O/O+ (Nations which have nuclear weapons/explosives):	
France	38
Great Britain	27
India	22
U.S.S.R.	3
Category I (Nations with full access to weapons-grade material and with broad-based technology support):	
Belgium	6
Canada	6
Germany (West)	155
Italy	127
Japan	281
Netherlands	7
South Africa	4
Sweden	16
Taiwan	355
Category II (Nations with limited weapons-grade material sources and some nuclear technology program):	
Argentina	7
Australia	8
Brazil	72
Czechoslovakia	1
Egypt	8
Iran	33
Israel	11
Korea (ROK)	11
Mexico	90
Norway	1
Pakistan	4
Spain	65
Switzerland	95
Category III (Remainder of nations):	
Algeria	3
Austria	8
Chile	4

Footnotes at end of article.

TABLE 3. Training of Foreign Personnel in the United States (1970–75)—Continued

Nation	Number of nationals trained
Category III (Remainder of nations):—Con.	
Denmark	3
Finland	1
Greece	3
Hong Kong	1
Ireland	1
Jordan	1
Libya	1
Nigeria	2
Saudi Arabia	1
Syria	1
Thailand	1
Turkey	8
Vietnam (South)	2
Total	1,489

Sources: "List of Foreign Nationals Trained in Selected Disciplines at AEC/ERDA Facilities," Jan. 1, 1970–December 13, 1975, provided to Rep. Clarence D. Long by Nelson F. Sievering, Jr., Assistant Administrator for International Affairs, ERDA, September 3, 1976.

Categories derived from *Moving Toward Life in a Nuclear Armed Crowd*, Albert Wohlstetter et al., Report prepared for the Arms Control and Disarmament Agency by Pan Heuristics, Inc., (April 22, 1976), pp. 39–42.

Table printed in *Congressional Record*, September 22, 1976, pg. H–10856.

The India case illustrates the "wrong-headedness" of American policy. More than ten years ago, India was known to have a reprocessing plant not under international safeguards, but the AEC recommended nevertheless that the United States provide "encouragement and assistance toward the recycle of plutonium produced in India's nuclear power plants," at the same time making the Orwellian assertion that such help was "of direct pertinence to encouragement of peaceful uses and deterrence of military uses."[16] The reverse, of course, was true; the weapons-grade plutonium that comes from reprocessing can as well be used for nuclear explosives as for nuclear fuel.[17]

Concern over continuing the American training of foreign nationals in nuclear technology led the House of Representatives during the consideration of the Export Administration Act Amendment (H.R. 15377) in September 1976, to adopt the Fraser-Long amendment, calling for a six-month study by the Executive Branch on the extent to which—

"the education and training of foreign nationals within the United States in nuclear engineering and related fields contribute to the proliferation of explosive nuclear devices or the development of a capability of producing explosive nuclear devices." [18]

Ford Administration opposition prevented the Senate from going to conference and the provision was not enacted.

To illustrate the crucial role played by the United States in underwriting the spread of nuclear technology around the world. Table 4 lists five categories of American aid given to twenty-two low-income near-nuclear countries.

Nuclear power has been further disseminated around the world by the United States subsidy of its domestic nuclear industry. The large accumulations of spent nuclear fuel which may be reprocessed into plutonium intensifies the threat of weapons spread. Thus, the United States has sent abroad the doubtful word that nuclear power is a most modern and inevitable form of energy. Worse, the creation of a sizable nuclear industry has set in place powerful interests among industry, labor, and the universities that bitterly oppose any nuclear restraints as a threat to their investments, their jobs, and their consulting fees. The nuclear industry, the Atomic Energy Commission (now the Energy Research and Development Administration), and the Joint Atomic Energy Committee have so far stymied efforts to restrain nuclear proliferation. Domestic subsidies have ranged from direct government expenditures, to tax breaks, to below-cost charges for nuclear fuel and waste disposal.

Footnotes at end of article.

TABLE 4

Country [1]	Ex-Im Bank (millions) Direct loans	Ex-Im Bank (millions) Guarantees	AEC assistance (thousands) [2]	Sensitive material supplied [3]	AID funding (thousands) [4]	Personnel trained [5]
Argentina			$462	L		220
Brazil	$155.0	$9.0	364	L	$66	155
Colombia			402	S		104
Egypt					4	103
Greece	1.0	1.0	477	L	170	194
India			16,780	L	76,326	1,367
Indonesia			350	S	141	37
Iran			350	S	36	162
Israel	.5	.1	350	L	80	358
Mexico	136.0	61.0	159	S		149
Pakistan			350	L	1,675	135
Philippines	277.0	367.0		S	447	149
Portugal			350	L		30
South Africa				L		94
South Korea	275.0	227.0	350	S	87	272
Spain	859.0	344.0	350	L	194	162
Taiwan	488.0	308.0	448	L	33	1,052
Thailand			350	S	267	81
Turkey			350	S	451	145
Venezuela			350	S	6	75
Vietnam			350	S		49
Yugoslavia	205.0	29.0	350	S	104	128

[1] The list of countries was derived from the Wohlstetter Report, "Moving Toward Life in a Nuclear Armed Crowd?," pp 36–37 and 39–40. Several countries which had received research reactors from the United States, were also included. Most European and developed nations were not included in order to provide a list of the small, lower-income countries generally discussed as the most likely new nuclear powers. South Africa is not a low-income country but was included because it is often mentioned as interested in developing nuclear weapons.

[2] AEC assistance was provided under the atoms-for-peace program and included grants for research reactors and other nuclear research equipment.

[3] Sensitive material includes uranium with 20 percent or more uranium-235, plutonium, uranium-233, and heavy water. The designation "L" signifies a large quantity of sensitive material, and the designation "S" signifies a small quantity. The significance of uranium-235, uranium-233, and plutonium is that all three substances can be used to make nuclear weapons. The significance of heavy water is that it can be used as a moderator in a reactor fueled with natural uranium, which is easier to obtain than enriched uranium fuel. India used a heavy-water-moderated research reactor to obtain the plutonium for its nuclear explosive, and the United States provided 10 tons heavy water for that reactor. If a country received more than 10 kilograms of uranium with 20 percent or more uranium-235 or more than 10 tons of heavy water, it was designated "L". If not, it was designated "S". No country received more than 700 grams of plutonium or more than 5 grams of uranium-233.

[4] AID funding includes capital assistance and technical assistance financing of foreign nuclear energy projects and activities cumulative as of Sept. 30, 1974, and also, program assistance financing of nuclear equipment and materials from July 1968 to June 1974. AID has not funded foreign nuclear programs since 1974.

[5] Personnel trained from 1955 to date. Data from Office of Assistant Administrator for International Affairs, ERDA, February 1977.

Source: Export-Import Bank. "U.S. Financial Assistance in the Development of Foreign Nuclear Energy Programs," General Accounting Office, report No. ID–75–63, (May 28, 1975). Export Reorganization Act of 1976, hearings of the Committee on Government Operations, U.S. Senate, 94th Cong., 2d sess., on S. 1439, p. 18–19 and p. 813. Letter Feb. 2, 1977, from Norman H. Brand, Chief, Visits and Assignments Branch, Office of International Program Implementation, International Affairs Division, ERDA.

THE PAST ROLE OF CONGRESS

The "peaceful" nuclear explosive detonated by India in May 1974 aroused the House of Representatives to a spate of legislative activity, including the passage of an amendment to the International Development Association (IDA) Authorization bill requiring the United States representatives to the International Development Association to vote against any loans to India.[19] At about the same time, the House passed (194 to 191) an amendment to the International Nuclear Agreements Congressional Review Act (H.R. 15582), requiring prior congressional approval of all nuclear agreements. The amendment was thrown out in the House-Senate Conference of the Joint Atomic Energy Committee (a mock conference in which the Committee met with itself), even though the Senate had almost passed a similar amendment.[20]

The Indian explosion prompted other bills, amendments, and statements on the House and Senate floors. The FY 1975 Foreign Aid Authorization bill, passed in December 1974 and now public law, contained a provision prohibiting the use of funds for nuclear reactors or nuclear reactor fuel for Egypt or Israel. Also included in the 1975 authorization was an amendment earmarking funds for the much-needed strengthening of IAEA safeguards.[21]

These modest steps paved the way for a heightened sensitivity to nuclear proliferation in the last months of the 94th Congress. Environmentalists and public interest groups set out to awaken the public and alert key Congressmen and Senators to the danger. In March 1976, Representative Richard Ottinger took the lead in criticizing continued United States nuclear fuel shipments to India. His efforts and those of interested organizations resulted in the first public hearings (July 1976) on a United States nuclear export license. The Nuclear Regulatory Commission suspended further nuclear fuel shipments to India until more effective nuclear safeguards could be devised.

Any efforts by Congress to stop promoting nuclear energy/weapon proliferation owed nothing to its leadership, the Ford Administration, or to the Joint Committee on Atomic Energy. This Committee, the only joint committee of Congress with legislative authority, sought to block or gut every congressional attempt at strong nonproliferation measures, thus continuing to demonstrate that it was more responsive to the industry and to the Executive than to the Congress. Indeed, until March 1976, the Joint Committee had held only one hearing on nuclear proliferation in five years, and, of the seven nuclear export measures reported by the Joint Committee between 1971 and 1976, five authorized increases in exports and none undertook seriously to limit exports.

In the Senate, the Committee on Government Operations under the leadership of Senator Abraham Ribicoff, undertook a two-year effort to draft legislation to combat nuclear proliferation. The Joint Atomic Energy Committee opposed Ribicoff's effort under the guise of jurisdictional questions. The Government Operations Committee's work during 1975 and 1976 was largely responsible for the drafting of S. 3770 (H.R. 15273), the Nuclear Explosive Proliferation Control Act of 1976, which set forth a com-

prehensive national proliferation policy.[22] Senator Stuart Symington succeeded in adding to the International Security Assistance and Arms Control Export Act of 1976 an amendment to cut off foreign aid to countries receiving sensitive nuclear fuel reprocessing or enrichment facilities; however, the amendment was weakened in House-Senate Conference to allow the President to waive the prohibition on aid under certain circumstances.[23]

Increasing disenchantment with the Joint Committee in 1976 was indicated in the House by the support generated by the Long proposal to set up a Select Committee on Nuclear Proliferation and Nuclear Export Policy. House Resolution 951 had 143 House sponsors, including Morris Udall, John Brademas, Philip Burton, and Peter Rodino, and the endorsements of the many national organizations concerned over nuclear proliferation.[24]

In the final days of the 94th Congress, the Joint Committee killed two bills which had been reported favorably by the Senate Foreign Relations Committee and the Senate Government Operations Committee. The version of the Nuclear Explosive Proliferation Control Act of 1976 (H.R. 15419) reported by the Joint Committee was gutted by Administration amendments accepted in the Joint Committee without debate.[25]

The 94th Congress adjourned on October 1, 1976, without enacting any of the following nonproliferation proposals:

Four related bills (S. 3770, two versions of H.R. 15419, and the Percy substitute for S. 3770) to establish a national nonproliferation policy with supporting international negotiations and limitations on American nuclear exports.

An amendment to the ERDA Authorization bill (Sec. 201 of H.R. 13350) to restrict the export of enriched uranium to countries that have not ratified the Nuclear Non-Proliferation Treaty.

An attempt to add nuclear export limitations and restrictions on nuclear fuel reprocessing to the Export Administration Act Amendments (the Zablocki-Findley provision, Section 18 of H.R. 15537).

An amendment (Fraser-Long amendment) to the Export Administration Act Amendments which had passed the House, to require a study of American nuclear training of foreign nationals.

House Resolution 951 to establish a House Select Committee on Nuclear Proliferation and Nuclear Export Policy.

The Joint Committee on Atomic Energy had come to be seen as a major roadblock to a strong policy of nuclear export restraint. After the close of the 94th Congress, retirements and defeats greatly altered the Joint Committee's make-up, especially on the Senate side, and set the stage, along with the recommendation of the Senate Committee on Committees, for further action to curb its power.

To do this, Representative Jonathan Bingham (D–NY), with my help and that of Representative Ottinger and others, led a successful fight in the 95th Democratic Caucus of early December 1976 to amend the House rules to strip legislative authority from the Joint Committee on Atomic Energy and transfer its jurisdiction to several standing committees in the House, with the nuclear export responsibilities going to the Committee on International Relations. This action was ratified by the full House when it convened on January 4, 1977.

LEGISLATIVE FOR THE 95TH CONGRESS TO END EXPORT PROMOTION

Major reforms, based on the stronger bills from the 94th Congress are now being drafted,[26] and action can be expected on those bills as well as on several bilateral nuclear agreements and on certain applications for export licenses now pending before the Nuclear Regulatory Commission.

The following is an outline of nine general legislative proposals to insure that nuclear exports from the United States do not get financial assistance from the Government.

1. Amend the Export-Import Bank Act of 1945 to prohibit loans or guarantees for nuclear reactors, fuel, heavy water, or other nuclear related items.

2. Amend the Foreign Assistance Act to deny aid to any country to purchase nuclear reactors, fuel, and technology, and to deny guarantees or insurance (such as those of the Overseas Private Investment Corporation) for the same purpose.

3. Amend the Foreign Assistance Act, the Export-Import Bank Act, the Agricultural Trade Development and Assistance Act (Food for Peace Program), the Arms Export Control Act, the Commodity Credit Corporation Charter Act, and any other aid legislation to reduce the foreign aid credits, or guarantees, to the extent that the recipient country is spending on expanding its nuclear power capacity. Such action would prevent our foreign aid and other resources from being used indirectly to finance nuclear exports (through the fundibility of foreign exchange and financial resources).

4. Instruct the American representatives to the multilateral development banks and to United Nations aid programs to oppose aid to countries with expanding nuclear programs and to advocate that the banks advise against nuclear power. Investigate the desirability of ending American contributions to the multilateral development banks and United Nations aid programs if such policies against nuclear power are not adopted.

5. Enact legislation requiring a study of the effect of American nuclear training of foreign nationals at government facilities or in private universities on the spread of nuclear weapons. Amend the Atomic Energy Act of 1954 to require the full cost of such training to be paid by the government whose national is to be trained.

6. Investigate the extent to which American nuclear firms are supporting foreign subsidiaries either by supplying nuclear reactors for their foreign home markets or in exporting American-licensed nuclear technology to third countries.

7. Provide the Nuclear Regulatory Commission with power to license the transfer by American businesses of nuclear technology or know-how. Further require that public hearings on such transfers to other countries be held if requested and that the Congress receive sixty-day notice of such transfers, during which the Congress could act to disapprove.

8. Instruct the Executive Branch to propose that the IAEA separate the funding of promotional and safeguards activities with a view to confining all United States funding to the safeguards budget.

9. Amend Title V of the Trade Act of 1974, which provides preferences for developing countries, to prohibit duty-free treatment for goods of any developing countries which expand their nuclear power programs.

Ending all these government subsidies would not, of course, forbid private financing. It is difficult however, to see how private financing would long continue without subsidies in view of the doubtful profit prospects. For those who profess faith that the profits are there, but perhaps hidden or in the future, here is a chance to prove that faith by putting up their own money.

A major objection certain to be raised against curbing United States subsidy of nuclear energy/weapon proliferation is its economic cost. This bears some resemblance to the objection that abolishing disease will have an adverse economic impact on doctors and nurses. Elimination of nuclear proliferation would in any case, be desirable, even without the nuclear weapon issue, simply because nuclear power is economically inappropriate for developing nations, as will be noted below.

APPROPRIATE ENERGY SOURCES FOR DEVELOPING COUNTIES

For many reason, nuclear power is economically inappropriate for developing countries:

1. Nuclear power requires excessive amounts of capital and managerial skill, both of which are expensive and in short supply in the developing world.

2. Nuclear power diverts scarce resources from roads, schools, hospitals, irrigation projects, fertilizers, agricultural implements, and housing.

3. Nuclear power lures the poor countries—as it does the rich—from the search for energy sources (including renewable ones) which are less costly in capital and less damaging to the environment.

4. Nuclear power is centrally generated, and, without additional large capital expenditures, cannot be distributed to the rural poor, who are scattered over wide distances and often over rugged terrain.

5. The average nuclear power plant—1,000 megawatts—is too large for the electric grids of most developing nations and, if shut down, could not be replaced readily by auxiliary power sources.[27] So many energy eggs in one basket makes the power supply vulnerable to sabotage or breakdown, especially in view of the shortage of highly skilled maintenance personnel.

If nuclear energy is economically inappropriate for developing countries, what then are the alternatives? Waiting in the wings are numerous energy sources which do not lead to apocalyptic weaponry and which, if not discouraged by price policies and heavy subsidies that drain factors of production away to nuclear power, may be competitive and environmentally sound solutions to the energy problem. To accomplish this objective, a rural development strategy is needed which focuses on the use of simple, inexpensive, labor-using tools and techniques that are appropriate to the scarcity of capital and the abundance of labor in poor countries. These tools and techniques, described by others variously as "intermediate" or "appropriate," or "village," I call "light capital technologies."[28] Light capital energy technologies are small-scale, low-cost, simple, reliable, repairable with semi-skilled labor; and produced from local, renewable resources (such as sun, wind, flowing water, and vegetation). In some parts of the world, energy is already being provided from these non-polluting, renewable sources, through the use of devices such as: (1) small, water-powered turbines or hydraulic rams for pumping water, for providing mechanical energy, or for generating electricity,[29] (2) windmills to pump drinking and irrigation water; to crush sugar cane, thresh or grind grain, shell peanuts; and to power small electric generators; (3) bio-gas or methane plants to fuel irrigation pumps and other engines, and to produce organic fertilizers as substitutes for more expensive chemicals; and (4) solar energy collectors to heat water, or dry crops for storage.

Energy, like a penny, is as good saved as produced, and the developing world like the United States, is wasting it as if it were still cheap. Methods for saving energy in rural areas of developing societies include:

More efficient cooking stoves, pots, and methods to reduce burning of wood, crop residues, and dung.

Improved clothing, blankets, and shelter to reduce heating-fuel consumption.

Organization of human labor, sharing of draft animals to break labor bottlenecks at planting, weeding, harvesting, and threshing

Footnotes at end of article.

time, in order to make optimum use of available animate energy.

Replacing energy-intensive chemical fertilizers with natural and organic fertilizers.

Use of drip irrigation with earthen pots and pipes which reduce the amount of water required—and the energy required to move it.[30]

It should be noted, however, that many developing nations—such as Argentina, India, Pakistan, the Philippines, Turkey, Korea, Mexico, Zaire, Angola, Morocco, Brazil and other countries of Latin America—possess unexploited fossil fuel (oil, natural gas, coal, oil shale and tar sands) as well as geothermal and hydroelectric resources sufficient for their own energy needs.[31]

The encouragement of light capital energy technologies must be institutionalized.[32] A World Energy Conference could be a forum to convince developing nations to move away from nuclear power, to plan for replacing nuclear and capital-intensive energy sources with light capital energy technologies, and to explore foreign aid as a means of nudging developing countries toward light capital technology and away from nuclear power.[33]

Needed especially are credit organizations available in the villages, coupled with extension systems to show local people how to adapt, use, and repair the energy sources. To accomplish this institutionalization, use could be made of the Kissinger proposal of 1975 for an International Energy Institute.

Congress can provide leadership in specific, yet undoubtedly controversial, ways:

1. Earmark funds for ERDA's Cooperative Research and Development Program with Developing Countries.

2. Direct the Appropriate Technology Fund, now beginning its work, to undertake demonstration or pilot projects in light capital energy sources and technologies.

3. Earmark foreign aid funds (under AID and other programs) for light capital energy projects, with emphasis on the creation of country and regional light capital energy institutes.

4. Enact guidelines for United States foreign aid programs to provide incentives for poor countries to cooperate with United States anti-proliferation policies, to eschew nuclear power and to adopt light capital energy.

5. Direct American representatives to the multilateral development banks and to other international organizations to stress light capital energy policies and projects.[34]

OBJECTIONS THAT WILL BE RAISED TO THE LEGISLATIVE PROGRAM

Objection: *Poor nations must have nuclear power to replace oil imports and save foreign exchange.*

Response: Nuclear power offers the prospect not of relieving shortages of foreign exchange and capital in poor nations but of exacerbating them. Nuclear power requires enormous capital—approximately $1 billion in capital construction costs for a 1,000 magawatt reactor, substantially more than for coal or oil-powered plants of that output.[35] Reactor parts, highly skilled technicians, and nuclear fuel would have to be imported at additional foreign exchange cost; whereas more conventional power plants could use indigenous factors of production.

Furthermore, if the bill to develop nuclear power in the underdeveloped nations is paid by the United States it would be at the expense of aid for food production, irrigation, and fertilizer, roads, education, health, ports, and housing. To construct the projected nuclear capacity for urban India alone in 1990 (not counting annual fuel costs) would require about $20 billion,[36] and this immense sum would do nothing for the energy needs of the rural poor who make up four-fifths of the Indian population and who represent the real reason for seeking economic development.

Some of the oil-producing nations claim they need nuclear power to replace their oil when it gives out; but with oil for decades, they have time to seek out non-nuclear solutions and should certainly not get our subsidies to go the nuclear power route. If the oil-rich nations nevertheless choose to go the nuclear route to get to nuclear weaponry, they should have to use their own wealth.

Objection: *If the United States stops subsidizing nuclear exports, other nations will take over the nuclear market.*

Response: The threat of abandoning the nuclear market to other suppliers would be more formidable if the nuclear market were lucrative.[37] Those who claim it is profitable should be asked to substantiate their contention. Even the French may ultimately get the message that nuclear exports have a way of costing the taxpayers more than the industry earns in profits. If France, Germany, or any other nation chooses to lose money, or to give away its resources to other countries, this is hardly reason for us to follow its example.[38] In any case, with our efforts subtracted from the others, the proliferation of reactors would presumably be less, and anything that reduces nuclear proliferation of reactors is of course a gain. As Albert Wohlstetter has suggested, better less than more and better later than sooner.[39]

Moreover there is some chance that United States leadership combined with economic and political pressure could bring other countries to cooperate. Chancellor Schmidt of West Germany has said that he was not aware of any official American displeasure with the German-Brazilian nuclear deal.[40] United States pressure forced South Korea to rescind its order for a French reprocessing plant. The French have recently agreed to stronger nuclear export controls; the Canadians have gone further in their controls than the French,[41] and the Soviet Union reportedly agrees with the stronger Canadian restraints.[42] Further, the major nuclear exporters—France and Germany—depend on American enriched nuclear fuel to keep their domestic power reactors going if they continue to divert their own fuel for export.[43] There are other avenues of economic pressure—such as American influence in the International Monetary Fund to affect loans to countries in balance of payments difficulties, food exports, and capital restrictions. What evidence is there that the levers at our disposal cannot be made to work, if we use them in good faith?

It is even possible that clear American leadership and example will be supplemented by the burgeoning opposition to nuclear power in many developed countries, including a number of the nuclear exporting nations. Sweden's recently elected Prime Minister, Thorbjorn Fallidin, promised to dismantle his country's nuclear program, if elected; he has just presented legislation to the Swedish Parliament that severely restricts future nuclear power development. A British Royal Commission chaired by Sir Brian Flowers, a member of Britain's Atomic Energy Authority, recently recommended against development of fast breeder nuclear reactors—which produce huge amounts of weapons grade plutonium—in favor of development of alternative, nonnuclear, energy sources. France and West Germany have had sit-ins, mass demonstrations, and instances of sabotage at nuclear sites, and West Germany and Switzerland face legal fights over reactor construction. Denmark, Norway, and the Netherlands are having second thoughts about expanding their nuclear power capacity.[44]

Objection: *It is too late to stop nuclear proliferation.*

Response: Although the spread of nuclear reactors and weaponry has been allowed to go too far, proliferation has just begun. Preventing any nation from going nuclear will preserve neighboring nations from the fierce internal political pressures to do likewise, out of fear. Examples of nations seeking to keep up with the nation next door are Egypt as a result of Israel, Pakistan as a result of India, and Brazil as a result of Argentina. Any nuclear moves we can abort now can head off some multiple of these moves in the years to come.

Tough as is the nuclear lobby now, it will get tougher, if the industry is allowed to multiply here and abroad. Anybody who has tried to resist the national defense lobby with its firms and workers in nearly every congressional district and its highly paid consultants in universities, will appreciate the urgency of acting before the political clout of the nuclear industry approaches the dimensions of that of the defense industry.

Objection: Ending nuclear export subsidies will jeopardize thousands of American jobs.

Response: So far as job creation is concerned, there are two objections to nuclear exports as a source of employment. First the nuclear industry, being capital intensive, furnishes few jobs and the highly-skilled, highly-paid people it does employ are not, for the most part, this nation's main unemployment problem. Digging holes and refilling them to make work is good economics in comparison with subsidizing an industry that could lead to the destruction of much of mankind, if the only purpose is to provide a few thousand jobs.

The fact is that there are virtually trillions of dollars of projects vitally needed in this nation that offer exciting employment prospects, conditional only on first solving the inflationary effects: housing, mass transit, health care, education (including special education for the handicapped and the gifted), pollution, abatement, flood control, helping the aged. So far as inflation is concerned, any of these avenues of job creation would lead to less cost and price increase than the nuclear industry.

If the United States withdraws nuclear export subsidies, how will this money get to the providers of employment? With these funds no longer extracted from the American capital markets, investment money will become available on somewhat easier terms to the nonnuclear types of job creation. More jobs can be created in other industries where less capital is needed per worker, including industries producing other types of energy, than there would be jobs lost from diminished nuclear exports.

Objection: *Nuclear export subsidies are needed to shore up an unfavorable United States balance-of-payments.*

Response: It makes little sense to remedy an unfavorable balance-of-payments by creating terrifying long term problems, even if the unfavorable balance were large, and even if it could be remedied in this manner. In fact, nuclear exports are scarcely 1 percent of total United States exports,[45] substantially smaller than the statistical error in computing the balance of payments. In any case, there is a question whether subsidizing nuclear exports could help the balance of payments. At least one economist has argued that subsidizing an export produces no overall increase in exports, but simply increases imports by the same amount, and thus decreases employment in the import substitution.[46] My own reasoning is that subsidizing one kind of export also tends, by raising factor costs, to be at the expense of other exports, again without improving the total.

CONCLUSION

It is my conviction that the greatest danger confronting the balance of this century is nuclear weapons proliferation among nations; that the major impetus to nuclear power and weaponry has been United States subsidy and promotion; that past Congresses

Footnotes at end of article.

abandoned leadership to the President and the Joint Atomic Energy Committee; that the United States Congress can act during this session to stop this subsidy and promotion; and that ending the subsidy of nuclear proliferation would be wise economically and environmentally.

I emphasize this economic justification because it is so often argued that if the United States stops subsidizing nuclear proliferation, other supplier countries will move in to fill the vacuum. Reasons have been cited here to suggest that other nations are seeing the folly of doing this and could see the folly even more clearly if the United States took leadership in pointing the way. But, if other nations insist on promoting nuclear proliferation, there will obviously be less than if we, the world's largest proliferator, continue in our wrong-headed policy.

The legislative efforts to stop this promotion were begun in the 94th Congress but can proceed in the 95th, one hopes, under the leadership of President Carter, who has spoken strongly on this issue. The measures will be admittedly drastic, but there is no other hope. Proposals to wait for agreement among other supplier nations are proposals not to do anything, since any agreement will be at the mercy of the least common denominator, with numerous loopholes and long delays. The longer the delays, the more the proliferation to additional nations. The more nations with nuclear weapons, the harder to get agreement. Similarly, the larger the nuclear industry, in the United States and elsewhere, the more formidable the political lobby.

The main obstacles to stopping nuclear proliferation will in fact be political pressure groups. To counter them will require arousing the American people to the imperatives of the proliferation issue. If there is one thing I have learned in fourteen years in Congress, it is that the finest oratory on the floor of the Congress is as nothing compared to a flood of letters from the folks back home. But such grass roots pressure requires arousing the public—scarcely easy in view of the complexity of the issue and the distasteful vision of the future that people are asked to ponder.

There is the risk, of course, that if the public becomes sufficiently frightened to demand that something be done, the result might be over-reaction. Democracy does not function well in a state of panic. All the more reason to deal with the problem now while it is still manageable and can still be be debated in an atmosphere of calm reason.

FOOTNOTES

[1] See the discussion in Albert Wohlstetter *et al., Moving Toward Life in a Nuclear Armed Crowd?*, Report prepared for the Arms Control and Disarmament Agency (ACDA/PAB–263) by Pan Heuristics Division of Science Applications, Inc., (Los Angeles, California) Chapter 2, especially pp. 36–41.

[2] Industrial nations, such as Japan (if Korea got nuclear weapons) might join in the nuclear arms race.

[3] See Wohlstetter *et al., Moving Toward Life in a Nuclear Armed Crowd?*, especially pp. 25–26 and 35. Also, note his article in *Foreign Policy*, No. 25 (Winter 1977). For further reference see John R. Lamarsh, "On the Extraction of Plutonium from Reactor Fuel by Small and/or Developing Nations." Report prepared for the Congressional Research Service of the Library of Congress, July 1976. pp. 11, 18, 19.

[4] The Long amendment to the International Development Association Act, which passed the House on July 2, 1974 and has become law, requires the United States to vote against any loan to any country "which develops any nuclear explosive device, unless the country is or becomes a State Party to the Treaty on the Non-Proliferation of Nuclear Weapons." See Section 3 of Public Law 93–373.

[5] Of 113 nuclear power reactors exported, the U.S. has exported 60; thus, the U.S. has exported more power reactors than all other nuclear supplier nations put together. Data from "Nuclear Power Plants Outside the U.S.," Atomic Industrial Forum, May 1, 1976. Reactors operating, under construction, or ordered were included as exports under this calculation.

[6] "The Export-Import Bank: Implications for the Federal Budget and the Credit Market," Staff Working Paper, Congressional Budget Office, October 27, 1976, pg. 17.

[7] *Nuclear Proliferation: Future U.S. Foreign Policy Implications*, Hearings before the Subcommittee on International Security and Scientific Affairs of the Committee on International Relations, House of Representatives, Ninety-Fourth Congress, First Session, pg. 100.

[8] Warren H. Donnelly, *Commercial Nuclear Power in Europe: The Interaction of American Diplomacy with a New Technology*, Science Policy Research Division, Congressional Research Service, December 1972, pg. 32.

[9] "U.S. Financial Assistance in the Development of Foreign Nuclear Energy Programs," General Accounting Office (Report ID–75–63), May 28, 1975, pg. 10.

[10] Division of International Affairs, Energy Research and Development Administration, January 5, 1977.

[11] The Canadian CANDU reactors also have complicated anti-proliferation efforts because their continuous refueling makes them more difficult to safeguard than U.S. type reactors. See answer by the Department of State to question 11 of Senator Glenn, *Export Reorganization Act of 1976*, Hearings before the Committee on Government Operations, United States Senate, Ninety-Fourth Congress, Second Session on S. 1439, pg. 845.

[12] "U.S. Financial Assistance in the Development of Foreign Nuclear Energy Programs," *Export Reorganization Act*, pg. 10.

[13] Donnelly, *Commercial Nuclear Power in Europe*, pg. 47.

[14] According to the table, "Summary of Estimated Programme Resources 1977," by the International Atomic Energy Agency, the safeguards budget accounts for only 18% of the regular budget and only 14% of "total estimated resources."

For additional discussion of the International Atomic Energy Agency, see the following sources:

Hearings of the Subcommittee on Foreign Operations and Related Agencies of the Committee on Appropriations, House of Representatives, FY 1977, Part 2, pp. 577–597. See especially pg. 578 and the statement by Ambassador Gerald Tape, U.S. Representative to the International Atomic Energy Agency, that the IAEA, as of April 1976, would have 50 inspectors to inspect 400 nuclear installations.

Export Reorganization Act of 1976, pp. 533–756 and related appendices. See especially testimony of J. Kenneth Fasick, Director, International Division, General Accounting Office, pp. 537–548.

[15] Letter February 2, 1977 from International Affairs Division, ERDA.

[16] Abraham S. Friedman and Myron B. Kratzer, "Visit of Indian AEC Chairman and Thorium and Accelerator Teams," Atomic Energy Commission memorandum, September 1966, Exhibit E of the Submission of the Natural Resources Defense Council, Inc., The Sierra Club and the Union of Concerned Scientists for the July 20, 1976 hearing on the Proposed Export of Special Nuclear Material to India, before the Nuclear Regulatory Commission.

[17] Furthermore, with trained scientists, even if the reprocessing were done outside of the recipient country (such as in a multinational reprocessing facility), and only fuel rods containing mixture of plutonium and uranium were imported, the recipient country could still separate the plutonium from the mixed-oxide fuel rods and could do so more quickly and inexpensively than if it had to reprocess irradiated fuel. See Albert Wohlstetter, "Spreading the Bomb Without Quite Breaking the Rules," *Foreign Policy*, No. 25 (Winter 1977).

[18] *Congressional Record*, September 22, 1976, pg. 31959.

[19] *Congressional Record*, July 2, 1974, pg. 22029, Rep. Clarence D. Long's amendment to H.R. 15465.

[20] *Congressional Record*, July 10, 1974, pg. 22587, amendment offered by Senator Proxmire to S. 3698 (H.R. 15582). For Long amendment to H.R. 15582, see *Congressional Record*, July 31, 1974, pg. 26144 and 26153, and *Congressional Record*, August 20, 1974, pg. 26153–26155.

[21] "Foreign Assistance Act of 1974," Public Law 93–559, enacted December 30, 1974, Section 9(a)(1)(g) and Section 43.

[22] See the following sources:

The Export Reorganization Act—1975, Hearings before the Committee on Government Operations, United States Senate, Ninety-Fourth Congress, First Session; *The Export Reorganization Act of 1976;* and *Peaceful Nuclear Exports and Weapons Proliferation, A Compendium*, prepared for the Committee on Government Operations, United States Senate, April 1975.

[23] Public Law 94–329, enacted June 30, 1976, Section 305, pp. 27–28. See also "Conference Report on International Security Assistance and Arms Export Control Act of 1976," Ninety-Fourth Congress, Second Session, House Report 94–1272, pp. 53–54.

[24] The endorsements from outside Congress were as follows:

David Lilienthal, First Chairman, Atomic Energy Commission; Jeremy Stone, Director, Federation of American Scientists; Common Cause; Committee for a SANE Nuclear Policy; Sierra Club; Friends Committee on National Legislation; Friends of the Earth; Environmental Policy Center; Ralph Nader's Congress Watch; National Taxpayers Union; The National Council of Churches; The Jesuit Office of Social Ministers; The Independent Phi Beta Kappa Environmental Study Group; Citizens Rights Committee; Women Strike for Peace; Council for a Livable World; United Auto Workers; Network.

[25] H.R. 15419, as reported, removed most obstacles to nuclear deals such as those between Germany and Brazil and between France and Pakistan; had no requirement that loopholes in existing nuclear agreements between the U.S. and other countries be closed; delayed any U.S. action to tighten nuclear export controls until all nations agreed to the stronger system, thus making any strengthened system a dead letter; and hobbled Congress' ability to scrutinize a presidential decision to overturn a Nuclear Regulatory Commission ruling against a nuclear export license by eliminating the requirements for 60-days notice and a detailed explanation of the President's decision. For further information, see Rep. George E. Brown, Jr., "Additional Views (Dissenting) on H.R. 15419, as amended," House Report 94–1613, pp. 55–60.

[26] Principal provisions of nonproliferation legislation would probably include: strengthened licensing criteria to be applied immediately by the U.S. to all its nuclear exports; provisions for international negotiations to establish strengthened nuclear export conditions by all nuclear suppliers, procedures to be followed in the event a nation violates its agreement with a nuclear supplier nation, and procedures to be followed in the event of diversion, theft or sabotage of nu-

clear materials; the closing of loopholes in U.S. bilateral nuclear agreements with other nations through renegotiation of those agreements; provisions for adequate participation by Congress in examining nuclear agreements for cooperation and amendments thereto, including a nonproliferation assessment statement on nuclear exports by the Arms Control and Disarmament Agency; and increased support to the safeguards efforts of the International Atomic Energy Agency (IAEA).

[27] Richard J. Barber Associates, Inc., *LDC Nuclear Power Prospects, 1975–1990: Commercial, Economic and Security Implications,*" report prepared for ERDA, pg. 11–8.

[28] See "India—The Strange Case of Wasted Billions," Separate Views of Hon. Clarence D. Long, Foreign Assistance and Related Programs Appropriation Bill, 1975, House of Representatives, Ninety-Fourth Congress, First Session, House Report 94–53, pp. 51–58.

"Light Capital Technology—The Only Hope for Foreign Aid," Additional views of the Hon. Clarence D. Long, Foreign Assistance and Related Programs Appropriation Bill, 1976, House of Representatives, House Report 94–857, pp. 61–63.

"Helping the Poor Help Themselves—New Directions in Economic Development," Additional Views of the Hon. Clarence D. Long, Foreign Assistance and Related Programs Appropriation Bill, 1977, House Report 94–1228, pp. 62–65.

For more discussion of light capital technology, see *Appropriate Technology: Problems and Promises,* Nicolas Jequier, Development Center of the Organization for Economic Cooperation and Development, Paris, 1976 and *Small is Beautiful,* E. F. Schumacher, (New York: Harper, Rowe, 1973).

[29] *Energy for Rural Development: Renewable Resources and Alternative Technologies for Developing Countries,* National Academy of Sciences, Washington, D.C. 1976, pp. 155–160.

[30] For discussion of improving efficiency of energy use in both less developed and industrial nations, see Barry Commoner, "Energy," *The New Yorker,* February 2, 9, and 16, 1976; Arjun Makhijani, *Energy Policy for the Rural Third World,* International Institute for Environment and Development, September 1976; and Amory Lovins, "Scale, Centralization, and Electrification in Energy Systems," paper prepared for the Oak Ridge National Laboratory Symposium entitled *Future Strategies of Energy Development,* October 17, 1976.

[31] Barber Associates, pp. III 37–41 and figures III–3 and III–4.

[32] Some action in light capital energy development is occurring within the Energy Research and Development Administration (ERDA) and within AID. In November, 1976, ERDA initiated a Cooperative Research and Development Program With Developing Countries, with emphasis "on the development of small-scale, decentralized energy technologies." However, as of this writing, this program has received practically no funding. AID has at least two sources of statutory authority for programs in light capital energy technologies. Section 106 of the Foreign Assistance Act, enacted in December 1975, authorizes foreign aid for "programs to help developing countries alleviate their energy problems by increasing their production and conservation of energy, through . . . research and development of suitable energy sources and conservation methods, . . . and pilot projects to test new methods of production or conservation of energy."

Section 107 of the Foreign Assistance Act, enacted at the same time, provided up to $20 million for "the development and dissemination of technologies appropriate for developing countries." An Appropriate Technology Fund has been created to carry out this program. Further the House Committee Report on this legislation ("International Development and Food Assistance Act of 1975," House Report 94–442, pg. 52) makes clear that additional funds under the Food and Nutrition category (Section 103 of the Foreign Assistance Act under which the largest part of AID's budget is authorized) can be used for "activities in the energy field directly related to agricultural or rural development." Within AID, the African Bureau has contracted for a study to recommend actions on village energy sources in Africa.

[33] As a beginning in sensitizing international opinion, U.S. participation in the 1979 U.N. Conference on Science and Technology could emphasize light capital technologies in general and light capital energy technologies in particular.

[34] Some of the international organizations in which the U.S. can advocate light capital energy technologies are the International Energy Agency, the Council on International Economic Cooperation in Paris, the World Bank Group, the Inter-American Development Bank, the Asian Development Bank, the United Nations and its member organizations such as the U.N. Development Program, the World Food Council and other international food organizations such as the newly-capitalized International Fund for Agricultural Development, the Organization of American States, the Organization for Economic Cooperation and Development (OECD), the Development Assistance Committee (DAC), the International Monetary Fund (IMF), and the consultative groups on aid to particular poor nations in which the U.S. participates.

The Long amendment to the Inter-American Development Bank Authorization Act required the U.S. to propose that "the development and utilization of light-capital or intermediate technologies should be accepted as major facets of the Bank's development strategy, . . ." (See Public Law 94–302). Language in the FY 1977 Foreign Aid Appropriations Bill Committee Report (House Report 94–1228, pg. 40) calls for action by the multilateral development banks in the field of light capital energy technologies.

[35] Division of Reactor Development and Demonstration, Office of the Assistant Administrator for Nuclear Energy, ERDA. This figure represents the cost for a nuclear reactor for which construction begins now and which begins operation in 1985.

[36] Barber Associates, pg. II–17 and figure II–12.

[37] Albert Wohlstetter, "Spreading the Bomb Without Quite Breaking the Rules," p. 172.

[38] Other nuclear exporting countries have financial institutions similar to the Export-Import Bank with *at least* as favorable interest rates and repayment terms for nuclear reactors. Subsidies, therefore, have been a common feature of all countries' nuclear exports. See Barber Associates, pg. IV-39.

[39] Wohlstetter, "Spreading the Bomb Without Quite Breaking the Rules," pg. 165.

[40] Department of State cable, "Federal Republic of Germany-Brazil Nuclear Cooperation Media Reaction," July 2, 1975 (unclassified cable).

[41] Under this policy, countries receiving Canadian nuclear technology would be limited to those who at least "accept international safeguards on their entire nuclear programme." Any nonnuclear weapon state exploding a nuclear device would immediately be cut off from any Canadian nuclear shipments. See statement by Canadian Secretary of State for External Affairs, Donald Jamieson, December 22, 1976.

[42] Don Obordorfer, *Washington Post,* December 8, 1976, pg. 1.

[43] Warren H. Donnelly, "Enrichment Requirements of France and the Federal Republic Germany 1977–1985," September 14, 1976, Congressional Research Service.

[44] See the following press articles: Peter T. Kalborn, "A-Power Opposition Growing in Europe," *New York Times,* September 26, 1976, pg. 16. *Nuclear Industry,* January, 1977, pg. 32. Bernard D. Nossiter, "British Body Sees Danger in Fast Breeder Reactors," *The Washington Post,* September 23, 1976, pg. A–21. "Proliferation Debate," *Washington Star,* September 29, 1976, editorial. Philip B. Smith and Ruud Spanhoff, "The Nuclear Energy Debate in the Netherlands," *Bulletin of the Atomic Scientists,* February 1976, pp. 41–44.

[45] *Survey of Current Business,* Department of Commerce, December 1976, pg. S–3; also see "U.S. Nuclear Power Export Activities; Final Environmental Statement," ERDA–1542 April 1976, Vol. 1, pp. 4–16.

[46] Testimony by Arthur Laffer in *Nuclear Proliferation: Future U.S. Foreign Policy Implications,* pg. 112. See also Joseph M. Burns, "Alleged Market Failures in Financing U.S. Exports," pp. 364–389.

THE 1977 LABOR DAY MESSAGE

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. PHILLIP BURTON. Mr. Speaker, the esteemed Lane Kirkland, secretary-treasurer of the AFL–CIO, has prepared a set of remarks to the American people on Labor Day. I deem them important enough for inclusion in the CONGRESSIONAL RECORD:

THE 1977 LABOR DAY MESSAGE

(By Lane Kirkland)

Since 1894 the first Monday in September has been set aside to honor the men and women who built America, who keep the wheels turning and maintain the flow of goods and services in the largest and most complex economy the world has ever seen.

On this Labor Day 1977 our country is entering its third century of the great struggle to create a just society—a society in which every citizen has a chance to achieve his or her highest potential, a chance to learn to the limit of his capacity, a chance to do productive and worth-while work and to share fairly in the rewards of work.

We take pride in what we and our forebears have contributed in the struggle for social and economic justice. From the beginning our unions have fought for better schools, better health care, better housing; for equal justice and equal opportunity.

We intend to keep fighting for all of these things, not merely for ourselves but for all men and women, at home and abroad.

One important part of that fight, one that should concern every American who wants to see his country move ahead toward justice and decency, is the fight to see that everyone who works for a living receives a living wage.

Very few union members have any personal stake in the federal minimum wage. Most have succeeded, through collective bargaining with their employers, in raising their earnings well above any conceivable legal minimum.

But we are appalled that there are 10 million Americans who work 40 hours a week, 52 weeks a year, often at hard and dirty jobs, and who are paid less than poverty wages. The hourly rate the government says is absolutely necessary today to raise a worker above the poverty level is $2.81. The minimum wage the government says an employer may now pay a worker is $2.30 an hour. That is a disgraceful commentary on America's national priorities.

It is disgraceful that more than one worker out of 10, no matter how hard he tries to pay his own way, still must turn to public assistance, to food stamps, to private chari-

ties, to keep his family together with a roof over their heads.

It is even more disgraceful that a great many workers are illegally paid even less than the minimum. The Labor Department recently reported that in the first half of fiscal 1977, unscrupulous employers swindled more than 300,000 minimum wage workers out of nearly $58 million.

The Labor Department made a survey of the workers who were cheated last year. It found that two out of five of those workers were the primary earners of families. A fourth had two or more dependents. Half of them were women. One in five was black. Two-thirds were over 40 or under 20. Three-fourths were retail trade workers or service workers. Two-thirds lived in the South.

Those workers were the lucky ones, the ones whose employers were caught and compelled to pay up what they had stolen. A great many violations are never reported. There are, for instance, a million and a half household workers who are covered by the Minimum Wage Act and who are paid an average of $2,732 a year and have no sick leave, vacation pay, pensions or holiday pay. This, again, is a disgrace to American society.

Early this year the AFL–CIO Executive Council urged the Congress to increase the minimum wage to $3 an hour and to include an automatic mechanism in the Act to maintain the minimum wage at 60 percent of average hourly earnings in manufacturing. That recommendation was, and is, fair and reasonable. The minimum wage should not be a poverty wage. It should be a wage that meets the definition in the Act itself and allows a worker to maintain at least a "minimum standard of living necessary for health, efficiency and general well-being."

But because further delay is intolerable, the AFL–CIO is supporting a bill now before Congress that will raise the minimum to $2.65 next January 1 and raise it to 53 percent of the average wage in manufacturing by January 1, 1980. It is not all that we wanted or sought. But it is a good bill that will go a long way toward providing economic justice for the lowest-paid workers in the country.

Modest and reasonable as it is, however, the bill is under heavy fire by employers who want to preserve the status quo and maintain a pool of cheap labor.

Back in 1938, when the first minimum wage was established by the Congress at 25 cents an hour, business spokesmen wrung their hands and cried that the economy would never survive, that inflation, unemployment and ruin were just around the corner. They have repeated those arguments every time since then that the Congress has acted to raise the minimum, and they are repeating them today.

There has never been a word of truth in those arguments, and there is no truth in them today. Studies by the Labor Department in both Democratic and Republican administrations have shown that minimum wage increases have never had more than a slight and temporary adverse effect. Every increase has been followed by higher employment and increased economic activity.

But the enemies of fair wages don't want to be confused by facts. They will be raising the same battle cry when the bill comes up in the House in mid-September and again later in the Senate.

In the fight to keep millions of their fellow citizens in poverty, they have these goals:

First, they will try to set a subminimum wage for teenagers on the pretense of trying to lower youth unemployment. In truth, this scheme has nothing to do with teen-age unemployment. It is simply a device to give fast-food operators and other employers a large labor source to exploit.

A youth subminimum would increase unemployment among older workers, starting with those 20 to 24 who are trying to establish families and going right through the minority mothers and fathers who would be thrown out of work so that the employer could hire their sons and daughters at a cheaper rate. Discrimination against the young in the form of wage cuts makes no more sense than wage cuts for blacks, women, Spanish-speaking citizens, Vietnam veterans or any other group with a high unemployment rate. The only solution to unemployment is more jobs, not discriminatory wage rates.

The second effort will be to eliminate indexing—the setting of the minimum wage at a percentage of the average wage in manufacturing. Without indexing minimum wage workers will never get above the poverty line. But with indexing at 53 percent they will do so, reducing their dependence on public assistance and making them independent, self-supporting citizens and taxpayers. Indexing must not be defeated.

Finally, there will be an effort to reduce the $2.65 minimum. That figure, effective next January, would only restore half of the buying power lost since the last time the minimum wage was increased. Any reduction below this figure would deprive minimum wage workers of what they absolutely need to live decently and it would deprive the economy of the boost it would receive from a restoration of buying power for low-wage workers.

These are the goals of the people who have a vested interest in poverty, who see fatter profits in human exploitation and who like a society in which a large pool of cheap labor is fighting over jobs at starvation wages.

It is that kind of society America has been struggling to put behind her in the long fight for decency and justice.

But they are not decent goals for a country that has been struggling for 200 years to achieve human justice.

If America is ever to become the integrated society of creative, self-supporting citizens envisioned by its founders, Congress must not let the exploiters have their way in this matter. And it is the job of every citizen to see that Congress does its duty.

NATIONAL SICKLE CELL MONTH

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. FORD of Tennessee. Mr. Speaker, I am pleased to join Congressman CARDISS COLLINS in the cosponsorship of legislation which will declare September "National Sickle Cell Month." Sickle cell anemia, a genetic blood disease which affects 1 out of every 400 black Americans, has no cure at the present time. It is, furthermore, a disease which has not been subjected to aggressive and careful research and as a consequence, a number of misconceptions and negative attitudes exist about it.

During the August congressional recess, my awareness of the problem and attitudes associated with sickle cell anemia was pointedly enhanced when a constituent of the Eighth District, Tennessee, was rejected by the Air Force Academy Preparatory School—after being admitted—due to his having the sickle cell trait (SCT). According to Air Force Academy officials, anyone having the SCT is not eligible for admission. With this being the case 10 percent of all black Americans are automatically disqualified for admission to the Air Force Academy.

Of course, it should be realized that merely having SCT is not the disease itself. Moreover, SCT is an area of particular ambivalence in the medical field. Dr. William Crosby, a veteran in hematology, stated a few years ago that "everything about SCT is not plain black and white, and SCT is a harmless genetic marker." He emphasized the fact that 1 in 10 black Americans carries SCT, therefore, a most common finding.

Because so little is known about sickle cell anemia in general, and because so much needs to be learned, I feel not only a responsibility but also an obligation to support any move which has as its purpose the promotion of the cure and a wider comprehension of every aspect of this disease.

Neither my district, nor your district, hence America, can afford to lose the leadership of promising young minds as a result of conjecture and theory which needs to be proven. Let us all rally behind the wisdom and foresight of the gentlelady from the seventh district of Illinois and support the declaration that September be named "National Sickle Cell Month."

CONGRESSIONAL REVIEW OF POSTAL SERVICE CHANGES

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. NIX. Mr. Speaker, I have introduced today a bill to amend title 39, United States Code, to provide for congressional control over proposed changes in the levels and types of services provided to the American people by the Postal Service.

Under existing law, the Postal Service currently has the sole power to make such changes. Whenever the Postal Service wishes to make a change in the levels or types of services which would result in a reduction of such services on a nationwide or substantially nationwide basis, it must first seek an "advisory opinion" from the Postal Rate Commission. But, regardless of the Commission's advice, the Postal Service may unilaterally proceed to make the change. For instance, if the Postmaster General decided to eliminate Saturday mail delivery, he would simply notify the Postal Rate Commission of his plans. The Commission is required to hold a hearing, and as a practical matter, the Postal Service probably would not make the change effective until the hearing had been completed and the Commission had issued its opinion. But, regardless of the nature of the advisory opinion, the Postal Service may proceed to do as it wishes.

The legislation which I introduce today will change that. If the Postmaster General wishes to make a reduction in the levels or types of services, he will have to submit a proposal to the Congress; and if either House adopts a resolution of disapproval within 60 days, the change cannot become effective. This is similar

to the procedure followed when the President submits a reorganization plan to the Congress.

The Postal Reorganization Act did not define what is a "level or type" of postal service, or what is a change which has a "nationwide or substantially nationwide" impact. The legislation which I introduce today includes such a definition. More importantly, it will clarify what the Postal Service can and cannot do without the approval of the Congress.

I believe this legislation strikes a proper balance. It would preserve the independence of the Postal Service from day-to-day supervision by the Congress, but would require congressional approval of major policy changes which, of course, is the basic constitutional role of the Congress.

SOCIAL SECURITY AND DEPENDENCY

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. FRASER. Mr. Speaker, last July, I testified before the Social Security Subcommittee of Ways and Means to raise objection to a portion of the administration's social security bill, H.R. 8218. The portion of the bill to which I addressed my remarks is found in title III, "The Equal Rights Amendments of 1977."

The administration proposes to reinstitute the dependency test for husband's and widower's benefits struck down by the Supreme Court last March, and extended its applicability to wife's, widow's, mother's, and father's benefits. The Court found the test discriminatory, because it was imposed only on men seeking benefits from the wage records of their fully insured wives. The test was not imposed on similarly situated women.

Carolyn Shaw Bell, who holds the Katharine Corman Chair in Economics at Wellesley College, published an article in Newsweek which discusses why the notion of dependency no longer fits family and work patterns of contemporary society. I believe she creates a good argument against the administration dependency plan which further entrenches the notion in a system struggling with its applicability already. The article follows:

SOCIAL SECURITY AND DEPENDENCY

(By Carolyn Shaw Bell)

The Census defines a family as a group of two or more people related by blood, marriage or adoption who live together: families exist, obviously, because people want them to. For some reason, however, we think and talk about the family as if it existed all by itself, apart from its members. We describe the "family life cycle," and worry about the "death of the family." Business and government view policy decisions in terms of "the average family." President Carter has even promised a "family impact" statement to accompany new legislation.

Most of us accept without question the repeated use of that "typical" American family—the married man supporting a wife and two children—when we talk about social and economic policies. The Census Bureau has just revealed, however, that this familiar type has practically vanished. There are 56 million families in this country and only 3.3 million of them fit this pattern—a more 6 percent of the total.

Why don't we stop having families as the focus of our concerns, and concentrate on individuals instead? If we stopped pretending there was such a thing as "the typical American family," we might be more sensitive to the actual problems posed by the many different ways we live—both in and out of families.

TAXES AND CHOICES

Start with income taxes. Most income in the country is earned at work and consists of wages and salaries. But families don't work and earn wages, family members do. "The worker" is an individual—the worker's income belongs to the earner. How those of us who earn wages choose to share our income is our business, not that of the tax authorities. If you want to spend your income supporting a wife and I want to spend mine supporting a child and somebody else wants to spend his supporting a hobby of collecting antique automobiles or a crusade for preserving the wilderness, let us respect each of our individual choices. Why involve "the family"?

Of course, if we Americans decide that having children is a good thing, and if we want to help parents support their children, then we can provide cash payments, or subsidies to parents. Such children's allowances exist in most European countries and in Canada to express society's interest in its future citizens.

Move on to national health insurance. If we want good medical care, we want it for individuals. Families don't get measles, or heart attacks, or die of cancer. If we want to pay for medical care by taxing payrolls, that doesn't mean medical benefits have to be provided via the people on payrolls—"the worker and the worker's family." Most workers are married to other workers so they'll both pay taxes to provide medical benefits.

THE COST OF LIVING

Why tie health care to "the worker's family" when people move in and out of families. Babies are born, children go off to college, young adults leave to form their own families or live alone. Death or separation breaks up a family unit and some adults become new dependents for their relations. Once we recognize that "the family" is a dynamic concept, and that families incessantly change, then we can agree that caring for individuals is what's essential.

Consider the high cost of living, and the battle (if there's to be one) against inflation. Our basic measure of living costs, the Consumer Price Index, doesn't pretend to measure every price change that affects us. Although a new, more representative index will shortly appear, the current figure includes only those commodities purchased by a fairly small group of families—urban wage earners and clerical workers.

Furthermore, the cost of living figures most frequently quoted refer to that same familiar group—John Doe supporting his wife Mary and their two kids Dick and Jane—that makes up such a tiny minority of all families. We need cost-of-living data for childless couples—who outnumber the "typical" family eight to one. We need to know how inflation hits the single mother supporting her children—there are twice as many of them as of the mythical average family.

Think about minimum wages. George Meany protests that $2.50 an hour (proposed by the White House) is below the poverty level. But he's referring to the poverty-level income for a family, not for an individual worker.

When minimum wages were first enacted during the Depression of the '30's, the "typical" American family was a lot more prevalent. Most children lived in homes where the father was the breadwinner and most women were supported by their husbands. One man's wages probably did represent one family's income, and the link between minimum earnings and poverty did make sense.

Today the one-earner family is in the minority. Fourteen million husbands support their wives, with or without children. One and a half million wives are the sole earners for their husbands and families, and there are 5 million other women without husbands, whose earnings provide family income. But all told that's less than one out of three families. Most wage earners live in families with other wage earners. And families come in all sizes—it's impossible to calculate a minimum wage for one person that would keep all kinds of families above the poverty level.

Of course, we may wish to provide additional income for poor families. But let's keep wages a matter of the individual worker and the individual job.

ISSUES AND INDIVIDUALS

You can try thinking about other social issues in terms of individuals. It would help the city welfare administrator struggling with three definitions of the family to determine eligibility for housing, for medical care, and for public assistance. It would help the elderly widow and widower who won't marry because they'll lose social security benefits.

I think we should start thinking about individuals because we exist. More of us are being separate persons rather than family members these days. Between 1970 and 1975 the number of people living by themselves increased by about 40 per cent. We live individually as young adults escaping from our parents, as older adults choosing not to marry, as people of any age whose marriages have dissolved through death or separation.

Thinking about individuals doesn't mean that families don't count, or that the family way of life is obsolete. It does mean that we live and grow as human beings, we move in and out of different families as family members, but each of us is a person from birth to death.

JULY 29, 1977.

Hon. DONALD M. FRASER,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN FRASER: I applaud your testimony, before the House Social Security Subcommittee, in its characterization of the concept of dependency as "outmoded." As you know, I have long favored earnings-splitting since my early testimony before the JEC.

At this point I think it would help, in trying to get people to realize that dependency does not mean much anymore, to emphasize that the majority of working families contain two adult working partners. The BLS figures that are quoted say that over half the husband-wife families in the country have both spouses working. In reality the percentage is much higher if you exclude some 5 million families where neither partner is working: both partners are retired, or still finishing their education. Rather than argue the economic role of women, I would urge you to reiterate that the single earner family is obsolete and that dependency is not a useful concept if it cannot easily, and objectively, be determined.

I enclose a copy of my article in the May Newsweek. I would be very happy to discuss these issues further with you if it would help.

Sincerely yours,

CAROLYN SHAW BELL,
Katharine Coman Professor of Economics.

ENVIRONMENTAL HAZARDS OF COAL PRODUCTION—ASSESSMENT BY THE EASTERN PENNSYLVANIA GROUP SIERRA CLUB

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. EDGAR. Mr. Speaker I am pleased to share with my colleagues an excellent briefing on the environmental impact of increased coal production. This briefing prepared by Albert J. Slap and Dena Sukol Wright, both of the Eastern Pennsylvania Group of the Sierra Club, describes the problems which occur to our land, water, and air as a result of underground and surface mining. The House, in approving H.R. 8444, endorsed the President's goal of increasing domestic coal production to over 1 billion tons. I agree with the President that we should rely more heavily upon our abundant resources of coal to meet our energy needs while maintaining the quality of our land, water, and air. I am indebted to Mr. Slap and Ms. Wright for helping me understand the complexities of coal-related environmental problems, and I believe that their August 3, 1977, briefing deserves the attention of our colleagues:

AUGUST 3, 1977.

Congressman ROBERT W. EDGAR,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN EDGAR: You have requested that we submit to you an analysis of that part of the National Energy Act (H.R. 8444) which addresses coal conversion. A combination of time constraints and complexity of issues involved has necessitated an overview of the problems and possibilities that we see, rather than a comprehensive report.

The bill establishes in Section 3(5) a national energy goal which would increase annual coal production at least 400 million tons above 1976 production levels of 671.2 million tons (figure provided by the National Coal Association, Washington, D.C.), by 1985. Our major concern is how this 60% increase in coal production and resultant consumption impacts upon the environment. As you are aware, EPA Administrator Douglas Costle has testified before Congress that increased sulfur dioxide emissions, as a result of coal conversion, would largely be offset by utility reductions if proposed conservation and clear air controls are adopted. We do not have before us the data Mr. Costle used in making this determination; however, from the research we have done, we are skeptical that this offset will actually occur. The environmental issues raised by coal conversion include not only increased sulfur dioxide pollution, but the environmental problems inherent in mining itself. We, therefore, would like to provide you with a brief overview of the environmental impacts of increased mining and coal combustion.

MINING

There are two principal mining methods—the underground and surface. These two types are further broken down into subcategories relating to more specific methods used, dependent on applicability of land area/coal quantity to mining method. (Contour surface mining and area surface mining, for example.) In all types of mining, land preparation includes clearing vegetation from the construction site. In this respect, any choice of mining method poses serious reclamation problems because after the land is disturbed recontouring and revegetation are difficult. Although the aerial disturbances of surface mining are generally more visible than underground, both methods disturb the surface, produce wastes that require disposal, can affect water resources, and expose materials that produce acids when dissolved in water.

In surface mining, the major reclamation problem is dealing with surface disruption. This includes restoring surface topography, replacing topsoil, fertilizing and revegetating. In contrast, the reclamation problems associated with underground mining relate more to the disposal of materials mined with the coal. While these materials are often removed at the surface through a cleaning process, they cannot be piled up and left uncovered because they produce acid water runoff when dissolved by rain, landslides, and other dangerous conditions. Another problem associated with reclamation after underground mining is subsidence. In some situations, the surface will subside, limiting subsequent surface usage. These, then, are the two general problems associated with reclamation of mined land.

SURFACE MINING—ENVIRONMENTAL CONSIDERATIONS

Water: The principal water pollutant in surface mining is suspended solids. These solids are a product of runoff from solid waste piles. Under controlled conditions, drainage and runoff water is collected, allowed to settle and treated. Suspended solids are thereby reduced to a 30 ppm concentration and a zero acid content.

Air: Air pollutants are generated from two sources: diesel-fueled support equipment and wind erosion. Using electrical equipment does not eliminate air pollutants, but merely transfers them from the mining site to the electric power station site. While reclamation reduces particulates resulting from erosion, it increases other pollutants by requiring more diesel-powered trucks, tractors, etc.

Solids: Solid wastes vary as a function of surface mining techniqûe. An area strip mine excavating 10,000 tons of coal per day would produce 100 tons of overburden per day, an amount approximately equal quantitatively to the daily municipal refuse from a town of 40,000 people. The same coal production from a contour mine would result in 120,000 tons of overburden per day—approximately equal, again quantitatively, to the quantity of municipal refuse of 48 million people. (Statistics from Energy Alternatives: A Comparative Analysis. Prepared for Council on Environmental Quality by The Science and Public Policy Program, University of Oklahoma, Norman, Oklahoma.)

Land Use: In general, area surface mining, which is used in flat terrains is more land-economical than contour surface mining, which is used in hilly or mountainous terrains. Area surface (strip) mining requires 5.9 acres per 10^{12} Btu's in Northern Appalachia as compared to 12.0 acres per 10^{12} Btu's required in contour mining. Moreover, surface mining in general, is less land economical in Northern Appalachia than for example in the Northwestern section of the country. This is due to the differences in seam thickness of the coal. A Northwest mine producing 10,000 tons of lower Btu coal per day would strip 2.5 square miles in 30 years; a comparable mine in Northern Appalachia would strip 27 square miles in 30 years. However, in the Northwest section, other environmental problems, i.e. nondegradation of clean air regions, result.

UNDERGROUND MINING—ENVIRONMENTAL CONSIDERATIONS

Water: The principal water pollutant in Appalachia (where most underground mining is done) is acid drainage. The other dissolved solids are sulfates and minerals which contribute to hardness. Lime treatment is effective in reducing acidity to zero and the resultant effluent then meets EPA guidelines.

Air: Because electrically powered equipment is generally used underground, air emissions are not a problem. (Dust within the mine, however, poses an occupational hazard.)

Solids: Solids produced when mine water is treated amount to 56,000 tons per year for a typical mine in Northern Appalachia.

Land: Subsidence and refuse storage sites, as well as a water treatment facility site are the major impacts on land use.

An additional problem with underground mining, not developed here, is occupational-related hazards (black lung).

In summary, the environmental problems associated with coal mining are diverse. We are concerned that the House Bill, while making reference to environmental safeguards, may not adequately address the specific environmental problems posed. Specifically, strict regulation of solids disposal from underground mining and strip mining legislation which addresses land reclamation in surface mining is essential. We are aware that H.R. 2—a Surface Mining Bill—has just today been signed by President Carter. Unfortunately, we have not been able to research this bill thoroughly; however, we are aware that the final bill as approved by the joint conference allows both strip mining in national forests in the west and on western "alluvial valley floors", subject to certain provisions. Unless this permissive approach is counterbalanced by sufficiently strong regulations by the EPA, we foresee serious environmental consequences.

COMBUSTION

The major environmental problem associated with coal combustion, as EPA Administrator Costle has noted, is an increased level of sulfur oxides emitted into the air. However, this does not fully address the environmental impacts of the combustion process. Additional problems are caused by increased levels of carbon dioxide and respirable particulates. Further, while under the best of circumstances, air quality in a coal-burning area would meet the ambient standards established by the EPA, other hazardous pollutants may be involved. We are concerned that without adequate, ongoing research, new environmental problems, generated by coal combustion will be overlooked. Within the past week, we have become aware of two such studies which are rather alarming. This first appeared in *The New York Times*, July 25, 1977, in which the National Academy of Sciences after a 2½ year study, warns that heavy use of coal in which additional CO_2 is emitted into the air, may bring an adverse shift in the climate (the greenhouse effect). The study indicates that this increase in temperature could "radically disrupt food production, lead to a 20 foot rise in sea level and seriously lower productivity of the oceans."

The second study was done by Brookhaven National Laboratory in New York at the request of the Energy Research and Development Administration. The Brookhaven Study warns that increased coal use could raise the sulfur-caused annual death toll to 35,000 by the year 2010. This report does not square with Administrator Costle's evaluation of increased sulfur dioxide emitted into the atmosphere. We strongly advise legislation which makes flue gas desulfurization devices (Scrubbers) mandatory. "Scrubbers" remove the sulfur from stack gasses after combustion but before emission into the atmosphere. Another technical possibility in this area is the conversion of raw coal into a gas or liquid fuel, thereby reducing sulfur dioxides during combustion. The processes

which accomplish this end are not fully developed. Moreover, while they reduce pollutants at a point before combustion, they (the processes themselves) cause their own pollutants.

Another major concern that we have is related to deterioration of those areas designated as Class I areas. Currently, these areas are in the best "environmental condition." Allowing large facilities (e.g. new electric utility plants) to move into these areas may not raise the ambient levels above EPA guidelines; nevertheless, there would be an overall worsening of air quality in these regions. We strongly oppose legislation which would allow encroachment on these areas by new facilities. The Clean Air Act, as it now stands and as interpreted by the courts, provides safeguards against this problem. However, current proposals to amend the Clean Air Act pose serious threats to these safeguards. The House has adopted the Breaux Amendment which guts most of the significant deterioration provisions which protect clean air regions of the country. The Senate, by contrast, rejected the equivalent of the Breaux Amendment. If the Breaux Amendment is finally adopted, protection in the Clean Air Act for air quality over national parks and wilderness areas would be ineffectual. Thus, we would oppose the present coal conversion legislation without the nondegradation safeguard.

SUMMARY

Significant problems are raised by the massive conversion to coal use. The tradeoffs between energy independence and environmental quality require complex problem-solving with no easy solutions. Because of time constraints, we have been limited in our ability to provide you with an in-depth study of the problems. However, we have focused on four major areas of concern: strip mining reclamation, increased controls on sulfur dioxide emissions, increased controls on solid wastes disposal, and deterioration of clean air regions in the country. Additionally, we are concerned with potential problems generated by increased coal consumption which are not yet known. We recognize that H.R. 8444 has made provisions for studies to be carried out which address environmental problems associated with increased coal consumption, by providing a budget of $2 million for such purposes. The adequacy of this amount should be monitored carefully to assure that it does not seriously undermine vital information-gathering processes necessary for public health and welfare decision-making.

Coal is an abundant resource with a developed technology for its recovery. It offers much in the way of energy-independence for this country. But, it is not a cheap resource. In order to make its utilization environmentally acceptable, strong safeguard technologies must be developed and implemented. These processes cost money and must be calculated as part of the cost of the resource itself.

We hope that this cursory overview provides you with useful input. We strongly support your past record in environmental legislation. Please let us know if you wish additional materials from us for possible future legislation which addresses environmental problems associated with our national policy of increaed coal consumption.

Sincerely yours,

ALBERT J. SLAP, ESQ.,
Chairman, Eastern Pennsylvania Group.
DENA SUKOL WRIGHT,
Research Assistant.

"NEW ICE CREAM STANDARDS UNJUSTIFIED"

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. RICHMOND. Mr. Speaker, on August 2, the Agriculture Subcommittee on Domestic Marketing, Consumer Relations and Nutrition, which I chair, and Mr. Rose's Subcommittee on Dairy and Poultry, conducted a joint hearing to investigate a Food and Drug Administration proposal to change the standard of identity for ice cream. Following comprehensive studies of the testimony received during and after the hearing, I have found no justification for the change in ice cream standards.

The proposed regulations were formulated several years ago as a simple requirement for ingredient labeling. During the past 2 years though, they have been changed. The FDA has been convinced by the ice cream industry that milk-derived, rather than whole milk ingredients would be adequate to meet half the milk requirement for ice cream. Today's ice cream contains only 20 percent milk. The new standards would require that ice cream contain only 10 percent whole milk; the other 10 percent could include dairy-derived ingredients such as whey and caseinates. These are not whole milk products. They are milk by-products.

Depending on the combinations used—and there will be many—each carton of ice cream will have different ingredient labeling. By substituting whole milk with milk by-products, there is no guarantee present nutritional standards will be maintained. We can be sure ice cream manufacturers will use the cheapest ingredients possible by disguising them with more artificial flavorings.

This issue is not one to be taken lightly. More than 800 million gallons of ice cream are manufactured each year. Ice cream is used in Federal feeding programs as a nutritious source of calcium, vitamin B_{12} and riboflavin. The new regulations would completely ignore these nutrients.

Instead, the FDA has decided that the nutritional quality of ice cream should be based entirely on protein. Ice cream has never been considered a significant source of protein, nor is the average American's intake of protein a problem.

Additionally, the ice cream industry stands to reap profits of more than $70 million a year, and there is no guarantee these profits would be passed on to customers. In the meantime, additional stocks of nonfat dry milk, displaced by imported caseinates and cheap, domestic whey, would cost the consumer dearly. Additional Federal tax dollars would be committed to the Government dairy loan program. Taxpayers would pick up the tab, which could be more than $200 million annually.

Mr. Speaker, consumers are not about to sit still while the agency mandated to protect our food tampers with one of their favorites. FDA Commissioner Donald Kennedy is expected to announce his decision on the new regulations soon. I hope he will listen to the voice of the people. Following are excerpts of letters I have received from angry ice cream lovers:

". . . Sometimes I almost believe that the people in Government are against the American people. It's things like this that disgust me . . ."—Rochester, N.Y.

". . . Please don't let the FDA add caseinates or other fakes to ice cream. We have enough junk put in our food now . . ."—Scotia, N.Y.

". . . One thing is for sure: Nobody but a chemist will be able to figure out what the ingredients in phony ice cream are because they have chemical names . . ."—Oklahoma City, Okla.

". . . I feel very strongly that the Food and Drug Administration should work to protect the consumer against ersatz-makers instead of cooperating with them . . ."—Astoria, N.Y.

". . . I think the FDA has dabbled in so many useless and unnecessary things and has ignored the real problems of "junk food" (perhaps from fear of the big food companies). I wish someone would straighten them out. I don't like to see the taxpayers' money wasted on things such as this . . ."—Washington, D.C.

". . . The American people have been so conditioned to poor products that many cannot tell good ones from poor ones . . ."—Edwardsville, Ill.

". . . It is difficult to understand why the Food and Drug Administration should concern itself with this issue whose only purpose would be to serve the ice cream manufacturers when there are so many other pressing nutrition problems in this country. This misunderstanding of priorities, or perhaps it is a lack of priorities, characterizes many of the nutrition programs of Federal agencies . . ."—Washington, D.C.

". . . The credibility of the FDA has suffered greatly in recent years. This matter doesn't help them . . ."—Tucson, Ariz.

". . . If any food in America needs to be kept upgraded and full of pure, healthful contents, it is ice cream—a food that is fed to babies, invalids, and old people and every other American under the sun . . ."—Seattle, Wash.

A TRIBUTE TO CHIEF HARRY "CHIP" CORNWELL

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. WOLFF. Mr. Speaker, I would like to take this opportunity to pay tribute to Chief Harry "Chip" Cornwell of company No. 1 of the Mineola, N.Y., Fire Department. Mr. Cornwell will be honored on September 9, 1977 at a dinner given by his colleagues for 50 years of distinguished and loyal service to the department.

Chief Cornwell began his career of dedicated assistance to the department and the community in September of 1927 when his application to join company No. 1 was approved. His abilities and ambition were soon recognized, however, and in 1931 he was promoted to the presidency of company No. 1. From that

point on he continually rose in the ranks of public service, from second lieutenant, first lieutenant, captain, warden, executive secretary, deputy chief, and ultimately to chief of the department in 1955.

In addition to his many duties as chief, Mr. Cornwell has been involved in the supportive affairs and operations of both the company and the department. He has been a true leader in both the community and the department. There is no doubt in my mind that he will continue to be so.

Chief Cornwell's career had been highlighted by his dedicated and responsible performance. I extend my heartiest congratulations to an outstanding public servant on this his golden anniversary.

GOVERNMENT TOO BIG TO HANDLE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. ABDNOR. Mr. Speaker, while other dates have gone down in history as memorable, Dave McNeill, executive vice president of the Greater South Dakota Association, believes a 1977 day in August is memorable. In his weekly news column, Mr. McNeil made the following observations which merit the consideration of my colleagues:

MONDAY, AUGUST 22, 1977—A DAY TO REMEMBER

PIERRE—The economic news report of the morning of August 22, 1977, provided the most astounding report ever heard by American taxpayers. The Federal government has fallen 7 billion dollars behind in spending this year. The commentator went on to tell of the negative impact on the U.S. economy this "short fall" would cause. It may sound unbelievable, but we are now being told that the taxpayer can't win at the Federal level. Overspend the Federal budget . . . taxes go up. Underspend the Federal budget . . . the economy sags from unemployment and other waves created by government spending.

It's all over at the Federal level. The citizens have lost control; our Federal bureaucracy is too big to handle. The way things are going we would need a billion-dollar study commission to understand why we can't afford to live if the Federal budget isn't spent to the penny. With the Federal budget in the neighborhood of 400 billion dollars per year (granted 6 or 7 billion one way or the other would be considered good estimating), they tell us now that because of the Federal spending impact, we must hit the spending level with pinpoint accuracy.

The kicker is we must get pinpoint accuracy from the Feds who just last week lost enough plutonium to blow up half the world. Pinpoint accuracy from the Feds who not long ago were ripped off to the tune of $800,000 by a Transportation Department employee who simply told the computer to write him some checks. Pinpoint accuracy from the Feds whose computers are capable of sending checks to Social Security recipients with 5 or 6 too many zeros.

Looks like our fate is lost at the Federal level. Thankfully, at the state level we still have a chance to see spending cuts produce tax savings.

HERE IS WHAT THE GENERAL SAID

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. McDONALD. Mr. Speaker, Lt. Gen. Donn A. Starry recently got into trouble with the Carter administration for giving a speech to a high school graduation in which he speculated that the U.S.S.R. and Red China might get into a war and that the United States might be forced to choose sides. For this, ostensibly, the General was recalled from his position post in Germany as Commander of the V Corps, U.S. Army, Europe, and shifted to the position of Commanding General, U.S. Army Training and Doctrine Command at Fort Monroe, Va., a lessor post. Actually, I question whether his speculation about a Sino-Soviet war was the real reason he was censured in this manner. If you read his entire speech, it was a speech concerning basic truths, values and a plea for realism and realistic thinking in this day of sloganeering and "pie in the sky" solutions to the world's problems.

By way of background, the General is not a lightweight. He has a total of 29 years commissioned service, has a master's degree in international relations, and is a decorated combat veteran holding the Silver Star, Bronze Star, and the Purple Heart. Therefore, I believe the General's speech has to be read in its entirety in order to have any perspective on his remarks on a possible war in the Far East. I commend his speech to the attention of my colleagues as it appeared in the Review of the News for July 6, 1977.

HERE IS WHAT THE GENERAL SAID

I thought perhaps we could spend these few minutes considering several things that seem to me to trouble your generation. You might not put them in the order that I do; you might not label them the way I do; but I think you'll recognize them for what they are—I'd call them peace, truth, God, and you.

Peace because a lot is being said about it. A lot of things are being done in its name, but it is and will remain an elusive vision through your lifetime, and so perspective about peace is important to you.

Truth because no one seems to be telling it much any more. There is loss of confidence in the truthfulness of our government, in the integrity of elected officials, which is having an effect on our society; it will continue to do so through your lifetime. So a perspective on the truth is important to you.

God, because although the "Liberals" tried to bury God several years ago, the basic values of our society are still those of our Christian heritage. You will live with the problem of decline of these values through your lifetime, and so perspective on God is important to you.

And you because this is your day. A day to pause a moment to consider who you are, where you are heading, and what you might carry along with you.

So here we go.

MEN CRY "PEACE"

Peace is an illusion. The absence of peace in the world is, always has been, and always will be a fact of life. Conflict of some kind is a natural state of man—not so much war, as competition, competitiveness—in economics, in foreign affairs, in the quest by governments for goals for the governed. Conflict reflects the imperfectness of man in his world, and the perfectness of God in his universe. There will probably be war in your lifetime. The Soviets will continue to encourage and help their Arab friends try to eliminate the state of Israel. Our country may not be willing to go to war over this, but to turn our backs on Israel would be very difficult, and to allow Soviet control of the oil resources of the Middle East would be almost impossible.

The more critical the situation becomes the more likely we are to respond with violence. In your lifetime the Soviets will fight the Chinese, possibly simply continuing their ten-year-old border conflict, but more probably in a major war. Difficult as it may be to see the United States becoming involved in such a war, it is likely we would do so once it became apparent that one or the other of the antagonists was about to win and gain absolute control over the bulk of the Eurasian land mass. On the other side of the conflict spectrum, intra-national war—that is, war within the borders of a country—will be more likely, as both the Soviets and the Chinese continue to export their brand of revolution. The question of how to intervene in such situations without violating the national sovereignty of smaller states, when and how to meddle in what is essentially someone else's business, is not one easy to answer. More nations will have nuclear weapons—just as India has recently. This just increases the chances that a deliberate or irresponsible act by some small nation could trigger a war between larger nations. Could a nuclear attack on Los Angeles arranged by the Communist government of Ethiopia be distinguished from a Soviet attack in time to prevent the United States from launching a retaliatory attack on the Soviet Union? No one knows.

And so true peace will not come in your time. The only peace you can expect, and the only peace of any value to you, is peace of mind; peace that comes with understanding the imperfections of mankind and of having figured out how to cope with this imperfectness. It is a peace that puts you as much at ease as you can expect to be with your fellowman and the imperfections of the world you live in. Ultimately the price of that peace of mind is a willingess to sacrifice something for it; for it is still true that nothing worth having can be had for nothing.

TRUTH HAS A PRICE

Truth is a fragile commodity. The true state of things is frequently unpleasant. That's why we don't tell the truth more often—to ourselves or to others. It is more convenient not to. Instead we rationalize our own imperfections and those of the world around us. If we work hard enough at those rationalizations, we soon believe them ourselves, and when we do, our grasp of the truth is a little less sure than before. Like peace, truth is perfection; its distortion in our world is a measure of the imperfections of that world, and of the perfectness of God. For us there is no absolute truth; there are versions of what is, bound up in the bias of those who observe and report. In your lifetime the truth will be harder to learn than ever before. The "Liberal" press has adopted the adversary doctrine. They are not interested in the truth, only in the five percent or so of the news that deviates from the norm, which in an imperfect world is the only truth there is.

Presumably they would be willing to muckrake around over every public administra-

tion just to see it fall, without concern for the consequences to the country, or to the quality of public administration. By someone's standards we are all less than perfect. If one wants to make an issue of imperfections, some reason can be made to attack every man who has held or could hold public office. The ensuing turmoil simply feeds into the hands of those who claim our form of government is not viable anyway, and has no right or hope for survival. Being objective is important, being skeptical is necessary, seeking after all the facts you can get is essential, in order to make reasonable judgments about what's going on around you, and what you should do about it. The price of truth is a willingness to ask difficult questions, knowing all the while that if the truth really comes in response, the answers will be equally difficult.

THE LIVING GOD

Several years ago the "Liberals" buried God. He wasn't important to them. They found their God in a liturgy which denies that anything—peace, truth, God, even life—is worthy of reverence. And because the Christian ethic is the very basis for our culture, western civilization has been stricken with the cancer of declining morality. Just over a month ago I stood in the Garden of Gethsemane, then walked the long trail across the Valley of the Dead to Golgotha, over the land where seething masses of people have struggled so many thousand years. It struck me that in the time of Christ they had a problem not at all unlike ours. They found peace and destroyed it with war; they found truth and denied it with lies; they found God and hung Him on a cross. The denial of God will continue in your lifetime; you will be called on to decide about Him, who He is, who you are in relation to Him. Perhaps it's not all that important; many people live their whole lives without solving this problem, but I suggest that your life takes on meaning, that the greatest value of a life is to spend it for something that lives after it, that in the end you become what you are through some cause you have made your own. And if you follow that line of reasoning, deciding about the part God plays in your world is important.

WISDOM AND YOU

And now what about you? This is your life. We reviewed some unpleasant realities simply to challenge you to think realistically about some hard questions that face you. Thinking seriously about what I've said could make you want to drop out of society. You can't drop out of society and remain a part of it. Three hundred years ago the Bounty mutineers did that and the society they created to replace the one they left came to be filled with all the disillusionments from which they had fled in the first place.

You are young and full of dreams. Your elders say that you'll get older pretty soon, more mature, and then you'll be all right. Well, that's not quite right. Youth is important. It's important that you stay young. Youth is not a time of life, it is a state of mind. Nobody grows old by living years. People grow old by deserting their dreams. Youth is a quality of the imagination, a vigor of emotions, a predominance of courage over timidity, and appetite for adventure opposed to the love of ease. Whatever your years, keep in your heart the dreams, the urge to challenge events, the unfailing childlike appetite for what's next, and the knowledge that the joy of life is in the living; that when you fail to live it to its fullest you miss all the joy of it. You are as young as your faith, as old as your despair. So long as your heart holds dreams of hope, beauty, courage, so long are you young.

TO SERVE AN IDEAL

And so tonight you pass this turn in the road of your life, full of hope, full of dreams, full of anticipation for what comes next. I hope you will strive for and achieve great things. But remember, in many ways it's a far higher ideal to live an ordinary life in an extraordinary way, to serve an ideal amid the drab, humdrum surroundings of everyday life, and still retain a vision of the common man as a shadow of God.

And so your world goes out on every side, no wider than your heart is wide, and up above the world your sky no higher than your soul is high.

May the road ahead rise with you to new heights, may the wind be ever at your back, and may God carry you always in the palm of His hand.

BLUE SUEDE SHOES

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mrs. SCHROEDER. Mr. President, the following comment appeared in the August 29, 1977, issue of the New Yorker:

We have a letter from a man who was thirteen years old in 1956:

I would like to tell you about one song recorded by Elvis Presley. It is a song he recorded in 1954 for the Sun label in Memphis, and it is called "That's All Right." I heard it two years later. The first words of the song are:

> Well, that's all right, Mama,
> That's all right for you.
> That's all right, Mama,
> Just any way you do.

Elvis Presley's voice is like a high, sharp shiver. There isn't any part of the song not covered by a thrilling energy. This is a significant American song, sung by a significant man. I still have my copy of "That's All Right," on a long-playing album called "For LP Fans Only." That is a stupid name for an album—"For LP Fans Only." Whoever gave that title to that album understood the nature of Elvis Presley's simple energy but was afraid of it. The album is under the RCA label, but it has a number of songs, like "That's All Right" and "Mystery Train," that he recorded for Sun.

Elvis Presley was a cool guy. He was the coolest guy I have ever seen. He had a gift—a gift as great as, say, the gift of Marilyn Monroe for romantic comedy—and he had an instinctive generosity, too. He didn't know what he was about, but he was protected for a while by his naïveté and by his simple energy. He cut through gruesome layers of self-consciousness, although they closed in on him later. But they didn't close in on him completely, you know. Whatever there was toward the end of his life which was grotesque was probably the result of an attempt to keep his integrity and his cool—as he, imperfectly, understood the nature of his integrity and his cool. And he was cool up to the end. His single "Way Down" was on the charts the week he died.

I haven't seen anything on television or in the papers that gets to the point about how cool he was. Just drugs and money, and bad movies and Las Vegas and bodyguards and "hip-shaking" and getting fat. I saw a television newscast about Elvis and it made me mad, because the newsman who conducted it was exactly the kind of nineteen-fifties guy—full of false inflection and false authority—who was completely blown away by Elvis; and there he was again, full of false inflection and false authority still, condescending to him. The newsman cut away to a little group of post-adolescent "experts," and they were worse. The new false post-adolescent authority that needs to be blown away by somebody. The only decent tribute I saw to Elvis was in the hallway of a building at the corner of Sullivan and Prince Streets. Somebody had put an old pair of blue shoes on a chest of drawers in the hallway with a handwritten sign. "Don't Step on My Blue Suede Shoes—In Memory of Elvis," the sign said.

FUNDING FOR ADVISORY NEIGHBORHOOD COMMISSIONS IN THE DISTRICT OF COLUMBIA SHOULD BE CONTINUED

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. FRASER. Mr. Speaker, Congress should not delete funding for advisory neighborhood commissions—(ANC's)—in the fiscal year 1978 District of Columbia appropriation bill.

ANC's were authorized by Congress in the District of Columbia Home Rule Act to bring the views of the local neighborhood to the attention of the locally elected officials and city agencies. District residents voted 3 to 1 for ANC's as a special item on the ballot of the home rule charter referendum.

A typical ANC is in Southwest Washington where I live, as do several other Members of Congress. The nine ANC members were elected at the polls in Southwest last year and serve without compensation, in a neighborhood of about 20,000 people. The Southwest ANC's annual budget of $21,000 pays for a part time employee, an office in the neighborhood, telephone, newsletter, and notices of meetings.

ACTIVITIES OF ANCS

The August–September issue of the Southwester, the Southwest community newsletter, tells of Southwest ANC activities on these neighborhood problems:

New zoning in Southwest, proposed by the city planning office to include higher density commercial and hi-rise apartments.

The city's urban renewal proposal for a new building by the railroad tracks in Southwest.

The Southwest neighborhood health clinic staffing by the city Department of Human Resources (DHR).

Maintenance, security and fire problems at public housing hi-rises in Southwest were brought to the atention of city officials.

Residential parking permits for Southwest.

The ANC in Southwest is clearly filling a needed function in a large city like Washington, D.C.—the 11th largest city in the country, ANC's throughout the city are valuable links between citizens in the neighborhoods and 40,000 officials

and employees of the many city departments, offices, boards, and bureaus.

Funding should be continued for ANC's in the District of Columbia budget.

A UNILATERAL CURB ON SPACE WEAPONS?

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. SYMMS. Mr. Speaker, I have learned that Paul Warnke and Adam Yarmolinsky, chief Disarmament Agency officials, are recommending to President Carter that the United States unilaterally refrain from developing space weapons essential to protecting our intelligence and communications systems.

Warnke and Yarmolinsky are suggesting to the President that if the United States announces a policy of not developing devices such as killer satellites, then the Soviet Union will follow suit.

This faulty logic ignores, however, the fact that the Soviets have been developing hunter-killer satellites and other space weapons for several years now. Furthermore, the Warnke-Yarmolinsky thesis of unilateral restraint in countering Soviet weapons buildup has been consistently contradicted by Soviet actions for some 30 years now. Should Warnke and Yarmolinsky prevail the United States would be placed in such serious disadvantage that it would be next to impossible to redress.

Warnke and Yarmolinsky have vigorously opposed every new U.S. strategic weapons program. They have been ardent advocates of what amounts to unilateral disarmament, and they profess that the arms race is all our fault. Consequently, Mr. Speaker, it is imperative that the Congress and the American people keep an eagle eye on the SALT negotiations and the policy advocates at the Disarmament Agency.

The following Evans and Novak column from the August 27, 1977, Washington Post should be noted and deserves our concern:

A CURB ON SPACE WEAPONS?

(By Rowland Evans and Robert Novak)

A proposal to slow development of space weapons essential for protecting U.S. intelligence and communications in an all-out war is expected to go before President Carter soon in presidential review memorandum (PRM) 23.

Although finishing touches have not yet been put on PRM 23, the thrust of the inter-agency study is certain at this writing. It will seek to lead the President away from the Ford administration's push for swift development of outer-space weaponry.

The importance of developing top-secret technology to defend against possible Soviet attacks on U.S. satellites would seem obvious on its face. A Soviet attack destroying communication and spy satellites would leave the U.S. helpless. Nevertheless, the arms-control lobby, now riding high with Paul Warnke as director of the Arms Control and Disarmament Agency (ACDA), looks to outer space for an early test of the Warnke thesis on arms control.

Warnke's thesis: The United States should unilaterally abandon new weapons systems as an example to the Russians, assuming the Kremlin would then follow that example. This thesis, unsupported as yet by any evidence during the past 30 years of U.S.-Soviet relations, would be applied at once to outer-space warfare—if the President accepts the thrust of PRM 23.

In its dying days, the Ford administration conducted two secret studies into how the United States should respond to alarming Soviet advances in the technology of offensive outer-space warfare—satellite-killing Soviet satellites, sometimes called satellite interceptors. The Ford answer: full speed ahead for the United States.

A footnote: Compounding the U.S. danger was the conviction last spring of two Americans on espionage charges in TRW's top-secret weapons plant in California. They were charged with passing to Moscow this nation's most advanced outer-space warfare technology, immediately making U.S. satellites more vulnerable to potential Soviet attack.

JAYNE SCHIFF: SPIRIT AND DETERMINATION

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. WOLFF. Mr. Speaker, I rise today to pay tribute to one of my constituents, Jayne Schiff, who has through her own efforts and determination been able not merely to endure her physical disabilities, but to prevail over them as well.

Jayne was involved in an accident which severely damaged her spinal cord. In spite of this injury, however, she has continued to be interested in competitive swimming. As we are all aware, training for competitive athletics is a difficult, sometimes painful, ordeal even under the best of circumstances. It is surely an undertaking which tries not only individuals' physical stamina, but also their will to achieve and their desire to excel. In Jayne's case the challenge was especially difficult and required exceptional courage. I believe that is why notice of her achievement in the RECORD is especially well-deserved.

On June 17 Jayne set a new national record in winning the 200-yard freestyle swimming event in the National Wheelchair Games, which took place this year in San Jose, Calif. To win her gold medal, she had to swim the 8 laps in 4.41. Jayne was also awarded two silver medals for her second place finishes in the 25-yard butterfly and the 25-yard freestyle.

Mr. Speaker, individuals are always confronted with challenges. Some shrink from the task for want of incentive or for lack of inspiration. I believe that Jayne's efforts and accomplishments should be an inspiration and incentive to us all and should serve as a reminder that adversity need not be an impediment to achievement; it can also be an opportunity to excel.

PROPAGANDA CLOUDS THE REALITY OF GIVEAWAY TREATIES

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. DORNAN. Mr. Speaker we are currently being inundated with deceptive propaganda aimed at brainwashing the American people and their Representatives in Congress. The goal of this propaganda is to persuade them to accept proposed new giveaway treaties for the Panama Canal which were never authorized by Congress. As a result of this misleading propaganda, there is far more confusion about the realities of the situation and the treaties than understanding.

The projected treaties involve the disposal of territory and other property of the United States. Under article IV, section 3, clause 2 of the U.S. Constitution, this power is vested only in the Congress, which agency includes the Senate and the House of Representatives.

Among the veteran Washington correspondents who have closely followed the canal treaty question and written extensively on the subject over a period of years is Robert S. Allen.

In his syndicated column dated September 8, 1977, he summarizes the current situation in the Congress and emphasizes the power of the House of Representatives.

Mr. Speaker, because the indicated article by Colonel Allen should be of wide interest particularly in the Congress, I quote it here as part of my remarks:

(By Robert S. Allen)

Washington, September 8, 1977: There is a significant omission in the elaborately staged grandiose fanfare and hooplah glorifying the formal signing off the Panama Canal treaty.

It's the absence of recognition of the key role of the U.S. House of Representatives.

Imposing honors are being bestowed on the big-name participants of the U.S. Senate, but strikingly those of the House are virtually ignored. What attention they're getting is largely fleeting and incidental.

Yet the House is directly and crucially involved in the highly volatile battle over the Canal pact.

Without House concurrence, it will be basically meaningless.

That's due to the fact that the treaty involves the transfer of billions of U.S. property and the payment of hundreds of millions of dollars to a foreign country—and that can only be done by legislation voted by both branches of Congress.

So while the Senate has the constitutional function of ratifying treaties, in the instance of the Panama accord, the House will play an equally momentous role.

READY AND WAITING

Further, this vital legislation must originate in the House.

Not only will the House have first crack at it, but long-time opponents of a "Panama Canal giveaway", as they vehemently characterize it, are chairmen of the committees that will frame the legislation.

Foremost among these hostile die-hard crusaders are Representatives John Murphy, D-N.Y., chairman of the Merchant Marine and Fisheries Committee which has jurisdic-

tion over the Canal and Zone, and Daniel Flood, D-Pa., chairman of a key Appropriations subcommittee. It is the Appropriations Committee that will handle the huge financial aspects of the treaty.

These two powerful and strategically-placed House leaders are no johnny-come-latelies on the Panama Canal issue.

They had a lot to do with torpedoing President Lyndon Johnson's 1964 attempt to negotiate a Panama treaty. In the years since then, they have maintained a constant drumfire of blasts against tampering with U.S. sovereignty over the strategic waterway and adjoining Zone.

Throughout they have had plenty of bipartisan backing. In the eight months of this Congress alone, more than 50 Republican and Democratic congressmen have sponsored bills and resolutions against a new treaty.

The real militant core of hardnose congressional opposition to the pact is in the House rather than the Senate.

For President Carter, that's where the rub comes in.

Because even though in the end he may pressure and wheedle Senate ratification, he still has a long way to go—and in many respects far rougher and more uncertain.

Getting the House to enact the so-called "implementing legislation" will be a truly monumental undertaking—with the odds heavily against him.

WARNING SHOTS

Graphically illustrative of what the President is up against are the following unsparing comments:

Representative Flood: "This giveaway treaty was not authorized by Congress. It's part of an organized and crafty communist conspiracy to wrest control of the Canal from the U.S. Panama is utterly incapable of operating the complicated canal. In 1955, when it assumed responsibility for its own sanitation, it was unable to collect garbage from the streets of Colon and Panama City.

"Prior to 1904, the Isthmus was the pesthole of the world. Construction of the canal transformed the area into models of tropical health and sanitation. Panama has been and is the greatest single beneficiary of the canal, with total benefits from U.S. sources in 1976 of more than $243 million."

Representative John J. Flynt, Ga., chairman of the Ethics Committee: "While under the Constitution, the House will not have a direct vote on ratification of the treaty, it will have a decisive voice in the appropriations process. The American people, overwhelmingly agianst relinquishing control of this indispensable defense and economic resource, can be assured the House will fully and forcefully exercise its authority on this all-important issue."

Representative Murphy, West Point graduate, has bluntly served notice on Administration leaders in the House that his committee will not consider any legislation dealing with the Canal issue this year. He told them, "We have too many other pressing matters awaiting action, and the Panama question can wait—particularly as a great majority of American people are against it.

"When Congress meets next year, we'll see how the situation is and decide what we'll do about Panama—if anything. One thing is certain: I have no intention of being rushed on this matter."

And that goes for scores of other House members facing unpredictable re-election campaigns.

As they see it, the ball is in their corner and they're going to call the turn and not the President. He needs them a lot more than they need him. As one tartly put it:

"He negotiated this treaty. The House didn't ask him to. So let him worry about it. Most of my constituents want no part of it, and neither do I!"

FROM SOUTH DAKOTA—KEEP THE HATCH ACT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. ABDNOR. Mr. Speaker, during my August recess travels across South Dakota a number of citizens have expressed their concern over House passage of amendments to the Hatch Act. Most of them feel, as I do, that this act as it presently exists serves to not only protect Federal workers, but protects the public. They are hoping the Senate will not go along with the House in this matter. South Dakota views are pretty well summed up in this editorial from the Sturgis (S. Dak.) Tribune, a newspaper serving many Federal employees at a nearby veterans hospital, veterans cemetery, national forest, and Air Force Base:

RETAIN THE HATCH ACT

There's a serious effort underway in Congress to repeal the Hatch Act. That's the act that prohibits federal employees from holding elective office or participating in partisan political campaigns, those who favor its repeal contend that it discriminates against federal workers and violates their Constitutional rights.

The Hatch Act was originally enacted to remove politics from the Civil Service system. Until it became law the federal bureaucrats had subtle ways for coercing employees into supporting, both with contributions of time or money, candidates and programs with which they were not in sympathy. Much as labor unions have subtle ways of pressuring non-union workers into "joining up or else." It may be unconstitutional to force people to join organizations they'd prefer to pass up. But, believe us, it's being done in this land of the free and the home of the brave.

The Hatch Act, it should be pointed out, does not prohibit federal employees from voting for the candidates of their choice. But it does prevent them from spending money, which comes from the taxpayers, and devoting time, while under the employ of the taxpayers, for partisan political candidates and campaigns. Without the Act, workers who earn their livelihood at the public trough could conceivably lobby for candidates and programs that are unwanted by the taxpayers who support these workers.

The dangers of abuse might not be so disconcerting if the federal workers would become involved in partisan politics on their own time and with their own money. But the temptation to use governmental resources, including stamps, envelopes, addressing and duplicating machines, not to mention office hours, all financed by the taxpayers at large, for partisan political purposes might be overwhelming. There are zealots in every campaign who'll do anything needed to win. We have the sorry experience of Watergate as testimony to this fact, although it involved federal employees not covered by the Hatch Act. It's frightful to contemplate the possibilities of abuse if the lid was off of partisan political participation for all federal employees.

Frankly, we don't think it's asking too much that people whose livelihoods are provided at public expense be prohibited from holding elective office at the same time, and from becoming political partisans. As long as they have the privilege of the secret ballot, like all the rest of us, we don't think they're being unfairly restricted by the provisions of the Hatch Act. It's served the country well over the years, although it's not been enforced to the extent we'd like, and, in our opinion, it should be retained.

PROTECT MILITARY BENEFITS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. McDONALD. Mr. Speaker, the trend in recent years has been to chip away at military benefits in order somehow, it appears, to get even with the U.S. military because they dared to follow orders and fight a no-win war in Vietnam against the Communists. The logic of this situation is upside down, because it was the national leadership of this country that engaged this Nation in a losing and futile effort and never gave our military a chance at victory. However, under the guise of economy, the trend to diminish or take away military benefits has continued. Therefore, I was pleased to note the editorial in the Washington Star on August 3, 1977, discussing why these so-called benefits are not only necessary but are earned by the military. The military falls into the same category as the police and firemen. You do not cut back on policemen and firemen benefits because crime and fire are increasing. And in the face of the growing Soviet juggernaut, we can ill afford to lower the quality of armed services by the steady erosion of benefits. The editorial follows:

PROTECT MILITARY BENEFITS

The Senate Armed Services Committee has completed hearings on bills that would prohibit members of the armed services from joining labor unions. Perhaps it will not be long before this legislation becomes law.

Until lately, the thought of labor unions in the military was so far-fetched that legislation hardly seemed necessary. But with some unions ready to mount organizing efforts on military installations the need for laws banning such activity has become obvious.

Yet Congress should not think that banning union membership will eliminate the climate that has led unions to view the military as a "fertile field" for organizing efforts.

A major element in producing this "fertile field" has been the constant criticism lately—and some actual erosion—of benefits to military personnel. Vietnam brought the military into disrepute in some quarters, making it a convenient whipping boy for politicians and a target for cost-cutters on Capitol Hill and elsewhere in government.

Every year, for example, military commissaries come under attack in congressional appropriations committees for making groceries available at discount prices. One would think from the criticism that the taxpayers are being ripped off to the tune of about $300 million a year by well-heeled generals and admirals loading up on cheap foodstuffs, when in fact the vast majority of commissary customers are families of enlisted personnel, some of whose income is near or below the poverty level, and of lower-ranking officers, who are hardly getting rich in the military.

If the government can provide about $80 million a year in subsidies for a few thou-

sand tobacco farmers to grow a substance demonstrably bad for health, what's wrong with subsidizing commissary operations by $300 million a year to benefit about 2 million members of the armed services who are on call 24 hours a day to defend the country?

There's also been a hullabaloo lately about "double dippers"—retired military people who work for the government and draw civilian pay while continuing to collect military pensions. The fact is that most of these "double dippers" are enlisted retirees whose average retirement pay is around $5,000 a year and whose civilian jobs are in the lower echelons of the civil service; but the critics focus on the 10 retired admirals and generals whose combined military pension and pay for top-level civilian jobs put their total compensation above that of Cabinet officers.

The "double dipper" controversy has triggered criticism of the entire military retirement system, which allows personnel to receive partial retirement pay after 20 years service and full retirement benefits after 30 years. Critics have suggested that early retirement be ended, that no retirement be paid before a certain age, that service personnel be required to contribute a portion of their active duty salaries toward retirement pay.

Nor are educational and medical benefits for the military what they used to be. And promotions come slower nowadays.

Add in the frequent long hours—there's no overtime pay in the military—the regular uprooting of homes, the frequent family separations, and the possibility of risking life in defense of the United States or an ally. It takes some dedication, if not rose-colored glasses, to see military service as a really attractive life.

The retirement benefits, the medical services, the commissary privileges and the rest were offered to induce men and women to join and make a career of the military. The fewer benefits, the less attractive it becomes; already the military is having difficulty filling quotas for the all-volunteer services, and there is talk of returning to the draft.

Yes, Congress should ban unions from the armed forces. But Congress also ought not chip away at military benefits and contribute to a climate that fosters unionism. Congress is, in effect, the shop steward to which military men and women look for protection of their rights, privileges and a decent livelihood.

VILLAGE OF KENSINGTON RECEIVES AAA SPECIAL CITATION

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. WOLFF. Mr. Speaker, I would like to enter into the RECORD due recognition of the Village of Kensington of the Sixth Congressional District of New York. On August 25, 1977, Mayor Marvin G. Florman announced that the town had received the AAA Special Citation for Casualty Record for no pedestrian fatalities for 45 consecutive years and no pedestrian injuries for 12 consecutive years.

The award will be presented to representatives of Kensington by Commissioner James Melton and president of the Automobile Club Harold C. Meyers at a special awards ceremony to be held at Tavern on the Green on September 19.

The AAA pedestrian safety inventory program evaluates comparable communities throughout the Nation. Awards are given to those communities who have compiled the best safety records for 1977.

My sincere congratulations to my neighbors the fine citizens of Kensington and their outstanding accomplishment; may they continue to set such a fine example for all communities.

TRIBUTE TO MRS. JOHNETTA HALEY

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. CLAY. Mr. Speaker, numbered among the many outstanding citizens of St. Louis is Mrs. Johnetta Haley. I would like to take this occasion to pay tribute to her for this most recent achievement. The article follows:

[From the St. Louis Sentinel, Aug. 11, 1977]

ELECTED TO BOARD OF CURATORS AT LINCOLN U.

Johnetta Haley, assistant professor of music at Southern Illinois University at Edwardsville, was recently elected president of the Board of Curators at Lincoln University in Jefferson City, Mo.

the board in the history of the university

Mrs. Haley is the first woman president of which was founded in 1866. She was appointed to the board in 1975 by former Missouri Governor Christopher Bond.

Mrs. Haley received her B.S. degree in music education from Lincoln University in 1945. Her mother was graduated from the university in 1913.

The SIUE musician also attended the University of Illinois and Washington University in St. Louis. She received her master of music degree from SIUE.

Currently, she serves on the board of directors for the Metropolitan YWCA in St. Louis. Mrs. Haley was a chief organizer of the "World's Largest Garage Sale," sponsored by the YWCA in June at the St. Louis Gateway Convention and Exposition Center.

Mrs. Haley also serves on the Council of Lutheran Churches, Advisory Council of the Danforth Foundation's St. Louis Leadership Program and the Artist Presentation Society.

She holds memberships in Alpha Kappa Alpha service society, Mu Phi Epsilon professional music sorority, Pi Kappa Lambda music honor society and numerous professional and civic organizations.

Mrs. Haley is listed in Who's Who of American Women, Who's Who Among Black Americans. Who's Who in the Midwest, Notable Americans in Community Service and Who's Who Among the World's Musicians.

Before coming to SIUE in 1972, she was vocal music director and chairperson of the music department at Nipher Junior High School in Kirkwood, Mo. Previously she had been choral director at Lincoln High School in East St. Louis and an elementary music specialist in the Kirkwood Schools. She also worked with the Human Development Corp. and was director of the St. Louis Council of Black People in 1970.

In July, Mrs. Haley received the Distinguished Alumni Award from Lincoln University at the university's national alumni convention held in San Francisco.

A native of Alton, she now lives in University City with her husband, David. They have two children.

CARTER AND THE CHINA QUESTION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. CRANE. Mr. Speaker, in appraising the Carter administration's efforts in foreign policy, namely the Soviet Union, the Middle East, Europe, Africa, and finally Asia, one is left with an uneasy feeling of not knowing whether progress is being made, the equilibrium is being restored, or whether we are following a detrimental course which will lead to the demise of the free world, as we know it today.

Today, and in the next few days, I would like to focus on the so-called China question and the Carter administration's efforts in that area. During the August recess, many articles were written on China and Secretary Vance's recent trip to the People's Republic of China. Many of these articles dealing with "normalization of relations" with Peking reflected the great doubts which many of us hold regarding our imprudent sacrifice of the Republic of China for equally doubtful assumptions of the benefits and advantages the United States can derive from relations with Peking.

I would like to share with my colleagues an article by Prof. Thomas Etzold entitled "Are 'Full Relations' Important to China?":

ARE "FULL RELATIONS" IMPORTANT TO CHINA?

(By Thomas H. Etzold)

In observing the China policy of the Nixon-Kissinger years and now of the Carter administration, I am reminded, sadly, of certain metaphysical disquisitions of the late Middle Ages. Then, learned men debated a fundamental question of human outlook, that of whether the earth was, or was not, the center of the universe. Of course it was not, any more than the United States today is the center of international politics. Yet, in approaching the issues of Sino-American relations, especially those surrounding the Taiwan-U.S. tie and so-called "normalization" of relations with Peking, the government of the United States appears to have persisted in a Ptolemaic view, an "Americacentrism" that distorts perception of how things fit together and, therefore, of what one should expect in the relations between China and the United States.

One misapprehension resulting from a Ptolemaic view is the notion that in relations with China the United States has influence naturally and by right rather than by circumstance. It is, however, wrong to imagine that the United States is central, or even very important, in the larger concerns of the Communist leaders of modern China. In a remarkable lack of percipience, Americans have probably never realized adequately the extent to which the domestic reconstruction of China after 1949 overshadowed external affairs. The aim of the revolution was no less than to make a new society for a nation four or more times larger than the population of the United States, with a cultural and

political heritage some 30 times longer. Indeed, the Chinese seem to have established a priority for national policy often advocated for the United States in recent years, but never attained: internal affairs first and foreign affairs second.

Despite its relative unimportance in the overall Chinese scheme, the United States of late has received a lot of attention from China's chiefs. This has caused some befuddlement in the United States, for many Americans—including some who should know better—have mistaken these courtesies for indications that the United States has become more important to China; that this is a fundamental and enduring change; and that with certain adjustments on either side, a warm, substantial and profitable political-economic relationship might develop. The United States has only to withdraw from support of Taiwan and, in turn, the People's Republic of China will open its economy, country and culture, and perhaps take up a "constructive" role in regional and world politics.

But the reasons for China's regard for America's dignitaries are much less profound or promising than the Ptolemaic politicians, the wishful thinkers of Washington, would like to believe. For they arise from circumstances, not from any intrinsic American importance in the Chinese perspective. One reason for the amount of notice the United States has received in recent Chinese considerations—an obvious one—surely is the Sino-Soviet animosity. There is no doubt, as many have observed, that, much as we do, the Chinese seek to insure themselves against Russian menaces by playing at triangular politics, even to the point of seeking military sales and assistance from the United States.

Another such reason for the modicum of importance assigned to the United States in China's foreign affairs has been the American guarantee of Taiwan. Here there has been significant misperception on the American part. The Taiwan connection has grown into the central issue of Sino-American relations; it has been easy, though erroneous, to assume that similarly Taiwan has become something more for the Chinese than it has always been—namely, a peripheral, though contentious, matter alongside the problems of leadership and governance facing China's headmen.

It is evident that now, with the Sino-Soviet dispute in full swing and the security treaty with Taiwan intact, the United States has some influence, some standing, with the leadership of the People's Republic of China. It is not as evident, however, that in the long run the United States may well retain more influence by irritating Peking rather than by placating it. And here, perhaps, some explication is necessary.

The first important fact to recognize is that the United States cannot ensure the long continuation of the Sino-Soviet dispute in terms that offer political advantage or require the Chinese to show solicitude for America's leaders and interests. Further, as George F. Kennan has noted in "The Cloud of Danger," it is precarious policy, poor statecraft, to base one's relations with another country on that country's bad relations with still a third. Nor is it in the interests of the United States to encourage dangerously hostile relations among any two other countries, much less such powerful ones as China and Russia. Such a policy can only make the climate of great power relations less agreeable for all, and somewhat more risky.

The second point of importance follows from the first: Precisely because the United States cannot depend on the continuation of advantage from a Sino-Soviet dispute, it must retain its connection with Taiwan, and thus its ability to command some measure of consideration in the councils of the People's Republic of China. This may seem paradoxical. It has been more popular to argue, as have the officials of the PRC and their tame American academics and journalists, that once the shadow of the U.S.-Taiwan treaty is lifted, Sino-American relations will flower. But has anyone been observing how difficult it has been in the last several years to conceive just what would be the ingredients of "normal good relations" and how they would benefit the United States? China could scarcely do more than it does now to pin down Soviet military capabilities to the benefit of the United States and its Western allies. The U.S. government does not—and should not—wish to encourage China to political activism outside its borders. And the United States can, after all, absorb only limited quantities of tung oil and hog bristles, which are China's leading exports to America. Moreover, I would venture to say that, before long American Ping-Pong players will tire of being paddled to pieces by the wizards of wei-hai-wei.

Recently the administration has given increasing indication that it will move speedily toward full, "normal" relations with Peking, and, because it is critical to Peking's definition of "normal" relations, toward abrogating the defense treaty with Taiwan. The expectation is that great and good relations cannot be far behind. Yet one must suspect that this idea is nothing more than the 1977 version of the hoary China myth—if only every Chinaman would buy a shirt with a tail four inches longer!—that bemused Americans for generations, only to prove unfounded. There never was much substance either to the China market or to the Sino-American relationship. George Kennan, who otherwise favors abrogation of the defense treaty, made an important point both in his recent book and in an interview broadcast in December 1976: "I think," he said, "that [the Chinese] don't particularly like foreigners. I don't think they're terribly interested in us, and I think they're capable, along with their great delicacy of behavior, of great ruthlessness when you least expect it of them. I would feel that Americans ought to be very careful in their dealings with them."

In the long run, it is going to be more essential for the United States to get the attention of China than to remove the irritant of Taiwan from Sino-American relations. As things stand, only that relationship with Taiwan seems likely to assure the United States of a decent regard from Peking. It is up to the People's Republic of China to demonstrate how badly it wants full relations with the United States, and how much these may be worth both to them and to the United States. And for this demonstration, the United States can afford to wait; there is no need either for unseemly haste or for the imprudent sacrifice of an ally. If the United States does not pause, one must fear the day when America's relations with China may resemble nothing so much as comic lines in a tragic play:

"GLENDOWER. I can call spirits from the vasty deep.

"HOTSPUR. Why, so can I, or so can any man;

But will they come when you do call for them?"

Will the Chinese come? Will they even answer, when the United States has given in on the Taiwan issue and the terms of Sino-Soviet relations offer less opportunity? A modern-day disciple of Ptolemy would be certain of a positive answer. That in itself may be reason enough to be uncertain, and therefore cautious about seeing things in the manner of Ptolemy and doing things in the manner of Peking.

POSTAL SERVICE: A VIEW FROM RURAL AMERICA—V

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. ABDNOR. Mr. Speaker, like most of my colleagues, I listened to a lot of comment concerning the Postal Service during the August recess. Most of the comment was not favorable. People in South Dakota are worried about losing Saturday mail delivery; they are a little suspicious that the proposed citizen rate mail may not be all it is cooked up to be; they are worried about soaring deficits and postage rate increases.

Their views are pretty well reflected in this series of editorials from South Dakota newspapers:

CITIZENS OPPOSE CURTAILMENT OF MAIL SERVICE

Five-day-a-week mail service as has been proposed by the Commission for Study of the Postal Service?

"No" respond those who depend upon the mails, according to an Aberdeen American News survey of its readers, 85.7 per cent of whom . . . more than four out of five . . . opposed it.

Many obviously fear that reduction to five-day service, eliminating Saturdays, would be only a first step in continuing erosion of mail service.

Here are typical responses:

Ellendale, N.D.—"No; we do not favor five-day mail delivery, for the mail is our sole means of communication with the rest of the world. We are employed on a farm and depend on our daily newspapers."

Leola, S.D.—"No; I'm certain this could not stop a postage increase but only inconvenience the rural area. Items ordered by mail many times cannot survive the long delay."

Java, S.D.—"No; Congress should get rid of the wrecking crew and reestablish the old Post Office Department which was never intended for profit, but free delivery service to all."

Ashton, S.D.—"No; I don't believe the savings would warrant the demise of the once proud Postal Service. Five day, then three day, then no service at all."

Conde, S.D.—"No; if it was reduced to five days how many more offices and workers would have to be put on in Washington to institute this change. We need our Saturday mail."

Miranda, S.D.—"No; five day service will not improve service or save dollars. Even Zip code mail goes astray to Eureka, Northville, etc."

Faulkton, S.D.—"No; five days would delay news, especially newspapers. This is in complete disregard of the best interests of our small town businesses and their ability to communicate with outside interests."

Warner, S.D.—"No; I also think that the American News should keep reminding people to write to their congressmen about this five-day delivery bit. Because if they let them knock out Saturday delivery, the next thing the Postal Service will do is knock out another day of delivery and we could end up with two or three days a week."

Roscoe, S.D.—"No; we as farmers depend on six day mail route, both by getting our letters and by mailing letters in return."

Aberdeen—"Yes; if the day off is not Saturday. We are retired farmers and know what a disappointment that would be. Rural

people look forward to the mail and especially the paper."

The S. D. Postmasters Association at its recent state convention in Sioux Falls adopted a resolution opposing elimination of mail service on Saturdays. Many other groups have also opposed it.

Adds the Sioux Falls Argus Leader:

"A nation which can put its men on the moon and target intercontinental missiles within a hundred yards should be able to zero in on problems affecting such a basic government service as the U. S. mails."

TWO-TIER LETTER RATE APPEARS NOT TO BE SOLUTION TO POSTAL PROBLEMS

Many persons concerned about the problems and costs of mail delivery are unhappy over considerations of the Postal Service to establish a two-tier rate for first class letters.

It appears to them that in its confused effort to improve conditions the Postal Service is about to jump from the frying pan into the fire.

The Rapid City Journal said the proposal, suggested by President Carter, to boost the first class mail rate for business by three cents while holding the line at 13 cents for individuals smacks of populism rather than a sound economic approach to the Postal Service's fiscal problems.

The Journal said:

"From the administration's standpoint, holding the line on rates for individuals will ease the political pressure on President Carter to reassert White House control over the independent postal agency and to support large additional federal subsidies to keep mail rates from rising. Increasing these subsidies could upset the President's hopes of balancing the budget by 1981.

"In moving quickly to adopt the Carter suggestion, Postal Service officials are hoping the President will resist pressures to back legislation that would strip them of their independence.

"Politics aside, the two-tier system seems fraught with difficulties.

"While the rate break to the 20 per cent of the first class mail users who are individuals will total $300 million a year, the savings to any one individual will be relatively small. But the task of policing the two-tier system to detect cheating could be both time-consuming and costly. We foresee the use of hundreds of inspectors to be sure some businesses don't try to take advantage of the citizen's rate not to mention the time and money spent to prosecute offenders.

"Charging businesses more for first class mail service may be politically popular but, as with any other cost of doing business, increased mail charges will be passed on to consumers in the cost of goods and services.

"If the Postal Service is to be self supporting, all users should share in the cost of service. It costs the same to process and deliver a first class letter from IBM to a business client as it does a birthday card to grandma. The stamp on both should cost the same."

The Yankton Press & Dakotan called the "citizen's mail" vs. "business mail" solution one of the most ridiculous bureaucratic suggestions to come out of Washington in a long time. The Newspaper said:

"Being a little suspicious of almost anything the top dogs in the U.S. Postal Service do, it wouldn't surprise us a bit if this proposal is simply a smokescreen for the Postal Service to get its way on eliminating the Saturday delivery of mail—even though Mr. Bailar (postmaster general) didn't propose it in his recommendation to the Postal Service Board of Governors.

"We assume he thinks—and he's probably right—that there would be more flak aimed at increasing the postage rates for business than he might get from eliminating the Saturday delivery—so the compromise can be made—regardless of how the six-day mail delivery service would cause great hardship in Rural America.

"And so we can assume, that if enough fuss is raised over the variable rate proposal—that the compromise would be the elimination of Saturday service.

"Neither should happen.

"If the United States Postal Service operated in the same businesslike manner that most businesses, which Mr. Bailar now proposes to penalize, many of the problems of that big agency could be overcome."

SAVE SATURDAY MAIL

Results of our survey concerning the proposed discontinuing of Saturday mail delivery re-emphasizes the vast amount of discontent by people in our trade area for the postal tailoring project.

The early response was overwhelming in opposition to such plans, with 183 or 190 responding indicating their discontent with the elimination of Saturday mail service.

The responses, coming from 54 different communities is a solid indicator of the feelings of the people in South Dakota. Where other newspapers have conducted similar surveys, the results have been equally onesided in opposition to the plan.

We are encouraged by the results of the reader response, but in effect, we must also reach Congress to direct our feelings to them.

There is a need to gain support from our federal lawmakers from all sectors of the country to establish the fact that the proposal is against the public wishes.

As our responses indicated, it will be a particularly difficult hardship placed on rural customers who already find some mail delayed a day. There can be no mistake about the feelings of our subscribers. They have, through their participation in this survey, indicated a given number of reasons for their concern.

Some of the responses from subscribers follow:

"I will be agreeable to curtail Saturday mail delivery when the Pentagon becomes self sufficient financially."

"Put a larger postal rate on junk mail. I feel it is discrimination against the rural people."

"We as heavily taxed farmers have a right for Saturday mail service.

"Loss of Saturday service means no newspapers, check, perishable items etc. Canceling Saturday service will cause large mail terminals to get behind as they do on holidays. How will they ever catch up?"

"The mail carrier is already complaining there is too much mail to carry and that a lot of mistakes are being made because of it."

"We are tired of being told what we have to do by people in Washington, D.C. We have some rights. We all pay taxes."

"How can it save money? They'll have to hire more people to take care of the Saturday build-up."

"What the postal department needs is a course in old-fashioned arithmetic. But too many are trying to get their hands on easy money."

The Daily Republic survey will be reported to our congressmen, but it is important that you take the time to write to your senators and representatives if you have not done so to express your feelings.

Sen. George McGovern, 2313 Dirksen Office Building, Washington, D.C.; Sen. James Abourezk, 1105 Dirksen Senate Office Building, Washington, D.C.; Rep. Larry Pressler, 1238 Longworth House Office Building, Washington, D.C. or Rep. James Abdnor, 1227 Longworth House Office Building, Washington, D.C.

In addition, here are names and addresses of key subcommittee members that will decide the future of Saturday mail service.

Rep. James Hanely (New York), chairman of the House and Sub-committee on Postal Operations and Services, Room 239, Cannon House Office Building, Washington, D.C. 20515; Rep. Charles Wilson (Texas), chairman of the House Sub-committee on Postal Personnel and Modernization, Room 2409, Rayburn House Office Building, Washington, D.C. 20515; and Sen. John Glenn (Ohio), Chairman of the Senate Subcommittee on Energy, Nuclear Proliferation and Federal Services, 204 Russell Senate Office Building, Washington, D.C. 20510.

ANOTHER STUPID POSTAL PROPOSAL

If the United States Postal Service could improve its service as easily as it can cause confusion—we would have the best postal service in the world.

A case in point:

Just this week, Postmaster General Benjamin Bailar made it quite plain that the American Businessman will no longer be considered a "citizen" of this great nation of ours—at least from the standpoint of the USPS.

In one of the most ridiculous bureaucratic suggestions to come out of Washington in a long time was the suggestion of President Carter to establish a "citizen's mail" category with a discount on postage—and then to have it "seconded" by Bailar who went so far as to suggest that the first class postage rate for business be increased by three cents while holding postal rates for individuals at the current 13 cent rate.

Certainly Pres. Carter as a businessman is certainly aware that even the cost of labels on the jars of peanut butter must be passed on to the consumer—even though Mr. Bailar may not even have that much sense.

Certainly, any increase in postage for businesses will have to be passed on to the consumer—the same "citizen" who supposedly is getting a break on the postage rate under the proposal by Mr. Bailar.

Being a little suspicious of almost anything the top dogs in the U.S. Postal Service do, it wouldn't surprise us a bit if this proposal is simply a smokescreen for the Postal Service to get its way on eliminating the Saturday delivery of mail—even though Mr. Bailar didn't propose it in his recommendation to the Postal Service Board of Governors.

We assure he thinks—and he's probably right—that there would be more flak aimed at increasing the postage rates for business than he might get from eliminating the Saturday delivery—so the compromise can be made—regardless of how the six-day mail delivery service would cause great hardship in Rural America.

And so we can assume, that if enough fuss is raised over the variable rate proposal—that the compromise would be the elimination of Saturday service.

Neither should happen. . . .

If the United States Postal Service operated in the same businesslike manner that most businesses, which Mr. Bailar now proposes to penalize, many of the problems of that big agency could be overcome.

While we make no pretense of being a constitutional lawyer, we have grave doubts of having two different rates for the same class of mail. What legal definition can be used to differentiate between a "citizen" and a businessman?"

Whatever decision is made, the "citizen" who is supposed to get the break under the Carter-Bailar proposal is still going to have to pay in the end—and both of those men know it.

Aren't there more important things for the President of the United States to do?

Aren't there more businesslike ways to approach the problems of the U.S. Postal Service beside the "shotgun" approach we have seen used so often by Mr. Ballar and previous Postmaster Generals?

PEOPLE WANT 6-DAY DELIVERY

Brookings Daily Register subscribers are no different than people in other parts of the state who have responded to the question of five-day mail delivery. Through Thursday, 86 per cent of those responding to a straw vote do not favor dropping Saturday mail service. We, of course, couldn't agree more.

Gov. Richard Kneip has also gotten into the act, as evidenced by his recent letter to Rep. James Hanley, chairman of the House and Subcommittee on Postal Operations and Services. Here is part of the Governor's letter:

"One of my chief concerns is the recommendation calling for the elimination of Saturday mail service. In South Dakota, where three-quarters of the post offices are designated 'third' or 'fourth' class, our people are dependent upon the postal service as a vital link with other people and with all levels of government. They rely heavily upon newspapers to provide them with the most recent news, market and weather information, and the newspapers themselves are dependent upon the Postal Service for quick dissemination of the news at the lowest possible cost."

Kneip further said that to eliminate Saturday mail delivery would cause a delay in the delivery of both Friday and Saturday editions of daily papers, and in the case of a Monday holiday, it would mean delivery of Friday's news on the following Tuesday.

"I would have to believe that many subscribers would be discouraged because of these undue delays in receiving news and advertising, and I am strongly opposed to cutting service back to five days a week," Kneip said.

We hope that the strong support for six-day service voiced by rural areas will be listened to in Congress, even though the sparsely populated states like South Dakota, who have the most to lose, don't carry a lot of weight in Washington.

MYSTIFYING

President Carter's intention to oppose any change in the nation's postal system is, to say the least, mystifying.

The "business-like" Postal Service created by the Postal Reorganization Act of 1971 is now counting its deficits in the billions of dollars.

Rates for all classes of mail are rocketing upward at a pace which puts even the oil producers to shame. And all of this is occuring while basic services are being slashed with a meat cleaver. The morale and efficiency of postal employes has never been lower.

And President Carter proposes to do nothing? So it seems. On Sept. 8, according to published reports, the President will dispatch Bert Lance, director of the Office of Management and Budget to Capitol Hill to bury H.R. 7700, the postal reform bill which has generated such broad support because of its obvious merit, and its obvious necessity.

The President, it seems, does not agree that the Postal Service is a public service. He thinks the postal system should be run as a self-supporting business enterprise. And, evidently, he thinks the Postal Service has been doing a fine job of it.

H.R. 7700 is a broad-minded, realistic and workable approach to an issue which affects every individual and every organization in this nation: the crisis of our postal system.

It recognizes that there are problems with the existing system, and makes the hard decisions on how to solve them. It recognizes the folly of doing nothing.

Before you go and kill H.R. 7700, Mr. President, do your fellow citizens a favor. Take a look at the facts.

CARTER BYPASSES CONGRESS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. DORNAN. Mr. Speaker, since the initialling of the proposed Panama Canal Treaties a few weeks ago, the news media have given widespread coverage to the provisions of the treaties. Unfortunately, most of the media fell into line with the White House propaganda that the giveaway was long overdue and well within the power of the President to negotiate.

However, a few of the more knowledgeable publications have seen through the White House distortions and presented objective analyses of the ramifications—not only of the giveaway itself—but of this unprecedented grab for power on the part of a would-be imperial presidency.

One such analysis is that given by Senator ORRIN G. HATCH in the September edition of the Conservative Digest. In his articulate and well-reasoned article, the Senator from Utah strips the treaty negotiations of the administrations' smokescreen of constitutional misinterpretation.

In summary, the Senator establishes conclusively that the negotiations have been conducted without regard to constitutional requirements and that they pose a threat not only to our Nation's security but to the ability of Congress to restrain raw Presidential power.

I commend this article to my colleagues:

PANAMA CANAL GIVEAWAY VIOLATES CONSTITUTION

Our venerable octogenarian, Ellsworth Bunker, veteran of more than 25 years service to the State Department, and Ambassador-at-Large directing negotiations with Panama for a new treaty, says that "the United States does not own the Panama Canal Zone." His assistant, Ambassador Sol Linowitz, claims that "the Panama Canal is a colonial enclave carried over from the early part of this century and which has caused bitter resentment and indeed hostility."

The story of the Panama Canal, as they tell it, is rather like the leftist folklore surrounding the history of capitalism. They would have us believe that "Yankee Imperialists" descended upon a helpless people, wrongfully took possession of the isthmus of Panama under the guise of a fraudulent treaty, and built a canal to exploit the Panamanians in the selfish interests of commerce and militarism.

Like the Greeks, Bunker and Linowitz now come bearing gifts. And what are these wondrous gifts? They are the gift of redemption for past crimes and sins against the people of Panama, and the prospect of better relations with our Latin American neighbors. To get them, we need only make a gift of the Panama Canal. Besides, America doesn't really need this Canal, we are told. What we really need, so far as the Canal is concerned, is a clear conscience, a cleansing of the American soul, a real purging of guilt and shame. What better way to do this than by simply giving the Panama Canal away? Just so there are no hard feelings, we'll even go so far as to pay the Panamanians for taking it off our hands.

And so, negotiations begun under Secretary Kissinger in 1974 for a new treaty with Panama are now in their final stages. On July 29, President Carter met with American and Panamanian negotiators in the White House, and stated that he was pleased with the progress of negotiations and with "Panama's very constructive attitude." Expressing hope that the accord could be signed in time to bring it to the Senate before the Fall recess, Carter declared that the United States "will cooperate to the fullest degree to rapidly conclude an agreement for a treaty."

The last remaining obstacle, it appears, is the question of "conscience money." In addition to the territory of the Canal Zone and the canal itself, which are valued at approximately $7 billion, the Panamanians demand $5 billion for our continued use of the canal and the rental of military bases. Forget, if you will, that we already own all of this free and clear, and that the Panamanians already enjoy the highest per capita income of any people of Central America because of the annuities and other benefits derived from our Canal. But $5 billion is apparently too much even for our "hard-headed" diplomats, who have indicated that "more realistic amounts" will have to be agreed upon before the treaty is concluded.

In anticipation of the ratification struggle that lies ahead, the negotiators have been preparing the American people for acquiescence by attempting to discredit the treaty of 1903. One device relied upon rather extensively is the familiar one of rewriting history. The object of this ploy is to lay a moral foundation for the surrender of the Canal by creating guilt feelings and redefining the terms of the original treaty.

Thus the advocates of a new treaty have come up with the novel idea that we don't really own the Canal after all, and must return it to its "rightful owners." The original treaty, they say, simply transferred "rights" in the Canal Zone rather than full sovereign control—even though such an interpretation flatly contradicts the expressed intent of the 1903 negotiators and the terms of the treaty itself.

They have also expressed the curious view that the Canal Zone is "leased" territory and that the United States pays a "rental" for its use. In truth, of course, the Canal Zone is not a leased area but a "grant in perpetuity" for the perpetual maintenance, operation and protection of the canal. What Panama actually receives is an annuity, not a rental.

Article II of the 1903 treaty grants to the United States "in perpetuity" the use, occupation, and control of the Zone—meaning ownership. The word "lease" does not appear in the treaty with reference to the Canal Zone; but the word "grant" makes nineteen appearances. The phrase "in perpetuity" occurs seven times. The treaty, unlike a lease agreement, contains no provision for renegotiation and no terminal date for the obvious reason that it was intended to be a final and absolute transfer of sovereignty in perpetuity. Though an embarrassment to the negotiators, these are facts which they can easily manipulate, if not ignore; for once the treaty is signed, the question of U.S. sovereignty over the Canal will become moot.

What the supporters of the treaty cannot ignore, however, are the political, military and legal realities of the situation. For one thing, General Omar Torrijos of Panama, who will take possession of the canal, is a dictator. His administration is riddled with Marx-

ists. These realities not only cast a cloud of suspicion on his intentions, but raise the issue of whether the Canal can be insulated against the harsh winds of ideology and political instability which so often sweep across Latin America. If the Canal were in the hands of this petty tyrant, the United States would surely find itself increasingly embroiled in Panama's internal affairs in order to maintain the Canal's security and protect the flow of Commerce.

For another, the American people are overwhelmingly against the giveaway of the Panama Canal. The drumming insistence of the negotiators that we must lie down and be sheared like sheep in the name of Latin American "justice" has not been convincing. More persuasive are American military leaders such as Admiral Thomas Moorer, former Chairman of the Joint Chiefs of Staff, and three former Chiefs of Naval Operations, who recently informed President Carter that "under the control of a potential adversary the Panama Canal would become an immediate crucial problem and prove to be a serious weakness in the overall U.S. defense with enormous potential consequences for evil." Little wonder that recent public opinion polls show that the American people oppose a new treaty by a ratio of 5 to 1. They understand the realities of the situation, even if Bunker and Linowitz do not.

We may be thankful that many of our representatives in Congress are already antagonized by the Administration's methods and procedures. Resentment is widespread because the members have neither been informed of the substance of negotiations nor asked to authorize them—as is customary. Laboring at their self-appointed task in secrecy, the negotiators have defied our constitutional process, realizing that they lack congressional support and constitutional authority for their actions.

Though largely ignored by the press, constitutional issues of major proportions have recently surfaced in the Senate concerning the new treaty with Panama, adding another wrinkle to the controversy. One issue involves the economic assistance provisions of the treaty. The negotiators have not told Congress how much money will be given to Panama, or whether it will come in the form of a cash grant or loan package. But one matter is clear: a treaty cannot appropriate funds. The Constitution expressly provides that "No money shall be drawn from the Treasury but in consequence of Appropriations made by law." This means that the approval of both houses of Congress, and not just the Senate, must be given in order to validate this type of treaty. The Administration, however, has given no assurances to Congress that it will definitely seek implementing legislation regarding the economic and financial arrangements contained in the treaty.

The other issue is whether the President has the constitutional authority to transfer U.S. territory in the Canal Zone to the Republic of Panama by treaty and by-pass the House of Representatives. In hearings before the Separation of Powers Subcommittee of the Senate Judiciary Committee which I attended, legal advisors to the State Department argued that the President may make such a treaty because he possesses "concurrent" authority with Congress to give away U.S. property. Ratification of the treaty by the Senate, they stated, was all that was necessary. Under cross-examination, however, the witnesses were unable to give me a single valid judicial precedent for this extraordinary and unconstitutional view of the President's power.

My own studies lead me to the conclusion that the proposed treaty with Panama is unconstitutional, unless both Houses of Congress enact accompanying legislation authorizing the transfer of Canal territory. Article IV of the Constitution states, "The Congress shall have the power to *dispose* of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States." The courts have repeatedly ruled that this is an exclusive power of the full Congress. Any authority of the Executive to dispose of U.S. property, therefore, must first be derived from authority given by an Act of Congress.

In light of these considerations, a constitutional crisis is about to erupt between Congress and the President. There is no precedent in American history, to be sure, for the disposal by treaty, and without congressional authorization, of U.S. territory that has been acquired by purchase. Likewise, there is no precedent for the broad and sweeping exercise of the treatymaking power which the President is now claiming.

If he persists, and the Senate ratifies the treaty, Americans will lose more than the Canal, more than an important American territory, and more than a vital link in our strategic defenses and international trade. They will have lost another restraint on the powers of the President. "If the Executive is permitted to sidestep the House of Representatives on this vital constitutional issue of disposal of Canal property," John Murphy, Chairman of the House Merchant Marine Fisheries Committee recently observed, "it will try to sidestep the Senate on another issue, and the Judiciary on still another. The very fundamental precepts of the Constitution are at stake and we have already had one instance in which the Executive Branch attempted to expand its powers, resulting in the worst scandal in our nation's history—Watergate."

HEALTH EDUCATION PROGRAM

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. RINALDO. Mr. Speaker, there has been a great deal of concern voiced recently about rapidly escalating health care costs. There also is the growing realization that the providers of health care services and health insurors cannot, by themselves, control these costs. Success in controlling the rate at which the costs of health care services increase requires the active participation of the individual.

We are beginning to realize that nothing we do will impact on the quality of life or the cost of health care as greatly as a lifestyle that includes good health habits. No matter how much money or "know-how" pours into health care, we cannot hope to overcome the physical destruction and financial deterioration resulting from poor health habits.

Realizing this, Blue Cross of New Jersey this year undertook an extensive program of health education emphasizing the importance of good health habits in ultimately reducing the incidence of health care needs, and thus controlling the rate of increase in the cost of health care services.

This widely praised program includes distribution of six health education booklets dealing with stress, nutrition, smoking, alcohol, childhood health problems, and taking better care of your body. To date more than 150,000 copies of these booklets have been distributed as a result of personal contact with enrolled groups, advertising, and the cooperation of the State's press in making their readers aware of their availability.

Citations for this effort have been awarded to Blue Cross by the New Jersey State Senate, the American Cancer Society on the State and national levels and the New Jersey Affiliate of the American Heart Association.

Mr. Speaker, at this time I would like to commend Blue Cross of New Jersey for its health education efforts on behalf of the citizens of New Jersey.

A STRANGE RHODESIAN PLAN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. McDONALD. Mr. Speaker, whatever one thinks about Rhodesia, many people feel that the present negotiations being carried on by U.N. Ambassador Young and British Foreign Secretary Owen are among the most bizzare in history. Here we have the strange scene of the United States and Great Britain negotiating for the Soviet backed terrorists and asking the Rhodesians to disband their army, which protects them from these terrorists and to accept some sort of U.N. peace-keeping army while a new army is formed. Do we need a repeat performance by the U.N. of its Congo intervention? One can imagine what sort of vision of slaughter to come this conjures up in the minds of the whites and the blacks who have cooperated with the Ian Smith government. The terrorists have won no battles. They have slaughtered many blacks, missionaries, and an occasional isolated farmer. Is this supposed to show support for their cause amongst Rhodesians? A thoughtful editorial on this matter appears in the Washington Star of August 26, 1977, and I commend it to the attention of my colleagues. The editorial follows:

A STRANGE RHODESIAN PLAN

If the bewildering struggle over Rhodesia's future shows any intelligible pattern, it is a pattern of irreconcilable ambitions.

It is the belated ambition of Prime Minister Ian Smith, who has so long miscalculated the odds on the survival of his regime, to find a moderate black leader influential enough to negotiate with him the inevitable transition to "majority rule." Two candidates have emerged. One is Bishop Abel Muzorewa of the United African National Council, whose following among peaceful black Rhodesians is as great as his political clout is weak; the other, a late-comer to the internal peace movement, is the Rev. Ndabaningi Sithole, who recently returned to the country after an unsuccessful bid for influence in the militant nationalist ZANU organization, which has been hammering Rhodesia's borders in guerrilla raids from Mozambique.

On the other track, with a wholly different ambition, are the Russian-armed nationalist

fronts operating with the sanction of Rhodesia's neighbors. They seek an abrupt, and if necessary violent, end to the Smith regime. Their bloodthirsty raids on isolated Rhodesian farms and settlements, with innocent black laborers often the main victims, grow more audacious—and atrocious—every week.

On traditional Western political values and principles, it would seem that regardless of the political odds—which seem incalculable in any case—there is but one honorable course for Anglo-American policy. That is to support—if and where it is in earnest—the search for an internal negotiated solution, whether the vacillating "front-line" presidents approve or not. If on the other hand the terrorist course succeeds, as it might, it will set a shameful precedent, and will very probably result in the establishment of a hostile regime in Rhodesia from whose clutches white settlers and blacks with backgrounds of cooperation with the Smith government will be lucky to escape alive. The triumph of the terrorists may also open a vacuum for the intrusion of one of the Communist states, not unlike the Cuban presence in Angola.

Yet, astonishingly, the latest rumors about the British-American diplomatic initiative suggest that the lawful internal efforts and the outlaw insurrections are to be placed on an equal footing. According to an obviously leaked story from Lagos, Nigeria, British Foreign Secretary David Owen and U.S. Ambassador Andrew Young have devised a new plan to reconcile the irreconcilable, equating the Rhodesian army which is trying to protect the citizenry from illegal violence with the terrorists who wreak that violence. Both Prime Minister Smith and the insurrectionary organizations would be pressed to disband their armed forces and leave the task of keeping order in Rhodesia to a "peacekeeping" force of Nigerians. That's right, Nigerians.

For all we know, this strange plan may commend itself to the world's ethical sense, distorted as it is by a furious impatience with Mr. Smith's ill-advised stubbornness. World opinion, at least as expressed at the U.N. and in official statements, attaches a mindless urgency to the single political value of "majority rule" for Rhodesia—a valuable principle to be sure, but hardly the only one at stake.

No observer of the Rhodesian tragedy, or of the recent history of sub-Sahara Africa, could honestly suppose that "majority rule" is any but a camouflage term for the ultimate rule of one or more of the many contending factions. What we are talking about, then, is probably in the upshot some kind of minority rule of Rhodesia other than Mr. Smith's minority, probably militaristic in cast, possibly vengeful, and certainly less competent.

Some negotiated arrangement between Mr. Smith and Bishop Muzorewa or another black moderate, looking to a peaceful transfer of power, might approach the reality of "majority rule" in its accepted democratic sense. But the bishop has no armed divisions; and the firebrands seem determined to obstruct a peaceful settlement in any case.

As for the projected role of the Nigerian army, it is, if a serious proposal, the most startling of all the elements of the reported Young-Owen plan. Memories are short, but just for memory's sake it may be in order to recall that in the late Sixties the Nigerian army was winning its spurs in a cruel, unconscionably bloody suppression of the Biafran secession, involving the slaughter of Biafrans by the tens of thousands. Peacekeeping force? The kind of peace the Nigerian army keeps would appear to be the peace for which another name is desolation.

COORS STRIKE ISSUE EMPLOYEE RIGHTS, NOT WAGES

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mrs. SCHROEDER. Mr. Speaker, over the recess the Rocky Mountain News had an informative article on the issues in the now 5-month-old brewery workers strike against the Adolph Coors Co. I commend the article to the attention of my colleagues:

BREWERY STRIKERS FIGHT FOR PRINCIPLES—RIGHTS, NOT WAGES, THE ISSUE IN 4-MONTH COORS WALKOUT

(By Alan Cunningham)

Paul, Frank and Art sat around a table in a dark corner of the union hall on a gloomy morning last week and discussed their lives.

They are working men; anybody could see that by looking at them. But now they explained why none of them had worked during the past 138 days.

All are members of Brewery Workers Local 366. Since April 5, its members have been on strike against the Adolph Coors Co. of Golden.

In Washington, Albert J. Zack talked about the strike. Zack is the chief spokesman for the AFL–CIO, which has contributed funds to the walkout and endorsed a national boycott of Coors beer.

"These people are striking for a lot more than just wages and hours," Zack said over the telephone. "They're striking to protect themselves against an employer who seems to think he has the right to indulge in lie detector tests and patdown searches and other violations of individual privacy."

The three men in the union hall can claim credit for 60 years and three months of service at the Golden brewery. But 58-year-old Art Harris accounts for half of that by himself. He went to work at Coors in January 1947. He's been operating equipment that makes the beer ever since with the exceptions of the summers of 1957 and 1977.

Both of those years, he has spent the summer walking picket lines.

"It was a little different then," he said of the earlier strike, which lasted 117 days, or three weeks shorter than this one has already run.

"We're fighting for our rights this time. Last time, it was more or less about wages. Now it's what they're trying to take away from us."

Harris recited the union's grievances: the company wants to assign days off, shifts and vacations rather than give senior workers their preference; the company wants to use more polygraph tests; and Coors wants to require forced physical examinations whenever supervisors think an employee needs to take one.

With Harris were Paul Davidson, 51, who has put in a quarter century at Coors, and Frank Smith, 42, who is a relative newcomer, having started there about four years ago.

Smith was born without hands. Coors gave him a job as a "general brewery worker" or GBW. He does custodial work, taps kegs, pours beer in the lunch room and whatever else he is asked to do.

"The company was good enough to hire me, and I was grateful for that. I told them I would give them 100 per cent, and I done it. But I also promised to uphold the union, and now it's their turn."

"I just about broke twice and went in," Smith said. "But I got sick to my stomach. Besides, my kids was after me not to. I just decided to heck with it."

He and his wife, Melanie, have three teenagers ranging from 14 to 17. At the start of this month, she went to work at an Arvada bank. It was a painful reality for Smith, who believes it's the husband's responsibility to support his family. It's the first time Mrs. Smith has been employed since before the birth of their first child.

None of the men has worked since the walkout began. Harris, who is divorced, is living with his daughter, "or else I couldn't get by." Davidson said he had seen the strike coming and put money aside to prepare for the payless spell.

Many of the 500 or so remaining strikers have taken full- or part-time jobs. But some have had to abandon the fight. Their new employers required that they resign from the union and promise not to go back when there is a settlement.

Thus, the ranks of the strikers continue to erode. It has been a hard fight for both sides.

For the company, the strike came in a year when several unrelated factors caused them to take a beating in the marketplace.

In May, brewery executive Bill Coors said the company had run into a soft market and "an unexplained drop in consumption." A recent article in the New York Times reported that the nation's largest brewer, Anheuser-Busch, is engaged in a vigorous marketing struggle with the third largest firm, Miller Brewing Co.

It said these two firms are swallowing more of the market shared by the industry's "big five"—including fifth ranked Coors.

For weeks after the strike began, Coors wouldn't admit the boycott was affecting sales. But by mid-summer, the company was grudgingly conceding it had been hurt by the campaign.

All these developments seem to indicate that the companys' initial strategy of maintaining "business as usual" hasn't been as successful as the firm hoped.

Harris and the others claimed that picket lines have reliable sources on what's going on inside the brewery.

"They should have been up to making 80 brews a day now, and they're only making 44," Harris said. "That's winter production," he added contemptuously.

A "brew," he explained, is 440 gallons.

"When we went out, it was at 64, and it was supposed to go up to 80. But I don't think they ever went over an average of 50 this year."

The strikers claimed the number of railroad cars being used to transport the brew out of the plant also had been reduced so sharply that Coors had turned 200 cars back to the railroad because they weren't needed.

A company spokesman said Coors never had made its production figures public and didn't plan to start doing so. He said the firm had no desire to get into a duel of claims and counterclaims about the amount of beer brewed.

But if things haven't panned out well for the company this year, the summer has brought some disappointments for the strikers as well.

One of the unions' chief disappointments came in mid-July, when an administrative law judge from the National Labor Relations Board came to Denver to hear charges that Coors had indulged in unfair labor practices during the dispute.

Confident that the charges had merit, the strikers had believed for weeks that they would win a favorable ruling, which would force the company back to the bargaining table.

But union officials were crestfallen when the judge announced at the close of the

hearing that he was going on vacation and planned to rule on several other cases first. He gave attorneys until Sept. 22 to file briefs.

Even if he rules quickly and the unions' assumptions should prove true, it is not likely that anything will happen to end the strike before October.

The AFL-CIO's Zack was asked whether the strike might not prove to be a long standoff, in which case the local might die without its members winning the opportunity to go back to work.

"I don't think the union will erode and die," he insisted. That it's going to be a long fight is pretty obvious, but when the fight started, everybody knew it wasn't going to be an easy one.

"There have been a lot of very long strikes in the United States, but because the fight is a tough one doesn't mean we give up. We're pretty stubborn people.

"I think there's a hell of a lot of people that don't like big people pushing little people around. Obviously, Coors are big people and the workers are little people and it's obvious as hell that they're tryin' to push 'em around."

His tone was more militant than that of the three striking workers in the union hall.

A trace of weariness crept into their voices as they repeatedly voiced disappointment about the lack of public understanding about their fight. They said the issue was often being portrayed as a demand for higher wages when that wasn't the case.

"It wouldn't cost him a dime for a fair contract," Smith said at one point, apparently referring to Bill Coors' brother, Joe. At another point, he quipped: "I would be willing to take as many polygraph tests as they want if only Bill and Joe would get on there and let themselves be asked if they gave us a decent proposal."

Harris reminisced about the other strike and a couple of short-lived walkouts in the 1950s. He contended that the present dispute centers around an effort by Coors to strip benefits won over the past two decades.

The others agreed, saying they would be happy if things could simply stay as they were.

"I think the whole union would settle for the old contract," Davidson declared.

"I know they would," said Harris.

UNITED STATES SHOULD KEEP PANAMA CANAL

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. ASHBROOK. Mr. Speaker, I am deeply distressed that President Carter is attempting to give away the Panama Canal. I cannot understand why we should even consider turning over this valuable waterway to an unstable country ruled by a leftist military dictator.

The Panama Canal is of vital economic, military, and political importance. Approximately 70 percent of all the traffic through the canal either originates or terminates in American ports. All but 13 of the ships in the U.S. Navy—the exceptions being the giant aircraft carriers—can pass through the canal.

Hanson W. Baldwin, a former military correspondent for the New York Times and Pulitzer Prize winner, has written an excellent article in opposition to a Panama Canal giveaway. According to Baldwin:

The future security and well being of the United States are threatened by the Administration's proposed abandonment of sovereignty over the Panama Canal and the Canal Zone.

Following is the text of Baldwin's article which appeared in the August 20 San Francisco Chronicle:

TRANSFER OF SOVEREIGNTY THREAT TO U.S. SECURITY

(By Hanson Baldwin)

The future security and well-being of the United States are threatened by the administration's proposed abandonment of sovereignty over the Panama Canal and the Canal Zone.

Any such action would have global consequences, nowhere more adverse than in the Caribbean Sea-Gulf of Mexico area. The vital interests of a nation can be defined in territorial and regional terms or as political, psychological, economic, or military interests. By any and all of these yardsticks, the security of the Caribbean, the ability of the United States to control the Caribbean in war and to be a dominant influence there in peace, is vital to our country.

Yet that capability has already been gravely weakened; the turning point was the Communist's seizure of power in Cuba, the Caribbean's most important island, only 90 miles from our shores.

It is in this broad perspective—the future of the Caribbean-Gulf of Mexico area—that any basic change in the status of Panama Canal must be judged.

It is ironic, indeed, that in an era when the United States Navy needs the canal to a greater degree that any time since end of World War II, Washington is considering its abandonment. The navy today is in the same strategic bind it was prior to World War II: it is a one-ocean navy (in size and power) with two-ocean responsibilities.

While the 13 giant aircraft carriers of the U.S. Navy have too large a beam to pass through the 110-foot width of the present locks, well before 2000 a new generation of ships will begin to replace them—smaller, but more effective, with advanced weaponry.

Every other ship in the U.S. Navy can transit the canal, a fact of major importance in limited war, the type of crisis we are most likely to face.

The Panama Canal Zone offers facilities unavailable elsewhere under the U.S. flag for training troops in jungle warfare. More important, the zone is oriented towards the problems of Central and South America, and the zone's army schools and training facilities have fostered and helped to develop a close and productive military liaison between the armed forces of many nations in the southern hemisphere and the United States.

The economic factor is also of major importance to the canal-Caribbean equation. To the American economy, and particularly to U S. overseas shippers and importers, the canal has major importance; it has been estimated that, of all cargoes transiting the canal in ships of all flags, about 60 to 70 per cent are bound to or from U.S. ports.

One of the plans for transporting the oil of Alaska's North Slope to the hungry markets of the "lower 48" contemplates shipment by tanker through the Panama Canal Gulf and East Coast ports.

Even more compelling than the military and economic importance of the canal are the political and psychological considerations. As the Pueblo, Mayaguez, and other incidents have shown, even second- and third-rate powers now dare to tweak Uncle Sam's nose.

This process of losing not only face and prestige, but also control, has gone far in the Caribbean; it will accelerate greatly if we abandon the canal.

Contrary to those assertions from public officials who should know better, we did not steal the canal, nor does Panama have residual, titular, or any other kind of sovereignty over it. The United States bought the canal territory — a strip across the Isthmus of Panama some 50 miles long and ten miles wide — at a cost to the American taxpayer that far exceeded that of any other territorial acquisition.

The answer from those who advocate retreat evades the issue. American supporters of a transfer of sovereignty to Panama try to make the shift seem a minor adjustment which will ensure happy relations with a friendly and stable Panama and stress that "control" of the canal would remain in our hands.

But without sovereignty it is clear that we shall not be able to carry out the terms of the Hays-Pauncefote treaty with Britain, nor shall we be able, regardless of the wording of any attempted compromise solution, to "control" the canal.

If we transfer sovereignty over the canal to Panama—an act that seems to be, under the Anglo-American treaty, legally questionable unless Britain agrees—we should leave the isthmus, lock, stock, and barrel; our "control" would become completely ineffective, probably after protracted wrangling, unending disputation, and perhaps repeated clashes.

We cannot insure control without sovereignty; the mere phrase is doublespeak. We cannot provide military security for the canal without sovereignty; to attempt it would be to accept responsibility without authority.

EL CAJON TEAM CAPTURES RUNNER-UP SPOT IN 1977 LITTLE LEAGUE SERIES

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. BURGENER. Mr. Speaker, I just want to take this opportunity to salute the El Cajon little league baseball team, which captured second place in the recently concluded little league world series at Williamsport, Pa. After disposing of some of the best little league competition in the West, the El Cajon team demonstrated their diamond supremacy over the best teams in the Nation and moved into the little league world title game against the Taiwanese team.

Although the Taiwanese have dominated series play for the last decade, the El Cajon team turned in the most respectable game an American team has played in years against the Taiwanese, as the Californians were "in the game" all the way.

Mr. Speaker, the El Cajon little leaguers made all of us proud, not only because of the way they played, but because of the way they conducted themselves. These young men are the best ambassadors of good will a city could

possibly have, and I would just like to tip my cap to the players, managers, coaches, and others involved in the El Cajon little league program. They have shown us they are the best—not only of the West—but of the United States.

TWO PAPERS BY MARYLAND HIGH SCHOOL STUDENTS

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. STEERS. Mr. Speaker, this summer I sponsored a 3-week seminar for 44 outstanding high school seniors from my district who examined our Government through a series of speakers and field trips.

At the conclusion of the program, the students submitted papers on current topics which they were able to study through the Library of Congress congressional reports and interviews.

I have submitted for inclusion in today's RECORD, two of these papers.

The first paper, "Congressional Policy on Illegal Aliens," is by Babette Salus, a senior at Montgomery Blair High School in Silver Spring. Babette, 17, is a member of the National Honor Society and a member of a symphonic band.

The second article, by Sharon Plunkett of the Academy of the Holy Cross in Rockville, examines U.S. policy toward Cuba. Sharon, also 17, is editor in chief of her high school paper and president and founder of her school's Political Science Club.

The two articles follow:

CONGRESSIONAL POLICY ON ILLEGAL ALIENS

(By Babette Salus)

Due to an economic imbalance between the United States and almost half the other countries of the world, an exorbitant number of illegal aliens. somewhere in the vicinity of five to eight million, from at least fifty-nine countries, have entered the United States. Illegal aliens, foreigners who either enter the United States unlawfully, or who enter legally, but after admittance violate the terms of their entry, usually by overstaying or by accepting unauthorized employment, come to the United States with hopes of finding employment. It is because of this motive that "The primary impact of the illegal aliens in the United States is believed to be on the labor market."[1] The staggering number of illegal aliens, approximately 770,000 a year, entering the United States has been a matter of great concern in Congress for the last seven years. Despite the interest Congress has shown in reducing the number of illegal aliens entering the United States, the legislation passed seems to be inadequate if a long term solution to the problem is to be achieved.

At the present time, "The basic U.S. law governing immigration is the Immigration and Nationality Act of 1952, as amended."[2] This act defines an alien as "any person not a citizen or national of the United States."[3] It also states the distinction between immigrants and nonimmigrants as aliens admitted for permanent residence and aliens granted temporary admission, respectively. The act sets the immigration ceilings and criminal sanctions for illegal entry. Although this act "defines the smuggling, harboring, transporting, or encouraging of illegal entrants as felonies," the Southwest proviso passed in 1952, states that employment of illegal entrants does not constitute harboring and therefore is not a felony.

Two very significant groups of amendments to the Immigration and Nationality Act of 1952 are those passed in 1965 and in 1976. The major point of the 1965 amendments was that the national origins quota system would be replaced by a ceiling on Eastern and Western Hemisphere immigration beginning July 1, 1968. Immigration from the Western Hemisphere was to be limited to 120,000 people a year, the Eastern Hemisphere to 170,000. The 1976 amendments set an annual limit of 20,000 immigrants per country in both hemispheres, a limit which previously had been in effect only in the Eastern Hemisphere. The 1976 amendments also extended, to both hemispheres equally, a modified version of the seven-category preference system giving priority to family members, people with desired skills, and refugees.

In an effort to deal with the illegal alien problem, Congress has also amended several other laws and regulations. In 1974, Congress amended the Farm Labor Contractor Registration Act of 1963 to include criminal penalties for unregistered farm labor contractors who knowingly engage the sevices of illegal aliens. In 1972, Congress passed an amendment to the Social Security Act centered on cutting back the use of social security cards for employment purposes by noncitizens not legally entitled to work. It was also attempted to reduce the participation in Federally funded benefit programs by the illegal aliens. In addition in 1974, Congress amended the Farm Labor Contractor Registration Act of 1963 to include criminal penalties for unregistered farm labor contractors who knowingly engage the services of illegal aliens. By restricting benefits to citizens and legal aliens and by creating more strict penalties for the conscious hiring of illegal aliens, it was hoped by Congress, that the incentive for aliens to come illegally into the United States and for United States employers to hire them would be lessened.

On January 11, 1977, Joshua Eilberg introduced H.R. 1663 which would amend the Immigration and Nationality Act of 1952. The proposed legislation in summary:

"Amends the Immigration and Nationality Act to make it unlawful for any person knowingly to employ, continue to employ, or refer for employment any alien in the United States who has not been lawfully admitted for permanent residence, unless the employment of such alien has been authorized by the Attorney General. Establishes a three-step procedure for the imposition of civil and criminal sanctions against employers violating the provisions, and also provides for an injunctive remedy. Authorizes civil action by the Attorney General in the event of alleged discrimination regarding employment on the grounds of national origin. Provides for the regularization of status of certain illegal aliens who entered the United States prior to June 30, 1968."[4]

The House Judiciary Committee of the 94th Congress found that the primary reason for the illegal alien problem was the economic imbalance of the United States and other countries, with the greater chance of finding employment in the United States. On the basis of this finding a series of bills was written prohibiting the knowing employment of illegal aliens and establishing a series of administrative, civil and criminal penalties for violators of this prohibition. There are, however, two reasons why these and other pieces of legislation concentrating on the illegal alien issue are not successful in solving the problem.

The first is that the laws are not carefully enforced. A great deal of the impact of illegal aliens in the United States is due to the violations of the existing legislation by the aliens, employers and administrators of public welfare programs. If labor standards were enforced on the employers of illegal aliens, it would be of no advantage for the employers to hire illegal aliens.[5]

However, even if the current laws on illegal aliens were more effectively enforced, a successful, long-range solution to the problem would not be achieved. This is because the legislation which Congress has concentrated on so far does not deal with the causes of the problem, but rather its effects. If, relatively speaking, no jobs were available in the United States for illegal aliens, they would still come to the United States in the hope of finding "non-existent" jobs or getting on a Federally-funded benefit program. As long as the economic state of Mexico, from where 89% of the illegal aliens come, remains unstable and the unemployment rate high, approximately 40%,[6] the people who are starving will go elsewhere in search of basic human needs. Therefore, the long-range solution to the problem can only be reached when Mexico achieves economic stability.

One possible solution to the problem would be a program based upon temporary employment permits, controlled by both the United States and Mexico, which would expire after 180 days. These would be issued to a limited number of Mexicans for work in the United States. The permittees would earn the same wages as United States residents, with the bulk of their earnings being spent in Mexico after their return. The United States government would collect the same taxes from these aliens as it does from residents. However, since it would not have to supply so much in the way of Federally-funded benefit programs for these aliens as it does for its residents, a portion of the collected taxes would be forwarded to Mexico. This program would help the Mexican economy by lowering the unemployment level there, with an associated gain in Mexican revenues and taxes by reason of the new capital. The United States would have to enforce its labor laws more strictly with particular attention to the holders of temporary employment permits to make sure they do not overstay.

In addition to any alien labor program which may be devised, the United States is going to have to aid Mexico in large scale trade. The economy of Mexico will not stabilize without increased trade.

The legislation before the 95th Congress, like that of the 92nd, 93rd, and 94th Congress, does not form a very optimistic approach to the permanent termination of illegal immigration. The legislation attempts to reduce the effects of the result, the high immigration, rather than diminish the causes of the problem, the economic upset coupled with the promising job market of the United States. Even if the legislation as written could solve the illegal alien situation, it would not until enforcement was improved. The only way the United States is going to achieve a permanent solution to this problem is to devise a controlled labor plan, to enforce that plan, and to assist the countries from which the illegal aliens come, mainly Mexico, in stabilizing their economics.

FOOTNOTES

[1] Vialet, Joyce, *Illegal Aliens: Analysis and Background*, Washington, D.C., Congressional Research Service, February 1977, p. 1.

[2] *Ibid.*, p. 51.

[3] McCarran-Walter Act, Act of June 27, 1952, Public Law 414, 82nd Congress, 66 Stat. 163.

[4] Vialet, Joyce, Immigration: Illegal Aliens, Washington, D.C., Congressional Research Service, May 1977, pp. 3–4.

[5] Vialet, Joyce, *Illegal Aliens: Analysis and Background*, Washington, D.C., Congressional Research Service, February 1977, p. 133.

Footnotes at end of article.

[6] U.S. News and World Report, "Time Bomb in Mexico." July 4, 1977, p. 27.

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U.S. Policy Toward Cuba: In Direction of Normalization

(By Sharon Plunkett)

The relationship between the United States and Cuba was severely handicapped from the time Fidel Castro took over Cuba in 1959. After the overthrow, the two nations adopted very opposite policies. Cuba expropriated all property owned by U.S. citizens, supported uprisings in neighboring Caribbean countries and instituted the Communist system of government. The United States halted their economic as well as military aid and placed an embargo on exports to and imports from Cuba. Furthermore, the Bay of Pigs invasion in 1961 and the Cuban Missile Crisis in 1962 just widened the rift between the two countries. On January 3, 1961 the U.S. broke diplomatic and economic ties with Cuba.

The U.S. policy toward Cuba has been based upon the Cuba Resolution of October 3, 1962. This resolution was instigated because of congressional reaction to Soviet military buildup in Cuba.

The resolution stated that "the U.S. is determined to prevent by whatever means sphere." It also declared that the U.S. "would prevent in Cuba the creation or use of an may be necessary . . . the Marxist-Leninist regime in Cuba from extending by force or the threat of force, its aggressive or subversive activities to any part of this hemiexternally supported military capability endangering the security of the U.S."[1]

U.S. policy was also based on two decisions taken in the Organization of American States in 1962 and 1964. In 1962 the OAS decided to exclude Cuba from the organization. In July, 1964, the OAS took action to impose sanctions on Cuba because of Venezuelan charges of smuggled weapons to pro-Communist guerrillas.

During the past, U.S. policy toward Cuba has changed because of various actions to normalize relations. This paper will show just how the U.S. is trying to normalize their relations with Cuba.

Since 1971, the U.S. has been trying to improve relations. Many Senators have called for a reexamination of our policy toward Cuba. During 1971, Senators Frank Church, William Fulbright, and Charles Mathias took action to repeal the 1962 Cuba Resolution.

Since 1973, both countries had given promising indications that their policy toward one another was softening. During 1973, Cuba and the U.S. signed an anti-hijacking agreement. Statements made by President Ford and Secretary of State Henry Kissinger suggested changes from Mr. Nixon's policy. Even the OAS in 1975 voted to lift certain aspects of the embargo and as of April 1977, eleven Latin American nations had reinstituted diplomatic relations with Cuba.

Since the fall of 1976 and with the election of President Carter the movement toward normalization of relations looks very encouraging. The President has indicated this by the further liberalization of U.S. restrictions on Cuba. Also shortly after taking office the President secretly ordered an end to the SR–71 reconnaissance flights over Cuba.

The latest movement toward normalizing relations was the April signing of agreements on fishing and maritime boundaries in Havana. These agreements are a new beginning in U.S.-Cuban relations.

Other efforts have also been made to help relations. Recently, Senators McGovern and Abourezk visited Cuba. During their visit they talked to Castro and reported back to the President on some of his comments.

The U.S. House of Representatives voted down an amendment to the Foreign Relations Authorization Act "which would have prevented funds from being used for negotiation of reestablishing diplomatic relations with Cuba.[2]

Also a Gallup poll taken on reinstituting diplomatic relations showed 53% in favor of normalization of relations and ⅓ opposed to the move.

While the U.S. is trying to normalize relations, Cuba is also showing their effort. On June 22, 1977 Cuban officials granted their consent for the resumption of cruise line service between a U.S. port in New Orleans and Havana since the break in relations.

Even though diplomatic relations have been going well since 1976 some people are still in opposition to normalization because of Soviet influence, Cuban involvement in Angola and Puerto Rico, compensation for expropriated property, the Guantanamo Naval Base, the sugar issue, the trade embargo, and the political prisoner question.

The Soviet influence in Cuba is a reason for normalization because with normalization our stand with the Soviet Union might improve and it could also promote trilateral discussions between Cuba, the Soviet Union, and the United States.

Cuba was involved in Angola but the Cubans have said that half of their troops have been withdrawn. They also stated that the Army would not become involved in Southern Africa. Concerning the involvement in Puerto Rico, President Carter said that serious discussions of this matter should be held with the Cubans.

The sugar issue and the claims for expropriated property are not major obstacles in normalization. With the case of the sugar, the U.S. and other sugar-producing countries could get together and in time, solve this problem. It would not be reasonable to wait before this issue is all solved before normalization occurs. The claims for expropriated property is also not an issue because it could be dealt with after relations are normalized.

In reference to the Guantanamo Naval Base, this is not as hot an issue anymore in normalizing relations to Fidel Castro. At first he demanded that the U.S. give up Guantanamo. The Cuban Foreign Ministry officials now have softened their position. They said the U.S. would have to make a "willingness to negotiate." At least with this position, the U.S. could talk and some kind of compromise could result out of this issue.

A real concern to Castro about normalizing relations was the lifting of the embargo. On May 10, 1977, the Senate Foreign Relations Committee voted to partially lift the embargo against Cuba and to permit the export of agricultural supplies, food, and medicines. This amendment to the State Department authorization bill was a modification of an earlier amendment proposed by Senator McGovernor. This "partial" lifting of the embargo could lead to the "whole" lifting of the embargo. This is surely a possibility for the future.

Recently, the political prisoner issue along with human rights has been a top priority with the normalization of relations. This issue is important but should not be a factor in normalizing relations because the U.S., even after criticizing, maintains relations with countries like Chile, Brazil, and the Soviet Union, who were charged with having political prisoners and treating them unfairly.

Carter's very outspoken statements on human rights has been cited as an obstacle in relations with Cuba. At the present time, this is true but once countries understand President Carter, his human rights issue may be much more of a help than a harm. In time, this issue will become comfortable enough so countries will be able to talk intelligently about this and come to a solution.

There are also other topics that are believed to be in the way of normalization. These are Cuba's use of export of subversion, and the OAS.

Cuba is not as dangerous to peace and security in Latin America today as it was in the 1960's because Castro no longer uses export of subversion as a revolutionary symbol. Also the Department of Defense has stated that within the past few years the level of Cuban-supported revolutions has decreased.

The OAS embargo on Cuba was held firm until 1970 when Chile resumed trade and then diplomatic relations with Cuba. Since that time, eleven countries have recognized Cuba. In July, 1975, the OAS passed a resolution which gave each member-nation the right to make its own decision about relations with Cuba. This decision was supported by the U.S. and signaled an end to the eleven year ban on Cuba. These actions of the OAS are not an obstruction but a help to normalize relations.

Before and during 1961, the U.S. was opposed to Communism and the Soviet impact on Cuba. But today, the U.S. has somewhat accepted Cuba and is interested in benefits that could be gained from normalization with this unique government.

There are some political as well as economic benefits to be derived from a change in U.S. policy toward Cuba. Aside from reducing international tensions, especially those within the Western Hemisphere, improved relations could lead to reduced Russian military influence in Cuba. Recognition could provide economic development in the Caribbean area if Cuba was included in an economic program.

If U.S.-Cuban relations normalized Cuba would be a very important trade partner. A Cuban official told Minnesota businessmen, who were visiting Cuba, that U.S. trade with Cuba could total $1.5 billion within one or two years after normalization occurred.

Finally, the reintegration of Cuba into the Inter-American system, the OAS, would make a whole out of the Western Hemisphere idea. "Cuba by history, language, religion, culture, and tradition is part of the Western Hemisphere and it is only natural that the island nation be part of it again."[3]

It is about time that the U.S. is seriously negotiating and trying to normalize relations with Cuba. This time is long overdue and at the rate the two nations are trying to become friends again they will soon achieve this promising goal.

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[1] Barry Sklar, *Cuba: Normalization of Relations*, p. 1.

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THE BO CALLAWAY CASE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mrs. SCHROEDER. Mr. President, in the August 1977 issue of Colorado/Business Senator FLOYD HASKELL had an opportunity to discuss charges made earlier in that magazine, as well as in Harper's, that the inquiry by his Subcommittee on Environment and Land Resources into former Army Secretary Howard "Bo" Callaway's role in obtaining Government approval for the expansion of his Crested Butte, Colo., ski area was an election year stunt with little or no basis in fact.

Senator HASKELL correctly presents the issue in the Callaway case: "Did he attempt to use his high office to influence a Government agency to act favorably toward his private interests—his ski corporation?" And he points to two earlier cases—one during the Kennedy administration and the other during the Eisenhower administration—in which top Government officials resigned under circumstances similar to those presented in the Callaway case.

The full article follows:

SINCE YOU ASKED ME . . .

(By Floyd K. Haskell)

Your columnist, Paul FitzPatrick, indulged himself in your July issue. His stimulus, of course, was the Harper's magazine article on my inquiry into Howard "Bo" Callaway's role in the proposed expansion of his Crested Butte, Colorado, ski area.

Mr. FitzPatrick's column did not betray his background—which includes stints on the staffs of Republicans Sen. Peter Dominick and Rep. Mike McKevitt and duty last fall in Republican Ed Scott's campaign against Democrat Tim Wirth in Colorado's Second Congressional District.

Colorado/Business readers deserve to know how one newsman who covered the inquiry—and a Pulitzer Prize winner at that—viewed the Harper's article. NBC's Jim Polk characterized it for the Rocky Mountain News as "selective journalism" which practices the very "distortion" it accuses me of. Mr. Polk also said the author of the piece used "cheap shot tactics."

As to my interest in Mr. Callaway's conduct, the issue was very simple: did he attempt to use his high office to influence a government agency to act favorably toward his private interests—his ski corporation?

The public record leaves no doubt that Mr. Callaway did indeed seek to use the fact and the trappings of his office in an attempt to influence Forest Service decisions in his corporation's favor.

Another generation of Republicans, for example, would remember an incident involving Fred Korth, Navy Secretary under John Kennedy. When the smokescreen finally cleared, the nation learned that Mr. Korth had used Navy Dept. stationery to write personal business letters. Like Mr. Callaway who also wrote personal business letters on official stationery, Mr. Korth freely admitted it. Also like Mr. Callaway, Mr. Korth denied he had done anything criminal or in violation of departmental conflict of interest codes. And, like Mr. Callaway, Mr. Korth missed the point.

The Justice Dept. found that Korth was not guilty of a conflict of interest. But Korth was asked to resign for violating standards set down by Kennedy for his administration in 1961. They declared: "Even though a technical conflict of interest . . . may not exist, it is desirable to avoid the appearance of such a conflict from a public confidence point of view."

A few years and one administration earlier, Harold E. Talbott resigned as Secretary of the Air Force under similar circumstances.

As the New York Times described it, "At issue in the Talbott affair were the Secretary's activities from his Pentagon office" in behalf of an engineering concern in which he held a partnership.

Talbott asserted his activities had been "within the bounds of ethics." President Eisenhower, in accepting the resignation, termed Talbott's decision to resign "the right one." He said officials of his Administration must behave "impeccably from the standpoint of ethics" as well as legality.

Sen. Wayne Morse, Democrat of Oregon, said, ". . . on the basis of his indiscretions and his publicly admitted mistakes, Mr. Talbott ought to be kicked out of office." In essence, he was. And even Republican senators thought it was the right decision—both for Talbott and the President. Sen. Mundt cited the President's response as evidence of his administration's integrity.

I think Mr. Callaway's conduct in the 1975 expansion of his corporation's ski area and in an earlier 1973 incident place both his feet in the latter camp. The 1973 incident was of interest to the subcommittee mainly because it showed that what happened two years later was no aberration; it was part of a pattern whose efficacy had been clearly demonstrated.

On July 19, 1973, the Crested Butte Development Corp. applied for the addition to its existing ski area permit of a parcel of public land known locally as Tony's Parking Lot. The Forest Service informed ski area officials the addition could not be made without an environmental impact statement. Mr. Callaway involved himself in the issue in October through an old friend in the Agriculture Dept. arranging for ski area officials to meet the high-level Forest Service officials in Washington, completely bypassing an appeal to the regional forester in Denver.

The Washington meeting initially produced only a reiteration of the Forest Service's denial. But in February, 1974, Ralph Walton, who is Mr. Callaway's brother-in-law and a ski corporation official, contacted the old family friend, Richard Ashworth, in the Agriculture Dept. to push the request again. Ashworth called the chief of the Forest Service, John R. McGuire. McGuire called the assistant regional forester in Denver. Twenty-four hours later, that official telephoned Walton to outline a method of incorporating Tony's Parking Lot into the ski area permit. Memos outlining that plan flowed from Denver to Washington, to McGuire, to Ashworth emphasizing "Secretary Callaway's interest in this matter."

Top Forest Service and Agriculture Dept. officials were thus involved in a minor local Forest Service decision affecting a small ski area in a remote part of Colorado. The same pattern recurred in 1975 when the issue was expansion of the ski area to an adjacent mountain. Forest Service witnesses before the subcommittee termed such high-level involvement in an agency field decision unique in their experience. What set Crested Butte apart from others similarly situated? Only Mr. Callaway's ownership.

Harper's magazine seems to find this conduct above reproach, Mr. FitzPatrick agrees. I disagree. The subcommittee disagreed. I am confident that people who understand the very simple issue involved also disagree.

SPECIALTY STEEL: AN INDUSTRY AT A CROSSROADS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. OBERSTAR. Mr. Speaker, I would like to bring to the attention of my colleagues the situation surrounding import limitations on specialty steels, generally known as stainless steels, high speed, and tool steels, high temperature alloys, and electrical, magnetic, electronic, and refractory metals.

In the 15 years since 1960, imports of specialty steels have increased 835 percent, a major factor causing unemployment in the domestic specialty steel industry to rise as high as 40 percent. On January 16, 1977, the U.S. International Trade Commission determined that the imports were a "substantial cause of serious injury" to the domestic specialty steel industry. The Commission found that quantitative limitations for a 5-year period were "necessary to prevent or remedy such injury."

Relying upon the Commission's findings, the President negotiated a marketing agreement with Japan and imposed quantitative restrictions for a 3-year period, beginning June 14, 1976, on the other foreign countries that refused to negotiate.

After being in effect for only 14 months, the import limitations are just beginning to prove effective and production and employment in the specialty steel industry are increasing. More importantly, management has made major capital investment decisions with the belief that the market would be temporarily stabilized. However, in May of this year, President Carter announced plans to review the specialty steel import restraints with the option of continuing, reducing, or totally eliminating the limitations now in effect.

It is my firm belief that the removal or reduction of the import restraints at this early stage would undermine the entire recovery process and counter whatever gains have been made. The jobs of more than 65,000 workers, 15,000 of whom are iron ore miners in my district, will be in jeopardy and full recovery will remain uncertain unless import relief is continued. Perhaps most crucial to long-term recovery, modification of the import restraints would cause management to seriously reevaluate its major capital investment commitments so important to the future of the industry.

Specialty steel is an essential industry, critical not only to the production of aircraft, automobiles, oil refining equipment, and communication devices, but also in the fabrication of the major portion of our defense weapon system. We cannot, therefore, let foreign imports erode and weaken our domestic industry.

Even though 14 months of import restraints have helped, domestic specialty steel production in 1976 was approximately 20 percent below the total for 1974, employing 14 percent fewer people. Moreover, capacity utilization in 1976 re-

mained very low with no product line exceeding a 64 percent utilization rate. This contrasts with an 80 percent capacity utilization registered for U.S. manufacturing in general. Similarly the net operating profits as a percent of sales before taxes for the specialty steel industry was less than half of that registered for all U.S. manufacturing in general. Clearly then, the industry is still a long way from full recovery and merits the continuation of the import restraints.

I would like to point out that the disruptive market penetration of imports has not occurred because foreign specialty steel is a superior product. On the contrary, according to the ITC the United States has long been a leader in developing new processes of specialty steel and many of the processes currently being used throughout the world are the result of research in the United States. The U.S. steel industry is forced to compete with companies that are actively supported and/or subsidized by their governments and forced to compete with companies that use predatory pricing practices to acquire market shares. In addition, Japan maintains a virtual embargo on imports of specialty steel in their home market and the Europeans have agreements limiting Japanese imports to their countries.

I am confident that the continuation of our import limitations will give our specialty steel industry an opportunity to compete with these foreign countries. My belief in the strength of the American steel industry was reaffirmed when the specialty steel quotas were imposed in June 1976, resulting in increased domestic production without price increases. According to the ITC, "* * * domestic producers augmented their profits by increasing output, and thus achieving economies of scale, rather than by raising prices."

In light of all these facts, I urge the administration to continue the 3-year import restraints on specialty steel initiated in 1976 in order to give the American specialty steel industry a chance to recover from foreign assault, stabilize itself, and, thereby, become competitive again.

SUPPORT AMERICAN SPECIALTY STEELWORKERS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. ASHBROOK. Mr. Speaker, the American specialty steelworker and industry is again under attack. American specialty steel has been hard hit by imports. Last year, the International Trade Commission recommended restrictions placed on these imports. Then President Ford placed restrictions on certain imports.

Now President Carter is reviewing the specialty steel import restraint program. The International Trade Commission is holding hearings on this subject.

Removal of these restraints would be a mistake. I am submitting a statement to the International Trade Commission and contracting the President to express my opposition.

In 1975, I first contacted the International Trade Commission, urging import restrictions to guarantee American specialty steelworkers a fair shake. After the ITC made its recommendations I contacted President Ford on a number of occasions urging his support of the ITC's proposals. President Ford did announce import limitations on certain specialty steels and negotiated an agreement with Japan to set quantitative limits for a 3-year period.

The limitations have begun to have some impact and now President Carter is reviewing them. The restrictions should be left in place. Any removal of them would harm American workers. As I have stated before, basic American interests need protecting and one of the most basic is jobs.

Before limitations were placed on imports, the American specialty steel industry was being hard hit by what I consider unfair foreign competition. Now the limitations are beginning to have some impact and President Carter is having them reviewed. The limitations should be allowed to run their course.

Earlier in the year, the specialty steel industry was hit by a ban on Rhodesian chrome that was supported by the Carter administration. I opposed and voted against banning Rhodesian chrome which is used in the specialty steel industry. Prohibiting importation of Rhodesian chrome increases our reliance on Soviet chrome at higher prices. The American specialty steel industry cannot afford higher costs.

Foreign specialty steel makers have been subsidized directly or indirectly by their own governments while the U.S. Government has given little protection to our own industry. The result has been more imports and less American jobs. The Carter administration should give the present limitations a fair chance to work and not cave in to foreign pressure.

ROYAL NAVY TRAINING FOR YUGOSLAVS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. McDONALD. Mr. Speaker, Communist dictator Tito has been able to have the best of both the Communist and non-Communist worlds due to Western stupidity and the love of American policymakers for the so-called Third World that Tito is supposed to represent. However, whether the issue is Vietnam, the revolt in Hungary of 1956, or war in the Middle East, Tito has always helped the Communist world to the detriment of the West. Going along with artful game, it was interesting to learn that British are now permitting two Yugoslav naval officers to attend the staff course at the Royal Naval College, in Greenwich, England. The article from the London Daily Telegraph of August 14, 1977, follows:

R.N. TRAINING FOR YUGOSLAVS

(By Desmond Wettern)

Naval officers from a Communist country are, for the first time, undergoing training with the Royal Navy in Britain.

A Yugoslav Commander and a Lieutenant Commander are just completing six months on the Staff Course at the Royal Naval College, Greenwich.

I understand that the invitation was made to Yugoslavia at the urging of the Foreign and Commonwealth Office.

Although officers on the course do not normally have access to classified material their presence would have had to have been drawn to the attention of the several defence establishments and factories and shipyards producing defence equipment which students visit during their course.

SYMPATHETIC TO BRITAIN

The purpose behind their visit is probably to help build up a nucleus of officers in the Yugoslav armed forces who could be expected in the future to have an understanding of and to be sympathetic towards Britain.

The possibility of severe pressure from Moscow for Yugoslavia to join the Warsaw Pact after the death of President Tito has long been a source of concern to Whitehall and Washington who have been keeping a close watch on Russian support for Croatian separatist movements anxious to end Slav domination of Yugoslav politics.

IMPORTS STILL RISING—POSE THREAT TO U.S. INDUSTRIES AND JOBS OF AMERICAN WORKERS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. EILBERG. Mr. Speaker, in recent months I have repeatedly spoken out on the international economic policies of this administration, which, like its predecessor, has shown undue favoritism to foreign producers of goods.

This favoritism continues to work to the extreme disadvantage of American industry and to the workers which American firms employ. At a time when unemployment in the United States remains stuck close to the 7 percent mark—with millions of workers unable to find employment—it is incredible to me that the administration would continue to permit expansion of foreign imports.

An ominous report on the continued growth of textile imports appeared in the August 22, 1977, issue of Southern Textile News, the newsweekly serving the textile industry. According to this report, these imports will grow at a pace that will be more than double the growth rate of the domestic industry. Inevitably, this continued acceleration of imports will further depress the domestic industry, inhibit its growth, and destroy job opportunities for thousands of American workers.

Mr. Speaker, I commend to the earnest

attention of my colleagues the full text of the Southern Textile News article which follows:

IMPORTS EXPECTED TO CONTINUE RISING

CHARLOTTE, N.C.—Textile imports into the U.S. will apparently be increasing, not dropping, during the years ahead.

The growth rate during the next four years will be 6 percent a year, trade sources say. This expansion is permitted under terms of the Multi-Fiber Arrangement (MFA) which expires on Dec. 15 of this year but which is being extended for a period of four more years. The negotiations have been completed but the pact has not been signed.

The U.S. textile industry had hoped to limit growth to 2.5 percent, said Rick Utley, southeastern manager of public relations for the American Textile Manufacturers Institute (ATMI).

"We asked that the growth rate be no more than the growth rate of the domestic industry (2.5 per cent) over the last 11 years," he said. But government trade negotiators decided that a more reasonable goal would be the renewal of the present MFA, which allows for 6 per cent annual growth in imports.

The MFA is an international pact on bilateral agreements negotiated under the General Agreement on Tariffs and Trade. In addition to this pact, the U.S. has 18 bilateral pacts with textile-producing nations. Eleven of the bilateral pacts also expire this year.

Some American textile executives say that the foreign countries, particularly Hong Kong and South Korea, pay low wages in the mills and ship most of their low-priced goods to the United States, depressing the market here.

The trade pacts give some protection to the U.S. textile industry, since quotas are set limiting how much yarn and apparel can be shipped to this country.

But each year the limits increase and the volume of imports rises.

In the U.S., apparel and textile imports rose almost 40 per cent last year alone, equal to more than one-third of the U.S. trade deficit. The penetration varies; more sweaters came into the U.S. last year than the total number of sweaters made in this country, but the import rate was low for fashion items.

However, the style-oriented portions of the apparel market account for much less volume than the commodity-oriented segments where imports have had their greatest effect.

Negotiations began in June in Geneva to renew the MFA, but broke down in July although the U.S., Japan and the major less-developed countries were favorable to extension of the agreement.

"The majority of the European Community countries feel that way, too, but the French and British were adamant about changes or some special considerations for European countries," said Ellis Meredith, an official of the American Apparel Manufacturers Association.

Michael B. Smith, chief U.S. textile negotiator, presented a protocol on renewal of the MFA which will allow for departures from the agreement in cases where the impact of foreign goods on a domestic industry is severe.

This flexibility means that bilateral agreements can be reached between nations providing for lower growth rates for some kinds of imports and higher rates for others, so long as overall growth averages out to 6 per cent a year.

But Meredith notes: "That doesn't thrill us a bit, since we have no interest in helping one part of the industry at the expense of another sector."

NATIONAL ENERGY ACT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for August 10, 1977, into the CONGRESSIONAL RECORD:

NATIONAL ENERGY ACT

The Congress has struggled with the energy crisis since the Arab oil embargo in 1973–1974. It has considered hundreds of energy bills, enacted several of them, and rejected many. Historically, the problem for the Congress has been that although the people apparently want the President and the Congress to enact a comprehensive energy program, they are against many of the crucial proposals in any energy package.

Tackling the energy crisis once again, the Congress just approved a bill creating a Department of Energy, and the House of Representatives approved the National Energy Act, the most important energy legislation yet considered by the Congress. The National Energy Act has three principal objectives: energy conservation, conversion to coal, and increased production. Its goals are to be accomplished primarily by raising the price of energy, especially the price of oil and gas, in order to reduce demand and to increase the competitive attractiveness of coal. It establishes six goals to be achieved by 1985: 1. Reducing the average growth rate of energy consumption to 2 percent each year; 2. Reducing oil imports to less than 6 million barrels a day (imports now are 9 million barrels a day); 3. Achieving a 10 percent reduction in gasoline consumption from the 1977 level; 4. Retrofitting for energy conservation 90 percent of residential and commercial buildings in the United States; 5. Increasing coal production by at least 400 million tons each year over 1976 levels and; 6. Using solar energy in more than 2½ million homes.

To achieve these goals, the National Energy Act provides for:

1. Conservation in Buildings: tax credits, loans and grants for energy conservation programs for existing residential and commercial buildings.

2. Crude Oil Tax: a tax on crude oil to raise the price over a three-year period to the world price of oil. Taxpayers and adult nontaxpayers would receive rebates of the tax.

3. Natural Gas Pricing: a single uniform price policy for natural gas produced in the United States with an incentive price of $1.75 per million BTU's.

4. Business Taxes and Credits: a use tax on business consumption of oil or natural gas to discourage consumption and an additional 10 percent investment tax credit for investment in equipment for conservation and conversion to other fuels.

5. Public Utility Regulatory Policy: A method to move electric utilities toward pricing electricity at the cost of providing service to each class of consumer so as to encourage conservation.

6. Other Provisions: tax incentives for geothermal, gas and oil drilling ventures and mandatory efficiency standards for appliances.

This bill seeks to deal with the fundamental problem of energy policy: the insecurity of U.S. oil supply. Each day the United States is moving toward an increasingly perilous position in regard to the adequacy and the reliability of its energy supply. In 1973–74 oil prices quadrupled, and the United States produced $375 billion less than potential output in the 1974–1976 period. Last year the United States spent $32 billion for imported oil and this year we are running about 50 percent above the same period for last year. The United States now imports almost 50 percent of its oil supplies, up from 23 percent in 1970. As these statistics show, it is vital to decrease significantly U.S. vulnerability to a change in the international oil market, and that is what this bill seeks to do.

Nobody knows the precise impact of the National Energy Act, but it is estimated that it will reduce imports by between 2.6 million and 2.9 million barrels a day in 1985. It will have a measurable, but modest, inflationary impact, estimated to increase the price level from 0.3 to 0.4 percent. The taxes raised by the bill will largely be returned to the taxpayer through reduced withholding of federal taxes, thus substantially restoring the purchasing power. The average taxpayer will be given enough added take-home pay to cover his higher energy prices.

The action of the House this week will probably only enforce existing trends toward energy conservation, higher oil and gas prices and conversion to coal. These trends may outpace the goals of the energy program. Energy intensive industries are forecasting energy savings of 15–20 percent, the automobile industry is ahead of schedule in realizing the mandated goals for achieving better miles per gallon, and coal supply is increasing.

I am not satisfied with every provision of this bill. I supported additional production incentives, which were not approved, and I opposed the additional gasoline tax, which was deleted from the bill. I voted for the bill on final passage, however, because I believe it is essential that we put into place a comprehensive energy policy. It is easy to criticize certain provisions, and to persuade ourselves that one provision or another is unnecessary or unwise. The bill may not be all it is touted to be, but it is an initial step toward what must be a disciplined effort by Americans to cut down the use of fuel. My guess is that other, and even less popular steps will be necessary.

MEXICAN INDEPENDENCE DAY

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. KILDEE. Mr. Speaker, this September 16 our great neighbor Mexico will celebrate its 167th anniversary of independence. It is appropriate on this occasion to extend on behalf of the American people our sincere congratulations to the people of Mexico. The growing and prosperous democracy of Mexico has contributed much to our great heritage. Mexican Americans have lived in the United States for more than 350 years, as exemplified by Santa Fe, N. Mex. established in 1598.

Throughout our country, the Independence Day of Mexico is celebrated by many Mexican-American communities. Traditionally these celebrations serve as excellent opportunities to examine the rich cultural, social and economic contributions of Mexican Americans and all Americans of Spanish speaking heritage.

I am proud to share with you that on September 11, 1977, in cooperation with the city of Flint, the Mexican flag will

be raised and flown over Flint City Hall. This event, sponsored by the Spanish Speaking Information Center of Flint, commemorates Mexican Independence Day. It serves as an opportunity to re-examine the overall status of our Spanish-speaking peoples. And it provides a focus in which to better understand contributions of Mexican Americans.

I would therefore ask that the House of Representatives join me in congratulating the Spanish Speaking Information Center of Flint, Mich. and all people participating in the celebration of Mexican Independence Day.

HUMPHREY ON LIVING

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. QUIE. Mr. Speaker, during the recess I paid a brief hospital visit to Senator HUMPHREY and was struck again by how rich his life is—even with cancer. And by how much his current illness is helping many learn more about living.

We in Minnesota have great respect and a deep love for our senior Senator. And it has often been during times of difficulty in his life that he has lifted the spirits of others by his example and tremendous attitude.

Someone shared with me an article in the August issue of the Reader's Digest by the Senator on how he is dealing personally with his illness. Senator HUMPHREY knows how to live. All of us can gain something very profound through his words.

Our people should be grateful for a man such as this.

The article follows:

"YOU CAN'T QUIT"—THE DISTINGUISHED SENATOR FROM MINNESOTA TELLS HOW HE HAS COPED WITH CANCER—AND LIVES LIFE TO THE FULLEST

(By HUBERT H. HUMPHREY)

The worst moment in my life was when I discovered that I had cancer. I know what this dread disease can do to a person and what the chances for survival are. But if you think of yourself as a statistic, then you're really in trouble. You have to believe that somehow you can win this fight. You have to gear yourself to the continuity of the struggle, knowing that there will be days when you won't feel too good.

My faith and hope get me from day to day. A favorite verse in the Bible is from St. Matthew: "If ye have faith as a grain of mustard seed, ye shall say unto this mountain, Remove hence to yonder place, and it shall remove; and nothing shall be impossible unto you." Deep down, I believe in miracles. They have happened to a lot of people who were given up to die and then were restored to health.

But there are days when I get discouraged. I look at myself in the mirror and say, "Humphrey, you look like a sad sack." Because of the chemotherapy, I've lost a lot of hair, and got much thinner. My trousers don't fit; my shirt collar is the wrong size. When I start feeling sorry for myself, I tell myself: "The doctors told you this would happen. You can't do anything about it, so get on with living." Then I go and have my clothes altered.

THE WILL TO HANG ON

If you don't overcome self-pity, the game's all over. My father taught us there was no time for self-pity in life. You had work to do. On the plains of South Dakota, adversity was part of daily life. I remember the dust storms, the blizzards, the summer heat and droughts. Yet when the crops failed, you always thought, There's another year coming. I'll prepare the soil and pray. You were always future-oriented.

My family lost a lot, especially during the Depression. One of my saddest memories is of my mother crying and my dad with tears in his eyes because they had to sell our home to pay the bills. But in life it isn't what you've lost, it's what you've got left that counts. We had a lot left. We had ourselves, our family, our store. It was only a question of time before things would get better. The important thing was who would be the survivors. Who had the will to hang on for a better day.

I think the biggest mistake people make is giving up. Adversity is an experience, not a final act. Some people look upon any setback as the end. They're always looking for the benediction rather than the invocation. Most of us have enough problems so that almost any day we could fold up and say, "I've had it." But you can't quit. That isn't the way our country was built.

Life's always a struggle. If anything's easy, it's not likely to be worthwhile. I made up my mind very early that I would have to improve myself. I went back to the University of Minnesota after a six-year absence and, let me tell you, it wasn't easy. My wife, Muriel, had a job, earning something like $45 a month. She used to make sandwiches that we could sell to earn extra money. I was carrying a heavy academic load, but I worked six hours every night in a neighborhood drugstore. I never felt I couldn't make it.

One of my hardest battles was running for the Presidency in 1968. I had been given the chance I dreamed about, to be the standard-bearer of my party, but there were moments when we were so far behind that I got discouraged. Our party was broke. I remember saying to Muriel, "If we can't afford an airplane, we'll get in a car or a bus because, damn it, we're not going to give up, we're not going to quit."

To come as close as we finally did to winning the highest office in this land and then to lose it was hard. But in writing my concession speech, I told myself, "This has to be done right because it is the opening speech of your next campaign!" I was already looking ahead.

I've often thought of how we could have handled things differently. But I don't have any bitterness. Bitterness takes too much energy and accomplishes nothing. It doesn't hurt the other person. You think you're sending out the rays of bitterness like laser beams, but they stay inside of you—consuming you. As Lyndon Johnson often said, you can tell a fellow to go to hell, but it's hard to make him go.

SOURCES OF STRENGTH

The important thing in any setback is whether you can pick yourself up. That helps me with my illness. I keep thinking, "Well, tomorrow is another day." There may be people who'll say, "It's all right for you to talk about tomorrow being another day, but if you knew how much pain I suffer . . ." I do know. When I had to take X-ray treatments, I used to get up in the middle of the night with bladder spasms. One time I was in such agony that I honestly wanted to give it all up. But even in the deepest despair you have to look up—keep your eyes on the mountaintop. I believe, I know, that a positive outlook can influence your physical well-being, that it can help you fight something like cancer. If you have the will to live, it can help the process of recovery. Medical experience has supported this.

But I feel, also, that not all of my life is in my own hands. There is a power beyond man—Divine Providence, the will of God. It is a powerful source of strength if you can get in tune with it. Like anybody else's my faith is sometimes rocked. When I'm feeling low, I draw strength from the prayer of St. Francis of Assisi. Part of it says, "Where there is doubt, let me sow faith; where there is despair, hope; where there is darkness, light; and where there is sadness, joy." I think it is the perfect prayer.

One of the greatest sources of strength throughout my illness has been my family, especially Muriel. We've been married more than 40 years, and she's put up with an awful lot from me. When I found out I had to have surgery, we decided to tell the children in a family gathering. Muriel fixed a brunch at our home in Waverly, Minnesota, and they all came. Then I called them to attention and told them: "You've just got to have faith with me that this is going to come out all right. Because if you doubt whether I'm going to make it, that's ten points off my chance."

I would be dishonest if I didn't say that there were some bad moments. At one point, when I was in the hospital, Muriel said, "Last night I was so angry that I cried. I keep asking, why you?" I told her I had felt that way, too. I don't know the answer. Looks like I always win the little elections and lose the big ones. But it *is* me, so why spend time trying to figure out why?

During those inevitable periods of depression and anger, another thing that kept me going was the great outpouring of love in telegrams, cards and letters from all over the world. I tell you they had a real healing effect on me. The greatest gift that has come to me is the affection of so many—far more important than people feeling sorry for me. In fact, feeling sorry for someone is simply to give him a little pain reliever. Love is a healing force.

When I was in the hospital, people marveled that I was up so quickly, visiting other patients. Can you imagine Hubert Humphrey strapped to a hospital bed? By the third day after surgery, I was walking around saying hello to people I knew were in worse shape than I was. I was doing it for them and for me.

Let me tell you something. What you give, you receive back a thousandfold. After World War II, this country was mangnanimous and magnificient. We shared with all and the more we gave, the more we had. If you have a well and draw water from it, it fills. If you don't draw water, it gets stagnant. You have to learn to give yourself

LIFE TO THE FULLEST

One reason I can keep going is that I enjoy living. I have a great inquisitiveness about the future. I see so many people younger than I who have no interest in tomorrow. But I want to live to the year 2000, to be around to see what's going to happen.

When you're older, you're bound to think about how many more days or years you have left. It certainly goes through my mind. Then I think, well, Humphrey, there's not much you can do about that, is there? Except live life to the fullest.

I must say it doesn't help when someone comes up and says, "Gee, you look bad." Back in January when the Senate opened for the new session, I had just had major surgery. Then I got the flu. I looked and felt pretty bad. But I came for the opening of the Senate because I was in the contest for Majority Leader.

Well, seems that day every camera in the United States was focused on me. The press kept running those pictures, and they stressed how drawn and haggard I looked. I said to one reporter, "Don't bury me prematurely. I'm apt to get right out of the coffin."

Anyone who has experienced what I have knows damn well how bad he looks. I got so tired of hearing people talk about it that Muriel and I went to the Virgin Islands to rest and relax. When I got back, looking better, I thought, "Take my picture now."

It helps in life to have a sense of humor. If not, you start taking yourself too seriously and lose perspective. While in the Virgin Islands, I liked to tell my friends, "What a wonderful place this is! They've got Greta Garbo down here who doesn't talk to anybody and Hubert Humphrey who'll talk to everybody."

I hope I can demonstrate for others that you don't have to throw in the towel when you have something like cancer. Be grateful for every day of life. Be buoyant with it and do the best you can with what you have.

My goodness, there are people who live their lives with physical defects—doing marvelous things. Ray Charles is blind and he's one of our great musicians. Look at Max Cleland who is a dynamic director of the Veterans Administration. He came from Vietnam minus two legs and a right arm. Franklin Roosevelt was crippled by polio and needed steel braces to stand; but the pain never showed on his face as he conveyed to the nation his message of confidence and moving "forward with a strong and active faith."

A month after my surgery, I went back to work. There's nothing worse for a person with something like cancer than to have nothing to do. If a person can't work, there are other things to do. It's important to be involved with people and activities.

My staff tells me I ought to cut down on my schedule. There are days when I wonder if I'm really making the best use of my time. But I enjoy being a Senator. When I'm in committee meetings, handling foreign affairs, economic and social problems, agriculture issues, I feel that I'm a part of the life of this country. I feel vital.

The day after I withdrew from the Majority Leader race last January, my colleagues made me "Deputy President Pro Tempore of the Senate." It provided me with such things as extra salary and a special office. But far more important, I would be included in the Senate leadership meetings at the White House. It showed that my colleagues recognized that I had given a lifetime of service to my party and that I still had more to give. They bestowed a great honor on me. They also gave me something more to live for.

I'm sure many people think my odds against cancer are not very good. But it's a race I'm in, and I can't get off the pony. I've got to ride it and hope that I'm going to win. How long should a person live? I don't know. What's more important is how you live and what you live for. As long as I have a breath of life I'm going to try to live actively and be a part of the daily life of my family and friends, my job, neighborhood, community and country. I'm not changing my life because I have had cancer. With the help of the good Lord, my wife and family, the love and affection of so many friends, the care of my doctors, and my own love of life, I expect to be around for quite a while.

CHANGE IN SECURITY EXCHANGE ACT

HON. ROBERT W. DANIEL, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, today I am introducing legislation to make a small but important change in the Securities Exchange Act of 1934. This legislation would delay for 2 years the effective date of a section of that law which prohibits stock brokerage firms which manage money from also effecting brokerage transactions for those managed accounts.

This prohibition was included in the Securities Acts Amendments of 1975. Much has happened since the passage of that legislation—most importantly, an end to fixed commission rates—and the prohibition contained in section 11(a) of the Securities Exchange Act may no longer be appropriate.

It seems prudent, then, to delay the effective date of the prohibition to allow additional experience with the changing market systems before determining whether section 11(a) should be amended, repealed, or allowed to take effect. My bill, therefore, simply changes the effective date of that prohibition from May 1, 1978, to May 1, 1980.

POWERLINE TRAGEDY SHOWS VALUE OF CPR TRAINING

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. FORD of Michigan. Mr. Speaker, we frequently discuss the need for more widespread training of safety officers in modern cardiopulmonary resuscitation, but rarely do we see, first hand, the value of such training.

During the August recess, I had the experience of seeing just how important such "CPR" training can be; how it can literally mean the difference between life and death.

On August 6, my constituents celebrated my birthday, as they have for the past 13 years, with a huge picnic in my honor. Some 6,000 persons were in attendance.

One of the highlights was a demonstration of cable-controlled model-airplanes flying over the park. Tragedy struck when one of the planes snagged on a power line. Within seconds, three men were lying on the ground—victims of electrical shock.

Stationed nearby, was a police officer, Cpl. Donald Woods, a member of the Taylor Police Department, whose members have all had CPR training.

Corporal Woods rushed to the scene, and immediately applied cardiopulmonary resuscitation to one of the victims, who was unconscious and had stopped breathing. The officer revived the man, and moved on to the other two stricken men, to whom he also applied CPR tactics.

Meanwhile, the first victim had again lapsed into unconsciousness, Corporal Woods rushed back, again restored him, and then ordered him sent to a hospital, where, tragically, he died a short time later. The other two victims, under Corporal Woods' skilled CPR work, recovered completely.

Mr. Speaker, I cannot too highly praise Corporal Woods, and the Taylor Police Department, headed by Chief Raymond Quiel, who had the foresight to insist on CPR training for his entire department.

Too often, Mr. Speaker, we take for granted the knowledge and training of our dedicated public safety officers.

I am pleased to bring this story to the attention of our colleagues, and to publicly thank Cpl. Donald Woods. It was a tragedy which might have been much worse but for his quick and skillful use of his CPR training.

1977 LEGISLATIVE QUESTIONNAIRE RESULTS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. UDALL. Mr. Speaker, I would like to take this opportunity to place in the RECORD the results of my 1977 legislative questionnaire.

Nearly 18,000 constituents from the Second Congressional District of Arizona took the time to respond and many included their own well-thought-out and informative comments.

I am pleased and flattered that my constituents care enough about the issues of the day to inform their Congressman of their views.

The questionnaire results follow:

1977 LEGISLATIVE QUESTIONNAIRE

Below are several questions followed by a series of statements. For each question, please check the blank space following the statement which most nearly expresses your opinion. You'll notice that I have provided three answer spaces beside each statement so that three members of your household may respond to this survey. If none of the statements expresses your view, please feel free to write me separately.

1. In 1972, Congress approved a proposed constitutional amendment (the Equal Rights Amendment—ERA) that says, "Equality of rights under the law shall not be denied or abridged by the United States or by any state on account of sex." To date, 35 state legislatures have ratified the amendment. Three more states must approve it before it can become part of the Constitution. I feel that:

a. The ERA should become part of the Constitution, 54 percent.

b. The ERA should not become part of the Constitution, 40 percent.

c. Other or undecided, 6 percent.

2. The Supreme Court has ruled that abortion in the first six months of pregnancy is a private decision for the woman and her doctor. My opinion on this is:

a. Abortion is morally wrong, and should be prohibited in all but life-or-death cases, 28 percent.

b. I agree with the Court that abortion is a private matter, to be decided by the woman and her doctor, 69 percent.

c. Other or undecided, 3 percent.

3. In most places, simple possession of marijuana is a serious crime, punishable by jail terms or heavy fines. My view is that:

a. Marijuana is a dangerous drug whose use should be controlled, and so I favor keeping the criminal penalties as they are, 38 percent.

b. No harmful effects have been shown from marijuana use. I feel it should be "decriminalized"—possession of small amounts for personal use should be treated as a minor

civil offense similar to a traffic violation, 51 percent.

c. Other or undecided, 11 percent.

4. Large oil and gas companies own wells, refineries, and gas stations. Recently they have been expanding their operations into other fuels such as uranium and coal.

a. I feel that if oil companies are allowed to buy up coal and mineral reserves, we will see the same price fixing and excessive profit-making we now have with oil. They should not be allowed to expand in this way, 56 percent.

b. Oil companies have the capital and expertise our country needs to develop alternate sources. They should be permitted to expand into any of the other energy sources, 34 percent.

c. Other or undecided, 10 percent.

5. President Carter has proposed that we place a "gas guzzler" tax on cars that get poor mileage and then rebate that money to buyers of cars with good gas mileage. I feel that:

a. This is a good way to encourage energy conservation because it does not force anyone to do what they don't want, but instead provides a strong incentive to buy cars which save gas, 31 percent.

b. I don't think this would be effective because people who can afford to buy and drive "gas guzzlers" can also afford to pay the extra tax. We should instead limit the number of cars getting low gas mileage which auto manufacturers may produce, 53 percent.

c. Other or undecided, 16 percent.

6. The Central Arizona Project (CAP) is a $1.6 billion proposal to bring Colorado River water to the Phoenix and Tucson areas, with 80 percent of the costs to be repaid through water rates and property taxes. Congress has spent $390 million so far, and 20 percent of the Project has been built. My feeling is:

a. CAP should be completed, 61 percent.

b. CAP is an expensive mistake and should be terminated, 23 percent.

c. Other or undecided, 16 percent.

7. Nuclear energy now generates about 10 percent of all U.S. electricity. More plants are being proposed and built, and some people are opposed to these additional plants.

a. I feel that there are serious problems of cost, energy, safety, and reliability of nuclear plants, and problems with the disposal of long-lived radioactive wastes. We should stop building new plants and phase out existing ones, 17 percent.

b. We have had nuclear plants for 15 years with no major accidents. They are reasonably safe and cleaner than coal. I feel we should build more or the economy will suffer, 41 percent.

c. I feel we need to "go slow" on building more nuclear plants until we find ways to ensure safety at existing plants, even if this adds to the cost of new plants, 38 percent.

d. Other or undecided, 4 percent.

8. This year's defense budget is $112 billion and represents about 25 percent of our total Federal spending. I feel that:

a. We are wasting money which could be better spent improving the welfare, health, and education level of our people. We could cut defense spending by $5 to $10 billion and still have a strong defense, 37 percent.

b. The U.S. is presently keeping up with the Soviet arms buildup, and for our continued security we need to keep the defense budget at its current level, 29 percent.

c. We are underestimating the defense needs of the U.S. in the face of a major arms buildup by the Soviet Union, and we need to spend more, 27 percent.

d. Other or undecided, 7 percent.

9. In 1976, much of the cost of electing a President was paid for by a new system financed by people who "checked off" $1 on their income tax returns for this purpose. Some say that this is a good system which worked well and it should also be used to pay part of the cost of elections for the House or Senate. I think that:

a. Public financing promotes honest elections and diminishes the role of special interest groups. I think it should be extended to Congressional general elections, 59 percent.

b. People should not be asked to finance private political campaigns with public money, 31 percent.

c. Other or undecided, 10 percent.

10. Currently, our government regulates prices on domestic oil and gas. Because of this regulation, domestic oil and gas prices have risen less steeply in the past several years than has the price of foreign oil. There is lively debate in Congress this year over whether oil and gas price controls should be removed. I believe:

a. We should "deregulate" and do away with all these controls so that oil companies will have increased earnings to develop vital energy resources, 23 percent.

b. Because the large oil companies form a monopoly, there really is no free market in petroleum products. We need to protect consumers by regulating oil and gas prices. Prices have already risen more than fourfold in recent years, providing plenty of incentive as well as profits, 70 percent.

c. Other or undecided, 7 percent.

THE LIGHT WATER BREEDER REACTOR: A NAVAL REACTOR MEANS CIVILIAN ENERGY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. TEAGUE. Mr. Speaker, on Friday, September 2, the Science and Technology Committee was informed that a small prototype reactor with a thorium breeding blanket became operational for the first time in Shippingport, Pa. Without fanfare, the operation of the first light water breeder reactor marks another milestone in the Naval Reactor Development program of the Energy Research and Development Administration. More than 20 years ago, this program was responsible for the timely development of the type of light water reactor which is the foundation of our current nuclear power industry.

Today, when it has become critical to conserve our nuclear fuel resources, this program has advanced nuclear power generation in the civilian sector by providing a reactor that is a much more efficient user of nuclear fuel. Though it is not a true breeder—it does not produce more fuel than it uses—it may open up the world's thorium reserves as a source of nuclear fuel.

It is, of course, only a first tentative step—no steam has been generated, no electrical power has been put on the local grid. The most important lesson to be learned from the operation of the light water breeder is the continuing creativity of ERDA's Naval Reactor Development program for civilian applications.

The program is a paramount example of the positive interaction between civilian and military programs in the ERDA. This result is possible because the program has always had a unified management in ERDA with the civilian applications closely tied to the development of naval reactors. Within Congress, the program has historically been seen as a research and development effort. This means that most of the work is, in large part, independent of its applications. To split the effort, either in ERDA or in Congress, would be to destroy the very synergism and creativity which has made it so successful. Admiral Rickover and his staff and the many devoted workers are to be commended for their continued outstanding work.

AMERICAN BAR ASSOCIATION AND GRAND JURIES

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. CLAY. Mr. Speaker, I wish to call to the attention of my colleagues the most recent position the American Bar Association has adopted on the grand jury system.

The Washington Post editorial was published a month—August 10, 1977—after my own appraisal of the system appeared in the Boston Globe—July 11, 1977. I find it amazing how much in agreement I am with this organization. It is even more amazing how much in agreement they are with me.

The articles follow:

[From the Boston Globe, July 11, 1977]

GRAND JURIES: IT'S TIME TO REFORM OR ABOLISH THEM

(By William Clay)

If grand juries are not abolished, they ought to be altered to curtail the prosecutorial abuses inherent in the present system. The original intent of the grand jury was to protect the innocent who had been accused falsely. It supposedly was conceived as a group of peers deliberating in secrecy to determine if sufficient evidence existed to bring criminal charges against a neighbor.

The idea was transported to this country from England and developed as an intricate and prudent body of law to balance the interest of individual freedom with the interest of the state in protecting society against criminals.

However, in recent years grand juries have been composed almost exclusively of society's elite. The interest of the individual has been totally disregarded as prosecutors use the juries as a personal tool to harass, intimidate and frame those who espouse radical causes or differing political opinions.

Citizens who are targets of grand jury investigations, or more precisely the targets of prosecutors, are denied "due process" of law and most assuredly are not guaranteed the secrecy of the proceedings. In fact, most prosecutors have arrangements with the media to leak derogatory, unsubstantiated testimony to discredit and destroy the accused. In addition, the accused is not permitted legal counsel while appearing before the grand jury, not afforded the basic right to be confronted by his accusers nor is he allowed to cross-examine.

The argument that the proceedings are not adversary is groundless. In this age of "Kojak", investigative reporters hell bent on over-dramatizing, over-exploiting, over-sensationalizing every accusation of crime, a grand jury indictment becomes synonomous with guilt. In my opinion, the present system constitutes a blatant disregard of rights of the individual. Most grand jurors are pawns in the hands of many unscrupulous

prosecutors who select what evidence will be considered, which witnesses will be called to testify, who will be granted immunity and which charges will be leveled.

Most indictments are written by the prosecutor independent of consultation with the jurors and then automatically signed by them. In effect, grand juries are no more than rubber stamps placing the onus of guilt on the accused.

There is a real need for the Congress to either reform the system drastically or abolish it. If evidence exists that indicates a person committed a crime, why not take that evidence before the court in a preliminary hearing and give the accused the right to cross-examine?

Why go through the sham, the charade of pretending to be judged by an impartial panel of one's peers? The only justification I see for the continued use of a grand jury would be in the most extreme cases dealing with fraud and other complex white-collar crimes where extensive documents and bookkeeping, suspects, witnesses and lawyers make public presentations difficult and cumbersome; crimes alleged to have been committed by public officials or policemen; and cases where the protection of witnesses is essential or where some suspects are still at large.

[From the Washington Post, Aug. 11, 1977]

HOW TO MAKE GRAND JURIES WORK

Legislation pending in Congress to change the rules under which federal grand juries operate got a helping hand Wednesday when the American Bar Association approved a set of principles for grand-jury reform. Chief among them is a recommendation that a witness be allowed to have a lawyer present when being questioned in the grand-jury room. This recommendation, if accepted by Congress—and we hope it will be—should go a long way toward eliminating the abuses by prosecutors that have made the grand-jury system suspect. In doing so, it may save the grand jury from extinction.

Originally created in England as a mechanism for protecting citizens against an overbearing government, the grand jury has been used instead by many prosecutors as an instrument for harassing witnesses and browbeating defendants before they are indicted. The Nixon administration was especially skillful at using grand juries for political rather than law-enforcement purposes.

While the Department of Justice has recognized the need for new rules to end such abuses, it is not prepared to go as far as the Bar Association in fundamental reform. Attorney General Griffin Bell, in fact, argued before the lawyers against giving witnesses the right to have a lawyer with them—at present, witnesses' lawyers are required to wait outside the grand-jury room. His fear, and that of many prosecutors, is that grand-jury proceedings will come to resemble those of a trial, thus making the task of law-enforcement officials even more formidable than it is now. We think such fear is exaggerated. But even if it were not, this basic change in the law would be needed to preserve the grand jury's intended function.

Grand juries have been much criticized in the past few decades. They were abolished in England in 1933 and have been eliminated in several states. Their life expectancy in the remaining states and in the federal system was not considered great a few years ago because of the ways in which the juries had been abused. But that has changed. The Watergate affair provided a striking example of their usefulness in investigating and bringing indictments in situations where no other technique could have enjoyed public confidence. They are worth saving—but only if they are restored to the function intended by the Bill of Rights. The best way to do that would be for Congress to pass legislation along the lines suggested this week by the nation's lawyers.

PANAMA'S STORMY PAST

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. WHALEN. Mr. Speaker, two of the United States' most capable diplomats, Ambassadors Ellsworth Bunker and Sol Linowitz, have concluded negotiations with representatives of the Republic of Panama resulting in long-overdue agreements designed to replace the Hay-Bunau-Varilla Treaty of 1903.

Last evening heads of state and Cabinet Ministers from 23 other Western Hemisphere nations gathered at the Organization of American States to witness the signing of new treaties and, by their presence, to testify to their concurrence with and approval of the contents of these documents.

Within our own country at this time, however, there is little knowledge of the specific terms of the new accords, or of their implications for the future. Between now and the new year when the Senate will consider ratification of these documents, a truly informative and soul-searching debate will be in order.

This highly volatile issue, already the subject of much rhetoric and hair-pulling, may be the most important single issue to confront this Congress. The crucial impact of our decisions on future hemispheric relations cannot be overstated.

Yesterday's Washington Post carried a brief and objective article by Don Oberdorfer relating the history of our involvement in Panama. Members who are already committed to either side of the debate, as well as those who have not taken a firm stand, will find the following article helpful and informative:

A CANAL CHRONICLE—"HIGHWAY OF CIVILIZATION" HAS HAD A STORMY PAST

(By Don Oberdorfer)

The Panama Canal treaties to be signed tonight are the product of 13 years of U.S. Panamanian negotiations and 74 years of history.

For large numbers of Americans, the transfer of the canal to Panama is a puzzling "giveaway" of a major U.S. asset created by Yankee ingenuity, sweat and dollars.

But for Panamanians and many other Latin Americans, the new canal treaties are the long-delayed redress of a historic wrong and the end to an era of Yankee colonial domination.

"We bought it, we paid for it, we built it," declared former California Gov. Ronald Reagan in campaign oratory last year against the "giveaway" of the canal.

The historians say Reagan understated the case in one crucial respect: in order to arrange for the construction of the canal by the United States and its operation forever under favorable conditions, President Theodore Roosevelt virtually created the country of Panama in 1903 as a compliant negotiating partner.

Late in the 19th century a French company went broke trying to dig a canal between the Atlantic and Pacific oceans across the steamy jungle of Panama, which was then an obscure province of Colombia. About the turn of the century Roosevelt became interested in the project and pressed Colombia to sign a treaty allowing the United States to dig and operate a canal.

Colombia refused, but Roosevelt would not take no for an answer. Arguing that Colombian "jackrabbits" should not be permitted to bar "one of the future highways of civilization," Roosevelt encouraged the province to secede from Colombia and sent a U.S. gunboat and troops to make sure the "rebellion" succeeded.

On Nov. 18, 1903, two weeks after the secession, Washington signed a treaty with the infant "Republic of Panama" providing U.S. rights in perpetuity over a 10-mile zone bisecting the country as the site of the future canal. "I took the Canal Zone," Roosevelt later boasted. Secretary of State John Hay, who signed the treaty for the United States, called it "vastly advantageous to the United States and, we must confess, not so advantageous to Panama."

The clouded origin of the 1903 treaty and Canal Zone was little known to Americans, but the engineering and construction feat that followed stirred public pride. Costing $387 million and the lives of 32,000 people—who died of malaria, yellow fever, other diseases and accidents—the building of the canal was a historic achievement.

"It was the moon shot of the day," former Canal Zone Gov. David S. Parker said recently.

Since the grand opening of the canal on Aug. 15, 1914, the 51-mile-long waterway has won a place in world commerce and military strategy. During World War II, 24 million tons of military supplies passed through, saving 8,000 miles and about 30 days over the Cape Horn route around South America. During the Vietnam war, about 70 per cent of the cargo for the war zone passed through the canal.

Today the largest U.S. aircraft carriers and supertankers are too big to navigate the canal, and its economic importance is declining. Only about 4 per cent of U.S. coast-to-coast trade uses the canal, less than half the proportion of a decade ago. The canal is considered by U.S. authorities to be militarily and economically important but not as vital as in the past.

Half a century after its creation, the Republic of Panama increasingly was imbued in the 1950s and 1960s with the nationalistic spirit that swept the rest of the "Third World." To this country of 1.7 million people and 29,200 square miles—almost the size of Maine—the U.S. operation of the canal and the Canal Zone under the 1903 treaty was a vestige of colonialism and a national indignity.

In 1964, mounting tensions erupted into riots over the issue of the flying of the Panamanian flag in the Canal Zone. Four Americans and 20 Panamanians were killed and 80 other people injured. Panama broke diplomatic relations with the United States and took its case to the United Nations and the Organization of American States.

President Johnson, after consulting former Presidents Eisenhower and Truman in a bid for bipartisan support, agreed to renegotiate the 1903 treaty. Three draft treaties were agreed upon in 1967, but no action was taken toward ratification in either country due to their controversial nature.

The Panamanian government formally rejected the drafts in 1970 after Gen. Omar Torrijos took power in a bloodless coup with the canal as his major issue.

Talks resumed in 1971 but gained momentum only after the United States vetoed a U.N. Security Council resolution supporting Panama in 1973.

In 1974, Secretary of State Henry A. Kissinger signed a "statement of understanding" for the Nixon administration, agreeing to principles for a new treaty of limited duration.

President Ford continued the negotiations but, faced with a right-wing challenge in the Republican Party and a tough race last year for election, he did not push for an early conclusion.

During the presidential campaign Jimmy Carter took a cautious position, favoring a treaty but saying he would not give up "practical control" of the canal.

After the election, Carter called the issue a "festering problem" for the United States in Latin America and instructed his negotiators to push full speed ahead to a new arrangement by June, 1977, if possible.

PHILADELPHIA TO SPEND $1.5 MILLION BUILDING SEVEN SENIOR CITIZENS' FACILITIES

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. EILBERG. Mr. Speaker, the city of Philadelphia—the "City of Brotherly Love"—is also the city with an abiding concern for its senior citizens. These are the people whose hands helped build America, and Philadelphia is continuing its efforts to provide the good life for them in their retirement years.

Mayor Frank L. Rizzo has just announced that the department of recreation will construct seven senior citizens' facilities at its centers around the city, at a total cost of $1.5 million.

Contracts totaling $142,400 have already been awarded for the first of these centers at the East Germantown Recreation Center, Chelten Avenue and Ardleigh Street.

Other facilities exclusively for the goldenagers are slated for the Lower Mayfair plaground, Battersby and Robbins; Mann Recreation Center, 5th Street and Allegheny Avenue; Ziehler playground, B Street and Olney Avenue; Conshohocken and Windemere playground, King Recreation Center, 22d Street and Columbia Avenue and the playground at Bustleton and Solly Avenues. Contracts will be awarded in the future for these facilities.

"I have been concerned about the problems of our older citizens for a long time, and I am most gratified that we have been able to arrange for these facilities," Mayor Rizzo said.

The money for the construction originates from a special citizens section of the community development program.

The initial building at East Germantown will be a one-story brick structure containing a 1,000 square foot all-purpose room, a kitchenette, an arts and crafts room, a director's office and a utility room. All activities in the building will be designed for senior citizens.

Mayor Rizzo also announced that $100,000 in contracts has been awarded under the senior citizens' program for the construction of a new bocce facility at Vine and Daggett Streets.

The court will be built on the stricken Daggett Street which is adjacent to the Granahan playground (65th and Callowhill Streets) and Cobbs Creek Parkway. There is a large following of the sport of bocce in the area.

CHINA—CAPTIVE NATION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. DERWINSKI. Mr. Speaker, Captive Nations Week is celebrated with special spirit in the Republic of China, as the citizens there are ever mindful of their counterparts on the Chinese mainland who suffer so horrendously under a dictatorial regime.

On July 22, in Taipei, a rally was held in observance of Captive Nations Week. One of the featured speakers was our own distinguished colleague, Congressman WILLIAM L. DICKINSON of Alabama. His was a most significant address which I wish to insert into the RECORD at this point, as I consider it a statesmanlike expression of the views on this subject held by a vast majority of Americans:

CAPTIVE NATIONS WEEK

(By William L. Dickinson)

President Yen (Chia-Kan), Mr. Chairman, distinguished guests, Ladies and Gentlemen: It is indeed a privilege for me to be here today representing the great majority of the American people who stand as firm friends of the free peoples and nations represented in the membership of the World Anti-Communist League. Yours is an organization of which true democratic peoples have great admiration. You are now in your tenth annual convention and the free world owes you for the valiant battle you have been waging on behalf of freedom during these past ten years and to the organization which preceded you, The Asian Peoples Anti-Communist League, which was founded in 1954.

This week marks the 18th anniversary of Captive Nations Week. In 1959, the U.S. Congress passed the Captive Nation's Week resolution which President Dwight D. Eisenhower signed into U.S. law. The historic resolution continues to focus American moral and political attention and concern on the world's captive nations and peoples who are under communist domination. We continue in our determination to assist in every peaceful way their eventual freedom and independence. This resolution is still in force. Its strength lies in the fact that despite the so-called era of détente, the majority of the free peoples of the world continue to maintain their concern about captive peoples. Today as we meet here well over a billion human beings live under these dreadful conditions.

Many in my country urge that we "coexist" and cooperate with tyranny, but I am not one of them. That great American, Abraham Lincoln, once observed that no nation can endure half-slave and half-free, that liberty and tyranny are incompatible. The same axiom can be applied to the world at large. Freedom and slavery are in perpetual conflict and, in the end, one or the other must triumph. The leaders of the Free World must recognize that there can be no peace with oppression. The only real choices are victory or surrender. For this reason. I am not interested in "detente" or "coexistence" with Communism. I am interested in victory over communism. Only through victory can genuine peace ever be achieved.

Your theme this year is: Anti-Communism for Freedom and Human Rights! Today we hear a lot being said about human rights in certain quarters. However, I don't believe enough is being said about the human rights of those peoples living under communist domination. Indeed, persecution and the denial of fundamental human rights continues unabated behind the iron and bamboo curtains. We see an intensified clampdown on dissenters in the Soviet Union and Eastern Europe.

Word continues to leak out about inhumane treatment and imprisonment of human beings who simply desire to do personal things like worship God—having nothing to do with politics. It is clear to me, in spite of pledges to the contrary made by the Soviet and Eastern European Communists, two years ago during the Conference on Security and Cooperation in Europe, no acual human rights improvements have been realized in that area of the world. All we have seen this year, as the same 35 nations convened again, are public-relations-type demonstrations and statements from behind the iron curtain about improved human rights, new constitutions and the like—but nothing of substance has been accomplished for real human rights.

Because we are honored this week to be the guest of the Chinese people, in the Republic of China, Free China, I would simply like to close my brief remarks by paying what I believe to be just tribute to the brave and tenacious people of the Republic. You are a bright, happy, creative people—ever improving the quality of life. You have been on the firing line for Freedom in Asia for over 50 years. While you grieve about your brothers and sisters on the mainland who exist without freedom, you have continued to shine brightly as a beacon of liberty—to provide them with hope that some day the entire great Chinese peoples will again live together in freedom.

I contrast what I see here with what I saw when I was in Communist China in April of last year. I was saddened by what I saw. They are a colorless, drab society, mirthless—without joy—regimented from birth. I was saddened when I heard a propagandized child say, "I was happy when I woke up this morning because last night I dreamed of Chairman Mao." An example of the yearning for Liberty by people on the mainland, was the occasion just two weeks ago of a pilot of the Chinese Communist Air Force miraculously escaping that Communist dictatorship. Why did he say he escaped? Because he could no longer live without freedom.

What did he escape to? What did he escape from? Although starting at a point of equal devastation with the Communists in 1949 the democratic Republic of China (ROC) has far outdistanced Communist China in every measurable field of comparable endeavor. We all know the Republic of China has enjoyed substantial growth and now has one of the highest standards of living in Asia. The per capita income in the Republic is approximately three times that of Communist China. This progress is a characteristic of freedom. You have a wonderful, thriving, progressive society.

Two hundred and one years ago the founders of my country declared that "All men are created equal." By this they meant that all men everywhere are equal in their natural yearning for liberty. It is in the very nature of man to be free. They believed, as I do, that some day every man on this planet will be free. Yet believing in this alone will not bring it about. Freedom is not free. Mankind must fight to win it and must always be prepared to fight to defend it. The founders of my country were tired of the yoke of tyranny and took it upon themselves to throw it off. These were men who were determined to change the course of their destinies and, against tremendous odds, would

settle for nothing less than total victory. If it could be done in America, then it can be done anywhere in the world. And I tell you—the majority of the American people stand with you in your hope that one day we will see freedom throughout all China.

In closing, I want to emphasize, that until all captive peoples and nations achieve their objectives of liberty we must not mute our concern, support, and solidarity with their unfulfilled aspirations. As free men and women, we must continue to work for the freedom for others that we have for ourselves. We cannot—indeed no free men or society can—rest until all men possess the same cherished existence. Thank you for allowing me to be a part of this wonderful activity.

SECOND LOOK AT SACCHARIN URGED BY CANADIAN PAPER

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. DEVINE. Mr. Speaker, a controversial public health debate was precipitated in March of this year when Canadian Health Minister Marc Lalonde announced a ban on saccharin, based on animal tests purporting to show a potential risk of cancer. The U.S. Food and Drug Administration, acting upon the findings of the Canadian agency, subsequently announced a proposed ban on the artificial sweetener on March 9, 1977, thereby touching off a dispute within our borders which continues to split the scientific community and which has produced a shocked and angry reaction from many Americans, particularly diabetics and those with weight control problems. They believe that saccharin has been safely used by the public for more than 80 years and that, as the only noncaloric sweetener permitted on the U.S. market, saccharin has positive beneficial effects which outweigh any theoretical potential risk. As a result of this debate, legislation is now pending in the House—of which I am cosponsor—which would delay for 18 months any proposed ban by the FDA and which would permit further scientific review by the National Institutes of Health.

It is, therefore, quite significant that one of the leading newspapers of Canada, the Toronto Star, has recently urged the Canadian Health Minister to bring back saccharin and in an editorial dated September 1, has accused Canadian health officials of failing to "look before you leap" in their attempt to eliminate a "remote and theoretical" risk.

Mr. Speaker, when one of the leading newspapers of Canada calls for reversal of the saccharin decision, I believe that we in the United States have stronger reason to believe that the Canadian precedent is not one which we should blindly emulate. For that reason, together with my colleague, the Honorable DAVID E. SATTERFIELD, III of Virginia, we have scheduled a saccharin briefing for Members and their staffs, from 3 to 5 p.m., September 15, in room 2125, Rayburn House Office Building, at which a number of scientists who have been reviewing the Canadian test data as well as other studies can assist us in placing in perspective the public consequences of a U.S. saccharin ban. We will hear new scientific evidence on saccharin from Dr. Philip Cole, Harvard School of Public Health, who will review the Howe/Miller Canadian epidemiological study; a paper authored by Sir Richard Doll of Oxford University, England, will be provided; new American epidemiological information will be presented by Dr. Irving Kessler of Johns Hopkins University and R. Ernest Wynder, founder and president of the American Health Foundation, and Dr. Neal S. Bricker, director of Institute of Kidney Diseases of the University of Miami, will present new animal research data. I am sure my colleagues will find this briefing by prominent scientists both up-to-date and information:

OTTAWA SHOULD BRING BACK SACCHARIN

"Look before you leap" is a proverb which Health Minister Marc Lalonde should take to heart. His ban last March on the artificial sweetener, saccharin, on the ground that it was a possible cancer hazard, now threatens to create a new and much more serious health danger.

The banning of saccharin was not due to any medical evidence that the substance causes cancer in human beings: no human case of cancer has ever been traced to it. The decision was based on a laboratory experiment in which rats were fed enormous doses of saccharin, after which some of them developed bladder cancer.

The ban was sharply criticized at the time. Scientists pointed out that to get as much saccharin as was given the rats, a human being would have to drink 500 cans of diet pop a day. It was also noted that similar experiments conducted on monkeys—which are much closer to human beings in their anatomy and physiology than rats—showed no ill-effects from the use of saccharin.

But the federal health officials were adamant and imposed a staged ban to eliminate saccharin from food and drink by the end of the year.

This decree is having consequences which the Ottawa mandarins apparently did not foresee. Saccharin has been used largely in low-calorie foods and soft drinks for diabetics, weight-watchers and others on special diets with a minimum of sugar.

Now the replacement many manufacturers are looking at, fructose, is apparently similar to ordinary sugar in the way it affects diabetics and others with health problems. The danger is they could end up using low-calorie products without realizing that they are, in fact, getting more than their safe intake of sugar.

Health officials are now scurrying about trying to devise protective measures. It has apparently only just begun to dawn on them that they may have created a real and immediate health hazard in their efforts to eliminate what may be a remote and theoretical one.

Bring back the saccharin.

TO HONOR BERTHA MODRZYNSKI

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Ms. OAKAR. Mr. Speaker, I would like to call the attention of my colleagues to the accomplishments of one of my constituents, Mrs. Bertha Modrzynski, who has been recognized as an outstanding leader in the Polish community in Cleveland. She is being honored by the Polish Falcons of America, Saturday, September 10, for her many accomplishments.

She has received a number of awards from the Polish community and has been active in promoting growth and understanding of the Polish tradition in the Greater Cleveland area.

In addition to her activities in the Polish community, Mrs. Modrzynski has found time to serve as a member of the Cuyahoga County Democratic Central Committee, and as a member of the Federated Democratic Women of Ohio.

I want to congratulate Bertha Modrzynski, wife, mother, grandmother, community leader, political activist. She is living proof that a woman can have a place in the home and in the world, and be a success in both.

RATIFICATION OF THE PANAMA CANAL TREATY

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. STUMP. Mr. Speaker, with the signing of the Panama Canal Treaty, it is now the duty of the Senate to ratify it. However, separate questions should be addressed by the House in the treaty's ratification process—that of disposing of the U.S. property and expenditures of public money. For the following reasons, I have cosponsored a House resolution which would allow the House of Representatives to represent the views of our constituents by voting yes or no on the ratification of the treaty. The 1903 Haybunau-Barilla treaty provides:

> The Republic of Panama grants to the United States all the rights, power and authority with the zone * * * which the United States would possess and exercise if it were the sovereign of the territory * * * to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority.

In 1906, the U.S. Supreme Court found that as a result of the treaty the Canal Zone was U.S. territory. The U.S. Constitution specifically states that Congress has the power to dispose of all property belonging to the United States.

The Constitution also gives Congress authority over expenditure of public money. Huge amounts of money are involved in this treaty deal, but the administration is also attempting to carry out the financial end through back door loans and grants to Panama without the consent of the House.

One question is whether the $600 million Panama Canal Operations Fund currently on deposit with the U.S. Treasury goes to Panama as part of the financial package over which Congress is being denied its constitutional voice. This country has an investment of $6.15 billion in the Panama Canal. Payments to Panama to take the canal are $1.89 billion. If Panama wants the canal, they should be buying it from the United States and not being paid to take it.

Not all of the questions are financial. Even now, Alaskan oil which is needed desperately all over the country is being transported through the Panama Canal. The security of that oil is vital to the future of this country. The question of oil alone shows the potential effect of the canal on national security.

Before the American people allow the canal to be given away, they want to know that the Government of Panama is stable and responsible enough to run the canal. Without the stability, rights under the proposed treaty would be meaningless.

Those who are trying blackmail to obtain acceptance of this treaty by threats of guerrilla war have chosen the worst possible way to persuade Congress and the American public. If the treaty cannot stand on its own merit, we must stand up for our rights or this country will have no international credibility.

Until these and many other questions are answered I shall oppose the treaty and fight for a vote in the House of Representatives.

BOUNDARY WATERS CANOE AREA

HON. MICHAEL T. BLOUIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. BLOUIN. Mr. Speaker, I would like to present my testimony concerning the Boundary Waters Canoe Area proposals given August 4, 1977 before the House Subcommittee on National Parks and Insular Affairs:

Mr. Chairman, and members of the subcommittee—let me say first of all that I appreciate the opportunity to testify before this subcommittee this morning and I am honored to follow in the footsteps of my distinguished colleagues, Mr. Fraser, Mr. Vento and Mr. Oberstar, all of whom have illustrated a concern and an interest in the preservation of natural resources which I think is exceptional and commendable. I, for one, appreciate their concern and their leadership and I want to state that for the record.

Mr. Chairman, I am particularly grateful for the opportunity to discuss briefly with the subcommittee the preservation and conservation of one of the nation's precious natural resources: The Boundary Waters Canoe Area.

Over 60 years ago, President Theodore Roosevelt—writing in an issue of Outlook magazine—drew a parallel which is no less dramatic . . . and certainly no less correct . . . today than it was then, in 1913. "The civilized people of today," he wrote, "look back with horror at their medieval ancestors who wantonly destroyed great works of art . . . or sat slothfully by, while they were destroyed. We regard attic temples and roman triumphal arches and gothic cathedrals as of priceless value . . . but we are, as a whole, still in that low state of civilization where we do not understand that it is also vandalism to wantonly destroy or to permit the destruction of what is beautiful in nature—

Whether it be a cliff, a forest or a species of mammal or bird."

Today, some 63 years later . . . and thanks in no small measure to people like Teddy Roosevelt and those who followed in his footsteps . . . we have made some obvious progress in terms of environmental programs—and in terms, too, of the public awareness of the value and the necessity for such programs.

President Carter, in his environmental message to Congress last May, recognized the overwhelming importance of a meaningful environmental protection and conservation program. "Americans long thought that nature could take care of itself," the President said, "or that, if it did not, the consequences were someone else's problem. As we know now, that assumption was wrong."

In a section on wilderness areas and wildlife, the President wrote: "In its land and its history, a nation finds the things which give it continuity. By preserving places that have special natural value, we can ensure that our children and grandchildren have a chance to know something of the America that we and our ancestors simply took for granted."

I know the subcommittee is familiar with the boundary waters issue. It represents perhaps a classic confrontation between conservationists and commercial interests, it poses questions which reach far beyond the immediate issue—

Questions which speak to some very basic decisions about this nation's commitment to wildlife and wilderness preservation.

We're talking about over one million acres—some of it marred by man-made scars, but much of it as pristine and virgin as it was a thousand years ago . . . a place of incredible beauty, natural variety and ecological stability . . . wilderness one-third larger than the combined total of wilderness areas this side of the Rockies.

We're talking about an area where the pine trees are over three centuries old . . . where the rugged terrain and jutting cliffs have been left virtually unchanged since the glaciers melted some 14,000 years ago . . . an area dotted by some 1,000 lakes and 1,200 miles of canoe routes . . . the nation's largest and relatively complete example of a northern conifer forest—a place which has been called, and accurately, a living biological laboratory.

I think those of us who have had the experience of being out alone on a river early in the morning, when the sun is just starting to peek over the tree tops. . . or have been camping with just a few other people in a secluded woods or on a quiet river island appreciate what we're talking about . . . that kind of undescribable communion with nature which man feels when he's left alone in the wilderness. It's that kind of experience . . . that kind of opportunity . . . that we want to preserve . . . that we should be anxious to protect.

As you are well aware, the legislation introduced by Congressman Fraser in 1976 and again this year would preserve the entire boundary waters area. It totally outlaws lodging, motorized carriers or mining within the area.

I want you to know that I strongly endorse Mr. Fraser's approach and I urge the subcommittee to approve the Fraser bill. I think it represents nothing less than the least we can do to insure the preservation and survival of a unique natural resource—one which belongs not so much to the commercial interests which border the area, but to the American people. It is truly a national asset as well as a natural resource.

The subcommittee has on file petitions signed by over 10,000 Iowans urging its support for the Fraser bill. That, I think, dramatizes how strongly my fellow Iowans feel about preserving the boundary waters area.

Naturally, we have something of a vested interest in the area . . . Last year, over 6,500 Iowans registered as visitors to the boundary waters wilderness, a number second only to visitors from Wisconsin and Illinois among the estimated 83,000 out-of-State residents who visited the boundary waters area in 1976. That figure is hardly surprising when you realize that the closest wilderness area for most Iowans, besides the boundary waters, lies as far east as the Appalachians and as far west as the Rockies—and none can match the size, variety or sheer beauty of the boundary waters area.

But at the same time I am constantly impressed with the number of people who are absolutely committed to the preservation of the boundary waters area, even though there is very little likelihood that they will ever have an opportunity to visit the area in person. They recognize it for the natural resource it really is. They are people who believe that we simply cannot compromise on preserving the nation's largest eastern wilderness area and our only lakeland wilderness.

I am reminded of something I read recently in a booklet published by an organization called friends of the boundary waters wilderness. The very closing paragraph, I think, summarized the issue well when it said: "There will always be those who would turn the last stands of virgin timber in the boundary waters into magazines and waste paper . . . who would trade its cold, clear waters for cold, clean cash. There will never be a law so perfect and immutable that the boundary waters can be considered "saved" forever. But good protective laws and informed citizens can do the job."

The Fraser bill is that kind of law. We need that kind of law, and I am hopeful that this subcommittee in its wisdom will see fit to pass favorably on legislation that includes the major provisions of Mr. Fraser's bill.

NO BONDED DEBT FOR YOLO—THANKS ERV MEIER

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. LEGGETT. Mr. Speaker, one of the lessons we all learned early in our careers in Congress is that no Federal program, however well designed and funded, will be effective unless a talented and committed administrator makes the program work on a daily basis. The same is true for our local units of government.

For the past 16 years, the citizens of Yolo County have benefited from competent administration of their county government under the leadership of county executive Ervin Meier. Erv was selected in 1961 as Yolo County's first county executive and has served admirably in that post ever since. He will retire on September 15 and it is appropriate that we pause for a few moments to salute Erv Meier's long record of outstanding public service.

Erv Meier is a man with an extensive record of accomplishments dating back to service with the War Labor Board. Later, as a private consultant, Erv helped reorganize government programs in the city of Los Angeles, the State of Washington, and the Republic of El Salvador, among others. He made a number of significant contributions in the State of California as the administrator of the Weimar Medical Center, and as executive secretary of the Joint Transportation

Committee of the California State Legislature. In each of these positions he demonstrated a tenacity and understanding of the subject matter that impressed his professional colleagues.

Erv's tenure as county executive in Yolo County has been equally productive. A new jail was constructed. The county courthouse was remodeled and facilities for the Public Works Department and almost all other government agencies were expanded, and in a reasonable and orderly fashion. Erv is particularly proud of the expansion of the county library system so that the several small towns in Yolo County now enjoy modern library programs.

During Erv Meier's administration, he has seen the county of Yolo grow from a population of 60,000 to 110,000. The staff of the county government has grown from 600 to 1,300 and again in a reasonable and orderly manner.

During Erv's tenure, Yolo County made the transition from a rural county to a county with many suburban communities. The expansion and improvement of government services to keep pace with this growth made many demands on Erv's imagination and administrative talents. With typical attention to detail, Erv and the board of supervisors accomplished this expansion on a pay-as-you go basis and as Erv leaves his post, the county has no bonded indebtedness whatsoever. Additionally, the county has a healthy contingency fund. Erv's successor is in an enviable position inheriting such a program. In light of the well publicized difficulties faced by many local governments, Erv Meier's fiscal achievements are particularly noteworthy.

Erv always made it a point to do his job and stay out of the politics that often engulf administrators in our local governments. Maybe this is one of the secrets of his success. He left the politics to the politicians and quietly and competently went about the business of administering the county government.

Erv Meier has achieved these accomplishments by hard work and long hours. Indeed, the members of the board of supervisors have often complained that he did not take enough vacation time. I might say, this was the only major complaint lodged by the supervisors during Erv's many years as county executive. Some complaint.

Erv is still a young man in his early sixties and has much more to contribute. He has indicated that he will continue as executive secretary of the 14 county Sacramento-Mother Lode Regional Association of County Supervisors and will do consultant work once again. He and his wife, Carol, are planning to take a trip to Europe. It is high time, in my opinion, that Erv finally takes a well-deserved vacation.

It has been a personal pleasure to work with Erv. I and the many friends he has made over the years wish him well in the years ahead and thank him for his outstanding contributions to county government in California.

"GIVEAWAY" OF THE PANAMA CANAL

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. CARTER. Mr. Speaker, during the August recess, I had county meetings throughout my district in Kentucky. I listened to hundreds of my constituents voice their viewpoints and concerns. One frequently mentioned concern was the proposed "giveaway" of the Panama Canal. And let me say that a "giveaway" is exactly how the fine people I represent describe the proposed treaty. The people with whom I met rightly believe that the Panama Canal belongs to the United States in perpetuity, every lock, stock, and barrel of it.

Do the people want to give the canal away? Let me just say that the following letter to the editor of the Richmond Daily Register by Mr. Robert E. Lanter of Richmond, Ky., exemplifies what many people in the United States and in my congressional district are saying about the canal treaty. It is a shame that this administration has not been listening to the people or else we might not now have the treaty.

The letter follows:

RICHMOND, KY.,
August 16, 1977.

The EDITOR,
Richmond Daily Register,
Richmond, Ky.

DEAR SIR: We Americans are being taken for a bunch of fools. O.K., so you've heard that old song before, but does it ever shock or alarm you? It should. Sad to say, most people couldn't care less. But let me explain.

As we all know, it is against the law of the land to give or sell secrets or anything which is vital to the security of America, especially to those who are openly hostile to our way of life and way of government. And don't ever let yourself be led to believe for a moment that there are not those in the great scheme of world politics who are not working night and day to bury U.S. As a matter of fact, they are right on schedule in their program.

But back to the subject at hand. It concerns the pack of lies the American people are being fed concerning our ownership of the Panama Canal. The treaty drawn up between Panama and the United States in 1904 is as clear as any document can be. The treaty plainly states the ten-mile wide canal zone and the canal itself are to be United States property "in perpetuity" or as the dictionary defines it, "lasting for eternity." Any fool knows that doesn't mean the year 2000.

Now there was no great clamor for us to give up the Canal until the present, unelected, viciously criminal, Communist dictator, Omar Torrijos, overthrew the former government in a military coup about ten years ago. Torrijos is not only a Communist, he has time and time again shown his utter contempt for the United States in his remarks about us. We owe him less than nothing. There is no reason we should even deal with him. For the most part, the people of Panama realize the great advantage of the United States presence in the "Zone" and they let that fact be known.

I mentioned the Communist program earlier. Latin America is very much a part of that program. This program as set forth well over fifty years ago was summarized and paraphrased into the following famous outline: "First, we will take Eastern Europe. Next, the masses of Asia. Then we shall encircle the last bastion of capitalism, the United States of America. We shall not have to attack; it will fall like overripe fruit into our hands." Who said this? That's right. Lenin wrote it over fifty years ago.

Now our man in the White House is making it come true.

As I said earlier, giving or selling things which are vital to our security is against the law. They call it treason.

Are we really stupid enough to fall into such a trap? I would hope not.

ROBERT E. LANTER.

THE CLINCH RIVER BREEDER REACTOR: A POOR INVESTMENT FOR JOBS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. DOWNEY. Mr. Speaker, opponents of President Carter's decision to forgo construction of the Clinch River breeder reactor demonstration facility—CRBR—have argued that President Carter's decision is antiemployment. This memorandum answers this argument.

The proponents of the Clinch River breeder reactor state that the CRBR is a jobs issue in two senses. First, it is contended that the CRBR is necessary to meet our energy needs. If there is not enough energy there will be unemployment because energy is necessary to run an industrial economy. Second, it is contended that the construction of the breeder and its support facilities will, itself, create jobs.

THE CLINCH RIVER BREEDER REACTOR IS NOT NEEDED

On numerous occasions, the Secretary of Energy and the Council of Economic Advisors have stated that the Clinch River breeder facility simply will not be needed. They have shown that the fuel needs of nuclear reactors can be supplied with domestic uranium. This position is supported by data collected by the Nuclear Regulatory Commission, as well as the uranium experts of the Energy Research and Development Administration. Independent assessments by such organizations as the Ford Foundation and by a study sponsored by the conservative American Enterprise Institute also support this conclusion. In sum, without building the Clinch River breeder reactor, the United States will be able to fuel its nuclear reactors. To the extent to which atomic reactors are necessary for a functioning economy, they will be supplied with fuel.

MILLIONS OF OTHER NUCLEAR RELATED JOBS WILL BE CREATED

Second, it is argued that the Clinch River breeder reactor should be built because the project itself creates jobs. Just about any Federal expenditure creates employment directly or indirectly. How-

ever, the charge that the Carter administration is antijobs because it is canceling the construction of the Clinch River breeder reactor must be placed in perspective. The Carter administration supports the construction of about 300 more nuclear powerplants in this country between now and the end of this century. In contrast to the approximately 4,000 man years of employment produced this last year by the Clinch River breeder reactor project, the construction and operation of these 300 powerplants and their fuel cycle facilities for the plants' lifetimes will create over 6,500,000 man years of employment in nuclear-related job categories.

Overall manpower requirements for 300 powerplants' man years

Activity:	*Nuclear*
Construction of 300 nuclear powerplants	1,588,500
Construction of fuel cycle support facilities	81,000
Annual operation and maintenance	30,000
Annual operation of fuel cycle	124,200
Total annual requirements	163,200
Total operation and maintenance requirement for 20 years for 300 nuclear powerplants	4,896,000
Total manpower for construction and 30-year operation (typical, assumed plant lifetime)	6,565,500

(The information on labor requirements has been collected from reports of the Atomic Energy Commission, the Project Independence Reports and trade association sources.)

CLINCH RIVER BREEDER REACTOR: A POOR INVESTMENT FOR JOBS

Not only are the number of jobs in the CRBR project relatively few in comparison to the much larger scale of employment in nuclear-related industries contemplated by the administration's nuclear policies, but building the Clinch River breeder reactor itself is an economically wasteful method of creating jobs.

If the Clinch River breeder reactor is not built, the funds will either be spent as normal Federal expenditures or will be spent in the private sector. In either case, about twice as much employment will be created by either of these alternative expenditures.

For instance, ERDA has estimated that the $196 million fiscal year 1977 budget would have produced 4,367 direct jobs. Normally, such an expenditure of Federal funds produces 50 percent additional indirect employment. Thus, the CRBR expenditures for 1977 have produced approximately 6,500 jobs. Each of these jobs, then, would cost about $29,923 to create, by building the Clinch River breeder reactor. In contrast, according to the Bureau of Labor Statistics, $11,104 in average Federal expenditures creates a job. In sum, spending the money on the Clinch River breeder reactor will actually cause unemployment. Spending the money through the Federal Treasury or returning it to the private economy will create more employment.

For more information, contact James M. Cubie, legislative representative, New Directions, 2021 L Street NW., Washington, D.C. 20036, phone No. (202) 452-1050.

HOUSE OF REPRESENTATIVES—*Friday, September 9, 1977*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be of good courage and He shall strengthen your heart, all you that trust in the Lord.—Psalms 31: 24.

O God of life and love, breathe Thy Spirit upon us as we pray, and help us to realize anew our constant need of Thy strength, Thy wisdom, and Thy peace. Give us to know that Thou art with us and that with Thee we are made equal to every experience and ready for every responsibility.

We pray for peace in our world, for good will among our people, for justice in our land, and for a faith which makes us strong, gives us courage, and spurs us on the upward way to life, liberty, and the pursuit of happiness for all.

Into this day may we go strong in Thee and in the power of Thy might. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1307. An act to require case-by-case review under uniform, historically consistent, generally applicable standards and procedures prior to the award of veterans' benefits to persons administratively discharged under other than honorable conditions from active military, naval, or air service, and for other purposes; and

S. 1560. An act to restore the Confederated Tribes of Siletz Indians of Oregon as a federally recognized sovereign Indian tribe, to restore to the Confederated Tribes of Siletz Indians of Oregon and its members those Federal services and benefits furnished to federally recognized American Indian tribes and their members, and for other purposes.

APPOINTMENT OF CONFEREES ON H.R. 7555, LABOR, HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1978

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7555) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1978, and for other purposes, with the Senate amendment remaining in disagreement, insist on the House amendment to the Senate amendment numbered 82, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, and I do so only to receive once again the assurance, which I am sure the gentleman from Pennsylvania (Mr. FLOOD) can render to us, that if, in fact, we do now go back to conference without a motion to instruct being offered to the House conferees, that the House conferees will continue to insist upon the language of the so-called Hyde-Conte amendment dealing with abortion funding?

Mr. FLOOD. If the gentleman will yield, Mr. Speaker, as usual the gentleman from Maryland (Mr. BAUMAN) has stated the case and the answer is yes.

Mr. BAUMAN. The gentleman, of course, knows full well that the House has voted twice on this issue by substantial margins and therefore I do not think it would be necessary at this point to reaffirm that stand by a motion to instruct the conferees.

Mr. FLOOD. That is correct.

I might add that it so happens that what was the Hyde-Conte amendment, because of a procedural matter, had to be reintroduced through my amendment, but it is the same.

Mr. BAUMAN. Forgive me, I should have said the Flood amendment, in honor of my distinguished colleague from Pennsylvania.

I thank the gentleman for his assurances.

Mr. FLOOD. I did so just out of an abundance of caution.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none, and appoints the following conferees: Messrs. FLOOD, NATCHER, SMITH of Iowa, PATTEN, OBEY, ROYBAL, STOKES, EARLY, MAHON, MICHEL, CONTE, O'BRIEN, and CEDERBERG.

THE SALE OF F-15 SUPERSONIC FIGHTERS

(Mr. DODD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DODD. Mr. Speaker, I was disturbed to learn last week that the Defense Department has recommended the sale of 60 F-15 supersonic fighters to Saudi Arabia. This proposed sale is objectionable in so many respects that I am hard put to understand why it is receiving serious consideration.

Sale of our most advanced attack fighter to Saudi Arabia would drastically alter the regional military balance in

the Middle East by placing Israel within the range of Saudi fighters. This would both increase the likelihood for a renewal of hostilities and increase the security problems facing Israel. Inevitably, Israel would be required to spend more of its scarce resources to meet this new threat, and we would find ourselves once again in the position of fueling both sides of an arms race.

In addition, this sale is totally unnecessary from the standpoint of Saudi Arabia's legitimate defense needs. The 90 F–5's ordered by Saudi Arabia—combined with Saudi Arabia's extensive network of Hawk antiaircraft missiles—will be more than sufficient to meet the potential threat from Iraq's Mig 23's. Any additional sale of fighter aircraft at this time is totally unnecessary.

Finally, this sale would violate President Carter's policy of limiting the transfer of high technology military systems while it would continue the very questionable policy of increasing the overall flow of American weapons abroad. This weapons proliferation problem extends beyond the narrow confines of the military balance in one region. It goes to the whole question of American relations with the world. I agree with the President that the United States should have a much more selective and discriminating arms sales policy. This policy must be inaugurated at the earliest possible date.

Bearing these factors in mind, I am today writing to the Secretary of Defense requesting a full explanation for the Department's recommendation of this sale. I will also be writing to express my concern to the President, and will ask other concerned Members to join me in that letter. I am hopeful that after consideration of all of these factors, the President will decide not to recommend this sale to Congress.

NEW YORK TIMES, MEET PRESIDENT CARTER

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, it would be useful if supporters of the treaty would clarify precisely what the canal means in terms of our national security. President Carter has said:

> I consider the canal, now and in the future, to be very important for the security and defense and strength of our country.

Yet the New York Times, which supports the treaty, stated editorially, the morning after the treaty was signed:

> Since the canal is no longer vital either to United States security or commerce, the very slight risks involved in transferring control are well worth taking.

Treaty supporters cannot have it both ways.

PROVIDING FOR CONSIDERATION OF H.R. 6566, ERDA AUTHORIZATIONS FOR NATIONAL SECURITY PROGRAMS

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 640 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 640

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6566) to authorize appropriations for the use of the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one and one-half hours, one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, and one-half hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Armed Services now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and said substitute shall be read for amendment by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. YOUNG) for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished minority member, the gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume.

Mr. Speaker, the resolution (H. Res. 640) is the rule providing for the consideration of the bill (H.R. 6566) to authorize appropriations for the use of the Energy Research and Development Administration for fiscal year 1978 for national security programs.

It is a 1½-hour open rule, 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services and one-half hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology. The bill shall be read for amendment under the 5-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Armed Services now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule and this substitute shall be read for amendment by titles rather than by sections.

I am aware of no opposition to this rule.

Mr. Speaker, this bill would authorize appropriations for the use of the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974 for operating expense and for plant and capital equipment for national security programs. This national security program of ERDA consists of the functions and responsibilities once vested in the Atomic Energy Commission and deals with 31 percent of ERDA's fiscal year 1978 budget request of $2.663 billion out of a total budget for this agency of $8.526 billion.

The bill was sequentially referred to the Committee on Science and Technology so that this committee might consider those portions of the bill relating to nonmilitary nuclear energy research and development which fall within its jurisdiction. The two programs specifically under this committee's jurisdiction are those for civilian applications of laser fusion and the naval reactor program. This jurisdiction also comes to Science and Technology from the former Joint Committee on Atomic Energy. The action taken by the Science and Technology Committee was twofold: First, laser fusion was increased by $9.2 million and a proviso was added to the bill to insure civilian applications for moneys to support the program. Second, the authorization language for the naval reactor program was deleted from the bill since the committee had already included authorization of the program in its ERDA authorization bill, H.R. 6796.

Mr. Speaker, this bill is part of an important package of legislation dealing with the Energy Research and Development Administration and should be promptly passed. Accordingly, I urge adoption of the rule to permit consideration of the bill.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 640 is a simple, 1½-hour open rule making in order the consideration of H.R. 6566, the fiscal 1978 national security ERDA authorization. One hour of general debate time would be divided between the chairman and ranking minority member of the Armed Services Committee, and a half-hour would be similarly divided between the chairman and ranking minority member of the Science Committee. The rule further provides that the Armed Services Committee substitute printed in the bill be considered as an original bill for the purpose of amendment and that the substitute be read for amendment by titles rather than by sections. Finally, a motion to recommit is in order, with or without instructions.

Mr. Speaker, H.R. 6566 authorizes $2.6 billion for the national security program of ERDA which includes control of restricted data, nuclear weapon design, development and production, naval propulsion reactor development, military space nuclear systems, and military power reactors, and production of special nuclear material, such as plutonium, tritium, and highly enriched uranium. Approximately two-thirds of the authorization is for operating expenses and a third for plan and capital equipment. Under the operating expenses, the largest item is

$1.2 billion for weapons activities, followed by $416.4 million for special materials production, and $211.7 million for naval reactor development. The Science Committee has recommended amendments to strike all authorization for naval reactors since these are already provided for in the other ERDA authorization, to reduce funds in program management and support related to naval reactors by $4.5 million, and to increase laser fusion funding by $9.2 million with at least 60 percent allocated for civilian application.

Mr. Speaker, this bill was reported from the Armed Services Committee on May 5 by a vote of 23 to 0, and from the Science Committee on May 12 by voice vote. Likewise, the rule was reported from the Rules Committee on June 16 by voice vote. I know of no opposition to the rule and urge its adoption.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SEBELIUS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 348, nays 0, answered "present" 1, not voting 85, as follows:

[Roll No. 526]

YEAS—348

Abdnor	Burgener	Edwards, Ala.
Akaka	Burke, Calif.	Edwards, Calif.
Alexander	Burke, Fla.	Edwards, Okla.
Allen	Burke, Mass.	Eilberg
Ammerman	Burleson, Tex.	Emery
Anderson, Calif.	Burlison, Mo.	English
	Burton, Phillip	Erlenborn
Anderson, Ill.	Butler	Ertel
Andrews, N.C.	Byron	Evans, Colo.
Andrews, N. Dak.	Caputo	Evans, Del.
	Carney	Evans, Ga.
Annunzio	Carter	Evans, Ind.
Applegate	Cavanaugh	Fary
Archer	Clausen, Don H.	Fenwick
Armstrong		Fish
Ashbrook	Clawson, Del	Fisher
AuCoin	Cleveland	Flippo
Badham	Coleman	Flood
Bafalis	Collins, Ill.	Florio
Baldus	Collins, Tex.	Flowers
Barnard	Conable	Flynt
Baucus	Conte	Foley
Bauman	Corcoran	Ford, Tenn.
Beard, R.I.	Cornell	Forsythe
Beard, Tenn.	Cornwell	Fowler
Bedell	Coughlin	Frenzel
Beilenson	Crane	Frey
Benjamin	Cunningham	Fuqua
Bennett	D'Amours	Gaydos
Bevill	Daniel, Dan	Gephardt
Bingham	Daniel, R. W.	Gibbons
Blanchard	Danielson	Gilman
Blouin	Davis	Ginn
Boland	de la Garza	Glickman
Bonior	Dellums	Goldwater
Bowen	Derrick	Gonzalez
Brademas	Derwinski	Goodling
Breaux	Devine	Gore
Breckinridge	Dingell	Gradison
Brinkley	Dodd	Grassley
Brodhead	Downey	Gudger
Broomfield	Drinan	Guyer
Brown, Calif.	Duncan, Oreg.	Hagedorn
Brown, Mich.	Duncan, Tenn.	Hamilton
Brown, Ohio	Eckhardt	Hammer-schmidt
Buchanan	Edgar	
Hanley	Martin	Ryan
Hannaford	Mathis	Santini
Hansen	Mattox	Satterfield
Harkin	Mazzoli	Sawyer
Harris	Metcalfe	Scheuer
Harsha	Meyner	Schroeder
Hawkins	Michel	Schulze
Heckler	Mikva	Sebelius
Hefner	Milford	Seiberling
Heftel	Miller, Calif.	Sharp
Hightower	Miller, Ohio	Shipley
Hillis	Mineta	Shuster
Holland	Minish	Sikes
Hollenbeck	Mitchell, Md.	Simon
Holt	Mitchell, N.Y.	Skelton
Holtzman	Moakley	Slack
Hubbard	Mollohan	Smith, Iowa
Huckaby	Montgomery	Smith, Nebr.
Hughes	Moore	Snyder
Hyde	Moorhead, Calif.	Spellman
Ichord		Spence
Ireland	Moorhead, Pa.	St Germain
Jacobs	Mottl	Staggers
Jeffords	Murphy, Ill.	Stanton
Jenkins	Murphy, Pa.	Stark
Jenrette	Murtha	Steed
Johnson, Colo.	Myers, Gary	Steers
Jones, N.C.	Myers, John	Steiger
Jones, Okla.	Myers, Michael	Stockman
Jones, Tenn.	Natcher	Stokes
Jordan	Neal	Stratton
Kasten	Nedzi	Studds
Kastenmeier	Nichols	Stump
Kazen	Nix	Taylor
Kelly	Nolan	Teague
Keys	Nowak	Thompson
Kildee	O'Brien	Thone
Kindness	Oakar	Thornton
Kostmayer	Oberstar	Treen
Krebs	Obey	Trible
LaFalce	Ottinger	Tsongas
Lagomarsino	Panetta	Tucker
Latta	Patten	Udall
Le Fante	Pattison	Ullman
Leach	Pease	Van Deerlin
Lederer	Perkins	Vander Jagt
Levitas	Pickle	Vento
Livingston	Pike	Volkmer
Lloyd, Calif.	Poage	Waggonner
Lloyd, Tenn.	Pressler	Walgren
Long, La.	Preyer	Walsh
Long, Md.	Price	Wampler
Lott	Pursell	Watkins
Lujan	Quayle	Waxman
Luken	Rahall	Weaver
Lundine	Railsback	Weiss
McClory	Regula	Whalen
McCloskey	Reuss	White
McCormack	Rhodes	Whitehurst
McDade	Rinaldo	Whitley
McDonald	Risenhoover	Whitten
McEwen	Roberts	Wiggins
McFall	Robinson	Wilson, C. H.
McHugh	Rodino	Wolff
McKay	Rogers	Wright
Madigan	Rooney	Wylie
Maguire	Rose	Yates
Mahon	Rousselot	Yatron
Mann	Rudd	Young, Fla.
Markey	Runnels	Young, Tex.
Marks	Ruppe	Zablocki
Marriott	Russo	

NAYS—0

ANSWERED "PRESENT"—1

Fraser

NOT VOTING—85

Addabbo	Dornan	Moss
Ambro	Early	Murphy, N.Y.
Ashley	Fascell	Patterson
Aspin	Findley	Pepper
Badillo	Fithian	Pettis
Biaggi	Ford, Mich.	Pritchard
Boggs	Fountain	Quie
Bolling	Gammage	Quillen
Bonker	Giaimo	Rangel
Brooks	Hall	Richmond
Broyhill	Harrington	Roe
Burton, John	Horton	Roncalio
Carr	Howard	Rosenthal
Cederberg	Johnson, Calif.	Rostenkowski
Chappell	Kemp	Roybal
Chisholm	Ketchum	Sarasin
Clay	Koch	Sisk
Cochran	Krueger	Skubitz
Cohen	Leggett	Solarz
Conyers	Lehman	Stangeland
Corman	Lent	Symms
Cotter	McKinney	Traxler
Delaney	Marlenee	Vanik
Dent	Meeds	Walker
Dickinson	Mikulski	Wilson, Bob
Dicks	Moffett	Wilson, Tex.
Diggs		
Winn	Wydler	Young, Mo.
Wirth	Young, Alaska	Zeferetti

The Clerk announced the following pairs:

Mr. Ashley with Mr. Aspin.
Mr. Fountain with Mr. Biaggi.
Mr. Brooks with Mr. Corman.
Mr. Rostenkowski with Mr. Dent.
Mr. Addabbo with Mr. Ford of Michigan.
Mr. John L. Burton with Mr. Moss.
Mr. Howard with Mr. Young of Missouri.
Mr. Charles Wilson of Texas with Mr. Broyhill.
Mr. Pepper with Mr. Cederberg.
Mr. Chappell with Mr. Horton.
Mr. Rosenthal with Mr. Pritchard.
Mr. Leggett with Mr. Quie.
Mr. Harrington with Mr. Cochran of Mississippi.
Mr. Fascell with Mr. Cohen.
Mr. Koch with Mr. Symms.
Mr. Delaney with Mr. Stangeland.
Mr. Roe with Mr. Skubitz.
Mr. Wirth with Mr. Winn.
Mr. Badillo with Mr. Young of Alaska.
Mr. Patterson of California with Mr. Finley.
Mr. Richmond with Mr. Dickinson.
Mr. Ambro with Mr. Dornan.
Mrs. Boggs with Mr. Lent.
Mr. Conyers with Mr. Early.
Mr. Krueger with Mr. Quillen.
Mr. Murphy of New York with Mr. Sarasin.
Mr. Roncalio with Mr. Wydler.
Mr. Sisk with Mr. Bonker.
Mr. Vanik with Mr. Cotter.
Mrs. Chisholm with Mr. Lehman.
Mr. Rangel with Ms. Mikulski.
Mr. Roybal with Mr. Dicks.
Mr. Zeferetti with Mr. Johnson of California.
Mr. Diggs with Mr. Carr.
Mr. Clay with Mr. Moffett.
Mr. Gammage with Mr. Traxler.
Mr. Giaimo with Mr. Kemp.
Mr. Bob Wilson with Mr. Solarz.
Mr. Meeds with Mr. Walker.
Mr. McKinney with Mr. Hall.
Mr. Fithian with Mr. Marlenee.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 6796, ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION AUTHORIZATION FOR NONNUCLEAR PROGRAMS, 1978

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 657 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 657

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6796) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, two hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, one-half hour to be equally

divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, and one-half hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Science and Technology now printed in italic in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead of by sections, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI, clause 5, rule XXI, and section 401 of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. It shall be in order to consider en bloc the amendments recommended by the Committee on Armed Services to title I of said substitute. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. KILDEE). The gentleman from Texas (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume.

Mr. Speaker, the resolution provides for the consideration of H.R. 6796, a bill authorizing appropriations for the Energy Research and Development Administration for fiscal year 1978.

The resolution provides for a total of 3 hours of general debate with the Committee on Science and Technology controlling 2 hours and the Committee on Armed Services and the Committee on International Relations each controlling one-half hour. The rule further provides that the committee amendment in the nature of a substitute shall be considered as the original bill for purposes of amendment. Provision is also made for the bill to be read by titles instead of by sections.

In addition the rule grants three waivers of possible points of order. Those waivers are to clause 7 of rule XVI which is the germaneness rule; clause 5 of rule XXI which is the rule that prohibits appropriations in a legislative measure; and section 401 of the Congressional Budget Act.

Lastly, the rule provides for a motion to recommit with or without instructions.

H.R. 6796 would authorize appropriations to ERDA for fiscal year 1978 in the amount of $6.7 billion. The funds authorized under the bill would go to programs in fossil fuel development, solar energy development, geothermal energy development, conservation research and development, nuclear research and development, and environmental research and development.

A total of three legislative committees were involved in the development of this legislation. There are in fact some differences between the committees in certain areas of the legislation. The rule, however, provides each of the committees with an opportunity to present their position and to have the matter decided by the whole House.

Therefore, Mr. Speaker, I urge the adoption of House Resolution 657 so that we might debate and vote on H.R. 6796.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 657 would make in order the consideration of H.R. 6796, the civilian research and development authorization for the Energy Research and Development Administration. The rule calls for 3 hours of general debate, with 2 of those hours allocated to the Science Committee, and one-half hour each to the Armed Services and International Relations Committees. As always, the time will be equally divided and controlled by the chairmen and ranking minority members on those committees. The rule further provides that the Science Committee's substitute, now printed in italic in the bill, be considered as an original bill for the purpose of amendment, and that the bill be read by titles instead of sections for the purpose of amendment under the 5-minute rule. Moreover, the rule would permit the Armed Services Committee's amendments to title I of the substitute to be considered en bloc. I would want to stress at this point that this is a completely open rule as far as the offering of germane amendments is concerned.

Mr. Speaker, Members will notice that on page 2 of the rule, beginning at line 14, there are three waivers of points of order against the Science Committee substitute. The first would waive clause 7 of rule 16, which, as you know, is the germaneness rule. The waiver is necessary because the substitute is broader in scope than the original bill which it amends. Whereas the original bill had only two titles, the substitute has six titles, and titles 3, 4, 5, and 6 contain new provisions which were not contained in the original bill.

The second waiver is of clause 5 of rule 21 which prohibits appropriations on an authorization bill. I am informed that there are three separate provisions in the substitute which are in technical violation of that rule. The first provision is on page 36 of the bill, beginning on line 8 which is designated as subsection (c)(1). That provision would permit up to 1 percent of all funds appropriated pursuant to any annual authorization act for "operating expenses" to be used by the Administrator for construction, expansion, or modification of laboratories or other facilities, including the acquisition of land, at any location under the control of the Administrator, if the Administrator determines that such action is necessary due to either changes in the national programs funded by the act or new scientific or engineering developments, and if he determines that deferral of such action would be inconsistent with the policies established by the Congress for the administration.

The second provision in the bill requiring a waiver of clause 5, rule 21, is on page 41 of the bill, beginning at line 15 and designated as section 203. That provision permits the use of funds appropriated for magnetohydrodynamics under the ERDA Act or any other law, for or in connection with facilities at such sites as may be selected by the Administrator, with the exception of the component development and integration facility which is currently under construction.

The third provision in the bill requiring a waiver of clause 5, rule 21, is on page 116 of the bill, beginning at line 15 and designated as subparagraph 3. That provision states that, in the event of any default by the borrower in the payment of taxes guaranteed by the Administrator on a project under the geothermal loan guaranty program, the Administrator shall pay those taxes from the Geothermal Resources Development Fund, and shall have by reason of such payment a claim against the borrower for all sums paid plus interest.

Mr. Speaker, the third and final waiver in this rule is against section 401 of the Budget Act which is designed to prohibit so-called backdoor spending in the form of either contract or borrowing authority or entitlement authority. Section 206(b) of the bill, on page 45, beginning at line 18, would give the ERDA Administrator authority to enter into a contract with any governmental or other entity to which payments are required or authorized to be made in connection with the transfer of municipal installations to those entities. Since section 401(a) of the Budget Act prohibits consideration of any measure containing new contract authority unless it is subject to amounts provided in advance in appropriations acts, this provision would clearly be in violation of that provision. The Rules Committee has received a letter from the Budget Committee chairman (Mr. GIAIMO), dated June 21, 1977, in which he indicated that because Chairman FLOWERS will offer an amendment to bring this provision into conformity with the Budget Act, he would not object to a waiver in the rule. In other words, it is necessary to waive the Budget Act on this provision so we can proceed to consider the bill; but the violation will be remedied by an amendment.

This is also the case with respect to section 206(a)(1) of the bill on page 43, beginning at line 13. That provision is a 10-year entitlement program of annual assistance payments to these governmental and other entities to which municipal installations are transferred. Section 401(b)(1) of the Budget Act prohibits the consideration of any measure containing a new entitlement which would become effective before the first day of the fiscal year that begins in the calendar year in which the bill is reported. Since it is conceivable that this bill will be signed into law before October 1, 1977, and section 206(a)(1) would become effective immediately upon enactment, it would be in violation of the Budget Act's entitlement requirements. Here again Mr. GIAIMO has indicated that Chairman FLOWERS will offer an amendment to bring the provision into conformity with the Budget Act, but we need the waiver now so we can pro-

ceed to consider the bill and the correcting amendment which will be offered. So, I would emphasize, in the two instances in which this bill does violate the Budget Act, amendments will be offered to correct those violations.

Mr. Speaker, I think I have explained, to the best of my ability the waivers contained in this rule. The rest of the rule follows the regular procedure including the right to demand separate votes in the House on any amendments adopted in the Committee of the Whole, and the right to offer a motion to recommit, with or without instructions. The bill the rule would make in order is a very complex and important piece of energy legislation which authorizes some $5.9 billion in fiscal 1978 for the various civilian energy programs of ERDA. I urge adoption of the rule so we can proceed to consider this very vital legislation.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 338, nays 14, not voting 82, as follows:

[Roll No. 527]

YEAS—338

Abdnor	Butler	Evans, Ind.
Akaka	Byron	Fary
Alexander	Caputo	Fenwick
Allen	Carney	Fish
Ammerman	Carter	Fisher
Anderson, Calif.	Cavanaugh	Fithian
	Clausen, Don H.	Flippo
Anderson, Ill.		Flood
Andrews, N.C.	Clawson, Del	Florio
Andrews, N. Dak.	Cleveland	Flowers
	Coleman	Flynt
Annunzio	Collins, Ill.	Foley
Applegate	Collins, Tex.	Ford, Tenn.
Archer	Conable	Forsythe
AuCoin	Conte	Fowler
Badham	Corcoran	Fraser
Baldus	Cornell	Frenzel
Barnard	Cornwell	Frey
Baucus	Coughlin	Fuqua
Beard, R.I.	Cunningham	Gaydos
Beard, Tenn.	D'Amours	Gephardt
Bedell	Daniel, Dan	Giaimo
Bellenson	Daniel, R. W.	Gibbons
Benjamin	Danielson	Gilman
Bennett	Davis	Ginn
Bevill	de la Garza	Glickman
Blanchard	Dellums	Goldwater
Blouin	Derrick	Gonzalez
Bonior	Derwinski	Goodling
Bowen	Devine	Gore
Brademas	Dingell	Gradison
Breaux	Downey	Gudger
Breckinridge	Drinan	Guyer
Brinkley	Duncan, Oreg.	Hagedorn
Brodhead	Duncan, Tenn.	Hall
Broomfield	Eckhardt	Hamilton
Brown, Calif.	Edgar	Hammer-schmidt
Brown, Mich.	Edwards, Ala.	
Brown, Ohio	Edwards, Calif.	Hanley
Buchanan	Eilberg	Hannaford
Burgener	Emery	Harkin
Burke, Calif.	English	Harris
Burke, Fla.	Erlenborn	Harsha
Burke, Mass.	Ertel	Hawkins
Burleson, Tex.	Evans, Colo.	Heckler
Burlison, Mo.	Evans, Del.	Hefner
Burton, Phillip	Evans, Ga.	Heftel
Hightower	Michel	Schroeder
Hillis	Mikva	Schulze
Holland	Milford	Sebelius
Hollenbeck	Miller, Calif.	Seiberling
Holtzman	Miller, Ohio	Sharp
Hubbard	Mineta	Shipley
Huckaby	Minish	Shuster
Hughes	Mitchell, Md.	Sikes
Hyde	Mitchell, N.Y.	Simon
Ichord	Moakley	Skelton
Ireland	Mollohan	Slack
Jacobs	Montgomery	Smith, Iowa
Jeffords	Moore	Smith, Nebr.
Jenkins	Moorhead, Calif.	Snyder
Jenrette		Solarz
Johnson, Colo.	Moorhead, Pa.	Spellman
Jones, N.C.	Mottl	Spence
Jones, Okla.	Murphy, Ill.	Staggers
Jones, Tenn.	Murphy, Pa.	Stanton
Jordan	Murtha	Stark
Kasten	Myers, Gary	Steed
Kastenmeier	Myers, John	Steers
Kazen	Myers, Michael	Stockman
Kelly	Natcher	Stokes
Kemp	Neal	Stratton
Keys	Nedzi	Studds
Kildee	Nichols	Stump
Kindness	Nix	Taylor
Kostmayer	Nolan	Teague
Krebs	Nowak	Thompson
LaFalce	O'Brien	Thone
Lagomarsino	Oakar	Thornton
Latta	Oberstar	Treen
Le Fante	Obey	Trible
Leach	Ottinger	Tsongas
Lederer	Panetta	Tucker
Levitas	Patten	Udall
Livingston	Pattison	Ullman
Lloyd, Calif.	Pease	Van Deerlin
Lloyd, Tenn.	Perkins	Vander Jagt
Long, La.	Pickle	Vento
Long, Md.	Pike	Volkmer
Lott	Poage	Waggonner
Lujan	Pressler	Walgren
Luken	Preyer	Walker
Lundine	Price	Walsh
McClory	Pursell	Wampler
McCloskey	Quayle	Watkins
McCormack	Rahall	Waxman
McDade	Railsback	Weaver
McEwen	Regula	Weiss
McHugh	Reuss	Whalen
McKay	Rhodes	White
McKinney	Rinaldo	Whitehurst
Madigan	Risenhoover	Whitley
Maguire	Roberts	Whitten
Mahon	Rodino	Wiggins
Mann	Rogers	Wilson, Bob
Markey	Rooney	Wilson, C. H.
Marks	Rose	Wolff
Marlenee	Rudd	Wright
Marriott	Runnels	Wylie
Mathis	Ruppe	Yates
Mattox	Russo	Yatron
Mazzoli	Ryan	Young, Tex.
Meeds	Santini	Zablocki
Metcalfe	Sawyer	
Meyner	Scheuer	

NAYS—14

Armstrong	Edwards, Okla.	Rousselot
Ashbrook	Grassley	Satterfield
Bafalis	Holt	Steiger
Bauman	McDonald	Young, Fla.
Crane	Robinson	

NOT VOTING—82

Addabbo	Diggs	Pettis
Ambro	Dodd	Pritchard
Ashley	Dornan	Quie
Aspin	Early	Quillen
Badillo	Fascell	Rangel
Biaggi	Findley	Richmond
Bingham	Ford, Mich.	Roe
Boggs	Fountain	Roncalio
Boland	Gammage	Rosenthal
Bolling	Hansen	Rostenkowski
Bonker	Harrington	Roybal
Brooks	Horton	Sarasin
Broyhill	Howard	Sisk
Burton, John	Johnson, Calif.	Skubitz
Carr	Ketchum	St Germain
Cederberg	Koch	Stangeland
Chappell	Krueger	Symms
Chisholm	Leggett	Traxler
Clay	Lehman	Vanik
Cochran	Lent	Wilson, Tex.
Cohen	McFall	Winn
Conyers	Martin	Wirth
Corman	Mikulski	Wydler
Cotter	Moffett	Young, Alaska
Delaney	Moss	Young, Mo.
Dent	Murphy, N.Y.	Zeferetti
Dickinson	Patterson	
Dicks	Pepper	

The Clerk announced the following pairs:

Mr. Ashley with Mr. Aspin.
Mr. Fountain with Mr. Biaggi.
Mr. Brooks with Mr. Corman.
Mr. Rostenkowski with Mr. Dent.
Mr. Addabbo with Mr. Ford of Michigan.
Mr. John L. Burton with Mr. Moss.
Mr. Howard with Mr. Young of Missouri.
Mr. Charles Wilson of Texas with Mr. Broyhill.
Mr. Pepper with Mr. Cederberg.
Mr. Chappell with Mr. Horton.
Mr. Rosenthal with Mr. Pritchard.
Mr. Leggett with Mr. Quie.
Mr. Harrington with Mr. Cochran of Mississippi.
Mr. Fascell with Mr. Cohen.
Mr. Koch with Mr. Symms.
Mr. Delaney with Mr. Stangeland.
Mr. Roe with Mr. Skubitz.
Mr. Wirth with Mr. Winn.
Mr. Badillo with Mr. Young of Alaska.
Mr. Patterson of California with Mr. Findley.
Mr. Richmond with Mr. Dickinson.
Mr. Ambro with Mr. Dornan.
Mrs. Boggs with Mr. Lent.
Mr. Conyers with Mr. Early.
Mr. Krueger with Mr. Quillen.
Mr. Murphy of New York with Mr. Sarasin.
Mr. Roncalio with Mr. Wydler.
Mr. Sisk with Mr. Bonker.
Mr. Vanik with Mr. Cotter.
Mrs. Chisholm with Mr. Lehman.
Mr. Rangel with Ms. Mikulski.
Mr. Roybal with Mr. Dicks.
Mr. Zeferetti with Mr. Johnson of California.
Mr. Diggs with Mr. Carr.
Mr. Clay with Mr. Moffett.
Mr. Gammage with Mr. Traxler.
Mr. Bingham with Mr. Martin.
Mr. McFall with Mr. Dodd.
Mr. Boland with Mr. Hansen.

Mr. SEIBERLING changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 2176, FEDERAL BANKING AGENCY AUDIT ACT

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 728 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 728

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2176) to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General, of the Federal Reserve Board, the Federal Reserve banks and their branches and check clearing, wire transfer, and security facilities, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment

in the nature of a substitute recommended by the Committee on Government Operations now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said amendment for failure to comply with the provisions of clause 7 of rule XVI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, the House resolution provides for the consideration of H.R. 2176, the Federal Banking Agency Audit Act, as amended. This legislation authorizes the Comptroller General to conduct independent audits of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation.

House Resolution 728 provides for a 1-hour, open rule waiving a point-of-order which would otherwise prevent consideration of the bill, as introduced, because it could be interpreted as authorizing appropriations during fiscal year 1977. Section 402(a) of the Congressional Budget Act prohibits consideration of legislation which authorizes funds if legislation is not reported by May 15 preceding the beginning of that fiscal year. The committee substitute, however, has eliminated that problem, and Chairman GIAIMO of the Budget Committee has indicated to the Rules Committee that he has no objection to the waiver.

House Resolution 728 also provides a waiver of rule XVI, clause 7 (germane amendments), which is needed since the committee substitute amends title 18 of the United States Code. It is not a substantive amendment, but technically section 3 of the substitute amends a title of the code that was not amended by the original bill and, therefore, requires a waiver.

The resolution provides a fair procedure for consideration of this legislation and I urge adoption of the rule. I reserve the balance of my time, and I yield to the gentleman from Mississippi.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution provides for a 1-hour, open rule to consider H.R. 2176. The Federal Banking Agency Audit Act. Section 402(a) of the Congressional Budget Act, which prohibits consideration of legislation authorizing new budget authority reported after May 15 preceding the beginning of the fiscal year, is waived. The rule also makes in order the amendment in the nature of a substitute recommended by the Committee on Government Operations now printed in the bill as an original bill for purposes of amendment. Rule XVI, clause 7, the germaneness rule, which could lie against the committee amendment, is waived. A motion to recommit with or without instructions is provided.

The legislation authorizes a General Accounting Office audit of the Federal Reserve Board, the Federal Reserve Banks and their branches and check clearing, wire transfer, and security facilities, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency. There is language in the bill that purportedly will prohibit GAO from auditing monetary policy and foreign central bank transactions and from commenting on monetary policy deliberations and decisions or on the economic effects of such decisions. GAO is required to make reports on its audits to Congress as frequently as practicable while maintaining the confidentiality of all documents and files in its possession.

This year's version of the Federal Reserve audit legislation is similar to a bill considered and tabled by the Rules Committee during the last Congress. The reason that measure never got to the House floor was the great concern of a majority of the members of the Rules Committee that it would have allowed Congress to influence monetary policy. In particular there was substantial fear that the integrity of the Central Bank would have been compromised if GAO had been permitted to audit the policy operations of the Federal Reserve System.

This year's bill attempts to avoid this problem by supposedly directing GAO toward a supervisory audit instead of a financial one. I am having trouble determining how such a change in direction will protect monetary policy decisions from political pressure. I believe that an extraneous political influence will remain, notwithstanding the so-called safeguards in the legislation.

The cost of the GAO audit is estimated to be a little over $800,000. I am advised that this figure is substantially understated and that the annual cost is more nearly over $2,000,000.

It is my understanding that several amendments will be offered to more narrowly define the auditing duties of GAO when this bill is considered on the floor. I urge my colleagues to give these amendments their full attention at that time.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from California.

Mr. ROUSSELOT. I wonder if we could ask the majority member of the Rules Committee, why are we waiving points of order for the Budget Act? This bill supposedly is not going to cost much money, so why are we waiving the points of order for Budget Act in the rule?

Mr. LONG of Louisiana. The bill as submitted to the Rules Committee, in answer to the gentleman's question, would have constituted legislation that was not reported by the May 15 deadline preceding the fiscal year in which it is to become effective. Consequently, it required a waiver of the Budget Act, to which the chairman of the Budget Committee readily agreed.

Mr. ROUSSELOT. My understanding is that if the bill passes and is signed prior to October 1, it conceivably could run into conflict with the budget resolution. Is that not correct?

Mr. LONG of Louisiana. I do not understand the gentleman's question.

Mr. ROUSSELOT. Well, I just make this point: the rule is another example of waiving points of order for the Budget Act unnecessarily. This act will really not require any great expenditures, and I do not understand why we have to waive the points of order relating to the Budget Act. I realize that certain amendments are proposed, but I still do not understand why we have to waive the Budget Act.

Mr. LONG of Louisiana. Mr. Speaker, if the gentleman will yield, I would say that what the position of the Committee on Rules has generally been, and perhaps it is worthy of reconsideration here, with the technical nature of the Budget Act in these first few years we have been inclined to waive it only when it was approved by the chairman of the Committee on the Budget, and we intended to make a careful determination as to whether or not the waiver requested was substantial enough to justify our not waiving it. Perhaps the gentleman is correct.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, it is my judgment that the Committee on Rules ought to resist more consistently the waiving of points of order for budget conflicts if we are really going to stand by the budget controls. I hope the Committee on Rules will take notice on that point.

Mr. LONG of Louisiana. I appreciate the gentleman's comments.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. I thank the gentleman for yielding.

Mr. Speaker, I normally support all rules unless there is something in the rule itself that prompts me to oppose it. I am going to oppose this rule today, not because of anything that is in the rule but, rather, because I think it is very untimely to consider this legislation. We know that the director of OMB has been in the headlines very much lately because of his prior banking experience, and I am sure that to bring up an audit bill of a regulatory agency, bank regulatory agencies, in this atmosphere can very well prompt an overreaction and that we will enact legislation that in a different atmosphere we would not enact.

I think it is unfortunate that this rule is being taken up today. I think it is unfortunate that the legislation will be here next week, not because of anything that this side of the aisle is responsible for but, rather, the atmosphere as a result of the administration on that side of the aisle.

Mr. LOTT. Mr. Speaker, I have no further requests for time.

Mr. LONG of Louisiana. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 312, nays 47, answered "present" 1, not voting 74, as follows:

[Roll No. 528]

YEAS—312

Abdnor	Evans, Del.	Long, La.
Akaka	Evans, Ga.	Long, Md.
Alexander	Evans, Ind.	Lujan
Allen	Fary	Luken
Ammerman	Fenwick	Lundine
Anderson, Calif.	Fish	McClory
	Fisher	McCloskey
Anderson, Ill.	Fithian	McCormack
Andrews, N.C.	Flippo	McDade
Andrews, N. Dak.	Flood	McEwen
	Florio	McFall
Annunzio	Flowers	McHugh
Applegate	Foley	McKay
Ashley	Ford, Tenn.	McKinney
AuCoin	Fowler	Madigan
Baldus	Fraser	Maguire
Baucus	Frenzel	Mahon
Beard, R.I.	Frey	Mann
Beard, Tenn.	Fuqua	Markey
Bedell	Gammage	Marks
Beilenson	Gaydos	Marlenee
Benjamin	Gephardt	Marriott
Bennett	Gibbons	Martin
Bevill	Gilman	Mathis
Bingham	Ginn	Mattox
Blanchard	Glickman	Mazzoli
Blouin	Goldwater	Meeds
Boland	Goodling	Meyner
Bonior	Gore	Michel
Bowen	Gudger	Mikva
Brademas	Guyer	Miller, Calif.
Breaux	Hagedorn	Miller, Ohio
Breckinridge	Hall	Mineta
Brinkley	Hamilton	Minish
Brodhead	Hanley	Mitchell, Md.
Brown, Calif.	Hannaford	Mitchell, N.Y.
Broyhill	Harkin	Moakley
Buchanan	Harris	Mollohan
Burgener	Harsha	Montgomery
Burke, Calif.	Hawkins	Moore
Burke, Fla.	Heckler	Moorhead, Pa.
Burke, Mass.	Hefner	Mottl
Burlison, Mo.	Heftel	Murphy, Ill.
Burton, Phillip	Hightower	Murphy, Pa.
Byron	Hillis	Murtha
Carney	Holland	Myers, Gary
Carter	Hollenbeck	Myers, Michael
Cavanaugh	Holtzman	Natcher
Clausen, Don H.	Hubbard	Neal
	Huckaby	Nedzi
Cleveland	Hughes	Nichols
Coleman	Ichord	Nix
Collins, Ill.	Ireland	Nowak
Conte	Jacobs	O'Brien
Corcoran	Jeffords	Oakar
Cornwell	Jenkins	Oberstar
Coughlin	Jenrette	Obey
Daniel, Dan	Johnson, Colo.	Ottinger
Danielson	Jones, N.C.	Panetta
Davis	Jones, Okla.	Patten
de la Garza	Jones, Tenn.	Pattison
Dellums	Jordan	Pease
Derrick	Kasten	Pepper
Dingell	Kastenmeier	Perkins
Dodd	Kazen	Pickle
Downey	Kelly	Pike
Drinan	Kemp	Poage
Duncan, Oreg.	Keys	Pressler
Duncan, Tenn.	Kildee	Preyer
Early	Kindness	Price
Eckhardt	Kostmayer	Pursell
Edgar	Krebs	Rahall
Edwards, Ala.	LaFalce	Railsback
Edwards, Calif.	Lagomarsino	Regula
Eilberg	Latta	Reuss
Emery	Le Fante	Rhodes
English	Lederer	Rinaldo
Erlenborn	Levitas	Risenhoover
Ertel	Lloyd, Calif.	Roberts
Evans, Colo.	Lloyd, Tenn.	Rodino
Rogers	Snyder	Vander Jagt
Rooney	Solarz	Vento
Rose	Spellman	Volkmer
Rosenthal	Staggers	Walgren
Runnels	Stanton	Walsh
Ruppe	Stark	Wampler
Russo	Steed	Watkins
Ryan	Steers	Waxman
Santini	Stockman	Weaver
Sawyer	Stokes	Weiss
Scheuer	Stratton	Whalen
Schroeder	Studds	White
Schulze	Stump	Whitehurst
Sebelius	Taylor	Whitley
Seiberling	Teague	Whitten
Sharp	Thompson	Wiggins
Shipley	Thone	Wilson, Bob
Shuster	Thornton	Wilson, C. H.
Sikes	Traxler	Wright
Simon	Treen	Wylie
Skelton	Trible	Yates
Skubitz	Tsongas	Yatron
Slack	Tucker	Young, Tex.
Smith, Iowa	Udall	Zablocki
Smith, Nebr.	Ullman	
	Van Deerlin	

NAYS—47

Archer	Crane	Lott
Armstrong	Cunningham	McDonald
Ashbrook	Daniel, R. W.	Milford
Badham	Derwinski	Moorhead, Calif.
Bafalis	Devine	
Barnard	Edwards, Okla.	Myers, John
Bauman	Flynt	Quayle
Broomfield	Forsythe	Robinson
Brown, Mich.	Gonzalez	Rousselot
Brown, Ohio	Gradison	Rudd
Burleson, Tex.	Grassley	Satterfield
Butler	Hansen	Spence
Caputo	Holt	Steiger
Clawson, Del	Hyde	Waggonner
Collins, Tex.	Leach	Walker
Conable	Livingston	Young, Fla.

ANSWERED "PRESENT"—1

Giaimo

NOT VOTING—74

Addabbo	Dicks	Patterson
Ambro	Diggs	Pettis
Aspin	Dornan	Pritchard
Badillo	Fascell	Quie
Biaggi	Findley	Quillen
Boggs	Ford, Mich.	Rangel
Bolling	Fountain	Richmond
Bonker	Hammer-schmidt	Roe
Brooks		Roncalio
Burton, John	Harrington	Rostenkowski
Carr	Horton	Roybal
Cederberg	Howard	Sarasin
Chappell	Johnson, Calif.	Sisk
Chisholm	Ketchum	St Germain
Clay	Koch	Stangeland
Cochran	Krueger	Symms
Cohen	Leggett	Vanik
Conyers	Lehman	Wilson, Tex.
Corman	Lent	Winn
Cornell	Metcalfe	Wirth
Cotter	Mikulski	Wolff
D'Amours	Moffett	Wydler
Delaney	Moss	Young, Alaska
Dent	Murphy, N.Y.	Young, Mo.
Dickinson	Nolan	Zeferetti

The Clerk announced the following pairs:

Mr. Ambro with Mr. John L. Burton.
Mr. Moss with Mr. Moffett.
Mr. Murphy of New York with Mr. Roybal.
Mr. Brooks with Mr. Vanik.
Mr. Aspin with Mr. Winn.
Mr. Ford of Michigan with Mr. Symms.
Mr. Metcalfe with Mr. Pritchard.
Ms. Mikulski with Mr. Cochran of Mississippi.
Mr. Patterson of California with Mr. Bonker.
Mr. Cotter with Mr. Cederberg.
Mr. Corman with Mr. Clay.
Mr. Fountain with Mr. Cohen.
Mr. Leggett with Mr. Dickinson.
Mr. Krueger with Mr. Quie.
Mr. Delaney with Mr. Quillen.
Mr. Chappell with Mr. Sarasin.
Mr. Harrington with Mr. Stangeland.
Mr. Biaggi with Mr. Findley.
Mr. Dicks with Mr. Dornan.
Mr. Fascell with Mr. Conyers.
Mr. Dent with Mr. Lent.
Mrs. Boggs with Mr. Rangel.
Mr. Howard with Mr. Wydler.
Mr. Lehman with Mr. Young of Alaska.
Mr. Johnson of California with Mr. Zeferetti.
Mr. Koch with Mr. Carr.
Mr. Richmond with Mr. D'Amours.
Mr. Rostenkowski with Mr. Horton.
Mr. Sisk with Mr. Nolan.
Mr. Charles Wilson of Texas with Mr. St Germain.
Mr. Wirth with Mr. Wolff.
Mr. Addabbo with Mr. Young of Missouri.
Mr. Badillo with Mrs. Chisholm.
Mr. Roe with Mr. Roncalio.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR THE CONSIDERATION OF H.R. 5383, AGE DISCRIMINATION IN EMPLOYMENT ACT AMENDMENTS OF 1977

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 738 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 738

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5383) to amend the Age Discrimination in Employment Act of 1967 to provide that all Federal employees described in section 15 of such Act shall be covered under the provisions of such Act regardless of their age. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, forty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, and twenty minutes to be equally divided and controlled by the chairman and ranking minority member of the Select Committee on Aging, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said amendment for failure to comply with the provisions of clause 7 of rule XVI are hereby waived. It shall be in order to consider an amendment to the committee amendment in the nature of a substitute printed in the Congressional Record of August 4 by Representative Spellman of Maryland if offered by a member of the Committee on Post Office and Civil Service, and all points of order against said amendment for failure to comply with the provisions of clause 7 of rule XVI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois (Mr. MURPHY) for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 738 provides for the consideration of H.R. 5383, the Age Discrimination in Employment Act Amendments of 1977. This resolution provides for an open rule with 1 hour of general debate, 40 minutes to be divided and controlled by the Committee on Education and Labor and 20 minutes to be divided and controlled by the Select Committee on Aging.

House Resolution 738 makes in order the consideration of the Education and Labor Committee's substitute now printed in the bill as the original bill for purposes of amendment. All points of order are waived against amendment for failure to comply with clause 7 of rule XVI—the germaneness rule.

The rule also makes it in order to consider an amendment printed in the CONGRESSIONAL RECORD of August 4 by Representative SPELLMAN, if offered by a member of the Committee on Post Office and Civil Service. All points of order are waived against this amendment for failure to comply with the provisions of clause 7 of rule XVI—the germaneness rule.

Both the International Relations and the Post Office and Civil Service Committees have withdrawn their requests for sequential referral of H.R. 5383. An agreement was reached to accept the Post Office and Civil Service Committee amendment to section 5 of the bill on the floor. This agreement was made in an effort to expedite the consideration of the legislation. It also gives both of these committees the opportunity to review at a later time mandatory retirement provisions for certain Federal occupations such as air traffic controllers, firefighters, and the Foreign Service.

This rule allows for a motion to recommit with or without instructions.

H.R. 5383 would reduce the incidence of mandatory retirement for workers in private and State and local employment as well as for most Federal workers. Specifically, this bill amends section 12 of the Age Discrimination in Employment Act to raise the upper age limit from 65 to 70 for all non-Federal employees covered by the act. The bill also removes the upper age limit of protection for Federal workers, thus eliminating mandatory retirement on account of age for most Federal employees. The bill clarifies the exemption for employee benefit plans to prohibit early mandatory retirement. Protections already in the act will be extended to these expanded age groups.

This bill also requires a report from the Secretary of Labor on mandatory retirement and the feasibility of eliminating the upper age limit in the act.

Mr. Speaker, I know of no opposition to this rule. Therefore, I urge the adoption of House Resolution 738 in order that H.R. 5383 may be considered.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of this rule is to provide for the consideration of H.R. 5383, the Age Discrimination in Employment Act Amendments of 1977. The rule provides a total of 1 hour of general debate, which will be controlled by two committees. Forty minutes of the general debate will be controlled by the Committee on Education and Labor, and 20 minutes of the general debate will be controlled by the Select Committee on Aging.

In order to preserve the normal amending process, the rule makes the committee substitute recommended by the Committee on Education and Labor in order as an original bill for the purpose of amendment. The rule waives points of order against the substitute for failure to comply with the germaneness rule, clause 7 of rule XVI. This waiver is necessary because the committee substitute is broader than the introduced bill, and deals with subjects not covered in the introduced bill.

The rule also provides for the consideration of an amendment to the committe substitute printed in the RECORD of August 4 by the gentlewoman from Maryland, Mrs. SPELLMAN, if offered, by a member of the Committee on Post Office and Civil Service. Points of order are waived against that amendment for failure to comply with the germaneness rule. The waiver is necessary because the Spellman amendment is broader than the section it amends.

Mr. Speaker, the primary purpose of H.R. 5383 is to reduce the incidence of mandatory retirement for workers in private and state and local employment and to eliminate mandatory retirement on account of age for most Federal workers.

H.R. 5383 would raise the current upper age limit of 65 in the Age Discrimination and Employment Act to 70, remove the upper age limit of protection for Federal workers, and clarify the exemption for employee benefit plans to prohibit early mandatory retirement. Protections against all forms of age discrimination now prohibited by the Age Discrimination in Employment Act would also be extended to older workers in these expanded age groups.

Mr. Speaker, I support the rule so that the House may work its will on the legislation made in order by the rule.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 362, nays 0, not voting 72, as follows:

[Roll No. 529]

YEAS—362

Abdnor	Eckhardt	Kostmayer
Akaka	Edgar	Krebs
Alexander	Edwards, Ala.	LaFalce
Allen	Edwards, Calif.	Lagomarsino
Ammerman	Edwards, Okla.	Latta
Anderson, Calif.	Eilberg	Le Fante
	Emery	Leach
Anderson, Ill.	English	Lederer
Andrews, N.C.	Erlenborn	Levitas
Andrews, N. Dak.	Ertel	Livingston
	Evans, Colo.	Lloyd, Calif.
Annunzio	Evans, Del.	Lloyd, Tenn.
Applegate	Evans, Ga.	Long, La.
Archer	Evans, Ind.	Long, Md.
Armstrong	Fary	Lott
Ashbrook	Fenwick	Lujan
AuCoin	Fish	Luken
Badham	Fisher	Lundine
Bafalis	Fithian	McClory
Baldus	Flippo	McCloskey
Barnard	Flood	McCormack
Baucus	Florio	McDade
Bauman	Flowers	McDonald
Beard, R.I.	Flynt	McEwen
Beard, Tenn.	Ford, Tenn.	McFall
Bedell	Forsythe	McHugh
Bellenson	Fowler	McKay
Benjamin	Fraser	McKinney
Bennett	Frenzel	Maguire
Bevill	Frey	Mahon
Bingham	Fuqua	Mann
Blanchard	Gammage	Markey
Blouin	Gaydos	Marks
Boland	Gephardt	Marlenee
Bonior	Giaimo	Marriott
Bowen	Gibbons	Martin
Breaux	Gilman	Mathis
Breckinridge	Ginn	Mattox
Brinkley	Glickman	Mazzoli
Brodhead	Goldwater	Meeds
Broomfield	Gonzalez	Meyner
Brown, Calif.	Goodling	Michel
Brown, Mich.	Gore	Mikva
Brown, Ohio	Gradison	Milford
Broyhill	Grassley	Miller, Calif.
Buchanan	Gudger	Miller, Ohio
Burgener	Guyer	Mineta
Burke, Calif.	Hagedorn	Minish
Burke, Fla.	Hall	Mitchell, Md.
Burke, Mass.	Hamilton	Mitchell, N.Y.
Burleson, Tex.	Hammer-schmidt	Moakley
Burlison, Mo.		Mollohan
Burton, Phillip	Hanley	Montgomery
Butler	Hannaford	Moore
Byron	Hansen	Moorhead, Calif.
Caputo	Harkin	
Carney	Harris	Moorhead, Pa.
Carr	Harsha	Mottl
Carter	Hawkins	Murphy, Ill.
Cavanaugh	Heckler	Muphy, Pa.
Clausen, Don H.	Hefner	Murtha
	Heftel	Myers, Gary
Clawson, Del	Hightower	Myers, John
Cleveland	Hillis	Myers, Michael
Coleman	Holland	Natcher
Collins, Ill.	Hollenbeck	Neal
Collins, Tex.	Holt	Nedzi
Conable	Holtzman	Nichols
Conte	Horton	Nix
Corcoran	Hubbard	Nolan
Cornell	Huckaby	Nowak
Cornwell	Hughes	O'Brien
Crane	Hyde	Oakar
Cunningham	Ichord	Oberstar
D'Amours	Ireland	Obey
Daniel, Dan	Jacobs	Ottinger
Daniel, R. W.	Jeffords	Panetta
Danielson	Jenkins	Patten
Davis	Jenrette	Pattison
de la Garza	Johnson, Colo.	Pease
Dellums	Jones, N.C.	Pepper
Derrick	Jones, Okla.	Perkins
Derwinski	Jones, Tenn.	Pickle
Devine	Jordan	Pike
Diggs	Kasten	Poage
Dingell	Kastenmeier	Pressler
Dodd	Kazen	Preyer
Downey	Kelly	Price
Drinan	Kemp	Pursell
Duncan, Oreg.	Keys	Quayle
Duncan, Tenn.	Kildee	Rahall
Early	Kindness	Railsback

Regula	Skubitz	Ullman
Rhodes	Slack	Van Deerlin
Rinaldo	Smith, Iowa	Vander Jagt
Risenhoover	Smith, Nebr.	Volkmer
Roberts	Snyder	Waggonner
Robinson	Solarz	Walgren
Rodino	Spellman	Walker
Rogers	Spence	Walsh
Rooney	St Germain	Wampler
Rose	Staggers	Watkins
Rosenthal	Stanton	Waxman
Rousselot	Stark	Weaver
Rudd	Steed	Weiss
Runnels	Steers	Whalen
Ruppe	Steiger	White
Russo	Stockman	Whitehurst
Ryan	Stokes	Whitley
Santini	Stratton	Whitten
Satterfield	Studds	Wiggins
Sawyer	Stump	Wilson, Bob
Scheuer	Taylor	Wilson, C. H.
Schroeder	Teague	Wolff
Schulze	Thompson	Wylie
Sebelius	Thone	Yates
Seiberling	Thornton	Yatron
Sharp	Traxler	Young, Fla.
Shipley	Treen	Young, Mo.
Shuster	Trible	Young, Tex.
Sikes	Tsongas	Zablocki
Simon	Tucker	
Skelton	Udall	

NAYS—0

NOT VOTING—72

Addabbo	Dickinson	Pettis
Ambro	Dicks	Pritchard
Ashley	Dornan	Quie
Aspin	Fascell	Quillen
Badillo	Findley	Rangel
Biaggi	Foley	Reuss
Boggs	Ford, Mich.	Richmond
Bolling	Fountain	Roe
Bonker	Harrington	Roncalio
Brademas	Howard	Rostenkowski
Brooks	Johnson, Calif.	Roybal
Burton, John	Ketchum	Sarasin
Cederberg	Koch	Sisk
Chappell	Krueger	Stangeland
Chisholm	Leggett	Symms
Clay	Lehman	Vanik
Cochran	Lent	Vento
Cohen	Madigan	Wilson, Tex.
Conyers	Metcalfe	Winn
Corman	Mikulski	Wirth
Cotter	Moffett	Wright
Coughlin	Moss	Wydler
Delaney	Murphy, N.Y.	Young, Alaska
Dent	Patterson	Zeferetti

The Clerk announced the following pairs:

Mr. Ambro with Mr. John L. Burton.
Mr. Moss with Mr. Moffett.
Mr. Murphy of New York with Mr. Roybal.
Mr. Brooks with Mr. Vanik.
Mr. Aspin with Mr. Winn.
Mr. Ford with Mr. Symms.
Mr. Metcalfe with Mr. Pritchard.
Ms. Mikulski with Mr. Cochran of Mississippi.
Mr. Patterson of California with Mr. Bonker.
Mr. Cotter with Mr. Cederberg.
Mr. Corman with Mr. Clay.
Mr. Fountain with Mr. Cohen.
Mr. Leggett with Mr. Dickinson.
Mr. Krueger with Mr. Quie.
Mr. Delaney with Mr. Quillen.
Mr. Chappell with Mr. Sarasin.
Mr. Harrington with Mr. Stangeland.
Mr. Biaggi with Mr. Findley.
Mr. Dicks with Mr. Dornan.
Mr. Fascell with Mr. Conyers.
Mr. Dent with Mr. Lent.
Mrs. Boggs with Mr. Rangel.
Mr. Howard with Mr. Wydler.
Mr. Lehman with Mr. Young of Alaska.
Mr. Johnson of California with Mr. Zeferetti.
Mr. Koch with Mr. Coughlin.
Mr. Richmond with Mr. Madigan.
Mr. Rostenkowski with Mr. Wright.
Mr. Sisk with Mr. Brademas.
Mr. Charles Wilson of Texas with Mr. Ashley.
Mr. Wirth with Mr. Foley.
Mr. Addabbo with Mr. Reuss.
Mr. Badillo with Mr. Vento.
Mrs. Chisholm with Mr. Roe.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. REUSS. Mr. Speaker, on the rollcall vote on House Resolution 738 just completed, I was at a post with my card inserted in the electronic voting device. I was voting "yea," but the record failed to show my vote for some reason. I make this statement to indicate that had the apparatus been working, it would have recorded me as voting "yea."

PROVIDING FOR CONSIDERATION OF H.R. 6683, EARTHQUAKE HAZARDS REDUCTION ACT OF 1977

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 639 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 639

Resolved, That upon the adoption of this resolution it shall be in order to move, section 401(b)(1) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6683) to reduce the hazards of earthquakes, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one and one-half hours, one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, and one-half hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 6683, it shall be in order to take from the Speaker's table the bill S. 126 and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 6683 as passed by the House.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, the resolution (H. Res. 639) is the rule providing for the consideration of the bill (H.R. 6683) to reduce the hazards of earthquakes.

It is a 1-hour open rule equally divided between the Committee on Interior and Insular Affairs and the Committee on Science and Technology. Each committee's time is equally divided between the chairman and ranking minority member.

The rule makes in order as an original bill for the purpose of amendment, the amendment in the nature of a substitute reported by the Committee on Interior and Insular Affairs.

It also waives a point of order which could be raised against consideration of the bill under section 401(b)(1) of the Congressional Budget Act. This section prohibits consideration of any bill which contains an entitlement which could take effect before the first day of the fiscal year which begins during the calendar year in which the bill is reported. Section 5(b)(3)(F) of the bill reported by the Committee on Science and Technology provides that members of an advisory committee established by the bill would be entitled to reimbursement for travel expenses. While the amount would be small and it is unlikely that there would be any expenditure during fiscal year 1977, the language is an entitlement within the meaning of the act.

It should be noted that the amendment reported by the Committee on Interior and Insular Affairs is made in order as an original bill. It contains no comparable provision and is therefore subject to no point of order. As a result the waiver is regarded as technical and presents no controversy.

Mr. Speaker, the bill (H.R. 6683) establishes a Federal program designed to reduce the hazards of injury, death, and property damage from earthquakes. Both committees envision a multiagency cooperative program. Both recommend a 3-year authorization whose costs are estimated by the Congressional Budget Office as follows:

[In millions]

Fiscal year:	*Interior*	*Science*
1978	$42.1	$42.9
1979	68.2	69.2
1980	79.5	84.3
1981	20.2	21.6
Total	210.0	218.0

Mr. Speaker, this is an important bill and I urge adoption of the rule to permit orderly consideration.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 639 provides an open rule with 1½ hours of general debate for the consideration of H.R. 6683, the Earthquake Hazards Reduction Act of 1977. One hour of the debate shall be controlled by the chairman and ranking minority member of

the Committee on Science and Technology, and 30 minutes shall be controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs. To expedite the amending process, it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs.

The rule waives section 401(b)(1) of the Congressional Budget Act which makes it out of order for the House to consider any bill providing new entitlement authority which is to be effective before the first day of the fiscal year which begins during the calendar year in which the bill is reported. This waiver applies to the original bill since the committee amendment does not contain the entitlement provision which required the waiver.

The rule also provides one motion to recommit with or without instructions. After the passage of H.R. 6683, it shall be in order to take from the Speaker's table the bill S. 126 and amend with the provisions of the House-passed bill.

Mr. Speaker, the purpose of H.R. 6683 is to reduce the risk of life and property from future earthquakes in the United States. The legislation directs the President to establish an Office of Earthquake Hazards Reduction or designate a lead agency to be the central coordinating body for all earthquake program activities. It also places heavy emphasis on research and earthquake prediction by establishing an Earthquake Prediction Evaluation Board. Finally, maximum authorization levels are set for fiscal years 1978, 1979, and 1980 for the earthquake programs of the U.S. Geological Survey, and the National Science Foundation, and provides a separate authorization to the President to carry out the purposes of the act.

Mr. Speaker, I have no further requests for time and suggest the House express its will on the resolution.

Mr. Speaker, I have no further requests for time and reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 350, nays 3, not voting 81, as follows:

[Roll No. 530]

YEAS—350

Abdnor	Andrews, N. Dak.	Baldus
Akaka	Annunzio	Barnard
Alexander	Applegate	Baucus
Allen	Archer	Beard, Tenn.
Ammerman	Armstrong	Bedell
Anderson, Calif.	Ashbrook	Beilenson
Anderson, Ill.	AuCoin	Benjamin
Andrews, N.C.	Badham	Bennett
Bingham	Hagedorn	Bevill
Blanchard	Hall	Myers, Michael
Blouin	Hamilton	Natcher
Bonior	Hammer-schmidt	Neal
Bowen	Hanley	Nedzi
Brademas	Hannaford	Nichols
Breaux	Hansen	Nix
Breckinridge	Harkin	Nolan
Brinkley	Harris	O'Brien
Brodhead	Harsha	Oakar
Broomfield	Hawkins	Oberstar
Brown, Calif.	Heckler	Obey
Brown, Mich.	Hefner	Ottinger
Brown, Ohio	Heftel	Panetta
Broyhill	Hightower	Patten
Buchanan	Hillis	Pattison
Burgener	Holland	Pease
Burke, Calif.	Hollenbeck	Pepper
Burke, Fla.	Holt	Perkins
Burke, Mass.	Holtzman	Pickle
Burleson, Tex.	Horton	Pike
Burlison, Mo.	Hubbard	Poage
Burton, Phillip	Huckaby	Pressler
Butler	Hughes	Preyer
Byron	Hyde	Price
Caputo	Ichord	Quayle
Carney	Ireland	Rahall
Clausen, Carr	Jacobs	Railsback
Carter	Jeffords	Regula
Cavanaugh	Jenkins	Reuss
Don H.	Jenrette	Rhodes
Clawson, Del	Johnson, Colo.	Rinaldo
Cleveland	Jones, N.C.	Risenhoover
Coleman	Jones, Okla.	Roberts
Collins, Ill.	Jones, Tenn.	Robinson
Collins, Tex.	Jordan	Rodino
Conable	Kasten	Rogers
Conte	Kastenmeier	Rooney
Corcoran	Kazen	Rose
Cornell	Kelly	Rosenthal
Cornwell	Kemp	Rousselot
Coughlin	Keys	Rudd
Crane	Kildee	Runnels
D'Amours	Kindness	Ruppe
Daniel, Dan	Kostmayer	Russo
Daniel, R. W.	Krebs	Ryan
Danielson	LaFalce	Santini
Davis	Lagomarsino	Satterfield
Dellums	Latta	Sawyer
Derrick	Le Fante	Scheuer
Derwinski	Leach	Schroeder
Devine	Lederer	Schulze
Dingell	Levitas	Sebelius
Dodd	Lloyd, Calif.	Seiberling
Downey	Lloyd, Tenn.	Sharp
Drinan	Long, La.	Shipley
Duncan, Oreg.	Long, Md.	Shuster
Duncan, Tenn.	Lott	Sikes
Early	Lujan	Simon
Eckhardt	Luken	Skelton
Edgar	Lundine	Skubitz
Edwards, Ala.	McClory	Slack
Edwards, Calif.	McCloskey	Smith, Iowa
Edwards, Okla.	McCormack	Smith, Nebr.
Eilberg	McDade	Snyder
Emery	McEwen	Solarz
English	McFall	Spellman
Ertel	McHugh	Spence
Evans, Colo.	McKay	St Germain
Evans, Del.	McKinney	Staggers
Evans, Ga.	Madigan	Stanton
Evans, Ind.	Maguire	Stark
Fary	Mahon	Steed
Fenwick	Mann	Steers
Fish	Markey	Steiger
Fisher	Marks	Stockman
Fithian	Marlenee	Stokes
Flippo	Marriott	Stratton
Flood	Martin	Studds
Florio	Mathis	Stump
Flowers	Mattox	Taylor
Foley	Mazzoli	Teague
Ford, Tenn.	Meeds	Thompson
Forsythe	Meyner	Thone
Fowler	Michel	Traxler
Fraser	Mikva	Treen
Frenzel	Milford	Tsongas
Frey	Miller, Calif.	Tucker
Fuqua	Miller, Ohio	Udall
Gammage	Mineta	Ullman
Gaydos	Minish	Van Deerlin
Gephardt	Mitchell, N.Y.	Vander Jagt
Giaimo	Moakley	Vento
Gibbons	Mollohan	Volkmer
Gilman	Montgomery	Waggonner
Ginn	Moore	Walgren
Glickman	Moorhead, Calif.	Walsh
Goldwater	Moorhead, Pa.	Watkins
Gonzalez	Mottl	Waxman
Goodling	Murphy, Ill.	Weaver
Gore	Murphy, Pa.	Weiss
Gradison	Murtha	Whalen
Grassley	Myers, Gary	White
Gudger	Myers, John	Whitehurst
Guyer	Nolan	Whitley
Hagedorn	O'Brien	Whitten
Hall	Oakar	Wiggins
Hamilton	Oberstar	Wilson, Bob
Hammer-schmidt	Obey	Wilson, C. H.
Hanley	Ottinger	Wolff
Hannaford	Panetta	Wylie
Hansen	Patten	Yates
Harkin	Pattison	Yatron
Harris	Pease	Young, Fla.
Harsha	Pepper	Young, Mo.
Hawkins	Perkins	Young, Tex.
Heckler	Pickle	Zablocki
Hefner	Pike	
Heftel	Poage	
Hightower	Pressler	
Hillis	Preyer	
Holland	Price	
Hollenbeck	Quayle	
Holt	Rahall	
Holtzman	Railsback	
Horton	Regula	
Hubbard	Reuss	
Huckaby	Rhodes	
Hughes	Rinaldo	
Hyde	Risenhoover	
Ichord	Roberts	
Ireland	Robinson	
Jacobs	Rodino	
Jeffords	Rogers	
Jenkins	Rooney	
Jenrette	Rose	
Johnson, Colo.	Rosenthal	
Jones, N.C.	Rousselot	
Jones, Okla.	Rudd	
Jones, Tenn.	Runnels	
Jordan	Ruppe	
Kasten	Russo	
Kastenmeier	Ryan	
Kazen	Santini	
Kelly	Satterfield	
Kemp	Sawyer	
Keys	Scheuer	
Kildee	Schroeder	
Kindness	Schulze	
Kostmayer	Sebelius	
Krebs	Seiberling	
LaFalce	Sharp	
Lagomarsino	Shipley	
Latta	Shuster	
Le Fante	Sikes	
Leach	Simon	
Lederer	Skelton	
Levitas	Skubitz	
Lloyd, Calif.	Slack	
Lloyd, Tenn.	Smith, Iowa	
Long, La.	Smith, Nebr.	
Long, Md.	Snyder	
Lott	Solarz	
Lujan	Spellman	
Luken	Spence	
Lundine	St Germain	
McClory	Staggers	
McCloskey	Stanton	
McCormack	Stark	
McDade	Steed	
McEwen	Steers	
McFall	Steiger	
McHugh	Stockman	
McKay	Stokes	
McKinney	Stratton	
Madigan	Studds	
Maguire	Stump	
Mahon	Taylor	
Mann	Teague	
Markey	Thompson	
Marks	Thone	
Marlenee	Traxler	
Marriott	Treen	
Martin	Tsongas	
Mathis	Tucker	
Mattox	Udall	
Mazzoli	Ullman	
Meeds	Van Deerlin	
Meyner	Vander Jagt	
Michel	Vento	
Mikva	Volkmer	
Milford	Waggonner	
Miller, Calif.	Walgren	
Miller, Ohio	Walsh	
Mineta	Watkins	
Minish	Waxman	
Mitchell, N.Y.	Weaver	
Moakley	Weiss	
Mollohan	Whalen	
Montgomery	White	
Moore	Whitehurst	
Moorhead, Calif.	Whitley	
Moorhead, Pa.	Whitten	
Mottl	Wiggins	
Murphy, Ill.	Wilson, Bob	
Murphy, Pa.	Wilson, C. H.	
Murtha	Wolff	
Myers, Gary	Wylie	
Myers, John	Yates	
Natcher	Yatron	
Neal	Young, Fla.	
Nedzi	Young, Mo.	
Nichols	Young, Tex.	
Nix	Zablocki	

NAYS—3

Bauman	Flynt	McDonald

NOT VOTING—81

Addabbo	Dickinson	Pettis
Ambro	Dicks	Pritchard
Ashley	Diggs	Pursell
Aspin	Dornan	Quie
Badillo	Erlenborn	Quillen
Bafalis	Fascell	Rangel
Beard, R.I.	Findley	Richmond
Biaggi	Ford, Mich.	Roe
Boggs	Fountain	Roncalio
Boland	Harrington	Rostenkowski
Bolling	Howard	Roybal
Bonker	Johnson, Calif.	Sarasin
Brooks	Ketchum	Sisk
Burton, John	Koch	Stangeland
Cederberg	Krueger	Symms
Chappell	Leggett	Thornton
Chisholm	Lehman	Trible
Clay	Lent	Vanik
Cochran	Livingston	Walker
Cohen	Metcalfe	Wampler
Conyers	Mikulski	Wilson, Tex.
Corman	Mitchell, Md.	Winn
Cotter	Moffett	Wirth
Cunningham	Moss	Wright
de la Garza	Murphy, N.Y.	Wydler
Delaney	Nowak	Young, Alaska
Dent	Patterson	Zeferetti

The Clerk announced the following pairs:

Mr. Moss with Mr. Fascell.
Mr. Wright with Mr. Lehman.
Mr. Rostenkowski with Mr. Sisk.
Mr. Addabbo with Mr. Roe.
Mr. Beard of Rhode Island with Mr. Roybal.
Mr. Ashley with Mr. Dicks.
Mr. Aspin with Mr. Diggs.
Mr. Harrington with Mr. Fountain.
Mr. Biaggi with Mr. Krueger.
Mr. Brooks with Mr. Lent.
Mr. Leggett with Mr. Cederberg.
Mr. Metcalfe with Mr. Young of Alaska.
Mr. Howard with Mr. Quie.
Mr. Mitchell of Maryland with Mr. Winn.
Mr. Delaney with Mr. Livingston.
Mr. Ambro with Mr. Cochran of Mississippi.
Mrs. Boggs with Mr. Cohen.
Mrs. Chisholm with Mr. Ford of Michigan.
Mr. Corman with Mr. Conyers.
Mr. Cotter with Mr. Clay.
Mr. Rangel with Mr. Patterson of California.
Mr. John L. Burton with Mr. Dickinson.
Mr. Johnson of California with Mr. Findley.
Mr. Koch with Mr. Pritchard.
Ms. Mikulski with Mr. Nowak.
Mr. Richmond with Mr. Moffett.
Mr. Vanik with Mr. Pursell.
Mr. Wirth with Mr. Cunningham.
Mr. Bonker with Mr. Quillen.
Mr. Chappell with Mr. Sarasin.
Mr. Dent with Mr. Stangeland.
Mr. Murphy of New York with Mr. Symms.
Mr. Roncalio with Mr. Wydler.
Mr Charles Wilson of Texas with Mr. Zeferetti.
Mr. Badillo with Mr. Boland.
Mr. Walker with Mr. Thornton.
Mr. Wampler with Mr. de la Garza.

Mr. BAUMAN changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR THE CONSIDERATION OF H.R. 6669, NATIONAL CLIMATE PROGRAM ACT OF 1977

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 641 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move, section 401(b)(1) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6669) to establish a national climate program, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, the resolution provides for the consideration of H.R. 6669, the National Climate Program Act of 1977.

The resolution provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology. The bill contains language that could be construed as an entitlement necessitating a waiver of section 401(b)(1) of the Congressional Budget Act.

May I explain, Mr. Speaker, that the committee has a letter from the chairman of the Budget Committee agreeing to this waiver, and it agrees that the language that would be the subject of a point of order would apply until actually they are authorized in an appropriate budget resolution.

The purpose of H.R. 6669 is to establish a national climate control program which will enable the Nation to respond more effectively to climate induced problems. The program would entail the gathering and analysis of climate data to better assess weather trends and the impact of weather on human activities and resources.

Mr. Speaker, I suggest that we need only to look at the impact of this past harsh winter, followed by the droughts in so many areas of our country this summer to appreciate the need for a better understanding and ability to predict weather patterns. This legislation will create a vehicle for making those assessments.

Therefore I urge the adoption of House Resolution 641 so that we might debate and vote on H.R. 6669.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the resolution provides for the consideration of H.R. 6669, the National Climate Program Act of 1977, under an open rule with 1 hour debate. Points of order against the bill are waived for failure to comply with section 401(b)(1) of the Congressional Budget Act, which relates to new entitlement authority during the current fiscal year. It is my understanding that the authorizing committee has amended this language to alleviate the problem with the Budget Act.

The purpose of the legislation is to establish a national climate program to be administered by a full-time National Climate Program Office, which is to be located within a lead agency. The program may make grants to educational institutions to support regional climate studies. A Management Council comprised of representatives of Federal agencies is created to advise and participate in budget planning. An Advisory Council also is established to insure the involvement of scientists and users of climate information in the program. An annual report is to be submitted to Congress on the activities of the office.

The legislation authorizes $50 million for fiscal year 1978.

Mr. Speaker, a question arose when this bill was before the Rules Committee as to what could a National Climate Program Office do that is not already done by various Federal agencies. The answer given by the author of the bill was that the current state of the art for weather prediction is not adequate, and a need exists for placing emphasis on the coordination of climatic variation data.

I know of no opposition to the rule.

Mr. PEPPER. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 348, nays 2, not voting 84, as follows:

[Roll No. 531]

YEAS—348

Abdnor	Baucus	Brown, Ohio
Akaka	Beard, Tenn.	Broyhill
Alexander	Bedell	Buchanan
Allen	Bellenson	Burgener
Ammerman	Benjamin	Burke, Calif.
Anderson, Calif.	Bennett	Burke, Fla.
	Bevill	Burke, Mass.
Anderson, Ill.	Bingham	Burlison, Mo.
Andrews, N.C.	Blanchard	Burton, Phillip
Andrews, N. Dak.	Blouin	Butler
	Boland	Byron
Annunzio	Bonior	Caputo
Applegate	Bowen	Carney
Archer	Brademas	Carr
Armstrong	Breaux	Carter
Ashbrook	Breckinridge	Cavanaugh
AuCoin	Brinkley	Clausen, Don H.
Badham	Brodhead	
Bafalis	Broomfield	Clawson, Del
Baldus	Brown, Calif.	Cleveland
Barnard	Brown, Mich.	Coleman
Collins, Ill.	Ichord	Pike
Collins, Tex.	Ireland	Poage
Conable	Jacobs	Pressler
Conte	Jeffords	Preyer
Corcoran	Jenkins	Price
Cornell	Jenrette	Quayle
Cornwell	Johnson, Colo.	Rahall
Coughlin	Jones, N.C.	Railsback
Crane	Jones, Okla.	Regula
D'Amours	Jones, Tenn.	Reuss
Daniel, Dan	Jordan	Rinaldo
Daniel, R. W.	Kasten	Risenhoover
Danielson	Kastenmeier	Roberts
Davis	Kazen	Robinson
de la Garza	Kelly	Rodino
Dellums	Keys	Rogers
Derrick	Kildee	Rooney
Derwinski	Kindness	Rose
Devine	Kostmayer	Rosenthal
Dingell	Krebs	Rousselot
Dodd	LaFalce	Rudd
Downey	Lagomarsino	Runnels
Drinan	Latta	Ruppe
Duncan, Oreg.	Le Fante	Russo
Duncan, Tenn.	Leach	Ryan
Early	Lederer	Santini
Eckhardt	Levitas	Satterfield
Edgar	Lloyd, Calif.	Sawyer
Edwards, Ala.	Lloyd, Tenn.	Scheuer
Edwards, Calif.	Long, La.	Schroeder
Edwards, Okla.	Long, Md.	Schulze
Eilberg	Lott	Sebelius
Emery	Lujan	Seiberling
English	Luken	Sharp
Erlenborn	Lundine	Shipley
Ertel	McClory	Shuster
Evans, Colo.	McCloskey	Sikes
Evans, Ga.	McCormack	Simon
Evans, Ind.	McDade	Skelton
Fary	McEwen	Skubitz
Fish	McFall	Slack
Fisher	McHugh	Smith, Iowa
Fithian	McKay	Smith, Nebr.
Flippo	McKinney	Snyder
Flood	Maguire	Solarz
Florio	Mahon	Spellman
Flowers	Mann	Spence
Flynt	Markey	St Germain
Foley	Marks	Staggers
Ford, Tenn.	Marlenee	Stanton
Forsythe	Marriott	Stark
Fowler	Martin	Steed
Fraser	Mathis	Steers
Frenzel	Mattox	Steiger
Frey	Mazzoli	Stockman
Fuqua	Meeds	Stokes
Gammage	Meyner	Stratton
Gaydos	Michel	Studds
Gephardt	Mikva	Stump
Giaimo	Milford	Taylor
Gibbons	Miller, Calif.	Thompson
Ginn	Miller, Ohio	Thone
Glickman	Mineta	Thornton
Goldwater	Minish	Traxler
Gonzalez	Mitchell, N.Y.	Treen
Goodling	Moakley	Tsongas
Gore	Mollohan	Udall
Gradison	Montgomery	Ullman
Grassley	Moore	Van Deerlin
Gudger	Moorhead, Calif.	Vander Jagt
Guyer		Vento
Hagedorn	Moorhead, Pa.	Volkmer
Hall	Mottl	Walgren
Hamilton	Murphy, Ill.	Walker
Hammer-schmidt	Murphy, Pa.	Walsh
	Murtha	Wampler
Hanley	Myers, Gary	Watkins
Hannaford	Myers, John	Waxman
Hansen	Myers, Michael	Weaver
Harkin	Natcher	Weiss
Harris	Neal	Whalen
Harsha	Nedzi	White
Hawkins	Nichols	Whitehurst
Heckler	Nix	Whitley
Hefner	Nolan	Whitten
Heftel	O'Brien	Wiggins
Hightower	Oakar	Wilson, Bob
Hillis	Oberstar	Wilson, C. H.
Holland	Obey	Wolff
Hollenbeck	Ottinger	Wylie
Holt	Panetta	Yates
Holtzman	Patten	Yatron
Horton	Pattison	Young, Fla.
Hubbard	Pease	Young, Mo.
Huckaby	Pepper	Young, Tex.
Hughes	Perkins	Zablocki
Hyde	Pickle	

NAYS—2

Bauman	McDonald

NOT VOTING—84

Addabbo	Badillo	Bolling
Ambro	Beard, R.I.	Bonker
Ashley	Biaggi	Brooks
Aspin	Boggs	Burleson, Tex.

Burton, John	Harrington	Quillen
Cederberg	Howard	Rangel
Chappell	Johnson, Calif.	Rhodes
Chisholm	Kemp	Richmond
Clay	Ketchum	Roe
Cochran	Koch	Roncalio
Cohen	Krueger	Rostenkowski
Conyers	Leggett	Roybal
Corman	Lehman	Sarasin
Cotter	Lent	Sisk
Cunningham	Livingston	Stangeland
Delaney	Madigan	Symms
Dent	Metcalfe	Teague
Dickinson	Mikulski	Trible
Dicks	Mitchell, Md.	Tucker
Diggs	Moffett	Vanik
Dornan	Moss	Waggonner
Evans, Del.	Murphy, N.Y.	Wilson, Tex.
Fascell	Nowak	Winn
Fenwick	Patterson	Wirth
Findley	Pettis	Wright
Ford, Mich.	Pritchard	Wydler
Fountain	Pursell	Young, Alaska
Gilman	Quie	Zeferetti

The Clerk announced the following pairs:

Mr. Moss with Mr. Fascell.
Mr. Wright with Mr. Lehman.
Mr. Rostenkowski with Mr. Sisk.
Mr. Addabbo with Mr. Roe.
Mr. Beard of Rhode Island with Mr. Roybal.
Mr. Ashley with Mr. Dicks.
Mr. Aspin with Mr. Diggs.
Mr. Harrington with Mr. Fountain.
Mr. Biaggi with Mr. Krueger.
Mr. Brooks with Mr. Lent.
Mr. Leggett with Mr. Cederberg.
Mr. Metcalfe with Mr. Young of Alaska.
Mr. Howard with Mr. Quie.
Mr. Mitchell of Maryland with Mr. Winn.
Mr. Delaney with Mr. Livingston.
Mr. Ambro with Mr. Cochran of Mississippi.
Mrs. Boggs with Mr. Cohen.
Mrs. Chisholm with Mr. Ford of Michigan.
Mr. Corman with Mr. Conyers.
Mr. Cotter with Mr. Clay.
Mr. Rangel with Mr. Patterson of California.
Mr. John L. Burton with Mr. Dickinson.
Mr. Johnson of California with Mr. Findley.
Mr. Koch with Mr. Pritchard.
Ms. Mikulski with Mr. Nowak
Mr. Richmond with Mr. Moffett.
Mr. Vanik with Mr. Pursell.
Mr. Wirth with Mr. Cunningham.
Mr. Bonker with Mr. Quillen.
Mr. Chappell with Mr. Sarasin.
Mr. Dent with Mr. Stangeland.
Mr. Murphy of New York with Mr. Symms.
Mr. Roncalio with Mr. Wydler.
Mr. Charles Wilson of Texas with Mr. Zeferetti.
Mr. Badillo with Mr. Tucker.
Mr. Gilman with Mr. Teague.
Mr. Burleson of Texas with Mrs. Fenwick.
Mr. Evans of Delaware with Mr. Waggonner.
Mr. Trible with Mr. Kemp.
Mr. Madigan with Mr. Dornan.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7933) entitled "An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes," and that the Senate agreed to the amendments of the House to the amendments of the Senate, numbered 20, 30, 40, 41, 46, 47, 54, 63, 67, 71, 76, and 82, to the foregoing bill.

PERSONAL EXPLANATION

(Mr. SIMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIMON. Mr. Speaker, I regret that due to a commitment I made to Senator HUMPHREY to fill in for him at a gathering in Norfolk, Va., yesterday evening, I missed four rollcall votes.

Had I been present, I would have voted "no" on the amendment increasing the deficit by $175 million to provide for tax credits for higher education; "no" on the amendment reducing budget outlays by $110 million to reduce commodity credits for South Korea; "no" on the amendment reducing budget authority for national defense by $33 million and budget outlays for international affairs by $110 million to prohibit any aid for South Korea. I would have voted "aye" to the passage of the revised budget resolution.

EARTHQUAKE HAZARDS REDUCTION ACT OF 1977

Mr. THORNTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6683) to reduce the hazards of earthquakes, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arkansas (Mr. THORNTON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6683, with Mr. DAN DANIEL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arkansas (Mr. THORNTON) will be recognized for 30 minutes; the gentleman from New Jersey (Mr. HOLLENBECK) will be recognized for 30 minutes; the gentleman from Texas (Mr. KAZEN) will be recognized for 15 minutes; and the gentleman from Michigan (Mr. RUPPE) will be recognized for 15 minutes.

The Chair recognizes the gentleman from Arkansas (Mr. THORNTON).

Mr. THORNTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I yield myself such time as I may consume. I support the bill, H.R. 6683. At the outset I would like to thank the Members of the House who have made it possible to bring the bill to the floor today. The gentleman from Texas, Chairman TEAGUE, is a constant inspiration to us and a chairman of great wisdom and fairness. I thank him for the privilege of working with him in support of this bill.

I am particularly pleased that our former colleague, Charles Mosher, is once again associated with the Committee on Science and Technology. Along with GEORGE BROWN, Charlie Mosher was one of the two prime movers of the bill. We have been very fortunate on the Science and Technology Committee, because when we lost Charlie Mosher as ranking minority member of the committee we gained an equally distinguished replacement. I am referring, of course, to the gentleman from New York, JOHN WYDLER. His nonpartisan support made it possible to report the bill unanimously from committee. The work of the gentleman from New Jersey (Mr. HOLLENBECK) is appreciated just as highly.

Our colleagues on the Interior Committee, Chairman UDALL and Chairman KAZEN acted promptly on the bill when it was referred, and I thank them for their action and support.

Mr. Chairman, many other Members have also helped bring this bill to the floor and without naming them all I would like to give them my sincere thanks.

Mr. Chairman, in order to expedite consideration of this legislation, which was sequentially referred from the Committee on Science and Technology to the Committee on Interior and Insular Affairs, we have agreed with the gentleman from Texas (Mr. KAZEN) that following these preliminary statements, the distinguished gentleman from New Jersey (Mr. HOLLENBECK) and I will reserve our time in order that the Committee on Interior and Insular Affairs can proceed to use their time under the rule, following which the Committee on Science and Technology will proceed with the discussion of the bill under the rule.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. THORNTON. I am pleased to yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, would the gentleman tell us how much this bill is going to cost and how many more employees it will add to the Federal Government?

Mr. THORNTON. I am pleased to respond by saying that the total authorization for the year 1978 under the bill is $56 million. That is an increase in authorization over the authorization which presently exists and an increase in the amount which has been appropriated for that purpose.

The number of employees to be added is quite small. Some 40 more employees will be authorized under the legislation over the number presently authorized.

Mr. BAUMAN. Mr. Chairman, if the gentleman would yield further, he has given me only a partial response.

How much is the total multiyear authorization in this bill as it is now presented to us?

Mr. THORNTON. The authorization in the bill for the year 1978 is $56 million; for the year 1979 it is $72 million; and for the fiscal year 1980 it is $82 million.

Mr. BAUMAN. So we are talking about $200 million-plus, at least.

Mr. THORNTON. That is a very close

approximation. The actual figure is $210 million, I believe.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman.

Mr. HOLLENBECK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman. I rise in support of H.R. 6683, the Earthquake Hazards Reduction Act of 1977. At the outset I wish to commend the distinguished chairman of our Science, Research and Technology Subcommittee, Mr. THORNTON, and another member of our subcommittee, Mr. BROWN, for their diligent efforts in bringing this needed legislation to the floor. The bill that we have before us today is the product of work and hearings that began in the 94th Congress.

During our hearings on the development of an adequate national earthquake hazards reduction program, our subcommittee was alerted to the fact that the hazard of earthquakes is not confined to the west coast of the United States. In fact, all 50 States are vulnerable to the hazards of earthquakes to some degree. Included among those States subject to major or moderate seismic risk are my own State of New Jersey and other Eastern States such as New York, Massachusetts, and South Carolina.

Testimony before our subcommittee showed that many fault locations in the Eastern United States have never been adequately mapped due to funding limitations although a New York quake could be 20 times more damaging than a similar one in California due to the age of rock in the East. Advances in earthquake prediction require a prior knowledge of fault locations. In California and much of the Western United States the larger fault zones have been mapped and there is a large amount of information as to what faults are known or may be active. This is not the case in much of the Eastern United States. For example, only recently has it been shown that the Boston region is as faulted as areas of southern California. This is apparently the case for large portions of New England. The hazard and potential for disaster is there, but not many people are aware of it. An effective earthquake program such as that established in H.R. 6683 will be of great benefit in minimizing the effects of a potentially devastating earthquake.

Mr. Chairman, The United States has been extraordinarily lucky in avoiding most destructive earthquakes during our 200-year history. The earthquake estimated to have been the most violent in our history occurred near New Madrid, Mo., in 1812. Because the area was largely wilderness, few lives were lost, but eyewitness accounts related that the seismic shock was so great that the flow of the Mississippi River was briefly reversed. Of course, we are all aware of the 1906 earthquake and subsequent fire which destroyed much of San Francisco and took 700 lives, the highest earthquake-related toll in U.S. history. The 1964 Alaska earthquake killed 131 and caused $500 million in damage. The 1971 earthquake centered near San Fernando, Calif., took 65 lives and caused $550 million in damage. As tragic as these and other U.S. earthquake disasters were, they were relatively mild when compared to foreign earthquakes. In 1976 alone, three devastating foreign earthquakes made headlines in the United States. In February 23,000 lives were lost in Guatemala. In July, Tang-shan, China, a city the size of Houston, was completely destroyed with an estimated 650,000 killed. In November, Turkey suffered a violent earthquake with 5,000 lives lost.

As the population of the United States continues to grow and urbanized areas continue to spread, the potential for great earthquake destruction will increase correspondingly unless proper preparation is made. Scientific studies indicate that a repeat of the San Francisco earthquake of 1906, or a large earthquake in the Los Angeles area, could cause approximately 10,000 deaths, 40,000 serious injuries and $20 billion in property damage. H.R. 6683, before us today, places heavy emphasis on the type of research and prediction capabilities that will significantly lessen the disaster proportions of such an earthquake.

Mr. Chairman, I would like to take a few moments to explain some of the provisions of the Earthquake Hazards Reduction Act of 1977. The version of H.R. 6683 with which we are working today is virtually identical to the Senate bill, S. 126. Changes from the original H.R. 6683 reflect the actions of the Committee on Interior and Insular Affairs following sequential referral to that committee. It is my understanding that the compromises incorporated in these changes will facilitate the establishment of the earthquake program.

The bill provides that the President establish and maintain a coordinated earthquake hazards reduction program. Within 30 days after enactment the President must designate the Federal agency or department responsible for completion of the implementation plan and within 210 days after enactment the President must submit that implementation plan to the congressional authorizing committees. This procedure is very important. It will provide the blueprint for coordinating the earthquake program, assigning the role and responsibilities of various Federal agencies. At the present time the U.S. Geological Survey and the National Science Foundation have the largest budgets for earthquake work. However, many other agencies are also involved in one way of another. USGS and NSF will retain their dominant role under H.R. 6683, but greater coordination of effort will be effected among all involved agencies.

The Earthquake Hazards Reduction Act provides for great Presidential flexibility in establishing and maintaining an effective program. However, certain important objectives are set out in the bill. Included in these objectives is the development of technologically and economically feasible earthquake-resistant designs for both new and existing structures. Of particular importance are structures such as schools, hospitals, high occupancy buildings, public utilities, and dams. Obviously, these types of structures are crucial to public safety in the event of an earthquake and the post-quake period.

A second objective is the development of a prediction capability, especially in those areas where the risk of earthquakes is high. This would include a broad research program as well, leading to a better understanding of the control or alteration of seismic phenomena. At the present time we have no control capability and only a very rudimentary prediction capability. The value of even a slightly more advanced prediction capability was illustrated in China in 1975. A predicted earthquake led to an evacuation of over a million people. Five hours after the evacuation a devastating earthquake destroyed large amounts of property but with little loss of life. The Chinese, however, were not able to predict the tragic Tang-shan earthquake of 1976. Still, the possible benefits of an enhanced predictive capability can be enormous. It is certainly a worthy objective of H.R. 6683.

A final objective of the bill which I would like to note is the development of organized emergency services, of a dissemination system to warn of earthquakes, and planning for reconstruction and redevelopment after an earthquake. This is an area in which we are currently inadequately prepared. The public, including State and local officials, need to be better educated in the proper actions to take before, during and after an earthquake. In this way the tremendous social, economic and legal consequences of a major earthquake can be lessened. If such preparatory steps are not taken, the aftermath of a major quake will be chaos. Obviously every contingency cannot be covered, but we can begin with this bill, to prepare for the most likely occurrences. For example, assuming that our predictive capabilities advance to a stage where it can be predicted that it is highly likely that a major earthquake will occur in a certain area within a month, how do we deal with it? Should the public be warned? Should an evacuation be mandated? How certain is the prediction? Questions like these, with their enormous social and economic consequences, cannot be answered today. H.R. 6683 would provide the beginning of a program that would assure that we do find those answers.

Mr. Chairman, I urge my colleagues to support the Earthquake Hazards Reduction Act. It is a responsible piece of legislation that strikes a correct balance between limiting the role of the Federal Government while initiating a badly needed program that will save lives and repay the investment many times over.

Mr. KAZEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the very outset I want to acknowledge the cooperation of the ranking member on the Subcommittee on Mines and Mining, the gentleman from Michigan (Mr. RUPPE), and also the entire subcommittee. They

took this bill after it was sequentially referred to us and made a major amendment to the bill. As the bill comes to us today, the amendment in the nature of a substitute by the Committee on Interior and Insular Affairs will be the bill that is presented to the Members today.

Mr. Chairman, H.R. 6683, as amended, would establish a national earthquake hazards reduction program.

While major earthquakes have shaken the United States many times, this Nation has been extraordinarily lucky to date. The growth of population and the development of large cities are relatively recent in the United States. With such growth and development, however, the potential for devastation resulting from an earthquake has and will continue to increase.

Although the precise location, time, and magnitude of specific earthquakes cannot generally be made now, progress has been and is being made in earthquake prediction. It is known, for example, that Chinese scientists successfully predicted three major earthquakes in China last year. According to Chinese scientists, thousands of lives were saved by the prediction.

The U.S. Geological Survey is presently the lead agency in developing an earthquake prediction system. One of its principal functions is the operation of the worldwide standardized seismograph network. Responsibility for the installation and management of the network was transferred to the Geological Survey from the Coast and Geodetic Survey of the Department of Commerce in 1972.

Recently, a panel of experts assembled by the National Academy of Scientists stated that current funding commitments are seriously inadequate for the proper operation of the Worldwide Network. The bill under consideration will authorize additional funds to the Geological Survey for the proper operation and maintenance of the network.

The amended bill being considered today results from the work of two committees—the Committee on Science and Technology and the Committee on Interior and Insular Affairs. H.R. 6683, as amended, would establish a national earthquake hazards reduction program under the direction of the President to minimize the loss and disruption resulting from future earthquakes.

The program would include four elements:

First, a research element dealing with fundamental earthquake studies, prediction, hazards assessment, and other research relating to the reduction of hazards.

Second, an implementation plan which addresses the need to apply existing information and new research findings to decisionmaking at the Federal, State and local level.

Third, a State assistance program which allows for assistance to be made available to the States under the Disaster Relief Act of 1974.

Fourth, an opportunity for participation in the program by the appropriate representatives of State and local governments and by the public, including representatives of business and industry, the design professions, and research community.

Also, the bill would authorize appropriations to the U.S. Geological Survey and the National Science Foundation for an expanded program for earthquake hazard reduction.

The principal difference between the bill as amended, which is now being considered, and the bill as reported by the Committee on Science and Technology is that the amended bill does not establish an Office of Earthquake Hazards Reduction and does not establish a national advisory committee.

In this respect, the bill, as amended, reflects the views of the administration which advised the Committee on Interior and Insular Affairs through the President's Science Adviser that the administration feels the creation of such an office and advisory committee would be premature before there is a comprehensive review of the implementation plan mandated by the bill.

Under the provisions of the amended bill, the total authorization for the U.S. Geological Survey and the National Science Foundation for the next 3 fiscal years would be $8 million less than the total authorization in the bill reported by the Committee on Science and Technology. The funds authorized for each agency would be equal.

Mr. Chairman, the future losses and disruption resulting from earthquakes in this Nation could be substantially reduced by the earthquake hazards reduction program which would be established by H.R. 6683, as amended. I urge your approval of the bill, as amended.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. KAZEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

The gentleman has said that the authorization is $8 million less than the Committee on Science and Technology. What is the total authorization for the full fiscal years covered?

Mr. KAZEN. These authorizations total $56 million in fiscal year 1978, $72 million in fiscal year 1979, and $82 million in fiscal year 1980, representing the total estimated costs contemplated by the committee if this legislation is enacted.

Mr. BAUMAN. I thank the gentleman.

Mr. THORNTON. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from Arkansas.

Mr. THORNTON. I thank the gentleman for yielding.

I want to congratulate the gentleman on his statement and on the splendid work done by his committee on this bill.

Members of the Science and Technology Committee are supporting the bill reported by the Interior Committee today because it represents a compromise between the bill reported by Science and Technology and the bill passed by the Senate, a compromise which is acceptable to us and, I believe, to the Senate. There are two matters I would like to ask the gentleman from Texas, Chairman KAZEN, about.

The first regards the Advisory Committee to the earthquake hazards reduction program which was called for by the bill reported by Science and Technology. A description of the Advisory Committee is given in section 5(b)(3) of that bill, which is as follows:

(3) National Advisory Committee on Earthquake Hazards Reduction—

(A) The Committee shall have not fewer than 10 members, including persons concerned with earthquake hazards reduction who are representative of the research community (including the design professions), private industry (including insurance and construction), and government (Federal, State, and local), and shall include qualified individuals experienced in earthquake hazards reduction planning, implementation, or preparedness.

(B) The Committee shall serve as an advisory body, to review and advise on the progress, implementation, and coordination of the Program, and shall perform such other duties as the President may assign.

(C) At least annually the Program plan shall be submitted to the Committee, and the Committee shall evaluate the plan.

(D) The annual report required by section 6 of this Act shall be submitted to the Committee before the report is in final form and the Committee shall comment on the report.

(E) Membership on the Committee shall be for staggered, rotating terms.

(F) Each member of the Committee who is not a Federal employee shall be reimbursed for necessary travel expenses (or, in the alternative, for mileage for the use of his privately owned vehicle and a per diem in lieu of subsistence at not to exceed the rates prescribed in sections 5702 and 5704 of title 5, United States Code), and other necessary expenses incurred by him in the performance of duties vested in the Committee, without regard to the provisions of subchapter I of chapter 57 of title 5, United States Code, the Standardized Government Travel Regulations, or section 5731 of such title 5.

Would the gentleman explain why this provision was not included in the Interior bill and how the Interior bill provides for public input on the overall program?

Mr. KAZEN. The administration advised the committee that it would be premature at this time to authorize the existence of these advisory committees until the program was set up. It is my recollection that the Senate bill does not provide for these advisory committees either.

Mr. THORNTON. I believe that section 5(h) of the Interior bill does provide for public input and requires that public input would include a periodic review of earthquake hazard program plans by an assembled group of public representatives.

Mr. KAZEN. Yes. This was the second point I was going to make.

The bill as reported by the Committee on Interior and Insular Affairs does make that provision and there will be sufficient opportunity for input from the general public.

Mr. THORNTON. I thank the gentleman from Texas. That is a thoroughly satisfactory answer. I hope the administration will follow the instructions the gentleman just cited and the spirit in which they were submitted.

Mr. KAZEN. I thank the gentleman.

Mr. RUPPE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 6683. We are acutely aware that the peoples of Alaska and California daily confront the dangers of possible earthquakes; however, the threat is national in scope with millions of Americans facing some degree of risk. Recent history shows a sharp upturn in the world's seismic activity. Just last year, more than 700,000 lives were lost, mostly due to the July 1976 earthquake which ravished mainland China. Thus far, we in the United States have been fortunate. Less than 1,200 lives have been lost in America due to earthquakes. However, we must not be lulled into complacency. With increased urbanization, larger highrises and a mushrooming population, the United States becomes more and more vulnerable to earthquake disaster. We are indebted to our colleague, BOB LAGOMARSINO, who was not only one of the first to recognize the serious nature of the problem but worked diligently in the Interior Committee to bring this critical legislation to the floor.

H.R. 6683 establishes a national program to reduce the hazards from earthquakes. As the frontiers of science recede, it is more and more likely that major breakthroughs will occur, permitting the prediction of earthquakes as well as reducing their destructive power. This legislation, now under consideration, will stimulate such scientific exploration and assure that new and cogent seismological data will be quickly disseminated to where it is needed.

Such a national program is long overdue. Its expense is infinitesimal when compared to the disaster a major earthquake can inflict. Any measure which reduces the effects of earthquake damage is laudable. Mr. Chairman, H.R. 6683 is sound legislation—legislation of which this Congress can be proud. I urge its passage.

Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. DON H. CLAUSEN), who has been most active on this measure.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of H.R. 6683 which is widely supported on both sides of the aisle as well as in the other body. Its purpose is "to reduce the risks to life and property from future earthquakes in the United States through the establishment and maintenance of an effective earthquake hazards reduction program." The major difference in H.R. 6683 as reported out of the Committee on Science and Technology and the amended version before us today is that greater Presidential flexibility in establishing and maintaining the program is provided.

In accordance with the recommendations of the administration, the President is permitted 300 days in which to determine what Federal entity can best manage the earthquake hazard reduction program rather than having Congress mandate the establishment of a National Advisory Office and Committee on Earthquake Hazard Reduction as early versions of the bill had espoused.

H.R. 6683 authorizes $56 million for fiscal year 1978, $72 million for fiscal year 1979, and $82 million for fiscal year 1980. These funds with the exception of $5 million designated for general administration are to be divided equally between the U.S. Geological Survey and the National Science Foundation. Both of the agencies will then pursue, either through in-house effort or outside contract, related research in the prediction of major earthquakes and the reduction of damages resulting therefrom.

As one who has experienced the impact of earthquakes in my congressional district and as the ranking Republican on the Water Resources Subcommittee dealing with disaster relief, I can provide vivid testimony as to the need for this legislation.

Considering the disaster to lives and property which could ensue, H.R. 6683 is a prudent measure, offering hope to the 70 million Americans, who daily run the risk of moderate to severe damage from earthquakes. Accordingly, Mr. Chairman, I urge all my colleagues to support fully this legislation.

Mr. RUPPE. Mr. Chairman, I yield such time as he may consume to my colleague, the gentleman from California (Mr. LAGOMARSINO), who in my opinion deserves special recognition for his understanding of the problem and for his very diligent work in seeing to it that the Interior Committee took up this bill in such fashion that the Science and Technology Committee as well as the Interior Committee could take the bill up on the floor today.

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of H.R. 6683, which was sequentially referred to the Committee on Interior and Insular Affairs and has been amended to conform to the recommendations of the administration as well as the Committee on Science and Technology. The proposal has widespread, bipartisan support, having undergone the detailed scrutiny of both Houses in the 94th as well as this Congress.

The peril from future earthquakes is national in scope. As a Californian, I am painfully aware of the threat which daily confronts my constituents: Yet, nearly every State in the Union faces some degree of risk and over 70 million Americans in 39 States live under the imminent danger of moderate to major earthquake damage. H.R. 6683 establishes a national program to predict and, subsequently, mitigate the effects of earthquakes in the United States.

As amended, H.R. 6683 authorizes $56 million for fiscal year 1978, $72 million for fiscal year 1979 and $82 million for fiscal year 1980. These funds, with the exception of $5 million earmarked for housekeeping, will be divided equally between the U.S. geological survey and the National Science Foundation to be expended in research studies—economic, scientific, social, and legal—to minimize the effects of earthquakes.

But research is not enough. To be effective, recommendations stemming from research must be disseminated to all concerned agencies at the Federal, State, and local level as well as in the private sector. H.R. 6683 prescribes such detailed coordination and mandates the President to designate within 300 days after enactment a Federal entity charged with primary responsibility for developing and implementing the program.

Considering the disaster to lives and property which could ensue, the bill is a prudent measure, whose costs could easily be repaid many times over in reducing the damage of only one major earthquake.

Accordingly, I fully support the position of the subcommittee chairman on mines and mining, as well as the Committee on Science and Technology, on H.R. 6683 and urge my colleagues to do likewise.

Mr. RUPPE. Mr. Chairman, we have no further requests for time.

Mr. KAZEN. Mr. Chairman, I have no further requests for time. I yield back the balance of my time.

Mr. THORNTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill which we are presently considering is designed to reduce the harm that might be done by future earthquakes in the United States.

Now, most of us know that some areas of our country are more prone to earthquakes, at least, we think they are, than others. The west coast, particularly California, Washington, and Alaska, have had many more severe reported earthquakes than other regions of our country, and yet I do not believe it is widely known that all sections of our country are subject to the hazards of earthquakes. Indeed, the most severe earthquake ever to shake the North American Continent in recorded time took place in my own State of Arkansas where it borders the States of Missouri and Tennessee in the New Madrid fault area in the winter of 1811–12. The earthquake occurred over a period of 4 months, shaking and rolling that area of the country so violently that it is reported that bells may have rung in different places, like Charleston and Philadelphia on the east coast. Contemporaneously with this enormous quake, an eye witness reported it shot geysers into the air, that logs were hurled into the air and that for a time, the Mississippi river ran backward. Were that severe quake to occur again today, and there have been hundreds of small quakes occurring in this area, it would likely result in property damage ranging from $5 to $50 billion and as many as 10,000 people might lose their lives.

At the time the New Madrid quake occurred in 1811, of course, the region was sparsely settled.

Mr. Chairman, nothing in this bill is designed to suggest that we will be able to modify a quake once it has started. There are some possibilities that by water injection and other means there might be some method of releasing the tensions that occur in the crust of the earth before the pressures build up to

the point of a violent quake. However, the real purpose of this legislation is to provide funds to study these terrible disasters and, hopefully, to find a means of predicting in advance when the quakes will occur, because the loss of life can be mitigated tremendously simply by moving people out of structures which might fall during the occurrence of the quake. The billions of dollars which would be required to reconstruct and to overcome the damage of a quake could be mitigated significantly if we were able to learn where the dangerous areas are and to provide for better use of building construction knowledge in those areas.

For all of these reasons, I think it is vital not only to the coastal areas of our Nation where the great continental plates impact upon each other and result in periodically occurring quakes, but also throughout our country that we have increased resources to predict these quakes and to minimize their destructive effect upon human life and property.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. THORNTON. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I would like to pass a comment on that New Madrid fault. My hometown of Hannibal was established because of that relocation.

I would like to have a little colloquy with regard to the use or choice of use of certain words on page 25 of the bill in subsections 2, 3, and 4 of subsection (f) in regard to specifically the development and promulgation, the use of the word "promulgation" of specifications, building standards and developing a plan by the present administration. The use of the word "promulgation," I hope—and perhaps the gentleman can correct me if I am wrong—does not mean or give the authority to make rules or regulations in regard to the building standards, et cetera?

Mr. THORNTON. That is correct. The gentleman has correctly described one of the functions of the agency which will be required to develop an implementation plan. That plan might include recommendations that local authorities, such as cities or towns, might consider in the promulgation of rules or regulations; but the bill itself does not grant Federal authority to promulgate rules.

Mr. VOLKMER. Mr. Chairman, if the gentleman will yield further, so the use of the word "promulgation" there would not be on rules and regulations; it would only be in the sense of providing for the dissemination of information?

Mr. THORNTON. Part of the plan would be that local agencies could consider recommendations and in that sense it would be dissemination of information to the local community.

Mr. LLOYD of California. Mr. Chairman, will the gentleman yield?

Mr. THORNTON. I yield to the gentleman from California.

Mr. LLOYD of California. Mr. Chairman, the people of the United States need this bill now. The bill provides for the support of intensive work to improve the Nation's ability to predict earthquakes.

Earthquake prediction is not a pie-in-the-sky dream. A few small earthquakes have been accurately predicted in the United States. The Chinese put high priority on earthquake prediction and have been predicting earthquakes for several years with some successes and some failures.

The importance of prediction is demonstrated by the Chinese experience. In February 1975 the Chinese predicted a quake and moved everyone in the area outdoors. Hours after the warning a severe earthquake happened as predicted. Comparatively few people were killed by that earthquake. It is estimated that tens of thousands of people would have died if the quake had not been predicted. In contrast to that success, the Chinese apparently failed to predict the July earthquake last year and over 600,000 people are estimated to have died. The difference between the two events was the prediction. An accurate prediction and warning would have saved most of the Chinese who were killed by the July quake.

There are a lot of events that are believed to indicate an earthquake may happen. These events include changes in the speed at which seismic waves travel through the Earth, changes in the water level of wells, upraising of the Earth's surface, changes in electric and magnetic fields, variations in the rate at which small earthquakes usually occur, strange behavior by animals, and changes in the amount of the radioactive gas, radon dissolved in well water. There are others. But it is not known how reliable any of these things are for predicting earthquakes. Further study is needed and needed soon.

In California we have a situation in which at least two of the events thought to precede an earthquake have already apparently happened. There seems to have been a change in the speed of seismic waves and there is definitely an upraising of land surrounding the San Andreas Fault in the vicinity of Palmdale, Calif. The U.S. Geological Survey says a major earthquake in the vicinity is inevitable, but they do not know when—it may be today or it may be 50 years from now. The Palmdale area is being studied intensively now, but the study has required that instruments and manpower be taken out of other earthquake-prone areas. More funds are needed to replace those instruments and people.

This bill will provide authorization of funds for the development of methods of earthquake prediction, for basic and applied research necessary for prediction, and for the development of instruments, systems, and computer programs necessary for prediction. I strongly support the passage of this bill.

Mr. THORNTON. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. BROWN), who has been most responsible for the development of this fine piece of legislation.

Mr. BROWN of California. I thank the chairman very much.

Mr. Chairman, I rise in strong support of H.R. 6683, the Earthquake Hazards Reduction Act of 1977. This bill, which has already passed the Senate and has the strong support of the administration and two committees of this body, is long overdue and extremely important to the millions of people who live in seismically active areas. The money which will be necessary to carry out this act has already been appropriated for the coming fiscal year, which demonstrates that the Congress already believes the costs are justified by the risks involved. The only thing which is missing is the organizational framework, and the congressional commitment to the goals of this legislation. The House should pass this bill to provide these missing elements.

The other supporters of this bill have already described its contents and intent. I would like to thank all of the Members who have worked for the passage of this act, especially those who do not have active fault zones in their congressional districts, as I have. A national legislator is one who supports good legislation that has no direct relationship to their own district, and in the progression of the Earthquake Hazards Reduction Act of 1977 I have encountered many national legislators. I would like to assure these Members and others who may be undecided that earthquake hazard work done under this act will affect the entire Nation, and probably the world, and will benefit, at least indirectly, everyone.

The thrust of this legislation is disaster prevention, rather than disaster relief. This concept is one that is only possible today because of advances in earth sciences, and in the success of past research efforts in seismology and related fields. While the bill requires the development of a coordinated Federal earthquake hazards reduction program to include emergency preparedness, relief efforts, building standards, and materials research, the key new element is earthquake prediction. We have good reason to believe that earthquakes can be predicted at a time, place, and magnitude, and lives can be saved by virtue of these predictions.

Mr. Chairman, I want to make just a few more general comments. I think the bill has been very well and ably explained by the distinguished chairman of the subcommittee, the gentleman from Arkansas (Mr. THORNTON), and the equally distinguished subcommittee chairman from the Interior Committee, the gentleman from Texas (Mr. KAZEN); and the respective minority members of the two committees.

I want to say, by way of historical reference, that this bill has been before the Congress now for some period of time. Work began on it several years ago, as a matter of fact, and it has passed the Senate on two occasions. It was brought to the floor under suspension last year and failed to pass at that time. The bill has been modified this year in order to come closer to the language

preferred by the administration and by the Senate.

I would personally have preferred that we would have been able to enact a slightly more detailed bill with regard to the organizational structure in this program, but I recognize that this will probably develop over time if the structure which we propose has merit.

I would like to say also that the reason that it is possible to bring legislation of this sort to the floor, after a period of study and consideration, stems from the basic nature of the scientific process. It is true that over the past 10 or 15 years, there have been basic breakthroughs in the geological sciences, in large part breakthroughs made possible by the infusion of Federal funds through the National Science Foundation. I point particularly to the development of the theory of plate tectonics in geology, which has allowed scientists to create a theoretical framework for explaining something which we all knew existed—earthquakes—but also to explain many other kinds of related phenomena.

As we gain this greater understanding through science and through research, we get to the point where we are able to enact broad programs for the benefit of mankind. We are at that stage now in connection with the prediction of earthquakes, and possibly even a little further down the road, the amelioration of earthquake severity. Unquestionably we are able, through better planning of human structures, to reduce the damage caused by earthquakes even now, and we should be undertaking these kinds of programs.

So, this legislation essentially is an effort to set in place a modest framework, with some congressional input, some improved degree of coordination, for achieving these kinds of benefits which develop in various areas as man's knowledge becomes greater in a particular field. As a matter of fact, we will be dealing with another bill right after this which represents the same kind of progress in the field of climate prediction, long-range climate analysis, and so forth.

I wanted to make that point because it is essential to the functions of the Committee on Science and Technology, which under the jurisdictional rules which the House has promulgated, is charged with the responsibility of evaluating and providing oversight to this kind of scientific development and, hopefully, bringing its fruits to the floor in legislation.

I wanted to make this point because I thought it was important to understand it in connection with the work of the Committee on Science and Technology.

One other thing which has been emphasized—and I will just stress it very briefly—we in California are sometimes accused of having a parochial interest in earthquakes because it is well known that we suffer more than our share. But as has been pointed out, this is not a phenomenon that is localized in California or any other part of the United States.

I have a very recent clipping here which says more than 200 earthquakes were detected in the New York-New Jersey area since 1971. This article points out that major earthquakes in this area would be potentially 20 times more damaging than a similar earthquake in California because of the geological structure which exists in the East and because of the greater amount of settlement that exists here.

So this is a national problem, one which deserves national attention in a national legislative structure, and I think this legislation deals with the problem in an adequate first approximation form. It will undoubtedly require further attention from the Congress over the years, and I am sure that we will be able to give it that attention as the need develops.

Mr. THORNTON. Mr. Chairman, I yield 3 minutes to the gentleman from California, (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, as a cosponsor, I rise in strong support for H.R. 6683, the Earthquake Hazards Reduction Act of 1977.

There is no need to review the number of earthquakes this Nation and this world have experienced; the frequency has seemed to increase in the last few years. There is also no need to remind Members of the devastation these upheavals can cause and have caused.

What I would like to focus on in expressing my support for this bill is the excellent approach it takes in revamping and revising the way our Government handles one particular natural resource problem. As was pointed out in the hearings on this bill, there are currently more than 35 Federal offices, agencies, and departments that in some way are responsible for earthquake prediction, preparedness, and assistance. While the Disaster Relief Act of 1974 provided for a coordinated earthquake prediction system, but other aspects of earthquake relief and assistance have remained scattered within the Federal bureaucracy.

This bill deals with this chaotic situation in what I believe is a sensible and balanced manner. H.R. 6683 assigns to the President the responsibility of designating a lead agency to head the earthquake hazards reduction program and of setting forth a total implementation plan for the areas of prediction and warning, preparedness, research into the causes and effects of earthquakes and the impact of earthquakes on stricken communities, Federal assistance, and joint Federal-State-local ventures in this area.

It is my hope that the well-chosen approach to a complex management problem will be adopted as a means of solving some of the other similar situations we face. I am thinking in particular of water management. Even though we have suffered from the effects of a terrible drought, we still allow water management to remain in the hands of more than 30 separate Federal agencies. As is the case with earthquake prediction and assistance, it is clear that that number of bodies, with no centralized head or authority, cannot realistically deal with natural disasters with the speed and effectiveness that is required.

Mr. Chairman, I commend the Interior Committee and the Committee on Science and Technology for their work on this bill. It is an excellent, sound approach, and one that I hope we will follow in other areas, as we begin to reorganize the Federal Government. I am confident that this plan will bring order out of the chaos that now exists.

Mr. THORNTON, Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. HALL).

Mr. HALL. Mr. Chairman, the gentleman from California (Mr. PANETTA) touched on this subject just a moment ago, and I would like to pursue it just a bit further.

On page 23 of the report there appears a list of some 30 or 40 agencies which at this time have activities affecting earthquake hazards, and the report indicates this may not be all of the list of agencies in which these assigned responsibilities exist.

I notice, Mr. Chairman, that in the last paragraph on page 15 of the report there appears this language:

> Under the bill activities would continue in agencies which have earthquake programs now, and many activities would be expanded, but the President would give each agency doing earthquake work particular responsibilities in the program so that the pieces fit together in a sensible whole.

My question is this: Will this bill bring all of these agencies under the umbrella of this Earthquake Hazards Reduction Act, or will these 35 or 40 individual agencies continue to act under the umbrella of their particular departments?

Going again to page 23 of the report, I notice there are four committees that are listed as being under the Department of Commerce and there are five listed as being under the Department of Defense. Now, without going through the rest of the list, will all of these agencies be brought under the umbrella of this act?

Mr. THORNTON. Mr. Chairman, will the gentleman yield?

Mr. HALL. I yield to the gentleman from Arkansas.

Mr. THORNTON. Mr. Chairman, the purpose of this legislation is to provide for coordination of the various efforts which have been occurring on a fragmented and noncoordinated basis.

In section 5(b) of this act, under "duties," it is provided that the President shall "within 30 days after the date of enactment of this Act, designate the Federal department, agency, or entity responsible for the development of the implementation plan * * *."

In subparagraph (3) it is provided that "By rule, within 300 days after such date of enactment" the President shall "designate the Federal department, agency, or interagency group which shall have primary responsibility for the develop-

ment and implementation of the earthquake hazards reduction program."

Following that, it is provided that he shall "assign and specify the role and responsibility of each appropriate Federal department * * *."

So it is provided by this act that these efforts will be coordinated, and that an overall purpose will be provided for these various efforts which are presently proceeding in an uncoordinated way.

Mr. HALL. Mr. Chairman, I thank the gentleman.

Mr. THORNTON. Mr. Chairman, I reserve the balance of my time.

Mr. HOLLENBECK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think that the point the gentleman from California (Mr. BROWN) made with regard to the fact that this is a national problem and not just a local problem confined to California or the Southeast cannot be overemphasized.

During our hearings the subcommittee was alerted to the fact that the earthquake hazard is not confined alone to those regions. My State is included among those that are subject to major or heavy seismic risks, along with other eastern coast States such as New York, Massachusetts, and South Carolina. There are many fault lines in the Eastern United States in particular that have never been adequately mapped due to funding limitations, although, as my colleague pointed out, it is estimated that a New York earthquake could be 20 times more damaging than a similar one in California, due to the age and structure of the rock in the area and its lesser ability to absorb seismic shock.

I think that other Members have in the course of debate adequately pointed out the obvious important sections of the bill: the goal of predictability, the mitigation methods to be achieved, and the dissemination system which will be created.

Obviously, Mr. Chairman, every contingency cannot be covered in this legislation, but I think this bill is a good beginning to prepare for the most likely occurrences. For example, assuming our predictive capabilities advance to a stage where it can be predicted that it is highly likely that a major earthquake will occur in a certain area, how do we deal with it? Should the public be warned? Should an evacuation be mandated?

Questions like these, with their enormous social and economic consequences, simply cannot be answered today, but this bill does provide the beginning of a program which will assure that we do find those answers.

Mr. Chairman, I urge my colleagues to support the Earthquake Hazards Reduction Act. I think it is a responsible piece of legislation. It strikes a correct balance between limiting the role of the Federal Government while initiating a badly needed program that will save lives and repay the investment many times over.

Mr. Chairman, I yield 10 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I think it is unfortunate that there are fewer than 30 Members of the House here today to listen to this debate because, as the gentleman from California (Mr. BROWN), who handled this legislation a year ago indicated, on September 20, 1976, the House, under its suspension procedure, rejected a bill that would cost a great deal less than this one, by a vote of 192 to 192. Not only did the bill not get the required two-thirds; it did not even get a majority.

Mr. Chairman, this pending bill, in many ways, goes much further than the legislation which was turned down by the House in 1976.

The debate so far has been dominated, obviously, by the proponents of the legislation and those from the State of California who have a particular interest in this legislation. Therefore, I hope that the legislative staff here on the floor which informs Members when they come through the door to vote, depending on the whip's instructions, will at least present the view I am going to expound. It may well mean that 192 Members will be caught in the position of having voted one way last year and will be voting another way this year on an even worse bill. Consequently, an obligation rests upon someone to inform the Members as to how they did vote. I will be glad to provide any Member with a copy of the rollcall during the first consideration of this measure.

Mr. Chairman, I know that I should issue at this point a disclaimer so that it is clear that I do not favor earthquakes or the consequent human suffering they cause. I think all Members of Congress will adhere to that position. That really is not the issue. The issue here is the same one that was taken up last year, whether or not this bill is necessary, as we must always ask when legislation is proposed.

Last year in the course of the debate on the bill, the statement was made by the gentleman from California (Mr. BROWN) in response to my question, that the total authorization contained in that bill was approximately $90 million. The gentleman from Arkansas (Mr. THORNTON) and the gentleman from Texas (Mr. KAZEN) have indicated that this authorization exceeds $210 million, nearly a quarter billion dollars of the taxpayers' money which we are being asked to spend.

Mr. Chairman, if we were not already doing something in the Federal Government about this problem, I might support the legislation. However, the fact of the matter is that right now we have at least 450 employees alone in the Geological Survey of the Department of the Interior, who are devoting themselves full time to this matter. There are many others.

The gentleman from North Carolina (Mr. BROYHILL), to whom I will yield in a moment, brought to my attention earlier an entire list of agencies that will not only not be eliminated, but will continue to act even under this increased authorization.

Mr. Chairman, I yield to the gentleman from North Carolina (Mr. BROYHILL) at this point.

Mr. BROYHILL. Mr. Chairman, I appreciate the gentleman's yielding.

I wanted him to yield in order to ask him to at least amend his amendment.

He has stated that we would be spending over $200 million on this program. I do not think that we know how much we are going to be spending because, as I understand it, there are a number of agencies—and I have a list in my hand of a dozen or more agencies—of the Federal Government that are known to be engaged in activities affecting earthquake hazards and which have authority in this area.

I can find no evidence anywhere in the report which shows how much their authorizations are, so it would appear to me that the total authorizations for these programs could be several times the amount to which the gentleman has referred and could be in the upper hundreds of millions of dollars. We do not know.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman from North Carolina (Mr. BROYHILL) for his correction.

Of course, he is quite right. The figure I stated was only the amounts authorized in this legislation for the National Science Foundation and for the Geological Survey in the Department of the Interior, only two of the many agencies that the report indicates are already involved in this kind of activity.

Earlier the gentleman from Missouri quite correctly pointed out to us the very broad language in this national plan for combatting earthquakes which the President is mandated to carry out by 1980, creating the possibility that even local design standards for buildings in areas over much of the United States could be dictated from the Federal level.

The answer by the gentleman from Arkansas (Mr. THORNTON) was that this was not what the language meant. But what will the bureaucrats do with this authorization?

The point I make is that we in the House spent 2 days this week debating at great length the need for the Government to hold down spending and decrease deficits.

Here the House is today in a perfectly magnificent cause, the cause of trying to predict, prevent, and limit the effects of earthquakes. Yet, we are willing to go right ahead and create another of the thousands of Federal agencies, boards, and commissions which have received so much publicity and which have led so many American citizens to despair that their money will ever be spent wisely by the Congress.

I refer you to the report by the Committee on Science and Technology where, on page 33, under "Effect of Legislation on Inflation" we read the following:

> . . . this legislation is assessed to have no detectable inflationary impact on prices and costs in the national economy.

It would seem to me that a Congress that cannot detect an inflationary im-

pact in spending that kind of money, a quarter of a billion dollars, could not possibly detect an earthquake.

Mr. Chairman, I believe this legislation should be defeated. If there is a need to refocus the actions of a number of agencies then let us pull those agencies together and force them to act in one coordinated fashion. This bill does not do that. It expands the number of employees, it expands the activities and is merely a duplication of other agencies. Therefore, in the opinion of the gentleman from Maryland, it should be defeated.

Mr. FUQUA. Mr. Chairman, one of the most urgent needs in earthquake hazards reduction is coordination among Federal agencies and coordination of Federal actions with State and local actions. This bill provides for both kinds of coordination.

For coordination on the Federal level, the bill requires that a lead agency be named and that the role of each Federal agency in the earthquake hazards reduction program be specified. The bill names 10 agencies which shall be included, where appropriate, in the program. The implementation plan mandated by the bill is required to specify the roles of Federal agencies.

For coordination between the Federal Government and States the bill has several provisions. First, the President is required to provide a method for cooperation and coordination with State and local governments. Second, the implementation plan is to recommend roles for State and local governments in the program. Third, representatives of State and local governments are to be provided an opportunity to participate in the formulation, implementation, and periodic review of the program.

These provsions for program coordination are all included in this bill. I believe it is a sound bill and I urge it be passed.

Mr. PICKLE. Mr. Chairman, it has sometimes been said that we know more about the stars than we know about our own Earth.

The causes and prediction of earthquakes are areas where it would be of immeasurable benefit for us to know a lot more than we now do. Lives and property are the front-line casualties of a serious earthquake and personal tragedy its grim harvest.

Much progress has been made in sizing up, surviving, and predicting earthquakes, but much, much more needs to be done. We especially have very little understanding of the origin of the stresses which cause earthquakes. I support the Earthquake Hazards Reduction Act before us today because it is an effort from which the entire world may gain great benefit.

Before we began consideration of this measure in the Congress, a group of scientists in my own district had been putting their minds to the problem of earthquake prediction.

They are attempting to understand the basic causes of stress and intensification of energy in the Earth's surface which result in earthquakes as well as other phenomenon. To do this, they have taken a somewhat novel approach which does not rely on seismic investigation but instead builds upon the implications of Einstein's theory of relativity as it concerns the Earth's gravitational fields and their relation to the shape of the solid mass of Earth.

This group of scientists, working at the Institute of Applied Harmonics in Austin, Tex., has written a brief description of their approach to the subject and I would like to share that information with any who may be interested at this time:

HARMONIC EARTHQUAKE PREDICTION: A DESCRIPTION OF THE THEORY AND DATA OF THE HARMONIC EARTHQUAKE PREDICTIVE MODEL

It is presently accepted among the majority of seismologists that earthquakes, or tectonic shocks, correspond to the release of elastic strain potential energy in the subsurface crust and mantle which normally manifests as ruptures or faults on the surface of the earth. Though seismology may recognize the kinetic release of the potential energy of these stresses as being an earthquake, it is unfortunate that the true significance of such observational data is, perhaps, best illustrated in the following statement from the Geophysics Research Board of the National Academy of Sciences:

"The origin of these stresses is still essentially unknown." [1]

Before discussing the problems associated with the unknowns of seismology, it would perhaps be proper to review the range of the accomplishments of seismic investigation. There have been established nationally funded seismic centers throughout the world to identify, correlate and record regular seismic activities and their exact locations. Studies of earthquake source mechanisms based on radiation patterns of seismic waves and their scalar, tensor, and vector components in relationship to the earth's crustal structure have been conducted.

The internal structure of the earth, including the core, has been studied by the analysis of body-wave patterns and their travel-time curves on and through the earth's surface and the shear waves in the inner core. Studies have also been undertaken on the nature of the free oscillations of the earth and the changes in these oscillations due to seismic activity. There has been substantial improvement in the technological quality of seismic and gravitational instrumentation. Seismology has also established data bank systems and has taken advantage of advances in electronic data processing.

It should be obvious that the aforementioned research actually deals with the effects (seismic activity is by definition an effect), rather than with the causes of earthquakes. The assumption is that by examining the effects the causes can be arrived at inductively. More recent emphasis in earthquake research has been on the possibility of correlating seismological data with geophysical data. The Geophysics Research Board stated that:

"The extent to which gravity measurements will contribute to the analytical study of the deeper structure of the earth will depend on improved methods of analysis and the rate at which seismological and other geophysical data can be accumulated and gravity observations reconciled with them." [2]

It is evident from this statement that there is a growing awareness of the need to study possible sources of the stresses which result in earthquakes and that a greater understanding of the nature and mechanisms of gravitational fields is essential to this effort.

The nature of gravitational forces was first postulated in the laws of Newton in the 17th century. It should be recalled that Newton was studying the apparent effect of all objects falling at the same rate regardless of inertial mass. This observational and empirical data of bodies in motion which were describing orderly, mathematical orbits (i.e. planetary systems and free-falling bodies) established Newton's gravitational hypothesis that a force of attraction between bodies depends only upon their masses and the distance between them. It should be noted that Newton's conception of a 'gravitational force' is the idea of the 'action-at-a-distance' of modern Newtonian physics and is the causative idea which explains the actual apparent motion of bodies. Seismology and geophysics generally continue to use Newtonian concepts of gravitational force despite the implications of Einstein's Theory of Relativity concerning the nature and source of gravitational fields.

In a speech given at the University of Berlin in 1922, Einstein said:

"According to the general theory of relativity space is endowed with physical qualities . . ." [3]

He further stated that:

"There can be no space nor any part of space without gravitational potentials; for these confer upon space its metrical qualities, without which it cannot be imagined at all. The existence of the gravitational field is inseparably bound up with the existence of space." [4]

On the basis of these considerations, Einstein mathematically deduced equations describing the "field properties" of the gravitational field and its relationship to his "space-time continuum" concept.

It is evident that Einstein considered gravity to be an essential property of space and not a force existing after the fact of the structure of space or the attraction of bodies existing within space, for he also observed that the configurative possibilities of solid bodies are related to gravitational fields. This clearly implies that solid bodies must be considered as a physical quality of space in conjunction with gravitational fields. The obvious application of this to geophysical studies is that an understanding of the earth as a solid body would necessarily provide knowledge of the gravitational field. Such an approach would be the basis of an "analytical study of the deeper structures of the earth" that were previously mentioned as having been called for by the Geophysics Research Board.

The study of the properties and commensurations of solid bodies and three-dimensional space is known as stereometry. The Institute of Applied Harmonics has developed practical applications of stereometric principles which have made possible the formulation of specific research projects. One such application is fundamental to the IAH's Harmonic Earthquake Predictive Model project. By the principles of stereometry the metrical qualities of sphericity apply to all particular spheres. Similarly, the metrical qualities of all configurative possibilities of solid bodies would apply to all particular instances of these possibilities, regardless of distinctive qualities, including volume, area, diameter, substance or any conceivable distinguishing quality whatsoever. Having determined the metrical qualities of the earth as a solid body by the application of stereometric principles, it is logically possible to deduce the nature of the earth's gravitational potentials, for as previously mentioned, Einstein pointed out that gravitational potentials confer metrical qualities upon space and are thus related to form.

On the basis of such considerations and considerations of the IAH's Theory of the Dimensional Generation of Form, the IAH was able to postulate, in the spring of 1974, the existence of a grid of energy on the earth whose metrical configuration corresponds to particular polyhedric shapes.

Footnotes at end of article.

The IAH was soon to learn of the corroboration of the planetary grid hypothesis. It was not without alarm that we received the information that the empirical evidence of the actual existence of the planetary grid had been discovered by Soviet scientists. In May, 1975, an article entitled "Planetary Grid" appeared in the New Age Journal magazine. The author, Chris Bird, who was in communication with the particular Russian scientists, described how this information was substantiated by analysis of polarized light photographs of the earth's surface. It was also noted that the grid pattern was seen by the Russians to consist of polyhedric configurations of energy which they considered to be of a geomagnetic nature.

Ironically, though the Soviets have empirically substantiated the IAH's hypothesis, they have apparently been unable to effectively initiate research applications. This situation could be explained in one of two ways: either they do not have an adequate conceptual framework, or, as is quite possible, such research might have received national security priority.

The significance of the planetary energy grid can be elucidated by a further examination of Einstein's gravitational theories. We have seen that his view is that the possible metrical configurations of solid bodies are inherently related to gravitational fields. Erwin Freundlich in his work. The Foundations of Einstein's Theory of Gravitation, commented on this point:

"Einstein's theory of gravitation is based upon the view that the gravitational forces are the 'binding forces,' i.e. they represent the 'inner ground' of the metric conditions (measure relations) of the space-time-manifold.[5]"

The planetary grid, then, represents the "binding forces" of the "inner ground" of the metric conditions of the earth as a three dimensional solid in the space-time-manifold, (space-time continuum).

It should be pointed out that although the binding forces are referred to as being of a gravitational nature and the planetary grid is referred to as being of a geomagnetic nature, it should not be forgotten that the basis of Einstein's Unified Field Theory is that gravity and geomagnetism are aspects of one unified field. Accordingly, it is quite likely that the planetary grid exhibits properties of both gravitational and geomagnetic fields. It is of particular importance to the proposed Harmonic Earthquake Predictive Model, as it is based on the planetary grid hypothesis, that the manifestation of the energies of the "binding forces" i.e. the grid, fluctuates at particular points. This is consistent with Freundlich's observation that:

"The inner ground of metric relations of the space-time-manifold, in which all physical events take place, lies, according to Einstein's view, in the gravitational conditions. Owing to the continual motion of bodies relative to one another, these gravitational conditions are continually altering . . .[6]"

This alteration in gravitational conditions has been observed by George S. Massingill and discussed in his thesis, An Investigation of Periodicity in the Earth's Gravitational Field.

As might be expected from the previous discussion of Einstein's Unified Field Theory, there are also alterations or fluctuations in the earth's electromagnetic field. It is highly significant that there are strong indications that these fluctuations may correspond directly to earthquake activity. Roger D. Boeka in his thesis, "Correlation of Earthquakes With Low Frequency Fluctuations in the Telluric Field," said:

"Many anomalous changes in the electric field of the earth, or telluric field as it is sometimes called, have been noted in connection with earthquakes. For example, sharp changes in telluric currents have been observed near the times of sizable earthquakes (Richter magnitude 4 or greater) as have induced electric potentials in the atmosphere.[7]"

The IAH, as an extension of its planetary grid hypothesis and upon consideration of the alterations and fluctuations of gravitational and electromagnetic fields of the earth, anticipated that there would be a periodic intensification of energy at a given point on the planetary grid. This is supported by the Russians' observation that:

"There is evidence that the intersections of the grid, which makes up a kind of power matrix, are activated alternately, like traffic lights, and operate for certain intervals of time.[8]"

It should be obvious from this discussion of the source and nature of the gravitational and electromagnetic fields of the earth, their fluctuations and their apparent correspondences to earthquake activity, that this intensification of energy on the grid pattern must be seriously considered in its possible correspondence to earthquake activity and as a possible triggering mechanism of such activity.

It should be pointed out, however, that even if this triggering mechanism could be proven to exist, this would not result in a predictive model unless the energy fluctuations are related to time and the configurative possibilities of solid bodies in the space-time continuum. A predictive model could be derived only if the fluctuations could be shown to occur cyclically or in a periodic manner. The aforementioned research and application of stereometric considerations of the configurative possibilities of solid bodies indicates the likelihood that these fluctuations do occur in predictable cycles which can be discerned from an exhaustive knowledge of the metrical qualities of the earth as a solid body.

It is important to note at this point that earthquakes have been statistically shown to occur in cycles. This is reported on by Edward R. Dewey in his work, "Cycles: The Mysterious Forces That Trigger Events." The IAH considers it of manifest importance that earthquake cycles be studied conjointly with the cycles of fluctuation of the geomagnetic and gravitational fields. The Harmonic Earthquake Predicative Model would incorporate such cycle data within the conceptual framework provided by the stereometric principles of the planetary grid. The resultant collation of these apparently unrelated phenomena would establish casual correspondences that would result in a predictive model.

It was previously mentioned that even if the triggering mechanism were determined and its periodic fluctuations were established this would not in itself provide a predictive model. Even if the triggering mechanism's cycles were corresponded with earthquake cycles the predictive model would not result. It would first be necessary to correlate the periodicity of space with that of time. The fact that natural phenomena occur cyclically is evidence of the periodic property of time. Dewey's research has determined that:

". . . there are thousands of rythmic cycles in our world for which there is no logical explanation, no known cause."[9]

By an extension of stereometric principles the nature and cause of the periodic property of time may be shown to correspond with the periodic property of space. This correspondence in the particular area of earthquake activity would result in an earthquake predictive model that would accurately define the periodicity of earthquake cycles in terms of both time and space such that the precise location and date of future earthquakes could be determined.

The application of the principles of stereometric research indicates that predictive models similar to the IAH-Harmonic Earthquake Predictive Model can be constructed in many areas of naturally cyclic phenomena.

FOOTNOTES

[1] Geophysics Research Board, *Solid Earth Geophysics Survey and Outlook*, (Washington, D.C.: National Academy of Sciences—National Research Council, 1964), p. 42.

[2] Ibid., p. 51.

[3] Dr. Albert Einstein, *Sidelights on Relativity*, (London: Methuen and Co. Ltd., 1922), p. 23.

[4] Ibid., p. 20.

[5] Dr. Erwin Freundlich, *The Foundations of Einstein's Theory of Gravitation*, (New York: G.E. Stechert and Co., 1922), p. 15.

[6] Ibid., p. 35.

[7] Roger D. Boeka, *Correlation of Earthquakes With Low Frequency Fluctuations in the Telluric Field*, (Thesis, Univ. of Texas at Austin, 1975), p. 1.

[8] Chris Bird, "Planetary Grid," *The New Age Journal*, No. 5: 38, 1975.

[9] Edward R. Dewey, *Cycles: The Mysterious Forces That Trigger Events*, (New York: Hawthorn Books, 1971), p. 3.

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Mr. ANDERSON of California. Mr. Chairman, I rise in support of H.R. 6683, the Earthquake Hazards Reduction Act of 1977.

Without a doubt, our country will be hit by a future earthquake. This bill represents an attempt to prevent death and destruction from earthquakes.

The need for a program is self-evident. Last year, 1976, more than 700,000 people died worldwide as a result of earthquakes. Compare this to the fact that 1,200 people have lost their lives in U.S. earthquakes.

In my own area of southern California, estimates of $25 billion in devastated property, and an incredible loss of 12,000 people have been put forth if the "Palmdale Bulge" becomes a major earthquake.

Moreover, earthquakes are definitely not a west coast problem, since some 70 million Americans live in the 39 States that are wholly or partly in earthquake areas. This legislation should be of vital interest to them.

During our 200-year history, major earthquakes have struck Cape Ann, Mass., 1775; New Madrid, Mo., 1811–12; Charleston, S.C., 1886; San Francisco, Calif., 1906; Long Beach, Calif., 1933; Seattle, Wash., 1949; Hebgen Lake, Mont., 1959; the "Good Friday" earthquake near Anchorage, Alaska in 1964;

and the San Fernando Valley, Calif., quake, 1971.

Worldwide, some 74 million people have died as a result of earthquakes. The second quarter of the 20th century saw 350,000 people lose their lives in earthquakes and related disasters.

I urge my colleagues to join me in support of this needed legislation and pass H.R. 6683.

Mr. TEAGUE. Mr. Chairman, I support the bill, H.R. 6683. The purpose of the bill is to reduce the risks of life and property from future earthquakes in the United States through the establishment and maintenance of an effective earthquake hazards reduction program.

This bill is needed to lessen the severe threat of earthquake damage faced by the United States. There is no State that is free from any chance of earthquakes and at least 39 States face severe or moderate earthquake risks.

The most damaging recent earthquake in the United States hit San Fernando, Calif., in 1971. It killed 65 people and caused about half a billion dollars in property damage. Scientific studies indicate that a repeat of the 1906 San Francisco earthquake could cause 20,000 deaths and $20 billion in property damage.

Compared with other countries the United States has been lucky. Since February a year ago six different countries have had an earthquake that killed more than a thousand people. The greatest recent earthquake killed 655,000 people in China last July. There are ways to prevent deaths if it is known that an earthquake will occur.

Just moving outdoors and out of the way of falling objects is the easiest way to avoid harm. Tens of thousands of lives are estimated to have been saved in China during 1975 when people were moved outdoors just before a large quake occurred as predicted. The key to safety is accurate prediction. The United States needs improved prediction capabilities.

There are also ways to prevent or lessen property damage. Some of these require a prediction to be made, but others do not. For instance, houses and other structures can be designed and built to resist earthquake damage. But not enough is known about earthquake resistant design, especially inexpensive design.

In relation to the severity of the earthquake threat in the United States this country has not provided adequate funds for earthquake programs and has not adequately coordinated the programs that do exist.

The bill, H.R. 6683 authorizes the funding of Federal earthquake programs at an adequate but not excessive level. The bill also has provisions to coordinate Federal earthquake programs and to keep Federal efforts in step with State, local, and private efforts to reduce earthquake hazards.

The bill establishes an earthquake hazards reduction program and requires the President to take a number of actions. First, within a month of enactment of the bill the President must start developing an implementation plan.

The plan is to be submitted to Congress within 210 days of enactment. Second, within 300 days of enactment the President must designate a lead agency, assign responsibilities in the program to appropriate agencies, and establish goals and target dates for the program. Third, the President must provide an opportunity for participation in the program by representatives of State and local governments and expert public groups. Fourth, the President must submit an annual report on the program to Congress.

Because more knowledge is needed about all aspects of earthquakes the bill requires research into nine areas:

First, basic earthquake causes.

Second, earthquake prediction.

Third, artificial induction of earthquakes.

Fourth, earthquake modification or control.

Fifth, preparation of risk analyses and land use guidelines.

Sixth, earthquake effects.

Seventh, methods of designing and building manmade works to resist earthquakes.

Eighth, social and economic adjustments that could lessen the harm done by earthquakes.

Ninth, foreign experience with earthquakes.

The implementation plan required by the bill is to provide for:

First. Preparations for earthquakes—including prediction evaluation, earthquake warnings, and response planning.

Second. Development of ways for State and local governments to use information about earthquake risks in land use planning.

Third. Development of standards and codes for earthquake resistance in structures.

Fourth. Examination of how earthquake hazards can be reduced through Federal construction, loans, and licenses.

Fifth. Determination of the appropriate roles of insurance, loans, and relief in moderating the impact of earthquakes.

Sixth. Dissemination of information about all aspects of earthquakes.

Authorizations given in the bill are for 3 fiscal years 1978, 1979, and 1980. The authorizations are for general purposes, for the U.S. Geological Survey, and for the National Science Foundation. The total amounts are $56 million in fiscal year 1978, $72 million in fiscal year 1979, and $82 million in fiscal year 1980.

These amounts are by no means excessive. An advisory committee to the Foundation and the Survey has formulated possible budgets for earthquake research at low, medium, and high levels. The amounts authorized by the bill over 3 years are nearly identical to the medium level of funding recommended by the committee.

The administration supports this bill and agrees that the level of funding for the program is appropriate.

In conclusion, Mr. Chairman, this is an urgently needed bill. It should be passed today by the House.

Mr. HOLLENBECK. Mr. Chairman, I have no further requests for time and yield back the balance of my time.

Mr. THORNTON. Mr. Chariman, I have no further requests for time and yield back the balance of my time.

The CHAIRMAN. If there are no further requests for time, pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs, now printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 6683

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

That this Act may be cited as the "Earthquake Hazards Reduction Act of 1977".

SEC. 2. FINDINGS.

The Congress finds and declares the following:

(1) All 50 States are vulnerable to the hazards of earthquakes, and at least 39 of them are subject to major or moderate seismic risk, including Alaska, California, Hawaii, Illinois, Massachusetts, Missouri, Montana, Nevada, New Jersey, New York, South Carolina, Utah, and Washington. A large portion of the population of the United States lives in areas vulnerable to earthquake hazards.

(2) Earthquakes have caused, and can cause in the future, enormous loss of life, injury, destruction of property, and economic and social disruption. With respect to future earthquakes, such loss, destruction, and disruption can be substantially reduced through the development and implementation of earthquake hazards reduction measures, including (A) improved design and construction methods and practices, (B) land-use controls and redevelopment, (C) prediction techniques and early-warning systems, (D) coordinated emergency preparedness plans, and (E) public education and involvement programs.

(3) An expertly staffed and adequately financed earthquake hazards reduction program, based on Federal, State, local, and private research, planning, decsionmaking, and contributions would reduce the risk of such loss, destruction, and disruption in seismic areas by an amount far greater than the cost of such program.

(4) A well-funded seismological research program in earthquake prediction could provide data adequate for the design, of an operational system that could predict accurately the time, place, magnitude, and physical effects of earthquakes in selected areas of the United States.

(5) An operational earthquake prediction system can produce significant social, economic, legal, and political consequences.

(6) There is a scientific basis for hypothesizing that major earthquakes may be moderated, in at least some seismic areas, by application of the findings of earthquake control and seismological research.

(7) The implementation of earthquake hazards reduction measures would, as an added benefit, also reduce the risk of loss, destruction, and disruption from other natural hazards and manmade hazards, including hurricanes, tornadoes, accidents, explosions, landslides, building and structural cave-ins, and fires.

(8) Reduction of loss, destruction, and disruption from earthquakes will depend on the actions of individuals and organizations in the private sector and governmental units at Federal, State, and local levels. The current capability to transfer knowledge and information to these sectors is insufficient

Improved mechanisms are needed to translate existing information and research findings into reasonable and usable specifications, criteria, and practices so that individuals, organizations, and governmental units may make informed decisions and take appropriate actions.

(9) Severe earthquakes are a worldwide problem. Since damaging earthquakes occur infrequently in any one nation, international cooperation is desirable for mutual learning from limited experiences.

(10) An effective Federal program in earthquake hazards reduction will require input from and review by persons outside the Federal Government expert in the sciences of earthquake hazards reduction and in the practical application of earthquake hazards reduction measures.

SEC. 3. PURPOSE.

It is the purpose of the Congress in this Act to reduce the risks of life and property from future earthquakes in the United States through the establishment and maintenance of an effective earthquake hazards reduction program.

SEC. 4. DEFINITIONS.

As used in this Act, unless the context otherwise requires:

(1) The term "includes" and variants thereof should be read as if the phrase "but is not limited to" were also set forth.

(2) The term "program" means the earthquake hazards program established under section 5.

(3) The term "seismic" and variants thereof mean having to do with, or caused by earthquakes.

(4) The term "State" means each of the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Mariana Islands, and any other territory or possession of the United States.

(5) The term "United States" means when used in a geographical sense, all of the States as defined in section 4(4).

SEC. 5. NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM

(a) Establishment.—The President shall establish and maintain, in accordance with the provisions and policy of this Act, a coordinated earthquake hazards reduction program, which shall—

(1) be designed and administered to achieve the objectives set forth in subsection (c);

(2) involve, where appropriate, each of the agencies listed in subsection (d); and

(3) include each of the elements described in subsection (e), the implementation plan described in subsection (f), and the assistance to the States specified in subsection (g).

(b) Duties.—The President shall—

(1) within 30 days after the date of enactment of this Act, designate the Federal department, agency, or entity responsible for the development of the implementation plan described in subsection (f);

(2) within 210 days after such date of enactment, submit to the appropriate authorizing committees of the Congress the implementation plan described in section (f); and

(3) by rule, within 300 days after such date of enactment—

(A) designate the Federal department, agency, or interagency group which shall have primary responsibility for the development and implementation of the earthquake hazards reduction program;

(B) assign and specify the role and responsibility of each appropriate Federal department, agency and entity with respect to each object and element of the program;

(C) establish goals, priorities, and target dates for implementation of the program;

(D) provide a method for cooperation and coordination with, and assistance (to the extent of available resources) to, interested governmental entities in all States, particularly those containing areas of high or moderate seismic risk; and

(E) provide for qualified staffing for the program and its components.

(c) OBJECTIVES.—The objectives of the earthquake hazards reduction program shall include—

(1) the development of technologically and economically feasible design and construction methods and procedures to make new and existing structures, in areas of seismic risk, earthquake resistant, giving priority to the development of such methods and procedures for nuclear power generating plants, dams, hospitals, schools, public utilities, public safety structures, high occupancy buildings, and other structures which are especially needed in time of disaster;

(2) the implementation in all areas of high or moderate seismic risk, of a system (including personnel, technology, and procedures) for predicting damaging earthquakes and for identifying, evaluating, and accurately characterizing seismic hazards;

(3) the development, publication, and promotion, in conjunction with State and local officials and professional organizations, of model codes and other means to coordinate information about seismic risk with land-use policy decisions and building activity;

(4) the development, in areas of seismic risk, of improved understanding of, and capability with respect to, earthquake-related issues, including methods of controlling the risks from earthquakes, planning to prevent such risks, disseminating warnings of earthquakes, organizing emergency services, and planning for reconstruction and redevelopment after an earthquake;

(5) the education of the public, including State and local officials, as to earthquake phenomena, the identification of locations and structures which are especially susceptible to earthquake damage, ways to reduce the adverse consequences of an earthquake, and related matters;

(6) the development of research on—

(A) ways to increase the use of existing scientific and engineering knowledge to mitigate earthquake hazards;

(B) the social, economic, legal, and political consequences of earthquake prediction; and

(C) ways to assure the availability of earthquake insurance or some functional substitute; and

(7) the development of basic and applied research leading to a better understanding of the control or alteration of seismic phenomena.

(d) PARTICIPATION.—In assigning the role and responsibility of Federal departments, agencies, and entities under subsection (b)(3)(B), the President shall, where appropriate, include the United States Geological Survey, the National Science Foundation, the Department of Defense, the Department of Housing and Urban Development, the National Aeronautics and Space Administration, the National Oceanic and Atmospheric Administration, the National Bureau of Standards, the Energy Research and Development Administration, the Nuclear Regulatory Commission, and the National Fire Prevention and Control Administration.

(e) RESEARCH ELEMENTS.—The research elements of the program shall include—

(1) research into the basic causes and mechanisms of earthquakes;

(2) development of methods to predict the time, place, and magnitude of future earthquakes;

(3) development of an understanding of the circumstances in which earthquakes might be artificially induced by the injection of fluids in deep wells, by the impoundment of reservoirs, or by other means;

(4) evaluation of methods that may lead to the development of a capability to modify or control earthquakes in certain regions;

(5) development of information and guidelines for zoning land in light of seismic risk in all parts of the United States and preparation of seismic risk analyses useful for emergency planning and community preparedness;

(6) development of techniques for the delineation and evaluation of the political effects of earthquakes, and their application on a regional basis;

(7) development of methods for planning, design, construction, rehabilitation, and utilization of manmade works so as to effectively resist the hazards imposed by earthquakes;

(8) exploration of possible social and economic adjustments that could be made to reduce earthquake vulnerability and to exploit effectively existing and developing earthquake mitigation techniques; and

(9) studies of foreign experience with all aspects of earthquakes.

(f) IMPLEMENTATION PLAN.—The President shall develop, through the Federal agency, department, or entity designated under subsection (b)(1), an implementation plan which shall set year-by-year targets through at least 1980, and shall specify the roles for Federal agencies, and recommended appropriate roles for State and local units of government, individuals, and private organizations, in carrying out the implementation plan. The plan shall provide for—

(1) the development of measures to be taken with respect to preparing for earthquakes, evaluation of prediction techniques and actual predictions of earthquakes, warning the residents of an area that an earthquake may occur, and ensuring that a comprehensive response is made to the occurrence of an earthquake;

(2) the development of ways for State, county, local, and regional governmental units to use existing and developing knowledge about the regional and local variations of seismic risk in making their land use decisions;

(3) the development and promulgation of specifications, building standards, design criteria, and construction, practices to achieve appropriate earthquake resistance for new and existing structures;

(4) an examination of alternative provisions and requirements for reducing earthquake hazards through Federal and federally financed construction, loans, loan guarantees, and licenses;

(5) the determination of the appropriate role for insurance, loan programs, and public and private relief efforts in moderating the impact of earthquakes; and

(6) dissemination, on a timely basis, of—

(A) instrument-derived data of interest to other researchers;

(B) design and analysis data and procedures of interest to the design professions and to the construction industry; and

(C) other information and knowledge of interest to the public to reduce vulnerability to earthquake hazards.

When the implementation plan developed by the President under this section contemplates or proposes specific action to be taken by any Federal agency, department, or entity, and, at the end of the 30-day period beginning on the date the President submits such plan to the appropriate authorizing committees of the Congress any such action has not been initiated, the President shall file with such committees a report explaining, in detail, the reasons why such action has not been initiated.

(g) STATE ASSISTANCE.—In making assistance available to the States under the Disaster Relief Act of 1974 (42 U.S.C. 5121 et seq.), the President may make such assistance available to further the purposes of this Act, including making available to the States

the results of research and other activities conducted under this Act.

(h) PARTICIPATION.—In carrying out the provisions of this section, the President shall provide an opportunity for participation by the appropriate representatives of State and local governments, and by the public, including representatives of business and industry, the design professions, and the research community, in the formulation and implementation of the program.

Such non-Federal participation shall include periodic review of the program plan, considered in its entirety, by an assembled and adequately staffed group of such representatives. Any comments on the program upon which such group agrees shall be reported to the Congress.

Measures developed pursuant to paragraph 5(f)(1) for the evaluation of prediction techniques and actual predictions of earthquakes shall provide for adequate non-Federal participation. To the extent that such measures include evaluation by Federal employees of non-Federal prediction activities, such measures shall also include evaluation by persons not in full-time Federal employment of Federal prediction activities.

SEC. 6. ANNUAL REPORT.

The President shall, within ninety days after the end of each fiscal year, submit an annual report to the appropriate authorizing committees in the Congress describing the status of the program, and describing and evaluating progress achieved during the preceding fiscal year in reducing the risks of earthquake hazards. Each such report shall include any recommendations for legislative and other action the President deems necessary and appropriate.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

(a) GENERAL.—There are authorized to be appropriated to the President to carry out the provisions of sections 5 and 6 of this Act (in addition to any authorizations for similar purposes included in other Acts and the authorizations set forth in subsections (b) and (c) of this section), not to exceed $1,000,000 for the fiscal year ending September 30, 1978, not to exceed $2,000,000 for the fiscal year ending September 30, 1979, and not to exceed $2,000,000 for the fiscal year ending September 30, 1980.

(b) GEOLOGICAL SURVEY.—There are authorized to be appropriated to the Secretary of the Interior for purposes for carrying out, through the Director of the United States Geological Survey, the responsibilities that may be assigned to the Director under this Act not to exceed $27,500,000 for the fiscal year ending September 30, 1978; not to exceed $35,000,000 for the fiscal year ending September 30, 1979; and not to exceed $40,000,000 for the fiscal year ending September 30, 1980.

(c) NATIONAL SCIENCE FOUNDATION.—To enable the Foundation to carry out responsibilities that may be assigned to it under this Act, there are authorized to be appropriated to the Foundation not to exceed $27,500,000 for the fiscal year ending September 30, 1978; not to exceed $35,000,000 for the fiscal year ending September 30, 1979; and not to exceed $40,000,000 for the fiscal year ending September 30, 1980.

Mr. THORNTON (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. If there are no amendments to be offered, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DAN DANIEL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6683) to reduce the hazards of earthquakes, and for other purposes, pursuant to House Resolution 639, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 229, nays 125, not voting 80, as follows:

[Roll No. 532]

YEAS—229

Akaka	Danielson	Harsha
Alexander	Davis	Hawkins
Ambro	Dellums	Heckler
Ammerman	Derrick	Heftel
Anderson, Calif.	Dodd	Hightower
	Downey	Holland
Annunzio	Drinan	Hollenbeck
Ashley	Duncan, Oreg.	Holtzman
Baldus	Duncan, Tenn.	Horton
Barnard	Early	Hughes
Baucus	Eckhardt	Hyde
Bedell	Edgar	Jeffords
Beilenson	Edwards, Calif.	Jenrette
Benjamin	Eilberg	Johnson, Colo.
Bennett	Emery	Jones, N.C.
Blanchard	Erlenborn	Jones, Tenn.
Blouin	Evans, Colo.	Jordan
Boland	Evans, Ga.	Kastenmeier
Bonior	Fary	Kazen
Bowen	Fenwick	Kemp
Brademas	Fisher	Keys
Breckinridge	Fithian	Kildee
Brodhead	Flippo	Krebs
Brown, Calif.	Flood	LaFalce
Buchanan	Flowers	Lagomarsino
Burgener	Foley	Le Fante
Burke, Calif.	Ford, Tenn.	Lederer
Burke, Mass.	Forsythe	Lloyd, Calif.
Burlison, Mo.	Fraser	Lloyd, Tenn.
Burton, Phillip	Frey	Long, La.
Caputo	Fuqua	Long, Md.
Carney	Gaydos	Lott
Carr	Gibbons	Lujan
Carter	Glickman	Luken
Cavanaugh	Goldwater	Lundine
Clausen, Don H.	Gonzalez	McClory
	Gore	McCloskey
Coleman	Gradison	McCormack
Collins, Ill.	Hamilton	McDade
Conte	Hammer-schmidt	McFall
Corcoran		McHugh
Cornell	Hannaford	McKay
Cornwell	Harkin	McKinney
D'Amours	Harris	Maguire
Markey	Pepper	Stark
Marks	Perkins	Steed
Marlenee	Pickle	Stokes
Mathis	Poage	Stratton
Mazzoli	Pressler	Studds
Meeds	Preyer	Teague
Meyner	Price	Thompson
Mikva	Pursell	Thone
Milford	Rahall	Thornton
Miller, Calif.	Railsback	Traxler
Mineta	Reuss	Tsongas
Minish	Rinaldo	Tucker
Mitchell, N.Y.	Rodino	Udall
Moakley	Rogers	Ullman
Moorhead, Calif.	Rooney	Van Deerlin
	Rose	Vento
Moorhead, Pa.	Rosenthal	Walgren
Motti	Rudd	Walker
Murphy, Ill.	Ruppe	Waxman
Murphy, Pa.	Russo	Weaver
Murtha	Ryan	Weiss
Myers, Gary	Sawyer	Whalen
Myers, Michael	Scheuer	White
Neal	Schroeder	Whitten
Nedzi	Seiberling	Wilson, Bob
Nix	Sharp	Wilson, C. H.
Nolan	Shipley	Wolff
Nowak	Simon	Wright
Oakar	Skelton	Yates
Oberstar	Smith, Iowa	Yatron
Obey	Solarz	Young, Mo.
Ottinger	Spellman	Young, Tex.
Panetta	Staggers	Zablocki
Pattison	Stanton	

NAYS—125

Abdnor	Evans, Ind.	Miller, Ohio
Allen	Fish	Mollohan
Andrews, N.C.	Flynt	Montgomery
Andrews, N. Dak.	Fowler	Moore
	Frenzel	Myers, John
Applegate	Gammage	Natcher
Archer	Gephardt	Nichols
Armstrong	Giaimo	O'Brien
Ashbrook	Ginn	Patten
AuCoin	Goodling	Pease
Badham	Grassley	Pike
Bafalis	Gudger	Quayle
Bauman	Guyer	Regula
Beard, Tenn.	Hagedorn	Roberts
Bevill	Hall	Robinson
Breaux	Hansen	Rousselot
Brinkley	Hefner	Runnels
Broomfield	Hillis	Santini
Brown, Mich.	Holt	Satterfield
Brown, Ohio	Hubbard	Schulze
Broyhill	Huckaby	Sebelius
Burke, Fla.	Ichord	Shuster
Burleson, Tex.	Ireland	Sikes
Butler	Jacobs	Skubitz
Byron	Jenkins	Slack
Clawson, Del	Jones, Okla.	Smith, Nebr.
Cleveland	Kasten	Snyder
Collins, Tex.	Kelly	Spence
Conable	Kindness	Steers
Coughlin	Kostmayer	Stockman
Crane	Latta	Stump
Daniel, Dan	Leach	Taylor
Daniel, R. W.	Lehman	Treen
de la Garza	Levitas	Vander Jagt
Derwinski	McDonald	Volkmer
Devine	McEwen	Walsh
Dingell	Mahon	Watkins
Edwards, Ala.	Mann	Whitehurst
Edwards, Okla.	Marriott	Whitley
English	Martin	Wiggins
Ertel	Mattox	Wylie
Evans, Del.	Michel	Young, Fla.

NOT VOTING—80

Addabbo	Dicks	Murphy, N.Y.
Anderson, Ill.	Diggs	Patterson
Aspin	Dornan	Pettis
Badillo	Fascell	Pritchard
Beard, R.I.	Findley	Quie
Biaggi	Florio	Quillen
Bingham	Ford, Mich.	Rangel
Boggs	Fountain	Rhodes
Bolling	Gilman	Richmond
Bonker	Hanley	Risenhoover
Brooks	Harrington	Roe
Burton, John	Howard	Roncalio
Cederberg	Johnson, Calif.	Rostenkowski
Chappell	Ketchum	Roybal
Chisholm	Koch	Sarasin
Clay	Krueger	Sisk
Cochran	Leggett	St Germain
Cohen	Lent	Stangeland
Conyers	Livingston	Steiger
Corman	Madigan	Symms
Cotter	Metcalfe	Trible
Cunningham	Mikulski	Vanik
Delaney	Mitchell, Md.	Waggonner
Dent	Moffett	Wampler
Dickinson	Moss	Wilson, Tex.

Wirth Wydler Zeferetti
Winn Young, Alaska

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Sisk.
Mrs. Boggs with Mr. Roncalio.
Mr. Delaney with Mr. Moss.
Mr. Fascell with Mr. Dent.
Mr. Rostenkowski with Mr. Patterson of California.
Mr. Badillo with Mr. Dicks.
Mr. Murphy of New York with Mr. Diggs.
Mr. Richmond with Mr. Anderson of Illinois.
Mr. Conyers with Mr. Moffett.
Mr. Fountain with Mr. Cederberg.
Mr. Bingham with Mr. Wydler.
Mrs. Chisholm with Mr. Aspin.
Mr. Hanley with Mr. Cochran of Mississippi.
Mr. Ford of Michigan with Mr. Findley.
Mr. Koch with Mr. Winn.
Mr. Brooks with Mr. Cohen.
Mr. Waggonner with Mr. Cunningham.
Mr. Johnson of California with Mr. Dickinson.
Mr. Florio with Mr. Krueger.
Mr. Biaggi with Mr. Dornan.
Mr. Harrington with Mr. Leggett.
Mr. Clay with Mr. Bonker.
Mr. Risenhoover with Mr. Quie.
Mr. Gilman with Mr. Symms.
Mr. Rangel with Mr. Howard.
Mr. Charles Wilson of Texas with Mr. Stangeland.
Mr. Metcalfe with Mr. Cotter.
Mr. Wirth with Mr. Quillen.
Mr. Steiger with Mr. Lent.
Mr. Zeferetti with Mr. Livingston.
Mr. Mitchell of Maryland with Mr. Corman.
Mr. Pritchard with Mr. Madigan.
Ms. Mikulski with Mr. Beard of Rhode Island.
Mr. John L. Burton with Mr. Roe.
Mr. Young of Alaska with Mr. Roybal.
Mr. St Germain with Mr. Chappell.
Mr. Wampler with Mr. Vanik.

Messrs. WIGGINS, BREAUX, LEVITAS, MARRIOTT, APPLEGATE, PIKE, and GUYER changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THORNTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter in the RECORD on the bill just passed, H.R. 6683.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. THORNTON. Mr. Speaker, pursuant to House Resolution 639, I call up from the Speaker's table the Senate bill (S. 126) to reduce the hazards of earthquakes, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. THORNTON

Mr. THORNTON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THORNTON moves to strike out all after the enacting clause of the Senate bill S. 126, and to insert in lieu thereof the provisions of the bill H.R. 6683, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 6683) was laid on the table.

LEGISLATIVE PROGRAM

Mr. MICHEL. Mr. Speaker, I take this time for the purpose of inquiring of the distinguished majority leader the program for the balance of the day, if any, and the program for next week.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Texas.

Mr. WRIGHT. I thank the gentleman for yielding.

Mr. Speaker, in response to the question from the gentleman from Illinois (Mr. MICHEL), there is one more bill for our action today, it being the Climate Program Act of 1977, H.R. 6669, an open rule, which we adopted earlier, with 1 hour of debate.

When that bill is completed, the business for the week will be concluded, and it is anticipated that the House would adjourn at approximately 3 p.m.

Next week the House will meet at noon on Monday. At the present time we have 13 bills scheduled on the Suspension Calendar. They are as follows:

H.R. 3455, Nuclear Regulatory Commission authorizations;

H.R. 3454, Endangered American Wilderness Act;

H.R. 8698, veterans benefits pursuant to upgraded discharges;

H.R. 8701, GI Bill Improvements Act;

H.R. 8175, Extension of Physicians' and Dentists' Pay Comparability Act;

H.R. 4341, eliminating certain VA requirements for inspections of mobile homes manufacturing process;

H.R. 6803, Oil Pollution Liability and Compensation Act;

H.R. 4740, Marine Mammal Protection Act, fiscal year 1978 authorizations;

H.R. 3702, improve Armed Forces survivor and retirement benefits;

H. Con. Res. 282, apportionment of funds for interstate highways;

H.R. 8094, Federal Reserve Reform Act of 1977;

H.R. 8423, renal disease program amendment to Social Security Act; and

S. 1752, ESEA extension.

Those bills are scheduled for votes under suspension of the rules. All votes on suspension will be postponed until completion of all suspensions.

Following that, there are two bills on the District Calendar, which are as follows:

H.R. 6530, to provide authority to borrow from U.S. Treasury; and

H.R. 5813, to revise annual Federal payment for District water and sewer service.

We hope to have the conference report on H.R. 5262, dealing with international financial institutions.

All of that is for Monday.

On Tuesday and Wednesday of next week the House will meet at noon, and we hope to conclude general debate on six separate bills. Rules have already been granted for these bills. It is planned, in observance of the Jewish holidays, that we will have no votes on Tuesday and Wednesday, but we do hope to conclude general debate on the following bills:

H.R. 3744, the Fair Labor Standards Act Amendments of 1977—that, of course, is the minimum wage bill;

H.R. 6566, ERDA authorizations for national security programs for fiscal year 1978;

H.R. 6796, ERDA authorization for civilian research and development;

H.R. 7010, compensation for victims of crime;

H.R. 5383, Age Discrimination in Employment Act Amendments of 1977; and

H.R. 2176, Federal Banking Agency Audit Act.

I repeat that we would involve ourselves only in the concluding of general debate on those six named measures on Tuesday and Wednesday.

On Thursday and Friday of next week the House will meet at 10 a.m. We hope to have for consideration the conference report on House Concurrent Resolution 341, the Second Budget Resolution.

Then we would hope to take up and vote on amendments and final passage of the bill, H.R. 3744, the Fair Labor Standards Act Amendments of 1977.

Following that, we would hope to take up H.R. 4544, Black Lung Benefits Reform Act of 1977; and H.R. 5383, Age Discrimination in Employment Act Amendments of 1977.

Subject to a rule being granted, we would then take up H.R. 8638, Nuclear Antiproliferation Act of 1977.

Then we would vote on amendments and, hopefully, on final passage of the bills on ERDA authorizations for national security programs; and the ERDA authorization for civilian research and development.

The House would adjourn at 3 p.m. on Friday and at 5:30 p.m. on all other days except Wednesday.

Conference reports may be brought up at any time, of course, and any further program will be announced later.

Mr. Speaker, let me make this announcement at this time, because I know there is considerable interest in this, and the Members may want to make plans. A change has been made in the originally scheduled recess or home district work period for the Columbus Day holiday.

Rather than taking the time initially planned, it now has been decided that we will take off only the previous Friday and Monday the 10th of October, 2 days. Thus we will be off from the close of business on Thursday, October 6, until the commencement of business on Tuesday, October 11.

Mr. MICHEL. Mr. Speaker, let me ask this question:

Would there be a clear understanding that there would be only general debate on any bills on that Tuesday when we come back?

Mr. WRIGHT. I cannot give the gentleman that absolute assurance. It is likely that the schedule would involve principally general debate. We would hope to arrange it that way, but it is

impossible for the leadership at this time to give an absolute assurance that there would be no votes. In any case, we will attempt to make it a light schedule.

Mr. MICHEL. I appreciate that.

Mr. Speaker, if the majority leader will respond to one further question, let me say that is a pretty big order for Thursday and Friday for the consideration of amendments and bills, including the Fair Labor Standards Act Amendments of 1977, black lung, et cetera.

Are we to assume that those bills will be considered in that precise order, or would there be an adjustment in the schedule there?

Mr. WRIGHT. The present plan is to consider them in the order in which I have listed and mentioned them. That is subject to change, however.

Mr. MICHEL. And how about the District of Columbia appropriation bill, which has been on and off the schedule? I notice that it does not show on the program for next week.

Mr. WRIGHT. It is the present plan to schedule that legislation for the week which follows, or earlier if possible.

Mr. MICHEL. Mr. Speaker, I thank the majority leader.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT TO MONDAY, SEPTEMBER 12, 1977

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

NATIONAL CLIMATE PROGRAM ACT OF 1977

Mr. BROWN of California. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6669) to establish a national climate program, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. BROWN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6669, with Mr. DAN DANIEL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. BROWN) will be recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. WALKER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. BROWN).

Mr. BROWN of California. Mr. Chairman, several days of hearings held in our committee have conclusively demonstrated to me the need for a new Federal effort to develop a climate program. This has also been very clearly demonstrated to the man in the street as a result of the extraordinarily cold winter that we have just passed through. I know that you and all our colleagues remember the barges frozen in the Ohio River—barges carrying the heating oil that was desperately needed to keep factories open and homes warm. I know you all remember the plants that were shut down for a lack of natural gas in the East, while at the same time there was natural gas available in other parts of the country.

John O'Leary, Administrator of the Federal Energy Administration, testified this spring in hearings before our Committee that we could have saved many millions—perhaps billions—of dollars last winter if we had had better generalized climate information in advance. If we had known in advance that there would be an extremely cold winter in the East and a milder winter in other parts of the country, we could have reallocated our energy supplies and avoided many of the extra costs, specifically and especially costs of lost production in the shut down factories. It is important to point out here that we did not need to know what the weather would be—we did not need to know that it would snow on a certain day at a certain time in a certain place. What was needed, and what would have been made available had this bill been enacted last year, would be knowledge that we could expect a severe, cold winter over most of the eastern United States and, at the same time, a relatively mild winter in other parts so that we could have shifted our heating supplies. While specific weather predictions—a snow storm in a certain place at a certain time—cannot be made very far in advance, it is nevertheless becoming possible to make predictions as to the climate months in advance. In fact, there are indications that there was information about this winter which was buried in the scientific bureaucracies and not made available in a timely and useful form to people responsible for making energy decisions.

Another generalized way of looking at this problem and the need for this bill is that our society is becoming more centralized and more mechanized, more dependent upon imports, and has at the same time become much more vulnerable to effects of the climate. It should be noted that we have had a twenty year period of extremely favorable agricultural climate. At the beginning of this period of favorable conditions, we accumulated large agricultural surpluses. More recently we have reduced these surpluses. Now we find that as this period of good weather may be drawing to a close, we have drawn down our reserves to a dangerously small level. Among other things, the bill before you today, H.R. 6669, would provide for an assessment of how climatic variation might impact our grain reserves.

Many reports have been prepared on the need for and the importance of a Federal climate program. Our committee issued such a report last year. In 1974, the Domestic Council issued a report which called for a program very similar to the one contained in this bill. In 1976, the Central Intelligence Agency issued a report on the importance of the climate to political stability. Finally, there is also a draft report on a plan for a U.S. climate program now in the process of being cleared by the executive branch. This report was prepared by the Interagency Committee on Atmospheric Sciences, and has existed in one draft after another in the executive branch for many, many months. We have been told several times that this plan is about to emerge, but it has not as of this date.

Let me now very briefly describe the functions of the climate program which this bill sets up. There are five principal functions. First, the monitoring of climatic variables and related phenomena. Second, climatic research, both research into theories and models of the climate and also into the history of past climatic fluctuation and change. The third element has to do with the use of models and theories developed as a result of research to make climatic predictions, as far as this is possible. Here the committee realizes that precise predictions may not be possible and so we provide for the generation of what we call "climatic outlooks," which would be probable climatic states. Fourth, impact assessment. This function has to do with determining the probable impact of a climatic change or fluctuation on various aspects of society. A simple example would be the impact of last year's winter on our energy situation. The fifth and final function is information dissemination. This is meant to be a very active function under which program results would be made available to all users in a form that they can best employ.

The bill provides that the President will name a lead agency to coordinate and administer the Federal climate program. I want to emphasize that while the lead agency does coordinate and to some extent administer the program, the lead agency would not carry out all the functions of the program and would not be empowered to reach into another agency and tell that agency how to carry out its climate-related activities.

A specific example lies in the interrelationship of climate and agriculture. This bill clearly does not imply that any work in the Department of Agriculture on the impact of climate change would be pulled out of the Department of Agriculture. It would, presumably, be made a part of the program here envisaged, but it would stay in the Department of Agriculture. As such, it would be specifically managed by the Department of Agriculture. What this bill would accomplish is close coordination between such work on agricultural impacts being carried out in the Department of Agricul-

ture and climate research, for example, being carried out in the National Oceanic and Atmospheric Administration and other climate activities in third, fourth, and fifth agencies. For example, we do not foresee that the lead agency would take over forecasting crops based on climate information. The reason for this is very clear. Crop yields are determined by many factors, not only the climate. The amount of fertilizer used and the variety planted are the two other important factors. The Department of Agriculture is, of course, aware of the importance of these other factors, and we would expect that they would continue to factor them into their crop yield predictions. Obviously, what we want to do is avoid having serious market fluctuations caused by climate forecasts issued from various Government agencies involved in the program. We want to avoid the possibility of hoarding on the part of consumers who might not fully understand climate forecasts. We want to avoid undue speculation in the futures markets. The Department of Agriculture has for many years issued its crop yields in accordance with strict schedules and regulations to avoid just this kind of market disruption. It is our intention that this sort of careful approach to prediction of climatic impact continue to be followed where necessary. It is for this reason that the language in section 6(d) of the bill provides that impact assessments "shall be conducted by those Federal agencies having national programs in food, fiber, raw materials, energy, transportation, land, and water management and other such responsibilities in accordance with existing laws and regulations."

The bill also provides for a management council, composed of representatives of all Federal agencies involved in the programs and an advisory council of outside experts to insure that we get the best scientific input into this program.

In summary, this bill sets up a framework for making long-range predictions or climate outlooks months or years ahead, wherever this is possible; provides for study of the impacts of climate changes; studies what climatic fluctuations can be expected; study possible manmade changes, such as the changes in climate due to the increase in carbon dioxide which comes from the burning of fossil fuels; finally, the program will have a very strong emphasis on the users of climate information and will serve the people who need the information.

This is a major element of the program envisaged in this bill, and there is no doubt that we need a great deal of basic research to improve our understanding of the climate. However, this bill goes far beyond a mere research program. The reason for this is that we strongly feel that we can take action now, based on what we know, especially in the area of making information available to users and in assessing potential impacts without conducting more research. That is, our present climate research program should go along, hand in hand, with the activities to take advantage of the information that we already have.

Now I want to say a word on what the bill is not about. The bill is not about purposeful weather modification. We passed a bill in the last Congress which called for a 1-year study of weather modification with recommendations for future legislative policy actions. When this report has been submitted it would be appropriate for the Congress to consider that report and determine if any action is necessary with regard to weather modification.

The bill is not about short-term weather prediction. That is, it is not the thrust of this bill that attempts be made to extend the specific 3-day forecast to 4 or 5 days. Rather, the purpose of this bill is to make longer term generalized climate predictions.

Finally, it should be clear that because this bill is not really about weather phenomena, but rather about climate phenomena, we have not assigned the program to the National Weather Service.

This bill will authorize $50 million in new funds over the existing base program. The draft report of the Interagency Committee on Atmospheric Sciences mentioned above shows that at present there is approximately a $38 million base of Federal activities in this area. This ICAS report further recommends that the climate program grow to a total of $85 million. However, the ICAS program, the $85 million program, does not have significant resources devoted to information dissemination and impact assessment. Thus, the program they had envisaged is somewhat narrower than the program provided for in this bill. The 1974 domestic council report recommended an increase in the first year of $40 million over the base, with additional increases of $7.3 million and $9.4 million in the next 2 years. Again, that program was weak on impact assessment and information dissemination. The point of all this, of course, is that our authorization level is conservative, compared with other assessments of the problem.

As indicated previously, hearings were held by our Subcommittee on the Environment and the Atmosphere, chaired by myself, on the 4th, 5th, and 6th of April of this year. All of the witnesses testified in support of the concept of a national climate program. The non-Federal witnesses, for example, representatives of the agricultural community, supported the specific bill before them. Agency witnesses, while noting the importance of a climate program and supporting the general concept, did not specifically support the bill. Their position was that there is already enough authority on the books and we do not need more legislation.

I want to address that point, because I feel that it is an important one. While I agree there is sufficient general authority to conduct this program already existing in the statute books, the authority has not been executed—the program has not been carried out. The very long gestation period of the ICAS report is an example of what we are trying to get around in passing this bill. The present Federal program is not coordinated. It consists of separate efforts in many agencies. The fact that they do not work together is shown in the long time it has taken to get approval of the draft ICAS report. In addition, it is not only appropriate, but it is in this case apparently necessary, that Congress play its role and provide specific instruction to the administration in how the climate program should be carried out. If the administration had a vigorous, well-coordinated climate program, their opposition would have to be very seriously considered. However, in view of the situation that exists in fact, I think it is totally appropriate for us to go ahead and pass this bill instructing them on how to carry out this program.

Some of my colleagues may have noticed that the committee report which accompanies this bill to the floor contains an additional view by Mr. LUJAN of our committee. I think that he will agree with me that he did not add this additional view for any reason except to reiterate his support to the bill and to explain an amendment which he offered to an earlier version of the bill when it was marked up in subcommittee. That was the "sunset provision" contained in section 15 of the bill, which provides that the authorities conferred in this act terminate December 31, 1979. The purpose of this amendment was not to definitely terminate the program at that date, but rather to assure that the program receives a very careful review before it is extended. Since we have only authorized funds for 1 year, fiscal year 1978, we expect that this careful review will be carried out as part of the Science Committee's annual authorization program.

Finally, on the Senate side several bills have been introduced. The Senate held hearings on the 8th, 9th, and 10th of June on climate legislation. They plan field hearings in July. Senator HUMPHREY has introduced this bill H.R. 6669 as S. 1652, with 10 cosponsors: Senators ANDERSON, HART, CULVER, MCGOVERN, BENTSEN, MELCHER, HASKELL, TOWER, ABOUREZK, and DOMENICI.

Mr. Chairman, this is a good bill, and I strongly urge its adoption.

Mr. Chairman, I will be glad to attempt to respond to any questions the Members may have.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. Mr. Chairman, I am happy to yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman for yielding to me. If I understand correctly this is only a $50 million authorization—if I may use the word "only"—for 1 year, but that the bill calls for a 5-year program, the other 4 years to be authorized in the future. Is that correct that the bill contemplates a 5-year program?

Mr. BROWN of California. Mr. Chairman, in reply to the inquiry of the gentleman from Maryland (Mr. BAUMAN) let me state that it does contemplate a 5-year program. It calls for the development of a 5-year plan, as a matter of fact, but it also has a "sunset" provision

which, I believe, terminates the program unless further extended by Congress in 1979, December 31, 1979.

Mr. BAUMAN. However, I believe the gentleman would admit that it is reasonable to expect that if this authorizes a 5-year program that there is likely to be an annual request for renewal. The reason I am asking is that I am trying to make a projection and I would assume that $50 million for 5 years is a reasonable expectation of what this would cost.

Mr. BROWN of California. This is in accordance with the estimates that have been made by the executive branch in the past several years and, in fact, in 1974, the domestic council issued a report which called for about that expenditure of funds at that time.

Mr. BAUMAN. On page 6 of the committee report there is listed a number of Federal agencies that are now dealing in one way or another with weather problems that this bill also seeks to remedy. I notice that at least one interdepartmental group or the Committee on Atmospheric Sciences has a similar jurisdiction and role. Will any of these agencies be ended, or will they be consolidated or will they just continue to act?

Mr. BROWN of California. It is our intention that some of the existing interdepartmental coordinated agencies would be replaced by the management council structure that is set up in this legislation. With regard to the actual agencies which include, as part of their functions, some phases of research, it is not our intention to abolish any of these agencies or their programs. This is a point the gentleman quite properly raised in connection with the earthquake bill, but to seek better control over the present program.

Mr. BAUMAN. So that the funds that will be authorized in this bill are in addition to any funds that these existing agencies, dealing with climate, already have authorized? This is all new spending?

Mr. BROWN of California. Yes.

Mr. BAUMAN. I thank the gentleman.

Mr. BROWN of California. Mr. Chairman, if there are no further questions, I will be glad to yield to my distinguished colleague, the ranking minority member, the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in favor of H.R. 6669, the National Climate Program Act of 1977.

My interest in climate has been increasing since 1972, when a series of climate-related disasters, including crop failures in the Soviet Union and India and the failure in the Peruvian fishing industry caused food reserves to dwindle and prices to rise dramatically. Climate has continued to make the news since 1972, beginning with the 1973 drought in the Sahel region of Africa. The weather in 1974 was particularly bad for corn production in the United States due to a combination of spring floods, summer drought and an early frost. The Soviet Union had bad years in 1974 and 1975, and additional monsoon failures affected India. The United States experienced a 1977 winter season that was the coldest since the founding of the Republic. And the drought in the Western United States, now nearly 2 years old, is expected to continue to have heavy impact throughout this fall. Varying interpretations of this climatic evidence have led on one hand to a scientifically valid caution regarding possible instability of present-day climate conditions and on the other hand to predictions that the Earth may be on the verge of a new climatic change. Amid discussions of the nature, impact and predictability of climatic variations and change, legislation has been reported by the Committee on Science and Technology to create an expanded national program that could offer the hope of understanding and anticipating likely effects of climatic variation.

There is some indication that climatic variation comes in somewhat regular and predictable patterns. Our society is particularly vulnerable to climatic change. Over the past 20 years, we have had two particularly good decades of agricultural weather. If we are now entering a period of colder winters and warmer summers some determination must be made on changing crop patterns, food production, and energy policy.

John O'Leary, Administrator of the Federal Energy Administration, testified before the Subcommittee on the Environment and the Atmosphere during hearings on this bill that we could have saved millions—and perhaps billions—of dollars had we only had better general climate information in advance. For example, if we had known a year ago that there would be an extremely cold winter in the Northeast and milder weather in other parts of the country last winter, we could have taken steps to ship energy supplies to the most seriously affected regions and avoided many of the extra costs—specifically the costs of lost production, shutdown of factories, and lost wages. It is important to note that we did not have to know exactly what the weather would be—we did not have to know that it would snow 3 inches in a particular place on a particular date—only that the Northeast would be subjected to much more severe winter weather conditions and the Southwest would be subjected to much milder winter weather conditions than usual.

This bill has received virtually unanimous support. Witnesses during our hearing, both from the administration and from the scientific community, were unanimous in their praise for our effort in support of a national climate program. Both the Subcommittee on the Environment and the Atmosphere and the full Committee on Science and Technology reported this bill out with unanimous votes. Our colleague, the gentleman from New Mexico (Mr. LUJAN) only added his amendment to insure that the committee will have the full opportunity to exercise its oversight function before the national climate program is continued.

The national climate program would incorporate five principal functions. The first would be monitoring of climatic variables and related phenomena. The second is climatic research, to include research into theories and models of the climate and also into the history of past climatic fluctuation and change. The third function has to do with the use of models and theories developed as a result of research to make climatic predictions as far as it may be possible. The committee recognizes that precise predictions may not be possible, and so we provide for the generation of what we call climatic outlook, which would be probable climatic states in the future. Our fourth function would be impact assessment. This function has to do with determining the probable impact of a climatic change or fluctuation on various aspects of society. An example of an impact assessment would be fluctuations in energy utilization in various portions of the country last winter based on climatic phenomena which occurred. The fifth and final function is information dissemination. We expect this to be a very active function under which program results would be made available to all users in a form that they could best employ.

Members of the committee were most emphatic in our belief that the most important function of a national climate program would be to serve the people that most require the information. There is a need to improve basic understanding and to conduct research on climatic dynamics, but there is much information available now, and a great deal can be done to make the information available to the ultimate user in a form that he can best understand to assess potential impacts.

We have left the authority to choose a lead agency for a national climate program to the President. We expect that the lead agency would coordinate and administer the program but would not do all the work. The bill also provides for a Federal management council of other agencies and an advisory council of outside experts.

Under the bill, a planning process for a program is established so that the program can be carried out by the several Federal agencies having climatic expertise. The functions of the program include monitoring, research, prediction, impact assessment, and information dissemination. To achieve these ends, the bill authorizes $50 million in new funds. The Interagency Committee on Atmospheric Sciences has indicated that there is a $38 million base in climatic research, and strongly recommends a program growth to $85 million. The committee has received evidence that the Interagency Committee on Atmospheric Sciences had proposed a program which is weak on information dissemination and impact assessment. We consider these two functions to be among the most important of any national climate program and thus feel that our $50 million is fully justified.

There has been some question in the past over the need for legislation of this type. I am in some ways deeply con-

cerned that the Congress finds it necessary to propose legislation to set up a national program. There is already sufficient authority in various acts to allow most of what we are proposing for a national climate program to be conducted by the various Federal agencies. The problem is that despite available general authority, the administration has done nothing to utilize that authority. We believe that Congress can and must play its constitutional role by providing specific instruction to the executive branch of Government. Our action will show our determination that the past will of the Congress, expressed in past authority granted, begins to be exercised.

In summary, this legislation establishes a framework for making long-range predictions or climate outlooks months or years in advance wherever it may be possible. It provides for the study of the impacts of climate changes and studies of what climatic fluctuations can be expected. The bill also calls for the study of possible manmade or man-induced changes, such as the so-called hothouse effect due to the increase of carbon dioxide in the atmosphere resulting from the burning of ever-increasing amounts of fossil fuels. Finally, the program will have a very strong emphasis on the users of climate information and will serve the people who most need the data to be gathered under this program. There should also be some discussion of what this bill is not about. The bill is not about purposeful weather modification. The last Congress passed legislation, Public Law 94–490, which called for a 1-year study of weather modification with recommendations for future legislative policy actions. When this report has been submitted and studied, it would be appropriate for the Congress to consider any possible recommendations and take whatever action may be required.

The bill is not about short-term weather prediction. It is not the thrust of this bill that attempts be made to extend the existent 3-day forecast to 4 or 5 or 7 days. Rather, the purpose of this bill is to make long-term, generalized climate predictions.

Finally, it should be emphasized that this bill is not really concerned with weather phenomena but rather with climate phenomena. And because we see a clear differentiation between short-term weather phenomena and long-term climate phenomena, we have not assigned the program to the National Weather Service.

Mr. Chairman, I believe this bill represents an excellent exercise in congressional oversight. It is a good bill, and I strongly urge its adoption.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I would just add that as one who represents an area that suffered under drought this summer, and 27 or 30 inches thickness of ice in the Chesapeake Bay for weeks last winter, I do not think there is one thing the Congress of the United States could have done to prevent those catastrophes.

I would feel a lot more confidence in this legislation if, instead of appropriating $50 million this year and a possible quarter billion over the next 5 years, we forced all these agencies dealing with climate into one coordinated office now. But, as the gentleman from California made plain, this does not do that at all. It may eventually, but it may not. The bill establishes an Office of National Climate Program and a National Climate Management Council and a National Climate Program Advisory Council, all with travel expenses, and grants to universities and research groups, and per diem to be paid to these experts. After all that, I doubt if it will be any better than if we issued a simple instruction to all these agencies to come together in one unit and stop the duplication.

Mr. WALKER. One of the purposes of the legislation is to have all the work done by these agencies put together. At the present time it is not being put together in any kind of cohesive way. The express purpose of this legislation, the reason why the expenditures will be of value, is because we will get specific information coordinated in a way, so that it can be made available to the public.

One of the great problems is that the information is being obtained but no one is hearing about it. This way we will be able to get the information out, especially to farmers, which has been one of my prime concerns about it, in a long-term way so that it will be useful to them. Many farmers would like to make their plans on known quantities 3 or 4 months in advance rather than a few days in advance. The purpose of this legislation is to move us in that direction. I would not be so bold as to say what Congress does here will be to assure us of that result but it will move us in the direction to give us that kind of information in the future.

Mr. BAUMAN. If the gentleman from Pennsylvania will yield further, I am not going to argue with the gentleman that climate can be better predicted by the thickness of the coat of the woolly bear caterpillar or reading the Hagerstown, Md., Almanac, but the point I am making is that this bill will allow spending more money and creating more bureaucracy. The bill is unnecessary because the President can do it by reorganization powers we have granted. It seems always we have to spend more and increase the size of the Government to accomplish a laudable goal which in this case is long-term weather prediction.

Mr. WALKER. This will give us a long-term program which will allow us to reduce the size of the programs. This is a first step in an effort to make certain that the information we are getting is of long-range value as well as short-term.

Mr. BAUMAN. I hope the gentleman is correct, but I know in many of my public remarks one of the biggest responses I draw from the audiences and particularly from farm audiences is when I observe that if the Congress of the United States ever gets the power to control the weather, they will screw that up too. That is the general attitude of the public. I doubt if this bill will do the job its sponsors boast.

Mr. WALKER. I do not think this will give us the power to control the weather but we might be able to do a little bit more about it in the future.

Mr. BROWN of California. Mr. Chairman, if the gentleman will yield, I am appreciative of the remarks of the gentleman from Maryland because he is seeking to grapple with a problem which in all sincerity I have been personally seeking to grapple with also: How do we coordinate and economize on all these magnitudes of the functions that are occurring in the Federal Government?

A classic example occurs in the climate field where in the last year we found the best long-term climate predictions and the impact of them was being generated by the CIA. The CIA felt there were strong defense policy implications in knowing the impact of climate on agricultural production and being able to predict this in the future. In seeking to best achieve public policy, should we take that CIA unit which is doing long-range climate predictions, for example, and put it over under NOAA? I think the answer is "No."

It is conceivable NOAA should have a better program which CIA could call upon to make their assessments of long-range defense strategy, but certainly we want the CIA to retain its own autonomy and not become a part of NOAA.

This bill provides that if an agency has a program related to the overall climate program, then that segment is processed for budget purposes through this climate program so we can see them all together and see if we are getting a coherent program that is giving us value for the money we are putting into it.

That may or may not succeed. I cannot assure the gentleman it will, but it is an effort to address the problem of which the gentleman is keenly aware and we all need to be concerned about.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I hope both sides of the aisle can assure us that they will make every attempt that this is coordinated and that we do have some coordination out of this effort. Usually what happens, or has happened in the past, is that we pass this kind of legislation and then they continue, the various agencies or bureaus continue to go off in several different directions and we really do not achieve a coordination that we were told was going to occur.

Since both my colleagues here have expressed the desire and it is their hope this will create a coordinated effort and that it will not encourage proliferation of these bureaus and agencies involved and that it will, in fact, be a more simplified—maybe not simplified, but a more coordinated reporting system and approach, I hope that actually occurs; but if it does not, that this committee will come back and help us put a better handle on it than we have had.

Mr. WALKER. Mr. Chairman, I thank the gentleman from California for those remarks. I assure the gentleman from California that this side of the aisle is particularly cognizant of that. That is the reason our colleague, the gentleman from New Mexico (Mr. LUJAN) offered an amendment aimed specifically at the oversight function of our subcommittee in this regard. That is the reason we have an annual authorization process in it; it is aimed at having our committee take a look regularly at this program precisely, to assure the coordination we are demanding is, in fact, taking place.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, I appreciate those comments.

Does my colleague, the gentleman from California (Mr. BROWN) intend to do the same?

Mr. BROWN of California. Mr. Chairman, if the gentleman will yield further, I can assure the gentleman we will be extremely assiduous in doing exactly that.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, I hope also it does not go in the direction of some of the National Science projects and some of these strange-sounding names that have come up in regard to that, because supposedly that was one of the things the National Science Foundation was going to do in that area of responsibility.

Mr. WALKER. I am also concerned about some of the projects that the National Science Foundation has pursued.

Mr. HARKIN. Mr. Chairman, I rise in support of H.R. 6669, the Climate Program Act of 1977.

The recent drought conditions which plagued parts of the midwest just this summer have only served to dramatize the need for a coordinated national climate program.

I am pleased to be a cosponsor of this measure which has been so ably managed by the distinguished chairman of the Subcommittee on Environment and the Atmosphere, Mr. BROWN, and the distinguished chairman of the Science and Technology Committee, Mr. TEAGUE.

This legislation would authorize a broad program of climate-related activities. Most important of these would be the continuous monitoring of the climate and climate-related phenomena, and expanded research to increase our understanding of the climate. Information generated by the program would be made available to a variety of users.

In addition, H.R. 6669 would authorize grants to universities and other educational institutions to develop and support centers for climate study.

We have long needed better coordination of climate-related activities being carried out by the Federal Government. This bill will meet this need and I urge my colleagues to support it.

Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. BROWN of California. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Climate Program Act of 1977".

FINDINGS

SEC. 2. Congress finds that—

(1) natural changes and fluctuations of climate can sharply intensify domestic and international food and energy shortages;

(2) a change of climate, even if sustained for only a few years' time, could seriously disrupt land, water, and energy use patterns and could have far-reaching consequences to the national economy, security, and well-being;

(3) longer term changes in climate, whether occurring naturally or resulting from human activities, or both, may be leading to new global climate regimes with widespread effects on food production, energy consumption, and water resources;

(4) the United States at present lacks a sustained and coordinated program of climate monitoring, analysis, information dissemination, and research;

(5) the present ability to anticipate and explain either natural fluctuations or changes or human-induced changes of climate is insufficient adequately to guide policy formulation concerning agriculture, energy, transportation, and other critical sectors of the economy;

(6) promising opportunities to understand climatic fluctuations and changes exist because of valuable international contributions which have been made or can be made in the near future, and because of the commonality of interest among many nations in understanding and predicting climate; and

(7) there is a need for a program that can bring together and utilize all research and monitoring resources with the goal of knowing and anticipating the effects of climate fluctuations and changes in the United States and the rest of the world.

PURPOSE

SEC. 3. The purpose of this Act is to establish a National Climate Program which will enable the Nation to respond more effectively to climate-induced problems (1) by improving climate monitoring in order to make the Government and the private sector aware of, and to enable the Government and the private sector to anticipate, fluctuations and anomalies in climate; (2) by augmenting basic and applied climate research, including research on the potential influence of human activities on regional and global climate; (3) by improving services relating to the climate, particularly the dissemination of climate-related data and information; and (4) by identifying the domestic and international impacts of changes and fluctuations in the climate, in particular on the allocation and use of energy resources, on the management of land and other natural resources, and on the planning of food supplies.

DEFINITIONS

SEC. 4. As used in this Act:

(1) The term "climate" means the state of the atmosphere, hydrosphere, and cryosphere in a region during an extended time period.

(2) The term "cryosphere" means the world's ice masses and snow deposits, including the continental ice sheets, mountain glaciers, sea ice, surface snow cover, and lake and river ice.

(3) The term "climatic anomaly" means the substantial deviation of a particular climate from its average state.

(4) The term "Program" means the National Climate Program established under this Act.

(5) The term "Federal agency" means an executive agency, as defined in section 105 of title 5, United States Code.

(6) The term "Office" means the National Climate Program Office established under section 9.

(7) The term "Management Council" means the National Climate Program Management Council established under section 10.

(8) The term "Advisory Council" means the National Climate Program Advisory Council established under section 11.

(9) The term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States.

ESTABLISHMENT OF THE NATIONAL CLIMATE PROGRAM

SEC. 5. The President shall establish a National Climate Program which shall be administered by the National Climate Program Office (established under section 9) and shall provide, in accordance with the provisions of this Act, for research, and for the collection, analysis, forecasting, modeling, and dissemination of data concerning past, present, and future states of the climate and their variations, and shall provide for the assessment of the impact of climatic fluctuations and changes and anomalies on human activities and of the influence of human activities upon climate.

SPECIFIC PROGRAM ELEMENTS: DATA SYSTEM, RESEARCH, PREDICTION, ASSESSMENTS, INFORMATION DISSEMINATION, AND HYPOTHESIS TESTING

SEC. 6. (a) The Program shall provide for obtaining, analyzing, and disseminating climate data. It shall include—

(1) the monitoring of (by satellite and other means), and gathering of data relating to, the global climate and processes that may produce changes in the climate;

(2) appropriate methods to insure and improve the accuracy and precision of the data;

(3) collection of data needed for basic and applied research and services related to climate;

(4) such procedures for the processing and storage of climate data as will make such data readily available to users and potential users at moderate cost in formats suitable to their requirements;

(5) the preparation of such inventories and indices of data as will promote their use;

(6) the periodic publication of reports, in appropriate professional, trade, and popular journals and otherwise, describing the form and manner in which the data are available;

(7) such affiliation and other arrangements with information exchange networks as will promote the use of the data; and

(8) mechanisms for consultation with current and potential users of the data concerning the management and structure of the data, and delivery of services.

(b) The Program shall provide for research, using information from physical, chemical, biological, geological, historical, archaeological, and other investigations, (1) to improve basic understanding of the climate, of the causes of fluctuations and anomalies in the climate (including the influence of human activities on the climate), and of the relationship among atmospheric, hydrospheric, and biospheric processes and their effect on the climate, and (2) to develop models which can be used to predict fluctuations and changes in the climate.

(c) The Program shall provide (1) for improved methods and systems for the detection and prediction of climate changes (and particularly seasonal and annual fluctuations and anomalies in the climate), (2) for a system to provide early alerts of

incipient climatic anomalies, and (3) for a system for evaluating the accuracy of different climate prediction techniques in predicting observed climate.

(d) The Program shall provide support for and encourage continuing assessments, on a global, national, and regional basis, of the observed and potential impacts on human activities, of past, present, and future changes and fluctuations in the climate including impacts on crop production, energy demand and supply, land and water resources, biological productivity and diversity, transportation, and demography. Such assessments shall be conducted by those Federal agencies having national programs in food, fiber, raw materials, energy, transportation, land and water management, and other such responsibilities, in accordance with existing laws and regulations, and shall include analyses, studies, and appropriate recommendations for action concerning—

(1) the impact of small changes in climate on agriculture, the economy, commerce, and technology and other areas of human endeavor;

(2) appropriate changes in agricultural, economic, commercial, technological, and other practices to mitigate the effects of fluctuations and changes in the climate; and

(3) appropriate strategies to reverse or minimize man-induced changes in global and regional climates.

(e) The Program shall provide for active dissemination of information concerning its plans, activities, results, any climate predictions, and other related activities. The Program shall emphasize regular reports, where possible including climate predictions, applicable to specific user groups and on a time schedule most useful to them.

(f) Activities of the Problem shall be carried out, to the extent practical, in a manner which makes explicit the hypotheses concerning the climate which the activities are testing and how the results of such activities validate or invalidate such hypotheses.

COOPERATION

SEC. 7. The Program shall be conducted so as to encourage cooperation with, and participation in the Program by, other organizations or agencies involved in related activities. For this purpose the Program is authorized to cooperate and participate with other Federal agencies, State and local governmental agencies, and foreign, international, and domestic organizations and agencies involved in international or domestic climate-related programs.

SPECIAL GRANTS FOR REGIONAL CLIMATE ACTIVITIES

SEC. 8. (a) The Program may provide for grants to universities, colleges, and other nonprofit educational institutions to develop and support centers for climate study and to support regional studies relating to activities of the Program.

(b) Grants made under this section shall be made upon the submittal of such application and on such terms and conditions and in such amounts as the Program may prescribe, except that—

(1) the amount of any such grant may not exceed two-thirds of the cost of the center or regional study proposed to be supported by the grant, and

(2) no such grant may be used for the purchase of land or construction of any building.

NATIONAL CLIMATE PROGRAM OFFICE

SEC. 9. (a) The President shall designate, not later than thirty days after the date of the enactment of this Act, a Federal agency (hereinafter in this Act referred to as the "lead agency") within which the Program will be administered.

(b)(1) The head of the lead agency shall establish within the lead agency a National Climate Program Office to administer the Program.

(2) There shall be at the head of the Office a Director who shall be appointed by the President, by and with the advice and consent of the Senate.

(3) The Director of the Office shall receive compensation at the rate provided for level IV or V of the Executive Schedule by section 5315 of title 5, United States Code.

(c) The Office may accept personnel detailed from other Federal agencies involved in the Program, and such agencies shall provide for such detailing, to the extent practicable, to the Office upon the request of the Director of the Office.

(d) The Office shall provide the Management Council and the Advisory Council with such assistance and support as each may require to carry out its activities.

MANAGEMENT COUNCIL

SEC. 10. (a) To assure broad Federal involvement in the management of the Program, the President shall ensure (not later than thirty days after the date of enactment of this Act) that representatives of Federal agencies conducting activities relating to the Program, including representatives of each of the Departments of Agriculture, Commerce, Defense, the Interior, State, and Transportation, Energy Research and Development Administration, Environmental Protection Agency, Federal Energy Agency, National Aeronautics and Space Administration, Council on Environmental Quality, National Science Foundation, Office of Management and Budget, and Office of Science and Technology Policy, are designated to serve on a Management Council for the Program. The Management Council may be designated as a Committee of the Federal Coordinating Council on Science, Engineering, and Technology.

(b) The Management Council shall—

(1) advise the lead agency and the Office on the conduct and priorities of the Program and make recommendations to such agency and Office to improve such conduct;

(2) participate in the development of the Program's budget under section 12(b);

(3) advise the Department of State with respect to providing representation at intergovernmental meetings and conferences relating to climate in which representatives of the United States and foreign governments participate; and

(4) make recommendations to the President through the Federal Coordinating Council on Science, Engineering, and Technology with respect to major domestic and international actions the United States should take to strengthen efforts to understand and adjust to changes in the climate.

(c)(1) The Director of the Office shall chair the Management Council.

(2) The Management Council may have such subcommittees as the Council determines to be appropriate to the specific functions and end uses of the program such as:

(A) A subcommittee on dissemination and use of climate information.

(B) A subcommittee on scientific understanding of the climate.

(C) A subcommittee on the impact of climate fluctuations.

(3) The Management Council shall meet not less often than four times each year, and at least one of such meetings shall be held jointly with the Advisory Council.

ADVISORY COUNCIL

SEC. 11. (a) To insure the involvement of scientists and users of climate information in the Program, the head of the lead agency shall (not later than sixty days after the date of enactment of this Act) appoint in consultation with the Management Council not less than eleven, and not more than fifteen, individuals, who, as a group, are representative of diverse interests relating to the Program, to serve on an Advisory Council for the Program. The individuals appointed shall not be full-time officers or employees of the United States.

(b) The Advisory Council shall (1) continually review the Nation's climate activities, especially the Program, and based on its findings advise the Office on the conduct and priorities of the Program, particularly with respect to the scientific rigor of the Program and the delivery of services under the Program; (2) make recommendations to the President with respect to actions the United States should take to strengthen international efforts to understand and adjust to changes in the climate; and (3) make an annual report as an appendix to the annual report provided for in section 12(c) which appendix shall not be subject to clearance by any other agency.

(c)(1) Members of the Advisory Council shall be appointed for terms of three years, except that (A) of the individuals first appointed one-third shall be appointed for a term of one year, one-third shall be appointed for a term of two years, and the remainder shall be appointed for a term of three years, as determined by the President and (B) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed only for the remainder of such term. No individual may serve as a member of the Advisory Council for any part of more than two consecutive terms.

(2) Members of the Advisory Council shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS 18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Council. While away from their homes or regular places of business in the performance of services for the Council, members of the Advisory Council shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

(d) The Advisory Council shall elect its own Chairman. The Advisory Council shall meet not less often than three times each year, and at least one of such meetings shall be held jointly with the Management Council.

(e) Unless extended by law, this Advisory Council shall cease to exist three years after the date of the enactment of this Act.

PLAN FOR, ANNUAL BUDGET OF, AND REPORTS ON, NATIONAL CLIMATE PROGRAM

SEC. 12. (a)(1) The Office shall, afer consultation with the Management Council, and not later than one hundred and eighty days after the enactment of this Act, publish a preliminary plan for the first five years of the Program.

(2) Such plan shall provide for goals and priorities for the Program over the five-year period, and shall contain details as to (A) the involvement of Federal agencies, the staff, and Federal funding required in order for the Program to meet such goals and (B) the milestones required in order to achieve such goals by the end of the period.

(3) Not later than one year after the date of the enactment of this Act, after allowing ninety days for public meetings and congressional oversight on the preliminary plan and after taking into consideration comments received after publication of the preliminary plan, the Office shall publish a final plan for the Program during its first five years, including the information specified in paragraph (2) of this subsection.

(4) The Office is authorized to set up ad hoc advisory bodies for the purpose of developing the initial program plan provided for in this subsection. These advisory bodies (A) shall be composed of persons who are not full-time employees of the Fed-

eral Government; (B) shall be broadly representative of diverse interests relating to the Program; (C) shall be compensated for services and expenses in the same way as the Advisory Council; and (D) shall cease to exist one year after the date of the enactment of this Act.

(5) In consultation with the Management Council, the Office shall update the plan annually.

(b)(1) The Program plan provided for in subsection (a) of this section shall include a specific Program budget plan. This comprehensive budget plan shall be submitted to the Office of Management and Budget for its consideration, in time to be considered along with the individual budgets of the Federal agencies. The comprehensive budget plan submitted shall be developed in consultation with the Management Council.

(2) The comprehensive budget plan of the Program shall encompass the elements of the budgets of Federal agencies which directly or indirectly support activities provided for in the Program and shall include a statement on how such elements relate to the plan of the Program developed under subsection (a).

(3) Section 304 of the Act of October 18, 1962 (31 U.S.C. 25) (relating to preparation of horizontal budgets for meteorology), is amended—

(A) by inserting "and of the national climate program established under the National Climate Program Act of 1977" after "meteorology", and

(B) by striking out "aspects of the program" and inserting in lieu thereof "aspects of the programs".

(4) The amendments made by paragraph (3) shall apply with respect to budgets submitted for fiscal years beginning six months or more after the date of the enactment of this Act.

(c)(1) The Office shall prepare and, after giving the Management Council at least thirty days to review, shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate; not later than January 30 of each year, an annual report on the activities of the Program. Such report shall include—

(A) a description of any changes in the Program plan (developed under subsection (a)) during the current fiscal year and a description of the annual update developed under such subsection;

(B) a summary of the comprehensive budget plan of the Program (submitted under subsection (b)) for the past and current fiscal years and proposed for the subsequent fiscal year;

(C) a summary of the recent findings of research conducted under the Program; and

(D) as far as practical, predictions as to changes in the climate in the current year and in the period of five years, more or less, beginning in such year, and a statement of the probable and potential impacts of any such predicted changes in the climate and of the uncertainties of the predictions.

The report shall also include (as an appendix) any statements of reasonable length relating to the Program submitted by a member, or group of members, of the Management Council.

(2) The Office may make such other reports at such times as it deems necessary to carry out the purposes of this Act.

CONTRACT AND GRANT AUTHORITY; RECORDS AND AUDITS; PATENTS

SEC. 13. (a) Functions vested in any Federal officer or agency by this Act or under the Program may be exercised through the facilities and personnel of the agency involved or, to the extent provided or approved in advance in appropriation Acts, by other persons or entities under contracts or grant arrangements entered into by such officer or agency.

(b) (1) Each person or entity to which Federal funds are made available under a contract or grant arrangement as authorized by subsection (a) of this section or by section 8 shall keep such records as the Director of the Office shall prescribe, including records which fully disclose the amount and disposition by such person or entity of such funds, the total cost of the activities for which such funds were so made available, the amount of that portion of such cost supplied from other sources, and such other records as will facilitate an effective audit.

(2) The Director of the Office and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after the completion of the activities (referred to in paragraph (1)) of any person or entity pursuant to any contract or grant arrangement referred to in subsection (a), have access for the purpose of audit and examination to any books, documents, papers, and records of such person or entity which, in the judgment of the Director of the Comptroller General, may be related or pertinent to such contract or grant arrangement.

(c) Any invention made or conceived in the course of, or under, any contract or grant arrangement entered into under subsection (a) shall be subject to section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 to the same extent and in the same manner as inventions made or conceived in the course of contracts under such Act, except that in applying such section the National Climate Program Office shall be substituted for the Energy Research and Development Administration and the term "climate" shall be substituted for the term "energy" where appropriate.

AUTHORIZATION OF APPROPRIATIONS

SEC. 14. In addition to any funds otherwise authorized to be appropriated for the purpose of conducting programs related to climate, there is hereby authorized $50,000,000 for appropriation to Federal departments and agencies for the fiscal year ending September 30, 1978, for the purpose of conducting the Program.

Mr. BROWN of California (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: 1. Beginning on page 14, line 2, strike the sentence "Members of the Advisory Council shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Council."

2. On page 20, after line 3, add the following new section:

"TERMINATION"

"SEC. 15. Unless otherwise renewed, the authorities conferred in this Act terminate December 31, 1979."

3. (Technical and clarifying amendments). On page 19, line 12, strike "under subsection (a) shall be subject to section 9 of the" and add "under subsection (a) of this section or under section 8 of this Act, and with funds authorized under this Act, shall be subject to subsections 9(a) through 9(k) and 9(m) of the."

On page 19, line 20, strike "where appropriate." and add "and the term 'head of the lead agency' shall be subscribed for the term 'Administrator' where appropriate."

The committee amendments were agreed to.

The CHAIRMAN. Are there further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DANIELSON) having assumed the chair, Mr. DAN DANIEL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6669) to establish a national climate program, and for other purposes, pursuant to House Resolution 641, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ANNUNZIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 282, nays 60, not voting 92, as follows:

[Roll No. 533]

YEAS—282

Abdnor	Brown, Mich.	Dodd
Akaka	Brown, Ohio	Downey
Alexander	Broyhill	Drinan
Allen	Buchanan	Duncan, Oreg.
Ambro	Burgener	Duncan, Tenn.
Ammerman	Burke, Calif.	Early
Anderson, Calif.	Burke, Fla.	Eckhardt
	Burke, Mass.	Edgar
Anderson, Ill.	Burleson, Tex.	Edwards, Calif.
Andrews, N.C.	Burlison, Mo.	Eilberg
Andrews, N. Dak.	Burton, Phillip	Emery
	Butler	English
Annunzio	Carney	Erlenborn
Applegate	Carr	Ertel
Armstrong	Carter	Evans, Colo.
Ashley	Clausen, Don H.	Evans, Del.
Baldus		Evans, Ga.
Barnard	Coleman	Fary
Baucus	Collins, Ill.	Fenwick
Bellenson	Conable	Fish
Benjamin	Conte	Fisher
Bennett	Corcoran	Fithian
Bingham	Cornell	Flippo
Blanchard	Cornwell	Flood
Blouin	Coughlin	Florio
Boland	Daniel, Dan	Flowers
Bowen	Daniel, R. W.	Forsythe
Brademas	Danielson	Fraser
Breaux	Davis	Frenzel
Breckinridge	Dellums	Frey
Brodhead	Derrick	Gammage
Brown, Calif.	Derwinski	Gaydos

Gephardt	McEwen	Roberts
Giaimo	McFall	Robinson
Gibbons	McHugh	Rodino
Ginn	McKay	Rogers
Goldwater	McKinney	Rooney
Gonzalez	Maguire	Rose
Gore	Mahon	Rosenthal
Gradison	Mann	Rudd
Gudger	Markey	Runnels
Guyer	Marks	Ruppe
Hagedorn	Marlenee	Russo
Hall	Marriott	Santini
Hamilton	Martin	Sawyer
Hammer-schmidt	Mattox	Scheuer
	Mazzoli	Schroeder
Hannaford	Meeds	Sebelius
Harkin	Meyner	Seiberling
Hawkins	Michel	Sharp
Heckler	Mikva	Shipley
Hefner	Milford	Simon
Heftel	Miller, Calif.	Skubitz
Hightower	Miller, Ohio	Slack
Hillis	Mineta	Smith, Iowa
Hollenbeck	Minish	Smith, Nebr.
Holtzman	Mitchell, Md.	Snyder
Hubbard	Mitchell, N.Y.	Solarz
Huckaby	Moorhead, Calif.	Spellman
Hughes		Stanton
Hyde	Moorhead, Pa.	Stark
Ireland	Mottl	Steed
Jacobs	Murphy, Ill.	Steers
Jeffords	Murphy, Pa.	Stokes
Jenrette	Murtha	Stratton
Johnson, Colo.	Myers, Gary	Studds
Jones, N.C.	Myers, John	Taylor
Jordan	Myers, Michael	Thone
Kasten	Natcher	Thornton
Kastenmeier	Neal	Traxler
Kazen	Nedzi	Trible
Kelly	Nix	Tsongas
Kemp	Nolan	Tucker
Keys	Nowak	Udall
Kildee	O'Brien	Van Deerlin
Kostmayer	Oberstar	Vento
Krebs	Obey	Walgren
LaFalce	Ottinger	Walker
Lagomarsino	Panetta	Walsh
Latta	Patten	Watkins
Le Fante	Pattison	Waxman
Leach	Pease	Weaver
Lederer	Pepper	Weiss
Lehman	Perkins	Whalen
Levitas	Pickle	White
Livingston	Pike	Whitehurst
Lloyd, Calif.	Poage	Whitten
Lloyd, Tenn.	Pressler	Wilson, Bob
Long, La.	Preyer	Wolff
Long, Md.	Price	Wright
Lujan	Pursell	Yates
Luken	Railsback	Yatron
Lundine	Regula	Young, Mo.
McClory	Reuss	Young, Tex.
McCormack	Rhodes	Zablocki
McDade	Rinaldo	

NAYS—60

Archer	Edwards, Okla.	Montgomery
Ashbrook	Evans, Ind.	Moore
Badham	Flynt	Nichols
Bafalis	Ford, Tenn.	Quayle
Bauman	Fowler	Rahall
Beard, Tenn.	Goodling	Rousselot
Bevill	Grassley	Satterfield
Brinkley	Hansen	Shuster
Broomfield	Harris	Spence
Byron	Harsha	Staggers
Caputo	Holland	Stockman
Cavanaugh	Holt	Stump
Clawson, Del	Ichord	Treen
Cleveland	Jenkins	Ullman
Collins, Tex.	Jones, Okla.	Vander Jagt
Crane	Jones, Tenn.	Whitley
Cunningham	Kindness	Wiggins
D'Amours	Lott	Wilson, C. H.
Devine	McDonald	Wylie
Edwards, Ala.	Mollohan	Young, Fla.

NOT VOTING—92

Addabbo	Cochran	Fountain
Aspin	Cohen	Fuqua
AuCoin	Conyers	Gilman
Badillo	Corman	Glickman
Beard, R.I.	Cotter	Hanley
Bedell	de la Garza	Harrington
Biaggi	Delaney	Horton
Boggs	Dent	Howard
Bolling	Dickinson	Johnson, Calif.
Bonior	Dicks	Ketchum
Bonker	Diggs	Koch
Brooks	Dingell	Krueger
Burton, John	Dornan	Leggett
Cederberg	Fascell	Lent
Chappell	Findley	McCloskey
Chisholm	Foley	Madigan
Clay	Ford, Mich.	Mathis
Metcalfe	Risenhoover	Symms
Mikulski	Roe	Teague
Moakley	Roncalio	Thompson
Moffett	Rostenkowski	Vanik
Moss	Roybal	Volkmer
Murphy, N.Y.	Ryan	Waggonner
Oakar	Sarasin	Wampler
Patterson	Schulze	Wilson, Tex.
Pettis	Sikes	Winn
Pritchard	Sisk	Wirth
Quie	Skelton	Wydler
Quillen	St Germain	Young, Alaska
Rangel	Stangeland	Zeferetti
Richmond	Steiger	

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Krueger.
Mr. Moakley with Mr. Johnson of California.
Mr. Thompson with Mr. Glickman.
Mr. Koch with Mr. Moss.
Mr. Hanley with Mr. Fascell.
Mr. Delaney with Mr. Skelton.
Mr. Richmond with Mr. Fountain.
Mr. Badillo with Mr. Conyers.
Mr. Mathis with Mr. Cederberg.
Mr. Metcalfe with Mr. Leggett.
Mr. Waggonner with Mr. Quie.
Mrs. Boggs with Mr. Cohen.
Mr. Horton with Mr. Dickinson.
Mr. Cotter with Mr. Cochran of Mississippi.
Ms. Mikulski with Mr. McCloskey.
Mr. AuCoin with Mr. Findley.
Mr. Aspin with Mr. Pritchard.
Mr. Beard of Rhode Island with Mr. Clay.
Mr. John L. Burton with Mr. Quillen.
Mr. Biaggi with Mr. Dornan.
Mr. Murphy of New York with Mr. Sarasin.
Mr. Chappell with Mr. Schulze.
Mr. Brooks with Mr. Stangeland.
Mr. Corman with Mr. Wampler.
Mrs. Chisholm with Mr. Moffett.
Mr. de la Garza with Mr. Steiger.
Mr. Rangel with Mr. Diggs.
Mr. Dicks with Mr. Young of Alaska.
Mr. Dingell with Mr. Wydler.
Mr. Foley with Mr. Winn.
Mr. Ford of Michigan with Mr. Symms.
Mr. Fuqua with Mr. Madigan.
Mr. Harrington with Mr. Lent.
Mr. Bedell with Mr. Howard.
Mr. Dent with Mr. Bonker.
Mr. Roe with Mr. Bonior.
Ms. Oakar with Mr. Patterson of California.
Mr. Risenhoover with Mr. Roncalio.
Mr. Rostenkowski with Mr. Roybal.
Mr. Ryan with Mr. Sikes.
Mr. Sisk with Mr. St Germain.
Mr. Teague with Mr. Vanik.
Mr. Volkmer with Mr. Charles Wilson of Texas.
Mr. Wirth with Mr. Zeferetti.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman of California?

There was no objection.

COMPETITION IN TELECOMMUNICATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 10 minutes.

Mr. WHALEN. Mr. Speaker, in January of this year I placed in the CONGRESSIONAL RECORD a lengthy analysis of the so-called Consumer Communication Reform Act. As you will recall, I used that opportunity to make a number of observations about the nature and future of competition in the telecommunications industry.

It is my belief that the issue of competition in telecommunications is one of the most significant questions of domestic commercial policy to come before the Congress in many years. Whatever public policy we finally arrive at, the consequences will be long-lasting and widely felt.

Therefore, I am pleased to note that later this month the Subcommittee on Communications, of the House Committee on Interstate and Foreign Commerce, will hold several days of hearings on the subject of communications common carrier policies, including the competition isue. This is part of a continuing series of hearings to provide the Congress with the background information necessary to making informed decisions about a number of communications policy questions now pending before us.

During the recent recess, Mr. Speaker, the American Bar Association Journal published a very cogent article on this subject, entitled "What About Competition in Telecommunications?" The article provides a good, concise summary of the history of debate over competition, and it also gives a good description of the current controversy.

I believe we should pay special attention to this debate in light of the Attorney General's recent remarks. On August 29 the Wall Street Journal reported:

Attorney General Griffin Bell says Congress, rather than the courts, may be the appropriate body to decide the government's huge antitrust case against American Telephone and Telegraph Company.

Whether or not one agrees with Mr. Bell on this point, his statement certainly helps underscore our need to study this matter carefully and thoughtfully.

To aid my colleagues and the public in understanding the basic issues and what is at stake in the telecommunications competition debate, I wish to place in the Record at this point the full text of the article that appeared in the August issue of the American Bar Association Journal. The text follows:

WHAT ABOUT COMPETITION IN TELECOMMUNICATIONS?

(By Arthur John Keeffe, with Ellen Deutsch)

For the second time in two decades the Justice Department is involved in a massive antitrust initiative against the world's largest corporation: the American Telephone and Telegraph Company. While the relief sought in the current suit is essentially the same as that in the first litigation, the ramifications and implications of the new litigation on the structure of the domestic telecommunications industry are far more profound in view of the rapid technological advances and the introduction of limited competition by the Federal Communications Commission in certain A.T. & T. markets.

The gravity of the situation and the stakes involved are indicated by the fact that Bell is part of a legislative campaign in the form of the Consumer Communications Reform

Act, introduced in both the Ninety-fourth and Ninety-fifth congresses, which would reaffirm the Bell integrated network structure and provide a congressional mandate against outsiders' further entry into telecommunications markets. In order to contrast the impact of this legislation against the objectives of the antitrust suit and the consequences either might have for the telecommunications industry, it is necessary to look at the events of the past twenty years in telecommunications.

CONSENT DECREE COPOUT?

The first Justice Department suit against A.T. and T. began in 1949 and culminated in a consent decree judgment in 1956. In this suit the Justice Department sought, first, divestiture of Western Electric from A.T. and T.; second, competitive bidding by A.T. & T. and its operating companies in the purchase of telecommunications equipment; and third, patent licensing on a nondiscriminatory, reasonable royalty basis. Only the patent licensing provisions found their way into the consent decree. Western Electric was allowed to continue as a wholly owned subsidiary of Bell, and this obviated the competitive bidding relief.

The major provision of the 1956 consent decree prohibited Bell from engaging in nonregulated common carrier communications services. This was reasonably acceptable in 1956, but the provision now operates to keep A.T. and T. out of many markets that are developing as a result of the convergence of computers and telecommunications technology.

Many experts thought the final consent decree left Telephone's structure essentially unchanged and was an abandonment of the heart of the case—severance of Western Electric as the exclusive supplier of A.T. & T.

THEN CAME COMPETITION

In recent years A.T. and T. for the first time has experienced competition in a small corner of its vast empire, not as a result of antitrust litigation but because of a series of rulings by the Federal Communications Commission. A number of small companies have been permitted to provide private intercity business lines and to sell "terminal equipment" that can be attached at either end of a telephone line—for example, telephones, answering machines, and switchboards. In the limited areas where they are allowed to compete with established telephone companies, these new telecommunications firms have captured about 5 per cent of the market.

Competition in terminal equipment had its start with the Federal Communications Commission's Carterphone decision, 14 F.C.C. 2d 571 (1968), on which the commission later relied to end A.T. and T.'s exclusive right to provide all terminal equipment. The F.C.C. stated that telephone companies could not arbitrarily prevent customers from buying and connecting telephone equipment of their choice. A.T. and T. responded by soliciting state regulators to require installation of a connecting device (called an "authorized protective connecting module") between customer-owned equipment and telephone lines. The A.P.C.M. is intended to protect the telephone network from electrical damage that the phone companies contend can be caused by terminal equipment, but the F.C.C. has yet to document a case of system harm from customer-owned equipment.

The F.C.C. dealt with the locally approved requirement for an A.P.C.M. by establishing a registration program under which manufacturers or users could have the F.C.C. certify the electrical compatibility of their devices to assure they would not harm the telephone network, thus relieving customers of the need for A.P.C.M.'s for properly certified equipment. This registration program and the attendant F.C.C. rules were upheld this spring by the United States Court of Appeals for the Fourth Circuit, with one judge dissenting, in *North Carolina Utilities Commission* v. *F.C.C.*, 552 F. 2d 1036, which was stayed pending a petition for a writ of certiorari in the Supreme Court.

About the same time it opened up competition in terminal equipment, the F.C.C. approved the establishment of private line microwave services by carriers other than A.T. and T. (*Microwave Communications*, 18 F.C.C. 2d 953 (1969)). In 1971 the commission broadened the right of private microwave compaines to compete in the *Specialized Common Carrier* decision, 29 F.C.C. 2d 870 (1971), in order to provide an environment in which existing and new carriers would have an opportunity to compete fairly and fully. This decision was affirmed by the Ninth Circuit in *Washington Utilities and Transportation* v. *F.C.C.* 513 F. 2d 1142 (1975), and certiorari was denied, 423 U.S. 836 (1975).

Thus, in the two areas of terminal equipment and private line service. A.T. and T. has been subjected to a small degree of competition for the first time since the early 1920s.

ANOTHER CHALLENGE

In November of 1974 the Justice Department once again challenged Bell. The suit alleges that A.T. and T. and Western Electric, in violation of Section 2 of the Sherman Act, conspired to monopolize the telecommunications service and equipment markets. It is also alleged that A.T. and T. attempted to monopolize a large number of submarkets that were not in existence during the prior litigation. Bell is charged with restricting trade in private telecommunications and obstructing connection of (1) specialized common carriers, (2) common carriers, (3) radio common carriers, (4) domestic satellite carriers, and (5) terminal equipment suppliers. The major item of relief sought by the government, as in the previous suit, is the divestiture of Western Electric.

In February, 1975, A.T. and T. filed its answer, contending, first, that the question of allowing new entrants into the telecommunications industry is within the primary jurisdiction of the F.C.C. and, second, that the present litigation alleges the same cause of action as the first suit, which ended in the consent decree, and that that judgment is *res judicata* and a bar to the present action.

The district court then requested both parties to submit memoranda of law on the issues raised by the defendants:

1. Does the unlitigated 1956 consent judgment immunize A.T. and T. in perpetuity from the antitrust laws regardless of subsequent anticompetitive behavior?

2. Does federal or state regulation deprive the court of jurisdiction over violations of the Sherman Act involving telecommunications service and equipment?

The Justice Department contended in its memorandum that since the consent judgment did not adjudicate any points of fact or law, it should not be *res judicata* against future litigation. It argued further that neither the language nor the legislative history of the Communications Act indicates any congressional intention to give the F.C.C. complete authority to regulate all aspects of telecommunications.

The F.C.C. filed an *amicus* memorandum arguing that since it did not have expertise in antitrust matters the court should clarify and frame the issues and refer to the commission subissues that were within its area of expertise. In other words, the F.C.C. did not want exclusive jurisdiction of the case.

Last November Judge Joseph C. Waddy of the District Court for the District of Columbia issued an opinion (427 F. Supp. 57) that made the following points:

Nothing in the history of the federal regulation of the telecommunications industry compels the conclusion that Congress was granting immunity from antitrust liability.

The district court has antitrust jurisdiction of at least some aspects of the case. However, some of the conduct and practices of A.T. and T. on which the Justice Department based its charges of conspiracy to monopolize may be subject to the doctrine of primary jurisdiction. The court, therefore, will refer these particular issues to the F.C.C.

Judge Waddy in essence determined that the Justice Department had jurisdiction to continue prosecuting the suit, while reserving some issues for the primary jurisdiction of the F.C.C.

A.T. and T. appealed Judge Waddy's decision to the Court of Appeals for the District of Columbia Circuit. The company argued in its brief that it did not claim blanket immunity from the antitrust laws; antitrust immunity arises from the nature of the specific matters that are the subject of the complaint in this particular case. But Bell contends that pervasively regulated industries "are entitled to know whether they should be adhering to the public interest standard of the statutes under which they are regulated or the competition standard of the antitrust laws." There has been no ruling yet on the appeal.

In the meantime, prosecution of the suit is continuing at a slow pace. The Justice Department recently submitted more than five hundred pages of answers to A.T. and T.'s interrogatories. There is no firm estimate of when the case might go to trial, and the Justice Department's antitrust direction is still in flux during the transition period of the new administration.

At the same time, there has been another development that is as yet unrelated to the antitrust action but may have some impact on the eventual outcome of the litigation. F.C.C. Administrative Law Judge David Kraushaar determined in an opinion on the A.T. and T. rate structure that Western Electric should not be severed from the Bell System. This recommendation was the result of a long-standing F.C.C. docket on nonrate of return regulation. He decided that the structure of the Bell System and its rates and rate structure should remain unchanged. Whether any of the information gathered for this investigation shall become part of the record in the antitrust litigation is unknown. The subject before the F.C.C. for decision was rates and rate structure and not Bell System organization, so its relevance to the litigation is uncertain. It is unlikely, however, that the conclusions of the F.C.C. can be ignored by a court.

SEEKING LEGISLATION

With competition arising in limited markets and with antitrust litigation pending, A.T. and T., joined by the independent telephone company industry, is confronting the developments by seeking a congressional mandate for the integrated network system. The legislation, known as the "Bell Bill," declares that Congress finds it "contrary to the public interest" for regulators to authorize "lines, facilities, or services of specialized carriers which duplicate the lines, facilities, or services of other telecommunications common carriers." It would require those who would provide private phone service to businesses to prove that their services do not duplicate services that the telephone companies already provide or could provide in the future. The bill shifts from the F.C.C. to the states the powers to decide what may or may not be connected to telephone lines. In addition, the bill would grant antitrust immunity to existing telephone companies so that they might buy competitors that go out of business.

In effect, the bill guarantees to existing phone companies the monopoly that already exists and ensures them a monopoly in future telecommunications technology.

Although competition for terminal equipment and private lines is small at present, A.T. and T. is concerned about the future. It

claims that its profits in those markets subsidize residential telephone service, thereby keeping the rates to consumers low. Bell asserts that the competitors will skim the profits from high-density, commercial traffic and force telephone companies to raise phone rates to low-density, residential customers by as much as 75 per cent.

The F.C.C. challenges these assertions, claiming that the telephone companies' supporting data and studies show that established telephone companies will not only hold their own against new competitors but in fact will also gain a greater share of dollar volume in the future. The data on what services are cross-subsidizing other services are inadequate at present, however, and this issue remains the subject of continuing debate.

THE CLOUDED FUTURE

The Bell Bill can serve a useful purpose if it focuses public attention on important but neglected and little understood telecommunications issues. If the bill were to pass it would in effect end the antitrust litigation by providing a congressional mandate for the continuation of the current Bell system structure. It also would place the impossible burden on new entrants to telecommunications markets of proving that their service is one that telephone companies do not or cannot provide. The chances for passage of the bill are slim, but the questions raised by it, the antitrust litigation, and the introduction of limited competition into telecommunications by the F.C.C. remain unanswered.

At stake is the future structure of the telecommunications industry. It is estimated that more than 50 per cent of the labor force and more than 50 per cent of the gross national product are devoted to producing, processing, or distributing information. Further growth is expected as more computers are tied to telecommunications circuits. The resolution of the antitrust suit and the legislative efforts will determine how future markets shall be divided. The question remains what combination of monopoly and competition shall best meet the diverse needs of the economy.

PROPOSED GI BILL TUITION SUPPLEMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. QUIE) is recognized for 10 minutes.

Mr. QUIE. Mr. Speaker, yesterday I introduced a bill to provide tuition allowances under the GI bill to certain veterans. The current GI bill has evolved in such a way that we are discriminating against several thousand veterans by paying everyone the same monthly subsidy when, through no fault of their own, many veterans face tuition charges that far exceed rates in another State or different type of institution.

The current education benefits program might be acceptable if our country had one system of higher education with centralized control over tuition rates. We do not have such a system, nor do we desire one. What we have is many systems of higher education—State controlled, city controlled, independent nonprofit, church-related, private-for-profit, et cetera. And even within one State system of public higher education, there are different types of institutions with different tuition charges.

All of these differences are out of the control of a veteran or the Veterans' Administration. Oftentimes, one Vietnam veteran can attend college in his home area for a couple hundred dollars. His bunk mate in the Army might go to a similar type college in his home area and pay a couple thousand dollars.

We have learned to cope with this diversity in higher education through most of our Federal student aid programs. In virtually every grant, work-study or loan program, we have allowed the costs to the student to be an important variable in determining how much assistance is allowed. The major exception is the GI bill. This program still treats veterans as if every one wants and needs the same kind of education and faces the same tuition charges in each instance. Either the program must change or 5,000-plus institutions must change. And it would take a very heavy Federal hand and billions of dollars to do the latter. My bill is designed to give a fairer shake to the veteran by adding new provisions to the program.

Briefly, this bill would not touch the current monthly subsidies. They would continue and they are more than adequate for thousands of veterans who are lucky enough to have low-tuition schools available to them. But the monthly stipend falls far short of gaining access to an appropriate college for thousands of other veterans. The result is a tremendous disparity in the rate of veterans' attendance among the States. For example, over half of the eligible veterans in California attend a 2- or 4-year college under the GI bill, but less than 20 percent in Vermont and Pennsylvania.

My bill would require that each veteran pay the first $400 of tuition per year. The Veterans Administration would then help out by reimbursing the veteran 75 percent of the next $1,200 paid in tuition. The reimbursement would come only after the veterans completed successfully a course of study. This feature will prevent abuse and be an incentive for higher retention rates. The bill further prevents the temptation of institutions to increase their tuition unreasonably just to take advantage of the supplements.

Joining me yesterday in introducing this bill were Mr. FRASER, Mr. HAGEDORN, and Mr. OBERSTAR of Minnesota and Mr. ZEFERETTI of New York.

Joining me on two earlier occasions as cosponsors on this bill were Mr. FORD of Michigan, Mr. BUCHANAN, Mr. BIAGGI, Mr. PRESSLER, Mr. SIMON, Mr. HEFTEL, and Mr. GOODLING (H.R. 8419 and H.R. 8666).

Next week I will reintroduce the bill again and so far have Mr. BRADEMAS and Mr. FRENZEL as cosponsors. I would welcome others to join me as well.

On September 15, the Subcommittee on Education and Training of the House Veterans' Affairs Committee is holding a hearing to discuss the problem and possible solutions. I plan to testify on behalf of my bill at that hearing.

Recent news articles have supported the efforts many Members are making to improve the current GI bill. I would like to share just a couple of them here:

[From the Boston Sunday Globe, July 31, 1977]

MAKING BENEFITS BENEFICIAL

While some government policies, decisions on military procurement for instance, can be skewed by undue attention to geographic interests, other policies can be as badly warped by a failure to consider legitimate regional interests. This is nowhere better illustrated than in the matter of veterans' benefits.

The heart of the problem is that since the Korean War, veterans across the country have received the same flat monthly sum—currently $292—regardless of the cost of living where they reside or the tuition at the educational institution they attend.

The result, according to two recent studies, is that veterans in the Northeast and Midwest—where college tuitions of inexpensive junior colleges and technical schools lags behind the Southwest and West—have been unable to take advantage of the veterans' benefit program.

A recent study by Susan Unterberger of the Northeast-Midwest Research Institute in Washington reported: "Although the Southern and Western states have almost the same number of eligible veterans as the Northeastern and Midwestern states, veterans in Sunbelt states received $3.7 billion more in federally financed GI Bill scholarships than did veterans in the Northeast and Midwest between 1968 and 1976."

The Senate Veterans Committee has approved a proposal that would allow veterans, whose annual tuition bills exceed $1000, to accelerate use of their 45 months of benefits, thereby granting them larger (but fewer) benefit payments. The committee has also approved a 6.6 percent increase in overall benefits.

The Senate committee has taken a step in the right direction with approval of the accelerated-benefits plan; a House subcommittee, on the other hand, has done nothing to ease the regional inequities, satisfying itself with an across-the-board 6 percent increase. And to date, the Carter Administration has also failed to address the issue, advocating simply a 5 percent increase in benefits.

The most meaningful reform proposal, sponsored by Pittsfield Rep. Silvio O. Conte, among others, would authorize a supplemental educational benefit with the government paying 80 percent of tuition bills between $400 and $1400 annually.

The across-the-board increase will do nothing to lessen the regional disparities. What is needed is a strong statement now from President Carter and leadership from Speaker O'Neill to limit at least the general increase and to use the money instead to improve the accelerated benefits plan or to adopt outright an equalization formula. Only such a substantial restructuring of the program will assure that the young and often troubled veterans of Vietnam, no matter where they reside, will be able to secure the benefits they are due.

[From the Washington Post, May 30, 1977]

THOSE WHO SERVED

Among those reflecting upon the meaning of Memorial Day, we would assume, are approximately eight million veterans of the Vietnam years. For many of them, it comes as one more painful reminder that this country still lacks a comprehensive program to deal with their needs and entitlements. It cannot have escaped their notice that a nation capable of prolonged discussion and strong emotion on the merits of amnesty for no more than 10,000 young men who did not serve—by evading the draft—is strangely in-

capable of dealing equitably with those who served, including two and a half million who actually went to Vietnam and 400,000 who suffered wounds. To examine some of the current attitudes about Vietnam-era veterans is to see graphically why so many of them feel ignored or frustrated. It is also to understand why those who are trying to help them are finding it so difficult.

There is, to begin with, the GI Bill itself. At the moment, many of the most needy veterans are denied meaningful access to educational assistance. The GI bill was inadvertently structured to provide benefits to veterans with access to low-cost public institutions. The problem is that many states and cities have few, if any, of these institutions. Sen. Alan Cranston, chairman of the Veterans Affairs Committee, has spoken of this unfairness and has pledged to "explore the matter and to come up with a remedy." Unfortunately, the leadership of the House Veterans Committee and, surprisingly, the new administrator of the Veterans Administration, Max Cleland, have not made a similar commitment. Another group with limited access includes some veterans who are married and have children; for them, the GI Bill's allowances are too low to be meaninful. Veterans with less than high-school educations are often left out also. Still another group is the one comprised of veterans who fought during the years 1966 to 1972; they were discharged at a time when benefits in many states were effectively so low that the most needy could not afford to go to school.

A second problem is the lack of attention given to the personal adjustment problems of Vietnam veterans, especially the disabled. Many came home unthanked and unnoticed for their sacrifice. Being forgotten became one of the heaviest emotional burdens particularly as South Vietnam collapsed and the country's leaders were content, as President Ford urged, to put Vietnam behind us. One of the government's failures is that it hasn't conducted the research to learn how widespread the emotional problems may be. One unofficial VA estimate holds that one out of five new veterans suffers serious and prolonged readajustment problems.

From these examples alone—and there are others—it is clear that, despite the efforts of a few public officials as well as some of the more alert veterans groups, there is no coherent national policy for dealing with the problems of returned service personnel. It is not as though solutions are unknown, or that teachers, counselors and others are unwilling to work individually with the veterans. An article on the opposite page today tells the story of a few people involved in programs that are as worthwhile on the local level as they are deserving of support from higher levels.

In other words, it can be done—it just isn't being done enough.

At the moment, Congress is considering an across-the-board increase in GI benefits. This approach, as a recent report to the National League of Cities and the U.S. Conference of Mayors notes, is far from ideal: It may overcompensate those veterans who already are receiving too much, while others will remain without access to schooling. Rep. Lester Wolff (D-N.Y.), along with 75 cosponsors, has introduced legislation that would accelerate the availability of GI Bill benefits. This bill and another—providing tuition equalization—deserve immediate attention.

Evidence suggests that the veterans have a number of supporters scattered throughout Congress. But it is the responsibility of the President to pull together that support, as well as coordinate the energies of his own administration. In January, the Secretary of Labor, with considerable fanfare, announced a $1.3 billion program to provide more jobs for veterans. Four months later, unemployment among veterans remains high with veterans groups still awaiting signs of effective followup. One issue that has aroused the anxiety of these groups is that the mandatory veterans quotas—ones assuring that the jobs go to veterans rather than others—have been dropped from the administration's bill now on its way through Congress.

The President has spoken movingly of the plight of the Vietnam veterans. But his actions—the efforts to provide a form of amnesty for deserters and veterans with "bad paper" discharges, the hastily assembled jobs program—fall short of the sort of comprehensive, high-priority approach that is needed. Today, as always, we salute those who served and suffered in all wars—and, above all, those who gave their lives. But our urgent concern is with the veterans of the Vietnam years—and with the unfinished business of that war.

[From the San Francisco Examiner, Dec. 19, 1976]

GI BILL WORKS BEST IN THE SUN

(By Tom Eastham)

WASHINGTON.—A new analysis of how veterans are using the GI Bill finds that the bill favors California vets and those in some other "sunbelt" states.

The report also unearths some little-realized facts and figures of significance to California's higher education system.

California has many more Vietnam vets than any other state, and more who have gone to college. The findings:

The state has 911,000 vets; New York, with roughly equal population, has only 570,000.

In California, 52.5 percent of the veterans use the GI Bill; in New York, it's 30 percent and in Pennsylvania 19 percent.

California vets have received $3,173,600,000 since 1968, New York's only $1,124,300,000.

This year alone, California vets have received $789,250,000.

That kind of money makes the GI Bill the largest single education or training program—paying out over $5 billion this year.

The new analysis complains of a vital difference between the way benefits were paid World War II vets and the way they're paid Vietnam's veterans.

Twenty years ago, GI Bill benefits went to the schools for tuition, books, expenses—with the veteran getting a $75-month subsistence. The Vietnam vets get a flat $295 a month to pay school and personal bills, with schools getting no direct money.

That arrangement works fine for individual California veterans, attending low-cost public colleges. But for vets in states where tuitions are high it may mean no college, or at least a lot less money to spend.

In California, it means that veterans trying to live on their $295 can't go to the expensive private schools. They go almost exclusively to public colleges where tuition pays only a small percentage of the education dollars, and the state's taxpayers pay the rest.

Example: In 1947–48, Stanford University had 7,011 veterans, 44 percent of its enrollment; in 1971–72 it had dropped to just 291 veterans, a mere 1.6 percent of its enrollment.

Example: In 1947–48, University of San Francisco had 1,496 veterans, 66 percent of its enrollment. By 1971 enrollment had doubled but USF had only 375 veterans, just 8 percent of its enrollment.

Many financially hard-pressed private schools can easily point to the major role loss of veterans and GI Bill money has played.

The analysis, called "Sunbelt States Reap GI Bill Bonanza," was done by Stuart F. Feldman, consultant for the U.S. Conference of Mayors and the National League of Cities.

It concludes that the GI Bill favors the South and West while it discriminates against Northeast and Midwest veterans, where college costs are generally higher—both public and private.

The grievance is that the GI Bill is structured wrong in not recognizing college cost differences and thereby penalizing both veterans and their states.

Citing reasons 52 percent of California vets used the GI benefits while those in Pennsylvania used them at only 19 percent, the report gives this example:

A veteran can attend San Francisco State University and spend only 15 percent of his GI Bill for education, leaving him with $248 a month for subsistence. A veteran who returned to Philadelphia must spend $1,130 a year for education—57 percent of his GI benefits—leaving him with only $126 a month for personal use.

The result has been that, with roughly equal numbers of veterans, sunbelt vets have collected $11.6 billion since 1968, while their frostbitten ex-comrades got only $8 billion.

FINANCIAL BLEEDING OF SUGAR INDUSTRY MUST STOP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SEBELIUS) is recognized for 5 minutes.

Mr. SEBELIUS. Mr. Speaker, domestic producers of sugar still have a problem. I join in support of my colleague from Texas, Mr. DE LA GARZA, for his forthright statement on sugar. He is correct that the bleeding is still progressing. It has gone on too long—all too long.

Let us review some history on sugar:

On September 14, 1976, the chairman of the Senate Finance Committee sent a resolution from the committee directing the U.S. International Trade Commission to investigate whether sugar imports were harming the domestic industry. The fundamental reason for that was the low price of raw sugar—9.29 cents per pound. Sugar producers were bleeding financially.

On September 21, 1976, the President increased the duty by 1¼ cents per pound. Raw sugar prices rose to 10.78 cents per pound. At the same time the President requested the USITC to expedite its investigation.

After an intensive 6-month investigation, on March 7, 1977, the USITC reported to the President that the domestic industry is being threatened with serious injury by increased imports. It recommended an annual import quota of 4.275 million tons. On that date the price was 11.7 cents per pound. Sugar producers were still bleeding financially.

The administration response to the sugar industry problems was contained in a press release of May 4, 1977. The President "determined that import relief, in the form of import quotas recently recommended on March 17 by the U.S. International Trade Commission (USITC), would not be in the overall national economic interest."

The President notified the Secretary of Agriculture to institute an "income

support" program of up to 2 cents per pound for sales of raw sugar at market prices below 13.5 cents per pound. The President said that 13.5 cents is the estimated breakeven point for domestic sugar growers. This was to be an interim measure pending the negotiation and implementation of a new International Sugar Agreement, and was to cover the 1977 crop only.

The price on that date was 9.4 cents per pound. The bleeding continued.

The Comptroller General has ruled that that program lacked legal authorization. On July 20, the Secretary of Agriculture issued a press release announcing that the 13.5 cent per pound was a firm commitment. However, the press release was so vague as to defy analysis. Also, the Secretary of Agriculture has appealed to the Deputy Attorney General for a new ruling. The bleeding continued.

The Secretary of Agriculture was notified on August 19 that his sugar proposal was unauthorized. The bleeding continues.

It is now time to restore the sugar industry to health. It is now time to do what this legislation states unequivocally. There must be an announced price support of not less than 13.5 cents per pound plus an import duty and import fee at such legally authorized levels as to permit the U.S. market price to be at or above 13.5 cents per pound. Only if necessary should any other authority under section 22 of the Agricultural Act of 1933 be used to attain the support level in the market.

The Congress has acted. The financial bleeding must and will stop.

RELIEF TO ELDERLY VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. McDADE) is recognized for 5 minutes.

Mr. McDADE. Mr. Speaker, today I am introducing two measures which are intended to offer relief to our very elderly veterans, who so often are forced to make ends meet on extremely limited incomes.

I am especially troubled by the present rule which penalizes the individual receiving a veterans' pension by reducing his payments each time he is granted an increase in social security, railroad retirement, or other pension benefits. Under present law, any increases in income, including social security or railroad retirement, are accounted for by the Veterans' Administration in its annual assessment of a beneficiary's income. Therefore, when an eligible individual's social security check goes up, his VA pension is reduced accordingly. In my view, it is simply unjust to expect these individuals, over 80 percent of whom exist solely on their social security and veterans checks, to ignore the effects of increases in the cost of living. And yet this is exactly what we demand when we maintain a policy of providing a raise in one type of Government-supported pension and of accounting for this increase in the determination of another. Even though this group is especially susceptible to the impact of inflation, through continuation of this procedure, we are not offering the elderly veteran with the measure of protection he so acutely needs. Understandably so, the Government is accused of giving with one hand but taking with another—a practice which only serves to reinforce the disillusionment many of the elderly embrace with respect to our Government today.

It is imperative, therefore, that we assist the very needy, aged veteran by passing legislation which would disregard increases in social security, railroad retirement, and other pension payments in the determination of veterans' old age and disability benefits. By remedying this harsh, unfair restriction, we can guarantee that persons receiving veterans' pension benefits are accorded some insurance against the ravages of inflation.

Additionally, I am proposing adoption of a special pension program for World War I veterans. The measure I am introducing would provide a veteran or his widow with a flat $150 monthly, without regard to any other income, including any VA payments to which he may otherwise be entitled. Based on service rather than need, this program would benefit all veterans who served in the First World War; if the veteran is deceased, the pension would pass on to his widow. This is a plan favored by the vast majority of these individuals and I agree with their sentiments in this regard. After completing his tour of duty, the World War I veteran did not have available to him the wide array of programs benefiting veterans of later conflicts, including education, employment, housing, and medical assistance.

I believe it is time to repay these individuals for the exemplary service they performed during a period of great crisis. Clearly, passage of both of these proposals would indicate to these individuals our deep gratitude for their serving this country so valiantly. I urge early consideration of these measures.

HIGH HOLIDAYS 5738

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, September 12 and 13, 1977, mark the festival of the New Year in the Jewish religious calendar, Rosh Hashanah, the opening of the year 5738, and the commencement of the 10-day period called the high holidays. This period concludes with Yom Kippur, the Day of Atonement, which this year falls on September 22.

This is, for the Jewish people, a time for solemnity, joy, and hope. It is a time for spiritual renewal, of repentance, of affirmation, and a time of hope and joy in the future.

Rosh Hashanah and Yom Kippur evoke in the Jewish people a sense of awe, high seriousness, and especially obedience to God's law. The meaningful practice of the Jewish faith, I believe, has influenced Jewish moral law far beyond the confines of practicing Judaism.

The historic concepts of social justice and individual human dignity have done much to guide the course of Western democracy and, in particular, to shape the philosophical system of government created by the American Founding Fathers. It is perhaps not too much to hope that in time the conduct of international affairs will be influenced, in spirit, by the principles of common concern which have molded the destiny of world Judaism.

I should like, on this occasion, to extend my greetings and best wishes for the holiday season to my many friends of the Jewish faith and to express my appreciation for the great contributions the Jewish people have made to the advancement of Western civilization.

In the coming year, may the Jewish people know freedom from persecution, from which they have particularly suffered, and may they experience peace and well-being, and prosperity and spiritual enlightenment.

At this point in the RECORD, I would like to include a listing of the 16 Jewish holidays, the days on which they fall in the new year 5738, and their significance.

The list follows:

HIGH HOLIDAYS, 5738

ROSH HASHANAH 5738

September 12 and 13, 1977: This is the Jewish New Year; Jews assemble in the synagogue to reaffirm their faith, examine their past conduct and pray for forgiveness. The Shofar (ram's horn) is blown to reawaken their responsibility to the Lord and call them to repentance.

TZOM G'DALYAH

September 15, 1977: On this fast day, Jews mourn for G'dalyah, a Jew whom the conquering Babylonians unexpectedly appointed Governor of Palestine. The Jews saw in this a sign that their nation would rise again, but G'dalyah was ruthlessly assassinated.

YOM KIPPUR

September 22, 1977: On this Day of Atonement, the holiest day of the year, the Lord judges each individual. Jews fast all day, confess and repent, and ask pardon from the Lord and from their fellow men. In turn, they freely forgive their neighbors. At night, with a cleansed heart, they look forward to a good new life.

SUKKOT

September 27–October 3, 1977: The Feast of Tabernacles celebrates the ancient fruit harvest in the Holy Land. Jews everywhere build Sukkot (temporary booths) hung with fruits and flowers, remembering that the Israelites lived in flimsy booths during their desert wanderings—yet felt secure in the Lord's protection.

SH'MINI ATZERET

October 4, 1977: This day is designated in the Bible as a day of Holy Assembly. Jews gather in the synagogue to celebrate this last festival of ths harvest season, and to offer a fervent prayer for rain to bring full crops in the coming year.

SIMCHAT TORAH

October 5, 1977: The Torah (Five Books of Moses) is read in its entirety each year. On this happy day, the reading is completed and begun anew. The sacred scrolls are carried around the synagogue in procession. The children participate and receive gifts of sweets.

CHANUKAH

December 5–12, 1977: On Chanukah the Maccabees freed the Temple from the Syrian conquerors. At its rededication only enough pure oil was found to light the Holy Lamp for one day. Miraculously it burned eight days. Thus, on the first day of Chanukah, Jews light one candle on the Menorah, adding another each day.

ASARAH B'TEVET

December 20, 1977: This is the anniversary of the day the Babylonians began their siege of Jerusalem. Soon after, the city was taken, the Temple destroyed, and the first Hebrew Commonwealth was no more. Thus, Asarah B'tevet is a day of fasting and mourning.

CUAMISHA ASAR BISH'VAT

January 23, 1978: On this Arbor Day Jews observe the Bible's commandment: "When ye shall come into the land ye shall plant all manner of trees." In Israel, children spend the day joyfully planting young trees. And because this is the 15th day of the Jewish month Sh'vat, Jews everywhere eat fifteen kinds of fruit.

TAANIT ESTHER

March 22, 1978: The Megillah (Book of Esther) tells how the scheming Haman persuaded King Ahasuerus to destroy the Jews, and how Jewish Queen Esther and her people fasted three days before she dared to plead with the King to save them. This fast day, known as the Fast of Esther, commemorates her heroism.

PURIM

March 24, 1978: This gayest of all Jewish holidays celebrates King Ahasuerus' decision to save the Jews and destroy their enemy Haman, instead. During the synagogue service the Book of Esther is read, and children twirl their gragers (noisemakers) every time Haman is mentioned, to drown out his name.

PESACH

April 22 through 29, 1978: Pesach (Passover) recalls the deliverance of the Jews from Egyptian slavery. At the traditional Seder meal, Jewish families read the Haggadah (a book containing the story of the liberation) and eat Matzoh (unleavened bread) and other symbolic foods—thereby reliving their ancestors' experiences.

LAG B'OMER

May 25, 1978: A plague among Rabbi Akiba's students ended on the 33rd day of "Counting the Omer," i.e., bringing an omer (measure) of new grain to the Temple. Jews happily recall this event, and honor the efforts of Rabbis Akiba and Bar Yochai and the brave Bar Kochba to re-establish the Jewish nation.

SHAVUOT

June 11–12, 1978: This holiday commemorates the sacred moment at Mount Sinai when Moses received from the Lord the Torah with its Ten Commandments. Shavuot also celebrates the early wheat harvest in Palestine. Jews throughout the world decorate their homes and synagogues with greens and flowers.

SHIV'AH ASAR B'TAMMUZ

July 23, 1978: On this day the Babylonian army made the first breach in the wall of Jerusalem. This led to the tragic end of the Jewish homeland and to exile for its people. Shiv'ah Asar B'tammuz is a fast day, followed by three weeks of mourning.

TISH'AH B'AV

August 13, 1978: On this fast day, Jews grieve for the destruction of the first and second Temples. They mourn at the Wailing Wall in Jerusalem and in synagogues all over the world. Tish'ah B'av climaxes a nine-day period in which no meat may be eaten.

LEGISLATION TO AMEND TARIFF ACT OF 1930

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. LEDERER) is recognized for 5 minutes.

Mr. LEDERER. Mr. Speaker, today I am introducing a bill to amend the Tariff Act of 1930 with respect to wearing apparel assembled abroad from the U.S. products exported for purposes of assembly and then reimported into the United States and sold in the United States with labeling which indicates that the entire product was produced in this country.

Over recent years much concern over section 807 TSUA has been expressed by organized labor and American manufacturers especially in the apparel industry. I, too, share that concern.

This interest has found expression in the introduction of a number of bills calling for the repeal of this section of the tariff schedule. The issue of 807 TSUS and its complexity requires that all interested Representatives take some action to prevent the demise of our domestic apparel industry.

There can be no doubt that the level of imports under item 807 has increased steadily through 1974 and decreased some in 1975. Nevertheless, the level of imports under this section is much too high and some action must be taken. In many cases the source of the increasing imports has been the less-developed countries. For example, such imports increased from $368 million to $1,928 million in 1974 and by 1975 accounted for nearly 40 percent of all imports under item 807 TSUS. The major source of imports from the less developed countries were Mexico, Taiwan, Singapore, and Hong Kong.

Under title I of the customs Simplification Act of 1954, a comprehensive and lengthy study was undertaken and the Customs Court decided on a somewhat broader and less precisely defined provision of the tariff law—paragraph 1615 (a) of the TSUS—which allowed duty-free importation of "articles, the growth produce, or manufacture of the United States, when returned after having been exported, without having been advanced in value or improved in condition by any process of manufacture or other means."

In effect, the court held, that assembly alone did not constitute an act resulting in an advancement of value or an improvement in condition as envisaged by the tariff law. The 1949 ruling by the Commissioner of Customs was held "to be contrary to the provisions of the Tariff Act of 1930, as amended, as interpreted by the courts."

The broader provision allowing duty-free reimportation of American products first appeared in the Tariff Act of 1790 and applied to "generally, all articles of the growth, product or manufactures of the United States." (1 Stat. 181). In the Tariff Act of 1846, the requirement that the articles not be changed in any way while abroad was added, and the duty-free status applied to "goods, wares, and merchandise, the growth, produce, or manufacture, of the United States, exported to a foreign country, and brought back to the United States in the same condition as when exported." (9 Stat. 49). In the Tariff Act of 1890, the wording was made somewhat more specific and was identical to the above cited version of the Tariff Act of 1930, as amended. An additional requirement limiting the duty-free status to articles "if imported by or for the account of the person who exported them from the United States," was added by the Tariff Act of 1922 (42 Stat. 923–924) and retained in the Tariff Act of 1930, but deleted by the Customs Administrative Act of 1938 (52 Stat. 1092). The reorganization of the tariff schedules resulting from the tariff classification study and its enactment in 1963 brought into existence item 800 of the TSUS, granting duty-free entry to "products of the United States when returned after having been exported, without having been advanced in value or improved in condition by any process of manufacture or other means while abroad." This wording, for all practical purposes identical to the one that had prevailed during most of the period since 1890, is presently still in effect.

The Tariff Classification Act of 1962 also put into effect item 807. That item was formulated by the U.S. Tariff Commission which in its tariff classification study had concluded that "there is no logic" in the Customs Court's decisions of 1954 holding that the act of assembly does not advance the American component in value, and that the situation resulting from the court's interpretation of what in the proposed new schedules would be item 800, was anomalous. In the Commission's opinion, assembling did advance the value of or improve an American-made component, and the new tariff item was consequently included in the proposed tariff schedules among "articles advanced or improved abroad."

Congress passed item 807 as worded by the Commission, exempting from customs duty the value of U.S.-made components of "articles assembled abroad in whole or in part of products of the United States which were exported for such purpose and which have not been advanced in value or improved in condition abroad by any means other than by the act of assembly."

In 1965, section 85 of Public Law 89–241 changed the wording to read:

> Articles assembled abroad in whole or in part of fabricated components, the product of the United States, which (a) were exported, in condition, ready for assembly without further fabrication, for the purpose of such assembly and return to the United States, (b) have not lost their physical identity in such articles by change in form, shape, or otherwise, and (c) have not been advanced in value or improved in condition abroad except by being assembled and except by operations incidental to the assembly process such as cleaning, lubricating, and painting. (79 Stat. 949).

The following year, section 1 of Public Law 89–806 dropped the requirement that the U.S.-made components be exported "for the purpose of such assembly and return to the United States." (80 Stat. 1523).

The enactment of item 807, in effect, legislatively reversed the 1954 decision of the Customs Court and established that the act of assembly is, in fact, an operation resulting in advancement of value or improvement in condition—but primarily the former which had been the subject of the 1954 court decision. It did, on the other hand, specifically exempt such advanced or improved U.S.-made components under certain conditions from the payment of the customs duty. Thereby, it may have also expanded the range of articles qualifying for such exemption.

It is, therefore, my intention under this proposed legislation to require that manufacturers who, produce wearing apparel in the United States and who export this apparel for assembly abroad and then reimport the product back into the United States under item 807, indicate the country or countries where such apparel was assembled on the appropriate labels.

In addition, it is my intention, along with other Members, to continue to search for legislative or administrative relief for our domestic apparel industry. This industry has served our country well over the last decades and I believe it is time our Government take the initiative to protect the very survival of this industry.

H.R. 9016

A bill to amend the Tariff Act of 1930 with respect to the marking of wearing apparel assembled abroad from United States products exported for purposes of such assembly

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 304(a) of the Tariff Act of 1930 (19 U.S.C. 1304(a)) is amended by adding immediately after the first sentence thereof the following new sentence: "For purposes of this section, any article of wearing apparel imported under item 807 of section 1202 of this Act shall be deemed to be an article of foreign origin and shall be marked in the manner required under the preceding sentence to indicate to an ultimate purchaser in the United States the English name of the country where such article was assembled."

PERSONAL STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, because I was participating in a joint House-Senate leadership meeting on the other side of the Capitol on September 9, 1977, I unavoidably missed the vote on rollcall No. 529, approval of House Resolution 738, to provide for the consideration of H.R. 5383, Age Discrimination in Employment Act Amendments of 1977.

The resolution was approved by a vote of 362 to 0.

Had I been present, I would have voted in favor of the resolution.

FINDINGS AND RECOMMENDATIONS FOR CHANGE IN PRESENT SECURITY CLASSIFICATION SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina, (Mr. PREYER) is recognized for 15 minutes.

Mr. PREYER. Mr. Speaker, I placed in yesterday's RECORD a portion of a memorandum prepared at my request by the staff of the Government Information and Individual Rights Subcommittee. That memorandum explained the provisions of the current Executive order on security classification, and summarized the experience of the executive branch under such order since 1973.

Today I wish to place in the RECORD the remainder of the memorandum which sets forth the staff's findings and recommendations for change in the present system. In view of the Carter administration's current efforts to draft a new Executive order in this area, I think these recommendations are especially timely.

The memorandum follows:

MEMORANDUM

FINDINGS AND RECOMMENDATIONS

Preliminary comments: Limitations of a statistical analysis

The Subcommittee staff concedes at the outset that a statistical evaluation of the classification system has inherent limitations. Whether the classification system, created by Executive Order 11652, has "worked", or accomplished its stated objectives, is difficult to measure simply on the basis of statistics. It is impossible to know, for instance, if a reduction in the number of classification actions taken by the government is due to the requirements of the order, or whether it is simply a function of reduced government involvement in projects of a "sensitive" nature. Conversely, the fact that classification actions have increased is not proof, in and of itself, that the order is not achieving its objectives.

With this analytical limitation in mind, the staff has attempted to draw conclusions from the statistics it has been provided by the ICRC, and, to the extent possible, has made its recommendations based upon such conclusions. The staff must readily concede, however, that certain of its recommendations are neither proved nor disproved by the statistics which are cited herein. These figures simply do not always lend themselves to the analysis undertaken.

Classification authority

Currently, 28 departments and agencies in the Executive Branch, including the Executive Office of the President, have been granted classification authority. The statistics furnished the subcommittee do not themselves prove that this number is too few or too many. The statistics do indicate, however, that many of the agencies with classification authority seldom, if ever, exercise this authority. Fifteen of the 28 agencies with classification authority took fewer than 100 classification actions in 1976. These were agencies which did not ordinarily deal in matters which, if revealed, could damage the national security of the United States, but which were presumably granted such authority on the grounds that certain of their activities could qualify for such protection. Examples include the Federal Communication Commission, the Department of Agriculture, the Civil Aeronautics Board, the Federal Power Commission, the Department of Health, Education and Welfare, the Civil Service Commission, and the Interstate Commerce Commission.

The staff would suggest that this justification is not sufficient to continue to grant such authority to these agencies. The present order already provides that any agency which does not have classification authority but generates material deserving of protection should treat such material as being protected by the order, and seek a determination of its classified status by the agency or department, which already has classified authority, to which the sensitive material relates. The staff feels that it would be preferable to apply this approach to those agencies whose affairs do not ordinarily generate information deserving of protection. We take this position for several reasons: (1) The existence of such authority, even if rarely used, provides an opportunity for misuse; (2) Reducing the number of agencies with classification authority to those whose ordinary affairs deserve classification protection will make operation and oversight of the classification system more manageable; and (3) by requiring an agency with routine experience in classification to determine the sensitive nature of another agency's documents will ensure the information is actually deserving of classification protection.

Within the 28 agencies whose heads have been granted classification authority, 13,997 "senior principle deputies and assistants" have been delegated classification authority. Again, while statistics themselves do not indicate whether or not this is an excessive number (and, indeed, they indicate that the number of authorized classifiers has been substantially reduced since the new order is in effect), the staff finds that 14,000 individuals is, on its face, an excessive number of officials with classification authority, going far beyond what the Executive order seems to suggest should be a limited authority. The staff would suggest that only the senior officials with responsibility for approving plans, procedures, methods, or projects should have the authority to classify such plans, procedures, etc. A decision as to classification should be made at the time such projects are approved by the official granting such approval. Documents which are then generated in the course of implementing such project should receive the same classification based upon the original classification decision.

The staff takes this position because it finds that the extremely large number of officials with classification authority makes oversight and management of the classification system a virtual impossibility, and vastly increases the likelihood that classification authority will be abused. We recognize that a mere reduction in the number of officials with classification authority does not necesarily mean that fewer documents will be classified. Indeed, this is amply demonstrated by the figures reported to the subcommittee. We feel, however, that restricting the number of officials with classification authority to senior officials at the policy-making levels of Executive agencies would serve to ensure that classification actions are necessary and proper, and that classification actions are subject to a greater degree of accountability than under the present system.

Frequency of classification actions

The Executive Branch classified approximately 4.5 million documents in 1976. This represented a small increase over the previous three years, but it is clear, nonetheless, that even in peacetime, the government, in its present posture, can be expected to classify in the neighborhood of 4 million documents per year in the interests of national security.

And even this figure only suggests the magnitude of information actually shrouded in official secrecy. It does not tell us how many pages are classified annually nor how many copies there are of the documents which are classified. The number of classified documents produced annually by the Executive Branch could easily be 10 times this number.

Mere figures do not in themselves indicate whether such vociferous classification is

warranted or unwarranted, but rather only the scale upon which it is performed. Moreover, neither the agencies themselves nor the ICRC seem capable of evaluating or policing this most crucial aspect of the system—the decision to classify. Out of 16,421,650 classification actions reported to the ICRC from 1973–1976, only 131 instances of unnecessary classification were discovered and reported by the 28 Executive agencies during this period. The staff can only surmise from this small figure that the agencies involved cannot or do not wish to devote resources to "second-guessing" their classifiers. The ICRC, for its part, has neither the staff nor the inclination to question classification decisions within the agencies to any meaningful degree. (See discussion of Classification Abuses, infra.)

Declassification policies

Although one of the express objectives of the Executive order is to ensure that information be declassified as soon as it is consistent with national security interests, the subcommittee staff has found that the order falls far short in accomplishing this objective.

The order provides that a person exercising classification authority may specify any date for declassification that he chooses, including a date in advance of the General Declassification Schedule. Classifiers, however, appear to resist making this sort of decision themselves, and rather prefer to err on the side of caution and non-disclosure. Less than 1 percent of the classification actions taken in 1976 were assigned a declassification date in advance of the General Declassification Schedule.

Moreover, classifiers which have the authority to exempt classified information from declassification are similarly inclined to do so, rather than risk the information becoming declassified while still having national security sensitivity.

The staff feels, however, that this perhaps understandable reluctance on the part of classifiers has the effect of keeping too much information secret after its sensitivity as national security information has long since passed. In this regard, it is interesting to note that of the 5,477 requests for declassification of exempted documents from 1973–76, 53 percent were granted in full and 35 percent were granted in part. Moreover, it has been the experience of agencies which have undertaken internal declassification reviews, that a large majority of such records reviewed are found to no longer require national security protection.

The staff recommends that, in view of this experience, the authority to exempt documents from declassification be eliminated from the Executive order, and be replaced with a provision which would simply allow the classifier who reasonably expects a document to have continued sensitivity beyond the declassification schedule, to mandate a review of the document at the end of the period prescribed by the General Declassification Schedule. This would mean that instead of continuing the classification of a document indefinitely (up to thirty years). a classifier would only be able to call for a review of the document after the period called for in the general schedules. The provision should include a prohibition on the use or transmittal of such a document after the original classification had expired until a determination as to its continued security status had been made.

The order should also encourage greater use of advance declassification assignments. Where classified documents are prepared in advance of an event, it may be entirely consistent with national security to remove such classification after such event has transpired. At present, however, the system provides no effective incentive or mechanism to encourage such disclosure.

Handling declassification requests

Given the voluminous amounts of classified materials held by Executive agencies (and by presidential libraries), the number of requests for declassification review of documents must be considered relatively small.

Such requests apparently have been handled expeditiously, however, by the agencies concerned, and have resulted in most requests being honored in full or in part.

Seeking declassification under the Executive order, however, has limited utility since declassification requests are accepted only for documents which are ten years of old more. This limits drastically the use of the order for the purpose of gaining access to information bearing on contemporary problems. (The staff recognizes that such access may be sought under the Freedom of Information Act at any time and that the agency concerned must determine whether the information sought is "properly classified" under the order.)

The staff feels that classified information should be declassified at the earliest time such action is consistent with national security interest. Accordingly, the Executive order should permit request for declassification to be made at any time, so long as the requestor could reasonably identify the document he is seeking.

The staff also feels that the ICRC's policy of hearing FOIA appeals from the agencies for documents over 10 years old should be retained, but its availability should be formalized, and its relation to the FOIA appeals process should be clarified. Presently, FOIA requestors who are denied access to requested documents under the b(1) exemption may or may not be told that declassification review can be obtained through the ICRC prior to going to court. None of the Executive agencies with classification authority presently has a formal procedure requiring such notification. This alternative form of declassification review is thus only haphazardly made available. The staff feels that, since this review mechanism would involve no expense to the requestor, many would seek such review before filing suit under the FOIA, if its availability were only made known to them.

The staff would recommend, on the other hand, that this alternative remedy, which would be available only to a small percentage of FOIA requestors (i.e., those requesting documents over 10 years old who were denied access under the b(1) exemption), should not be considered as an administrative remedy required to be exhausted prior to bringing suit under the FOIA. The FOIA appeals procedures, set out in that statute, should be the only administrative steps required prior to bringing suit under that Act. It should be left to the requestor, whose appeal has been denied by an agency, to determine whether he wishes to seek review by the courts or further administrative review by the ICRC.

Declassification programs

The staff recognizes that several agencies have undertaken internal declassification programs to reduce their classified inventories. We note, nonetheless, that such programs are not required by the Executive order, but are only encouraged. The staff would recommend that the Executive order mandate such internal review by every agency with classification authority.

Preventing classification abuses

Although the Excutive Order prohibits officials with classification authority from misusing or abusing their authority, and it establishes an oversight body charged with ferreting out such abuses, in practice the order falls woefully short in detecting and correcting abuses of the system.

As alluded to above, the principal reason for this failure is the inability of those agencies with a substantial volume of classification actions to monitor and evaluate decisions to classify. Since decisions to classify information can depend upon an infinite number of circumstances, and are ultimately judgmental, both the agencies concerned and the ICRC take the position that any systematic attempt to evaluate classification decisions would be extremely costly and ultimately unproductive. They opt for the "review-upon-request" method of evaluating classification decisions, as embodied in the Executive order and the FOIA.

The subcommittee staff is not inclined—given the enormous number of classification actions and the inherent difficulty in objective evaluation of such decisions—to recommend systematic evaluation of every classification decision. The staff does not believe, however, that the "throw-up-your-hands" attitude of the agencies and the ICRC is warranted, either. There are intermediate steps, we believe, which would have the effect of reducing instances of unnecessary classification and over-classification.

First, it may be no administrative burden at all—either in terms of cost or personnel—for some of the Executive agencies with classification authority to have classification decisions reviewed by a committee or at least a second official prior to their being made. In 1976, 15 of the 28 Executive agencies with classification authority took less than 100 classification actions during the year. It would seem to impose a minimal burden on these agencies to require that classification decisions be passed upon by someone other than one person with classification authority.

Second, there should be some incentive in the order for Executive employees to challenge security classifications which they feel are unnecessary or improper. At present, such employees are simply implored by the order to raise such matters with the original classifying authority. The order fails to take into account, however, the inhibitions most government employees must feel in challenging the decisions of their superiors. In terms of their careers, these individuals have little to gain in raising such challenges, and much to lose. The staff would recommend the implementation of a system where challenges could be made by employees in confidence to an internal committee, whose responsibility it would be to evaluate and assert such challenges to the original classifying authority, would be a more productive method of encouraging challenges to improperly classified documents.

Third, in a related vein, the ICRC should take a much more active role in monitoring an internal challenge system, and encouraging such challenges by federal employees.

Fourth, the ICRC should itself actively assert challenges to documents which it randomly inspects on its on-site visitations on the grounds that such documents are unnecessarily classified or over-classified. Agencies should then be made to defend their classifications to the satisfaction of the ICRC, if such classifications are allowed to remain. At present, officials with classification authority must realize that the likelihood of their ever having to defend a classification decision is extremely remote. The possibility that the ICRC might challenge such a decision during one of its random file searches should encourage greater consideration of such decisions.

Fifth, the order should contain some requirement that the decision to classify be weighed not only in terms of the danger which disclosure is likely to have, but also in terms of the public's need for such information. There may well be cases where public awareness of government activities is so crucial, e.g., the introduction of military forces into foreign countries, that it may override the need for secrecy. At present, the

order forces no consideration of this sort on the part of classifiers.

Finally, the order should provide that decisions to impose a classification unnecessarily or improperly will result in the loss of classification authority, even if the loss of such authority renders such person unable to perform his present duties. This sanction should be more effective than a mere reprimand in obtaining adequate consideration of classification decisions.

Unauthorized disclosures

The staff is unable to ascertain from the relatively small number of unauthorized disclosures reported to the ICRC whether the order succeeds in safeguarding national security information. Although only 47 such disclosures were reported in a four-year period, it is impossible to evaluate the success of the security classification system unless one knows the nature of the information leaked, the sensitivity of such information, or the damage which resulted from it. At present, the ICRC does not seek this information from the agencies involved.

The staff feels, more importantly, that the "success" of the order lies not so much in how well it protects information from disclosure, but in how well it balances nondisclosure with the people's right to know.

CONCLUSION

Congress has heretofore on several occasions considered legislating a statutory classification system binding on the Executive Branch but no legislation has resulted from these deliberations.

The subcommittee staff feels that Executive Order 11652, while an improvement over its predecessor, does not adequately balance the competing interests in this area—in practice, it is weighted too heavily in favor of secrecy, allowing information to be withheld from the public long after its sensitivity as national security information has passed.

In the absence of an Executive order which restores the appropriate balance, the subcommittee should consider further legislative action to correct this imbalance, and provide a security classification system by statute which more adequately preserves the public's right to know.

IMPROVING SAFETY STANDARDS IN THE RAILROAD INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. STAGGERS) is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, this bill is being introduced for the purpose of improving the safety standards in the railroad industry. The proposed legislation provides that the length of a freight train shall not exceed 4,300 feet, exclusive of caboose. For years the Interstate and Foreign Commerce Committee, of which I am chairman, has been concerned about the poor safety conditions on our Nation's railroads. In 1970, Congress gave broad railroad safety powers to the Department of Transportation, but, in my opinion, DOT has not fulfilled its responsibilities under the law. Accidents, injuries, and deaths continue at an unacceptable level; and the physical conditions of the tracks and equipment continue to deteriorate, even though Congress has provided millions of dollars to upgrade the railroad industry. I do not intend to sit by and allow the inaction of the DOT and the railroads to further delay safety improvement.

With respect to the safe length of a train, there is little dispute in the industry that trains in excess of 75 cars have a greater chance of derailment and other safety problems, than shorter trains. In my opinion, this alone is sufficient to require shorter trains. Additionally, railroad efficiency will be enhanced by shorter trains. The longer the length of a train, the more frequent the delays and, also, the longer the delays. This, in turn, contributes to additional delays in terminals. For example, a study conducted in 1970 by the Massachusetts Institute of Technology concluded that trains with more than 75 cars encounter many more delays due to equipment failure than did trains with fewer than 75 cars. Burst air hoses occurred three times more frequently on trains with 75 or more cars, and the frequency of sticking brakes was 8.5 times greater. For trains with 75 cars, the incidence of coupler failure was low. For trains having over 75 cars, the incidence was 7.4 times greater. Coupled with the greater incidence of delays in trains of more than 75 cars, the length of such delays lasted 1½ times longer.

The relative safety of a shorter train is striking. Studies show that, for nontrack causes of derailments, the longer the train, the greater the probability of a derailment. Furthermore, in trains with 100 cars or less, one study by an eastern railroad has shown that an average of 4.6 cars derailed, whereas a train with 250 cars averaged 7.1 cars per derailment.

Concerning the integrity of a train, one with 100 cars or less can expect fewer broken knuckles and drawbars than longer trains. The chances of breaking a knuckle or drawbar on a trip with a train of 100 cars or less is 23 times smaller than a train twice the length. For a very long train, a separation can be expected in one out of six trains but, in shorter trains, the results are 1 in 135 trips. The probability of uncoupling for a train with 100 cars or less is 1 in 500, but the probability of a 200-car train is 1 in 33.

I recognize the fact that we live in an era of fuel crisis and that the use of more trains may require more fuel. However, compared to the motor carriers, the fuel requirement for a 75-car train is still greatly lower per net ton of freight handled. Railroads use much less fuel than trucks for the same amount of freight hauled. One 75-car freight train can relieve the highways of 150 to 200 trucks.

This bill limits the freight train to 4,300 feet which is approximately 75 cars. I am advised that the average length of a freight car is approximately 56½ feet. There are seven basic types of freight cars in use on the railroads which comprise 97.8 percent of the total car fleet of 1,686,390. The average length of a box car is 57 feet, 5 inches, and covers 29.4 percent of all cars. The hopper car is 50 feet long, comprising 21.5 percent of the total.

I am convinced that the bill will help reduce derailments and component failures. Of course, flowing from safer operations will be the reduction of loss and damages and greatly improve reliability of delivery of goods on time. The net effect should be a safer and more reliable railroad system which will attract new business.

A MORE CONSIDERED LOOK AT THE NEUTRON WARHEAD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 10 minutes.

Mr. DODD. Mr. Speaker, next week the House is scheduled to consider the fiscal 1978 authorization act for the national security programs conducted by the Energy Research and Development Administration (ERDA).

That measure, H.R. 6566, contains ERDA's nuclear weapons programs, and it has been the source of much controversy because one of these programs is the production of an enhanced radiation tactical nuclear warhead for the Lance missile.

I, myself, intend to offer an amendment to H.R. 6566 to stimulate discussion of relative merits and disadvantages and to provide Congress with greater oversight of their development and production.

Unfortunately, enhanced radiation warheads, also known as neutron warheads, have been the subject of much misinformation and misunderstanding by the public, by the news media, and I venture to say, by some of our colleagues as well.

Reasoned debate about the pros and cons of enhanced radiation warheads, and there are cogent arguments which must be considered on both sides of the question, has at times given way to hyperbolic, misleading editorials in the press, for example.

Because public opinion should be considered by Congress and the President as we try to decide whether to produce these nuclear warheads, these uninformed editorials, which do so much to shape that opinion, are particularly distressing.

The issues surrounding neutron warheads are quite serious, Mr. Speaker, for they involve whether these weapons contribute to deterrence or lower the threshold against nuclear war.

They further involve a discussion of the concepts of limited and unlimited nuclear war, whether the former is possible without the latter, and whether neutron warheads might enable NATO to fight a restricted nuclear campaign or lead us to an all out conflict of mass destruction.

In considering enhanced radiation tactical warheads, we also should discuss, among other concerns, how they relate to our policy of the necessity to strengthen the conventional military capabilities of NATO.

To lay the groundwork for Congress' own debate next week, and perhaps to contribute to eliminating the misimpressions in the minds of some of our constituents and colleagues, I would like to insert in the RECORD some enlightened editorials.

I hope these editorials will serve to

place the neutron warhead in the proper serious perspective in which it must be considered, and I commend them to my colleagues. The editorials follow:

[From the Baltimore Sun, July 10, 1977]

WEAPONS, CLEAN AND DIRTY

Onrushing nuclear technology just will not let the politicians alone. No sooner do they devise a rationale to support or oppose the latest wonder weapon than a new weapon comes along to test their logic. The latest controversy over neutron warheads is a case in point.

This "enhanced radiation device" is designed for a whole new generation of tactical nuclear weapons, chiefly for the NATO command in Europe. Its appeal is that its heat, blast and radioactive fallout radius is far smaller than the cruder tactical nukes now in place. Thus it is described, often ironically, as a "cleaner" bomb, for its purpose is to immobilize and kill enemy soldiers through high-energy neutron rays that do relatively less damage to highways, buildings and civilians outside battle zones.

The neutron warhead's danger is that it blurs the distinction between conventional and nuclear warfare, and thus would be more tempting to use. Once it is used, escalation to strategic holocaust becomes more possible.

In deciding what course to take on neutron bombs, the White House and Congress are confronted with the dilemmas that bedevil the nuclear era. "Is deterrence better achieved if the other side thinks we're *more* likely to go to war but with *less* destructive weapons" Senator Heinz of Pennsylvania asked the other day, "or if it thinks we are *less* likely to go to war but with *more* destructive weapons.?"

The SALT I agreement was based on the theory of "mutual assured destruction." Washington and Moscow agreed that war could best be deterred if both were vulnerable to city-killing weapons. No sooner had SALT I been signed, however, than the Russians began concentrating on huge bombs that seemed designed to be used against land-based U.S. Minuteman ICBMs instead of populations. Former Defense Secretary Schlesinger responded by pushing his "counterforce" theory. He envisaged a Soviet first strike that would cripple the Minutemen and leave the United States only the appalling choice of hitting back at Soviet cities—while knowing that American population centers would be devastated in return.

Mr. Schlesinger's answer was to develop sophisticated guidance systems that would give the United States the option of eliminating the Soviet land-based missile force. Essential to this concept was the notion of a "limited" strategic war, an idea the current Defense Secretary, Harold Brown, has rejected in theory even while giving the go-ahead to advanced cruise missiles programmed, figuratively, to thread a needle.

The current argument over the neutron bomb raises similar problems, though on a tactical rather than strategic level. Since the late 1960s, the Soviet Union has built up Warsaw Pact forces, gaining clear superiority in tanks and conventional armor and deploying tactical nuclear weapons to offset NATO nukes. The decision that now must be made is whether the present "dirty" tactical nukes are a credible deterrent or whether the Alliance has to go for "clean" neutron warheads.

The "dirty" nukes are certainly powerful weapons; indeed they are so destructive that the West German people blanch at the thought of their being detonated on any German soil, East or West, for any purpose. But what of the "clean" bombs? If they are used to thwart an overwhelming Soviet conventional attack, is it not likely that the Soviets would hit back with the "dirty" tactical nukes in their arsenal? Will potential mayhem really be reduced?

Until a more compelling case is made for deployment of the neutron warhead, it should be resisted. The idea that the distinction between conventional and tactical nuclear warfare can be blurred with endangering mankind remains highly suspect.

[From the Washington Star, July 8, 1977]

THE NEUTRON WARHEAD

Warfare, for all its horrors, strives to keep a shaky toehold within civilized limits. Poison gas and dum-dum bullets, for example, are not in legal arsenals today.

The steady march of modern weapons technology makes it increasingly difficult to maintain these fragile standards. But the so-called neutron or "enhanced radiation" warhead which suddenly came to the nation's attention last week would seem at first glance an unmistakable candidate for proscription.

But moreso at first glance than at a second or third. The ostensible purpose of the neutron warhead is to render "tactical" or battlefield nuclear warfare more controllable. It would be developed for anti-tank warfare with Lance missiles and artillery. "Tactical" nuclear warheads now available (and deployed with NATO forces in Europe) pack, at 50 kilotons, about three times the "blast" and fallout effects of the atomic bomb used at Hiroshima. The far smaller blast of the neutron warhead, at one kiloton, could be surgically confined, it is claimed, to a radius of some hundreds of yards; it would rely for primary impact on the lethal bombardment of human beings by neutrons, while at the same time mimizing destruction and fallout beyond the target area.

When the Senate, just before its July 4 recess, discovered a small appropriation for continued research on the neutron weapon in a routine public works money bill, the discovery touched off an intense and fascinating debate. Some senators find the weapon reassuring; others find it scandalous, dwelling with special horror on the news that the neutron warhead kills people but spares property.

This debate, together with a rather overexcited journalistic fallout, rather puts us in mind of Robert Frost's poem, "Fire and Ice" (*Some say the world will end in fire/Some say in ice*). One is tempted to ask, what difference does it really make, given that there is a kind of madness about all nuclear devices? Neither comfort nor kindness in the manner of killing is the signal feature of *any* nuclear device—neither the "dirty" old bombs that kill indiscriminately over a wide area by blast and fallout nor a "clean" new bomb that poisons the human system on the battlefield with "enhanced radiation." At one level, it is all madness.

Most of us hope not to have to choose, as it were, between fire and ice.

Yet there is, in this complicated world, no luxury of escape from hard choices. We do not suppose merely as a matter of course that there is any great difference in the moral sensitivity of those who, like Senator Stennis, found the neutron bomb "the best news . . . in years," and those who, like Senator Hatfield, found themselves indignant at the idea of a device that kills people while minimizing property damage.

The moral calculus of nuclear warfare is to be found at a more complicated level. It may lie less in the *way* weapons kill than in their probable effect on the nuclear balance and on the prospective nature of nuclear warfare. Does a weapon make nuclear warfare more likely? Does it minimize deadly effects on civilian populations? If we accept that both aims are "moral," it is nonetheless true that they must sometimes conflict; and that seems, alas, to be the case with the neutron bomb.

On the one hand, a "tactical" nuclear weapon whose blast and fallout effects are minimal, and whose deadly radius may be confined to a small quarter of a limited battlefield, offers the hope that civilian populations might be spared, along with shelter, food and water supplies.

Yet the more "discriminating" a "tactical" nuclear device might be, the larger the presumptive temptation to use it readily, hence the lower the "nuclear threshhold."

The Senate, as we say, almost stumbled onto its great debate about the neutron warhead, which, we gather, has been in the works for 20 years. The political issue the Senate will take up when it reconvenes is whether research and development should continue without a presidential certification of need and without an "impact statement" about its conceivable effect on the nuclear balance.

Certainly there is, at the moment, very little but sketchy information and indignation to go on. President Carter would like another month or so to think about the neutron warhead. The Arms Control and Disarmament Agency is worried about its impact on arms-reduction talks. Beyond that we know too little.

If the neutron warhead is thought to be a genuinely "tactical," or battlefield-scale, nuclear weapon it will be the first such weapon to qualify unambiguously. No strategist that we know of, from Dr. Kissinger on, has convincingly shown that a reliable distinction is to be drawn between "tactical" and "strategic" nuclear warfare Any weapon that promotes the illusion short of absolute certainty is to be viewed with the utmost suspicion—even if it does promise to spare civilians and their life-support systems the side-effects of the big bombs.

[From the Washington Post, July 13, 1977]

THE NEUTRON BOMB

President Carter, responding to questions about the neutron bomb at his news conference yesterday, more or less said this: He would take the money for production of the weapon but reserve his decision on whether to deploy it. So we still don't know exactly what the President intends. But we do know he has a very careful, restrained, sophisticated approach to the questions raised by the weapon itself. For he made this abundantly clear in his adroit handling of the issue yesterday.

The neutron bomb presents as good a case study as you are likely to get of the central tension in our nuclear-weapons policy. It is between 1) the need for weapons sufficiently practical and manageable to persuade an enemy that we might use them and 2) the danger that weapons with this degree of practicality and manageability might invite the very kind of war they are meant to deter, since they could create the illusion that they could be used without provoking general nuclear war or some other disastrous result.

If you keep this tension in mind, you will understand the neutron-bomb argument. Those who favor proceeding with the weapon point out its clinical, surgical advantage over the less-controllable and more widely destructive tactical nuclear weapons deployed at the moment; they argue that these virtues (it is practical, manageable) would make it a plausible threat; i.e., an adversary would have no trouble believing NATO forces might use it. Those who oppose proceeding with the weapon argue that there is no such thing as a containable nuclear weapon; that the seductive notion that there are nuclear weapons of any kind that could be used without leading to a larger nuclear exchange is foolish and wrong and that the battlefield advantages of the neutron bomb if war came, would not outweigh the perilous temptation to use it well before other tactical nuclear weapons might be employed.

We are of the second persuasion ourselves

and hope that Mr. Carter will yet come to it when he gets down to making the actual decision about proceeding with the neutron bomb. We note with interest that although the President was well aware of the technical and military advantages of the proposed weapon, he also showed himself properly skeptical of the idea that warfare could be confined to the use of certain minimally destructive nuclear weapons. Thus: ". . . my guess is . . . that the first use of atomic weapons might very well quickly lead to a rapid and uncontrolled escalation in the use of even more powerful weapons with possibly a worldwide holocaust resulting."

The President threaded his way with considerable skill through the political minefield that discussion of such a weapon necessarily entails. He managed to express revulsion at the idea of first-use of nuclear weapons without committing himself to some ironclad protocal forswearing their use. He insisted that current NATO strength did not require the automatic use of tactical nuclear weapons to defend against a Warsaw Pact invasion. He took the occasion to restate the need for a bolstering of NATO's conventional forces. He promised to provide Congress with a "complete impact-statement analysis" on the deployment before he makes a final decision on it. It was, in other words, a responsible, cautious enunciation of position, leaving open the possibility that the deployment of this new weapon may yet be rejected. We hope it will be.

[From the Milwaukee Journal, July 9, 1977]

THE REAL FLAWS IN NEUTRON WEAPONRY

The Pentagon deserves rebuke for trying to quietly slip past Congress the funding for "neutron" tactical nuclear warheads. However, Pentagon deviousness does not excuse the sometimes irrational criticism that angry congressional critics direct at the weapon itself. While the warhead has drawbacks, they cannot be properly examined amid emotionalism.

What seems to upset some critics the most is that the weapon is designed to kill people while minimizing physical damage to the surrounding area. It does this by releasing great amounts of lethal radiation. Blast, heat and fallout—the other lethal effects of "ordinary" nuclear weapons—are reduced to about one-tenth of normal. Intense radiation would occur in a burst, would be localized and short-lived. The target area could be entered within a day. Damage outside the area would be sharply reduced.

To some critics, a clean, more precisely targetable nuclear weapon is somehow less moral than a dirty, indiscriminate one. In other words, it's better to be burned and buried in rubble than just dead with the surroundings relatively unscathed. That strikes us as nonsense.

For military planners, the weapon's attraction is obvious. Enemy troop concentrations could be destroyed with less risk to surrounding civilian population and property. This has special meaning in Central and Western Europe. It is assumed that fighting initially would be concentrated there if Russia, with its greater conventional military strength, ever attacked. The aim: stop those troops without laying waste to friendly cities and towns.

Indeed, some NATO strategists worry that the alliance's present tactical nuclear deterrent is not credible because the weapons are too indiscriminate. Russia might doubt that they would be used because they would destroy what the West is trying to save. Such deterrence then becomes a bluff asking to be called. The argument for the neutron weapon is that it would strengthen deterrence because it is discriminate and would be more readily used.

This does not mean that the neutron warhead is beyond legitimate question. On the contrary, greater presumption of use—while a theoretical strong point in deterrence theory—is also worrisome. The weapon's very attractiveness could tempt commanders to employ it sooner than they would other, less discriminate tactical nuclear weapons. The nuclear threshold would be crossed sooner. In short, the weapons would blur the crucial distinction between conventional and nuclear war.

Furthermore, the whole idea of tactical nuclear deterrence is dubious. It assumes that, if deterrence fails, these weapons would be used in a controllable, limited nuclear war. That is an extremely risky assumption. More likely, the use of any nuclear weapon would trigger an escalation to Armaggedon. If so, the neutron warhead has a marginal, if not negative, value.

A prime objective in Europe today should be to lessen reliance on tactical nuclear weapons as a deterrent. The logical answer is to bolster NATO's conventional forces. That is something for the Senate to think about when it resumes debate on the neutron warhead. It is also something for our allies to ponder since many of NATO's weaknesses are due to European complacency and unwillingness to spend more for conventional defense.

In the end, the chief lure of the neutron warhead is its cheapness as a technological substitute for an expensive, politically unpopular conventional military buildup. But does the warhead really provide comparable security? Given the risks of nuclear war, the answer is no.

[From the Los Angeles Times, July 11, 1977]

DR. STRANGELOVE IS NOT LOOSE

The White House says President Carter will decide next month whether to approve the Pentagon's plans for deployment of the so-called neutron bomb. Unfortunately, there is a clear danger that he will make the decision against a background of public confusion and misunderstanding as to what the controversy is all about.

The basic responsibility for this confusion lies at the door of the press and the broadcast media.

The Defense Department hopes to begin deploying the neutron bomb—which scientists and military men prefer to call the enhanced-radiation warhead—with NATO forces in West Germany within 18 months.

Since considerable secrecy traditionally surrounds such budget items, specific plans for the deployment of the neutron bomb had escaped notice until a Washington newspaper broke the story last month. But Pentagon interest in the weapon has been a matter of public knowledge for many years.

For the past month, stories discussing neutron bomb have almost universally described it as a weapon that will kill people through enhanced radiation while doing the least-possible damage to surrounding real estate.

This is the truth, but not the whole truth. It is misleading unless accompanied by the additional information that the new weapon would kill fewer people than would existing nuclear warheads, which it would replace in NATO's defensive arsenal.

As a result of carelessness or inadequate knowledge, that important detail has been left out or submerged in most media discussions of the neutron bomb. As a result, there is a widespread public impression that the weapon is the brainchild of coldblooded Pentagon planners who value the preservation of property above human life.

As The Times explained in an earlier editorial, the truth is very different.

The neutron bomb is not a long-range strategic weapon that would be used against Soviet population centers in the event of an attack on the United States. It is designed to make it possible for NATO forces to defend Western Europe against a Soviet invasion without destroying Europe in the process. Specifically, its main purpose would be to destroy the Russian tank armies that would spearhead any such attack without killing nearby West German civilians.

The neutron warhead required for this purpose would be smaller than the conventional nuclear warhead that would otherwise be required for the same mission. Thus, the affected area would be smaller.

Blast damage to nearby houses and other structures would be minimized, and the lethal radiation even in the target zone would dissipate much more rapidly than the radiation from nuclear weapons now in the active arsenal.

For the West Germans, the difference between the neutron bomb and the larger, dirtier bombs in the existing NATO arsenal might thus be the difference between survival and death.

There is considerable expert opposition to the neutron bomb—but not on grounds that it would represent an escalation of nuclear horror. On the contrary, dovish experts fear that it would not be horrible enough and would, accordingly, be more likely to be used.

Proponents of the new warhead strongly dispute this point.

The arguments on both sides are complex, and the President has an unenviable job in trying to sort it all out.

It is appropriate that public opinion should be a factor in his deliberation. But the debate should center on the real issue—whether less-deadly nuclear weapons might make nuclear war more likely—and not on the erroneous notion that Dr. Strangelove is loose in the Pentagon.

[From the New York Times, July 12, 1977]

THE NEUTRON WEAPON

All nuclear weapons can kill. That ugly fact should be kept in mind in evaluations of the current argument over deployment of the so-called neutron warhead—the "enhanced radiation weapon," in Pentagon parlance. An eminent Soviet physicist charges that "the development of neutron weapons in the U.S.A. has exposed the true policy of the American Administration as antihumane and directed on a worldwide scale against the main human right, the right to life." The allegation, if seriously meant, applies with equal force to Soviet nuclear weapons, or those of any other country.

As the two articles on the page opposite explain in some detail, neutron warheads—for short-range ground missiles and artillery shells—differ from existing nuclear weapons in that they would inflict far less extensive damage from blast and heat; they depend for their lethal effect on intense but short-lived radiation. In addition, the radius over which they kill is fairly sharply defined. This makes them well-suited for attacking concentrations of soldiers in the field while minimizing damage to territory and to neighboring civilians. Moreover, the type of radiation they emit does not linger. Whereas standard nuclear weapons may render a piece of territory uninhabitable for months afterward, the harmful radiation from a neutron warhead would dissipate in a matter of hours. These qualities are of critical importance to our NATO allies, particularly the West Germans, who have long dreaded having to face the awful dilemma of yielding to a Soviet invasion or else inflicting terrible damage on themselves by attacking the invaders with nuclear weapons.

The very qualities that make neutron warheads attractive to our allies and to the Pentagon cause others to argue against them. Existing tactical nuclear weapons are so destructive, they say, as to be virtually unusable. They inhibit military commanders and political leaders from crossing the threshold that since Hiroshima and Nagasaki has kept nuclear weapons from being used in anger. Opponents of the neutron weapon argue also that despite years of planning, NATO has

never come forward with a plausible scenario for repelling an invasion with nuclear weapons and then going on to "win" the nuclear war that would likely ensue.

Both these arguments have force, but they are not persuasive. The Administration should proceed with the planned deployment. NATO is now in the worst possible position with respect to tactical nuclear weapons. For years it has claimed that those weapons would deter an invasion by numerically superior Warsaw Pact forces, and many NATO member governments have thus justified not spending more on conventional forces. Yet NATO's present tactical nuclear weapons may, because of the dangers implicit in using them, offer little deterrence. Of them it can be said, as the Duke of Wellington reportedly once said of some new recruits, "I don't know whether they will frighten the enemy, but they certainly frighten me."

Because neutron warheads are less frightful in their effects they might indeed be more easily used, with the risk of further escalation. But they would also make more credible NATO's threat to use tactical nuclear weapons, and in so doing make less likely the need ever to use them. Yet the neutron weapon is only a short-term solution to the problem of the imbalance of forces in Europe. The long-term solution, and greater safety, lies in reviving the nearly moribund East-West talks on Mutual and Balanced Force Reductions (MBFR) and negotiating troop levels that are low enough, with safeguards against surprise attack that are sound enough, to do away with the need for tactical nuclear weapons altogether.

THE HIDDEN ISSUES BEHIND A NUCLEAR TEST BAN

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, a serious problem frequently confronting the American citizen today is the inability to learn both sides of the many important and contentious issues involving our national interests.

An example is the problem of the continuing modernization of the U.S. nuclear weapons forces. One issue is whether modernization should apply to the new explosives as well as to the delivery vehicles. Proponents of modernization insist that qualitative improvements can benefit national security more than stockpiling large quantities of weapons of unknown reliability. They further insist that the largest contribution to nuclear explosive reliability and improvement is a comprehensive test program.

On the other side, test ban advocates vociferously insist that continued testing by the United States and U.S.S.R. will induce additional nations to become members of the nuclear weapons club. They present no rationale for this conclusion. However, they believe that a complete test ban or a unilateral moratorium on nuclear weapons testing by the United States will have no effect on U.S. nuclear forces. They believe that the weapons in stockpile today will perform satisfactorily without additional testing. They believe new weapons can be designed and fabricated using current weapons testing data.

Does the United States need to conduct tests of new and existing weapons systems? Will a test ban adversely affect our national security? Unless you are fully and currently informed on the United States and U.S.S.R. nuclear weapons programs, I urge you to read the following article by Ralph Bennett, "The Hidden Issues Behind a Nuclear-Test Ban," which is in the September 1977 issue of the Reader's Digest, before you decide on the question of nuclear testing.

The magazine article referred to follows:

THE HIDDEN ISSUES BEHIND A NUCLEAR-TEST BAN—WOULD A MORATORIUM REALLY IMPROVE OUR CHANCES FOR PEACE? OR WOULD IT IN FACT TIP THE BALANCE OF POWER TOWARD THE SOVIETS?

(By Ralph Kinney Bennett)

President Jimmy Carter has set a "total cessation of nuclear testing" as a major goal of his Administration. In 1963, the United States and the Soviet Union agreed to stop testing in the atmosphere, in outer space and underwater; the President has urged that the two nuclear super-powers prohibit all underground tests as well, in the hope that other members of the nuclear club—China, Great Britain and France—will follow. A joint Soviet-American study group, later joined by the British, has met on the proposal, but concern is growing as to whether such an agreement is in the long-term interests of the United States.

Advocates of a comprehensive test ban (CTB) argue that such a treaty might be a brake on the momentum of the arms race and the alarming prospect that as many as 20 nations will have nuclear weapons within a few years. They contend that because the United States and the Soviet Union have reached a state of rough "parity" in strategic weapons the time is ripe for negotiating a CTB without fear of a built-in disadvantage to either country.

Before the public can make an informed judgment on this highly charged issue, it must have a clearer understanding of the how and why of nuclear-weapons testing.

The test firing of U.S. nuclear weapons takes place at vast and desolate site about 75 miles northwest of Las Vegas, Nev. It is done on direct orders of the President, who approves a test schedule six months at a time. Each year, there are generally between 10 and 20 detonations at varying depths, depending on the yield of the weapon. A 100-kiloton-yield weapon (the bomb dropped on Hiroshima was only 14 kilotons) would be detonated about 2000 feet below ground. An oil-well drill-rig is used to bore a hole about four feet in diameter. (Some weapons used on missiles and artillery shells may be no larger than an office wastebasket.) A steel canister, lowered into the hole, contains the weapon. Above it are racks of sensors and instruments. In the millionths of a second before these instruments are vaporized by the blast, data on gamma rays, neutrons, radiation, heat, shock and other effects are pulsed over cables to monitoring equipment, which may be nearby or as much as 30 miles away.

The only significant sound associated with the blast is that made by tons of rocks and soil bounced into the air in a wide circle as the earth directly above the blast heaves momentarily. Technicians at the monitoring station will feel a distinct tremor a few seconds after the detonation.

TEST CASES

There is a common impression that testing is carried out merely "to build bigger and better bombs." The truth is that American (and Soviet) scientists learned the essentials of large super-destructive nuclear weapons long ago. Today, American testing addresses itself to special problems—making nuclear weapons smaller, safer to handle and transport, more precisely tailored to a variety of missions.

One intensive program of underground testing now under way is aimed at final development of a new super-accurate warhead for MX, the newest generation of intercontinental ballistic missiles (ICBMs), designed to replace our present Minuteman III in the 1980s. The MX is needed because of the Soviet SS–18, a massive ICBM that can destroy even the most hardened U.S. missile-launching silo. The MX may be deployed in a variety of ways aboard large aircraft or perhaps on underground railroad tracks, and would thus be extremely difficult to target. The problem: to perfect a warhead so small that the MX can carry as many as ten (all targeted for separate sites), yet so powerful that it will have three times the yield of present ICBM warheads.

Testing is also proceeding on an "enhanced radiation" weapon for battlefield use. Most strategists believe the West would have to use tactical nuclear weapons at the outset of a war in Europe to blunt the overwhelming conventional-force advantage of the Warsaw Pact countries. But many of the nuclear weapons now stockpiled in Europe are based on 10- and 20-year-old designs and are so indiscriminately destructive that they would carry blast; heat and radiation effects to a wide area around a target. Thus, ironically, the sheer power of the weapons might make the United States hesitant to use them in defense of thickly populated Western Europe.

A new generation of precise, "low-yield" nuclear weapons now being tested could be detonated in the air (at 3500 to 5000 feet) with virtually no blast effect or fire-causing thermal radiation. These weapons would focus neutron and gamma-ray radiation on an enemy target, say a regiment of troops, with such lethal effect that the men would be literally stopped in their tracks—even those in tanks, bunkers or buildings. The buildings, however, would be left intact, and there would be no long-term contamination from residual radiation.

Weapons developments like these demand testing—they cannot be based on old test data alone. A nuclear warhead is a complex combination of conventional explosives, fusing devices, nuclear material, batteries, circuits and in some cases guidance equipment. Each new demand upon it requires readjustment of these components. Past experience has shown that even seemingly trivial changes in existing designs may cause a weapon to fizzle in a test shot. Indeed, in some instances, 10 to 12 detonations have been required to solve a problem or bring a weapon up to specifications.

"BROKEN ARROWS"

The built-in safety features demanded for our nuclear weapons have placed a further burden upon testing. Since 1945, for instance, there have been at least 11 "Broken Arrows"—the Defense Department code for accidents involving nuclear weapons. Luckily, there has never been a nuclear explosion as a result. But in some instances, as when a B–52 carrying four large nuclear bombs collided with a fuel tanker over Palomares, Spain, in 1966, conventional explosives used to set off the chain reaction in the weapon's materials have detonated.

To deal with that particular problem, a new, insensitive high explosive (IHE) was developed—one that could withstand tremendous shocks (even bullets fired into it) without detonating. Proved workable only after lengthy underground testing, IHE was a major advance in weapon safety.

There have been numerous instances of problems in the nuclear-weapons program in which speedy testing of a weapon was vital, since it was already actively deployed somewhere in the world. Indeed, most "stockpiled" weapons are actually in service aboard B–52 and FB–111 bombers, in ICBM silos, in our Polaris/Poseidon submarines and in Army and Navy tactical missiles—the whole variety of delivery systems that prevent our

deterrent from being wiped out in a single strike.

The juxtaposition of ordinary and exotic materials inside the smaller of these complex warheads causes strange things to happen, giving each a maximum estimated "shelf life." Radioactivity from materials like uranium and plutonium has increased the possibility of malfunctions by making metals and rubber brittle; various metals have been found to corrode more quickly than predicted. Inside a warhead even gold has been known to corrode, something thought to be impossible. If the correction of such conditions involves substituting new materials or a new design, the only assurance that the weapon will function is a test shot.

An eloquent example of the risk involved in not testing showed up during the moratorium declared by President Eisenhower in 1958. The powerful, precise explosion necessary to start a chain reaction in the core of a nuclear weapon requires plastic-like explosives formed and shaped to surround the fissionable material like the snugly fitting parts of a Chinese puzzle. On February 24, 1959, two men at Los Alamos Scientific Laboratory in northern New Mexico were forming a section of PBX 9404 (plastic-bonded explosive) when it went off, killing them instantly. Eight months later, two men at a Los Alamos disposal site dropped a 180-pound piece of PBX 9404 and blew themselves and two other men to bits.

Because of the accidents, it was decided that PBX 9404, then being used in the U.S. Army "Sergeant" nuclear missile, should be reformulated to be more shock-resistant. But because of the moratorium, the modified PBX 9404 was substituted in Sergeant purely on the basis of theoretical laboratory calculations. Then, in August 1961, the Soviet Union broke the moratorium. The United States resumed testing, but scientists were so "sure" of the Sergeant warheads that it wasn't until 1963 that this new explosive was tested. All the Sergeants, deployed around the world, had to be called back and fitted with an improved warhead after additional tests located and corrected the problem.

Harsh Truths. Today, some disarmament advocates believe that, under a test ban, warhead updating could be done relying on past experience with already tested weapons. But Robert Thorn, associate director of weapons development at Los Alamos, answers: "It's virtually impossible to make carbon copies of past weapons. In some cases the same materials are no longer available. In others, new safety and environmental rules prevent duplicating past processes. Experience has shown that such changes can result in a weapon that just doesn't work."

Most experts agree with Thorn that, in the absence of testing, the American weapons stockpile might remain at least partially effective for ten years at the most. Many believe it would significantly deteriorate within three years. Another problem is that, during the inactivity of a test ban, highly motivated and skilled scientists and technicians will move to other jobs. In contrast, the Soviet government can, by mere fiat, maintain an extensive testing apparatus during such a ban.

Not the least of reasons to pause in considering a comprehensive test ban is our past experinece with the Soviets. They violated the Anti-Ballistic Missile Treaty by secretly testing the radars on one of their anti-aircraft missile systems in an ABM mode, and stopped such testing only after protests by the United States. Although Strategic Arms Limitations (SALT) I agreements limited the number of ICBM launchers, not missiles themselves, the Soviets strained the intent of the agreement by providing many of their launchers with a reload capacity as great as four or five missiles per launcher.

CTB advocates argue the Soviets could not cheat because advances in long-range seismic detection enable us to distinguish a covert underground test from an earthquake. But many seismological experts disagree, pointing out that low-yield nuclear explosions, below ten kilotons, are extremely difficult to detect by seismological means. Yet such low-yield tests are militarily significant. By carrying on such tests, the Soviets could solve problems that arise from stockpile "aging," deveop significant new battlefield weapons, make nuclear weapons less vulnerable and safer to handle, and develop new trigger devices.

A CTB must also be considered in relation to the ongoing SALT talks. The whole logic of our agreements with the Soviets is based on our supposedly having qualitative (i.e., technological) superiority. Therefore, we have allowed Moscow quantitative superiority (more and bigger delivery vehicles). Yet by definition a test ban degrades quality while not affecting quantity. Thus our crucial technological advantage—particularly smaller warhead size—would be jeopardized in a test ban.

Finally, since a CTB is not likely to be linked to significant or equitable reductions in conventional arms, the United States must confront the problem articulated by Prof. William R. Van Cleave, former delegate to the SALT I talks, now director of Defense and Strategic Studies at the University of Southern California: "We cannot hope to maintain reliable nuclear weapons for more than a few years without a test program. Thus we will eventually come to a state of ineffective and inferior nuclear forces. Even if the Russians comply strictly with a ban and their nuclear weapons deteriorate, too, they emerge on top by virtue of sheer preponderance of forces."

This is a harsh truth. And it is one that has to be weighed not only by the arms-control negotiators but by the American people themselves. For it is their elected representatives who must ratify any agreement in the U.S. Senate.

(About The Author: Ralph Kinney Bennett, a Senior Editor in the Reader's Digests' Washington Bureau wrote "The Hidden Issues Behind a Nuclear-Test Ban" (page 124), which probes in remarkable detail the realities of atomic-weapons testing. Says Bennett: "When I first got on to this story, there was nothing in the newspapers, and only the faintest tremors were passing through this rumor mill of a city. One of our most reliable people on Capitol Hill had met with some scientists from Los Alamos who were concerned about the evident desire within the Carter Administration to try for a comprehensive test ban. I met with these scientists in late March. After the first interview, and in some followup work I did during the next few days, I became convinced of their sincere concern. In a reserved but articulate way they opened up the coldly eerie world of atomic weapons to me. It quickly became apparent that we had an important story to tell.

("What followed for me was a crash course in nuclear weapons. Within a two-week period I consulted experts on Capitol Hill, in the nuclear laboratories, at several universities, and in the State Department, the Pentagon, think tanks and several private defense consulting firms. I spoke, too, with a number of retired military and civilian personnel who had been in the nuclear-weapons program from the beginning. The real problem was *secrecy*. Not only the justifiable secrecy surrounding our weapons program, but the secretive tendency of those who had worked in this atmosphere so long that they were by nature or training reluctant to impart even the most basic information.

("My sessions with scientists in Los Alamos were long and many. They consisted of extracting bit after bit of information, teetering on the brink of classified material. I came away impressed with their dedication and professionalism, impressed with the general atmosphere of the place, its cluttered offices and math-festooned blackboards. It reminded me a little of a science department of a large university.

("The circumstances under which I researched the piece were fascinating; the material was, too. And the implications of the story are, I think, very important. But it could not have been written without our contacts—which in some cases were made years ago and carefully maintained. It's that sort of preparation that makes these stories possible.")

INTRODUCTION OF PACIFIC NORTHWEST ELECTRIC POWER SUPPLY AND CONSERVATION ACT

(Mr. MEEDS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MEEDS. Mr. Speaker, I am introducing today at the request of the Pacific Northwest Utilities Conference Committee for appropriate reference the Pacific Northwest Electric Power Supply and Conservation Act. This legislation has been developed by the Pacific Northwest Utilities Conference Committee, citizens representing every sector of the electric energy industry in the Pacific northwest.

The subject matter of this bill is a matter of transcending importance to the continuing economic welfare of the four-State area of Washington, Oregon, Idaho, and Montana and represents the first time, as far as I can learn, that such a far-reaching attempt has been made cooperatively to solve the problems of future electric power supply for everyone within the entire region.

In introducing the measure today, it is not my intent to imply that there is unanimous agreement on all aspects of the measure within the region. There is not. I do feel, however, that its introduction will serve to foster a continuing dialogue on the salient issues to the end that they are resolved satisfactorily in a minimum period of time. Moreover I am aware that there is the need to consider a number of refinements and technical changes in the text of the measure as Committee consideration progresses in the House and in the U.S. Senate.

Among the significant participants in the development of this legislation who retain some reservations about certain aspects of the bill is the Snohomish County Public Utility District, a major consumer-owned utility in my district. In this interest of affording an early opportunity for expression of all viewpoints on the issues, I ask unanimous consent to include as an attachment to these remarks a statement and proposed amendment prepared by Snohomish County PUD. Similarly, I also ask unanimous consent to include a copy of the proposed bill and a legislative proposal fact sheet prepared by the Pacific Northwest Utilities Conference Committee.

Lastly, for the information of all my colleagues the major objectives of the legislative proposal are as follows:

First. Establish the Nation's first regionwide conservation program;

Second. Grant Bonneville Power Administration the authority to purchase power;

Third. Establish rate groups for BPA's sale of power to different classes of bulk power purchasers;

Fourth. Recognize the role of a regional utility planning body controlled equally by consumer-owned and investor-owned systems; and

Fifth. Help reduce the costs of new power resources when such resources are needed.

H.R. 9020

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, To make the Federal Columbia River Power System available for maximum electric efficiency for future essential power supply, to promote conservation,

SHORT TITLE

SECTION 1. This Act may be cited as the Pacific Northwest Electric Power Supply and Conservation Act.

FINDINGS

SEC. 2. Congress finds that:

(a) The Hydro Thermal Power Program for providing future power supplies was developed in the late 1960's by the utility systems of the Pacific Northwest and BPA to meet future energy needs through bulk power supply facilities to be constructed and operated by the utility systems of the region in coordination with the hydroelectric generating resources of the Federal Columbia River Power System.

(b) Congress approved certain agreements implementing the Hydro Thermal Power Program, but radical increases in costs of new thermal generation and unexpected delays in licensing and authorization of new thermal generation have imposed major anticipated difficulties in achieving the objectives of such program.

(c) Regional development of hydroelectric resources, particularly additional capacity on the Federal Columbia River Power System, will be essential to an economic power supply with minimum environmental impacts.

(d) The Federal Columbia River Power System, operating in coordination with electric generation resources of utility systems of the region, provides a basic means for storing, regulating, and interchanging power supplies which, if fully utilized together with the further ability to provide for spreading planning burdens and costs of future power supply facilities, can support the effort of the region to cover costs of future bulk power supply.

(e) BPA purchase authority will facilitate regional pooling which will strengthen the financial ability of the utility systems to construct new resources. The regional pool so formed can also provide important financial support for effective conservation of energy through increases in efficiency of use.

(f) BPA has notified its public body and cooperative customers that BPA does not have sufficient firm power to meet their anticipated load growth after July 1, 1983. BPA has notified its direct-service industrial customers that it will not be able to renew existing contracts after their expiration.

(g) It is in the public interest that essential future power supplies be available on a sound economic basis and that public bodies and cooperatives have available to them a future power supply from BPA.

(h) The inability of BPA to renew contracts with existing direct-service industrial customers threatens the Pacific Northwest with loss of employment vital to the region's economy and its workers, and threatens the production of 30 percent of the nation's primary aluminum, all of its ferro-nickel production, and substantial portions of its production of carbide, chlorine, ferro-alloys, and other materials vital to the national economy, the national energy-conservation effort, and the national defense. It is in the public interest that a power supply be continued to be made available to such customers as provided in this Act.

(i) It is in the public interest that existing regional cooperation and coordination among the utility systems and BPA be continued, and it is in the public interest that public and private utility systems jointly participate in the planning and designation of future power supplies through the Pacific Northwest Electric Planning and Conservation Organization.

(j) In order to carry out its functions and to implement the objectives of this Act it is necessary that PNEPCO prepare and publish forecasts of Pacific Northwest Power loads and resources; conduct programs to promote efficiency in power consumption in the Pacific Northwest; conduct studies and analyses of alternative sources of energy, including costs, timing, and availability; review long-range bulk power supply planning of utility systems; provide oversight services as specified in contracts with BPA; conduct or participate in plant siting studies and determinations; and take such other actions, consistent with the Act, as may be necessary or advisable in the performance of the foregoing functions.

(k) To provide for more efficient planning and utilization of generating resources, to minimize demands on capital and scarce fuel supplies and to promote conservation and efficient use of electrical energy, it is in the public interest that agreements, action or conduct be undertaken by persons or entities, acting alone or together, for the purpose of complying with or implementing the provisions or objectives of this Act.

(l) The Pacific Northwest has the unique opportunity to combine the ability of the coordinated hydroelectric resources of the region systems to store and manage power supplies, the ability to achieve, on a regional basis, reduced usage of fuels and investment capital and the ability to jointly support other power-related programs. This potential will be more fully utilized for the public benefit by a limited authorization to BPA to make long-term power purchases as provided in this Act.

DEFINITIONS

SEC. 3. As used in this Act:

(a) "Average megawatts" (avg. mw) means average annual firm energy (expressed in thousands of kilowatts).

(b) "BPA" means the Bonneville Power Administration, and the Administrator of the Bonneville Power Administration.

(c) "Contract demand contract" means a contract for a sale of power in specified amounts for specified years.

(d) "Customer" means a public body, cooperative, private utility, Federal agency, or direct-service industrial, purchaser of power from BPA for use within the Pacific Northwest.

(e) "Date of continuous operation" means the date certain determined by the owner(s) of a designated plant as the point in time when the plant is ready to be operated and the output scheduled on a continuous basis.

(f) "Designated plant" means all or any part of a generating facility to the extent designated by PNEPCO for the purpose of this Act.

(g) "Load growth" means increase of power requirements of a BPA customer due to increase in consumption within the Pacific Northwest.

(h) "Net billing agreements" means agreements existing as of the date of this Act between certain public bodies and cooperatives and BPA under which Participant's Shares and/or Owner's Shares of certain thermal generating plants have been assigned to BPA, compensation for such assignment being made by crediting the annual costs of each such share against the cost of power purchased by such Participant or Owner from BPA.

(i) "Pacific Northwest" means (i) the region consisting of the States of Oregon, Washington, and Idaho, the State of Montana west of the Continental Divide, and such portions of the States of Nevada, Utah, and Wyoming as are within the Columbia areas, not in excess of seventy-five airline miles from said region, which are a part of the service area of a distribution cooperative which has a distribution system from which it serves both within and without said region, and (iii) the service area in California on the effective date of this Act of a utility system which serves a contiguous area both within and without said region.

(j) "PNEPCO" means Pacific Northwest Electric Planning and Conservation Organization, the nonprofit corporation described in section 17.

(k) "Power" means electric capacity or electric energy, or both, including the electric generating capability of a plant whether or not such plant is operable or the operation thereof is suspended, interrupted, interfered with, reduced or curtailed, in each case in whole or in part for any reason whatsoever.

(l) "Private utilities" means publicly held stock corporations organized under general business laws operating utility systems within the Pacific Northwest.

(m) "Public bodies and cooperatives" means public bodies and cooperatives as those terms are defined in P.L. 75–329, as amended, which sell power within or purchase power for direct consumption within the Pacific Northwest.

(n) "Requirements contract" means a contract for sale of power to meet a customer's varying power requirements in excess of the purchasers' own resources, if any.

(o) "Utility system" means a system operated by a public body, cooperative, or private utility which sells power to ultimate consumers.

CONSERVATION

SEC. 4. (a) BPA shall, in consultation with the states of Washington, Oregon, Montana, and Idaho (hereinafter called "the states"), PNEPCO, and other interested parties, develop programs and methods by which BPA customers and ultimate consumers may conserve and efficiently use power. In each budget submitted following the effective date of this Act, BPA shall include proposed expenditures for conservation programs; provided that expenditures under this Section 4(a) shall take into account the amount of each utility system's purchases of power under this act. Such programs may provide for grants or loans, including interest-free loans, to ultimate consumers served by utility systems. Funds for grants or loans may, and funds for loans to the ultimate consumers shall, be administered through utility systems. Total funds shall not at any given time exceed $300,000,000 total commitment for, and balance of, loans outstanding.

(b) BPA shall include in an annual report a description of regional conservation activity, conservation standards established and implemented, and estimated costs and savings therefrom. The report also shall compare, on a regional basis, the cost, amount, and timing of power available from conventional electric generation technologies with the cost, amount and timing of power available from alternative technologies, and power

savings which will result from potential conservation programs.

(c) BPA customers within a state specified in subsection (a) shall be subject to the surcharge provided for in this section if such state has failed to enact legislation or take other appropriate action consistent with the uniform regional standards for efficient use of power (hereinafter "Standards") within two years after the initial establishment of Standards or, if Standards are amended requiring additional state action, two years after the date of amendment, the surcharge to continue until the state adopts legislation or takes other appropriate action.

(d) Standards under subsection (e) may be adopted by the states in consultation with BPA, acting through such officers or agents as may be determined by each state; or if the states do not act within two years of the effective date of this Act, BPA shall establish such Standards within one year thereafter. The states may adopt Standards or amended Standards established by BPA. Standards shall be periodically reviewed and amended as necessary.

(e) Standards shall be set as appropriate for the categories (including appropriate subcategories) including but not limited to the following:

(1) New residential, commercial, industrial and agricultural structures.

(2) Existing residential, commercial, industrial and agricultural structures.

(f) The states shall review new and existing industrial, commercial and agricultural processes to determine whether state-adopted standards would be appropriate for any such process. If the states determine such state standards should be adopted, they shall proceed as appropriate. Unless and until the states adopt such standards, any applicable mandatory federal energy conservation standard shall become a Standard for the purposes of this section.

(g) For the purpose of achieving optimum conservation levels, Standards established under this section shall, in order to meet the requirements of this section, be at least equal to any mandatory federal energy conservation standards, shall be practicable and reasonable, and shall be based on all the following:

(1) Demonstrable cost-effectiveness of power savings to the region upon implementation. Except for cause shown, the level of conservation to be derived from Standards shall be that which yields the highest net benefit (savings less cost). The power savings shall be valued at the delivered cost of new sources of power.

(2) Geographic, climatic, and other differences within the region.

(3) Social and environmental impacts.

(h) In the absence of certification by the states that a state has enacted legislation or taken other appropriate action consistent with the Standards, power sold for use in such state pursuant to Sections 7 and 8 will be sold subject to a surcharge. BPA shall waive the surcharge with respect to any political subdivision which the states determine has substantially complied with the Standards. If the states have failed to establish Standards and BPA has acted in their absence, BPA shall determine substantial compliance. The surcharge to any one customer shall be the greater of (i) an amount equal to 50 percent of the total cost of power purchased by such customer under this Act and subject to surcharge, or (ii) an amount calculated by applying to such power purchased a rate determined by taking the difference between the basic rate based on Rate Group A and the basic rate based on Rate Group C and dividing by two. Revenues from the surcharge shall be used to defray the costs of conservation programs under subsection (a). Revenues in excess of these requirements shall be distributed annually, through billing credits, to each customer not subject to such surcharge and shall be allocated in the proportion that the cost of power sold to such customer bears to the total cost of power sold to all such customers.

(i) The states may allow exceptions for good cause from standards and thereupon BPA may waive the surcharge provided for in this section.

(j) Provisions implementing the surcharge and other features of this section, as appropriate, shall be included in BPA's power sales contracts.

(k) No action by the states to (i) establish, adopt, or amend Standards, (ii) certify that a state or political subdivision thereof has acted consistently with Standards, or (iii) allow exceptions shall be effective except upon unanimous agreement of the states of Oregon, Washington, Idaho and Montana.

AUTHORITY TO PURCHASE

SEC. 5. In addition to authority under existing law, BPA may purchase power, provided that power purchased for a term in excess of five years shall be purchased only as provided in Section 6. BPA may sell such purchased power together with or separately from power from the Federal Columbia River Power System. Power sold for a term in excess of two years shall be sold at rates no less than the rates applicable to other sales under this Act. Sales for a term longer than five years are to be made only to entities and under terms and conditions provided in this Act.

PURCHASES FOR TERM LONGER THAN FIVE YEARS

SEC. 6. (a) BPA may purchase power (i) from a designated plant from the Owner of such plant or any other person having an interest in such power or (ii) from a system designated by PNEPCO.

(b) In addition to purchases under subsection (a), BPA shall, and is directed to, purchase at system cost (as defined in Section 10) power offered for sale by private utilities but not to exceed 4000 avg. mw.

BASIC ENTITLEMENTS TO POWER

SEC. 7. Section 10 assigns costs of power to three groups—A, B and C—as the basis for schedules of rates and charges for sale of power. Each class of sale in this section and Section 8 is classified to its Rate Group at the beginning of each paragraph.

(a) BPA shall, and is directed to, sell power as provided in this section.

(b) RATE GROUP A.—Actual power requirements (not more than 5700 avg. mw, such limit increasing beginning July 1, 1984 in 10 equal annual increments to a total of 6090 avg. mw), to public bodies and cooperatives that are obligated, as of the effective date of this Act, to make payments under net billing agreements. There will be allocated in each contract year to each such public body and cooperative executing a contract referred to in Section 7(g), an amount of power determined by multiplying the firm energy requirements for such year of such public body or cooperative by a fraction whose numerator is the total power available in that contract year under this subsection, and whose denominator is the estimated total firm energy requirements of all such public bodies and cooperatives. Such estimates will be made annually for the ensuing 10 years. Firm energy requirements as used in this subsection has the same meaning as "Sum Energy Requirements" as the latter term is defined in contracts referred to in Section 7(g).

(c) RATE GROUP B (adjusted).—2800 avg. mw in the year ending June 30, 1979, increasing in equal annual increments to 4000 avg. mw in the year ending June 30, 1985, or such lesser amount of power equal to that offered for sale for such years to BPA under Section 6(b), to private utilities.

(d) RATE GROUP B.—Actual requirements as of June 30, 1983, but not more than 260 avg. mw, to Federal agencies.

(e) RATE GROUP B.—Not more than 3,000 avg. mw to direct-service industrial customers with power sales contracts with BPA as of the effective date of this Act.

(f) RATE GROUP C.—Not more than 1,000 avg. mw as determined by BPA to be available from new resources, to direct-service industrial customers identified in subsection (e) to be used for production purposes specified in existing power sales contracts. If BPA makes non-firm power available to such customers in lieu of all or a portion of sales under this subsection, the total in any year of sales under this subsection and of such sales of non-firm power so made available shall not exceed 1,000 avg. mw.

(g) Contracts for sale of power under this section and for purchase of power under Section 6(b) shall be in substantially the form of the several draft contracts appropriate for each transaction included in the committee report, Report . Promptly after the effective date of this Act, BPA shall execute and tender contracts for execution to all entities entitled to purchase power under this section or to sell power under Section 6(b). No such contract may be executed by a purchaser or seller on a date more than six months after the date of tender.

(h) Sales under this section shall include during the term of the contract the amount of capacity as provided in such contract.

ADDITIONAL POWER SALES

SEC. 8. (a) BPA, subject to the availability of power, is authorized to sell power as provided in this section in addition to the power which BPA is directed to sell under Section 7.

(b) RATE GROUP B (adjusted).—Not more than one-half of actual load growth, to each utility system. Load growth of public bodies and cooperatives shall be the load growth commencing in the first year during which the total load of each public body or cooperative, respectively, equals or exceeds the power made available under Section 7(b) and non-federal hydro resources utilized to meet such loads in 1975–76. Load growth of public bodies and cooperatives may be determined collectively. Load growth of private utilities shall be the load growth occurring after June 30, 1983.

(c) RATE GROUP B (adjusted).—Not more than one-half of total load as of the date of initial service by BPA under a contract entered into under this Act, other than under Section 7, and not more than one-half of load growth thereafter, to public bodies and cooperatives which do not receive service under a contract authorized in Section 7; provided, that prior to June 30, 1983, total load of such a customer shall be at Rate Group B.

(d) RATE GROUP B.—Increased requirements of customers described in Section 7(e) due to technological reasons, at the annual rate of 0.5 percent, cumulative to the extent not used, of the total contract demand for all such customers as a group during the preceding contract year beginning July 1, 1978.

(e) RATE GROUP B.—One-half of load growth after June 30, 1983, to Federal agencies.

(f) RATE GROUP C. (Adjusted).—All other sales of firm power, to utility systems and other customers.

(g) Utility systems purchasing power at the same Rate Group may interchange entitlements under such Rate Group so long as the total purchased power that BPA is obligated to sell under any Rate Group is not increased.

INSUFFICIENCY OF SUPPLY

SEC. 9. (a) BPA's obligation to deliver in any period power sold under Section 8 shall be subject to limitation as provided in this section to the extent that BPA finds that it shall have an insufficiency of supply, provided that deliveries to any customer which

has sold, or which has arranged for the sale of, power to BPA for such period shall not be reduced below the amount of power so sold.

(b) BPA shall give notice ten years in advance of such limitation, or such shorter period not less than seven years if BPA determines adequate alternate generating facilities can be secured in such period. No such notice may be given prior to July 1, 1982.

(c) "The amount of power so sold" shall be based upon the designated plant's estimated actual capability in the eleventh year following such notice of insufficiency. Each year thereafter such "amount of power so sold" shall be revised as necessary to take into account any changes in the estimated actual capability. Such revision shall be effective ten years from the date of the revision.

RESOURCE COST BASES OF RATE SCHEDULES

SEC. 10. (a) BPA resources shall be classified, for cost purposes, in the following resource cost groups:

(1) "Federal Base System Cost" (FBS cost) means cost (including repayment and interest) of the Federal Columbia River Power System hydrogenerating projects allocated to power (including irrigation costs assigned for repayment out of power revenues) in operation on or before June 30, 1983 (including facilities initially scheduled for service by June 30, 1983, but delayed beyond that date), and costs of power acquired from projects under net billing agreements, all as adjusted for replacement resources. BPA shall acquire resources to replace the capability of resources included in FBS cost to the extent of any reduction of such capability.

(2) "System cost" means the full cost to a private utility of acquiring, owning and operating the power facilities used or to be used to supply power purchased under Section 6(b) and shall be the sum of the following: (i) fixed costs, (ii) operating expenses, including fuel, depreciation, taxes other than Federal income taxes, Federal and state income taxes, purchased and interchanged power costs, and wheeling costs, and (iii) any other expenses related to the purchase of power, the construction, ownership, operation and maintenance of generating plants to the extent not included in (i) and (ii) above.

(3) "New resource costs" means cost of all power purchased or otherwise acquired by BPA less costs included in FBS cost and system cost of power, provided that, the cost of power purchased for a term of five years or less shall not be a new resource cost except to the extent such power is used to meet obligations of BPA incurred pursuant to Sections 7 and 8. Cost of power purchased from public bodies and cooperatives shall be separately determined from cost of power purchased from private utilities.

(4) Cost of transmission to be paid by BPA customers shall be determined in accordance with P.L. 93-454 and allocated by BPA among Rate Groups A, B and C.

(5) All other cost, including administrative and general shall be appropriately allocated by BPA.

(b) Resource costs shall be allocated by BPA between capacity and energy. Whenever a single capacity rate is in effect, capacity costs shall be totaled and allocated to rate Groups in proportion to capacity sales of each Rate Group.

(c) Rate Group A shall recover the allocated cost of capacity, and that portion of the FBS cost allocated to energy, that is related to power sold in each year under Section 7(b) and Setcion 11(b), plus the portions of transmission cost allocated under subsection (a)(4), and other cost allocated under subsection (a)(5).

(d) Rate Group B shall recover the allocated cost of capacity, and the balance of FBS cost allocated to energy, system cost allocated to energy (including annual charges for the portion of system cost treated by BPA as capital), and the proportion of new resource cost allocate to energy that the amount of power from such resources to be sold under section 8 (b) through (e) in each year bears to the total amount of power to be sold from such resources in such year, less estimated revenues for sales of nonfirm power as provided in subsection (n), plus the portions of transmission cost allocated under subsection (a)(4) and other cost under subsection (a)(5). Adjustment in Rate Group B shall be made as provided in subsection (j).

(e) Rate Group C shall recover the allocated cost of capacity, and the proportion of new resource cost allocated to energy that the amount of power from such resources to be sold under sections 7(f) and 8(f) in each year bears to the total amount of power to be sold from such resources in such year, plus the portions of transmission cost allocated under subsection (a)(4) and other cost under subsection (a)(5). Adjustment in Rate Group C shall be made as provided in subsection (j).

(f) In establishing rate schedules, BPA shall establish a single rate for sale of capacity common to Rate Groups A, B and C. If, thereafter, BPA determines that costs associated with supplying capacity make such single rate inequitable, as compared with separate capacity rates for each rate group, it shall establish separate capacity rates for each Rate Group. Cost of capacity reserves and surplus capacity shall be included in the capacity shall be included in the capacity rate, appropriately allocated in case of multiple rates.

(g) Revenues from sales of firm power under existing contracts which continue in effect, and net revenues from wheeling on the Pacific Northwest-Pacific Southwest Intertie shall be credited against FBS cost.

(h) BPA shall allocate among Rate Groups A, B and C in proportion to the avg. mw purchased under each group (i) the fixed cost of any plant that is abandoned or terminated other than for obsolescence, (ii) the fixed cost of a plant which is inoperable, or a porton of fixed cost of any plant to the extent its operation is substantially limited, and (iii) to the extent determined by PNEPCO, that portion of fixed cost related to a reasonably unforeseen replacement or addition of a major plant component.

(i) Any cost and any revenue, the allocation of which is not specifically provided for in this Act, may be allocated by BPA among Rate Groups A, B or C as appropriate.

(j) For the purpose of this subsection, Public Bodies and Cooperatives are one customer class, and private utilities are another customer class. Rate schedules established for sales under Rate Groups B and C to such classes shall provde for annual adjustment in the component of such rate schedule that is based on new resource cost. If the estimated average cost of power of all new resources purchased from a customer class is more than 1 percent in a year less than the estimated average cost of power of all new resources, in all cases excluding plants designated under Section 17(c), the estimated average cost of power of new resources purchased from such class shall be used instead of the estimated average cost of power of all new resources in determining the rate applicable to such class in such year, and the rates to the other class shall be increased to not more than the estimated average cost of power sold by such class to recover any resulting loss in revenue, with any remaining deficit from estimated average cost of power from all new resources allocated among all customers purchasing power under rate schedules pursuant to Rate Group B or C.

(k) BPA may change rates for the sale of electric power and for the transmission of non-Federal electric power over the Federal transmisson system not more frequently than annually upon not less than 12 months' notice, or such lesser time agreed to by the affected customers, except that such notice shall not be required for interim rates under Section 18(a) which are to be effective not later than October 1, 1978.

(l) Schedules of rates and charges shall be established by BPA in conformity with this Act and P.L. 93-454 having regard, in addition to the provisions of Section 9 of P.L. 93-454, to the recovery of the costs of purchased power under Sections 5 and 6, the costs of conservation programs under Section 4, and other costs authorized to be incurred by this Act.

(m) All costs shall be recovered and cost of service computed, without any annual requirement, within the repayment period or periods provided by law. The existng method of determining repayment obligation of costs of the Federal Columbia River Power System allocated to power (including irrigation costs assigned for repayment out of power revenues) and of determining applicable interest cost shall not be changed because of this Act.

(n) Estimated revenues from sales of nonfirm power shall be credited to FBS costs through June 30, 1980. Thereafter, allocation of such estimated revenues shall be made in equal annual increments so that in the year ending June 30, 1985, and thereafter all such estimated revenues are allocated as provided in subsection (d).

CONTRACT TERM

SEC. 11. (a) Sales under Section 7 shall be for a term of 35 years from the effective date of the contract or such lesser period that the purchaser may desire. Sales under Section 8 may be for a term ending not later than 35 years after the first delivery under the contract or, where a sale is related to a designated plant, for the useful life of the plant, whichever is longer. Subject to the provisions of Section 9, contracts providing for sales under Sections 7 and 8 shall not be subject to cancellation in whole or in part to satisfy the requirements of any other customers.

(b) BPA power sales contracts existing on the date of this Act with customers which do not elect to execute contracts tendered under Section 7(g) shall not be extended or renewed. The basis of the rate applicable to such existing contracts with public bodies and ccoperatives shall be Rate Group A, and the amount of power shall be deducted from the limits in Section 7(b), during the remaining term of the contract, and the basis of the rate applicable to such existing contracts with Federal agencies and direct-service industrial customers shall be Rate Group B.

(c) Agreements executed by BPA as an implementation of the Treaty between Canada and the United States of America Relating to the Cooperative Development of the Water Resources of the Columbia River Basin, and the Pacific Northwest Coordination Agreement shall continue in force in accordance with their terms.

ASSIGNMENTS

SEC. 12. (a) A contract for the sale of power uner Section 7 or 8 shall not be assigned without the consent of BPA if BPA determines such assignment will (i) require additional BPA facilities to enable BPA to deliver power pursuant to such contract, or (ii) make unusable existing BPA facilities, or (iii) increase the total amount of power BPA is obligated to deliver.

(b) A contract for sale of power under Section 7 (b), (e), or (f) shall not be assigned to any other entity, except (i) in the case of a sale under Section 7(b), to another purchaser under such section, or to a successor-in-interest to the utility system or to the facilities being served, or (ii) in case of a sale under Section 7 (e) or (f), to a successor-in-interest to the business, or (iii) as a pledge of a security interest.

LARGE LOAD LIMITATION

SEC. 13. BPA shall not increase the contract demand established pursuant to a contract demand contract and shall not supply power to a requirements contract customer for that part of load growth which is created by a new single load of such customer in excess of 35 avg. mw in any 12 months, or 100 avg. mw in any 60 month period, if BPA had not previously determined that firm power would be available for such load, provided that power may be made available on the condition that it be interruptible for a period measured by the time required to acquire the necessary resources but not exceeding ten years or until the scheduled date of continuous operation of resources to be available to supply such load, whichever is earlier. If interruption is required for several such loads, each load will be curtailed in its entirety in inverse order in which the commitment to customers was made. Interruption of all such loads shall be made prior to restriction of power sold under Sections 7 (e) and (f) and Sections 8 (d) and (f).

CONTINUATION OF SERVICES

SEC. 14. BPA shall continue to make available to its customers those services necessary to enable BPA to carry out its statutory responsibilities. Such services shall include, but not be limited to, load forecasting, load factoring, storage, dispatching, scheduling, transmission, coordination, emergency and breakdown relief, and conservation programs. BPA shall make such services available in a fair and equitable manner among all its customers.

BPA FUNDING

SEC. 15. (a) In addition to the purposes for which BPA is authorized to expend funds from the Bonneville Power Administration Fund as enumerated in Section 11(b) of P.L. 93-454, BPA is authorized to expend from such Fund such amounts as may be required to pay: (i) the costs associated with purchases under Sections 5 and 6 of this Act, including advance payments for power on account of costs of acquisition of fuels for plants the output of which is purchased in whole or in part by BPA under Sections 5 and 6 and (ii) costs associated with the conservation programs referred to in Section 4 of this Act.

(b) In addition to the purposes for which BPA is authorized to issue and sell bonds under Section 13(a) of P.L. 93-454, BPA is authorized to issue and sell bonds, subject to the conditions in P.L. 93-454, (i) to provide loan funds under Section 4(a) of this Act, provided that bonds outstanding for such purpose shall not at any time exceed the sum set forth in Section 4(a), and (ii) to pay that portion of costs of acquisition of power which may be treated as capital cost under generally accepted utility accounting practice, exclusive of such costs for fuel.

CONSTRUCTION

SEC. 16. (a) This Act shall be liberally construed to preserve and encourage regional initiative, flexibility, and cooperation in dealing with the subject matter of this Act, and to realize and effectuate the purposes and objects of the Act as found and declared by Congress.

(b) No agreement, action, or course of conduct by any person or entity which is undertaken for the purpose of complying with or implementing the provisions or objectives of this Act shall be deemed to be a violation of the Act of July 2, 1890, as amended, (the Sherman Antitrust Act), the Act of October 15, 1914, as amended, (the Clayton Act), the Act of September 26, 1914, as amended, (the Federal Trade Commission Act), the Act of May 26, 1938, as amended, (the Robinson-Patman Antidiscrimination Act), or any other similar Federal or state laws.

(c) PNEPCO shall promptly transmit to BPA and the Attorney General a written notice, by registered mail, return receipt requested, of any designation or refusal to designate under Section 17(b) or (c). No action or proceeding brought under the laws referred to in subsection (b) arising out of such PNEPCO action shall be commenced after the expiration of six months from the latest date either such agency received such written record of PNEPCO action.

REGIONAL ORGANIZATION

SEC. 17. A valid designation can be made by PNEPCO only so long as it has the characteristics, and its Articles of Incorporation require or authorize functions, as set forth in this section.

(a) PNEPCO is organized and existing as a nonprofit corporation under the laws of the State of Washington and its Articles of Incorporation provide that each utility system in the Pacific Northwest has the right at all times to name a natural person to be a member of PNEPCO.

(b) PNEPCO shall designate a plant or system for purchase of all or part of the power therefrom by BPA on such conditions and for such terms as are consistent with this Act and if such purchase meets the following standards:

(1) Such purchase shall be consistent with provision of an adequate power supply for the Pacific Northwest in light of forecasted power loads and resources, taking into account programs developed under Section 4 for the efficient use and conservation of electric energy;

(2) Each utility system has been or will be given reasonable opportunity for participation in the proposed facility or other resources purchased by BPA sufficient to meet its forecasted resource deficiencies;

(3) Such purchase would be consistent with providing economic and reliable service to the customers of the utility systems and BPA.

(c) PNEPCO may designate a plant for purchase of all or part of the power therefrom which plant does not meet the criteria of subsection (b)(3) but is an experimental, developmental, or pilot plant intended to develop new technologies of generating economic and reliable electric service.

(d) All meetings for the purpose of designating plants or adopting regional forecasts of loads and resources shall be open to the public.

(e) BPA and the Governors of Oregon, Washington, Idaho, and Montana may designate representatives to participate as members in all PNEPCO committees and task forces and to attend, observe, and engage in discussions at all meetings of the Board of Directors of PNEPCO or its members. Invitations may be extended to other civil authorities of the Pacific Northwest to participate as appropriate in PNEPCO committees and task forces.

MISCELLANEOUS

SEC. 18. (a) BPA may, without approval of the Federal Power Commission, apply its existing rates to, and thereafter establish interim rates under Rate Groups A and B for, contracts under Section 7(g) during the period from the effective date of the Act to the date when rate schedules prepared pursuant to this Act are first filed with and approved by the Federal Power Commission pursuant to P.L. 93-454, which date of filing shall be no later than 18 months after the effective date of this Act, provided that no such interim rates may be established after such filing.

(b) A copy of each purchase contract under Section 6(a) substantially in the form proposed for signature, shall be transmitted by BPA to Congress, and thereafter BPA shall publish notice thereof in the Federal Register not less than 60 days prior to the proposed date of execution of such contract. Any such contract executed more than 60 days after the date of such publication shall be valid for all purposes under this Act and the statutes and laws of the United States, and its validity shall not be questioned in any court of the United States unless, prior to the execution thereof, suit has been filed in a court of the United States challenging the validity of such contract.

(c) The Secretary of PNEPCO shall certify to BPA the designation of a plant or system under Section 17 together with any conditions of such designation. Thirty days after the date of such certification, such certification shall be conclusive for all purposes that a valid designation of a plant or system under Section 17 has been made in accordance with the requirements of this Act and with the Articles and Bylaws of PNEPCO, and after such certification such designation may not be withdrawn, modified, or revoked without consent of the owner or owners of the plant or system.

(d) No provision of Chapter 2C, Title 15, U.S.C., shall apply to or be deemed to include: (i) PNEPCO; or (ii) any "person" or "company" (as defined in 15 U.S.C., Section 79b (a)(1) and (2)) organized and operated primarily for the purpose of financing, leasing, constructing, owning, managing, or operating part of, an interest in, or all of, facilities used for the generation of electricity (together with associated transmission and other facilities), 50 percent or more of the power from which, or from the part or interest so financed, leased, constructed, owned, managed, or operated, is or will be sold to BPA under Section 5 or 6.

(e) If after July 1, 1982, and prior to June 30, 1988, BPA gives a notice of insufficiency to all its requirements customers and, prior to June 30, 1968, BPA either has refused to purchase power from designated plants or is legally disabled from purchasing power adequate to cover such insufficiency, then during the period of insufficiency estimated revenues from sales of nonfirm power shall, in lieu of the provisions of section 10(d), be credited one-half to Rate Group A and one-half to Rate Group B if the insufficiency is caused by a BPA refusal to purchase, and shall be credited entirely to Rate Group A if the insufficiency is caused by such legal disability.

SEVERABILITY AND CONTINUATION OF RIGHTS

SEC. 19. If any part of this Act is declared unlawful, then all remaining parts shall remain in full force and effect, provided that, if any part either section 5 or section 6 is declared unlawful, any obligations entered into pursuant to section 5 or 6 shall remain in full force and effect in accordance with their terms, and provided further that, if the provisions of section 7(b) are declared unlawful, then section 10(c) and that portion of section 10(d) relating to FBS cost shall be void.

TAX-EXEMPT BONDS IN THE CASE OF CERTAIN REGIONAL ELECTRIC ENERGY PROGRAM

SEC. 20. (a) Subsection (b) of section 103 of the Internal Revenue Code of 1954 (relating to industrial development bonds) is amended by inserting after paragraph (3)(B) the following new paragraph:

"(C) An agency of the United States administering a program approved by an Act of Congress for purposes of meeting the electric energy needs of one or more regions of the United States (but only with respect

to the agency's acquisition of electric energy from a facility therefor if the agency determines, prior to contracting for the acquisition, that such electric energy is not being acquired for the purposes of furnishing a major portion thereof to persons who are not exempt persons (within the meaning of paragraphs A and B), each of which is expected to be furnished more than 3 percent of the electric energy; provided that in computing the portion of the proceeds of an issue of obligations to be used in any trade or business by persons who are not exempt persons, the amount of electric energy the agency determines will be furnished by it to such persons shall be treated as sold to such persons by the issuer of the obligations)."

(b) Effective Date. The amendments made by this section shall apply to acquisitions of electric energy after .

STATEMENT OF PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY IN SUPPORT OF ITS REQUESTED AMENDMENTS TO PACIFIC NORTHWEST UTILITIES CONFERENCE COMMITTEE (PNUCC) REGIONAL POWER LEGISLATION

A group consisting of representatives of public and private power and aluminum industries of the Northwest, known as the Pacific Northwest Utilities Conference Committee (PNUCC), has drafted regional power legislation and requested its introduction in Congress. Although the Public Utility District No. 1 of Snohomish County, Washington, (the "District") strongly supports the concept of a regional power program for the Pacific Northwest and participated in the PNUCC, the District early announced its reservations concerning certain aspects of the proposed legislation, stating it would withhold approval until the complicated plan documents were completed. Upon reviewing the final draft, the District determined that it could not support the PNUCC legislative proposal in its entirety, although many aspects merited the District's support. Generally, the District concluded the final draft overall was not fair and equitable to public power in the Northwest, requiring public power to concede too much for the benefit of private power and the aluminum industry. At the same time, the District was also concerned about the PNUCC bill's effect upon the preference rights of public agencies and cooperatives to power generated by Federal hydroelectric facilities. The District's concern over the PNUCC bill's effect upon the preference clause was subsequently shared by public power throughout the nation as they become familiar with the details of the PNUCC proposal.

Clearly, many aspects of the PNUCC proposal have merit. For example, the proposed legislation includes a strong regional conservation program, will result in regional power planning for the Pacific Northwest, will minimize the environmental impacts through more efficient operation of existing generating facilities and better planning for new generating facilities, and will establish a framework for Federal, state and local cooperation which could serve as a model for other regions of the country. Accordingly, the District has anayized the PNUCC proposal carefully with a view towards developing amendments which would preserve the many advantages of the proposed legislation, yet resolve the national concern over preference power and, also, provide a more fair and equitable allocation of the costs and benefits from a regional power program between public and private power interests in the Pacific Northwest.

The District has drafted amendments to the PNUCC legislation which it believes satisfy those objectives. The purpose of this Statement is to explain in some detail the nature of the amendments, provide some additional background, and explain the impact of the District's amendments upon the PNUCC legislation. Preliminarily, it should also be observed that the PNUCC group has been pushing for prompt introduction of its bill in Congress which has restricted the scope of the District's ability to develop amendments. As a result, the District has tried to keep its amendments simple and within the framework of the existing PNUCC legislation. Also, the District has not attempted to amend the numerous proposed contracts and other plan documents prepared by the PNUCC group to implement the proposed legislation. Those documents, of course, must be modified in accordance with any amendments to the PNUCC bill.

Generally, the District's amendments simply change certain sections of the PNUCC bill to alter the flow of Federally generated hydro power (preference power), resulting in the existing public agencies of the Pacific Northwest receiving their preference rights to hydro power at the hydro cost. This amendment satisfies the primary objectives of the District. First, by increasing the amount of lower cost hydroelectric power available to the public agencies over the duration of the regional power proposal, the District shifts the balance of benefits and costs under the PNUCC bill to achieve a more fair and equitable accommodation of the interests and rights of public power vis-a-vis those of private power and the aluminum industry. From an economic standpoint, the practical effect of the District's amendments is to lower the bulk power costs of the public agencies and increase the amount of such low-cost power available. Correlatively, the power costs of private power in the Pacific Northwest is increased slightly and the power costs of the aluminum industries are increased slightly more.

But the District does not believe that this shifting of benefits alters the feasibility of the regional power program. Clearly, the aluminum industry and private power will not get as good a deal as they would under the PNUCC proposal. But there are still substantial benefits for private power and the aluminum industry. For example, the District believes that the primary need of the aluminum industry in the Pacific Northwest is an assurance of a future power supply. The District's proposed amendments do not alter the amount of power made available to the aluminum industry under the PNUCC bill; instead, the District's amendments merely increase slightly the cost of such power without reducing the amount of power available. Likewise, although the District's amendments will increase slightly the power costs of private power as compared to private power costs under the PNUCC bill, there still remain the benefits to private power including Federally backed financing of new generating facilities. The overall effect of the District's amendments merely adjusts the benefits from a regional power program which the District believes is more fair and equitable to public power in the region, while still preserving the basic overall benefits to the region.

Secondly, by reserving the low-cost hydroelectric power for the existing public agencies of the Northwest, the District's amendments preserve public power's preference rights and therefore satisfy the national concern of public power to the PNUCC bill. In that regard, we would be remiss if we did not comment upon the strong opposition to the PNUCC proposal manifested by public power across the nation because of the preference problem. Indeed, the District became concerned that the PNUCC proposal could not be passed in Congress with the national public power opposition which was developing.

The District's awareness of the preference problem led to a detailed study of the entire concept of preference power. Our research disclosed that more than 30 pieces of national legislation establish the preference concept.

By way of background, the Bonneville Project Act includes a most explicit and clear statement of the preference clause. In directing the BPA Administrator to give preference to public bodies and cooperatives for electric energy generated by the Federal hydroelectric facilities of the Bonneville Project, Congress specifically stated:

"In order to insure that the facilities for the generation of electric energy at the Bonneville Project shall be operated for the benefit of the general public, and particularly domestic and rural consumers, the Administrator shall at all times in disposing of electric energy generated at the Project give preference and priorities to the public bodies and cooperatives."

Thus, Congress has made clear its intent that public bodies and cooperatives shall have preference rights to Federally generated hydro power. The District and national public power representatives became concerned that the PNUCC bill, by authorizing private power and the aluminum industry to obtain Federally generated hydroelectric power at the expense of public power, constituted an erosion of the preference rights of public agencies to Federally generated hydroelectric power.

Perhaps a brief comment on the historical origin of the preference concept is in order. Similar preference clauses appear in numerous Federal power marketing acts. Generally, the preference concept is based upon the long-standing philosophy that the benefits derived from Federal investment on the free-flowing rivers of the United States must be reserved for the public; such benefits should not enure to the stockholders of private companies. This concept, of course, applies to the PNUCC bill which, as presently drafted, would permit the stockholders of the private power companies and aluminum companies of the Pacific Northwest to share in the benefits of the Federally generated hydroelectric power.

With this background, let's take a closer look at the District's amendments. The District proposes to amend the PNUCC legislation to redefine Federal Base System cost as being the cost associated with the Federal hydroelectric system on the Columbia River. Thus, Rate Group A of the PNUCC bill would consist entirely of Federal hydro power at the Federal hydro cost and the entire capability of the Federal hydro system would be available as needed by the existing preference agencies of the Northwest.

We would be remiss if we did not acknowledge that the District's amendments do raise additional questions. For example, questions have been asked concerning the impact of our amendments upon the tax-exempt status of previously issued bonds. To those questions, we have received informal opinions from competent attorneys that our proposed amendments would have no greater effect upon the tax-exempt status of such bonds than the "gating" operation or other aspects of the PNUCC proposal. To the questions of the status of existing net billing contracts, it is our opinion that such contracts can remain in effect and operable under our amendments. It is probable that payments will have to be made by the BPA Administrator in accordance with Section 7 of the net billing agreement, but that is not a detriment. We are also convinced that the BPA payout schedule is not affected by our amendments because BPA will recover its costs associated with the net billed plants from Rate Group B as part of the overall revenue income.

Moreover, there may be additional questions raised by our amendments. But the PNUCC proposal itself raises many questions.

By proposing these amendments, the District does not purport to have answers to all of the questions asked or likely to be asked in the future, nor to suggest that its amendments answer all of the questions. Instead, it is our hope and belief that our proposed amendments will lead to a fair and equitable balancing of the costs and benefits of a regional power program throughout the Pacific Northwest and, most importantly, result in a regional plan which can be supported by public power nationally and gain approval of Congress.

PROPOSED AMENDMENT OF PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY TO THE PACIFIC NORTHWEST UTILITIES CONFERENCE COMMITTEE REGIONAL POWER BILL

(New material in italics; canceled material in brackets.)

1. Page , section 5, to read as follows:

AUTHORITY TO PURCHASE

SEC. 5. In addition to authority under existing law, BPA may purchase power, provided that power purchased *under new contracts* for a term in excess of five years shall be purchased only as provided in Section 6. BPA may sell such purchased power together with or separately from power from the Federal Columbia River Power System. Power sold for a term in excess of two years shall be sold at rates no less than the rates applicable to other sales under this Act. Sales for a term longer than five years are to be made only to entities and under terms and conditions provided in this Act.

2. Page , section 7(b), amended as follow:

(b) RATE GROUP A.—Actual requirements [not more than 5700 avg mw such limit increasing beginning July 1, 1984 in 10 equal annual increments to a total of 6000 avg. mw,] *up to the firm energy capability of the hydroelectric generating resources of the Federal Columbia River Power System,* to public bodies and cooperatives that are obligated, as of the effective date of this Act, to make payments under net billing agreements. There will be allocated in each contract year to each such public body and cooperative executing a contract referred to in Section 7(g), an amount of power determined by multiplying the firm energy requirements for such year of such public body or cooperative by a fraction whose numerator is the total power available in that contract year under this subsection, and whose denominator is the estimated total firm energy requirements of all such public bodies and cooperatives. Such estimates will be made annually for the ensuing 10 years. Firm energy requirements as used in this subsection has the same meaning as "Sum Energy Requirements" as the latter term is defined in contracts referred to in Section 7(g).

3. Page , section 9(a), to read as follows:

(a) BPA's obligation to deliver in any period power sold under Section 8 shall be subject to limitation as provided in this section to the extent that BPA finds that it shall have an insufficiency of supply, provided that deliveries to any customer which has sold, or which has arranged for the sale of, power to BPA for such period *from a designated plant* shall not be reduced below the amount of power so sold.

4. Page , section 10(a)(1), to read as follows:

(1) "Federal Base System Costs" (FBS cost) means cost (including repayment and interest) of the Federal Columbia River Power System hydrogenerating projects allocated to power (including irrigation costs assigned for repayment out of power revenues) *less estimated revenues from the sale of nonfirm power.* [in operation on or before June 30, 1983 (including facilities initially scheduled for service by June 30, 1983, but delayed beyond that date), and costs of power acquired from projects under net billing agreements, all as adjusted for replacement resources. BPA shall acquire resources to replace the capability of resources included in FBS cost to the extent of any reduction for such capability.]

5. Page , section 10(a)(3), to read as follows:

(3) "New resource cost" means cost of all power purchased or otherwise acquired by BPA less *FBS cost, net billed thermal costs* [costs included in FBS cost] and system cost of power provided that, the cost of power purchased for a term of five years or less shall not be a new resource cost except to the extent such power is used to meet obligations of BPA incurred pursuant to Sections 7 and 8. Costs of power purchased from public bodies and cooperatives shall be separately determined from cost and power purchased from private utilities.

6. Page , new section 10(a)(4), to read as follows:

(4) *"Net billed thermal costs" means costs of power acquired by FPA under net billing agreements.*

7. Page , former Section 10(a)(4) to be new Section 10(a)(*5*).

8. Page , former Section 10(a)(5) to be new Section 10(a)(*6*).

9. Page , Section 10(c), all references to Section (a)(4) will be changed to Section (a)(*5*); and all references to Section (a)(5) will be changed to Section (a)(*6*).

10. Page , section 10(d), to read as follows:

(d) Rate Group B shall recover the allocated cost of capacity, and the balance of FBS cost allocated to energy, system cost allocated to energy (including annual charges for the portion of systems costs treated by BPA as capital), *net billed thermal costs allocated to energy* and the proportion of new resource cost allocated to energy that the amount of power from such resources to be sold under Section 8(b) through (3) in each year bears to the total amount of power to be sold from such resources in such year, [less estimated revenues for sales of non-firm power as provided in subsection (n),] plus the portions of transmission cost allocated under subsection (a)[4](*5*) and other cost under subsection (a)[5](*6*). Adjustment in Rate Group B shall be made as provided in subsection (j).

11. Page , sections 10(d) and 10(e), references to Section (a)(4) shall be changed to (a)(*5*); and references to Section (a)(5) shall be changed to (a)(*6*).

12. Page , section 10(n), will be completely deleted. Section 10(n) previously read as follows:

[(n) Estimated revenues from sales of nonfirm power shall be credited to FBS costs through June 30, 1980. Thereafter, allocation of such estimated revenues shall be made in equal annual increments so that in the year ending June 30, 1985, and thereafter all such estimated revenues are allocated as provided in subsection (d).]

13. Page , section 18(e), will be completely deleted. Section 18(e) previously read as follows:

[(e) If after July 1, 1982, and prior to June 30, 1988, BPA gives a notice of insufficiency to all its requirements customers, and prior to June 30, 1988, BPA either has refused to purchase power from designed plants or is legally disabled from purchasing power adequate to cover such insufficiency, then during the period of insufficiency estimated revenues from sales of non-firm power shall, in lieu of the provisions of Section 10(d), be credited one-half to Rate Group A and one-half to Rate Group B if the insufficiency is caused by a BPA refusal to purchase, and shall be credited entirely to Rate Group A if the insufficiency is caused by such legal disability.]

PACIFIC NORTHWEST UTILITIES CONFERENCE COMMITTEE,
September 9, 1977.

PNUCC LEGISLATIVE PROPOSAL FACT SHEET

A. TRADITIONAL BULK POWER SUPPLIES AND SALES POLICIES

For forty years, the Bonneville Power Administration (BPA) has been the major supplier of bulk power in the Pacific Northwest. BPA does not own any generating facilities, has no authority to construct such facilities, and only limited authority to purchase the output of generating facilities constructed by others. Its principal role is to market the power produced at hydroelectric dams constructed by other federal agencies, and to operate a regional transmission system capable of accommodating both federal and non-federal power deliveries.

The chief purchasers of bulk power in the Northwest fall into three categories: consumer-owned utilities (including municipal systems, public utility districts, and cooperatives), investor-owned utilities, and certain industries that purchase power directly from BPA. The consumer-owned utilities ("publics") have a statutory preference to purchase federal power sold by BPA; neither the investor-owned utilities ("privates") nor the direct-service industries have such rights.

The distribution of public and private utilities is not uniform throughout the Pacific Northwest. Washington State consumers are served mostly by publics, while Oregon consumers are served mostly by privates. Historically, disparities in bulk power costs as between publics and privates were substantially less than those that exist today, partly because BPA had sufficient federal power to permit some sales to private as well as publics, and partly because the cost of constructing non-federal generating resources was relatively low, compared with the cost of constructing new generating resources today.

The direct-service industries play an important—and frequently misunderstood—role in the BPA bulk power marketing program. Their relatively large and constant power demand made construction of large federal facilities more economically feasible at an early date. The industries purchased large amounts of federal power not suitable for utility use that otherwise would have been wasted in years of abnormally high streamflows. These purchases contributed revenues to the federal system that reduced costs for other bulk power purchasers.

Most important, perhaps, the industrial contracts have also provided substantial reserves for the entire region, since certain power sales to these industries can be interrupted when necessary to meet the requirements of utilities that purchase federal power and for system emergencies. Without their presence the full cost of maintaining adequate reserves would be borne by the utilities and their consumers.

B. WHY NEW FEDERAL LEGISLATION IS NEEDED

Two basic facts underlie all the major power problems in the Pacific Northwest today: the firm energy generating potential of the Columbia River and its tributaries has been largely developed and the cost of building new generating facilities to meet the region's needs is astronomical. The day of cheap and abundant power is over. Today there is an urgent need for conservation programs, for efficient management of the region's generating resources, and for planning mechanisms that insure the availability of the power we do need at the lowest attainable costs.

The following problems are very serious, and will rapidly become acute if the present regional power supply framework remains unchanged:

1. *Uncertain Supply of Federal Power.* For the first time in history, BPA has been forced

to notify its preference customers (the publics) that it will be unable to supply their requirements for more power after 1983. This is serious news for the publics, most of whom have depended principally on BPA for power supply.

Since BPA cannot increase the amount of power available to the publics, it must soon reallocate the limited amount available. To the extent new publics may be created (see below), the BPA "pie" would be cut into smaller and smaller pieces. The reallocation process would take years to complete, and competing claims would likely have to be resolved in the courts. Utility managers would not know how much power they might have when the process ends, so they would be unable to plan on a firm basis for additional sources of supply they will need.

2. *Termination of Supply to Direct-Service-Industries.* BPA has informed its direct-service industrial customers that it cannot renew their power contracts when those contracts expire, beginning in 1981, since BPA does not have sufficient power to meet the needs of its preference customers. These industries—which produce 30% of the nation's aluminum, 100% of its nickel, and other products—need a source of power at a price they can afford. They must know very soon whether that power will be available to them in order to plan future investments in the Northwest, or the possible relocation of their plants elsewhere.

3. *Large Cost Disparities Within the Region.* Until 1973, a substantial part of private utility requirements was supplied by BPA. But since then, they have been unable to purchase any firm power from BPA. Their necessary investment in new and higher-cost generating facilities translates into higher costs for bulk power, especially in comparison with public systems that still obtain bulk power from BPA. Bulk costs for the privates are several times those for public agencies. This growing disparity affects the entire region, but its impact is spread very unevenly, particularly as between Washington and Oregon. Disparities in bulk power costs convert into disparities in consumer rates. As a result, in any Pacific Northwest state, a given community may have electric rates that are more than twice as high as rates in a neighboring community. This disparity will increase and the resulting political stresses will probably become unbearable in the absence of new legislation.

4. *Creation of New Preference Customers.* As a result of the higher rates of private utilities and the fact that private utilities predominate in the State of Oregon, Oregon's Governor has proposed, and its legislature has passed, a bill creating a new public agency to purchase power directly from BPA and sell it to those domestic and rural consumers in Oregon who now receive their electricity from private utilities. (Nearly 80% of Oregon's domestic and rural customers are served by privates.) This new agency, the Domestic Rural and Power Authority ("DRPA"), would complicate the legal fight over reallocation, but it would not solve other serious problems. The legal battles over reallocation itself would raise issues of national significance likely to be carried to the U.S. Supreme Court. If DRPA is activated—which will not occur if the regional bill is adopted—Washington, Idaho and Montana could decide to create DRPAs of their own to protect their citizen's rights to a proportionate share of BPA's power.

The City of Portland has applied to BPA for a power supply as a preference customer of BPA, and has threatened to bring suit against BPA for signing contracts with certain preference customers, many of them in Washington.

These actions would each complicate and prolong the uncertainties of the reallocation process, without creating any additional power supplies and without producing lower costs for the region as a whole.

5. *Limitations on BPA's Ability to Play a Constructive Role.* Despite the severity of the problems outlined above, BPA—the region's major bulk power supplier, and the sole supplier to a majority of the region's public utilities—is statutorily precluded from resolving differences within the region or even from playing an effective role in finding the needed solutions.

Meanwhile, the historic cooperation within the region threatens to break down entirely, just when the need for cooperation is greatest. Not only is coherent planning becoming impossible, but the very ability of the system to finance essential generation may become seriously impaired. The opportunity still exists to develop reasonable and regional solutions by building constructively on existing planning and facilities, but that opportunity is rapidly diminishing.

C. HOW THE PNUCC LEGISLATIVE PROPOSAL WAS DEVELOPED

Many different groups recognized these problems and, several years ago, started examining potential solutions. The private utilities looked at pooling. Various bodies examined new BPA authority, and the direct service industries formulated a legislative proposal. The Governor of Oregon began work on his DRPA legislation. The City of Portland explored the prospects of becoming a preference agency.

These various activities were not coordinated, however, and their many technical and economic impacts presented formidable problems. Last fall, in response to requests from public officials and a variety of BPA customers, BPA prepared a study paper analyzing power costs resulting from many concepts that had been discussed earlier, but the study paper did not describe any alternative that produced agreement. In late 1976, the effort came under the auspices of PNUCC and has resulted in the draft legislation called Pacific Northwest Electric Power Supply and Conservation Act.

The fact that individuals representing a large number of divergent and competing interests were able to cooperate in creating a single legislative proposal indicates how serious the Pacific Northwest's power problems have become. The same fact necessarily means that the consensus embodied in the PNUCC proposal does not—and cannot—fully satisfy any particular group, including the groups that came together to draft it. It should be emphasized, however, that the proposal was conceived and written within the PNUCC, and that PNUCC members believe it to be the best attainable solution that is in the interests of the region as a whole. Whether governing councils and boards of individual utilities can support it will have to await their decision.

D. WHAT THE PNUCC LEGISLATIVE PROPOSAL CONTAINS

The legislation would:

Establish the nation's first region-wide conservation program;

Create a much earlier and much enlarged role in the electric energy planning process for state and local governments and public groups;

Grant BPA limited authority to purchase power;

Establish rate groups for BPA's sale of power to different classes of bulk power purchasers;

Recognize the role of a regional utility planning body controlled equally by consumer-owned and investor-owned systems;

Reduce the costs of essential new power resources; and

Maintain a balanced decision-making process among federal, state and local governments, public agencies, private utilities and other responsible bodies.

Some of these elements would combine to remove supply uncertainties facing public agencies and direct service industries and reduce the intolerable rate disparities that would otherwise prevail within the region.

The bill would *not:*

Authorize the construction of generating plants, or of any type of generating plants;

Foreclose development of other effective methods of participation in planning by state or local governments;

Establish either the need or the lack of need for additional generating plants; or

Eliminate any presently required federal, state, or local permits, licenses, consents or other authorizations.

1. *The Conservation Program.* Conservation standards for efficiency in energy use must be promptly adopted and implemented. Standards would be established for a broad range of uses—residential, commercial, industrial and agricultural. The four Northwest States are to agree on regional standards, but if they fail, BPA would establish them. If any state or political subdivision failed to adopt the standards after they had been established, utility systems within that state or subdivision would be able to purchase power from BPA only at a minimum surcharge of 50 percent. Proceeds of the surcharge would finance conservation programs and reduce power rates in complying areas.

The bill sets up a $300 million revolving loan fund for conservation loans, permitting such programs as interest-free insulation loans to consumers. Grants could also be made and BPA could fund conservation investments that promise significant gains in efficiencies.

2. *Pooling—Allocation of Costs.* The bill authorizes BPA to purchase the output of new plants when designated by PNEPCO, the regional planning body; to acquire up to 4,000 mw of capacity from the private companies at average system cost; and to sell such power under three Rate Groups, A, B and C.

a. Rate Group A would be an existing preference agency pool and would be the lowest cost pool. It would recover costs of up to 6090 mw of the Federal Base System—about two-thirds of present BPA capacity, including Federal hydro and thermal capacity previously acquired from public agencies under a limited hydro-thermal program developed earlier.

b. Rate Group B would be a blended pool of the costs of existing Federal hydro, public thermal, private hydro and thermal, and new resources sufficient for one-half of post-1983 load growth. It would carry higher costs than Rate Group A. Rate Group B would recover:

(i) The remaining Federal system costs (net—over a period of time—of secondary revenues);

(ii) The cost of up to 4000 mw of relatively inexpensive private utility power to be sold to BPA; and

(iii) The portion of costs of new resources related to one-half of the load growth of all utilities.

c. Rate Group C would recover costs not included in Rate Groups A and B and would be the highest cost pool.

d. Subsection 10(j) of the legislation provides that public bodies and cooperatives and/or private utilities—each as a class—would be ensured of whatever advantages might accrue to them from the costs of their own new resources, when the difference between the costs of all new resources, as a whole, was one percent or more greater than costs from their new resources as a class.

3. *PNEPCO—The Regional Planning Organization.* The legislation recognizes a new regional planning body, the Pacific Northwest Electric Planning and Conservation Or-

ganization ("PNEPCO"). PNEPCO would be a non-profit corporation with membership open to all utilities in the region. Under PNEPCO, power planning would be more regional and more open than ever before. The PNEPCO board of directors would be evenly divided between public and private utility representatives. BPA and the Governors of each Northwest state could designate representatives to attend and participate in all PNEPCO meetings. PNEPCO's most important responsibilities would include preparation of regional load forecasts (taking into account the effects of conservation) and designation of the generating facilities or systems from which BPA may make long-term power purchases. All PNEPCO board meetings at which load forecasts or resource designation decisions are considered would be open to the public. Standards are included in the legislation to insure that no unnecessary new plants are built, that necessary plants are built without unnecessary costs, and that promising new technologies can be developed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. CORMAN (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. DORNAN (at the request of Mr. RHODES), for today, on account of the death of a close, personal friend.

Mr. GILMAN (at the request of Mr. RHODES), for today, on account of official business.

Mr. ZEFERETTI (at the request of Mr. BRINKLEY), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EVANS of Delaware) to revise and extend their remarks and include extraneous material:)

Mr. QUIE, for 10 minutes, today.

Mr. SEBELIUS, for 5 minutes, today.

Mr. KEMP, for 10 minutes, today.

Mr. MCDADE, for 5 minutes, today.

(The following Members (at the request of Mr. BEILENSON) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. LEDERER, for 5 minutes, today.

Mr. BRADEMAS, for 5 minutes, today.

Mr. PREYER, for 15 minutes, today.

Mr. STAGGERS, for 5 minutes, today.

Mr. DODD, for 10 minutes, today.

Mr. MCHUGH, for 5 minutes, on September 12.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MEEDS, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $2,495.50.

(The following Members (at the request of Mr. EVANS of Delaware) and to include extraneous matter:)

Mr. BAUMAN.

Mr. LATTA.

Mr. JOHNSON of Colorado in two instances.

Mr. BOB WILSON.

Mr. ABDNOR in two instances.

Mr. HILLIS.

Mr. RUDD.

Mr. MARKS in 10 instances.

Mr. MICHEL.

Mr. CRANE.

Mr. FINDLEY in two instances.

Mr. BUCHANAN.

Mr. KEMP in two instances.

Mr. WALSH.

Mr. ASHBROOK in three instances.

Mr. DERWINSKI in two instances.

Mr. MILLER of Ohio in four instances.

Mr. HAGEDORN.

Mr. WHALEN.

Mr. SHUSTER.

Mr. BURGENER.

Mr. COUGHLIN.

Mr. BURKE of Florida.

(The following Members (at the request of Mr. BEILENSON), and to include extraneous matter:)

Mr. FRASER.

Mr. EILBERG.

Mr. MURPHY of Illinois.

Mr. RUSSO in two instances.

Mr. HAMILTON.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. LEDERER.

Mr. JACOBS in two instances.

Mr. WOLFF.

Mr. HAWKINS.

Mr. REUSS.

Mr. PHILLIP BURTON.

Mr. FORD of Tennessee.

Mr. STAGGERS.

Mr. CARNEY.

Mr. EDGAR.

Mr. ULLMAN in six instances.

Mr. MCDONALD in three instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1560. An act to restore the Confederated Tribes of Siletz Indians of Oregon as a federally recognized sovereign Indian tribe, to restore to the Confederated Tribes of Siletz Indians of Oregon and its members those Federal services and benefits furnished to federally recognized American Indian tribes and their members, and for other purposes; to the Committee on Interior and Insular Affairs.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5294. An act to amend the Consumer Credit Protection Act to prohibit abusive practices by debt collectors; and

H.R. 7933. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes.

ADJOURNMENT

Mr. BEILENSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 41 minutes p.m.), under its previous order, the House adjourned until Monday, September 12, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2285. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken for the Naval and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1), to the Committee on Armed Services.

2286. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the proposed sale by the Air Force of certain defense articles and services to Iran (transmittal No. 77-46A), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2287. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the proposed sale by the Army of certain defense articles to Switzerland (transmittal No. 77-51), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2288. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-62, "To amend the Rental Accommodations Act of 1975," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

2289. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-68, "To amend the District of Columbia Health Care Facilities Regulation (Reg. No. 74-15) to provide for licensing community residence facilities, and for related purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

2290. A letter from the Assistant Secretary of Commerce for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2291. A letter from the Assistant Secretary of Commerce for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2292. A letter from the Assistant Secretary of Commerce for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2293. A letter from the Assistant Secretary of Commerce for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2294. A letter from the Assistant Secretary of Commerce for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2295. A letter from the Assistant Secretary of Commerce for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Commerce on Government Operations.

2296. A letter from the Assistant Secretary of State for Congressional Relations, transmittting a report on political contributions

by Paul H. Boeker, Ambassador-designate to Bolivia, and members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

2297. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intent to offer to sell certain defense articles to the United Kingdom (transmittal No. 77–68), pursuant to section 36(b) of the Arms Export Control Act to the Committee on International Relations.

2298. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intent to offer to sell certain defense articles to Iran (transmittal No. 77–69), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2299. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intent to offer to sell certain defense services to Iran (transmittal No. 77–70), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2300. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intent to offer to sell certain defense equipment to Spain (transmittal No. 77–71), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2301. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intent to offer to sell certain defense articles and services to Thailand (transmittal No. 77–72), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2302. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intent to offer to sell certain defense articles to the Republic of China (transmittal No. 77–73), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2303. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intent to offer to sell certain defense articles to Thailand (transmittal No. 77–74), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2304. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intent to offer to sell certain defense articles to Israel (transmittal No. 77–75), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2305. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intent to offer to sell certain defense articles to Pakistan (transmittal No. 77–81), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

2306. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on his determination specifying the conditions of persons which should be included in the definition of developmental disabilities, together with the report on the first annual review of such determination, pursuant to section 301(a) of Public Law 94–103; to the Committee on Interstate and Foreign Commerce.

2307. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of May 31, 1977, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

2308. A letter from the Chairman, Federal Power Commission, transmitting a report by the National Gas Survey Advisory Committee's Transmission, Distribution and Storage Technical Advisory Task Force on rate design; to the Committee on Interstate and Foreign Commerce.

2309. A letter from the Acting Secretary, Interstate Commerce Commission, transmitting notice of the Commission's determination to extend the time period for acting upon the appeal pending in *Ex Parte No. 331, Expeditious Procedures for Permitting Publication of Separate Rates for Distinct Rail Services*, pursuant to section 17(9)(e) of the Interstate Commerce Act, as amended (90 Stat. 49); to the Committee on Interstate and Foreign Commerce.

2310. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act (66 Stat. 182); to the Committee on the Judiciary.

2311. A letter from the Chairman, U.S. Commission on Civil Rights, transmitting a report on women and minorities in television, pursuant to section 104(b) of Public Law 85–315; to the Committee on the Judiciary.

2312. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act (66 Stat. 214; 76 Stat. 1247); to the Committee on the Judiciary.

2313. A letter from the Comptroller General of the United States, transmitting a report on shortcomings in HUD's efforts to collect delinquent mortgage insurance premiums (FGMSD–77–33, September 8, 1977); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

2314. A letter from the Comptroller General of the United States, transmitting a report on problems and needed improvements in the Office of Education's evaluations of its programs (HRD–76–165, September 8, 1977); jointly, to the Committees on Government Operations, and Education and Labor.

2315. A letter from the Comptroller General of the United States, transmitting a report on the objectives, direction, and pace of the equal employment opportunity program for Federal employees and job applicants (FPCD–76–85, September 9, 1977); jointly, to the Committees on Government Operations, Education and Labor, and Post Office and Civil Service.

2316. A letter from the Comptroller General of the United States, transmitting a report on stopping unnecessary and harmful levels of domestic sewage chlorination (CED–77–108, August 30, 1977); jointly to the Committees on Government Operations, Interstate and Foreign Commerce, and Public Works and Transportation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 9006. A bill to amend the Age Discrimination in Employment Act of 1967 to provide that Federal employees who are 40 years of age or older shall be protected by the provisions of section 15 of such act, and for other purposes; jointly, to the Committees on Education and Labor, and Post Office and Civil Service.

By Mr. BRINKLEY (for himself and Mr. Davis):

H.R. 9007. A bill to amend title 10 of the United States Code to provide essential medical and dental care to members or former members of a uniformed service and their dependents where the member is entitled to retired or retainer pay or equivalent pay; to the Committee on Armed Services.

By Mr. CORRADA:

H.R. 9008. A bill to amend title 38 of the United States Code so as to protect and preserve determinations by the Veterans' Administration with regard to service connection and disability ratings; to the Committee on Veterans' Affairs.

By Mr. DUNCAN of Tennessee:

H.R. 9009. A bill to amend the National Labor Relations Act to provide that any employee who is a member of a religion or sect historically holding conscientious objection to joining or financially supporting a labor organization shall not be required to do so; to the Committee on Education and Labor.

By Mr. HAGEDORN:

H.R. 9010. A bill to amend the Congressional Budget Act of 1974 to limit increases in levels of total budget outlays and total new budget authority established in concurrent budget resolutions; to the Committee on Rules.

By Mr. HAMMERSCHMIDT:

H.R. 9011. A bill to amend sections 1662 and 1663 of title 38, United States Code, in order to provide for a conditional extension of the delimiting period for receiving educational assistance in the case of certain Vietnam era veterans, and to improve counseling for certain veterans; to the Committee on Veterans' Affairs.

By Mr. HOLLENBECK (for himself, Mr. CONTE, and Mr. MINISH):

H.R. 9012. A bill to amend the Internal Revenue Code of 1954 to permit individuals to deduct qualified smoke detector expenses; to the Committee on Ways and Means.

By Mr. JACOBS:

H.R. 9013. A bill to amend the Internal Revenue Code of 1954 to provide for the nonrecognition of gain from the sale of stock in a domestic corporation engaged in a trade or business related to energy if within 90 days after the sale the proceeds are invested in stock of another such corporation; to the Committee on Ways and Means.

By Mr. LAGOMARSINO:

H.R. 9014. A bill to amend title II of the Social Security Act to provide that child's insurance benefits shall not be payable to an insured individual's stepchild, after such child's natural parent and the insured individual are divorced, for any period during which such child is receiving support from another source; to the Committee on Ways and Means.

By Mr. LATTA:

H.R. 9015. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize the Secretary of Transportation to guarantee notes issued to State and local taxing authorities to secure payment of real property tax obligations owed by a railroad in reorganization; to the Committee on Interstate and Foreign Commerce.

By Mr. LEDERER:

H.R. 9016. A bill to amend the Tariff Act of 1930 with respect to the marking of wearing apparel assembled abroad from U.S. products exported for purposes of such assembly; to the Committee on Ways and Means.

By Mr. McDADE:

H.R. 9017. A bill to amend title 38, United States Code, to provide that the recipient of a veterans' pension or dependency and indemnity compensation will not have the amount of such pension or compensation reduced because of cost-of-living increases in social security benefits, railroad retirement annuities, or other retirement benefits; to the Committee on Veterans' Affairs.

H.R. 9018. A bill to amend title 38, United States Code, to provide for the payment of

service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

By Mr. MAHON:

H.R. 9019. A bill to rescind certain budget authority continued in the message of the President of July 19, 1977 (H. Doc. 95–188), transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. MEEDS (by request):

H.R. 9020. A bill to make the Federal Columbia River Power System available for future essential power supply, to promote conservation, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Ways and Means.

By Mr. MINETA (for himself, Ms. HOLTZMAN, Mr. RONCALIO, Mr. NEAL, Mr. ALEXANDER, and Mr. UDALL):

H.R. 9021. A bill to amend title 5, United States Code, to provide that Japanese-Americans shall be allowed civil service retirement credit for time spent in World War II internment camps; to the Committee on Post Office and Civil Service.

By Mr. GARY A. MYERS:

H.R. 9022. A bill to amend the Trade Act of 1974 to provide that the President may not reduce or terminate import relief if the Congress disapproves such action; to the Committee on Ways and Means.

By Ms. OAKAR (for herself, Mr. RODINO, Mr. WHALEN, Mr. MILLER of Ohio, Mr. NIX, Mr. BROWN of Ohio, Mr. MICHAEL O. MYERS, Mr. GUYER, Mr. LEDERER, Mr. EILBERG, Mr. EDGAR, Mr. KOSTMAYER, Mr. FLOOD, Mr. ERTEL, Mr. AMMERMAN, Mr. WALGREN, Mr. HOLLENBECK, Mr. MARKEY, Mr. LUNDINE, Mrs. HECKLER, Ms. MIKULSKI, Mrs. SPELLMAN, Mr. MCDADE, Mr. MITCHELL of Maryland, and Mr. BEARD of Rhode Island):

H.R. 9023. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize the Secretary of Transportation to guarantee notes issued to State and local taxing authorities to secure payment of real property tax obligations owed by a railroad in reorganization; to the Committee on Interstate and Foreign Commerce.

By Ms. OAKAR (for herself, Mr. GILMAN, Mr. FISH, Mr. LE FANTE, Mr. NOWAK, Mr. ST GERMAIN, Mr. DRINAN, Mr. FORSYTHE, Mr. STRATTON, Mr. HARSHA, and Mr. YATRON):

H.R. 9024. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize the Secretary of Transportation to guarantee notes issued to State and local taxing authorities to secure payment of real property tax obligations owned by a railroad in reorganization; to the Committee on Interstate and Foreign Commerce.

By Mr. OBERSTAR (for himself and Mr. BLANCHARD):

H.R. 9025. A bill to provide for unbiased consideration of applicants to medical schools; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H.R. 9026. A bill to provide for orderly trade in iron and steel products; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 9027. A bill to amend the Federal Railroad Safety Act of 1970 to require certain minimum safety standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST:

H.R. 9028. A bill to revive the provisions of section 514 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

By Mr. MINETA (for himself, Mr. PHILLIP BURTON, Mr. HEFTEL, Mr. AKAKA, Mr. BRADEMAS, Mr. HANNAFORD, Mr. RANGEL, Mr. ANDERSON of California, Mrs. BURKE of California, Ms. HOLTZMAN, Mrs. COLLINS of Illinois, Mr. WAXMAN, Mr. SIMON, Mr. WON PAT, Mr. ROE, Mr. ROYBAL, Mr. EDWARDS of California, Mr. HUGHES, Ms. MIKULSKI, Mr. LLOYD of California, and Mr. HARRINGTON):

H.J. Res. 588. Joint resolution relating to the publication of economic and social statistics for Americans of East Asian or Pacific Island origin or descent; jointly, to the Committees on Education and Labor and Post Office and Civil Service.

By Mr. CORRADA:

H. Con. Res. 345. Concurrent resolution expressing the sense of Congress that the value of military exchange and commissary privileges should not be considered by any Federal agency in determining the entitlement of any retired or former member of the Armed Forces to any other Federal benefit or in determining the amount of any other Federal benefit; to the Committee on Post Office and Civil Service.

By Mr. DON H. CLAUSEN:

H. Con. Res. 346. Concurrent resolution expressing the sense of the Congress with regard to the disposition by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Mr. HANSEN (for himself, Mr. KEMP, Mr. KINDNESS, Mr. KETCHUM, Mr. CRANE, Mr. DORNAN, Mr. ZEFERETTI, Mr. EDWARDS of Oklahoma, Mr. FLOOD, Mr. STUMP, Mr. SYMMS, Mr. LIVINGSTON, Mr. GOLDWATER, Mr. MARRIOTT, Mr. EVANS of Delaware, Mr. MCDONALD, Mr. ABDNOR, Mr. DUNCAN of Tennessee, Mr. QUAYLE, Mr. SNYDER, Mr. COLLINS of Texas, Mr. WINN, Mr. SCHULZE, Mr. RINALDO, and Mr. ROUSSELOT):

H. Con. Res. 347. Concurrent resolution expressing the sense of the Congress with regard to the disposition by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Mr. HANSEN (for himself, Mr. ASHBROOK, Mrs. HOLT, Mr. BAUMAN, Mr. LOTT, Mr. LAGOMARSINO, Mr. DEL CLAWSON, Mrs. SMITH of Nebraska, Mr. LUJAN, Mr. WAGGONNER, Mr. ICHORD, Mr. WHITE, Mr. SHUSTER, Mr. LATTA, Mr. RUDD, Mr. JOHN T. MYERS, Mr. GRASSLEY, Mr. HILLIS, Mr. YOUNG of Florida, Mr. HAGEDORN, Mr. MONTGOMERY, Mr. THONE, Mr. GUYER, Mr. SAWYER, and Mr. DEVINE):

H. Con. Res. 348. Concurrent resolution expressing the sense of the Congress with regard to the disposition by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Mr. LEHMAN:

H. Con. Res. 349. Concurrent resolution disapproving the proposed sales to Egypt of 14 C–130 aircraft and 12 "Firebee" remotely piloted vehicles; to the Committee on International Relations.

By Mr. HAGEDORN:

H. Res. 755. Resolution to amend the Rules of the House of Representatives to require that each introduced bill and resolution contain a statement of the constitutional basis of authority for the bill; to the Committee on Rules.

By Mr. HANNAFORD:

H. Res. 756. Resolution designating the second Sunday of each April as Grandparents' Day; to the Committee on Post Office and Civil Service.

SENATE—*Friday, September 9, 1977*

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. DENNIS DECONCINI, a Senator from the State of Arizona.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Wait on the Lord; be of good courage and He shall strengthen thine heart: Wait, I say, on the Lord.—Psalm 27: 14.

Our Father-God Thou art never far from any of us; but often we seem to be far from Thee. Yet as we open the door of our hearts Thy spirit meets us to quicken and renew our bodies, our minds, and our hearts. May Thy sustaining grace which has brought us to this hour undergird our thoughts, our words, our action, until evening comes and our work is done. Then in Thy mercy grant us souls at peace with Thee and with all men.

Through Him whose name is above every name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 9, 1977.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DENNIS DECONCINI, a Senator from the State of Arizona, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. DECONCINI thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, September 8, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be permitted to meet during the session of the Senate today to consider air bag legislation on which there is a time limitation within which the Congress must act; the time expires October 19, depending upon recesses of Congress.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. JACKSON's Committee on Energy and Natural Resources, or any subcommittee thereof, may meet during the session of the Senate today until 3 p.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

[Later the following occurred:]

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs have an additional 45 minutes to meet today, making the hour until 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

[Later the following occurred:]

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Research and Development Subcommittee of the Armed Services Committee be permitted to meet during the session of the Senate today to consider a piece of "must" legislation, S. 1863, supplemental authorization for the cruise missile.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET ACT WAIVER

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 375, Senate Resolution 240.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object. I might say to my friend, the assistant majority leader, that there is no objection to proceeding to the consideration of this calendar order item, which is a resolution waiving the requirements of section 402(a) of the Budget Act, and also there is no objection, if the majority wishes, to proceed to the consideration of Calendar Order No. 377, which is a similar budget waiver.

SENATE RESOLUTION 240

Mr. CRANSTON. Mr. President, I ask unanimous consent that we proceed also to the consideration of that resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 240) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 5027 as reported.

There being no objection, the Senate proceeded to consider the resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 240) was agreed to, as follows:

Resolved, That, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 5027 as reported. Such waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

Failure to grant the waiver would impair the ability of the Veterans' Administration to provide necessary medical services to veterans.

The major provisions of H.R. 5027 as reported (1) make clarifying amendments in title 38, United States Code, provisions under which the Veterans' Administration may furnish contract health care services through private facilities, (2) extend and improve the Veterans' Administration's authority to enter into new, or extend certain expiring, special-pay agreements with eligible physicians and dentists in order to overcome difficulties in recruiting and retaining highly qualified health care professionals; and (3) establish new health-care programs for eligible veterans in the areas of readjustment, professional counseling, drug and alcohol disabilities, and preventive health care for veterans with service-connected disabilities.

Enactment of the provisions regarding the Veterans' Administration contract health care authority (sections 101–103) are urgently needed to resolve satisfactorily substantial problems which have arisen in the implementation of Public Law 94–581, the Veterans Omnibus Health Care Act of 1976, enacted on October 21, 1976, which restricted the Veterans' Administration's authority to provide contract health care services through private facilities. The major difficulty in this connection pertains to the revocation under Public Law 94–581 of the VA's authority to furnish contract outpatient services to approximately 90,000 severely disabled veterans whose eligibility for such services was based on their entitlement to regular aid and attendance or a "housebound" allowance.

A subcommittee of the Veterans' Affairs Committee held a hearing on these provisions on April 27, 1977. During this hearing, however, the subcommittee determined that certain information—such as the numbers of veterans affected by the various restrictions on contract health care imposed by Public Law 94–581, the number of such veterans who could be provided contract care under other provisions of title 38, and data regarding the provision of contract care in Alaska, Hawaii, and Puerto Rico—not then available, and requiring difficult and extensive research by the Veterans' Administration, was necessary before the final form of the measure could be determined. That information was not finally received by the Committee until June 21, 1977, after the May 15 reporting deadline had passed.

The Congressional Budget Office has advised that no fiscal year 1978 costs will be incurred under the contract health care provisions of the bill.

The provisions extending and improving the Veterans' Administration's physician and dentist special-pay authority (sections 201 and 202) derive from Administration-requested legislation which, despite numerous Committee requests to the new Administration, was not submitted to the Congress until June 27, 1977. A subcommittee hearing was promptly held on this legislation on July 1. Failure to grant this waiver would impair the Veterans' Administration's ability to overcome problems in the recruitment and retention of highly skilled professionals during fiscal year 1978, at great detriment to the quality of health care required to be provided to veterans under existing law.

All provisions of this bill which, according to the Congressional Budget Office estimates, involve any costs in fiscal year 1978 were specially described in the Veterans' Affairs Committee's March 15, 1977, report to the Budget Committee. The total estimated costs of the bill as reported in fiscal year 1978 is $26.97 million, an amount within and consistent with the functional allocation to the Veterans' Affairs Committee under the First Concurrent Resolution on the Budget for Fiscal Year 1978 (S. Con. Res. 19). Moreover, the bill as reported will not significantly affect the Congressional Budget nor delay the appropriations process.

This waiver of section 402(a) of the Congressional Budget Act of 1974 is only the second such waiver which has been requested by the Committee on Veterans' Affairs during the past two years.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to H.R. 5027 as reported by the Committee on Veterans' Affairs.

S. RES. 257

The ACTING PRESIDENT pro tempore. The clerk will state the next resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 257) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2057.

There being no objection, the Senate proceeded to consider the resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 257) was agreed to, as follows:

S. RES. 257

Resolved, That, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2057. Such waiver is necessary because S. 2057, containing parts A, B, and G, as amended, of title I of S. 1469, the National Energy Act, authorizes the Administrator of the Federal Energy Administration to expend funds and to guarantee loans for certain energy conservation programs in fiscal year 1978.

The authorizations contained in S. 2057, are consistent with the Energy and Natural Resources Committee's March 15, 1977, report to the Committee on the Budget. However, compliance with section 402(a) of the Congressional Budget Act of 1974 with respect to these authorizations was not possible because of—

(1) the extensive hearings and markups necessary for the full consideration of the President's national energy plan proposals submitted to the Congress on April 20, 1977, and

(2) the large number of other matters considered and reported by the Committee on Energy and Natural Resources during the past three months.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to reconsider en bloc the vote by which both resolutions were adopted.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I make such a motion.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNANIMOUS CONSENT CALENDAR

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following items, all of which are on the Unanimous Consent Calendar: Calendar No. 356, No. 366, No. 370, and No. 372.

Mr. BAKER. Mr. President, reserving the right to object, these matters are on the Unanimous Consent Calendar and I believe were transferred there on yesterday. We have no indication of any objection on this side. I do not object to their consideration and passage.

Mr. CRANSTON. I thank the Senator.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TRANSFER OF FRANCHISE FEES

The bill (S. 2002) to authorize the Secretary of the Interior to transfer franchise fees received from certain concession operations at Grand Canyon to Unified School District, Ariz., and for other purposes, was considered.

Mr. CRANSTON. Mr. President, in regard to S. 2002, because of a reporting error, Senator PELL was mistakenly listed as the sponsor of that measure. It is a bill to authorize the Secretary of the Interior to transfer franchise fees received from certain concession operators at Grand Canyon to Unified School District, Ariz., and for other purposes. I ask unanimous consent that Senator DECONCINI, the Acting President pro tempore of the Senate of the United States, be listed as the original sponsor of the bill and that Senators GOLDWATER and HANSEN be listed as cosponsors.

I also ask unanimous consent, in his behalf, that Mr. PELL's name be removed as original sponsor of the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, S. 778, now S. 2002, a bill I introduced with Senators GOLDWATER and HANSEN to alleviate the serious financial difficulties of the Grand Canyon School District, is before us today for consideration.

This bill authorizes the Secretary of the Treasury to create a special fund with money coming from the annual concessioner franchise fees paid to the Grand Canyon National Park. The Secretary of the Interior is authorized to make payments from this special fund to the Grand Canyon School District for pupils in attendance who are dependents of persons employed by the Grand Canyon National Park for the purpose of assuring the continuance of educational services. Further, the Secretary of the Interior is authorized to make payments from this special fund to the State or school district to aid with construction costs incurred by the District.

As introduced, the bill required the funds paid to the District be taken from the gate receipts of Grand Canyon National Park. The Department of the Interior found this specific provision objectionable. The Department suggested an amendment to the bill which provides funds paid to the District be taken from the annual franchise fees received by the Secretary of the Interior from concessioner-operated facilities at the Grand Canyon National Park. During markup the Committee on Human Resources adopted the Department's proposed amendment. The Department now supports the bill as amended.

The necessity of this legislation is evidenced by the district's deteriorating financial situation. The property tax rate in the district is $8.77, reflecting an increase of more than $1.20 per $100 of assessed valuation over the last school year. To underscore the severity of the situation, a $9.92 tax rate is projected for the 1977–78 school year.

Presently, the tax base is $4,596,461, a decrease of almost $60,000 from the 1975–76 school year. The tax base consists to a large extent of railroad rights-of-way held by the Atchison, Topeka, and Santa Fe Railroads.

The Santa Fe has not run a train to the Grand Canyon for several years and recently removed some of its spur tracks. If the company should decide to withdraw entirely, its rights-of-way would revert to the status of untaxable Federal land, dealing a crushing blow to the remaining taxpayers who would have to make up for the loss.

A letter I recently received from Carolyn Warner, Arizona State Superintendent of Public Instruction, further emphasizes the urgency for enactment of S. 2202:

> The inevitability of the Santa Fe withdrawing from the Grand Canyon National Park is very evident; however, there is an immediate financial crisis faced by the Grand Canyon Schools due to the fact that in FY 78 railroads will be assessed at 40% of their actual value instead of the present 60 percent. Therefore, the Grand Canyon Schools will see a substantial rise in the tax rate during the FY 78 year. Due to the fact that Grand Canyon Unified Schools is located wholly within a National Park, the Arizona Department of Education feels that there is a Federal obligation to meet the educational needs of the youngsters at Grand Canyon. This is also indicated by the fact that approximately 50 percent of the youngsters attending Grand Canyon Schools have parents who are employed by the National Park Service; however, Impacted Aid and other Federal sources of revenue amount to approximately one-seventh (1/7) of the total budget expenditure for the Grand Canyon Unified Schools.

I take this opportunity to thank Senator PELL, chairman of the Education, Arts and Humanities Subcommittee; Senator WILLIAMS, chairman of the Human Resources Committee, and the members of the subcommittee and the full committee. Their prompt and positive attention to this legislation is appreciated—not only by me, but by the parents and children attending the Grand Canyon School District.

In conclusion, Mr. President, I urge my colleagues to support S. 2002, which will resolve the serious fiscal emergency of this school district.

Mr. PELL. Mr. President, I am glad to support this bill before the Members of the Senate.

I had the opportunity to meet Tom Caldwell, the superintendent of the school district in the Grand Canyon National Park, during a visit to the park last May. I also saw the condition of the school buildings, which was not good, and I learned about the financial situation which faced the school administration, which was worse.

There are many schools in the United States which face financial difficulties; however, this case is special in a number of ways, and if we do not act upon this bill then this district will simply not be able to serve the students in that area. This would happen in spite of the fact that the parents of those children already pay some of the highest school taxes in the Nation.

I am not advocating that we support this legislation because of the sacrifices of those parents, though; rather it is the special nature of this case that has convinced me and which should convince all the Members of this body. I am only glad to say that this is also a deserving case because of the fine people who will be able to continue their work because of this bill, and that makes this work very pleasant indeed.

Finally, thanks are due to Senator DECONCINI. The technical work that stands behind this bill is his, and that support has been invaluable.

More important, this has been his idea and his inspiration from the first, and without that initiative this bill would never have come to the attention of Congress at all.

Mr. GOLDWATER. Mr. President, the bill now before us. S. 2002—The Grand Canyon National Park School Aid Act—will provide vitally needed funds for the education of children of Federal employees located in an area where no feasible alternative facilities are available.

The economic impact will be nil. Since the required money will come from fees collected by the National Park Service from commercial concessionaires there will be no need for any congressional appropriations.

This legislation was presented to the 94th Congress by Senator PAUL FANNIN and approved by the Senate. It died at the end of that Congress when the House adjourned before the measure could be considered in conference. It was reintroduced at the beginning of this Congress by Senator DECONCINI and me as S. 788. The Department of the Interior raised a technical objection which

has now been resolved and the bill comes before the Senate as S. 2002. I ask for your support.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–388), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

I. BACKGROUND OF THE COMMITTEE BILL

S. 2002 was introduced on February 24, 1977 as S. 778. It followed two precedents being: (1) a law, Public Law 604, enacted in 1949 to establish a similar program for the relief of the schools serving the Yellowstone National Park; and (2) a Senate amendment to H.R. 9719, during the 94th Congress, which died at the end of that Congress when the House adjourned before the measure could be considered in conference.

BRIEF SUMMARY AND PURPOSE OF THE COMMITTEE BILL

S. 202 (a) Authorizes the Secretary of the Treasury to establish a special fund to hold a portion of the annual concessionaires fees from the Grand Canyon National Park; (b) Authorizes the Secretary of the Interior to draw from that fund for the purpose of providing educational services to dependents of persons working in the Grand Canyon National Park.

The following letters show the particular need faced by the Grand Canyon School District and show why there is a need for a Federal program to provide relief in this particular instance.

LETTER TO ARIZONA LEGISLATIVE DELEGATION ATTEMPTING TO EXPLAIN FINANCIAL DIFFICULTIES FACING GRAND CANYON SCHOOL DISTRICT

GRAND CANYON UNIFIED SCHOOLS,
Grand Canyon, Ariz., January 19, 1977.

We would like to take this opportunity to ask for your assistance concerning a very important matter for the Grand Canyon Community. There is the distinct possibility that the Grand Canyon School District faces extinction due to a very low assessed valuation, the high tax rate coupled with a declining enrollment, which puts the district in financial jeopardy.

We had worked very closely with Senator Fannin to get legislation passed that would relieve the situation, however, it is regrettable that the Congress in its haste to adjourn this last Fall did not enact the legislation. However, the legislation did pass the Senate Interior Committee with a unanimous vote. You will find enclosed a great deal of supportive material for our case here at the Grand Canyon. The following is an outline of the financial stress that the Grand Canyon Unified School District No. 4 is presently facing.

During the past few years the school district has found itself with a steadily declining enrollment; with a greater number of its students coming from families employed by the Grand Canyon National Park or being housed by the National Park Service. Since Arizona's funding formula is based on student enrollment and the fact that costs have accelerated, the financial pinch has become critical.

This is indicated by the fact that the fiscal year 1976 tax rate for Grand Canyon was $7.5021 based on an assessed valuation of $4,656,202.00. Today, fiscal year 1977, the tax rate has jumped to $8.7729 with a decrease in the assessed valuation to $4,596,461. We anticipate an increase in the 1977–78 school year tax rate (approximately $9.92) with a probable decrease in the assessed valuation. At present, the State average tax rate for school districts in Arizona is $4.40, which is less than half Grand Canyon's tax rate. Due to the fact that our assessed valuation is very low and tax rate very high, puts Grand Canyon in a financial situation which limits our instructional program and which has allowed our buildings to become dilapidated. Therefore, with such a high enrollment of students from Park Service employees living in Park Service housing, we feel it only right that the Federal Government assume some additional responsibility for these students. Our budget level for fiscal year 1977, Public Law 874 funds, impacted aid, was $53,000; however, this was a mistake and we have now been informed that our level will be approximately $118,000. When looking at a total budget expenditure of $722,967.98, this is only approximately one-seventh of the total budget, while 92 percent of our student population have parents who are directly connected to the Grand Canyon National Park as Federal employees or concessionaire employees within a Federal reservation.

Some other alternatives to going to the U.S. Congress for financial assistance have been explored: Consolidation with the Williams School District, approximately 65 miles to the south of Grand Canyon, however, the Williams Board of Education is not receptive to this concept because the Grand Canyon School District's burden would increase the Williams district's tax rate substantially. Another alternative considered would be to dissolve the Grand Canyon School District and bus students to either Flagstaff (approximately 80 miles), or Williams which would be very hazardous in the winter months due to the nothern Arizona climate. Another alternative would be to have Park Service employees send their youngsters to boarding schools or private institutions which would be financially impossible and unacceptable for the maiority of the families now residing at Grand Canyon.

We have explored the problem with the Arizona Department of Education and we have made application (without success) for Public Works funds.

As you see, our problem is not easily solved without intervention by the Federal Government. Any help that you can give us to alleviate the financial pressures on this school district will be greatly appreciated.

Thank you for your concern, time and assistance with this matter. If you need any additional information, please do not hesitate to call.

Sincerely,
THOMAS P. CALDWELL, PH. D.,
Superintendent of Schools.

COCONINO, COUNTY BOARD OF SUPERVISORS,
Flagstaff, Ariz., May 9, 1977.

HON. CECIL ANDRUS,
Secretary of the Interior, Capitol Building, Washington, D.C.

DEAR SECRETARY ANDRUS: The Coconino County Board of Supervisors are aware of the financial straits of the Grand Canyon Unified School Districts. S. 778 and H. 4050 would provide much needed assistance to this school district which has a low assessed value.

In reviewing a memo by Acting Director William Briggle of the National Park Service to the Legislative Counsel dated April 29, 1977, there appears to be some misinterpretation or misunderstanding. Reference is made to the payment in lieu, legislation which was passed last year. In the memo, it was estimated that Coconino County will receive approximately $1 million. In fact, it will be about half of that amount or only $500,000. This money comes to Coconino County and not to the Grand Canyon School District. Nothing in the legislation requires the county to help the schools with this money, nor is it the intention of the board of supervisors to provide any of the In Lieu money that will be received, to any of the school districts within the county.

In Mr. Briggle's memo, he points out that there is an unknown factor of economic benefit because of the large number of out of State travelers that are attracted to the national park. This is true, and it is difficult to measure what our economic gain in sales tax, gas tax, and other benefits really are, but there are also costs involved such as law enforcement, courts, medical care for indigents, which also use up this economic gain. In no way does the Grand Canyon School District derive benefit from the money spent by tourists. Arizona laws may be unique in this respect, but the school obtains their financing from the State and from their property taxing ability.

Taking a percentage of the money collected from entrance fees to the Grand Canyon Park and then giving it to the school district would appear to be an equitable method. The more visitors that come into the park, the more employees that will be required; consequently, more children, so this is one way to tie the operation of the school district to the varying impact of the park. The Coconino County Board of Supervisors have been told that using a percentage of the entrance fees is already being done in Yellowstone National Park successfully, and would like to see this method used at the Grand Canyon National Park.

We solicit your support for S. 778 and H. 4060.

Sincerely,
PETER J. LINDEMANN,
District L.

ARIZONA DEPARTMENT OF EDUCATION,
Phoenix, Ariz., June 13, 1977.

HON. CLAIBORNE PELL,
Chairman, Senate Education Subcommittee, Washington, D.C.

(Attention of Carey Peck, Legislative Aide.)

DEAR SENATOR PELL: It has been brought to my attention by Dr. Thomas Caldwell, superintendent of Grand Canyon Unified School District, that there are some concerns relating to the responsibility of the State of Arizona to the Grand Canyon Schools in the event that the Santa Fe Railway relinquishes its property holdings within the Grand Canyon National Park.

The State of Arizona is providing support to the Grand Canyon School District in the way of State aid, special program support, and technical assistance. At the request of the Grand Canyon School District, the Arizona Department of Education will assess the elementary program and expenditures and make recommendations to aid this district in meeting its obligations to the children of Grand Canyon.

The inevitability of the Santa Fe withdrawing from the Grand Canyon National Park is very evident; however, there is an immediate financial crisis faced by the Grand Canyon schools due to the fact that in fiscal year 1978 railroads will be assessed at 40 percent of their actual value instead of the present 60 percent. Therefore, the Grand Canyon schools will see a substantial rise in the tax rate during the fiscal year 1978 year. Due to the fact that Grand Canyon Unified Schools is located wholly within a national park, the Arizona Department of Education feels that there is a Federal obligation to meet the educational needs of the youngsters at Grand Canyon. This is also indicated by the fact that approximately 50 percent of the youngsters attending Grand Canyon schools have parents who are employed by the National Park Service; however, impacted aid and other Federal sources of revenue amount to approximately one-seventh of the total budget expenditure for the Grand Canyon Unified Schools.

If there is any way that the Arizona Department of Education can be of assistance in helping the Congress in answering ques-

tions concerning this most serious problem, our services are at your disposal.

Sincerely,

Mrs. RONALD H. WARNER,
Superintendent.

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C. July 12, 1977.

Hon. CLAIBORNE PELL,
Chairman, Subcommittee on Education, Arts, and Humanities, Committee on Human Resources, U.S. Senate, Washington, D.C.

DEAR CLAI: The Education, Arts, and Humanities Subcommittee will soon consider S. 778, a bill I introduced which would alleviate the serious financial difficulties the Grand Canyon School District is experiencing. The bill provides for the Federal Government to reimburse the District for pupils in attendance who are dependents of persons employed by the Grand Canyon National Park. Further, it would permit the Federal Government to aid with construction costs incured by the district.

The District's deteriorating financial situation is evidenced by the present tax base of $4,596,461, a decrease of almost $60,000 from the 1975–76 school year. The tax base consists to a large extent of railroad rights-of-way held by the Atchison, Topeka & Santa Fe Railroads.

The Santa Fe has not run a train to the Grand Canyon for several years and recently removed some of its spur tracks. If the company should decide to withdraw entirely, its rights-of-way would revert to the status of untaxable Federal land, dealing a crushing blow to the remaining taxpayers who would have to make up for the loss.

A letter I recently received from Carolyn Warner, State superintendent of public instruction, further underscores the necessity for enactment of S. 778:

"The inevitability of the Santa Fe withdrawing from the Grand Canyon National Park is very evident; however, there is an immediate financial crisis faced by the Grand Canyon schools due to the fact that in fiscal year 1978 railroads will be assessed at 40 percent of their actual value instead of the present 60 percent. Therefore, the Grand Canyon Schools will see a substantial rise in the tax rate during the fiscal year 1978 year. Due to the fact that Grand Canyon Unified Schools is located wholly within a National Park, the Arizona Department of Education feels that there is a Federal obligation to meet the educational needs of the youngsters at Grand Canyon. This is also indicated by the fact that approximately 50 percent of the youngsters attending Grand Canyon schools have parents who are employed by the National Park Service; however, Impacted Aid and other Federal sources of revenue amount to approximately one-seventh of the total budget expenditure for the Grand Canyon Unified Schools."

S. 778 as introduced requires the funds paid to the District be taken from the gate receipts of Grand Canyon National Park. The Department of the Interior found this specific provision objectionable. The Department has suggested an amendment to the bill which provides funds paid to the District be taken from the annual franchise fees received by the Secretary of the Interior from concessioner-operated facilities at Grand Canyon National Park. With the adoption of this amendment the Department has indicated approval of S. 778. I agree with the Department's proposed amendment.

I urge the members of the subcommittee to approve S. 778, as amended, thereby resolving the serious fiscal emergency of the Grand Canyon School District.

With best wishes, I remain,

Sincerely,

DENNIS DECONCINI,
U.S. Senator.

The members of the committee wish to stress the unique and exclusive nature of this bill. The members have only recognized the need for this particular piece of legislation in response to some severely limited and highly specific circumstances.

Those instances are: (a) the precedent set in 1949 for the Yellowstone School District; (b) the action taken on this bill by Senate action during the 94th Congress on H.R. 9719; (c) the support of the Interior Committee of the House of Representatives and the Energy and Natural Resources Committee in the Senate in drafting the bill; and (d) the support of the Department of the Interior for this legislation. All of these instances evidence a widespread support for this bill, specifically for the language of S. 2002 upon which all the parties have agreed. Without their agreement and counsel the Committee on Human Resources would not have acted upon this bill, and their continued counsel and agreement was necessary for the bill's passage and recommendation to the Senate.

In summary then, this legislation should be regarded as a much needed but particular exception to the general array of Federal educational programs. It is not intended to establish a precedent for a generic set of programs and the members of the committee disclaim any intention of doing so.

III. COST ESTIMATE ON S. 2002

Submitted to the Committee on Human Resources by the Congressional Budget Office.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., August 1, 1977.

Hon. HARRISON A. WILLIAMS,
Chairman, Human Resources Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 2002, Payments to the Grand Canyon National Park School.

Should the committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

Enclosure.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: S. 2002.

2. Bill title: Payments to the Grand Canyon National Park School.

3. Purpose of bill: The purpose of this bill is to authorize the Secretary of Interior to make payments from revenues received by the United States from concessionaire fees at Grand Canyon National Park to the Grand Canyon school district serving the park. These payments will be reimbursements for educational facilities furnished by the district to pupils who are dependents of park employees residing at the park upon real property not subject to taxation by the state or local agencies. This bill would create new, permanent budget authority and, therefore, would not be subject to appropriation action.

4. Cost estimate:

[In thousands of dollars]

	Fiscal year—				
	1978	1979	1980	1981	1982
Projected authorization levels:					
Operation and maintenance of park schools	714	770	828	895	975
Anticipated capital improvements	3,000	----	----	----	----
Total	3,714	770	828	895	975
Projected total outlays:					
Operation and maintenance of park schools	714	770	828	895	975
Anticipated capital improvements	500	1,875	625	----	----
Total	1,214	2,645	1,453	895	975

5. Basis for estimate: The estimate for operation and maintenance of the park school facilities is based on the 1977–78 school year budget for the Grand Canyon Park School, which serves all the children of resident park employees. This estimate has been inflated for 5 years based on the CBO economic projection of the increases in the elementary and secondary education price deflator. Outlays reflect 100 percent spendout. Officials for the Grand Canyon school district anticipate a need for capital improvements to the school buildings totaling $3 million. The spendout of these funds are similar to other short term construction projects.

6. Estimate comparison: None.

7. Previous CBO estimate: None.

8. Estimate prepared by: Deborah Kalcevic.

9. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

IV. REGULATORY IMPACT

In accordance with paragraph V of rule XXIX of the Standing Rules of the Senate, the following statement of the regulatory impact of the bill is made.

The basic purpose of the bill is to aid the provision of educational services to dependents of employees of the Grand Canyon National Park.

This bill does not require the regulation of any person, business, or institution. Since the purpose of the bill is to provide direct compensation for the provision of educational services, the paperwork required will be the minimal amount necessary to handle the financial transaction. No regulatory paperwork of any type is required.

The economic impact of this marginal increase in paperwork will be entirely compensated by the financial payments which the institutions involved will receive.

No personal information of any kind is required in the paperwork or regulatory provisions of this bill. Therefore, the bill has no impact on the personal privacy of any individuals involved with these projects.

The number of institutions involved is extremely small, being the school district in the Grand Canyon National Park, the State educational agency, and the school districts adjacent to the Grand Canyon Unified School District.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

[Later the following occurred:]

Mr. ROBERT C. BYRD. Mr. President, I have cleared this matter with the distinguished minority leader. I ask unanimous consent that this morning's action on S. 2002 be vitiated and that the bill which I send to the desk be passed in lieu thereof.

The ACTING PRESIDENT pro tempore. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 2076) which was introduced by Mr. DECONCINI, for himself, Mr. GOLDWATER and Mr. HANSEN, to authorize the Secretary of the Interior to transfer franchise fees received from certain concession operations at Grand Canyon National Park, Arizona, to the Grand Canyon Unified School District, Arizona, and for other purposes.

The Senate proceeded to consider the bill, S. 2076, which was read twice, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law requiring such fees to be credited to miscellaneous receipts in the Treasury of the United States, under such regulations as may be

prescribed by the Secretary of the Interior (hereinafter referred to as the "Secretary"), payments may be made, as provided herein, in advance or otherwise, from the annual franchise fees received by the Secretary from concession-operated facilities at Grand Canyon National Park, Arizona, to the appropriate school district or districts serving that park, as reimbursement for educational facilities (including, where appropriate, transportation to and from school) furnished by said district or districts to pupils who are dependents of persons engaged in the administration, operation, and maintenance of the park and living at or near the park upon real property of the United States not subject to taxation by the State or local agencies; except that the payments for any school year for the aforesaid purpose shall not exceed that part of the cost of operating and maintaining such facilities which the number of pupils who are dependents of such persons, in average daily attendance during that year, bears to the whole number of pupils in average daily attendance at those schools for that year.

(b) If in the opinion of the Secretary of the Interior, the aforesaid educational facilities cannot be provided adequately and payment made therefor on a pro rata basis, as prescribed in subsection (a), the Secretary of the Interior may enter into cooperative agreements with States or local agencies for (1) the operation of school facilities, (2) for the construction and expansion of local facilities at Federal expense, and (3) for contribution by the Federal Government, on an equitable basis satisfactory to the Secretary, to cover the increased cost to local agencies for providing the educational services required for the purposes of this section.

(c) For the purposes of this section, the Secretary of the Treasury is authorized to maintain hereafter in a special fund a sufficient portion of the annual franchise fees from concessioner-operated facilities at Grand Canyon National Park, Arizona, based upon estimates to be submitted by the Secretary of the Interior, and to expend the same upon certification by the Secretary of the Interior.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 2002 be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CLARIFICATION OF STATUS OF THE LIBRARIAN OF CONGRESS

The Senate proceeded to consider the bill (S. 1626) to amend title 5, United States Code, which had been reported from the Committee on Governmental Affairs with an amendment to strike all after the enacting clause and insert the following:

That section 6301(2)(B) of title 5, United States Code, is amended—

(1) by striking out "or" at the end of clause (xi);

(2) by striking out the period at the end of clause (xii) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new clause:

"(xiii) the Librarian of Congress.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to clarify the status of the Librarian of Congress under subchapter I of chapter 63 of title 5, United States Code, relating to annual and sick leave.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–403), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of S. 1626 is to correct a technical defect in existing law by amending the provisions of the Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 6301), so as to exclude the Librarian of Congress from the provisions of the act. The effect will be to treat the Librarian of Congress as the head of an agency for both pay administration and leave purposes.

BACKGROUND

A decision of the Comptroller General, issued at the request of the Assistant Librarian of Congress, involving a related personnel matter, held that the Librarian of Congress is the head of an agency for purposes of pay administration. (B–120604, Aug. 30, 1976).

Under existing law, heads of agencies and departments of the executive branch, and employees of the Congress, are excluded from the provisions of the Leave Act, either by specific statute, or Presidential designation by Executive order. Since the Librarian of Congress is the head of an agency in the legislative branch, and not an employee thereof, the present statutory exclusion does not apply to him, and he is not subject to exclusion by Executive order.

S. 1626 is a technical amendment to existing law which would amend the Leave Act by adding the Librarian of Congress to the list of those positions which are excluded from the provisions of the act. The Library of Congress has requested enactment in order to clarify the position of the Librarian of Congress to conform to the decision of the Comptroller General.

COST ESTIMATE

Enactment of this legislation will not involve additional expenditures.

NEIGHBORHOOD REINVESTMENT CORPORATION ACT

The Senate proceeded to consider the bill (S. 1724) to establish a Neighborhood Reinvestment Corporation, which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment to strike all after the enacting clause and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Neighborhood Reinvestment Corporation Act".

FINDINGS AND PURPOSE

SEC. 2. (a) Congress finds and declares that—

(1) the neighborhood housing services demonstration of the urban reinvestment task force has proven its worth as a successful program to revitalize older urban neighborhoods by mobilizing public, private, and community resources at the neighborhood level; and

(2) the demand for neighborhood housing services programs in cities throughout the United States warrants the creation of a public corporation to institutionalize and expand the neighborhood housing services program and other programs of the present urban reinvestment task force.

(b) The purpose of this Act is to establish a public corporation which will continue the joint efforts of the Federal financial supervisory agencies and the Department of Housing and Urban Development to promote reinvestment in older neighborhoods by local financial institutions working cooperatively with community people and local government, and which will continue the nonbureaucratic approach of the Urban Reinvestment Task Force, relying largely on local initiative for the specific design of local programs.

ESTABLISHMENT OF A CORPORATION

SEC. 3. (a) There is established a National Neighborhood Reinvestment Corporation (hereinafter referred to as the "corporation") which shall be a body corporate and shall possess the powers, and shall be subject to the direction and limitations specified herein.

(b) The corporation shall implement and expand the demonstration activities carried out by the urban reinvestment task force.

(c) The corporation shall maintain its principal office in the District of Columbia or at such other place the corporation may from time to time prescribe.

(d) The corporation, including its franchise, activities, assets, and income, shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property of the corporation shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

BOARD OF DIRECTORS; ESTABLISHMENT

SEC. 4. (a) The corporation shall be under the direction of a board of directors made up of the following members:

(1) the Chairman of the Federal Home Loan Bank Board who shall be the chairman of the board of directors;

(2) the Secretary of Housing and Urban Development;

(3) a member of the Board of Governors of the Federal Reserve System, to be designated by the Chairman of the Board of Governors of the Federal Reserve System;

(4) the Chairman of the Federal Deposit Insurance Corporation;

(5) the Comptroller of the Currency; and

(6) the Administrator of the National Credit Union Administration.

(b) Each director of the corporation shall serve ex officio during the period he holds the office to which he is appointed by the President.

(c) The directors of the corporation, as full-time officers of the United States, shall serve without additional compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as directors of the corporation.

(d) The directors of the corporation shall adopt such bylaws, policies, and administrative provisions as are necessary to the functioning of the corporation.

(e) The presence of a majority of the board members shall constitute a quorum.

(f) The corporation shall be subject to the provisions of section 552 of title 5, United States Code.

(g) All meetings of the board of directors will be open to public observation unless a majority of the board of directors votes to close a specific meeting.

OFFICERS AND EMPLOYEES

SEC. 5. (a) The board shall have power to select, employ, and fix the compensation and benefits of such officers, employees, attorneys, and agents as shall be necessary for the performance of its duties under this Act, without regard to the provisions of title 5, United States Code, governing appoint-

ments in the competitive service, classification, and General Schedule pay rates, except that no officer, employee, attorney, or agent of the corporation may be paid compensation at a rate in excess of the highest rate provided for GS–18 of the General Schedule under section 5332 of title 5, United States Code.

(b) The directors of the corporation shall appoint an executive director, who shall serve as chief executive officer of the corporation.

(c) The executive director of the corporation, subject to general policies established by the board, may appoint and remove such employees of the corporation as he determines necessary to carry out the purposes of the corporation.

(d) No political test or political qualification shall be used in selecting, appointing, promoting, or taking any other personnel action with respect to any officer, agent, or employee of the corporation or of any recipient, or in selecting or monitoring any grantee, contractor, or person or entity receiving financial assistance under this Act.

(e) Officers and employees of the corporation shall not be considered officers or employees of the United States, and the corporation shall not be considered a department, agency, or instrumentality of the Federal Government.

POWERS AND DUTIES

SEC. 6. (a)(1) The corporation shall continue the work of the urban reinvestment task force in establishing neighborhood housing services programs in neighborhoods throughout the United States, supervising their progress, and providing them with grants and technical assistance. For the purpose of this paragraph, a neighborhood housing services program may involve a partnership of neighborhood residents and representatives of local governmental and financial institutions, organized as a State-chartered nonprofit corporation, working to bring about reinvestment in one or more neighborhoods through a program of systematic housing inspections, increased public investment, increased private lending, increased resident investment, and a revolving loan fund to make loans available at flexible rates and terms to homeowners not meeting private lending criteria.

(2) The corporation shall continue the work of the urban reinvestment task force in identifying, monitoring, evaluating, and providing grants and technical assistance to selected neighborhood preservation projects which show promise as mechanisms for reversing neighborhood decline and improving the quality of neighborhood life.

(3) The corporation shall experimentally replicate neighborhood preservation projects which have demonstrated success, and after creating reliable development processes, bring the new programs to neighborhoods throughout the United States which in the judgment of the corporation can benefit therefrom, by providing assistance in organizing programs, providing grants in partial support of program costs, and providing technical assistance to ongoing programs.

(4) The corporation shall continue the work of the urban reinvestment task force in supporting Neighborhood Housing Services of America, a nonprofit corporation established to provide service to local neighborhood housing services programs, with grants to expand its national loan purchase pool and may contract with it for services which it can perform more efficiently or effectively than the corporation.

(5) Notwithstanding any other provision of law, the corporation shall, in making and providing the foregoing grants and technical and other assistance, determine the reporting and management restrictions or requirements with which the recipients of such grants or other assistance must comply. In making such determinations, the corporation shall assure that recipients of grants and other assistance make available to the corporation such information as may be necessary to determine compliance with applicable Federal laws. Nothing in this subsection exempts the corporation from compliance with applicable Federal laws.

(b) To carry out the foregoing purposes and engage in the foregoing activities, the corporation shall have the following powers:

(1) to adopt, alter, and use a corporate seal;

(2) to have succession until dissolved by Act of Congress;

(3) to make and perform contracts, agreements, and commitments;

(4) to sue and be sued, complain and defend, in any State, Federal, or other court;

(5) to determine its necessary expenditures and the manner in which the same shall be incurred, allowed, and paid, and appoint, employ, and fix and provide for the compensation of consultants, without regard to any other law, except as provided in section 8(d);

(6) to settle, adjust, and compromise, and with or without compensation or benefit to the corporation to release or waive in whole or in part, in advance or otherwise, any claim, demand, or right of, by, or against the corporation;

(7) to invest such funds of the corporation in such investments as the board of directors may prescribe;

(8) to acquire, take, hold, and own, and to deal with and dispose of any property; and

(9) to exercise all other powers that are necessary and proper to carry out the purposes of this Act.

(c)(1) The corporation may contract with the Office of Neighborhood Reinvestment of the Federal home loan banks for all staff, services, facilities, and equipment now or in the future furnished by the Office of Neighborhood Reinvestment to the urban reinvestment task force, including receiving the services of the Director of the Office of Neighborhood Reinvestment as the corporation's executive director.

(2) The corporation shall have the power to award contracts and grants to—

(A) neighborhood housing services corporations and other nonprofit corporations engaged in neighborhood preservation activities; and

(B) local governmental bodies.

(3) The Secretary of Housing and Urban Development, the Federal Home Loan Bank Board and the Federal home loan banks, the Board of Governors of the Federal Reserve System and the Federal Reserve banks, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency, the National Credit Union Administration or any other department, agency, or other instrumentality of the Federal Government are authorized to provide services and facilities, with or without reimbursement, necessary to achieve the objectives and to carry out the purposes of this Act.

(d)(1) The corporation shall have no power to issue any shares of stocks, or to declare or pay any dividends.

(2) No part of the income or assets of the corporation shall inure to the benefit of any director, officer, or employee, except as reasonable compensation for services or reimbursement for expenses.

(3) The corporation may not contribute to or otherwise support any political party or candidate for elective public office.

REPORTS AND AUDITS

SEC. 7. (a) The corporation shall publish an annual report which shall be transmitted by the corporation to the President and the Congress.

(b) The accounts of the corporation shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants who are certified by a regulatory authority of the jurisdiction in which the audit is undertaken.

(c) In addition to the annual audit, the financial transactions of the corporation for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the General Accounting Office in accordance with such rules and regulations as may be prescribed by the Comptroller General of the United States.

(d) For any fiscal year during which Federal funds are available to finance any portion of the corporation's grants or contracts, the General Accounting Office, in accordance with such rules and regulations as may be prescribed by the Comptroller General of the United States, may audit the grantees or contractors of the corporation.

(e) The corporation shall conduct or require each grantee or contractor to provide for an annual financial audit. The report of each such audit shall be maintained for a period of at least five years at the principal office of the corporation.

AUTHORIZATION

SEC. 8. (a) There are authorized to be appropriated to the corporation to carry out this Act not to exceed $15,000,000 for fiscal year 1979, $20,000,000 for fiscal year 1980, and $30,000,000 for fiscal year 1981.

(b) Funds appropriated pursuant to this section shall remain available until expended.

(c) Non-Federal funds received by the corporation, and funds received by any recipient from a source other than the corporation, shall be accounted for and reported as receipts and disbursements separate and distinct from Federal funds.

(d) The corporation shall prepare annually a business-type budget which shall be submitted to the Office of Management and Budget, under such rules and regulations as the President may establish as to the date of submission, the form and content, the classification of data, and the manner in which such budget program shall be prepared and presented. The budget of the corporation as modified, amended, or revised by the President shall be transmitted to the Congress as a part of the annual budget required by the Budget and Accounting Act, 1921. Amendments to the annual budget program may be submitted from time to time.

Mr. PROXMIRE. This bill, which the Senator from Utah and I cosponsored would provide long-term funding and statutory authority for the highly successful neighborhood, housing services program and other innovative neighborhood preservation programs of the urban reinvestment task force.

The present task force is an interagency body made up of the Secretary of HUD, the Chairman of the Federal Home Loan Bank Board, the Chairman of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and a Governor of the Federal Reserve Board. It sponsors neighborhood housing services programs in 33 cities. It operates with some contributions from the participating regulatory services, a small amount of private foundation support, local contributions by participating lenders and municipalities, and a 5-year research and demonstration grant from HUD that is due to phase out beginning in fiscal year 1979.

The legislation would convert the ad hoc task force into a public corporation with direct funding from appropriated moneys. It would assure continuation of the successful neighborhood preserva-

tion programs sponsored to date, and permit gradual expansion into about 500 neighborhoods by 1981.

The bill funds the Corporation at $15 million for fiscal year 1979, $20 million for fiscal year 1980, and $30 million for fiscal year 1981.

The original neighborhood housing services program was devised locally in a "declining" Pittsburgh neighborhood in 1968. The goal was to reverse neighborhood decline, restore neighborhood self-confidence, and promote reinvestment by local lending institutions and local residents, with the cooperation of the city. To this end, neighborhood residents, city officials, and cooperating lending institutions obtained foundation grants to capitalize a high risk revolving loan fund, and established a small neighborhood-based nonprofit organization to provide counseling and technical assistance. Lenders agreed to promote conventional loans in the area where bankable. The city agreed to begin a concentrated code enforcement program.

By 1974, more than 300 households in the target area had received home improvement loans. The percentage of home purchases in the area financed by lending institutions rose from 39 percent to 63 percent. The number of owner occuplied homes in the area increased significantly. More than a million dollars has been lent to date from the high risk revolving loan fund, and a much higher dollar amount of conventional loans have been made by participating lenders, in large part because of their cooperation with the NHS program and their renewed confidence in the community. As a result of the concentrated code enforcement program undertaken by the city in cooperation with the city, 1,261 separate violations were abated by the end of 1974, and the quality of housing stock in the area improved dramatically.

The Pittsburgh NHS became the model for NHS projects in 33 cities. As of July 1977, according to testimony received by the Banking Committee, 35 neighborhood housing services programs are currently in operation, and 18 others are in development. According to the executive director of the task force, each NHS has the following common elements: First a group of residents who want to preserve their neighborhood, improve their homes, and who are willing to put in the necessary effort to establish and operate a NHS program. Second, local government which is willing to improve the neighborhood by making the necessary improvements in public amenities and public services and by conducting a sensitive housing inspection program coordinated with NHS activities. Third, a group of financial institutions which agree to reinvest in the neighborhood by making normal market rate loans to homeowners meeting their credit standards which will make tax deductible contributions to the NHS to support its operating cost. Fourth, a high risk revolving loan fund to make loans at flexible rates and terms to residents not meeting commercial credit standards. And fifth, a NHS organization, which is a private, nonprofit corporation having a board of directors of which a majority are community residents, along with significant representation from financial institutions, and normally a three-member staff.

This structure, with its reliance on local initiative and minimal public funding, has been the key to the program's success. After 9 years of experience with local NHS programs, it is time to move beyond the demonstration phase and make the NHS model available to other communities that can benefit. In doing so, however, this innovative, flexible program should not be encumbered with redtape. If this effort is ever seen as just another Federal program, it will lose its unique qualities of local voluntary self-help, which have been basic to its success. In the past, the main contributions of the task force have been to help identify neighborhoods that can benefit from the NHS approach, and to bring together local residents, lenders, and local government. The main financial contribution of the task force has been the initial capitalization of the high risk revolving fund. But typically, operating funds are raised locally and most loans are made as conventional financing by participating lenders. The Federal funding is only the catalyst. The new Corporation will continue to require its local grantees to leverage the Corporation's contribution with support from local lenders and local government. The corporation's own staff will be expanded only to the degree necessary to supervise and provide technical assistance for the expanded number of local programs.

There is no doubt that the NHS program has been a remarkable success. Far beyond the number of loans that have been provided by each high-risk, revolving loan fund, each local NHS seems to engender confidence that declining neighborhoods can be turned around. We have had testimony from lenders on how the NHS experience brought them into closer contact with their local communities and changed their lending attitudes. Since private lenders are the key to urban reinvestment, these changes alone are probably worth the approximately $10 million in Federal funds expended to date.

Further, the NHS approach has been able to bring together lenders and community activists hereto noted mostly for their mutual suspicion. Gale Cincotta, a well-known Chicago become the board chairman of the Chicago NHS, working closely with prominent lenders on a neighborhood based program to reclaim and restore HUD-abandoned properties.

The NHS approach makes it possible for community groups and lending institutions to work cooperatively. Instead of wasting precious energy debating the definition and the extent of redlining, it provides a vehicle to work together to promote reinvestment and neighborhood improvement.

Mr. President, this bill has the support of a wide range of groups including the major financial industry trade associations, as well as the major neighborhood and urban organizations. It is supported strongly by the Federal Home Loan Bank Board, which has provided the administrative and staff support of the present ad hoc task force. It was unanimously reported by the Senate Banking Committee. The only reservations were expressed by the Department of Housing and Urban Development which has recently begun a formal evaluation of the NHS approach. HUD recommended that we delay a year.

However, in view of the widespread acclaim for NHS and its generally acknowledged success in transforming declining neighborhoods, the committee unanimously recommended their neighborhood housing services and other programs of the task force be assured long term funding without further delay. That is what S. 1724 would do.

I urge its speedy enactment.

Mr. GARN. Mr. President, I am very pleased with the strong support expressed for the Neighborhood Reinvestment Corporation Act. The Banking, Housing, and Urban Affairs Committee hearing on this legislation demonstrated the fundamental reasons for the broad success and popularity of the neighborhood housing services, NHS, concept, which functions under the Urban Reinvestment Task Force. The committee found that NHS programs receive strong support from local financial institutions because they are brought into the program by the roles their respective regulatory agencies play as members of the Reinvestment Task Force.

As you know, Mr. President, the NHS program attributes its success and popularity to the unique relationship it spawns between local financial institutions, local government, and the affected residents. It is a local program which functions cooperatively with the three groups establishing and implementing their own local priorities and programs. This delicate structure is very carefully developed and maintained for each NHS locality.

Unlike most Federal assistance programs, NHS is not a federally stigmatized, Washington-patterned program. In order to achieve a successful NHS program, great skill and patience are required to implement it in a neighborhood. It takes time. No two programs are alike for they are all adapted to the specific and peculiar needs of each neighborhood. For this reason, NHS activity must not be expanded too quickly. The funding levels authorized in the committee report were carefully calibrated to optimize NHS expansion across the country. While expansion more rapid than those levels would be harmful to NHS, something below them would likewise be less than optimal.

Mr. President, I strongly urge that the Neighborhood Reinvestment Corporation Act be given full support and approval.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–410), explaining the purposes of the measure.

There being no objection, the excerpt

was ordered to be printed in the RECORD, as follows:

HISTORY OF THE LEGISLATION

S. 1724 was introduced June 21, 1977 by Senator Proxmire and Senator Garn. Senators Brooke, Morgan, Williams and Lugar joined as co-sponsors. A hearing was held July 15 to receive testimony from the Honorable Garth Marston, Chairman of the Federal Home Loan Bank Board; William Whiteside, Director of the Urban Reinvestment Task Force, the Honorable Donna Shalala, Assistant Secretary of Housing and Urban Development, and several public witnesses familiar with the Neighborhood Housing Services program and other neighborhood preservation programs sponsored by the task force.

The committee met in open markup session August 4, 1977, and unanimously approved S. 1724 with amendments, which is herewith reported.

NATURE AND PURPOSE OF THE BILL

S. 1724 would institutionalize the present neighborhood preservation programs sponsored by the ad hoc Urban Reinvestment Task Force. The task force, which is an interagency body made up of the Secretary of HUD, the Chairman of the Federal Home Loan Bank Board, the Chairman of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and a Governor of the Federal Reserve Board, now sponsors Neighborhood Housing Service programs in 33 cities. It operates with some contributions from the participating regulatory agencies, a small amount of private foundation support, local contributions by participating lenders and municipalities, and a 5-year research and demonstration grant from HUD that is due to phase out beginning in fiscal year 1979.

The legislation would convert the ad hoc task force into a public corporation with direct funding from appropriated moneys. It would assure continuation of the successful neighborhood preservation programs sponsored to date, and permit gradual expansion of Neighborhood Housing Services programs into about 500 neighborhoods by 1981.

HISTORY OF THE PROGRAM

The original Neighborhood Housing Service program was devised locally in a "declining" Pittsburgh neighborhood in 1968 on the city's Central North Side. The goal was to reverse neighborhood decline, restore neighborhood self-confidence and promote reinvestment by local lending institutions and local residents, with the cooperation of the city. To this end, neighborhood residents, city officials and cooperating lending institutions obtained foundation grants to capitalize a high risk revolving loan fund, and established a small neighborhood-based nonprofit organization to provide counseling and technical assistance. Lenders agreed to promote conventional loans in the area where bankable. The city agreed to begin a concentrated code enforcement program.

By 1974, more than 300 households in the target area had received home improvement loans. The percentage of home purchases in the area financed by lending institutions rose from 39 percent to 63 percent. The number of owner occupied homes in the area increased significantly. More than a million dollars has been lent to date from the high risk revolving loan fund, and a much higher dollar amount of conventional loans have been made by participating lenders, in large part because of their cooperation with the NHS program and their renewed confidence in the community. As a result of the concentrated code enforcement program undertaken by the city in cooperation with the city, 1,261 separate violations were abated by the end of 1974, and the quality of housing stock in the area improved dramatically.

The Federal Home Loan Bank Board, through its Center for Executive Development became aware of the Pittsburgh NHS program in 1971. The Director of that Office, Mr. William Whiteside, arranged for foundation funding to establish similar programs in five other cities. Subsequently, the Home Loan Bank Board commenced negotiations with HUD for a 5-year $12 million demonstration grant to expand the NHS model and experiment with other approaches to neighborhood preservation working cooperatively with local lending institutions.

In 1974, the bank board invited the other Federal financial supervisory agencies to join in an ad hoc task force as a means of encouraging commercial banks and mutual savings banks, as well as savings and loan associations, to participate in the task force's local neighborhood reinvestment programs. In November 1974, this interagency agreement was formalized as the Urban Reinvestment Task Force, composed of HUD, the Bank Board, the Federal Reserve Board, the FDIC, and the Comptroller of the Currency. This body currently administers the HUD demonstration grant, which provides most of the funds for the program. The staff for the task force's national office is provided by the Federal Home Loan Bank System's office of Neighborhood Reinvestment.

As of July 1977, according to testimony received by the committee, 35 Neighborhood Housing Services programs are currently in operation, and 18 others are in development. According to the executive director of the task force, each NHS has the following common elements: First a group of residents who want to preserve their neighborhood, improve their homes, and who are willing to put in the necessary effort to establish and operate a NHS program. Second, local government which is willing to improve the neighborhood by making the necessary improvements in public amenities and public services and by conducting a sensitive housing inspection program coordinated with NHS activities. Third, a group of financial institutions which agree to reinvest in the neighborhood by making normal market rate loans to homeowners meeting their credit standards which will make tax deductible contributions to the NHS to support its operating cost. Fourth, a high risk revolving loan fund to make loans at flexible rates and terms to residents not meeting commercial credit standards. And fifth, a NHS organization, which is a private, nonprofit corporation having a board of directors of which a majority are community residents, along with significant representation from financial institutions, and normally a three-member staff.

Neighborhood Housing Services programs represent a working partnership of community residents, lenders and local government with each group strongly represented and respectful of the other's position. This partnership must be constructed with the greatest care.

Key features of the NHS model are: Neighborhood Housing Services is a local program. The program is nongovernmental. The program is nonbureaucratic. The program is a self-help effort. The program is not a giveaway and the program is concentrated in specific neighborhoods.

Anita Miller of the Ford Foundation, which has given the task force approximately $1 million in grants, described NHS as an entity that "relates well to government but is able to operate just outside of it."

The committee believes that this structure, with its reliance on local initiative and minimal public funding, has been the key to the program's success. The committee believes that after 9 years of experience with local NHS programs, it is time to move beyond the demonstration phase and make the NHS model available to other communities that can benefit. In doing so, however, it is not our intent to see this innovative, flexible program encumbered with redtape. We are convinced that if this effort is ever seen as just another Federal program, it will lose its unique qualities of local voluntary self help, which have been basic to its success. In the past, the main contributions of the task force have been to help identify neighborhoods that can benefit from the NHS approach, and to bring together local residents, lenders, and local government. The main financial contribution of the task force has been the initial capitalization of the high risk revolving fund. But typically, operating funds are raised locally and most loans are made as conventional financing by participating lenders. The Federal funding is only the catalyst. The committee expects that this approach will continue. We expect the new corporation to continue to require its local grantees to leverage the corporation's contribution with support from local lenders and local government. We anticipate that the corporation's own staff will be expanded only to the degree necessary to supervise and provide technical assistance for the expanded number of local NHS and NPP programs.

NEED FOR THE LEGISLATION

There is no doubt that the NHS program has been a remarkable success. Far beyond the number of loans that have been provided by each high risk revolving loan fund, each local NHS seems to engender confidence that declining neighborhoods can be turned around. We have had testimony from lenders on how the NHS experience brought them into closer contact with their local communities and changed their lending attitudes. Since private lenders are the key to urban reinvestment, these changes alone are probably worth the approximately $10 million in Federal funds expended to date.

Further, the NHS approach has been able to bring together lenders and community activists hereto noted mostly for their mutual suspicion. Gale Cincotta, a well-known Chicago community leader and antiredlining crusader has recently become the board chairman of the Chicago NHS, working closely with prominent lenders on a neighborhood based program to reclaim and restore HUD-abandoned properties. Seated between two savings and loan trade association representatives, Ms. Cincotta told the committee:

"Throughout the many local and national battles on the issues of redlining and reinvestment, one bright spot in an otherwise dim picture has been the reinvestment successes of the Neighborhood Housing Services. As far as we know, it is the one program that is working. A fundamental part of the NHS design embodies a concept that neighborhood people should be in control of their community's destiny, and, further, if given a chance to work together in a partnership with (lending) institutions and city officials, not only give creative direction to community programs, but are essential to their success."

There followed this colloquy:

The CHAIRMAN. Gale, how does it feel to be on the same side as the American Bankers Association?

Ms. CINCOTTA. I think that is the way they should always be, on our side.

The committee observes that the NHS approach makes it possible for community groups and lending institutions to work cooperatively "on the same side". Instead of wasting precious energy debating the definition and the extent of redlining, it provides a vehicle to work together to promote reinvestment and neighborhood improvement.

The breadth of support for S. 1724 ranges from the major financial trade associations to the U.S. Conference of Mayors to militant community groups such as Ms. Cincotta's National Peoples Action.

The main dissenter is the U.S. Department of Housing and Urban Development.

HUD COMMENTS

Assistant Secretary Shalala, while expressing enthusiasm for the success of task force programs, recommended that the committee delay action for 1 year, to permit greater evaluation of the NHS experiment. Ms. Shalala also indicated that the new administration is still in the process of developing an urban neighborhood policy, and that HUD would be better able to comment on the proposed legislation once the directions of the new policy are clear. Although she testified that HUD would be unlikely to want to have the task force's programs subsumed within HUD, she indicated that this was one possible option. She also suggested that if the committee's intent was to increase the scope of task force programs, this could be done within the framework of the present task force.

The committee, while sympathetic to HUD's desire to assure that all programs involving neighborhood revitalization are compatible with HUD's own efforts, rejects HUD's position.

First, HUD will of course continue to be represented on the Board of the new corporation. Second, HUD will continue to work closely with NHS and other programs of the corporation since these typically depend heavily on community development block grant moneys to leverage their funds. Finally, without intending to disparage HUD, we would observe that the great strength of NHS and other initiatives of the task force have been their flexibility and their independence from any Federal agency. They have been able to draw upon their ties with the Federal financial supervisory agencies and with HUD without being encumbered or bureaucratized. The committee believes that the success of the NHS experiment is apparent, and that long term funding should be assured. It is no longer practical to continue funding NHS as a HUD assisted demonstration, since it has passed the demonstration stage. As the scale of NHS and NPP programs expands, it will not be practical to administer them through an ad hoc task force. Given these needs, the committee believes that the public corporation is the best available form of organization to continue and expand NHS and NPP programs. We intend that under this form of organization, this will continue to be a flexible, innovative program, locally, designed and controlled, and unencumbered with redtape.

EXPLANATION OF THE LEGISLATION

The bill establishes a National Neighborhood Reinvestment Corporation to carry on the work of the Urban Reinvestment Task Force. The Corporation is to be a nonprofit, tax exempt body, with its principal office in the District of Columbia. Its Board of Directors, as noted, shall be the members of the present Urban Reinvestment Task Force, with the addition of the National Credit Union Administrator, whom the committee added at the suggestion of the Federal Home Loan Bank Board.

The corporation is not to be a Federal instrumentality, and its employees shall not be civil servants, however their pay is limited to the maximum permitted for Federal employees under civil service, and the corporation is subjected to the Freedom of Information Act, to a 'sunshine' provision, and to review by the Office of Management and Budget as well as an audit by the General Accounting Office.

The committee also included an amendment (Sec. 6(a)5) to shield grantees from excessive reporting requirements by other Federal agencies. The amendment makes the corporation primarily responsible for satisfying itself that its grantees are in compliance with applicable provisions of substantive law and places reporting burdens on the corporation itself rather than its grantees, many of which are two or three person store front offices, which simply do not have the capacity to designate compliance officers. It is anticipated that the corporation will devise its own reporting system, with a minimum of paperwork.

In addition to several technical amendments requested by the Bank Board, the committee accepted an amendment by Senator Garn designating the Chairman of the Federal Home Loan Bank Board as Chairman of the Board of the Corporation. The committee felt that S. 1724 as introduced was deficient because it did not indicate whether the Board would have a Chairman. We believe that the Chairman of the Bank Board is the logical Chairman for the Corporation, since this program was largely devised by the Bank Board, and the Home Loan Bank System will continue to provide staff support to the Corporation. We do believe, however, that participation in local neighborhood reinvestment programs by commercial and mutual savings banks is essential and this amendment is in no way intended to minimize the participation by Board members representing other agencies. The committee also accepted Senator Garn's amendment advancing the funding by 1 fiscal year, so that the Corporation can be at the $15 million level in fiscal year 1979, and $20 in fiscal year 1980. The amendment provides for an authorization of $30 million in fiscal year 1981. These were the levels recommended by the Bank Board as necessary to bring the program to the target level of serving 500 neighborhoods by 1981.

These funding levels are optimal and reflect the maximum rate of expansion desirable for the Corporation. Funding at a lesser rate on the other hand would thwart the carefully calibrated projections for NHS program expansion and would cause the Corporation to fall short of the express desire of the committee to implement 500 NHS programs by 1981.

COST OF THE LEGISLATION

Pursuant to section 252(a) of the Legislative Reorganization Act of 1970, as amended, the committee accepts as its own estimate of the cost of carrying out the legislation the following cost estimates as prepared by the Congressional Budget Office.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., August 16, 1977.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 1724, the Neighborhood Reinvestment Corporation Act.

Should the committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

CONGRESSIONAL BUDGET OFFICE

Cost estimate

August 16, 1977.

1. Bill No. S. 1724.

2. Bill title: Neighborhood Reinvestment Corporation Act.

3. Bill status: As ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs, August 4, 1977.

4. Bill purpose: The purpose of this bill is to establish a public corporation to continue the joint efforts of the Federal financial supervisory agencies and HUD in promoting reinvestment in older neighborhoods by local financial institutions and local government. The corporation will continue the work of the urban reinvestment task force in establishing neighborhood housing service programs. This is authorizing legislation which requires subsequent appropriation legislation.

5. Cost estimate:

	Millions
Authorization level:	
Fiscal year:	
1979	$15
1980	20
1981	30
1982	---
1983	---
Estimated cost:	
Fiscal year:	
1979	13
1980	17
1981	28
1982	7
1983	---

These costs would fall in budget function 450.

6. Basis for Estimate: The authorization levels are those stated in the bill. For the purpose of this estimate, it is assumed that this legislation and the equivalent appropriation action be enacted prior to fiscal year 1979.

The legislation leaves the distribution of funds authorized to the discretion of the corporation, but does direct that the activities of the urban reinvestment task force be continued. Therefore, after informal discussion with staff of the task force, a likely budget for the new corporation was estimated based on the present activities of the task force. The funds are estimated to be 44 percent for corporation operating activities and 56 percent for grants. Technical assistance and Neighborhood Housing Service Development activities are estimated to require 87 percent of the operating budget while 66 percent of grants are estimated to be for neighborhood housing services (both new programs and additions to existing programs). Funds for operations are primarily for salaries and would spendout almost entirely in the year for which they were appropriated. Funds for grants would likely be committed in the year for which they were appropriated, but are estimated to require 2 years for disbursement. The spendout rates used in this estimate are as follows: fiscal year 1979—87 percent and 13 percent in years 1 and 2 respectively; fiscal year 1980—75 percent and 25 percent in year 1 and year 2 respectively; fiscal year 1981—77 percent and 23 percent in years 1 and 2 respectively.

7. Estimate comparison: none.

8. Previous CBO estimate: none.

9. Estimate prepared by: Terry Nelson.

10. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Aanalysis.

VETERANS DISABILITY COMPENSATION AND SURVIVOR BENEFITS ACT OF 1977

The Senate proceeded to consider the bill (H.R. 1862) to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes, which had been reported from the Committee on Veterans' Affairs with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1977".

TITLE I—VETERANS DISABILITY COMPENSATION

SEC. 101. (a) Section 314 of title 38, United States Code, is amended by—

(1) striking out subsection (a) "$38" and inserting in lieu thereof "$41";

(2) striking out in subsection (b) "$70" and inserting in lieu thereof "$75";

(3) striking out in subsection (c) "$106" and inserting in lieu thereof "$113";

(4) striking out in subsection (d) "$145" and inserting in lieu thereof "$155";

(5) striking out in subsection (e) "$203" and inserting in lieu thereof "$216";

(6) striking out in subsection (f) "$255" and inserting in lieu thereof "$272";

(7) striking out in subsection (g) "$302" and inserting in lieu thereof "$322";

(8) striking out in subsection (h) "350" and inserting in lieu thereof "$373";

(9) striking out in subsection (i) "$393" and inserting in lieu thereof "$419";

(10) striking out in subsection (j) "$707" and inserting in lieu thereof "$754";

(11) striking out in subsection (k) "$879" and "$1,231" and inserting in lieu thereof "$937" and "$1,312", respectively;

(12) striking out in subsection (l) "$879" and inserting in lieu thereof "$937";

(13) striking out in subsection (m) "$968" and inserting in lieu thereof "$1,032";

(14) striking out in subsection (n) "$1,099" and inserting in lieu thereof "$1,172";

(15) striking out in subsections (o) and (p) "$1,231" each time it appears and inserting in lieu thereof "$1,312";

(16) striking out in subsection (r) "$528" and inserting in lieu thereof "$563"; and

(17) striking out in subsection (s) "$791" and inserting in lieu thereof "$843".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 102. Section 315(1) of title 38, United States Code, is amended by—

(1) striking out in subparagraph (A) "$43" and inserting in lieu thereof "$46";

(2) striking out in subparagraph (B) "$72" and inserting in lieu thereof "$77";

(3) striking out in subparagraph (C) "$92" and inserting in lieu thereof "$98";

(4) striking out in subparagraph (D) "$113" and "$21" and inserting in lieu thereof "$120" and "$22", respectively;

(5) striking out in subparagraph (E) "$28" and inserting in lieu thereof "30";

(6) striking out in subparagraph (F) "$49" and inserting in lieu thereof "$52";

(7) striking out in subparagraph (G) "$72" and "$21" and inserting in lieu thereof "$77" and "$22", respectively;

(8) striking out in subparagraph (H) "$35" and inserting in lieu thereof "$37";

(9) striking out in subparagraph (I) "$78" and inserting in lieu thereof "$83"; and

(10) striking out in subparagraph (J) "$66" and inserting in lieu thereof "$70".

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 201. Section 411 of title 38, United States Code, is amended to read as follows:

"§ 411. Dependency and indemnity compensation to a surviving spouse

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade	Monthly rate
E-1	$277
E-2	286
E-3	293
E-4	311
E-5	320
E-6	327
E-7	343
E-8	362
E-9	[1] 378
W-1	350
W-2	364
W-3	375
W-4	397
O-1	350
O-2	362
O-3	388
O-4	409
O-5	451
O-6	507
O-7	550
O-8	602
O-9	647
O-10	[2] 708

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by Sec. 402 of this title, the surviving spouse's rate shall be $407.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by Sec. 402 of this title, the surviving spouse's rate shall be $759.

"(b) If there is a surviving spouse with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the surviving spouse shall be increasd by $33 for each such child.

"(c) The monthly rate of dependency and indemnity compensation payable to a surviving spouse shall be increased by $83 if the spouse is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.".

Sec. 202. Section 413 of title 38, United States Code, is amended to read as follows:

"Whenever there is no surviving spouse of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

"(1) one child, $140;

"(2) two children, $201;

"(3) three children, $259; and

"(4) more than three children, $259, plus $52 for each child in excess of three.".

Sec. 203. Section 414 of title 38, United States Code, is amended by—

(1) striking out in subsection (a) "$78" and inserting in lieu thereof "$83";

(2) striking out in subsection (b) "$131" and inserting in lieu thereof "$140"; and

(3) striking out in subsection (c) "$67" and inserting in lieu thereof "$71".

TITLE III—CLOTHING ALLOWANCE

SEC. 301. Section 362 of title 38, United States Code, is amended by striking out "$190" and inserting in lieu thereof "$203".

TITLE IV—MISCELLANEOUS PROVISIONS

SEC 401. Section 403 of Public Law 94-433 is amended by—

(1) striking out "nonamputee veterans," in clause (2) of subsection (b) and inserting in lieu thereof "such claims of veterans having nonamputation service-connected disabilities."; and

(2)(A) inserting "(1)" immediately after "(c)", and striking out in subsection (c)(1) (as so redesignated) "June 30, 1977." and inserting in lieu thereof "February 28, 1979."; and

(B) inserting immediately below subsection (c)(1) (as redesignated by subclause (A) of this clause) the following new paragraph:

"(2) If the Administrator enters into a contract for the conduct of the statistical analysis required by subsection (b)(2) of this section, (A) such contract shall specify that (i) the results of such analysis shall be submitted to the Administrator not later than December 31, 1978, and (ii) the statistical analysis and the contractor's findings and conclusions arising therefrom shall remain the exclusive property of the Administrator and may not be disclosed by the contractor until after the submission of the report required by paragraph (1) of this subsection to the Speaker of the House and the President of the Senate, and (B) the Administrator shall facilitate, to the maximum extent feasible, the conduct of such statistical analysis by the contractor.".

SEC. 402. Clause (3) of section 801 of title 38, United States Code, is amended to read as follows:

"(3) due to the loss or loss of use of one lower extremity together with (A) residuals of organic disease or injury, or (B) the loss or loss of use of one upper extremity, which so affect the functions of balance or propulsion as to preclude, or render medically inadvisable, locomotion without resort to crutches or a wheelchair,".

SEC. 403. (a) Section 3020 of title 38, United States Code, is amended by adding at the end thereof the following new subsections:

"(d) Notwithstanding subsection (a) of this section, pursuant to an agreement with the Department of the Treasury under which the Administrator certifies such benefits for payment, monetary benefits under laws administered by the Veterans' Administration may be paid other than by check upon the written request of the person to whom such benefits are to be paid, if such noncheck payment is determined by the Administrator to be in the best interest of such payees and the management of monetary benefits programs by the Veterans' Administration.

"(e) Whenever the first day of any calendar month falls on a Saturday, Sunday, or legal public holiday (as defined in section 6103 of title 5), the Administrator shall, to the maximum extent practicable, certify benefit payments for such month in such a way that such payments will be delivered by mail, or transmitted for credit to the payee's account pursuant to subsection (d) of this section, on the Friday immediately preceding such Saturday or Sunday, or in the case of a legal holiday, the weekday (other than Saturday) immediately preceding such legal public holiday, notwithstanding that such delivery or transmission of such payments is made in the same calendar month for which such payments are issued.".

(b) Not later than sixty days after the effective date of this section, the Administrator of Veterans' Affairs shall submit to the appropriate committees of the Congress a report on the actions taken to implement the new subsection (e) added to section 3020 of such title by the amendment made by subsection (a) of this section.

(c)(1) The catchline of section 3020 of such title is amended to read as follows:

"§ 3020. Payment of benefits; delivery".

(2) The table of sections at the beginning of such chapter is amended by striking out

"3020. Payment of benefits by check; delivery."

and inserting in lieu thereof

"3020. Payment of benefits; delivery.".

(d) The amendments made by this action shall be effective on the date of enactment of this Act.

SEC. 404. (a) Section 1820 of title 38, United States Code, is amended by inserting before the semicolon in clause (1) of subsection (a) a comma and "but nothing in this clause shall be construed as authorizing garnishment or attachment against the Administrator, the Veterans' Administration, or any of its employees".

(b) The amendment made by subsection (a) of this section shall be effective on the date of enactment of this Act.

TITLE V—EFFECTIVE DATE PROVISIONS

SEC. 501. Except as otherwise provided in this Act, the amendments made by this Act to title 38, United States Code, shall become effective on October 1, 1977.

Mr. CRANSTON. Mr. President, on June 17, 1977, the Senator from Georgia (Mr. TALMADGE) introduced, on behalf of himself and all other members of the Committee on Veterans' Affairs, which I am privileged to chair, S. 1703, a bill to provide a 6.3 percent cost-of-living increase for the more than 2.2 million veterans receiving disability compensation for service-connected disabilities, and for surviving spouses receiving dependency and indemnity compensation.

The Subcommittee on Compensation and Pension, chaired by the distinguished Senator from Georgia (Mr. TALMADGE), conducted a hearing on June 21, 1977, to review the Veterans' Administration's service-connected disability and dependency and indemnity compensation program and to consider pending legislation, including S. 1703 and H.R. 1862, a measure providing for a 6-percent increase in the disability compensation and dependency and indemnity compensation rates which had passed the House of Representatives on May 23, 1977.

The subcommittee received testimony in person or by submission from representatives of the Veterans' Administration, the American Legion, the Disabled American Veterans, the Veterans of Foreign Wars, AMVETS, the Veterans of World War I, the Paralyzed Veterans of America, the Blinded Veterans Association, the Society of Military Widows, and the Non Commissioned Officers Association.

By agreement of the Subcommittee on Compensation and Pension, H.R. 1862 was sent to the full committee for consideration. The full Committee on Veterans' Affairs met on July 15, 1977, amended, unanimously approved, and ordered favorably reported to the Senate H.R. 1862 with an amendment in the nature of a substitute.

Subsequently, on July 22, 1977, the committee, based on revised Consumer Price Index estimates received in a letter dated July 20, 1977, from the Director of the Congressional Budget Office, revised the rate increase upward from 6.3 percent to 6.6 percent. At that time and subsequently by poll, the committee made further modifications in the text of the bill as ordered to be reported.

The cost-of-living increase provided in this measure will protect the purchasing power of disabled veterans and eligible survivors who have been hit by continuing increases in the cost of living since the time the last such increase became effective, October 1, 1976, under Public Law 94-433.

SUMMARY OF H.R. 1862 AS REPORTED

Mr. President, the basic provisions of H.R. 1862 as reported would:

First, provide a 6.6 percent cost-of-living increase in basic compensation rates and those payable for more serious disabilities in the additional allowances for spouses, children, and dependent parents paid to veterans rated 50-percent disabled or more; in dependency and indemnity compensation benefits payable to surviving spouses of veterans whose deaths were service connected, including the additional allowances payable for dependent children and to those in need of aid and attendance; in benefits payable to the children of veterans whose deaths were service connected, when there is no surviving spouse; in benefits payable to surviving children who have become permanently incapable of self-support prior to the age of 18; and in the annual clothing allowance paid to certain seriously disabled veterans whose disability tends to tear or wear out their clothing;

Second, extend to February 28, 1979, the date for submission to Congress of the study mandated by Public Law 94-433 on the relationship between amputation and cardiovascular disorders, and clarify other provisions of the study;

Third, in a provision derived from S. 1141, introduced by the Senator from Florida (Mr. STONE), extend eligibility for specially adapted housing grants to permanently and totally service-connected disabled veterans with certain severe disabilities, including those who have suffered the service-connected loss of one upper and one lower extremity;

Fourth, in response to a request from the Veterans' Administration, authorize the VA to cooperate with the Department of the Treasury's electronic fund transfer system so that benefit payments could be automatically deposited in a recipient's account if the recipient elects payment in this manner;

Fifth, in a provision based on S. 543, cosponsored by the Senator from Rhode Island (Mr. PELL) and the Senator from Maine (Mr. HATHAWAY), require, for any month in which the first of the month falls on a Saturday, Sunday, or legal public holiday, the Veterans' Administration to mail or otherwise transmit benefit payments so that they arrive, to the maximum extent practicable, on the Friday immediately preceding such Saturday or Sunday, or in the case of a legal public holiday, on the weekday—other than Saturday—immediately preceding the holiday; and

Sixth, reaffirm by a clarifying amendment the intent of the Congress not to permit garnishment or attachment of VA employees' salaries except as authorized in section 659 of title 42, United States Code, which permits garnishment for alimony and child support.

Mr. President, the cost-of-living rate increases provided for in this legislation will provide additional compensation benefits estimated at $344.5 million in fiscal year 1978, $15.3 million for specially adapted housing in that year. The total additional expenditures resulting from this bill in fiscal year 1978 are estimated to be $359.2 million.

Mr. President, in order that all Senators and the public may have a full understanding of the various provisions of this measure, I ask unanimous consent that there be printed in the RECORD at this point pertinent excerpts from the committee report (No. 95-412) accompanying this bill.

The PRESIDING OFFICER. Without objection it is so ordered:

BACKGROUND AND DISCUSSION

INCREASES IN DISABILITY COMPENSATION (TITLE I)

Background

The Veterans' Administration disability compensation program provides income for 2,245,116 veterans who have service-connected disabilities. This number is composed of disabled veterans with the following periods of service: 46,200 are disabled World War I veterans; 1,272,200 World War II veterans; 239,500 Korean-conflict veterans; and 488,700 Vietnam-era veterans. Compensation is paid according to the degree of disability. Section 355 of title 38, United States Code, provides that the ratings for disability, which range from 10 to 100 percent, shall be based "as far as practical on the average impairment of earning capacity resulting from such injury for civilian occupation." Other less tangible factors have also been traditionally considered by Congress in establishing compensation rates for those who sustained disabilities in the service of their country.

The following table reveals average costs and caseloads for veterans and survivors:

TABLE 1.—AVERAGE COST AND CASELOAD OF VETERANS DISABILITY AND SURVIVOR COMPENSATION CASES

Total costs	Fiscal year 1976			Fiscal year 1977			Fiscal year 1978		
	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost
Compensation (total)	2,593,508	$2,002	$8,238,831 5,192,555	2,613,015	$2,189	$9,046,803 5,719,228	2,619,238	$2,195	$9,116,801 5,748,519
Veterans (total)	2,225,135	1,904	4,236,598	2,245,116	2,085	4,681,601	2,251,714	2,090	4,706,172
Spanish-American War	8	8,661	69	5	7,000	35	4	7,000	28
Mexican border period	12	8,272	99	11	7,500	82	10	7,500	75
World War I	53,220	2,516	131,374	46,200	2,691	124,311	41,400	2,692	112,265
World War II	1,297,597	1,770	2,296,677	1,272,200	1,907	2,425,862	1,246,600	1,909	2,382,750
Korean conflict	239,839	2,147	514,895	239,500	2,374	568,532	239,300	2,376	568,634
Vietnam era	440,666	2,001	881,685	488,700	2,242	1,095,486	518,700	2,244	1,158,937
Peacetime services	194,793	2,114	411,799	198,500	2,354	467,293	205,700	2,356	483,483
Survivors (total)	368,373	2,595	955,957	367,899	2,820	1,037,627	367,524	2,836	1,042,347

TABLE 1.—AVERAGE COST AND CASELOAD OF VETERANS DISABILITY AND SURVIVOR COMPENSATION CASES

Total costs	Fiscal year 1976			Fiscal year 1977			Fiscal year 1978		
	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost
Indian wars	$1	$2,320	$2	$1	$2,229	$2	$1	$2,229	$2
Civil War	8	2,867	23	6	3,000	18	6	3,200	19
Spanish-American War	238	2,941	700	195	3,277	639	170	3,277	557
Mexican border period	3	4,866	15	2	2,500	5	2	2,500	5
World War I	34,699	3,066	106,371	34,100	3,304	112,660	33,500	3,112	110,942
World War II	190,099	2,212	420,409	187,000	2,394	447,702	184,000	2,401	441,732
Korean conflict	39,360	2,504	98,544	39,400	2,716	107,013	39,500	2,723	107,564
Vietnam era	55,818	3,217	179,556	59,495	3,494	207,873	63,045	3,502	220,790
Peacetime service	48,147	3,122	150,337	47,700	3,390	161,715	47,300	3,398	160,736

The Committee periodically reviews the service-connected disability compensation program to ensure that the benefits authorized provide reasonable and adequate compensation for disabled veterans and survivors.

Traditionally, review by Congress occurred biennially, but continuing inflation has led to review on an annual basis. Rates were adjusted in the 93d Congress (Public Law 93–295), in the first session of the 94th Congress (Public Law 94–71), and in the second session of the 94th Congress with the enactment of the Veterans Disability Compensation and Survivor Benefits Act of 1976 (Public Law 94–433). That Act provided an 8-percent increase in the rates for disability compensation, dependency and indemnity compensation, and the annual clothing allowance. It became effective October 1, 1976.

Increases in Disability Compensation Rates

Based on the change in the Consumer Price Index to date, together with projected increases to October 1, 1977, as estimated by the Congressional Budget Office and the Office of Management and Budget, a 6.6-percent increase in benefits will be required to protect the purchasing power of benefits paid to disabled veterans and their survivors.

Disabled veterans and their survivors during the past year have continued to experience an increase in the cost of living, particularly in the first quarter of 1977. The Veterans' Administration originally proposed an increase of 4.9 percent in the applicable rates, but subsequently advised the Committee that a 6.3-percent increase was warranted. By letter to the Committee dated July 20, 1977, the Director of the Congressional Budget Office advised the Committee that CBO's estimate of the increase in the Consumer Price Index for the period from October 1976, to October 1977, was 6.6 percent. The following table shows changes in the Consumer Price Index from January 1, 1975, to July 1, 1977:

TABLE 2.—U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX

[1967=100]

	1975	1976	1977
January	156.1	166.7	175.3
February	157.2	167.1	177.1
March	157.8	167.5	178.2
April	158.6	168.2	179.6
May	159.3	169.2	180.6
June	160.6	170.1	181.8
July	162.3	171.1	182.6
August	162.8	171.9	
September	163.6	172.6	
October	164.6	173.3	
November	165.6	173.8	
December	166.3	174.3	

The following table shows the current rates for disability compensation and those proposed by H.R. 1862, as reported, together with the number of veterans receiving compensation in each category:

TABLE 3.—COMPARISON OF COMPENSATION RATES UNDER PRESENT LAW AND UNDER H.R. 1862 AS AMENDED

	Increases		Number of veterans
	From—	To—	
Percentage of disability or subsection under which payment is authorized:			
(a) 10 percent	$38	$41	870,404
(b) 20 percent	70	75	346,999
(c) 30 percent	106	113	315,762
(d) 40 percent	145	155	182,190
(e) 50 percent	203	216	112,928
(f) 60 percent	255	272	119,003
(g) 70 percent	302	322	81,196
(h) 80 percent	350	373	39,057
(i) 90 percent	393	419	13,440
(j) 100 percent	707	754	122,751
Higher statutory awards for certain multiple disabilities:			
(k) (1) Additional monthly payment for anatomical loss of use of any of these organs: 1 foot, 1 hand, blindness in 1 eye (having light perception only), 1 or more creative organs, both buttocks, organic aphonia (with constant inability to communicate by speech), deafness of both ears (having absence of air and bone conduction), for each loss	56	56	85,566
(2) Limit for veterans receiving payments under (a) to (j) above	879	937	
(3) Limit for veterans receiving payments under (j) to (n) below	1,231	1,312	
(l) Anatomical loss or loss of use of both hands, both feet, 1 foot and 1 hand, blindness in both eyes (5/200 visual acuity or less), permanently bedridden or so helpless as to require regular aid and attendance	879	937	6,718
(m) Anatomical loss or loss of use of 2 extremities so as to prevent natural elbow or knee action with prosthesis in place, blind in both eyes, either with light perception only or rendering veterans so helpless as to require regular aid and attendance	$968	$1,032	2,932
(n) Anatomical loss of 2 extremities so near shoulder or hip as to prevent use of prosthesis or anatomical loss of both eyes	1,099	1,172	365
(o) Disability under conditions entitling veteran to 2 or more of the rates provided in (l) through (n), no condition being considered twice in the determination, or deafness rated at 60 percent or more (impairment of either or both ears service connected) in combination with total blindness (5/200 visual acuity or less)	1,231	1,312	31
(p) (1) If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate, but in no case may compensation exceed	1,231	1,312	
(2) Blindness in both eyes (with 5/200 visual acuity or less) together with (a) bilateral deafness rates at 40 percent or more disabling (impairment of either or both ears service connected) next higher rate is payable, or (b) service connected total deafness of 1 ear next intermediate rate is payable, but in no event may compensation exceed	1,231	1,312	6,726
(q) [This subsection repealed by Public Law 90–493.			
(r) If veteran entitled to compensation under (o) or to the maximum rate under (p), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to (o) or (p) rate	528	563	8,309
(s) Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound	791	843	6,930

For a broader perspective, the following table shows statutory increases in the compensation program since 1957:

TABLE 4.—HISTORY OF WARTIME SERVICE-CONNECTED COMPENSATION INCREASES—1957 TO PRESENT

Sec. 314, title 38, subpar.—	Public Law 85–168, Oct. 1, 1957	Plus percent increase equals—	Public Law 87–645, Oct. 1, 1962	Plus percent increase equals—	Public Law 89–311, Oct. 31, 1965	Plus percent increase equals—	Public Law 90–493, Jan. 1, 1969	Plus percent increase equals—	Public Law 91–376, July 1, 1970	Plus percent increase equals—	Public Law 92–328, Aug. 1, 1972	Plus percent increase equals—	Public Law 93–295, May 1, 1974	Plus percent increase equals—	Public Law 94–71, Aug. 1, 1975	Plus percent increase equals—	Public Law 94–433, Oct. 1, 1976	Percent increase from Jan. 1, 1969
(a)	$19	5.3	$20	5.0	$21	9.5	$23	8.7	$25	12.0	$28	15	$32	9.4	$35	8.6	$38	65.2
(b)	36	5.6	38	5.3	40	7.5	43	7.0	46	10.8	51	15	59	10.2	65	7.7	70	62.8
(c)	55	5.5	58	3.4	60	8.3	65	7.7	70	10.0	77	15	89	10.1	98	8.2	106	63.1
(d)	73	5.5	77	6.6	82	8.5	89	7.9	96	10.4	106	15	122	9.8	134	8.2	145	62.9
(e)	100	7.0	107	5.6	113	8.0	122	10.7	135	10.3	149	15	171	9.9	188	8.0	203	66.4
(f)	120	6.7	128	6.3	136	8.1	147	10.9	163	9.8	179	18	211	11.9	236	8.1	255	73.5
(g)	140	6.4	149	7.4	161	8.1	174	10.9	193	9.8	212	18	250	12.0	280	7.9	302	73.6
(h)	160	6.3	170	9.4	186	8.1	201	10.9	223	9.9	245	18	289	12.1	324	8.0	350	74.1
(i)	179	6.7	191	9.4	209	8.1	226	10.6	250	10.0	275	18	325	12.0	364	8.0	393	73.9
(j)	225	11.1	250	20.0	300	33.3	400	12.5	450	10.0	493	18	584	12.2	655	7.9	707	76.8
(k)												10	52	0	52	8.0	879	76.0
(l)	309	10.0	340	17.6	400	25.2	500	12.0	560	10.0	616	18	727	12.0	814	8.0	879	75.8
(m)	359	8.6	390	15.4	450	22.2	550	12.0	616	10.1	678	18	800	12.0	896	8.0	968	76.0

Sec. 314, title 38 subpar.—	Public Law 85–168, Oct. 1, 1957	Plus percent increase equals—	Public Law 87–645, Oct. 1, 1962	Plus percent increase equals—	Public Law 89–311, Oct. 31, 1965	Plus percent, increase equals—	Public Law 90–493, Jan. 1, 1969	Plus percent increase equals—	Public Law 91–376, July 1, 1970	Plus percent increase equals—	Public Law 92–328, Aug. 1, 1972	Plus percent increase equals—	Public Law 92–295, May 1, 1974	Plus percent increase equals—	Public Law 94–71, Aug. 1, 1975	Plus percent increase equals—	Public Law 94–433, Oct. 1, 1976	Percent increase from Jan. 1 1969
(n)	$401	9.7	$440	19.3	$525	18.2	$625	12.0	$700	10.0	$770	18	$909	12.0	$1,018	8.0	$1,099	75.8
(o)	450	16.7	525	14.3	600	16.7	700	12.0	784	9.0	862	18	1,017	12.0	1,139	8.1	1,231	75.9
(p)	450	16.7	525	14.3	600	16.7	700	12.0	784	9.9	862	18	1,017	12.0	1,139	8.1	1,231	75.9
(q)																		
Subpar. (r) "A and A" non-hospitalization, Public Law 85–782, effective Oct. 1, 1958	150	33.3	200	25.0	250	20.0	300	12.0	336	10.1	370	18	437	11.9	489	0	528	0
Subpar. (s) (housebound cases) Public Law 86–663, effective Sept. 1, 1960	265	9.4	290	20.7	350	28.8	450	12.0	504	9.9	554	18	654	11.9	732	7.7	791	19.
38 U.S.C. 362																8.6	190	[1] 26.

[1] From Aug. 1, 1972.

INCREASES IN MONTHLY DEPENDENTS' ALLOWANCES

Under existing law, additional allowances are provided for dependents of veterans who are rated 50-percent-or-more disabled, H.R. 1862, as reported, provides 6.6-percent increases in dependents' allowances to the veterans currently receiving these benefits. The following table shows the additional compensation rates payable for dependents under present law and the rates payable under the Committee bill:

TABLE 5.—ADDITIONAL DEPENDENTS ALLOWANCES PAID TO CERTAIN DISABLED VETERANS

	Increase	
	From—	To—
If and while veteran is rated totally disabled and—		
(a) has a wife but no child living	$43	$46
(b) has a wife and 1 child living	72	77
(c) has a wife and 2 children living	$92	$98
(d) has a wife and 3 or more children living	113	120
(plus for each living child in excess of three)	21	22
(e) has no wife but 1 child living	28	30
(f) has no wife but 2 children living	49	52
(g) has no wife but 3 or more children living	72	77
(plus for each living child in excess of 3)	21	22
(h) has a mother or father, either or both dependent upon him for support for each parent so dependent	35	37
(i) for a spouse who is a patient in a nursing home or who is so helpless as to require regular aid and attendance	78	83
(j) for each child who has attained age 18 and who is pursuing a course of instruction at an approved educational institution	66	70

In addition, the bill provides a 6.6-percent increase in the additional compensation payable to a veteran who is 50-percent-or-more disabled and who has a spouse who is a patient in a nursing home or who is so helpless as to require the aid and attendance of another person. This provision would increase the base rate from $78 to $83 for such a veteran who is 100-percent disabled, and proportionately less to the veterans rated from 50-percent to 90-percent disabled.

INCREASE IN SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION RATES (TITLE II)

Background

The dependency and indemnity compensation (DIC) program was created in 1965 with the enactment of the Servicemen's and Veterans' Survivor Benefits Act (Public Law 84–881).

DIC payments are paid to surviving spouses, unmarried children under the age of 18 (as well as certain helpless children and those between the ages of 18 and 23 enrolled in school under chapter 35), and certain parents of servicemen or veterans who died on or after January 1, 1957, from (1) a disease or injury incurred or aggravated in line of duty while on active duty or active duty training; or (2) an injury incurred or aggravated in line of duty while on inactive duty training; or (3) a disability otherwise compensable under laws administered by VA.

Surviving spouses, children, and parents who are on the rolls, or found to be eligible, for death compensation by reason of a death occurring before January 1, 1957 may elect to receive DIC payments in lieu of death compensation. They cannot thereafter choose to receive death compensation.

Prior to enactment of the DIC programs, the survivors of military personnel whose deaths were due to service-connected causes might have been eligible for as many as five different survivor benefits.

In 1969, Public Law 91–96 was enacted replacing the original DIC formula with a table of specific dollar rates related to the pay grade of uniformed services. An effort was made at that time to increase all surviving spouses' payments by an amount equal to the increase in the cost of living since the effective date of the 1965 act. Subsequent adjustments occurred with: Public Law 92–197, which provided an additional 10-percent increase in benefits; Public Law 93–295, which provided a 17-percent increase; Public Law 94–71, enacted in 1975, which provided a 12-percent increase; and Public Law 94–433, enacted last year, which provided an 8-percent increase in benefits.

The current DIC program provides benefits to more than 367,800 beneficiaries. The following table shows the current and anticipated survivor caseloads and costs by fiscal years:

TABLE 6.—AVERAGE COST AND CASELOAD OF SURVIVOR COMPENSATION CASES

[Total costs in thousands of dollars]

Total costs	Fiscal year 1976			Fiscal year 1977			Fiscal year 1978		
	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost
Survivors (total)	368,373	2,595	955,957	367,889	2,820	1,037,627	367,524	2,836	1,042,347
Indian wars	1	2,320	2	1	2,229	2	1	2,229	2
Civil War	8	2,867	23	6	3,000	18	6	3,200	19
Spanish-American War	238	2,941	700	195	3,277	639	170	3,277	557
Mexican border period	3	4,866	15	2	2,500	5	2	2,500	5
World War I	34,699	3,066	106,371	34,100	3,304	112,660	33,500	3,112	110,942
World War II	190,099	2,212	420,409	187,000	2,394	447,702	184,000	2,401	441,732
Korean conflict	39,360	2,504	98,544	39,400	2,716	107,013	39,500	2,723	107,564
Vietnam era	55,818	3,217	179,556	59,495	3,494	207,873	63,045	3,502	220,790
Peacetime service	48,147	3,122	150,337	47,700	3,390	161,715	47,300	3,398	160,736

Title II of H.R. 1862, as reported, provides a uniform cost-of-living increase of 6.6 percent in DIC rates for surviving spouses and children effective October 1, 1977, the same rate of increase provided disabled veterans under title I. Additional allowances for surviving spouses in need of aid and attendance, helpless children, children between the ages of 18 and 23 attending schools, and surviving spouses and dependent parents in receipt of death compensation in need of aid and attendance are also increased by 6.6 percent.

Existing and proposed DIC rates are shown in the following table:

TABLE 7.—COMPARISON OF DIC RATES UNDER PRESENT LAW AND H.R. 1862 AS REPORTED

	From—	To—
Pay grade:		
E-1	$260	$277
E-2	268	286
E-3	275	293
E-4	292	311
E-5	300	320
E-6	307	327
E-7	322	343
E-8	340	362
E-9	355	378
W-1	328	350
W-2	341	364
W-3	352	375
W-4	372	397
O-1	328	350
O-2	340	362
O-3	364	388
O-4	384	409
O-5	423	451
O-6	476	507
O-7	516	550
O-8	565	602
O-9	607	647
O-10	664	708

INCREASE IN ANNUAL CLOTHING ALLOWANCE (TITLE III)

Title III of H.R. 1862, as reported, increases the annual clothing allowance by 6.6 percent from $190 to $203. Increasing the clothing allowance by the modest amount, $13, is justified by the changes in the Consumer Price Index and by the recognition which this allowance gives to the difficulties which these veterans endure daily because of the special nature of their service-connected disabilities.

Background

Under present law (section 362 of title 38), a special clothing allowance is provided to veterans whose service-connected disability requires them to wear or use a prosthetic or orthopedic appliance which tends to wear out or tear their clothing. In 1971, in Public Law 92–329, Congress first authorized an annual clothing allowance of $150 for these veterans. Prior to its enactment, the Administrator was authorized to furnish "special clothing" necessitated by the wearing of prosthetic appliances. However, the law did not authorize the replacement of conventional clothing subjected to extraordinary wear and tear. Congress subsequently increased the amount of the annual clothing allowance to $175 in 1975 (Public Law 94–71) and $190 in 1976 (Public Law 94–433).

In 1977, 56,057 veterans are receiving clothing allowances, an increase of 5.4 percent over the previous year. In the report accompanying the 1976 compensation legislation, the Committee expressed its approval of the VA's outreach efforts in 1975 and 1976 to contact potentially eligible veterans, and it intends that the Veterans' Administration continue its outreach efforts to identify and communicate with all those disabled veterans who are eligible for the allowance but who have not yet applied for it.

EXTENSION OF TIME FOR COMPLETION OF CARDIOVASCULAR-AMPUTATION STUDY (SECTION 401)

Background

Section 401 provides for an extension of the due date for the VA's submission of its report on the relationship between amputation and subsequent cardiovascular disease (from June 30, 1977, to February 28, 1979); specifies conditions under which the study may be contracted out; and makes a clarifying change in the scope of the study.

Section 403 of Public Law 94–433, enacted September 30, 1976, required the Veterans' Administration to conduct a scientific study in order to determine whether there is a causal relationship between service-connected amputation and the subsequent development of cardiovascular disease. This study was to have two components, and the Administrator's report on the study was to be submitted to the Congress by June 30, 1977. The first component, a comprehensive review and professional analysis of the literature covering other such studies, was submitted to the Congress on June 30, 1977.

The second component, an analysis of statistically valid samples of disability claims of veterans having service-connected extremity amputation matched by sex, age, and war period with non-amputee veterans, has not yet been submitted to the Congress.

On May 26, 1977, the Administrator of Veterans' Affairs advised the chairman by letter that the statistical analysis could not be completed by June 30, 1977, and that a 30-month extension was required in order to complete the research, obtain comments on it, and make recommendations. The Chairman responded on June 17, 1977, requesting a full explanation and pointing out that such an extension would, if warranted, require a statutory change.

As a result of discussions among the staff of the Senate Committee on Veterans' Affairs, the House Committee on Veterans' Affairs, the Veterans' Administration, and the proposed contractor, the estimated period of time required for completion of the statistical analysis has been reduced to 18 months. The report by the VA will be submitted 2 months later, on February 28, 1979.

In order to enhance the validity of the study and clarify its scope, the control group of veterans will be restricted to those who suffered a service-connected disability other than amputation, and the population to be studied will include below-the-knee as well as above-the-knee amputations and nonbattle as well as battle casualties. If the Administrator, in his discretion, contracts with an appropriate scientific investigatory body to accomplish the statistical analysis, the section requires that such contract contain a delivery date of December 31, 1978. Since the design of the study requires fairly extensive review of records available only in the Veterans' Administration Regional Offices, the Administrator, if he contracts for the study, is directed to facilitate access to VA records, in order to obviate delay to the maximum extent feasible. The section further requires that the contract provide that the scientific analysis will become the property of the Administrator until such time as he submits his report to the Congress.

The reduction in time has also resulted in a reduction of costs estimated by the proposed contractor from $221,735 (June 1, 1977 to September 30, 1979) to $177,700 for the reduced period of time agreed upon.

The amendment to section 403 of Public Law 94–433 will be effective upon enactment.

The May 26 and June 17 letters are as follows:

VETERANS' ADMINISTRATION, OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., May 26, 1977.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Veterans' Disability Compensation and Survivor Benefits Act of 1976 (Public Law 94–433) requires the Administrator of Veterans' Affairs to conduct a study to determine whether prior amputation of an extremity influences the subsequent development of cardiovascular disorders. The report is due to be submitted to Congress not later than June 30, 1977. [Sec. 403(c).]

The required review and analysis of the literature [sec. 403(b)(1)] is nearing completion but the statistical study of amputees [sec. 403(b)(2)] was delayed by complications arising from the Privacy Act of 1974. These difficulties have now been overcome, the protocol for the study has been designed, the project approved, and work initiated by the Medical Followup Agency of the National Research Council—National Academy of Sciences.

It is estimated that it will require an additional 2½ years to complete the research, obtain comments on it, and make recommendations. The Veterans' Administration therefore requests an extension of the date for the report to December 31, 1979.

Thanking you for your kind attention to this matter, I am

Sincerely,

MAX CLELAND,
Administrator.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., June 17, 1977.

Hon. MAX CLELAND,
Administrator of Veterans' Affairs, 810 Vermont Avenue N.W., Washington, D.C.

DEAR MAX: I have received your letter of May 26, 1977, requesting an extension of the due date for the Veterans' Administration report on its study to determine whether prior amputation of an extremity influences the subsequent development of cardiovascular disorders. As you state, Public Law 94–433, which mandated this study, required that it be submitted to Congress not later than June 30, 1977.

I know this is a matter of genuine concern to you and that your goal is to make the study as valuable as possible. However, your estimate of a 2½-year extension exceeds the full period originally allowed by Congress for completion of the study by 21 months. In order to evaluate your request, we will need a copy of the protocol as well as an outline of the anticipated schedule over the period of the extension.

Also, in your letter you state that "the statistical study of amputees . . . was delayed by complications arising from the Privacy Act of 1974." Please provide me with a description of the nature of Privacy Act problems to which you refer.

Finally, please provide a cost breakdown for the work to be performed by the Medical Followup Agency of the National Research Council—National Academy of Sciences.

In any event, I believe that such an extension of time would require a statutory change in Public Law 94–433. Therefore, I would appreciate your prompt response, not later than June 24, 1977, to the concerns I have expressed in this letter, and a statement whether you would support an amendment of the pending compensation increase legislation to extend the due date.

With warm regards,

Cordially,

ALAN CRANSTON,
Chairman.

EXTENSION OF SPECIALLY ADAPTED HOUSING ELIGIBILITY (SECTION 402)

Section 402 would extend eligibility for chapter 21 specially adapted housing grants to certain service-connected disabled veterans whose ambulation is impaired by the loss, or loss of use, of one lower extremity.

Background

Section 402 provides eligibility for two groups of veterans in the category of those who have lost or lost the use of one lower extremity: Those who have lost or lost the use of one lower extremity together with residuals of organic injury or disease, and those who have lost or lost the use of one upper and one lower extremity. In both cases, the disability must so affect the functions of balance and propulsion as to preclude or render medically inadvisable locomotion without resort to crutches or a wheelchair. This section would become effective on October 1, 1977.

Eligibility for specially adapted housing grants, consisting of 50 percent of the total cost to the veteran of a home with special adaptations, not to exceed $10,000, began in 1948 with the enactment of Public Law 80–702. The program was restricted to those whose need was most evident, veterans whose

permanent and total service-connected disability was the result of spinal cord disease or injury with paralysis of the legs and lower part of the body. Ramps, special bathroom equipment, wide hallways, exercising facilities, and other special adaptations were recognized as being essential to the health and safety of these veterans.

The specially adapted housing program was subsequently revised and extended by Public Law 81–286 in 1949 to include veterans who had lost or lost the use of both lower extremities by reason of certain disabilities other than spinal cord injury or disease. Public Law 86–239 in 1959 extended eligibility to blinded veterans who had only light perception and who had sustained the loss or loss of use of one lower extremity precluding locomotion without the use of a wheelchair, and all veterans who had lost or lost the use of both lower extremities, so as to preclude locomotion without the aid of braces, canes, crutches, or a wheelchair. In 1964, Public Law 88–401 deleted the requirement that the permanent and total disability of a blinded veteran who had lost or lost the use of one lower extremity be such as to require the use of a wheelchair. In 1969, Public Law 91–22 extended the program to permanently and totally disabled veterans who have lost or lost the use of one lower extremity together with residuals of organic disease or injury affecting the functions of balance and propulsion so as to preclude locomotion without the aid of a wheelchair.

In 1969, the maximum amount of the grant was increased to $12,500 (Public Law 91–22), in 1971 to $17,500 (Public Law 92–341) and in 1973 to the present maximum of $25,000 (Public Law 93–569). A veteran eligible for the grant may receive 50 percent of the cost to the veteran of a specially adapted home up to the maximum of $25,000. The purpose of the grant program is to compensate these severely disabled veterans desiring to acquire their own homes for the extra cost of a home with special adaptations rendered necessary to provide for the veteran's health and safety.

Thus, current law provides that three groups of veterans with permanent and total service-connected disabilities are eligible for specially adapted housing grants: First, a veteran who has lost or lost the use of both lower extremities so that he or she is precluded from locomotion without the aid of braces, canes, crutches, or a wheelchair; second, a veteran blind in both eyes, having only light perception, who has lost or lost the use of one lower extremity; and third, a veteran who has lost or lost the use of one lower extremity together with residuals of organic disease or injury affecting the function of balance and propulsion so that he or she is precluded from locomotion without the aid of a wheelchair.

This provision in the Committee bill will help those permanently and totally disabled veterans otherwise eligible who must wear a prosthesis or a brace but who periodically must remove it on the basis of medical advice, and who are then forced to move about in their homes on crutches or a wheelchair, to acquire specially adapted housing. It closely adheres to the spirit and intention of existing law to make specially adapted housing grants available to those veterans whose service-connected disability renders the special housing adaptations necessary for their health and safety.

PAYMENT OF VETERANS' ADMINISTRATION BENEFITS BY MEANS OTHER THAN CHECK (SECTION 403)

Section 403 authorizes the VA, in cooperation with the Treasury Department, to provide for monthly automatic deposits in the savings or checking accounts of recipients of VA benefit payments who request payment by such means rather than by individual checks mailed to them.

Background

Under current law, Veterans' Administration benefits are required to be paid by means of checks mailed to the recipients. In order to assist those recipients who would prefer to have their benefit payments automatically deposited in their financial institution checking or savings account, this provision would authorize the Administrator to cooperate with the Department of the Treasury in its electronic fund transfer system (EFTS), a system which has been extremely successful since its inception in 1976. Over 50,000,000 payments have been made to social security and railroad retirement recipients, and Federal annuitants under EFTS, and no valid claims of nonreceipt have been made. This provision requires that the intended recipient must request in writing that the benefit payment be credited to his or her checking or savings account, and would eliminate postal service delay and the problem of lost or stolen checks for those recipients who elect payment in this fashion.

Important notifications to beneficiaries by the VA are presently inserted when feasible in the check envelope. Recipients who elect payment under the means authorized by this amendment will continue to receive such notifications by mail.

The Veterans' Administration has advised that this provision would result in a savings to the Department of the Treasury of about $1,350,000 for fiscal year 1978, if 15 percent of the recipients participate, rising to $3,600,000 in 5 years as more persons elect payment by this means. The Veterans' Administration would experience a reduction in costs, attributable to savings of amounts currently expended in tracing and recovering lost and stolen checks, but would also expend additional funds for mailing notifications to recipients who participate, resulting in a net cost to the VA for the fiscal year 1978 of approximately $450,750. This cost of mailing would rise as more and more recipients elect to participate.

In view of the fact that this provision would result in considerable savings to the Treasury, the Committee recommends that the Administrator of Veterans' Affairs and the Director of the Office of Management and Budget work out a system whereby the VA general operating expenses account will be replenished—either by transfer of funds from the Department of the Treasury or by a supplemental appropriation—for this cost which was not anticipated when the Administration budget was submitted, and whereby the VA budget estimates for future fiscal years will include an additional amount to reflect this additional mailing cost.

PAYMENT OF BENEFITS ON PRECEDING WEEKDAY OTHER THAN SATURDAY FOR MONTHS IN WHICH THE FIRST DAY FALLS ON A SATURDAY, SUNDAY, OR A LEGAL PUBLIC HOLIDAY (SECTION 403)

Section 403 also generally requires benefit payments to be delivered to arrive on the preceding weekday other than Saturday in any month in which the first of the month is a Saturday, Sunday, or legal public holiday. This amendment generally derives from the provision pertaining to veterans' benefit payments contained in S. 543, introduced by Senators Pell and Hathaway on January 31, 1977.

This provision also requires the VA to report on its implementation to the appropriate congressional committees within 60 days after enactment and is effective upon enactment.

Background

Under current law as it is administered, benefit checks are mailed to arrive on the first of the month. If the first of the month falls on a Saturday, Sunday, or legal holiday, pensioners and other recipients of veterans' benefits who find it extremely difficult to cash their checks on Saturday, or who must wait until Tuesday (in case of a 3-day weekend) to cash their checks, often experience great hardship. This provision would alleviate that hardship by requiring the Veterans' Administration, to the maximum extent practicable, to mail the checks (or electronically transmit the payments) so that they arrive on the preceding Friday in any month in which the first of the month falls on Saturday or Sunday, and on the preceding weekday (other than Saturday) if the first falls on a legal public holiday.

Since the checks or electronic deposits will have to be dated with the date of the day of the intended delivery, there will be a small number of overpayments which might arise under the provisions of current law which provide that the VA benefits recipient who dies (or in some instances, who marries or remarries) in any month loses his or her entitlement for that month. The overpayments will occur in the very small number of situations in which such an event follows the negotiation of the check or a withdrawal from the account. However, most of the small number of overpayments which could then occur can be recouped by the VA.

The "practicable" qualification will permit the VA to avoid any appropriations difficulties which might arise when the first day of the fiscal year falls on a Saturday or Sunday by mailing or transmitting the benefit payments that month as usual, and also to implement this provision only to the extent that appreciable additional costs are avoided.

The VA has informally advised that the cost of this provision, attributable to the unrecouped overpayments, will be somewhat less than $1,000,000. The Committee believes this may be excessive and urges the VA to make a reestimate and to find ways to minimize the cost of implementation.

REAFFIRMATION OF CONGRESSIONAL INTENT WITH RESPECT TO LIMITED WAIVER OF SOVEREIGN IMMUNITY (SECTION 404)

Section 404 reaffirms the intent of the Congress with respect to the limited waiver of sovereign immunity provided by section 1820 of title 38, United States Code, which permits suits by and against the Administrator of Veterans' Affairs in, but specifically limits such suits to, home-loan guaranty matters. Despite the clear intent and statutory language of this section, in *Chicago Housing Authority* v. *Davis*, Civil No. 75 C 2133, November 20, 1975, the United States District Court for the Northern District of Illinois held that section 1820(a)(1), which provides that the Administrator, with respect to matters arising by reason of chapter 37 (relating to the VA's home-loan guaranty program), may "sue and be sued in the Administrator's official capacity," permitted garnishment of a VA employee's salary for the benefit of a creditor on the theory that this provision constituted a complete waiver of sovereign immunity. That decision clearly exceeded the scope of section 1820, as well as the scope of section 659 of title 42, United States Code (Public Law 93–647) which permits garnishment of Federal employees' salaries only for alimony and child support purposes. As a result, several hundred garnishment actions have been instituted by creditors against the VA in the Chicago area. On the basis of the *Davis* decision, the VA has had to honor the writs of garnishment which have been issued in that judicial district.

In a recent decision, *DePaul Community Health Center* v. *Campbell*, Civil No. 77–025 C (4) (March 29, 1977), the District Court for the Eastern District of Missouri refused to follow *Davis* and, in the Committee's view, correctly held that the waiver of sovereign immunity in section 1820 extends only to home-loan guaranty matters. Nevertheless, it is possible that other courts may follow the *Davis* rationale absent the clarification of congressional intent provided by this section.

The Committee emphasizes that nothing in this section should be construed as limit-

ing or nullifying the specific provisions of section 659 of title 42 and its accompanying provisions which permit garnishment of Federal employees' salaries (and other benefits based upon remuneration for employment) for alimony and child support purposes.

COST ESTIMATES

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510, 91st Congress), the Committee, based on information supplied by the Congressional Budget Office, estimates that the 5-year cost resulting from the enactment of the Committee bill would be $359.2 million in fiscal year 1978; $359.8 million in fiscal year 1979; $352.2 million in fiscal year 1980; $352.5 million in fiscal year 1981; and $350.4 million in fiscal year 1982.

A detailed breakdown of costs and cost-savings, as estimated by CBO, over the 5-year period follows:

CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

1. Bill number: H.R. 1862 (Senate version).

2. Bill title: Veterans Disability Compensation and Survivor Benefits Act of 1977.

3. Bill status: This bill has been ordered reported by the Senate Committee on Veterans' Affairs.

4. Bill purpose:

This bill would amend title 38, U.S.C. to accomplish the following:

A. To increase by 6.6 percent the rates of disability compensation for veterans, dependency and indemnity compensation (DIC) for survivors, and the clothing allowance for certain disabled veterans.

B. To modify the requirements of the Cardiovascular/Amputation Study.

C. To extend eligibility for specially adapted housing grants to veterans with service-connected loss or loss of use of one upper and one lower extremity who must periodically resort to the use of crutches or a wheelchair.

D. To authorize the payment of a benefit check directly to the bank of the payee upon the writtten request of the payee (electronic fund transfer).

E. Whenever the first day of any calendar month falls on a Saturday, Sunday, or legal public holiday, to authorize the mailing (or transmittal to payee's bank) of benefit payments in such a way as to insure that such payments will be received on the Friday immediately preceding such Saturday or Sunday, or on the weekday immediately preceding such legal holiday. This provision will be effective upon enactment.

F. To reaffirm the intent of Congress with respect to permissible garnishmnt of a VA employee's salary. This provision will be effective upon enactment.

Except where otherwise specified, all provisions will be effective October 1, 1977.

5. Cost estimate:

[In millions of dollars]

	Fiscal year—				
	1978	1979	1980	1981	1982
A. Rate increase	344.5	345.4	345.9	346.4	346.9
B. Cardiovascular—amputation study	[1].2				
C. Specially adapted housing	15.3	15.4	7.6	7.7	5.3
D. Electronic fund transfer:					
Cost to VA	.5	.7	.9	1.0	1.2
Savings to Treasury	−1.3	−1.7	−2.2	−2.6	−3.0
Net savings	−.8	−1.0	−1.3	−1.6	−1.8
E. Early check mailing	[2]	[2]	[2]	[2]	[2]
F. Garnishment	[2]	[2]	[2]	[2]	[2]
Total	359.2	359.8	352.2	352.5	350.4

[1] Costs quoted by contractor for study: Fiscal year 1977—$23,600; fiscal year 1978—$154,100.
[2] Less than $100,000.

6. Basis for estimate:

A. The cost of the increase for disability compensation is estimated by multiplying the number of veterans at each disability rating level by the increase in the payment rate for that level. The number of DIC recipients in each service grade category were multiplied by the increase in payment for the category to estimate the cost of the increase in DIC rates.

B. The figure shown for the Cardiovascular/Amputation Study is the cost estimate submitted by the contractor.

C. The cost estimate for the specially adapted housing provision is based on an interpretation by the VA that the only cases which would be affected by this provision would be those veterans with a service-connected loss or loss of use of one upper and one lower extremity. It is assumed that 85 percent of such veterans would be advised to remove their prostheses periodically and would, therefore, qualify for the grant.

D. The estimate of the costs and savings which would result from the electronic fund transfer of benefit payments is based on information obtained from the VA. The savings which will accrue to the Treasury Department are a result of decreased postage and handling costs. The cost to the VA is a result of having to mail separately certain notices to beneficiaries which are ordinarily mailed with the benefit check. A 15 percent participation rate is expected in the first year, gradually increasing to a maximum participation of 40 percent in 1982.

E. and F. There would be a minor cost associated with the early check mailing provision as a result of overtime pay. However, this should be offset by the savings which would result from the clarification of the garnishment provision.

7. Estimate comparison: Not available.

8. Previous CBO estimate: H.R. 1862 as passed by the House contained only a 6 percent rate increase for compensation. CBO submitted a cost estimate of $312.5 million in fiscal year 1978 for this amendment on May 12, 1977. The bill has been revised in its entirety by the Senate.

9. Estimate prepared by: K. W. Shepherd (225-7766).

10. Estimate approved by:

C. G. NUCKOLS,
(For James L. Blum, Assistant Director for Budget Analysis).

* * * * *

SECTION-BY-SECTION ANALYSIS OF H.R. 1862 AS REPORTED

Section 1

This section provides that the proposed act may be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1977".

TITLE I—VETERANS DISABILITY COMPENSATION

Section 101

Subsection (a) of section 101 provides a 6.6-percent increase in the basic rates of service-connected disability compensation payable under section 314 of title 38, United States Code. Currently, a veteran with a 10-percent disability receives $38 monthly; a veteran with a disability rated at 100 percent receives $707. These rates would be increased to $41 and $754, respectively, and the intermediate rates would be increased proportionately. An increase of 6.6 percent is also provided for all higher statutory awards involving combinations of severe disabilities, with the exception of the statutory award payable under section 314(k).

Subsection (b) of section 101 authorizes administrative adjustment, consistent with the rate increases specified in subsection (a), of the rates of disability compensation payable under section 10 of Public Law 85-857 to persons who are not in receipt of compensation under chapter 11 of title 38, United States Code.

Section 102

This section provides increases in the additional allowances payable under section 315 of title 38, United States Code, to service-connected disabled veterans with spouses, children, and dependent parents when the veteran is rated 50-percent-or-more disabled. These allowances are increased by 6.6 percent and will affect approximately 377,691 veterans. An increase of 6.6 percent and will affect approximately 377,691 veterans. An increase of 6.6 percent is also provided to veterans whose service-connected disability rating is 50 percent or greater and who receive an additional allowance for a spouse in need of aid and attendance.

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

Section 201

Subsection (a) of section 201 increases by 6.6 percent the rates of dependency and indemnity compensation (DIC) payable under section 411 to the surviving spouses and children of veterans who die of service-connected causes. Currently, the minimum amount of DIC payable to the surviving spouse of a veteran who attained the grade of E-1 is $269 monthly. This amount is increased according to the veteran's grade, rising to $664 per month for the surviving spouse of a veteran whose grade was O-10. These rates would be increased by 6.6 percent, so that the surviving spouse of a veteran who attained the grade of E-1 would receive $277 and the surviving spouse of a veteran who attained the grade of O-10 would receive $708, with intermediate rates rising proportionately.

Subsection (b) of section 201 increases by 6.6 percent the additional monthly allowances payable under section 411(b) to a surviving spouse receiving DIC for each child under 18, from $31 to $33.

Subsection (c) of section 201 provides a 6.6-percent increase in the additional allowance payable under section 411(c) to a surviving spouse in receipt of DIC who is in need of aid and attendance, from $78 per month to $83.

Section 202

This section provides a 6.6-percent increase in the rates of DIC payable under section 413 for children when there is no surviving spouse entitled. Currently, the rates range from $131 for one child to $243 for three children plus $49 per month for each additional child. The increases would provide rates of $140 to $259, respectively, with $52 for each additional child.

Section 203

Clause (1) of section 203 provides a 6.6-percent increase in the additional allowance payable under section 414(a) to a child eligible for DIC who has attained the age of 18 and who became permanently incapable of self-support before reaching the age of 18 from $78 to $83 per month.

Clause (2) of section 203 provides an increase of 6.6-percent in the additional allowance (from $131 to $140 per month) payable under section 414(b) to a surviving spouse receiving DIC when there is a child eligible who has attained the age of 18 and is permanently incapable of self-support.

Clause (3) of section 203 provides a 6.6-percent increase (from $67 per month to $71) in the additional allowance payable under section 414(c) to a surviving spouse in receipt of DIC when there is a child pursuing a course of educational approval under section 104.

TITLE III—CLOTHING ALLOWANCE

Section 301

This section increases by 6.6-percent, the clothing allowance payable under section 362 to any veteran who because of his compensable disability wears or uses a prosthetic or

orthopedic appliance, including a wheelchair, which tends to wear out or tear his or her clothing, from $190 to $203.

TITLE IV—MISCELLANEOUS PROVISIONS

Section 401

This section amends section 403 of Public Law 94-433, which requires the Veterans' Administration to conduct a study to determine whether there is a causal relationship between service-connected amputation and the later development of cardiovascular disorders. Section 402(b) requires that the report of the study includes an analysis of statistically valid samples of disability claims of veterans with service-connected amputations matched by age, sex, and war period with nonamputee veterans.

Clause (1) of section 401 clarifies that the control group in the statistical analysis should be composed of veterans who have service-connected disabilities other than amputations.

Clause (2)(A) of section 401 extends the date for the submission of the Administrator's report to the Congress from June 30, 1977, to February 28, 1979.

Clause (2)(B) of section 401 specifies that if the Administrator contracts for the statistical analysis required by section 403(b)(2) of Public Law 94-433, the contract must require that the results of the statistical analysis must be submitted to the Administrator by December 31, 1978, and that the statistical analysis and the contractor's findings and conclusions shall remain the exclusive property of the Administrator until after he submits his report to the Congress and cannot be disclosed by the contractor until after such time. In addition, the Administrator shall facilitate, to the maximum extent feasible, the contractor's conduct of the statistical analysis.

Section 402

This section amends clause (3) of section 801 of title 38, United States Code, relating to eligibility for specially adapted housing for service-connected permanently and totally disabled veterans. Clause (3) currently provides eligibility for such veterans who have lost or lost the use of one lower extremity together with residuals of organic disease or injury which so affect their functions of balance or propulsion as to preclude locomotion without resort to a wheelchair. Section 402 amends clause (3) to provide specially adapted housing eligibility for two groups of permanently and totally service-connected veterans who have lost or lost the use of one lower extremity; First, those veterans in this category with residuals or organic disease or injury, and second, those veterans in this category who have lost or lost the use of one upper extremity. Both groups of veterans would be eligible if their service-connected disability (or disabilities) so affects their functions of balance and propulsion as to preclude *or render medically inadvisable* locomotion without the aid of *crutches or* a wheelchair. (Italics indicate added language.)

Section 403

Subsection (a) of section 403 inserts at the end of the present language in section 3020, title 38, United States Code, two new subsections, designated as subsections (d) and (e), respectively, as follows:

New subsection (d): Authorizes the VA to enter into an agreement with the Department of the Treasury to certify the payment of monetary benefits by means other than check, if the person to whom the benefits are to be paid authorizes noncheck payment (by automatic deposits in the person's checking or savings account) in writing, and if the Administrator determines that such a noncheck payment system is in the best interest of the payees and the management of the Veterans' Administration benefits program.

New subsection (e): Requires the Veterans' Administration, to the maximum extent practicable, to mail or otherwise transmit benefit payments for any month in which the first of the month falls on a Saturday or Sunday so that they arrive, or are credited to the payee's account, on the Friday immediately preceding; in the case of a legal public holiday which falls on the first of the month, the benefit payments must be mailed or otherwise transmitted to arrive on the weekday other than Saturday which immediately precedes the holiday.

Subsection (b) of section 403 requires the VA to submit a report to the appropriate congressional committees on actions taken to implement new subsection (e) of section 3020, title 38, United States Code, 60 days after the enactment of section 403.

Subsection (c) of section 403 makes an appropriate change in the catchline of section 3020 and the table of sections at the beginning of chapter 51 to reflect the amendments made by section 403(a).

Subsection (d) of section 403 provides that this section shall be effective upon enactment.

Section 404

This section clarifies congressional intent with respect to section 1820, title 38, United States Code, by expressly stating that clause (1) of that section shall not be construed as permitting any suits against the Administrator, the Veterans' Administration, or a Veterans' Administration employee, for the purpose of garnishment or attachment of a Veterans' Administration employee's wages or salary.

CONCLUSION

Mr. CRANSTON. Mr. President, in closing, I want to express my appreciation to the chairman of the Subcommittee on Compensation and Pension, the Senator from Georgia (Mr. TALMADGE), for his excellent work in the development of this legislation and the conduct of hearings on the VA's compensation and DIC programs, and to pay tribute to all members of the Committee on Veterans' Affairs for their bipartisan support of this measure. I also wish to thank Senator TALMADGE's assistant, Bobby Avery, and the committee staff members Mary Sears, Jon Steinberg, Ed Scott, Jim MacRae, and Harold Carter for their hard and effective work.

Mr. STAFFORD. Mr. President, H.R. 1862 is similar to S. 1703, the Veterans Disability Compensation and Survivor Benefits Act of 1977, cosponsored by all the members of our Senate Committee on Veterans' Affairs. As cosponsors we strongly support the compensation bill before us today.

Our Subcommittee on Compensation and Pension conducted lengthy hearings, receiving testimony from representatives of the Veterans' Administration, the American Legion, the Disabled American Veterans, the Veterans of Foreign Wars, AMVETS, the Veterans of World War I, the Paralyzed Veterans of America, the Blinded Veterans Association, the Society of Military Widows, and the Non-Commissioned Officers Association.

The purpose of the disability compensation program now and throughout its history has been to provide relief for the impaired earning capacity of veterans disabled as a result of their military service. The amount payable varies according to the degree of disability. Additional compensation for dependents is payable to any veteran entitled to basic compensation for disability rated at not less than 50 percent.

The bill before us today would provide a 6.6-percent cost-of-living increase for disabled veterans in basic compensation rates and in the rates payable for more serious disabilities. The bill provides a 6.6-percent increase in the additional allowances for spouses, children, and dependent parents paid to veterans rated 50 percent disabled or more. It also provides a 6.6-percent increase in dependency and indemnity compensation, DIC, benefits payable to surviving spouses of veterans whose deaths were service connected. including the additional allowances payable for dependent children and to those in need of aid and attendance. The bill provides a 6.6-percent increase in benefits payable to the children of veterans whose deaths were service connected, when there is no surviving spouse.

The bill would provide a 6.6-percent increase in benefits payable to surviving children who have become permanently incapable of self-support prior to age 18. Also provided is a 6.6-percent increase in the annual clothing allowance paid to certain seriously disabled veterans whose disability tends to tear and wear out their clothing.

The 94th Congress required the Administration of Veterans' Affairs to conduct a study to determine whether prior amputation of an extremity influences the subsequent development of cardiovascular disorders. Provision is made in the bill before us for a needed extension of time for the proper completion of this study. The time such study will be due under our bill will be February 28, 1979.

I would specifically call to the attention of our colleagues another worthwhile extension of existing law in the eligibility for specifically adapted housing grants to permanently and totally service-connected veterans with certain severe disabilities. The general program began in 1948 when veterans whose permanent and total service-connected disability was the result of spinal cord disease or injury with paralysis of the legs and lower part of the body. Eligibility for specially adapted housing grants, consisting of 50 percent of the total cost to the veteran of a home with special adaptations not to exceed $10,000 was started in 1948. The present maximum is $25,000.

Provision is made in the bill before us to help those permanently and totally disabled veterans otherwise eligible who must wear a prosthesis or a brace but who periodically must remove it on the basis of medical advice, and who are then forced to move about in their homes on crutches or a wheelchair, to acquire specially adapted housing.

H.R. 1862 as amended by our committee authorizes the Veterans' Administration to cooperate with the Department of the Treasury so that benefit payments would be automatically deposited in a recipient's account if the recipient elects payment in this manner.

Our bill also would require for any month in which the first of the month falls on a Saturday, Sunday, or legal public holiday, the Veterans' Administration to mail or otherwise transmit benefit payments so that they arrive, to the maximum extent practicable, on the

weekday, other than Saturday, immediately preceding the holiday.

Your Committee on Veterans' Affairs, and this member in particular, believe all of the mentioned improvements for better service to veterans are important and should be enacted. The Veterans' Administration disability compensation program provides income for 2,245,116 veterans who have service-connected disabilities. This number is composed of disabled veterans of recent wars and conflicts as follows: 46,200 are disabled World War I veterans; 1,272,200 World War II veterans; 239,500 Korean conflict veterans; 448,700 Vietnam-era veterans.

It is important that the United States continue to provide an adequate compensation program for our veterans and their survivors. This has been the goal of our committee's considerations and recommendations. We urge your support of the bill now before this body.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–412), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

INTRODUCTION

The Subcommittee on Compensation and Pension, chaired by Senator Herman E. Talmadge, conducted a hearing on June 21, 1977, to review the Veterans' Administration's service-connected disability compensation and dependency and indemnity compensation programs. The hearing also examined pending legislation, including Senator Talmadge's bill, S. 1703, the Veterans Disability Compensation and Survivor Benefits Act of 1977, cosponsored by all the Members of the Committee on Veterans' Affairs.

The Subcommittee received testimony in person or by submission from representatives of the Veterans' Administration, the American Legion, the Disabled American Veterans, the Veterans of Foreign Wars, AMVETS, the Veterans of World War I, the Paralyzed Veterans of America, the Blinded Veterans Association, the Society of Military Widows, and the Non Commissioned Officers Association.

By agreement of the Subcommittee on Compensation and Pension, H.R. 1862 was sent to the full Committee for consideration. The full Committee on Veterans' Affairs met on July 15, 1977, amended, unanimously approved, and ordered favorably reported to the Senate H.R. 1862 with an amendment in the nature of a substitute.

Subsequently, on July 22, 1977, the Committee, based on revised Consumer Price Index estimates received in a letter dated July 20, 1977, from the Director of the Congressional Budget Office, revised the rate increase upward from 6.3 percent to 6.6 percent; also, the Committee added two amendments, items (10) and (11) under "Summary of H.R. 1862 As Reported," immediately below. In addition, the Committee by poll subsequently made further modifications in the text of the bill as ordered to be reported.

SUMMARY OF H.R. 1862 AS REPORTED

The basic provisions of the Veterans Disability Compensation and Survivor Benefits Act of 1977 would:

(1) Provide a 6.6-percent cost-of-living increase for disabled veterans in basic compensation rates and in the rates payable for more serious disabilities;

(2) Provide a 6.6-percent increase in the additional allowances for spouses, children, and dependent parents paid to veterans rated 50-percent disabled or more;

(3) Provide a 6.6-percent increase in dependency and indemnity compensation (DIC) benefits payable to surviving spouses of veterans whose deaths were service-connected, including the additional allowances payable for dependent children and to those in need of aid and attendance;

(4) Provide a 6.6-percent increase in benefits payable to the children of veterans whose deaths were service-connected, when there is no surviving spouse;

(5) Provide a 6.6-percent increase in benefits payable to surviving children who have become permanently incapable of self-support prior to the age of 18;

(6) Increase (by 6.6 percent) from $190 to $203 the annual clothing allowance paid to certain seriously disabled veterans whose disability tends to tear or wear out their clothing;

(7) Extend to February 28, 1979, the date for submission to Congress of the study mandated by Public Law 94–433 on the relationship between amputation and cardiovascular disorders, and clarify other provisions of the study;

(8) Extend eligibility for specially adapted housing grants to permanently and totally service-connected veterans with certain severe disabilities;

(9) Authorize the Veterans' Administration to cooperate with the Department of the Treasury so that benefit payments would be automatically deposited in a recipient's account if the recipient elects payment in this manner;

(10) Require for any month in which the first of the month falls on a Saturday, Sunday, or legal public holiday, the Veterans' Adminstration to mail or otherwise transmit benefit payments so that they arrive, to the maximum extent practicable, on the Friday immediately preceding such Saturday or Sunday, or in the case of a legal public holiday, on the weekday (other than Saturday) immediately preceding the holiday; and

(11) Reaffirm by a clarifying amendment the intent of the Congress not to permit garnishment or attachment of VA employees' salaries except as authorized in § 42 U.S.C. 659 (permitting garnishment for alimony and child support).

COST ESTIMATES

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91–510, 91st Congress), the Committee, based on information supplied by the Congressional Budget Office, estimates that the 5-year cost resulting from the enactment of the Committee bill would be $359.2 million in fiscal year 1978; $359.8 million in fiscal year 1979; $352.2 million in fiscal year 1980; $352.5 million in fiscal year 1981; and $350.4 million in fiscal year 1982.

savings, as estimated by CBO, over the 5-year period follows:

Congressional Budget Office

Cost estimate

1. Bill number: H.R. 1862 (Senate version).

2. Bill title: Veterans Disability Compen-

A detailed breakdown of costs and cost-sation and Survivor Benefits Act of 1977.

3. Bill status: This bill has been ordered reported by the Senate Committee on Veterans' Affairs.

4. Bill purpose:

This bill would amend title 38, U.S.C. to accomplish the following:

A. To increase by 6.6 percent the rates of disability compensation for veterans, dependency and indemnity compensation (DIC) for survivors, and the clothing allowance for certain disabled veterans.

B. To modify the requirements of the Cardiovascular/Amputation Study.

C. To extend eligibility for specially adapted housing grants to veterans with service-connected loss or loss of use of one upper and one lower extremity who must periodically resort to the use of crutches or a wheelchair.

D. To authorize the payment of a benefit check directly to the bank of the payee upon the written request of the payee (electronic fund transfer).

E. Whenever, the first day of any calendar month falls on a Saturday, Sunday, or legal public holiday, to authorize the mailing (or transmittal to payee's bank) of benefit payments in such a way as to insure that such payments will be received on the Friday immediately preceding such Saturday or Sunday, or on the weekday immediately preceding such legal holiday. This provision will be effective upon enactment.

F. To reaffirm the intent of Congress with respect to permissible garnishment of a VA employee's salary. This provision will be effective upon enactment.

Except where otherwise specified, all provisions will be effective October 1, 1977.

5. Cost estimate:

[In millions of dollars]

	Fiscal year—				
	1978	1979	1980	1981	1982
A. Rate increase	344.5	345.4	345.9	346.4	346.9
B. Cardiovascular—amputation study	[1].2				
C. Specially adapted housing	15.3	15.4	7.6	7.7	5.3
D. Electronic fund transfer:					
Cost to VA	.5	.7	.9	1.0	1.2
Savings to Treasury	−1.3	−1.7	−2.2	−2.6	−3.0
Net savings	−.8	−1.0	−1.3	−1.6	−1.8
E. Early check mailing	[2]	[2]	[2]	[2]	[2]
F. Garnishment	[2]	[2]	[2]	[2]	[2]
Total	359.2	359.8	352.2	352.5	350.4

[1] Costs quoted by contractor for study: Fiscal year 1977—$23,600; fiscal year 1978—$154,100.
[2] Less than $100,000.

6. Basis for estimate:

A. The cost of the increase for disability compensation is estimated by multiplying the number of veterans at each disability rating level by the increase in the payment rate for that level. The number of DIC recipients in each service grade category were multiplied by the increase in payment for the category to estimate the cost of the increase in DIC rates.

B. The figure shown for the Cardiovascular/Amputation Study is the cost estimate submitted by the contractor.

C. The cost estimate for the specially adapted housing provision is based on an interpretation by the VA that the only cases which would be affected by this provision would be those veterans with a service-connected loss or loss of use of one upper and one lower extremity. It is assumed that 85 percent of such veterans would be advised to remove their prostheses periodically and would, therefore, qualify for the grant.

D. The estimate of the costs and savings which would result from the electronic fund transfer of benefit payments is based on information obtained from the VA. The savings which will accrue to the Treasury Department are a result of decreased postage and handling costs. The cost to the VA is a result of having to mail separately certain notices to beneficiaries which are ordinarily mailed with the benefit check. A 15 percent participation rate is expected in the first year, gradually increasing to a maximum participation of 40 percent in 1982.

E. and F. There would be a minor cost associated with the early check mailing provision as a result of overtime pay. However,

this should be offset by the savings which would result from the clarification of the garnishment provision.

7. Estimate comparison: Not available.

8. Previous CBO estimate: H.R. 1862 as passed by the House contained only a 6 percent rate increase for compensation. CBO submitted a cost estimate of $312.5 million in fiscal year 1978 for this amendment on May 12, 1977. The bill has been revised in its entirety by the Senate.

9. Estimate prepared by: K. W. Shepherd (225–7766).

10. Estimate approved by:

C. G. NUCKOLS,
(For James L. Blum, *Assistant Director for Budget Analysis*).

REGULATORY IMPACT STATEMENT

In compliance with paragraph 5 of rule XXIX of the Standing Rules of the Senate, the Committee on Veterans' Affairs has made an evaluation of the regulatory impact which would be incurred in carrying out the provisions of the bill as reported. The results of that evaluation are described below.

The basic provisions of the Veterans Disability Compensation and Survivor Benefits Act of 1977 would:

(1) Provide a 6.6-percent cost-of-living increase for disabled veterans in basic compensation rates and in the rates payable for more serious disabilities;

(2) Provide a 6.6-percent increase in the additional allowances for spouses, children, and dependent parents paid to veterans rated 50-percent disabled or more;

(3) Provide a 6.6-percent increase in dependency and indemnity compensation (DIC) benefits payable to surviving spouses of veterans whose deaths were service-connected, including the additional allowances payable for dependent children and to those in need of aid and attendance;

(4) Provide a 6.6-percent increase in benefits payable to the children of veterans whose deaths were service-connected, when there is no surviving spouse;

(5) Provide a 6.6-percent increase in benefits payable to surviving children who have become permanently incapable of self-support prior to the age of 18;

(6) Increase (by 6.6-percent) from $190 to $203 the annual clothing allowance paid to certain seriously disabled veterans whose disability tends to tear or wear out their clothing;

(7) Extend to February 28, 1979, the date for submission to Congress of the study mandated by Public Law 94–433 on the relationship between amputation and cardiovascular disorders, and clarify other provisions of the study;

(8) Extend eligibility for specially adapted housing grants to permanently and totally service-connected veterans with certain severe disabilities;

(9) Authorize the Veterans' Administration to cooperate with the Department of the Treasury so that benefit payments would be automatically deposited in a recipient's account if the recipient elects payment in this manner;

(10) Require, for any month in which the first of the month falls on a Saturday, Sunday, or legal public holiday, the Veterans' Administration to mail or otherwise transmit benefit payments so that they arrive, to the maximum extent practicable, on the Friday immediately preceding such Saturday or Sunday, or in the case of a legal public holiday, on the weekday (other than Saturday) immediately preceding the holiday; and

(11) Reaffirm by a clarifying amendment the intent of the Congress not to permit garnishment or attachment of VA employees' salaries except as authorized in § 42 U.S.C. 659 (permitting garnishment for alimony and child support).

In view of the nature of the provisions contained in the Committee bill, its regulatory impact may be expected to be minimal.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may move to reconsider en bloc the vote by which the four measures were passed.

The ACTING PRESIDENT pro tempore. Without objection, the motion is in order.

The question is on agreeing to the motion.

Mr. ROBERT C. BYRD. I make that motion.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I have no further time.

FAREWELL TO "THE KING"

Mr. BAKER. Mr. President, when Elvis Presley died August 16, in Memphis, Tenn., at the age of 42, there was an outpouring of shock, grief, and sympathy from all over the world.

Thousands traveled to Tennessee to pay their respects in person to the man his fans called, simply, "the King." Hundreds of thousands more sent flowers, telegrams and letters to the family.

Mr. Presley's incredible career began in Memphis in 1953, when he made his first record, paying $4 to make a demonstration record for his beloved mother at Sun Record Co.'s studio.

He went on to record more than 100 songs, with 55 of them selling at least 1 million copies. It has been reported that more than 500 million Elvis Presley records have been sold.

He also made 31 movies, every one of them a success at the box office. His personal appearances brought his music to many. Variety magazine has recently estimated that Mr. Presley earned a gross income of $4.3 billion from recordings, movies and personal appearances during his lifetime. Of course, the worth of a man cannot be measured in money, but this phenomenal figure indicates the degree to which Mr. Presley engaged the emotions of the young during the 1950's, and kept their loyalty throughout his 23-year career.

Always, despite success and acclaim, Elvis Presley lived quietly at his home, Graceland, named for his mother, and was rarely seen in public. His generosity within his community is legend.

There were a number of beautifully written articles, published, of course, after the sudden passing of this remarkable young man. I have here a small sample of the editorial comment that appeared in Tennessee newspapers, and I ask unanimous consent, Mr. President, that they be printed in the RECORD at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Commercial Appeal, Aug. 17, 1977]

ELVIS WENT FROM RAGS TO RICHES

(By William Thomas)

He was born in a two-room house in Tupelo, Miss., on Jan. 8, 1935, a nobody with a somebody destiny.

He was the twin who lived—the son of Vernon and Gladys Presley, who had been married two years earlier in Verona, Miss., amidst the Great Depression.

"We matched their names," his mother recalled later, "Jesse Garon and Elvis Aron, Jesse died at birth. Maybe that is why Elvis is so dear to us."

For the next 13 years, the Presleys struggled for survival in Mississippi. Vernon Presley farmed while his wife toiled in shirt and dress factories. They moved to Memphis in 1948, but things didn't get better—at least not right away.

Mrs. Presley worked as a nurses' aide at St. Joseph Hospital. Elvis enrolled in L.O. Humes High School and worked as an usher in a movie theater.

Briefly, he went out for the football team but had to quit in order to go to work.

Although the family was so poor that they had to accept a charity Christmas basket during the holidays, Presley managed to graduate from high school in 1953 and land a job as a truck driver at $35 a week.

By then, however, he had developed a solid if unorthodox musical background that was to take him from zero to infinity before he was 25.

"When Elvis was just a little fellow," Mrs. Presley once told an interviewer, "he would slide off my lap in church, run down the aisle, and scramble up to the platform. He would stand looking at the choir and try to sing with them. He was too little to know the words, but he could carry the tune."

Actually, all of the Presleys had a sense of music about them. Elvis and his parents appeared as a singing trio at camp meetings, revivals and church conventions. And it was Vernon Presley who purchased his son's first guitar for $12.95.

Elvis' incredible career began, slowly at first, in the summer of 1953 after he'd graduated from Humes. One day, he simply dropped into the recording studio of Sun Record Co. and paid $4 to cut a record. Afterward, he took the record home and played it again and again.

A year later, he went back to Sun and made another record, "That's All Right, Mama," which was cut for the company rather than himself. Although it wasn't a hit, it attracted a certain amount of attention from listeners who detected something new—a blend of hillbilly and rock and roll.

Then came a night in July, 1954, when Memphis disk jockeys began playing a new version of a bluegrass classic, "Blue Moon of Kentucky," which was the next record Elvis had recorded for Sun.

Elvis was 19. The record was going, locally, at least.

Sam Phillips, who'd also recorded such people as Jerry Lee Lewis, Charlie Rich, Johnny Cash and Carl Perkins, found himself scrambling to catch up with a 6,000 back order that hit him before the number was released outside Memphis.

Sun brought out two more Elvis numbers, "I Don't Care," and "Milk Cow Blues Boogie," before Phillips sold his contract to the star-makers.

At the time, Elvis was a surprisingly low-key musician who didn't smoke, didn't drink, and, because of the influence of his mother, possessed a strong religious streak that contrasted sharply later when he began to gyrate.

A strikingly handsome youth with blue-black hair, a sensuous smile and plenty of sex appeal, all of it in motion, he began to move when Col. Tom Parker took over his management.

Parker, a show business genius with all the subtlety of P. T. Barnum, put Presley on tour as "The Hillbilly Cat." He started out in the rural areas, but the territory got better and better.

The gyrations that earned him the name, "Elvis, the Pelvis," were so stout that when he appeared on the Ed Sullivan Show, the cameras never dropped below his waist. No matter. Everybody knew the movement by then, anyway, and it was a national debate.

Although there was never any doubt that sex had a great deal to do with Elvis' success, he often acted like he didn't know what everybody was so shook up about.

"Momma," he once asked his mother, "you think I'm vulgar on the stage?"

Said she, "You're not vulgar, but you're putting too much into your singing. Keep that up and you won't live to be 30."

Actually, Elvis seemed to have been in good shape up until recent years when he was plagued by a weight problem.

It was in 1957 that he went to Hollywood to make his first film, "Love Me Tender." The critics bombed it, but the girls lined up outside theaters all across the country and it grossed between five and six times what it cost to make.

He appeared in 25 films, none of them critical successes,

A year after he became a movie star, Elvis' mother, who had taught her son Bible lessons, died. Ironically, she was the same age Elvis was—42—when he died yesterday.

At the time of his mother's death, Elvis was in Fort Hood, Texas, where he was stationed as an Army private.

By then, he was such a national figure that the nation's bobby-soxers reacted to his entry into the Army (and out of circulation) as something close to a tragedy of earthquake proportions.

Incredibly, the Army didn't slow him down as a money-maker. Although his military pay was $99.37 a month, Parker managed his music and affairs so shrewdly that Elvis grossed about $2 million a year for the two years he was in the service.

Presley spent most of his hitch in West Germany, where he first met Priscilla Beaulieu, the daughter of an Air Force colonel. The courtship lasted seven or eight years. Elvis married her in Las Vegas in 1967 and their daughter, Lisa Marie, was born Feb 1, 1968, in Memphis.

The marriage lasted six years, during which few details of their lives together got out. The fan magazines, however, were full of reports of marital trouble. Finally, the couple separated in February, 1973, and were divorced in Santa Monica, Calif., later that year. As a settlement, Priscilla got more than $1.5 million.

A lot of Presley's comfort was enjoyed at Graceland, the 18-room mansion in Whitehaven that Elvis bought in 1957. Writers of the Elvis myth called it a million-dollar mansion, but, in reality, it cost the musician a mere $100,000 when he purchased it.

In the 20 years that Elvis has owned the house, it has become one of the city's biggest tourist attractions. At first, one used to see only young people gathered around the musical-note gates waiting for a glimpse of the man many of them called "the King."

Later, however, as Elvis and his fans aged together, the crowds grew older and it was not unusual for there to be two generations—mothers and daughters—talking to Vernon Presley, who often manned the guardhouse at the gate, or squinting through the trees, toward the house, straining for a sight of anything that might be the singer.

Although he rarely drove, Presley had a passion for automobiles. He collected Cadillacs like other people collect pieces of Scotch tape—they stuck to him in multiples.

And, one of the things he was famous for, was giving the things away to anyone who happened to be in the right place at the right time.

To thousands of Memphis residents, Elvis was a generous man who remembered his own hard years—especially the charity Christmas basket—and gave back much more than he ever took.

One thing there was never any doubt about—that Elvis was a Memphian and he continued to be one long after he could have settled down anywhere in the world.

However, he was rarely seen in the city where he chose to live when he wasn't off making movies, making music, or making money.

If Elvis was invisible in private life, then he was just the opposite when he was on stage.

But in the end it wasn't the dazzling success that moved people in his hometown.

As soon as she heard the news of his death, a fan rushed down to a record store to buy two Elvis albums and take them the home and play them.

"It's the only thing I could think of to do," she said. "And you know what? Nearly everyone in the store was crying."

And that's how you tell when nobody has become somebody.

[From the Memphis Press-Scimitar, Aug. 17, 1977]

ELVIS PRESLEY

Just a quarter-century ago, no one had ever heard of Elvis Presley, save his classmates at Humes High School. They knew him as an ordinary, awkward country boy, moved here recently with his parents from Tupelo, Miss.

Yesterday, when Presley died, he was probably the world's best known entertainer. His records sold in the millions. His motion pictures were shown in theaters all over the world. His public performances were always sell-outs.

It was a good life the country boy built for himself—a glamorous life. He had everything anyone could want. Money, friends, and legions of worshipful admirers.

Yet the Presley candle that had glowed so brilliantly burned out just 22 years after he made his first record in Memphis.

But the big question remains: What was the Presley secret, what ingredient of life did he possess that was denied to others?

For the answer, we turn to a *Press-Scimitar* clipping of 1957. It quotes a description of the Presley charm by a Pittsburgh, Pa., girl. It reads as follows:

"First of all, may I say that if I knew exactly what it is that Elvis has, I'd bottle it and make a million dollars. It isn't one thing, it's everything. There are many singers who have a good voice, a good personality and good looks, but none has that electricity about voice, looks and personality that Elvis has.

"So you take this electricity, combine it with sweetness, sideburns, a Southern accent, and a smile that is the most devastating thing since the atom bomb. You sprinkle all this liberally with musical and dramatic talent.

"You pour this mixture into a form capable of style, magnetism and excitement which is unbelievable. You bring this form to life with love—his love for his fans and theirs for him—and you have Elvis."

So much for Presley as one admirer saw him.

In Memphis, we saw him as a good, well-behaved citizen. He was known for his generosity, not only for the expensive cars he gave away to friends and sometimes strangers, but for his generous contributions to numerous charities.

Death struck unexpectedly yesterday. Thus ended a glamorous career underscored by the sustained admiration of fans throughout the world.

But in Presley's life his most abiding love was for his mother. She, too, died at age 42.

[From the Tennessean, Aug. 18, 1977]

ELVIS: THE KING IS DEAD

The death of Mr. Elvis Presley was a sudden and shocking event and it removed an entertainer who was exceptional and unique.

He had rocketed from driving a truck to being one of the world's best known entertainers. In the 1950s, he simply dominated the field and almost any record of his turned to gold.

It is difficult to gauge the musical influence that he had. He didn't invent rock and roll, but he made it roll with songs like "Heartbreak Hotel," recorded at the RCA studios here.

The Beatles were influenced by his style and so were any number of others, such as British singer Tom Jones, who at least picked up his gyrations for live performances. But until the Beatles came along with a new sound and created a new craze, Mr. Presley was king.

Whatever else may be said of his talent, timing had something to do with his success. He burst on the music scene when the big band sounds of the pre-war years were quietly fading away and when Mr. Frank Sinatra, the idol of the bobbysoxers of the war years, seemed to have lost his magic.

Something new and different was what the industry talked about and, suddenly, Elvis Presley was it. The gyrating, hard-driving trucker captivated the nation's young—at least the female portion—and pop music had a new king.

There were those who predicted that his vitality and reckless burning of energy would flame out early. But if the Beatles got the teenagers, Mr. Presley kept the audience and the fans of the '50s into the 1960s and the 1970s.

Thanks to the canny management of Col. Tom Parker, Mr. Presley was never "overexposed" even though he made movies by the dozen. He could still pack them in at age 42, although there were those who thought that age and success had taken something from him.

Perhaps they did. Those who knew him well talked of his restlessness, his poor health and his emotional insecurity. Perhaps only he knew the price he paid for fame and fortune, but he gave his fans their money's worth and a lot of happy memories—as Mr. Kris Kristofferson put it, "For the Good Times."

TRIBUTE TO GOV. ALF LANDON ON HIS 90TH BIRTHDAY

Mr. BAKER. Mr. President, I am pleased now to yield such of my remaining time under the standing order as he may require to the distinguished Senator from Kansas.

. Mr. DOLE. Mr. President, I send a resolution to the desk for myself and my distinguished colleague (Mr. PEARSON) and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 259) paying tribute to Governor Alf Landon on the occasion of his 90th birthday.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. ROBERT C. BYRD. Reserving the right to object, the distinguished Senator from Kansas has cleared this resolu-

tion on the majority side and there is no objection. We commend him for his thoughtfulness in offering the resolution. We are glad to support it and to add our commendations to the distinguished American whose birthday is recognized and commemorated by the contents of the resolution.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, the senior Senator from Kansas and I join in offering a resolution honoring Alf Landon, former Kansas Governor and 1936 Republican nominee for President, on the occasion of his 90 birthday.

Governor Landon occupies a fond place in the hearts of those of us who know him. Although he has a firm foothold in American political history of another period, he is ever ready to comment on current affairs with an expertise and sensibility that reveal his unique position as the grand old man of the GOP. His exuberance has led an army of politicians, labor leaders, reporters, and academicians seeking advice and counsel to his west Topeka home over the last 40 years.

AN AFFABLE OLD RADICAL

A Kansas newspaper editor once called him an "affable old radical," a description that is not disagreeable to a man who has always been ahead of his time. The Governor has always been a commonsense, yet unorthodox, sort of progressive. As early as 1936, Mr. Landon was reminding Americans of the evils of inflation and was pointing to the dangers of uncontrolled Government growth. In view of our present day concerns, it seems that he was ahead of his times. His own record of fiscal integrity and balanced budgets during his tenure as Governor of Kansas would be the envy of any contemporary President.

Indeed, it seems to have taken 40 years for many of his ideas to come into their own, but the issues he was addressing in the midthirties, and continues to address, are the issues which we are now hearing a great deal about. An advocate of détente in the 1950's, Governor Landon indicated that he was for it "as long as we are not foolish about it."

The Governor's 90th birthday finds him still active, still riding his horses, still making lively comments on issues and concerns of our day, and still tending to his business affairs.

THE 1936 REPUBLICAN NOMINEE

Governor Landon will always be remembered as the man who carried only Maine and Vermont in the 1936 Presidential election. No doubt, his good-natured reaction to his loss has endeared Alf to the hundreds of people who have sought his advice or his interview through the years. But after knowing the Governor, and listening to his views, you know that even if he had not been the 1936 nominee, he would still attract the attention of those who now revere him for his good advice and solid perspective of events both past and present.

The personal qualities of the affable old gentleman are readily apparent to all who visit with him. Like Truman of Independence and Eisenhower of Abilene, he radiates a plain-speaking Midwestern decency that is heartening these days.

Alf Landon has a number of other outstanding qualities that, due to the constraints here, we have not fully discussed. Over the years, he held the respect and the attention of his party and the American people as a source of wise and venerated political leadership. Before his involvement in politics and since, Alf Landon has been a successful businessman. He has contributed much to the development and education of young people. There is a great deal more we could talk about, as indeed there are many articles and publications about his achievements.

Mr. President, I ask unanimous consent that two articles, one from the Wichita Eagle of September 4, 1977, and one from yesterday's Topeka Capitol be printed in the RECORD.

I urge the adoption of our resolution.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

ALF AT 90, THE YEARS CAN'T SLOW KANSAS' LANDON

(By Al Polczinski)

Tall white columns on the portico of his Topeka home dwarfed Alfred M. Landon as he stood there waiting. Arms akimbo, smiling, he looked younger than the 90 years he will reach Friday.

If it's a formula for a long life you want, Landon said, his is keeping the mind and body exercised.

"Try to do something or learn something new and interesting every day."

Turning 90 is a milestone the Republican statesman says he might not have reached had he been elected president in 1936.

"There's no question but what four years as president takes something out of a man. Eight years takes even more."

Franklin Delano Roosevelt, the Democrat who beat him in that Depression-era election, served 12 years and three months before he died in office in 1945. He was 63.

Landon, a two-term governor of Kansas before he ran for president, still is an active independent oil producer and owns four radio stations.

Friends from across the state will help him celebrate his birthday Friday in Manhattan, where Agriculture Secretary Bob Bergland will join them as the 37th speaker in the Landon Lecture Series at Kansas State University.

Messages wishing him well are certain to come from widely scattered points on the globe.

After his devastating defeat in 1936—Landon won only the eight electoral votes of Maine and Vermont to Roosevelt's 523—no one would have given any but the longest odds on Landon's remaining a national figure.

But he did.

As national crises and elections came and went, Landon's views and analyses were sought by newsmen as far away as London and Bombay.

Candidates or their campaign leaders often included Topeka on their itineraries when they were near Kansas.

Landon's opinions have reached presidents of both parties through direct calls or through cabinet members or national party leaders.

To say that Landon has enjoyed his elder statesman role would be a great understatement.

His interest in politics, global as much as national, is one of the keys to his longevity. It is a major part of his daily diet.

It isn't easy to label Landon's political philosophy. He broke into politics as a Teddy Roosevelt Progressive.

In 1936, he was unknown to most Americans. Those who thought they did know something about the man mistakenly regarded him as another Herbert Hoover chip off the Old Guard Republican block.

His fiscal views tend to be conservative. The hallmark of his years as the state's chief executive was the cash basis law, a restriction that kept local governments from spending more than they had in the bank.

Landon applies the same principle to his personal finances. He doesn't own a single credit card.

"I've said before that credit cards are the worst thing that happened to our country," he said. "I still think so. They encourage people to spend money they don't have."

But he also has advocated such liberal causes as Social Security, Medicare, rent subsidies and welfare for the truly poor and needy.

Leave it to Landon and he will pick the label "Populist Republican." As such, he finds much common ground with the current White House resident, who was elected as a Populist Democrat.

"On the broad outline (a favorite expression), President Carter is following the domestic policies of President Ford and the foreign policies of Secretary (of State) Kissinger."

Here is where hardshelled conservatives part company with Landon.

Carter, like Presidents Ford and Nixon before him, is seeking to normalize relations with the People's Republic of China. Landon has advocated that approach for more than a decade.

In 1969, he nudged the Nixon administration closer to that decision, saying:

"Mere establishing of diplomatic relations with China is only the beginning of a realistic change in the American concept that Communists are straight from hell and that the Chinese are double-damned."

Carter, like Ford, is eager to have a new Panama Canal treaty ratified. The one recently negotiated relinquishes U.S. control of canal operations by the year 2000.

Landon's support for such a move goes back many years. He recalls Sen. Barry Goldwater, the GOP presidential nominee in 1964, asking his opinion on the treaty question two years ago.

"I told him then that it would be popular with all the countries of the western hemisphere, but how long it would be remembered is doubtful."

But long before that, in the 1940s, he supported a move to internationalize the Panama Canal and the Suez Canal.

Landon sees U.S. withdrawal from Panama as inevitable, based on the precedent he believes England set when it walked away from the Suez Canal.

That Americans in 1936 failed to get the true picture of Landon was relayed to him recently by Robert Hardesty, one of President Lyndon Johnson's speechwriters.

Hardesty told Landon of another White House staff member who remembered passing through Kansas one day with President Johnson. Naturally, Landon's name came up in their conversation.

Johnson was quoted as saying:

"I always thought very highly of Alf Landon. But he came along at the wrong time.

"Despite the popular image, he was a man of the people. Nobody knew that, however, because the Roosevelt people did a real haircut job on him."

Landon, in any event, survived. He didn't move into the White House, but he built his own. He probably could have gone to Washington a short time later as a U.S. senator.

But Landon and his wife, Theo, chose life in Kansas instead.

Landon's day generally begins at 6 a.m. give or take 15 minutes. After pulling on some old clothes, he will jog the 100 yards or so from his house to Westchester Road to pick up the morning paper at the road's edge.

Back at the house, he will retire to his favorite chair in the study for a thorough reading of the news. Once abreast of the latest occurrences, he is ready for a trail ride with Red, a Morgan horse he says "is as old, comparatively, as I am."

At his age, Landon admits he's no John Wayne when it comes to swinging into the saddle.

"Crawling into it is more like it."

But any time the weather and old Red cooperate, Landon will ride over the green hills on his 34-acre estate for an hour or more.

At times, Red will be less than cooperative. Apparently, a bit of Landon's independent streak has rubbed off.

This particular day, Red was waiting in the barn. For this he was rewarded with a small bucket of ripe crabapples Landon had gathered on the path to the barn.

As he gave the horse a quick once over with a currycomb, Landon explained that he had got the Morgan because the breed was "built lower to the ground . . . This way, if I fall. I won't have so far to fall."

Once Red is back in the barn and cared for, Landon will head for one of two favorite luncheon spots—either Tommy's, nearby on 6th Avenue, or a windowside table at the Topeka Club, across the street from the state capitol.

Or he may stop at his office at radio station WREN to check on business interests and any correspondence that needs his attention.

He also has radio stations in Liberal, Dodge City and Fort Collins, Colo., his newest acquisition.

And there are his 47 oil wells, "mostly old ones," in Greenwood County.

Returning home, he probably will take a nap before dinner. If there are no evening guests, he may spend much of the time reading in his study, where a large oil painting of him as governor dominates the room from above the fireplace.

This is where he leads an evening partner for one of his frequent political bull sessions. There is nothing Landon enjoys more than a lively discussion of current events—unless it might be the excitement of bringing in a new oil well or radio station.

But his visitor had better come prepared to contribute as much as he receives. Landon is full of questions and mental tests, and he rewards any guest by being as good a listener as he is a talker.

Sometimes, when trying to fashion a well-reasoned argument, a particular name, date or place resists recall. Then he will cock his head back and to one side and make a circle of his lips as he strains to retrieve the elusive fact from one of his cerebral filing cabinets.

When his cranial computer fixes on the truant information, he will lean forward in his chair, the corners of his mouth will turn up and the eyes in his pixie face will sparkle as he scores his point.

Only then will he notice that a pipe he tries to keep lit has grown cold again.

It takes but a few minutes to realize that Kansas has been good to the Landons. Kansas, in turn, has been enriched by the Landon presence.

Several years ago, when a sciatic nerve in his right leg flared up during a bout with the flu and restricted his activity, Landon said his goal was to live to be 90.

Landon, still hardy with 90 in sight, has set a higher goal. But this one illustrates his conservative side.

"I just hope we're both here on the front porch a year from now reviewing current events."

He still isn't willing to spend what he has no right to expect.

LANDON AT 90: STILL IN THE LIMELIGHT

(By Lew Ferguson)

Alf Landon warmly greeted the young man who had just stepped from his dented old car after pulling up the long driveway to Landon's big white house.

"Where are you from?" Landon asked.

"I'm from Virginia. I'm a history nut, and a good Republican," the visitor said.

"Well, I'm glad to see you. It was mighty nice of you to drop by."

The young man asked to pose with Landon for pictures, thanked him profusely and departed.

The scene, repeated several times a year with variations, perhaps best tells the story of Alfred Mossman Landon today.

"He'll stop anything and talk to a school youngster who wants to do a story on him," said Theo Cobb Landon, his wife for 47 years.

"I guess that's why he's lived to be 90, I think it's because he keeps busy and he's so interested in people."

Alf Landon is 90 on Friday, still active in business, still eager to discuss politics, the economy or sports, and still riding Red, his aging horse and companion, several miles up the Kansas River each day that weather and business permit.

He's still the confidante of presidents, too. He's proud of the fact he's received personal notes from every President since Franklin D. Roosevelt.

"There's been no slowdown for the last 10 years, that's for sure," said Mrs. Landon, who recently abandoned her year-long fight to get him to quit smoking cigarettes.

It became Landon's trademark, even before he ran for president in 1936 against Roosevelt, to bum cigarettes from those he met.

Mrs. Landon tolerated his mooching cigarettes, but she didn't want him smoking them.

Landon went to the doctor this summer at Mrs. Landon's insistence, preparatory to a vacation trip to Colorado.

"He came out of the doctor's office," and said, "The doctor said I'm fine, and I can do anything I want to do," Mrs. Landon related.

"I said, well, what else could he say? You'd do what you want to do anyway. So, I let up on the cigarettes. Why fuss with him when it doesn't do any good?

"He said the other day, you know, I think I'll live to be 100." I said, "Well, I never doubted that you probably would. But you're going to have to find somebody else to give you birthday parties."

Mrs. Landon is putting on a private party for about 20 family members Friday evening, after she and the one-time Kansas governor travel to Manhattan for an address by U.S. Agriculture Secretary Bob Bergland in the lecture series named for Landon at Kansas State University.

Kansas State officials are planning some extra special touches on the occasion of Landon's 90th birthday. And, Landon Junior High School here held a party for him.

Landon admits his goal was to reach 90. He professes no similar ambition to reach 100, however.

"Let's make it year by year now," he said.

But in the next breath, he added, "there are such exciting prospects ahead, in all aspects of life."

With his keen interest in everything from the state of the world to how the Kansas Jayhawks will do in the upcoming football season, few can doubt Landon's enthusiasm for life may well sustain him to the century mark.

Landon, who reached normal retirement age a quarter of a century ago, still is active in the oil business and is the final stages of launching a new FM radio station at Fort Collins, Colo. It is his fifth station, with others located in Topeka, Dodge City, and Liberal, and an AM station in Fort Collins.

"He's always pushing," Mrs. Landon said. "He stewed all evening whether the broadcast test on the new station would work. He's always worrying about solving everyone's problems."

Landon has always had a keen business eye, especially in oil exploration. Right now, he's closely watching efforts to recover natural gas from shale in central Kansas, a prospect heretofore considered unfeasible.

"They must know something we don't know", Landon said of a current effort to pipe gas out of the area.

Landon never has been short on political opinions, and he offered these during a wide-ranging interview:

Foreign policy: He supports President Carter on the proposed Panama Canal treaty and in pressuring Russia to observe human rights. "We're not giving the Panama Canal away; we're sharing it with Panama," he said. "The canal has limited value today in peace or war, compared to when it first was built. I may not agree with all the details, but so what? It's the goal that counts."

Imperialism: "Russia is making the same mistake as many nations before her, trying to maintain control over her satellites. They create an economic drain that can't be sustained forever."

Energy: He supports President Carter's conservation policy "to eliminate waste, because it's in the interest of the people of the world."

State of his Republican Party: Recent GOP triumphs in elections to fill congressional vacancies, and criticism of some of Carter's policies by Democrats indicates things are not as bleak as some Republicans think. And, he cautions, "When you get down to one-party government, you have a seedbed for a dictatorship."

1980 policies: It's too early to speculate whether former President Gerald Ford or Ronald Reagan might again be contenders for the GOP nomination. Others to watch, he said, are Sens. Bob Dole of Kansas, and John Danforth of Missouri, and Gov. James Thompson of Illinois.

Landon never sought the Republican nomination in 1936, nor has he ever looked back with bitterness upon his landslide loss to Roosevelt.

"I never went after the nomination as some have in history," he said. "It just built from the grassroots, mainly from some newspaper leaders who had observed what I did as governor of Kansas (1933–37)

Only Oscar Stauffer, chairman of Stauffer Communications Inc. who will be 91 in November, survives of those who first promoted Landon for the presidency more than 40 years ago.

Landon admits he knew well in advance of the 1936 election that Roosevelt could not be beaten, because the time wasn't right. Landon carried only two states, Maine and Vermont.

He feels the United States still is paying the price of Roosevelt's managed economy policy, which is seemingly never-ending inflation. Yet, he's never harbored any bitterness about the outcome in 1936.

Indeed, Landon has cherished his position of influence in public affairs, and the "elder statesman" status accorded him by the Republican Party, which went out of its way to recognize him at its 1972 Miami Beach and 1976 Kansas City conventions.

Landon retired from candidate politics, built the big white house he and Theo have occupied since 1937 on Topeka's northwest edge, and settled down to another 40 years of observing history.

"I was urged to run for the U.S. Senate in 1934, but declined," Landon said. "The truth is I just didn't want to be tied down. A man is tied down when he becomes a candidate whether he likes it or not.

"My whole record shows I was something of a maverick, if you want to call it that.

But I've always been free to act as I wanted. It was my own personal decision. I've never regretted it. I've rather relished my role."

Mr. BAKER. Mr. President, I express my appreciation to the distinguished Senator from Kansas for sponsoring this resolution and calling this important matter and anniversary to our attention. I want to take just a moment of the Senate's time to add a personal note of congratulations and reminiscence.

I have a special recollection of the Presidential campaign of 1936, when the Republican nominees were Landon and Knox, because that is the first one I can ever remember. I recall my father, when I was a very, very young child, taking me around Tennessee campaigning for the Republican ticket. I proudly wore the sunflower emblem of that candidacy.

I came to have a great respect for Alf Landon in the years that he devoted so much of his time, his efforts, his talent, and his sagacity to the furtherance of Republican efforts. He typifies the sort of statesmanship that American politics has not infrequently produced in this country. He is a living testimonial to and we rightly pay tribute to his contribution to the American political scene.

I am proud to join with the distinguished Senator from Kansas (Mr. DOLE) in wishing Alf Landon happy birthday and many more happy returns in the future.

Mr. PEARSON. Mr. President, it is a pleasure for me to join my colleague from Kansas in urging the adoption of a resolution honoring Alf Landon on his 90th birthday.

For over 40 years, Alf Landon has been one of our most respected and most inspiring citizens. Of course, as Governor of Kansas and as his party's nominee for President, he has earned a permanent niche in American history. But I think his talent and energy have shown through more as a private citizen than as a public official.

As a businessman, counselor, sportsman, and friend, he is a model for all who know him. His approach to public life has always been dignified. His approach to life in general is always spirited. He is among the very few who can blend morality, humanity and practical politics. Even those who occasionally disagree with him never doubt that fairness and honesty are Alf Landon's tools of leadership.

Mr. President, Alf Landon's reasoned activism in public affairs has spanned the heart of this century. Our country has weathered some heavy storms over those years, and Alf Landon has consistently demonstrated his desire and ability to quell the turbulence. His advice is sought by Presidents. His friendship is cherished by many. And his warm humor and disarming smile are enjoyed by all. Alf Landon is a man who at 90 years of age demonstrates more creative energy than most men ever possess.

Mr. President, on this day I would like to honor a great citizen. But beyond recognition, I would like to offer my thanks to a good friend—Alf Landon. I thank him for raising the level of American Government and politics. In his gentle, often understated, but always strong fashion, he has done just that. In my opinion, a man can make no greater contribution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 259) was agreed to as follows:

Resolved, That the Senate hereby extends to the Honorable Alf Landon its greetings and warm wishes on the occasion of his ninetieth birthday on September 9, 1977.

SEC. 2. The Senate expresses its admiration and gratitude to Governor Landon for his many years of distinguished service to the people of Kansas and the United States.

SEC. 3. The Senate expresses its appreciation to Governor Landon for his contributions as Governor of Kansas, presidential candidate, statesman, progressive and venerable leader of his political party, civic leader, humanitarian and successful businessman and for his interest in young people.

SEC. 4. The Secretary of the Senate shall transmit a copy of this resolution to the Honorable Alf Landon.

Mr. BAKER. Mr. President, I have no further requirements for my time.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1978—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Mississippi (Mr. STENNIS) is recognized to call up the conference report on H.R. 7933.

Mr. STENNIS. Mr. President, I submit a report of the committee of conference on H.R. 7933 and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7933) making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of August 4, 1977.)

Mr. STENNIS. Mr. President, as I understand, the report has already been cleared and H.R. 7933 is the pending order.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. STENNIS. Mr. President, there has been an agreed time limitation on this report of 1 hour, but I do not know of anything connected with it that is going to require that much time. I do not know of any reason that we should have a rollcall vote, because all these matters have been gone over thoroughly by the Senate and there is no great substantial change on this bill in this conference report on the bill that passed the Senate.

I have some remarks pointing out the highlights of the conference report and comparing it with the bill as passed by the Senate, together with certain tables that are customarily placed in the RECORD on this bill's conference report. I hope the Senator from North Dakota, our very valuable ranking minority member of the subcommittee that handles this bill, will also have some remarks.

Mr. President, I point out that together, there were before this conference in the beginning 246 individual line item dollar or language differences. In other words, the conference had to consider that number of individual line item differences that were included in 82 amendments made by the Senate to the House bill.

I brought this out to show how thoroughly the Senator from Arkansas (Mr. MCCLELLAN), chairman of the committee, and the Senator from North Dakota (Mr. YOUNG), the ranking minority member, and other members of the subcommittee, went into this massive annual appropriation bill and how thoroughly they scoured it. A total of 82 amendments were added by the Senate to the House bill.

But in spite of those great proposed changes, there is no great difference in this conference report as filed.

One of the big money differences is the B–1 production money of $1.4 billion which was in the House bill. It had been passed before the President had made his decision with reference to the B–1 for fiscal year 1978 and the Senate took that money out of its bill after the President's recommendation was made. That item went back in disagreement to the House, the only item the conferees did not finally agree on, and was disposed of by the House yesterday by rollcall vote wherein the House acceded to the Senate amendment deleting those funds.

Mr. President, on Monday, August 1, 1977, the conferees on the Department of Defense appropriations bill for fiscal year 1978 reached agreement on the differences between the two Houses after 4 days of meetings and over 20 hours of deliberations.

The total amount of new budget authority in the conference report was $111,184,166,000. However, this amount included funding to initiate production of the B–1 strategic bomber. The House bill provided $1.4 billion for the B–1. The Senate bill included no funds for B–1 production. The conferees could not reach agreement on the matter and the item was reported in disagreement. The House has accepted the Senate amendment, and this bill no longer includes any funds to begin production of the B–1 bomber.

The total amount of new budget authority in this bill is $109,752,766,000. This is $4.1 billion, or 3.6 percent below the administration's amended budget request. It is $329.5 million below the House bill and $52.3 million below the Senate bill.

Mr. President, this was a very harmonious conference, conducted in the spirit of compromise. Altogether, there were 246 individual line item dollar or language differences to be resolved.

All in all, I think the conferees succeeded in fashioning a very reasonable compromise that funds the items needed for the security of this Nation. It is, I believe, a prudent bill when one considers both this country's international responsibilities and the external threats that we must guard against.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks, a comparative summary, by appropriation, of the conference committee's action.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

MAJOR ITEMS IN CONFERENCE

TITLE I—MILITARY PERSONNEL

Mr. STENNIS. Mr. President, the conferees agreed to reductions totaling $56.7 million for military strength reductions, primarily related to authorization adjustments. At the time the House bill was considered, authorization action had not been completed. Instead of the general strength reductions recommended in the House bill, the conferees made specific recommendations to bring strength levels in line with the authorization adjustments. The funding level provided in this bill will allow the services to meet their authorized end-strength in fiscal year 1978.

The conferees agreed not to transfer certain maintenance personnel from the active forces to the Reserve components during fiscal year 1978 as recommended by the Senate. On the question of transferring certain Reserve functions from pay categories A and B to pay category D, the conferees agreed that these skills should remain in the Selected Reserve as recommended by the Senate. The conferees agreed that undergraduate helicopter pilot training should not be consolidated in fiscal year 1978 as proposed in the budget request and the House bill.

TITLE III—OPERATION AND MAINTENANCE

The conferees restored $250.4 million of the $498.6 million Senate reduction for anticipated inflation in operation and maintenance accounts. The total amount provided for inflation was $992.2 million instead of the $1,240.8 million requested in the Department of Defense budget. The conferees further agreed that the amounts provide for inflation would be used, to the maximum extent possible, to sustain and enhance military readiness.

The conferees agreed to the House reduction of 12,100 civilian man-years to equate with the civilian strength reductions and ceilings specified in the 1978 Defense Authorization Act. The associated dollar reduction for civilian personnel was $170 million, to be applied by the military departments to the lowest priority programs, including, where feasible, reductions in base operating support civilian positions.

The conferees agreed to provide the full $45.5 million requested for the cost of the C–5A cabin load restriction, and restored the $16.2 million Senate reduction to the C–5A unloaded flying program. However, the conferees directed that the Air Force report to the committees on why the C–5A cannot be used in the continental United States for movement of military cargo and passengers, and on possible measures to reduce the peacetime use of the C–5A to an absolute minimum until the structural problems have been resolved. The conferees also accepted the House position that consolidation of the Navy airlift capability under the Military Airlift Command be deferred for 1 year while DOD prepares a report for submission with the fiscal year 1979 budget justifying whatever position the Department subsequently takes on this subject.

The conferees agreed to provide an additional $146.1 million above the budget request for depot maintenance programs and adopted the Senate restriction that none of the funds provided in the bill for depot maintenance could be reprogramed to other uses.

The conferees agreed to provide $100 million, rather than $300 million as proposed by the Senate, for establishment of a Secretary of Defense readiness fund for transfer to the services upon determination by the Secretary that funds are necessary for high priority items directly associated with military readiness.

TITLE IV—PROCUREMENT

AIRCRAFT PROGRAMS

The conference agreement funds 20 C–12A utility aircraft for the Army, the same number authorized. The conferees agreed to provide $107.4 million to procure 12 A–7E attack aircraft for the Navy and $5 million in advance procurement funds. The conference agreement provides the full authorization of $28.7 million to buy 34 T–34C Navy trainer aircraft. The conferees provided the full authorization of $741.8 million to procure 144 A–10 close air support aircraft for the Air Force and $48.7 million in advance procurement funds. The conference agreement funds a buy of 97 F–15 air superiority fighter aircraft and 105 F–16 air combat fighters for the Air Force in fiscal year 1978. The conferees provided $7.5 million for modification of one wide-bodied passenger aircraft owned by a commercial passenger air carrier to serve as a pilot model for the Civil Reserve Airlift Fleet modification program. The conference agreement does not provide funds to initiate production of the B–1 bomber.

MISSILE PROGRAMS

The conference agreement provides $77.7 million to procure 360 nonnuclear warheads and missiles for the Army Lance surface-to-surface missile system. The conferees provided the full authorization of $40.6 million to fund tooling startups and procurement of long lead-time material components for the Air Force AGM–86 air launched strategic cruise missile program. The conferees provided the full authorization of $61.9 million for the Air Force backup Titan IIIC booster.

COMMUNICATIONS PROGRAMS

The conference agreement provides the full authorization of $83.2 million for the Air Force satellite data system program. The Senate provided $25.6 million for the Air Force NAVSTAR global positioning system while the House provided no funds; the conferees agreed to the House position. The conferees agreed to $14.9 million as provided by the House for the Navy Fleet Satellite Communications System instead of the Senate amount, $62.3 million. The lower figure terminates the program after vehicle No. 3 in favor of converting to leasing of commercial satellite communications.

SHIPBUILDING PROGRAM

The conference agreement provides $1,490,300,000 to procure two Trident nuclear ballistic missile submarines in fiscal year 1978. The conferees agreed to delete the $81.6 million advance procurement funding provided by the Senate to buy additional long leadtime components for a CVN *Nimitz*-class nuclear-powered aircraft carrier. The Senate provided $614 million to buy two DD–963 air capable destroyers in fiscal year 1978. The conferees agreed to provide $310 million to fully fund the construction of one ship with design option to be determined by the Navy.

TANKS

The House provided $420.3 million to procure 759 M60A1 Army tanks with thermal night sights. The Senate provided $502.9 million to buy 800 M60A3 tanks with thermal night sights, ruby laser rangefinders, and solid state computers. The conferees agreed to $461.6 million which should buy 780 M60A3 tanks.

TITLE V—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

The conferees agreed to $11,098 million for research and development programs rather than $10,900 million as proposed by the House and $11,106 million as proposed by the Senate. The recommended appropriation of $2,418 million for the Army, $3,992 million for the Navy, $3,918 million for the Air Force, and $770 million for Defense agencies is approximately 5 percent below the budget request of $11,731 million.

AIRCRAFT PROGRAMS

The conferees agreed to delete all funds for the Aerial Scout Helicopter as proposed by the House, instead of providing $7.5 million as proposed by the Senate. The F–14 engine program was funded at $34.8 million as proposed by the House rather than $26 million as proposed by the Senate.

The Senate amount of $15.7 million for the NATO early warning aircraft was approved with the stipulation that DOD attempt to recover a portion of the U.S. expenditure for AWACS development from NATO.

MISSILE PROGRAMS

The conferees agreed to provide $3.8 million for the Shipboard Intermediate Range Combat System—SIRCS—if the Defense Department develops and procures the system in accordance with the latest Office of Management and Budget

procurement directives. The conferees agreed to $12.2 million for SRAM–B as proposed by the Senate, instead of $36.4 million as proposed by the House.

The conferees provided $39.6 million for strategic bomber penetration. Part of this funding will be used to accelerate ramjet propulsion.

OTHER MAJOR PROGRAMS

The Army Advanced Forward Area Air Defense System was approved at $24.2 million. Funding of $5 million added earlier by Congress for an advanced mechanized infantry combat vehicle was deleted by the conferees.

The conferees agreed to $43.9 million for the surface effects ship program as provided by the Senate, instead of $6 million as provided by the House. Funding was not approved for the Navy Tactical Airborne Signal Exploitation System—TASES. The Senate recommended $15.8 million and the House had deleted all funding.

The Navy extra low frequency communications program—SEAFARER—was approved by the conferees at the requested level of $20.4 million providing that certain restrictive provisions be adhered to by the Department.

The Air Force Strategic Air Command updated communication system was not funded by the conferees with the stipulation that a revised program would be considered in the future.

The conferees agreed to $60.6 million for the Defense Satellite Communications System—DSCS III—as proposed by the Senate, instead of no funding as proposed by the House.

GENERAL PROVISIONS

The conference reached agreement on a number of differences in the general provisions, providing as follows on the major items:

Deletes a Senate provision that would have allowed for the set-aside of Defense contracts to labor surplus areas.

Includes a modified version of a Senate amendment requiring the Department of Defense to collect reports of Defense contractors who have contracts in excess of $500,000.

Permits funds for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) to pay for psychiatric nursing and nurse-midwife services.

Deletes a Senate provision that restricted the rate at which physicians could be reimbursed by CHAMPUS, and that required the first $60 for hospital admissions under CHAMPUS must be paid by the beneficiary.

Deletes the House prohibition on construction of new Army ammunition plant facilities.

Limits to 300 the number of enlisted aides in the Department of Defense. The Senate had reduced this number to 150, while the House bill provided 300.

Includes a prohibition on future contracting out of base operating support functions. New support contracts may be entered into only if these contracts would not cause reductions in the number of Government employees.

Provides that no funds may be used for the support of ROTC units not meeting minimum enrollment criteria. State-operated maritime academies are exempted from these criteria for at least one year.

Deletes a provision in the House bill which prohibited the use of appropriated funds to plan or execute assassination plots against foreign officials. The provision was considered to be unnecessary since assassinations are already prohibited by law and by Executive Order.

Deletes a Senate provision that prohibited the use of appropriated funds for the subsidy for transportation of military exchange goods overseas.

Limits the number of military personnel assigned to Non-appropriated Fund activities.

Deletes a Senate amendment which would have precluded increasing the unit equipage of individual Air National Guard squadrons assigned the A–7 aircraft. A reasonable attempt should be made to increase the unit equipage of as many squadrons as possible assuming the locations have an adequate population base to support the increased numbers of aircraft.

TITLE IX—RELATED AGENCIES

The conferees agreed to provide $1 million for the Federal Procurement Institute.

Mr. President, in the course of this matter, I will be glad to try to answer any questions that may be asked, as well as other members of our subcommittee, of course.

I want to especially thank all the members of the conference, both Senate and House, for their fine work. We were in session 4 full days on this matter and finally wound up with a unanimous conference report signed by every member of the conference who was able to attend.

EXHIBIT 1

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY

[Fiscal year]

	New budget authority					Conference compared with—			
	Enacted, 1977	Estimates, 1978	House, 1978	Senate, 1978	Conference, 1978	1977 enacted	1978 estimate	House bill	Senate bill
TITLE I									
Military Personnel									
Military personnel:									
Army	$8,865,672,000	$8,790,943,000	$8,746,573,000	$8,704,733,000	$8,741,800,000	−$123,872,000	−$49,143,000	−$4,773,000	+$37,067,000
Navy	6,141,630,000	6,182,312,000	6,169,662,000	6,133,758,000	6,169,662,000	+28,032,000	−12,650,000		+35,904,000
Marine Corps	1,909,462,000	1,923,000,000	1,919,522,000	1,899,442,000	1,918,400,000	+8,938,000	−4,600,000	−1,122,000	+18,958,000
Air Force	7,352,652,000	7,240,200,000	7,204,560,000	7,154,631,000	7,199,900,000	−152,752,000	−40,300,000	−4,660,000	+45,269,000
Reserve personnel:									
Army	479,769,000	553,600,000	546,249,000	556,400,000	555,600,000	+75,831,000	+2,000,000	+9,351,000	−800,000
Navy	220,010,000	184,500,000	204,975,000	206,075,000	206,075,000	−13,935,000	+21,575,000	+1,100,000	
Marine Corps	78,173,000	78,700,000	79,025,000	78,700,000	78,700,000	+527,000		−325,000	
Air Force	163,807,000	171,400,000	168,795,000	174,400,000	171,400,000	+7,593,000		+2,605,000	−3,000,000
National Guard personnel:									
Army	723,415,000	783,600,000	779,100,000	782,500,000	782,500,000	+59,085,000	−1,100,000	+3,400,000	
Air Force	226,500,000	231,800,000	228,903,000	231,800,000	231,800,000	+5,300,000		+2,897,000	
Total, title I, new new budget (obligational) authority, Military personnel	26,161,090,000	26,140,055,000	26,047,364,000	25,922,439,000	26,055,837,000	−105,253,000	−84,218,000	+8,473,000	+133,398,000
TITLE II									
Retired Military Personnel									
Retired pay, Defense	8,238,100,000	9,036,000,000	9,010,000,000	9,010,000,000	9,010,000,000	+771,900,000	−26,000,000		
TITLE III									
Operation and maintenance:									
Army	8,090,865,000	8,490,869,000	8,369,746,000	7,949,376,000	8,139,314,000	+48,548,000	−351,456,000	−230,333,000	+190,037,000
Navy	9,690,502,000	10,891,862,000	10,832,191,000	10,573,563,000	10,743,263,000	+1,052,761,000	−148,599,000	−88,928,000	+169,700,000
Marine Corps	591,225,000	636,200,000	633,449,000	592,001,000	615,628,000	+24,403,000	−20,572,000	−17,821,000	+23,627,000
Air Force	8,257,661,000	8,586,114,000	8,346,886,000	8,191,862,000	8,335,279,000	+77,618,000	−250,835,000	−11,607,000	+143,417,000
Defense agencies	2,804,000,000	2,975,900,000	2,896,468,000	2,809,686,000	2,827,574,000	+23,574,000	−148,326,000	−68,894,000	+17,888,000
Army Reserve	364,689,000	389,000,000	394,725,000	372,976,000	380,976,000	+16,107,000	−8,204,000	−13,929,000	+7,820,000
Navy Reserve	290,600,000	311,900,000	321,090,000	291,166,000	316,290,000	+25,690,000	+4,390,000	−4,800,000	+25,124,000
Marine Corps Reserve	15,135,000	16,900,000	16,838,000	16,095,000	16,528,000	+1,393,000	−372,000	−310,000	+433,000
Air Force Reserve	355,525,000	377,600,000	374,535,000	373,944,000	374,349,000	+18,824,000	−3,251,000	−186,000	+405,000
Army National Guard	724,066,000	759,500,000	758,921,000	745,239,000	745,666,000	+21,600,000	−13,834,000	−13,255,000	+427,000
Air National Guard	792,000,000	832,100,000	831,200,000	823,468,000	825,207,000	+33,207,000	−6,893,000	−5,993,000	+1,739,000

EXHIBIT I—Continued

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

[Fiscal year]

	New budget authority					Conference compared with—			
	Enacted, 1977	Estimates, 1978	House, 1978	Senate, 1978	Conference, 1978	1977 enacted	1978 estimate	House bill	Senate bill
TITLE III—Continued									
Operation and maintenance—Continued									
National Board for the Promotion of Rifle Practice, Army	$300,000	$365,000	$365,000	$365,000	$365,000	+$65,000			
Claims, Defense	82,500,000	82,500,000	82,500,000	82,500,000	82,500,000				
Contingencies, Defense	2,500,000	5,000,000	2,500,000	2,500,000	2,500,000		−$2,500,000		
Court of Military Appeals, Defense	1,286,000	1,735,000	1,735,000	1,735,000	1,735,000	+449,000			
Secretary of Defense Readiness Fund				300,000,000	100,000,000	+100,000,000	+100,000,000	+$100,000,000	−$200,000,000
Total, title III, new budget (obligational) authority, Operation and maintenance	32,062,854,000	34,357,545,000	33,863,149,000	33,126,476,000	33,507,093,000	+1,444,239,000	−850,452,000	−356,056,000	+380,617,000
TITLE IV									
Procurement									
Aircraft procurement, Army	541,900,000	665,300,000	627,700,000	673,300,000	657,100,000	+115,200,000	−8,200,000	+29,400,000	−16,200,000
Missile procurement, Army	497,400,000	451,600,000	524,183,000	545,183,000	536,883,000	+39,483,000	+85,283,000	+12,700,000	−8,300,000
Procurement of weapons and tracked combat vehicles, Army	1,089,800,000	1,651,700,000	1,378,100,000	1,489,100,000	1,421,200,000	+331,400,000	−230,500,000	+43,100,000	−67,900,000
Transfer from other accounts	(27,800,000)					(−27,800,000)			
Procurement of ammunition, Army	902,900,000	1,348,900,000	1,154,400,000	1,223,800,000	1,179,300,000	+276,400,000	−169,600,000	+24,900,000	−44,500,000
Transfer from other accounts			(57,500,000)	(57,500,000))	(57,500,000)	(+57,500,000)	(+57,500,000)		
Other procurement, Army	1,366,600,000	1,503,400,000	1,351,750,000	1,420,300,000	1,403,325,000	+36,725,000	−100,075,000	+51,575,000	−16,975,000
Transfer from other accounts			(6,300,000)	(2,700,000)	(2,700,000)	(+2,700,000)	(+2,700,000)	(−3,600,000)	
Other procurement, Army, 1973/1975 (liquidation of deficiency)		(21,000,000)	(21,000,000)	(21,000,000)	(21,000,000)	(+21,000,000)			
Aircraft procurement, Navy	2,843,500,000	3,599,600,000	3,427,400,000	3,494,600,000	3,479,000,000	+635,500,000	−120,600,000	+51,600,000	−15,600,000
Transfer from other accounts			(3,000,000)					(−3,000,000)	
Weapons procurement, Navy	2,022,200,000	2,319,400,000	2,181,900,000	2,229,300,000	2,181,900,000	+159,700,000	−137,500,000		−47,400,000
Transfer from other accounts			(52,700,000)	(52,700,000)	(52,700,000)	(+52,700,000)	(+52,700,000)		
Shipbuilding and conversion, Navy	5,742,400,000	5,931,200,000	5,218,788,000	6,146,100,000	5,760,500,000	+18,100,000	−170,700,000	+541,712,000	−385,600,000
Transfer from other accounts			(42,000,000)	(42,000,000)	(42,000,000)	(+42,000,000)	(+42,000,000)		
Other procurement, Navy	2,173,400,000	2,220,600,000	2,141,471,000	2,150,600,000	2,176,410,000	+3,010,000	−44,190,000	+34,939,000	+25,810,000
Transfer from other accounts			(10,000,000)	(10,000,000)	(10,000,000)	(+10,000,000)	(+10,000,000)		
Procurement, Marine Corps	328,400,000	460,000,000	440,400,000	440,400,000	440,400,000	+112,000,000	(−19,600,000)		
Transfer from other accounts			(9,800,000)	(9,800,000)	(9,800,000)	(+9,800,000)	(+9,800,000)		
Aircraft procurement, Air Force	6,067,700,000	6,144,000,000	7,417,705,000	6,111,600,000	6,262,000,000	+194,300,000	+118,000,000	−1,155,705,000	+150,400,000
Transfer from other accounts	(21,500,000)		(34,400,000)	(34,400,000)	(34,400,000)	(+12,900,000)	(+34,400,000)		
Missile procurement, Air Force	1,827,700,000	1,874,700,000	1,568,700,000	1,737,200,000	1,700,600,000	−127,100,000	−174,100,000	+131,900,000	−36,600,000
Transfer from other accounts	(33,300,000)		(25,400,000)	(44,600,000)	(44,600,000)	(+11,300,000)	(+44,600,000)	(+19,200,000)	
Other procurement, Air Force	2,295,350,000	2,477,000,000	2,303,998,000	2,371,300,000	2,337,345,000	+41,995,000	−139,655,000	+33,347,000	−33,955,000
Transfer from other accounts			(4,800,000)	(4,800,000)	(4,800,000)	(+4,800,000)	(+4,800,000)		
Procurement, Defense agencies	250,100,000	348,200,000	308,259,000	334,584,000	327,826,000	+77,726,000	−20,374,000	+19,567,000	−6,758,000
Total, title IV, new budget (obligational) authority, procurement	27,949,350,000	30,995,600,000	30,044,754,000	30,367,367,000	29,863,789,000	+1,914,439,000	−1,131,811,000	−180,965,000	−503,578,000
Transfer from other accounts	(82,600,000)		(245,900,000)	(258,500,000)	(258,500,000)	(+175,900,000)	(+258,500,000)	(+12,600,000)	
(Liquidation of deficiency)		(21,000,000)	(21,000,000)	(21,000,000)	(21,000,000)	(+21,000,000)			
TITLE V									
Research, development, test, and evaluation									
Research, development, test, and evaluation:									
Army	2,280,816,000	2,522,100,000	2,394,108,000	2,402,758,000	2,417,882,000	+137,066,000	−104,218,000	+23,774,000	+15,124,000
Navy	3,722,792,000	4,212,900,000	3,895,517,000	4,032,214,000	3,991,791,000	+268,999,000	−221,109,000	+96,274,000	−40,423,000
Air Force	3,749,530,000	4,198,800,000	3,856,618,000	3,954,218,000	3,917,766,000	+168,236,000	−281,034,000	+61,148,000	−36,452,000
Defense Agencies	651,280,000	772,000,000	728,468,000	745,278,000	745,278,000	+93,998,000	−26,722,000	+16,810,000	
Director of Test and Evaluation, Defense	30,000,000	25,000,000	25,000,000	25,000,000	25,000,000	−5,000,000			
Total, title V, new budget (obligational) authority, Research, development, test, and evaluation	10,434,418,000	11,730,800,000	10,899,711,000	11,159,468,000	11,097,717,000	+663,299,000	−633,083,000	+198,006,000	−61,751,000

EXHIBIT I—Continued

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

[Fiscal year]

	New budget authority					Conference compared with—			
	Enacted, 1977	Estimates, 1978	House, 1978	Senate, 1978	Conference, 1978	1977 enacted	1978 estimate	House bill	Senate bil
TITLE VI									
Special Foreign Currency Program									
Special foreign currency program	$3,665,000	$2,480,000	$2,480,000	$2,480,000	$2,480,000	−$1,185,000			
TITLE VII									
Working Capital Funds									
Army stock fund	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000				
Navy stock fund	32,000,000	30,000,000	30,000,000	30,000,000	30,000,000	−2,000,000			
Marine Corps stock fund	6,200,000	1,900,000	1,900,000	1,900,000	1,900,000	−4,300,000			
Air Force stock fund	58,800,000	34,600,000	34,600,000	34,600,000	34,600,000	−24,200,000			
Defense stock fund	22,800,000	4,300,000	4,300,000	4,300,000	4,300,000	−18,500,000			
Total, title VII, new budget (obligational) authority, Working capital fund	219,800,000	170,800,000	170,800,000	170,800,000	170,800,000	−49,000,000			
TITLE VIII									
General Provisions									
Additional transfer authority, sec. 833	(750,000,000)	(750,000,000)	(750,000,000)	(750,000,000)	(750,000,000)				
TITLE IX									
Related Agencies									
Intelligence Community Staff	8,748,000	10,500,000	8,950,000	8,950,000	8,950,000	+202,000	−$1,550,000		
Payment to the CIA Retirement and Disability Fund	28,300,000	35,100,000	35,100,000	35,100,000	35,100,000	+6,800,000			
Office of Federal Procurement Policy				2,000,000	1,000,000	+1,000,000	+1,000,000	+$1,000,000	−$1,000,000
Total, title IX, new budget (obligational) authority, Related agencies	37,048,000	45,600,000	44,050,000	46,050,000	45,050,000	+8,002,000	−550,000	+1,000,000	−1,000,000
RECAPITULATION									
Title I–Military personnel	26,161,090,000	26,140,055,000	26,047,364,000	25,922,439,000	26,055,837,000	−105,253,000	−84,218,000	+8,473,000	+133,398,000
Title II—Retired military personnel	8,238,100,000	9,036,000,000	9,010,000,000	9,010,000,000	9,010,000,000	+771,900,000	−26,000,000		
Title III—Operation and maintenance	32,062,854,000	34,357,545,000	33,863,149,000	33,126,476,000	33,507,093,000	+1,444,239,000	−850,452,009	−356,056,000	+380,617,000
Title IV—Procurement	27,949,350,000	30,995,600,000	30,044,754,000	30,367,367,000	29,863,789,000	+1,914,439,000	−1,131,811,000	−180,965,000	−503,578,000
Transfer from other accounts	(82,600,000)		(245,900,000)	(258,500,000)	(258,500,000)	(+175,900,000)	(+258,500,000)	(+12,600,000)	
(Liquidation of deficiency)		(21,000,000)	(21,000,000)	(21,000,000)	(21,000,000)	(+21,000,000)			
Title V—Research, development, test, and evaluation	10,434,418,000	11,730,800,000	10,899,711,000	11,159,468,000	11,097,717,000	+663,299,000	−637,299,000	+198,006,000	−61,751,000
Title VI—Special foreign currency program	3,665,000	2,480,000	2,480,000	2,480,000	2,480,000	−1,185,000			
Title VII—Working capital funds	219,800,000	170,800,000	170,800,000	170,800,000	170,800,000	−49,000,000			
Title VIII—General provisions (additional transfer authority sec. 833)	(750,000,000)	(750,000,000)	(750,000,000)	(750,000,000)	(750,000,000)				
Title IX—Related agencies	37,048,000	45,600,000	44,050,000	46,050,000	45,050,000	+8,002,000	−550,000	+1,000,000	−1,000,000
Total, Department of Defense NOA	105,106,325,000	112,478,880,000	110,082,308,000	109,805,080,000	109,752,766,000	+4,646,441,000	−2,726,114,000	−329,542,000	−52,314,000
Transfer from other accounts	(82,600,000)		(245,900,000)	(258,500,000)	(258,000,000)	(+175,900,000)	(+258,500,000)	(+12,600,000)	
Total funding available	105,188,925,000	112,478,880,000	110,328,208,000	110,063,580,000	110,011,266,000	+4,822,341,000	−2,467,341,000	−316,942,000	−52,315,000
Transfer authority	(750,000,000)	(750,000,000)	(750,000,000)	(750,000,000)	(750,000,000)				
(Liquidation of deficiency)		(21,000,000)	(21,000,000)	(21,000,000)	(21,000,000)	(+21,000,000)			
Distribution by organizational component:									
Army	26,028,192,000	28,010,877,000	27,125,920,000	26,966,030,000	27,061,830,000	+1,033,638,000	−949,047,000	−64,090,000	+95,800,000
Transfer from other accounts	(27,800,000)		(63,800,000)	(60,200,000)	(60,200,000)	(+32,400,000)	(+60,200,000)	(−3,600,000)	
(Liquidation of deficiency)		(21,000,000)	(21,000,000)	(21,000,000)	(21,000,000)	(+21,000,000)			
Navy	35,807,629,000	39,000,974,000	37,514,128,000	38,315,914,000	38,126,447,000	+2,318,818,000	−874,527,000	+612,319,000	−189,467,000
Transfer from other accounts			(114,500,000)	(114,500,000)	(114,500,000)	(+114,500,000)	(+114,500,000)		
Air Force	31,147,225,000	32,168,314,000	32,336,500,000	31,159,023,000	31,390,246,000	+243,021,000	−778,068,000	−946,254,000	+231,223,000
Transfer from other accounts	(54,800,000)		(64,600,000)	(83,800,000)	(83,800,000)	(+29,000,000)	(+83,800,000)	(+19,200,000)	
Defense agencies/OSD	3,848,131,000	4,217,115,000	4,051,710,000	4,308,063,000	4,119,193,000	+271,062,000	−97,922,000	+67,483,000	−188,870,000
Retired military personnel	8,238,100,000	9,036,000,000	9,010,000,000	9,010,000,000	9,010,000,000	+771,900,000	−26,000,000		

EXHIBIT I—Continued

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

[Fiscal year]

	New budget authority					Conference compared with—			
	Enacted, 1977	Estimates, 1978	House, 1978	Senate, 1978	Conference, 1978	1977 enacted	1978 estimate	House bill	Senate bil
RECAPITULATION—Con.									
Related agencies	$37,048,000	$45,600,000	$44,050,000	$46,050,000	$45,050,000	+$8,002,000	−$550,000	+$1,000,000	−$1,000,000
Total, Department of Defense (NOA)	105,106,325,000	112,478,880,000	110,082,308,000	109,805,080,000	109,752,766,000	+4,646,441,000	−2,726,114,000	−329,542,000	−52,314,000
Transfer from other accounts	(82,600,000)		(245,900,000)	(258,500,000)	(258,500,000)	(+175,900,000)	(+259,500,000)	(+12,600,000)	
Total funding available	105,188,925,000	112,478,880,000	110,328,208,000	110,063,580,000	110,011,266,000	+4,822,341,000	−2,467,614,000	−316,942,000	−52,314,000
Transfer authority	(750,000,000)	(750,000,000)	(750,000,000)	(750,000,000)	(750,000,000)				
(Liquidation of deficiency)		(21,000,000)	(21,000,000)	(21,000,000)	(21,000,000)	(+21,000,000)			

Mr. YOUNG. Mr. President, the conferees on the defense appropriations bill for fiscal year 1978 agreed to provide a total of $111,184,166,000 for defense which included $1.4 billion for the B–1. The Senate bill deleted the funds for B–1 production while the House bill included the $1.4 billion. This item was reported in disagreement, and yesterday, the House accepted the Senate position. Therefore, the bill does not include funds to initiate production of the B–1.

The distinguished Senator from Mississippi (Mr. STENNIS) who has so ably handled this bill in the absence of Chairman MCCLELLAN has provided an in-depth review of the actions taken in the conference. I would like to just briefly comment on a few items.

With the B–1 funds deleted, this defense appropriation bill of $109.7 billion is $4.6 billion more than was provided for fiscal year 1977 and is $4.1 billion below the budget estimate. The conferees worked hard to reach agreement on the 82 amendments in disagreement between the two Houses.

Mr. President, I have never known a time when both the House and Senate, especially the Senate, broke a bill down into literally hundreds of amendments, dealing with smaller amounts of money than ever before.

This required a great deal of work. I cannot help but believe it is a much better bill as a result of this more detailed consideration with greater savings than would otherwise have been possible.

Many of these disagreements were difficult to resolve. In most cases, the Senate position was strongly supported and in a large measure agreed to by the conferees.

When the defense appropriations bill was on the floor of the Senate, I made a strong point concerning the deletion of the funds for the B–1 bomber. I pointed out at that time that we have wasted billions of dollars on developing weapons systems and then decided to cancel or terminate them before they are to be used in our forces. The B–1 is certainly not only the latest example of such waste, but one that a large amount of money will be lost on because of termination costs. I am sure my colleagues are all aware that the B–1 amendment was taken back in disagreement and voted on the floor of the House. By the narrow margin of three votes, the President's position to cancel the production of the B–1 was sustained. Such a close vote convinces me that we may well either go back to production of the B–1 or something similar in the not-too-distant future. The B–1 is a plane we still need. A return to the production of the B–1 would be costly after it is once terminated. If this were to happen, it would be another demonstration of a waste of funds in the development of weapons systems and we should not have canceled it in the first place.

Mr. President, I am sure some of my colleagues will disagree with certain specific actions of the conferees, but on the whole, I believe that the conference has reached the best possible solution to the many amendments that had to be resolved. I urge adoption of the conference report as reported.

Mr. STENNIS. Mr. President, if anyone else wishes the floor, I will be glad to yield.

Mr. MAGNUSON. Will the Senator yield to me for a moment?

Mr. STENNIS. I am glad to yield, Mr. President, to the Senator from Washington. This involves a slight modification of our report.

Mr. MAGNUSON. Mr. President, this is a matter that we discussed in the Appropriation Committee in the last hurried days of the conference in which we were all very busy with many things.

Language was put in the report regarding a matter that I should like to clear up with the chairman and the ranking minority Member. I ask this question of the chairman: Was the $17.5 million reduction to the permanent change of station program made by the conference committee in any way related to expanding the international household goods competitive rate program?

Mr. STENNIS. No, it was not. The reduction to the permanent change of station program was based on the adjustments in end-strength made by the authorization bill, and on the recommendation that the Department of Defense make greater use of existing Government-owned warehouse facilities to store the household goods of military personnel stationed abroad. It was not related to any expansion of the competitive rate program.

Mr. MAGNUSON. The Senate Appropriations Committee report has a discussion of this competitive rate program and concludes by recommending that this program be expanded worldwide. This program is currently limited to a test program involving only household goods traffic between Okinawa and Germany and the United States. There has been a great deal of criticism of this program in the private sector as discriminating against small moving companies.

Does the Senator think we have adequate information now from this limited test—and I underline the words "limited test"—of this program to expand it as might be suggested by the report? I do not think the report intended to say that explicitly.

Mr. STENNIS. Mr. President, I thank the Senator for bringing up this matter. I have reviewed the matter in the light of the things he has said, and I agree that the committee may have been a little hasty in these recommendations.

This competitive rate program is a complicated issue that involves other committees besides the Appropriations Committee. Before this program is expanded, I believe it should be reviewed by the appropriate legislative committees with jurisdiction in this area.

After a full conference consideration and understanding of this matter, representing the Senate conferees on the bill, I think the Department of Defense should be notified; and to the extent that I can by this statement, notify them now that they should disregard the recommendation in the Senate report that the competitive rate program be expanded worldwide now.

Mr. MAGNUSON. That means, of course, that we want to take a look at it in depth.

Mr. STENNIS. That is exactly right. This is a matter that the committee of the Senator from Washington and other committees have jurisdiction of. It is a legislative matter, and we think that the purposes stated by the Senator from Washington are exactly right. I thank the Senator again for calling it to our attention. In the rush of matters, it just crept in.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. YOUNG. Mr. President, my understanding and thinking on the subject are the same as that of the chairman. It is a complicated matter, one which I believe the legislative committee should have an opportunity to review. I agree that more weight should be given to the statements made on the floor than the language in the report.

Mr. MAGNUSON. I thank both Senators.

Mr. STENNIS. Mr. President, I do not know of anyone else who wishes to speak.

I point out, Mr. President, that in a substantial way, this concludes the appropriations for fiscal 1978 for the Department of Defense, but it does not totally conclude it, because we have now an additional request about the Cruise missile and related matters that came in following the President's decision on the B–1. The Armed Services Committees of the Senate and the House are considering authorizing legislation in that field. I think we will get a bill here soon, and that will involve appropriation of some kind, undoubtedly. We hope that will be taken up in the supplemental bill that is already on its way in the House of Representatives. Further than that, I would not indicate what the situation might be, but it is an open matter.

Mr. President, that concludes my remarks. So far as I know, no one else wishes to speak. There has been a request for a quorum call prior to a disposition of this matter, and after that, I will move that the conference report be adopted.

I suggest the absence of a quorum, with the consent of the Senator from California.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. MAGNUSON. Mr. President, I am sure I speak for many people who were involved in the Appropriations Committee. I have served on many conference committees over the years, with many other Senators, the Appropriations Committee in particular, and I know of no conference that took more time, which involved more line items and more discussion and more work in and out of conference, or lasted longer, than this conference on the defense appropriation bill.

I want to pay my compliments to the Senator from North Dakota and the Senator from Mississippi—particularly the Senator from Mississippi, who took over the chairmanship on very short notice. These were highly complicated matters, and sometimes I wondered if we would ever get through, but we were over there morning, noon, and night almost, and I just wanted the record to show that despite the fact that we finally have got an agreement here, it did not come very easy. It was long, hard work. The staff worked all night in some cases going after things we would discuss during the conference and have to put over until we got more information here and there.

I wanted to pay my respects to both the Senator from North Dakota and the Senator from Mississippi in this regard.

Mr. ROBERT C. BYRD. Mr. President, I wish to associate myself with the remarks of the distinguished Senator from Washington. They are very appropriate, and I commend both the Senator from Mississippi and the Senator from North Dakota.

Mr. STENNIS. We naturally thank you both for those very kind and generous words.

I say with emphasis that the nitty gritty part of this huge bill, the work, a great part of it, was done over a period of months, almost a year, by the Senator from Arkansas (Mr. McCLELLAN) and the Senator from North Dakota (Mr. YOUNG).

Of course, they had help, including that of the Senator from Washington himself.

There was an amazing amount of staff work that was done, willingly done. They are masters in their field, the staff members. That certainly needs to be underscored, too.

I wish to express my gratitude, and that of the committee to our staff which consists of Guy McConnell, Dick Lieberman, Doug Allen, Jim Fellenbaum, David Lyles, Jane McMullan, Judy Spahr and Pete Bonner, the minority representative, for their fine assistance during the work on the defense appropriations bill this year.

Frankly, I think the matter the Senator from Washington referred to is rather the reverse of the conception that some people get that we are in vacation most of the time. We had 96-hour weeks on this bill in conference, and that especially illustrates my point.

I yield to the Senator from North Dakota.

Mr. YOUNG. I want to express my appreciation for the favorable comments made by the Senator from Washington. This committee did go into more detail and line items than any bill I have ever known of before. We went into smaller items and spent more time on them. We saved by doing it that way, and I want to share the chairman's views with respect to the staff. They worked very ably and worked day and night.

Mr. STENNIS. Mr. President, if no one wants the floor then I renew my motion for the adoption of the conference report on H.R. 7933.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. STENNIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. I thank the Chair.

The PRESIDING OFFICER. The clerk will report the amendments in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 20 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken by said amendment, insert:

Provided further, That $845,662,000 shall be available only for the Defense Logistics Agency and $614,583,000 shall be available only for the Civilian Health and Medical Program of the Uniformed Services: *Provided further*, That during fiscal year 1978 the Department of Defense may guarantee loans pursuant to Title III of the Defense Production Act of 1950 as amended (50 U.S.C., Appendix 2091, 64 Stat. 800) in an amount not to exceed $5,000,000: *Provided further*, That of this appropriation, not more than $350,000 may be obligated to support the personnel and activities of the Assistant Secretary of Defense for Health Affairs prior to February 1, 1978.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 30 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: $100,000,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 40 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $2,176,410,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 41 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $6,262,000,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 46 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $2,417,882,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 47 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert:

$3,991,791,000: *Provided*, That none of the funds appropriated for the Shipboard Intermediate Range Combat System program shall be available unless expended in compliance with existing acquisition policies and procedures prescribed in Office of Management and Budget Circular A–109.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 54 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: $500,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 63 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

changes; (f) reimbursement of any physician or other authorized individual provider of medical care in excess of the seventy-fifth percentile of the customary charges made for similar services in the same locality where the medical care was furnished; or (g) any service or supply which is not medically or psychologically necessary to diagnose and treat a mental or physical illness, injury, or bodily malfunction as diagnosed by a physician, dentist, or a clinical psychologist, as appropriate, except as authorized by section 1079(a)(4) of Title 10, United States Code.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 67 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken by said amendment, insert:

Sec. 852. (a) None of the funds appropriated by this Act may be used to (1) convert base operating support functions, excluding real property maintenance and repair, to commercial contract during the period October 1, 1977, through September 30, 1978, or (2) to fund continued performance during fiscal year 1978 of base operating support contracts, excluding real property maintenance and repair, awarded between the date of enactment of this Act and September 30, 1977, which convert base operating support activities performed by employees of the Government of the United States to commercial contract.

(b) None of the funds appropriated by this Act may be obligated for commercial contracts to be physically performed at an installation or facility including leased facilities for the following types of work: (1) weapons system engineering and logistical support; (2) ship, aircraft, missile, automotive and tracked vehicle intermediate level maintenance or depot maintenance; or (3) research, development, test, and evaluation, if the work to be physically performed at an installation or facility during fiscal year 1978 by commercial contracts would result in a reduction of employees of the Government of the United States at that installation or facility.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 71 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken, delete the period at the end of the section, and insert: and at each State-operated maritime academy: *Provided further*, That units under the consortium system shall be considered as a single unit for purposes of evaluation of productivity under this provision.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 76 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number proposed in said amendment, insert: 860.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 82 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: $1,000,000.

Mr. STENNIS. I move that the Senate concur en bloc in the amendments of the House to the amendments of the Senate.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to.

Mr. STENNIS. I thank the Chair, and that disposes of the bill.

SECOND CONGRESSIONAL BUDGET RESOLUTION, 1978

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of Senate Concurrent Resolution 43, which the clerk will report.

The assistant legislative clerk read as follows:

Calendar No. 363, Senate Concurrent Resolution 43, revising the congressional budget for the United States Government for the fiscal year 1978.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and I ask that the time be equally charged against both sides on the resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. ZORINSKY assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I would urge that Senators on both sides of the aisle who have amendments to the concurrent resolution come to the floor and offer those amendments.

The time agreement on this resolution provided for an overall time limitation, out of which would come the time on any amendments, debatable motions, appeals, or points of order. At this point we have 209 minutes left overall. We understand that there are three amendments, one by Mr. HAYAKAWA, one by Mr. ROTH, and one by Mr. HATCH, on each of which there is 1-hour time limitation. So on those three amendments, that would mean that 180 minutes would be allotted if all time is taken on each of the amendments, and that would come out of the 209 minutes.

This means that there are 29 minutes left for any other Senator who wishes to call up an amendment. I urge that Senators come to the floor and call up their amendments.

Mr. MUSKIE is here. He is chairman of the Budget Committee. He has been here patiently waiting, and I know that the leadership on the other side has been attempting to get Senators to come to the floor to call up their amendments. I would hope that Mr. HAYAKAWA, Mr. ROTH, or Mr. HATCH would present themselves and call up their amendments, because time is running. We made special allowance of time for their amendments, but we have to protect other Senators who may also want to call up amendments, and by virtue of the fact that the three Senators whose amendments have been protected are not on the floor to call up their amendments, it is impinging upon the time of all other Senators, any one of whom may wish to call up more amendments. So in fairness to all Senators, I ask those Senators who are protected on their amendments to please get to the floor and call them up.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MUSKIE. I know there is at least one other amendment under consideration that is of great interest to Senators in farm States, especially farm States that have suffered from the drought. That amendment is under consideration; it may or may not be offered. I do not know. I cannot speak for those Senators. I know there is at least one other Senator who may wish to take some time to express some views from the point of the Finance Committee on the second budget resolution. With this quorum call, we are squeezing those Senators out.

We went out of our way to insure the protection of these three Senators who have amendments. They did not want to bring them up yesterday, for reasons that they advance also today.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MUSKIE. Yes, I do.

Mr. ROBERT C. BYRD. The leadership on the majority side protected those Senators on yesterday. The leadership knew that those Senators would not be prepared to call up their amendments yesterday, and the leadership in presenting its request limiting time protected those Senators on yesterday. We just cannot go on and on waiting for Senators to come to the Chamber. I urge Senators to come to the Chamber.

I ask unanimous consent, Mr. President, that the time on the last quorum call not be charged to anybody.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, will the majority leader yield for another observation?

Mr. ROBERT C. BYRD. I yield.

Mr. MUSKIE. Under the law, action by the Congress on this budget resolution must be completed by September 15. The House completed action last night. The Senate Budget Committee is prepared to go to conference with the House. We cannot go to conference with the House. We had hoped to do so today, so that we might have ample time to do justice to the conference. The delay we have had makes it impossible to go to conference today. We will not be able to go until Monday. With that deadline, which is a statutory deadline, staring us in the face, I would join the majority leader in urging Senators to come to the floor to present their amendments.

Mr. ROBERT C. BYRD. May I say in justice to one or two of these Senators, I know they were in committee meetings and they considered those committee meetings important. I recognize that. But so was Mr. MUSKIE supposed to be in a committee meeting, which is being conducted by Mr. RIBICOFF at this time in connection with the Lance matter. The chairman of the Budget committee is here. He, too, should be in that committee meeting. The time is running. We have to call up some amendments.

I have noted the presence on the floor for quite some time of Mr. HAYAKAWA and I feel sure he is ready to go. For some reason, apparently, he is being inhibited by someone else from proceeding at this time. I am not sure of this.

I am not interested in arguing with anyone. I just want someone to call up an amendment. We cannot continue to fiddle-faddle and waste our time, the time agreement being as it is.

Mr. HATCH. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HATCH. I am not quite sure what the Senator is talking about. I have been prepared to come here for 2 days.

Mr. ROBERT C. BYRD. What did the Senator say?

Mr. HATCH. I have been prepared to be here. I came over as soon as I was notified. As I understand, Senator ROTH is going to offer an amendment to this resolution. My amendment is third to his.

Mr. ROBERT C. BYRD. It is not third. The Senator can call up his amendment now. There is no sequence of amendments in the order.

Mr. HATCH. Senator ROTH wanted to present his amendment first.

Mr. ROBERT C. BYRD. I am very agreeable for him to do that, but why does he not come to the Chamber?

Mr. HATCH. He is in a committee hearing.

Mr. ROBERT C. BYRD. He is in the same committee hearing that the chairman of the Budget Committee is supposed to be attending also.

Mr. HATCH. I cannot speak for Senator ROTH. All I can do is speak for myself. I am honoring a commitment to him that he can go ahead with his amendment before I present mine. I think that is something that should be respected here in the Senate.

Mr. ROBERT C. BYRD. It is respected, but we have to respect the Senate.

Mr. HATCH. I respect the Senate. Nobody does more than I do, as the Senator knows. I have always been very courteous.

Mr. ROBERT C. BYRD. Is the Senator prepared to call up his amendment?

Mr. HATCH. As soon as Senator ROTH appears.

Mr. ROBERT C. BYRD. Is Senator HAYAKAWA prepared to call up his amendment?

Mr. HATCH. I would be happy to call up Senator ROTH's, if I had a copy of it and could speak for it. I do not know where he is. I cannot account for him.

Mr. ROBERT C. BYRD. Is his amendment next?

Mr. HATCH. I would be happy to call up the Roth amendment to accommodate the distinguished majority leader.

Mr. ROBERT C. BYRD. The Senator is not just accommodating the majority leader.

Mr. HATCH. To accommodate the Senate.

Mr. ROBERT C. BYRD. Time is running, the time allotted for the Senator's amendment, the Senator who is now on his feet.

Mr. HATCH. And prepared to go, except for my commitment.

Mr. ROBERT C. BYRD. And the time allotted for Mr. HAYAKAWA's amendment and Mr. ROTH's amendment is coming out of the overall time.

Mr. HATCH. I understand.

Mr. ROBERT C. BYRD. The more the Senate waits for certain Senators to call up their amendments, the more other Senators are shut out from offering their amendment.

Mr. HATCH. Will the distinguished Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HATCH. I believe the Senator understands there are committee meetings. I believe he understands Senator ROTH is in one, the same one that Senator MUSKIE should be attending. I cannot understand why Senator ROTH is not here, or why Senator MUSKIE can be here and Senator ROTH cannot be here. The only point I am making is that I gave my word to Senator ROTH. I would be happy to call up my amendment after his. To accommodate anybody concerned, I would be happy to call up his amendment and speak for it, if I could get a copy of it, and do so to accommodate him.

Mr. ROBERT C. BYRD. I appreciate the Senator's willingness to do that. Will he get in touch with Senator ROTH and see if he can proceed?

Mr. HATCH. As I understand, efforts are being made to get in touch with Senator ROTH.

Mr. ROBERT C. BYRD. Very well.

Mr. MUSKIE. If the Senator will yield, may I point out that I have obligations on the committee concerning Mr. Lance. That committee is not going to take any action today. It is not going to vote today. I consider my first obligation on the floor when a matter of this importance is here. I did not attend yesterday's session of the Governmental Affairs Committee. I am not speaking to the Senator, but I am only speaking for the record. I simply want to make the point that I did not attend yesterday's meeting of the Governmental Affairs Committee because the Senate as a whole said I should be here managing the second budget resolution. I cannot attend the committee meeting today for the same reason.

It seems to me that Senators have that obligation.

What the Senate is confronting is the need for action on a budget resolution which the law says we must complete by the 15th of September. That is my only point. If the time runs out, the entire 209 minutes which remain, then no amendments will have been considered. We could run through that time very rapidly while the Governmental Affairs Committee finishes its session for the day.

Mr. ROBERT C. BYRD. What the distinguished Senator from Maine and I are both saying is for the protection of the Senator from Utah, for the protection of the Senator from California, and for the protection of the Senator from Delaware, because the 1 hour allotted to each amendment of those three Senators is coming out of the overall. When we get down to where we have less than 180 minutes, then each of those three Senators, on a proportionate basis, will have his own time reduced.

Mr. HATCH. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HATCH. I cannot speak for Senator ROTH. I know Senator ROTH very well and there is no man with more integrity in this body, nor a man more desirous of fulfilling every obligation he has in this body, nor a man who cares more for the procedures and protocols of the Senate. I have to assume there is some valid reason why he is having difficulty getting here. I have been waiting for at least a day and a half and have been prepared at any time to come over here. I believe the same is true of Senator ROTH and Senator HAYAKAWA. All I can say is I would be willing to yield part of my time during the time we are waiting for Senator ROTH. That will decrease time available to me on this resolution, which would also save time on the overall resolution, and I will cut down any speeches or comments I have to make with regard to my amendment accordingly. However, I would have to have a minimum. We have 1 hour reserved, so I would have to have as a minimum, I would say, 15 minutes. That would give us 15 minutes. During that time, we will make every effort to have Senator ROTH come to the chamber. Is that a reasonable suggestion?

Mr. ROBERT C. BYRD. What will Senator MUSKIE and Senator BELLMON do in the meantime?

Mr. HATCH. I say to the distinguished majority leader and the distinguished Senator from Maine, I have just been handed the Roth amendment. I would be happy to speak for this amendment at this time and to utilize some of Mr. ROTH's time.

Mr. ROBERT C. BYRD. The Senator will call up the Roth amendment?

UP AMENDMENT NO. 784

Mr. HATCH. Mr. President, I will call up the Roth amendment at this time.

Mr. President, I call up an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Utah (Mr. HATCH), for the Senator from Delaware (Mr. ROTH), Mr. HAYAKAWA, Mr. HATCH, Mr. MCCLURE, and Mr. SCHMITT, proposes Unprinted Amendment No. 784.

Mr. HATCH. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, line 7, delete the numeral and insert in lieu thereof "$383,600,000,000".

On page 1, line 9, delete the numeral and insert in lieu thereof "$12,000,000,000".

On page 2, line 5 delete the numeral and insert in lieu thereof "$75,700,000,000".

On page 2, line 7, delete the numeral and insert in lieu thereof "$789,900,000,000".

On page 2, line 9, delete the numeral and insert in lieu thereof "$89,900,000,000".

Mr. ROBERT C. BYRD. Mr. President, I want to express appreciation to the distinguished Senator from Utah for his fine spirit of cooperation.

Mr. HATCH. I thank the distinguished majority leader.

I ask unanimous consent that Dr. Craig Roberts of my staff be accorded the privilege of the floor during the pendency of this measure and any votes thereon; also Brent Hatch of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, in calling up the Roth amendment, I am trying to do so in accommodation to the Senator. Knowing my distinguished friend from Delaware, to whom I want to give every accommodation, as I do, I know he has been very concerned and has led the battle in the U.S. Senate for a tax re-

duction across the board for all citizens in our society and for all businesses and corporations. The Roth amendment would reduce the recommended revenue level in the second budget resolution from $395 billion to $383.6 billion. This $11.4 billion reduction would allow Congress to enact a general tax reduction during fiscal year 1978.

The spending and revenue levels set forth in the second budget resolution are binding limits on Congress and no action may be taken during fiscal year 1978 which exceeds the spending level or reduces the revenue level.

No action may be taken during fiscal year 1978 which exceeds the spending level or reduces the revenue level. This means that, unless the Roth amendment is adopted, no tax reduction can be enacted in fiscal 1978 under the second budget resolution.

The U.S. economy right now is plagued with sluggish growth, rising prices, persistent unemployment, and indications are that the economy is entering a period of even slower growth. The heavy tax burden that is now imposed on the American people is primarily responsible for the sluggish economic growth. As an inevitable result of this heavy tax burden, we have an increased and momentous, monumental growth in our bureaucratic system, which is costing us untold billions of dollars which continually rise, every year, as we appropriate money in the U.S. Congress.

The adoption of this amendment will give Congress the flexibility to enact a tax cut quickly if the current economic slowdown continues or worsens. Rejection of this amendment would tie the hands of Congress and make it extremely difficult for Congress to enact tax reductions before October 1 of next year.

There are those of us who have been arguing since we have been in the Senate, with Senator ROTH certainly one of the leading proponents of this particular view, that what this country needs, really, is tax cuts across the board. Tax cuts would provide incentives to this economy, which is an economy maintained by incentives. In what we call our free market economy, we know that for that system to go and for it to grow, we have to provide incentives for people to save, for people to invest, for people to work harder, for people to be able to earn more money and be able to save more money and invest more money. It is a kind of eternal ring.

If we do that, if we provide tax cuts across the board, this means that every business in America, every wage earner in America, would have more incentives to work, because he would have an actual ability to save, an actual ability to provide for his future, an actual ability to provide for retirement, an actual ability to invest in the great free enterprise system.

If that occurs and we have a tax cut across the board and moneys are saved and people start investing in the economy, and the economy then starts emphasizing the free market aspects thereof, it is my sincere belief, and I believe I would be fair in saying that it is the belief of Senator ROTH, the sponsor of this amendent, that we would be decreasing unemployment, providing more jobs, having more people paying taxes. We would be producing more social security revenues to offset the current bankruptcy of the social security system, solving most of the problems that we have in our society, rather than continuing what seems to me the very deleterious approach that we have right now.

I might add that every time, except one, to my knowledge, that we have had a tax cut across the board in the last 30 years, we have had a tremendous increase in revenues rather than a decrease. I think the most notable tax cut that really meant something to this economy that most of us can remember is the John F. Kennedy tax cut that he had when he was President. We got it in 1964.

President Kennedy went against the advice of many of the Keynesian economists and gave a tax cut across the board. The advice of these people who were against the tax cut was that we could not stand the loss in revenues, that this country would be seriously damaged because of the loss of the Federal revenue, and that the loss in revenues that would be caused by the tax cut would put the Government in dire jeopardy, put the whole economy in dire jeopardy.

Exactly the opposite occurred.

President Kennedy had the guts, which I hope that the Senate will have and future leadership of this country will have, to go for a tax cut across the board. After it got through Congress, the exact opposite of the predicted revenue loss occurred. That exact opposite was that, instead of having a decrease in revenues that seriously hurt the country, we had an abundant increase in revenues which benefited the country and made that period of time fairly stable. As a matter of fact, it gave us some stability that we otherwise would not have had had we continued to spend and spend, right down the line.

I personally endorsed the Kennedy tax cut and, as a Republican, I commend that administration for what it did, because I think it proved something. That is that a Keynesian stimulus, or continuing to increase the money supply or continuing to stimulate the economy by spending more than we have, really does not work except when there is a decrease in the money supply.

As we all know, that is not our problem today. If anything, the reason we have so much rampant inflation, the reason we have so many difficulties today is that every time we have a difficulty in our economy, the Keynesian economists try to apply, improperly, an economic theory that is applicable in the case of a decrease in the money supply. To the extent that we increase further an already increasing money supply to stimulate the economy, spend more than we have coming in in revenues, we continue to build up the bureaucracy, continue to foment a bigger Government payroll and bigger Government costs and bigger Government bureaucratic domination of our lives. In the end, we wind up in worse shape than we were before.

As a matter of fact, it seems to me that one of the big arguments that the Keynesian economists have used in the past has been that, by deficit spending, we will increase the ability of this country to basically continue its forward momentum and its forward surge economically with consequent benefits to the stock market, consequent benefits to the private sector, and so forth.

In some ways, that has appeared to be so during the 1940's, 1950's, and even part of the 1960's. But what has really upset and unnerved everybody in our society is that during the 1970's the old modes of economics, this continual stimulation of our economy by deficit spending, and big deficit spending, has resulted not in an increase in stimulation of our economy, not in a strengthening of our economy, but in an economy that is wracked with indecision where nobody knows what is going to happen, where the stock market fluctuates almost uncontrollably without any definiteness, and where we have had an increase in inflation that looks like it is almost uncontrollable and is presently running somewhere beween 6 percent and 7 percent, as I understand it.

I notice that Senator ROTH is here. I am sure he can speak more favorably and more strongly for his amendment than I can. But I would just like to say this before I yield to Senator ROTH, that I, for one, have become totally convinced—and I had these feelings before I came here—that Senator ROTH's viewpoints are very accurate. They are sound. They are not new. It is basically the John F. Kennedy viewpoint that stimulated the economy in a proper way back in 1964. There are several other illustrations to show further for this particular economic theory and program.

I endorse this amendment. I give great commendation to Senator ROTH and Congressman KEMP in the House for their leadership in this great fight that I think ultimately America is going to have to agree with.

I believe that the administration is going to have to agree with this, whether we get these tax cuts through today or in the immediate future. I believe that within the next year this administration is going to have to turn to and accept this viewpoint in order to have stability in our economy.

When that happens, I, for one, will give credit to John F. Kennedy. But more importantly, it has been harder in the last 10 years as we have seen our economy jump almost double, or at least our budget jump almost double, from $232 billion since 1972 to almost $500 billion now.

I would like to give a great deal of the credit to people like the distinguished Senator from Delaware and the distinguished Congressman from New York, Senator ROTH and Congressman KEMP, for carrying the fight for a John Kennedy tax cut today.

At this point, I yield the remainder of the time to Senator ROTH on his amendment.

UP AMENDMENT NO. 784, AS MODIFIED

Mr. ROTH. Mr. President, I would like to express my great appreciation to the

Senator from Utah for pinch-hitting on my behalf.

As the distinguished Senator from Maine is well aware, we are faced with the very serious problem that the Committee on Governmental Affairs of which we are both members, is having the Comptroller of the Currency before us, and it makes it very difficult to try to follow what is on the Senate floor and discharge one's committee responsibilities.

I appreciate the fact that both the Senator from Maine and the Senator from Utah have protected my rights.

I would like to emphasize that the Senator from Utah himself as well as the Senator from California have been leaders in this proposal to try to provide some badly needed tax relief for the American taxpayer. I want to express my appreciation to both of them for what they have done.

Mr. President, I send to the desk a corrected version. Yesterday, there were modifications made that had to be reflected in my amendment and I send that to the desk.

The PRESIDING OFFICER (Mr. ALLEN). Without objection, the amendment will be so modified.

The amendment, as modified, is as follows:

On page 1, line 7, delete the numeral and insert in lieu thereof "$383,600,000,000".

On page 1, line 9, delete the numeral and insert in lieu thereof "$12,000,000,000".

On page 2, line 5, delete the numeral and insert in lieu thereof "$76,100,000,000".

On page 2, line 7, delete the numeral and insert in lieu thereof "$790,300,000.000".

On page 2, line 9, delete the numeral and insert in lieu thereof "$90,300,000,000".

Mr. ROTH. Mr. President, this amendment is a simple, straightforward measure to lower the second budget resolution's revenue level enough to accommodate a 10-percent across-the-board tax rate reduction. Under this amendment, the revenue level would be set at $383.6 billion, for a net revenue reduction of $11.4 billion.

The second budget resolution which we are considering today sets spending and revenue levels for the 12-month period beginning October 1, and unless this amendment is adopted, no action may be taken by Congress to reduce revenues below the level in the budget resolution. It is extremely important to realize that unless this amendment is adopted, no tax cuts can be enacted for the next year unless a third budget resolution is adopted.

The adoption of this amendment will give Congress the flexibility to enact a tax cut quickly if the current economic slowdown continues or worsens. Rejection of this amendment would tie the hands of Congress and make it extremely difficult for Congress to act quickly and enact tax reductions before October 1 of next year.

Mr. President, I believe it is vitally important to reduce the tax burden on the American economy. The heavy tax burden now imposed on the American people has slowed our economy down and caused high levels of unemployment, and unless tax reductions are enacted, I am fearful that economic conditions will worsen.

The U.S. economy is plagued with sluggish growth, rising prices, and persistent unemployment, and the indications are that the economy is entering a phase of even slower growth.

The Government's index of leading economic indicators, a key barometer of future economic activity, fell last month for the third consecutive month in a row. This was the first time the index of leading indicators has declined 3 months in a row since the 1974–75 recession.

Orders for durable goods fell 5.1 percent last month, the steepest drop since December of 1974, and new factory orders for manufactured products dropped 3 percent in July, also the largest decline since December 1974.

The Congressional Budget Office is also projecting an economic slowdown. A recent CBO report—"Recovery With Inflation, July 1977"—projects the growth in real output to slow to a range of 3.6 to 5.1 percent in 1978. According to CBO—

> Despite the gains in economic activity during the last half year, there is little doubt that the overall economic situation is worse than experienced at this stage in earlier recoveries. Total demand remains well below potential output, and the unemployment rate is still exceptionally high.

In spite of this sluggish growth, inflation continues to be a persistent problem. Although recent declines in food prices have moderated the inflation rate slightly, prices in general continue to climb. According to a recent U.S. News & World Report article, August 22, 1977, prices have risen in the past 6 months nearly as much as they rose in all of 1976. Since the end of last year, prices have increased at the following annual rate:

Food—up 13.6 percent,
Fuel oil and coal—up 19.2 percent,
Public Transportation—up 10 percent,
Medical care—up 10.1 percent,
Gas, electricity—up 11.4 percent,
Rent—up 6.3 percent,
New homes—up 14 percent.

The Budget Committee's recommended spending and revenue levels fail to address the clear signs of an economic slowdown and increasing inflation. The committee continues to rely on increased deficit spending to stimulate economy activity, and it refuses to recognize that the largest single barrier to expanded economic growth is the heavy drag of Federal income taxes now imposed on the American economy.

An across-the-board tax reduction will breathe life into our free enterprise system and assure the type of long-term economic growth needed to create meaningful jobs in the private economy.

By reducing the heavy tax burden now imposed on the economy, we will increase job-creating investments, stimulate consumer spending, and generate the economic growth needed to provide upward mobility for all Americans.

The heavy tax burden now imposed on the economy reduces the incentive to work, save, and produce. It reduces consumer purchasing power and retards savings and investments in new factories, homes, and equipment, resulting in slower economic growth and high levels of unemployment.

By reducing the tax burden on the economy, the cost of working and producing would be reduced and production, employment, investment, and wages would increase substantially.

According to one econometric projection, a 10-percent tax rate reduction would increase total GNP by $43 billion and result in the creation of 1.2 million jobs by the end of next year.

Substantial tax rate reductions will also help offset the impact of inflation and provide needed relief to the millions of hard-working middle-income taxpayers of this country.

Americans have traditionally anticipated that hard work and perseverance would produce a higher standard of living and upward mobility. But inflation and the crushing tax burden on working Americans have destroyed the hopes and dreams of millions of Americans and increased the prospects of downward mobility for too many Americans.

According to an article in this week's Newsweek, for many middle-income families "the staples of a middle-class American dream—a home, a new car, a vacation trip, a college education for their children—have become out-of-reach luxuries." Action must be taken to provide tax relief to these working Americans.

Mr. President, the Budget Committee will argue that a tax reduction is unacceptable because it would increase the budget deficit. I believe the best way to reduce the budget deficit is to reduce Federal spending, and it is distressing that the Budget Committee is concerned about budget deficits only when tax relief is proposed for the overburdened taxpayer.

In addition, the Budget Committee ignores the fact that history shows permanent tax reductions do not erode the revenue base or increase Federal budget deficits. In each of the 10 major tax cuts since 1946, Federal revenues have increased as a result of the tax cut. This is because permanent tax cuts create more taxpaying jobs, produce a greater increase in gross national product, and expand the economy to provide more, not less, Federal revenues.

The Budget Committee, on page 3 of its report, recognizes this, stating that "higher rates of growth would if realized, produce greater tax revenues from higher employment and profits in the private economy."

This is exactly what happened when the Kennedy tax cuts were enacted. Although the Treasury Department estimated a 6-year revenue loss of $89 billion, the increased economic growth caused by the tax cuts resulted in an actual revenue gain of $54 billion.

One of the reasons why we have such a large budget deficit is that we are spending billions of dollars a year on unemployment benefits, food stamps, and welfare programs for the unemployed. A 10-percent tax reduction will create more than 1 million jobs, and according to a Library of Congress study, the creation of 1 million jobs in the private sector would reduce the Federal budget deficit by an estimated $14 billion.

Permanent tax cuts will not increase the budget deficit and will not erode the Federal revenue base. Permanent tax cuts will expand the economy, create permanent taxpaying jobs, and increase Federal revenues and reduce Federal spending so much that the budget deficit will be reduced.

Mr. President, as I said earlier, the adoption of this amendment will give Congress the flexibility to enact a tax cut quickly if economic conditions worsen. Last week, House Ways and Means Committee Chairman ULLMAN said that a substantial tax cut would be needed if the slow economic recovery faltered. But unless this amendment is adopted, a tax reduction could not be enacted under this budget resolution.

Mr. President, under the current state of economy, we cannot afford to tie our hands. We must retain the flexibility to act quickly when and if action is needed to get the economy moving. A vote against this amendment is a vote for bigger deficits, higher taxes, more unemployment, and slower economic growth. A vote for this amendment is a vote for economic growth, jobs for the unemployed, and tax relief for every working American.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, may I be recognized for 5 minutes?

The PRESIDING OFFICER. Only 3 minutes remain for the proponents of the amendment. Will the Senator from Maine yield time?

Mr. MUSKIE. Yes. I yield 5 minutes to my good friend.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. BELLMON. Mr. President, I reluctantly oppose the Roth amendment. I fully agree with much of the rationale which has been stated.

I believe that the budget process is serving a good purpose here, because it tends to emphasize the dilemma that is presently facing Congress. I think probably every Member of Congress desires relief for the American taxpayer. However, at the same time, we are equally desirous of balancing the budget and bringing our deficit under control and in this way helping to put an end to inflation.

I assure my colleagues from Delaware and from Utah that the Budget Committee has been striving to achieve a climate in which these objectives can be realized. But in my judgment, a quick fix approach is not going to work.

I also call attention to the fact that the minority had a tax package earlier this year which, in my judgment, was far more balanced than the one that has now been proposed. Their package included many points which would have provided incentive for capital formation. They also would have included an individual tax cut that provided incentives for greater stock ownerships by individuals. This plan would have included incentives to enhance employment of long-term unemployed Americans. They would have encouraged saving and investment on the part of individual Americans, which would help to add to capital formation, and there was corporate tax relief. I think all of these are desirable objectives.

There is always a tantalizing appeal for a tax cut. In fact, I believe that generally a tax cut rather than a spending increase is a better approach to stimulating the economy; but I doubt that an across-the-board tax cut, as has been proposed, relating only to individual taxes, will produce the results expected by the sponsors of this amendment.

Mr. President, I have before me an analysis of the Roth-Kemp individual tax rate cut proposal, which shows, according to the Congressional Budget Office, that the effect on GNP growth for calendar year 1978 would not be the $43.4 billion claimed by the sponsors of this amendment but, rather, an increase of $21 billion; that jobs created as a result of this amendment would not be 1.2 million, as claimed by the sponsors, but, rather, 0.4 million, according to the CBO estimates.

Also the revenue losses which, according to both sponsors and CBO would be $21.1 billion, the reflows show a great difference in the figures, the figures of the anticipated reflow. The sponsors project a reflow of $11.1 billion, but CBO reflects a reflow of only $4.6 billion, so that net cost of the amendment for calendar year 1978 is not the $10 billion which the sponsors project, but rather, according to CBO, $16.5 billion.

So we have a wide difference of opinion as to the effect of this amendment and, in my judgment, the Congress would be well-served to be guided by CBO on matters of this kind.

It is easy for those of us who sponsor an amendment to be carried away by our own arguments, but it is the responsibility of the CBO to look at this matter objectively.

There is general agreement that two problems exist in the economy today: First, general lack of confidence, particularly in the business sector; and second, lack of capital investment. The fiscal year 1978 cost of this amendment appears to be $11.4 billion, but in fact, the full year cost will likely be almost twice that large. Given the immediate impact on the deficit of such a revenue loss, I believe that this amendment would send the wrong signals to the business and investment community and thus would not solve either of the major problems in our economy today.

There are probably three problems with the timing of this amendment. First, given the fact that a major tax reform effort will be made by the Finance Committee in the immediate months ahead, I believe this is the wrong time to consider a cut in personal taxes. We all agree that personal taxes are too high and inflation each year adds to the burden. But, with major tax reform immediately ahead, we will not help confidence on the part of business or consumers by accepting the sweetness of a tax cut now since we all know the bitter pill of eliminating many tax preferences still lies ahead. Also we know that adding significantly to our deficit is going to increase the pressures of inflation and make the situation worse not better.

This may be the one time that a tax cut will not help since everyone will still be waiting for the other shoe of tax reform to fall sometime next year.

The second concern I have with this amendment involves the lack of capital investment. The missing runner in this relay race called economic recovery is capital investment. The consumer has carried the baton too long. The tax cut proposal before us now does nothing to remove the barriers to capital investment.

Finally, it should be noted that CBO has a significantly different analysis of the impact of a tax cut of this size and nature on GNP growth, jobs created and reflows. In general, CBO indicates the benefits are probably less than 50 percent of the level claimed by the sponsors.

Mr. President, I ask unanimous consent that a table showing the CBO calculations and the effect of this amendment be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ANALYSIS OF ROTH-KEMP INDIVIDUAL RATE CUT

Year	GNP growth (billion)		Jobs created (millions)	
	Roth	CBO	Roth	CBO
1978	$43.4	$21.0	1.2	0.4
1979	95.5	64.0	2.5	1.2
1980	157.4	114.0	4.0	1.9

REVENUE LOSS (CALENDAR YEAR BASIS)

Year	Gross cost		Reflows		Net cost	
	Roth	CBO	Roth	CBO	Roth	CBO
1978	21.1	21.1	11.1	4.6	10.0	16.5
1979	48.1	48.1	25.8	15.3	22.3	32.8
1980	81.8	81.8	45.8	27.9	36.0	53.9

REVENUE LOSS (FISCAL YEAR BASIS)

Year	Gross cost		Reflows		Net cost	
	Roth	CBO	Roth	CBO	Roth	CBO
1978	14.3	14.3	7.5	2.9	7.0	11.4
1979	39.2	39.2	21.0	11.5	18.2	27.7
1980	71.7	71.7	40.1	24.6	31.6	47.1

DISTRIBUTION OF REVENUE LOSS

[Percent of total cut]

AGI class	Fiscal year—		
	1978	1979	1890
0 to 5,000	0.7	0.7	0.7
5,000 to 10,000	7.6	7.6	7.6
10,000 to 15,000	14.0	14.8	14.7
15,000 to 20,000	17.4	17.4	17.5
20,000 to 30,000	25.2	24.7	24.3
30,000 to 50,000	16.1	16.1	16.0
50,000 to 100,000	11.2	11.4	11.4
100,000 plus	7.8	7.5	7.7

Mr. BELLMON. In summary, Mr. President, I am afraid this proposed tax cut would just send the wrong signal to the private sector and would simply jump the fiscal year 1978 deficit to a record-breaking $75 to $80 billion. I point out in 1976 we had a deficit of $66.4 billion. In 1977, this was down to $45.1 billion and now under the terms of this amendment we would be going to somewhere between $75 and $80 billion. This deficit burden

on an economy struggling to recover would surely be inflationary and would drive confidence down further. I say this despite my general approval of a tax cut which is carefully designed, thoroughly considered, and properly timed.

As a final note, Mr. President, I would add that Congress has already passed legislation which reduces fiscal year 1978 revenues by $17.8 billion when it completed work on the tax stimulus bill earlier this year.

Therefore, Mr. President, while I agree in theory with what the sponsor of this amendment tried to accomplish, I feel the amendment should be rejected because it is not timely; it is not, in my judgment, carefully designed. We will be having ample opportunity to consider this next year during the tax reform debates.

Mr. MUSKIE. Mr. President, how much time do I have?

The PRESIDING OFFICER. Twenty-two minutes.

Mr. MUSKIE. Mr. President, I yield myself 10 minutes.

May I say, first of all, to my good friend from Delaware that he has never voted for a budget resolution, I think the record discloses that, although he was a very important voice in trying to shape, he was involved in trying to shape, the Budget Reform Act.

Clearly then this amendment arises out of his own personal philosophical difference with every budget resolution enacted into law. He prefers his own economic policy to that adopted by the Congress as a whole, and it is out of that difference that this amendment arises, as I see it.

Second, the Senator said that the Budget Committee worries about deficits only when a tax cut is proposed. Well, I challenge that. Any examination of the record of Senate consideration of the budget resolutions in 1975, 1976, and 1977 indicates that this Senator, and a ma'ority of the Budget Committee, and the Senate as a whole, have rejected proposals to increase spending because of the impact on the deficit, and we have lost only three of those.

I have never supported a proposal to increase the budget resolutions by amendments on the floor even when some of those amendments were very attractive politically, including yesterday's agriculture amendment, including last spring's housing amendment, including last spring's veterans' amendment.

So when the Senator says the Budget Committee is concerned with deficits only when he proposes a tax cut I take sharp issue with him.

Second, the Senator argues that we ignore what he regards as an economic truism, that the tax cut of 1964 caused an increase in revenues of $54 billion.

May I say to the Senator there has been no testimony before the Budget Committee by economists of any point of view in the 3 years the Budget Committee has existed which supports what he regards an economic truism.

A great deal of the increase in revenues that has taken place has been the result of growth in the economy. Undoubtedly there was a stimulative effect to the tax cuts of 1963–64. But to argue that revenue increases that have taken place since then are wholly caused by that stimulus simply is not supported by any economic opinion to which I have had access.

With respect to the Senator's amendment, if we follow one of the growth paths suggested by CBO for analytical purposes, if the economy grows fast enough under this growth path, to reduce the unemployment rate to 4½ percent by 1981 without additional tax reduction, then individual income taxes under current policies will be $305 billion in fiscal year 1981.

Thus, a 10-percent permanent tax reduction would then result in a gross revenue loss of $30 billion by fiscal year 1981.

Mr. President, my opposition to the Roth amendment is not based upon any personal philosophical judgment that tax cuts are always inappropriate. As the distinguished Senator from Oklahoma has pointed out, the Budget Committee underwrote, approved and supported, tax cuts earlier this year amounting roughly to $18 billion in 1978. That is larger, incidentally, I might add, than the Kennedy tax cut of the early 1960's.

So if you want to use that misunderstood historical analysis, I mean we have already provided that kind of a tax cut. The question is do we want to do it now.

Let us look at the effect of the Roth amendment. These numbers are in the Roth amendment, as corrected. If the Roth amendment is adopted revenues for 1978 will be reduced from the $395 billion now provided in the budget resolution to $383.6 billion, a reduction of $11.4 billion.

That would result in an increase in the deficit for 1978, which is listed in the budget resolution at $64.7 billion after yesterday's action, to $76.1 billion in accordance with the Senator's own amendment.

It would result in an increase in our total national debt from the $778.9 billion now in the budget resolution to the $790.3 billion, which is the figure that would end up in the budget resolution according to the Roth amendment. Beyond that, the increase in the national debt this year would rise according to the Roth amendment from $78.9 billion to $90.3 billion.

Mr. President, the question of whether or not the economy requires this kind of stimulus at the present time is an important question. It is a question which has been before the Budget Committee since the first of the year, and we have proposed a mix of policies, tax reductions and spending policies designed to accommodate a stimulative policy.

It has been our view that our stimulative policy must be a moderate and steady one in order to avoid not only the problems of a recessionary economy but also the potential problems of increased inflation, and this policy has been examined now by Congress on three occasions in this calendar year: in early spring before final action on the first concurrent resolution, at the time of the first concurrent resolution, and now at the time of the second concurrent resolution. I assure the Senate that no problem has been higher on the agenda of the Budget Committee than the examination of that problem, how you achieve a proper balance between the spending requirements of Government programs and the need to stimulate the economy and the burdens that we impose on our people by way of taxes.

I think the resulting policy, as to which Senator ROTH clearly on the record is opposed totally by voting against every budget resolution, has been supported by Congress, as a whole, on at least three separate occasions in this calendar year.

What this amendment would do is this: It would increase the fiscal year 1978 deficit from $64.7 billion to an unacceptable high area of $76 billion. The Senator speaks of business confidence. I wonder how business confidence would be supported by that kind of an increase in the deficit. We already face the difficulty of achieving a balanced budget bv 1981, beginning with a deficit of $64.7 billion in 1978. How credible would be our argument that a balanced budget by 1981 is still our goal if we arbitrarily increase the deficit this year to $76 billion, which would be the new figure?

Second, a major tax reduction this year would undoubtedly limit our ability to produce a tax reform package of the kind the economy needs. We know that a major tax reform package will be proposed this year, and its goals should be these: to encourage capital formation, to simplify our tax system, and to improve tax equitv. A tax cut will be necessary to achieve those goals. And I fail to understand how anyone who has been exposed to tax writing legislation in this Senate over the years would disagree with that point.

A tax reform package involving these kinds of goals must be accompanied by a tax cut as a practical matter if we are to achieve it.

The PRESIDING OFFICER (Mr. ANDERSON). The Senator's 10 minutes have expired.

Mr. MUSKIE. I yield myself another 5 minutes.

An across-the-board rate cut will not remove impediments to capital formation. It will not simplify the tax system. It will not improve tax equity.

Thus, it would be unwise, in my judgment and in the judgment of the Budget Committee, to lose the revenue associated with an across-the-board rate reduction when what is needed is tax reform. And to pretend that you can get tax reform after you have given away your tax cut I think is simply to be legislatively unrealistic in the extreme.

Finally, Mr. President, as we contemplate other problems with which this country is confronted, the cost of health care, the cost of welfare reform, the need to develop alternative energy sources and the capital requirements that may be involved, the tax incentives that may be required, the need to develop mass transportation systems and the public role that has yet to be defined fully, as one contemplates those kinds of problems, and others, to eliminate future revenues now in a misguided tax cut would be to

limit our options in the future with respect to those problems.

These are the reasons, Mr. President, and I tried only to supplement the statement of my good friend from Oklahoma, Senator BELLMON, why the Budget Committee has taken the position it has on a permanent tax cut now. We oppose it for all these reasons.

May I say, finally, that no one has been a more articulate proponent of the concept of permanent tax cuts as against temporary tax cuts than the Senator from Oklahoma. He has already stated his own philosophical view that tax cuts are a more effective stimulus than some spending programs.

Nevertheless, putting all of the facts with which the Budget Committee had to deal in the context of his own philosophical beliefs, he had reached the same conclusion that I have. So that this conclusion is not the product of ED MUSKIE's liberal philosophy, or of HENRY BELLMON's conservative philosophy. It is a practical judgment.

As Senators know, we used to make economic policy on the floor of the Senate by ad hoc decisions of the kind involved in the Roth amendment, ignoring the overall context and balance that needed to be struck, the problem of setting priorities, the problem of fitting our spending and revenue policies into some rational economic goal. We used to do it that way. Apparently, it is the desire of some on the floor of the Senate to return to that way of doing business.

That way of doing business produced all kinds of consequences which led to the adoption of the Budget Reform Act. It led to excessive spending. It led to spending on low priority programs. It led to tax and spending programs that did not respond sensitively enough or quickly enough to the needs of the economy. It led to the proliferation of Government as new programs and new agencies, that might not have otherwise been justified if a system of priorities had been in effect came into existence and proliferated, created the administrative chaos with which every Member of this body, I think, takes exception now, the public mood being what it is.

So what I am saying, Mr. President, and I have said over and over again on the floor of this Senate, is we have a budget process. It is Congress means for setting economic policy and a majority of this Senate has supported those resolutions and the policy after understanding its composition.

Senator ROTH does not believe in what we have done. He believes in the process because he supported it, but he does not support its results. I suggest that those of us who contributed to the policies which have been developed under that process should look carefully at his amendment for that reason as well as for the other substantive reasons which I have tried to outline.

Mr. President, I reserve the remainder of my time.

Mr. ROTH. Mr. President, in view of the fact that I have expended considerable time in the hearings on Mr. Lance, and was not able to come down here, the Senator from Utah and the Senator from California have both very generously agreed—and I want to ask at this time if they are willing—to permit me to have 10 minutes of the time that has been allocated to both of them for the subsequent amendments.

Mr. HAYAKAWA. I am happy to agree to that.

Mr. MUSKIE. I think in order to do that we would need unanimous consent.

Mr. ROTH. Yes. I wanted to ask them publicly if they were agreeable.

Mr. MUSKIE. Is that 10 minutes from each?

Mr. ROTH. Ten minutes from each, to be taken from their time.

Mr. MUSKIE. As I understand, the Senator's request is that the time available to each of them on their amendments be reduced by 10 minutes, and that that 20 minutes be allocated to the Senator from Delaware?

Mr. ROTH. That is correct.

The PRESIDING OFFICER. Is there objection?

Mr. MUSKIE. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. I thank all the Senators concerned in permitting this modification to be made.

Mr. President, I think it is very important to make two points at the beginning. First, what I am proposing is in accordance with the budget process. It is true, and I take great pride in the fact, that I was a key architect in the formation of the new budgetary process; but I think it is only fair to point out that the purpose of the budgetary process is to permit debate and discussion on all alternatives, not only in the Budget Committee but on the floor of the Senate as well, so that the will of the Senate can be determined.

Mr. President, it is true that I have voted against the budget resolutions because they do not reflect what I believe to be sound economic policies for the future growth and development of this Nation. But before I get into some discussions on that, I would like to make very clear, because I think the issue has been clouded, what we are proposing here.

What my amendment does, and the only thing that it does, is permit Congress to enact a tax cut if it deems it desirable for 1978. If this amendment is not adopted, we will be prevented, under the budget resolution, from doing so. That is all it does.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. ROTH. I would like to continue, if I may.

Mr. MUSKIE. The Senator does not wish to hear my question?

Mr. ROTH. I yield on the Senator's time, yes.

Mr. MUSKIE. I wish to make the point that the budget process inescapably establishes a budget resolution which imposes limitations applied to revenues and spending. Is the Senator saying it is unwise, as a permanent thing, to have that kind of restraint?

Mr. ROTH. What I am saying, in answer to the distinguished chairman, is that I think that under present conditions, it makes sound economic sense that flexibility be provided for a tax cut during the current year.

Mr. MUSKIE. Should we not have, then, a budget resolution at all?

Mr. ROTH. All I have suggested is that I am offering an amendment to the resolution to provide for that flexibility.

Mr. MUSKIE. Some other Senator may think yours is not big enough, and this may be a restraint on him.

Mr. ROTH. Mr. President, I would just point out that a part of the budget process is to permit the consideration of individual Senators' thoughts.

Mr. MUSKIE. Of course.

Mr. ROTH. There is nothing beholden or sacred about what the Budget Committee recommends. We are here right now to see whether the Senate agrees or disagrees with what the committee has recommended. All I am proposing at this time is, because of the economic circumstances, I happen to think it is wise, very wise, to permit flexibility during this year to permit Congress to propose a general tax reduction.

Mr. MUSKIE. If the Senator will yield again on my time, the point I am making is that the idea of flexibility, as I understand the Senator's definition, is that that flexibility ought to be available to any Senator. If that is the case, then any number adopted by the Senate as a whole is an undesirable restraint upon the flexibility available to Senators.

The budget resolution was adopted in the spring. The revenue numbers the Senator is talking about are the revenue numbers adopted by the whole Congress. The Senator says that is an undesirable lack of flexibility; so the inescapable conclusion, as I see it, is that the Senator is against any limitation on revenue collections in budget resolutions that does not conform to his own economic views.

Mr. ROTH. I shall answer; then I would like to proceed with my discussion.

In answer to what the distinguished Senator has said, it is my position that, because of the economic conditions in this country today, a general tax reduction is very much in order. I believe, therefore, that that flexibility should be built into the general budget resolution.

I emphasize again that we are not today proposing any specific tax cut. If the budget resolution gives us the authority to move forward with a general tax reduction for fiscal year 1978, then, of course, what kind of tax reduction will be enacted will have to be determined according to the congressional processes, which necessarily means that the House Ways and Means Committee as well as the Senate Finance Committee and the House and the Senate together, ultimately with the approval of the President, will determine what that general tax reduction should be.

It is a mistake and an error, as far as I am concerned, at this stage to confuse this amendment to the budget resolution with a specific or particular tax reduction.

It is true that I intend to continue to fight for an across-the-board tax rate reduction for working Americans, be-

cause I think it is the most important thing that can be done to provide jobs and to get our economy moving.

In all candor and all honesty, it seems to me that the thrust of the arguments of those opposing my amendment is the same one made year in and year out, because they want bigger spending and more Washington involvement. Mr. President, if there is one message that it seemed to me was very clear in the campaign last fall—and our President, who was elected, ran on that platform—it was that we should have less Government, less Washington, and less involvement in the life of the average American.

The fact that I have voted against every resolution does not mean that I am against the budgetary process. It means I was against the budget resolution proposed and amended on the Senate floor.

What I am trying to say is that these budget resolutions, every year, have reflected increases in Government spending, and that is the basic argument being made today against my amendment: "We cannot have any tax cut because we have to prepare for more Federal spending."

I say that there are always areas where we can have more Federal spending, but what concerns me—I say to the distinguished chairman, the Senator from Maine, and to the distinguished ranking Republican member, the Senator from Oklahoma, read that article in this week's Newsweek. The American people are fed up with high taxes. They are concerned about the fact that they are faced with downward mobility. The great American dream is no longer here. The American dream of buying a home, of sending your children to college, of taking a vacation—these are what make up the American dream, and this is what has propelled the American economy forward. But we are hearing the same old kind of arguments that have been made year in and year out, that have gotten us into this horrible combination of inflation and unemployment: "Well, we have to have more tax revenue because we need more Government spending."

What I am saying is that I have voted against those resolutions because I think what needs to be done—and somewhere, somehow, we have to make a start—is to bring down the size of the Federal Government.

I support a lot of these new programs, but I think much of the money we are spending could be better spent.

I am saying that a general tax reduction, if we do what Mr. KENNEDY proposed, is the way to provide more funds for more Federal programs and to have growth in the economy.

Mr. President, the economic indicators today are such that a general tax reduction is in order. I do not think there is any particular need of once again reviewing why I think that is desirable. I believe it is desirable because, as Mr. Heller said about the Kennedy proposal, by giving the private sector the opportunity to operate, we had people working, we had more productivity, we had people saving, we had more people move out of the ranks of unemployment and into meaningful jobs in the private sector, and, by doing so, we reduced many of the costs of spending—something like $14 billion for every 1 percent of unemployment. The whole thrust of the operation was to provide more revenue for the Federal Government so that new programs which were needed could be financed and supported.

That is all I am trying to do today, to provide the opportunity for this Congress to enact a meaningful tax reduction which will have that effect. What it would be like would remain to be seen. I have my own ideas as to what it should be.

I believe it is desirable because it is about time we start listening to middle America, the working people, and give them an opportunity to once more enjoy upward mobility and to further promote the economy of this country.

Mr. President, I yield the floor.

Mr. MUSKIE. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator only has 4 minutes remaining.

Mr. MUSKIE. I was told I had 7 minutes a moment ago.

The PRESIDING OFFICER. Some of that time was used. Four minutes remain.

Mr. MUSKIE. I think there is an essential correction of the RECORD to be made. No. 1, I have been in the Senate 19 years. There have been no increases in personal income taxes in all that period, except for the temporary surtax in the midyears of the Vietnam war. But there has been a series of tax cuts over that period.

There have been increases in payroll taxes tied to increases in social security benefits. With respect to personal income taxes, the fact is that, as a percentage of personal income, income taxes were 10.8 percent in 1967 after the Kennedy tax cut, and were 10.7 percent of personal income in 1976. So there has not been this steady increase in income taxes that the Senator from Delaware implied in his statement.

Finally, Mr. President, I would repeat the essential objections to this amendment. If adopted, it would throw into disarray the economic plan which the Congress as a whole adopted early in the spring, which the Budget Committee recommends implementing with the second budget resolution.

It would face us with an increase in the deficit for 1978 of over $11 billion.

It would result in a permanent tax cut which would close our options, or sharply reduce our options, for tax reform and to deal with some of the other problems with which we are confronted, such as the cost of national health insurance, the cost of welfare reform, some of the energy problems we face, some of the mass transportation problems we face, and some of the environmental problems we face.

If we want to close off those options, abandon our own economic plan, then we should vote for the Roth amendment. If we choose not to stick with what the Congress put in motion in the spring by way of a budgetary and economic program and plan, throwing the whole process overboard in terms of what it has produced this year, then vote for the Roth amendment. If Senators do not want to do that, then vote against the Roth amendment.

That is the essence of the issue. I am content to yield back the remainder of my time.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. ROTH. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. ROTH. Let me make one brief comment.

In answer to the distinguished chairman that there has been no tax increase, I believe the average American would, in substance, disagree very sharply with that. It is a well known fact that inflation has caused a substantial tax increase for every American. As a matter of fact, I think CBO says that for every 1 percent increase in inflation, there is a 1.5 percent increase in taxes.

One of the things which I think has concerned so many of us is that in a very real way inflation has served the purposes of Government. By pushing more people into higher tax brackets, more funds flow into the Federal Government. The Federal Government is thereby able to finance new programs without voting to increase any taxes for that purpose.

Mr. MUSKIE. Will the Senator yield for a question? I have no time left.

Mr. ROTH. I will be happy to yield.

Mr. MUSKIE. May I point out that inflation is not an enacted tax increase. The Senator did not distinguish between increases resulting from inflation and increases resulting from deliberate congressional policy.

Secondly, just as inflation increases tax receipts, it also increases the cost of Government. It increases the level of interest payments, it increases the cost of many spending programs. Most of the increases in the Federal budget over the last year are attributable to inflation and the impact of unemployment on the levels of our people. So this increase in taxes related to inflation is not free money available to the programs.

Mr. ROTH. I would like to make two points:

One, as far as the man or woman back home, inflation has directly the same effect as increasing taxes. It can be argued that the policy of the Government has promoted inflation and thereby indirectly increased taxes.

On the second point, I think it is only fair to say that it has been shown that the Government does get taxes in addition to the inflationary increased cost of Federal programs.

I do not want to argue technicalities, but I am basically concerned with the impact on the average working man and woman. All I can say on that point is if we talk to any of them in Delaware or elsewhere, I am sure we will find the majority feel that taxes, in effect, have been increased.

I will be happy to yield——

Mr. MUSKIE. Mr. President, may I ask for the yeas and nays at this point?

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROTH. I yield to the Senator from Utah.

Mr. HATCH. I would like to add to this discussion. With regard to some of the remarks of my dear friend and colleague, Senator BELLMON, I believe that a 10-percent permanent reduction in personal income tax rates may actually result in a smaller net revenue loss than the $11.4 billion proposed.

The $11.4 billion was the net revenue loss projected by the Congressional Budget Office, using their econometric models. However, all the conventional econometric models do not adequately estimate the revenue flows from a reduction in the tax rates. This is because they only reflect the increase in personal disposable income resulting from a tax cut. They in no way take into account the change in the relative attractiveness of work as opposed to leisure and consumption as opposed to investment. Thus, they are not constructed to take into account, it seems to me, the incentives to work longer, to work harder, to save more, to take greater risks, to be more innovative, et cetera, which are produced by what we are arguing for here today, a tax cut.

These shortcomings of the econometric models have been acknowledged by Dr. Alice Rivlin, by Mr. Bert Lance, and by Chase Econometrics. They are not recognized by the Budget Committee or most of the Congress. Therefore, I propose reducing the revenue figure in the second concurrent resolution by the greatest projected net revenue loss.

I think that the opponents to the Roth amendment have been speaking basically against the tax cut on the basis of these econometric models and have not taken these reflows into consideration.

Mr. MUSKIE. Will the Senator yield?

Mr. HATCH. I am delighted to yield.

Mr. MUSKIE. The $11.4 billion comes out of the amendment of the Senator from Delaware.

Mr. HATCH. That is true.

Mr. MUSKIE. Obviously, the Senators fear that may be the revenue consequences and they want to put plenty of room in the budget resolution to cover the $11.4 billion.

If we are ever going to have our own personal econometric model in order to control our votes on these tax measures, we are going to have the kind of chaos of the Smoot-Hawley tariff era, when we used to write tariff policy on the floor of Congress.

The $11.4 billion figure, as I am using it, is in Senator ROTH'S amendment. I gather the same thing is in the amendment of the Senator from Utah.

Mr. HATCH. I understand that. The point I am making here is that it is one thing to say we are going to have $11.4 billion less in revenue, based upon faulty econometric models, which have been admitted to be faulty.

Mr. MUSKIE. If the Senator is citing Dr. Rivlin and Mr. Lance as authorities for that statement, I challenge it.

Mr. HATCH. I am citing the fact that all three have admitted that we are not taking into account the supply side feedbacks that could occur from a tax cut and the other econometric models upon which the Budget Office has based this figure.

Mr. MUSKIE. On the contrary, I have checked with the CBO and the reflows are taken into account with respect to the $11.4 billion figure. To estimate on this kind of thing is not a perfect art and far from a science. But to leap from that point to the conclusion that they are phony, upon what do we rely for the expert data upon which to base policy judgments?

Mr. HATCH. All I can say is I do not know who told the Senator that, but that is not true.

Mr. MUSKIE. I think our contacts with CBO are relatively close.

Mr. HATCH. That is the point I am making. I believe, and I think the Senator will find, on closer check, that Rivlin, Lance, and Chase Econometrics admit that they have not taken these into consideration and that they should be taken into consideration. In fact, Chase is going to change its econometric model as a result of some of the suggestions that have come inevitably from the arguments we are making here, today, frankly, from some of the people working with me.

Also, I might add that Senator LONG has complained about this, that we have really made some faulty projections in revenue estimates.

Mr. MUSKIE. As I say, I, myself, would agree, on the basis of testimony we have taken for 3 years, that these models are not perfect instruments for estimating anything. But we have to use what we have at the moment in order to maintain some consistency in policymaking. If each of us is to enjoy the privilege of coming to the floor and, individually, changing these estimates to suit ourselves on the basis of our own evaluation of what the models ought to be producing, we shall have utter chaos on the floor. That is all I am saying.

To say they cannot be improved—of course, I am not going to put myself in that position. But to say, on the other hand, that the Senator has now come upon a perfect model is again something I am not prepared to say.

Mr. HATCH. Neither am I prepared to say that, except that we know the models that have been used are not perfect, are far from perfect, in fact are imperfect.

Mr. MUSKIE. So we toss out everything?

Mr. HATCH. No, but I hope the Senator is not advocating the position that individual Senators cannot come on the floor with amendments that may be appropriate and may, in fact, be accurate and may, in fact, be important to this country and may, in fact, save the average Joe American Taxpayer from being ripped off.

Mr. MUSKIE. I am not saying that. I think it is permissible for me to say, on the basis of the provisions of the amendment itself, that what we are talking about is an $11.4 billion reduction in revenues.

Mr. HATCH. I think everybody agrees to that.

Mr. MUSKIE. Because that is what the amendment says. What the Senator has been trying to persuade us of is that it is not really going to be $11.4 billion. It is going to be something less. I have to take the amendment at face value and I am not going to agree to a verbal amendment, on the basis of the Senator's personal econometric model, that it is not $11.4 billion we are talking about, it is something less.

Mr. HATCH. I understand the Senator's argument very well. But my argument, and that of the distinguished Senator from Delaware, is that it is incomprehensible to us not to take into consideration that every tax cut in the last 30 years except one, to my knowledge—I cannot remember which one that was, but I think I have to allow an exception for one—has resulted in a net revenue gain rather than a loss.

Mr. MUSKIE. That, I challenge. The Senator cannot tell me that Dr. Rivlin and Mr. Lance and others support that, because that very proposition has been put to more than one economist before our committee.

Mr. HATCH. Does the Senator challenge the 1964 Kennedy tax cut?

Mr. MUSKIE. No, I do not challenge the tax cut, but I do challenge Senator ROTH'S conclusion that that tax cut produced an increase of $54 billion in Federal revenues, because there is nothing in the record to support that kind of arithmetic.

That is not to say it had no stimulative effect. Of course it had a stimulative effect. May I remind the Senator that, as of 1977, the percentage of personal income which is paid to the Government as individual tax receipts is, today, 10.7 percent, as compared to 10.8 percent after the Kennedy tax cut.

Mr. HATCH. The Senator will admit, however, that the Kennedy tax cut did result in a net revenue gain?

Mr. MUSKIE. No, it resulted in some stimulus to the economy, which I was for. I voted for it. I was here.

Mr. HATCH. I know, and that is why I am surprised he is not voting for it now.

Mr. MUSKIE. I made a similar argument, but I have never made the exaggerated claims with respect to its effect on Federal revenues that I have heard here this morning.

Sure it was a stimulus.

Mr. DOLE. Mr. President, the amendment before the Senate would provide the reduction in revenue floor to accommodate a major across-the-board tax cut during the 1978 fiscal year. The Senator from Kansas has long been a proponent of tax reduction for every American. The time to act on substantial tax relief is now and adoption of this amendment would be an important first step.

ECONOMY SLOWING DOWN

Several days ago it was reported by the Department of Labor Statistics that unemployment increased from 6.9 percent to 7.1 percent. The unemployment rate for black teenagers is about 35 percent. These figures are alarming.

Budget Committee economists analysis indicated a slowdown in economic growth for the third and fourth quarter of 1977.

The administration has added billions of dollars to our deficit without boosting business and consumer confidence. This amendment would clear the way for a tax cut next year and thus assure economic recovery.

TAXES CONTINUE TO INCREASE

Over the past decade, taxes, which are the most visible portion of the cost of Government, have expanded their percentage of the family budget more rapidly than any other cost-of-living item. Since 1950, Government spending has increased by nearly 600 percent for every man, woman, and child in America. By contrast, per capita clothing, food, and shelter expenses grew at about 170 percent, 145 percent, and 200 percent, respectively, over the same period.

Government spending has grown astronomically and so have the income taxes, payroll taxes, and other taxes needed to finance it. In fact, it was not until the first week in May that the average American worker earned enough income to pay all his taxes—Federal, State, and local—for this year.

Mr. President, if we want to do something to help the average working American, we need a tax-cut which would provide relief for a significant percentage of the taxpaying population.

SPENDING SHORTFALL

Mr. President, there is room in this budget for a tax cut. An article in Business Week magazine this week reminds us that the Federal spending shortfall—funds budgeted for use but not spent—was $11 billion last year. The shortfall is expected to reach $12–$14 billion in the current fiscal year. The article suggests that this may be the result of "overestimating" by the administration.

Mr. President, I ask unanimous consent that the article may be printed in the RECORD.

Based on the shortfalls experienced in fiscal year 1976 and fiscal year 1977, it has been estimated that the shortfall in fiscal year 1978 could be $10 billion or higher. If these funds are not to be used, Mr. President, it seems to this Senator unreasonable and inappropriate tax policy to continue to collect these funds from the already overburdened taxpayer.

The amendment we are considering would make it possible to provide these tax cuts, and to free up this additional money to help stimulate the economy.

Mr. President, the overburdened American taxpayer has waited long enough. Passage of this amendment will be a sign that Congress recognizes the tax burdens of our constituents.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ANOTHER SPENDING GAP HAUNTS WASHINGTON

The federal budget shortfall, which helped slow the economy in 1976, is back in an even more disruptive form. This time the government's inability to spend appropriated funds to help fuel the economy could produce a spending gap of $12 billion to $14 billion by the time fiscal year 1977 ends on Sept. 30. Moreover, the shortfall could persist into next year, contributing additional drag on a recovery that is already slowing.

Administration spending estimates have dwindled steadily since last February, when federal outlays for the year were estimated at $417.4 billion by the Office of Management & Budget. The abandonment of President Carter's tax-rebate proposal, which included $3.2 billion worth of $50 checks technically classed as government expenditures, trimmed the spending target to $414 billion. The drop from that target since then has been dramatic.

FALLING FORECASTS

The OMB and the Treasury Dept. started reporting underspending by a host of federal departments and agencies last spring. By July 1 the OMB's mid-session budget review reported that federal spending was running at a $406.4 billion annual rate. OMB Director Bert Lance predicted that some agencies would catch up later in the year. But only days later, he revised the figure to $404 billion.

With only a month to go on the current fiscal year, there is almost no chance that agencies will be able to close the gap. Administration sources, noting that the annual spending pace was only $398.4 billion through July 31, expect the final tally to reach $401.5 billion to $402 billion. But Capitol Hill budget experts are betting on a flat $400 billion.

So far, underspending is across the board. Some major examples: $1.5 billion in defense; $1.8 billion in foreign military sales; $600 million at the Health, Education & Welfare Dept.; $300 million in the Labor Dept.'s job-training programs, plus an additional $600 million in its public-service employment program; $800 million at the Environmental Protection Agency; and $600 million in the unemployment trust fund, where the jobless rate among insured workers has run below expectations.

DOWN ALL OVER

One bemused Administration official thinks that there is "a built-in bias in the budget that tends to overestimate outlays early in the planning process." This source adds: "We're down a bit all over the place, which makes me suspect this will keep happening in fiscal 1978."

For the past year, the OMB has been demanding that department and agency chiefs improve their spending forecasts. Now it wants them to spend what they legitimately can before this fiscal year runs out. Failure could have serious consequences. Last year's shortfall of $11 billion was tagged by the Congressional Budget Office as one cause of the second-half lull in the recovery. The CBO estimated that the shortfall cost the economy about half a point in real gross national product for six months.

Now CBO Director Alice M. Rivlin has predicted that real GNP in the second half of 1977 will grow by only 4%. When the Administration forecast 5% growth, it assumed a smaller shortfall. Thus the shortfall may again cost the economy a point of growth on an annual basis.

The inability of government to count on budgeted money moving into the spending stream as planned augurs badly for 1978. The second half of Carter's stimulus program is supposed to kick in on Oct. 1 to buoy the economy and cut unemployment. Council of Economic Advisers Chairman Charles L. Schultze, who lost the battle to retain the tax rebate last winter, consoled himself with the expectation that a major job-creation program would pick up the slack in fiscal 1978—rising to a peak annual spending rate of $21 billion by next spring. The continuing shortfall problem makes Schultze's expectation more a hope than a certainty.

POLITICAL TOLL

The shortfall also has political consequences. It plays hob with the efforts of Senate Budget Committee Chairman Edmund S. Muskie (D-Me.) and House Budget Committee Chairman Robert N. Giaimo (D-Conn.) to control congressional spending. The congressional budget process almost collapsed last spring over their battle to hold down appropriations for fiscal 1978. And Muskie will soon go to the mat with farm state lawmakers over an agriculture bill that exceeds the 1978 ceiling.

So the Administration's uncanny ability to "save" billions of dollars by accident weakens the hand of the Budget Committee and the case for spending restraint on Capitol Hill.

The PRESIDING OFFICER. All the time on the amendment has expired.

Mr. STONE. Will the Senator yield for a unanimous-consent request?

Mr. HATCH. Yes, I yield.

Mr. STONE. Mr. President, I ask unanimous consent that Nancy Foster of my staff may have the privilege of the floor during debate and votes on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Minneosta (Mr. HUMPHREY) would vote "nay."

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. CASE), the Senator from Michigan (Mr. GRIFFIN), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), the Senator from Indiana (Mr. LUGAR), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), the Senator from Oregon (Mr. PACKWOOD), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

On this vote, the Senator from New Mexico (Mr. SCHMITT) is paired with the Senator from Oregon (Mr. HATFIELD). If present and voting, the Senator from New Mexico would vote "yea" and the Senator from Oregon would vote "nay."

The result was announced—yeas 23, nays 63, as follows:

[Rollcall Vote No. 357 Leg.]

YEAS—23

Allen	Domenici	Helms
Baker	Durkin	Laxalt
Bartlett	Garn	Proxmire
Byrd, Harry F., Jr.	Goldwater	Roth
Curtis	Hansen	Schweiker
Danforth	Hatch	Stevens
Dole	Hayakawa	Thurmond
	Heinz	Zorinsky

NAYS—63

Anderson	Eagleton	Matsunaga
Bayh	Eastland	McGovern
Bellmon	Ford	McIntyre
Bentsen	Glenn	Melcher
Biden	Gravel	Metcalf
Brooke	Hart	Metzenbaum
Bumpers	Haskell	Morgan
Burdick	Hathaway	Moynihan
Byrd, Robert C.	Hollings	Muskie
Cannon	Huddleston	Nelson
Chafee	Inouye	Nunn
Chiles	Jackson	Pearson
Church	Johnston	Pell
Clark	Kennedy	Percy
Cranston	Leahy	Randolph
Culver	Long	Ribicoff
DeConcini	Magnuson	Riegle

Sarbanes	Stafford	Tower
Sasser	Stennis	Weicker
Scott	Stone	Williams
Sparkman	Talmadge	Young

NOT VOTING—14

Abourezk	Javits	Packwood
Case	Lugar	Schmitt
Griffin	Mathias	Stevenson
Hatfield	McClellan	Wallop
Humphrey	McClure	

So Mr. ROTH's amendment was rejected.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MUSKIE. Mr. President, it is my information that there are two more amendments pending, following the one on which the Senate just acted. There are 50 minutes on each. I do not believe that 50 minutes will be required on each. It might take as little as 30 minutes. I do not know of any other amendments that are definite at this point.

Mr. ROTH. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. ROTH. The Senator from Delaware does have an additional amendment. I say to the chairman that I have to return to the Lance hearings. I expect to be back in time, but that is beyond my control.

Mr. MUSKIE. I will do my best to protect the Senator, but the Senator understands that the time is running. Within the limits of that time, I will do my best to protect the Senator.

Mr. ROTH. If the Senator will notify me, I will get here.

Mr. MUSKIE. I do not know which of the other two amendments is to be called up at this point. Does the Senator from Utah have any information and can he enlighten me on that?

Mr. HATCH. Senator HAYAKAWA has an amendment, but I do not know where he is. Let me suggest the absence of a quorum.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the time for the quorum call be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MORGAN). Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HAYAKAWA. Yes.

Mr. MUSKIE. Mr. President, on behalf of the distinguished Senator from Virginia, Senator HARRY F. BYRD, Jr., I ask unanimous consent that John I. Brooks, of his staff, may have the privilege of the floor during the consideration of this pending measure and the votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HAYAKAWA. Yes.

Mr. BELLMON. Mr. President, I make the same request for Michael Shorr of the Committee on Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate will be in order, please. Those conversing in the aisles will please retire to the cloakroom.

UP AMENDMENT NO. 785

Mr. HAYAKAWA. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California (Mr. HAYAKAWA) for himself, Mr. HATCH, and Mr. ROTH proposes unprinted amendment No. 785;

On page 1, line 7, delete the numeral and insert in lieu thereof "$383,600,000,000".

On page 1, line 9, delete the numeral and insert in lieu thereof "$12,000,000,000".

On page 1, line 11, delete the numeral and insert in lieu thereof "$489,400,000,000".

On page 2, line 2, delete the numeral and insert in lieu thereof "$447,900,000,000".

On page 3, line 17, delete the numeral and insert in lieu thereof "$6,600,000,000".

On page 3, line 18, delete the numeral and insert in lieu thereof "$9,000,000,000".

On page 3, line 21, delete the numeral and insert in lieu thereof "$22,100,000,000".

On page 3, line 22, delete the numeral and insert in lieu thereof "$22,400,000,000".

On page 4, line 3, delete the numeral and insert in lieu thereof $174,300,000,000".

On page 4, line 4, delete the numeral and insert in lieu thereof "$142,100,000,000".

On page 4, line 16, delete the numeral and insert in lieu thereof "$8,600,000,000".

On page 4, line 17, delete the numeral and insert in lieu thereof "$8,700,000,000".

On page 4, line 22, delete the numeral and insert in lieu thereof "$400,000,000".

On page 4, line 23, delete the numeral and insert in lieu thereof "$500,000,000".

Mr. HAYAKAWA. Mr. President, I am disappointed that the Senate has not seen fit to adopt Senator ROTH's amendment to adjust the revenue figure in the budget resolution in order that a 10-percent across-the-board reduction in the personal income tax rates could be accommodated in fiscal year 1978. I think it should be clear that this revenue figure adjustment does not guarantee passage of such a tax rate reduction. Without this adjustment in the revenue figure, however, it would be impossible for the Congress to enact this type of income tax cut within the next fiscal year.

Time and time again, this body has refused to enact a reduction in personal income tax rates. In May we were told to wait for the President's tax reform proposal in September. Well, it's September, and we do not have a tax reform package from the administration. And in addition, it is becoming clear that the administration is not really interested in cutting taxes.

Quite the contrary, although the President is talking about cutting income tax rates, he is also talking about taxing employee benefits that have heretofore never been taxed as income. This in combination with the President's energy taxes will result in a net increase in the tax burden on the American people. This is how the President plans to balance the budget by 1981.

Calculations made from the administration's 5-year budget projections by the House Budget Committee minority show that, rather than balancing the budget by holding back Federal spending, the President plans to increase the tax burden on the American people to a higher level than it has ever historically reached since the Korean war. During this period, the Federal tax burden on the American people has averaged about 18.6 percent of GNP. Presently, the Federal tax burden is about 19.6 percent of GNP. By 1981, the President plans to raise the Federal tax burden on the American people to a historical high of 21 percent or more, higher than that achieved even during the Vietnam war.

Mr. President, I ask unanimous consent to insert in the RECORD at this time tables prepared by the House Budget Committee minority showing this tax information. as well as those showing that the President will not achieve a balanced budget without this increase in the tax burden.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

PROJECTED SURPLUS/DEFICIT OF CARTER BUDGET UNDER VARIOUS TAX BURDEN ASSUMPTIONS (CARTER LONG-RANGE ECONOMIC ASSUMPTIONS)

[In billions of dollars]

	Carter budget, actual projected tax burden	Revised Carter budget, tax burden held constant at— Fiscal year 1978 rate, 19.6 percent	Historical average, 18.6 percent (1954-76)
1978	−63	−63	−83
1979	−32	−44	−67
1980	+4	−37	−65
1981	+42	−14	−41
1982	+76	+4	−7

Source: Carter administration Office of Management and Budget "Midsession Review of the 1978 Budget."

Personal tax burden 1954–1982

(Ratio of Personal Income Taxes to Taxable Personal Income)

1954	10.3
1955	10.6
1956	11.2
1957	10.5
1958	10.3
1959	10.5
1960	11.2
1961	11.0
1962	11.5
1963	11.4
1964	11.0
1965	10.4
1966	10.7
1967	11.0
1968	11.5
1969	13.4
1970	12.8
1971	11.6
1972	11.9
1973	11.7
1974	12.2
1975	11.8
1976	11.2
1977	11.6
1978	[1] 12.9
1979	[1] 13.6
1980	[1] 14.5
1981	[1] 15.2
1982	[1] 15.8

[1] Calculated from Office of Management and Budget *Midsession Review of the 1978 Budget.*

Tax burden 1954–82
(Ratio of revenue to GNP)

1954	19.2
1955	17.2
1956	18.1
1957	18.5
1958	18.0
1959	16.7
1960	19.0
1961	19.0
1962	18.2
1963	18.5
1964	18.3
1965	17.8
1966	18.1
1967	19.4
1968	18.5
1969	20.8
1970	20.2
1971	18.5
1972	18.8
1973	18.8
1974	19.6
1975	19.8
1976	18.6
1977	19.6
1978	[1] 19.7
1979	[1] 20.7
1980	[1] 21.3
1981	[1] 21.7
1982	[1] 21.9

[1] Calculated from Office of Management and Budget *Midsession Review of the 1978 Budget.*

Mr. HAYAKAWA. I do not believe that this is the proper approach to balancing the Federal budget. The tax burden on the American people is already too high. This high tax structure is destroying the incentives of our people to work and to produce, to invest and save their money. In other words, this high level of taxation produces a drag on our economic growth. Increasing the tax burden will only produce more of an economic drain and it is doubtful whether the president will be able to achieve the rate of growth his projections indicate will be required to reach a balanced budget in 1981, even with the increased level of taxation. This is why, Mr. President, I believe that the Senate should not wait for the President's tax package in order to reduce the tax burden on the American people.

However, Mr. President, since the Senate is unwilling to accept the personal income tax cut because it will increase the deficit, I am offering an amendment which would again adjust the revenue figure to accommodate a 10 percent across-the-board reduction in personal income tax rates, and also reduce budget outlays by a comparable amount. According to CBO estimates, a 10-percent reduction in personal income tax rates would result in a net revenue loss of $11.4 billion in fiscal year 1978. In order to cut budget outlays by $11.4 billion I have made the following reductions in functional spending totals:

Mr. President, may I ask for order?

Mr. CURTIS. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will please come to order. Will those conversing on the floor of the Senate please retire to the cloakroom? The Senator has suspended until we have order in the Senate.

Mr. HAYAKAWA. I thank the Chair.

Function 450, the community and regional development, would be reduced by $1.4 billion;

Function 500, education, training, employment and social services would be reduced by $4 billion;

Function 600, in ome security, would be reduced by $4.5 billion;

Function 850, revenue sharing, would be reduced by $1 billion; and finally,

Function 920, allowances, would be reduced by $0.5 billion.

Let me explain the rationale for these particular cuts.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Do I understand the Senator's proposal to be in two parts, one calling for a tax reduction and the other one calling for a comparable amount in expenditure reduction?

Mr. HAYAKAWA. Yes, the distinguished Senator from Nebraska is quite right.

Mr. CURTIS. It has been the history of tax reductions when they are kept within bounds that they increase the revenue rather than decrease the revenue. Does the Senator accept that premise?

Mr. HAYAKAWA. Yes, I believe it is true.

Mr. CURTIS. In this case where you not only reduce the taxes but the expenditures also, it is not very likely that the increase in revenue will be greater than usual because on the face of it it does not add to the deficit and what it will do to the economy is add to the venturesomeness of our people and their desire to go ahead and build a strong and growing economy? Does the Senator believe that?

Mr. HAYAKAWA. The Senator from Nebraska is entirely right. I think that the benefits will be far greater than the pure monetary amounts involved in the tax cut and in the expenditure cuts, that is, there will be an incentive effect.

Mr. CURTIS. Is it not true that one of the things that is holding back our economy in the private sector is the awareness and the fear that it brings of the constant growth of Federal expenditures?

Mr. HAYAKAWA. One hears this constantly. There is the discouragement of people in savings and investment because of this constant fear of increased Federal taxation. That is quite right.

Mr. CURTIS. I thank the Senator.

Mr. HAYAKAWA. So, then, let me proceed by explaining the rationale for these particular cuts:

At the time of the third concurrent resolution on the budget for fiscal year 1977 substantial amounts of money were added to functions 450, 500, 600, and 850 as part of a stimulus program. This additional money was added in budget authority, and in every case except revenue sharing, there was no significant increase in fiscal year 1977 outlays. However, this additional budget authority is now appearing as substantial increases in outlays in 1978. I believe that the American people would prefer to reduce spending in these functional areas to more normal levels and receive a permanent tax cut in their place.

For instance, budget authority for community and regional development had already been increased 66 percent in the second concurrent resolution on the fiscal year 1977 budget above the level for that functional area in fiscal year 1976. In the third concurrent resolution on the budget for fiscal year 1977, this budget authority was increased even more, so that the total increase over the fiscal year 1976 level of budget authority was 124 percent

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. HAYAKAWA. I yield.

Mr. MUSKIE. I wonder if we might ask for the yeas and nays at this point. We have enough Senators in the Chamber.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. I thank the Senator.

Mr. HAYAKAWA. May I proceed, Mr. President?

The PRESIDING OFFICER. Yes.

Mr. HAYAKAWA. In the education, training and social services function, budget authority had been increased 13 percent in the second concurrent resolution over the fiscal year 1976 level.

In the third concurrent resolution, budget authority was increased even more so that the total percentage increase over fiscal year 1976 was 43 percent. Outlays on revenue sharing were increased a total of 34 percent in the third concurrent resolution over the fiscal year 1976 level of spending. And budget authority in the income security function was increased 23 percent over the 1976 level of spending.

None of this additional spending for stimulus programs has had any affect on the economic recovery to date. The spending on these programs has progressed at an even slower rate than anticipated, and very little spending has occurred so far on any of these stimulus programs. The one weak point in the economic recovery to date, which is recognized widely by economic advisers, has been business investment spending. The increased spending on these so-called stimulus programs will do nothing to improve business confidence. However, a reduction in personal income tax rates would allow individuals a greater after-tax return on savings and investment, thus encouraging them to save and invest their money. A tax cut will increase business confidence, spur business investment, and result in greater real growth and the creation of permanent, productive jobs in the private sector. This is the one fiscal policy alternative that would do the most to spur business investment, yet we continue to ignore it. A permanent tax cut will also remove the disincentives that have developed as a result of inflation moving individuals into higher and higher effective income tax brackets.

The rationale for my final cut, that in function 920, is different from that for the other spending cuts, function 920, of course, is allowances. Federal employees are now scheduled to receive a 7.05 percent cost-of-living increase in their salaries this coming October. If my amendment were adopted, they would receive a different package. In October they would receive a 3.5 percent raise, but in addition, they would receive a 10-percent

reduction in their income tax rates. This reduction in their taxes would affect not only the income from the raise, but their total income. Therefore, under my alternative, Federal employees would receive a smaller raise, but they would also receive a tax cut which they would not receive under the present alternative, and in dollar terms, they would be better off. That is, their after-tax income would be greater than it is now.

Mr. President, I do not feel that a lengthy discussion is necessary here. Senator ROTH has already eloquently outlined the economic reasons for this tax rate reduction. Those who supported Senator ROTH's proposal were willing to leave room for the permanent tax cut without insisting upon comparable reductions in budget outlays. However, since the majority of the Senate is unwilling to do this, we have decided to present in addition to the tax cut comparable spending cuts. What we are in effect doing is substituting one form of stimulus for another form of so-called stimulus. We believe that this permanent reduction in the personal income tax rates will do much more to spur our economic recovery than these massive spending programs, which will only benefit special interest groups. We believe the Senate has a clear choice here. It can continue to defend its pet spending projects, keeping the special interest groups happy, or it can choose to offer the American people a much needed and deserved reduction in their income tax rates. I personally favor giving every American citizen a benefit. A permanent tax cut is the way to do this. I hope the Senate will see the wisdom of this alternative and adopt my amendment.

Thank you, Mr. President.

Mr. CURTIS. Mr. President, will the Senator yield me some time?

Mr. HAYAKAWA. Yes; I yield time. I yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I rise in support of the proposal of the distinguished Senator from California.

In preface to that, I state this: The budget law was passed by the support of many people in the United States who wanted the budget brought under control and the budget balanced. It is my belief that the vast majority of those supporters of the budget law did not want the budget process or the Budget Committee to become fine tuners in a failing attempt to improve our economy. They wanted a balanced budget.

I am also convinced that the idea of a welfare state and the preservation of our private enterprise system are totally incompatible. We have to choose one or the other. The welfare state is a failing doctrine. What Congress has done in promoting a welfare state has assured a continuous depression. The evil of our present budget system is clearly shown in that it is a means by which Congress agrees in advance to a huge deficit and then we say we are pure, we are doing our job because we are not exceeding the pre-agreed deficit.

My primary reason for supporting this proposal is because it offers a clear vehicle to reduce expenditures. If we do that, and reduce tax rates at the same time, we will increase the available revenue. But we will still have too much Government.

Now, it will be said, "How can Senator HAYAKAWA's plan work?"

Well, he has outlined specific places for cutting $11.4 billion. One of those items is function 600, income security, which he would reduce by $4.5 billion.

Mr. President, that is in the realm of possibility. The Senator from Nebraska has authored legislation in this particular field to substantially take care of that, and I will enumerate it.

There is pending before the appropriate committee of the Senate a National Welfare Reform Act of which the Senator from Nebraska is a principal sponsor in the Senate. Here are some of the items that are proposed, and that can be done without injury to the poor and unfortunate of the country:

We can, for instance, revise the formula for persons with high outside income.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CURTIS. May I have some more time?

Mr. HAYAKAWA. I am glad to yield the Senator some more time.

The PRESIDING OFFICER. All time of the Senator from California has expired.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. How much time was allocated to the Senator from California?

The PRESIDING OFFICER. The Chair is advised that the Senator from California yielded 10 minutes of his time to the Senator from Delaware, which left him 20 minutes.

Mr. CURTIS. May I have some time off the bill?

Mr. MUSKIE. May I say to the Senator, there is not much time left on the bill, because time on these amendments comes out of the time on the bill. I will be happy to yield 5 minutes to the Senator out of my time on this amendment.

Mr. CURTIS. I appreciate that, but I do not want to deprive the Senator.

Mr. MUSKIE. No, I am not going to use it all.

Mr. CURTIS. We need the time because we do not have the votes. If you can give me some votes, I would give up my request for the time.

Mr. MUSKIE. I would assume that in giving the Senator more time, I am giving him the equivalent of votes.

Mr. CURTIS. The Senator leaves me speechless.

Revisions of eligibility and grant formula in reference to persons with high outside income, specifically changing the present "$30⅓" income disregards, 4-month rule, and insertion of a gross income ceiling in our welfare program, would result in a saving of $1 billion.

Elimination of voluntarily unemployed persons from caseloads, and other inappropriate beneficiaries such as students, strikers, and illegal aliens, $200 million.

Strengthened work requirements, such as mandated job search and community work experience programs, $200 million.

More aggressive fraud control efforts, including photo-identification and access to records for cost checking, $100 million.

Enhanced quality control performance, including tolerance levels and rewards and penalties based thereon, $600 million.

Improved child support performance through parent locator service and State use of child support incentive payments, $200 million.

Resource utilization changes, such as pro rata reductions when a welfare family lives with a noneligible caretaker, or two welfare families live together, $100 million.

That totals $2.4 billion, under the welfare program.

Under food stamps—and these are amendments I have already offered on the floor:

Gross eligibility ceiling at poverty index plus $100 standard deduction would save $700 million, and it would not take food away from one hungry person in this country.

Revision in purchase requirement to reflect consumer expenditure survey on what families normally spend for food, $500 million.

Strengthened assets test—there is none in the law now. There is no assets test on foodstamps, $300 million.

Strengthened work requirements, as in AFDC, $200 million.

Elimination of inappropriate beneficiaries. such as students, strikers, and aliens, $200 million.

Retrospective accounting, $800 million.

That is a total of $2.7 billion.

Now, when we go overboard in some of these programs, it automatically makes people eligible for medicaid. Automatic savings in eligibility and benefits by AFDC reforms and those in SSI as they occur, $1 billion saved in medicaid—not from taking it away from the needy, but from those who should not have it.

Oh, I wish that great and powerful Budget Committee would turn their attention to reducing the cost of Government by attacking the job of too many programs and too big items in here, rather than assuming it cannot be done.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to.

Mr. BELLMON. I believe the Senator will agree with me that these programs to which the Senator refers are entitled programs, that are put in place by the authorizing committees and put in place by the full Congress. There is no way the Budget Committee can change the law.

Mr. CURTIS. That is correct.

Mr. BELLMON. We tried, 2 years ago, to get the Finance Committee to change the law to the extent of $2 billion, and we got into all kinds of trouble with the Finance Committee chairman and the ranking minority member of that committee.

There is no way the Budget Committee can change the law. We have to make room in our resolution for what the law requires.

Mr. CURTIS. But there is a way in which you can recommend changes in the law and report to the Senate as to what would be saved.

The reference the Senator made was in reference to the Budget Committee's

effort to determine the details of the tax laws.

Mr. BELLMON. That is what the Senator is suggesting now, that we determine the entitlement programs.

Mr. CURTIS. No, that you bring in a budget that says that if Congress changes the law and cuts these programs by a certain amount, we could reduce expenditures by that amount.

Mr. MUSKIE. But, if the Senator will yield, all we did on the tax bill was to provide $2 billion of tax expenditure reductions, and we got nowhere with the Finance Committee.

Mr. BELLMON. And you interpreted that as an unjustified encroachment by the Budget Committee on your jurisdiction.

Mr. CURTIS. Well, I think it was.

Mr. BELLMON. Other committees would feel the same way.

Mr. CURTIS. You did not bring it in as a recommendation.

Mr. MUSKIE. Of course we did. It was in the committee report.

Mr. CURTIS. No, you brought it in as something to be accomplished by your action.

Mr. MUSKIE. But you, just a moment ago, voted for a similar thing. You voted for an $11.4 billion tax cut, which, if included in the resolution, would mean we as a committee would have mandated that the Finance Committee change the tax law. Now, you objected to that last year; yet you voted for it just a few minutes ago.

Mr. CURTIS. No, no; I concede to the Budget Committee the right to set levels.

Mr. MUSKIE. That is what we did last year and this year.

Mr. CURTIS. Not to write the details of tax law.

The PRESIDING OFFICER. The 5 minutes of the Senator from Nebraska has expired. We are now on the time of the Senator from Maine.

Mr. MUSKIE. On the assumption that I took at least 2 minutes of that time, I yield the Senator from Nebraska 2 additional minutes.

Mr. CURTIS. The Senator is most gracious. I thank the Senator.

I reiterate, I appreciate the gift of time and I would appreciate much more his gift of some votes.

Here are the ways we can save this money: under SSI, improved quality control, performance, and tolerance levels, $200 million.

Mr. BELLMON. If the Senator will yield, SSI is the responsibility of the Finance Committee.

Mr. CURTIS. Yes.

Mr. BELLMON. If the Finance Committee will make provision for those savings, I assure the Senator the Budget Committee will accommodate those savings.

Mr. CURTIS. All I am reading from is the pending legislation of the Senator from Nebraska.

In the food stamp items which I have read, it would bring about a reduction of $2.7 billion. As I recall, the distinguished Senator from Oklahoma attempted to help me on some of those. I appreciated that very much. I did not get any help from the majority members of the Budget Committee.

My complaint against the tax activity of the Budget Committee is twofold. I might as well lay it out in the open.

One is I do not think it is their purpose to determine the details of the tax program but to set levels.

Second, I think they have added to an erroneous contention in this country. That is that if we just make some change called tax reform there would be plenty of money for everything. That perhaps was not intended, but the country gets that idea. The only way we can have any relief is to reduce expenditures, and the only way we can reduce expenditures is to reduce the size of the welfare state. We have to choose in this country between the welfare state and our present economic system.

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. CURTIS. I thank my distinguished friend for yielding the time.

Mr. HAYAKAWA. Will the Senator yield for a brief moment?

Mr. MUSKIE. Yes.

Mr. HAYAKAWA. Mr. President, there are a couple of clerical errors in the amendment I submitted. I would like to correct those. I send a corrected copy of the amendment to the desk.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment, as modified, is as follows:

On page 1, line 7, delete the numeral and insert in lieu thereof "$383,600,000,000".

On page 1, line 9, delete the numeral and insert in lieu thereof "$12,000,000,000".

On page 1, line 11, delete the numeral and insert in lieu thereof "$489,800,000,000".

On page 2, line 2, delete the numeral and insert in lieu thereof "$448,300,000,000".

On page 3, line 17, delete the numeral and insert in lieu thereof "$5,600,000,000".

On page 3, line 18, delete the numeral and insert in lieu thereof "$9,000,000,000".

On page 3, line 21, delete the numeral and insert in lieu thereof "$22,100,000,000".

On page 3, line 22, delete the numeral and insert in lieu thereof "$22,400,000,000".

On page 4, line 3, delete the numeral and insert in lieu thereof "$174,300,000,000".

On page 4, line 4, delete the numeral and insert in lieu thereof "$142,100,000,000".

On page 4, line 16, delete the numeral and insert in lieu thereof "$8,600,000,000".

On page 4, line 17, delete the numeral and insert in lieu thereof "$8,700,000,000".

On page 4, line 22, delete the numeral and insert in lieu thereof "$400,000,000".

On page 4, line 23, delete the numeral and insert in lieu thereof "$500,000,000".

Mr. HAYAKAWA. Mr. President, I would like to include Senator HELMS and Senator CURTIS as additional cosponsors of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I yield myself 10 minutes.

Mr. President, this amendment includes the Roth tax cut amendment which the Senate has just rejected. I believe the argument on that amendment was sufficiently comprehensive so it is not necessary to repeat the applicable elements of that argument on this amendment. I will address myself to the spending cuts proposed by the distinguished Senator from California, the principal sponsor of this amendment.

I would like to make the point, and I think it is a legitimate point, Mr. President, that both the Senator from California and the Senator from Nebraska yesterday voted to increase spending in the agriculture function by $700 million. The effect of that, of course, was to increase the deficit, to increase the debt, and make it more difficult to achieve a balanced budget.

I cite that not so much to needle these two Senators as to make the point that what the Budget Committee is faced with is to try to accommodate the views of 100 Senators, the views of all authorizing committees, and the views of the Appropriations Committee in undertaking to present a budget resolution to the Senate.

The Senator from Nebraska chose to describe the deficit in this budget resolution as something we recommended on its own merits. That deficit is the product, may I remind Senators, of the program spending that is contained in the resolution, all of which is a reflection of recommendations by Senate committees, and we did not provide in the budget resolution all that all authorizing committees requested.

So the Budget Committee does not initiate spending. It simply responds to requests for spending and has done so with restraint. It has done so by adjusting total requests. The deficit numbers that come out are the mathematical result of those decisions.

When we come to the floor and the Senate, as a whole, adds to that spending, who is responsible for that? The Budget Committee?

This amendment is offered on the assumption that spending cuts are easy. Well, if spending cuts in other programs are easy, may I ask the Senator from California, why did he not demonstrate that yesterday by voting against a specific spending increase? Each of these proposals has a constituency. That one had a farm constituency. But there are other constituencies across the country. Each of them watch what we do. When a vote like yesterday is taken and carried, then these other constituencies say, "Why can't we have more?" So the city people come in and they want more. The jobless come in and they want more. The veterans come in and they want more. Everybody wants more.

The Senator from Louisiana, the distinguished chairman of the Finance Committee, is fond of saying that from his cynical point of view—and he is not necessarily cynical but sort of pragmatic—that the rule with respect to new taxes is "Don't tax you, don't tax me, tax the fellow behind the tree."

Well, we could apply that here. "Don't cut you. Don't cut me. Cut the fellow behind the tree."

Yesterday, I take it the Senator from California and the Senator from Nebraska voted to cut the fellow behind the tree. Now the Senator from California has identified the people he sees behind the tree in the proposed cuts he has offered. That is the situation in which we find ourselves.

Let me say this about the second budget resolution: The Budget Committee, in considering the second resolution, engaged in careful deliberation on spending for social programs as well as all other programs in the budget. As a matter of fact, the second resolution represents cuts in social programs and an increase in the agricultural function of $1.25 billion, which was made possible by cuts in social programs. That is what happened in the second concurrent resolution.

In fact, the functional totals in this resolution are equal to or less than the first resolution targets for all human resources functions.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing spending totals for the human resources functions in the first and second budget resolutions. The net result is a reduction in budget authority for those purposes of $2.3 billion, and a reduction in outlays for those purposes of $1 billion.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Function	1st resolution		2d resolution	
	Budget authority	Outlays	Budget authority	Outlays
Education, training, employment and social services	26.8	27.2	26.1	26.4
Health	47.9	44.3	47.7	44.2
Income security	179.9	146.7	178.8	146.6
Veterans' benefits and services	20.25	20.2	19.9	20.2
Total	274.85	238.4	272.5	237.4

Mr. MUSKIE. Thus, the second resolution for social spending is tighter than the Congress agreed to last spring. Almost all the 1978 spending, may I say in addition, is contained in bills the Senate has already passed. What the Senator is proposing is to cut spending which is already a part of law. Almost all the supplementals assumed in the second resolution, such as for forward funding of CETA public service jobs, were assumed in the first resolution as well. The second resolution also anticipates enactment of savings legislation in the health and income security functions.

With the economic recovery still far from complete, it would be poor timing, Mr. President, for Congress to reduce spending below the levels Congress adopted earlier in the year. Unemployment remains over 7 percent. Unemployment of blacks has actually surged upward to 14.5 percent. President Carter has expressed concern about the need to ameliorate this situation.

To suggest budget cuts in job creation programs and in programs designed to alleviate human suffering is to suggest a completely inappropriate course of action, a course contrary to both Presidential and congressional policy up to now.

Further, Mr. President, in order to implement the budget cuts in these functions proposed by the Senator from California, we would have to have a rescission of about $9 billion of actions already completed or underway in the Senate.

In other words, we would have to undo what has already been done as the result of the appropriations process and by the Senate and the Congress as a whole if we were to adopt this. We would have to encourage the President to rescind actions already taken in order to implement that.

I ask unanimous consent that a table illustrating this impact be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Second budget resolution proposed outlays in functions 450, 500, 600, 850, 920	$194.1
Hayakawa amendment	−11.0
Remainder	182.7
Action completed and underway as of September 1 (5 functions above)	191.7
Cut required in action completed and underway (5 functions above)	−9.0

Mr. MUSKIE. Mr. President, this act would bear heavily on the States and local governments who are already budgeting the general revenue sharing and countercyclical funds which are now law. Congress would have to rewrite the law and take back this money just 3 weeks before the start of the fiscal year, totally disrupting the budget process in these localities.

I also note, Mr. President, that the reduction of the announced Federal pay raise which is proposed by this amendment, would, again, require amendment to existing law and would work a severe hardship on loyal Federal employees who are counting on these funds to meet the rising cost of living.

More than that, the Senator's amendment treats different classes of Federal civilian employees differently from others. It would not apply to DOD civilian Federal employees. It would apply only to non-DOD civilian employees, thus creating an inequity, for which I have heard no justification whatsoever.

Mr. President, there is only one way to deal with the kind of responsibilities that Congress faces when it considers the priorities of Federal spending. That is to do what we now do in the Budget Committee and in authorizing committees: Consider, program by program, service by service, the requirements; hold them down to the minimum that our judgment tells us is needed to meet real problems; and then act, on the basis of that selective judgment, to determine what resources should be made available to meet these program needs. To come in here and, without that kind of consideration, just propose arbitrary cuts, many of which would require changes in existing law which the Budget Committee cannot make, which the Senate has not indicated a disposition to make, is simply unreal.

The PRESIDING OFFICER. The Senator's time has expired. Twelve minutes remain.

Mr. MUSKIE. I yield myself 2 more minutes.

With respect to the proposals of the distinguished Senator from Nebraska, I will say that, every time he has made his opposition to budget resolutions known, he has offered his own specific ideas as to how it can be done. He handed to me a 2-page list of proposals dealing with several welfare programs. I am happy to ask unanimous consent to have that list printed in the RECORD so that the record may reveal he has presented them to me.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Aid to Families with Dependent Children (from S. 1719, Curtis-Duncan, National Welfare Reform Act of 1675):

	Billion
Revisions in eligibility and grant formula re persons with high outside income (change in "$30 and ⅓" income disregards, four-month rule, and insertion of gross income ceiling)	$1.0
Elimination of voluntary unemployed persons from caseloads (and other inappropriate beneficiaries, e.g., students, strikers, illegal aliens)	.2
Strengthened work requirements, such as mandated job search and community work experience programs	.2
More aggressive fraud control efforts, including photo-identification and access to records, for cross-checking	.1
Enhanced quality control performance, including tolerance levels and rewards and penalties based thereon	.6
Improved child support performance, through Parent Locator Service and state use of child support incentive payments	.2
Resource utilization changes, such as pro rata reductions when welfare family living with non-eligible caretaker to two welfare families living together	.1
Total	2.4

Food Stamps (S. 1993, Buckley-Michel, National Food Stamp Reform Act of 1975; reflects Curtis amendments rejected in Senate Agriculture Committee and on floor):

	Billion
Gross eligibility ceiling at poverty index plus $100 standard deduction	.7
Revision in purchase requirement to reflect Consumer Expenditure Survey on what families normally spend for food	.5
Strengthened assets test	.3
Strengthened work requirements, as in AFDC	.2
Elimination of inappropriate beneficiaries (students, strikers, aliens)	.2
Retrospective accounting	.8
Total	2.7
MEDICAID	
Automatic savings in eligibility and benefits as AFDC reforms (and those in SSI) occur	1.0
SSI	
Improved quality control performance, with tolerance levels and more accurate redeterminations	.2
Total	1.2
Grand total	$6.3
Of the above amount, 50% of the AFDC savings are state-county. Deduct from total	1.2
Net	5.1
Income Security	4.1
Health	1.0

Mr. MUSKIE. I say, Mr. President, commenting on these items generally, and I shall look at them specifically when I have the opportunity to do so, that we have asked the Committee on Finance, for example, to save $300 million in health and $300 million in income security spending. I understand that the chairman of the Committee on Finance feels that this amount of savings for fiscal 1978 may be impossible. If that is his judgment, it is an important judgment. He is the chairman of the committee which can recommend legislation to effect the changes. If that committee finds it difficult to do, I fail to understand how the Budget Committee can do so.

Incidentally, with respect to the tax issue which the Senator from Nebraska has raised, there was nothing in last year's budget resolution detailing the tax reforms that the Budget Committee thought needed to be achieved. We said that tax reforms raising a certain total amount of revenue seemed to be a reasonable budget goal in the public interest. We left it to the tax-writing committee and to Congress as a whole to determine the details. We did not. We subsequently voted individually as Senators on specific tax reform proposals, but the Budget Committee never recommended a detailed tax reform proposal and never would. We do not regard that as our responsibility.

In the same way, we do not regard it as our responsibility—though some of us might welcome it if we were to be perfectly frank—we would not even try to impinge on committee responsibilities to detail program changes.

We are not that kind of committee, we were not given that kind of authority. That is why the law says that, by March 15, other committees will report to us so that we can have the benefit of their judgments. We depend a great deal upon those judgments and will continue to do so. But, then, when we are criticized because we did not assume the jurisdictional authority of these other committees to be detailed and to be specific, I have to remind Senators that that is not the nature of our present jurisdiction and authority.

With that, Mr. President, I urge rejection of this amendment.

Mr. BELLMON. Will the Senator yield for a second?

Mr. MUSKIE. I yield to my good friend from Oklahoma.

Mr. BELLMON. I wonder if the chairman of the Budget Committee remembers, as I do, that in 1977, when the budget resolution came from our committee, we anticipated a $500 million savings in the food stamps, AFDC, and social security programs, and we got nothing, exactly zero.

Mr. MUSKIE. That is right.

Mr. BELLMON. I am curious as to why the Senator from Nebraska, who is on the Finance Committee which has jurisdiction over those programs, or many of them, was not able to help us out in achieving these savings we asked for. The simple action of the Budget Committee does not produce the savings. It takes the actions of the authorizing committees to accomplish the savings that the Budget Committee anticipates.

Mr. CURTIS. I think I have.

Mr. BELLMON. The savings were not realized.

Mr. CURTIS. Oh, no. I have only one vote there. But I offered to the Senate the opportunity to reduce the agricultural budget by $2 billion.

Mr. BELLMON. What happened to the $500 million that the Budget Committee asked the Finance Committee to accomplish in the AFDC and social security programs? Did the Finance Committee bring forth a detailed proposal?

Mr. CURTIS. I supported it.

Mr. BELLMON. The Senator from Nebraska is asking the Budget Committee to make certain savings. We asked for these savings and the Finance Committee did not respond.

Mr. CURTIS. As to the items on these entire 2 pages, I have voted for every one of these.

Mr. BELLMON. That is the action of the Senator from Nebraska. I am asking what the Finance Committee did to support the Budget Committee request for this saving? The saving was anticipated in our 1977 budget resolution and nothing happened.

Mr. CURTIS. I can only answer for one member of the Committee on Finance. It does not require much research for me to assure the Senator that what I am saying is correct, because I am against the welfare state and voted against the creation and expansion of practically all of them.

Mr. BELLMON. Let me ask the Senator a further question.

In the 1978 budget, the Budget Committee wanted a $800 million savings in health care, plus a $600 million saving in welfare programs. This totals $1.4 billion. Are we going to get that from the Committee on Finance?

Mr. CURTIS. May I ask this: Was it included in the Budget Committee estimate that the administration's recommendation is that we just put a ceiling on the amount of increase in hospital care, if that were included? That is purely a demagogic proposal, without any substance, and cannot work.

Mr. BELLMON. The Budget Committee does not have the responsibility nor the authority for detailing what savings should be made. We simply asked that the Finance Committee save $800 million in health care and $600 million in welfare.

Does the Finance Committee have a proposal for that saving?

Mr. CURTIS. The Senator from Nebraska, as one member of the Finance Committee, has a proposal now before the Finance Committee that would save $1 billion in health programs.

Mr. MUSKIE. If the Senator will yield, I understand what the Senator's own personal preferences would be and what he would write into law if he had sufficient votes and authority.

But the Budget Committee has to deal with what the committee process produces in this Senate. We cannot write the Senator from Nebraska's budget resolution. We have to write a resolution that reflects the consensus of the Senate committees in the Senate.

For example, authorizing committees this year asked us to provide a total of $540.9 billion in budget authority. We provided $39.7 billion less than that.

Authorizing committees requested a total in outlays of $474.4 billion. We provided $15.4 billion less than that.

We do our best to exert downward pressure on the requests of committees, on the Senate's inclination to increase spending from time to time—as we did yesterday—and often without success—as yesterday—and the Senator from Nebraska and the Senator from California voted against the Budget Committee yesterday.

Mr. CURTIS. No. I offered amendments here on the floor.

Mr. MUSKIE. I am talking about yesterday's vote, which was the vote that decided the issue.

What the Senator offers that he does not get support for in his committee is something different.

Yesterday, we had a specific issue which was going to determine whether or not this budget resolution authorized an additional $700 million in spending and the Senator from Nebraska voted for the spending.

That tells me a lot more than some bill the Senator introduced that did not get enough votes to pass. Yesterday's action passed. It became the official action of the Senate.

Both my friends, the Senator from California and the Senator from Nebraska, voted for it. That is their prerogative. All I am saying is that other Senators vote their prerogatives, too, and we cannot control their votes any more than we could control the Senator's votes yesterday.

Mr. CURTIS. Well, the——

Mr. MUSKIE. If I may, I yielded 7 minutes to the Senator.

So the best we can do is try to exert downward pressure on everybody, try to insure that the right priorities are reflected, and are the reflection of the consensus in the Senate. Then when we come to the floor we are told from time to time, "Mr. Chairman, you're not meeting the responsibilities of the Budget Act, you're reporting deficits, you're reporting excessive spending."

I have not found many people in this Senate who are consistent in arguing that philosophy. When I find one, I am going to illuminate him. I do not find many who are consistent.

Mr. CURTIS. Will the Senator yield for 20 seconds?

Mr. MUSKIE. Yes.

Mr. CURTIS. On the total votes on this floor on agriculture, I have voted for a net, not counting the increase I voted for yesterday, a net of $1.3 billion over what is in the budget, and the net vote is what counts.

Mr. MUSKIE. Over what is in the budget?

Mr. CURTIS. I voted for that much reduction.

Mr. MUSKIE. But the point is that the numbers in this budget resolution, and those who vote for them, are what opens the door to others to increase agricultural spending.

When we raise the ceiling on a function, we do not identify what the Senator would spend. We identify what the Con-

gress as a whole is authorized to spend, and that is what was done yesterday.

Mr. CURTIS. It was very well identified.

Mr. MUSKIE. It was not. The budget resolution does not itemize programs.

Mr. CURTIS. No. Everybody knew this was not $700 million that we were trying to take out of the food stamp program. It was very well identified.

Mr. MUSKIE. It was well identified, but the numbers the Senator recommended for the budget resolution was not S. 275 that is coming up today. The numbers we put in the budget resolution yesterday are not earmarked for S. 275. They are earmarked for any spending in that function and food stamps do not happen to be in that function.

Mr. CURTIS. They are in the——

Mr. MUSKIE. But they are not in that function.

The PRESIDING OFFICER. The time of the Senator from Maine has expired. All time on the amendment has expired.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent to add to the list of sponsors on my amendment the name of the Senator from Idaho (Mr. McCLURE).

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment, as modified, of the Senator from California. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. McCLELLAN), the Senator from Illinois (Mr. STEVENSON), and the Senator from California (Mr. CRANSTON) are necessarily absent.

I further annonuce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Jersey (Mr. CASE), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), the Senator from Indiana (Mr. LUGAR), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. McCLURE), the Senator from Oregon (Mr. PACKWOOD), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD), and the Senator from New Mexico (Mr. SCHMITT) would each vote "yea."

The result was announced—yeas 16, nays 69, as follows:

[Rollcall Vote No. 358 Leg.]

YEAS—16

Bartlett	Hansen	Roth
Byrd, Harry F., Jr.	Hatch	Schweiker
Curtis	Hayakawa	Scott
Garn	Helms	Tower
Goldwater	Laxalt	Zorinsky
	Proxmire	

NAYS—69

Allen	Ford	Morgan
Anderson	Glenn	Moynihan
Bayh	Gravel	Muskie
Bellmon	Griffin	Nelson
Bentsen	Hart	Nunn
Biden	Haskell	Pearson
Brooke	Hathaway	Pell
Bumpers	Heinz	Percy
Burdick	Hollings	Randolph
Byrd, Robert C.	Huddleston	Ribicoff
Cannon	Inouye	Riegle
Chafee	Jackson	Sarbanes
Chiles	Johnston	Sasser
Church	Kennedy	Sparkman
Clark	Leahy	Stafford
Culver	Long	Stennis
Danforth	Magnuson	Stevens
DeConcini	Matsunaga	Stone
Dole	McGovern	Talmadge
Domenici	McIntyre	Thurmond
Durkin	Melcher	Weicker
Eagleton	Metcalf	Williams
Eastland	Metzenbaum	Young

NOT VOTING—15

Abourezk	Humphrey	McClure
Baker	Javits	Packwood
Case	Lugar	Schmitt
Cranston	Mathias	Stevenson
Hatfield	McClellan	Wallop

So Mr. HAYAKAWA's amendment, as modified, was rejected.

Mr. MUSKIE. Mr. President, may I say to my colleagues that we have another amendment coming up sponsored by my good friend from Utah, Senator HATCH. We have each agreed to cut our remarks to the bare minimum, and I will say we will have another vote in 20 minutes, at the most 30 minutes.

Mr. HATCH. I think less than that.

Mr. MUSKIE. Less than that I suspect.

UP AMENDMENT NO. 786

Mr. HATCH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. SASSER). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah (Mr. HATCH), for himself, Mr. HAYAKAWA, and Mr. ROTH, proposes an unprinted amendment in the nature of a substitute No. 786.

Mr. HATCH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1977—

(1) the recommended level of Federal revenues is $383,600,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $12,000,000,000;

(2) the appropriate level of total new budget authority is $488,900,000,000;

(3) the appropriate level of total budget outlays is $448,300,000,000;

(4) the amount of the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $64,700,000,000; and

(5) the appropriate level of the public debt is $778,900,000,000, and the amount by which the temporary statutory limit on such debt should be accordingly increased is $78,900,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares, pursuant to section 310 (a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1977, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $113,700,000,000.

(B) Outlays, $107,300,000,000.

(2) International Affairs (150):

(A) New budget authority, $8,100,000,000.

(B) Outlays, $6,400,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $4,800,000,000.

(B) Outlays, $4,600,000,000.

(4) Natural Resources, Environment, and Energy (300):

(A) New budget authority, $24,300,000,000.

(B) Outlays, $20,300,000,000.

(5) Agriculture (350):

(A) New budget authority, $2,000,000,000.

(B) Outlays, $6,100,000,000.

(6) Commerce and Transportation (400):

(A) New budget authority, $20,000,000,000.

(B) Outlays, $19,100,000,000.

(7) Community and Regional Development (450):

(A) New budget authority, $7,800,000,000.

(B) Outlays, $10,100,000,000.

(8) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $25,400,000,000.

(B) Outlays, $25,700,000,000.

(9) Health (550):

(A) New budget authority, $46,500,000,000.

(B) Outlays, $43,100,000,000.

(10) Income Security (600):

(A) New budget authority, $174,300,000,000.

(B) Outlays, $142,900,000,000.

(11) Veterans Benefits and Services (700):

(A) New budget authority, $19,400,000,000.

(B) Outlays, $19,700,000,000.

(12) Law Enforcement and Justice (750):

(A) New budget authority, $3,700,000,000.

(B) Outlays, $3,900,000,000.

(13) General Government (800):

(A) New budget authority, $3,700,000,000.

(B) Outlays, $3,700,000,000.

(14) Revenue Sharing and General Purpose Fiscal Assistance (850):

(A) New budget authority, $9,400,000,000.

(B) Outlays, $9,500,000,000.

(15) Interest (900):

(A) New budget authority, $41,700,000,000.

(B) Outlays, $41,700,000,000.

(16) Allowances (920):

(A) New budget authority, $500,000,000.

(B) Outlays, $600,000,000.

(17) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$16,400,000,000.

(B) Outlays, —$16,400,000,000.

Mr. MUSKIE. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. Mr. President my budget amendment cuts every budget category by 2.5 percent except for three. It calls for a tax reduction of 10 percent. It cuts every budgetary category by 2.5 percent except for the following three: The interest category, and the category called "offsetting receipts" are not touched. This is because the interest on the Federal debt cannot be cut because the debt is there. The offsetting receipts category is not a spending category.

On the "allowances" category I have taken about half of the money for the Federal pay raise out. This cuts the 7-percent pay raise by less than half.

It is time as far as I am concerned to give our hardworking taxpayers a pay raise by cutting their taxes.

Mr. MUSKIE. Mr. President, point of order. There is not order in the Chamber.

The PRESIDING OFFICER. The Senate is not in order. The Senate will be in order.

Mr. HATCH. I think it is time we give our hardworking taxpayers a pay raise by cutting their taxes, and that I am taking some out of the Federal budget and the Federal pay raise to give the taxpayers themselves a pay raise.

The other point I would like to make is that Federal workers are taxpayers, too, and I hesitate to take money away from them except for the fact that since they are taxpayers they will be better off with about a 3.5-percent raise and a 10-percent tax cut than they are with a 7-percent raise. So I felt it was justified from that standpoint.

The Congress has voted down tax cuts five times so far this year—three times in the House, twice in the Senate. Also, in addition the administration killed the tax rebate; the Senate voted down the Griffin amendment to index the income tax, and as a result the taxpayers still suffer the double penalty of inflation; the administration has brought a huge energy tax bill to the Congress which the House has passed; the IRS is trying to tax fringe benefits. Everything is done to raise taxes and spending and nothing to lower them. Many of my colleagues never worry about the deficit when they want to increase spending.

When we want to cut taxes a number of my colleagues then start to worry about the deficit. They say, "What would you cut spending-wise in order to cut taxes?" Of course, my great friend, the Senator from California (Mr. HAYAKAWA), offered a menu of spending cuts in order to give the taxpayers a break.

These apparently were not accepted, were not liked, and so I offer another menu here of a 2.5-percent tax cut across-the-board on the ground that this does not hurt any spending program because there is a 2.5-percent bureaucratic waste—I believe considerably more than that—in every spending program.

I want to stress that a minimum spending cut translates into a significant 10-percent across-the-board permanent tax rate reduction for all taxpayers. I would just like to add and ask whose side are we on, the spending bureaucracies or the hard-working taxpayers of America?

I think this is a reasonable approach, and I urge my colleagues to accept it. There is a lot more I would like to say, but I think I will reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I yield myself 5 minutes. Let me ask the distinguished Senator from Utah a question or two so that I can better understand the amendment.

The amendment would reduce all the functions 2.5 percent except, as I understand it, three functions. Those are the interest on the national debt—and what are the other two?

Mr. HATCH. There is interest on the national debt, the offsetting receipts are not touched; and we, because of just figuring out the numbers, reduced the Federal pay raise about half.

Mr. BELLMON. This would reduce every other category except those three by 2.5 percent?

Mr. HATCH. Only generally. In other words, I am saying there is at least—and I would submit considerably more than—a 2.5-percent bureaucratic waste in the rest of the categories, in each of those categories.

Mr. BELLMON. Let us take the defense function, for instance. What would be the total dollar cut in the defense function under the Senator's amendment?

Mr. HATCH. It would not have to come out of the hard defense components. In other words, my 2.5 percent would be a 2.5-percent dollar figure that the various committees would allocate within the various functions. They would not have to disturb any programs they did not want to. It would give them total leeway, total discretion, to find the bureaucratic waste and bungling amounting to 2.5 percent of the budget and cut it out.

I submit that I would be very shocked if they cut it out of the hard defense budget. However, if they find bureaucratic waste and bungling there they should cut it out there.

Mr. BELLMON. The Senator on his own does not know where this bureaucratic waste is to be found, is that the case? He is simply suggesting to the various authorizing committees that each of those committees is overspending by 2.5 percent.

Mr. HATCH. I am sorry.

Mr. BELLMON. I say the Senator has not identified where this bureaucratic waste is to be found.

Mr. HATCH. This is going to be identified by the colleagues who have direct responsibility on looking at those various categories.

I wish to correct my prior statement. I think I misled my friend and colleague from Oklahoma. Every category would be cut by 2.5 percent and our intention, of course, is to reduce bureaucratic waste and bungling on other unnecessary budgetary items.

Mr. BELLMON. Every category except the three previously mentioned would be cut by 2.5 percent.

Mr. HATCH. That is correct.

Mr. BELLMON. What is the dollar cut in the defense category?

Mr. HATCH. It would be within 2.5 percent, whatever that is.

Mr. BELLMON. The national defense category is $110.1 billion. The Senator proposes to cut $2.75 billion out of that category, is that right?

Mr. HATCH. My outlay would be $107,300,000.

Mr. BELLMON. A reduction of $2.75 billion.

Mr. HATCH. I do not know. But it would be whatever 2.5 percent of it is.

Mr. BELLMON. For the record, let me state that a 2.5-percent cut of the defense budget is $2.75 billion.

Mr. HATCH. That would be fine.

Mr. BELLMON. $2,750,000,000. Does the Senator intend to take it out of the personnel side. He is talking about bureaucratic waste.

Mr. HATCH. That is going to have to be determined by the Senate's appropriate committees.

Mr. BELLMON. The committees of the Senate ask for more money, not less, in the various categories. The budget resolution we have before us is $4 billion less than the Armed Services Committee asked for initially and less than the President's budget.

Mr. HATCH. I understand that. What I am saying is, if my amendment is agreed to, they are going to have to cut 2.5 percent out, and the intent of it is to cut it out of any area that is wasteful.

Mr. BELLMON. Does the Senator have any indication that the Armed Services Committee is of a mind to accommodate this kind of a cut? Since they have asked for more money and since the administration has asked for more money, the Budget Committee is under the impression there is no intention on the part of the Armed Services Committee to cut by 2.5 percent.

Mr. HATCH. The purpose of this amendment here today is to give all Senators a chance to vote on whether or not they want a 2.5-percent reduction in spending by Congress. I presume that we will know from the votes after they are cast whether the members of the Armed Services Committee want that type of reduction or not. If they do not they may vote against my amendment. I am saying, because we are sick and tired of the overwhelming spending practices of the Federal Government, and I have to admit I hate to take it out of the defense budget, but because of the overwhelming amounts of expenditures in the Federal Government, we have recommended that we have not only a tax reduction but that we have a reduction in spending equivalent to the tax reduction. That way we think the economy will be stimulated, overall the defense system would be bolstered, overall this country would be bolstered because we would have a more effective and more stable economy. Overall we would come out of the economic woes that are besetting us at the present time. That is the theory behind this particular amendment.

Mr. BELLMON. Let me call the Senator's attention also to function 600, the social security category.

Mr. HATCH. The social security category, as I understand it, like education has lumped in it other programs—training and employment, and social services.

Mr. BELLMON. It is function 600.

Mr. HATCH. Where is it? I see.

Mr. BELLMON. It is the income security function, function 600. The total authorization under this amendment for income security is $146.6 billion. If my calculations are right, a 2.5-percent cut amounts to $3,365,000,000 in that. Where does the Senator intend to save that? There is very little bureaucracy involved with social security. Most of that money goes directly out to the retired people.

Mr. HATCH. No, that is not true. That is not what I have been reading. I have been reading that that system is as fraught with bureaucratic bungling and expense as any other system, and I think probably that is part of the problem. The categories in the income security area are Federal supplemental, unemployment benefits, and child nutrition programs.

Mr. BELLMON. Those go directly back.

Mr. HATCH. Let me finish. There are many others besides these. But there are some pretty important categories here. I cannot imagine anybody cutting social security that will go to the aged.

Mr. BELLMON. I cannot either. That is why I am raising the question.

Mr. HATCH. Let me answer it then. There are the Federal supplemental unemployment benefits. I can imagine cutting that. There is the child nutrition program. I cannot imagine cutting that. There is low-income housing. I can imagine cutting that.

But as to food stamps, we have evidence that is up to 50 percent fraught with fraud. That is a $5 billion program this year.

There is AFDC, of course, social security, and there are other categories.

I submit to the Senator that there are areas in here that are just fraught with fraud.

Mr. BELLMON. If the Senator will yield, we have had legislative proposals before the Senate trying to change the food stamp program, and in every case we do not cut it; we add to it. I can agree with the Senator's desire to see some economies effected in these programs. But at the present time the mood of Congress is not to cut back in food stamps. But now the Budget Committee has to take this into account. We cannot come in with a budget that flies in the face of the votes of the Senate and the laws than that are on the books.

Mr. HATCH. I do not know why not. I do not think the Budget Committee is just an adding machine. It has the ability to put pressure on these committees to be responsible and when we spend 5 billion bucks for a program that 10 years ago, 12 or 14 years ago was $14 million, there is something wrong when we have all kinds of reports all over America that we have up to a 50-percent fraud in that program. I am tired of the American people paying for it and I think it is reasonable to ask for a 2.5-percent cut.

Mr. BELLMON. I think he should make the argument when dealing with that legislative matter. The Senate had expressed its will on the food stamp program since the Senator has been here. All the Budget Committee and budget process can do is to make room for the entitlement programs that are on the books.

Mr. HATCH. Wait a minute. If what the Senator is saying is true——

Mr. BELLMON. The program is not $9 billion. It is little over $5 billion.

Mr. HATCH. No, if the Senator adds the amounts in the farm program I understand it is up to $9 billion in the farm bill.

Mr. BELLMON. The cost of the food stamp program is slightly more than $5 billion.

Mr. HATCH. Let us say it is $5 billion. That is a lot of money when it started out as just a multimillion dollar program back in 1964.

Let me add this on this point. I do not mean to take such overly a strong issue with my dear friend from Oklahoma, but I wish to make this point: I think the Budget Committee is a lot more than an adding machine. If that is all it is, then I do not think it needs all the staffing that either the majority or minority has. I think it is about time we start utilizing that committee to get rid of some of the fraud and some of the ripoff that the American taxpayers have been paying for. I will say this: I know of the great efforts that the distinguished Senator from Oklahoma has personally put forth to try and do exactly that. But I have never been under the impression that the Budget Committee is made up just of accountants or just of auditors or just of adding machine calculators. I think it is a very powerful committee and if it exerts its pressure and power it can do an awful lot, and I think has done some this year to alleviate some of the spending practices in Congress.

If the Senator wants to get on each one of these I think we can and if we had 2 or 3 weeks I think we could go in and show them all. I do not think the distinguished Senator from Oklahoma would dispute that in every one of these categories we can find a 2.5-percent waste in Federal funds. I do not think anyone would argue against that. I am surprised to find the Senator arguing against it.

Mr. BELLMON. Mr. President let me say to my friend from Utah that months have been spent by the Budget Committee doing the very thing that he has recommended and that is trying to find places where savings can be realized.

Mr. HATCH. I understand.

Mr. BELLMON. Let me point out now again—this has already been put in the RECORD today—that the Senate authorizing committees requested budget authority this year of $540.9 billion and outlays of $474.4 billion. The Budget Committee recommendations are $39 billion less than that in budget authority. So we have, in effect, trimmed out almost $40 billion from budget authority, and the outlays in this resolution are $459 billion, which is a reduction of $15 bililon on the outlay side. So we had not acted as an adding machine. We very carefully examined the programs, and I am asking the Senator to do the same thing. He has been talking about saving $3.6 billion out of the food stamp program and the total cost of that program is $5.3 billion.

So you are talking about cutting it by 60 percent, and that is absolutely unrealistic.

Mr. HATCH. It is not all on the food stamps. We are going to give——

Mr. BELLMON. But I think we have to look carefully at what we are trying to do. When you talk about a 2.5-percent cut, it sounds easy, but when you look around to try to find where to make that cut, it is not easy. The budgetary process is not that wasteful, and in fact we think there is very little waste that can be identified at this point.

Mr. HATCH. I would submit that if this question could be put to a referendum of the taxpayers who pay for it, I would be surprised if there is anyone in America, except those who are extreme on either side, that would not feel that we could cut 2.5 percent across-the-board on Federal spending and be a heck of a lot better off than we are right now. I do not think anyone would disagree with that.

Mr. BELLMON. You are saying cut $2.75 billion from national defense, cut $3.665 billion from income security, and I simply want to say that after having lived with these programs for several months, I do not believe that kind of cuts can be made without seriously hampering the operations of these programs. In addition, we would be cutting agriculture, which we added $750 million to yesterday, by $170 million; we would be cutting education by $660 million. Health would be cut $1.1 billion.

Mr. HATCH. No; if I may intervene just for a second, we are not cutting education; we are cutting general categories. Education is just one subcategory under education, training, employment, and social services. Social services is a huge category.

Again, if we would ever get down to specifics, we would have hundreds of pages of categories where we could make cuts.

All I am saying is that in addition to making a $2.5 billion cut in expenditures across the board, we are asking the Senate to cut $11.4 billion in taxes, and at the same time reduce Federal spending by about the same amount.

The cut in taxes will infuse this economy with incentives, put more people to work, create more jobs, provide more money coming into the Federal Government, and create more revenues while at the same time cutting the spending of these bureaucratic agencies that are, as far as I am concerned, running rampant at this time in our society.

It is not the simple problem that I think is being made out here. It is a matter of trying to do both: to stimulate the economy through a tax cut that benefits every taxpayer in America, to give incentive for the economy to grow, to provide jobs; and at the same time to cut the almighty Federal spending that is running us right down the tube. And hopefully in the end, because of the stimulation on one side and the cutting on the other, to balance this budget, so that the American people will have more confidence in the future, the American business community will have more confidence in the future, and even we as Senators will have more confidence in the future, because the people will be so pleased with what we are doing for the country.

Mr. BELLMON. Mr. President, I do not wish to delay the Senate. These issues have been fully discussed both today and in earlier debates.

I would simply say that the Budget Committee, in general, is in agreement with what the Senator is trying to do. We feel we have accomplished, as much

as it is possible to accomplish, the very things the Senator recommends.

As I mentioned, we made very substantial reductions in both budget authority and outlays requested by the authorizing committees. There simply is not $2.75 billion of cuts in the defense function available in this budget without seriously weakening the defense posture of this Nation. There is not room to make a $3.665 billion reduction in function 600, the income security function, without taking money away from worthy individuals who depend on those incomes, the retired, the dependent children, and others who are unable to fend for themselves; and as attractive as it is to say we are going to take a meat ax and whack out 2.5 percent from every category, the fact is it is impossible to make it on that basis.

I assure the Senator that the Budget Committee is anxious to make reductions wherever it can be done. We have already accomplished the objective this amendment strives for, and I believe the amendment represents a serious overkill, one which the Budget Committee cannot approve.

I am prepared to yield back the remainder of my time.

Mr. HATCH. Mr. President, I would just like to add that I believe the Senator from Oklahoma has done everything within his power to accomplish the objective he states. He has tried to cut the budget and get some restraints in the Senate; but he is only one person in a huge Congress. I have deep respect and regard for him; but, on the other hand, what we are trying to do is really put pressure on Congress to do what Senator BELLMON thinks we should do also, and that is get some restraint in our spending practices around here.

I think this is the way to do it, and the only way to do it. I wish it were more than 2.5 percent, to be brutally frank about it; and I think there will come a time when it is going to be more than 2.5 percent. It will have to be. I think it is better for us to voluntarily do it now rather than later.

Mr. President, I yield back the remainder of my time.

Mr. BELLMON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Illinois (Mr. STEVENSON), the Senator from Colorado (Mr. HART), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), would vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Jersey (Mr. CASE), the Senator from Michigan (Mr. GRIFFIN), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), the Senator from Indiana (Mr. LUGAR), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), the Senator from Oregon (Mr. PACKWOOD), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD), and the Senator from New Mexico (Mr. SCHMITT) would each vote "yea."

The result was announced—yeas 19, nays 64, as follows:

[Rollcall Vote No. 359 Leg.]

YEAS—19

Allen	Hansen	Roth
Bartlett	Hatch	Schweiker
Byrd, Harry F., Jr.	Hayakawa	Scott
	Helms	Stevens
Curtis	Laxalt	Stone
Durkin	Nunn	Zorinsky
Garn	Proxmire	

NAYS—64

Abourezk	Eastland	Morgan
Anderson	Ford	Moynihan
Bayh	Glenn	Muskie
Bellmon	Goldwater	Nelson
Bentsen	Gravel	Pearson
Biden	Haskell	Percy
Brooke	Hathaway	Randolph
Bumpers	Heinz	Ribicoff
Burdick	Hollings	Riegle
Byrd, Robert C.	Huddleston	Sarbanes
Cannon	Inouye	Sasser
Chafee	Jackson	Sparkman
Chiles	Johnston	Stafford
Church	Kennedy	Stennis
Clark	Leahy	Talmadge
Cranston	Long	Thurmond
Culver	Magnuson	Tower
Danforth	Matsunaga	Weicker
DeConcini	McIntyre	Williams
Dole	Melcher	Young
Domenici	Metcalf	
Eagleton	Metzenbaum	

NOT VOTING—17

Baker	Javits	Packwood
Case	Lugar	Pell
Griffin	Mathias	Schmitt
Hart	McClellan	Stevenson
Hatfield	McClure	Wallop
Humphrey	McGovern	

So the amendment was rejected.

UP AMENDMENT NO. 787

Mr. ROTH. Mr. President, I send an amendment to the desk and ask that it be considered

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH), for himself and Mr. BIDEN, Mr. JOHNSTON, Mr. RIBICOFF, and Mr. DURKIN, proposes unprinted amendment No. 787.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, line 7, delete the numeral and insert in lieu thereof "$394,825,000,000".

On page 1, line 9, delete the numeral and insert in lieu thereof "$775,000,000".

On page 2, line 5, delete the numeral and insert in lieu thereof "$64,525,000,000".

On page 2, line 7, delete the numeral and insert in lieu thereof "$778,725,000,000".

On page 2, line 9, delete the numeral and insert in lieu thereof "$78,725,000,000".

(Mr. SARBANES assumed the chair.)

Mr. ROTH. Mr. President, my amendment is cosponsored by Senator BIDEN, Senator JOHNSTON, Senator RIBICOFF, and Senator DURKIN.

I have sent the amendment to the desk to reduce the second budget resolution revenue bill by $175 million.

This amendment is necessary to provide an allowance for the enactment of a tax credit for college education expenses.

Last year, the Senate twice overwhelmingly passed legislation to provide tax credits for college education expenses by 68 to 20 and 62 to 21. Unfortunately, the House failed to act on this legislation last year.

However, I am pleased to report that, yesterday the House, by an overwhelming vote of 311 to 76, endorsed the college tax credit for the first time. The House vote was on a similar amendment to the budget resolution to reduce revenue levels by $175 million.

I believe college tax credit is ideal when time has come. This amendment will permit such legislation to be adopted for fiscal year 1978. The type of relief will, of course, depend upon the action of the Congress.

Twenty-five of us have introduced legislation entitled the "College Tuition Tax Relief Act," which provides tax credits for full-time students at institutions of higher education and vocational schools. The amount of the credit is to be $250 the first year, increasing in incremental stages to $300 the second year, $400, and then $500.

According to the Joint Committee on Taxation, a $250 tax credit, effective for educational expenses paid after December 31, 1977, would reduce revenues by $175 million in fiscal 1978. If the credit remained at $250, the revenue impact would increase to $1.2 billion by fiscal 1981. If the credit increased to $500, the revenue impact would increase to $1.9 billion by 1981.

I believe the revenue impact would be a worthwhile and necessary investment in the future—an investment that would be returned in higher earnings, better job opportunities, and consequently, higher Federal tax revenues.

Mr. President, I am convinced Congress can, and must, enact legislation to provide tax relief to the millions of families struggling to send their children to college. According to the statistics, there is a growing number of qualified students who are prevented from obtaining a higher education because of increasing costs.

According to the College Entrance Examination Board, the average annual total cost of a public university is now $2,900 and the average cost of a private college is $4,811.

Middle-income families are especially hard hit by the increasing college education costs. There are millions of families today who are neither affluent enough to afford the high college costs nor considered poor enough to qualify for the many different Government assistance programs which their taxes make possible.

As a result, we are rapidly approaching a situation in this country where only the very affluent and the very poor will be able to attend college, and I am con-

vinced that action must be taken to ease the financial plight of middle-income Americans.

As a New York Times editorial has said, the difficulty that these parents are having in sending their children to college suggests—and I quote—"outright disaster for the vast majority of American middle-class famliies in the $12,000 to $20,000 range who are considered too affluent for Federal or State scholarship aid."

The editorial goes on to urge the Federal Government—and I again quote—"to open its eyes to a clear and present danger—that college gates are being shut to increasing numbers of able, middle-class young people on economic grounds alone. Nothing less is at stake than the future of an open, upward-mobile democratic society."

Other newspaper accounts, including the recent Newsweek, indicate that people with even higher incomes are having great difficulty sending their children to college.

Mr. President, earlier this year, the Senate Finance Committee's revenue recommendation to the Budget Committee included an allowance for the college tax credit because of the strong probability that the full Senate would again pass this legislation. Although the Budget Committee deferred action on any recommendations regarding specific tax proposals, the distinguished Chairman of the Budget Committee did assure me that there was room in the Senate's version of the Budget Resolution for the college tax credit.

Unfortunately, this revenue leeway disappeared during the House-Senate conference on the first budget resolution. As I mentioned earlier, the House yesterday voted to provide an allowance for the enactment of the college tax credit. A Senate vote for this amendment will not insure the enactment of college tax credits. It will merely insure that an allowance has been made in the budget resolution if Congress decides to enact college tax credits.

I believe the Senate should reaffirm its strong commitment for college tax credits, and I urge my colleagues to vote for the adoption of this amendment.

Mr. President, I yield the floor.

Mr. MUSKIE. Mr. President, I yield myself 5 minutes.

Mr. President, I oppose the amendment of the Senator from Delaware and, in due course, when we both use what time we want, I will move to table the amendment.

My argument is as much addressed to that procedure as it is to the substance of the amendment.

The effect of the amendment offered by the Senator from Delaware (Mr. ROTH) would reduce the budget resolution revenue floor by $175 million to accommodate enactment of a college tuition tax credit.

It is inappropriate, Mr. President, as a matter of procedure for the budget resolution to be a vehicle for expressing Senate approval of individual tax provisions, such as the tuition tax credit, which have not been previously considered by the appropriate substantive Senate committees. Otherwise, the budget resolution will be fulfilling a function of a forum for evaluating individual structural tax proposals—a role it clearly was not intended to fill.

There is, as the record discloses, considerable controversy over the merits of a college tuition tax credit. The administration opposes it: both the Treasury Department and the Department of Health, Education, and Welfare oppose it. A significant segment of the higher education community also opposes it. In these circumstances, the credit should be given close Senate scrutiny before it is assumed as part of the congressional budget. However, this close scrutiny has not been given to the credit.

The amendment should be rejected because the credit would result in extremely high, long-term revenue losses and increased budget deficits. The $175 million first year cost is only the camel's nose under the Treasury's tent. The version of the credit introduced earlier this year by Senator ROTH would lose $1.1 billion in the first full year, and over $2 billion annually when it is fully phased in. Now these estimates assume only a maximum credit of $500 per qualifying student, as provided in the current version of the bill. However, Mr. President, $500 does not go very far any more in paying for college tuition and expenses. Thus, if the credit were enacted, once the principle is a matter of law, you can be sure subsequent efforts would be made to enlarge the credit to $750, $1,000 or even more. Thus, the ultimate annual cost of the credit will be extremely high at a time when the Congress may well be trying to pay for numerous highly attractive but costly programs such as National Health Insurance.

Moreover, these high-revenue losses would result from a tax credit which would constitute inappropriate tax policy and inefficient education policy. The credit would constitute inappropriate tax policy because it would complicate the tax forms of large numbers of taxpayers at a time when the Congress has made tax simplification a major priority of tax legislation. The credit also would be relatively difficult to enforce and administer in terms of the relatively low maximum benefit available to each recipient.

A college tuition tax credit, Mr. President, also would constitute inefficient education policy. Federal grant and loan programs more effectively deal with increasing tuition costs than a tax credit because such programs target relief to the specific needs of particular families. On the other hand, the tax credit approach would provide the same benefits to families regardless of income or actual education expenses. Wealthy families would get the same credit as low-income taxpayers. Families with children in already subsidized State and local public colleges would get the same credit as families with children in more costly private institutions. The credit would rarely constitute the financial assistance necessary to allow a student to attend college.

Furthermore, Mr. President, to a substantial extent, a widely available tax credit would enable colleges to raise tuition rates. This would nullify the benefits of the credit to families and students. And in the case of persons not qualifying for the credit, it even would raise their education costs.

Mr. President, for all the reasons I have mentioned briefly—inconsistency with the intent of the budget process, high cost, and inefficiency—I urge the Senate to reject the Roth amendment.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. MUSKIE. Two more minutes, Mr. President.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, I have received a letter from the Secretary of Health, Education, and Welfare dated September 9, 1977, in which he stresses at somewhat greater length the points I have made. If I may, for example, read from one paragraph, he says:

> There is no question that college costs are rising and that many families must make hard choices to finance college education. Reduction in a family's standard of living or increased borrowing is often necessary to meet educational expenses. However, there are many combinations of grant and loan programs which would deal with that problem better and more fairly than a program of tuition tax credits, by distributing assistance according to the severity of the particular family's problem. For example, a highly paid professional sending his child to a low-tuition community college would get as large a benefit under some proposals as a blue collar worker sending his child to an expensive private college with no other aid. A family with income so low that it pays no tax would receive no aid at all. The "solution" proposed by such legislation badly matches the problem.

He then says:

> A tuition tax program would be a radical departure from policies underlying present direct Federal expenditures for education. Two factors presently determine the amount of aid a student receives from Office of Education programs: the family's ability to pay, and the cost of the chosen college. When ability to pay is subtracted from cost, we have need, and in this sense all the Office of Education programs are need based. Perhaps, as some argue, different ways of determining need should be considered, or assignment of responsibility for meeting need among different programs could be improved. I cannot, however, imagine endorsing a student grant program which would completely discard need as a relevant factor in the manner of some tuition credit proposals.

Mr. President, I ask unanimous consent that the full text of the letter be printed at this point in the RECORD, and I am happy to yield my good friend from Massachusetts, Senator KENNEDY.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF
HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., September 9, 1977.

HON. EDMUND S. MUSKIE,
Chairman, Committee on Budget,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: You have inquired with respect to the use of tuition tax credits to provide aid to families with college age students.

There is no question that college costs are rising and that many families must make

hard choices to finance college education. Reduction in a family's standard of living or increased borrowing is often necessary to meet educational expenses. However, there are many combinations of grant and loan programs which would deal with that problem better and more fairly than a program of tuition tax credits, by distributing assistance according to the severity of the particular family's problem. For example, a highly paid professional sending his child to a low-tuition community college would get as large a benefit under some proposals as a blue collar worker sending his child to an expensive private college with no other aid. A family with income so low that it pays no tax would receive no aid at all. The "solution" proposed by such legislation badly matches the problem.

This, of course, implies an answer to your question regarding whether such a program would target Federal funds to those who need assistance. Such grants would have little relationship to need because almost all students, even those attending low-tuition public institutions, incur sufficient tuition charges and other expenses to be eligible for the maximum credit. A reduction in the allowable credit would occur only where the student received grant or scholarship assistance, and, since today most grants and scholarships are awarded on the basis of need, such a reduction would almost always result from receipt of a need-based grant or scholarship.

A direct targeted grant program in which both family ability to pay and costs of attendance determine the amount of the student's grant is a desirable way of equalizing educational opportunities, and is highly complementary to loan programs. However, for many of the upper-middle income families which would likely benefit from a grant program such as a tax credit proposal, I suspect a loan program would be preferable. What they need most is to spread college costs over an extended number of years, as is currently done under the Guaranteed Student Loan program. I think most of these families, when faced with large college costs in a particular year, would prefer a $2,500 long term 7 percent loan to a $250 to $500 grant. Where the issue is not ability to pay, but convenience, I believe the loan alternative becomes the more desirable.

The distribution of benefits under a grant program patterned after some proposals would appear to be inequitable among income groups. Benefits would be largely the same, despite differences not only in college costs, but also in income. We estimate that at least 60 percent of tax credit benefits would probably go to families with incomes of $18,000 or more—which are considerably better off than the national average. Further, only 30 percent of the benefits would go to families sending children to private colleges, although they have almost 60 percent of the financial need of all families likely to benefit from the credit.

A tuition tax program would be a radical departure from policies underlying present direct Federal expenditures for education. Two factors presently determine the amount of aid a student receives from Office of Education programs: the family's ability to pay, and the cost of the chosen college. When ability to pay is subtracted from cost, we have need, and in this sense all the Office of Education programs are need based. Perhaps, as some argue, different ways of determining need should be considered, or assignment of responsibility for meeting need among different programs could be improved. I cannot, however, imagine endorsing a student grant program which would completely discard need as a relevant factor in the manner of some tuition credit proposals.

Sincerely,

JOSEPH A. CALIFANO, Jr.

Mr. MUSKIE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. MUSKIE. I yield 5 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I support the position of the Senator from Maine.

This proposal is unwise tax policy, and it is unwise education policy, and I hope that the Senate will not approve it.

If we examine this amendment and calculate the cumulative cost of the amendment by 1982, we would find it to be in excess of $9 billion. Here we are at 2:15 p.m., with three Members of the U.S. Senate talking about an amendment of reducing tax revenues by $9 billion.

It is extraordinary to me, as one who has been struggling in the areas of education, health, housing, legal service programs, programs for the elderly, and other major social programs, that when we come to the floor and ask for $5 million or $7 million or $10 million, many in this body immediately react that we are breaking the budget and adding to the deficit. They look at any direct appropriation with a microscope. However, when it comes to tax expenditures, the door of the Treasury is wide open.

It is interesting, as the Senator from Maine has pointed out, that many of the leading educational groups—the National Student Lobby, the Coalition of Independent College and University Students, the American Council of Education—and other education groups, as well as the students themselves, are strongly opposed to this amendment. As the Senator from Maine has pointed out, they see what the likely prospects are—if we provide across-the-board tax credits, it will follow, as the night follows the day, that the universities and colleges will raise their tuition fees by enough to absorb the tax credit. If this amendment is successful, the credit will be captured by the colleges and universities.

Those who hope to benefit from this tax credit would no longer obtain any benefit, and those who would not benefit—the low-income students—would have an additional burden to meet because their colleges have raised their tuition costs.

The Education Subcommittee on which I serve has examined in considerable detail the whole range of scholarship and loan programs, the work study programs and the educational opportunity programs. These programs make an extraordinary difference for the young people. In my State of Massachusetts, approximately 60 percent of the students who attend community colleges and institutions of higher education are dependent in some form on scholarship or aid programs. Those programs are absolutely indispensable. They are absolutely necessary. And they are targeted upon the needs of the students whose need is greatest.

We are talking about billions of dollars in this amendment. It would make a great deal more sense, as the students understand and as their organizations have expressed, to target those resources on areas where the need is the greatest and where the benefit can be most substantial.

Mr. President, the amendment is premature. The administration's comprehensive tax reform proposals are scheduled to be submitted to Congress later this month. The debate over the college tuition tax credit belongs in the debates on tax reform. A major goal of tax reform is to reduce the number of tax deductions and tax credits, and to use the savings to pay for across-the-board tax relief for all taxpayers, not just those with children in colleges. A tuition tax credit violates the goals of fairness, simplicity, and efficiency.

There are serious objections against the credit on the merits: First, a direct subsidy is preferable to a tax subsidy in this area. Federal grant and loan programs are better able to deal with the rising burden of college education costs, because such programs can target the relief to the specific needs of particular families.

Second, the tax credit is inequitable. It gives the same benefits to families, regardless of income, need or education expenses.

Families with incomes too low to pay taxes get no benefit at all, since the credit is not refundable.

Even for upper-middle-income families, a long-term loan would be preferable to the tax credit, because the full college costs would be spread over several years.

The benefits of the tax credit would be distributed unfairly among income groups, with 60 percent of the benefits going to families with incomes over $18,000 a year.

The benefits of the tax credit would also be distributed unfairly on the basis of college costs. Only 30 percent of the benefits would go to families with children in private colleges, although they have 60 percent of the financial need of families benefiting from the tax credit.

Third, the tax credit is inflationary. As I have mentioned, colleges will "capture" the subsidy through $250 tuition increases. Colleges are unable to do so now, with existing programs, because the direct Federal subsidies are targeted to the smaller group of needy students, and tuition cannot be raised without driving away unsubsidized students. But it is estimated that 77 percent of all students would be subsidized by the tuition credit, so colleges will find it easier to have across-the-board tuition increases.

Fourth, the tax credit is complex. It puts IRS in the education business; adds complexity to the tax laws, and it adds another layer of bureaucracy to education programs.

Fifth, as I have mentioned, college costs are not rising as rapidly as income.

Recent studies by the College Scholarship Service and the College Entrance Examination Board show that the problem is easing, with college cost inflation rates down and student aid up. For 1977–78, college inflation is estimated at 4.3 percent, compared to 7.5 percent last year, 8.8 percent the year before, and 17.3 percent in 1973–74.

In addition, scholarship money is now increasing more rapidly than college

costs—11 percent this year, and 12 percent last year. Since enrollments are down, there is more aid money to spread among fewer students.

In fact, in recent years, incomes have been growing at a more rapid rate than education costs. According to the Congressional Budget Office, the median family income grew by 73 percent from 1968 to 1975, but college costs grew by only 57 percent. The need for the tax credit is declining as family income goes up.

For these reasons, Mr. President, I believe that adoption of the credit would be a serious step in the wrong direction, and a waste of scarce Federal education dollars that could be better used in other ways.

The Senator from Delaware points out that this is an amendment whose time is due. I think it is an amendment whose time has passed, if its time ever existed.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUSKIE. I yield the Senator 1 additional minute.

Mr. KENNEDY. There is no question that many families in this country are heavily pressed in trying to provide their children with the opportunity to obtain a higher education. But if we are going to provide this large amount of Federal subsidy, it should be directed in ways which are fair and equitable to the students and to the families—to the lowest income families, to the middle-income families, and to the other young people of this country. This amendment does not meet that test.

The President has announced that he is going to send an extensive tax reform program to this body in the next few weeks. We will be debating tax expenditures and tax reforms extensively, I am sure, in the early and mid part of next year. It is appropriate that we have the opportunity to debate this issue at that time. This is neither the place nor the time for favorable consideration of this amendment. I join the Senator from Maine in opposing the amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD an exchange of letters on this issue between Secretary Califano of HEW and myself earlier this year. In his letter, the Secretary raised a number of these objections to the tax credit and called it a radical departure from Federal education policy.

There being no objection, the letter were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 8, 1977.

Hon. JOSEPH A. CALIFANO, Jr.,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: I am writing to request your Department's analysis of the proposed tuition tax credit for education expenses. As you know, this proposal was passed by Senate last year in its consideration of the Tax Reform Act of 1976. Although the provision was dropped by the Senate-House Conference Committee, there is a continuing interest in the proposal, and it may well be offered as a rider on the Senate floor to the Administration's tax bill.

I believe that it is important for the proposed tax credit to be analyzed as a Federal education program. I would therefore appreciate receiving your comments on the measure, viewing it as a Federal program to provide financial assistance for education. It would be helpful if your analysis could recast the proposed tax credit as a direct federal grant program, equivalent to the tax expenditure, and then address such questions as:

Is there an overall need for the program?

Are the federal funds targeted to the persons that need federal assistance?

Is the form of the program—direct grants—more desirable than other forms of aid, such as loans?

Is the distribution of the benefits equitable among income groups?

Would the proposed program be consistent with the policies underlying the benefits provided by existing direct federal expenditures for education?

In sum, I would like your view as to whether the Department would support the education program contained in the proposed tax credit if it had been proposed as a direct program to be administered by HEW.

Unfortunately, there is some urgency to the proposal, since it may be offered as a rider to the tax bill coming soon to the Senate floor.

With best wishes, and I look forward to hearing from you.

Sincerely,

EDWARD M. KENNEDY.

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., March 31, 1977.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: I am writing in response to your request for an analysis of proposals for the use of tuition tax credits to provide aid to families with college age students.

There is no question but that college costs are rising and that many families must make hard choices to finance a college education. Reduction in the family's standard of living or increased borrowing is often necessary to meet educational expenses. However, there are many combinations of grant and loan programs which would deal with that problem better and more fairly than a program of tuition tax credits, by distributing assistance according to the severity of the particular family's problem. For example, a highly paid professional sending his child to a low-tuition community college would get as large a benefit under some proposals as a blue collar worker sending his child to an expensive private college with no other aid. A family with income so low that it pays no tax would receive no aid at all. The "solution" proposed by such legislation badly matched the problem.

This, of course, implies an answer to your question regarding whether such a program would target Federal funds to those who need assistance. Such grants would have little relationship to need because almost all students, even those attending low-tuition public institutions, incur sufficient tuition charges and other expenses to be eligible for the maximum credit. A reduction in the allowable credit would occur only where the student received grant or scholarship assistance, and, since today most grants and scholarships are awarded on the basis of need, such a reduction would almost always result from receipt of a need-based grant or scholarship.

A direct, targeted grant program in which both family ability to pay and costs of attendance determine the amount of the student's grant is a desirable way of equalizing educational opportunities, and is highly complementary to loan programs. However, for many of the upper-middle income families which would likely benefit from a grant program such as the tax credit proposal, I suspect a loan program would be preferable. What they need most is to spread college costs over an extended number of years, as is currently done under the Guaranteed Student Loan program. I think most of these families, when faced with large college costs in a particular year, would prefer a $2,500 long term 7 percent loan to a $250 to $500 grant. Where the issue is not ability to pay, but convenience, I believe the loan alternative becomes the more desirable.

The distribution of benefits under a grant program patterned after some proposals would appear to be inequitable among income groups. Benefits would be largely the same, despite differences not only in college costs, but also in income. We estimate that at least 60 percent of tax credit benefits would probably go to families with incomes of $18,000 or more—which are considerably better off than the national average. Further, only 30 percent of the benefits would go to families sending children to private colleges, although they have almost 60 percent of the financial need of all families likely to benefit from the credit.

You ask whether the proposed program would be consistent with policies underlying present direct Federal expenditures for education. It would be a radical departure. Two factors presently determine the amount of aid a student receives from Office of Education progams: the family's ability to pay, and the cost of the chosen college. When ability to pay is subtracted from cost, we have need, and in this sense all the Office of Education programs are need based. Perhaps, as some argue, different ways of determining need should be considered, or assignment of responsibility for meeting need among different programs could be improved. I cannot, however, imagine endorsing a student grant program which would completely discard need as a relevant factor in the manner of some tuition credit proposals.

Sincerely,

JOSEPH A. CALIFANO, Jr.

Mr. JAVITS and Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, will the Senator yield me 1 minute?

Mr. MUSKIE. I yield.

Mr. JAVITS. Mr. President, I am rather pleased that I arrived in the Chamber at this particular moment.

I should like to express my agreement with Senator KENNEDY. I am the ranking minority member of the committee which deals with education, and I support very strongly our conclusions.

If there is one thing we have not learned adequately in this country as compared with other societies, it is how to deal with the need of the 15 percent. That is one thing we have not yet licked. The big things they consider vital to them are equal opportunity and education. Now we have a big agitation about merit as to earning scholarships, and so forth.

It seems to me that to go this route is very attractive. Most of my constituents love it. My mail is enormous. But I know it is not right for America. It is regrettable, but I feel, therefore, that I shall vote against the amendment.

Mr. JOHNSTON. Mr. President, will the Senator from Delaware yield me 4 minutes?

Mr. ROTH. I yield.

Mr. JOHNSTON. I thank the distinguished Senator from Delaware. I congratulate him for his leadership in this area. I am happy to join him as a coauthor.

Before I begin my remarks, I ask this question of the Senator from Maine: Did not this question come up in the Budget Committee, and did I not ask, as I recall, whether or not there was room in the resolution as drawn for $175 million for the tax credits?

Mr. MUSKIE. I checked my recollection against that of the staff. The question came up but there was no specific amendment presented, no specific proposal or addition to the second resolution to assume it. Of course, the pending amendment of Senator ROTH assumes that there is not room in the budget resolution for this program.

Mr. JOHNSTON. I do not state that as a matter of facts. I am drawing on my recollection.

I wish the staff, in the interim, would check the transcript, because either in the first or second resolution I raised the question. I believe I raised the question and the response was, there was room in the numbers as drawn for this amendment. I could be mistaken. I think the transcript will bear out what I have said. I wish the staff would check that, and perhaps it can be inserted in the RECORD on Monday.

Mr. MUSKIE. Whatever the record may be, if it is as the Senator remembers it, that is something different from a Budget Committee recommendation. The Budget Committee, as the Senator knows as a member of the committee, does not specifically approve individual items either in the revenue programs or the spending programs. We deal with appropriation bills or revenue bills that come to the floor as they do, and we measure them against the budget as the budget may stand at that moment. So there is no way of assuring Senators what the ultimate composition of the Internal Revenue Code will be at the end of a fiscal year based simply upon the numbers in the budget resolution.

What Senator ROTH had available as choices were two: One was to try to get his proposal included in a revenue measure, a tax measure, and take his chances that that would somehow be accommodated under the budget resolution without the specific approval of the budget resolution; or two, what he is doing this afternoon, which is to modify the budget resolution to specifically endorse his proposal.

He has chosen the second course, and that course is not supported by any action taken by the Budget Committee.

Mr. JOHNSTON. I understand that and, of course, I recall there was no specific amendment on it, but I thought I did recall some conversation on it.

Let me ask one question, if I may, and since my time is so limited get a brief answer, if I may. Is there room in the budget at this time for the $175 million?

Mr. MUSKIE. When one is talking about an overall revenue floor of $395 billion to say that an item of $0.175 billion could or could not be accommodated when the Committee on Finance has completed its work on the tax code is a pretty ambiguous question. I mean it may be, and that is where I would recommend to Senator ROTH that he take his proposal to the Committee on Finance which will be considering major tax reform legislation and which, presumably, also would include recommendations for tax cuts. If he can persuade them to fit it into their revenue proposals, that is one thing.

But to come to the floor and ask the Senate in a budget resolution to specifically endorse this so that the Committee on Finance would have no choice but to include it is another proposal.

The PRESIDING OFFICER. The 4 minutes of the Senator from Louisiana have expired.

Mr. ROTH. How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator from Delaware has 3 minutes remaining of debate time on the amendment, and the Senator from Maine has 1 minute remaining.

Mr. ROTH. I yield 2 minutes to the Senator.

Mr. JOHNSTON. I thank the distinguished Senator from Delaware.

Mr. President, the Senator from Delaware has correctly said this is an amendment whose time has come. I think that is so transparently true from the action of the House by voting 311 to 76, and it is supposed to be the body which is closest to the American people, and that kind of margin, I think, shows beyond any peradventure of doubt that the House is for it.

The Senate has voted for this measure in votes of 68 to 20 and 62 to 21 on two different occasions, and those votes are reflective of the broad feeling in this land that average Americans, middle class Americans, need relief from college tuition.

You do not have to be an economist to know that college tuitions are rising, and rising exorbitantly and beyond the rate of inflation, and that average Americans are eaten up by tuition.

The average Americans save all their lives to try to put their children through school, but they still have to go into debt. With all the money we spend, Mr. President, for all kinds of programs, be they social programs for the poor, which I support, and I supported the distinguished chairman of this committee on the last vote, or whether they be tax write-offs for foreign corporations or for oil companies or for anybody, we spend billions.

It is time we took a measly little $175 million to give some beginning of tax relief to people for tuition. The American people want it, the House wants it, and the Senate wants it.

Mr. MUSKIE. Mr. President, will the Senator yield? If we can do it for $175 million I will support the amendment.

Mr. JOHNSTON. Mr. President, all this does is to reduce that level by $175 million. I am quite sure it would be more than that by the time we end up with it, and it ought to be. But in a budget of the size we have here it ought to be. There is no purpose in this Government which, in my view, has any higher priority than some relief from tuition for the middle class in this country. We have helped everybody else. Every session of the Senate we come along with things for the poor and things for the rich, and it is just about time we helped middle-class people on tuition, and that is the most worthy goal I think we can get, the education of the youth of this country, and the relief in some small measure for middle-class people.

Mr. President, I think this is one of the best measures in the Senate before us this entire year, and I think the vote is and ought to be corresponding to what it has been before, overwhelming, and this is the year to pass this legislation.

I thank the distinguished Senator from Delaware.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Who yields time? The Senator from Maine has 1 minute remaining.

Mr. MUSKIE. I yield 30 seconds to the Senator from Oklahoma.

Mr. KENNEDY. Mr. President, I just had a 15-second question.

Mr. MUSKIE. I will take the question.

Mr. KENNEDY. Am I not correct that if this amendment is adopted, by 1982 the cost in terms of tax expenditures will be approximately $9 billion?

Mr. MUSKIE. That is assuming the credit stays at $500, and the prospects are it would rise above it, but the Senator is correct, $9 billion.

Mr. KENNEDY. I thank the Senator.

Mr. MUSKIE. I yield to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I wanted to simply raise the point that this is not the proper place to take up an amendment of this kind. It should be considered in the context of the fiscal year 1979 budget as part of our forthcoming tax reform legislation.

I, perhaps, could support the amendment at that time. However, I strongly oppose its inclusion in the budget resolution for 1978.

Mr. MUSKIE. Mr. President, as soon as all time has expired I will move to table the amendment of the Senator from Delaware. The Senator has another minute.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. I just want to point out that all the arguments we are hearing today are the same old arguments that have been made year in and year out. What it amounts to is no tax relief for middle America.

Time and again there appear articles in the newspapers spelling out the fact that middle Americans are the only ones who cannot afford to send their children to college. Just last week it was pointed out in Newsweek that—

> Families are making similar sacrifices to pay for the other item of middle class life, college. Going way back in our history, the notion of the educated man has been almost synonymous with the middle class families. But middle-class families—too affluent for financial aid but too poor to afford many

colleges without it—are often being squeezed out of the educational market.

In closing, I just want to say it is about time that this Senate and this Congress listened to the demands of the middle class working people. They want the opportunity, they want the right, to send their children to college, and that is what I intend to support.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. ROTH. I yield.

Mr. LONG. Permit me to say that while I do not like this approach, I must recognize the fact that the Senate has addressed itself strongly in favor of the type of thing the Senator from Delaware is trying to do. It did it in connection with the tax reform bill, and it is clear that, when offered the opportunity to vote fairly on the merits, this is the kind of thing the Senate would like to do.

The PRESIDING OFFICER. The time of the Senator from Delaware on the amendment has expired.

Mr. MUSKIE. Mr. President, I think I have a few seconds remaining.

That being the case I yield back whatever time remains to me, and I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays on the motion to table have been ordered, and the clerk will call the roll.

Mr. MUSKIE. Will the Chair withhold that?

The Senator from Louisiana did not finish what he was saying. I am glad to yield him some time on the bill for the purpose of concluding his remarks. I do not want to be in the position of cutting him off.

Mr. LONG. Mr. President, will the Senator yield me 1 minute?

Mr. MUSKIE. I yield 1 minute to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 1 minute.

Mr. LONG. I just wish to say that, if we had some tax bill such as a tax reform bill or some measure where we raise revenue so that the Senator could have the opportunity to offer his amendment, I would not be voting for it at this point. But we are not going to have that. I do not see anywhere in the picture that we are going to be able to offer the Senator an opportunity to offer his proposal on any measure that would give the Senate an opportunity to do something about it in this 1978 fiscal year unless we do agree to this amendment. That being the case, Mr. President, I will vote for the amendment by the Senator from Delaware, feeling regretful that when we added it to a previous tax bill we were not able to bring it back from conference. That was clearly the will of the Senate at that time.

Mr. MUSKIE. Mr. President, I yield myself 1 minute on the bill to remind the Senator from Louisiana that this is not a piece of legislation. Adopting his amendment is not going to give this policy the effect of law. It would have to be implemented by actual tax legislation which the Senator has just told us is not coming down the pike. If that is the case, then I would say we should wait until the major tax reform legislation which will have effect in 1979 comes along and consider the proposal then.

The budget resolution does not create programs. It takes legislation to do that, as the Senator knows. So I think the Senator from Louisiana is giving us the best argument for not assuming this amendment in the 1978 budget resolution because it is clear legislation would not be available until the 1979 budget resolution at the earliest.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. BELLMON. If we put this money in the budget resolution and the legislation does not follow, then there is just this much money floating around in there to be spent for something else.

Mr. MUSKIE. The Senator is correct.

Mr. President, I renew my motion to table and ask for the yeas and nays.

Mr. ROTH. Mr. President, it is a clear fact that the Senator from Maine has taken time on the bill.

Mr. MUSKIE. I yielded a minute to the Senator's spokesman and took a minute myself.

Mr. ROTH. The Senator from Oklahoma spoke.

Mr. MUSKIE. All right. I will yield another minute. I simply promised Senators we would clean up this bill at a reasonable time and I do not want to delay the bill.

I yield to the Senator 1 minute.

Mr. ROTH. That is all I want.

I simply want to make the observation that the first step in getting the college tax credit is through this kind of an amendment, and I think the opportunity will come during the next year to offer that amendment. For that reason I urge that the Senate vote down the motion to table my amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to table. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Rhode Island (Mr. PELL), the Senator from Illinois (Mr. STEVENSON), the Senator from Ohio (Mr. GLENN), the Senator from Maine (Mr. HATHAWAY), and the Senator from South Dakota (Mr. ABOUREZK) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "yea."

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Indiana (Mr. LUGAR), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), the Senator from Oregon (Mr. PACKWOOD), the Senator from New Mexico (Mr. SCHMITT), the Senator from Wyoming (Mr. WALLOP), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 25, nays 59, as follows:

[Rollcall Vote No. 360 Leg.]

YEAS—25

Anderson	Hart	Muskie
Bellmon	Huddleston	Nelson
Bumpers	Inouye	Nunn
Byrd, Robert C.	Javits	Pearson
Cannon	Kennedy	Sarbanes
Chiles	Magnuson	Stennis
Clark	Matsunaga	Williams
Cranston	Metcalf	
Culver	Morgan	

NAYS—59

Allen	Eastland	Metzenbaum
Baker	Ford	Moynihan
Bartlett	Garn	Percy
Bayh	Goldwater	Proxmire
Bentsen	Gravel	Randolph
Biden	Griffin	Ribicoff
Brooke	Hansen	Riegle
Burdick	Haskell	Roth
Byrd, Harry F., Jr.	Hatch	Sasser
	Hayakawa	Schweiker
Case	Heinz	Scott
Chafee	Helms	Sparkman
Church	Hollings	Stafford
Curtis	Jackson	Stevens
Danforth	Johnston	Stone
DeConcini	Laxalt	Talmadge
Dole	Leahy	Thurmond
Domenici	Long	Tower
Durkin	McIntyre	Weicker
Eagleton	Melcher	Zorinsky

NOT VOTING—16

Abourezk	Mathias	Schmitt
Glenn	McClellan	Stevenson
Hatfield	McClure	Wallop
Hathaway	McGovern	Young
Humphrey	Packwood	
Lugar	Pell	

So the motion to lay Mr. ROTH's amendment on the table was rejected.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Delaware.

Mr. ROBERT C. BYRD. Mr. President, let the record show that I vote "aye" on the adoption of the amendment.

Mr. MUSKIE. Mr. President, I am not going to request a rollcall vote on the amendment. I think the numbers are clear enough. The will of the Senate is clear enough. I have no desire myself to request the yeas and nays. There may be Senators who might like the yeas and nays. If there are, I would suggest they so indicate at this time.

I gather there is no desire for the yeas and nays, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROTH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Could we have order in the Chamber? Will Members please take their seats and cease conversations? Will Members please clear the aisle.

The Senator from Maine.

Mr. MUSKIE. Mr. President, if I may have the attention of my colleagues, to

the best of my knowledge there is only one additional amendment pending, an amendment to be offered by the Senator from Georgia (Mr. NUNN). If there are other amendments which any Senator is considering, I hope we might be informed now.

I gather not. The Nunn amendment has a 30-minute time limitation.

Mr. LONG. I do have a statement to present. It will require 15 minutes.

Mr. MUSKIE. We have 30 minutes on the Nunn amendment, though we might take less, and 15 minutes on the statement by Mr. LONG. Then we will proceed to a rollcall vote on final passage. The Nunn amendment will not require a rollcall vote.

The PRESIDING OFFICER. The Senator from Georgia.

UP AMENDMENT NO. 788

Mr. NUNN. Mr. President, I send an amendment to the desk and ask for its immediate consideration. This amendment is cosponsored by Mr. STONE, Mr. TALMADGE, Mr. PACKWOOD, Mr. HOLLINGS, Mr. ALLEN, Mr. CLARK, and Mr. CULVER.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Georgia (Mr. NUNN) for himself, Mr. STONE, Mr. TALMADGE, Mr. PACKWOOD, Mr. HOLLINGS, Mr. ALLEN, Mr. CLARK, and Mr. CULVER, proposes unprinted amendment No. 788.

Mr. NUNN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, line 11, strike $501,200,000,000" and insert in lieu thereof "$502,400,000,000".
On page 2, line 2, strike "$459,700,000,000" and insert in lieu thereof "$460,600,000,000".
On page 2, line 5, strike "$64,700,000,000" and insert in lieu thereof "$65,600,000,000".
On page 2, line 7, strike "$778,900,000,000" and insert in lieu thereof "$779,800,000,000".
On page 2, line 9, strike "$78,900,000,000" and insert in lieu thereof "$79,800,000,000".
On page 3, line 17, strike "$8,000,000,000" and insert in lieu thereof "$9,200,000,000."
On page 3, line 18, strike "$10,500,000,000" and insert in lieu thereof "$11,300,000,000."

The PRESIDING OFFICER. Will the Senator suspend until we have order in the Chamber?

The Senator from Georgia.

Mr. NUNN. Mr. President, I wish I did not have to offer this amendment. I wish that so many segments of our Nation had not suffered through one of the worst droughts in decades. I wish that tens of thousands of farmers had not seen their crops shriveled and dying in the fields.

However, as so many of us know all too well, this has not been the case. Georgia, for example, has suffered through the worst drought the State has seen since the mid-1950's. Florida, Alabama, Oregon, and many more of Georgia's sister States have sustained similar damage, and the effect on our Nation's farmers has been devastating.

I wish I did not have to offer this amendment because I wish there had never been such a disaster.

But there has. We cannot pretend it did not happen. We cannot ignore its effects, and we must accept our responsibility to provide all appropriate Federal assistance where available. It is for this reason that I am offering an amendment, on behalf of myself and Senators TALMADGE, STONE, ALLEN, HOLLINGS, CLARK, CULVER, and PACKWOOD, to increase the budget authority under function 450, community and regional development, by $1.2 billion, and outlays by $0.9 billion.

Function 450 covers the Small Business Administration's physical disaster loan program, which provides low-interest loan assistance for the refinancing, repair, rehabilitation, or replacement of property damaged as a result of a natural disaster. It is the Federal Government's primary emergency assistance loan program when there has been a physical disaster, such as a flood, hurricane, or tornado.

Only recently, however, has it been applied to situations where crop losses have occurred due to a drought. At a hearing before the Senate Small Business Committee in June of this year, I raised this issue with SBA Administrator, Vernon Weaver. As I pointed out then, and as I still firmly believe, farmers whose crops have dried up in the field have suffered just as much physical damage as though they were wiped out by a flood, tornado, or hurricane. SBA agreed with me, and as a result, determined that, where SBA's standard physical disaster criteria have been met, such assistance could be made available to farmers.

Georgia was the first State to have this program made available to farmers, on July 26, when SBA declared 127 counties and adjacent counties in Georgia a disaster area because of physical damage caused by severe crop losses due to drought during the 1977 crop year. Since then, Florida, Oregon, Alabama, Mississippi, Iowa, Idaho, South Carolina, and North Carolina have had formal designations made by SBA.

The response has been tremendous, and therein lies the problem which this amendment seeks to address.

In Georgia alone, over $171 million in SBA physical disaster loan applications have been received, with well over 3,000 applications pending, and scores more are being filed every day. It is my understanding that this could easily reach the $300 million level. Georgia is not the only State affected.

However, the second concurrent resolution on the budget for fiscal year 1978 anticipates additional disaster loans of only $100 million, with no further funds available for supplemental appropriations requirements. The House of Representatives has already voted similar authority, and unless the Senate accepts my amendment, the consequences for farmers depending on this program will be catastrophic.

As the able chairman of the Budget Committee pointed out in his opening statement on the pending measure, there is no room left, once adopted, for excess spending in any functional category. The limits contained in this resolution will be binding on the Congress, and any legislation which exceeds these limits will not be in order.

It is clear, however, that the SBA's physical disaster loan program will require more. It is my understanding that SBA has estimated the program could eventually run well over $1 billion nationwide. I think it is obvious that a supplemental appropriation of over $1 billion for one program alone will not be possible, once this resolution as it is now presented is passed, without causing inadequate funding for other important Federal programs. Therefore, once the Congress adjourns, this will mean absolutely no further moneys will be available for loans when the present amount is used up.

I do not think it is beyond reason to say that, based on current application trends, this could be as early as the 1st of November.

I do not mean in any way to imply that the Budget Committee has not done its job in presenting the present budget resolution. The simple truth is that the program has only been in actual operation for a little over 1 month, and it has been very difficult until now to predict exactly how much will be necessary to adequately fund it.

I might also say that the administration has only recently even submitted an estimate to Congress about the amount that they anticipate will be required.

Some sources, and I think my colleagues should know this, have said it could run as high as $2 billion or even $3 billion.

I certainly hope that this will not be the case. I do believe, however, that these large estimates indicate the very real need for assistance. Simply because it is presently impossible to accurately predict what the ultimate cost will be is no reason, I believe, to do nothing, to simply let the program die before it has even gotten off the ground. Yet, unless my amendment is adopted, this will be precisely the case.

There is therefore no magic in the amount I have proposed. It is based on the best available information I have been able to obtain. I think it is the minimum needed to see the program through fiscal year 1978. I think without it, we might as well announce to our drought-stricken farmers that we have terminated this important disaster assistance relief. I want to make it clear that, without an increase in budget authority, this is precisely what we will be doing.

As a former member of the Budget Committee and a consistent supporter of fiscal responsibility and a balanced budget, I do not offer this amendment lightly. I fully realize the magnitude of the increase, and for this reason, I would also like to make some observations regarding the program it will help to support.

SBA's physical disaster loan program is unique among the Federal Government's multitude of emergency relief programs in that it is the only one that I am aware of that provides loan assistance to an individual without a prior showing that the applicant was unable to obtain sufficient credit from a normal commercial source. This is very significant in the case of farmers, whose land values can often be artificially inflated,

and who might therefore be marginally qualified to receive commercial credit, and yet be unable in reality to afford the higher commercial interest rates, particularly when they have had almost total crop failure.

Unless SBA's physical disaster loan program were available to them, there would be thousands of farmers who would be effectively shut out from any individual Federal disaster loan assistance. There would also be thousands of farmers who would be out of business, particularly younger farmers who have little to operate on, and many of whom lease their land and have little equity.

It was out of concern for these farmers that I worked to make the physical disaster loan program applicable to our present drought situation. I viewed it as the only means of assistance possible for many who could not even get "in the door" otherwise. I continue to view it as a supplement to other agricultural disaster assistance programs such as those offered by the Farmers Home Administration, and not as a substitute.

I am therefore most concerned to learn, however, that just the opposite is occurring. I am informed that 80 percent of farmers seeking disaster assistance are doing so through this program. Many of these farmers would be eligible for comparable relief from Farmers Home Administration, and yet the SBA is continuing to be flooded with their applications.

For those who legitimately cannot receive assistance elsewhere, I believe the SBA's program is vitally important. However, this is the first time that SBA has applied this program to farmers, and quite frankly, they do not have the expertise to operate efficiently on the enormous scale to which this program is growing. As I noted, Farmers Home provides comparable physical disaster assistance. In adition, for that portion of a farmer's loan which exceeds $250,000 for physical damage, Farmer's Home Administration assistance is available at an interest rate of 5 percent, whereas SBA can offer such at 6⅝ percent. I would hope, therefore, that those farmers who can qualify for Farmer's Home Administration programs will use this avenue, rather than seeking to substitute that provided by SBA. To this end, I recommend that SBA consider requiring that a farmer show he is ineligible for assistance from Farmer's Home before he can be considered for SBA's physical disaster loan program.

Unless this or some other comparable approach is taken, the SBA will continue to find themselves not simply an addition to the several agricultural disaster relief programs that are available, but instead, a replacement for them. The result, as evidenced by this amendment, will be a tremendous cost unnecessarily placed on one program alone, which will delay processing of needed funds, and ultimately provide a disservice to the farmer. I also hope that Farmer's Home Administration will carefully review the administration of their programs to assure that their services are as effective and expeditious as SBA has been attempting to make theirs.

In closing, I remind my colleagues that we are talking about a loan program, and not a direct subsidy for farmers and other eligible applicants. Many farmers in Georgia have reminded me of the vast amounts of direct grants that Congress approves not only to other segments of our society, but to foreign nations as well. The SBA's physical disaster loans are not such a program: The Government will be repaid. The door has been opened by this program to thousands of our own citizens who are in need of assistance through no fault of their own.

I might also add that this applies to the flood victims in West Virginia and many others, who will also see the program run out of money unless this amendment passes.

While I think we must consider providing clear directions regarding its use, we should not now, by failing to provide adequate funding, slam this door in the face of many people in desperate need.

I urge my colleagues to adopt this amendment.

Mr. STONE. Will the Senator yield?

Mr. ALLEN. Will the Senator yield for 30 seconds?

Mr. NUNN. I yield 30 seconds to the Senator from Alabama; then I shall yield to the Senator from Florida.

Mr. ALLEN. I commend the Senator from Georgia for his amendment. I support it wholeheartedly. My distinguished senior colleague (Mr. SPARKMAN) also requests that he be a cosponsor and I ask that the Senator from Georgia make the unanimous-consent request that his name be added.

Mr. NUNN. I thank the Senator from Alabama.

Mr. President, I ask unanimous consent that the senior Senator from Alabama (Mr. SPARKMAN) be added as a cosponsor, and also the Senator from South Carolina (Mr. THURMOND), and the Senator from Florida (Mr. CHILES). Mr. CULVER, I think, is already on the amendment.

The PRESIDING OFFICER (Mr. RIEGLE). Without objection, it is so ordered.

Mr. NUNN. I yield to the Senator from Florida.

Mr. STONE. Mr. President, I strongly support and have cosponsored this legislation and the necessary assistance that it will bring to small businesses which have suffered due to the drought.

I would like to share with my colleagues the particular problems being experienced by the drought-stricken farmers within the State of Florida. Recently, I toured the drought-stricken counties of Florida, and saw firsthand the devastation that has resulted from the drought. I talked with many Florida corn farmers and received detailed accounts of what it will take for them to overcome this terrible adversity, which comes right on the heels of the Florida freeze disaster earlier this year.

The problem on which there seems to be general agreement is that the farmers who have already borrowed heavily from their local lending institution and face imminent bankruptcy have turned to the Small Business Administration for assistance. It has been only 3 weeks since the SBA began the extension of its physical property disaster program to farmers in those counties that were designated by the Presidential disaster declaration.

Within those 3 weeks—in the State of Florida alone—2,400 applications have been distributed and it has been estimated that 80 to 90 percent of these will apply for an SBA loan. The average loan will be for $90,000. As of today, over 327 applications have been filed in Florida for requested loan amounts totalling around $29 million. If one takes the specific example of Florida that I have cited, with 41 out of 67 counties eligible by SBA criteria for disaster loans, and multiplies this by two-thirds of the counties in the United States that are eligible by SBA's estimates, one can quickly get a general impression that the SBA is short of funds and desperately needs additional moneys to supplement the farmers' requests that are now only beginning to come into SBA offices around the country.

Mr. President, this amendment has my full support and I am certain this measure will go a long way to meet the needs of those farmers suffering under the burden of drought to whom we have promised disaster assistance, for whom we have set up these programs. The legislation is on the books, but without this amendment being passed in some substantial degree, the actual funding will not be there.

Mr. CHILES. Will the Senator yield?

Mr. NUNN. Mr. President, I shall yield in just a moment.

I ask unanimous consent that Mr. HELMS of North Carolina and Mr. RANDOLPH of West Virginia be added as cosponsors to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. I thank the Senator from Georgia for proposing this amendment. I associate myself with the remarks of my distinguished colleague from Florida with regard to the programs we have in the drought area of Florida, which drought was on top of a freeze that we had had earlier. It was abundantly clear to us, after our tour of the drought-stricken area, that the existing programs under Farmers Home and under the SBA programs at that time would not be able to take care of many of the problems that were there because of the different quotas that were there in regard to what the corn yield was for younger farmers that were coming into the program, for people that were leasing, or for people that, perhaps, could get credit. But if the credit was at 10 or 11 or 12 percent that they have had to pay, they would not have been able to pay it back so they would not have been able to continue in their farming operation.

So they would not have been able to continue in their farming operation and something like this was needed.

I commend the junior Senator from Georgia for his work in getting the SBA to change its criteria. I think that really is only fair, even though it has opened up this program. It might well be that probably the program will have to be looked at now. But for the life of me,

I could never explain to a farmer why in the past when a hurricane came through that someone who owned a cottage on the river was——

The PRESIDING OFFICER. The time of the Senator from Georgia has expired.

Mr. NUNN. Mr. President, I ask my colleague from Maine to yield enough time for the Senator from Florida to finish.

Mr. CHILES. Three minutes.

Mr. MUSKIE. Yes.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. CHILES. That he could get the money on the low interest loan for his cottage on the basis of a disaster, a small place either on the beach or the river, but at the same time, the farmer, when his field was destroyed by that hurricane could not obtain funds for that physical disaster, and that was a tragedy. It was not fair.

I think it is fair now. I think many of us feel the answer to this program really is a meaningful crop insurance program in which we are going to cover the country, and get away from trying to pump this money into every kind of disaster around and the farmer then cannot cover himself through a national program of providing crop insurance, and we will probably have to do that.

But right now, if we do not continue some of these funds, many people in my State that have applied for these funds, because that is the existing program, know this is under the law now and would be denied the opportunity to get the funds.

Mr. STONE. Will the Senator yield half a minute for a question?

Mr. CHILES. I yield.

Mr. STONE. Is the Senator from Florida not aware, as the junior Senator from Florida is aware, of the fact that what has happened is that all these folks have filed application, the applications have been approved in principle, locally and regionally, and are sitting on the desks here in Washington because they do not have the money?

Mr. CHILES. That is exactly correct.

Mr. NUNN. I completely agree with the Senator from Florida (Mr. CHILES) regarding the crop insurance situation. The SBA's physical disaster loan program is not the best way to provide relief from disaster for farmers. It is the only way this year that it can be done, however.

The crop insurance program would be much better because farmers would not have to pay the money back. They would contribute to their insurance, perhaps subsidized by the Federal Government to some extent, but the SBA's program is the only road for many at this time.

I also believe we must take another look at some of the provisions of the applicable portions of SBA's statutes. These are not new law, but in application to farmers there may be changes that will have to be made. There may be abuses in the program that we need to take a look at. But, right now, the program is desperately needed by thousands of farmers and, even though we may have some abuse, I think it is the price we must pay to keep a vital segment of our economy going, both in our section of the country as well as in many other sections.

Mr. President, I ask unanimous consent that Mr. CHURCH be added as a cosponsor on this amendment.

The PRESIDING OFFICER. Without objction, it is so ordered.

Mr. NUNN. I thank the Senator from Maine for yielding.

Mr. MUSKIE. Mr. President, I yield myself 5 minutes.

Mr. President, I said at the outset that I discussed this with the distinguished Senator from Georgia (Mr. NUNN), with Senator STONE and Senator CHILES, and I think others, over the last 24 hours. I think we have reached an accommodation with which the Budget Committee can live for the moment.

But I think it would be useful to identify some of the budgetary problems created in this body by giving some of the background for the legislation which gives rise to this amendment.

The legislation was not considered in committee. It was added as a floor amendment, and I will read that floor amendment, which can be found on page 40338 of the CONGRESSIONAL RECORD dated December 12, 1975. It reads as follows:

> It is the declared policy of the Congress that the Government, through the Small Business Administration, should aid and assist small business concerns which are engaged in the production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries; and the financial assistance programs authorized by this Act are also to be used to assist such concerns.

There is other language in the amendment of a definitional quality, but that is the substance of it.

In due course, the question arose in the Senate debate as to what that amendment would cost, and on page 40325, this is what was said on that point:

> This adds nothing to the appropriations and adds nothing to the authorization of the Agency.

The implication was that this was simply an addition of an eligible activity to the activities already eligible for assistance under the SBA program and that the resources traditionally made available to SBA would be sufficient to take care of its traditional clients and the new one.

There were no guidelines, no consideration of any requirements that this new client might bring to the operation of SBA—simply a good will gesture to the farmers of the country that a new program was available for them. There was no consideration of the future costs—whatever consideration there was dismissed future costs. Nobody brought the Senate Budget Committee this problem, no committee of the Senate, no agency of the executive branch.

I am sure if the Budget Committee had been asked to consider disaster assistance to farmers in the circumstances described by the distinguished Senator from Georgia, the Budget Committee would have been sensitive to the problem and the emergency and would have taken steps to bring relief.

But it was not until yesterday afternoon with the budget resolution already on the floor that I was asked to consider the amendment which the Senator from Georgia has just called up.

Now, I say all this not by way of criticism of the Senator from Georgia or of the farmers whose assistance he seeks to provide. My criticism is directed at the method by which this program was created, without adequate hearings, without adequate consideration by the committees. And my criticism is directed at the agencies, specifically SBA, for not preparing this budget estimate and getting it up here so that the Budget Committees and the Congress could give adequate consideration to it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MUSKIE. Five more minutes.

Mr. President, we do not yet have a recommendation from the President. We do not yet have a budget estimate from the administration. We do not yet have a recommendation from SBA. And we are being asked now to accommodate the budget resolution to that kind of ambiguous situation.

As I say, I think we have worked out an accommodation which is a practical one. But I am reciting this history so that those Senators who read the RECORD may begin to contemplate the consequences of some of the hasty actions that we all too often take on the floor of the Senate.

We have taken two yesterday and today that will add between them in the first full budgetary year $2.1 billion a year in budgetary cost. And we have done it in each case with only a handful of Senators on the floor during the debate, considering the consequences and understanding the facts. Then we just casually and blithely added $2.1 billion for first-year costs when those two programs are fully implemented. We do that over and over again, and then the Budget Committee gets the kind of criticism it got from Members this afternoon. We hear that the Budget Committee brings in deficits that are too high and spending that is excessive. Whose responsibility is it, in addition to the Budget Committee, to watch those kinds of consequences?

So I use the occasion of this amendment to say this. I repeat, we have tried to work it out so that the farmers who have real need and who deserve the attention of the Government will get it. But I urge upon my colleagues that we examine our habits on this floor a little more carefully and with a little greater sense of restraint than we have in the past.

Having said that, I say to my good friend from Georgia—and I appreciate the quality of the discussion we have had off the floor on this subject—that the Budget Committee obviously has not had an opportunity to consider this. So the solution we have taken is to permit some room in this budget resolution, with the understanding that either through a third concurrent resolution process and/or Appropriations Committee consideration of the program implications of the problem, we will pursue a more complete

remedy. I am perfectly willing to do that. I think the budget process should be that flexible, so that the farmers whose needs were addressed by this amendment back in 1975 will not be left hanging high and dry.

Mr. President, the issue raised by this amendment is not the kind of issue the Senate should have to deal with as it shapes the budget resolution. We should expect floor amendments to the resolution reported by your Budget Committee because Senators disagree on national priorities and on the desired level of Federal revenues and spending. But that is not the reason for this amendment. I am sure that, if the Budget Committee had known that drought-affected farmers were generating a huge flood of applications for SBA disaster relief loans, the Budget Committee would have recommended a budget resolution that could accommodate that need. I must say as one Senator that there is something very disturbing about the events that brought about this state of affairs, but I am certain that the Budget Committee would have supported adequate assistance to farmers whose crops were lost by drought.

If there is no disagreement on national priorities, why is this amendment being offered? Is it being offered because just over a month ago, when the Budget Committee was marking up the second resolution, there was not an inkling from anywhere in the executive branch that there might be a need to spend an additional $1.2 billion and as much as $2.5 billion through the SBA disaster loan fund. There was not a hint that the budget of the Small Business Administration might be expanded by fourfold in order to provide emergency credit for agriculture. There was not a word to indicate that the SBA disaster loan fund would be increased to a level 20 times the amount that the Congress had been led to expect.

This amendment is here not because of a disagreement among Senators, it is here because Federal agencies have failed to provide us with the information we need to carry out our responsibilities. And that is intolerable.

The congressional budget process was created to strengthen the hand of the Congress, and to give the Nation more effective fiscal policy. It was created so that we could make individual decisions in the light of all of the demands on Federal resources. The process established by the Congressional Budget Act is now no mystery. Each of its steps was designed to provide the Congress with information it needs to make difficult choices. The process is working well because of broad cooperation and effort throughout the Congress.

However, the Congress cannot control the Federal budget if agencies cannot, or do not, accurately estimate their need for funds. The law that made farmers eligible for SBA assistance was not recently thrust on the Small Business Administration—it was enacted in June of 1976. The drought has been a matter of concern for many months. The drought disaster areas were recognized 2 or 3 months ago. The Small Business Administration has little excuse for waiting until 10 days before the deadline for passage of the second budget resolution and then informing the Congress of its desire to increase spending by at least $1.2 billion and as much as $2.4 billion. The January budget indicated that the SBA disaster loan fund would require only $20 million in budget authority. That estimate was repeated in the mid-session review of the budget that the administration completed by the end of June. There was no mention of massive new requirements for this program when the Budget Committee staff contacted Federal agencies in preparation for our second budget resolution markup in July.

Whatever the Senate's decision is on this amendment, I am one Senator who will not accept this level of performance from Federal agencies in the future. This budget resolution will bind the Congress for the rest of fiscal year 1978. Each agency must develop the skills to provide accurate estimates of the need for budget authority and of the outlays that will result from their operations. Congress must have this information on a timely basis.

Mr. NUNN. I say to the Senator from Maine that I appreciate his position, and I understand his analysis of the amendment that was adopted in 1975.

It is my understanding—and we can have the staff check this out; I am not absolutely certain of it—that what we are talking about is SBA's 7(b)(1) program. The way the law was worded, the farmers already would have been eligible for these funds in a disaster even if that amendment, which made farmers eligible for other SBA funds, had not been adopted. We can check that. It is not really important. It does not really affect the merits of what the Senator has said. I voted against that amendment when it was presented on the floor because I did not think it had been adequately considered.

However, we are in a position now where we have virtually an entitlement program on the books, which is SBA's 7(b)(1) program. It is virtually open-ended and has been interpreted as applying to farmers. Had it not been, they could have brought suit in the courts, with a reasonable chance of success. That program is what we are trying to fund here.

I have every obligation to my farmers in Georgia, who are hurt badly, to pursue every avenue possible, to see that the funding is there for the entitlement program which others have utilized in similar circumstances. That is where we stand.

The Senator from Maine is absolutely correct about the fact that many measures are passed on this floor, the fiscal implications of which we do not adequately consider. We are doing a better job now, thanks largely to the Senator from Maine and the Senator from Oklahoma in pointing out these matters.

I agree with the position of the Senator from Maine, and I agree with the proposed compromise.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUSKIE. I have 2 minutes remaining, and I want to make another point. I yield 30 seconds to the Senator.

Mr. NUNN. The administration has not come forth with any kind of really good estimates in this area. I think we all have been let down by the administration, SBA and OMB, in not coming forth sooner than they have. The first I knew about the potential for running out of money was in the last 2 days. I serve notice on SBA, OMB and the Agriculture Department that they need to turn their attention to this program. They need to propose any kind of amendments that need to be adopted in order to safeguard the taxpayers so that they will not be abused, and they need to do this immediately. We cannot wait forever on this. We will have to have their recommendations not only as to the amount of money that is going to be needed, but also any kind of changes that need to be made in existing law. That is their obligation, and I hope we will hear from them on that in the immediate future.

Mr. MUSKIE. Mr. President, do I have 2 minutes remaining?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MUSKIE. I yield myself 2 minutes on the bill.

One of the problems is this: Farmers Home loans are available in disasters. Unfortunately, for the poorer tenant farmers and those at the bottom of the pile, they cannot meet the Farmers Home Loan eligibility requirements. They must demonstrate that they have no access to other lending facilities. That requirement does not exist with respect to this. With this program existing, if we give it open-ended funding, we are just going to attract not only those who have real need but also those who could provide for their needs through Farmers Home or other lending facilities. This is just going to attract a runaway kind of program, unless we write some guidelines and some definitions and some requirements that will limit the application.

For example, the $1.2 billion in the Senator's amendment is almost twice as large as the entire budget request for SBA, and it is 10 times the size of the request for the disaster loan fund. I cite those figures just to demonstrate the kind of pressures that have been generated behind this program because of the need and because of the lack of eligibility requirements that limit the applications.

That is the sort of thing we have to address, and it is for the purpose of addressing them that I urge the Senator to accept the more modest figures we have agreed to include in the budget resolution, so that there will be ample time for the appropriate committees to write appropriate guidelines and safeguards for this program.

Mr. MAGNUSON. How much is that?

Mr. MUSKIE. We are providing $175 million in this budget resolution. I say to the Senator from Washington.

Mr. NUNN. I believe it is a rounded $0.2 billion, and I think the staff can explain the reason for that figure.

Mr. MAGNUSON. Will the Senator yield me a minute on the bill?

Mr. MUSKIE. I am happy to yield.

Mr. MAGNUSON. I had hoped that we would accept the amendment of the Senator from Georgia in the full amount. I did have some discussion in the Budget Committee, of which I am a member, that we might have this compromise. However, I ask this question: As the Senator from Georgia has well pointed out, this is only a temporary procedure for the legislative purposes here today, and we have to move ahead with this program and do something about it as fast as possible.

In my State, 33 counties are eligible. There is an immediate rush of loan applications all at once. But the complaint is that they cannot get any kind of loan. The criticism is very legitimate. Unless we are going to provide the funds, we should not have said that we were going to do something for these farmers.

There must be some immediate speeding up of this procedure and some action. I hope I have the assurance of the chairman of the Budget Committee that we can move on a third budget resolution as soon as possible, if we decide they have not been doing what they should be doing.

Mr. NUNN. I have the assurance of the Senator from Maine that he will consider a third such resolution. I do not want in any way to misinterpret him. He has not said that he would support it, but he would consider it as an item of an emergency nature and give us a chance to consider a third resolution, if it is deemed to be needed.

Mr. MUSKIE. Exactly.

Mr. NUNN. Is that a correct interpretation?

Mr. MUSKIE. Yes. May I say the Senator ought to understand and believe that the budget process is flexible enough to respond to emergencies. The method available for that purpose is additional concurrent resolutions. In this case it would be a third resolution.

I would regard the Budget Committee as obligated to respond to requests for emergency action requiring or having budgetary impact. What we might do with the requests when they come before us will depend on how we are impressed by their merits. But the process should be made available, and I assure the Senator I will see to it that it is.

Mr. NUNN. I thank the Senator from Maine.

I might say to the Senator from Washington that I have been in his State in recent weeks. I know how dry it is there, and I know you faced situations similar to what we faced in Georgia. I know the need of your farmers.

I would ask the Senator from Washington to join with Senator STONE from Florida and myself and many others in a meeting with OMB, SBA, and with the Department of Agriculture to see if we cannot iron out these difficulties in the coming week. Next week we are going to try to get together.

Mr. MAGNUSON. Just 30 seconds. You will not believe this, but although this drought has been going on out there for a long, long time, and everybody has known about it, up to yesterday there was a total of only three applications approved for the big sum of $302,000 in my State. Now, there is something wrong.

Mr. NUNN. I might also say to the Senator——

Mr. MAGNUSON. Three hundred and two thousand dollars. When millions are involved in this problem out there.

Mr. NUNN. I would also say it is my understanding that the checks, even on applications which have been approved, have been held up because the administration, having now gotten into this program, is concerned about it and, quite frankly, I understand their concern. But what we need is some rational thought and not handwringing. We need some people to examine what we really are going to do, and who can come up with some answers and make sure those who need the program get it. Those who do not absolutely need it should not be eligible. That is going to take some changes in the law and some administrative initiative.

Mr. President, I ask unanimous consent that the Senator from Washington (Mr. MAGNUSON) and the Senator from Mississippi (Mr. EASTLAND) be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 789

Mr. NUNN. I send to the desk a compromise which basically increases the budget authority and the outlays by $0.2 billion as opposed to the original proposal. This would be a compromise agreed to by the Senator from Maine (Mr. MUSKIE) that would have in mind the possibility of a third budget resolution once the administration makes its case for what is needed.

The PRESIDING OFFICER. The pending amendment is withdrawn, and the clerk will report the new one.

Mr. NUNN. I ask unanimous consent that the Senator from New Mexico (Mr. DOMENICI) be added as a cosponsor.

The assistant legislative clerk read as follows:

The Senator from Georgia (Mr. NUNN), for himself and others, proposes unprinted amendment No. 789.

The amendment is as follows:

On page 1, line 11, strike the numeral and insert in lieu thereof "$501,400,000,000".

On page 2, line 2, strike the numeral and insert in lieu thereof "$459,900,000,000".

On page 2, line 5, strike the numeral and insert in lieu thereof "$65,075,000,000".

On page 2, line 7, strike the numeral and insert in lieu thereof "$779,275,000,000".

On page 2, line 9, strike the numeral and insert in lieu thereof "$79,275,000,000".

On page 3, line 17, strike the numeral and insert in lieu thereof "$8,200,000,000".

On page 3, line 18, strike the numeral and insert in lieu thereof "$10,600,000,000".

Mr. STONE. Did the Senator from Georgia include all of the original cosponsors on this amendment?

Mr. NUNN. I ask unanimous consent that all the original cosponsors on the original amendment be included in the compromise amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, this past growing season has been one of the worst, if not the worst, in South Carolina's history. That the drought and heat conditions have devastated much of the State's crops is evidenced by the fact that President Carter's disaster declaration covers nearly all 46 of our counties.

The assistance provided by the Small Business Administration's physical disaster loan program can have a beneficial impact on reducing the dimensions of this natural disaster. South Carolina has over 17,000 farms and it is conservatively estimated that as many as 60 percent are affected and will seek help from the Small Business Administration. The Small Business Administration district office advises me that to date applications totaling $28 million have been received. However, since the State only recently qualified for the program this figure will shoot up dramatically.

In cosponsoring this amendment to increase money available for this Small Business Administration program, I am persuaded by several points I wish to share with you.

First, the money provided by this amendment will go to the farmer in the form of loans. The money will be paid back. Our farmers are not looking for a handout, but they do need our help. They are hard-working people who have been affected by a terrible natural disaster that is simply beyond their ability to manage.

Second, the disaster not only has hurt the growers, but also those who supply them. The nonfarm service industry needs help, in most instances as much as the growers.

Third, the farmer is a very good risk. His roots are in the land and year after year—boom or bust—he has stayed with the land.

Fourth, the American farmer is probably the most efficient component of our economy. However, because of his efficiency he is constantly beleaguered with the problems of his market—as evidenced with boom-burst cycles and surpluses.

For these reasons and those offered by my colleagues I urge you to join with me in supporting this amendment.

Mr. MUSKIE. Mr. President, I take it that new amendments are eligible for another 30 minutes of time. I yield back my time.

Mr. NUNN. If I have any, I yield it back.

The PRESIDING OFFICER. The Chair would respond that that is not so. There are only 14 minutes remaining on the bill itself.

Mr. MUSKIE. I yield back my time.

The PRESIDING OFFICER. All time having been yield back, the question then is on agreeing to the amendment of the Senator from Georgia.

The amendment was agreed to.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MUSKIE. Mr. President, I yield the remainder of my time on the bill to the distinguished Senator from Louisiana (Mr. LONG).

May I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. I am sorry, I withdraw that.

There are not going to be any further amendments, I take it, and I simply want to straighten the parliamentary situation so that we may have a proper vote when we get to it.

The PRESIDING OFFICER. Are there further amendments?

ADDITIONAL STATEMENTS SUBMITTED

Mr. GARN. Mr. President, I will be constrained today to vote against the second concurrent budget resolution. I will do so because it refuses to acknowledge the crushing burden on the American people of taxing and spending policies.

During consideration of this bill here today, an effort was made, as it was in committee, to lower target revenue figures enough to accommodate an across-the-board tax cut. I am proud to say that that effort was led by Republicans, including my junior colleague from Utah. What is sad is that that effort was defeated and the result will be that millions of taxpayers are having their taxes increased, by the upward forces of inflation. As their inflated money income rises, with no accompanying income in purchasing power, their effective tax rate climbs, and Government gets billions more dollars to play with, without the unpleasant task of raising taxes through legislation.

In my view, that action is dishonest, and I will not be a party to it. If my colleagues want to raise taxes, let them say so, and then come in here with a proposal to do it. Let them bear the heat of an outraged electorate openly. But they will not do that. They simply decline to act, in the face of inflation, and the result is the same.

Economists from all sides agree on one point: There is not enough capital investment to generate the jobs we need, to supply the goods for which there is a demand, without inflation. The lack of capital investment can be traced directly to the lack of incentive to save or invest, caused by the confiscatory taxation allowed to exist by the Congress. A tax cut would restore the incentives of savers and investors to provide the capital which has always been the root of our success. Until this Congress learns that lesson, and is willing to restrain its appetites for more and more Government programs, our economy is doomed to its present uncertainty, and gradual decline. Overall spending targets of over $500 billion, with deficits over $60 billion, are simply more than the American people should have to tolerate. They are certainly more than I can vote for.

Mr. SASSER. Mr. President, I would like to ask the chairman to address a matter which was raised during the committee's discussion of function 300, energy and natural resources. The fiscal year 1978 Public Works Appropriations Conference Committee earlier this year considered the question of funding for the Clinch River fast breeder reactor project and decided to reserve the issue of appropriating funds for this item for a future fiscal year 1978 supplemental appropriation measure. To quote the Appropriations conference report on this matter:

> The Committees on Appropriations have consistently supported the Clinch River Breeder Reactor Demonstration; however, due to lack of enactment of authorizing legislation the conferees have deleted funding for this item without prejudice with the understanding that funding will be forthcoming by way of a supplemental immediately following enactment of the appropriate authorizing legislation.

I fully recognize that it is not the job of the Budget Committee to allocate funding for specific purposes within the various functions of the Federal budget. It only recommends upper limits on Federal spending and a lower limit on Federal revenues. But at times, during markup, the committee assumes expenditures for certain items in order to reach its recommended functional amounts.

There is, therefore, no specific provision in the fiscal year 1978 second budget resolution for funding of Clinch River. I would like to ask the Senator from Maine, however, if senators could assume that the budget the committee has recommended for the 1978 fiscal year could accommodate the possible funding of Clinch River as envisioned by the Public Works Appropriations conferees.

Mr. MUSKIE. The Budget Committee, as the Senator has correctly pointed out, does not line-item. That is, there is nothing in this document which provides funding for any specific purpose. Each senator may make his own assumptions on the precise mix of expenditure in the budget functions.

I would say to the Senator, however, that the committee's recommendation of $24.9 billion in budget authority is $9.4 billion above action completed or underway. A good portion of this difference is expected to be used for energy funding. I understand Clinch River funding would be no more than $150 million in budget authority. That being the case, it certainly could be accommodated within the $9.4 billion still available for function 300 spending if the Senate chose that program over others. But again, I would caution the Senator that the Budget Committee makes no recommendation on this or any other specific program the Senate may consider for fiscal year 1978 in this resolution.

Mr. SASSER. I appreciate the Senator's views on line-iteming, and I thank him for his attention to my inquiry.

BUDGET CEILINGS MEAN DEFICIT CONTINUES

Mr. MORGAN. Mr. President, I have to vote against the second concurrent budget resolution, which sets spending limits for the coming Federal fiscal year. Again, we are proposing a deficit in the neighborhood of $65 billion dollars, and I have to reject this approach to solving our economic problems.

This resolution is another signal to the American people that we have not been successful in eliminating wasteful spending. Deficit spending threatens the credibility of the Federal Government, and the credibility of our announced plan to have a balanced budget by 1980. Until we stop living beyond our means, the American people will continue to perceive Washington as a threat to their economic security.

By rejecting this resolution, we could show them we are serious about dealing with this problem.

A popular justification for deficits is that we can spend our way to economic recovery. The committee report accompanying this resolution states that this would be our purpose in adopting the proposed spending ceilings, and the deficit. "These large budget deficits can be eliminated only by the strong economy this budget resolution is intended to encourage," the report states.

In other words, Mr. President, the theory is that we will create a boom economy which will offset the deficit, eventually. But "eventually" never seems to get here. For 20 years such spending has failed to produce the economic wonderland we are always promised.

In fact, it is doubtful that general pump-priming will reduce unemployment among those chronically unemployed, the unskilled, the handicapped, and ghetto youth. If anything, the promise of a general expansion of the economy may well increase the sense of helplessness, rage, and frustration among the perpetually poor. If there is any expansion, they do not participate in it. We manage, by deficit spending, to raise expectations, and the Government's demand for revenue, but we do not seem to touch the unemployment problem at its core.

In the final analysis, I have to disagree with the thesis that deficit spending promotes effective growth which will eventually balance our budget. It behooves us to be only as generous with the taxpayers' dollars as they can afford for us to be. And that means we cannot expect to continue with this endless Government expansion, under the theory a strong economy will pay for it all later.

Expansion, the present budget resolution allows for. It allows, as well, for maintaining present levels of spending. It does not cut, and where it pretends to cut, it does so unrealistically. We were supposed to pretend that there will be no increase in the deficit under the resolution.

In point of fact, Mr. President, the budget resolution as drawn falsely underestimated spending which will be unavoidable in agriculture, in order to show no increase in the deficit. But the realities are different. The deficit will have to be larger than proposed last spring in the first budget resolution. American farmers have experienced drought and disaster all across this country, and to plan for a reduction in agriculture spending is simply out of the realm of possibility.

We cannot avoid extra outlays here. There are expenditures Government cannot avoid, and should not. To pretend we will ignore farmers in their time of need because of budgetary politics would be extremely short-sighted; we would just have to have a budget waiver later on, as authorizations become necessary. We cannot make an actual, overall deficit increase go away by ignoring the fact that an emergency exists in agriculture.

I do not think the American people resent this kind of expenditure anyway.

What they do resent is the endless, chronic overspending in almost every category of government, and about that we have done nothing.

We cannot continue to ignore the need to hold back, and argue for continued pump-priming Government spending, as the committee report suggests.

Mr. President, I cannot support spending ceilings which will actually increase the deficit, when we are supposedly committed to ending that deficit 3 years hence. I am cosponsoring a resolution calling for a constitutional amendment which would require a balanced Federal budget. I must take this opportunity to reaffirm that philosophy, and my belief that my constituents in North Carolina favor economic responsibility in Washington.

HOUSE CONCURRENT RESOLUTION 341

Mr. MUSKIE. Mr. President, I ask the Chair to lay before the Senate House Concurrent Resolution 341.

The PRESIDING OFFICER (Mr. RIEGLE) laid before the Senate House Concurrent Resolution 341 providing for revising the congressional budget for the U.S. Government for the fiscal year 1978.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the House concurrent resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent to strike all of the language after the resolving clause and to insert in lieu thereof the language of Senate Concurrent Resolution 43, as amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. I ask for the yeas and nays on the House concurrent resolution, as amended.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. I thank the Chair and I thank my good friend.

Mr. LONG. Mr. President, the second concurrent resolution on the budget sets forth overall budgetary totals which are intended to be binding on the Congress. Legislation which would create a deficit greater than allowed for in the resolution, or cause higher levels of spending, or reduce revenues below the floor specified in the resolution becomes subject to a point of order. Unlike the first resolution which sets congressional guidelines—objectives desired to be achieved—the second resolution sets mandatory budgetary totals. Because of this, we must be careful to set totals which we realistically believe we can live within.

I am disappointed that the Budget Committee in shaping the totals it recommends for the second resolution has not seen fit to follow the advice of the Finance Committee with regard to what is likely to be enacted in at least two areas under Finance Committee jurisdiction. I recognize that, in acting on the budget resolution, the Senate is adopting the overall totals in that resolution and not the assumptions which the Senate Budget Committee, in its report, says led it to those totals. That issue has clearly been settled through Senate action on previous budget resolutions. Nevertheless, if the Senate adopts budgetary totals which were arrived at on the basis of unrealistic assumptions, we will have betrayed the true purpose of the congressional budget process.

In the first budget resolution, there was an assumption that significant savings could be achieved in the health care and income maintenance areas under the jurisdiction of the Finance Committee. At the same time, the assumptions underlying the first budget resolution totals also allowed for the enactment of some increased funding for welfare and social services programs. The savings in health and income maintenance could only come through enactment of certain benefit reductions in the social security program and cost controls in the medicare and medicaid programs. The Finance Committee recognized that legislation to reduce benefits and impose fiscal restraints is somewhat harder to achieve than legislation to improve benefits. We indicated our reservations whether we could really anticipate that the House and Senate could complete action in these areas in time to achieve savings in fiscal year 1978. Nevertheless, we were willing to accept those savings as goal for purposes of the first concurrent resolution.

By late July, we had received from the House a bill providing for the added spending in the welfare and social services areas. We had not, however, received legislation providing for the reductions in social security and medicare and medicaid spending envisioned in the first budget resolution. In a letter to the chairman of the Budget Committee, I pointed out that the Finance Committee did not believe it would be advisable to count on legislation being enacted in time to achieve those savings for fiscal year 1978. The Budget Committee reduced the anticipated savings but, according to its report, continues to expect fiscal year 1978 savings totaling some $700 million in these programs.

Mr. MUSKIE. Mr. President, will the Senator yield for just a moment?

Mr. LONG. I yield to the Senator.

Mr. MUSKIE. May I say to the Senator I appreciate the points he is making. I will not have time to reply, but I would like to assure him that I will include in the RECORD a statement undertaking to respond to the points which he appropriately raises. I have given the Senator all my time.

Mr. LONG. I would be happy to extend the time or do whatever the Senator would like to do about the matter.

Mr. MUSKIE. I am being pressed by Senators who are watching the clock, and I would just as soon put it in the RECORD.

Mr. LONG. I thank the Senator.

The Finance Committee certainly intends to continue working toward achieving savings in the programs under its jurisdiction. Realistically, however, the odds are not good for actually enacting legislation to reduce social security, medicare, and medicaid spending by $700 million in the fiscal year beginning less than a month from now. We have not even received legislation dealing with these areas from the House. If we adopt a budget resolution with totals which assume such savings, we may find that we have simply not lived up to the budget process.

The Finance Committee also recommended that the Budget Committee allow room in the second resolution for the enactment of legislation to improve social security financing. Actually, room must be left in the budget resolution for such legislation only because of what amounts to a technicality. Under the budget process we may not reduce revenues below the second resolution floor but nothing prevents our raising more revenues than the resolution provides for. However, because social security taxes are automatically appropriated into the trust funds, an increase in social security taxes—and we would like to increase them to make the program solvent—also raises budget authority. Because there is a very serious need to remedy the financial deficit in the social security system, the Finance Committee recommended that the Budget Committee, in setting its budget authority totals, leave room for up to $3 billion in added social security taxes—which we would like to levy to reduce the overall deficit and to make the social security fund more solvent. This in no way increases the deficit—in fact the deficit would be reduced if social security taxes are raised. However, it would give the Congress the flexibility to deal with this important issue if it is possible to do so.

However, at least technically, this budget resolution would like to deny us the flexibility we need to deal with this important issue. In other words, what the Finance Committee would like to do is to help reduce the deficit that we are facing here, not to increase it.

Since the second concurrent budget resolution is binding only as to its totals and not as to the assumptions the Budget Committee may have made in reaching those totals, a point of order will not lie against Finance Committee legislation providing additional financing. Nevertheless, such legislation will use up budget authority which other committees may be counting on for their programs. Since social security financing legislation is now being actively considered by the Finance Committee and also by the House Ways and Means Committee, it seems only prudent that the second budget resolution's totals allow for the possibility that Congress will in fact enact such legislation. I think most Senators are aware of the fact that the disability insurance fund may not be able to meet its benefit obligations by the end of 1978 unless we act to provide new funding. The retirement benefit fund is also well below acceptable levels and will be unable to meet its obligations within the next few years unless we provide additional funding in that area also. In these circumstances, the Finance Committee felt the budget resolution should allow maximum flexibility for the actions which may have to be taken to increase the funding by providing more taxes to put more revenue into those programs.

I do not intend to offer an amendment to the budget resolution. I do, however, call attention to these areas in which the assumptions which led the Budget Committee to recommend the totals contained in this resolution appear to be unrealistic from the viewpoint of the chairman of the Finance Committee.

I thank the distinguished Senator.

Mr. MUSKIE. I thank my good friend from Louisiana.

May I say that I particularly appreciate the attention he is giving to the budget process. He has learned as much if not more about it than I have. We do not always agree, but I think as time goes on as I watch the perceptiveness with which he digs into these issues we should find it possible to accommodate our views increasingly as we move along. I do not really think we are that far apart. I express my appreciation for his interest.

The chairman of the Finance Committee, Senator LONG, has raised some very important issues with regard to the second budget resolution. I disagree with the Senator, however, when he asserts that the Budget Committee's assumptions for the health and income security functions are unrealistic.

Let us review the changes in the Budget Committee's assumptions with regard to social security and welfare costs between the first budget resolution and the second. The first budget resolution assumed savings in the social security programs of about $0.8 billion. These savings were recommended by President Carter in his 1978 budget. The first budget resolution also assumed increased cash welfare costs of nearly $0.2 billion. This amount would have accommodated the public assistance bill being considered at that time by the House Ways and Means Committee. For social services, the first budget resolution assumed increased costs of $0.3 billion; again, this amount would have accommodated amendments under consideration at that time by the House. Thus, for social security, cash welfare, and social services programs, the first budget resolution assumed net savings of about $0.3 billion.

With the second budget resolution, the Budget Committee assumed increased social services costs of $0.2 billion. This change in assumptions for social services reflected action that had been taken since the first budget resolution by the Senate Finance Committee.

For social security and cash welfare programs, the Budget Committee acknowledged that the net savings of $0.6 billion assumed in the first budget resolution were probably not achievable, due to the fact that it was late in the fiscal year and no legislation had been brought to the floor of either House to achieve such savings as yet. However, the Budget Committee assumed that some net savings could be achieved in these programs in fiscal 1978, and it therefore reduced the expected amount of net savings for these program from $0.6 billion to $0.3 billion.

In reducing its expected net savings for social security and cash welfare programs, the Budget Committee was conforming to the advice given by the chairman of the Finance Committee in his letter dated July 28, 1977. In that letter the chairman said in part:

> The committee will carefully examine the possibility of achieving such savings but, given the legislative situation, it would appear somewhat imprudent to base the second concurrent budget resolution on an assumption that changes of this type can be enacted in time to produce the anticipated savings in fiscal year 1978.

The Budget Committee took this advice to mean that while not all of the savings assumed in the first budget resolution could be achieved in 1978, at least part of them could be.

Thus, the second budget resolution, as reported by the Budget Committee, assumes overall net savings in social security, and welfare, and social services programs of only $0.1 billion, as compared to the savings assumed in the first budget resolution of $0.3 billion. These changes in assumptions are reflected in the following table. I ask unanimous consent that the table appear in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

BUDGET ASSUMPTIONS REGARDING SOCIAL SECURITY AND WELFARE PROGRAMS

First budget resolution for fiscal year 1978	
Social Security:	
President's proposed savings	−777
Cash Welfare:	
House public assistance amendments	+147
Social Services:	
Child care (title XX) + IV–B as an entitlement	+330
Net savings	−330
Second budget resolution for fiscal year 1978	
Social Security and/or Cash Welfare:	
Net savings (unspecified)	−300
Social Services:	
Child care (title XX)	+200
Net savings	−100

Mr. MUSKIE. I think that these figures show that the Budget Committee, rather than being inflexible and blind to the legislative realities, has been quite flexible in adjusting its assumed savings for these programs to these realities. Indeed, that these assumed savings are possible in fiscal 1978 was demonstrated yesterday by the action of the Finance Committee when it adopted amendments to the public assistance bill, H.R. 7200, which would achieve the savings assumed in the second budget resolution. I wish to commend the chairman and the committee for this high degree of fiscal responsibility that it has demonstrated in adopting these proposals.

With regard to the assumed savings in health programs, I again maintain that our committee's assumptions have not been unrealistic. We scaled down the net savings assumed in the first resolution from $0.6 to $0.3 billion. The Human Resources Committee has already reported a measure that could achieve the assumed savings in medicare and medicaid. This measure awaits the Finance Committee's consideration. The Finance Committee held hearings on a related bill last July. Thus, legislation in this area is already well underway, and it is not inconceivable that, with the support of the distinguished chairman of the Finance Committee, this legislation could be enacted in time to achieve all or nearly all of the expected savings. I urge the chairman to give this legislation his full support.

Last, with regard to the allowance in the second budget resolution for social security financing provisions, let me explain the reasons behind the budget committee's recommendation.

First, the Budget Committee considered general fund financing of the social security trust fund deficits to be a dead issue, given the Finance Committee's decision of July 28 that general funds would not be used for this purpose. Rather, the Finance Committee has decided that it will use some form of payroll tax increases to finance the short-range social security deficits. Here again, I submit that the Budget Committee was highly realistic in recognizing that this decision by the Finance Committee effectively killed the President's proposal to use transfers of general funds to shore up the social security system.

The Budget Committee then focused its attention on the issue of payroll tax increases to finance the social security deficits. Let me make sure that the record is clear on one point right now: The Budget Committee is not opposed to taking action now to finance the social security deficits. To the contrary, I believe I can speak for the entire Budget Committee by saying that it wholeheartedly supports such action. However, the Budget Committee does have a responsibility to consider the macroeconomic effects of Federal spending and taxation policies. Almost every economic indicator points to a weak continuing economic recovery in 1978. Our staff economists estimate that the 1978 tax increase recommended by the Finance Committee staff would raise inflation in 1979 by 0.2 to 0.4 percent and would cost the economy 250,000 jobs in 1979. Given the prospect of a weak economic recovery in the months ahead, the Budget Committee feels strongly that we cannot afford such negative consequences of a tax increase in 1978.

Moreover, it is not essential to raise payroll taxes in 1978. According to the 1977 social security trustees' report, by shifting funds among the retirement and disability insurance trust funds, the combined fund reserves will not be depleted until 1982. Of course, the Budget Committee is not recommending delaying action until that year. My only point is that it is not absolutely essential to the social security funds to raise new revenues in that year, particularly in light of the economic considerations to which I have already referred. In addition, I understand that the Finance Committee staff has developed a proposal that will eliminate the entire short- and long-range social security deficits. A deferral of the tax increase from January 1, 1978 to January 1, 1979 would not significantly alter the affect of this plan. In other words, if the Finance Committee staff plan were adjusted so that social security tax increases were initiated in January 1979 rather than in January 1978, the results of the plan would be virtually the same—the elimination of the short- and long-range deficits.

One last point on this issue: The Nation has known since at least 1974 that social security deficits were impending. This is not a new issue. Nonetheless, in

its March 15 report to the Budget Committee, the Finance Committee made no recommendation for social security tax increases in 1978. The financial situation of the social security funds have not changed so drastically in the last 6 months to justify such a sudden shift in policy as the Finance Committee is now recommending. I say to the chairman, then, that if tax increases in January 1978 were not considered to be essential in March of this year, then they should not be considered essential at this time.

In closing, let me say that I do not think that the Budget Committee and the Finance Committee are so very far apart on the issues raised by the chairman of the Finance Committee. With regard to the income security savings assumed in the budget resolution, the Finance Committee has already acted to carry out savings in the amount assumed in this resolution, so that it would appear that this is no longer a point of issue between our committees. With regard to the health cost savings, the Finance Committee has already begun consideration of legislation to achieve these savings, and it does not appear impossible that such legislation could be enacted in time to achieve these savings. And last, with regard to social security financing, the Budget Committee has no objection to any action by the Finance Committee to resolve the social security deficits. To the contrary, the Budget Committee applauds any such actions by the Finance Committee. The only contention between our two committees in this area is that the Budget Committee does not believe that increases in payroll taxes in 1978 are either desirable from the standpoint of macroeconomic policy or necessary in order to resolve the short-range deficits.

Mr. LONG. May I explain to the Senator that part of my complaint is that we would like to help with the very problem we have. The circumstance that I am complaining about here today is that Senators offer amendments to increase the deficit. What we would like to do is to bring forth some legislation to reduce the deficit, and I hope we can have the help of the chairman of the Budget Committee and his committee at some future point to do that.

Mr. BELLMON. Mr. President, the Senator from Louisiana seems concerned primarily about the fact that the budget resolution now before the Senate does not provide room, in the recommended budget authority total, for increased social security taxes to take effect in fiscal year 1978. I think I reflect the views of everyone on the Budget Committee when I assure Senator LONG that the Budget Committee agrees that more revenue must be provided for the social security system. What we disagree with Senator LONG on is the question of timing. The Budget Committee concluded, based on our study of the overall economy, that a social security tax increase in fiscal year 1978 would have adverse economic effects and inhibit the recovery. One of the ideas the Senate Finance Committee is apparently considering is raising $7 billion in social security taxes in 1978 by eliminating the wage-base limit for the employer's share of social security taxes. This would raise unemployment by 0.2 percent and would raise prices by at least 0.3 percent. That is the conclusion of our staff economists drawing on the work done by CBO and other economic analyses.

Moreover, Mr. President, let me point out a couple of facts which Senator LONG knows very well:

First, the social security financing problem does not require added taxes effective in fiscal year 1978. There is sufficient money in the trust funds to continue paying social security benefits in fiscal year 1978. Indeed, by shifting some money into the disability trust fund, Congress can assure that the trust funds will be adequate until at least fiscal year 1982.

Second, there would be no barrier under this resolution to the Senate Finance Committee's reporting a social security tax increase bill with an effective date in fiscal year 1979 or beyond. Indeed, I personally think we should act on such a bill as soon as possible.

I point out that the social security financing problem was well recognized early this year, before we acted on the first budget resolution. Yet, neither did the Carter administration include any social security tax increases in its initial fiscal year 1978 budget, nor the Finance Committee ask the Budget Committee to include room for a tax increase in the first budget resolution. Indeed, the Finance Committee's March 4, 1977, letter to the Budget Committee did not even suggest that a social security tax increase in fiscal year 1978 should be considered. What has changed since March of this year? Certainly, nothing significant has happened to the balances in the social security trust funds. What has changed is that President Carter sent to Congress in May of this year a set of social security financing proposals. This apparently caused the Finance Committee to conclude that it should try to raise social security taxes in fiscal year 1978 after all. On July 28, Senator LONG, as chairman of the Finance Committee, wrote to the Budget Committee and indicated that we should allow in the second budget resolution, for "the possibility of $3 billion of added social security revenues."

Mr. President, Senator LONG and the Finance Committee have not yet made any kind of case for raising social security taxes in fiscal year 1978. Until they do provide reassurances about effects on the economy, I do not believe Senator Long is justified in his criticism of the Budget Committee. Moreover, I assume that Senator LONG would have offered an amendment to this Budget Resolution if he knew what the Senate Finance Committee would eventually conclude relative to the increase of social security taxes in fiscal year 1978.

Mr. MUSKIE. Mr. President, I think that concludes all statements and all amendments.

I yield back the remainder of my time, whatever it is, and I am ready to proceed to a vote.

The PRESIDING OFFICER. The question then is on agreeing to the concurrent resolution, as amended. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN), the Senator from Maine (Mr. HATHAWAY), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Rhode Island (Mr. PELL), the Senator from Illinois (Mr. STEVENSON), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that if present and voting, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Rhode Island (Mr. PELL) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Michigan (Mr. GRIFFIN), the Senator from Oregon (Mr. HATFIELD), the Senator from Indiana (Mr. LUGAR), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), the Senator from Oregon (Mr. PACKWOOD), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) and the Senator from New Mexico (Mr. SCHMITT) would each vote "nay."

The result was announced—yeas 63, nays 21, as follows:

[Rollcall Vote No. 361 Leg.]

YEAS—63

Abourezk	Eagleton	Metzenbaum
Anderson	Eastland	Moynihan
Baker	Ford	Muskie
Bayh	Gravel	Nelson
Bellmon	Hart	Nunn
Bentsen	Haskell	Pearson
Biden	Heinz	Percy
Brooke	Hollings	Randolph
Burdick	Huddleston	Ribicoff
Byrd, Robert C.	Inouye	Riegle
Cannon	Jackson	Roth
Case	Javits	Sarbanes
Chafee	Johnston	Sasser
Chiles	Kennedy	Sparkman
Church	Leahy	Stafford
Clark	Long	Stennis
Cranston	Magnuson	Stevens
Culver	Matsunaga	Stone
Danforth	McIntyre	Weicker
Dole	Melcher	Williams
Domenici	Metcalf	Young

NAYS—21

Allen	Garn	Proxmire
Bartlett	Goldwater	Schweiker
Bumpers	Hansen	Scott
Byrd, Harry F., Jr.	Hatch	Thurmond
	Hayakawa	Tower
Curtis	Helms	Zorinsky
DeConcini	Laxalt	
Durkin	Morgan	

NOT VOTING—16

Glenn	Mathias	Schmitt
Griffin	McClellan	Stevenson
Hatfield	McClure	Talmadge
Hathaway	McGovern	Wallop
Humphrey	Packwood	
Lugar	Pell	

So the concurrent resolution (H. Con. Res. 341), as amended, was agreed to, as follows:

That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1977—

(1) the recommended level of Federal revenues is $394,825,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $775,000,000;

(2) the appropriate level of total new budget authority is $501,400,000,000;

(3) the appropriate level of total budget outlays is $459,900,000,000;

(4) the amount of the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $65,075,000,000; and

(5) the appropriate level of the public debt is $779,275,000,000, and the amount by which the temporary statutory limit on such debt should be accordingly increased is $79,275,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1977, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $116,600,000,000.
(B) Outlays, $110,100,000,000.
(2) International Affairs (150):
(A) New budget authority, $8,300,000,000.
(B) Outlays, $6,600,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $4,900,000,000.
(B) Outlays, $4,700,000,000.
(4) Natural Resources Environment, and Energy (300):
(A) New budget authority, $24,900,000,000.
(B) Outlays, $20,800,000,000.
(5) Agriculture (350):
(A) New budget authority, $2,100,000,000.
(B) Outlays, $6,300,000,000.
(6) Commerce and Transportation (400):
(A) New budget authority, $20,500,000,000.
(B) Outlays, $19,600,000,000.
(7) Community and Regional Development (450):
(A) New budget authority, $8,200,000,000.
(B) Outlays, $10,600,000,000.
(8) Education, Training, Employment, and Social Services (500):
(A) New budget authority, $26,100,000,000.
(B) Outlays, $26,400,000,000.
(9) Health (550):
(A) New budget authority, $47,700,000,000.
(B) Outlays, $44,200,000,000.
(10) Income Security (600):
(A) New budget authority, $178,800,000,000.
(B) Outlays, $146,600,000,000.
(11) Veterans Benefits and Services (700):
(A) New budget authority, $19,900,000,000.
(B) Outlays, $20,200,000,000.
(12) Law Enforcement and Justice (750):
(A) New budget authority, $3,800,000,000.
(B) Outlays, $4,000,000,000.
(13) General Government (800):
(A) New budget authority, $3,800,000,000.
(B) Outlays, $3,800,000,000.
(14) Revenue Sharing and General Purpose Fiscal Assistance (850):
(A) New budget authority, $9,600,000,000.
(B) Outlays, $9,700,000,000.
(15) Interest (900):
(A) New budget authority, $41,700,000,000.
(B) Outlays, $41,700,000,000.
(16) Allowances (920):
(A) New budget authority, $900,000,000.
(B) Outlays, $1,000,000,000.
(17) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$16,400,000,000.
(B) Outlays, —$16,400,000,000.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BELLMON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MUSKIE. Mr. President, I ask unanimous consent that consideration of Senate Concurrent Resolution 43 be indefinitely postponed.

The PRESIDING OFFICER (Mr. BUMPERS). Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I move that the Senate insist on its amendments, and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees.

The motion was agreed to, and the Presiding Officer (Mr. BUMPERS) appointed Mr. MUSKIE, Mr. MAGNUSON, Mr. HOLLINGS, Mr. CRANSTON, Mr. CHILES, Mr. ABOUREZK, Mr. BELLMON, Mr. DOLE, Mr. MCCLURE, and Mr. DOMENICI conferees on the part of the Senate.

Mr. MUSKIE. Mr. President, I would be remiss if, on this 9th day of September 1977, I did not take the occasion of the adoption of the second budget resolution to acknowledge a very special asset of the budget process and the Budget Committee.

One of the happy fallouts of the otherwise unhappy Watergate episode is that it brought to Washington an exceptional young woman who went to work for the minority staff of the Senate Watergate Committee. That committee completed its work just as the Budget Committee began its own.

Three years ago today that young woman, Gail Oliver, became the third employee of the Senate Budget Committee. Now, many budget resolutions and many, many hours of hard work and overtime later, we celebrate her third anniversary with the Budget Committee. Her loyalty and devotion to the committee's work and her unfailing good spirits have been an inspiration and a joy to the whole committee staff, so we thank Gail and commemorate her special anniversary. I do not apologize for taking the time of the Senate for saying so.

Mr. President, I thank the distinguished majority leader for his patience and I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I want again to express my personal appreciation, and on behalf of the Senate I am sure, to the distinguished Senator from Maine (Mr. MUSKIE) and the distinguished Senator from Oklahoma (Mr. BELLMON) for their splendid work, their very skillful management of the second concurrent resolution, and for the overall exemplary job they continue to do in a very difficult assignment.

Mr. MUSKIE. I thank the majority leader and state for the record that without his cooperation and understanding it would not be possible to do it. I am most grateful.

BUDGET WAIVER RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of a measure that has been cleared for unanimous consent. It is on the Unanimous Consent Calendar. I have cleared it with the distinguished minority leader.

Before doing that, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 376, a budget waiver resolution.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 246) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1731.

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 246) was agreed to, as follows:

S. RES. 246

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1731, a bill to extend the special pay provisions for physicians and dentists in the uniformed services and reinstate the special pay provisions for optometrists and veterinarians in the uniformed services.

Such waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

The special pay provisions for physicians and dentists would expire September 30, 1977, under current law.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 1731 as reported by the Committee on Armed Services.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. CRANSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 364 on the Unanimous Consent Calendar.

EXTENSION OF SPECIAL PAY PROVISIONS FOR PHYSICIANS AND DENTISTS IN THE UNIFORMED SERVICES

The Senate proceeded to consider the bill (S. 1731) to amend section 2 of the act of May 6, 1974, to extend the special pay provisions for physicians and dentists in the uniformed services, which had been reported from the Committee on Armed Services with an amendment on page 1, beginning with line 7, insert the following:

SEC. 2. (a) Section 302a of title 37, United States Code, is amended to read as follows:

"§ 302a. Special pay: optometrists

"(a) In addition to any other basic pay, special pay, incentive pay, or allowance to which he is entitled, each of the following officers is entitled to special pay at the rate of $100 a month for each month of active duty beginning on or after October 1, 1977:

"(1) a commissioned officr—

"(A) of the Regular Army, Regular Navy, or Regular Air Force who is designated as an optometry officer, or

"(B) who is an optometry officer of the Regular Corps of the Public Health Services;

"(2) a commissioned officer—

"(A) of a Reserve component of the Army Navy, or Air Force who is designated as an optometry officer; or

"(B) who is an optometry officer of the Reserve Corps of the Public Health Service, who is on active duty as a result of a call or order to active duty for a period of at least one year; and

"(3) a general officer of the Army or the Air Force appointed, from any of the categories named in clause (1) or (2), in the Army, Air Force, or the National Guard, as the case may be.

"(b) The amount set forth in subsection (a) of this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay.

"(c) No special pay may be paid under this section for any month after September 1978.".

SEC. 3. Section 303 of title 37, United States Code, is amended to read as follows:

"§ 303. Special pay: veterinarians

"(a) In addition to any other basic pay, special pay, incentive pay, or allowances to which he is entitled, each of the following officers is entitled to special pay at the rate of $100 a month for each month of active duty beginning on or after October 1, 1977:

"(1) a commissioned officer—

"(A) of the Regular Army who is in the Veterinary Corps,

"(B) of the Regular Air Force who is designated as a veterinary officer, or

"(C) who is a veterinary officer of the Regular Corps of the Public Health Service;

"(2) a commissioned officer—

"(A) of a Reserve component of the Army who is in the Veterinary Corps of the Army,

"(B) of a Reserve component of the Air Force, of the Army or the Air Force without specification of component, or of the National Guard, who is designated as a veterinary officer of the Army or the Air Force, as the case may be, or

"(C) who is a veterinary officer of the Reserve Corps of the Public Health Service,

who is on active duty as a result of a call or order to active duty for a period of at least one year; and

"(3) a general officer of the Army or the Air Force appointed, from any of the categories named in clause (1) or (2) of this subsection, in the Army, the Air Force, or the National Guard, as the case may be.

"(b) The amount set forth in subsection (a) of this section may not be included in computing the amount of an increase in pay authorized in any other provision of this title or in computing retired pay or severance pay.

"(c) No special pay may be paid under this section for any month after September 1978.".

SEC. 4. The amendments made by sections 2 and 3 of this Act become effective on October 1, 1977.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of May 6, 1974, Public Law 93–274, as amended (90 Stat. 926), is amended by striking out "September 30, 1977" and inserting in place thereof "September 30, 1978".

SEC. 2. (a) Section 302a of title 37, United States Code, is amended to read as follows:

"§ 302a. Special pay: optometrists

"(a) In addition to any other basic pay, special pay, incentive pay, or allowances to which he is entitled, each of the following officers is entitled to special pay at the rate of $100 a month for each month of active duty beginning on or after October 1, 1977:

"(1) a commissioned officer—

"(A) of the Regular Army, Regular Navy, or Regular Air Force who is designated as an optometry officer, or

"(B) who is an optometry officer of the Regular Corps of the Public Health Service;

"(2) a commissioned officer—

"(A) of a Reserve component of the Army, Navy, or Air Force who is designated as an optometry officer; or

"(B) who is an optometry officer of the Reserve Corps of the Public Health Service. who is on active duty as a result of a call or order to active duty for a period of at least one year; and

"(3) a general officer of the Army or the Air Force appointed, from any of the categories named in clause (1) or (2), in the Army, Air Force, or the National Guard, as the case may be.

"(b) The amount set forth in subsection (a) of this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay.

"(c) No special pay may be paid under this section for any month after September 1978.".

SEC. 3. Section 303 of title 37, United States Code, is amended to read as follows:

"§ 303. Special pay: veterinarians

"(a) In addition to any other basic pay, special pay, incentive pay, or allowances to which he is entitled, each of the following officers is entitled to special pay at the rate of $100 a month for each month of active duty beginning on or after October 1, 1977:

"(1) a commissioned officer—

"(A) of the Regular Army who is in the Veterinary Corps,

"(B) of the Regular Air Force who is designated as a veterinary officer, or

"(C) who is a veterinary officer of the Regular Corps of the Public Health Service;

"(2) a commissioned officer—

"(A) of a Reserve component of the Army who is in the Veterinary Corps of the Army,

"(B) of a Reserve component of the Air Force, of the Army or the Air Force without specification of component, or of the National Guard, who is designated as a veterinary officer of the Army or the Air Force, as the case may be, or

"(C) who is a veterinary officer of the Reserve Corps of the Public Health Service,

who is on active duty as a result of a call or order to active duty for a period of at least one year; and

"(3) a general officer of the Army or the Air Force appointed, from any of the categories named in clause (1) or (2) of this subsection, in the Army, the Air Force, or the National Guard, as the case may be.

"(b) The amount set forth in subsection (a) of this section may not be included in computing the amount of an increase in pay authorized in any other provision of this title or in computing retired pay or severance pay.

"(c) No special pay may be paid under this section for any month after September 1978.".

SEC. 4. The amendments made by sections 2 and 3 of this Act become effective on October 1, 1977.

Mr. STENNIS. Mr. President, this bill will extend for 1 year, until September 30, 1978, the authority for certain special pays for military physicians and dentists.

The special pays are:

A special pay for physicians and dentists ranging from $100 per month to $350 per month depending on length of service.

A variable incentive pay for physicians below the rank of general or admiral who sign active duty agreements, of up to $13,500 per year.

A continuation pay for physicians of flag rank and dentists who sign active duty agreements, of up to 4 months' basic pay.

The authority for these special pays will expire at the end of this month, unless this bill is approved.

OPTOMETRISTS AND VETERINARIANS

This bill will also reinstate special pay for military optometrists and veterinarians on active duty in the amount of $100 per month. Under current law, optometrists and veterinarians who entered active duty before July 1, 1975, are entitled to this special pay but those who entered active duty after that date are not entitled to the pay. This bill would reinstate these special pays for military optometrists and veterinarians beginning October 1, 1977.

As with the special pay for physicians and dentists, the special pays for optometrists and veterinarians would continue until September 30, 1978.

SHORTAGE OF MILITARY DOCTORS

There is a shortage of over 700 physicians in the military services. The services have not been able to attract sufficient volunteers to meet all of the medical requirements of our military people. Congress has established special pays to provide extra incentives for physicians and dentists in order to recruit adequate numbers of medical personnel. Congress has also established the Uniformed Services University of the Health Sciences and the Armed Forces health professions scholarship program to help meet the need for additional medical personnel.

Without these efforts and without the extension of the special pays in this bill the shortage would be much worse.

There are also shortages in the military services of both optometrists and veterinarians and these shortages are expected to grow. Testimony by the military Surgeons General indicate that the $100 a month special pay could help in recruiting and retention of these officers.

REVIEW OVER THE NEXT YEAR

The extension of these special pays until September 30, 1978, will give the President's Commission on Military Compensation and the Department of Defense and the Congress adequate time to consider and act on a comprehensive compensation and personnel policy toward all military health personnel.

I urge the approval of the bill.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–400), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to extend until September 30, 1978, the current authority to provide certain pay for physicians and dentists in the uniformed services.

COMMITTEE AMENDMENT

The committee approved an amendment to provide special pay of $100 a month for all optometrists and veterinarians on active duty in the uniformed services. Under current law such special pay is provided only for veterinarians and optometrists who were on active duty before July 1, 1975. Under the committee amendment, special pay authority would expire on September 30, 1978.

BACKGROUND

Currently there are four separate special pay provisions for physicians and/or dentists.

Special pay for physicians.—Public Law 93–274 provided that a physician in the uniformed services who has completed less than 2 years of active duty is entitled to $100 a month special pay, and that a physician who has served more than 2 years of active duty is entitled to $350 a month special pay.

Special pay for dentists.—Public Law 93–274 also established that a dentist in the uniformed services is entitled to the following special pay rates: (1) $100 a month if he has not completed 2 years of active duty, (2) $150 a month if he has completed at least 2 years of active duty, (3) $250 a month if he has completed at least 6 years of active duty, and (4) $350 a month if he has completed at least 10 years of active duty.

Continuation pay for physicians.—Public Law 90–207 established special continuation pay for physicians of flag rank, certain physicians undergoing initial residency training, and dentists who extend their service on active duty. The amount paid may not exceed 4 months basic pay for each additional year the physician agrees to serve.

Variable incentive pay for physicians.—Public Law 93–274 established a variable incentive pay for physicians below flag rank (except for those serving an initial active duty obligation of 4 years or less or those serving the first 4 years of an initial active duty obligation of more than 4 years, and except for those undergoing intern or initial residency training) who undertake active duty agreements. This provision authorizes variable payments not to exceed $13,500 per year for each year the physician agrees to serve.

THE PHYSICIAN SHORTAGE

With the expiration of the authority to induct personnel into the Armed Forces in 1973, there arose a critical need to provide extra incentives for physicians and dentists to recruit adequate numbers of medical personnel. In 1972 Congress passed the Uniformed Services Health Professions Revitalization Act, which established the Uniformed Services University of the Health Sciences and the Armed Forces health professions scholarship program. In 1974 Congress established the variable incentive pay program, which provides lump-sum payments to physicians in critical specialties who have already served an initial obligation. Without these efforts, the existing shortage of physicians would be even worse. As it is, in January 1977 there was a shortage of 746 physicians—some 6.4 percent.

A Presidential Commission on Military Compensation has recently been established to review all military compensation programs. It will specifically evaluate the question of compensation policy toward military health personnel and the Department of Defense intends to review all personnel policies for all types of health professionals. Awaiting the results of this review, the committee has renewed the special pay provisions for physicians and dentists for 1 year. The committee expects to receive the recommendations of this review early in 1978. Unnecessary delays on this matter could jeopardize the quality of health care available to the armed services.

OPTOMETRISTS AND VETERINARIANS

Under present law, those optometrists and veterinarians who entered active duty before July 1, 1975 are entitled to special pay in the amount of $100 per month. Optometrists and veterinarians who entered active duty after that date are not entitled to this special pay.

There are currently shortages from the authorized levels reported by the services in both optometry and veterinary officers. Particularly in the Army, these shortages have resulted in some curtailment of veterinary and optometry services. The existing shortages are expected to grow somewhat over the next several years. To the extent that the authorized levels for veterinarians and optometrists accurately reflect the services' needs, curtailment of services may increase. Testimony before the committee by the Surgeons General of the military departments indicated that the $100 a month special pay could help in recruiting and retention of veterinarians and optometrists.

The committee amendment would reinstate these special pay provisions for 1 year. As with the special pays for physicians and dentists, special pay for all veterinarians and optometrists would continue until September 30, 1978. This extension will give the President's Commission on Military Compensation, the Department of Defense review, and the Congress adequate time to consider and act on a comprehensive program for health professionals' compensation.

The committee amendment would become effective October 1, 1977. The Committee does not intend that the reinstatement of these special pays be made retroactive for service prior to October 1, 1977.

PURPOSE OF THE LEGISLATION

The purpose of the proposed legislation is to help insure a level of military health professional staffing in an all-volunteer environment that will enable the military medical departments to continue to provide adequate health services for our Armed Forces.

Public Law 93–274 modified the special pay structure for physicians and dentists in the uniformed services. That act created a new type of special pay for physicians called variable incentive pay and amended three other types of special pay for physicians and dentists. The affected provisions are as follows:

1. Special pay: physicians (37 U.S.C. 302).
2. Special pay: dentists (37 U.S.C. 302b).
3. Special pay: continuation pay for physicians and dentists who extend their service on active duty (37 U.S.C. 311).
4. Special pay: medical officers who execute active duty agreements (37 U.S.C. 313, the new type of special pay).

Sections 302 and 302b provide a special pay for physicians and dentists in graduated amounts ranging from $100 to $350 per month depending on length of service. Section 311 provides a special continuation pay for physicians of flag rank, certain physicians undergoing initial residency training, and dentists who extend their service on active duty. The amount paid may not exceed 4 months basic pay for each additional year of agreed service. Section 313 provides a variable incentive pay for physicians below flag rank (with certain stated exceptions) who execute active duty agreements. This provision authorizes variable payments not to exceed $13,500 per year for each year of agreed service.

Section 2 of Public Law 93–274 provided that the authority for the variable incentive pay (section 313) would expire on June 30, 1976, and that the authority for the other special pays would expire on June 30, 1977, unless otherwise extended by Congress. The Fiscal Year Adjustment Act (Public Law 94–273) extended these authorities from June 30 to September 30 of the appropriate year to accord with the change in the Government's fiscal year. Subsequently, the authority for variable incentive pay was extended for 1 year to September 30, 1977. Thus, authority for all four of these pays will expire on September 30, 1977.

Historically, the two health professions covered by this legislation have been among the most difficult groups to attract and retain on active duty. As documented in our 1976 report to the Armed Services Committee on variable incentive pay for medical officers, the provisions of Public Law 93–274 significantly increased retention and recruitment of physicians. Even with this pay and under quite optimistic assumptions, however, the Department of Defense expects to remain 2 to 7 percent below authorized medical personnel end strength during the remainder of the 1970's. Medical strength was 6.3 percent below authorized strength as of September 30, 1976. If the pay provisions covered by Public Law 93–274 are not extended, these shortfalls would increase substantially.

The expectations for dental officers are more encouraging; however, without the special pays authorized for dentists, dental recruiting and retention might fall.

The Department of Defense recommends extension of these special pays for health professionals. This extension will ameliorate the significant problems in meeting physician goals which would otherwise obtain, and will give the Department of Defense time to complete a review of the personnel policies used to maintain a given health force. The optimum health force study will estimate, for different force sizes, the least-cost mix of personnel policies which still meet necessary constraints on quality, productivity, experience, and career progression. Upon completion of this review, the Department of Defense will determine whether additional legislation with respect to these two professions is necessary.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill extending the special pay provisions for physicians and dentists in the uniformed services and reinstating the special pay provisions for optometrists and veterinarians in the uniformed services.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CRANSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished majority whip.

VETERANS HEALTH CARE AMENDMENTS ACT OF 1977

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of a measure on the Unanimous Consent Calendar, which has been cleared, H.R. 5027.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 5027) to amend title 38 of the United States Code to clarify the requirement that medical services be provided by the Veterans' Administration in certain cases.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Veterans' Affairs with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Veterans Health Care Amendments Act of 1977".

TITLE I—CONTRACT CARE AMENDMENTS

SEC. 101. Section 601(4) of title 38, United States Code, is amended by—

(1) inserting before the semicolon at the end of subclause (ii) of clause (C) a comma and "or of a veteran described in section 612(g) of this title if the Administrator has determined, based on an examination by a physician employed by the Veterans' Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement), that the medical condition of such veteran precludes appropriate treatment in facilities described in clauses (A) and (B) of this paragraph";

(2) striking out "or" after the semicolon at the end of subclause (iv) of clause (C) and striking out subclause (v) of such clause and inserting in lieu thereof the following new subclauses: "(v) hospital care, and medical services which will obviate the need for hospital admission, for veterans in a State not contiguous to the forty-eight contiguous States, except that the annually determined hospital patient load and incidence of the provision of medical services to veterans hospitalized or treated at Veterans' Administration expense in Government and private facilities in each such noncontiguous State (except in Puerto Rico) shall be consistent with the patient load or incidence of the provision of medical services for veterans hospitalized or treated by the Veterans' Administration within the forty-eight contiguous States; but authority under this subclause (v) shall expire on December 31, 1978; or (vi) diagnostic services necessary for determination of eligibility for, or of the appropriate course of treatment in connection with, the provision of medical services at independent Veterans' Administration outpatient clinics to obviate the need for hospital admission."; and

(3) inserting immediately below clause (C) the following new sentence: "In the case of any veteran for whom the Administrator contracts to provide treatment in a private facility pursuant to the provisions of this paragraph, the Administrator shall periodically review the necessity for continuing such contractual arrangement pursuant to such provisions.".

SEC. 102. (a) Notwithstanding any provision of title 38, United States Code, or of any other provision of law, the Administrator of Veterans' Affairs, upon the recommendation of the Chief Medical Director of the Veterans' Administration, shall continue, for a period ending twelve months after the date of enactment of this Act, to contract for the provision of such hospital care and medical services as were authorized (including by virtue of the enactment of this Act) to be provided to a veteran (as defined in section 101(2) of such title 38) at any time during the period beginning on the day before the effective date of this Act and ending on May 15, 1977, and shall continue to contract for the provision of such contract services as long as the Chief Medical Director finds, in each individual case, that a longer continuous period is required to complete the course of treatment for a particular disability, that such continued treatment by contract is more medically desirable than the provision of such treatment in facilities described in clauses (A) and (B) of section 601(4) of such title 38, and that such contract services are not otherwise authorized by such title.

(b) In carrying out the provisions of subsection (a) of this section, the Administrator shall insure that (1) each veteran for whom contract services are continued under subsection (a) of this section is individually informed of such veteran's rights to care under this section and title 38, United States Code; (2) prior to any discontinuation of contract services, such veteran is individually counseled (or advised when it is not possible to arrange for a personal contact) about the circumstances under which such services may be authorized under such title; and (3) to the maximum extent practicable, a determination of eligibility for the provision of contract services under the criteria set forth in subsection (a) of this section and in such title 38 is made and communicated to such veteran in writing not later than nine months after the date of enactment of this Act.

(c) Not later than April 1, 1978, and annually thereafter, the Chief Medical Director of the Veterans' Administration shall submit to the appropriate committees of the Congress, through the Administrator of Veterans' Affairs, full reports on the implementation of the provisions of this title, and such report should include a breakdown of the numbers of veterans provided treatment under the amendments made by this title and under this section and of the numbers of veterans provided contract treatment (and the average cost and duration thereof) in each State (as defined in section 101(20) of title 38, United States Code) in the categories described in the following provisions: sections 610(a), 612(a), 612(f)(1)(A), 612(f)(1)(B), 612(f)(2), and 612(g), and each subclause of section 601(4)(C) of title 38, United States Code.

SEC. 103. The amendments made by and the provisions of this title shall be effective retroactive to October 21, 1976.

TITLE II—PHYSICIAN AND DENTIST SPECIAL-PAY AND OTHER PAY AMENDMENTS

SEC. 201. (a) Section 6(a)(2) of the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975 (Public Law 94-123; 89 Stat. 669), as amended by section 112(a) of the Veterans Omnibus Health Care Act of 1976 (Public Law 94-581; 90 Stat. 2852), is amended by striking out "September 30, 1977" and inserting in lieu thereof "September 30, 1978".

(b) Section 4118 of title 38, United States Code, is amended by—

(1) striking out in subsection (a)(1) "he" and inserting in lieu thereof "the Administrator", and striking out "of," after "duration" and inserting in lieu thereof a comma and "of";

(2) striking out in subsection (a)(3) "pursuant to" and inserting in lieu thereof "in accordance with" and inserting at the end thereof the following new sentence: "Not later than one year after making any such recruitment and retention determination and each year thereafter, the Chief Medical Director shall make a redetermination in accordance with such regulations; and, in the event any such determination was made more than one year prior to the date of enactment of this sentence, the Chief Medical Director shall make such redetermination not later than ninety days after the date of enactment of this sentence.";

(3) striking out "and" at the end of subsection (b)(2), striking out the period at the end of subsection (b)(3) and inserting in lieu thereof a semicolon and "and", and inserting a new clause (4) as follows:

"(4) notwithstanding any other provision of this section, up to the maximum amount of such special pay to a physician who is employed full time as a hospital Chief of Staff and who is prohibited by applicable regulations from receiving (directly or indirectly) remuneration from an affiliated institution (as defined in section 4108(b) of this title).";

(4) striking out "The" in subsection (d)(1) and inserting in lieu thereof "Except as provided in subsection (g) of this section, the";

(5)(A) striking out "Any" in paragraphs (1) and (2)(A) of subsection (e) and inserting in lieu thereof "Except as provided in subsection (g) of this section, any", and inserting at the end of subsection (e)(1) the following new sentence: "Upon completion by the physician or dentist of the number of years of service specified in an agreement under this section, subsequent agreements by such physician or dentist may be entered into for additional years of service, not to exceed four additional years, specified in any such agreement."; and

(B) striking out in paragraph (2)(A) of subsection (e) "the Chief Medical Director, pursuant to the regulations prescribed under this section, determines" and inserting in lieu thereof "the Chief Medical Director determines, in accordance with regulations prescribed under subsection (a) of this section,"; and

(6) inserting at the end of such section a new subsection as follows:

"(g)(1) The Chief Medical Director may, in accordance with regulations prescribed under subsection (a) of this section, determine categories of positions of persons paid under this section in the Department of Medicine and Surgery as to which there are sufficient problems of recruitment and retention of full-time employees to warrant excepting from the reduction required by subsection (d)(1) of this section employes in such categories. Any employee in any such category shall, upon the execution on or after October 1, 1977, and for the duration, of a written agreement to complete a period of four additional years of full-time service in the Department, be excepted from such reduction.

"(2) Any physician or dentist who is employed in a category of positions determined by the Chief Medical Director to warrant an exception under paragraph (1) of this subsection and who has not completed the years of service specified in an agreement entered into under this section prior to the time such determination is made, shall be entitled, upon completion of at least one year of service in the Department of Medicine and Surgery pursuant to such agreement, to enter into a new such agreement (notwithstanding the second sentence of subsection (e)(1) of this section) for a period of four years of full-time service in the Department, under which agreement the reduction required by subsection (d)(1) of this section shall not be made.

"(3) Any agreement under this subsection shall provide that the physician or dentist, in the event that such physician or dentist voluntarily, or because of misconduct, fails to complete the four years of service pursuant to such agreement, shall be required to refund the total amount received under this subsection, unless the Chief Medical Director determines, in accordance with such regulations, that such failure is necessitated by circumstances beyond the control of the physician or dentist.".

(c) Prior to the execution after October 1, 1977, of any written agreement entered into by a physician or dentist under section 4118 of title 38, United States Code, as amended by this Act, (1) the Chief Medical Director of the Veterans' Administration shall reevaluate, in view of the executive level pay raise, pursuant to section 225 of the Federal Salary Act of 1967, effective February 27, 1977, with respect to the Veterans' Administration, the need for special pay agreements, as authorized in such section 4118, in order to recruit and retain highly qualified physicians or dentists in each category of position in the Department of Medicine and Surgery, and report to Congress not later than October 1, 1977, on the results of such reevaluation with respect to each such category; and (2) notwithstanding such section 4118, the Administrator of Veterans' Affairs, upon the recommendation of the Chief Medical Director and based upon such reevaluations, may promulgate a rule reducing the amount of primary special pay for any such category to the extent the Administrator finds such primary special pay is not necessary to recruit and retain highly qualified physicians or dentists in such category. The promulga-

tion of any rule under clause (2) of this subsection shall be subject to the provisions set forth in subsections (b), (c), (d), and (e) of

(d)(1) Not later than one hundred and eighty days after the date of enactment of section 553 of title 5, United States Code. this Act, the Administrator of Veterans' Affairs, upon the recommendation of the Chief Medical Director of the Veterans' Administration, shall establish and implement procedures (including special language training and testing programs) to insure that all physicians, dentists, nurses, and other health care personnel employed by the Veterans' Administration in any direct patient care capacity in the Department of Medicine and Surgery achieve, not later than one year after initiating such employment or after the date on which such procedures are established, whichever is later, such basic proficiency in spoken and written English as will produce effective communication with patients and other health care personnel.

(2) Where a Veterans' Administration facility serves a substantial number of veterans with limited English-speaking ability, the Administrator of Veterans' Affairs, upon the recommendation of the Chief Medical Director of the Veterans' Administration, shall establish and implement procedures to insure the identification of sufficient numbers of individuals on such facility's staff who are fluent in both the language most appropriate to such veterans and in English and whose responsibilities shall include providing guidance to such veterans and to appropriate Veterans' Administration staff members with respect to cultural sensitivities and bridging linguistic and cultural differences.

(3) Not later than ninety days after the date of enactment of this Act, the Administrator of Veterans' Affairs shall report to the House and Senate Committees on Veterans' Affairs the steps taken and plans formulated to comply with paragraphs (1) and (2) of this subsection.

SEC. 202. (a)(1) The salary schedule under the heading "SECTION 4103 SCHEDULE" in section 4107 of title 38, United States Code, is amended by striking out "$36,338 minimum to $46,026 maximum" after "Director of Podiatric Service" and inserting in lieu thereof "$39,629 minimum to $50,197 maximum.".

(2) The salary schedule under the heading "CLINICAL PODIATRIST AND OPTOMETRIST SCHEDULE" in section 4107 of title 38, United States Code, is amended to read as follows:

"Chief grade, $33,789 minimum to $43,923 maximum.

"Senior grade, $28,725 minimum to $37,347 maximum.

"Intermediate grade, $24,308 minimum to $31,598 maximum.

"Full grade, $20,442 minimum to $26,571 maximum.

"Associate grade, $17,056 minimum to $22,177 maximum.".

(3) The amendments made by paragraphs (1) and (2) of this subsection shall be effective retroactive to October 21, 1976. Notwithstanding any other provision of law, the Administrator shall establish retroactively intermediate pay rates between the minimum and maximum pay ranges prescribed in the salary schedule under the heading "SECTION 4103 SCHEDULE" for the Director of Podiatric Service and in the "CLINICAL PODIATRIST AND OPTOMETRIST SCHEDULE" in section 4107 of title 38, United States Code, and shall apply retroactively such pay rates as appropriate to each podiatrist or optometrist to be paid thereunder.

(b)(1) Notwithstanding any other provision of law, (A) no podiatrist or optometrist shall be converted from employment under part III of title 5, United States Code, to full-time employment under paragraph (1) of section 4104, or temporary full-time employment or part-time employment under paragraph (1)(A) of section 4114(a), of title 38, United States Code, until the day after the rates of statutory pay systems are next adjusted by the President under section 5305 of title 5, United States Code, or November 1, 1977, whichever is earlier, but any such conversion thereafter shall be effective retroactive to October 21, 1976, or the most recent date of appointment in the Department of Medicine and Surgery of the Veterans' Administration of the employee concerned under such part III, whichever is later, and (B) effective on the date on which such pay systems are so adjusted, the amounts listed in the salary schedule under the heading "CLINICAL PODIATRIST AND OPTOMETRIST SCHEDULE" in paragraph (1) of section 4107(b) of title 38, United States Code, shall be increased by the same percentage of such adjustment as is so made in the salary schedule under the heading "PHYSICIAN AND DENTIST SCHEDULE" in such paragraph.

(2) The provisions of paragraph (1)(A) of this subsection shall be effective on the day before any conversion described in such paragraph and made prior to the date of enactment of this Act is made.

TITLE III—HEALTH CARE PROGRAM AND ELIGIBILITY AMENDMENTS

SEC. 301. (a) Subchapter II of chapter 17 of title 38, United States Code is, is amended by inserting after section 612 the following new section:

"§ 612A. Eligibility for readjustment professional counseling

"(a) The Administrator shall furnish initial readjustment professional counseling (including a general mental and psychological assessment in connection therewith) for any veteran who served on active duty after August 4, 1964, or prior thereto in the Indochina conflict, who has readjustment problems, and who, within a period of four years after the date of such veteran's discharge or release from service or two years after the date of enactment of this section, whichever is later, requests such assistance.

"(b) If, on the basis of initial counseling furnished under subsection (a) of this section, it is determined by a physician employed by the Veterans' Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement) that the provision of mental health services is necessary to facilitate the successful readjustment of the veteran, such veteran shall be furnished such services (including such consultation, counseling, training, services, and expenses as are described in section 601(6)(B) of this title for such veteran's family or household members or legal guardian where essential to the effective treatment and rehabilitation of the veteran) on an outpatient basis as a part of medical services provided under the conditions specified in clause (1)(B) of section 612(f) of this title. For the purposes of furnishing such services, the counseling furnished under subsection (a) of this section shall be deemed to have been furnished as a part of hospital care. Any hospital care and other medical services deemed necessary as a result of such initial counseling shall be furnished only in accordance with the eligibility criteria otherwise set forth in this chapter (including section 611(b) thereof), and, with respect to a particular veterans who is not eligible for such necessary care or services, the Administrator shall provide referral services to assure, to the maximum extent practicable, that such care or services are provided from sources outside the Veterans' Administration.

"(c) The Chief Medical Director shall provide for such training of professional, paraprofessional, and lay personnel as is necessary to carry out this section effectively, and shall utilize, to the maximum extent possible, the services of paraprofessionals, voluntary (without compensation) workers, and veteran-students (under section 1685 of this title) in initial intake and screening activities.

"(d) The Administrator, in cooperation with the Secretary of Defense, shall take appropriate action, as provided in section 241 of this title, to insure that, to the maximum extent practicable, all veterans who may be eligible for assistance under this section are advised of such potential eligibility.".

(b) The table of sections at the beginning of chapter 17 is amended by inserting

"612A. Eligibility for readjustment professional counseling."

below

"612. Eligibility for medical treatment.".

SEC. 402. (a) Chapter 17 of title 38, United States Code, is amended by inserting at the end thereof the following new subchapter:

"SUBCHAPTER VII—PREVENTIVE HEALTH CARE SERVICES

"§ 661. Purpose

"The purpose of this subchapter is to provide for a preventive health care program under which the Administrator shall (1) attempt to insure the best possible health care for veterans with service-connected disabilities by furnishing them feasible and appropriate preventive health care services, and (2) carry out a pilot program (including research) on a geographical or other basis to determine the cost-effectiveness and medical advantages of furnishing preventive health care services to veterans with service-connected disabilities.

"§ 662. Definition

"For the purposes of this subchapter, the term 'preventive health care services' may include, but is not limited to, any or all of the following services: Periodic medical and dental examinations; patient health education (including nutrition education); maintenance of drug use profiles, patient drug monitoring, and drug utilization education; mental health preventive services (including family counseling); substance (including tobacco) abuse prevention measures; immunizations against infectious disease; prevention of musculoskeletal deformity or other gradually developing disabilities of a metabolic or degenerative nature; genetic counseling concerning inheritance of genetically determined diseases; routine vision testing and eye care services; periodic reexamination of likely target populations (high-risk groups) for selected diseases and for functional decline of sensory organs, together with attendant appropriate remedial intervention; and such other medical services as may be necessary for providing effective and economical preventive health care.

"§ 663. Preventive health care services; pilot program

"(a)(1) The Administrator, in accordance with regulations which the Administrator shall prescribe, may furnish, on an inpatient, outpatient, or ambulatory basis, nationally or geographically, such preventive health care services as the Administrator determines are feasible and appropriate to any veteran in connection with the treatment of a service-connected disability under this chapter and to any veteran described in section 612(f)(2) of this title.

"(2) In connection with preventive health care services furnished under paragraph (1) of this subsection, the Administrator, in accordance with regulations which the Administrator shall prescribe, may institute appropriate controls and carry out followup studies (including research) to demonstrate the medical advantages and cost-effectiveness of furnishing such preventive health care services.

"(b)(1) The Administrator shall provide for the planning, design, and conduct of a health maintenance pilot program to demonstrate the medical advantages and cost-effectiveness of furnishing comprehensive preventive health care services to veterans with

varied types and degrees of service-connected disability. Such pilot program shall be undertaken as a controlled scientifically valid study (including a control group) involving the provision of comprehensive preventive health care services to not to exceed 10,000 veterans, and shall be initiated on October 1, 1978.

"(2) The Administrator may not furnish comprehensive preventive health care services under paragraph (1) of this subsection after the last day of the tenth fiscal year following the fiscal year in which the pilot program is initiated.

"(c) In carrying out the preventive health care program provided for in this subchapter, the Administrator shall emphasize the utilization of interdisciplinary health care teams composed, to the maximum extent feasible, of various professional and paraprofessional personnel, such as nurses, pharmacists, psychologists, podiatrists, optometrists, technicians, physician assistants, and expanded-function dental auxiliaries.

"(d) The Administrator shall, not later than ninety days after the date of the enactment of this section, advise each veteran eligible for care under subsection (a) of this section of the nature and likely extent of such veteran's eligibility for such care.

"§ 664. Reports

"The Administrator shall include in the annual report to the Congress required by section 214 of this title a comprehensive report on the administration of this subchapter, including such recommendations for additional legislation as the Administrator deems necessary.".

(b) The table of sections at the beginning of such chapter is amended by inserting at the end thereof the following:

"SUBCHAPTER VII—PREVENTIVE HEALTH CARE SERVICES

"661. Purpose.
"662. Definition.
"663. Preventive health care services; pilot program.
"664. Reports.".

(c) Except with respect to the pilot program provided for in subsection (b) of section 663 (as added by subsection (a) of this section) of title 38, United States Code, the amendments made by subsection (a) of this section shall be effective with respect to health care services furnished on and after April 1, 1978.

SEC. 303. (a) Subchapter II of chapter 17 of title 38, United States Code, is amended by inserting at the end thereof the following new section:

"§ 620A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities

"(a)(1) The Administrator, in carrying out the responsibilities to furnish hospital nursing home, and domiciliary care and medical and rehabilitative services under this chapter, shall carry out specialized medical programs providing such inpatient and outpatient treatment (including treatment of the symptoms of detoxification, individual counseling and referral services, and crisis intervention) and rehabilitative services on a nationwide basis to eligible veterans suffering from alcohol or drug dependence or abuse disabilities as the Administrator determines to be reasonably necessary to bring about the veterans recovery and rehabilitation from such a disability. In carrying out such specialized medical programs, the Administrator (A) shall utilize the most efficacious available treatment and rehabilitation modalities (stressing, to the maximum extent practicable, in such programs the utilization of satellite facilities, halfway houses, encounter-style therapeutic communities, and counselors who have recovered from such disabilities) extending beyond the detoxification period and designed to bring about, to the maximum extent possible, the recovery of the patient and, to the maximum extent practicable, the restoration of such patient to society as a productive, self-sufficient citizen, and (B) may utilize private halfway house facilities for which the Administrator contracts in accordance with regulations which the Administrator shall prescribe.

"(2) Notwithstanding any other provision of this title, the Administrator may, in the Administrator's discretion pursuant to such regulations as the Administrator shall prescribe, provide treatment and services under this section to any person, other than a person barred from receiving benefits by section 3103 of this title, who abused drugs or alcohol during a period of active military, naval, or air service other than a period of such service from which such person was discharged by reason of a bad conduct discharge.

"(b) If the Administrator determines that it is essential to the successful treatment and rehabilitation of a veteran receiving initial evaluation or treatment under this section that treatment (including the furnishing of any medication and rehabilitative services be furnished in the same program to a member of the veteran's immediate family who is suffering from an alcohol or drug dependence or abuse disability, then the Administrator shall provide the veteran with like treatment and services, if requested, at Veterans' Administration expense (up to an amount deemed reasonable by the Administrator), in a community facility, approved by the Administrator, for which the Administrator contracts and at which such family member has been accepted for treatment (not at Veterans' Administration expense) with the veteran.

"(c) In providing for treatment and rehabilitative services under this section to any veteran, the Administrator shall offer each veteran a drug-free treatment modality unless medically contraindicated.

"(d) The Administrator shall utilize all available resources of the Veterans' Administration, including the use of peer-group veterans, in seeking out and counseling toward treatment and rehabilitation, veterans eligible for treatment and rehabilitative services under this section.

"(e) The Administrator shall take all appropriate steps in consultation with the Secretary of Labor and the Chairman of the Civil Service Commissions to (1) urge all Federal agencies and appropriate private and public firms, organizations, agencies, and persons to provide appropriate employment and training opportunities for veterans provided treatment and rehabilitative services under this section who have been determined by competent medical authority to be sufficiently rehabilitated to be employable, and (2) provide all possible assistance to the Secretary of Labor in placing such veterans in such opportunities.

"(f) Upon receipt of an application for treatment and rehabilitative services under this section by any individual who has been discharged or released from a period of active military, naval, or air service under conditions other than honorable, the Administrator shall—

"(1) advise such individual of his or her rights to apply to the appropriate military, naval, or air service for review of such discharge or release pursuant to sections 1552 and 1553 of title 10;

"(2) advise such individual of the policy of such service with respect to such reviews of any discharge received in connection with drug use or possession; and

"(3) advise such individual of all program benefits under this title and any other law to which such individual is entitled and would be entitled with a discharge or release from such period of service under honorable conditions.

"(g)(1) The Administrator shall also provide for treatment and rehabilitative services in the case of any veteran eligible therefor under this section who has been charged with, or convicted of, a criminal offense by any court of competent jurisdiction in the United States, who is not confined and who is not required to participate in the treatment and rehabilitation program by any such court.

"(2) The Administrator may also provide for treatment and rehabilitative services to any veteran eligible therefor under this section who is under the jurisdiction of a court of competent jurisdiction as the result of having been charged with, or having been convicted of, a criminal offense and who is required to participate in a treatment and rehabilitation program by such court, but such services may be provided only under such conditions as the Administrator determines will insure that the participation of such veteran in the program in question will not impair the voluntary nature of the treatment and rehabilitative services being provided to other patients in such program.

"(h)(1) Any member of the active military, naval, or air service who is determined by the Secretary of the military department concerned to have an alcohol or drug dependence or abuse disability, may, pursuant to such terms as may be agreed upon by the Secretary concerned and the Administrator, and subject to the provisions of the Act of March 4, 1915, as amended (31 U.S.C. 686), be transferred to any Veterans' Administration facility within the last thirty days of such member's tour of duty and be provided treatment and rehabilitative services under this section as if such member were a veteran.

"(2) No member of the active military, naval, or air service shall be transferred to any Veterans' Administration facility pursuant to paragraph (1) of this subsection unless such member requests such transfer in writing for a specific period of time within such member's tour of duty. No such member thereafter transferred shall be retained for treatment by the Administrator beyond such specified period of time within such member's tour of duty unless the member requests in writing treatment for a further specified period of time and such request is approved by the Secretary concerned and the Administrator.

"(i) The Administrator shall submit annually (as a part of the annual report submitted pursuant to section 214 of this title) a full report on the programs carried out under this section.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"620A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities."

below

"620. Transfers for nursing home care.".

SEC. 304. (a) Paragraph (18) of section 101 of title 38, United States Code, is amended to read as follows:

"(18) The term 'discharge or release' includes (A) retirement from the active military, naval, or air service, and (B) the satisfactory completion of the period of active military, naval, or air service for which a person was obligated at the time of entry into such service in the case of a person who, due to enlistment or reenlistment, was not awarded a discharge or release from such period of service at the time of such completion thereof and who, at such time, would otherwise have been eligible for the award of a discharge or release under conditions other than dishonorable.".

(b) Clause (2) of section 612(b) of title 38, United States Code, is amended by inserting after "that" in subclause (B) "(1) in the case of a person who reenters active service in either the military, naval, or air service within one year after the date of such person's prior discharge or release from such service, the one-year limitation shall be

measured from the date of such person's subsequent discharge or release, and (ii)".

Mr. CRANSTON. Mr. President, I ask unanimous consent that Jon Steinberg, Ed Scott, Gary Crawford, and Garner Shriver, of the Veterans' Affairs Committee staff, be granted the privileges of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, H.R. 5027 as reported, the Veterans' Health Care Amendments Act of 1977, will provide for important new medical programs and improved health care for America's sick and disabled veterans. The new programs include, first, a program of preventive health care services for eligible veterans with service-connected disabilities and a health maintenance pilot program for 10,000 veterans with service-connected disabilities to demonstrate the medical and cost advantages of comprehensive preventive health care; second, a program of professional outpatient readjustment counseling for veterans and their families to help them with problems the veteran may face after discharge from the armed forces; and third, a comprehensive program of treatment and rehabilitation for veterans addicted to or abusing alcohol or drugs.

Mr. President, these new programs are of vital importance to helping solve some of the most serious problems facing our Nation's veterans and to making new advances in what is one of the most promising new concepts in medicine today—preventive health care.

NEED TO COORDINATE EFFORTS TO RESOLVE VETERANS' PROBLEMS

I want to emphasize at this time the fact that many of the problems addressed by this legislation are interrelated and may also be aggravated by or contribute to further problems with which we must deal. Many of our Nation's veterans, particularly younger, disabled and minority veterans from the Vietnam era, are plagued with health and readjustment problems which are all too often compounded by employment difficulties. Unemployment among Vietnam-era veterans continues at a discouragingly high rate.

Mr. President, I believe that we need to continue to focus our energies on resolving the health, readjustment, and employment problems of those who served our Nation during a time of armed conflict. I am confident that this legislation can provide some of the critical, now missing tools necessary to provide the coordinated services needed to restore disabled and unemployed veterans to health and to constructive, contributing roles in our society. Thus, I strongly urge that the VA and other concerned agencies mount coordinated efforts to assist veterans with the interrelated difficulties of coping with adjustment to civilian life, drug and alcohol abuse and dependence disabilities, and employment problems. I cannot emphasize too strongly how important it frequently is for job training and placement efforts to be combined with health care and rehabilitation efforts in order for lasting benefit to be obtained from our attempts to be of assistance. For example, in the case of a veteran with an alcohol problem, treatment aimed at that disability alone may be fruitless if the veteran also has readjustment problems that are not being dealt with; and efforts to help with both the alcohol and readjustment aspects of the veterans' difficulties may be of little or no value if the veteran is unable to obtain permanent—or even transitional—employment.

Mr. President, recently there have been several promising developments, resulting from action by the Congress and the executive branch aimed at helping veterans, particularly minority and disabled veterans, with their employment difficulties. For example, earlier today, I attended the swearing in of Roland Mora as the first Deputy Assistant Secretary of Labor for Veteran's Employment, a key position created by section 601 of Public Law 94-502.

In addition, Mr. President, the Department of Labor has announced that it will be implementing for fiscal year 1978, the specific performance standards required by section 401 of Public Law 93-508. These standards—although coming almost 3 years after enactment of that legislation—will be used by the Secretary to determine whether and to what extent State public employment service agencies are complying with the veterans job counseling, training, and placement service provisions of chapter 41 of title 38, United States Code.

On the first of this month, as a result of cooperative efforts between the Veterans' Administration and the Department of Labor, all disabled veterans in receipt of compensation received a notice with that monthly check informing them of the chapter 42, title 38, United States Code, affirmative action program. This program, requiring certain Federal contractors to hire and advance in employment certain qualified Vietnam-era and disabled veterans, has not had the planned effect because—in large part—of the failure of past administrations to implement the program with vigor.

Also, I am receiving praise from the field concerning the efforts of disabled veteran outreach program workers—the DVOP program announced by the President shortly after his inauguration. The HIRE program—a second major component of the President's program to assist unemployed disabled and Vietnam-era veterans appears to have exceeded its job pledge goals already—although I caution that pledges are not jobs, and I urge the Department of Labor to follow up to see that these pledges are redeemed in viable, decent jobs.

Further, Congress in this session enacted as part of the Youth Employment Project and Demonstration Act—Public Law 95-93—a provision designed to spur the participation in Comprehensive Employment and Training Act programs of Vietnam-era and disabled veterans, and to require in the local Public Works and Capital Development and Investment Act Amendments—Public Law 95-28—in certain instances, special consideration in hiring for certain Vietnam-era and disabled veterans.

Moreover, Mr. President, the efforts of of the current administration in implementing with vigor other veterans' benefit and services is encouraging.

In light of these extensive ongoing efforts to help veterans, Mr. President, I believe that VA health care programs, including the expanded drug and alcohol and readjustment programs authorized by this bill, should be prepared to coordinate their efforts in appropriate cases with these and other veterans' employment activities in order to provide the veteran with the full range of services needed to restore him or her to a healthy, productive life in society.

VA FEE CARE IN PUERTO RICO

Mr. President, I also wish to note, in connection with the provisions of this bill dealing with the furnishing of contract health care services for the treatment of non-service-connected disabilities in Puerto Rico, that I am asking the General Accounting Office to investigate and report on this matter. The report from the GAO should help to assure that the committee and the Congress will have sufficient information to determine, during the next session, whether and under what, if any, conditions or limitations, the VA's authority to furnish such care should be extended beyond the current expiration date of December 31, 1978.

BACKGROUND OF LEGISLATION

Mr. President, with regard to the development of this legislation, the House passed H.R. 5027 on April 4, 1977, and the measure was referred to the Committee on Veterans' Affairs. On April 27, 1977, the Subcommittee on Health and Readjustment, which I chair, conducted a hearing on H.R. 5027 as passed by the House. The subcommittee received testimony in person or by submission on this and other measures from Deputy Administrator of Veterans' Affairs Rufus M. Wilson, Chief Medical Director John D. Chase, other representatives of the Veterans' Administration, and representatives of the American Legion, Disabled American Veterans, Paralyzed Veterans of America, and other concerned parties.

On June 14, 1977, on behalf of myself, the Vice Chairman of the Subcommittee on Health and Readjustment, Senator JOHN A. DURKIN, and Senator JENNINGS RANDOLPH introduced S. 1693. The Subcommittee conducted a hearing on S. 1693 on June 22, 1977. Testimony was submitted in person or in writing by Administrator of Veterans' Affairs Max Cleland, Chief Medical Director John D. Chase, other representatives of the Veterans' Administration, and representatives of the American Legion, Veterans of Foreign Wars, Paralyzed Veterans of America, National Association of VA Physicians, and other concerned parties.

On June 28, 1977, at the request of the Administration, I introduced S. 1775. The Subcommittee conducted a hearing on S. 1775 on July 1, 1977. Submitting testimony to the Subcommittee at that time were Chief Medical Director John D. Chase, other representatives of the Vet-

erans' Administration, the Veterans of Foreign Wars, the National Association of VA Physicians, and the National Association of VA Dentists.

Mr. President, by agreement of the Subcommittee on Health and Readjustment, H.R. 5027 was sent to the full committee for consideration. In a July 15, 1977, meeting, the full Committee on Veterans' Affairs voted to report favorably H.R. 5027, with an amendment in the nature of a substitute and a title amendment. H.R. 5027 as reported consists of three titles—title I having the same scope as H.R. 5027 as passed by the House, and titles II and III deriving, with various amendments, from S. 1775 and S. 1693, respectively.

SUMMARY OF H.R. 5027 AS REPORTED—BASIC PURPOSE

Mr. President, the basic purpose of H.R. 5027 as reported, which I shall hereafter refer to as "the committee bill" is to improve, in two fundamental ways, the quality and efficiency of health care provided to sick or disabled veterans in the Veterans' Administration's health care system.

First, the committee bill is designed to establish important new medical programs primarily for the treatment of veterans with serious service-connected or service-related disabilities. These include (1) a program of readjustment professional counseling to assist recently discharged veterans suffering from problems in readjusting to civilian life; (2) a pioneering, cost-effective program in preventive health care for veterans with service-connected disabilities; and (3) a comprehensive treatment and rehabilitation program for veterans suffering from alcohol or drug dependence or abuse disabilities.

Second, the committee bill would make various changes in current law to (1) extend and improve the VA's statutory authority to enter into special-pay agreements with physicians and dentists in the Department of Medicine and Surgery (2) clarify the circumstances under which hospital and medical services may be furnished under contract to the VA, and (3) eliminate minor inequities in the law regarding the entitlement of certain veterans to dental care and the definition of "discharge and release" for purposes of eligibility for veterans' benefits generally.

SUMMARY OF PROVISIONS

Mr. President, the Committee bill has three titles: Contract care amendments; physician and dentist special-pay and other pay amendments; and general health care program and eligibility amendments.

Title I: Contract Care Amendments.—This title clarifies the circumstances under which the VA may furnish contract hospital care and medical services in certain cases. Included in title I of the Committee bill are provisions that would:

First, specify that eligible veterans who are in need of regular aid and attendance or are permanently housebound may, when it is found medically necessary to the provision of appropriate treatment, be furnished contract outpatient treatment for non-service-connected disabilities under the same circumstances as such treatment may be provided for service-connected disabilities.

Second, provide for the continuation, for 1 year from the date of enactment or such longer period as is necessary, of contract hospital care and outpatient treatment services to veterans who were provided such care and treatment during the period October 20, 1976, the day preceding the date of enactment of Public Law 94–581, the Veterans Omnibus Health Care Act of 1976, through May 15, 1977.

Third, authorize the provision of contract hospital care, and outpatient treatment of non-service-connected conditions which will obviate hospital admissions, in Alaska, Hawaii, the Commonwealth of Puerto Rico, and territories and possessions of the United States, so long as with respect to each (except in the case of Puerto Rico) the annually determined hospital patient load and incidence of the provision of medical services at VA expense is consistent with such levels of hospital care and medical services, respectively, furnished by the VA in the 48 contiguous States.

Fourth, authorize the furnishing of contract diagnostic services where necessary for the VA to determine a veteran's eligibility for, or the appropriate course of treatment in connection with, treatment of a non-service-connected disability at an independent VA outpatient clinic on the grounds that the treatment would obviate the need for hospital admission.

Title II: *Physician and Dentist Special Pay and other Pay Amendments.*—This title extends and makes modifications in the Veterans' Administration special-pay program to create greater incentives for physicians and dentists in certain scarce categories to agree to full-time service in the Department of Medicine and Surgery. Included in title II of the Committee bill are provisions that would:

First, extend for 1 year, through fiscal year 1978, the VA's authority to enter into special-pay agreements with physicians and dentists under section 4118 of title 38.

Second, require the Chief Medical Director to review annually his determinations, if any, to exclude from the special pay program any categories of physicians and dentists as to which there are no significant recruitment and retention problems.

Third, authorize the VA to enter into a new special-pay agreement for up to the full amount of special pay ($13,500) with a hospital Chief of Staff who is a full-time employee if the VA, by regulation, prohibits such an employee from receiving any additional remuneration from an affiliated medical school.

Fourth, authorize the VA to enter into a new special-pay agreement with any physician or dentist, for not to exceed 4 years, upon completion of the number of years of service specified in his or her prior agreement.

Fifth, authorize the Chief Medical Director, in order to help overcome problems in the recruitment and retention of full-time physicians and dentists, to make exceptions for certain categories of positions from the mandatory special-pay reduction in current law (equivalent to the cost-of-living increase made in October 1975) in the cases of employees in such categories who enter into agreements on or after October 1, 1977, to serve full time for a period of 4 years; provide that any physician or dentist currently serving under a special-pay agreement, who is in a category so excepted by the Chief Medical Director, may, after completion of 1 year of service under a current agreement, enter into a new 4-year agreement to serve full time under which the reduction shall not be made; and, if the employee fails, voluntarily or because of misconduct, to serve on a full-time basis the full 4-year period specified in an agreement, require the employee to refund the additional amount received by virtue of an exception from the reduction, unless such failure is due to circumstances beyond the employee's control.

Sixth, require the Chief Medical Director, prior to the execution of any special-pay agreements after October 1, 1977, to reevaluate the need for such agreements in light of the February 1977 executive level pay raise, and to report the results of that reevaluation to the Congress before October 1, 1977; and also authorize the Administrator, based on such reevaluations and in accordance with the Administrative Procedure Act (5 U.S.C. § 553(b)–(e)), to promulgate rules reducing the primary special pay in those categories for which the Administrator determines that such pay is not necessary to recruit and retain physicians or dentists.

Seventh, require the Administrator, upon the recommendation of the Chief Medical Director, (a) to establish and implement procedures to ensure that all health care personnel having direct patient-care responsibilities achieve competence in English sufficient for effective communication with patients and other staff members; and (b) where a VA facility serves a substantial number of veterans with limited English-speaking ability, to establish procedures to identify sufficient staff who are proficient in the appropriate language and in English and whose responsibilities shall include providing guidance to staff and patients in bridging linguistic and cultural differences.

Eighth, amend the Clinical Podiatrist and Optometrist Schedule in section 4107 of title 38 to reflect the increase in statutory rates of pay made by Executive Order 11941, effective October 1, 1976, and to provide that such rates will be increased by the same percentage as the Physician and Dentist Schedule when statutory pay systems are next adjusted under section 5305 of title 5, United States Code; and postpone conversion of podiatrists and optometrists from the title 5 general schedule to the title 38 Clinical Podiatrist and Optometrist Schedule until after such adjustments are made to the statutory pay systems, or November 1, 1977, whichever is earlier.

Title III: Health Care Program and Eligibility Amendments.—This title pro-

vides for the establishment of a new program of readjustment professional counseling, a new program in preventive health care for veterans for service-connected disabilities, and expanded treatment and rehabilitation programs for veterans suffering from alcohol or drug dependence or abuse disabilities. Included in title III of the Committee bill are provisions that would:

First, establish a new program to provide outpatient readjustment professional counseling for veterans and, where indicated, followup mental health services for veterans (including family-member counseling where necessary) to assist with readjustment problems arising within 4 years of discharge or 2 years after enactment, whichever is later.

Second, establish a new program in preventive health care in connection with the treatment of veterans for service-connected disabilities and for any veteran with a service-connected disability rated at 50 percent or more; and require the establishment of a health maintenance pilot program for veterans with varied types and degrees of service-connected disability to demonstrate the medical advantages and cost-effectiveness of furnishing comprehensive preventive health care services to veterans with service-connected disabilities.

Third, require the VA to provide a broader range of treatment modalities to veterans addicted to or abusing either alcohol or drugs, stressing the use in treatment programs of counselors who have recovered from such disabilities, authorizing the utilization of private halfway-house facilities on a contract basis; provide the VA with discretionary authority to furnish alcohol and drug treatment services to former service personnel with administrative discharges under other than honorable conditions who abused alcohol or drugs during active service; authorize the treatment, at VA expense, of a veteran who suffers from, and has a close family member who suffers from, an alcohol or drug dependence or abuse disability, in a community facility where the veteran and (not a VA expense) the family member can receive treatment together; direct the VA to carry out a program with other Federal agencies to promote the Federal employment of recovered drug addicts—as well as alcoholics—and to cooperate with and assist the Secretary of Labor in placing these veterans with private employers; and provide procedures for the treatment of active-duty service personnel suffering from alcohol and drug dependence or abuse disabilities in VA health care facilities during the last 30 days of service if they voluntarily, in writing, request such treatment.

Fourth, expand the definition of the term "discharge or release" in order to assure eligibility for veterans' benefits to one who has satisfactorily completed a period of service when he or she has not received a discharge or release at the completion of that period because of having agreed to extended active-duty service—an identical provision was by the Senate yesterday as section 4 of S. 1307 as amended by our committtee floor amendment.

Fifth, correct a minor, but clear, inequity in the statutory provision governing eligibility for the treatment of service-connected dental conditions and disabilities which are not compensable in degree by reinstating, after subsequent active service in the cases of persons with less than a 1-year break in service, the 1-year post-service period within which application must generally be made to the VA for such dental treatment.

Mr. President, in order that all Senators and the public may have a full understanding of the various provisions of this measure, I ask that there be printed in the RECORD at this point pertinent excerpts from the Committee Report No. 95–390 accompanying this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISCUSSION

TITLE I: CONTRACT CARE AMENDMENTS

Title I of the Committee bill would provide certain necessary clarifications of the circumstances under which the VA may furnish hospital care and medical services through private facilities under contractual arrangements. While addressing the same basic problems as the House-passed version of H.R. 5027, the Committee bill would make much more limited changes in current law in order to preserve the fundamental principles regarding the establishment of priorities within the VA health-care system by Public Law 94–581, the Veterans Omnibus Health Care Act of 1976.

H.R. 5027 as passed by the House would expand the circumstances under which veterans would be eligible for contract outpatient treatment (often referred to as "fee-basis care"), essentially by repealing certain amendments to chapter 17 of title 38 made by Public Law 94–581.

Background

Checks on the Growth in Outpatient "Fee-Basis" Care

Congress' interest in the fee-basis program was initially sparked by recent, extraordinary growth in expenditures for outpatient fee-basis care. As noted by the Committee in Senate Report No. 94–1206 accompanying S. 2908, the legislation later enacted as the Omnibus Act, total expenditures for outpatient fee-basis care had risen from $27.9 million in 1970 to $70.8 million in 1975. These expenditures were expected to increase to $90 million in 1976 and to $129.3 million in 1977—a 5-fold increase in just 7 years. (The actual total for fiscal year 1976 was $87 million.) Some of the growth was attributable to a sharp increase in expenditures for non-service-connected fee-basis care, from 1.6 percent of total fee-basis expenditures in fiscal year 1970, or $458,000, to 26 percent in fiscal year 1976, or $23.5 million.

The following table provides an updating—for fiscal years 1976 through 1978—of the table on outpatient visits and costs for fiscal years 1970 through 1977, which appeared at pages 63–70 of Senate Report No. 94–1206.

TABLE 1.—OUTPATIENT MEDICAL PROGRAMS, VISITS AND COSTS[1] FISCAL YEARS 1976–78

Purpose of visit	Visits to VA staff and on a fee for service			Visits to VA staff			Visits on a fee for service basis		
	Total	SC[2]	NSC[2]	Total	SC[2]	NSC[2]	Total	SC[2]	NSC
FISCAL YEAR 1976									
All purposes:									
Visits	15,691,230	5,913,030	9,778,200	13,504,184	4,337,329	9,166,855	2,187,046	1,575,701	611,345
Costs (in thousands)	$634,090	$239,306	$394,784	$546,884	$175,618	$371,266	$87,206	$63,688	$23,518
Cost per visit	$40.41			$40.50			$39.87		
Compensation and pension:									
Visits	388,674	124,360	264,314	345,152	112,174	232,978	43,522	12,186	31,336
Costs (in thousands)	$31,210	$10,039	$21,171	[3] $28,882	$9,387	$19,495	$2,328	$652	$1,676
Cost per visit	$80.30			$83.68			$53.49		
Outpatient treatment—SC:									
Visits	5,284,220		5,284,220	3,722,074	3,722,074		1,562,146	1,562,146	
Costs (in thousands)	$247,361		$247,361	[3] $184,406	$184,406		$62,955	$62,955	
Cost per visit	$46.81			$49.54			$40.30		
10–10, applications for care:									
Visits	2,126,614	437,844	1,688,770	2,124,362	437,619	1,686,743	2,252	225	2,027
Costs (in thousands)	$53,477	$11,007	$42,470	[3] $53,376	$10,997	$42,379	$101	$10	$91
Cost per visit	$25.15			$25.13			$44.85		
Prebed care:[4]									
Visits									
Costs (in thousands)									
Cost per visit									
Ambulatory care:[4]									
Visits									
Costs (in thousands)									
Cost per visit									
Outpatient treatment—NSC:									
Visits	7,234,247		7,234,247	7,141,678		7,141,678	92,569		92,569
Costs (in thousands)	$274,513		$274,513	[3] $271,163		$271,163	$3,350		$3,350
Cost per visit	$37.95			$37.97			$36.19		
Aid and attendance, and housebound:									
Visits	475,121		475,121	(5)			475,121		475,121
Costs (in thousands)	$17,995		$17,995				$17,995		$17,995
Cost per visit	$37.87						$37.87		

Footnotes at end of table.

TABLE 1.—OUTPATIENT MEDICAL PROGRAMS, VISITS AND COSTS [1] FISCAL YEARS 1976–78—Continued

Purpose of visit	Visits to VA staff and on a fee for service			Visits to VA staff			Visits on a fee for service basis		
	Total	SC [2]	NSC [2]	Total	SC [2]	NSC [2]	Total	SC [2]	NSC
FISCAL YEAR 1976—Continued									
All other:									
Visits	182,354	66,606	115,748	170,918	65,462	105,456	11,436	1,144	10,292
Costs (in thousands)	$9,531	$3,540	$5,991	[3] $9,058	$3,469	$5,589	$473	$71	$402
Cost per visit	$52.27			$53.00			$41.36		
FISCAL YEAR 1977 [5]									
All purposes:									
Visits	16,079,000	6,112,250	9,966,750	13,700,000	4,399,000	9,301,000	2,379,000	1,713,250	665,740
Costs (in thousands)	$746,399	$322,333	$42,066	$637,262	$242,669	$394,593	$109,137	$79,664	$29,473
Cost per visit	$46.42			$46.51			$45.88		
Compensation and pension:									
Visits	396,000	126,000	270,000	349,000	113,000	236,000	47,000	13,000	34,000
Costs (in thousands)	$36,568	$11,754	$24,814	[3] $33,654	$10,938	$22,716	$2,914	$816	$2,098
Cost per visit	$92.34			$96.43			$62.00		
Outpatient treatment—SC:									
Visits	5,475,000	5,475,000		3,776,000	3,776,000		1,699,000	1,699,000	
Costs (in thousands)	$293,664	$293,664		[3] $214,878	$214,878		$78,786	$78,786	
Cost per visit	$53.64			$56.91			$46.38		
10–10, applications for care:									
Visits	2,157,500	444,250	1,713,250	2,155,000	444,000	1,711,000	2,500	250	2,250
Costs (in thousands)	$62,323	$12,824	$49,499	[3] 62,197	$12,813	$49,384	$126	$11	$115
Cost per visit	$28.89			$28.86			$50.40		
Prebed care: [4]									
Visits									
Costs (in thousands)									
Cost per visit									
Ambulatory care: [4]									
Visits									
Costs (in thousands)									
Cost per visit									
Outpatient treatment—NSC:									
Visits	7,348,000		7,348,000	7,247,000		7,247,000	101,000		101,000
Costs (in thousands)	$320,171		$320,171	[3] $315,980		$315,980	$4,191		$4,191
Cost per visit	$43.57			$43.60			$41.50		
Aid and attendance, and housebound:									
Visits	518,000		518,000	(*)			518,000		518,000
Costs (in thousands)	$22,530		$22,530				$22,530		$22,530
Cost per visit	$43.49						$43.49		
All other:									
Visits	184,500	67,000	117,500	173,000	66,000	107,000	11,500	1,000	10,500
Costs (in thousands)	$11,143	$4,091	$7,052	[3] $10,553	$4,040	$6,513	$590	$51	$539
Cost per visit	$60.40			$61.00			$51.30		
FISCAL YEAR 1978 [5]									
All purposes:									
Visits	17,193,000	6,613,400	10,579,600	14,448,000	4,637,000	9,911,000	2,745,000	1,976,400	768,600
Costs (in thousands)	$870,924	$337,478	$493,446	$739,429	$281,506	$457,923	$131,495	$95,972	$35,523
Cost per visit	$50.66			$51.18			$47.90		
Compensation and pension:									
Visits	422,000	134,000	288,000	368,000	119,000	249,000	54,000	15,000	39,000
Costs in thousands	$42,559	$13,673	$28,886	$39,049	$12,690	$26,359	$3,510	—$983	$2,527
Cost per visit	$100.85			$106.11			$65.00		
Outpatient treatment—SC:									
Visits	5,941,000	5,941,000		3,981,000	3,981,000		1,960,000	1,960,000	
Costs (in thousands)	$344,175	$344,175		[3] $249,262	$249,262		$94,913	$94,913	
Cost per visit	$57.93			$62.61			$48.43		
10–10, applications for care:									
Visits	2,273,900	468,300	1,805,600	2,271,000	468,000	1,803,000	2,900	300	2,600
Costs (in thousands)	$72,320	$14,882	$57,438	[3] $72,168	$14,867	$57,301	$152	$15	$137
Cost per visit	$31.80			$31.78			$52.41		
Prebed care: [4]									
Visits									
Costs (in thousands)									
Cost per vist									
Ambulatory care: [4]									
Visits									
Costs (in thousands)									
Cost per visit									
Outpatient treatment—NSC:									
Visits	7,763,000		7,763,000	7,646,000		7,646,000	117,000		117,000
Costs (in thousands)	$371,754		$371,754	[3] $366,705		$366,705	$5,049		$5,049
Cost per visit	$47.89			$47.96			$43.15		
Aid and attendance and housebound:									
Visits	597,800		597,800				597,800		597,800
Costs (in thousands)	$27,160		$27,160	(*)			$27,160		$27,160
Cost per visit	$45.43						$45.43		
All other:									
Visits	195,300	70,000	125,200	182,000	69,000	113,000	13,300	1,100	12,200
Costs (in thousands)	$12,956	$4,748	$8,208	[3] $12,245	$4,687	$7,558	$711	$61	$650
Cost per visit	$66.34			$67.28			$53.46		

[1] Excludes visits and costs for employee health care; excludes cost of beneficiary travel.
[2] Workload division between service connected and nonservice connected are estimated.
[3] Cost data no longer collected by category of visit. Costs estimated.
[4] Data no longer collected.
[5] Revised estimate.

Source: Figures supplied by the Department of Medicine and Surgery.

In short, Congress in 1976 was concerned over two aspects of the fee-basis program: The extremely rapid growth in total expenditures for outpatient fee-basis care, and the growing proportion of fee-basis funds going for the treatment of non-service-connected disabilities.

In introducing S. 2908, Senator Cranston explained the bill's general purpose in this regard as follows:

I believe that the time has come to take a searching look at the present priorities within this enormous health care system, and to establish new priorities for the allocation of the VA's very large and very diverse health care capacity so as to redirect care and expenditures to the system's primary beneficiaries—veterans with service-connected disabilities. We have not been sufficiently sensitive to the needs of the service-connected veteran. The liberalization of eligibility requirements and the expanded capacity of the VA health care system in the past 7 years has primarily benefited veterans with nonservice-connected disabilities.

. . . I think that, after almost a decade of experience with such expanded eligibility, we must be very sure that service-connected veterans are receiving priority for their health care needs in the VA health care system.

As introduced and as enacted on October 21, 1976, the Omnibus Act was desgned, in

part, to achieve two goals: First, to consolidate the tremendous growth in the size and diversity of health care programs during the Vietnam era by increasing the efficiency of existing programs; and second, to provide first priority in health-care expenditures to veterans with service-connected disabilities.

It did so in two ways: First, by providing a standard for the payment by the VA for *any* fee-basis care—that is, where VA facilities cannot themselves furnish economical care because of geographical inaccessibility or because they cannot furnish the type of care required; and, second, by also limiting the provision of fee-basis care for non-service-connected treatment to only two circumstances—either for the non-service-connected condition of a veteran with a 50 percent or more rated service-connected disability, or of a veteran who after a period of hospitalization requires post-hospital followup care on an outpatient basis.

Outpatient "Fee-Basis" Care Under Section 612(g)

In fiscal year 1976, the last year for which actual figures are available, there were 601,053 fee-basis visits for the treatment of non-service-connected disabilities. Of that total 475,121 visits, or 79 percent, were by so-called "section 612(g) veterans"—veterans eligible, under section 612(g) of title 38, for outpatient care because they were in receipt of increased pension or additional compensation because they were in need of regular aid and attendance or were permanently housbound.[1]

By way of background, the Committee noted that in 1971 the number of section 612 (g) outpatient visits—staff and fee-basis—was only 26,111, one-third-of-one percent of the 7.7 million outpatient visits logged that year by the VA. But Public Law 91–500, which took effect in fiscal year 1972, broadened considerably the eligibility standards for outpatient care under section 612(g), so that all veterans in the above-mentioned "aid-and-attendance" and "housebound" categories qualified. The result was that in fiscal year 1972 the number of section 612(g) outpatient visits at VA-operated facilities soared to 219,871, eight-and-a-half times the number for the previous year. The number of visits paid for on a fee basis increased even more sharply—from 4,882 in fiscal year 1971 to 159,488 one year later—a more than 30-fold increase. Since then, the number of visits under section 612(g) has continued to grow rapidly. In fiscal year 1970, the total cost of outpatient care provided under section 612(g)—both at VA-operated facilities and on a fee basis—amounted to less than a quarter of a million dollars; for fiscal year 1976, the cost of fee-basis care alone under section 612(g) was $18 million.

Section 202(f)(3) of the Omnibus Act was designed to bring under control this enormous growth rate in expenditures for section 612(g) outpatient care. The Act added to section 612(g) the same limiting language—"within the limits of Veterans' Administration facilities"—that appeared in subsection (a) of section 612, the authority for the outpatient treatment of service-connected disabilities. The effect of this change was to revoke the fee-basis care eligibility of those eligible solely by virtue of section 612(g), namely those veterans being treated for other than a service-connected disability, who do not have a service-connected disability rated at 50 percent or more, and who are not in a post-hospital care status, but who are eligible for aid and attendance or household benefits.

Similarly, section 202(f)(2) of the Omnibus Act added the same language to section 612(f), and thus revoked fee-basis care eligibility for those who were eligible to receive fee-basis care solely on the grounds that outpatient care for them would obviate the need for their hospitalization.

Those provisions were fully explained on pages 75–76 of Senate Report No. 94–1206 accompanying S. 2908 as follows:

REFOCUSING FEE-BASIS OUTPATIENT CARE

Just as significant as the rapid growth in outpatient staff visits during the past decade is the exceptional growth and size of the fee-basis program. Neither the statute nor VA regulations distinguish very carefully between fee-basis outpatient care eligibility for service-connected and for non-service-connected veterans. As competition continues to increase for relatively limited resources in the VA system, it is imperative that such distinctions be drawn. The Committee bill provides a first step in that direction.

Under current law, section 601(4) of title 38 defines the term "Veterans' Administration facilities". Section 302(b)(2) and (3) of the Committee bill amends clause (4) to make clear that the VA may contract for fee-basis service only when VA or other Federal hospitals or clinics "are not capable of furnishing economical care because of geographical inaccessibility or of furnishing the particular type of care or services required". The effect of this new language is to limit the authorization of fee-basis service—for service-connected or non-service-connected disabilities—to those situations when regular VA hospitals and clinics (or other Federal facilities) are genuinely unable to provide the needed services themselves.

In addition to this general limitation on fee-basis service, the Committee bill, by section 104(a)(4), applies to the provision of fee-basis services to veterans for the treatment of non-service-connected disabilities a specific limitation—"within the limits of Veterans' Administration facilities". This phrase as to fee care for service-connected disabilities now appears in section 612(a). The addition of this phrase to 612(f) overrides a strained VA interpretation as to its present authority to authorize fee care for non-service-connected disabilities. (The term "Veterans' Administration facility" is specifically defined in present section 601(4) to include fee care only for service-connected disabilities. Since this term (which provides an authorization as well as a limitation) does not presently appear in section 612(f), which provides for outpatient treatment for veterans with non-service-connected disabilities, the VA has, in anomalous fashion, interpreted this absence to mean that fee-basis treatment is authorized under all circumstances for non-service-connected disabilities.) Apparently recognizing the extent to which this statutory construction, although perhaps literally correct, strains commonsense and could not have been intended by Congress, the VA has not broadly utilized such interpretation to provide contract care to non-service-connected veterans.

Thus, section 302(b)(2) of the Committee bill amends the definition of "Veterans' Administration facility" so as to limit fee-basis or contract care to seven specific categories of veterans, as follows:

1. Veterans requiring inpatient or outpatient treatment for a service-connected disability;

2. Those requiring inpatient or outpatient treatment for a disability which led to discharge from the Armed Forces;

3. Those requiring outpatient care who have service-connected disabilities rated at 50 percent or more, under section 612(f)(2) (as amended by section 104(a)(7) of the Committee bill);

4. Those requiring post-hospital outpatient care for disabilities—whether or not service-connected—under section 612(f)(1)(B) (for up to 12 months after hospitalization, except that such 12-month period may be extended to the extent necessary to treat the particular condition being treated and if other Federal reimbursement is not reasonably available to defray substantially the cost of such services);

5. Those requiring hospitalization for treatment of a disability for which the VA is not capable of caring within the resources available in its own health care facilities;

6. Women, veterans; and

7. Veterans residing in Alaska, Hawaii, or an American territory or possession.

In no circumstances, other than these seven specific ones, would fee-basis outpatient or hospital care generally be authorized A patient seeking outpatient care for a non-service connected disability, for example, would not be eligible for care on a fee-basis if care were needed solely to obviate the need for hospital admission, or to prepare the veteran for hospitalization.

At page 159 of the same Report, it was stated:

Subsection (b) of section 302 [of S. 2908, which became subsection (b) of section 202 of Public Law 94–581] amends section 601(4) (defining the term "Veterans' Administration facilities") of title 38 to (1) strike out the reference to the Administrator's "exclusive" jurisdiction over VA facilities in clause (A) of paragraph (4), a reference made obsolete by the addition of section 5007 to title 38 by Public Law 93–82; much Veterans' Administration property is now within the concurrent jurisdiction of local authorities; (2) make a conforming change in clause (C) of paragraph (4) to make it clear that the Administrator may contract with private facilities only when VA or other Government facilities are not capable of furnishing economical care because of geographical inaccessibility or of furnishing the care or services required; (3) authorize the provision of contract medical services to veterans suffering from non-service-connected disabilities, but only under two circumstances—(a) where such care is provided as part of post-hospital care under section 612(f)(1)(B), or (b) where the veteran has a service-connected disability rated at 50 percent or more and qualifies for medical services in a VA facility under section 612(f)(2) — —; and (4) make conforming and organizational changes in clause (C)(i) of paragraph (4).

The concepts underlying the Omnibus Health Care Act of 1976—that health care expenditures should be redirected in order to provide priority treatment to veterans with service-connected disabilities and that the full capacity of the VA's own facilities should be utilized—are essential to the future development of the VA health care system. Thus, the Committee did not agree to H.R. 5027 as passed by the House which would constitute a clear and unjustified retreat from those goals. As passed by the House, H.R. 5027 would simply repeal all the provisions in the Omnibus Act limiting outpatient fee-basis care, and return the law to its pre-1976 state. The sluice gate would again be opened for a virtually uncontrolled flow of fee-basis expenditures; and other medical programs might suffer with the resultant diversion of larger and larger sums to the fee-basis program, including particu-

[1] More precisely, section 612(g) authorizes outpatient care for veterans who are "in receipt of increased pension or additional compensation or allowance based on the need of regular aid and attendance or by reason of being permanently housebound, or who, but for the receipt of retired pay, would be in receipt of such pension, compensation, or allowance." In the interests of brevity, however, veterans thus eligible for outpatient care are refererd to as those who are in need of (or eligible for) regular aid and attendance or are permanently housebound (or eligible for housebound benefits).

larly fee-basis care for non-service-connected disabilities.

Problems in Implementation of Public Law 94–581 Provisions

The Committee, however, is not unmindful of some serious practical problems that have arisen in implementing the new provisions of the omnibus Act, particularly as they affect the approximately 90,000 veterans, who at the time of enactment of Public Law 94–581, were receiving outpatient care on a fee basis under section 612(g).

These problems are of two general types: The first type of problem pertains to the cases of individuals who, because of eligibility for regular aid and attendance and housebound benefits, were eligible for outpatient fee-basis care under section 612(g) prior to the enactment of Public Law 94–581, which revoked their eligibility and, as to whom no other statutory ground for such care may be available. The second type of problem relates to whether, in light of the extreme severity of their disabilities, it is both prudent and humane, to foreclose totally and absolutely their eligibility for outpatient fee-basis care under section 612(g).

With regard to the first problem—that of implementing Public Law 94–581 with regard to those whose eligibility for outpatient fee basis care was based on section 612(g)—the Veterans' Administration encountered substantial problems in applying the withdrawal of authorization on a prompt, orderly, and humane basis. Its difficulties were summarized in an April 8, 1977, memorandum from the General Counsel to the Chief Medical Director. In that memorandum, the General Counsel stated:

What is not so clear, however, is the manner in which the required determinations [of eligibility or ineligibility for outpatient fee basis care] should be made with respect to the veterans now in the system who were receiving care on a contract basis at the time of the law's enactment, or who have been furnished authorization for such care since that time because of a misunderstanding as to the effect of the new restrictive language....

...[T]here are a number of veterans receiving private contract care for their service-connected conditions, where the determinations (required in the statute) that VA-operated facilities are not able to furnish economical care, or are not capable of furnishing the necessary care, have not been made. Likewise, we also presume that there are a number of veterans eligible for medical care under 38 U.S.C. 612(f) who are continuing to receive care on a fee-basis even though the required determination has not been made. The same would hold true, we presume, with respect to the approximately 90,000 veterans presently in receipt of fee-basis cards on the basis of section 612(g) eligibility.

10. The 612(g) category especially concerns us because of the fact that many of those veterans who were given a fee-basis card because of the receipt of aid and attendance or housebound benefits are also eligible for the medical care they need under other provisions of law. For example, some may be eligible because the medical care they are receiving is for a service-connected condition, and thus would be authorized under section 612(a), assuming the required determination with respect to the inaccessibility or unavailability of the VA to furnish the necessary care could be made. Others in this section 612(g) category are in a post-hospital care status and thus may be authorized care under section 612(f), on a fee-basis, assuming the required determination concerning the availability of VA-operated facilities could be made....

In other words, it may be totally impossible to determine that veterans now receiving care on a fee-basis are not eligible for that care until each individual case is looked at, and a determination made that the particular veteran is not eligible under some other authority, or that VA-operated facilities are not available to him or are not economical. On the other hand, if we continue to provide care until we have looked at each case, we may ultimately find that some veterans do not meet the necessary eligibility criteria for fee-basis care, and, therefore, have been provided unauthorized care.

11. If, in enacting Public Law 94–581, the Congress would have provided either a specific savings clause applicable to those already in receipt of the then-authorized care, or an effective date for the new limitations far enough in the future to allow the case-by-case determination of eligibility which apparently is required, our task would have been easier, both from the practical, as well as the legal viewpoint. Unfortunately, neither of these two alternatives took place. On the other hand, there is certainly nothing to indicate any demand by the Congress that we cut off care to all veterans presently in receipt of such care on a contract basis until the necessary case-by-case determination could be made, especially where they may be authorized to receive care under some other authority. In this connection, it is now rather apparent that the major thrust of the Congress was directed to the prospective application of the new restrictions and little consideration was given, either by the Congress, or in the agency report, to the affect or impact on those veterans already receiving care on a fee-basis. We must assume, therefore, that Congress intended this agency to proceed to comply with the law in an orderly, reasonable, and humane manner.

12. . . . [W]e believe you would be within the broad perimeters of your legal authority if you were to immediately initiate determination that is required of each veteran presently in receipt of fee-basis care, whether he be eligible for care for his service-connected condition under section 610 or section 612(a), for post-hospital care under section 612(f), or for care under section 612(g). . . .

We believe you would be authorized to continue fee-basis care to any of these individuals until you have adjudicated their individual care to determine that they are, in fact, not eligible for the care they are in receipt of. For example, in the case of a veteran receiving care for a service-connected condition, before you terminate his fee-basis care, you would have to determine that such care could be provided within VA-operated facilities because of the availability of those facilities and their capability to furnish the needed care. In determining that capability, you may also take into consideration the necessity, in some cases, for continuity of a patient-physician relationship, which may be as much a part of the medical care needs of that particular veteran as would be the administration of a particular type of medication. Furthermore, in determining whether VA-operated facilities are not capable of furnishing economical care, we would assume that you would compare the fee-basis costs with the VA-operational costs associated with the care to be provided, as well as the transportation costs that might be involved, for those veterans eligible to receive travel assistance.

Resolution of section 612(g) problems

The Committee fully concurs with the General Counsel's April 18, 1977, sensible interpretation of the law to the effect that its implementation required careful case-by-case determinations of eligibility before the termination of care on a fee basis. Accordingly, the continued provision of out-patient fee-basis care by the VA pending the making of such individual determinations is retroactively authorized by section 102 of the Committee bill.

The Committee, however, is troubled by the fact that the Veterans' Administration did not cease to authorize fee-basis care on grounds of eligibility under section 612(g) for a period of more than 6 months after that authority had been revoked. Nevertheless, the Committee is fully cognizant of the often extremely necessitous circumstances facing the individual veteran-patient involved in this situation, and the Committee bill, therefore, provides the necessary retroactive authorization for such treatment during the period October 20, 1976, the day before the date of enactment of Public Law 94–581, through May 15, 1977, the date on which the Committee has been assured that issuance of new authorizations for outpatient fee-basis care under section 612(g) was terminated (by virtue of a May 9, 1977, telegraphic message to the field).

In addition, the Committee has determined that, in the cases of veterans eligible for aid and attendance or household benefits, many have received fee-basis care for several years and have developed important treatment relationships with their non-VA physicians and that, in other cases, these veterans and their families may have made substantial adjustments in their living situations in reliance upon the continuation of such arrangements. In recognition of these factors, the Committee bill includes a "grandfather" provision which authorizes the continuation, for a period of at least 1 year from the date of enactment, of the furnishing of such care to veterans who at any time during the October 20, 1976, through May 15, 1977, period were receiving such care.

The Committee bill also provides authority for the continuation of contract care in such cases when the Chief Medical Director finds, on a case-by-case basis, that a longer continuous period is required to complete the course of treatment for a particular disability, that the continuation of fee-basis care is medically more desirable that treatment in a VA-operated or other Government facility, and that no other grounds for treatment on this basis exists under title 38.

The Committee believes that the Veterans' Administration, in the course of this phasing out of broad eligibility for outpatient fee-basis care under section 612(g), must be very careful to explore alternative grounds for the provision of outpatient care on a contract basis and to provide fully adequate advance notification of the possible discontinuation of such care. Thus, the Committee bill requires that the VA insure that each veteran for whom fee-basis care is continued under the above-described "grandfather clause" is individually informed of his or her rights to such care under the bill and the relevant provisions of title 38; and, prior to any discontinuation of care on a contract basis, that the VA advise the veteran—on a personal-contact basis wherever possible—about the circumstances under which contract care may be authorized under title 38. In addition, the Committee bill require that, to the maximum extent practicable within 9 months after the date of enactment, determinations are to be made and communicated to each veteran regarding his or her eligibility for contract services under both the "grandfather clause" and title 38.

With regard to the permanent change in the law effected by Public Law 94–581 totally revoking the VA's authority to provide fee-basis care under section 612(g), the Committee has determined that in certain limited circumstances, due to the severity of the disabilities of the veterans concerned and the difficulty, in some cases, of providing

health care services to them through the VA's own facilities because of the frequent difficulties in transporting them to such facilities, some authority should be restored. On the other hand, the Committee does not believe that it is either prudent or necessary on the grounds of humane concerns to eliminate any and all restrictions on the provision of fee-basis care even in these instances. Where the veterans' residence is convenient to a VA facility that is equipped and staffed to respond to that veteran's medical needs, the VA should make every effort to provide the necessary care directly. Moreover, the Committee does not believe it equitable or appropriate to authorize fee-basis care for the treatment of non-service-connected disabilities under section 612(g) without regard to the general preconditions to fee-basis care which exist by law for the treatment of service-connected disabilities—that VA-operated or other Government facilities be incapable of providing the required care or, because of geographic inaccessibility, of providing such care in an economical fashion. Thus, section 101(1) of the Committee bill provides that, if the general conditions on the provision of contract care are satisfied, veterans eligible for regular aid and attendance or housebound benefits may be provided care on a contract basis if, on the basis of a physical examination, it is determined that "the medical condition of such veteran precludes appropriate treatment in" a VA-operated or other Government facility.

Other contract care issues

Lack of Capability Either To Furnish Economical Care Because of Geographic Inaccessibility or To Furnish the Care or Services Required

In the course of the April 27, 1977, hearing on H.R. 5027, the Committee noted certain problems in the implementation of the new general limitation on contract care—applicable to both service-connected and non-service-connected disabilities—under section 601(4)(C) of title 38, as amended by Public Law 94–581. The new general limitation authorizes contract care only when VA-operated facilities or other Government facilities for which the Administrator has contracted "are not capable of furnishing economical care because of geographic inaccessibility or of furnishing the care or services required."

With regard to "geographical inaccessibility", the Committee is concerned that implementation not be immutably based on a fixed distance from a VA or other Government facility. Rather, guidelines in this respect should take into account the nature of the particular disability involved so that the difficulty and costs of travel for a particular veteran to and from the facility in question and the number of such trips which may be necessary are considered. Thus, veterans with disabilities which make travel difficult and expensive could properly be furnished contract care and services more often than a flat mileage requirement would allow.

Also, with regard to the other condition—that VA-operated or other Federal facilities "are not capable of furnishing the care required"—the Committee believes that it must be recognized that not all VA and other Government facilities can properly treat certain disabilities, such as spinal cord injuries. Thus, despite the fact that a veteran resides within an area geographically accessible to a VA hospital, contract care would still be permissible if that facility is not fully capable of providing treatment for the disability in question.

At the April hearing, the Chief Medical Director, Dr. John D. Chase, in response to a question from the Chairman, expressed basic agreement with the principles discussed above.

In view of the foregoing discussion, the Committee sees no need for legislation amending section 601(4)(C) in this regard.

Alaska and Hawaii

As previously noted, section 202(f) of Public Law 94–581 revoked the VA's authority to provide outpatient contract ("fee-basis") services for the treatment of non-service-connected disabilities on the grounds that such services would "obviate the need of . . . hospital admission". The obvious effect and intent of this revocation was to require that all such "obviate" care be provided through the VA's own and other Government facilities. In Alaska and Hawaii, however, the VA has no hospital facility of its own and provides outpatient care only through relatively small clinical facilities; and, as the VA witnesses at the April 27, 1977, hearing testified, travel to and from those clinics in Alaska and Hawaii is extremely difficult for veterans in need of health care services because of transportation difficulties arising out of the unique geographic characteristics of those States.

Accordingly, section 101(2) of the Committee bill restores, at section 601(4)(C)(v) of title 38, authority for the VA to provide "obviate" care on a contract basis to veterans with non-service-connected disabilities in those States. This authority and the authority to furnish contract hospital care are conditioned on satisfaction of the revised requirement that the annually determined hospital patient load and incidence of the provision of medical services for veterans hospitalized or treated by the VA in each such State be consistent with the level of such care and treatment within the 48 contiguous States. This limitation is intended to insure that the VA's resources are not provided inequitably among veterans in various parts of the country. It modifies the existing provision, in section 601(4)(C)(v), under which contract hospital care is authorized for veterans in the noncontiguous States "except that the annually determined average hospital patient load per thousand veteran population hospitalized at Veterans' Administration expense in Government and private facilities in each such noncontiguous State may not exceed the average patient load per thousand veteran population hospitalized by the Veterans' Administration within the 48 contiguous States . . .".

Thus, in addition to extending the coverage of this type of limitation to certain contract medical services, the basis of the limitation has been changed from "average patient load" equivalency to a requirement that the level of care and services "be consistent with" that which is provided in the 48 contiguous States. This change reflects the Committee's view that equitable considerations do not require holding the level of care and treatment to the average in the 48 contiguous States before contract hospital care and outpatient treatment, respectively, may be furnished for the treatment of non-service-connected disabilities. Rather, the Committee believes that, for these purposes, the level of care and treatment within and without the 48 contiguous States should be "consistent" to the extent that as long as the level of care outside those States does not exceed the highest level being provided in any one of those States. In other words, the authority to provide "obviate" care on a fee-basis, should, in the Committee's view, be provided only where the overall level of outpatient services would not be higher than that which is being provided in each of the 48 contiguous States.

Puerto Rico

In the course of its review of contract hospital and medical services, the Committee noted that the limitation discussed above in section 601(4)(C)(v) on the permissible level of hospital care on which provision of contract hospital care authority is conditioned does not apply to the Commonwealth of Puerto Rico or to the territories or possessions of the United States. Also, the Committee learned that there is a substantial likelihood that (although specific figures in this regard could not be provided by the VA) a significant amount of outpatient "obviate" care on a fee basis has been provided in recent years to veterans in Puerto Rico. As previously indicated, the Committee believes that contract hospital or outpatient care for non-service-connected disabilities should generally not be authorized where the overall level of hospital or inpatient care exceeds the level of care being provided in the State having the highest level of such care. With no such limitation, it appears that an inequitable distribution of resources can occur, without adequate justification, in favor of veterans living in the possessions or territories or in the Commonwealth of Puerto Rico. Thus, the Committee bill amends that provision to include the territories and possessions.

However, after careful analysis of the situation in Puerto Rico, the Committee believes that it would be unwise to place such a condition on the furnishing of contract hospital care and medical services in the case of Puerto Rico. In fiscal year 1976, there were 1,866 outpatient visits per 1,000 veterans in Puerto Rico, compared with an average 547 per 1,000 in the 48 contiguous States, 1,704 in the District of Columbia and 885 in the highest of the 48 contiguous States, Arkansas. With respect to hospital care, the average daily census per 1,000 veterans hospitalized at VA expense in Puerto Rico was 7.05, compared with 2.70 in the 48 contiguous States.

The primary justification for the exception of Puerto Rico from such a limitation is the extensive poverty in the Commonwealth. For example, according to 1970 census data, the median income per veteran-headed family in Puerto Rico was $5,425 per year in 1969, which was approximately $2,700 less than the lowest figure for any State, Arkansas, $8,141; and slightly more than 8 percent of all veterans in Puerto Rico are receiving a veteran's pension (which is provided on a needs basis) as compared to 3.4 percent of all veterans worldwide.

In addition, there was some concern expressed by the VA regarding the adequacy of non-VA, public medical facilities to which veterans would have to be referred if VA medical services in the Commonwealth were substantially reduced. For example, approximately 40 percent of the publicly operated hospitals in Puerto Rico do not meet minimum HEW standards and there are some deficiencies under HEW standards in the remaining 60 percent. Also, it appears that very few veterans being provided care through the VA in Puerto Rico have financial access to private medical care through insurance benefits. In a survey conducted during the week of March 23–29, 1975, of 295 admissions to the VA hospital in San Juan, it was discovered that only 3.7 percent of those veterans had private insurance coverage.

Moreover, based on presently available information, it appears to the Committee that the VA's only hospital in Puerto Rico, the San Juan VA Hospital, is being fully utilized for veterans whose need for hospitalization is clear and that the San Juan hospital is clearly incapable of meeting the existing demand for care. The indicators of this are that the San Juan VA Hospital receives a higher number of applications per year than any VA hospital in the United States; that the acceptance rate of applications at the San Juan Hospital—49 percent—is far below the average of 81 percent for all other VA hospitals; and the occupancy rate at the San Juan hospital is 92.9 percent, which is among the highest occupancy rates in the VA hospital system. Also, at least 5 States have a higher

ratio of VA hospital beds per 1,000 veteran population than the ratio of 4.4 beds per 1,000 veterans in Puerto Rico—South Dakota, 11.33; Wyoming, 10.40; Arkansas, 6.49; Alabama, 5.69; and Mississippi, 5.50.

Also relevant with regard to the relatively high demand for VA hospital and medical services in Puerto Rico is the fact that 11.8 percent of all veterans in Puerto Rico receive compensation for service-connected disabilities, compared with 7.7 percent of veterans in the United States. Veterans receiving compensation can be expected to require care more frequently and also generally to be eligible for a broader range of VA health care services than are other groups.

The statutory clause in question, whereby contract hospital care and contract outpatient medical services for "obviate" care for non-service-connected disabilities are authorized in Puerto Rico, the territories and possessions of the United States, and Alaska and Hawaii, would expire on December 31, 1978. Thus the basic authority, together with the exception of Puerto Rico from the level of care and treatment limitations set forth in that provision must be reviewed again next year. The Committee expects, because of the reporting requirements discussed below, to have more detailed information on which to base its judgment at that time.

Contract diagnostic services

Amendments made by Public Law 94–581 to chapter 17 contract care and treatment provisions have given rise to one further question which the Committee has determined requires legislative clarification. Section 202(b) of that law revoked the VA's authority to furnish outpatient treatment by contract ("fee-basis") for non-service-connected disabilities where that treatment would obviate the need for hospital admission. The VA retains, of course, the authority to provide at its own facilities outpatient "obviate" care for the treatment of non-service-connected disabilities of eligible veterans.

In determining whether grounds for the provision of such outpatient services at VA facilities exist in particular cases, extensive diagnostic workups are frequently required, including, for example, x-rays, electrocardiograms, and various laboratory tests. Similarly, determining the appropriate course of treatment in connection with services being provided under the "obviate" authority may require diagnostic techniques beyond those which the physician alone can provide. Where outpatient care is provided at a clinic attached to a VA hospital, the hospital x-ray equipment and staff, clinical laboratories and other diagnostic equipment, facilities and staff provide the necessary backup services. But, when treatment is to be provided at independent VA outpatient clinics, these kinds of diagnostic services may be available only through private facilities with which the VA contracts.

In "obviate" care situations at these clinics, substantial doubt exists as to whether, because contract authority for "obviate" care no longer exists, the VA may purchase the diagnostic services necessary to determine the veteran's eligibility for "obviate" care at the VA facility and, in connection with the VA's provision of care in such a case, the proper course of treatment. It is clear to the Committee that contract authority to obtain such ancillary, diagnostic services must be provided in order for "obviate" care to be provided effectively and efficiently to eligible veterans at independent VA outpatient clinics. Thus, section 101(2) of the Committee bill adds a new subclause (vi) to section 601(4)(C) of title 38 to provide specific authority for contract diagnostic services in such cases.

Periodic Reviews

The Committee is concerned that at present the VA may not be reviewing with sufficient regularity those cases in which it has authorized long-term contract care arrangements, and that in a substantial number of cases a fee-basis authorization may continue long after the reasons which justified it in the first instance have ceased to exist.

Therefore, to encourage further optimal use of the VA's own facilities, section 101(3) of the Committee bill requires that the VA periodically review the necessity for continuing arrangements for contract care. These reviews would, the Committee expects, encompass a review of the veteran-patient's records in all cases (including a check for any change of residence bringing the veteran-patient closer to a VA facility) and, where indicated, a physical examination. Anticipating responsible action under this provision and recognizing the value in leaving such a provision flexible to allow for administrative and medical discretion in the timing and details of such reviews, the Committee has not specified how frequently or how thoroughly such reviews must be conducted.

Reporting Requirements

As noted in the above discussions regarding fee-basis care, there have been some instances in which specific relevant data regarding the provision of contract care and treatment have been difficult to obtain or unavailable under the VA's current recordkeeping practices. Therefore, in order to insure the availability of adequate data regarding the provision of such care and treatment, the Committee bill requires the Chief Medical Director to submit, through the Administrator, to the appropriate committees of the Congress by April 1, 1978, and annually thereafter, full reports on the implementation of the Committee bill, including a breakdown of the numbers of veterans provided treatment under the provisions of the Committee bill and of the numbers of veterans provided contract treatment, together with the average cost and duration thereof, in each State, territory, possession, the Commonwealth of Puerto Rico, and the District of Columbia in the various categories in title 38 provisions relating to contract care and treatment.

TITLE II: PHYSICIAN AND DENTIST SPECIAL-PAY AND OTHER PAY AMENDMENTS

Background

In 1975, the Committee was deeply concerned over the Veterans' Administration's problems in attracting and retaining highly skilled professionals for careers in the Department of Medicine and Surgery. At the time that legislation was considered, there was a $36,000 ceiling imposed on all Federal employees' salaries, with 4 out of 10 VA physicians having their salaries frozen at that level. Two-thirds of the offers of employment made to physicians in 1974 were rejected on the grounds that the salary was too low. In 1975, 44 VA hospitals lacked a full-time chief of psychiatry. The position of chief of radiology was either unfilled or filled on a part-time basis in 71 VA hospitals. Almost half of the hospitals in the VA system lacked a full-time chief of anesthesiology.

The Veterans' Administration thus faced a severe recruitment and retention problem. That problem had been aggravated by enactment of Public Law 93–274 which authorized the payment of special incentive bonuses to physicians and dentists in the Armed Forces and the Public Health Service. The bonus pay authorized for members of those two services enabled them to receive remuneration comparable to professionals in the community, and accelerated the departure of VA employees, or their conversion to part-time employment.

In order to provide greater pay comparability with the community and with other Federal services, in July 1975 the Committee reported S. 1711, the Veterans' Administration Physician Pay Comparability Act of 1975, the provisions of which were later incorporated, with certain revisions, in H.R. 8240, which was enacted as Public Law 94–123.

The enactment of Public Law 94–123 gave to the Administrator of Veterans' Affairs authority to pay special pay up to $13,500 per annum to eligible physicians and up to $6,750 per annum to eligible dentists employed by the Department of Medicine and Surgery. The special pay was premised upon the written agreement of the physician or dentist to complete a specified number of years of service, up to a 4-year maximum, with the Veterans' Administration.

The authority to enter into such agreements was to expire on October 11, 1976. However, Public Law 94–581 extended that authority to September 30, 1977.

Special-Pay Agreement Authority Extension

Section 201 of the Committee bill would further extend that authority to September 30, 1978.

The authority for entering into special-pay agreements has been extended for one additional year only (although the agreements may be made for up to 4 years) in the expectation that the specific legislation reflecting the findings of the study conducted by the Office of Management and Budget pursuant to Public Law 94–123 and submitted to the appropriate committees on December 29, 1976, will be submitted to Congress within the next year.

The Committee recognizes that legislation to provide special-pay bonuses to VA physicians and dentists is at best a temporary solution to the recruitment and retention problem. The Committee also recognizes that a more durable solution must be found for all Federal agencies and urges the Office of Management and Budget to submit this legislative proposal in a timely manner. While comparable pay among all Federal agencies is essential, the Committee believes any Government-wide program must respect the integrity of the Veterans' Administration personnel system and not impair the existing independent personnel authority of title 38 which has proven effective in meeting VA personnel management needs.

To date, since the enactment of Public Law 94–123, the physician and dentist staff of the Department of Medicine and Surgery has improved substantially in number, retention rate, and quality.

Table 2 shows the increase in the number of VA physicians and dentists since enactment of Public Law 94–123.

TABLE 2.—NUMBER OF VA PHYSICIANS AND DENTISTS

Employment status	June 30, 1975	Mar. 31, 1977	Percent change
Physicians (total)	14,840	16,670	+12.3
Full time	5,440	6,047	+11.2
Part time [1]	3,159	3,608	+14.2
Residents and interns	6,241	7,015	+12.4
Dentists (total)	1,073	1,128	+5.1
Full time	849	848	−.1
Part time [1]	22	24	+9.1
Residents and interns	202	256	+26.7

[1] Includes consultants, attendings, and intermittents.

Table 3 shows the increased retention ability of the VA since enactment of Public Law 94–123.

TABLE 3.—LOSS RATES FOR FULL-TIME VA PHYSICIANS AND DENTISTS

[Prior and subsequent to the Pay Act]

Item	Prior to the Pay Act, July 1, 1973 to Mar. 31, 1975	Subsequent to the Pay Act, July 1, 1975 to Mar. 31, 1977
Physicians:		
Average number on duty	5,322	5,826
Number of losses	1,378	1,239
Losses per 100 on duty per quarter	3.69	3.00
Dentists:		
Average number on duty	819	851
Number of losses	165	127
Losses per 100 on duty per quarter	2.87	2.13

Table 4 shows the recent increase in board-certified physicians in the Veterans' Administration, indicating data for U.S. medical graduates and for foreign medical graduates.

TABLE 4.—BOARD CERTIFICATION STATUS OF FULL-TIME VA PHYSICIANS RECEIVING SPECIAL PAY

Status	Mar. 31, 1976	Jan. 31, 1977	Percent change
Board certified (total)	2,735	3,030	10.8
U.S. medical graduates	2,033	2,191	7.8
Foreign medical graduates	702	839	19.5
Percent FMG's	25.7	27.7	
Not board certified (total)	2,665	2,649	−.6
U.S. medical graduates	1,498	1,409	−5.9
Foreign medical graduates	1,167	1,240	6.3
Percent FMG's	43.8	46.8	
All full-time physicians	5,400	5,679	5.2
U.S. medical graduates	3,531	3,600	2.0
Foreign medical graduates	1,869	2,079	11.2
Percent FMG's	34.6	36.6	
Percent board certified	50.6	53.4	

Table 5 shows the comparable data for part-time physicians.

TABLE 5.—BOARD CERTIFICATION STATUS OF PART-TIME VA PHYSICIANS RECEIVING SPECIAL PAY

Status	Mar. 31, 1976	Jan. 31, 1977	Percent change
Board certified (total)	1,204	1,394	15.8
U.S. medical graduates	1,001	1,141	14.0
Foreign medical graduates	203	253	24.6
Percent FMG's	16.9	18.2	
Not board certified (total)	672	688	2.4
U.S. medical graduates	451	443	−1.8
Foreign medical graduates	221	245	10.9
Percent FMG's	32.9	35.6	
All part-time VA physicians (total)	1,876	2,082	11.0
U.S. medical graduates	1,452	1,584	9.1
Foreign medical graduates	424	498	17.5
Percent FMG's	22.6	23.8	
Percent board certified	64.2	67.0	

Table 6 shows the comparable data for full-time dentists.

TABLE 6.—BOARD CERTIFICATION STATUS OF FULL-TIME VA DENTISTS RECEIVING SPECIAL PAY

Status	Mar. 31, 1976	Jan. 31, 1977	Percent change
Total	777	796	2.5
Board certified	92	93	1.1
Not board certified	685	703	2.6
Percent board certified	11.8	11.7	

Table 9, on page 37 provides a breakdown by specialty and shows major increases in the number of board-certified anesthesiologists, the specialty which had been cited as facing the most grievous shortages before enactment of Public Law 94–123, general surgery, and orthopedics among the surgical specialties, and infectious disease, gastroenterology, pulmonary endocrinology/metabolism, and family practice among the medical specialties.

The approximately 11-percent increase during the period March 31, 1976, to January 31, 1977, in the number of full-time physicians who are board-certified indicates a significant gain in the quality of the VA physician staff.

In light of such data, the Chief Medical Director testified at the July 1977 hearing:

"In my opinion, this extension is vital to our ability to sustain our recruitment and retention of highly qualified physicians and dentists and be able to compete reasonably well—on economic terms—with the non-Federal sector."

Despite the special-pay provisions, and the ability to receive additional remuneration for certain professional activities of an academic nature, salaries in the Veterans' Administration still lag behind comparable salaries in the community. Data presented in table 7 show that the average income of the VA physician, including special pay (and taking into account the increase effective February 27, 1977, resulting from the Quadrennial Commission's recommendations), is, in general, about $3,000 less than that for the comparable geographic full-time faculty physician. (Geographic full-time medical school faculty are faculty members who receive a fixed salary, all or most of which is paid from funds controlled by the medical school, but who may earn variable income from professional activities not under the direct auspices of the medical school.) The geographic full-time faculty physician is the category for which major recruitment efforts are made and in which most of the VA's physicians losses occur. Although full comparability with the community physician was not provided by Public Law 94–123, the data described above indicate the importance of extending the special-pay authority at this time.

TABLE 7.—COMPARISON OF 1976–77 COMPENSATION OF TEACHING VERSUS VA PHYSICIANS

Specialty	Faculty—all ranks [1]		VA full-time physicians receiving special pay [2]
	Strict full-time	Geographic full-time	
Anesthesiology	$54,100	$58,200	$50,100
Medicine	45,300	48,500	47,500
Pathology	44,600	52,200	52,600
Physical medicine	49,700	53,300	52,000
Psychiatry	45,400	48,100	48,200
Radiology	52,800	58,400	51,200
Surgery, general	54,800	66,800	51,200
All clinical sciences	47,400	54,700	51,500

[1] Includes 8 percent retirement—AAMC 1976–1977 report.

[2] Mar. 31, 1977, data for base salary (including increases resulting from Quadrennial Commission's recommendations and 7 percent retirement) and special-pay increment as of Jan. 31, 1977.

Special-pay program amendments

One of the major concerns expressed by witnesses during hearings on the Committee bill was the increased proportion of VA physicians who are serving part time. While the numbers of both full-time and part-time physicians have increased since enactment of Public Law 94–123, the number of part-time physicians has increased by a greater proportion—about 14 percent as compared to about 11 percent for full-time physicians.

The Committee bill would authorize the Chief Medical Director, for purposes of helping to overcome problems in the recruitment and retention of full-time physicians and dentists, to make exceptions for certain categories of positions from the mandatory special-pay reduction required by section 4118(d)(1) of title 38, under which there is deducted from the special pay for eligible physicians an amount equal to the 1975 cost-of-living increase, which became effective at the same time as the pay law. This cost-of-living increase was deducted from the special pay allowable to an eligible physician or dentist because Public Law 94–123 also revised the "Physician and Dentist Schedule" in section 4107 of title 38 to codify the 5-percent comparability pay increase which became effective in October 1975.

The average applicable amount is about $1,800.

To qualify for the additional special pay, physicians or dentists in the categories which the Chief Medical Director exempts from the mandatory reduction would have to agree to serve full time for a period of 4 years. Should an individual fail to complete the 4 years of service, he or she would be required to refund to the VA the additional amount made available by virtue of the exemption.

Persons in such categories who are already serving full time would (after they complete 1 year of service under an existing agreement) be able to enter into a new agreement for 4 years of service in order to be eligible for exemption from the mandatory reduction.

The Committee bill would also authorize the payment of up to the full amount of special pay (up to $13,500) to a hospital Chief of Staff who is a full-time employee, if the VA, by regulation, prohibits such an employee from receiving any additional remuneration from an affiliated medical school. In addition to encouraging full-time status, this provision is aimed at avoiding conflict-of-interest situations in which a Chief of Staff, the top-level physician hospital official, receives pay from the affiliated school with which he or she is called upon to deal on behalf of the VA on numerous professional and management issues.

Categories Excluded From Special Pay

Public Law 94–123 authorized the Chief Medical Director to determine certain categories of physicians and dentists as to which there is no recruitment and retention problem and exclude individuals in those categories from eligibility for special pay. To date, he has determined three general categories for which there is no recruitment and retention problem—health care facility directors, competitive research appointments, and senior and distinguished phyicians.

The Committee heard compelling testimony from representatives of the National Association of VA Physicians (NAVAP) about the importance of clinical researchers in maintaining high quality care in VA facilities.

In the first 10 months since the Chief Medical Director's decision to exclude clinical researchers, about one-eighth of the physicians and dentists holding clinical research positions resigned those positions and accepted other positions in DM&S in order to qualify for special pay. This rate of turnover among clinical researchers has impaired the continuity of the VA's medical research effort. In addition, the number of physicians and dentists applying for clinical research positions in 1976 has declined abruptly, dropping by 30 percent for the prestigious second- and third-level research positions. Discussions with researchers in the field indicate that the exclusion from special pay was an important factor in this decline.

Although at present there are more qualified new applicants than clinical research positions to be filled, the decline already noted, particularly as to the most senior clinical researchers, means that the VA may be losing its most experienced investigators during their most productive years. Many of the VA's finest staff doctors, chiefs of services, and hospital administrators have been initially recruited through these clinical research programs. These downward trends, if continued, thus pose a serious threat of a setback in the VA clinical research program from which it may take years to recover.

Further clouding the research picture is

the fact that the exclusion of clinical researchers from special pay comes after 2 years of real-dollar decline in the size of the VA medical research budget.

In real-dollar terms, the VA's health care research budget has shrunk since fiscal year 1974. During the last 3 fiscal years, research expenditures have grown by 15 percent, from $91.4 million to $105.1 million; during the last 3 calendar years, the Congressional Budget Office advises that inflation reduced the purchasing power of the research dollar by about 40 percent, for a net reduction in research funds of approximately 18 percent during that 3-year period.

In testimony presented to the Committee at the July 1977 hearing, the Chief Medical Director took note of the decline in funds made available for research projects to be carried out by the clinical researchers during this period, and stated that it would be difficult to attribute the decline in applications for research positions solely to the exclusion from special-pay eligibility.

Likewise, the number of physician hospital directors, since the determination was made to exclude them from special pay, has declined from 40 to 14. The physician hospital director, traditionally has been the main source of highly qualified individuals competent to take leadership roles in the Department of Medicine and Surgery. The severe reduction in their numbers may presage a serious problem for the future of the Veterans' Administration.

Table 8 shows the losses to the VA of individuals included in these ineligible categories.

TABLE 8.—PHYSICIANS AND DENTISTS IN DM & S

	June 30, 1975	Mar. 31, 1976	Mar. 31, 1977
PHYSICIANS			
Full time			
Occupying eligible positions	5,123	5,587	5,809
Occupying ineligible positions:			
Health care facility directors	40	20	14
Senior physicians	58	2	1
Distinguished physicians	11	9	9
Medical investigators	18	17	16
Clinical investigators	50	43	37
Research associates	70	68	78
Associate investigators			22
Reemployed annuitants	69	69	61
Participants in Federal-State	1	1	
Subtotal, interchange	317	228	238
Total, full time	5,440	5,815	6,047
Part time			
Occupying eligible positions	1,746	1,991	2,190
Occupying ineligible positions:			
Employed less than 50 percent	1,014	1,059	1,059
Intermittent	177	176	163
Consultants and attendings	192	188	166
Reemployed annuitants	30	30	30
Subtotal	1,413	1,453	1,418
Total, part time	3,159	3,444	3,608
Residents and interns	6,241	7,005	7,015
Total, physicians	14,840	16,264	16,670
DENTISTS			
Full time			
Occupying eligible positions	775	791	804
Occupying ineligible positions:			
Health care facility directors	1	1	1
Medical investigators	2	2	2
Clinical investigators	3	3	3
Research associates	4	3	2
Career residents	64	56	36
Subtotal	74	66	44
Total, full time	849	856	848
Part time			
Occupying eligible positions	9	10	12
Occupying ineligible positions:			
Employed less than 50 percent	7	7	6
Consultants and attendings	6	6	6
Subtotal	13	13	12
Total, part time	22	23	24
Residents and interns	202	230	256
Total, dentists	1,073	1,109	1,128

These data are cause for concern. The Committee bill thus requires the Chief Medical Director to make a redetermination annually as to the existence of a recruitment and retention problem as to each category he has excluded from special-pay eligibility. The Committee believes this action will help insure against unexpected losses of highly qualified individuals.

The Committee was impressed by suggestions from representatives of the NAVAP that physicians willing to concentrate in fields such as spinal cord injury or alcoholism could be recruited more easily if further special incentive pay were made available for that purpose. The Committee believes this suggestion is worthy of consideration and urges the Chief Medical Director to conduct a survey of a sampling of current employees and new applicants to determine if additional pay would reduce the serious shortage of qualified personnel in these areas.

Impact of Executive Level Pay Raise

Data presented to the Committee indicate that the most recent executive level pay raise has resulted in an increase of a minimum of $29 a year to a maximum of $7,900. The average increase for the 3,007 full-time physicians in Chief grade was approximately $3,200 a year and their average special pay was about $7,800. The average increase for the 1,471 part-time physicians in that grade was about $1,880 a year, and their average special pay was about $5,100 a year.

The average increase for the 209 full-time physicians above Chief grade was approximately $6,600 a year and their average special pay was about $10,300.

For the 243 full-time dentists in Chief grade, the average increase was $3,200 a year, and their average special pay was about $3,700 per year.

The largest number of full-time personnel receiving the executive level pay increase were in the 10th step of Chief grade. There were 1,582 full-time physicians and 127 full-time dentists at that level. The average special pay for these physicians was $8,200 and the executive pay raise was $4,323, giving them a total average salary of $52,123. The average special pay for these dentists was $3,900 and the executive pay raise was $4,323, giving them a total average salary of $47,823.

For the most part, these increases do not appear to be out of line with pay received by comparable professionals in the community. However, the Committee believes a responsible approach to follow would be a reevaluation of the need for special-pay agreements in each physician and dentist category in light of the February 1977 executive level pay raise, and the Committee bill thus requires a report to Congress before October 1, 1977, of the results of such an evaluation. The Committee bill also authorizes the Administrator, based on such reevaluations and in accordance with the Administrative Procedure Act, to promulgate rules reducing the primary special pay in those categories in which the Administrator determines that such pay is not necessary to recruit and retain highly qualified physicians and dentists.

TABLE 9.—PHYSICIANS ELIGIBLE FOR AND RECEIVING SPECIAL PAY

Specialty assignment	Full time			Part time		
	Mar. 31, 1976	Jan. 31, 1977	Percent change	Mar. 31, 1976	Jan. 31, 1977	Percent change
SURGERY						
Anesthesiology	127	141	11.0	36	44	22.2
General surgery	338	363	7.4	166	181	9.0
Gynecology	3	4	33.3	3	2	−33.3
Neurosurgery	19	21	10.5	48	49	2.1
Ophthalmology	28	28	3.6	51	53	3.9
Orthopedics	67	74	10.5	68	79	16.2
Otolaryngology	32	34	6.3	49	61	24.5
Plastic surgery	1	4	300.0	21	21	0
Colon and rectal	1	1	0	0	2	Inf.
Thoracic	28	26	−7.1	33	40	21.2
Urology	66	74	12.1	75	75	0
Subtotal	710	771	8.6	550	607	10.4
Percent FMG	35.5	36.3	11.9	19.3	20.1	15.1
MEDICINE						
Hematology	64	72	12.5	32	42	31.3
Infectious disease	33	40	21.2	17	24	41.2
Dermatology	20	20	0	29	26	−10.3
General medicine	941	950	1.0	105	103	−1.9
Internal medicine	565	590	4.4	118	131	11.0
Allergy and immunology	8	8	0	8	8	0
Cardiovascular disease	146	152	4.1	50	63	26.0
Gastroenterology	78	89	14.1	37	56	51.4
Pulmonary	145	166	14.5	39	48	23.1
Nephrology	71	85	19.7	44	49	11.4
Rheumatology	20	21	5.0	12	17	41.7
Endocrinology/metabolism	46	56	21.7	19	24	26.3
General practice	3	3	0	0	0	0
Family practice	3	8	166.7	2	4	100.0
Admitting	240	223	−7.1	28	20	−28.6
Subtotal	2,383	2,483	4.2	540	615	13.9
Percent FMG	32.0	33.3	7.9	22.4	24.6	24.8
PSYCHIATRY AND NEUROLOGY						
Neurology	122	141	15.6	94	94	0
Psychiatry	918	972	5.9	420	469	11.7
Subtotal	1,040	1,113	7.0	514	563	99.5
Percent FMG	37.3	41.0	15.5	22.4	22.9	12.2

TABLE 9.—PHYSICIANS ELIGIBLE FOR AND RECEIVING SPECIAL PAY—Continued

Specialty assignment	Full time			Part time		
	Mar. 31, 1976	Jan. 31, 1977	Percent change	Mar. 31, 1976	Jan. 31, 1977	Percent change
OTHER MEDICINE						
SCI trainee	9	3	−66.7	0	0	0
Radiology, diagnostic	174	200	14.9	37	53	43.2
Radiology, therapeutic	19	21	10.5	7	8	14.3
Paraplegia	39	39	0	5	8	60.0
Pathology	353	361	2.3	59	57	−3.4
Physical medicine	167	172	3.0	34	40	17.7
Radiology, diagnostic, and therapeutic	125	112	−10.4	40	40	0
Nuclear medicine	66	72	9.1	30	32	6.7
Subtotal	952	980	2.9	212	238	12.3
Percent FMG	45.9	49.4	10.8	36.3	37.8	16.9
ADMINISTRATIVE AND RESEARCH						
Chief of staff	150	140	−6.7	12	12	0
Chief of staff trainee	4	6	50.0	0		−100.0 0
ACOS education	20	24	20.0	14	13	Inf.
ACOS research	32	37	15.6	20	20	0
Physicians in CO	41	45	9.8	0	0	0
Administrative, other	16	21	31.3	5	4	−20.0
Assistant COS	6	7	16.7	1	2	100.0
ACOS ambulatory care	24	37	54.2	1	3	200.0
Research	11	15	36.4	6	5	−16.7
Miscellaneous title 38	11	0	−100.0	1	0	0
Subtotal	315	332	5.4	60	59	−8.5
Percent FMG	9.2	10.2	17.2	8.3	10.2	20.0
Total	5,400	5,679	5.2	1,876	2,082	11.0
Percent FMG	34.6	36.6	11.2	22.6	23.9	17.5

Other DM&S personnel amendments

Foreign Medical Graduates and English-Language Proficiency

Table 9 also indicates the growth in the number of physicians in specialties in the past year. Although there has been a steady growth in most of the specialties, it is accompanied by a slight increase in the number of foreign medical graduates in the various categories of specialty. The Committee recognizes that major efforts are being made by the Veterans' Administration to reduce that agency's reliance on foreign medical graduates, and urges that these efforts should be vigorously continued.

One of the major difficulties posed by the employment of foreign medical graduates is their inability to communicate effectively in English to the extent necessary to provide quality health care to the veteran patient.

The foreign medical graduates already in the Veterans' Administration Department of Medicine and Surgery (approximately 36 percent of full-time physicians and 24 percent of part-time physicians) represent a substantial proportion of the staff and, although the language barrier is not applicable in every case, it does exist to a troubling degree. To help reduce the communications problem, the Committee bill requires the establishment and implementation of programs and procedures to insure that all health care personnel having direct patient-care responsibilities have sufficient competence in English to communicate effectively with patients and other staff members. These programs and procedures shall include special language training and testing programs; however, the Committee does not contemplate a major cost commitment to undertake these programs. With the new requirements for newly immigrating foreign medical physicians under Public Law 94–484, the Health Professions Educational Assistance Act of 1976, calling for competence in oral and written English, this problem should be substantially alleviated in the future.

VA Hospitals Serving Populations With Limited English-Speaking Ability

Conversely there are VA hospitals in which a substantial proportion of the patients have limited English-speaking ability. In these cases, linguistic and cultural sensitivities with respect to health, can present a barrier to effective health care. The Committee bill would require that in those facilities procedures be established whereby sufficient staff are identified who are proficient in the appropriate language as well as in English and are assigned responsibilities for providing guidance to staff and patients in bridging linguistic and cultural differences.

Clinical Podiatrist and Optometrist Schedule

The Committee bill amends the Clinical Podiatrist and Optometrist Schedule (and the section 4103 schedule with respect to the Director of Podiatric Service) in section 4107 of title 38 to reflect the increase in the statutory rates of pay made by Executive Order 11941, effective October 1, 1976.

Section 110 of Public Law 94–581 made a series of amendments to chapter 73 of title 38, United States Code, designed to enhance recruitment and retention of podiatrists and optometrists in the VA. Among the changes instituted were the creation of Clinical Podiatric and Optometric Services, the inclusion of podiatrists and optometrists within the title 38 personnel and pay system, and the creation of grade levels for these employees. The rates of pay that were set by Public Law 94–581 for the various grade levels of podiatrists and optometrists were equal to those which had been established for the equivalent grade levels (the bottom five) of the Physician and Dentist Schedule which were in effect while the legislation was being drafted. During the pendency of this legislation, Executive Order 11941, effective October 1, 1976, was issued which adjusted the statutory rates of pay which were then in effect. Because Public Law 94–581 was not passed and signed into law until after that date, the change in the rates of pay which had been accomplished by the Executive order could not affect a Clinical Podiatrist and Optometrist Schedule not then in effect. The result was that, at the time of enactment of Public Law 94–581, the new pay schedule for podiatrists and optometrists in the title 38 personnel pay system was already out of date and below the schedule for physicians and dentists, despite the fact that Congress had indicated its intent that the equivalent grade levels of the two schedules should have the same rates of pay.

The Committee bill would restore the Clinical Podiatrist and Optometrist Schedule grade level pay rates to the levels originally intended in Public Law 94–581, and would provide for payment of the intended increases retroactive to October 21, 1976, the date of enactment of Public Law 94–581.

For reasons of technical feasibility regarding the accomplishment of the necessary pay adjustment, the Committee bill would prohibit the conversion of podiatrists or optometrists from employment under the title 5, Civil Service Commission General Schedule, to the title 38 pay schedule and system until after the rates of statutory pay are next adjusted under section 5305 of title 5, or November 1, 1977, whichever is earlier. This prohibition is necessary to prevent conversion at the pay schedule in current law which would not achieve the purposes of the amendments made by Public Law 94–581 or the Committee bill, and could result in inadequate pay levels—currently as well as with respect to the retroactive pay.

The Committee has considered the possibility of allowing conversions at a step increase that would have taken into account the intent of Public Law 94–581 with respect to appropriate pay levels for VA podiatrists and optometrists. The difficulty with that approach, however, is that when the expected statutory pay raise under section 5305 of title 5 becomes effective in October 1977, individuals who had so converted would receive a double increase. By postponing conversion until the statutory pay increase becomes effective, this potential inequity can be avoided; and retroactive pay would be based on the correct schedule for the actual period of service.

The Committee notes that the receipt of the differential between the two pay systems (for a period of approximately 1 year in some cases) retroactively in a lump-sum payment might substantially affect some individuals' tax liability. Therefore, the Committee urges the VA, at the time the lump-sum payment is made, to include a notice to each employee regarding the greater 1977 State and Federal income tax liability which the lump-sum payment may entail.

Finally, the Committee bill directs that the Clinical Podiatrist and Optometrist Schedule shall be increased by the same percentage as the Physician and Dentist Schedule when the rates of statutory pay systems are adjusted by the President in 1977 under section 5305 of title 5.

Cost

Based on the assumptions that 96 percent of the eligible physicians and dentists will enter into special-pay agreements during fiscal year 1978 and that the average special pay would be $7,244 for full-time physicians, $3,262 for part-time physicians, and $3,200 for full-time dentists, the costs for fiscal year 1979 would be $7.93 million. This amount would decrease in succeeding years as the agreements terminate to a level of $2.96 in fiscal year 1982, the last year in which an agreement can be effective under the 1-year extension of authorization for special-pay agreements in the Committee bill.

Other costs incurred by virtue of section 201 provisions would be minimal.

TITLE III: HEALTH CARE PROGRAM AND ELIGIBILITY AMENDMENTS

The Committee bill includes authority for three major expansions of VA health care programs: A new program of readjustment professional counseling; an expanded program of treatment and rehabilitation for individuals suffering from alcohol or drug dependence or abuse disabilities; and a new program of discretionary preventive health care services for veterans with service-connected disabilities, as well as establishment of a pilot program to provide comprehensive health care services in a health maintenance concept to not to exceed 10,000 veterans with service-connected disabilities.

Readjustment professional counseling

Section 301 of the Committee bill would establish a new program of initial readjustment professional counseling for veterans who served on active duty after the beginning of the Vietnam era (August 5, 1964), or

prior thereto in the Indochina conflict,[2] to assist with psychological readjustment problems, generally those arising within 4 years of discharge from active military duty.

Initial Counseling

Under section 301 of the Committee bill, the Administrator is to provide an in-house program of initial professional counseling for any eligible veteran who served in the Armed Forces after August 4, 1964 or prior thereto in the Indochina conflict, who generally meets the eligibility requirements of chapter 17, and who requests assistance with readjustment problems within 4 years from the date of his or her discharge or release from active duty. In connection with this counseling, the VA would also make a general mental and psychological assessment of the veteran (including, where necessary to make such assessment of the veteran, the participation of, and consultation with, the veteran's family or household members). Veterans discharged 2 or more years prior to the enactment date of the reported bill would have 2 years from that enactment date within which to apply for counseling under this section.

In providing counseling services under this section, the Chief Medical Director would be required to make maximum use of paraprofessional and voluntary workers, as well as veteran GI bill students under the veteran-student services work-study program, to assist in initial intake and screening. The Committee believes that much of the initial intake and screening can be effectively provided by trained paraprofessional personnel and volunteer workers who, as their experience accumulates, become especially sensitive to the readjustment needs and problems of returning and returned veterans. The vast majority of cases would not require extensive use of highly trained psychiatric or psychological personnel.

Followup Mental Health and Other Services

If the initial counseling indicates that followup mental health services are necessary to facilitate the successful readjustment of the veteran, the Committee bill provides for such services to be furnished on an outpatient basis as a part of medical services provided under the conditions specified in section 612(f)(1)(B) of title 38—post hospitalization. No financial need would need to be shown for the initial counseling, but the regular eligibility criteria under section 612(f)(1)(B)—including inability to defray expenses—would apply in the case of needed readjustment mental health services, except that the provision of the initial counseling would be deemed by law to satisfy the requirement for a prior period of hospitalization under that statutory provision.

Veterans who, on the basis of the initial counseling, are determined to be in need of hospital care or medical services, other than mental health services for a readjustment problem, would be eligible to receive the needed care in VA facilities only if otherwise meeting chapter 17 eligibility requirements; if not, they would be referred to non-VA facilities.

Readjustment Problems

The purpose of this readjustment counseling provision is to make fully available—and to encourage and facilitate the use of—the resources of the VA's health care system to those returning veterans who feel the need for professional or professionally supervised counseling to help them in their readjustment to civilian life. According to testimony from psychiatrists, psychologists, social workers, and counselors at both February 1976 hearings and June 1977 hearings, veterans of the Vietnam era have suffered significantly as the result of society's indifference and, in some cases, overt hostility to the sacrifices they made during their periods of military service. Large numbers of returning Vietnam veterans have experienced guilt, bewilderment, alienation, pessimism, tension, restlessness, and other symptoms of low grade readjustment problems. These problems frequently result in family difficulties, unemployment, alcohol or drug dependence, arrest records, and other forms of social and economic dislocation.

The view that the readjustment problems facing returning Vietnam veterans have been particularly acute had also been expressed in the congressional testimony of distinguished psychiatrists and other mental health professionals since 1969.

The Committee construes a "readjustment problem," as that term is used in section 301 of the Committee bill, to be a low-grade motivational or behavioral impairment which interferes with a veteran's normal interpersonal relationships, job or educational performance, or overall ability to cope reasonably effectively with his or her daily life problems. A readjustment problem does not usually amount to a definable psychiatric illness or mental health problem requiring extended professional services but could become one in the absence of early detection and counseling and followup care where necessary.

The experience of VA psychiatrists and other mental health professionals has been that veterans with readjustment problems and other mental health problems do not generally present themselves at VA hospitals or clinics for evaluation or treatment for upwards of 2 years and quite frequently 4 years after their discharge. It is postulated by many VA psychiatrists that the discharged veteran is reluctant to seek readjustment counseling due to the stigma attached to so-called "mental illness" and due also to an unwillingness to admit that he, the veteran, has "problems he cannot solve by himself." The veteran frequently doubts that the VA can help him and is uncertain about his eligibility for treatment. At the June 1977 hearing, Dr. William Van Stone, Assistant Chief, Psychiatric Services, Menlo Park Division, Palo Alto VA Hospital, testified:

"An NIMH-funded, 2-year followup study of 600 drug dependent veterans at our facility, revealed, for a 25- to 32-year-old age group, an average gap of 5 years between the first attempt at seeking VA help. A recent time of discharge from the service and the randomized sample of first admissions to our general psychiatric service revealed a range from zero up to 6½ years for veterans under 30 to make their first contact."

The Committee bill is especially intended to provide readjustment counseling to veterans of the Vietnam era. However, it would also provide readjustment counseling for post-Vietnam war veterans and certain pre-Vietnam era veterans who served in the Indochina conflict.

It has long been recognized that the "retirement syndrome" may be a complication of discharge from the Armed Forces for the career 20- to 30-year veteran. Often, the older veteran is displaced from the only life he or she has known. Such a veteran must seek out a new job and establish a new pattern of living. In this sense, the retirement syndrome is a readjustment problem. Thus, the Committee bill would make available, to the veteran retiree, as well as a veteran of a 2-year tour, counseling to help him or her bridge the gap between military and civilian life, because in any grouping of persons discharged or released from active duty service, some may face significant readjustment problems. Life and work in the military is very different from that in civilian society. Life in the military is regimented and one's duties are usually highly structured. The soldier is essentially well taken care of in return for service to the country. In addition to basic pay, he or she is provided food, clothing, and shelter, and health needs are met free of charge. Upon discharge, therefore, the new veteran is faced with many abrupt changes requiring adaptation in a complicated society.

Many young veterans, having entered the Armed Forces in their late teens, directly after high school or even before completing it, have never had to meet this challenge. As veterans and as adults, they are out in the civilian world on their own for the first time. Employment opportunities are scarce, and the military has not sufficiently prepared them for reentry into civilian life. Thus readjustment may be very difficult and some veterans are overwhelmed.

The Committee bill would provide the necessary readjustment counseling to help these veterans with the traumatic transition to civilian life. It is designed to help the veteran to become a productive member of society and assist him in stabilizing his personal and family relationships.

In the sensitive field of readjustment counseling, it is essential that services be available and accessible, on an outpatient basis, and that all unnecessary barriers to help be removed. The Committee bill is designed to achieve this result. A veteran recently discharged from active duty should know that such help is available, and that a request for readjustment counseling will be speedily honored, with a minimum of red tape, and, most importantly, without the need for prior hospitalization. Very few veterans who would receive readjustment counseling under this bill would require hospitalization due to their readjustment problems. (In fact, if any veteran did require hospitalization, they would probably already be eligible for hospital care under the existing title 38 financial need criteria. Significantly, most readjustment problems involve financial distress.) Although the veteran will not require hospitalization, however, prior hospitalization is in fact a requirement under present statutory criteria for the type of outpatient evaluation and counseling for readjustment problems proposed by the Committee bill unless—as is extremely unlikely under the present law—a condition is adjudicated to be service-connected, or outpatient care is deemed necessary "to obviate the need" for hospitalization. The Committee doubts that any fair application of the "obviate" criterion would lead to its use extensively in a psychiatric context and certainly, as stated above, not in the context of low-grade readjustment problems which have not developed into any form of identifiable psychiatric illness.

Therefore, the Committee bill makes specific provision for mental health services, where needed, to be provided on an outpatient basis.

The Administrator of Veterans' Affairs concurred generally with the above analysis at the hearings, where he officially endorsed a form of readjustment counseling.

Outreach

Under the Committee bill, the Administrator, acting in coordination with the Secretary of Defense, would also be responsible for notifying all veterans eligible for readjustment professional counseling under the new section 612A of their eligibility for such services.

Cost

Preliminary Committee estimates are that at the maximum 5 percent of the more than

[2] In this connection, the Committee observes that thousands of American military personnel served during a period, and in the midst, of heavy fighting in Indochina for several years before the August 4, 1964, Gulf of Tonkin Resolution. Therefore, in order not to exclude any such personnel who still may, as a result of that experience, be suffering from readjustment problems, the Committee bill includes within the coverage of the readjustment counseling program veterans who served in that conflict before American combat troops were heavily and directly committed to it.

7 million veterans who served in the Armed Forces after August 4, 1964 (the beginning of the Vietnam era), would request readjustment counseling, as would 5 percent of those veterans discharged in subsequent years. Thus, it is expected that about 354,400 current veterans would seek this counseling (204,500 in the coming fiscal year and 131,300 in fiscal year 1979), with an additional 25,000 veterans applying annually in subsequent years. The average number of visits per veteran would be between 2 and 3.

The use of paraprofessional personnel mandated by the reported bill would reduce the costs of the counseling program. In addition, the more restrictive authorization of reimbursement for beneficiary travel would apply to veterans seeking readjustment counseling and would keep travel costs to a minimum. Thus, projected annual costs for this program beyond the initial 2 years are estimated at around $1.3 million for counseling and $2.9 to $3.25 million for followup mental health care. The cost of followup mental health services would be to provide new staff at certain sites to insure outpatient mental health care capacity to meet the demand for services found to be needed as a result of the initial counseling.

Furthermore, it should be noted that the readjustment problems of veterans have already resulted and continue to result in great loss to the taxpayers in the form of VA pensions, unemployment benefits, welfare payments, and health care costs in the public sector where most veterans with readjustment problems have turned to receive counseling and mental health care, when in fact they have actually sought out help. Thus, it is probable that the provision of readjustment counseling and followup by the VA for these veterans would result in an overall tax savings to the public, both by reducing the cost of care in the public (non-VA) sector and by "rehabilitating" veterans so that they are able to function within the community, thus reducing the numbers of veterans receiving unemployment benefits and financial assistance of other sorts.

The Committee notes that it may be necessary to give the VA a period of leadtime such as for the preventive health care program (April 1, 1978), before this amendment to title 38 becomes effective, in order to permit necessary planning and the training of the necessary personnel, particularly volunteer and lay personnel.

Preventive health care programs

Routine Preventive Health Care Services

One of the major new departures in VA health care proposed in the Committee bill is contained in section 302 of the reported bill. The new subchapter VII which would be added to chapter 17 by that section would expand the scope of health care offered by the Veterans' Administration to certain veterans to include preventive health care services. These services would be available, as feasible. and appropriate, for all veterans suffering from a service-connected disability rated at 50 percent or more, and to any veteran in connection with treatment for a service-connected disability (that is, as part of a hospitalization or outpatient visit for that purpose). It is estimated that approximately 488,000 veterans have service-connected disabilities rated at 50 percent or more and that 2.2 million have some service-connected disability.

Currently, health care in the Veterans' Administration is generally defined by statutory language as services to treat an already existing disease or disability (except for a specific program for sickle cell screening and counseling in subchapter VI of chapter 17). This definition follows the traditional practice in the medical community of treating identified disease and alleviating existing pain. However, within the past decade or so, more and more thought has been given to shifting the emphasis in medical care toward the prevention of illness or disease. Many public health experts believe that such an emphasis would significantly improve health in the long run, and might also, at the same time, result in significant long-term cost savings for individual patients and for the Nation as a whole.

Strong support for preventive health programs was received from several witnesses including Mr. Lawrence W. Roffee, Jr., of the Paralyzed Veterans of America. Mr. Roffee stated:

"A preventive health care program will be of particular value to veterans with spinal cord injuries. A spinal cord injury is a very encompassing disability. Most parts and functions of the body are affected. Minor medical problems such as a bladder infection can quickly become a major medical condition. The problems are compounded by the loss of sensation with a spinal cord injury. Many so injured individuals cannot feel what is wrong with them. They cannot take their 'complaint' or illness to a doctor. Symptoms must be diagnosed by medical personnel who have experience with spinal cord injuries."

The Commitee bill, by authorizing the VA to provide only such preventive health care services as "are feasible and appropriate" and "necessary for providing effective and economical preventive health care" on a national or geographic basis, vests discretion in the Chief Medical Director in establishing the nature and mix of services to be furnished in the program, the schedule for phasing in various services, and the identification of those facilities best equipped to provide them.

The reported bill authorizes the VA to institute appropriate controls and carry out followup studies, which may include research, to demonstrate the medical advantages and cost-effectiveness of furnishing such preventive health care services. Research would seem to be a particularly important aspect of this new program since the VA is in an almost ideal situation to make a major contribution to knowledge in this field.

Among those preventive health services which the legislation suggests may be included are:

First: Periodic medical and dental examinations.—This does not mean an annual physical—a costly procedure which experience has shown does not insure freedom from serious illness. Rather, the Committee envisions, as one type of program at selected locations, preventive services packages geared to age groups as suggested in a report to the National Conference on Preventive Medicine by a prestigious task force, headed by Dr. Lester Breslow, Dean of the School of Public Health at the University of California at Los Angeles, who presented impressive testimony to the Committee in the 94th Congress on the value of a preventive health program to eligible veterans. The recommendations of the Task Force were further modified in an article written by Dr. Breslow and Dr. Anne Somers of New Jersey-Rutgers Medical School which appeared in the New England Journal of Medicine on March 17, 1977. The applicable recommendations as currently modified are:

Young Adulthood (18 to 24 Years):

Health goals—

1. To facilitate transition from dependent adolescence to mature independent adulthood with maximum physical, mental and emotional resources.

2. To achieve useful employment and maximum capacity for a healthy marriage, parenthood and social relations.

Professional services—

1. One professional visit with the healthy adult, including complete physical examination, tetanus booster if not received within 10 years, tests for syphilis, gonorrhea, malnutrition, cholesterol and hypertension, and medical and behavioral history. This visit may be provided upon entrance into college, the Armed Forces or first full-time job, but should be before marriage.

2. Health education and individual counseling, as needed, for nutrition, exercise, study, career, job, occupational hazards and problems, sex, contraception, marriage and family relations, alcohol, drugs, smoking, and driving.

3. Dental examination and prophylaxis every two years.

Young Middle Age (25 to 39 Years):

Health goals—

1. To prolong the period of maximum physical energy and to develop full mental, emotional and social potential.

2. To anticipate and guard against the onset of chronic diseases through good health habits and early detection and treatment where effective.

Professional services—

1. Two professional visits with the healthy person—at about 30 and 35—including tests for hypertension, anemia, cholesterol, cervical and breast cancer, and instruction in self-examination of breasts, skin, testes, neck, and mouth.

2. Professional counseling regarding nutrition, exercise, smoking, alcohol, marital, parental and other aspects of health-related behavior and lifestyle.

3. Dental examination and prophylaxis every two years.

Older Middle Age (40 to 50 Years):

Health goals—

1. To prolong the period of maximum physical energy and optimum mental and social activity, including menopausal adjustment.

2. To detect as early as possible any of the major chronic diseases, including hypertension, heart disease, diabetes and cancer, as well as vision, hearing and dental impairments.

Professional services—

1. Four professional visits with the healthy person, once every five years—at about 40, 45, 50 and 55—with complete physical examination and medical history, tests for specific chronic conditions, appropriate immunizations and counseling regarding changing nutritional needs, physical activities, occupational, sex, marital and parental problems and use of cigarettes, alcohol and drugs.

2. For those over 50, annual tests for hypertension, obesity and certain cancers.

3. Annual dental prophylaxis.

The Elderly (60 to 74 Years):

Health goals—

1. To prolong the period of optimum physical/mental/social activity.

2. To minimize handicapping and discomfort from onset of chronic conditions.

3. To prepare in advance for retirement.

Professional services—

1. Professional visits with the healthy adult at 60 years of age and every two years thereafter, including the same tests for chronic conditions as in older middle age, and professional counseling regarding changing lifestyle related to retirement, nutritional requirements, absence of children, possible loss of spouse and probable reduction in income as well as reduced physical resources.

2. Annual immunization against influenza (unless the person is allergic to vaccine).

3. Annual dental prophylaxis.

4. Periodic podiatry treatments as needed.

Old Age (75 Years and Over):

Health goals—

1. To prolong period of effective activity and ability to live independently, and to avoid institutionalization so far as possible.

2. To minimize inactivity and discomfort from chronic conditions.

3. When illness is terminal, to assure as little physical and mental distress as possible

and to provide emotional support to patient and family.

Professional services—

1. Professional visit at least once a year, including complete physical examination, medical and behavioral history, and professional counseling regarding changing nutritional requirements, limitations on activity and mobility and living arrangements.

2. Annual immunization against influenza (unless the person is allergic to vaccine).

3. Periodic dental and podiatry treatments as needed.

4. For low-income and other persons not sick enough to be institutionalized but not well enough to cope entirely alone, counseling regarding sheltered housing, health visitors, home helps, day care and recreational centers, meals-on-wheels and other measures designed to help them remain in their own homes and as nearly independent as possible.

5. Professional assistance with family relations and preparations for death, if needed.

An effort was made in 1975 to price the costs of such a program. That estimate, based on fee-for-service fees in the District of Columbia, was $15 per capita per year, assuming 100 percent participation of all eligible persons.

Second: Patient health education.—As medical science has conquered some of the serious and widespread diseases of previous generations, such as diphtheria, typhoid, and tuberculosis, today's citizen is more susceptible to other major diseases, such as cancer and heart disease, as well as chronic diseases which are aggravated either by personal habits such as smoking, overeating, lack of exercise, alcohol abuse and drug abuse, or by environmental hazards, such as noise or pollutants. With a modest investment in health education programs, many experts believe, substantial progress can be made toward the control of these diseases. In addition, counseling as to diet and personal health habits should be an integral part of every patient contact with a health specialist. Patient health education including nutrition education) programs should be an integral part of a preventive health program and can achieve health benefits at a minimal cost.

Third: Maintenance of drug use profiles, patient drug monitoring, and drug utilization education.—Where clinical pharmacy services of this scope have been utilized, studies indicate that medication error rates have decreased substantially, that inappropriate drug utilization has been reduced, that adverse drug reactions have been averted, and that substantial dollar savings have been realized. Including these clinical pharmacy services in a preventive health program is important if the program is to deal with the high incidence of adverse drug reactions and interactions.

Drugs are responsible for approximately 10 percent of total health care expenditures in the United States. In calendar year 1976, the VA spent approximately $155 million on drugs and medicines. The effect of adverse drug reactions on the recovery of the veteran patient, as well as the possibility of long-term injury or disability resulting from improper prescription or utilization of drugs, requires greater focus in the provisions of VA health care services. Surveys of community hospitals have indicated that the incidence of adverse drug reactions is substantial. It is estimated by initial studies that from 3 to 6 percent of all admissions to tertiary-care hospitals are due to adverse drug reactions, and that a minimum of 15 to 18 percent of patients at those hospitals suffer an adverse reaction subsequent to their admission. Since these adverse reactions may well on the average double the patient's hospital stay, the unnecessary costs involved are overwhelming.

As the number and complexity of available prescription and nonprescription drug products increases, and the use, abuse, misuse, and overuse of drugs continues to rise, the need for improved pharmacy services becomes more urgent.

In recognition of the complexity of prescription drug management, the health community has developed a relatively new professional—the clinical pharmacist. Clinical pharmacy training prepares the pharmacist for greater responsibility in direct relationships with the patient in drug abuse, toxicity, and nonprescription drug advice as well as in closer working relationships with physicians, dentists, and other health professionals. The specialized training of the clinical pharmacist is designed to enable that professional to relieve a great many of the demands made upon physicians, freeing the physician for duties most appropriately performed by such a highly trained professional.

A study, carried out in 1972, entitled "An Application of Clinical Pharmacy Services in Extended Care Facilities," evaluated the impact of clinical pharmacy services on the apparent quality of patient care and cost-effectiveness of drug therapy in skilled nursing facilities. Three 91- to 99-bed facilities in Los Angeles County, which met a set of predefined criteria, were randomly selected for the study. A pharmacist with clinical training and experience was appointed to provide optimal pharmaceutical services and care in order to bring about more safe and rational use of drugs in these facilities. Pre-study and post-study evaluations were conducted and data were analyzed by expert consultants. The results of the study were as follows:

1. The medication error rate was reduced by 50 percent.

2. Drug utilization was reduced by 20 percent through discontinuation of unnecessary and inappropriate drugs.

3. Sixty or more clinically significant adverse drug reactions were detected and/or prevented.

4. A cost-saving of $80,000 a year was projected in the three facilities studied.

5. The pharmacist functioning in this capacity was well received by the patients, physicians, administrators, and especially by the nurses.

A similar study has been proposed for several years, but not yet implemented, for the VA outpatient clinic in Los Angeles. The objective is to evaluate the quality of patient care and cost effectiveness of drug therapy through the monitoring and evaluating by clinically trained pharmacists of drug regimens for ambulatory care patients.

Preliminary data for that walk-in clinic indicated that 30 to 40 percent of VA patients who visited there were considered to be prescription drug-related. The main reasons for visits to the clinic by this group of patients were:

1. Refill or renewal of prescriptions.

2. Request for drug information or counseling because the patients were confused in taking their prescribed medications or complained of some undesirable responses.

3. Seeking new treatment or new medications.

A clinically trained pharmacist was appointed to counsel this group of patients and to review their drug utilization from October 1, 1974, to December 31, 1974. This study concluded that 27 percent of patients complied with the prescribed medication directions; 39 percent overutilized medications; 31 percent underutilized medications; 7 percent had excessive prescribed dosages; 2 percent had inadequate prescribed dosages; 2 percent had inappropriate prescribed dosing intervals; 7 percent had possible or probable interactions from multiple prescribed drugs, 17 percent had possible or probable adverse drug reactions; and 23 percent had inappropriate combinations of drugs or duplications.

The Committee feels strongly that the VA should assign a high priority to carrying out this study with available health services research funds.

A special study of patients at this clinic who were seen by more than one physician was conducted in the last quarter of 1976 and produced equally discouraging results. It found that 29.7 percent of patients complied with the physician's prescription directions; 48.3 percent underutilized the medication; 22 percent overutilized the medication; 50 percent received duplicate prescriptions; 25 percent had inappropriate combinations of drugs; 18.3 percent had inadequate dosage prescribed; 5 percent had inappropriate dosing intervals; 33 percent had potential drug interactions; and 3.3 percent had excessive dose prescriptions. A clinical pharmacist is currently following up with these patients, counseling them on proper drug use, and notifying physicians of duplications and other inappropriate prescriptions given the patients.

These findings indicate the dimensions of the demand that can be made upon one VA facility by veterans with drug-related problems. In the Committee's view, this problem can be substantially corrected by greater emphasis on comprehensive clinical pharmacy services within a preventive health program, and such services should be implemented at a number of facilities on a pilot basis to test their cost-effectiveness and total health care impact.

Fourth: Routine vision testing and eye care services.—These services are important not only for early detection of eye disease, but also for detecting other illnesses, such as diabetes or cholesterol imbalance. Furthermore, since the average veteran is now an older veteran—over 13 million are World War II veterans with a median age of 55, and almost one million are World War I veterans of at least 75 years of age—preventive vision services could improve daily living for many veterans. These services can be provided very effectively by an optometrist—a professional much underutilized by the VA. The Committee does not envision the provision of eye glasses or contact lenses as part of this service.

Other Preventive Health Care Services: Of course, a total preventive health care program should also include immunizations, prevention of musculoskeletal deformity or other gradually developing disabilities of a metabolic or degenerative nature, genetic counseling, and early intervention in mental illness, including family counseling.

It should be noted that the Committee bill provides for the furnishing of preventive services only to the extent the Administrator determines them feasible and appropriate. The Congressional Budget Office estimates discussed below are based on a reasonable preventive care program which can detect diseases having serious implications for the patient if left undetected—The costs involved are a wise investment in terms of potential future debilitation of veterans and demands on VA resources.

Comprehensive Health Maintenance Pilot Program

In addition to authorizing a preventive health care program for the approximately 500,000 veterans with a service-connected disability rated at 50 percent or more and for veterans being treated for service-connected disabilities, the Committee bill would mandate the VA to carry out an experimental health maintenance pilot program in comprehensive health care services, including a research component. The Committee believes enrollment in such a pilot program should, to the maximum feasible extent, be made available to service-connected veterans in accordance with the priorities for outpatient services specified in section 612(1) of title 38 in a VA hospital on an inpatient or outpatient basis.

The reported bill directs that the pilot program be undertaken as a controlled, scientifically valid study (including control groups) of the provision of such HMO-type service to no more than 10,000 veterans with service-connected disabilities, and limits the pilot program to a 10-year period.

The findings from such programs should have broad application to health care not only in the Veterans' Administration, but also in the medical community at large. In view of the likelihood of some form of national health insurance program in the next few years, the experience gained from a preventive health program operating on a scale of sufficient size, as is possible in the Veterans' Administration, should provide a good estimate of the achievable benefits of many preventive health measures.

Utilization of Interdisciplinary Health Care Teams

The Committee bill directs that interdisciplinary health care teams be utilized, to the maximum extent feasible, in providing preventive health care services and in carrying out the pilot HMO-type program, and specifies that these teams should be composed of various professional and paraprofessional personnel such as nurses, pharmacists, psychologists, podiatrists, optometrists, technicians, physician assistants, and expanded-function dental auxiliaries. In a system as large as the VA, which is generally not bound by the restrictions of State licensing laws regarding paraprofessionals, an opportunity exists to implement a major program of this nature, utilizing paraprofessionals in new roles and in ways which can reduce the demands made upon the more highly trained professional. Legislation enacted as Public Law 94–123, the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975, enables the VA to hire physician assistants and expanded-function dental auxiliaries on a competitive basis with the community. The Committee expects such personnel to play a substantial role in the new preventive health care programs.

Lead Time for Planning

To provide the necessary lead time for planning the basic preventive health care program and designing the pilot program, the Committee bill postpones the effective date of the preventive health care service program until April 1, 1978, and the implementation date of the pilot program until October 1, 1978.

Cost

The Congressional Budget Office estimates the costs of the preventive health care program for service-connected veterans at $2.85 million during fiscal year 1978, based on the provision of *three* selected preventive services to each eligible, participating veteran plus hospitalization costs based on a rate of 1 percent detection of morbidity based on the three screening tests. The three services envisioned would be electrocardiograms and hyptertension screening for the detection and early diagnosis of heart disease and other cardiac conditions, tonometry for glaucoma detection, and a proctoscopic examination for detection and early treatment of rectal cancer and other colonic disorders. The cost of providing these three simple services would be $8.25 per veteran. The projected first year cost of $2.85 million would be made up of $1.44 million for the preventive health services, $0.53 million for the induced hospitalization, and $0.88 million for the cost of followup.

The Congressional Budget Office estimates that the cost of providing health care under an HMO-type configuration pursuant to the pilot study would be $689 per year per individual in fiscal year 1979, the first year of the pilot program. With 10,000 individuals in the control group and 10,000 in the HMO, the costs are estimated at $7.42 million the first year, increasing to $8.74 million the fourth year (1982), when inflation is taken into account. This estimate includes $530,000 a year to cover the costs of generating, maintaining and analyzing the data developed in the pilot program.

Drug and alcohol treatment and rehabilitation

Neither drug addiction nor alcoholism are new problems to the Veterans' Administration. For years, the VA has treated the medical consequences of both drug abuse and alcohol abuse in its hospitals. Furthermore, the VA has long recognized alcoholism as a treatable condition. Alcoholism treatment units have been established at 78 VA medical facilities, with an average per-unit funding level of $246,000, and almost 100,000 veterans received treatment for alcoholism and alcohol-related problems in fiscal year 1976. The Department of Medicine and Surgery, according to the VA's planning document of November 14, 1974, planned to activate an additional 32 alcohol dependence treatment programs during fiscal year 1976. However, the VA has activated only seven of these programs to date.

There are 53 VA special drug treatment units operating as of August 1977, with a capacity to treat approximately 29,500 patients annually and an average per-unit funding level of $220,000. Almost $112 million is included in the fiscal year 1978 medical care appropriation for substance abuse treatment programs.

A January 17, 1977, letter from the Administrator of Veterans' Affairs to Senator John McClellan, Chairman of the Senate Appropriations Committee, in which the Administrator responded to a report on VA alcohol treatment programs conducted by the General Accounting Office (GAO) and provided a progress report of the agency's plans to meet the deficiencies cited in the GAO report, explicitly recognized the importance of each facility (hospitals, domiciliaries, and independent outpatient clinics) having a substance abuse treatment and rehabilitation capability. In that letter the Administrator set forth a long-range goal to establish 91 additional units by 1985, with no additional units planned for fiscal year 1978, and 15 units planned for each of the next 3 fiscal years.

Despite the recent—although not sufficient—growth of the VA programs for treatment of drug and alcohol abuse, the VA is still limited in several ways from responding fully to the needs of the veteran addicted to drugs or alcohol.

Section 303 of the Committee bill would provide for comprehensive treatment and rehabilitation programs for veterans suffering from alcohol or drug dependence or abuse problems. The provisions of section 303 are comparable to legislation passed by the Senate during the 92d (S. 2108), 93d (S. 284), and 94th (S. 2908) Congresses. The Senate was unable to reach an agreement with the House on this legislation in any of those Congresses. The Committee bill reflects some changes which have been made to meet concerns expressed by the House Committee on Veterans' Affairs as well as the Veterans' Administration with regard to those bills.

The Committee bill would provide the VA with the legislative authority necessary to initiate a comprehensive program for the treatment and rehabilitation of veterans suffering from alcohol or drug dependence or abuse disabilities.

Drug Dependence and Abuse Treatment Needs

The problems of drug dependence and abuse continue to grow. The VA estimates there are 200,000 veterans suffering from drug dependence. Admissions for drug dependence treatment increased 12 percent for fiscal year 1976 as compared to fiscal year 1975. The VA advises that it expects to meet this increased need within existing program locations but with increased resources.

Alcoholism Treatment Needs

In a September 1975, report to Congress on the quality of the alcohol treatment programs provided in VA facilities, the Comptroller General of the United States found that the serious lack of DM&S staff and funds to operate alcoholism treatment and rehabilitation programs constituted a major problem. Other findings of the study were that some of the largest major metropolitan areas—where there are large numbers of veterans—lacked any VA alcohol treatment capacity. In addition, the study found that the availability of VA alcoholism services was not adequately publicized.

There is an extraordinary and increasing prevalence of alcohol-related admissions to the VA hospital system—officially estimated by the VA at one out of every ten admissions in fiscal year 1975, making alcoholism the most common of all listed admission diagnoses. But even more revealing are the results of a comparison between a 1970 and a 1973 census in VA health care facilities which included a special question to determine which bed-occupant patients were defined alcoholics or problem drinkers. Here are the startling results:

1. The proportion of defined alcoholics and problem drinkers increased from 1 out of every 5 patients in 1970 to 1 out of every 4 patients in 1973.

2. Almost 25 percent of Vietnam-era veterans in the 1973 patient census were diagnosed as defined alcoholics or problem drinkers, as compared to 13 percent in the 1970 census.

3. Within the 35–44 age group, 35.2 percent of all hospitalized veterans were defined alcoholics or problem drinkers in 1973, as compared to 26 percent in 1970.

These patterns have not improved in more recent years. In 1975, 19 percent of all discharges from Veterans' Administration hospitals were related to alcoholism. The October 1, 1975, VA hospital inpatient 1-day census showed that alcoholics or problem drinkers constituted 22.5 percent of the inpatient population; and in fiscal year 1976, 96,360 veterans were admitted to Veterans' Administration inpatient or outpatient facilities for treatment for alcoholism, a 5-percent increase over the previous year.

It must be noted that the disease of alcoholism is responsible for much of the total cost of administering VA hospitals and clinics. An extremely high volume of admissions to medical or surgical wards stems from alcoholism. This includes not only those patients admitted for detoxification (withdrawal) or "DT's" (delerium tremens) but also patients admitted for treatment of bleeding ulcers, liver failure, and inflammation of the pancreas, among other conditions. All too often the following cycle ensues. A veteran is treated and discharged without referral to an alcohol rehabilitation program. He returns to the community where he drinks again, redevelops bleeding ulcers (for example) and is readmitted to the hospital.

Clearly, whatever the exact statistics, the cost of alcoholism is high. Without adequate numbers of alcohol treatment and rehabilitation units, the alcoholic is doomed to continued readmissions due to recurring illnesses. The expenses of treating and rehabilitating the alcoholic in an effective manner are a worthwhile investment of VA resources and may, depending on the success of the program, lead to considerable savings in the long run.

In view of these data and the cruel hardship alcoholism can work on veterans and their family members, it is imperative, in the Committee's view, that VA programs be expanded to face up to the virtually epidemic proportions of alcoholism and alcohol-related problems among veterans and that

these programs comprehensively treat the symptoms of alcoholism and aim to rehabilitate veterans suffering from this disability.

The Committee recognizes that a major problem in providing treatment and rehabilitation for veterans suffering from alcohol dependence or abuse is the difficulty in recruiting physicians and other professionals to staff such treatment units and to work in the field of alcoholism generally. Thus, the Committee urges the VA to study the feasibility of establishing a Center for the Study of Alcoholism and Alcohol Rehabilitation, which could serve a double purpose—improving methods to treat this tragic disability and attracting first-rate clinicians (psychiatrists, psychologists, and other specialists) into the VA system to treat patients with alcoholism. Such a center could appropriately include drug abuse and dependence research programs as well, because many veterans presenting drug disability problems also suffer from alcoholism. The Chairman recommended establishment of such a center in a June 6, 1977, letter to the Chief Medical Director.

Treatment and Rehabilitation Programs

The Committee bill calls for the establishment of specialized medical programs providing inpatient and outpatient treatment programs and rehabilitative services on a nationwide basis, and stresses the desirability of utilizing satellite facilities, halfway houses, encounter-style therapeutic communities, and counselors who have recovered from either an alcohol or drug disability, to the extent practicable, both in the treatment phase and through the rehabilitation period to insure the restoration of the patient to society as a productive, self-sufficient citizen.

The Committee urges the VA to implement a variety of treatment modalities in treating patients with drug or alcohol disabilities. In testimony before the Committee, VA representatives contended that it is not practical for the agency to have real multiple alternatives at each hospital. When adequate alternatives are lacking, however, the patient's opportunity to participate in, for example, a drug-free program, rather than a program relying on chemotherapy, is blocked. The Committee bill, therefore, requires that, at a minimum, the VA offer each veteran a drug-free treatment modality unless such a treatment modality is medically contraindicated.

In addition, the Committee bill authorizes the VA to contract with other government or private halfway-house facilities to assure that benefits and progress which may have been achieved during the treatment phase of a program can be retained under a partially supervised living environment.

Dr. Morris Chafetz, President of the Health Education Foundation, and former director of the National Institute on Alcohol Abuse and Alcoholism, pointed out at the June 1977 hearings that this type of facility could be invaluable in the early treatment phase of a program as well. Dr. Chafetz testified:

"Although the importance of inpatient facilities cannot be overemphasized, alternative treatment methods, such as those available in halfway houses, for example, must also be available for those who neither require nor desire hospital care. It is an essential supplement to the existing program that will allow followup and continuity of care."

Dr. Henry O. Tavitian, testifying for the National Association of VA Physicians, stated:

"The need for rehabilitative programs (Drug Dependent Treatment Programs) with strong emphasis on comprehensive and wide range of physical health and psychosocial services enabling the veteran to give up his ways of dealing with life situations in which addictive behavior is a major component and engage in healthier and more constructive patterns of behavior cannot be overstated."

The Committee is aware that in some cases, the problems of a veteran who suffers from alcoholism or drug addiction are aggravated by the existence of a close family member who suffers from the same addiction. In such cases, successful treatment programs can often be achieved only if treatment is provided to both the veteran and the family member in one program. Since treatment of a non-veteran family member in a VA facility raises numerous difficult questions, the Committee bill would add a new authority to title 38 providing for the VA, when essential to the successful treatment and rehabilitation of a veteran, to furnish treatment and rehabilitative services to the veteran, at VA expense (limited to reasonable costs determined by DM&S), in a community facility approved by DM&S where the veterans' family member is enrolled and where both can be treated together. In such cases, the VA would not cover any of the costs of treatment of the member of the veterans' family.

Employment Opportunities for Rehabilitated Veterans

Success in treatment and rehabilitation of an addicted veteran can be heightened if the veteran is in the work force and involved in a satisfying and fulfilling job. In order to assist recovered veteran addicts in finding productive employment, the Committee bill would direct the VA to carry out a program with other Federal agencies to promote the Federal employment of recovered addicts (drug as well as alcohol), and to cooperate with and assist the Secretary of Labor in placing these veterans with private employers.

Alcohol and Drug Treatment Program Eligibility

The Committee bill would broaden eligibility for alcohol or drug abuse treatment and rehabilitation services to include veterans who, because of the nature of their active duty discharges, would not otherwise qualify for hospital care or medical services under title 38. Under section 101(2) of title 38, the VA does not have general authority to treat an alcohol or drug dependent veteran—or any veteran for that matter—with less than an Honorable or General Discharge. (A veteran with such a "bad" discharge (not the result of a general court-martial or for certain reasons specified in section 3103 of title 38) can be made eligible for chapter 17 health care services if he applies for and receives an adjudication that his discharge was under "conditions other than dishonorable", but the adjudication process takes many months and seldom results in a finding favorable to the veteran.)

The result of this situation has been that many thousands of veterans who became drug addicted while in the service, primarily in Southeast Asia, or encountered alcohol problems during their active duty, have been denied the treatment and rehabilitative services they need to cope with their tragic disabilities. Under the Committee bill, the Administrator would have discretionary authority to provide those critical services to veterans with administrative discharges under other than honorable conditions, but not within the bar-to-benefits proscription of section 3103.

For veterans suffering from alcohol- or drug-related disabilities, the Committee bill would also set up special treatment and rehabilitation programs to seek out and counsel addicted veterans and provide them with help in obtaining review and correction by the military of discharges under other than honorable conditions.

The Committee bill would also require the VA to provide treatment and rehabilitative services for any eligible veteran who has been charged with or convicted of a criminal offense, but who is not confined and is not required to participate in the program by a court of competent jurisdiction, State or Federal. Also, such treatment and services are authorized in the case of a veteran who is under court jurisdiction as a result of a charge or conviction for a criminal offense and who is required to participate in a treatment program by the court, but the services may be provided only under conditions which will insure that the voluntary nature of the program with regard to other participating veterans would not be impaired.

In addition, the Committee bill would provide procedures for the treatment of active duty service personnel suffering from drug dependence in VA health care facilities if they voluntarily, in writing, request such treatment. This transfer from the Armed Forces to a VA facility would be limited to the last 30 days of a tour of duty. The purpose of requiring a written voluntary request is to preserve the fundamental voluntary basis of VA drug treatment programs. If a headstart can be achieved on the voluntary treatment of service personnel in a VA program, that should be and would be permissible under the Committee bill.

These flexible eligibility provisions for VA treatment are necessary in dealing with disabilities such as alcohol and drug dependence and abuse where the disabilities themselves can alter behavior to the extent that treatment and rehabilitation becomes unavailable, and the veteran is caught in a web of addiction or abuse, erratic and antisocial behavior, and illness.

Cost

The Congressional Budget Office (CBO) estimates that 93 additional substance abuse programs will be needed to provide the expanded programs authorized by this new section. This number of units would permit the establishment of one unit in each of the VA's 172 hospitals and eight independent outpatient clinics. These programs would be phased in over a period of 5 years, with 15 programs starting in each of the first 4 years and 33 programs starting in fiscal year 1982.

CBO also estimates, very conservatively in the Committee's view, that 8 percent of all admissions for alcohol disabilities could better profit from halfway-house placement, and that, if this percentage of all alcohol-related admissions could be placed in halfway houses instead of being admitted to hospitals, potential savings could be realized.

The additional costs for establishment of these alcohol and drug programs would be highest in the first year and in fiscal year 1982 when a projected increment of 33 new programs would be initiated. In fiscal year 1980, the median point, the costs for alcohol and drug programs are estimated at $3.8 million; the halfway-house costs are estimated at $13.4 million, and the savings realized by transferring and diverting patients from VA hospitals to halfway houses are estimated at $20.7 million—for a net savings in costs of $3.5 million in that year. During the first 5 years of these programs, CBO estimates a net savings in cost of $3.2 million.

Eligibility amendments

Benefits Eligibility for "Early Re-Ups"

Under current law, the term "veteran" is defined in section 101(2) of title 38, United States Code for purposes of general eligibility for veterans' benefits, as "a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable". The words "discharged or released" have long been interpreted by the VA as including only "unconditional"

discharges or releases, that is, only discharges or releases which qualify the individual for unconditional separation from active-duty service. Thus, a discharge issued for the sole purpose of changing the status of a person who continues to be obligated to remain on active duty (for example, when a discharge is issued to an enlisted person in order for him or her to accept a commission), or accomplishing an extension of active-duty service (for example, when the individual is given a discharge on condition that he or she extend his or her service through immediate enlistment or reenlistment) is considered a "conditional discharge" which does not satisfy the requirements of section 101(2).

The Committee agrees that a discharge or release granted under such circumstances before the individual has completed the period of active-duty service for which he or she became obligated at the time of induction or enlistment should not be considered a "discharge" or "release" for purposes of benefits eligibility. However, the Committee has recommended that legislation be enacted to correct the inequity which occurs when the individual does satisfactorily complete the originally intended period of service but does not receive a discharge or release at that time because he or she previously extended his or her service.

The need for such legislation can be illustrated by comparing the situations of three individuals, A, B, and C, all enlisting on the same day for the same 3-year period of active-duty service:

A

A, after 2 years of service on a 3-year enlistment, agrees to a 4-year extension. Because A's original enlistment has not yet expired, A is issued a "conditional" discharge at that time—a discharge conditioned on immediate reentry into active-duty service for a period of 4 years. Such a discharge is not recognized by the VA for purposes of benefits eligibility.

A satisfactorily completes 3 years of service but does not receive an Honorable Discharge at that time because he has 3 years of extended service remaining. During the fifth year of service, A is involved in various incidents resulting in a discharge under conditions other than honorable. Despite having completed satisfactorily the 3 years of service for which A originally enlisted, A would not have a discharge making him eligible for benefits.

B

B completes satisfactorily the original 3-year enlistment, receives an Honorable Discharge, and immediately reenlists for a second 3-year tour of active-duty service. Like A, B is involved in various incidents during the fifth year of service and is discharged under conditions other than honorable. Unlike A, however, B has an unconditional discharge—one received after 3 years of service—carrying with it eligibility for veterans' benefits.

C

C completes satisfactorily the original 3-year enlistment and receives an Honorable Discharge. C never reenters active-duty service and is eligible for veterans' benefits.

These hypothetical cases lead inescapably to the conclusion that a serviceperson may be prejudiced in terms of eligibility for veterans' benefits by agreeing to extended service before the expiration of his or her first period of service. Only A—who completed the initial 3-year commitment honorably under circumstances identical to B and C—is not entitled to benefits. Ironically, such extensions generally result from encouragement by the service for the purpose of obtaining assurance of its ability to meet future personnel requirements.

To remedy this situation, section 304(a) of the Committee bill amends the definition of the term "discharge or release" in section 101(18) of title 38 by expanding it to include, under these circumstances, the satisfactory completion of a period of service equal in length of time to the period of active-duty service for which the individual originally enlisted or was inducted.

Limitation on Certain Dental Care Entitlement

Section 612(b)(2) of title 38 generally requires that a veteran apply to the VA within 1 year of the date of discharge or release in order to receive outpatient dental care (and related dental appliances) for a service-connected dental condition or disability that is not compensable in degree. When the individual leaves active-duty service permanently upon receipt of a discharge or release, this 1-year limitation operates fairly and requires the veteran to seek early treatment of the service-connected, but noncompensable, condition or disability.

If, however, the individual reenters active-duty service before the 1-year limitation has expired, the time for making application may expire during such service. Thus, immediately following the subsequent period of service and return to civilian life, if the veteran requires care for the condition or disability incurred or aggravated during the prior period of service, the veteran would be, according to the VA's interpretation, ineligible for such care from the VA.

In the Committee's view, it is unreasonable to expect the individual to apply to the VA for care or treatment while on active duty. Persons on active duty naturally expect the military department concerned to provide for their dental and medical needs and would, understandably and justifiably, be surprised to learn that their entitlement to any VA care may expire during such service. In fact, it is conceivable that the individual might actually receive some treatment for his or her dental condition or disability during the subsequent enlistment, and, assuming the condition was not aggravated during that enlistment, still be ineligible for VA treatment of the condition following discharge or release from that period of service.

The Committee views these results as clearly inequitable and anomalous. Section 304(b) of the Committee bill, therefore, amends section 612(b)(2) to reinstate, after subsequent active-duty service in the case of a person with less than a 1-year break in service, the 1-year post-service period within which an application for such dental care must be made to the VA.

COST ESTIMATE

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91–150, 91st Congress), the Committee, based on information supplied by the Congressional Budget Office, estimates that the 5-year cost resulting from the enactment of the Committee bill would be $26.97 million in fiscal year 1978; $29.94 million in fiscal year 1979; $20.10 million in fiscal year 1980; $20.35 million in fiscal year 1981; and $24.86 million in fiscal year 1982. A detailed breakdown of these costs, as estimated by CBO, over the 5-year period follows:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: H.R. 5027.

2. Bill title: Veterans Health Care Amendments Act of 1977.

3. Purpose of the bill: To amend title 38 of the United States Code to clarify the requirement that medical services be provided by the Veterans' Administration in certain cases.

4. Cost estimate: (dollars in millions):

Section	1978	1979	1980	1981	1982
101: Services outside VA facilities	(1)	(1)	(1)	(1)	(1)
201(a): Extension of physician and dentist special pay	3.96	7.93	7.06	6.29	2.96
201(b)(3): Chief of staff special pay	(1)	(1)	(1)	(1)	(1)
201(b)(5): Physician and dentist new pay agreements	.09	.17	.15	.14	.07
201(d)(1): Special language programs	(1)	(1)	(1)	(1)	(1)
202: Clinical podiatrist and optometrist pay schedule	.71	.42	.45	.48	.51
301(a):					
Readjustment counseling	12.39	8.36	1.75	1.85	1.96
Outpatient mental health	2.57	2.73	2.89	3.06	3.25
302(a):					
Prevention program	2.85	5.53	7.20	8.82	11.96
Pilot program		7.42	7.83	8.27	8.74
303: Drug and alcohol treatment	+4.40	+.90	−3.50	−4.60	−.40
304(a): Discharge or release changes	(1)	(1)	(1)	(1)	(1)
304(b): Dental services	(1)	(1)	(1)	(1)	(1)
Total	26.97	33.46	23.83	24.31	29.05

1 No real cost impact.

5. Basis for estimate:

Section 101 amends section 601(4)(c) of title 38 to permit the provision of outpatient fee-basis care outside of VA facilities for the non-service-connected disabilities of veterans who under section 612(g) of title 38 are eligible for housebound or aid-and-attendance benefits. The bill therefore has the effect of repealing amendments to title 38 contained in sections 202(b)(2)(A) and 202(f)(3) of Public Law 94–581, the Veterans Omnibus Health Care Act of 1976. In preparing the cost estimate on this bill last year, no net cost or savings were attributed to these two provisions. Thus, their repeal would not reflect any additional costs.

Section 201(a) extends the VA's physician and dentist special pay authority under section 4118 of title 38, for 1 year, through fiscal year 1978.

It is assumed, based on previous experience of Public Law 94–123 that the average annual special pay would be $7,244 for full-time physicians, $3,262 for part-time physicians and $3,200 for full-time dentists; that approximately 96 percent of those eligible will enter the program; and that, of these, 95 percent will sign a 4-year contract. Projected costs for fiscal year 1978 will be lower than in succeeding years since approximately 85 percent of those hired will work less than a full year (50 percent will be hired in the final quarter). In addition, projected costs for 1982 reflect the drop-out of physicians and dentists once their 4-year contracts have expired. A 6 percent annual inflation rate is used in determining the yearly costs.

[In millions of dollars]

Fiscal year costs:	
1978	3.96
1979	7.93
1980	7.06
1981	6.29
1982	2.96

Section 201(b)(3) authorizes payment of the full amount of special pay (up to $13,500) to a full-time VA Hospital chief of staff.

Presently, the VA system has 152 full-time and 11 part-time chiefs of staff each receiving an average yearly special pay of $10,272 and $6,512, respectively. Because only a small number would be affected by this provision, the VA estimates the cost impact to be minimal.

Section 201(b)(5) permits any full-time physician or dentist to enter into new special pay agreements for up to 4 years. This provision excludes those physicians and dentists who fall within the categories specified by subsection (g) of section 4118, title 38 who can enter into new agreements at higher rates of pay after completion of 1 year of service under a prior agreement.

Assumptions:

(1) Under Public Law 94–581, all physicians who signed 4-year agreements in fiscal year 1976 could resign without penalties; however, a small group of physicians and no dentists signed for only 2 years, initially.

(2) Of the 124 full-time and 50 part-time physicians who signed a 2-year agreement, 20 percent (or 25 full-time and 10 part-time physicians) will still be employed in fiscal year 1978 and will opt for a new 4-year agreement at the present average special pay amount of $7,244 and $3,262, respectively.

(3) Projected costs for fiscal year 1978 will be lower than in succeeding years since approximately 85 percent of those hired will work less than a full year (50 percent will be hired in the final quarter). Projected costs for 1982 reflect the drop-out of physicians and dentists once their 4-year contracts have expired.

(4) The VA assumes a 10 percent physician loss rate each year with all losses replaced by new hires. A 6 percent annual rate of inflation is used in estimating the costs of this section.

[In millions of dollars]

Costs:	
1978	0.090
1979	0.172
1980	0.150
1981	0.139
1982	0.069

Section 201(d)(1) provides for special language training programs to insure that all VA employees involved in direct patient care in the Department of Medicine and Surgery be proficient in English or another language, if appropriate Although baseline data is not available at present and the VA is currently studying the cost impact of this provision, CBO assumes no significant costs associated with this section.

Section 202 amends the clinical podiatrist and optometrist pay schedule in section 4107 of title 38 to provide employees, in this schedule, in the VA Department of Medicine and Surgery with the benefits of the cost-of-living increase effected by Executive Order 11941 on October 1, 1976. This section provides for the application of the title 38 pay schedule added by the 1976 Veterans Omnibus Health Care Act to replace the present GS pay ratings for optometrists and podiatrists in the VA system. The provisions of this section are retroactive to October 21, 1976.

In fiscal year 1977 there were a total of 19 optometrists (9 full-time and 10 part-time) and 52 podiatrists (20 full-time and 32 part-time) in the VA system.

The cost estimate for this section was based upon the midpoint differences between each GS range and its corresponding title 38 range. Using a factor of one for full-time and one-half for part-time employees, each midpoint difference at each grade level was then multiplied by the number of full-time and part-time optometrists and podiatrists currently employed by the VA at GS levels 9 to 13 to get the sum total of salary increases for fiscal year 1978. This total was doubled to account for the retroactive increases from fiscal year 1976 to fiscal year 1977. An additional 6 percent inflation rate was used in estimating salaries for fiscal years 1979–1982.

[In millions of dollars]

Fiscal year—salary increases:	
1978	0.71
1979	0.42
1980	0.45
1981	0.48
1982	0 51

Section 301(a) establishes eligibility for readjustment professional and paraprofessional counseling for any veteran who served after August 4, 1964 or prior in the Indochina conflict. Also, under section 301(a), veterans who are seen as a result of a readjustment counseling visit and are deemed in need of outpatient mental health services, shall be eligible for those services.

The following assumptions are used to estimate the costs of section 301(a):

(1) Of the estimated 354,400 veterans who would apply for readjustment counseling, 30 percent (106,320) would be provided with outpatient mental health services also under section 301(a) and would thus only receive one initial counseling visit. The remainder (240,080) would receive an average of four visits.

(2) Of the 354,400 veterans who would presently be eligible, it is assumed that 10 percent would take advantage of this service in 1978, 60 percent in 1979, and 30 percent in 1980.

(3) Cost/visit based upon the utilization, to as great an extent as feasible, of paraprofessional personnel, would average $12 in 1978.

(4) VA assumes that some veterans have no family and others would have several members who would avail themselves of readjustment counseling; therefore, estimates for family services are based on 0.9 family members per veteran receiving one additional visit.

(5) 1979–1982 costs are based upon the VA assumption of 5 percent of the 500,000 veterans who would become eligible each year would take advantage of the counseling services and that 20 percent would be provided mental health services under this section. The lower percentage is based upon an assumed lower percentage of pathology given the fact that the presently eligible population consists of veterans of the Indochina conflict. Also, a 6 percent annual inflation rate is used for the costs per visit and travel.

The costs associated with section 301(a) are:

[Dollar amounts in millions]

	1978	1979	1980	1981	1982
Beneficiaries receiving 4 visits	140,848	94,424	20,000	20,000	20,000
Beneficiaries receiving 1 visit	63,792	36,896	5,000	4,000	5,000
Beneficiary visits	627,184	414,592	85,000	85,000	85,000
Family visits	126,763	84,982	18,000	18,000	18,000
Total, visits	753,947	499,574	103,000	103,000	103,000
Service costs	$9.59	$6.36	$1.31	$1.39	$1.47
Travel costs	2.8	2.0	.44	.46	.49
Total, costs	12.39	8.36	1.75	1.85	1.96

Section 301 would also increase the overall outpatient load for mental health services as a result of those veterans who were referred from the readjustment counseling program. In order to ensure entitlement to all eligible veterans, there would have to be an increase in staff in those sites where these mental health services are not presently available. The VA estimates that there are presently 30 such facilities where professional personnel would have to be added. Assuming two full-time equivalent professional employees per site at a cost of $37,500/FTEE (VA estimate) and a 5 percent annual salary increase, the increased costs associated with this provision would be (travel costs assume an increase of 45,000 visits—$2.39 million÷$53/visit—and a $3.78/visit reimbursement for 1978 inflated by 6 percent/year in 1979–1982).

[In millions of dollars]

	1978	1979	1980	1981	1982
Costs	2.39	2.54	2.69	2.85	3.03
Travel costs	.18	.19	.20	.21	.22
Total	2.57	2.73	2.89	3.06	3.25

Section 302(a) establishes a preventive health care program for veterans by:

(1) Authorizing the Administrator to offer, at his discretion, a set of preventive services for service-connected disabled veterans; and

(2) Establishing a pilot program on a limited basis to determine the "cost effectiveness and medical advantages" of offering comprehensive health care services to a selected study population of veterans.

It is assumed that all 2.2 million service-connected disabled veterans will be eligible for the first provision and that three specific services will be offered (e.g., electrocardiograms and hypertension screening, tonometry, and a proctoscopic examination). Further, over the course of the 5 years, a total of 25 percent of the eligible veterans will take advantage of the program (at a rate, according to the VA, of 30 percent of the 25 percent the first year, 55 percent in 1979, 70 percent in 1980, 80 percent in 1981 and 100 percent in 1982). A total cost of $8.25 is assumed for these three tests as is a 1 percent increase in hospitalization as a result of identifying otherwise undetected morbidity based on the tests. Also, it is assumed that 5 percent of those tested will require follow-up, including two additional visits at a 1978 cost of $53/visit. Further, for those who need hospitalization, it is assumed a $30/day marginal cost and an average length of stay of 10 days. Increased hospital costs are calculated, as in section 104, using only the variable cost of in-patient care which is 30 percent of the total rate. Also, a 6 percent annual increase in the cost of services is assumed.

The costs for these preventive services are projected as:

[Dollar amounts in millions]

	1978	1979	1980	1981	1982
Beneficiaries	220,000	302,500	385,000	440,000	550,000
Cost of services	$1.44	$2.81	$3.78	$4.62	$6.07
Induced hospitalization	.53	1.02	1.29	1.66	2.21
Cost of followup	.88	1.70	2.13	2.54	3.68
Total	2.85	5.53	7.20	8.82	11.96

Section 302(a) calls for the creation of any HMO-type pilot program for a population of veterans with service-connected disabilities to compare, over time, the health status of this group with that of a similarly constituted control group. This section specifies that the size of the population served be 10,000 (with a control of 10,000) and a cost per individual of $650/year (inflated by 6 percent/year). Lastly, a $0.53 million cost/year is added for the generation, maintenance and analysis of the data to be used in the study.

[In millions of dollars]

	1978	1979	1980	1981	1982
HMO costs		6.89	7.30	7.74	8.21
Study costs		.53	.53	.53	.53
Total, costs		7.42	7.83	8.27	8.74

Section 303 adds to chapter 17 new section 620A. This section would require the VA to provide a broader range of treatment modalities to veterans addicted to either alcohol or drugs. It would also provide the VA with discretionary authority to provide alcohol and drug treatment to former service personnel with administrative discharges under other than honorable conditions who abused alcohol or drugs during active service.

This section stresses the use in treatment programs of counselors who have recovered from such disabilities, and of halfway houses and alternative treatment modalities, in a comprehensive program ranging from detoxification to recovery. In addition, the VA is authorized to provide halfway-house facilities directly on by contract with other government or approved private facilities.

For veterans suffering from drug related disabilities, this section would set up special treatment and rehabilitation programs offering individual counseling, referral services, and crisis intervention. The VA would also be required to offer alternative modalities of treatment based upon the individual needs of the veteran.

Assumptions:

(1) VA now operates 73 alcoholic treatment and 53 drug treatment programs. VA estimates the need for 93 additional substance abuse programs to meet the increased demand created by this section, thereby allowing for one in each of VA's 172 hospitals and eight independent outpatient clinics.

(2) Estimates of program establishment costs are based upon 15 programs starting in each of the first 4 years and 33 programs starting in fiscal year 1982. (Total yearly outlays include FTEE, recurring and nonrecurring costs.)

(3) Section 303 gives VA the authority to utilize fee service contracts for substance abuse veterans in halfway houses. VA estimates 8 percent of the 77,000 admissions (6,200) into VA drug and alcohol abuse programs in fiscal year 1976 could have benefited from halfway house placement. Assuming an average length of stay of 120 days per beneficiary at a daily cost of $17 (VA estimate), total costs were estimated.

(4) The VA also has indicated that 10 percent of all VA hospital admissions are alcohol abuse related. Assuming 1.2 million admissions in fiscal year 1978, 120,000 would be alcohol abuse related and further assuming that 8 percent of this number, or 9,600 veterans, could benefit from halfway house instead of hospital placement, a potential savings was calculated.

(5) To estimate this savings, an average hospital length of stay per veteran with alcohol abuse problems was assumed to be 120 days at a variable cost of $33/day. Therefore, hospital costs—9,600 veterans × $33.00/day × 120 days = $38.0 million and halfway house costs—9,600 veterans × $17/day × 120 days = $19.6 million. This would lead to a net savings of $18.4 million in fiscal year 1978 if these individuals were transferred out of the hospital into a halfway house. Estimates are inflated by an annual increase in costs of 6 percent, and it is assumed that only a half-year savings would accrue in fiscal year 1978.

The costs associated with section 303 are:

	1978	1979	1980	1981	1982
Additional alcohol and drug program costs	4.1	3.7	3.8	3.2	7.8
Halfway house costs	9.5	16.7	13.4	14.2	15.1
Savings from transfer from VA hospitals to halfway houses	−9.2	−19.5	−20.7	−22.0	−23.3
Net costs	+4.4	+.9	−3.5	−4.6	−.4

Subsection 304(a) amends paragraph (18) of section 101 of title 38, the definition of "discharge or release." VA estimates of the magnitude of this section are not available; however, it is assumed that the numbers of eligible veterans who might seek benefits and services under this provision are small and this section, therefore, would have minimal cost impact

Subsection 304(b) amends section 612(b) of title 38 extending eligibility for the treatment of service-connected dental conditions. This section would affect only a small number of individuals and would, thus, have no significant cost impact.

6. Estimate Comparison: None.

7. Previous CBO estimate: None.

8. Estimate prepared by: Jane Coury (225–7758).

9. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

* * * * *

SECTION-BY-SECTION ANALYSIS OF H.R. 5027 AS REPORTED

Section 1—Provides that this Act may be cited as the "Veterans Health Care Amendments Act of 1977".

TITLE I—CONTRACT CARE AMENDMENTS

Section 101—Amends clause (C) of paragraph (4) of present section 601 of title 38, United States Code, which defines "Veterans' Administration facilities" to include, under the circumstances described in such clause (C), private facilities and, thus, in conjunction with certain other provisions of such chapter 17, provides authority for the furnishing of contract hospital care and medical services (so-called "fee" care or "fee-basic" care) under those same circumstances.

Clause (1) of section 101 amends such clause (C) to expand the definition of "Veterans' Administration facilities" to include private facilities for which the Administrator contracts—when the VA's own facilities or other Government facilities are not capable of furnishing economical care because of geographic inaccessibility or of furnishing the care or services required—to provide medical services for the treatment of a veteran eligible for regular aid and attendance or housebound benefits where the Administrator has determined, on the basis of a physical examination (which could be a previous, but recent, examination) that the veteran's medical condition precludes appropriate treatment in the VA's own facilities or other available Government facilities. The new definition, thus, changes existing law by authorizing the VA to provide outpatient "fee-basis" care through private physicians or facilities when the ordinary conditions for the provision of contract outpatient care for service-connected disabilities are met and it is determined that private care is required by the veteran's medical condition.

Clause (2) of section 101 amends the same clause (C) by deleting the existing subclause (v) and inserting a new subclause (v) in lieu thereof and adding a new subclause (vi).

New Subclause (v): Expands the VA's contract authority in Alaska, Hawaii, and Puerto Rico, and the territories and possessions of the United States to include medical services which will obviate the need for hospital admissions of veterans with non-service-connected disabilities. Current subclause (v), in effect, authorizes the furnishing of contract hospital care for non-service-connected disabilities of veterans in Alaska, Hawaii, the Commonwealth of Puerto Rico, and the territories and possessions of the United States, and conditions the provision of such care in Alaska and Hawaii on satisfaction of the requirement that the annually determined average hospital patient load per thousand veteran population hospitalized at VA expense in Alaska or Hawaii not exceed the average level of such care provided by the VA within the 48 contiguous States. New subclause (v) also changes the conditions under which both hospital care and medical services for non-service-connected disabilities may be provided. The new conditions are that the annually determined hospital patient load and incidence of the provision of medical services to veterans hospitalized or treated at VA expense in each such noncontiguous State or other geographic area (except in Puerto Rico) must be consistent with the level of such care and services, respectively, furnished by the VA within the 48 contiguous States.

New subclause (vi): Expands the VA's contract authority to include the furnishing of diagnostic services through private facilities where necessary in order for the VA either to determine a veteran's eligibility for treatment of a non-service-connected disability at an independent VA outpatient clinic on the grounds that the treatment would obviate the need for hospital admission, or to determine the appropriate course of treatment in such cases.

Clause (3) of section 101 amends the same clause (C) by adding at the end thereof a new sentence requiring periodic reviews of individual contract treatment cases for the purpose of determining the necessity of continuing the contractual arrangement.

Section 102—Subsection (a) of section 102 provides authority for the VA to continue, for a 1-year period following enactment, to contract for the provision of any hospital care and medical services which it had authorized during the period October 20, 1976 through May 15, 1977. In addition to this broad authority to continue contractual arrangements in all cases, this subsection provides authority for further continuing such contract services for as long as the VA's Chief Medical Director determines, on a case-by-case basis, that a longer continuous period of contract care is necessary to complete the course of treatment for a particular disability, and that the continuation of contract treatment is medically preferable to treatment in the VA's own facilities or other available Government facilities. Also, this section requires that, if in a case of continued contract treatment beyond the first year following enactment it appears that authority for contract treatment exists under title 38, the title 38 authority for the contractual arrangement must be used instead of the extraordinary authority provided in this subsection.

Subsection (b) of section 102 requires the VA to insure that each veteran for whom contract services are continued under subsection (a) is individually informed of his or her rights to care under this section and under title 38. This subsection also requires the VA, before it discontinues contract services under subsection (a), to advise the veteran-patient—through personal counseling whenever possible—about the circumstances under which contract services may be authorized under title 38; and requires the VA, to the maximum extent practicable within 9 months after enactment, to make and communicate to the veteran-patient a determination of eligibility for continued contract treatment under subsection (a) beyond the 1-year period and under title 38.

Subsection (c) of section 102 requires the VA to provide the appropriate congressional committees with annual reports (on April 1 of each year beginning in 1978) on its implementation of this title, including detailed breakdowns of the numbers of veterans provided contract care and the cost and duration of such care according to the specific authority for the furnishing of such care under title 38 and section 102 of the Committee bill.

Section 103—Provides that this title, including both the amendments made in title 38 and the other provisions of this title shall be effective retroactive to October 31, 1976.

Title I—Cost: Enactment of the provisions in this title of the Committee bill will not result in any additional costs in fiscal year 1978 or later years.

TITLE II—PHYSICIAN AND DENTIST SPECIAL-PAY AND OTHER PAY AMENDMENTS

Section 201—Amends section 6(a)(2) of the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975 to postpone the expiration date to September 30, 1978, and makes changes in section 4118 of title 38, United States Code, with respect to the special-pay program for physicians and dentists.

Subsection (a) of section 201 extends until September 30, 1978, the special-pay program (that is, the authority to enter into new special-pay agreements), which, under section 6(a)(2) of Public Law 94–123, the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975, as amended by section 112(a) of Public Law 94–581, the Veterans Omnibus Health Care Act of 1976, is due to expire on September 30, 1977.

Subsection (b) of section 201 amends section 4118 (relating to the special-pay program for physicians and dentists) of title 38.

Clause (1) of subsection (b) amends subsection (a)(1) of section 4118 by striking out the word "he" and inserting in lieu thereof the words "the Administrator". Public Law 94–581 attempted to eliminate all references to gender in title 38, United States Code. This amendment corrects an omission in that law.

Clause (2) of subsection (b) adds a new sentence to subsection (a)(3) of section 4118 to require the Chief Medical Director to make redeterminations annually as to whether significant recruitment and retention problems exist as to any category of positions applicable to both physicians and dentists as to which it has previously been determined that there is no such problem. Physicians and dentists serving in any position in a category as to which it has been determined that no significant and retention problems exist are not eligible to enter into special-pay agreements.

Clause (3) of subsection (b) adds a new paragraph (4) to subsection (b) of section 4118 to authorize the Administrator to enter into special-pay agreements with physicians employed full time as VA hospital Chiefs of Staff providing for the payment of up to the maximum amount of special pay on condition that such physicians be prohibited by applicable regulations from receiving remuneration from an affiliated medical school or other health personnel training institution (as defined in section 4108(b) of title 38).

Clause (4) of subsection (b) modifies subsection (d)(1) of section 4118 to conform to new subsection (g) of section 4118 added by clause (6) of this subsection.

Clause (5) of subsection (b) amends subsection (e)(1) of section 4118 to provide that, upon completion by a physician or dentist of the number of years of service specified in an agreement authorized by section 4118, such individual may enter into subsequent agreements for up to 4 additional years of service per agreement.

Clause (6) of subsection (b) adds a new subsection (g) to section 4118 to authorize the Chief Medical Director, in accordance with regulations prescribed under section 4118(a)(1), to determine categories of positions as to which there are sufficient recruitment and retention problems of full-time employees to warrant making an exception for them from the reduction in special pay required by subsection (d)(1) of section 4118 (equivalent to the amount of the October 1975 cost-of-living increase), if the employee agrees to serve on a full-time basis for a period of 4 years. Any physician or dentist in such category already employed full time would be entitled, upon completion of 1 year of service under a prior agreement, to enter into a new agreement for a period of 4 years of full-time service under which he or she would realize the benefit of the exception from the reduction in special pay. Any such full-time-service agreement must provide for the refund of the additional amount so received should the individual fail, voluntarily or because of misconduct, to complete the 4 years of service agreed upon, unless the Chief Medical Director determines that such failure was for reasons beyond the individual's control.

Subsection (c) of section 201 requires the Chief Medical Director, prior to the execution of any new agreements after October 1, 1977, to reevaluate, in view of the executive level pay raise effective in the VA on February 27, 1977, the need for special-pay agreements in order to recruit and retain highly qualified physicians or dentists in each category of positions in the Department of Medicine and Surgery and to report to Congress not later than October 1, 1977, on the results of such reevaluation. Subsection (c) also provides that the Administrator of Veterans' Affairs, upon the recommendation of the Chief Medical Director based upon such reevaluation, may, in accordance with the notice and hearing provisions of the Administrative Procedure Act, promulgate a rule reducing the amount of primary special pay for any category of positions to the extent the Administrator finds primary special pay is not necessary to recruit and retain physicians and dentists in that category.

Subsection (d) of section 201 requires the VA to implement procedures aimed at overcoming language and cultural barriers between VA health care staff and veteran-patients.

Paragraph (1) of subsection (d) provides that, not later than 180 days after enactment of the Committee bill, the Administrator, upon the recommendation of the Chief Medical Director, shall establish and implement procedures to insure that all VA health care personnel having direct patient-care responsibilities achieve, not later than 1 year after their employment, or 1 year after procedures are established pursuant to this paragraph, whichever is later, such basic proficiency in spoken and written English as will produce effective communication with patients and other health care personnel.

Paragraph (2) of subsection (d) provides that, where a VA facility serves a substantial number of veterans with limited English-speaking ability, the Administrator, upon the recommendation of the Chief Medical Director, shall establish and implement procedures to insure the identification of sufficient numbers of individuals on the facility staff who are fluent in both the langauge of such veterans and in English whose responsibilities shall include providing guidance to veterans and staff with respect to cultural sensitivities and bridging linguistic and cultural differences.

Paragraph (3) of subsection (d) requires the Administrator, not later than 90 days after enactment, to report to the House and Senate Committees on Veterans' Affairs, the steps taken and plans formulated to comply with the provisions of this subsection.

Section 202—Revises the section 4103 schedule in section 4107 of title 36 and the Clinical Podiatrist and Optometrist Schedule in section 4107 to reflect the increase in statutory rates of pay made by Executive Order 11941, effective October 1, 1976, and to provide for retroactive application of such rates to October 21, 1976.

Subsection (a) of section 202: (1) Revises the Director of Podiatric Service Schedule to provide a salary range of $39,629 minimum to $50,197 maximum; (2) revises the Clinical Podiatrist and Optometrist Schedule to conform to the appropriate levels in the Physician and Dentist Schedule; and (3) provides that such minimum and maximum pay ranges shall be effective retroactive to October 21, 1976, and directs the Administrator to establish intermediate pay rates between the minimum and maximum pay ranges retroactively and to apply such pay rates as appropriate retroactively.

Subsection (b) of section 202 establishes certain procedures under which podiatrists and optometrists shall be converted from employment under title 5, United States Code, to employment under title 38 and provides for retroactive application of the revised salary schedules.

Clause (A) of paragraph (1) of subsection (b) prohibits the conversion of any podiatrist or optometrist from employment under title 5 to full-time or part-time employment under title 38 until the day after the rates of statutory pay systems are next adjusted to reflect the cost-of-living increase, or November 1, 1977, whichever is earlier, and provides that any conversion after such date shall be effective retroactive to October 21, 1976, or the most recent date of appointment in the Department of Medicine and Surgery of the employee concerned.

Clause (B) of paragraph (1) of subsection (b) provides that, when the statutory pay rates are next adjusted, the new rates established by subsection (a)(2) of this section of the Committee bill shall be increased by the same percentages as the Physician and Dentist Schedule.

Paragraph (2) of subsection (b) provides that the effective date of paragraph (1)(A) of this subsection shall be the day before any conversion which may be made prior to the date of enactment of the Committee bill, so as to render null and void any conversions made prior to the day after the rates of statutory pay systems are next adjusted, or November 1, 1977, whichever is earlier.

Title II—Cost: Enactment of the provisions in title II of the Committee bill will cost $4.76 million in fiscal year 1978—$4.05 million for the special-pay program as extended and modified, and $710,000 for amendments pertaining to the salaries of podiatrists and optometrists.

TITLE III—HEALTH CARE PROGRAM AND ELIGIBILITY AMENDMENTS

Section 301—Amends subchapter II of chapter 17 by adding a new section 612A establishing a program of readjustment professional counseling for any veteran (including family members under certain circumstances) who served on active duty in the Armed Forces after August 4, 1964, or prior thereto in the Indochina conflict. Substantially similar programs were passed by the Senate in S. 2108 (92d Congress), S. 284 (93d Congress), and S. 2908 (94th Congress).

Subsection (a) of section 301 adds a new section 612A ("Eligibility for readjustment professional counseling") in subchapter II of chapter 17, as follows:

New section 612A: Subsection (a) requires the Administrator to furnish readjustment professional counseling (including a general mental and psychological assessment in connection therewith) to any veteran who served on active duty after August 4, 1964, or prior thereto in the Indochina conflict, who has readjustment problems, and who requests such assistance within a period of 4 years after the date of the veteran's discharge or release from active-duty service or 2 years after the date of enactment of the new section 612A, whichever is later.

Subsection (b) provides that if, on the basis of initial counseling, it is determined by a VA physician (or in areas where no such physician is available, by a physician under a contract or fee arrangement with the VA) that mental health services are necessary to facilitate the successful readjustment of the veteran, such services may be furnished on an outpatient basis (including discretionary counseling and mental health

services for family members under the terms of section 601(6)(B) of title 38, where essential to the effective treatment and rehabilitation of the veteran) provided the veteran has met all eligibility requirements for post-hospital care under section 612(f)(1)(B), except that the initial counseling is deemed to satisfy the requirement of prior hospitalization. If the veteran is not eligible for such care and services, the Administrator is required to provide referral services to assure, to the maximum extent practicable, that the veteran receives such care from sources outside the VA.

Subsection (c) directs the Chief Medical Director to provide for the training of paraprofessional and lay personnel, in addition to professional personnel, and to make maximum possible use of these paraprofessional personnel, voluntary workers, and veteran students in the initial intake and screening activities under new section 612A.

Subsection (d) further directs the Administrator, in cooperation with the Secretary of Defense, to take all appropriate action under the outreach services program provided for in section 241 of title 38 to insure that all veterans (and terminating service personnel) eligible for readjustment professional counseling are advised of their eligibility and encouraged to take full advantage of it.

Subsection (b) of section 301 amends the table of sections at the beginning of chapter 17 to reflect the addition of the new section 612A made by subsection (a) of this section of the Committee bill.

Section 301—Cost: Enactment of the provisions in section 301 of the Committee bill will cost $15.36 million in fiscal year 1978—$12.39 million for readjustment professional counseling, and $2.57 million for induced medical services relating to outpatient mental health care services.

Section 302—Amends chapter 17 of title 38 by adding a new subchapter VII establishing a comprehensive preventive health care program for eligible veterans. Substantially similar provisions were passed by the Senate in S. 2108 (92d Congress), S. 284 (93d Congress), and S. 2908 (94th Congress).

Subsection (a) of section 302 amends chapter 17 by adding a new subchapter VII to provide for a preventive health care program for veterans with service-connected disabilities and to authorize the Administrator to carry out a pilot program (including research) on a geographical or other basis to determine the cost-effectiveness and medical advantages of furnishing comprehensive preventive health care services to veterans with service-connected disabilities. Under the amendment, four new sections are added to chapter 17, as follows:

New section 661: Describes the purpose of the new subchapter.

New section 662: Defines "preventive health care services" which may be included in such programs. Such services may include but are not limited to periodic medical and dental examinations; patient health education (including nutrition education); maintenance of drug use profiles, patient drug monitoring, and drug utilization education; mental health preventive services (including family counseling); substance (including tobacco) abuse prevention measures; immunizations against infectious diseases; prevention of musculoskeletal deformity or other gradually developing disabilities of a metabolic or degenerative nature; genetic counseling concerning inheritance of genetically determined diseases; routine vision testing and eye care services; and periodic reexamination of high risk groups for selected diseases and for functional decline of sensory organs together with attendant appropriate remedial intervention; and such other medical services as may be necessary for providing effective and economical preventive health care.

New section 663: Paragraph (1) of subsection (a) authorizes the Administrator, pursuant to regulations, to furnish, on an inpatient, outpatient, or ambulatory basis, nationally or geographically, such preventive health care services as are feasible and appropriate to any veteran in connection with the treatment of a service-connected disability and, in the case of a veteran suffering from a service-connected disability rated at 50 percent or more, such preventive health care services as are feasible and appropriate to insure the best possible health care.

Paragraph (2) of subsection (a) authorizes the Administrator to institute controls and conduct followup studies (including research) to demonstrate the medical advantages and cost-effectiveness of the preventive health care services furnished under paragraph (1).

Subsection (b) authorizes the Administrator, pursuant to regulations, to carry out a health maintenance pilot program to demonstrate the medical advantages and cost-effectiveness of comprehensive preventive health care services. The pilot program is to begin on October 1, 1978, is limited to the provision of comprehensive preventive health care services to not more than 10,000 veterans with service-connected disabilities, and has a 10-year lifetime.

Subsection (c) directs the Administrator to utilize interdisciplinary health care teams in carrying out such a preventive health care program which, to the maximum extent feasible, shall be composed of various professional and paraprofessional personnel, especially nurses, pharmacists, psychologists, podiatrists, optometrists, technicians, physician assistants, and expanded-function dental auxiliaries.

Subsection (d) directs the Administrator, not later than 90 days after the date of enactment of new section 663, to advise each veteran eligible for preventive health care services of the nature and likely extent of the veteran's eligibility for such care.

New subsection 664: Directs the Administrator to include in the annual report to Congress, a comprehensive report on the administration of new subchapter VII, including recommendations for additional legislation deemed necessary.

Subsection (b) of section 302 amends the table of sections at the beginning of chapter 17 to add a reference to the new subchapter VII added to title 38 by subsection (a) of section 302 of the Committee bill.

Subsection (c) of section 302 provides that the programs authorized by the new subchapter VII except the health maintenance pilot program shall be effective with respect to services furnished on and after April 1, 1978.

Section 302—Cost: Enactment of the preventive health care programs set forth in section 302 of the Committee bill will cost $2.85 million in fiscal year 1978. In fiscal year 1979, the first year of the health maintenance pilot program, the cost resulting from such enactment will be $12.95 million.

Section 303—Establishes a special program for the treatment and rehabilitation of veterans with alcohol or drug dependence or abuse disabilities. Substantially similar provisions were passed by the Senate in S. 2108 (92d Congress), S. 284 (93d Congress), and S. 2908 (94th Congress).

Subsection (a) of section 303 amends subchapter II of chapter 17 by adding a new section 620A as follows:

New section 620A: Paragraph (1) of subsection (a) directs the Administrator to carry out specialized medical programs providing such inpatient and outpatient treatment (including treatment of the symptoms of detoxification, individual counseling and referral services, and crisis intervention), and rehabilitative services on a nationwide basis to veterans eligible for chapter 17 health care benefits, in accordance with revised discretionary eligibility requirements under paragraph (2) of this subsection, who are suffering from alcohol or drug dependence or abuse disabilities. The Administrator is further directed to utilize the most efficacious available treatment and rehabilitation modalities (stressing, to the maximum extent practicable, in such programs the utilization of satellite facilities, halfway houses, encounter-style therapeutic communities, and counselors who have recovered from such disabilities) extending beyond the detoxification period and designed to bring about, to the maximum extent possible, the recovery of the patient and, to the maximum extent practicable, the restoration of such patient to society as a productive, self-sufficient citizen. The Administrator is authorized to contract with private halfway-house facilities in accordance with regulations.

Paragraph (2) of subsection (a) provides the Administrator with discretionary authority, pursuant to regulations, to furnish drug and alcohol treatment and rehabilitative services to any former active-duty personnel who abused drugs or alcohol during active-duty service, including those with administrative discharges under other than honorable conditions, but not including those who are barred from receiving benefits under section 3103 of title 38 and those whose eligibility would otherwise be based on a period of service from which they were discharged by reason of a bad conduct discharge.

Subsection (b) authorizes the Administrator to provide treatment and rehabilitative services to a veteran (at VA expense up to an amount deemed reasonable by the Administrator) in community facilities approved by the Administrator whenever (1) a member of the veteran's immediate family is suffering from an alcohol or drug dependence or abuse disability, (2) it is deemed essential to the successful treatment and rehabilitation of a veteran receiving initial evaluation or treatment under the new section 620A that the veteran and immediate family member be treated in the same program, and (3) the veteran and immediate family member have both been accepted for treatment (the family member not at VA expense) in the community facility.

Subsection (c) requires the Administrator to offer each veteran receiving treatment under this section a drug-free treatment modality unless medically contraindicated.

Subsection (d) requires the Administrator to utilize all available resources of the VA, including the use of peer-group veterans, in seeking out and counseling toward treatment and rehabilitation those veterans who are eligible for alcohol or drug treatment and rehabilitative services under the new section 620A.

Subsection (e) directs the Administrator to take all appropriate steps, in consultation with the Secretary of Labor and the Chairman of the Civil Service Commission, to urge all Federal agencies and appropriate private and public firms, organizations, agencies, and persons to provide appropriate employment and training opportunities for veterans provided treatment and rehabilitative services under the new section 620A who have been determined by competent medical authority to be sufficiently rehabilitated to be employable; and to provide all possible assistance to the Secretary of Labor in placing such veterans in such employment opportunities.

Subsection (f) directs the Administrator, upon receiving an application for treatment and services under the new section 620A from a veteran with a discharge other than an Honorable or General Discharge, to (1) advise the veteran of his or her right to apply to the appropriate military service to

obtain a review of the nature of such discharge with a view toward removing any bar to eligibility for the receipt of veterans benefits under title 38; (2) advise the veteran of current military policy regarding the review of discharges received in connection with drug use or possession; and (3) advise the veteran of all programs under title 38 and any other law to which the veteran is entitled, and would be entitled if the veteran had a General or Honorable Discharge.

Paragraph (1) subsection (g) directs the Administrator to provide for treatment and rehabilitative services in the case of any veteran eligible under the new section 620A who has been charged with, or convicted of, a criminal offense by any court of competent jurisdiction in the United States, who is not confined, and who is not required to participate in the treatment and rehabilitation by such court.

Paragraph (2) of subsection (g) authorizes the Administrator to provide (either in VA-directly-administered facilities or programs or those under contract) for treatment and rehabilitative services to any veteran eligible under the new section 620A who has been criminally charged or convicted and who is required to participate in a treatment and rehabilitation program by a court of competent jurisdiction, but only under such conditions as the Administrator determines, on a case-by-case basis, will insure that the veteran's participation in the particular program will not impair the voluntary nature of the services provided other patients in such program.

Subsection (h) establishes procedures and requirements regarding the transfer, and treatment therein, of active-duty service personnel to VA health care facilities in connection with an alcohol or drug disability.

Paragraph (1) of subsection (h) provides for the transfer of a member of the active military, naval, or air service with an alcohol or drug dependency or abuse disability to a VA medical facility for treatment pursuant to mutually agreed upon terms between the Secretary of the military department concerned and the Administrator and subject to reimbursement by such department. Such transfers are authorized only within the last 30 days of a tour of duty. After such a transfer, such individual would receive treatment and rehabilitative services on the same terms and conditions as prescribed for a veteran in the new subchapter.

Paragraph (2) of subsection (h) prohibits transfers under new section 620A unless the individual in question specifically requests transfer for a specified period of time within the remaining tour of duty and does so in writing, and further prohibits the extension of such treatment beyond such specified period of time unless the individual specifically requests a specified extension and such request is approved by the Secretary and the Administrator.

Subsection (i) directs the Administrator to submit, as part of the VA's annual report, full reports on the programs carried out under the new section 620A.

Subsection (b) of section 303 amends the table of sections at the beginning of chapter 17 to reflect the addition of the new section 620A made by the amendments in subsection (a) of section 303.

Section 303—Cost: Enactment of the drug and alcohol dependence and abuse treatment and rehabilitation provision will, taking into account savings attributable to the use of halfway-house placements instead of hospital admissions in a substantial number of cases, cost only $4.4 million in fiscal year 1978.

Section 304—Amends title 38 of the United States Code to eliminate minor inequities in the law regarding (1) the eligibility for veterans' benefits under certain circumstances when the individual extends his or her period of service, and (2) the entitlement of certain veterans to dental care.

Subsection (a) of section 304 amends section 101(18) of title 38, defining the term "discharge or release", in order to assure eligibility for veterans' benefits to one who has satisfactorily completed a period of service equal in length of time to his or her originally intended period of service when he or she has not received a discharge or release at the completion of that period because of having extended active-duty service.

Subsection (b) amends section 612(b)(2)(B), regarding eligibility for VA dental care within 1 year of discharge or release from service, to correct a minor, but clear, inequity in the statutory provision governing eligibility for the treatment of service-connected dental conditions and disabilities which are not compensable in degree, by reinstating, after subsequent active service in the cases of persons with less than a 1-year break in service, the 1-year post-service period within which application must generally be made to the VA for such dental treatment.

Section 304—Cost: Enactment of this section will involve no significant cost in fiscal year 1978.

CONCLUSION

Mr. CRANSTON. Mr. President, in closing I want to express my particular appreciation to the two cosponsors of S. 1693, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from New Hampshire (Mr. DURKIN), from which major portions of this legislation derived, and to the ranking minority member of the Subcommittee on Health and Rehabilitation, the Senator from South Carolina (Mr. THURMOND), and to the ranking minority member of the committee, the Senator from Vermont (Mr. STAFFORD), for their excellent work and bipartisan spirit of cooperation in the development of this measure. These Senators and all other members of the committee have, in their work on this bill, evidenced their continuing deep concern for the health of our Nation's veterans. I also wish to thank for their diligent and effective work, committee staff members Ed Scott, Jon Steinberg, Harold Carter, Marian Laster, Garner Shriver, Gary Crawford, and Louise Ringwalt.

AMENDMENT NO. 839

Mr. STONE. Mr. President, I send an amendment to the desk, amendment No. 839, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Florida (Mr. STONE), for himself and Mr. CHILES, proposes amendment No. 839.

Mr. STONE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

TITLE IV—RENAMING THE VETERANS' ADMINISTRATION HOSPITAL IN TAMPA, FLORIDA

SEC. 401. The Veterans' Administration hospital located at 13000 North Thirtieth Street, Tampa, Florida, shall hereafter be known and designated as the "James A. Haley Veterans' Hospital". Any reference in a law, map, regulation, document, record, or other paper of the United States to such hospital shall be held to be a reference to the James A. Haley Veterans' Hospital.

Mr. STONE. Mr. President, it is my pleasure to join with my senior colleague from Florida, Senator CHILES, in introducing this amendment to name the veterans' hospital in Tampa, Fla., the "James A. Haley Veterans' Hospital."

This amendment is identical to a bill which has passed the House of Representatives unanimously on two separate occasions, most recently on June 20, 1977. It has the support of the entire Florida congressional delegation.

Former Representative James Haley was a Member of the House of Representatives for 24 years and served with distinction on the House Committee on Military and Veterans' Affairs. As chairman of the Hospital Subcommittee Representative Haley was instrumental in improving veterans' health care throughout the United States.

There could be no more fitting tribute than to name the Tampa hospital after James A. Haley.

Mr. CRANSTON. Mr. President, as a general rule, I oppose naming VA hospitals by legislation. I also think it unwise to name facilities after living persons.

However, since this provision has the support of both Senators from Florida (Mr. STONE and Mr. CHILES) and all members of the Florida congressional delegation and has already been approved by the other body, I will not object to it being raised in this fashion without a rollcall.

I oppose the amendment, and will vote against it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 790

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND) proposes unprinted amendment No. 790.

Insert at the end thereof the following new title:

"TITLE V—RENAMING THE VETERANS' ADMINISTRATION HOSPITAL IN BEDFORD, MASS.

"SEC. 501. The Veterans' Administration hospital located at 200 Springs Road, Bedford, Massachusetts, shall hereafter be known and designated as the 'Edith Nourse Rogers Memorial Veterans' Hospital'. Any reference in law, map, regulation, document, record, or other paper of the United States to such hospital shall be held to be a reference to the "Edith Nourse Rogers Memorial Veterans' Hospital'."

Mr. THURMOND. Mr. President, Edith Nourse Rogers, former Congresswoman from the State of Massachusetts, was first elected to the 69th Congress. During her outstanding tenure as Congresswoman, one of her most auspicious accomplishments was as chairman of the House Committee on Veterans' Affairs, which office she held during the 80th and 83d Congresses.

Mrs. Rogers first activities in the field of disabled veterans was when she served with the American Red Cross in the care of disabled soldiers in the First World War in 1917.

Congresswoman Rogers passed away September 10, 1960, and this being the month of September, there could not be a more propitious time to remember her outstanding service spanning 35 years in the Congress of the United States, the majority of which time was spent benefiting the Nation's veterans.

It behooves us to honor this noblewoman today by naming the Veterans' Administration hospital in Bedford, Mass., the "Edith Nourse Rogers Memorial Veterans' Hospital."

My amendment has been sent to the desk and been reported.

I might state that I am informed that the Senators from Massachusetts do approve of this amendment.

Mr. CRANSTON. Mr. President, I will vote "no" for the same reasons I stated with respect to the prior amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on agreeing to the committee amendment, as amended.

The committee amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read:

An Act to amend title 38 of the United States Code to clarify the circumstances under which contract hospital care and medical services may be provided; to extend the authority to enter into special pay agreements with physicians and dentists and to modify the provisions of law with respect thereto; to improve the quality of hospital care and medical services in Veterans' Administration health care facilities; and for other purposes.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CRUDE OIL PRICING AMENDMENTS OF 1977

Mr. JOHNSTON. Mr. President, yesterday I introduced S. 2073, the Crude Oil Pricing Amendments of 1977. Through inadvertence I failed to request that the text of the bill be printed in the RECORD. I ask now, Mr. President, unanimous consent that the text of S. 2073 as well as the text of the attached statement be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I am introducing S. 2073, the Crude Oil Pricing Amendments of 1977. The purpose of this legislation is to correct a crude oil pricing system enacted in December, 1975. Since December, 1975 it has become painfully apparent that the mechanism enacted then has not worked.

As you will remember, Mr. President, Congress established, in the Energy Policy and Conservation Act of 1975, a composite price of $7.66 per barrel for all domestically produced crude oil. The President was given the authority to establish ceiling prices for different classifications of crude oil so long as the weighted average composite price of domestic crude oil remained at $7.66 per barrel, which was allowed to increase with inflation. Unfortunately, the legislation and initial Presidential action setting ceiling prices was predicated on certain facts and assumptions which have proven to be incorrect. The result has been a series of price freezes and price roll backs since February, 1976, which have caused the real dollars received for certain crude oil production to decrease since February, 1976. The Congress did not intend this result. However, it is a result which logically follows from the establishment of a mandatory composite price level.

This legislation, Mr. President, proposes to abolish the composite pricing system, but to continue price controls on "upper tier" and "lower tier" oil. The controlled price of these two classifications of oil be the February, 1976 price established under the composite pricing system plus inflation since that date. Both "upper tier" and "lower tier" crude oil would be allowed to rise in the future with inflation, as determined by the GNP deflator.

In addition, the legislation allows the President to establish different categories of oil which may receive ceiling prices higher than those established for "upper tier" and "lower tier" crude oil if the President makes certain findings. The findings are extracted from the composite pricing system and in general, must indicate that such classifications and higher ceiling prices are needed to encourage increased production of domestic crude oil.

Finally, this legislation proposes to exempt two classifications of crude oil from price controls. First, the legislation continues the exemption for crude oil produced from stripper wells. This exemption is the same exemption which was enacted as part of the Energy Conservation and Production Act of 1976. Second, the legislation creates a new classification referred to as "newly discovered crude oil" which is exempt from price controls. "Newly discovered crude oil" is defined as that crude oil produced from a reservoir which was first penetrated by a well the surface drilling for which commenced on or after April 20, 1977. This exemption reflects the proposal President Carter made when he announced his energy proposals on April 20. However, the President intended that this new classification of oil be made by the Federal Energy Administration through a rulemaking procedure and that the classification be subject to the existing composite pricing system.

Mr. President, I am convinced that this legislation is needed to encourage maximum domestic crude oil production. Producers should not be subject to the freezes and rollbacks the present pricing system has caused. Further, maximum price incentives should, as the President suggested, be given to newly discovered domestic crude oil. Crude oil pricing cannot be ignored in a comprehensive national energy plan. Therefore, I urge my colleagues to give serious consideration to this pricing proposal which will be fair to the consumer, while encouraging maximum domestic crude oil production.

S. 2073

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Crude Oil Pricing Amendments of 1977."

SEC. 2. Section 8 of the Emergency Petroleum Allocation Act of 1973 is amended by:

(a) deleting section (a) and inserting in lieu thereof the following new section (a) as follows:

"(a) Not later than the first day of the second full calendar month following the date of enactment of this section, the President shall promulgate and make effective an amendment to the regulation under section 4(a) of this Act which regulation, as amended, shall establish ceiling prices (or the manner of determining ceiling prices) in accordance with subsection (b) applicable to the first sale of that crude oil produced in the United States."

(b) deleting section (b) and inserting in lieu thereof the following new section (b) as follows:

"(b) (1) The regulation under section 4 (a), as amended, shall:

"(A) provide a ceiling price for old crude oil equal to the average first sale price for such oil during the month of February 1976, as adjusted to take into account the impact of inflation since February 1976, as measured by the adjusted GNP deflator; and

"(B) provide a ceiling price for new crude oil equal to the average first sale price for such oil during the month of February 1976, as adjusted to take into account the impact of inflation since February 1976, as measured by the adjusted GNP deflator.

"(2) As used in this subsection, the terms 'old crude oil' and 'new crude oil' mean those terms as defined in sections 212.72 of title 10, Code of Federal Regulations, as in effect on June 1, 1977.

"(3) As used in this subsection, the term 'adjusted GNP deflator' means the first revision of the quarterly percent change, seasonally adjusted at annual rates, of the most recent implicit price deflator for the gross national product which shall be computed and published for each calendar quarter by the Department of Commerce, subject to such additional modification as the President shall make to exclude therefrom any amount which he determines is attributable solely and directly to increases which occur after the date of enactment of this section in prices of imported crude oil, residual fuel oil, or any refined petroleum product resulting from concerted action of two or more petroleum exporting countries."

(c) deleting section (c) and inserting in lieu thereof the following new section (c) as follows:

"(c) The regulation under section 4(a), as amended, may provide, in any calendar year, for different classifications of a maximum of three percent of the crude oil produced in the United States, first sale prices higher than the ceiling prices specified in subsection (b) of this section. In providing for such different classifications of crude oil and such higher first sale prices, the President shall determine that such classifications and such first sale prices:

(1) will give positive incentives for (A) enhanced recovery techniques, or (B) deep horizon development; or

(2) are necessary to take into account declining production; or

(3) are likely to result in a level of production beyond that which would otherwise occur; and

(4) are administratively feasible; and

(5) are justified on the basis that such prices and such classifications are consistent with obtaining optimum production of crude oil in the United States."

(d) deleting subsection (d) and inserting

in lieu thereof the following new section (d) as follows:

"(d)(1)(a) The first sale price of stripper well crude oil shall be exempt from the regulation promulgated under section 4(a) of this Act as amended pursuant to the requirements of this section.

(b) For the purposes of this subsection, "stripper well crude oil" means crude oil produced and sold from a property whose maximum average daily production of crude oil per well during any consecutive 12 month period beginning after December 31, 1972, does not exceed 10 barrels.

(c) To qualify for the exemption under this subsection, a property must be producing crude oil at the maximum feasible rate throughout the 12 month qualifying period and in accordance with recognized conservation practices.

(d) The President may define terms used in this subsection consistent with the purposes thereof.

(2)(a) The first sale price of newly discovered crude oil shall be exempt from the regulation promulgated under Section 4(a) of this Act as amended pursuant to the requirements of this subsection.

(b) For the purposes of this subsection, "newly discovered crude oil" means crude oil produced and sold from a new reservoir which new reservoir is an underground formation which contains a producible accumulation of oil or gas, or both, and which is separate and distinct from, and not in communication with, any other formation which contains producible oil or gas, or both, provided such formation was first penetrated by a well the surface drilling for which was commenced on or after April 20, 1977.

(c) The President may define terms used in this subsection consistent with the purposes thereof."

(d) deleting subsections (e), (f), (g), and (i) and relettering subsection (i) as subsection (e).

NATIONAL ENERGY CONSERVATION POLICY ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 369.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2057) to establish a comprehensive national energy conservation policy.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HANSEN. Mr. President, I ask unanimous consent that the following staff members be given floor privileges during the consideration of and voting on S. 2057: Tom Wylie, Fred Craft, Chuck Trabandt, Carol Sacchi, Faye Widenmann, and Nolan McKean.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I ask unanimous consent that Mr. Phil Corwin be afforded the privilege of the floor during consideration of S. 2057.

The PRESIDING OFFICER. Without objection. it is so ordered.

Mr. JOHNSTON. Mr. President, S. 2057, the National Energy Conservation Policy Act is the third major portion of President Carter's proposed National Energy Act reported by the Committee on Energy and Natural Resources and considered by the Senate this session. S. 701, providing energy conservation assistance to schools and hospitals, was passed by the Senate on July 20, 1977, and S. 977, the coal conversion bill, was passed yesterday.

The Committee on Energy and Natural Resources completed action on the National Energy Conservation Policy Act prior to the recent August recess, and the committee's report was filed on August 18. The committee deliberations on the bill were characterized by a substantial degree of bipartisan cooperation. I would like to congratulate Senator HANSEN, the ranking member for the minority, for the leadership he displayed during these deliberations. We have a good bill, a bill which will conserve energy without placing an undue burden on any segment of our society. I think I express the wishes of a substantial majority of the members of the committee in urging prompt action by the Senate on this bill.

The purpose of the National Energy Conservation Policy Act is to establish a mixture of voluntary and mandatory energy conservation programs designed to significantly reduce the rate of growth in domestic energy consumption. Between 1975 and 1976 total energy consumption in the United States rose by 5.1 percent. If this rate continues, U.S. energy consumption in 1985 will be nearly 50 percent higher than present use. Reducing the rate of growth in domestic consumption only 1 percent would save the energy equivalent of approximately 3.5 million barrels of oil per day in 1985.

In order to move toward lower levels of energy use, the bill requires the Nation's electric and natural gas utilities to assist homeowners in identifying and arranging for the financing and installation of energy conservation measures, establishes conditions to stimulate capital availability for financing residential energy conservation measures, and accelerates incentives to increase the share of residential energy consumption provided by solar energy. The Federal Energy Administration is directed to prescribe mandatory energy efficiency standards for home appliances and for certain industrial equipment. Minimum mileage levels are established for new automobiles produced after model year 1980.

A strong energy conservation program for the Federal establishment is mandated along with vigorous Federal demonstration efforts in vanpooling, solar heating and cooling and the use of photovoltaic devices. Funding for existing energy conservation programs is extended and increased.

The bill before the Senate addresses the same subject matter as parts A, B, and G of S. 1469, the nontax provisions of the President's energy proposal. The committee adopted amendments to the provisions proposed by the administration and, in addition, included several new provisions in S. 2057.

While the provisions of S. 1469 are predominantly within the jurisdiction of the Committee on Energy and Natural Resources, subject matter of interest to five other Senate committees is also addressed by the bill. This subject matter in each case involves energy conservation. The interested committees are:

Banking, Housing, and Urban Affairs;

Commerce, Science, and Transportation;

Human Resources;

Government Affairs; and

Environment and Public Works.

These committees were consulted by the Committee on Energy and Natural Resources concerning their views on S. 1469. Correspondence reflecting this consultation is reprinted in the committee's report. Formal recommendations were received from two of these committees, the Committee on Human Resources and the Committee on Banking, Housing, and Urban Affairs.

Mr. President, I ask unanimous consent that a summary of the major provisions of S. 2057 as reported by the committee be inserted in the RECORD at this point, and I strongly urge the Senate to adopt this legislation.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF MAJOR PROVISIONS

The Committee on Energy and Natural Resources in open sessions held on July 26–29 and on August 1, considered parts A, B and G of S. 1469, the energy conservation provisions of the energy legislation announced by the President on April 20, 1977, along with a number of additional energy conservation proposals developed by members of the committee. On August 1 the committee ordered an omnibus energy conservation bill, the "National Energy Conservation Policy Act", favorably reported to the Senate.

The provisions of the National Energy Conservation Policy Act, which is organized into four titles, are discussed below.

THE NATIONAL ENERGY CONSERVATION POLICY ACT

TITLE I: ENERGY CONSERVATION PROGRAMS FOR EXISTING RESIDENTIAL BUILDINGS

Utility and home heating supplier programs

Electric and natural gas utility companies in each State would be required to participate in a program (established pursuant to a plan filed with the Federal Energy Administration by the Governor) to offer to inspect and advise each customer about the appropriate energy conservation measures for the residential building the customer owns or occupies, to arrange for the installation and financing of the measures chosen and to collect from the customer for the costs of purchasing and installing the measures chosen on the regular utility billing cycle.

Each nonregulated utility would be required to file a plan of its own directly with the Administrator. Suppliers of home heating fuel (heating oil, propane and butane, etc.) would be included in each State plan and could participate in the program on a voluntary basis.

After enactment, no new electric and natural gas utility conservation program could be initiated incorporating the installation and financing of energy conservation measures by the utility itself. Each utility would, however, be required to organize a package of services for each interested customer, providing information about sources of financing, interest rates and available installation contractors as well as inspection and billing services. Existing utility programs could continue provided other standards specified in the bill are met. These prohibitions would

not apply where a State law requires or explicitly permits a utility to install or finance energy conservation measures, nor would they apply to suppliers of home heating fuel.

Financing programs

The National Housing Act is amended to permit utilities to be considered lenders under the Department of Housing and Urban Development Title I (home improvement) loan program.

In addition, both the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association would be authorized to purchase loans for residential energy conservation measures.

A special financing program is offered for persons installing residential energy conservation measures through the utility program. The Government National Mortgage Association would be authorized to purchase up to $5 billion in 90 percent federally insured loans of up to $2,500 to persons of all income groups to finance these residential energy conservation measures. The interest rate on these loans would be between approximately 7 and 12 percent per year.

The committee also adopted an amendment which would establish a revolving fund of $100 million administered by the Secretary of Housing and Urban Development to provide loans for the installation of solar heating and cooling equipment in residential dwellings. These loans would be made directly by the Secretary to applicants at 4 percent annual interest for periods of up to 15 years.

TITLE II: ENERGY EFFICIENCY STANDARDS FOR CONSUMER PRODUCTS

Title II requires the Administrator of the Federal Energy Administration to set mandatory energy efficiency standards by January 1, 1980 for refrigerators, refrigerator-freezers, freezers, water heaters, room air-conditioners, kitchen ranges and ovens, central air-conditioners, furnaces, clothes dryers, and home heating equipment other than furnaces. Discretionary authority is granted to set standards for dishwashers, television sets, clothes washers, humidifiers and dehumidifiers and any other product the Administrator chooses that consumes at least 150 kwh/year per household or 4.2 billion kwh per year.

Small manufacturers may be exempted from the standards for up to 2 years. Different standards may be imposed on the same appliance category where models use different kinds of energy than others, (i.e., gas or electricity) or where a different performance related feature of an appliance (as, for example, in a frost free refrigerator) justifies a separate standard.

As for preemption of State laws on appliance efficiency, the bill specifies, first, that State standards prescribed before January 1, 1978, will remain in effect. Second, those prescribed after that date are automatically preempted, even though Federal standards are not yet promulgated. This automatic preemption lasts until January 1, 1980, at which time States can once again prescribe their own standards. However, anytime a Federal standard is promulgated, all State standards for that category are superceded. The bill permits a State or manufacturer to appeal to the Administrator for a different result on preemption than above by showing (a) whether there is a substantial State or local interest sufficient to justify the standard and (b) whether there is an undue burden on interstate commerce.

For the purposes of preemption, a State standard that requires or bans specific energy-related components in appliances is treated as a performance standard for that category of appliance.

TITLE III: FEDERAL ENERGY INITIATIVES

Federal van pooling program

The bill provides that van pooling arrangements be offered to employees of the Federal Government under a program established by the Administrator of the Federal Energy Administration. To carry out the program, the General Services Administration may lease, purchase, or otherwise acquire up to 6,000 vans. Charges to passengers will be adjusted so that after 8 years all costs to the Federal Government, including estimated administrative costs, will be repaid. Part of the rider charge will cover self-insurance of the Federal Government for protection against liability. The van operator must be a regular full-time Federal employee, licensed to operate the van, and he must keep the van in safe working order. He may use it for personal use. The operator may be exempted from paying any rider charge and he may be compensated for his services.

The authorization for the program is set at $15 million for each of the fiscal years 1978, 1979, 1980, 1981, and $3 million for fiscal year 1982.

Energy conservation and solar energy in Federal buildings

The Administrator of the General Services Administration (GSA) is to establish life cycle capital and operating cost methods for all Federal buildings. Cost considerations for new Federal buildings must be determined on the basis of life cycle costs. The Administrator of GSA in consultation with other Federal agencies is to establish energy conservation and life cycle efficiency goals for all Federal buildings and to encourage attainment of those goals. An energy survey must be performed on each Federal building containing over 30,000 square feet of floor space and the overall results reported to Congress before August 15, 1978. The results of surveys of buildings containing between 1,000 and 30,000 square feet must be reported to Congress before August 15, 1979.

In leasing buildings, the Federal Government must give preference to buildings using solar heating and cooling equipment or having a high degree of energy efficiency. GSA and the Federal Energy Administration are to conduct a study of the energy conservation potential in Federal buildings and develop a schedule to assure implementation of the maximum possible life cycle cost effectiveness in these buildings by 1990.

Each Federal agency would be required to show expenditures aimed at improving life cycle cost efficiency as a line item in its annual budget request. The Administrator of GSA is authorized $2 million in fiscal year 1978 to perform analytical and administrative functions under this bill. $25 million is authorized to the Administrator of the Federal Energy Administration in fiscal year 1978 for transfer to the GSA Administrator and other appropriate Federal agencies to implement energy conservation measures in Federal buildings in order to achieve life cycle cost efficiency goals.

Demonstration of solar heating and cooling in Federal buildings

The FEA Administrator is to develop and carry out a program to demonstrate solar heating and cooling technology in existing or proposed Federal buildings. The Administrator would develop criteria for evaluating agency proposals which would include cost/benefit analysis, and demonstration to the maximum extent practicable of innovative and diverse applications to a variety of buildings and to encourage the location of projects in areas where private sector markets for solar energy equipment are likely to develop. The Administrator would evaluate the proposals and transfer funds to implement those approved. The authorization for appropriation for the FEA Administrator through fiscal year 1980 is $100 million.

Use of advanced photovoltaic devices in Federal facilities

The Administrator of the Federal Energy Administrator would be required to procure photovoltaic solar electric generation systems (solar cells) for use by the Federal government in quantities sufficient to permit the use of automated production techniques by suppliers. $98 million is authorized for appropriation to the FEA Administrator for the three year period ending on September 30, 1981.

Federal purchase of vehicles equipped with passive restraint devices

All passenger vans and automobiles purchased by the Federal Government after fiscal 1978 shall be equipped, to the maximum extent technically feasible, with air-bag collision protection devices or other passive restraint systems.

TITLE IV: ADDITIONAL ENERGY CONSERVATION PROGRAMS

Energy efficiency of industrial equipment

The Administrator of the Federal Energy Administration not earlier than 2 years after development of testing procedures and labeling rules would be required to set energy efficiency standards for new industrial electric motors and pumps. The Administrator would have discretion to select the classes of pumps and motors for which he will set standards. Within three years, test procedures and labeling requirements must be established for a specified list of 14 categories of energy intensive industrial equipment in addition to electric motors and pumps. The Administrator would be granted discretionary authority to set standards for any of these categories of equipment no earlier than two years after the prescription of a labeling rule.

Minimum fuel efficiency standards for new automobiles

Each new automobile model sold in the United States after model year 1979 would have to exceed the following levels of fuel economy in the respective model years:

Miles per gallon:	Year
16	1980
17	1981
18	1982
19	1983
20	1984
21	1985

The penalty for noncompliance would be $10,000 per car. In additions, the fines for violating the fleet average fuel economy requirements of the Energy Policy and Conservation Act would be doubled from $50 per MPG to $100 per MPG per car.

Extension of State energy conservation programs

Authorization for Federal grant programs established by the Energy Policy and Conservation Act in 1975 and the Energy Conservation and Production Act in 1976 which provide support for energy conservation programs operated by State government would be extended through fiscal years 1979 and 1980 at a total authorization of $100 million per year. The Administrator of the Federal Energy Administration would be required to report to the Congress within 6 months after enactment on the coordination of Federal energy conservation programs involving State and local government.

Mr. JOHNSTON. The bill covers a multitude of subjects, including utility and home heating supplier programs, financing programs to implement the same, energy efficiency standards for consumer products, a Federal van-pooling program, energy conservation and solar energy programs in Federal buildings; a demonstration of solar heating and cooling in Federal buildings program; a program for the use of advanced photovoltaic devices in Federal facilities; Federal purchase of vehicles

equipped with passive restraint devices—the so-called air bags; standards for energy efficiency of industrial equipment; minimum fuel efficiency standards for new automobiles, as well as the extension of State energy conservation programs.

Mr. President, the bill is comprehensive, it is significant, it is important, but because of its many parts, I will not go into an extensive discussion at this time, because the extensive number of amendments will entail a discussion of each part of the program as the amendments come up.

Mr. President, I ask unanimous consent that Jim Bruce, Ben Cooper, Granville Smith, Dan Dreyfus, Mike Harvey, and Marjorie Gordner of the staff of the Senate Committee on Energy and Natural Resources and Bob Szabo of my personal staff, be accorded the privileges of the floor during the period of Senate consideration of S. 2057.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURDICK. I would like to ask the distinguished floor manager a question concerning section 103 of this bill. Section 103 lists the services and information which utilities must offer to their consumers under State residential energy conservation programs. Specifically, section 103(a)(2)(A) states that a utility will offer inspection services to residential customers for a reasonable fee. My question concerns the meaning of a "reasonable fee." Many utilities have been providing these services free to their consumers for quite a while. For instance, Verendrye Electric Cooperative in Velva, N. Dak., offers this service free of charge to its member-consumers. Guadalupe Valley Rural Electric Cooperative in Texas has inspected hundreds of homes free and recommended energy conservation measures to homeowners. Also, I know that Blue Ridge Electric Membership Cooperative in Lenoir, N.C., and Middle Tennessee Electric Cooperative in Murfreesboro, Tenn., provide these energy conservation inspection services free. I am concerned that this provision of section 103 would require a utility which has previously not charged now to charge a fee for inspection services. Was this the intent of the committee?

Mr. JOHNSTON. I appreciate the Senator raising this question about the meaning of a "reasonable fee." The committee included this section in the legislation to prevent utilities from overcharging their consumers for the services outlined in section 103. However, if the utility has decided to offer these services described in section 103(a)(2)(A) free of charge—because really such services benefit all consumers of the utility—then a reasonable fee could be no charge. In other words, we did not intend to require utilities to charge their consumers for inspections; we simply wanted to make certain that such charges were not too high.

Mr. BURDICK. I thank the Senator for his clarification.

Mr. PERCY. Mr. President, today we are considering the National Energy Conservation Policy Act. This is a vitally important issue because the best way to produce more energy is to use what we have more efficiently. I am pleased that President Carter has proclaimed conservation to be the cornerstone of his energy policy.

Chairman JACKSON of the Energy Committee, ranking minority member, Senator HANSEN, and the other members of the committee deserve our profound thanks. They have labored hard and long to produce this Conservation Policy Act, not to mention the other portions of the National Energy Act.

We are often given a false view of conservation. The popular conception of conservation is curtailment: cold homes and long lines at the gas pumps. This is a myth. One of the reasons Senator HUMPHREY and I founded the Alliance to Save Energy was to show that conservation means increased efficiency: well-insulated homes and cars which get better mileage.

The Ford Foundation's Nuclear Power: Issues and Choices states:

> Conservation is one of the most effective means of making available additional energy to produce desired goods and services. Whatever the form of energy use, there will be ample opportunities for conservation. The higher the unit price of energy, the greater the benefit from a given energy saving . . .
>
> The fourfold increase in the price of imported oil since 1973 justifies conservation investments today that would not previously have repaid their cost. The conservation business, however, has not yet expanded to the extent that its profitability would appear to warrant, and industry has not realized the range of opportunities to reduce its costs through more efficient energy costs. (pp. 147–148)

Dennis Hayes, author of the recently published and widely praised book "Rays of Hope," had this to say before a congressional committee last April:

> Vast amounts of energy—upwards of half of all the fuel we currently consume—could be saved using existing technologies that are already economically practical. These savings are available in every sector of American society . . . but, by and large, they are not being tapped.

Mr. Hayes warned:

> It is only a matter of time until fuel supplies begin to dwindle; a country that runs on cheap oil must eventually run out.

The Congressional Research Service reported in June on the likelihood of reducing oil imports. It concluded that this country cannot reduce its dependence on foreign oil through increased domestic supplies in the next 10 years. The only way to sufficiently cut imports is to reduce energy demand.

The MIT Workshop on Alternative Energy Strategies report of this past May warned that conservation should be a top international priority. MIT Prof. Carroll Wilson, who directed the workshop, said:

> All our work can be boiled down to a single message. The free world must drastically curtail the growth of energy use and move massively out of oil into other fuels with wartime urgency. Otherwise we face forseeable catastrophe.

Mr. President, any conservation program must meet several new important criteria. It must not discriminate against the poor. New Federal regulation should be kept to minimum levels necessary. It must protect consumers against fraud and deceptive practices. And no private firms should receive undue competitive advantages or favors.

A conservation program should use a mix of approaches, and should be flexible in its application. Finally, it must show awareness of the latest innovations in conservation technology, and accommodate new energy-saving ideas.

I believe the Conservation Policy Act largely satisfies these criteria. But I wish to make several points about specific sections of the bill.

The programs for existing residences may well be the centerpiece of the bill. They provide the means for homeowners to save energy through conservation and solar equipment. The price and tax incentives in the energy tax package will provide further impetus for savings.

I am concerned about possible fraudulent schemes in conjunction with solar and conservation contracting. I also am worried about the potential for abuse in determining which firms get included on the State lists of contractors who do refit work. Problems in either area could undermine confidence in the effectiveness of the programs.

The low-income weatherization program is vital. Tax credits are of little help to persons who pay no taxes. However, I feel an additional weatherization program for the rural poor through the Farmers Home Administration might be an appropriate addition.

Consumers need to know how much energy appliances can save if they are to make wise purchase decisions. I thus fully support the consumer product provisions in this bill. I do, however, hope that issuance of standards will be expedited. It is my understanding that there have been delays in instituting labeling requirements pursuant to the Energy Policy and Conservation Act.

The most direct way to get solar products into general use is to purchase them. I strongly support the Federal solar procurement program, the photovoltaic procurement provision, and the life-cycle costing requirements for Federal buildings. All three will help put the solar industry on a sound footing. Costs will fall as expanding firms reap the benefits of economies of scale. The private sector will have hard evidence of the viability of these technologies. Finally, the Federal Government itself will benefit through lower operating costs for its buildings and installations.

I hope that when the time comes to write procurement contracts, small businesses will receive their fair share. I also encourage officials of the Department of Energy to require use of as wide a variety as possible of active and passive solar collector systems, as well as wind generators. It is far too early for Government agencies to settle into comfortable relationships with large suppliers, or to pick one or two best technologies.

The Federal initiatives do omit one major item. They fail to deal with the issue of free Federal parking. It is just not fair for taxpayers to subsidize the

private automobiles of Federal employees. I am offering an amendment to this bill which would institute a fee system for Federal and congressional workers.

Finally, I wish to emphasize the importance of the States in the promotion of energy conservation. The States are well ahead of Washington in the development of innovative approaches to encourage conservation. The additional appropriations for State conservation programs under the Energy Policy and Conservation Act will enable States and localities to continue their fine work in this area.

Let me finish, Mr. President, by saying that if we fail to save energy today, great sacrifices will be required in coming years. We will face economic disruption, and threats to our national security, if our alarming dependence on foreign energy sources is not curtailed. It is far better to take minor steps now than to suffer greatly tomorrow. I need not impress upon my colleagues the urgency and importance of this legislation. I urge their support.

Mr. JOHNSTON. Mr. President, I yield to the distinguished Senator from Idaho.

UP AMENDMENT NO. 791

Mr. CHURCH. Mr. President, on behalf of myself and Senators DOMENICI, CULVER, BROOKE, DECONCINI, and CHILES, I send an amendment to S. 2057 to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) for himself, Mr. DECONCINI, Mr. CHILES, Mr. CULVER, Mr. DOMENICI and Mr. BROOKE, proposes unprinted amendment 791.

Mr. CHURCH. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, in the table of contents after item "Sec. 121." insert the following:

PART D—WEATHERIZATION GRANTS FOR THE BENEFIT OF LOW-INCOME FAMILIES

Sec. 131. Federal Energy Administration Weatherization Grant Program.
Sec. 132. Availability of Labor.
Sec. 133. Weatherization Study.
Sec. 134. Energy-Conserving Improvements for Public Housing.

On page 39, after line 24, insert the following:

PART D—WEATHERIZATION GRANTS FOR THE BENEFIT OF LOW-INCOME FAMILIES

FEDERAL ENERGY ADMINISTRATION WEATHERIZATION GRANT PROGRAM

SEC. 131. (a)(1) Section 412(7)(A) of the Energy Conservation in Existing Buildings Act of 1976 is amended—

(A) by inserting "125 percent of" after "is at or below"; and

(B) by inserting the following after "Budget,": "except that the Administrator may establish a higher level if the Administrator, after consulting with the Secretary of Agriculture and the Director of the Community Services Administration, determines that such a higher level is necessary to carry out the purposes of this part and is consistent with the eligibility criteria established for the weatherization program under section 222(a)(12) of the Economic Opportunity Act of 1964,".

(2) The last sentence of section 413(a) of such Act is amended by striking out "in which the head of the household is a low-income person." and inserting in lieu thereof "occupied by low-income families.".

(b)(1) Section 413(b) of such Act is amended by inserting the following new paragraph at the end thereof:

"(3) The Administrator, in coordination with the Secretaries and Director described in paragraph (2)(A) and with the Director of the Community Services Administration and the Secretary of Agriculture, shall develop and publish in the Federal Register for public comment, not later than 60 days after the enactment of this paragraph, proposed amendments to the regulations prescribed under paragraph (1). Such amendments shall provide that the standards described in paragraph (2)(A) shall include a set of procedures to be applied to each dwelling unit to determine the optimum set of cost-effective measures, within the cost guidelines set for the program, to be installed in such dwelling unit. Such standards shall, in order to achieve such optimum savings of energy, take into consideration the following factors—

"(A) the cost of the weatherization material;

"(B) variation in climate; and

"(C) the value of energy saved by the application of the weatherization material.

Such standards shall be utilized by the Administrator in carrying out this part, the Secretary of Agriculture in carrying out Farmer's Home Administration weatherization grant programs, and the Director of the Community Services Administration in carrying out weatherization programs under section 222(a)(12) of the Economic Opportunity Act of 1964. The Administrator shall take into consideration comments submitted regarding such proposed amendments and shall promulgate and publish final amended regulations not later than 120 days after the date of enactment of this paragraph.".

(2) Section 412(9) of such Act is amended to read as follows:

"(9) The term 'weatherization materials' means—

"(A) caulking and weatherstripping of all exterior doors and windows;

"(B) furnace efficiency modifications limited to—

"(i) replacement burners designed to reduce the firing rate or to achieve a reduction in the amount of fuel consumed as a result of increased combustion efficiency,

"(ii) devices for modifying flue openings which will increase the efficiency of the heating system, and

"(iii) electrical or mechanical furnace ignition systems which replace standing gas pilot lights;

"(C) clock thermostats;

"(D) ceiling, attic, wall, floor, and duct insulation;

"(E) hot water heater insulation;

"(F) storm windows and doors, multiglazed windows and doors, heat-absorbing or heat-reflective windows and door materials; and

"(G) such other insulating or energy conserving devices or technologies as the Administrator may determine, after consulting with the Secretary of Housing and Urban Development, the Secretary of Agriculture, and the Director of the Community Services Administration.".

(c) Section 415 of such Act is amended—

(1) by striking out "weatherization materials, except that" in subsection (a) and all that follows through the period at the end of such subsection and inserting in lieu thereof the following: "weatherization materials and related matter described in subsection (c), except that not to exceed 5 percent of any grant made pursuant to section 413(a) and not more than 5 percent of any amount allocated under this section may be used for administration in carrying out duties under this part."; and

(2) by striking out subsection (c) and inserting in lieu thereof the following:

"(c)(1) Except as provided in paragraph (2), not more than $800 of any financial assistance provided under this part may be expended with respect to weatherization materials and the following related matters for any dwelling unit—

"(A) the appropriate portion of the cost of tools and equipment used to install such materials for such unit;

"(B) the cost of transporting labor, tools, and material to such unit;

"(C) the cost of having onsite supervisory personnel; and

"(D) the cost (not to exceed $100) of making incidental repairs to such unit if such repairs are necessary to make the installation of weatherization materials effective.

"(2) The limitation of $800 described in paragraph (1) shall not apply if the State policy advisory council, established pursuant to section 414(b)(1), requests the Administrator to provide for a greater amount with respect to specific categories of units or materials in the State, and the Administrator approves such request.".

AVAILABILITY OF LABOR

SEC. 132. The following actions shall be taken in order to assure that there is a sufficient number of volunteers and training participants and public service employment workers, assisted pursuant to the Comprehensive Employment and Training Act of 1973 and the Older American Community Service Employment Act, available to work in support of weatherization programs conducted under part A of the Energy Conservation in Existing Buildings Act of 1976, section 222(a)(12) of the Economic Opportunity Act of 1964, and section 504 of the Housing Act of 1949:

(1) First, the Administrator of the Federal Energy Administration (in consultation with the Director of the Community Services Administration, the Secretary of Agriculture, and the Secertary of Labor) shall determine the number of individuals needed to supply sufficient labor to carry out such weatherization programs in the various areas of the country.

(2) After the determination in paragraph (1) is made, the Secretary of Labor shall identify the areas of the country in which there is an insufficient number of such volunteers and training participants and public service employment workers.

(3) After such areas are identified, the Secretary of Labor shall take steps to assure that such weatherization programs are supported to the maximum extent practicable in such areas by such volunteers and training participants and public service employment workers.

WEATHERIZATION STUDY

SEC. 133. The Administrator of the Federal Energy Administration, the Secretary of Housing and Urban Development, the Secretary of Agriculture, and the Administrator of the Community Services Administration shall conduct a joint study which shall monitor, in a coordinated manner, the weatherization activities authorized by this Act and amendments made thereby and those weatherization activities undertaken independently of this Act and such amendments. Such officials shall report to the Congress within one year from the date of enactment of this Act, and annually thereafter, concerning—

(1) the extent of progress being made through weatherization activities toward the achievement of national energy conservation goals;

(2) adequacy and costs of materials necessary for weatherization activities; and

(3) the need for and desirability of modifying weatherization activities authorized by this Act, and amendments made thereby, and of extending such activities to a broader range of income groups than are being assisted under this Act and such amendments.

ENERGY-CONSERVING IMPROVEMENTS FOR PUBLIC HOUSING

SEC. 134. (a) Section 5(c) of the United States Housing Act of 1937 is amended by adding the following new sentence at the end thereof: "In addition to any other authority to enter into annual contribution contracts under this subsection, the Secretary may, subject to the approval in appropriation Acts, enter into such contracts aggregating not more than $10,000,000 per annum for financing the purchase and installation of energy conserving improvements (as defined in subparagraph (2) of the last paragraph of section 2(a) of the National Housing Act) in existing low-income housing projects, other than projects assisted under section 8, which the Secretary determines have the greatest need for such improvements based on the energy consumption of the projects and the amount of such consumption which can be reduced by such improvements.".

(b)(1) The Secretary of Housing and Urban Development is authorized to make grants to finance energy conservation improvements to projects which are financed with loans under section 202 of the Housing Act of 1959, or which are subject to mortgages insured under section 221(d)(3) or section 236 of the National Housing Act. The Secretary shall make assistance available under this subsection on a priority basis to those projects which are in financial difficulty as a result of high energy costs.

(2) The Secretary shall establish minimum standards for energy conservation improvements to multifamily dwelling units to be assisted under this subsection.

(3) There are authorized to be appropriated to carry out the provisions of this subsection not to exceed $25,000,000.

Mr. CHURCH. First, Mr. President, I want personally to extend my congratulations to the distinguished Senator from Louisiana for the leadership he showed in drafting this legislation and steering it through the committee. I was a witness to his efforts and I think he is to be highly commended for the bill he has brought here this afternoon.

Mr. JOHNSTON. I thank the distinguished Senator.

Mr. CHURCH. Mr. President, it is my privilege today to introduce this amendment to S. 2057, the National Energy Conservation Policy Act, which will establish a coordinated national weatherization program for low-income Americans.

I believe that this amendment is vital to a weatherization program which is rational, coordinated, and directed to the total needs of low-income persons, especially the elderly poor.

Mr. President, we must decide whether the weatherization programs of the Federal Energy Administration, FEA, and Community Services Administration, CSA, should be coordinated in their activities and consistent in their regulations. This amendment will accomplish that in a manner which assures efficiency and provides a valid basis for comparing their efforts.

We must also decide whether the FEA program should serve the near-poor as well as the poor, and have limits for weatherization materials costs sufficient to meet the health needs of the elderly. This is especially important inasmuch as S. 2057, as reported, substantially increases the authorization for the FEA program.

And finally, we must decide whether CSA, the agency which has already weatherized over 207,000 homes of the poor, should have some input into FEA's weatherization policy and help FEA identify the areas of greatest need.

Evidence received before three recent hearings of the Special Committee on Aging, which I chair, underscored the necessity for an effective and coordinated national weatherization effort. The financial security and health of older Americans is today imperiled by rapidly escalating fuel costs. The special need for this amendment stems from the fact that the bulk of our elderly reside in older housing stock, much of it in need of proper insulation and other rehabilitation. For example, a 1973 HUD survey showed that 52 percent of those households headed by persons 65 or older live in pre-1939 housing.

I believe this amendment speaks very appropriately to this needy by—

Permitting the near-poor to receive FEA weatherization assistance by raising the eligibility level from 100 percent to 125 percent of poverty level.

Permitting insulation which is adequate by raising the materials cost limit for the FEA program from $400 to $800. Experience in the CSA has shown an average cost of about $400, but an upper limit of $800 is required to provide for houses requiring more extensive weatherization.

Assuring consistency and coordination by having the FEA and CSA programs follow the same rules for eligibility, grant limits, permissible activities, and weatherization standards.

Assuring further coordination and efficiency by requiring these agencies to consult with each other in developing programs and regulations.

Enactment of this amendment will not commit us to this arrangement indefinitely. In fact, it requires the Administrators of FEA and CSA, along with the Secretaries of Labor and Agriculture, to submit an annual report on the total weatherization effort. This requirement will allow coordinated program evaluation and annual congressional review.

The amendment contains another important provision. It makes funds available for weatherizing HUD-assisted housing, including section 202 units for the elderly. Priority attention would be given to housing projects experiencing financial difficulty because of high energy costs.

Finally, the amendment encourages the participation of older workers in the national weatherization effort by permitting participants in the Older American Community Service Employment Act to be used, in addition to CETA workers, to weatherize the homes of low-income persons. Some 37,400 low-income individuals age 55 and above are employed under the senior community service employment program. Many are already engaged in a wide range of weatherization activities, including roof and wall repair, window and door calking, and wall and attic insulation.

Experience has shown that these individuals are conscientious and hard working. They enjoy a natural empathy with elderly homeowners receiving insulation services.

My amendment does not accord these older workers any priority in the national weatherization effort. It merely gives them the opportunity to be included. Identifying them should not pose any difficulties because this program, like CETA, is administered by the Labor Department. Utilizing these older workers will increase the labor pool available for the FEA and CSA weatherization programs.

I urge my colleagues to enact this amendment.

Mr. President, the purpose of this amendment, which has been cleared, I understand, with the staff assisting the distinguished Senator, is simply to accomplish those three objectives, all of which have to do with the weatherization program, all of which I have discussed.

I understand that these three objectives are acceptable to the manager of the bill. The staff has reviewed the wording of the amendment, and there is no objection to it. Therefore, I hope the Senate can speedily adopt it.

Mr. JOHNSTON. Mr. President, we think this is an excellent amendment. The weatherization program has grown in a very coordinated fashion and the uniform standards which this amendment provides for would help very much to coordinate the FEA and the CSA in their administration of these programs.

It will also provide for a weatherization study which will generate very useful information to assist in the congressional oversight of these programs.

Weatherization for low-income people and adding the elderly, as this amendment does, is a very significant step, because of all groups in the country who can both save energy and need help on their utility bills, the elderly and the poor are at the head of the list.

This amendment would help not only extend the program, but help coordinate it in the two agencies that provide the delivery of the weatherization program to the elderly and to the poor.

So we accept the amendment with enthusiasm. It has been cleared with the minority and I understand it is an express approval, although I do not ordinarily speak for them.

Mr. CULVER. Mr. President, I am pleased to support the amendment of my distinguished colleague from Idaho, Mr. CHURCH. Few Federal programs yield benefits as broad as these weatherization grants for low-income families, and this amendment would improve the administration and availability of these home insulation grants.

As I pointed out in an April statement for Senator CHURCH's Aging Committee hearings on high utility costs, the grant program for winterizing the homes of the

poor and elderly serves three worthy purposes:

(1) Conserving energy for home heating by 35 percent and more, thereby reducing our dependence on foreign oil;

(2) Creating tens of thousands of productive job opportunities; and

(3) Helping the elderly and poor in a project they could not otherwise undertake, and reducing their utility bills for years to come.

The amendment now before us would accomplish several needed changes in today's Federal Energy Administration grant program for low-income homeowners. Most importantly, it would increase the eligibility guideline from 100 percent to 125 percent of the official poverty level. This would qualify many near-poor homeowners, including tens of thousands of elderly who are living on their Social Security income just above the poverty level. And this change would eliminate a major discrepancy between the new FEA weatherization grant program and the older companion Community Services Administration weatherization program. The CSA eligibility level has long been at 125 percent of the poverty level. Furthermore, in many States across the Nation, when the FEA funds begin to be channeled to the Governors' offices they will be directed to the local Community Action Agencies which already have an existing network of operations for the CSA winterization moneys. It would certainly ease administration and availability of these complementary weatherization funds if the eligibility guidelines and grant limits were uniform.

The amendment also includes other important improvements in present law to insure a sensible and adequate administration of the home insulation effort. It would mandate a joint study and report to the Congress by the FEA Administrator's successor and the CSA Director on the progress, activities, and adequacy of the weatherization grant program. It also takes steps to insure that a sufficient labor force is available for home insulation through the Labor Department's CETA program. Finally, the amendment provides Housing and Urban Development funds for energy improvements in public housing, particularly section 202 low-income, multifamily dwelling units. These additional changes seem to me to be well-conceived, sensible measures to enhance energy conservation in the homes of the poor and near poor throughout our Nation.

I cannot emphasize enough the value these CSA and FEA home winterization grant programs have in terms of helping the poor and elderly and conserving energy. For as little cost as $180 per home—the CSA weatherization average—heating fuel consumption can be cut by at least one-third. Mindful of the fact that the majority of the aged own homes—most of which are over 30 years old and suffer from disrepair and inadequate insulation—we cannot underestimate the savings in heating fuel and their utility bills. And in light of their lower incomes and poorer health, these elderly people are particularly deserving. As a Senator representing Iowa—a State which has the highest proportion of elderly citizens—I am proud to say that nearly 10,000 Iowa homes have been weatherized by the CSA; and I am hopeful that with these simple changes and full funding, that figure can be doubled, tripled, and even quadrupled in the coming years.

Mr. DOMENICI. Mr. President, I am pleased to join with the distinguished chairman of the Special Committee on Aging (Mr. CHURCH) in supporting this vital amendment. As the ranking minority member of the Special Committee on Aging, I have become increasingly concerned about the adverse impact rising energy costs are having on older Americans.

Early this year I urged the Committee on Aging to undertake a series of hearings designed to focus attention on all aspects of this problem. The four hearings left little doubt in my mind that the low- and middle-income elderly individuals—most of whom are living on a fixed income—will have an increasingly difficult time making ends meet in the face of steadily rising energy costs. Our hearings also indicated that a high percentage of older persons own their own homes, but they lack the resources and the access to credit needed to maintain, modernize, and weatherize these dwellings. As a result, a great deal of energy is wasted—at a high cost they cannot afford—in a futile effort to maintain a basic level of physical comfort.

During the course of our hearings I was personally impressed by the ongoing weatherization program which is administered by the Community Services Administration. We received testimony from a number of senior witnesses who told us how their heating costs were dramatically reduced by federally supported weatherization projects.

On July 26, 1977, Senator BROOKE and I wrote to Senators JACKSON, HANSEN, JOHNSTON, and WEICKER urging them to take the necessary steps to extend and expand this program. I ask unanimous consent, Mr. President, that the text of this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SPECIAL COMMITTEE ON AGING,
Washington, D.C., July 26, 1977.

Hon. HENRY M. JACKSON,
Chairman, Energy and National Resources Committee, Washington, D.C.

DEAR MR. CHAIRMAN: As your committee begins its work on the residential energy conservation provisions of the National Energy Act, we would like to make you aware of some particular concerns we have as members of the Special Committee on Aging. Our Committee has viewed with favor the ongoing weatherization program administered by the Community Services Administration. Through this program, many older American homeowners have received substantial and much needed weatherization assistance and the program has proved to be effective in finding those households with the greatest need and serving them promptly.

The Administration's attempt to cease funding for this program and instead channel all funding through FEA (including those funds which will go to Community Action Agencies) ignores the broad experience CSA has acquired. This Committee concurs with the decision of the House and Senate Appropriations Committees to divide weatherization funds for FY 78 between the FEA and CSA efforts.

We urge the Energy and National Resources Committee to consider legislation and/or Committee report language, indicating to the Administration that the Congress believes that the portion of weatherization funds which will be channelled through Community Action Agencies should continue to be administered through CSA. We believe FEA should support the program in all areas not covered by CAP agencies. We believe that such an administrative arrangement will assure uninterrupted and effective delivery of services to low income older Americans.

We would also like to express our support for the recommendations of the Senate and House Banking Committees that the guidelines and eligibility requirements of the CSA, FEA and Farmers Home Administration weatherization programs be made as uniform as possible. We believe that report language should also stress the need for inter-agency coordination and cooperation. In addition, efforts should be made to strengthen the involvement of the various CETA Programs (including its youth program) in weatherization projects.

Such changes will afford both flexibility and uniformity to these new programs which will help us to provide much needed weatherization services to older persons in a timely and effective manner.

Sincerely,

EDWARD W. BROOKE,
Ranking Minority Member, Committee on Banking, Housing, and Urban Affairs.

PETE V. DOMENICI,
Ranking Minority Member, Special Committee on Aging.

Mr. DOMENICI. Mr. President, I would note that this amendment closely parallels the language in the House bill and its adoption was recommended to us by the Senate Committee on Banking, Housing, and Urban Affairs. If enacted, this amendment would restructure the FEA weatherization program to make it more like the present CSA program. It would continue its focus on helping the poor and near poor meet their basic energy needs within the constraints of their limited income. In addition, this amendment will see to it that the various weatherization programs have adequate manpower by tapping the CETA and title IX Older Americans Community Service Employment programs for public service workers. The amendment also provides for a comprehensive 1-year interagency study of all federally sponsored weatherization activities. I hope this study will help us to expand and reshape our weatherization efforts in the future. The last provision in our amendment would authorize the Department of Housing and Urban Development to improve the energy efficiency of existing low income public housing units.

Mr. President, I believe the enactment of this amendment would help low income individuals and families to better meet the rigors of the energy crisis. I would note once again in closing, Mr. President, that the thrust of this amendment reflects the findings of the Special Committee on Aging and I urge my colleagues to give prompt approval to this proposal.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JOHNSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HANSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, we take under consideration today the conservation portion of the proposed National Energy Act. I agree with many of my colleagues that conservation should be considered as an important building block in such an energy plan. However, we must not risk the disillusionment of the American people by suggesting that conservation, standing alone, can solve our current plight. Conservation legislation without parallel congressional efforts to address the problem of declining oil and gas production will prove to be no solution at all, and our reliance upon imported oil will continue to increase. In sum, our conservation laws are an important part of, but certainly not the keystone of our overall energy policy.

Based upon this clear fact, I must question whether several of the provisions of S. 2057, and certain proposed amendments thereto, are reasonable—or even necessary. Specifically, I question whether any heavy-handed, Federal mandates in the area of conservation programs can be justified.

History has repeatedly shown that the American people are willing and able to sacrifice and to pull together in times of national need. I know that that same sense of national sacrifice and commitment will continue to govern our citizens' approach to conserving fuel. For this reason I strongly oppose in committee any amendments which could rob the American people of their initiative to voluntarily contribute their efforts toward conservation.

Fortunately, the committee rejected attempts to set mandatory home insulation and weatherization standards. Any such Federal intrusion into the private homes of the American people—through mandated conservation requirements, policed by Federal inspectors, and sanctioned by the threat of the loss of Federal mortgage loan guarantees—is an affront to our population. I urge my colleagues to join me in opposing any such amendments offered on the floor of the Senate.

Unfortunately, there are two other similarly repugnant provisions which were successfully added to S. 2057 in committee. The first is found in title II and mandates minimum efficiency standards for virtually all major home appliances ranging from hot water heaters to television sets. Such a law, if enacted, would set aside the voluntary efficiency program which was prescribed in the Energy Policy and Conservation Act of 1975—less than 2 months after the voluntary efficiency targets established by that act had been promulgated by FEA. Witnesses for the appliance industry testified before the Energy Committee that they wholeheartedly endorsed the concept of Federal standards, and expressed their commitment to voluntarily achieve those standards. And yet, S. 2057 would kill that voluntary program before it has been fairly tested.

The second mandatory provision which I oppose is that found in title IV and which sets minimum mileage standards for all automobiles produced or sold in the United States after the 1979 model year. Again, such a requirement would disregard the successful efforts of the automobile industry in achieving the average, fleetwide efficiency standards required by law in 1975, and which initially come into effect in this 1978 model year. Such a requirement would hamstring the flexibility of the auto industry in its efforts to meet the varied transportation needs of the country while at the same time meeting or exceeding national fleet fuel standards. Furthermore, this provision, if coupled with the proposed gas guzzler tax, represents regulatory "overkill" of the one industry which has convincingly demonstrated a firm commitment to doing its share to reduce national fuel consumption.

Mr. President, I urge my colleagues to give long and careful thought to the prudence of burdening our citizenry and our industries with mandated Federal conservation requirements when there is no evidence of any reluctance to voluntarily achieve the same results. In my judgment, we must not allow our zeal to address the energy crisis to stampede the Senate into unneeded and unjustified legislation.

Mr. President, I yield the floor.

Mr. RANDOLPH. Mr. President, I believe that this measure is an important cornerstone in the structure of an energy program that we hope will be helpful to the people of the United States, especially in view of the disastrous occurrences which have taken place in the past few years. I especially focus on the embargo of Mideast oil in 1973 and 1974.

I feel that as we think of conservation as an instrumentality for solving our energy problems, we must recognize the very real and pressing need to produce fuels in the United States of America. Oil, gas, coal, and the processing of these, often through synthetic fuel programs, are essential. But conservation of all fuels will be the ultimate solution to our energy problems. We must increase domestic supplies and reduce our dependence on foreign supplies.

In the State of West Virginia, the man who goes into the mine to produce the coal which is necessary to the mobility of America, to the energizing of America—the coal miner—is driving 50 or 60 miles a day from his home to the mine and then to his family after the shift on which he has been employed. It is very important that we think of not having the cost per gallon of gasoline so excessive that the miner—perhaps other miners riding with him in his private vehicle—not be given the opportunty to go to the mine. These people are needed to produce the energy supplies that the Nation must have in this year and in the years ahead.

I call to the attention of the managers of the bill and to our colleagues in the Senate that we are spending $12.5 billion to stockpile petroleum, petroleum that is coming from abroad, petroleum to take care of America, at least in part, in time of possible further blockade. That storage is understandable, but it costs the American taxpayers $12.5 billion.

For a like sum of money, we could be developing in our country a synthetic liquid fuels program that would supply an equivalent of that which we are storing. At that funding rate, the synthetic fuels program could continue on a 20-year basis. So when we spend $12.5 billion to store petroleum against a possible embargo, let us realize that in the United States we need programs of production as well as the necessary programs of conservation—both mandatory conservation and voluntary conservation.

My colleagues will recall that in the passage by Congress of the national 55 miles per hour speed limit law, it was our intention that this speed limit be observed and enforced by the States and political subdivisions. If the speed limit were universally observed, we would conserve approximately 160,000 to 200,000 barrels of gasoline every 24 hours. The problem is that the American people have not been observing, nor have the States and their political subdivisions been enforcing, the national 55 miles per hour speed law.

Now let us see what has been happening. We have tried very diligently—those of us associated with this form of conservation—to emphasize that there are provisions within our law to force compliance with this important national statute. In our Federal-Aid Highway Act, we provided that if a State was not enforcing the national speed limit law of 55 miles per hour, Federal funds for the construction of highways should be withheld from that State. No money has been withheld from any of the States. I am not saying that it should have been withheld. I am only saying that there is a lack of observance and a lack of enforcement of that national speed limit.

We must realize that in a conservation program we have to determine some way to have the American people realize the seriousness of the energy problem and necessity to cooperate with their States and political subdivisions in bringing about measures to conserve fuel in the United States.

I bring this up as one illustration of the action of Congress and the failure of the administration to follow through on warning the States but in actually withholding the Federal funds to the States which are not doing the job of enforcement.

I note with approval that President Carter in recent days has indicated to the Secretary of Transportation, Mr. Brock Adams, that he wants enforcement of this law. He expects Secretary Adams to look carefully at those States where there seem to be the greatest violations of the national 55-mile-per-hour speed limit.

Mr. President, during the 94th Congress, I introduced a resolution calling for an energy conservation crusade. This

measure was agreed to by a unanimous vote. It was the sense of the Senate, and the resolution listed 20 to 30 ways in which the people of the United States could conserve energy—in housing, insulation, all sorts of programs of that type. It was forwarded to the President of the United States as a sense-of-the-Senate resolution, and we hoped that the President, Mr. Ford, would look with favor upon what the Senate was doing and would tell the American people of the necessity for an across-the-board conservation program.

I regret to say that even with what we did, the sense of the Senate resolution was a failure, a failure to have the backing of the administration and a failure to follow through in many other aspects of legislation that would have brought us to grips with this problem. For this reason, I introduced in the 95th Congress a second resolution calling for the energy conservation crusade.

In this measure which is now brought before the Senate, once again we are attempting to make an attack on the core of the problem. We are not making, as I understand it, feeble attempts to come to grips on the fringes of this problem. But in the House and now in the Senate, we are in the process of making a determined frontal attack on those persons and institutions who have combined to thwart the efforts of an energy production program as well as an energy conservation program in the United States of America.

I think there is now a change in American thought on this matter. I believe they are not only aware of the energy crisis—it is not a crisis that is around the corner and going to come to us, but it is in the kitchen—but recognize the critical nature of the problem.

There is this recurring problem in America of the need, as I see it, to produce within our country energy supplies rather than to be holding to, let us say, the very fragile threads of foreign supplies which, of course, are not fragile in their amounts but uncertain in continuance. At the present time we are importing into the United States about 50 to 51 percent of all the petroleum that is being used in this country.

It is not easy to divide the subject matter between production and conservation, but it is necessary, as I have indicated, to do the job on both fronts. They certainly combine in this frontal attack which is necessary for both the Congress and the administration to participate in.

I ask unanimous consent to insert the remarks I made at the time of the introduction in the Senate of Senate Joint Resolution 13 on January 24, 1977, calling for an energy conservation crusade.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

By Mr. RANDOLPH (for himself, Mr. ABOUREZK, Mr. ALLEN, Mr. BURDICK, Mr. HARRY F. BYRD, JR., Mr. CASE, Mr. CANNON, Mr. CLARK, Mr. GRAVEL, Mr. HASKELL, Mr. HATFIELD, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. JACKSON, Mr. JOHNSTON, Mr. LAXALT, Mr. MAGNUSON, Mr. MATHIAS, Mr. MCCLURE, Mr. MCINTYRE, Mr. MORGAN, Mr. MUSKIE, Mr. PEARSON, Mr. PELL, Mr. RIBICOFF, Mr. STONE, Mr. THURMOND, and Mr. WILLIAMS):

Senate Joint Resolution 13. A joint resolution designating "Energy Conservation Month"; to the Committee on Interior and Insular Affairs.

ENERGY CONSERVATION

Mr. RANDOLPH. Mr. President, for myself and 27 cosponsors, I introduce a joint resolution of importance, not only to the Members of the Senate, but to the American people as a whole.

Besides this Senator there are 20 Democrats and 7 Republicans who are cosponsors of this resolution in support of an Energy Conservation Crusade and Energy Conservation Month.

As the first energy action of the 94th Congress, on February 5, 1975, this body approved a similar resolution introduced by this Senator and cosponsored by 67 Members of this body.

Mr President, the joint resolution I introduce today is cosponsored by 27 Members of this body in recognition of the importance of energy conservation as a fundamental element of a national energy policy.

Speaking about natural gas shortages, President Carter declared last Friday that, "without public—energy—conservation, there may not be enough energy to allocate." The Chief Executive instructed Dr. Schlesinger to work with congressional leaders to develop emergency legislation to augment or legal means to distribute equitably our available supplies of natural gas.

Recognizing the importance of energy conservation the President also directed officials of all Government facilities to turn their thermostats down to 65 degrees in the daytime and lower at night. He also called on all Americans to do the same.

The resolution I introduce today endorses this proposal by President Carter by calling for an Energy Conservation Crusade. The measure would declare as Energy Conservation Month the period from February 16 to March 15, 1977, to reemphasize our national commitment to eliminate wasteful uses of energy.

With effective national leadership by Federal, State, and local governments and by all segments of business and industry, the American people can achieve an estimated energy savings equivalent to 5 million barrels of oil per day.

However, achievement of any substantial savings through energy conservation will involve millions of individual decisions by American consumers and, in particular, by the business community. A major national commitment will be required by American business.

I hope that this Energy Conseration Crusade resolution will receive prompt consideration and vigorous implementation.

Mr. President, I ask unanimous consent to have printed in the RECORD, at this point in my remarks the names of the Senators who are cosponsors of this resolution.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

"Mr. Abourezk, Mr. Allen, Mr. Burdick, Mr. Byrd of Virginia, Mr. Case, Mr. Cannon, Mr. Clark, Mr. Gravel, Mr. Haskell, Mr. Hatfield, Mr. Huddleston, Mr. Humphrey.

"Mr. Jackson, Mr. Johnston, Mr. Laxalt, Mr. Magnuson, Mr. Mathias, Mr. McClure, Mr. McIntyre, Mr. Morgan, Mr. Muskie, Mr. Pearson, Mr. Pell, Mr. Ribicoff, Mr. Stone, Mr. Thurmond, Mr. Williams."

Mr. RANDOLPH. Mr. President, this sponsorship indicates that there is no partisanship whatever in this approach. We are not pointing the finger at anyone. Frankly, we are pointing our fingers at ourselves.

We all realize that an Energy Conservation Crusade with the Energy Conservation Month, will help us realize that we are challenged in a voluntary way to make this effort. Thus Americans can be made more aware that the problems related to the importation of oil from abroad can in a large measure be solved, by beginning our independence here, with the disciplines that we can build into our daily lives.

The resolution is in no way a gesture. If the President of the United States will proclaim this Energy Conservation Crusade, if he will designate the month indicated as Energy Conservation Month, and will call upon the American people, through his leadership, then we, through our cooperation, can do much in our hour of need.

Mr. President, I ask unanimous consent that the resolution be reprinted in the RECORD.

S.J. RES. 13

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That it is hereby declared to be the sense of the Congress that wasteful energy consumption in the United States must be eliminated at this time when our country is experiencing unprecedented economic and energy problems and is faced with severe shortages of energy, and requests the President to issue a national proclamation calling for a National Energy Conservation Crusade and declaring the period from February 16 to March 15, 1977, as "Energy Conservation Month." In the observation of Energy Conservation Month—

The President is called on to publicize information for government, industry, and consumer use on appropriate energy conservation measures and to direct the Federal establishment to institute all available actions to reduce energy consumption without reducing the level of essential services being provided to the American people;

Governors, county executives, mayors, and other responsible officials are called on to examine the activities of State and local government and wherever possible institute comparable measures to those of the Federal government to promote energy conservation;

Business and industry are requested to examine their energy consumption practices and institute measures to eliminate unnecessary energy consumption and improve efficiency of use of available energy supplies, to curtail ornamental lighting and nonessential lighted advertising, to adjust business hours to reduce energy consumption, and to modify building operating and maintenance practices to promote energy conservation; and

The American people are called on to take the initiative in conserving available energy supplies by observing the 55 mile per hour speed limit on highways, by reducing the use of energy to heat and cool homes, offices, schools, and commercial establishments, by increasing the utilization of mass transportation facilities, carpools, compact cars, and stick-shift motor vehicles, and by installing insulation in their homes.

SEC. 2. The President is requested to report to Congress by March 31, 1977, on the steps taken to promote energy conservation and their results and on any recommendations for legislation he believes necessary to implement a continuing program of energy conservation.

SEC. 3. The President is requested to report monthly to the American people and the Congress on the status of energy conservation initiatives and their effectiveness, domestic energy supplies, domestic energy

shortages on the economy of and employment in the United States.

Mr. RANDOLPH. Mr. President, from time to time I am sure Members within this body will address themselves to the specifics of the amendments that are before us. I am appreciative that at the very beginning of the consideration of this bill I have had the opportunity not to say just that this is something that should have been done long ago. It is, of course, something that comes so often after the fact, and America tries to catch up. But America faces this problem, and I hope there will be the enlightenment, the courage, and the understanding within the Senate as well as the other body to bring these packages together.

I commend our majority leader, Senator ROBERT C. BYRD, as he attempts to expedite these programs in the Senate—not to fail to discuss them thoroughly, each and every part of the package, but to separate them in an attempt so that the Senate itself will be able to go to conference with the House. We must begin to bring to fruition the energy program of this Congress, of this administration, and, hopefully, of the American people.

Mr. ROBERT C. BYRD. Mr. President, I thank my distinguished senior colleague for his kind comments.

The PRESIDING OFFICER. The bill is open to further amendment.

UP AMENDMENT NO. 792

Mr. JOHNSTON. Mr. President, on behalf of myself and my distinguished colleague from Colorado (Mr. HASKELL) I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) for himself and Mr. HASKELL proposes an unprinted amendment No. 792.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 94, line 19, insert the following new section:

PART D—USE OF RECOVERED MATERIALS

AMENDMENT TO PART D OF TITLE III OF THE ENERGY POLICY AND CONSERVATION ACT

SEC. 423. (a) FINDINGS.—The Congress finds that—

(1) significant amounts of industrial energy and other scarce natural resources are conserved in certain major energy-consuming industries where recovered materials are utilized in their manufacturing operations;

(2) substantial additional volumes of industrial energy and other scarce natural resources will be conserved in future years if such major energy-consuming industries increase to the maximum feasible extent utilization of recovered materials in their manufacturing operations;

(3) millions of tons of recoverable materials which could be used by such industries are needlessly wasted and buried each year at great cost to State and local governments, while technology and methods exist whereby those materials could readily be made available for utilization; and

(4) the recovery and utilization of such recovered materials can substantially reduce the dependence of the United States on foreign natural resources and reduce the growing deficit in its balance of payments.

(b) PURPOSES.—The purposes of this section are to conserve valuable energy and scarce natural resources, promote the national security, and protect the environment by—

(1) directing that targets for increased industrial utilization of recovered materials be established for certain major energy-consuming industries;

(2) creating procedures whereby such industries may cooperate with the Federal Government in the establishment and achievement of such targets; and

(3) providing incentives for increased industrial utilization of energy-saving recovered materials in such major energy-consuming industries.

(c) TARGETS FOR USE OF RECOVERED MATERIALS.—Part D of title III of the Energy Policy and Conservation Act is amended by inserting the following new section after section 374:

"TARGETS FOR USE OF RECOVERED MATERIALS

"SEC. 374A. (a) For purposes of this section, the term 'energy-saving recovered materials' means aluminum, copper, lead, zinc, iron, steel, paper and allied paper products, textiles, and rubber, recovered from solid waste, as defined in the Solid Waste Disposal Act.

"(b) Within one year after the date of enactment of this section, the Administrator shall set targets for increased utilization of energy-saving recovered materials for each of the following industries: The metals and metal products industries, the paper and allied products industries, the textile mill products industry, and the rubber industry. Such targets—

"(1) shall be based on the best available information,

"(2) shall be established at levels which represent the maximum feasible increase in utilization of energy-saving recovered materials each such industry can achieve progessively by January 1, 1987, and

"(3) shall be published in the Federal Register, together with a statement of the basis and justification for such targets.

"(c) In establishing targets under subsection (b), the Administrator shall consult with the Administrator of the Environmental Protection Agency and with each of the major industries subject to this section, and shall consider—

"(1) the technological and economic ability of each such industry progressively to increase its utilization of energy-saving recovered materials by January 1, 1987, and

"(2) all actions taken or which before such date could be taken by each such industry, or by Federal, State, or local governments to increase that industry's utilization of energy-saving recovered materials.

"(d) Any target established under subsection (b) may be modified if the Administrator—

"(1) determines that such target cannot reasonably be attained, or that it should require greater use of energy-saving recovered materials, and

"(2) publishes such determination in the Federal Register, together with a basis and justification for such modification.

"(e) Within each of the industries subject to this section, the Administrator shall notify each corporation which is a major energy consumer (within the meaning of section 373) of the requirements of this section. Not later than January 1, 1978, the chief executive officer of each such corporation (or individual designated by such officer) shall include in his report to the Administrator under section 375, or if section 376(g) applies, prepare and transmit a report which includes a statement of the volume of energy-saving recovered materials that such corporation is using in each of its manufacturing operations located in the United States and what plans, if any, the corporation has to increase the utilization of such materials in those operations in each of the next ten years. Not later than January 1, 1979, and annually thereafter, each such corporation shall include in such report a statement of the progress it has made to increase its utilization of energy-saving recovered materials to reach targets established under this section by the Administrator for its industry. Such reports shall contain such information as the Administrator determines is necessary to measure progress toward meeting the industry targets established under this section.

"(f) The Administrator shall include in his annual report under section 375(c) a report on the industrial energy and natural resource conservation and recovery program established under this section. Each such report shall include—

"(1) a summary of the progress made toward the achievement of targets set by the Administrator under this section; and

"(2) a summary of the progress made toward meeting such targets since the date of publication of the previous report, if any.".

(d) TECHNICAL AMENDMENTS.—Section 376 of such Act is amended by—

(1) inserting "or 374A" after "section 372" in subsection (b), and

(2) inserting "or any target under section 374A" after "374" in subsections (c) and (f).

Mr. HASKELL. I am proposing today an amendment to S. 2057 which deals with the use of recycled materials. This amendment will result in the creation of voluntary recycling targets for industry to encourage recycling or resource recovery of energy intensive materials. I would like to emphasize that these recycling targets are completely voluntary and are designed solely to serve as yardsticks to measure progress in achieving these goals. This amendment is cosponsored by Mr. JOHNSTON and is supported by the administration. In addition, this is the same measure which passed the House and is included in H.R. 8444.

We believe that this amendment will significantly enhance the effectiveness of President Carter's overall energy program. The encouragement of recycling and resource recovery in American industry is one of the most direct and efficient ways for the United States to cope with the energy crisis.

The benefits of current recycling efforts are significant. In 1976 three of the major energy consuming industries in the United States—metals, paper, and rubber—conserved the equivalent of 151 million barrels of oil by recycling materials in their industrial operations in place of utilizing new natural resources.

Despite those savings we are just at the threshold of the possibilities of recycling. Indeed, at the end of World War II, the paper industry's recycling rate was roughly twice what it is today. With relatively minor Federal incentives the metals, paper, and rubber industries would double their current recycling rate in the next decade.

This legislation amends the Energy Policy and Conservation Act and directs the administrators of FEA and EPA to consult with the major energy-consuming industries and establish voluntary targets for progressive increases in recycling through 1987. In addition, it requires that major energy consuming corporations in each such industries report to FEA each year the progress made in reaching their targets.

Successful implementation of this program offers the following potentials:

First, it will lead to the conservation of significant volumes of industrial energy.

Second, it will reduce our Nation's growing dependence on foreign sources of supply of both energy and other natural resources.

Third, it will alleviate our Nation's growing solid waste problems, and reduce solid waste disposal costs for cities and State, and

Fourth, it will improve our rapidly deteriorating balance of payments.

Mr. JOHNSTON. Mr. President, this amendment is brought up at this time in hopes that after explanation it will be accepted. If it is not, then I would want to defer it until Senator HASKELL could be heard on it.

It is a recycling amendment, Mr. President, that is very narrow in its scope, but it is an important first step, I believe, toward realizing for this country the great possibilities in recycling.

What the amendment does is, it results in the creation of voluntary recycling targets for industry to encourage recycling or resource recovery of energy-intensive materials. In addition, there are mandatory reporting requirements for each corporation which is designated as a major energy consumer. These are in four industries: Metals and metal products, paper and allied products, textile mill products, and rubber industries.

Mr. President, we are not doing the job in recycling that we ought to be doing, and yet it offers such great possibilities. During 1976 the aluminum, copper, lead, zinc, steel, paper, and rubber industries alone conserved nearly 285 billion kilowatt-hours or the equivalent of 151 million barrels of oil by using recycled material in their industrial operations in place of the virgin resource counterparts.

Unfortunately, however, American industry is literally just scratching the surface on recycling. At the end of World War II, for example, our national paper recycling rate was roughly twice what it is today. The aluminum industry projects that with relatively minor Federal incentives its current recycling rate can be doubled in the next decade.

Now, why then come in with just voluntary targets? Well, frankly, the possibilities in recycling are so vast, but like so much of Federal legislation, we do not know precisely how to require them to recycle. So what we want to do by this amendment, so modest in its scope, is simply to ask industries themselves to set their own target.

There is nothing mandatory at all about the targets, but, in other words, to require them to come in and make their own study: How many beer cans ought to be recycled, how much paper, how much steel, how much zinc, how much of these other materials ought to be recycled, set their own target, and then require that they report if they are in an energy-intensive industry, and that is all it requires.

I think it is a modest first step, but the possibilities in recycling are so great that I think we must at least take this first step.

I frankly do not see any opposition or how there would be opposition to this amendment. I think there are those who oppose it, but I think, frankly, their opposition is, "Well, voluntary targets may lead to mandatory targets."

Well, if that is so, if it does lead to mandatory targets, it will be only because Congress, after studying the results of the voluntary targets and after studying the possibilities in the field, feels that the possibilities are great, and that they are not doing what they ought to do. But that is a question that would be put off for another day and another time and in another Congress, and after we know a great deal more about it.

For the time being the setting of voluntary targets with a simple reporting requirement I think is a modest, proper, and necessary step to take.

Mr. RANDOLPH. Mr. President, the amendment of the able Senator from Louisiana (Mr. JOHNSTON) addresses one of our country's most serious problems. I believe we have achieved a new awareness that we must carefully conserve and reuse our material resources. In addition, we are constantly searching for new and inventive ways to conserve energy and to produce energy from readily available domestic fuel sources.

The Resource Conservation and Recovery Act of 1976 for the first time established a major commitment of the Federal Government to altering the national attitude from use and discard to one of recovery and reuse. This legislation, which I sponsored, provides vital assistance to States and communities to help them develop and implement workable solid waste programs. Through its programs we will work to resolve some of our environmental, energy, and materials problems.

The amendment of the Senator from Louisiana (Mr. JOHNSTON) is consistent with the aims of the Resource Conservation and Recovery Act. The sponsor of the amendment properly perceives that we can more effectively act in this area if we have full knowledge about the resources available to us and the means for recovering both energy and materials. His amendment would help provide important information and thereby further the need to recover and recycle. I commend him for his initiative and I am glad to be a cosponsor of the amendment.

Mr. HANSEN. Mr. President, will the distinguished floor manager of the bill yield for a question?

Mr. JOHNSTON. Certainly.

Mr. HANSEN. What I hear impresses me as being a reasonable and yet a worthwhile effort that should and could be made. I have just one question. Having in mind the burden that paperwork imposes upon industry and the added costs that result oftentimes from what I think are overly detailed and extensive reports, I am persuaded to ask would it be the sponsor's idea to keep the reporting down to simple delivery of the facts, the essentials that would be important, and yet not to make it necessary to employ any significant extra amount of help in order to fulfill that Federal requirement if indeed this amendment does become law?

Mr. JOHNSTON. The Senator is precisely correct. As a matter of fact, I am advised that this information would be filed on forms already being filed so that there would be some additional facts put on the same form, so in terms of additional paperwork and employees it should not take any of that.

Mr. HANSEN. May I say then to my friend from Louisiana that from what I have heard I see much to commend the amendment, and I know at this moment of no reason why it should not be adopted.

Mr. JOHNSTON. I thank the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

ADDITIONAL COSPONSORS

Mr. JOHNSTON. Mr. President, if the Record does not already show it, I ask unanimous consent that the name of the distinguished Senator from West Virginia (Mr. RANDOLPH) be included as a coauthor on the recycling amendment (No. UP 792). Senator RANDOLPH was one of the original movers in the field of recycling.

The PRESIDING OFFICER. Without objection, his name will be shown in the RECORD as a coauthor of the amendment.

UP AMENDMENT NO. 793

Mr. HEINZ. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ), for himself and Mr. HART and Mr. CRANSTON proposes unprinted amendment No. 793.

Mr. HEINZ. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

BICYCLE STUDY

SEC. 8. (a) The Congress recognizes that bicycles are the most efficient means of transportation, represent a viable commuting alternative to many people, offer mobility at speeds as fast as that of cars in urban areas, provide health benefits through daily exercise, reduce noise and air pollution, are relatively inexpensive, and deserve consideration in a comprehensive national energy plan.

(b) Not more than one year after the date of enactment of this Act, the Secretary of Transportation shall complete a study of the energy conservation potential of bicycle transportation, determine institutional, le-

gal, physical, and personal obstacles to increased bicycle use, establish a target for bicycle use in commuting, and develop a comprehensive program to meet these goals. In developing the program, consideration should be given to educational programs, Federal demonstrations, planning grants, and construction grants. The Secretary of Transportation shall submit a report to the President and to the Congress containing the results of such a study.

Mr. HEINZ. Mr. President, the purpose of this amendment is to emphasize the heavy energy burden modern forms of transportation placed on us and to provide for an investigation of the feasibility of a more basic—and healthier—mode of transportation—the bicycle.

We are all well aware of the size of the transportation sector in energy terms. It amounts to 25 percent of our energy budget. More important for the short term, 95 percent of energy used in transportation comes from petroleum, the very commodity we are most concerned about conserving. And the situation is deteriorating. By 1985 it is estimated that 58 percent of our oil will be consumed by the transportation sector. Much of that, of course, will go to the automobile, since our use of auto transportation has been increasing despite the energy crisis and the tremendous rise in gasoline prices in the past 4 years.

Much of this gasoline consumption has been in urban areas over short distances. The periodical, Bicycling, reported, for example, that private automobiles in urban service used 35 billion gallons of gasoline in 1970; 60 percent of those trips were 2½ miles or less. Federal Highway Administration figures indicate that 43 percent of urban work trips by autos are 4 miles or less.

This kind of travel is exceptionally wasteful—short trips, constant accelerating and braking, idling in traffic all combine to reduce mileage, increase gasoline consumption, and, not incidentally, increase commuter frustration.

Miraculously, there is an answer to all this waste and aggravation, an answer which not only saves gas and reduces time wasted commuting, but which improves public health and physical fitness in the process. That answer is bicycles.

I am sure I do not need to recite at any length the virtues of bicycle transportation, as I am confident my colleagues are not unacquainted with the device. Bicycles use no gas, relying on a more fundamental means of power. They take up less space than autos, are more maneuverable, have no parking problems, and very frequently move faster than cars in rush-hour traffic. All in all, they are a significant improvement over the automobile, and a potentially significant energy conservation device.

Nor should we assume that the bicycle is primarily a children's device. A survey in California showed that 23 percent of the bicycle trips surveyed were for shopping, 23 percent for work, 14 percent for school, and 40 percent for recreation. Moreover the percentage of bicycles for sale to adults has been steadily increasing. More and more people are realizing the potential of the bicycle as a serious means of transportation and are beginning to adjust their life styles to take advantage of it. For example, a survey a few years ago of bicycle clubs in the Washington area showed that 43 percent of the members try to commute to their jobs regularly by bicycle, and I suspect that that percentage also is increasing.

On a somewhat lighter note, an increased emphasis on bicycle transportation will also add a certain continental touch to our way of life. Bicycling is a common and accepted mode of travel in Europe, and we could do well to learn from that example. Urban distances are not significantly greater, and, if anything, the topography is more hospitable.

Having delivered this paean to the bicycle, however, let me make clear the limited scope of this amendment. It is simply a study amendment, providing for a 1-year Department of Transportation study of the energy conservation potential of bicycles and of obstacles to increased bicycle transportation. The study will include a plan for increased bicycle use that might involve educational programs, demonstrations, planning or construction grants, none of which could be implemented, of course, without further legislation.

As I have said on other occasions, we have gone beyond the point in our energy conservation battle where simple, easy actions will result in large savings of energy.

Conservation now is essentially an incremental effort—a series of small steps, each of marginal significance when viewed singly, but which taken together have a noticeable impact on energy conservation. To that end we must recognize that no effort is statistically insignificant, and that every effort that saves energy—particularly oil and gas—merits our support. To use an expression appropriate to this amendment, we have to stop soft-pedaling our fight to conserve energy and instead wheel all our resources—including bicycles—into line. I believe it is clear that promotion of bicycle transportation would be a useful energy conserving step and that it merits our analysis and support. This amendment, of course, merely provides the analysis, not the program, but should the study be as positive as I think it will be, you can be sure I and others will be back here next year seeking funding for a bicycle program.

Mr. President, this is a very simple amendment. Its purpose is to create an emphasis and a climate to recognize that the humble bicycle is a very overlooked means of conserving energy. We all drive to work, so many of us. We are so dependent on the automobile, and we use up a great deal of precious petroleum because of that dependence.

That transportation requires some 25 percent of our total energy use each year. In other parts of the world, notably Europe, the bicycle has been accepted as an effective means of transportation for decades. In this country the topography is more hospitable than some of the hilly terrain of Switzerland or Germany or my wife's home country of Portugal, where the bicycle has a great following.

Here in Washington, D.C., I understand that some 43 percent of the commuters have at one time or another tried to bicycle to work.

As a matter of fact, I was one of those individuals. I tried commuting to work from Georgetown and because there are a few fairly difficult and dangerous transitions I gave it up in the interest of public safety—mine.

It is for this reason, Mr. President, that I offer this amendment which is nothing more or less than a study amendment. It directs the Department of Transportation, the Secretary, to make a complete study of the energy conservation potential of bicycle transportation, and a report to the President and to Congress containing the results of the study. A similar provision is in the House bill, and I would hope, Mr. President, that my colleagues would see fit to accept the amendment.

Mr. JOHNSTON. Mr. President, I agree with the comments of my distinguished colleague from Pennsylvania except when he refers to the bicycle as a humble means of transportation. I think the bicycle has come into its own in recent years, with all of the new technological improvements, 10 speeds, the exquisite paint jobs, and the new-found interest in physical training. So I think it is time to elevate the bicycle to its rightful place, and I think this amendment takes that first and important step in having the study done to determine where that place is and how much it should be elevated. We accept the amendment with enthusiasm.

Mr. HEINZ. Would it be fair to say that the distinguished floor manager of the bill feels that it is time to stop soft-pedaling a bicycle?

Mr. JOHNSTON. I think it is time to stop soft-pedaling, and I think it is time for the distinguished Senator from Pennsylvania to resume his bicycling to work in order to set the example for the rest of us here in Washington.

Mr. HEINZ. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

UP AMENDMENT NO. 794

Mr. RANDOLPH. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) proposes unprinted amendment No. 794.

On page 69, line 4, after the word "Administrator," insert the phrase: "in consultation with the Administrator of the General Services Administration."

On page 69, line 10, after the word "Administrator," insert the phrase: "in consultation with the Administrator of the General Services Administration."

Mr. RANDOLPH. Mr. President, in our Committee on Environment and Public Works we have jurisdiction over public buildings and grounds, those owned or leased by the Government of the United States. The bill, as reported, provides for a demonstration program on the uses of solar energy in Federal buildings. This program would be carried out by the Federal Energy Administration. Since most Federal buildings are the responsibility of the General Services Administration, I believe the potential value of the solar demonstration program would be enhanced by the involvement of this agency. GSA has great experience in the construction of public buildings and can contribute significantly to finding ways to adapt solar energy systems to our buildings. For this reason, my amendment would require the Administrator of the Federal Energy Administration to consult with the Administrator of GSA in the development and execution of the solar energy program.

I think it is a reasonable request, and I know there will not be one agency competing with another. They can work together to insure a better result.

Mr. JOHNSTON. Mr. President, the distinguished Senator from West Virginia (Mr. RANDOLPH) has an amendment which improves this bill because the GSA Administrator should be consulted and failure to do so would result in an uncoordinated program and one that would be sure not to be a success.

So we accept it with congratulations to the distinguished Senator from West Virginia.

Mr. RANDOLPH. I thank the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

UP AMENDMENT NO. 795

Mr. HASKELL. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL) proposes unprinted amendment No. 795.

Mr. HASKELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 33, line 5, after the comma insert "or".

On page 33, line 8, strike out "twenty-five" and insert in lieu thereof "50".

On page 33, strike out lines 9 through 17.

On page 34, line 10, before the semicolon insert "unless the loan is assumed by such other person".

On page 35, between lines 10 and 11, insert the following:

(5) In making loans under this section, the Secretary shall issue and make available to prospective borrowers at the time loan applications are accepted, rules and regulations governing the repayment requirements applicable to such loans.

On page 35, strike out lines 12 through 16, and insert in lieu thereof the following:

(A) the term "qualified solar heating equipment" means any active system (based on mechanically forced energy transfer) or passive system (based on conductive, convective, or radiant energy transfer) or a combination of both systems which utilizes solar energy to provide all or part of the heating requirements of a residential structure (including all the necessary fittings and related installations) and which is certified by the Secretary—

On page 35, line 20, strike out "substantially all" and insert in lieu thereof "more than 40 per centum".

On page 36, line 6, strike out "and".

On page 36, strike out lines 7 through 11 and insert in lieu thereof the following:

(B) the term "qualified solar heating and cooling equipment" means any active system (based on mechanically forced energy transfer) or passive system (baesd on conductive, convective, or radiant energy transfer) or a combination of both systems which utilizes solar energy to provide all or part of the heating and cooling requirements of a residential structure (including all the necessary fittings and related installations) and which is certified by the Secretary—

On page 36, line 15, strike out "substantial".

On page 36, line 21, strike out the period and insert in lieu thereof "; and".

On page 36, between lines 21 and 22, insert the following:

(C) the term "passive system" includes, but is not limited to, window and skylight glazing, thermal floors, walls and roofs, movable insulation panels (in conjunction with glazing), portions of a residential structure which serve as solar furnaces so as to add heat to residences, double pane window insulation, or other components designed to enhance the natural transfer of energy for the purpose of heating or heating and cooling a residence as determined by the Secretary—

On page 37, line 2, before "each type" insert "the cost effectiveness of".

On page 37, between lines 10 and 11, insert the following:

(C) establish by rule within six months after the date of enactment of this Act criteria for determining what portion or percentage of the cost of any passive system will be eligible for loans under this section where the primary or a major purpose of such system is other than solar heating of a residential structure. Such criteria shall be based on—

(i) the extent to which the system will contribute to the heating of a residential structure;

(ii) the most effective use of the funds available for loans under this section in stimulating the widespread use of solar energy;

(iii) any other factors the Secretary deems relevant.

On page 37, line 11, strike out "(C)" and insert in lieu thereof "(D)".

On page 37, line 19, strike out "(D)" and insert in lieu thereof "(E)".

On page 37, line 23, strike out "(E)" and insert in lieu thereof "(F)".

On page 38, line 12, strike out "or of a loan contract entered into under this section".

Mr. HASKELL. The amendment which is now at the desk and in the hands of the clerk, it is my understanding, has been cleared both with the majority and the minority. What it does is make minor and what I consider to be nonsubstantive changes in the solar loan section which was adopted by the committee.

The amendment I have just sent to the desk is cosponsored by my friend and colleague from Colorado (Mr. HART), who provided much of the legislative background for the solar loan program. The amendment clarifies several definitions; and, since the Department of Housing and Urban Development has not yet formulated minimum standards for passive systems, the amendment stipulates that passive systems standards be established within 6 months after passage of the bill.

I believe this probably suffices for an explanation, but, of course, if either the manager of the bill or the distinguished ranking minority member have questions, I will be glad to answer them. My understanding is that the amendment has been accepted.

Mr. JOHNSTON. Mr. President, we agree with the distinguished Senator from Colorado in his statement on this amendment. It does perfect language already in the bill, and I think improves it; and we will accept the amendment.

Mr. HASKELL. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado. Does the Senator from Wyoming seek recognition?

Mr. HANSEN. Mr. President, I endorse the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HANSEN. Mr. President, I ask unanimous consent that Mike Crisp, of Senator BAKER's staff, may be accorded the privilege of the floor during all consideration and voting on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 796

Mr. BROOKE. Mr. President, I call up my amendment which is at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The Senator's amendment is apparently not at the desk.

Mr. BROOKE. Mr. President, I send to the desk an amendment for myself and Mr. ROBERT C. BYRD, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr BROOKE), for himself and Mr. ROBERT C. BYRD, proposes an unprinted amendment numbered 796.

Mr. BROOKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 23, line 5, insert the following: "(d) TRUTH IN LENDING.—Nothing contained in section 104(4) of the Truth in Lending Act (15 U.S.C. 1603(4)) or the regulations issued pursuant thereto shall be deemed to exempt sales or credit extensions by public utilities under this subpart."

Mr. BROOKE. Mr. President, the Consumer Credit Protection Act, 15 U.S.C. 1601, et seq. Public Law 90–321, as

amended contains seven separate titles establishing minimum Federal protections for consumers—and in some cases businessmen—involved in credit transactions. The separate titles include the Truth in Lending Act with its fair credit billing amendments.

Section 104 of the Truth in Lending Act, 15 U.S.C. 1603, exempts certain transactions under public utility tariffs if the Federal Reserve Board determines that the State regulatory body regulates the charges involved. In the context of traditional utility activities this exemption is sensible since the act's primary purposes—to facilitate comparative shopping for credit and to foster price competition—will not be served. In contrast, extensions of credit under utility programs should not be exempted since there are alternative sources of both the services to be performed and the financing that will be available. Compliance with the Truth in Lending Act will encourage consumer shopping and credit price competition. In addition, the Truth in Lending Act provides a 3-day period during which a consumer may cancel a loan. This provision may be important in home improvement transactions in which a security interest is taken in the principal residence of the consumer.

The Federal Trade Commission does not construe section 104(4) of the Truth in Lending Act to authorize an exemption for extensions of credit by utilities for the purpose of home insulation or retrofitting. Some utilities currently sponsoring programs similar to the utility program required in the bill, however, have failed to comply with applicable consumer credit protection laws. Explicit clarification, therefore, is warranted.

The application of the Fair Credit Billing Act to utility programs which otherwise meet the act's definition of "open end credit" also requires clarification. The Fair Credit Billing Act—15 U.S.C. 1666–1666j, Supp. IV, 1974—provides a mandatory dispute resolution procedure for alleged billing errors appearing on periodic billing statements sent to consumers. Utility billing systems which meet the definition of "open end creditor" should be required to comply with the Fair Credit Billing Act dispute resolution procedures.

The amendment I have offered together with the distinguished majority leader clarifies the applicability of the Truth in Lending Act to extensions of credit by utilities under utility programs and that should be added to section 107. IV states that:

(d) TRUTH IN LENDING.—Nothing contained in Section 104 (4) of the Truth in Lending Act (15 U.S.C. 1603 (4)) or the regulations issued pursuant thereto shall be deemed to exempt sales or credit extensions by public utilities under this subpart.

So the purpose of this amendment, Mr. President, generally is for clarification purposes, and it is my understanding that the distinguished floor manager and ranking minority member of the committee have reviewed this clarification amendment and hopefully will accept it.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield, with the concurrence of the manager of the bill?

Mr. BROOKE. I yield to the cosponsor of the amendment.

Mr. ROBERT C. BYRD. Mr. President, in order to make our residential conservation program effective, it must provide homeowner financing. The Energy and Natural Resources Committee has acted wisely in permitting utilities to continue with those conservation plans already in effect.

It is necessary, however, when credit is extended by utilities for the purchase of conservation materials or services, that these arrangements be protected by the Truth in Lending Act. We cannot authorize utilities to assist homeowners in their conservation efforts without insuring that all financial agreements will be unambiguous and fair.

I am very appreciative, and I wish to express my thanks to my distinguished friend from Massachusetts (Mr. BROOKE) for allowing me to cosponsor this amendment with him. I hope that the managers of the bill will accept it, because I think that it is being offered for the purpose of guaranteeing the protections to which we have alluded.

Mr. JOHNSTON. Mr. President, will the Senator from Massachusetts yield for a question?

Mr. BROOKE. I am very pleased to yield.

Mr. JOHNSTON. The distinguished Senator from Massachusetts understands, of course, that utilities may finance these energy conservation measures only where they have been in the business or have made substantial investments, I believe is the phrase, toward doing that; and, of course, this amendment does and should apply to those loans directly granted by the utilities.

But my question is, the Senator does not intend that the utilities must comply with the truth-in-lending law when their only connection with the loan is to arrange the financing, does he? Because we require them to arrange financing through other private institutions, and in that event, it would be the duty of the private institution, and not the duty of the utility, to comply with the law.

Mr. BROOKE. The Senator is correct. That is the intent of the amendment, and in such cases it is not the intention that the public utility be required to comply with the Truth in Lending Act.

Mr. JOHNSTON. Mr. President, we accept this amendment, which we believe will greatly improve the bill, and assure that the consumer protection that is provided under the act will be granted to public utility consumers. We think it will improve the bill.

Mr. HANSEN. Mr. President, the amendment offered by the distinguished Senator from Massachusetts I believe has great merit. I endorse it and I hope the Senate will accept it.

Mr. BROOKE. Mr. President, I thank my distinguished colleague from Louisiana, and my distinguished colleague from Wyoming, and also my distinguished cosponsor of the amendment, the distinguished majority leader.

I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. MATSUNAGA). The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 797

Mr. BROOKE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. BROOKE) proposes Unprinted Amendment No. 797.

Mr. BROOKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 23, after line 13, insert the following new subsection:

"(c) LAWS RELATING TO UNFAIR COMPETITION AND DECEPTIVE ACTS.—Nothing in this part shall be construed as restricting the authority of any agency or authority of the United States or of any State under any provision of law to prevent unfair methods of competition and unfair or deceptive acts or practices by public utilities."

Mr. BROOKE. Mr. President, subsection 102(d)(3) of S. 2057 requires participating States to submit for Federal Energy Administration approval programs "for preventing unfair, deceptive or anticompetitive acts or practices" in the implementation of utility programs. Because this language mirrors that of section 5 of the Federal Trade Commission Act, 15 U.S.C. 45, it is at least arguable that section 102(d)(2) effectively transfers jurisdiction over such acts or practices from the Commission to the FEA. A variant of this argument prevailed in *FTC* v. *Miller*, 549 F. 2d 452 (7th Cir. 1977). Alternatively, a regulated utility might argue that so long as its conduct conforms to a section 102(d)(2) program imposed by a State utility commission, the Federal Trade Commission may not pre-empt State action by finding such conduct violative of section 5 of the Federal Trade Commission Act. *Cf. Parker* v. *Brown*, 317 U.S. 341(1943). Also, it might be argued that the bill authorizes the Federal Energy Administration to exempt public utilities from complying with existing or future trade regulation rules in their implementation of utility programs. Although these arguments may not be legally sound, the statute should effectively preclude them.

The language I propose to add states:

Nothing in this part shall be construed as restricting the authority of any agency or authority of the United States or of any State under any provision of law to prevent unfair methods of competition and unfair or deceptive acts or practices by public utilities.

Mr. President, FEA stated in its July 21, 1977 letter to the chairman of the Energy and Natural Resources Committee that it supports this amendment.

This letter is reprinted on page 239 of report S. 2057.

An identical provision is included in the House-passed National Energy Act bill, and the FTC recommended the provision in its May 20, 1977 comments on the National Energy Act submitted to the House Energy and Power Subcommittee.

I hope the distinguished floor managers of this bill can see the obvious need for this clarifying language and accept this amendment.

Mr. JOHNSTON. Mr. President, one of our principal concerns in perfecting this bill has been with the possibility that it might create monopolistic situations. This amendment is not only acceptable but greatly welcomed by our committee because it clarifies the power of the FTC and its power to protect against monopolistic practices. We are, after all, putting together a large program, a new program, very great in scope. It is in an area where, in the past, we have found consumer rip-offs in great profusion. We greatly welcome this amendment and we accept it with enthusiasm.

Mr. HANSEN. Mr. President, the distinguished Senator from Louisiana, the manager of the bill, expressed the sentiments which reflect those held by the minority members of the commitee. I am happy to accept it.

Mr. BROOKE. I thank my colleagues.

Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BROOKE. Mr. President, I yield the floor.

The PRESIDING OFFICER. Are there further amendments?

AGRICULTURAL ACT OF 1977— CONFERENCE REPORT

Mr. TALMADGE. Mr. President, I submit a report of the committee of conference on S. 275 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 275) to provide price and income protection for farmers and assure consumers of an abundance of food and fiber at reasonable prices, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respectives Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings.)

Mr. TALMADGE. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture, Nutrition, and Forestry be permitted to be present on the floor during the consideration of the conference report on S. 275: Michael McLeod, Henry Casso, Carl Rose, Dale Sherwin, Glenn Tussey, William Taggart, and Karen Schubeck.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I bring before the Senate the conference report on S. 275, the Food and Agriculture Act of 1977.

Action on this measure was begun over a year ago when the committee solicited the views of a number of farm organizations and others interested in food and agriculture as to the direction new legislation ought to take. That compendium of views—"Farm and Food Policy 1977"—was published by the committee on September 15, 1976.

I introduced that bill, S. 275, on January 18, 1977. It set target prices at cost of production, with loan rates set by the Secretary of Agriculture at not less than 75 percent of the target price. The main objectives of the bill were to:

Extend for 5 years, through 1982, the basic price support programs for cotton, wheat, rice and feed grains;

Extend the food stamp program while making a number of badly needed reforms;

Improve and extend legislative authority for our food-for-peace program for 5 years;

Establish a new charter and clearer direction for the Federal role in agricultural research;

Extend for 3 years the authorization for appropriations of the Environmental Protection Agency to regulate pesticides.

And except for the last item dealing with EPA, which passed the Senate as a separate bill, the reported 4-year bill meets our goals plus many more.

Hearings on the bill began in February and continued during March. In all, the committee held 17 sessions in Washington, with additional subcommittee hearings and field hearings in some 14 places throughout the Nation.

Farm groups were particularly concerned over rising production costs and the need for more adequate supports under the new legislation. In my view, the target prices and loan levels had been set so low in the 1973 act that they were of little benefit to the producers. We wanted to develop new legislation to provide reasonable supports, which at the same time would not reduce our competitiveness on the world market.

The committee held extensive markup sessions, starting at 8 a.m., from April 19 through May 4, and the bill passed the Senate on May 24 in virtually the same form as reported by the committee.

In the meantime, the House Committee on Agriculture was also considering new legislation and on July 28, 1977, the House approved its version of S. 275.

A conference was held beginning on August 1 and lasted through August 5. The conferees met early and sat late, and the conference report now before the Senate is the result of that effort.

I might point out that the Senate was not able to maintain its position completely, but neither was the House. The conference report is truly a compromise, but a good compromise. It is a sound and supportable measure.

It achieves a number of basic agricultural goals.

First, it provides basic price and income assurance so that farmers will be willing to maintain production;

Second, the program is devised to allow the maximum market potential for our agricultural commodities;

Third, this bill provides the greatest possible farm-planning flexibility;

Fourth, the interests of consumers and taxpayers are fully protected;

Fifth, the program is designed to help strengthen the Nation's economy; and

Sixth, the program is designed to permit and encourage the family farm to grow and prosper.

It achieves these goals through its price support structure for the major agricultural commodities. It makes basic revisions in the price support program for peanuts to drastically reduce program costs.

But, it is more than just a price support measure.

It also provides for grain reserves; improved disaster payments; an extension of Public Law 480, the food for peace program; food stamps and commodity distribution programs; a national agricultural research policy, emphasizing nutrition and solar energy research; rural development and conservation; amendments to the Federal Grain Inspection Act; and a policy for Department of Agriculture advisory committees.

All of these programs are in the national interest, and they will serve our Nation well.

Mr. President, agriculture is extremely important to the Nation, and therefore it must remain strong and productive.

Last year, farmers spent almost $81 billion to produce crops and livestock. This went for equipment, machinery, seed, feed, fertilizer, petroleum, property taxes and other items which generate economic activity, especially in small towns and rural communities.

Sales of crops and livestock introduced an additional $94.8 billion into our Nation's economy. Transportation, processing, packaging, manufacturing, wholesaling and retailing all share in the economic activity generated by farming.

Farming and the industries which support it account for about one-fourth of our gross national product. In some areas of our country, the only economic activity is that generated by agriculture.

Agriculture is the Nation's biggest industry. It employs about 4.3 million workers, almost as many as the combined employment of the transportation industry, the steel industry, and the automobile industry.

Estimates show that about one out of every five jobs in private employment is related to agriculture. About 2 million people have jobs providing the supplies farmers use for production. Eight to ten million people have jobs storing, transporting, processing, and merchandising the products of agriculture.

In 1975, purchases by farmers included:

For new farm tractors and other motor vehicles, machinery and equipment, $5.4 billion;

For fuel, lubricants, and maintenance of machinery and motor vehicles, $5.6 billion;

For feed and seed, $15.1 billion; and

For fertilizer and lime, $6.8 billion.

American farm productivity is an example to the Nation. Output per man-hour on farms is over three times higher than 20 years ago. In manufacturing industries, output per man-hour is only 1.7 times as great; thus output per man-hour on farms is increasing nearly twice as fast as in industry and is an unmatched record in efficiency.

In 1952, one person out of seven was living on a farm producing agricultural products. Now, 1 person in 26 lives on a farm. This has released people to produce other wealth and services and is primarily responsible for the unequaled affluence of the Nation.

Total agricultural exports in the United States for the current fiscal year are estimated at about $24 billion, representing the production of about one out of every three harvested acres.

According to the U.S. Department of Agriculture, the net agricultural contribution to the U.S. trade balance last year was about $12 billion. This contribution helped offset the unfavorable nonfarm balance of about $8.5 billion last year.

There are only 2.8 million farms left in the United States, and the farm population totals only 8.3 million persons. About 215 million persons in the United States and many more millions throughout the world depend upon these farms and farm operators for most of their food and fiber. All of us are consumers, and as consumers we all benefit from the increased efficiency created by modern technology in the production and marketing of farm products.

Food prices have increased due to a variety of circumstances beyond the control of anyone.

But, even with the upsurge in food prices, farmers today receive only 40 cents out of every dollar consumers spend for U.S. farm produced foods. The other 60 cents goes for transportation, processing, manufacturing, wholesaling retailing, and profits to the middle-men.

The major purpose of S. 275 is to continue and improve the Nation's farm and food programs in order to provide income protection for farmers and assure consumers of an abundance of food and fiber at reasonable prices. But, our farmers must not be asked to bear the entire risk of unforeseen developments that would be devastating to the agricultural community—and to all consumers of agricultural commodities.

Mr. President, I will not go into the fact that the conference report is less costly than the Senate-passed bill.

The Senate thoroughly discussed the issue of the cost of the conference report yesterday, and the Senate determined by an overwhelming margin that the expenditures that will be made under the conference report are fully justified.

They are justified by the desperate plight that much of American agriculture finds itself in.

They are justified by the fact that conditions in much of the farm economy are more severe than they have been since 1933.

They are justified by the fact that a strong and sound agricultural economy is a basic underpinning of a healthy U.S. economy.

They are justified by the fact that we must keep our farm productive capacity whole if we are to continue to assure the consumers of this Nation an abundant supply of food and fiber at stable prices.

I am proud of the conference report, for it encompasses the most comprehensive food and agricultural policy that has ever been enacted in one bill in the history of this country.

I am proud because, working together, the Congress and the administration will have succeeded in a very difficult task When this bill is signed into law, we will have succeeded in enacting a comprehensive farm bill in the first year of a new administration for the first time since 1933.

We succeeded in this task despite the fact that when the Senate Agriculture Committee was going through its hearings and deliberations on farm legislation, most of the key officials in the Department of Agriculture had not yet been appointed.

However, we were fortunate enough to have as Secretary of Agriculture, a man who had years of experience as a leading member of the House Agriculture Committee, and as a working farmer.

I am extremely pleased with the cooperative attitude that Secretary Bergland has displayed throughout the farm bill deliberations. No Cabinet member has ever tried harder to cooperate with the Congress in writing a major bill than has the Secretary of Agriculture. President Carter is indeed fortunate to have Secretary Bergland on his team.

The Senate deliberated on this measure for many weeks and many days in markup, and we had many days, early and late, in conference with the House. We had an amicable and peaceful relationship with the conferees in the House. We have worked out an agreement which we believe is fair. We believe the President of the United States will sign this legislation into law. I recommend that the Senate approve it.

In that connection, I send to the desk, Mr. President, a statement from Senator HUMPHREY in support of the conference report and ask that it be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF SENATOR HUMPHREY

The Food and Agriculture Act of 1977 is a highly significant and important piece of legislation with broad implications.

While this bill does not have everything that I would like, it is a significant improvement over current law.

It truly is both a food and agriculture act. This legislation affects far more than the one out of 25 Americans engaged in farming. It will strengthen agricultural research, improve commodity support programs, revamp disaster assistance, make important reforms in the food stamp program, and outlines a set of rules for an on-farm grain reseal program that will benefit both farmers and consumers.

Further, this bill makes advances in dairy programs and modifies the operation of the PL-480 "Food for Peace" program.

I am particularly pleased that Congress has seen fit to develop a program that should lead to stabilization for America's sugar producers. It is imperative that the Administration move immediately to implement the provisions of this section of the bill. Our sugar producers are experiencing tremendous hardship with prices that are close to half the cost of production.

The quality of the Food and Agriculture Act of 1977 has been enhanced by inputs of scores of concerned groups and individuals from every corner of this nation. The shaping of this bill has been assured by the dedication of one of the most able Committee staffs in the Senate. But most importantly, it has been the commitment of Chairman Talmadge and Senator Dole, Ranking Minority Member, that has guaranteed the excellence of the bill that we have before us.

The Conference Committee that toiled from August 1–5 was one of the most informed and diligent that I have experienced. I commend the distinguished Representative from Washington, Mr. Foley, for the able manner in which he chaired the more than 40 hours of meetings.

This bill was produced by a Conference Committee that included an unprecedented—at least in modern times—number of Congressmen who never before had been involved in Conference activities on major farm legislation. These individuals, including Congressman Rick Nolan of my home state of Minnesota, will develop the farm and food policies of tomorrow.

The imprint on this legislation of my good friend from Minnesota, Secretary of Agriculture Bob Bergland, is clear. Secretary Bergland was most helpful and cooperative in formulating the bill.

This bill, which will remain on the statute books through September 30, 1981, has been molded by a microcosm of the multitudes it is designed to serve. Because of this, I believe it will serve all—including a great many beyond our own boundaries—in a fair manner.

COMMODITY SUPPORT PROGRAMS

Our feedgrain and wheat farmers are suffering the consequences of an unenlightened fencerow-to-fencerow farm policy. I would like to see conditions that would permit this nation's farmers to produce to their full efficiency and reward them for doing so. Unfortunately, those conditions do not yet exist. We must work more diligently to increase our food exports—a move that would increase farm income and reduce budget outlays.

The commodity support programs are a significant improvement over existing law. I would have preferred higher levels. No one, however, can tell how effective these levels will be in protecting farmer income. In fact, wheat and feedgrain producers have yet to receive their first target price payments. We will have to watch the adequacy of these payments and the extent to which these payments tend to benefit land-rich rather than land-poor farmers.

I am particularly pleased that we have gotten away from historic allotments to a current plantings basis for our support payments program. This change will make our farmers even more responsive to changing market conditions.

DAIRY PROVISION

Perhaps no segment of American agriculture has changed more since World War II than the dairy sector. Recent statistics on dairying have been startling. The number of dairy producers in this nation has declined dramatically, yet production has climbed astronomically.

In my home state of Minnesota, it is not uncommon to find herds that are twice as productive as predecessor herds on the very same farms just one decade ago. Our dairyment have reached new heights in produc-

tivity, yet this productivity constantly threatens to throw these producers into a price depression. We must watch this situation closely so that production remains in balance with demand. This will, I am certain, require even more steadfast effort in the years ahead.

The dairy support provisions are superior to existing authority. The indemnity program has been strengthened. I am pleased with this section.

CORPORATE AGRICULTURE

The Congress has been alerted once again to intrusions by non-food producers into agriculture. It clearly is the intent of Congress that those who make their primary source of income off the farm should not be encouraged by government policy to become producers of food and fiber. While this principle is clear and has strong consensus support, the application of it remains to be implemented. This bill includes provisions that require a close examination of this issue.

We must watch this situation very closely. History clearly shows that those who live on the land, who draw their primary source of income from the land, are those who produce food with longterm concerns in mind rather than immediate profits.

GRAIN RESERVE PROGRAM

This is a particularly important section of the bill. Grain reserves clearly will benefit both producers and consumers by smoothing out the wide fluctuations in food prices.

This section specifies trigger release points that are fair to all interests involved. I am somewhat disappointed that reserve provisions that relate to feedgrains leave considerable discretion at the hands of the Secretary of Agriculture. While I am confident that the current Secretary can manage a feedgrains reserve in an effective and fair manner, I am concerned that future Administration officials may not have the same even-handed concern.

In many ways, I think that historians will consider this particular section to be particularly significant as a major departure in food policy.

DISASTER PROGRAMS

As efficient as our producers are, they remain at the mercy of one unknown—the weather.

We must have a disaster program that protects our producers from the vagaries of the weather. A single bad season can totally wipe out a farmer. In recent years, we have seen numerous examples of where our disaster programs were inadequate. This bill provides vast improvement.

However, I think we need to go even further. We need a comprehensive crop insurance program. There are a number of bills in Congress to accomplish such an aim. Also, I would like to applaud the Secretary of Agriculture for establishing an experimental crop insurance program. This effort by the Administration will give us further experience by which to judge different approaches to this problem.

FOOD STAMPS

I am extremely pleased that the purchase requirement for food stamps finally has been eliminated. The purchase requirement prevented the poorest Americans from access to this important program.

Unfortunately, the elimination of the purchase requirement has meant that new eligibility restrictions will be imposed on higher income groups. What this means, I am afraid, is that many working poor will be unable to take advantage of this program. I am sorry that we had to make this choice.

This may be the last Farm Bill to include food stamps. While some may applaud this, I believe that such a view is shortsighted. Many urban members of the Senate and House have supported the Farm Bill because of the inclusion of food stamps. If food stamps are removed, then urban support is likely to decline. The importance of this is that farm program supporters will have to find new means to build the necessary Congressional support.

PUBLIC LAW 480 "FOOD FOR PEACE"

This is one of the most important programs in the bill. It has helped us to develop markets throughout the world—markets that should help us sustain strength in our farm economy. At the same time, the humanitarian aspects of this program are well known and documented.

While the operation of this program has been improved by the legislation, there are a number of provisions that are troublesome from my point of view. We should remove all restrictions on this program. Food should not, in my opinion, be restricted from going where it is desperately needed. I will endeavor in future years to see that these restrictions are removed.

CONCLUSION

This bill marks a turning point in our nation's farm policy. Given the disastrous economic conditions in the Great Plains and Midwest, we will have our first full test of the target price concept. Congress is going to have to watch the effectiveness of this legislation. If we find it inadequate, we should realize our shortcomings and try to improve it. I do not know how well it will work. I do, however, believe that this legislation is far better than existing law. Also, I believe that it is in the best interests of both consumers and producers. Therefore, I commend this bill to my colleagues for their support.

Mr. LEAHY. Mr. President, I strongly support the provisions of S. 275 as agreed to in conference. I believe the bill achieves the balance necessary for a comprehensive national food policy. The bill as reported from the conference committee delicately balances a number of necessary, yet sometimes competing, objectives—maintenance of a strong market orientation for American agriculture, the greatest possible freedom for farmers to make their own management decisions, maximum price assurance to protect farmers from economic disaster as well as to provide a stable supply of food and fiber to consumers, and minimum costs to our taxpayers.

I would like to commend the hard work of the conferees. I especially praise the distinguished chairman, Senator TALMADGE, for his leadership in guiding this legislation through all the hurdles it has faced over the last 9 months.

As a Senator who played an active role in consideration of this legislation, there are a few provisions I would like to clarify before we endorse the conference report.

First, the conference agreement on S. 275 contains a number of important provisions relating to the dairy industry. I would like to briefly comment on two which amend the dairy price support program authorized by the Agriculture Act of 1949.

This legislation increases the minimum level of dairy price support from 75 to 80 percent of parity through March 31, 1979. This is the provision approved by the Senate earlier this year. This will allow establishment of the price support level in a range between 80 and 90 percent of parity. While retaining the flexibility needed by the Secretary of Agriture in administration of the program, the higher minimum affords farmers a needed measure of price assurance.

An important feature of the legislation is the requirement that the price support level be adjusted semiannually to reflect changes in the parity index. The purpose of such an adjustment is, quite simply, to prevent inflation-fed erosion of the price support level during the marketing year. By requiring such semiannual adjustment, we are seeking to assure the dairy farmer that the level of price support throughout the marketing year will have the same value, in terms of parity, as it did at the beginning of the year.

Several times in recent years, sharp increases in the cost of production have reduced the value of the price support level during the marketing year, thus lessening the price assurance the program is intended to provide.

In the administration of the price support program, the practice has been to establish a price support level at the beginning of the marketing year—presently April 1—and to maintain the announced dollar level of support through March 31 of the following year. A midyear adjustment has been made, partially as the result of congressional urging, in each of the last 2 years. Secretary Bergland is presently considering a similar adjustment for the current year.

The importance of such action can be seen if we take a look at the impact of inflation on the price support program in several recent years. In March 1973, the price support level was set at 75 percent of parity, $5.29 per hundredweight. By August of that year, the $5.29 level represented little more than 71 percent of parity.

Under congressional mandate, the price support level was increased to $5.61 per hundredweight in August 1973—80 percent of parity—but by March 31, 1974, the end of the marketing year, this had declined to 69 percent of parity. For the 1974–75 marketing year, the support level was set at 80 percent of parity on April 1, 1974—$6.57 per hundreweight. By the end of December 1974, $6.57 represented less than 73 percent of parity.

Thus, by mandating a midyear adjustment as we have in S. 275, we are assuring dairy farmers that the effect of inflation will be moderated.

Some concern has been expressed regarding the precise interpretation of the semiannual adjustment provision. S. 275 states:

> The support price of milk shall be adjusted by the Secretary at the beginning of each semi-annual period after the beginning of the marketing year to reflect any estimated change in the parity index during such semi-annual period.

As the author of the amendment in the Senate Committee on Agriculture, Nutrition, and Forestry, it was my intention that the semiannual adjustment take into account any erosion in the price support level as a percentage of parity since the beginning of the marketing year. Restoring the price support level in this manner will have the effect of accomplishing our goal, the as-

surance to the dairy farmer that the announced level of price support affords the same degree of price assurance at the end of the marketing year as it did at the beginning of the year when it was established.

The second area of the farm bill I would like to address is the food stamp section. In particular, I draw my colleagues' attention to the compromise the conferees reached on the income deductions section of the bill. I believe the compromise needs some explanation. In the conference it was clear that the House conferees were unable to accept the Senate version of the excess shelter deduction because of the higher gross income ceiling for four-person households. As the author of the shelter deduction, I suggested to the conference committee a way in which that major objection could be met.

That compromise is that instead of a household being able to claim both an excess shelter and a dependent care—as in the Senate bill—a household could claim a shelter and/or dependent care deduction up to $75 a month. Thus, the gross income ceiling remains at the level adopted by the House.

The computation of the shelter and dependent care deductions would be the same as provided under the Senate bill. That is, the dependent care deduction is for the actual cost of dependent care when necessary to allow a household member to continue employment, or training or education which is preparatory for employment, and the shelter deduction is for the amount by which a household's shelter costs exceed 50 percent of their income—after other deductions, including the dependent care deduction. Either deduction, or a combination of both, would be limited a maximum of $75 a month, and the dependent care and shelter costs would be calculated as anticipated during the certification period and as defined under current rules.

There are some other areas of the food stamp title of S. 275 which are very important to the poor people of my State. Vermont is one of the most rural States in the Union, and as such, it is difficult for many poor households to currently participate in the food stamp program, because of the transportation difficulties. One provision of S. 275 will increase the program's accessibility for rural poor. It requires the Secretary to set up standards—standards with teeth—for the location, and hours of operation of, certification and issuance offices. This, combined with the elimination of the purchase requirement, should make the program truly open to all those in need. I urge the Secretary to take the intent of this provision seriously and endeavor to implement our goal of reaching all those in need. Without accessible offices, the program cannot hope to meet its objective of insuring that all needy people have the opportunity to improve their diet through the use of food stamps.

The conference adopted the House version of the income exclusion for reimbursements. I am informed that the current rules require some sources of money to be counted as income even when they do not constitute a gain to the household. In Vermont, again because of its rural character, some of the workers in the community action agencies, as well as in other jobs, are reimbursed for travel costs incurred in the context of their work. Currently, the food stamp offices must count these mileage reimbursements as income for food stamp purposes. This clearly does not make any sense. The conference-adopted provision excludes as income any reimbursement of any kind—whether it is received by workers, students, or CETA employees—which does not constitute a gain to the household. Though a very minor provision in the act, this reform will mean a great deal to those it affects.

These provisions of the food stamp section of the farm bill will certainly have a great effect on making the food stamp program more accessible and more equitable. However, another provision of the bill, the elimination of the purchase requirement, will have the greatest impact on the equity, simplicity, and accessibility of the program. I thank Senators McGOVERN and DOLE for their sponsorship of this provision. Because EPR is such an important gain, I hope that it will be implemented as soon as possible after this bill's enactment. This reform is not dependent on other features of the bill, and thus does not have to wait until more complicated provisions are in place. I urge the Secretary not to delay in implementing the EPR provision.

Mr. President, thank you for the opportunity to address these issues. I urge my colleagues to adopt S. 275 with the amendments suggested by the conference committee.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. TALMADGE. I yield to my distinguished colleague from Nebraska, who serves so ably not only on the Committee on Agriculture but on the Finance Committee, also.

Mr. CURTIS. Mr. President, I commend the fine work of the distinguished chairman of the Committee on Agriculture and Forestry. Not only is he knowledgeable of agriculture, but he is fair to all segments of the industry. He is as conscientious in dealing with the agricultural production of States far removed from his own State of Georgia as he is with his own region.

I must also commend him for his ability in presiding over meetings. He is courteous to every member; all viewpoints have an opportunity to be expressed; yet he can expedite the legislative program.

Mr. President, I wish to ask the distinguished chairman one or two questions about the support program.

Mr. TALMADGE. First, let me thank my distinguished colleague for the generosity of his remarks. Then I shall respond to any questions he may ask.

Mr. CURTIS. My first question is this: In reference to wheat, what will be, under this proposal when it becomes law, the support and loan rate, the commodity loan rate, on wheat for the 1977 production?

Mr. TALMADGE. $2.25 a bushel.

Mr. CURTIS. And what will be the target price?

Mr. TALMADGE. $2.90 a bushel.

Mr. CURTIS. Does this act change the commodity loan rate and the target price over existing law with respect to wheat of prior years?

Mr. TALMADGE. It does not.

Mr. CURTIS. In other words, if someone has on hand wheat produced in 1976 or before, it is not affected in any way by this bill?

Mr. TALMADGE. The Senator is correct.

Mr. CURTIS. In reference to corn and feed grains—and we understand, of course, that feed grains are fixed comparable to the rate on corn—what will be the commodity loan rate for corn produced in the calendar year 1977?

Mr. TALMADGE. $2 per bushel.

Mr. CURTIS. And what will be the target price?

Mr. TALMADGE. $2 per bushel.

Mr. CURTIS. Is there anything in this legislation that deals with what might be termed old corn—corn produced in 1976 or prior years?

Mr. TALMADGE. There is not.

Mr. CURTIS. No change in any right to reseal or anything of that sort?

Mr. TALMADGE. No sir.

Mr. CURTIS. How long is the bill extended for?

Mr. TALMADGE. Four years, except for the agricultural extension, which I believe is 5 years. Research and extension is 5 years. The remainder is 4 years.

Mr. CURTIS. What will be the commodity loan rate on wheat for that which is produced in 1978 and subsequent years?

Mr. TALMADGE. It will be $2.35 in 1978.

Mr. CURTIS. The loan rate?

Mr. TALMADGE. That is correct.

Mr. CURTIS. What will be the target price?

Mr. TALMADGE. It will be $3. If we have a crop of 1.8 billion bushels or less, it will be $3.05.

Mr. DOLE. Will the Senator from Nebraska yield?

Mr. CURTIS. The distinguished chairman has the floor.

Mr. TALMADGE. I yield to my colleague from Kansas.

Mr. DOLE. I think that under the conference agreement, that loan rate can be reduced in 1978 by not to exceed 10 percent.

Mr. TALMADGE. Ten percent, yes.

Mr. CURTIS. And what is the target rate on wheat for 1978?

Mr. TALMADGE. The 1978 target rate of wheat is $3 and if the crop is less than 1.8 billion bushels, it will be $3.05.

Mr. CURTIS. Now, the same questions in reference to corn: What will be the commodity loan rate for corn produced in 1978 and what will be the target price?

Mr. TALMADGE. The loan rate will be $2; the target price will be $2.10.

Mr. CURTIS. What provision, if any, is in this bill in reference to a set-aside or other method of idling acres with reference to wheat reserve?

Mr. TALMADGE. What reserves? It authorizes the Secretary to create a set-aside, which the Secretary has done for next year, as the Senator knows, for 20 percent of the acres planted for harvest in 1978. It also authorizes a grain reserve of 300 to 700 million bushels of wheat.

Mr. CURTIS. What are the similar features with reference to corn?

Mr. TALMADGE. Corn has no specified levels in respect to reserves.

Mr. CURTIS. In both the area of reserves and set-asides, it is discretionary with the Secretary?

Mr. TALMADGE. The Secretary of Agriculture, yes.

Mr. CURTIS. One more question: I believe the provision for four pilot plants to use the products of the farm and forest to produce energy is in both the House and the Senate bill.

Mr. TALMADGE. The Senator is correct.

Mr. CURTIS. Of course, that was beyond the reach of the conference and is still there.

Mr. TALMADGE. That is correct.

Mr. CURTIS. I thank my colleague from Georgia.

Mr. TALMADGE. I thank my colleague from Nebraska for his contribution.

I yield now to my distinguished colleague from North Dakota.

Mr. BURDICK. I wish to join in the commendation of my friend from Georgia. The Senator and his committee worked under some very trying circumstances and I think they have done the best job they can do.

(Mr. ABOUREZK assumed the chair.)

Mr. BURDICK. I have one question about wheat. Under the present law, part of the mechanics that are used in bringing about support prices is deficiency payments. Has there been any change in the operation of deficiency payments?

For example, under the present law, a farmer who has a 100-acre allotment could divert those acres to another crop and not prejudice his right to deficiency payments. Has that been changed in any way?

Mr. TALMADGE. We went to current plantings on deficiency payments.

Mr. BURDICK. In other words, there has been no change in that regard.

Mr. TALMADGE. That is right.

Mr. BURDICK. I thank the distinguished chairman.

Mr. TALMADGE. I thank the distinguished Senator.

I yield to the distinguished Senator from Hawaii.

Mr. MATSUNAGA. I thank my friend from Georgia.

I join in commending the distinguished chairman of the committee, Senator TALMADGE, for the skillful manner in which he brought about an acceptable compromise with the House on a most complex bill, one which the Congress can live with. I expressly wish to commend him for resolving a most difficult problem with reference to sugar.

If I may put a question to the distinguished chairman about sugar, it is my understanding that, in accordance with the amendment requested by me and my senior colleague Senator INOUYE and offered by Senator HUMPHREY, all of the 1977 crop will be provided, with price support, either by existing laws, or by the so-called de la Garza amendment in the pending bill. Am I correct in my assumption?

Mr. TALMADGE. The Senator is correct. First, let me thank him for his generous remarks.

We knew when we went to conference and accepted the sugar amendment that was offered in the House by Congressman DE LA GARZA that more than half of the harvest in Hawaii had already been harvested.

So we put this provision in the conference report:

> Nothing in this subsection shall affect the authority of the Secretary to establish under any other provision of law a support program for that portion of the 1977 crop of sugar cane and sugar beets marketed prior to the implementation of the program authorized by this subsection.

We did that specifically to take care of the Hawaiian problem.

Mr. MATSUNAGA. I thank the Senator from Georgia, the distinguished chairman of the Agriculture Committee, for his clarification of this vital point.

On behalf of the people of Hawaii, and especially those 30,000 whose jobs depend on the sugar industry, I also wish at this time to express my deepest appreciation not only to the chairman, but also to the ranking minority member, Senator DOLE, the chairman of the House Agriculture Committee and of the House conferees, Mr. FOLEY, and all the remaining conferees on the farm bill for their acceptance of this crucial amendment proposed by me and Senator INOUYE. My special thanks go to my great and most gracious friend, the Senator from Minnesota, Mr. HUMPHREY, who, although his State did not stand to benefit directly from acceptance of our proposed amendment, consented to offer the amendment on behalf of Hawaii, and who was largely responsible for its acceptance. The conferees and now the Senate by their action have been fair to the Aloha State and understanding of its plight, in recognizing the unique situation which exists there with respect to the growing of sugar; and let me say this with certainty; the people of Hawaii are truly grateful for their generous action. Mahalo Nui Loa.

Mr. TALMADGE. I thank my distinguished friend from Hawaii.

I yield now to my distinguished friend, my able colleague, the ranking minority member from Kansas.

Mr. ALLEN. Will the Senator yield briefly to me before yielding to the Senator from Kansas?

Mr. TALMADGE. Yes, to the distinguished Senator from Alabama.

Mr. ALLEN. Mr. President, I thank the distinguished chairman of the committee and I thank the distinguished Senator from Kansas for allowing me to say a few words at this time.

Mr. President, I commend the distinguished chairman of the Agriculture Committee, the distinguished Senator from Georgia (Mr. TALMADGE), for his fine work as chairman of the Agriculture Committee, for his fine work as a Senator from Georgia and from the Nation.

The farmers of Alabama and, indeed, the farmers of the Nation have a true friend in Senator TALMADGE. He is held in high regard in my State by our farm population and by all of our citizens. We look to him for leadership on our farm programs and he has never let our farmers down.

We appreciate his expertise, his ability, and the manner in which he has handled the farm legislation here in the Senate.

I wish to commend also the ranking minority member, the Senator from Kansas (Mr. DOLE), who works in close cooperation with the chairman and with the committee, and our splendid staff, which is a nonpartisan, nonpolitical staff, available to every member of the committee to give advice, to give information, to help in shaping legislation.

I think we are most fortunate on the Agriculture Committee. I think the Senate is most fortunate to have a committee headed by Mr. TALMADGE with Mr. DOLE as the ranking minority member. I commend both of these Senators for their fine work in conference and in getting these very complex problems worked out.

I commend all of the members of the conference committee for their spirit of cooperation and give and take on the farm bill, which is most important to farm people and to the Nation as a whole. I am delighted that an agreement has been reached on the conference report.

Mr. President, I rise in support of the conference report on S. 275, the Food and Agriculture Act of 1977, and urge my colleagues to accept it without any further delay.

During the hearings and markups in both the House and Senate earlier this year and while the bills were debated in the Senate in May and in the House in July, the farmers of this Nation waited patiently. They waited to hear just what message the Congress would send to them in this year's farm legislation. When they were asked to expand production several years ago, they responded as only the American farmer can repond—by producing an abundance of wheat, feed grains, and other commodities. The doomsday prophets of worldwide starvation were weeping and wailing, but the farmers of America saw to it that there was an ample supply to meet not only domestic needs and export sales but enough to provide assistance to the starving nations of the world while assuring a more than adequate carry over.

Now, in a time of abundant supply when farm prices have plunged downward are we going to prove ourselves to be fair-weather friends to our food producers? To reject this report would be a slap in the face to this important segment of our society. Such action would not only be a cruel blow to those who feed us; it would be an expression of ingratitude. These farmers are not only waiting to hear our opinion of them, but they are anxiously waiting to learn exactly what plans they should make about

future planting. Some of their decisions must be made immediately and to prolong this legislation would be grossly unfair and unjust to them.

In Alabama, Mr. President, our farmers do not need any more discouragement in any form because 1977 has just not been a good year for them. My State has experienced the worst drought in its history. Instead of rewards for their months of labor they have experienced disaster. Officials of the Alabama Department of Agriculture and Industry, have made a conservative estimate of a $200 million loss to the farmers of our State. The loss to cattlemen alone has been set at over $100 million this year. To make bad matters worse, they have been hit hard by insects in the form of army worms. Dr. J. Michael Sprott, director of the Alabama Cooperative Extension Service stated in a recent newspaper interview:

> The combined import of this year's drought and insect damage to Alabama's agricultural industry is inestimable. Either of these would have done serious damage to our food and fiber sales, but together, they are almost more than the agricultural community can absorb.

We have written off the corn crop in Alabama this year, but other areas of the country are experiencing a bumper crop and the supply is driving prices down, hurting them even more. Our cotton yields have been cut by one-fourth to one-half bale per acre in many areas of the State. Alabama's hay crop is about 30 percent of normal and winter-feeding needs still have to be met.

Mr. President, in a situation like this I would find it difficult indeed to say to the agriculture producers in my State that the Senate in its wisdom rejected this conference report.

For too long the consumer has been pitted against the farmer in this country. Four percent of the population of this country represented by the farmer feeds the other 96 percent of us. If the farmer is discouraged the consumer is faced with a supply shortage which means increased cost for food.

In recent years, the cost of production of agricultural commodities to the farmer has more than doubled with increased costs for gasoline, oil, diesel fuel, natural gas, fertilizer, and machinery. In the month ended August 15, 1977, farm prices fell 3 percent. It was the third monthly decline in a row. In fact, on August 26, 1977, USDA issued a projection that total net farm income will be $19.3 billion for 1977, off 15 percent from 1976. In 1972, total net farm income was $18.6 billion. Since then, there has been a cumulative 45-percent inflation. Just to be on par with their situation in 1972, this year's total net income would need to be $26.7 billion.

At this juncture, Mr. President, it should be pointed out that the authority for the food stamp program expires at the end of September. If this report is rejected there is little chance that any revision could be brought before the Congress before that expiration deadline. Imagine, if you will, the mass confusion and outrage should this situation develop.

All of these things considered, Mr. President, it is imperative that we adopt this conference report without further delay. To do otherwise, would deny the income assurance provided by these programs to our farmers to encourage their continued production of food and fiber.

Mr. TALMADGE. Mr. President, I deeply appreciate the most generous, complimentary remarks about the chairman and the ranking minority member made by the distinguished Senator from Alabama. I know of no member of our committee who works more diligently, more effectively, on behalf of the farmers of our Nation than the Senator from Alabama. I deeply appreciate his generous remarks.

Mr. President, I feel I would be derelict in my duty if I did not point out the fact that, as the Senator from Alabama has stated, our committee operates on a nonpartisan basis, both the members of our committee and the staff of our committee, which I think is equal to the staff of any committee of the Senate, or any committee of the House, in their diligence, their dedication and ability, their service to every Senator that calls on them, their willingness to work day and night.

It has been a particular pleasure for me to work with my colleague from Kansas, who is the ranking minority member of the Committee on Agriculture. He and I happen to serve on our two committees, Finance and Agriculture. Our relationship has been extremely pleasant, extremely cordial. At no time has any element of partisanship ever entered into the operation of our committee and I can say that about every member of our committee, both on the Democratic side and on the Republican side. We work together in what we think is the interest of the Nation, the interest of farmers, the interest of consumers, without regard to partisanship, personalities or party affiliation.

Mr. President, I now yield the floor to my distinguished colleague, the ranking minority member of the Committee on Agriculture, Nutrition and Forestry.

The PRESIDING OFFICER (Mr. MATSUNAGA). The Senator from Kansas.

Mr. DOLE. Mr. President, I thank my distinguished chairman.

Certainly, as has been indicated, I commend the chairman for his leadership and commend other members of the committee who have served. I see the distinguished Senator from North Dakota is on the floor, who served on that committee for a long time and was known as Mr. Wheat for many years in that committee and has been most helpful in our deliberations in the conference. As has the distinguished Senator from Alabama, who I think almost singlehandedly, hour after hour, day after day, conducted hearings. For that we are most grateful, in addition to his even-handed assistance to all of us on the committee. I also wish to thank the distinguishhed Senator from Indiana (Mr. LUGAR) for his fine contribution on this bill.

The distinguished Senator from North Carolina (Mr. HELMS) and the distinguished Senator from California (Mr. HAYAKAWA) were very helpful and served well on our committee in developing this farm bill. Senator CURTIS served diligently from the beginning of the hearings all through the consideration of the bill and served with distinction as a conferee. The distinguished Senator from Oklahoma (Mr. BELLMON) was invaluable as a true farmer himself, putting the ideas expressed into understandable examples of how they would actually work in farm situations.

So I think it goes without saying that we, of course, appreciate the work of the staff, both those who represent Republicans and Democrats, and, as the distinguished chairman pointed out, for the most part, we have a nonpartisan staff.

But the point is that we, like other committees in the Congress, have our differences, not particularly partisan differences. Sometimes it depends on where we live, it depends on the crops we produce and the interest of the people in our particular areas.

But as I look up and down the committees on both sides of the aisle, I find, as has been expressed before, a great deal of interest in legislation this year. I cannot think of a single member on the committee who did not have a significant input somewhere along the line in the consideration of this legislation—and we have a diverse committee. We have different views.

But I suggest that if one looks at the bill passed by the Senate and then takes a look at the results of the conference committee, we come up with a pretty good piece of legislation, not all that some of us would have liked, maybe there are things in the bill we would have written differently, changes would have been made, but it seems to me we have the basis for a reasonable farm support program.

But the Senator from Kansas stresses, as other Senators have been stating on this floor on both sides of the aisle, there is a possible crisis in rural America. The vicious cost-price squeeze that has been adversely affecting wheat producers for some time has now spread to the producers of feed grains, cotton, and other commodities. Slack demand and intense competition in world markets has resulted in distressed farm prices throughout rural America.

In addition, there have been problems of drought in both the Southeast and the far western parts of our country.

The deepening of the farm crisis is being felt by the industries and workers that service the American farmer. A farm implement dealer in Garden City, Kans., pretty well summed up, in the following statement, the ripple effect of the declining farm economy on businessmen servicing the farmer:

> This is one of the most depressed economic times we have ever seen. There is no way things can continue as they are—we cannot last.

Thus, the crisis which is now embracing more and more farmers is spreading to those who build and sell tractors and to others whose livelihoods relate to agriculture. There is no way that the na-

tional economy can prosper for very long with depression conditions on American farms.

So it would seem that this implement dealer in the rural community of Garden City, Kans., quite well sums up the problem.

Farm commodity prices have continued to decline during the period of consideration of this bill. Agricultural price data reported by the USDA show declines in prices received by farmers between January and August of this year as follows:

Average price received by farmers

Commodity:	1–15–77	8–15–77
All wheat, per bushel	$2.43	$2.02
Corn, per bushel	2.34	1.64
Soybeans, per bushel	6.80	5.43

I am happy that the target price for wheat was increased—and justifiably so—for the 1977 crop and subsequent crop years on the basis of the cost of production. Farmers who produce to meet our ever increasing food requirements and demands for export need protection against disastrously low prices caused by overproduction resulting from unusually favorable weather conditions worldwide. Many commodity problems were addressed in this legislation and now it should be implemented to provide as much assistance as possible to the distressed agriculture economy.

The farm parity ratio has reached a low at 64 percent in August. Only in March of 1933 were conditions worse when the average parity ratio was 55 percent. Wheat and feed grain farmers are particularly hard hit. Prices received last month by wheat farmers represented only 40 percent of parity; feed grains were at 48 percent of parity.

While only improved demand and consequent higher market prices can cure the current farm crisis, this bill can help in alleviating the distress that is becoming more and more widespread in rural America.

Some of the specific major features that will be of assistance are as follows:

PAYMENT LIMITATIONS

Adjustments were made in the limitations on crop program payments any person can receive annually. Under existing law producers of wheat, feed grains, and upland cotton are limited to $20,000 under one or more of these programs and rice participants are limited to $55,000.

Under the new farm bill the limitation on total payments received by participants in the wheat, feed grains, and upland cotton programs is established at levels as follows: 1978—$40,000; 1979—$45,000; and 1980—$50,000.

The payment limitation on rice is to be reduced from $55,000 by 5 percent in 1978 and will be $50,000 in 1979. Beginning in 1980, payments to a producer of wheat, feed grains, upland cotton and rice shall not total more than $50,000 annually. Disaster payments are exempt from payment limitations.

In view of the current farm crisis, an upward adjustment in the payment limitation for 1977 should have been made for producers of wheat, feed grains, and cotton.

WHEAT

The wheat section of the bill does not fully protect the farmer. I am pleased however that the House rejected the lower target price levels advocated by the Carter administration and reported to the floor by the House Agriculture Committee. The $2.90 per bushel target price for 1977 was the level I worked for in committee and with the able assistance of many colleagues on the Agriculture Committee this provision survived even against the veto threats of the administration by a vote of 50 to 46 on May 24, 1977. Target prices for 1978 were compromised in conference at $3 per bushel unless the crop is 1.8 billion bushels or less, in which case it will be $3.05 per bushel. The historical acreage allotment system has been eliminated in this new program and the basis for program participation will be planted acres.

Wheat loan levels for 1978 will be $2.35 per bushel unless the administration chooses to lower it under a provision adopted from the House bill which allows this loan level to be lowered if market prices fall to not more than 105 percent of the loan level. Target prices for 1979–81 crops will be the previous year's price plus escalation on the basis of increases in the cost of production.

Set-aside is provided in this bill at the discretion of the Secretary when he determines that the total supply of wheat will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices to meet a national emergency. The announced intention of a set-aside requirement is yet to be implemented and I have some reservation on how this program will affect summer fallow areas.

The Secretary has the option of making a payment for land diversion but has chosen not to, according to his announcement of set-aside intention.

The disaster program changes allow for a larger payment to the grower hit hardest by a disaster. The lower yields will get a larger percentage of target price payment. This program is extended for 2 years, which will allow Congress to develop a new crop insurance disaster program.

FEED GRAINS

The feed grains section provisions are established for corn and the Secretary may establish provisions for other feed grains on the basis of a relationship to feeding value compared to corn.

The corn target price is established at $2 per bushel for 1977 and $2.10 per bushel for 1978 to be escalated thereafter according to increases in the cost of production. A corn loan level of $2 per bushel is set for 1977 and 1978 except the Secretary may reduce this level to keep U.S. corn competitive in the world market but in no event less than $1.75 per bushel. Planted acres is the basis for program coverage. The 3-to-5-year farmer loan progarm applicable for wheat is also allowed for feed grains if the Secretary decides to establish one. Disaster payment provisions for low-yield and prevent plantings are extended for 2 years and modified to extend greater coverage for those farmers hit the hardest by disaster. These provisions are the same as those applicable for wheat.

SOYBEANS

There shall be a mandatory price support for soybeans for the 1978 through 1981 crops. The Secretary shall make available loans and purchases but no minimum level shall be required. The Secretary may not require a set-aside of soybeans as a condition of eligibility for price support for any commodity.

SUGAR

The sugar price support amendment accepted by the conference is at least a true price support program. As I pointed out on the floor of the Senate on June 17, 1977, the administration's formerly proposed subsidy program was not the best alternative to support the distressed sugar industry. At that time I called for implementation of the International Trade Commission—ITC—recommendation of import quota restrictions to support the domestic price. The sugar producers could have had market price support as long ago as March 1977, if those recommendations had been adopted by the administration. The attempt at an alternative program was declared an illegal subsidy and the sugar producers are still awaiting relief. Accepting the House loan and purchase price support program was considered by the conferees to be of immediate assistance to the beleaguered sugar industry.

The conference report urges the U.S. Department of Agriculture to implement this program with dispatch even before the bill is enacted. This loan program should be instituted immediately to give some relief to the Hawaiian sugar producers who have already commenced harvesting without the benefit of this price support of 13.5 cents per pound, just as the administration announced its set-aside program before enactment of the bill.

The sugar beet and sugar cane producers deserve immediate implementation of the loan program. It has been a long time since the International Trade Commission made a finding that sugar is "being imported into the United States in such increased quantities as to be a substantial cause of the threat of serious injury to the domestic industry," and "recommend that, to prevent the threat of serious injury found to exist, a quantitative restriction in the aggregate amount of 4,275,000 short tons."

RESERVES

The new farm bill will require the Secretary of Agriculture to formulate and administer a producer storage program for wheat and feed grains by providing original or extended price support loans, repayable in 3 to 5 years. Interest on loans to producers will be based on the rate charged CCC by the U.S. Treasury. Storage paid producers will be at the discretion of the Secretary in amounts he deems appropriate to cover storage costs.

The Secretary is required to provide conditions to induce producers to redeem and market grain regardless of loan ma-

turity date when market price reaches 140–160 percent of the current support level. The Secretary may call loans at 175 percent of the current price support level.

The quantity of wheat is to be no less than 300 million bushels nor more than 700 million bushels, adjusted upward to meet commitments in any international agreements. No minimum or maximum quantities are specified for feed grains.

I feel that this holding of grain by the farmers who produced it can be a very valuable aid to more orderly marketing. Farmers will have the opportunity of obtaining a loan to help with their expenses while waiting for improved market prices. Stocks held in this manner should not overhang the market with price depressing effects and would flow into market channels as demand and prices improved.

Provision for an international food reserve of 2 to 6 million tons was defeated in the conference committee. Substituted was a statement that "encouraged" rather than "authorized" the President to enter into negotiations with other nations to develop an international system of food reserves to provide for humanitarian or emergency purposes.

Any international reserve negotiated by the President will come to the Congress for ratification. At that time I will be most interested in its provisions. I find sentiment for sharing the burden of stock holding with other developed countries such as Japan, the Soviet Union, Canada, Australia, and the countries of Western Europe. However, safeguards are essential against the possible manipulation of grain stocks held in any international reserves to hold prices of grain down whenever price recovery commences from current uneconomic levels.

I am pleased that the new farm bill includes a provision for disaster reserve. When no wheat, feed grains, or soybeans are available through the price support program at locations where such commodities are needed to alleviate distress due to natural disaster, the CCC may purchase these commodities and hay or other livestock forage as are needed. This provision coupled with the emergency feed program should help considerably in alleviating hardships suffered by farmers and ranchers where disaster strikes.

GRAIN INSPECTION

I sponsored an amendment to the farm bill to add the previously Senate-passed grain inspection bill. This amendment was needed to insure action on this much-needed legislation.

Field supervision of inspection or weighing under the U.S. Grain Standards Act shall be financed by appropriated funds instead of fees to be paid by farmers as provided in previous legislation. The new farm bill will require Federal supervision adequate to reasonably assure the integrity and accuracy of weight certificates and authorizes the Administrator of the Federal Grain Inspection Service to establish procedures as well as standards for accurate weighting and weight certificates.

This bill also removes the ban against dark hard vitreous grading for wheat that could have restricted our Latin American export sales.

WHEAT AND WHEAT FOODS RESEARCH AND EDUCATION ACT

The new farm bill establishes a council to administer research generated by an industry sponsored end product assessment. The major objective of this legislation is to authorize a cooperative program of research and nutrition education among producers, processors, end product manufacturers and consumers. The council and program are responsible to the Secretary of Agriculture.

I am pleased to have had a role in the sponsorship of this title not only because of the good that it can accomplish for wheat and wheat food products, but also because this will be an effort for the industry to help itself at no cost to the taxpayers.

FOOD FOR PEACE PROGRAM

The food for peace program (Public Law 480) is extended for 4 years with linkage of food assistance to economic development in Public Law 480 recipient countries, with a number of provisions designed to prevent program abuse, and with provisions for a greater commodity export potential.

Unfortunately, the greater export potential provided for in the new farm bill may not materialize. As I have pointed out to Secretary Bergland in a letter of August 24, 1977, the sums budgeted by the administration for Public Law 480 in fiscal year 1978 are inadequate not only from the standpoint of the need to meet food aid objectives of 6 million tons or more from the United States, but new legislative provisions will necessitate a supplemental budget request for additional funds for Public Law 480, title I, in fiscal year 1978.

The sum of less than $600 million for title I commodity costs in the administration's budget for fiscal year 1978 is grossly inadequate and becomes even less adequate under the new legislative provisions which "allows the carryover of unobligated balances of the preceding calendar year only, and provides that new spending authority for title I shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation acts."

In view of both the food aid objective of 6 million tons or more of annual shipments and the need to stimulate farm exports, $1 billion is needed for title I commodity purchases next fiscal year.

The two most effective tools at the Secretary of Agriculture's disposal for stimulation of exports of farm commodities are Public Law 480 and CCC credits. The judicious use of these two programs coupled with effective use of Export-Import Bank loans for farm commodities can greatly reduce the cost of the new farm bill.

In view of the farm program cost reduction benefits which can accrue by export stimulation and the need to meet competition in world markets as effectively as possible, I have asked Secretary Bergland to seriously consider financing commodity exports under the Public Law 480 and CCC credit programs in the following amounts for 1978:

First, Public Law 480, title I and new title III—$1 billion worth of commodities, up from $800 million in fiscal year 1977.

Second, Public Law 480, title II—$565 million worth of commodities and ocean freight. This level, if used in conformance with the pricing provisions of the new farm bill, would provide 1.7 million tons thus assuring that the legislative minimum of 1.6 million tons would be shipped.

Third, CCC credit—$1.5 billion worth of commodities, up from $1 billion in fiscal year 1977, and only a $750 million funding level recently announced by USDA for fiscal year 1978.

Also, because of the urgent need to stimulate farm exports, have suggested that Secretary Blumenthal review the Eximbank's policy as it relates to agricultural exports. Instead of the relatively meager credits for farm exports ranging from only $69 to $85 million annually in recent years, I believe Eximbank should step up their financing of farm exports to $500 million annually. This would still be a very small proportion of total Eximbank resources which have been running from $6 to nearly $10 billion annually in recent years for U.S. export assistance. Farm exports which represent over 20 percent of total U.S. exports deserve considerably more attention from the Eximbank than is currently the case.

The best hope for improving farm prices is through increasing our share of export markets. A dollar spent on export stimulation may save many dollars in farm program costs.

DAIRY SUPPORTS AND BEEKEEPER INDEMNITY PROGRAMS

I believe the dairy part of the farm bill to be good legislation for the dairy industry. Most of the provisions that were adopted were supported by most dairy leaders.

The conferees agreed that milk would be supported at not less than 80 percent of parity through March 31, 1979. After that date, dairy price supports would be set at between 75 percent and 90 percent of parity.

Dairy price supports must be adjusted on a semiannual basis for the 4-year period ending March 31, 1981.

The conferees agreed to provide indemnity payments for dairy farmers because of contamination from nuclear radiation or fallout or residues of chemicals or toxic substances which were not used contrary to applicable regulations or labeling instructions.

The Secretary is required to issue a standard of quality for ice cream within 30 days of enactment, specifying solids, weight, and whey content in order to meet USDA standards for ice cream. The provision was put in the bill as a reaction to the proposed changes in the ice cream standards by the Food and Drug Administration.

Also, the bill extends the program, under which beekeepers are indemnified for losses sustained as a result of pesticides, to December 31, 1981.

RICE

Since enactment of the Rice Production Act of 1975, the quantity of U.S. rice exported on commercial terms, as opposed to Government financed programs such as Public Law 480, has doubled and further expansion of cash sales is promising. Current commercial rice exports are running at a level of about 1.4 million metric tons annually with a value of approximately $500 million.

The loan level for rice takes into account competitive factors in world markets, while the target price level provides a reasonable degree of income protection for the rice producers. These features are embodied in the rice provisions of the new farm bill and will hopefully result in further growth in commercial exports of U.S. rice.

The target price for the 1978–1981 rice crop will be the previous year's target price modified according to a moving 2-year average adjusted cost of production formula.

Payment limitations for rice producers will be brought into line with limitations applicable to producers of wheat, feed grains and upland cotton by 1980 since by that date the limitations for wheat, feed grains, and upland cotton will be increased up to $50,000 and the limitation for rice will be reduced from $55,000 to $50,000.

COTTON

The target price for 1978 will be at least 52 cents per pound and relates to the cost of production. The target price for 1979 and beyond shall be not less than 51 cents.

Early cotton legislation did not recognize the necessity of remaining competitive in world markets. Consequently, high loan rates not only encouraged the manufacture and sale of manmade fibers, but also "held an umbrella" over cotton production in competing cotton exporting countries. U.S. cotton has done much better in world markets since competitive market factors have been taken into account. The new farm bill recognizes the essentiality of being competitive in foreign markets. Therefore, the loan level will be set at the lower of either: First, 85 percent of the average U.S. spot price for strict low middling 1 1/16-inch cotton during the previous 4 marketing years; or second, 90 percent of the liverpool price in the first 2 weeks of October, adjusted by transportation and other factors.

PEANUTS

A new 4-year program will go into effect for peanuts with a two-tier price system and poundage quotas. The national allotment is 1.6 million acres with the minimum national poundage quotas of 1,680,000 tons in 1978, being reduced to 1,440,000 tons in 1981.

The loan on quota base peanuts is set at $420 per ton. Nonquota peanuts will be supported at levels taking into account world market prices. Thus, the new peanut program should make U.S. peanuts more competitive in world markets. Under the more rigid programs of the past, U.S. peanuts have been frequently priced out of world markets.

NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY

I was pleased to support the provision in this bill which once again establishes the teaching of food and agricultural sciences as a priority for the USDA. I believe it is important that the USDA be responsible for research, extension and teaching in the food and agricultural sciences. My experience has shown that the USDA is the only agency in Government that is truly interested in farmers, food, agriculture, and matters relating thereto.

When legislation and funding relating to these matters are given or transferred to other agencies, they do not receive high priority.

The Department of Agriculture is designated as the lead agency for agricultural research—except with respect to the biomedical aspects of nutrition—extension, and teaching in the food and agricultural sciences, and the Secretary of Agriculture is given specific responsibilities with respect to the coordination and planning of research, extension, and teaching activities.

The bill requires the Secretary of Agriculture to establish a competitive grants program for high priority research programs. Competition for these grants would be open to all colleges and universities, and the duration of individual grants would be limited to 5 years.

The Secretary is authorized to make grants for periods of up to 5 years, without regard to matching funds, to facilitate or expand food and agricultural research which has promise of significant breakthroughs in research areas of the food and agricultural sciences and also to facilitate and expand the Federal-State research effort.

The bill establishes a program for research facility grants to support purchases of land and equipment and construction or renovation of buildings under which each State agricultural experiment station would be assured of an annual grant of $100,000 or an amount equal to 10 percent of the agricultural research funds it receives under the Hatch and McIntyre-Stennis Acts, whichever is greater.

The Secretary is required to make grants to States on a 50–50 matching basis for the purpose of construction or expansion of new or existing schools of veterinary medicine.

The Secretary is required to conduct a program of competitive grants for all colleges and universities to further education in the food and agricultural sciences.

The Secretary is required to make grants to colleges and universities for the purpose of conducting research on producing and marketing industrial hydrocarbons, gas, and other coal derivatives for methanol and methyl fuel from agricultural commodities and forest products.

The Secretary is directed to establish nutrition research as a separate and distinct mission of the Department of Agriculture and increase support to a level adequate to meet nutrition research needs.

The bill establishes a national animal health and research program and authorizes up to $25 million annually, to support continuing animal health research programs at eligible institutions and up to $15 million annually, to support research on national or regional animal health problems.

A small-farm research and extension program is to be carried out to upgrade small farmer operations.

The Secretary of Agriculture is directed to carry out a program of competitive grants for research and development on the uses of solar energy with respect to farm buildings, farm homes, and farm machinery and the uses of biomass derived from solar energy, including farm and forest products, byproducts, and residues, as substitutes for nonrenewable fuels and petrochemicals.

The Secretary of Agriculture is directed to distribute funds to State Departments of Agriculture and extension services, State agricultural experiment stations, forestry schools, and 1,890 colleges, including Tuskegee Institute, for use in establishing model farms and demonstration farms.

Provision is made for the establishment of three to five regional solar energy research and development centers in the United States, located so as to reflect the unique solar characteristics of different latitudes and climatic regions within the United States.

The Secretary is authorized to expand the operational coordination of the Department of Agriculture with agricultural research and extension activities around the world.

The bill establishes overall appropriation authorizations for the fiscal years 1978–1982, for research, extension, and Hatch Act programs.

RURAL DEVELOPMENT AND CONSERVATION

I have been concerned for several years that agricultural conservation practices have been geared too much toward shortrun concerns rather than longrun solutions. The bill specifies that financial assistance will be provided to agriculture producers for carrying out enduring conservation or environmental enhancement measures. Emphasis will now be shifted from shortrun to longrun practices and proposals I have supported for several years.

The bill amends the revised statutes to include aquaculture and human nutrition as basic functions of the Department of Agriculture.

The rural community fire protection program has been a concern of mine for several years. The bill extends the life of that program through 1980. Many excellent rural fire districts have been created in the State of Kansas as a result of the program. The bill also encourages the use of Federal excess property for rural fire forces.

The authority for the Secretary to establish multiyear set-aside contracts is extended through the 1981 crop, and livestock grazing is prohibited except as the Secretary determines is needed as a result of natural disaster.

FOOD STAMPS

The food stamp portion of the farm bill represents a fair compromise between the Senate and House food stamp bills. While the two bills differed on several provisions, there was agreement on the most far-reaching reform, which was the elimination of the pur hase requirement. Because both Houses had voted in favor of deleting that requirement, the conference centered around less controversial issues.

EXTENSION OF PROGRAM

In conference, the Senate receded to the House providing for a 4-year extension of the food stamp program. The Senate bill had extended it for 2 years. A 5-year extension was discussed in the Agriculture Committee, but lost on a 9 to 9 tie. An amendment on the Senate floor for a 5-year extension was defeated by only three votes. Both the committee and the floor votes indicate there was considerable support in the Senate for a longer extension of the program.

CAP

Coupled with the House provision for a 4-year bill was a cap on food stamp expenditures. The cap was designed as a shield against runaway program growth which House Members feared would occur following the removal of the purchase requirement. Although the Senate bill contained no similar provision, the House conferees had wide support for the cap among their colleagues, and were not willing to compromise or recede. Therefore, the Senate conferees agreed to recede.

CASH-OUT

The House bill permitted states the option of cashing out food stamps for elderly and disabled recipients. This option was not seriously discussed in the Senate Agriculture Committee, nor was it brought up on the floor. The House voted to delete their provision, largely because the latest cost estimates were higher than the original figures.

WORKFARE

Mandated in the House bill was the establishment of workfare pilot projects in every State. The purpose would be to test the feasibility of requiring recipients to work in return for their food stamp benefits.

The Senate conferees felt that if such a project was mandated in every State, it would surpass the definition of a pilot project. A compromise agreement was reached to set up 2 pilot proje:ts in each of the 7 USDA regions, for a total of 14 project sites, rather than 50.

In addition, certain CETA provisions were adopted to insure that workfare recipients do not replace salaried workers.

SHELTER

The two bills were inconsistent in their treatment of the shelter deduction. The Senate bill allowed for excess shelter costs to be considered when determining a recipient's eligibility for food stamps. The House permitted shelter costs to be considered in determining a person's benefits, but only after he had been declared eligible to participate in the program.

In other terms, the maximum income allowed under the Senate bill was $10,600. This would apply only to working families who could claim both the dependent care and the shelter deductions. The maximum allowed under the House bill was $9,300, because it did not permit a family to count the shelter deduction when determining their eligibility. A compromise was accepted which allows recipients to determine eligibility by claiming a deduction for either dependent care or excess shelter, or a combination of the two up to $75.

Although this provision cuts off all families at the $9,300 level, there is now more flexibility than was contained in the House bill. Recipients in particularly the Northeastern part of the country tend to have high shelter costs. Under the compromise, they will have a greater opportunity to participate in the program than would have been allowed under the House bill.

STUDENTS

Finally, the Senate conferees agreed to provisions in the House bill which place stricter requirements on students. To qualify for stamps, students have to be enrolled at least half-time in an institution of higher learning. In addition, they must be employed a minimum of 20 hours a week, or registered for work. Exceptions to this requirement are allowed in only a few specific instances.

These are the primary changes that were made to the food stamp program during the conference. Other smaller modifications were made, but there was general agreement among the Senate conferees on these issues. I support the conference food stamp bill, for it is an objective reconciliation of the differences contained in each bill. I hope that my colleagues will be equally satisfied, and will vote to accept it.

CONCLUSION

Finally, I must emphasize the gravity of the economic crisis in agriculture: Farm prices are at the lowest ebb since 1933; financial institutions have extended credit to farmers to their limits trying to finance them through this depressed period; farm and machinery equipment manufacturer employment is down about 20 percent from last year. In fact, what we have is an economic crisis in rural America that is extending to the urban population as well, compounding our national unemployment problems. This bill provides for a good farm program, if administered in the interest of the farmers, but should not be looked upon as a panacea. I have reservations about the reserve section, particularly regarding how stocks once accumulated are fed back into the market and at what price levels. I would not like to see release prices become ceiling prices. Low farm prices are the major problem. While only improved demand and consequent higher market prices can cure the current farm crisis, this bill, properly administered, can help in alleviating the distress that is becoming more and more widespread in rural America.

Mr. President, I want to also stress the point made in the exchange between the distinguished Senator from Hawaii (Mr. MATSUNAGA) and the distinguished Senator from Georgia, the chairman of the committee.

It is the intent of the conferees that we provide relief for sugar producers in the great State of Hawaii. That has been clarified or underscored, at least, by the comments made by the distinguished Senator from Georgia in response to the question posed by the distinguished Senator from Hawaii.

In addition, in my remarks here, I made an effort to underscore how we interpreted that provision and I hope it will be helpful to the producers in that State.

The PRESIDING OFFICER. The Chair would like to intercede at this time to thank the Senator from Kansas for his part in the effort to save the Hawaiian sugar industry.

Mr. DOLE. I thank the Chair.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. TALMADGE. Mr. President, I understand that the leadership has held some Senators here, telling them there would be a yea-and-nay vote. So far as the Senator from Georgia is concerned—I am sure this is shared by the Senator from Kansas—I would just as soon have a voice vote. But in view of the leadership's pledge, I urge the attachés of the Senate to call and look around in the corridors and get 11 Senators on the floor so that we can order the yeas and nays on the bill.

I thank the Senator for yielding.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, Senator HUMPHREY made the legislative history at the House-Senate conference regarding the sugar provisions. I believe that he communicated with the Senator from South Dakota (Mr. MCGOVERN) to be sure to present the facts as Mr. MCGOVERN knows them regarding the conference.

Mr. McGOVERN. Yes, he did. It is an honor for me to have been asked to fill his shoes in this matter. I shall endeavor to reflect the understandings reached by the conferees.

Mr. DOLE. The conferees from both sides of the Capitol agreed unanimously, did they not?

Mr. McGOVERN. Yes.

Mr. DOLE. What does the legislation provide?

Mr. McGOVERN. Probably the best way to get the final provisions on the record is to read from the price provisions of the sugar legislation itself. It is not very long:

(f) (1) The price of the 1977 and 1978 crops of sugar beets and sugar cane, respectively, shall be supported through loans or purchases with respect to the processed products thereof at a level not in excess of 65 per centum nor less than 52.5 per centum of the parity price therefore: *Provided*, That the support level may in no event be less than 13.5 cents per pound raw sugar equivalent. In carrying out the price support program authorized by this subsection, the Secretary shall establish minimum wage

rates for agricultural employees engaged in the production of sugar.

(2) Notwithstanding any other provision of the law, the Secretary may suspend the operation of the price support program authorized by this subsection whenever he determines that an international sugar agreement is in effect which assures the maintenance in the United States of a price for sugar not less than 13.5 cents per pound raw sugar equivalent.

Certain factors are obvious as to how the conferees, including the author of the sugar amendment, Representative DE LA GARZA of Texas, determined this legislation should be implemented. First, there was agreement that the sugar products acquired, if any, would not be sold at less than 105 percent of the support price plus reasonable carrying charges. Second, there is the express provision that the Secretary of Agriculture could suspend the operations of this program when he determines that an ISA is functioning to effectively maintain a raw sugar price of at least 13.5 cents per pound. Notice we did not say establish and maintain for the ISA. Under the proposed ISA, there is provision for the acquisition and maintenance of a multimillion ton raw sugar stock—to which the United States will be a major financial contributor. Sugar definitely is storable without excessive loss through deterioration or storage and without excessive cost for storage for the time required to permit its disposition without substantial impairment of the effectiveness of the price support program. Obviously, the maintenance of a multimillion ton stock assumes storability. Also, there are several million tons of raw and refined sugar in storage in the United States now.

Mr. DOLE. However, in the conference, the conferees agreed that no outlay of CCC funds will be needed since there would not be any acquisition of sugar products, did they not?

Mr. McGOVERN. Yes, the conferees agreed that the executive branch should, as soon as this bill becomes law, use now existing legal authorities to impose an additional import duty and/or import fee, which when added to the current import duty will enable raw sugar to sell in the domestic market at not less than the effective support price. As a matter of fact, we even recommended that USDA under existing authority implement this program of higher duties and an import fee as soon as possible even before the act is signed into law. Only, if necessary, will other import management authority provided under section 22 of the Agricultural Adjustment Act of 1933 be used.

Mr. DOLE. The conferees pointed out that USDA currently has the authority to implement the sugar program required by this amendment. We recommended that the implementation be carried out as soon as possible even before the farm bill is signed into law. Nothing has been done by USDA so far as I know, despite our recommendation. I was pleased that USDA announced its set-aside intention for wheat in advance of passage of this legislation, but I am sorely disappointed that despite our express recommendation, USDA failed to act on sugar where authority already exists to first, announce a price support program for sugar beets and sugar cane and second, utilize the emergency import management provisions of section 22 of the Agricultural Act of 1933.

Mr. McGOVERN. The Senator is right. Actually, these actions should be taken immediately. Sugar imports are pouring into the United States. The Nation is losing import fee revenues. Moreover, the USDA is missing an opportunity to assure the prompt and smooth implementation of the sugar amendment. The conferees were clear in this matter. I do not understand the delay.

Mr. DOLE. Can the Senator tell us what understanding there was regarding the implementation of this legislation between Senator LONG and administration officials?

Mr. McGOVERN. Probably the best way to do this is to read the letter from Senator LONG to the chairman of the Senate Agriculture Committee, Senator TALMADGE. Senator HUMPHREY followed closely this compromise of Senator LONG. The letter reads as follows:

COMMITTEE ON FINANCE,
Washington, D.C., August 3, 1977.

The Honorable HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

DEAR HERMAN: As a result of discussions earlier today with various representatives of the Administration, it seems to me a good compromise on the sugar issue might be the following: Accept the de la Garza amendment with an amendment which lowers the level parity support from 55% to 52½%. No other change would be made in the de la Garza amendment.

The statement of managers would explicitly state that the Department of Agriculture would immediately institute an import management program that would achieve a domestic price level sufficiently in excess of the 52½% parity level to insure that there shall be no acquisition of sugar by the Government.

Additionally, statement of the managers would outline that the import management program, or levies to accomplish the goals of the amendment, would be administered by the U.S. Department of Agriculture.

The statement of managers would further make clear that an International Sugar Agreement which has been approved by the Congress (either as a treaty or as a trade agreement) which is implemented and which achieves the price objectives of the de la Garza amendment as modified, would take precedence over this amendment.

This compromise falls between what the Administration, under threat of veto, is offering and what the domestic industry and the Congress feel is fully justified. Therefore, it should be acceptable to reasonable men as a fair accommodation and, in my opinion, should not result in a veto of the Farm Bill.

With every good wish, I am
Sincerely,

RUSSELL B. LONG,
Chairman.

Mr. McGOVERN. The U.S. representative to the International Sugar Agreement meeting in July 1977, has proposed on behalf of the United States a world price minimum/maximum range of 11 to 21 cents per pound for raw sugar at export points. Based on the current import duty plus insurance, shipping and other import charges, the minimum import price would be at least 13.5 cents. Thus, the new sugar program is compatible with the U.S. proposal under the ISA and the United States can move from the new domestic sugar program to the ISA with practically no disruption in marketing.

Mr. DOLE. Mr. President, the Senator from Kansas urges the adoption of the farm bill conference report now before us. It is the product of long hours of debate and compromise, and deserves the support of the body.

Over the course of this legislative effort, I have often spoken of the need for reform of the food stamp program. I believe this bill reflects sound and responsible reform of a program which is important to the well-being of millions of Americans. It embodies much of what the Senator from South Dakota (Mr. MCGOVERN) and I have been advocating for the past 2 years.

EPR

The heart of the bill is the way in which it improves eligible people's access to the program. In the past, many eligible persons were shut out of the program because of the purchase requirement, and were denied important aid. S. 275 helps to break down the biggest programmatic barrier to participation by eliminating the purchase requirement. Senator MCGOVERN and I have long contended that this had to be the cornerstone of legislative reform, and I am pleased it was accepted.

WELFARE REFORM

By eliminating the purchase requirement, we are taking the first step towards true welfare reform. We are not completely revamping the food stamp program or trading it in for something new and untested.

Instead, we have taken an existing program, studied its weaknesses, and proposed significant changes to allow for broader participation by those who are eligible. Because of the purchase requirement, many of the deserving poor have been forced out of the program because they lacked the money needed to buy their allotment of stamps.

With the removal of this obstacle, food stamp benefits will be extended to all who legitimately qualify for them. I think this is an important component of true welfare reform. We have provided for better assistance to those who deserve a helping hand. At the same time, we have worked within the existing program to target nutrition assistance to the poor, while cutting off higher income persons who have misused the program in the past.

CAP

The food stamp title of the bill also provides a "cap" or ceiling on food stamp appropriations. The bill authorizes to be appropriated not in excess of $5,847,600,000 for fiscal 1978, $6,158,900,000 for fiscal 1979, $6,188,600,000 for fiscal 1980, and $6,235,900,000 for fiscal 1981. The bill specifies that allotments in any fiscal year may not exceed the amount appropriated for such fiscal year, and that allotments must be reduced if this is necessary to comply with this provision. As a

result, if all funds appropriated for a fiscal year were being used in that year, any carry-over funds that might be available from prior years could be used only for administrative costs, and could not be used to pay for food stamp benefits to eligible households.

When this issue arose in conference, I offered alternate language, drafted by Chairman FOLEY, that would have adjusted the amount of the CAP up or down in accordance with fluctuations in food prices and in the unemployment rate. The alternate language would also have prevented any carryover funds from being used in any year, if such funds would result in a larger expenditure in that year than the appropriation ceiling for such year. Under the conference bill, carryover funds can bring overall expenditures above the appropriation ceiling if the additional amount is used solely for administrative costs and not for benefits. I believe the alternate language was preferable, as it would have related the amount of the ceiling to the performance of the economy.

ISSUANCE OF STAMPS

In several ways, the program will be made open and more responsive to participants. The Secretary of Agriculture is required to set standards for locations and hours of issuance and certification. While we did not specify the standards that he should adopt, our intent is clear: recipients should be able to reach offices conveniently, and offices should be open sufficient hours to make those visits purposeful. For example, just as with the work registration requirements, applicants should not have to travel several hours round trip to apply or obtain their food coupons, nor should working people have to take time off from work to apply, or get their assistance.

In addition to these requirements, the conferees were agreed that special certification methods be available to the elderly, the handicapped, and others who cannot appear in person at the office.

The bill provides that the Secretary establish two sets of certification standards: First, standards for points and hours of certification and issuance, and second, standards under which States shall provide for telephone contact by, mail delivery of forms to, and mail return of forms by, and subsequent home or telephone interview with, those persons who are unable to appear in person at a certification office or through a representative—because of their age, a physical or mental handicap, or transportation difficulties and similar hardships.

We also required in the bill that stamps be provided on an expedited basis to those recipients in immediate need. We would expect that the Secretary would make sure that food stamps are provided promptly to those households meeting the criteria for such emergency assistance.

DEDUCTIONS

We simplified the itemized deductions by providing a standard deduction, a deduction for work-related expenses, and a combined dependent care and/or shelter cost deductions for the same expenses currently permitted. This modified standard deduction should help to streamline the certification process.

A household in the 48 States and the District of Columbia may claim a dependent care deduction of up to $75 a month, a shelter deduction of up to $75 a month, or deductions for both dependent care and shelter so long as the combined deductions do not exceed $75 a month. The shelter deduction shall be the amount by which a household's shelter costs exceed 50 percent of the household's income after all other deductions—including the dependent care deduction, if claimed. In computing the shelter deduction, the same shelter costs will be allowed as are allowed under current regulations, and no additional costs will be included.

For Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands, the maximum deduction for shelter, or dependent care, or both, shall be an amount determined by the Secretary in accordance with the best available information on the relationship of the actual shelter costs of food stamp recipients in those areas to such costs in the 48 contiguous States and the District of Columbia.

CERTIFICATION

We have further simplified administration by requiring that households be certified for 3 months. Eligible elderly households could be certified for a year, if possible, so as to end the constant recertifications that plague program administration. An exception to this 3-month-or-longer rule would be those households, such as migrant farmworkers, who have unstable incomes or who anticipate receiving income soon after arriving in a project area, but not soon enough to meet their immediate needs.

Households are required to report, on a form designed or approved by the Secretary, changes in income or household circumstances that the Secretary deems necessary to provide accurate determinations. The Secretary would be authorized to establish standards setting forth which changes must be reported, and in how many days.

INDIANS

We allowed recipients on Indian reservations to choose between the commodity food program and the food stamp program, and stipulated that the former be improved. Thus, indigent Indian people will have a choice of the food program that best suits their specific situation, and which would provide fairly comparable benefits.

An Indian tribe shall receive training and technical assistance if it so requests and if the Secretary has determined that first, the State is failing to administer the program properly, and second, the Indian tribe is likely to be found capable of administering the program if it receives the necessary training and assistance.

FRAUD

While improving access to the program, we have also taken steps to tighten up the program to meet criticisms of the past few years.

First of all, we have provided for strict and immediate penalties for fraud. Upon the finding of a State agency, individuals found guilty of fraud will, for the first time, be disqualified from participation for a period of 3 months, with an additional penalty of 6 to 24 months if found guilty and assigned this additional penalty by a court. We expect that the Secretary will establish careful standards for fraud to differentiate between fraudulent activity and unintentional errors.

In providing for the disqualification of an individual household member for fraud, it is not intended that the household members remaining eligible benefit from such disqualification by having the value of their allotment increased.

We have made the work registration requirements stricter. Not only did we disqualify households in which the head has voluntarily quit a job without good cause, we also imposed a job search requirement. Rather than mandate a uniform job search, we left the implementation of that provision to the Secretary. We expect him to be guided by sound, reasonable judgment.

WORKFARE

Finally, we compromised with the House and accepted a pilot project to test the advisability of making unemployed persons work in return for food stamps. This pilot authority extends for 18 months after enactment of the bill, at which time we expect a report as to its effectiveness. At that time, we can take a good look to determine if, in fact, it does what its proponents contend.

There shall be no USDA-cost sharing in the costs of providing the CETA rights and assurances, or other "workfare" administrative costs—except for the cost of providing food stamp benefits to complying households or household members. These costs shall be borne by the political subdivisions or CETA prime sponsors who "employ" those recipients who are performing work in return for their food stamps.

The funds specifically provided for pilot projects—one-fourth of 1 percent of the previous year's appropriation—do not include any benefits or allotments that might be distributed to eligible households under such projects.

75 PERCENT COST-SHARING

The 75 percent cost-sharing is not limited to expenditures incurred by the State agency. It shall also apply to costs borne by other State and local agencies in investigating and prosecuting fraud, such as the costs of the salaries of prosecutors for the time they spend on food stamp fraud matters.

MAINTENANCE OF EFFORT

The maintenance of effort provision—section 8(b)—encompasses assistance provided by a State or local government to serve individuals enrolled in a drug addiction or alcoholic treatment and rehabilitation program. Such assistance may not be reduced because of the receipt of allotments by individuals enrolled in such treatment and rehabilitation program.

POST OFFICE ISSUANCE

The conferees intend that the general arrangements between the Postal Service and the U.S. Department of Agriculture, regarding Post Office issuance of food stamps, be subject to the approval of the

President. They do not intend that the President have to approve the entry of each individual post office into the food stamp program.

SUMMARY

I hope the Secretary will make every effort to implement this new program as soon as possible. My understanding is that the elimination of the purchase requirement will not necessitate massive changes at the local level, and should not take too long to implement.

Mr. President, this conference report is the product of responsible and dedicated legislative efforts by Members of both Houses. I support this food stamp bill and join the Senator from Georgia (Mr. TALMADGE) in recommending the report to this body and urging its immediate adoption.

Mr. President, there is another new section of the bill, the so-called Wheat and Wheat Foods Research and Nutrition Education Act, title XVII. For the sake of legislative history, I ask unanimous consent to have printed in the RECORD a brief outline of how this section will operate and how it will impact agriculture and those who may be affected by it.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF MAIN FEATURES OF WHEAT AND WHEAT FOODS RESEARCH AND NUTRITION EDUCATION ACT, TITLE XVII, FOOD AND AGRICULTURE ACT OF 1977

This title is drafted as enabling legislation and authorizes a cooperative program of research and nutrition education among wheat producers, processors, end product manufacturers, and consumers. Nutrition education programs will be conducted to disseminate information relating to the nutritional benefits or economic value of wheat, processed wheat, or end products resulting from research; promotional activities based solely on the desirability of wheat, processed wheat or end products will not be included. Such nutrition education can be carried out both within the United States and in international markets. Funds for the program will be generated from assessments of up to 5 cents per hundredweight on commercial wholesale end product manufacturers at the time they purchase "processed wheat" (including intracompany transfers of processed wheat between related companies or divisions of the same company) for use in "end products."

The terms "processed wheat" and "end product" as used in the Act are mutually exclusive. An "end product" is defined as a product which contains "processed wheat" as an ingredient and which is intended as produced to be used for consumption as human food, notwithstanding any incidental preparation which may be necessary by the ultimate consumer. "Incidental preparation" means such actions as thawing frozen bakery products or baking brown-and-serve products, so that frozen cakes, breads, or bread doughs, brown-and-serve rolls, etc., would be considered "end products" and, therefore, would be subject to the assessment.

On the other hand, "processed wheat" means the wheat-derived content of substances such as flour, self-rising flour, and cake mixes, which are not normally consumed as human food in that form, but rather used as ingredients of "end products".

Products such as graham crackers, granola, or other substances which may be consumed in their present form or used as an ingredient of another end product are within the definition of end product. Therefore, the assessment on the processed wheat purchased for use in the manufacture of such substances would be paid by the end product manufacturer who first manufactures them into a substance which can be consumed as human food. No further assessment, however, would be due from subsequent end product manufacturers purchasing such end products for use as ingredients of other end products.

The assessment is payable, at intervals determined by the Secretary, directly to the Wheat Industry Council on the amount of processed wheat purchased by end product manufacturers for use in the manufacture of end products. Therefore, for example, when a cake mix manufacturer purchases flour for use in the manufacture of a cake mix, whether such mix is to be sold directly to ultimate consumers or to commercial bakers, no assessment will be payable because cake mix is not an end product and he is not an end product manufacturer.

When a commercial baker buys flour, a mix, or any product containing processed wheat for use in producing an end product, he will be required to pay the assessment because he is an end product manufacturer. In order to allow end product manufacturers to calculate the assessment due, persons selling products containing processed wheat in combination with other ingredients (e.g., cake mixes) to end product manufacturers must disclose to them the wheat-derived content of such products. However, when persons buy cake mix, flour, or another product containing processed wheat for their own personal, family or household use, no assessment is payable because such persons are specifically exempted from the definition of "end product manufacturer" Persons who buy processed wheat and produce end products which are consumed on the premises where produced are also excluded from the definition of end product manufacturer. Thus, hotels, restaurants, and institutions, to the extent that they produce end products consumed on the premises, will not be subject to any assessment.

The concept of the legislation follows that of previous marketing order programs. The programs it authorizes will be administered, under the oversight of the Secretary of Agriculture, by a twenty-person Wheat Industry Council, composed equally of producers, processors, end product manufacturers, and consumers appointed by the Secretary from nominations submitted by organizations certified eligible by the Secretary. As in other marketing order programs, a referendum procedure is required prior to the adoption of an order and will be conducted among eligible end product manufacturers (those who will be subject to the assessment). A "voter registration" procedure is required and all voters will be required to certify (1) the amount of processed wheat contained in the end products they manufactured during a representative period defined by the Secretary, and (2) that they are not within the retail baker exemption of section 1607 of the Act. Votes must be cast by at least 50% of the registered end product manufacturers with approval favored by not less than two-thirds of those voting or a majority if such majority represents two-thirds of the processed wheat contained in the end products manufactured by those voting.

Upon approval of the order, the Council would develop plans or projects in accordance with the purposes of the bill and an annual budget, both of which would be submitted to the Secretary for his approval. A summary of the budget, including a general description of proposed research and nutrition education programs, would be published in the Federal Register. Such publication is only intended for notice-giving purposes and does not constitute a "rulemaking" procedure within the meaning of the Administrative Procedure Act. End product manufacturers would have 60 days thereafter in which to elect, in writing, to reserve the right to seek refunds for the following year. Refunds of the assessment would only be available to those who made such an election on an annual basis.

Retail bakers are specifically exempted from all the provisions of the Act as a matter of statutory right. The effect of this exemption is to free retail bakers from all obligations under the Act, including payment of the assessment, voting in the referendum, or serving on the Council. Retail bakers are defined as end product manufacturers who sell end products directly to ultimate consumers. End product manufacturers which derive less than 10% of gross end product sales revenues from sales to ultimate consumers are excluded from the definition so that wholesale bakers who do some minor retail sales will remain subject to the Act. End product manufacturers which derive 10% or more of gross food sales revenues from sale of products manufactured or produced by others are excluded from the definition of retail bakers so that large chain grocery store bakery operations will remain subject to the Act.

To receive the benefit of the exemption it would only be necessary for any end product manufacturer to demonstrate to the Secretary, if so requested: (1) that it does sell end products directly to ultimate consumers; (2) that it derives 90% or more of its gross end products sales revenues from such sales to ultimate consumers; and (3) that it does not derive 10% or more of its gross food or food products sales revenues from the sale of such products manufactured or produced by others. It is not expected that the Secretary would use his authority to require retail bakers to prove eligibility for the exemption except in rare instances.

All administrative costs of the Secretary in conducting the referendum and in administering the order will be reimbursed from assessments, meaning that the program will be totally self-supporting and be conducted, after approval of the initial referendum, at no cost to the government.

Enforcement of the Act and of the collection of the assessment would be the responsibility of the Secretary. A civil penalty of $1,000 for violating the Act is provided and would be levied through the courts. Delinquent assessments would be collected through civil suits brought by the Justice Department.

The order could be suspended or terminated by the Secretary or upon a referendum approved by a majority of the end product manufacturers subject to the order and voting in the referendum, or by end product manufacturers who produced end products containing more than 50% of the total processed wheat contained in all the end products manufactured by those voting. Otherwise, the order would continue indefinitely.

Mr. DOLE. Section 1201 of the Food and Agriculture Act of 1977, authorizes the Commodity Credit Corporation, upon the request of the Public Law 480 recipient country, to act as its agent in arranging the purchase and shipment, or both of title I commodities. This is not an amendment to put the shipping or purchasing agent of integrity out of business. Any agent who receives his contract in a fair manner, who has no conflicting interests and who renders honest and efficient professional services need not fear that the Public Law 480 country will cancel his service and turn to the USDA for shipping or purchasing functions.

Honest and efficient shipping and purchasing agents who operate in a businesslike and ethical manner offer services to Public Law 480 recipient countries that can greatly facilitate Public Law 480 title I exports.

It is intended that Public Law 480 recipient countries would not terminate the services of a shipping agent unless one or more factors such as the following prevailed:

First. There was reason to doubt the agents business integrity, honesty or ethics of his practices;

Second. There were indications that the agent was in a conflict of interest situation detrimental to the purchasing country or the fair and equitable operation of the Public Law 480 program;

Third. There was evidence that the agent's services were obtained through congressional or administrative pressure or through payments of a kickback or other scheme or device;

Fourth. There were indications of favoritism toward certain commodity suppliers or shipping companies or other program abuses, or;

Fifth. The agents services were judged to be unsatisfactory by the Public Law 480 recipient country.

Thus, the purpose of this provision is not to infringe on private enterprise but rather to insure that private shipping agents obtain their contracts from Public Law 480 countries in a fair manner and that they serve the Public Law 480 countries with whom they have contracts in an honest, businesslike, ethical, and legal manner.

Mr. President, this is aimed at the so-called Tongsun Park area. It is an effort to clarify and to make certain that if any wrongdoing did happen, it will not happen again. It is not aimed at honest and efficient shipping and purchasing agents.

Mr. President, there is some confusion as to how the target price works. I think many farmers may be under the impression that if the market price in their area is $1.90 and the target price is $2.90, they are going to receive $1 a bushel for their deficiency payment for 1977 wheat. That is not the case. It does not work that way.

Understanding any farm program is difficult. Our farmers are eager to get the details of the provisions of the farm bill we are approving today. Agricultural editors and farm writers throughout the Nation are a great help in converting the legal language of bills, laws, and Government regulations to understandable plain English.

An example of such talent is demonstrated in a recent article in the Wichita Eagle-Beacon, by John Bailey, that publication's Agribusiness editor, headlined, "Wheat Target Price Not What It Seems." Through interviews and actual examples, Bailey explains that farmers do not actually get the $2.90 per bushel target price or the $2.25 support loan levels that are provisions of the bill. As he explains, in many cases, the farmers target price will really result in about $2.54 for his whole crop, and the effective loan level is only $1.95 or less. This information will be helpful to farmers and citizens throughout the Nation, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEAT TARGET PRICE NOT WHAT IT SEEMS

(By John Bailey)

Even if President Carter accepts the 1977 wheat target price of $2.90 per bushel, Roger Lemon will be lucky to get $2.54 per bushel for the wheat he harvested near Wichita this year.

Across the nation, some farmers could net more than $2.90 per bushel. And some could get government money for wheat they didn't plant.

Confusing? You bet. And for farmers who don't understand the target price program, it's often disappointing, said Jim Searls, Sedgwick County executive director of the Agriculture Department's Agricultural Stabilization and Conservation Service (ASCS). ASCS administers the program.

Like county executive directors across the state, Searls has been flooded with calls from farmers who think they will receive $2.90 per bushel for their wheat. After all, that's the figure quoted in the new farm bill.

The farm bill has not cleared Congress. House and Senate conferees Friday completed the job of hammering out compromises between the House and Senate versions, but final congressional action will not come until after Congress reconvenes on Sept. 7.

There's a lot more to farm legislation than that $2.90 figure implies, Searls said. There is a system of historical wheat acreage, allotments and yields, a national average market price, a commodity loan level and a wheat marketing year (June 1 through May 31). All are factors in determining how much money a farmer gets from the government.

Using Lemon as an example, this is how the program would work.

This year, Lemon grew wheat on land in Sedgwick and Sumner counties. Under government allotments established during the early 1950s and since updated, Lemon could plant 219.5 acres in Sedgwick County and 106.3 acres in Sumner County.

On his Sedgwick County acres, ASCS assigned him a yield of 39 bushels per acre. This represented an expected average, Searls said. It was based on the condition and location of his land and on past yield records. On the Sumner County acres, Lemon was assigned a yield of 35 bushels per acre.

By multiplying his allocated acreage in each county by its expected yield, Lemon determined that he could produce 8,561 bushels of wheat in Sedgwick County and 3,720 bushels in Sumner County. Only the wheat grown under these allotments is protected by price support programs, Searls said. That was a total of 12,281 bushels.

In recent years, wheat prices were high and price-support programs were dormant. The government encouraged farmers to make their own decisions about how much grain to plant.

With no restraints on his planting, Lemon decided to plant more than his allotment. This summer, he harvested 271 acres in Sedgwick County and 152 acres in Sumner County. That gave him about 14,805 bushels of wheat to sell, or 2,524 bushels more than the government would cover under the target-price program.

Wheat production is only one factor involved in the program, Searls said. To trigger payments, the national average market price for wheat must be below the target price for the first five months of the wheat marketing year (until Nov. 1).

Thus, if the target price was $2.90 and the national average market price $2.50, producers would receive the difference of 40 cents on each bushel in their allotments, Searls said. And the payments would be made whether or not any wheat was produced on that allotment, he said.

But there are limits on the payments. If the national average market price was below the national average wheat loan level, another price-support mechanism in the farm program, the loan level would become a "floor" on payments.

For example, the national wheat loan level is now $2.25 per bushel. The national average market price for wheat was $2 on July 15, according to USDA figures. Any deficiency payments made to farmers under these circumstances would be limited to the difference between the target price and the loan level, Searls said.

If the current national average wheat price was to hold so that the average for the first five months was below the loan level, and Lemon sold his wheat at current cash prices of about $2 per bushel, this is what would happen:

Lemon would receive a deficiency payment of 65 cents per bushel, the difference between the $2.90 target price and the $2.25 loan level, on the 12,281 bushels from his allotment. That would be about $7,983.

For the 14,805 bushels he sold on the market for $2 per bushel, he would get $29,610, for a total of $37,593. That means Lemon's wheat would bring about $2.54 per bushel.

There is another limitation on the amount of money Lemon could collect in target price deficiency payments. Regardless of the size of his allotment or the number of crops he harvested, the government limits to $20,000 the amount any individual can collect this year through the target price program.

There are a number of pitfalls in the target price program, Searls said. Foremost is the national average market price. The government doesn't distinguish between wheat types when computing its average price.

Some wheats usually command premium prices over others. The durum wheat grown in north-central states and the White wheat grown in the Pacific Northwest command premiums under normal conditions, Searls said. That tends to bring up the national average price, to the detriment of Kansas Hard Red Winter wheat producers. In mid-April, the national average price paid for wheat was $2.41 per bushel, while Kansas producers received an average of $2.14, USDA reported. That difference narrowed to $2 nationally in mid-July versus $1.92 in Kansas.

Another pitfall confronting farmers is that the average national price must stay below the target price for five months before deficiency payments are triggered, Searls said. If a farmer sells his wheat at a low price during the first couple of months, and the average market price rises, the farmers could be out the deficiency payments.

A third problem is the link to the loan level, Searls said. The price can continue to decline below the loan level without triggering additional payments to farmers.

There is logic to the loan level floor, however, because the loan is, itself, a price-support program. A farmer can borrow money from the government under the loan program, using his grain as collateral.

If grain prices fail to rise enough during the 11-month loan life to suit the farmer, he can leave his grain with the government and keep the money.

But the loan level is similar to the target price. What a farmer sees is not necessarily what he gets. The national average loan level is $2.25 per bushel for wheat. But it differs from county to county depending on the costs of transporting grain from the county to a central grain market, or terminal.

In Sedgwick County, the loan level is $2.20 per bushel, Searls said. But a farmer must

pay one year's storage in advance to get a loan. He also must pay loan fees. And, if he repays the loan and redeems his grain, he must pay 6 per cent interest on the money he borrowed. He doesn't pay interest if he leaves his grain with the government, Searls said.

By the time a farmer has paid his storage charges and loan fees, he nets about $1.95 per bushel in Sedgwick County, Searls said. That amount varies from county to county.

The advantage of the loan is that a farmer can get operating cash while waiting for higher grain prices. And if grain prices skyrocket following the first five months of the marketing year, the farmer could collect deficiency payments and sell his grain on the market for the going price.

But grain market analysts say that in light of expected bumper world grain crops this year, the likelihood of a significant grain price increase is remote.

So the crucial issue confronting farm policy markers is whether wheat farmers can survive with the $2.90-per-bushel target price.

Mr. DOLE. Mr. President, today I received the September issue of the Farm Journal. It contains a particularly good editorial calling attention to the good provisions of the bill and some cautions about other provisions of the bill, depending on how it is administered. I ask unanimous consent that this editorial "New Farm Bill—A Mixed Bag" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW FARM BILL—A MIXED BAG

Like many farmers, we have feelings of ambivalence about the new farm bill.

We commend the bi-partisan group in Congress which pushed through the financial relief many farmers desperately need. But at the same time, we see in this bill many of the old, familiar pitfalls of the past:

Target prices high enough to help hard-pressed farmers are high enough to make others overproduce.

If the Secretary cuts acreage in the wrong way to bring supply in line with demand, farmers will drop out of the program and overproduce anyway.

We fear Congress had mandated loan rates which will allow other countries to take our export markets.

In other words, we are back in a government-administered market. It will take extremely able administration, plus a little luck, to prevent another prolonged build-up of surpluses like that of the 1960s.

But first things first. This bill should put money into the hands of wheat farmers yet this year—and that's none too soon for many of them. Farmers must have a safety net, we said in this space in March 1975, and we explained why:

"All-out production (which consumers were asking for) will mean a big crop and disastrous prices one of these years. With the heavy debt load that many farmers now carry, with the tremendous costs of producing a crop, and with the political nature of world grain markets, the risks are just too great for farmers to bear alone—even for a single year."

The year just past proved to be that year for wheat growers. And judging from the big corn crop that's shaping up, the marketing year just beginning may be equally fateful for feed grain producers. Some officials estimate that the new bill could cost the Federal Government as much as $5.5 billion in target price and loan operations during the next year. That's not unreasonable for an industry which grosses over $100 billion annually. Besides, more than half will be paid back.

The biggest cost to farmers and to the nation will come in the market place if this bill once again fails to bring supplies back into line with export and domestic demand. And that's very possible unless the weather intervenes or unless the USDA does a particularly astute job of administration. Targets of $3.05 for wheat and $2.10 for corn next year are high enough to make money for many growers. USDA officials admit that if they cut acreage by as much as 30 percent, it would reduce income so much that a lot of farmers would drop out of the program entirely. Well, the bill is still flexible enough that the Secretary can raise the ante and "bid" additional acres into the set aside. We hope he does so.

He may have a problem, too, with milo and barley. To entice more land out of wheat, Congress raised the 1978 targets on milo to $2.39 per bushel and barley to $2.33. That throws both out of whack with corn in relative feeding value. So the USDA may have to make deeper acreage cuts for these crops than for corn.

But the level of the loan rates worries us even more. Some farmers seem to feel that whenever wheat and feed grains sell on world markets at prices below their own cost of production, as wheat has been doing the last several months, we should just stop selling overseas. But that's not realistic when over half of our wheat has been exported the last five years.

We have to meet the world price, or our wheat just piles up and sits there. That was the whole point of the target price idea: To keep the loan rate low enough to be sure our crops are always competitive, yet keep targets high enough so our farmers don't go broke.

Of course, the bill gives the Secretary the power to lower loan rates. But it still establishes an absolute floor of $2 for wheat and $1.75 for corn. Cotton growers have learned the folly of loan floors. That's why they asked for and got a loan rate that is 85 percent of the four-year average price in U.S. spot markets or 90 percent of the Liverpool, England, price, whichever is lower. They've had enough of watching foreign growers and synthetic producers crawl in under our price floors.

You fared well in the grain reserve sections of the bill. Your friends in Congress beat back proposals to build a gigantic reserve of 25 to 35 million tons of grain. No matter who held title to it, that much grain would keep your prices at or below the loan rate. The Committee settled for a more modest 300 to 700 million bushels of wheat, and left a feed grain reserve to the discretion of the Secretary.

With the extended reseal provision, grain in the reserve can remain under your control. You'll be able to redeem your loans when prices rise to a release point somewhere between 140 percent and 160 percent of the loan rate. In exchange, you'll give up the chance to cash in on a sudden price run-up like that of 1972. The Secretary may take title to grain whenever prices reach or exceed 175 percent of the loan level.

So the new farm bill represents a trade-off of short-range relief for probable long-range troubles. Farmers need and deserve the help they are getting now. But the benefits aren't going to last unless we take the necessary cuts and get back to collecting our money in the market place and not from the government.

Mr. DOLE. Mr. President, I think that because some Members were under the impression there would not be a rollcall vote, they may have left the Chamber and left the Capitol early.

I point out some Senators who have had important input in this legislation and who will not be here for the vote are the distinguished Senator from Oregon (Mr. PACKWOOD), the distinguished Senator from Indiana (Mr. LUGAR), a member of our committee, the distinguished Senator from Idaho (Mr. MCCLURE), the distinguished Senator from Kansas (Mr. PEARSON), and the distinguished Senator from Texas (Mr. TOWER). They wanted to make some supportive remarks, in the interests of expediting the approval of the report, and I wish to indicate their interest in and their support of this legislation, even though they will not be here for the yea-and-nay vote. I want my colleagues to know of their awareness of the importance of this legislation to the farmers of the Nation.

Mr. YOUNG. Mr. President, this is one of the best farm bills that has passed Congress during my service here. It is one of the most comprehensive farm bills and covers more commodities and programs than any other bill of this nature in my time. This bill is one of the best farm bills ever written and I think it is a far better bill than most people realize. This is due to the fine leadership of the Senator from Georgia (Mr. TALMADGE) and the ranking minority member, the distinguished Senator from Kansas (Mr. DOLE).

In Senator TALMADGE, we have a great leader, one who is respected not only among the Members of the Senate but also throughout the field of agriculture all over this Nation.

I know of no chairman during my service here who has been more able and effective in handling a bill than has the Senator from Georgia and I have been on the Agriculture Committee some 32 years. There has been none better.

In Senator DOLE, we have one who sought membership on the Agriculture Committee, both in the House and in the Senate. This is an outstanding example of his deep interest in agriculture. His knowledge of agriculture was evident many times throughout the hearings and writing of this comprehensive bill. These two Senators constitute the best team one could possibly have.

I also point out the bipartisanship of this committee. Every member of the committee voted for this bill, and I think everyone felt it was a good bill. I do not recall any other time in all the years I have been on this committee when the members were unanimous in support of an agriculture bill. As I said before, it is a most comprehensive and far-reaching and in some respects more complicated bill than any other with which I have ever dealt.

Mr. ANDERSON. Mr. President, the serious economic plight of Minnesota's sugar beet growers makes it imperative that we approve the conference report on the farm bill today but I must admit I would be a lot happier if I could determine what the Department of Agriculture intends to do about implementing the sugar cane and sugar beet price support amendment of this legislation.

There is nothing unclear about the action taken by the Congress, nor about the intention of the conferees. But there certainly is confusion in my State about the

on-again, off-again attitude and stalling actions of the Department of Agriculture—seemingly in direct defiance of the intent of the conferees.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a letter I have today sent to Chairman TALMADGE of our Committee on Agriculture, hoping he can help clarify the situation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Washington, D.C., September 9, 1977.

HON. HERMAN TALMADGE,
Chairman, Committee on Agriculture, Nutrition, and Forestry, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR TALMADGE: I urgently request your Committee to immediately look into what appears to be the outright defiance by the Department of Agriculture of an agreement by the farm bill conferees a month ago on sugar price supports.

Our Minnesota sugar beet growers, in serious financial plight and attempting to renegotiate financing of a cooperative refinery threatened with bankruptcy, are understandably confused by the on-again, off-again attitude of the Department that has stalled any action at all on the sugar program.

I call your attention to the enclosed release carried Wednesday by the Commodity News Service, titled, "USDA Withdraws Support for Sugar Tariff Plan." It states that the U.S. Department of Agriculture has decided the sugar support program in the 1977 farm bill should not be implemented with tariffs or quotas and quotes an unnamed aide to Agriculture Secretary Bob Bergland as the source of this information.

It is my understanding from Senator Humphrey that the Senate-House conferees specifically called for implementation of the new sugar amendment by an import management program that would not require government acquisition of sugar crops. Sugar beet growers in Minnesota had been so informed weeks ago. They were also informed that the Conferees recommended immediate implementation of the new import management program so to achieve the support level in the market place, even before legislation was signed into law by President Carter pursuant to the Department of Agriculture's existing authority in this area. This issue is discussed in the Conference Committee Report in Section 902.

Our growers have been waiting for action ever since receiving this information on the Conference Committee's deliberations. They were encouraged when CNS carried a story on August 17 quoting Agriculture Secretary Bob Bergland that he supports implementing a sugar tariff of about 4 cents per pound as part of the support program and that he would recommend this approach to President Jimmy Carter the following Monday.

However, no action has been taken by the Department of Agriculture to protect our growers, as harvest time approaches. Now, with this latest information our growers do not know what to think and I share their concerns.

I am also enclosing a copy of a telegram sent to President Carter and my office by Cy Carpenter, President of the Minnesota Farmers Union, protesting this delay in implementing the new program and requesting "immediate implementation of the sugar provision of the farm bill, in accordance with the clearly stated intent of Congress."

Unless your Committee can get some clarification or assurances from the Department of Agriculture or the White House on this matter, I am at a loss as to what to tell our disturbed Minnesota producers.

With warm personal regards.

Sincerely,

WENDELL R. ANDERSON,
U.S. Senator.

Mr. ANDERSON. Mr. President, I also ask unanimous consent that a copy of the Commodity News Service release carried on its wires Wednesday, September 7, headed "USDA Withdraws Support for Sugar Tariff Plan," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

USDA WITHDRAWS SUPPORT FOR SUGAR TARIFF PLAN

WASHINGTON, September 7.—The U.S. Department of Agriculture has decided the sugar support program in the 1977 farm bill should not be implemented with tariffs or quotas, according to an aide to Agriculture Secretary Bob Bergland.

During a U.S. House-Senate conference on the farm bill, USDA representative Howard Hjort said tariffs would be the most likely method USDA would use to support sugar at the 13.5 cents a pound called for by Congress. Other methods to carry out the support program would be for USDA to purchase domestic sugar at less than 13.5 cents and then resell it or to impose quotas on imported sugar.

The Bergland aide today told CNS Bergland now doesn't think tariffs are realistic and he wants to implement the program without them. The aide said Bergland also does not like the idea of quotas. Other administration sources say existing law may prevent USDA from using the purchase resell approach if it means selling its stocks at a loss.

The International Sugar Agreement (ISA) currently under negotiation may be the last chance of obtaining needed support for U.S. producers, according to the aid and other administration sources.

Assistant Secretary of State Julius Katz last week told CNS he is still hopeful a successful agreement can be reached when ISA delegates meet for three weeks beginning Sept. 12.

A USDA official told CNS the Department also is concerned over establishing minimum wage rates for U.S. sugar industry workers, as required under the farm bill sugar program. USDA will ask for hearings on the issue after proposing a program to implement the farm sugar bill requirements.

USDA's desire to drop the tariff is "not surprising" according to Susan Bell of the House Agriculture Committee staff.

Bell said the decision to scrap import quotas is also understandable, since quotas "wouldn't have complied with an ISA".

Bell said farm bill conferees are not likely to reopen the conference due to the tariff/import decision.

Mr. ANDERSON. Mr. President, I cannot understand what appears to be an outright defiance by the Department of Agriculture of what the farm bill conferees specifically asked of them, and what the Department's spokesman at the conference sessions assured the conferees they could and would do.

Neither can our confused growers understand the department's inaction. They were informed when we went into recess that the Conferees had requested USDA to implement the new program at once, under its existing authority, without waiting for this legislation to be signed. They were also informed by members of the conference on the Senate side that it was to be implemented by an import management program to achieve the support price in the marketplace. This program would not require the expenditure of CCC funds, but produce revenue for the government instead as a result of added tariffs and duties on imported sugar. The conference committee report reflects these understandings in section 902.

Our Minnesota growers are angry over the Department's delaying tactics. Mr. President, Cy Carpenter, president of the Minnesota Farmers Union, sent the following wire to both President Carter and me on September 1:

We respectfully request your personal attention to cause immediate implementation of the sugar provision of the farm bill, in accordance with the clearly stated intent of Congress.

Continued importation of sugar at present astronomical levels will destroy an already fragile domestic market and might well render the sugar portion of the farm bill totally unworkable for future application.

Your prompt attention is sorely needed.

Mr. President, is this latest Commodity News Service report of no action the only answer our distressed farmers are going to get from the Department of Agriculture?

What this bill—and its proper and early implementation by the Department means to our Minnesota growers is best reflected by an article published August 14 in the Minneapolis Tribune, quoting Minnesota's Commissioner of Agriculture Bill Walker as saying the Federal sugar price support program is considered essential in salvaging the financially troubled Minnesota Beet Sugar Cooperative near Renville, Minn.

Mr. President, I ask unanimous consent that the Minneapolis Tribune article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Tribune, Aug. 14, 1977]

WALKER TIES BEET CO-OP SURVIVAL TO SUGAR BILL

(By Eric Pianin)

WASHINGTON, D.C.—The federal sugar price-support program, which awaits final action by Congress, is considered essential by Minnesota Agriculture Commissioner Bill Walker in salvaging the financially troubled Southern Minnesota Beet Sugar Cooperative near Renville.

"Without that bill, there would be a grave loss of sugar beet producers, which would threaten the co-op," Walker said last week.

But even federal imposition of a 13½-cents-per-pound floor on sugar prices is no guarantee that the 309 sugar beet farmers in the co-op will be able to salvage their operation.

The co-op was formed several years ago when founding members invested $10 million in equity and obtained short-term financing totalling $58 million from three banks—First National Bank of Minneapolis, Continental Bank of Illinois and Morgan Guaranty of New York. The loans from the banks were used to pay for construction of

the refinery and to capitalize the interest on the loans.

Construction of the plant was scheduled to be completed in 1974—a bonanza year, when sugar prices soared to as much as 65 cents per pound. But mechanical and labor problems delayed the opening of the plant until the middle of the 1975 sugar season, according to a plant official, and resulted in much higher construction costs than were anticipated.

The three banks, anxious to salvage a portion of their loans in the face of a depressed sugar market, reportedly agreed to accept a total of $19 million in cash and a promise of another $11 million later, if the co-op began showing a profit.

Officers of the co-op have applied to the St. Paul Bank for Cooperatives for $19 million in long-term financing, which would enable the co-op to pay off the other three banks.

However, the St. Paul bank has refused to act on the loan application until the sugar price-support program has been enacted and an analysis of its economic impact has been prepared, according to Walker, who has met with the bank officials.

Walker has warned that if the Renville refinery closes, "it may be the first domino to fall in a potential chain reaction of significant economic consequences."

There are three sugar cooperatives in Minnesota and neighboring North Dakota, including the one in Renville, the American Crystal Sugar Cooperative in the Red River Valley, and the Minn-Dak sugar cooperative, with headquarters in Wahpeton, N.D. A total of 2,300 sugar-beet farmers belong to the three co-ops.

Last year, those co-ops produced over 25 percent of the nation's beet sugar, at a rate of about 1 million pounds per day.

Mr. ANDERSON. I am sure Senators from other beet-growing and cane-growing States are hearing the same concern from their growers—concern both over delays in getting this program started, and concern over the Department of Agriculture apparently trying to distort the intent of Congress on how the legislation is to be implemented. I deeply regret that my colleague Senator HUMPHREY is not here today to further press this issue, as he was the sponsor in the conference of the Senate's acceptance of the de la Garza amendment for sugarcane and sugar beet price supports. The conference intent was unanimous. But now we seem to be frustrated by foot-dragging in the executive branch.

I am informed the Department of Agriculture has emergency authority to implement this program at once. I implore them to do so without further delay, to end all this confusion and end the flood of cheap sugar imports that service only the interests of a few big industrial users and threaten the economic collapse of our domestic sugar industry.

Mr. President, I am extremely pleased by reports today that Secretary Bob Bergland has negotiated an "agreement in principle" with other sugar producing nations to stabilize the price of sugar. Yet it will be months before any such agreement will take effect. Our Minnesota sugar beet farmers do not have these precious months to wait. They need help from USDA immediately and hence my request to Chairman TALMADGE to investigate the lack of action by the Department to the conference committee direction on sugar.

Mr. LEAHY. Mr. President. I strongly support the provisions of S. 275 as agreed to in conference. I believe the bill achieves the balance necessary for a comprehensive national food policy. The bill as reported from the conference committee delicately balances a number of necessary, yet sometimes competing, objectives—maintenance of a strong market orientation for American agriculture, the greatest possible freedom for farmers to make their own management decisions, maximum price assurance to protect farmers from economic disaster as well as to provide a stable supply of food and fiber to consumers, and minimum costs to our taxpayers.

I commend the hard work of the conferees. I especially praise the distinguished chairman, Senator TALMADGE, for his leadership in guiding this legislation through all the hurdles it has faced over the last 9 months.

As a Senator who played an active role in consideration of this legislation, there are a few provisions I would like to clarify before we endorse the conference reports.

First, the conference agreement on S. 275 contains a number of important provisions relating to the dairy industry. I would like to briefly comment on two which amend the dairy price support program authorized by the Agriculture Act of 1949.

This legislation increases the minimum level of dairy price support from 75 to 80 percent of parity through March 31, 1979. This is the provision approved by the Senate earlier this year. This will allow establishment of the price support level in a range between 80 and 90 percent of parity. While retaining the flexibility needed by the Secretary of Agriculture in administration of the program, the higher minimum affords farmers a needed measure of price assurance.

An important feature of the legislation is the requirement that the price support level be adjusted semiannually to reflect changes in the parity index. The purpose of such an adjustment is, quite simply, to prevent inflation-fed erosion of the price support level during the marketing year. By requiring such semiannual adjustment, we are seeking to assure the dairy farmer that the level of price support throughout the marketing year will have the same value, in terms of parity, as it did at the beginning of the year.

Several times in recent years, sharp increases in the cost of production have reduced the value of the price support level during the marketing year, thus lessening the price assurance the program is intended to provide.

In the administration of the price support program, the practice has been to establish a price support level at the beginning of the marketing year—presently April 1—and to maintain the announced dollar level of support through March 31 of the following year. A midyear adjustment has been made, partially as the result of congressional urging, in each of the last 2 years. Secretary Bergland is presently considering a similar adjustment for the current year.

The importance of such action can be seen if we take a look at the impact of inflation on the price support program in several recent years. In March 1973, the price support level was set at 75 percent of parity, $5.29 per hundredweight. By August of that year, the $5.29 level represented little more than 71 percent of parity.

Under congressional mandate, the price support level was increased to $5.61 per hundredweight in August 1973—80 percent of parity—but by March 31, 1974, the end of the marketing year, this had declined to 69 percent of parity. For the 1974–75 marketing year, the support level was set at 80 percent of parity on April 1, 1974—$6.57 per hundredweight. By the end of December 1974, $6.57 represented less than 73 percent of parity.

Thus, by mandating a midyear adjustment as we have in S. 275, we are assuring dairy farmers that the effect of inflation will be moderated.

Some concern has been expressed regarding the precise interpretation of the semiannual adjustment provision. S. 275 states—

> The support price of milk shall be adjusted by the Secretary at the beginning of each semi-annual period after the beginning of the marketing year to reflect any estimated change in the parity index during such semi-annual period.

As the author of the amendment in the Senate Committee on Agriculture, Nutrition and Forestry, it was my intention that the semiannual adjustment take into account any erosion in the price support level as a percentage of parity since the beginning of the marketing year. Restoring the price support level in this manner will have the effect of accomplishing our goal, the assurance to the dairy farmer that the announced level of price support affords the same degree of price assurance at the end of the marketing year as it did at the beginning of the year when it was established.

The second area of the farm bill I would like to address is the food stamp section. In particular, I draw my colleagues' attention to the compromise the conferees reached on the income deductions section of the bill. I believe the compromise needs some explanation. In the conference it was clear that the House conferees were unable to accept the Senate version of the excess shelter deduction because of the higher gross income ceiling for four-person households. As the author of the shelter deduction, I suggested to the conference committee a way in which that major objection could be met.

That compromise is that instead of a household being able to claim both an excess shelter and a dependent care—as in the Senate bill—a household could claim a shelter and/or dependent care deduction up to $75 a month. Thus, the gross income ceiling remains at the level adopted by the House.

The computation of the shelter and dependent care deductions would be the same as provided under the Senate bill. That is, the dependent care deduction is for the actual cost of dependent care when necessary to allow a household

member to continue employment, or training or education which is preparatory for employment, and the shelter deduction is for the amount by which a household's shelter costs exceed 50 percent of their income—after other deductions, including the dependent care deduction. Either deduction, or a combination of both, would be limited a maximum of $75 a month, and the dependent care and shelter costs would be calculated as anticipated during the certification period and as defined under current rules.

There are some other areas of the food stamp title of S. 275 which are very important to the poor people of my State. Vermont is one of the most rural States in the Union, and as such, it is difficult for many poor households to currently participate in the food stamp program, because of the transportation difficulties. One provision of S. 275 will increase the program's accessibility for rural poor. It requires the Secretary to set up standards—standards with teeth—for the location, and hours of operation of, certification and issuance offices. This, combined with the elimination of the purchase requirement, should make the program truly open to all those in need. I urge the Secretary to take the intent of this provision seriously and endeavor to implement our goal of reaching all those in need. Without accessible offices, the program cannot hope to meet its objective of insuring that all needy people have the opportunity to improve their diet through the use of food stamps.

The conference adopted the House version of the income exclusion for reimbursements. I am informed that the current rules require some sources of money to be counted as income even when they do not constitute a gain to the household. In Vermont, again because of its rural characters, some of the workers in the Community Action Agencies, as well as in other jobs, are reimbursed for travel costs incurred in the context of their work. Currently, the food stamp offices must count these mileage reimbursements as income for food stamp purposes. This clearly does not make any sense. The conference-adopted provision excludes as income any reimbursement of any kind—whether it is received by workers, students, or CETA employees—which does not constitute a gain to the household. Though a very minor provision in the act, this reform will mean a great deal to those it affects.

These provisions of the food stamp section of the farm bill will certainly have a great effect on making the food stamp program more accessible and more equitable. However, another provision of the bill, the elimination of the purchase requirement, will have the greatest impact on the equity, simplicity and accessibility of program. I thank Senators McGOVERN and DOLE for their sponsorship of this provision. Because EPR is such an important gain, I hope that it will be implemented as soon as possible after this bill's enactment. This reform is not dependent on other features of the bill, and thus does not have to wait until more complicated provisions are in place. I urge the Secretary not to delay in implementing the EPR provision.

Mr. President, I urge my colleagues to adopt S. 275 with the amendments suggested by the conference committee.

Mr. CLARK. Mr. President, I support the conference report on S. 275—the Food and Agriculture Act of 1977. I want to urge the Senate to join me in support of this important legislation, and I want to commend the Senate Committee on Agriculture, Nutrition, and Forestry and its chairman, the distinguished Senator from Georgia, for his foresight and diligent efforts in developing this bill and moving it through to final passage so expeditiously.

Long before last fall's election, Chairman TALMADGE was at work directing the committee staff to put together a comprehensive, long-term farm bill. Early this year, the results of that foresight emerged in a committee draft bill. Committee members were able to take the committee draft to the field for hearings in early January, and we held three hearings in Iowa on this bill in some of the coldest weather I have encountered in some time.

Chairman TALMADGE managed the almost impossible task of holding extensive hearings on the draft bill, and of scheduling markup late enough so that the incoming, new administration would have a maximum opportunity to make an input in the bill, but still complete work on the draft in time to beat the budget deadline for reporting the bill to the floor. The committee met early and long and worked through the bill and reported it to the floor in advance of the May deadline.

It took the same kind of determination and leadership to work through the conference that began in July—as soon as possible after the House passed their version of the farm bill. Finally, just before the August recess, the conference agreed on the provisions of the bill—after having worked through several hundred complex and important differences in somewhat less than 1 week's time. Mr. President, this has been a remarkable effort by Chairman TALMADGE and his staff and they deserve our commendation and our thanks.

The result of this hard work is a strong bill. It provides for major improvements in all of the areas where the earlier farm bill was weak. It increases loan and target prices for each major commodity. It significantly improves the disaster program for the intervening period while the Secretary is developing a new, greatly strengthened, insurance program. It provides for a strengthened research program to insure that our future supply of food and fiber will be forthcoming. It strengthens the food stamp program, especially by removing the purchase requirement, but by a number of other changes as well. And, it strengthens the Public Law 480 food for peace program by increasing program funding.

Clearly, Mr. President, these are important improvements. However, in some regards, the bill does not go far enough. It does not provide feed grain producers as much target price protection as I had hoped, for example. I was disappointed that the corn target price is below the cost of production for corn, as that cost is computed by the Senate Agriculture Committee. But, on the whole, this farm bill's provisions appear to be about the best we could have gotten the President to support.

I have one concern I would like to discuss at this juncture, Mr. President. I hope that the Secretary of Agriculture will move as quickly as possible to implement the authorities of this bill to the maximum benefit of farmers.

There is a great deal of discretion for the Secretary in this bill. There must be if the Secretary is to have the flexibility he needs to meet unforeseen situations. But, that means that there are many ways to cut concerns on programs to reduce budget impacts, and in the process cause serious damage to farmers. In the past, this discretion has sometimes meant that programs were simply not available to any significant extent when they were needed most.

I know Bob Bergland well, and I know we can count on him to fight for the farmer every time. But, in a government as complex as ours, there are other important decisionmakers as well as the Secretary—even when the law gives the authority for a decision clearly to the Secretary of Agriculture. There is always OMB, for example, and budget impacts must always be taken into consideration.

In that context, I want to say to President Carter that we are passing a strong farm bill here, and we mean for him to administer strong farm programs to the significant benefit of farmers when they need help.

Part of my concern arises over the current corn surplus problem and the administration's handling of it so far. Corn prices at interior Iowa points are now a disaster in themselves. Producers are understandably upset and angry. In many cases they are getting less than $1.50 per bushel for corn—more than 70 cents below their average cost of production.

Many producers are being forced to sell at these prices because they have debts to pay, and because they must move their 1976 crop corn to make room for the 1977 crop which is about to begin to come in from the field.

The administration has announced a 2-month extension of the 1976 crop loan program, but it has not really addressed the problem of the very large surplus of corn farmers are still holding—old crop corn from last year. I am asking the Secretary in a letter today to move immediately to exercise his authority to extend the 1976 crop loan program for another full year, and to reopen the 1976 loan program for corn not originally placed under loan. Without this immediate help, farmers will increasingly be forced to sell at current, depressed prices.

It is, frankly, difficult for me to understand the administration's failure to move more forcefully in this area so far. Certainly, current low prices warrant prompt action. I urge the Secretary to move quickly to reduce current price pressure. And, I hope the administra-

tion's past response is not completely indicative of the way they intend to manage these programs under this new law.

In summary, Mr. President, I believe this is a strong bill. I have high hopes for its fair and effective administration. I hope the Senate will join me in its support.

I wish to commend my colleagues on the conference committee for S. 275, the Agriculture Act of 1977, particularly for their well-balanced, reasoned approach to the reform of the food stamp program.

Mr. CLARK. Mr. President, their consideration of the food stamp program represents the culmination of over 2½ years of congressional review of the program, and adoption of the conference report will result in the creation of a much stronger, better targeted program to provide low-income people with a vital nutritional supplement.

The food stamp portions of the bill represent a two-pronged approach to the problems in that program—both real and perceived. On the one hand, the program is tightened up significantly through the establishment of gross income eligibility levels, new fraud penalties and an expanded work registration provision. On the other hand, access to the program is greatly expanded through the elimination of the purchase requirement, EPR, simplified certification procedures, a simplified system of deductions and a mandate of specific certification and issuance standards.

The single most important reform, enacted overwhelmingly by both Houses of Congress, is EPR. This provision will enable several million poor people who cannot now afford the cost of stamps to take advantage of the program. Prompt implementation of EPR is critical to the continued successful operation of the program, and it should not be delayed, even if it means implementing EPR prior to the other standards of eligibility.

Program participation will also be greatly expanded on Indian reservations through the provisions which allow for tribal administration of the program and dual operation of commodities and food stamps. The latter provision, like EPR, is critical to the operation of the program and to nutritional access for Indian people. The commodity provisions contain two key elements. The first is the right of Indian tribes to opt back into the commodity program. It is important that this provision be implemented expeditiously. Second, the bill requires an upgrading of the commodity package. While the bill does not specify the contents of the commodity package, the new commodity package should closely approximate the benefits available under the food stamp program because commodities and food stamps are intended to be interchangeable.

Access to the program is eased through specific and general administrative directives designed to simplify program administration and to provide for uniform national operation. An example of the former is the directive to provide for a single certification interview and simplified application process for public assistance and SSI recipients. Additionally, the Secretary is required to establish specific program standards for the location and operation of certification and issuance centers. In developing standards it is important that the Secretary look to the real problems faced by potential recipients, and develop innovative and imaginative responses to these problems.

The whole intent of this provision is to make it easier for eligible people to participate, whether they are people who work during most normal hours of operation, people located in remote rural areas or people who are merely unable to participate through the normal certification process due to infirmities, age or other similar problems.

Another administrative problem—the length of the certification period—is addressed in the bill. Currently, far too many food stamp households are assigned short—1 month—certification periods, and the resulting administrative delays, caused by constant recertification, act as an impediment to program participation. The bill's approach is to mandate a minimum 3-month certification period, which should be longer for the elderly and people on fixed incomes, with only a few specific exceptions. The bill authorizes one month or shorter certification periods, but only when absolutely necessary. Examples of situations which would trigger a shorter certification period include: the initial certification of migrant farmworker households; certification of households pending receipt of AFDC, General Assistance, SSI benefits or unemployment insurance; temporary assistance to households of striking workers; and, for people certified within 48 hours of application under the expedited issuance provision.

The conference committee compromised on the guarantee of a nutritionally adequate diet. Our bill provided for a nutritionally adequate diet, and the House bill contained no similar language. This difference proved merely academic, however, since both bills specified the use of the thrifty food plan. Under the conference report, USDA is to set uniform coupon allotments—differentiated only by household size and for Alaska, Hawaii, Puerto Rico, and the territories—based on recipients' actual costs of food at the check-out counter. Since the cost of food differs around the country because of living costs, taxes, transportation costs, and other factors USDA should use an averaging formula to develop the uniform coupon allotments.

In tightening up work registration, we have added a major provision—the requirement that people engage in reasonable job search activities. While I feel it is important that the policy of the Federal Government be to encourage and assist people in obtaining employment, it is equally important that the job search requirement not become solely a tool for limiting participation. It is for this reason that the Secretary was given the discretion to establish job search requirements, rather than having uniform requirements. In so doing, the Secretary must take into account the likelihood that such activities would actually lead to employment, the previous work experience, age and capabilities of registrants, and the ability of registrants to travel to seek employment.

Finally, the conference committee adopted a modified version of a House-passed pilot project to require recipients to work off their food stamps. This pilot is to last 18 months from the adoption of the bill, and it is supposed to test the feasibility of workfare in seven urban and seven rural areas. Although previous workfare programs operated in the contexts of welfare programs have proven unsuccessful, it is important that it be tested fully. Therefore, it should be implemented expeditiously so that the final report, due at the expiration of the pilot's authority, contains valid conclusions.

Once again, I urge my colleagues to adopt the conference report and thank the conferees, and particularly Senator TALMADGE, for their very able representation.

Mr. JAVITS. Mr. President, I commend the committee's chairman, Mr. TALMADGE, and the ranking Republican of the committee, Mr. DOLE, for their diligent work on this conference report and I support the conference report.

I am especially pleased by the specifics of the food stamp title, although I would have preferred that my State receive a fairer portion of the food stamp program. Many households in New York will be terminated from the program, and others will be hurt; that is never easy to accept when one considers the inordinate costs poor people must bear in my State.

However, there is much in the food stamp reform proposal that demands support and which, on balance, influences my judgment on the entire package. Many of the obstacles New Yorkers have experienced will fall once this bill is in place.

Prime among those hurdles is the purchase price. Many New Yorkers, as well as other people eligible for food stamps around the country, were forced to forgo all or part of their benefits because of their inability to scrape up the purchase price. This barrier is dropped under the conference bill, and the sooner this provision is implemented, the better the program will be able to serve the poor dependent on its health-vital assistance.

The elimination of the purchase price should be put into effect as soon as is administratively feasible after this bill's enactment. There is no reason for delay, insofar as it will only serve to simplify the program's administration. Since it only changes the method of delivering benefits, and not the level of assistance itself, there is no reason to wait until the entire regulatory package is in place.

This food stamp bill wisely encourages food stamp participants to work. I consider this one of the strengths of the current program, and I am pleased this principle was retained in the reform package. In this regard, I would like to single out one conference committee action on behalf of my distinguished colleague from Massachusetts, Senator BROOKE, who shares my concern in this area.

The conference adopted an amend-

ment Senator BROOKE introduced on the floor with a House variation. The aim of this provision is to exclude from the computation of income any reimbursements received by a household member which do not represent any real gain to the household. This is a sound decision, for the counting of such reimbursements represents a disincentive to work.

Take, for example, the case of messengers who operate their own vehicles in the course of their job. The chances are that these workers are paid close to the minimum wage and, in addition, are reimbursed for their mileage. These workers, who could very well be eligible for food stamps, would have both wages and the mileage requirement counted as income to determine food stamp eligibility under the current rules. Since the mileage reimbursement represents only money that they have already spent to hold their jobs, it is unreasonable to count that as income. Thus, I applaud the conference committee's decision to exempt such reimbursements, and to end this work disincentive.

I should further note that this income exclusion would also be applicable to other workers; students receiving specific reimbursements for travel, for example; CETA workers reimbursed for specific costs; and people serving as volunteers who are reimbursed for travel and/or meals.

There is one final provision in the bill which has come to my attention and which I feel needs some discussion. The bill authorizes the establishment of a separate poverty line—to be used as the net income eligibility level—for Puerto Rico and the territories. I am troubled by this provision and urge the administration to resist developing a separate standard. Food stamp eligibility should be set at a level of need, and the level of need on the island of Puerto Rico is roughly the same, if not higher, than on the mainland. Indeed, some studies have shown food costs to be approximately 20 percent higher in Puerto Rico than in the continental United States.

However, if the administration should choose to set new standards for Puerto Rico, it should use the same methodology that was used to establish the U.S. poverty line. This would require the use of food costs as the key factor in setting the poverty line. If different criteria were used in the development of a Puerto Rico poverty line, it would be nothing more than arbitrary discrimination against those U.S. citizens, penalizing them for poverty.

Once again, I compliment my colleagues on the Agriculture Committee for their long and hard work on this legislation.

The PRESIDING OFFICER. The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN), the Senator from Maine (Mr. HATHAWAY), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Rhode Island (Mr. PELL), the Senator from Illinois (Mr. STEVENSON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Delaware (Mr. BIDEN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE), is absent on official business.

I further announce that, if present and voting, the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from North Carolina (Mr. MORGAN) would each vote "yea."

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) would vote "nay."

Mr. STEVENS. I announce that the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from North Carolina (Mr. HELMS), the Senator from Indiana (Mr. LUGAR), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), the Senator from Oregon (Mr. PACKWOOD), the Senator from Kansas (Mr. PEARSON), the Senator from New Mexico (Mr. SCHMITT), the Senator from Texas (Mr. TOWER), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD), the Senator from Indiana (Mr. LUGAR), the Senator from Kansas (Mr. PEARSON), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Texas (Mr. TOWER) would each vote "yea."

The result was announced—yeas 63, nays 8, as follows:

[Rollcall Vote No. 362 Leg.]

YEAS—63

Allen	Domenici	Metzenbaum
Anderson	Durkin	Moynihan
Baker	Eagleton	Nelson
Bartlett	Eastland	Nunn
Bayh	Ford	Percy
Bellmon	Gravel	Randolph
Bentsen	Hansen	Riegle
Brooke	Hart	Sarbanes
Bumpers	Haskell	Sasser
Burdick	Hayakawa	Schweiker
Cannon	Hollings	Sparkman
Case	Huddleston	Stafford
Chafee	Jackson	Stennis
Church	Javits	Stevens
Clark	Laxalt	Stone
Cranston	Long	Talmadge
Culver	Magnuson	Thurmond
Curtis	Matsunaga	Weicker
Danforth	McIntyre	Williams
DeConcini	Melcher	Young
Dole	Metcalf	Zorinsky

NAYS—8

Byrd, Harry F., Jr.	Chiles	Proxmire
	Heinz	Roth
Byrd, Robert C.	Muskie	Scott

NOT VOTING—29

Abourezk	Griffin	Humphrey
Biden	Hatch	Inouye
Garn	Hatfield	Johnston
Glenn	Hathaway	Kennedy
Goldwater	Helms	Leahy
Lugar	Morgan	Schmitt
Mathias	Packwood	Stevenson
McClellan	Pearson	Tower
McClure	Pell	Wallop
McGovern	Ribicoff	

So the conference report was agreed to.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I just wish to take this occasion to express my personal appreciation, and I am sure the appreciation of the Senate, to the distinguished Senator from Georgia (Mr. TALMADGE) and the distinguished Senator from Kansas (Mr. DOLE) for the excellent job they have done in conducting hearings on the bill, carrying it through conference, managing the bill on the floor, and managing the conference report on the floor.

It has been a difficult bill, but they have succeeded in tailoring a bill that I believe will meet with the approval of the President of the United States, and I think the Senate is in their debt. I personally am in their debt, and I commend them.

Mr. TALMADGE. Mr. President, I deeply appreciate the remarks of the distinguished majority leader.

Mr. BAKER. Mr. President, I join the majority leader in extending congratulations to the distinguished manager of the bill (Mr. TALMADGE) and the distinguished ranking minority member (Mr. DOLE). Not only have they done a good, workmanlike job, as the majority leader has pointed out, but they have done it in the good spirits we have come to expect from that committee.

Mr. TALMADGE. Mr. President, I am deeply grateful to my distinguished friend and neighbor, the senior Senator from Tennessee, for his comments.

Mr. DOLE. Mr. President, I deeply appreciate the comments of both the distinguished majority leader and the distinguished minority leader. It was a difficult bill, but under the leadership of Senator TALMADGE it was much easier.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:02 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that:

The House insists upon its amendment to the amendment of the Senate numbered 82 to the bill (H.R. 7555) making appropriations for the Department of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1978, and for other purposes, disagreed to by the Senate, and agrees to the further conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. FLOOD, Mr. NATCHER, Mr. SMITH of Iowa, Mr. PATTEN, Mr. OBEY, Mr. ROYBAL, Mr. STOKES, Mr. EARLY, Mr. MAHON, Mr. MICHEL, Mr. CONTE, Mr. O'BRIEN, and Mr. CEDERBERG were appointed managers of the further conference on the part of the House.

The House has agreed to the concurrent resolution (H. Con. Res. 341) revising the congressional budget for the U.S. Government for the fiscal year 1978, in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

At 3 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 5294. An act to amend the Consumer Credit Protection Act to prohibit abusive practices by debt collectors.

H.R. 7933. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications, which were referred as indicated:

EC–1841. A letter from the Comptroller General reporting on the 16th and 17th Special Messages of the President of the United States in connection with certain rescissions and deferrals; jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations; the Budget; Commerce, Science, and Transportation; Energy and Natural Resources; Armed Services; and Environment and Public Works.

EC–1842. A letter from the Assistant Secretary of State for Congressional Relations transmitting, pursuant to law, a determination with statement of reasons permitting the sale to Portgual under title I of the Agricultural Trade Development and Assistance Act of 1954 of up to $20 million worth of agricultural commodities in fiscal year 1977 (with accompanying papers); to the Committee on Agriculture, Nutrition, and Forestry.

EC–1843. A letter from the Acting Assistant Secretary of State for Congressional Relations transmitting, pursuant to law, a determination with statement of reasons permitting the sale to Morocco of up to 100,000 metric tons of wheat/wheat flour worth approximately $11 million (with accompanying papers); to the Committee on Agriculture, Nutrition, and Forestry.

EC–1844. A letter from the Assistant Secretary of Defense certifying, pursuant to law, that no use was made of funds appropriated during the period October 1, 1976–March 31, 1977 to make payments under contracts for any program in a foreign country where the Treasury Department was holding excess foreign currencies in the country involved; to the Committee on Appropriations.

EC–1845. A letter from the Deputy Secretary of Defense transmitting, pursuant to law, seven reports of violations of the Anti-Deficiency Act (with accompanying papers); to the Committee on Appropriations.

EC–1846. A letter from the Assistant Secretary of Defense transmitting, pursuant to law, secret-restricted data entitled "Selected Acquisition Reports (SAR's) and SAR Summary Tables for the quarter ending June 30, 1977" (with accompanying reports); to the Committee on Armed Services.

EC–1847. A letter from the Director of the Office of Legislative Affairs, Department of the Navy, informing the Senate, pursuant to law, of the intention of the Department of the Navy to donate certain surplus property to the Hawaiian Railway Society of Honolulu, Hawaii; to the Committee on Armed Services.

EC–1848. A letter from the General Counsel of the Department of Defense transmitting a draft of proposed legislation relating to the appointment, promotion, separation, and retirement of members of the armed forces, and for other purposes (with accompanying papers); to the Committee on Armed Services.

EC–1849. A letter from the Assistant Secretary of Defense transmitting, pursuant to law, a list of contract award dates for the Patrol Hydrofoil Missile program during the period July 15, 1977 to October 15, 1977 (with accompanying papers); to the Committee on Armed Services.

EC–1850. A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, notification of two construction projects to be undertaken by the Army National Guard and the Naval and Marine Corps Reserve; to the Committee on Armed Services.

EC–1851. A letter from the Assistant Secretary of Defense transmitting, pursuant to law, a list of contract award dates for the UTTAS helicopter covering contract awards during the period July 15, 1977, to October 15, 1977 (with accompanying papers); to the Committee on Armed Services.

EC–1852. A letter from the Administrator of the General Services Administration transmitting, pursuant to law a report of the stockpile program for the period ending March 31, 1977 (with an accompanying report); to the Committee on Armed Services.

EC–1853. A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a list of 11 construction projects to be undertaken by the U.S. Army Reserve (with accompanying papers); to the Committee on Armed Services.

EC–1854. A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a list of 13 construction projects to be undertaken by the Air National Guard (with accompanying papers); to the Committee on Armed Services.

EC–1855. A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a list of 10 construction projects to be undertaken by the Army National Guard (with accompanying papers); to the Committee on Armed Services.

EC–1856. A letter from the President and Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, a report on loan, guarantee and insurance transactions supported by Eximbank during July 1977 to Communist countries (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC–1857. A letter from the Acting Secretary of the Treasury transmitting, pursuant to law, a report on the operations of the Exchange Stabilization Fund for fiscal year 1976 and the three-month period ended September 30, 1976 (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC–1858. A letter from the President and Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, a report on loan, guarantee and insurance transactions supported by Eximbank during June 1977 to Communist countries (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC–1859. A letter from the Secretary of Commerce transmitting, pursuant to law, the National Marine fisheries Service Report for the calendar year 1976 (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–1860. A letter from the Secretary of Commerce transmitting, pursuant to law, the "Central, Western, and South Pacific Fisheries Development Program Report for Calendar Year 1976" (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–1861. A letter from the Secretary of Commerce transmitting, pursuant to law, the annual report on the Relative Cost of Shipbuilding in the Various Coastal Districts of the United States (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–1862. A letter from the Secretary of Transportation transmitting, pursuant to law, a report entitled "Airport Land Banking" (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–1863. A letter from the Secretary of Transportation transmitting, pursuant to law, a report entitled "establishment of New Major Public Airports in the United States" (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–1864. A letter from the Chairman of the Consumer Product Safety Commission transmitting, pursuant to law, the Consumer Product Safety Commission's legislative submission to the Office of Management and Budget (with accompanying papers); to the Committee on Commerce, Science, and Transportation.

EC–1865. A letter from the Chairman of the Consumer Product Safety Commission transmitting, pursuant to law, the Consumer Product Safety Commission's fiscal year 1979 budget request (with accompanying papers); to the Committee on Commerce, Science, and Transportation.

EC–1866. A letter from the Vice President of the National Railroad Passenger Corporation transmitting, pursuant to law, a report on the operations of Amtrak for the month of April 1977 (with an accompanying re-

port); to the Committee on Commerce, Science, and Transportation.

EC–1867. A letter from the Chairman of the Pennsylvania Avenue Development Corporation, transmitting, pursuant to law, the annual report of the Corporation dated January 31, 1977 (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1868. A letter from the Acting Assistant General Counsel of the Federal Energy Administration, transmitting, pursuant to law, a notice of a meeting relating to the International Energy Program (with accompanying papers); to the Committee on Energy and Natural Resources.

EC–1869. A letter from the Director of the Bureau of Outdoor Recreation, transmitting a report entitled "The Upper Mississippi, A Wild and Scenic River Study: Final Report and Environmental Impact Statement" (with accompanying papers); to the Committee on Energy and Natural Resources.

EC–1870. A letter from the Administrator of the Federal Energy Administration, transmitting, pursuant to law, a report on gasoline service station market shares—May 1977 (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1871. A letter from the Administrator of the Federal Energy Administration, transmitting, pursuant to law, a report on sales of refined petroleum products, May 1977 (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1872. A letter from the Acting Assistant General Counsel of the Federal Energy Administration, transmitting, pursuant to law, a notice of a meeting relating to the International Energy Program (with accompanying papers); to the Committee on Energy and Natural Resources.

EC–1873. A letter from the Acting Assistant General Counsel of the Federal Energy Administration, transmitting, pursuant to law, a notice of a meeting relating to the International Energy Program (with accompanying papers); to the Committee on Energy and Natural Resources.

EC–1874. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report on sales of refined petroleum products April 1977 (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1875. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report on gasoline service station market shares April 1977 (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1876. A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation to amend the Federal Land Policy and Management Act of 1976 (with accompanying papers); to the Committee on Energy and Natural Resources.

EC–1877. A letter from the President of the United States relating to his decision regarding an Alaska natural gas transportation system; to the Committee on Energy and Natural Resources.

EC–1878. A letter from the Administrator of the Federal Highway Administration transmitting a copy of America's Highways (with acompanying report); to the Committee on Environment and Public Works.

EC–1879. A letter from the Administrator of the General Services Administration transmitting, pursuant to law, a prospectus for alterations at the St. Louis, Missouri, U.S. Customhouse in the amount of $14,970,500 (with accompanying papers); to the Committee on Environment and Public Works.

EC–1880. A letter from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, a report entitled "Progress in the Prevention and Control of Air Pollution in 1976" (with an accompanying report); to the Committee on Environment and Public Works.

EC–1881. A letter from the Administrator of General Services transmitting, pursuant to law, a prospectus proposing the acquisition of space by lease in Arlington, Virginia (with accompanying papers); to the Committee on Environment and Public Works.

EC–1882. A letter from the Administrator of General Services, transmitting, pursuant to law, a prospectus for alterations at the Boston, Massachusetts, U.S. Appraisers Stores, in the amount of $4,010,000 (with accompanying papers); to the Committee on Environment and Public Works.

EC–1883. A letter from the Administrator of General Services, transmitting, pursuant to law, a prospectus proposing a succeeding lease for space presently occupied at 707 North Calvert Street, Baltimore, Maryland (with accompanying papers); to the Committee on Environment and Public Works.

EC–1884. A letter from the Comptroller General, transmitting, pursuant to law, a report entitled "Supplemental Security Income Overpayments to Medicaid Nursing Home Residents Can Be Reduced" (with an accompanying report); to the Committee on Finance.

EC–1885. A confidential report entitled "War Reserves for Allies Stockpile-Republic of Korea, signed by the Assistant Secretary of Defense; to the Committee on Foreign Relations.

EC–1886. A letter from the Assistant Administrator for Legislative Affairs of the Agency for International Development, transmitting, pursuant to law, a notification of an increase in the funding level of proposed fiscal year 1977 program in Afghanistan (with accompanying papers); to the Committee on Foreign Relations.

EC–1887. A letter from the Assistant Administrator for Legislative Affairs of the Agency for International Development, transmitting, pursuant to law, a notification of an increase in the funding level of proposed fiscal year 1977 program in Tunisia (with accompanying papers); to the Committee on Foreign Relations.

EC–1888. A letter from the Administrator of the Agency for International Development, transmitting, pursuant to law, the annual report on foreign assistance and related transactions for fiscal year 1976 (with an accompanying report); to the Committee on Foreign Relations.

EC–1889. A letter from the Assistant Secretary of State transmitting, pursuant to law, a report on excess defense articles delivered to foreign governments in the third quarter of fiscal year 1977 (with an accompanying report); to the Committee on Foreign Relations.

EC–1890. A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into by the United States (with accompanying papers); to the Committee on Foreign Relations.

EC–1891. A letter from the Acting Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into by the United States (with accompanying papers); to the Committee on Foreign Relations.

EC–1892. A letter from the Acting Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into by the United States (with accompanying papers); to the Committee on Foreign Relations.

EC–1893. A letter from the Assistant Secretary of the Treasury transmitting, pursuant to law, a report on inventory of nonpurchased foreign currencies as of March 31, 1977 (with an accompanying report); to the Committee on Foreign Relations.

EC–1894. A letter from the Acting Assistant Legal Adviser for Treaty Affairs transmitting, pursuant to law, copies of international agreements other than treaties entered into by the United States (with accompanying papers); to the Committee on Foreign Relations.

EC–1895. A letter from the Comptroller General of the United States transmitting a secret report entitled "Relationships Between U.S. and NATO Military Command Structures—Need for Closer Integration" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1896. A letter from the Comptroller General transmitting, pursuant to law, a report entitled "Proposals Regarding the Federal Reserve Board's Financial Disclosure System" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1897. A letter from the Mayor of the District of Columbia transmitting, pursuant to law, his response to the Comptroller General's report on unexpended capital outlay fund balance of the District of Columbia Department of Recreation (with accompanying papers); to the Committee on Governmental Affairs.

EC–1898. A letter from the Assistant to the Governor of the Canal Zone transmitting, pursuant to law, a report on a system of records called "Canal Protection Division Activity Report Files, CACP–2" (with accompanying papers); to the Committee on Governmental Affairs.

EC–1899. A letter from the Secretary of Agriculture transmitting, pursuant to law, a report on an existing system of records covering the Audit Information System (with accompanying papers); to the Committee on Governmental Affairs.

EC–1900. A letter from the Chairman of the Civil Service Commission transmitting a draft of proposed legislation to amend the mandatory separation provisions of the Civil Service Retirement Law (with accompanying papers); to the Committee on Governmental Affairs.

EC–1901. A letter from the Deputy Director of the Office of Management and Budget transmitting, pursuant to law, a report on the recommendations of the President's Committee on Mental Retardation (with an accompanying report); to the Committee on Governmental Affairs.

EC–1902. A letter from the Comptroller General transmitting, pursuant to law, a report entitled "More and Better Uses Could Be Made of Billions of Gallons of Water by Improving Irrigation Delivery Systems" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1903. A letter from the Comptroller General transmitting, pursuant to law, a report entitled "Foreign Military Sales—A Potential Drain on the U.S. Defense Posture" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1904. A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Environmental Reviews Done by Communities: Are They Needed? Are they Adequate?" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1905. A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the Inter-American Foundation for the 15-Month Period Ended September 30, 1976" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1906. A letter from the Chairman of the Foreign Claims Settlement Commission, transmitting, pursuant to law, a report on a new system of records (with an accompanying report); to the Committee on Governmental Affairs.

EC–1907. A letter from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report on a new system of records entitled "Parking Permit Application Files" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1908. A letter from the Comptroller General of the United States, transmitting pursuant to law, a report entitled "Unnecessary and Harmful Levels of Domestic Sewage Chlorination Should Be Stopped" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1909. A letter from the Comptroller General of the United States, transmitting pursuant to law, a report entitled "Trans-Alaska Oil Pipeline—Information on Construction, Technical, and Environmental Matters Through Spring 1977" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1910. A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the Bureau of the Census affirmative action program for persons of Spanish origin or descent (with an accompanying report); to the Committee on Governmental Affairs.

EC–1911. A letter from the Director of the District of Columbia Bail Agency transmitting, pursuant to law, the report of the Bail Agency for the calendar year 1976 (with an accompanying report); to the Committee on Governmental Affairs.

EC–1912. A letter from the Deputy Auditor of the District of Columbia transmitting, pursuant to law, a report entitled "Timeliness in Enforcement of Human Rights Law and the Effect of the Council Transfer of Equal Opportunity Personnel" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1913. A letter from the Secretary of the Federal Trade Commission transmitting, pursuant to law, a report on five new systems of records (with an accompanying report); to the Committee on Governmental Affairs.

EC–1914. A letter from the Comptroller General transmitting, pursuant to law, a report entitled "Sharing the Defense Burden; The Multinational F–16 Aircraft Program" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1915. A letter from the Comptroller General transmitting, pursuant to law, a report entitled "Effective Fuel Conservation Programs Could Save Millions of Gallons of Aviation Fuel" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1916. A letter from the Comptroller General transmitting, pursuant to law, a list of reports of the General Accounting Office for the month of July 1977 (with accompanying papers); to the Committee on Governmental Affairs.

EC–1917. A letter from the Administrator of the General Services Administration reporting, pursuant to law, on the Travel Expense Amendments Act of 1975 (with accompanying papers); to the Committee on Governmental Affairs.

EC–1918. A letter from the Comptroller General transmitting, pursuant to law, a report entitled "Large Savings Possible in Mortgage Insurance Premium Payment System" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1919. A letter from the Comptroller General transmitting, pursuant to law, a report entitled "Status, Progress, and Problems in Federal Agency Accounting During 15 Months Ended September 30, 1976" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1920. A letter from the Comptroller General transmitting, pursuant to law, a report entitled "Why the Federal Airline Subsidy Program Needs Revision" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1921. A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting a copy of a document scheduled for publication in connection with final regulations for guidance and counseling programs (with accompanying papers); to the Committee on Human Resources.

EC–1922. A letter from the Commissioner of Education transmitting, pursuant to law, the annual report of the Commissioner of Education on the administration of public laws 81–874 and 81–815 for the fiscal year ending June 30, 1976 (with an accompanying report); to the Committee on Human Resources.

EC–1923. A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a document to be published in connection with the final regulation for the emergency adult education program for Indochina Refugees under section 315 of the Adult Education Act (with accompanying papers); to the Committee on Human Resources.

EC–1924. A letter from the Acting Secretary of the Department of the Interior transmitting, pursuant to law, a proposed plan for the use and distribution of judgment funds awarded to the Fort Mohave Tribe of Arizona, California, and Nevada, by the Indian Claims Commission in Docket 295–A (with accompanying papers); to the Select Committee on Indian Affairs.

EC–1925. A letter from the Secretary of the Department of the Interior transmitting, pursuant to law, a proposed plan for the use and distribution of the judgment funds of the Saginaw, Swan Creek, and Black River Bands of Chippewa Indians awarded in Docket 57 before the Indian Claims Commission (with accompanying papers); to the Select Committee on Indian Affairs.

EC–1926. A letter from the Adjutant General of the Military Order of the Purple Heart transmitting, pursuant to law, the financial audit of the Military Order of the Purple Heart for the fiscal year 1977 (with accompanying papers); to the Committee on the Judiciary.

EC–1927. A letter from the Secretary of Commerce transmitting, pursuant to law, a draft of proposed legislation to amend section 17 of the Act of July 5, 1946, as amended (with accompanying papers); to the Committee on the Judiciary.

EC–1928. A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders suspending deportation, as well as a list of the persons involved (with accompanying papers); to the Committee on the Judiciary.

REPORTS OF COMMITTEES SUBMITTED DURING RECESS

Under authority of the order of September 8, 1977, the following reports of committees were submitted on September 8, during the recess of the Senate:

By Mr. MUSKIE, from the Committee on the Budget: Without amendment:

S. Res. 240. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 5027 as reported (Rept. No. 95–414).

S. Res 246. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1731 (Rept. No. 95–415).

S. Res. 257. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2057 (Rept. No. 95–416).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ABOUREZK, from the Select Committee on Indian Affairs:

With an amendment:

S. 785. A bill to declare that all right, title, and interest of the United States in 2,640 acres more or less, are hereby held by the United States in trust for the Paiute and Shoshone Tribes of the Fallon Indian Reservation, Nevada, to promote the economic self-sufficiency of the Paiute and Shoshone Tribes, and for other purposes (title amendment) (Rept. No. 95–417).

By Mr. LONG, from the Committee on Finance:

With amendments:

H.R. 2850. An act to suspend until the close of June 30, 1978, the duty on certain latex sheets (title amendment) (Rept. No. 95–419).

H.R. 2982. An act to suspend until the close of June 30, 1980, the duty on synthetic tantalum/columbium concentrate (title amendment) (Rept. No. 95–420).

H.R. 3093. An act to provide duty-free treatment for certain copying lathes used for making rough or finished shoe lasts and for parts of such lathes (title amendment) (Rept. No. 95–421).

H.R. 3259. An act to continue to suspend for a temporary period the import duty on certain horses (title amendment) (Rept. No. 95–422).

Without amendment:

H.R. 5289. An act for the relief of Joe Cortinam of Tampa, Florida (Rept. No. 95–423).

H.R. 5037. An act for the relief of Jack R. Misner (Rept. No. 95–424).

With an amendment:

H.R. 422. An act to amend the Tariff Schedules of the United States to provide duty-free treatment of any aircraft engine used as a temporary replacement for an aircraft engine being overhauled within the United States if duty was paid on such replacement engine during a previous importation (title amendment) (Rept. No. 95–425).

S. Res. 76. A resolution expressing the sense of the Senate with respect to the immediate removal of certain regulations unilaterally put in place by the European Economic Community which have the effect of damaging and interfering with historic and acceptable trade patterns in the United States exports of dried prunes, and efforts made to restrict exports of walnuts to the European Economic Community, and action taken by the United States if such import regulations are not immediately removed and if additional unilateral regulations are instituted (title and preamble amended) (Rept. No. 95–526).

SUBSTITUTION OF CONFEREE ON LABOR–HEW APPROPRIATIONS BILL

Mr. MAGNUSON. I ask unanimous consent that the Senator from West Virginia (Mr. ROBERT C. BYRD) be discharged as a conferee on the Labor-HEW appropriation bill (H.R. 7555) and that the Senator from Hawaii (Mr. INOUYE) be appointed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, September 9, 1977, he pre-

sented to the President of the United States the enrolled bill (S. 1153) to abolish the Joint Committee on Atomic Energy and to reassign certain functions and authorities thereof, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. DECONCINI (for himself, Mr. GOLDWATER, and Mr. HANSEN):

S. 2076. A bill to authorize the Secretary of the Interior to transfer franchise fees received from certain concession operations at Grand Canyon National Park, Ariz., to the Grand Canyon Unified School District, Ariz., and for other purposes; considered and passed.

By Mr. ABOUREZK:

S. 2077. A bill to designate the Kent State National Historic Site, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SCHWEIKER:

S. 2078. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide an exemption from coverage under the social security program, through a tax refund procedure, for employees who are members of religious faiths which oppose participation in such program, and to provide a similar exemption on a current basis (pursuant to waiver certificates filed in advance) for employers engaged in farming and their employees in cases where both are members of such faiths; and to make the existing exemption for self-employed members of such families available to certain additional individuals; to the Committee on Finance.

By Mr. METCALF:

S. 2079. A bill for the relief of Lawrence Youngman; to the Committee on the Judiciary.

By Mr. JACKSON (by request):

S. 2080. A bill to make the Federal Columbia River Power System available for maximum electric efficiency for future essential power supply to promote conservation, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON:

S. 2081. A bill to provide for the extension and expansion of the Headstart program; to the Committee on Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ABOUREZK:

S. 2077. A bill to designate the Kent State National Historic Site, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. ABOUREZK. Mr. President, the Secretary of the Interior recently announced that the Department would undertake a study to determine the historic significance of the "Blanket Hill" area on the Kent State University campus. As you know, this is the site where four Kent State students were shot to death on May 4, 1970.

Following completion of the Department's study the Secretary would then be in a position to determine whether or not the site should be designated as a national historic landmark. The Secretary agreed to undertake such a study when it became clear that the university was planning to proceed with construction of a new gymnasium on the "Blanket Hill" site thereby destroying any historic character which the site might possess.

Although I have not reached any final decision myself regarding designation of the area as an historic landmark or site, it is my view that the Secretary should be given the opportunity to conduct his study and report his findings to the Congress before the area is destroyed through the construction of the gym. While construction has been postponed on several occasions as a result of various court-ordered injunctions, there is no assurance that construction will not begin in earnest as soon as the latest injunction is lifted.

I am introducing legislation today designed to maintain the status quo in the area until the Secretary at least has an opportunity to complete his study. Under the provisions of my bill, the Secretary is directed to undertake and complete a study of the "Blanket Hill" site within 90 days from the date of enactment of the act. Pending completion of this study, the Secretary is further directed to promulgate and enforce such reasonable restrictions on the use of the site as may be necessary to preserve historic values present at the site. The Secretary is to request the Attorney General to initiate an action for injunctive relief to prohibit any violation or anticipated violation of such restrictions.

Should the Secretary, on the basis of this study, conclude that the site does possess outstanding historic values, he is directed to designate the area as a national historic site and administer the site in accordance with various existing authorities.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2077

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress hereby finds and declares—

(a) that the spirit and direction of the Nation are founded upon and reflected in its historic past;

(b) that the historical and cultural foundations of the Nation should be preserved as a living part of our community life and development in order to give a sense of orientation to the American people;

(c) that the Federal Government has a responsibility to preserve and protect such values;

(d) that; through the Antiquities Act of 1906 (35 Stat. 225), the Historic Sites Act of 1935 (49 Stat. 666), the Historic Preservation Act of 1966 (80 Stat. 915) as amended, and other legislation, the Federal Government has developed a program which can protect and preserve such values;

(e) that the site locally known as "Blanket Hill" at Kent State University at Kent, Ohio, holds great significance for a number of Americans as the site of the Kent State deaths occurring on May 4, 1970, in terms of political, cultural, social and other values and aspirations of this Nation;

(f) that the Secretary of the Interior (hereinafter referred to as the "Secretary") is presently undertaking a study to determine whether the values present at such site possess the requisite national significance that the area should be preserved for this and future generations in accordance with existing law; and

(g) that the construction of a gymnasium on the site of "Blanket Hill" will irretrievably destroy those values thereby irrevocably foreclosing and frustrating any national interest in the preservation of such site.

SEC. 2(a). Within 90 days from the date of enactment of this Act, the Secretary shall complete a study of the national significance of the "Blanket Hill" site (hereinafter referred to as the "site") and make a finding as to whether the site possesses the requisite national significance to be designated as a National Historic Site in accordance with the standards and criteria developed pursuant to the Historic Site Act of 1935 (49 Stat. 666).

(b) Pending completion of the study provided for in Subsection (a) of this Section, the Secretary is directed to promulgate and enforce such reasonable restrictions on the use of the site as may be necessary to preserve the values present at the site and shall request the Attorney General of the United States to initiate an action for injunctive relief to prohibit any violation or anticipated violation of such restrictions.

SEC. 3. (a) If the Secretary finds that the site possesses the requisite national significance, he shall (1) designate the site as a National Historic Site to be known as the "Kent State National Historic Site" [by publication of a notice in the Federal Register] and (2) prepare and make available a map depicting the area so designated, which map shall be on file and available for public inspection in the Office of the Secretary of the Interior.

(b) The Secretary is authorized to acquire such lands and interests in lands, including any improvements thereon by donation, purchase with donated or appropriated funds, or exchange, within the Historic Site as he deems necessary.

(c) Except as otherwise provided in this Act, the site shall be administered by the Secretary in accordance with the provisions of this Act, the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented, and the Act of August 21, 1935 (49 Stat. 666), as amended.

SEC. 4. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

(b) Within two years from the effective date of this Act the Secretary shall develop and transmit to the Committee on Energy and Natural Resources of the Senate and to the Committee on Interior and Insular Affairs of the House of Representatives a general management plan for the use and development of the site consistent with the purposes of this Act indicating:

(1) the lands and interests in lands adjacent or related to the site which he deems necessary or desirable to be acquired for the purposes of resource protection, scenic integrity, or management and administration of the area in furtherance of the purposes of this Act and the estimated cost thereof;

(2) the number of visitors and types of public use within the site which can be accommodated in accordance with the protection of its resources; and

(3) the location and estimated cost of facilities deemed necessary to accommodate such visitors and uses.

By Mr. SCHWEIKER:

S. 2078. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide an exemption

from coverage under the social security program, through a tax refund procedure, for employees who are members of religious faiths which oppose participation in such program, and to provide a similar exemption on a current basis (pursuant to waiver certificates filed in advance) for employers engaged in farming and their employees in cases where both are members of such faiths; and to make the existing exemption for self-employed members of such faiths available to certain additional individuals; to the Committee on Finance.

Mr. SCHWEIKER. Mr. President, I am today again introducing a bill to provide an exemption from the social security employment tax on wages for members of religious groups opposed to this type of insurance on religious grounds. I first introduced this legislation in the Senate as an amendment to the Social Security Amendments of 1970, and it was adopted by the Senate Finance Committee and passed by the Senate. It was dropped in conference with the House. The Senate has also seen this legislation as a separate bill and as an amendment to H.R. 1, the Social Security Amendments of 1972. To date this measure has twice passed the Senate only to be dropped in conference. Nevertheless, the issue incorporated in this bill is fundamental and I will continue my efforts to see it enacted into law.

I cite the Amish as an example of people who desire and should be afforded this social security exemption due to the religious objection to social security.

The Internal Revenue Code provides an exemption from self-employment tax, if a person can show he is a member of a recognized religious sect which follows the practice of making provisions for its dependent members. I now ask that this exemption be extended from self-employment tax to those who work for others and oppose, for religious reasons, payment of social security employment tax on wages.

As part of their religion, the Amish refuse any form of relief or what they call Government handouts. They oppose all forms of social security, including old-age pensions. Regarding it not as a tax but rather as a policy premium in a national insurance system, the Amish are opposed to participation, because of their conscientious objection to all forms of insurance. This belief is embodied in the Dordrecht Confessions, which predate our Constitution. One of the main tenets of the Amish faith is the expectation that the Amish live by faith and trust in providence. The church rejects any type of insurance as contradicting one's faith in God's ability to provide for the future. Otherwise the church counsels obedience to the state, which is why the Amish have no objection to the payment of general taxes.

Forcing people such as the Amish to pay a tax which is a form of insurance, directly opposed by the tenets of their faith, is an infringement of their religious rights, which by implication threatens the rights of all religious groups, no matter how small.

It is difficult for me to understand why we have not been ready to permit religious groups to conscientiously object to economic regulations when we fully recognize their right to object to military service.

I feel strongly that this Government must not ride roughshod over the religious rights of a minority. Such is the case under present law. In 1961, the Federal Government seized three horses belonging to an Amish farmer in Pennsylvania, and sold them at public auction to obtain money for social security payments which the man refused to make because of his religious convictions.

At that time I began my effort to assist the Amish people to get relief from participating in the social security program to which they are opposed on religious grounds. In 1961 and again in 1963, I introduced a bill in the House which would have provided an exemption from participation in the Federal old-age and survivors insurance program for those whose religious doctrines forbid participation in such a program.

In 1964, after the Treasury Department, as well as the Justice Department rendered legal opinions saying that the Old Order Amish exemption embodied in a social security amendment met all constitutional requirements and was strictly a matter of legislative policy, the House and Senate conferees agreed to accept the "Amish amendment." Unfortunately, this bill died in the conference committee because of the dispute over medicare. It did, however, lay the groundwork for the first relief granted to the Amish.

On July 30, 1965, Congress amended the Internal Revenue Code, allowing a person to apply for exemption from self-employment tax if he is a member of a recognized religious sect which follows the practice of making reasonable provision for its dependent members. We must now take this one step further, and provide an exemption from social security taxes on wages.

Specifically, my amendment provides that any member of a recognized religious sect in existence since at least 1950, who can show that he is an adherent of established teachings which cause him to be conscientiously opposed to acceptance of social security benefits, may file an application to be entitled to a credit or refund of the amount of the tax.

The applicant must submit evidence to substantiate his membership in the sect and his adherence to its teachings, and would be asked to show that it has been the practice of the sect to make provision for the care of its elderly or dependent members.

In addition, the employer would continue to pay into the social security fund, thus eliminating any chance that such an amendment would make one employee more desirable than another. The objective here obviously is not to make one group of people more desirable employees than another, but instead to assist those who object to social security coverage because it is directly opposed to basic religious tenets of their faith. Since the employer would continue to pay into the social security fund, the exempted employee would offer no financial advantage over the nonexempted employee.

Mr. President, I ask unanimous consent that the bill, together with material regarding the beliefs of the Amish people on social security, and a letter I received in 1964 from the Treasury Department on the constitutional issues involved in this exemption be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2078

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) section 6413 of the Internal Revenue Code of 1954 (relating to special rules applicable to certain employment taxes) is amended by adding at the end thereof the following new subsection:

"(c) SPECIAL REFUNDS OF SOCIAL SECURITY TAX TO MEMBERS OF CERTAIN RELIGIOUS FAITHS.—

"(1) IN GENERAL.—An employee who receives wages with respect to which the tax imposed by section 3101 is deducted during a calendar year for which an authorization granted under this subsection applies shall be entitled (subject to the provisions of section 31(b)) to a credit or refund of the amount of tax so deducted.

"(2) AUTHORIZATION FOR CREDIT OR REFUND.—Any individual may file an application (in such form and manner, and with such official, as may be prescribed by regulations under this subsection) for an authorization for credit or refund of the tax imposed by section 3101 if he is a member of a recognized religious sect or division thereof described in section 1402(h)(1) and is an adherent of established tenets or teachings of such sect or division described in such section. Such authorization may be granted only if—

"(A) the application contains or is accompanied by evidence described in section 1402(h)(1)(A) and a waiver described in section 1402(h)(1)(B), and

"(B) the Secretary of Health, Education, and Welfare makes the findings described in section 1402(h)(1)(C), (D), and (E).

An authorization may not be granted to any individual if any benefit or other payment referred to in section 1402(h)(1)(B) became payable (or, but for section 203 or 222(b) of the Social Security Act, would have become payable) to such individual at or before the time of filing of such waiver.

"(3) EFFECTIVE PERIOD OF AUTHORIZATION.—An authorization granted to any individual under this subsection shall apply with respect to wages paid to such individual during the period—

"(A) commencing with the first day of the first calendar year after 1976 throughout which such individual meets the requirements specified in paragraph (2) and in which such individual files application for such authorization (except that if such application is filed on or before the date prescribed by law, including any extension thereof, for filing an income tax return for such individual's taxable year, such application may be treated as having been filed in the calendar year in which such taxable year begins), and

"(B) ending with the last day of the calendar year preceding the first calendar year in which (i) such individual ceases to meet the requirements of the first sentence of paragraph (2), or (ii) the sect or division thereof of which such individual is a member is found by the Secretary of Health, Education, and Welfare to have ceased to meet the requirements of subparagraph (B) of paragraph (2).

"(4) APPLICATION BY FIDUCIARIES OR SURVIVORS.—If an individual who has received wages with respect to which the tax imposed by section 3101 has been deducted during a calendar year dies without having filed an application under paragraph (2) an application may be filed with respect to such individual by a fiduciary acting for such individual's estate or by such individual's survivor (within the meaning of section 205(c)(1)(C) of the Social Security Act)."

(2) The heading of section 6413(c) of such Code (relating to special refunds) is amended by inserting "OF SOCIAL SECURITY TAX BASED ON MULTIPLE EMPLOYMENT" after "REFUNDS".

(3) Section 31(b)(1) of such Code (relating to credit for special refunds of social security tax) is amended by striking out "section 6413(c)" and inserting in lieu thereof "section 6413 (c) or (e)".

(b) Sections 201(g)(2) and 1817(f)(1) of the Social Security Act are each amended by striking out "section 6413(c)" and inserting in lieu thereof "sections 6413 (c) and (e)".

SEC. 2. (a) Subchapter C of chapter 21 of the Internal Revenue Code of 1954 (general provisions under Federal Insurance Contributions Act) is amended by redesignating section 3126 as section 3127, and by inserting after section 3125 the following new section:

"SEC. 3126. EXEMPTION FOR EMPLOYERS ENGAGED IN FARMING, AND THEIR EMPLOYEES, WHERE BOTH ARE MEMBERS OF RELIGIOUS FAITHS OPPOSED TO PARTICIPATION IN PROGRAM.

"(a) IN GENERAL.—Notwithstanding any other provision of this chapter (and under regulations prescribed to carry out this section), in any case where—

"(1) an employer is carrying on a trade or business in which, if it were carried on exclusively by employees, the major portion of the services would constitute agricultural labor as defined in section 3121(g),

"(2) such employer is a member of a recognized religious sect or division thereof described in section 1402(h)(1) and an adherent of established tenets or teachings of such sect or division as described in such section, and has filed and had approved under subsection (b) an application (in such form and manner, and with such official, as may be prescribed by such regulations) for an exemption from the taxes imposed by section 3111, and

"(3) at least one of the employees of such employer performing agricultural labor as defined in section 3121(g) is also a member of such a religious sect or division and an adherent of its established tenets or teachings, and has filed and had approved under subsection (b) a similar application for an exemption from the taxes imposed by section 3101,

such employer shall be exempt from the taxes imposed by section 3111 with respect to wages paid to any of his employees described in paragraph (3) for agricultural labor as defined in section 3121(g), and each such employee shall be exempt from the taxes imposed by section 3101 with respect to such wages paid to him by such employer.

"(b) APPROVAL OF APPLICATION.—An application for exemption filed by an employer under subsection (a)(2) or by an employee under subsection (a)(3) shall be approved only if—

"(1) such application contains or is accompanied by the evidence described in section 1402(h)(1)(A) and a waiver described in section 1402(h)(1)(B),

"(2) the Secretary of Health, Education, and Welfare makes the findings (with respect to such sect or division) described in section 1402(h)(1) (C), (D), and (E), and

"(3) no benefit or other payment referred to in section 1402(h)(1)(B) became payable (or, but for section 203 or 222(b) of the Social Security Act, would have become payable) to the individual filing the application at or before the time of such filing

"(c) EFFECTIVE PERIOD OF EXEMPTION.—An exemption granted under this section to any employer with respect to wages paid to any of his employees, or granted to any such employee, shall apply with respect to wages paid by such employer during the period—

"(1) commencing with the first day of the first calendar quarter, after the quarter in which such application is filed, throughout which such employer or employee meets the applicable requirements specified in subsections (a) and (b), and

"(2) ending with the last day of the calendar quarter preceding the first calendar quarter thereafter in which (A) such employer or the employee involved ceases to meet the applicable requirements of subsection (a), or (B) the sect or division thereof which such employer or employee is a member is found by the Secretary of Health, Education, and Welfare to have ceased to meet the requirements of subsection (b)(2)."

(b) The table of sections for such subchapter is amended by striking out the item relating to section 3126 and inserting in lieu thereof the following new items:

"Sec. 3126. Exemptions for employers engaged in farming, and their employees, where both are members of religious faiths opposed to participation in program.

"Sec. 3127. Short title.".

SEC. 3. Section 202(v) of the Social Security Act is amended—

(1) by inserting "(1)" after "(v)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding any other provisions of this title, in the case of any individual who files a waiver pursuant to section 6413(e) of the Internal Revenue Code of 1954 and is granted an authorization for credit or refund thereunder or who files an application under section 3126(a)(3) of such Code and is granted an exemption from the tax on employees thereunder, no benefits or other payments shall be payable under this title to him, no payments shall be made on his behalf under part A of title XVIII, and no benefits or other payments under this title shall be payable on the basis of his wages and self-employment income to any other person, after the filing of such waiver or application; except that if therafter such individual's authorization under such section 6413(e) of such Code or exemption under such section 3126(a)(3) of such Code ceases to be effective, such waiver or application shall cease to be applicable in the case of benefits and other payments under this title and part A of title XVIII to the extent based on his wages beginning with the first day of the calendar year or calendar quarter for which such authorization or exemption ceases to apply and on his self-employment income for and after his taxable year which begins in or with the beginning of such calendar year or calendar quarter."

SEC. 4. (a) Section 1402(h)(1) of the Internal Revenue Code of 1954 (relating to exemption from self-employment coverage for members of certain religious faiths) is amended by striking out "private or".

(b)(1) Section 1402(h)(2) of such Code (relating to time for filing application) is amended to read as follows:

"(2) TIME FOR FILING APPLICATION.—For purposes of this subsection, an application must be filed—

"(A) on or before the time prescribed for filing the return (including any extension thereof) for the first taxable year for which the applicant has self-employment income (determined without regard to this subsection and subsection (c)(6)), or

"(B) on or before the time prescribed for filing the return (including any extension thereof) for the first taxable year ending after the amendment of this paragraph in 1977.

whichever is later; except that an application filed after the time specified in subparagraph (A) or (B) (whichever is applicable) but on or before the last day of the third calendar month following the calendar month in which the taxpayer is first notified by the Secretary or his delegate that a timely application for an exemption from the tax imposed by this chapter has not been filed by him shall be deemed to be filed timely."

(2) Section 1402(h)(3) of such Code (relating to period for which exemption is effective) is amended—

(A) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof a semicolon; and

(B) by adding at the end thereof (after and below subparagraph (B)) the following: "and except that no refund or credit of any amount of tax imposed by this chapter shall be due or payable by reason of any such exemption."

SEC. 5. The amendments made by the first section of this Act shall apply with respect to wages paid in taxable years beginning after December 1976. The amendments made by section 2 of this Act shall apply with respect to wages paid in calendar quarters beginning after June 1977. The amendments made by section 3 of this Act shall apply with respect to benefits paid for (and items and services furnished in) months after June 1977. The amendments made by section 4 of this Act shall apply with respect to taxable years ending after the date of the enactment of this Act.

BACKGROUND OF THE PROGRAM

The following background information indicates the basic nature of the social security program, the general character of religious objections to participation in social security, and the present situation of the Old Order Amish in relation to social security.

COMPULSORY NATURE OF SOCIAL SECURITY

The social security program is designed to provide old-age, survivors, and disability insurance protection for American families, regardless of family size, income, or other factors. Under this program workers (and their employers) and the self-employed contribute while working so that the contributor and his family may have a continuing income when earnings cease or are greatly reduced because of retirement in old-age, long-term disability, or death. About 9 out of 10 working people and their families are covered under the program.

Social security can carry out its purpose only under conditions of compulsory coverage. Compulsory coverage assures that there will be a given distribution of what might be called poor risks—those who will get considerably more than they pay in—and good risks. Under a voluntary program, there would be an unduly high proportion of poor risks. Many people could predict with reasonable certainty whether or not they would get a large return on their contributions and those choosing coverage would generally be the ones who could expect to receive benefits bargains. This would increase the cost of the program for all who participate. Those given a choice as to coverage would have an unfair advantage over those workers and employers whose coverage would continue to be on a compulsory basis and who would have to help bear the increased cost arising from the individual voluntary coverage. Moreover, under individual voluntary coverage, many who need social security protection most would not participate. Many

low income workers would choose not to pay the contributions because of the press of day-to-day financial problems, although in the long run social security protection would be especially valuable to such workers and their families.

Individual voluntary coverage is now provided under social security only in respect to services performed in the exercise of the ministry (including the performance of the duties of a Christian Science practitioner). The exclusion from coverage of such services (where coverage is not elected) is not a personal exclusion but an occupational exclusion. Thus, a minister who engages in any employment or self-employment other than the exercise of the ministry—whether or not he elects coverage of his ministerial services—is covered on the same basis as all other persons. Once a minister elects coverage of his services in the ministry, the election is irrevocable and once the time for election passes, a minister who has not elected coverage may no longer do so.

RELIGIOUS OBJECTIONS TO COVERAGE UNDER SOCIAL SECURITY

Representatives of those divisions of the Amish Mennonites generally classed as Old Order Amish (with some 19,000 adult members) have objected to social security taxes on grounds that social security is a form of insurance, and that their participation in an insurance program would show mistrust in the providence and care of God to meet future needs. This basis for objection is shared by the Old Order Mennonites (about 5,000 members) by at least some of the followers of Father Divine (some 300,000 members), and by an unknown number of small sects, such as the Hutterites (a Mennonite group with 2,300 members, who practice communal living) and the division of the Plymouth Brethren known as Executives.

Another religious basis for opposing participation in social security is adherence to a principle of separatism—the belief that one's sect or group should keep apart from all other persons. The Old Order Amish, for example, place great importance on the scriptural admonition: "Be ye not unequally yoked together with unbelievers; for what fellowship hath righteousness with unrighteousness? and what communion hath light with darkness?" Separatism is also a cardinal principle of some groups which have not indicated their attitudes toward social security; for example, the Black Muslims, perhaps the prime exponents of separatism, and Jehovah's Witnesses, with 287,000 members in the United States, all of whom are held by the sect to be ministers. There would seem to be considerable doubt that participation in social security is compatible with the belief of Jehovah's Witnesses that the end of the world is close at hand—1984, at latest—and objections to social security have been received from individual members from time to time.

Each of the above-mentioned groups has come into conflict with Federal or State law on questions other than social security. All oppose compulsory military service, and there have been various other conflicts with State or local laws, such as the refusal of the Old Order Amish to permit their children to attend school beyond the 8th grade, and the refusal of Jehovah's Witnesses and the Black Muslims to salute the flag.

The Christian Science Church opposed provision of disability benefits under social security on religious grounds.

Amish who do not belong to old order groups—e.g., a category known as Beachy Amish—have adopted relatively modern ways of living, and are apparently not opposed to social security. There continue to be cleavages in which Old Order Amish communities, or segments of communities, split off to adopt more modern ways of living. One-third or more of the offspring of Old Order Amish parents do not continue in the sect. As in virtually any group there are marginal members, some of whom eventually become separated from the sect. The Amish strive continually to maintain their communities against worldly temptations; and effective means of maintaining has been their stand against high school education and their doctrine of shunning,[1] with its grave economic implications for individuals who are so ill equipped to prosper outside the community.

The Old Order Amish relate practically every detail of their way of living to religious beliefs, which in turn are based on literal interpretation of scriptural texts. The Old Order Amish attempt to pursue a life similar in its course to that of the German peasants of perhaps the 17th or 18th century. The farm way of life is justified on religious grounds because being "in the country" separates the group from more worldly, less firm followers of Scripture. Consideration has been given to the use of nonmechanized farming methods as one way of differentiating (in proposed legislation) the Old Order Amish from other religious objectors to social security. But even among the Old Order Amish there have been various concessions to the changing times. For example, though a tractor may not be used in the field, it is permissible to use a tractor to furnish belt power. The Old Order Amish farmer is generally allowed to have one- or two-cylinder gasoline motors for his farm operations. The Old Order Amish make a significant distinction between owning and merely using modern conveniences. For example, in some communities it is permissible to have electric current and appliances in a mortgaged home but not after the mortgage is paid off. A significant distinction is also made between members of the sect and those who are members of the Amish community but not members of the sect—for example, Amish youngsters, who do not become members of the Old Order Amish until they are baptized (which usually occurs in their later teens). A case has been described in which a young man deferred baptism for a period of time so as to enable continued ownership of an automobile and a tractor, with which he not only provides transportation for his numerous family and neighbors but also works his father's large farm and many of his neighbors.'[2]

HISTORY OF THE PROBLEM

The problem of the Old Order Amish with social security dates mainly from 1965 when coverage of self-employed farm operators began. (However, some members of the sect who take employment in town have been covered as far back as 1937.) Although the benefits must be accepted, the Old Order law does not require that social security Amish bishops assert that required payment of social security taxes obliges their members to participate in the social security program—an insurance program—and thus to act contrary to their religious beliefs. Though the social security tax provisions are not included with the benefit provisions in the Social Security Act, but are part of the Internal Revenue Code, the bishops seem to look upon the social security taxes as in the nature of a personal premium paid for insurance. The bishops believe that their members should pay other types of taxes, pursuant to the scriptural admonition to "render unto Caesar the things that are Caesar's." In general, the creed of the sect (also held by some other groups) dictates that members should obey civil laws except where they "militate against the law, will, and commandments of God."[3]

[1] "Amish Society," by John A. Hostetler, p. 144.

[2] "Our Amish Neighbors," by William L. Schreiber, p. 77.

The religious objection to the insurance principle is not clear cut. For example, the Older Order Amish make systematic arrangements for protection against property loss from fire, storm, and other causes, under which, after a loss occurs, members contribute labor and make a monetary contribution related to their net worth. One such group arrangement, known as the Amish Mutual Fire Insurance Association of Atglen, Pa., was organized by the Older Order Amish of Lancaster County in 1875 and was licensed as an insurance company in Maryland and Pennsylvania. The Old Order Amish do not consider this type of arrangement to be insurance because there is no advance funding. Liability insurance is apparently not considered to be contrary to their religious beliefs—a conclusion based on the view that liability insurance provides indemnity not to the insured but to the party suffering damages. It seems clear, however, that the Old Order Amish are strongly opposed to life insurance even though the survivors, not the insured, are protected under it.[4]

OLD ORDER AMISH

The 19,000 Old Order Amish Mennonites live in about 270 communities in 19 States. The communities are known as church districts; however, there are no meeting houses and worship is conducted in private homes. Each community is headed by a bishop. There is no hierachy above the bishops and no formal organization among the various communities. Thus each bishop is able to interpret doctrine independently of views held in other communities.

There is no question, of course, as to the sincerity of the assertion of the Old Order Amish bishops that participation in social security is contrary to their religious beliefs, and a number of the Amish farmers carry out this objection to the point of open refusal to pay social security taxes and active resistance to the execution by the Government of liens on their bank account to satisfy unpaid taxes. During many discussions with representatives of the Social Security Administration, the bishops have consistently refused to consider any compromise solution short of exclusion from social security coverage. On the other hand, a number of individual members of the sect have claimed old-age insurance benefits under social security when they became eligible for such benefits. It appears that at least some of the Old Order Amish—particularly, younger members are undergoing a change in attitude toward social security and are coming to regard it as a good thing. This is quite consistent with their increasing acceptance of various innovations of the 20th century.

As noted, the problem of those Old Order Amish who actively resist social security coverage is related mainly (though not entirely) to the social security self-employment tax. The enforcement problem was thrust on the

[3] "The Dordrecht Confession (1632)." In reference to civil governments, this confession also directs believers "faithfully to pay it custom, tax and tribute." One article of the confession forbids defense by force.

[4] The first reference to insurance in basic documents related to Amish religious background appears in "Christian Fundamentals," adopted by the Mennonite General Conference in 1921, which states that "life insurance is inconsistent with filial trust in the providence and care of our heavenly Father." A more recent commentary, in "The Mennonite Encyclopedia," explains: "This refers to commercial life insurance only. The (Mennonite) brotherhood has a growing awareness of its obligation to make systematic provision for the economic needs of its members including financial assistance for the widows and orphans in event of serious incapacity or death."

national scene when one Amishman, Valentine Y. Byler, of New Wilmington, Pa., who had no bank account, could not be persuaded to pay his tax for the years 1956–59. In the spring of 1961 the Government seized three of his six plow horses, sold them at public auction, and applied the proceeds against his outstanding liability. After consultation with an attorney who had become interested in civil liberties cases, Mr. Byler brought suit on the grounds of infringement of the freedom of religion guaranteed under the first amendment.

Given assurance that the constitutionality of the tax would be tested in court, and that the statute of limitations on collection of taxes would be waived by the Amish, the Commissioner of Internal Revenue agreed in October 1961, to suspend all forceful collection of tax until the issue was resolved in court. On January 21, 1963, the suit was dismissed with prejudice on motion of the plaintiffs, Mr. and Mrs. Byler. (This action was apparently based on religious objections to participating in litigation, and was taken without consultation with the plaintiff's attorney.) As an alternative course, Old Order Amish bishops appealed to the Congress and bills were introduced during the 87th Congress to exempt them from the tax. The Treasury Department and the Department of Health, Education, and Welfare pointed out objections to these bills on administrative and precedent grounds. During consideration by the 87th Congress of H.R. 10606, the Public Welfare Amendments of 1962, one of these bills (S. 2301) was adopted as a Senate amendment but was dropped in conference.

Although the suit to test the constitutionality of the self-employment tax as it applies to the Old Order Amish was never tried, the moratorium on the collection of tax has not been terminated by the Internal Revenue Service. According to the most recent report of the Service, there are some 1,500 delinquent Amish accounts, the delinquencies ranging for the most part for periods from 1 to 3 years and involving nearly $250,000 in tax liabilities.

The moratorium was intended as a temporary measure. Since tax liabilities are not satisfied but only postponed by this moratorium, it cannot be extended for too long a period of time. The 6-year period of limitation on collection of tax will expire this year in some cases. Some Old Order Amish have already indicated that they would not sign waivers to extend the collection period. The Government, therefore, in these cases soon will be forced to take action for the collection of taxes due from these individuals or else allow its collection rights to lapse.

TREASURY DEPARTMENT,
Washington, August 12, 1964.

HON. RICHARD S. SCHWEIKER,
House of Representatives,
Washington, D.C.

DEAR MR. SCHWEIKER: I am enclosing herewith the opinion of Mr. Berlin, the General Counsel of the Treasury Department, relating to the constitutionality of optional exemption of members of a certain religious faith from the social security self-employment tax or optional recovery of the tax paid.

Sincerely yours,

STANLEY S. SURREY,
Assistant Secretary.

THE GENERAL COUNSEL
OF THE TREASURY,
Washington, D.C., August 6, 1964.

CONSTITUTIONALITY OF OFFICIAL EXEMPTION OF MEMBERS OF A CERTAIN RELIGIOUS FAITH FROM THE SOCIAL SECURITY SELF-EMPLOYMENT TAX OR OPTIONAL RECOVERY OF THE TAX PAID

Legislation has been proposed in the present and the previous Congress to provide optional exemption with the social security self-employment tax for "a member or adherent of a recognized religious faith whose established tenets or teachings are such that he cannot in good conscience without violating his faith accept the benefits of insurance," upon a finding by the Secretary of Health, Education, and Welfare that his application for exemption was made in good faith and that the members of such religious faith make adequate provision for elderly members to prevent their becoming public wards.[1] Senators CLARK and SCOTT, among the chief proponents of this legislation, have explained that the faith in question is that of those Amish Mennonites who are known as the plain people or Old Order Amish who live in relative independence and isolation in rural communities and adhere strictly to many literal biblical injunctions, including reliance on divine providence for their care. The consistency and sincerity of the sect is attested to by the refusal of most of their members to accept social security benefits or pay the self-employment tax.

In consideration of these bills in Congress, the question was raised as to whether the proposed exemption would be constitutional and the views of the Treasury Department were requested. This opinion is in response to that request. Since then, additional legislative proposals, including an alternative proposal of relief for the Amish in the form of tax recovery in place of tax exemption, have been discussed in a joint statement by the Treasury Department and the Department of Health, Education, and Welfare, entitled "Request of the Old Order-Amish for Exemption from the Social Security Self-Employment Tax," which was transmitted to interested Members of Congress by a joint letter dated July 20, 1964. In connection with the earlier request, it is also appropriate to consider the constitutionality of these proposals as well as the constitutionality of the various limitations included, or suggested for inclusion in the definition of the faith whose members or adherents would be eligible for exemption. The joint statement referred to above reviews the religious tenets and modes of life of these Amish and provides an extended analysis of the social security system and the possible effects of an exemption. I will not, therefore, in this opinion cover any of this factual material. A copy of this joint statement is attached hereto.

CONCLUSION ON TAX EXEMPTION AND TAX RECOVERY

My conclusion, based upon a review of the principles of constitutional law, is that there is no valid constitutional objection to the proposed exemption and that the question of exemption is one of public policy for Congress to determine. After discussion of the grounds for this conclusion I will review in the latter part of this opinion the constitutionality of various proposed additional limitations upon the exemption.

This conclusion concerning tax exemption comprehends any provision by Congress for tax recovery, since tax exemption is the most complete relief that could be given. In the subsequent discussion, therefore, the constitutional conclusions with respect to the requirements of uniformity, of the first amendment, and of due process should be read as also extending to a provision for tax recovery.

Congress and the States have provided for the recovery of taxes in various situations where for reason of public policy the legislature has determined this to be appropriate. I have found no constitutional challenge of these provisions. For example, 26 U.S.C. 6420 provides for refund of the gasoline taxes paid for gasoline used for farming purposes. A similar provision in the Virginia Code, section 57–715 (Supp. 1964), includes refunds for gasoline used for public or nonsectarian school buses. Title 26 U.S.C. 6418 provides for refund of the Federal tax on sugar manufactured in the United States to those who use such sugar as livestock feed or in the distillation of alcohol.

If members of the designated religious faith were permitted to choose to recover in monthly installments the amount, and only the amount, of the social security taxes they have paid, they would be under a limitation which operated to their disadvantage as compared with other social security taxpayers to whom an indefinite amount of social security recovery would be available in the form of insurance. Consequently, it would seem that no other social security taxpayer would be in a position to claim that the tax recovery allowed to the Amish in any way discriminated against him or added to his tax burden.

1. The requirement of uniformity: The Constitution provides in article I, section 8, clause 1: "The Congress shall have power to lay and collect taxes, duties, imposts, and excise, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excise shall be uniform throughout the United States; * * *." This canon of uniformity has been long established to be a requirement of geographical uniformity only *Knowlton* v. *Moore*, 178 U.S. 41 (1900); *Bushaber* v. *Union F., Co.*, 240 U.S. 1 (1916); *Fernandez* v. *Weiner*, 326 U.S. 340 (1945). Insofar as uniformity may be required as an element of reasonableness under the due process clause, the problems are dealt with in my discussion of the application of that clause.

2. The first amendment: The proposed exemption, if allowed, would represent a determination by Congress that an accommodation of the self-employment tax law to prevent offense to religious scruples against insurance would not be contrary to public policy. The first amendment provides that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; * * *." The question is whether an exemption from the social security tax would be constitutional as an accommodation or mitigation of a general requirement in order to permit the free exercise of a religion or whether it would be an "aid" to the specified religion at the expense of other religions and therefore be an unconstitutional establishment of religion.

It is my conclusion that the proposed exemption would in all probability be held to be a valid accommodation of the general law to permit religious liberty under the free excise clause. The subsidiary question whether the definition of the persons exempted may be a reasonable classification under the due process clause is discussed in a subsequent part of this opinion. I base my conclusion on the following decisions of Federal and State courts, particularly the Supreme Court, which interpret the first amendment to permit accommodations to religious beliefs. This discussion will be followed by an analysis of those cases which hold that certain government action is a violation of the establishment clause, in order to make clear that this exemption would not be an establishment of religion.

The classic example of the application of the free exercise clause is the series of cases which have upheld congressional exemption of conscientious objectors from military service. The validity of this exemption was first established by the *Selective Draft Law Cases*, 245 U.S. 366 (1919) upholding the exemption in the draft law of members of religious sects "whose tenets prohibited the

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[1] S 294, 88th Cong., H.R. 10606, 87th Cong., among others.

moral right to engage in war." The Solicitor General had argued (p. 374) that this exemption did not establish such religions but simply aided their free exercise. The court considered that the Congressional authority to provide such exemption was so obvious that it need not argue the point (p. 389–390).

The present Universal Military Training and Service Act enacted June 24, 1948, c. 625, 62 Stat. 604, as amended, in section 6(j), 50 U.S.C. App. 456(j), exempts from combatant training and service in the Armed Forces a person "who by reason of religious training and belief, is conscientiously opposed to participation in war in any form." This exemption continues to be recognized as constitutional under the free exercise clause, *Clark* v. *United States*, 236 F. 2d 13 (9th Cir. 1956), cert. denied, 352 U.S. 882 409 (2d Cir. 1963), cert. granted 32 L.W. 3385, May 5, 1964. Certiorari was granted in the Jakobson case and in two other conscientious objector cases,[2] apparently in order to reconcile the conflict between the second and ninth circuits as to whether the statutory definition of "religious training and belief" as being a "belief in a relation to a Supreme Being" may constitutionally be applied to exclude a conscientious objector whose belief is based on humanistic principles. This conflict is one essentially concerned with reasonable classification of an exemption under the due process clause, discussed below. It does not concern the constitutional right of Congress to exempt conscientious objectors under the free exercise clause.

In the Jakobson case the second circuit faced the problem whether "making exemption from military service turn on religious training and belief as stated in section 6(j) aids religions, and more particularly religions based on a belief in the existence of God" (p. 414) and thereby conflicts with the holding in *Torcaso* v. *Watkins*, 367 U.S. 488 (1961). There it was determined that Maryland could not require an oath affirming a belief in God as a prerequisite to becoming a notary public. The Jakobson court concluded that "the important distinction seems to us to be that, in contrast to Maryland's notary public oath, Congress enacted this statute, in mitigation of what we assume to be the constitutionally permissible course of denying exemptions to all objectors, for the very purpose of protecting "the free exercise or religions by those whose religious beliefs were incompatible with military service which Congress had the right to require" (pp. 414–415).

An exemption identical with that in the 1948 military training act was specifically included in section 387(a) of the Immigration and Naturalization Act of June 27, 1952, c. 477, 66 Stat. 163, 258, 8 U.S.C. 1448(a). This statutory exemption followed the decision of the Supreme Court in *Girouard* v. *United States*, 328 U.S. 61 (1946) ruling that the naturalization law need not be, and should not be, interpreted to exclude an alien who would not promise to bear arms because of religious scruples. Justice Douglas, for the majority, reaffirming principles enunciated in early dissents by Justices Hughes and Holmes, said, "The struggle of religious liberty has through the centuries seen an effort to accommodate the demands of the state to the conscience of the individual" (p. 68).

The general exemption from taxation of religious groups, activities and property is another example of the exercise by legislatures of the constitutional authority to make exemptions to aid in the free exercise of religion, which continues to be upheld against contentions that the exemption operates to establish the religions this benefited.[3] Under this exemption a unique religious doctrine may make an activity of one religious group exempt as having a religious purpose which would not be exempt when carried on by other groups not holding to the doctrine.[4] The exemption from taxation of religious activities and occupations is incorporated into the Social Security Act itself which provides optional exemptions for ministers, Christian Science practitioners, employees of religious organizations and members of religious orders (26 U.S.C. 1402 (c) and (e) and 3121(b)(8)).

A further illustration of the principle that a legislature may accommodate particular religious beliefs without violating the first amendment is the case of *Zorach* v. *Clauson*, 343 U.S. 306 (1952). Here the Supreme Court held that the New York Legislature did not violate the establishment clause by authorizing public schools to release children 1 hour early every week for religious instruction off the school grounds. It said:

"When the State encourages religious instruction or cooperates with religious authorities by adjusting the schedule of public events to sectarian needs, it follows the best of our traditions. For it then respects the religious nature of our people and accommodates the public service to their spiritual needs" (pp. 313–314).

The distinction between *Zorach and McCollum* v. *Board of Education*, 333 U.S. 203 (1948) well illustrates the distinction between the two first amendment clauses for in McCollum the released time plan was held unconstitutional as an establishment of religion as classrooms and the force of the school were used in that plan.

The most important case, for our purposes, is the recent Supreme Court decision in *Sherbert* v. *Verner*, 374 U.S. 398 (1963). In this case the Court required South Carolina to accommodate the requirements of its unemployment compensation law to the religious scruples of an adherent of a particular sect, the Seventh-day Adventists. In three separate opinions the members of the Court balanced the demands of the free exercise clause against the prohibitions of the establishment clause. The opinion and the concurring opinion determined that the denial of unemployment benefits to a person unavailable for suitable work on Saturday because, being an Adventist she could not for religious beliefs work on Saturday, was a restriction on the free exercise of her religion and, therefore, unconstitutional. The dissenting opinion contended that the accommodations of Adventists was a question of policy for the legislature and that while the legislature could constitutionally exempt the Adventist from the requirements for eligibility placed upon all other persons the legislature was not required to do so. Consequently, the full court apparently would agree that Congress could constitutionally make an exception from the general requirements of taxation and compulsory insurance of persons who because of religious scruples are unwilling to accept social security insurance. It is solely the constitutional ability of Congress to make this exemption to which this opinion is addressed.

The reasoning in the Sherbert case needs to be examined as it bears upon the power of Congress in this area. The principle of accommodation of a general law to a particular religious scruple is the same in this situation as in Sherbert though the facts differ in that in the Sherbert case the accommodation was for the purpose of enabling the Adventist to receive welfare benefits and in the Amish situation the accommodation would be for the purpose of exemption the Amish from benefits as well as from taxation for these benefits.

First, the Court says that while "the consequences of such a disqualification to religious principles and practices may be only an indirect result of welfare legislation" and that no criminal sanctions compel work on Saturday, the indirect discrimination is nevertheless a burden on the free exercise of the Adventist's religion. It requires her to abandon her religious precept or forgo a welfare benefit generally available (pp. 403, 404). In the social security situation the employment tax is supported by civil and criminal sanctions of assessed penalties and fine, imprisonment and forfeiture, so that the justification for congressional relief is even clearer.

Second, the court points out that while the State may not discriminate invidiously between religions the accommodations required to be allowed to the Adventist would not be discriminatory, but rather would remove a discrimination based upon her religion, since the law does not disqualify persons who do not work on Sundays (at 406). An exemption for those sects which cannot in good conscience accept the insurance for which they are taxed would not be an invidious discrimination against other religions which have no such scruple and whose members are therefore able to accept the insurance for which they are taxed.

Third, the court pointed out that the administrative problems concerned and the possibility of spurious claims do not justify a restriction on the free exercise of religion (at 407).

Then the court concludes (at 409) that its holding does not foster the "establishment" of the Seventh-day Adventist religion in South Carolina for the extension of unemployment benefits to Adventists is not like the involvement of religions with secular institutions which the establishment clause is designed to forestall as shown in its decision announced the same day. *School District of Abington Township* v. *Schempp*, 374 U.S. 203 (June 17, 1963). In fact the Sherbert ruling reversed the State court ruling that allowance for the religious obligation of the Adventist would be an unconstitutional discrimination in her favor. See *Sherbert* v. *Verner*, 240 S.C. 286, 125 S.E. 2d 737, 746 (1962).

In the Schempp and its companion case, *Murray* v. *Curlett*, decided with the same opinion, the court found that the States were establishing religion in their public schools by requiring Bible reading and the recitation of prayers therein. These decisions are developments of the prior term's opinion in *Engel* v. *Vitale*, 370 U.S. 321 (1962 holding that the requirement of recitation in the public schools of a State-authored prayer was a violation of the establishment clause which prohibits the Government from placing its "power, prestige, and financial

[2] *United States* v. *Seeger*, 326 F. 2d 846 (2d Cir. 1064), and the *Jakobson* case, compared with *Peter* v. *United States*, 324 F. 2d–173 (9th. Cir. 1963). The *Peter* case followed *Etcheverry* v. *United States*, 320 F. 2d 873 (9th Cir. 1963) on which certiorari was denied, 375 U.S. 320 (1963). The influence of the 2d circuit against the definition is shown in *MacMurray* v. *United States*, 330, F. 2d 928 (9th Cir. 1964).

[3] *Swallow* v. *United States*, 325 F.2d 97 (10th cir. 1963); *General Finance Corp.* v. *Archetto* (R.I. 1961) 176 A. 2d 73, appeal dismissed, 369 U.S. 423 (1962); *Fellowship of Humanity* v. *County of Alameda*, 315 P. 2d 394 (Cal. Dist. Ct. App. 1957); *Lundberg* v. *County of Alameda*, 298 P.2d 1 (Cal. 1956), appeal dismissed. sub. nom., *Heisey* v. *County of Alameda*, 352 U.S. 921 (1956).

[4] "Golden Rule Church Association," 41 T.C. 719 (1964), (Nonacq. May 19, 1964).

support * * * behind a particular religious belief" (p. 431). In the Schempp case the court develops the idea that Government must remain "neutral," a term derived from the 5-to-4 decision in *Everson* v. *Board of Education*, 330 U.S. 1 (1947). In its context in the several Establishment cases this term means an inability of the State to use its powers to require religious observances or to use public funds for the support of religious institutions. None of the holdings applies the establishment clause to forbid the granting of an exemption from Government coercion of a secular action to accommodate religious scruples under the free exercise clause. The latter clause is predicated, says the Schempp court, on Government coercion which impinges on religious practice, 374 U.S. at 223. The distinction between these two historic lines of decisions has permitted the Schempp case to be decided consistently with the Sherbert case on the same day.

In sum, then, an exemption removes a handicap to the free exercise of a particular religion placed upon it by force of Government; it is not a requirement by the Government that the particular religion be practiced or observed or supported by nonadherents.

The meaning of the Sherbert case is made unmistakable in its application by the court in the recent case. *In re Jension*, 375 U.S. 14 (1933). Here the court "in the light of *Sherbert* v. *Verner*" vacated the judgment of the Minnesota Supreme Court in *In re Jenison*, 265 Minn. 96, 120 N.W. 2d 515 (1963). The Minnesota court had held a person selected for jury duty in contempt of court for refusing to serve on the jury because of a religious belief based upon the biblical injunction against judging other persons. The Minnesota court had reasoned that jury duty, being a primary duty of all citizens, was superior to a religious belief deemed by the court contrary to public order, citing *Reynolds* v. *United States*, 98 U.S. 145 (1878) which held that Congress could prohibit polygamy as a violation of the social order.

Since the Supreme Court has now held the Government must accommodate even the highest duties of citizens to sincere religious scruples, it is probable that it would hold that Congress may accommodate the religious scruple against insurance by allowing for such a scruple an optional exemption, or a lesser form of relief, from social security taxation and benefits.

3. The due process clause: Under the due process clause of the fifth amendment tax statutes must provide reasonable classifications of the subjects taxed or regulated and reasonable exemptions, if exemptions are provided. But, as has been firmly established by the Supreme Court, particularly in cases upholding the various exemptions provided in the Social Security Act and State unemployment compensation acts (*Carmichael* v. *Southern Coal Co.*, 301 U.S. 495 (1937); *Stewart Machine Company* v. *Davis*, 301 U.S. 543 (1937); *Helvering* v. *Davis*, 301 U.S. 619 (1937)), the outer bounds of what is a reasonable tax or exemption classification allow a wider play of legislative judgment than may other areas of the law where the "reasonable" standard is applied. In these cases the court assured legislatures that they had the widest powers of selection and classification in taxing some at one rate, others at another and exempting others altogether, where distinctions were based upon "considerations of policy and practical convenience."

Claims of discriminatory treatment under social security continue to be rejected as not "patently arbitrary." *Flemming* v. *Nestor*, 363 U.S. 603, 611 (1960). Recently, *Smart* v. *United States*, 222 F. Supp. 65 (S.D.N.Y. 1963), upheld a higher tax on (American) employees of the United Nations, as the means employed bore a substantial and logical relation to the objective; and *Lesson* v. *Celebreze*, 225 F. Supp. 527 (E.D.N.Y. 1963), accepted differences in dependency determination for children of a deceased mother from that for children of a deceased father, based on family support experience. See also *Cape Shore Fish Co.* v. *United States*, 303 F. 2d 961 (Ct. Cl. 1964), and *Abney* v. *Campbell*, 206 F.2d 836 (5th Cir. 1953) on fishing vessel employment differences and on domestic service differences respectively.

The requirement that exemptions have a reasonable basis applies as well to exemptions based upon religious scruples provided by Congress in conformity with the first amendment. In a nontax area this requirement has been recently reviewed in the second circuit decisions, pending review in the Supreme Court, on the reasonableness of the selective service definition of religious training and belief as being confined to belief in a Supreme Being, *United States* v. *Jakobson*, 325 F. 2d 409 (2d Cir. 1963) and *United States* v. *Seeger*, 326 F. 2d 846 (2d Cir. 1964); certiorari granted in both cases, 32 L.W. 3385, May 5, 1964. In these cases the court determined that an exemption from bearing arms based on religious belief was a constitutional accommodation of religion, but that a restriction of the definition of religion to a Supreme Being was too narrow in view of its conclusion that a conscience sincerely compelled to refrain from bearing arms because of a "mystical force of 'Godness' " or a "compulsion to follow the paths of 'goodness' " might be religious in nature (Seeger, p. 853). In other words, at least in the second circuit, the exemption on the grounds of religious objection must reach all who have sincere objections which could be interpreted as religious in nature.

In the social security situation, however, a classification may be as limited as circumstances require, as indicated in the Smart and other cases, supra.

In fact the Social Security Act and its amendments have characteristically carved out exemptions which are as narrow as required by the sociological facts, including differences among vocations and religious attitudes. Thus, for example, lawyers are covered by the self-employment tax, ministers, including Christian Science practitioners, are optionally covered, but doctors and persons who have taken the vow of poverty as a member of a religious order are completely exempted (26 U.S.C. 1402 (c) and (e), and 42 U.S.C. 411(c) (4) and (5)). When the self-employment tax was passed in 1950 the act excluded the performance of service by a minister of a church or a member of a religious order or by a Christian Science practitioner in the exercise of their callings, in order to avoid impairment of religious liberty (Senate Finance Committee hearings on H.R. 6000, 81st Cong., Jan. 17, 1950, pt. 1, pp. 1 and 3). The exemption was made optional in the 1954 amendment of the act for these classes of persons except the mendicant orders. These exemptions have not been challenged.

The reason for the present proposal to exempt members of religious sects, as such, is solely that they have a religious objection to receiving insurance. Accordingly, a classification of such sects, for exemption purposes, with appropriate safeguards, would reach all those whom Congress would have a reasonable ground to exempt and would, therefore, not be arbitrary nor violative of due process.

This conclusion is the basis of the opinion of the staff of the Joint Committee on Internal Revenue Taxation and that of the American Law Division of the Library of Congress provided to Senator CLARK under dates of November 9, 1962, and September 19, 1962, respectively. These options conclude that the proposed exemption would be constitutional as it would apply to all those who fall within the classification and that the classification is reasonable, 109 CONGRESSIONAL RECORD, 643, 464 (1963). A copy of these opinions as reproduced in the CONGRESSIONAL RECORD is attached.

Since, therefore, Congress may exempt those members of a religious faith who have scruples against receiving insurance, the next question is what practical safeguards Congress may designate to assure that only those who come within the policy of the exemption obtain the exemption, without imposing arbitrary limitations.

LIMITATIONS ON THE EXEMPTION

The joint statement by the Treasury Department and the Department of Health, Education, and Welfare reviewing the problems created by the proposed exemption for the Amish contains in section 3 suggested additional limitations upon the exemption. These limitations are proposed as possible means to protect the social security system from an unintended extension of exemptions from compulsory insurance which would weaken and dilute it. The extensions of the exception might occur, according to this joint statement, either through the formation of additional faiths claiming opposition to acceptance of benefits as one of their tenets or through the redefinition by various existing separatist groups of their tenets to include such opposition.

I shall consider each of these proposed additional limitations, designated "a" through "e," to determine whether the limitation may be considered by the courts to be a reasonable classification and consistent with the due process clause. I shall also suggest a limitation, designated "f," which was not among those proposed but which may be found to limit the exemption reasonably and realistically to the groups which Congress intends to accommodate by this exemption.

(a) An explicit limitation of the exemption to the old order Amish: This limitation would probably be considered arbitrary since the designation of one sect to the exclusion of other sects having the same scruple would be inconsistent with the congressional policy of removing the Government coercion of belief which constitutes the denial of the free exercise of religion. It would also probably constitute an invalid preference of one particular faith over those which were similarly situated. The facts presented to Congress indicate that there may be certain other sects of the Amish and possibly other religious groups who have the same religious scruple which is now being coerced. Furthermore, the exemption of a single named group will be held to be arbitrary[5] unless the relation to the public good is clearly demonstrable.[6]

(b) Limitation to members of a sect, excluding adherents who are not members; and (c) limitation to members of sects who "take care of their own": These limitations are being considered together since at least some of the bills before Congress provide that a necessary condition of exemption is a finding by the Secretary of Health, Education, and Welfare that the sect makes pro-

[5] *Eyers Woolen Co.* v. *Gilsum*, 84 N.H. 1, 146 *Baltimore*, 289 U.S. 36 (1933).

[6] *William* v. *Mayor and City Council of* Atl. 511 (1929); *Baltimore* v. *Starr Methodist Protestant Church*, 106 Md. 281, 67 Atl. 261 (1907). Cf. *United States* v. *Department of Revenue of Illinois*, 191 F. Supp. 723 (N.D. Ill. 1961) invalidating a retail tax on sales to the Federal but not to the State government.

vision for its elderly "members." This condition would probably be considered a necessary and proper public policy consideration and, therefore, a reasonable condition upon which to base eligibility for exemption. The purpose of Congress in this legislation would be to assure the fulfillment of the welfare purpose of social security while relaxing that feature of social security which impinges on the free exercise of religion. Moreover, since individuals can seldom guarantee their own future against deprivation and need, it would be reasonable for Congress to provide that to qualify for an exemption a person must be a member of a sect which shares the religious commitment, both with respect to refusing State insurance and providing for that sect's welfare. Consequently, since the sect aspect is essential, it would seem reasonable to limit the qualification for exemption to persons who are members of a qualifying sect. As said by Justices Black and Douglas in *Board of Education* v. *Barnette*, 319 U.S. 624, 643 (1943): "No well-ordered society can leave to the individuals an absolute right to make final decisions, unassailable by the State, as to everything they will or will not do."

(d) Limitation to sects which require members to follow the occupation of farming as a matter of religious principle: This limitation, as phrased, would not be appropriate on the basis of the facts given in the joint statement. It is there stated that "most old-order Amish communities permit members to make their living as self-employed carpenters or masons" (p. 9). The possibility of limiting the exemption to sects which are established in farming communities for religious reasons is suggested and discussed below.

(e) Limitation to religious groups which were established before 1935: Any limitation which designates a cutoff date would generally be less reasonable than one which on its face shows some relationship to the public purpose of the statute. For example, a requirement that the sect shall have demonstrated over a period of years its ability to take care of its own members would probably be more acceptable as a classification. The text of certain of the legislative proposals already contain this principle in that they refer to the sect to be exempted as one which is "established." I would see no reason why the extent or the text of establishment might not be specifically spelled out. There is some authority that a "classification which draws a line in favor of existing businesses as against those later entering the field will be upheld if any reasonable and substantial basis can be found to justify the classification." *Del Mar Canning Co.* v. *Payne*, 29 Cal. 2d 380, 175 P. 2d 231, 232 (1964. The circumstances justifying such a discrimination must provide substantial reasons. *Mayflower Farms* v. *Ten Eyck*, 297 U.S. 266 (1936). It is probable that the unusual situation of the Amish with respect to social security would be considered a substantial reason for a limitation of the classification to established sects.

(f) Limitation to sect established in farming communities for religious reasons: The faith, the members of which are to be exempted, might be described not only as one whose established tenets would be violated by the acceptance of insurance, and one which provides for elderly and dependent members, but as one which for religious reasons is established in farming communities. These limitations might be reasonable if Congress found after sufficient inquiry that they were necessary to assure that the exemption would be confined to sects which were religiously motivated and responsible, and to assure that the welfare purpose of social security would be fulfilled. Congress might reasonably find that the restriction of the exemption to those sects established in farming communities would be justified on the ground that such a sect could be more certainly relied upon to identify and provide for its dependent and elderly members than those in the mobile and transient urban environment. Conversely, the limitation would have the effect of excluding sects which subsequently organize for the purpose of exemption from social security, as it is unlikely that those would or could establish themselves in farming communities for religious or other reasons. The limitation would exclude other present separatist groups whose principles might, but do not specifically include refusal of social security benefits. Legislation which distinguishes farming situations from others because of sociological and economic differences and taken many forms and has been accepted by the courts. See, for example, *Tigner* v. *Texas*, 310 U.S. 141 (1940), rehearing denied, 310 U.S. 659 (1940)

G. D'ANDELOT BELIN,
General Counsel.

By Mr. JACKSON (by request):

S. 2080. A bill to make the Federal Columbia River Power System available for maximum electric efficiency for future essential power supply to promote conservation, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. JACKSON. Mr. President, at the request of the Pacific Northwest Utilities Conference Committee and the Snohomish County Public Utility District, I am introducing two separate legislative proposals for a comprehensive Northwest regional electric power planning program.

During the past 8 months, utility organizations and various other parties have been working to develop a comprehensive regional power program to be forwarded to the Congress for consideration. The result of these efforts are the two proposals which I am introducing. These proposals diverge on important elements; however, they reflect the best thinking concerning power planning problems and needs in the Northwest of a large number of individuals and entities with long experience and great knowledge in the utility field. Together they represent a point of departure for the Congress to begin consideration of the many complex and important issues which the proposals address.

Considerable interest has already developed in the Northwest about the subject of regional power plan legislation. Many individuals, groups, and elected representatives at the State and local level have indicated their intention to participate in the process of congressional consideration of this proposal. Undoubtedly, the result of this participation will be a number of additional constructive suggestions for modifying or improving the plan as originally proposed.

I intend to take a judicious approach to consideration of this legislation and the problems it addresses. I believe that it is essential that the Energy Committee, which I chair, take a thorough look at the proposals, the problems they address, and alternative proposals and suggestions which are brought to our attention by interested parties in the region and to develop appropriate legislation to meet these needs.

We in the Northwest are proud of the highly efficient utility system which we have developed with the cooperation of Federal, State and local governments, public and private utilities and all of the citizens of the region. Working to solve our problems together has been the key to our success.

I believe that we need to approach the present issues and problems confronting the region in the same spirit of cooperation which has marked our past efforts in this area.

I believe it is important to assure the widest possible public understanding of the proposals which the PNUCC and the Snohomish County Public Utility District have made and the reasons which they identify concerning the need for their proposals.

Accordingly, the RECORD should include materials concerning these proposals which these organizations have provided to me. Therefore, I ask unanimous consent that the following documents be reprinted in the RECORD at the conclusion of my remarks: letters from the authorized representatives of the PNUCC and the Snohomish County PUD requesting that the proposals be introduced as legislation, a list of utility organizations participating in the PNUCC, explanatory materials from the PNUCC and Snohomish County describing their proposals, and the full text of their proposals as introduced.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 848

1. Amend Sec. 5. to read as follows:

"Authority to Purchase. In addition to authority under existing law, BPA may purchase power, provided that power purchased under new contracts for a term in excess of five years shall be purchased only as provided in Section 6. BPA may sell such purchased power together with or separately from power from the Federal Columbia River Power System. Power sold for a term in excess of two years shall be sold at rates no less than the rates applicable to other sales under this Act. Sales for a term longer than five years are to be made only to entities and under terms and conditions provided in this Act."

2. Amend Sec. 7(b) to read as follows:

"Rate Group A. Actual requirements up to the firm energy capability of the hydroelectric generating resources of the Federal Columbia River Power System, to public bodies and cooperatives that are obligated, as of the effective date of this Act, to make payments under net billing agreements. There will be allocated in each contract year to each such public body and cooperative executing a contract referred to in Sec. 7(g), an amount of power determined by multiplying the firm energy requirements for such year of such public body or cooperative by a fraction whose numerator is the total power available in that contract year under this subsection, and whose denominator is the estimated total firm energy requirements of all such public bodies and cooperatives. Such estimates will be made annually for the ensuing ten years. Firm energy requirements as used in this subsection has the same meaning as "Sum Energy Requirements" as the latter term is defined in contracts referred to in Sec. 7(g)."

3. Amend Sec. 9(a) to read as follows:

"BPA's obligation to deliver in any period

power sold under Sec. 8 shall be subject to limitation as provided in this section to the extent that BPA finds that it shall have an insufficiency of supply, provided that deliveries to any customer which has sold, or which has arranged for the sale of, power to BPA for such period from a designated plant shall not be reduced below the amount of power so sold.

4. Amend Sec. 10(a)(1), to read as follows:

"'Federal Base System Cost' (FBS cost) means cost (including repayment and interest) of the Federal Columbia River Power System hydrogenerating projects allocated to power (including irrigation costs assigned for repayment out of power revenues) less estimated revenues from the sale of non-firm power."

5. Amend Sec. 10(a)(3), to read as follows:

"'New resource cost' means cost of all power purchased or otherwise acquired by BPA less FBS cost, net billed thermal costs and system cost of power provided that, the cost of power purchased for a term of five years or less shall not be a new resource cost except to the extent such power is used to meet obligations of BPA incurred pursuant to Sections 7 and 8. Costs of power purchased from public bodies and cooperatives shall be separately determined from cost and power purchased from private utilities."

6. After Sec. 10(a)(3) insert new subsection (4) to read as follows:

"'Net billed thermal costs' means costs of power acquired by BPA under the net billing agreements."

Renumber the existing subsections (4) and (5) as "(5)" and "(6)" accordingly.

7. Amend Sec. 10(c) by redesignating references to Sec. 10(a)(4) and Sec. 10(a)(5) as "(a)(5)" and "(a)(6)" respectively.

8. Amend Sec. 10(d), to read as follows:

"Rate Group B shall recover the allocated cost of capacity, and the balance of FBS cost allocated to energy, system cost allocated to energy (including annual charges for the portion of systems costs treated by BPA as capital), net billed thermal costs allocated to energy and the proportion of new resource cost allocated to energy that the amount of power from such resources to be sold under Sec. 8 (b) through (e) in each year bears to the total amount of power to be sold from such resources in such year, plus the portions of transmission cost allocated under subsection (a)(5) and other cost under subsection (a)(6). Adjustment in Rate Group B shall be made as provided in subsection (j)."

9. Amend Sec. 10(e) by redesignating references to Sec. 10(a)(4) and Sec. 10(a)(5) as "(a)(5)" and "(a)(6)" respectively.

10. Delete subsection 10(n).

11. Delete subsection 18(e).

12. Amend section references throughout the bill accordingly.

S. 2080

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pacific Northwest Electric Power Supply and Conservation Act".

SEC. 2. FINDINGS.—The Congress finds that—

(a) The Hydro-Thermal Power Program for providing future power supplies was developed in the late 1960's by the utility systems of the Pacific Northwest and the Bonneville Power Administration to meet future energy needs through bulk power supply facilities to be constructed and operated by the utility systems of the region in coordination with the hydroelectric generating resources of the Federal Columbia River Power System.

(b) Congress approved certain agreements implementing the Hydro-Thermal Power Program, but radical increases in costs of new thermal generation and unexpected delays in licensing and authorization of new thermal generation have imposed major unanticipated difficulties in achieving the objectives of such program.

(c) Regional development of hydroelectric resources, particularly additional capacity on the Federal Columbia River Power System, will be essential to an economic power supply with minimum environmental impacts.

(d) The Federal Columbia River Power System, operating in coordination with electric generation resources of utility systems of the region, provides a basic means for storing, regulating, and interchanging power supplies which, if fully utilized together with the further ability to provide for spreading planning burdens and costs of future power supply facilities, can support the effort of the region to cover costs of future bulk power supply.

(e) BPA purchase authority will facilitate regional pooling which will strengthen the financial ability of the utility systems to construct new resources. The regional pool so formed can also provide important financial support for effective conservation of energy through increases in efficiency of use.

(f) BPA has not notified its public body and cooperative customers that BPA does not have sufficient firm power to meet their anticipated load growth after July 1, 1983. BPA has notified its direct-service industrial customers that it will not be able to renew existing contracts after their expiration.

(g) It is in the public interest that essential future power supplies be available on a sound economic basis and that public bodies and cooperatives have available to them a future power supply from BPA.

(h) The inability of BPA to renew contracts with existing direct-service industrial customers threatens the Pacific Northwest with loss of employment vital to the region's economy and its workers, and threatens the production of 30 percent of the nation's primary aluminum, all of its ferronickel production, and substantial portions of its production of carbide, chlorine, ferro-alloys, and other materials vital to the national economy, the national energy-conservation effort, and the national defense. It is in the public interest that a power supply be continued to be made available to such customers as provided in this Act.

(i) It is in the public interest that existing regional cooperation and coordination among the utility systems and BPA be continued, and it is in the public interest that public and private utility systems jointly participate in the planning and designation of future power supplies through the Pacific Northwest Electric Planning and Conservation Organization.

(j) In order to carry out its functions and to implement the objectives of this Act it is necessary that PNEPCO prepare and publish forecasts of Pacific Northwest Power loads and resources; conduct programs to promote efficiency in power consumption in the Pacific Northwest; conduct studies and analyses of alternative sources of energy, including costs, timing, and availability; review long-range bulk power supply planning of utility systems; provide oversight services as specified in contracts with BPA; conduct or participate in plant siting studies and determinations; and take such other actions, consistent with this Act, as may be necessary or advisable in the performance of the foregoing functions.

(k) To provide for more efficient planning and utilization of generating resources, to minimize demands on capital and scarce fuel supplies and to promote conservation and efficient use of electrical energy, it is in the public interest that agreements, action or conduct be undertaken by persons or entities, acting alone or together, for the purpose of complying with or implementing the provisions or objectives of this Act.

(l) The Pacific Northwest has the unique opportunity to combine the ability of the coordinated hydroelectric resources of the region systems to store and manage power supplies, the ability to achieve, on a regional basis, reduced usage of fuels and investment capital and the ability to jointly support other power-related programs. This potential will be more fully utilized for the public benefit by a limited authorization to BPA to make long-term power purchases as provided in this Act.

SEC. 3. DEFINITIONS.—As used in this Act—

(a) "Average megawatts" (avg. mw) means average annual firm energy (expressed in thousands of kilowatts).

(b) "BPA" means the Bonneville Power Administration, and the Administrator of the Bonneville Power Administration.

(c) "Contract demand contract" means a contract for a sale of power in specified amounts for specified years.

(d) "Customer" means a public body, cooperative, private utility, Federal agency, or direct-service industrial, purchaser of power from BPA for use within the Pacific Northwest.

(e) "Date of continuous operation" means the date certain determined by the owner(s) of a designated plant as the point in time when the plant is ready to be operated and the output scheduled on a continuous basis.

(f) "Designated plant" means all or any part of a generating facility to the extent designated by PNEPCO for the purpose of this Act.

(g) "Load growth" means an increase of power requirements of a BPA customer due to increase in consumption within the Pacific Northwest.

(h) "Net billing agreements" means agreements existing as of the date of this Act between certain public bodies and cooperatives and BPA under which Participants' Shares and/or Owner's Shares of certain thermal generating plants have been assigned to BPA, compensation for such assignment being made by crediting the annual costs of each such share against the cost of power purchased by such Participant or Owner from BPA.

(i) "Pacific Northwest" means (1) the region consisting of the States of Oregon, Washington, and Idaho, the State of Montana west of the Continental Divide, and such portions of the States of Nevada, Utah, and Wyoming as are within the Columbia drainage basin and (2) any contiguous areas, not in excess of seventy-five airline miles from said region, which are a part of the service area of a distribution cooperative which has a distribution system from which it serves both within and without said region, and (3) the service area in California on the effective date of this Act of a utility system which serves a contiguous area both within and without said region.

(j) "PNEPCO" means Pacific Northwest Electric Planning and Conservation Organization, the nonprofit corporation described in section 17.

(k) "Power" means electric capacity or electric energy, or both, including the electric generating capability of a plant whether or not such plant is operable or the operation thereof is suspended, interrupted, interfered with, reduced or curtailed, in each case in whole or in part for any reason whatsoever.

(l) "Private utilities" means publicly held stock corporations organized under general business laws operating utility systems within the Pacific Northwest.

(m) "Public bodies and cooperatives" means public bodies and cooperatives as those terms are defined in Public Law 75-329, as amended, which sell power within or pur-

chase power for direct consumption within the Pacific Northwest.

(n) "Requirements contract" means a contract for sale of power to meet a customer's varying power requirements in excess of the purchasers' own resources, if any.

(o) "Utility system" means a system operated by a public body, cooperative, or private utility which sells power to ultimate consumers.

Sec. 4. Conservation.—(a) BPA, shall, in consultation with the States of Washington, Oregon, Montana, and Idaho (hereinafter called "the States"), PNEPCO, and other interested parties, develop programs and methods by which BPA customers and ultimate consumers may conserve and efficiently use power. In each budget submitted following the effective date of this Act, BPA shall include proposed expenditures for conservation programs; provided that expenditures under this section 4(a) shall take into account the amount of each utility system's purchases of power under this Act. Such programs may provide for grants or loans, including interest-free loans, to ultimate consumers served by utility systems. Funds for grants or loans may, and funds for loans to the ultimate consumers shall, be administered through utility systems. Total funds shall not at any given time exceed $300,000,000 total commitment for, and balance of, loans outstanding.

(b) BPA shall include in an annual report a description of regional conservation activity, conservation standards established and implemented, and estimated costs and savings therefrom. The report also shall compare, on a regional basis, the cost, amount, and timing of power available from conventional electric generation technologies with the cost, amount, and timing of power available from alternative technologies, and power savings which will result from potential conservation programs.

(c) BPA customers within a State specified in subsection (a) shall be subject to the surcharge provided for in this section if such State has failed to enact legislation or take other appropriate action consistent with the uniform regional standards for efficient use of power (hereinafter "standards") within two years after the initial establishment of standards or, if standards are amended requiring additional State action, two years after the date of amendment, the surcharge to continue until the State adopts legislation or takes other appropriate action.

(d) Standards under subsection (e) may be adopted by the states in consultation with BPA, acting through such officers or agents as may be determined by each state; or if the states do not act within two years of the effective date of this Act, BPA shall establish such Standards within one year thereafter. The states may adopt Standards or amended Standards established by BPA. Standards shall be periodically reviewed and amended as necessary.

(e) Standards shall be set as appropriate for the categories (including appropriate subcategories) including but not limited to the following:

(1) New residential, commercial, industrial and agricultural structures.

(2) Existing residential, commercial, industrial and agricultural structures.

(f) The States shall review new and existing industrial, commercial and agricultural processes to determine whether state-adopted standards would be appropriate for any such process. If the states determine such state standards should be adopted, they shall proceed as appropriate. Unless and until the states adopt such standards, any applicable mandatory federal energy conservation standard shall become a Standard for the purposes of this section.

(g) For the purpose of achieving optimum conservation levels, Standards established under this section shall, in order to meet the requirements of this section, be at least equal to any mandatory federal energy conservation standards, shall be practicable and reasonable, and shall be based on all the following:

(1) Demonstrable cost-effectiveness of power savings to the region upon implementation. Except for cause shown, the level of conservation to be derived from Standards shall be that which yields the highest net benefit (savings less cost). The power savings shall be valued at the delivered cost of new sources of power.

(2) Geographic, climatic, and other differences within the region.

(3) Social and environmental impacts.

(h) In the absence of certification by the states that a state has enacted legislation or taken other appropriate action consistent with the Standards, power sold for use in such state pursuant to Sections 7 and 8 will be sold subject to a surcharge. BPA shall waive the surcharge with respect to any political subdivision which the states determine has substantially complied with the Standards. If the states have failed to establish Standards and BPA has acted in their absence, BPA shall determine substantial compliance. The surcharge to any one customer shall be the greater of (1) an amount equal to 50 percent of the total cost of power purchased by such customer under this Act and subject to surcharge, or (2) an amount calculated by applying to such power purchased a rate determined by taking the difference between the basic rate based on Rate Group A and the basic rate based on Rate Group C and dividing by two. Revenues from the surcharge shall be used to defray the costs of conservation programs under subsection (a). Revenues in excess of these requirements shall be distributed annually, through billing credits, to each customer not subject to such surcharge and shall be allocated in the proportion that the cost of power sold to such customer bears to the total cost of power sold to all such customers.

(i) The States may allow exceptions for good cause from Standards and thereupon BPA may waive the surcharge provided for in this section.

(j) Provisions implementing the surcharge and other features of this section, as appropriate, shall be included in BPA's power sales contracts.

(k) No action by the States to (1) establish, adopt, or amend Standards, (2) certify that a State or political subdivision thereof has acted consistently with Standards, or (3) allow exceptions shall be effective except upon unanimous agreement of the States of Oregon, Washington, Idaho and Montana.

Sec. 5. Authority to Purchase.—In addition to authority under existing law, BPA may purchase power, provided that power purchased for a term in excess of five years shall be purchased only as provided in Section 6. BPA may sell such purchased power together with or separately from power from the Federal Columbia River Power System. Power sold for a term in excess of two years shall be sold at rates no less than the rates applicable to other sales under this Act. Sales for a term longer than five years are to be made only to entities and under terms and conditions provided in this Act.

Sec. 6. Purchases for Term Longer Than Five Years.—(a) BPA may purchase power (1) from a designated plant from the Owner of such plant or any other person having an interest in such power or (2) from a system designated by PNEPCO.

(b) In addition to purchases under subsection (a), BPA shall, and is directed to, purchase at system cost (as defined in Section 10) power offered for sale by private utilities but not to exceed 4000 avg. mw.

Sec. 7. Basic Entitlements to Power.—Section 10 assigns costs of power to three groups—A, B and C—as the basis for schedules of rates and charges for sale of power. Each class of sale in this section and Section 8 is classified to its Rate Group at the beginning of each paragraph.

(a) BPA shall, and is directed to, sell power as provided in this section.

(b) Rate Group A. Actual power requirements (not more than 5700 avg. mw, such limit increasing beginning July 1, 1984 in 10 equal annual increments to a total of 6090 avg. mw), to public bodies and cooperatives that are obligated, as of the effective date of this Act, to make payments under net billing agreements. There will be allocated in each contract year to each such public body and cooperative executing a contract referred to in Section 7(g), an amount of power determined by multiplying the firm energy requirements for such year of such public body or cooperative by a fraction whose numerator is the total power available in that contract year under this subsection, and whose denominator is the estimated total firm energy requirements of all such public bodies and cooperatives. Such estimates will be made annually for the ensuing 10 years. Firm energy requirements as used in this subsection has the same meaning as "Sum Energy Requirements" as the latter term is defined in contracts referred to in Section 7(g).

(c) Rate Group B. (Adjusted) 2800 avg. mw in the year ending June 30, 1979, increasing in equal annual increments to 4000 avg. mw in the year ending June 30, 1985, or such lesser amount of power equal to that offered for sale for such years to BPA under Section 6(b), to private utilities.

(d) Rate Group B. Actual requirements as of June 30, 1983, but not more than 260 avg. mw, to Federal agencies.

(e) Rate Group B. Not more than 3000 avg. mw to direct-service industrial customers with power sales contracts with BPA as of the effective date of this Act.

(f) Rate Group C. Not more than 1000 avg. mw as determined by BPA to be available from new resources, to direct-service industrial customers identified in subsection (e) to be used for production purposes specified in existing power sales contracts. If BPA makes non-firm power available to such customers in lieu of all or a portion of sales under this subsection, the total in any year of sales under this subsection and of such sales of non-firm power so made available shall not exceed 1000 avg. mw.

(g) Contracts for sale of power under this section and for purchase of power Section 6(b) shall be in substantially the form of the several draft contracts appropriate for each transaction included in the committee report on this Act. Promptly after the effective date of this Act, BPA shall execute and tender contracts for execution to all entities entitled to purchase power under this section or to sell power under Section 6 (b). No such contract may be executed by a purchaser or seller on a date more than six months after the date of tender.

(h) Sales under this section shall include during the term of the contract the amount of capacity as provided in such contract.

Sec. 8. Additional Power Sales.—(a) BPA, subject to the availability of power, is authorized to sell power as provided in this section in addition to the power which BPA is directed to sell under Section 7.

(b) Rate Group B. (Adjusted) Not more than one-half of actual load growth, to each utility system. Load growth of public bodies and cooperatives shall be the load growth commencing in the first year during which the total load of each public body or cooperative, respectively, equals or exceeds the power made available under Section 7(b) and non-federal hydro resources utilized to

meet such loads in 1975–76. Load growth of public bodies and cooperatives may be determined collectively. Load growth of private utilities shall be the load growth occurring after June 30, 1983.

(c) Rate Group B. (Adjusted) Not more than one-half of total load as of the date of initial service by BPA under a contract entered into under this Act, other than under Section 7, and not more than one-half of load growth thereafter, to public bodies and cooperatives which do not receive service under a contract authorized in Section 7; provided, that prior to June 30, 1983, total load of such a customer shall be at Rate Group B.

(d) Rate Group B. Increased requirements of customers described in Section 7(e) due to technological reasons, at the annual rate of 0.5 percent, cumulative to the extent not used, of the total contract demand for all such customers as a group during the preceding contract year beginning July 1, 1978.

(e) Rate Group B. One-half of load growth after June 30, 1983, to Federal agencies.

(f) Rate Group C. (Adjusted) All other sales of firm power, to utility systems and other customers.

(g) Utility systems purchasing power at the same Rate Group may interchange entitlements under such Rate Group so long as the total purchased power that BPA is obligated to sell under any Rate Group is not increased.

SEC. 9. INSUFFICIENCY OF SUPPLY.—(a) BPA's obligation to deliver in any period power sold under Section 8 shall be subject to limitation as provided in this section to the extent that BPA finds that it shall have an insufficiency of supply, provided that deliveries to any customer which has sold, or which has arranged for the sale of, power to BPA for such period shall not be reduced below the amount of power so sold.

(b) BPA shall give notice ten years in advance of such limitation, or such shorter period not less than seven years if BPA determines adequate alternate generating facilities can be secured in such period. No such notice may be given prior to July 1, 1982.

(c) "The amount of power so sold" shall be based upon the designated plant's estimated actual capability in the eleventh year following such notice of insufficiency. Each year thereafter such "amount of power so sold" shall be revised as necessary to take into account any changes in the estimated actual capability. Such revision shall be effecitve ten years from the date of the revision.

SEC. 10. RESOURCE COST BASES OF RATE SCHEDULES.—(a) BPA resources shall be classified, for cost purposes, in the following resource cost groups:

(1) "Federal Base System Cost" (FBS cost) means cost (including repayment and interest) of the Federal Columbia River Power System hydrogenerating projects allocated to power (including irrigation costs assigned for repayment out of power revenues) in operation on or before June 30, 1983 (including facilities initially scheduled for service by June 30, 1983, but delayed beyond that date), and costs of power acquired from projects under net billing agreements, all as adjusted for replacement resources. BPA shall acquire resources to replace the capability of resources included in FBS cost to the extent of any reduction of such capability.

(2) "System cost" means the full cost to a private utility of acquiring, owning and operating the power facilities used or to be used to supply power purchased under section 6(b) and shall be the sum of the following: (A) fixed costs, (B) operating expenses, including fuel, depreciation, taxes other than Federal income taxes, Federal and State income taxes, purchased and interchanged power costs, and wheeling costs, and (C) any other expenses related to the purchase of power, the construction, ownership, operation and maintenance of generating plants to the extent not included in (A) and (B) above.

(3) "New resource cost" means cost of all power purchased or otherwise acquired by BPA less costs included in FBS cost and system cost of power, provided that, the cost of power purchased for a term of five years or less shall not be a new resource cost except to the extent such power is used to meet obligations of BPA incurred pursuant to sections 7 and 8. Cost of power purchased from public bodies and cooperatives shall be separately determined from cost of power purchased from private utilities.

(4) Cost of transmission to be paid by BPA customers shall be determined in accordance with Public Law 93–454 and allocated by BPA among Rate Groups A, B and C.

(5) All other cost, including administrative and general, shall be appropriately allocated by BPA.

(b) Resource costs shall be allocated by BPA between capacity and energy. Whenever a single capacity rate is in effect, capacity costs shall be totaled and allocated to Rate Groups in proportion to capacity sales of each Rate Group.

(c) Rate Group A shall recover the allocated cost of capacity, and that portion of the FBS cost allocated to energy, that is related to power sold in each year under section 7(b) and section 11(b), plus the portions of transmission cost allocated under subsection (a)(4), and other cost allocated under subsection (a)(5).

(d) Rate Group B shall recover the allocated cost of capacity, and the balance of FBS cost allocated to energy, system cost allocated to energy (including annual charges for the portion of system cost treated by BPA as capital), and the proportion of new resource cost allocated to energy that the amount of power from such resources to be sold under Section 8(b) through (e) in each year bears to the total amount of power to be sold from such resources in such year, less estimated revenues for sales of non-firm power as provided in subsection (n), plus the portions of transmission cost allocated under subsection (a)(4) and other cost under subsection (a)(5). Adjustment in Rate Group B shall be made as provided in subsection (j).

(e) Rate Group C shall recover the allocated cost of capacity, and the proportion of new resource cost allocated to energy that the amount of power from such resources to be sold under Sections 7(f) and 8(f) in each year bears to the total amount of power to be sold from such resources in such year, plus the portions of transmission cost allocated under subsection (a)(4) and other cost under subsection (a)(5). Adjustment in Rate Group C shall be made as provided in subsection (j).

(f) In establishing rate schedules, BPA shall establish a single rate for sale of capacity common to Rate Groups A, B and C. If, thereafter, BPA determines that costs associated with supplying capacity make such single rate inequitable, as compared with separate capacity rates for each rate group, it shall establish separate capacity rates for each Rate Group. Cost of capacity reserves and surplus capacity shall be included in the capacity rate, appropriately allocated in case of multiple rates.

(g) Revenues from sales of firm power under existing contracts which continue in effect, and net revenues from wheeling on the Pacific Northwest-Pacific Southwest Intertie shall be credited against FBS cost.

(h) BPA shall allocate among Rate Groups A, B and C in proportion to the avg. mw purchased under each group (i) the fixed cost of any plant that is abandoned or terminated other than for obsolescence, (ii) the fixed cost of a plant which is inoperable, or a portion of fixed cost of any plant to the extent its operation is substantially limited, and (iii) to the extent determined by PNEPCO, that portion of fixed cost related to a reasonably unforeseen replacement or addition of a major plant component.

(i) Any cost and any revenue, the allocation of which is not specifically provided for in this Act, may be allocated by BPA among Rate Groups A, B or C as appropriate.

(j) For the purpose of this subsection, Public Bodies and Cooperatives are one customer class, and private utilities are another customer class. Rate schedules established for sales under Rate Groups B and C to such classes shall provide for annual adjustment in the component of such rate schedule that is based on new resource cost. If the estimated average cost of power of all new resources purchased from a customer class is more than 1 percent in a year less than the estimated average cost of power of all new resources, in all cases excluding plants designated under section 17(c), the estimated average cost of power of new resources purchased from such class shall be used instead of the estimated average cost of power of all new resourecs in determining the rate applicable to such class in such year, and the rates to the other class shall be increased to not more than the estimated average cost of power sold by such class to recover any resulting loss in revenue, with any remaining deficit from estimated average cost of power from all new resources allocated among all customers purchasing power under rate schedules pursuant to Rate Group B or C.

(k) BPA may change rates for the sale of electric power and for the transmission of non-Federal electric power over the Federal transmission system not more frequently than annually upon not less than 12 months' notice, or such lesser time agreed to by the affected customers, except that such notice shall not be required for interim rates under Section 18(a) which are to be effective not later than October 1, 1978.

(l) Schedules of rates and charges shall be established by BPA in conformity with this Act and Public Law 93–454 having regard, in addition to the provisions of section 9 of Public Law 93–454, to the recovery of the costs of purchased power under sections 5 and 6, the costs of conversion programs under section 4, and other costs authorized to be incurred by this Act.

(m) All costs shall be recovered and cost of service computed, without any annual requirement, within the repayment period or periods provided by law. The existing method of determining repayment obligation of costs of the Federal Columbia River Power System allocated to power (including irrigation costs assigned for repayment out of power revenues) and of determining applicable interest cost shall not be changed because of this Act.

(n) Estimated revenues from sales of non-firm power shall be credited to FBS costs through June 30, 1980. Thereafter, allocation of such estimated revenues shall be made in equal annual increments so that in the year ending June 30, 1985, and thereafter all such estimated revenues are allocated as provided in subsection (d).

SEC. 11. CONTRACT TERM.—(a) Sales under Section 7 shall be for a term of 35 years from the effective date of the contract or such lesser period that the purchaser may desire. Sales under Section 8 may be for a term ending not later than 35 years after the first delivery under the contract or, where a sale is related to a designated plant, or the useful life of the plant, whichever is longer. Subject to the provisions of Section 9, contracts providing for sales under Sections 7

and 8 shall not be subject to cancellation in whole or in part to satisfy the requirements of any other customers.

(b) BPA power sales contracts existing on the date of this Act with customers which do not elect to execute contracts tendered under Section 7(g) shall not be extended or renewed. The basis of the rate applicable to such existing contracts with public bodies and cooperatives shall be Rate Group A, and the amount of power shall be deducted from the limits in Section 7(b), during the remaining term of the contract, and the basis of the rate applicable to such existing contracts with Federal agencies and direct-service industrial customers shall be Rate Group B.

(c) Agreements executed by BPA as an implementation of the Treaty between Canada and the United States of America Relating to the Cooperative Development of the Water Resources of the Columbia River Basin, and the Pacific Northwest Coordination Agreement shall continue in force in accordance with their terms.

SEC. 12. ASSIGNMENTS.—(a) A contract for the sale of power under Section 7 or 8 shall not be assigned without the consent of BPA if BPA determines such assignment will (1) require additional BPA facilities to enable BPA to deliver power pursuant to such contract, or (2) make unusable existing BPA facilities, or (3) increase the total amount of power BPA is obligated to deliver.

(b) A contract for sale of power under Section 7(b), (e), or (f) shall not be assigned to any other entity, except (1) in the case of a sale under Section 7(b), to another purchaser under such section, or to a successor-in-interest to the utility system or to the facilities being served, or (2) in case of a sale under Section 7(e) or (f), to a successor-in-interest to the business, or (3) as a pledge of a security interest.

SEC. 13. LARGE LOAD LIMITATION.—BPA shall not increase the contract demand established pursuant to a contract demand contract and shall not supply power to a requirements contract customer for that part of load growth which is created by a new single load of such customer in excess of 35 avg. mw in any 12 months, or 100 avg. mw in any 60 month period, if BPA had not previously determined that firm power would be available for such load, provided that power may be made available on the condition that it be interruptible for a period measured by the time required to acquire the necessary resources but not exceeding ten years, or until the scheduled date of continuous operation of resources to be available to supply such load, whichever is earlier. If interruption is required for several such loads, each load will be curtailed in its entirety in inverse order in which the commitment to customers was made. Interruption of all such loads shall be made prior to restriction of power sold under Sections 7 (e) and (f) and Sections 8 (d) and (f).

SEC. 14. CONTINUATION OF SERVICES.—BPA shall continue to make available to its customers those services necessary to enable BPA to carry out its statutory responsibilities. Such services shall include, but not be limited to, load forecasting, load factoring, storage, dispatching, scheduling, transmission, coordination, emergency and breakdown relief, and conservation programs. BPA shall make such services available in a fair and equitable manner among all its customers.

SEC. 15. BPA FUNDING.—(a) In addition to the purposes for which BPA is authorized to expend funds from the Bonneville Power Administration Fund as enumerated in Section 11(b) of P.L. 93-454, BPA is authorized to expend from such Fund such amounts as may be required to pay: (1) the costs associated with purchases under Sections 5 and 6 of this Act, including advance payments for power on account of costs of acquisition of fuels for plants the output of which is purchased in whole or in part by BPA under Sections 5 and 6 and (2) costs associated with the conservation programs referred to in Section 4 of this Act.

(b) In addition to the purposes for which BPA is authorized to issue and sell bonds under Section 13(a) of P.L. 93-454, BPA is authorized to issue and sell bonds, subject to the conditions in P.L. 93-454, (1) to provide loan funds under Section 4(a) of this Act, provided that bonds outstanding for such purpose shall not at any time exceed the sum set forth in Section 4(a), and (2) to pay that portion of costs of acquisition of power which may be treated as capital cost under generally accepted utility accounting practice, exclusive of such costs for fuel.

SEC. 16. CONSTRUCTION.—(a) This Act shall be liberally construed to preserve and encourage regional initiative, flexibility, and cooperation in dealing with the subject matter of this Act, and to realize and effectuate the purposes and objects of the Act as found and declared by Congress.

(b) No agreement, action, or course of conduct by any person or entity which is undertaken for the purpose of complying with or implementing the provisions or objectives of this Act shall be deemed to be a violation of the Act of July 2, 1890, as amended (the Sherman Antitrust Act), the Act of October 15, 1914, as amended (the Clayton Act), the Act of September 26, 1914, as amended (the Federal Trade Commission Act), the Act of May 26, 1938, as amended (the Robinson-Patman Antidiscrimination Act), or any other similar Federal or State laws.

(c) PNEPCO shall promptly transmit to BPA and the Attorney General a written notice, by registered mail, return receipt requested, of any designation or refusal to designate under section 17 (b) or (c). No action or proceeding brought under the laws referred to in subsection (b) arising out of such PNEPCO action shall be commenced after the expiration of six months from the latest date either such agency received such written record of PNEPCO action.

SEC. 17. REGIONAL ORGANIZATION.—A valid designation can be made by PNEPCO only so long as it has the characteristics, and its articles of incorporation require or authorize functions, as set forth in this section.

(a) PNEPCO is organized and existing as a nonprofit corporation under the laws of the State of Washington and its articles of incorporation provide that each utility system in the Pacific Northwest has the right at all times to name a natural person to be a member of PNEPCO.

(b) PNEPCO shall designate a plant or system for purchase of all or part of the power therefrom by BPA on such conditions and for such terms as are consistent with this Act and if such purchase meets the following standards:

(1) such purchase shall be consistent with provision of an adequate power supply for the Pacific Northwest in light of forecasted power loads and resources, taking into account programs developed under section 4 for the efficient use and conservation of electric energy;

(2) each utility system has been or will be given reasonable opportunity for participation in the proposed facility or other resources purchased by BPA sufficient to meet its forecasted resource deficiencies; and

(3) such purchase would be consistent with providing economic and reliable service to the customers of the utility systems and BPA.

(c) PNEPCO may designate a plant for purchase of all or part of the power therefrom which plant does not meet the criteria of subsection (b)(3) but is an experimental, developmental, or pilot plant intended to develop new technologies of generating economic and reliable electric service.

(d) All meetings for the purpose of designating plants or adopting regional forecasts of loads and resources shall be open to the public.

(e) BPA and the Governors of Oregon, Washington, Idaho, and Montana may designate representatives to participate as members in all PNEPCO committees and task forces and to attend, observe, and engage in discussions at all meetings of the Board of Directors of PNEPCO or its members. Invitations may be extended to other civil authorities of the Pacific Northwest to participate as appropriate in PNEPCO committees and task forces.

SECTION 18. MISCELLANEOUS.—(a) BPA may, without approval of the Federal Power Commission, apply its existing rates to, and thereafter establish interim rates under Rate Groups A and B for, contracts under Section 7(g) during the period from the effective date of the Act to the date when rate schedules prepared pursuant to this Act are first filed with and approved by the Federal Power Commission pursuant to P.L. 93-454, which date of filing shall be no later than 18 months after the effective date of this Act, provided that no such interim rates may be established after such filing.

(b) A copy of each purchase contract under Section 6(a) substantially in the form proposed for signature, shall be transmitted by BPA to Congress, and thereafter BPA shall publish notice thereof in the Federal Register not less than 60 days prior to the proposed date of execution of such contract. Any such contract executed more than 60 days after the date of such publication shall be valid for all purposes under this Act and the statutes and laws of the United States, and its validity shall not be questioned in any court of the United States unless, prior to the execution thereof, suit has been filed in a court of the United States challenging the validity of such contract.

(c) The Secretary of PNEPCO shall certify to BPA the designation of a plant or system under Section 17 together with any conditions of such designation. Thirty days after the date of such certification, such certification shall be conclusive for all purposes that a valid designation of a plant or system under Section 17 has been made in accordance with the requirements of this Act and with the Articles and Bylaws of PNEPCO, and after such certification such designation may not be withdrawn, modified, or revoked without consent of the owner or owners of the plant or system.

(d) No provision of Chapter 2C, Title 15, U.S.C., shall apply to or be deemed to include: (1) PNEPCO; or (2) any "person" or "company" (as defined in 16 U.S.C., section 79b(a) (1) and (2)) organized and operated primarily for the purpose of financing, leasing, constructing, owning, managing, or operating part of, an interest in, or all of, facilities used for the generation of electricity (together with associated transmission and other facilities), 50 percent or more of the power from which, or from the part or interest so financed, leased, constructed, owned, managed, or operated, is or will be sold to BPA under section 5 or 6.

(e) If after July 1, 1982, and prior to June 30, 1988, BPA gives a notice of insufficiency to all its requirements customers and, prior to June 30, 1988, BPA either has refused to purchase power from designated plants or is legally disabled from purchasing power adequate to cover such insufficiency, then during the period of insufficiency estimated revenues from sales of nonfirm power shall, in lieu of the provisions of section 10(d), be credited one-half to Rate Group A and one-half to Rate Group B if the in-

sufficiency is caused by a BPA refusal to purchase, and shall be credited entirely to Rate Group A if the insufficiency is caused by such legal disability.

SEC. 19. SEVERABILITY AND CONTINUATION OF RIGHTS.—If any part of this Act is declared unlawful, then all remaining parts shall remain in full force and effect, provided that, if any part of either section 5 or section 6 is declared unlawful, any obligations entered into pursuant to section 5 or 6 shall remain in full force and effect in accordance with their terms, and provided further that, if the provisions of section 7(b) are declared unlawful, then section 10(c) and that portion of section 10(d) relating to FBS cost shall be void.

SEC. 20. TAX-EXEMPT BONDS IN THE CASE OF CERTAIN REGIONAL ELECTRIC ENERGY PROGRAMS.—(a) Subsection (b) of section 103 of the Internal Revenue Code of 1954 (relating to industrial development bonds) is amended by inserting after paragraph (3)(B) the following new paragraph:

"(C) An agency of the United States administering a program approved by an Act of Congress for purposes of meeting the electric energy needs of one or more regions of the United States (but only with respect to the agency's acquisition of electric energy from a facility therefor if the agency determines, prior to contracting for the acquisition, that such electric energy is not being acquired for the purposes of furnishing a major portion thereof to persons who are not exempt persons (within the meaning of paragraphs A and B), each of which is expected to be furnished more than 3 percent of the electric energy; provided that in computing the portion of the proceeds of an issue of obligations to be used in any trade or business by persons who are not exempt persons, the amount of electric energy the agency determines will be furnished by it to such persons shall be treated as sold to such persons by the issuer of the obligations)."

(b) The amendments made by this section shall apply to acquisitions of electric energy after the effective date of this Act.

PACIFIC NORTHWEST UTILITIES CONFERENCE COMMITTEE,
September 8, 1977.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: We enclose a copy of draft legislation called the Pacific Northwest Electric Power Supply and Conservation Act, together with a description of the major features of the draft and the needs to which they are addressed. We respectfully request the introduction of the legislation and its consideration as expeditiously as the business of the Congress permits.

This legislation was prepared under the auspices of the Policy Committee of the Pacific Northwest Utilities Conference Committee (PNUCC), an informal organization which includes representation from Pacific Northwest public bodies, cooperatives and private utilities and from industrial customers purchasing power directly from Bonneville Power Administration (BPA). A list of represented organizations is enclosed.

Several committees composed of technical and managerial personnel, made available from all segments of the industry to PNUCC for the drafting effort, worked intensively for about seven months preparing this legislative proposal and analyzing many alternative approaches to its various elements. The work sessions and general meetings were covered and extensively reported throughout the region by the news media during the period of the PNUCC efforts. Representatives of the State Governments of Oregon, Washington, Idaho and Montana, and of the City of Portland, Oregon, participated in and made important contributions to the discussions. Also, representatives of at least seven environmental organizations (including the Sierra Club and the Environmental Councils of Washington and Oregon) participated extensively in the discussions and received all work products as they were produced. Finally, BPA supplied very valuable technical assistance and advice as requested by PNUCC and others.

Those and other non-utility representatives provided substantial input to the process and made many suggestions, some of which are incorporated in the draft. But the proposal remains that of PNUCC.

The 112 public agencies and cooperatives have worked on this matter through the Public Power Council—their planning group—which is governed by an elected Executive Committee of 18 members equally divided between municipalities, public utility districts, and electric cooperatives. By a vote of 16 to 1, with one abstaining, the Public Power Council has determined that the enclosed draft is ready for introduction and consideration by the Congress. The Snohomish County PUD representative cast the sole vote against releasing the draft in this form, and the Seattle City Light representative abstained on instructions from the Seattle City Council pending further study and formulation of policy positions by the City Council. Both the Seattle City Council and Snohomish County PUD confirm that a regional program is necessary, however.

The listed investor-owned utilities and Bonneville direct service industrial customers have all approved introduction of the bill and commencement of the legislative process.

Neither PNUCC nor the Public Power Council has been advised of opposition from any other utility in the Pacific Northwest. The proposal is under study by many others, including local governments in addition to the elected Boards of public systems, and we assume their views will be expressed in the normal course of the legislative process.

If further information is desired, we will supply it promptly. In the meantime, we appreciate your assistance.

Sincerely yours,

GORDON C. CULP, *Counsel.*

LIST OF ORGANIZATIONS WITH REPRESENTATION ON THE POLICY COMMITTEE—PACIFIC NORTHWEST UTILITIES CONFERENCE COMMITTEE

PUBLIC AGENCIES AND COOPERATIVES

Albion, City of
Bandon, City of
Benton County PUD
Benton Rural Electric Association
Big Bend Electric Ccoperative, Inc.
Blancly-Lane Electric Cooperative Association
Blaine City Light
Bonners Ferry, City of
Burley Municipal Distribution System
Canby Utility Board
Cascade Locks City Light
Central Electric Cooperative, Inc.
Central Lincoln PUD
Centralia, City of
Chelan County PUD
Cheney, City of
Challam County PUD
Clark County PUD
Clatskanie PUD
Clearwater Power Company
Columbia Basin Electric Cooperative, Inc
Consumers Power, Inc.
Coos-Curry Electric Cooperative, Inc.
Coulee Dam, City of
Cowlitz County PUD
Declo, City of
Douglas County PUD
Douglas Electronic Cooperative, Inc.
Drain, City of
East End Mutual Electric Company Ltd.
Eatonville Power & Light Company
Ellensburg, City of
Elmhurst Mutual Power & Light
Eugene Water & Electric Board
Fall River Rural Electric Cooperative, Inc.
Ferry County PUD
Fircrest, Town of
Flathead Electric Cooperative, Inc.
Forest Grove, City of
Franklin County PUD
Glacier Electric Cooperative, Inc.
Grant County PUD
Grays Harbor County PUD
Harney Electric Cooperative, Inc.
Heyburn, City of
Hood River Electric Cooperative
Idaho County Light & Power Cooperative Association, Inc.
Idaho Falls, City of
Inland Power & Light Company
Kittitas County PUD
Klickitat County PUD
Kootenai Electric Cooperative, Inc.
Lane Electric Cooperative, Inc.
Lewis County PUD
Lincoln Electric Cooperative, Inc.
Lincoln Electric Cooperative, Inc. (Montana)
Lincoln Electric Cooperative, Inc. (Washington)
Lost River Electric Cooperative, Inc.
Lower Valley Power & Light, Inc.
Mason County PUD No. 1
Mason County PUD No. 3
McCleary Light & Power
McMinnville, City of
Midstate Electric Cooperative, Inc.
Milton-Freewater Light & Power
Minidoka, City of
Missoula Electric Cooperative, Inc.
Monmouth, City of
Nespelem Valley Electric Cooperative, Inc.
Northern Lights, Inc.
Northern Wasco County PUD
Okanogan County Electric Cooperative, Inc.
Okanogan County PUD
Orcas Power & Light Company
Pacific County PUD No. 2
Parkland Light & Water Company
Pend Oreille County PUD
Peninsula Light Company, Inc.
Port Angeles, City of
Prairie Power Cooperative, Inc.
Raft River Rural Electric Cooperative, Inc.
Ravalli County Electric Cooperative, Inc.
Richland, City of
Riverside Electric
Rupert, City of
Rural Electric Company
Salem Electric
Salmon River Electric Cooperative, Inc.
Seattle, City of
Skamania County PUD
Shohomish County PUD
South Side Electric Lines, Inc.
Springfield Utility Board
Sumas, City of
Surprise Valley Electrification Corp.
Tacoma, City of
Tanner Electric
Tillamook PUD
Umatilla Electric Cooperative Association
Unity Light & Power Company
Vera Irrigation District No. 15
Vigilante Electric Cooperative, Inc.
Wahkiakum County PUD
Wasco Electric Cooperative, Inc.
Wells Rural Electric Company
West Oregon Electric Cooperative, Inc.
Whatcom County PUD

INVESTOR-OWNED UTILITIES

Idaho Power Company
The Montana Power Company
Pacific Power & Light Company
Portland General Electric Company

Puget Sound Power & Light Company
The Washington Water Power Company

BONNEVILLE DIRECT SERVICE INDUSTRIAL CUSTOMERS

Aluminum Company of America
Alumax, Inc.
Anaconda Aluminum Company
The Carborundum Company
Crown Zellerbach Corporation
Georgia-Pacific Corporation
Hanna Nickel Smelting Company
Intalco Aluminum Corporation
Kaiser Aluminum & Chemical Corporation
Martin Marietta Aluminum, Inc.
Oregon Metallurgical Corporation
Pacific Carbide & Alloys Company
Pennwalt Corporation
Reynolds Metals Company
Stauffer Chemical Company
Union Carbide Corporation

PACIFIC NORTHWEST UTILITIES CONFERENCE COMMITTEE,
September 9, 1977.

PNUCC LEGISLATIVE PROPOSAL FACT SHEET

A. TRADITIONAL BULK POWER SUPPLIES AND SALES POLICIES

For forty years, the Bonneville Power Administration (BPA) has been the major supplier of bulk power in the Pacific Northwest. BPA does not own any generating facilities, has no authority to construct such facilities, and only limited authority to purchase the output of generating facilities constructed by others. Its principal role is to market the power produced at hydroelectric dams constructed by other federal agencies, and to operate a regional transmission system capable of accommodating both federal and non-federal power deliveries.

The chief purchasers of bulk power in the Northwest fall into three categories: consumer-owned utilities (including municipal systems, public utility districts, and cooperatives), investor-owned utilities, and certain industries that purchase power directly from BPA. The consumer-owned utilities ("publics") have a statutory preference to purchase federal power sold by BPA; neither the investor-owned utilities ("privates") nor the direct-service industries have such rights.

The distribution of public and private utilities is not uniform throughout the Pacific Northwest. Washington State consumers are served mostly by publics, while Oregon consumers are served mostly by privates. Historically, disparities in bulk power costs as between publics and privates were substantially less than those that exist today, partly because BPA had sufficient federal power to permit some sales to privates as well as publics, and partly because the cost of constructing non-federal generating resources was relatively low, compared with the cost of constructing new generating resources today.

The direct-service industries play an important—and frequently misunderstood—role in the BPA bulk power marketing program. Their relatively large and constant power demand made construction of large federal facilities more economically feasible at an early date. The industries purchased large amounts of federal power not suitable for utility use that otherwise would have been wasted in years of abnormally high streamflows. These purchases contributed revenues to the federal system that reduced costs for other bulk power purchasers.

Most important, perhaps, the industrial contracts have also provided substantial reserves for the entire region, since certain power sales to those industries can be interrupted when necessary to meet the requirements of utilities that purchase federal power and for system emergencies. Without their presence the full cost of maintaining adequate reserves would be borne by the utilities and their consumers.

B. WHY NEW FEDERAL LEGISLATION IS NEEDED

Two basic facts underlie all the major power problems in the Pacific Northwest today: the firm energy generating potential of the Columbia River and its tributaries has been largely developed and the cost of building new generating facilities to meet the region's needs is astronomical. The day of cheap and abundant power is over. Today there is an urgent need for conservation programs, for efficient management of the region's generating resources, and for planning mechanisms that insure the availability of the power we do need at the lowest attainable costs.

The following problems are very serious, and will rapidly become acute if the present regional power supply framework remains unchanged:

1. *Uncertain Supply of Federal Power.* For the first time in history, BPA has been forced to notify its preference customers (the publics) that it will be unable to supply their requirements for more power after 1983. This is serious news for the publics, most of whom have depended principally on BPA for power supply.

Since BPA cannot increase the amount of power available to the publics, it must soon reallocate the limited amount available. To the extent new publics may be created (see below), the BPA "pie" would be cut into smaller and smaller pieces. The reallocation process would take years to complete, and competing claims would likely have to be resolved in the courts. Utility managers would not know how much power they might have when the process ends, so they would be unable to plan on a firm basis for additional sources of supply they will need.

2. *Termination of Supply to Direct-Service Industries.* BPA has informed its direct-service industrial customers that it cannot renew their power contracts when those contracts expire, beginning in 1981, since BPA does not have sufficient power to meet the needs of its preference customers. These industries—which produce 30% of the nation's aluminum, 100% of its nickel, and other products—need a source of power at a price they can afford. They must know very soon whether that power will be available to them in order to plan future investments in the Northwest, or the possible relocation of their plants elsewhere.

3. *Large Cost Disparities Within the Region.* Until 1973, a substantial part of private utility requirements was supplied by BPA. But since then, they have been unable to purchase any firm power from BPA. Their necessary investment in new and higher-cost generating facilities translates into higher costs for bulk power, especially in comparison with public systems that still obtain bulk power from BPA. Bulk costs for the privates are several times those for public agencies. This growing disparity affects the entire region, but its impact is spread very unevenly, particularly as between Washington and Oregon. Disparities in bulk power costs convert into disparities in consumer rates. As a result, in any Pacific Northwest state, a given community may have electric rates that are more than twice as high as rates in a neighboring community. This disparity will increase and the resulting political stresses will probably become unbearable in the absence of new legislation.

4. *Creation of New Preference Customers.* As a result of the higher rates of private utilities and the fact that private utilities predominate in the State of Oregon, Oregon's Governor has proposed, and its legislature has passed, a bill creating a new public agency to purchase power directly from BPA and sell it to those domestic and rural consumers in Oregon who now receive their electricity from private utilities. (Nearly 80% of Oregon's domestic and rural customers are served by privates.) This new agency, the Domestic Rural and Power Authority ("DRPA"), would complicate the legal fight over reallocation, but it would not solve other serious problems. The legal battles over reallocation itself would raise issues of national significance likely to be carried to the U.S. Supreme Court. If DRPA is activated—which will not occur if the regional bill is adopted—Washington, Idaho and Montana could decide to create DRPAs of their own to protect their citizen's rights to a proportionate share of BPA's power.

The City of Portland has applied to BPA for a power supply as a preference customer of BPA, and has threatened to bring suit against BPA for signing contracts with certain preference customers, many of them in Washington.

These actions would each complicate and prolong the uncertainties of the reallocation process, without creating any additional power supplies and without producing lower costs for the region as a whole.

5. *Limitations on BPA's Ability to Play a Constructive Role.* Despite the severity of the problems outlined above, BPA—the region's major bulk power supplier, and the sole supplier to a majority of the region's public utilities—is statutorily precluded from resolving differences within the region or even from playing an effective role in finding the needed solutions.

Meanwhile, the historic cooperation within the region threatens to break down entirely, just when the need for cooperation is greatest. Not only is coherent planning becoming impossible, but the very ability of the system to finance essential generation may become seriously impaired. The opportunity still exists to develop reasonable and regional solutions by building constructively on existing planning and facilities, but that opportunity is rapidly diminishing.

C. HOW THE PNUCC LEGISLATIVE PROPOSAL WAS DEVELOPED

Many different groups recognized these problems and, several years ago, started examining potential solutions. The private utilities looked at pooling. Various bodies examined new BPA authority, and the direct service industries formulated a legislative proposal. The Governor of Oregon began work on his DRPA legislation. The City of Portland explored the prospects of becoming a preference agency.

These various activities were not coordinated, however, and their many technical and economic impacts presented formidable problems. Last fall, in response to requests from public officials and a variety of BPA customers, BPA prepared a study paper analyzing power costs resulting from many concepts that had been discussed earlier, but the study paper did not describe any alternative that produced agreement. In late 1976, the effort came under the auspices of PNUCC and has resulted in the draft legislation called Pacific Northwest Electric Power Supply and Conservation Act.

The fact that individuals representing a large number of divergent and competing interests were able to cooperate in creating a single legislative proposal indicates how serious the Pacific Northwest's power problems have become. The same fact necessarily means that the consensus embodied in the PNUCC proposal does not—and cannot—fully satisfy any particular group, including the groups that came together to draft it. It should be emphasized, however, that the proposal was conceived and written within the PNUCC, and that PNUCC members believe it to be the best attainable solution that is in the interests of the region as a whole. Whether governing councils and boards of individual utilities can support it will have to await their decision.

D. WHAT THE PNUCC LEGISLATIVE PROPOSAL CONTAINS

The legislation would:

Establish the nation's first region-wide conservation program;

Create a much earlier and much enlarged role in the electric energy planning process for state and local governments and public groups;

Grant BPA limited authority to purchase power;

Establish rate groups for BPA's sale of power to different classes of bulk power purchasers;

Recognize the role of a regional utility planning body controlled equally by consumer-owned and investor-owned systems;

Reduce the costs of essential new power resources; and

Maintain a balanced decision-making process among federal, state and local governments, public agencies, private utilities and other responsible bodies.

Some of these elements would combine to remove supply uncertainties facing public agencies and direct service industries and reduce the intolerable rate disparities that would otherwise prevail within the region.

The bill would *not:*

Authorize the construction of generating plants, or of any type of generating plants;

Foreclose development of other effective methods of participation in planning by state or local governments;

Establish either the need or the lack of need for additional generating plants; or

Eliminate any presently required federal, state, or local permits, licenses, consents or other authorizations.

1. *The Conservation Program.* Conservation standards for efficiency in energy use must be promptly adopted and implemented. Standards would be established for a broad range of uses—residential, commercial, industrial and agricultural. The four Northwest States are to agree on regional standards, but if they fail, BPA would establish them. If any state or political subdivision failed to adopt the standards after they had been established, utility systems within that state or subdivision would be able to purchase power from BPA only at a minimum surcharge of 50 percent. Proceeds of the surcharge would finance conservation programs and reduce power rates in complying areas.

The bill sets up a $300 million revolving loan fund for conservation loans, permitting such programs as interest-free insulation loans to consumers. Grants could also be made and BPA could fund conservation investments that promise significant gains in efficiencies.

2. *Pooling—Allocation of Costs.* The bill authorizes BPA to purchase the output of new plants when designated by PNEPCO, the regional planning body; to acquire up to 4000 mw of capacity from the private companies at average system cost; and to sell such power under three Rate Groups, A, B and C.

a. Rate Group A would be an existing preference agency pool and would be the lowest cost pool. It would recover costs of up to 6090 mw of the Federal Base System—about two-thirds of present BPA capacity, including Federal hydro and thermal capacity previously acquired from public agencies under a limited hydro-thermal program developed earlier.

b. Rate Group B would be a blended pool of the costs of existing Federal hydro, public thermal, private hydro and thermal, and new resources sufficient for one-half of post-1983 load growth. It would carry higher costs than Rate Group A. Rate Group B would recover:

(i) The remaining Federal system costs (net—over a period of time—of secondary revenues);

(ii) The cost of up to 4000 mw of relatively inexpensive private utility power to be sold to BPA; and

(iii) The portion of costs of new resources related to one-half of the load growth of all utilities.

c. Rate Group C would recover costs not included in Rate Groups A and B and would be the highest cost pool.

d. Subsection 10(j) of the legislation provides that public bodies and cooperatives and/or private utilities—each as a class—would be ensured of whatever advantages might accrue to them from the costs of their own new resources, when the difference between the costs of all new resources, as a whole, was one percent or more greater than costs from their new resources as a class.

Chart 1, attached, depicts the costs and distribution of costs of the three rate groups.

3. *PNEPCO—The Regional Planning Organization.* The legislation recognizes a new regional planning body, the Pacific Northwest Electric Planning and Conservation Organization ("PNEPCO"). PNEPCO would be a non-profit corporation with membership open to all utilities in the region. Under PNEPCO, power planning would be more regional and more open than ever before. The PNEPCO board of directors would be evenly divided between public and private utility representatives. BPA and the Governors of each Northwest state could designate representatives to attend and participate in all PNEPCO meetings. PNEPCO's most important responsibilities would include preparation of regional load forecasts (taking into account the effects of conservation) and designation of the generating facilities or systems from which BPA may make long-term power purchases. All PNEPCO board meetings at which load forecasts or resource designation decisions are considered would be open to the public. Standards are included in the legislation to insure that no unnecessary new plants are built, that necessary plants are built without unnecessary costs, and that promising new technologies can be developed.

Chart 2, attached, depicts the steps required for designation of new resources.

[Charts not printed in RECORD]

SNOHOMISH COUNTY,
PUBLIC UTILITY DISTRICT NO. 1,
Everett, Wash., September 8, 1977.

Hon. HENRY M. JACKSON,
U.S. Senator,
Russell Building,
Washington, D.C.

DEAR SENATOR JACKSON: It is our understanding that you will be introducing by request on September 9, 1977, a regional power bill drafted by the Pacific Northwest Utilities Conference Committee (PNUCC). As you know, the Public Utility District of Snohomish County (the "District") has certain reservations about the PNUCC legislation, particularly regarding its adverse impact on power costs of public utilities and the national public power concern over its effect upon the preference rights of public agencies to Federal hydro-electric power.

Accordingly, the District has drafted amendments to the PNUCC legislation and we enclose copies of the same. The purpose of this letter is to respectfully request you to introduce these proposed amendments at the same time as you introduce the PNUCC legislative proposal.

We are also enclosing a statement explaining our amendments and further request that you file this explanatory statement when you introduce our amendments.

Thank you for your assistance.

Yours very truly,

W. G. HULBERT, Jr.,
Manager.

STATEMENT OF PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY IN SUPPORT OF ITS REQUESTED AMENDMENTS TO PACIFIC NORTHWEST UTILITIES CONFERENCE COMMITTEE (PNUCC) REGIONAL POWER LEGISLATION

A group consisting of representatives of public and private power and aluminum industries of the Northwest, known as the Pacific Northwest Utilities Conference Committee (PNUCC), has drafted regional power legislation and requested its introduction in Congress. Although the Public Utility District No. 1 of Snohomish County, Washington, (the "District") strongly supports the concept of a regional power program for the Pacific Northwest and participated in the PNUCC, the District early announced its reservations concerning certain aspects of the proposed legislation, stating it would withhold approval until the complicated plan documents were completed. Upon reviewing the final draft, the District determined that it could not support the PNUCC legislative proposal in its entirety, although many aspects merited the District's support. Generally, the District concluded the final draft overall was not fair and equitable to public power in the Northwest, requiring public power to concede too much for the benefit of private power and the aluminum industry. At the same time, the District was also concerned about the PNUCC bill's effect upon the preference rights of public agencies and cooperatives to power generated by Federal hydroelectric facilities. The District's concern over the PNUCC bill's effect upon the preference clause was subsequently shared by public power throughout the nation as they become familiar with the details of the PNUCC proposal.

Clearly, many aspects of the PNUCC proposal have merit. For example, the proposed legislation includes a strong regional conservation program, will result in regional power planning for the Pacific Northwest, will minimize the environmental impacts through more efficient operation of existing generating facilities and better planning for new generating facilities, and will establish a framework for Federal, state and local cooperation which could serve as a model for other regions of the country. Accordingly, the District has analyzed the PNUCC proposal carefully with a view towards developing amendments which would preserve the many advantages of the proposed legislation, yet resolve the national concern over preference power and, also, provide a more fair and equitable allocation of the costs and benefits from a regional power program between public and private power interests in the Pacific Northwest.

The District has drafted amendments to the PNUCC legislation which it believes satisfy those objectives. The purpose of this Statement is to explain in some detail the nature of the amendments, provide some additional background, and explain the impact of the District's amendments upon the PNUCC legislation. Preliminarily, it should also be observed that the PNUCC group has been pushing for prompt introduction of its bill in Congress which has restricted the scope of the District's ability to develop amendments. As a result, the District has tried to keep its amendments simple and within the framework of the existing PNUCC legislation. Also, the District has not attempted to amend the numerous proposed contracts and other plan documents prepared by the PNUCC group to implement the proposed legislation. Those documents, of course, must be modified in accordance with any amendments to the PNUCC bill.

Generally, the District's amendments simply change certain sections of the PNUCC bill to alter the flow of Federally generated hydro power (preference power), resulting in

the existing public agencies of the Pacific Northwest receiving their preference rights to hydro power at the hydro cost. This amendment satisfies the primary objectives of the District.

First, by increasing the amount of lower cost hydroelectric power available to the public agencies over the duration of the regional power proposal, the District shifts the balance of benefits and costs under the PNUCC bill to achieve a more fair and equitable accommodation of the interests and rights of public power vis-a-vis those of private power and the aluminum industry. From an economic standpoint, the practical effect of the District's amendments is to lower the bulk power costs of the public agencies and increase the amount of such low-cost power available. Correlatively, the power costs of private power in the Pacific Northwest is increased slightly and the power costs of the aluminum industries are increased slightly more.

But the District does not believe that this shifting of benefits alters the feasibility of the regional power program. Clearly, the aluminum industry and private power will not get as good a deal as they would under the PNUCC proposal. But there are still substantial benefits for private power and the aluminum industry. For example, the District believes that the primary need of the aluminum industry in the Pacific Northwest is an assurance of a future power supply. The District's proposed amendments do not alter the amount of power made available to the aluminum industry under the PNUCC bill; instead, the District's amendments merely increase slightly the cost of such power without reducing the amount of power available. Likewise, although the District's amendments will increase slightly the power costs of private power as compared to private power costs under the PNUCC bill, there still remain the benefits to private power including Federally backed financing of new generating facilities. The overall effect of the District's amendments merely adjusts the benefits from a regional power program which the District believes is more fair and equitable to public power in the region, while still preserving the basic overall benefits to the region.

Secondly, by reserving the low-cost hydroelectric power for the existing public agencies of the Northwest, the District's amendments preserve public power's preference rights and therefore satisfy the national concern of public power to the PNUCC bill. In that regard, we would be remiss if we did not comment upon the strong opposition to the PNUCC proposal manifested by public power across the nation because of the preference problem. Indeed, the District became concerned that the PNUCC proposal could not be passed in Congress with the national public power opposition which was developing.

The District's awareness of the preference problem led to a detailed study of the entire concept of preference power. Our research disclosed that more than 30 pieces of national legislation establish the preference concept.

By way of background, the Bonneville Project Act includes a most explicit and clear statement of the preference clause. In directing the BPA Administrator to give preference to public bodies and cooperatives for electric energy generated by the Federal hydroelectric facilities of the Bonneville Project, Congress specifically stated:

"In order to insure that the facilities for the generation of electric energy at the Bonneville Project shall be operated for the benefit of the general public, and particularly domestic and rural consumers, the Administrator shall at all times in disposing of electric energy generated at the Project give preference and priorities to the public bodies and cooperatives."

Thus, Congress has made clear its intent that public bodies and cooperatives shall have preference rights to Federally generated hydro power. The District and national public power representatives became concerned that the PNUCC bill, by authorizing private power and the aluminum industry to obtain Federally generated hydroelectric power at the expense of public power, constituted an erosion of the preference rights of public agencies to Federally generated hydroelectric power.

Perhaps a brief comment on the historical origin of the preference concept is in order. Similar preference clauses appear in numerous Federal power marketing acts. Generally, the preference concept is based upon the long-standing philosophy that the benefits derived from Federal investment on the free-flowing rivers of the United States must be reserved for the public; such benefits should not enure to the stockholders of private companies. This concept, of course, applies to the PNUCC bill which, as presently drafted, would permit the stockholders of the private power companies and aluminum companies of the Pacific Northwest to share in the benefits of the Federally generated hydroelectric power.

With this background, let's take a closer look at the District's amendments. The District proposes to amend the PNUCC legislation to redefine Federal Base System cost as being the cost associated with the Federal hydroelectric system on the Columbia River. Thus, Rate Group A of the PNUCC bill would consist entirely of Federal hydro power at the Federal hydro cost and the entire capability of the Federal hydro system would be available as needed by the existing preference agencies of the Northwest. To illustrate how the regional program would work under the PNUCC bill as amended by the District, attached please find three exhibits demonstrating the distribution of power in the years of 1979–80, 1989–90, and 2012–13, respectively.*

We would be remiss if we did not acknowledge that the District's amendments do raise additional questions. For example, questions have been asked concerning the impact of our amendments upon the tax-exempt status of previously issued bonds. To those questions, we have received informal opinions from competent attorneys that our proposed amendments would have no greater effect upon the tax-exempt status of such bonds than the "gating" operation or other aspects of the PNUCC proposal. To the questions of the status of existing net billing contracts, it is our opinion that such contracts can remain in effect and operable under our amendments. It is probable that payments will have to be made by the BPA Administrator in accordance with Section 7(b) of the net billing agreement, but that is not a detriment. We are also convinced that the BPA payout schedule is not affected by our amendments because BPA will recover its costs associated with the net billed plants from Rate Group B as part of the overall revenue income.

Moreover, there may be additional questions raised by our amendments. But the PNUCC proposal itself raises many questions. By proposing these amendments, the District does not purport to have answers to all of the questions asked or likely to be asked in the future, nor to suggest that its amendments answer all of the questions. Instead, is is our hope and belief that our proposed amendments will lead to a fair and equitable balancing of the costs and benefits of a regional power program throughout the Pacific Northwest and, most importantly, result in a regional plan which can be supported by public power nationally and gain approval of Congress.

*The charts referred to may be obtained through the Senate Committee on Energy and Natural Resources.

By Mr. CRANSTON:

S. 2081. A bill to provide for the extension and expansion of the Head Start program; to the Committee on Human Resources.

Mr. CRANSTON. Mr. President, it is with great pleasure that I introduce today S. 2081, a bill to extend and increase the authorizations of appropriations for the Head Start program through fiscal year 1981. I am particularly pleased to be introducing this bill because of my longstanding support of the Head Start program and because of my newly assumed chairmanship of the Child and Human Development Subcommittee of the Human Resources Committee.

LONG COMMITMENT TO HEAD START

Mr. President, the Head Start program has been a particular interest of mine since I first came to the Senate. Over the years, I have fought many battles for the Head Start program—both to insure that sufficient funds were appropriated to support its important activities and to secure passage of legislation to enhance and improve it. I have successfully struggled against the attempts of previous administrations to cut back Head Start funding and to impose arbitrary limitations upon program initiatives.

It has been particularly heartening that over the years the supporters of the Head Start program in the Senate have been bipartisan. I have worked on the Head Start program in past years with such esteemed colleagues as the Senator from New York (Mr. JAVITS), the Senator from Wisconsin (Mr. NELSON), and of course, the steadfast champion of the program and chairman of the Human Resources Committee, the Senator from New Jersey (Mr. WILLIAMS). I look forward to continuing to work closely with these colleagues and other members of the Human Resources Committee and the Senate during the coming months as we guide Head Start extension legislation through the legislative process.

CHILD AND HUMAN DEVELOPMENT SUBCOMMITTEE

Mr. President, I am also delighted to be introducing this legislation in light of my responsibilities as chairman of the Child and Human Development Subcommittee of the Human Resources Committee. As the newly designated Child and Human Development Subcommittee builds upon the work of its predecessor, the Children and Youth Subcommittee, chaired by one of the foremost advocates for children's interests, Vice President MONDALE, we will be focusing our attention on many programs dealing with children—particularly those involving early childhood development.

As the subcommittee works on the development of comprehensive child care legislation, we will be looking closely at Head Start programs throughout the

Nation and examining their roles in the vital area of early childhood development. Toward that end, I will be convening hearings of the Child and Human Development Subcommittee on the subject of child care and Head Start programs in November and December in California to be followed by subsequent hearings in other areas of the country and in Washington early next year. The experiences and insights gained from the many successes of the Head Start program will be of enormous benefit to the members of the Child and Human Development Subcommittee as we move forward with our important task of developing programs and legislation to address the many unmet needs of children in this Nation.

HISTORY OF THE HEAD START PROGRAM

Mr. President, the Head Start program was conceived of in the early 1960's as a child development program which could be funded by the newly mandated local antipoverty agencies as part of community-based efforts to overcome early childhood handicaps faced by children from poverty families. In a report which became the springboard for the Head Start program, Dr. Robert Cooke, pediatrician-in-chief of Johns Hopkins Hospital and chairman of a panel of experts brought together to develop a blueprint for an early childhood development program, stated:

> There is considerable evidence that the early years of childhood are a most critical point in the poverty cycle. During these years, the creation of learning patterns, emotional development and formation of individual expectations and aspirations take place at a very rapid pace. For the child of poverty, there are clearly observable deficiencies in these processes, which lay the foundation for a pattern of failure, and thus a pattern of poverty throughout the child's entire life.

The Head Start program was thus designed, Mr. President, as a massive attempt to help break the cycle of poverty for young children at a critical time in their lives and provide them with the support they need to overcome an impoverished environment. Today, after more than a decade of operations, Head Start has become synonymous with innovative preschool child development efforts. It is a strong and healthy program which is one of the true success stories of the antipoverty programs of the 1960's.

THE HEAD START PROGRAM TODAY

Mr. President, since the Head Start program was launched in the summer of 1965, it has served over 6 million children and their families. Today, it consists of a national network of over 1,200 full-year programs and 200 summer programs serving approximately 349,000 children and their families each year. This network of Head Start programs are operating by a wide variety of community-based public and private agencies.

Each Head Start program must provide services to its children and families in particular areas, such as health—including dental and mental health—nutrition, education, and social services. However, considerable latitude is provided to permit individual communities to develop and implement programs which are tailored to each community's particular needs in these areas.

PROGRAM ASPECTS—HEALTH, EDUCATION, AND NUTRITION SERVICES

Mr. President, the program's accomplishments in each of the principal service areas are remarkable. For example, in the area of health, during a recent Head Start year, 30 percent of all enrolled children—or 90,000 children—required medical treatment and at least 90 percent—or 216,000 children—received such treatment. Approximately 270,000 children—or 90 percent—enrolled in Head Start in the same year completed their immunizations for DPT, polio, measles, and rubella. This is contrasted with a 50-percent immunization rate for children not in Head Start.

Each Head Start program also provides food services which supply one-half to two-thirds of a child's daily nutritional needs, as well as consumer information and guidance in the selection and preparation of foods to meet family needs. The educational components of the Head Start program provide initial educational experiences and activities designed to help Head Start children develop socially, intellectually, and emotionally. They are provided in a supportive climate which helps establish in each child the self-reliance, self-esteem, and self-confidence essential to later educational achievements.

PARENTAL INVOLVEMENT—KEY TO SUCCESS

Perhaps the most important feature of the Head Start program is the involvement of parents in all aspects of the child's development and in program planning and administration. Indeed, at the very heart of the Head Start philosophy is the belief that successful early childhood development can be achieved only with the active participation of parents.

Mr. President, since its beginning, Head Start has emphasized and pioneered the concept of parental involvement as an indispensable part of preschool child development programs. Head Start programs have consistently striven towards supporting and enhancing the role of parents as the principal influence in the education and development of their children.

Parents are constantly encouraged to be involved in every aspect of the Head Start program, from planning and decisionmaking to participating in classroom and other activities as paid employees, volunteers, and observers. Head Start programs also provide programs and activities specifically for parents which are designed to enhance their own growth and development. These activities may include consumer education classes, home management courses, and similar subjects.

Mr. President, there is a substantial body of data on early childhood development programs which indicates that the developmental gains achieved by children in these programs are more likely to be maintained when parents are involved in working with their children. The success of the Head Start program is, I believe, at least partly attributable to this strong commitment to parental involvement as an essential component of each project.

EVIDENCE OF HEAD START'S EFFECTIVENESS

Mr. President, I mentioned earlier that Head Start has been widely recognized as one of the true success stories of the antipoverty programs of the 1960's. This conclusion has recently been supported by findings of the Social Research Group of George Washington University. This group recently assembled a collection of virtually all the studies of the Head Start program to date. They compiled over fifty studies conducted since 1969 that contained original data on the Head Start program or its experimental programs. Taken together, these studies strongly support the effectiveness of Head Start in helping children and their families.

The George Washington University report indicated that the majority of these studies showed improvement in performance on standardized tests of intelligence or general ability and that Head Start was "effective in preparing children for later reading achievement". The research findings also revealed "lower absenteeism, fewer cases of anemia, more immunizations, better nutrition practices and, in general, better health among children who had participated in Head Start."

According to the Assistant HEW Secretary for Human Development, Anabella Martinez, in House testimony on July 22, 1977: "A growing number of studies also indicate that the benefits of participating in a Head Start program are sustained into the second, third, and fourth grades and beyond."

FISCAL PROBLEMS

Despite the proven success of the Head Start program, it has been seriously underfunded for many years. Because of minimal appropriation levels sought by previous administrations, it is estimated that only 15 percent of eligible children are actually served in Head Start programs. A series of tight budgets, inflation, and the addition of major new program requirements—such as the 10 percent handicapped children enrollment requirement—during the past several years have placed great fiscal pressures upon Head Start programs merely to maintain existing levels of service quality.

Mr. President, because of my grave concern that these fiscal constraints were not only limiting participation to a small percentage of needy children, but also were seriously threatening the quality of the program, I worked earlier this year for increased funding of Head Start in both the Senate Budget Committee and the Appropriations Committee. I am pleased that with the full support of the chairman of the Labor-HEW Appropriations Subcommittee, the Senator from Washington (Mr. MAGNUSON), the Senate approved in the 1978 Labor-HEW Appropriations Act an increase in the appropriations for the Head Start pro-

gram from the $475 million 1977 fiscal level to $655 million for fiscal year 1978. The Senate-House conference agreement, still pending resolution of the Hyde amendment, provides $625 million for fiscal year 1978, which amounts to a $150 million increase over the 1977 fiscal year level.

While this may appear on the surface to be a considerable increase in the program's funding, the fact that the program had remained at the same service level for over a decade, coupled with rising inflation and other program demands, means that the increase will permit an expansion in enrollment of less than 25 percent. Thus, even at the projected increase fiscal year 1978 funding level, the Head Start program will be serving less than 20 percent of the children eligible for and in need of its services.

Mr. President, I am deeply concerned that we commit to this program—which has proven itself to be one of the few truly successful mechanisms for breaking the cycle of poverty which denies so many of this Nation's children equal social and educational opportunities—the quality and quantity of resources it deserves.

SUMMARY OF THE HEAD START EXTENSION ACT OF 1977

Mr. President, the purposes of the legislation which I am introducing today are to extend and expand the authorization appropriations for the Head Start program through fiscal year 1981 and to make certain changes in the act—basically of a reinforcing or technical nature—which I will describe in a moment.

Other areas not addressed in the legislation must also be carefully and fully explored. These include the needs of bilingual children, the special problems of migrant children in Head Start, strengthening of parent and community involvement, and low-income eligibility criteria.

Mr. President, I would like to highlight briefly the major provisions of S. 2081.

First, the measure provides for extension of the authorization of appropriation for the Head Start program through fiscal year 1981 and authorizes the following levels: $650 million for fiscal year 1978—the funding recently approved in conference on the Labor-HEW Appropriations Act for fiscal year 1978 is $625 million—$750 million for fiscal year 1979, $850 million for fiscal year 1980, and $1 billion for fiscal year 1981. I believe that these are realistic and achievable levels that will allow for the continued expansion of programs—in terms of the number of children enrolled and the number of communities participating—as well as the qualitative improvement of on-going programs which have been fighting to hold the line against inflation and rising costs with stagnant levels of funding. The $1 billion appropriation authorized for fiscal year 1981 would provide for an increase in the children served to between 500,000 and 600,000—even then, less than 25 percent of those needing Head Start help.

Second, the bill would codify an ongoing practice of the program—that is, the involvement of parents and the community affected by the program in the selection of Head Start agencies in their areas. I believe this is a particularly important factor since it will continue to insure, as the program grows larger, that not only the parents of Head Start children are aware of and involved in the programs, but also that the affected community at large has an opportunity to participate in the selection of program agencies.

Third, in a closely related area, the measure would reinforce the role of parents and the affected residents of the community in the decisionmaking process within the individual Head Start agencies. The bill would require such agencies to establish procedures for parents and area residents to directly participate in decisions relating to the character of programs. While it is not possible to legislate the attitudes and meaningful involvement of the community and parents, I believe it is extremely vital that we take all practical steps to encourage and facilitate it.

Fourth, the legislation would make a number of changes in the legislation that would simplify and make more manageable the national administration of the Head Start program. The bill also would make a series of technical amendments to correct certain editorial oversights in the 1974 legislation.

Fifth, and finally, the bill would require that in the future all Head Start programs and projects are operated in accordance with performance standards that are no less comprehensive than those in effect on the date of enactment. This addition to the act would guarantee the continued quality of existing standards and is particularly important in order to insure that the program continues to provide high quality services to children and their families.

CONCLUSION

Mr. President, in closing, I want again to stress my desire to work closely with the members of the Human Resources Committee—especially Senators NELSON, JAVITS, and WILLIAMS, whose historic support I previously noted—as we strive to develop this legislation further. I believe that, as always, the cooperative and effective working relationship we have developed through the years will result in extension legislation that will truly benefit our Nation's preschool poverty children.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2081

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Headstart Extension Act of 1977".

SEC. 2. Section 512 of the Economic Opportunity Act of 1964 (hereinafter referred to as "the Act") (42 U.S.C. 2928a) is amended by striking out the period at the end thereof and inserting the following: "and $650,000,000 for fiscal year 1978, $750,000,000 for fiscal year 1979, $850,000,000 for fiscal year 1980, and $1,000,000,000 for fiscal year 1981.".

SEC. 3. Section 513(a) of the Act (42 U.S.C. 2928(a)) is amended by—

(a) striking out "The" and inserting in lieu thereof "Except as otherwise provided in this part, the"; and

(b) striking out "fiscal year 1975" and inserting in lieu thereof "fiscal year 1978".

SEC. 4. Section 514(c) of the Act (42 U.S.C. 2928(c)) is amended by adding at the end thereof the following new sentence: "The Secretary shall require that parents and area residents affected by the program be significantly involved in the selection of Headstart agencies.".

SEC. 5. Section 515(b)(1) of the Act (42 U.S.C. 2928(b)(1)) is amended by inserting "directly participate in decisions that" after "to".

SEC. 6. Section 517(b) of the Act (42 U.S.C. 2928f(b)) is amended by striking out "six" and inserting in lieu thereof "twelve" in the last sentence.

SEC. 7. (a) Section 523(b) of the Act (42 U.S.C. 2928l(b)) is amended by—

(1) inserting after "(1)" after "subsection (a)";

(2) striking out "subsection (b)" and inserting in lieu thereof "subsection (a)(2)"; and

(3) striking out "thirty" the second place it appears therein and inserting in lieu thereof "ninety".

(b) Section 523(c) of the Act (42 U.S.C. 2928l(c)) is amended by striking out "Director" and inserting in lieu thereof "Secretary".

(c) Section 523(d) of the Act (42 U.S.C. 2928l(d)) is amended by striking out "Director" and inserting in lieu thereof "Secretary" in both places it appears.

SEC. 8. Section 524(b) of the Act (42 U.S.C. 2928m(b)) is amended by amending the first sentence thereof to read as follows: "The Secretary shall operate the programs and projects covered by this part in accordance with Headstart performance standards established by him. Any revisions in such standards shall result in standards which are no less comprehensive than those in effect on the date of enactment of the Headstart Extension Act of 1971.".

ADDITIONAL COSPONSORS

S. 364

At the request of Mr. HART, the Senator from New Jersey (Mr. CASE) was added as a cosponsor of S. 364, the Veterans' Administration Administrative Procedure and Judicial Review Act.

S. 972

At the request of Mr. NELSON, the Senator from New Jersey (Mr. CASE), the Senator from Colorado (Mr. HASKELL), the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), the Senator from Tennessee (Mr. SASSER), and the Senator from Vermont (Mr. STAFFORD), were added as cosponsors of S. 972, the Small Business Development Center Act.

S. 1281

At the request of Mr. HART, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 1281, the National Materials Policy Act.

S. 1493

At the request of Mr. HART, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 1493, the Inland Energy Development Impact Assistance Act.

S. 1587

At the request of Mr. STONE, the Senator from Alabama (Mr. ALLEN) and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 1587, a bill to amend the Internal Revenue Code of 1954 to exempt certain State and local government retirement systems from taxation, and for other purposes.

S. 1950

At the request of Mr. MOYNIHAN, the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Florida (Mr. STONE), the Senator from Montana (Mr. MELCHER), the Senator from Kansas (Mr. DOLE), the Senator from Arizona (Mr. GOLDWATER), the Senator from California (Mr. HAYAKAWA), the Senator from Hawaii (Mr. INOUYE), the Senator from Florida (Mr. CHILES), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from South Carolina (Mr. THURMOND), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 1950, the Foreign Surveillance Prevention Act.

S. 1960

At the request of Mr. HEINZ, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 1960, to establish a National Endowment for Children's Television.

S. 1974

At the request of Mr. NELSON, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 1974, the Regulatory Flexibility Act.

S. 2009

At the request of Mr. DOMENICI, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 2009, the Home Care Services bill.

SENATE CONCURRENT RESOLUTION 26

At the request of Mr. CRANSTON, the Senator from Hawaii (Mr. INOUYE), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Ohio (Mr. METZENBAUM), the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of Senate Concurrent Resolution 26.

AMENDMENTS SUBMITTED FOR PRINTING

REORGANIZATION OF THE EXECUTIVE BRANCH—S. 1209

AMENDMENT NO. 840

(Ordered to be printed and referred to the Committee on Governmental Affairs.)

Mr. HUDDLESTON submitted an amendment intended to be proposed by him to the bill (S. 1209) to reorganize the executive branch of the Government by consolidation of functions and to increase efficiency and coordination in the area of disaster assistance, emergency preparedness, mobilization readiness, and for other purposes.

NATIONAL ENERGY CONSERVATION POLICY ACT—S. 2057

AMENDMENT NO. 841

(Ordered to be printed and to lie on the table.)

Mr. PERCY. Mr. President, today I am submitting an amendment to the National Energy Conservation Policy Act, S. 2057. I ask unanimous consent that the text of the amendment, together with a letter concerning this amendment which I sent to my colleagues today, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 841

On page 76, between lines 15 and 16, insert the following:

PART G—FEDERAL EMPLOYEE PARKING

SEC. 371. (a) No real property located in the United States, which is owned or leased by, or otherwise under the jurisdiction of the United States Government, which is principally utilized, as determined by the Administrator of General Services, to provide parking facilities for privately owned motor vehicles in connection with employment, business, or visitation at Federal offices or installations, may be utilized for such purpose unless there is assessed against each such vehicle a charge or fee within the range of charges or fees generally applicable for public parking purposes in similar facilities in the same general locality.

(b) Used in this section the term "similar facilities" shall refer to publicly available parking facilities in nearby business or commercial areas which are of the same kind (lot, garage, or on-street parking), convenience, and quality as that granted on the Federal property. If such similar facilities do not exist in nearby areas a fee shall be assessed which reflects fees charged in any public or private parking facility in a comparable area elsewhere in the United States.

(c) The restrictions imposed by subsection (a) of this section shall not be applicable to parking facilities provided in connection with any Federal employee's residence, including, but not limited to, housing and visitation facilities at military bases and installations.

(d) The Administrator of General Services, the Director of the Administrative Office of the United States Courts, and the Architect of the Capitol shall take such steps as may be necessary to coordinate the respective activities of the Executive, Judicial, and Legislative Branches of the Government in the implementation of the restrictions imposed under subsection (a) of this section.

(e) The provisions of this section shall become effective upon enactment; except that the restrictions imposed by subsection (a) of this section shall become effective on the first day of the first month which begins more than 90 calendar days after the date of enactment of this Act.

(f) All revenues collected pursuant to the provisions of this section shall be deposited into the Treasury of the United States as miscellaneous receipts.

On page 3, the Table of Contents is amended by inserting immediately after section 361 the following:

"PART G—FEDERAL EMPLOYEE PARKING

"SEC. 371. Federal employee parking.".

U.S. SENATE,
Washington, D.C., September 9, 1977.

DEAR COLLEAGUE: I feel that we in the Congress have a special obligation to observe the maxim that "energy efficiency begins at home." The National Energy Plan bills now before us would mandate sacrifices by most citizens. We have a public duty to our constituents to accept necessary adjustment ourselves. I, therefore, plan an amendment to the National Energy Conservation Policy Act, S. 2057, to end subsidized parking for congressional and Federal employees.

Under my amendment all Federal and Congressional workers would pay parking fees based on prevailing market rates in their areas. Exceptions would be granted for employee housing, such as military housing. Fees would not, of course, be imposed in suburban and rural areas where parking is now free. Revenues raised would revert to the Treasury.

My amendment would accomplish several goals. First, it would save energy by encouraging use of mass transit and car pooling. Second, it would end an unfair taxpayer-financed subsidy. Third, any reduction in auto traffic, especially in cities such as Washington, would reduce air pollution. Fourth and most important, it would tell our constituents that their elected representatives are willing to do more than simply impose restrictions on the rest of the country because of the energy crisis.

Senator Gary Hart offered an amendment to the legislative appropriations bill which would have required fees for Congressional employees. Some objected to not requiring fees from all federal workers, and others objected to basing rates on salaries. My amendment avoids both problems.

I can see only one argument against user fees for federal parking: the self-interest of ourselves, our staffs, and other federal employees in maintaining this free favor.

I welcome your support. For more information, or to join as a sponsor of this amendment, please contact me, or have your staff contact Ron Lanoue (4-2174) or Chris Palmer (4-1462).

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

AMENDMENTS NOS. 843 THROUGH 847

(Ordered to be printed and to lie on the table.)

Mr. BROOKE submitted five amendments intended to be proposed by him to the bill (S. 2057), the National Energy Conservation Policy Act.

NATIONAL CRUDE OIL SUPPLY AND TRANSPORTATION ACT—S. 1868

AMENDMENT NO. 842

(Ordered to be printed and referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Energy and Natural Resources.)

Mr. MELCHER submitted an amendment intended to be proposed by him to the bill (S. 1868) entitled the National Crude Oil Supply and Transportation Act of 1977.

PACIFIC NORTHWEST ELECTRIC POWER SUPPLY AND CONSERVATION ACT—S. 2080

AMENDMENT NO. 848

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. JACKSON (by request) submitted an amendment intended to be proposed by him to the bill (S. 2080) to make the Federal Columbia River Power System available for maximum electric efficiency for future essential power supply to pro-

mote conservation, and for other purposes.

REGULATORY FLEXIBILITY ACT—S. 1974

AMENDMENT NO. 849

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. NELSON (for himself and Mr. CULVER) submitted an amendment intended to be proposed by them jointly to the bill (S. 1974) to amend section 553 of title 5, United States Code, to improve Federal rulemaking by creating procedures for regulatory issuance in two or more parts.

NOTICES OF HEARINGS

SMALL BUSINESS ADMINISTRATION PAPERWORK

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business Subcommittee on Government Regulation has scheduled a hearing on the paperwork requirements of the Small Business Administration. The hearing will be held on September 21, 1977, in room 424 Russell Senate Office Building at 10 a.m. Presiding will be the Senator from New Hampshire (Mr. MCINTYRE), chairman of the subcommittee.

Further information can be obtained from the offices of the Small Business Committee, room 424 Russell Office Building, telephone 224–2130.

SUBCOMMITTEE ON PARKS AND RECREATION

Mr. ABOUREZK. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of public hearings before the Parks and Recreation Subcommittee of the Senate Energy and Natural Resources Committee.

The hearings are scheduled for September 19 and 20, 1977, beginning at 7 p.m., in room 3110 of the Dirksen Senate Office Building. Testimony is invited on S. 1180, to designate certain endangered public lands for preservation as wilderness, to provide for the study of additional endangered public lands for such designation, to further the purposes of the Wilderness Act of 1964, and for other purposes.

For further information regarding the hearings you may wish to contact Mr. Thomas Williams of the subcommittee staff on extension 47145. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Parks and Recreation Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

SUBCOMMITTEE ON CIVIL SERVICE AND GENERAL SERVICES

Mr. SASSER. Mr. President, the Subcommittee on Civil Service and General Services had previously announced hearings on S. 666 for September 15, 1977, at 9 a.m. in room 6202 Dirksen Senate Office Building.

However, because of a scheduling conflict, those hearings have now been rescheduled for Tuesday, September 13, 1977, at 9:30 a.m. in room 457 Russell Senate Office Building.

The hearings on S. 666 will immediately follow the apportionment hearings which will commence at 8:30 a.m.

VETERANS BENEFITS PROGRAM IN THE PHILIPPINES NEEDS AN OVERHAUL—NOW

Mr. PROXMIRE. Mr. President, on August 31, I chaired a hearing of the HUD-Independent Agencies Appropriations Subcommittee which showed beyond a shadow of a doubt that serious and shocking problems plague our VA benefits programs in the Republic of the Philippines. The testimony of Gregory Ahart, Director of the Human Resources Division of the General Accounting Office clearly indicated that an immediate reassessment of this program is in order. Veterans' Administration and State Department witnesses agreed that the program had serious defects. Inequities, abuses, and even fraud appear to be the rule rather than the exception and the hearing clearly showed that it is time to reexamine both our current and future obligations to Philippine veterans.

How much is our VA program in the Philippines costing the American taxpayer? Since 1946, it has cost $2 billion and could cost another $1.5 billion over the next 20 years even if no new beneficiaries are added to the rolls and no legislative increases are authorized. The program will cost $87 million in fiscal year 1978.

I wish to make it clear at the outset that we should not forget the contribution of thousands of Filipinos and their families to the battle in the Pacific during World War II. Filipino units and individual soldiers fought with excellence and great sacrifice. Why then, should the Congress consider an overhaul of our VA benefit program in the Philippines? Here are a few reasons:

First. The average Filipino VA beneficiary is paid 7½ times his country's median income while the average American vet gets a benefit which is about 70 percent of the median income in the United States.

Second. In some cases, Filipino veterans with treatable tuberculosis refuse to follow medical programs to arrest or control their disease because while disabled they will receive more money from VA than they could possibly earn if they recovered. After 20 years their 100 percent disability rating, which allows a full compensation payment, cannot be reduced so they finally take their medicine and recover.

Third. In many cases, the U.S. pays disabled Filipino veterans 15 times as much as a Filipino veteran would receive if he was paid through the Filipino government's own veterans benefit program.

Fourth. In the Philippines, as the GAO pointed out in its testimony, veterans' dependents can earn about as much from their educational assistance payments as the average Filipino college professor with a master's degree.

A blatant example of program abuse is the documented case of a Filipino veteran, returning from being AWOL, who was shot by a Filipino guard, and rated 100-percent disabled. Since incurring his "disability" he fathered 26 children—11 by his wife and 15 illegitimately by his wife's sister—thus entitling him to $627 per month in VA benefits plus another $204 per month for 18 children under the age of 23 years. So far he has received over $89,000 in VA benefits and if he lives a full life, the VA will pay him an additional $192,000 in monetary benefits and $118,000 in educational benefits to his children.

The examples cited above and the testimony of the General Accounting Office on August 31 indicate that there are two main areas of concern that should be addressed. The first problem is the growing inequality of benefit payments made to Filipino veterans in comparison to those made to American veterans. For example, the median family income in the Philippines is about $643 per year as compared with $13,700 in the United States. If American veterans in the United States were paid equal benefits on the same ratio to median family income as a Filipino veteran, a totally disabled veteran with a wife and two children would receive about $102,000 a year.

Mr. President, Public Law 79–301—the original legislation that authorized payment of monetary benefits to eligible veterans of Philippine units and their dependents—was based on the view of the Congress in 1946 that the average income, living costs and other related economic factors in the Philippines were lower than those in the United States and that those differences should be translated into a proportionately lower level of benefits for those Philippine citizens who were entitled to VA benefits. Compensation and pension benefits are basically intended to compensate the veteran or his dependents for the loss of earning power resulting from the veteran's disability or death. The distinguished late Senator from Arizona, Carl Hayden, who served as a member of the Filipino Rehabilitation Commission back in 1946, testified at that time that:

> The GI bill of rights is intended to benefit an American who served in the armed forces and who returns to civil life in the United States, where American standards of living prevail. . . . A Filipino veteran does not need 150 pesos a month in order that he may go to school or 40 pesos a week as unemployment compensation. . . . Whenever any part of the GI bill of rights is extended to Filipino veterans, the cost of living in the Philippines and other economic factors must be given careful consideration.

Over the years, due to the devaluation of the peso, unanticipated benefits have gone to Filipino veterans, and have compensated their beneficiaries at higher levels than American veterans. With the steady currency devaluation in the Philippines over the past 10 years, Filipino veterans' disability benefits, for example, increased over 700 percent whereas the comparable American veterans' benefits only increased 125 percent. This clearly was not the intent of Congress and the distortions that have evolved over the

past decade should demand our immediate attention.

Second, the overwhelming incentive to secure these lucrative VA benefits in the Philippines has fostered numerous abuses in the program and triggered attempts to defraud the system. Here are just a few of the abuses that have plagued our VA benefit program in the Philippines over the years.

The VA has reported numerous instances of aged and disabled veterans adopting children—in many cases their own relatives—for the sole purpose of gaining more benefits. In one case, a 70-year-old single veteran adopted his 6-year-old great-grandnephew, even though the natural parents were still alive and caring for the child in their own home. In another case, a single veteran, aged 69, adopted two great-grandnieces ages 4 and 8 months, despite the fact that the children remain in the custody of their natural parents. Part of this particular problem, admittedly, is the liberal adoption law in the Philippines.

The VA, however, has acknowledged this problem for years, but has done little if anything to curb these abuses. Add to this the rampant fathering of illegitimate children to increase benefits, as indicated by the example I cited earlier, and it is clear that the situation has gotten out of hand. The GAO has testified that VA's Manila office maintains no statistics on illegitimate children, nor has it studied potential abuses associated with their entitlement to VA benefits.

Mr. President, the educational benefits program is also subject to great abuse in the Philippines. Both the VA and college officials in the Philippines agree that many students enroll in courses solely for the income provided, rather than to acquire knowledge or a job skill. For example, a limited VA survey of eight former GI bill students, indicated that five were unemployed and two were employed at jobs unrelated to their training—one was selling seashells and one was driving a horse cart. Also, according to the registrars of the two colleges in the Philippines with the largest VA enrollment, few veteran students have finished their studies and graduated. They merely take assorted, often unrelated, courses until their entitlement period is over and then drop out. Also, the educational assistance benefits are so disproportionately high in the Philippines that there is a distinct incentive to stop working, get out of the labor force, and take the GI bill route as a student being paid an educational allowance. In fact, as I previously mentioned, students often earn far more than their well-educated professors. If comparable benefits were paid in the United States, veteran students would be paid between $25–30,000 a year to attend classes. These inequities are certainly not what the Congress intended when it drafted GI bill legislation.

Another recognized problem, outlined by the GAO last week, involves so-called claim fixers—clever, often unscrupulous persons who prepare claims for veterans and take a portion of the monthly benefits in payment for their "services." The problem of this "army of chiselers" is compounded by the availability of all types of readily procurable false documentation, such as death certificates, medical certificates, military service or disability papers and school attendance records. The recording of deaths, for example, requires merely an oral notification.

These claim fixers were hard at work in 1976, pouring 1,700 new disability compensation claims into the VA Manila office, tying up expensive VA personnel for months; 99 percent of the claims were thrown out.

Finally, Mr. President, what I find to be the most shocking and distasteful ploy used to secure disability benefit payments is the refusal of some Filipino veterans to take prescribed medication, as I mentioned earlier, in an intention effort to prolong a treatable illness, such as pulmonary TB, until they pass the statutory 20-year vesting period, after which their benefits cannot be reduced. At that point, they take their medicine and recover. The result is that you not only have a ripoff of the American taxpayer, but you have a tragic prolongation of illness and disability on the part of the beneficiary. The VA, in its testimony last week, seemed to indicate that there is nothing they can, or are willing to do to curb this flagrant and dangerous abuse of the compensation payment program.

Mr. President, the Filipinos were valuable allies during World War II. Anyone who has seen the movie "MacArthur" cannot help but be moved by the courage and tenacity of the Filipino units. However, the growing inequality of benefits paid to Filipino veterans in comparison to American veterans, coupled with the widespread abuse and fraud in our VA benefit program in the Philippines, should indicate to the Congress that the time has come to overhaul this program by making adjustments in existing law. I have asked the Veterans' Administration, in cooperation with both the State Department and the General Accounting Office, to provide my subcommittee by the first of next year with a package of legislative and administrative recommendations for correcting the inequities in our Philippine veterans benefits program. I have expressed my hope that the "package" would be reflected in a reduced budget request for the various Philippine benefits programs in fiscal year 1979. Both the VA and the Department of State appear to be receptive to revamping parts of the program and phasing out others over time.

This mood of cooperation should be a signal to the Congress that the time is ripe to act and correct the abuses in our benefit program carried out in the Republic of the Philippines.

SENATOR HATCH EXPOSES THE KEYNESIANS

Mr. HELMS. Mr. President, the able Senator from Utah (Mr. HATCH) has already proved himself to be a thoughtful spokesman in defense of limited government and a free economy.

For too long the apostles of John Maynard Keynes have ruled the roost in Washington. Under the politically attractive but wrongheaded theories of Lord Keynes, too many politicians have come to the conclusion that it is healthy for our economy to be subjected to massive doses of demand stimulus. That fancy term is nothing more than pumping more dollars in the economy than there are goods to purchase.

According to the Keynesians, these extra dollars are supposed to lead to greater levels of economic activity. In fact, however, it is demonstrable that Keynesian demand stimulus indeed can lead to short periods of increased economic activity—but always followed by inflation and unemployment.

Another way to look at Keynesian economic manipulation is that it is really an allocation of resources outside of the marketplace. During inflationary periods certain industries do better than others merely because of the economic environment. Certain kinds of employment are favored and certain kinds of investment are made. The long-range cost of these misallocations of resources is immense and the entire economy suffers.

Recently Senator Hatch authored an article which appeared in the National Review magazine. His statement entitled "More Appropriations—More Unemployment" points out how Keynesian remedies tend to be counterproductive.

Senator HATCH also has written a recent article in the New York Times which documented another example of the bad effects that result from Government intervention.

Mr. President, so that the Members of the Senate may have the benefit of these important observations, I ask unanimous consent that the two articles authored by Senator HATCH be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From National Review, Aug. 19, 1977]

MORE APPROPRIATIONS—MORE UNEMPLOYMENT

(By Orrin G. Hatch)

The Economic Stimulus Appropriations Act of 1977 is said to be a stimulus package. But is it? How do we know that it is not the opposite?

What are the assumptions underlying the view that this package is stimulative? I want first to point them out and then to examine each one.

First, there is the assumption of involuntarily idle manpower due to insufficient spending—idle manpower looking in vain for job vacancies. Second, there is the assumption of idle capacity due to insufficient spending—idle factories waiting in vain for customers. Third, there is the assumption of idle money languishing in bank vaults. And fourth, there is the assumption that it is up to the Federal Government to bring the idle manpower, the idle factory capacity, and the idle money together in the production of valuable public programs such as federal paychecks for firemen in Boston and sanitation workers in New York City, new city halls, monuments, and other equally unproductive construction projects everywhere—federal money for everything, in fact, except water projects in the Western states.

One hundred per cent federal funding for local public works projects means that projects that localities do not value sufficiently to undertake if they must pay any portion of the cost themselves. In other cases—such as the federal paychecks for Boston firemen—federal money is simply substituted for local money to finance jobs that will be there anyway. And there is another substitution effect as well: people employed in the government sector cannot simultaneously be employed in the private sector in the production of the goods and services that make up our real standard of living.

THE WHYS OF IDLENESS

Let's examine the matter of idle manpower. With more people employed than ever before, and with a higher percentage of the population employed than ever before, we are told that we have idle manpower.

Well, we do. There are some two million people looking for jobs that suit them, instead of suiting themselves to the jobs that are looking for people. There are another million or so young people who are kept from working—and therefore from acquiring job training and job experience—by federal red tape and the minimum wage law. Add another million who prefer the combination of leisure and untaxed unemployment compensation benefits to a paycheck that is shrunken by taxes. Taxes now total about 30 per cent of an average worker's pay and often leave only a small difference between his take-home pay and the local level of unemployment benefits. Add another million because the after-tax rate of return on business investment is not high enough to justify the capital spending that would employ them. If we add up these numbers, we have most of our idle manpower.

This brings us to the matter of idle capacity. Is capacity idle because of insufficient spending or because it is unprofitable to use the capacity regardless of the level of spending? If it is idle because it is unprofitable, then more spending will not necessarily make it any less idle. It could, in fact, result in more idle capacity. Let me explain.

Capacity may be unprofitable because it is outmoded, either in terms of today's cost and price structure or in terms of the latest technology. The rate of return that it generates may not be sufficient to justify its operation. For example, EPA and OSHA regulations and the rapid rise in energy costs have made some existing capacity unprofitable to use. What this means is that we have some idle physical plant that is counted as capacity because it physically exists. However, economically speaking, it does not exist. It is not idle capacity but abandoned capacity. Therefore, we may be closer to full capacity in an economic sense than the capacity-utilization rates show.

If capacity is idle because it is unprofitable, how will spending more make it more profitable? It can do so only if the increased spending causes an inflation that drives up the price of the products that can be produced by reactivating the idle capacity by more than it drives up the wages and other costs of making the products.

Even if inflation were to work in this way, it has other effects that increase the corporate sector's taxes relative to the corporate sector's profits. U.S. Department of Commerce data clearly indicate that this is what has been happening during the past several years: The inflation has raised the effective tax rate on corporate income above the statutory rate. This is because inflation overstates profits by understating depreciation costs and by causing the firm's accounting practices to register inventory profits erroneously by neglecting the replacement costs of the inventory. The following table shows the consequences of inflation for the effective tax rate on corporate profits.

[In percent]

Year	Inflation rate (CPI)	Effective tax rate [1]
1968	4.7	46
1969	6.1	49
1970	5.5	51
1971	3.4	49
1972	3.4	45
1973	8.8	49
1974	12.2	62
1975	7.0	54
1976	4.8	55

[1] Tax liability as a percentage of corporate profits with inventory valuation and capital consumption adjustments.

Since inflation raises the effective tax rates, it reduces the profitability of business. Because of illusions generated by its accounting practices and Internal Revenue Service requirements, business does not always perceive this instantly. However, there is no getting around the fact that you cannot generate more business activity by making it less profitable. If inflation made for higher profits, the double-digit inflation of 1974 would have produced prosperity in 1975 and not a sharp recession. We notice today that economic activity has picked up only with the decline in the inflation rate.

As for the matter of idle money, it is not the nature of profit-oriented bankers and businessmen to leave money lying idle. The question is not whether the nation's savings are being used, but how they are being used. Some $250 billion of the nation's savings have gone into Treasury notes and bills to fund the federal debt that we have produced in the last seven years. That is $250 billion that did not go into expanding the nation's productive capacity. Some of the nation's savings have gone into loans to real estate investment trusts, tax shelters, and tax avoidance projects. And some of the nation's savings have gone into loans to Third World and Communist countries. We have driven the money over there by making it unprofitable for American business to use American savings. The more we spend and inflate and drive up the effective tax rates and pile on higher and higher costs of regulation and pass measures of fiscal vandalism like this so-called Stimulus Appropriations Act, the more our savings will be misused and misallocated.

We have lowered the rate of return to sound businesses, small and large, which would otherwise be seeking to borrow in order to expand. We have increased the tax burden on responsible workers, on potential investors and home-buyers, by inflating their incomes into higher tax brackets, while threatening their jobs with red tape. People are increasingly uncertain of their property rights, and they are cautious about investing in additional property. No wonder banks have taken to lending more to high-risk people. No wonder we are lending more but getting less growth and employment from it. No wonder we are lending abroad instead of helping our country to grow.

It is time to create good lending prospects here in the U.S. by cutting tax rates. Banks will not make unsound loans abroad if they can make profitable loans at home. The way to get the economy moving is to make it profitable to work, hire, and invest by cutting taxes on work, employment, and investment.

It is time for the Congress to stop encouraging Americans to come to Washington for licenses to pick one another's pockets. We should cut tax rates to encourage them to stay at home and use their own resources to solve their own problems. The way we are going, we are making political activity more profitable than economic activity, and soon there will not be anyone left doing the work it takes to keep anyone's pockets filled.

GRIP OF THE LONG-DEAD

The resources used by the public sector cannot simultaneously be used by the private sector, where production takes place. Government borrowing to increase consumption does not have the same economic effect as business borrowing to increase investment. If we continue to increase the government's claims on resources relative to the private sector's, we will continue to cripple supply. Today, government takes about 40 per cent of the goods and services produced, but produces few, if any, of these goods and services.

John Maynard Keynes said that most politicians are unknowningly in the grip of defunct theories of long-dead economists. Well, most politicians in Washington are in the grip of Keynes's theories of creating employment through deficit spending intended to increase demand. Keynes is a long-dead economist. If Washington does not get free of his grip and focus instead on supply—by making it pay to invest, to hire, and to work—the American economy will be dead too.

[The New York Times, Aug. 25, 1977]

SINKING BUREAUCRATIC HOOKS INTO THE PUBLIC

(By Crrin G. Hatch)

WASHINGTON—Water, a commodity typically in great abundance, is suddenly scarce in the Western United States. Public officials have used the drought to impose more regulations and controls on the lives of many Americans. Indeed, what is taking place in the San Francisco area may foreshadow a future of growing bureaucratic control over all Americans, especially those who live in the West.

Accordingly to bureaucratic calculations, a 25 percent reduction in water consumption would provide the San Francisco area with sufficient water to endure a third successive year of drought. To compensate for the revenue effects of a 25 percent reduction in water sales, the city's Public Utilities Commission granted a 43 percent rate increase. But things have not gone according to plan. Customers reduced consumption by 40 percent. This caused a new problem.

The general manager of the San Francisco water department warned that he would have to seek a further rate increase of 22 percent if the reduction remained significantly higher than 25 percent. He suggested that customers devote more water to improved sanitary standards and landscaping irrigation.

We can all imagine how the manager's suggestion that Californians consume more water at lower rates rather than less water at higher rates fared when it encountered the moralitic attitude that wasteful Americans must now be made to suffer. There were instant calls for his resignation.

A spokesman for the State of California's Department of Water Resources complained that the city's water officials were being influenced by such minor matters as finances. The Public Utilities Commission denounced the suggestion to use more water to avoid a rate increase. The bureaucrat's attitude is that people must have less even if they must pay more to have less.

The politicians and bureaucrats have greatly compounded a problem of nature, which even 40 days and 40 nights of rain may never set right, because they have a vested interest in compounded problems. These regulators of the public interest, in the righteous tone of moral authority, now tell Californians how much water they must use.

The people are hit with price increases if they "over-use" and price increases if they "under-use." Only omniscient bureaucrats—like those who planned a 25 percent reduction and achieved instead a 40 percent re-

duction—can decide how much water can be used, even if there is more available to use. Californians now wonder if there really was a shortage of water or just an excess of politicians and bureaucrats.

This is a funny story of bureaucratic bungling, but it is also a scary story of power-grabbing. One group of consultants has suggested that a potential California water shortage in 1986 might require mandatory controls now. The new class has gone beyond turning crises to their advantage; they have gone beyond even creating crises for their advantage. Now they advocate controls on the basis of anticipated crises in the future.

This scary, funny story is a harbinger of what is to come when the Government imposes gasoline rationing. To compensate the sellers, which may be the Government itself, for lower revenues as a result of the mandatory reduction in gasoline usage, the Government will grant a price increase. As a result, people will further cut back on their gasoline use. The bureaucrats will then order the people to stop saving so much gasoline or else face a further price increase.

Whenever Government takes control over the allocation of a resource, people have to pay much more for much less. That is the bureaucratic way. When private companies raise prices, the cry goes forth that they are ripping off the consumer. When bureaucrats raise prices, it is justified on the grounds of dealing with a crisis or punishing immoral consumers for using either too much or too little.

This scary, funny story also throws light on why, when water becomes scarce in the Western United States, the Administration responds by canceling water projects in the Western states. This insures a crisis that Government can use to take control over water and, thereby, over jobs and people's lives.

The self-interest of Government is a powerful force. It even harnesses nature to its purposes. Mere mortals have no chance at all until they learn that governments manufacture crises in order to gain control over people.

PERFORMANCE OF THE ECONOMY IN THE LONG TERM

Mr. BENTSEN. Mr. President, the signals emanating from the American economy are mixed and confusing. A qualified econometric soothsayer reading the tea leaves of current economic indicators could make a convincing case for almost any hypothesis. A pessimistic analyst could, for example, cite the following considerations:

The Nation's equity markets are sluggish and bearish. If it is true that the condition of the stock market predicts the future course of the economy, we could well be in trouble. In the interest of accuracy, however, it should be noted that the stock market has predicted 6 of our last 10 recessions.

For the past 3 months the Commerce Department's index of leading indicators has declined by 0.2 percent. This is the first time the indicators have fallen 3 months in a row since the 1973–75 recession.

New factory orders fell by 3 percent in August, the steepest decline since December 1974.

Finally, the most discouraging economic news is the August increase in unemployment to 7.1 percent, with the rate for women and minorities well above 10 percent.

This data could, and should, be countered with mention of positive developments in our economy:

A recent survey of the 1,000 largest manufacturing firms found that capital appropriations rose about 4 percent between the first and second quarters of 1977, the second largest quarterly increase in history.

The rate of increase in wholesale prices has slowed measurably, down to an annual rate of only 1.2 percent in August.

The state of the economy, Mr. President, is clearly uncertain. Since the Budget Committee's recommendations included in the second concurrent budget resolution flow directly from the committee's assessment of the current and future levels of economic activity, I believe the Senate should take this opportunity to discuss what can be done to move our economy toward full employment and price stability.

We are limited in our ability to affect the short-term course of the economy, just as we are limited in our ability to board a moving train. By the time we have established a clear pattern of economic activity and developed a consensus on the appropriate policy approach, the pattern of economic activity may have changed fundamentally; we have missed the train. Our strategy is outdated or irrelevant.

Let us, Mr. President, take a step back from confusion. Instead of concentrating on the short-term indicators, perhaps we would be well advised to examine the long-term trends in the economy and attemp to devise policies to improve its general level of performance. I am not optimistic about our ability to fine-tune the American economy month to month, but I am convinced that we possess the knowledge and ability to identify and correct factors that inhibit long-term growth while we eliminate bottlenecks that inhibit the future potential of our economy.

In recent years the performance of the American economy has been less than satisfactory. Far less than satisfactory. Per capita economic growth in this country since 1960 has been the lowest of any major Western industrial power. This does not bode well for the future.

Between 1960 and 1973, real output per employed person increased by an average of only 2.1 percent in the United States. Even the United Kingdom, beset with obvious economic difficulties, surpassed that figure, with output increasing at an average rate of 2.8 percent. At first glance the difference may seem insignificant, but when projected over a thirteen year period it means that real output per employed person increased 31 percent in the United States and 43 percent in the United Kingdom. Since 1974 the growth rate has slowed to 1 percent in both countries, so the difference remains.

It is no great problem to identify the underlying reason for the unsatisfactory long-term performance of the American economy. The answer lies in capital formation. Between 1960 and 1973 the United States allocated a smaller fraction of its GNP to capital formation than any other major Western democracy. During this period, total fixed investment in the United States was 17.5 percent of real output; in Canada it was 22 percent; in France and Germany it was 25 percent; and in Japan it was 35 percent.

As pointed out by the economist David Meiselman, the sharp increase in our labor force in recent years has simply not been matched by equivalent increases in the rate of capital accumulation. For instance, in terms of real 1958 dollars, the gross stocks of business capital increased by $55,000 per each new worker entering the labor force between 1961 and 1965. This figure fell to $46,000 for the 1966–1970 period, and was reduced to $41,000 between 1971–1974.

The ratio of the stock of capital per worker is a crucial element in determining the productivity of each worker. When the stock of capital increases at a slower rate than growth in the labor force, productivity per worker will eventually decline. Unit cost per worker will increase. Real wages will fall, and employment opportunities will evaporate.

In light of the data I have mentioned, it is not hard to understand the disappointing performance of the American economy over the past 15 years. How can we do better in the coming decade? How can we exert a positive, long-term influence on the economy of this Nation?

First, we must encourage the average American to save more, for it is the savings of the American wage earner that provides the funds business requires to expand the Nation's stock of capital. There is a direct, obvious relationship between savings and capital, and it is a lack of capital that is inhibiting the performance of our economy.

The current tax code contains a considerable bias against savings, while encouraging consumption. Income spent on consumption is taxed only once, when it is earned. Income placed in a savings account or used to purchase stock is doubly taxed: when it is earned, and when it accrues dividends or interest. Prof. Michael Boskin of Stanford University estimates that the bias against savings inherent in our tax code lowers the capital/labor ratio by 30 to 40 percent in the economy.

Given our evident problems with capital formation, we can no longer afford to penalize thrift. We must find ways to help people save more during their high earning years.

I am distressed when I hear proposals to accentuate the bias against savings by raising the tax individuals must pay on—so-called—capital gains income. Capital gains is not a dirty word. It is not unearned income. It is income earned from savings. Income earned from building the stock of capital that makes this country prosper.

To further tax capital gains will weaken our economy over the long run by reducing the rate of capital accumulation. No amount of short-term dickering with fiscal and/or monetary policy can offset the long-term adverse impact of capital shortages. To ignore the problem of capital formation is to condemn the American economy to mediocrity and stagnation.

We cannot rejuvenate our economy in the coming decade until we are willing to confront and overcome the problem of structural unemployment. Every citizen of this country should have a stake in our free enterprise system. Every citizen of this country should have an opportunity to make a productive, constructive contribution to our society. We cannot abide a situation in which vast segments of our population are effectively excluded from the mainstream of our economic life.

In August of this year, unemployment among black teenagers was over 40 percent. This staggering rate of unemployment breeds crime which costs us billions of dollars. More importantly, it breeds despair and frustration. It is a shameful waste of valuable human resources in an era of human rights. It is degrading and debilitating. It is a situation which cannot be permitted to continue. The human and economic price of structural unemployment is frightening.

We can, and we must, create employment opportunities for millions of low-skilled, chronically unemployed Americans. There are few items with a higher priority on our economic agenda for the future. In addressing the chronic problem of structural unemployment, we must be willing to try new ideas and test out innovative concepts.

One such approach is the employment tax credit, recently passed by the Congress and signed into law by the President. I was a sponsor of the employment tax credit because I believe that employers should be accorded incentives, in the form of tax credits, to motivate them to hire low-skilled workers. The ETC is a new approach to an old problem, but it will work if it is given the proper publicity and support. It has worked in Europe and there is no reason why it should be any less successful in this country.

A job is vital fact of life to every American citizen. It is a prerequisite to a decent, productive existence in our society. We have an obligation, an economic, moral, and humanitarian obligation, to foster opportunities for employment, in the private sector if possible and in the Government sector if necessary. For it is surely better to pay people to work than to pay them to do nothing.

Finally, Mr. President, any long-term overview of the problems and potential of our economic system must give careful consideration to the situation of small business.

Americans too often forget the indispensable role of small business in promoting healthy competition in our economy, creating jobs for a growing work force and developing innovative ideas and products. Small business, in many ways, is the essence of our country's promise.

The growth of small business has been good for the millions of individual Americans who have succeeded with their own business. It has been good for our economy and for the country at large. This great diversity of ownership has spurred competition and innovation, it has created employment, and has brought forth a wide variety of goods and services, and helped bring strength and resilience to our free enterprise system.

However, the statistics show that from 1948 to 1972 the number of self-employed businessmen in this country declined from 10.7 million to 7.1 million, even though the labor force grew from 60 million to 86 million. In 1960 small and medium sized manufacturing corporations held 50 percent of this country's manufacturing assets and 41 percent of the profits. But, by 1972 this had declined to 30 percent of the assets and only 28 percent of the profits.

Our tax laws and tax forms must be substantially simplified for smaller enterprises. Small businesses, especially "mom and pop" operations, must fill out numerous reports which can amount to as many as 52 tax forms in a single year. Small businessmen lack the money to hire sophisticated tax lawyers and accountants and are simply unable to take full advantage of many existing tax provisions. We must enable smaller firms to utilize existing tax incentives to the same extent as larger firms.

Mr. President, by highlighting three items of long-term significance to our economy—capital formation, structural unemployment, and the role of small business—I am suggesting that Congress might do well to concentrate on structural weaknesses in the American economic system rather than focusing on short-term indicators where our potential for influence is minimal. Obviously, I do not have a prescription to cure all that ails the American economy.

I would, however, suggest that we may be preoccupied with the symptoms of our problems while overlooking the root causes of the affliction. To the extent that we are able to deal effectively with items such as capital formation, structural unemployment, and small business we shall inevitably see an improvement in the short-term indicators that are currently the cause of so much concern and confusion.

EFFECT OF OIL PRICE INCREASE ON WORLD TRADE

Mr. JAVITS. Mr. President, I have been particularly concerned in recent months about the effect of the dramatic oil price increases of 1973 and 1974 taken by the OPEC countries on not only the American economy but on the proper functioning of the international economic system. My recent testimony before the Senate Banking Committee underscored my concern that the world is facing the danger of a severe economic depression unless economic and political measures are taken quickly to shore up the structure of the international economic system.

Barbara and Ray Howard, in an article entitled "Oil's Newest Inflationary Bite," which appeared in the New York Daily News of August 30, 1977, describe in the clearest terms not only the direct, but also the indirect effect, of the high oil prices on the U.S. economy.

The Howards indicate that the annual growth in free-world trade slowed from an average of 9 percent during the 1950's and 1960's to less than 7 percent at present. Without oil, real growth in world trade is now only about 4 percent per year. This critical impact of the oil price increase on world trade is especially troublesome because, without growing trade, the nonoil producing countries of the world will not be able to pay for their staggering oil import bills. Rather than freeing trade, the major countries are beginning to take protectionist measures to limit imports into their countries, which can quickly lead to "beggar my neighbor" policies, which is a prelude to economic disaster.

Although increased amounts of capital will continue to be needed to help the nonoil producing developing countries meet their balance of payments needs, these countries require increased trade opportunities which can only be generated by a strong world economy, unfettered by discriminatory trade and investment barriers.

Mr. President, I commend this article to the attention of my colleagues and request unanimous consent that the text be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Daily News, Aug. 30, 1977]

OIL'S NEWEST INFLATIONARY BITE

(By Barbara and Ray Howard

Rising oil prices are going to begin to bite into your pocketbook in a strange new political way. You have already experienced some of the direct and indirect economic effects of high oil prices. The oil price run-up has provided a price umbrella for coal, gas and other energy forms. You see the direct economic effects of high oil prices at the gas pump and in your heating bills.

But the indirect economic effects hurt just as much, because everything from electricity to food to steel is made from oil and other energies. And as energy prices rise, so do the prices of all things derived from energy.

The economic effects are bad enough, but now we face new inflationary pressures caused by the political effects of rising oil prices. Nations all over the world have seen their oil imports go up. Most countries are sending a hemorrhage of cash to the Middle East. As a result, most nations see their imports running way ahead of exports, draining their cash reserves. To check this drain, governments are increasingly acting to restrict imports of other products.

Yet free-world trade is considered one of the great forces that kept consumer prices down during the healthy 1950s and 1960s. Growing at a rate of 9 percent per year, world trade assured us that we could buy products from the lowest-cost producers and most efficient users of resources. Free world trade encouraged the consumer to reward the efficient producer and penalize the high-cost producer, thus keeping prices down.

But now the growth in world trade is slowing. Currently it is running at less than 7 percent above last year. If we strip oil from the statistics, real growth is only about 4 percent per year. The use of import charges, trade-limiting agreements, quotas and other inflationary devices are growing. Europe restricts textile imports. Japan discourages silk imports. Indonesia slows steel imports. Jamaica bans all luxury consumer goods including automobiles! The U.S. limits the import of color television sets and specialty steel.

Oil is also fueling domestic political forces by slowing down the recovery. Economies that grew on the back of cheap energy are not rebounding as vigorously in an era of expensive energy. Slow worldwide recovery

means high jobless rates, which lead to the politics of "protecting jobs against imports."

In the U.S., oil's dramatic political effects have created an unusual alliance of labor and business, with both going to Washington demanding protections from low-cost foreign imports in everything from steel to shoes. Similar labor-management alliances are at work in Britain, France, West Germany and other Common Market countries.

By putting tremendous political pressure on cash reserves and jobs, oil is pushing the world toward increasing trade restrictions. As that happens, trade will fall off. Inefficient producers will be protected and kept in business. Efficient producers will be penalized. The result will be lesser quality products at higher prices.

You will buy less with your paycheck and business volume will fall off, propelling us back into recession. Oil's political effects will tend to make labor and management increasingly nervous and shortsighted. It will be up to the consumer to remain farsighted and objective enough to fight for the lower prices unrestricted world trade brings.

It's your pocketbook. If you don't protect it, nobody else will.

NOW ACCOUNTS AND S. 2055 ARE NOT IN THE BEST INTEREST OF THE CONSUMING PUBLIC

Mr. MORGAN. S. 2055 as reported out by the Banking Committee will allow commercial banks, savings and loans, credit unions, and mutual savings banks to offer third party payment accounts and the payment of interest on these accounts. This simply means that the customer will now be allowed to collect interest on his or her savings account and at the same time write checks or negotiable orders or withdrawal on the accounts. These NOW accounts, as they have been labeled, have been characterized by proponents of the legislation as consumer oriented, but it is my opinion, and I have statistics to bear me out, that only a small minority of the consuming public will benefit by the enactment of this legislation.

NOW accounts are a phenomena which originated in the New England States of Massachusetts and New Hampshire as part of the state banking system. In order to allow federally chartered institutions in these States to effectively compete against their counterparts in the state banking system, the Congress enacted legislation to allow federally chartered institutions in these States to also offer these accounts. Over the years, the Congress has extended this authority to other States where necessary in order to equalize competition between the State and federally chartered institutions.

Now, however, the proponents of this bill are asking the Congress to go much further and extend these accounts throughout the Nation although such a move is unwarranted to maintain equality of service among competing institutions. And I ask you, my colleagues, to talk with representatives of financial institutions in your States and I am confident that the overwhelming response will be that they have no desire whatsoever to offer these NOW accounts.

During the markup on this bill, I talked with the President of one of the largest banks in my State and one of the top 50 banks in the Nation and he told me:

I don't care what you do, Robert, we're going to earn a fair return on our investment and the consumer is eventually going to pay for it. If you want to make us pay interest on checking accounts, sure, we'll pay it, but we're going to add it in costs somewhere else.

And I have talked with representatives of the savings and loan industry both in my home State and throughout the Nation and these people tell me that savings and loans are not interested in getting into the checking account business. They see their function as providing a ready credit market for the homebuying consumer and they are trained and dedicated to carry out this mission.

I am a member of the board of directors of a savings and loan which I started in my home town of Lillington and I have witnessed the beneficial effects of this institution on the homebuilding industry in my county. I cannot help but feel that by continually eliminating the differences between commercial banks and thrift institutions—and this bill is a significant step in that direction—that the ultimate victim will be the homebuyer and consumer.

Savings and loans are created for the specific purpose of financing homes and it is my fervent belief that these institutions do not need these additional services in order to continue to attract a free flow of funds into the mortgage market pool. Talk with your savings and loan representatives and they will tell you that this has been a record year for attracting funds into their institutions and they have done so without the benefit of these so-called NOW accounts which are going to end up costing the institutions which elect to offer them.

Savings and loans are able to attract these funds because of regulation Q which allows thrift institutions to pay one-fourth of 1 percent more interest on their passbook savings than are commercial banks and this issue of regulation Q is intricately woven into this bill. As I stated during markup of the bill, if savings and loans are going to act like commercial banks, and I certainly hope that they do not choose that alternative, then I feel that we should eliminate the differential—regulation Q—for those institutions making that election in order that commercial banks will not be put in a competitive disadvantage. To do otherwise, would allow savings and loans to offer the majority of the services now offered by commercial banks while still allowing them the distinct advantage of paying one-quarter of 1 percent more interest on their savings accounts. And let me assure you that the savings and loan folks are adamant about maintaining the differential.

But let us now address the question of costs and who will benefit by this "consumer-oriented" legislation.

If Congress decides that NOW accounts should be offered on a nationwide basis and financial institutions are forced to pay interest on checking accounts, then the financial institutions will have to make up this loss of revenue by charging for services elsewhere. Financial institutions operate to make a profit, as well they should, and their investors will not allow a continual drain of their profits caused by the implementation of this bill; they will demand that these additional costs be passed on to the consumer either in explicit charges for services offered or in higher interest rates on their consumer loans.

If Congress decides that an explicit charge for all services offered by financial institutions is a better system than that offered today where account holders are often subsidized in the form of free checking and other services, then fine and good; but let us not kid ouselves by claiming that the average consumer is going to benefit by the implementation of NOW accounts. That simply is not the case. While the wealthy depositor with a large balance who writes few checks may benefit, the poor widow existing on social security will end up having to pay for banking services which heretofore have been free or at minimal cost.

Security Pacific National Bank, the second largest branching bank system in the country has done a study showing the effect of implementation of NOW accounts on its customers and the results are exactly as I expected:

Our study indicates that the only possible winners among our customers will be those who maintain relatively high balances and have relatively few account transactions. Our study shows that the breakeven balance would have to be $900+—a figure which excludes about three-fourths of our household accounts. The biggest losers would be the low and medium income earners who maintain low average balances and write an average number of checks.

Consumer legislation—not in a million years.

Another group that will suffer as a result of the adoption of this legislation is the American taxpayer for the committee has seen fit to attach a provision providing for the payment of interest on reserve requirements to the bill at an estimated cost to the taxpayer by 1981 of $300 million. That is right; $300 million of the taxpayer's money which will be coming out of the Treasury to help defray the cost of the implementation of this legislation.

But yet we are told that we must have this provision if we wish to avert a substantial erosion of Federal Reserve membership as banks throughout the nation seek ways to reduce operating costs as they are forced to pay the additional costs of offering NOW accounts. And I might add at this point that it will probably be the small banks which are affected the most, for it is these smaller institutions where the profit margin hangs on a narrow thread—a thread which could easily be broken by the increased costs of NOW account services.

In summary, then, who gains from these NOW accounts? The wealthy person writing few checks and maintaining a significant balance in his checking accounts.

Is this the average consumer we seek to protect?

And who loses if this consumer legislation passes? The average person who maintains a relatively small checking ac-

count balance who writes a great number of checks; the taxpayer who must subsidize this costly experiment; and the small banker who may very well be forced out of existence by the good intentions of a few well meaning New Englanders who decide that what is good for New England must be good for the rest of the country. Well, gentlemen, that is not necessarily so.

Mr. President, I ask unanimous consent that a letter on this subject from Richard F. McAdoo, vice president, Security Pacific National Bank, a California banking institution, to Senator PROXMIRE, the chairman of the Committee on Banking, Housing, and Urban Affairs, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECURITY PACIFIC NATIONAL BANK,
Washington, D.C., August 2, 1977.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: During the course of today's committee consideration of S. 1873, several Senators asked for information on the possible impact of interest bearing transaction accounts on consumers. This question occurred to us several weeks ago and, as a result, we analyzed our personal demand account base to determine which consumer groupings were likely to incur added costs as a result of introducing NOW accounts on a national basis.

As you may know, Security Pacific is the second largest branch banking system in the country with 540 banking offices in California and assets exceeding $16 billion. Because we are a consumer oriented bank, we believe our analysis may provide some insight into the possible impact of NOW accounts on the average consumer.

In terms of which depositor groupings would make or lose money, the graph attached as Exhibit II illustrates this quite clearly. The probable gain or loss for our customers is shown for interest ranging from 1 percent to 5 percent. The assumption used for cost recovery indicates a transaction charge of 4¢ would be required to recover the added cost of every one percent in interest paid on the accounts. Our study indicates that the only possible winners among our customers will be those who maintain relatively high balances and have relatively few account transactions. Our study shows that the break-even balance would have to be $900-plus—a figure which excludes about three-fourths of our household accounts. The biggest losers would be the low and medium income earners who maintain low average balances and write an average number of checks.

We believe that the point is that while NOW accounts are being sold as a boon to the average consumer, the analysis of our own customer base does not support that premise. The only way the "average" consumer can benefit from the unbundling of bank services is to maintain a rather high balance and write few checks. While there may be very good economic and practical arguments for paying explicit interest on transaction accounts. we believe that to promote the concept as being of benefit to the average household is disingenious at best. Our study shows no such benefit.

The Fed staff has estimated that the present implicit return to depositors on underpriced bank services is about 5% on an aggregate basis. However, the distribution of this implicit return is very uneven and tends to heavily favor or subsidize the smaller depositor. It seems to us that payment of explicit interest will tend to result in a system of payments which is more in proportion to the size of the account balance.

Therefore, what the Fed believes to be a more equitable system of paying interest—whatever its final form—would probably result in higher charges or a reduced return for the bulk of depositors holding small bank accounts. In our case that would mean 76% of our household account holders. Of course these customers could reduce their check-writing thus reducing costs. However, giving up a service one formerly had is not the usual definition of being "better off." The other alternative for this group of consumers would be to increase the size of the account balance to offset the higher charges with the interest payment. This would, of course, mean foregoing consumption and/or taking money from possibly higher yielding investments for the sole purpose of maintaining the same level of service.

Our analysis establishes the simple fact that any return paid on the basis of asset holdings will accrue to those who hold the assets. The present system is only peripherally based on account size which benefits the smaller depositor. In our opinion this small depositor will be worse off under a system of explicit interest than under the present system.

I have also enclosed a copy of our position statement on S. 1873 which may be of interest to you or your staff. Since many members of the committee expressed an interest about this point, a copy of this letter and the attachments have been sent to all members of the committee.

Cordially yours,
RICHARD F. MCADOO,
Vice President—Government Relations.

[DISCUSSION PAPER]

NOW ACCOUNT "WINNERS" AND "LOSERS"

The purpose of this paper is to attempt briefly to explore the question as to which segments of consumers are likely to benefit (the "winners") and which segments of consumers are likely to incur added costs (the "losers") as a result of the introduction of NOW accounts on a nationwide basis. We will attempt to focus our discussion, as much as possible, on the effects on consumers, rather than on the impacts on banks, other businesses, or governmental bodies.

There are limitations imposed on the accuracy of our results simply because we must make a fairly simplistic set of assumptions regarding the pricing of NOW's on which to base our analysis. In reality, there are myriad ways in which this service can be priced by the marketplace, but logic indicates that the end result will be something similar in its effects to what we will arrive at here.

First, let's briefly review the present situation, with respect to personal checking accounts. What we have now, is a prohibition against any explicit payment of interest on demand balances, so the customer is compensated for the use of his funds by an implicit return to him in the form of free services or services which are priced below the real cost of providing them. The Federal Reserve staff has estimated that, in the aggregate, individuals are currently receiving services equal in value to a return of about five percent on their balances. Aggregation, however, conceals the fact that this distribution is very uneven, and for those holding very small balances and writing an average number of checks the return is really very much higher. Conversely, for those with large balances and average check-writing habits the return may be almost negligible. Clearly, the larger accounts are subsidizing the smaller ones.

The basic assumptions on which our analysis rests are as follows:

Ownership of NOW accounts will be confined to individuals

Commercial banks are obliged to make every effort to maintain their profitability

Our own retail customer population in terms of account size distribution is a reasonable reflection of the customer configuration of any bank with a substantial retail orientation

Most households write about 20 checks per month regardless of account size, income level, or other demographics

NOW account customers will write about this same number of checks

The costs of paying interest on NOW account balances will be recovered through service charges for payment services

This last assumption is made for the sake of simplicity, and whether or not it works out to be strictly true, the end results should be similar in effect. These costs must be borne somewhere, and any system of more explicit pricing will dictate more equitable returns to the holders of large balances and more realistic charges to the users of transaction services.

Looking at the personal demand account customer base, we find the following approximate distribution of numbers of account holders by average account size and the percentage of total personal demand deposits account for by each size class:

EXHIBIT 1.—*Distribution of personal demand accounts*

Average demand account balance	As a percent of all accounts		As a percent of dollars of deposits	
	Percent	Accumulated percent	Percent	Accumulated percent
1– 100	16	16	1	1
101– 200	14	30	2	3
201– 300	12	42	3	6
301– 400	10	52	3	9
401– 500	7	59	3	12
501– 1,000	19	78	15	27
1,001– 5,000	19	97	40	67
5.001–10,000	2	99	13	80
10.001–20,000	0.6	99.6	9	89
20,000+	0.4	100	11	100

Let's make some observations from Exhibit I on the basis of only a partial redistribution of costs and charges—that part precipitated by the payment of NOW interest. That is, let us assume that the present pricing structure remains in place as a floor under any changes. Remember that, under this present system, the larger accounts are subsidizing the smaller accounts by giving up a fair return on their funds to help keep the price of checking services low for households with very small balances. Therefore, this unfair distribution can continue, and we will examine only the effects of recovering the

costs of paying interest on NOW accounts, not the costs of providing transactions services.

With explicit pricing we will assume that these added costs, at least, must be distributed equally, so we will set the same incremental price for everyone. If the account size distribution shown above holds, and if traditional usage patterns remain unchanged, a transaction charge of 4 cents would be required to recover the added cost of every one percent of interest. This figure depends on these assumptions, which, of course, could change, so it is merely for purposes of illustration. The important point here is that there is clearly a cost—whatever the amount.

It can be seen that 78 percent of the accounts—those with less than $1,000 average balance—account for only about 27 percent of the dollar balances. At 4 cent per transaction for every one percent of interest and an average of 20 checks per month, a household would need an average balance throughout the year, of $960 in order to berak eevn. It can be seen that if the distribution in Exhibit I holds, about three-fourths of households would fall below the break even point.

Remember that this involves no departure from the present level of transaction charges, since this is an incremental approach. It follows that the holders of the higher-balance accounts would have more incentive to switch to an interest-bearing account for third-party payment services. If this sufficiently altered the customer mix for regular checking account services, it is possible that those charges would have to rise because it is this group that subsidizes those services.

Exhibit II shows the net effect, by account average balance, of the effects of paying interest on NOW accounts at various percentages, if our rather simplified set of assumptions applies. Regardless of whether our example is strictly correct, or whether there is a shift in the mix or a different method of pricing, we would expect the result to be roughly the same. The crux of the matter is that an interest payment is a return on an asset, and such a payment can only be made to those who hold assets. It is clear that the 20 to 25 percent of account holders with the higher balances will be the beneficiaries of interest-bearing transaction accounts.

CARGO PREFERENCE: THE FTC PREDICTS HEAVY CONSUMER LOSSES

Mr. GRIFFIN. Mr. President, 3 years ago this week, in remarks here in this Chamber, I charged that cargo preference legislation then pending before the Senate was a "rip-off" of American consumers to benefit special interest groups in the maritime industry.

Nothing has happened since to change my mind.

Indeed, expert economic analysts—including those in the Treasury Department and the General Accounting Office—have concluded in recent weeks that this year's version of cargo preference, so strongly supported by President Carter, would be enormously costly to our citizens.

Today I can report that yet another Government agency, the Federal Trade Commission, concurs on the adverse economic impact that would result from guaranteeing American ships the right to carry a minimum percentage of oil imported into this country.

At my request, the FTC has analyzed the cargo preference bill (H.R. 1037) that has been reported favorably by the House Committee on Merchant Marine. The FTC's report, completed yesterday, concluded that:

There is "practically no chance" that the cost to consumers will be below the range of $190 million to $290 million yearly estimated by the GAO and may in fact "be well above" that range.

Cargo preference is both a merchant marine subsidy and "a tax on U.S. consumers of oil" that could lead to higher prices for domestically produced energy as well as for imported fuel.

If the desired policy is to build a stronger merchant marine fleet, there are "less costly alternatives" to cargo preference and the "inefficient resource allocation" it represents.

Thus, the FTC's conclusions differ sharply from those of the administration, which estimates a yearly cost to American consumers of only $110 million—less than half the average $240 million projected by the GAO and endorsed by the FTC.

Mr. President, I believe these latest findings are of tremendous significance—both because the Federal Trade Commission is an independent agency and because more than any other agency, it is the Government's guardian of consumer interests.

At the very least, the FCC report underscores the urgent need for full, complete, and thorough public hearings on this issue in the Senate.

We need to know why the President—in the face of potentially severe economic and diplomatic consequences, in the face of consistent advice from his closest advisers to the contrary, and in the face of his own pledge at the economic summit in London last May to shun protectionism—is supporting cargo preference so strongly.

To date, we have heard testimony from only one witness—and that came at a hastily called rump session of the Commerce Committee, at which time the acting chairman indicated no further witnesses would be permitted.

What is being hidden here? The Senate deserves to know the full cargo preference story before being asked to saddle American consumers with hundreds of millions of dollars in higher energy costs that would benefit only a chosen few in the maritime industry.

This latest evidence—together with that already available—cannot and must not be ignored.

I wish to commend Chairman Pertschuk, the other members of the Commission, and the FTC staff for the prompt and objective economic analysis which they have provided on cargo preference legislation.

I ask unanimous consent that the Commission's letter to me be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL TRADE COMMISSION,
Washington, D.C., September 8, 1977.

Hon. ROBERT P. GRIFFIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRIFFIN: This is in response to your letter of August 5, 1977, concerning the proposed cargo preference legislation, H.R. 1037.

Your first question concerned the cost of the bill to consumers. Due to time limitations, the Commission has not attempted an independent estimate of this cost. Instead, the Commission's Bureau of Economics has analyzed various estimates submitted to Congress and, based on that appraisal, the Commission has concluded that the study by the General Accounting Office is a reasonable estimate of that cost.

GAO estimates that if the 9.5 percent cargo preference were fully implemented in 1985 as proposed, it would cost consumers about $240 million per year if imports are approximately 8 million barrels per day. We believe this to be a reliable estimate. Any estimate necessarily involves a number of assumptions about uncertain future developments, and GAO indicates that the cost might range from about $190 million to $290 million depending upon developments in the world tanker market. We believe that the assumptions employed by GAO result in a range of estimates which include the most probable eventualities. We note, however, that due to the nature of the uncertainties (such as a cargo preference possibly leading to an increase in the price of domestically produced energy) there is some chance that the cost will be well above the range. There is, however, practically no chance that the cost will be significantly lower.

To the extent that the goal of H.R. 1037 is to have a stronger or larger merchant marine fleet, the Commission believes that there may be less costly alternatives to H.R. 1037 which could achieve that goal. Cargo preference creates simultaneously a subsidy to the U.S. Merchant Marine industry and a tax on U.S. consumers of oil. Moreover, part of the cost to consumers would not be transferred to producers but would be lost to the economy because of the cost of administering the program and other forms of inefficient resource allocation. Direct subsidies to the merchant marine industry, such as those provided by the 1970 Merchant Marine Act, would be less expensive since much of the loss through inefficiency could be avoided.

If the goal of H.R. 1037 is to increase the fleet of U.S. flag ships, without necessarily increasing U.S. ship-building, then a program which simply encouraged transferring the registry of foreign registered ships would accomplish this goal. Given the apparent tanker glut in world markets, transfer of registry would accomplish the goal of a larger U.S. Merchant Marine fleet without incurring the capital costs of constructing U.S. tankers. The U.S. consumer would then only pay the operating cost differential (estimated by GAO to be 20 percent of the total differential) of U.S. flag ships. This would reduce the annual cost of a cargo preference requirement from $240 million to $48 million.

While changes in registry could be accomplished with an appropriately designed cargo preference bill, a direct subsidy would again be more efficient. Although allowing changes in registry would eliminate the capital costs of H.R. 1037, not all of the $48 million cost to consumers would be transferred to U.S. ship operators, again, because some would be lost to the economy through various types of inefficient resource allocation. Thus, a less costly proposal would be additional subsidies for ships registered in the U.S. engaged in international trade. These subsidies could be offered to U.S. flag ships regardless of the country of construction.

By direction of the Commission. Commissioner Dixon does not join in this letter, believing that the Commission lacks an ade-

quate basis for certain of the conclusions stated herein.

(Mr.) CAROL M. THOMAS,
Secretary.

THOMAS F. POLICASTRO: A DISTINGUISHED UNION LEADER

Mr. PELL. Mr. President, the working men and women of Rhode Island and union members throughout the United States lost a good and true friend in August with the death of Thomas F. Policastro.

Tom Policastro was a lifelong Rhode Islander and the first and only president of the Rhode Island AFL–CIO. He was first elected to that job in 1958 and served for 19 years the interest and concerns of his union members. He was also extremely active in the United Steelworkers and was most recently their COPE and legislative director for New England.

Tom was a good friend of mine, but he never hesitated to speak his mind to anyone. He was a tireless worker and eloquent spokesman for the rights of his brothers and sisters in the union movement. He was a tough bargainer and a skilled negotiator.

Tom's vision was very broad. He looked upon society as a whole, where one person's action affected everyone else. He knew that poverty could not be allowed to exist alongside affluence and that to diminish the rights or the quality of life of any individual led to the diminution of life for all.

Tom was persistent in looking for new ways to improve the quality of life for his union members and for all the citizens of Rhode Island. Although we talked of many subjects in the years I knew him, no subject better exemplified his concern for others than health care. He was convinced that the standard fee-for-service health care system did nothing to promote better health care or to make that care affordable to workers and their families. Determined to do something about that, Tom and a handful of associates began the Rhode Island Group Health Association, an HMO. Eventually RIGHA became the first HMO in the country certified under the Health Maintenance Organization Act, and Tom Policastro was its president as it grew to serve, at the time of his death, almost 25,000 Rhode Islanders, union and nonunion members alike.

In addition to his special interest in health care, Tom Policastro cared deeply about civil rights and was engaged in a strong advocacy effort for the equal rights amendment. He was a moving force behind ERA in Rhode Island and New England.

Tom Policastro's special brand of leading the fight for workers' rights and his honest and direct manner will be sorely missed, but he has left behind a real legacy, on the lawbooks, in contracts, in the factories, and at RIGHA. I extend my deepest personal sympathy to his bereaved family and ask unanimous consent that there be printed in the RECORD an article that appeared in the Providence Journal, a letter to the editor of the Journal, and a statement issued by the Rhode Island AFL–CIO.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LABOR DAY, 1977: IN MEMORIAM THOMAS F. POLICASTRO, OCTOBER 22, 1919—AUGUST 11, 1977

On Thursday, August 11, 1977, Thomas F. Policastro passed away. During his adult life he was a devoted servant of working people, the unemployed, those discriminated against and persecuted, as well as those less fortunate than others. He was unselfish in sharing his varied talents with others who were striving to advance worthwhile humane causes.

From a humble beginning as the youngest of a large family, he went to work at an early age and quickly became a dedicated person pledged to seeking a vehicle that would improve the quality of life for those engaged in the industrial world of work.

He became an early activist in union affairs and rose to the presidency of his local union of the United Steelworkers of America. Subsequently he was appointed as a staff representative by the President of that International Union and he willingly accepted an increasing number of assignments that demanded his trust and responsibility. He became active in the Rhode Island CIO Council and in 1955 was elected president of that Council. In 1958, when the Rhode Island CIO and Rhode Island AFL merged, he was elected president and served in that capacity until his untimely death.

In addition to his Rhode Island union recognition, he was president of the New England AFL–CIO and played a prominent role as an advocate for the development of alternative sources of energy—development of New England transportation, and a closer working relationship between government, industry, and labor in New England for the common good. He was the founding president of the Rhode Island Group Health Association, chairman of the Rhode Island Consumers Council, vice president of the United Way of Southern New England—active in the Rhode Island Urban League, Histadrut, and many other worthwhile causes intended to make life better for others.

During the years Tom Policastro served working people, he never sought personal gain of wealth or power. During his lifetime he never accumulated material wealth for himself, but he leaves a rich legacy of substantial gains in social, economic, racial and humane causes. He was unselfish in sharing with others the satisfaction that his contribution to the common good was helping to obtain social and economic justice for those not in a position to accomplish the goals themselves. Tom Policastro displayed a combination of talents rarely found in today's society. He was dedicated to serve, he had integrity and the determination possessed by the pioneers of the labor movement.

Tom was not a conformist for the sake of conforming. He understood the principles of the labor movement and was loyal to the rules and policies promulgated by organized labor. If and when he had a contrasting point of view during the formation of rules or policy, he would freely and emphatically make his opinions known. However, once rules and policy were adopted, he abided by them faithfully—and expected all others to do likewise. He lost patience with those who publicly deviated from adopted policy or rules.

It was never his intention of becoming a candidate for the diplomatic corps or to win a popularity contest. His objective in life was to serve those who he was chosen to serve, and his contributions cannot be measured in tangible terms. His life was one of service above self, and, although not always pursuing a popular course, he won the respect of leaders of industry, government, and his contemporaries in the world of work.

With the passing of Tom Policastro, the workers have lost a faithful friend.

On Labor Day 1977, all working people mourn his passing. Therefore, in commemoration of the memory of Tom Policastro, the Rhode Island AFL–CIO dedicates Labor Day 1977 as a memorial to him.

RHODE ISLAND AFL–CIO.

THOMAS F. POLICASTRO, HEAD OF RHODE ISLAND AFL–CIO, DIES AT 57

CRANSTON.—Thomas F. Policastro, 57, of 53 Scotland Rd., the only president in the 19-year history of the Rhode Island AFL–CIO, died yesterday at the Summit Medical Center. He was the husband of Dorothy (Williams) Policastro.

For more than 25 years, Mr. Policastro was a persistent spokesman for organized labor in the state, expressing impatience and even disgust for those who failed to share his visions and feelings.

"I'm sick and tired of meeting politicians who are nice fellows," he declared in 1962. "The only yardstick is: Do they deliver for labor what labor needs?"

He was a constant lobbyist at the State House and in Washington on behalf of his 50,000-member organization.

"His relationships with legislators involve little real friendliness," one observer noted. "But he is 'Tommy' to virtually everyone on Capitol Hill, where blunt speech is his chief characteristic, and most legislators listen with respect for the political support or opposition he is supposed to control."

It was a political strength he exercised vigorously, and often for liberal causes.

Civil rights, women's rights, farm workers, opposition to the "senseless" war in Vietnam—Mr. Policastro defended them all.

In 1975 he took on a lawyer who said the Equal Rights Amendment's protection for women was already covered by other amendments in the U.S. Constitution.

"You say there are already provisions in the laws," he shouted. "They told this to the black people, they told this to the workers, and now they're telling this to the women. I say this is baloney."

But his first devotion was to trade unions.

"If there is one organization in the country that can say it is responsible for the high economic standards of people here, it is the labor union," he told a retail clerks' union dinner.

His death brought a tribute from Governor Garrahy, who said:

"In the death of Thomas F. Policastro, Rhode Island has lost a dedicated servant of the labor movement. During the last quarter century, through his work in the labor movement, he played a major role in every effort to improve the quality of life for working people. He was active on many fronts but he will be remembered best as a champion of the worker. It is a deep personal loss to me. Tom was always ready to assist me. He was a friend and I will miss him. The prayers and thoughts of the Garrahy family are extended to Tom's wife, Dorothy, and his son, Tom, Jr."

U.S. Rep. Edward P. Beard said: "The passing of Thomas Policastro should be mourned by everyone in Rhode Island because his whole life was devoted to making life better for everyone, not just for union workers. Tom Policastro was one of the greatest public servants Rhode Island has ever seen."

Roger M. Freeman Jr., president of the United Way of Southeastern New England, said: "In the death of Tom Policastro, Rhode Island has lost an outstanding advocate for

those in need. We know personally of his commitment to the poor and needy. As a vice chairman of this year's United Way campaign, and through his service on the executive committee and the board of directors of the United Way of Southeastern New England, Tom Policastro provided inspirational leadership. He brought organized labor into the fullest possible involvement in the United Way, and he will be missed by the entire United Way family."

A long-time staff representative of the United Steelworkers of America, Mr. Policastro joined in the campaign against Blue Cross & Blue Shield launched in the early 1960s by Lawrence Spitz, his Steelworker mentor and former sub-district director for the union in Rhode Island.

While Spitz pressed his complaints against fee hikes and the alleged collusion of the doctors who both billed the system and controlled it, observers wondered if threats from the unionists to establish a counter-health insurance system would ever come true.

But Mr. Policastro and Edwin C. Brown, his cohort as secretary-treasurer of the AFL–CIO since it was formed in 1958, nursed the Rhode Island Group Health Association into existence.

It was the first health maintenance organization in the nation recognized by the federal government and Policastro was its founding president.

Increases in the minimum wage, improvements in Social Security, and oil refineries that have been the goals of organized labor got Mr. Policastro's constant backing.

He oversaw the passage of economic reform legislation that provided unemployment benefits for strikers and he bitterly resisted efforts to take those benefits back.

An apt testimonial to Mr. Policastro came in 1957 from Al Barkan, then assistant director of the political arm of the national AFL–CIO.

With Senate hearings then inveighing against labor racketeering, Barkan complained that businessmen and the press were too willing to make it appear that only crooks head labor unions.

"If they want honest news," he declared, "I submit that leaders like Thomas Policastro are more representative of the labor movement than the scoundrels they parade across their pages every day."

One of Mr. Policastro's most lasting fights was with the media—and particularly the Providence Journal Co.

Complaining that the Journal-Bulletin was blacking out news of negotiations toward an initial contract with Local 41 of the American Newspaper Guild in 1960, Mr. Policastro christened the papers "the iron curtain of Fountain Street."

Mr. Policastro began his working career in the forging department of the Nicholson File Co. after graduation from Central High School in Providence in 1938. Before entering the Navy in 1942, he had become a committeeman for the independent union at Nicholson.

After his return from World War II in 1946, he rose quickly through the union ranks at Nicholson, becoming grievance man on the night shift and then union president in 1949.

In 1950 the union became Local 4408 of the Steelworkers, and he remained president until he became a Steelworkers staff man in 1953.

The Steelworkers were part of the Congress of Industrial Organizations, more militant and outspoken than the craft union American Federation of Labor.

Mr. Policastro rose swiftly within the Rhode Island CIO and was elected executive vice president in 1952, and reelected in 1953 and 1955. He replaced Frank J. Benti as president when Benti died later in 1955.

From the moment he took office, he began pressing for merger of the two labor federations.

Politically, he was a staunch Democrat and served as a Rhode Island delegate to the 1956, 1960 and 1964 conventions.

But that affiliation too was not always to his liking.

When the AFL–CIO presented its economic recovery plan for the recession of 1975, Mr. Policastro barked: "The Republicans under Ford have no imaginative thinking, no leadership and no confidence that they can right the ship of state. The Democrats are no better off. If they were put in charge of the country tomorrow, they would not know what to do."

Among the many public groups on which he served over the years were: the Urban League (he was a director); the United Way (he was a long-time vice president); and the Rhode Island Consumers Council (he was the first president in 1967).

He also helped found the Quirk Institute for Industrial Relations at Providence College. He was also a member of McAllister Post, VFW.

He was born in Providence on Oct. 2, 1919, a son of the late Joseph and Delia (Mullaney) Policastro.

Besides his wife, he leaves a son, Thomas Policastro Jr. of Providence; a sister, Mrs. May Leddy of Providence, and two brothers, Anthony M. Policastro of Providence and Frederick Policastro of North Providence.

His funeral wil be held Tuesday from J. F. Skeffington Chapel, 925 Chalkstone Ave., Providence, with a Mass of Christian Burial at 11 a.m. in the Cathedral of Sts. Peter and Paul, Cathedral Square. Burial will be private.

Family members have requested that instead of flowers, contributions be made to the Thomas F. Policastro Memorial Fund at Providence College.

A TRIBUTE TO THOMAS POLICASTRO

This August the working people of Rhode Island lost a fine man. Thomas F. Policastro, president of the Rhode Island AFL–CIO, was a true civil libertarian—one of those rare people who realize that until we all have equal opportunity, none of us is truly free. His tireless efforts for workers' rights brought us better working conditions, higher wages, more options for medical insurance, and strikers' benefits.

Mr. Policastro didn't avoid controversy when he believed something needed to be said, and he didn't hesitate to speak clearly and forcefully in favor of the Equal Rights Amendment. He said too many employers told him workers didn't need a benefit written in a contract because the employers were already giving it to the workers. He told our state legislators who tried to tell women they didn't need the Equal Rights Amendment because they had all those rights the same thing he told the employers. "If they already have it, then you won't mind giving it to them legally—put it in writing."

Mr. Policastro will be remembered as a good man and an outstanding labor leader by those who knew him. Many women in Rhode Island will long remember the man who spoke so willingly and so well for women's rights.

LESLEY C. DOONAN,
Coordinator.
JOANNE J. RONGO,
Treasurer.
Women's Liberation Union of Rhode Island.

PROVIDENCE.

CONCERN FOR SENIOR CITIZENS

Mr. DOMENICI. Mr. President, I would like to share with my colleagues, a refreshing experience which demonstrates American's concern for its senior citizens.

I am most proud of a community in northern New Mexico that has taken the initiative to provide for the health and happiness of the elderly without Federal assistance.

Los Alamos, through its early years, was a city that did not have an older segment in its society. Most of the people living in the city were young couples, who worked for the Los Alamos Scientific Laboratory. In the past few years, many people in the city have reached retirement age and are in need of social and community service.

I would like to commend the Los Alamos Chapter of the American Association of Retired Persons, the senior center and all citizens of Los Alamos for developing and maintaining programs to meet the needs of senior citizens.

Mr. President, I ask unanimous consent that the article that appeared in the Los Alamos newspaper entitled " Los Alamos Senior Citizens Leading Active Lives" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

LA SENIOR CITIZENS LEADING ACTIVE LIVES—197 MEMBERS OF LOCAL AARP FORM INVOLVED COMMUNITY-SERVICE GROUP

(By Sue Tester)

Whether they call themselves grey panthers, senior citizens or the elderly, there are an increasing number of people over 60 in Los Alamos now than ever before. And the community's concern for their health and happiness is burgeoning.

For several decades after its beginning in the early 1940's, Los Alamos was known as a "town without grandparents." Most of the townspeople were young couples with still younger children, who had moved away from the older generations to work at the Los Alamos Scientific Laboratory.

Now, however, more people in town reach retirement age every year. And more parents of LASL employees are retiring, selling their homes elsewhere and moving to the hill to be with their children.

This situation, combined with the nationwide emphasis on a better life for the aged, has led to the formation of a number of programs by and for the elderly in Los Alamos.

Whether a person is still vigorous and alert or suffers from mental or physical disabilities, there are activities offered.

Some senior citizens, like Winifred Amsden, a vivacious 69, are well able to practice the American Association of Retired Persons (AARP) motto: "To serve and not be served."

Mrs. Amsden, who ranched with her late husband in Pojoaque for 30 years and traveled extensively, will now be journeying throughout northern New Mexico and across the United States in her new role as AARP assistant to the state director.

The 170 members of the Los Alamos AARP, aged 55 and over, form an active community-service group, particularly in support of legislation favorable to older persons.

"We meet with Sen. John Rogers and Rep. Vernon Kerr before and after each legislative session to discuss our priorities and to learn of their progress," Mrs. Amsden said.

The group also has sponsored an ambitious community crime prevention program and regularly offers seminars on topics of concern such as nutrition or high blood pressure, and special current events topics such as nuclear waste disposal.

Social and holiday gatherings are a lighter part of their program, and the national AARP offers members a number of special benefits such as group tours, insurance programs and drug discounts.

Headquarters for the Los Alamos AARP are in the basement of Fuller Lodge, just across the hall from the two-year-old county-financed Los Alamos Senior Center. The Senior Center deals with more elderly people than does any other Los Alamos organization.

"The AARP and the Senior Center are two distinct organizations, but we work together to fill a special need in Los Alamos," Mrs. Amsden said.

The Senior Center has 340 active members 60 and over, and sends out its monthly newsletter to almost 1,000 persons.

Besides offering a pleasant place for senior citizens to drop in for conversation and a cup of coffee, the Senior Center offers a wide variety of services and programs.

A partial sampling of the offerings includes crafts groups; bowling; swimming; book discussions; chorus; income tax consultation and other help in filling out forms, such as for Medicare and Medicaid; telephone reassurance calls to shut-ins or those alone; van transportation to stores, the library, the medical center, part-time jobs and elsewhere; help with home maintenance through the Civitans, and outings to places as diverse as the South Mesa cafeteria and the Santa Fe Opera.

"We'll try to help with almost any problem or need or interest a senior citizen has," said Senior Center director Louise Carlson.

The Retired Senior Volunteers Program, directed by Betty Ehart, sends older people out to aid Los Alamos as hospital volunteer workers, tutors in the schools, assistants at the Sheltered Workshop, library and museum aides, or just as friends to someone who needs one.

Two programs intended for senior citizens with physical problems or memory difficulties are the weekly Spinning Wheel classes, directed by occupational therapist Avery Nagel, and Day Out, conducted several mornings and afternoons a week by Yvonne Nichols.

"The Spinning Wheel offers a chance for an older person with any sort of health difficulty to enjoy individual crafts or group activities. And families can be assured that whatever the difficulty, all our relations with patients are confidential," Mrs. Nagel explained. Besides individual projects, the group has made dozens of colorful pillows for local kindergartners.

The Day Out is geared for any handicapped adult and offers a full program of crafts, games, music, projects and gentle exercises for a nominal fee.

Primary among the needs of the Los Alamos elderly, all the women agreed, is a retirement-nursing home, which has been under discussion for several years now. Mrs. Amsden also said transportation off the hill, to Santa Fe and Albuquerque, is very difficult to arrange.

Mrs. Carlson added Los Alamos has not received federal funds for the elderly because the number of problem situations in Los Alamos is not great enough.

THE GENOCIDE CONVENTION IS NOT A THREAT TO THE DEFENSE AND SECURITY OF THE UNITED STATES

Mr. PROXMIRE. Mr. President, I once again urge my colleagues to ratify the Genocide Convention, and wish to refute one of the arguments against it; the question of a potential threat to our national defense. During the hearings on the convention during May of this year the Voter's Interest League of Baltimore expressed its belief that its ratification might lead to a situation in which an American serviceman would have to weigh his duty to obey orders with the possibility that he be court-martialed for an act of genocide.

The Defense Department, however, finds no merit in this argument. During the same hearings, testimony was presented in which representatives of the Department stated not only that the laws of the United States under which they operate were consistent with the convention's principles, but further, that ratification of the convention would be a "positive step in the national interests of the country."

In addition, the Foreign Relations Committee has consistently emphasized that its recommendation of ratification includes several specific understandings. One of these is that the wording "intent to destroy, in whole or in part, a national, ethnical, racial, or religious group, as such" be construed to mean that such an act was done "in such a manner as to affect a substantial part of the group concerned."

Mr. President, this argument, like so many before it, has not withstood cross-examination, and is merely an excuse for delay.

President Carter, in addressing the United Nations earlier this year, stated in part:

I know, perhaps as well as anyone, that our own ideals in the area of human rights have not always been attained in the United States, but the American people have an abiding commitment to the full realization of these ideals. And we are determined, therefore, to deal with our deficiencies quickly and openly. We have nothing to conceal.

The President is absolutely correct. I urge my colleagues to support the President by ratifying the Genocide Convention and correcting, once and for all, our grievous mistake.

KEEP TRADE FREE

Mr. JAVITS. Mr. President, an article in the September 3, 1977, issue of the New Republic entitled "Keep Trade Free" eloquently replies to the false claim that imports only "export jobs." On the contrary, this article points out, fair international trade fosters a gain in jobs and security and prosperity for our Nation.

Mr. President, I ask unanimous consent that this timely article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KEEP TRADE FREE

(By Stan Luxenberg)

Recently businessmen in Taiwan have begun to face a new problem: competition from lower-wage foreign countries. In the last three years, as Taiwan's productivity and sales climbed, factory wages doubled to $146 a month. Now the country finds it increasingly difficult to undersell the textiles and electronic appliances produced by South Korea and Singapore. Shoe production, a pillar of Taiwan's economy, has begun moving to Indonesia and Africa.

The Taiwanese, of course, are not the first to grow concerned about the difficulties that can accompany free international trade. Throughout the industrial world, the clamor for increased trade barriers has grown. Businessmen and union officials, struggling with persistent unemployment and growing trade deficits, have singled out imports as the villain. Britain and France are demanding more restrictions on imports of Asian textiles, while the EEC Commission is trying to limit purchases of Japanese ships and cars. Last spring President Carter was pressured to negotiate quotas on imports of color TVs and shoes. This protectionist campaign is misguided. If it continues, the economies of the industrial countries will suffer.

As the classical theory of comparative advantage has it, all nations benefit from free trade over the long run. If each country produces what it does best and permits trade, all will enjoy lower prices and more variety because of economies of scale and increased specialization. Just as it would be foolish for each state in the union to manufacture its own cars, it would make little sense for the U.S. to produce all the goods it needs. The most efficient use of world resources is achieved if the U.S., for example, concentrates on producing computers and wheat, while Taiwan makes transistor radios and shoes.

In a dynamic world economy, with wages and technology always shifting, comparative advantages change and countries must constantly switch their fields of specialization to remain competitive. Several years ago Swiss watchmakers dominated their market, while American companies struggled. Now with the rise of the new technology, such as digital watches, American companies are booming. Swiss watchmakers are looking for other work. Such shifts benefit the world economy by providing consumers lower prices and a wider variety of goods.

Tariffs and trade barriers are designed to prevent changes in specialization. By raising the prices of foreign goods, they force consumers to purchase more expensive or less desirable domestic goods. This may preserve a particular home industry, but it fuels inflation and decreases world sales.

It is difficult to calculate precisely how much trade barriers now cost American consumers, but most economists agree that the price tag is at least several billion dollars. Last February the US International Trade Commission declared that imports were hurting the American shoe industry and recommended increased tariffs over the next five years. Andrew Brimmer, a former Governor of the Federal Reserve Board and now a private consultant, concluded after a study that the proposed tariff would cost consumers $500 million in 1977 alone. As with most tariffs, the increased costs would be imposed mainly on lower-priced goods: the cheap vinyl sandals and the flimsy sneakers that are purchased by poor people. Such a tariff is, in effect, a tax inflicted primarily on the poor to subsidize the jobs of others.

Besides raising prices, tariffs stifle international trade, reducing sales and consequently employment. If the US uses new trade barriers to cut imports, other countries will reduce their purchases of American goods simply because they will have fewer of the dollars formerly earned from trade. About nine million American jobs depending on exports could be threatened. During the 1930s, many countries discovered how destructive trade barriers can be. Seeking to protect depressed domestic industries, gov-

ernments imposed trade barriers that reduced international sales and plunged the world deeper into recession.

In the US, bicycles, glass, chemicals, steel, generating equipment and other products already are protected by special tariffs and quotas. The list is likely to grow. All these industries represent at least some inefficient use of resources. Other countries can produce the goods cheaper because of lower wages or better technology.

In a growing economy some industries inevitably lead the pack. Benefitting from new technology, they tend to be more productive, to pay higher wages and to compete successfully on world markets. At the other end are those industries in decline. They are less profitable and must strain to match wage rates that have been bid to high levels by more productive companies. These lower-end businesses are often threatened by imports and cry out for protection. Responding to these demands makes little economic sense.

Because wages in this country are high, American companies should only compete in fields where worker productivity is great. If wages are twice as high as those in Britain, then American firms should only make products where worker productivity is twice as high. Britain should produce the other products, since (assuming other costs are equal) it can make them more cheaply. As the theory of comparative advantage indicates, society should concentrate its resources—including labor—in the most productive areas. Tariffs and trade barriers prevent this. They protect weak industries, forcing a nation to put resources in areas where they will do least economic good. When a tariff is imposed on imported shoes, Americans then have less to spend on electronic calculators, for instance. Increases in the standard of living will be slowed. Over the long run there will be more low-paying jobs in shoe factories and fewer higher-paying positions making calculators. Quotas have much the same effect. Since fewer foreign products can enter than demand warrants, prices increase.

The free-trade process of transferring production to more efficient areas increases prosperity and aids industrial development, but it is not without costs. The dying mill towns of New England provide harsh evidence of the effects of changes in competitive advantage. Cheaper or better goods coming from overseas (or from other areas of the country) drove out local industries. The U.S. textile and apparel industries have been especially hard hit by low-cost foreign goods. Thousands of workers have lost their jobs beginning in the 1950s, when Japanese producers first entered the market. The situation is not unique to the U.S. Industrial countries throughout the world have suffered similar hardships.

Textiles and apparel are particularly suitable industries for third world countries. They require minimal skills and little capital. With wages at 30 cents an hour or less, the developing countries can easily undersell their richer competition. Indeed, the third world nations have argued persuasively that most clothing production should be moved out of the industrial world. This would provide cheaper products for the developed countries and more jobs for the third world. What has prevented the transfer is a structure of quotas and tariffs designed to protect the artificially expensive industries of the developed countries.

Protectionists argue that tariffs involve a tradeoff: consumer prices may be higher, but society will pay less for welfare, crime and other costs related to unemployment. In fact, the tradeoffs are generally one-sided. Under the shoe tariffs proposed by the International Trade Commission, the price of preserving one job paying $106 a week would be $31,000 in the first year. A more efficient way to deal with unemployment is to expand public-works jobs or to use monetary and fiscal policy to stimulate the economy so that workers pushed out of one industry could immediately be rehired somewhere else.

If workers were finding new jobs today, the protectionist arguments would have no political impact. But as the AFL–CIO rightly points out, many of the people being laid off because of imports are not able to move into other fields. They are unskilled, often minorities and women. Since the Trade Act of 1962, the government's solution for these workers has been adjustment assistance, providing people with additional unemployment benefits and helping them to be retrained for new jobs. The program has been a failure. Not enough money has been available; and even when people were retrained, too often there were no jobs for them. The Carter Administration has begun an expanded program.

The new program may help some of the unemployed, but the singling out of import victims for assistance is a dubious idea. Why is the worker laid off because of competition from Asia more deserving of assistance than the worker whose factory closes because of new competition in the Sunbelt? And what of the worker who loses a job because of automation, or the youth who never had a job at all? Clearly, adjustment assistance is designed primarily to appease union officials and other protectionists—not to help the unemployed. Workers in industries hurt by imports would be better served by a national full-employment effort.

Another aspect of Carter's adjustment plan would be assisting factories to modernize. If a company needs help for several years in order to become competitive, it would make sense for the government to step in. Unfortunately, in most cases, the dying factories are beyond help. The small family-run shoe and electronics factories are being driven out by glistening, corporate American operations as well as low-wage foreigners.

Some of the loudest cries of anguish and demands for protection come not from these small family firms and not from unions, but from large corporations such as Zenith (which finds it difficult to compete with Japanese color televisions) cloaking themselves in alleged concern for workers' jobs. President Carter should ignore these cries and remember who really gets hurt when we abandon the principles of free trade.

THE ACHIEVEMENT SCHOLARSHIP PROGRAM

Mr. HART. Mr. President, 5 years ago a nonprofit organization, called the Achievement Scholarship Program, was founded in Washington, D.C. Since its inception, this extraordinary pilot program has given ex-offenders a second chance by helping them get the education they need to become productive citizens.

This program—designed to explode the myth that those who go through our correctional system are doomed to failing—is a fine example of what can be done on a local level by those who care about the rehabilitation of our Nation's young ex-offenders.

The Achievement Scholarship Program, ASP, provides "seed-money" scholarships toward college, trade school, or special education for Washington, D.C., area youth and young adults on probation or parole from area correctional institutions. ASP also provides on-the-job training for at least one program participant who serves as the program's executive director. I ask unanimous consent to have a statement printed in the RECORD to explain the program in further detail by its current executive director, Edward Hill, Jr.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE ACHIEVEMENT SCHOLARSHIP PROGRAM

(By Edward Hill, Jr.)

Today, at 27, I am running a unique educational program for ex-offenders, the Achievement Scholarship Program (ASP).

Only six years ago, I was without direction, without goals.

Here is how this transformation occurred.

In the fall of 1975 I reluctantly accepted an Achievement Scholarship from the Achievement Scholarship Committee. That is when life took on a new twist for me. Nine months later the Achievement Scholarship Committee, which runs the Achievement Scholarship Program, offered me the job as special assistant to the executive director of ASP and again, reluctantly, I accepted the position. My reluctance was due to past unfortunate experiences. After a period of "getting my feet wet," I became ASP coordinator. Now I have moved into the job of ASP executive director, running the program on a day-to-day basis.

ASP is a pilot program going into its fifth year designed to provide ex-offenders with "seed-money" scholarships to further their education in college, trade school or special schools.

First as coordinator and now as executive director of this pilot program, this year I was in charge of the annual ASP meeting in May, I was master of ceremonies of our annual awards ceremony in June, I made the arrangements for our annual how-to-study seminar for our ASP awardees in July, I have made presentations before organizations that have expressed an interest in giving grants to ASP, and I have worked on grant applications. I am also responsible for keeping track of ASP awardees who attend the University of the District of Columbia and other local colleges.

Since I became an awardee of an Achievement Scholarship in 1975 and a part-time ASP employee about a year later, ASP has opened many avenues to me. By providing scholarship "seed-money" for the advancement of my education and by providing me gainful employment, ASP has become an integral part of my life. Hence, it has given me hope and purpose.

Among the valuable learning experiences I have gained in ASP: I have learned to work with people from different walks of life; I have learned the importance of "hanging in"; I have learned to expand and mature as a human being; and I have learned the significance of accepting responsibility and leadership.

My goal as an employee of and an awardee in ASP is to help the other awardees in the program with positive alternatives through educational scholarships. Persons who are Achievement Scholarship awardees are considered students by ASP and we treat them accordingly.

The ultimate goal of ASP is to explode the myth that those who go through the criminal court system are losers. In ASP we hope to prove that many—even most—ex-offenders can become productive citizens.

ASP was founded in 1973 as a tax-exempt, non-profit organization to provide "second-chance" scholarships to ex-offenders to help them move back into the mainstream of the community as skilled, taxpaying citizens.

ASP works only through official correctional agencies in the Washington, D.C.,

area in finding candidates for ASP scholarships, and all candidates nominated by such agencies must be approved by the Achievement Scholarship Committee. They must be on parole or probation

As of Sept. 3, 1977, ASP had made 64 awards to 63 awardees, including three special awards to two awardees. Of the 63 awardees, 5 have finished their courses, 28 were in school during the spring 1977 term, 19 dropped out, many for financial reasons, and the rest either did not pick up their scholarships or had their scholarships deferred. Of those in school, one is in the Army and one is a recidivist continuing his education through an ASP-awarded McGraw-Hill home-study scholarship which he is completing by mail from Lorton prison. Of the 63 awardees, 57 have been men and 6 have been women. Two have been recidivists. ASP has been increasingly effective in its efforts to keep awardees in school after a trial-and-error period during which we gained both valuable and painful experience.

Funding through contributions for the continuation of our fast-growing ASP is critical to its survival. Bill Butler, a legend in his own time because of his 40 years' work with D.C. youth, is chairman of the 11-member volunteer Achievement Scholarship Committee. Helene C. Monberg, a Washington news correspondent, is founder of ASP.

The Achievement Scholarship Program is designed to keep the ex-offender out of the "revolving door" by providing him with alternatives through the educational process.

ENERGY SNOOPS

Mr. GARN. Mr. President, before the recess, I inserted in the RECORD a number of critiques of Amory Lovins' theories of energy economics. The critiques were prepared by experts in the fields of energy, economics, and management, and dealt with specific, often technical flaws in the Lovins' thesis. These critiques are being published as a book, in an effort to continue the dialog on the important questions of energy use in the United States, and in the world in general.

If I could summarize the criticisms, Mr. President, I would say that the critics seem to feel that many of Mr. Lovins' solutions to our energy problems are mutually exclusive, that they deny the economics inherent in large scale operations, that they ignore the effects of prices, and the costs of the changes. To these criticisms I would add that the entire Lovins' thesis appears to begin with a bias against further growth. Now I happen to believe that a no-growth policy would produce almost uniformly harmful results, both for our own lower-income population and for the underdeveloped countries of the world, which can only advance if the economic pie is enlarged. But irrespective of my personal feelings, I would like to note that the bias against growth is just that, a bias. By starting at that point, Mr. Lovins skews the results of his inquiry.

He does one other thing that ought to be noted here. In an effort to reach the conclusions he desires, starting from the biases he has, he is forced to repeal the basic laws of human behavior. In fact, throughout his analysis runs the theme that huge changes in social behavior and life-styles would follow from adoption of his recommendation. In fact, those changes would have to precede the adoption of his recommendations, and there is no evidence that that is going to happen.

It is possible, of course, to change social behavior in radical ways. It has been done in Communist China. In fact, many of Mr. Lovins' adherents cite the Chinese example as one we perhaps should adopt in this country. In China, thought, or at least behavior, control is achieved by coercion, applied more or less spontaneously by the masses of people. In China, this form of brainwashing, or mass behavior modification, has achieved such triumphs as eliminating spitting on the sidewalk, venereal disease, and open garbage cans. If China had much energy to waste, we can assume that waste would be controlled in the same way.

In fact, in the August issue of Human Behavior, Kenneth Lamott has described for us the behavior modification techniques in use in China, as they might be applied to energy wastrels in the United States. It is a chilling picture, although I have no doubt that some of the followers of the no-growth ethic would react quite differently. I ask unanimous consent that Mr. Lamott's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MAO SOLUTION

(By Kenneth Lamott)

So far the behavior mod experts haven't discovered how to steer us away from our greedy destruction of the environment. Maybe we ought to take a leaf from the textbook of that eminent Chinese psychologist, Chairman Mao. He had his ways, and they seemed to work pretty well.

Kenneth Lamott, an author and journalist, lives in Bolinas, California.

Like passengers on a Ship of Fools, we Americans continue to use up everything we own as if there were no end to our possessions. Now and again somebody on the bridge of the ship turns on the PA system and exhorts us to change our ways. We listen politely and then go on behaving exactly as we did before, certain that the skipper and crew will bring us through all right, that we will always have enough to eat, that the fuel bunkers will never go dry and that our ship will never founder on a treacherous rock just below the surface. The ship, after all, has always made port before.

Our only excuse for this prodigal behavior is that we have listened to too many prophets for our own good. E. F. Schumacher has urged us to think small and act small. Barry Commoner has predicted that our socioeconomic system can last only if we reduce our standard of living. Lewis Mumford has told us that we are already living in a new Dark Age and that our lives will soon resemble nothing in our past experience. Robert Heilbroner has argued convincingly that there is little hope for humanity. Most recently, President Carter has told us soberly that if we fail to change our ways, the alternative will be an unparalleled national disaster.

No matter how jaded we passengers may be, the prophets are, of course, right. Neither solar power nor the fusion reactor is going to gallop over the ridge to save us from our folly. The precise form that the almost-inevitable catastrophe will assume is a matter of intense current argument: will the world population outstrip the supply of food? Will industrial growth outstrip the sources of energy? Will fuel become so expensive that our economic system falls into terminal collapse? Will we pump heat into the amosphere at such a rate that we will irreversibly change the climate of the world? Will we suffocate in a worldwide smog?

No matter. The fact that we are facing a multitude of alternative catastrophes does not make any of them less threatening. Let us proceed from here. Clearly, there is a consensus among the prophets that if we are going to survive in a livable world, we are going to have to learn to behave, both privately and publicly, differently than we do now. If we are lucky, we have a 25-year grace period in which to change our behavior in profound and permanent ways.

As Carter made clear in his energy speech, conservation is the key, and energy can be conserved effectively only if "people understand the seriousness of the challenge and are willing to make sacrifices." Sacrifices are notoriously the most difficult sort of behavior to cause to happen except under conditions of extreme physical and/or emotional stress. Reading the president's speech, I began to wonder how he and Arthur Schlesinger proposed to create in short order a climate favorable to self-denial.

The notion that Americans will voluntarily deny themselves anything is a generous delusion. The dark comedy of Prohibition is not too far behind us. We did not win World War II through self-denial but rather in spite of profligacy as the bitter history of hoarding, cheating, black marketing and profiteering makes all too clear. Even when the penalties are sizable, we Americans have always managed with our native ingenuity to find ways to indulge ourselves.

Acting on the perhaps naive notion that one of the chief businesses of behavioral psychologists is to change behavior, I looked into the work of B. F. Skinner and his followers. I concluded that Skinner is an able publicist and an entertaining utopian novelist, but that his entire life's work has produced nothing of more than marginal use in our predicament. Behaviorist psychology is a bust so far as its practical applications go. Skinner is a gifted animal trainer who has effectively used "contingencies of reinforcement" to teach pigeons to play Ping-Pong; but so far as I have been able to find out, his successes with normal human beings have been both trivial and ephemeral.

When driven to the wall, Skinner defends himself by citing the success of behavior modification in rehabilitating criminals or helping mental patients on their road back. If these assertions are true, they are among the best-kept secrets of penology and psychiatry today.

No. Behavior mod—at least in its present form—is no help to us and we don't have time to wait for Skinner's successors to engineer the necessary improvements. If we are going to survive, we must change our behavior en masse by methods and techniques that are already at hand and that have been proved to work. Fortunately, we are not entirely without such resources.

As a review of history since World War II makes clear, the late Mao Tse-tung, and not B. F. Skinner, was the greatest behavioral psychologist of the 20th century. Under Mao's guidance, a quarter of the world's people went through the greatest mass process of behavior modification in history. This great achievement was accomplished by psychological means and not (or at least not usually) at the point of a gun. Furthermore, no matter how much their behavior may have been manipulated, the great bulk of Chinese are reasonably happy, secure in their conviction that they are part of a great historic

movement that has raised up the poor and helpless.

Consider some of the nonpolitical evidence for the Chinese achievement. Until recently, the Chinese have tolerated public filth and pests on a massive scale as phenomena that nobody could do anything about and were simply part of the order of things. Unprotected food was soon covered with flies. The streets were strewn with filth, both human and animal. Smallpox, the plague, cholera and typhus were endemic. Venereal disease was common. The Communists recognized that all these afflictions have large behavioral components. After their victory in 1949, they methodically set out to eradicate them, using rought-and-ready but enormously effective principles of mass psychology.

To take one example, venereal disease was tackled under the rubric of the Great Patriotic Health Movement with slogans such as "We don't want to take VD into Communism." Writer Edgar Snow was told by Dr. George Hatem, an American who chose to stay in Mainland China, that the campaign was so effective that VD was eliminated in 40 days in a county in Kiangsi province with a population of two million. This was accomplished by teaching nonmedical people how to do blood and urine tests and to diagnose gonorrhea and syphilis. Their training took three days. Most importantly, the campaign against VD was supported by all the local political and neighborhood associations.

As Dr. Victor W. Sidel, an American physician who traveled in Mainland China in the early 1970s, reported, posters describing the symptoms of syphilis and gonorrhea were displayed in all public places. The testing campaign went on from door to door, missing nobody. Neighborhood pressure was exerted on infected people who neglected to get treated. Neighborhood committees campaigned vigorously against prostitution and promiscuity.

Even if the 40-days wonder in Kiangsi province strains belief, the success of the Chinese in ridding their country of the housefly is simply a matter of record. Virtually every recent traveler who knew the old China has reported back with admiration that Chinese cities have been swept clean of flies—and also of mosquitoes, bedbugs, rats, mice and lice. Again, this not-so-small miracle was accomplished through neighborhood organization and pressure against people who, for example, left their garbage cans uncovered. A small matter, perhaps, but it has some important lessons for us.

Other travelers have commented favorably on the cleanliness of the city streets by comparison with our own—a dramatic contrast to the old China in which urinating and defecating along the curb was acceptable behavior (at least for children) and hawking and spitting was almost a national pastime. When he asked about this change, Snow was told by an elderly man in Shanghai. "Now you see the hsiao hai-tzu ["children"] telling us older ones not even to spit, to use the spit bucket. Not to throw dirty things on the street. . . ."

The psychological principles that brought about these behavioral changes were applied by the Chinese leaders in a more ominous form in the Thought Reform movement. "Brainwashing" is a word I would prefer not to use except, perhaps, to describe a process of coercive persuasion used on people who are locked up and who can be subjected to various severe measures, such as depriving them of sleep and food. As the Chinese have shown, the thoughts and behavior of the average citizen can be manipulated without applying such extreme measures.

Reform as practiced in Mainland China goes back to the days in the wilderness of Yenan, when the Communists were engaged in guerrilla warfare against both the Japanese and the Nationalist armies of Chiang Kaishek. As Harriett C. Mills, an American who was brought up in China and spent 25 years there, described the origins of Thought Reform: "During their 20-odd years as guerrilla fighters, the Chinese Communists stumbled, through necessity, on one basic element of what is now group study. In teaching uneducated peasant recruits to use weapons, obey commands, live together and protect the country people, the Communists gradually found that small discussion groups were the best way to make sure each man understood not only how but why."

Thought and behavior reform in Mainland China thus came to depend on two main structural elements: (1) neighborhood associations set up everywhere to monitor behavior and exert pressure for compliance; and (2) study groups of six to 12 people organized in every office, factory, shop and school. Instead of illiterate peasant recruits, the study groups included production-line workers, teachers, office employees, bus drivers, collective farmers, physicians, university professors.

Everybody had to belong. There was no escape in silence—every member had to take part. There was no escape in pretending to agree—criticism and self-criticism were the order of the day. Refractory citizens were not sent to the firing squad; instead, they were exiled from the group.

While neighborhood associations and street committees kept close track of sanitation, family health, delinquent behavior, rationing and social services, the study groups probed the psyches of the great mass of the Chinese people, bringing their thought and consequently their behavior into accord with the official line. In gross pragmatic terms, the prescription worked. Even some scientists and Western-educated scholars publicly confessed their earlier mistakes and declared their earnest willingness to continue the job of reconstructing themselves. As Yale psychiatrist Robert J. Lifton pointed out, the Chinese model was more powerful than George Orwell's because each person was monitored by many pairs of human eyes rather than by the impersonal telescreen of 1984.

How was this accomplished in a country that for millennia had been notable for its diversity? It is tempting to find the answer in an inscrutable quality of Chinese individual psychology—and, of course, it is quite wrong. Dr. Lifton has told us that Chinese thought reform does not depend on anything that is distinctively oriental but, instead, on a universal quality of the human personality: the capacity to suffer from guilt and shame. As he put it, thought reform "can revive the store of guilt and shame present in all of us, as a consequence of both our childhood transgressions and our adult limitations."

We can now understand both the power of the Chinese model and its universal application. Inside each of us, a dirty little child hides trembling and afraid. The manager of the Bavarian factory hears his mother's voice saying. "Du bist ein süarchterlicher Dreckspatz!" The Tokyo bank clerk hears "Aa iya! Kitanai! Kitanai!" The Harvard professor hears "Ugghh! You disgusting, dirty little child!" in this matter, we are all the same.

With the intention of comparing Maoist-applied behaviorism with American research into the control of mass behavior, I phoned the National Clearinghouse for Mental Health Information and asked for a bibliography of experimental work aimed at changing mass behavior with regard to the conservation of energy and natural resources. The information specialist at the other end of the line in Rockville, Maryland, sighed and told me she had recently received several requests like mine but that there was simply nothing at all available.

Then I discovered from a recent newsletter of the American Psychological Association (March 1977) that some psychologists are becoming exercised about the lack of encouragement for behavioral research of this kind in the United States. As the APA Monitor reported, "Slowly this attitude is changing. Policymakers are beginning to recognize that research on human behavior and social organization may produce some clues to solving the energy crisis." The editorial went on to report that a small start had been made in the recent formation of a Consumer Motivation and Behavior Branch of the Energy Research and Development Administration (ERDA). The branch's entire bankroll is $500,000—against ERDA's total research budget of $3.7 billion a year!

My attention was particularly caught by one of the initial projects ERDA is funding (for $85,000)—a study of strategies for reducing the energy use in apartment buildings where electricity and gas are recorded on a master meter rather than on meters in individual apartments. Earlier studies have shown that individually metered buildings use about 35 percent less energy than comparable master-metered buildings.

As the Monitor reported, the principal investigator, Stuart Cook of the University of Denver, "says he'll test social incentives as a means of reducing energy consumption. The method will involve participatory management, i.e., the manager of a building bringing together all of the tenants and discussing what can be done to reduce energy consumption. Cook will review and test numerous strategies over the next several months."

Dr. Cook, meet Mao Tse-tung! This should indeed be a most interesting study, particularly with regard to the strategies that turn out to be successful. In the broadest sense, we are all occupants of a master-metered building called the United States, and the discovery of workable social incentives is precisely our problem.

We can't wait, however, until ERDA scrapes up a sufficient budget for behavioral studies. At best, finding some usable results will burn up at least half of our 25-year grace period. We must, as Carter has recognized, begin now with the means we have at hand.

I am accordingly going to offer a rough outline of a system that will adapt the essential principles of the Chinese model of mass behavioral control to American conditions in a time of scarcity. Let us call the proposed system simply the American Way.

These are the 12 keys to the American Way:

1. The roots of the American Way will be found in our national experience—in the thrift and frugality practiced by the Indians of the plains and the forests, by the earliest settlers, by the pioneers who moved the frontier westward, by the immigrants who settled in our great cities and by everyone old enough to remember the Great Depression.

2. The president will declare a state of emergency equal to a major war, following his declaration with symbolic actions equivalent to FDR's bank holiday.

3. The mass media will launch a vigorous campaign designed to create a national spirit equal to the spirit of World War II, our last "good" war.

4. The American Way Administration (a cabinet-level agency) will organize a nation-

wide network of Committees of Correspondence. All adult Americans will belong. Employed people will belong to the committee at their place of work; housewives, househusbands, the unemployed and the retired will serve on apartment-house or neighborhood committees.

5. Universal registration will be assured by drawing on the computerized files of the Social Security Administration and the Internal Revenue Service.

6. Each Committee of Correspondence will consist of several subcommittees of no more than 12 persons each who work in the same shop or live on the same floor or in the same block.

7. Chairpersons elected by each committee and subcommittee will be trained in the dynamics of the encounter group, with particular attention to the hand-to-hand combat of the Synanon "game."

8. Preparation for the American Way will become a central part of the school curriculum.

9. Existing organizations—churches and synagogues, bowling leagues, labor unions, Rotary and Kiwanis, the League of Women Voters, the Sierra Club, the Masons and Odd Fellows, the John Birch Society, the American Medical Association—will be enlisted as powerful adjuncts to the American Way.

10. The target behavior to be changed will be identified by each Committee of Correspondence in response to local conditions but within the scope of guidelines prepared by the American Way Administration.

11. About 10 percent of Americans will become chairpersons, who will belong to regional organizations of their own that ultimately report to the American Way Administration. Eighty percent of the population is expected to accommodate themselves to the American Way with varying degrees of enthusiasm.

12. Incorrigible wasters—probably about 10 percent of the population—will identify themselves by their behavior. Wasters will not be punished by committees or subcommittees. They will be expelled from their committee and subcommittee and their names forwarded to the American Way Administration.

There is no reason anybody should object to the American Way on constitutional or civil-liberties grounds. A nation that has found room for the draft, Prohibition, mandatory Social Security, the closed shop, wage and price controls, gas and food rationing and the income tax clearly has the flexibility to accept the American Way. Any adjustments can be handled by lawyers and bureaucrats.

How will the American Way work on the subcommittee level? Here is a scenario, set in Los Angeles, in which the pattern of the Chinese "study group" has been adapted to American circumstances. If the proceedings seem a little outlandish, recall that at first study groups seemed outlandish to the Chinese, too—but they worked.

Ten people who work for a downtown insurance company are meeting in a conference room, their chairs arranged in a circle. Looking down on them from a poster on the wall is an Arab sheikh in his native costume. His bearded face is hawklike, swarthy, evil. Dark eyes burning with greed peer out from under heavy eyebrows. He has raised a hand heavy with rings. Drops of blood seem to be dripping from his fingertips. On closer examination the blood drops turn out to be tiny, glistening barrels of oil. In the background of the poster, at the foot of a drilling rig, stands a fleet of limousines, crosses between Cadillacs and Mercedes.

Emily Cary, Chairperson of Subcommittee K of Committee of Correspondence 00103406, is an office manager. She is a brisk, neatly made-up person of about 45. She is black—which is to say her skin is an attractive dark gold.

EMILY. Another Monday. Well! Did everybody have a pleasant weekend? (There is a murmur of agreement. Emily addresses a man of about 50, who, judging from his well-cut gray suit and confident manner, is of the executive class.) You enjoyed your weekend, too, Douglas?

DOUGLAS (in an East Coast accent). Yes, indeed. I worked in the garden all day Saturday, setting out tomatoes.

EMILY. Did you get a chance to drive your new car?

DOUGLAS. As a matter of fact, I did. That Honda Minimiser is really quite a remarkable machine. It's not as comfortable as the Mercedes was, but it's quite—uhhh, nimble is the word, I guess. Fifty-five miles to the gallon.

EMILY. We all admire your sacrifice, Douglas. (Her voice becomes ominously quiet.) I regret to have to tell you that you're on the Hot Seat.

Although nobody actually changes chairs, there is a distinct impression that Douglas has been cut off from the rest of the group, who seem to have drawn away from him. The room is quiet. Douglas takes a pack of cigarettes from his pocket.

EMILY (sharply). No smoking!

DOUGLAS (his manner still agreeable). Are you actually lodging an accusation against me, Emily?

EMILY (crisply). You bet! (She picks up a sheet of paper from the table and reads aloud.) Subject was observed driving westward on the Santa Monica Freeway at approximately 3:25 p.m., Sunday, May 8. Subject was alone in car, a new, orange Honda Minimiser, temporary license number 6903765. Subject turned north on the San Diego Freeway. Observer lost subject in traffic between Victory Boulevard and Sherman Way. (Emily puts down the sheet of paper.) Douglas, we are accusing you of an infraction of section 518.2, which, as you well know, forbids operating a car by yourself when alternative public transportation is available. How do you plead?

DOUGLAS (conciliatingly). Nolo contendere, Emily.

EMILY. I suppose you have an explanation. Could we hear it?

DOUGLAS. Actually, I was on my way to visit my mother, who lives in Van Nuys. She's 81 you know, and rather frail. My wife was going to go with me until she developed a headache.

EMILY. Your mother's age and your wife's state of tension hardly seem to have much to do with the case. The point is: why didn't you ride the bus?

DOUGLAS. Come on. Emily, I wouldn't have got there until after dark.

EMILY. Your fear of the dark isn't something in which we have any interest. Did you or did you not waste good American gasoline by driving a car alone while on a personal errand of no particular significance? Did you or did you not help the enemy? (She raises her eyes toward the poster. The skeikh glares back at her.)

DOUGLAS (still trying for the light touch). It was a very small amount of gas. Very small, indeed.

EMILY. Do you think that makes a difference? I'm sure you haven't forgotten what the president said: Saving a billion barrels starts by saving a single drop. Perhaps you thought he was talking about somebody else?

DOUGLAS (flustered). Well, not really. Of course not.

Throats are cleared and there is other evidence of growing tension among the others in the group. They are like piranha that have sensed a single drop of blood from a wounded swimmer upstream.

ARCHIE (a janitor, wearing coveralls, whose rich Queens accent resonates harshly amidst the bland California vowels of the others). I've been meaning to ask you, good buddy, where did you get that necktie?

DOUGLAS (looking down at his tie, which is a deep red, with small figures of dusty gold). Brooks Brothers, as I remember.

ARCHIE (knowingly). Brooks Brothers, is it? I bet that rag cost all of $10.

DOUGLAS (uncomfortably). Twelve-fifty, actually. But, if I may say so, I don't see what you're driving at.

ARCHIE (his eyes widening innocently). You don't see what I'm driving at? Well, I'll tell you what I'm driving at, good buddy. Only weirdos wear red ties.

DOUGLAS (with strained brightness). *Chacun à son goût.* (He realizes this was a serious mistake.) I mean, there's no accounting for taste. (desperately) What on earth does this have to do with anything?

ARCHIE. Weirdos are selfish. Weirdos waste gasoline by going to see their dear old 80-year-old mothers in Van Nuys on Sunday afternoons.

WOMAN'S VOICE. I think we've heard enough about weirdos. Really, Archie!

EMILY (sharply). No Band-Aiding, Stephanie!

DOUGLAS (to Emily). Can we get back to the subject, please?

EMILY (implacably). You're on the Hot Seat, Douglas, and free speech is still honored in this country. Besides, we *are* on the subject.

Now other voices in the group take up the cry one by one, battering Douglas with criticisms, innuendos about his personal life and direct insults. Finally, the leader resumes control of the discussion.

EMILY (cheerfully). All right, people, that's enough. (Douglas looks relieved; but the expression in his eyes reveals a newfound vulnerability, as if, for the first time in his life, he has discovered that he isn't universally admired. Emily smiles at him and continues.) I think everybody here understands why you behave the way you do. You think you're better than the rest of us. You think the rules are made for somebody else. You think that because you make twice as much money as Archie and live in an expensive house and pay $12.50 for neckties that you've somehow lifted yourself above the need to obey. You think you can charm your way out of anything. Perhaps you even think that your mind is better than ours because you went to Harvard or Yale or somewhere. Well, you're wrong. That isn't the American Way. You may have wasted only a comparatively small amount of gasoline but you don't seem to understand that's exactly the same thing as committing a comparatively small murder. Don't you agree?

DOUGLAS (during Emily's speech a tic has begun to work in his eyelid and he has been chewing his lower lip). Yes, Emily.

EMILY (graciously). Good. Now will you please make amends?

DOUGLAS (standing in front of the poster, from which the sheikh glowers malevolently over his shoulder). I recognize that I haven't behaved in the American Way but in a selfish, wasteful way. I freely admit that everything that has been said to me has been said for my own good, for the good of the subcommittee and the Committee of Correspondence, and for the good of the American Way. I apologize to you, Emily, and to you, Stephanie, and you . . .

As he continues, the faces of the subcommittee members lose their hostility and begin to reveal sympathy with Douglas. Even Archie's face visibly softens. Douglas himself looks reborn.

This, of course, is only one scenario among an infinity of possibilities based on billions

of potential infractions to be dealt with by 10 million subcommittees. It is not an entirely pleasant picture nor one that will be easy to accept by those of us who honor the Bill of Rights. Its social consequences will go far beyond the immediate target. Yet, something of the sort will become necessary if we are going to control the minutiae of behavior on which energy conservation depends. Emily is quite right: to condone small offenses is to invite a large disaster.

Our acceptance of the American Way will be made a little easier when we recognize that it will provide many bonuses besides the conservation of energy and resources. It will be particularly useful in the administration of public health. Drug abuse, including cigarette smoking and alcoholism, can at last be wiped out—perhaps even within that legendary 40 days. In spite of the best efforts of our city health departments, the incidence of gonorrhea among our young people is currently skyrocketing. May we not benefit by following the Chinese model? And how about crime in the streets? Who can confidently say that the price will be too high?

Finally, we must start now rather than waiting for the results of studies that will take many years to finish and evaluate. Like the Chinese, we must strike out boldly, experimentally, and not be afraid to make mistakes. Mao Tse-tung once said, "As the struggle will continue to experience ups and downs, we shall have both tense and slack moments during our work and shall have to proceed in a zigzag."

Mr. GARN. Mr. President, now there is one point about this scenario that is particularly frightening. And that is that the Carter administration has, apparently seriously, suggested a mechanism by which this kind of mass pressure could be brought to bear on the formerly free citizens of the United States. That is the proposal for a youth corps of snooping teenagers who would go around to "help" people recognize that they are wasting energy, and to help them learn how to conserve. I have not seen the manual which has already been prepared for these snoops, and I understand the administration is now reluctant to give it much publicity. But I find it disturbing that such a thing would even have been dreamed of, in a society that prides itself on its freedom from coercion. It is, in my opinion, the kind of thing that results from the ideology of no-growth, an ideology with little to recommend it, and everything to fear from it. I ask uanimous consent that a new article from the Washington Post, discussing the youth snoops, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CARTER AIDE PROPOSES A PLAN USING YOUTHS AS ENERGY SLEUTHS

(By Ellen Hume)

The Carter administration is considering a plan to use the nation's youth as energy detectives, going from house to house in their communities to check how effectively their neighbors are conserving energy, the Los Angeles Times has learned.

The purpose of the proposed President's youth energy program is "raising awareness and educating the general public on ways that energy can be saved," White House projects director Greg Schneiders said yesterday.

Under the voluntary program, high school students or other youths would start outside a house, checking off energy problems on a government-prepared "survey" list. The volunteer would then knock on the door to tell the occupant his or her outside energy conservation "score" and offer to go through the inside of the house to complete the survey.

According to a proposed "team member's manual," the youths would check everything from the inflation of the homeowner's car tires to the water level in the toilet tanks. It would take 45 minutes to an hour to complete, Schneiders said.

"It's more of a list of tips on how to conserve energy in the home," he said. "The information is not going to be sent anywhere. The thing that I want to avoid obviously is the implication that an army of little uniformed inspectors are going out and checking on people."

Students would be recruited for the program by schools, voluntary organizations such as the Boy Scouts and Girl Scouts, and by radio disc jockeys on rock 'n' roll stations, according to the plan.

Schneiders emphasized that the plan, which is being circulated among educators and volunteer organization executives, might change drastically before it is presented to President Carter at the end of September. If Carter approves it, the plan would go into effect in October.

"It's a very low-key type of operation . . . All the federal government is going to do is announce it and make the materials available," Schneiders said.

A nearly 100-page field manual circulating among educators this week includes not only the checklists and other suggestions, but mottoes for stirring up the enthusiasm of the volunteers.

"There will be a reawakening of our cultural heritage," the manual says. "Be aware that mental and physical health probably will improve if individuals become more self-reliant and less dependent on energy-intensive lifestyles."

Response to the manual has been largely favorable, Schneiders said. But critics have compared it to President Ford's fizzled Whip Inflation Now (WIN) campaign and to "Big Brother" government, he added.

He predicted that political cartoonists might "have a hey day with it."

AWACS FOR IRAN, CONTINUED

Mr. CULVER. Mr. President, on September 7 President Carter resubmitted a congressional notification for the proposed sale of seven E–3A AWACS aircraft to Iran. The President withdrew the original notification for this sale on July 28 when it became clear that the Congress would reject it. Although the President has resubmitted the AWACS notification with a set of assurances designed to meet some of the Congress concerns, the proposal is essentially the same and so are the problems that it poses. As an editorial in this morning's New York Times suggests, the case for selling AWACS to Iran is no stronger that it was last time.

The risks to our own national security posed by the potential for Soviet intelligence activities against the AWACS—a most tempting target—remain a serious concern regardless of whether our extremely sensitive cryptographic systems are excluded from the Iranian aircraft. In fact, the configuration of the Iranian AWACS is the same now as was proposed in July. Coding equipment is not the distinguishing feature of the AWACS. What makes the AWACS "the most revolutionary development in air power since the invention of radar," as the Air Force claims, is the highly advanced look-down radar unit with its built-in electronic countermeasure capabilities and the data processing systems which filter radar input and translate it into useful data. This technology is important for United States and NATO defense forces, and Soviet access to it could be very detrimental.

I also want to endorse the Times statement that one need not question the good faith of the Iranian Government to wonder whether the President's assurance against the offensive use of the AWACS is viable for 30 years into the future. AWACS is as useful in an offensive role as in the defensive air defense function. I would direct the attention of my colleagues to the following assessment of the potent offensive capabilities of the AWACS by the recently retired commander in chief of the U.S. Strategic Air Command, General Dougherty, published in the April/May 1977 edition of NATO's Fifteen Nations:

Some mistakenly think that the AWACS is just an airborne radar antenna. This is only the "tip of the iceberg" of AWACS technology. It has total theater battle management capability—it expands the commander's and the strategist's capability exponentially. The dramatic advance made by American electronic technology . . . makes AWACS one of the true "breakthroughs" of our time.

One of the most troubling aspects of the proposed AWACS sale is that it would extend American involvement in supporting the Iranian Armed Forces. Selling weapons to a nation is one thing; large-scale support for their operations is another problem with fundamental foreign policy consequences.

On August 25 the administration notified the Congress of an additional $800 million in proposed sales to Iran, not for new weapons systems, but for support of previous purchases. In December 1972, the United States sold the Iranian Army 489 helicopters for some $430 million. Now it is proposed that we provide $613 million in technical assistance programs for these helicopters.

Another example of the disturbing degree of U.S. involvement in supporting the Iranian Armed Forces is a $191 million contract signed in November 1976 for American experts to create a logistics command for Iran's air force. In announcing this sale, U.S. defense officials said it was the most ambitious attempt yet to resolve Iran's problems in operating the advanced military aircraft it has been buying. These officials noted that if the air force logistics program is successful, similar programs may be set up for the Iranian Army and Navy.

AWACS is precisely the kind of highly sophisticated weaponry that requires such extensive support. This sale would send an additional 1,200 to 1,600 American technicians and dependents to Iran. Under current plans, they would still be there a decade from now.

The Congress considers foreign military sales on a case-by-case basis. We often forget how extensive our arms sales relationship with Iran is. If the AWACS sale is approved and included in fiscal year 1977 sales, estimated arms sales to Iran this year would be $6.7 billion, out of a record worldwide total of $11.1 billion. These levels compare with a worldwide total of $8.7 billion in fiscal year 1976.

Clearly the time has come to implement President Carter's May 19 policy for restraining foreign military sales. Iran is by far our single biggest customer and will account for about 70 percent of this year's sales. The volume and type of Iranian purchases will have to be cut back if the President's policy is to be more than promises, and we cannot make exemptions for Iran while applying the new restraints to other customers. Given the national security risks and foreign policy problems which are inherent in this particular sale, the President's assurances notwithstanding, the AWACS proposal is an appropriate place for us to draw the line and change to a more discriminate arms sales policy.

Mr. President, I agree with the Times conclusion that if the case for selling AWACS to Iran remains dubious, the case for rushing the sale is more dubious still. When he withdrew the original AWACS proposal, the President stated that he was anxious to give the Members of the House and Senate sufficient time to debate the complex issues of this sale. I intend to carefully review the President's assurances and the study on alternatives to AWACS prepared by the Department of Defense. I am sure that many of my colleagues want to do the same. The important implications of the AWACS proposal demand a full and deliberate review to determine whether it serves the best interests of the United States.

Mr. President, I ask unanimous consent that today's New York Times editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sept. 9, 1977]

AWACS FOR IRAN, CONTINUED

The case for selling Iran the sophisticated and vastly expensive Airborne Warning and Control System (AWACS)—distended Boeing 707's packed with radar—doesn't seem much stronger than it did the last time the President submitted it to Congress for approval. He withdrew that request a few weeks ago because of Congressional concern that the Iranians might not be able sufficiently to safeguard AWACS' sensitive electronic equipment from falling into Soviet hands, and because of a danger that Iran might be tempted someday to take advantage of AWACS' capability to control offensive military actions.

The Administration now says that the seven AWACS aircraft to be sold to Iran for $1.2 billion would not include some specially sensitive code gear. It also contends that Iran will guarantee that it would use AWACS only for defensive purposes—to provide early warning against air attacks and to control its interceptors. Yet, as Congressional critics observe, cryptographic equipment is only a small part of AWACS' sensitive cargo; the need for protecting against espionage the aircraft's massive radar and data-processing equipment is at least as great. And one need not doubt the good faith of the Iranian Government to wonder whether today's guarantee against the use of AWACS for offensive action might not weaken in the face of some future contingency.

In fairness to the Administration and to the Iranians, it can be argued that there are much worse ways for the Shah to spend an extra $1.2 billion on armaments. Additional combat aircraft, tanks or hovercraft would all seem more threatening to Iran's main rivals in the Persian Gulf, Iraq and Saudi Arabia. Yet the question remains why Iran should spend such a sum at all.

Two persuasive reasons against the Administration's present request remain. One is that the system would require the presence in Iran of many American technicians to train Iranians in its use—and, for some time, even to operate equipment on the aircraft. The United States might thereby find itself dragged farther than it would wish into an Iranian war.

A second argument relates to the Administration's new arms sales policy. The President has pledged that, from now on, each succeeding year's sales will be lower than those of the previous year. Sales for the fiscal year 1977, ending this month, will total some $9.9 billion worldwide, $5.5 billion for Iran alone. Adding AWACS would raise those figures to $11.1 billion—a record total—and $6.7 billion for Iran. The Administration is eager not only to sell AWACS to the Shah, but to do so before Sept. 30, apparently to make just that much easier the task of putting on the brakes in subsequent years. If the case for selling AWACS to Iran remains dubious, the case for rushing the sale is more dubious still.

FOREIGN SURVEILLANCE PREVENTION

Mr. MOYNIHAN. Mr. President, on July 27, 1977, I introduced the Foreign Surveillance Prevention Act, a bill designed to strengthen the ability of the President to deal with the growing threat to the privacy of American citizens posed by the interception of telephone conversations by foreign governments. The legislation is designed to establish clear statutory guidelines for Government action in this area.

Since then, the following Senators have joined as cosponsors of S. 1950, as the bill is designated: the majority leader, Senator ROBERT C. BYRD, and Senators HEINZ, STONE, MELCHER, DOLE, GOLDWATER, HAYAKAWA, INOUYE, CHILES, JACKSON, BROOKE, MATSUNAGA, THURMOND, and RIEGLE.

The American Civil Liberties Union has also expressed its support for the legislation.

Mr. President, I believe the President of the United States wishes to respond to the concerns of those of us who, in cosponsoring S. 1950, are urging upon him a more vigorous response to the blatant Soviet use of electronic technology to violate the fourth amendment rights of Americans. All of us look forward to cooperating with him in devising a remedy for this problem. Indeed, we are given to understand that an administration program is nearing completion.

Finally, Mr. President, Tom Wicker of the New York Times and Karen Keegan of the New Republic have written perceptive commentaries on this question, and I ask unanimous consent that their articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 2, 1977]

SHUTTING OFF SOVIET EARPHONES

(By Tom Wicker)

If an American President were to discover that the Soviet Union was systematically intercepting the telephone calls of millions of Americans, surely it would be good policy and good politics for him to tell the Russians sternly to remove their eavesdropping equipment and maybe even to order a few Soviet diplomats out of the country.

In fact the Russians are doing it, and rather openly, and neither President Carter nor President Ford before him has taken any known steps to protect the rights and privacy of American citizens from Russian snoops. Mr. Ford even had an official report on the matter from a commission headed by his Vice President, Nelson A. Rockefeller, but did nothing.

When the matter was called to Mr. Carter's attention at a recent news conference, he replied mildly that he would "not interpret this [activity] by the Soviet Union or by other embassies to be an act of aggression." Besides, he said, steps had been taken to protect the telephone lines of the White House, the Pentagon and other important agencies.

There are a number of reasons—none of them particularly good ones—why first Mr. Ford, then Mr. Carter preferred to see no evil, hear no evil.

Unquestionably, for one thing, the United States is doing the same kind of eavesdropping in Soviet cities that the Russians are doing in Washington, New York and elsewhere. But in Moscow, the Russians have taken strong electronic countermeasures, possibly even endangering the health of those working in the American Embassy.

It's unlikely, moreover, that American listeners in Moscow hear anywhere near as much as the Soviet's electronic ears in the United States. The Russians are not as pervasively dependent on the telephone or on electronic data transmission as are Americans, and their society is more oriented towards secrecy.

Second, it may well be that Mr. Ford and Mr. Carter have been inhibited by the likelihood that the United States is doing some of the same kind of eavesdropping *in the United States* as the Soviets are doing here. The National Security Agency is empowered to listen in on conversations with one foreign terminus, and while agency officials say this activity is carried on under strict guidelines from the Attorney General, millions of Americans must nevertheless be overheard in innocent conversations. The Senate Intelligence Committee is looking into the possibility of bringing such eavesdropping under legislative control.

Maybe Mr. Carter also believes that if White House and Pentagon phones are protected, there's no need to do anything else. But there is, for at least two reasons. An American's rights and privacy should no more be invaded by Russian snoopers than by the F.B.I. or the C.I.A.; and while there's no known case of Russian blackmail, it's not hard to imagine circumstances in which that tactic might be used against American citizens.

Aside from privacy, however, electronic telephone intercepts by the Russians in a financial capital like New York or, say, of grain crop reports coming into the Agricul-

ture Department, could give them valuable advance and inside information on a wide variety of subjects other than "national security" questions.

But probably the major reason for American acquiescence in Russian eavesdropping here is Russian-American relations. The Ford Administration apparently feared to make an issue of the matter, despite the Rockefeller report, lest its détente policy be damaged. Mr. Carter, having offended the Russians with his human rights statements and been rebuffed by them on arms control, can hardly be anxious to inject another sour note into the resulting shaky relationship.

There may be some merit in such caution, but it still means that the right of Americans to be secure in their houses and places of work is being sacrificed to diplomatic expedience. Therefore, Senator Daniel P. Moynihan of New York has introduced a bill that would put Mr. Carter in a stronger position to enforce the law and the Constitution.

The measure would require the President to inform citizens when he had grounds to believe they were eavesdrop victims of any foreign country, to request the responsible foreign officials to stop the eavesdropping, and to order them out of the country if they persisted in the offense.

Undoubtedly, the President already has such authority somewhere in his constitutional powers; but to endorse that authority in specific legislation would notify the Russians that the United States was placing new importance on the issue. And it would allow Mr. Carter to take steps to halt—or at least reduce—Russian eavesdropping, not as an Administration policy the Kremlin could take as another affront but as a necessity imposed on him by Congress.

[From the New Republic, Aug. 6 and 13, 1977]

DIAL R FOR RUSSIANS—BUGS IN THE SYSTEM

With all the attention in recent years focused on bugging of American citizens by their own government, it is puzzling that Senator Daniel Patrick Moynihan's charges of massive Soviet interception of US phone calls have been virtually ignored. Moynihan, a member of the Senate Select Committee on Intelligence, warns that the Soviet Union is tapping the telephones of "literally millions" of American citizens. "It must be made clear," he says, "that Soviet espionage has not been directed merely against government activities. It has involved the wholesale invasion of the privacy of individuals, private businesses, stock exchanges, commodity exchanges, national and international banking—and, for all we know, the press, the universities, and similar centers of information and exchange throughout the nation." Asked to substantiate this vast claim, Moynihan said, "It's a world of conjecture. You can monitor thousands of calls with the technology they have. . . . There is no way to know" who exactly is being monitored. But the government does know. It has grudgingly admitted how widespread the practice is. Yet it seems unflappably reluctant to try to have the practice stopped.

The Soviets are able to intercept phone calls within the US because 68 percent of US long distance calls are transmitted through microwaves, a more modern but also more vulnerable system than telephone cables. Microwaves are high frequency radio signals that are relayed by towers all over the country. An eavesdropper, using sophisticated equipment, can "pluck" phone calls from the air and find sensitive information in them by computer sorting. Since microwaves are point-to-point transmissions, they can only be intercepted by a station near where the call is made. Apparently the Soviets have interception machinery perched atop their Washington embassy, their United Nations offices in New York, their residences on Long Island, in the Bronx and in Maryland, and at their consulates in San Francisco and Chicago. The new Soviet embassy on which construction will begin shortly at Washington's Mt. Alto will allow the Russians to increase their bugging capacity.

The government has known, in fact, for at least two years that American phone calls are being monitored by Soviet interception equipment. President Ford never made the issue public; instead a National Security Council committee was asked to study the problem. Carter also has avoided public debate on the subject, although he has admitted under questioning that "the intercept on a passive basis of these kinds of transmissions has become a common ability for nations to pursue." He told a few senators that the Washingtotn Post has been exercising discretion on the issue. It is known that for several months, at least, the Post's Bob Woodward has sat on the story. Continuing along the Ford line, President Carter set up his own interdepartmental study of Soviet eavesdropping. Recommendations from that committee are expected soon, and probably will concern themselves with securing government phone calls rather than those in the private sector. The President has already assured the press that his lines and Dr. Brzezinski's are adequately covered. That's not really the point, however. We can assume that the security apparatus protects itself. But who protects us? Neither the White House nor any of the departments involved in Carter's special coordinating committee of the National Security Council had any comment to make about the completion date of the study or what its recommendations would be.

In the meantime, the Carter administration seems to have found a convenient compromise with principle. Without making public the continuous Soviet intrusions on private US citizens, the government has informed those large corporations it knows are under surveillance.

The secrecy in which Soviet wiretapping has been shrouded is an indication of the difficult position the Carter administration faces. On the one hand, if the President does not make it clear that he is concerned about Soviet violation of American privacy, he is liable to take a beating from those who are understandably upset about it. On the other hand, if he does make a public disclosure of Soviet activities, he will also have to admit that similar activities are carried on by American intelligence agencies. Such information could jeopardize further American eavesdropping and other surveillance activities.

Ironically, the fourth amendment's guarantee against unreasonable searches and seizures protects us against bugging by our own government, but not specifically against bugging by foreign governments. The CIA general counsel made the distinction to justify withholding this information from the public. It is a particularly narrow interpretation of the Constitution that encourages official indifference to the systematic violation of what are thought of in this country as natural rights.

The irony, of course, is that if freedom from bugging by foreign governments is a "natural right," it is one Soviet citizens are entitled to as well and one we apparently violate. But a unilateral American decision to honor the "right" of Soviet citizens to be free from bugging would be a pointless gesture, since it is a right their own government ignores as a matter of course. Clearly this mutual bugging is a problem more amenable to a pragmatic tradeoff than to abstract invocation of "rights." President Carter should tell the American people exactly what he knows about Russian interception of our telephone calls. Then he should arrange to sit down with the Russians and negotiate an end to the practice, preferably in both countries.

—KAREN KEEGAN.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Ronald E. Angel, of Georgia, to be U.S. marshal for the northern district of Georgia for the term of 4 years, vice James H. Henson.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Friday, September 16, 1977, any representations or objections they wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

TRIBUTE TO THE LATE E. F. SCHUMACHER, AUTHOR OF "SMALL IS BEAUTIFUL"

Mr. PERCY. Mr. President, it is with a great deal of sadness and a sense of loss for myself, my son Mark—who was a great admirer and personal friend—and others of the untimely death of E. F. Schumacher. He was a great thinker within the tradition of organic and decentralist economics and the author of "Small Is Beautiful," an extremely influential and inspirational book.

Mr. Schumacher can be largely credited with founding the appropriate technology movement. His approach has now been appreciated and adopted in the highest level of government. The President's national energy plan advocates and seeks to bolster "soft" technology, one of the primary thrusts of Mr. Schumacher's ideas.

E. F. Schumacher was a pioneer in the movement to "think small," particularly as it applies to energy technology. The prevailing theme of "Small Is Beautiful" is that small technology makes sense from an economic as well as an environmental and political standpoint. According to Mr. Schumacher, technological planners tend to think that remedies for all problems lie with large-scale solutions—irrigation projects, atomic plants, giant utility companies—whereas in fact, it may be both an environmentally and politically sounder policy to make technology readily accessible to, and controllable by, local communities and individuals. When solar, wind, biomass, and other small technologies become commonplace substitutes for our depleted fossil fuels, E. F. Schumacher should garner the credit for showing us the way. His charm, grace, and wonderful sense of humor shall always enrich the lives of those of us privileged to know him.

SUPPORT FOR BERT LANCE

Mr. HAYAKAWA. Mr. President, I find it very troubling that the media have

taken upon themselves—for some 3 months now—the role of judge and jury of Budget Director Bert Lance. Literally thousands of words, under front page headlines, have been written about Mr. Lance. Yet, Mr. Lance has not been accused of any crime by any court in this land. It is incredible to me that he should be made the target of such an assault by the newspapers, radio, and television.

On Monday of this week, before the Senate resumed session, I discussed my feeling about this situation with the media in San Francisco. I issued a statement at that time. I would like to share my thoughts with my colleagues in the Senate also, and I ask unanimous consent that my statement be printed in the RECORD. I believe syndicated columnists Evans and Novak, in this morning's Washington Post, very directly addressed this matter. I ask also unanimous consent that their thoughtful column be printed in the RECORD.

There being no objection, the statement and article were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR S. I. HAYAKAWA

I don't know much about Bert Lance. I don't know much about banking. But I think I know something about friendship.

It seems to me that Mr. Lance accepted appointment as Director of the Office of Management and Budget for one reason above all others. His friend Jimmy Carter had been elected President of the United States. He did what I hope you and I would do if the President had been an old friend of ours and had asked for help. "Of course I'll help," Mr. Lance must have said.

I am sure Mr. Lance gave up a lot to accept his appointment as Budget Director. His salary must be much less than he was able to earn as a bank president and private businessman. Is anyone suggesting that he is using his office in order to advance his private fortunes? Of course not.

Furthermore Mr. Lance gave up a stable business life and a respected position in the city of Atlanta for the hectic job of national fiscal policy-maker, where he is necessarily always at the center of a storm.

Most importantly, Mr. Lance gave up his private life to place himself at the mercy not only of rivals and critics in government, but more significantly at the mercy of the media. Those commentators and critics who are determined to give him a bad time, finding insufficient evidence with which to bring him down, are busily cutting him to pieces with innuendoes.

If Mr. Lance is being accused of serious wrongdoing, let us by all means have an orderly investigation into the charges at once. But so far the worst that has been said of him is that some of his activities raise "unresolved questions. . . as to what constitutes acceptable banking practice"—as if every profession were not full of "unresolved questions" that can only be resolved, as they arise from day to day, on the basis of judgment and experience.

Perhaps President Carter, by talking too loftily about how completely above suspicion his administration was going to be, has only himself to blame for Mr. Lance's present troubles. But enough is enough. Let's leave Mr. Lance alone now and let him get on with his important business, which is to serve the nation by helping, as best he can, his good friend Jimmy Carter.

I am impelled to make these remarks not out of any personal interest in Mr. Lance, whom I have never met and whom I had never heard of until recent months. What I am concerned about is that right now, as this trial by media goes on, thousands of successful and public-minded men and women, fearing the attacks they will be subject to if they are appointed or elected to a position of responsibility, are saying to themselves, "No public office for me!"

Thus are able men and women of proven capacity and leadership in the professions, in business, or in community service discouraged from participating in public life, discouraged from running for office.

Soon we shall have no one left in government but the timid, who will rise to high office not by originality or boldness or creativity, but by slavish adherence to the rulebook, by being sure to offend nobody, and by acquiring seniority. We shall have assured ourselves government by the mediocre. Is this the way we want to go?

A BUDGET DIRECTOR BEYOND SALVATION

(By Rowland Evans and Robert Novak)

The underlying reality of the Lance affair is betrayed by this reaction of members of the Senate Governmental Affairs Committee to Tuesday's briefing from staff investigators. They were unimpressed by the evidence but thoroughly convinced Lance is finished as budget director.

Although dominating front pages and national news programs by bringing "new" allegations against Lance to the White House on Labor Day, the committee's chairman and ranking Republican—Sens. Abraham Ribicoff and Charles Percy—had little to show their colleagues the next day. But while many senators remain dubious that Lance is guilty of any crime, all consider him beyond salvation. The Ribicoff-Percy operation, combined with the media barrage, destroyed what shadow of hope remained that Lance might yet regain his effectiveness as "deputy President."

Lance has been destroyed by pyramiding suggestions of wrongdoing without the hint of a trial. This suggests totalitarian-style justice or perhaps a throwback to an early American form. "This is Salem," one White House insider has been telling his colleagues all week, "and we burn a witch a year."

Beyond the catastrophe to Lance's personal life and the damaging political impact on President Carter, this ensures severe difficulties ahead for conducting the federal government's business. Except for professional bureaucrats or college professors, can anyone come to "Salem" without the risk of becoming the next "witch"?

The process is shown in the role of Chairman Ribicoff, long noted as one of the nation's shrewdest politicians. Having defended Lance and attacked a media "smear" job against him only weeks ago, Ribicoff found himself in unusual country; opposing the liberal establishment. He purged himself abruptly with the dramatic holiday visit Monday to the White House, where he and Percy publicly implied grave new developments against Lance.

All that was new in their private report to the President, however, was a Republican staff investigator's interview in a Georgia prison. The prisoner, a bank embezzler, made unsworn and untranscribed accusations against Lance. Otherwise, the two senators rehashed newspaper stories (concentrating on Lance's questionable use of his bank's airplane) and informed the President that Lance's usefulness was no more.

Nor was the committee staff's report on Lance, given behind closed doors to the Governmental Affairs Committee, any more impressive. "It was pretty superficial stuff," one Democratic senator told us. "It was the kind of stuff a good lawyer on cross-examination could make mincemeat of." Another Democratic committee member said the presentation "certainly contained no grounds for prosecution."

Several senators accused the staff of "irresponsibility for interviewing a convict—notoriously sources of self-serving misinformation—and permitting that information to leak into the press. Sen. Sam Nunn of Georgia informed his fellow committee members that the convict's lawyer was outraged by the incident and wanted to rebut his former client's accusations (providing he could get bar association clearance).

The committee agreed only by an eyelash to give Lance himself a chance to testify. It voted by only 7 to 6 not to postpone Lance's Sept. 15 testimony for weeks while presenting evidence against him. Having shifted sides with a vengeance, Ribicoff sided with most committee Republicans to delay Lance's appearance.

If Ribicoff had won, days of testimony would have built pressure for Lance's resignation, probably forcing him to quit before testifying. Even so, nobody on the committee gives Lance any hope of survival with or without early testimony. What is critical here is atmosphere, not facts. "I'd hate to be tried in a court of law like this," one committee member told us.

Lance's principal sin is described in nearly identical terms by a Senate defender as being a "man-on-the-go" and by a critic inside the administration as being a "go-go banker." In a dull summer, this was clear violation of post-Watergate morality as defined by candidate Jimmy Carter. The media campaign was certainly not opposed by a banking-business establishment, which not only tends to view Lance's corner-cutting as the way of the parvenu but also fears an antibanker ruboff.

So much stress was put on improper use of Lance's bank-owned plane in the Ribicoff-Percy presentation to the President and in the staff presentation to the committee that senators fear businessmen who fly their company planes will steer clear of service in Washington. If so, the first criterion in finding a successor to Lance will be an absence of business experience. For Jimmy Carter—and the county—that means trouble.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the bill (S. 1750), Calendar Order No. 341, the so-called saccharin bill, is called up and made the pending business before the Senate, there be a time limitation agreement thereon of 4 hours, to be equally divided between and controlled by the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Pennsylvania (Mr. SCHWEIKER), with a limitation of 2 hours on any amendment in the first degree; a limitation of 30 minutes on any amendment to an amendment; and a limitation of 20 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the unanimous-consent agreement is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That when the Senate proceeds to the consideration of S. 1750 (Order No. 341), the so-called Saccharin Study, Labeling, and Advertising Act, debate on any amendment

in the first degree shall be limited to 2 hours, to be equally divided and controlled by the mover of such and the manager of the bill; debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Pennsylvania (Mr. SCHWEIKER): *Provided*, That the said Senators, or any one of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

UNANIMOUS-CONSENT AGREEMENT—S. 2057

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when S. 2057, the National Energy Conservation Policy Act, has been advanced to third reading, the manager of that bill be authorized to proceed, without debate or intervening motion, point of order or appeal, to a House bill agreed to by both of the leaders, including, if necessary, discharge from committee, and that the manager of the bill be authorized to add to that bill amendments adding the text of S. 2057, as amended, if amended, S. 701 as passed by the Senate, and the pertinent text of H.R. 8444 which deals with the same subject matter as S. 2057 and S. 701, all without intervening debate, motions, further amendments, points of order or appeals, and that the House measure thus amended be immediately advanced to third reading and passed, without any further intervening action and a motion to reconsider the passage of that measure being laid on the table.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I concur with the request made by the majority leader rather than object to it. I recall, however, that the procedure previously utilized also included the discharge of the Committee on Finance from further consideration of a particular bill. I would inquire if there is a bill available, or if it is anticipated that some bill will be available for this purpose in this situation, do we know what that is going to be at this time?

Mr. ROBERT C. BYRD. At the moment I do not know. I think the minority leader has raised a pertinent question. Under the order whatever House bill may be available at that time or made available, which, in the judgment of the manager of the bill, the ranking member, and the joint leadership would accommodate the purposes that we have in mind, which were accommodated in a similar manner on yesterday, would be utilized.

Mr. BAKER. Mr. President, I thank the majority leader. I agree that this is a good procedure. The language of the request then would cover the necessary steps to make available such a measure. I will assure the majority leader I will cooperate to try to see that an appropriate vehicle is made available for that purpose. I have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it will include discharging the committee.

Mr. ROBERT C. BYRD. From an appropriate vehicle jointly agreed upon by the majority and minority leaders.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Presiding Officer.

I would address a question to the Parliamentarian through the Chair. Is there any difficulty in the implementation of such an order by virtue of the way it was phrased today?

The PRESIDING OFFICER. The Chair and the Parliamentarian fully understand the intent of the majority and minority leaders.

Mr. ROBERT C. BYRD. I thank the Chair.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

There being no further morning business, morning business is closed.

PENDING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, what is the pending business now?

The PRESIDING OFFICER. The pending business before the Senate is the consideration of S. 2057.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR ADJOURNMENT UNTIL 12:30 P.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12:30 p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

DESIGNATION OF PERIOD FOR ROUTINE MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, there be a brief period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO TAKE UP THE PENDING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday after the two leaders have been recognized under the standing order, and the order for the recognition of Mr. BARTLETT for 15 minutes has been consummated, the Senate resume the consideration of the then unfinished business, the energy conservation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the majority leader yield to me?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. I understand we are to come in at 12:30 on Monday.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Can the majority leader share with me any estimates on how late we may go on Monday?

Mr. ROBERT C. BYRD. I am glad the distinguished minority leader asked the question.

ORDER THAT NO ROLLCALL VOTES OCCUR PRIOR TO 2 P.M. OR SUBSEQUENT TO 5:45 P.M., MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, by way of answering the inquiry, that on Monday no rollcall votes occur before the hour of 2 p.m., with the single exception of any rollcall vote that may be in connection with the assembling of a quorum, and that no rollcall votes occur after 5:45 p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the majority leader.

PROGRAM

Mr. ROBERT C. BYRD. I will say further to the distinguished minority leader, I think the Senate should be able to complete its work on Monday by 6 p.m. or very shortly thereafter.

I would anticipate longer sessions during the remainder of the week, Tuesday, Wednesday, Thursday, and Friday. The Senate will continue its work on the energy conservation bill on Monday. During the week, in addition to that bill, in view of the fact that no other energy bill will be immediately ready for Senate action upon the disposition of the energy conservation bill, as it would now appear, I should think that the Senate, at some point during next week, would take up the bill dealing with nonunionization of the military, S. 274. I should think that other likely candidates from time to time would be the timber sales bill, S. 1360; the civil rights bill dealing with sex discrimination, S. 995; the saccharin bill, S. 1750, and conference reports and other measures which have been cleared for action, as long as the Senate is awaiting another energy bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 12:30 P.M., MONDAY, SEPTEMBER 12, 1977

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12:30 p.m. on Monday next.

The motion was agreed to; and, at 6:30 p.m., the Senate adjourned until Monday, September 12, 1977, at 12:30 p.m.

NOMINATIONS

Executive nominations received by the Senate September 9, 1977:

DEPARTMENT OF JUSTICE

Ronald L. Rencher, of Utah, to be U.S. attorney for the district of Utah for the term of 4 years, vice Ramon M. Child.

Edward L. Shaheen, of Louisiana, to be U.S. attorney for the western district of Louisiana for the term of 4 years, vice Donald E. Walter, resigned.

M. Karl Shurtliff, of Idaho, to be U.S. attorney for the district of Idaho for the term of 4 years, vice Sidney E. Smith, resigned.

Ralph C. Bishop, of Alabama, to be U.S. marshal for the northern district of Alabama for the term of 4 years, vice Johnny M. Towns.

William L. Brown, of Wisconsin, to be U.S. marshal for the eastern district of Wisconsin for the term of 4 years, vice Raymond J. Howard.

Rex O. Presley, of Oklahoma, to be U.S. marshal for the eastern district of Oklahoma for the term of 4 years, vice Laurence C. Beard

Anton T. Skoro, of Idaho, to be U.S. marshal for the district of Idaho for the term of 4 years, vice Rex Walters, resigned.

Roy A. Smith, of Ohio, to be U.S. marshal for the southern district of Ohio for the term of 4 years, vice Elmer J. Reis, resigned.

CALIFORNIA DEBRIS COMMISSION

Col. Donald Michael O'Shei, Corps of Engineers, to be a member of the California Debris Commission, under the provisions of section 1 of the act of Congress approved 1 March 1893 (27 Stat. 507) (33 U.S.C. 661), vice Col. Frederick G. Rockwell, Jr., retired.

INTERNATIONAL ATOMIC ENERGY CONFERENCE REPRESENTATIVE

Robert S. Rochlin, of Maryland, to be an Alternate Representative of the United States of America to the Twenty-first Session of the General Conference of the International Atomic Energy Agency.

EXTENSIONS OF REMARKS

"LET THE ALIENS IN"—A POINT OF VIEW

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. EDGAR. Mr. Speaker, the issue of what national policy should be with respect to illegal aliens is one which we will focus upon during the 95th Congress. An article by Stephen Chapman, which appeared in the July/August 1977 edition of the Washington Monthly delves into this controversial issue to a degree which should be reviewed by our colleagues. For this reason, I wish to share it with House Members who will have to make some difficult decisions which will have a profound effect upon human lives:

LET THE ALIENS IN

(By Stephen Chapman)

Oddly for a nation built almost entirely on immigration, the United States historically has had a schizophrenic attitude about letting in foreigners. For our first century-and-a-half of existence, we welcomed almost anyone who wanted to come, and the invitation was accepted by millions of people all over the world. Until 1882, in fact, the U.S. had no formal immigration policy, and for the next 39 years it didn't limit the number of immigrants. Only in 1921 did the government decide to close the open door to some foreigners, mainly those from southern and eastern Europe, who were arriving in sufficient numbers to cause grave alarm among the nation's governing WASPs. One congressional report expressed the worry that the immigration of such people tended "to upset our balance of numbers, to depress our standard of living, and to unduly charge our institutions for the care of the socially inadequate." Evidently the threat to the purity of the Anglo-Saxon race was too obvious to mention.

Nobly trying to avoid these disasters, Congress established immigration quotas based on the ethnic makeup of the American public, letting in a lot of northern Europeans, a few southern and eastern ones, and only a handful of Asians. As the above congressional report subtly explained it, if "the principles of individual liberty . . . [are] to endure, the basic strain of our population must be maintained and our economic standards preserved."

With only a few changes, the quotas lasted until 1965, when Congress passed a new Immigration and Nationality Act that was aimed principally at reuniting families, admitting needed workers, and granting sanctuary to political refugees from Communist countries and the Middle East. Aliens who didn't fit into these categories simply were not to be admitted. Disturbed by the arrival of 160,000 immigrants a year from the Western Hemisphere (almost all from Latin America), Congress placed a quota on them of 120,000 a year—the first time in our history it had placed a numerical limit on Latin immigrants. Congress presumably shared the sentiments of the cynic who scorned President McKinley's professions of affection for "our little brown-skinned brothers": "They may be related to President McKinley, but they're not related to me."

Heedless of the chilly welcome, a lot of our neighbors still want to come, with the main consequence of the 1965 ceiling being a "silent invasion" of illegal aliens that has unnerved many observers to the point of near-hysteria. Though the invasion has been silent, the reaction to it has been very noisy. A good deal of frightened talk is aloof about how to save ourselves from being drowned in this "brown tide" of illegal aliens, most of it boiling down to one simple idea: get them out and keep them out.

Such talk in Congress and the White House is nothing if not popular. A gallup poll last year discovered that 74 percent of Americans regard illegal aliens as a "very serious" or "fairly serious" national problem, with 82 percent blaming at least one of our social ills on their presence. Most revealing of all, 57 percent of those polled agreed with the unequivocal declaration, "Illegal aliens should be rounded up and sent back to where they came from." Gallup likely could have found a majority in favor of melting down the Statue of Liberty and selling it for scrap, perhaps replacing it with a giant replica of a snarling Doberman Pinscher to underscore the point.

That the drawbridge to the golden door is now in danger of being pulled up is due mostly to the vigorous xenophobia of former Marine Corps commandant General Leonard Chapman, who retired in January after four years as commissioner of the Immigration and Naturalization Service. When in 1973 he assumed control of a small, little-noticed agency demoralized by scandals and the impossible job of keeping out illegal aliens, Chapman took the offensive, warning publicly of an impending "national catastrophe" and publishing inflammatory magazine articles with titles like "Illegal Aliens: Time to Call a Halt!" According to Charles Keeley, a sociology professor at Fordham University, "Chapman was a master at defining the issues for the purpose of increasing his budget. By very skillful manipulation of the press, he created a crisis mentality, which perfectly fit his agency's bureaucratic needs." In addition to valuable support from such interest groups as the AFL–CIO, the American Legion, and Zero Population Growth, Chapman's campaign was favored by circumstance, coming at a time of severe economic troubles; and the accident that most illegal aliens have brown skin didn't hurt his efforts either.

It's no surprise that the public concern about illegal aliens has been fostered by a government agency less interested in the public than in more power, greater prestige, and a bigger budget; that, after all, is how things usually work in Washington. What is more disquieting is that the perception of a crisis has grown out of confused thinking that rests on questionable premises, unsubstantiated statistics, and groundless myths. It's also disturbing that the issue so easily raised a public clamor in a nation of liberal traditions incompatible with xenophobic hyperbole.

Most of our fears about illegal aliens are without foundation and the conclusions drawn from them, however popular, are thus mistaken. Instead of talking about throwing out all our illegal aliens and doing our damnedest to make sure they don't come back, we ought to be taking precisely the opposite tack and legalizing the status of illegal aliens already here, while eliminating the numerical quotas on immigration from the Western Hemisphere.

TRAINING THE MULE

Chapman's public relations techniques in his campaign were reminiscent of the farmer who began his mule's training by clubbing him over the head to get his attention; his weapon was the untiring repetition of huge numbers. In one congressional hearing he placed the number of illegal aliens at four to five million, but when asked about the basis of his estimate, Chapman replied, "It is just a midpoint between the two extremes. I have heard one or two million at one end of the scale and eight or ten million at the other. So I am selecting a midpoint . . . just a guess, that is all. No-

body knows." An immigration and Naturalization Service-commissioned study by Lesko Associates, a Washington consulting firm, had little success in narrowing the wide range of estimates. It guessed there were about 8.2 million illegal aliens in the U.S., but such experts as Wayne Cornelius, an assistant professor of political science at MIT and a longtime student of the subject, have criticized Lesko's estimate as much too high and its methods as scientifically dubious.

The only hard numbers available are statistics on INS apprehensions. In 1975, for instance, the agency caught and deported 766,600 illegal aliens—but using that figure as a basis for estimating a total number, as INS does, is questionable at best. Since many aliens are apprehended more than once, the number of aliens who are caught is probably quite a bit lower than the total apprehensions. One Border Patrol officer tells of apprehending and deporting a single Mexican five times in one night. As General Chapman admitted, no one knows how many illegal aliens there are in the U.S., and there is probably no way of finding out.

That hasn't stopped Chapman and his allies from using their unreliable estimates as the basis of even more unreliable calculations of how much illegal aliens cost the government. According to their line of reasoning, aliens impose a burden on taxpaying Americans by using public services, welfare benefits, and food stamps—all for free, since they don't pay taxes. Factual support for this argument is conspicuously absent, no doubt because what concrete evidence there is discredits the theory. In fact, most employers deduct both income and FICA taxes from the paychecks of their illegal workers, partly because they don't always know which ones are illegal and partly because they fear problems with the IRS and the Social Security Administration. At the same time, illegal workers tend to avoid any contact with government agencies, even those that might provide help, out of fear of being caught. A Department of Labor study by David North and Marion Houstoun last year reported:

"This group of illegal alien workers were significantly more likely to have participated in tax-paying systems (many of which are automatic) than to have used tax-supported programs . . . while 77 per cent of the study group reported that they had had social security taxes and 73 per cent reported that they had federal income taxes withheld. Only 27 per cent used hospitals or clinics, four per cent collected one or more weeks of unemployment insurance, four per cent had children in U.S. schools, one per cent participated in U.S.-funded job-training programs, one per cent secured food stamps, and 0.5 per cent secured welfare payments."

A recent study by the San Diego County Human Resources Agency arrived at similar conclusions, estimating the county's annual cost in social services to illegal aliens at $2 million and the aliens' yearly contribution in taxes at more than $48 million. The reality, then, is just the opposite of the myth spread by Chapman and his ilk: illegal aliens contribute more than their fair share to government revenues and receive far less than their share of state and federal benefits. The General no doubt would be chagrined to learn that instead of aliens being a burden to the rest of us, it's the rest of us who are a burden to the aliens.

UNFAIR COMPETITION

At the heart of organized labor's demands for measures to stop the influx of foreigners is the notion that they compete unfairly with American workers, displacing Americans from their jobs and depressing the general level of wages. Labor thinks a lot of our economic ailments would vanish if only the illegal aliens would. Chapman has gone so far as to argue that deporting all our illegal aliens would cut the unemployment rate in half.

Wayne Cornelius dismisses this belief as a "cruel illusion," and there is in fact little to support it. Many of the jobs held by illegal aliens are the kind that few Americans would accept, regardless of their skills. A California businessman who hires illegals told New West magazine, "If you pulled out every illegal alien in Los Angeles at midnight tonight, you would wake up tomorrow morning in a town without busboys, maids, or parking-lot attendants." North and Houstoun reported that most of their respondents worked as laborers (including farmworkers), service workers, and other semi-skilled or unskilled workers. Most of the aliens they surveyed were paid little more than the minimum wage, with some receiving even less than that. Like the North-Houstoun study, the San Diego report expressed doubt that aliens displace American workers, noting one instance in which the State Human Resources Agency could not fill 2,154 jobs made available by the deportation of illegal workers, a failure it blamed on the jobs' low wages, poor prestige, and long hours. San Diego, despite its 11.8-percent unemployment rate, had a similar experience: when some 340 jobs were vacated by illegal aliens, INS was unable to fill them with Americans and finally let the employers hire commuter workers from Mexico. North and Houstoun also concluded that ilegal aliens neither compete with skilled American workers nor depress wages. Eliot Abrahams, an aide to Senator Daniel Patrick Moynihan, says flatly, "There's no evidence that the average alien depresses wages. Aliens either get good wages or they get low pay for jobs no one else will take."

The aliens don't make much difference to unemployment because unskilled Americans understandably prefer subsisting on welfare or unemployment payments to working long hours at low-paying drudgery. The low unemployment rate in Texas is largely a consequence of the state's stingy assistance to the poor. Conversely, the high unemployment rates in cities like New York and Chicago, where aliens are believed to flock, is probably due far less to the aliens than to the generally stagnant economic conditions in the industrial Northeast and the attractiveness of the relatively high welfare and unemployment benefits in such cities, which are enough to make any unskilled worker think twice about working for a living.

It will be argued that if illegal aliens are given legal status, they will likewise choose relief benefits over low-paying jobs, but the evidence suggests otherwise. Aliens, like most immigrants, generally appear eager to accept work of any kind because of the social stigma they attach to not working, the improvement it represents over jobs in their native countries, and the hope of advancement. "Apart from any consideration of their illegal status," said North and Houstoun, "they appear to be like immigrant workers: highly motivated and hard-working employees, whom U.S. employers regard as very productive workers, despite the fact that many do not speak English."

THE WELFARE OF THE CUBANS

The American experience with immigrants from Cuba during the 1960s implies that aliens do not come to the U.S. to sit back and collect welfare checks. When hundreds of thousands of Cuban refugees poured into Miami in the decade following Castro's revolution, many Miamians feared they would swell the relief rolls. Contrary to popular belief, few of the Cubans were wealthy, and even those who were arrived almost penniless. According to Susan Jacoby, who has written extensively about aliens in the U.S., "By 1962, small businessmen, technicians, clerical workers, and urban factory workers were arriving by the thousands." Now, Jacoby says, "Miami is filled with small businessmen who were blue-collar workers in Cuba." Despite a special federal welfare program for them, the Cubans wasted no time in finding jobs, however menial; by 1974 only 10 per cent were on the welfare rolls, most of them elderly people. And the hard work has paid off: Jacoby notes that the "median income of Cuban families rose from $5,244 in 1967 to $8,091 in 1970." Not only that, but local officials say the Cubans have created at least 100,000 jobs since they arrived.

The case of the Vietnamese refugees is less encouraging, but the presence of many of them on welfare rolls appears due partly to the unique circumstaces of their immigration and our efforts at settling them in American society. The Vietnamese emigrated to the United States with little preparation and no real purpose besides escaping what they expected would be a very unpleasant fate. Coming from an Eastern society, they faced greater cultural and linguistic barriers than did the Cubans or other immigrants from Latin America.

But the blame for nearly a third ending up receiving welfare payments lies mostly on the federal government. "The government leaned overboard in making assistance available to the Vietnamese, without making them understand that collecting welfare is not the normal way of life here," says Leon Marion, Executive Director of the American Council of Voluntary Agencies for Foreign Service. "These people didn't learn how to operate in our culture, and didn't realize that everyone is supposed to work for a living. Putting them on welfare was a simple solution to a very complex problem." But the majority of the Vietnamese here have barely been in this country two years, and Marion sees their swelling of the welfare rolls as a short-run problem that will correct itself in time. "More Vietnamese are going to resettlement agencies for help in finding gainful employment, and they turn out to be hard, earnest workers," he says. "They give an employer his money's worth." The problem of a temporary swelling of the welfare rolls is one we have to face, but experience shows that it is only temporary. Other refugees from Communism than the Vietnamese, like the Hungarians and the aforementioned Cubans, are no longer dependent on welfare.

It's foolish to pretend that open immigration will be completely free of problems, but most of them seem easily surmountable. For instance, we can count on the greed of the American Bar and Medical Associations to safeguard against the brain drain from underdeveloped countries that open immigration might cause.

THE FIXED PIE

The vaguest but one of the most persistent myths about illegal aliens is that their mere numbers strain our economic capacity, thus lowering our standard of living. This opinion rests on a false conception of a fixed pie—the more people there are, the smaller each slice. As noted above, the Cuban experience in Miami suggests that the influx of immigrants actually stimulated the local economy. Historically, there appears to be no correlation between the rate of immigration and economic health. One of the healthiest periods in American economic history, 1881 to 1921, coincided with the arrival of 25 million foreigners. The Great Depression, on the other hand, came only a few years after we established the first immigration quotas. Nor is there any obvious relationship today between the number of illegal aliens in a given region and that region's prosperity; some states, like those of the Southwest, have healthy economies despite a lot of aliens, while the industrial cities have both aliens and poor economic health.

One reason the debate about aliens so often goes astray is that it concentrates on their effects on the rest of us, ignoring humanitarian question of whether or not coming here is good for them. Our immigration laws slam the door on thousands of people who would like to move to the U.S., and that in itself is a bad thing. Moreover, many would-

be immigrants—who come mostly from poor, authoritarian countries in Latin America—see the U.S. as the only way out of a life of poverty, ignorance, and oppression, and in most cases they are probably right. To keep them out is not only to circumscribe their freedom, but also to sentence them to a bleak, painful existence they desperately want to escape. The people who founded the United States pictured it not as an entrenched and isolated outpost but as a beacon for the rest of the world and a refuge for the oppressed. We may have grown cynical about such notions, but is it right to turn away all the foreigners who still take them seriously?

Under the worst of circumstances, namely living here illegally, what the aliens find in the U.S. is plainly better than what they left behind, which of course is why they came. Even the lowest wages paid in the U.S. are much higher than most could dream of making at home. New West mentions one Mexican who got $1.35 an hour stripping paint in his first job here—ten times what he earned driving a delivery truck in Mexico.

But legalizing their status and loosening restrictions on immigration to make illegal entry unnecessary would substantially improve the aliens' lot, which is what many Americans apparently regard as scandalous.

Obvious, the aliens would benefit from the ordinary rights and privileges accorded other American workers. The illegal alien's outlaw status undercuts his bargaining power and compels him to accept nearly anything his employer chooses to inflict on him, from low pay to long hours to poor working conditions. If he complains, his employer can fire him or even have him arrested by the INS. The alien can hardly demand that he receive the minimum wage or be allowed to join a union (although some unions have illegal aliens as members). If he is mistreated, defrauded, or injured on the job, he is not likely to seek legal redress. All the pressures on the illegal worker encourage him to do what he's told, take whatever pay he's given, and keep his mouth shut.

Many employers take full advantage of the opportunity to exploit the aliens. They often pay illegals substandard wages—a practice made possible not by the normal dictates of the market, but by a "black market" in labor that puts the employer in an abnormally strong position and the employee in an abnormally weak one. North and Houstoun discovered, for example, that the aliens in their survey generally "earned less per week than comparably employed U.S. workers, though they generally worked considerably longer hours." The aliens in industrial jobs worked an average of 44.5 hours a week, while comparable Americans worked only 35.9 hours. Illegal aliens no doubt also suffer relatively poor working conditions.

They are also vulnerable to even more flagrant abuses. It is a common practice for farmers in the Southwest to hire illegal Mexicans for a couple of weeks and then call the Border Patrol when payday rolls around. The Border Patrol hauls the aliens away and the farmer gets a couple of weeks' labor for only the cost of room and board. A former official of California's North County Chicano Federation told the San Diego Human Resources Agency that such incidents are standard practice among many citrus and flower growers, who they estimate owe illegal aliens $20,000 in back pay. Another Chicano organization said that kickbacks to field bosses and excessive deductions for room and board likewise are common practices. The San Diego report mentioned an incident in which an illegal alien who suffered three heart attacks was refused permission to see a doctor; when he finally visited one on his own, he was fired.

Some pay hundreds of dollars to professional body-smugglers for help in getting across the border, and hundreds more for forged

BODY SMUGGLERS

Of course, many aliens have to go through a lot of hardship just to get into the U.S. papers, "green cards" (Alien Registration Receipt Cards), and entry documents—some of which are so poorly forged as to be worthless, although the aliens have no way of knowing that. Aliens who walk across the border (as most illegals do) are often attacked by gangs of hoodlums on either side. One Border Patrol officer told the Washington Star, "On the American side, we broke up gangs of local high school kids who had been lying in wait for the wets. They were robbing them, beating them up, raping the women. We even had two 12-year-old kids who were stationing themselves at the end of a long culvert drainpipe that the aliens used to sneak through. They were shaking them down for 15 or 20 bucks apiece, threatening to call us if they didn't pay up."

Without erecting a Berlin Wall along the Mexican border and subjecting employers and illegal aliens to all sorts of draconian measures—which would require much higher expenditures and expanded enforcement—there is no way to stop the influx of people from Latin America. Too many people want too badly to get in, and we would gain little from redoubling our efforts to keep them out.

And it is not likely that more liberal immigration laws would attract unmanageable numbers of foreigners. The current length of time that Western Hemisphere people have to wait for visas is about three years, which at the current quota means a total of only 360,000 people are waiting, hardly an alarming number. Charles Keeley is skeptical of scare talk about the flood of aliens who would arrive if restrictions were relaxed. "You would probably get a big initial flow, but not necessarily an unreasonably high number, and after that the number would probably drop off sharply," he says. "I'm not so sure everybody's dying to get in here." Wayne Cornelius says few illegal aliens from Mexico want to live here permanently anyway, and that most of them come for less than six months. Keeley agrees, noting that one million legal aliens left the U.S. during the 1960s.

In keeping in mind the humanitarian reasons for letting in more foreigners, it is not necessary to lose sight of our own interests; letting them in need not be a purely selfless gesture. After all, the rest of us have much to gain from the continual infusion of new people, whose mere presence testifies to their determination and willingness to take risks. One nice thing about the difficulty of immigrating is that it weeds out those who are timid or lazy, leaving only the adventurous and the ambitious. The old American ideal of the melting pot is based, in part, on the knowledge that most of the foreigners who come to America are those with the qualities most beneficial to a dynamic society.

Indeed, the strangest thing about the controversy over illegal aliens is that it so seldom touches on our hallowed tradition of welcoming the weary immigrant, a tradition that goes to the heart of the nation's character and purpose. There are few American traditions nobler than that of providing a sanctuary to the weak, freedom for the persecuted, and opportunities for achievement to the ambitious; and for that matter, few that have had such far-reaching benefits.

Like our own parents and grandparents, foreigners come to this country today to lift themselves out of poverty, to escape political oppression, to give their children a better life. The choice is between continuing this legacy and standing at the walls to beat back the hordes—a choice that tests not only our trust in our heritage and our free institutions, but our humanity as well.

METRO-HEALTH HMO

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. HILLIS. Mr. Speaker, during the August recess, I had an opportunity to visit the Metro-Health plan offices in Indianapolis. Metro-Health is the only health maintenance organization—HMO—in my home State of Indiana and I was happy to have the chance to get a first-hand look at its operation and facilities. In view of the current national debate on health care delivery in the United States, I would like to share with my colleagues some of the impressions I received from this visit.

Metro-Health is operated, as are all HMO's, by a private, not-for-profit corporation. Its services are offered to employee groups as an alternative to the more traditional health insurance plans which reimburse doctors and hospitals after the service is rendered to the patient. The primary difference with the HMO is that the medical services are paid for in advance by the subscriber and, for the most part, those services are provided at the HMO itself with functions similar to a group practice clinic.

The HMO I visited in Indianapolis has been in operation for 2½ years. It serves 7,500 members, all of whom elected to join as an alternative to traditional employer provided health insurance programs. Metro-Health is staffed by eight full-time physicians and utilizes 20 medical specialists for referral cases. I was impressed by its sophisticated diagnostic equipment as well as its facilities for testing and analysis. Such "in-house" equipment, along with an emphasis on preventative medicine, has helped to reduce the need for hospitalization of Metro's subscribers. Furthermore, these services are provided at approximately 40 percent of the normal hospital rate.

In coordination with the HMO concept of preventative medicine, I was impressed by the comprehensiveness of the Metro-Health plan. Its medical offices include facilities for eye examinations, dental care, nutrition counseling, casts and dressings, laboratory analysis, X-rays, and minor surgery. All of these services are prepaid and most are available to the subscriber at no additional charge. With the exception of voluntary sterilization and mental health crisis intervention, no service costs are more than $2. And when the occasion arises where the subscriber's medical needs require hospitalization or the care of a specialist, the HMO makes all the necessary arrangements and covers the cost of those services. Furthermore, Metro-Health will offer a medicare buy-in

option within 6 months in order to make this facility available to senior citizens.

Mr. Speaker, I believe that we are long overdue for a common-sense approach to solving the health care problems in this country. While HMO's are not a panacea for rising medical costs, they can, and should, have a place within the framework of a national health care legislative package.

SEALED BIDDING YIELDS MORE FEDERAL REVENUE

HON. JOHN KREBS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. KREBS. Mr. Speaker, the U.S. Forest Service has disclosed some startling information concerning the new sealed bidding regulations implemented through the National Forest Management Act of 1976. The data clearly indicate that the Federal Government realizes more revenue through the application of sealed bidding to National Forest timber sales than it would through application of the oral bidding process.

Recent figures pertaining to sales which took place at each of the six western Forest Service regions in the first half of 1977 indicate, that overall, in situations where both oral and sealed bidding were used, sealed bidding returned substantially higher bid premiums than did oral bidding.

Moreover, figures regarding sales consummated during the first 6 months of 1977 in the Nation's most active timber producing area, region 6—Washington and Oregon—appear to now challenge testimony given by U.S. Forest Service Chief John McGuire on February 7, 1977, before the Forests Subcommittee of the House Agriculture Committee. Chief McGuire testified there was no evidence to suggest that sealed bidding would, on balance, produce greater income to the Federal Government.

In region 6, however, where a mix of both oral and sealed bidding was employed, sealed bidding produced an average of $14.84 more per thousand board feet of timber sold in the eastern Ponderosa pine area and $11.57 more per thousand board feet sold in the western Douglas fir area. The Forest Service's own data indicate that the Federal Government would have lost between $20 million and $25 million had oral bidding been employed in 99 percent of the sales which took place in Oregon and Washington.

It is important to note that the bidding regulations which resulted from the National Timber Management Act of 1976 received a liberal interpretation by the Forest Service in favor of the timber industry's desire to continue oral bidding. Had the strictest interpretation of section 14(e) been implemented, that is, selling all timber by sealed bids, one can only speculate as to the total amount of additional revenue the U.S. Treasury would have derived.

H.R. 6362 would repeal application of the sealed bidding provisions to sales of national forest timber. Because this legislation barely passed the House Agriculture Committee, by a 20 to 20 vote, and will soon be before the full House, it seems appropriate to bring to the attention of my colleagues an article which appeared in the August 14, 1977 edition of the Washington Post. The article succinctly described the economic advantages of retaining the present sealed bidding regulations:

SEALED BIDS YIELD MORE FOR NATIONAL FOREST TIMBER

(By George Lardner Jr.)

In the first review of federal timber sales in the Pacific Northwest under a new, sealed-bidding law aimed at preventing collusion, the U.S. Forest Service has found that it produces more money for the government than the traditional system of oral auctions.

The study would appear to undercut a major contention of the Western timber industry, which has been lobbying intensively for repeal of the sealed-bidding rule.

The review covered timber sales from all 20 national forests in Oregon and Washington for the first six months of 1977. It was completed by the Forest Service's regional offices in Portland last week. A copy was obtained by The Washington Post.

According to the study, sealed bidding for federal timber in the coveted Douglas fir region on the west side of the Cascade Mountains produced $274.7 million—$115.9 million more than the Forest Service's appraised prices.

Timber sold at oral auctions on the west side brought bids totaling $51.1 million—only $19.2 million more than the minimum prices fixed by the Forest Service.

Industry pressures have already forced the Forest Service to cut back sharply on the sealed bidding prescribed by the 1976 law, but most of the national forest sales in the two states for the first half of the year were carried out by sealed bid.

A total of 1,485 billion board feet of timber was sold by sealed bids on the west side of the Cascades at an average bid price of $184.90 per 1,000 feet, $78.05 above the appraised price. By contrast, 296.6 million feet were sold at west side oral auctions at an average bid price of $172.42 per 1,000 feet, $64.66 above the appraised price.

On the east side of the Cascades, where ponderosa pine and other types predominate, sealed bidding produced $49.9 million, or $14.3 million more than the supposed "fair market value" appraisals of the Forest Service. Oral auctions yielded $26.7 million, or $5 million more than the appraised price.

A total of 437.3 million board feet was sold by sealed bids on the east side for an average bid price of $114.03 per 1,000 feet or $32.67 more than the appraised value. By contrast, 236.6 million board feet were sold in west side oral auctions for an average bid price of $112.98 per 1,000 feet, or $21.18 above the appraised price.

Thus sealed bidding produced an average of $13.39 more per 1,000 feet in the Douglas fir region west of the Cascades and an average of $11.49 more for each 1,000 feet of timber sold on the east side.

In all, according to several extrapolations, the government would have lost between $20 and $25 million for the first half of 1977 if the Forest Service had continued to use oral bidding on 99 per cent of its sales in the two-state region.

The National Forest Products Association, which has been leading the drive to repeal the sealed-bidding law, has repeatedly insisted there was "no evidence" that sealed bidding produces more money on the average than oral auctions. Instead, the association ("Your forest industry voice in Washington") has contended in one position paper after another that "the reverse may well be true," especially in the Pacific Northwest.

The new Forest Service study, however, reinforces preliminary indications from an earlier nine-year review of national forest sales that, while based on scantier data, suggested that sealed bidding yielded higher prices.

"We didn't really have enough data before this, but it's beginning to pile up," said one Forest Service expert.

Sealed bidding has been the rule, rather than the exception, for decades in the South and the East. Oral auctions became customary in the West, especially in Oregon and Washington, following World War II, ostensibly to give local lumber mills a chance to bid more than one, offer a higher price and protect their traditional timber supply from outsiders.

Oral bidding also provides an opportunity to buy government timber at the lowest possible price (the Forest Service appraised value), which is all that need be offered if no one else shows up at the auction.

The Forest Service has agreed that sealed bidding is "a greater deterrent to possible collusive practices," but despite several ongoing federal grand jury investigations, timber industry spokesmen deny that collusion is a real problem. The campaign for repeal of the sealed-bidding rule, meanwhile, has been mounted in the name of the "little sawmills" and small "dependent communities" that need nearby national forest timber to survive.

But, according to a study for Sen. Edward M. Kennedy (D-Mass.), Forest Service regulations that have been on the books for decades provide ample protection for unsuccessful bidders and local communities.

The chairman of the Senate Antitrust Subcommittee, Kennedy, who is seeking to uphold the sealed-bidding rule, pointed out in a recent floor statement that under one key safeguard "an unsuccessful bidder or a community which believes that it is dependent" may protest the award of a timber sale to the high bidder, whatever the method of the bid.

The rule can be invoked even if loss of the timber will simply "materially lessen" job opportunities, but it apparently has been used only once since 1960, to block the bid of a Canadian firm for timber in Montana's Kootenai National Forest.

"The right to protest the award because job opportunities will be lessened or a mill will be forced to close . . . is a valuable privilege that dependent communities have had for 30 years and have not used," Robert E. Wolf, a forestry expert for the Congressional Research Service, advised in a recent memo to Sen. Dale Bumpers (D-Ark.), another defender of the sealed-bidding law.

Another Forest Service regulation in effect for years permits the rejection of high bids that might result in a "monopoly" situation, but this rule has apparently never been used.

Kennedy wound up his recent floor statement with a series of 1975 and 1976 memos from Forest Service files. In one, regional forester T. A. Schlapfer of Portland (now retired) strongly recommended "judicious use of a mixture of sealed and oral auction" in light of various Justice Department investigations under way. He alluded to the 1975 convictions of Champion International Corp. and six others for collusive bidding in violation of the Sherman antitrust act on timber from Oregon's Willamette national forest.

"We cannot afford to be caught without having taken any action in [the] event there

is another conviction," Schlapfer wrote. But he went on to complain: "Generally, industry has not made any constructive suggestions. They do not recognize that here is a problem."

PENN CENTRAL'S DELINQUENT TAXES

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Ms. OAKAR. Mr. Speaker, just before the House recessed for the month of August, I introduced H.R. 8882. This bill will aid thousands of local, county, and State taxing districts in the recovery of long overdue Penn Central tax dollars.

The Penn Central Transportation Co. went into bankruptcy on June 21, 1970. As a result of the railroad's reorganization, as prescribed by congressional and Federal court actions, there is nearly $500 million in taxes that the Penn Central has not paid to State taxing authorities and their political subdivisions. These are tax dollars that fund our schools and local governments.

At present, the Penn Central trustees are attempting to have these localities settle for 50 percent of the post-bankruptcy taxes, or 44 percent of all taxes owed. There is much dissatisfaction among local officials over this settlement proposal. In fact, there is a national coalition of local, county, and State officials who are fighting this proposal in the U.S. district court in Philadelphia. Moreover, this group is lobbying on behalf of the legislation that I have introduced. H.R. 8882 has also received the endorsement of the U.S. Conference of Mayors and the American Federation of Teachers.

H.R. 8882 addresses itself to a another settlement proposal before Judge John A. Fullam of the U.S. district court. This proposal would provide for an immediate 20 percent cash payment and the remaining 80 percent of taxes to be paid through the issuance of Penn Central notes. The legislation that I have introduced would provide Federal guarantees for these series C and series D notes.

Some have asked, "Why should the Federal Government guarantee the delinquent tax debts of a private corporation?" This is a legitimate question, but it neglects to take into account the history and fact of this bankruptcy proceedings.

It was the Federal Government which provided the initiative to reorganize the railroads, and it is a federally related corporation—ConRail—which supplants the old rail lines. I would ask, "Why should local levels of government and our school systems be asked to subsidize the reorganization of the railroad?" Another point to remember is that the Federal Government's administrative expenses have the first lien against the bankrupt railroad. This puts State and local taxes behind those moneys that were extended to the Penn Central to keep it running after its declaration of bankruptcy. This situation is unprecedented, and I would contend that it is unfair.

I wrote to the Secretary of Transportation to reverse the order liens against the railroad. Secretary Adams chooses to leave the situation as it is, although he is empowered by the Regional Rail Reorganization Act of 1973 to provide some remedy for this situation. With this display of administrative inaction, I have chosen to initiate this legislative action. For over 6 years, the Federal Government has stood by idly as the State and local levels of government have anxiously awaited the outcome of the Penn Central bankruptcy proceedings. It is likely that this long legal battle is far from over. Mr. Speaker, it is time for the Congress to give assurances to these municipalities, counties, and States who anxiously await their tax dollars.

H.R. 8882 will insure that the series C and series D notes that Penn Central offers are, indeed, good investments for our counties, cities, and school systems. By assuring the investment community that these Penn Central notes are good, solid investments, we assure State and local government that they can continue delivery of vital services, and we assure our schools that they, too, will have the funding needed to deliver good educational services.

Mr. Speaker, I ask my colleagues to take a long and serious look at this situation and the legislative remedy that I offer. I solicit their support for this much needed and long overdue measure.

U.S. OIL AND GAS POTENTIAL

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. COLLINS of Texas. Mr. Speaker, during the August recess I went to west Texas to check out energy developments. We all are cognizant of the oil and gas potential in the area. However, most people do not understand the cost and risk involved in developing new oil and gas reserves.

I want to give you an experience that happened this past week in drilling from Dimmit County, Tex. John J. Redfern, Jr. of the Flag-Redfern Oil Co. in Midland was telling me about it. This was a new well that already has a cost of $338,838. They were drilling based on the fact that this location was close to two producing wells. There was one well 2,200 feet in one direction and another well was 4,000 feet in the other direction. This new well seemed to be pretty well centered out and should have seen production in that pay zone. However, when they got down to the 7,000 foot level where they expected to have excellent production, there was nothing there.

Just because you have oil or gas next to you, does not mean you have a new oil or gas well. Most of the wells drilled are dry but you have to keep drilling if you are going to have production.

We need to remember that half of our oil this year is being imported from the Arab OPEC countries. In 1972 we were paying the Arab OPEC countries $5 billion for this oil. Today we are paying $45 billion and are suffering a tremendous negative balance of payment.

We can get the oil and gas here in the United States but we need to pay the independent oil and gas producers so they can take the risk.

PHILADELPHIA ENDING SUBSIDY OF SUBURBAN COMMUNITIES FOR WATER, SEWAGE SERVICES

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. EILBERG. Mr. Speaker, the city of Philadelphia is at long last taking steps to change the ratemaking procedures involved in providing water and sewage services to neighboring suburban communities, thus ending a system under which the people of the city of Philadelphia have, in effect, been subsidizing their suburban neighbors.

According to Water Commissioner Carmen F. Guarino, Philadelphia hopes to collect at least $3,301,000 more a year, retroactive to July 1, from suburban communities for water and wastewater services.

Guarino said that the city plans to reform the existing service contracts that it has with 11 suburban townships and authorities. This reform will include higher charges that will return to the city its actual costs for serving the suburbs.

Ordinances will be submitted to city council to approve the new rate structure.

Guarino said that the water department receives, treats, and disposes of wastewater (sewage) from all of its suburban customers. It also supplies drinking water to one public authority.

In pursuance of its plan, the water department has begun mailing letters to suburbans officials, informing them of the proposed rate and contract changes. Amended contracts will be mailed for signature at a later date.

The commissioner said that the new charges were developed for the city by a private engineering firm, Black & Veatch, of Kansas City, Mo. The Black & Veatch plan incorporates ratemaking principles that are commonly recognized by central water and wastewater utilities when assessing outlying communities for service.

"Such uniform ratemaking for suburban communities is something that we have been unable to do before," noted Guarino. "All of our contracts were negotiated at different times, over a period of 50 years, to fit special circum-

stances, and there has been little uniformity."

These contracts have failed to keep up with rising costs by the Water Department, he added. At the present time, the department's costs for suburban service are running about $3 million a year above revenues received from the suburbs.

Guarino said that the new system of charges, based on improved utility ratemaking practice, will correct this situation. The new charges will:

Be fairer to Philadelphia residents, who will no longer have to subsidize service to the suburbs,

Reflect the true cost to the city of providing water and wastewater services to the individual suburban communities,

Be adjustable from time to time, whenever rates paid by water-sewer customers inside the city change,

End discriminatory treatment among suburban communities themselves, since some of them have been paying less than others for the same quantity of service received from the city,

Help Philadelphia reform its system of sewer charges to all its users, both inside and outside the city, as required by the Environmental Protection Agency.

Guarino said that the EPA has asked the Water Department to change the method of calculating all of its sewer charges, including those paid by Philadelphia residents. This has to be done by July 1, 1978, he noted, in order for the city to continue to receive Federal funds for the $414 million expansion of its wastewater (sewage) plants.

"We are starting the overhaul of rates in the suburbs this year rather than next," said Guarino, "because revision there is more urgently needed than it is inside the city."

The commissioner said that the new suburban charges will cover the collection, treatment and disposal of wastewater from several townships—Abington, Cheltenham, Lower Merion, Lower Moreland, Springfield, and Upper Darby; several public authorities Bensalem Township authority, Lower Southampton municipal authority, and Delaware County regional water quality control authority (DELCORA). In addition, both water supply and wastewater treatment charges will be increased to the Bucks County water and sewer authority.

Guarino said that the U.S. Navy Yard will be taken out of the suburban category. Because is is located inside the city it will pay regular city sewer rates in the future rather than wastewater charges fixed by contract.

The Navy Yard already pays regular city rates for water supply.

Wastewater rates paid by the suburbs will rise by at combined average of 148 percent retroactive to July 1, 1977, Guarino noted, while the range of individual community increases will be from 92 percent to 335 percent. This excludes a small percentage of increase in revenue resulting from larger wastewater flows.

In 1975, the 11 suburban townships and authorities paid $1,507,100 for wastewater collection and treatment by the city. The bill for 1976, which was due July 1, will be $3,882,000 under the new rates.

The Bucks County water and sewer authority will pay $926,100 more for purified water from the Torresdale treatment plant, or a total of $1,248,100 for 1976. In 1975 it paid $322,000.

Guarino said that the new charges will return to the water department an amount equal to (1) operating and maintenance costs, (2) depreciation costs, and (3) return of investment, for those city plants, pipelines, and pieces of equipment that service each suburban township or authority. In addition, a 10 percent management fee will be added to these costs.

YOUNG ILLINOIS CONSTITUENT UNDERSTANDS IMPORTANCE OF METRIC CONVERSION

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. McCLORY. Mr. Speaker, the changeover to the metric system of weights and measures seems to be well understood by the younger generation. I am heartened that Gary Voss, a seventh grade student in the Hampshire Junior High School, has composed an article on this subject, as one of a series of similar articles which have appeared in the Hampshire Register, a newspaper published in Hampshire, Ill., in my congressional district.

Gary's convincing statement speaks eloquently and with a clear understanding of the subject of the metric conversion and I am pleased to enter his remarks in the CONGRESSIONAL RECORD:

[From the Hampshire Register, Aug. 3, 1977]

MEASUREMENTS ARE CHANGING

(By Gary Voss)

Measurements are changing in the world. They are changing from inches, pounds, feet, yards, tons, and so forth, to the new measurements of the Metric System.

People will use the Metric System as part of their daily lives. It will be easier in life. Just as for elders as for youngsters.

For elders it will be easier to figure out bills and other appliances. As for driving, instead of the speedometer reading in miles per hour, it will read in kilometers. The speed limit signs also will read in kilometers.

As for women in cooking, it will be in grams, liters and other metric measurements and also for youngsters. Math will be easier for them because there are no fractions in the math work of the Metric System. So the math work in schools and out of schools will be in the Metric System.

People think the Metric System is going to be a big problem. Well, it's not! The Metric System is going to be easier to learn and to work with.

The youngsters that are still in school will learn it faster and easier. But it still won't be harder for elders. Because they'll learn it right along with everybody else.

Even their children that learned it in school will help their parents learn it. Like if their moms get a new cookbook. So they decide to make a cake from a recipe and they look at it and it says maybe a liter of milk and they sit there and say, I don't get it, what's a liter of milk? I never heard of the word. So then they remember their kid saying something about he was learning the Metric System.

So they ask their kid to help them and so their kid tells them what a liter is and some other metric measurements.

And so later on after they get familiar with the Metric System then maybe they'll tell friends about it and so it will go on until somehow everyone will know the Metric System.

RENEGOTIATION BOARD CHAIRMAN ADMITS ERROR AND OVERSTATEMENT

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. HANNAFORD. Mr. Speaker, one of the most frequently asked questions today is "What is Congress doing to eliminate unnecessary spending?" In a period marked by high unemployment and inflation, as well as by problems of Federal, State and local government fiscal needs, and declining national capital investment, we can ill afford to waste tax dollars.

In this connection, Mr. Speaker, when it becomes apparent that a Federal agency has proven to be cost ineffective, and has patently engaged in bureaucratic abuse of power, then it is clear that that agency should be abolished. The Renegotiation Board is an unnecessary peacetime agency. What is worse, it appears that the Renegotiation Board has resorted to sensationalism in a desperate attempt to convince us of its importance by charging Lockheed with bilking the Navy out of 117 million pounds of steel. The investigation of this allegation, as I pointed out earlier, is properly the responsibility of the Criminal Division of the Justice Department. The only business the Renegotiation Board had in the matter was for publicity purposes at a politically sensitive time in the consideration of the legislation to extend its life and expand its powers.

The attached Wall Street Journal article of August 22, among others, reveals that as a result of an August 5 meeting concerning the accuracy of its charges, the Board retracted its allegations against Lockheed on August 17 and that its Chairman admitted error and "overstatement." The serious implications of the Board's conduct in this matter should not be overlooked.

As I commented in a letter on June 21 cosigned by Senator ALAN CRANSTON, the Board's behavior in the Lockheed affair provides ample evidence of the weak foundation on which it rests. The Rene-

gotiation Board deserves to be dismantled during peacetime and reinstated only during periods of national emergency. Attached are articles from the Wall Street Journal and the New York Times, and a Washington Star editorial on the Board's conduct:

[From the Wall Street Journal, Aug. 22, 1977]

RENEGOTIATION BOARD HEAD ADMITS ERROR IN ALLEGATIONS OF LOCKHEED OVERCHARGES

(By Jerry Landauer)

WASHINGTON.—After twice flogging Lockheed Aircraft Corp. for allegedly overcharging the government on Navy shipbuilding contracts, the chairman of the Renegotiation Board is grudgingly admitting that he made a mistake.

The board chairman, Goodwin Chase, acknowledged his error, along with probable "overstatements," in copies of a letter to Lockheed that were sent to key lawmakers on Capitol Hill to "set the record straight." His admission, embarrassing to certain legislators who had accepted the overcharge allegations as facts, could neutralize President Carter's pleas to extend the Renegotiation Board's life.

Government officials involved in the controversy between the board and Lockheed say it appears obvious in retrospect that Mr. Chase was using the company to whip up congressional support for legislation to extend the Renegotiation Board through 1982, and to enhance its authority to recapture excessive profits from defense contractors.

INVITING TARGET

"This is a grubby example of self-serving bureaucracy," said one Treasury official who asked not to be identified. Lockheed's scandal-tarred reputation, resulting from admissions of big payoffs abroad to win foreign business, makes the company an inviting target for ambitious bureaucrats, the official said.

Mr. Chase began his campaign against Lockheed in testimony to the Senate Banking Committee in June. Citing contracts that had been completed as long ago as July 1971, he contended that Lockheed's shipbuilding subsidiary couldn't account for 73 million pounds of steel for which it had billed the Navy as part of the cost for seven amphibious transport docks, known as LDPs. Lockheed's billing practices, Mr. Chase asserted, "proves that the Defense Department cannot, on its own, protect the taxpayers against overcharging by contractors."

Early in July, Mr. Chase sent three aides to the Seattle headquarters of Lockheed Shipbuilding & Construction Co. They concluded—and Mr. Chase immediately notified Banking Committee Chairman William Proxmire (D., Wis.) in a hand-delivered letter—that the missing steel amounted not to 73 million pounds but to 117 million pounds valued at $10.2 million.

And to make sure that Congress wouldn't ignore the Renegotiation Board's alertness in protecting taxpayers, somebody promptly leaked the fresh findings. "Lockheed Overcharge Estimate Raised," a four-column front-page headline in The Washington Post reported, and Mr. Chase confidently asserted, "I stand foursquare on my statement and would be pleased to have it subjected to investigative scrutiny."

But according to Robert W. Haack, Lockheed's chairman, Mr. Chase kept avoiding company officials who hoped to resolve the controversy peaceably. "I felt as though I had the plague," Mr. Haack said. It's also known that Brian Freeman, secretary of the Emergency Loan Guarantee Board, which administers Lockheed's government-backed loans, sought to act as mediator, apparently because Lockheed's bankers were getting edgy about the harmful publicity.

Finally, the contending sides met Aug. 5, and last week Mr. Chase sent Lockheed what appears to be a partial retraction.

"Following our meeting the board's analysis was again revised, taking into account data assembled by Lockheed," Mr. Chase wrote. "Based on that review, I erred in the translation of the dollar amounts in question to pounds of steel. If the figures calculated by your internal auditors are correct, my figures for the amount of unaccounted steel are overstated."

LARGE DIFFERENCES

Mr. Chase contended, however, that "large differences" remain between the amount of steel Lockheed purchased and the amount it used to build the seven ships, but he offered no figures. Mr. Haack said that "if you put all the unaccounted for steel in your eye, it wouldn't hurt."

Repeated efforts to reach Mr. Chase weren't successful; his special assistant, John Davison, said the chairman isn't recanting or withdrawing "the initial position he took relative to the Lockheed matter. . . . I won't take the liberty of speaking for him beyond that point."

In any case, Mr. Chase's acknowledgement of error in calculating the dollars that may be involved won't help win votes in Congress to expand the Renegotiation Board's authority. Before the congressional recess, House Speaker Thomas P. O'Neill (D., Mass.) hesitated to bring the legislation to a vote, despite a round of letters from the President urging passage of the bill. In the Senate, Mr. Proxmire's Banking Committee is scheduled to consider the legislation in mid-September.

One particularly controversial feature of the measure is a provision authorizing Mr. Chase's board to scrutinize defense contractors product-by-product rather than on a company-wide basis.

[From the New York Times, Aug. 23, 1977]

ERROR CONCEDED IN CHARGES OF LOCKHEED OVERBILLING

(By Clyde H. Farnsworth)

WASHINGTON, AUGUST 22.—The Lockheed Aircraft Corporation today released a letter from Godwin Chase, chairman of the Government's Renegotiation Board conceding that he had "erred" in alleging before a Senate committee that the company had overcharged on a contract for the construction of seven amphibious transport dock ships for the Navy.

"You don't make undocumented charges and pronounce upon them publicly to further your interests," said Robert W. Haack, Lockheed's chairman, in an acerbic comment on an affair that has implications going well beyond a single company and the agency whose job is to prevent excess profits on defense contracts.

The admission by Mr. Chase that he "erred in the translation of dollar amounts in question to pounds of steel" and that "my figures for the amount of unaccounted-for steel are overstated" came as legislation is pending in Congress to extend the life of the Renegotiation Board to 1982 and to give the agency and its newly appointed chairman new powers.

The letter constitutes a potential embarrassment for the board and could weaken the legislative efforts in Congress.

The board, which has 179 employees, technically went out of business last September 30, when the last Renegotiation Act, which had been extended 13 times since originally enacted in 1942, expired. The board now works only on its backlog. It cannot examine any new cases.

Mr. Chase said today: "My letter in its entirety speaks for itself. I have no further comments to make."

He had conditioned his admission on the correctness of figures calculated by Lockheed's outside auditors, Arthur Young & Company.

The letter went on to raise a series of other questions about Lockheed's contracting procedures and said, "I have requested the Defense Contractor Audit Agency to assist the board in a further review of these areas."

Among the items questioned were: The cost growth figures submitted by Lockheed to the Navy in support of its contract claim; the "apparently excessive" progress payment billing to the Navy; the large difference between the amount of steel purchased and the amount actually used in the ships, and the relationship between these items and those currently being investigated by the Department of Justice on the Destroyer 1052 contract performed by Lockheed in the same period of time.

COMMENTS BY HAACK

Mr. Haack said in an interview from his headquarters in Burbank, Calif.:

"This is an oblique admission that he blew it. But Mr. Chase has kept the issue alive by raising difficult-to-understand problems We can justify our cost growth. Our progress billings to the Navy are reconcilable. Our scrap rates are defensible, and what the relationship is to the destroyer escort business is I just don't know."

Mr. Haack, who came from the presidency of the New York Stock Exchange to try to rebuild an image of Lockheed that had been shattered by overseas bribery scandals in the mid-1970's, said: "The kind of loose, irresponsible talk engaged in by Mr. Chase in those Senate hearings last June can be very damaging."

Through an Act of Congress, the Government had guaranteed up to $250 million of loans from a consortium of 24 commercial banks, and according to some reports, the bankers were getting nervous about the unfavorable publicity last June. Lockheed has paid back all but $80 million of the money.

Mr. Haack said he had tried to reconcile the dispute with Mr. Chase privately after calling on both internal and external auditors to examine the 28,000 invoices and count the steel in the contract at issue.

"I told him [Mr. Chase] that if any Lockheed personnel were culpable I'd cooperate in putting them in jail. He said he would apologize if he were wrong."

Mr. Haack continued: "We were absolutely certain that our case was right, but we simply couldn't get an audience. All we wanted was for his staff people to go over the facts with our staff people, but we were never accorded that courtesy."

Bills have been introduced in both Houses of Congress to extend the life of the Renegotiation Board.

The proposed legislation provides for penalties if companies fail to file with the board, allows it to issue subpoenas to get basic company information, empowers it to examine contracts on a product-by-product basis and requires an annual review of its activities by the General Accounting Office.

[From the Washington Star, Sept. 2, 1977]

CHASING THE "MISSING" STEEL

The Renegotiation Board has sometimes been characterized as a band of toothless tigers. Then Goodwin Chase came along. Mr. Chase, who recently was appointed chairman by President Carter, was described once by a House Banking subcommittee chairman, Rep. Joseph Minish, as the "only real tiger on that board."

It appears that Mr. Chase may have taken a bite out of his own tail in his campaign to give his board new life and broad authority.

Last June, Mr. Chase told the Senate Banking Committee that Lockheed Aircraft

Corporation's shipbuilding subsidiary had billed the U.S. government for 73 million pounds of steel that it couldn't account for in building seven amphibious transport drydocks. This proved, Mr. Chase said, "that the Defense Department cannot on its own protect the taxpayers against overcharging by contractors."

What it also proved, Mr. Chase would have liked members of Congress to conclude, was that it was necessary for the Renegotiation Board to ride herd on contractors who do business with the government. That, of course, was what the Renegotiation Board was supposed to do when it was established in 1951.

Congress evidently has been far from satisfied with the board's record of recovering excess profits; the lawmakers have voted the board operating funds from one congressional session to the next but have never established it as a permanent agency. The board generally has been considered something of a joke around town and Presidents have used it frequently as a repository for minor politician to whom favors were owed.

But President Carter and Mr. Chase, as well as subcommittee chairman Minish, are trying to persuade Congress to strengthen the board and give it permanent status. How convenient that steel overcharges by Lockheed, some involving contracts completed as long as six years ago, were discovered by Mr. Chase just as congressional committees were considering the legislation.

Mr. Chase pursued the Lockheed matter by sending three aides tor the shipbuilding subsidiary's headquarters, after which he informed the Senate Banking Committee by letter in July that the amount of missing steel was not 73 million pounds but 117 million pounds valued at $10.2 million. According to the *Wall Street Journal*, this higher estimate was promptly leaked to the press and resulted in prominently displayed new stories.

But was it 117 million pounds? Was it even 72 million pounds? Apparently not.

After meeting with company officials August 5, Mr. Chase sent Lockheed a letter which, according to the *Journal*, said in part: "Following our meeting the board's analysis was again revised, taking into account data assembled by Lockheed. Based on that review, I erred in the translation of the dollar amounts in question to pounds of steel. If the figures calculated by your internal auditors are correct, my figures for the amount of unaccounted steel are overstated."

How much overstated? Mr. Chase didn't say and the *Journal* said repeated attempts to reach him for clarification were unsuccessful. A company official contended that "if you put all the unaccounted for steel in your eye, it wouldn't hurt."

Well, how much steel, if any, did Lockheed overcharge the government for? Before giving the Renegotiation Board sharper teeth, the Senate committee ought to find out. It ought also to ask board officials for a full explanation of how and why they erred and whether going after Lockheed was mainly to promote legislation they wanted.

And tigers ought to be careful what they sink their teeth into; they could wind up swallowing themselves.

YOUTH INTERNSHIPS IN THE FIELD OF AGING

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. PEPPER. Mr. Speaker, I am pleased to introduce today a bill to provide for the placement of secondary school students in internships with aging professionals at administrative, research, and service levels for the purpose of sensitizing our youth to the problems of older people, to dispel negative stereotypic notions youth have about the aged and the aging process, and to encourage them to explore career opportunities in a field of aging.

For too long there has been a lack of career exploration in the area of aging. In the past few decades, however, both public and scientific attention has focused increasingly upon our elderly population, for they comprise the fastest growing group in our society. By the year 2020, over 40 million Americans will be aged 65 and above, compared to 22 million in 1975, and only 3 million in 1900. Due to breakthroughs in medical science, more and more people are enjoying longer lives. In 1900, a person could expect to live an average of 47 years. Today, the average life expectancy is 72 years. In each succeeding decade the proportion of elderly to young in the population will increase.

This substantial growth in numbers of individuals projected to be over 65 in future years is a compelling reason for public attention to focus on the shortage of manpower trained and capable of dealing effectively with an older person's needs.

Dr. Robert Butler, a noted gerontologist and psychiatrist, in testimony before the Senate Special Committee on Aging, expressed his concern regarding the lack of Federal attention devoted to training competent people for decisionmaking positions in the field of aging:

> . . . I would like to make one final point which is the need for training so that we can be assured that we get proper placement to begin with. Perhaps 20 to 40 percent of the people need not even go to nursing homes but could be in less expensive circumstances, home care, etc. To have properly trained people to make those decisions is something we have not really worked on adequately in the legislative authority so far.

Older people deserve a citizenry which is cognizant of and responsive to their plight. In time, as our enlightened public sentiment is translated into new and innovative methods of meeting older peoples' needs, many more jobs will be created in the field of aging. Such job development is not likely to abate and will require a large cadre of skilled personnel to implement effectively.

Our country possesses the resources necessary to meet these predicted personnel shortages—its youth. The current controversy surrounding the youth unemployment problem should prompt the Government to prepare this population for service with the aged—where opportunities for employment will abound. The rate of unemployment for youth has been consistently higher than that for the work force as a whole, and the problem is getting worse. The unemployment rate for teenagers has not been less than 10 percent since 1953; and between 1968 and the present, when the national unemployment rate rose from 3.6 to 8 percent, the teenage rate rose from 13 to 21 percent.

It has always been difficult for students to make the transition from the classroom to the world of work. Youth graduating from high school today are incapable of making informed choices regarding a productive role they can fill in society, with or without education, simply because they have so little contact with the working world and receive little or no skill preparation for such opportunities. Youth need experiences that develop the responsibility, self-reliance, and initiative upon which such informed choices are made. The ultimate success of schools depends upon their ability to provide these opportunities. Yet, formal schooling is carried on in the classroom with little of the learning experience from working in the community or with adults recognized or encouraged. Interpersonal and communication skills are largely ignored, despite the fact that human service employment opportunities in the area of aging are increasing as is the demand for these kinds of skills.

Mr. Speaker, the legislation I am introducing addresses this problem. This bill will provide high school students with work experience through education-related internships with policymakers, researchers, and service providers in the field of aging. This training device will bridge the gap between the world of academia and the world of work, expose youth to career opportunities in aging, and perhaps most importantly, assist to dispel the limited thinking children have about the elderly and their own aging process.

There needs to be an exchange between the young and the old. According to one study, young people fear growing old and thus tend to alienate the elderly. To youth, old people are those who are wrinkled and sad; they chew funny, walk with canes, and sit in wheelchairs all day. Such stereotypic thinking about older persons and the aging process is potentially harmful. In order for children to develop the positive self-concepts necessary for a fulfilling life, they must be able to adapt to their own changing, aging selves.

The Select Committee on Aging, which I chair, found that children may stereotype the elderly simply because they have so little contact with persons older than themselves outside their family unit. Opportunities, such as I propose in the legislation I offer today, must be made available in order that children might develop a positive perspective of the aging process. These internships will enable youth to get to know older people in a variety of settings and serve to assist them in challenging the stereotypes that society has constructed and perpetuated about aging and the elderly.

With the passage of the 1973 amendments to the Older Americans Act, Congress expressed its intent to bridge the gap between the young and old when adding 202(b), which states:

> (b) In executing his duties and functions under this Act and carrying out the programs and activities provided for by this Act, the Commissioner, in consultation with the Director of Action, *shall take all possible steps to encourage and permit voluntary groups active in social services, including*

youth organizations active at the high school or college levels, to participate and be involved individually or through representative groups in such programs or activities to the maximum extent feasible, through the performance of advisory or consultative functions, and in other appropriate ways. (Emphasis added.)

Under title IV–A of this same act, the Administration on Aging—AOA—is authorized to help meet the critical shortages of adequately trained personnel for programs in aging. The AOA supports training programs at institutions of higher learning that provide students with the necessary gerontological knowledge and skills to enable them to serve older Americans in their chosen career or profession. However, to date, the primary responsibility for recruitment and preparation of people for a career in the field of aging has been borne by our Nation's institutions of higher learning. This Federal program does not attempt to sensitize our secondary students to the problems of older persons prior to their entrance into an institution of higher learning or the world of work, despite the congressional mandate to do so.

The Nation and the Congress are concerned about the plight of the unemployed youth as well as the plight of the uncared for older person. My bill is a response to both of these problems. It will amend title IV–A of the Older Americans Act to authorize the Commissioner on Aging to make grants for the establishment of internship programs for secondary school students in the field of aging.

Students participating in such an internship program would have the opportunity to provide recreational, companion, escort, homemaker, and other similar services to older persons; to assist in determining the manner in which policy determinations are made in connection with programs and services in the field of aging; and/or to assist in information-gathering programs and processes relating to problems in the field of aging. Students participating in such internships would receive course credit.

Mr. Speaker, I believe we can no longer afford to ignore the provision the 93d Congress wisely included in the Older Americans Act to encourage youth participation in programs for the elderly. The bill I offer today is a step toward fulfilling that promise. I would urge my colleagues to join me in support of this worthwhile measure.

Last, Mr. Speaker, two people made a very special contribution in guiding the direction of this legislation: Ms. Sharlene Hirsch, national director of Executive High School Internships of America, who generated the proposal upon which this legislation is based, and Ms. Christy von Kaenel of Bowdoin College, who as an intern on the Select Committee on Aging furnished me the information and data necessary to prepare this bill.

I am pleased to insert at this point the text of this legislation:

A bill to amend the Older Americans Act of 1965 to authorize the Commissioner on Aging to make grants for the establishment of internship programs for secondary school students in the field of aging

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Youth Internships in the Field of Aging Act".

STATEMENT OF FINDINGS

SEC. 2. The Congress hereby finds that—

(1) older persons make up the fastest growing segment of the population of the Nation, since, by the year 2020, more than 40,000,000 individuals living in the Nation will be 65 years of age or older, compared to 22,000,000 such individuals in 1975, and 3,000,000 such individuals in 1900;

(2) the increasing number of older persons in the population of the Nation, and the frequency of the medical and social problems experienced by such persons, has created a shortage in the number of persons trained and capable of providing effective assistance and services to older persons in connection with such problems;

(3) the need to expand and improve the quality of life for older persons is not likely to abate;

(4) it is of critical importance that competent individuals who have an understanding of older persons and their problems be recruited to provide effective assistance and services to older persons;

(5) the primary responsibility for recruiting and training individuals for a career in the field of aging often has been performed by institutions of higher education;

(6) incentives must be developed to interest individuals in exploring career opportunities in the field of aging before such individuals begin their courses of study at institutions of higher education; and

(7) a program for the placement of secondary school students in internship programs at administrative, research, and service levels with professionals in the field of aging is a suitable mechanism for preparing individuals for careers in the field of aging.

YOUTH INTERNSHIP PROGRAM

SEC. 3. (a) Part A of title IV of the Older Americans Act of 1965 (42 U.S.C. 3031 et seq.) is amended by adding at the end thereof the following new section:

"YOUTH INTERNSHIP PROGRAM

"SEC. 405. (a) The Commissioner may—

"(1) make grants to any public or nonprofit private agency, organization, or institution, or to any State agency referred to in section 304; and

"(2) enter into contracts with any agency, organization, or institution specified in paragraph (1); to assist any such agency, organization, or institution in the development and maintenance of internship programs for secondary school students at administrative, research, and service levels with professionals in the field of aging.

"(b) Any agency, organization, or institution specified in subsection (a) which desires to receive a grant, or enter into a contract, under this section shall transmit an application to the Commissioner. Any such application shall be transmitted at such times, and in accordance with such procedures, as the Commissioner may reasonably require. Such application shall—

"(1) contain a description of the nature of the project which will be carried out under the grant or contract involved;

"(2) demonstrate the manner in which secondary school students participating in such project will—

"(A) provide recreational, companion, escort, homemaker, and other similar services to older persons;

"(B) assist in determining the manner in which policy determinations are made in connection with programs and services in the field of aging; and

"(C) assist in information-gathering programs and processes relating to problems in the field of aging;

"(3) demonstrate the manner in which such project will seek to—

"(A) interest secondary school students in exploring career opportunities in the field of aging;

"(B) stimulate greater communication among generations, in order to familiarize secondary school students with problems in the field of aging; and

"(C) encourage secondary school students seeking careers in the field of aging to acquire the skills and experience necessary to provide effective assistance and services to older persons; and

"(4) certify that secondary school students participating in such project will receive course credit from the secondary schools involved for such participation.

"(c) For purposes of this section and section 401, the term 'secondary school' means a day or residential school which provides secondary education, as determined under State law, except that such term does not include any school providing education provided beyond grade 12.".

(b) Section 401 of the Older Americans Act of 1965 (42 U.S.C. 3031) is amended by striking out "and" before "(4)", and by inserting before the period at the end thereof the following: "; and (5) by establishing internship programs for secondary school students in the field of aging".

SELECT COMMITTEE ON POPULATION

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. McKINNEY. Mr. Speaker, despite my concern over the expansion of the committee structure in the House, I am a cosponsor of House Resolution 70 and rise in full support of the creation of a Select Committee on Population.

Mr. Speaker, I have consistently and wholeheartedly supported efforts to improve the efficiency of our legislative process through the elimination of overlapping jurisdictions in many House committees. At present there are seven committees in this body with at least limited involvement in population-related issues. However, I see the creation of the Select Committee on Population as a remedial action rather than as a further proliferation of committee jurisdictions. In fact, Mr. Speaker, one of the essential functions of the committee will be to provide a focal point for the widely dispersed activities of those seven standing committees. The new committee will provide the first comprehensive analysis of global and national population trends that I have seen in my 7 years in the House.

In a letter to all Members, our colleague, Representative JOE MOAKLEY, Democrat of Massachusetts, stated that a review by the House Rules Committee of nearly 20 proposals for the creation of select committees resulted in the approval of only two—the Select Committee on Population being one. Mr. Speaker, I stand fast in my opposition to increasing the number and jurisdictions of the committees of this body. However, when problems, such as those resulting from the expansion of world population, be-

come so severe as to warrant immediate congressional attention, we have a responsibility to respond. And, there can be little doubt as to the seriousness of the problems of the world's ever-increasing population.

As my colleagues well know, the 4 billion inhabitants of this Earth may become 8 billion in just 35 short years. Furthermore, there is justifiable concern that the 500 million starving and malnourished people in the world may double in an even shorter timespan. The select committee will be able to provide all of us with a comprehensive analysis of the reasons and potential remedies to these regressive effects of overpopulation. The recommendations of the select committee to the seven standing committees will, as mandated by the provisions of H.R. 70 include the results of research on birth control methods—other than abortion—food reserves, and pollution resulting from population expansion. I expect that the committee will also forecast the implications and possible remedies for unbalanced resource distribution throughout the world—presently 5 percent of the population consumes 33 percent of the nonreproduction resources.

Mr. Speaker, it is the responsibility of each Member of this body to become much more aware of the myriad of problems associated with population growth. Future legislation must reflect our cognizance of worldwide demographics. I therefore urge each of my colleagues to support the committee in order to afford us the opportunity to educate ourselves more fully on these real and present problems.

THE ISSUE ISN'T BERT LANCE

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. BAUMAN. Mr. Speaker, today's editorial page of the Baltimore Sun contains an interesting comment on the real meaning of the Bert Lance affair. I commend it to my colleagues for their consideration in the larger context of this issue:

THE ISSUE ISN'T BERT LANCE

Bert Lance may be at the center of the controversy as daily revelations surface about his activities as a Georgia banker, his personal finances, his 1974 gubernatorial campaign and the casual intermingling of all three. But he is not the issue. With each passing day, each new revelation, Bert Lance in one sense recedes into irrelevancy as his old friend Jimmy Carter becomes more and more the central issue.

This is not to suggest that Mr. Lance's pre-Washington conduct is unimportant. It is important for what it tells of the nation's budget director and should be explored. Nor is it to suggest that Mr. Lance's preoccupation with his personal problems is of no consequence to government. If that were the case, then there would be no need for a budget director. But there is a need, particularly at a time when the administration's first budget is being formulated.

But the core of the matter is President Carter stacked up against Candidate Carter. The Lance affair has revealed a gap between the two, what in times past was called a credibility gap. Jimmy Carter was not elected on the basis of his platform, on a promise to cut defense spending, or to balance the budget, or to reform welfare. His platform was so sweeping and so vague that it evoked an uneasy distrust among many Americans. Jimmy Carter was elected in spite of the shifting specifics of his campaign.

He was elected because he offered a new and higher moral and ethical tone. This was the righteous candidate who said things should not only look right, they should be right; who preached openness and honesty and integrity; who said "We ought not to lower our standards in government. Our government in Washington ought to be an inspiration to us all and not source of shame." Jimmy Carter offered an answer to Watergate, to government by lie, cover-up, evasion and stonewalling.

President Carter, the Lance affair reveals, is something else. He put friendship above all else; he turned aside a report that raised numerous questions and suspicions about Mr. Lance's conduct because that report concluded that there was no reason to indict Mr. Lance. He was, said the President in reaction to that report, "proud" of his old friend.

The matter subsequently has grown more ominous. Mr. Lance is under investigation by several federal agencies with prosecutorial functions. And, worst of all, there are suggestions of cover-up by the Carter inner circle, of a failure to make known potentially damaging information about Mr. Lance before he was confirmed. Yet, the President now stands silent.

Bert Lance will have to answer for his conduct. And President Carter will have to answer for his. The President has expended considerable political capital. He has wasted it away. He has shown himself to be a shadow of the inspiring presidential vision he offered the American people. The time when Bert Lance could rescue his old friend by resigning is past. The damage, severe damage, has been done.

BRITISH-UNITED STATES RELATIONS

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. WHALEN. Mr. Speaker, the new British Ambassador to the United States, the Honorable Peter Jay, addressed the National Press Club yesterday.

Having just read a copy of the text of his remarks. I am impressed by what he articulated and the manner in which he did so. It is clearly an important statement of how the present British Government views its relationship with the United States and should be of interest to Members of the House. For that reason, I insert it at this point in the RECORD.

SPEECH BY THE BRITISH AMBASSADOR, MR. PETER JAY, AT THE NATIONAL PRESS CLUB, WASHINGTON ON SEPTEMBER 7, 1977

Perhaps I may first say a word or two of a personal kind about my first impressions of Anglo-American relations seen from the, for me, very new vantage point of an Ambassador's office and about the new era beginning in my own country. I was first of all very fortunate to be marvellously briefed in London by the Foreign and Commonwealth Office and by many other government departments, by trade union leaders and private corporations and by my eight immediate predecessors at 3100 Mass. Never I would think in the history of diplomacy was so much taught by so many to so few in so short a time. This experience, which had me travelling from Brussels to Belfast as well as up and down miles of corridors and dozens of elevators, left me with an abiding impression of the extraordinary breadth and diversity of the interface between our two countries. I began to believe that there was no one in Britain, no matter what he was doing, who did not feel a burning need to be kept closely in touch with his opposite numbers in the United States or who did not expect the Ambassador to see to it that all obstacles were removed from his path. While this is doubtless an exaggeration and while I at times felt somewhat daunted at having such a flood of intercommunication flowing through my study, I was deeply impressed at the richness, closeness and enthusiasm of the interest and friendshp felt in Britain for the American people and for so many aspects of American life and activities.

Diplomacy, I began to realize—at least where it concerned that multi-lane highway between the US and Britain—was no longer a matter of the measured exchange of elegant pleasantries and occasional exquisite indignation between stately chanceiries, but rather an integral part of the hurly-burly of every day life across increasingly invisible international frontiers. People in all walks of life in Britain are fascinated uniquely with what is going on in the US, with how it may affect them, with the opportunities it may afford them, with new ideas that may benefit them and, above all else, with the living proof which America represents that against all odds and all reasonable expectations problems can be solved and free societies can survive and prosper.

Secondly, I was exceptionally lucky to arrive twenty-four hours before an important round of talks between our Foreign Secretary David Owen and Secretary of State Cy Vance about our joint policy in Rhodesia. Apart from being a rare, instructive and impressive opportunity to see the top foreign policy-making echelons of the Administration—both in the State Department and in the White House—in operation right from the word "go", it seemed to be an object lesson in how business should be done. Indeed, I began to wonder, if all international relations were like this, how there could be so many problems in the world. Of course, it helps when the business is being done between old and close friends and allies who see eye to eye on all the main issues. But I was very struck by the speed and ease of communication, by the automatic assumption of mutual confidence and shared values and by the open willingness on both sides to modify previous thoughts quickly and cheerfully in response to sound points raised on the other side. I realise of course that things cannot always be quite so harmonious; but I do like to think that in relations between the US and Britain we at least always start from third base because we do not have to spend time overcoming differences of values, language and intellectual frameworks. Where we disagree at least we understand how and why we disagree. Take even the vexed question of Concorde's landing rights at New York. We have spent a lot of money with our partners in France building this plane. We naturally want to operate it on the premier transatlantic route for which it was designed. We believe that we are entitled to do so under international agreements and American law. You understand that. But the Port of New York Authority interprets its responsibilities as requiring it to oppose landing rights at Kennedy airport; and it is defending its right

to do so in the courts. There is very strong feeling on the part of some of the inhabitants of the airport area; and there are elections coming up in New York City and State. We understand all that, as we understand that the Federal executive cannot dictate either to the courts or to state and municipal authorities under your Constitution. The matter is being pursued by due—though some would say unduly slow—process of law in accordance with the ideals of the rule of law and an independent judiciary which we like to think of as one of our most successful exports. We know that we shall get fair play and that Concorde will be allowed to prove itself in New York. (And I hope that forestalls all the "have-you-stopped-beating-your-wife" questions which you had planned to ask me about Concorde!)

We take this view because we are a mature and grown-up democracy who confidently believe in the ideals which both you and we profess. A few years ago we might not have been quite so calm. From Suez to the inflation crisis of the mid-'70s we went through a very bad twenty years, which might well have sapped the self-confidence of any but the most blindly proud people. The name of the game was growth; and we were no good at it, though not notably worse than the US, which could, however, better afford to rest on its laurels. Confidence in the standards observed in public life took some bad knocks; and party politics sometimes spilled over outside its proper domain. We could not make up our minds conclusively what was our proper role in Western Europe; and we sometimes found it easier to paper over our manifest shortcomings with wall-to-wall excuses, eked out with the absurd reassurances that, even if the twentieth century just was not quite our scene, this was of little consequence for a nation that had done so well in other centuries and had given the world Magna Carta, thatched cottages and cricket.

But the two years from the summer of 1973 to the summer of 1975 were a true catharsis. We went to the brink, looked over and frankly did not fancy the drop. A new realism began to spread through the country. British trade union leaders put together the toughest and most successfully policed two years of pay restraint that we have seen, even though this went with the first sustained fall in real living standards in post-war memory. The Chancellor sat on the money supply, which followed a course of steady disinflation that Professor Milton Friedman himself might have charted. The budget deficit was brought under control and was consistently smaller, in relation to the size of our economy, than those of the U.S. and West Germany. The stock market has now recovered more than all the ground it lost from the early days of 1973 and looks set fair soon to achieve new all-time peaks, though it will take a little longer, no doubt, to make up the ravages of mid-decade inflation as well. Inflation is now coming steadily down. The balance of payments, helped by the fruits of the North Sea and the Chancellor's dogged refusal to let home spending rip is moving briskly into a large prospective surplus. Britain's reserves are now rising so rapidly as to be almost an embarrassment. The pound is steady and foreign investors are increasingly looking towards Britain, a land without Eurocommunists, grave political uncertainties or astronomic labour and other costs, as one of the most attractive outlets in West Europe for industrial and commercial expansion.

But the change goes much deeper than these favourable cyclical trends. Being cyclical some of them will doubtless turn unfavourable at some future point; and I would not wish to base a case purely on those kinds of shifting statistical sands. The new realism reflects a change of heart which is:—

In part a product of the experience of the early to middle 1970s;

In part a product of a new generation in all parts of our national life who newer knew the era of Empire and great-power status and so have no hankerings to go back to an irrecoverable past, who caught the American preference for success over the most elegantly justified failure and who have begun to show how realism allied to imagination and inventiveness can begin to transform the old stereotype of the necessary relations between capital and labour;

And in part the product of a new leadership in our national life which prefers facts to fancies and which is determined to give priority to policies that strengthen the nation over a decade rather than to postures which may grace tomorrow's headlines. As the Prime Minister put it to me as we walked the white cliffs overlooking the English Channel the weekend he took over the government, he saw his role as being that of Moses, to lead the people away from Egypt into the desert in the direction of the promised land even if it were never given to him to see it. That struck me then and strikes me now as the language of realism and statesmanship; and we already begin to see its fruits.

This change of heart has not only been apparent in Britain's domestic affairs: it has been exemplified also in our dealings with the world. The decision of the British people in 1975 to confirm their membership of the Common Market was decisive, laying to rest a long and unsettling debate about the form of our involvement in Continental affairs. This has given new and practical significance to Winston Churchill's old saw about Britain's unique position at the natural intersection of European, Commonwealth and Atlantic relationships. That role is no longer based on a real or illusory status as a global power, though Britain's long experience in international affairs and the Labour Party's traditional belief in a principled foreign policy, based on the ideals of universal human rights and self-determination, are together proving an invaluable heritage in today's conditions. Thus we have seen this year steadfast and prompt British support for President Carter's stand on human rights, unprecedented Anglo-American cooperation in Southern Africa, important developments in political cooperation in Western Europe under the British Presidency and a constructive contribution in the Paris North-South Dialogue, where all three axes of our world relationships come together. Without any lingering pretensions beyond our means we have settled down in a sensible pursuit of our reasonable interests and ideals whenever our history and our skills enable us to aim at practical achievements.

But, of course, we are not going to overcome the problems of decades—indeed, so far as our poor growth performance is concerned, of over one hundred years—in a brief span of years. It is a long hard hike through that desert. We shall certainly go through a very rough period this fall and winter as we adjust to the return of free bargaining over pay. Re-entry is always a scorching experience; and when you are dealing with the free decisions of twenty-three million independent-minded working people you can not expect to fine-tune the process with all the accuracy of a NASA computer. Yet, even here, we already see favourable signs: carworkers who are not willing to be led into industrial confrontation which they believe unjustifiable and unprofitable; the government airports authority which is resisting strong pressure to set a dangerous early precedent; and other encouraging straws in the wind. I am sorry about the inconvenience to the travelling public in the case of the Heathrow dispute. I can think of no greater misery than to spend hours stuck on the ground in an airliner waiting to take off. But there is something even more important at stake, and I believe that most travellers know that.

I give you fair warning, Mr. President, that we are back in business in Britain, not because we have solved all our deeper problems—we are only starting on the most urgent—but because we have recovered our self-confidence and our self-respect, because we are no longer divided on the fundamentals of economic realism, because decency and trust are beginning to return in our public life, above all else and quite simply, we are fed up to the back teeth with failing and introspection and we are coldly determined that over the next twenty years we are going to succeed.

And that I believe will be the best foundation for the continuation and reinforcement of that special friendship and mutual enjoyment with the U.S. which is, as David Owen put it to me on television earlier this year, the most important relationship we have.

"A GREAT WOMAN IN A GREAT CITY"

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. MILFORD. Mr. Speaker, I would like to share with you a story that was published in the Sunday Magazine of the Dallas Morning News about one of my good friends in Irving, Tex. First, I think you should know that Irving is a suave, sophisticated city and rather conservative in philosophy. In many ways, this city of 118,000 people is the typical "suburbia" often sterotyped in TV shows.

Recently, Jackie Townsell, who is both female and black, defeated a white male realtor to win a seat on the Irving City Council. I think it is an interesting story.

Politics is not Jackie's only claim to fame . . . she cooks some of the best food in the district. Both my staff and I enjoy eating at Jackie's grocery-cafe where you can always find the best black-eyed peas around.

Mr. Speaker, I include this article written by Mike Granberry in the RECORD:

IN PLACE IN IRVING

(By Mike Granberry)

The stringy-haired, buck-toothed teaser limps in with a grin, plops down to a hot plate of meat loaf and cabbage and expresses unequivocal, unabashed displeasure.

With a smile as big as Dallas and a falsetto that would fill Gomer Pyle with pride, he declares, "All I need me is some YEW-TIN-SILLS!"

First one laugh, then another. In moments, everyone in Jackie Townsell's Irving, Texas, grocery-cafe is laughing like a seasoned idiot. Epidemic laughter, Jackie leading. Guffaws, running rampant.

Welcome to the House of Good Feeling.

Soon, the country-talkin' cane-poker is fitted with knife and fork and is gobbling cream corn and slurping strawberry Kool-Aid from a Mason jar as if his last meal had been set before him. "Jackie," he drawls, corn dripping out the side of his mouth, "I'd vote for yew inny-time!"

"Thank you," she replies. And laughs and laughs . . .

The noon rush over, Jackie herself settles down to a jar of Kool-Aid and an hour of quiet conversation. Only a few latecomers remain, munching diligently in the corner.

"I'm the only woman on the Irving City Council," Jackie declares, "and that is no problem for me. I speak out and say what I want and handle myself in the most business-

like manner possible. Men understand that, you know."

The men in the corner could be a trio of extras taking leave from "Straw Dogs." Or characters from the pages of a D. H. Lawrence novel. The men are mechanics, and they are greasy. They even joke about the odor they carry.

Hearing Jackie's remark, the curly-haired man rises, holds his cornbread high in the air in mock salute and cries out, "Amen, brother! Ahhhhhh-Men!"

Jackie laughs.

To a politician like Jackie Townsell, such endorsements are often worth free meals. But everyone pays at Jackie's place, and everyone gets their money's worth: all-you-can-eat, $2.50. And almost no one walks into or away from Townsell's Grocery without feeling embraced.

The air in there is certainly warmer than it is in anyone's political headquarters. Besides Jackie's omnipresent laughter and home cooking, a two-tone cat curls up in the corner and naps for a solid hour. Dust gathers on the Hershey bars as if, by God, it belonged there. Two boys, one black, one white, wearing boxer shorts, wrestle over a Dr Pepper bottle that is half as big as they are.

Jackie's mother, Mrs. Ola Howard, who along with Mrs. Ruby Collins cooks most of the vittles, takes swipes at three flies trying to kamikaze their way into the meat bin.

Follow the sloping ceiling and rutted floor of Jackie's general store all the way to the characters hunched in primitive chairs in the back corner. Past the Tide, Wonder Bread and Hostess Twinkies. Even past the Lifebuoy. Way past the Lifebuoy. Quick to admit that Jackie is an Irving folk hero, these pot-bellied boys are even quicker to confirm that they'll be back, again and again.

Politicized fork-movers have always frequented Townsell's Grocery, but lately more and more have been stopping in, having heard of or read about Jackie and wanting a piece of the action. Like a piece of peach cobbler, served up after cornbread and meat loaf and strawberry Kool-Aid.

Jackie Townsell's popularity base began building seventeen years ago, she suspects, when she and husband Jimmy first opened a grocery store in the muddy Bear Creek community of West Irving. A behind-the-scenes grassroots political organizer, Jackie started stuffing hearty meals into the stomachs of hungry callers five years ago. Food became the ultimate unifying force, luring eaters of all ethnic origins. "Me and Jimmy used to live here," she says, pointing to the back door where the bedroom used to be. "I'd be cookin' and people'd want some. I figured I'd better make 'em pay for it."

Which is cause for a good-natured laugh. And another. Looking "lean and mean" in summer blouse and blue jeans, Jackie appears much younger than 41, the mother of a man of 26. A fan of her own cooking, she is one of those rare individuals who can stomach great quantities of food and at the same time struggle to keep her weight up. Infuriating, those people are. But Jackie more than makes up for it. Good feeling comes as naturally to her as a giggle or a grin. Opportunity is a constant companion. The luckiest of accidents appear to happen to her as often as the grocery door swings open, as often as she smiles, takes another bite or greets a newcomer.

Truly blessed by chance—"I *have* had a good life," she says—Jackie is equally endowed with a gift for gab. Storytelling is as much a part of the store scene as political theorizing. Jackie is a laugh-along ringleader whose laugh is almost always the last. And for whom votes, when the time came, were as naturally easy to come by as belches of satisfaction.

The time was April, when Jackie defeated two challengers for a city council post. White realtor Jack Spurlock finished second; retired Navy man Johnny Watson, third. Watson visited the store, offering congratulations. Spurlock was never heard from.

"You wanna know how all of this started?" she says now, turning a capped hot sauce bottle upside down and watching its contents flow thickly to the top. "We used to sit around and talk about things—that's how it all got started. We'd talk about this amendment, that resolution—the world or the local situation in general. We'd discuss and cuss, agree, disagree, hash it out just to pass the time.

"I can remember first being really concerned long about 1968. But that wasn't the time for a black woman to run for office in Irving, Texas. Gradually, I got better and better feelings about running. Knowing when to run—why, people just made me feel it. Made me feel like I ought to.

"My white friends gave me the go-ahead to run. They asked that I put together a resume, list everything that I'd done in the last five years." She laughs. "They were shocked *and* impressed. It was so long." Laughs again. "One thing leads to another—don't you know?

"I feel delighted to be elected," she says, mentioning that she had lost a council seat by 225 votes in a runoff three years ago. Long active in civic affairs, Jackie preceded her council bid by serving as precinct chairman, a post she resigned to run her April campaign.

"To know the kind of people we have here—progressive proud people—makes me feel pride. I'm happy just being associated with them. I have so many friends, I'm filled up with tears just thinkin' about 'em . . .

"You know," she continues, "I don't know what a person would do without friends. A friend is someone I talk to whenever I'm low. Someone I call up whenever I want. Someone who's always there. Friends mean love to me, no matter what color they are.

"See, I see myself as a voice, a voice of all the people. I want to listen to the needs of those less fortunate than me, through I resent 'black spokesman' tags. I'm not a spokesman anyway. I'm a spokesperson." she laughs.

"Understanding means a lot of things, and I want to be all of the things to all of the people all of the time. Seriously, I'm for the entire city, all of Irving, not just West Irving. I have no hangups about black or white, rich or poor. I serve all. All elected me."

Race is a moot point in Jackie's store. Whites and blacks trade tidbits of gossip between bites and swallows. A white council member walks in, waves to Jackie and takes a chair. An old black peddler, wearing a red cap and poking the floor with an oak cane, sits down beside him. "How ya been?" the men say.

"The Sixties opened a lot of eyes," Jackie says "On both sides, black and white. Blacks were as prejudiced as whites. But people's minds have mellowed. Who you are is more important than what color you are.

"Martin Luther King was a hero of mine, and my other heroes were Mother and a white woman I used to work for. Both taught me to cook, and Martin Luther King is responsible for improving race relations, almost totally responsible. Martin Luther King taught me and a lot of other people how to love."

Politics and food have a way of infecting Jackie in the way that she infects others. Delightfully, with an innocence that seems to promise everyone no harm. "You've got to love politics," she says. "I certainly didn't get into it for the money (for council members, $100 a month). Prestige may be involved, but it's more the prestige of the people that I care about.

"I've always been a Democrat, though. I've always read the paper. I've always been obsessed with politics. Little sister (Jackie is the eldest of three daughters) always read the funnies." She laughs, turns serious, shifting again her train of thought.

"You know what we need to do? We here in Irving? We need to stop building and start *repairing*. We're building too many new, unnecessary roads. We need to repair, then build."

Roads are among Jackie's earliest memories. Her Bear Creek ties run deep, beyond her West Dallas birthplace, from which she moved at the age of eleven to a hollow hamlet "where the roads were dirt and stumps were all over. We'd slosh home in the mud, couldn't drive to save ourselves and had to hike to school. I met Jimmy about then—we were just kids." She laughs. "He was seventeen, I was fifteen." Laughs again. "I knew I couldn't help fallin' in love.

"You know, Jimmy's boyhood dream was to build a store. He was raised close to Terrell. His parents were sharecroppers, and he used to walk to a store that a white man owned. That man was a hero of Jimmy's. He used to give him candy and stuff. Jimmy always wanted a store just like his. He talked about it the whole time we were courtin'.

"When we got it . . ." She's laughing now. ". . . it wasn't anything like he thought it would be. He didn't last long. So who's kept the store? Me, that's who."

But nowadays, Jimmy works a full day at Dresser Industries, then comes home to mind the store while Jackie attends meetings, civic functions or political rallies. "He's a good man," she says. "You oughta see him play jacks with the kids in here, always sayin', 'Mistuh Jimmy, would you play us some jacks?' Whoooooee! He'd kill me if he knew I'd told that!"

Playing jacks, checkers, tuning in jazz, rock, even country blues—these are the lighter aspects of Jackie Townsell's lighter side. "I enjoy being alone at night, coming back from a meeting or a talk. I can think then.

"And, no, I don't enjoy campaigning. I hate it. Beatin' on doors, runnin' here, runnin' there—it'll wear you out. Some of my friends said, 'Jackie, you're crazy! We wouldn't do that for nothin'!'

"I never, as a big girl or a little girl, thought I could be a politician. I didn't even know what a politician was. I always wanted to be a secretary. Takin' messages, typin'—that's still a dream of mine.

"Am I serious? Of course. And I will never, ever run for higher office. By the time this is over, I'll be old and gray . . ."

And Jackie Townsell laughs again, at herself, with you, a warm sound that sticks to the ribs of your mind through the after-lunch afternoon.

LOCAL GOVERNMENT RIGHTS MUST BE PRESERVED

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. LENT. Mr. Speaker, as the Congress is in one of its budget-conscious periods this week, I believe it is appropriate to discuss what I view to be a misapplication of Federal funds which has gone virtually unnoticed outside of

the New York Metropolitan area. In specific, I refer to a proposal put forward by the Tri-State Regional Planning Commission staff which recommends that an additional 40,000 units of low income housing be constructed in Nassau County, N.Y., between 1980 and 2000.

The Tri-State Commission, pursuant to the Intergovernmental Cooperation Act of 1968, is delegated the authority to act as a regional clearinghouse for review of application for Federal aid made by the local governments of New York, New Jersey, and Connecticut. Under the 1968 act, Congress required that "every effort should be made to take into account the viewpoints and objectives of State, local, and regional planning." The very legislation which established the Tri-State Commission states:

It is not the intent of this Act nor shall it be construed to restrict or diminish any powers heretofore or hereafter conferred by law upon any political subdivision of the State or any governmental agency, state or local, included, without limitation, powers related to planning and zoning.

What the Tri-State Commission has done, in violation of its mandate, is propose that the power to zone be taken away from local governments in Nassau County so that a grandiose scheme of "fair share housing" which would provide for the construction of a predetermined number of low income dwellings each year for the next generation, could be put into operation.

What is especially disheartening about this entire affair is that the Tri-State Commission's recommendation was made without the input of the citizens who would be affected by it. The Tri-State Commission is composed of 15 members, five from each of the three member States. Of these 15, only two are elected officials—neither from New York. In fact, there are no suburban New York representatives on the commission, and New York's Governor recently vetoed a bill which would have provided for such representation. A recent editorial in Newsday stated:

Tristate is supposed to conduct regional planning and coordinate federal aid applications for the metropolitan segments of New York, New Jersey and Connecticut. In fact, its bulky bureaucracy has no plan, is unrepresentative of the widely varied jurisdictions involved and has stood by while some suburban communities were short-changed on Federal funds.

Mr. Speaker, sometime in this Congress we will be considering amendments to the Intergovernmental Cooperation Act, and it appears that the trend is toward the establishment of organizations similar to the Tri-State Regional Planning Commission. While I recognize the importance of planning on an areawide basis, it is my sincere hope that we will not forget about the traditional rights and responsibilities of local governments and the taxpayers who must foot the bill. I hope the new legislation will require that the views of local governments be given fair and balanced treatment, so that areawide planning organizations cannot twist the regulations to suit their own needs, and to implement "social engineering" schemes in someone else's neighborhood.

MINIMUM WAGE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. ANDERSON of Illinois. Mr. Speaker, the debate on legislation to increase the minimum wage has been pervaded by the false belief that an increase in the minimum wage will mitigate poverty. In the following letter from the August 8 issue of the Wall Street Journal, Carolyn Shaw Bell points out that poverty relates to a family's income—not a particular individual's wages. Given the propensity toward multiworker families in today's society, an increase in the minimum wage will not go hand in hand with an increase in a family's income, thus bringing them out of poverty. To the contrary, multiworker families could be disadvantaged by any significant increase in the minimum wage. If employers react to a minimum wage increase by eliminating some marginal jobs, a family where both parents and one older child were employed might have less income due to the unemployment of the wife or child.

What is important to remember is that although economics and statistics can be used coldly to predict what might happen, ceteris parbus; as decisionmakers, we must attempt to predict the side effects of any legislative cures we propose. Ms. Bell's letter urges us to see the human side of the minimum wage issue, and cautions against the argument that an increase in the minimum wage will decrease poverty.

The letter follows:

POVERTY VERSUS MINIMUM WAGE

News items about the minimum wage have repeatedly quoted a figure of $2.93 or "about $2.95" per hour as the "federally established" poverty line. In fact, no such poverty figure on a per hour basis exists. By including the valid statement that three million workers earn the minimum wage or that six million earn less than $2.65 hourly such reports give a totally erroneous picture of widespread poverty among workers at the minimum wage.

Poverty concerns income, not wages, and poverty varies according to the number of people living on a given income.

The $2.95 per hour quoted comes from dividing the annual poverty-level income for a four-person family by 2,000 hours—the normal work-year. But there are less than four million four-person families in the country supported by one worker, and there is no evidence that they are all in poverty. Of the families of all sizes supported by one worker, two million fell below the poverty level in 1975, but there is no evidence that raising the minimum wage would help them all. To equate an hourly wage that applies to all workers, who may be single or living in a family with other workers, with the minimum income for four-person families is just plain wrong. The battle to raise the minimum wage should not be fought on the grounds of poverty.

CAROLYN SHAW BELL.

In addition, Mr. Speaker, the August 29 edition of Time magazine contains an enlightening article on the plight of the American underclass. These untrained and undertrained individuals face innumerable bars to employment, one of which is an unnecessarily high minimum wage. The most important step in improving the situation of the poor is for them to secure employment; it is an erroneous assumption for us to believe that we can legislate the poor—many of whom are unemployed—out of poverty by increasing the minimum wage. As the Time article suggests, one way to increase the employment of teenagers would be to subsidize a portion of each youth's wages, thus promoting hiring of the young. In the absence of a youth wage subsidy, we should enact a minimum wage differential for teenagers, to encourage employers to invest in the training of young people. A portion of the article of particular interest follows:

There is also a great need to tear down, or at least lower, the many barriers to employment that confront the unskilled, the unlettered and the immobile. One obvious bar is the overly strict and exclusionary union apprenticeship rules. They should be relaxed—despite the howls certain to come from trade unionists.

A still more controversial barrier to employment is the minimum-wage law. Now $2.30 an hour, the minimum will probably be raised by Congress to $2.65 next year and around $3.15 by 1980. Of course, the talents of many members of the underclass—particularly the unskilled young—are not worth that much off the street. Employers would rather hire someone who shows more evident promise of further promotion—or not hire at all. The minimum wage, says Sociologist Riesman, is the product of "an alliance of the better situated labor unions with the liberals against the deprived and the elderly, whom people would otherwise employ for household or for city work that now doesn't get done." Adds Stanford University Labor Economist Thomas Sowell, a black: "Talk about people being unemployable is just so much rubbish. Everybody is unemployable at one wage rate, and everybody is employable at another." Perhaps not quite everybody. In a free economy, there will always be some small fraction of people who lack the skills or discipline to work. But there is a lot of work that needs doing—cleaning up parks, repairing abandoned buildings, taking part in the burgeoning service trades—at reasonable wages.

Congress has been considering a proposal to reduce the minimum wage for all teenagers to 75% of the adult minimum, but that might just inspire employers to hire well-schooled middle-class youth at the expense of older workers. A better compromise, suggested by Harvard Economist Martin Feldstein, would be for the Government to subsidize minimum-wage payments to the youthful unemployed. Directed specifically to the underclass, the program would allow businessmen to pay a fraction of the cost for jobs that they might otherwise refuse to fill. Another wise Government investment would be to shift some federal funds to more and better mass transit, which, beyond all its benefits to the environment, would give the underclass access to all the new job opportunities in the suburbs.

THE REAL CANAL "GIVEAWAY"

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. OTTINGER. Mr. Speaker, few national issues have been so clouded in rhetoric and emotion as the recent Panama Canal Treaty. Perhaps, the

clouds can be cleared for a moment for people of all persuasions to see some of the real questions which this treaty poses.

On Tuesday, September 6, 1977, Tom Wicker's article in the New York Times described the challenge which the real canal "giveaway"—giving away our relations with all the Latin American nations for the future—poses to our Nation. I submit for the RECORD the text of the article by Mr. Wicker:

THE REAL CANAL "GIVEAWAY"

It's now evident, if anyone ever doubted it, that deep and emotional hostility to the "giveaway" of the Panama Canal presents the Carter Administration and the Senate with a powerful challenge. Perhaps even more so than in the case of the Vietnam War, the test is whether the American people, governed as they are, can adapt themselves sensibly to a changing international order.

The Panama issue is not beclouded by the patriotic need to "support our boys" in combat or the presumed necessity to "stop Communist aggression." Rather, in this instance, the nation is being asked to do what Britain, France, Belgium, Portugal, the Netherlands have already done with varying degrees of reluctance—given up colonial outposts no longer vital to their economic or security needs, whose people are no longer willing to accept outside domination, and whose continued subjection to it would inevitably lead to political disaster, possibly to lingering and unwinnable guerrilla war.

So there's only one real question about the Panama Canal treaties evolved by negotiators for the Ford and Carter Administrations, and scheduled to be signed by Panama and the United States in Washington on Sept. 7. Can the United States yield a major colonial holding by an orderly political process and after negotiations pursued over 14 years and through four administrations of both major parties?

The answer is not clear because of the American treaty ratification process. Two-thirds of the Senate must vote to approve the canal treaties; senators are elected by the people; popular opposition to the treaties is widespread; hence senators who know better may be forced by their constituencies to vote against treaties that in other governing systems would be more nearly subjects of executive decision.

The arguments Mr. Carter and his lieutenants can make for the treaty are ample and persuasive—if heard with an open mind. The canal is no longer vital to American commerce, either for coast-to-coast traffic or international trade; it is now of small military importance; most major naval vessels of today and the big oil supertankers are too wide to use the canal; and in any case, the treaties amply provide for the neutrality, openness and military protection of the waterway.

Panama, moreover, passionately and understandably aspires to control of its own territory and to a greater share of the economic benefits the canal still yields. Latin-American nations without exception, even those with right-wing governments, support Panama's demands. Nothing could be more advantageous to the United States among these nations, or in the third world generally, than a peaceable transition in Panama—and nothing would be more disastrous than American refusal now to ratify treaties so long and difficult in the making.

Against this compelling case, Senator Strom Thurmond states the absurdity that a canal across the middle of Panama is "a United States canal adjacent to Panamanian territory." Ronald Reagan inaccurately states that most Latin-Amerlcan nations have "depended upon the knowledge that the canal will be run impartially and efficiently by the United States"—which not only ignores the support of these nations for Panama but none too subtly implies that Panamanians could not run the canal "impartially and efficiently."

Actually, most treaty opposition seems based on factual contentions less than on a vague but visceral feeling that the United States has let itself be "pushed around too much," that the canal symbolizes American power and that somehow the power itself, rather than the symbol, is about to be relinquished.

It is to this understandable if uninformed sentiment that treaty opponents appeal when they speak of a "giveaway." That was the word employed by John S. Buckley, aged 24, the new national chairman of Young Americans for Freedom; and that was the word also used by former Treasury Secretary William Simon, who—unlike Mr. Buckley—is old enough to know better, particularly since the treaties are supported by his former colleagues, Gerald Ford and Henry Kissinger.

Mr. Simon did not specifically oppose the treaties and, upon studying them, he no doubt will come to see that they do not "give away" anything either worth having or securely held. If anything, to reject the treaties now would be the real "giveaway"—of the possibility of a peaceful and equitable solution to the nation's oldest and most difficult problem of hemisphere relations, and of the distinct political and diplomatic gains likely to be made from the new situation.

What would approving the treaties say to our allies around the world, Mr. Reagan has asked, "about our leadership intentions, our international role . . . our national defense capability?" It would say that the United States, if not all its political leaders, has grown up in its world view and in the uses of its power.

VA OUTPATIENT CLINIC FOR BROWARD COUNTY

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. BURKE of Florida. Mr. Speaker, I rise today to advise my colleagues of the introduction of a bill to provide for the establishment of a Veterans' Administration outpatient clinic in Broward County, Fla.

In 1967 when I was sworn in as the Congressman for Broward County, Fla. I started working for improved veterans services for my constitutents. I have sought in each of my five terms in the House of Representatives to establish a veterans hospital in my county.

Despite the obvious need for such a facility, the Veterans' Administration has repeatedly refused to establish any kind of medical facility in the county. Although I can recognize and appreciate the need for evaluation procedures and study methods by the VA, I also recognize these methods are too slow to cope with the fantastic growth in Broward County. When I moved to Broward County in 1949, there were 50,000 people living in Broward County. Today there are 1 million people living in the same geographic area; 116,000 by current estimates, are veterans. 116,000 is a large population. In fact, it approaches the population of cities such as Riverside, Calif., Lubbock Tex., Lexington, Ky., and Worcester, Mass. To deny a population of 116,000 veterans a medical facility within easy access is contrary to the intent and purpose of the Veterans' Administration. But that is essentially what is happening. The nearest VA hospital is in Miami which is 24 miles from the Broward County seat of Fort Lauderdale. The distance to the nearest VA outpatient clinic in West Palm Beach is 40 miles. Public transportation to these facilities is inadequate where it exists at all and it does not exist in many places because local governments have not been able to keep up with the tremendous growth in population. Therefore, Broward County's 116,000 veteran population are faced with at least a 30-mile trek to a VA facility. The Miami Veterans Hospital is completely bogged down with work because Dade County is also growing rapidly and veterans are also moving into that area as well as into Broward. The result is that Broward veterans must wait hours to see a doctor. Because of waiting cases the doctor may be able to give only a perfunctory examination which may not be what the veterans deserve. The outpatient clinic set-up at West Palm Beach, which opened on July 12, 1976, is more remote and inaccessible to Broward County veterans, and services are far more limited.

Mr. Speaker, as days go by the need for a VA outpatient clinic becomes more pressing in Broward County. It is estimated that between 800 and 1,000 veterans move into Broward County each month. The facilities available to them in Miami and West Palm are already insufficient. Despite this, the Veterans' Administration advises that it has no plans at this time for the establishment of an additional medical facility in Broward County. I hope that my colleagues will agree with me that these 116,000 veterans living in Broward County deserve better treatment by the VA and I hope you will join with me in supporting my bill for establishment of such a facility.

U.S. UNICEF IS A TRICK, NOT A TREAT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. McDONALD. Mr. Speaker, with Halloween and Christmas drawing near, UNICEF supporters in the United States will again be attempting to use our children to collect money and persuade Americans to send out their atheistic Christmas cards. Appropriate posters will be displayed showing UNICEF feeding milk to hungry children. But where does your contribution go? Three out of every four dollars goes to overhead, Forbes magazine recently learned. The item from Forbes dated September 1, 1977, follows:

U.S.' UNICEF IS A TRICK, NOT A TREAT

When a Forbes reader recently received his regularly scheduled appeal for funds from

the United States Committee for UNICEF, he decided to check with the National Information Bureau (Forbes, Mar. 1, p. 16) and learned the following:

"An inserted correction to the U.S. Committee's 1975 annual report indicates that the $8,314,287 'allocated to UNICEF' by the Committee 'includes payment of the direct production costs of greeting cards and calendars incurred by UNICEF itself, estimated to be $1,521,000.' In a footnote to the annual report, the Committee states that reported expenses of its own activities, totaling $4,014,960, do not include these direct production costs."

"By the NIB's estimate, using the U.S. Committee's formulas, about 26 cents out of every dollar raised by card sales was available to UNICEF for its program activities."

In other words, relatively few of the pennies collected by Halloween Trick or Treaters and only 26 percent of the funds raised by Christmas card sales get to UNICEF for its purposes.

Trick or treat?

AIRBAG ALERT: NHTSA AIRBAG DEMONSTRATIONS PHONY

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. SHUSTER. Mr. Speaker, the National Highway Traffic Safety Administration, NHTSA, is engaging in a deceptive campaign to win public support for the Federal order mandating airbags/passive restraints in all cars beginning in 1981.

NHTSA officials have been traveling around the country and showing Members of Congress an airbag demonstration using a specially designed simulator.

The demonstration is a phony!

The NHTSA zealots, in an attempt to win public support for the airbag, are deliberately misleading the public by using an airbag simulator that is substantially different from the airbag you would get in a car. The airbag in the demonstration vehicle inflates in 4 to 5 seconds, or about 20 times slower than it would inflate in a production vehicle.

Therefore, the noise level is also substantially lower and the startling effect less pronounced than in a real crash situation.

The airbag in the demonstrator is also repacked, which would not be possible after an airbag deployment. The fact is that the entire airbag system must be replaced at a cost 2½ to 3 times greater than the factory installation cost.

Repacking the airbag in the NHTSA airbag show, even though a disclaimer is announced before the inflation, could lead many people to conclude wrongfully that a deployed airbag can just be repacked and used again, instead of replaced.

Other distortions in the demonstration include:

The airbag simulator deflates much slower than an actual deflation, thus indicating erroneously that protection might be extended for secondary impacts.

Nitrogen tanks are used to inflate the airbag in the demonstration, despite the fact that both NHTSA and most airbag manufacturers have indicated that new-generation airbags will be detonated with sodium azide, which is a highly toxic and explosive chemical compound.

The NHTSA airbag show is a phony, from start to finish. Even though the demonstration is explained at the beginning, viewers could quickly forget what they heard because of the dramatic impact of the exploding airbag.

I seriously question the appropriateness of Federal officials, at taxpayers' expense, traveling around the country promoting a particular point of view. The Federal Government is supposed to be impartial and objective, and not take part in selling the American people on their products.

I urge everyone who sees this demonstration to keep in mind that what they see is not what they will get if they are forced to buy an airbag. Rather, they will get an unproven, costly, high technology device which may or may not work.

MAYOR MICHAEL A. BILANDIC OF CHICAGO

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. RUSSO. Mr. Speaker, recently I was pleased to have the opportunity to serve as honorary chairman of a dinner honoring our esteemed Chicago mayor, Michael A. Bilandic. Mayor Bilandic was chosen by the Jewish National Fund of Chicago as the recipient of their coveted Boneh Israel/Builder of Israel Award.

Today I would like to tell my colleagues a little about our new mayor and also share with them the remarks I made on the occasion of the dinner honoring him.

Mayor Bilandic has been a life-long resident of Chicago. He received his B.S. degree from St. Mary's College, Winona, Minn., and juris doctor degree from De Paul University College of Law.

During World War II he served as a first lieutenant in the Marine Corps in Pacific campaigns. Prior to his service in the Pacific, he was graduated from the Marine Corps V–5 program at the University of Notre Dame.

After becoming a member of the Illinois Bar, Mayor Bilandic engaged in the private practice of law. He has also served as a master in chancery of the circuit court of Cook County and is a former special assistant to the Illinois attorney general.

As a member of the city council, he had served as chairman of its committee on finance since 1975. He was also chairman of the council's committee on environmental control and vice chairman of the committee on committees and rules.

He is a member of the board of directors of the Central YMCA Community College and the Valentine Boys Club, and he serves on the Law Council of De Paul University College of Law.

He was elected mayor of Chicago on June 6 of this year after serving as alderman of Chicago's 11th ward for 8 years. At the time of his election he was the acting mayor chosen by unanimous vote of the Chicago City Council to fill the vacancy created by the death of the late Mayor Richard J. Daley.

Following are the remarks I made at the dinner for the mayor and I welcome the opportunity to place in the CONGRESSIONAL RECORD my own thoughts on this outstanding public servant:

REMARKS OF MR. RUSSO

It is with great pride and pleasure that I am here tonight in the capacity of Honorary Chairman of this dinner honoring our distinguished mayor, Michael A. Bilandic.

The Jewish National Fund of Chicago is an organization whose extremely worthwhile cause is to bring about social renewal and justice not only for the Jewish people but for all of humanity. This evening, the Honorable Michael Bilandic is the recipient of the Jewish National Fund's most prestigious award, the Boneh Israel/Builder of Israel Award. The members of the fund have done well by their organization in honoring our mayor tonight for he too is dedicated to that very same cause not only for the residents of Chicago but for all of humanity as well.

Mayor Bilandic is truly a unique individual who possesses the qualities of a superior leader. He retains both a keen awareness and sensitivity to the needs and desires of those whom he represents and is devoted to the prosperity of our great community. Chicago has long benefitted from his outstanding service and thus will continue to reap the benefits of his guidance now more so than ever since his election as our new mayor.

Being conferred upon him this evening is an award which establishes a forest in the Judean Hills of Jerusalem that will bear the name of Mayor Michael Bilandic forever. Please know too, your honor, that both our city and our hearts will also forever bear your name. I am confident that all of the members of the Jewish National Fund and the residents of Chicago join me in congratulating you for this great honor being bestowed upon you this evening and in wishing you continued success in all of your future endeavors. Thank You.

"FRIENDS" IN SOUTH KOREA?

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. JACOBS. Mr. Speaker, it is regrettable that on yesterday the House chose not to send a clear message to the Government of South Korea with regard to its harboring of a fugitive from justice in the United States.

Two amendments to the budget resolution were offered on this subject.

The first, in effect, simply said to the South Korean Government, "Stop harboring the fugitive or we shall stop sending you bread."

I offered the second amendment which, in essence, said to the South Korean Government surrender the fugitive from American justice you are harboring or we shall not only stop sending you bread but also military equipment.

Question. Why would a dictator care whether we supply him with bread to give his people so long as we continue supplying him with guns to keep them

in line? Which amendment could really be expected to bring back the fugitive?

We hear a lot about our friends here and there in the world in argument for our tax money to help them. It seems that our "friends" in South Korea are the proverbial friends in need who are not all that friendly when it comes to a tiny gesture of reciprocity.

TAX DEDUCTION FOR REMOVAL OF DISEASED TREES, H.R. 8844

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. FRASER. Mr. Speaker, I have introduced legislation to permit property owners to deduct tree removal costs from their Federal income taxes when such removal is required by Federal, State, or local law as part of a program to control the spread of tree diseases caused by pests.

Urban trees are an important feature of our living environment. They enhance our neighborhoods and increase property values. They also reduce erosion and air pollution. In cities they are especially desirable because of their general adaptability to varied environmental conditions.

However, a variety of tree pests have become rampant in our cities. These include infectious diseases of relatively minor incidence such as oak wilt, persimmon wilt, maple wilt, and sycamore canker. One of the most dramatic examples of major plant pests affecting large numbers of communities throughout the country is Dutch elm disease (DED).

We in the Midwest are all too familiar with the devastating effects of this tree disease. Since DED was brought from Europe in 1930, more than half of our American elms have been killed. The Northeastern States have lost more than 75 percent of their elms in urban areas. The disease has spread through 41 States.

Effective tree pest control programs require prompt removal of afflicted trees. Well over 30 States have statutes requiring owners to remove their infected trees at their own expense once they are considered a threat to adjacent property or to the environmental quality of the affected community or State. In 1975 the Minnesota State Legislature passed a law requiring property owners to remove their trees when evidence of the disease is found. Since early May the Minneapolis Park Board has identified more than 5,000 diseased elms which must be removed at an average cost of $300 per tree.

If these trees were damaged by hurricanes or fire, the owners would be allowed to deduct casualty losses for income tax purposes. Yet under current law, they may deduct neither the loss of a valuable tree nor the cost of the tree removal required by State law for disease control.

I believe my proposal to permit a deduction for the cost of removal, as required by Federal, State, or local law, is a reasonable way to subsidize the cost of compliance, which is the essential element of a tree pest control program. The deduction will not fully reimburse the cost of removal, but it will provide some assistance to property owners.

The following is a text of the bill:

[H.R. 8844, 95TH CONG., 1ST SESS.]

A bill to amend the Internal Revenue Code of 1954 to allow a deduction for the cost of removal of trees required by the United States or a State or local government to be removed to prevent the spread of diseases caused by pests

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222, and by inserting after section 220 the following new section:

"SEC. 221. REMOVAL OF TREES TO PREVENT THE SPREAD OF DISEASE CAUSED BY PESTS.

"(a) DEDUCTION ALLOWED.—In the case of an individual who is an owner of real property, there shall be allowed as a deduction all reasonable and necessary expenses paid in the taxable year by such individual for the removal and disposal of trees on such property required by the United States or a State or local government to be removed to prevent the spread of a disease caused by pests.

"(b) PEST DEFINED.—For purposes of this section the term 'pest' means any insect, nematode, protozoan, or other invertebrate animal, any virus, and any bacterium, fungus, or other member of the plant kingdom, which is capable of causing serious disease in, or serious injury or damage to, trees.".

(b) The table of sections for part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out the last item and inserting in lieu thereof the following items:

"Sec. 221. Removal of trees to prevent the spread of disease caused by pests.

"Sec. 222. Cross references.".

SEC. 2. The amendment made by the first section of this Act shall apply to taxable years beginning after the date of the enactment of this Act.

YOUNGSTOWN'S CHAMPIONS

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. CARNEY. Mr. Speaker, I would like to take this opportunity to commend the Youngstown Midget Athletic Boosters on their outstanding performance at the Little League World Series, held in Williamsport, Pa., from August 23 through August 27, 1977.

The roster of players is as follows: Danny Lewis, Vincent Miller, "Tony" Copeland, Jeff Stofko, Jimmy McCarthy, Mark Ross, Billy Hupp, Paul Harris, Chip Griffin, Terry Farris, Ray LeLuco, Mark Boyd, Gary Housteau and Ron Jones. I would also like to commend the team manager and coach, Mr. Tom Harris and Mr. Bobby Miller, for their fine work with these youths.

The Youngstown Midget Athletic Boosters won 19 straight games to qualify for the Little League World Series. The first team from Ohio to represent the central United States in Little League World Series play, the Boosters placed fourth in the United States and sixth in the world.

These fine youths have brought athletic distinction to themselves and to the 19th Ohio District through their impressive accomplishments in tournament play and championship competition. I congratulate them and wish them success in the coming season.

TRIBUTE TO SONNY JURGENSEN

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. FAUNTROY. Mr. Speaker and Members of the House of Representatives, I am proud to present the following statement on behalf of one of the most outstanding citizens of the National Capital area—Christian Adolph (Sonny) Jurgensen, former quarterback of the Washington Redskins football team.

The statement is as follows:

STATEMENT OF CONGRESSMAN WALTER E. FAUNTROY CONGRATULATING FORMER WASHINGTON, D.C. REDSKIN QUARTERBACK, SONNY JURGENSEN

I have been an avid Washington Redskin fan ever since, as a boy, I used to climb the tree behind the right field fence at old Griffith's Stadium to watch the likes of Sammy Baugh and Andy Farkus display their considerable skills on the football field. I never had the opportunity, however, to observe these Redskin heroes function as concerned community leaders.

But Sonny Jurgensen's support of young athletes in the Washington, D.C. area, coupled with his matchless skills as a player, have combined to make number 9 my number one hero.

The record books have recorded all of his outstanding achievements as a gridiron quarterback, but his greatest achievement will not appear in National Football League statistics. His greatest achievement will be recorded among the people of this community. That great achievement is his establishment of a scholarship fund for Washington area athletes attending Washington area universities and colleges. Such an effort will ultimately produce his most outstanding victory. I salute him for having the vision to see that, with the soaring cost of higher education, some of our most promising young people may find the application of their athletic prowess the only way they can pay for an education and thus prepare themselves for useful and productive lives in our society. I salute him for the vision to see that all of us cannot be Sonny Jurgensens; all of our athletes will not go off to the Duke Universities and the Notre Dames of the world. Most will never get into professional athletics. But how many Washington area youth, inspired by the example of Sonny Jurgensen and helped by this scholarship fund, will go on to appropriate the lessons of college athletic competition as college trained citizens whose skills are so desperately needed today and in the future for the continued growth and strength of our Capital City and our Nation.

I am pleased to join thousands and thousands of Washington Redskin fans to salute him and thank him for always giving us a superlative effort as a professional football player and as a community leader.

FEDERAL WATER POLICY

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. JOHNSON of Colorado. Mr. Speaker, the reaction to the present administration's proposals to overhaul this Nation's water resource policy has been predictable. The comment from those who live east of the 100th meridian reflects the thinking of people who have always lived with an abundance of water. Those in the West, who have learned to live and work in an area that is scarce in that vital resource, have responded with a mixture of amazement that Federal officials could be seeking such a simplistic solution in such a short period of time; and determination that water laws and water rights in the West shall not be abridged or diminished. We have many articulate spokesmen and women for water resource development in Colorado and I want to offer a sampling of opinion on this crucial subject. The following material was excerpted from a statement to the Water Resources Council by Fort Collins, Colo., attorney Ward H. Fischer and reprinted in the Denver Post.

"COLORADANS ARE TERRORIZED" BY FEDERAL WATER POLICY REPORT

(By Ward H. Fischer)

How prone to doubt, how cautious are the wise.—Homer.

There is nothing more frightening than active ignorance.—Goethe.

These comments concerning the "Water Resource Policy Study" are submitted on behalf of the Cache la Poudre Water Users Association, the Thompson Water Users Association; and the Jackson County Water Conservancy District. . . .

In responding to the study, it is difficult to find language which is both accurate and temperate. Many of the assumptions are so erroneous and ill-conceived as to tempt one to a scathing denunciation of the quality of the effort.

On the other hand, I am certain that the drafters of this document (the Water Resource Policy Study) approached their task with good will and on the assumption that they were proposing alternatives truly beneficial to the citizens of the United States.

Even recognizing this, we must observe that good faith alone cannot excuse ineptitude. The history of civilization demonstrates that more harm has been done to the common good and general welfare by zealous and uninformed reformers than by the deliberate exercise of evil intent.

Nor do good intentions justify a statement such as "a final problem may arise from the fact that many rights are not evidenced by any record and many that are have not been adjudicated and specifically quantified. This circumstance leads to uncertainty. . . ."

It is supposed deficiency in state law which is alleged to create this problem, and the study proposes that the states be made to shape up.

This is hypocrisy personified. If those who prepared this paper had any knowledge of the subject, they would know that, by and large, water rights in the Western states are adjudicated or otherwise matters of record. The one entity which has refused to voluntarily adjudicate its rights is the U.S. government. It has resisted through the highest courts of this land the requirement that it submit its claims for adjudication. . . .

The basic premise of the policy study as a whole is that the United States does not have a basic water policy; and that it needs one because state policies are inept. . . .

Contrary to the study's assumption, there is a federal water policy. It is enunciated in the Homestead and Desert Land Acts, passed in the 1860s and 1870s. According to the U.S. Supreme Court:

"The effect (of these statutes) was to recognize, so far as the United States are concerned, the validity of the local customs, laws, and decisions of the courts in respect to the appropriation of water.

"What we hold is that following the Act of 1877, if not before, all non-navigable waters then a part of the public domain became *publici juris*, subject to the plenary control of the designated states. . . .

"(The Desert Land Act) simply recognized and gives sanction, insofar as the United States and its future grantees are concerned, to the state and local doctrine of appropriation, and seeks to remove what might otherwise be an impediment to its full and successful operation."

With the federal policy thus legislatively announced, the Western states did assume control of their water resources. As a result, these Western lands, thought inhospitable by the early pioneers, and designated in old journals as the Great American Desert, were developed.

Agriculture prospered, great cities grew, industry flourished, all of which ought to be apparent to any observer, including authors of studies if they journey west of the Mississippi River.

To know the history of this area, to see it now, and to conclude that the West is in dire need of a federal water policy in order to survive, surpasses credulity. . . .

To the extent that water projects are indeed those of the federal government, it is perfectly proper that that government debate and define their goals and objectives before authorizing them.

I would suggest that the determination of such goals and objectives is properly made by the Congress, rather than the bureaucracy; but with that qualification I believe that no person would object to the establishment of these goals and objectives on the federal level if done prior to authorization so as to avoid violation of vested contractual rights.

That does not mean that they will necessarily be good or even sensible goals, but only that they are indisputably federal ones.

One cannot, however, fail to be amused at the inconsistencies presented in the study, even on this issue. On the one hand, it is argued that present federal policy subsidizes agriculture; that subsidies are not fair or proper; and that subsidies of any nature should, therefore, be dispensed with.

On the next page, great concern is expressed that social and environmental objectives must be subsidized if they are to compete in the market system advocated on the preceding page. . . .

When we turn from federal projects per se, then the federal government should not attempt to dictate state water policy. . . .

In the Western States, including Colorado, water is a rare and precious resource.

We really do not need the federal government to advise us of that fact, or instruct us in its use. The great bulk of our irrigation projects in Colorado are not, as the report paper would like to assume, the result of federal action. On the contrary, they have been privately developed by those who use the water.

Water so developed is expensive. To suggest that the citizens of this state, or of the Western states, are so stupid that they will spend great sums of money, and engage in great labors in the development of water, for the purpose of wasting it, and without concern for its efficient and proper use, is an insult. To suggest that Washington-based officials must persuade Coloradans to make efficient and proper use of this resource is irritating.

I had hoped that with our experience in this country in the past 20 years, we had all learned that our social, political and economic structures are so complicated and inter-related that anything which is done in one area of endeavor has inevitable, but unknown, effects upon another area.

I had hoped that our national leaders had realized that the complexities of today's world do not admit of simple solutions.

The water resources policy study presents clear-cut "problems" which are erroneous in their assumption. Equally clear-cut and simplistic solution options are suggested, in the apparently confident expectation that they can and should be implemented by federal fiat.

Both the problems and the solutions will undoubtedly receive the enthusiastic applause of the uninitiated. In these times of drought, and of general concern over our water resources, I have observed that the easiest way for a public official to obtain newspaper headlines and acceptability among his peers, is to make a speech denouncing any state's water laws and procedures, and to advocate that if the water resources of the state, or the country, were only put under his direction, the prosperity of the nation would be greatly enhanced.

I have further observed that when these same officials are confronted with the very complex hydrological facts related to the Western streams, reservoirs, and underground water supplies, they quickly retire from the field, and develop instead an expertise in energy, the Middle East, or African relations.

Those who persist can in time become knowledgeable, and with that knowledge, they will conclude that the water laws and policies as administered by the individual Western states are phenomena of efficiency and flexibility, contributing immeasurably to the public good.

If the ill-advised options contained in this report had been prepared by knowledgeable state officials, the water users would have been deeply disturbed and concerned.

When it is prepared and presented by those who are obviously ignorant of the laws, customs, procedures, water rights, hydrology, and use of water in the Western states, we Coloradans are terrorized.

125TH ANNIVERSARY OF SAN FRANCISCO'S THIRD BAPTIST CHURCH

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. PHILLIP BURTON. Mr. Speaker, my brother and colleague, JOHN BURTON, joins with me in extending to the pastor and members of the congregation of Third Baptist Church in San Francisco our sincere congratulations on the occasion of the celebration of the 125th anniversary of the founding of the church.

Their distinguished pastor, the Reverend Amos C. Brown, follows in the illustrious footsteps of the Reverend F. D. Haynes and the late Reverend F. D. Haynes, Jr. He continues a tradition of community service for which Third Baptist Church has been most justly renowned.

When Third Baptist Church was setting down its roots in San Francisco, California had been admitted to the Union but 2 short years and the colorful era of the gold rush was still a fact of everyday life. For 125 years, Third Baptist Church has served the needs of its congregation and has been a force for social advancement in our city.

Tonight, the Reverend Ralph Abernathy and Ambassador Andrew Young will be in San Francisco to join in a very special commemoration of this anniversary.

Congressman JOHN BURTON and I want to call this 125 years of service by Third Baptist Church to the attention of our colleagues, who I am sure join with us in expressing congratulations.

A TRIBUTE TO C. MARSHALL DANN, COMMISSIONER OF PATENTS AND TRADEMARKS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. BOB WILSON. Mr. Speaker, I wish to pay tribute today to Commissioner of Patents and Trademarks C. Marshall Dann, who returned to private life at the end of August.

Commissioner Dann has served with great distinction as the head of the Patent and Trademark Office in the Department of Commerce for the past 3½ years. He is the 42d Commissioner and by all accounts has been one of the most successful ones. He has worked hard to strengthen the contributions patents and trademarks make to the American economy.

He has instituted new procedures to improve the quality and reliability of issued patents. Under his administration the Office has made progress in international cooperation on patents and trademarks. He helped the Office set records for the highest numbers of patent and trademark applications examined.

Commissioner Dann is a friend of inventors. He has met with many groups of independent and small business inventors throughout the country. I was proud to attend a National Inventors Day ceremony in 1976 at which the Commissioner recognized five Members of Congress including myself who have been awarded patents on their inventions.

The Commissioner has received many honors during his outstanding career including the Robert H. Goddard Award from Worcester Polytechnic Institute in 1975 and the Jefferson Medal from the New Jersey Patent Law Association in 1976. With the support and cooperation of the Patent and Trademark Office employees he has helped make that Office one of the more effective bureaus in Washington.

I ask the House of Representatives to join me in wishing C. Marshall Dann continued success and good health in his future endeavors.

AMERICAN COMMITTEE ON AFRICA: TRANSNATIONAL SUPPORT FOR TERRORISM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. McDONALD. Mr. Speaker, the American Committee on Africa (ACOA) has for more than two decades served as the principal U.S. support group for Marxist terrorist movements on the African continent. The beneficiaries of ACOA money and organizational expertise have ranged from the Algerian National Liberation Front through the MPLA and FRELIMO organizations which now control Angola and Mozambique to the so-called Patriotic Front in Rhodesia whose principal victims have been black Rhodesian civilians.

The American Committee on Africa provided my office with an 11-page booklet, "Meeting Africa's Challenge: The Story of the American Committee on Africa," written by George M. Houser, executive director of ACOA since its creation.

Available from ACOA, 305 E. 46th Street, New York, N.Y. 10017 [212/838–5030], the ACOA booklet details how impetus for formation of ACOA and its predecessor came from the African National Congress (ANC), an organization controlled by the South African Communist Party (SACP) which under SACP leadership a few years later commenced an active and continuing terrorist campaign against South African civilians.

According to ACOA's executive director and historian, impetus for the organization of ACOA came from the London meetings in 1951 of U.S. black activist Bill Sutherland with the editor of the ANC newspaper, African World, who told Sutherland about the planned "Defiance Campaign" in South Africa then being organized by the SACP through its racial fronts, the ANC and the South African Indian Congress.

At that time Houser was race relations secretary of the socialist-pacifist Fellowship of Reconciliation (FOR) and executive secretary of the Congress of Racial Equality (CORE) and had worked with Sutherland in the disarmament movement being coordinated by the Soviet-controlled World Peace Council (WPC). After his return to the United States, Sutherland approached Houser with the news of the planned ANC campaign. Then, as Houser has written:

> We wrote to Walter Sisulu, the secretary general of the African National Congress, and Y. A. Cachalia of the South African Indian Congress * * *. They responded eagerly, and in New York we decided to set up an ad hoc organization, which we called Americans for South African Resistance, in support of this campaign."

Almost simultaneously with the commencement of the SACP and ANC-led Defiance Campaign on June 26, 1952, Z. K. Matthews, head of ANC's Cape branch, arrived in New York as a visiting professor of world Christianity at Union Theological Seminary. The New York based ANC leader was kept constantly informed of progress being made at home. Houser continued:

> Armed with this information, Americans for South African Resistance (AFSAR) issued a series of bulletins. * * * Over the six months that the campaign proceeded (with over nine thousand arrests), AFSAR * * * raised several thousand dollars which, through Z. K. Matthews, was sent to the ANC.

Houser also admitted that AFSAR's purpose in preparing the bulletins based on ANC leader Matthews' information was not nonpartisan education but an effort to spread the word on what we in the United States could do to support the campaign.

Following the collapse of the defiance campaign early in 1953, AFSAR had to reassess its purpose. Its leaders felt it should broaden its role to support of the coming challenge to imperialism and colonialism.

It is noted that cofounder Sutherland, now 59 and active during the 1940's in the New York CORE chapter, moved to Africa in 1953 where he worked for the Ghanian Government. In association with the aging Pan-African theoretician, George Padmore, Sutherland aided in organizing the 1958 All African Peoples Conference in Accra which was attended by young Soviet-alined militants like Patrice Lumumba and Joshua Nkomo; Kenneth Kaunda, now President of Zambia; leaders of the ANC from South Africa and representatives of the FLN then in process of waging a successful terrorist protracted conflict against France in Algeria.

From 1963 to 1975, Sutherland was an employee of the Government of Tanzania's Ministry of Foreign Affairs, reported Bilalian News, the newspaper of the militant and violence-prone nation of Islam, and was involved in the organizing of the June 1974 Sixth Pan-African Congress in Dar-es-Salaam. According to the Baltimore Afro-American, the American Friends Service Committee (AFSC), a socialist-pacifist organization which has consistently supported terrorist armed struggle by the Soviet-supported Marxist national liberation movements like the Vietcong, Khmer Rough, Pathet Lao, and southern African organizations, hired Sutherland in December 1974 as its southern African representative. On his 1976 U.S. speaking tour for AFSC, Sutherland described his AFSC post as observer-consultant in Lusaka, where he moved. He said he left the United States in 1953 to become part of Africa's struggle and that he now considers Africa his home and has applied for citizenship. He did not specify what country's citizenship he was seeking.

During the month of August 1977, Sutherland led a 16-member delegation from the AFSC on a tour of the front-line states in Africa to "build relationships with the opponents of the status quo in Southern Africa, particularly the liberation movements."

George Houser himself traveled to Africa in 1954 to make direct contact with leaders of fledgling liberation movements. He returned to Africa in 1958 to

lead an ACOA observer delegation at the All African Peoples Conference where the Algerian FLN was also in attendance. As Houser has written, the ACOA soon became an active U.S. voice and support group for the liberation movements and their representatives in the United States. Many movements responded by seeking assistance in unexpected ways which he defined as including the smuggling of political communiques in hollowed-out books for ACOA to take to the United Nations on behalf of the liberation group.

Supporting terrorism—violent acts against the civilian segment of the population for the purpose of intimidation in order to attain a political or military goal—evidently has never disturbed the American Committee on Africa. According to Executive Secretary Houser, from 1955 to 1962 the ACOA priority was the FLN terrorists in Algeria.

ACOA worked closely with * * * the FLN representatives in New York and at the UN. Numerous public meetings were sponsored to call attention to the Algerian struggle and to condemn the support the US was giving France.

Houser is also pleased to recall that ACOA was the first to display the flag of FLN's Provisional Government at public meetings in New York.

ACOA's main role has been the provision of logistical support, money, and organizational skills so that the terrorist groups could maintain offices in the United States and at the United Nations, so that their statements and position papers could be distributed in the United States to key organizers and the press, and to arrange speaking tours and personal appearances so that the revolutionary leaders could present their cause directly to the American people.

In Houser's own words:

There is not a major liberation movement in southern Africa which has not received some support from ACOA. Much of this has been done through the Africa Defense and Aid Fund. Sometimes the assistance given is to cover the emergency needs of visitors to New York at the U.N., or to liberation movement leaders traveling in the U.S. It may help with travel expenses, accommodations, telephone bills, etc.

He continued:

In the case of some of the liberation movements, notably FRELIMO, ACOA has taken major responsibility for raising the funds to make it possible for the organization to have an office and a full-time representative here.

Houser reports that ACOA's logistical support work has included supplying jeeps, land rovers, Volkswagen buses for the use of liberation movements in Africa. The amount spent, he writes, has varied from 1 year to another but has usually been between $10,000 and $35,000. The Africa Defense and Aid Fund, a part of the committee, has been the principal conduit.

ACOA's aid to liberation movements has not included generous assistance to non-Communist or anti-Communist forces. And following the Sino-Soviet split in the mid-1960's, the ACOA firmly supported the Soviet-sponsored terrorist group over the Peking-backed one unless both were recognized by the Organization of African Unity. Even so, the majority of the support went to the Soviet-supported terrorists.

For example, the UNITA forces which are nationalist and which control a significant amount of territory in southern Angola was not recognized by the OAU and therefore not supported to any real extent by ACOA. The Communist Chinese supported FNLA organization led by Czech-trained Holden Roberto received some minimal assistance; but as Houser noted, "In the case of Angola, a lengthy discussion was held in 1970, and the decision was to recognize the primacy of the MPLA at that time."

ACOA has never had a policy of cutting off contact with a liberation movement said Houser, implying that it could well have unwritten, informal policies to the same end; but this has not implied willingness to assist all movements.

A major proportion of ACOA's work has been pressuring Congress on behalf of the terrorist movements. Houser describes ACOA's Capitol Hill activities in these terms:

Implementation of ACOA policy has frequently centered in Washington. The ACOA has consistently opposed U.S. policies supportive of white minority rule. ACOA representatives have appeared innumerable times before the appropriate Senate and House committees in Washington. Statements by the ACOA on legislative objectives have been varied: U.S. policy in the Congo, refugee questions, an end to the sugar quota to South Africa, stopping military aid to Portugal and South Africa, opposition to the Byrd Amendment (allowing strategic materials to come in from Rhodesia), an end to intervention in Angola. The committee has maintained a working relationship, first, with late Congressman Barrett O'Hara of Illinois and later with Charles Diggs of Michigan, who have been the two very active chairmen of the House Subcommittee on Africa.

Houser goes on to describe the operation of the Washington Office on Africa (WOA):

Not until 1967 did ACOA establish part-time representation on the Washington scene. A full-time office was opened in 1968, with Gary Gappert as the representative. He was succeeded by Charles Hightower. In 1972 the ACOA's Washington office was transformed into the independent, jointly-sponsored Washington Office on Africa, with Ted Lockwood and Chris Root as the executive staff. Funds for ACOA's office had come primarily through contributions of three or four church organizations. These churches (Methodist, Presbyterian, United Church of Christ, and Episcopalian) finally decided they would like to participate more actively on African issues in Washington. Thus the Washington Office on Africa became a jointly-sponsored effort between ACOA and church groups. The Washington Office has been increasingly effective in coordinating work on southern African issues in Congress. A major effort from 1972 to 1975 was devoted to stopping import of chrome and other minerals from Rhodesia. The campaign has gained strength, in spite of a lackadaisical attitude by the White House, but has not yet been won.

ACOA's testimony before committees of the House and Senate began in April 1962, with testimony prepared by ACOA's 1961–71 president, attorney Peter Weiss, in opposition to the independence of Katanga. It has continued with opposition to any U.S. aid to anti-Moscow movements in Angola after the introduction of Cuban troops. The ACOA "independent force which would not be line on the MPLA is that they are an dominated by any outside power, including the Soviet Union."

Although not principally a legal action organization, ACOA has supported U.S. litigation and defense efforts in southern Africa starting with the 1956–59 treason trials of SACP and ANC members in South Africa for which ACOA raised some $75,000 and sent Erwin Griswold, then dean of Harvard Law School, to South Africa as an observer—but not making public the ACOA sponsorship for obvious reasons.

ACOA lawyers and board members including Peter Weiss of the National Lawyers Guild (NLG) and Center for Constitutional Rights, Mrs. Goler Teal Butcher, former counsel to the Diggs Subcommittee on Africa and Africa policy strategist to the Carter Presidential campaign; as well as Douglas Wachholz of the Lawyers Committee for Civil Rights Under Law (LCCRUL), Leonard Meeker of the Naderite Center for Law and Social Policy, and exiled South African attorneys Joel Carlson and Michael Davis have been active in anti-South African legal cases in the last 2 years.

It is noted that another ACOA Executive Board member, Frederick A. O. Schwarz, Jr., took a leave of absence from ACOA to become chief counsel to Senator Church's Senate Select Committee on Intelligence. F. A. O. Schwarz, Jr., in 1969 was treasurer of the American Committee on Africa. Houser, who exchanged correspondence with the Soviet-supported Patrice Lumumba from 1958 until shortly before his assassination in 1960, has commented that "Senator Frank Church's committee investigating covert [U.S.] intelligence activities * * * revealed [that] in 1957 [3 years before a rival Congolese political faction killed him] that the CIA not only opposed Lumumba but actually laid plans for his murder." Houser prefers to leave the impression that the contingency plans which were not carried out caused the assassination of the Congolese leftist months later. Neither does he discuss any possible special interest in the Congo on the part of committee counsel Schwarz.

While the ACOA's political lobbying activities disqualify it from receiving tax exempt status—ACOA dropped its application in the early 1960's when IRS specified in a 7-page letter that there was no chance for approval—ACOA set up a closely associated tax-exempt organization, The Africa Fund, in 1966 through which "programs for refugee assistance, for aid to hospitals and schools in liberated areas of Guinea-Bissau, Angola and Mozambigue have been carried on."

Africa Fund grants in 1975 included $39,165 to the Mozambique Institute, P.O. Box 20773, Dar-es-Salaam, Tanzania, described as "the primary fund-raising and technical assistance agency which helps finance and assist the educational, medical, economic, and social services of the Mozambican people." All schools and medical facilities, including those established and formerly operated by the churches, have been nationalized by the Marxist-Leninist Government of Mozambique.

The Africa Fund's executive secretary and paid staff head is George Houser. Officers and trustees, who meet rarely and with scarcely a quorum, include chairman: Frank C. Montero, executive vice-president, Tishman Realty and Construction Co., New York, N.Y.; vice-chairman: Edler G. Hawkins, Princeton Theological Seminary; treasurer: Andrew E. Norman, president, Chelsea House Publish-

ers; Issac Bivens, assistant general secretary for Africa of the Board of Global Ministries of the United Methodist Church; Jacob Clayman, director of the AFL–CIO Industrial Union Department; John L. S. Holloman, president, Health and Hospital Corp. of the city of New York; Sophia Yarnall Jacobs, former chairperson of the New York Urban League; William B. Landis, a partner in the law firm of Mudge, Rose, Guthrie, and Alexander; Jan S. F. van Hoogstraten, director of material resources of the Church World Service of the National Council of the Churches of Christ; and Peter Weiss of the Center for Constitutional Rights and the law firm Weiss, David, Fross & Lehrman.

The Africa Fund describes itself as an "organization helping Africans work against the injustices of colonial and white minority domination." Its goals are "Providing financial help for clinics and hospitals in liberated areas; providing assistance for schools and training institutes; providing legal assistance for those who have challenged minority rule and apartheid; [and] engaging in nonpartisan study, research and analysis of basic questions related to Africa and making the results available to the public."

In light of the "nonpartisan study, research and analysis" provision, it is noted that in 1975 the Africa Fund began preparation of "a thorough study of South Africa's military capacity and new developments."

The most recent figures for Africa Fund income and expenses (1975) list contributions from direct mail solicitation of only $15,100; literature sales of $2,881; interest income of $1,482; and from "Foundations and Private Sources" of $122,385. Reportedly the largest benefactors of the Africa Fund for many years has been the Samuel Rubin Foundation established by Peter Weiss' father-in-law, former Faberge magnate Sam Rubin. Officers of the foundation include Cora Weiss, Sam Rubin's daughter; her husband Peter Weiss; Reed Rubin, her brother named after writer and American Communist John Reed who is buried in the Kremlin wall; and Sam Rubin.

The Samuel Rubin Foundation has formed the principal financial base of the Institute for Policy Studies, of which Peter Weiss is the leading trustee, and for its Transnational Institute. A number of IPS staff have served on the ACOA executive committee.

The Africa Fund's 1975 expenses were listed as including: Mozambique Institute—$39,165; Guinea-Bissau—$10,000; refugee aid—$3,480; student assistance—$5,437; research staff—$25,941; travel—$7,431; literature—$3,928; personnel—$14,548; overhead expenses paid ACOA—$16,917; printing, postage and inserting—$8,990; fund raising—$6,000; and miscellaneous expenses of $6,576.

The Africa Fund's 1975 total income was $141,858. With total expenses of $148,413, there was an excess of expenses of $6,555. Cash assets on December 31, 1975 totaled some $27,000. The Africa Fund's 1974 income was $62,738; but expenses were $102,494 which left a 1974 deficit of $39,756. In 1975 most of ACOA's expenses for research and literature distribution were taken over by the Africa Fund. ACOA's 1975 budget was just under $100,000 with that adjustment in "research" costs.

The American Committee on Africa's Executive Board as of January 1977, included (* indicates members of the Steering Committee):

*President: Hon. William H. Booth, Judge, Supreme Court of the State of New York, Brooklyn, NY.

*Vice-President: Elizabeth Landis, consultant to the Office of the United Nations Commissioner for Namibia, NY.

*Vice-President, David Robinson, Professor of African History, Yale University, CT.

*Treasurer, Jay Jacobson, attorney, Saxon Industries, New York, N.Y.

*Secretary, Dorothy Hibbert, Principal, Community School 146, Bronx, N.Y.

Elombe Brath, Consultant to the Graphic Arts Department, WABC–TV, New York and producer of its black public affairs show, "Like It Is."

Marshall Brown, Chairman, Department of Health Education, Essex College, Newark, NJ; active in sports and civil rights.

*Robert Browne, a founding ACOA member now director of the Black Economic Research Center, NY.

Goler Teal Butcher, former chief counsel to the House Subcommittee on Africa, and Carter Campaign adviser, is now Deputy Assistant AID Administrator for Africa.

Elsie Carrington, Director, Community Participation Education Program, New York, NY.

*George Daniels, Director, Interpretation Services, Board of Global Ministries of the United Methodist Church, NY.

Michael Davis, attorney with the Center for Constitutional Rights and the firm of Rogers, Hoge & Hill; Southern Africa Collective (SAC).

Moe Foner, Executive secretary, District 1199 of the National Union of Hospital and Health Care Employees, long a Communist Party, U.S.A.-dominated union.

Collins Gonze, Assistant Director, Department of International Affairs, United Auto Workers (UAW), Washington, DC.

Lawrence Henderson, Regional Secretary for Latin America and Africa, Board for World Ministries of the United Church of Christ, New York, NY.

*Janet Hooper, Former editor of Southern Africa magazine and continuing member of the Southern Africa Collective.

Leonard Jeffries, Chairman, Department of Black and Puerto Rican Studies, City College, City University of New York.

William Johnson, President, Episcopal Churchmen for South Africa, NY; member of Southern Africa Collective.

David Lampel, Director of the News Department of black-oriented radio station WLIB in New York.

*Tilden LeMelle, Chairman, Department of Black and Puerto Rican Studies, Hunter College, CUNY.

Edgar "Ted" Lockwood, Director of the Washington Office on Africa (WOA); member of the Southern Africa Collective.

Oseye Mchawi, Organizer, Committee to Aid African Independence, Brooklyn, NY.

Gail Morlan, former president of the Southern Africa Committee and member of the magazine collective.

*Andrew Norman, President, Chelsea House Publishers, NY.; the Norman Fund, Inc.

Frederick A. O. Schwarz, Jr., Chief Counsel, Senate Select Committee on Intelligence.

Adelaide Schulkind, retired director of the League for Mutual Aid, New York, NY.

Herbert Shore, Consultant to the Smithsonian Institute and to the U.S. Commission of UNESCO; author of a biography of the founder of the FRELIMO, Eduardo Mondlane; co-author with Houser of an ACOA/Africa Fund booklet on FRELIMO in 1975.

Timothy Smith, director of the Interfaith Center on Corporate Responsibility which coordinates economic attacks on southern Africa.

Robert VanLierop, self-described Marxist lawyer who has made films extolling the FRELIMO; organizer of the Committee for a Free Mozambique and the Africa Information Service.

The American Committee on Africa has had continuing associations with overt members of U.S. revolutionary groups ranging from the Communist Party, USA (CPUSA), through militant Trotskyite and New Left sects. In the late 1960's, CPUSA member Blyden Jackson was perhaps ACOA's most active office staff member. Jackson's duties included organizing street demonstrations from the ACOA office against South African visiting dignitaries.

The executive associate to George Houser on the ACOA staff is Paul Irish, formerly Tim Smith's assistant at the Interfaith Center for Corporate Responsibility. In June 1975, Paul Irish was the ACOA representative at the FRELIMO's independence ceremonies in Maputo. In discussions with FRELIMO officials, Irish reviewed ACOA's aid programs and where the new Marxist-Leninist regime wanted the funds to go. It is noted that at a conference in New York State earlier this year, FRELIMO representatives stated that all aid programs would have to be directed by the FRELIMO regime, not by any private or religious agency.

Paul Irish is a member of a militant Trotskyite group, the International Socialists (IS), and spoke as an IS representative on The Liberation of southern Africa along with Tapson Mawere, the principal U.S. representative of the Maoist terrorist ZANU organization, in Boston last fall. The British affiliate of IS, the Socialist Workers Party, has been involved in violent street riots over racial issues in recent weeks.

ACOA works closely with, and recommends highly, the Southern Africa Committee (SAC), Room 707, 156 5th Avenue, New York, N.Y. 10010, formed in 1967 as a power structure research group concentrating on Africa. The Southern Africa Committee can be considered a parallel group to the North American Congress on Latin America (NACLA) and the Pacific Studies Center in economic and political research designed to benefit anti-imperialist political and armed struggle movements. The SAC continues to publish Southern Africa, a major outlet for statements, literature and position papers from the Soviet-backed terrorist movements and new Marxist-Leninist governments now controlling the former Portuguese territories. A 3-month trial subscription costs $1.

The SAC's attorneys, Peter Weiss and Michael I. Davis of the ACOA and Center for Constitutional Rights demanded the FBI files on the Southern Africa Committee under the Freedom of Information Act. When the file was denied on grounds that the FBI had begun an investigation of the SAC at the request of the Justice Department to find out whether the SAC was in violation of the Foreign Agents Registration Act. The investigation had begun in March 1975: in November 1975 the SAC filed suit demanding the FBI, and the Justice Department, release all files relating to the SAC.

The investigation was ended in December 1976, and subsequently all files, reports the Center for Constitutional Rights, have been handed over. The Criminal Division of the Justice Department remains "interested in receiving any additional information which * * * may indicate that the subject organization has an obligation to register * * *."

The Southern Africa Committee has made a great deal of use of an exerpt of an FBI document which states that "investigation of the SAC since 1971 has failed to uncover any act of violence or terror on the part of the SAC in the United States."

The SAC does not find it useful to its purposes to mention that its members have had ties to the Cuban Government and that a considerable number have traveled to Cuba on various pretexts. The SAC also does not mention that Cuban military and political advisers have been working with the Soviet-backed terrorist movements in Portuguese Africa—Guinea-Bissau, Angola, and Mozambique—since the mid-1960's in line with Castro's Tricontinental of Third World subversion. The SAC did not mention that the Cubans have the

responsibility of coordinating New Left support activities for the new revolutionary governments in Angola, Guinea-Bissau, and Mozambique as evidenced by the Havana Solidarity Conference in which personnel of the Cuban U.N. Mission selected the U.S. delegates and organized the meetings.

SAC has made much less use of another recent FBI report:

[The Southern Africa Committee] takes a pro-terrorist position in such countries as the Republic of South Africa, Rhodesia and South West Africa. * * * Collective members have made occasional trips to Africa to meet with terrorist activists. Committee organizers are also related to such groups as the American Committee on Africa * * * whose members are also reported to be in contact with so-called liberation movement workers.

* * * The SAC is comprised of approximately 40 members in the New York area who agitate in favor of black terrorists in Africa. * * * The Committee has supported terrorism in Africa for over ten years and now has a strong relationship to Guinea-Bissau, a member of the U.N. * * *. Money could be coming from this state, as well as Cape Verde, Mozambique and perhaps other black countries * * * who seem to value their propaganda contributions to the terrorist cause. * * * The Committee is one of a network of groups which provide much support, both propaganda and material, to the subversive forces * * * in and of Africa.

Members of the Southern Africa Collective of the SAC in 1977 include Barbara Barnes; Carole Benglesdorf; Wes Cohen; Paddy Colligan of the Workers World Party (WWP); Jennifer Davis, a South African, the director of research for the ACOA, and frequent supplier of testimony to Congress; Michael Davis; Charlie Ebel; Mimi Edmunds; Nancy Gear; Lynn Goodwin; Peggy Halsey; Janet Hooper; Tami Hultman; Paul Irish; Allen Isaacman; Bill Johnston; Marci Kerr; Richard Knight, a member of the ACOA staff; Reed Kramer; Richard Leonard; Carolyn Fleuhr-Lobban, and Richard Lobban of Connecticut who write letters to and articles for the Daily World; Edgar Lockwood; Bill and Ruth Minter; Antonio Neves; Dipankar Ray; Susan Rogers; Christine Root; Karen Rothmeyer; Mike Shuster; Janet Siskind; Par Smith Louise Stack; Jinni and John Stroman; Stephanie Urdang; Roberta Washington; Jim Weikart and Leiza Zadel.

The activities of the American Committee on Africa and its related organizations demonstrate the existing loopholes in U.S. laws which enable tax-exempt funds to be channeled to terrorist groups, which permit groups which are de facto serving as foreign agents to evade the registration requirements which clearly need tightening, and in the Freedom of Information Act which enables organizations working with international terrorist groups to demand, and receive, the Federal investigatory files on them.

Clearly Congress needs an Internal Security Committee which would be able to investigate the extent of the problem, hold the necessary hearings, and develop new legislation to cope with this threat.

SEVERE BLOW DEALT TO IMPERIAL COUNTY IF RECLAMATION REGULATIONS STAND

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. BURGENER. Mr. Speaker, I would like to point out to the Members of the House the severe consequences which could result in western agriculture if proposed regulations issued August 25 by the Bureau of Reclamation are allowed to take effect. These regulations relate to the so-called 160-acre limitation.

The regulations, which mandate heretofore overlooked enforcement of a turn-of-the-century law long since outmoded have thrown the Imperial Valley in my congressional district into the first stages of agricultural and business panic. The potential effects could be devastating not only for many family farmers and family businessmen, but also for the Nation's consumers, as Imperial County provides the fifth largest county agricultural production value in this country.

Enforcement of the 1902 Reclamation Act, from which the Imperial Valley has been exempt during virtually the entire period of its important agricultural development, amounts to ex post facto policy which would set agricultural production back years.

I have written Secretary of Agriculture Bergland, who I understand was not even consulted prior to the issue of these regulations, asking him to undertake an immediate economic impact study of the effects of these regulations on Imperial County agriculture, and I urge interested colleagues to do the same.

Further, I have called on Interior Secretary Andrus to hold extensive public hearings in the Imperial Valley and other affected areas in order to determine first-hand the effects of these proposed regulations. The civil servants who put these regulations together with apparently little consultation should not be afforded the luxury of remaining anonymous at the other end of a post office box which will undoubtedly be flooded with individual reaction to the effects of these regulations should they take effect. They should go out on the firing line and see first-hand the already negative impacts just the promise this Federal mistake is having.

I would like my colleagues, all of whom are truly interested in American agriculture and the American consumer, who will ultimately bear the burden of these ill-advised policies, to join me in doing all we can to bring some sensibility to any final regulations which are implemented. This is just another instance of unwarranted Government intrusion which is sure to have disastrous effects on the Imperial Valley and other important western agricultural areas—as well as the Nation as a whole.

THE FACE OF EVIL IN CASTRO CUBA

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. RUDD. Mr. Speaker, overshadowed by the President's unpopular proposed new Panama Canal Treaty, which reports now indicate is opposed by anywhere up to three-quarters of all the American people, is his equally distressing initiative to reopen diplomatic relations with Castro Cuba.

I would like to recall some recent history, which can provide valuable instruction to all of us as we confront this foreign policy issue.

We liberated Cuba from the Spanish tyrant. Some cynical critics who are always able to find an ulterior motive in American actions have written that this was promoted by William Randolph Hearst, who wanted exciting copy to help sell his newspapers.

Nonetheless, Americans fought and died in Cuba. And when we dislodged the Spanish tyrant, we withdrew and provided continued assistance to a new independent nation we had created.

The United States extracted no commercial benefits. In fact, in trade and support we contributed more than we obtained. The Cuban Government was never as stable, successful, or benevolent as we had hoped it would be.

The Cuban people suffered under a succession of dictatorial Presidents who were elected, and dictators who came to power through coupe d'etat.

In March 1952, Fulgencio Batista, who had served an earlier term as President, seized power in Cuba through a coup d'etat. In 1954, he ran unopposed and was elected President.

Batista was anti-Communist and pro-American. Under his leadership, Cubans had the second highest per capita income of any Latin or South American country. But Batista was classified in the minds of American journalists and liberals as a rightwing dictator.

In any event, Batista promoted Havana as a tourist attraction. He strengthened the sugar industry. And he constructed needed public works.

On July 26, 1953, a young radical Communist, Fidel Castro, who had participated in the Bogota uprising in 1948, led an assault on the Moncada army post at Santiago.

Castro and about 150 followers held the mistaken belief that the soldiers would revolt and welcome them. They didn't. In that assault, a number of Cuban soldiers in the barracks infirmary were brutally murdered. But the Castro forces were driven off, and in October Castro and his brother were brought to trial. They were sentenced to 15 years in prison.

In May 1955, Batista declared a general amnesty for political prisoners. The Castro brothers fled to Mexico and immediately began enlisting an army to invade Cuba to wrest power from Batista.

In 1956, they made a landing with an

invasion force and were soundly defeated. Castro and his brother, Raul, managed to escape and fled to a hideaway in the mountains.

A year later, Herbert L. Matthews, a reporter from the New York Times, interviewed Castro in his mountain hideaway, and in three front-page articles pictured Castro as a peasant reformer—a white knight preparing to rescue the Cuban people from slavery.

Castro had money and weapons, provided by the Communists and by some disenchanted politicians.

In 1958, he seized power because the United States had adopted an anti-Batista policy, refused to sell arms to Cuba, discouraged other nations from selling arms, and publicly withdrew its support of the Batista regime.

There is no mistake in this. The U.S. State Department, headed by Christian Herter, William Wieland, and Roy Rubottom, were responsible for the success of Castro's coup.

Indeed, Senator John F. Kennedy described Castro in glowing terms, and compared him to Simon Bolivar.

The American press could see great virtue in a dictatorship of the left, and no menace in the Communist influence.

Despite the fact that Castro had been involved in the Bogota uprising, he was not publicly identified as a Communist. In fact, not until a year or so later, when Castro proclaimed his devotion to communism, were we told that Cuba was in the hands of the Communists.

We heard little of the public executions, the firing squads, El Paredon, the brutal treatment of political prisoners. But about 600,000 Cuban patriots who escaped that island nation longed to overthrow the Communist dictator Fidel Castro. And the U.S. Government, with the full backing of President Eisenhower, supported that effort.

Approximately 1,500 Cuban patriots were recruited and trained at secret bases in Guatemala by American Marine instructors. The United States provided arms and all other support, including a fleet of B–26 airplanes.

The military operation was planned to commence with an attack by 16 B–26's, to be launched against Castro's airfields and to catch the Communist aircraft on the ground. But when John F. Kennedy was elected President, Ike put the whole program on hold—believing that the new President should make the ultimate decision.

Kennedy approved the program. But a week or two before it was to be put into operation, Kennedy and his advisers changed the designated landing spot from a seaport serving the town of Trinidad, to Giron, a marshy area on the western coast.

Then Kennedy and his advisers decided that if 16 B–26's participated on the initial flight, it might appear to the world that the United States was supporting the effort. So they arbitrarily cut the flight from 16 to 8. Then Kennedy canceled the second-day assault, which was to have been made with 16 B–26's. On the third day, the landing party had no aerial cover at all.

Perhaps as a result of misinformation, or ineptitude, or blind prejudice, the State Department officials under the Eisenhower administration had permitted Castro to come to power. Now under Kennedy the United States betrayed the men we had enlisted to invade Cuba, and condemned them to capture, death, and imprisonment.

Immediately following that disastrous defeat, known in history as the Bay of Pigs, we participated in two deceptive hoked-up schemes to ransom the prisoners.

The first was tractors for Cuba—and that fell of dead weight. The second, masquerading as an American Red Cross operation, resulted in American industry contributing about $50 million to Castro in return for the release of about 1,000 remaining Cuban patriots.

In October 1962, President John F. Kennedy informed the Nation that Russia had installed offensive intercontinental ballistic missiles in Cuba. We went on military alert. Reserves were called up. And in brave words, Kennedy declared we would have onsite inspection and that Russia must remove the weapons.

As the press told the story, we had come to the brink of nuclear war. The press applauded when Kennedy backed down, accepted aerial reconnaissance for onsite inspections, guaranteed the continued existence of Castro's regime, and withdrew our missiles from Turkey and Italy.

Here is the truth of that situation. In 1954, President Eisenhower created a special committee to be concerned with the possibility of surprise attack against the United States by the Soviets.

This committee secretly developed the U–2 reconnaissance aircraft, and by 1956 we were flying over the Soviet Union on a regular basis. The U–2 was a remarkable defensive weapon. It had no landing gear to save weight. It had to be launched from a mother airplane. It could fly 4,000 miles at altitudes of 8 or 12 miles, and its cameras could photograph a swath of Russian territory 135 miles wide by 3,000 miles long.

The definition from those aerial photographs was so good that it was possible to read a newspaper headline photographed from 8 miles in the sky.

We knew from our aerial reconnaissance that Russia had very few ICBM's—no hardened bases. Despite Khrushchev's boast of missile superiority, we knew that our missiles, flying from hardened silos, outnumbered the Russians' 5 to 1.

When the U–2 was shot down in May 1960, Khrushchev abused Eisenhower, and we took it. But it wasn't the end of the spy program. Within 3 months, we had launched the SAMOS satellite to make the same photographs of Soviet military capabilities.

In 1962, President Kennedy knew beyond any question of a doubt that the Soviets had only a very few ICBM's, that they were exposed, that we could destroy them, and that they were really no threat to us.

And yet Kennedy backed down. And for all we know, there are still Soviet missiles in Cuban caves. Our just-deployed defensive weapons in Turkey and Italy, for which the taxpayers paid millions of dollars, were dismantled and brought home.

I review all these facts to stress that, even though we had the strength, our leaders lacked the will.

Cuba is the center of Communist intrigue in Latin and South America. From this secure base, Communist operators have fanned out into all of the Southern Hemisphere countries, and have met with success.

When we hear the issue of normalization of relations with Cuba debated on television and in the press and I hope it will be debated, we should keep in mind this brief history.

Castro needs the United States. Anything we do to strengthen his regime will strengthen the center of communism in the Western Hemisphere. And make no mistake about it, communism is our deadly enemy.

Mr. Speaker, great nations survive when their policies are based squarely on national self-interest. What would we possibly gain by normalizing relations with Castro's Cuba?

Those advocating this monstrous step will tell us that we would benefit from world opinion. They say that those nations envious of our power and strength would applaud such a benevolent gesture. But world opinion did not stop the forces of evil in World War II. It was American power that preserved freedom in this world. And world opinion won't bring peace to the Middle East or to sub-Saharan Africa or to Korea.

Normalizing relations with Cuba under Communist dictator Fidel Castro will only serve to strengthen the hand of his Communist regime, which has the longest standing worst record for violating human rights in this hemisphere.

We are not dealing with abstract concepts of human rights when we talk about Castro Cuba. We are talking about savage torture, personal degradation, and inhumane sentences for any Cuban who politically disagrees with or opposes Castro.

The sheer number of political prisoners in Cuba should be enough to give President Carter sincere second thoughts about his current initiatives.

Estimates vary widely, but 60,000 political prisoners is an accepted figure. Even Castro himself has admitted indirectly to 10,000—which is the equivalent of about a quarter million political prisoners in a country the size of our own.

Our Government should admit the face of evil in Castro Cuba, look at it squarely, and denounce it in every possible way. We should certainly not embrace this totalitarian Communist regime and give it added strength.

AWACS TO IRAN

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. BOB WILSON. Mr. Speaker, with

regard to the current controversy surrounding the sale of seven airborne warning and control systems—AWACS—to the Government of Iran, I believe such a transfer would be in the best interests of both our countries.

Iran presently has no reliable air defense system to protect itself against attack. Because of the country's rough terrain, a ground radar system would cost billions of dollars, not to mention the construction of numerous radar sites necessary to bring Iran's defense even close to what the AWACS can provide. In this light, there is little doubt that the use of AWACS by Iran is the most cost-effective and militarily effective solution to their air defense needs—and there seems little doubt about our need for a strong, friendly Iran. As Assistant Secretary of State Alfred Atherton said late in July, "denial of the sale would raise serious doubts in Iranian minds about the seriousness of our concern for Iran's security and about the long-standing United States-Iranian relationship." I could not agree more.

I also believe that the alarm over the possibility of the compromise of the system's highly classified and sophisticated electronics equipment is out of proportion to the realities of the situation, even taking into consideration the fact that we could remove some of the more sensitive items prior to a sale.

Mr. Speaker, given the factors I have mentioned, together with the conditions under which the transfer of the AWACS would take place, I would hope that we would see that a transfer of the AWACS to Iran would be mutually beneficial and would remove any barriers from its consummation.

TAX AND LOAN ACCOUNT LEGISLATION

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. HANNAFORD. Mr. Speaker, on April 25 the House of Representatives overwhelmingly passed H.R. 5675, a bill to authorize the Secretary of the Treasury to invest public moneys, and for other purposes. Basically, this bill permits Treasury to earn interest on its tax and loan account funds deposited in commercial banks and in other depositary institutions.

As a 1974 Treasury Department study revealed, the free use of Federal tax and loan account funds reduced potential earnings of the Federal Government and overcompensated financial institutions for services rendered in connection with these accounts. Specifically, the 1974 Treasury report claimed that commercial banks were able to generate earnings which exceeded the expenses of handling Federal T.T. & L. accounts by $170 million.

While Treasury has recently adopted stopgap measures to reduce the amount of T.T. & L. funds in commercial banks by transferring funds to Federal Reserve banks, these fluctuations complicate the Federal Reserve System's conduct of monetary policy, as evidenced in April.

Mr. Speaker, with the favorable reporting of H.R. 5675 from the Senate Banking Committee in July, I am anxious of the bill's passage by the full Senate and remind my colleagues that the enactment of this legislation will promote efficient cash management by the Federal Government, enabling the U.S. Treasury to earn $50–$100 million of additional revenues annually. Thus, the Government will be able to make effective use of tax dollars.

ALASKAN NATURAL GAS PIPELINE

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. HILLIS. Mr. Speaker, for a number of years, the Congress, the energy industry, and numerous Federal agencies have debated which of many possible systems would be best to deliver Alaskan natural gas to the contiguous States. During the 94th Congress, this debate heated as the Alaskan oil pipeline drew nearer to completion. The debate became a political issue within the Congress with the introduction of several bills authorizing the construction of various pipelines and methods of delivery. For a while, it appeared that regional interest would be the determining factor instead of the merits of the individual proposals.

Fortunately, Public Law 94–586, the Alaska Natural Gas Transportation Act of 1976, was enacted as an alternative to the authorization bills supporting the various proposals. This measure established a process whereby the selection of a transportation system and route would be based on the best interest of the entire United States. As a result of the process established by Public Law 94–586, President Carter recommended the construction of the Alcan Pipeline Co.'s proposal on September 8, 1977.

I commend the President for his decision. The Alcan proposal was the most reasonable option available to the President. The importance of the President's decision cannot be underestimated due to its economic and social impact on the Western and Midwestern States. There is no question that the President made the right choice in recommending the Alcan proposal over the El Paso proposal.

Under the provisions of Public Law 94–586, the Congress now has 60 working days to accept or reject the Alcan proposal. Although I am sure there will be some efforts made to reject the President's recommendations in hopes of gaining approval of the El Paso proposal, such a rejection could only have the most severe consequences to this Nation's energy needs. Can anyone forget the hardships of last winter caused by low supplies of natural gas? I can assure you, Mr. Speaker, that my constituents of central Indiana have not forgotten.

By all accounts, the Prudhoe Bay natural gas fields contain the largest known reserves in North America—at least 20 trillion cubic feet of proven productible reserves. While this gas is not a panacea to our gas shortages in the United States, it will substantially lessen the demand being placed on our dwindling natural gas supplies.

I truly hope that this issue can be resolved as soon as possible in order that preliminary efforts can be started to construct the pipeline. Construction of the 2,700-mile pipeline will cost nearly $7 billion. Any delay caused by the Congress will only result in increased construction cost. Therefore, I urge that the Congress accept the Alcan proposal without any unnecessary delays.

RABBI DR. ANDREW J. ROBBINS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. WOLFF. Mr. Speaker, I would like to bring to the attention of my colleagues the achievements of Rabbi Dr. Andrew J. Robbins who has just retired as the spiritual leader of Temple Emanuel in New Hyde Park. He is to be honored this evening at a special service and reception at his temple.

Prior to entering the rabbinate, Rabbi Robbins had distinguished himself as an educator and historian. A graduate of the University of London, where he also obtained his Ph. D., Rabbi Robbins served as an instructor to the office of strategic services in London during World War II. Following his immigration to the United States he received a master of Hebrew letters degree from Hebrew Union College in 1953, and was ordained by that school.

For 27 years Rabbi Robbins has guided Temple Emanuel's congregation with both compassion and foresight. He initiated dialog services that brought the Rabbi and the congregation together for informal discussions concerning Judaism and the community at large. As a community leader Rabbi Robbins was instrumental in promoting interfaith activities, and he himself has lectured and preached in many churches.

Rabbi Robbins has also been actively involved with the Long Island Jewish community as cofounder of the Long Island Association of Reform Rabbis, of which he was the first president.

Although Rabbi Robbins will be sorely missed in his position as the leader of Temple Emanuel's congregation, he will continue to serve both it and the community as Rabbi Emeritus. Through his knowledge and guidance he will continue his everlasting contributions to Judaism.

It is my honor to pay tribute to such a distinguished constituent, and I hope that in retirement Rabbi Robbins will continue his life in the comfort and happiness that he provided for so many who looked to him for spiritual leadership.

OHIO'S FIFTH DISTRICT POLL

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. LATTA. Mr. Speaker, the results of my 1977 questionnaire indicate that the American people have broad understanding and strong opinions on a wide range of national and international issues. For the benefit of my colleagues in the House, as well as Members of the U.S. Senate and administration, I am submitting for the RECORD the text of my annual district poll, with the responses registered by thousands of my constituents, as follows:

QUESTIONNAIRE

[In percent]

1. Do you approve of the following Carter energy conservation recommendations:

(a) Stand-by gasoline taxing authority of 5 cents per gallon per year for the next ten years? Yes, 16; No, 84.

(b) Standby gasoline rationing authority? Yes, 40; No, 60.

(c) Graduated tax on new automobiles unable to meet certain federally established mileage standards and federal payments for purchasing small ones? Yes, 39; No, 61.

(d) Tax credits for insulating homes after a given date? Yes, 59; No. 41.

(e) A wellhead tax on American regulated crude oil which could ultimately add 7 cents per gallon to gasoline prices? Yes, 13; No, 87.

2. Do you believe government controls have hampered new exploration of oil and natural gas? Yes, 68; No, 32.

3. President Carter has recommended that the money necessary for maintaining the Social Security Trust Fund no longer come from employer-employee contributions exclusively but that a portion of its funds come from general tax revenues. Do you favor the proposal? Yes, 51; No, 49.

4. Should pending legislation to permit people to both "register for, and vote in, a federal election at an appropriate polling place" on the day of an election pass the Congress? Yes, 35; no, 65.

5. (a) Should we resume diplomatic relations with North Vietnam and Cuba? Yes, 41; no, 59.

(b) If diplomatic relations resume, should they be given foreign aid? Yes, 3; no, 97.

6. Do you favor turning the Panama Canal over to the Panamanians? Yes, 10; No, 90.

7. Do you believe that Big Labor wields too much power in the American political system? Yes, 88; no, 12.

8. Should federal employees be given the right to strike and to bargain collectively? Yes, 19; no, 81.

9. Do you favor efforts to unionize the Armed Forces? Yes, 4; no, 96.

10. If the United States unilaterally cut back its strategic military defenses, do you believe the Soviet Union would do the same? Yes, 8; no, 92.

11. Do you favor terminating the All-volunteer Army and reinstating the Draft? Yes, 42; no, 58.

12. Did you approve of the Presidential pardon extended Vietnam draft-dodgers? Yes, 25; no, 75.

(a) Do you approve of legislation to give them GI benefits? Yes, 5; no, 95.

(b) Do you favor the announced plan to upgrade their discharges? Yes, 11; no, 89.

13. Do you favor de-criminalizing the use of marijuana? Yes, 27; no, 73.

14. Do you believe the removal of U.S. troops from South Korea would be a signal for a Communist take-over? Yes, 72; no, 28.

MINIMUM WAGE HIKE CONCERNS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ABDNOR. Mr. Speaker, on July 26, I presented the following testimony before the House Rules Committee concerning proposals to raise and index the Federal minimum wage.

STATEMENT OF HON. JAMES ABDNOR RE H.R. 3744.

I would like to take this opportunity to express my strong opposition to H.R. 3744, the minimum wage bill. I strongly believe that any increase in the minimum wage would only serve to put more people out of work and fuel our high inflation. Those groups that would suffer the most from such a proposal are those that are already suffering from high unemployment, such as our young people, the handicapped, and our minority groups.

I am especially opposed to any kind of minimum wage indexing mechanism, which has been proposed in H.R. 3744. Such an indexing provision is a perfect example of built-in inflation and would be a serious blow to our Nation's economy. At a time when inflation is dangerously high, and threatening to go even higher, it is incredible that we are even considering such a proposal. If the minimum wage was tied to an index, it is very likely that we would never be able to get a handle on our inflation problem.

It is paradoxical that those groups which are arguing for a higher minimum wage are the first to complain when these proposals increase business costs and put more people out of work. And as a solution, Congress is expected to respond to this forced unemployment by providing public works job programs.

It has been clearly shown by a number of studies that increased inflation and higher unemployment can be directly attributed to minimum wage increases. It has to be remembered that such an increase would affect not only those individuals earning less than the new level but also those who are presently earning more. In order to maintain wage differentials, all wages will rise at all levels. Because of these wage relationships, a self-perpetuating indexing mechanism will guarantee annual inflation.

An indexing of the minimum wage will also guarantee annual unemployment. Whether the labor bosses in this country will admit it or not, our small businesses cannot afford to absorb a wage increase without either raising prices or reducing the number of employees. Usually a business is faced with doing both. To give you a good example of the effects of a minimum wage increase, let me quote from a letter that I recently received from a small businessman in South Dakota:

"We have been in the retail business since 1922 and have seen good years and bad years. In 1975, due to both inflation and the drought, we suffered a small loss, our first loss since the 1930's. And in 1976, our net profit was less than 1% of sales; so we do not have any leeway or 'fat' in our operation to absorb any wage increases and would have to raise our prices and hope that the customers would pay these increases and also reduce our number of employees and store hours. The history of previous minimum wage increases has proven this to be the case. In April 1974, we had 17 employees; today we have 13 employees and they are working shorter hours per week."

I would like to emphasize the fact that the above example is not an isolated case, but is representative of many of our businesses in South Dokota and the Midwest. One of our hospital directors has indicated that H.R. 3744 would increase the hospital's annual payroll by at least $300,000. In order to accommodate the increase, they would have to lay off 20 to 30 employees, and their patient care programs would ultimately suffer. I have received a great many similar responses from business, both small and large, in South Dokota, and virtually all of the input that I have received from my constituency has been in strong opposition to an increase in the minimum wage as proposed in H.R. 3744.

One popular justification of increases in the minimum wage is that the increase will be absorbed by wealthy owners or through a lower profit margin. Numerous studies of the impact of minimum wage legislation indicate that what actually occurs is that the workers bear a good part of the cost of increases in the minimum wage through manhour reductions and other types of adjustments, including price decreases for material suppliers, reduced quality of customer services and price increases for consumers. Also, there is evidence to indicate that the more workers affected by the increase, the more likely it is that they will suffer some direct hardship as a result of it. The more substantial the payroll costs of the increase in the minimum wage, the more adjustments are made in worker assignments and hours.

Perhaps the worst impact of the minimum wage affects the small businessman. It is a harsh reality that minimum wage rates do force some firms to close and others to shift to new industries. There are some who would argue that the decrease in the number of small firms in these industries is not really bad. They would argue that the firms were probably marginally productive and that their elimination makes the industry more efficient as a whole because larger plants can take advantage of economies of scale. This however, is not borne out by the evidence. Size is no guarantee of efficiency, and the undermining of small firms by the minimum wage may in fact be contributing to a decline in productivity rather than the opposite.

I would like to make special mention of the impact of a minimum wage increase on teenagers, the handicapped, and part-time workers. Businesses have historically trained young people by providing them job opportunities at pay levels usually commensurate with the minimum wage. If the minimum wage becomes too high, businesses would be much better off to hire full-time, experienced personnel. There are experienced individuals who would be ready and willing to work at a guaranteed high minimum wage, and employers would understandably be justified in turning to them over young, inexperienced workers. The unemployment rate for our youth in this country is disgracefully high, and it would be a crime to take away those opportunities, however limited, that are presently available. There is no logical reason that this bill shouldn't contain a youth differential so that our businessmen can truly provide employment opportunities for our young people.

Our businesses have also provided employment for our handicaped citizens by giving them opportunities to develop their job skills. Again, if the minimum wage becomes too high, these individuals will be priced out of the market and we cannot realistically expect our small businesses to pay unreasonably high wages to provide these train-

ing opportunities because they simply would not be able to afford it.

I am also very concerned about the reduction of the tip credit. Although I am pleased that we aren't looking at a proposal to eliminate this credit. I am nevertheless strongly opposed to the reductions that have been proposed in H R. 3744. These reductions would drastically increase labor costs for tipped employees and would needlessly force many such employees from their jobs.

In conclusion, I would like to again urge my colleagues to defeat H.R. 3744 and any other unreasonable minimum wage proposal that might come before us in the House. An increase in the minimum wage would put a severe strain on our struggling economy. It would fuel inflation and increase unemployment, and it would be a slap in the face to those disadvantaged groups which we have so often sought to help. The weight of evidence argues against an increase in the minimum wage, and it especially argues against an indexing scheme such as that proposed in H.R. 3744.

We have to look beyond the surface of this legislation and recognize the adverse consequences that would result from its passage.

Thank you very much.

A LEGEND IN HIS OWN TIME

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. BURKE of Flordia. Mr. Speaker, yesterday was the 77th birthday of our friend and colleague, CLAUDE DENSON PEPPER. I cannot let the occasion go by without a few personal words about the inspiration of this man to all mankind.

Everyone who seeks public office or to lead people anywhere hopes that they will be able to do something to improve mankind and win a niche in the history books. CLAUDE PEPPER has won more than a niche in the annals of U.S. history—he could be a whole chapter by himself. Few Americans, if any, have ever served under as many Presidents as Senator PEPPER. He served under Presidents Roosevelt, Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford, and Carter and it looks like he may serve under two or three more. CLAUDE is a very unique person. It can truly be said that he is not getting older, he is getting better. Although what he has accomplished in his life would dwarf the achievements of almost anyone in the world, he still continues to explore and conquer new territory. In addition to being an overachiever, CLAUDE is also one of the most beloved Americans ever. As a Republican, I have frequently disagreed with him on issues. As a fellow Floridian, we have rarely seen eye to eye on policy matters but my affection for CLAUDE PEPPER comes from respect, admiration, and confidence that he has the best interests of our Nation at heart. Perhaps there is no other figure in our time who has exhibited consistently the dignity, grace, and charm that CLAUDE PEPPER has. He is everyone's friend, the mighty and the small, and we all love him. If he were to write a book about his life it would probably become an instant bestseller because he has had a front-row seat for all the major events in this century. The following is a news report which appeared in the New York Times today entitled "At 77, Florida's PEPPER, a New Deal Veteran, Is Still Going Like 38." I would like to share this with my colleagues so that those who do not know him well can better appreciate the stature of this remarkable and unique patriot. I hope it will inspire young people beginning in politics to suffer graciously the slings and arrows that are bound to come their way, to learn that others before them suffered the same way. I am sure that all senior citizens who know Mr. PEPPER are inspired by his living example of youthfulness and purpose. In short, I admire CLAUDE PEPPER—he is a fine example of the best qualities of man of of our Nation.

AT 77, FLORIDA'S PEPPER, A NEW DEAL VETERAN, IS STILL GOING LIKE '38

(By Marjorie Hunter)

WASHINGTON, Sept. 8.—Representative Claude Denson Pepper suspects that if he were cast in a role on a television show, he would be depicted as a doddering, toothless old man. Claude Pepper was anything but doddering and toothless today as he celebrated his 77th birthday by conducting a House committee hearing into age stereotyping on television.

The Florida Democrat, one of the last veterans of the New Deal still serving in Congress, arose at 7:30 A.M., arrived at his office at 9, rushed off to a meeting of Miami labor leaders and contractors and then, as the clock struck 10, walked briskly into a crowded hearing room where he gently chided television executives.

"Today," he announced, "I turned 77 years old and I must confess that I do not feel demonstrably different than I did at 60.

"Yet, I expect to weather an onslaught of well-intentioned persons who will tell me that I do not look my age. These comments raise the question: How, precisely, does one expect a 77-year-old to look?

"I suspect that a 77-year-old is expected to appear toothless and doddering, a caricature of his or her younger self."

His hair is grayer now, and there is just the suggestion of a stoop to his shoulders, but Claude Pepper at 77 looks little different than he did in 1938 when he appeared on a Time magazine cover as "the Florida fighting cock [who] will be a White House weather vane."

Those, perhaps, were his days of greatest glory. He had been elected to the Senate in 1936 and promptly allied himself with his hero, Franklin D. Roosevelt.

As one of President Roosevelt's staunchest supporters he helped pioneer Lend-Lease legislation. He cosponsored repeal of the poll tax. He promoted compulsory military service and was hanged in effigy on the Capitol lawn by outraged mothers.

By the late 1940's, it appeared that he would make the Senate his full-time career. In 1950, he was defeated by a one-time protégé, George H. Smathers, a man he had helped to win a House seat a few years earlier.

It was one of the most bitter campaigns in Florida history, with opponents labeling Claude Pepper as a "nigger lover," a "spellbinding pinko" and a man who was "soft on Communism."

It was in that campaign that Mr. Smathers, speaking to a largely uneducated gathering in northern Florida, said:

"Are you aware that Claude Pepper is known all over Washington as a shameless extrovert? Not only that, but this man is reliably reported to practice nepotism with his sister-in-law, and he has a sister who was once a thespian in wicked New York. Worst of all, it is an established fact that Mr. Pepper, before his marriage, practiced celibacy."

Eight years later, Mr. Pepper tried to make a Senate comeback, but lost to Spessard L. Holland. Finally, in 1962, he won a seat in the House.

The "Senator", as many colleagues still call him, sets almost as fast a pace for himself today as he did nearly 40 years ago. He seldom misses a floor vote in the House. He is a member of the House Rules Committee, which decides which bills reach the floor, and he is a chairman of the Select Committee on Aging.

He usually works 12 hours a day, he still plays golf on weekends and he and his wife have an active social life.

Young staff members sometimes find themselves panting to keep up with him.

"I go like a house afire, I guess," he says. "I don't know why they don't quit."

Convinced that older Americans are being wrongly depicted on television, in books, in movies, in newspapers, Representative Pepper is determined to focus attention on what he views as age stereotyping.

LABOR LAW REFORM ACT

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. RUSSO. Mr. Speaker, the Chicago Tribune is not known for its automatic endorsement of legislation supported by America's trade unions. With this in mind, I believe my colleagues may find interesting this recent Tribune editorial, which deals with H.R. 8410, the Labor Law Reform Act of 1977.

IN FAIRNESS TO LABOR

As powerful as organized labor has become, it still has some problems when, in striving for collective bargaining, it bumps heads with employers. The National Labor Relations Board, for example, has no time limit to force an election; this enables some employers to stall for up to a year with legal challenges to the validity of employe authorization cards.

The White House is expected to support compromise legislation to be introduced by Sen. Harrison Williams and Rep. Frank Thompson, both pro-labor Democrats from New Jersey. One provision would require such union-representation elections in small, uncontested cases within 15 days. For large, contested cases, the NLRB would have to act within 75 days. That would seem to give either side reasonable time to exercise its rights adequately. But because legitimate disputes in this area are complex a limit of anything less than 2½ months would be unfair.

Another organizing problem for labor is that employers can fire key workers for engaging in union activities and thus intimidate other employes. Although such firings are illegal, the severest penalty now is likely to be the payment of back wages. Labor originally wished to triple the penalty. But that would probably produce a flurry of triple-pay suits, regardless of merit.

It would also unduly inhibit employers from firing incompetent workers who might claim that they were being fired for union activism. Even the bill's compromise proposal to double back wages would be inhibiting, but to a lesser degree, while striking what seems to us as a fair balance between the rights of employers and employes.

The bill's proposal to help speed up cases by increasing NLRB membership to seven

from its current five should benefit both sides, which is more than we can say for the notion of having "routine" appeals from NLRB hearing-officers' ruling decided by only two board members. Appellants may not consider their cases any more routine than persons who appeal civil or criminal disputes to the Supreme Court, where having two justices out of nine decide would be more like legal lottery than constitutional review.

Automatic enforcement of NLRB decisions unless an appeal is filed within 30 days of an order, as proposed by the bill, also seems to be a way to expedite decisions without unduly restricting the ability of either side to respond.

More dangerous is the proposal to deny U.S. government contracts to employers who "wilfully" violate labor laws.

This would do more than redressing a possibly legitimate grievance. It would tend to discourage employers from lifting a finger against intolerable employe actions for fear of losing the case before the NLRB and the courts and therefore of losing federal contracts upon which the livelihood of employers and workers alike may depend. That would represent the kind of unhealthy shift in balance between employers and employes that has got both sides into trouble in the sagging economies of other industrial nations.

We support certain of these proposed changes because they strike us as fair. If there has been an agreement whereby the Carter administration will support the Williams-Thompson proposals in exchange for labor's abandonment of its more obnoxious proposals such as prohibiting state right-to-work laws, good enough; many of these proposals remain what they always have been—monopolistic special interest schemes that penalize the average worker as well as the consumer.

SYMBOL OF EXCELLENCE

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. LEDERER. Mr. Speaker, I would like to call the attention of my colleagues in the House to a special accomplishment earned by a business in my congressional district.

The employees and management of the Nannette Manufacturing Co. have received the Sears "Symbol of Excellence" award for superior quality of merchandise produced last year, dependability of supply, and initiative in developing new and improved products. The award is very special indeed. Less than one-half of the product sources in the Sears family of over 12,000 receive such recognition. In addition, this is the 6th year that this company has received this award.

It is with a great deal of personal pride that I bring this to the attention of Members of this astute body. In an era when quality and excellence has been declining in the marketplace, it is refreshing to see how this business continues to keep the high standards required by both their employees and management. Superior product quality, high productivity, and dependable service are the trade marks of a fine business enterprise.

Mr. Speaker, I want to extend congratulations to all of the employees and management personnel at Nannette Manufacturing Co. and bring this great accomplishment to the attention of the Members of this body.

TAX REFORM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for August 17, 1977, into the CONGRESSIONAL RECORD:

TAX REFORM

Why can't we have a simpler tax system? Why must our tax forms be so confusing that only one in four taxpayers can complete them without help? Why can't we enact tax laws that would put people with the same income on an equal footing so that each person would pay his fair share?

Most of the complications and inequities which trouble taxpayers are directly related to the manner in which our tax system is used for purposes other than raising revenue. By not collecting all the taxes the government might on certain types of activities, our tax laws promote various social and economic goals. Among other things, home ownership and investment in private enterprise are encouraged, state and local governments are subsidized, the cost of moving from one job to another is underwritten and schools, churches and charities are supported.

The direct cost of these "tax preferences" is staggering. The federal government will lose nearly $127 billion in revenue for the fiscal year beginning October 1 because of them. Equally alarming is the fact that lost revenue could amount to $167 billion in fiscal year 1982, primarily because inflation adds to the value of tax preferences and Congress continues to give more tax breaks to one special interest group or another. These figures, however, are hardly surprising when we consider that more than half of all income presently escapes taxation.

The cost in terms of complexity and inequity of these tax preferences is equally staggering. The host of exemptions, exclusions and deductions not only make our tax laws complicated and confusing, but have spawned a billion dollar industry to prepare tax returns.

Any serious efforts to reform or to simplify the tax laws must address the issue of tax preferences. To the extent that they are eliminated, the tax base is increased, thus making it possible to lower tax rates while maintaining revenues. However, should the aim of the tax laws just be to raise the funds that Congress deems necessary to run the government? How far should we go in eliminating tax preferences in the interest of simplicity, fairness and lower taxes? Would it be politically feasible to get rid of many of the tax preferences that Americans have come to expect?

One increasingly popular proposal in Congress would make tax preferences subject to periodic, mandatory review. Under such a "sunset" proposal, tax preferences would be automatically terminated after a certain number of years unless Congress decided that they should be continued. Undoubtedly sunset laws would help to slow the rapid proliferaiton of preferences. Opponents argue, however, that they would cause too much uncertainty for businessmen and individual taxpayers and thus hurt the economy.

President Carter has promised a major overhaul of our tax laws to make them simpler, fairer and more encouraging to economic growth. Although his proposals are still in the planning stage, his comprehensive tax package is expected next month. The options he is considering have been narrowed. They include:

An across-the-board cut in individual income-tax rates;

A tightening of limits on deductions for home mortgage interest;

Stronger restrictions on health care and casualty-loss deductions;

Repeal of the deduction for state and local sales taxes;

A curb on the use of business expense accounts;

Repeal of the provision allowing capital gains to be taxed at half the ordinary rate; and

Incentives for business investment (perhaps through lower corporate tax rates, increased investment tax credits, or an end to double taxation of corporate dividends).

President Carter's tax package will no doubt spark considerable debate. A recent survey reveals that a full 64% of the general public believes that our tax system is unfair. Only one in four, however, demands that tax revision be given top priority by federal lawmakers—an indication, perhaps, of a softness of popular support for substantive tax reform. In this context, it remains to be seen whether the President's proposals will galvanize public support or fall prey to parochial interests.

Tax reform has always been popular. No one likes to pay taxes, and promises of reform and simplification of the tax laws have great appeal—at least until specific proposals are put forward. Everybody wants to have reform and simplification as long as someone else has to give up his benefits. Meaningful tax reform, however, must involve all of us. Although the rich benefit disproportionately from tax preferences, the largest and most costly tax preferences are those enjoyed by nearly everyone.

EXPLANATION FOR ABSENCE FROM TWO VOTES SEPTEMBER 8, 1977

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. EDGAR. Mr. Speaker, yesterday I had to leave the floor before the close of business to keep a 5:30 appointment with Deputy Secretary of Defense John Duncan. I was meeting with Secretary Duncan to get his explanation of why Boeing Vertol, a helicopter manufacturer in my district, has lost a large contract for the Navy LAMPS helicopter to another bidder. This loss has dealt a devastating blow to the economy of my congressional district.

After I left the floor, two recorded votes occurred prior to adjournment. The first was on Mr. Jacobs' amendment to the second budget resolution to delete all funds for the Republic of Korea unless they extradite Tongsun Park to this country. Had I been here, I would have voted "yea" on Mr. Jacobs' amendment. The second vote I missed was on the final passage of the second budget resolution

for fiscal year 1978. Had I been present, I would have voted "yea" on the resolution, House Concurrent Resolution 341.

MONEY CAUSES CANCER

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. McDONALD. Mr. Speaker, recently two reputable scientists confirmed what many probably have believed for a long time. Too much of any substance put in the human body under certain conditions will cause cancer. Using dimes inserted in the stomachs of rats, these two scientists were able to induce cancer in a great number of rats. Therefore, should we ban money? Probably yes the FDA would say. We have really reached the point of the ridiculous! The very interesting commentary on this matter from a Richmond Times-Dispatch editorial of August 5, 1977, follows for the edification of my colleagues who have joined or are thinking of joining on legislation to modify the Delaney amendment, such as H.R. 5508:

MONEY CAUSES CANCER?

Two scientists at the Denver General Hospital inserted sterilized dimes into the abdominal walls of 35 rats, and indications are that more than half the rats will get cancer. Federal health and safety officials should immediately ban all coins from circulation, declare the scientists.

"Indeed," write Dr. George E. Moore and Dr. (Ph. D.) William N. Palmer in a letter in the current issue of *JAMA*, the journal of the American Medical Association, "there is an excellent probability that folded paper money, government paychecks, bills and credit cards will provoke sarcomas [malignant tumors of the connective tissues] and they should be banned immediately."

The purpose of the experiment, according to Dr. Palmer, with whom we talked yesterday, was to demonstrate the asininity of the federal law which requires the banning of any food, food additive or food container that is found to cause cancers in rats.

The dimes were inserted into the 35 rats on March 28, 1976, and in only 14 months, nine rats had sarcomas and nine had abdominal masses. The experimenters estimate that malignancies will develop in more than half of the 35 rats.

Not being scientists, we are unable to assess the significance of the rat-dime experiment, but Dr. Palmer points out that his colleague, Dr. Moore, can be considered an authority on cancer, since he was for 17 years director of the Rosewell Park Memorial Hospital, a cancer research institution, in Buffalo, N.Y.

So it is of more than passing interest when Dr. Moore joins Dr. Palmer in charging that in proposing to ban saccharin, "the decision-makers in the Food and Drug Administration have done it again: protected the rat, reduced the credibility of cancer scientists, and kept their string of inane pronouncements on cancer dangers intact."

Food and Drug Administration officials may be able to refute the argument made by Drs. Moore and Palmer. Even though people don't make a habit of swallowing dimes, the view expressed by these researchers further emphasizes the importance of Congress' taking a close look not only at the FDA's specific action on saccharin, but also at the law which requires the banning of any food-related item that is found to cause cancer in humans or animals.

S. SHEPHERD TATE

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. FORD of Tennessee. Mr. Speaker, I rise today to call the attention of my distinguished colleagues in the House of Representatives to an outstanding constituent of the Eighth Congressional District of Tennessee, Mr. S. Shepherd Tate. Mr. Tate, a leading member of the Memphis bar, was elected president-elect of the American Bar Association at its recent convention in Chicago. He is only the third Memphian to be so honored.

I am pleased to have been consulted by Mr. Tate on several issues since I have been in Congress, and I particularly look forward to his continued input into the legislative process in his new position of leadership. At this point I would like to share with the Members of the House an article from the Memphis Press-Scimitar about Mr. Tate:

A MAN WHO GETS THINGS DONE

(By Charles Thornton)

S. Shepherd Tate, the third Memphian since the 1930s to head the prestigious American Bar Association, is considered by his associates to be a quiet man who learned to keep his mouth shut as an intelligence officer during World War II.

Tate, 59, associated with the Memphis law firm of Martin Tate Morrow & Marston, follows the footsteps of Memphians Walter Armstrong Sr. and Edward Kuhn as presidents of the American Bar Association.

"He has a distinguished war record," said John Martin Jr., one of Tate's law partners.

"During World War II, he was a Navy intelligence officer and he won this enormous citation from the Chinese Nationalist government, but I don't know what it was for because it's written in Chinese," Martin said.

Exactly what Tate did to earn the citation is still pretty much a secret.

"Those intelligence boys were taught to keep their mouths shut and about all I know about it is that he served in the field," Martin said.

Fellow attorneys see Tate's elevation to president-elect of the ABA as an honor for the Memphis legal profession and the city.

"We are lucky to have a man like Shep," said one attorney. "He is absolutely conscientious. When he served as president of the Memphis and Shelby County Bar Association, he made sure every detail was followed and any committee he ever chaired got its job done."

WAS A TOP SCHOLAR

Other attorneys point to Tate's academic abilities and remark that his education didn't stop when he finished law school.

"He is a graduate of Southwestern at Memphis and went to law school at the University of Virginia," said another. "He is a Phi Beta Kappa and a member of Omicron Delta Kappa."

After completing law school and serving in the Navy, Tate returned to Memphis to serve as a law clerk in the office of the late U.S. Court of Appeals Judge John Martin Sr., father of Tate's law partner.

"He only stayed over there awhile, then I stole him away and we've been together ever since," John Martin Jr. said. "That was in 1947."

As a community member, Tate has been active. He is a former head of the Chickasaw Council of the Boy Scouts of America and had been active in scouting since 1929. He joined Troop 20 at Idlewild Presbyterian Church when he was 12.

He also is a former president of the Tennessee Bar Association and active in his church, having served on the vestry of Grace-St. Luke's Episcopal Church and as delegate to national conventions of the Episcopal Church, representing the Diocese of Tennessee.

One of his latest ventures was to take part in a special ABA task force to recommend guidelines on lawyer advertising.

He was named to the task force after the U.S. Supreme Court ruled 5–4 that lawyers could not be prohibited from advertising routine legal services.

He urged rank-and-file suggestions from the 218,000 members of the ABA to help his panel tackle the advertising question.

"Lawyer advertising has not had the best connotation," he said. "It connotes puffery and self-laudatory statements."

BOAT AND TENNIS BUFF

But Tate, a man of carefully measured words and considered thought, would not venture to guess what the task force recommendations would be. He emphasized that ABA advertising codes are only guidelines for individual state bar groups or supreme courts to consider.

"It's up to each state to set rules," he said.

Despite his heavy involvement in corporate law, family matters and the community, Tate still finds the time to do more boat maintenance than boating and he takes more than an occasional whack at a tennis ball.

"I guess he got his love of boats from the Navy," said one acquaintance. "He's on his third boat and I think he enjoys keeping it in fine trim more than running it. The only other hobby he has that I know of is playing tennis."

Decorating his office walls apparently isn't a hobby.

"The only decoration he has on the wall is a picture of his grandfather for whom he was named—Stonewall Shepherd," said an acquaintance.

It seems that the late Mr. Shepherd was an admirer of Stonewall Jackson, the Confederate general. And his parents, thinking it would be a fine thing for a man to go through life with a name of his own choosing, permitted him to name himself. He chose Stonewall—a name that was passed on to Stonewall Shepherd Tate.

NATIONAL WOMEN'S CONFERENCE

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ULLMAN. Mr. Speaker, I am pleased to insert in the RECORD a message from our esteemed former colleague, Congresswoman Martha Griffiths of Michigan. I served on the Ways and Means Committee with Mrs. Griffiths for many years and am very conscious of the outstanding contributions she has made in many areas of public policy.

As sole author of the Equal Rights Amendment, Mrs. Griffiths has played an important role in the restructuring of our laws to guarantee American women equality of opportunity, and she continues to be a tireless and effective worker for this cause.

Mrs. Griffiths outlines some of the problems that have attended the series of meetings held in the States and territories as part of the mission of the National Commission on the Observance of International Women's Year, as well as some of their accomplishments, and gives a statement of the facts concerning the National Women's Conference to be held November 18–21 in Houston, Tex.

The article follows:

STATEMENT BY FORMER CONGRESSWOMAN MARTHA GRIFFITHS CONCERNING NATIONAL COMMISSION ON THE OBSERVANCE OF INTERNATIONAL WOMEN'S YEAR

The National Commission on the Observance of International Women's Year is midway toward the accomplishment of its mission, as mandated by the 94th Congress in Public Law 94–167. Fifty-six meetings have been held in the States and Territories. At the present time, planning goes forward for the National Women's Conference to be held November 18–21 in Houston, Texas. Federal support makes these meetings possible so we wish to inform you of recent developments. Because constituents will undoubtedly be contacting you regarding the Houston meeting, I hope it will be helpful to you and your staff to have this current information at hand.

THE PURPOSE OF THE HOUSTON CONFERENCE

The recent Bicentennial observance, coupled with International Women's Year and its World Plan of Action, focused attention upon the contributions made by women to national life and also on the need to evaluate the discrimination, based on their sex, which American women face. Among the Conference goals, established by the Congress, are the assessment of the progress that has been made by both public and private sectors to promote equality between men and women in all aspects of American life, the identification of barriers to full equality, and the development of recommendations for removal of these barriers. State meetings were held to secure the widest possible involvement in preparations for the Houston Conference. Following the national meeting, a report will be transmitted to the President, the Congress, and the general public.

THE STATE MEETINGS

The Commission established State coordinating committees, each composed of individuals who were experienced in conference organization, familiar with their States, knowledgeable about women's issues, and willing to make positive contributions to the conference process. These committees were responsible for organizing State conferences under guidelines established by the Commission.

The State meetings proved to be highly significant for several reasons. (1) Such diverse groups of women, representing a wide range of age, economic, religious, racial, and ethnic groups, have been assembled very seldom if ever in American history. Housewives, professional women, students, members of trade unions, civic volunteers, welfare mothers, and grandmothers joined together to discuss issues of mutual concern. Many of those attending had never attended a women's meeting previously. (2) Workshops were concerned with a comprehensive range of issues, all growing out of the lives of women. Much attention was given to the role of women as wife, mother, homemaker, and worker in modern American society. Resolutions related to program issues will be considered at the national meeting.

The important achievements of the State meetings were accomplished in spite of some difficulties. One source of tension was the obvious success of these meetings in responding to the felt needs of women: attendance was very high. For example, the New York State meeting, planned for about 3,000 participants, drew over 10,000 people in Albany. Such high levels of interest created administrative problems for the planners which were sometimes little understood by the participants. Some women had little experience in such large gatherings, a factor which complicated orderly procedures. Attendance figures for the State meetings are attached.

In some States, there were clearly some participants who did not intend to discuss agenda issues but aimed to disrupt the proceedings. Their efforts to debate the goal of equality for men and women, as set forth by the Congress, rather than to join with others in the analysis of recognized needs were generally unsuccessful. It is unfortunate that such activities generated in the media a distorted view of some meetings which emphasized controversy and obscured the facts of accomplishment. Several thoughtful newspaper articles relating to the origins of the disruptive efforts are enclosed.

THE HISTORICAL PERSPECTIVE

In evaluating these meetings, it is important to consider some of the changes that have already occurred in the lives of American women and now require attitudinal, societal, and legal adjustments. (1) Women can now expect to live longer. In 1900, the average woman lived to be 48 years old, in contrast to the woman in the 1970s who can expect to live 75 years or more. Most women now live beyond the demanding years of motherhood; many become widows or divorcees in need of employment and financial security; and many aging women live alone, often in poverty. (2) More women are now in the labor force. In 1900, 20 percent of all women over the age of 16 were working. By 1975, 46 percent of all women over 16 were employed outside the home. Since 1950, inflation and the rising economic aspirations of families have caused large numbers of women, often those with children, to require paid employment outside the home. These two factors, longer life expectancy and labor force participation, are merely indicative of many changes which have already taken place. They do illustrate the need for reevaluation of educational programs, employment practices, support systems for families, health care programs, and provisions for the aging.

The perspective of history also emphasizes the similarity between the arguments used to oppose contemporary efforts and those utilized over sixty years ago to oppose woman suffrage. Long ago, opponents claimed that if women became involved in politics, the American family would be destroyed. Female participations in political life, it was feared, would cause arguments between husbands and wives, and a subsequent increase in divorce. Also, the claim was made that voting mothers would neglect their children, causing an increase in juvenile delinquency. Extensive immorality was predicted when "pretty girls buttonholed strange men in the streets on Election Day" to urge support of candidates. Opponents continually identified woman suffrage with the feared alien influence of socialism. While those advocating votes for women were frequently depicted as "radicals", a group of women claiming to represent "women of every station in life" stated in the 1913 CONGRESSIONAL RECORD that to add "the distracting forces of political campaigns" to their many other duties would surely wreck their constitutions and destroy their homes. The fears aroused by the imminent threat of women voting have not been realized.

THE NATIONAL CONFERENCE IN HOUSTON

One thousand four hundred and forty-two delegates, elected at State meetings, will consider the conference agenda together and will determine the resolutions to be included in the final report. Challenges to the election of some of these State delegations have been adjudged by the Commission's legal counsel to be without adequate foundation. In addition, 400 delegates-at-large will be selected by the Commission in an effort to recgonize the special contributions some women have made to American life and to balance the total delegation to reflect the requirements in Public Law 94–167 that special emphasis be placed on "representation of low-income women, members of diverse racial, ethnic, and religious groups, and women of all ages." An exciting program of small discussion groups, lectures, and films is planned for those participants who are not elected delegates.

Please feel free to contact us if you need further information. The Commission has available a few copies of studies on the legal rights of homemakers in each State which we can forward to you, if you so desire. They can also be ordered from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402, for $1.25 each. These studies were used in workshops on the homemaker in the State meetings. We look forward to the National Conference in Houston as a historic landmark in the long struggle of American women to secure equal rights and responsibilities.

PANAMA CANAL TREATY

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. HAGEDORN. Mr. Speaker, negotiators for the Carter administration have recently arrived at an "agreement in principle" on the "basic elements" of a new treaty on the Panama Canal, and efforts are in high gear to make it appear that opposition to the treaty is not merely wrong-minded, but in some ways totally irresponsible.

My own opposition to this treaty stems not only from the basic fact that the canal legally belongs to the United States, and that we have dealt fairly with Panama and canal shippers through the years in developing a resource that would never have been developed but for our presence, but also from a concern that the treaty symbolically represents another instance of retreat by the West—and specifically by the United States—in the face of "world opinion."

As a recent article in the Wall St. Journal notes:

The third major pro-treaty argument is the fear of alienating world opinion * * * Ambassador Sol Linowitz, one of the treaty negotiators, has even stated that the new treaty

will "prove" us magnanimous to a skeptical (third) world. Yet if this world is not convinced of U.S. benevolence after our re-building of post-war Europe and our billions of foreign aid dollars to scores of underdeveloped countries, one more act of charity will not convince it. This treaty might just as well reinforce the notion that America is acting, not from generosity, but from weakness.

Paying Panama for the privilege of demonstrating our "magnanimousness", and for the opportunity to relinquish a bit of our sovereignty further heightens the absurdity of the treaty.

I would like to insert the full text of the Journal article by Dr. Roger Fontaine, director of Latin American Studies at Georgetown University's Center for Strategic and International Studies:

SCARE TALK AND THE CANAL

(By Roger W. Fontaine)

Negotiators for the Carter administration have reached an "agreement in principle" with Panama on the "basic elements" of a new treaty on the Panama Canal.

Although the exact language has not yet been fully drafted, the main features call for transfer of the canal and the 533-square mile Canal Zone to Panamanian control in 23 years. The military presence of the U.S. would end by the year 2000, after which we would continue to have the unilateral right to insure an open and neutral canal. This latter provision clearly implies the right to military intervention, although the Carter administration does not like to use that term. A major controversy will undoubtedly flare up over this point.

But what is interesting about the proposed treaty is not its novelty but its utter familiarity to those who have had the patience to follow the negotiations over the last few years. The supporting arguments are also familiar, and they will now be echoed by most of our foreign policy establishment, including Gerald Ford and Henry Kissinger. Yet these arguments are still open to serious criticism, not, as our pro-treaty pamphleteers would have it, the criticism of the uninformed, the jingoistic and the merely nostalgic.

Three scare arguments are especially prominent, and need especially to be reviewed. First, that the canal is vulnerable to sabotage. Second, that a full-blown guerrilla war might break out in Panama. And last, that in such an event the United States would be condemned by all of Latin America, if not by the entire Third World.

The Carter administration, facing a suspicious Senate and public opinion, will probably rely on these arguments in its campaign for ratification. Suggesting that the U.S. is being subjected to extortion by tiny Panama is accurate enough, but the truly important part of the equation is that we Americans are engaging in acts of self-extortion. We are frightening ourselves with disaster scenarios which although superficially plausible have never been thoroughly dissected.

FEAR OF SABOTAGE

First, the fear of sabotage. Although the canal is and always has been vulnerable, wrecking it is obviously to no one's advantage, and least of all to that of the Panamians. Since North American capital would be required to restore operations, Panama would remain as dependent as ever on the United States. Furthermore, a treaty which delays full control until the year 2000 seems unlikely to stay the hand of the young and impatient saboteur.

Second, guerilla warfare. The specter of another Vietnam is an effective weapon, no doubt, in persuading a war-weary American public to surrender its rights on the isthmus. But the extent of the problem remains to be analyzed properly.

The potential does exist for small urban terrorist squads, recruited from Panama's large student population, to make lightening raids into the zone. They might stage robberies, kidnappings and assaults on police or civilian functionaries in the zone as well as in Panama itself. U.S. military and police units would find it tempting to chase these raiders back into Panamanian territory, thus provoking nationalist outcries.

Yet a truly serious insurgency is unlikely. Panama is not Vietnam in size or resources, nor does it have a nearby neighbor willing to aid the "liberation struggle." Furthermore, the Panamanian chief, General Omar Torrijos Herrera, is unlikely to provide the training and logistical support necessary to transform urban terror squads into full-fledged rural insurgents. Declaring war, even sub rosa war, on a superpower is still a dicey business.

Moreover, Gen. Torrijos may well find it more in his interest to stamp out, than to encourage insurgents. The regime remains extraordinarily dependent on foreign investment, foreign banks and, yes, foreign tourists—none of whom would enjoy working and playing in Belfast-style surroundings.

Finally, Gen. Torrijos is even less likely to enlist outside material support, even from such friends as Fidel Castro and Muammar Khadafy. The risks are too great and these gentlemen have too many other preoccupations. The Cuban leader, moreover, knows very well that Latin American guerillas have an extraordinary rate of failure. Their only hope would be to wear down U.S. public opinion through a sustained campaign of terror, not a wholly irrational hope, but far from the worst-case scenario of the treaty's supporters.

The third major pro-treaty argument is the fear of alienating world opinion, a familiar scenario which arises whenever there is a question of using force to insure American interests. Ambassador Sol Linowitz, one of the treaty negotiators, has even stated that the new treaty will "prove" us magnanimous to a skeptical (third) world. Yet if this world is not convinced of U.S. benevolence after our rebuilding of post-war Europe and our billions of foreign aid dollars to scores of underdeveloped countries, one more act of charity will not convince it. This treaty might just as well reinforce the notion that America is acting, not from generosity, but from weakness.

To criticize this argument is to question the notion that what others may think must control our policy. No serious man should be concerned with critical opinion of Panama emanating from Conakry or Kampala, or much less Moscow.

Yet Latin America is a somewhat different case since, with the exception of Cuba, none of its countries are our sworn enemies. The depth of our ties with this region is matched only by those with Western Europe. Yet even though no Latin American regime publicly supports the United States, the depth of pro-Panamanian feeling varies considerably from country to country. It is strongest in Venezuela, Colombia and possibly Mexico; it is weakest in the southern cone of South America. For example, Brazilians, heavy users of the canal, have privately expressed deep misgivings over Panamanian control.

ONLY FIVE NATIONS

Despite Gen. Torrijos's numerous meetings with regional leaders, the last one held in Bogota early this month, he has managed to get the collective support of only five other nations.

Moreover, a surrender of the canal is not likely to gain us lasting respect or affection. And why should it when the obvious way to deal with us is to make more demands in as unfriendly a fashion as possible?

Beyond these arguments, our reluctance to hang on to the canal reflects a sense of uneasiness, of guilt at maintaining what is so glibly described as a "colonial enclave." Our presence simply can't be squared with the radical anticolonial (to wit, antiwestern) sentiment that is now the common intellectual coin of the globe.

Yet it must be pointed out that Panama has benefitted mightily from a resource that it alone could not exploit. It is a fact of life that the canal is a major international waterway that simply cannot be operated, much less defended, by one of the smallest countries in Christendom. That it would strike many as arrogant to state these facts is a mark of the extent to which we have absorbed the doctrine of international egalitarianism. National duty is not easily transferred nor fundamental geopolitical facts altered by political bombast.

The United States must retain the major role in running and defending the canal. It is still open to question how precisely to define that role, as well as the nature and extent of Panama's contribution. What should not be open to debate is the right of this country and the other users to an open and secure passageway between the planet's two principal oceans.

In spite of the attempts to secure ratification through scare arguments, this treaty does not fit these requirements.

TV VIOLENCE SPARKS IMITATIONS

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. MURPHY of Illinois. Mr. Speaker, study after study over the past decade has linked television violence to violent acts by young people. This connection is understandable. According to A. C. Nielsen, the typical high school graduate has spent some 15,000 hours watching television. That is 4,000 hours more than he has spent in school. This 18-year-old viewer has witnessed an estimated 18,000 murders and innumerable beatings, shootings, robberies, and bombings.

Small wonder, then, that as the dosage of TV violence has increased over the past decade, so has violence in American society. Since the 1960's, crime and violence have been increasing nearly 14 times faster than our population growth. In fact, murder is the fastest growing cause of death in the United States.

Although most of the 2,300 studies and reports on TV violence point to its destructive influence, the three major networks have paid little heed to warnings that TV can be a breeding ground for criminals. A recent study issued by the House Subcommittee on Communications concludes:

(The) continuing high level of violence * * * suggests that the industry has been unable to come to grips with the problem—of TV violence—despite years of attention to it.

Mr. Speaker, I would like to draw my colleague's attention to an article I have written on this important subject. The article appeared in the Daily Calumet on August 30, 1977.

TV VIOLENCE SPARKS IMITATIONS

(By Representative Morgan F. Murphy)

On March 8, 1973, the CBS television network broadcast a movie called "The Marcus-

Nelson Murders," which depicted a brutal rape and murder of a young woman. Three weeks later, a 17-year-old Atlanta boy confessed to the rape and murder of a young woman, saying that he had patterned his killing after the CBS movie.

On Sept. 30, 1973, ABC aired a movie entitled "Fuzz." The film portrayed a band of youths who, for the sake of cheap thrills, drenched some tramps with gasoline and set them ablaze. Two days later in Boston, six young men forced 25-year-old Evelyn Wagner to pour gasoline over herself in an empty lot and then set her afire. She died four hours later.

On Sept. 10, 1974, NBC broadcast a movie called "Born Innocent." The movie showed some female inmates in a juvenile detention home sexually assault a girl in a shower. Four days later, three San Francisco girls, ages 10 to 15, made a similar attack on a nine-year-old girl.

These are just a few grisly examples of how television violence has stimulated young persons to commit violent acts. They are not isolated incidents. Study after study over the past decade has linked television violence to violent acts by young persons.

The connection between TV violence and antisocial behavior is understandable. According to A. C. Nielsen, the typical high school graduate has spent some 15,000 hours watching television. That is 4,000 hours more than he has spent in school. This 18-year-old viewer has witnessed an estimated 18,000 murders and innumerable beatings, shootings, robberies, and bombings.

Small wonder, then, that a recent study commissioned by ABC showed that 22 of 100 juvenile offenders admitted copying their criminal techniques from television. In January, TV Guide reported that four out of 10 inmates at Michigan's Marquette maximum security prison attempted crimes based on what they had seen on TV crime shows.

As the dosage of TV violence has increased over the past decade, so has violence in American society. Since the 1960s, crime and violence have been increasing nearly 14 times faster than our population growth. In fact, murder is the fastest growing cause of death in the U.S.

Although most of the 2,300 studies and reports on TV violence point to its destructive influence, the three major networks have paid little heed to warnings that TV can be a breeding ground for criminals. According to a July report issued by the House Subcommittee on Communications, while violence temporarily receded in 1975 (the year of the "family hour"), it increased in 1976 and has been steadily climbing ever since. The subcommittee concluded: "This continuing high level of violence suggests that the industry has been unable to come to grips with the problem (of TV violence) despite years of attention to it."

Some major civic and religious organizations have mounted campaigns against TV violence. The 6.6 million-member PTA has been holding regional forums to mobilize c'tizens against TV violence. Last February, the American Medical Association which has labeled television an "environmental hazard," asked 10 major corporations to review their sponsorship of excessively violent programs.

The public is clearly disenchanted with television violence. An Aug. Harris poll revealed that 71 percent of the American people feel that there is "too much violence" on TV, and 71 percent disapprove of the kind of violence shown.

Of course, parents cannot pin all the blame for TV violence on the networks. A Feb. Gallup poll revealed that 46 per cent of the parents surveyed did not put any restrictions on the types of programs their children watch. If parents are serious about reducing present levels of TV violence, they must take an active interest in monitoring what their children watch.

What can the concerned parent do about TV violence? One authority on TV violence, Eugene Methvin, suggests the following:

Write your local TV station whenever a specific program offends you. Ask the station's manager to put your letter and his reply in the "public inspection file," which is reviewed by the FCC when the station's broadcasting license is up for renewal. Send copies of your letter to your local PTA and other public interest groups, and to the Senate and House Communications subcommittees.

Write advertisers of shows that you feel are too violent. Tell them you disapprove of such shows.

If you are strongly offended by a station's programming, file a formal complaint with the FCC. For information on how to demand a hearing to oppose a station's license renewal, write to the Citizens Communication Center, 1914 Sunderland Place, NW., Washington, D.C. 20036.

While the FCC does not have the authority to censor TV programs, it does have the power to review whether a TV station is operating in the public interest. Citizens have a duty, therefore, to make sure that local TV stations are living up to their community's expectations.

SOCIAL SECURITY

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. CONABLE. Mr. Speaker, this morning the minority leader, JOHN RHODES, and I unveiled a major Republican initiative dealing with the problem of social security. I think that the comprehensive 15-point proposal deserves the most serious consideration by my collegues and hope they would give it their full attention. For this reason, I ask unanimous consent that three different items be printed in the RECORD immediately following my remarks.

They are: (1) A summary statement describing the proposal; (2) an indepth background paper providing details of the initiative; and (3) a statement provided by Mr. RHODES and myself, supported by Messrs. ARCHER, STEIGER, KETCHUM, and SCHULZE, all of whom are Republicans on the Social Security Subcommittee:

STATEMENT ON A NEW REPUBLICAN INITIATIVE ON SOCIAL SECURITY BY CONGRESSMEN RHODES, CONABLE, ARCHER, STEIGER, KETCHUM, AND SCHULZE

We believe that the nation's social security system should be restored to financial stability on a long range basis. We owe this not only to the 100 million Americans who support the system and the 34 million who already benefit from it, but to the next generation as well. They deserve no less.

We also believe that a number of long-standing inequities in the system, especially those related to the treatment of women, should be corrected.

We further believe that the system should be adjusted to changing American life styles, that beneficiaries no longer should be penalized for continuing to lead productive lives, and that we should move closer toward truly universal social security coverage.

And we believe these desirable goals can—and should—be attained without: (1) altering the basic structure or nature of the system; (2) adding heavily to tax burdens in the future; or (3) requiring any tax increases over the next several years, in light of an uncertain economy and current payroll levies on both employers and employees.

Toward these ends we are presenting, for the consideration of the Congress and the American people, a comprehensive 15-point social security proposal. It would place the system on a sound financial footing for at least the next 75 years, it would solve the immediate financial shortfall in the trust funds, it would strengthen the system's insurance character, and it would correct a number of inequities. It would do all this with no tax increase until 1982 and with less than a 1¼ percent increase through the year 2050.

The proposal does not, it should be emphasized, offer the myth of something-for-nothing. It is realistic. There are prices to pay for the problems it solves. But we feel the prices are reasonable, especially in view of obvious alternatives: (1) a drastic lowering of benefits, (2) a heavy increase in payroll taxes now and in the future, or (3) the illusory use of general revenues, which would require substantial borrowing by the Treasury, an even bigger public debt, and eventually higher taxes and more inflation for all.

Our proposal, which includes a number of "tradeoffs," should be considered as a unit. Its parts—interdependent and not interchangeable—have been blended carefully into a particular whole, and it should be judged as such.

As far as we know, this proposal stands alone. If there is another—to solve the system's financial problems, to correct so many of its inequities, and yet to cost the taxpayers so relatively little—it has remained well hidden from public view.

Specifically, our proposal would:

A. Meet the immediate financial needs of the Social Security Trust Funds by:

(1) Reallocating taxes collected, between the Old Age and Survivors Insurance Fund (OASI), and the Disability Insurance (DI) Fund, which is expected to become exhausted soon if preventive steps are not taken.

(2) Temporarily diverting three-fourths of a Medicare tax rate increase (0.2% per employee and employer) already scheduled to take place next year, to the OASI and DI Trust Funds. This diversion, which would not damage the Medicare Fund, would continue only through 1981.

(3) Permitting any of the three major Trust Funds (OASI, DI and Medicare) to borrow from another if necessary and with appropriate arrangements for repayment with interest. This would be a permanent provision, which should serve as a "fail safe" device against the insolvency of any of the funds.

B. Put the system on a sound financial basis at least 75 years into the future by:

(1) Decoupling the automatic benefit adjustment mechanism (to correct a flaw in the mechanism) and indexing workers' earnings records to wage trends. These changes follow generally the recommendations of both the Ford and Carter Administrations. This proposal would, however, adjust the ultimate benefit level to account for overexpansion that has occurred since the automatic adjustment flaw was enacted. A savings clause would be included guaranteeing that no future retirees would receive lower benefits than they would have received under the present-law benefit formula as it was at the time of the change. (Decoupling and wage indexing would reduce the system's long-range deficit by slightly more than half.)

(2) Advancing gradually and slowly—from 65 to 68—the age at which full retirement benefits would be payable. The adjustment would not begin until 1990 and would not

reach maturity until 2001. Each year during that span the full benefit retirement age would be advanced by one quarter year. Workers could continue to retire as early as age 62 but with slightly greater actuarial reductions than at present. Gradual and distant implementation of this change, which is in keeping both with efforts to abolish mandatory retirement policies and with increased longevity and productivity of American workers, is designed to permit orderly retirement planning. (This provision would further reduce the system's deficit, by about 20%.)

(3) Permanently reassigning one-fourth of the Medicare tax rate increase, scheduled next year, to the OASDI Trust Funds. This amount approximately equals additional money which would enter the Medicare Fund because of other provisions of this proposal.

(4) Increasing tax rates for employees, employers and the self-employed in three stages; 0.5 percent in 1982, 0.3 percent in 1990, and 0.4 percent in 2000. This means that tax rates would rise, under this proposal, less than 1-and-¼-percent over a 75-year span. (The Medicare tax reassignment and the three-stage rate increase would reduce the remaining deficit to less than 0.5% of taxable payroll—an actuarily sound margin.

C. Make four significant improvements in the treatment of women under Social Security, by:

(1) Providing a new benefit—a "working spouse's benefit"—designed to give adequate recognition to wives who work outside the home. The benefit would be equal to (a) the higher benefit amount due either as a worker or the spouse of a worker, PLUS (b) 25 percent of the smaller of those two benefits.

(2) Reducing from 20 years to five years the duration-of-marriage requirement for one spouse to receive a benefit based on the other's earnings record. This provision is designed to remove what many divorcees have come to view as an unfair and arbitrary requirement.

(3) Ending the cutoff or reduction of benefits for beneficiaries who remarry. This provision is included largely because many widows who rewed before reaching age 60, and divorced wives who remarry at any age, lose entitlement to their benefits under current law.

(4) Amending the Social Security Act to remove all remaining sexually discriminatory language.

D. Move the nation's social insurance system closer to the ideal of universal coverage by providing for the participation of all federal government employees, including Members of Congress not otherwise covered, by 1979. The objective is integration of the Civil Service Retirement and Social Security systems without reducing benefits or protection for, or increasing contributions from, participants in either program.

E. Remove the earnings limitation imposed on beneficiaries. Under present law, benefits are reduced and eventually eliminated for earnings above $3,000 per year. (The limitation is adjusted annually.) This proposal would boost the limit to $5,000 in 1978, to $7,500 in 1979, and remove it entirely in 1980.

F. Freeze the minimum primary benefit at its current level of $114.30 per month, but increase the special minimum benefit from a maximum of $180 to $219, and make it subject (as are other benefits) to automatic annual adjustments in the future. The minimum primary benefit goes, in large numbers, to governmental employees who either "moonlight" or retire early and work just long enough under Social Security to meet minimal eligibility requirements. The special minimum applies only to those who have worked many years at relatively low wages under the system.

G. Limit disability and survivorship benefits to the maximum primary benefit payable to a worker reaching age 62. Under present law, some younger beneficiaries receive benefits substantially higher than those awarded older beneficiaries who have worked longer under the system. This provision would remove that disparity.

This proposal is not being offered as a "trial balloon" or in a partisan spirit.

It is being presented, in light of alternatives already proposed, to reassure the millions of Americans who are concerned about social security that the system not only can be made financially secure, but can be made more equitable for generations to come. And this can be accomplished without imposing unacceptable tax burdens or dipping into the deceptive pool of general revenues.

We hope and trust it will be given serious consideration by our Democratic colleagues in the Congress as well as by the Administration. We are sending copies of the proposal to the President and the Secretary of Health, Education, and Welfare, and are confident they will give it their attention promptly.

The Subcommittee on Social Security of the Committee on Ways and Means is scheduled to begin, on Monday morning, the development of legislation dealing with the system's financial problems. We are particularly interested in having our proposal considered in that forum, and stand ready to present it there.

Of all interested parties, we ask only that the proposal be given fair-minded consideration, not in fragmented form, but in its entirety.

The proposal is described in greater detail in a separate document entitled, A Proposal for Financial Restoration and Equity Strengthening of the Social Security System. Our staff members and consultants will be pleased to discuss it in greater detail at your convenience.

PROPOSAL FOR FINANCIAL RESTORATION AND EQUITY STRENGTHENING OF THE SOCIAL SECURITY SYSTEM

GENERAL OBJECTIVES

I. Restoring the Social Security system to financial soundness, now and for at least the next 75 years.

II. Correcting long-standing inequities in the treatment of women under Social Security.

III. Strengthening the insurance characteristics of the system.

IV. Moving the system closer to the ideal of universal coverage.

V. Adjusting the system to changes in life-and-work-styles of the American people.

SPECIFIC PROVISIONS

1. Removes the earnings limitation on beneficiaries in 3 stages by 1980.

2. Advances the age of eligibility for full retirement benefits, slowly and gradually, from 65 to 68, between 1990 and 2001.

3. Brings all Federal government employees under social security coverage by 1979.

4. Provides a new "working spouse's benefit," primarily to aid wives who work in covered employment.

5. Reduces from 20 years to five the duration-of-marriage requirement for divorcees to receive a spouse's benefit.

6. Ends the requirement that some beneficiaries, notably widows, lose benefits upon remarriage.

7. Eliminates all remaining sex discrimination language from the Social Security Act.

8. Requires no tax increase until 1982, then a 3-stage rate advance totaling less than 1¼% over the next 75 years.

9. "Decouples" and wage indexes to correct a flaw in automatic benefit adjustment provision and to stabilize benefit ratios.

10. Freezes the minimum primary benefit, but increases the special minimum benefit (for those with many years' work at low wages).

11. Temporarily reassigns (through 1981) ¾ of the Medicare tax increase, already scheduled next year, to OASDI Trust Funds.

12. Permanently reassigns (after 1981) ¼ of the 1978 Medicare increase to OASDI Funds.

13. Reallocates taxes between OASI and DI Trust Funds.

14. Permits any one of the Trust Funds (OASI, DI & Medicare) to borrow from another to prevent exhaustion.

15. Limits survivorship and disability benefit amounts to the maximum payable to a retiree under the system.

This proposal has five general objectives.

First, it would put the social security system on a sound financial footing for at least the next 75 years.

Second, it would strengthen the insurance character of the system.

Third, it would improve the treatment of women under the system.

Fourth, it would make long-needed adjustments in the program to reflect changes in the living and working patterns of the American people.

Fifth, it would move closer to universal coverage, which is appropriate for a nationwide, mandatory social insurance system.

The most important objective of the proposal is, of course, restoration of the financial soundness of the system, which faces an estimated deficit of 8.2 percent of taxable payroll over the next 75 year. This proposal would virtually eliminate the long-term deficit. It aso would solve the serious cash-flow problems facing the Social Security trust funds now and in the near future.

One of the two major trust funds—the one providing for payment of disability benefits—is estimated to become exhausted in early 1979 (or possibly late in 1978). This proposal would avoid that contingency, without requiring any increase in taxes over those scheduled in present law, on either employers or employees, until 1982.

PROPOSAL ANALYSIS

The proposal has 15 distinct elements.

Three elements deal with the short-term trust fund problem—by reallocating monies among the funds and by permitting one fund to borrow from another.

Three more deal with the long-range financial deficit of the system, through decoupling-and-earnings-indexing (to correct a flaw in current law and to stabilize future benefit ratios) and through modest tax adjustments and increases between 1982 and 2000.

Four deal with sex discrimination and the treatment of women through: (1) liberalizing substantially the benefit legibility of divorced spouses; (2) providing a new "working spouse's benefit", primarily to give greater recognition to wives who work; (3) eliminating the reduction or cutoff of benefits to widows or widowers who remarry; and (4) removing all remaining sexually discriminatory language from the Social Security Act.

One element would bring the system closer to the ideal of universal coverage, by requiring the participation of all Federal employees by 1979.

Another element responds to a major change in our society—the increasing longevity and productivity of American workers—by advancing slowly and gradually, in the future, the retirement age for full Social Security benefits. This would *not* prevent workers from retiring at age 62 with actuarially-reduced benefits. It *would* move, eventually to 68, the age at which full retirement benefits are payable.

The three final elements are designed to improve equity and strengthen the insurance character of the system by:

(1) Eliminating one of the most unpopular provisions of the Social Security Act—the one that imposes a limit on the earned income of beneficiaries;

(2) Freezing the minimum primary bene-

fit but also increasing the special minimum benefit for those who have worked under the system for many years at low wages and

(3) Providing that benefits for the disabled and survivors may not exceed the maximum benefit payable to a retiree.

I. SHORT-TERM FINANCING

The financial problems facing the system between now and 1982 would be taken care of through: (1) reallocation of Social Security taxes between the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Funds; and (2) a temporary reassignment of an increase in the tax rates for the Hospital Insurance (HI) Trust Fund, which already (under existing law) is scheduled to take place next year.

The current OASDI tax rate of 9.9 percent (on employers and employees combined) now is allocated: 1.15 percent for DI and 8.75 percent for OASI. It should be reallocated: 1.5 percent for DI and 8.4 percent for OASI. The increased allocation of 0.35 percent to the DI Trust Fund should be sufficient to prevent it from becoming exhausted by 1979 (as can be expected without a change in the law). Reallocation also should cause both Funds to remain viable at least until 1981.

In order to assure further the viability of these two Trust Funds, and to cover the cost of certain improvements in the system starting next year, part of the scheduled increase in the HI tax rate should be diverted temporarily to the OASDI Trust Funds. Present law calls for an increase in the HI tax rate, starting in 1978, from 0.9 percent to 1.1 percent for each employee, employer, and self-employed person. If three-fourths of this increase, or 0.15 percent per worker and employer, were directed to the OASDI Trust Funds beginning January 1, 1978 and ending December 31, 1981, this would not only bolster those two Funds, but also would permit a three year phase-out of the earnings limitation starting January 1, 1978.

[In addition, one-fourth of the 1978 increase in the HI tax rate (i.e., 0.05 percent for both workers and employers) would be permanently directed to the OASDI Trust Funds after 1981. This would not adversely affect the operation of the HI Trust Fund, because the amount of money involved in the diversion approximately equals the savings to this fund as a result of extending coverage to federal employees.]

To guarantee the financial viability of all three Trust Funds over the next several years, each should be permitted to borrow from another, solely for the purpose of preventing exhaustion and with appropriate arrangements made in each case for repayment with interest.

II. LONG-RANGE FINANCING

(1) The long-term deficit of the system would be reduced by slightly more than 50 percent through a process called "decoupling," plus wage indexing of the earnings record of the insured worker.

Decoupling was made necessary by what has been termed an inadvertent flaw in the 1972 law which adjusts benefits automatically according to annual increases in the Consumer Price Index. Under the present coupled system, the CPI increases are applied both to payments already being paid to those on the benefit rolls and to the benefit formula which is applicable to future beneficiaries. Decoupling would apply the cost-of-living percentage increases only to current beneficiaries.

Decoupling would be accompanied by indexing of a worker's covered earnings record. Virtually all observers of the social security system have agreed that decoupling plus indexing should be accomplished to achieve rational and reasonable benefit levels in the future. There has been disagreement, however, as to the level at which decoupling should take place, and as to whether the earnings record should be indexed to prices rather than wage trends. Both the Carter and Ford Administrations proposed decoupling at current benefit levels and indexing of the earnings record according to wages.

This proposal follows the wage-indexing approach, on the main ground that, for future retirees, it more equitably stabilizes the wage replacement ratio; that is, the relationship between the benefits they receive and the most recent covered earnings on which those benefits are based. The proposal would, however, adjust the ultimate benefit level for the overexpansion that has occurred since the automatic-benefit-increase provision was enacted.

It is an accepted fact that decoupling is made necessary because of a "mistake" in the 1972 amendments to the Sociay Security Act. The "mistake" has led to overexpansion of benefit levels since that time, and would lead to increasingly exaggerated overexpansion in the future. It seems logical to have the ultimate benefit level adjusted for the overexpansion which has taken place since the "mistake" was made.

Starting just before the "mistake" was made, and continuing to the present time, the cost-of-living has risen 53.0 percent, while Social Security benefits have increased 62.1 percent. Thus, benefits have increased about 6 percent more than the cost-of-living over that span of time (162.1 compared with 153.0 produces a difference of about 6 percent). Accordingly, it is reasonable to decouple at a 6 percent lower level ultimately.

This does not mean that benefits would be reduced for those currently receiving benefits. They would be treated exactly as under existing law. Whenever the cost-of-living (as measured by the Consumer Price Index) advances in a year by 3 percent or more, benefits would continue to be increased commensurately.

Nor does it mean that dollar amounts of benefits paid in the future would be lower than present levels. To the contrary, dollar amounts—as well as the purchasing power of benefits—for future retirees would be higher than present levels.

A major difference between this proposal and the present system is that wage replacement ratios (the relationships between benefits and recent covered earnings on which those benefits were based) would remain stable in the future.

It is important to note that, under this proposal, a savings clause—or guarantee—would be provided so that no future retiree would receive less than he or she would under the present-law formula as it was at the time of the change. In other words, retirees in the future would have their choice. They could take the benefit available under present law at the point of changeover, or they could take the benefit provided under the new method, whichever is larger.

(2) The long-range deficit would be reduced further (by about 20 percent) through a slow and gradual advancement in the retirement age at which full benefits are payable. This proposal would move that age from 65 to 68, by degrees, starting in 1990 and ending in 2001.

When the Social Security system was enacted, 42 years ago, American workers were not living as long as they are now, nor were they as productive for as long a period of time. From time to time, the system has responded to other changes in the working and living habits of the people it serves, and it is reasonable for the system to adjust to these trends also.

It should be borne in mind that the longevity of the American people is expected to continue increasing in the foreseeable future. The birth rate, meanwhile, has declined drastically and may well continue downward (or else remain at a low level) for years to come. This means there will be fewer workers making contributions, but more retirees receiving benefits. In view of such projections, because of the improvement in mortality as well as the physical conditions of older people, and in light of wide-spread dissatisfaction with mandatory retirement, the proposal above can have a generally salutary impact both on the Social Security system and on the social and economic lives of the American people.

It is important to note that workers could continue to retire at earlier ages—62, for example—but with slightly greater actuarial reductions than at present, to take into account the longer period of time over which the beneficiaries could be expected to receive payments.

Under the proposal, the standard retirement age of 65 would be increased by three months (or one-quarter year) each year starting in 1990. By the year 2001, the minimum retirement age for full benefits would have been increased gradually to 68.

A gradual implementation of this change, with a starting date almost 15 years in the future, would give people sufficient time to plan for their retirement without severe disruption in any one year, and would permit management and labor to revise employment practices carefully and systematically.

(3) As noted earlier (on page 5), the long-range deficit in the OASDI Trust Funds would be reduced further by a permanent reassignment, starting in 1982, of a small portion of the Hospital Insurance tax rate. This redirected rate would equal 0.05 percent for workers and employers.

(4) To further strengthen the financing of the system in future years, contribution (tax) rates for employees, employers, and the self-employed would be increased by 0.5 percent in 1982, 0.3 percent in 1990, and 0.4 percent in 2000. Thus, the net addition to the presently scheduled OASDI tax rates over the next 75 years would be less than 1¼ percent on employees, employers, and the self-employed.

III. TAX TREATMENT OF WOMEN AND SEX DISCRIMINATION

The proposal would make four significant changes in the Social Security Act designed to improve the treatment of women and to remove remaining sex discrimination language.

First, the proposal would reduce from 20 years to 5 years the duration-of-marriage requirement for one spouse to receive a benefit based on the other's earnings record. Under present law, a divorced spouse retains auxiliary benefit rights only if the divorce occurs after 20 full years of marriage. Critics of the system long have contended that this requirement was unfair, arbitrary, and unrealistic in view of societal changes.

Second, the proposal would provide a new benefit—a "working spouse's benefit". Under present law a covered worker is always eligible for a benefit based on his or her own earnings record. But if the worker also becomes entitled to an auxiliary benefit, such as a spouse's benefit, he or she is entitled, in essence, only to the higher of the two benefits available. A number of working spouses (especially wives) have found that they would have been as well off financially, as far as Social Security benefits were concerned, if they had never left the home to enter the labor force. To alleviate this problem and to provide greater recognition of the employment record of a working spouse, the proposal would make the following changes:

1. A spouse who is eligible for an auxiliary or survivor benefit, who also worked under Social Security, could receive a new "working spouse's benefit", which would be equal to (A) the larger amount due either as a spouse or as a worker, plus (B) 25 percent of the smaller of the two benefits (but in

no event greater than the maximum primary benefit).

2. Any pension or benefit based on governmental employment not covered under Social Security would be considered as a primary benefit in determining the amount of the Social Security auxiliary or survivor benefit payable. (This change is designed to remove what amounts to a "windfall" benefit in some cases under present law. For example, if a wife worked under Social Security for her entire career, she would be entitled to a primary benefit based on her own earnings record. If her husband had worked exclusively under a state employee's retirement system, he would be entitled to a pension under that system and also might be entitled to an auxiliary (spouse's) benefit based on his wife's Social Security record. Inasmuch as auxiliary and survivors benefits are based more on social adequacy (or need) than on individual equity, the "windfall" situation described above is not one which the Congress contemplated when it provided for survivors and auxiliary benefits in the first place.)

3. The proposal would end the cutoff or reduction in benefits for widows or widowers who remarry. Under the proposal, benefits would not be terminated because of a beneficiary's remarriage or marriage at any age. Under present law, for example, a widow's remarriage before age 60, or a surviving divorced wife's remarriage at any age, will prevent entitlement to benefits unless the subsequent marriage ends. A number of persons, especially those living in retirement communities, have complained that current law requires them to "live in sin" in order not to lose Social Security benefits.)

4. The proposal also would amend the Social Security Act to remove all remaining sexually discriminatory language. (Example: The terms "husband's benefit" and "wife's benefit" would be replaced by one term, "spouse's benefit."

IV. UNIVERSAL COVERAGE

Universal coverage is a natural and desirable goal of any nationwide, mandatory social insurance system. Although about nine of every 10 American workers now participate in the U.S. social security system, it is increasingly difficult to justify to the "nine" why the "one" is not covered. This is especially true in view of the impact of the Social Security payroll tax on the incomes of contributors.

Public discussion of universal coverage has taken place for many years. It has long appeared that a large majority of Americans favor it, but no action has been taken by the Congress. Many difficulties—legal and administrative—have stood in the way.

But the latest Advisory Council on Social Security stated that despite these difficulties, "it is of great importance from the standpoint of assuring good protection for all workers on an equitable basis that all jobs be compulsorily covered under social security." The Council urged the Congress to move promptly toward that goal.

A major step in that diretcion would be mandatory coverage for all Federal workers. Integration of the Civil Service Retirement and Social Security systems would be an extremely difficult task, crossing jurisdictional boundaries of major committees in both the House and Senate, and involving many complex technical problems. But integration could be achieved, in an equitable way, within one year.

Therefore, an important objective of this proposal is the immediate enactment of legislation requiring the various committees of jurisdiction to work together over the next year and produce a workable—and equitable—plan for an integrated system, to become effective no later than January 1, 1979.

An integrated system would in no way prevent the continuance of the Civil Service Retirement system as a supplement to Social Security.

V. INSURANCE AND EQUITY STRENGTHENING

To strengthen the insurance character of the system and, at the same time, to provide greater equity, the proposal also would:

1. Eliminate the earnings limitation on beneficiaries. This is probably the most unpopular provision of the Social Security Act. More bills have been introduced to abolish the limitation than to make any other change in the system. During recent public hearings before the Ways and Means Committee's Subcommittee on Social Security, repeal of the limitation was the most widely discussed item. Witnesses pointed out that the limitation enforces the under-utilization of experienced older people and also encourages retirees to adopt artificial work and pay practices. Under this proposal, the limitation would be phased out over a 3-year period, by increasing the anual exempt amount of earnings to $5,000 for 1978 and to $7,500 for 1979, and by removing it entirely for 1980 and thereafter.

2. Freeze the minimum primary benefit at its current level of $114.30 per month, but at the same time increase, now and in the future, the special minimum benefit.

Freezing the minimum primary benefit follows a recommendation of the latest Advisory Council on Social Security, and is designed to lessen, and eventually eliminate, certain "windfalls" accruing to persons who work in covered employment for very short periods of time and thus acquire rights to the relatively large minimum, which has been weighted in favor of low-income workers.

In practice, a substantial number of Federal, state, and municipal government workers, outside the Social Security system, have either "moonlighted" or retired early from their regular jobs and worked under Social Security just long enough to obtain the minimum primary benefit.

Ironically, the minimum primary benefit was not established to help those short-term workers, but to assist other workers who had labored long under the system, at low wages. Recognizing that the minimum primary benefit was not serving its basic purpose, the Congress in 1972 added a "special minimum benefit" to better take care of the workers with many years of covered service at relatively low wages.

In so doing, the Congress did not change the minimum primary benefit, which continues to be of greatest value to those who need it least. This proposal would correct that anomaly by freezing the minimum primary benefit while improving the special minimum benefit.

The special minimum is now $180 per month for workers with at least 30 years of coverage. When the $180 figure was adopted in the 1973 Social Security Amendments (effective for March 1974), it was not made subject to the automatic adjustments for changes in prices; if it had been, it would now be $219.

Under this proposal, the special minimum would be increased to $219 in January 1978 and would be subject to automatic adjustment thereafter (as are all other benefits).

3. Provide that benefits for the disabled and survivors never could be based on a primary benefit in excess of the maximum primary benefit for a worker reaching minimal retirement age of 62 in the year of death or disability.

At least partly because of the technical flaw in the automatic-adjustment-of-benefits provision (discussed above), benefits to young and middle-aged beneficiaries may be unduly large—in some cases considerably larger than those awarded to older disabled persons or retirees with much longer earning records (and therefore with greater contribution payments). This disparity in benefit levels (which would be increased if no changes are made) has long been considered inequitable in a national social insurance program. The proposal would end that disparity.

PROPOSAL FOR FINANCIAL RESTORATION AND EQUITY STRENGTHENING OF THE SOCIAL SECURITY SYSTEM

Impact on long-term OASDI Trust Funds' Deficit

Provision	*(Loss or gain) as percentage of taxable payroll*
Decoupling and wage-indexing based on pre-automatic-benefit-adjustment flaw	+4.50
Freezing regular minimum benefit and updating special minimum benefit	+0.07
Increasing the retirement age	+1.65
Limiting disability and survivor benefits to maximum retiree benefits	+0.02
Covering Federal employees	+0.10
Cutting marriage duration requirement for divorcees' eligibility from 20 to 5 years	−0.01
Removing benefit cutoff or reduction for marriage or remarriage	−0.05
Adding working spouse's benefit, with offset for other government pension	−0.45
Ending the earnings limitation	−0.20
3-stage tax increase and HI tax diversion	+2.13
Total Net Effect	7.76
Deficit under Present Law	8.20
Deficit under Proposal	−0.44

NOTE: The system is considered to be within safe actuarial bounds (sufficiently close to absolute balance) if the deficit is no greater than 0.50% of taxable payroll.

SHORT-TERM COST IMPACT OF PROPOSAL ON OASDI PROGRAM

[In billions]

Year	Contributions from Federal employees	Transfer of HI taxes	Increase in OASDI taxes	Cost of change in earnings test	Net cost effect
1978		$2.7		$0.4	+$2.3
1979	$4.0	3.0		1.6	+5.4
1980	4.2	3.2		7.0	+.4
1981	4.5	3.4		7.1	+.8
1982	4.8	1.2	$11.9	7.3	+10.6
1983	5.1	1.2	12.5	7.4	+11.4
1984	5.4	1.3	12.9	7.6	+12.0

ESTIMATED OPERATIONS OF OASDI TRUST FUNDS UNDER PROPOSAL FOR FINANCIAL RESTORATION AND EQUITY STRENGTHENING OF SYSTEM

[In billions]

Calendar year	Total income[1]	Total outgo	Net increase in funds	Funds at end of year
1977	$82.1	$87.7	−$5.6	$35.5
1978	93.5	97.7	−4.2	31.3
1979	107.6	111.3	−3.7	27.6
1980	117.6	126.5	−8.9	18.7
1981	125.8	136.5	−10.7	8.0
1982	145.0	146.4	−1.4	6.6
1983	154.6	156.4	−1.9	4.7
1984	164.6	166.4	−1.8	2.9
1985	175.3	175.8	−.5	2.4
1986	186.8	185.5	+1.3	3.7

[1] Including interest on invested assets.

Note: After 1986, trust funds balance is estimated to increase each year.

THE MINIMUM WAGE PROBLEM: A LABOR DAY PUZZLE

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. BAUMAN. Mr. Speaker, the unemployment statistics released by the Department of Labor last Monday indicate that the ranks of the jobless are again increasing. Teenagers, and especially black Americans are finding it more difficult than ever before to become gainfully employed.

The House is soon expected to consider the so-called Fair Labor Practices Amendments of 1977 which will increase the minimum wage, among other things. While the intent of its legislative champions is noble, the bill to increase the minimum wage will make it that much harder for many Americans to find jobs. Economic studies have shown that in every case, the minimum wage law gives incentive to firms to hire only the skilled, experienced employees. Firms become less willing to hire the young, the new or unskilled workers or minorities. How this problem has grown, has been described in a most perceptive article by Mr. Peter Jay, one of the chief editorial columnists for the Baltimore Sun, in its September 7 issue. I include it in the RECORD for the benefit of everyone:

A LABOR DAY PUZZLE

This holiday just past has always seemed to have more than its share of frustrating aspects.

Usually, it's hot. Usually the traffic is heavy, the drivers ill-tempered, the highway air poisonous. It is not a long weekend from which travelers return rested and recreated. It has a perverse quality, hard to put one's finger on but quite certainly there, that makes it seem something less than satisfactory as holidays go.

This has something to do with the idea that it signals a return to work. We have come to equate Labor Day with the ringing of the bell at the end of recess. It is the last chapter of summer, the end of the time of the merry shiftless crickets. Ahead lies fall, the season of the industrious and totalitarian ants.

Labor Day begins a new year, in a sense. (A perfectly reasonable sense, one might add. The year might as well start in September as January. It already does for students, and, with Rosh Hashana, for Jews. It starts in February for the Chinese and on July 1 for those who collect and spend our taxes. There isn't anything special about January 1.)

But that is a digression. We were considering Labor Day and its frustrations, many of which are connected with work. It is a time when we find ourselves thinking about labor, whether or not we do any.

A job can be a nuisance or a bore if you have one. It can be something much worse if you don't. DeWayne Wickham wrote movingly in *The Sun* the other day about the difficulties of teenagers, even honor graduates, in finding work of any kind. The problem for black teenagers, as anyone knows who reads unemployment statistics, is especially acute.

But what are we doing about it? Not much that makes sense. And the odd thing is the extent to which there is agreement about that—among Democrats and Republicans, whites and blacks, liberals and conservatives.

Tomorrow, a Senate committee will start writing a new federal minimum-wage law; a minimum-wage bill is also on the fall schedule of the House of Representatives, and there will be action on it soon. It is virtually certain to raise the minimum wage from its current $2.30 an hour to $2.65.

Unions and liberals say that's good but not enough. Business groups and conservatives say it's bad but could be worse. But everyone (including the secretary of labor) agrees that it will eliminate some lower-level jobs—exactly the sort of jobs that unskilled teenagers might fill, and thereby get a foothold on the employment ladder.

It's clear enough why this happens. Let's say Pop's Corner Garage, with its budget precariously in balance, has hired Tom Teen at the minimum wage, full time, to pump gas and go for coffee. Tom gets $18.40 for an eight-hour day, $92 a week. (He lives at home, and even after withholding he can save a little of that.)

Now comes the increase in the minimum wage, to $2.65. That means Pop will have to pay Tom $21.20 a day—an increase of $2.80 a day, or $14 a week. That may not seem like much to a congressman, who gets over $1,000 a week whether or not he shows up at work, but Pop can't afford it; he only hired Tom in the first place because he liked him and appreciated his desire to learn something about running a garage. So he tells Tom just to come in four days a week. Tom's pay, before deductions, drops to $84.80, thanks to the higher minimum wage.

The same thing happens on a large scale at Amalgamated Monolith, Inc., except that bottom-level employees there are laid off entirely. The company buys more automated equipment, pays the people who operate it higher wages, and keeps within its budget. And the distance between those who have work and those who don't grows greater.

There is a lot of well-meaning talk about how the minimum wage oughtn't to be below the poverty level. ($2.30 an hour is $4,787 a year.) The poverty level is arbitrary, of course, but call it half the median income, which is where a lot of reformers place it. The median household income in the U.S. is about $12,500. That would make the poverty level $6,250. That, in turn, works out to almost exactly $3 an hour, which is what George Meany says the minimum wage should be.

This all forgets, though, that minimum-wage employees are not, as a rule, heads of families. And it forgets the impact on the job-seeking teenager. A $3 minimum wage may show compassion on the part of Congress and Mr. Meany for the working man, but it won't help Tom Teen down at Pop's. He'll just find himself working a 30-hour week, if he's lucky, and out of work if he's not.

That, in any event, was what one laboring creature, the head of a household and holder of a union card, found himself puzzling over during the Labor Day doldrums. Some things don't add up, and the minimum wage concept is one of them.

DISTINGUISHED WISCONSINITE PASSES AWAY

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ZABLOCKI. Mr. Speaker, recently a distinguished community leader in my district, Vincent R. Shiely, passed away after an extended illness. At the time of his death he was president and chairman of the board of Briggs & Stratton Corp. of Milwaukee, Wis., the world's largest manufacturer of small gasoline engines. In 1959, he joined this progressive company as vice president and was elected to the board of directors in 1962. Shiely was a graduate of the University of Notre Dame and received a graduate degree from Harvard Business School.

While he had a successful and distinguished business career, I believe that the great services he performed in the community will be his outstanding remembrance. His association with the Wauwatosa Police and Fire Commission influenced his interest in the welfare of policemen and firemen. He was president of the Blue Coats Foundation, an organization that cares for widows and orphans of police officers killed while on duty. He was director of the Better Business Bureau of Greater Milwaukee; the Metropolitan Milwaukee Association of Commerce; a trustee of Marquette University; a board member and chairman of the lay committee of the Archdiocese of Milwaukee; and a member of the Greater Milwaukee Committee.

Vincent Shiely leaves such wonderful memories with his friends and acquaintances that I would like to insert an article from the Milwaukee Sentinel reporting his demise and his achievements in life.

To his wife Mary and the family I join with his many friends, associates and acquaintances in extending sincere condolences.

V. R. SHIELY DIES AT 56; BRIGGS & STRATTON CHIEF

Vincent R. Shiely, holder of the top three positions at the Briggs & Stratton Corp., died Monday at St. Joseph's Hospital of a malignant brain tumor.

Shiely, 56, chairman of the board, president and chief executive officer of the firm, underwent an operation for the removal of the tumor May 20.

He was released from the hospital in June but was hospitalized again last week. He would have been 57 Thursday.

JOINED IN 1959

Shiely, of 630 Honey Creek Pkwy., Wauwatosa, joined Briggs & Stratton as a vice president in 1959.

His career there was studded with promotions that saw him become a director in 1962, executive vice president in 1963, president in 1970, chief executive officer in 1972 and chairman of the board in July, 1976, when the firm employed as many as 9,000 persons in the Milwaukee area.

The firm is in the world's largest producer of single cylinder, air cooled, four cycle gasoline engines and automotive locks. In speeches, Shiely said his firm rose to the top because of its innovative product designs, cost reductions and service departments in 2,500 outlets worldwide.

BANKED ON QUALITY

Shiely, in a 1975 speech, criticized a magazine article that said his firm was "hiding its light under a basket." He said he preferred to let the quality of the firm's merchandise speak for itself.

The company and Shiely were forecasting a shortage of natural gas as early as 1973. They complained that there might not be enough energy to support the firm's growth, but their predictions also gave themselves enough time to provide for alternate fuel sources.

Shiely said he believed many firms soon would rely more heavily on electricity as a

power source, warning that Wisconsin could face an electricity shortage by 1982.

While the firm faced a financial slump and had major layoffs in 1975 due to a low demand for small engines, Shiely, who had always had his eye on future energy needs, predicted that the slump would pass soon.

At a time when many large firms have almost choked themselves with debts, Briggs & Stratton's books have remained in the black since it was listed on the New York Stock Exchange in 1929.

"He had vision and an overall view," said Frederick P. Stratton Jr., who took over the duties of president and chief executive officer while Shiely was ill.

"That's the kind of view you have to have and he certainly did," Stratton continued. "He had the ability to organize and build an organization.

"He was a very talented guy. He had an amazing memory. He knew the name of every major league baseball player that ever played the game. He knew every old vaudeville routine there was and he could do a lot of them, too," Stratton said.

Shiely was selected the sales and marketing executive of the year for 1973 by the Sales and Marketing Executives of Milwaukee. In 1972, he was given the brotherhood award of the National Conference of Christians and Jews for distinguished service to the Milwaukee area.

SERVED IN COMMUNITY

He also has been a director of the First Wisconsin Corp., Murphy Motor Freight Lines, the Better Business Bureau of Greater Milwaukee, the Metropolitan Milwaukee Association of Commerce; a trustee of Marquette University; a board member and chairman of the lay committee of the Archdiocese of Milwaukee, and a member of the board of the Greater Milwaukee Committee.

Survivors include his wife, Mary; two sons, John and Vincent Jr., both at home; four daughters, Mrs. Kenneth (Elizabeth) Petschel of Wauwatosa, Catherine of Wauwatosa, Maura of Steamboat Springs, Colo., and Judith at home; and a brother, Joseph, and two sisters, Mrs. Edward (Mercedes) Murphy and Gertrude Shiely, all of St. Paul, Minn.

CAPITAL GAINS TAX

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. JACOBS. Mr. Speaker, I propose legislation to defer capital gains tax on capital stock investment transfers from one company to another within the energy field.

The proposal emulates existing capital gains deferral when one sells a home and reinvests in another home. This procedure, sometimes called rollover, retains in the new investment the capital basis of the preceding one.

Thus, as in the case of a home, eventual liquidation of investment in energy would mean capital gains tax on any gain over the cost of the original investment.

DEFINITION

An energy company would be a corporation which researches, develops, or produces energy or the means of harnessing energy.

RATIONALE

A capital gains tax on the sale of stock in an energy company is some restraint against that sale. That is just fine if the purpose of the sale is other than reinvestment. But, if the purpose of the sale is to invest in another energy company which might have a better idea or better management, then the capital gains tax is just a fine on energy efficiency. Repeal that fine on reinvestment and literally millions of Americans will be freer to invest in better energy development.

EXAMPLES

1. Person "A" owns an investment in oil company "X" where the management has grown soft, secure in the knowledge that "A" is "locked in" and cannot get out without paying the cost of leaving—a capital gains tax.

The proposed rollover unlocks "A" to transfer the investment to oil company "Y" where the management is efficient.

Result: Everybody but OPEC—and bad mangement—gains.

2. Person "B" owns an investment in oil company "X" and not only takes a dim view of its management, but also believes that, in terms of automobile fuel, amber waves of grain are the wave of the future—20 percent grain alcohol gasoline is already being sold in Nebraska.

The proposed rollover releases captive investor "B" to act on his judgment that the energy field includes the wheat field.

The proposed rollover unlocks "B" to sell his investment in oil company "X" and within 90 days reinvest all the proceeds in what Representative Martha Keys and I call Agrilene.

Result: Everybody—including farmers with surplus grain—except OPEC—and bad management—gains.

You can't tell, if enough energy investors vote with their savings, GM might even begin building wheatmobiles.

The answer, my friend, is growing in the wind.

CONCLUSION

Thoughtful economists theorize that the stock market would produce greater efficiency in a new enterprise if rollover treatment, hence greater mobility, were given to all transfers of investments in business.

What I submit is a modest experiment for that theory in the limited laboratory of our country's energy companies.

Energy gave mobility to America. Now the time has come for America to give mobility to energy investment.

PANAMA CANAL TREATY

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. WHALEN. Mr. Speaker, the debate on the Panama Canal Treaty may well be the most crucial discussion that this Congress will undertake. The issue has received considerable attention in the press and Members just back from home need not be reminded that their constituents will be watching their actions closely. The issue is too momentous for anything other than calm, rational, and judicious debate.

It is in this spirit that I wish to direct my colleagues' attention to three articles that recently appeared in Washington area newspapers. The first, aptly titled "The Treaty Debate: Cutting Through the Rhetoric," was written by our distinguished colleague from Illinois (Mr. SIMON) and appeared in the Washington Post on August 30. It contains a convenient list of answers to most often asked constituent questions.

The second by a former Member, James Symington, is headlined "The Canal: Use, Not Territory, Is the Issue." In it, Mr. Symington discusses some of the history behind the original Panama Canal Treaty, which bears the name of his great-grandfather, Secretary of State John Hay.

The third article, by the noted columnist, William F. Buckley, is entitled "If Panama Were Led by Pericles," I urge my colleagues to take the time to peruse these perspectives on this issue.

[From the Washington Post Aug. 30, 1977]

THE TREATY DEBATE: CUTTING THROUGH THE RHETORIC

(By Paul Simon)

The headline in the Salem (Ill.) Times-Commoner reads: "Poll Indicates Salemites Oppose U.S. Giving Away Panama Canal." The sub-head reads: "Carter to Appeal to People For Giveaway Treaty."

Salem is the county seat of one of the large counties in my district, and if the question is posed in terms of "giveaway" as that newspaper posed it to the people in my district or anywhere else, the results will be the same.

But let me ask the question differently: "Do you believe this nation should follow the advice of U.S. military leaders on the only practical way to keep the canal open, a treaty with Panama?" My guess is that the answer might be different from the people of Salem.

We are not observing a movie with the villains on one side and the heroes on the other. We are making a fundamental decision about the security of the United States, and I hope enough of my colleagues in the Senate and the House—and enough of the people in the nation—will look at the hard facts, and make a decision based on them.

Here are a few questions and answers that I hope will be helpful.

What is our main interest in Panama?

It is to keep the canal open. While the canal cannot take the largest ships, it continues to be important to the United States and other nations.

Don't we have a treaty that gives us the right to stay there?

Yes, there is a treaty, but it is not one we can be proud of. As conservative columnist James J. Kilpatrick wrote the other day, it "is a matter of national shame." Panama was created as a nation (formerly part of Colombia) through a revolution with our indirect help. Fifteen days after the revolution, a French citizen seeking personal enrichment signed a treaty for Panama with the United States that gave us the Canal Zone. As a form of apology, a few years later the United States paid Colombia $25 million as a gesture of goodwill.

Interestingly, "The Great Commoner," William Jennings Bryan, who was born in Salem, Ill., and for whom the newspaper there is named, called our seizure of property in Panama "immoral." While creation of the canal was a great feat, the treaty itself is not one we can be proud of.

But even if the treaty were valid, that was more than 70 years ago, and we have to recognize that colonialism is now dead. We cannot take a strip of land through the middle of another country and expect that country to like it.

What do our top military leaders believe?

The new treaty is supported not only by the Joint Chiefs of Staff, but also both publicly and privately by all the top U.S. military people in Panama. I went there about 1½ years ago and met with Lt. Gen. McNair and all the top Army, Navy and Air Force people. I spent enough time with them to get their candid views. They feel that for us to fail to work out a treaty would invite the closing of the canal.

How many nations favor the United States' keeping the canal?

None.

The shippers have the most at stake economically. What do they favor?

The organization that represents the largest number of shippers favors a treaty. They recognize that without a treaty there may be no canal.

Doesn't Panama have a military dictatorship?

Yes it does, unfortunately. We have to deal with the facts as they are, not as we would like them to be. But it has been a stable regime. They have had fewer changes of leadership in recent years than we have.

Is there a danger that we would play into the hands of the Communists by having a treaty?

One of the persons I visited in Panama was the top Roman Catholic churchman, Archbishop Marcos McGrath. He said that nothing could play into the hands of the Communists and other extremists more than our failure to have a treaty. It is worth noting that in Panama the Communist elements now oppose the treaty. It is an interesting partnership. It is also interesting to note that the Republic of Panama does not recognize either the Soviet Union or Mainland China, and judging by that flimsy standard we are more of a "Communist" nation than it is.

Why would the canal be in danger if a treaty is not agreed to?

Earth slides now close the canal occasionally. More than 75 percent of the 13,000 people who work on the canal are Panamanians. Any one of them with a hand grenade can close the canal. The territory is tropical with terrain like Vietnam. If Monday-morning quarterbacks here believe we can keep the canal open despite the feelings of the people of Panama, they are living in a dream world. We could try, but it would mean the blood of Americans—including those from Southern Illinois—and Panamanians spilled needlessly. And the chance of success would be slim.

Why supports a treaty?

Among the supporters of a treaty are not only President Carter and former President Ford, but conservatives like Sen. Barry Goldwater (R-Ariz.) and columnist William Buckley and liberals like Sen. Hubert Humphrey (D-Minn.). There are, however, many who conscientiously oppose the treaty, and the vote in Congress probably will be close.

One final word.

Whether we like it or not, the United States is the leader of the Free World. If we take a position of refusing to give back their own land to the people of Panama by the year 2000, our effectiveness in leading the world will be hampered.

From any logical viewpoint, we should move ahead as our nation's leaders ask. But emotions are strong on this, and we will know in about six months whether the sensible answer emerges.

[From the Washington Post, Sept. 2, 1977]

THE CANAL: USE, NOT TERRITORY, IS THE ISSUE

(By James Symington)

Opponents of the new treaty with Panama have one very considerable advantage. They can win standing ovations. The best its supporters can expect to achieve is adequate reflection. It is easier to bring a crowd to its feet than to its senses.

A recurring theme of the opposition to the new treaty is that it is simply a device to advance the domestic position of the current Panamanian regime. This may well be one momentary effect of ratification, but it is most emphatically not the cause of the pressure for a new treaty. For Panamanians this is a popular cause that requires no self-seeking administration to keep it alive. It is a cause rooted in the circumstances surrounding the signing of the original treaty. That treaty was signed "for" Panama, but *against* the wishes and expectations of her true leaders of the time, by the Frenchman Phillippe Buneau-Varilla, that magnificent promoter, who exploited a nebulous commission to negotiate its terms with Secretary of State John Hay. Buneau-Varilla spent the remainder of his days in France, not in Panama.

In 1964 I met his grandson Phillippe, who was visiting in Washington. Since Secretary Hay was my great-grandfather, I suggested to Phillippe that we make a sentimental journey to Panama to see what our ancestors had wrought. "You could go," he laughed. "Me they would shoot."

Indeed, in a hurried effort to assume direct control of the negotiations, a Panamanian delegation made its way to Washington only to find on arrival that the treaty had just been signed. For a time that delegation insisted that Buneau-Varilla had exceeded his authority to act for Panama. But the resourceful Frenchman cabled the foreign minister of the fledging republic that Panama's failure to ratify would result in the suspension of America's intercession on behalf of her newly won independence from Colombia, and the likely conclusion of a canal agreement with the Bogota government. History provides few examples of formalities concluded by a newborn republic under greater duress.

Had France attempted to exact such a territorial concession from the Continental Congress on pain of removing her fleet, army and financial aid to the colonies, what would our answer have been? And had we acquiesced, how long into our nationhood would we have permitted the situation to endure? What steps would we have taken to correct it? Would they have been confined to the juridicial and diplomatic? These questions answer themselves. We would have marched, if necessary, into the disputed territory and defended the action before the world as just and proper in the light of circumstances. Perhaps we could have bought it back in the Louisiana Purchase or another transaction. The point is that our options would have been open—money or force.

Panama has never had much of either. And the difference, it may be noted, is not in principle, but in power. So a succession of Panamanian governments has asked ours to conclude a new treaty more consonant with their national dignity.

Fifteen years ago, I met with Panamanian students in Panama and later in the Alliance for Progress Charter conference in Uruguay. They asked if there might not some day be a disposition on the part of our government to return the trappings, at least, of sovereignty over the Canal Zone to Panama. They were not belligerent, but wistful. Young Central Americans, as it were, for freedom, they pointed out that the Colombian Senate had rejected a treaty that was far less onerous than the one we wrung from Panama, whose anxious government had no recourse but to placate the sentry standing watch over the birth of their nation.

Generations of young Panamanians have been preoccupied with the same concern. They need no dictators to whet their yearning. It began long before the incumbent regime took office and would continue long after its passing. Nor will the Torrijos administration, or its successors for a generation, enjoy the full benefits of the renegotiation. Those years can and should be great years of change and opportunity—change in the technology of ocean-going transport and canal construction, and an opportunity to prepare and conclude arrangements with Panama and other nations that meet the future in peace and mutual cooperation. Such arrangements would include proper provision for the rights of U.S. citizens in the Zone.

Much opportunity stands to be lost by failure to ratify. In our unfolding confrontations with other world powers, we will very much need the firm friendship and support of our sister republics in this hemisphere. Our relationships with each of them will be profoundly affected by this decision—this evidence of our willingness and our ability to make a concession that no force but the forces of conscience and reason could evoke.

Hear the words of Hay in a letter urging a senator not to slow the proceedings leading to ratification of the old treaty. The treaty, he wrote, was "very satisfactory, vastly advantageous to the United States, and we much confess, with what face we can muster, not so advantageous to Panama. . . . You and I know too well how many points there are in this treaty to which a Panamanian patriot could object."

Hay's words were prophetic. Panama's patriots did object then. They object now. If we persist in confining the expression of their objection to extra-legal activities, we can pride ourselves on a stern adherence to international law. We might even be able to prevent such activity from jeopardizing our use of the canal, albeit with some anxious moments, and at a certain cost that could make us nostalgic for the negotiated annual payments. But if our forces should prove unequal to the task of maintaining the serene use of that 50-mile waterway through a hostile land, we may lose the thing we most desire. For it is not the territory but the use that matters to us, a use that the new agreement guarantees, to the extent words on paper can guarantee anything, as effectively as the old.

Of course, there are no absolute or permanent guarantees in the uncertain course of international events, changing conditions and emerging ambitions. And history adamantly refuses to reveal its alternatives. So a nation, like an individual, must rely on its intuition and best judgment. The judgment of two Presidents, heading opposite parties, but our one nation, is that we are more likely to enjoy the secure and peaceful passage through the canal over its useful life through a prudent and generous spirit than a tenacious insistence on provisions we dictated to an infant republic. They ask for our support. They will have it, I believe, if we take to heart the lesson of a great Latin American, the immortal Benito Juárez of Mexico. "Respect for the rights of others," he wrote, "is peace."

[From the Washington Star, Sept. 8, 1977]

IF PANAMA WERE LED BY PERICLES

(By William F. Buckley, Jr.)

Seven leaders of Young Americans for Freedom, questioned on the opposition of their organization to the new Panama Canal treaty, seemed to agree on one point which, I think, will prove critical in the discussions ahead. They were asked: "If the revised treaty had resulted from an American initiative rather than a Panamanian initiative, would you alter your position on it?" Most seemed to agree they would. That is to say, that other considerations were relatively insignificant by comparison. What matters most is the symbolic act: We are being pushed around.

General Omar Torrijos figures prominently in this act of international theater. He is out of Central Casting as the Guy We Would Least Like to Do a Favor For. He is an unsmiling left-wing tyrant who has expressed admiration for such characters as Fidel

Castro and the mad Qaddafi of Libya. He is a specialist, at home, in obliterating the opposition, whom he dispatches by the neat expedient of taking their property and booting them out of the country.

If the leader of Panama were the man who serves as its President, Demetrio Lakas, rather than Torrijos the Caudillo, the situation would very likely change substantially. President Lakas was educated in Texas, speaks as idiomatically as Lyndon Johnson and almost as colorfully, and brims over with pro-Americanism and a deep distrust for Communism. Ask not why therefore he associates himself with Torrijos. That is the way in Spanish politics, and the way, if less so, in non-Spanish politics—not everybody associated with Hitler was evil.

But here is a point that ought to be considered. The protests against American occupation of the Canal Zone antedated the ascendancy of Torrijos. It is certainly true that Torrijos has continually identified himself with the anti-Canal rioting. It is not true that he instigated that rioting (in 1964 he was an insignificant military officer). Nor is it true that his own tyrannical habits and his own ideological predilections have anything to do with the feeling of the Panamanian people toward the Canal Zone. If Panama were led by Pericles, the popular fever about the Canal Zone would be unchanged; and why not?

Within a country, there are grounds for being especially strict in discouraging civil disobedience. As between countries, particularly where there is a volatile tradition, it doesn't always go that way, and we are no exception. When we felt ourselves maltreated by the British, we engaged in acts of sedition against the crown at least the equivalent of the riots engaged in by the Panamanians. American non-jingoists (and that ought to embrace all American conservatives) are required to ask themselves the question: How would we, if we were Panamanians, express ourselves in the matter of the Canal?

Now, Panamanian resentment of U.S. occupation of the Canal Zone is no more an argument for U.S. evacuation, than Cuban resentment of occupation of Guantanamo is an automatic argument for U.S. evacuation. What it is is a single factor. But it is no less a factor because that indignation brought on discussions between representatives of Panama and representatives of the United States: Yet it is this point that, above all others, Governor Ronald Reagan continues to stress.

The United States presumption should always be that we do not want to remain where we are not wanted, but will do so if considerations of national security require it. And considerations of national security not only do not require our presence in the Panama Canal under the present arrangements, they argue against our presence in the Panama Canal under the present arrangements.

The reason for that, tirelessly put forward, is that the Canal is at the margin indefensible. But the chances of defending it against sabotage are greatly increased with the cooperation of Panamanians.

We should, then, be as angry at the Panamanians who assaulted the Zone in 1964 as we are at our forefathers for harassing the British in Boston 200 years ago. There is no reason to deny others those urges we feel so strongly in ourselves. Ours must be the cool, deciding voice. But it must not be governed by petulant considerations.

A POSITIVE APPROACH FOR BUSINESS IN ENDING MANDATORY RETIREMENT

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. FINDLEY. Mr. Speaker, it is always heartening when members of the business community of this Nation and those professionals who serve them take a forward looking approach to ending mandatory retirement. A recent article in the Harvard Business Review, by University of Houston Prof. Betsy D. Gelb, advises businessmen on how to benefit from legislation that would raise the age of mandatory retirement. The article shows that with a little thought and effort a better system can evolve when American employers no longer use the lazy man's personnel policy of mandatory retirement.

Text of the article follows:

WHEN COMPULSORY RETIREMENT AT 65 IS ENDED

Sometime in the future, when Congress or the Supreme Court bans forced retirement at the age of 65, it should be no surprise. Movements on two fronts have made the overturn of this policy likely, if not inevitable.

The first front is legislative. Bills to outlaw mandatory retirement have been introduced in Congress and in three state legislatures; in all these bodies the measures have gained wide support. A former director of the Social Security Administration, Robert M. Ball, has advocated three years' postponement, by law, of the age for receiving benefits; he and others maintain that change is necessary because pensions simply cost too much. Former Treasury Secretary William E. Simon has called for raising the retirement age to avoid bankruptcy of the Social Security system.

The second front is legal. One lawsuit to overturn an age-specific retirement policy won support from the American Medical Association, which stated in its "friend of the court" brief that no evidence shows older workers to be less efficient than younger ones.

A 1974 Supreme Court decision may be a basis for a court challenge of age-specific retirement plans. In ruling that the Cleveland school district could not force a teacher to take maternity leave in a particular month of her pregnancy, the Court held that the policy amounted to "a conclusive presumption of physical incompetency [which] applies even when the medical evidence as to the individual woman's physical status might be wholly to the contrary."

If a worker is entitled to scrutiny of her capabilities before she is obliged to take maternity leave, the retirement policy implications are not hard to imagine. Arthur S. Flemming, U.S. Commissioner on Aging, asserts that a forced retirement at a set age stands "in direct conflict with our Judeo-Christian concept of the dignity and worth of each human being."

The chief justifications for obligatory retirement at a certain age are the terrible difficulty of deciding whom to retain and whom to let go, and the need to make room for younger employees. Yet it is by no means unknown for companies to overcome these arguments; few of the employees of U.S. Steel, for instance, are subject to compulsory retirement rules. Most of the employees may continue working as long as they can pass annual medical examination adjusted to the demand of their jobs.

Managers who want to prepare for a decision that appears likely, if not inevitable, face two allied questions: What would a change mean to my organization? What steps should we be taking now?

SOME CONSEQUENCES

Although the retirement age may simply be moved back, a more likely possibility is prohibition of age as a legal basis to retire someone, fail to hire, or discriminate in leave, compensation, or promotions.

How, then, will it be possible to retire an employee? In the overwhelming majority of situations, it will be possible because he or she wants to retire. Where the organization's action is challenged, it will probably be obliged to demonstrate that a worker, or all workers of a certain age, can no longer perform their duties adequately. In the laws now protecting workers between 40 and 65, discrimination is permitted only if age is a bona fide job qualification necessary to normal operation of the particular business.

Most organizations will choose to make retirement desirable. A generous and flexible pension plan sets a low "price" on giving up a salary. But price is only one consideration for the person in his or her 60s "buying" retirement. Others are:

The quality of the product—in other words, will I enjoy retirement? Influencing the answer to that question are tangibles like company sponsorship of retirement clubs with stimulating activities and intangibles like the status accorded retirees who return for visits.

The desire to discover what it's like before plunging in. The Swedish government offers workers the opportunity of tapering off work gradually between the ages of 60 and 70. Business in the United States might well initiate this policy on its own. Many women with young children want part-time school-hour jobs. A possible procedure is to employ one of them in the mornings and someone approaching retirement in the same job after noon.

When retirement is "marketed" in this way the competition is the job—its status, salary, and the feeling of usefulness it provides. When that combination of benefits outweighs the benefits of retirement in the worker's mind, that worker will retire only if the organization can force him or her to do so.

Such situations will require the organization to demonstrate that this individual or a certain age group cannot perform the duties of the job. When the required capabilities are unclear, management obviously must find out.

Once the organization has established good measures of the capabilities needed for its various jobs however, it should be able to retire some workers *earlier*. No longer must it retain employees who have lost their productivity and drive in their late 50s or early 60s, but who are kept on because today's special pressures and union contracts make it difficult to force them out.

Moreover, management may discover that in fact most of its workers in their 60s have the necessary capabilities and should stay. The result may be a significant saving in recruiting and training costs and, if the average worker continues to work until age 70 or later, a decrease in contributions to the pension fund.

FIRST STEPS

While contemplating the possible overturn of retire-at-65 policies, the organization may consider measures that can be implemented immediately. Those I am suggesting, it

should be noted, are useful even if present policies are upheld. Suggested actions are:

Look at the retirement "product" offered to workers in your organization and see how likely you would be to "buy" if you didn't have to. Then improve it. Consider part-time jobs for retired workers. Discounts on company products are another possibility, obviously more relevant for major household appliances than for, say, shoelaces.

If the organization has no retiree-relations staff, you may want one. But its performance should be measured on dimensions that matter: how many prospective employees mention that a retiree recommended your company, or how many retirees support, not oppose, a company request for a zoning variance. (Retirees have the time to go to public hearings and to back the organization they worked for—or picket it.)

Consider the merits of a gradual retirement plan: easing the shock of retirement and the chance it offers to obtain the "best four hours," perhaps, of a worker's day, whether the worker is 60 or 68.

Develop a group that builds expertise on the subject, including industrial engineers, doctors, psychologists, supervisors, union representatives, and some recently retired workers. You may have to prove in court what capabilities are required for every job in your organization. Even if such a challenge never comes, you will still benefit if capable employees can be retained beyond 65.

SOCIETAL CHANGES

Not only the organization, but the entire society in which retire-at-65 is no longer the rule will be radically changed. A few examples may indicate the range of effects:

People over 65 will have more money, whether they stay on the job or because pension plans are "sweetened" to lure them into retirement. They will become a more desirable market; the industries most likely to benefit include travel and home-maintenance services like contract lawn fertilizing and house painting.

The creation of a significantly higher proportion of part-time jobs as more employees ease into retirement will greatly spread commuting and other activities over a greater part of the day.

Retirement communities will be forced to compete with the attractions of staying on the job. Possibly many of them will choose to join the trend, rather than fight it, and locate within commuting distance of major metropolitan areas.

Obviously, the design and funding of pension plans will be not just a new ball game but a sport with a new set of rules. What will the flexible program of the future look like? It's impossible to say, but the last person who should even consider retiring at 65 these days is an actuary.

TESTIMONY BEFORE INTERNATIONAL TRADE COMMISSION ON SPECIALTY STEEL IMPORTS

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. WALSH. Mr. Speaker, I would like to share with my colleagues testimony I delivered this week before the International Trade Commission during a hearing on whether the current import quotas on specialty steel should be maintained for 2 more years or not.

Following are the reasons I gave for why the quotas should remain in effect:

TESTIMONY OF REPRESENTATIVE WILLIAM F. WALSH

Gentlemen, I am William F. Walsh. I represent the 33rd Congressional District of New York in the United States Congress, and I am here today to testify in favor of the retention of existing import quotas on specialty steels.

I have a special interest in this issue. My district includes the Crucible Specialty Metals plant in Syracuse. This facility has been one of those hard-hit by the strong import pressure that has plagued the nation's specialty steel producers. On January 16, 1976, some 1,300 persons at this plant were certified to receive trade adjustment assistance as a result of import pressure.

It is because of those workers that I am here today. And I think that it might be best for me to let one of those workers speak about his personal concerns through me.

I have here a letter to me from Anthony M. Pascarella, president of United Steelworkers Local 1277—the local whose members work at the Syracuse plant. I quote:

"As a steelworker, and president of Local 1277 of the United Steelworkers of America, I am deeply concerned over the government's consideration of loosening or removing present import restrictions on foreign specialty steels.

"As you know, the steelworkers and their union fought long and hard in conjunction with industry leaders to get import restrictions imposed. I am sure you are well aware of the fact that when import restrictions were imposed, steel importers filled their warehouses in anticipation of the government's action. Therefore, the present restrictions have not been in effect long enough to determine their impact on the steel industry or on our foreign competitors.

"My concern, however, is not basically business or industry oriented, but lies primarily with the welfare of the people I represent—the steelworkers. To us, import restrictions mean jobs and job security. The steel industry has not yet recovered from its business slump, nor returned to employment levels prevalent in 1974 and early 1975. In fact, the entire industry is still in a state of depression. It has been our hope that import quotas should be imposed long enough for concrete import agreements to be negotiated with foreign countries. This, we feel, would eliminate unfair competition which, in turn, deprives us of employment. When the steel industry suffers, so do the steelworkers. Modifying or removing present import restrictions would cause us to suffer, and not only on a short-term basis, but one with long-term ramifications affecting all of us.

"We work hard to produce a highly technical product where quality is not only desirable, it is imperative. We take a great deal of pride in our workmanship and our productivity. We do not want our jobs given to the employees of our foreign competitors.

"As our representative, and on behalf of all the members of Local Union 1277, I am requesting you to take whatever action is necessary, including direct contact with President Carter, to see to it that the jobs of the American steelworkers are protected."

This letter summarizes far more than I could the anxiety of these proud, talented Americans whose very livelihood and future is threatened by what I feel could be a premature removal of protection needed to allow their industry to recover from previous flooding of U.S. markets by imports.

As I noted, trade adjustment assistance has been granted to 1,300 persons at Mr. Pascarella's plant. Another 2,400 employees at two Allegheny Ludlum plants in Upstate New York also have been granted trade adjustment assistance, and overall, between November, 1975, and March, 1977, more than 23,000 specialty steelworkers were granted trade adjustment assistance. I think these people have a right to protest.

Why are the quotas being reconsidered after being in effect for only one year? A May 24, 1977, Wall Street Journal article reported:

"The presidential action on specialty steel is a direct response to pressure from Western European governments. Early this year, they strongly protested the quotas, which apparently were hurting the European steel industry more than anyone had anticipated."

Gentlemen, in every other country but our own, steel is a direct instrument of national policy. They want to export their potential steel unemployment to the U.S.—at the expense of potential unemployment among American workers—so that our specialty steel companies are competing against foreign governments.

A closer look at the international trade environment in specialty steel shows we are dealing with technically-oriented companies. They produce complex and "exotic metal" steel alloys which are made into key components used in the energy, chemical, automobile and the aerospace industries. They also have critical defense applications.

American specialty steelmakers are the acknowledged technological leaders—in the development of new production processes as well as in the development of new products. This fact was acknowledged by foreign representatives who testified at the first ITC hearings.

Our specialty steel industry also produces a profit domestically, but nearly every major foreign specialty steel producer in the world lost money last year—and is continuing to lose this year. British Steel Corporation, owned by the government, is losing one million dollars a day.

Our specialty steel producers must operate under laws which stimulate competition, but foreign producers do not. The Swedish government is currently promoting a program of "rationalization"—in order to reduce competition. The Japanese openly speak of cartels—and implement them. All of these practices would be illegal under American law.

Despite the current world recession, foreign specialty steel capacity has been expanding—and despite their lack of markets, foreign specialty producers have been holding their production in certain products near the record levels of 1973–74—when there was a world-wide shortage of steel.

Gentlemen, in any area you choose, our specialty steel producers can hold their own against anybody in the world—given equal terms of competition. But the terms of competition are simply not equal.

If we eliminate present specialty steel quotas, we will be subsidizing continued employment abroad at the expense of greater unemployment among our own specialty steel workers.

We will be hurting ourselves by making it impossible for a domestic industry to produce the specialty steels needed for many vital industrial and defense applications—products that foreigners will not produce for us because it is not profitable for them to do so.

We will be destroying an invaluable resource—a labor pool of highly skilled, highly motivated workers who will not be available if and when we ever need them again.

We must retain the current specialty steel quotas for their full three-year term.

We must give our producers a chance to

get on their feet and recover from the depredations of the past.

We must, while quotas exist, take those steps necessary to eliminate the unfair abuses that make quotas necessary.

We must help our American workers keep their jobs.

MIXED EMOTIONS EXHIBITED BY COUGHLIN CONSTITUENTS ON ENERGY OPTIONS

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. COUGHLIN. Mr. Speaker, in disclosing the results of my annual mail questionnaire poll, I think the views of my constituents in Pennsylvania's 13th Congressional District on some of our key energy issues are most revealing.

In short, they have displayed mixed emotions on Government regulation and industry responsibility. The results, compiled from responses before a July 31 deadline, represent their opinions before the House of Representatives passed a so-called energy bill. In many respects, their assessments of how to handle our energy dilemma reflected the conflicting and sometimes contradictory approaches in the House.

As is my custom, I also will share the results of this poll with the President and his staff.

In expressing their views on our energy situation, my constituents soundly rebuffed a gasoline tax as a means of curtailing consumption while a majority approved of a "gas-guzzler" tax.

By a 1-percent plurality, those answering approved of delaying pollution controls as proposed by automakers who feel it is needed to produce more efficient cars and trucks. They, however, by a solid majority want pollution controls delayed to permit utilities to convert to coal more quickly and at less expense.

On one hand, my constituents favor the Congress deregulating natural gas wellhead prices to try to prevent shortages, but feel that major oil companies should not be permitted to provide investment dollars for and control other energy firms.

I asked constituents specifically if they basically believe the energy crisis is a ripoff by oil and gas producers and if Government should become further involved in regulations and producing energy. By 3 percent, a plurality said "yes."

In stimulating the economy, a clear majority opposed additional job creation at this time by the Government through more spending with the resultant increase in the national debt. Of those who answered in the negative, many wrote suggestions in the space provided with the most prevalent comment relating to incentives for businesses, corporate tax reductions, and similar proposals.

Other views included curtailing foreign imports, particularly cars; ending foreign aid, and enacting a wage-price freeze.

The difficult problem of protecting the integrity of the social security fund was mirrored by the fact that one of three persons responding could not decide on replenishing the fund with general revenues from the Treasury or by raising social security taxes. The variety of responses indicated there is much confusion as to how the fund is maintained and for what purposes it is used.

In other questions, a majority of constituents answering felt our present military posture is adequate to meet our needs and present defense spending should be continued.

A split developed on the level of President Carter's "human rights" emphasis on foreign policy. While a plurality feels it poses unacceptable risks and should be modified significantly, this total was only 3 percent more than those who believe it is essentially correct and should be pursued vigorously.

A clear majority favors continuing the United States military and naval presence in strategic areas of the world such as Europe, South Korea, and the Middle East.

On the issue of tax credits for education, my constituents view aid to parents for costs of college, university, and technical school tuition differently from aid to nonpublic and parochial elementary and secondary school tuition. Seven out of 10 favor the higher education aid while a slim plurality oppose the nonpublic school aid.

The problem of congressional credibility clearly is seen by the fact that only one out of three persons felt that U.S. Representatives and U.S. Senators should be paid as much as Federal judges and executive branch employees such as the White House press secretary. Forty-three percent said they should not be paid as much.

These questionnaires, as has been my yearly practice, were mailed to every household, apartment, and boxholder in the congressional district to assure as wide a participation as possible. I also will continue my custom of mailing copies of the results to constituents.

In tabulating the responses, my staff weighted the returned questionnaires by ZIP code. This helped insure the accuracy of answers by not giving undue influence to any particular community or area. The procedure showed virtually no difference in the sentiments of constituents in the Montgomery County and Philadelphia portions of the district.

More than 12,500 individual responses were received before the deadline, an increase of some 2,000 over last year. Thousands of other responses were received after the deadline, but could not be included in the tabulation:

QUESTIONNAIRE RESULTS

1. To stimulate the economy, do you believe additional jobs should be created at this time through more government spending with a resultant increase in the national deficit?

[*In percent*]

Yes	22
No	72
Undecided	6

2. If your answer to Question 1 is "no", please explain briefly how we should create more jobs?

(Space provided for additional comments.)

3. Both President Ford and President Carter have cited the urgency of the energy crisis and proposed a number of significant changes.

A. Should Congress enact President Carter's proposed escalating gasoline tax in an effort to curtail consumption?

[*In percent*]

Yes	28
No	67
Undecided	5

B. Should Congress enact a "gas guzzler" tax on purchases of cars with low gasoline mileage and provide rebates on cars with high mileage?

[*In percent*]

Yes	53
No	43
Undecided	4

C. Should we delay pollution controls as proposed by auto makers who claim it is necessary to produce more fuel efficient cars and trucks?

[*In percent*]

Yes	47
No	46
Undecided	7

D. Should we delay pollution controls to allow utilities to convert from oil and gas to coal more quickly and at less expense?

[*In percent*]

Yes	64
No	30
Undecided	6

E. Granted there would be some increase in consumer costs, should Congress deregulate natural gas wellhead prices to try to prevent shortages?

[*In percent*]

Yes	56
No	33
Undecided	11

F. Should we allow major oil companies to provide investment dollars for and control other energy firms such as coal and nuclear?

[*In percent*]

Yes	34
No	57
Undecided	9

G. Do you believe the energy crisis is basically a rip-off by oil and gas producers and that the government should become further involved in regulating and producing energy?

[*In percent*]

Yes	42
No	49
Undecided	9

4. The Social Security System is now an insurance program into which employers and employees in their working years pay money to provide benefits later on retirement. Because of the number of elderly and the amount of benefits, the Social Security Fund is low. Should the Fund be replenished: (one only)

[*In percent*]

From Treasury's general revenues, thus making Social Security a welfare-type program	23
By increasing Social Security taxes, thus continuing the program on an insurance basis	41
Neither (specify)	36

5. With publication of conflicting reports on Soviet military strength, which best reflects your opinion of the United States' present military posture? (one only)

[*In percent*]

More than adequate to meet our needs—cut defense spending	20
Inadequate to meet our needs—increase defense spending	24

Adequate to meet our needs—maintain present defense spending ---------- 56

6. Do you think that the level of President Carter's "human rights" emphasis on foreign policy is: (one only)

[*In percent*]

Essentially correct and should be pursued vigorously	40
Posing unacceptable risks and should be modified significantly	43
Undecided	17

7. Should the United States phase out its military and naval presence in strategic areas of the world such as Europe, South Korea and the Middle East?

[*In percent*]

Yes	25
No	64
Undecided	11

8. The House of Representatives consistently has refused to permit a vote on my legislation to provide tax credits for education.

A. Do you favor legislation to grant tax credits or deductions to parents for costs of non-public and parochial elementary and secondary school tuition?

[*In percent*]

Yes	47
No	49
Undecided	4

B. Do you favor legislation to grant tax credits or deductions to parents for costs of college, university and technical school tuition?

[*In percent*]

Yes	70
No	26
Undecided	4

9. Should U.S. Representatives and U.S. Senators be paid as much as Federal judges and Executive Branch employees such as the White House press secretary?

[*In percent*]

Yes	33
No	43
Undecided	24

[*In percent*]

Party preference of those responding:	
Republican	63
Democrat	21
Non-partisan	14
Other	2

[*In percent*]

Ages of those responding:	
18 to 21	1
21 to 35	21
35 to 50	25
50 to 65	34
65 and over	19

AGE DISCRIMINATION IN EMPLOYMENT ACT AMENDMENTS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. HAWKINS. Mr. Speaker, later this month the House of Representatives will consider H.R. 5383, the Age Discrimination in Employment Act Amendments of 1977. The major provisions of the legislation include extension of the upper age limit of protection for non-Federal employees from age 65 to age 70; abolition of the upper age limit for Federal employees and clarification of the exemption for bona fide retirement and pension plans under current law to prohibit involuntary retirement at an age less than the protected age under the act.

Over the course of the past few years the courts have been divided on the interpretation of the legislative history associated with the bona fide retirement exception. The controversy centers around section 4(f)(2) of the ADEA which permits an exception by making lawful "to observe the terms of a bona fide seniority system or any bona fide employee benefit plan . . . which is not a subterfuge to evade the purpose of this act." The legislative history shows that the purpose of this exception was to encourage the hiring of older workers by permitting their employment without necessarily providing them with exactly the same pension, retirement, or insurance benefits which are afforded to younger workers. During the Senate debate, Senator YARBOROUGH, the manager of the bill, stated, "This will not deny an individual employment or prospective employment but will limit his rights to obtain full consideration of the pension, retirement or insurance plan."

Later this fall the Supreme Court will hear the McMann against United Airlines case which deals with the question of involuntary retirement prior to the age 65 under a bona fide retirement plan. Recently, the New York Times carried an article describing the circumstances surrounding McMann's suit. The article follows:

[From the New York Times, Aug. 30, 1977]

FOUR YEARS AFTER AIRLINE EMPLOYEE WAS FORCED TO RETIRE, HIS PROTEST GOES BEFORE SUPREME COURT

WASHINGTON, August 29.—It didn't seem right to Harris McMann when United Airlines, his employer for nearly three decades, insisted in 1973 that he retire.

His health was good. He enjoyed his job. He saw no reason for suddenly ending his working years. No reason except his age, 60.

Four years later, the former pilot's legal protests against what he views as simple age discrimination are at the center of a Supreme Court battle.

The nine justices will decide this winter or next spring whether Mr. McMann's rights were violated when he was forced to retire. The case may affect more than 11 million Americans who the Labor Department says are members of pension plans that require retirement before age 65.

"I've been accused of being stubborn," Mr. McMann conceded with a grin in an interview at his comfortable home in Fairfax, Va., a Washington suburb. "And I guess I am."

He said he began working for United in Chicago as a copilot in 1944 at the age of 31 and held various jobs with the company over the years, finally taking on a management post. In 1964, after previously declining to join an employee pension plan, he began thinking more about future security and signed up.

The card he signed noted that the "normal retirement age" for employees in his classification was 60. But Mr. McMann said the realization of what that meant did not hit him until about a year before his 60th birthday.

"I was enjoying good health," he said. "I was enjoying my work and wanted to continue on. I didn't really have anything particular to do."

REMEMBERS HIS FATHER'S EXPERIENCE

One thing that prodded him to fight forced retirement was the experience of his father, a banker who was required to step down at age 70.

He had been active in his work, having "contacts with people, going places and making decisions," Mr. McMann said. "Then all of a sudden this terminated and he didn't know what to do with himself.

"He wasn't a man who had a lot of hobbies. His employment was his hobby. It got to the point where he didn't have the motivation to be active. He ended up sitting at the dining room table with his head in his hands and just deteriorated."

That experience reflects findings of an American Medical Association committee report, cited in Mr. McMann's Supreme Court case. It said the mental and physical health of many people was seriously hurt by the "loss of status, lack of meaningful activity, fear of becoming dependent and isolation" that may accompany involuntary retirement. And it noted that suicides reach a peak in upper age brackets, 70 years and over, after retirement normally occurs.

Francis McBride, a 26-year-old graduate of the University of Virginia law school, became Mr. McMann's lawyer.

After exchanging letters with a company official, who ruled out an exception for Mr. McMann, the young lawyer instituted grievance proceedings. They lost, but the arbitrator, Archibald Cox, the former Watergate special prosecutor, noted that redress might be sought under the Age Discrimination in Employment Act of 1967.

The law prohibits age discrimination in hiring and dismissal of employees 40 to 65. But it also says: "It shall not be unlawful for an employer to observe the terms of any bona fide employee benefit plan such as a retirement, pension or insurance plan, which is not a subterfuge to evade the purposes of this act."

Mr. McMann filed suit in Federal District Court in Alexandria, Va., on Jan. 31, 1975, Judge Albert Bryan Jr. dismissed it after United argued that Mr. McMann was retired under a bona fide employee benefit plan of the type exempted in the law.

He went next to the United States Court of Appeals for the Fourth Circuit in Richmond, where the Labor Department filed a "friend of the court" brief supporting him. A three-judge court ruled in his favor Oct. 1, 1976, saving any pension plan that contains a provision for mandatory retirement before age 65 must be presumed "a subterfuge to evade the purposes of the act.

COURT RULED PLAN A SUBTERFUGE

But United announced its intention to appeal to the Supreme Court, and on Feb. 22 the justices agreed to review the case in the term beginning this fall.

Mr. McMann is spending the summer waiting, doing some "freelance" flight instruction and taking care of personal affairs.

He may turn 65, and be beyond the scope of the Age Discrimination Act, by the time the justices rule on his case. This means he could no longer hope to win reinstatement to his job, but he might receive instead a substantial amount of back pay to make up for lawyer's fees and the time and energy he has put into his personal "gamble" in court.

"To me, I look at it and say this is illogical, this is an injustice, this is social policy that should be done away with," he said. "This is the only way available for me to change it."

He noted that legislation was pending in Congress to give the Age Discrimination Act broader impact.

Even if he should lose in the Supreme Court, he said, he feels sure that the law and changing times will end involuntary retirement.

"I believe the time has come that people are beginning to realize that this is a form of discrimination."

AMERICOLOGY, MILWAUKEE'S PLAN FOR RESOURCE RECOVERY

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. REUSS. Mr. Speaker, during the August district work period, I had the opportunity to tour the city of Milwaukee's new resource recovery facility, Americology.

The facility is the result of an agreement signed on January 16, 1975, between the city of Milwaukee and the American Can Co., under which the company would design, construct, finance, and operate a 1,500-ton-per-day recovery facility which would process all of the city's and its surrounding area's solid waste.

The plant began operations in January of this year, and it is now processing over 60 percent of Milwaukee's waste. Presently, the facility is recycling waste into reusable ferrous and nonferrous metals, glass, and energy. In fact, Americology produces six units of energy for every unit of energy it consumes.

The plant uses a variety of equipment to isolate recoverable and recyclable materials. The refuse is first shredded, then separated in an air classifier, and then further processed through magnetic and electromechanical devices. Products recovered through these techniques will be sold by Americology for use as recycled raw materials and fuel.

On an annual basis, given the minimum 250,000-ton input which the facility will handle, the following valuable resources will be recovered for sale and reuse: Fiber fuel, 137,500 to 162,500 tons; ferrous metals, 12,500 to 17,000 tons; aluminum, 750 to 1,250 tons; paper, 7,500 to 12,500 tons; and glass aggregates, 17,500 to 25,000 tons. These levels will increase as suburban communities participate with Milwaukee in the resource recovery program. The Americology facility has the capacity to handle up to 400,000 tons of refuse per year.

The Wisconsin Electric Power Co. will use the fiber-fuel component, which constitutes up to 65 percent of the refuse, at its Oak Creek generating station, as a boiler fuel to generate electric power. The fuel is mixed with pulverized coal, and represents an energy recovery equivalent of 75,000 tons of coal per year. Eventually the city of Milwaukee will derive 15 percent of its electrical needs from the plant's refuse-derived fuel.

The new Americology unit is an alternative to the landfill method which has been used by the city. The entire cost of the facility has been borne by American Can Co. The city of Milwaukee has an option to purchase the facility and to share in the revenues from the sale of recovered products, if it chooses to do so. No change in the collection of garbage in the city is required, and the present disposal methods followed by city residents will be continued.

Resource recovery makes sense. Milwaukee's Americology plant is helping to show the way.

REMARKS ON HEW ANNOUNCEMENT CONCERNING REDUCTION IN MEDICAID PAYMENTS

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ROGERS. A number of Members of the House have indicated concern to me over the announcements made by HEW yesterday that 14 States are subject to reductions in Federal matching funds for their medicaid programs for the quarter ending June 30 because of failure to meet the utilization control requirements of the law; estimated reductions are nearly $107 million. Additionally, because the temporary postponement of earlier reductions which was enacted by the Congress as an emergency measure at the end of June goes out of effect after September 30. HEW has announced that additional reductions of nearly $141 million in Federal medicaid funds for 20 States will also go into effect.

It is unfortunate that HEW chose to notify Members of Congress about the potential reductions without noting that H.R. 3 contains a provision to deal with this problem. That bill, which has received a rule and is expected to be brought to the House floor for action in the next 10 days, not only provides for a postponement of any reductions until after December 31, but it also provides that any State which is in compliance with the requirements of the law at that point will have earlier reductions cancelled. My contacts with State medicaid officials have convinced me that most States believe this is a reasonable and just solution to the problem of the reductions that have been announced. They support a further examination of the basic requirements of the law, of course, and the Subcommittee on Health is prepared to do that. But the indications that State medicaid directors have given to me are that they do not favor many of the provisions in the administration's proposed bill, and they would prefer to have some time to develop suggested alternatives before changes in the legislation are considered. HEW continues to ignore these concerns, however, and each time they announce a reduction, they attempt to exert pressure on the Congress to act precipitously.

H.R. 3 provides us with the opportunity we need to undertake more deliberate consideration without the threat of hundreds of millions of dollars in reductions in State funds hanging over our heads. The Interstate and Foreign Commerce Committee's recommended amendments will relieve the immediate pressure on the States from the reductions, and allow them a new chance to meet the requirements of the law. As I indicated, we expect that the Members of the House will have an opportunity to act on this legislation shortly. We have requested the leadership to give priority to scheduling the bill for consideration. Furthermore, we have been working in close cooperation with Senator TALMADGE and the Finance Committee to allow a rapid conference on H.R. 3 when the House has completed action. The Finance Committee has moved ahead to mark up legislation to curb fraud and abuse in medicare and medicaid that differs only in relatively minor ways from the legislation we are recommending to the House. They expect to complete Senate action in mid-September, and we are confident that we can present a bill to the President before the reductions take effect.

CALIFORNIA ADMISSION DAY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ANDERSON of California. Mr. Speaker, September 9 is traditionally an important day in the history of the State of California. It marks the anniversary of our State's admission into the United States, and is annually celebrated as a holiday in commemoration of that event.

California has a rich and interesting history, marked by influences from several cultures which have combined to make our State unique among the other States of the Union. Prior to the arrival of European settlers, approximately 130,000 native Americans made the Golden State their home, living in the land which varies between seacoast and desert, forested mountains and fertile inland valleys.

The first European to see California was Juan Rodriguez Cabrillo, a Portuguese explorer sailing under the flag of Spain, who sailed to the Pacific coast in 1542. Although English explorers claimed the State in 1579 and Russians made claims to the area as well, Spanish interests prevailed. California's early history was marked by the establishment of a series of missions along the coast from San Diego to Sonoma, and of the growth of communities around those outposts.

After Mexico received its independence from Spain in 1822, California became a Mexican province, with its social and economic life based on the huge cattle ranches, or ranchos. The first organized group of U.S. settlers arrived in 1841, and the United States offered to buy the province from Mexico, who refused.

When the Mexican-American War broke out in 1846, the United States seized the opportunity to occupy California. For a brief period of time, American settlers declared the State independent of Mexico, and established the short-lived Bear Flag Republic as an independent nation. However, effective control was soon gained by the military, and Mexico was forced to cede California to the United States in the Treaty of Guadalupe-Hidalgo in 1848.

Less than 2 weeks before the treaty was signed, an event that changed the history of California took place—gold was discovered at John Sutter's sawmill near Coloma. The gold rush drew a huge

influx of new settlers into the State, guaranteeing its admission into the Union.

However, it did not come easy. Increasing tension between slave and free States and their representatives in Congress delayed California's admission. Finally, Henry Clay was able to effect the Compromise of 1850. On September 9 of that year, California officially became a member of the Union of the United States as a free State.

Mr. Speaker, today California stands as one of the most important States in the Union—largest in population, agriculture, and commercial fishing; second in manufacturing and lumber production; and third in land area and oil production. We are rich in natural resources, geographic variety, and scenic wonder. We also have our areas of difficulty—high unemployment, rising cost of living, and remaining injustice in many areas against our ethnic minorities.

Few States, however, have taken such determined steps to meet problems as California has done, and fewer still have met with as much success. So it is only fitting that California Admission Day be celebrated as a State holiday, recalling our rich and unique heritage while looking forward to the promises of the future.

SMALL BUSINESSMEN TO MAKE LESS THAN THEIR EMPLOYEES?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ASHBROOK. Mr. Speaker, the National Federation of Independent Business recently completed a nationwide survey regarding to effect of the proposed minimum wage bill on small businesses. According to the results of this survey, thousands of small businessmen would make less than the wages they pay their employees if the bill is enacted.

The NFIB survey indicates that as many as 15 percent of small business employers would make less than the proposed statutory minimum. A major reason for their low hourly earnings is the tremendous number of hours they put in. The survey found that as a group small business men and women average 58 hours a week on the job. Moreover, even the 58-hour figure does not include all the unpaid family help that many small businesses depend upon.

This is not the only indication of the potential adverse impact of the minimum wage bill. The survey data also shows that small business employers making about $10,000 a year stand to lose 19 percent of their earnings to comply with such a new law while those making between $10,000 and $15,000 would forfeit 12 percent of their earnings. Some others would be driven out of business while others would have to reduce their work force.

All of this points to the need for Congress to provide a small business exemption in any new minimum wage bill. Small business men and women should not have to stand helplessly by as their already small profit margins dip to zero.

For the information of my colleagues I am including the text of the press release issued by the National Federation of Independent Business.

[Press Release]

CHICAGO, August 26.—Thousands of small business people will make less than the wages they pay their employees if a proposed minimum wage increase now before Congress passes, according to a new nationwide survey of small businesses undertaken by the National Federation of Independent Business (NFIB).

The survey, released by Wilson S. Johnson, president of NFIB, a nonprofit, nonpartisan organization representing small businesses, shows as many as 15 percent of the nation's 3.5 million small business employers will make less than the proposed $2.65 minimum wage now being considered by Congress. The current minimum wage is $2.30.

Further evidence of the crippling impact of the proposed minimum wage increase can be found in survey data that indicates small employers making less than $10,000 stand to lose 19 percent of their earnings to comply with such a new law. If they make between $10,000 and $15,000, the survey shows compliance would cost them 12 percent of their earnings.

"This confirms the tragic story we at NFIB have known for too long—many small business people are being forced by the federal government to pay employees more than they themselves make," Johnson said.

Johnson said there aren't many options for small business people in Chicago and Illinois who now pay their employees a $2.30 minimum wage if the increase passes Congress. "If they can't pay the 35-cent hourly hike in wages, they must lay people off, raise prices charged the consumer, or go out of business," Johnson said.

The survey indicates that one reason why so many small business employers have low hourly earnings is the number of hours they put in. As a group, small business men and women average 58 hours a week on the job, the survey concludes.

Those 58 hours weekly don't include all the unpaid family help that many of those small firms rely upon, Johnson noted. The survey shows that one of every four small firms receives an average of 20 hours a week in unpaid help from other family members.

"Name me any other group—workers or employers—who put the kind of time in their jobs that small business families do," Johnson said. "Small business people and their families do it because it is a labor of love and they believe in the free enterprise system."

Small businesses are willing to pay their employees a reasonable wage, according to the survey. The survey indicates that more than half of the small business employees receive $4.00 or more per hour. Also, almost one half of the small business employees receive bonuses or extra compensation, the survey shows. Median wages paid small business employees is far above the minimum wage with small business employers paying new employees an average of about $3.25 hourly, according to the survey.

"Small business people employ 56 percent of the private, non-farm workforce. They realize you must pay a good wage to get good employees and those who can are more than willing to do so," Johnson said. "Minimum wage increases hurt those small business people in marginal operations and their employees who normally need more work experience before moving up to better paying jobs. It also hurts marginal employees in larger, more profitable businesses."

Teenagers represent more than one-tenth of the small business work force, the survey showed. Women, many entering the job market for the first time, hold nearly a third of all jobs in small businesses.

"The tragedy of a substantial minimum wage increase is obvious," Johnson said. "Teenage unemployment, now more than 15 percent nationwide, will increase under a new minimum wage law because many of them are marginal employees already and marginal small businesses can't afford to keep the yongsters working."

The survey did show that small businesses do need skilled manual workers and that they are willing to pay them from $3.50 to $5.75 an hour. The demand for skilled manual workers and their wage scale is more than the demand or the wages for clerical, sales or managerial personnel. The survey indicates that there is little demand today for unskilled workers in small business and the demand will diminish further with a minimum wage increase, Johnson said.

Johnson said NFIB, which represents more than 518,000 small firms nationwide, strongly opposes a minimum wage increase.

He explained that the proposed increase would send the hourly minimum wage to $2.65 in January, $2.89 in 1979 and $3.15 in 1980. The legislation also contains an index based upon the hourly wage of production workers in manufacturing which would raise the minimum wage every year automatically.

"Indexing is just another example of Congress shirking its responsibility like it did with the Postal Service," Johnson said.

FOREIGN POLICY TOWARD CHINA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. CRANE. Mr. Speaker, the Carter administration's efforts to "normalize relations" with the People's Republic of China has ignited a flow of letters to many congressional offices from persons all over the United States. Not only has my office received many letters from persons in the United States opposing the President's foreign policy toward China, but I have also received well over 100 pieces of mail from Taiwan. Although every letter was written in Chinese, they were translated and I would like to share two with you. These letters, written by Chinese who are certainly more familiar with the Communist Chinese than we are, implore the United States not to abandon Taiwan. They also appeal to our commitment to human rights and freedom. The intentions of our present administration have left them perplexed and confused, for they cannot understand how the abandonment of the Republic of China will enhance the prospects for world peace and stability.

Following are two letters to President Carter, copies of which were received in my office:

ROC CLERGYMAN WRITES CARTER

(NOTE.—One of the many letters to President Carter in protest of his movement to promote relations with the Peiping regime was written by C. C. Chen, president of the Churches Union of the Republic of China, on behalf of the union. It reads as follows.)

JULY 30, 1977.

Mr. JIMMY CARTER,
President of the United States of America, Washington, D.C.

DEAR MR. PRESIDENT: We understand that you are a dedicated Christian. We were encouraged when, at your inauguration, you quoted Micah 6:8 and made it the main theme of your address. We have prayed that God would send a strong man of God to protect all Christians from an expanding Communist tyranny. We hoped that you were such a man.

Your intention, made public in a June 30 press conference to normalize relations with the Chinese Communists is a shock and a disappointment to us. We need people who will protect us from a vicious and expanding Communism, not people who will consign us to it. You are a Christian and we are Christians. How can you betray us to our enemies? Please keep those points in mind when you pray for divine guidance.

1. Early in your presidency you, presumably on the basis of your Christian commitment, made a strong defense of freedom and human rights. The Chinese Communists have more seriously and consistently denied human rights than have the Russian Communists. Last year, on April 5, 1976, over a million people gathered in the Tien An Men square in Peiping and demanded freedom.

Only a few days ago a Chinese pilot, Fan Yuan-yen flew a Communist MIG–19 to Taiwan seeking freedom. The 800 million people on the China mainland are as devoted to freedom and human rights as you are, but their attitude toward the Chinese Communist government is very different.

2. The Chinese Communist regime has been and still is brutally anti-Christian. They have relentlessly persecuted Christians, slaughtered believers, confiscated churches, burned Bibles, expelled missionaries, closed convents, appropriated schools and hospitals, prohibited evangelism. After the "cultural revolution" Christianity became almost extinct on the Chinese mainland. In Taiwan, on the other hand, Christianity enjoys unprecedented freedom and considerable expansion.

The United States is a key nation. You are a Christian president. This makes you a symbol for Christians all over the world. How can we believe that you want to demonstrate that Christians find other Christians expendable in the chess games of international politics?

3. Communist expansion is the basic cause of instability, the main threat to world peace. Cooperating with Communist expansion expands tyranny—this is no road to peace.

4. International relations depend on agreements and treaties, and rest ultimately on the moral principle of trust. If you demonstrate that the U.S. is an untrustworthy ally, you have shamed and degraded your nation, and made continuing Communist victories easier.

If you betray Taiwan, now can Japan trust you? Without Japan the Pacific will be open to Russian penetration. Immoral actions bring tragic consequences. This is because God is just.

5. The previous administration made serious mistakes in its China policy. Yours is a new administration, trying to make a cleaner record. Why do you follow Nixon's mistakes?

6. Our late beloved President Chiang was a sincere and devout Christian. The Republic of China, like the United States of America, has devoted Christian leadership. Christians ought not be betrayed to their enemies.

7. We pray to the same God you do. We believe in the same Bible you do. Our Bible says: "Fear not, for those who are with us are more than those who are with our enemy. Jehovah is our rock. Jehovah is our strength." God ultimately will triumph. We pray that God will give you the wisdom to make choices that conform to his will, so that you as a person, and your nation, will prosper.

DR. C. C. CHEN,
President of Churches Union.

The following is a letter to President Carter from all the members of the Catholic Church in the Republic of China:

DEAR PRESIDENT CARTER: We, the National Council for Apostolate of the Laity, represent 300,000 Catholics living in the free area of the Republic of China, as well as 4 million Catholics living under oppression on the China Mainland. We send you our sincerest regards and wish you the peace of our Lord Jesus Christ.

A few months ago, through the news media, we watched with great interest and excitement your inauguration as President of the United States of America. Your stirring and impressive address, your wisdom, outlook, and moral courage filled us all with the greatest respect for you and made us feel certain that the free world had found a trustworthy and capable leader.

President Carter, that which struck us as most admirable and impressive in your address was your emphasis on the goals of "human rights" and "morality". We firmly believe that these two objectives are the only truly solid cornerstone of the United States and of the entire world.

CORDIAL RELATIONS

President Carter, the United States and the Republic of China lie on either side of the Pacific Ocean and maintain friendly and cordial relations. Our 5,000 year old system of philosophical thought and code of moral values coincide perfectly with the original objectives of the United States, as found in the Declaration on Independence: . . . all men . . . are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness." The values of morality and human rights which you stressed so clearly in your inaugural address are identical with these objectives.

Today, on the China Mainland, the Chinese Communist totalitarian regime is acting in direct contradiction to the spirit in which the United States was established, and which was so evident in your cry for justice. The United States Government is currently considering the "normalization" of relations with the Chinese Communist regime. This has caused confusion and disappointment to us and countless other advocates of justice throughout the free world.

President Carter, we realize that your goal is the pursuit of peace; but you must realize that the party with whom you are dealing is a hateful and untrustworthy disciple of totalitarian rule. Any agreement with such an entity is absolutely unreliable. The Chinese Communists are insatiable aggressors, obsessed with the sole ambition of conquering the entire world and burying for good all democratic nations. Strong and prosperous countries are their biggest enemies. To negotiate with them for peace is, as we Chinese put it, about as safe and promising as bargaining with a tiger for his hide!

Today, the China Mainland is shrouded in darkness. 60 million people have been cruelly murdered, 800 million people are living on the edge of starvation; their lives have no security, freedom is nonexistent, the human right of "the pursuit of happiness" is an empty dream for them. If one establishes relations with such a regime, at the expense of truth and justice, even a temporary peace is unlikely to result, while the future is sure to bring disaster and chaos. The current Pontiff, Pope Paul VI's statement, "While human rights are suppressed, no talk of peace is possible", is an apt summary of the present situation. You, a far-sighted and high-principled politician, can certainly, by means of healthy policies in the spirit of justice and moral courage, stop the process of "normalizing" relations with the Chinese Communist regime.

STARTLING EVENT

On July 7 of this year, a startling event occurred: A Chinese Communist air force squadron leader, Fan Yuanyen, defected from the totalitarian regime on the China Mainland and flew a MIG 19 jet fighter to the Republic of China and freedom. His first words after landing on the soil of Free China were: "Life on the (Chinese) Mainland is too hard."

This statement sums up the entire tragedy of the China Mainland.

President Carter, you who are deeply concerned about world affairs, were certainly made aware of this event. You who are continually promoting human rights and calling for justice were certainly deeply moved. Therefore, we are confident that you understand clearly that the people living on the China Mainland have rejected their totalitarian rulers. Fan Yuan-yen's statement is the clearest proof of this fact.

After hearing this proclamation by a spokesman for 800 million suffering people, you surely realized more clearly the violence and inhumanity of the Chinese Communist regime. Certainly you will quickly stop any plans to establish relations with them.

CONFIDENT

We feel confident that, because of you, the Declaration of Independence and Bill of Rights, written by the founding fathers of the United States of America, will shine throughout the world with even more brightness. Likewise, we have great hopes that because of your fortitude and incomparable moral courage, the light of truth will begin to illuminate the dark shadows which now obscure all life on the China Mainland, You, an outstanding Christian, prudent, decisive, and unwavering, supported by the great mercy, wisdom, and courage of all children of light cannot fail to conquer the children of darkness. Goodness will surely win out over evil! The cry for justice which permeated your inaugural address, and which will resound throughout the world for all time, together with your spirit of love and concern for all men, will unquestionably give great pleasure to our God above, and earn for you His most special blessing

President Carter, at a time when the whole world is on the verge of chaos, at an extremely crucial point in man's history, we beg you, do not fail to bear courageously your grave responsibility to all men, and to guide back to the proper path all those who have been misguided and deceived. This is a great and glorious mission! You must not shrink from it!

We remain, Sir,

Yours respectfully,

FRANCIS C. C. SUNG,
President, National Council of the Lay Apostolate of the Republic of China.

AMAZING NEW TREATMENT CAN SAVE HALF OF DOOMED CANCER VICTIMS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. McDONALD. Mr. Speaker, every so often there is a sensational story about yet another "miracle" cancer cure. This story does not fall in that category. This

treatment works. I have seen it with my own eyes and personally know some of the individuals involved. Originally this treatment was started in the United States, but the Food and Drug Administration in its usual club-handed manner got in the way and attempted to stop the work by imposing impossible conditions upon the work. So now it is carried on in the Bahamas. In the foreseeable future enough medical evidence will have been assembled for it to be brought back to the States and presented to all the skeptics, complete with medical records. As the article describes, miracles have and are being achieved; however, who knows what lurks in the hearts of the bureaucrats at FDA, they may yet discover a new method of blocking hope again. The article from the National Enquirer of September 13, 1977, follows:

AMAZING NEW TREATMENT CAN SAVE HALF OF DOOMED CANCER VICTIMS

A fantastic new treatment for cancer is bringing scores of doomed victims back from death's door—and amazed doctors say it could save 50 to 75 percent of the 385,000 Americans who die of cancer each year.

The treatment is simple yet devastatingly effective, say patients and their physicians. Blood serum agents are injected into the victim, and these help the body's own defenses destroy the cancer.

The method was developed by Dr. Lawrence Burton, for 15 years a cancer researcher at the prestigious Hodgkins Disease Foundation at St. Vincent's Hospital in New York. He left that post to begin testing his treatment on humans—and has had stunning success.

"Over the past 3½ years, 186 patients have been treated on my program," Dr. Burton told the Enquirer. "All but eight were terminal—they'd exhausted all conventional treatments, and had been told by their physicians that recovery was hopeless and they had a very limited time to live.

"But our most recent figures show that of these 186 patients, 114 are alive today!

"Of these surviving patients, 32 are alive less than one year after treatment, 52 are still alive one year or more after treatment, and 30 patients are still alive at least two years after treatment—and these were terminal patients when they first came to us!

"Thirty of my patients had what must be called miracle remissions—they exhibit no sign of cancer. Eighty are in regression, which means their cancer is either diminishing or completely arrested. In the other four cases, it's too soon to tell the success."

American doctors who've closely followed Dr. Burton's work are enthusiastic about the incredible results.

"This technique has the potential to be a tremendously significant addition to our anti-cancer arsenal," declared Dr. Donald Cole, chief of surgery and oncology at Whitestone General Hospital in New York.

U.S. Congressman Lawrence McDonald (D.-Ga.), a urological surgeon, said he's referred about 20 patients to Dr. Burton—and 50 percent have improved.

"This is a dramatic success rate in view of the serious condition the patients were in," noted Rep. McDonald.

"Many were terminal cases, having only a limited time to live—possibly months. But some of them have lived for nearly a year now. These patients owe their survival to Dr. Burton's technique."

Dr. John Beaty, a staff physician at Greenwich Hospital in Greenwich, Conn., sent some 20 patients—many of them terminal—to Dr. Burton. He said 17 are still alive and the cancers of 10 terminal patients are now in remission or regression.

"This is an amazing percentage of success compared even to short-term survival rates of chemotherapy and radiation," declared Dr. Beaty, a teaching assistant in clinical medicine at Columbia University's College of Physicians and Surgeons.

"All 10 (of the terminal patients) owe their very survival to Dr. Burton's treatment. When they began his program, they were declining so rapidly that they were given only a month to a few months to live. But all of them have defeated that terrible prognosis. Not only have they survived—they also show tumor shrinkage, appetite improvement, weight gain and loss of pain.

"I believe this is a breakthrough in the treatment of cancer—the single best frontier in cancer therapy today.

"It's quite reasonable to think that if Dr. Burton's treatment were widely available, we could save as many as 50 percent of the people who now die every year of cancer in this country."

The anti-cancer injections contain a combination of four agents found in every human's blood, Dr. Burton said. The agents include an antibody that destroys cancer cells, plus a substance that keeps the antibody working despite attempts by the tumor to block it.

"The cancer injection works on all kinds of cancers, no matter the site or type," Dr. Burton said.

"We've actually seen tumors begin to die within 24 hours. Some patients go home apparently free of cancer after only 10 days of daily injections!"

Dr. Burton—whose work is funded by a private foundation—first began treating patients at a clinic he set up on Long Island. Last March he opened the Immunology Researching Center in Freeport, Grand Bahamas, to get away from the U.S. Food and Drug Administration's red tape.

"The FDA required tests of us that were pointless, time-consuming, and which our nonprofit organization could never afford," he explained.

Almost all the patients Dr. Burton receives "are considered by their referring physicians to be terminal," he noted. "If we could just get to these patients sooner after the diagnosis. I think we could save as many as 75 percent of those who now die of cancer.

"And we don't know how high the success rate could go!"

Because Dr. Burton is a zoologist, the serum injections actually are administered by Dr. Frederick Weinberg, who was chief pathologist at Central Islip Psychiatric Center on Long Island from 1950–75. Dr. Weinberg told the Enquirer he was skeptical at first—but joined Dr. Burton after seeing the results of serum treatments on dying patients.

"In all my years in medicine, I've never seen any treatment that has yielded this number of dramatic remissions in this short a time," he said.

"If this approach were widely available and used in conjunction with other therapies after early diagnosis, we could save up to 70 percent of the people who die of cancer every year.

"And this immunological approach is painless and simple compared to chemotherapy and radiation."

Here are some of Dr. Burton's amazing case histories:

Leola Klise, a 67-year-old widow from Grand Rapids, Mich., was in agony from terminal cancer of the pelvis when she began treatments. But after six weeks, she said, her pain vanished—and the cancer stopped growing.

"It was just incredible!" Mrs. Klise said. "There's been a real miracle in my life."

Her physician, Dr. Thomas Finch, said: "By the time she went to Dr. Burton, her case was pretty hopeless. She'd had chemotherapy, radiation and surgery, but there was still a cancer growing in her right hip.

"But as the (serum) treatments progressed, the pain left. The before-and-after bone scans showed that while the cancer was still there, it had stopped growing. This is out of the ordinary," Dr. Finch pointed out.

"I think Dr. Burton's treatment should be looked at further."

"Ted Alexander, a school psychologist in Commack, N.Y., learned in 1974 that he had an inoperable tumor inside his skull. He said doctors gave him just four months to live—but today he's still alive.

Dr. Donald Cole of Whitestone Hospital, who had treated Alexander with chemotherapy and radiation before the psychologist underwent serum treatment, commented: "It certainly appears that this patient's improvement may be partially or even completely attributable to Dr. Burton's treatment."

Robert Beesley, a Monroe, Iowa, building contractor, underwent surgery in July of 1975 to remove a massive colon cancer.

Surgeons found the cancer had spread to his liver and lymph glands—and told his brother he had only three months to live. Beesley underwent serum injections.

"I'm alive today because of Dr. Burton's treatment—it was the answer to the prayers of my family," he said.

Added Beesley's pediatrician brother, Dr. James Beesley: "I'm astounded! I expected my brother to die. So did his doctor. But now he's been given a new life."

The incredible effectiveness of Dr. Burton's immunological approach was attested to by Dr. Antonio Rottino, director of research at the Hodgkins Disease Foundation where Dr. Burton spent 15 years.

He was able to make a tumor disintegrate within 15 minutes," recalled Or. Rottino. It was very surprising the first time I saw it, and hard to believe—but the fact is that it did occur."

"If he works with other people with more fundamental knowledge, this kind of work could point to a cure for cancer."

Dr. Carl Markwood, a Sacramento, Calif., specialist in preventive medicine who has observed Dr. Burton's work firsthand, also is convinced the researcher may be on the right track.

"I've seen dramatic cases in which patients' lives have been saved by his treatment when every other therapy had failed," said Dr. Markwood.

"From Dr. Burton's present success in controlling cancer, we think this approach could be the long-sought road toward curing cancer."

GOVERNOR REAGAN OPPOSES PANAMA CANAL TREATIES

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ASHBROOK. Mr. Speaker, anyone familiar with the continuing debate on the issue of a Panama Canal treaty knows that Gov. Ronald Reagan, California's top elected official for the past two gubernatorial terms, is no newcomer to this long-standing controversy. Yesterday he appeared before the Senate Judiciary's Subcommittee on Separation of Powers and presented his views on the proposed treaties. Touching on the various legal aspects, U.S. management of the canal, possible Soviet involvement, national security interests, Panamanian human rights and other factors involved

in this complex issue, Governor Reagan offered two alternatives for discussion in place of the proposed treaties. For those weighing the arguments on this important issue, the prudent, no-nonsense views of Governor Reagan are a must.

The text of his prepared statement before the subcommittee on September 8, follows:

TESTIMONY BY HON. RONALD REAGAN

Mr. Chairman and members of the subcommittee, thank you for inviting me to appear before you this morning to testify. You are concerned, as I am, with Constitutional and other issues arising out of the proposed Panama Canal treaties, and I appreciate this opportunity to share my views with you.

It is necessary first to comment on the Constitutional issue. Even though I am not a lawyer myself, I can appreciate the hours of research lawyers put into these matters. In reading about the Panama Canal, its history and its operation, as well as its national and international significance, I found myself spending more and more of my time studying the legal cases and opinions which bear on the Canal and our relations with Panama. There is a plentiful supply of logic and common sense in those cases and opinions.

The Executive branch argues that the President's treaty-making powers under the Constitution are enough to dispose of U.S. territory and property without any implementing legislation by the Congress; that transfers of property as specified in a treaty become self-executing once the Senate ratifies the treaty. Historically, Congress has held to a different view, though there have been enough ambiguities over the years to revive the argument with each new cause.

At a glance, the United States Constitution does seem to be ambiguous about the matter:

Article II, Section 2, Clause 2 gives the President authority to negotiate and enter into treaties.

Article VI, Section 2 declares that treaties are the supreme law of the land.

But, the Constitution also places a Congressional act and a treaty on the same footing.

Article IV, Section 3, Clause 2 grants "The Congress", meaning both houses, the power to dispose of territory and other federal property.

Treaties, of course, must not be in violation of the Constitution which grants various powers to the President, the Congress and the States. All of these, at face value, are unlimited, but in reality they are subject to the limitations imposed by other sections of the Constitution, in the form of specific prohibitions, or by the fact that the Constitution vests concurrent or exclusive power in certain units of the government.

Whether the proposed Panama Canal treaty needs implementing legislation in order to dispose of U.S. property lies in this question of "concurrent" versus "exclusive" power.

In his recent paper titled "The Treaty Power and Congressional Power in Conflict: Cession of United States Property in the Canal Zone to Panama", Kenneth Merin, Legislative Attorney of the American Law Division of the Library of Congress, makes the point that, "The Constitutional issue is not, or should not be, involvement of the House of Representatives in treaty negotiations", but ". . . whether, by virtue of Article IV, Congress exercises exclusive or concurrent power over the disposal of territory and property."

Presumably, if it could be proved that Congress' power is concurrent, the proposed Panama Canal treaties would be complete and self-executing if ratified by the Senate. If, on the other hand, the weight of the evidence is for the other view—that the Congress holds exclusive power over the disposal of territory and property—then Senate ratification is not enough. Implementing legislation by the House of Representatives would be required. I believe that careful examination of legal cases as well as historical precedent leads one to the inevitable conclusion that Congress does hold exclusive power and that implementing legislation will be needed in the case of the Panama Canal treaties.

Now, the Executive branch may cite as evidence to support *its* position the treaties we entered into in the last century with a number of Indian tribes. In these treaties we appeared to be ceding land to the tribes without requiring implementing legislation. The practice was stopped altogether more than a century ago, with the passage of the Indian Appropriations Act of 1872, but a closer look at the Indian land treaties shows they were very different from this proposal to turn over U.S. property in the Canal Zone to a foreign government.

The American Indian tribes have always had a unique relationship with the federal government and have not been considered foreign nations. When lands were turned over, the tribes were usually given "right of occupancy", with ultimate authority over the lands still to be held by the federal government. Even in cases where the treaties gave the tribes the land in fee simple, the government reserved the right of eminent domain and sometimes the right to hold veto power over transfer of the land to third parties. Neither of these reservations would apply, of course, when turning property over to a foreign nation, such as Panama.

Other arguments will be put forward to support the contention that implementing legislation is not needed in order to dispose of our property in the Canal Zone. One may have to do with treaties which involved boundary claims. The United States has entered into boundary settlement treaties several times in its history, swapping pieces of land here and there without any implementing legislation from Congress. Again, on closer examination, each settlement of a boundary dispute turns out to have been a matter of recognition of the rightness of the claim of our nation or the other one involved, and not a matter of outright cession of territory.

The case of the Ryukyu Islands might be cited, too. We turned these islands back to Japan in 1972, following ratification of a treaty without implementing legislation. In the 1951 peace treaty with Japan, however, the Japanese did not renounce their right or title to the Ryukyus, as they did to certain other pieces of territory, so that when the time came to discuss the matter further there was no serious question of ownership.

So much for the flaws in the arguments that are put forth to support the idea that the new Panama Canal treaties can be used to turn over U.S. property without special implementing legislation. The strongest evidence to support the opposite assertion is the past record of disposal of U.S. property in the Canal Zone itself.

I have read thousands of words of newspaper and magazine copy and heard many television and radio broadcasts about the Panama Canal treaty issue, but have seen or heard nothing about these cases in the news media. Yet, their significance cannot be underestimated in establishing that legislation will be required of Congress because of its exclusive power to dispose of territory and property.

Back in 1932, our government wanted to build a new legation building on land inside the Canal Zone. It is not proper, of course to build a legation on one's own territory. So, a bill was passed by Congress to authorize the Secretary of State to adjust the boundary between the Canal Zone and the Republic of Panama in order to turn the land for the legation building over to Panama.

Ten years later, the Senate debated approval by Joint Resolution of an Executive Agreement to transfer some land and property in the Canal Zone to Panama. The very question of whether this should be done by treaty—requiring only Senate ratification—or by Executive Agreement—requiring consent of both houses—was hotly debated. The measure was approved, underscoring Congress' Article IV powers.

Early the next year, 1943, the House Committee on Foreign Affairs held hearings on the land transfer in question. Its report adds weight to the argument for requiring implementing legislation in the current case. It said, "Congressional approval of the Executive commitments to Panama is sought in the form of legislation because there is involved (a) a disposition of property of the United States; and (b) an appropriation of funds, both requiring an exercise of the legislative power, independently of the treaty-making power. Article IV of the Constitution provides that "The Congress shall have power to dispose of . . . the territory or other property belonging to the United States'."

Our 1955 treaty with Panama provided for transfer of real property, stating that some would be transferred immediately and the rest with Congressional authorization. During the hearings on the treaty, however, a State Department representative testified that the legislation would be needed in order to implement the transfer of all the property in question.

A number of Supreme Court decisions over the years has reaffirmed the exclusive nature of Congress' power to dispose of territory and property under Article IV of the Constitution.

In the face of all the historical and legal evidence indicating that implementing legislation from the Congress will be necessary in the case of U.S. property in the Canal Zone, it is hard for me to believe that the Executive branch would want to circumvent the Congress' rights and responsibilities in this matter. If our foreign policy is to be fully effective, cooperation of the Congress is a vital ingredient.

OTHER FACTORS

The Constitutional issue is of great importance, but so is the security of the United States and the Western Hemisphere.

I have not yet received a copy of the treaty draft to read, but members of my staff and I have been briefed on its contents by Ambassadors Bunker and Linowitz and other members of the U.S. neogtiating team. I believe the ambassadors worked earnestly and hard under difficult circumstances and there are some commendable ideas contained in the proposed treaties. But, I also believe they have an overriding—indeed a fatal flaw. They proceed from a false premise, that we can expect reliable, impartial, trouble-free, secure operations of the Canal in the future by relinquishing the rights we acquired in the 1903 treaty.

In that treaty we acquired the rights of sovereignty over the Canal Zone, to the exclusion of the exercise of such rights by the Republic of Panama.

We did not acquire the Canal Zone as we did the Louisiana Purchase or Alaska. Many people think we did, but the fact is that the Canal Zone is unique.

It seems clear, from the language of the 1903 treaty, that the intention of our government was to acquire a firm, unshakable legal basis for building, operating and defending

the Canal. The language that says we shall act "as if we were sovereign" underscores the point, for we did not acquire the Canal Zone for the purpose of extracting minerals, tilling the soil or establishing a mercantile colony. It was a single-purpose enterprise. But, the important thing to remember is that only one nation can exert sovereign rights over a given piece of land at one time, and the 1903 treaty made it clear that we would do so in the Canal Zone and that the Republic of Panama would not.

To this day, it is those rights of sovereignty which undergird our ability to operate and defend the Canal. We cannot be kicked out summarily on the whim of some Panamanian government.

Once those rights are removed—and they will be removed immediately if the new treaties become effective—there is nothing to prevent a Panamanian regime from deciding one day to nationalize the Canal and to demand that we leave immediately. That would present us with the very thing the treaty advocates say we want to avoid; confrontation, or its alternative, unceremonious withdrawal in the face of an arbitrary demand.

For more than 60 years we have operated the Panama Canal efficiently, impartially and on a not-for-profit basis. The nations of the Western Hemisphere have come to rely on our stable presence there to make sure that their commerce would get through unhindered.

We cannot be certain, if these new treaties go into operation, that key personnel now operating the Canal will not leave a great deal sooner than expected, thus bringing into question the smooth operation of the Canal. We cannot be certain that, as the American presence withdraws from the Canal Zone, new demands for accelerated withdrawal will not be made under threat of violence. We cannot be certain that outside influences hostile to Hemispheric security will not make their presence felt much greater than before in Panama. We cannot be certain that Americans operating the Canal will not be harassed by an unstable and power-hungry dictator.

Fidel Castro, whose interest in exporting revolution is well known, has made quite a show of his friendship for the current military regime in Panama. And, just this summer, a delegation from the Soviet Union visited Panama to look into trade, investigate possible plant locations and even the possibility of opening a bank in Panama. It should never surprise us that whenever the United States withdraws its presence or its strong interest from any area, the Soviets are ready, willing and often able to exploit the situation. Can we believe that the Panama Canal is any exception?

Although the proposed second treaty would continue indefinitely beyond the expiration of the first one in the year 2000, the question must be asked, does it really provide what it says it will, which is the unilateral ability of the United States to step in to defend the Canal if its neutrality is threatened?

I believe we will make a very grave mistake if we let ourselves be inveighed into debating what the treaties do or do not say. Yes, on paper, we are told we have the right to step in—even after we have turned over control and removed our forces. But will we?

We are told by the treaty advocates, there will be unpleasantness and trouble if we don't accept these treaties. The same people then assure us we can march back in if there is trouble. But once we have said, in effect, "We don't want trouble; we'll give up the Canal," have we not also said, "If the government of Panama, encouraged by leftist allies, plays fast and loose with the treaty," we'll decide—since we are giving it up anyway—"why bother?"

I don't believe such a concern is unjustified, given the recent history of our nation. We have shown a reluctance to meet the responsibility of free world leadership, even on occasion to abandon allies.

We have been told the Canal is declining in terms of military importance and yet all but a handful of our navy ships can transit the Canal. The great bulk of material bound for our forces in Vietnam went by way of the Canal. And who can say what shape our navy will take 20 or 30 years from now? It may very well consist in this missile age of small, fast ships relying on quick accessibility from one ocean to another.

President Carter cites a statement by the Joint Chiefs of Staff that the treaty is satisfactory in terms of our defense needs. I mean no disrespect to these fine men. Yet, in a recent letter to the President, four former Chiefs of Naval Operations—now retired and, therefore, free to speak out on this issue—underscored the importance of our keeping active control of the Canal. Admirals Arleigh Burke, Thomas Moorer, Robert Carney and George Anderson said, in part, "As long as most of the world's combatant and commercial tonnage can transit through the Canal, it offers inestimable strategic advantages to the U.S., giving us maximum strength at minimum cost.

"By contrast, the Panama Canal, under control of a potential adversary, would become an immediate crucial problem and prove a serious weakness in the overall U.S. defense capability, with enormous consequences for evil."

Our continued presence at the Canal inhibits potential adventurers from trying to make international trouble there far better than would a piece of paper granting us the right to return after we had once departed.

It is no secret that the Soviet Union believes control over some 16 vital sea lane "choke points" means dominance of the world's oceans. Our presence at one of the busiest and most important of those "choke points" is a definite deterrent.

There is another factor at work which could be harmful to the security of the Hemisphere because it could further question our willingness to maintain a leadership role. Let us remember that, for much of the time, while these treaties were being negotiated, we were doing so (especially in the last two years) under repeated threats of violence. True, the threats slackened off this year, possibly because General Torrijos saw victory ahead. Some may believe the threats were a bluff, but the fact remains that we did continue to negotiate and, apparently, made concessions in the face of threats. The President seemed anxious to speed up and bring the matter to a conclusion in spite of his previous declarations that he would never relinquish effective control of the Canal.

If we accede to a treaty under such circumstances, will this mark the end of further demands? If there are, indeed, radical guerillas in Panama (as we are told) ready to blow up the Canal if we don't sign a treaty, what assurance do we have that they will be satisfied with the terms of these treaties? Already, the government-sponsored student federation in Panama has issued a manifesto supporting the treaties, but also indicating that "the struggle will continue" so long as there is any American presence at the Canal. If they should press Torrijos to ignore these treaties, would we not hear the same arguments from the same people for giving in to those new demands that we are hearing today?

Whether or not these treaties ever go into effect, we can expect trouble from leftist elements in Panama and elsewhere. Yes, failure to ratify the treaty will offer an excuse for demonstrations and riots in Panama and very possibly in the U.S. And, behind the scenes, the Russian Bear will do all it can to destabilize the security of the Hemisphere and cause a global whirlwind of unfavorable press aimed at us—not because we didn't ratify the treaty but because that is their normal procedure where we are concerned.

LATIN AMERICA

The treaty advocates say failure to ratify and implement these treaties will harm our relations with all of Latin America. Is it possible they believe they are betting on a sure thing? Historically, our Latin American neighbors have felt the need to be somewhat on guard against a United States which to them is the "Colossus of the North." A natural reaction has been to vote as a group on inter-American matters in international forums. This does not mean, however, that all Latin American nations have identical interests or think alike. As a matter of fact, a surprising number have privately expressed concern about our possible withdrawal from the Canal.

Frankly, I believe we can question not only the warnings about possible deterioration in our relations with Latin America if we don't ratify the treaty but also the glowing promises of a new era if we do.

The fact is we do not now have a coherent policy toward our Western Hemisphere neighbors. And we should because, over the next few decades, our continued prosperity, possibly even our survival will be closely linked to that of our neighbors within this Hemisphere. I do not believe these treaties are a substitute for such a policy. I do believe that the U.S. negotiating from strength and not meekly yielding legitimate rights and responsibilities out of a desire to avoid unpleasantness, can be truly helpful to the people of Panama and to all the Hemisphere.

Some of our neighbors need air we are in a position to give. With others, the need is for increased technology and trade; and with some, unhindered access to capital for needed development. Once our government recognizes that we must all sink or swim together maybe we'll stop some of our self-defeating practices. It is self-defeating to throttle a nation's ability to obtain capital because it doesn't run its internal politics precisely as we would like. It is self-defeating to keep a neighbor from buying weapons for its police force because someone in Washington sees terrorists as mere political dissidents. Thus, we encourage more terrorism and hurt a nation's chances for economic recovery.

Our neighbors in Latin America ask that we learn enough about them to have some understanding. Sometimes, their problems are similar, sometimes different but each nation is deserving of understanding.

What especially do the Panamanians want? That isn't an easy question to answer since there is no elected government, nor can we be sure a plebiscite of the people on the treaties would give an accurate answer in view of the nature of the government.

We are left with some educated guesses about the wants of the Panamanian people. Thanks in large part to the Canal, the Panamanins have the highest per-capita income in Central America and the third and fourth highest in all of Latin America. But their economy is near bankruptcy. They are plagued by inflation and unemployment while natural resources lie undeveloped.

Contrary to what has been implied about my own position, I do not believe that in rejecting these treaties we should simply demand the status quo and not seek answers to problems regarding our relations with the people of Panama.

Early in this century, we realized our dream of a waterway connecting the two great oceans. Panama, then a neglected province of Colombia, also realized a dream—to be free and independent. The two dreams were inter-related. Many in our country

thought the Canal should be in Nicaragua. The Panamanians knew their only chance to have independence and prosperity lay in the Canal being built in Panama. And so it was that Panama ratified the Hay-Bunau-Varilla Treaty months before it was ratified by our own government.

We have nothing to be ashamed of and much to be proud of. We created one of the great wonders of the world and it is doubtful any other nation could have done so. More than that, however, we have managed the Canal fairly for all nations at no profit to ourselves and with great economic benefit to Panama. Not only did we deal fairly with the governments of Panama and Colombia, we also bought every piece of privately owned land in the Canal Zone in fee simple from the individual owners. And may I point out the Canal Zone is not flanked by Berlin Walls. The people of Panama can go in and out of the Zone freely at all times.

But times change and the Panamanians have a growing feeling of nationalism. We, on the other hand, cannot weaken our ability to provide security for our nation and the entire Western Hemisphere. Can ways be found to satisfy some of their national aspirations without compromising our ability to meet security requirements?

Though I believe that the basic flaw of the proposed treaties requires that they not be ratified, there are alternatives we should examine.

Let us explore, for example, broadening participation in Canal policy making. The proposed basic treaty calls for a governing board with five U.S. and four Panamanian directors till the year 2000, when it expires. An alternative to consider would be a board comprised of a group of permanent U.S. seats, another group of permanent Panamanian seats and a third group of term seats to be rotated among Canal-using nations. Another possibility might be to have that third group made up of representatives of our neighbors, the nations of North and South and Central America. In the case of the first alternative, the international directors might be drawn from a Panama Canal Users Association to be set up at the time the plan is activated. Nations paying dues into such an association for the benefit of Canal improvements might have as one privilege discounts on tolls under a revised and increased toll system designed to operate the Canal in the black.

The proposed treaties call for an increase of the money we pay Panama annually from $2.3 million to an average income from Canal operations of as much as $80 million.[1] There is no assurance this would benefit the Panamanian people. A modernization program—the Terminal Lake Third Lock plan could definitely help the people. It would be approximately 10 years in the building and cost between one and two billion dollars. We could make certain that Panamanian workers and contractors were engaged extensively in the program which would directly benefit the people and the economy of Panama.

Such a modernization of the Canal would make it capable of handling all but a possible few Super Tankers. This could have important implications for the cost of moving Alaskan oil to Gulf Coast refineries. Then, too, increased speed of transit and general traffic would mean increased toll revenues which could further benefit Panama through a sharing formula.

These are two alternatives for discussion. I'm sure there are more available for a United States willing to do what it can for a neighbor without abdicating its own responsibility to permanently provide an open waterway for all the world's shipping and a guarantee of security for the Western Hemisphere.

HUMAN RIGHTS

In conclusion, I would like to touch on the subject of human rights. The concept of individual human freedom is deeply ingrained in us here in the United States. Though I believe the best way to help human rights flourish elsewhere is to set the best possible example in our own country, I realize that some idealists believe we should be more assertive in getting others to follow our example. Now that a high standard of sensitivity to human rights has become a cornerstone of our government's policy, I think it is not only fair but mandatory to raise the question with regards to the repressive regime in Panama with which we have been negotiating. And, I do not accept our negotiators' effort to characterize it as merely authoritarian.

Human rights criticism, public and private, has been leveled at a number of nations in the Western Hemisphere which have always been friendly toward us, yet I cannot recall a single word of criticism by any representative of our government toward Panama in this regard. Yet, Freedom House, which is recognized internationally as an impartial monitor of the status of human freedom, rates Panama as one of 67 nations in the world that is "not free." They rate 42 as "free" and 48 as "partly free." In its annual survey, Freedom House rates political rights on a scale of one to seven, with seven being least free. They rate Panama as a seven. They rate civil rights on a similar scale, and Panama receives a six.

Documents have been widely circulated in this country, with names, dates, places, and details of alleged violations of human rights by the regime in Panama. I, personally, have received a letter from a Panamanian businessman who was forced, at gunpoint, from his automobile some months ago and sent into exile because he had dissented.

Can we afford a double standard in this most fundamental of areas? I don't think so, for to do so says to the world that we are cynics, using the issue of human rights only as a tactic to produce specific political results. Worse, it may say to those who hold out hope of reduced oppression and ultimately the restoration of freedom that Americans are, when you get right down to it, hypocrites. The recent history of our negotiations with the Panamanian dictatorship does nothing to dispell such concerns. So, I leave you with this question: can we separate Canal negotiations from human rights when those rights as we know them are severely limited in Panama?

CONCLUSION

Finally, what conclusions are to be drawn about these treaties? Let me reiterate that:

The Panama Canal is vital to our security and that of the Western Hemisphere;

We provide the one sure guarantee that the commerce of the world will have continued access to this waterway;

The rights of sovereignty we hold in the Canal Zone are the foundation of our ability to remain there to operate and defend the Canal;

The proposed treaties relinquish those rights and do not provide adequate guarantees against future threats to the canal;

Alternatives should be sought which recognize the aspirations of the Panamanian people, without compromising our ability to meet security requirements.

Thus, the treaties as proposed should not be ratified. Furthermore, it seems clear from legal opinions and historical precedent that the ratification process will require implementing legislation by the Congress.

Thank you again for inviting me to appear before you.

[1] Source: Nicholas Ardito Barletta, Minister of Planning and Economic Policy, Republic of Panama, August 10, 1977 speech.

SAVING FREE ENTERPRISE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ABDNOR. Mr. Speaker, I commend to attention of my colleagues another in a series of prize winning essays from a contest sponsored annually by the South Dakota Stockgrowers Association on "How the Free Enterprise System Can Be Saved." These are the ideas of Doris Powers of rural Kimball, S. Dak., a sophomore at Kimball High School.

Her ideas follow:

HOW THE FREE ENTERPRISE SYSTEM CAN BE SAVED

(By Doris Powers)

Yes, the free enterprise system is our way of life. It is an economic system that is second to none and the envy of the world. It is an economic system that has given us the highest standard of living of any country in the world. However, like anything that is great, it is not perfect. Therefore, one must ask the question how can the free enterprise system be saved?

I would like to reflect on some of the critical issues which are now threatening our free enterprise system. Issues that must be decided if we are to preserve the freedom that our ancestors fought for over 200 years. The decisions that must be reached by our Congress in the near future on these critical issues are—whether a free economy and private institutions that are a necessary part of a free economy to survive; or whether it will be replaced by government controlled economy and usurped federal bureaucracies until free enterprise is eliminated in our nation.

These trends of government controls and the federal bureaucracies must be reversed if we are to save our free enterprise system. We cannot continue to cripple our private sector in the manner that the legislative bodies of this nation have been doing in recent years unless we want our free economy destroyed. The question is will our Congress change its present direction which will destroy our free enterprise system? The only way that Congress is going to reverse its present trend is by the outcry of their constituents, that is you and me.

Now let's look at some serious problems facing us—let's get to the facts behind the problems—let's see the causes so we can determine what must be done. The solutions will not be easy but we can take the proper course to correct the problems.

When trying to solve our national problems we must consider world conditions and problems. Our world population is estimated at four billion people and growing rapidly. In the next twenty-five years the world population will almost double again. About one-third of the present population live with the highest standard of living while the remaining two-thirds live as their ancestors have lived for generation after generation in fuedal misery. This large proportion of population living in what we call underdeveloped countries creates a truly explosive situation.

Food production is another supply problem facing us in the future. We are fortunate that our country is blessed with the most productive agricultural economy in the world. The present and continued population explosion of the world with knowledge of starvation in large portions of the world's population poses some critical issues to be solved.

We are all aware of the energy supply

problem which is front page news. Are you aware of the growing shortages in other important material in our economy—materials such as steel, iron ore, aluminum, copper, chromium, nickle, timber and phosphates?

We are all aware of OPEC and its effects on the industrialized nations. But are you aware of countries considering similar cartels? Many countries having materials such as iron ore, bauxite, copper, mercury, and phosphates are busy organizing their own cartels patterned after OPEC. These developing countries want a better way of life and they visualize raw material cartels like OPEC as their weapon to get a chunk of the standard of living that has been achieved by the industrial world.

Let's look at some of our domestic problems and their solutions. Inflation is one of these problems. The old saying, "You can't take it with you" does not hold water today, because it's already gone before you are.

When you aren't buying something new, you are saving money. If a lot of people aren't buying now—You have a recession on top of inflation.

Recession and inflation are very much related and no long run solutions can ignore either problem. Both must be solved if we are to have a sound economy. Let's look at the underlying factors which accelerate these two problems.

There is one cause of inflation in our country as well as two other factors of somewhat lesser importance. The major cause is our continuing long-term deficits in our Federal Budget. In the last ten years the Federal Government has borrowed over 245 billion dollars to cover deficits in the Federal Budget which has increased the inflationary pressures on all of us.

In other words, only Congress can turn off inflation by living within a balanced budget and not a deficit one. We think of inflation in terms of rising prices, but to understand inflation properly and to get it under control, we have to understand that inflation is really manifested in a decrease in the value of money.

Inflation is caused by political figures who vote to spend more than they vote to raise through taxation. It is a good way to get elected but the consequences on the American economy are catastrophic. Inflation is a social disease caused by political excesses and like most social diseases, those who cause it are reluctant to admit it.

Our antitrust laws are built-in protection to safeguard our free enterprise system. But there are two extremely important areas of our national economy where our antitrust laws have no jurisdiction and these are two supporting causes of inflation.

The first area is our nation's labor laws which exempt unions from the requirements of our anti-monopoly legislation, even though the cost of labor is between 75 and 90 percent of the price of all goods and services produced in the U.S.A. For example, it is criminal under our laws for General Motors, Ford and Chrysler to join together to force up the prices of automobiles but it is perfectly legal for employees of these three companies to join together to do the same thing and they have been in the habit of doing this every three years. This type of inflation will never be corrected until our elected representatives in Congress are willing to squarely face this problem.

Another area untouched by our antitrust laws is the cartels being organized in other countries beyond the reach of our laws. The impact of the oil cartel has been substantial and threatens to get worse.

The other major economic problem facing our economy is recession. We must determine what has caused a slow down in our economy and what needs to be done to get our economy going again. The single most important thing to do is in restoring the health of our economy is to put the word "profit" back in our vocabulary as a description of an essential, respected and absolutely vital component of national economy.

In the last 25 years we have witnessed a steady decline in the share of our national income that has been earned as profit. The tragic performance by some of our political leaders attacking the profits of individuals and companies for their own political gains. Companies and individuals all must show a profit if they are to exist and to invest capital back in our economy to create new jobs, expansion and modernization.

If we want to have a healthy economy in our free enterprise system we must solve these problems.

First, we have the highest rate of taxation on capital gains of any country in the world and the lowest rate of investment in the private sector of any of the free market industrial countries.

Second, the appetite of the Federal government for more and more funds to finance its monstrous deficits have monopolized a giant share of the credit available in the nation.

Third, scarcely a year goes by without the Congress passing legislation to establish another new massive Federal Regulatory Agency; and very few State Legislatures can resist the same temptation!

Fourth, tax structure and policy of our nation is another reason that is putting the brakes on our economic progress. Our political leaders have for years adopted a philosophy of holding down taxes by the low and medium income taxpayer and making it up by charging high taxes to corporations and higher income individuals.

These are some of the problems that need to be addressed to get our economy moving again, to preserve our private sector, to enable private enterprise to fulfill its traditional role in our society.

The situation is serious and make no mistake about it. If the private sector is unable to raise the capital necessary for expansion and modernization to provide the goods and services the American people need and desire—then government will be called upon to provide capital and own the facilities. When government owns the means of production, you are well down the road that Karl Marx proposed some years ago.

MAKING THE RUSSIANS SEEM 10 FEET TALL

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. JOHNSON of Colorado. Mr. Speaker, the current effort to rekindle the cold war by those who measure patriotism in terms of how much blood and treasure can be expended, and equate love of country with bombast and militarism, is becoming more and more tiresome. Those of us who know better must not let the noisy fearmongers get too far ahead in their public relations campaign, lest we find that policy follows demagoguery in lock step.

Recently, Mr. Fred W. Neal wrote an article for the Washington Star entitled, "Making the Russians seem ten feet tall." It is clear and to the point. I recommend it to my colleagues and to those who read the CONGRESSIONAL RECORD as a concise and objective analysis on a subject that rarely receives rational treatment:

MAKING THE RUSSIANS SEEM 10 FEET TALL

(By Fred Warner Neal)

Harvard historian Richard Pipes has joined those Americans who General Eisenhower once described as prone to believe all Russians are ten feet tall.

Pipes' name became well known as chairman of Team B, which discredited the CIA estimate of Soviet strategic objectives. He has captured press attention in recent articles by informing all who can read "why the Soviet Union thinks it could fight and win a nuclear war." (*Commentary*, July 1977; *Washington Post*, July 3; *Washington Star*, July 24). He deserves an answer.

Prof. Pipes' position is typical of those who believe Soviet military writers enunciate communist gospel. Of course, leading Soviet military figures write about the necessity for the Soviet armed forces to be able to fight and win a nuclear war. Any military figure in any nation who didn't believe his country's armed forces must be able to fight and win any kind of war ought to be fired.

The armed forces are important in the Soviet Union, but they, as all else in the U.S.S.R., are and always have been subordinate to political rule by the civilians in the Communist party. We would have much to concern us if the Soviet Union were a military dictatorship, which it is not.

The official position of the party on nuclear war is clear and absolute, as enunciated and refined over a period of 20 years. It is that a nuclear war must be avoided at all costs. Soviet civilian leaders and their scientists know a nuclear war would destroy them as well as the hopes of the Soviet Communists for achieving a Communist world.

How, then, does one explain statements emanating from the Soviet military establishment? It is not difficult. Soviet military leaders think in heavy-handed, traditional military terms, often out of touch with reality postulated by their own scientists. For all their claims of being able to fight and win a nuclear war, they do not—at least publicly—face up to what such a war would mean; consequently they do not tell us how they would "win" or what "winning" would mean.

Furthermore, Soviet military leaders even more than civilians have a distrust of "the imperialists," even deeper than our distrust of Communists. They are not persuaded that the United States would never launch a first strike against them. Also, there is a consummate fear of the "German threat" which cost 20 million Russian dead in WW II. And, additionally, the Soviet Union sees threats not only from the West, but also from China.

Professor Pipes takes exception to The Star's reference to his "mind-set." It is an essential and valid point which The Star makes. It is the "mind-set" of the Cold War. I know of no way in which reason, facts or anything else can influence people who have this mind set. It is not to question either their motives or their intelligence to say that they are bound by an ideological view as rigid as that which binds the Soviet leadership. And this inevitably distorts the way they look at things and the deductions they draw from what they think they see.

Professor Pipes is a member of an organization known as the Committee on the Present Danger—the present danger being that of Soviet military aggression. More than 25 years ago I worked as an assistant to president James B. Conant of Harvard and to former Undersecretary of the Army Tracy Voorhees, who headed a group also known as the

Committee on the Present Danger. The "present danger" then, too, was Soviet military aggression.

What did the Committee on the Present Danger in the 1950s see as evidence? They cited Soviet ideology as demanding Soviet world domination; the war in Korea as a step toward achieving it; Moscow's insistence on developing nuclear weapons as preparation for an attack; and Soviet policy toward Germany as an effort to take over Western Europe.

These fears proved to be without foundation. Nevertheless, they led the United States into a vast military expansion, introducing nuclear submarines, seeing a missile gap where there was none, refusing a comprehensive test ban and introducing MIRV to overcome a nonexistent ABM. Most of these American policies were ill-advised and in fact left us with less security than formerly.

In short, the deductions were faulty. They resulted from a "mind-set." It should give us pause to think.